

Purchasing in Fiscal Year 17-18

Presented By:
GALEN LEUNG
MAY 15, 2017

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C o n t r a c t
A d m i n i s t r a t i o n

Jaci Fong
Director and Purchaser

City and County of
San Francisco

City Hall, Room 430
1 Dr. Carlton B. Goodlett Pl.
San Francisco, CA 94102

Tel: (415) 554.6743
Fax: (415) 554.6717
Email: oca@sfgov.org
www.sfgov.org/oca



Delegated Authority

Prop Q

If your department has been delegated authority under Prop Q, authorized personnel may purchase eligible items.

Items Eligible for Prop Q Purchase	Prohibited Items	
Purchase up to \$10K (including tax and shipping charges)	Purchases above \$10K	Gift cards
Commodities	Professional Services	Lease purchase transactions
General services	IT Equipment & Services	Vehicles
	Construction	Heavy Equipment



Delegated Authority

Prop Q (continued)

- Departments should secure 3 quotes for purchases greater than \$5,000 and document these efforts.
- No order splitting
- Keep in mind whenever possible:
 - The City's policy is to bid.
 - We support local businesses

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Delegated Authority

Professional Services Contract Thresholds

- **Formal Sourcing Event (RFP or RFQ)** – Must be advertised if the amount involved is \$110,000 and over



Deadlines For FAMIS Transactions

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- Vehicle and equipment requisitions due to OCA March 17
- Requisitions for non-vehicle, non-equipment April 14
- Requisitions for items on City contracts May 19
- Changes to Departmental Blankets and Contract Purchase Orders May 19
- Office supplies online (initiate a PO release) and Prop Q purchases June 9
- Last date to post and complete transactions in FAMIS June 27*

**Note: Open requisitions in FAMIS will not be automatically converted to PeopleSoft and will need to be re-entered into PeopleSoft.*



Department OMP Blanket Purchase Orders

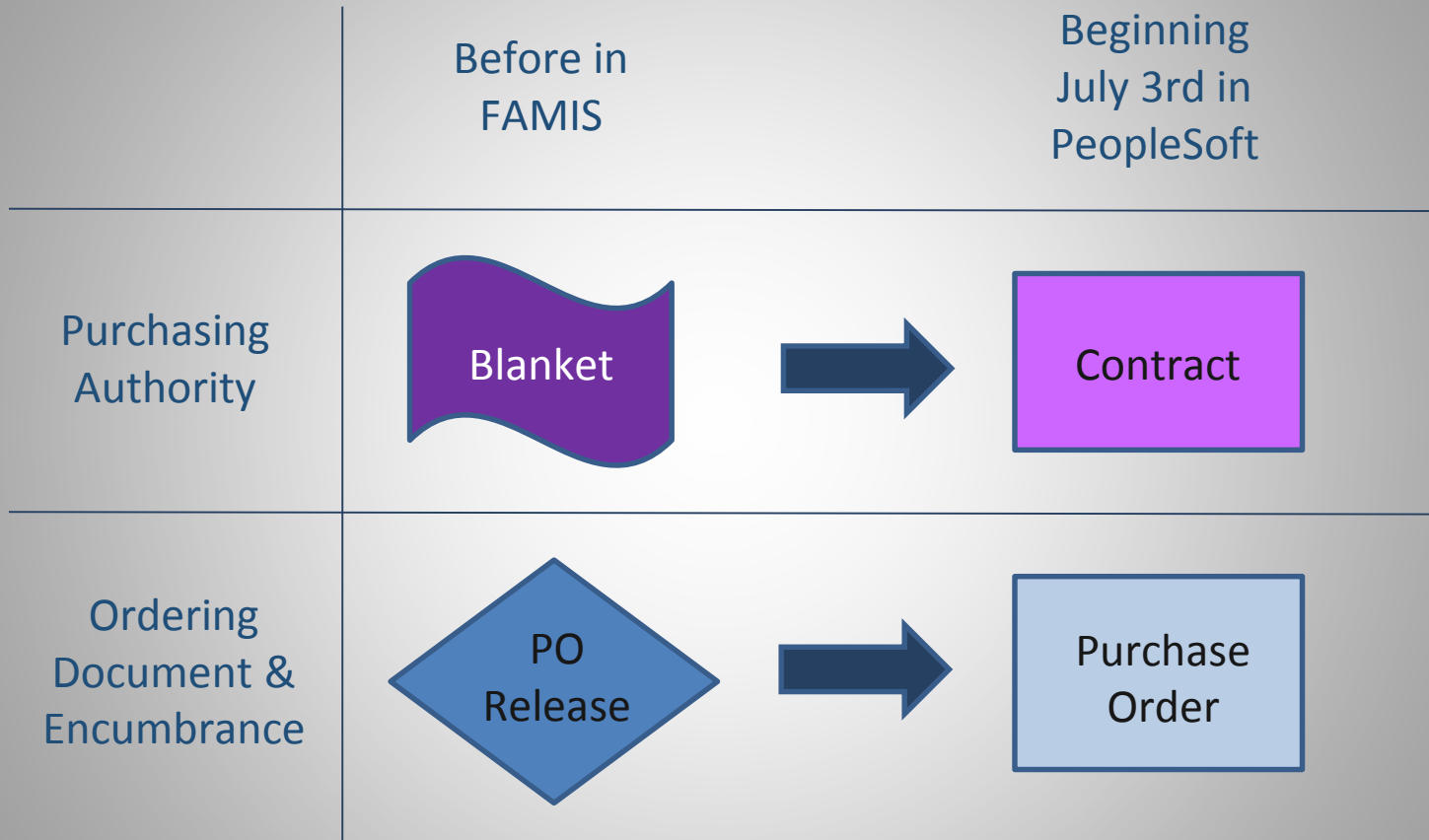
- Memo issued April 18, 2017 from Jaci Fong, Purchaser and Director of OCA
- From April 24, 2017 to June 27, 2017

