

**201. FAIR AND OPEN COMPETITION (Rev. 4/28/08)**

Reference: Education Code 89036, Public Contract Code Article 3 of Chapter 2, Part 2, Division 2. Public Contract Code 12100 et seq., Executive Order 775

The CSU is committed to a policy of promoting fair and open competition, for the acquisition of goods and services to meet its needs. In implementing its policies and procedures for the preparation and administration of purchase orders and contracts, the CSU strives to achieve; through public advertising, notification, and outreach, the following objectives:

1. Compliance with the intent of statutes regarding competition, as a means of protecting the public from the misuse of public funds;
2. Stimulation of competition in a manner conducive to sound fiscal practices by providing qualified firms fair opportunity to participate;
3. The elimination of favoritism, fraud, and corruption in the awarding of purchase orders and contracts;
4. Obtain best value for the CSU while complying with legislative intent.

Deleted: COMPETITIVE BID REQUIREMENTS

Formatted: Heading 2, Don't adjust space between Latin and Asian text

Deleted: .

Deleted: competitive bidding

Deleted: .

Deleted: bidders

Deleted: will

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

Change History:

Revision	Description
1/1/02	Correct reference and implement AB1719
1/29/99	Correct reference
4/28/08	Revise policy title and updated policy

### 203. SOLICITATION METHODOLOGIES (Rev. 4/28/08)

There are several industry-standard methods that may be used for soliciting and awarding contracts.

Deleted: Reference: Public Contract Code. 12100 et seq. ¶

Some of the more common ones are:

- Invitation For Bid (IFB)
- Request For Proposal (RFP)
- Request For Quotation (RFQ)

In addition, Policy sections 301 and 501 allow for the use of an informal solicitation process in certain circumstances. Such acquisitions must be in accordance with campuses' policies and procedures for informal solicitations.

Deleted: s

When choosing which methodology to use, a campus should consider the procurement objective, including but not limited to, the requirements of the goods or services being procured, the estimated dollar value of the resultant contract, any legislative and policy requirements, and the best interest of the CSU. If the objectives change during the process, the procurement process should be restarted using the appropriate process or formally modified through appropriate written notification to potential vendors.

Deleted: In

Deleted: ,

Deleted: ,

Deleted: the

Deleted: what is in

Deleted: bidders

The determination for award of contract must be in conformance with the evaluation process and methodology specified in the solicitation document. Only responsible and responsive firms may be awarded a contract.

Deleted: bidders

All bids/proposals may be rejected in any case where the campus determines that the bids/proposals received are not in the best interests of the CSU.

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

#### Section 203 Change History:

Revision	Description of change
1/1/02	AB1719
04/08/04	Incorporate previously interim requirements issued in CS&P Bulletin 02-19.
4/28/08	Defined campus authority to develop informal solicitation policies and procedures.

## 204. STRATEGIC SOURCING OPTIONS AND ALTERNATIVES (REV. 4/28/08)

It is the policy of the CSU to seek and to achieve discounts and to reduce administrative costs through the use of volume purchasing programs and multiple sourcing opportunities. To this end, the CSU is committed to maximizing purchasing leverage through collaborative, joint, and strategic sourcing activities. The Targets of Procurement program, under the direction of administrative vice presidents, and administered by the self-governing council of CSU Procurement Officers, is dedicated to the effective management of strategic sourcing and contracting in the CSU.

### A. CSU Master Enabling Agreements

These agreements support the strategic sourcing efforts of two or more campuses by combining common requirements for specified goods and services. This enables the CSU to avoid redundant solicitations and contracts, maximize volume discounts, and reduce administrative costs. Each CSU Master Enabling Agreement may have specific conditions for its use. These conditions may include: the extent to which competition requirements have or have not been satisfied, the naming of parties that may place orders against the CSU Master Enabling Agreement, and/or instructions on how to place an order.

Unless stated otherwise within the terms of the Master Enabling Agreement: if multiple Master Enabling Agreements were awarded to multiple vendors then acquisitions placed against those Master Enabling Agreements shall be competitively solicited from two or more of the awarded vendors resulting in two or more offers. Such competition may be the result of an informal or formal solicitation process as determined by campus procedures. Acquisitions provided for by Policy Sections 301A, 301B, 401A, 401B, 501A, 501B and 501C shall be exempted from this competition requirement. In the event that only one offer is received, documentation of the solicitation method used must be included with the contract documentation. Master Enabling Agreements resulting from a formal competitive process and where only one vendor was awarded an agreement do not require further competition.

Persons interested in pursuing volume purchasing, either on a multiple campus or systemwide basis, should contact either the Director of Contract Services and Procurement or their local campus procurement offices.

A directory of all CSU Master Agreements is maintained at the CSU Contract Store website.

### B. Blanket Purchase Orders (BPO) and Multiple Awards

BPO are primary source agreements which are designed to supply goods or services on an ongoing basis for a designated period of time. The agreement generally establishes prices, terms, conditions, and the period covered. Quantities or minimum sales are not required.

Deleted: ,

Deleted:

Deleted: ing

Deleted: bid

Deleted: maximizing

Deleted: reducing

Deleted: ,

Deleted: which

Deleted: for

Deleted: acquisitions placed against Master Enabling Agreements that resulted from solicitations where multiple Master Enabling Agreements were awarded shall be competitively

Deleted: bid

Deleted: solicited so as to result in offers from two or more of the vendors that were awarded a Master Enabling Agreement

Deleted: .

Deleted: bid

Deleted: less than two

Deleted: s

Deleted: are

Deleted: for

Deleted: Shipment terms, if any, are specified by the campus.¶

Awards may be initiated with more than one vendor or contractor for comparable products or services. Multiple awards may be used in instances where awarding to a single provider would be impractical or fail to satisfy the overall requirements of all potential users.

### C. CSU Master Pricing Agreements

In order to reduce administrative costs to the CSU, Master Pricing Agreements may be awarded. Such agreements establish fixed prices/rates provided by vendors for the purpose of acquiring goods and services at the vendors' best pricing. These prices/rates may be based on aggregate volume purchased and may include mutually agreed to terms and conditions for any resulting orders placed by campuses. Master Pricing Agreements may be used to establish market pricing or price reasonableness, when a procurement is not subject to competition. Master Pricing Agreements are not to be used in lieu of satisfying formal competition requirements. In addition, Master Pricing Agreements may be established to assist in the meeting of legislatively mandated procurement goals for programs such as Buy Recycled Products and DVBE. Master Pricing Agreements are listed at CSU Contract Store website.

- Deleted: are
- Deleted:
- Deleted: of
- Deleted: '
- Deleted: and to reduce administrative costs. ¶
- Deleted: a
- Deleted: price
- Deleted: the
- Deleted: ,
- Deleted: but
- Deleted: of a formal solicitation or formal bidding process

### D. General Services Administration of the United States (GSA) Pricing Schedules

A Multiple Award Schedule (MAS) is an agreement established between the General Services Administration (GSA) of the United States and multiple vendors for the purpose of acquiring goods and/or services under specific prices, terms and conditions. GSA agreements may be used by the CSU if the GSA vendor is willing to extend the same GSA prices to the CSU, prices in the agreement have satisfied CSU's competitive solicitation process, and the terms of the agreement include the terms required by California law.

- Deleted: bidding

### E. California Multiple Award Schedule (CMAS) and State Master Agreements

Reference: Government Code 14846

A California Multiple Award Schedule (CMAS) and State Master Agreements are agreements established between the California Department of General Services (DGS) and multiple vendors who agree to the State of California terms and conditions, and may be used by the CSU.

Acquisitions based on CMAS or State Master Agreements shall be competitively solicited by the CSU resulting in offers from three or more vendors including one small business, if available. If less than three offers are received, documentation of solicitation methods must be included with the contract documentation. Acquisitions provided for by Policy Sections 301A, 301B, 401A, 401B, 501A, 501B and 501C shall be exempt from this competition requirement. Three offers are not required for CMAS and State Master Agreements based on competition, such as Cal-Store, the Master Rental Agreement, Western States Contracting Alliance (WSCA), etc. Information on specific CMAS and State Master Agreements are available on DGS's website at: <http://www.pd.dgs.ca.gov/cmas/default.htm>

- Deleted: bid
- Deleted: so as to result
- Deleted: -PD
- Deleted: [www.dgs.ca.gov/pd](http://www.dgs.ca.gov/pd).

Prior to placing orders under the California Multiple Award Schedule program, the CSU shall, whenever practicable, first consider offers from small businesses and Disabled Veteran Business Enterprise suppliers that have established CMAS contracts.

**F. Cooperative and Consortium Purchasing Agreements Administered by Non-CSU Agencies**

A cooperative purchasing relationship is one in which a lead government agency conducts a solicitation and executes and maintains an agreement for which all members of the cooperative, including the lead agency, may utilize and will benefit equally.

