

Procurement 101

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Workshop Objectives

Raise awareness and proficiency in procurement, contract standards, policies and procedures

Maintain integrity of procurement and contracting process

Understanding Responsibilities of both the department and the purchasing staff during a procurement process

Agenda

- Overview
- Review bid process and key terms
- Contracting goals, CSU General Provisions
- Responsibilities

What is Procurement?

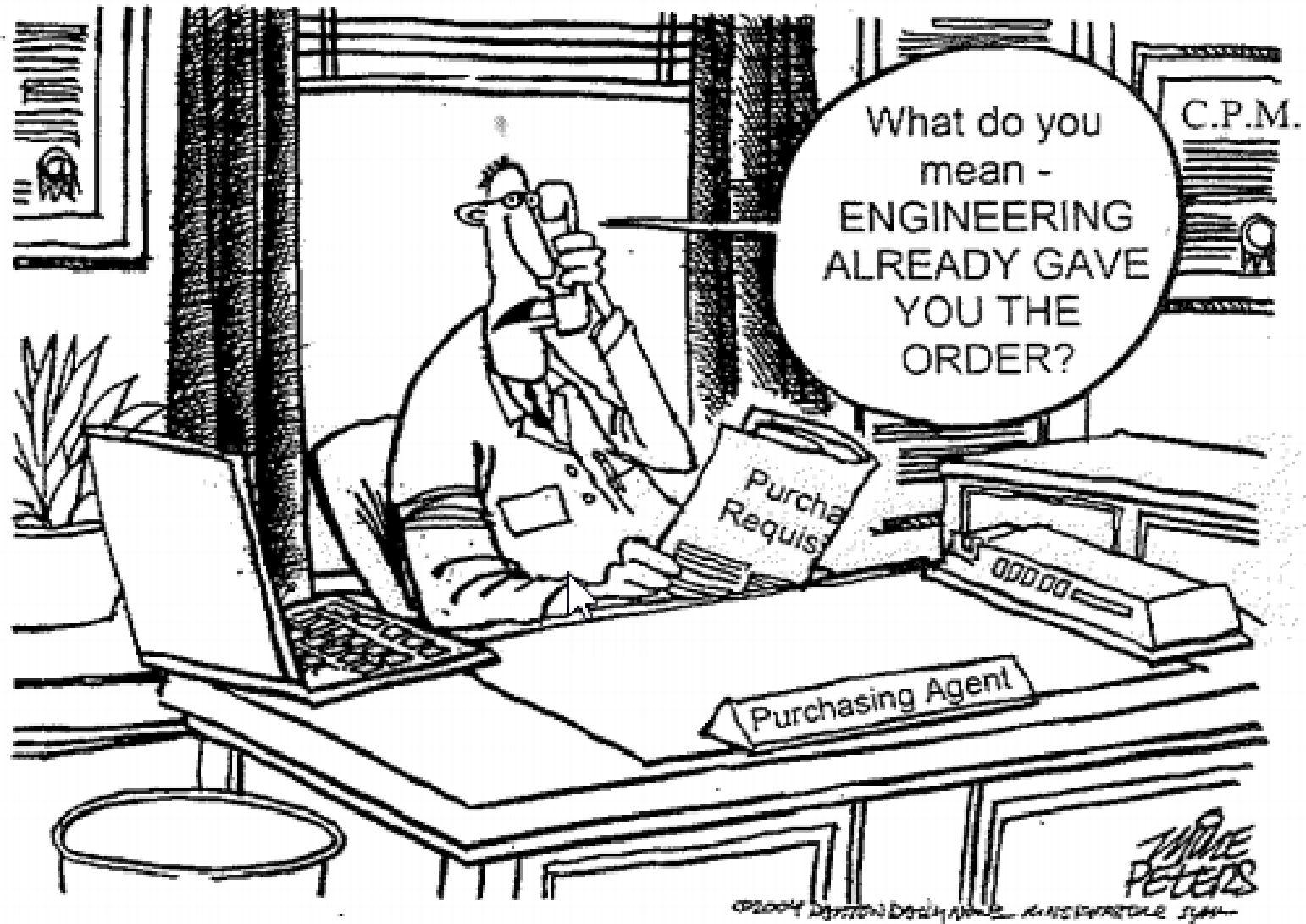
Procurement is the function of obtaining necessary commodities and services required by departments to carry out the university's mission.

