

UW Procurement 101

UW Procurement Services – Webcast Training Series 6/28/2022

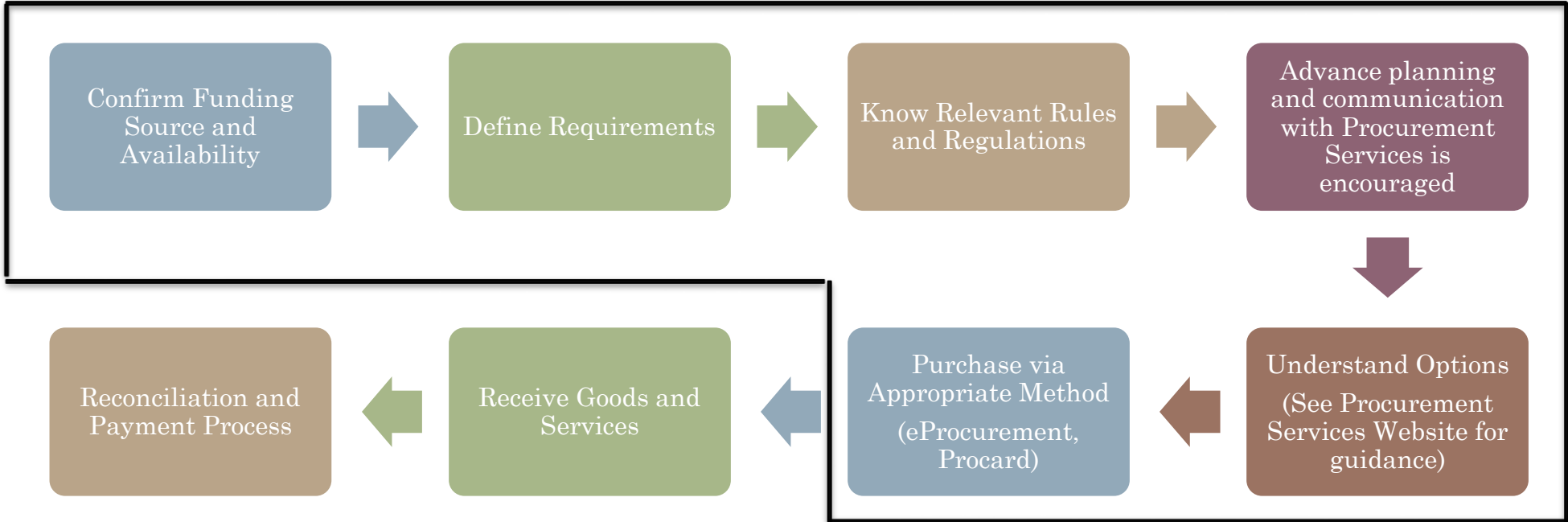
John Whitney & Heather Nicholson

Before We Get Started

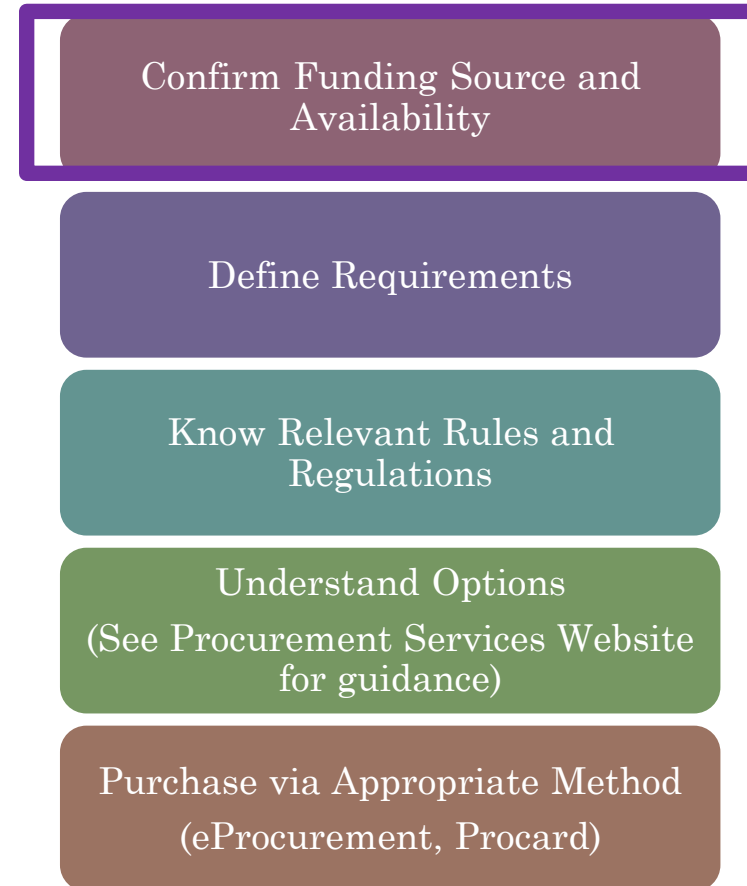
- You will not need your video enabled for this webcast, please turn off.
- Please mute yourself
- We will stop periodically throughout the presentation to answer any questions.
 - ✓ Please use the chat feature if you have a question(s).
 - ✓ Make sure the chat dropdown is set to “everyone.”
- This presentation is being recorded.

