Successfully Navigating Your Grant Purchases & Contracts at UConn

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Topics for Today’s Discussion:

Why are We Here?

- Overview of Procurement Services Organization
- Uniform Guidance
- Strategic Procurement
- Campus Collaboration

Questions, Comments, Feedback
Define Procurement

**Sourcing** Identifying potential vendors for products or services and the mechanism to acquire them

**Contracting** Memorializing business terms in a document that addresses common contingencies and that incorporates University and State contract requirements

**Purchasing** The method of ordering and receiving goods and services including payment method (PO, PCard, DV)

[www.procurement.uconn.edu](http://www.procurement.uconn.edu)
# When Do You Need to Get A Quote Or Bid?

<table>
<thead>
<tr>
<th>Bid Prompt</th>
<th>Bid requirements</th>
<th>Preferred Method</th>
<th>Over $5k Needs Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>HuskBuy</td>
<td>• Not required&lt;br&gt;• Contracted vendors</td>
<td>Preferred&lt;br&gt;&lt;br&gt;Purchasing Support Required</td>
<td></td>
</tr>
<tr>
<td>&lt; $250</td>
<td>• No Bid Required&lt;br&gt;• Automatic Purchase Order (APO)</td>
<td>Over $5k Needs Approval</td>
<td></td>
</tr>
<tr>
<td>&lt; $10k</td>
<td>• 1 signed quote required&lt;br&gt;• Recommended to get 3 quotes</td>
<td>Over $5k Needs Approval</td>
<td></td>
</tr>
<tr>
<td>$10 through &lt; $50K</td>
<td>• Requires an informal bid process</td>
<td>Over $5k Needs Approval</td>
<td></td>
</tr>
<tr>
<td>≥ $50K</td>
<td>• Requires a formal bid process that is publically advertised</td>
<td>Over $5k Needs Approval</td>
<td></td>
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</tbody>
</table>
There are currently 21 vendors available through HuskyBuy:

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Vendor</th>
<th>Vendor</th>
<th>Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airgas</td>
<td>Bio-Rad</td>
<td>Fisher Scientific</td>
<td>Life Technologies</td>
</tr>
<tr>
<td>Qiagen</td>
<td>Sigma-Aldrich</td>
<td>Alert Scientific</td>
<td>Chemglass</td>
</tr>
<tr>
<td>Dot Scientific</td>
<td>Dell</td>
<td>GovConnection</td>
<td>Grainger</td>
</tr>
<tr>
<td>MSC</td>
<td>Hampden Zimmerman</td>
<td>Home Depot</td>
<td>NorthEast Electrical</td>
</tr>
<tr>
<td>F.W. Webb</td>
<td>OFI</td>
<td>Red Thread</td>
<td>OfficeMax</td>
</tr>
<tr>
<td>Alphagraphics</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other Vendors?
Procedure Flow For When NOT Buying on HuskyBuy

Know Your Sourcing
• < $10K
• Existing Contract
• Formal or informal Bid
• Sole Source

Get Bids/Quotes
• Get Quotes
• ≥ $10K You Need 3 Bids
• ≥ $50K formal process
• Decide On The Supplier

Requisition
• Requisition must be entered in KFS
• Department Level/ Fiscal Officer Approval

Purchase Order
• Requisition Is Reviewed By Procurement
• Assigned PO #
• If Using Grant funds then SPS Approval
• PO Is Sent To Supplier

Your Order is placed!!

Supplier Submits Invoice
• PO # Referenced On Invoice
• Departmental Level Approval

Goods Are Received Or Services Are Performed

Your Order is placed!!
# What Are The Purchasing Tools?

