

THE CALIFORNIA STATE UNIVERSITY  
OFFICE OF THE CHANCELLOR

Date: November 26, 2002

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SAN BERNARDINO

SAN DIEGO

SAN FRANCISCO

SAN JOSE

SAN LUIS OBISPO

SAN MARCOS

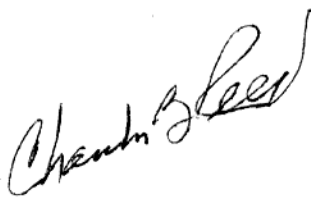
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**MEMORANDUM**

TO: CSU Presidents

FROM: Charles B. Reed  
Chancellor



SUBJECT: Executive Order No. 842

In compliance with the intent of the Governor's Executive Order D-55-02, the attached executive order rescinds Executive Order No. 824, which established interim guidelines for the acquisition of goods and services obtained through the use of California Multiple Award Schedules (CMAS), State Master Agreements, and non-competitively bid acquisition methods. To provide for maximum responsiveness to changes in state-issued policy and procedure, this executive order provides for the issuance of interim procurement guidelines to be established and transmitted via Contract Services and Procurement (CS&P) Bulletins. On-going policy, once finalized, related to the use of CMAS, State Master Agreements and non-competitively bid acquisitions will be expressed via the Policy Manual for Contracting and Procurement consistent with existing practices.

In accordance with policy of the California State University, the campus president has the responsibility for implementing executive orders where applicable and for maintaining the campus repository and index for all executive orders.

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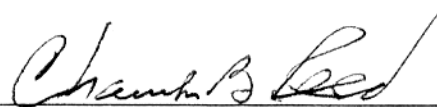
Attachment

cc: Executive Vice Chancellor and Chief Academic Officer  
Executive Vice Chancellor and Chief Financial Officer  
General Counsel  
Vice Presidents for Administration/Finance  
Chancellor's Office Divisional Heads

**THE CALIFORNIA STATE UNIVERSITY**  
**Office of the Chancellor**  
**401 Golden Shore**  
**Long Beach, California 90802-4210**  
**(562) 951-4700**

**Executive Order No.:** 842  
**Title:** Competitive Bidding of Goods and Services  
**Effective Date:** November 26, 2002  
**Supersedes:** Executive Order No. 824

This executive order rescinds, Executive Order No. 824, which established guidelines for utilizing California Multiple Award Schedules, State Master Agreements, and non-competitively bid methods for acquisition of good and services. This executive order also authorizes the use of Chancellor's Office Contract Services and Procurement Bulletins to issue interim guidelines for the acquisition of goods, services and information technology resources in compliance with the policy expressed in the Governor's Executive Order D-55-02. When finalized, interim guidelines will be expressed in the Policy Manual for Contracting and Procurement, issued by the Office of the Chancellor.



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Charles B. Reed  
Chancellor

Date: November 26, 2002



THE CALIFORNIA STATE UNIVERSITY  
CONTRACT SERVICES AND PROCUREMENT

# BULLETIN

02-19

date of release

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**SUBJECT:** Competitive Bidding of Goods and Services

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This Bulletin is issued to provide interim guidelines for the acquisition of goods and services obtained through the use of California Multiple Award Schedule (CMAS), State Master Agreements, and non-competitively bid acquisition methods in compliance with the policy expressed in the Governor's Executive Order D-55-02.

Until rescinded, all contracts and procurements shall comply with the interim policies contained in this bulletin. In the event of a conflict between policies contained in the California State University Policy Manual for Contracting and Procurement and this bulletin, this bulletin shall control.

## **I. CMAS and State Master Agreements**

Acquisitions based on CMAS and State Master Agreements, shall comply with the following:

### IT Goods and Services

Except as otherwise provided, all IT Goods and Services acquisitions, based on CMAS and State Master Agreements, shall be competitively bid resulting in offers from three vendors including one small business, if available. If less than three offers are received, documentation of solicitation methods must be included with the contract documentation.

In addition, acquisitions over \$500,000 must include documentation of solicitation methods and efforts to obtain competitive bids and must be approved by a campus authority no lower than Vice President for Administration/Finance.

### Non-IT Services

Except as otherwise provided, all non-IT Services acquisitions, based on CMAS and State Master Agreements, shall be competitively bid resulting in offers from three vendors including one small business, if available, and shall not exceed \$250,000. If less than three offers are received, documentation of solicitation methods must be included with the contract documentation.

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## Non-IT Goods

Except as otherwise provided, all acquisition of non-IT Goods, based on CMAS and State Master Agreements, shall be competitively bid resulting in offers from three vendors including one small business, if available, and shall not exceed \$100,000. If less than three offers are received, documentation of solicitation methods must be included with the contract documentation.

## Exceptions

Exceptions to the requirements listed above may only occur in the following instances:

- a. Contracts exempt by DGS and listed on the following web page:  
<http://www.documents.dgs.ca.gov/pd/root/exemptcon19.pdf>.
- b. Contracts for essential services - Includes services determined to be critically necessary for the operation of the department or the delivery of services required to be provided by the department.
- c. Contracts required for health and safety - Goods or services determined as necessary to preserve, protect or promote public health, including persons under the care or custody of the state; or necessary to preserve, protect or promote public safety.
- d. Contracts in response to an emergency (Public Contract Code 1102) - A sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, property or essential public service.  
  
**(Note: In the event of an emergency, procurement procedures permit the immediate acquisition of necessary goods and services as needed, with necessary approvals and documentation to follow.)**
- f. Avoidance of financial loss to the state - Goods and services necessary, as determined, to prevent the waste of state funds or resources, including, but not limited to:
  - Failure to obtain will result in the loss of federal or other funding.
  - Failure to obtain will result in damage to or deterioration of state resources.
  - Failure to obtain will result in the interruption of essential state operations or programs.
  - Failure to obtain could expose the state to liability based on the risk of damage to the property of others.
  - Failure to obtain could expose the state to risk based on harm to the public.
  - Failure to obtain could result in the imposition of additional payments, penalties or fines.
- g. A sole source authorization has been obtained.

## II. Acquisitions not based on CMAS and State Master Agreements

Acquisitions not based on CMAS and State Master Agreements, including, but not limited to, CSU Master Enabling Agreements, shall be in accordance with the California State University Policy Manual for Contracting and Procurement except as provided as follows:

- a. Sole source requests for acquisitions greater than \$100,000 must be forwarded to the Office of the Chancellor, Contract Services & Procurement, for review and approval by the Executive Vice Chancellor or designee.
- b. Sole source requests for acquisitions \$100,000 or less must be approved by a campus authority no lower than Vice President for Administration/Finance.

This Bulletin and all Contract Services & Procurement Bulletins can be found at:  
[http://www.calstate.edu/Csp/csu\\_bulletin.shtml](http://www.calstate.edu/Csp/csu_bulletin.shtml)

### **DISTRIBUTION:**

Procurement and Support Services Officers  
Chief Administrative Business Officers