

Purchasing Forum January 2008

The KUMED Purchasing website is located at:

<http://www2.kumc.edu/finance/purchasing/index.html><http://www2.kumc.edu/finance/purchasing/index.html>

The Medical Center operates under a business practice policy that all procurement of supplies and services, that are not purchased with a BPC card, must be reviewed and approved *prior* to the procurement. This review and approval is conducted by the Purchasing Department. Because of this business practice policy, it is mandatory that a requisition/purchase order be created by the individual department through the PeopleSoft system prior to the ordering of any supplies, services or equipment. Departments are not authorized to commit state funds without creating and receiving an approved KUMC purchase order.

Furthermore, Chancellor Hemenway provides annual notification to the Board of Regents specifying those University positions whose incumbents have been delegated authority to execute contracts on behalf of the University for purchase of goods or services in excess of \$100,000.00. While the Chancellor's delegated authority is for in excess of \$100,000.00, KUMC policy is that *all* contracts (no matter the dollar amount) for goods and services be reviewed and approved by the KUMC Purchasing Department, and as necessary by Legal, prior to signing on behalf of KUMC. If a vendor requires a signature, that document must be reviewed by Purchasing prior to signing.

Departmental Purchases generally fall into what we call an "order of precedence", as presented below:

Statutorily established, mandatory-use programs (State Use Catalog, Correctional Industries) KUMC Purchasing Director does NOT have the authority to allow you to bypass this requirement. If you want to bypass these programs you must complete a Prior Authorization Form (PAF) which KUMC Purchasing forwards to appropriate authority for their review and approval.

Statewide contracts are mandatory use. PAFs are required when requesting to not utilize a statewide contract.

There are several statewide contracts that are catalog based, meaning anything that vendor carries is considered to be on contract.* Those contracts are:

Office Supplies, Contract #10583, Corporate Express
Laboratory Supplies, Contract #02630, Fisher Scientific
Software-Large Account Reseller, Contract #07359, Software House
International (SHI)
Industrial and Janitorial Supplies, Contract #08997, Grainger

*Exception to Office Supplies would be furniture available through KCI which must be purchased from KCI. However, there are three (3) chairs now available through Corporate Express they are the CE brand with CE brand warranty:

CEB1111PB051	Task Chair	\$ 63.51
CEB1121PB002	Leather Task Chair	\$ 89.99
CEB1951PB002	Executive High Back Leather Chair	\$110.00

Agency specific contracts, for example a contract that applies to the KU Medical Center only, are mandatory use. Piggybacking onto another agency's contract is allowed if the specific contract indicates that it is available to Political Subdivisions. For example, KUMC could use a contract that specifically applies to K State as long as it states that it is available to Political Subdivisions.

Various Statewide Agency contracts are optional use, but can be an avenue for expedient and/or economic procurement of commodities and services.

Bidding Process is handled through KUMC Purchasing for expenditures between \$10,000 and \$25,000.00 and for those over \$25,000.00 KUMC Purchasing works with the State Division of Purchases. Purchase Request Form must be completed and specifications submitted to KUMC Purchasing in a Word document for all bid transactions.

Order Splitting to keep totals below KUMC bid limit or BPC transaction limit is not allowed.

Use of Prior Authorization Form is required when requesting:

- Sole source over \$10,000.00
- Personal Reimbursement
- Off Contract Purchase (form must indicate contract item and pricing for comparison and minimum of 10% savings must occur)
- State Use Catalog Waiver
- Emergency

Contractual Service Agreement form is required to be used to obtain the signature of an individual who is to be paid a fee for a lecture, consultation, participation or other contractual service that qualifies for payment by voucher. Form may be faxed to Purchasing at X81102; however Accounts Payable requires the original for payment.

BPC Transaction Logs *must* be submitted in a timely manner to Purchasing. Failure to submit prevents the entire agency's monthly statement from being reconciled. Continued failure to submit as required, could result in card suspension or revocation.

