

# UCSC Procurement and Business Contracts

## Basic Procurement Guidelines and Reminders

Procurement & Business Contracts (P&BC) purchasing authority is contingent upon strict adherence to various state, UCOP, and campus procurement regulations. The procurement policies we follow ensure our compliance to these regulations and that the University is receiving the best procurement value for its money. It is important that you understand and comply with these policies when obtaining products and services for your department. These policies apply to **all funds** administered through the University, **regardless of source**. It is our expectation that staff and faculty will review and follow the following guidelines.

**After the Fact Requisitions:** Requisitions submitted to Purchasing **after** the order has been placed with the vendor or **after** the University has received the products or services are called **After the Fact** orders. ATF orders are considered **unauthorized purchases** ([purchasing.ucsc.edu/howto/unauthorizedpurchases.html](http://purchasing.ucsc.edu/howto/unauthorizedpurchases.html)). There are several potential problems associated with ATF orders; such as the receipt of duplicate shipments, violations of legal requirements, the issuance of multiple payments, missed discounts, delays in settlements, lost items, and unidentified invoices. Any faculty or staff member who buys products or services without following the proper process assumes the possibility of personal liability for payment.

**Authority to Contract:** You must have specific authority to obligate the University to pay for goods and services. University departments have been delegated the authority to purchase only those products and services that qualify for the Pro-card ([purchasing.ucsc.edu/howto/procard/index.html](http://purchasing.ucsc.edu/howto/procard/index.html)), or Direct Payment process. All other purchases for goods and services must be made by submitting a CruzBuy requisition through the P&BC department.

**Blanket Orders:** Blanket Orders are agreements designed to accommodate department needs on an on-going basis for a specified period of time. They usually specify a category of products and/or services that can be purchased, a maximum dollar amount, and a time period based on the fiscal year (July 1st through June 30th). If you expect to need products and/or services from the same vendor during the fiscal year and your order qualifies, please submit a requisition for a blanket purchase order using the CruzBuy Blanket Order form. Blanket Purchase Orders cannot exceed \$50,000 unless associated with a competitively bid contract. Always check with your Buying team before requesting any Blanket Purchase Order for services.

**Change Orders:** Change orders are requests for changes made to an existing complete purchase order. Most change orders are done to increase the total dollar amount to the Purchase Order by \$500.00 or more; change the unit price, quantity, or description on an order; or add a new item. If you need to change anything on a purchase order, please submit a CruzBuy change order form. Change Orders cannot be used to add a UCSC42 catalog number (to specify required review and approval by an authorized departmental or divisional employee prior to invoice submission to FAST/AP for payment.) The UCSC42 catalog number must be entered on the original requisition only. See When to Submit a Change Order ([purchasing.ucsc.edu/howto/changeorder.html](http://purchasing.ucsc.edu/howto/changeorder.html)).

**Conflict of Interest:** University employees may not personally benefit from their official positions or decisions. Any University employee who has, or whose relative has, a substantial interest in providing a product or service to the University, shall make known that interest by completing the **Employee/Vendor Disclosure form** ([purchasing.ucsc.edu/forms/EmpVendorDisclosureForm.doc](http://purchasing.ucsc.edu/forms/EmpVendorDisclosureForm.doc)) and shall refrain from participating in the procurement decision making process.

**Contract Review:** Please **do not sign** any contracts or agreements for goods or services with a supplier. Instead, send all contracts and agreements to P&BC, attached to a CruzBuy requisition, for review. Buyers are familiar with terms and conditions governing the university's authority. Also, buyers may be able to negotiate a better contract for you.

**Dealing with Vendors:** The University's suppliers are a valuable resource of information about goods and services. Although the P&BC office should be your first resource, there will be times when we recommend that departments speak directly with selected supplier representatives. They can often help clarify what products or services will best meet the needs of the end user. To help end users in dealing with supplier representatives, the P&BC office suggests the following guidelines:

- The Buyer staff can help by providing information on qualified and responsible suppliers.
- Contact more than one qualified supplier whenever possible.
- Give equal information to all suppliers, so each has an equal opportunity to make acceptable recommendations.
- Do not appear to commit the University by telling a salesperson that he or she has the order. **Only a purchase order issued out of the P&BC office can commit the University.**

**Emergency Orders:** Emergency orders are authorized **only** in the event of life, health, or property threatening situations. They must be processed through P&BC during regular working hours. Any emergency commitments made by a department outside of normal campus office hours and the corresponding services rendered or commodities provided by a vendor or contractor must be made known to the

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Director of P&BC at the earliest opportunity. Such commitments must be for valid emergencies only and must fit the definition described above.