Procurement Process - From Beginning to End

What we will cover today




Procurement Process - From Beginning to End



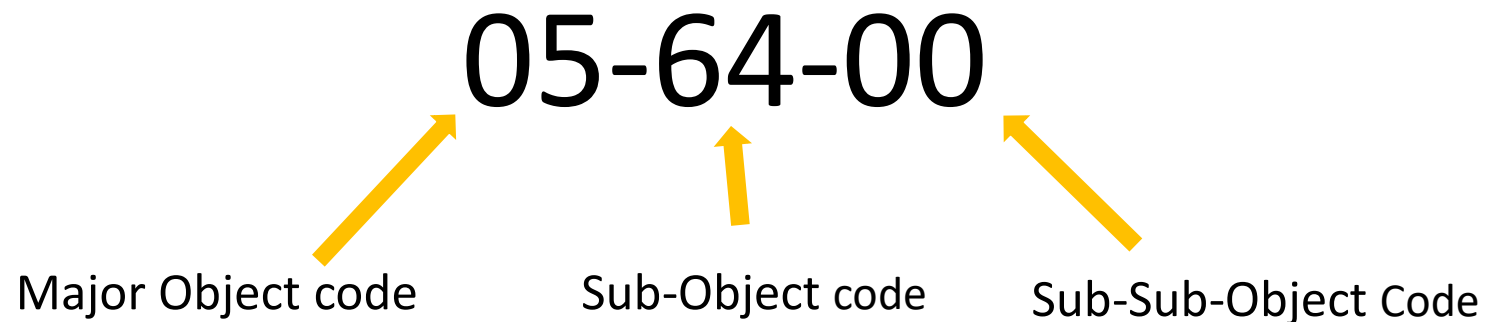
Budget Numbers

- What is a Budget Number?
 - ✓ An estimate of income for intended expenditures for a given period of time
 - ✓ Comprised of six digits
 - ✓ Assigned to FAS accounts to facilitate record keeping
 - ✓ First two digits demonstrate type of budget (state, self-sustaining, grant or gift)

**04-XXXX**

Account Codes

- Also known as:
 - ✓ Object Codes, Expenditure codes, Revenue Codes
- Categorizes each transaction
- Facilitates record keeping, budget planning, expenditure summaries and report preparation
- Comprised of six digits



Procurement Process - From Beginning to End

Confirm Funding Source and Availability

Define Requirements

Know Relevant Rules and Regulations

Understand Options
(See Procurement Services Website for guidance)

Purchase via Appropriate Method
(eProcurement, Procard)

Planning Before Buying

- 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?
- Always make sure to communicate early with Procurement Services if you are not sure about any of the questions above.



Procurement Process - From Beginning to End

Confirm Funding Source and Availability

Define Requirements

Know Relevant Rules and Regulations

Understand Options
(See Procurement Services Website for guidance)

Purchase via Appropriate Method
(eProcurement, Procard)

Washington State Resources

- DES – Washington State Department of Enterprise
 - ✓ Provides many different services and training for all levels of government- city, county, state and tribal
 - <http://www.des.wa.gov/>
 - ✓ DES establishes master contracts for use by all State agencies

- RCW- Revised Code of Washington
 - ✓ Compilation of all permanent laws now in force
 - ✓ <http://apps.leg.wa.gov/rcw>

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.
 - ✓ Visit: <http://finance.uw.edu/ps/resources/glossary#d>

Direct Buy Limit: 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.
- Orders should not be split to avoid the competitive solicitation process.
 - For example:
 - If a department intends to purchase a quantity of 20 of the same item valued at \$2,000 each from the same supplier over a period of time, the total WILL eventually exceed the direct buy limit and unless the department is utilizing a University approved contract, Procurement Services should be consulted regarding the appropriate buying method.

Payment In Advance

- Payment in advance for goods or services is generally prohibited. However, state law permits payment in advance in certain instances without violating state law.

