How Do I Buy?
Purchasing at UC Davis
Today’s Agenda

• Overview of the 4 Procurement/Payment Options
  • How do you choose?
  • How do they work?
• Reports to Make Procurement Easier
• Q&A
Introducing Today’s Presenters…

- **Jim Hewlett;** Technology Solutions & Communications Lead, Supply Chain Management
- **Julie Alvarez;** Buyer, Strategic Sourcing
- **Britany Duyanovich;** Buyer, Strategic Sourcing
- **Vartan Vartkessian;** Administrator, UC Davis Card Program
- **Kay Cole;** Buyer, Procurement and Contracting Services
- And a few others that we’ll introduce now…
Overview of 4 Basic Options

1. **AggieBuy:** Start Here!

2. **Procurement Card:** If item isn’t available in AggieBuy

3. **Travel Card:** In some cases

4. **Kuali:** When none of the options above will work!
Average Transaction Costs By Option

1. **AggieBuy**: $35/transaction; order and payment combined

2. **Procurement Card**: $68/transaction; order and payment combined

3. **Kuali Financial System (KFS)**: $100-$300/transaction; separate transactions created for order and payment processes
AggieBuy: Start Here!

• **Newest e-procurement option** at UC Davis, as of November 2016

• **Over 20 suppliers** currently available, with new ones being added quarterly; Breadth/depth of product offerings keeps increasing!

• **Best place to start** when you are searching for an item!
AggieBuy: Start Here!

• You can purchase almost everything, from computers to chairs, office supplies to oligos, stethoscopes to software, Ajax cleanser to zebra z-grip pens!
AggieBuy: Start Here!

Benefits

• Take advantage of university agreement pricing
• No per-order dollar limits
• No having to enter commodity codes; just locate item and submit order
• Purchase capital assets over $5K
• Special conditions routing allows inclusion of deeper catalog options, including radioactive and hazardous materials
• Purchase and Payment combined in one transaction
• Provides detailed expense information on the ledgers in FIS Decision Support

Development Opportunities

• Not all items in supplier’s public-facing catalog may be available in AggieBuy
• Trade-ins are not currently accommodated
• Can’t currently be used for repairs or procuring services
• Tax issues for implementation of some suppliers (e.g., Neta Scientific) and R&D equipment tax reductions
AggieBuy: Agreement Pricing

- Using AggieBuy ensures you get the university negotiated pricing

- This is generally the lowest overall cost available from the supplier

  - Lowest overall cost may be higher than public shelf price, but includes the benefits of e-procurement, including automatic payment, free shipping for many items, and better return options in many cases
AggieBuy: Agreement Pricing

• Using AggieBuy helps to ensure that supplier prices are kept as low as possible

• The more the university uses the supplier agreements, the better the negotiation terms/prices the university can realize
AggieBuy: Agreement Information

• The **Strategic Sourcing** unit of Procurement and Contracting services works with UCOP to negotiate and develop agreements; they also work with suppliers to ensure pricing is correct and fair

• **Dell: Bulk Computer Purchase Agreement** implemented this past Spring; great way to save $ on computer purchases in AggieBuy

• **Fisher: UC Fisher First** contract provides multiple Fisher items at a lower price than what is available elsewhere
AggieBuy: Agreement Information

• Each agreement has its own terms and conditions; occasionally one agreement may restrict selling of a specific product to that one supplier

• If you receive a message that a commodity has been “blocked,” another AggieBuy supplier will usually have that same commodity available for purchase
AggieBuy: Adding New Catalogs

• The Strategic Sourcing unit is involved in the discussion of new catalog agreements to implement in AggieBuy

• Four Major Determining Factors:
  • Existence of a UC Systemwide or Campus Agreement
  • Existence in Another UC E-Procurement System
  • Amount of Spend and Transactions
  • Campus Employee Feedback
AggieBuy: New Catalogs (last 4 mos)

- Agilent
- Genesee
- GE Dharmacon
- Medline
- UC Davis Vet Med Central Services
AggieBuy: Upcoming Catalogs

- Apple
- Aramark
- Eppendorf
- GE Biosciences
- National Gift Card
AggieBuy: Did You Know?

