

Procurement Basics

Welcome!




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Purchasing Assistance

The University spends over **\$600 million** per year


The University is **Tax Exempt**

- By Policy, Purchasing provides help with:
 - Saving your department money
 - Sourcing assistance
 - 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.
- Purchasing Card
- Blanket Orders
- Limited Purchase Order (LPO)
- Limited Purchase Check (LPC)



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 proof requisitions each spring
- Use your MasterCard instead – if possible



Limited Purchase Order (LPO)

- Administered by Accounts Payable
- < \$5000 Purchases
- Type / prepare it then send copies out
- 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



Limited Purchase Check (LPC)

- Administered by Accounts Payable
- < \$1000
- Very flexible
- Good for small dollar reimbursements and where p-card is not accepted
- Requires a high level of responsibility
- "Positive Pay" system /\$12 fee



Large Dollar Procurement Tools (Over \$5000)

- Requisition
 - Subject to bidding >\$5000
- 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



Modifications

- Purchase Order modifications are made on a Continuation Form
 - Increase/decrease
 - Remove encumbered funds
 - Close/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

- Check Request
 - Mostly reimbursements
- Campus Orders
 - Between departments
- Reimbursement



Check Request



- Administered by Accounts Payable
- Many "special" situations such as:
 - When a vendor needs a deposit up front
 - Special circumstances surrounding employment
 - If the transaction has already occurred
- NOT a substitute for bidding or following University Policy & Procedures
- Will take 10-14 days or more



Campus Orders

- Administered by Accounts Payable
- Department to Department Purchase
 - Printing Services
 - Catering / Chartwells
 - Library
- Type then give to the "selling" dept
- Transaction shows up on Management Reports
- Bookstore and Guest House *prefer* the University MasterCard, over Campus Order



Reimbursement

- Administered by Accounts Payable
- Travel
- Use for special circumstances or emergency-type procurements
- Lose tax exempt status
- 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.

- **C**ampus **I**nformation **S**ystems

- 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
 - Limited Purchase Checks
 - Check Requests
 - Campus Orders
 - Some Reimbursements
- Bid Limit is \$5000



The End

Questions?