Procurement 101

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
What do you mean - ENGINEERING ALREADY GAVE YOU THE ORDER?
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
Wrap Up

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