

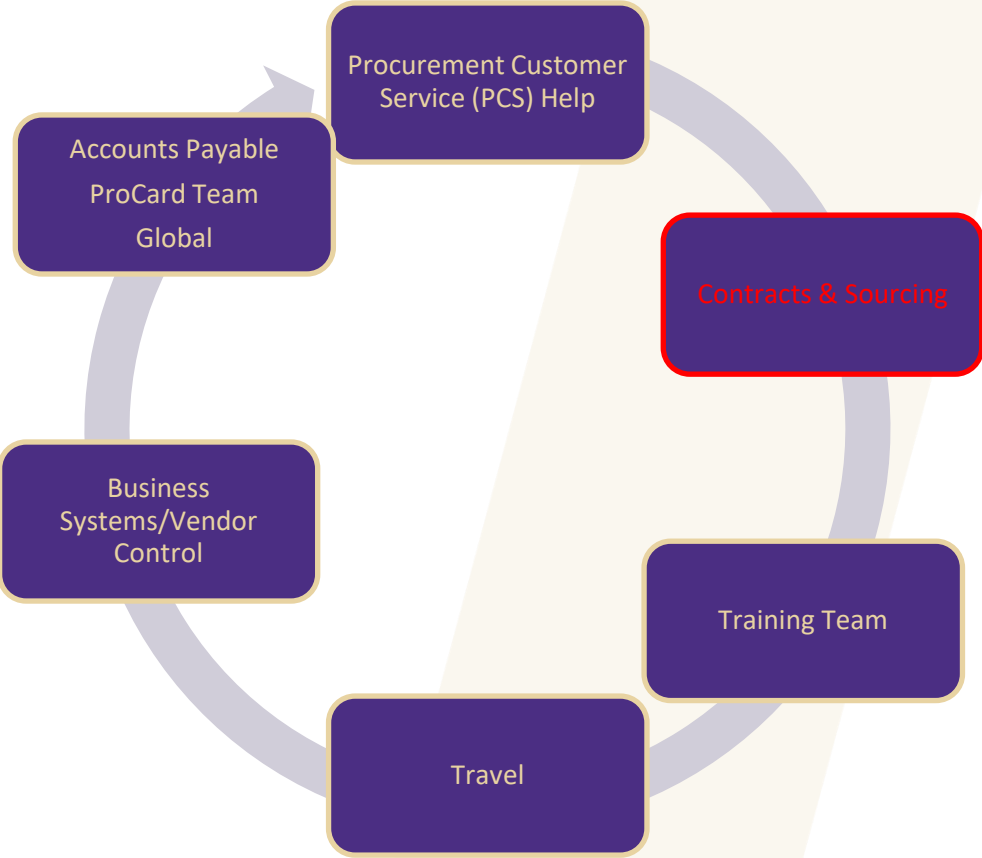
Procurement Deep-Dive – Procurement 101

7/23/2024

Compliance as a Service

Procurement

- > **What we do**
- > **Why we do it**
- > **Benefits**



Rules & Policies

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Washington State Resource: DES

DES: Washington State Department of Enterprise Services

- > **Provides many different services and training for all levels of government**
 - City
 - County
 - State
 - Tribal

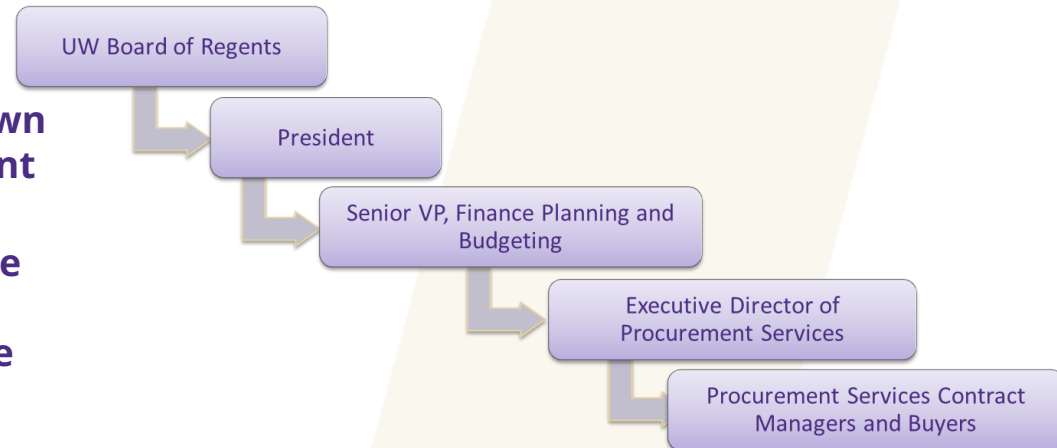
- > **Establishes master contracts for use by all State agencies**

