Division Of FINANCE & ADMINISTRATION CHANNEL ISLANDS

California State University

BFA Administrative Directive: #70-1
Contract Approval Process

1.0 PURPOSE

The purpose of this Administrative Directive is to document procedures and timeframes related to processing for final execution all agreements entered into by the Trustees of California State University (**CSU**) on behalf of the Channel Islands campus (**CSUCI** or the **University**) and certain agreements entered into by or on behalf of the auxiliaries that support the University, including Associated Students of California State University Channel Islands, Inc., California State University Channel Islands Foundation Inc., CI University Auxiliary Services, Inc., and California State University Channel Islands Site Authority.

2.0 BACKGROUND

The Procurement and Contract Services (**PCS**) department is responsible for providing direction, oversight, and management of the purchasing and contracting processes. This Contract Approval Process is designed for due diligence and to ensure compliance with CSU contracting standards and policies, which require (among other things) fully executed agreements to be in place prior to CSUCI personnel incurring any liability or fulfilling any obligations to a third party. The approval process is critical for the fiscal and reputational integrity of the University, faculty, and staff directly affected by a contract or agreement, as well as for the protection of our students. As such, it is incumbent upon any CSUCI personnel seeking to obligate the University in any manner whatsoever to plan accordingly and route their documents to PCS to allow PCS adequate time to perform a comprehensive and thoughtful review of the materials submitted.

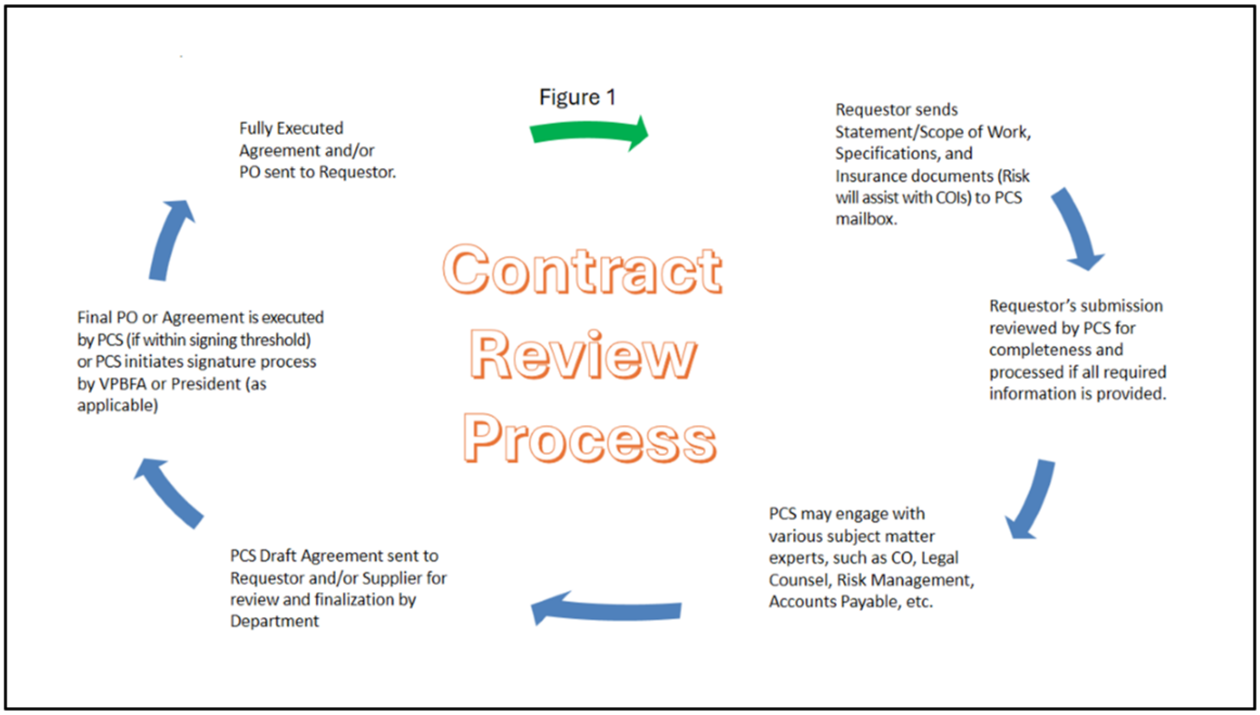
In addition to processing routine University goods and services purchase orders (**PO**), PCS staff manage several types of agreements, some of which require approval by the Vice President of Business and Financial Affairs (**VPBFA**), the President, and/or the California State University Chancellor's Office (**CO**) including but not limited to:

