



2.0 PURCHASING GOODS AND SERVICES POLICY

SCOPE

This policy is to ensure that Purchasing Officials are purchasing goods and services consistent with Caltech's Policies and Procedures and compliant with Federal, State, and local laws, while obtaining favorable pricing and terms that are most advantageous to Caltech.

DEFINITIONS

As used in this policy:

After-the-Fact

A Purchase Requisition in TechMart used to process an invoice for payment to a contractor for an Unauthorized Order.

Bid Tabulation

A summary of the results of proposals or quotes submitted by suppliers to be evaluated based on a set of evaluation criteria.

Blanket Agreement Renewal Authorization

An authorization form submitted on behalf of the Division or Department to renew or cancel an existing Blanket Purchase Order.

Blanket Purchase Order

A term contract or basic agreement between Caltech and a contractor to address recurring low-value purchases of goods and services for a specific period of time.

Blanket Renewal Notice

An annual notice to obtain a Blanket Agreement Renewal Authorization from the Division or Department to renew or cancel existing Blanket Purchase Orders.

Change Request

A Purchase Requisition in TechMart that is used by the Division or Department to initiate a modification to an existing contract or Purchase Order.

Competitive Justification

A summary of all the quotes or proposals received for a specific requirement and the rationale behind the selection of a successful contractor.

Competitive Threshold

A dollar threshold that requires competition, either by Informal or Formal Competition.

Contract

A legally binding agreement between Caltech and another party in which the parties are obligated to complete a particular task or satisfy a particular objective.

Cost/Price Analysis

A review to determine and evaluate the cost elements of a contractor's proposal to determine how well the proposed costs represent what the cost of the contract should be, assuming reasonable economy and efficiency. Factors to be considered in determining pricing and financial impact of a procurement include commodity markets, price lists, price quotations, negotiated pricing, input costs, transaction costs, relational costs, and landed costs.

Cost-Reimbursement Contract

A contract type that provides for payment of allowable, allocable, and reasonable costs incurred in the performance of a contract to the extent that such costs are prescribed or permitted by the contract.

Certification of Compliance to Lobbying and Anti-Kickback

A certificate required by Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) and the Federal Acquisition Regulation's (FAR) (48 CFR) to ensure that contractors have not and will not lobby public officials with Federal funds and that the contractor will comply with the Anti-Kickback Act of 1986.

Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters

A certification or verification required under the Office of Management and Budget (OMB) Uniform Administrative Requirements (2 CFR Part 200), 2 CFR Part 180, and the Federal Acquisition Regulation (FAR Subpart 9.4) to ensure that contractors are not suspended, debarred, or otherwise excluded from participation in Federal awards. Verification may be performed through the System for Award Management (SAM.gov) or by obtaining a certification from the contractor, as applicable.

Department

Administrative Departments including, but not limited to, The Athenaeum, Business and Finance, Human Resources, Development and Institute Relations, Facilities, Faculty Board Administration, Office of the General Counsel, Government Relations, Investment Office, Office of the President, Office

of the Provost, Office of Strategic Communications, Student Affairs, and the Office of Technology Transfer and Corporate Partnerships.

Declining Purchase Order

Contracts that provide for an indefinite quantity within stated limits of supplies or services to be furnished within a fixed period with deliveries or performance to be scheduled.

Division

Academic Divisions including Biology and Biological Engineering, Chemistry and Chemical Engineering, Engineering and Applied Science, Geological and Planetary Sciences, Humanities and Social Sciences, and Physics, Math and Astronomy.

Document Checklist

A document that ensures that the Purchasing Official has included all required documentation for a purchase, including Price Justifications, a Procurement Summary Justification for competitive purchases and noncompetitive purchases, Market Research, insurance certificates and endorsements, required Federal certificates, and Equipment Screenings.

Encumbrance

An amount of money that one is required to spend on a stated item or service in the future or the amount of money that remains on a Purchase Order after invoicing.

Equipment Screening

A screening process of ensuring, either prior to an equipment purchase or concurrently with the equipment purchase, that the same or equivalent piece of equipment is not in excess or otherwise available to share.

Evaluated Procurement

An award based on evaluated procurement criteria other than the lowest price.

