Introductions

Maria Hernandez, M.P.A., C.P.S.M.
Director
Procurement and Contracts
T: (310) 243-3249 | E: mehernandez@csudh.edu

Aileen Madrid
Buyer II
Procurement and Contracts
T: (310) 243-3247 | E: amadrid@csudh.edu
Who are we?

- State of California - Acting in a Higher Education Capacity
- Not a Nonprofit Organization
- Not a Tax-Exempt Entity
- We go by:
  - State of California
  - Trustees of the California State University
  - The CSU
  - California State University, Dominguez Hills (CSUDH)
Hierarchy of Governing Laws

- State Constitution
- California Statutes (*Chaptered Bills*)
- Board of Trustees Resolutions
- Chancellor’s Office:
  - Coded Memoranda
  - Executive Orders
  - CSU Contracts and Procurement Policy
  - [https://calstate.policystat.com/policy/7865355/latest/](https://calstate.policystat.com/policy/7865355/latest/)
Procurement and Contracts Responsibilities

- Procuring Goods and Services
- Executing and Negotiating Contracts
  - Goods/Services/Construction/Student Placement Agreements/Facilities Leases
- Administration of the P-card and Fleet Card Program
- Informal/Formal Solicitation Process
  - Goods/Services/Construction
- Provide Procurement and Contracting Support to the Campus
- Compliance with State and CSU Policies
- Open Competition for State Dollars
- Fair, Ethical, and Professional Business Practices
Responsibilities of Financial Departments

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CSU General Provisions (Terms and Conditions) & Insurance

- General Provisions for Acquisition of Goods
- General Provisions for Acquisition of Services
- General Provisions for Information Technology Acquisitions
- General Provisions for Maintenance Tasks (Facilities Maintenance)
- General Insurance Requirements
- IT Supplemental Provisions

http://calstate.edu/csp/crl/gp/gp.shtml
Information & Communication Technology Procurement (ICT) Approval Process

All information and communication technology (ICT) such as hardware, software, and online solutions require four significant steps:

1. **ICT Request**
   - Gather Pre-Purchase and Accessibility Information. Please complete the Information and Communication Technology Procurement Request form to begin the process.

2. **Accessibility**
   - The ATI coordinator then Reviews Accessibility Documentation and depending on the impact to the CSUDH community, reviews the product or service, communicates with the vendor about any accessibility barriers the product/service may pose to persons with disabilities, obtains an Accessibility Roadmap and an accessibility statement affirming the vendor's commitment to accessibility.

3. **Security**
   - The Information Security office (ISO) will notify the requestor if SOC2 or Higher Education Community Vendor Assessment Tool (HECVAT) security documentation is required. All qualifying software, hardware, and online solutions purchases that will allow a vendor to access, store, transmit, or otherwise manage CSU Protected Data shall go through a security review and approval process.

4. **IT Approval**
   - IT approval ensures that IT has sufficient resources (if purchase requires it) available for your software implementation and provides IT an opportunity to confirm if the license being purchase is already available to staff/faculty and thus saving time and money.
Insurance Requirements & Importance

• All contractors, vendors or service providers coming on to University premises to do work or
provide services are required to have insurance.

• Procurement and Contracts obtains necessary insurance prior to services/work commencing.

  ✓ General Liability
  ✓ Business Automobile Liability
  ✓ Worker’s Compensation
  ✓ Professional Liability (Errors and Omissions)
  ✓ Environmental Impairment (Pollution) Liability

• **Why is it important?** Insurance is necessary to cover any claims or losses for which the
contractor/vendor may be responsible for.
Delegation of Procurement Authority

- State of California
  - Board of Trustees (Appointed by the Governor)
  - Chancellor (Appointed by the Trustees)
  - Campus President (Appointed by the Trustees)
  - VP Administration/Finance/CFO
  - Procurement and Contracts
    - Low-Dollar Limited Delegation Programs (campus users)
Limited Delegation to Campus Users

- P-card Program (P-card Limits)
  https://www.csudh.edu/procurement/procurement-contracts/procurement-card

- Direct Pay Form (Authorized Categories and Limits)
  https://www.csudh.edu/Assets/csudh-sites/accounting-services/docs/accounting-services-Direct-Pay-Form.pdf?CSUDH+Direct+Pay+Form
Purchasing Mechanisms