<table>
<thead>
<tr>
<th>Type</th>
<th>What is it?</th>
<th>When should I use it?</th>
<th>What is the contract?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free Standing Purchase Orders</td>
<td>• Non-catalogue (KFS) transactions</td>
<td>• Purchase of Goods &amp; Services</td>
<td>• PO Terms &amp; Conditions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Preferred for general purchases</td>
<td>• Other attachments to PO</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Post PO documents</td>
</tr>
<tr>
<td>Purchase Orders with Executed Contract</td>
<td>• Catalogue (HuskyBuy) transactions</td>
<td>• Purchase of Goods &amp; Services</td>
<td>• Executed contract/agreement</td>
</tr>
<tr>
<td></td>
<td>• Non-catalogue (KFS) transactions</td>
<td>• Preferred for complex purchases</td>
<td>• PO is just the payment vehicle</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• HuskyBuy is preferred method for ordering for all goods and services</td>
<td></td>
</tr>
<tr>
<td>PCard</td>
<td>• Method of purchasing low $ value purchases from vendors that accept credit cards</td>
<td>• Purchase of low dollar transactions or if the items cannot be purchased through HuskyBuy</td>
<td>• Vendor quotes and terms</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Subject to credit card agreement</td>
</tr>
<tr>
<td>Disbursement Vouchers</td>
<td>• A payment mechanism for goods/services that have already been delivered to the University</td>
<td>• When the use of HuskyBuy or PCard is not possible</td>
<td>• Vendor quotes and terms</td>
</tr>
<tr>
<td></td>
<td>• Up to $2K per vendor per fiscal year</td>
<td>• E.g. – Payments to other universities, real estate payments, professional services, journals, periodicals, etc.</td>
<td></td>
</tr>
</tbody>
</table>

**NOTE: Processed by AP**
What is a Contract?

“An agreement, upon sufficient consideration, to do or not to do a particular thing.”

– Disbursement Vouchers?
– Free-Standing Purchase Orders?
– P-Card?
– Formal Executed Contracts?
## Central Steps in Formal Contracting Process

<table>
<thead>
<tr>
<th>Step</th>
<th>Average Time (business days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>File Assessed to Ensure Business Terms Provided</td>
<td>5</td>
</tr>
<tr>
<td><strong>Unaddressed Business Terms are Developed</strong></td>
<td><strong>39</strong></td>
</tr>
<tr>
<td>(when not previously negotiated)</td>
<td></td>
</tr>
<tr>
<td>Contract is Drafted</td>
<td>3</td>
</tr>
<tr>
<td>Vendor Review</td>
<td>8</td>
</tr>
<tr>
<td>Legal Terms are Negotiated</td>
<td>2</td>
</tr>
<tr>
<td><strong>Contract is Executed by Vendor</strong></td>
<td><strong>6</strong></td>
</tr>
<tr>
<td>Contract is Executed by University</td>
<td>3</td>
</tr>
<tr>
<td>Attorney General Reviews (for contracts over $25k)</td>
<td>5</td>
</tr>
</tbody>
</table>
# Roles in Business Term Negotiation

<table>
<thead>
<tr>
<th>Owner Department</th>
<th>Buyer</th>
<th>Business Analyst</th>
<th>Contract Specialist</th>
</tr>
</thead>
</table>
| ◦ Negotiates business terms.  
  ◦ Monitors vendor performance.  
  ◦ Contract Administration | ◦ Ensures documentation is consistent with business terms negotiated by Owner Department.  
  ◦ Determines contract vehicle.  
  ◦ Determines if and when to engage Business Analyst and/or Contract Specialist.  
  ◦ Issues Purchase Order when contract vehicle is finalized. | ◦ When engaged by Buyer, engages department and industry benchmarking resources to advise (i) the Owner Department on strategy, market conditions, and industry practices for settling business terms and (ii) the Buyer on which contract vehicle would best memorialize the business terms. | ◦ When engaged by Buyer, reviews terms and conditions to ensure consistency with business terms negotiated by Owner Department.  
  ◦ When engaged by Buyer, advises on best contract vehicle to memorialize business terms.  
  ◦ Memorializes business terms in contract.  
  ◦ Drafts and negotiates legal terms in contract.  
  ◦ Manages contract execution.  
  ◦ Secures State Attorney General approval, where applicable. |
Formal Contract
(32 business days, excluding business term negotiation)

- Can preempt vendor T&C
- Can lock in pricing for contract term + extensions
- Can include Confidentiality Agreement and HIPPA requirements
- Reviewed for clarity
- Legal Review

Free-Standing PO
(3 business days, excluding business term negotiation)

- Exposure to vendor T&C that follow PO (including click-throughs)
- Only locks in pricing for the term of the PO
- Does not effectively protect student data and health records
- No effective termination for convenience
- Limited review for inclusion and clarity of business terms
- No legal review
- Therefore, use discouraged unless:
  - performance start/occur on specific date
  - payment follows acceptance or very low performance risk
  - withholding payment will make UConn substantially whole
  - vendor not granted any right to UConn property (including IP)
  - UConn data will not be stored on the cloud
  - No access to protected data
Uniform Guidance

- Uniform Guidance ("UG"), a set of regulations (located at 2 CFR 200) that consolidate federal guidelines impacting research administration has an anticipated “go-live” date of 7/1/18.

