PROCUREMENT TRAINING FOR ADVANCEMENT
SEPTEMBER 30, 2020

Procurement Basics
Buying Software/ Free Trials
Q&A
WHAT IS PROCUREMENT?

**Procurement** is the act of obtaining goods or services, typically for business purposes. **Procurement** generally refers to the final act of purchasing but it can also include the procurement process overall which can be critically important for organizations leading up to their final purchasing decision.

Our responsibilities

- Procurement in the narrower sense/Buying
- General Contracting (Leases, International Agreements, MOUs)
- Public Works
- Student Internship Agreements
- Grant and Subaward Agreements/ Sponsored Research
PROCUREMENT BASICS

TRANSPARENT – FAIR – COMPETITIVE

• SF State is a campus of the CSU which is the legal entity entering into contracts with vendors and other partners “The Trustees of the California State University in its higher education capacity on behalf of its campus San Francisco State University”

• As a public entity/the State of California we need to select our vendors transparently and need to competitively bid agreements over certain dollar thresholds

• Thresholds vary depending on the product / Rule of thumb: over $50,000 (project total) → Some sort of solicitation is required

• Contact us early for advice! procurement@sfsu.edu

• Check out our website for FAQs and other useful information: procurement.sfsu.edu
SOLICITATIONS
- INFORMAL RFX
- FORMAL RFX

Informal RFP:
- Written SOW
- Sent to multiple vendors
- 3 bids

Formal RFP:
- Strict formal requirements
- Can only be conducted by Procurement department
- Written SOW required
- Timeline ca. 3 months from finalization of SOW
- Only Procurement can communicate with vendors
ACQUISITIONS OVER $50,000

We define the product or service

Don’ts

- Other campuses are using this software and from what I’ve seen and heard I like it
- A vendor approached me and showed me the software and I think it would be useful for our department

Do’s

- Check your inventory
- Analyze your business needs
- Define your requirements
WHAT IF I DON’T HAVE ENOUGH INFORMATION TO WRITE THE SCOPE OF WORK?

1. Request for Information (RFI)
   Vendors submit information about products they offer/functionalities etc.

   This information received can be used to define the product the University is looking for.
   - SOW needs to be written by the requesting department
   - Cannot be too narrow/tailored towards one vendor only

2. Conduct Solicitation/RFP
BUYING SOFTWARE
1. Pre-approval of Purchase by other departments

Technology Acquisition Review (TAR) process involves
1. Approval by IT department in charge that product is needed and that they will support it
2. Approval by ISO team: Product meets our security standards/may require additional contractual terms re IT security
3. Approval by ATI: product should be accessible

This triggers the start of the actual procurement process.

2. Submit Requisition/ Consult with Procurement for Acquisitions over $50,000 (Step 1 and 2 reversed)

Can take time
No guarantee that we can come to an agreement, but in ~98% of all cases we do.

3. Negotiate and Execute Agreement
"THERE IS NO FREE LUNCH"

I am being offered a FREE TRIAL of a software that could be useful for my department. What if there is no cost? That is not a purchase!

Correct. However, even a free trial involves you agreeing to the terms and conditions of the vendor. Only the Procurement department is authorized to enter into agreements on behalf of the University.

We protect you and the University from contractual risks.

Do not let the vendor define or dictate what we need

Foot in the door / trial becomes permanent

Risk of Non-Compliance (Terms / solicitation method /security standards)
Q&A

Questions about Procurement processes?
Software purchases?
Buying or contracting in general?
THANK YOU FOR YOUR ATTENTION!