PURCHASING LEVEL 2
REVIEW OF STEPS TO PLACING AN ORDER

1. Research the parts/service you need.
2. You need a work order number.
3. Create purchase requisition (preq).
4. Send any quotes, justification, etc. to Materials Management.
5. Once preq is approved and required paperwork verified, Materials Management will place the order.
BIGGEST MISCONCEPTION

• That a preq means you have authority to order the part/have vendor come for service.
• WRONG – a preq is a request to order the part or service. It still has to go through the approval process and get placed on a purchase order.
• Violations of this policy mean that we must send the preq to the Director and then to the AVP to sign along with a reason why the policy was not followed.
• Exception is if it was an emergency.
<table>
<thead>
<tr>
<th>Emergency</th>
<th>Rush</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Emergency</strong>&lt;br&gt;• You had to call in a vendor for service or order the part without having a PO# first.&lt;br&gt;• Example – a flood at night.&lt;br&gt;• Preq must be done the next business day.</td>
<td><strong>Rush</strong>&lt;br&gt;• You need the part or service ordered right away.&lt;br&gt;• Rush should be the first word in the description field on the preq line for each item so Materials Management knows to process it first. Can also put next to preq#.</td>
</tr>
</tbody>
</table>
APPROVAL LIMITS

- Every employee has an approval limit in Famis
  - Mechanic, Administrative - $0
  - Supervisor/Planner Scheduler - $5,000
  - Manager - $25,000
  - Assistant Director/Business Manager - $100,000
  - Director - $250,000
  - AVP - $500,000
- Even after preq has been approved in Famis by all parties, it still has to go through our approval process as a second check.
GENERAL RULES REVIEW

1) Must have a PO# before ordering any part or service. You cannot verbally order something or use the preq# as your order (unless it is an emergency).

2) Have clear and complete description – i.e. do not just put “per quote” – must list details. If you have spoken to someone at the vendor, note it.

3) Cannot split job into multiple preq’s.

4) Must be an approved vendor.

5) The information put next to the preq# does not transfer to the PO.
GENERAL RULES REVIEW

6) Vendors do not have access to the work order# or preq#.

7) Only one part per line on the preq.

8) Emergency is when you had to call in the vendor without getting a PO# first. It should be the first word in the description field on each preq line and next to the preq#. Preq should be done within the next business day.

9) Rush is when you need the preq processed right away but it has not been ordered yet. It should be the first word in the description filed on each preq line and next to the preq#.
QUOTES & SPJCI

- Under $1,000 – quote not required but recommended.
- Between $1,000 and $25,000 – quote required. If scope of work not known then use not to exceed (NTE) amount but be as accurate as possible.
- Over $25,000 – three quotes required. If scope of work not known then use not to exceed (NTE) amount but be as accurate as possible.
- Over $25,000 – Supplier Price Justification and Conflict Information (SPJCI) form required as well. In addition the Additional Justification for Req’s over $25,000 must also be filled out and req’s will be reviewed by University Finance office.
Supplier Price Justification & Conflict Information

Section A – bids

University or Hospital Contracted Supplier – vendors negotiated by Corporate Purchasing for University-wide contracts - not necessary to have other bids when using these vendors:

Champion Moving
Hill & Markes
Otis Elevator
Waste Management
Wesco
Supplier Price Justification & Conflict Information

Section B
If only 1 bid was obtained then check the reason under the Non-Competitive section.

If there were multiple bids but the low bid was not selected then check all the boxes that apply.

If you obtained multiple bids and did select the lowest bidder then you don’t have to fill out this page.
Supplier Price Justification & Conflict Information

Section C – Cost/Price Analysis
Check the boxes that apply.

Section D – Conflict of Interest
If a conflict of interest exists the SAVP will need to sign the Justification form as well.
Supplier Price Justification & Conflict Information

Section E – Minority and Small Business Information

This is only required to be filled out if you are using a Grant account (FAO will start with GR).

Instructions for completing above table:

✓ Write the number of suppliers solicited from each category in the second column, even if zero.
✓ For all categories not solicited, explain why in the second column using Key 1-6 below.
✓ For the categories solicited but not selected, put the reasons in the fourth column using the Key A-F below.