Federal Acquisition Regulation (FAR) (48 CFR)

Federal legislation that governs Federal contracts in the pre-award phase, award phase, and post-award phase of a contract.

Fixed-Price Contract

A contract type that provides a price that is not subject to any adjustment on the basis of the contractor's cost experience in performing the contract. This contract type places maximum risk and full responsibility on the contractor for all costs and resulting profit or loss. It provides maximum incentives for the contractor to control costs and perform effectively and imposes a minimum administrative burden on Caltech and the contractor.

Formal Competition

A formal solicitation, including Request for Information (RFI), Request for Quotes (RFQ), and Request for Proposals (RFP) that is usually done by a Purchasing Official in Purchasing Services.

Informal Competition

An informal solicitation to contractors either verbally or by email for a Request for Quote (RFQ) or Request for Proposal (RFP).

Market Research

Documentation, in an organized effort, to gather cost and pricing data for targeted markets. Market Research is used to support the Cost/Price Analysis in the Price Justification.

Noncompetitive Justification

A documented justification that underlines the reasons why only one source was solicited for a requirement, including that the item is only available through a single source, the emergency for the requirement will not permit a delay from a competitive solicitation, it is a follow-on purchase, or after solicitation to a number of sources, competition was determined inadequate.

Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200)

Federal legislation that governs the Federal financial assistance (grants and cooperative agreements) process from pre-award to close-out.

Payment Request

A method to purchase goods and services when certain types of purchases do not require a formal Purchase Order or where negotiation by Purchasing Services adds no value.

P-Card

A Caltech credit card issued to an individual by Purchasing Services to purchase goods and services on behalf of Caltech. P-Cards are also used for travel expenses.

P-Card Holders

An authorized individual who may make purchases for goods and services on behalf of Caltech with a P-Card.

Price Justification

A procurement summary and rationale for a purchasing decision, including documentation that includes whether or not the purchase was competitive in addition to supporting Market Research and Cost/Price Analysis to demonstrate price reasonableness.

PTA (Project-Task-Award)

The accounting code system used by Caltech to identify different funding sources by project, task, and award.

Punchout and Hosted Catalog

Consists of contractors' setup in TechMart that provide their products with negotiated prices and terms that are advantageous to Caltech.

Purchase Order (PO)

A commercial document and first official offer issued by a Purchasing Official to a seller, indicating types, quantities, agreed prices for goods and services, and the terms and conditions of the offer.

Purchase Requisition

A document generated through TechMart to notify Purchasing Services of goods and services needed by a Division or Department. It is a formal authorization to purchase goods and services on behalf of the Division or Department.

Purchasing Official

An individual with delegated authority to acquire goods and services on behalf of Caltech, including P-Card Holders, SOS Buyers, Purchasing Agents, Contracting Officers, Senior Contracting Officers, Contracting Managers, the Director of Purchasing Services, and the Chief Financial Officer and Treasurer.

Request for Information (RFI)

A pre-solicitation technique to obtain information from potential contractors, including availability of goods and services with their respective prices. An RFI is generally used prior to issuing an RFQ or RFP.

Request for Proposal (RFP)

A formal solicitation for a service or complex product where quality, service, or the engineered product will be different from all contractors.

Request for Quote (RFQ)

A formal solicitation for commercial items, including commodities, simple services or uncomplicated parts that cannot be differentiated between responding contractors.

Reimbursement

A Purchase Requisition in TechMart used to process a reimbursement to a Caltech employee, student, or visiting associate for an Unauthorized Order.

Requisitioner

An individual that submits Purchase Requisitions through TechMart, either as a TechMart Requisitioner or a TechMart Shopper.

SOS Buyer

An SOS Buyer, a Purchasing Official in a Division or Department, who has been delegated authority from the Director of Purchasing Services to make purchases for goods and services on behalf of Caltech.

Sponsored Award

Any type of award received by Caltech.

Spot Buy

A Requisition form in TechMart to submit a one-time purchase for goods or services.

Time and Materials Contract

A contract that provides for purchasing goods or services on the basis of specified fixed hourly rates that include wages, overhead, general and administrative expenses, profit, and materials cost, including, if appropriate, material handling costs as part of material costs.

