

Executive Board

Proposed Revisions to UCLA Policy 740: Purchasing Goods and Services

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February 23, 2024

Allison Baird-James
Interim Vice Chancellor and Chief Financial Officer, UCLA

Re: Proposed Revisions to UCLA Policy 740: Purchasing Goods and Services

Dear Vice Chancellor and Chief Financial Officer Baird-James,

At the February 15, 2024, meeting of the Executive Board (EB), members reviewed the Proposed Revisions to UCLA Policy 740: Purchasing Goods and Services as well as the attached divisional committee and council responses.

Members voted unanimously in favor of a motion to decline to endorse the proposed revisions to UCLA Policy 740 due to the fundamental disconnect between what the policy tries to accomplish and the way people work at university, and to strongly recommend a redefining of the policy that supports the academic mission, which will require more faculty feedback to reshape the proposal.

Members affirmed the principle that purchasing must support the academic mission of the university. Specifically, purchasing should facilitate the research and teaching of the faculty. Currently, faculty experience purchasing practices as an obstacle and purchasing policy as one that appears designed to protect the university from auditors, attempt to fix IT security concerns, or try to save money rather than to support faculty. As a result, members suggested that current purchasing policies and practices push the labor costs onto departments and faculty who have to spend more time to convince administrative staff of the legitimacy of their purchases. Members asked, for whom is it efficient? It appears that the direction of purchasing is to make it easier for administration and compliance, but not for departments and faculty.

Members urged an intentional and sustained effort by Administration to understand and address the challenges faced by faculty in order to refocus the policy to support the academic mission. Some ideas included a town hall to hear faculty concerns, active and sustained engagement with the Procurement Advisory Steering Committee (whose faculty members reported not seeing this proposal), and reinvigorated consultation with the Council on Planning and Budget.

Members recounted numerous experiences where the current and proposed policy on purchasing hampers their research and teaching:

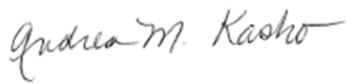
- the challenge of obtaining receipts for reimbursement when conducting research abroad where currently defined “extravagant expenses,” “gifts,” and “foreign payments” are par for the course for field work in a rural African country;
- the absurdity of considering an iPad as an “extravagant” item for data collection and teaching when the device is convenient and easy to use;

- the significant lag time between planning and reservations for international travel where the university will not pay the T&E Card, leading to late fees;
- the onerous approval process to justify purchase of specialized software for research, resulting in the faculty member paying out of pocket;
- And the challenge of explaining to purchasing staff the difference between a royalty and licensing fee for using an image in a scholarly publication.

In sum, members requested a close review of the enclosed feedback and also sustained engagement with faculty to develop a revised policy that centers the academic mission, which will ultimately reduce costs and increase efficiency in a way that truly supports research and teaching.

The UCLA Academic Senate appreciated the opportunity to advise on this important issue.

Sincerely,



Andrea Kasko
Chair
UCLA Academic Senate

Encl.

Cc: Kathleen Bawn, Vice Chair/Chair Elect, UCLA Academic Senate
Jessica Cattelino, Immediate Past Chair, UCLA Academic Senate
April de Stefano, Executive Director, UCLA Academic Senate
Darnell Hunt, Executive Vice Chancellor and Provost, UCLA
Anna Joyce, Director of Administrative Policies and Strategic Initiatives, UCLA Administrative Policies and Compliance Office
Emily Rose, Assistant Provost and Chief of Staff to the EVCP, UCLA

January 30, 2024

Andrea Kasko, Chair
Academic Senate

Re: Proposed Revisions to UCLA Policy 740: Purchasing Goods and Services

Dear Chair Kasko,

At its meeting on January 10, 2024, the Council on Research (COR) reviewed and discussed the proposed revisions to UCLA Policy 740: Purchasing Goods and Services. Members offered the following comments.

Members noted several unresolved challenges with software license acquisition at UCLA. There is a limited catalog of software licenses available for purchase and the procurement process is arduous for faculty and administrative staff. In addition, there are currently no exceptions granted for reimbursements to faculty who have no option but to purchase specialized research software with personal funds.

While members acknowledge the need to monitor systems, protect intellectual property, and the importance of cyber security at the UC, they respectfully urge the University to take action and help alleviate the administrative barriers to software purchases, which hinder research flexibility for many faculty on campus.

Thank you for the opportunity to review and comment. If you have any questions for us, please do not hesitate to contact me at asampath@jsei.ucla.edu or via the Council's analyst, Elizabeth Feller, at efeller@senate.ucla.edu.

