University Procurement Services

Procurement Evolution:
From Transactional to Strategic Service

Nimish Patel
Associate Vice President and Chief Procurement Officer
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Presentation Agenda

• Introduction: We Listened, We Learned, We Acted

• Procurement Evolution:
  – Why was a policy overhaul necessary?
  – Notable Changes to Procurement and Payment Policy
  – Notable Changes to Travel and Business Expense Policy
  – University Procurement Services Procedures Manual
  – Procurement Services Service Model
  – Campus Single Point of Contact / Campus Liaisons

• Streamlined Forms & Processes:
  – How University Procurement Services Will Help Campus with Compliance
  – Informal Bid Intake Form (price quote)
  – RFX Intake Form (formal bid)
  – Waiver of Bid Request Form (unable to bid)
  – Professional and Business Services Matrix
  – RU Procurement Terms & Conditions
  – Statement of Work (SOW)
  – Check Request Matrix Key Updates
  – Non-PO Upload Request Key Updates

• Upcoming Procurement Initiatives
Evolution from Transactional to Service Model

We Listened
We Learned
We Acted
What We Learned from Voice of the Customer:

- Inconsistencies in policy application
- Lack of procurement process guidance
- Bottlenecks in Purchase Order processing
- Issues with payment processing
- Issues with Travel and Expense reimbursement
Our Customers Need:

- Responsiveness/ customer service
- User friendly/ easy to navigate Procurement Services website (process and forms repository)
- Reporting and analytics (spend analysis)
- Easier forms to process requisitions in RU Marketplace
- More Training (in-person & on-line)
- University-wide contracts
- PCard program for low dollar purchases
University Procurement Services Implemented the Following Changes:

- Implemented *new* customer focused Service Model
- Established Procurement Liaison roles as single point of contacts
- Enhanced Procurement Services website
- Overhauled Procurement Policy (Procurement and Travel & Expense)
- Updated Procedures Manual
- Increased purchasing thresholds
- Streamlined forms to reduce paperwork and eliminate need for signatures
- Implemented efficient contracting process
- Clarified Check Request Matrix
- Improved invoice and travel and expense payment processing
Why was a policy overhaul necessary?

- Since the last major revisions to the purchasing, accounts payable and travel & expense policies, University Procurement Services has assumed responsibility for:
  - Accounts Payable
  - Travel and Expense Management

- With the recent finalization of Uniform Guidance Federal Uniform Guidance regulations (July 1, 2018 implementation date), University Procurement Services needed to revise the current purchasing policy to ensure compliance and remain eligible to receive federal awards

- The following policies will be merged into the new policy and withdrawn:
  - 20.1.16: “Policy on Notification and Approval of Certain Contracts Awarded without Competitive Bids or Proposals”
  - 20.1.17: “Professional Service Provider Policy”
  - 40.2.4: “Invoice Processing”

- The new Procurement and Payment Policy 20.1.11 was approved by the Board of Governors in April 2018
Notable Changes to Procurement and Payment Policy

- Aligned purchasing thresholds to Uniform Guidance standards

<table>
<thead>
<tr>
<th>Procurement Thresholds</th>
<th>Previous RU Policy</th>
<th>Current RU Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Value Purchase Range</td>
<td>Under $5,000</td>
<td>Under $10,000</td>
</tr>
<tr>
<td>Informal Bid Range</td>
<td>$5,000 – $49,999</td>
<td>$10,000 – $149,999</td>
</tr>
<tr>
<td>Formal Bid Range</td>
<td>$50,000 +</td>
<td>$150,000 +</td>
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</tbody>
</table>
Notable Changes to Travel and Business Expense Policy

• Following a thorough evaluation of the existing travel and expense policy (40.4.1), University Procurement Services recommends amendments to that policy.

• Purpose of the policy revision is to clarify and better organize specific language and concepts within the document, and ensure that the policy is up-to-date with the current business climate.

