



CSUCI Procurement and Contract Services Procurement 101



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Team Introduction

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Our Mission

Procurement and Contract Services

The Department of Procurement & Contract Services provides leadership to California State University Channel Islands (CSUCI) in the procurement of goods and services by combining sound business controls with efficient and timely services.

We are a small team of professionals dedicated to ensuring that the contract and purchasing authority delegated to CSU Channel Islands is effectively administered in accordance with the law and good business practices.

Procurement and Contract Services facilitates purchasing goods and services, administering contracts, and travel programs. The department is part of the Financial Services unit and reports to the Assistant Vice President for Financial Services.

Procurement Services assists the CI community and their various departments by obtaining the very best value for every dollar while complying with applicable CSU standards and laws of the State of California.



The Role of CSUCI Procurement and Services Department

It is the policy of the CSU to seek and to achieve discounts and/or better services and to reduce administrative costs, with the use of strategic purchasing programs and appropriate sourcing opportunities. To this end, the CSU is committed to maximizing purchasing leverage through collaborative, joint, and strategic sourcing activities within the CSU and with partner Universities and organizations.

CSUCI is committed to a **policy of promoting fair and open competition**, for the acquisition of goods and services to meet its needs. In implementing its policies and procedures for the preparation and administration of purchase orders and contracts, the CSU strives to achieve; through public advertising, notification, and outreach, the following objectives:

- Compliance with the intent of statutes regarding competition as a means of protecting the public from the misuse of public funds;
- Stimulation of competition in a manner conducive to sound fiscal practices by providing qualified firm's fair opportunity to participate;
- The elimination of favoritism, fraud, and corruption in the awarding of purchase orders and contracts;
- Obtain best value for the CSU while complying with legislative intent.

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Procurement of Goods & Services - Methods

Requisition (RGS, Request for Goods and Services)

- Formal request submitted through Common Financial System (CFS) for a good or service.
- Each RGS must be approved, and budget checked by the requestor's approving official before it will be visible to the PCS Team.
- RGS comments section should contain descriptive scope of service, attached documents, requestor's information, vendor contact, and procurement TD ticket # (if applicable).
- Information Technology (IT) purchases must be approved through Team Dynamix in conjunction with RGS submission.

Purchase Orders (PO)

- A Purchase Order is a legally binding document used to acquire goods and services.
- They are created in the CFS and signed by Procurement either electronically or by hand.
- The vendor must agree to the CSU General Provisions which are incorporated and/or attached to the Purchase Order.
- CSUCI payment terms are Net 30 after goods have been received or services have been rendered. Vendor can be paid in monthly increments if contractually agreed upon.



Procurement of Goods & Services - Methods

Requisition to Purchase Order (PO): Examples of goods and services that require a PO:

- Goods and services that have terms and conditions.
- Contracts, agreements and Memorandums of Understanding
- Service agreements
- Software (including freeware)
- Furniture, Fixtures and Equipment (FF&E)
- Goods over your campus Procurement Card Threshold (Currently \$1K but will increase with release of new ProCard Handbook)

Resource guides for the RGS process:

- <https://www.csuci.edu/financial-services/procurement/documents/ci-financials-online-requisition-user-guide.pdf>
- <https://www.csuci.edu/financial-services/procurement/documents/ci-financials-requisition-approval-user-guide.pdf>



Procurement of Goods & Services - Methods

Blanket Purchase Orders – (BPO)

- A BPO is an 'open order' for a specified period of time, with unknown usage (*quantities or minimum sales not formally specified*) and a not to exceed amount.
- BPOs are primary source agreements designed to accommodate campus needs on an on-going basis throughout the fiscal year. They should specify:
 - Category of products and/or services that can be purchased
 - Maximum dollar amount
 - Applicable General Provisions
 - Time period based on the fiscal year (July 1st through June 30th)
 - Language on the purchase order that states the purchase is on an as needed basis.



Procurement of Goods & Services - Methods

Blanket Purchase Orders:

- Subject to bidding limits.
- Effective for the **current** Fiscal Year (FY) only and cannot extend beyond June 30th of the FY.
- Cannot exceed the bid threshold, including tax and shipping, and change orders
- As a rule, should begin on the date the PO is executed and **not** backdated.