Sincerely,

Alapakkam Sampath, Chair
Council on Research

cc: Kathy Bawn, Vice Chair/Chair-Elect, Academic Senate
Jessica Cattelino, Immediate Past Chair, Academic Senate
April de Stefano, Executive Director, Academic Senate
Elizabeth Feller, Associate Director, Academic Senate
Adriana Rosalez, Administrative Analyst, Academic Senate
Members of the Council on Research

January 17, 2024

Andrea Kasko, Chair
Academic Senate

Re: Proposed Revisions to UCLA Policy 740: Purchasing Goods and Services

Dear Chair Kasko,

At its meeting on December 4, 2023, the Council on Planning and Budget (CPB) discussed the Proposed Revisions to UCLA Policy 740: Purchasing Goods and Services. Members expressed disappointment over the lack of progress the administration has made toward simplifying and streamlining purchasing processes, as evidenced by the proposed revisions to the policy. There was unanimous agreement that the policy should not go forward until the Procurement Steering Committee, chaired by a CPB member, has had an opportunity to discuss it, offer comments, and determine whether it makes sense. Members agreed that the burden added to faculty and staff by this policy is significant and should be addressed, and expressed bafflement as to why everyday activities and purchases are so heavily regulated. Many expressed that the risks posed by certain purchases targeted by the policy are negligible, while the bureaucratic burden imposed by their enforcement is significant.

Members offered the following additional comments.

1. Many hyperlinks on the policy document are broken.
2. It appears that there are some errors in the details of the policy outlined in Attachment A. It is unclear, for instance, how it would even be possible to obtain a requisition for a meal or light refreshment, and the text of BUS-79 linked in the document does not appear to indicate that a requisition will actually be required going forward for either of these things.
3. Members wondered how the term 'extravagant item' was defined, especially in describing technological devices and equipment routinely used to perform functions necessary to faculty members' everyday work. What is the definition of an item 'known for the brand,' and how can the administration be sure that items made by particular companies known for producing those items will not have unique functionality critical to faculty teaching and research? This is certainly the case with iPads, for instance, the purchase of which is explicitly banned. Members recommended removing the entire section.
4. Members observed that reimbursements of payments to foreigners are "disallowed," but that travel advances are not provided. For faculty who routinely perform work overseas, how are they to pay people who help on projects?

5. Members commented that time is wasted processing payments and suggested that the policy include a commitment to focus on increasing the efficiency of payment processing.
6. Members find the distinction between a P-card \$5,000 maximum purchase and a \$10,000 low value order purchase to be illogical.

If you have any questions for us, please do not hesitate to contact me at emmerich@humnet.ucla.edu or via the Council's analyst, Elizabeth Feller, at efeller@senate.ucla.edu.

Best regards,

Michael Emmerich, Chair
Council on Planning and Budget

cc: Kathleen Bawn, Vice Chair/Chair-Elect, Academic Senate
Jessica Cattelino, Immediate Past Chair, Academic Senate
April de Stefano, Executive Director, Academic Senate
Elizabeth Feller, Associate Director, Academic Senate
Members of the Council on Planning and Budget

UCLA Policy 740: Purchasing Goods and Services – Draft 11/3/2023

Issuing Officer: Vice Chancellor and Chief Financial Officer
Responsible Dept: Procurement
Effective Date: TBD
Supersedes: UCLA Policy 740, dated April 27, 1999 and UCLA 741, dated June 30, 2010

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I. PURPOSE & SCOPE

This Policy outlines campus approval authorities, responsibilities, and restrictions for the purchase of Common Goods and Services (“Goods and Services”) in accordance with University policies and UC BFB-BUS-43 Purchases of Goods and Services; Supply Chain Management.

General policy guidelines and procedures for limited, low-value items under \$10,000 are established in this Policy. Several special categories of purchases are outlined in Attachment A: Goods and Services Purchase Restrictions and Purchases Requiring Special Approval.

II. DEFINITIONS

For the purposes of this Policy:

[See UC BFB-BUS-43 Purchases of Goods and Services; Supply Chain Management](#) for capitalized terms in this Policy

III. POLICY STATEMENT

A. University Purchase Standards & Expectations

The University is committed to maintain high standards of performance based upon fair, ethical, and professional business practices. In accordance with UC BFB-BUS-43, the University expects that each campus Procurement/Supply Chain Director and others authorized by the Procurement/Supply Chain Director to make purchases, complies with related University policies and procedures, UC-BFB-BUS-43, and abide by the [Principles and Standards of Ethical Supply Management Conduct](#) of the Institute for Supply Management (ISM) and the [Code of Ethics of the National Association of Educational Procurement \(NAEP\)](#).

At UCLA, the designated Procurement/Supply Chain Director is the Chief Procurement Officer (CPO).

B. Purchases of \$5,000,000 and Over

A Procurement Contract or Purchase Order for Goods or Services of \$5,000,000 and over will be referred to the Vice Chancellor & Chief Financial Officer for approval.

C. Purchases of \$100,000 and Over

The CPO obtains competitive bids (price quotations or proposals) for any transaction expected to involve an expenditure of \$100,000 or more for Goods or Services (BUS-43, Section III, Part 1, C. 4. a.). Exceptions to this requirement may be available for unique products, Sole Source, or emergency conditions. Competition sought by others than the Chief Procurement Officer (CPO) or designee does not satisfy this requirement.

D. Purchases of over \$10,000 and under \$100,000

A Procurement Contract or Purchase Order for Goods or Services over \$10,000 and under \$100,000 has been delegated to individuals within the Procurement Department, see UCLA [delegations website](#).

