



# INTRO TO PROCUREMENT

*Office of Contract Administration (OCA)*



# TOPICS

**PART 1.** Procurement Basics

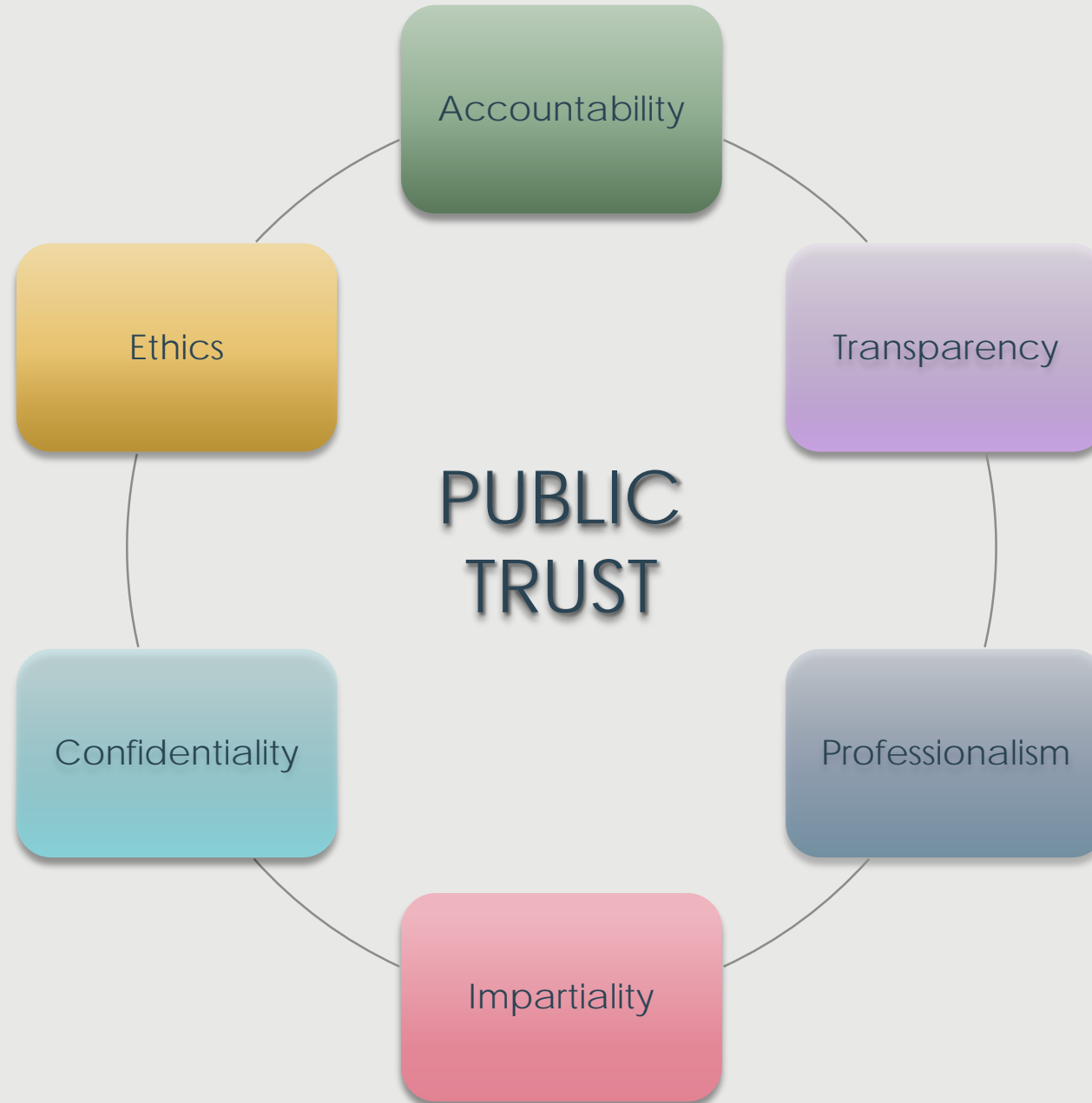
**PART 2.** Sourcing

**PART 3.** Contracts

**PART 4.** Purchasing Process Summary

# PROCUREMENT BASICS

# GOOD GOVERNANCE



# 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

# 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



# 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.*

CITY AND COUNTY OF SAN FRANCISCO  
OFFICE OF CONTRACT ADMINISTRATION

Jaci Fong, City Purchaser and Director

RULES AND REGULATIONS  
PERTAINING TO  
THE SAN FRANCISCO  
ADMINISTRATIVE CODE, CHAPTER 21

December 2017



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# WAIVER OF COMPETITIVE SOLICITATION

- 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>

The screenshot shows a web browser window with the title "OCA Waiver Request" and a subtitle "New record - OCAWVR0002444". The form is titled "Purchase type (Select all that apply)" and has three checkboxes: "Commodity", "Professional Service", and "General Service". Below this is a text box labeled "Briefly describe the product or service you are seeking and its business purpose". The next section is titled "Select the reason for this request. Based on your selection, a tab will appear below with questions". It has a list of checkboxes with corresponding text: "Regulation 21.5(b): No Substitute for Product/Service and Only One Source (No Bid Required)" (checked), "Regulation 21.5(b): No Substitute for Product/Service but More than One Source (Bid Required)", "Regulation 21.5(c): Perishable foods", "Regulation 21.5(d): Proprietary Articles and Only One Source (No Bid Required)", "Regulation 21.5(d): Proprietary Articles but More than One Source (Bid Required)", "Regulation 21.5(e): Pilot Project with a Term Not to Exceed Two Years", "Regulation 21.5(g): Federal Funds (If selected, no additional questions or information required)", "Regulation 21.16(b): Reciprocal Agreements with Other Public and Non Profit Agencies", "Regulation 21.16(c): Solicitations for Multiple Departments", and "Regulation 21.30: Proprietary Software Licenses and Support and Proprietary Equipment Maintenance". Below this is a tabbed interface with "Regulation 21.5(b1) \*" and "Activities" tabs. The "Regulation 21.5(b1) \*" tab is active and contains a blue box with text: "If this request pertains to support for proprietary software licenses or equipment, OCA may approve this request pursuant to Admin Code Section 21.30(d). However, departments must still provide a response to each question below." Below this is a question: "1. What is the purpose of this product or service?" with a text box for the answer.

OCA Waiver Request  
New record  
- OCAWVR0002444

Purchase type (Select all that apply)

☐ Commodity  
☐ Professional Service  
☐ General Service

Briefly describe the product or service you are seeking and its business purpose

Briefly describe the product or service you are seeking and its business purpose

Select the reason for this request. Based on your selection, a tab will appear below with questions

☒ Regulation 21.5(b): No Substitute for Product/Service and Only One Source (No Bid Required).  
☐ Regulation 21.5(b): No Substitute for Product/Service but More than One Source (Bid Required).  
☐ Regulation 21.5(c): Perishable foods  
☐ Regulation 21.5(d): Proprietary Articles and Only One Source (No Bid Required)  
☐ Regulation 21.5(d): Proprietary Articles but More than One Source (Bid Required)  
☐ Regulation 21.5(e): Pilot Project with a Term Not to Exceed Two Years  
☐ Regulation 21.5(g): Federal Funds (If selected, no additional questions or information required)  
☐ Regulation 21.16(b): Reciprocal Agreements with Other Public and Non Profit Agencies  
☐ Regulation 21.16(c): Solicitations for Multiple Departments  
☐ Regulation 21.30: Proprietary Software Licenses and Support and Proprietary Equipment Maintenance

Regulation 21.5(b1) \* Activities

If this request pertains to support for proprietary software licenses or equipment, OCA may approve this request pursuant to Admin Code Section 21.30(d). However, departments must still provide a response to each question below.