Unauthorized Order

Unauthorized Orders are those for which a Purchase Requisition was submitted after a purchase for goods and services was placed with an individual's own financial resources or without a Purchase Order (e.g., Reimbursement and After-the-Fact).

POLICY

This policy ensures that contracts and purchases for goods and services are in accordance with all requirements outlined in the [*General Purchasing Services Policy*](#), this *Purchasing Goods and Services Policy*, Federal, State, and local laws.

2.1 Purchasing Methods

The following purchasing methods must be used when purchasing goods and services on behalf of Caltech:

2.1.1 Purchase Order (PO)

The preferred method to purchase goods and services is through the Purchase Order method. To purchase by the Purchase Order method, the Requisitioner from the Division or Department submits a Requisition through TechMart, Purchasing Services' e-procurement system. The Requisitioner must ensure that all supporting documentation is attached to the

Purchase Requisition, including a quotation or proposal, a [Procurement Summary Justification](#) for competitive and noncompetitive purchases that exceed \$10,000, contractor's contact information, and any other pertinent documentation that may be useful to the Purchasing Official.

2.1.2 PO Types

The Requisitioner from the Division or Department must ensure the Purchase Requisition is submitted on the correct form in TechMart that corresponds with the correct PO type. The three main PO types are Standard Purchase Orders, Blanket Purchase Orders and Declining Purchase Orders.

- Standard Purchase Orders are used for one-time purchases of various goods and services. A Standard Purchase Order is when required information about the purchase of goods or services is known, including estimated costs, quantities, delivery schedules, and accounting distributions.
- Blanket Purchase Orders are used when the details of goods or services you plan to purchase within a specified period are known, however, the details of the delivery schedules are unknown. If a Requisitioner submits a request to Purchasing Services for a Blanket Purchase Order, the Purchasing Official has the authority to approve or disapprove of the PO type at his/her discretion.
- Declining Purchase Orders are used to establish an independent contractor service agreement with an individual or sole proprietor or to set up a service agreement with a supplier that has a defined fee schedule and period of performance, including equipment maintenance agreements.

2.1.3 P-Card

Authorized P-Card Holders can purchase low-value goods and services, in accordance with [Caltech's P-Card Policy](#).

2.1.4 Payment Request

The Payment Request method to purchase goods and services is only used for certain types of purchases for which a Purchase Order is not required or negotiation by a Purchasing Official has no value. Any purchase for goods and services submitted by the Payment Request method must follow the *Payment Request Policy* and the [Payment Request Usage List](#).

2.2 Purchase Requisitions

Purchase Requisitions authorize Purchasing Services to make purchases and modify existing contracts and Purchase Orders on behalf of the requesting Division or Department.

Prior to submitting a Purchase Requisition to Purchasing Services, the Requisitioner should access the TechMart Punchout or Hosted Catalogs. If the goods and services are not available through the Punchout or Hosted Catalogs, the Requisitioner should obtain a quote or proposal from the contractor prior to submitting the Purchase Requisition. Requisitioners must ensure the following when submitting a Purchase Requisition:

- Purchase Requisitions are submitted on the correct form (e.g., Change Request, Declining PO, Supplier After-the-Fact, and Spot Buy);
- Purchase Requisitions include the appropriate attachments (e.g., competitive quotes or proposals and a [Procurement Summary Justification](#) for competitive and noncompetitive purchases that exceed \$10,000) to meet the Competitive Threshold requirements for purchases that exceed \$10,000 as outlined in [Section 2.5 Competition](#);
- Purchase Requisitions cannot be submitted with mixed taxable and non-taxable PTAs; and
- Purchase Requisitions must include all relevant information for the purchase, including the contractor's contact information (e.g., contact person, company name and address, email address, and phone number), an attached written quote or proposal from the contractor, and any other relevant documents that may be useful to the Purchasing Official.

