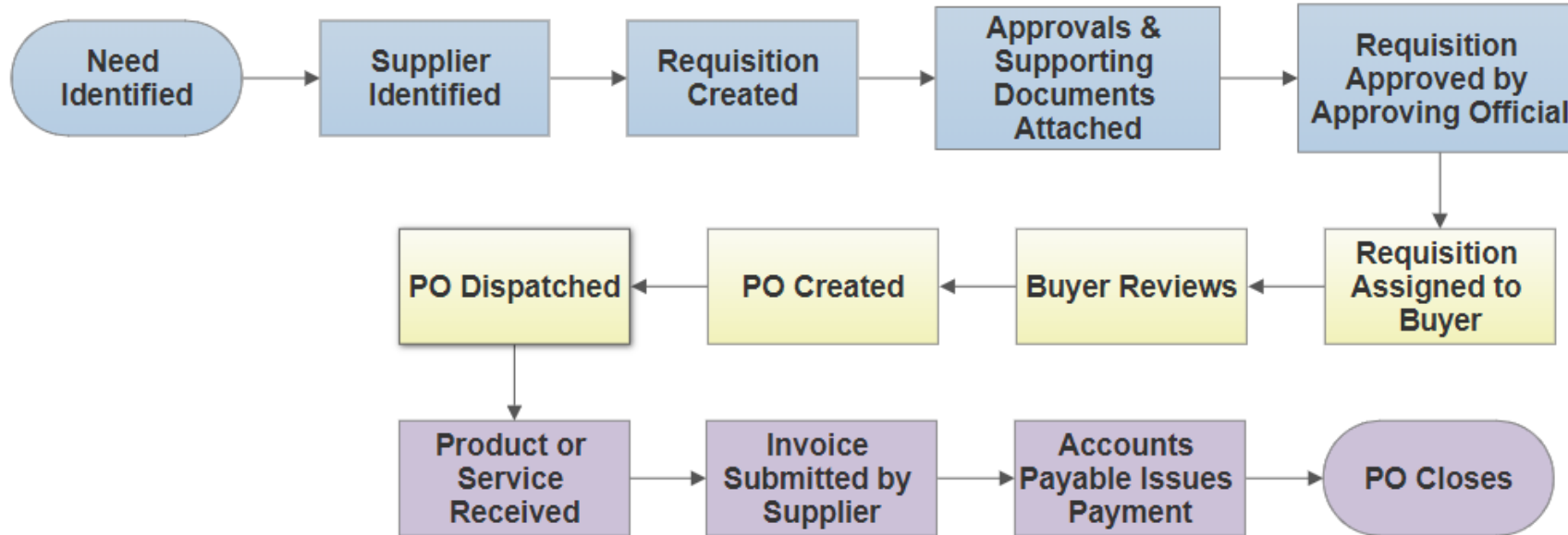
The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. The shapes are primarily triangles and polygons, creating a dynamic, modern aesthetic. The text is centered on a white background within this design.