1. Government/Customer Directed Sources
2. Follow-up work to previous P.O./contract awarded to same supplier
3. Company-wide purchasing Agreement exists for this product/service
4. Sole Source (only approved supplier, proprietary item)
5. No known Small Businesses (checked General Contractor Registration Dynamic Small Business Search website.gov & other sources)
6. Category not solicited for another reason (explain below)

A. Company did not offer the lowest price
B. Company was found to be not qualified (explain below)
C. Company was not the best offer for reasons other than price (explain below)
D. Company did not respond to the solicitation
E. Company stated it was not interested in the work
F. Other – Explanation Required (explain below)
Supplier Price Justification & Conflict Information

Last Page

Signature of requestor required for all orders. Director signature is required if any of the following applies:

- Three bids are obtained and the lowest bid is not selected.
- Less than three bids are obtained.
Purchasing Rush Form
Types of Purchase Orders

- **Standing Purchase Orders**
  - PO’s set up through Purchasing for normally 1 year for frequently used vendors or vendors that may need to be brought in on an emergency basis.
  - Can be for material or for service for any amount, but even if we do have a SPO we may put higher $ preq’s on a separate PO.
  - Assuming you have submitted all required paperwork, we can give you the PO# right away.
  - Release # is issued against the SPO – is not valid without the release #.
Types of Purchase Orders

- I purchase order
  - PO# is 6 digits followed by –I
  - Can only be for material or for a repair being done offsite up to $1,000. Cannot be for service.
  - PO# can be given right away.
  - If we don’t have a SPO with the vendor, this is the next type of PO that we look at.
Types of Purchase Orders

- **Purchasing/312 req PO**
  - If we can’t do a SPO or an “I” PO then we have to do a 312 req to Corporate Purchasing and request a PO from them.
  - Depending on their workload and the vendor status this can take anywhere from a couple days to several weeks.
  - Important: if a rush order then you must do the Purchasing Rush form.
  - If you keep having to wait for this type of PO for a particular vendor, you need to let us know so we can set up a SPO with them.
Preq/PO status

- **Preq**
  - Requested – still needs to be approved by someone
  - Approved – preq is approved and with Materials Management to process
  - Placed – preq has been turned into a purchase order

- **Purchase Order**
  - Open – PO has been sent to vendor and waiting for confirmation
  - Placed – PO has been confirmed by vendor with pricing and delivery date
  - Complete – PO has been received
Supervisor/Manager/Director/SAVP Responsibilities

- Review preqs that require approval in a timely manner. Materials Management does not see the preq until it is approved.
- Make sure all documentation is accurate & complete.
- If going to be out then transfer your approval. The person you are transferring approval to must have authority to approve a Preq and be at the same level or higher than you are.
- Automatically reverts back when time expires but the preq’s that transferred over do not come back to you.
Preq Approval

- Approval is done on Purchase Requisition Approval form found under Purchasing. **You cannot approve from the My Documents tab**

1) Query the Preq#, if known
2) You may also query by Next Approver and scroll through all Preqs to approve using the green arrows.
3) If Preq looks okay, click Approve box next to each line
4) Click Approve/Reject button
5) If you have questions on an order, click View Line button to go to Preq line form
Preq Approval – Work Order

• For questions on work order, note number from Preq form and query on work order form

• To view account number used, click Billing button on Work Order form to bring up Billing form
Preq Approval - Rejection

To Reject A Preq:

1) Click Reject box next to each line
2) You can put a comment in the Comments field with reason you are rejecting the Preq
3) Click Approve/Reject button
Rejected Preqs

- If a Preq is rejected, it must either be corrected or cancelled:
  - To correct: Query the Preq# and click View Line. Make your changes to the description, price, etc. Preq will automatically go back to Materials Management or to Supervisor for approval.
  - To cancel: Change status on Preq form to Canceled
1) Start at work order form to find status of Preq, delivery dates, or pricing. Continue as if creating new Preq until you get to Orders form.

