Procurement Basics

Welcome!

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Purchasing Assistance

The University spends over $1 billion per year

The University is Tax Exempt

- By Policy, Purchasing provides help with:
  - Saving your department money
  - Sourcing assistance
  - Significant expertise and experience
  - Creating efficiencies
  - Upholding University Policy & Procedures

Topics to Be Covered

- What are my procurement tools?
- What are the rules?
- When do I use each one?
- How can I get more help?
- Other areas of consideration
- Summary
- Questions throughout
Small Dollar Procurement Tools (Under $5000)

- All restricted items must go on a Requisition
  - radioactives, drugs, alcohol, animals etc even if small dollar

- Purchasing Card
- Blanket Orders
- Limited Purchase Order (LPO)

Purchasing Card

- Preferred method for small dollar (<$5000)
- Most merchants accept MasterCard
- Minimal paperwork / handling
- Restrictions apply
- Excellent controls
- Electronic reallocation
- Merchants like it

Blanket Orders

- For frequent small dollar (<$5000) purchases
- If bid, will cover LARGE $$$ amounts
- Can make them anytime during the year
- Purchasing sends out proof requisitions each spring on Blanket Orders that expire June 30th
- P-Card may handle these types of purchases
Limited Purchase Order (LPO)

- Administered by Accounts Payable
- < $5000 Purchases
- Type or print 3 part form then send copies out (1 to vendor, 1 to Accounts Payable, 1 keep)
- Good for merchants who do not accept p-card
- Do not split into two portions to avoid $5000 limit
- See AP web site: www.ap.admin.utah.edu

Large Dollar Procurement Tools (Over $5000)

- Requisition
  - All purchases expected to be >$5,000 or close should be processed on a requisition.
  - Request for Quotes or Proposals possible.
- Request for Proposals
  - When low bid is not the main factor
  - By special arrangement with the buyer
  - Purchasing will help you because RFP’s can get complicated

Requisition

- All purchases expected to be >$5,000 or close. Bid waiver requests must come with the requisition. All requisitions are not bid. Buyer determines if bidding. (Purchases on state contracts are exempt from bidding)
- All restricted items MUST go on a Requisition
- Form found on Purchasing website or CIS
  www.purchasing.utah.edu
- Fill it out on-line, print, sign and fax to Purchasing
- Be descriptive and informative
What Happens if it’s Bid?

Step 1: Requisition gets routed to the buyer
Step 2: Buyer gathers bids (3 or more sources)
  < $50,000: the buyer gets fax or phone bids
      will take about 3-7 days
  > $50,000: will be posted to the online bid system
      will take about 10-25 days
Step 3: Bid results are forwarded to department
Step 4: Department accepts low bid or justifies otherwise
Step 5: Purchasing Department generates a PO
Step 6: Purchasing Department sends PO to vendor

FYI: If purchased on a State Contract then no bidding

Modifications

- Purchase Order modifications are made on a Continuation Form
  - Increase/decrease
  - Remove encumbered funds
  - Cancel PO
  - Make changes to PO in any way
- Continuation Form found on Purchasing Department's website
  - Fill out and fax to Purchasing Department
Large or Small Dollar Procurement Tools

- Payment Requests
  - Mostly reimbursements
- Campus Orders
  - Between departments
- Reimbursement

Payment Request

- Administered by Accounts Payable
- Many “Special” situations such as:
  - Consultants/Independent Contractor
  - Recruitment & entertainment expense
  - Academic memberships
- NOT a substitute for bidding or following University Policy & Procedures
- Will take 10-14 days

Campus Orders

- Administered by Accounts Payable
- Department to Department Purchase
  - Print & Mail Services, Chartwells, Plant Ops, General Stores, Media Services, Media Solutions, The Point, Red Butte Gardens, Library, Travel, Museum of Fine Arts, Bookstore, University Guest House
- Type then give to the “Selling” dept
- Transaction shows up on Management Reports
- Bookstore and Guest House prefer the University MasterCard, not a Campus Order
Reimbursement

- Administered by Accounts Payable
- Travel
- Should only be used for special circumstances or emergency-type procurements
- Flushing the tax down the drain
- Paper and labor intensive

How can I get more help?

Purchasing Department Website
- Buyers and their specialties
- Restricted Purchases
- Insurable/Capital Equipment
- Procurement Tools
- Contracts & State Contracts
- Small / Minority / Woman Owned Businesses

www.purchasing.utah.edu

How can I get more help? Cont’d.

- Campus Information Systems
- Follow the instructions for sign-in

gate.acs.utah.edu
Federal Grants

- All Federal Grant Money has idiosyncrasies of how it is to be spent
  - Grants & Contracts Accounting is the main contact
  - Purchasing gets their approval for equipment purchases

- If spending towards the end of a grant, leave 8 weeks for procurement procedures to take place. Federal Grant $$ can be turned down if spent too close to the end of a grant.

Summary

- Purchasing Department:
  - Purchasing Card
  - Requisitions/Purchase Orders
  - Blanket Orders
  - Expertise, assistance & help with your needs

- Accounts Payable:
  - Limited Purchase Orders
  - Payment Requests
  - Campus Orders
  - Some Reimbursements
  - Bid Limit is $5000

The End

Questions?