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Welcome!

Procurement Training 101

Presented By: Sean Dermody, Assistant VP for Regional Procurement Services

October 6, 2021

Agenda

- Welcome and Overview
- Procurement Overview
  - Objectives
  - Process
  - Procurement Tools and Hierarchies
  - Procurement Thresholds
  - Common Issues
  - Authority to Procure
  - Responsibilities
  - Tips
- eProcurement
- Questions
- References

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Overview

- Goals of training
  - Provide a refresher on NYS Procurement requirements
  - Provide an overview of the eProcurement Project
  - Provide resources for navigating procurement requirements

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Procurement Overview

Procurement: A Perspective

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What is Procurement?

The acquisition of goods and/or services

New York State Procurement Guidelines, Page 2

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Procurement Program Objective

"The University's basic procurement objective is to secure the most appropriate materials, supplies, equipment and services from the most reasonable and responsible sources, consistent with quality requirements and delivery needs as will best promote the interests of the University"

SUNY Policy # 7553 – Purchasing and Contracting

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Responsibilities of State Agencies

The primary responsibility for procurement rests with State Agencies to comply with NYS and SUNY Policies and adhere to general principles such as making reasonable efforts to ensure vendors are aware, adhering to a defined process, and collecting appropriate documentation.

New York State Procurement Guidelines, Page 2-3

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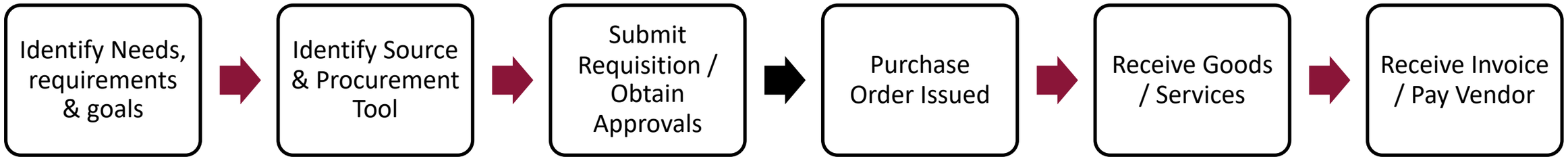
The State's process is designed to:

- Ensure fair and open competition;
- Guard against favoritism, improvidence, extravagances, fraud and corruption;
- Ensure that the results meet agency needs;
- Provide for checks and balances to regulate and oversee agency procurement activities; and
- Protect the interests of the State and its taxpayers.

BEST ACHIEVED THROUGH A FAIR AND OPEN COMPETITIVE PROCESS WHETHER <u>FORMAL</u> OR <u>INFORMAL</u>

New York State Procurement Guidelines, Page 2

The Procurement Process



New York State Procurement Guidelines, Page 5

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Procurement Tools & Hierarchy

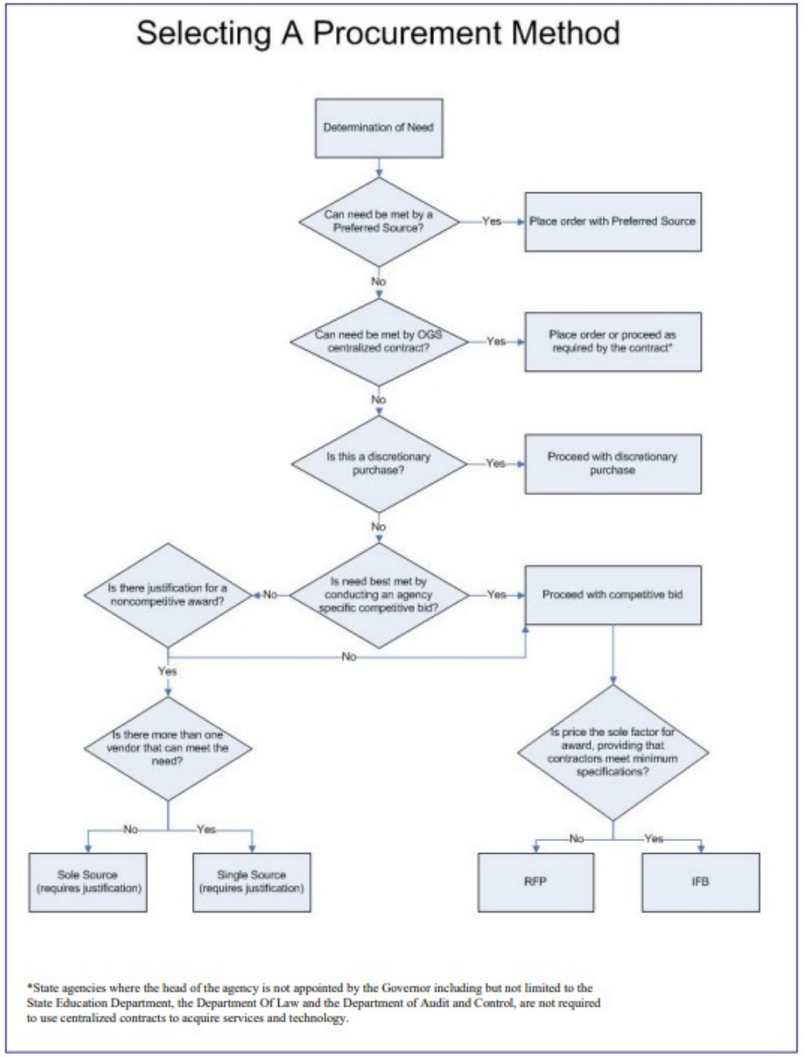
1) Preferred source offerings;