2) There are two views: One shows Active Orders, and the other shows All Orders. Top portion lists Preq’s, bottom portion list PO’s.

3) In the Active Orders Only view, a Preq will only show if it has not been turned into a PO. A PO will only show if it has not been closed out yet.

4) To view a Preq, click on that line and click the View button.
Tracking Your Order Continued

This takes you to Preq line form. Click PO button at bottom.

If Preq has been turned into a PO it is listed here. Click view button.
This takes you to PO Line form
A) Status of the order
B) Confirmed delivery date (use Cur Required)
C) Confirmed price
- Click OK button and will go to PO page where you can see PO# and release# (if there is one)
Finding Previous Order Information

To research previous orders that you or someone else placed, open a blank Preq and enter query mode

1. Put name of person who placed Preq in Requested By box
2. Put partial description in field with % sign before and after
3. Once query is executed, use arrow keys to scroll through all Preq’s

- This procedure also works on the PO form
Vendor Workbench

- To research a vendor: Start on the Vendor Workbench form, located in the Parts folder
- Query the vendor name, using % sign to see list of vendors.
- To see more information on a vendor, click View Vendor button to go to the Vendor form
Vendor Form

- Vendor Sites tab shows address
- To see list of PO’s, click PO History button and then click Find button on form

- To see further information on a PO click the PO line and click View button to go to PO form
WHAT HAPPENS IF?

- A job is quoted and preq/PO created but then additional work is added resulting in a higher price:
  - A new preq must be done for the new total amount. Current PO#/rel# should be referenced in the preq.
  - This ensures that the preq goes through the correct approval process.
  - If the original job was over $25,000 or the new total results in the job going over this amount then a new justification form must be done as well.
WHAT HAPPENS IF?

- Preq/PO was done for a not to exceed amount (NTE) and when the invoice comes in it is higher?
  - If the amount is less than $500 higher you do not need to do anything. (I.E. PO for $1,000, invoice for $1,400).
  - If the amount is more than $500 higher, then a new preq must be done for the new total amount. (I.E. PO for $1,000, invoice for $2,000) Please reference the current PO#/rel# in your preq.
WHAT HAPPENS IF?

- PO done for various parts but requestor orders another part that is not on PO without doing a preq.
  - Preq must be done for the new part before it can be picked up.
- You don’t know how to do a preq – can someone in Materials Management do it for you?
  - Sorry we are not allowed to do preqs for anyone else. It needs to go through the appropriate approval process.
Invoice Approval

- Any job based on Time & Material rates will be reviewed by the Financial Transactions Administrator to verify correct rates are being charged versus vendor’s quoted rates/markup.

- It is the Requestor’s responsibility to ensure that the number of hours and/or days worked are accurate and the material charged is appropriate for the job done.
Vendor Invoice Communication

- Letter will be sent to all vendors annually
  - Vendors may not start work without a valid PO#.
  - Send all invoices to UF&S Materials Management, not Finance Accounts Payable.
  - Invoice must include all required backup documentation – labor timesheets, material invoices, equipment rental invoices, mark-up, and subcontractor invoices, all as required.
  - Do not proceed with any work or ordering of materials (adjustments/increases to PO) without appropriate PO amendment.
  - Invoices must be sent in a timely manner.
  - Fuel surcharges are not allowed.
  - Partial invoices must be billed monthly.
  - The University reserves the right to audit each vendor.
  - Each vendor must adhere to University of Rochester Terms & Conditions.
  - The University maintains a Fraud hotline 275-1609. Anonymous reports may be made to Integrity Hotline at 756-8888.
## Monthly Report

- Will be sent to UF&S Management
- Report will show on a tab for MC, RC & CU: requestor, vendor, preq dollar amount and preq description
- It is responsibility of management to review report.
- Second tab for each site on report shows number of open work orders

### Report Contents

<table>
<thead>
<tr>
<th>CREW</th>
<th>REQUESTOR</th>
<th>PREQ TOTAL</th>
<th>APPROVED BY</th>
<th>PREQ NO</th>
<th>ENTER DATE</th>
<th>WO NUMBER</th>
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