

PART 3

PURCHASE TRANSACTIONS

Part 3 sets forth basic policies and requirements for the purchase of goods and services by the University.

I. GENERAL POLICY AND APPLICABILITY

- A. Policy - It is the practice of the University to meet its need for goods and services at the lowest overall cost, while affording the maximum opportunity practicable to those who wish to become suppliers to the University.
- B. General Applicability - The policies and requirements set forth herein, and in other Materiel Management issuances, shall apply to all campus and Laboratory purchasing activities, unless otherwise indicated.
- C. Applicability under Federal Contracts and Grants - The policies and requirements in this Bulletin shall not apply to purchases funded exclusively by Federal agencies to the extent they are in conflict with mandatory requirements of such agencies.
- D. Services Provided by Independent Contractors - In general, "service" and "maintenance" (as defined in Part 1) of a specific nature to be performed by an independent contractor is covered by the University's standard purchase order form and standard terms and conditions of purchase in accordance with the procedures described in this part.

The procedures described in this part do not apply to "construction" as defined in Part 1 of this Bulletin. Such activity is covered by procedures set forth in the University Facilities Manual.

Procedures for agreements for planning and design services are not included in this part. Such agreements are covered in the University Facilities Manual.

Procedures for agreements covering academic, research, or artistic programs are not included in this part.

II. COMMON GOODS, MATERIALS, AND SERVICES UNDER \$50,000 IN VALUE

- A. Governing Requirements - Negotiation is allowed for transactions below \$50,000. Competition is sought if the Materiel Manager determines that the competition is necessary to develop a source, validate prices, or for other compelling business

reasons. Negotiation may be used in conjunction with competitive quotations as well as in situations when competition is not obtainable or required.

- B. Conduct of Negotiations - For a purchase of less than \$50,000, when it is advantageous to the University, all the necessary components of the order may be negotiated orally or in writing with one or more vendors. The number of vendors with whom negotiations are carried on is the responsibility of the Materiel Manager and will generally depend upon the size and complexity of the purchase and market conditions. Before making a commitment, there shall be a determination that the price is reasonable.
- C. Purchase Contracts - Purchase contracts shall be in writing at a level determined appropriate by the Materiel Manager to protect the interests of the University, when required under the provisions of Federal contracts and grants or other extramural sponsor agreements, for personal services, for hourly rate labor, when an allowable variation in quantity could increase the order value to a dollar level requiring a written order, when special risk exists, or when special documentation is required as in the case of foreign purchases. Purchases without written order generally should be made only when material is to be shipped promptly by a supplier familiar with this University practice.

The requirements set forth in Section III.G. (except G.1.) and H., below of this Part 3, governing purchases of common goods and services over \$50,000 in value, shall apply fully to purchase contracts under \$50,000 in value.

III. COMMON GOODS, MATERIALS, AND SERVICES OVER \$50,000 IN VALUE

- A. General Requirements - The Public Contract Code of the State of California (Public Contract Code Section 10507, et seq.) requires that all purchase contracts involving an expenditure of more than \$50,000 shall be awarded to the lowest responsible bidder meeting specifications, or else all quotations shall be rejected. The lowest responsible quoter shall be determined on the basis of one of two methods: (1) cost alone or (2) on a cost per quality point basis. Any other methods are legally indefensible.

In the cost per quality point method, points are awarded for factors other than cost. To determine the lowest cost per quality point, the proposed cost of the goods, materials, or services is divided by the quality points assigned to the proposal. Typically, there are several categories in which a bidder will be evaluated, and a certain number of points may be awarded per category, depending on the relative importance of the category. It is legally impermissible to consider the price of the goods, materials, or services as a "category" to be given points.

