



WEBINARS

NAVIGATING RESEARCH ADMINISTRATION AT THE UNIVERSITY OF MICHIGAN

Understanding Procurement Policies and Procedures: Information for Research Administration

Jim Kozich

Interim Supervisor

Research Procurement Team

July 14, 2022

Welcome & Introduction

Today's Topics

- Introduction to Procurement at U-M
- Competitive Bid Process
- Uniform Guidance and Non-Competitive Bid Purchases (Sole Source)
- Contracting Basics
- Procurement Services Website and Resources

Introduction

- Procurement Services provides support to the Ann Arbor, Flint and Dearborn campuses and Michigan Medicine
- We are responsible for the acquisition, use and disposal of nearly \$3 billion of goods and services annually
- We assist the University of Michigan (U-M) units in their purchase of a wide variety of products and services in support of educational, research, and healthcare activities
- We develop and manage university contracts and are available to assist units with all purchases regardless of the value

Introduction

- Procurement Services mitigates legal, financial, compliance, risk and liability concerns while ensuring an ethical, transparent and accountable process is adhered to when expending funds
- Procurement has the signing authority for the university on contracts and other forms that require a signature
 - *Authority is passed down from the Regents*
- As a participant in the procurement process, Departments are accountable for all purchases you make or authorize

Department Responsibilities

- Faculty and staff are authorized to complete transactions totaling less than \$10,000
- The Regents require that all transactions \$10,000 or greater be competitively bid by Procurement Services and also be managed by Procurement Services, to ensure that prices are fair and reasonable in an open and competitive marketplace
- ✓ If the total value of the purchase will be \$10,000 or greater over a period of time, then the bidding process needs to take place

Department Responsibilities

- As a participant in the procurement process, departments need to contact Procurement Services early in the process and be prepared to include:
 - ✓ Scope of Work
 - ✓ Identify potential suppliers for the product or service
 - ✓ Timeline
 - ✓ Evaluation Criteria
- [SPG 507.01](#) details responsibilities required of both the purchasing unit and Procurement Services

Buying Methods

The screenshot shows the top navigation bar of the University of Michigan Finance Procurement Services website. The header includes the 'M' logo, the text 'FINANCE PROCUREMENT SERVICES UNIVERSITY OF MICHIGAN', and links for 'TRAINING | FORMS | CONTACT US'. A search bar is also present. Below the header is a secondary navigation bar with links: 'ABOUT US', 'BUYING' (highlighted), 'TRAVEL & EXPENSE', 'CARD PROGRAMS', 'PROPERTY & SPACE MANAGEMENT', 'DIVERSITY & SUSTAINABILITY', and 'SUPPLIER RESOURCES'. The main content area features a sidebar on the left with a 'Buying Methods' section containing a bulleted list: 'Internal Service Providers', 'Strategic Contracts', 'M-Marketsite', 'Quote To Order', 'PeoplePay', 'EPRO Requisition', and 'PCard'. Below this list is a link for 'Process & Policies'. The main body of the page has a large heading 'BUYING METHODS' followed by a paragraph explaining that departments at the University of Michigan buy a wide variety of products and services, and that Procurement Services is responsible for helping departments complete the procurement process. It mentions that contact should be made with 'procurement teams' for assistance. A final paragraph states that the U-M Board of Regents requires transactions of \$10,000 or greater to be competitively bid by Procurement Services.

FINANCE PROCUREMENT SERVICES
UNIVERSITY OF MICHIGAN

TRAINING | FORMS | CONTACT US

ABOUT US | **BUYING** | TRAVEL & EXPENSE | CARD PROGRAMS | PROPERTY & SPACE MANAGEMENT | DIVERSITY & SUSTAINABILITY | SUPPLIER RESOURCES

Buying Methods

- Internal Service Providers
- Strategic Contracts
- M-Marketsite
- Quote To Order
- PeoplePay
- EPRO Requisition
- PCard

[Process & Policies](#)

BUYING METHODS

Departments at the University of Michigan buy a wide variety of products and services, enabling administrative and academic units to fulfill the institution's objectives in teaching, research, and patient care. Procurement Services is responsible for helping departments complete the procurement process in the most cost-efficient and convenient way possible, while ensuring compliance with university policies and principles. Contact one of the [procurement teams](#) for assistance with your procurement needs.