E. Low-Value Purchase Authorization of \$10,000 and Under for Non-restricted Goods and Services

Low-Value Purchase Authorization (LVO Authorization) is a limited purchasing authority designated to all campus units for the purchase of Goods or Services that are not available from established agreements or campus service units. Low-Value Purchase (LVO) consists of Goods and Services that do not exceed a cost of \$10,000 per Supplier, per day, per account-code, excluding transportation costs and excluding sales and/or use tax.

Exceptions may be considered on a case-by-case basis and must be issued in writing by the CPO.

See section IV for LVO procedures.

1. LVO Authorization Designations

a. The Campus CPO may designate LVO Authorization to qualified individuals in campus units outside the Procurement Department. This designation does not include authorization to sign contracts or agreements directly with a Supplier. If a Supplier requires a signature on its contract or quotation form, Procurement must review the contract and the requesting department will be required to prepare and submit a requisition. Active LVO Authorizations and procedures for requesting an LVO Authorization are outlined in this Policy.

b. All campus units must demonstrate that they have the capability to administer and control such designated purchasing authority in compliance with University policy. This includes, but is not limited to:

- A units' ability to divide responsibility so that certification of receipt of purchases and review of charges are not done by the person with designated purchase authority.
- Units taking action required to pay Suppliers in accordance with the Standard UCLA payment terms after the item is purchased, and units are expected to take action required to pay Supplier and address any related issues on a timely basis.

c. All purchases made under designated purchasing authority will be in accordance with University purchasing policies including but not limited to this Policy, UC Business and Finance Bulletins and BUS-43. Non-compliance with the provisions of this or other University purchasing policies will be cause for the withdrawal of designated purchasing authority.

2. LVO Purchasing Requirements

- a. When to issue an LVO: An LVO is issued at the time of commitment to the Supplier. LVOs may not be issued to pay invoices after-the-fact for Goods or Services already received. University terms and conditions must be presented to the Supplier when the order is placed, or else the Supplier's terms and conditions may govern the transaction. Supplier terms and conditions may violate UC policies, may not provide the required protection, or may have onerous business terms. The BruinBuy Plus system PO distribution function must be used to present the order to the Supplier as it includes the University terms and conditions.
- b. Multiple LVOs: The issuance of multiple LVOs on the same day or repeat orders on consecutive days to a Supplier for the same or related material, or the issuance of multiple invoices by a Supplier in order to circumvent policy, are prohibited and will be cause for the withdrawal of LVO authorization.
- c. Federal funds: Federally funded purchases are allowed on LVOs, with several caveats. The federal government requires maximum competition for purchases of \$10,000 and above. Federal auditors require departments to keep documents which identify multiple quotes validating the Supplier selection or a brief source justification, and LVOs must comply with applicable federally required terms and conditions. These departmental files may be reviewed during audits.
- d. Repetitive requirements: Goods, Services, and repairs for which there is a repetitive requirement must be made against restricted (departmental) or campus-wide declining balance orders, or from campus or system-wide Sole Source agreements. Departments then issue releases against those declining balance orders in the Purchasing BruinBuy Plus system.
- e. Strategic Sourcing Agreements: The use of Strategic Sourcing Agreements is strongly encouraged and is mandated for units within the purview of the Vice Chancellor & Chief Financial Officer (see exception below (f)). Strategic Sourcing Agreements provide the University with better overall value. A Supplier Agreements List containing the campus-wide and Strategic Sourcing agreements can be found on the [Buying Website](#)
- f. Small Business purchases: An exception to the general guideline to use Strategic Sourcing Agreements is made for the use of Small Businesses, including self-certified Small Businesses or those certified by the Small Business Administration or other certifying agencies, as part of the University's obligations as a federal contractor and the UC Small Business First Program.

The UC Small Business First Program establishes the goal of awarding 25% Economically and Socially Responsible (EaSR) spend annually to small and diverse owned businesses. California Public Contract Code Section 10508.5 allows the University to award purchase agreements valued up to \$250,000 to a certified Small Business without being competitively bid, so long as the UC obtains price quotations from two or more certified Small Businesses.

For federal contracts with Small Business Subcontracting Plans, goals for purchases with various categories of Small Businesses are contractually required. For more information on federal contracting and the Small Business First Program, see UC Business & Finance Bulletin [BUS-43](#), Section III, Part3, Supplier Diversity and Federal Planning and Reporting.
- g. Corporate Credit Card purchases (Pcard): Pcard purchases are a form of low-value purchase orders, and are subject to the same restrictions as LVOs, as well as separate Pcard restrictions found in the [UCLA Procurement Card User Guide](#). The Pcard purchase limit is \$5,000 per purchase or lower, as requested by department management.
- h. E-commerce: BruinBuy Plus electronic catalog purchases or Supplier Site Order purchases, or purchases against established agreements, are not considered LVOs.

F. Reimbursement of Personal Funds for Purchases of Goods or Services

1. The purchase of individual business travel and entertainment (non-event related) typically is made, with the UCLA Travel & Entertainment Corporate Card, or with personal funds.

