

# Supply Chain Management (SCM)

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# What department should you work with?

## Different Contracting Departments

Most Berkeley agreements are handled by one of the following four offices:

- Business Contracts Brand Protection (BCBP) – Incoming funds
- Sponsored Projects Office (SPO) – Federal Contracts and Grants
- Industry Alliances Office (IAO) – Industry Research Partners
- Supply Chain Management (SCM) – Purchases of Goods & Services (usually Outgoing funds)

For more information on Berkeley's contracting process including a decision tree for use in determining the appropriate office visit the [BCBP website](#).

## Campus Shared Services - Low Value Purchase Orders for goods and/or services & low risk commodities

The authority to purchase low risk goods under \$5,000.00 per Purchase Order transaction are processed by [Campus Shared Services](#). Low Risk Goods are defined as consumer electronics, equipment, or consumable goods that are available to the general public. Order categories that fall into any Special Considerations will be sent to a SCM Buyer.

# What department should you work with?

## **SCM - High Value Purchase Orders for goods and/or services & Risky commodities**

SCM Buyer's will process orders that fall into one of the Special Consideration categories at "any dollar" value and/or if the request is over "\$4,999". They have delegated authority to execute Agreements and/or Purchase Orders that might involving negotiating the UC terms.

### Special Considerations:

- [Specialized Goods](#)
- [Insurance & Indemnification](#)
- [Intellectual Property](#)
- [Brand Protection](#)
- [Services performed on campus or that displace UC employees](#)
- [Data Security & Protected Information](#): PHI, PII, FERPA, PCI
- [Cloud / Website / On-line Services](#) - Software as a Service (SaaS)
- [Conflict of Interest](#)
- [Independent Contractors or Consultants](#) & [Professional](#) or [Personal Services](#)

# When should you work with SPO vs SCM?

## Subrecipient vs Supplier [Determination sheet](#)

### **SPO will manage the Sub-award process with Subrecipients**

- Subrecipient: An outside entity that has agreed to work in collaboration with Berkeley to perform a substantive portion of the programmatic effort on an award and is closely involved in programmatic decision-making.
- Supplier / Independent Contractor: An individual or business that supplies goods or services to the competitive market.

### **SCM will manage Purchase Orders / Agreements that support Research Projects**

- Federal and State Procurement regulations apply to acquisitions of goods and services over the Micro Threshold limit of \$3,500.
- Naming a Supplier on proposals and awards may not mean that the supplier can perform the work without bidding for ordinary goods and services.
- Supplier selection must comply with applicable laws and regulations which generally require demonstrating the most advantageous balance of price, quality, service, performance, supplier diversity, and other elements by using lowest cost or a Best Value methodology to award a contract.
- Departments with needs for contracts worth \$100,000 or more should contact [Supply Chain Management](#) for guidance prior to the start of research to avoid delays.

# Teams within SCM

## Procurement

- Contract for goods and services outside Departmental Delegation limits of \$4999.
- Provide guidance for UC policy and statutory compliance. Collaborate with policy owners.
- Work with Suppliers to negotiate the most advantageous terms for the UC.

## Strategic Sourcing

- Analyze Campus Spend and Identify opportunities for Savings with Strategic Suppliers
- Promote use of Contracted Suppliers to provide best products, pricing, and services levels for campus.
- Manage Supplier Performance for Strategic Suppliers, including BearBuy catalogs.

## Supplier Diversity

- Assists campus with small business plans to achieve Federal utilization goals per FAR.
- Assists fair share goals for EPA cooperative agreements according to 40 CFR and reports minority business enterprise & women business enterprise spend reports.

## Vendoring

- Manage the Supplier's information in Bear Buy / BFS by the addition of a new Supplier or updates to existing Supplier information with the [Substitute W-9 and Supplier Information Form](#).

## Bear Buy

- University Procure to Pay Solution which includes contracted and non-contracted ordering.
- For Technical support, contact Bear Buy at [bearbuyhelp@berkeley.edu](mailto:bearbuyhelp@berkeley.edu) to generate a ticket.

# Working with SCM

## Required PO Documentation

**Purchase Orders for Contracted or Catalog Items**, don't always need the back up documentation listed below. This report lists all of the [contracts in Bear Buy](#) as of March 2018. The [Bear Buy contracts database](#) contains the current list of Supplier Contracts.

When processing requisitions that are less than \$100,000 and not on an **existing contract**, your Buyer will need the following items to be compliant for audit for the different [goods and services](#).

