

Large Dollar Purchases

UW PROCUREMENT SERVICES – WEBCAST TRAINING SERIES 5/5/2021

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What is considered a Large Dollar Purchase?

- For the purposes of this training, we will define a Large dollar Purchase as any purchase that exceeds the Direct Buy Limit.
- **The Direct Buy Limit:** Currently set at \$10K, is the dollar limitation set by State law under which purchases may be made without securing competitive pricing.
 - ✓ Departments may place orders with suppliers of choice within the Direct Buy Limit (\$10K or less, including shipping and handling and excluding tax), without prior approval of Procurement Services.
- **Aggregate Spend:** When the ultimate aggregate cost to the department for a service or the purchase of a product from a supplier will exceed the direct buy limit, regardless of the period of time, contact Procurement Services for guidance.
 - ✓ For example, if a department intends to purchase 20 of the same item valued at \$2,000 each from the same supplier, over the period of 18 months, the total will eventually exceed the direct buy limit.
- **IMPORTANT:** State of Washington and Federal purchasing rules require that purchases over the Direct Buy Limit be competitively solicited in the absence of a contract, funding source mandate, or a sole source justification.

Subject Matter Experts – Procurement Services

The screenshot shows a website page for Procurement Services. At the top, there is a banner with the text "Procurement Services" in white on a blue and brown background. Below the banner, there is a navigation menu with a home icon and the text "Subject Matter Experts". The main heading is "Subject Matter Experts" in a large, bold, purple font. To the right of the main content, there is a vertical menu with a purple header "Contact Us" and an upward arrow icon. The menu items are: "About Us", "Organization Chart", "Staff List", and "Subject Matter Experts" (which is highlighted in a darker grey). Below the menu, there is a section titled "SUBJECTS" in a bold, purple font. Underneath, there is a list of subjects with blue bullet points: ARIBA, Catering, Computer Equipment Purchases, Indemnity and IP Rights, Consulting, Equipment Leases through Office of State Treasurer, Field Advances, Furniture, General Buying, Hotels/Conferences, Household Moves, Import/Exports, ProCard, Procurement Desktop Reports, Revolving Fund Bank Accounts, Strategic contracts (campus-wide), and Tongue Gift Cards. The main content area features a table with three columns: "Subject", "Primary", and "Backup". The table has a header row with a gold background. The rows are: ARIBA (Primary: Procurement Customer Service, 206-543-4500; Backup: Teresa Athan, 206-685-9328), Audio-Visual (Primary: Lynn Magill, 206-221-8082; Backup: Ping Huang, 206-616-5946), Catering (Primary: Ping Huang, 206-616-5946; Backup: Steve Ebling, 206-685-0215), Consulting, Professional Service Agreements (Primary: Dawn Lake, 206-543-0814; Backup: Kassy Ellefson, 206-543-5827), Equipment Leases (Primary: Ray Hsu, 206-543-0793; Backup: none), and Field Advances (Primary: fieldadv@uw.edu; Backup: Arnold Hong, arnoldch@uw.edu).

Procurement Services

Home > Subject Matter Experts

Subject Matter Experts

Subject	Primary	Backup
ARIBA	Procurement Customer Service 206-543-4500	Teresa Athan 206-685-9328
Audio-Visual	Lynn Magill 206-221-8082	Ping Huang 206-616-5946
Catering	Ping Huang 206-616-5946	Steve Ebling 206-685-0215
Consulting, Professional Service Agreements	Dawn Lake 206-543-0814	Kassy Ellefson 206-543-5827
Equipment Leases	Ray Hsu 206-543-0793	
Field Advances	fieldadv@uw.edu	Arnold Hong arnoldch@uw.edu

Contact Us

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

SUBJECTS

- ARIBA
- Catering
- Computer Equipment Purchases
- Indemnity and IP Rights
- Consulting
- Equipment Leases through Office of State Treasurer
- Field Advances
- Furniture
- General Buying
- Hotels/Conferences
- Household Moves
- Import/Exports
- ProCard
- Procurement Desktop Reports
- Revolving Fund Bank Accounts
- Strategic contracts (campus-wide)
- Tongue Gift Cards

Sole Source Justification Guidelines

- **Definition:** A “Sole Source” purchase means that only one supplier (source), to the best of the requester’s knowledge and belief, based upon thorough research, (i.e. conducting a market survey), is capable of delivering the required product or service.
- **Guidelines:**
 - ✓ A sole source justification is required for every purchase over the Direct Buy Limit (\$10,000) unless the purchase is being made from an existing contract, the supplier is specifically named in the grant, or the purchase is being competitively solicited.
 - ✓ Sole source justifications must be approved by a Procurement Services Contract Manager prior to an order being placed.
 - ✓ Price cannot be used as a factor in determining if a sole source exists because it indicates the existence of a competitive marketplace.