The Procurement Process: What's the Hold Up? Procurement and Contracts

2018 CSUSB Business Conference

The Procurement Process

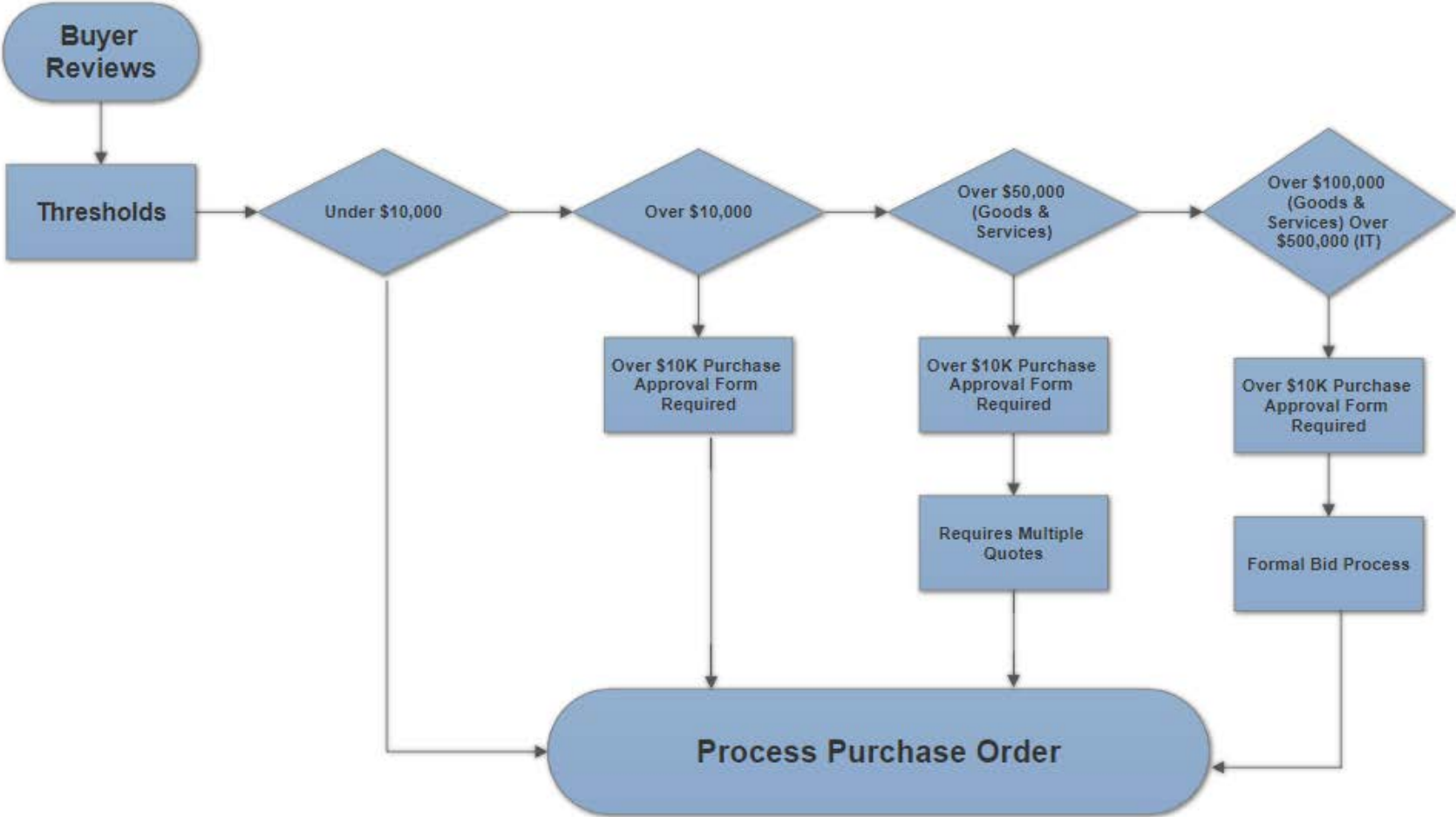




Q: What are some of the most common “hold ups?”

- ▶ Requisition is still open/not approved in CFS
- ▶ Missing documentation (i.e., purchase approvals, quotes, UPECs, etc.)
- ▶ Incomplete information (missing line items, environmental disposal fees, pricing discrepancies)
- ▶ Incorrect chartfield string (program codes)
- ▶ Buyer review (thresholds, contracts, insurance, prevailing wage rates, etc.)

Procurement Threshold Process



Thresholds

- ▶ Purchases under \$1,000
 - ▶ Use procurement card for commodities (refer to P-card handbook for restricted/prohibited items)
- ▶ Requisitions under \$10,000
 - ▶ Additional quotes are not required, but may be obtained to determine price reasonableness
- ▶ Requisitions between \$10,000 - \$49,999
 - ▶ Additional quotes are not required, but may be obtained to determine price reasonableness
 - ▶ Over \$10K Purchase Approval Form required

Thresholds, cont.

- ▶ Requisitions between \$50,000 - \$99,999
 - ▶ Multiple quotes required, or
 - ▶ Sole Source document (Director of Procurement approval is required), or
 - ▶ Contracted pricing via CSU or consortium agreement (Procurement will determine if contract is acceptable)
 - ▶ Over \$10K Purchase Approval Form required
- ▶ Requisitions over \$100,000 (Goods & Services)
 - ▶ Formal Bid required, or
 - ▶ Sole Source document (Director of Procurement approval is required), or
 - ▶ Contracted pricing via CSU or consortium agreement (Procurement will determine if contract is acceptable)
 - ▶ Over \$10K Purchase Approval Form required

Thresholds, cont.

