

PPM 299: Purchasing

Responsible Officer:	Director of Procurement
Responsible Office:	Business Operations Center Purchasing
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**Note: For links to referenced documents see
Section VI, *Related Information*, below.**

POLICY SUMMARY

- A. This section of the Policy and Procedure Manual (PPM) for the University of California (UC) Agriculture and Natural Resources (UC ANR) describes how UC policy on purchasing (Business and Finance Bulletin No. BUS-43, *Purchases of Goods and Services; Supply Chain Management*) is implemented in the UC ANR environment.
- B. The information presented here is general, and cannot address all of the unique concerns that can arise regarding purchasing. Before the employee incurs purchasing expenses, they should direct questions regarding specific situations to the Business Operations Center as noted on page 1 above.
- C. This section of the PPM applies to all UC ANR employees, both academic appointees and staff. It does not apply to Agriculture Experiment Station (AES) Specialists and/or any other academics affiliated with a UC campus. Academics that are affiliated with a campus should consult their departmental administration for information regarding purchasing.

DEFINITIONS

- A. **Emergency Order:** Any situation that requires immediate action or the placing of a purchase order because of critical equipment failure, public safety incidents, catastrophic events that pose a threat to life and/or property, or significantly increase the risk exposure of the University.
- B. **Equipment:** Any freestanding item having an acquisition cost of \$5,000 or more (including tax and shipping costs) and a normal life expectancy of one year or more.
- C. **Independent Contractor Agreement:** An independent contractor relationship exists when the University has the right to control only the result of the service, not the manner in which the service is performed. Services provided are generally infrequent, technical or unique functions. Examples of services provided under an Independent Contractor agreement are drafting, technical editing, translation, maintenance and housekeeping, and farm labor.
- D. **Purchase Requisition/Purchase Order:** Department's document used to request the purchase of goods or services from vendors for: a) equipment; b) supply orders; and c) orders for services.
- E. **Unauthorized Purchase:** A commitment placed verbally or in writing to obtain goods or services prior to the formal issuance of a UC purchase document with proper authorizations.
- F. **Unit Head:** The UC Cooperative Extension (UCCE) Director, the Research and Extension Center (REC) Director, the Statewide Program/Institute Director, and/or Directors of the administrative units.

POLICY TEXT

- A. A purchase request should not be initiated by a department unless funds are available and approved to cover the costs. (See UC Business and Finance

Bulletin BUS-43, Section V, Part 1.)

- B.** University credit, purchasing power, and facilities may not be used to purchase goods or services for individuals or for non-University activities.
- C.** It is the policy of the University to separate an employee's University and private interest and to safeguard the University and its employees against charges of favoritism in the acquisition of goods and services. University employees who have a business relationship with or financial interest in (including that of a near relative) or who have received or anticipate receiving gifts, honorarium, or research grants from a vendor under consideration, must disclose the conflict of interest and remove themselves from the decision-making process.
- D.** Purchase orders for supplies exceeding \$4,999 and ALL equipment (see Equipment definition above) repair and service items must be approved by the UCD Purchasing Department prior to purchase or commencement of service activity.
- E.** All purchases of goods or services that include terms and conditions require an official signature for contract and/or insurance liability issues and must be processed through the UCD Purchasing Department (i.e., bus charters, hotel contracts for meetings, etc.).
- F.** Units may purchase office furniture up to \$500 per vendor per day. Orders may not be artificially split to remain below \$500. This delegation applies only to office furniture; lab, reception, or meeting room furniture is not included. Reference AggieBuy for all other office furniture purchases using the University agreements with Steelcase (see item VI, *Related Information*, below for a link to AggieBuy).

COMPLIANCE / RESPONSIBILITIES

- A.** The Regents' Bylaw 5.1 sets forth the authority of The Regents with regard to the purchase of materials, goods, and services. The Regents' Standing Order 100.4 (dd) authorizes the UC President to execute various such contracts and documents.
- B.** Pursuant to Presidential Delegation of Authority No. 2100, the President has authorized the UC ANR Vice President to execute purchase contracts, subcontracts, and standard purchase orders for materials, goods, and services to be supplied to UC.
- C.** Pursuant to individual re-delegation of authority letters issued by the UC ANR Vice President, the following UC ANR positions have been authorized to approve the purchase of materials, good and services to be supplied to UC ANR.
 - 1. Associate Vice President – Business Operations
 - 2. Controller
 - 3. Contracts and Grants Director
 - 4. Risk & Safety Services Director (hotel agreements only)
- D.** As a practical matter however, the majority of UC ANR's purchase agreements are processed by UC Davis Procurement and Contracting Services, via the UC ANR BOC, and are executed by UC Davis.