- > **Training is a requirement for all employees at UW whose jobs involve “...developing, executing or managing procurement or contracts for goods and services”**
 - See the DES Procurement Training page to determine your level of requirements needed:
<https://des.wa.gov/services/contracting-purchasing/policies-training/contracts-procurement-training-development>

- > **For more information, visit our Procurement DES page:**
 - <https://finance.uw.edu/ps/DES-training>

Delegated Signature Authority

- > Delegated signature authority is the authority to sign a binding document on UW's behalf, up to specified dollar thresholds
- > Signature authority is passed down from the state to UW Procurement
- > Campus departments do not have the authority to execute or sign contracts, including maintenance and service agreements.
- > Documents signed without this state authority put the onus and fiscal responsibility of the agreement onto the individual who signed



Direct Buy Limit

Current Direct Buy Limit: \$10,000 aggregate spend
Includes shipping and handling
Does not include tax

- > **The Direct Buy Limit is the dollar amount departments may use to make purchases without securing competitive pricing per state regulation**
- > **Procurement Services reviews all purchases over the Direct Buy Limit for compliance *before the purchase occurs.***
- > **Some special items require compliance review regardless of dollar amount**
 - Blood/serums, charters, radioactive materials, resale items, UW logo usage
 - Full list: <https://finance.uw.edu/ps/how-to-buy/exception-items>

Direct Buy Limit – Aggregate Spend

- > When a department has purchased more than \$10,000 total for a service or good from one supplier, regardless of the period of time, the direct buy limit has been reached
- > Do not split an order to make it appear under the direct buy limit
 - Splitting orders would be an audit finding

An example:

If a department intends to purchase 20 of the same item valued at \$2,000 each from the same supplier, the total will exceed the direct buy limit.

In this case, unless the department is utilizing a University approved contract, Procurement Services should be consulted regarding the appropriate buying method.

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Above the Direct Buy Limit

Options to select suppliers:

- > **Contracted Supplier**
- > **Sole Source**
- > **Solicitation**
 - (Always performed by Procurement)

Important: Each option above must be approved and verified by Procurement Contract Manager (usually via Requisition) prior to the purchase or payment occurring.

Buying From Contracts

- **Contracts are the easiest way to buy. Here are some of the benefits of using Contracts:**
 - ✓ **No competitive bid requirements**
 - ✓ **Established pricing and discounts**
 - ✓ **Do not require a sole source/exempt from Direct Buy Limit**
 - ✓ **They can be used at any dollar amount**
 - ✓ **Terms and conditions are pre-negotiated**
 - ✓ **Contracted Supplier Sales Representatives can assist with:**
 - **Product selection**
 - **Installation**
 - **Training**
 - **Returns**
- **Buying from a Contract provides the best overall value to the University and results in lower overall cost.**
- **Contact the Procurement Services Purchasing Team for assistance with Contract availability.**
- <https://finance.uw.edu/ps/contact-us/subject-matter-experts>

Why should I use Contracts?