- **Capital Assets** (items over $5K) can be purchased; system requires completion of **Capital Asset** section on Requisition, including custodial code, building/room, and manufacturer/model info
  - Associated **Purchase Order** automatically routes to Equipment Mgmt for review

- **Radioactive** and **Hazardous** materials can be purchased; no special sections required to be completed
  - Requisition automatically routes to EH&S for review/approval
AggieBuy: Time Savers

• Set up **Defaults** for Delivery Addresses/Frequently-Used Accounts

• Save **Favorites** for Frequently-Purchased Items

• Use **previous Requisitions** as **Templates** for new orders
UCD Buy: Still Available for Some Items

- Tax-Free Ethyl Alcohol
- UC Davis Service Award Pins
- Gas Cylinder Rentals (Nitrogen, Oxygen, etc.)
- Neta Scientific Catalog
Procurement Card

- Procurement Card is a charge card issued to a university employee
  - Charge card is like a Debit card
- Training required before issuance, and annually thereafter
- Great option for when AggieBuy doesn’t have desired item(s)
- Can be used for many of the same items that are also allowable on an Automatically-Created PO in KFS
Procurement Card

Benefits

- Suppliers tend to ship quickly since they are paid quickly
- Purchase and Payment combined in one transaction
- Can be used for certain services, such as advertising, copy or print services, insurance premiums, membership fees, utility bills

Development Opportunities

- More internal dept controls needed to ensure that purchases have necessary pre-approvals
- Can’t be used for purchases over $5K
- Spending details (commodity-level information) are much more limited than for purchases created in AggieBuy or KFS
- Object code must be manually updated in KFS for each P-Card transaction
Procurement Card: Agreements

• When using a university Procurement Card, be sure to let the vendor know at the time of purchase if it is part of a university agreement
  • Providing the vendor with the specific agreement number will help ensure university pricing and any applicable terms and conditions are properly applied to the transaction
Procurement Card: Time Savers

• Keep receipts in an easy-to-locate spot as they need to be uploaded to the **Procurement Card** document in KFS

• Maintain a **Purchasing Log** that makes it easy to reconcile your card transactions
Travel Card

- Travel Card is a credit card for employees who travel or entertain on behalf of the university.

- Unlike Procurement Card, it’s **not** a Charge Card; payments are requested through **Aggie Travel** expense reports:
  - Payments are made to the bank for fully-approved transactions.

- Used for travel and entertainment-related expenses, including catering/food for events and room rentals for events.
Travel Card

Benefits

• Much easier to use for catering and room rentals for entertainment-related expenses than KFS

Development Opportunities

• More limited use; can only be used for events that are defined as entertainment or travel
• Payment can be rejected/disapproved if it’s determined to not be travel or entertainment-related
Travel Card: Time Savers

- Keep card transaction receipts organized in a folder
- Enter your travel report as soon as possible after travel or entertainment event has concluded
- Note any expenses on a receipt that are personal expenses and not reimbursable by the university
Kuali Financial System

• Available for nearly all procurement and payment transactions

• Training required before access is granted to Purchasing documents

• Routing on Requisition is based on dollar amount and commodities purchased
  • Most Requisitions over $5K automatically route to Procurement and Contracting Services; “Restricted” Commodity Codes automatically route to EH&S and other units as required
Kuali Financial System

**Benefits**
- Can be used for nearly all procurement and payment transactions
- Take advantage of university agreement pricing
- No per-order dollar limits; routing occurs automatically
- Provides detailed expense information on the ledgers in FIS Decision Support

**Development Opportunities**
- Extensive administrative overhead as each Purchase and Payment transaction must be processed separately
- Extensive data to enter for each transaction; likelihood of errors much higher than in AggieBuy
- Commodity codes are often difficult to locate; incorrect commodity codes can result in orders being stalled/rejected or incorrect information being reported in FIS Decision Support
- Capital Asset purchases in KFS always require review/approval by Procurement and Contracting Services, unlike in AggieBuy, where these purchases do not need this approval
- If agreement # is not specified, may miss out on university agreement pricing
Kuali Financial System: Agreements

- ALWAYS start your purchasing in KFS by seeing if an Agreement exists!
- Using Agreements **Saves Time and Money:**
  - Many Purchase Agreements allow departments to purchase above the $5K APO limit; this means bypassing the approval routing to Procurement and Contracting Services
  - Just like the AggieBuy agreements, the more the agreements are used, the better the overall pricing/terms/conditions that will be realized
Kuali Financial System: Agreements

- On the **Requisition** in KFS, in the **Vendor Information** section, click on the Lookup icon:
Kuali Financial System: Agreements

- On the **Agreement Number Lookup** in KFS, search by Vendor Name or Commodity Code to locate agreements:

![Agreement Number Lookup](image)

<table>
<thead>
<tr>
<th>Campus</th>
<th>DV - UC Davis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vendor #1</td>
<td></td>
</tr>
<tr>
<td>Vendor Name</td>
<td></td>
</tr>
<tr>
<td>Description</td>
<td></td>
</tr>
<tr>
<td>Contract Manager</td>
<td></td>
</tr>
<tr>
<td>Agreement Number</td>
<td></td>
</tr>
<tr>
<td>UCOP/System-wide Agreement #</td>
<td></td>
</tr>
<tr>
<td>Department Agreement #</td>
<td></td>
</tr>
<tr>
<td>PO Cost Source</td>
<td></td>
</tr>
<tr>
<td>Payment Terms</td>
<td></td>
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<tr>
<td>Shipping Terms</td>
<td></td>
</tr>
<tr>
<td>Shipping Title</td>
<td></td>
</tr>
<tr>
<td>B2B Contract</td>
<td></td>
</tr>
<tr>
<td>Commodity Code</td>
<td></td>
</tr>
<tr>
<td>Active? Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