- Requisition
- Pcard
- Direct Pay Form
- Unauthorized Purchase
Procurement Process Overview - Goods

https://www.csudh.edu/procurement/procurement-contracts/purchasing-policy
Requisition Process Overview

Assigned to a Buyer Stage:

- Review submitted documentation
  - Quotes/proposal
  - Independent Contractor
  - Hospitality
  - New Vendor (204)
  - Furniture
  - IT Approvals
- Bid Thresholds
- Possible Existing Agreements
- Insurance Requirements
- Terms and Conditions
  - Supplemental Conditions
- COVID-19 Guidelines
Requisition Process

- In an effort to eliminate and/or mitigate the potential for fraud or error and to maintain internal controls, Requisition entry (Requestor) and Requisition approval (Approver) has been segregated into two distinct functions. A single user cannot be both a requester and an approver.
- Procurement and Contracts verifies DOA for all incoming requisitions and change orders.
- **A purchase requisition is not an authorization to make a purchase, it is simply the official request to Procurement and Contracts to issue a PO to the vendor or service provider on the department’s behalf.**
- A PO or contract issued by Procurement and Contracts is the official agreement (i.e. legal document) between the University and the vendor/supplier to provide the goods and/or services.
- Only Procurement and Contracts can financially obligate the University. Departmental personnel do not have DOA (except limited authority under the P-card Program and Direct Pay).
- If changes or alterations to the original purchase order or contract becomes necessary, the Requestor shall submit a Change Order Request Form. Changes may include increase or decrease in quantity, additional services, or order cancellation. If accepted, Procurement and Contracts will issue a written revision to the purchase order or contract and submit to the vendor/supplier via email.
Requisitions Submittal Instructions

- CFS requisition entry requires a Requestor and Approver
  - To request access, complete the [IT Access Request Information Gathering Form IT- InfoSec and Compliance Form](#).

- Information should be clear and accurate
  - Requestors must ensure that descriptions clearly identify what the University is procuring.
  - Example of poor description: “Misc Services”
  - Example of clear and accurate description: “Campus wide Landscaping Services for Fiscal Year 21/22”

- Requisitions MUST BE itemized
  - If ordering 5 different items, Requestor MUST enter 5 separate lines. If our office receives un-itemized requisitions, the buyer will bounce it back for re-entry.
  - Sales Tax will be entered by the Buyer on the PO (if applicable). DO NOT enter a separate tax line.
  - Shipping and Handling MUST be listed in the comments.
  - Labor and Installation MUST be on a separate line

- Quote/Proposal should be attached
  - If older than 30 days (or not valid) requestor must request an updated quote/proposal.
(Recording available on our webpage)
Vendor Contact Name:
Phone and Email:
New Vendor? If Yes, did you request 204 Form?

Department Contact and Extension:
Delivery Location (Building/Room):
Term of service:
Freight/Shipping: $

Hospitality? If Yes, did you upload the approved Hospitality Form?

Approvals Reminders (Please Attach if applicable):
- IT Approval (Hardware, Software, and Online Solutions)
- Furniture (Drawing/layout, ADA compliance, Work Order)
- Independent Contractor Form
Requisition Processing Delays

• Insufficient Information
  • Vendor Data Record Form (if a new vendor)
  • Independent Contractor Form (if applicable)
  • Hospitality Form (if applicable)
  • Vendor Contact Information (Contact Name, Phone, Email)
  • Quote/Proposal (not attached)
  • Pricing Discrepancies
  • Vendor response delay

• Quotes Older Than 30 Days

• Insurance Requirements

• Terms and Conditions Negotiations

• Informal/Formal Solicitation Process

• Department approvals from IT, ATI, Security, Risk Management, Furniture, Legal, etc.
Requisitions (After the Fact Submittal)

• AKA “Confirming Order”
• Occurs when a University Employee places an order directly with the vendor for goods and/or services without the issuance of an authorized Purchase Order by Procurement and Contracts. A requisition is entered into PeopleSoft After-the-Fact in an attempt to pay the vendor.
• It is an unauthorized commitment of University funds.
• Your requisition will be cancelled.
• *Unauthorized Purchase Approval Request Form* will be required
Why are After-the-Fact Purchases an Issue?