Deleted: C

A consortium purchasing relationship is one in which a third party conducts a solicitation and executes and maintains an agreement with the intent that the primary benefit of such an agreement will be to its member organizations.

Deleted: C

Participation in cooperative and consortium agreements, administered by public or private organizations external to the State or the CSU, is permitted for acquiring goods and services, if all of the following are met.

Deleted: ,

Deleted: :

(a) The solicitation process and the resultant contract for the goods and services are in compliance with all applicable California laws and CSU policies, including Small Business/DVBE, ADA, etc.

(b) The agreement represents the best value for the CSU.

(c) There is a compelling business reason to participate.

Deleted: There

In addition, the relationship between the CSU and the consortium or the lead agency responsible for executing and maintaining the contract must be fair and equitable and provide the CSU with sufficient coverage in terms of risk and liability.

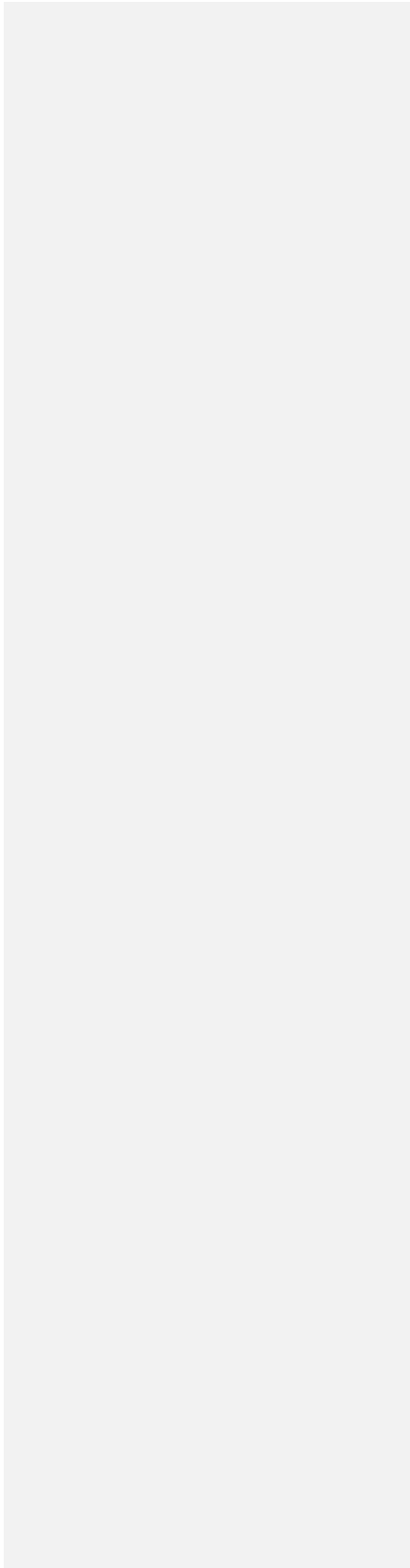
Deleted: C

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

Section 204 Change History:

Revision	Description of change
12/11/00	Clarification of requirements.
3/12/02	AB 1719 – Update references and clarify Pricing

	Schedule requirements.
3/3/03	Clarification of requirements.
04/08/04	Clarification of requirements. Incorporate previously interim requirements issued in CS&P Bulletin 02-19.
10/5/07	Update CMAS Requirements
4/28/08	Clarification of Requirements



**206 Limits on Competition (Rev. 4/28/08)**

Reference: Executive Order 775

Deleted: ve Bidding

It is the policy of the CSU to promote fair and open competition to the maximum extent possible. This section prescribes the policies to be used in those instances where other than full and open competitive contracting is required to fulfill the requirements of the CSU.

Deleted: on

Sole brand and sole source are two procurement methods that limit competition. Any decision to limit competition may also have the effect of limiting the CSU's ability to minimize costs, negotiate favorable terms and conditions, and allow for alternate courses of action during disputes. These methods should be used only when it has been determined that other competitive procurement methods will not fulfill the requirements of the CSU.

Deleted: take

Each sole source or sole brand request must include a written justification explaining why the sole source/brand is necessary to satisfy the needs of the CSU. Except when a contract is necessary for the immediate preservation of the public health, welfare, or safety, or the protection of CSU property and programs, the request must be approved prior to the execution of the sole source or sole brand contract. The justification shall include the following information:

Deleted: requester

Deleted: where

Deleted: :

- The unique performance factors required;
- Why these factors are required;
- What other source/brands have been considered or rejected and why.

Deleted: ,

Sole source or sole brand requests shall not be justified on the basis of:

- A lack of advance planning;
- Concerns related to the amount of funds available for the acquisition of the goods or services; or
- A previously non-competitively bid contract for which the price to the CSU was zero or substantially below fair market price and the results of such contract caused the sole source or sole brand to be required on future contracts.

Deleted: by the requiring activity

Deleted: (e.g. funds will expire) to the CSU or activity

Deleted: in

The drafting or application of specifications or solicitation requirements for goods or services that are unnecessarily restrictive in such a manner as to limit, directly or indirectly, competition to a single brand or single source does not provide for full and open competition, regardless of the number of sources solicited, and is prohibited. A "brand name or equal" is a competitive process that allows bidders to propose equivalent items.

Deleted: bid

Deleted: limit the bidding

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

Change History:

Revision	Description of change
1/29/99	Correct reference.
3/19/01	Clarification of requirements.
1/1/02	EO775 and Clarification of requirements.
04/08/04	Clarification of requirements.
4/28/08	Revised policy title Clarified Requirements

**206.03. Exceptions to Competition Requirements (Rev. 4/28/08)**

Deleted: ve Bidding

The following transactions are not required to be competitively bid and do not require a sole source approval.

Deleted: :

1. Emergency contracts which are necessary for the immediate preservation of the public health, welfare, or safety, or the protection of CSU property and programs;
2. Contracts for the work or services of a state, local or federal agency, the University of California, a California community college, a foundation or auxiliary organization incorporated to support the CSU, or a Joint Powers Authority of which the CSU is a member;
3. Contracts for which only per diem and travel expenses are paid and there is no payment for services rendered;
4. Contracts for the express purposes of obtaining non-CSU legal counsel or obtaining expert witnesses for litigation (both of these must be submitted to the Office of General Counsel for approval);
5. Contracts with business entities operating Community Rehabilitation Program workshops as specified in Policy Section 219;
6. Equipment maintenance contracts for which there is only one authorized or qualified source required by the equipment manufacturer for the preservation of equipment warranty;
7. Proprietary software maintenance, annual license renewals, and/or upgrade contracts;
8. Utilities contracts for which there is no competition because of sole authorization to provide service to the geographical area;
9. Public entertainment contracts for campus-sponsored fairs, expositions, exhibitions, plays and concerts;
10. Contracts for conference or meeting facilities, including room accommodations for conference attendees;
11. Educational materials and information access resources related to campus library services as specified in Policy Section 303.04;
12. Personal property acquisitions as specified in Policy Section 301A, Bid Thresholds for Personal Property;
13. Procurement of Services as specified in Policy Section 401A, Bid Thresholds for Services;
14. General Services Administration Pricing Schedules in accordance with Policy 204D;
15. California Department of General Services Multiple Award Schedules exempted by DGS and listed at <http://www.documents.dgs.ca.gov/pd/masters/checklist.pdf>;
16. Contract amendments for time extensions, with no additional dollars being added;
17. Contract amendments to exercise options that were part of the original contract or that were part of a previously approved amendment to the contract;
18. Contract amendments that are within the scope of or incidental to the original contract scope of work;
19. Approved Sole Brand procurements where there is only one source for that product;
20. Contracts for professional examinations and memberships;
21. Contracts for goods or services produced by Prison Industry Authority.

Deleted: university

Deleted: Agency

Deleted: either

Deleted: handicap

Deleted: where

Deleted: where

Deleted: they are

Deleted: ly

Deleted: ed

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

Change History:

Revision	Description of change
3/12/02	Section 202 has been revised and moved to this section. Previous section 202 was revised to include all procurement transactions for which neither competition nor sole source approval is required.
03/03/03	Clarify maintenance contract exception to competitive bidding. Add additional transactions that do not require competition.
04/08/04	Not all MEAs qualify as exceptions to competition.  Further clarifications for MEAs are included in revisions to Policy 204.  Bulletins for MEAs will define the extent to which that particular MEA satisfies competition requirement.
10/20/04	Add: <ul style="list-style-type: none"> <li>1. Professional examinations and memberships</li> <li>2. PIA contracts</li> </ul>
05/20/05	Update to comply with policy 204.
4/28/08	Revised policy title

**210.07. Restrictive Specifications (Rev. 4/28/08)**

Reference: Public Contracts Code 10318, 10339

No campus shall draft or cause to be drafted, any specifications for solicitations that are unnecessarily restrictive in such a manner as to limit, directly or indirectly, the opportunity for contract award to any one firm.

