

Purchasing Town Hall

June 2021

Purchasing: Our Vision



- Aligned with the Strategic Plan of the University
- Expert Knowledge of the University Purchasing Policy
- Trusted Advisor – Valued Resource
- Service Culture – Model Excellence and Responsiveness
- Essential to the Financial Health of the University



Our Objectives For This Session

- To provide clarity to the Purchasing Process
- Demystify the process and slay myths
- Give you tools to:
 - Save time, money, and create efficiencies
 - Conduct business and get what is necessary for your Departments
 - Serve the needs of our ultimate customer, our Students

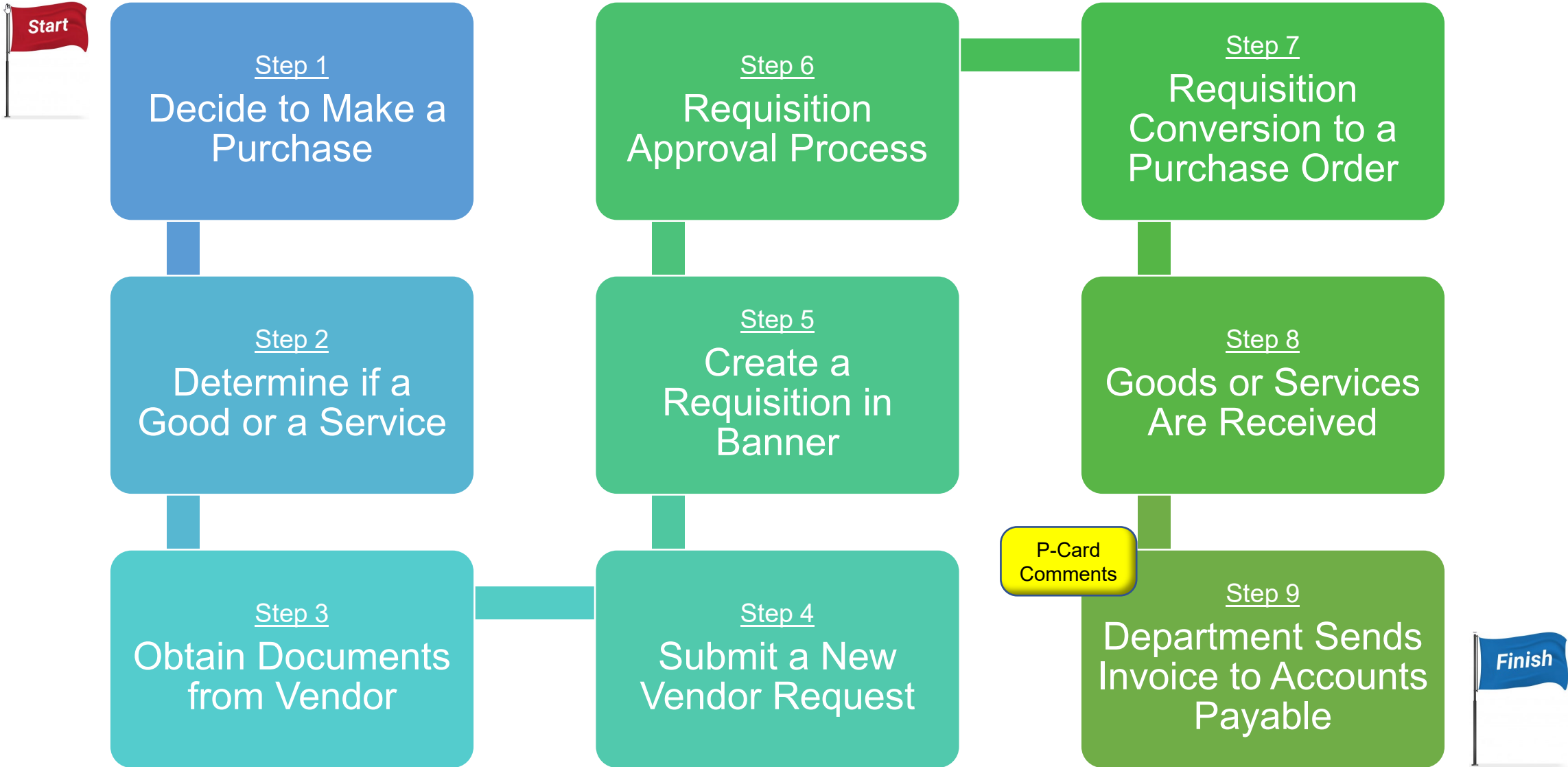
The Purchasing Team

- Cindee Wilcox - Purchasing Manager = At Ferris since August 2019
 - Came from Nestle Global Infant Nutrition and other CPG companies
 - 33 years of experience
 - CindeeWilcox@Ferris.edu
 - 231.591.3900
- Erik Booth - Buyer = At Ferris since February 2020
 - Joined Ferris from Sysco
 - 12 years of experience
 - ErikBooth@Ferris.edu
 - 231.591.3914
- Adam Phillips - Buyer = At Ferris since August 2016
 - Joined us in Purchasing from Accounts Payable in March 2020
 - 8 years of experience
 - AdamPhillips@Ferris.edu
 - 231.591.3904

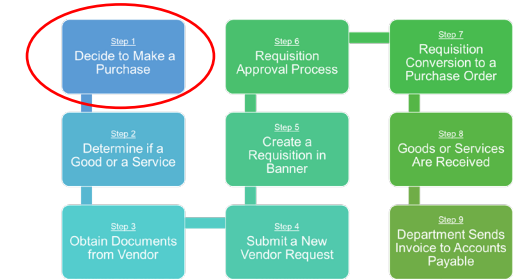


PurchasingDepartment@Ferris.edu

Purchasing: The Steps



Purchasing: The Steps



Step 1. Department Decides to Make a Purchase

- **Some things to consider when making a purchase**

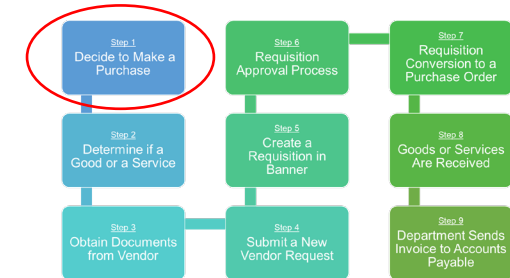