2) OGS centralized commodity contracts;

3) SUNY U-Wide contracts or existing Campus Contracts;

4) An “open market” procurement

- Formal (IFB, RFP)
- Discretionary



New York State Procurement Guidelines, Pages 4-5

Open Market Procurements

If the commodity or service cannot be purchased from an existing source, then we procure through an Open Market procurement.

There are four sets of requirements that purchases must meet depending upon dollar threshold.

- Advertisement
- Competitive Selection (formal or informal)
- Pre-approval
- Minority / Women Owned Business Enterprises (M/WBE) Goals

New York State Procurement Guidelines, Pages 4-5

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Purchase Amount[2]	Advertising	Competitive Selection	Outside Prior Approvals[3]	M/WBE Goals
Purchases up to $2,500.00	No Publication in New York State Contract Reporter required	No competitive selection required. However, the department should take steps to ensure price is reasonable and be able to justify, if requested	No outside approval generally required	No M/WBE goals required
$2,500.01 to $10,000.00	Same as above	No competitive selection required. However, written justification for vendor selection and price justification must be kept.	Same as above	Same as above
$10,000.01 to $49,999.99	Quarterly Publication in New York State Contract Reporter required	Same as above[4]	Same as above	M/WBE goals required for service, commodity, and construction-related service contracts exceeding $25,000
$50,000.00 to $125,000.00	15-day notice in New York State Contract Reporter required	Competitive selection required. Must solicit a minimum of three informal quotations from vendors[4]	Same as above	M/WBE goals required for service, commodity, and construction-related service contracts. Construction contracts exceeding $100,000 must also have MWBE goals
$125,000.01 to $249,999.99	Same as above	Competitive selection generally required.[5] Must solicit a minimum of five formal sealed bids or proposals	Same as above	M/WBE goals required
$250,000.00 or More	Same as above	Same as above[5]	Must be pre-approved by the Attorney General and Office of State Comptroller[6]	Same as above

Determining Procurement Value

For purpose of determining the value, state agencies need to procure is based on the anticipated, aggregated purchases for the same commodity or services within twelve months. For multi-year contracts, the total value of the contract across its life should be used.

State agencies cannot split contracts to avoid procurement requirements (either by carving up each year or by paying for components separately).

If the procurement is for the campus, these requirements must be met regardless of funding source.

