Procurement 101

Presented By Procurement & Contract Services
WELCOME

The Procurement and Contract Services Office works to procure the best products and services for the University.

Our services are available to you whenever you need them.

We are here to help!
Purpose of this presentation

The purpose of this presentation is to introduce and familiarize you with the services that Procurement provides for your acquisition of supplies, equipment, materials, and services.
## Who Are We and How to Reach Us

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Procurement Web Site

www.csus.edu/proc

Visit our web page to view our manual, forms, program information, frequently asked questions, and much more!
Delegated Authority

Only the Procurement Office is authorized to commit University funds and enter into agreements by which contractors provide services and/or materials to the University.

Only a delegated Procurement Officer can sign a purchase order, service order or agreement.
Procurement Terms

Oracle/PeopleSoft - CFS
Requisition
Purchase Order
Service Order
Agreement
Amendment
Bid
Equipment
ATI (Accessibility Technology Initiative)
Accessible Technology Initiative (ATI)

The University is required to purchase Electronic and Information Technology products and services that support faculty, staff and students regardless of disability. There is no longer a dollar threshold for obtaining E&IT review and approval. E&IT procurement reviews are now based solely on impact, with high impact items receiving the most thorough reviews.

You are encouraged to visit the website for E&IT Procurement at [http://www.csus.edu/irt/techprocure](http://www.csus.edu/irt/techprocure). Katie Beekman is the IT/ATI Procurement Specialist. Katie can be reached at [kbeekman@csus.edu](mailto:kbeekman@csus.edu) or 8-2588.
Accessibile Technology Initiative (ATI) Continued

- September 2007 – ATI affected orders valued over $50K
- September 2008 – ATI affected orders valued over $15K
- November 2011 – ATI affected orders valued over $2.5K
- February 2015 – All ATI affected orders

The process involves completing an EIT (Electronic and Information Technology) Checklist, and requesting the vendor provide a VPAT (Voluntary Product Evaluation Template). VPATs are required for high impact items, and preferred for low-impact items. Some of the larger companies already have VPATs in-place for products. The EIT Checklist and VPAT are forwarded to Katie for review/approval for ATI Compliance; Jeff Williams reviews for information security. ATI approvals must be uploaded and attached to your requisition. Departments should also use Category Code 91900.
Definitions

- **Requestor:** Campus end user who submits requisition

- **Buyer:** Procurement staff member with fiduciary responsibility authorized by the campus President to act as an agent for the State.
Procurement/Acquisition Options

- Requisition
- Procurement Card
- ESM
- Office Max
- Direct Pay Program
Requisition Authorization

Authority to issue requisitions for Procurement and Contract Services acquisitions/purchases is vested in the Vice Presidents, Deans, and department heads.

Such individuals may delegate his/her authority to any of their staff.

The Business/Information Systems Unit within IRT is responsible for setting up access to the CFS system.

Turnaround Times

Procurement can process most routine requests within 3-5 days once we receive the requisition.

More complex processes such as ATI, insurance or bidding will take longer to process.

Make sure to allow Procurement plenty of time to process each request.
Life Cycle of a Requisition

**If ATI is required departments need to secure an EIT Checklist and VPAT in advance**

Requisition is entered by campus department
Upload ATI documentation
Requisition is approved by department
Requisition prints in Procurement
Assigned a buyer
Evaluated, reviewed and worked up by buyer
Converted to a purchase order
Purchase order faxed, emailed or mailed to vendor
A need for a service is identified

Department obtains price quote from vendor. Note: services performed on campus require an approved certificate of insurance. Contact buyer for details.

Department enters a Requisition based off the estimated costs

REQUISITION

Department approves Requisition in CMS to initiate the services

Department prints Requisition for records

Requisition prints in Procurement next business day

A Buyer is assigned to review and process the Requisition

Buyer turns the Requisition into a PO (upon proof of insurance, if required)

PROCUREMENT

A NEED IS IDENTIFIED
• Once the vendor has completed the services, they must issue an invoice to the University for payment.

• A/P will forward the invoice to the Department for review/authorization of payment. Department must sign & date invoice and return to Accounts Payable.