1. What is the purpose of this product or service?

# 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/>

**Prerequisites for all  
Purchase Types**

# 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

# CONTRACTS



# TYPES OF CONTRACTS



# CH. 21 SOLICITATION THRESHOLDS & CONTRACT APPROVALS *(NON-IT)*

		COMMODITIES			PROFESSIONAL SERVICES			GENERAL SERVICES			ALL CH. 21
SOLICITATION	CONTRACT VALUE	<\$10,000	\$10,000 – \$129,000	>\$129,000 <i>(Minimum Competitive Amt.)</i>	<\$10,000	\$10,000 – \$129,000	>\$129,000 <i>(Minimum Competitive Amt)</i>	<\$10,000	\$10,000 – \$706,000	>\$706,000 <i>(Threshold Amt.)</i>	ANY
	SOLICITATION TYPE	No Solicitation Required	Informal Solicitation	Formal Solicitation	No Solicitation Required	Informal Solicitation	Formal Solicitation	No Solicitation Required	Informal Solicitation	Formal Solicitation	NO COMPETITIVE SOLICITATION <i>(sole source, etc.)</i>
	EXPEDITED CSC* APPROVAL <sup>§</sup> <i>(services only)</i>	n/a	n/a	n/a	x	<\$100k		x	<\$100k		<\$100k
	FORMAL CSC APPROVAL <sup>§</sup> <i>(services only)</i>	n/a	n/a	n/a		>\$100k	x		>\$100k	x	>\$100k
	CMD** LBE REQUIREMENTS***	n/a	n/a	n/a		>\$64.5k	x		>\$353k		waiver possible
CONTRACT APPROVAL	BOS†			> \$10M or 10+ years			> \$10M or 10+ years			> \$10M or 10+ years	> \$10M or 10+ years
	OCA‡		x	x	x	x	x		x	x	waiver required

