Procurement Basics

Welcome!

Jane Scott, P-Card Manager
Mary Louise Hughes, Senior Buyer
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
  - 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 use for foreign purchases
- 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
<table>
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<tr>
<th>LINE</th>
<th>QUANTITY</th>
<th>UNIT MEASURE</th>
<th>UNIT PRICE</th>
<th>EXTENDED PRICE</th>
<th>CATEGORY</th>
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<td>1</td>
<td>lot</td>
<td></td>
<td>$500.00</td>
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</tr>
<tr>
<td>2</td>
<td>Each</td>
<td></td>
<td>$800.23</td>
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<tr>
<td>3</td>
<td>Each</td>
<td></td>
<td>$445.00</td>
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</table>

**TOTAL**: $9,040.92
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
- Reimbursements

- Campus Orders
  - Between departments
Payment Request

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

- Administered by Accounts Payable
- Should only be used for special circumstances or emergency-type procurements – example, mileage not associated with travel status
- Flushing the tax down the drain
- Paper and labor intensive
Campus Orders

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

- Bid Limit is $5000
The End

Questions?