New York State Procurement Guidelines, Pages 4-5

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Thresholds: Purchases up to $2,500

- No formal documentation required….
  - *But should still comply with procurement hierarchy and be able to justify reasonableness of price and selection of the vendor*

Advertising	Competitive Selection	Outside Prior Approvals	M/WBE Goals
No Advertisement Required	No Formal Competition Required	None Required	None Required

SUNY Policy # 7553 – Purchasing and Contracting

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Thresholds: Purchases between $2,500.01 and $49,999.99

- Need to have written documentation supporting reasonableness of price and selection of vendor (comparable quotes)
- Need M/WBE Goals (if over $25,000)

Advertising	Competitive Selection	Outside Prior Approvals	M/WBE Goals
Quarterly Publication in New York State Contract Reporter required (>10K)	No competitive selection required. However, written justification for selection of vendor and reasonableness of price is needed	None Required	M/WBE goals required for service, commodity, and construction-related service contracts exceeding $25,000

SUNY Policy # 7553 – Purchasing and Contracting

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Thresholds: Purchases between $50,000 and $125,000

- Must advertise for 15-days
- Need minimum three quotes
- Need M/WBE Goals

Advertising	Competitive Selection	Outside Prior Approvals	M/WBE Goals
15-day notice in New York State Contract Reporter required	Competitive selection required. Must solicit a minimum of three informal quotations from vendors4	None Required	M/WBE goals required for service, commodity, and construction-related service contracts > $25K and construction > $100K

SUNY Policy # 7553 – Purchasing and Contracting

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Thresholds: Purchases above $125,000

- Must advertise for 15-days
- Must engage in formal procurement (RFP, IFB)
- Need outside approvals (>250K)
- Need M/WBE Goals

Advertising	Competitive Selection	Outside Prior Approvals	M/WBE Goals
15-day notice in New York State Contract Reporter required	Formal RFP / IFB Required	Must be pre-approved by the Attorney General and Office of State Comptroller (if approve $250K)	M/WBE goals required

SUNY Policy # 7553 – Purchasing and Contracting

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Common Purchasing Issues

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Problematic Expenditures

- Alcohol
- Bottled Water
- Cash
- Gifts, Gift Cards
- Insurance

New York State Procurement Guidelines, Pages 4-5

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Miscellaneous Requirements

Authorized Contract Signatories: Contracts may only be signed by authorized officials whose signatures have been filed with the Office of State Comptroller (S.T.F. Article VII, § 110). Therefore, all purchases must be first approved by Purchasing and Payables prior to orders being placed. Individuals who place orders without appropriate authorization may be held personally liable for the expense since they do not possess the legal authority to place the order.

Selling Goods or Services to the State: No State officer or employee shall sell any goods or services having a value in excess of $25 to any State agency unless such goods or services are provided pursuant to an award or contract let after public notice and competitive bidding (P.O.L. 73(4)).

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Miscellaneous Requirements

Project Sunlight: Decision makers and their Advisors must report any in-person or remote meetings with vendors about procurements valued at $25,000 to Purchasing and Payables within 3 days so it can be reported to the Project Sunlight database accessible to the public.

Procurement Lobbying: For procurements valued at $15,000 or above, vendors are prohibited from communicating with anyone except designated officials. They must refrain from any communication designed to unduly influence the award, denial or amendment of a contract. Report all contacts to Purchasing and Payables (S.T.F. Article IX, § 139 j-K).

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Procurement Responsibilities

- Requester
  - Confirm it is an allowable, appropriate purchase
  - Prepare purchase requisition
  - Attach supporting documentation
  - As needed, confirm goods or services received and in acceptable condition
- Account Owner / President's Council Designee
  - Review justification and confirm the purchase is allowable, appropriate and a documented business need
  - Confirm funding is available
  - Sign purchase requisition

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Procurement Responsibilities

Regional CFO or Designee

- Review justification and confirm the purchase is allowable, appropriate, and a documented business need.
- Sign purchase orders / contracts

Purchasing & Payables

- Issue purchase orders and contracts to vendors
- Review terms and conditions for conformance with state rules
- Prepare advertisements / formal procurements (RFP, IFB) with departments
- Process payment to vendors
- Support audit activities

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Best Practices for Ensuring a Successful Procurement

- Tip # 1: Requisitions should be completed, by accompanied by supporting documentation, and include appropriate justification for the business need and criticality.
- Tip # 2: Know what is available through Preferred Sources, NYS Contracts, and SUNY U-Wide Contracts and buy from those sources first. If you need help, let us know.
- Tip # 3: For purchases above $2,500, obtain two comparable quotes or provide other written documentation justifying reasonableness of price / selection of vendor.
- Tip # 4: Consult with Purchasing and Payables on procurement valued at $50,000.00 or more. At this level, there are significantly more formal requirements.
- Tip # 5: Procurement has lots of rules…..if you need help, please let us know!