B. Requisition Requirements

1. Specifications - These should contain descriptions which are adequate to obtain competition, will insure responsive quotations, will provide the same information to all competing sellers and, to the fullest extent practicable, do not favor one brand, trade name, article, manufacturer, or supplier over others.
2. Brand or Trade Names - These should be used in specifications for descriptive purposes only. When it is believed that no other brand, trade name, item, or proprietary service will properly satisfy the needs of the University, specifications should include a description of the technical features necessary to determine if other, available items or services are equivalent to those specified.
3. Date Needed - This should provide a reasonable time to obtain competition, secure timely delivery, or obtain contract performance based on realistic schedules, thus avoiding payment of premium costs which may be required to meet abnormally short delivery or performance times.
4. Verification of Needs - Prior to the solicitation of a quotation, the Materiel Manager shall determine that specification requirements such as abnormally short delivery or performance times, goods or services designated as unique or sole source, or items required to match others, are reasonable and necessary.

C. Supplier Prequalification

1. Materiel Managers shall determine that all quoters are responsible. See Part 1 for the definition of "Responsible Quoter."
2. Prospective quoters shall be required to provide relevant information as required to determine responsibility. Prequalification requirements shall be based upon factors relevant to determining responsibility and shall be commensurate with complexity, cost, risk, and time available. All potential quoters shall be given equal consideration in evaluating qualifications.
3. The request for quotation should specify whether information regarding qualifications should be submitted before or at the time of submission of the quote. Only quotations from quoters determined to be qualified shall be evaluated.

4. Prequalification may not be a conclusive determination of responsibility in a given transaction. On the basis of subsequent information, the Materiel Manager may determine that a prequalified quoter should be rejected or that a rejected quoter should be prequalified.
5. Known suppliers with a current record of satisfactory performance and reliability may be considered prequalified for goods and services they have previously supplied.

D. Quotation Solicitation

1. Competition - Competition must be sought, as herein prescribed, for any transaction expected to involve an expenditure of \$50,000 or more for goods or services, other than personal or professional services, unless it is determined that a brand or trade name article, thing or product, or proprietary service is unique, available only from a sole source, or is designated to match others used in or furnished to a particular installation, facility, or location. Requirements shall not be artificially divided into separate transactions to avoid competition.
2. Public Advertisement - Competition shall be sought by public advertisement where feasible and practicable. Such advertisement includes but is not limited to:
 - a. utilizing newspaper and trade journal notices periodically to inform potential suppliers of the University's practices;
 - b. posting an appropriate notice in a place readily accessible to suppliers who may be interested in submitting a quotation; and
 - c. making an appropriate newspaper or trade journal announcement, when determined by the Materiel Manager to be in the University's best interests.

The public advertisement period shall ensure that the procurement time requirement is satisfied while allowing all potential quoters a reasonable time to respond. Materiel Managers shall request written quotations from those potential quoters that specifically apply after public advertisement and from other prequalified quoters as determined by the Materiel Manager. If in the judgment of the Materiel Manager the quotation period should be extended, all quoters shall be concurrently notified.

3. Solicitation - If public advertisement is not utilized, competition shall be sought by as broad a solicitation of qualified quoters as the situation

indicates. Such solicitation shall be from at least three sources and may, in a limited market, include written inquiries to determine supplier interest and capability.

4. Form and Content - Quotations shall be obtained in writing by the Materiel Manager. All information necessary to prepare and submit quotations shall be given equally to all suppliers solicited. If the award will be based on the cost per quality point method, the Request for Quotation should list all the different factors to be considered in the evaluation. Although it is not mandatory to indicate how many points are possible per category, the number of points as well as the standards for determining the range of points that may be awarded per category should be established prior to quotation opening in order to defend against a protest. The right shall be reserved to accept or reject quotations on each item separately, or the quotation as a whole, without further discussion.