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Sole Source Justification

- > **Definition:** A “Sole Source” purchase means that only one supplier (source), to the best of the requester’s knowledge and belief, based upon research, is capable of delivering the required product or service
- > **The State requires written justification for all Sole Source purchases**

Examples of valid Sole Source justifications:

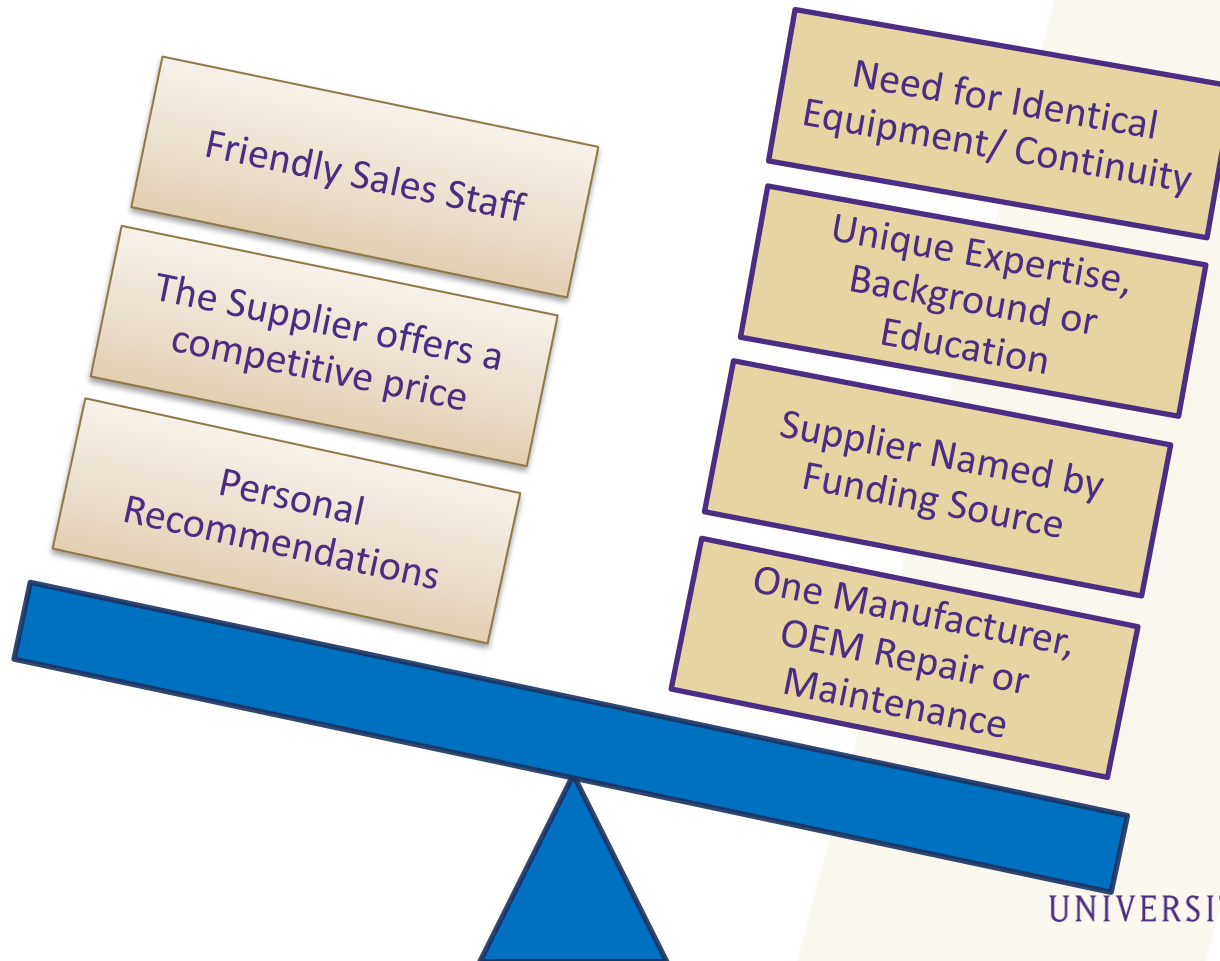
- Buying from other governmental agencies
 - The supplier is named in a grant
- Equipment maintenance and parts if provided by the Original Equipment Manufacturer (OEM)
 - Software maintenance and support if provided by licensor
 - Utilities- power, water, heat, etc.