\*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

# OCA CONTRACT REVIEW – CHECKLISTS & PROCEDURES

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

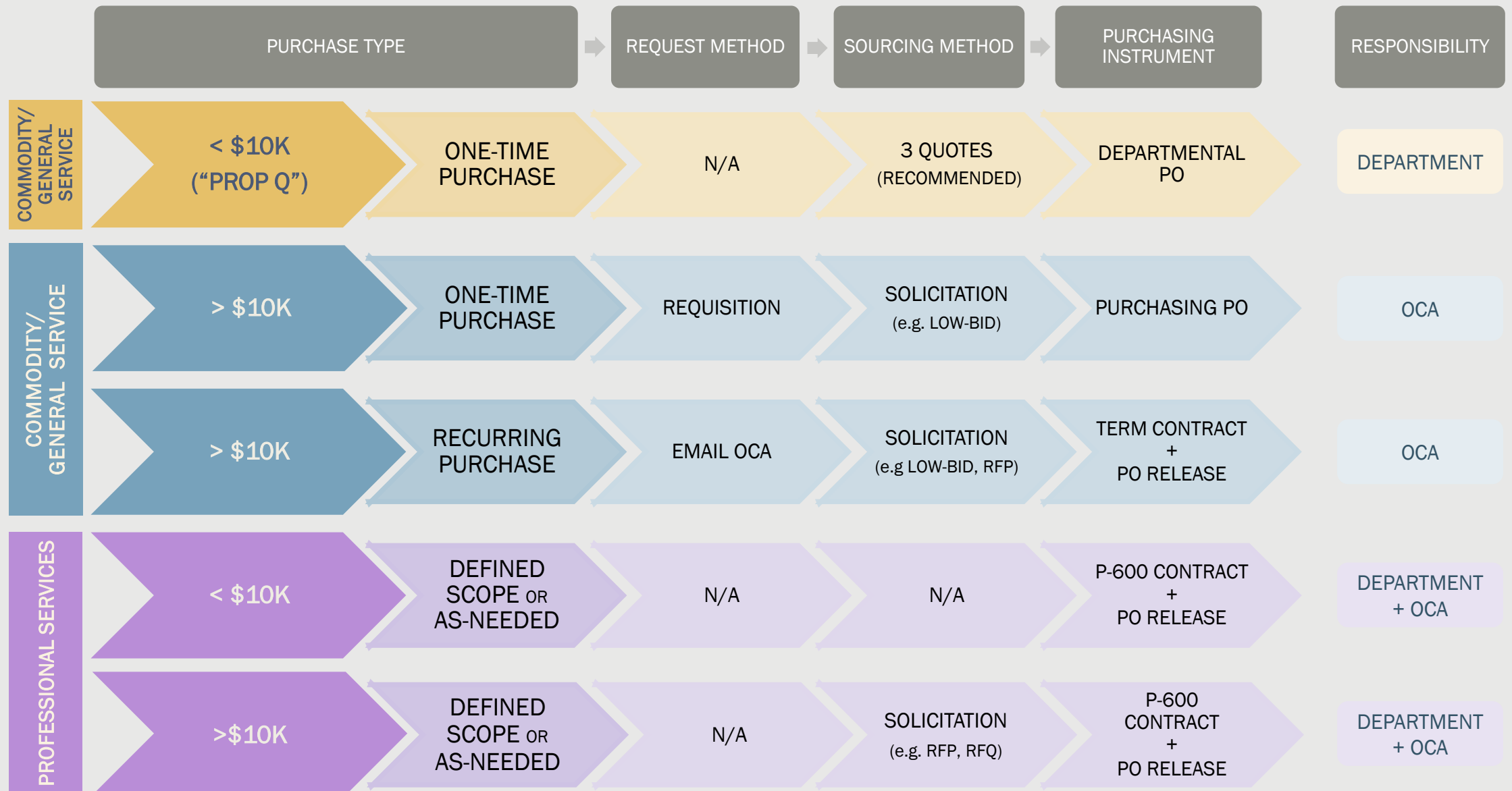
# OCA CONTRACT REVIEW – CHECKLISTS & PROCEDURES

- 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.