1. **Source justification & price reasonableness** - Department to fill out to satisfy Federal or State procurement audit requirements (needed for federally funded orders over \$3.5K and state funds over \$10K)
2. **Statement of work** - The SOW can be as simple as a few sentences or complex depending on the nature of services. [Statement of Work Template](#) - Clarifies the departments needs for services to help prevent ambiguity or future disputes from the Supplier. A Statement of Work should include the project scope defining the required deliverables, due dates, intellectual property, period of performance, payment rates and terms. *Link to sample SOW's: [SOW RFP 020217CL v1.pdf](#) & [SOW RFP 040417CL .pdf](#).*

# Working with SCM

## Required PO Documents Cont.

3. **Suppliers proposal** - Supplier to provide based on the elements in the SOW
4. **Conflict of interest** - Supplier to fill out
5. **Pre hire worksheet** - Department to fill out when services are being requested that might be classified as an employee
6. **CA partial tax exemption form** - For research equipment orders
7. **Insurance** - Department to provide if possible.

**Supplier's Insurance information:** The [SCM Supplier page](#) provides guidance for prospective Suppliers. Depending on the level of risk, the insurance amounts may vary (Professional, Cyber, Transportation, Health, etc.). It is the Buyers responsibility to review the statement of work with Risk Services if they believe there are additional requirements that might be needed. Suppliers that don't already have insurance can use the UC insurance program with Mercer where they pay a flat fee of \$500 (approx. cost) per year for General Liability insurance coverage.

# Orders $\geq$ \$100,000

**Competition:** Solicitations and bid documentation will be gathered by the Buyer and used to satisfy audit requirements. The department doesn't need to provide back up documentation other than the Statement of Work. This process usually takes around 3 months or longer depending on the complexity.

**Exempt from Bidding:** If your Buyer determines the order is exempt from bidding requirements, you will need to provide the items 1-7 on the previous page. Allowable Exemptions are:

- Unusual & Compelling Urgency: Failure to act immediately might result in significant bodily harm, significant property loss or damage, violations of law or of University policies or cause significant liability to the University or to members of the University community.
- Professional or Personal services:
  - Professional services include medicine, medical services, legal, accounting, architectural, or engineering services. (Supplier has a professional license; is licensed by a regulatory body; and/or is able to obtain professional errors and omissions insurance).
  - Personal services that are technical or unique functions that are distinctly qualified to render the services; such as performing arts or artists.
- Sole source: The goods and/or services are only available from one source, the goods and/or services are proprietary and are the only ones which will properly meet the needs of the University, or there is a need for compatibility (Designated to match others used in or furnished to a particular installation, facility, or location).



# Why do we need back up documentation?

## Policy Overview: audit compliance

- Due to Federal and State or UC Regulations, backup documentation is required for audits.
- The UC system as a California Public Corporation must comply with the CA Public Contract Code (PCC); [Sections 10500-10526](#).
- The UC Policy: [BFB-BUS-43](#) Purchase of Goods and Services; Supply Chain Management (Formerly titled Materiel Management) defines the procedures SCM will adhere to in order to be compliant with the PCC.
- Berkeley Serves on the UCOP [Procurement Policy Legal Documents](#) team.
- The primary goal is to standardize and simplify Procurement legal templates and ensure they and related tools are up to date with the ever changing legal requirements.
- Team representative since 2013 when the group was formed and known as the Standardization Team. To standardize, we realized we needed to update policy, the UC's Terms and Conditions, and legal templates.
- We aim to reduce risk for the UC and create uniform practices from the 10 UC's that interface with the same Supplier base.

# Amendments & Change Orders

## Change Orders

The Purchase Order (PO) is used as a payment mechanism to a Supplier when used in conjunction with an executed Agreement or as a stand alone contractual obligation if an Agreement wasn't drafted. Managing updates to the Purchase Order requires a Change Order to modify the dollar amount, service dates, or update the chartstrings.

PO's should be for one fiscal year unless it was awarded a multi-year competitive bid conducted by Supply Chain Management. A new PO may need to be created depending on the circumstances (i.e. the new Goods and/or Services fall outside the original SOW).

PO's that list a Buyer's name or have a revised value  $\geq \$5,000$ : Enter a comment in the existing PO addressed to your department's assigned SCM Buyer providing the information listed in "Amendments to Agreements" or "Change Orders to existing PO's" depending on the nature of the change.