PROCEDURES

A. For supply orders (not including repairs and services):

1. AggieBuy: This is the first stop for purchasing most goods; there is no order dollar limit when using AggieBuy. For more information on what can be purchased and how to use AggieBuy go to *Welcome to AggieBuy* (see item VI, *Related Information*, below for a link).
2. Procurement Card: If the item is not available in AggieBuy, a procurement card ("P-Card") may be appropriate if the purchase is under \$4,999, is not for a service or repair, and does not include terms and conditions. The P-Card is a Visa corporate card program through U.S. Bank that is administered by the Banking Card Services team.

B. For supplies over \$4,999 and all repairs and services:

1. Complete a *Request for Purchase Order* form and obtain the unit head's signature.
2. Forward the approved *Request for Purchase Order* to the BOC/REC for processing through the UCD Purchasing Department.
3. When the invoice is received, verify that goods have been received and that item prices, sales tax rate and shipping charges are correct by signing and dating the invoice or by completing your invoice approval stamp.
4. Forward the invoice to the BOC/REC for processing. Payment to the vendor will be generated by the UCD Accounting Office.

C. For Independent Contractor orders: (all Independent Contractor requests are handled as per the below regardless of the dollar amount)

1. Complete a *Request for Purchase Order* form and obtain the unit head's signature.
2. In addition, if the proposed Independent Contractor is an individual, complete the *Independent Contractor (Individual) Pre-hire Information Worksheet*.
3. Forward the *Request for Purchase Order* form and the *Independent Contractor (Individual) Pre-Hire Information Worksheet* to the BOC/REC with any other supporting or explanatory documentation.
4. The BOC/REC will forward the *Independent Contractor (Individual) Pre-Hire Information Worksheet* to UC ANR Human Resources for review. Once it has

been determined that an Independent Contractor is appropriate for this activity, the BOC/REC will submit a Purchase Requisition to UC Davis Purchasing.

5. UC Davis Purchasing will issue a purchase order for services from the proposed Independent Contractor.
6. Invoices for Independent Contractor services should be processed through the BOC/REC for payment by the UC Davis Accounting Office.

D. Best Practices and Procedures

1. All purchases must be invoiced by the vendor to the "University of California."
2. Refer to UCD *How to Buy* (see item VI, *Related Information*, below for a link) for a summary of purchasing methods based on the type of goods or services you are purchasing.
3. For "emergency" purchasing situations, contact the BOC/REC to review purchasing options.
4. The University has a furniture agreement with Steelcase. Purchases may be made through AggieBuy. Furniture design services are also available.
5. Unauthorized purchases made without the required approvals and documents may result in the individual's responsibility for payment to the vendor. Unauthorized purchases require a request for an exception to the purchasing policy which must be approved by the UC ANR Controller and then forwarded to the UCD Associate Vice Chancellor of Business & Finance for Campus approval.
6. University policy prohibits the purchase of goods or services from any employee or near relative of an employee - unless there has been a specific determination by the UCD Purchasing Department that such goods or services are not available from other commercial sources or from the University's own facilities.

RELATED INFORMATION

- [UC Office of the President \(UCOP\) Business and Finance Bulletin BUS-43, Purchases of Goods and Services; Supply Chain Management](#)
- [UCD Enterprise](#)
- [UCD How to Buy](#)
- [UCD Procurement Card](#)
- [UCD Policy & Procedure Manual, Section 350-10 Supplies and Equipment, Procurement](#)
- [UCD Policy & Procedure Manual, Section 350-22 Supplies and Equipment, Procurement Cards](#)
- [UC ANR Independent Contractor \(Individual\) Pre-Hire Information Worksheet](#)

- [UC ANR Request for Purchase Order Form](#)
- [UC ANR Confirming Order / Unauthorized Purchase Justification](#)
- [UC ANR Completing the Unauthorized Purchase Justification in Perfect Forms](#)

FREQUENTLY ASKED QUESTIONS

Not used – initial issuance of policy.

REVISION HISTORY

December 2020: Initial issuance of policy.