• Notable changes include:
  – Renamed “Travel, Travel Incidentals, and Meal Expense Policy” to “Travel and Business Expense Policy”
  – Supplemented Travel and Business Expense policy to include foreign travel resources
  – Revised Travel and Business Expense policy regarding meal per diem options
  – Created new expense categories for business meals

• Parts of the current policy that are procedural in nature have been edited out of the revised policy and incorporated in the new University Procurement Services Procedures Manual.
University Procurement Services Procedures Manual

- Procedural language from the former policy was moved to the new *University Procurement Services Procedures Manual*

- [Work instructions](#) have been added in Canvas, that tie to the Procedures Manual

- Procedures are compliant with Uniform Guidance

- Manual offers greater operational flexibility, which may be periodically updated and approved by the Executive Vice President of Finance and Administration

**Key Topics:**

- Supplier Management
- Payments
- Sourcing
- Ethical Conduct
- Contracting
- Records Maintenance
- Ordering Goods and Services
- Travel and Expense Management
- Invoicing
Procurement Services Service Model

Chief Procurement Officer
(Nimish Patel)

Accounts Payable
(Gary Kucsan)
- Accounts Payable
- Check Requests
- Non-PO Uploads

Continuous Improvement
(Natalie Mayfield & Veronica Suraci)
- Communication
- Help Desk
- Process Improvement
- Reporting/Analytics
- Training

Expense & Travel Management
(Anne Gutsick)
- Expense Reimbursement
- P-card

Information Systems
(Janet Green)
- Application Support
- Supplier Management

Procurement Services
(David Fenkel)
- Campus Liaisons
- Contracting
- Order placement
- PO Management
- Sourcing

Supplier Diversity
(Wes Coleman)
- Small Business Sub Contracting plans
- Diverse Supplier identification
- Outreach Events
Campus Single Point of Contact / Campus Liaisons

- **IT** (Maryse Bloom)
- **RBHS** (Susan Ryan)
- **Athletics** (Dennis Demarino)
- **New Brunswick & Central** (Kathryn Kuhnert)
- **Camden** (Chris Aha)
- **IP&O** (Mike Dunn)
- **Newark** (Ida Angelone)
Streamlined Forms & Processes
Updated Forms Repository Page

https://procurementservices.rutgers.edu/
How University Procurement Services Will Help Campus with Compliance

• **Purchases under $10,000 guidelines** – outlined in [How to Buy](#)
  – Use Quick Order Form unless the item is listed on the [restricted list](#) on the University Procurement Services website, Making Purchases (Types of Purchases) page
  – If item is on the restricted list, utilize either a Goods Request or Service Request Form

• **University Procurement Services** has created or updated forms with checklists based on purchase amount to ensure units comply with policy and Uniform Guidance.

  Forms are not necessary if there is a university-wide contract

*End user is responsible for reviewing purchasing guidelines and submitting appropriate forms prior to purchase*

  – Purchases $10,000 - $149,999 – [Informal Bid Intake Form](#) (informal bid)
  – Purchase $150,000 and greater – [RFX Intake Form](#) (formal bid)
  – No Bid Solicitations – [Waiver of Bid Request Form](#) (unable to bid)
Informal Bid Intake Form (informal bid)

- Form must be completed whenever a purchase valued at $10,000-$149,999 is sourced via informal bid, impacting end user day-to-day operations (University Procurement Services can assist with obtaining quotes)

- Two price quotes are required

- Completed form must be submitted as an internal attachment

- University Procurement Services is responsible for reviewing the list prior to approval
RFX Intake Form (formal bid)

- Form is a checklist for $150,000+ purchases that are competitively purchased

- University Procurement Services is responsible for reviewing the form prior to approval and adding any diversity suppliers in the bid (if not included by the unit)
Waiver of Bid Request Form (unable to bid)

• Form must be completed whenever a purchase valued at $10,000+ if sourced via waiver of bid

• Completed form must be submitted as an internal attachment

• Any Rutgers Health Group purchases must be on the RHG Waiver of Bid form (only applies to RHG)
Statement of Work (SOW)

- **Statement of Work (SOW)** replaces the use of the Professional Service Provider Agreement (PSPA) and should be used in nearly every service engagement, including performances and guest speaker/lecturer engagements.