Sole Source Justification Criteria

➤ The following list may be used in determining if a sole source situation exists:

- ✓ Buying from other governmental agencies
- ✓ The supplier is named in a Grant
- ✓ Equipment maintenance and parts if provided by the Original Equipment Manufacturer (OEM)
- ✓ Collaborative project- Supplier is named by the funding source, inter-agency agreement or clinical trials where the identical equipment is required for compatibility.
- ✓ A medical/surgical decision by a medical/dental professional, where a specific brand is required for patient care, and the manufacturer has no multiple distributors for the product.
- ✓ Software maintenance and support if provided by licensor
- ✓ Utilities- power, water, cable TV, heat, etc.
- ✓ Unique expertise, background in recognized field of endeavor, the result of which may depend primarily on the individual's invention, imagination, or talent. Consultant has advanced or specialized knowledge, or expertise gained over an extensive period of time in a specialized field of experience.

Buying Limits – For Goods & Services

- A required solicitation process is determined by the dollar amount of the purchase including shipping & handling, and excluding tax.
- The matrix below identifies the different Buying Limits at the UW:

Direct Buy Limit \$9,999 and under	Informal Competition Between \$10,000 and \$99,999	Formal Competition Over \$100,000
<ul style="list-style-type: none">➤ Departments may place orders with third-party suppliers without prior approval of the Procurement Services Contracting Team.	<ul style="list-style-type: none">➤ The Procurement Services Contracting Team works with departments to issue an informal solicitation to qualified suppliers.	<ul style="list-style-type: none">➤ The Procurement Services Contracting Team will issue an advertised Formal solicitation to qualified suppliers.

Competitive Solicitation Process

- A Competitive Solicitation is defined as the process of seeking proposals, quotations or information from suppliers that bid competitively.
- In addition to the different dollar amount thresholds that are unique to each, Informal and Formal competitive solicitations also contain different requirements that can influence the complexity as well as the amount of time the entire process can take to complete.

Informal

(Between \$10,000 and \$99,999)

- The Procurement Services Contracting Team will work with departments to obtain bids, quotes, or proposals from a minimum of three (3) suppliers.
- The solicitation **MUST** include one minority-owned and one women-owned business certified by the State Office of Minority and Woman Business Enterprise (OMWBE).
- Responses may be provided by telephone or in writing (email, fax or US mail).
- Advertising the solicitation in WEBS is not required.
- Conducting the solicitation in Ariba is not required.
- Risk associated with purchase is low to moderate.
- Award is based on price and/or minimal non-price factors with little or no negotiations.

Formal

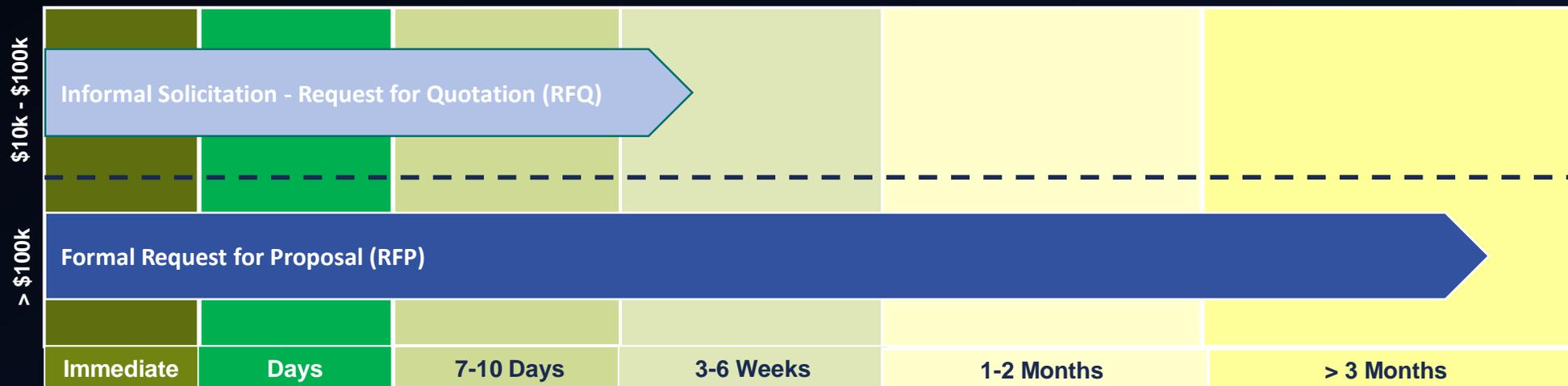
(Over \$100,000)

- The Procurement Services Contracting Team will issue a written solicitation and advertise (required) via the Washington State Electronic business Solutions (WEBS) website.
- The formal solicitation might be conducted in Ariba.
- A formal receipt process is required.
- Risk associated with purchase is higher than Informal solicitation.
- Significant involvement with campus department(s).
- Long-term, campus-wide contract possible.
- Complex supplier negotiations.
- Award based upon price as well as non-price factors/terms and conditions.