2.2.1 Change Requests

In the event the Division or Department wants to modify an existing contract or Purchase Order that changes the price, quantity, period of performance, or terms and conditions, the Requisitioner must submit a Change Request Purchase Requisition through TechMart. The Requisitioner must ensure the following when submitting a Change Request:

- If the Change Request amount causes the total amount of the Purchase Order to exceed \$10,000, then the Requisitioner will need to include the appropriate attachments, including a [Procurement Summary Justification](#) to meet the Competitive Threshold requirements as outlined in [Section 2.5 Competition](#);
- If the Change Request is for an existing Purchase Order that already exceeds \$10,000, then the Purchasing Official, at his/her discretion, may request a [Procurement Summary Justification](#) that addresses the change request.

- The Change Request, as required, may include a revised quote or proposal that reflects the modifications of the contract or Purchase Order, including a revised statement of work (SOW), budget, quantities, prices, period of performance, or any other revised terms and conditions.

The Requisitioner can submit an email to [Encumbrance Help](#) or the responsible Purchasing Official rather than submitting a Change Request for the following circumstances:

- Changing the PTA of a contract or Purchase Order, except when the current/new PTA is for a Federal Award; and
- To remove Encumbrances from an existing contract or Purchase Order where there are no pending invoices and/or deliverables, as verified by the Requisitioner. For open contracts or Purchase orders in which removing an encumbrance changes the value, necessitating a revised contract or Purchase Order, a Change Request is required.

2.2.2 Services

In addition to the requirements outlined in [Section 2.2 Purchase Requisitions](#), Purchase Requisitions for consulting services and independent contractors are required to have a completed [Independent Contractor Services Request](#). Prior to submitting a Declining PO – Independent Contractor Services Agreement Purchase Requisition, the Requisitioner must ensure that *Independent Contractor Services Request* form is attached to the Purchase Requisition.

The Purchasing Official must ensure the following for consulting services and independent contractor agreements:

- A completed [Independent Contractor Services Request](#);
- A current IRS W-9 or W-8BEN form on file;
- A consulting/independent contractor agreement if the total value exceeds \$5,000;
- Insurance requirements if the consultant or independent contractor is working on campus or at a Caltech off-site location; and
- The consulting/independent contractor agreement must contain the appropriate intellectual property or copyright/patent language.

2.2.3 Blankets

To setup a one-time Blanket Purchase Order, the Requisitioner must submit a Purchase Requisition on a Declining PO - Blanket Form through TechMart. The Purchasing Official has the authority to approve or disapprove a Blanket Purchase Order type at his/her discretion.

In addition to incorporating the appropriate terms and conditions, the Purchasing Official must incorporate the following clause into every Blanket Purchase Order:

“The amount indicated in the Purchase Order identified below is only an estimate for the period stated in the effective period of performance for this Purchase Order. This estimated amount does not constitute a commitment, implied or otherwise, that Caltech will expend the entire amount indicated in the “Total.”

2.2.4 Unauthorized Orders

Unauthorized Orders are those for which a Purchase Requisition/Payment Request is submitted after goods were received or services were rendered without a Purchase Order (e.g., Supplier After-the-Fact and employee/student reimbursements). Unauthorized Orders present a significant risk and liability to Caltech. Entering into contractual agreements without the appropriate terms and conditions incorporated into the contract or Purchase Order results in limited recourse, in the event of a dispute with a contractor. Unauthorized Orders are not acceptable. However, in the event of an emergency or a circumstance where an Unauthorized Order is unavoidable, Purchasing Services will permit the transaction.

If a Supplier After-the-Fact Purchase Requisition or an employee/student Reimbursement Payment Request is submitted, they must comply with all the requirements outlined in [Section 2.2. Purchase Requisitions](#) and [Section 2.5 Competition](#). In addition, Reimbursements must have proof of payment documentation attached to the Payment Request, including receipts, invoices, or credit card statements.

2.3 TechMart

TechMart, Caltech's e-procurement solution, provides an efficient, effective, paperless, and user-friendly electronic tool for purchasing goods and services. Requisitioners can use TechMart to purchase goods and services from online supplier catalogs displaying Caltech negotiated contract pricing and submit Purchase Requisitions for other procurement transactions, significantly reducing the time and effort required to purchase goods and services.

This one-stop shopping experience streamlines the purchasing process and allows for electronic routing for approvals. The system provides access to detailed order history and reporting that allows Purchasing Services to leverage Caltech's significant buying power.