Deleted: Bid

Deleted: State agency or employee thereof

Deleted: bids

Deleted: the biddin

Deleted: g

Deleted: bidder

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

**Change History:**

Revision	Description of change
04/08/04	Update.
4/28/08	Revised policy title and updated policy

**210.08 Splitting Orders or Contracts (Rev. 4/28/08)**

Splitting of purchases or contracts in order to avoid or circumvent legal or policy requirements, including but not limited to competitive solicitation requirements, is prohibited

Deleted: the

Deleted: bidding

Deleted: prescribed in law, regulation, or policy

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

**Change History:**

Revision	Description of change
1/1/02	AB1719
4/28/08	Clarify policy

## 215. DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) PARTICIPATION GOALS (Rev. 4/28/08)

Reference: Public Contract Code Section 10111, 10115 et seq.; CCR Title 5 Section 43870 et seq., Military and Veterans Code, Sections 999.2, 999.5, 999.7, 999.11 and 999.12, Government Code Section 14838.5

### Definition

A disabled veteran business enterprise (DVBE) must meet the following requirements:

- At least 51 percent owned by one or more disabled veterans;
- Managed by, and daily business operations are controlled by one or more disabled veterans;
- The home office must be located in the U.S.
- Certified by the State of California and performs a commercially useful function under the above-reference codes.

For DVBE certification purposes, a “disabled veteran” is 1) a veteran of the U.S. military, naval, or air service; 2) the veteran must have a service-connected disability of at least 10% or more; and 3) the veteran must be domiciled in California.

### Goal

The Disabled Veteran Business Enterprise (DVBE) Participation Program was established to acknowledge disabled veterans for their service and to further DVBE participation in state contracting, promote competition and encourage greater economic opportunity.

The state established a DVBE contracting participation goal of at least three percent. The goal applies to the total contract dollars expended each year by all campuses. This includes all contracts, purchase orders, and procurement card orders.

In the effort to reach or exceed this goal, campuses may specify any amount of DVBE participation for an individual solicitation, as long as they achieve their annual 3% goal.

### Requirements

Disabled Veteran (DVBE) Advocate: The CSU has established, within the Chancellor’s Office Department of Contracts and Procurement a DVBE Advocate and at each campus a DVBE Coordinator, consistent the with provisions of 999.12 of the Military and Veterans Code, to do all of the following:

- Assist certified DVBE firms to participate in the agency’s contracting process.
- Assist contract officers in seeking DVBE firms to participate in the agency’s contract and procurement activities.
- Disseminate information to the agency’s contracts and procurement office.
- Serve as an advocate for the DVBE firms that are utilized as the agency’s contractors or subcontractors.
- Report to the Office of Small Business and DVBE Services (OSDS), regarding any violation of this article.

Style Definition: Heading 2: Font: Times New Roman, 12 pt, Not Italic

Style Definition: Heading 3: Font: (Default) Times New Roman, 12 pt, Right: 36 pt, Space Before: 0 pt, After: 0 pt, Don't keep with next

Style Definition: Normal (Web): Space Before: 0 pt, After: 0 pt

Deleted: 04/02/07

Deleted: ¶

Deleted: Your

Deleted: ¶

Formatted: Font color: Auto

Deleted: ¶

Deleted: Certification (OSDC)

- Coordinate with the state DVBE advocate at the Department of Veterans Affairs in an effort to meet the statewide 3 percent goal provided for in section 999 of the Military and Veterans Code.

In addition, the DVBE advocate, Campus DVBE Coordinator, or designee has the following responsibilities:

Deleted: ¶

- Specify the amount of required DVBE participation for individual solicitations.
- Evaluate the participation compliance in proposals and bids, including but not limited to 1) verification of DVBE qualifications and 2) evaluation of Good Faith Efforts.
- Evaluate requests for DVBE waivers for solicitations, including Good Faith Effort waivers of Advertising requirements of PCC Section 10115.2(b)(3).

The DVBE participation requirement applies for competitive solicitations regardless of the solicitation format (RFQ, IFB, RFP) or dollar value. Bidders must document at least one of the following three ways to comply with the DVBE program requirements: 1) Commit to the required level of DVBE participation, 2) document a Good Faith Effort, 3) Provide an approved Business Utilization Plan.

Deleted: ¶

Bidders for EDP-related contract awards and for purchase order awards may opt to submit a "Utilization Plan" in lieu of meeting the 3 percent participation requirement. Utilization Plans are described in Section 10115.15 of the Public Contract Code.

Deleted: Special Consideration ¶

#### **DVBE Incentive**

The DVBE Incentive is part of the standard DVBE solicitation language. Bidders may receive an incentive for meeting or exceeding the 3% participation requirement, making their bids more competitive. Campuses have the ability to determine the level of DVBE incentive they will offer for corresponding levels of participation, i.e., the more DVBE participation they propose, the higher the incentive. This information must be included in the solicitation. The minimum incentive a qualifying bidder can receive is 3%. The combination of preferences with a DVBE incentive cannot exceed 10%, or \$100,000, whichever is less. A non-small business cannot displace a California certified small business from the top-ranked position because of application of preferences or incentive.

Deleted: 15%

#### **SB/DVBE Option**

A campus may award a contract for the acquisition of goods, services or information technology that has an estimated value of greater than five thousand dollars (\$5,000), but less than one hundred thousand dollars (\$100,000) to a certified small business or disabled veteran business enterprise, as long as the campus obtains price quotations from two or more certified small business or disabled veteran business enterprises as referenced in Government Code Section 14838.5

For construction contracts, campuses may award a contract that has an estimated value of greater than \$5,000, but less than the cost limit as identified in Public Contract Code Section 10105, to a certified small business, including a microbusiness, or to a disabled veteran business enterprise, as long as written bids are obtained from two or more certified small businesses, including microbusinesses, or from two or more disabled veteran business enterprises. In implementing this provision, the Trustees shall consider a responsive offer timely received from a responsible certified small business, including a microbusiness, or from a disabled veteran business

enterprise as referenced in Government Code Section 14838.7 (For CY 2008, the high-end cost limit as identified above is currently ~~\$147,000--this~~, number is periodically adjusted by the CA Dept of Finance.)

**Reporting**

Activity reports shall be prepared and submitted by each campus to the Department of General Services. A copy of activity reports shall be sent to the Chancellor's Office, Department of Contract Services and Procurement in order to consolidate activity for the CSU system. Campuses shall submit reports in accordance with due dates specified at:

<http://www.calstate.edu/CSP/reports.shtml>

Deleted: FY 06-07,

Deleted: \$131,000--this

Deleted: ¶

Bidders for EDP-related contract awards and for purchase order awards may opt to submit a "Utilization Plan" in lieu of meeting the 3 percent participation requirement. Utilization Plans are described in Section 10115.15 of the Public Contract Code.¶

Field Code Changed

Prepared by Darryl Dearborn	Reviewed by Eddie Choy
Reviewed by Tom Roberts	Approved by Colleen Nickles

Change History:

Revision	Description of Change
10/1/97	New
03/03/03	Revised per Governor's EO D-43-01, AB941, stat.2001 c666, and 737 stat.2001 c183
5/20/05	Incorporate webpage for reporting dates
7/7/06	Incorporate new requirements – SB 115 stat 2005
02/09/07	Update and Clarification of Requirements
4/28/08	Clarify requirements and updated SB/DVBE Option Threshold

**216. SMALL AND MICRO BUSINESSES (Rev. 4/28/08)**

Reference: Government Code Section 14835 et seq.; Title 2, Section 1896 et seq.

**Definition of a Small Business**

- An independently owned and operated business
- Not dominant in its field of operation
- The principal office is located in California
- The officers are domiciled in California
- Together with affiliates is either:
  - A service, construction or non-manufacturing business with 100 or fewer employees, and average annual gross receipts of ~~twelve~~ million dollars ~~(\$12,000,000)~~, or less over the previous three years, or
  - A manufacturer with 100 or fewer employees.

Deleted: ¶

Deleted: ten

Deleted: (\$10,000,000)

**Definition of Micro Business**

Micro-business is a small business that, together with affiliates, has average annual gross receipts of two million ~~seven~~ hundred ~~fifty~~ thousand dollars ~~(\$2,750,000)~~, or less over the previous three years, or is a manufacturer. Micro-businesses shall be extended the same preferences and incentives applicable to certified small businesses.

Deleted: five

Deleted: (\$2,500,000)

For the purposes of this policy statement, small and micro businesses shall be collectively referred to as “small businesses.”