Reconciliation and reimbursement of travel and entertainment expenses must be sought through the Express Expense Reporting System upon conclusion of the travel or event. Reimbursement will be made after appropriate documentation is provided and the expense is deemed to be in compliance with University policy.

2. The purchase of Goods and/or Services with an employee's personal funds and subsequent reimbursement is strongly discouraged, and is limited to \$1,500 per transaction. Purchases above \$1,500 must be made using approved methods of purchasing, including Strategic Sourcing Agreements, department declining balance orders, requisitions, LVOs, and Pcard purchases. Reasons why reimbursement of purchases made with personal funds may not be appropriate include:

- A reimbursement seeks approval for a purchase already made. Some purchases may not be reimbursable if they do not comply with policy or relevant laws.
- Retail purchases may carry prices much higher than what is available under existing University contracts. An example is ergonomic office furniture, where typical retail pricing may be more than twice that of comparable furniture available under contract. In such cases, full reimbursement would not be approved.
- Purchases made by employees do not incorporate University terms and conditions of purchase, and authority to sign contracts binding the University is limited to officials with a formal Delegation of Authority.
- Services performed by Suppliers may have tax implications for the employee or the Supplier.

IV. LVO PROCEDURES

The following table outlines the procedures for LVOs.

A. Establishing Purchasing Authorization

RESPONSIBILITY	ACTION
Department	<p>The designation for departmental units to make Low Value Order transactions is contingent upon the unit maintaining purchasing documentation and records of all department personnel permitted to purchase Low-Value Goods or Services with departmental funds.</p> <p>Keeps Distributed Administrative Security System and Post-Authorization Notices (DACSS/PAN) tables updated to reflect authorized preparers and reviewers (mandatory and non-mandatory).</p>
Campus CPO	Evaluates activity, and procedural compliance of departments. Continues or discontinues individual designation based on that evaluation.
Administrative Information Systems	Provides activity information to campus departments and CPO.

B. Ordering Supplies, Repairs, and Services under Low-Value Authorization

RESPONSIBILITY	ACTION
Department (Individual with Low-Value Authorization)	<p>Places order with Supplier by fax, mail, or phone.</p> <p>Prepares an online Low-Value Order via the BruinBuy system or PAC system, to record each purchase at the time of the order, and uses the BruinBuy Plus functionality to present the order and UC terms and conditions to the Supplier.</p>

Supplier	Delivers requested Goods or performs Service.
Department	Receives Goods or Services and notes receipt online.
Supplier	Sends invoice to Accounts Payable.
Accounts Payable	Receives invoice from Supplier and matches to online order. Schedules invoice for payment.
Department (Individual who did <u>not</u> place order)	Mandatory Reviewers perform timely review of DACSS/PAN messages; department audits for receipt of order.
CPO	Reviews and approves/denies any exception requests with respect to this authorization designation.

V. PURCHASING RESTRICTIONS

A. Conflict of Interest

Procurement of Goods or Services from employees or their Near Relatives or in circumstances in which either or both of them know, or have reason to know, they have a financial interest, is contrary to University policy. Exceptions are considered only after submission of a Report of Purchasing Transactions Involving Possible Conflict of Interest (BUS-43, Section III, Part 5).

B. Prohibited Items

University prohibits the procurement of certain items as described in Attachment A.

C. Items Requiring Special Approvals

Items that must be approved by a designated Campus Officer are outlined in Attachment A.

D. Sole Source Items

Any Sole Source (non-competitive) procurement request must be approved via the Source Selection and Price Reasonableness Form justification process within BruinBuy Plus and includes a statement that the equipment or service will result in maximum benefit to the campus as compared with all others available on the market.

E. Postal Materials and Services

All mailing and purchase of stamps, postcards and similar materials are to be handled through the UCLA Mail, Document, and Distribution Services, see [UCLA Policy 310: UCLA Mail and Bulk Mail Services](#).

F. Personal Purchases

No personal purchases will be made in the name of the University or with University controlled funds.

G. Acceptable Quotations and Proposals

Only responses to requests for quotations solicited by the Procurement Department can be regarded as meeting requirements for competition in purchasing.

H. Release of Award Information

Any request for information should be referred to the CPO.

I. Purchases without Delegated Authority or Designations

An individual who has not been delegated or designated purchasing authority who makes an unauthorized purchase of Goods or Services will be responsible for payment of the charges incurred (BUS-43, Part 1, H).

VI. RESPONSIBILITIES

The following campus officials have been assigned responsibilities to implement this Policy and related University policies.

