University Facilities and Services

Purchasing Procedures and Policies

June 2011
Purpose for Updates

- Standardize Business Practices Across UF&S
- Verify that all UF&S employees who purchase clearly understand:
  - The tools available to them for purchasing
  - The policies and procedures for purchasing
- Vendor responsibilities
Approval Limits

- Standardize approval limits for all departments:
  - Mechanic - $0
  - Supervisor/Planner Scheduler - $1,000
  - Manager - $5,000
  - Asst. Director/ Business Manager - $50,000
  - Director - $100,000
  - AVP - $500,000
Requestor Responsibilities

- All Preqs must:
  - have **clear** and **complete** descriptions
  - represent the complete job; jobs must not be split up into multiple preqs.
  - Have an approved vendor
  - Must have purchase order before part is ordered or service is started (exception is an emergency)
- Open field next to Preq# on Preq form is now a mandatory field. Use for description of job or of material/service being ordered.
  - List EMERGENCY as first word in field for all emergency preqs
    - Emergency is when work needed to be started before an approved PO could be generated.
  - Rush is when a PO is needed immediately.
On Preq Line:

- Each part or task must be entered on a separate line.
- Rush is when a PO is needed immediately.
  - Rush should be the first word listed in the description field.
  - If Emergency was listed next to Preq# then should be first word here as well.
- Complete description needs to be filled in description field.
Requestor Responsibilities

0 Requisitions under $1,000
   0 No quote is required but is recommended
   0 Materials Management will confirm pricing with vendor

0 Requisitions between $1,000 and $9,999
   0 Must have quote from vendor for part or service
   0 If scope of work not known list not to exceed total
      0 Not to exceed total should be as accurate as possible
Requestor Responsibilities

- Requisitions over $10,000 (CU $25,000)
  - Three quotes and Supplier Justification and Conflict Information (SPJCI) form required.
  - Greater than $10,000 and sole source, one quote and SPJCI form required.
  - Greater than $10,000 and selected source, one quote and SPJCI form required.
- If emergency, Preq created within next business day
- If scope of work not known list not to exceed total
  - Not to exceed total should be as accurate as possible
  - SPJCI form required
Supplier

Justification Form and
(SPJCI)

Section A and B

University or Hospital Contracted Supplier:

- Champion Moving
- Hill and Markes
- Otis Elevator
- Waste Management
- Wesco

Director Signature is required:

Three bids are obtained and the lowest bidder is not selected

Less than three bids are obtained

Sole source is selected

Selected source is selected

10/10/2012
Supplier Justification Form (SPJCI)
Section C and D

SECTION C
Cost/Price Analysis (Select all below that support determination that this purchase price is fair and reasonable):

[ ] Competitive Bids
[ ] Contract prices reflecting savings that are not available to the general public (University-wide, GPO, GSA, NYS, or E&I).
[ ] Price obtained from a current catalogue or published price list. Please specify __________________________
[ ] Supplier has stated that the quoted prices are no greater than those charged to supplier’s most favored customer.
[ ] Quoted prices compare favorably to previous prices paid for the same or similar items on PO # __________ Dated_______
[ ] Quoted prices compare more favorably than in-house (ITS, IDS, Copy Center, Facilities) or national market benchmarks (ECRI, etc)

SECTION D
Conflict of Interest Information

Name of University affiliated individual with Conflict of Interest:____________________________ Title:_____________

In addition to the information set forth in Sections A, B, and C above, check all brackets describing the process utilized to manage the Conflict of Interest:

[ ] The individual was excluded from all discussions and decision-making
[ ] The individual was involved (e.g. in discussions) but did not participate in the decision
[ ] The recommendation or decision was made by the individuals’ supervisor
[ ] The recommendation or decision was made by internal individuals with appropriate expertise
[ ] An external expert recommended the purchase
[ ] Other management strategies and reasons (describe):

__________________________________________________________

IF A CONFLICT OF INTEREST EXISTS, THE UNIVERSITY’S SENIOR VICE PRESIDENT OF ADMINISTRATION AND FINANCE, OR HIS OR HER DESIGNEE, MUST APPROVE THE PURCHASE.

[ ] APPROVED [ ] DISAPPROVED ON BEHALF OF SR VP OF ADMINISTRATION AND FINANCE

By:____________________________
Title: Director of Corporate Purchasing
Date:___________________________

Department Administrative Authorization/Certification that the information provided is correct.