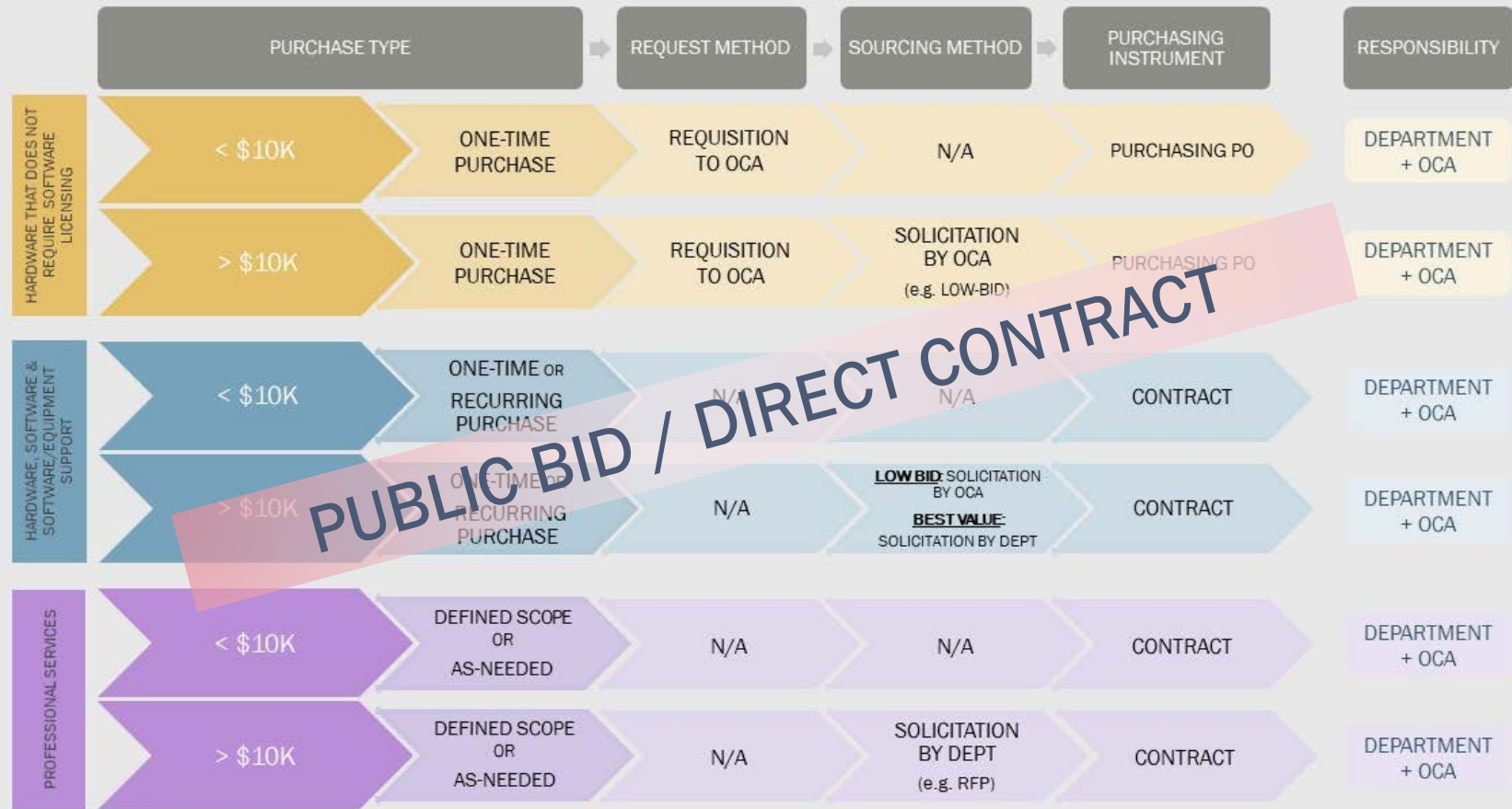
The screenshot shows a web form titled "OCA Contract Review - OCACPT0001027 New record". At the top, there is a progress bar with three stages: "Draft" (active), "Under Review", and "Complete". Below the progress bar, a light blue box contains instructions: "Please complete this form and attach appropriate OCA contracting checklist(s). Other than the contracting checklist, please do not attach any other document to this request! You will be notified once the OCA purchaser has been assigned to your contract." Below this, a section titled "OCA Contracting Checklists:" lists five items with document icons and filenames: CL-100 Services Contract Checklist (CL-100 (9-19).docx), CL-200 Commodities and Software Contracts Checklist (CL-200 (9-19).docx), CL-300 Equipment Lease Checklist (CL-300 (9-19).docx), CL-400 Assignment and Assumption and Novation Checklist (CL-400 (9-19).docx), and OMP-100 Contract Blanket Requests (OMP-100 Checklist.docx). The form fields are organized into two columns. The left column includes "Number" (OCACPT0001027), "Contract docs uploaded in PS?" (dropdown: -- None --), "PS Contract ID" (text field), "Contract Type" (dropdown: -- None --), and "Signature type" (dropdown: -- None --). The right column includes "State" (Draft), "Contract Administrator" (Sailaja Kurella), "Department" (ADM), "Contact Phone" (+14155546701), and "Watch list" (lock and share icons). At the bottom, there are two tabs: "Supplier and Contract details" (active) and "Activities". The "Supplier and Contract details" tab contains fields for "Contract Start Date", "Contract End Date", "Contract NTE Amount" (\$ 0.00), "Supplier ID", and "Supplier Name". A "Save" button is located at the bottom left of the form.