- The SOW details the Rutgers unit, Supplier, term of engagement, description of services (deliverables, if applicable) and fees & expenses.

- SOW will be completed by the Rutgers end user (UPS will assist as needed).

- Unit and supplier signatures not needed if PO/SOW is used; the SOW (RU Marketplace external attachment), together with a Rutgers purchase order, will form the contract.

- **Updated Professional and Business Services Matrix** defines when the Independent Contractor or Employee Determination (ICED) and/or a Statement of Work is needed.
RU Procurement Terms & Conditions

• The Standard Terms and Conditions have been updated and are incorporated into every PO we issue

• The same terms and conditions are incorporated via a link through UPS driven contracts

Notable changes:
  – Renamed “Rutgers Standard Terms and Conditions” to “Rutgers University Procurement Terms & Conditions”
  – Terms and conditions have been made UG compliant and further clarified
  – Document now includes special provisions for certain engagements such as performances, hospitality, and ultimately construction
Check Request Matrix Key Updates

Guest Lecturer and Performer Payments
- These payments will now be processed as purchase orders (POs) instead of check requests
- **Statement of Work** required
- An invoice (units or supplier must provide invoice)
- **Independent Contractor or Employee Determination (ICED)** still required (Guest Lecturer)

Editor, Transcriber, Proofreader, and Publication Fees
- All editor, transcriber, proofreader, and publication fees will now require a purchase order (PO), or an expense reimbursement (for publication fees)
Check Request Matrix Key Updates (cont’d.)

Clinical Trial Payment
• A clinical trial payment will be processed as a Human Subject Participant Payment

Payment to a Non-Resident Alien (NRA)
• All payment requests to non-resident alien individuals must include a completed Payment to Non-Resident Alien form, from Tax Services.
• Tax Services must review and provide additional information before the form is submitted by the unit.

Non-Qualifying Scholarship (formerly Stipend)
• Name change to Non-Qualifying Scholarship
Non-PO Upload Request Key Updates

• **All Non-PO Uploads** will now require an **RU Marketplace** requisition using a Non-PO Upload Request Form and upload of files to Sharepoint.

• Non-PO Uploads are:
  - human subject payments/direct disbursements
  - non-employee refunds
  - non-qualifying scholarships
  - patient refunds
  - petty cash
  - royalties
  - TA/GA awards

• End users should review **instructions** before submitting a request.
We Listened  We Learned  We Acted

Upcoming Procurement Initiatives:

- Continuous outreach to campus
- Campus specific training sessions
- Spend Analysis / Reporting Dashboards / Analytics
- Strategic Sourcing / University wide contracts
- Expanded Travel Program
- Launch of the P-card program
Procurement Contacts / Information

- UPS Help Desk - Accounts Payable, Procurement, and Expense Management Questions: procure@finance.rutgers.edu
- Accounts Payable - Invoice Processing (automated invoice mailbox): accountspayable@finance.rutgers.edu
- Accounts Payable - Non-PO Invoice Processing: payables@finance.Rutgers.edu
- Accounts Payable - Banking and Reconciliation: apreconcile@finance.Rutgers.edu
- Accounts Payable - Payments and Filings: checkinquiries@finance.Rutgers.edu
- Accounts Payable - Non-PO Uploads: uploads@finance.rutgers.edu
- UPS Training Information and Offerings: https://procurementservices.rutgers.edu/making-purchases/training-support-materials
- Rutgers Canvas/ UPS Online Information - FAQs, Job Aids, Training Presentations, and Web Based Tutorials: https://rutgers.instructure.com/courses/561/modules
- Rutgers Canvas/ Expense Online Information - FAQs, Job Aids, Training Presentations, and Web Based Tutorials: https://rutgers.instructure.com/courses/771/modules
- UPS Policies and Forms: https://procurementservices.rutgers.edu/policies-forms
- Travel and Expense Policies and Forms: https://procurementservices.rutgers.edu/travel
- Rutgers Cornerstone/ Rutgers On-going Project Updates: https://cornerstone.rutgers.edu/