A. The Chief Procurement Officer

1. Providing a centralized organization, and mechanisms for the acquisition of Goods and Services.
2. Delegating and designating the appropriate purchasing authority to buyers and contract administrators within the Procurement organization.
3. Determining the prequalification of Suppliers (BUS-43, Section III, Part 1). Prequalification requirements are developed for categories of purchases or for a given transaction commensurate with the complexity, cost, risk, and item availability.
4. Obtaining competitive bids (price quotations or proposals) for any transaction expected to involve an expenditure of \$100,000 or more for Goods or Services (BUS-43, Section III, Part 1). Exceptions to this requirement may be available for unique products, Sole Source, or emergency conditions. Competition sought by other than the CPO or designee does not satisfy this requirement.
5. Soliciting Suppliers' interest with requests for quotation (RFQ), requests for proposal (RFP) and requests for information (RFI). These documents are known as solicitations.
6. Processing quotations or proposals received (BUS-43, Section III, Part 1). Bids must be received in the format indicated in the respective RFP not later than the time and date specified in the solicitation.
7. Negotiating with Suppliers (BUS-43, Section III, Part 1.). Negotiations are limited to a narrow realm of situations, and are conducted by Procurement buyers and contract administrators with the Supplier(s) on a fair and equitable basis.
8. Determining awards which are to be made to the lowest responsible bidder whose quotation is responsive and results in a reasonable price (BUS-43, Section III, Part 1).
9. Insuring purchase awards and contracts are in compliance with University policies and all applicable extramural requirements.
10. Documenting procurements (BUS-43, Section III, Part 1). Purchase contracts are processed through a University Procurement Contract or Purchase Order, utilizing standard terms and conditions of purchases. Records of solicitations, analysis, and award are maintained which substantiate compliance with University policies.
11. Releasing award information (BUS-43, Section III, Part 1). After an award has been made, any individual or firm is entitled to information relating to a purchase transaction. Requests for such information are to be directed to the CPO or designee. Users are cautioned not to discuss bid or award information.
12. Auditing low-value purchases (BUS-43, Section III, Part 1, I.). Guidelines for Low-Value Purchase Authorizations are presented in Section IV. E. All purchases made under the Low-Value designation are subject to audit.
13. Administering Commodity Agreements, auditing Supplier performance, and compliance with contract terms.
14. Administering the Strategic Sourcing Initiative which seeks to satisfy large scale requirements of the University through University-wide supply agreements (BUS-43, Section III, Part 2). These agreements generally provide better pricing, delivery and/or quality. Purchases from supply agreement sources may be made directly by users at the discretion of the responsible Strategic Sourcing Commodity Manager.

15. Ensuring compliance with UC Purchasing and Public Policy through which the University expands opportunities for underrepresented enterprises to conduct business with the University (BUS-43, Section III, Part 3, A.).
16. Instituting programs to deal with standardization, value, and cost analysis.
17. Developing and maintaining written procedures and controls to implement University purchasing policies.
18. Assisting all departments in obtaining information and prices as well as advising on methods of procurement to meet user requirements.
19. Contacting Suppliers with regard to demonstrations, purchase order conditions, return of Goods, credits, and other procurement functions.

B. Department Administrators and Principal Investigators

1. Submitting Purchase Requisitions with appropriate **specifications and descriptions** sufficient to secure the class of Goods or Services requested.
2. Providing **reasonable lead time** for the purchase of the requested Goods or Services.
3. Ensuring that **equipment screening procedures** have been completed.
4. Adhering to federal & state laws. (i.e., Export Control).
5. Providing **justification**, when requesting that a procurement be non-competitive, which will permit evaluation and determination by the CPO or designee 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 or interlink with others used in or furnished to a particular installation, facility or location.
6. Assuring that the other approvals for purchases (Attachment A) have been satisfied and that requisitions are submitted to the Procurement Department for competitive bidding prior to a commitment. (Contact with Suppliers may be made to gain technical information. Bids requested or obtained by departments in connection with these requisitions are not acceptable.)
7. Assuring that appropriate **funds are available** before submitting a requisition.
8. Assuring that requests for procurement against contract or grant funds are submitted well in advance of the fund's expiration date.
9. Normally, requisitions may not be submitted for purchases against contract or grant funds after **deadline dates** which are: 90 days prior to the final expiration date of the contract or grant for equipment items, and 30 days prior to such date for supply items.
 - a. Requests for **exceptions** to the above submission deadlines must be directed in writing to the UCLA Office of Sponsored Research for review and approval.
10. Assuring that any **dollar or percentage limitations** on total equipment expenditures set forth in applicable contract provisions or grant policies will not be exceeded in submitting requests for procurement. If such limitations will be exceeded, prior approval in writing must be obtained from the funding agency and the Office of Sponsored Research.
11. Assuring that, in the requisitioning of either general purpose equipment or permanent research equipment with an acquisition cost in excess of limitations set forth in the applicable contract provisions or grant policies, such equipment: (a) is **listed in the approved budget** for the project, or (b) **has been approved in writing by** the funding agency and the Office of Sponsored Research.

IV. REFERENCES

1. UC Business and Finance Bulletin BUS-4, University Commodity Codes for Equipment and Supplies;
2. UC Business and Finance Bulletin BUS-29, Management and Control of University Equipment;

3. UC Business and Finance Bulletin BUS-34, Securing the Services of Independent Consultants;
4. UC Business and Finance Bulletin BUS-43, Materiel Management; Note: The following Business and Finance Bulletins were incorporated in BUS-43: BUS-3, -5, -10, -11, -14, -16, -18, -33, -42, -48, -51, -57, -58, -61, and -66;
5. UC Business and Finance Bulletin BUS-50, Materiel Management: Acquisition and Use of Narcotics and Dangerous Drugs;
6. UC Business and Finance Bulletin BUS-56, Materiel Management: Purchases from Entities Violating State or Federal Water or Air Pollution Laws;
7. UC Business and Finance Bulletin BUS-63, Insurance Requirements/Certificates of Insurance;
8. UC Business and Finance Bulletin BUS-77, Independent Contractor Guidelines;
9. UCLA Policy 742, Acquisition of Works of Art, Antiquities and Artifacts.