- What is the scope of work?
- How many do you need?
- How much will it cost?
- What are the quality and service expectations?

- **Some things to consider when choosing a vendor**

- Do they stand by their work?
- Are they helpful to work with?
- Do they try to help you get the best price?

- **Check out the [Supplier Marketplace](#) on our website**

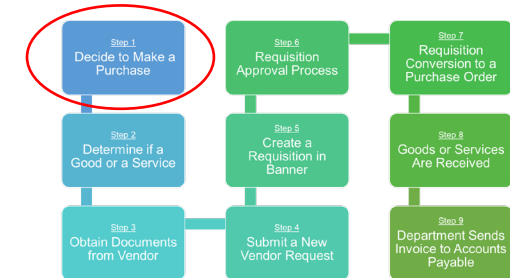
- Most of the vendors in our supplier marketplace are part of a group purchasing organization and have discounted contracted pricing.
- If you need help setting up an account with any of the vendors on our marketplace, let us know and we can help you get signed up.



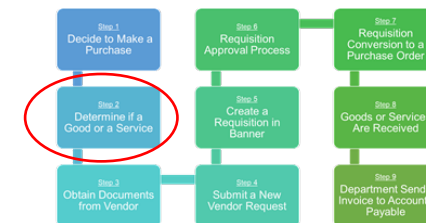
Step 1. Department Decides to Make a Purchase

Tips to Save Money

- **Compare prices**
 - Check with 3 suppliers even if it not required.
- **Volume discounts**
 - Combine purchases with other departments or stock up. Suppliers sometimes offer discounts for higher volume purchases.
- **Use Group Purchasing Organizations (GPO)**
 - GPO's work with hundreds of other organizations, combine spend, and save members money.
 - [Omnia Partners](#), [MiDeal](#), [E&I](#), [HPS](#), [Sourcewell](#), [Vizient](#)
 - Let sales rep know that you are a member of one of our GPO partners.
- **Amazon Business Prime**
 - We get special pricing, and free shipping for amazon fulfilled orders.
- **Request for Proposals (RFP) and Quotes (RFQ)**
 - Request proposals from multiple suppliers through our RFP/RFQ process.