- ▶ Requisitions over \$500,000 (IT)
 - ▶ Formal bid required, or
 - ▶ Sole Source document (Director of Procurement approval is required), or
 - ▶ Contracted pricing via CSU or consortium agreement (Procurement will determine if contract is acceptable)
 - ▶ Over \$10K Purchase Approval Form required

Approvals and Supporting Documents

- ▶ Attach all supporting documentation in the comments prior to requisition approval
 - ▶ Quotes
 - ▶ Over \$10K Purchase Approval Form
 - ▶ Office of Strategic Communications (OSC) approvals
 - ▶ Electronic & Information Technology Procurement Checklist
 - ▶ Furniture Layouts
 - ▶ Hospitality Approvals (with agenda and attendee list)
 - ▶ Unauthorized Purchase Explanation Certification (UPEC)
 - ▶ Vendor Forms/Contracts

Purchase Approval Form For Orders Exceeding \$10K

- ▶ Replaced the Equipment/Software Approval Form
- ▶ Required for any purchase over \$10,000 (products & services)
- ▶ \$10,000 limit is for total purchase, not per item
 - ▶ Limit refers to price before tax and shipping

Office of Strategic Communications Approvals

- ▶ Approval from the Office of Strategic Communication is required if you are using State funds to purchase:
 - ▶ Any merchandise or textiles that have the University name, logo, mascot or emblem (using the department name also requires approval from OSC)
 - ▶ Items that will be distributed off campus
- ▶ Examples of items that require OSC approval include (but are not limited to):
 - ▶ Ads (digital and print)
 - ▶ Apparel for any purpose (athletic use, uniforms, identification, etc.)
 - ▶ Banners
 - ▶ Decals
 - ▶ Flags
 - ▶ Plaques/awards
 - ▶ Printing
 - ▶ Promotional Items (pens, mugs, folders, calendars, or clothing)

Note: approvals are good for 365 days from the initial date that it is approved, and *for all exact reorders* placed within the same time frame

If you have any specific questions regarding logo approval, please call OSC at x75007, or contact at logo@csusb.edu

Promotional Item Questions

- ▶ Along with OSC approval, answers to the following four questions are required *before* a PO can be generated for promotional items:
 - ▶ *What* is the purpose of the requested items? (promotional, award, give away)
 - ▶ *To whom* in general will the items be distributed? (existing students, prospective students, donors, staff, visitors)
 - ▶ *At what event* will the items be distributed?
 - ▶ *What* is the anticipated *benefit* to the university to be realized through the distribution of the items?

Electronic and Information Technology (E&IT)/(ICT) Purchases

- ▶ “E & IT” is now known as “Information and Communication Technology” or “ICT”
- ▶ Requirements for ICT purchases
 - ▶ Accessible Technology Review
 - ▶ Information Security Review
 - ▶ ICT Compatibility Review

Accessible Technology Review of ICT Purchases

- ▶ Why do we have to do this?
 - ▶ Sections 501, 504, and 508 of the federal **Rehabilitation Act of 1973**
- ▶ Which goods and services apply?
 - ▶ All new **and** renewal purchases of Information and Communication Technology (ICT):
 - ▶ **Electronic Content** (Examples: websites, web-based content, online training materials, tests, and surveys, multimedia (video/audio), interactive maps, subscription services: news feeds, alert services, professional journals, etc.)
 - ▶ **Software** (Examples: time and attendance software, web forms and applications, workflow applications, content management systems, learning management systems, Microsoft Office, Adobe Acrobat, operating systems, collaboration environments, virtual meeting tools, Software as a Service, etc.)
 - ▶ **Hardware** (Examples: computers, laptops, servers, tablets, printers, copiers, document scanners, multi-function office machines, keyboards, mice, information kiosks, transaction machines, mobile phones, etc.)
 - ▶ **Support Documentation and Services** (Examples: training services, help desk or call center, automated self-service and technical supports, product documentation, etc.)

Accessible Technology Review of ICT Purchases, cont.