The U-M Board of Regents requires that all transactions \$10,000 or greater be competitively bid by Procurement Services and also be managed by Procurement Services, to ensure that

See also the *Buying at U-M: Quick Start Guide*

<http://procurement.umich.edu/sites/default/files/buying-at-u-m-a-quickstart-guide.pdf>

Buying Methods

Internal Service Providers

U-M business units that provide goods/services to other departments

*Procurement review is **not** necessary.*

Strategic Contracts

Contracts that are open for use by all authorized faculty and staff

Go to “Find Products & Services” or shop in M-Marketsite.

M-Marketsite

U-M’s online catalog ordering system where faculty and staff can place orders from many different suppliers

Buying Methods

- Quote to Order System (QTO)
 - A web-based portal designed to help U-M faculty and staff obtain estimates from multiple strategic suppliers based on available commodities currently in the QTO website:
 - ✓ *Printing & Mail – March 2017*
 - ✓ *Website & Graphic Design – Fall 2017*
 - ✓ *IT Temp Staffing – 2019*

Buying Methods

eProcurement Requisition (ePro Req)

The ePro Req is the only transaction that you complete in M-Pathways to order goods and services:

- Used for one-time purchases from suppliers that do not have contracts with the University
- Used as a “Release” off M-Pathways contracts that can be set up for you

This process results in a ***Purchase Order***

PeoplePay eProcurement Requisition

Used to pay individuals for non-appointment-related services

Buying Methods

PCard

- The Purchasing Card (PCard) is a credit card granted to authorized U-M faculty and staff
 - ✓ Its primary use is to pay for business travel and hosting expenses, dues and subscriptions
 - ✓ It can also be used for the occasional purchase of low dollar, supply-type items if the items are not available from a University Contract

Competitive Bid Process - \$10K & Over

- The Regents of the University of Michigan established a policy that all goods and services valued equal to or over \$10,000 must be competitively bid to ensure a fair and reasonable price in an open and competitive marketplace
- Contact your Procurement Team or Procurement Agent early in the purchasing process
- Provide the Procurement Agent with detailed information about your requirements for the transaction
- Allow the Procurement Agent sufficient time to research potential suppliers, review and clarify your department's requirements, and prepare the bid documents

Competitive Bid Process - \$10K & Over

- Allow sufficient time (two to four weeks on average) for the suppliers to respond to a bid request
- Departments will be asked to assist with the evaluation and supplier selection process
- Departments will manage the relationship after the award to the supplier

Types of Competitive Bidding

- Differences in sourcing events are based on the level of readiness to buy
- RFI (Request for Information) (Educate) - Survey the marketplace to help understand available options
- RFP (Request for Proposal) (Compare) – Know what is needed and want suppliers to propose solutions to meet those needs
- RFQ (Request for Quotation) (Quantify) – Know exactly what is needed and want to understand pricing, warranties, timelines, etc.

Competitive Bid Timeline Impacts

- Project team availability
- Scope
- Supplier response
- Evaluation criteria
- Terms and Conditions

Non-Competitive Bid Purchases

- A non-competitive purchase is defined as any purchase of goods or services which has not been subject to an open solicitation for pricing from multiple suppliers or has not been subject to evaluation by Procurement Services to determine best value for the university

A Non-Competitive Purchase Award is only allowed under exceptional and limited circumstances

Non-Competitive Bid Purchases

- Procurement Services can determine whether a purchase must be competitively bid or qualifies to be exempt from the competitive bid process
- The department requesting a non-competitive purchase must complete
 - ✓ ***Sole Source Justification Form (380.15-01)***
 - ✓ The department must demonstrate that the non-competitive purchase is in the best interest of the University by answering the questions on the form
 - ✓ Completion of the form does not guarantee the approval of the procurement request
 - ✓ The purchase is *reported to the Regents*

A Note on the Term Sole Source Justification

Use of the Term in the eResearch System

- In the **Enter a Subcontract** section of the eResearch Proposal Management system (eRPM), there is a field called “Sole Source Justification.”
- This field is used to describe why a proposed site or subcontractor is uniquely qualified to carry out the work for a sponsored project.
- It is not the same as the Procurement Services Sole Source Justification form used for purchases that cannot be competitively bid.

Federal Awards

New Policy on Federal Awards

U-M is no longer permitted to approve sole source purchases when the good or service is simply listed in approved award documentation.

