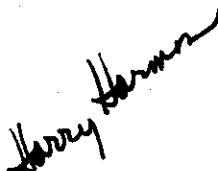


THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
400 Golden Shore
Long Beach, California 90802
(213) 590-5512

Date: January 5, 1983

To: Presidents

From: Harry Harmon 
Executive Vice Chancellor

Subject: Purchase, Sale, Lease, and License of Personal Property – Delegation of Authority
Executive Order No. 409

In December 1981, as a result of the passage of SB 653, a series of Executive Orders were distributed among which were delegations of authority relative to The California State University purchasing and contractual activities.

A review of these delegations has identified a need to increase legal review services for the campuses on major purchases. Concern has been expressed by a number of sources including individual members of the Board of Trustees.

The attached Executive Order No. 409 provides for a legal review of purchases, leases, and licenses over \$100,000, of purchases, leases, and licenses containing unusual requirements, and of sales, leases, and licenses over \$25,000 of state-owned personal property. Such transactions will be submitted to the Auxiliary and Business Services section of the Office of the Chancellor to coordinate program and legal reviews and approvals. (Provisions of Executive Order No. 380 relative to electronic data processing approval and certification are not affected by this Executive Order and thus remain in effect.)

The California State University purchasing authority terminates January 1, 1987 unless extending legislation is enacted. The increased flexibility obtained with the passage of SB 653 can be maintained only if its effective use is demonstrated. The Trustees must report to the Joint Legislative Budget Committee by January 1, 1986 on the cost effectiveness of the authority granted by SB 653. The report must, to the extent possible, present data verifying the dollar

Distribution: Vice Presidents for Administrative/Business Affairs (with attachment)
Business Managers (with attachment)
Procurement and Support Services Officers (with attachment)

Presidents
January 5, 1983
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savings resulting from the authority. Each campus must maintain records related to efficiency and cost effectiveness as prescribed by the Office of the Chancellor. It is your responsibility as President to implement Executive Order No. 409 and the related procedures in a manner which will assist in gaining legislative support for extending the authority beyond 1987.

We look forward to your continued assistance in the effective implementation of The California State University procurement authority.

HH:md

Attachment

THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
400 Golden Shore
Long Beach, California 90802

Executive Order No.: 409
Title: Purchase, Sale, Lease, and License of Personal Property – Delegation of Authority
Effective Date: January 5, 1983
Supersedes: Executive Order No. 370

This Executive Order is issued pursuant to Sections 1, 2 and 4-e of Chapter III of the Standing Orders of the Board of Trustees of The California State University.

Authority is hereby delegated to each campus President:

- A. To purchase personal property and to purchase incidental services related to the procurement of personal property. The procurement of electronic data processing goods and incidental services related thereto shall follow appropriate approvals required by applicable law.
- B. To sell or exchange personal property belonging to The California State University when the campus President determines that the sale or exchange is in the best interests of The California State University. Such sale or exchange shall be for consideration based on fair market value.
- C. To lease or license personal property belonging to The California State University or to lease or license personal property for use by The California State University when the campus President determines that the lease or license is in the best interest of The California State University. The lease or license of electronic data processing goods for use by The California State University shall follow appropriate approvals required by applicable law.

This authority is subject to the condition that the following purchases, sales, leases, or licenses must be submitted to the Office of the Chancellor for review and approval:

1. Purchases exceeding \$100,000 and leases and licenses of personal property for use by The California State University exceeding \$100,000. Such purchases shall include those entered under The California State University's general purchasing authority or through use of master agreements negotiated by the Department of General Services.

Exempt from this requirement are:

- a. Purchases from Correctional Industries
- b. Purchases from arrangements provided by the Department of General Services' Office of Procurement through:
 - State Stores
 - State Price Schedules
 - State Commodity Contracts
 - Surplus Property Program

2. Purchases, sales, leases, and licenses involving unusual requirements such as:
 - a. The State holds a contractor harmless or agrees to defend or indemnify the contractor.
 - b. The State pays in advance.
 - c. The State is responsible for matters beyond the State's control.
3. All sales, leases, and licenses exceeding \$25,000 of state-owned personal property.

These transactions must be submitted with all related documentation, including specifications, bids, and a written explanation of the transaction to Auxiliary and Business Services in the Office of the Chancellor to coordinate program and legal reviews and approvals.

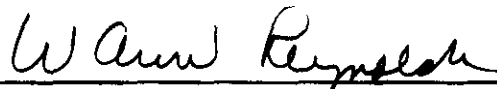
This authority may be further delegated by the President to campus designees subject to the conditions expressed herein.

In exercising the authority conferred by this delegation, the campus President shall comply with all applicable law, policies, and procedures of the Board of Trustees, the Chancellor and designees, including those policies and procedures in The California State University Administrative Manual.

The authority delegated herein may be further conditioned or rescinded on a system or campus basis by the Chancellor or designee as may be necessary or desirable for legal, economic, or policy reasons. Appropriate policies and procedures will be adopted and communicated to the campuses in coded memoranda and/or in The California State University Administrative Manual.

In exercising this purchasing authority, the campus President shall seek to obtain bids from small business firms capable of meeting specifications of the purchase orders. Data must continue to be maintained for reporting periodically to the Office of the Chancellor on the volume and value of purchases made to small-business firms.

The increased authority delegated herein was granted to the Trustees in the enactment of Education Code Section 89048 and Government Code Section 14790 in Stats. 1981, Ch. 867 effective January 1, 1982. This increased authority terminates January 1, 1987 unless legislatively extended.



W. Ann Reynolds, Chancellor

Date: January 5, 1983