SERVICES RENDERED

• If the actual costs of the invoice is equal to the initial quote/Purchase Order amount, no additional steps need to be taken.

• Once A/P receives the approved invoice, a check will be issued, the vendor will be paid, and the PO will be closed. END Process

Instead, however, if the actual costs differ from the original amount on the PO, additional steps may need to be taken to ensure Accounts Payable receives proper documentation, the vendor is paid, and the PO is closed.

• See Footnotes to follow.

• Process END

Cont. RECEIPT OF SERVICES
The “proper” procedure for requesting a service is to enter a Requisition at the time you discover the services are needed and have received a quote from the vendor. Considering the nature of a service is such that the exact price may be unknown until the service is completed, the Requisition amount entered would be based on an estimate. The Requisition is then turned into a PO, but payment will not be issued to the vendor until the service is complete and an approved invoice is received by Accounts Payable.

Once the service is completed, you can request for the vendor to send the invoice directly to the University. The invoice needs to be signed by an individual with signature authority from the originating department and then sent to Accounts Payable. If the actual invoice amount is different from the original estimate, additional steps will need to be taken.

Scenario #1: If the actual costs were less than the original estimate, the individual with signature authority will sign and date the invoice, forward to A/P for payment, and request for the PO to be closed. Note: this information is simply handwritten on the invoice; if you do not indicate for the PO to be closed, A/P will assume that there will be additional invoices to follow.

Scenario #2: If the actual costs are more than $100 in excess of the original estimate, an Amendment needs to be completed prior to signing the invoice authorizing payment. The Amendment needs to be sent to Procurement and the approved invoice must be sent to Accounts Payable.
Requisition-to Purchase Order Flow Chart – Tangible Goods (Commodity Code 57800)

A NEED IS IDENTIFIED

• A need for a product is identified
• Department obtains price quote
• Department enters Requisition to purchase item in CFS

REQUISITION

• Department approves Requisition in CFS
• Department prints Requisition for records
• Requisition prints in Procurement next business day

PROCUREMENT

• A Buyer is assigned to review and process the Requisition
• Buyer turns the Requisition into a PO (approx. 3-5 business days)
Requisition-to Purchase Order Flow Chart – Tangible Goods (Commodity Code 57800) - Continued

Once the Buyer has created the PO, the Department prints an unauthorized copy of the PO for records.

Buyer mails PO to vendor for purchase.

Purchase Order

Vendor ships product to Central Receiving.

Central Receiving enters receipt in CFS.

Delivery to department.

Process END.

ReceiPT of Product

OR the Vendor delivers product to Department.

Department must notify Central Receiving through SRR* that the product has been received.

Central Receiving enters delivery in CFS which initiates payment to vendor.

Process END.

Cont. ReceiPT of Product

*SRR: Stock Received Report (copy of PO) signed by department, indicating the product was received and therefore payment can be released to vendor.
Who Is the Buyer?

If you need to know which buyer a requisition has been assigned to, call our office at X87322. Give us the requisition number and we can let you know the buyer or you can check in CFS.
Emergency Requests

If an emergency arises contact the buyer to see if a purchase order can be issued quickly. You can determine the “Buyer of Record” by contacting our department.

http://www.csus.edu/aba/procurement/staff.html

Please do not give out a requisition number to the vendor.
Definition Of An Emergency

A sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, property or essential public service.
Requisition – What Is Needed?

- Complete description
- Specification
  - For Commodity/Goods
    - Manufacturer/Model #/Part #
  - For Services
- Shipping costs, if any
- Other information you want the buyer to know. (use comments section in CFS)
Tips For Entering Requisitions

• Sending Procurement attachments
  • Visit our website at csus.edu/proc look for “Procurement Quick Links” on the right-hand side of web page; click on “CFSI Guides & Resources”

• What to send
  • Copies of Agreements/Contracts/Proposals/Quotes/ATI/Back-up procurement documentation for files.

• Date or term of service on all requisition for service orders

• Examples (do’s and don’ts)
Sales Tax

As a general rule all purchases for commodities, equipment and supplies are taxed and most services are not. The University still pays sales tax on out of state purchases even if the vendor does not collect it. This is called use tax.

