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PSC Service Level Updates [1]

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Meeting the needs of our customers is of paramount importance to us at CU's Procurement Service Center (PSC). We know how important it is to serve our students, faculty and staff as they deliver on CU's mission. Doing so means the university must operate with efficiency, purpose and collaboration.

We know contracting through the PSC is now taking longer than in the past. There are several causes for extended timelines, many of which are common among entities throughout the economy, including staffing shortages throughout the supply chain, risk evaluations, and changing attitudes among our suppliers. While we are working hard to address these constraints, it's important to make you aware of our current cycle time estimates and how together, we can improve them. The university has enjoyed just-in-time procurements for some time, but constraints mean we have to adjust our expectations.

We believe a collective awareness and effort among the PSC and university units and departments can help improve the process and result in enhanced procurement services. It will take all of us working together.

The problems are multifaceted and solutions not easy. Yet we are sharply focused on doing all we can to provide the services the university community needs and expects. We all have a stake in improving procurement and we all have a role in doing so.

To give you an idea of what we are facing, we have compiled below some of the challenges, outcomes and timelines. We are working hard to hire more staff, add workflow visibility and explore ways to decrease contract review cycle times. This is a collaborative effort with the campuses, suppliers and risk/compliance. If you have any questions, concerns or innovative solutions we welcome your thoughts.

Challenges

- Purchasing and contracting volumes have returned to pre-COVID levels;
- We have seen an increase of complex procurements, especially in the IT space;
- Suppliers are taking greater exception to our terms and conditions/amendments;
- Staffing shortages persist in the PSC, at suppliers and on campuses;
- IT Security and Compliance assessments have taken longer (purchasing and contracting cannot begin the procurement process until assessments are completed).

Results

- Suppliers are slower to respond;

- Volume per PSC staff member is growing;
- Longer negotiation timelines;
- Longer internal review cycles.

Impact

- Campus departments are seeing delays in their requests for contract finalization;
- PSC staff receive more “rush” and “urgent” demand requests;
- PSC staff receive more requests for status and re-prioritizations;
- PSC staff receive frequent requests for “favors” and “exceptions”

Recommendations for Collective Improvement

- **30 – 45 days** - Current average turnaround time for standard contracts;
- **45 - 90** days - Current average turnaround time for more complex** contracts;
- Departments and units should extend planning timelines to allow for these longer cycle times;
- Departments and units should not provide contracting needs to the PSC only days before the date needed. They are unlikely to be fulfilled in a timely way;
- Departments and units should minimize rush and urgent demands to the PSC. They are highly disruptive, cause duress among staff who are already stretched thin and impede progress on other contracts in the queue.

**Note: increased complexity generally is a result of data security concerns, risk of loss, reputational risks, potential for protests, and highly detailed solicitations.

PSC and Non-PSC elements of turnaround time for contracting^:

Days	Step in Contracting Process
3-5 days	Queue time (awaiting assignment and initial activity)
1-5 days	Intake, discovery, corrections, workflow planning
3-30 days	Supplier engagement & solicitation if required
5-60 days	If solicitation is required
	Elements of turnaround time for Solicitations: • 1-4 weeks Documented Quote (DQ) • 2-3 months Request for Proposal (RFP) • 1-2 months Invitation to Bid (IFB)
5-15 days	Terms and Conditions
5-30 days	Review and approval by Security and Compliance for IT and high-risk contracts *
5-30 days	Review and approval by Risk, Legal, and Controller if applicable
3-45 days	Review and approval by supplier (exact time depends on supplier)
5-7 days	Presidential approval if over $5M
1-5 days	Signature and contract execution

^Non-PSC elements may occur in parallel with PSC elements
*Recommend commencing Security and Compliance reviews early in the process

The PSC appreciates your continued support and patience as we navigate these challenges. Please direct any questions to **psc@cu.edu** [3].

Contracts [4]
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