E. Processing Quotations Received

1. Acceptance - Quotations shall be accepted if received no later than specified in the request. Late quotations shall be rejected and returned unless the delay is due to negligence of the University.
2. Rejection - The University is not required to accept any quotation, and may reject all quotations without providing an explanation, provided it has not already awarded a contract to one of the quoters or issued a notification to a quoter giving the quoter the opportunity to negotiate a contract (see Section III, E. below). All quotations shall be rejected when an award will not result in a reasonable price. Any quotation determined to be non-responsive, or which is from a quoter who is not responsible shall be rejected.
3. Exceptions - For goods, materials, or services required to be competitively bid, the University may not allow a quoter to correct an error, take an exception to a specification, or waive an irregularity if it gives that quoter a material advantage over other quoters.
4. Public Opening - Quotations are not opened publicly unless, in the judgment of the Materiel Manager, a public opening will be advantageous to the University.

F. Award of Purchase Contracts

1. General Basis - Purchase contracts shall be awarded to the lowest responsible quoter meeting specifications, or else all quotations shall be

rejected. Should the lowest responsible quoter refuse or fail to execute the tendered purchase contract, it may be awarded successively to the second lowest responsible quoter, and then to the third in the event of further refusal or failure.

2. Lowest Responsible Quoter - There are two legally permissible methods of determining the lowest responsible quoter (see Section III, A. above):
 - a. by cost alone, or
 - b. on a cost per quality point basis.

When using the cost per quality point method, quotations will normally be evaluated by more than one person; to determine the total quality points, an average is taken of all the quality points per category and then totaled or an average is taken of the total points awarded by individual evaluators. The cost of the goods or services are then divided by the total quality points. Where more than one cost figure is involved, the different costs may be weighted in order to establish a single cost.

3. Responsive Quotation - In either evaluation method, only those quotations which are responsive may be considered. If any item in the quotation is deemed "mandatory" and the quoter does not provide information on the mandatory item or indicates it would not be able to comply with the mandatory item, that quotation is non-responsive.
4. Reasonable Price - Purchase contracts shall be entered into only after it has been determined by the Materiel Manager that prices to be paid are reasonable. Prices shall be considered reasonable when it has been determined by the Materiel Manager that competition secured has resulted in a reasonable market test, or when prices are set by applicable law or regulation. Lacking these assurances, reasonableness shall be determined by appropriate price or cost analysis.

Pricing techniques prescribed in Federal regulations shall be utilized selectively in price or cost analysis, recognizing their fundamental soundness but taking into account the different character and scale of purchases for which such regulations have been developed. Literal compliance shall be required only to the extent expressly required for purchases under specific Federal contracts and grants.

5. Negotiation - In some circumstances, it is not possible to specify all of the University's requirements, and some negotiation is allowed. The Request for Quotation should state that the lowest responsible quoter will be awarded the right to negotiate those requirements with the University. If

the parties are unable to reach agreement, the University may go to the next lowest quoter if it wishes, but it is not required to do so.

6. Multiple Awards - Purchase contracts may be awarded to multiple suppliers when the Materiel Manager determines that a single supplier will be incapable of meeting all of the University's needs. The request for quotation shall state the basis for such awards and that the University expressly reserves the right to make multiple awards.

G. Purchase Contracts

1. Written Purchase Contracts - Purchase contracts issued subject to this Section III. shall be in writing.
2. Standard Documents - Purchase contracts normally shall be written on a University purchase order form utilizing standard terms and conditions of purchase (see Exhibit C). No changes, deletions, exceptions, or additions to the standard terms and conditions shall be included in any purchase contract without the written approval of the General Counsel.
3. Special Documents - Purchase contracts for research and development work, subagreements for research, unusually complex or high-value items or services, or other unusual requirements, may require the use of documents specially created for the purpose. Such purchase contracts shall be entered into only when these documents have been approved as to form by the General Counsel.
4. Extramural Agreement Provisions - Purchase contracts funded by Federal contracts and grants or other extramural sponsor agreements shall include the provisions required by the funding agency.

Use of the standard University Purchase Order and Terms and Conditions of Purchase is inappropriate for issuing subagreements for research. Exhibit G, Cost-Reimbursement Type Subagreements for Research, provides guidance for the formation of such subagreements including clauses approved for use by the General Counsel.