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eProcurement

Key Functions

- Jaggaer is an eProcurement System procured by SUNY as part of a system-wide strategic initiative.

- Jaggaer includes:
  - Shopping (Contract and Non-Contract)
  - Requisition Workflow
  - Purchase Order Workflow with automated distribution
  - Receiving
  - Electronic and paper-based invoicing
  - Contract Management
  - Sourcing Management

Fully online system – no paper required and with clear transparency throughout the entire process.

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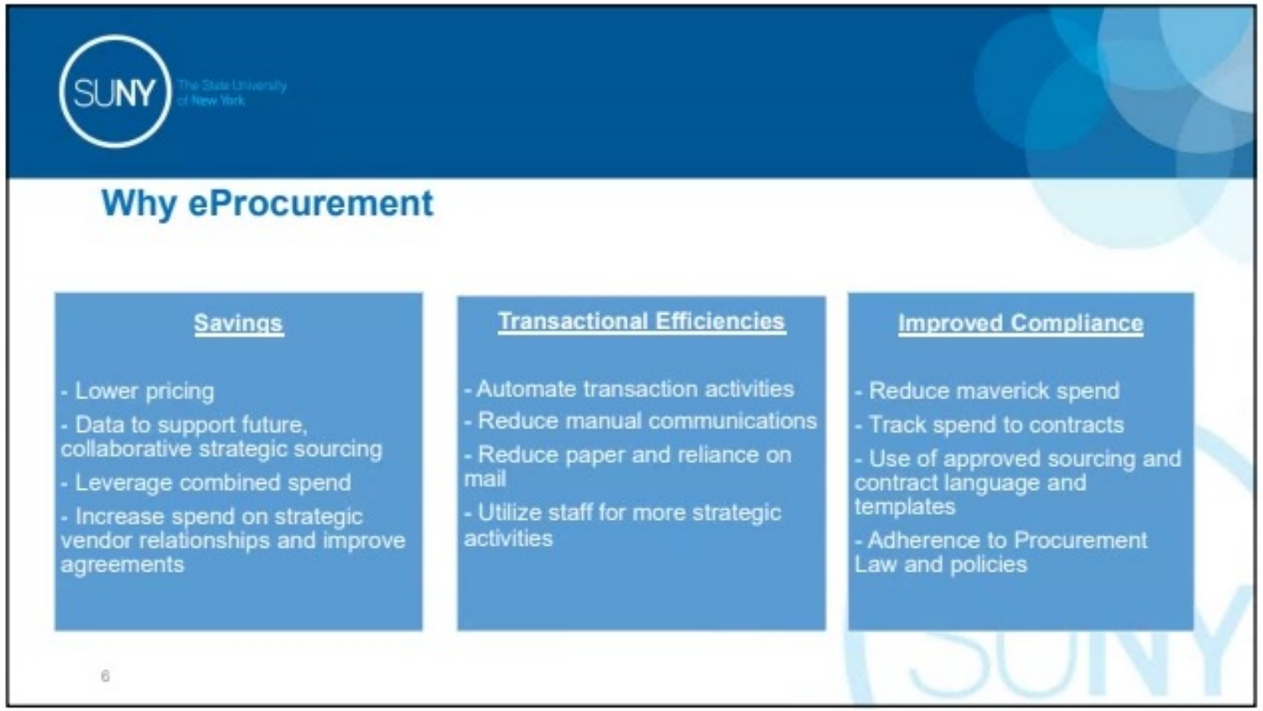
Objective

Implement an eProcurement solution which will result in savings, efficiencies, and increased compliance through strategic sourcing opportunities, more efficient and standardized processes, and an online, optimized shopping experience.



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Fast Facts

- Number of campuses with Jaggaer implemented: 7
- Number of campuses planning to implement: 12
- % of state-operated SUNY institutions who are / plan to implement Jaggaer: 59
- Number of POs completed in last 90 days (all campuses): 16,715 (60)
- Number of Vouchers (payments) completed in Last 90 Days (all campuses): 18,533 (50)
- First campuses to implement as a Procurement Shared Services: Potsdam and Plattsburgh!

