
UCLA Policy 740: Purchasing Goods and Services

Issuing Officer: Associate Vice Chancellor, Business & Financial Services

Responsible Dept: Procurement

Effective Date: April 27, 1999

Supersedes: UCLA Policy 740, dated 1/4/1982

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I. REFERENCES

1. Standing Order 100.4(cc) of the Regents of the University of California;
2. Guidelines for Campus and System-wide Administration Acquisitions Involving Computing, 6/21/76;
3. UC Business and Finance Bulletin BUS-4, University Commodity Codes for Equipment and Supplies;
4. UC Business and Finance Bulletin BUS-29, Management and Control of University Equipment;
5. UC Business and Finance Bulletin BUS-34, Securing the Services of Independent Consultants;
6. UC Business and Finance Bulletin BUS-43, Materiel Management;
Note: The following Business and Finance Bulletins were incorporated in BUS-43: BUS-3, -5, -10, -11, -14, -16, -18, -33, -42, -48, -51, -57, -58, -61, and -66;
7. UC Business and Finance Bulletin BUS-50, Materiel Management: Acquisition and Use of Narcotics and Dangerous Drugs;
8. UC Business and Finance Bulletin BUS-56, Materiel Management: Purchases from Entities Violating State or Federal Water or Air Pollution Laws;
9. UC Business and Finance Bulletin BUS-63, Insurance Requirements/Certificates of Insurance;
10. UC Business and Finance Bulletin BUS-77, Independent Contractor Guidelines;
11. UCLA Policy 742, Acquisition of Works of Art, Antiquities and Artifacts;
12. UCLA Procedure 740.1, Low-Value Purchases.

II. BACKGROUND

This policy describes campus approval authorities, responsibilities, and restrictions for the purchase of goods and services. General policy guidelines and procedures for limited, low-value items under \$2,500 are described in UCLA Procedure 740.1. Several special categories of purchases are described in Attachment A and Attachment B.

III. STATEMENT

Campus Purchase Authorization

On June 11, 1998, the President authorized Chancellors and Laboratory Directors to continue the practice of having Materiel Managers under their jurisdiction execute purchase contracts and standard purchase orders for goods and services to be supplied to the University provided that:

- The purchase contracts, subcontracts, or standard purchase order are issued in accordance with University policy and with procedures specified in the Business and Finance Bulletin;
- Funds are available;
- If required, approval of the contracting agency is secured; and,
- Prior approval is obtained from the Treasurer of The Regents for any acquisition or lease/purchase which contemplates or will result in the issuance of Certificates of Participation in order to provide funding for the transaction.

At UCLA, the designated campus Materiel Manager is the Procurement Director.

Purchases of \$500,000 and Over

Purchase contracts and standard purchase orders for goods and services of \$500,000 and over are referred to the Administrative Vice Chancellor for approvals.

Low-Value Purchase Authorization (for Non-restricted Goods and Services)

This authorization may be granted in writing by the Procurement Director to individuals in departments outside the Procurement organization. Each such delegation must contain written procedures adequate to ensure observance of good business practices and compliance with University purchasing policy. Refer to UCLA Procedure 740.1.

IV. RESPONSIBILITIES

A. The Procurement Director is responsible for:

1. Providing a centralized organization and facilities for the acquisition of goods and services.
2. Delegating the appropriate purchasing authority to buyers and contract administrators within the Procurement organization.
3. Determining the prequalification of suppliers (BUS-43, Part 3, III.C). Prequalification requirements are developed for categories of purchases or for a given transaction commensurate with the complexity, cost, risk and item availability.
4. Obtaining competitive bids (price quotations or proposals) for any transaction expected to involve an expenditure of \$50,000 or more for goods or services (BUS-43, Part 3, III.D). Exceptions to this requirement may be available for unique products, sole source, or emergency conditions. Competition sought by other than the Procurement Director or designee does not satisfy this requirement.
5. Soliciting suppliers' interest with requests for quotation (RFQ), requests for proposal (RFP) and requests for information (RFI). These documents are known as solicitations.
6. Processing quotations or proposals received (BUS-43, Part 3, III.E). Bids must be received in the Procurement Director's Office not later than the time and date specified in the solicitation.

