INTRO TO PROCUREMENT

Office of Contract Administration (OCA)
TOPICS

PART 1. Procurement Basics

PART 2. Sourcing

PART 3. Contracts

PART 4. Purchasing Process Summary
GOOD GOVERNANCE

- Accountability
- Transparency
- Professionalism
- Ethics
- Confidentiality
- Impartiality

PUBLIC TRUST
TYPES OF PURCHASES

01 Commodities & General Services
   For example:
   - Fuel
   - Janitorial services

02 Professional Services
   For example:
   - Accounting services
   - Engineering design

03 Construction Contracts
   Renovation, construction, repair, demolition of “Public Work”

04 “Non Purchasing”
   For example:
   - Grants to CBOs
   - Rents
   - Gift Cards

05 Purchase Under Special Authority
   For example:
   - Health Related Commodities & Services
   - MTA Authority
   - Commodities & Gen. Services <$10,000
PURCHASING AUTHORITY

01 Commodities & General Services
Admin Code Chapter 21 (includes Technology Marketplace)
OCA (with some exceptions)

02 Professional Services
Admin Code Chapter 21 & 6
Chapter 21 Depts + OCA
Chapter 6 Depts

03 Construction Contracts
Admin Code Chapter 6
Chapter 6 Departments

04 "Non Purchasing"
Various Code & Charter provisions, policies, rules & regulations
Departments

05 Purchase Under Special Authority
For example:
- Chapter 21A
- Charter Sec. 8A
- Delegated Departmental Authority ("Prop Q")
Departments

Administrative Code Direct Link:
http://library.amlegal.com/nxt/gateway.dll/California/administrative/administrativecode?f=templates$fn=default.htm$3.0$vid=amlegal:sanfrancisco_ca$sync=1
ENCUMBRANCES

Pursuant to the City Charter (Section 3.105) and Administrative Code (Section 10.06), no officer or employee shall bind the City to expend money unless there is a written contract or other instrument (e.g. a Purchase Order) and unless the Controller shall certify that sufficient unencumbered balances are available in the treasury, within the proper fund, to meet the payment obligations under such instrument as they become due.
DIRECT PAYMENTS

■ A Direct Payment is a payment request without an existing encumbrance.

■ Generally speaking, Direct Payments are a violation to the City’s standard procurement practices and departments should refrain from them. However, Direct Payments are generally allowed under the following scenarios:

  • Claims
  • Court Related Fees
  • Dues & Subscriptions
  • Payroll Related Payments
  • Postage
  • Refunds of Revenues and Liabilities
  • Revolving Fund Replenishment
  • Trust & Agency Payments

Please refer to CONTROLLER’S Policies & Procedures Section 3.6.4
PURCHASING INSTRUMENTS

SUPPLIER CONTRACT

- Construction, professional services, commodity or general services "term contracts," and other types of complex procurements (grants, software licenses, etc.)
- Recurring, multi-year, and/or as-needed purchases
- Formal (sometimes negotiated) agreement

PURCHASE ORDER

- One-time purchase of a defined quantity of goods or services
- Encumbers funds before orders are placed with vendors

TYPES
- "Prop Q” PO (or “DPO”)
- Purchasing PO
- Non-Purchasing PO
- PO Release
SOURCING
COMPETITIVE SOLICITATIONS

- The City typically must use competitive bidding procedures to select Suppliers
  - Low Bid
  - Request for Proposals
  - Request for Qualifications, etc.

- Acquisition of goods and services governed by City Administrative Code and rules & regulations:
  - Administrative Code Chapter 21
  - OCA Chapter 21 Rules & Regulations
  - Administrative Code Chapter 14B (Local Business Enterprise Requirements)
  - CMD Chapter 14B Rules & Regulations
  - Other: Chapter 19B, Chapter 12X, Chapter 12U, Environment Code Ch. 2 & 5 (Green Purchasing Requirements), etc.
Chapter 21 allows competitive solicitations to be waived under certain circumstances:

- Only one source for the good or service
- Proprietary articles
- Pilot project
- Reciprocal agreements
- Other...

Waivers must be approved by OCA

OCA’s Waiver Portal handles these requests:
http://ccsfdt.service-now.com
TECHNOLOGY PROCUREMENTS

All digital products that contain or transmit data and/or interact with the City’s networks in some manner are deemed to be a Technology Purchase.

- Computer hardware
- Software systems
- Software maintenance
- Software customization services
- Telecommunications

- All technology purchases MUST go through the OCA
- May be subject to review by the City’s Department of Technology (“DT”).
- Can NEVER be completed using Departmental Delegated Authority (aka Prop Q), even if under $10,000.

Learn more special requirements for technology purchases in the Technology Purchasing Guidebook:

https://sfgov.org/oca/resources
SUPPLIER COMPLIANCE

Suppliers **must comply** with the *San Francisco Administrative Code Chapter 12B Equal Benefits Ordinance* – vendor **must** give equal benefits to employees along with their domestic partners/spouses without discrimination.