5. Compliance - Full compliance with all terms, conditions, and provisions of purchase contracts shall be secured to the maximum extent practicable. Appropriate controls shall be instituted to ensure University rights are not waived, or a purchase contract breached, through inaction or faulty action.

H. Performance and Acceptance

1. Monitoring Progress - Employing measures consistent with these policies and the requirements of the purchase contract, the Materiel Manager shall secure timely delivery and/or performance and avoid waiving the right to timeliness through inaction or faulty action.
2. Changes - After the execution of purchase contracts, required changes in quantities, specifications, or other terms, shall be negotiated in such manner as to ensure that the principle of competition is not violated and that any adjustments are equitable.
3. Acceptance - Inspection of goods and services shall be conducted immediately upon receipt or performance and discrepancies shall be reconciled promptly. The University has an obligation to make prompt payment for goods received and services performed, however, a penalty for late payment shall not be paid unless the purchase contract so provides.

Particular care shall be taken in accepting complex products, such as high-technology equipment, and unusual services. Acceptance tests, or other acceptance criteria, shall be agreed upon and fully set forth in purchase contract documents. Unless otherwise provided, payment other than agreed progress payments shall be withheld until final acceptance. In addition, to avoid unauthorized commitments, care shall be taken to properly identify those persons authorized to represent the University and the supplier during performance and acceptance.

IV. UNIQUE OR PROPRIETARY PRODUCTS AND SERVICES

- A. General Requirements - The requirement for competitive bidding of goods and services in excess of \$50,000 shall not apply when the Materiel Manager determines that a product or service is unique or proprietary as defined in Part 1.
- B. Governing Requirements - In addition to the requirements set forth in this Section IV, the requirements set forth in Section III. G. and H., above, of this Part 3 governing purchases of common goods and services, shall apply fully to purchases of unique or proprietary products and services.
- C. Solicitation of Quotations (or Proposals)
 1. Pre-Solicitation Investigations - Prior to soliciting quotations for unique or proprietary products and services, the Materiel Manager shall develop sufficient information on available goods and services to:

- a. permit reasonable consideration of alternatives and evaluation of any technical information required to determine that the product or service is unique or proprietary;
- b. assess the capabilities of potential suppliers;
- c. aid in design work;
- d. develop complex specifications;
- e. estimate costs; or
- f. establish time for delivery or performance.

Care shall be taken to ensure that supplier effort is reasonable and that no commitments, actual or implied, are made.

2. Specification Development - Requirements shall be adequately specified in accepted industry design, performance, or other definitive terms, to ensure there is a reasonable basis for securing quotations, forming a sound purchase contract, and determining acceptability of products or services furnished.
3. Form and Content - Quotations shall be secured or confirmed in writing on a University Request for Quotation form, or other appropriate document. The basis upon which the quotation is to be made shall be clearly established. All information necessary to prepare and submit quotations shall be given to potential suppliers including appropriate provision for negotiation, and instructions pertaining to confidentiality.
4. Documentation - The Materiel Manager shall document the reasons for the determination that a product or service is unique or proprietary.

D. Processing Quotations Received

1. Rejection - All quotations shall be rejected when an award will not result in a reasonable price and/or terms. Quotations which the Materiel Manager determines lack technical merit, or will not otherwise reasonably satisfy the University's requirements shall be rejected.
2. Exceptions, Irregularities, and Errors - Exceptions taken in quotations, or irregularities or errors therein, may be negotiated with or corrected by the quoter involved.

E. Awards of Purchase Contracts

1. General Basis - Purchase contracts shall be awarded after determination by the Materiel Manager that the quoter is responsible and the quotation results in a reasonable price giving due consideration to overall cost, price, delivery, technical merit, contract terms, and other relevant factors .
2. Negotiation of Reasonable Prices and Other Terms - Reasonable prices and terms may be negotiated when determined appropriate by the Materiel Manager.