Name (print):____________________________ Signature & Title: ___________________ ________ Date ________

NOTE: In support of Federal & UR guidelines for competitive purchases and utilization of small businesses, Purchasing may obtain competitive quotations from two or more qualified suppliers when department requisitions for non-contracted purchases <$25,000 do not include multiple quotes that support those guidelines. This may result in an alternate supplier being selected.

PO#__________ PO Dollars: _______ Date: __________ Purchasing Manager/PA__________________________

Sr. Manager Reviewed_______________________ Dir/Asst Dir. Reviewed_____________________________________

10/10/2012
Supervisor/Manager/Director/AVP Responsibilities

- Review preqs that require approval
- Approve or reject preqs in a timely manner
- Famis will send e-mail notification to next approver
The person you are transferring approval to must have authority to approve a Preq.

Automatically reverts back when time expires.
New Procedures

**Requestor**
- If additional service is added to existing PO a new Preq must be done for new total amount and added to PO before additional work can be done, regardless of the additional amount. Current PO/Rel# must be referenced on Preq.
- If part added to existing PO a new Preq must be done for that part before part can be picked up. Current PO/Rel# must be referenced on Preq.
- Materials Management Buyer cannot create Preq for requestors.
- When PO was for NTE amount and the invoice exceeds $500 of total amount on approved PO, a new preq for new total dollar amount must be generated. Current PO/Rel# must be referenced on Preq.

**Financial Transaction Administrator**
- Financial Transactions Administrator to verify approval limits, review invoices for accuracy (contract pricing, bid, materials, markups, etc.) and monitor reports for requestor’s who attempt to work around the system.

**Preq Approvers**
- Make sure all documentation is accurate and complete
- Review purchase requisition reports each month

**Directors/AVP**
- If any of the following situations apply, the Director must approve on SPJCI:
  - If requisition is over $10k and sole source or selected source is chosen.
  - If requisition is over $10k and less than three bids were requested.
  - If requisition is over $10k and the lowest of 3 bids was not selected.
- When work is started before PO issued Materials Management will send the Preq to the Director and then AVP for approval; this excludes emergency work.
Direct Bills Blanket Purchase Orders

- Will become obsolete
- The following vendors will require purchase requisitions for invoices to be paid:
  - ADT
  - Aqua Science – tank rental
  - Cintas
  - Empire Vision
  - Griffith Energy – Mees
  - HireRight
  - Janitronics – Science Parkway
  - Lehigh Safety Shoes
  - National Elevator Inspection
  - Plant Design
  - Safety Kleen
  - SGS Testcom
  - Simplex – contract
  - Site Services – contract
  - Suburban Propane
  - Time Warner Cable

10/10/2012
Monthly reports will be sent to UF&S management.

Reports will show:

- Requestor
- Vendor
- Preq dollar amount
- Preq description

### Monthly Preq Audit

<table>
<thead>
<tr>
<th>Requestor</th>
<th>Total Preq No</th>
<th>Entered</th>
<th>WO#</th>
<th>WH Vendor</th>
<th>Description</th>
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<tr>
<td>ABUMP</td>
<td>$ 390.00</td>
<td>Q586722</td>
<td>06/14/2011</td>
<td>X963938</td>
<td>RC PENN POWER MAJOR PM FOR SSL PENN POWER</td>
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<td>$ 10.00</td>
<td>Q586531</td>
<td>06/10/2011</td>
<td>X972130</td>
<td>RC TENTANT COMPANY BELTS FOR HUTCH VACUUM STRAPS FOR ROOF</td>
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<td>AGAGNE</td>
<td>$ 92.20</td>
<td>Q587145</td>
<td>06/21/2011</td>
<td>X895045</td>
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<td>X978884</td>
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<td>BSNYDER</td>
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<td>RC KAMCO SUPPLIES</td>
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<td>06/08/2011</td>
<td>X913749</td>
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<td>06/15/2011</td>
<td>X941505</td>
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<td>$ 43.50</td>
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<td>Q586223</td>
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<td>CGOODERMO</td>
<td>$ 5,000.00</td>
<td>Q586954</td>
<td>06/17/2011</td>
<td>X954927</td>
<td>RC RUSTON PAVING VALENTINE LOT-ADD FOR BINDER IN</td>
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<tr>
<td>CGOODERMO</td>
<td>$ 5,152.00</td>
<td>Q586956</td>
<td>06/17/2011</td>
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<td>RC RUSTON PAVING UFC LOT-ADD FOR VISITOR PARKING</td>
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<td>CGOODERMO</td>
<td>$ 935.00</td>
<td>Q587332</td>
<td>06/24/2011</td>
<td>X978453</td>
<td>RC FULKERSON UFC SUITE 150 WORKSTATION</td>
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</table>
Invoice Review