These capabilities provide administration with spend control and visibility tools, thus allowing Caltech to achieve cost savings in both administration and contract compliance.

2.4 Speedy Ordering System (SOS) Buying Program

The SOS Buying Program is designed to increase the cost efficiencies of the purchasing process while creating a customer-focused purchasing program for the Divisions and Departments at Caltech. In accordance with the [*Delegation of Authority, Section 1.1.1 of General Purchasing Policy*](#), SOS Buyers are delegated authority by the Director of Purchasing Services to make purchases on behalf Caltech. The SOS Buyer is granted an approval limit of \$5,000 or \$10,000. A designated Contracting Manager will ensure that the SOS Buyers have received adequate training and that their actions comply with Caltech’s [*General Purchasing Policy*](#) and this *Purchasing Goods and Services Policy*. In the event that an SOS Buyer violates such policies, the Director of Purchasing Services has the right to retract the delegated authority. To become an SOS Buyer, please contact Purchasing Services.

2.5 Competition

Caltech’s competitive purchasing requirements are to ensure that all contracts and purchases for goods and services are conducted in a manner that provides full and open competition consistent with the [*Office of Management and Budget \(OMB\) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards \(2 CFR Part 200.317-326\)*](#) and the [*Federal Acquisition Regulation’s \(FAR\) \(48 CFR Part 6\)*](#) competitive requirements. The competitive purchasing requirements promote transparency, stimulate competition, prevent favoritism, and secure the best value of goods and services for Caltech and its sponsors.

Purchase Threshold	Competitive Requirements
Under \$10,000	<ul style="list-style-type: none"> • No requirement for competition, however, prudent and competitive business practices are encouraged
\$10,000 and above	<ul style="list-style-type: none"> • Informal Competition: At least two (2) quotes/proposals solicited by phone, email, mail or fax • Formal Solicitation process conducted by Purchasing Services: If the Division or Department needs assistance for complex requirements, noncommercial goods and services, or for very high-value purchases. Formal solicitations include Request for Information (RFI), Request for Quotes (RFQ), and Request for Proposals (RFP) • A Noncompetitive Justification, completed by the Division or Department, is required for the following <ol style="list-style-type: none"> 1. sole-source purchases; 2. Emergency purchases for suppliers and/or services, if not procured immediately, will cause serious operational or financial loss, or where life and property must be protected; 3. It is a follow-on purchase; or 4. After solicitations to a number of sources, competition is determined inadequate

2.6 Punchout and Hosted Catalog Purchases

Competition is not required for any purchases through the Punchout and Hosted Catalogs in TechMart, as Purchasing Services has already negotiated prices and terms and conditions that are advantageous to Caltech.

2.7 Contract Types

To minimize the risk to Caltech, all solicitations and contracts for purchases of goods and services must be Fixed-Price Contracts. However, there are circumstances where a Time and Materials Contract, or a Declining Purchase Order would be a more appropriate contract type, given the specifications and complexity of the scope of work.

Any contract extensions must meet the competitive requirements outlined in [Section 2.5 Competition](#), unless the contract has optional renewal periods that could be exercised prior to the end of the period of performance.

2.8 Insurance Requirements

To mitigate risk for work performed on Caltech property, the Purchasing Official should ensure that contractors performing services on Caltech property meet the minimum insurance requirements outlined in Caltech's [Commercial Terms and Conditions](#). If a contractor cannot meet Caltech's minimum insurance requirements, then the Purchasing Official must consult with Caltech's Risk Manager.

2.9 Terms and Conditions

In the event a contractor takes exceptions to terms and conditions of a contract or Purchase Order, the Purchasing Official must notify a Contracting Manager or designee prior to approving the contract or Purchase Order.

2.10 Advance Payments

In addition to Caltech's policy and procedure for [Advance Payments to Suppliers \(Prepayments\)](#), Purchasing Officials must perform a screening of all contractors that require advance payments (e.g., Google searches, Better Business Bureau, rip-off, and scam reports). If a Purchasing Official discovers a finding that is suspicious, he/she must contact their direct supervisor or designee for advice. If the suspicious finding is deemed risky, the Purchasing Official must notify the Division or Department of the risk involved. If the Division or Department agrees to continue with the transaction, then the Purchasing Official must obtain written documentation from the Division or Department to proceed with the transaction. Purchasing Officials must attempt to negotiate out of advance payment terms and document all communications of the contractor, Division, and Department.