- ▶ Purchase Requester's Responsibilities:
 - ▶ Complete an E&IT (*Information and Communication Technology*) Procurement Checklist
 - ▶ Attach checklist to comments section of requisition
- ▶ What happens next?
 - ▶ Buyer verifies completion of form; Accessible Technology department reviews the product/service and reaches out to purchase requester and/or supplier for additional information/documentation, as needed
 - ▶ When review is completed, Accessible Technology department approves product for purchase

Information Security Review of ICT Purchases

- ▶ Why do we have to do this?
 - ▶ CSUSB is obligated to secure our data, systems, and networks
- ▶ Which goods and services apply?
 - ▶ Information Technology Services (ITS) must review all purchases that involve access to protected information, cloud computing, and computer-related hardware/software
- ▶ Purchase Requester's Responsibilities:
 - ▶ Complete an Information Security Data Requirements Checklist (*contact Procurement for form*)
 - ▶ Attach checklist to comments section of requisition
- ▶ What happens next?
 - ▶ Buyer verifies completion of form; Information Security and Emerging Technology (ISET) in ITS reviews the product/service and reaches out to purchase requester and/or supplier for additional information/documentation, as needed
 - ▶ When review is completed, ISET department approves product for purchase

ICT Compatibility Review of ICT Purchases

- ▶ Why do we have to do this?
 - ▶ Prior to purchase, ITS needs to verify that all requested ICT is compatible with our existing technology and infrastructure
- ▶ Which goods and services apply?
 - ▶ All new **AND** renewal purchases of Information and Communication Technology (ICT)
- ▶ Purchase Requester's Responsibilities:
 - ▶ Prior to entering a requisition, ask assigned department IT Consultant to review and approve the desired ICT good/service
 - ▶ Attach IT Consultant's approval to comments section of requisition
- ▶ What happens next?
 - ▶ Buyer verifies that IT Consultant's approval is in requisition comments before processing the purchase order

Furniture Purchases

- ▶ Include the drawing/layout that is included with your quote as an attachment
 - ▶ Facilities Planning, Design & Construction reviews the drawings for ADA compliance
 - ▶ If found non-compliant, Procurement will request that the supplier modify the quote and drawing
- ▶ Prevailing Wage: any public works related request over \$1,000, is subject to prevailing wage rates. Furniture, alarm systems, and audio visual installations are subject to this mandate

Hospitality Expense Approval

- ▶ Approved hospitality form must be attached to requisition when entered
- ▶ If supplier provides a catering contract, attach to requisition comments for Procurement review and signature
- ▶ On-campus events with catering require Sodexo first right of refusal
- ▶ Include event agenda and list of attendees (can be submitted after event)
- ▶ Form is available on Accounts Payables web site:
https://www.csusb.edu/sites/csusb/files/hospitality_002_0.pdf

Delegation of Authority



When authorized purchasing and contracting processes are followed by persons who possess delegated authority, the university has safeguards in place if something goes wrong.

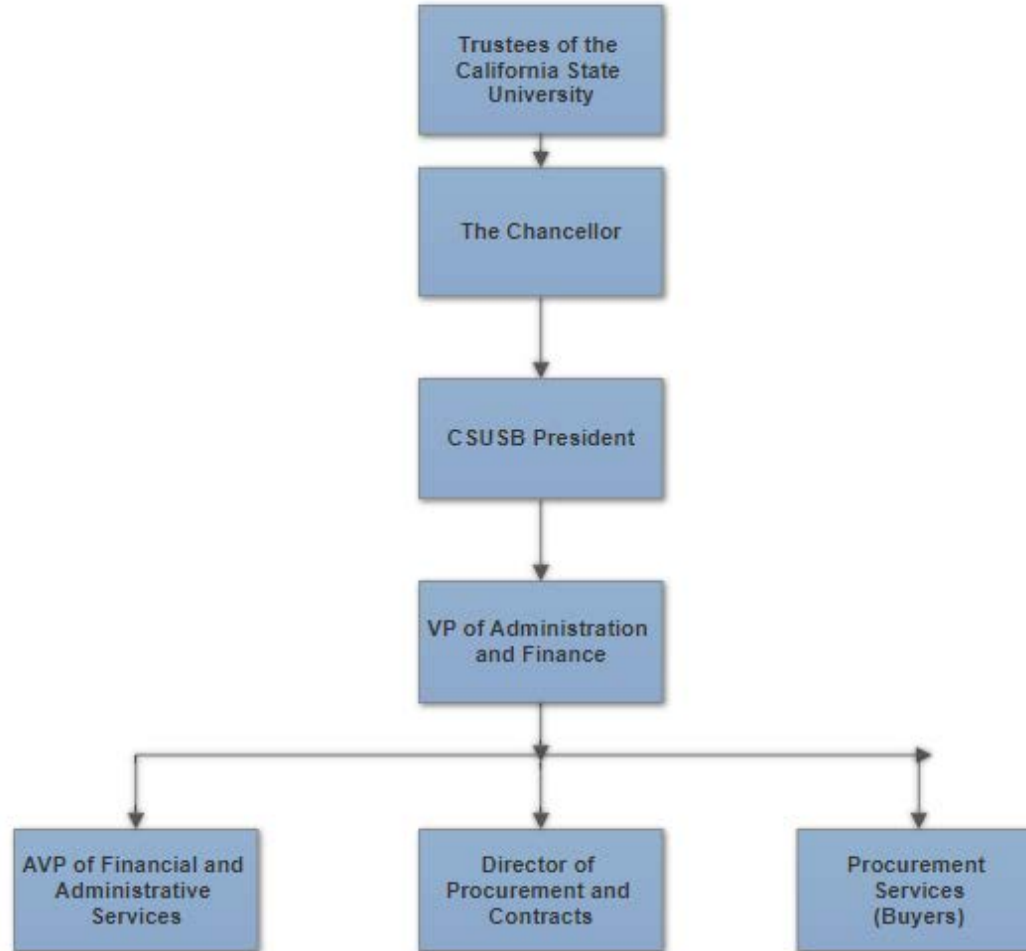
However, when someone without delegated authority makes an unauthorized purchase or commitment that appears to be made on behalf of the university, that individual may be held personally responsible for payment of charges incurred by an unauthorized purchase.