- Date
- Invoice Number
- Blanket Order and Purchase Order Release numbers
- Description of materials and/or service provided
- Location of service provided
- Materials
  - quantity, part number/part description, cost, markup, bill amount
  - copy of each invoice for your purchase of materials
- Labor
  - Dates, employee name, job title, hours worked, rate/hour, st/ot, bill amount
  - Daily labor sheets
- Equipment rental detail including:
  - Dates, equipment name, hours used, unit price, bill amount
  - If subleased, include invoice
- Subcontractor invoices including all mark ups (if allowed)
Purchasing Procedure Flow Chart

University Facilities and Services
Non-Stock Purchasing Procedures
Proposed

Preq Appears on Buyers Workbench

Has work been started/material ordered?
Yes
Non emergency Preq signed by Director then AVP

No

Has product been sourced by requestor?

Buyer obtains quote and puts price in Preq

No

Preq goes through Approval Process (See Requestor’s Purchasing Procedures)

Buyer obtains appropriate authorization (see Purchasing Policies #5)

Buyer contacts Requestor for necessary paperwork

Yes

Is all required paperwork present? (see Purchasing Policies 2)

Buyer completes Purchasing blue 312 requisition form

Yes

Buyer contacts PO

No

To order for material under $1000 or offsite repair under $1000?

Buyer creates "I" PO

Yes

Buyer obtains appropriate authorization (see Purchasing Policies #5)

Yes

Buyer creates PO

No

Buyer emails 312 requisition and appropriate documentation to Purchasing

Purchasing verifies vendor T&C's, insurance, creates PO & faxes to vendor, emails PO to buyer.

Buyer enters PO# into Fams and verifies with vendor that they received PO and pricing is correct.

Requestor creates PREQ which goes through PREQ Approval Process (See Requestor’s Purchasing Procedures)

Vendor confirms order. Is PO within $500 of confirmation?

No

Buyer updates price and delivery date in Fams if needed

Yes

To Page 2
Material arrives at stockroom and Stock keeper receives in Famis and notifies Requestor

Requestor creates PREQ which goes through PREQ Approval Process (See Requestor’s Purchasing Procedures)

Buyer confirms material exists in Famis

Invoice comes to Buyer

Buyer checks confirmation and calls vendor to verify pricing

Does vendor need to change price?

No

Yes

Requestor creates PREQ which goes through PREQ Approval Process (See Requestor’s Purchasing Procedures)

Buyer approves invoice

Financial Transactions Manager verifies invoice pricing matches preq and contract

Is invoice amount within $500 of approved PO?

Yes

No

Buyer sends invoice to Requestor for approval to pay

Financial Transactions Manager works with vendor to revise invoice

Requestor creates PREQ which goes through PREQ Approval Process (See Requestor’s Purchasing Procedures)

Did Requestor approve invoice?

Yes

No

Yes

No

Buyer holds invoice until Requestor approves

Invoice comes to buyer before preq has been approved

Buyer call/email requestor for Preq

Requestor creates PREQ which goes through PREQ Approval Process (See Requestor’s Purchasing Procedures)

Buyer confirms PO exists in Famis

Does price match?

Yes

No

Buyer verifies with Requestor that material was added

Buyer confirms material(s) on invoice matches PO

Material

Service

Requestor inspect material and signs packing slip

Invoice comes to Buyer

Buyer confirms material PO

Financial Transactions Manager verifies invoice pricing matches preq and contract

Is invoice amount within $500 of approved PO?

Yes

No

Financial Transactions Manager works with vendor to revise invoice

Does vendor need to change price?

Yes

No

Buyer adds freight charge and receives freight in Famis

Buyer pays invoice to AP to be paid

Famis bills accounts on 28th of each month

10/10/2012
Vendor Communication

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