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 Process Overview

1. Is a Purchase Order required to pay the supplier?
   - If UM is being paid to provide a service, this is considered an outbound contract and will not be handled by the Purchasing Department. Instead of using this guide, view the Contract Matrix. E.g., A UM professor will be paid by another university to lecture at a symposium.
   - If UM is paying to receive a good/service view the Payment Matrix, to confirm a PO is required. E.g., If UM pays a consultant to provide insight on specific subject matter a PO is required.
   - Note, PCards are rarely if ever allowed for contracts. Pre-approval for PCard use is required.

2. Is the Supplier Onboarded?
   - Search for the Supplier in UMarketplace (not Workday)
   - If the supplier does not appear, can an alternate active supplier be used?
     o Diverse Active Suppliers
     o Purchasing Buyer Supplier Recommendations
   - If an alternate supplier cannot be used, complete a New Supplier Request Form

3. Has a purchase requisition been created with all supporting documentation?
   A purchase requisition (Req) is a request to purchase goods and/or services. If fully approved, the requisition will close and a purchase order (PO) will be issued.
   Non-Catalog Requisitions, Viewing a Requisition’s Status, Editing a Requisition

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.
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Pre-approvals (Continued):

- **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 has 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.)

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. **Has a PO been issued?** A Purchase Order is a document issued by the buyer to a seller. Internally, a PO signifies the department has received financial approval to make the purchase. The PO number can be found on the requisition line items. **Search for a PO Number** (start on page 3, section Searching for a PO Number Within a Requisition)
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6. Have the goods been delivered and/or services been rendered? Contact the supplier with any questions or concerns.

7. Has the supplier sent the invoice(s) to the department or Accounts Payable? Contact the supplier for invoices pending payment. Should the department receive an invoice, Submit the invoice to Accounts Payable for processing.

8. Is a change order needed? A change order can be initiated to increase the dollar amount or extend the end date for example. If the scope of work is new, or the supplier names 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. Have all invoices been paid by Accounts Payable, and all payments been sent to the supplier? Contact the supplier for invoices pending payment. Contact Accounts Payable to confirm payment has been sent. If 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.

**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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Purchasing Help Desk  purchasing.miami.edu  6/13/23 M.R.
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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