For more information on UW sole source purchasing: <https://finance.uw.edu/ps/how-buy/sole-source-purchasing>

Sole Source Justification Visual

Insignificant Justifications

Concrete Justifications



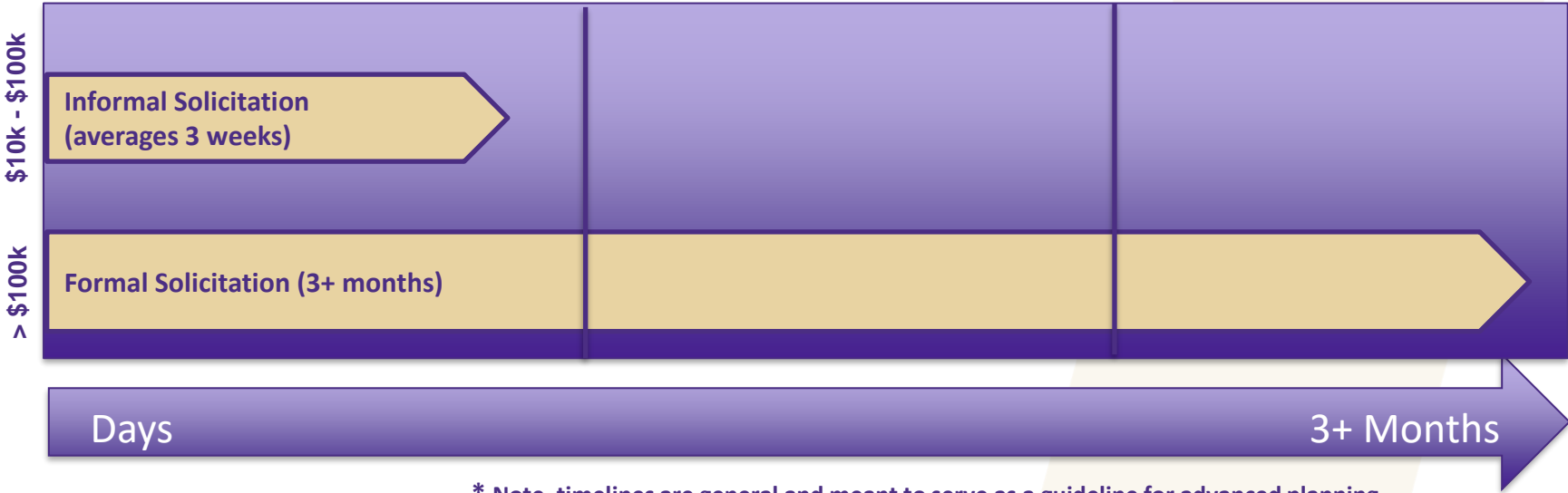
Competitive Solicitation

- > **A Competitive Solicitation is defined as the process of seeking proposals, quotations or information from suppliers that bid competitively.**

Informal \$10,000 - \$99,999.99	Formal \$100,000+
<ul style="list-style-type: none">✓ Procurement Services Contract Managers work with departments to obtain bids, quotes, or proposals from a minimum of three (3) suppliers including one minority-owned and one women-owned business.✓ Advertising the solicitation process is not required.✓ Risk associated with purchase is low to moderate	<ul style="list-style-type: none">✓ Procurement Services Contract Managers will issue a written solicitation and advertise via the Washington State Electronic business Solutions (WEBS) website.✓ Long-term, campus-wide contract possible✓ Risk associated with purchase is high✓ Complex supplier negotiations

Review the Competitive Solicitation Process web page on the Procurement Service website:
<https://finance.uw.edu/ps/suppliers/solicitation-process>

Competitive Solicitation Timeline



* Note, timelines are general and meant to serve as a guideline for advanced planning