Examples:

- A BLANKET PURCHASE ORDER: Annual maintenance of a piece of equipment on a 'time and materials' basis with an annual 'not-to-exceed' amount estimated by the department. Paid only when services have been rendered.
- NOT A BLANKET PURCHASE ORDER: Annual maintenance on a particular piece of equipment with a quote from the vendor and a set amount for the full year. Paid whether services have been rendered or not (this would be a regular service order).



Procurement of Goods & Services - Receiving

Best Practices to Facilitate Receipt of Goods: All goods are received by Mail, Shipping & Receiving Property (MSRP) Warehouse on campus.

Follow these practices for best results:

- Ensure PO numbers are listed on packing and/or shipping labels
- Tell vendor the name and Department that needs to be on the label so S&R can deliver in a timely manner.
- All items must be shipped to Campus address: **1 University Dr, Camarillo, CA 93012**. If delivered directly from vendor, ensure packing list or appropriate document is sent to MSRP so item is received in PeopleSoft.
- Report accurate info to MSRP.



Solicitation Methodologies

Solicitation Methodologies are several industry-standard methods that may be used for soliciting and awarding contracts.

Invitation for Bid (IFB)

- Sealed bidding process (if necessary)
- Have clear description of the project need/scope, requirements, and proposer qualifications.
- Evaluations heavily determined by pricing – lowest responsive bidder.
- May consider other factors such as experience and timeline.

Request for Information (RFI)

- Formal process for gathering information from potential suppliers of a good or service.
- Collect written information about the capabilities of various suppliers.
- Gather information to help make a decision on what steps to take next



Solicitation Methodologies (continued)

Request for Proposal (RFP)

- Public solicitation (Best Value), typically performance based
- Have a generalized scope of work/deliverables
- Receive Proposals
- Evaluate based on several criteria, including but not limited to; price, qualification and experience, work plan methodology, quality, etc.
- Interviews/Presentations
- Negotiation “best and final offer” awarded to the “most responsive” vendor in accordance with a set of predefined criteria.

Request for Quotation (RFQ)

- Process can be formal or informal
- Verbal or written quotations
- You know exactly what product/service you want
- Vendor provides detailed pricing
- Generally, awarded to the lowest possible price



Competitive Bidding and Exemptions

Competitive Bidding is the promotion of fair and open competition by the University in the acquisition of goods and services to meet its needs and is indispensable to maintaining its operational health. It normally results in the best use of CI's limited financial resources, prevents favoritism, and it provides a professionally viable and positive climate in which the University may conduct its business. When properly implemented, it achieves optimal benefits to everyone involved, including the general public regarding the best use of the University's budget as appropriated by the California Legislature.

Exemption Based is a campus determination that its best interest would not be better served without advertising in the CSCR, the following contracts are exempt from publication in the CSCR.

- a. In cases of emergency where a contract is necessary for the immediate preservation of life, public health, welfare, or safety, or the protection of State property and programs;
- b. The proposed contract is with a State or federal agency, a local government entity;
- c. Services for which the State has entered into a master service agreement;
- d. Refuse and/or sewage disposal contracts where there is no competition because the contractor is an authorized franchised dealer that provides services to a specific geographical area;
- e. Contracts for medical care services with physicians, local community hospitals, and medical groups. This does not include offsite laboratory services;

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Competitive Bidding and Exemptions (continued)

- f. Subvention contract (non-discretionary grants) with a private or nonprofit entity for the purpose of providing services to the public or segments thereof;
- g. Maintenance agreements for equipment that is under warranty or while the guaranteed useful life period is in effect, or agreements where the campus has determined that a local distributor or branch is the only source for parts and service;
- h. Proprietary software contract renewals;
- i. Leases or rentals for use as examination sites;
- j. Entertainment contracts for State-sponsored fairs and expositions;
- k. Contract for which only per diem and travel expenses are paid and there is no payment for service rendered;
- l. Contracts solely for the purpose of obtaining expert witnesses for litigation;
- m. Contracts for legal defense, legal advice, or legal service;
- n. Contracts with business entities operating handicapped workshops that meet the criteria established by Section 19404 of the Welfare and Institutions Code;
- o. Contracts for architectural or engineering services;
- p. Contracts not subject to competition requirements;
- q. Contracts that have been exempted from CSCR advertisement by DGS;



Limits on Competitive Bidding

Sole brand and sole source are two procurement methods that limit competition. Any decision to limit competition may also have the effect of limiting the CSU's ability to minimize costs, negotiate favorable terms and conditions, and allow for alternate courses of action during disputes. These methods should be used only when it has been determined that a competitive procurement will not fulfill the requirements of the CSU.