- High Value and/or Visibility PO
- Memoranda of Understanding (MOU)
- Service Agreements
- Public Works Agreements (*e.g. Major & Minor Capital Projects Construction Agreements, Architect/Engineer/Soils Testing/Hazmat, and Abatement Service Agreements, Maintenance Agreements, Job Order Contracts, Task Order Construction Agreements, Task Order Service Agreements*)
- Independent Contractor Agreements
- IT Agreements (*e.g. Software Agreements, Software as a Service Agreements*)
- Lease Agreements and Facility Use Agreements
- Agreements for CSUCI Auxiliaries
- Food Truck Agreements
- International Agreements (*e.g. Faculty Led, Recruiter and Study Abroad*); and
- Placement Agreements (*Internship and Internship Agency*)

Thorough PCS review, response, and routing for final execution by the University's authorized signatories require careful planning, realistic scheduling, complete and accurate documents, and clear communication on the part of the department or individual submitting an agreement to PCS (**Requestor**).

3.0 OVERVIEW

Figure 1 details the PCS Contract Review Process:



PCS will partner with the Requestor to guide them through the Contract Approval Process, ensuring that contracts are developed and compliant with applicable California State law and all CSU and University procurement policies. PCS is responsible for ensuring that applicable *CSU Terms and Conditions of Purchase* (formerly known as the CSU General Provisions) are included with all purchase orders and service agreements. The length of time for PCS to review and finalize an agreement varies significantly depending on a number of factors, including but not limited to:

- whether a CSU form (*e.g.* Master Enabling Agreement, Master Price Agreement, State General Services Agreement) or a university-specific template is available for the transaction;
- the completeness and accuracy of the submitted Statement/Scope of Work and other required documents at the outset of the Contract Approval Process;
- if the vendor is an Independent Contractor, and has been vetted by HR;
- the input and responsiveness of the Requestor to PCS during the Contract Approval Process;
- the input, responsiveness, and reasonableness of the vendor and additional parties negotiating the contract with the University;

- the nature and complexity of the transaction/type of contract;
- the type and length of the relationship between the vendor, the CSU and/or CSUCI (*i.e.* whether the other party to the agreement is a University affiliate, is in the PCS vendor database, or is an entity unknown to the University or CSU);
- the number of Requests for Goods & Services (RGS) or non-PO agreements in the PCS queue and/or assigned to a particular PCS Buyer and/or Contract Specialist; and
- whether the contract needs to be routed to the VPFA, President, or Chancellors' Office.

Timeframes for preparing non-PO transaction documents can range from as short as two weeks to as long as a year, based on the criteria provided above.

4.0 CONTRACTING AUTHORITY, APPROVALS AND THRESHOLDS

4.1 Authority to Contract

1. **Contract Authority Requirement**: Specific authority in writing is required to obligate the University to pay for goods or services. If contract authority is not documented in writing or specifically cited in delegations, the authority does not exist.

2. **Authorized Agents Only**: Only authorized agents of the University with the requisite delegated authority are permitted to make financial obligations to suppliers or sign legally binding purchase documents.

3. **Distinction Between Authorities**: The authority to contract and obligate the University is distinct from the authority to approve the expenditure of department/division funds. An individual with signature authority can approve expenditures but may not have the authority to sign contracts on behalf of the University.

4. **Approval and Execution Process for PO**: Once the decision to make an expenditure is approved by an authorized department/division representative and an RGS is submitted to PCS, the PO will be processed and the transaction may then be carried out by PCS.