VIII. ATTACHMENTS

- A. Goods and Services Purchase Restrictions and Purchases Requiring Special Approval.

Issuing Officer

/s/

Vice Chancellor and Chief Financial Officer

**Questions concerning this Policy should be referred to
the Responsible Department listed at the top of this document.**

UCLA POLICY 740 - ATTACHMENT A

Goods & Services Purchase Restrictions and Purchases Requiring Special Approval

The items listed below define what transactions are unallowable without exception, unallowable by LVO or PCard, or allowed by the use of a Requisition.
Should an item below require prior approval, please see the designated "Department to Provide Approval" and obtain prior to creating a Purchase Requisition or Reimbursement Request.

**NOTE: Items purchased outside the Purchasing Process are not guaranteed to be reimbursed or paid.
The authorizing Department reserves the right to refuse approval for any unauthorized transactions.**

CATEGORY	EXAMPLES (BUT NOT LIMITED TO)	Requisition Required (The use of LVOs, Reimbursements or PCARD is Prohibited)	Reimbursement Prohibited. No Exceptions.	Designated Campus Officer Must Approve Before Funds Can Be Committed		ADDITIONAL POLICIES / HELPFUL LINKS
				PRIOR APPROVAL REQUIRED?	DEPARTMENT TO PROVIDE APPROVAL	
Air Conditioning Units*	Wall units, portable units, window units etc.	N/A	DISALLOWED	APPROVAL REQUIRED	Director of Energy Services & Util.	*The Approving Dept will provide instructions on how to proceed with these transactions.
Alcohol, Tax Free (Ethyl Alcohol)	Ethyl Alcohol	REQUISITION REQUIRED	DISALLOWED	APPROVAL REQUIRED	Chief Procurement Officer (CPO)	
Altered University Equipment	Personalizing University equipment, except for surgical loupes	PURCHASE DISALLOWED		N/A	N/A	
Athletic Equipment & Supplies	Jerseys, Helmets, Shoes Etc.	REQUISITION REQUIRED	DISALLOWED	N/A	N/A	Allowed only if part of an approved program of physical education or recreation
Biosafety Cabinets	An enclosed, ventilated laboratory workspace for safely working with materials contaminated with pathogens requiring a defined biosafety level.	REQUISITION REQUIRED	DISALLOWED	APPROVAL REQUIRED	Biosafety Officer, Environmental	https://ehs.ucla.edu/biosafety
Carpet (On-Campus Installation)	Carpeting for office	REQUISITION REQUIRED	DISALLOWED	APPROVAL REQUIRED	Director of Crafts & Alterations, Facilities Management	
Clothing	Normal apparel worn to work (excluding uniforms, safety equipment, or performing arts).	PURCHASE DISALLOWED		N/A	N/A	UC G-41 Employee Non-Cash Awards and Other Gifts for exception
Communication Systems (Voice, Cellular, Data, Video Communication Systems & Connectivity)*	Phone/Radio/Cable TV Services and related Software	N/A	DISALLOWED	APPROVAL REQUIRED	Communications Technology Services Director	Orders for any communications or data related services should go through ITS Web Center portal, follow link below: http://webcenter.cts.ucla.edu/
Conflict of Interest	Employee-vendor relationship / Former UC employee / Personal Benefit (free gift with purchase)	REQUISITION REQUIRED	DISALLOWED	APPROVAL REQUIRED	Chief Procurement Officer	BFB-G-39Policy 82 - Conflict of Interest, BUS 43, https://policy.ucop.edu/doc/4000590/ContrServ
Construction Off-Campus	Off-Campus Construction activity, in leased space occupied by UCLA* Off- Campus Construction activity, in leased space occupied by UCLA*	N/A	DISALLOWED	APPROVAL REQUIRED	Director, Administrator, Real Estate Asset Manager (if landlord will not contract for services and bill tenant)	*The Approving Dept will provide instructions on how to proceed with these transactions. https://realestate.ucla.edu/ *The Approving Dept will provide instructions on how to proceed with these transactions. https://realestate.ucla.edu/
