Purchasing-to-Payment Overview (Part 1)

September 26, 2016
2:15 – 3:15 PM

UIC UNIVERSITY OF ILLINOIS AT CHICAGO
Workshop Presenter(s)

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Please ...

• Turn off cell phones.
• Avoid side conversations.
• Hold questions until the end of the session.
• Sign the attendance roster.
• Complete the evaluation at the end of the workshop.
How “a few” customers have described the purchasing-to-payment process...
But it doesn’t have to be that way!

“Follow the proper purchasing-to-payment sequence, and very happy you will be…”

-Star Wars: Episode X – A New Hope (for Procurement Reform someday)
Workshop Objectives

• Describe the core steps for UIC procurements, from requisition to purchase order

• Share best practices for navigating the purchasing process in an efficient and effective manner, to get to payment of our vendors
Topics

• Requisition Processing
• Key Statutes, Rules, & Policies
  – Competitive Solicitations
  – Exemptions/Exceptions/Existing Contracts
  – Financial Disclosures
• Contract Processing
• Purchase Order Processing
• Non-Conforming Purchases
• Best Practices
Purchasing to Payment Roadmap

Overview Part 1
UIC Purchasing

- Requisition
  - iBuy
  - Banner*
- Competitive Selection Unless...
  - Exception
  - Exemption
- Contract?
  - Template
  - Vendor Contract
- Purchase Order

Overview Part 2
University Payables

- Delivery of Service/Supplies
- Invoice
  - Banner
  - TEM
  - Non-Standard Payment Request
  - P-Card
  - T-Card
- Receiving
  - Card Reconciliation

*Non-standard payments only
Requisition Processing

- Requisition
- Competitive Selection Unless...
- Contract?
- Purchase Order
- Delivery of Service/Supplies
- Invoice
- Vendor Paid

*iBuy
Banner*

*Non-standard payments only*
iBuy… usually!

• iBuy continues to be the single requisition system for the UIC campus
  – For all requests with standard net 30 payment terms
  – Net 15, etc. must go in Banner
  – Deposits can be processed as separate line item in iBuy req + Special Payment Request
• Non-conforming orders must go in Banner
iBuy As a Single Point of Entry

• Funneling work into iBuy
  – Benefits to Units:
    • Improved transparency for status
    • Single point of entry to Purchasing = Improved customer service
    • Purchasing can process your work quicker
    • Interfaces to Banner for payment of vendors

• iBuy Training available at:
  https://www.obfs.uillinois.edu/training/materials/ibuy/
iBuy Order Processing

- Types of iBuy Orders
  - Catalog
    - Hosted
    - Punchout
  - Non-Catalog
    - Non-Catalog Form
    - Route to Purchasing Form
    - Standing Order Request Form
iBuy Order Processing

• Importance of Accounting Date and Delivery Date Fields
  – iBuy/Banner Field Equivalents
    – Accounting Date (iBuy) = Transaction Date (Banner)
    – Requested Delivery Date (iBuy) = Delivery Date (Banner)
  – All FY17 requisitions must have Accounting Date of July 1, 2016 or Later
  – FY17 Annual Standing Orders
    • Accounting Date: July 1, 2016 or later start date
    • Requested Delivery Date: June 30, 2017 or other end date
Competitive Selection/IL Procurement Code & Rules

- Requisition
- Competitive Selection Unless...
- Contract?
- Purchase Order
- Delivery of Service/Supplies
- Invoice
- Vendor Paid
- RFP
- Bid
- Exception
- Exemption
- Existing Contract

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Key Statutes, Rules, & Policies

- IL Procurement Code (30 ILCS 500)
- Administrative Rules (44 IL Adm. Code 4)
  - Amended 1/15/16

https://www.obfs.uillinois.edu/bfpp/
State Oversight of All Procurements

- Executive Ethics Commission (EEC)
  - Chief Procurement Officer (CPO)
  - State Purchasing Officer (SPO)
- Procurement Policy Board (PPB)
  - Statutory right to 30-day review of any bid, proposal, or contract, unless waived
  - Hold public hearings
  - Recommend to void a contract or reject a bid or proposal
Competitive Solicitation Required Unless...

