

Preparing Purchasing Documents for Fiscal Year 16-17

Presented By:
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Reminders

Competitive Bidding Thresholds

- **Formal Bidding** – Must be advertised and Public Bid Opening
 - General Services: \$600,000 and over
 - Professional Services and Commodities: \$110,000 and over
- **Informal Bidding** – May be advertised and NO Public Bid Opening
 - General Services: \$10K up to \$600,000
 - Professional Services and Commodities: \$10K up to \$110,000
- **No Bidding Required** – < \$10K (OMP and Prop Q); three quotes recommended

Electronic Payments

- **Required of all new contracts & vendors** – sfgov.org/ach
 - For assistance: Rodel Ajoste ACH.Support@sfgov.org

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FAMIS Purchasing Document Posting Dates

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■ June 6, 2016

- Create new Departmental Blankets (DBPO) – The BPO effective date must be July 1, 2016 or later to ensure that the BPO is numbered to reflect FY 16-17
- Post Departmental Blankets (BPO with “DB” Purchasing Type) to OCA approval boxes
- Off-line Departments send all requests for Blankets and Release Forms for FY 16-17 to OCA for review, approval and input into FAMIS-Purchasing

■ June 13, 2016

- Post Contract Blankets (BPO with “CB” Purchasing type) for FY 16-17 to OCA approval boxes

■ July 1, 2016

- Post Purchase Order Releases for FY 16-17 to OCA approval boxes



Blanket Purchase Orders

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■ **Contract Blanket Purchase Orders (CB)**

- Used for signed formal contracts such as Professional Services, Equipment Maintenance, Lease Agreements and Software-related purchases
- Each contract should have a blanket regardless of term length. Blanket should be amended for changes in amount
- No daily spending limit
- Various types of Purchasing authorities may apply

■ **Departmental Blanket Purchase Orders (DB)**

- Small dollar, frequent and repetitive purchases of unknown quantities from a specific vendor for a specified time period, historically over \$10K annually. Usually Open Market Purchase (OMP); \$1,000 per day spending limit
- BPOs do not encumber funds. PO releases do.



Blanket Purchase Orders (CBs)

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- **Contract Blankets for Professional Services and Other Formal Agreements (CBs)**
 - Professional Services, Equipment Maintenance, Lease Agreements, or Software-related purchases must be established in FAMIS-Purchasing as a Blanket PO, CB type. Do not use “CS” Purchasing type.
 - To avoid delays, include the contract checklist (P-600 or P-601) and complete attachments (with the FAMIS-Purchasing document numbers) such as sole source waiver, current insurance and additional insured endorsements
 - Include a copy of the Board of Supervisors’ approval if greater than \$10 million or 10 years (Charter Section 9.118)
 - Send an email to OCA@sfgov.org when the blanket is in the approval path and the documents are on their way to OCA at City Hall, Room 430



Blanket Purchase Orders (DBs)

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■ **Departmental Blankets (DBs)**

- Check commodity code and title for blanket accuracy
- OCA does not accept departmental blankets below \$10K unless the recommended vendor is an LBE
- Include the following in the Notepad:
 - ❖ 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)
 - ❖ In the Specification section of the blanket, include: pricing terms, payment terms (note: ask if a prompt payment discount is available), delivery terms, delivery lead time, description of product or service, commodity code(s), and vendor account number.
 - ❖ Authority is usually Open Market Purchase (OMP)



PO Release

- **Purchase Order (PO) release against Blanket Purchase Orders (BPOs)**
 - PO releases must be issued against BPOs to encumber funds before orders are placed with vendors (Charter Section 3.105)
 - PO releases are created in FAMIS-Purchasing Screen 2360
 - Attach a copy of the contract agreement (including all exhibits and appendices) to the release when sending to the contractor/vendor and keep a copy for the file
 - Invoices must be coded as Single Order or Progress Payment

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Delegated Department Purchasing (DDP/Prop Q)