**Small Business Goal**

The CSU supports the spirit of the Legislature's declaration as set forth in the Small Business Procurement and Contracts Act (G.C. 14835 et seq.) and supports those goals established by the Office of Small Business ~~and DVBE Services (OSDS)~~, for the extent of participation of small businesses, including micro-businesses, in the provision of goods, information technology, and services to the state, and in the construction of state facilities.

Deleted: ¶

Deleted: Certification and Resources (OSBCR),

To provide small businesses an opportunity to request preference, the Small Business Preference Form or an equivalent advisory statement shall be included in all bid solicitations for the procurement of goods and for service agreements. Evidence of certification by ~~OSDS~~ (usually via copy of the ~~OSDS~~ approval letter ~~or referenced certification number~~) is required from bidder in order for a bid preference to be granted.

Deleted: OSBCR

Deleted: OSBCR

Deleted: )

**Requirements**

Deleted: ¶

CSU has established a Small Business Advocate within the Chancellor's Office, Contract Services & Procurement department. The Small Business Advocate is the single point of contact for small businesses and shall:

Deleted: ¶

- Make information regarding pending solicitation available to, and consider offers from, California small business suppliers capable of meeting the CSU's business needs, and who have registered with the state for this purpose.
- Ensure prompt payment to small businesses

Each campus shall appoint a small business coordinator to facilitate the Small Business Advocate and perform the following duties:

- Make information regarding pending solicitations available to, and consider offers from, certified California small business suppliers capable of meeting the CSU's business needs, and who have registered with the state for this purpose.
- Ensure prompt payment to small businesses.
- Consider small businesses under the California Multiple Award Schedule (CMAS) prior to placing an order.
- Identify and implement innovative acquisition processes to further small business participation.
- Give special consideration to small businesses and micro businesses by reducing experience requirements and level inventory normally required.

The awarding department may, on contracts with an estimated cost which exceeds \$300,000.00, give special assistance to small businesses and micro businesses in the preparation and submission of financial ability and experience in performing public works.

Deleted: Special Conditions¶

The State is required to aid, counsel, assist, and protect, to the maximum extent possible, the interests of small business concerns in order to preserve free competitive enterprise and ensure that a fair proportion of the total purchases and contracts or subcontracts for property and services for the State be placed with such enterprises.

### **Small Business Preference**

To provide small businesses an opportunity to request preference, the Small Business Preference Form or an equivalent advisory statement shall be included in all bid solicitations for the procurement of goods and for service agreements. Evidence of certification by OSDS is required from bidder in order for a bid preference to be granted. All certified small businesses may elect to apply a 5% percent bidder's preference that shall not exceed \$50,000.00 in accordance with G.C. 14835 et seq.

Deleted: OSBCR (usually via copy of the OSBCR approval letter)

### **SB/DVBE Option**

A campus may award a contract for the acquisition of goods, services or information technology that has an estimated value of greater than five thousand dollars (\$5,000), but less than one

hundred thousand dollars (\$100,000) to a certified small business or disabled veteran business enterprise, as long as the campus obtains price quotations from two or more certified small business or disabled veteran business enterprises as referenced in Government Code Section 14838.5

For construction contracts, campuses may award a contract that has an estimated value of greater than \$5,000, but less than the cost limit as identified in Public Contract Code Section 10105, to a certified small business, including a microbusiness, or to a disabled veteran business enterprise, as long as written bids are obtained from two or more certified small businesses, including microbusinesses, or from two or more disabled veteran business enterprises. In implementing this provision, the Trustees shall consider a responsive offer timely received from a responsible certified small business, including a microbusiness, or from a disabled veteran business enterprise as referenced in Government Code Section 14838.7 (For CY 2008, the high-end cost limit as identified above is currently \$147,000--this number is periodically adjusted by the CA Dept of Finance.)

### Reporting

In order to comply with the requirements of the Small Business Procurement and Contract Act, the CSU must report to the OSDS, annually on the number and amount of contracts and purchase orders awarded to small businesses.

Deleted: ¶

Deleted: OSBCR

### Annual Report

Campuses shall submit to the Office of the Chancellor annual Small Business & DVBE reports in accordance with due dates specified at:  
<http://www.calstate.edu/CSP/reports.shtml>

Deleted: ¶  
Campus

Prepared by Darryl Dearborn	Reviewed by Eddie Choy
Reviewed by Tom Roberts	Approved by Colleen Nickles

Deleted: Change Summary¶  
¶

### Change History

Rev.	Description of change
1/29/99	Add definition of small business, prompt payment requirement and solicitation notification requirement

03/03/03	Revised per Governor's EO D-37-01, AB1084 (2001), AB2405 (1998), SB 1049 (2000), AB941 (2001), AB737 stats.2001 c183
5/20/05	Incorporate webpage for reporting dates
4/28/08	Clarify Requirements and update SB/DVBE Option Threshold

**240. STANDARD CONTRACTING FORMS (Rev. 4/28/08 – formerly Policy 409)**

There are standard CSU contracting forms available for use by a campus for a variety of functional applications. Campuses should review the appropriateness of each form prior to use and should consult with their CSU-assigned representative from the Office of General Counsel prior to any deletions, additions, or significant variations from the format or content of a standard form developed and approved for systemwide use.

Deleted: are to  
Deleted: agreeing to

**240.1 Standard Terms and Conditions (Rev. 4/28/08 – formerly Policy 410 and 411)**

It is the campus's responsibility to include, in each contract, terms and conditions necessary to protect the interests of the CSU, comply with applicable laws, reasonably mitigate risks and provide best value to the CSU. Standard terms and conditions have been developed for campus use and are available at:  
<http://www.calstate.edu/CSP/crl/GP/GP.shtml>

While the standard terms and conditions may be used for many contracts without modification, it may be necessary to add, delete or modify the terms and conditions for a specific contract to convey a clear understanding of each party's expected role, its obligations, and the parameters in which the activities must be carried out, under the contract.

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

Deleted: ¶  
¶

Change History:

Revision	Description of change
4/28/08	Policy 409 renumbered to 240 Policy 410 and 411 combined and renumbered to 240.1 Clarification and update of Requirements

**245. ADVERTISING IN THE CALIFORNIA STATE CONTRACTS REGISTER (CSCR) (Rev. 4/28/08 – formerly Policy 403)**

Reference: Government Code, Section 14825 et seq.

It is the policy of the CSU to advertise in the CSCR to every extent possible. Contract advertisements may be submitted electronically at [this](https://www.cscr.dgs.ca.gov/cscr/) website:

<https://www.cscr.dgs.ca.gov/cscr/>

Each campus Procurement Officer may establish procedures and criteria for exemptions to the requirements for advertising solicitations in the CSCR that are set forth in policy sections 300, 400 and 500 et. Seq. Any exemptions established must require the Procurement Officer's determination that the State's best interests would be served better by not advertising in the CSCR.

In addition to an exemption based upon a campus determination that its best interests would be better served without advertising in the CSCR, the following contracts are exempt from publication in the CSCR.

1. Emergency contracts necessary for the immediate preservation of life or State property.
2. Contracts for the work or services of a State, local, or federal agency.
3. Services for which the State has entered into a master service contract.
4. Refuse and/or sewage disposal contracts where there is no competition because the contractor is an authorized franchise dealer that provides services to a specific geographical area.
5. Contracts for medical care services with physicians, local community hospitals, and medical groups (This does not include offsite laboratory services.)
6. Subvention contracts (non-discretionary grants) with a private or nonprofit entity for the purpose of providing services to the public or segments thereof.
7. Maintenance agreements for equipment that is under warranty or while the guaranteed useful life period is in effect, or agreements where the campus has determined that a local distributor or branch is the only source for parts and service.
8. Proprietary software contracts.
9. Leases or rentals for use as examination sites.
10. Entertainment contracts for State-sponsored fairs and expositions.
11. Contracts for which only per diem and travel expenses are paid and there is no payment for service rendered.
12. Contracts solely for the purpose of obtaining expert witnesses for litigation.
13. Contracts for legal defense, legal advice, or legal service.
14. Contracts with business entities operating handicapped workshops that meet the criteria established by Section 19404 of the Welfare and Institutions Code.
15. Contracts for architectural or engineering services.
16. Contracts not subject to competition requirements.
17. Contracts that have been exempted from CSCR advertisement by DGS.

Deleted: 403

Deleted: must be submitted to the OSBCR on Std. Form 815, "Advertising in the Contracts Register", or

Deleted: the following

Deleted: <http://www.osmb.dgs.ca.gov/cscr/>

Deleted: must

Deleted: written criteria for

Deleted: use of

Deleted: .

