Purchasing Contracts Resource Guide

Contracts are usually needed for commodities like software, equipment, and services with milestones. Since PO contracts are much more complex than purchase orders, begin the process as soon as possible.

Note, redlining with the supplier can sometimes take over 2 months.

Goals

Become familiar with Purchasing’s contract processes and resources. Comply with University of Miami Purchasing Policies.

Purchasing Department PO Contract Process Overview

Steps 6, 7, and 8 may occur interchangeably.

Checklist

1. **POs are the required for a contract when UM is paying to receive goods and/or services.** This takes precedence over the Payment Matrix.
   - Exceptions are rarely made and require pre-approval and supporting documentation. For example, if UM pays a consultant to provide insight on specific subject matter a PO is required. PCards are rarely if ever allowed for contracts and pre-approval is required.
   - If UM is being paid to provide a service, this is considered an outbound contract and will not be handled by the Purchasing Department. View the Contract Matrix. E.g., A UM professor will be paid by another university to lecture at a symposium.

2. **The supplier must be onboarded for POs in Workday.**
   - [Search for a Supplier] in UMarketplace, not Workday.
   - If the supplier does not appear or is not active, find an alternate active supplier.
     - [Diverse Active Suppliers]
     - [Purchasing Buyer Supplier Recommendations]
   - If an alternate supplier cannot be used, complete a [New Supplier Request Form] to onboard the supplier for POs. Only submit this form as a last resort.

3. **Initiate a Purchase Requisition or “req.”**
   - Gather financial data, required pre-approvals, and supporting documentation. Then initiate a req. This Workday form is a request to purchase goods and/or services with UM funds. If fully approved, it will be closed, and a PO will be issued.
     - [Initiating a Non-Catalog Req]
     - [Frequently Used Spend Categories]
     - [Viewing the Req Status]
     - [Editing a Req]
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Pre-approvals:
- For RFPs, Bids, and University-Wide Contracts, reach out to Ignacio Calle.
- **UMIT Governance Approval** – Required for hardware, software, or personal devices that run on UM Servers **UMIT Demand Requirements/Process**, attach to the requisition or **Internal Comments** field, note the date UMIT was contacted for approval. When approved, forward approval to the Purchasing Buyer.
- **UM Communications Approval from Angie Villanueva**:
  - **UM Logos** – Attach a mock-up or proof to the requisition.
    - E.g., printing, branding, signage
  - **Websites & Social Media** - Obtain approval from UM Communications.

**Description Field** = Scope of work + who, what, when, where, and why

Additional Supporting Documents:
- **Service Agreements (Important)**: Since the launch of Conga, this attachment is no longer required, unless specified by a Purchasing Buyer. Instead provide details and the scope of work in the requisition **Description** field. Then the agreement will be built in Conga.
- **Supplier’s Quote/Contract**:  
  - If the supplier provided a quote. Attach this to the requisition.
  - If the supplier provided their contract, obtain a Word version, review, initial at the bottom, and attach to the requisition. **Important**: Never sign a quote/contract. [UM Policy - Delegation of Contracting Approval and Signature Authority](#)
- **Consultant Questionnaire** – Required for all individual consultants with rare or highly specialized expertise. **Important**: Only required for individuals, not companies. Attach to the requisition
  - **Highly Specialized Examples**: DNA Sequencing, Poison Control, and Astrophysics Mapping.
  - **Not Highly Specialized Examples**: Equipment Repair, Party/Event Planners, IT/Business Operations
- **Grants requiring a Sole Source/Justification Form** – Attach to the requisition, 3 quotes or 1+ quote and a **Sole Source Justification** form
  - Federal Grants over $25K+
  - State Grants - $35K+
- **Business Associate Agreement (BAA)** – For inbound POs, this additional Conga form is required when a supplier will have access to personal health information (PHI). (Conga > Business Associate Agreement form + Reference the purchase requisition number.)
- **Non-Disclosure Agreement (NDA)** – For inbound POs, an additional Conga form is required when UM and the supplier will exchange confidential information in support of a specific purposes. (Conga > Contract Administration, Business Services form + Reference the purchase requisition number.)
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4. Is a Conga Procurement Request Form required? This is determined by the Purchasing Buyer and can be viewed in the Workday Process History, after the first Buyer’s approval. PO Contract Tutorial, Start from page 2, section C Track Approvals.