Sole source purchases are allowed only when one or more of the following circumstances apply:

- The item is available only from a single source
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation
- The Federal awarding agency or pass-through entity expressly authorizes non-competitive proposals in response to a written request from the non-Federal entity
- After solicitation of a number of sources, competition is determined inadequate

Federal Awards

New Policy on Federal Awards

The Uniform Guidance requires publicizing bids exceeding the Federal Simplified Acquisition Threshold (\$250,000 or greater, beginning October 1, 2018) and any response must be considered to the maximum extent practical.

- Procurement Services will use “visible to the public” feature to comply
- It is estimated that under 20 RFX’s will be publicized annually

Sole Source

Source:

http://procurement.umich.edu/sites/default/files/380.15-01_ole_source_justification_form.docx



SOLE SOURCE JUSTIFICATION FORM

Department Name: _____

Supplier: _____

Product/Service General Description: _____

Manufacturer (if applicable): _____

Model (if applicable): _____

Requisition Number: _____ Estimated Value: _____

1. Describe the intended use for this product or service: _____

2. Describe the unique features that make this product or service available only from this supplier: _____

3. Describe why these unique features are required. _____

Contracting Basics

Signature Authority for Contracts and Agreements

- All contracts and agreements between a supplier and the university must be reviewed by Procurement Services
- Some contracts and agreements contain language that require legal and/or risk management review. Procurement Services will obtain the necessary approvals and ensure compliance
- Procurement Services handles negotiations with suppliers and obtains the legally authorized signatures for all contracts and agreements
- Signature authority belongs to Procurement Services - Faculty and staff are not authorized to sign purchasing contracts and agreements on behalf of the university

Contracting Basics

Avoid Premature Commitments

- Cultivate a positive relationship with potential partners, but balance that against making premature commitments. Inform suppliers of the competitive bidding policy
 - Make it clear to suppliers that there are others within the university who must approve and sign any contract
 - Do not conduct independent negotiations
 - Provide Procurement Services with the performance information pertaining to the contract
- ✓ *If you only receive what is written in the contract, for the dollars you are spending, would you be satisfied?*

Contracting Timeline Impacts

- Data classifications of moderate or above
 - UM Service Provider Security Compliance Questionnaire (UMSPSCQ)
 - Data Protection Agreement (DPA)
- Protected Health Information (PHI)
 - Business Associate Agreement (BAA)
- Non Disclosure Agreement (NDA)
- Insurance requirements
- Office of General Counsel
 - Redlines
- Treasury
 - Automated Clearing House (ACH) or Payment Card Industry (PCI) Compliance