Deleted: Typically, criteria are to include:

1. Types of contractual services and the monetary levels for which the Register will be used.
2. Provisions for approval or any exemption from established criteria, such as emergency contracts, contracts with other public entities, or contracts where it is determined that the State's best interests would be served better by exemption.
3. Procedures for documenting justifications for not using the CSCR.

Deleted: Exemptions from use of the CSCR

Deleted: .

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

Change History:

Revision	Description Change
1/29/99 (Policy 403)	Added exemption for contracts of less than \$1,000.
3/19/01 (Policy 403)	Minor revisions
02/09/07 (Policy 403)	Revise exemption 16.
4/28/08	Policy No. 403 renumbered to 245. Updated requirements

**301. BID THRESHOLDS FOR PERSONAL PROPERTY (Rev. 4/28/08)**

Reference: Government Code Section 14838.5

**A. Acquisitions Less than \$50,000**

Competition is not required for goods on transactions of an amount less than \$50,000 unless the campus determines that competition is necessary to develop sources, validate prices, or for other sound business reasons.

**B. Acquisitions greater than \$50,000 and less than \$100,000**

Except in cases when it has been determined that only one source or that only one brand or trade name of an article will properly meet the needs of the CSU, all contracts for the acquisition of goods in the amount greater than \$50,000 and less than \$100,000 shall be advertised in the California State Contracts Register and may be the result of an informal bid process. An informal solicitation process may provide for submittal of written or verbal quotes from vendors.

Bids that result in an award to a Certified Small Business are not required to be advertised in the California State Contracts Register, as long as price quotations have been obtained from two or more Certified Small Businesses.

**C. Acquisitions of \$100,000 or more**

Except in cases when it has been determined that only one source or that only one brand or trade name of a product is the only one which will properly meet the needs of the CSU, all contracts for the acquisition of goods in the amount of \$100,000 or more shall be formally bid and awarded by written contract to the lowest responsible bidder meeting specifications.

Efforts shall be made to meet the goals established for small businesses and disabled veteran business enterprises as set forth in section 215, DVBE Participation Goals and 216, Small Businesses.

Deleted: from Certified Small Business.

Deleted: Acquisitions that are estimated to be greater than \$50,000 and less than \$100,000 may be

Deleted: d

Deleted: a

Deleted: 5

Deleted: n

Deleted: article

Deleted: and as provided for in section 301B above,

Deleted: 5

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

Change History:

Revision	Description
1/1/02	<p>AB1719 - Revised increased the dollar threshold for formal bidding to \$50,000.</p> <p>Revise to add small business requirement in response to a passage of AB835. AB835 sets the limit at greater than \$2,500 and less than \$100,000. A limit of \$50,000 was decide for the following reason:</p> <ul style="list-style-type: none"> <li>• Our authority allows the CSU to award to any vendor without competition at less than \$50,000, small businesses included.</li> </ul>
3/19/01	<p>Revised to incorporate AB1684 which increased the dollar threshold for formal bidding to \$25,000.</p> <p>Revise to add small business requirement in response to a passage of AB835. AB835 sets the limit at greater than \$2,500 and less than \$50,000. A limit of \$25,000 was decide for the following reasons:</p> <ul style="list-style-type: none"> <li>• Our current authority allows the CSU to award to any vendor without competition at less than \$25,000, small businesses included.</li> <li>• The \$25,000 threshold would not conflict with the Public Contract Code.</li> </ul>
4/28/08	<p>Revised bid threshold requirements to keep current with industry limits when formal solicitations are required. The revised limits are in line with the thresholds recently implemented by DGS, Management Memo 07-10.</p>

### 302. FORMAL BIDDING FOR PERSONAL PROPERTY (Rev. 4/28/08)

Other requirements notwithstanding, formal bidding shall comply with the following:

#### A. Public Notice

The Campus shall advertise in the California State Contracts Register the availability of its formal solicitations, and interested suppliers, upon request, shall be furnished with copies of the solicitation.

**Deleted:** Whenever a campus contracts for goods in excess of fifty thousand dollars (\$50,000), except if the acquisition is made in accordance with section 301B. of the policy manual, the c

In addition to advertising in the California State Contracts Register, the campus shall also:

- in a location easily accessible to the public, post a copy of the solicitation, which shall remain posted until seven days after an award has been made.
- maintain complete copies of the solicitation, in the campus procurement office, to be made available to any interested supplier upon request.

The solicitation notice may also include an announcement in an appropriate media such as, but not limited to, a newspaper or trade journal. Such announcements shall contain at least a brief description of the goods, the closing date and time for bids to be received, and the location where complete copies of the bid documents may be obtained.

#### B. Public Opening of Bids

Sealed bids, for goods, shall be publicly opened and read at the date and time specified in the bid solicitation (if it so requires, or if requested by any of the bidders). The campus shall maintain confidentiality regarding each bid until the public opening and reading takes place. Bids received after the closing date and time shall not be accepted. After bids are opened, they shall be made available for public inspection within a reasonable time. Public inspection shall not include the disclosure of documents designated by the University to be confidential.

**Deleted:** .

#### C. Evaluation of Bids

As soon as practical after the bid opening, the campus shall begin the evaluation process to determine the lowest responsive and responsible bidder in accordance with the criteria for evaluation as stated in the solicitation. Deviations from requirements which do not materially impact the cost, quantity, or quality of the item or service to be provided or do not directly affect the outcome of the bid award, in the opinion of the campus, may be waived.

#### Evaluation of Bids for Electronic Goods

Reference: Government Code 11135, CSU Executive Order 926, CSU Coded Memo AA-2007-04, Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 and following), Sections 508 of the Rehabilitation Act of 1973, as amended (Section 508)

Unless otherwise exempted, bids for goods subject to Section 508 accessibility standards must be evaluated for compliance to these standards. Award must be made to the firm that submitted the lowest priced responsive bid that also meets or exceeds the acceptable level of Section 508 compliance as defined by campus authority for Section 508 compliance.

In the event that more than one bid are evaluated to be the lowest priced responsive bid then award must be made to the firm submitting the bid that best meets Section 508 accessibility standards.

In the event that none of the bids submitted meet Section 508 accessibility standards, the market research efforts to procure an accessible product must be documented and award may be made to the lowest responsive and responsible bidder.

#### **D. Rejection of Bid(s)**

If the apparent lowest bid does not comply with the bid requirements, it must be rejected. If the contract is not to be awarded to the lowest bidder, the campus must notify such bidder 24 hours prior to awarding the contract or purchase order to another bidder. In computing the 24-hour period, Saturdays, Sundays, and legal holidays shall be excluded. If prior to making the award, any bidder who has submitted a bid files a protest against the awarding of the contract or purchase order on the ground that he or she is the lowest responsible bidder meeting specifications, the contract or purchase order shall not be awarded until either the protest has been withdrawn or the campus has made a final decision, in accordance with Policy Section 212, as to the action to be taken relative to the protest.

The campus may, if it is in the best interest of the campus, reject all bids at anytime prior to the award of the contract.

#### **E. Protest**

The bid document must contain provisions for resolution of protests and disputes.

#### **F. Conflict of Interest and Confidentiality**

Prior to participating in the solicitation process, all CSU employees involved in the solicitation process must complete a Conflict of Interest and Confidentiality Statement, CRL057. The completed statements should be retained as part of the contract file.

A Conflict of Interest and Confidentiality Statement (CRL057) is available at the CS&P [Contract Resource Library](#) website.

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

Section 302 Change History:

Revision	Description of change
1/1/02	AB1719
3/19/01	Move dollar threshold language into section 301.  Consolidate sections 302.1, 302.2, 302.3, 302.4 into 302.  Clarify public notice requirement. Incorporate requirement to advertise in the CCR per AB 1684 Clarify protest requirement. Incorporate CSU's right to reject all bids
04/08/04	Consolidate requirements for formal solicitations by deleting these requirements from policy 203 and incorporating them herein. No net change in policy requirements. Incorporate previously interim requirements issued in CS&P Bulletin 02-19
10/5/07	Update with Section 508 requirements
4/28/08	Updated requirements in response to changes in bidding thresholds in Policy 301. Bid threshold requirements were revised to keep current with industry limits when formal solicitations are required. The revised limits are in line with the thresholds recently implemented by DGS, Management Memo 07-10.

**303.02 Vehicles, New and Used (Rev. 4/28/08)**

Reference: California Vehicle Code Sections 4000-6200; Government Code Section 13332.09

In addition to the normal requirements for purchasing any CSU personal property:

A. The acquisition of new or used motor vehicles for CSU use necessitates additional registration and certification procedures. These procedures are specified within the contents of the California Vehicle Code sections 4000-6100.