Construction On-Campus	On-Campus building exterior impact, including attachments to building or building roof* On-Campus building exterior impact, including attachments to building or building roof*	N/A	DISALLOWED	APPROVAL REQUIRED	Campus Architect	*The Approving Dept will provide instructions on how to proceed with these transactions.
Construction On-Campus Activity	Hiring of architects, engineers and design professionals* Hiring of architects, engineers and design professionals*	N/A	DISALLOWED	APPROVAL REQUIRED	Contracts Manager, Capital Programs, or Director Design & Project Management, Facilities Management	*The Approving Dept will provide instructions on how to proceed with these transactions. http://www.capitalprograms.ucla.edu/ *The Approving Dept will provide instructions on how to proceed with these transactions. http://www.capitalprograms.ucla.edu/
Construction or Building On-site	Construction, remodeling, repair, or installation work	N/A	DISALLOWED	APPROVAL REQUIRED	Capital Programs	
Professional Services / Consulting Services	Professional Services provided by a firm or company based off a contract with a defined scope of work	REQUISITION REQUIRED	DISALLOWED	N/A	N/A	https://policy.ucop.edu/doc/4000590/ContrServ
Controlled Substances	Dangerous and regulated drugs	REQUISITION REQUIRED	DISALLOWED	APPROVAL REQUIRED	EH&S	Controlled Substance Program for Research
Electronics	Tablet, Monitors, Headphones Except University supplied personal computers for business use. Tablet, Monitors, Headphones Except University supplied personal computers for business use.	REQUISITION REQUIRED	DISALLOWED	N/A	N/A	
Business Meetings / Entertainment Expenditures	Meals or light refreshments (includes the cost of the food and beverages, labor, sales tax, delivery charges, and other service fees) and Hotel Arrangements	REQUISITION REQUIRED	DISALLOWED	N/A	N/A	BUS 79: https://policy.ucop.edu/doc/3420364/BFB-BUS-79 https://policy.ucop.edu/doc/3420364/BFB-BUS-79
Equipment with Open Flame* Equipment with Open Flame*		N/A	DISALLOWED	APPROVAL REQUIRED	Fire Marshall	*The Approving Dept will provide instructions on how to proceed with these transactions.
Extravagant Items	Espresso Machines, Designed Luggage or accessories, high end electronics, Airpods, iPad, Smartwatch, any item known for the brand	PURCHASE DISALLOWED		N/A	N/A	
Firearms & Explosives	Guns, ammunition, explosives	REQUISITION REQUIRED	DISALLOWED	N/A	N/A	Contact UCPD
Foreign Payments (U.S. Sourced Only)	US-Sourced Payments to Foreign Entities or Individuals such as: - Software as a Service (SaaS) - Services - Royalties - Awards US-Sourced Payments to Foreign Entities or Individuals such as: - Software as a Service (SaaS) - Services - Royalties - Awards	REQUISITION REQUIRED	DISALLOWED	APPROVAL REQUIRED	Central Resource Unit (CRU)	Foreign Individuals - GLACIER Required: 1) https://www.cru.ucla.edu/alien-how-process-independent-personal-service-payment-foreign-nationals 2) https://www.cru.ucla.edu/glacierForeignIndividuals-GLACIERRequired 1) https://www.cru.ucla.edu/alien-how-process-independent-personal-service-payment-foreign-nationals 2) https://www.cru.ucla.edu/glacier
Fume Hoods		REQUISITION REQUIRED	DISALLOWED	APPROVAL REQUIRED	Manager, Occupational Safety & Employee Health, Environmental Health & Safety	