Procurement Process Overview

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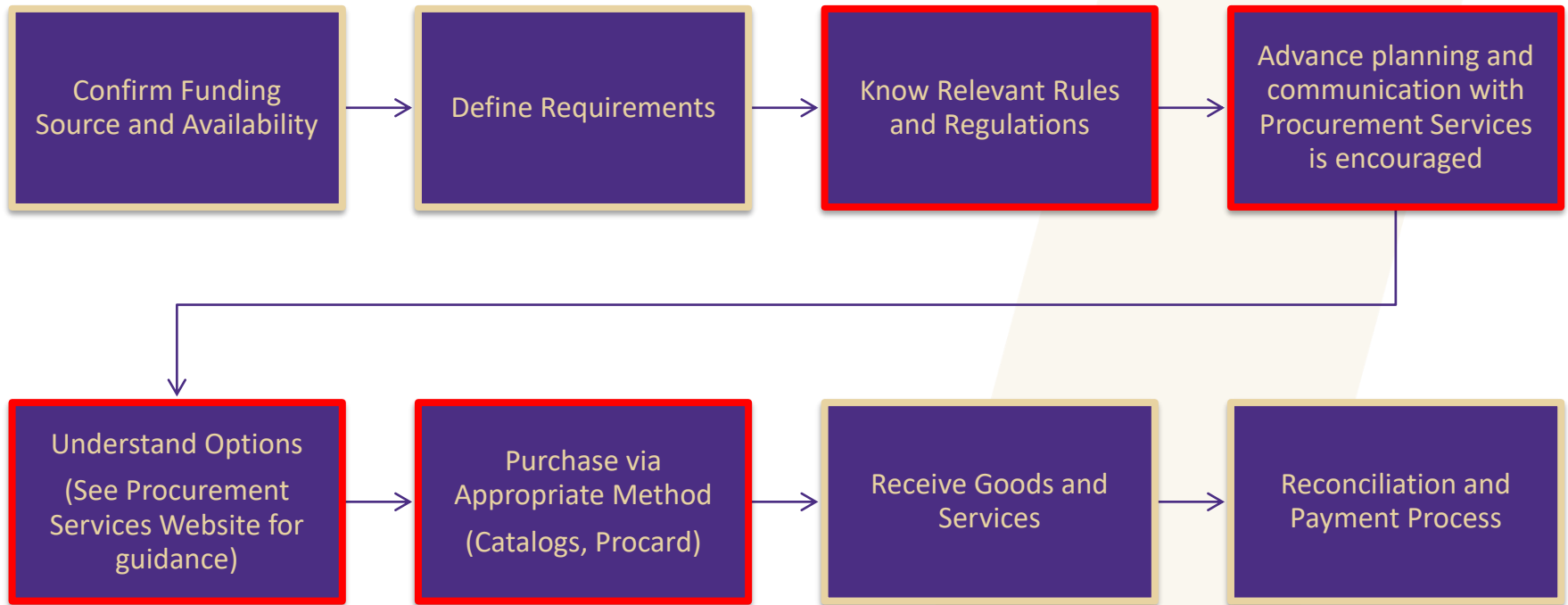
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Procurement Process

Beginning to End



Planning Checklist

> **By asking yourself these important questions before starting the procurement process, you can save time and money:**

- ✓ **What exactly do I need?**
- ✓ **When do I need it?**
- ✓ **What are the specific requirements?**
- ✓ **Will the goods/services exceed the direct buy limit?**
- ✓ **Does the purchase qualify as a sole source?**
- ✓ **Is what I want available in the Workday Catalogs? If it isn't, is there a Contract available?**
- ✓ **Will I need to do a competitive solicitation?**



> **Reach out to Procurement Services if you have any questions!**

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Equipment Inventory Office (EIO)

- > Visit the Equipment Inventory Office website to learn more about what is required when processing Capital Asset and Multi-Component Capital Asset requisitions and the application of the Machinery and Equipment Tax Exemption (M&E).
- > <https://finance.uw.edu/eio/home>

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Equipment Inventory Office

Resources

Requisitioner Resources for Equipment Acquisition in Workday

- User Guide: [Workday Capital Equipment Requisition Types and Trackable Spend Categories](#):
The purpose of this guide is to help Requisitioners determine the correct capital equipment requisition type to use for capital equipment purchases and explain how these requisition types have been configured to work with "trackable" spend categories.
- User Guide: [Create a Capital Equipment Requisition that includes a Trade-in credit](#).