2.11 Documentation

All purchases that exceed \$10,000 require the following supporting documentation:

- Price Justification;
- Either a Noncompetitive Justification or at least two competitive quotes or proposals;
- Bid Tabulation for Evaluated Procurements must be included as a separate document which details the evaluation criteria;
- Market Research that supports the Cost/Price Analysis in the Price Justification; any miscellaneous documentation pertinent to the purchase (e.g., supporting emails from the Division or Department, and insurance certificate endorsements); and
- A Document Checklist.

2.12 Federal Requirements

All purchases using Federal funds that are equal to or exceed certain dollar thresholds are required to have certain documentation in accordance with [*the Office of Management and Budget \(OMB\) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards \(2 CFR Part 200\)*](#) and the [*Federal Acquisition Regulation's \(FAR\) \(48 CFR\)*](#).

Purchase Threshold	Federal Grants	Federal Contracts	Responsibility
Equal to or exceeds \$10,000	<ul style="list-style-type: none"> Equipment Screening 	<ul style="list-style-type: none"> Equipment Screening 	<ul style="list-style-type: none"> Requisitioner
Equal to or exceeds \$25,000	<ul style="list-style-type: none"> Certificate of Debarment and Suspension 		<ul style="list-style-type: none"> Purchasing Official
Exceeds \$35,000		<ul style="list-style-type: none"> Certificate of Debarment and Suspension 	<ul style="list-style-type: none"> Purchasing Official
Equal to or exceeds \$100,000	<ul style="list-style-type: none"> Certification of Compliance to Lobbying and Anti-Kickback 		<ul style="list-style-type: none"> Purchasing Official
Exceeds \$150,000	<ul style="list-style-type: none"> Documentation on whether a Small Business, HUB Zone Small Business, Small Disadvantaged Business, Women Owned Small Business or Service Disabled Veterans Owned Business or Veterans of Vietnam Era Owned Business concerns was solicited 	<ul style="list-style-type: none"> Certification of Compliance to Lobbying and Anti-Kickback Documentation on whether or not a Small Business, HUB Zone Small Business, Small Disadvantaged Business, Women Owned Small Business or Service Disabled Veterans Owned Business or Veterans of Vietnam Era Owned Business concerns was solicited 	<ul style="list-style-type: none"> Purchasing Official

2.13 International Purchases

All international purchases for goods and services must comply with [Caltech's Export & Import Requirements: Procurement](#).

2.13.1 Export Compliance

In the following circumstances, the Purchasing Official must receive approval from the [Caltech Export Compliance Office](#) prior to making an international purchase, regardless of the dollar amount:

- All purchases from Chinese companies under a National Aeronautics and Space Administration (NASA) or Jet Propulsion Laboratory (JPL) award;
- All purchases that require plans, drawings, or other related engineer planning; and
- All purchases that will be shipped outside of the U.S.

2.13.2 Payment Terms

Usually, foreign contractors require advanced payments at the time of the purchase, however, advanced payment terms are against Caltech's Commercial Terms and Conditions. Therefore, all international purchases will incorporate Caltech's standard payment terms and payments will be in U.S. dollars. In the event a foreign contractor is unwilling to comply with Caltech's payment terms and conditions, the Purchasing Official must comply with the requirements outlined in [Section 2.10 Advance Payments](#) and notify the Contracting Manager or designee prior to approving the purchase.

2.13.3 Customs

Prior to purchasing goods with a foreign contractor, the Purchasing Official must verify which party will be responsible for the import duties, tariffs, and clearing the goods through U.S. Customs upon their arrival to the U.S. If Caltech is responsible, then the Purchasing Official must notify Caltech's customs broker with the estimated delivery date of the goods along with a copy of the Purchase Order. The Purchasing Official must communicate with the foreign contractor to notify Caltech's customs broker with the airbill or tracking number once the goods are shipped from the foreign location.