Tax should not be applied or added to requisitions and does not show up on the requisition but will be added on the order where and when appropriate.
How to Check Status of a Requisition or Purchase Order

By checking in CFS you can get answers to the following questions:

Has the requisition been approved?
Has PO # been assigned?
Date order was issued?
Buyer assigned to order?
What vendor was assigned to order?
What is the final price on the order?
Issuance of Orders

Only the Procurement staff delegated by the President can commit state funds and therefore issue an order.

The Buyer checks to see if information is complete, obtains missing information, checks if insurance is required and determines best vendor to obtain item(s) at best value.
Formal Competitive Bidding

All requests which exceed the bid limit of $50,000.00 must be formally bid unless a sole source is justified, or the SB/DVBE option is utilized.

Allow a minimum of 6-8 weeks for the bid process.
Sole Source Justification

A sole source justification is only needed for requests which exceed the bid limit. Sole source forms are located on our website.

Sole Source vs Sole Brand
Service Order vs Agreement

- Most requests for services under $50,000.00 will be placed on a service order. Procurement Services may choose to use a formal agreement for some services. All services which exceed $50,000.00 must be processed as a formal agreement. Extra time must be allowed to process a formal agreement as signatures are required.
A SRR is a document which indicates which items have been received on an order. Service orders do not need SRR. The vendor cannot get paid if the SRR has not been filed. Central Receiving enters all SRR into CFS. The department must notify Central Receiving when they receive an order that was not delivered to them by the Receiving Department.
Stock Received Reports (can't)

Examples of orders in which the department must submit a SRR to Central Receiving are as follows:

- Pick up order
- Items received via mail/Fed Ex/etc.
- Furniture or any other large item delivered directly to the department
Submitting A SRR

Upon receipt of the order (or for items already received), the department should e-mail a copy of the Stock Received Report Form (located on the Central Receiving website: http://www.csus.edu/aba/procurement/shipping-receiving/Stock-Received-Reports.html) and form should be emailed to: stockreceived@csus.edu or fax a copy of the form Central Receiving to: fax - 278-6319. The information below should be on the copy that is sent to Central Receiving:

- Which items were received;
- Whether the order is partially or completely received;
- Signature of person responsible for receipt of the order;
- Date the order was received.

Department must indicate a partial or complete shipment of the order.
Return Stock Reports

If for any reason an item needs to be returned to the vendor, a Return Stock Report must be completed by the department and submitted to Procurement.

RSR forms may be ordered through the Reprographics Department, form # SS 97.
Amendments

Changes that affect the order must be submitted on the Amendment Request form available on the Procurement web site.

Common changes include:

Change in quantity of an item
Change in price of an item
Cancellation of a line or entire order
Problems or Concerns With Vendors

- If you experience problems with a vendor regarding an order notify the buyer so we will be aware of the level of service our vendors are providing to the University.
Small and DVBE Program

- 25% Small Business Goal - Annually
- 3% DVBE Goal - Annually

- Locating SB/DVBE Suppliers
  - Procurement Website
    - www.csus.edu/proc
  - DGS SB/DVBE Search Engine
    - http://www.bidsync.com/DPXBisCASB

- The Buyer may choose to redirect an order to a small or DVBE business to aid us in reaching University goals established by statute.
Hospitality Expenses

General Fund vs Trust Fund

- Food
- Awards/Plaques
- Gift Certificates
- No Alcoholic Beverages – unless Trust Funds
- Hospitality Guidelines can be found at http://www.csus.edu/proc click on “Hospitality” Under Procurement Quick Links.
Risk and Insurance

Risk to the University must be assessed on a case by case basis by Procurement.

Proof of insurance is required for all vendors coming to the campus to perform a service including installation.

A service order will not be issued until the insurance has been verified by Procurement and approved by the Risk Mgr.
Additional Training Available

CFS
Procurement Card Program
ESM
Office Max - Stockless Office Supply
ATI – Contact Katie Beekman
kbeekman@csus.edu
Miscellaneous Information

- Invoices
- Signing documents provided by a vendor - Never
- Master Calendar of Deadlines
- Phoning/Faxing order to vendor(s)
- Purchase Order Copy – Unauthorized vs Authorized.
Questions and Answers