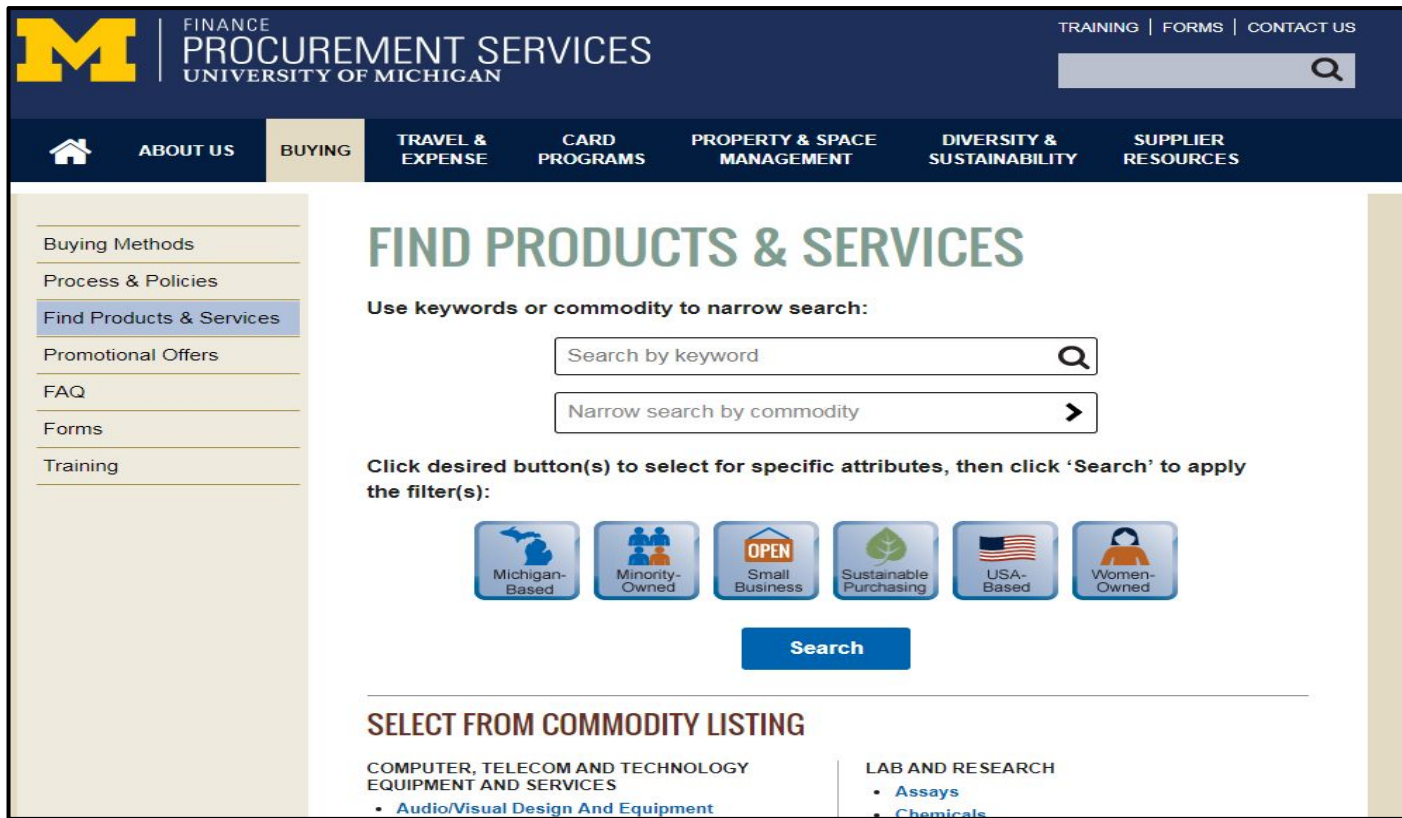
Strategic Contracts

- Procurement Services establishes contracts through **strategic sourcing** to maximize the university's buying power and minimize the overall cost of goods and transactional burden
- Benefits of Strategic Contracts
 - ✓ Lower costs to the university and your unit
 - ✓ Negotiated discount pricing available to all units
 - ✓ Free or reduced cost shipping
 - ✓ Electronic invoice payment processing
 - ✓ ***No competitive bid process required when utilizing strategic contracts***

Procurement Service Website



Procurement Service Website



FINANCE PROCUREMENT SERVICES
UNIVERSITY OF MICHIGAN

TRAINING | FORMS | CONTACT US

ABOUT US | **BUYING** | TRAVEL & EXPENSE | CARD PROGRAMS | PROPERTY & SPACE MANAGEMENT | DIVERSITY & SUSTAINABILITY | SUPPLIER RESOURCES

FIND PRODUCTS & SERVICES

Use keywords or commodity to narrow search:

Search by keyword

Narrow search by commodity

Click desired button(s) to select for specific attributes, then click 'Search' to apply the filter(s):

- Michigan-Based
- Minority-Owned
- Small Business
- Sustainable Purchasing
- USA-Based
- Women-Owned

Search

SELECT FROM COMMODITY LISTING

COMPUTER, TELECOM AND TECHNOLOGY EQUIPMENT AND SERVICES

- Audio/Visual Design And Equipment

LAB AND RESEARCH

- Assays
- Chemicals

Procurement Service Website

The screenshot displays the University of Michigan Finance Procurement Services website. The header features the 'M' logo, the text 'FINANCE PROCUREMENT SERVICES UNIVERSITY OF MICHIGAN', and links for 'TRAINING | FORMS | CONTACT US'. A search bar is located on the right. The main navigation bar includes links for 'ABOUT US', 'BUYING', 'TRAVEL & EXPENSE', 'CARD PROGRAMS', 'PROPERTY & SPACE MANAGEMENT', 'DIVERSITY & SUSTAINABILITY', and 'SUPPLIER RESOURCES'. A left sidebar contains links for 'Buying Methods', 'Process & Policies', 'Find Products & Services' (highlighted), 'Promotional Offers', 'FAQ', 'Forms', and 'Training'. The main content area is titled 'FISHER SCIENTIFIC' and includes icons for a globe and the US flag. Below the title, the 'Category' is listed as 'Chemicals, Equipment and Apparatus, Glassware and Plasticware, Life Sciences Reagents, Miscellaneous, Safety Supplies and Equipment'. A paragraph describes this as a primary strategic contract for laboratory equipment, chemicals, supplies, and services for research, safety, health care, and science education. At the bottom, a list of links with right-pointing chevrons includes: 'PURCHASING GUIDELINES', 'SUSTAINABLE PURCHASING', 'ORDERING INFORMATION', 'SHIPPING & HANDLING', 'SUPPLIER CONTACT', and 'PROCUREMENT CONTACTS'.