2.14 Controlled Substances and Chemical Precursors

Only custodians, identified by the ordering Division or Department, are authorized to make purchases for controlled substances or chemical precursors. All purchases for controlled substances and chemical precursors must comply with the [Controlled Substances and Chemical Precursors Policies and Procedures](#). If a Purchasing Official receives a Declaration or Management Approval Form, then the Purchasing Official must contact Central Controlled Substance Custodian at (626) 395-6727 or email the forms to [Controlled Substances](#).

2.15 Purchase Order Closeouts

Purchasing Officials must routinely close out old Purchase Orders. Purchase Orders may be cancelled if the Purchase Order has a remaining Encumbrance, after the Purchase Order has been invoiced and no more payments are pending.

2.16 Prohibited Purchase

As a government contractor, Caltech must comply with [Section 889 of the John S. McCain National Defense Authorization Act](#). Therefore, Caltech prohibits the purchase of any equipment, system, service, or component thereof produced or provided by companies proscribed by Section 889, their subsidiaries, or their affiliates. Section 889 provides narrow exceptions. If a Division or Department believes they require an exemption from Section 889's prohibitions, they are to consult with the Director of Purchasing Services *prior* to purchasing the prohibited item or service.

2.17 Personal Expenses

Personal expenses and purchases that are deemed personal in nature and/or have no benefit to Caltech, are not permitted and may be considered fraudulent transactions, regardless of intent to reimburse Caltech. Similarly, a Division or Department may not place a personal transaction on behalf of an individual employee or student and then have that individual reimburse Caltech. If any individual associated with a personal expense or purchase, who purposefully engages in fraudulent behavior, it will be considered serious misconduct and may result in disciplinary action.

ROLES AND RESPONSIBILITIES

Director of Purchasing Services

The Director of Purchasing Services is responsible for recommending policy changes and updates to establish and maintain compliance with government laws and to oversee the purchasing process while ensuring appropriate stewardship of Caltech assets.

Division and Department Administrators

Division and Department Administrators are responsible for holding their employees, students, and visiting associates accountable for their purchasing activities and to ensure that they comply with the [General Purchasing Services Policy](#) and this *Purchasing Goods and Services Policy*.

Purchasing Officials

Purchasing Officials are responsible for ensuring that all contracts and purchases for goods and services are conducted in a manner that provides full and open competition, appropriate documentation, including Price Justifications, Market Research, Cost/Price Analysis, and the rationale of purchasing decisions. In addition, Purchasing Officials shall minimize the risk to Caltech by selecting the appropriate contract types, ensuring that contractors comply with our insurance requirements, and making prudent business decisions when contractors take exceptions to Caltech's terms and conditions.

Requisitioners

Requisitioners are responsible for ensuring that all Purchase Requisitions submitted through TechMart comply with the [General Purchasing Services Policy](#) and this *Purchasing Goods and Services Policy*. The Requisitioner must ensure that Purchase Requisitions are complete and accurate, including detailed itemized lines of the goods and services being purchased, correct funding sources, and correct expenditure types. Prior to submitting a Purchase Requisition to Purchasing Services, the Requisitioner is responsible for ensuring that all the appropriate supporting documentation is attached to the Requisition.

RELATED REFERENCES

Forms

Procurement Summary Justification

Independent Contractor Services Request

Procurement Summary Justification

Related Information

Caltech's Business and Finance

Caltech's Export Compliance

Caltech's Office of Sponsored Research

Caltech's Office of General Counsel

General Purchasing Services Policy

P-Card Policy and Procedure

Travel Policy and Procedure

POLICY ISSUED BY

This policy is issued and approved by Procurement Services. Any exceptions that require a deviation from this policy shall be reviewed and approved by the Director of Purchasing Services and coordinated with the Procurement and Payment Services business units.

EFFECTIVE DATES AND UPDATES

Action	Effective Date	Description of Action
Issued Policy	10/01/2007	Issued by Procurement Services
Revised Policy	7/01/2016	<i>Revised for consistency with Uniform Guidance and to put the document into new policy format.</i> Reviewed and revised by Procurement Services.
Revised Policy	2/2/2022	Incorporated <i>Prohibited Purchases</i> , as required by <u>Section 889 of the John S. McCain National Defense Authorization Act</u> .

Revised Policy	3/23/26	Policy modernization
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