- Exceptions include:
 - ✓ Deposits (catering, hotels, room rentals etc.)
 - ✓ Postage
 - ✓ Books
 - ✓ Subscriptions (up to 3 years in advance - digital and physical media)
 - ✓ Software and software updates (up to 3 years in advance)
 - ✓ Equipment Maintenance (up to 5 years in advance)
 - ✓ Memberships (current membership year)

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 buying staff.
- 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.

Procurement Process - From Beginning to End

Confirm Funding Source and Availability

Define Requirements

Know Relevant Rules and Regulations

Understand Options
(See Procurement Services Website for guidance)

Purchase via Appropriate Method
(eProcurement, Procard)

Requirements For Competition

- The required solicitation process is determined by the dollar amount of the purchase, including shipping & handling, and excluding tax.
- The matrix below identifies the buying limits at the UW, and describes the competitive processes that are required depending on the dollar amount:

Direct Buy Limit \$9,999 and under	Informal Competition Between \$10,000 and \$99,999	Formal Competition Over \$100,000
✓ Departments may place orders with third-party suppliers without prior approval of the Procurement Services Contracting Team.	✓ The Procurement Services Contracting Team will issue an informal solicitation to qualified suppliers. Responses may be provided by telephone or in writing (email, fax or U.S. mail), depending on instructions from Procurement Services.	✓ The Procurement Services Contracting Team will issue a 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.

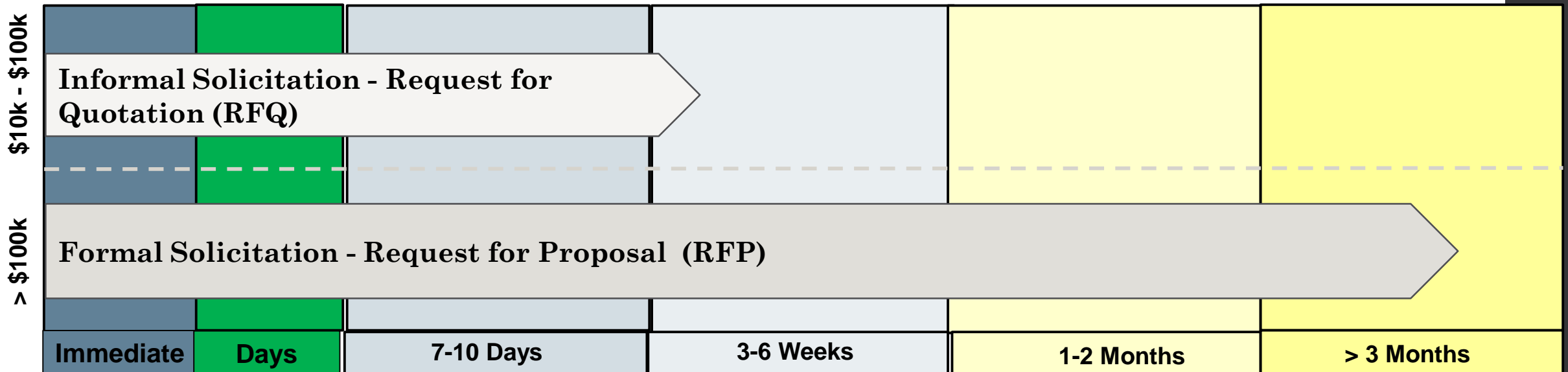
Informal	Formal
<ul style="list-style-type: none">✓ Procurement Services Contract Managers work with departments to obtain bids, quotes, or proposals from a minimum of three (3) suppliers including one minority-owned and one women-owned business.✓ Advertising the solicitation process is not required.✓ 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✓ Complex supplier negotiations✓ Risk associated with purchase is moderate to high

Review the Competitive Solicitation Process web page on the Procurement Service website:

<https://finance.uw.edu/ps/suppliers/solicitation-process>

Competitive Solicitation Types & Timeline

- The most common types of competitive solicitations issued by Procurement Services Contract Managers 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 a Procurement Services Contract Manager early in the process is crucial.



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

Sole Source

- **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.

Examples of Sole Source Justification:

- 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.