Each **sole source or sole brand request** must include a written justification explaining why the sole source/brand is necessary to satisfy the needs of the CSU. It must demonstrate that the supplier holds a unique (no other sources have it) set of skills or expertise that make it impossible for anyone else to do the work or that the goods are not available from another source. The results of a non-public solicitation (solicited or unsolicited, verbal or written quotes without public advertising in the California State Contract Register).

The request must be approved as provided herein prior to the execution of the sole source/brand procurement.

The **Justification** shall include the following information:

1. The unique performance factors required;
2. Why these factors are required;
3. What other source/brands have been considered or rejected and why.

Sole source or sole brand requests shall not be justified based on:

1. A lack of advanced planning;
2. Concerns related to the amount of funds available for the acquisition of the goods or services; or
3. A previously bid (public bid or not) contract or purchase order for the same product or service.



Solicitation Thresholds for Goods, Services & IT

1. Acquisitions Less than \$50,000

- a. Competition is not required for services on transactions of an amount less than \$50,000 unless the campus determines that competition is necessary to develop sources, validate prices, or for other sound business reasons intended to establish fair and reasonable standards.
- b. Requestor and Buyer should exercise diligence techniques:
Catalog or Market Pricing, Comparison Pricing, Historical Pricing, or Controlled Pricing.

2. Acquisitions Equal to or Greater than \$50,000 and Equal to or Less than \$100,000

- a. The informal solicitation must be based on a written project statement of work/scope of work documenting the technical requirements and characteristics the services must process in order for the proposal to be responsive.
- b. Written or verbal responses based on the project statement of work/scope must obtain three vendor quotes.
- c. Requestor and Buyer should exercise diligence techniques:
Catalog or Market Pricing, Comparison Pricing, Historical Pricing, or Controlled Pricing.

3. Acquisitions greater than \$100,000

- a. Contracts shall be awarded as the result of a formal solicitation process.
- b. Requestor and Buyer should exercise diligence techniques:
Catalog or Market Pricing, Comparison Pricing, Historical Pricing, or Controlled Pricing.



Procurement of Goods & Services - Thresholds

CSU Bidding Thresholds for Goods and Services

Purchasing Threshold	Description	Timeframe
\$0-\$50K	No formal competitive bid process required	2 Weeks
\$50-\$100K	Informal non-advertised solicitation process from 3 vendors.	2-4 Weeks – Quotes provided by requestor.
Acquisitions Greater than \$100K	Formal solicitation process	4-8 weeks. Procurement will solicit formal bids by advertising.

***Information Technology Resources (ITR) Goods and Services Contract**

Information Technology Resources (ITR): Equipment, material and/or services used for electronic storage, processing or transmitting of any data or information, as well as the data or information itself. Requires procurement ticket to be submitted via Team Dynamix.



Procurement of Goods & Services

Unauthorized Purchases

Procurement of goods and/or services made by campus personnel without delegated authority shall be considered unauthorized. This means a Purchase Order was not in place before goods or services were rendered.

If an Unauthorized Purchase occurs at CSUCI, the individual responsible for the unauthorized purchase must route an “Unauthorized Purchase Approval Request Form” to be signed by their Approving Official and the Director of Procurement. The vendor will not be paid until the process is complete.



Contracts



What is a contract?



A contract is a legally enforceable document that is based on:



An *offer* to contract for a service or purchase a good.



***Consideration*- something of value is exchanged (money, trade) for the action or non-action.**



Contracts

Types of CSUCI Contracts include but not limited to:

- Memorandum of Understanding (MOU)
- Service Agreements
- Public Works Service Agreements/Architect/Engineer/Construction
- Maintenance Agreements
- Independent Contractor Agreements
- IT/Software Agreements
- Leases
- Auxiliary Agreements (Facility Use, Food Trucks)
- International Agreements (Faculty-Led, Study Abroad, Recruiter)
- Placement Agreements (Student Teaching, Nursing, Internships)



Statement of Work

Part of a contract that outlines the specific tasks, deliverables, timeline, and expectations for a project or engagement between a client and a service provider. It serves as a comprehensive description of the scope of work, project objectives, requirements, and any other relevant details necessary to understand and execute the project successfully. It is the requestor's responsibility to develop this document (PCS will support as required).