5. **Approval and Execution Process for CSUCI Templates and Other Non-PO Agreements**: Once a non-PO agreement is reviewed, approved and acknowledged on the agreement's signature page by an authorized department/division representative, the acknowledged agreement (along with an RGS in cases where money is exchanged in accordance with the terms of the agreement) may be submitted to the PCS email box for processing. Following review of the non-PO agreement (and accompanying RGS when necessary), the agreement may then be countersigned by PCS or routed to the appropriate authorized signatory for execution.

6. **Approval and Execution Process for Public Works Contracts**: The Public Works Contract Approval Process, which is primarily statutory based, may be found in the CSU Capital Outlay and Public Works Contracts Policy and the CSU Construction Management for Public Works Contract Policy.

4.2 Invalid Contract

1. **Invalid Contracts**: Contracts executed by anyone except authorized agents of the University are null and void. Any unauthorized individual who executes a contract on behalf of the University does so at their own peril as they may be held *personally* liable.

2. **Unauthorized Purchases**: Vendors providing services prior to PCS approval are considered volunteers and deemed unauthorized purchases. An *Unauthorized Purchase Request Form* must be routed by the Requestor for PCS review before payment is processed. ***Completion of an Unauthorized Purchase Request Form does not guarantee vendor payment***.

4.3 CSU Delegated Signature Authority & Other Contract Approvals for CSUCI

1. **PCS Delegated Signature Authority**: Execution by PCS is required for any agreement or contract where the transaction amount is $100,000 or less.

2. **VPBFA Delegated Signature Authority:** Execution by the VPBFA or designee is required for (i) any agreement or contract where the transaction amount exceeds $100,000 and up through $300,000; (ii) all Memoranda of Understanding and Memoranda of Agreement; and potentially for (iii) other agreements/contracts involving University assets or high-visibility projects.

3. **Presidential Delegated Signature Authority**: The President must approve and execute any agreement or contract where the transaction amount is over $300,000.

4. **Approval Adjustments in Emergency Conditions**: Approval amounts delegated by the Chancellor's Office and the Office of the President may be adjusted under emergency conditions.

5. **Risk Management:** Certificates of Insurance and other risk-related transaction documents (if any) must be submitted to and approved by the Risk Management Department prior to executing any agreement or accepting goods or services.

6. **Department Acknowledgement Requirement:** To ensure compliance, accuracy, and proper vetting of all contractual engagements, all agreements (including but not limited to service contracts, clinical affiliation and teacher training agreements, and memoranda of understanding) must bear an "Approved and Acknowledged by" signature block executed by the Department Chair, Program Director, or College Dean prior to routing for review or countersignature by PCS. This Department Acknowledgment Requirement is intended to ensure that:

   - the agreement aligns with programmatic and academic standards;
   - all CSUCI clinical and education training partners or affiliates, training sites, field instructors, etc. have been appropriately vetted;
   - any and all associated costs, risks, or regulatory requirements have been considered; and
   - the department accepts responsibility for monitoring the arrangement and associated obligations.

   No agreements shall be signed by PCS without this Departmental Acknowledgment.

4.4 CSUCI General Procurement Thresholds (Goods & Services)

CSUCI's procurement thresholds align with CSU policies to ensure competitive pricing and compliance. Informal quotes are required for transactions below $50,000, while purchases between $50,000 and

$99,999 require informal solicitations with multiple quotes. Formal bidding is mandated for transactions at or above $100,000, with the Small Business/Disabled Veteran Business Enterprise (**DVBE**) option available for eligible procurements below $250,000.

Dollar Threshold	Procurement Method	Approval Required
$0 – $49,999	Informal quote (minimum of one)	PCS Approval
$50,000 – $99,999	Informal solicitation (minimum of three quotes required)	PCS Approval
$100,000 – $250,000	Formal competitive bidding or **Small Business/DVBE Option***	VPBFA Approval
Over $250,000	Formal competitive bidding required	VPBFA / President Approval (if over ($300K)

Small Business/DVBE Option: Purchases under $250,000 may be awarded to a California-certified Small Business or DVBE if price quotations are obtained from at least two (2) such vendors, in compliance with Government Code Section 14838.5.