FINANCE PROCUREMENT SERVICES
UNIVERSITY OF MICHIGAN

TRAINING | FORMS | CONTACT US

ABOUT US BUYING TRAVEL & EXPENSE CARD PROGRAMS PROPERTY & SPACE MANAGEMENT DIVERSITY & SUSTAINABILITY SUPPLIER RESOURCES

Buying Methods
Process & Policies
Find Products & Services
Promotional Offers
FAQ
Forms
Training

FISHER SCIENTIFIC

Category: Chemicals, Equipment and Apparatus, Glassware and Plasticware, Life Sciences Reagents, Miscellaneous, Safety Supplies and Equipment.

This is a primary strategic contract for laboratory equipment, chemicals, supplies, and services for research, safety, health care, and science education. As Fisher Scientific has many green initiatives, please see the Sustainable Purchasing section to learn more and how to purchase green products, including programs directed to waste diversion.

- > PURCHASING GUIDELINES
- > SUSTAINABLE PURCHASING
- > ORDERING INFORMATION
- > SHIPPING & HANDLING
- > SUPPLIER CONTACT
- > PROCUREMENT CONTACTS

Procurement Service Website

M FINANCE
PROCUREMENT SERVICES
UNIVERSITY OF MICHIGAN

TRAINING | FORMS | CONTACT US

ABOUT US BUYING TRAVEL & EXPENSE CARD PROGRAMS PROPERTY & SPACE MANAGEMENT DIVERSITY & SUSTAINABILITY SUPPLIER RESOURCES

Buying Methods
Process & Policies
Find Products & Services
Promotional Offers
FAQ
Forms
Training

TRAINING

MY LINC PROCUREMENT TRAINING

All U-M employees who purchase goods and services on behalf of the university must complete the following eLearning courses in [MyLINC](#) to obtain access to the transaction types in M-Pathways:

- **PRE101 Fundamentals of Procurement** is the prerequisite to all other Procurement eLearning courses.
- **PRE103 Non-PO Voucher** – used as a method of payment, primarily for reimbursements. It is not a method for ordering goods and services. Users must complete eLearning course PRE103 to obtain access to create Non-PO Voucher transactions.
- The M-Pathways eProcurement Requisition (ePro req) is used to order goods and services in M-Pathways through the purchase order process. There are three types of ePro requisitions:
 - **PRE104 Special Request ePro req** – used for one-time purchases from suppliers that do not have contracts with the University, and to create a “release” (order) against an M-Pathways contract.
 - **PRE105 M-marketsite ePro req** - used with the University’s online catalog ordering system to place orders from suppliers that have negotiated pricing

Procurement Service Website

M | FINANCE
PROCUREMENT SERVICES
UNIVERSITY OF MICHIGAN

TRAINING | FORMS | CONTACT US

HOME | ABOUT US | BUYING | TRAVEL & EXPENSE | CARD PROGRAMS | PROPERTY & SPACE MANAGEMENT | DIVERSITY & SUSTAINABILITY | SUPPLIER RESOURCES

News
Newsletters
Forms
Contacts
Events

CONTACTS

ADDRESS
Procurement Services
7071 Wolverine Tower
3003 South State Street
Ann Arbor, MI 48109-1282

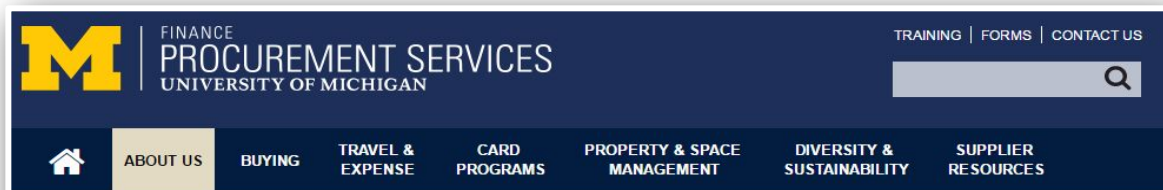
HOURS
Hours of operation for the reception area are 8:00 a.m. to 5:00 p.m. Monday-Friday. Customer service is available by phone and e-mail from 8:00 a.m. to 4:30 p.m. Monday-Friday.