PARTICIPANT QUESTIONS FROM PURCHASING FORUM 1/8/08

- **What documents need to be reviewed by Purchasing before signing?**
Basically all documents obligating the Medical Center. Order signatures for vendors such as KCI and DBI, etc. do not need to be reviewed – this is a gray area.
- **How can we determine which contracts are mandatory use?** It is noted on the Purchasing website.
- **Can a number or a mark be added in Corporate Express to indicate it's an item from the Protected Vendors?** CE product numbers on EWay indicate the name of the protected vendor by the item number (i.e. Cartridge King, Envision)
- **Will the Contractual Services Form be able to be processed with an electronic signature anytime soon?** No. Original signatures are required by Accounts Payable for audit purposes.
- **Could Dell cartridges be added to the Office Supply Store?** Yes. Other items too. A request is required so that the Store does not get stuck with an item that does not sell. Contact Peggy Davis with your requests.
- **Are contracts established with a particular vendor or based on a dollar amount?** Dollar amount.
- **How can we get dry ice in small quantities or areas not indicated on the contract?** Can order small amounts from any vendor or a delivery location can be added to the contract. You may also contact Wendy Baker in Biochemistry as she's indicated she's willing to sell small quantities from her supply for a fee. Contact Wendy for arrangements (588-7006).
- **How can items such as computer equipment or phones be disposed of? Can other departments use them?** These items are collected about once a month by the department bringing them to the collection location. They are disposed of off-campus by the Safety Office. Contact the Safety Office for questions/issues.
- **How can cartridges be disposed of properly?** Cartridges can be brought to the Office Supply Store for recycle – even if they were not purchased there.
- **What is the procedure for using personal credit cards?** KUMC policy does not allow for the use of personal credit cards.
- **My BPC card is expiring soon. How do I go about getting a new one?** No action is necessary on the part of the card holders. They are sent out automatically and you will be contacted when they arrive.
- **Can I get an upgraded copier?** Probably not. You are expected to keep the unit the duration of the contract. If you're having issues, contact Peggy Davis.
- **Does Software House International (software contract vendor) have to be contacted each time an order is processed?** Yes.
- **Since when has the product # or catalog # been required for BPC purchases?** They have always been required.
- **Why does paperwork have to be sent to both Purchasing and Accounts Payable? Why can't it be shared?** Accounts Payable requires originals for payment processing.

- **Is there someone we can call when an account code can not be determined?**
Yes. Janie Meeker – X81130.
- **There were dirty, dusty boxes and binders received from KETCH Ind. What can be done about that?** Contact Peggy Davis. There is a Complaint To Vendor form that can be used for contract vendors and protected vendors.
- **Please explain the bidding timeline and limitations. How long does it take to bid a purchase?** Depends on the dollar amount. If sufficient and appropriate specifications are submitted: Under \$25,000 approximately 2-3 weeks; Over \$25,000 approximately 3-5 weeks; If negotiated approximately 8 weeks. All time frames are subject to workload as well.
- **Do we need to check every contract when ordering an item?** No. Generally if it's an office item, you should check with the office supply contract vendor (Corporate Express). If it's a scientific item, check with Fisher Scientific. Grainger carries a multitude of items. Keep the catalog-based contracts in mind. *If listed in the State Use catalog, the item must be purchased from them when using state funds.
- **Can a signature line be added to the Contractual Provisions Attachment (DA146a) form?** This has been brought up to the State previously and will only happen when the State officially revises the form.
- **Can we bypass purchasing from a contract vendor?** Yes with pricing obtained from both vendors and there must be at least 10% savings. It also requires approval via the Prior Authorization Form by Purchasing.
- **Can we use an agency-specific contract other than KUMED contracts?** Yes, if it indicates political subdivisions may utilize the contract. If it indicates political subdivisions can not use, then no it can not be used.
- **It's sometimes difficult to find various contracts. Is there a way to search them easily?** Yes. Topeka now has a much better search engine.
- **When we order Cartridge King items from Corporate Express, there is no price list with the item which is needed for BPC transactions.** Corporate Express is making changes so that the price is on their packing list.
- **Where can I get a State Use catalog?** From the Office Supply Store or contact the Purchasing receptionist at 913-588-1100.

Issues to add for future forums – Contract Cover Sheets, more detailed coverage of the PAF, how to pay a state employee, various in-house services and KUMC policy on them, and watch your vendors and their invoicing – don't assume the vendor is always correct.