Components of a SOW:

- Introduction
- Background
- Purpose
- Scope of Work
- Location
- Schedule
- Deliverables
- Milestones
- Tasks
- Reporting and Communication Plan
- Standards and Testing
- Define Success
- Requirements
- Funding Source
- Closure



CSU General Provisions

- The CSU has developed a set of General Terms and Conditions for Acquisition for Goods, Service Acquisitions, IT Acquisitions and Facility Maintenance.
- These terms and conditions form the starting point for all CSU contracts. This applies to purchase orders and standalone contracts that do not require a purchase order.
- The various terms and conditions are included because:
 - They are required by law;
 - Address compliance with a law, regulation or policy;
 - Determined it is in CSU's best interest.
- If a vendor provides their own terms and conditions, can we negotiate our general provisions?
 - Default answer is NO. Have other campuses used the vendor and/or negotiated terms and conditions? Check with our Campus Counsel or Systemwide Risk for guidance.



Indemnification and Insurance provisions.

- With every CSU contract or purchase order, there is a degree of risk associated with any purchase or service.
- The language that provides this protection is included in the general provisions and is identified as indemnification and insurance. Each are defined as:
 - Indemnification- A legal arrangement where one party agrees to compensate and protect another party against losses, damages, or liabilities arising from specific actions, claims, or events. It is a means of transferring the financial burden and risk from one party to another in certain contractual or legal relationships.
 - Insurance-a guarantee of compensation for a specified loss or damage in return for payment of a premium.
- We, along with our risk management team review the indemnification and insurance provisions to make sure:
 - (1) Meet the CSU minimum insurance requirements as provided in our general provisions.
 - (2) Provide enough protection language to protect the campus, employees and students; mitigate risks, and associated costs which may negatively impact the campus and preserve valuable resources.



Procurement of Goods & Services – Public Works

Public Contract Code 10700 et seq. "California State University Contract Law"

(a) "Project" includes the erection, construction, alteration, painting, repair, or improvement of any state structure, building, road, or other state improvement of any kind. "Project" includes a project located on California State University property and performed pursuant to a contract...and funded in whole or in part by public funds. **Use Contract General Conditions. Over 5k competition needs to be solicited.**

(b) "Service contract" means any contract for services in connection with a project other than a project contract, and includes, but is not limited to, contracts for architectural, engineering, planning, testing, general studies, feasibility services, etc. **Use Service Provider General Conditions.**

- Maintenance (simple) includes routine, recurring and usual work for the preservation, protection and keeping of any publicly owned or publicly operated facility (plant, building, structure, ground facility, utility system or any real property) for its intended purposes in a safe and continually usable condition for which it has been designed, improved, constructed, altered or repaired. **Use CSU General Provisions for Facilities Maintenance Tasks. Follows Maintenance Thresholds.**

- Maintenance (involved) can include elevator upgrades, elevator installation, heavy duty equipment upgrades (non- repair), carpet installation, painting of a new building, storm drainage, water systems, abatement facility improvements, new fencing, etc. Should be considered a project and Minor Capital General Contract Conditions are recommended. Follow Project Thresholds.



Procurement of Goods & Services – Public Works

Prevailing Wage and Labor Requirements:

Labor Code, Sections 1720 – 1720.6, only portions of 1720 reprinted here:

(a) As used in this chapter, "public works" means:

(1) Construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds, except work done directly by any public utility company pursuant to order of the Public Utilities Commission or other public authority. For purposes of this paragraph, "construction" includes work performed during the design and preconstruction phases of construction including, but not limited to, inspection and land surveying work.

(4) The laying of carpet done under a building lease-maintenance contract and paid for out of public funds.

(5) The laying of carpet in a public building done under contract and paid for in whole or in part out of public funds.