4.5 CSUCI Solicitation Thresholds for Information Technology Resources (ITR)
The CSU Information Technology Procurement Policy establishes higher thresholds for ITR purchases. Purchases up to $500,000 may be obtained through informal solicitations, while acquisitions exceeding $500,000 require formal competitive bidding. Additionally, Small Business/DVBE preference rules apply to IT purchases under $250,000.

Dollar Threshold	Procurement Method	Approval Required
$0 – $49,999	Informal quote (minimum of one)	PCS Approval
$50,000 – $500,000	Informal solicitation (minimum of three quotes required)	PCS Approval / VPBFA / President (dependent on amount)
Over $500,000	Formal competitive bidding required	Presidential and/or Chancellor's Office Approval
Under $250,000 (SB/DVBE Option)	Informal quotations from two or more certified SB/DVBE vendors	PCS / VPBFA Approval

CSU Accessibility Initiative (Section 508 Compliance): All ITR procurements must comply with Section 508 of the Rehabilitation Act of 1973, ensuring accessibility for individuals with disabilities.

**Please note: all ITR procurements require submission of an IT Standard/Custom Procurement ticket in conjunction with RGS submittal.* https://www.csuci.edu/its/purchasing

4.6 Additional Procurement Considerations

- **Emergency Procurements:** Standard procurement processes may be bypassed in emergencies (health, safety, or property risks), with proper justification.
- **Best Value Evaluations:** Procurements should prioritize value-based selection, considering quality, technical competency, vendor experience, and accessibility rather than just price.

- **Use of Remanufactured Equipment:** CSU policy permits the purchase of used or remanufactured IT equipment when cost savings justify the purchase.

5.0 CONTRACT SUBMISSION & PREPARATION ASSISTANCE REQUEST CRITERIA

Goods or Services Purchase Contract Submission: Requestors must submit an RGS to PCS through PeopleSoft.

CSUCI Template-Based Agreements & Other Non-PO Contract Submission: Agreements created using an approved CSUCI agreement template and other non-PO contracts must be submitted to the PCS email inbox for review and execution or routing execution via Adobe Sign.

Contract Preparation Assistance Request Criteria: Requests for PCS to assist with preparation of a contract or template must be submitted to the PCS email inbox and accompanied by all the information below:

- the Requestor's and initiating department contact information;
- confirmation that the transaction or relationship has been reviewed by the appropriate approving official;
- legal name and representative contact information for all parties;
- summary of the type of transaction, relationship or arrangement contemplated;
- the contract term (*i.e.* the length of time a contract is valid, from the start date to the end date);
- the contract value and payment terms of the agreement/contract;
- a detailed Scope/Statement of Work; and
- any additional information that would be helpful with contract preparation.

6.0 CITATIONS AND LINKS TO APPLICABLE STATE LAW, CSU POLICIES, ETC.

- CSU Contracts and Procurement Policy
- CSU Delegation of Authority Standard
- Delegation of Authority - Financial Services - CSU Channel Islands
- CSU Construction Management for Public Works Contract Policy
- CSU Capital Outlay and Public Works Contracts Policy

7.0 CONTACTS

PCS	purchasing@csuci.edu	805 437-8581
Risk Management	risk@csuci.edu	805 437-8846
Division of Business and Financial Affairs	paula.robertson@csuci.edu	805 437-2098

8.0 REVISION TRACKING

Document Title: Contract Approval Process

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File Reference: New Administrative Directive

Approval History

Approval Date	Approver Name	Approver Role
~~3/17/2022~~	~~Nathan Bowden~~	~~Director of Strategic Operations~~
~~3/17/2022~~	~~Stephanie Bracamontes~~	~~AVP Financial Services/Controller~~
~~3/17/2022~~	~~Barbara Rex~~	~~AVP for Budget and Planning/Interim CFO~~
4/7/2025	Bradley Olin	VP, Business & Financial Services

Revision History

Revision Date	Revised By	Summary of Revisions	Section(s) Revised
4/4/2025	Greg Stoup, Director of PCS	Amended & Restated	Entire Document