Planning is Key

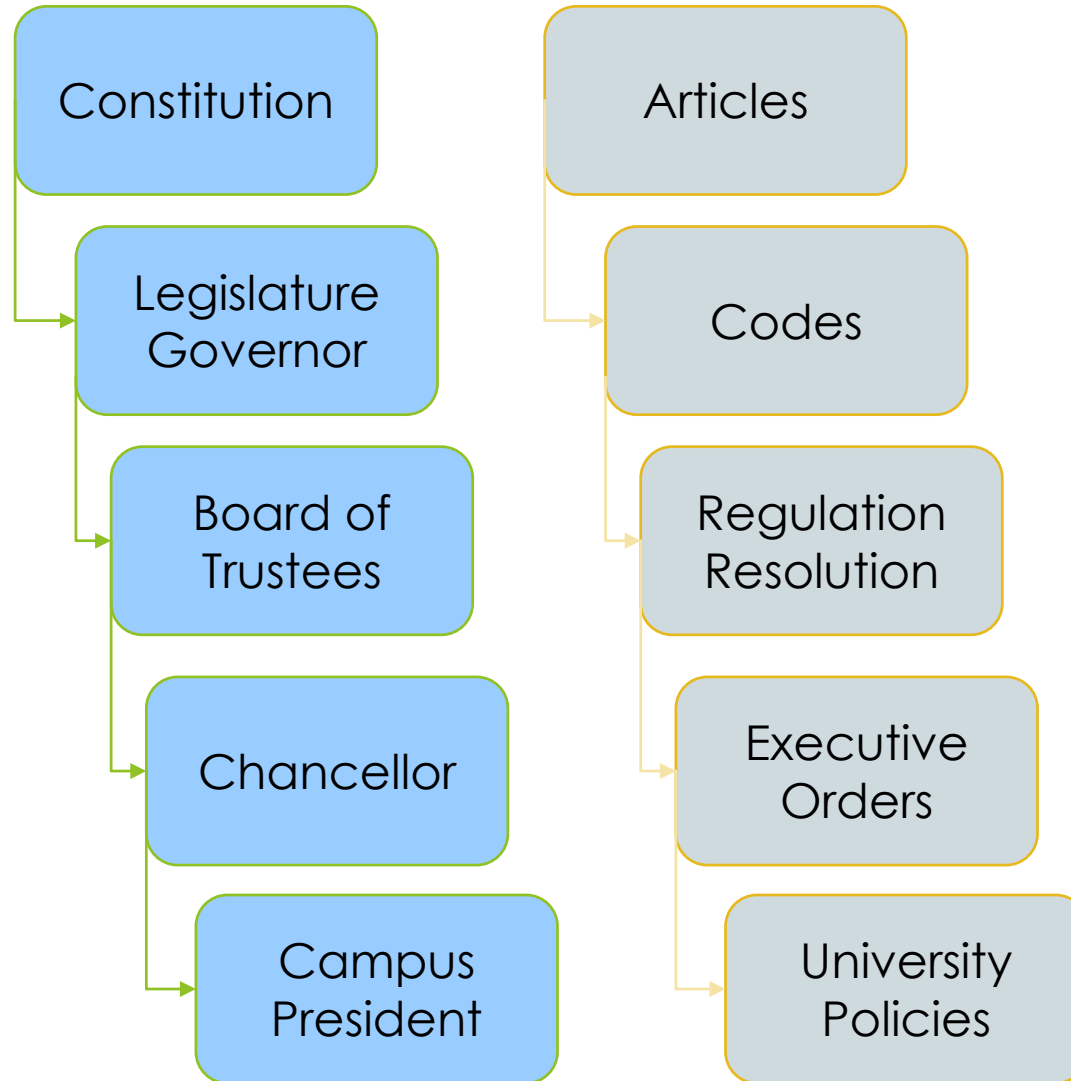
- Better business decision-making
- Opportunity to consolidate requirements
- Combine budget process with procurement planning
- Allows the best procurement methodology
- Tip: Reach out to Procurement **early**, when the need is conceived



**CSU Policy Manual for
Contracting & Procurement
(ICSUAM): Section 5000**



Delegation of Authority



Delegation of Authority

Authority to sign purchase orders, contracts, interagency is delegated by the Campus President in writing to:

- ✓ Procurement Officers
- ✓ Administrators

Departments Are Not Authorized To:

- Make a purchase or contract a service without an approved purchase order
- Sign any contractual agreement, i.e., license agreement, MOUs, CSU Agreement
- Pick up merchandise without an approved CSUEB issued purchase order
- Unilaterally cancel a CSUEB issued purchase order.

What is a Requisition ?

- A requisition is a request to the Procurement Office to make a purchase
- Requisition types:
 - Commodity
 - Service

Requisition

Must include:

- Description of goods/services
- Statement of Work/Quote
- All support documentation
- Must be approved and budget checked

Requisition for Service require the following:

- Description of service required.
- Type of equipment, model and serial number
- All Vendor's quote(s) received.
- Period of Service: Is the order for a one-time service or repeat service?
- Provide a list of who is authorized to request service.
- All service requisitions must have appropriate insurance on file before the service order can be released.

