

**THE AGRICULTURAL FOUNDATION OF
CALIFORNIA STATE UNIVERSITY, FRESNO
Procurement Policy**

The purpose of this policy is to provide guidelines for ensuring good sound business practices when purchasing items that support facilities and operating needs for the various enterprise units that comprise the Agricultural Foundation. The Agricultural Foundation is committed to obtaining competitive pricing, when practical, in order to ensure that fiscal resources are being procured in the most cost efficient manner.

POLICY

1. Purchases shall be made in a manner which supports and facilitates a competitive pricing process based upon cost, quality, service, and product availability.
2. Purchases shall follow what is customary in the market place for a particular commodity or product and be consummated in such a manner so as to constitute a reasonably prudent documented business transaction.
3. Recycled products shall be considered whenever such products are available at no additional cost.
4. Volume purchases and annual purchase agreements shall be utilized when deemed to be advantageous.
5. Purchases from Agricultural Foundation employees, CSU staff or faculty of items for resale are not allowed.
6. In accordance with the Agricultural Foundation's Code of Conduct, no Agricultural Foundation Board member, employee, or CSU employee by virtue of their position, will personally derive any benefit, gain or receive preferential treatment from the use of Agricultural Foundation resources (i.e. facilities, equipment, supplies, services). If an issue arises that could create a potential Conflict of Interest, contact Auxiliary Staff Counsel or the Executive Director so that any resolution is handled appropriately.
7. If either Agricultural Foundation or University employees fail to follow these policy requirements, they may be assuming a personal liability for payment to the vendor and could be subject to applicable disciplinary action.

POLICY REQUIREMENTS BY EXPENSE CATEGORY

1. Supplies and Services:

- a. Purchases under \$5,000 - Such purchases shall be accomplished in a manner customary to the market place using sound business practices. Multiple price quotes are strongly recommended.
- b. Purchases greater than \$5,000 – Written price quotes must be obtained from at least three (3) vendors. Attach price quotes to the Payment Authorization Form and request issuance of a Purchase Order, if applicable. If written quotes are not available, the Unit Enterprise Manager should document the verbal price quote by including the date, vendor name, contact information, and price quote and attach such documentation.

2. Equipment:

- a. All equipment purchases greater than \$5,000 if not included in the approved annual budget require prior approval by the Board of Directors.
- b. The purchase of computer hardware and software for Agricultural Foundation operations shall be compatible with campus computing standards and approved by Campus Technology Services staff in advance of purchase.

3. Feed Purchases (Hay, Grain, etc.):

In accordance with Section 1b. above, it is recommended that (open) purchase orders be created on a fiscal year basis for routine monthly expenses from the same vendor. These purchase orders would be retained (not issued to vendor) in the Ag Foundation Accounting Office and the unit enterprise manager needs to ensure that the PO number is referenced on the invoice for payment (no payment authorization is required). This will ensure annual competitive pricing in accordance with required feed quality and nutrition levels for each enterprise unit.

4. Consulting Services such as a PCA (Pest Control Advisor) which includes recommendations and implementation of herbicide and pesticide requirements require sole source justification for any amounts in excess of \$20,000.

SOLE SOURCE REQUIREMENTS:

Sole source purchases with a value of \$5,000 to \$20,000 will require a written justification and approval by the Program Leader or the Director of Agricultural Operations.

Sole source purchases greater than \$20,000 require the additional approval by the Executive Director. The written justification should include:

- a. Unique performance factors of the products specified,
- b. Why these factors are required, and
- c. What other products have been evaluated and rejected, and why.

IMPLEMENTATION

The Auxiliary Controller and/or Executive Director are charged with the responsibility of implementing this policy.