Step 2. Determine if the Purchase is a Good or a Service



- **Definition of Goods and Services**

- https://www.ferris.edu/administration/purchase/pdfs-docs/forms/Definition_of_Goods_and_Services.pdf

- **Is it a Good or a Service?**

- **Goods**

- Purchases from \$10,000 to \$150,000 requires 3 quotes or proposals.
- Purchases over \$150,000 must be approved by the President and must go through RFQ process.

- **Services**

- All Services require a contract before the service is performed.
- All contracts over \$100,000 must be reviewed by General Counsel.
- Most services require a Certificate of Insurance following the requirements on the insurance level requirements spreadsheet.
- 3 quotes are required for Professional Services between \$10,000-\$50,000, and Non-Professional Services from \$10,000 and \$150,000
- The RFP process is required for Professional Services \$50,000 and up, and for Non-Professional Services \$150,000 and up.
- Presidential Approval for any Non-Professional service contract over \$150,000.
- Board of Trustees Approval for Professional services greater than \$50,000.

Step 2. Determine if the Purchase is a Good or a Service

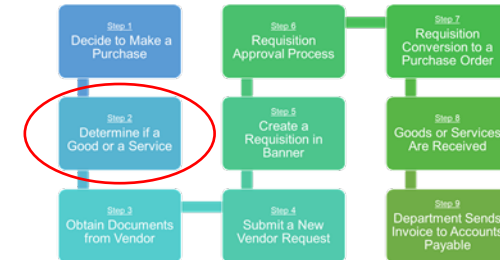
- **Purchasing Policy**

- <https://www.ferris.edu/administration/purchase/policies.htm>

- **Purchasing Flow Chart**

- <https://www.ferris.edu/administration/purchase/purchasingflowchart.htm>

- **Difference between professional and non-professional services**



DEFINITIONS & GUIDELINES OF WHAT CONSTITUTES A PROFESSIONAL SERVICE

According to Board Policy, there is a difference between Professional and Non-Professional Services. They each require a different level of approvals, which are noted in these flow charts. Professional service contracts over \$50,000 require Board approval. Non-Professional Services over \$150,000 require Presidential approval. This page provides some characteristics to help distinguish between Professional Services versus Non-Professional Services to help guide which process to follow.

Some of the Attributes of a Professional Service

- Unique & Specific Scope of Work
- Infrequent Function
- Advisory and/or Consulting Role
- Involved Interaction – Significant University Involvement and Interaction with the Vendor
- End Result/End-Product tends to be Complex
- Subjective Nature of Results

Step 2. Determine if the Purchase is a Good or a Service

Request for Proposal (RFP) Process - How and When to Use

- **When an RFP is required**

- Refer to Purchasing Flow Chart Summary Page
- https://www.ferris.edu/administration/purchase/pdfs-docs/forms/Process_Flow_Summary_Page.pdf

- **Public Purchase**

- This is our forum to publicly share RFPs (which is required according to Purchasing Policy)
- This forum is used nationwide by federal, state, and local government agencies to solicit bids and proposals for goods and services
- Ferris State University Public Purchase Page
 - <http://www.publicpurchase.com/gems/ferrisuniversity,mi/buyer/public/home>



Step 3: Request Required Documents From Vendor

✓ **W-9 Form or Request for Taxpayer Identification Number and Certification**

- IRS form, Required to set up & change a vendor or vendor VP address, needed to set up ACH Info.

✓ **Contract**

- Can come from vendor or be on Ferris Guest Engagement, Vendor, or Independent Contractor Agreement form.
- Required by purchasing policy for all services, must be completed and signed by an authorized contract signing authority before service takes place.

✓ **Certificate of Insurance**

- Protects students and the university from financial hardships caused by a vendor.
- Required for many services, dependent on type of service, see the insurance level requirements on our website.

✓ **Quotes**

- Purchasing policy requires for goods and services \$10,000 and above.