Departmental blankets may be changed to end August 31, 2017, and increased up to \$60,000 (based on the spending limit of \$1,000/day) and not to exceed the current annual value of the blanket (for example, a \$10,000 blanket should only increase to \$20,000 - not \$70,000)

- Any blanket with an end date prior to July 3 will not be converted to PeopleSoft.
- Starting July 3, 2017, in PeopleSoft, Departments can renew, extend, or make changes to contracts. OCA recommends adding NIGP codes into the “Category” field to facilitate payment processing in the new system.

Remember to create new, change or renew any OMP contracts that were converted from FAMIS by August 31, 2017 for OCA review & approval.





Contracts

(formerly Blanket Purchase Orders)

- **Policies stay the same; the mechanism is different**
- **Contract Blanket Purchase Orders are going to be Contracts**
 - Used for signed formal contracts such as Professional Services, Equipment Maintenance, Lease Agreements and Software-related purchases.
 - PeopleSoft will record the formal agreement as a contract. Contracts must be amended if there are changes in amount (\$), term or scope of work.
 - No daily spending limit.
 - Contract Blanket Purchase orders with remaining balances and a term end date of July 1st or later will be converted into PeopleSoft.
 - All required documents such as evidence of BOS or Civil Service approval should be attached to the Contract in PeopleSoft after July 3.
- **Departmental Blanket Purchase Orders will also be Contracts**

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Contracts

(continued)

- **What used to be Departmental Blankets (DBs) are going to be Contracts**
 - Small dollar, frequent and repetitive purchases of unknown quantities from a specific vendor for a specified time period.
 - OCA recommends including Category (NIGP codes)
 - Appropriate for anticipated purchases over \$10,000 annually.
 - Include the following in the Add Comments section of the Header:
 - ❖ Reasons why the purchase cannot be bid
 - ❖ CMD database was checked for possible LBE vendors
 - ❖ Reasons why CMD approved LBE was not used (if applicable)
 - Be sure to include information elsewhere in the Contract:
 - ❖ Pricing, payment (prompt payment discounts) and delivery terms;
 - ❖ Beginning and expiration dates;
 - ❖ Description of product or service;
 - ❖ Supplier name and ID number.

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Purchase Orders

- Only purchase orders with open line items will be converted from FAMIS to PeopleSoft.
- “Purchase Orders” will replace DP Releases in PeopleSoft starting July 3.
 - Purchase Orders must be issued against contracts to encumber funds before orders are placed with vendors (Charter Section 3.105).
 - Use an NIGP Code in the Category field in the Purchase Order.
 - HINT: The “Amount Only” setting should be checked in the Purchase Order if it was not checked in the Contract. This allows for progressive payments and will avoid match override when making payments.