***Projects, Services, or Maintenance work:**

With outside labor involved,

Meets the above criteria/definition of Public Works in the Labor Code, and

Is Over \$1k ->

Vendor needs to pay prevailing wage rates to laborers. This needs to be quoted on vendors quote or referenced in the contract. Vendor needs to have an active DIR license.

*** CSUCI and/or vendor can be fined for not abiding by labor code regulations.**



Procurement of Goods & Services – Pro Card

ProCard Purchases

- General - As a large public institution, CSUCI is held to a high degree of public scrutiny and accountability for its business practices, and use of taxpayer dollars.
- In operating a procurement card program every reasonable effort must be made to ensure that the program and card use is managed in a manner consistent with the CSUCI mission, campus policy, applicable laws, ethical and risk reduction practices.
- Low dollar value purchases are defined by CSU Channel Islands Procurement Card policy to be less than \$1,000 per transaction (current policy).
- New ProCard Handbook Pending (CO Review)



Procurement of Goods & Services - ProCard

ProCard Purchases

Procurement cards provide benefits which will:

- Streamline the processes for small dollar purchases, which reduces invoices and payments.
- Enables employees to be more efficient and focus on their core missions.
- Provides cost savings through consolidated payments to the procurement card company.
- Enables faster payments to CSU vendors.



Procurement of Goods & Services - ProCard

What to use the ProCard for (comprehensive list in handbook):

- Academic and Professional Journals
- Academic & Office Supplies
- Subscriptions, Conferences, Memberships
- Computer Peripheral Devices (Flash Drives, Mouse, Keyboard, Webcam Etc...)
- Book and Magazines



Procurement of Goods & Services - ProCard

Prohibited use of ProCard for (comprehensive list in handbook):

- Alcohol
- Cash advances
- Cellular phone service
- Printers
- Personal purchases
- Firearms & ammunition
- Services
- Fines, late fees, penalties, interest and finance charges
- Paying invoices on items that were previously purchased but not invoiced until a later date
- Splitting purchases into multiple card transactions to circumvent the maximum dollar limit. Splitting is defined as one item, or a set of items sold as a set that has been split by the merchant to look like two (2) separate purchases.



Procurement of Goods & Services - ProCard

Restricted Items – Can be purchased but require an approved Exception by Director of Procurement (comprehensive list in handbook) :

Please allow 3-5 days for exception requests to be processed:

- Food and Beverages
- Gift Cards
- Breakroom Supplies
- HAZMAT
- Equipment
- Event Tickets
- Foreign Company Purchases
- Individual Memberships
- *Software*



Procurement of Goods & Services - ProCard

Cards used in violation of this policy may be suspended and/or revoked, depending on the severity of the violation or due to multiple violations. A violation will stay on file for 24 months.

- 1st violation - Written warning
- 2nd violation – One-month card suspension (supplemental training from ProCard Coordinator required to reinstate card)
- 3rd violation – Six-month card suspension (supplemental training from Director of Procurement required to reinstate card)
- 4th violation - Procurement Card will be **revoked (permanently)**

***** Please note If fraud or willful misuse of the card is suspected ONE violation may result in permanent revocation in addition to being reported to the Human Resources department for disciplinary action. *****



Procurement of Goods & Services - ProCard

Cardholder Responsibilities:

- Agreeing to all card program requirements established and as amended by the campus.
- Completing and acknowledging the required campus procurement card cardholder training.
- Ensuring that the campus policies and procedures of the procurement card program are integrated into the individual's use of procurement card.
- Protecting the card at all times to prevent unauthorized use, which includes personal use.
- Not sharing or authorizing others (subordinates or otherwise) to use the card.
- Immediately reporting a lost or stolen card to the bank and actively following banks rules and instructions to minimize loss.
- Immediately reporting fraudulent or suspected fraudulent charges to the bank and actively following banks rules and instructions to clear the charges.
- Reconcile all transactions and provide receipts in CFS monthly.



Procurement of Goods & Services - ProCard

Approving Official Responsibilities:

- Completing and acknowledging required procurement card Approver training.
- Monitoring transactions of assigned Cardholder(s) for appropriateness of purchase.
- Ensuring adequate transaction documentation exists as may be established by the campus.
- Notifying the card program Administrator of changes in departmental program participants.
- Approve completed monthly reconciliations.



Questions?