- UG significantly reforms federal grant making to focus resources on improving performance and outcomes. The intent is to reduce administrative burdens for grant applicants and recipients and reduce the risk of waste, fraud, and abuse.

- Procurement Services has partnered with the Office of the Vice President for Research to collaboratively communicate and coordinate the execution of any new requirements.

- Procurement focuses on four areas to ensure compliance in the following:

  - Micro-purchase Threshold (MPT) – previously set at $3,000, has been increased to $10,000. The PCard threshold will also remain at its current $4,999 threshold for individual transactions, meaning that no change in procurement practices will occur for any PCard purchases under UG.
Uniform Guidance

• **Sole Source Procurement** - UG has limited the use of sole sources to four distinct justifications:
  • Product/service is only available from a single source;
  • Public Emergency Procurement;
  • Federal Awarding Agency Authorization (the awarding agency specifically authorizes a non-Competitive procurement after a written request from the Non-federal entity);
  • Inadequate competition after multiple attempted solicitations
  • The most significant change is that “continuity of research” is no longer an acceptable sole source justification.
  • Additionally, every sole source will require a price/cost justification.

• **Academic Research Consulting** - the Office of the Vice President for Research (“OVPR”), independently determines whether consulting services require a sole source. Any change to this process that requires the involvement of Procurement Services will result in a more deliberate, but ultimately more compliant screening and sourcing process.

• **Conflict of Interest** - Procurement is creating a policy relating to procurement activities with will require increased disclosure of documentation for committee members.
Strategic Procurement Initiatives

- eProcurement: Jaggear (Sciquest) Expansion [P2P]
- Lab Supplies
- Travel
- Amazon
• **University eProcurement Assessment**
  
  - Procurement Services recently led an effort to assess the current state of eProcurement strategy and accompanying functionality heading into the 5th year after the launch of the Kuali Financial Systems (KFS) solution. The goal of this assessment and proposed recommendation is to ensure that the eProcurement functional and operational models, strategically align with and efficiently support the goals and objectives of the University’s research, educational and academic missions.
Current State:
• Under the existing “Sandwich Model”, the University utilizes SciQuest for shopping, order distribution, and eInvoicing.

Future State:
• SciQuest offers additional functionality that, if implemented, would offer end users a full procure-to-pay experience. Expansion to full suite would allow shopping, approval, order distribution, contract compliance, receiving, invoicing activity and reporting to be integrated through one technical tool, interfacing with Kuali.
• In 2015 a survey was conducted within the Storrs campus to better understand the desires and needs of the research community in preparation for a laboratory supplies and equipment RFP.
• An RFP was released early in 2016 to secure vendor contracts for laboratory supplies and equipment for the research and academic communities at the Storrs, Regional and UConn Health campuses, Department of Administrative Services (DAS), Board of Reagents (BOR) and Connecticut Colleges Purchasing Group (CCPG) members.
Travel

- RFP for a Travel & Expense System currently underway
- Ground Transportation
  - Zipcar
  - Uber
- RFP for Travel Agent  *coming soon*
- PCard Restrictions lifted  *coming soon*
Amazon for Business

• New Model that concentrates on Higher Education needs
• Business only Pricing
• Spend Controls
• Business Account Support
• Pilot Program with CLAS
Collaboration/Improvement of the Researcher Experience

Effort underway includes:

• Exploring ways within which to enhance/improve more effective collaboration UConn and UCH

• Improving communication between Procurement and researchers/end users including creation of a venue for open discussions and additional training

• Development of a research support team - “concierge research” approach

• Greater consistency of practices: e.g. policies and procedures, compliance, and communication
Questions, comments and feedback...

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