PO's that don't have a Buyer's name and/or  $\leq \$4,999$ : If the PO is low value and/or doesn't contain a Buyer's name, you will need to enter a comment in the PO addressed to **CSS Change Order Staff** using the following email [bnfscshelp@berkeley.edu](mailto:bnfscshelp@berkeley.edu) ([link sends e-mail](#)) in the "add email recipient" link. Change Order Preparers cannot change the purchase price on orders when the change exceeds their Low Value Delegation Authority of  $\leq \$4,999$ .

# Amendments & Change Orders

## Amendments

For [Amendments & Change Orders](#), back up documentation is needed when there is an increase in funds or a material change to the Statement of Work. Time extensions don't need back up documents unless the insurance has expired.

Initiating Amendments to Agreements: Use the [amendment form](#) to document the changes to the Agreement for your assigned Buyer to execute it with the Supplier. You can locate your assigned Buyer by searching with your Org Node and department name on our [website matrix](#).

The department must provide a justification for the changes including any new service end dates.

- What services have been added to change the existing statement of work; key tasks, activities, impact to deliverables and completion time-frame, changes in individuals with coordination responsibilities, etc.
- Suppliers updated proposal that shows the amended pricing, compensation, expenses and payment terms. Itemize as appropriate. Are there additional payment fees: Time & Material, Fixed Rate, or based on Milestone. What was the original Contract amount?
- Supplier's most up-to-date insurance certificate if the original certificate is expired.

# Procurement Contacts

## How to find your Buyer

Use your department name or Org Node to search for your [assigned Buyer](#) in the matrix.

## SCM [Directory](#)

Acting Chief Procurement Officer: Stacey Templeman

Procurement Manager: Laurina Ashby

Procurement Supervisor: Mike Murphy

Buyers: Renita Esclovon, Christine Lee, Norma Jones, Kathryn Wight, Jennifer Uy, Patrick Montoya, Joy Carchidi, Skip Calvo, Luis Diaz

Sourcing: Alex Butler & Carl Di Giorgio

[Supplier Diversity](#) Administrator: Carl Di Giorgio

# Resources

The Supply Chain Management website is the source for the most up to date training content.

## Quick Reference Guide

Who can sign a contract or approve a PO? What is [delegation of authority](#)?

What [department should I work with](#)?

Why does the UC need [PO back up documentation](#)? [Policy overview](#)

Conflict of Interest; Supplier's and UC Employees

How to set up a new Supplier or change an existing Supplier's information. [Supplier on boarding form](#)

What do Suppliers need to know before [doing business with the UC](#)?

Bear Buy ordering

- How to order from [Bear Buy catalogs](#).
- How to order from existing contracts [Bear Buy agreements](#) and [UCOP system wide agreements](#)
- How to create a [requisition for goods and/or services](#).
- What form do I use? [Goods - Non-Catalog Form & Services – Service Order Form](#)

Department orders that bypass a SCM Buyer:

- Shopper not approved for any dollar value of orders
- BluCard / Event Planner Card, spend under \$5,000
- Req Creator approved Purchase Order/Catalog, spend under \$1,000
- Req Creator can approved Catalog or Contract, spend under \$100,000

CSS Procurement order review and approval:

- Below the low value threshold and are considered low risk goods and services, spend under \$10,000
- How do I contact the CSS Req Creator assigned to my department? Email [bnfscsshhelp@berkeley.edu](mailto:bnfscsshhelp@berkeley.edu).

SCM Procurement order review and approval:

- Below the low value threshold or falls into one of the [Special Consideration categories](#), spend under \$10,000
- Above the low value threshold, spend greater than or equal to \$10,000
- Over the competitive bid requirement, spend greater than or equal to \$100,000

# Resources Continued

## Quick Reference Guide, Continued

### Supply Chain Management Procurement:

- Who is my department [assigned Buyer](#)?
- [Required PO documents](#) / [Procurement forms](#)
- [Special Considerations](#) / [Restricted items](#) – require Buyer Intervention at any dollar value
- [Goods & Services with specific purchasing procedures](#)
- [Competitive Bidding](#)
- [Blanket PO's](#)
- [Tax guidelines](#)
- [Amendments & Change Orders](#)
- [Service Levels](#)

### Accounts Payable, Controllers Office

- [Helpful hints for Supplier](#); invoicing, wire transfer, payment options.
- How do I track the [status of the invoice payment](#)?
- Who do I contact to [expedite an invoice payment](#)?
- What are the [UCB preferred terms](#)?

# Questions



**SCM would like to hear how we can better support you. We have a survey on our homepage if you are interested in providing feedback.**