

Purchasing Best Practices

Today's Objectives...

1. Understand the University's Procurement process
2. Meet the Purchasing Department Representatives
3. Look at the Web Resources Available

Introduction:

- The *NCSU Purchasing Department* administers the purchasing program defined by the State Division of Purchase and Contract on behalf of the University.
- Purchasing Department: Who uses our services?

University Spending Guidelines

Defines how different types of university funds can be used to achieve departmental objectives.

<http://www.fis.ncsu.edu/financialsvcs/SpendingGuidelines/Spend.htm>

How to Make Purchases

1. Research Your Purchases:
State Contracts – web
<http://www.doa.state.nc.us/PandC/keyword.asp>
2. Convenience Contracts
http://www7.acs.ncsu.edu/materialsmgmt/purchasing/guidelines/univ_contract.asp

Price Comparisons – Best Price
3. Is your vendor banned from doing business in the state of NC?
http://www7.acs.ncsu.edu/materialsmgmt/purchasing/guidelines/debarred_vendors.asp
4. Purchasing Thresholds
 - Small purchases less than \$5,000
 - Large Purchases greater than \$5,000
 - Exceptions to small purchase – purchase with other state agencies, utilities
 - Exceptions to the large purchase – carpet, blinds

5. Purchasing Process at NCSU: Purchase Decision Flowchart

6. Purchases over \$5000: Purchase Order Flowchart

7. How to Make Payments

Payment Method Choices

- University Purchase Card
- Small Purchase – less than \$5,000: MarketPlace vendor cards
- Small Purchase – less than \$5,000 – Voucher/check
- Purchase Requisition – greater than \$5,000

Signature Authority

Who can sign contracts?

http://www.ncsu.edu/policies/governance_admin/delegation_authority/REG01.20.2.php

Compliance Issues:

1. Purchasing Department Website
2. Small purchase definition
3. State Term Contracts
4. Better Pricing
5. Splitting to get under \$5000
6. Category codes (888SC/SP)

Employee Reimbursement

1. Employee reimbursements are not considered a desirable way to make purchases.
2. They bypass the purchasing process which is in place to protect the employee and University.
3. They are labor intensive (expensive) for both the department and the central offices.
4. Employee reimbursements only should be used when all other avenues for making a purchase have failed and there is no alternative for making the purchase.

Purchasing Document Terms

1. Specifications
2. Justification Memorandum
3. State Term Contract Items
4. Receiving Report

<http://www7.acs.ncsu.edu/materialsmgmt/purchasing/guidelines/default.asp>

The Full Purchasing Document Package

1. On the Requisition:
 - Specific Comments on the Line Level
 - Requester and Technical Contact

- Phone numbers for both
2. Back-up Documentation:
- Requisition number on faxed items
 - Complete functional specifications
 - Justification Memorandum
 - Send by email or fax
- <http://www7.acs.ncsu.edu/materialsmgmt/purchasing/guidelines/default.asp>

Timing of Purchasing Documents

1. Requisition for contract item - 2-3 days
2. Requisition with Quote – 2 to 3 weeks
3. Requisition over \$500,000 - 6 to 8 weeks
4. Contracts - variable, ask agent