V. PURCHASE LIMITATIONS AND SPECIAL REQUIREMENTS

A. Campus and Laboratory

1. Office of the President Coordination - Certain matters require coordination with the Office of the President consistent with its designated role in Materiel Management and with delegations of authority to Chancellors and Laboratory Directors. These matters are:
 - a. Transactions subject to approval as exceeding delegated authority, exceptions to policy, or involving special commodities which require review prior to purchase.
 - b. Matters which should be reported to the President, such as sensitive policy issues, or potential or actual claims or disputes involving significantly large amounts.

Such coordination normally shall occur through the Systemwide Office of Materiel Management. Information furnished for the purpose shall be in such form and content as the Chancellor or Laboratory Director involved and the Senior Vice President--Business and Finance or designee determine on a case-by-case basis.

2. Alcohol, Drugs, Hazardous and Radioactive Materials - Federal and State laws and regulations govern the purchase, control and use of narcotics, dangerous drugs, ethyl alcohol, and radioactive and other hazardous materials. Appropriate procedures and controls shall be established by each Chancellor or Laboratory Director to ensure compliance with these laws and regulations and with prudent practices in the industry.
3. Product Recall - To ensure prompt, effective reaction to notices of product recall by any manufacturer or supplier, each campus and Laboratory is to establish a procedure that assigns responsibility for notifying the campus

or Laboratory community of the recall, and coordinating and documenting the return, repair, or destruction of the defective product.

4. Other Governing Requirements - Certain requirements of Federal and State laws and regulations, and other authority, govern purchases of items such as motor vehicles, protective items, uniforms, carpets, and items of foreign origin. They also deal with related matters such as clean air and water resources, employment of the handicapped, and non-segregated facilities. The Senior Vice President--Business and Finance or designee shall furnish current complete information to Chancellors and Laboratory Directors who, in turn, shall establish appropriate procedures and controls to ensure compliance.
5. Letters of Intent - At times it may be necessary for the Materiel Manager to issue a letter of intent in advance of the purchase order. Since the University will be legally bound, the letter is subject to the same restrictions and policy requirements as other purchase actions including, but not limited to, the requirements for competition, determination of reasonableness of price, and appropriate administrative approval.
6. Rebates - In general, the Materiel Manager should negotiate quantity or payment discounts in lieu of supplier rebates or incentive payments. However, for purchase orders or contracts that contain rebates or incentive payments, the following procedure shall be followed:
 - a. All rebates and incentives must be identified as such and listed in the purchase order or contract. The Materiel Manager should include the value of the rebate or incentive payment when determining price reasonableness.
 - b. Rebates should be returned to the University as cash rather than credits to make additional purchases. If the purchase order or contract only provides for rebate credits, which is strongly discouraged, such credits held by suppliers should be minimized by utilizing them promptly to purchase needed goods and services for the University program or activity that generated the credit.
 - c. Cash rebate checks must be made payable to The Regents of the University of California.
 - d. Case rebates received by the University must be recorded in the General Ledger as a credit against the account that generated the rebate. If a rebate is not identified by a specific fund source, it

should be used to support the University program or activity that generated the rebate.

- e. Use of rebates should be tracked and monitored by the University program or activity receiving the rebate.

B. Campus Only

1. Purchasing Material or Equipment which Requires Installation - The purchase of material or equipment and its installation shall be handled as separate transactions when possible. If separate transactions are not possible after consideration of time, cost, and supplier requirements; the installation involves the erection, construction, alteration, repair, or improvement of any University structure; and the State of California requires a contractor to have an active, valid license in order to perform the work; then the procurement shall be processed according to procedures set forth in the University Facilities Manual with appropriate provisions included to govern the material or equipment being purchased.
2. Building Alterations - No purchase orders shall be placed for requests which involve alterations to buildings, or installations which affect the nature of a building, without approval by the campus Facilities Management Department.