7. Negotiating with suppliers (BUS-43, Part 3, III.F). Negotiations are limited to a narrow realm of situations, and are conducted by Procurement buyers and contract administrators with the vendor(s) on a fair and equitable basis.
8. Determining awards which are to be made to the lowest responsible bidder whose quotation is responsive and results in a reasonable price (BUS-43, Part 3, III.F).
9. Insuring purchase awards and contracts are in compliance with University policies and all applicable extramural requirements.
10. Documenting procurements (BUS-43, Part 3, III.G). Purchase contracts are normally written on a University **Purchase Order** form utilizing standard terms and conditions of purchases. Records of solicitations, analysis, and award are maintained which substantiate compliance with University policies.
11. Releasing award information (BUS-43, Part 3, VII). After an award has been made, any individual or firm is entitled to information relating to a purchase transaction. Requests for such information are to be directed to the Procurement Director or designee. Users are cautioned not to discuss bid or award information.
12. Auditing low-value purchases (BUS-43, Part 3, IX). Guidelines for low-value purchase authorizations are presented in UCLA Procedure 740.I. All purchases made under the low-value delegation are subject to audit.
13. Administering commodity contracts, auditing vendor performance and compliance with contract terms.
14. Administering the Planned Purchasing Program which seeks to satisfy large scale requirements of the University through University-wide supply agreements (BUS-43, Part 4). These agreements generally provide better pricing, delivery and/or quality. Purchases from supply agreement sources may be made directly by users at the discretion of the responsible Procurement buyer..
15. Ensuring compliance with UC Purchasing and Public Policy through which the University expands opportunities for underrepresented enterprises to conduct business with the University (BUS-43, Part 5).
16. Instituting programs to deal with standardization, value and cost analysis.
17. Developing and maintaining written procedures and controls to implement University purchasing policies.
18. Assisting all departments in obtaining information and prices as well as advising on methods of procurement to meet user requirements.
19. Contacting vendors with regard to demonstrations, purchase order conditions, return of goods, credits and other procurement functions.

B. Department Administrators and Principal Investigators are responsible for:

1. Submitting Purchase Requisitions with appropriate **specifications and descriptions** sufficient to secure the class of goods or services requested.
2. Providing **reasonable lead time** for the purchase of the requested items or services.
3. Ensuring that **equipment screening procedures** have been completed.
4. Providing **justification**, when requesting that a procurement be non-competitive, which will permit evaluation and determination by the Procurement Director or designee that a brand or trade name article, thing, or product, or proprietary service is unique, available only from a sole source, or is designated to match or interlink with others used in or furnished to a particular installation, facility or location.
5. Assuring that the **other approvals for purchases** (in Attachment B) have been satisfied and that requisitions are submitted to the Procurement Department for competitive

bidding prior to a commitment. (Contact with vendors may be made to gain technical information. Bids requested or obtained by departments in connection with these requisitions are not acceptable.)

6. Assuring that appropriate **funds are available** before submitting a requisition.
7. Assuring that requests for procurement against contract or grant funds are submitted well in advance of the fund's expiration date.
8. Normally, requisitions may not be submitted for purchases against contract or grant funds after **deadline dates** which are: 90 days prior to the final expiration date of the contract or grant for equipment items, and 30 days prior to such date for supply items.
9. Requests for **exceptions** to the above submission deadlines must be directed in writing to the UCLA Office of Sponsored Research for review and approval.
10. Assuring that any **dollar or percentage limitations** on total equipment expenditures set forth in applicable contract provisions or grant policies will not be exceeded in submitting requests for procurement. If such limitations will be exceeded, prior approval in writing must be obtained from the funding agency and the Office of Sponsored Research.
11. Assuring that, in the requisitioning of either general purpose equipment or permanent research equipment with an acquisition cost in excess of limitations set forth in the applicable contract provisions or grant policies, such equipment: (a) is **listed in the approved budget** for the project, or (b) **has been approved in writing by** the funding agency and the Office of Sponsored Research.

V. RESTRICTIONS

Conflict of Interest

Procurement of goods or services from employees or their near relatives or in circumstances in which either or both of them know, or have reason to know, they have a financial interest, is contrary to University policy. Exceptions are considered only after submission of a Report of Purchasing Transactions Involving Possible Conflict of Interest, (BUS-43, Part 7).

Note: Near relative is defined as husband, wife, mother, father, daughter, son, sister, brother, and step relatives and in-laws in the same relationships.

Prohibited Items

University policy limits the procurement of certain items as described in Attachment A.

Items Requiring Special Approvals

Items that must be approved by designated Campus Administrative officers are shown in Attachment B.

Single Source Items

Any single source (non-competitive) procurement request must be accompanied by a justification that includes a statement that the equipment or service will result in maximum benefit to the campus as compared with all others available on the market.

Postal Materials and Services

All mailing and purchase of stamps, postcards and similar materials are to be handled through the Campus Mail Service.

Personal Purchases

No personal purchases will be made in the name of the University or with University controlled funds.

Acceptable Quotations and Proposals

Only responses to requests for quotations solicited by the Procurement Department can be regarded as meeting requirements for competition in purchasing.

Release of Award Information

Any request for information should be referred to the Procurement Director.

Purchases Without Delegated Authority

These are orders placed by UCLA employees without delegated purchasing authority and submitted to the Procurement organization **after the fact** of purchase. That authority is limited to Procurement organization buyers and contract administrators to assure compliance with federal and state law, University policy, and prudent business and financial practices. An individual who has not been delegated purchasing authority who makes an unauthorized purchase of goods or services shall be responsible for payment of the charges incurred. (BUS-43, Part 3, Section 8).

VI. ATTACHMENTS

A. Items Not to be Purchased with University Controlled Funds

B. Items That Must be Approved by Designated Campus Administrative Unit or Officers

See <https://www.purchasing.ucla.edu/purchasing/purchasing-methods/purchase-order-low-value-order-restrictions> for both lists.

Issuing Officer

/s/ Sam J. Morabito

**Associate Vice Chancellor, Business &
Financial Services**

**Questions concerning this policy or procedure should be referred to
the Responsible Department listed at the top of this document.**
