BUSINESS OPERATIONS
DIVISION MONTHLY REPORT

JUNE 2017
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FIGURE 1. This graph summarizes the business sectors (excluding Construction) with annual spend at least $1 million for Fiscal Year 2012-2015. One of our Business Operations Bold Steps includes Spend Analysis which focuses on savings, quality, and efficiency. The spend areas currently under analysis are noted by an asterisk (*): Information Technology, Stationary & Office Products, Utilities & Energy, and Waste & Environmental Services. There are reports available upon request. Business Operations anticipates continuing to collect and organize this data. For more information, please contact Grace Crickette at gracexc@sfsu.edu.

NOTE: represents San Francisco State University Student Enrollment (Valuation Date: April 2017, Data Source: http://puboff.sfsu.edu/sfsufact/archive).
NOTE: represents San Francisco State University Student Enrollment (Valuation Date: April 2017, Data Source: http://puboff.sfsu.edu/sfsufact/archive).

FIGURE 2. This graph summarizes the business sectors (including Construction) with annual spend at least $1.5 million for Fiscal Year 2012-2015. One of our Business Operations Bold Steps includes Spend Analysis which focuses on savings, quality, and efficiency. The spend areas currently under analysis are noted by an asterisk (*): Information Technology, Utilities & Energy, and Waste & Environmental Services. There are reports available upon request. Business Operations anticipates continuing to collect and organize this data. For more information, please contact Grace Crickette at gracec@sfsu.edu.
**FIGURE 1.** The figure above depicts the current state of Practice Directives within Administration & Finance (A&F). The Compliance & Policy Management program began in fall 2016 with the aim of simplifying complexity and providing straightforward policy information to the campus community through standardization and consolidation of Practice Directives. The first step in the program was documenting the status of A&F Practice Directives. When the program began, there were 75 Practice Directives in place. The strategy moving forward has been to provide personalized, strategic support to departments in their efforts to update Practice Directives or develop new ones. The Compliance & Policy Management program offers a Practice Directive Manual with guidelines, as well as in-person meetings with departments. Department are encouraged to keep Practice Directives high-level and brief and to use plain language. For more information, please contact Andrea Whipple (whipplea@sfsu.edu) or Grace Crickette (gracec@sfsu.edu).
ENVIRONMENTAL HEALTH & SAFETY (EHS)

NOTE: GREEN = Environmental; BLUE = Safety; ORANGE = Ergonomic; RED = Emergency; YELLOW = Training.

FIGURE 1. This is an illustration of the Environmental Health and Safety (EHS) program milestones. EHS works to promote environmental stewardship and protect the health & safety of SFSU faculty, staff, and students, providing technical expertise and support through the development of various programs, training, and consultation. Since end of 2014, EHS has implemented over 60 initiatives and 32 of them are highlighted here. For more information, please contact Marc Majewski (majewski@sfsu.edu) or Grace Crickette (gracec@sfsu.edu).

Updated on June 28, 2017.
NOTE:  --- represents the number of chemical containers that the EHS team has inventoried as of June 26, 2017 (Valuation Date: June 2017, Data Source: EHS Chemical Inventory Weekly Report).

FIGURE 2. This chart represents the total number of chemical containers on campus that the EHS team has recorded to date. The Chemical Inventory program began in spring 2017 following a series of inspections that helped us identify laboratory safety issues, and develop a deeper understanding of the types of improvements necessary for supporting best practices. The EHS team has established a chemical inventory process to ensure long-term, continuous standards for safety and compliance. Other laboratory safety improvements include installing an outdoor chemical waste shed, and implementing training and written procedures for monthly inspections of safety eye wash deluge shower stations. For more information, please contact Marc Majewski (majewski@sfsu.edu) or Grace Crickette (gracec@sfsu.edu).
PROCUREMENT AND SUPPORT SERVICES

a. 

NOTE: Regular purchase orders refer to acquisitions less than $50,000 in which no competition is required. In accordance with ICSUAM 5000, competition requirements must be satisfied for acquisition of goods or services in an amount greater than $50,000 (Valuation Date: June 2017; Data Source: CFS Purchase Order Detail Report).

b. Examples of Procurement Savings

<table>
<thead>
<tr>
<th>TYPE OF PURCHASE</th>
<th>ORIGINAL AMOUNT</th>
<th>DISCOUNTED AMOUNT</th>
<th>COST SAVING</th>
<th>PERCENT SAVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aramark Uniform Services (annual subscription)</td>
<td>$8,254</td>
<td>$3,336</td>
<td>$4,918</td>
<td>60%</td>
</tr>
<tr>
<td>HP Hardware (117 units)</td>
<td>$80,991</td>
<td>$64,238</td>
<td>$15,440</td>
<td>19%</td>
</tr>
<tr>
<td>AED (28 units)</td>
<td>$40,408</td>
<td>$36,183</td>
<td>$4,225</td>
<td>10%</td>
</tr>
</tbody>
</table>

Updated on June 28, 2017.
FIGURE 1. Diagram (a) represents the Purchase Order (excluding Public Works) Distribution for Fiscal Year 2016/2017. Purchase orders may be used for acquisitions of commodity and services. Procurement regularly conducts internet price checks for commodity purchases under $50,000, and advises requesters about CSU Master Agreements and other leveraged price tools available to ensure best value has been received. For service related Purchase Orders, Procurement requires written proposals to ensure orders are based on a firm fixed price. Also, Procurement reviews terms and conditions and insurance to ensure appropriate protections and risk mitigation is in place (Note this is true for all Purchase Orders and Contracts regardless of price).