Resources
Forms and Templates
News and Archives
Policies & Procedures
Frequently Asked Questions
Glossary
Asset Statuses & Pending Assets
WA County, Out of State/Country Codes

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Workday Catalog & Non-Catalog Requisitions

- **What is a Workday Round-Trip Catalog purchase?**
 - ✓ Catalog requisition purchases use UW Contracts for established pricing, terms and discounts designed to offer the best overall value to customers. Ordering through catalogs in Workday is the fastest order method and the recommended first choice for purchasing goods at the UW.
- **What is a Workday Non-Catalog purchase?**
 - ✓ A Non-Catalog purchase Order is the process of placing an order in Workday with a supplier when the goods and/or services are not available in a catalog. UW employees with the Requisition Requester role in Workday can start Requisitions to become purchase orders.

Workday Requisition Types

Requisition Type	Description
Goods and Services	Primary requisition type to order general goods and services. Commonly used for catalog orders and non-catalog orders for goods.
Blanket Request	An agreement between a supplier and an organization that outlines pricing and terms that can be used over time for orders to be placed against. Will involve multiple billings and start and end services dates.
Capital Asset Request	This Requisition Type is used to purchase Capital Assets (items with a useful life > 1 year and a total cost >= \$5,000 including ancillary costs) and all weapons and accessories, regardless of cost. Per UW Policy these must be tracked in Workday. Visit the Equipment Inventory Office web page for more information on this requisition type and to learn about the “Trackable Spend Categories” which must be used with this requisition type to identify capital equipment.
Construction - Capital Projects	Request to purchase materials needed for a specific capital construction project
Multi-Component Capital Asset Request	This is the Requisition Type used when purchasing multiple components/parts that need to be combined to create one functioning piece of equipment. When the components are combined, they must have a total cost >= \$5,000 including ancillary costs and a useful life > 1 year. Visit the Equipment Inventory Office web page for more information on this requisition type and to learn about the “Trackable Spend Categories” which must be used with this requisition type to identify capital equipment.

What About Procard?

- **M&E Tax Exempt equipment purchases are prohibited on ProCard**
- **Other Limitations**
 - **Anything over the Direct Buy Limit should be reviewed by Purchasing in advance of the ProCard increase request**
 - **Purchase Orders contain UW Terms and Conditions**
 - **Purchase Orders can facilitate important documentation and attachments like Sole Source Justifications, M&E Tax Exempt Certificates etc. that are crucial to the order approval process**
 - **Audits and Public Records Requests**
 - **Some Exemption items cannot be purchased via Procard**

Procurement Subject Matter Experts

- To locate the Procurement Subject Matter Experts webpage, navigate to the Procurement Services website.
 - ✓ Click on the Contact Us tab
 - ✓ Click on Subject Matter Experts in the drop-down menu
- ✓ <https://finance.uw.edu/ps/contact-us/subject-matter-experts>

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Procurement Services

- About Us
- Organization Chart
- Staff List
- Subject Matter Experts**

PLAN & BUY

Popular Options:

- New Process Quick Guide
- Event Planning
- Buying from Contracts

PAY & RECEIVE

Popular Options:

- System Receiving
- Reimbursement
- Supplier Invoice Request
- Miscellaneous Payment

REPORTING

Popular Options:

- Tools for Reconciling
- ProCard Verification

LOGINS

- workday
WORKDAY LOGIN
- ARIBA®
ARIBA LOGIN
- PROCARD
CONNECT
- TRAVEL
CONNECT

LEARN MORE ➤

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Procurement Resource List

- To locate the Procurement Resource List, navigate to the Procurement Services website.
 - ✓ Click on the Resources tab
 - ✓ Click on Procurement Resource List in the drop-down menu
- ✓ <https://finance.uw.edu/ps/resourcelist>

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[LEARN MORE](#) >

- FAQs
- Food Approvals
- Forms
- Forums
- Fraud Alerts
- Glossary
- Intranet
- Managed Print Services
- Newsletter/News Flash
- Procurement Resource List**

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Q & A

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Suggestion for Future Deep Dive Topics

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Thank you!

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