✓ **Sole Source Approval Requests**

- Purchasing policy requires if getting quotes is not an option. For example, a sole provider of goods or services, unique tools, skills, or product.

✓ **Independent Contractor Determination Checklist (ICDC)**

- This form is needed whenever contracting an independent contractor. It may not be needed if one has been provided in the past.

✓ **Conflict of Interest**

- This is needed when there is a relationship between a contractor and an employee, board member, or a constituent of the university.

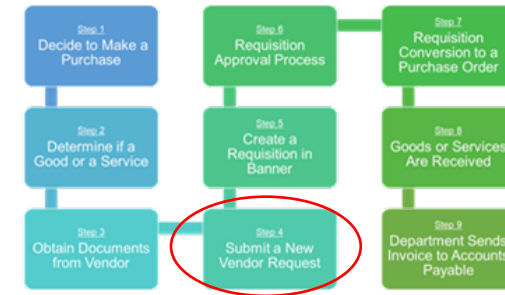
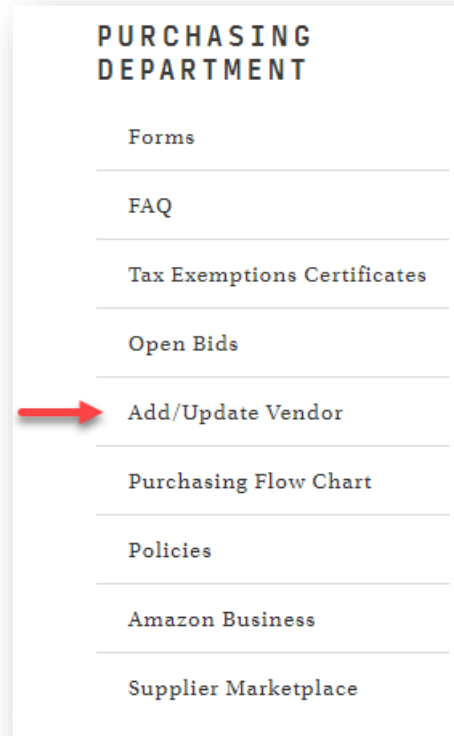
✓ **Direct Deposit Form**

- This is required to set up a vendor with direct deposit. A W-9 is required whenever we set up or change an ACH.



Step 4: Submit New Vendor Request

- How to find the Add/Update Portal



- Once complete, Purchasing will receive an email with the request. Purchasing will Add or Update your specified vendor and email the requestor once finished.

Step 5: Create Requisition in Banner

- Requisition Training

<https://sway.office.com/AqjSnCZfrZbRTZ9?ref=Link>

Banner 9 Finance Training

- Basic FOAP Training
- Basic Queries
- General Policies
- Direct Pay
- Requisitions
- Approvals



- YouTube Link

<https://www.youtube.com/watch?v=10elc4uMI1k>



Step 5: Create Requisition in Banner

- How to copy a previous requisition
 - FPAREQN → Leave requisition line blank → Press Copy
 - Type in previous requisition number and Banner ID for vendor auto populates
 - Change any information that needs to be changed
 - This can be useful for contract renewals and open PO's



ellucian Requisition FPAREQN 9.3.13 (GOLD)

Requisition: NEXT

Get Started: Complete the fields above and click Go. To search by name, press TAB from an ID field, enter your search criteria, and then press ENTER.

Copy FPAREQN 9.3.13 (GOLD)

Requisition

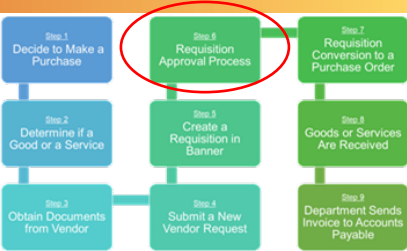
Vendor

OK Cancel

Step 6: Requisition Approval Process

After completing a requisition, it will go through an approval process.

- It is best practice to notify the approvers in your requisition’s approval queue.
- Find out who is in the approval flow by going to FOAAINP, type in your requisition number, and then hit “Go.”



