

Northwestern University  
Purchasing Resource Services

# **Welcome to the 6<sup>th</sup> Annual General Purchasing Info Session**

**Policies, Processes, and Procedures**

# Northwestern University Purchasing Resource Services

## Agenda

- Introduction
- Interactive Session - PRS Web Site/Presentation
  - Who Is Purchasing Resource Services
  - Buying at Northwestern
    - Definitions
  - The Bid Process
    - Best Value
  - Policy and Procedure Overview
  - General Information
    - PRS Newsletter
  - Related Responsibilities
  - Upcoming Events
  - Procurement Vision and E-Procurement
- Final Thoughts and Contact Information

# Northwestern University Purchasing Resource Services

## Introduction

- Purchasing environment here at Northwestern University
  - Decentralized – Departments/ schools make their own purchasing decisions
  - Don't expect this to change dramatically
  - Just want decision makers to have options and be informed
- Target audience for this session
  - Anybody that makes purchasing decisions on behalf of their department or school
- PRS is part of University Services, which provides many internal services to the University community
- Staff
  - Jim Konrad
  - Sheila Watkins
  - Devi Patel

# Northwestern University Purchasing Resource Services

## New Web Site Structure

- [www.univsvcs.northwestern.edu/purchasing](http://www.univsvcs.northwestern.edu/purchasing) (or Northwestern Homepage, Faculty and Staff, Purchasing Resource Services)
  - **Home Page**
    - New structure provides end users with a straight forward way to get purchasing information and an additional way to get contract information
    - When somebody needs to buy something, the first place they would think to go is Purchasing
  - **Buying at Northwestern**
    - New web site is a combination of contracts established by PRS and contracts established for University Services programs
    - Information Sheets for Contracts and Agreements
    - Formal contract numbers to help identify and validate contractors
  - **Bid Process**
  - **For Vendors**
  - **Policy and Procedures**
  - **General Information**

# Northwestern University Purchasing Resource Services

## **Purchasing Resource Services**

- PRS exists to keep departments and schools informed of purchasing opportunities and help them make good, best value purchasing decisions
- Our three primary responsibilities are as follows:
  - Bid out and establish Preferred Vendor Contracts (PRS will also negotiate and establish Non-Exclusive Pricing Agreements)
  - Develop and maintain purchasing forms and templates
  - Perform or assist with competitive bid solicitations and/or manage the procurement process on behalf of departments and schools
- Other Initiatives:
  - Pursue the establishment of more contracts and agreements
  - Improve how we communicate purchasing information and how we make this information more visible and accessible to end users (web site, newsletter)

# Northwestern University Purchasing Resource Services

## Buying at Northwestern - Definitions

- Preferred Vendor Contracts (PVC)
  - Established based on a **formal competitive bid process**
    - Usually managed by PRS or University Services on behalf of NU
  - Departments and schools are strongly encouraged to utilize Preferred Vendor Contracts for the following reasons:
    - It has been determined that preferred vendor contracts deliver the best overall value to the University based on price, delivery capabilities, quality, past performance, training, financial stability, etc.
    - Consolidation of usage drives up volume, which is what provides incentive for vendors to offer the best possible price to the University
    - It minimizes duplication of effort. Departments and schools are not required to solicit other bids when choosing to utilize a Preferred Vendor Contract because this activity has already been performed
    - Key departments and schools (your peers) are included in the evaluation and selection process

# Northwestern University Purchasing Resource Services

## Definitions (continued)

- Non-Exclusive Pricing Agreements (NEPA)
  - Established based on **informal negotiation** between the vendor and PRS
  - Vendors that do business with the University, however a formal competitive bid process is not warranted (University usage is low, few departments/schools need the product/service, product/service is proprietary, unique, or exclusive in nature)
    - Factors considered are that the University has previously done business with them, the product or service provided was acceptable, prices or discounts have been negotiated, the vendor has agreed to NU's terms and conditions, etc.
  - Purpose of establishing these agreements is so the University receives discounted pricing, etc. from vendors that we use
  - Two additional bids still need to be solicited for purchases of \$25,000.00 or more