Processing of Payments without an Encumbrance

(formerly known as Direct Vouchers)

- Payments without an encumbrance violate City Charter Section 3.105(i)
- All disbursements of funds must be authorized by the Controller
- Justification for such payments must answer 4 questions:
 1. Why were funds not encumbered?
 2. Who authorized it?
 3. Why is the price reasonable?
 4. What procedures are being implemented to avoid recurrence?
- All transactions must be with compliant vendors
- All such payments are subject to post-audits

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Citywide Term Contracts

- Commodities and general services (office supplies, fuel, Technology purchases and CopySmart program)
- Departments must order term contract items only from the term contract vendor
- Departments can create Purchase Orders against the Contract
- An updated list of term contracts is posted on OCA's website at www.sfgov.org/oca on the Vendor Information page
- If the Contract was awarded as a percentage off a catalog price, the quote and invoice should both include the following information:
 1. the catalog price,
 2. the percent off and
 3. the resulting price.

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Paying Invoices

- 3-way match: purchase order, packing slip and invoice.
- Descriptions, quantities and prices should match.
- Invoice must be approved by someone other than the person who placed the order and other than the person who received the order.
- Approved invoices must be sent to Accounting for payment.
- Accounting reviews invoices and, if approved, creates Voucher for payment.
- Having the Category code from the PO will aid in creating the Voucher.



Technology Marketplace and IT Purchases

- To utilize the Technology Marketplace contracts in FY16-17 submit requisitions and receive CIO approval in FAMIS (Level 300) by June 2, 2017.
- Include the following information with the requisition:
 - Required CIO review: email approved quote form to cio.review@sfgov.org
 - Purchasing type “RT”
 - Input information as it appears on the quote (quantity, part numbers, and detailed descriptions for each line item – not all on 1 line with 1 total figure)
 - After last line item, enter the quote #, expiration date, vendor contact name and phone, admin fee, TC#, requestor’s name and phone number
- For professional IT services, notify Local 21 via this website:
<http://ifpte21.net/content/information-request-personal-services>



Vehicle and Heavy Equipment Purchases

- Vehicles and heavy equipment are processed by the centralized fleet buyers
- Send via email – subject line: (req. #, equip. budget #, and type of vehicle or heavy equip.) in addition to the following items to: fleetteam.oca@sfgov.org
 - Screen print of the FAMIS-Purchasing requisition or the PeopleSoft request
 - Separate line items for tire tax and extended warranties
 - Approved equipment budget number, substitution approvals, carry forward approvals, etc.
 - Fleet approval from Tom Fung, Director of Fleet Management on the VAR
 - Term Contract Order Sheet or technical specifications approved by Fleet Management
 - Current Fleet Term Contracts are available at:
<http://admweb/adminservices/fleetmgmt/default.htm>



IT and Vehicle/Heavy Equipment Contacts

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Technology Marketplace and IT:

Rob Henning, Assistant Director	(415) 554-6212
Shawn Peeters, Senior Purchaser	(415) 554-7030
Paul Cheng, Purchaser	(415) 554-6732
Diane Handa, Purchaser	(415) 554-6913

Vehicles/Heavy Equipment:

Lin Repola, Supervising Purchaser	(415) 554-4564
Mark Farley, Senior Purchaser	(415) 554-6257
Deborah Wells, Purchaser	(415) 554-4564



OCA Sole Source Waiver Form

- If there is only one source for the commodity or service
- Must submit the Sole Source Waiver Form [Form P-21.5(b)] to OCA before you finalize and submit for approval a requisition or blanket
- Follow the form's instructions and answer all questions in detail
- Written justification should be in the form of a memo that answers all the questions on the form
- Include transaction number (ADPICS or PeopleSoft) when possible
- If the transaction is for services, include CMD's 14B Waiver
- Include the approved waiver when submitting the transaction
- Plan ahead – don't assume that the waiver request will be approved

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Vendor Compliance Reminders

- Business Tax Status (FAMIS-Purchasing screen 9560)
- Equal Benefits Ordinance (FAMIS-Purchasing screen 9560)
- In PeopleSoft, Suppliers will be able to update Business Tax and Equal Benefits information, and submit other items, like insurance
- Supplier (formerly vendor) must be in the City file and have submitted a W9
- Minimum Compensation Ordinance (MCO) – services only
- Health Care Accountability Ordinance (HCAO) – services only
- LBE Compliance Affidavit (CMD Form 3) – service only
- States called out for allowing discrimination – see bottom of OCA’s webpage, Qualify to Do Business, for link to latest list
- Tax Collector Representative: (415) 554-6718
- CMD: www.sfgov.org/cmd (415) 581-2310
- OLSE: www.sfgov.org/olse (415) 554-7903

