

UCSC Procurement and Business Contracts

FROM: Paul Schell – Purchasing Manager
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SUBJECT: Procurement Process Changes and Reminders

Price Reasonableness

University buyers are the primary personnel who make decisions on behalf of the University with respect to the purchase of goods and services needed by the University Community. In all cases, a main consideration is to assure that the price to be paid for these goods and services is fair and reasonable. This is essential to insure that University funds are utilized in a cost effective manner and to conserve funding where resources are limited.

For a purchase of less than \$50,000, when it is advantageous to the University, all the necessary components of the order may be negotiated. The number of vendors with whom negotiations are carried on is the responsibility of the Procurement Office and will generally depend upon the size and complexity of the purchase. Any quotes received by the requesting Unit/Department should be attached to the CruzBuy requisition initially so duplication of efforts in determining price reasonableness are avoided. Units/Departments unable to attach quotes to the CruzBuy requisition can fax them to our office and include the CruzBuy requisition number on the quote.

State law mandates a formal bidding process for purchases over \$50,000. See Competitive Pricing and Quotations (<http://purchasing.ucsc.edu/howto/CompetitivePriceQuotes.html>).

Restrictions for Change Orders

Change Orders cannot be used to change the supplier name. To change the supplier name, the PO must be cancelled, and a new requisition created to the correct supplier.

Change Orders cannot be used to add a UCSC42 commodity description (to specify required review and approval by an authorized departmental or divisional employee prior to invoice submission to FAST/AP for payment.) The UCSC42 commodity code must be entered on the original requisition only. Contact FAST/AP directly, via email, to request special handling if the UCSC42 commodity code is needed but was not entered when the original requisition was submitted. More information regarding change orders can be accessed at: CruzBuy Change Orders (<http://purchasing.ucsc.edu/howto/changeorder.html>).

After the Fact Orders

Anytime an order for services or materials are to be invoiced to the University a UCSC Purchase Order must to be sent to the vendor **before** the materials are shipped or services are performed. The UCSC Purchase Order number **must** be referenced on the invoice for payment. Following this requirement will help our FAST/AP office to quickly process invoices and verify charges so payment can be generated to vendors in a timely manner.

We emphasize the need for departments to plan their supply and equipment needs well in advance. Communication is a key factor in the purchasing process. Please contact the Procurement Office, or your designated Buyer Team, with your expected requirements as soon as they are apparent to avoid delays in receiving your supplies and services.

Procurement Card

Departments are encouraged to use the University's pro-card for supply purchases, provided the total amount of the purchase does not exceed the limits assigned to the card and further provided that the goods or services are appropriate for the pro-card. See Restricted Purchases for Pro-card (<http://purchasing.ucsc.edu/howto/procard/restrictedpurchases.html>).

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Vendor Payee Setup Request Form 204

CruzBuy requesters and the Procurement Office should not be communicating, sending or storing completed 204 forms within CruzBuy due to Personal Identity Information (http://its.ucsc.edu/security_awareness/pii.php) (PII) and potential security risks.

When requesting the 204 form, instruct the vendor to perform the following steps:

- Have the vendor complete and sign a Payee Setup Request_204 (http://financial.ucsc.edu/Financial_Affairs_Forms/Payee_Setup_204.pdf).
- Instruct the vendor to either mail or fax the completed and signed form to you.
- Do *not* request that the vendor email the completed 204 form to you.

When forwarding completed 204 forms to Procurement please send them via fax to 459-3300 and reference the CruzBuy requisition number on the top right hand corner of the 204 form.

Do not retain scanned or completed Payee Setup Request 204 forms on your computer workstation due to potential information security risks. This is especially an issue for independent contractors who use their social security number as "Payee Taxpayer ID Number".

CruzBuy Forms by Commodities

Have you ever wondered which CruzBuy form to use when requesting goods and services?

A new web page has been created in order to help requesters determine the correct CruzBuy form to use, based on the commodity to be purchased. This help page is available at: Form by Commodity (<http://purchasing.ucsc.edu/contact/commoditybyform.html>).

If you have any further questions on which form to use please contact your Buyer Team members directly. Procurement & Business Contracts contact information is found at: P&BC Contacts (<http://purchasing.ucsc.edu/contact/index.html>).

Submission of Non-standard Contracts for Review by Business Contracts

Contracts requiring review and execution need to be attached to a CruzBuy requisition. Then submit an email that refers to the requisition number and describes the requested action Do *not* hand deliver contracts as hard copy. Please create a requisition and attach the contract. This helps our office and your department track response time and, more importantly, enables you to determine the status of a requisition and related contract in the review and approval process.

Pre-planning

The necessity for departments to pre-plan for services, supplies and equipment needs cannot be over-emphasized. The time required for an order to be issued and to obtain delivery of goods or services after receipt in the Procurement Office of a properly prepared and approved requisition varies greatly. The workload at any given time within the Procurement Office is a factor. Delivery, however, will always depend on the supplier's stock and the challenges they face producing or securing delivery from their suppliers. Please plan accordingly.

Please let me know if you have any questions or comments.

Thank you.

Paul Schell
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