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- Departments issue direct POs following the DDP (Prop Q) guidelines for up to \$10K (tax and shipping included) for products and general services
 - No professional services, computer/IT equipment & services, construction, term contract items, lease purchase transactions, or vehicles/heavy equipment
 - No order splitting
- Purchase Authority codes are PROPQ-BID and PROPQ-NO BID
- Department Heads submit a roster to OCA of the employees who are authorized
- Authorized employees are required to attend Prop Q training classes every three years, and submit file Form 700 Statement of Economic Interests with their departments
- All DDP (PropQ) purchases are subject to post-audits
- For more info., contact Rachel Gage at: rachel.gage@sfgov.org



Direct Voucher Processing

- DV payments are used in unusual situations when funds were not encumbered first
- DVs \$1K or more are reviewed by OCA
- Justification answering 4 questions must be provided in the Notepad for all DV's: Why were funds not encumbered? Who authorized it? Why is the price reasonable? What procedures are being implemented to avoid recurrence?
- All transactions must be with compliant vendors
- All DV transaction are subject to post-audits

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Citywide Term Contracts

- Commodities and general services (office supplies, fuel, Technology Marketplace and CopySmart program)
- Departments must order term contract items only from the term contract vendor
- Department creates Dept. PO releases against the Citywide BPO
- Ordering initiator must be different from order approver
- An updated list of term contracts is posted on OCA's website at www.sfgov.org/oca on the Vendor Information page

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Paying Invoices

- 3-way match: purchase order, packing slip and invoice
- Descriptions, quantities and prices should match
- Invoice must be signed 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 signs as approved

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Technology Marketplace and IT Purchases

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- Technology Marketplace and IT purchases are processed by the IT buyers
- 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 one line with total dollar amount)
 - After last line item, enter the quote #, expiration date, vendor contact name and phone, admin fee, TC#, City requestor and phone number
- Departments who intend to utilize the Technology Marketplace contracts must submit their completed requisitions and get CIO approval in FAMIS (level 300) to OCA by June 2, 2016.
- For professional IT services, notify Local 21 via this website:
<http://ifpte21.net/content/information-request-personal-services>



Vehicle and Heavy Equipment Purchases

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- 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
 - 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
 - Clean air approval from Dept. of Environment unless the vehicle is electric, compressed natural gas fueled, or a Hybrid
 - 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

Technology Marketplace and IT:

Greg Pustelnik, Supervising Purchaser	(415) 554-6264
Michelle Wong, Senior Purchaser	(415) 554-6217
Diane Handa, Purchaser	(415) 554-6913

Vehicles/Heavy Equipment:

Mark Farley, Senior Purchaser	(415) 554-6257
Lin Repola, Senior Purchaser	(415) 554-4564
Carmen Omran, Acting Purchaser	(415) 554-6732

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Approval Path Requirements

- Documents in FAMIS-Purchasing and FAMIS-Accounting require at least one online departmental approver
- Approver must be someone other than the initiator



OCA Sole Source Waiver Form

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- 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 submit 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 FAMIS-Purchasing transaction number when possible
- If the transaction is for services, include CMD's 14B Waiver
- Include the approved waiver when submitting the FAMIS-Purchasing transaction
- Plan ahead – don't assume that the waiver request will be approved



Transactions in FAMIS Accounting (Non-Purchasing)

- Construction (with liens or retention)
- Refunds
- Travel
- External Training (conferences, workshops, classroom style, etc.)
- Claims
- Employee Reimbursement
- Court-Related Payments
- Membership or Dues
- Official Advertising
- Postage
- Periodicals and Subscriptions (not online services)
- Utilities

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Vendor Compliance Reminders

- Business Tax Status (FAMIS-Purchasing screen 9560)
 - Equal Benefits Ordinance (FAMIS-Purchasing screen 9560)
 - Vendor must be in the vendor file and have submitted a W9
 - Sweatfree Contracting Ordinance – textiles and garments
 - Slavery Era Disclosure Ordinance – financial and insurance
 - Minimum Compensation Ordinance (MCO) – services only
 - Health Care Accountability Ordinance (HCAO) – services only
 - LBE Compliance Affidavit (CMD Form 3) – service only
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- Tax Collector Representative: (415) 554-6718
 - CMD: www.sfgov.org/cmd (415) 581-2310
 - OLSE: www.sfgov.org/olse (415) 554-7903

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