**Exceptions to 12B can be made if:**
- Supplier is sole source for the purchase (requires waiver from CMD)
- City has never spent > $5,000 with supplier during any given fiscal year
- Supplier has chosen to comply only for certain business locations (contract-by-contract compliance)

Suppliers **must also comply** with the *Treasurer & Tax Collector’s (TTX) Business and Tax Regulation code*, which requires every person engaging in business within the City to register for business tax at: [https://newbusiness.sfgov.org/vendor/](https://newbusiness.sfgov.org/vendor/)

Chapter 12B Direct Link: [http://sfgov.org/cmd/how-comply](http://sfgov.org/cmd/how-comply)
OTHER SUPPLIER REQUIREMENTS

Depending on the type of purchase, Suppliers may need to comply with additional regulations at the time of bidding and during performance of the contract:

- **Chapter 14B Local Business Enterprise Ordinance** – subcontracting to LBEs
- **Administrative Code Chapter 12P** – Minimum Compensation Ordinance (MCO)
- **Administrative Code Chapter 12Q** – Health Care Accountability Ord. (HCAO)
- **Administrative Code Chapter 12U** – Sweatfree contracting
- **Administrative Code Chapter 12X** – Prohibited states
- **Administrative Code Chapter 83** – First Source Hiring
- **Chapter 21C** – Prevailing Wage
TYPES OF CONTRACTS

Purchasing Contract (Citywide Term)

Purchasing Contract (OMP)

Professional Services Contracts

Construction Contract

Non Purchasing Contract
# CH. 21 SOLICITATION THRESHOLDS & CONTRACT APPROVALS (NON-IT)

<table>
<thead>
<tr>
<th>SOLICITATION</th>
<th>COMMODITIES</th>
<th>PROFESSIONAL SERVICES</th>
<th>GENERAL SERVICES</th>
<th>ALL CH. 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRACT VALUE</td>
<td>&lt;$10,000</td>
<td>$10,000 - $129,000</td>
<td>&gt;$129,000</td>
<td>ANY</td>
</tr>
<tr>
<td>EXPEDITED CSC* APPROVAL</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>x</td>
</tr>
<tr>
<td>FORMAL CSC APPROVAL</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>&gt;$100k</td>
</tr>
<tr>
<td>CMD** LBE REQUIREMENTS***</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>&gt;$64.5k</td>
</tr>
<tr>
<td>CONTRACT APPROVAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BOS†</td>
<td>&gt;$10M or 10+ years</td>
<td>&gt;$10M or 10+ years</td>
<td>&gt;$10M or 10+ years</td>
<td>&gt;$10M or 10+ years</td>
</tr>
<tr>
<td>OCA‡</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>

---

*Civil Service Commission  
**Contract Monitoring Division  
***Local Business Enterprise subconsulting participation requirements  
†Board of Supervisors  
‡Office of Contract Administration  
§Or Board of Supervisors “Prop J” approval
CONTRACT BOILERPLATES

P-240 - Term Contract Template for Commodities
P-245 - Term Contract Template for Gen. Services
P-250 - Purchase Order Template

P-520 - Equipment Lease Template
P-530 - Equipment Maintenance Template

P-600 - Professional Services Template
P-601 – Professional Services Template (Individuals)
P-606 - Chapter 6 Professional Services Template
P-650 – Prof. Services Amendment Template

P-540 - Software Maintenance Template
P-545 - Software Licensing Template
P-642 - Software Development Template
P-648 - Software as a Service Template

P-660 - Assignment & Assumption Template
P-665 - Novation Template

G-100 - Grant Template
G-150 - Amendment Template
All contracts submitted to OCA for review and signature must contain a completed checklist which can be found at: https://sfgov.org/oca/resources

- CL-100 (9-19): Services Contracts Certification Package Checklist
- CL-200 (9-19): Commodities/Software Contracts Certification Package Checklist
- CL-300 (9-19): Equipment Lease Contracts Certification Package Checklist
- CL-400 (9-19): Assignment and Assumption or Novation Certification Packet Checklist
All Departmental Chapter 21 contracts must be submitted to OCA for review and signature.