B. Campuses shall submit annual reports on their motor vehicle procurement to the Office of the Chancellor in accordance with the due date specified at: <http://www.calstate.edu/CSP/reports.shtml>

The report shall include all of the following:

- (1) An inventory of motor vehicles by campus, that includes the type of vehicle, consistent with the fleet report to the Department of General Services.
- (2) The number of motor vehicles purchased during the prior fiscal year, disaggregated by campus and type of vehicle.
- (3) The average amount of time taken to complete procurement of each motor vehicle purchased during the prior fiscal year.
- (4) Any changes in campus policies or procedures made during the prior fiscal year relative to motor vehicle procurement and contracts for procurement and identifying any vehicles procured pursuant to the new policy or procedure.
- (5) The estimated cost savings associated with management by the California State University of motor vehicle procurement, including average time to complete procurements, reduced administrative costs, reduced charges paid to the Department of General Services, and competitive or reduced market prices obtained for vehicles.

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

**Formatted:** Normal (Web), Space Before: 1 pt, After: 1 pt

**Deleted:** ¶  
B. .

**Deleted:** Campus departments submitting a requisitions for the acquisition of motor vehicles must include a Vehicle Request Form (OFA160) approved by the Department of General Services, Office of Fleet Administration (OFA).¶  
Vehicle Request Form OFA160 may be obtain at:¶  
<http://www.ofa.dgs.ca.gov/OFAForms/default.htm> ¶  
Vehicles requiring an approved OFA 160: .

**Motor Vehicles** ... [1]

**Deleted:** ¶  
Vehicles that do not require OFA approval:¶  
¶  
• Golf Cart ¶  
• Mower ¶  
• Generator ¶  
• Mobile home/office ¶  
• Fork lift ¶  
• Pallet jack ¶  
• Personnel hoist ¶  
• Trailer ¶  
• Agriculture or construction equipment pulled by a vehicle ¶  
• Other fleet-related equipment as determined by OFA ¶

¶  
Additional information may be found at the following DGS website:¶  
<http://www.ofa.dgs.ca.gov/AcquireNewReplacementFleetEquipment.htm> ¶

¶  
Questions regarding DGS vehicle requirements should be directed to:¶

¶  
Steve Nielsen, Statewide Mobile Equipment Coordinator¶  
Department of General Services, Office of Fleet Administration¶  
(916) 327-2082¶  
[Steve.Nielsen@dgs.ca.gov](mailto:Steve.Nielsen@dgs.ca.gov) c

**Formatted:** Normal (Web), Space Before: 1 pt, After: 1 pt, Don't adjust space between Latin and Asian text

**Deleted:** the

Change History:

Revision	Description of change
01/01/06	Incorporate Gov. Code Section 13332.09
4/28/08	Revised policy to be in compliance with AB262 Stat. 2007, Gov. Code Section 13332.09.

Campus departments submitting a requisitions for the acquisition of motor vehicles must include a Vehicle Request Form (OFA160) approved by the Department of General Services, Office of Fleet Administration (OFA).

Vehicle Request Form OFA160 may be obtain at:

<http://www.ofa.dgs.ca.gov/OFAForms/default.htm>

Vehicles requiring an approved OFA 160:

**Motor Vehicles**

A vehicle that is self-propelled and registered by the Department of Motor Vehicles for street use.

**General Use Mobile Equipment**

- Self-propelled mobile equipment.
- Self-propelled mobile equipment registered by the Department of Motor Vehicles for off-road use.
- Vessels registered by the Department of Motor Vehicles for use on water.
- Vessels documented by the U.S. Coast Guard.

**Surplus Mobile Equipment**

Motor vehicles or general use mobile equipment that was previously owned or operated by any entity.

**401. SOLICITATION THRESHOLDS FOR SERVICES (Rev. 4/28/08)**

Reference: Government Code Section 14838.5

Deleted: BID

A. Acquisitions Less than \$50,000

Competition is not required for services on transactions of an amount less than \$50,000 unless the campus determines that competition is necessary to develop sources, validate prices, or for other sound business reasons.

B. Acquisitions greater than \$50,000 and less than \$100,000 from Certified Small Business.

Acquisitions that are estimated to be greater than \$50,000 and less than \$100,000 may be awarded to a Certified Small Business without advertising in the California Contracts Register, as long as price quotations have been obtained from two or more small businesses.

C. Acquisitions of \$50,000 or more

Except in cases when it has been determined that only one source which will properly meet the needs of the CSU, all contracts for the acquisition of service in the amount of \$50,000 or more or as provided for in 401B above shall be formally solicited and awarded to the lowest responsible bidder(s) meeting the IFB specifications or the proposer(s) whose proposal is given the highest score by the evaluation committee.

Deleted: written

Deleted: , all contracts for services in the amount of \$50,000 or more

Deleted: bid

Deleted: bidder

All transactions made under the CSU procurement authority shall be designed to encourage active competition among contractors wishing to become providers of services furnished to the CSU. Efforts shall be made to meet the goals established for small businesses and disabled veteran business enterprises as set forth in section 215, DVBE Participation Goals and 216, Small Businesses.

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

**Change History:**

<b>Rev.</b>	<b>Description</b>
3/19/01	SB 1049 increased Bid threshold for small business from \$50K to \$100k.
4/28/08	Clarify advertising requirements.

**402. FORMAL SOLICITATION FOR SERVICES (Rev. 4/28/08)**

Other requirements notwithstanding, formal procurement for services shall comply with the se regulations;

Deleted: following

A. Public notice of the intent to formally request services from the open market shall be advertised in the California Contracts Register and posted in a location easily accessible to any firm that may wish to participate. Complete copies of the solicitation documents must also be maintained in the campus procurement office and made available to any interested party upon request. The solicitation notice may also include an announcement in an appropriate newspaper or trade journal, including a brief description of the work to be performed, the closing date and time for bids or proposals to be received, and the location where complete copies of the solicitation document may be obtained.

Deleted: be

Deleted: bidder

Deleted: who

Deleted:

B. To promote fair and open competition each formal solicitation for services must attempt to secure at least three competitive bids or proposals. Three competitive bids or proposals are not required in the se instances:

Deleted: following

- (1) In cases of emergency where a contract is necessary for the immediate preservation of the public health, welfare, or safety, or protection of state property.
- (2) When the campus awarding the contract has advertised the contract in the California State Contracts Register and has solicited all known potential contractors, but has received less than three bids or proposals.
- (3) The contract is with another state agency, a local governmental entity, or an auxiliary organization of the CSU. These contracts, however, may not be used to circumvent the competitive bidding requirements of this article.
- (4) The contract meets the conditions prescribed in Policy Section 206, Limits on Competition.

Deleted: ve Bidding

C. Any solicitation that has received less than three bids or proposals shall document, in a manner prescribed by the procedures of the campus, the firms or individuals it solicited for bids or proposals.

D. Contracts for services may be awarded under a procedure which makes use of a Request for Proposal or Invitation for Bid.

Deleted: r

Deleted: p

Deleted: b

E. The bid or proposal evaluation process and selection criteria shall be stated within the solicitation documents. Deviations may be waived if, in the opinion of the campus, such deviations from requirements do not materially impact the cost, quantity, or quality of the item or service to be provided or do not directly affect the outcome of the bid award.

All bids or proposals may be rejected in any case where the campus determines that the bids or proposals received are not in the best interests of the CSU.

- F. Allow for public opening of bids or proposals - Bids or proposals must be opened publicly at the time stated in the solicitation document (if it so requires, or if requested by any of the bidders).

Deleted: .

A public opening must be conducted for bids, which will be awarded to the lowest priced responsive and responsible bidder. The total dollar amount of each bid and the name of the bidder must be read. Bids documents are public upon opening and shall be available for public inspection within a reasonable time.

Deleted: ¶

A public opening must be conducted for proposals, which will be evaluated and awarded to the proposer that represents the best value to the CSU, only if requested by the proposing firms or members of the public. Only the names of the proposing firms need to be read at the time of opening. All proposals shall be held in the strictest confidence and shall be made public and available immediately after the Notice of Intent to Award has been issued.

No bids or proposals that have been received after the closing date and time for bids or proposals shall be considered.

Public inspection shall not include the disclosure of documents designated by the CSU to be confidential.

- G. The solicitation document must contain provisions for resolution of protests and disputes.

- H. Conflict of Interest and Confidentiality

Prior to participating in the proposal evaluation process, all CSU employees involved in the proposal evaluation process must complete a Conflict of Interest and Confidentiality Statement, CRL057. The completed statements should be retained as part of the contract file.

A Conflict of Interest and Confidentiality Statement (CRL057) is available at the CS&P [Contract Resource Library](#) website.

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

Change History:

Revision	Description of change
1/29/99	Revise to be consistent with the format for commodities.  Clarify requirements of a formal solicitation.
04/08/04	Consolidate requirements for formal solicitations by deleting these requirements from policy 203 and incorporating them herein. Incorporate previously interim requirements issued in CS&P Bulletin 02-19
4/28/08	Updated and clarified requirements.