Document Approval FOAAINP 9.3.13 (GOLD)

Document: R0038641 Type: REQ Change Sequence: Submission: Start Over

QUEUE AND LEVEL LIST

Queue ID	Queue Description	Queue Level	Approval Level
Z001	PURCHASING OFFICE > \$5,000		10 +

1 of 1 Per Page Record 1 of 1

+ Indicates what will be approved

APPROVER LIST

Queue	Level	User
Z001	10	Booth, Erik W.
Z001	10	SUPERAPPROVER
Z001	10	Adam C. Phillips
Z001	10	Wilcox, Cynthia L.

1 of 1 Per Page Record 1 of 4

In suspense

Detail

Approve

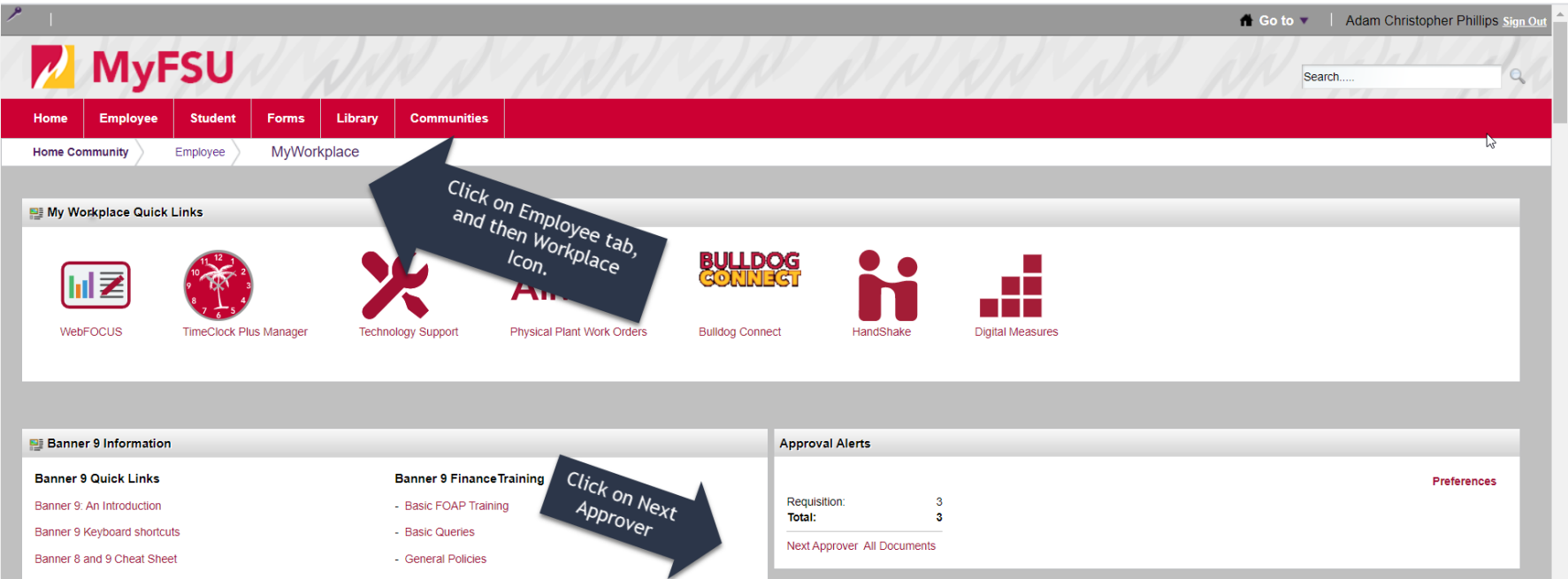
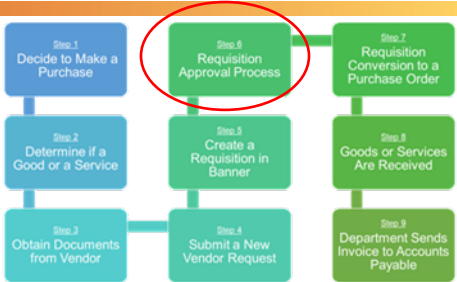
Disapprove

Step 6: Requisition Approval Process

Approvals

To see what requisitions you will need to approve:

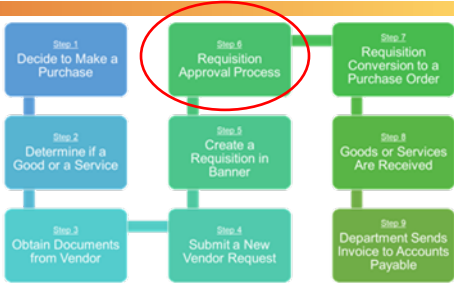
- 1) Log into MyFSU.
- 2) Click on the Employee tab.
- 3) Click on the Workplace Icon that looks like a briefcase.
- 4) Then click on Next Approver in the Approval Alerts box on the right under the icons.