# PURCHASING PROCESS SUMMARY

# NON-IT PURCHASING PROCESS: *TYPICAL*

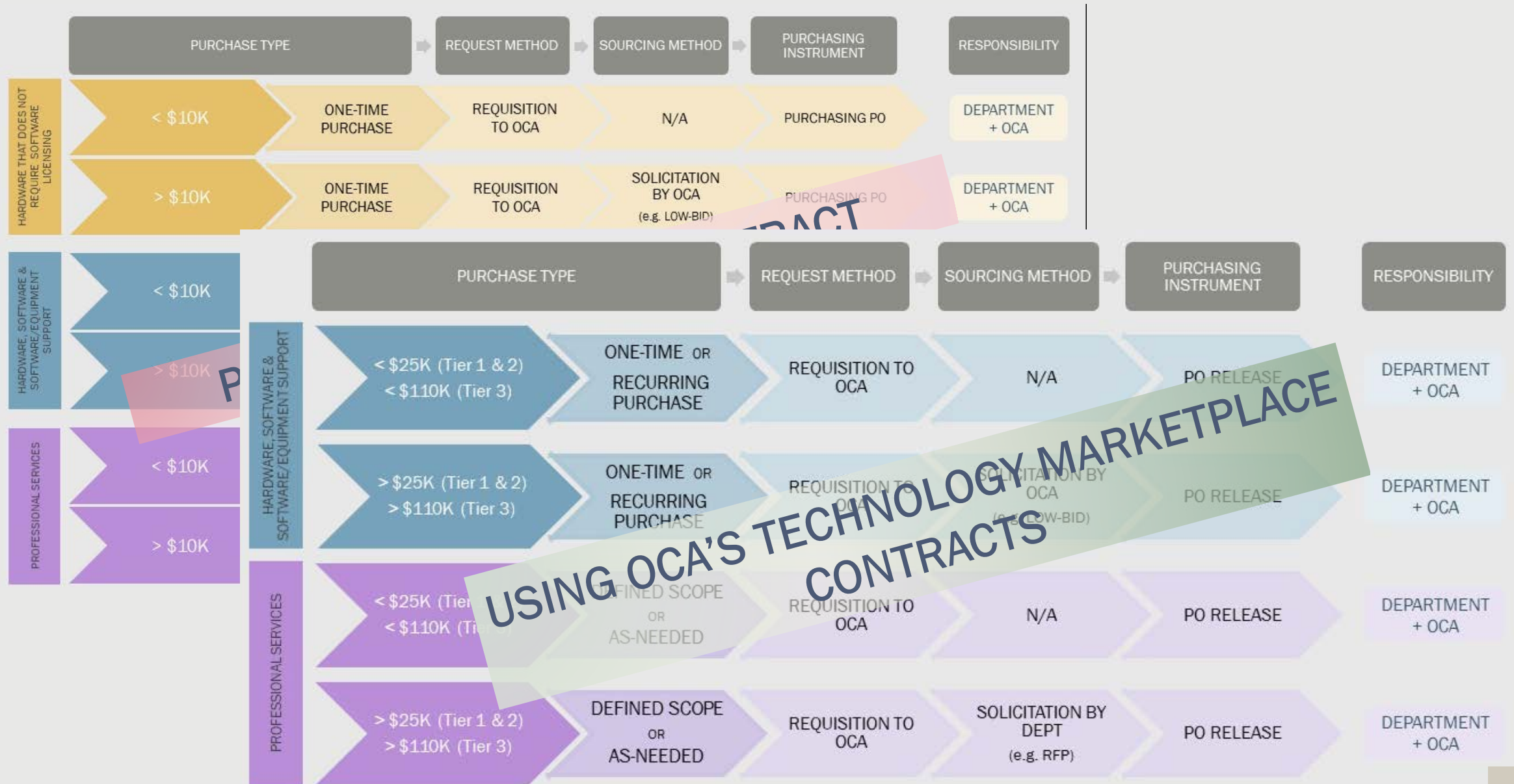


# IT PURCHASING PROCESS





# IT PURCHASING PROCESS



# QUESTIONS?

Contact OCA:

415-554-6743

[oca@sfgov.org](mailto: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