**403. ADVERTISING IN THE CALIFORNIA STATE CONTRACTS REGISTER  
(CSCR) (Rev. 4/28/08)**

Policy renumbered to Policy No. 245

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

Change History:

Revision	Description Change
1/29/99 (Policy 403)	Added exemption for contracts of less than \$1,000.
3/19/01 (Policy 403)	Minor revisions
02/09/07 (Policy 403)	Revise exemption 16.
4/28/08	Restructured how CSCR requirements are presented within this policy manual. Renumbered to 245

**405. AMENDMENTS TO SERVICE AGREEMENTS (REV. 4/28/08)**

~~Service Agreements work scope~~ may not be modified ~~as a means to circumvent competitive solicitation requirements.~~

Additional work ~~scope may be added to an existing service agreement only if the added scope is~~ the same type of work that was specified in the base contract or work ~~that is~~ incidental to the work specified in the base contract and is necessary for the completion of the work intended to be performed in the base contract.

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

- ~~The~~
- ~~of Service Agreements~~
- ~~awarded on the basis of competitive bidding~~
- ~~unless (a) the contract, or the law governing the bidding, includes a provision for amending or modifying it, or (b) unforeseen additional work becomes necessary (with the concurrence of the campus).~~
- ~~existing~~
- ~~s~~
- ~~as used in this section shall mean~~

**Change History:**

Revision	Description of Revision
3/19/01	Added clarifications
4/28/08	Update requirement

**409. STANDARD CONTRACTING FORMS (Rev. 4/28/08)**

Renumbered to Policy 240

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

Change History:

Revision	Description of change
4/28/08	Renumbered to Policy 240.

**410. CSU STANDARD TERMS (Rev. 4/28/08)**

Renumbered to Policy 240.1

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

Change History:

Revision	Description of change
4/28/08	Requirements combined with Policy 411, Additional Terms and Conditions, and renumbered to Policy 240.1.

**411. ADDITIONAL TERMS AND CONDITIONS (Rev. 4/28/08)**

Renumbered to Policy 240.1

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

Change History:

Revision	Description of change
4/28/08	Requirements combined with Policy 410, Standard Terms and renumbered to Policy 240.1.

**412.07 Hazardous Materials Removal Services Contracts (Rev. 4/28/08)**

Reference: EO [849](#)

Deleted: 743

These services include all labor, packaging, materials, tools, vehicles, placards, labels/markings, equipment, including personal protective equipment and safety equipment, expertise, and other means necessary and required to provide services for the pickup, transportation, and disposal of hazardous wastes.

Contracts involving the handling, removal or disposal of hazardous materials shall be developed in accordance with CSU's model contract for hazardous material removal, and comply with all State and Federal requirements. Changes to the hazardous materials model contract may be made with the concurrence of campus Risk Management and Environmental Health and Safety.

**Insurance Requirements**

Campuses should perform a risk identification and evaluation, in accordance with policy section 230, as part of its development the insurance requirements for contracts for the procurement of hazardous materials removal services.

In the absence of a risk identification and evaluation, the minimum insurance requirements set forth in policy section 230.02 shall be used.

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

**Change History:**

Revision	Description of Revision
3/19/01	Added clarifications
4/28/08	Update requirement

**SECTION 500 - INFORMATION TECHNOLOGY RESOURCES (ITR)  
PROCUREMENT POLICY (Rev. 4/28/08)**

Reference: Public Contract Code, Section 12100 et seq.; Executive Order 775; Education Code 89036, Gov. Code Section 11702(e)

Deleted: 667

In addition to the special requirements contained in this Section 500, requirements in Section 200 may also apply to the procurement of information technology resources.

Information Technology is defined to include, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, telecommunications which include voice, video, and data communications, requisite system controls, simulation, electronic commerce, and all related interactions between people and machines.

Public Contract Code Sections 10295 and 12120 provide that the CSU has an independent procurement authority separate from the State Departments of General Services and Finance.

Public Contract Code Section 12100.5 requires the Trustees to develop and maintain policies that further the legislative policies for ITR procurement as expressed in sections 12100 et seq. of the Public Contract Code.

The campus is responsible for assuring that all applicable state procurement laws and regulations are followed, in addition to the policies contained herein.

Each campus shall employ sound and appropriate business practices to guide and control the planning, acquisition, development, operation, maintenance, and evaluation of all ITR-related applications.

It is the policy of the CSU that campuses be given the choice of vendors that best meet individual or unique campus hardware, service, and application requirements. Long-term contracts with annual cancellation and funding-out clauses are encouraged, as they help protect the CSU's investment as well as provide multi-year renewal options that encourage vendors to develop higher levels of service and support (Ref. P.C.C. 12101.5(a)).

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

Change History:

Revision	Description
1/1/02	EO 775 Updated Reference
7/6/01	Updated and Clarify
1/29/99	Updated Reference
4/28/08	Updated reference

**501. Solicitation Thresholds for ITR Goods and Services (Rev. 4/28/08)**

Deleted: Bid

Reference: Government Code Section 14838.5(c)

Except in cases when it has been determined that only one source will properly meet the needs of the CSU, these solicitation thresholds shall apply:

Deleted: following

Deleted: bid

**A. Acquisitions less than \$50,000 from Certified Small Business**

Acquisitions that are estimated to be less than \$50,000 may be awarded to a Certified Small Business without competition and without advertising in the California State Contracts Register. However, whenever there is reason to believe a price quote from a single source is not fair and reasonable the campus shall obtain at least two price quotations from responsible suppliers.

**B. Acquisitions equal or greater than \$50,000 and less than \$100,000 from Certified Small Business**

Deleted: ¶

Acquisitions that are estimated to be equal to or greater than \$50,000 and less than \$100,000 may be awarded to a Certified Small Business without advertising in California State Contracts Register, as long as price quotations have been obtained from two or more small businesses.

**C. Acquisitions less than \$50,000**

Acquisitions that are estimated to be less than \$50,000 may be awarded when the price has been determined to have met fair and reasonable standards. The attainment of the standard of “fair and reasonable” may be determined by, but not limited to, one of the following techniques:

- Catalog or Market Price – The price offered is supported by an established and verifiable catalog or market pricing medium issued by a responsible supplier and/or through an established reputable forum. In addition, the pricing structure provided is one that a prudent buyer would accept as a reasonable representation of existing market value.
- Price Comparison – A buyer has obtained and documented quotes or offers within the last 18 month period from other responsible suppliers which provides evidence that a price obtained is deemed fair and reasonable.
- Historical Pricing – A buyer is able to demonstrate that other transactions occurring in the past 18-months show prices for similar acquisitions, which provides evidence that a price obtained is deemed fair and reasonable.
- Controlled Pricing – law or regulation sets the price offered.
- Informal solicitation process.

Deleted: r

Deleted: period exist

Deleted: ing

Deleted: bid

Campuses may also define “fair and reasonable” attainment techniques that provide the best value to the CSU.

Acquisition of IT services of \$5,000 or more must be advertised in the California Contracts Register.

**D. Acquisitions equal to or greater than \$50,000 and \$500,000 or less**

Acquisition of ITR requirements that are estimated to be equal to or greater than \$50,000, and \$500,000 or less may be the result of an informal solicitation process that includes advertising in the California Contracts Register as:

- Solicitations for IT goods in excess of \$100,000
- All solicitations for IT services
- Solicitations that include both IT goods and services:
  - Advertisement must include both IT goods and services portions when the portion attributable to IT goods is in excess of \$100,000
  - Advertisement may be limited to advertising the IT service portion of the solicitation when the IT goods portion is \$100,000 or less

An informal solicitation process may provide for submittal of written or verbal quotes from vendors.

**Evaluation of Bids or Proposals for Electronic & Information Technology (E&IT) Goods**

Reference: Government Code 11135, CSU Executive Order 926, CSU Coded Memo AA-2007-04, Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 and following), Sections 508 of the Rehabilitation Act of 1973, as amended (Section 508)

**1. Best Value Solicitations**

If the Section 508 accessibility standards are applicable to the E&IT goods being procured and the solicitation is based on best value criteria, then compliance with Section 508 accessibility standards must also be included into the best value evaluation using the relative weightings specified in the solicitation document.

Contracts shall be awarded based on the proposal that provides the most value-effective solution to the CSU's requirements, including, unless exempted, Section 508 accessibility standards requirements.

**2. Invitation for Bids**

For solicitations where award is based on lowest priced responsive bid and Section 508 accessibility standards are applicable to the E&IT goods being procured then the bid's compliance to these standards must also be evaluated. Award must be made to the firm that submitted the lowest priced responsive bid that also meets or exceeds the acceptable level of Section 508 compliance as defined by campus authority for Section 508 compliance.