Step 6: Requisition Approval Process

Approvals

- Once you are in Approve Documents you can view document details, approval history, and approve or deny the document.
 - Document Number:** Click here to view details of the requisition
 - History:** Click here to see who has approved the document so far.
 - Approve:** Click here if you want to approve the document.
 - Disapprove:** Click here if you want to send the document back for corrections.



Approve Documents

Select the Document Number link to display the details of a document. Select the History link to display the approval history of the document. Select the Approve link to approve the document. Select the Disapprove link to disapprove the document.

Queried Parameters

User ID:	PHILLA14	Adam C. Phillips
Document Number:		
Documents Shown:	Next Approver	

Approve Documents List

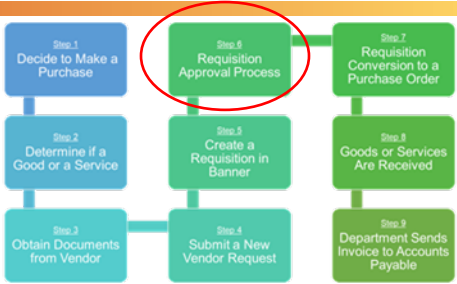
Next Approver	Type	NSF	Change	Seq#	Sub#	Originating User	Amount	Queue Type	Document	History	Approve	Disapprove
Y	REQ						6,656.00	DOC	R0038641	History	Approve	Disapprove
Y	REQ						5,600.00	DOC	R0038672	History	Approve	Disapprove
Y	REQ	Y					5,360.84	DOC	R0038695	History	Approve	Disapprove
	PO	Y		1		PHILLA14	30,889.67	DOC	P0036173	History	Approve	Disapprove

Another Query

Step 6: Requisition Approval Process

Non-Sufficient Fund (NSF) Queue

- You can still complete requisitions that have an insufficient budget message. Once completed it will go into the approval queues with NSF approval queue as the final step.
- Finance & Position Control Analyst will need to transfer the funds from another FOAP.



Requisition: R0038653

Insufficient budget for sequence 1, suspending transaction.

REQUISITION ENTRY: REQUESTOR/DELIVERY

Requisition	R0038653	Comments	b	<input checked="" type="checkbox"/> In Suspense
Order Date	03/18/2021	Commodity Total	5,000.00	<input type="checkbox"/> Document Text
Transaction Date	03/18/2021	Accounting Total	5,000.00	
Delivery Date	03/18/2021			<input checked="" type="checkbox"/> Document Level Accounting

Requestor/Delivery Information Vendor Information Commodity/Accounting **Balancing/Completion**

BALANCING/COMPLETION

Vendor	12001478 Automatic Door Service of Grand Rapids Inc	Currency	
Vendor Hold		Exchange Rate	
COA	1 Ferris State Big Rapids	Commodity Record	1
Requestor	Adam C. Phillips	Count	
Organization	56500 Purchasing Office	Input Amount	5,000.00
		Converted Amount	

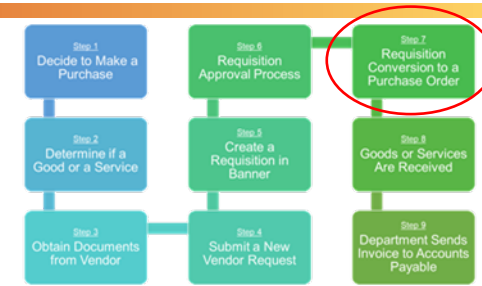
AMOUNTS

	Input	Commodity	Accounting	Status
Approved Amount	5,000.00	5,000.00	5,000.00	BALANCED
Discount Amount	0.00	0.00	0.00	BALANCED
Additional Amount	0.00	0.00	0.00	BALANCED
Tax Amount	0.00	0.00	0.00	BALANCED