- It’s one of the “3 E’s”
  - Exception
  - Exemption
  - Existing Contract
Competitive Solicitations

• Invitation for Bid (IFB)
  – Award made to the **lowest price** responsible and responsive bidder

• Request for Proposal (RFP)
  – Award considers **technical evaluation factors and then price**

• Request for Information (RFI)
  – Formal invitation to provide various types of information to help define **scope** of potential project
Competitive Solicitations

• Request them with Solicitation Information Form (SIF)
  – Replaces Professional and Artistic Services Information Form (PASIF)
  – Found at https://www.obfs.uillinois.edu/forms/purchases/
  – Provide adequate information to Purchasing to identify appropriate solicitation method to meet Unit's needs and requirements, University policy, best practices, and Illinois Procurement Code
  – Create clear, precise and complete scope of services
  – Define division of responsibility between the University and vendors
Requesting a Competitive Solicitation in iBuy

• After you have filled out the SIF...
  – Use iBuy Route to Purchasing Form
  – Select “iBuy Bid Vendor” as vendor
  – Fill in estimated amounts to request solicitations
  – Attach SIF as an Internal Attachment
  – Req does NOT create an encumbrance
Tips for Competitive Solicitations

• Quality of responses received from a competitive solicitation is directly related to quality and completeness of the solicitation document, specifically the scope of work or specifications
  – This requires a collaboration between the unit and Purchasing
  – Solicitation Information Form

• Allow sufficient time for the competitive process

• Contact UIC Purchasing for assistance
“E” #1 - Exceptions to requirements for Competitive Procurements

• Small purchases
  – $80,000 for Supplies or Services, $100,000 for Construction, effective 9/1/16
  – Still $19,999 for P&A (see below)
  – “Stringing” is prohibited – Do NOT divide or plan procurements to avoid use of competitive solicitations
  – New Rules require Multiple Quotes [attach to iBuy req] and Procurement file

• Sole Sources
  – Single supplier or sole economically feasible source

• Emergency Purchases

• Professional and Artistic services
  – If less than $20,000, nonrenewable, one year or less in duration
  – New Rules require posting to Bulletin

• Donations
  – Can define procurement source if grant, gift or bequest provides majority funding
“E” #2 – Procurement Code Exemptions

• General Exemptions
  – Intergovernmental agreements
  – Grants
  – Purchase of care [“services to recipient of a State aid program”]
  – Hiring of an individual as employee and not as an independent contractor
  – Anticipated litigation, enforcement actions, or investigations

• Higher Ed Exemptions
  – Repealed effective 12-31-14; awaiting passage of new legislation to be reinstated
“E” #3 - Existing Contract

- Procurement Contracts Search
  - [http://apps.obfs.uillinois.edu/source/](http://apps.obfs.uillinois.edu/source/)
- iBuy Catalogs (Hosted & Punch-out)
- Rules govern Amendments and Renewals
  - Contact UIC Purchasing for assistance
Certifications and Financial Disclosures

• State Certifications required for all purchases
• Financial Disclosures and Conflicts of Interest Form
  – Required at $50,000 and above
  – Must be secured or resolved prior to award
• Certification of No Change
  – Annually for multi-year contracts
• IL Procurement Gateway by CPO
  – Vendor registration will permit single submission of Financial Disclosures
Additional Certifications and Required Approvals

• Secretary of State for competitive solicitations
• State Board of Elections
  – $50,000 or more: Solicitation, Contracts, or combination
• $250,000 or more per fiscal year
  – Per State Finance Act
  – In addition to University Comptroller
  – Chief Legal Counsel
  – President
• $1,000,000 or more per fiscal year
  – Board of Trustees
Contract Processing

- Requisition
- Competitive Selection Unless...
- Contract?
- Purchase Order
- Delivery of Service/Supplies
- Invoice
- Vendor Paid