8/9/2017
Kuali Financial System: Agreements

• If your department regularly purchases a commodity not on an existing university agreement (more than $10K spend/year), consider setting up a **Blanket** agreement in KFS

• Run the **Commodities Purchased Log (365)** in FIS Decision Support to see what commodities are purchased most frequently

• Blanket agreements are set up on the **Purchase Agreement** document in KFS and purchased against on the **Requisition** in KFS
Kuali Financial System: Agreements

• Blanket Agreements are reviewed by the staff in Procurement and Contracting Services

  • They will ensure that the department is getting the lowest overall price from that supplier and also ensure that all legal requirements are met
Kuali Financial System: Time Savers

- Use previous documents as templates for new documents

- Use “set as default building” for your most-frequent delivery location on the Requisition

- Set preferences for e-mail notifications, color coding document status types, and other options in your Action List
Special Note on Service Procurement

• Most services must be procured through KFS on a Requisition; will be reviewed by Procurement and Contracting Services for terms/conditions review

• **Procurement Card** can be used for some services

• Some services are available from UC Davis Campus Units (e.g. Special Services, UC Davis Mail Services Division)
Quotes and Bids for KFS Orders Over $10K

• Most KFS Requisitions over $10K require one or more formal quotes; departments can attach quotes to expedite process

• Formal bid period may be required for some orders exceeding $50K

• Buyer in Procurement and Contracting Services will determine best supplier based on price, cost per quality point, and best overall value
Reports to make Procurement Easier!

- The **Commodities Purchased Log (365)** in FIS Decision Support (DS) is the best report for seeing all purchasing activity in **AggieBuy** and in **KFS**
- Schedule the report to email automatically!
Reports to make Procurement Easier!

- On the AggieBuy home page, in the **Document Search** section is an **Advanced Search** link. Clicking on this link allows you to search for AggieBuy documents using many different search criteria.
Reports to make Procurement Easier!

- The **Credit Card Payment Lookup (252)** in FIS Decision Support (DS) is the best report for seeing all purchasing activity on a **Procurement Card**
- Schedule the report to email automatically!
The How Do I Buy Chart

- A fantastic way to see which procurement methods you should choose!

### How Do I Buy...

Find the recommended form of payment for different commodities on the table below. Use the arrows on each column to sort by the different payment methods.

<table>
<thead>
<tr>
<th>Categories</th>
<th>P-Card</th>
<th>T&amp;E Card</th>
<th>AggieBuy</th>
<th>Disbursement Voucher</th>
<th>Purchase Order</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstract or journal publication fee</td>
<td>Preferred</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertisements for recruitment, event, or promotion</td>
<td>Preferred</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Alcohol</td>
<td>Preferred</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alcohol for research or lab work (not for consumption)</td>
<td></td>
<td>Preferred</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Animals</td>
<td></td>
<td>Preferred</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audiovisual equipment &amp; supplies supplies (purchase)</td>
<td>Preferred</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audiovisual equipment &amp; supplies (rental)</td>
<td></td>
<td>Preferred</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Award, recognition or prize (for employees)</td>
<td>Preferred</td>
<td>Preferred</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Award or prize for non-employees</td>
<td>Preferred</td>
<td>Preferred</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cell phone purchase (with service plan)</td>
<td>Allowed</td>
<td></td>
<td></td>
<td></td>
<td>Preferred - IET</td>
<td></td>
</tr>
<tr>
<td>Books, CDs, DVDs, or other published media</td>
<td>Allowed</td>
<td></td>
<td></td>
<td></td>
<td>Preferred</td>
<td></td>
</tr>
<tr>
<td>Break room supplies, such as coffee, cups, or water</td>
<td>Allowed</td>
<td></td>
<td></td>
<td></td>
<td>Preferred</td>
<td></td>
</tr>
<tr>
<td>Break room appliances, such as microwaves or coffee maker</td>
<td>Allowed</td>
<td></td>
<td></td>
<td></td>
<td>Preferred</td>
<td></td>
</tr>
<tr>
<td>Building repair &amp; alteration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Preferred</td>
<td></td>
</tr>
</tbody>
</table>
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• Procurement Card: purchasingcard@ucdavis.edu
• T&E Card: travelhelp@ucdavis.edu
• KFS: fishelp@ucdavis.edu
• Strategic Sourcing: strategicsourcing@ucdavis.edu
• A&FS website: http://afs.ucdavis.edu
THANK YOU