Since the addition of Campus Marketplace and the increase of p-card limit to $5,000, Procurement has observed a reduction in commodity related purchase orders. This has enabled Procurement to focus on increasing training and outreach in support of campus procurement activity and strategic programs such as Managed Print to enhance efficiency.

As shown in Table (b), Procurement has helped reduce product prices by at least 10% for these three selected purchases by reviewing the specification of purchased products, comparing suppliers’ pricing, and strategically negotiating better price based on volume. For Purchase Orders exceeding $50,000, Procurement assists campus departments to ensure CSU competition requirements have been satisfied. This can include an informal or formal publicly advertised solicitation, utilization of a CSU Master Agreement, or other approved agreement that has been competitively procured. When a solicitation process is involved Procurement ensures vendor selection is based on low responsive bid or best value depending on the nature of the solicitation.

For more information, please contact Megan Dobbyn (mdobbyn@sfsu.edu) or Grace Crickette (gracec@sfsu.edu).
<table>
<thead>
<tr>
<th>CONTRACT TYPE</th>
<th>CONTRACT COUNT</th>
<th>SPEND</th>
<th>% OF OVERALL SPEND</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Contracts</td>
<td>120</td>
<td>$2,227,363</td>
<td>62</td>
</tr>
<tr>
<td>Contracts with Competitive Bids</td>
<td>11</td>
<td>$1,392,446</td>
<td>38</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>131</strong></td>
<td><strong>$3,619,809</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*NOTE: Regular contracts are defined as executed contract documents (for both goods and services) with values less than $50,000. Contracts with Competitive Bids include any contracts greater than $50,000 that must satisfy CSU competition requirements. (Valuation Date: June 2017, Data Source: CFS Report)*

**FIGURE 2.** The data table above summarizes the 131 contracts that have been fully executed in Fiscal Year 2016/2017 with a total spend of $3.62 million. Contracts are utilized for complex procurements that require terms and conditions that have been accepted by written signature of both parties. In addition, contracts for goods and services can be categorized by value as those under $50,000 and those exceeding that threshold. For contracts under $50,000 Procurement ensures there is pricing tied to a defined scope of work and deliverables. Contracts over $50,000 have the same competition requirements as Purchase Orders. Solicitations that will result in contracts will include a fully developed set of requirements, expectations, defined deliverables and evaluation criteria that will be assessed by an evaluation team managed by Procurement. Procurement also manages the negotiation process with the selected vendor to arrive at a final contract that provided the best value and benefit to the University.

As Procurement strives to transform into a Vendor Management team, we continue to analyze purchasing data and leverage our expertise and authority to facilitate strategic campus purchasing – delivering support to the campus with streamlined processes. For more information, please contact Megan Dobbyn (mdobbyn@sfsu.edu) or Grace Crickette (gracec@sfsu.edu).
QUALITY ASSURANCE

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project 1: Procurement Training Modules</td>
<td>200</td>
<td>400</td>
<td>600</td>
<td>800</td>
<td>1,000</td>
<td>1,200</td>
<td>1,400</td>
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<tr>
<td>Project 2: Honorarium Payment Request Form Revision</td>
<td>0</td>
<td>40</td>
<td>80</td>
<td>120</td>
<td>160</td>
<td>200</td>
<td>240</td>
</tr>
<tr>
<td>Project 3: Direct Payment Request training materials</td>
<td>0</td>
<td>0</td>
<td>60</td>
<td>120</td>
<td>180</td>
<td>240</td>
<td>300</td>
</tr>
<tr>
<td>Project 4: Streamline Direct Pay Request process</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>120</td>
<td>240</td>
<td>360</td>
<td>480</td>
</tr>
<tr>
<td>Project 5: Streamline Employee Reimbursement Request process</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>40</td>
<td>80</td>
<td>120</td>
<td>160</td>
</tr>
<tr>
<td>Project 6: SFSU Campus Specific Travel Policy Revision</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>31</td>
<td>63</td>
<td>94</td>
<td>125</td>
</tr>
<tr>
<td>Total Savings by Hours</td>
<td>200</td>
<td>440</td>
<td>740</td>
<td>1,231</td>
<td>1,723</td>
<td>2,214</td>
<td>2,705*</td>
</tr>
</tbody>
</table>

* The estimated efficiency saving is equivalent to ~$238,069. It is computed as followed: Estimated Cost Savings = Time Saved x Average Hourly Rate per employee (i.e. $88/hr). (Valuation Date: May 2016, Data Source: Accounts Payable Payment Report and Business Operations Training Inventory Reports).

Table1. This table illustrates the estimated efficiency savings (qualified by hours) for all six executed and fully implemented process improvement solutions. Efficiency is defined as the time made available for higher value tasks such as student focused services. As of May 2017, a total of 2705 hours have been saved. These projects are the result of the collaboration with the Process Improvement Advisory Team (PIAT) which is comprised of business managers and administrative professionals from various areas. PIAT is facilitated by Business Operations. Our focus is to make incremental changes, improving and streamlining our existing processes and removing any administrative barriers to better support the campus community. Currently, there are 17 projects in progress and their information is available upon request. For more information, please contact Cheryl Leung (csyleung@sfsu.edu) or Grace Crickette (gracec@sfsu.edu).

Updated on June 28, 2017.