1. After-the-Fact purchases are a violation of State Law and CSU policy

The authority to purchase goods, services or to enter into contracts is delegated as follows:

a. State law - (Education Code § 89036, Public Contract Code § 10430(a), 12100.5, and 12120)
b. Board of Trustees of the CSU (Standing Orders of the Board of Trustees (S.O.), Chapter II)
c. Chancellor of the CSU (CSU Contracts and Procurement Policy, Section I(A))
d. Presidents (Executive Order 775 & CSU Contracts and Procurement Policy, Section I(B))
e. Vice President/CFO and Associate Vice President, Administration and Finance
f. Procurement (Ensures that all activity is consistent with CSU Contracts and Procurement Policy)

Violations of these laws and policies can result in the individual being personally responsible for payment.
Why are After-the-Fact Purchases an Issue?

2. Audit finding
   • Delegation of Authority
   • Invoices that predate PO date

4. Potential Liability
   • Insurance (Risk Assessment)
   • Unfavorable terms and conditions signed by University personnel
   • Protecting the University

5. Missed Opportunities
   • Potential Procurement Benefit (Cost Savings)
   • Favorable Terms

6. Affects Supplier Relationships
   • Late Payment = Bad Reputation
   • Undermines the strong working relationships the University strives to create and sustain with its supplier partners.
Prohibited Practices

- After-the-Fact Purchases
- No employee shall place orders outside their limited delegation (P-card, Direct Pay).
- Conflict of Interest: No employee may make or participate in decisions where there is a personal financial interest.
- Endorsements of any commercial products or services (Requires General Counsel approval)
- Restrictive specifications
- Splitting of orders to circumvent bidding policy
- Advance Payments* (allowed case by case)
  - Payment in arrears is the prescribed method of remitting payments for acquisitions. The CSU must have received appropriate return and/or in-kind value in order for consideration to be paid. Advance payments are permitted, whenever specifically authorized in law or determined to be in the best interest of the CSU.
  - VP Approval required
Student Placement Agreement Overview

• Please refer to the Student Agreements webpage for further details.
• **ALWAYS CHECK THE ONLINE CONTRACT SOLUTION (OCS) SITE BEFORE REQUESTING A NEW AGREEMENT. THIS WILL PREVENT DUPLICATION.**
• Processing Time: (3-4) weeks prior to commencement of the agreement.
• “Affiliation” or “Student Placement” agreement.
  • Secures the student’s access to the site
  • Ensures that the site’s personnel will supervise the student and provide a meaningful experience.
  • Defines the relationship between the University, the site, and the student.
• An agreement between the University and the site is only necessary for unpaid internships that are for academic credit.
• Paid internships do not require an agreement between the University and the site since the University is not coordinating the internship experience.
Student Agreement Process/Request Overview

- Approved templates
- Once an academic program identifies the site, the approved template must be sent to the internship site for review and approval.
- **IMPORTANT: AGREEMENTS ARE NOT TO BE BACK DATED.**
- A copy of the signed agreement should be returned to the academic program (scanned and emailed is acceptable)
- Signed Agreement to be submitted in OCS for final processing.
- Final copy of the agreement will be sent to the requestor and also be available on OCS.
- Only Procurement and Contracts is authorized to sign Affiliation Agreements or Student Placement Agreements. Students should not begin their internships before the agreement is approved and signed by both parties.
- Students are not covered by insurance until the agreement is fully executed.
- Modifications to University template, please contact Procurement and Contracts 310-243-3799 or procurement@csudh.edu.
- Site Specific Agreement, please upload their agreement (include all attachments or referenced exhibits) into OCS and Procurement and Contracts will work directly with the site to review and negotiate terms.
- Contract Expiration Notices sent to individual who originally entered the OCS request.
  - Recommendation: Create generic academic program email
Student Agreement Process/Request Overview

Agreement Processing Times

• The turnaround time for obtaining an agreement will vary. Due to the large volume of requests, please allow 3-4 weeks for processing each agreement. All processing times are dependent on the complexity of the agreement.