# Northwestern University Purchasing Resource Services

## Definitions (continued)

### ▪ Other Suggested Vendors

- o This list consists of reputable vendors in various product and service categories
- o No PVC or NEPA exists with these vendors
- o No terms or pricing have been negotiated on behalf of the University
- o PRS does not specifically endorse the use of any of these vendors. However, these vendors have in the past provided reliable products and services to the University community and accept the standard Northwestern University purchase order. Therefore PRS is comfortable suggesting that they be considered by end users for ordering or when obtaining quotes.
- o This list is simply meant to be a resource to members of the Northwestern University community to help them find potential sources for the products and services that they need
- o Departments and schools must negotiate pricing from these vendors specific to their need on a project by project basis
- o If a particular purchase will be \$25,000 or more, bids must be solicited from at least three vendors

# Northwestern University Purchasing Resource Services

## Signature Authority/Approvals

- End users within departments and schools typically do NOT have the authority to sign ANY contracts or agreements with third parties in the name of the University
- If a contract or agreement from an outside party for a particular purchase needs to be signed by the University, the department/school MUST send the document or agreement to either **Purchasing Resource Services** or the **Office of General Counsel** for a coordinated review
- Once the contract or agreement is approved, only the following officers can sign on behalf of the University (unless the officer has expressly delegated his or her signature authority in writing to another University employee):
  - President
  - Provost
  - Senior Vice President or Vice President
- If an end user is unaware of the individuals in their department or school that are authorized to sign documents and agreements with outside parties, the end user can contact the Office of General Counsel for assistance
- Two ways in which terms and conditions get reviewed
  - Department/school submits directly to OGC
  - Terms are attached to vendor quote submitted with SSJ or BD

# Northwestern University Purchasing Resource Services

## The Bid Process

- Policy
  - \$5,000 or more – recommend solicitation of competitive bids
  - \$25,000 or more – solicitation of competitive bids required
- Do not need to solicit bids if utilizing preferred vendor contracts
- Make sure ALL orders are in CUFS, unless utilizing an authorized central billed programs
- Purchases over \$25,000 require a Sole Source Justification or Bid Documentation Form
- Purchases with vendor terms and conditions must be reviewed by OGC, then signed by authorized person

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## The Bid Process (continued)

- **Formal templates are used by PRS to establish contracts and agreements**
  - Invitation to Bid
  - Non-Exclusive Pricing Agreement
  - Other internal templates to help standardize a formal process
- **Templates for use by departments and schools**
  - For bids
    - Request for Quotation
    - PO terms and condition
  - For approvals
    - Sole Source Justification
    - Bid Documentation
- **Has created considerable consistency between the various purchasing documents**
  - Reviewed by central administration
  - Approved by the Office of General Counsel
  - Expedites the review and signature process

# Northwestern University Purchasing Resource Services

## Preferred Vendor Contracts

- **Previously Established**
  - Drinking Water – Nestle/Ice Mountain
  - Document Destruction – Citadel Information Management (formerly Shred-It)
  - Toner Cartridge and Maintenance Program – Genesis Technologies
  - Messenger Service - Arrow
- **Recently Established**
  - Coffee Service – Filterfresh
  - Internal Moves – Mid-West Moving and Storage
    - Work through University Services on Chicago campus and Facilities on Evanston campus
- **Being Finalized**
  - Business Cards, Letterhead, Envelopes – Triangle Printing
  - Chicago Hotels – Six properties chosen as preferred
  - HP Printers
- **In Process**
  - Office Furniture
  - Desktop and Laptop Computers

# Northwestern University Purchasing Resource Services

## Best Value

- Recognize that it is not always wise to make a purchasing decision based only on price
  - Define minimum requirements to meet your needs
  - Assess value-added aspects of each vendor's proposal
- Compare and rank proposals/bids based on an assessment of all factors included in the ITB
- Discuss, debate, reach consensus regarding which bidder offers the best overall value to the University
- Things to consider and assess:
  - Delivery capabilities, quality, past performance, training, warranty, service, financial stability, price, etc.
- Little difference on technical factors, price will be more important
- Pricing is similar, technical factors will be more important

