Creating Blanket Purchase Orders (BPO)

PROCUREMENT SERVICES
WEBCAST TRAINING SERIES-7/21/2021

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We will begin shortly
What is a Blanket Purchase Order?

The preferred method of placing orders which will require multiple payments over a period of time. Examples include: standing orders, maintenance/service contracts, and open orders.
Background Information

What to Know Before You Begin

Demonstration

Best Practices
When To Use:

✓ The goods or services are reoccurring purchases
✓ The order involves variable dollar amounts and/or quantities
✓ The goods or services on an order may change over time
✓ The maximum order amount may need to be adjusted over time
✓ The order has specific contract start and end dates
✓ If you have a Subaward
Special Feature of BPOs:

- Suppliers are enabled on the Ariba Network
- Receiving is required for invoices to pay
- BPOs can be Changed and/or Closed by the Preparer/Contact/Edit Access Users within your department
Terms

- **Contract Request (CR)** - Initiates the process of creating a Blanket Purchase Order: CR123 -> BPO123

- **Contract** - The term used to refer to Blanket POs in Ariba. Use this term when performing a search for a BPO.

- **Supplier Registration** - an online form the supplier must fill out to become a supplier for UW

- **Enablement** - the process of the supplier being able to transact on the Ariba Network

- **Supplier Onboarding** - the entire process of steps a supplier must complete in order to do business with the UW
BPO Procure-to-Pay Process Flow

1. Department creates Contract Request (CR)
2. CR gets reviewed by all necessary groups to move through the Approval Flow
3. Blanket PO (BPO) created and sent to supplier through Ariba Network
4. Invoice paid
5. Department receives in eProcurement
6. The supplier invoices through Ariba Network
7. Repeat invoicing, receiving and payment until balance is zero on the BPO
Getting Started – Supplier Onboarding

**Important:** Get the supplier stared with the registration process early.

- **Step 1:** Registration:
  - Supplier Registration Form: US suppliers
  - Foreign Supplier Registration Form: Foreign Suppliers

- **Step 2:** Electronic Payment Method: US Suppliers

- **Step 3:** Ariba Network Enablement Registration: Required for Blanket POs
Supplier Search Report:
• Check the Supplier Search Report available in the BI Portal.
  • Look for “Ready for BPO”

https://biportal.uw.edu/Report/Details/SupplierSearch
Supplier Search Report:

**Hint:** You do not need to have the payment method set in order to set up your BPO.

<table>
<thead>
<tr>
<th>Address</th>
<th>Status</th>
<th>Ready for BPO</th>
<th>Ariba Network</th>
<th>Payment Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>4326 UNIV WAY NE SEATTLE, WA 98105</td>
<td>Active</td>
<td>Y</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>ACCOUNTS PAYABLE 4326 UNIVERSITY WAY NE SEATTLE, WA 98105</td>
<td>Active</td>
<td>TBD</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Ariba Network

This means a supplier is transacting on the Ariba network electronically. The network account is tied to an order address in the vendor file.

Registering for the ARIBA Network will allow suppliers to:

- Receive purchase orders electronically from the University
- Create and transmit invoices electronically to the University
- Do business through Blanket Purchase Orders (BPOs)
Getting a Supplier on the Ariba Network

Once the supplier is in the vendor file:

• Submit the Ariba Network Registration Request webform on the Procurement Services website to request a Trading Relationship Request (TRR) be sent to the supplier via email.
• [https://finance.uw.edu/ps/resources/forms/ariba-supplier-network-registration-request](https://finance.uw.edu/ps/resources/forms/ariba-supplier-network-registration-request)
**Ariba Network**

**Important:** Ask supplier what address the order should be used for placing orders. Suppliers can have multiple Ariba network accounts. If the order gets sent to the wrong supplier account, the order may have to be cancelled and redone.