Gifts (Tangible Items including retirement gifts)	Allowable only as defined in UC G-41 Employee Non-Cash Awards and Other Gifts and UC G-42 Gifts Presented to Non-Employees on Behalf of the University. Allowable only as defined in UC G-41 Employee Non-Cash Awards and Other Gifts and UC G-42 Gifts Presented to Non-Employees on Behalf of the University.	N/A	N/A	APPROVAL REQUIRED	Amounts over limits are not allowed. Please contact the Director of Tax Services for further information	UC G-41 Employee Non-Cash Awards and Other Gifts https://policy.ucop.edu/doc/3420353/BFB-G-41 UC G-42 Gifts Presented to Non-Employees on Behalf of the University https://policy.ucop.edu/doc/3420354/BFB-G-42 UC G-41 Employee Non-Cash Awards and Other Gifts https://policy.ucop.edu/doc/3420353/BFB-G-41 UC G-42 Gifts Presented to Non-Employees on Behalf of the University https://policy.ucop.edu/doc/3420354/BFB-G-42
Gift Cards Employee & Human Subjects	Must be obtained via Payment Solutions and Comply (PSC)	PURCHASE DISALLOWED		N/A	N/A	https://www.finance.ucla.edu/business-finance-services/payment



Gift Cards Non-Employee	Must be obtained via established process, contact Campus Purchasing https://purchasing.ucla.edu/contact	N/A	DISALLOWED	N/A	N/A	UC G-42 Gifts Presented to Non-Employees on Behalf of the University
Hardware or Software Connected to Medical Enterprise (hospital or School of Medicine) IT Infrastructure (excludes PC's)	Software licenses, SaaS Subscriptions/Servers	REQUISITION REQUIRED	DISALLOWED	N/A	N/A	Third-Party Risk Management (TPRM)
Ergonomics Furniture & Equipment	Desk, Chair, Keyboard, Monitor Stands etc.	REQUISITION REQUIRED	DISALLOWED	N/A	N/A	Requisition is allowed as long as Ergonomics have approved the item(s).
Home Office Furniture or Furnishings	Items other than a computer. Allowable only as defined in the WFH Program or via a requisition only.	REQUISITION REQUIRED	DISALLOWED	N/A	N/A	Home (WFH) Furniture Program https://covid-19.ucla.edu/remotework
Independent Contractors	All Individuals contracted to perform work for UCLA, based on a specified scope or statement of work. Including all Foreign Payments	REQUISITION REQUIRED	DISALLOWED	N/A	N/A	Independent Contractor Guidelines "If annual cumulative total per
Lasers, X-Ray and Safety Equipment		REQUISITION REQUIRED	DISALLOWED	APPROVAL REQUIRED	Laser Safety Office, Environment	
Legal Services/Law Firms	Investigative services/Lawsuits	REQUISITION REQUIRED	DISALLOWED	APPROVAL REQUIRED	UCLA Vice Chancellor of Legal Affairs or UCOP Office of General Counsel	https://legalaffairs.ucla.edu https://www.ucop.edu/uc-legal/
Lifetime Memberships	Lifetime Memberships are not permissible due to the taxability of this as a fringe benefit when the employee leaves the University.	PURCHASE DISALLOWED		N/A	N/A	
Low-Voltage Wiring Projects *		N/A	DISALLOWED	APPROVAL REQUIRED	Communications Technology Ser	*The Approving Dept will provide instructions on how to proceed with these transactions.
Narcotics, Dangerous Drugs, Controlled Substances (Schedule I-V), Prescription Drugs *		N/A	DISALLOWED	APPROVAL REQUIRED	UCLA Controlled Substances Pro	
Ornamental Use	Decorative, display, nonessential or nonfunctional items. (Exception for Deans & Vice Chancellors & above)	N/A	DISALLOWED	N/A	N/A	
Parties for Academic and Non-Academic Personnel, including Retirees.	Except those defined in BUS-79, UC G-41 Employee Non-Cash Awards and Other Gifts and UC G-42 Gifts Presented to Non-Employees on Behalf of the University.	REQUISITION REQUIRED	DISALLOWED	APPROVAL REQUIRED	Director of Tax Services	BUS 79: https://policy.ucop.edu/doc/3420364/BFB-BUS-79 UC G-41 Employee Non-Cash Awards and Other Gifts. https://policy.ucop.edu/doc/3420353/BFB-G-41 UC G-42 Gifts Presented to Non-Employees on Behalf of the University. https://policy.ucop.edu/doc/3420354/BFB-G-42
Payment Processing, Including Accepting Credit Card Payments		REQUISITION REQUIRED	DISALLOWED	APPROVAL REQUIRED	Director, Student Financial Services	https://www.finance.ucla.edu/business-finance-services/payment
Personal or Professional Services (Not to be placed on LVO's)	Professions that are typically licensed or registered with the state. Professional services are delivered by an independent contractor (individual, entity, or firm) that offers its services to the public. Examples: Engineer, Architect, Certified Public Accountant, Land Surveyor, Real Estate Appraisers	REQUISITION REQUIRED	DISALLOWED	N/A	N/A	
Personal Property	Non-University property items. Ex: Laptops, Tablets, Personalized Items, Headsets and any item that will be considered property of the employee.	PURCHASE DISALLOWED		N/A	N/A	
Personal Use	Any and all items deemed to be of personal use. Ex: Desk or office items, mini fridge, coffee maker, space heater.	PURCHASE DISALLOWED		N/A	N/A	
Postage *	Must be obtained from Mail and Document Services (MDDS)	PURCHASE DISALLOWED		APPROVAL REQUIRED	Director, Mail, Document & Distribution Services	https://mdds.ucla.edu/mail-services/stamp-sales *The Approving Dept will provide instructions on how to proceed with these transactions.
Radioactive Isotopes & Materials	Radioisotopes, Dangerous materials	REQUISITION REQUIRED	DISALLOWED	APPROVAL REQUIRED	Radiation Safety Officer, Environ	Policy 994
Real Estate Rental	Immovable property Ex: Office Space	REQUISITION REQUIRED	DISALLOWED	N/A	N/A	https://realestate.ucla.edu/
Real Property Leases *	Off-campus Property Leases	N/A	DISALLOWED	APPROVAL REQUIRED	Real Estate Director	*The Approving Dept will provide instructions on how to proceed with these transactions.
Service, Repairs or Maintenance	When services are performed on UCLA property (requires insurance coverage)	REQUISITION REQUIRED	DISALLOWED	N/A	N/A	
Software Purchases	Receipt of a copy or license to use a digital tool for the benefit of UCLA	REQUISITION REQUIRED	DISALLOWED	N/A	N/A	Software Licensing Agreements https://purchasing.ucla.edu/third-party
Telecommunications Systems (not PC's)	Audio-visual equipment and connectivity	REQUISITION REQUIRED	DISALLOWED	N/A	N/A	UCLA Policy 350
Vehicles, Vessels	Means of transportation	REQUISITION REQUIRED	DISALLOWED	N/A	N/A	Fleet Procurement
Vending Equipment *	Machines dispensing food and or beverages	N/A	DISALLOWED	APPROVAL REQUIRED	Assistant Vice Chancellor, Housi	*The Approving Dept will provide instructions on how to proceed with these transactions.