

Santos Manuel Student Union  
of  
California State University, San Bernardino

**BIDDING POLICY**

Purpose:

The purpose of this policy is to establish dollar limits and bidding procedures for the purchase of products and services for the Santos Manuel Student Union (SMSU).

Scope:

This policy applies to all SMSU personnel who expend SMSU funds from budgeted or program generated accounts.

Products and services costing up to \$2999.99:

One informal written bid or telephone bid is required for products and services costing up to \$2,999.99. A suppliers form or SMSU Bid/Quote form (copy attached) should be used to document the bid.

Products and services costing from \$3,000.00 to \$24,999.99:

Every attempt shall be made to solicit three informal written bids for products and services costing from \$3,000.00 to \$24,999.99. A suppliers form or SMSU Bid/Quote form (copy attached) should be used to document the bid.

Products and services costing \$25,000.00 or more:

Products and services costing \$25,000.00 or more shall require the use of the formal bidding procedure as outlined below.

**NOTE:**

The dollar amounts listed above include shipping charges, but **EXCLUDE** sales tax. For example, if the requisition total before sales tax is \$2,999.99 only one price request is required. If, however, there are shipping charges to be added to the \$2,999.99, three informal written bids should be solicited.

**FORMAL BIDDING PROCEDURE**

Principles:

The formal bidding procedure is established to provide the SMSU with guidelines to ensure that

fair and equitable procedures are followed in procuring the best quality item(s) costing \$5,000.00 or more. The guiding principle for accepting bids for products and services costing in excess of \$4,999.99 is **best value for the dollar**. Therefore, while cost is important, it is not the only factor, nor even the deciding factor, on which acceptance of a bid is based. Such items as delivery, warranty limits, service availability, response time, reliability, company reputation, etc., are also factors in the final decision. The criteria to be used in the acceptance of a bid are determined on a case-by-case basis. **It must be clearly understood that the SMSU reserves the right to accept or reject any bid on any basis, or no basis, as it deems appropriate.** Breaking up a purchase into separate components in order to circumvent the Bidding Policy is absolutely prohibited.

#### Procedures:

Upon determining that an individual item or service will exceed the established limit of \$4,999.99, the Executive Director will place the item on the Finance and Contracts committee agenda for review and approval. The Finance and Contracts committee will examine the request to ensure that it conforms to fiscal policy, that sufficient funds are available and that it is reasonable. After approval by the Finance and Contracts committee, the item is placed on the SMSU board of directors' agenda. In the event the Finance and Contracts committee is unable to meet, the item may be placed on the SMSU board of directors' agenda for consideration. Final approval authority rests with the board of directors and it may approve all, part, none or a modified version of the request.

Once the request is approved, the Finance and Contracts committee will do the following:

1. Establish appropriate specifications and criteria for selection. All bids will contain the deadline date and time, and authorized method(s) of transmission.
2. Establish a list of prospective bidders and prepare a Request for Proposals (RFP), with appropriate criteria and specifications.
3. Establish objective rating criteria to evaluate the bid conformity to the established criteria and specifications.
4. Open bids at the specified time. In the event the members of the Finance and Contracts committee are unavailable for the bid opening, the bids may be opened by the committee chair and the Executive Director. Bidders who meet the criteria for submitting bids will be notified of the time and place of bid opening and are entitled to be present at the bid opening. All bids received by the published deadline will be placed in the SMSU safe. Bids received after the published deadline will be returned, unopened, to the prospective bidder.
5. Select the winning bid. Great care should be taken to ensure that all bids are

given fair and equitable treatment in their consideration. All bids should be rated against the established criteria.

6. Notify the winner and the unsuccessful bidders, in writing, of the decision.
7. Advise the Executive Director to issue a purchase order.

If an RFP does not generate the response anticipated, and/or those bids submitted are not responsive in pricing, a formal letter will be sent to each bidder informing them that the Request for Proposal is being withdrawn.

### **SOLE SOURCE PROCEDURE**

It is conceivable that a sole source may be the best or only source available for a product or service. This may be due to the unique nature of the product or unforeseen legitimate time constraints which do not permit a complete bidding cycle. Sole source should only be used for **good and sufficient reason**, i.e., when the outcome of a bid is relatively assured because of too few potential bidders or the nature of the product. Putting out an RFP knowing a certain vendor will be selected nullifies the bid process and could leave the SMSU exposed to possible legal action by a vendor who spent time, energy and resources on a wasted RFP effort. Thorough research and factual data should be compiled on every prospective bid and presented to the Finance and Contracts committee and the board of directors as justification. If sole source is justified, it should be requested.

A request to purchase an item exceeding \$4,999.99 through a sole source must be approved by the Finance and Contracts committee and the SMSU board of directors. Requests to purchase items exceeding \$1,500.00 each through a sole source must be approved by the board of directors. The agenda item must contain language clearly indicating a request for waiver of the bidding policy for sole source purchase. The Finance and Contracts committee and/or the SMSU board of directors may, at their discretion, approve the purchase of an item while disapproving the use of the sole source option. If the sole source purchase option is denied by the Finance and Contracts committee, that option may not be placed on the board of directors' agenda. This does not preclude the request being presented to the Finance and Contracts committee for reconsideration at a later time.

SUBOD approved 2/12/98