- Refer to the Sole Source Purchases webpage on the UW Procurement Services website:

<https://finance.uw.edu/ps/how-buy/sole-source-purchasing>

Sole Source Justification

Insignificant Justification

Concrete Justification



Understand the criteria that carry weight in a sole source justification

Procurement Process - From Beginning to End

Confirm Funding Source and Availability

Define Requirements

Know Relevant Rules and Regulations

Understand Options
(See Procurement Services Website for guidance)

Purchase via Appropriate Method
(eProcurement, Procard)

Ariba Catalog Ordering







- Catalogs are created based on master contracts that have been established for all Ariba suppliers, allowing campus users to go online and purchase their items.
- Purchases through catalog contracts offer established pricing, terms and discounts designed to offer the best overall value to campus.
 - ✓ Most catalogs require no central office review over the Direct Buy Limit
 - ✓ A competitive solicitation or sole source justification is not required
 - ✓ M&E tax exempt orders are supported
 - ✓ Online quote functionality for some suppliers
 - ✓ Purchase order is sent to supplier electronically
 - ✓ Approximately 70 catalogs
 - ✓ Two types: Hosted and Punchout

<http://finance.uw.edu/ps/how-to-buy/ariba/catalog-purchases>

UW Contracts Search

➤ If you can't find what you're looking for in the Ariba catalogs, the UW Contracts Search contains additional contracts that are available for campus to use. Some benefits to using contracts are:

- ✓ Established pricing, terms and discounts designed to offer the best overall value to customers.
- ✓ Posted contracts in this portal have been competitively bid and may be used at any dollar amount.
- ✓ Special discounts, terms and conditions have been put in place to benefit customers.
- ✓ Agreements posted on this webpage are not limited to UW Contracts, but also include State, Group Purchasing Cooperative (GPO) contracts and more.

 UNIVERSITY of WASHINGTON FINANCIAL MANAGEMENT DATAGroup				Heather Nicholson
★ Favorites <input type="checkbox"/> Browse				
Home > Procurement - PDR > Contracts > UW Contracts Search				
Supplier Name/Number (Optional):	<input type="text"/>	Supplier Diversity:	<input type="text" value="No Certifications,OMWBE,Federal"/>	<input type="button" value="View Report"/>
Contract No./Contract Title (Optional):	<input type="text"/>			
Keyword Search (Optional):	<input type="text"/>			

Ariba


- Ariba is a **suite of software applications** that helps companies purchase items, process travel expense reports, track spending and manage supplier relationships.
- Ariba offers many buying and paying options:

- **Buying**

- ✓ Catalog Purchase Orders (EIs)
- ✓ Non-Catalog Purchase Orders (EIs)
- ✓ Blanket Purchase Orders (BPOs)

- **Paying**

- ✓ Non-PO Invoice
- ✓ Payments to Individuals
- ✓ eReimbursements
- ✓ Expense Reports (eTravel)



What we will
cover today

Non-Catalog Ordering (EI)

- Orders placed in Ariba to suppliers who do not have catalogs, typically for one time purchases.
 - ✓ Orders will be sent electronically or by email
 - ✓ Central Office reviews orders > Direct Buy Limit
 - ✓ M&E Tax exempt orders ok
 - ✓ Any supplier who is flagged as “Y” for Ariba in the Supplier Search Report
 - ✓ Foreign suppliers are available
 - ✓ Not designed to pay multiple invoices over a period of time
 - ✓ Not the appropriate ordering method for Multi-year Contract/Agreement purchases (Use Blanket Purchase Order)

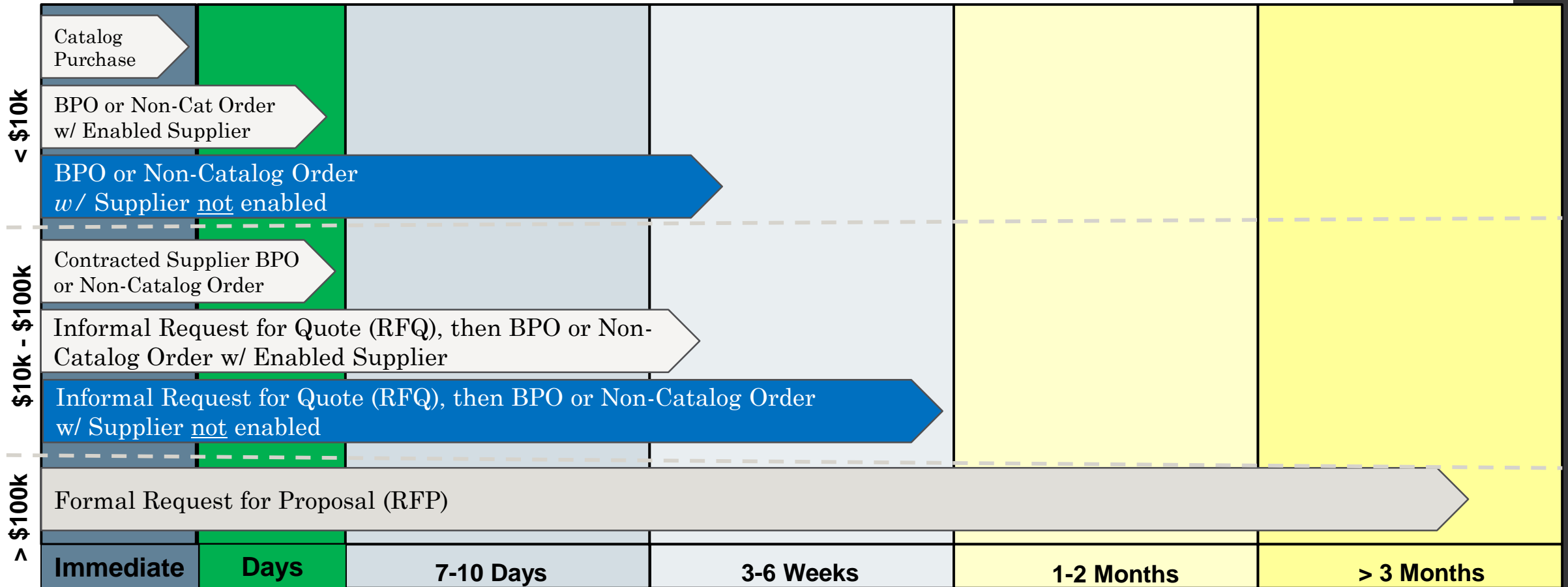
<http://finance.uw.edu/ps/how-to-buy/ariba/non-catalog-purchase-orders>