Complete In Process

SAVE

Step 7: Requisition Converted to Purchase Order and E-mailed to Department

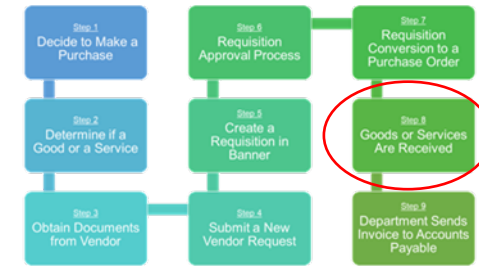


- Purchasing handles this process and will request any additional documents needed.
- Copy of PO emailed to department and vendor
 - PO's can also be sent out directly to the vendor if the department contacts Purchasing and gives them a preferred email address from the vendor.

Step 8: Goods or Services Are Received

Things to consider with your Goods or Services are Received:

- Confirm the quantity of what was ordered
- Was the quality of what was ordered sufficient?
- Is there any communication with the vendor that would be helpful?
- Is this a supplier that you would like to have a longer-term relationship with and what actions could be taken to engage “Value Beyond Price?”
- Overall, you want to ensure that you received exactly what you ordered and your expectations were met or exceeded.



Step 9: Department Sends Invoice to Accounts Payable to be Paid

What is the difference between Purchasing and Accounts Payable?



- **Purchasing – Prepares for payment**
 - Sets up and maintains vendors in banner
 - Converts requisitions into purchase orders
 - Reviews and maintains contracts
 - Facilitates the purchasing policy
 - Optimizes supplier relationships to reduce spend
 - Conducts RFX's to help departments locate appropriate suppliers
 - Contact through PurchasingDepartment@ferris.edu
- **Accounts Payable – Issues Payments**
 - Processes payments
 - Track 1099 payments
 - Foreign Wires
 - Closing Purchase Orders that have invoices paid against them
 - Contact through AccountsPayableOffice@ferris.edu

INVOICE

DATE: _____
 INVOICE #: _____

Description	Quantity	Unit Price	Total
TOTAL			

A Quick Note About P-Cards ...

- **P-Cards may be used on purchases up to \$5,000**
 - **Services:**
 - Purchasing approval required before the service takes place.
 - Fully executed contract
 - Certificate of Insurance in some cases
 - **Goods:**
 - No additional information needs to be sent to purchasing.
- **More information on the P-Card can be found on the [Purchasing Card Webpage](#) which is on the Disbursements website.**



In Summary

- **Getting the best prices with the best services and the best quality is clearly very important for our University.**
 - You deserve great service from your suppliers
 - Our goal is to help you obtain this
- **The overall aim is to follow the Purchasing Policies authored by the Board of Trustees to guide our purchasing practices.**
 - To ensure that we remain equitable when purchasing goods or services
 - To find ways to manage expenditures
 - To engage vendors to obtain value beyond price
- **The Purchasing Team is happy to support your purchasing needs, whatever they may be.**
 - We are an email or phone call away
 - We will do our best to provide you the guidance that is needed and to help you navigate the policies and processes
 - We welcome any challenges or suggestions that you may have about a process or a policy



Helpful Links

- Purchasing Department Main Page
 - <https://www.ferris.edu/administration/purchase/index.htm>
- Supplier Marketplace
 - https://www.ferris.edu/administration/purchase/Supplier_Marketplace.htm
- FAQ
 - <https://www.ferris.edu/administration/purchase/faq.htm>
- Add/Update Vendor
 - <https://www.ferris.edu/vendor/employee/addvendor.cfm>
- Forms
 - <https://www.ferris.edu/administration/purchase/forms.htm>
- Process Flow Summary Page
 - https://www.ferris.edu/administration/purchase/pdfs-docs/forms/Process_Flow_Summary_Page.pdf
- Policies
 - <https://www.ferris.edu/administration/purchase/policies.htm>
- Amazon Business
 - <https://www.ferris.edu/administration/purchase/amazonbusiness.htm>