▶ WHY DOES IT MATTER?

- ▶ Penalty/Personal Liability
- ▶ Budget impact
- ▶ Risk Mitigation
- ▶ Damages our reputation

PLEASE NOTE: The University's position is that it IS NOT OBLIGATED TO PAY for any unauthorized purchase/commitment.

Delegation of Authority



Types of Authority

▶ ACTUAL AUTHORITY

- ▶ There is a difference between internal business decision authority and contractual (actual) authority to legally bind the University
- ▶ In order to have authority to legally bind the University, a person must be a principal or delegated as an **agent** of the University (i.e. Procurement and Contracts, please refer to org chart)
- ▶ **Express Authority:** specific authority granted to an agent either orally or in a written document
- ▶ **Implied Authority:** authority granted only to the extent necessary to effectively perform job duties

▶ Apparent Authority (NOT ACTUAL AUTHORITY)

- ▶ Where a third party reasonably believes (incorrectly) that a person is acting with authority on behalf of the principal

Unauthorized Purchases

▶ WHAT IS AN UNAUTHORIZED PURCHASE?

An unauthorized purchase is triggered when any individual who has not been delegated authority:

- ▶ conducts a P-card transaction outside of established P-card policies; or
- ▶ promises or gives the impression to a supplier (either verbally or in writing) any of the following:
 - a) a purchase order will be issued;
 - b) payment for the goods/services requested will be forthcoming;
 - c) a contract will be authorized.

WHAT IF I ACCIDENTALLY MADE AN UNAUTHORIZED PURCHASE?

- ▶ If a purchase/commitment was made outside of the approved purchasing process, the person who made the unauthorized purchase/commitment must complete and submit an approved UPEC form to request that the financial and legal obligations be transferred to the university.
- ▶ Final approval of an UPEC is at the discretion of the Director of Procurement and Contracts.

HOW CAN I AVOID MAKING AN UNAUTHORIZED PURCHASE?

- ▶ Follow the purchasing and contracting tips provided today and on our web site
 - ▶ **PLAN AHEAD** and submit a requisition as soon as possible
 - ▶ **ASK QUESTIONS** (i.e. contact us)
 - ▶ **DO NOT SIGN ANY QUOTE OR OTHER DOCUMENTATION** received from a supplier
 - ▶ **DO NOT SCHEDULE SERVICES** to commence until a purchase order is sent to the supplier

Contracts/Agreements

- ▶ Contracts/Agreements that require signature AND/OR those that will be paid through a Purchase Order must be submitted to Procurement attached to a requisition
- ▶ Contracts can and usually involve negotiation with the supplier, which can take some time. Please plan accordingly to help us help you!

Certificates of Insurance

- ▶ Certificates of Insurance (COI) are generally required for services that are taking place on campus
- ▶ Procurement will determine the need for insurance and request the COI from the vendor
- ▶ The CSU has specific minimum amounts and verbiage that is required
- ▶ Insurance documents can take time, plan appropriately

Forms and Documents

- ▶ Forms and documents for Procurement and Contracts are located here: <https://www.csusb.edu/procurement/forms-documents>

Questions?

If you have any questions that you would like answered at a later date, please feel free to email us at purchasing@csusb.edu