



UC San Diego

Policy & Procedure Manual

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PURCHASING

Section: 523-2

Effective: 02/20/1985

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BASIC PURCHASING POLICY

I. REFERENCES

- A. Standing Orders of The Regents of the University of California
- B. Chapter 7, Part 57, Division 9 of the State of California Education Code
- C. AB-507, State of California, 9/26/84
- D. Systemwide Business & Finance Bulletin (BFB)
[BUS 43](#) Materiel Management

II. DEFINITIONS

Glossary of frequently used purchasing terms are contained in *Exhibit A*.

III. POLICY

A. Systemwide Basic Purchasing Policy

Recognize that the basic purpose of Material Management is to support the teaching, research and public service missions of the University in an efficient and cost effective manner.

B. UCSD Implementation

Purchase goods and services for all organizational elements of the University of California, San Diego (UCSD) in a timely and cost effective manner, complying fully with State of California law, Standing Orders of The Regents, University of California policy and good business practice.

IV. BASIC REQUIREMENTS

A. Prequalification of Vendors

The Purchasing Division shall prequalify suppliers interested in doing business with UCSD to determine responsibility. Quotations shall be requested only from prequalified suppliers unless the transaction requires that a specific determination as to qualifications be made based on information to be furnished with quotation(s).

B. Specifications

1. Specifications should contain descriptions which are adequate to obtain competition, will provide equally to competing suppliers information necessary to

prepare and submit quotations and, to the fullest extent practicable, do not favor one brand or trade name article, manufacturer, or supplier over another.

2. Types of Specifications - Two broad general types are design specifications and performance specifications. Design specifications provide details of style, type, size, etc., whereas performance specifications are stated in terms of actual need.

C. Competition

1. Formal competition must be obtained in compliance with State law for any transaction expected to involve an expenditure of \$50,000 or more. University policy further requires that competition be sought for any transaction of \$10,000 or more. Exceptions are personal or professional services, e.g., physicians, architects, attorneys, etc., and brand or trade name products or proprietary services available only from a sole source, or are designated to match others in use at a particular campus location.

Further exception may be exercised for purchases in the \$10,000 to \$50,000 range. Placement of purchase order awards in this range may be negotiated by the Purchasing Department Buyer, in accordance with AB-507, and the concurrence of the Materiel Manager or his/her designee under existing purchasing procedure. It is University policy to award a fair proportion of its business to minority and women-owned businesses under AB-507, and revised BUS-43, and to negotiate awards to businesses in general where it is in the best interests of the University.

2. The burden of proof is on the requester to justify sole source purchases over \$10,000. Those requisitions must be accompanied by a description of the salient

features of a brand or trade name documenting that only that product or service will fulfill the University's needs to the exclusion of all others. All such statements become a part of the purchase contract file and must be defensible at times of audit.

D. Quotations

1. Form and Content

Quotations of \$50,000 or more shall be secured or confirmed in writing by the Materiel Manager or designee. All information necessary to prepare and submit quotations shall be given equally to all suppliers solicited. The right shall be reserved to accept or reject quotations on each item separately, or the quotation as a whole, without further discussion. Quotations less than \$50,000 may be secured verbally by the Materiel Manager or designee.

V. RESPONSIBILITY

A. Originating Office

1. Makes no commitment to vendors over \$300, and makes commitments under \$300 only if Low Value Purchase Order authority has been granted by the Purchasing Manager.
2. Utilize minority and women-owned businesses whenever possible.
3. Submit *Purchase Order Requisitions* (POR) which contain descriptions that are adequate to obtain competition and do not favor one brand or trade name article, manufacturer or supplier over others, to the Purchasing Division.

4. Support *Purchase Order Requisitions* for unique products and proprietary services with factual, auditable statements of need.

B. Purchasing Division

1. Be responsive to Campus requests for goods or services.
2. Maintain liaison with the user department from date of receipt of *Purchase Order Requisition* until receipt of goods or services.
3. Utilize minority and women-owned businesses whenever possible.



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EXHIBIT A

GLOSSARY OF PURCHASING TERMS

Materiel Manager	Campus official responsible for Materiel Management functions which generally include purchasing, receiving, storehouse operations, and equipment management.
University Materiel Coordinator	Head of Systemwide Administration unit with facilitative, consultative, and coordinative responsibility for the material management function of the University.
Purchase Contract	A written agreement between the University and a supplier containing the essential terms and conditions under which items of personal property or services are to be furnished to the University.
Purchase Order	A purchase contract written on a University purchase order form which becomes a contract either through execution by both parties or, when so provided, upon execution by both the University and performance by the supplier.
Subcontract	A purchase contract, under a prime contract, which contains special flow-down provisions and is generally utilized to procure research and development work or unusually complex or high-value items or services.
\$50,000 Annually	Any single purchase contract or purchase order involving an estimated campus or laboratory expenditure of \$50,000 or more annually for materials, goods, or services including supply agreements, pool purchases, and single purchase requisitions.
Common Goods and Services	Standard commercial equipment, materials, supplies, and services readily obtainable through conventional commercial marketing channels.
Unique Products and Proprietary Services	A product or service the characteristics and functions or features of which are such that only that single product, particular feature, or service will properly satisfy the University's needs and all other products or services would be unacceptable for such needs. (A unique product or proprietary service may or may not be available from a single source. To the extent that a price advantage could be obtained by seeking quotations from multiple suppliers, in accordance with Section IV.C. of these policies, such quotations shall be solicited.)
Sole Source	The only supplier capable of meeting University requirements within the time available, including emergency and other situations which preclude conventional planning and processing.
Responsive Quotation	A quotation determined by the materiel manager or designee to be in substantial conformance with the specifications, delivery requirements, and conditions prescribed in request for quotation, free of material mistakes or errors.

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PPM 523 - 2 Exhibit A Glossary of Purchasing Terms

Responsible Quoter	A quoter who has the capability in all respects to perform fully the contract requirements and whose integrity and reliability will assure good faith performance. (Factors considered in evaluating responsibility may include: financial resources, past performance, delivery capability, experience, organization, personnel, technical skills, operations controls, equipment, and facilities.)
Reasonable Price	A price judged reasonable by the materiel manager or designee, having been established through competition sufficient to ensure an adequate market test, or set by applicable law or regulation, or supported by an appropriate price or cost analysis, such as prescribed in the National Association of Purchasing Management "Guide to Purchasing" and in Federal regulations.
Federal Contracts and Grants	Extramural agreements which fund selected campus activities.