Template
Vendor Contract
Contract Processing

• Contract Approval/Routing Form (CARF)
  – [https://www.obfs.uillinois.edu/forms/contracts/](https://www.obfs.uillinois.edu/forms/contracts/)
  – Required Preliminary Approvals
    • Unit Head
    • Dean/Director ($50,000 or More)
    • VP/Chancellor/Vice Chancellor ($150,000 or More)

• Use iBuy Route to Purchasing Form and include CARF as Internal Attachment to iBuy req w/ copy of proposed contract

• Units/Orgs live in Illinois Contract System (iCS) route contracts in iCS
Contract Processing

• Contract Templates

https://www.obfs.uillinois.edu/forms/contracts/

– Updated Contract for Services Under $10k Template (formerly P&A under $5k)
  • Payment submitted in TEM when single-payment
  • If no changes, Unit Head signs first signature line with the Comptroller's name (as Comptroller Delegate), and second signature line with the Unit Head’s own signature

– Updated Procurement of Services Template (formerly P&A $5k or More)
  • New standard University contract

– New templates are online fillable forms
Contract Processing

• Vendor Contracts
  – Purchasing works with University Counsel to review/negotiate terms protective of University
  – Longer timeframes to process
Purchase Order Processing

1. Requisition
2. Competitive Selection Unless...
3. Contract?
4. Purchase Order
5. Delivery of Service/Supplies
6. Invoice
7. Vendor Paid
Purchase Order Processing

• Standard terms and conditions
  – Non-negotiated
  – Automatically transmitted to vendor from iBuy
  – Not mutually executed
  – iBuy and Banner PO terms being updated

• Vehicle for payment
  – iBuy PO transfers to Banner to effectuate payment
Non-Conforming Purchases

1. **Requisition**
2. **Competitive Selection Unless..**
3. **Contract?**
4. **Purchase Order**
5. **Delivery of Service/ Supplies**
6. **Invoice**
7. **Vendor Paid**
Non-Conforming Purchases

- Requisition
  - Delivery of Service/Supplies
  - Invoice
- Competitive Selection Unless...
- Contract?
- Purchase Order
- Vendor Paid?

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Non-Conforming Purchases

• Definition: The purchase request is submitted after goods are ordered or work has started, or after invoice received

• Consequences
  – Delayed payment or no payment to vendor
  – Department must confirm what is being done to prevent recurrence
  – Potential hearing with Procurement Policy Board
Tips/Best Practices

• Initiate purchasing processes as soon as possible after the need is identified and **before** giving Vendor go-ahead
• Make “E” your favorite letter - Take advantage of Exceptions, Exemptions, and Existing contracts whenever possible
• Work with vendors that will accept the standard University contract template(s)
Tips/Best Practices (continued)

• Tips to avoid non-conforming orders
  – Training and education to everyone in your unit that is involved in the procurement function, including faculty and staff
  – Make sure vendor understands not to deliver goods/services prior to receiving a purchase order or they might not get paid
  – Vendor invoice must be dated after purchase order date
For Additional Information

• OBFS Purchases Web Page
  • https://www.obfs.uillinois.edu/purchases/

• Purchases Who To Ask
  • https://www.obfs.uillinois.edu/purchases/who-to-ask/

• Illinois Procurement Bulletin – Public Institutions of Higher Education
  • https://www.procare.stateuniv.state.il.us
How Can I Buy....?

• OBFS Home>Purchases>Ordering and Payment Methods: https://www.obfs.uillinois.edu/purchases/ordering-payment-methods/

• Direct Pay Exception List: https://www.obfs.uillinois.edu/payments-vendors-students/vendor-invoice-payment-process/non-po-invoices/
  – Contract for Services (under $10,000): https://www.obfs.uillinois.edu/forms/contracts/

Workshop Summary

• Today, you learned how to successfully navigate the Purchasing half of the “Purchasing to Payment roadmap”!
Questions / Concerns?