VI. RESOLUTION OF CONTROVERSIES OVER THE SOLICITATION OR AWARD OF A CONTRACT

- A. Authority of the Vice Chancellor--Administration or equivalent Laboratory Officer - The Vice Chancellor--Administration or equivalent Laboratory Officer shall have authority to resolve protests and other controversies of actual or prospective quoters regarding the solicitation or award of a contract.
- B. Filing of Protest - Any actual or prospective quoter or contractor who has a complaint regarding the solicitation or award of a contract should first attempt to resolve the grievance with the buyer, Materiel Manager, or other University contracting officer involved in the transaction. If the controversy over the solicitation or award of a contract cannot be resolved at this level, the complainant may file a protest or notice of other controversy with the Vice Chancellor--Administration or equivalent Laboratory Officer. A protest or notice of other controversy must be filed promptly and in any event within two calendar weeks after such complainant knows or should have known of the facts giving rise thereto. All protests or notices of other controversies must be in writing.

- C. Decision - The Vice Chancellor--Administration or equivalent Laboratory Officer shall appoint individuals to investigate the issues involved in the complaint, analyze the findings, consult with General Counsel, and promptly issue a decision in writing. A copy of that decision shall be mailed or otherwise furnished to the aggrieved party and shall state the reasons for the action taken.
- D. Effect of a Protest - In the event of a protest timely filed under Section VI.B., the University shall not proceed further with the solicitation or award involved until the protest is resolved or withdrawn unless the Vice Chancellor--Administration or equivalent Laboratory Officer consults with General Counsel and makes a written and adequately supported determination that continuation of the procurement is necessary to protect substantial interests of the University.

It is expected that any decision to proceed with the solicitation or award prior to the University's resolution of the protest will occur infrequently. Such circumstances include but are not limited to:

1. When the award of an extramurally funded contract or grant would be jeopardized, or when a material breach or significant delay in timely performance of an extramurally funded contract or grant would result.
2. Contracts for repair, operation and maintenance of equipment used in scientific and medical research projects, food service operations, waste removal, building systems (e.g., utilities, elevators, heating, air conditioning, security, etc.), voice and data communications, and computers, provided that the lack of such contracts would substantially interfere with the University's functions in these areas.
3. Equipment, supplies, or services directly or indirectly related to patient care.
4. Equipment, supplies, and services required for scheduled events (e.g., classes, public functions, athletic events) when absence of needed material could result in cancellation or rescheduling the programs and events.

The responsible University official shall document in the contract file, in detail, the reasons for proceeding prior to resolution of a bid protest. Written notice of the decision to proceed shall be given to the complainant and others concerned with the transaction.

- E. Unresolved Controversies - General Counsel shall be consulted concerning potential or actual claims or disputes which cannot reasonably be settled in a fair and equitable manner through the administrative process described above.

VII. RELEASE OF AWARD INFORMATION

- A. Governing Requirements - Applicable State and Federal laws provide that any individual or firm is entitled, on request, to information relating to a purchase transaction after award has been made. Measures shall be taken to ensure that such information, when furnished:
1. Includes, to the extent requested, the name, address and price(s) of each quoter in response to a proper solicitation, and the basis for award.
 2. Excludes any quoter's trade secrets or other confidential business information so identified by the quoter at the time of its submission, provided that the disclosure of such information is exempt or prohibited pursuant to Federal or State law.

Any questions concerning the propriety of furnishing or withholding information requested shall be referred to General Counsel for guidance.

- B. Cost Recovery - A transcript shall be furnished, on request, containing the information authorized for release. A fee may be charged to recover costs of furnishing a requested transcript whenever the fee exceeds the cost of billing and processing.

VIII. UNAUTHORIZED PURCHASES

Responsibility - An individual who has not been delegated purchasing authority who makes an unauthorized purchase of goods or services shall be responsible for payment of the charges incurred. At the discretion of the Chancellor or Laboratory Director:

1. The unauthorized individual shall be required to pay either the full amount whenever the purchase is found to cover unneeded items or items whose purchase would not otherwise be authorized and the transaction cannot be canceled, or the amount of any cancellation charges incurred when cancellation can be arranged.
2. The unauthorized individual shall be required to pay only the difference between the charges such individual incurred and those the University would be reasonably expected to have incurred whenever the purchase is otherwise found to have been proper.