Blanket Purchase Order (BPO)

- A BPO is an order placed in Ariba, which is an agreement to spend a specific amount of money with a supplier over a period of time.
 - ✓ Supplier registered on the Ariba Network, flagged in the Supplier Search report as “Ready for BPO”
 - ✓ Receiving required for invoice payments
 - ✓ Best solution for paying multiple invoices
 - ✓ Multi-year Contracts/Agreements should be uploaded for Central Office review
 - ✓ Foreign suppliers available
 - ✓ Purchase Order will be sent to the supplier electronically
 - ✓ Central office review of orders over the Direct Buy Limit
 - ✓ Subawards must be done through BPO
 - ✓ M&E tax exempt orders allowed

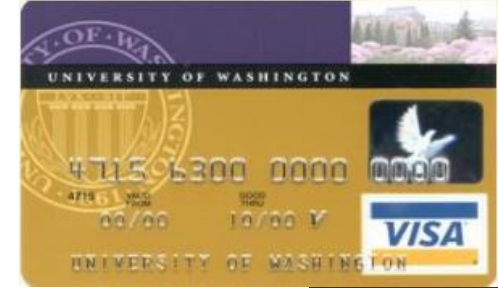
<http://finance.uw.edu/ps/how-to-buy/ariba/blanket-purchase-orders>

Procurement Process – Timeline



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

Procurement Card



- ProCard is a VISA purchasing card available for faculty and staff, provided they are permitted to received one by their department administrator who has the necessary delegated authority.
 - ✓ Application is available in Ariba
 - ✓ Common allowable expenditures include advertising, catering, deposits, conference registrations, cell phone bills, memberships, freight etc.
 - ✓ Temporary increase request form available in Ariba
 - ✓ Prohibited items include travel, personal transactions, hazardous materials, personal services, weapons, M&E orders etc.
 - ✓ JPMorgan Chase's PaymentNet is used to reconcile charges on a monthly basis
 - ✓ Card renewals must be initiated by the Cardholder

<http://finance.uw.edu/ps/how-to-buy/procurement-card>

Travel Purchasing



- Methods that allow campus to pay for travel costs associated with business at the UW.
 - ✓ **Corporate Travel Account (CTA):** A card less account that allows departments to charge airline, rail/bus tickets and specified lodging.
 - ✓ **Individual Travel Card (ITC):** A card that allows UW travelers to charge transportation, lodging, meals and other travel related expenses when traveling on official UW business.
 - ✓ **Traveler Reimbursement:** Traveler pays for travel costs and then gets reimbursed through Expense Report (ER) in Ariba.

<http://finance.uw.edu/ps/how-to-buy/travel-purchasing>

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:

<https://finance.uw.edu/ps/DES-training>

Thank you!

- **UW Procurement Services is open Monday through Friday . We are closed on [UW Holidays](#).**
- **Procurement Services Customer Service:**
 - ✓ Phone: (206) 543-4500 (Currently going to voicemail with calls being returned ASAP).
 - ✓ Email: pcshelp@uw.edu
- **Procurement Services Subject Matter Experts:**
 - ✓ <https://finance.uw.edu/ps/contact-us/subject-matter-experts>

ANY
QUESTIONS
?