Insurance Requirements for Services:

Minimum Requirements:

- General Liability
- Business Automobile Liability,
- Workers Compensation

Services : < \$50K

- Quote
- Fair and Reasonable determination
- Statement of Work
- Secured by Purchase Order or Contract

Services: > \$50K

- Formal
- Advertised
- DVBE/SBE outreach
- Invitation For Bid (IFB)
- Request For Proposal (RFP)
- Cooperative Agreement / Contract
- Secured by Contract
- The use of written requests for bids/proposals is required.

Competitive Solicitation: > \$50K

- Formal
- Advertised
- SB/DVBE outreach
- IFB – Lowest responsive and responsible
- RFP – Most qualified responsive and responsible

Solicitation Types

Common Solicitation Types

- Invitation for Bid (IFB)
- Request for Proposal (RFP)
- Request for Quotations (RFQ)
- Sole Brand/Sole Source

IFB vs. RFP

IFB

- Clearly defined specifications
- No qualitative factors
- No discussions or negotiations needed
- Award to lowest responsive and responsible bidder

RFP

- Consideration of factors other than price
- Discussions/ negotiations anticipated
- Award to most qualified responsive and responsible proposer

Sole Brand/Sole Source

Sole Brand

A specific product /service required and can be provided by multiple resellers.

Sole Source

Contractor/vendor is the **only** one that can provide product or service.

Sole Brand/Sole Source

Justification:

- Written
- Must be submitted by the using department prior to purchase
- Must be approved by the Director of Procurement prior to purchase.

Contracts

What is a Contract?

An agreement **enforceable** by law between two or more **competent** parties **to do** or **not to do** something **not prohibited by law**, for a legal **consideration**.

Legal Elements of a Contract

- An Offer
- An Acceptance in strict compliance with the terms of the offer
- Legal Purpose/Objective
- Mutuality of Obligation
- Consideration
- Competent Parties

Responsibilities

Purchasing Department Responsibilities

- RFQ/RFP Solicitation
- Contract Management & Administration
- Contract dispute resolution
- Develop, implement and maintain policies and procedures

Requesting Department Responsibilities

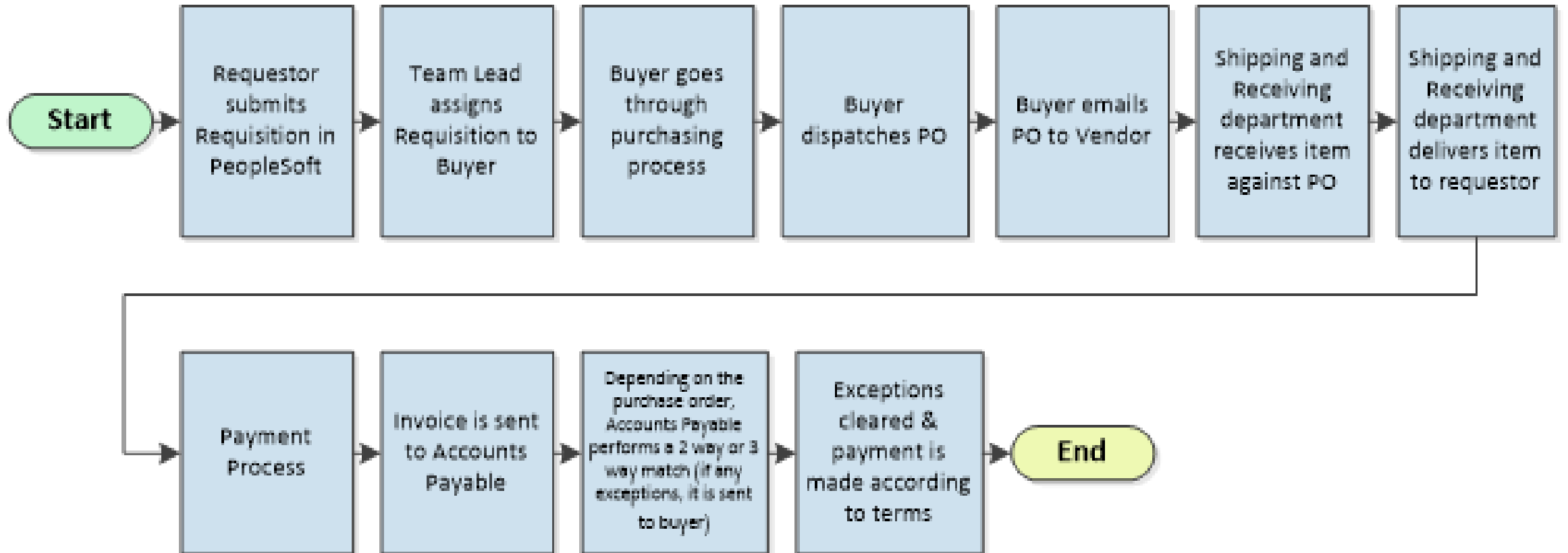
- Engage Purchasing Early
- Plan & Anticipate Requirements
- Adhere to Purchasing Procedures & Policies
- Provide Clear & Precise Specifications
(SOW)