Effective January 1, 2020, Departments must request contract review via OCA’s online Contract Review Request Portal: http://ccsfdt.service-now.com/

Create the review request, and attach the relevant completed OCA Checklist prior to submitting.
NON-IT PURCHASING PROCESS: TYPICAL

<table>
<thead>
<tr>
<th>COMMODITY/GENERAL SERVICE</th>
<th>PURCHASE TYPE</th>
<th>REQUEST METHOD</th>
<th>SOURCING METHOD</th>
<th>PURCHASING INSTRUMENT</th>
<th>RESPONSIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $10K (“PROP Q”)</td>
<td>ONE-TIME PURCHASE</td>
<td>N/A</td>
<td>3 QUOTES (RECOMMENDED)</td>
<td>DEPARTMENTAL PO</td>
<td>DEPARTMENT</td>
</tr>
<tr>
<td>&gt; $10K</td>
<td>ONE-TIME PURCHASE</td>
<td>REQUISITION</td>
<td>SOLICITATION (e.g. LOW-BID)</td>
<td>PURCHASING PO</td>
<td>OCA</td>
</tr>
<tr>
<td>&gt; $10K</td>
<td>RECURRING PURCHASE</td>
<td>EMAIL OCA</td>
<td>SOLICITATION (e.g. LOW-BID, RFP)</td>
<td>TERM CONTRACT + PO RELEASE</td>
<td>OCA</td>
</tr>
<tr>
<td>&lt; $10K</td>
<td>DEFINED SCOPE OR AS-NEEDED</td>
<td>N/A</td>
<td>N/A</td>
<td>P-600 CONTRACT + PO RELEASE</td>
<td>DEPARTMENT + OCA</td>
</tr>
<tr>
<td>&gt;$10K</td>
<td>DEFINED SCOPE OR AS-NEEDED</td>
<td>N/A</td>
<td>SOLICITATION (e.g. RFP, RFQ)</td>
<td>P-600 CONTRACT + PO RELEASE</td>
<td>DEPARTMENT + OCA</td>
</tr>
</tbody>
</table>
## IT PURCHASING PROCESS

<table>
<thead>
<tr>
<th>PURCHASE TYPE</th>
<th>REQUEST METHOD</th>
<th>SOURCING METHOD</th>
<th>PURCHASING INSTRUMENT</th>
<th>RESPONSIBILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $10K</td>
<td>ONE-TIME PURCHASE</td>
<td>REQUISITION TO OCA</td>
<td>N/A</td>
<td>PURCHASING PO</td>
</tr>
<tr>
<td>&gt; $10K</td>
<td>ONE-TIME PURCHASE</td>
<td>REQUISITION TO OCA</td>
<td>SOLICITATION BY OCA</td>
<td>PURCHASING PO</td>
</tr>
<tr>
<td>&lt; $10K</td>
<td>ONE-TIME OR RECURRING PURCHASE</td>
<td>N/A</td>
<td>N/A</td>
<td>CONTRACT</td>
</tr>
<tr>
<td>&gt; $10K</td>
<td>ONE-TIME OR RECURRING PURCHASE</td>
<td>N/A</td>
<td>LOW-BID SOLICITATION BY OCA</td>
<td>CONTRACT</td>
</tr>
<tr>
<td>&lt; $10K</td>
<td>DEFINED SCOPE OR AS-NEEDED</td>
<td>N/A</td>
<td>N/A</td>
<td>CONTRACT</td>
</tr>
<tr>
<td>&gt; $10K</td>
<td>DEFINED SCOPE OR AS-NEEDED</td>
<td>N/A</td>
<td>SOLICITATION BY DEPT</td>
<td>CONTRACT</td>
</tr>
</tbody>
</table>

PUBLIC BID / DIRECT CONTRACT
IT PURCHASING PROCESS

- **PURCHASE TYPE**
  - **< $10K**
  - **> $10K**

- **REQUEST METHOD**
  - **ONE-TIME PURCHASE**
  - **REQUISITION TO OCA**

- **SOURCING METHOD**
  - **N/A**
  - **SOLICITATION BY OCA (e.g., LOW-BID)**

- **PURCHASING INSTRUMENT**
  - **PURCHASING PO**

- **RESPONSIBILITY**
  - **DEPARTMENT + OCA**

---

**USING OCA’S TECHNOLOGY MARKETPLACE CONTRACTS**

- **PURCHASE TYPE**
  - **< $10K**
  - **> $10K**

- **REQUEST METHOD**
  - **ONE-TIME OR RECURRING PURCHASE**

- **SOURCING METHOD**
  - **REQUISITION TO OCA**

- **PURCHASING INSTRUMENT**
  - **PO RELEASE**

- **RESPONSIBILITY**
  - **DEPARTMENT + OCA**

---

- **PURCHASE TYPE**
  - **< $10K**
  - **> $10K**

- **REQUEST METHOD**
  - **DEFINED SCOPE OR AS-NEEDED**

- **SOURCING METHOD**
  - **REQUISITION TO OCA**

- **PURCHASING INSTRUMENT**
  - **PO RELEASE**

- **RESPONSIBILITY**
  - **DEPARTMENT + OCA**
QUESTIONS?

Contact OCA:
415-554-6743
oca@sfgov.org
https://sfgov.org/oca/resources

OCA Intro to Procurement Training (aka “Purchasing 101”) & Prop Q Training will be available on SF Employee Learning via the Employee Portal