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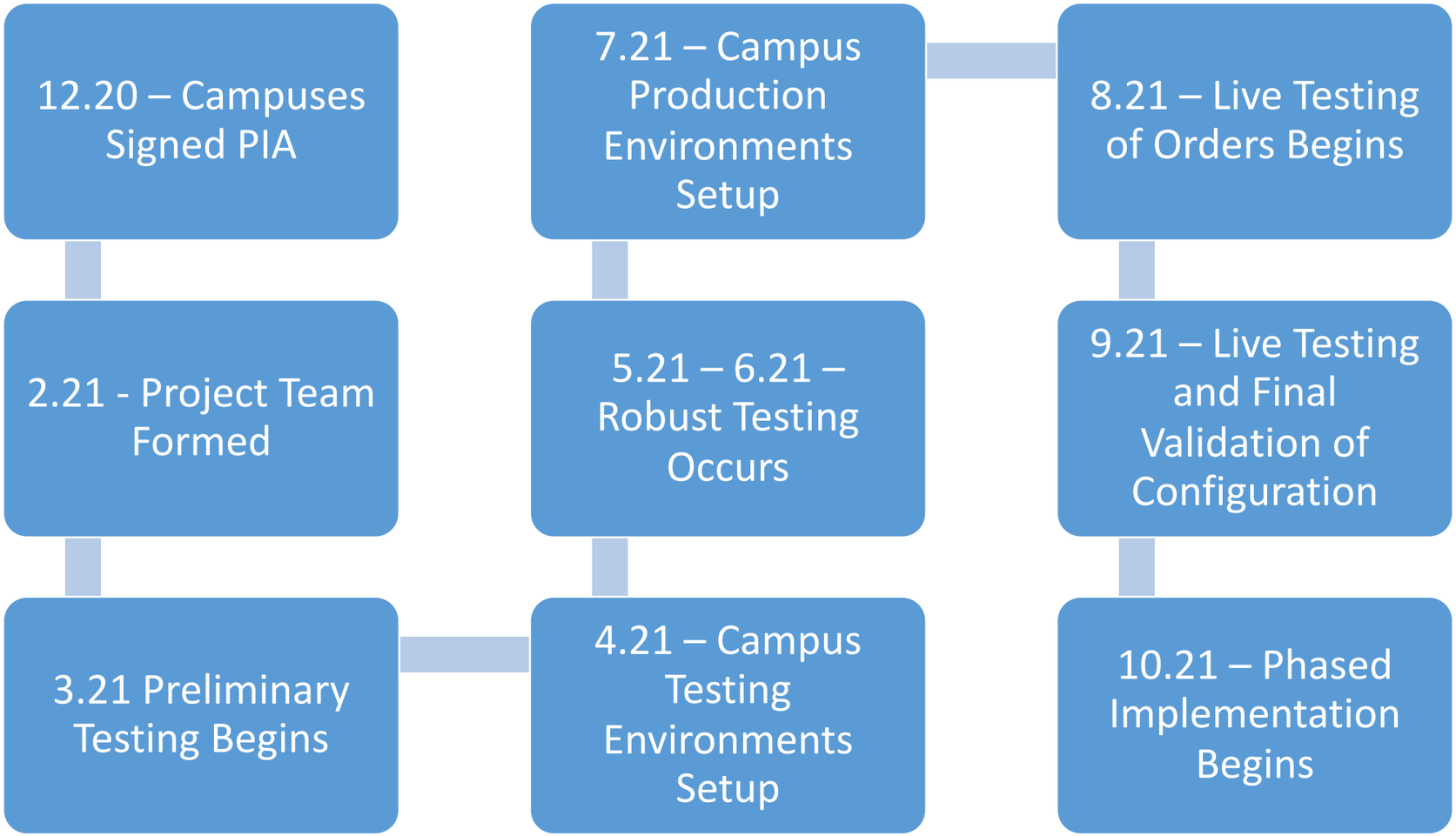
Timeline



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Questions

References

- SUNY Contracts and Purchasing Policy
- New York State Procurement Guidelines
- Purchasing and Payables Website
- Office of State Comptroller Guide to Financial Operations
- JCOPE Plain Language Guide to Public Officer’s Law
- JCOPE Plain Language Guide to Procurement Lobbying
- Project Sunlight Website
- Glossary of Terms

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