Deleted: 2

Deleted: 2

Deleted: bid

Deleted: follows

Deleted: .

Deleted:

Deleted: These

Deleted: es

Deleted: be in the form

In the event that more than one bid is evaluated to be the lowest priced responsive bid then award must be made to the firm submitting the bid that best meets Section 508 accessibility standards.

In the event that none of the bids submitted meet Section 508 accessibility standards, the market research efforts to procure an accessible product must be documented and award may be made to the lowest responsive and responsible bidder.

**E. Acquisitions greater than \$500,000**

Deleted: 1  
Deleted: 2

Acquisitions of ITR requirements estimated to result in contracts greater than \$500,000 shall be awarded as the result of a formal solicitation process.

Deleted: 2

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

Deleted: 1

**Section 501 Change History:**

Revision	Description of Change
7/6/01	<p>Previous version of this section has been moved to section 500.</p> <p>The new topic of this section is consistent with policy format in sections 300 and 400.</p>
04/08/04	Parallel DGS requirements Gov. Code Section 14838.5(c)
10/5/07	Update with Section 508 requirements
4/28/08	<p>Revised bid threshold requirements to keep current with industry limits when formal solicitations are required. The revised limits are in line with the thresholds recently implemented by DGS, Management Memo 07-10.</p> <p>Revised and updated CSCR advertising requirements in response to new bid threshold</p>

Revision	Description of Change
	requirements and overall restructuring of how CSCR requirements are imposed within this policy manual.

**502 FORMAL SOLICITATIONS FOR ITR GOODS AND SERVICES (Rev. 4/28/08)**

Other requirements notwithstanding, formal procurement for ITR goods and services shall comply with the following:

- A. Public notice of the intent to formally acquire ITR goods and services from the open market shall be posted in a location easily accessible to any firm that may wish to participate and shall be advertised in the California State Contracts Register (CSCR). Complete copies of the bid or proposal solicitation document must also be maintained in the campus procurement office and made available to any interested party upon request. The solicitation notice may also include an announcement in an appropriate newspaper or trade journal, including a brief description of the work to be performed, the closing date and time for bids or proposals to be received, and the location where complete copies of the solicitation document may be obtained.
- B. To promote fair and open competition each formal solicitation for ITR goods and services must attempt to secure competitive bids or proposals. The requirement for fair and open competition shall have been met or is not required in the following instances:
  - (1) In cases of emergency where a contract is necessary for the immediate preservation of the public health, welfare, or safety, or protection of state property.
  - (2) When the campus awarding the contract has advertised the contract in the California State Contracts Register and has solicited all known potential contractors.
  - (3) The contract is with another state agency, a local governmental entity, or an auxiliary organization of the CSU. These contracts, however, may not be used to circumvent the competitive bidding requirements of this article.
  - (4) The contract meets the conditions prescribed in Policy Section 206, Limits on Competition~~on~~.
- C. Any solicitation that has received less than three bids or proposals shall document, in a manner prescribed by the procedures of the campus, the firms or individuals it solicited for bids or proposals.
- D. Contracts shall be awarded based on the proposal or bid that provides the most value-effective solution to the CSU's requirements. Request for Proposal or Invitation for Bid solicitation methodologies may be used in determining contract award.
- E. The bid or proposal evaluation process and selection criteria shall be stated within the solicitation documents. Bids or proposals shall be evaluated to determine which bids or proposals meet, and which do not meet, the requirements as specified in the solicitation document. Deviations, in the opinion of the campus, from requirements which do not materially impact the cost, quantity, or quality of

Deleted: bidder who

Deleted: ve Bidding

the item or service to be provided or do not directly affect the outcome of the contract award may be waived. Proposals shall be evaluated based on quantified evaluation criteria.

Deleted: bid

All bids or proposals may be rejected in any case where the campus determines that the bids or proposals received are not in the best interests of the CSU.

Evaluation of Bids or Proposals for Electronic & Information Technology (E&IT) Goods

Reference: Government Code 11135, CSU Executive Order 926, CSU Coded Memo AA-2007-04, Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 and following), Sections 508 of the Rehabilitation Act of 1973, as amended (Section 508)

1. Best Value Solicitations

If the Section 508 accessibility standards are applicable to the E&IT goods being procured and the solicitation is based on best value criteria, then compliance with Section 508 accessibility standards must also be included into the best value evaluation using the relative weightings specified in the RFP document.

Contracts shall be awarded based on the proposal that provides the most value-effective solution to the CSU's requirements, including, unless exempted, Section 508 accessibility standards requirements.

2. Invitation for Bids

For solicitations where award is based on lowest priced responsive bid and Section 508 accessibility standards are applicable to the E&IT goods being procured then the bid's compliance to these standards must also be evaluated. Award must be made to the firm that submitted the lowest priced responsive bid that also meets or exceeds the acceptable level of Section 508 compliance as defined by campus authority for Section 508 compliance.

In the event that more than one bid is evaluated to be the lowest priced responsive bid then award must be made to the firm submitting the bid that best meets Section 508 accessibility standards.

In the event that none of the bids submitted meet Section 508 accessibility standards, the market research efforts to procure an accessible product must be documented and award may be made to the lowest responsive and responsible bidder.

- F. Allow for public opening of bids or proposals. Bids or proposals must be opened publicly at the time stated in the solicitation document (if it so requires, or if requested by any of the bidders).

A public opening must be conducted for bids, which will be awarded to the lowest priced responsive and responsible bidder. The total dollar amount of each bid and the name of the bidder must be read. Bids documents are public upon opening and shall be available for public inspection.

A public opening must be conducted for proposals, which will be evaluated and awarded to the proposer that represents the best value to the CSU, only if requested by the proposing firms or members of the public. Only the names of the proposing firms need to be read at the time of opening. All proposals shall be held in the strictest confidence and shall be made public and available immediately after the Notice of Intent to Award has been issued.

No bids or proposals that have been received after the date and closing time for bids or proposals shall be considered.

Public inspection shall not include the disclosure of documents designated by the CSU to be confidential.

G. The solicitation document must contain provisions for resolution of protests and disputes.

H. Conflict of Interest and Confidentiality

Prior to participating in the proposal evaluation process, all CSU employees involved in the proposal evaluation process must complete a Conflict of Interest and Confidentiality Statement, CRL057. The completed statements should be retained as part of the contract file.

A Conflict of Interest and Confidentiality Statement (CRL057) is available at the CS&P [Contract Resource Library](#) website.

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

Change History:

Revision	Description of Change
1/29/99	Delete Section 502 rev. 1/29/99 – language not required.  Add New Section 502 to incorporate requirements for formal solicitation.
04/08/04	Incorporate applicable EO 862 requirements.  Consolidate requirements for formal solicitations by deleting these requirements from policy 203 and incorporating them herein. Incorporate previously interim requirements issued in CS&P Bulletin 02-19.
10/5/07	Update with Section 508 requirements
4/28/08	Clarification of requirements

**506. PRENEGOTIATION OF REPETITIVE CONTRACT TERMS & CONDITIONS (Rev. 4/28/08)**

~~Deleted~~

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

**Deleted:** Reference: Public Contract Code 12101.29  
 ¶  
 Terms and conditions expressed in any CSU model agreement that is used repetitively with the issuance of ITR-related awards may, upon request by a given vendor or contractor who normally bids on such awards, be pre-negotiated from time-to-time. Any revisions that are agreed upon by both the CSU and the vendor/contractor shall be kept on file, as a matter of public record, and shall remain operational until either the CSU or the vendor/contractor provides 30 days notice to the other party that new negotiations are deemed appropriate. The Chancellor's Office, Contracts and Procurement Department, shall be responsible for maintaining a master file of pre-negotiated and approved terms and conditions.

Change History:

Revision	Description of change
4/28/08	Policy deleted. Policy not required. It is not a standard practice to pre-negotiate IT terms and conditions not associated with an agreement for IT goods and services. The authority for pre-negotiated terms and conditions that are associated with an agreement is contained in police 204 Strategic Sourcing Options and Alternatives.

**507.04 Best Financing Alternatives (Rev. 4/28/08)**

Deleted

Prepared by Eddie Choy	Reviewed by Tom Roberts
Approved by Colleen Nickles	

**Deleted:** Reference: Public Contract Code 12113. ¶

¶  
For all transactions formally advertised, evaluation of bidder proposals for the purpose of determining contract award for ITR goods and services shall provide for consideration of a bidder's best financing alternatives, including lease or purchase alternatives, if any bidder so requests, not less than 30 days prior to the date of final bid submission.¶

Change History:

Revision	Description of change
4/28/08	Deleted policy. This requirement was removed from Public Contract Code 12113.