<table>
<thead>
<tr>
<th>Address Type</th>
<th>Seq #</th>
<th>Address</th>
<th>Status</th>
<th>Active</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order From</td>
<td>42</td>
<td>OFFICE OF CONTRACTS AND GRANTS (BOULDER) 5100 MARINE ST 572 UCB BOULDER, CO 80309</td>
<td>Active</td>
<td>Y</td>
</tr>
<tr>
<td>Order From</td>
<td>43</td>
<td>GRANTS AND CONTRACTS (DENVER) F426 PO BOX 910258 DENVER, CO 80291</td>
<td>Active</td>
<td>Y</td>
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<tr>
<td>Order From</td>
<td>49</td>
<td>PHYSICAL MEDICINE &amp; REHAB (DENVER) 12831 EAST 17TH AVE AURORA, CO 80015</td>
<td>Active</td>
<td>Y</td>
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<tr>
<td>Order From</td>
<td>59</td>
<td>CIRES (BOULDER) 236 UCB BOULDER, CO 80309</td>
<td>Active</td>
<td>Y</td>
</tr>
<tr>
<td>Order From</td>
<td>65</td>
<td>$KAGGS SCHOOL OF PHARMACY (DENVER) 12830 E MONTVIEW BLVD C238 AURORA, CO 80015</td>
<td>Active</td>
<td>Y</td>
</tr>
</tbody>
</table>
Supplier Onboarding-Troubleshooting

If supplier’s are having trouble registering at any of the steps:

• Email the supplier directly
• CC pcshelp@uw.edu
Have Order Information Ready

- Item/s description
- Supplier name and supplier location (supplier location = supplier “order from” address)
- Item number/s
- Amount
- Attachment/s
- Budget/s
- Commodity Code/s
- Account Code/s
- Sole source justification if a contract or competitive solicitation was not used and the amount is over the Direct Buy Limit
Contract Review of BPO:

If a contract needs to be reviewed by Purchasing:

- If the order is under the Direct Buy Limit, select the Contract Review checkbox option on the Summary screen of the Contract Request (remember to include the company contact's name, email and phone number)

- If the order is over the Direct Buy Limit, attach the Contract to the Contract Request and add a Comment to notify the Buyer to review.
Direct Buy Limit and Central Office:

- Current Direct Buy Limit is 10K
- BPOs over the Direct Buy Limit will be routed to Purchasing, for a buyer's review and approval.
- If a BPO is over the Direct Buy Limit and is routed to a buyer, changes that a buyer must make to information entered by the Preparer (from the department) will restart the approval process.
Approval Flow

Possible Central Office Reviewers:

- Purchasing (i.e.: Goods & Services Approval)
- Equipment Inventory Office (EIO)
- Environmental Health and Safety (EHS)
- PS Sub Buyer

Hint: You can click on the role name to see who is assigned to that role and can complete that approval. For Purchasing roles, check the SME list to see who more specifically you can email.
Demonstration
Best Practices

• If the supplier is not ready for BPO, contact them to find out if they ran into any trouble with the steps, and copy pcshelp@uw.edu.

• Set up all Budget/Org Approvers and Receiving roles before initiating orders.

• Make the Contact different from the Preparer.

• Choose the correct supplier when setting up the CR.

• Select the correct “Order From” address.
Best Practices

• Make sure maximum amount matches the total of the pricing terms line items together.

• Tolerance: this is typically used to cover sales tax and freight, so keep current sales tax rates in mind. Current Seattle rate is 10.25%. These rates change periodically and vary between cities.

• Only use the negotiated price on line items that are set up by quantity, not amount.

• Do not use tolerance on Pricing Terms line item Limits section, only the Maximum Limit on the Summary section.
Best Practices

• Do not add a line item for sales tax, use the tolerance for those costs.

• Add other individuals who can make changes to the order in the Access Control section.

• Don’t use Milestones (not set up for Ariba right now, some fields in Ariba are core code and cannot be removed).

• Do not attach documents with sensitive information visible.
Best Practices

• Even if an attachment is internal, if it includes patient information, the information should be redacted before the document is attached.

• Don’t rely on email notifications. Explore using Ariba reports to manage orders and incoming invoices.
  • i.e.: Run the receiving exception report to make sure invoices get paid

• Use comments box (visible to supplier for external).
Resources

eLearning Training: https://finance.uw.edu/ps/resources/training/tutorials

BPO: https://finance.uw.edu/ps/how-to-buy/aria/blanket-purchase-orders

Change/Close Order: https://finance.uw.edu/ps/change-close-BPO

Receiving: https://finance.uw.edu/ps/how-to-buy/receiving
Resources

Purchasing Subject Matter Expert List:  
https://finance.uw.edu/ps/contact-us/subject-matter-experts

Payment Status:  https://finance.uw.edu/ps/how-to-pay/payment-status-terms-timelines-delays

Supplier Search Report:  
https://biportal.uw.edu/Report/Details/SupplierSearch
Questions?
Remember to send to “Everyone” when using the chat.