Competitive Solicitation Types & Timeline

- The most common types of competitive solicitations issued by the UW Procurement Services Contracting Team are:
 - Request for Quotation (RFQ) – Solicitation is based mainly on price alone.
 - Request for Proposal (RFP) – Award(s) is not based on price alone, and includes other important criteria that are evaluated to determine the best overall value to the UW. Multiple year, Master Contracts are usually created through the RFP process.

- Below is a competitive solicitation timeline that displays the average amount of time it takes to conduct both solicitation types. For formal RFP’s in particular, planning in advance and involving Procurement Services early in the process is crucial.



Contracts Save you Time and Money!

➤ Contracts are also the easiest way to buy. Here are some of the benefits of using Contracts:

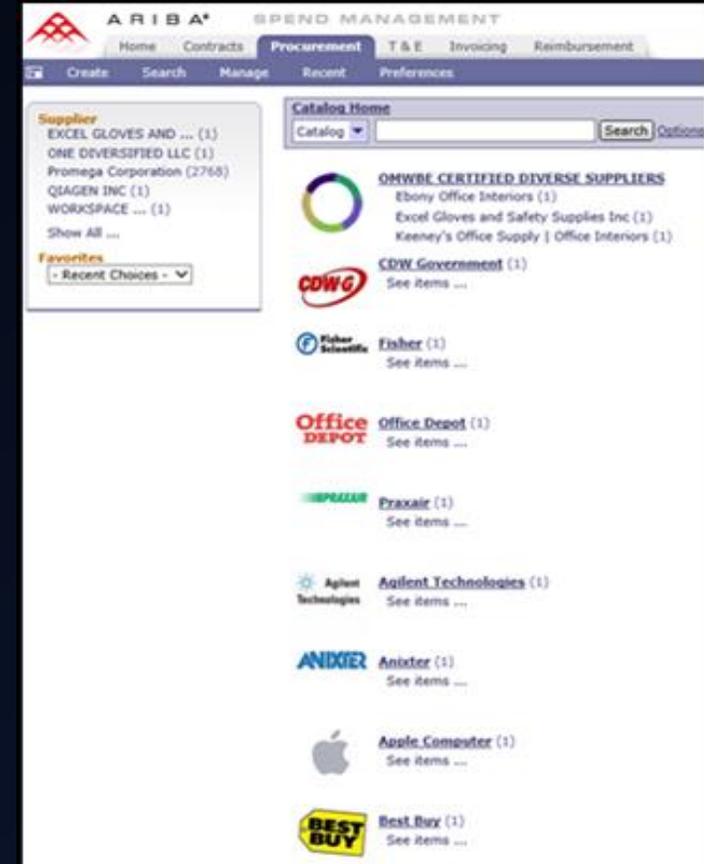
- ✓ No competitive bid requirements
- ✓ Established pricing and discounts
- ✓ No sole source requirements
- ✓ They can be used at any dollar amount
- ✓ Terms and conditions are pre-negotiated
- ✓ Contract Sales Representatives can provide assistance with:
 - Product selection
 - Installation
 - Training
 - Returns

Why should I use Contracts?



Ariba Catalog Contracts

- Did you know that most of the UW Ariba punchout and hosted catalog suppliers are Contract suppliers?
- Ordering through the catalog is the recommended first choice for purchasing goods at the UW. Here are some reasons why:
 - ✓ Fastest order method
 - ✓ No dollar amount threshold
 - ✓ A competitive solicitation or sole source justification is not required
- Purchases through catalog contracts offer established pricing, terms and discounts designed to offer the best overall value to campus.



UW Contracts Search

- If you can't find what you're looking for in the Ariba Catalog, try using the UW Contracts Search. The UW Contracts Search is a tool located on the Procurement Services website that provides visibility into Contracts that UW staff are able to leverage within their departments.
- There are four fields available in the Report (as shown below), that allow users to search for Contracts in a variety of ways. You can search by:
 - ✓ Supplier Name/Number
 - ✓ Contract Number/Contract Title
 - ✓ Keyword Search
 - ✓ Supplier Diversity certifications
- After entering your search criteria, click the View Report button to see the Contract information results. Leaving the fields blank will display all available Contracts.