# Northwestern University Purchasing Resource Services

## **Policy and Procedure**

- Clarify, define, and improve purchasing policies, processes, and procedures here at the University
  - Purchasing Policy and Procedure
  - Travel and Entertainment Policy
  - Conflict of Interest Policy
  - Tax exempt status clarification and revised letter
  - PO terms and conditions
  - Credit application process
  - Contractor insurance requirements
  - Purchasing Forms
  - Signature authority/approvals clarification

# Northwestern University Purchasing Resource Services

## General Information

- PRS Newsletter
  - NU Dollars and Sense
  - Three times per year (approx. Sept.1, January 1, and May 1)
  - Focus on Functional Information
    - Primary Article – Current issue dealt with web site changes
    - Policy and Procedure Updates
    - Contracts and Agreements recently established
    - Contracts and Agreement currently being worked on
    - Training Event Summary
    - Upcoming Training Opportunities
- News and Events
  - New contracts, info sessions and vendor show schedule
- Shipping Term Definitions
- Contact Information
- Coming Soon
  - Frequently Asked Questions
  - Enhanced 'for vendors' page (including code of conduct)

# Northwestern University Purchasing Resource Services

## **Related Responsibilities**

- Quick Links
  - Supplier Diversity Program
  - Surplus Property Exchange
- Small Business Plans – improving web site
- New Account Applications/Credit References
  - PRS can send one page summary of information
- Tax Exemption Information
  - Official purchase order includes tax-exempt information
  - Form for use by departments/schools (for one time use)
  - PRS can send the official Illinois Certificate directly to vendors (we do not provide the official certificate to departments and schools.
- Contract Administration
- Assist with University Services Vendor Show
- General Problem Resolution

# Northwestern University Purchasing Resource Services

## **E-Procurement**

- Very involved in implementation of the procurement modules of the Financial Management System
- We are determined to make sure the system gets implemented in a way that:
  - Makes contract information very visible to end users
  - Makes ordering from contractors very easy

## **Procurement Vision**

- Single front door to purchasing
- Business case for 3<sup>rd</sup> Party Shopping Tool

# Northwestern University Purchasing Resource Services

## Upcoming Events

- **New Contracts and Agreements - tentative**
  - o November 14 – Chicago
  - o November 15 - Evanston
- **Legal and Risk Management Issues**
  - o December 12 – Chicago
  - o December 13 – Evanston
- **University Services Vendor Show**
  - o March 2007

# Northwestern University Purchasing Resource Services

## A Few Final Thoughts

- Get into the habit of checking the PRS website whenever you need to buy something
  - Should also check Surplus Property page
- Don't just use University contracts as leverage with your current supplier
  - Obviously we don't expect everyone to stop using their current suppliers right away. Just consider new contractors when the timing is right.
  - Current providers are always invited to submit proposals
  - Departments/schools (your peers) are part of the evaluation process
- Don't have to solicit other bids if you use a PVC
- Departments/schools that choose not to utilize a PVC or NEPA established by PRS are encouraged to at least include these vendors in the bid process
- Related Department - Purchase Order Processing Services (**POPS**)
  - Responsible for reviewing supportive documentation, faxing purchase orders, and entering new vendors into CUFS
  - (847) 467-2696
- Contact Us:
  - If you have any suggestions for PVC, NEPA, Other Suggested Vendors, or M/W/D/LBE's
  - To review any of the documentation related to the establishment of a PVC or NEPA

# Northwestern University Purchasing Resource Services

## Contact Information

### **Purchasing Resource Services**

(847) 491-8120

[www.univsvcs.northwestern.edu/Purchasing](http://www.univsvcs.northwestern.edu/Purchasing)

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Devi Patel – (847) 491-8122 – [d-patel3@northwestern.edu](mailto:d-patel3@northwestern.edu)

### **University Services**

(847) 491-7569

[www.univsvcs.northwestern.edu](http://www.univsvcs.northwestern.edu)

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**Thank you for attending!**

**Questions**