5. Once the req is completely approved, a PO will be issued. Having a PO means the department has received financial approval, the contract has been completed, and the requisition is fully approved. The PO number can be found on the requisition line item(s). Or follow the Search for a PO Number tutorial, starting on page 3, section Searching for a PO Number Within a Requisition.

6. Goods are delivered and/or services are rendered. Contact the supplier with any questions or concerns.

7. To request payment, invoices are sent by the supplier to UM. Most often, suppliers will send the invoice to UM Accounts Payable for processing. Should the department receive an invoice, be sure to Submit the invoice to Accounts Payable for processing. For questions with Invoice accuracy, contact the supplier.

8. A change order can be initiated to edit the PO. For example, to increase the dollar amount and extend the end date, initiate a change order. If the scope of work is new, or the supplier name needs to be changed, create a new requisition. Note, change orders can only be initiated by an employee with the Procurement Data Entry Specialist (PDES) or Cost Center Manager (CCM) security role. Initiating Change Orders, Consulting Addendum.

9. Once all invoices have been processed by Accounts Payable and all payments have been issued by Disbursements, close the PO. Contact the supplier for invoices pending payment. Contact Accounts Payable to confirm payment has been sent. After all pending and future invoices have been processed and payments have been sent, close the PO.

Terminology

**Privacy**
- **Protected Health Information (PHI)** - Information that can identify a patient. E.g., Date of birth (DOB), email addresses, and patient medical record numbers (MRNs)
- **Business Associate Agreement (BAA)** – This form is required when a supplier will have access to PHI. (From Conga click Business Associate Agreement form.)
- **Health Insurance Portability and Accountability Act (HIPAA)** - HIPAA is a federal law that requires the creation of national standards to protect sensitive patient health information from being disclosed.
- **Non-Disclosure Agreement (NDA)** - Contracts between UM and a current or potential supplier that allows the parties to confidentially discuss UM’s purchase or potential purchase. (Conga > #1 Purchasing (Academy/MSOM…)
- **Family Educational Rights and Privacy Act (FERPA)** - A federal law that protects the privacy of student education records.
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 Processes

Central Contracting Units (CCUs) – UM Departmental Contracting Liaisons

Contract Matrix – A list of contract types, descriptions, and the typical Central Contracting Unit (CCU) and some exceptions. Some procedural information may also appear.

Consultant Questionnaire – Required for all individual consultants with rare or highly specialized expertise. TIPS: Only required for individuals, not companies. Attach to the requisition. E.g.,

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Inbound - UM is paying to bring in goods/services. E.g., UM is purchasing furniture or catering services

Outbound – UM is being paid to provide a service to a counterparty. E.g., UM is being paid by another University to have a UM professor lecture at a symposium.

Payment Matrix – A list of commodities and their allowed payment process(es). Some exceptions may appear.

Purchase Order (PO) – A fully approved purchase requisition that is sent to the supplier to be fulfilled for goods and/or services.

Purchase Requisition (REQ) – A request to purchase goods or services using UM funding through Workday.

Redlining – The written negotiation process.

Statement of Work (“S.O.W.”, “milestones” or “deliverables”) A description of a given project’s work.

Purchasing Contacts

Purchasing Help Desk
Purchasing Buyers
Sourcing Team
Data Team
PCard & Travel Card

Non-Purchasing Contacts

UHealth Procurement
Contract Matrix
UMIT Demand Pre-Approvals
UM Communications Pre-Approvals

ULearn Classes

Purchasing 101 Webinar
Purchasing from Diverse Suppliers
Supplier Onboarding for Purchase Orders
Purchasing Department Contracts