The screenshot displays the top navigation bar of the University of Washington Financial Management Data Group website. It includes the university logo, navigation icons (gear, download, question mark), and the user name Heather Nicholson. Below the navigation bar, there are links for Favorites and Browse. The breadcrumb trail shows the path: Home > Procurement - PDR > Contracts > UW Contracts Search. The main search area contains three input fields: Supplier Name/Number (Optional), Contract No./Contract Title (Optional), and Keyword Search (Optional). To the right of these fields is a dropdown menu for Supplier Diversity with the selected option 'No Certifications,OMWBE,Federal'. A 'View Report' button is positioned to the right of the search fields.

UNIVERSITY of WASHINGTON
FINANCIAL MANAGEMENT
DATA Group

Heather Nicholson

★ Favorites □ Browse

Home > Procurement - PDR > Contracts > UW Contracts Search

Supplier Name/Number (Optional):

Supplier Diversity: No Certifications,OMWBE,Federal

Contract No./Contract Title (Optional):

Keyword Search (Optional):

View Report

Planning Before Buying

- By planning ahead, and asking yourself these important questions before starting the procurement process, you can save time, money and hassle:
 - ✓ What is the **TOTAL** dollar amount of the purchase?
 - ✓ When do I need the goods/services?
 - ✓ What is the funding source/budget(s)? (State, Federal, Self-Sustaining, Discretionary etc.)
 - ✓ Does the purchase qualify as a Sole Source?
 - ✓ Will the purchase be ongoing over a period of time?
 - ✓ Is there any risk associated with the purchase?
 - ✓ Will the purchase require any modifications to a UW building?
 - ✓ Is what I want available in an Ariba Catalog? If it isn't, is there a Contract available to use?
- Contact the Procurement Services Contracting Team if you are not sure about any of the questions listed above, or just need guidance on your purchase(s).



Delegated Signature Authority

- Delegated signature authority is granted to the University of Washington by the State Legislature, and is further delegated internally to the Executive Director for the Procurement Services department, who has further delegated signature authority to Procurement Services Contracting Managers.
- Procurement Services Contract Managers are considered agents of the university, and are authorized to sign contracts on behalf of the university.
- Campus departments do not have the authority to execute or sign contracts, including maintenance and service agreements.

IMPORTANT!

- It is recommended that Contracts, or other documents requiring a signature, be reviewed by a Procurement Services Contract Manager regardless of the method of payment or dollar amount.
- To submit a Contract or other documents requiring signature to be reviewed by a Procurement Services Contract Manager, you can submit through either an Ariba BPO, Ariba Non Catalog or the Ariba Contract Review Form (RV) for approval. **NOTE:** The Contract Review form is used when purchasing via ProCard.
- If you can't find what you're looking for in both the Ariba Catalogs and the UW Contracts Search, contact a Procurement Services Contract Manager for assistance in finding other Contract possibilities.

Catering, Hotels & Events

- To submit an event contract or reservation to be reviewed by a Procurement Services Contract Manager, please submit the documents through either an Ariba BPO, Ariba Non Catalog or the Ariba Contract Review Form (RV) for approval.
- **If submitting a Contract Review Form:** Once the Ariba Contract Review Form has been approved by Procurement Services, and if the payment method is ProCard where the dollar amount exceeds the transaction limit, submit a Card Limit Increase through Ariba and reference the "approved" Contract Review (RV number) in the Comments section of the Card Limit Increase form.
- If using Ariba to pay for an event deposit, then pay the balance in Ariba.
- If using ProCard to pay for an event deposit, then pay the balance by ProCard.
- UW Procurement Services has negotiated contracts with caterers and hotels as well as many suppliers providing event planning services, equipment rentals, and charters to assist campus with their special event needs. Check the **UW Contracts Search page** for available Contracts.

Best Practices & Resources

- Plan ahead and involve Procurement Services Subject Matter Experts/Contract Managers early in the process before making large dollar purchases, especially if you have no choice but to do a competitive solicitation.
- Use Ariba Catalog Contracts whenever possible, and if you can't find what you're looking for there, use the UW Contracts Search tool to see if other contracts are available to use.
- It is recommended that Contracts, or other documents requiring a signature, be reviewed by a Procurement Services Contract Manager regardless of the method of payment or dollar amount.
- **DES Procurement Training:**
 - ✓ DES training is required for all state employees whose jobs involve “developing, executing or managing procurement or contracts for goods and services”
 - ✓ To determine training requirements for your department, visit the Required Department of Enterprise Service (DES) Procurement Training page of the Procurement Services website:
<https://finance.uw.edu/ps/DES-training>

ANY
QUESTIONS
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