• If using the approved CSUDH agreement template, the processing time will between 2-4 days after the request is entered in OCS.
Mandated Programs

- Certified Small Businesses (SB)
  - 5% of total annual spend
- Disabled Veteran Business Enterprise (DVBE)
  - 3% of total annual spend
- Sustainability
  - Recycled Consists of 11 Categories
    - Various post consumer content requirements
      (Paper, Plastic, Metal, Tires, Lubricating Oils, etc.)

ANNUAL REPORTING TO SACRAMENTO
Small Business Goal

FY – 18/19

SB 25% Annual Goal Results

Sacramento: 33.74%
Los Angeles: 25.13%
Fresno: 28.01%
CSUDH Small Business & DVBE Goal

<table>
<thead>
<tr>
<th>Year</th>
<th>Sum of DVBE</th>
<th>Sum of SB</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-18</td>
<td>3.34%</td>
<td>14.01%</td>
</tr>
<tr>
<td>2018-19</td>
<td>7.65%</td>
<td>11.56%</td>
</tr>
<tr>
<td>2019-20</td>
<td>3.97%</td>
<td>11.60%</td>
</tr>
<tr>
<td>2020-21</td>
<td>3.02%</td>
<td>25.05%</td>
</tr>
</tbody>
</table>

Sum of DVBE: $60,976,620, $75,414,554, $134,283,840, $36,789,466
Sum of SB: $14.01%, 11.56%, 11.60%, 25.05%
What can you do to help?

- Communicate with Procurement *Early* before starting your project
- Allow realistic timeframes to conduct competitive solicitations
- Reduce Maverick Spend
- Visit Procurement webpage for latest policy updates
- Encourage your staff to attend the Procurement and Contracts Training
- Remind your staff not to sign *any* vendor documents
- Communicate with your direct reports to provide feedback on Procurement issues (If we don’t know, we can’t help)
General Bid Thresholds (NON-IT)

- **Goods**
  - Under $50K – No Bid/Optional Bid
  - $50K and above – Informal Bid
  - $100K and above – Formal Bid (Advertisement)

- **Services**
  - Under $50K – No Bid/Optional Bid
  - $50K and above – Informal Bid
  - $100K and above – Formal Bid (Advertisement)

- **Small Business/Micro Business**
  - Under $250K – two bids from SBE/MBE
Information Technology (IT) Bid Thresholds

• $50K to $500K – Informal Bid (verbal, fax, or e-mail quotes) or if buyer determines price is fair and reasonable.

• $500K and above – Formal Bid (Advertisement)
  • A Solicitation Plan is required for all ITR projects that fall within the scope of CSU Executive Order 862 related to feasibility studies. Any requisitions for acquisitions that require a formal solicitation or that are considered high risk and/or critical to the success of the project must include an approved Solicitation Plan.

• All requests for IT goods and services are subject to the University Accessible Technology Initiative (ATI) Plan and Information Security Requirements:
  
  https://www.csudh.edu/access/ati/
  
  https://www.csudh.edu/it/security-compliance/compliance/information-communication-technology-procurement/
Procurement Benefit 3-year Goal (CSUDH)

3-Year Goal

- Year 1 (FY 18/19): $275,000
- Year 2 (FY 19/20): $375,000
- Year 3 (FY 20/21): $550,000

Benefit Achieved

- Year 1 (FY 18/19): $782,905
- Year 2 (FY 19/20): $1,160,733
- Year 3 (FY 20/21): $316,443
Important to Remember

• Contact vendors for quotes **but do not place order**. Advise vendors to wait for a Purchase Order.
• Never sign a vendor document – ever!
• PO problems should be discussed directly with the Buyer.
• Requesters must follow-up on outstanding open orders.
• Signed Invoices should be sent immediately to Accounts Payable.
Important Webpages

- Procurement and Contracts:
  https://www.csudh.edu/procurement/procurement-contracts/

- Procurement Card:
  https://www.csudh.edu/procurement/procurement-contracts/procurement-card

- Accounts Payable Forms
  - Direct Pay
  - Hospitality
  https://www.csudh.edu/accounting-services/forms/

- CSU Contracts and Procurement Policy
  https://calstate.policystat.com/policy/7865355/latest/
Questions?
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