**Forms:** The P&BC office updates their forms on a regular basis. Be sure to use the most recent version of [Purchasing Forms](#) ([purchasing.ucsc.edu/forms/](http://purchasing.ucsc.edu/forms/)) instead of copies of forms saved on your computer.

**Gifts:** University employees *shall not* accept or solicit, directly or indirectly, anything of economic value as a gift, gratuity, favor, entertainment, or loan which is or may appear to be designed to influence official conduct in any manner, particularly from a person who is seeking to obtain contractual or other business or financial arrangements with the University (e.g. a vendor, who has interests that might be substantially affected by the performance or nonperformance of the employee's duty).

**Insurance:** Insurance is required of any contractor that is providing service to the campus. For example, Xerox, OfficeMax, caterers, and other contractors that will be working on campus are required to submit proof of insurance before coming on campus. The buyer will work with the vendor to explain the University's insurance requirements.

**Pre-planning:** The necessity for departments to pre-plan for services, supplies and equipment needs cannot be overemphasized. The time required for an order to be issued and to obtain delivery of goods or services after receipt in the Procurement Office of a properly prepared and approved requisition varies greatly. The workload at any given time within the Procurement Office is a factor. Delivery, however, will always depend on the supplier's stock and the challenges they face producing or securing delivery from their suppliers. Please plan accordingly.

**Purchase Transactions Above \$50,000:** Competition is sought through the formal bid process with awards being made to the lowest responsible bidder meeting specifications through request for proposals, and the highest ranked vendor. Awards shall be determined on the basis of one of two methods: (1) cost alone or (2) on a cost per quality point basis.

**Purchase Transactions below \$50,000:** Competition is sought when the buyer determines that competition is desirable to acquire the best price and/or delivery, develop a source, confirm prices, or for other compelling business reasons. It is our standard business practice to confirm price reasonableness before making a commitment.

**Rush Orders:** Even with the best planning, unexpected needs arise. Rush orders are those for products or services needed immediately, but not life, health, or property threatening situations. Lack of planning does not create a Rush Order. Rush Orders will be evaluated and handled on a case-by-case basis. Follow up with a phone call to your Buyer Team after you submit a CruzBuy requisition for a rush order.

**Splitting:** Requisitions for goods and services shall not be divided into separate transactions to avoid the requirement for competition. The failure to combine orders when this logically needs to be done in the interest of economy is circumventing the University policy on competition; and therefore will not be approved (i.e., multiple purchase requisitions containing same commodity descriptions and same vendors). Whenever this occurs, the Buyer will return the CruzBuy requisition to the requester with instructions on how to proceed.

**Strategically Sourced (SS) Agreements:** Agreements have been established for the procurement of goods and services at the university with preferred suppliers. A preferred supplier is one with whom the university has a competitively awarded agreement that includes beneficial price discounts, exchange of information, simplified ordering methods, set delivery arrangements, specialized customer service requirements, and billing and payment terms. The university requires the use of preferred suppliers and actively publicizes the most often used SS agreements within CruzBuy and on our website at [Find Best Source](http://purchasing.ucsc.edu/howto/supplieragreements.html) ([purchasing.ucsc.edu/howto/supplieragreements.html](http://purchasing.ucsc.edu/howto/supplieragreements.html)).

### CruzBuy Reminders

**CruzBuy Commenting System:** When you receive comments through CruzBuy in your e-mail inbox, please do not press "reply" on the comment. The reply-to address goes to SciQuest support, and they must route the comment to P&BC manually. Then P&BC must manually route the reply to you or the end-user for whom it was intended.

**CruzBuy New Functionality:** New features have been added to CruzBuy. These changes improve navigation of the system, as well as add a few heavily requested features. Please be aware of these new features by navigating to: [CruzBuy 9.2 Upgrade](http://purchasing.ucsc.edu/howto/cruzbuy/92enhancecruzbuyanncA.html) ([purchasing.ucsc.edu/howto/cruzbuy/92enhancecruzbuyanncA.html](http://purchasing.ucsc.edu/howto/cruzbuy/92enhancecruzbuyanncA.html)).

**CruzBuy Frequently Asked Questions:** P&BC maintains a website page for most [frequently asked questions](#) ([purchasing.ucsc.edu/faq/index.html](http://purchasing.ucsc.edu/faq/index.html)) related to CruzBuy assistance.

**CruzBuy Training:** CruzBuy assistance and training is offered by contacting the helpdesk at 459-2311 or via e-mail at [buy4me@ucsc.edu](mailto:buy4me@ucsc.edu).