Statement of Work (SOW) – Provided by Requester

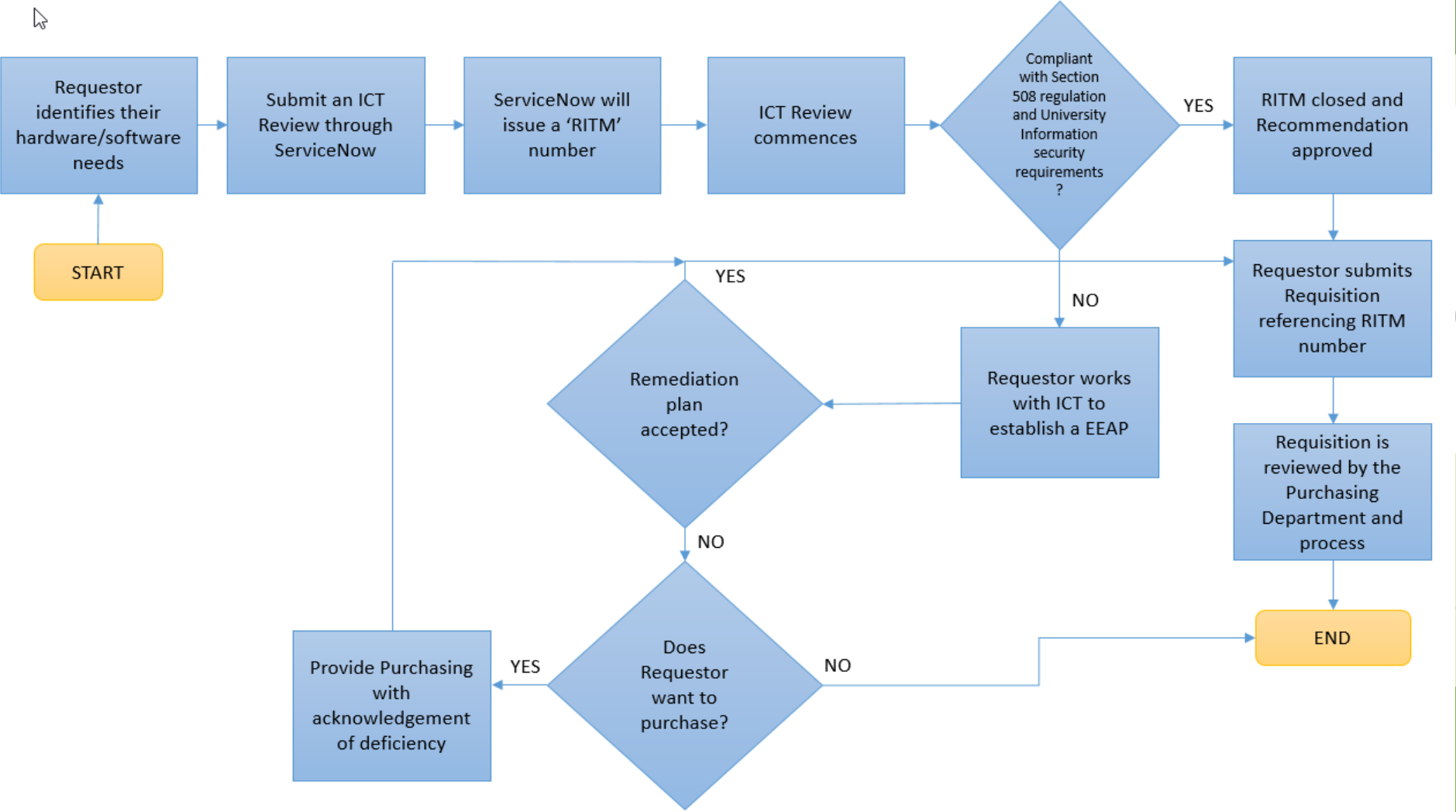
- Defines the obligation of the contractor
- Written in plain and precise language
- Establishes requirements
- Should address the desired end result
- SOW should contain deliverables & timeline

Processes

PROCUREMENT PROCESS



ICT Process



Wrap Up

- What questions do you still have?
- What topics would you like to see explored in the future?

Thank you