

Covered Services Update

Move to Purchase Orders only for Covered Services



- On June 12, 2023, Internal Audit Services completed the systemwide Contracting Out Audit.
- One of the key findings was that not all Covered Services were being identified and properly reported.
- Specifically:
Observation findings from the audit: Internal Audit identified instances of non-compliance related to procurement and contracting processes for Covered Services. Several locations either did not have processes or had inadequate processes to identify potential Covered Services in those purchasing channels typically reserved for lower-value activity, such as low-value purchase orders, purchasing cards, and travel and entertainment reimbursements.

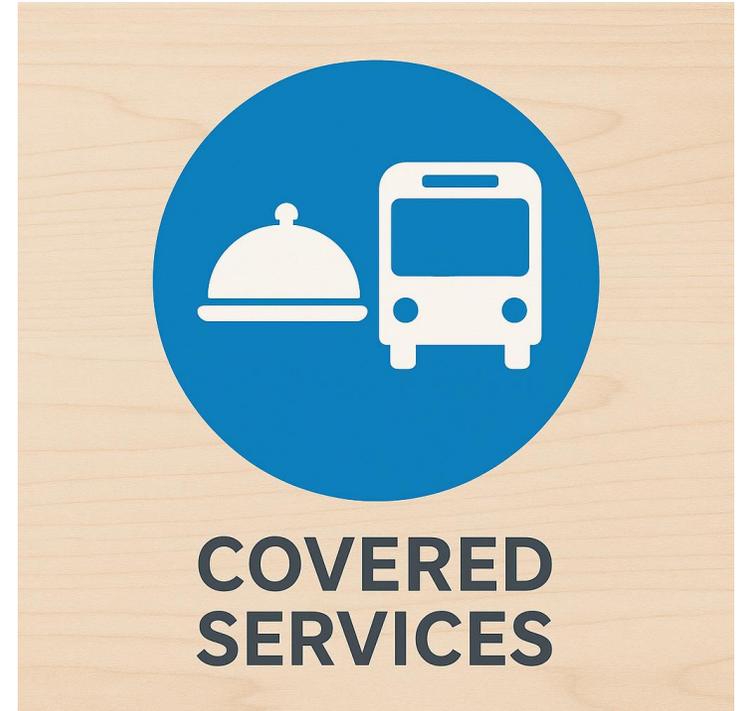
Systemwide Procurement Guidance

- Systemwide Procurement issued guidance to be implemented across all locations to ensure consistent application of Covered Services compliance measures.
- Specifically:
Implementation guidance to all locations: Given our obligation to ensure all vendors are paying Wage & Benefit Parity (WBP) along with the vendors' obligations to comply with Senate Bill 27 (SB27)*, all procurement of Covered Services must be made with a **written contract or purchase order (PO) placed PRIOR to the service being provided**. Both documents must include Article 25 language from the standard UC Terms & Conditions, and must state that vendor could have SB27 obligations, and must include WBP information.

[*Senate Bill 27](#) requires UC vendors to meet UC wage standards, disclose payroll records, and face penalties for noncompliance.

Interim Guidance on Covered Services Purchasing

- Until a formal process is implemented in alignment with UC Systemwide Procurement guidance, please **do not use a PALCard or Corporate Card** for any services that may fall under Covered Services.
- **Common examples** include full-service catering and transportation/charter bus services.
- If you're unsure whether a service qualifies as Covered Services, please contact:
 - Employee Workforce Relations (EWR) at ewr@uci.edu, or
 - Procurement Services by sending a [ServiceNow ticket](#)
- Further instructions and official guidance will be shared once the new process is finalized.



Resources

- [Procurement Services](#)
- [Procurement ServiceNow](#) - *(Before submitting a ticket, please conduct your own diligent research on Procurement's website)*
- [Senate Bill 27](#)
- [UC Regents Policy 5402](#)
- [Wage & Benefit Parity \(Article 5.B\)](#)
- [UC Terms and Conditions of Purchase](#)
- ewr@uci.edu