IX. LOW-VALUE PURCHASES

- . Policy - The development of methods for reducing costs of executing low-value purchases shall be encouraged. Such methods shall establish definite dollar limits

of use and shall require compliance with basic purchasing policies and requirements.

A. Low-Value Purchase Authorization - This authorization may be granted by the Materiel Manager to individuals in departments outside the purchasing department. Each such delegation of authority shall be in writing and shall contain written procedures adequate to ensure observance of good business practices and compliance with University purchasing policy. The following shall be observed in administering Low-Value Purchase Authorization:

1. The amount which the individual is authorized to spend shall not exceed \$2,500 per transaction with the following criteria:
 - a. individuals delegated such purchasing authority shall have a functional responsibility to the Materiel Manager who shall insure that all purchasing activity is conducted in accordance with University policy and procedures and that such individuals shall have had the training and instruction the Materiel Manager deems necessary;
 - b. purchases shall be limited to materials and supplies not available either through campus or Laboratory stores or through local or Planned Purchasing agreements, and to repairs not available internally or through established maintenance agreements;
 - c. any such delegation shall specifically prohibit purchases of items determined inappropriate by the Materiel Manager. Examples are inventorial equipment (BUS 29); specially controlled items such as ethyl alcohol (BUS 2); narcotics and dangerous drugs (BUS 50); firearms, precious metals, explosives, and other hazardous materials; and personal services, including consulting services (BUS 34);
 - d. each purchase by such individual shall be recorded at the time of commitment in the manner provided in the delegation. Requirements shall not be artificially divided so as to constitute a small purchase under this authorization; and
 - e. periodic appraisals shall be conducted by cognizant internal auditors or by an appropriate designee of the Materiel Manager to ensure proper performance under this authorization and to provide a basis for adjusting or discontinuing the delegation to the individual as the findings indicate.

2. The Materiel Manager may grant, in writing, additional purchasing authority to individuals outside the purchasing department, under the following conditions:
 - a. the criteria in Section IX.B., 1., above, shall apply to this granted additional purchasing authority;
 - b. qualifying departments shall have an historical level of purchase activity sufficient to ensure, in the judgment of the Materiel Manager, that a higher level of authority will result in more cost effective procurement;
 - c. qualifying departments shall have prepared and had approved by the Materiel Manager written procedures implementing the proposed delegation of increased authority;
 - d. individuals delegated such additional purchasing authority shall have a functional responsibility to the Materiel Manager who shall insure that all purchasing activity is conducted in accordance with University policy and procedures and that such individuals shall have had the training and instruction the Materiel Manager deems necessary to discharge the increased authority effectively;
 - e. the additional authority shall not exceed the competitive bidding levels described in this Part 3, Section III, and
 - f. any such delegation shall specifically prohibit purchases of items determined inappropriate by the Materiel Manager. Examples are inventorial equipment (BUS 29); specially controlled items such as ethyl alcohol (BUS 2); narcotics and dangerous drugs (BUS 50); firearms, precious metals, explosives, and other hazardous materials; and personal services, including consulting services (BUS 34).
3. The Materiel Manager may grant exceptions, on a single transaction basis in advance of purchase, as to dollar amount and items to be purchased when notified by the department business officer or other responsible official that an emergency situation exists.

X. PERSONAL PURCHASES

- . Policy - University credit, purchasing power, and facilities shall not be used to purchase goods or services for individuals or for non-University activities.

- A. Discretionary Use - Organizations and activities closely allied to or officially associated with the University (such as a faculty club or an ASUC), with the approval of the Chancellor, may be permitted to purchase materials not subject to Federal tax through the campus Materiel Management Office.