TELEPHONE AND FAX
Phone (734) 764-8212, prompt 2 (8:00 a.m. to 4:30 p.m.)
Fax (734) 615-6235

E-MAIL
procurement.services@umich.edu

> Procurement Solutions Team

Procurement Service Website



PURCHASING CONTACTS

News

Newsletters

Forms

Contacts

Events

CONTACTS

ADDRESS
Procurement Services
7071 Wolverine Tower
3003 South State Street
Ann Arbor, MI 48109-1282

HOURS
Hours of operation for the reception area are 8:00 a.m. to 4:30 p.m. Monday through Friday. Service is available by phone and e-mail from 8:00 a.m. to 4:30 p.m. Monday through Friday.

TELEPHONE AND FAX
Phone (734) 764-8212, prompt 2 (8:00 a.m. to 4:30 p.m. Monday through Friday)
Fax (734) 615-6235

E-MAIL
procurement.services@umich.edu

> Procurement Solutions Team

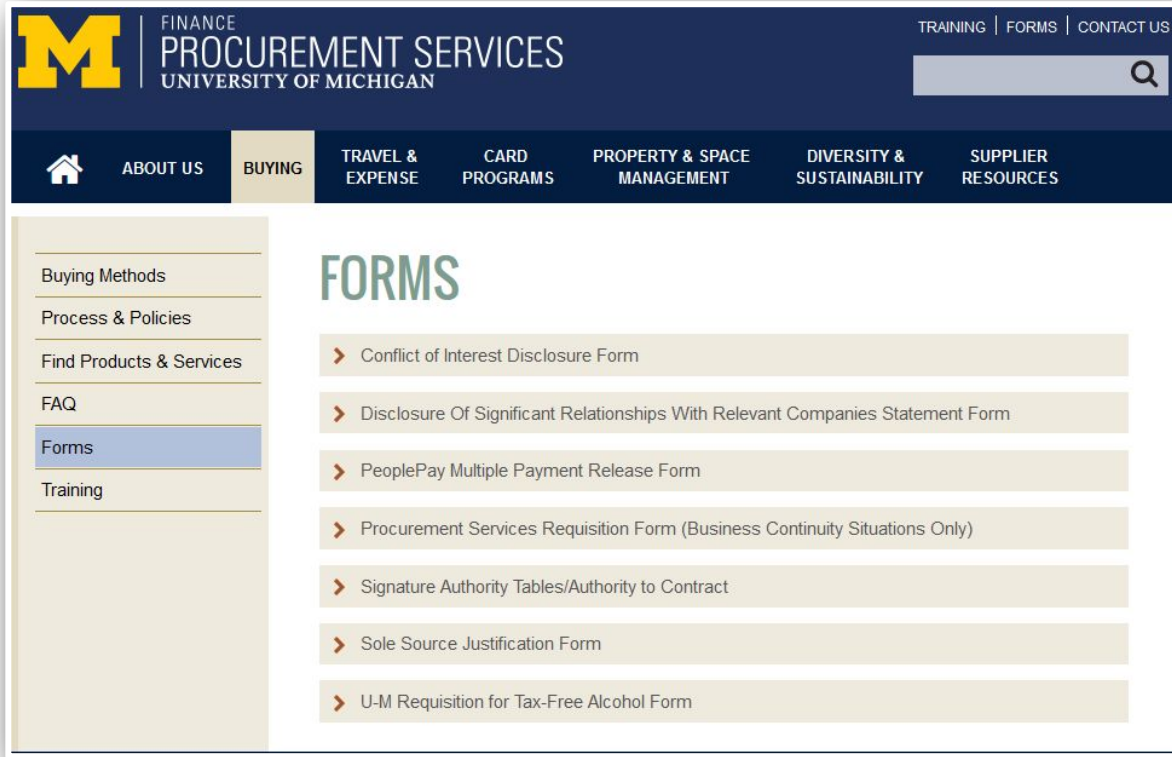
E-MAIL
procurement.services@umich.edu

> Procurement Solutions Team

PROCUREMENT SERVICES AREAS

- > Travel & Expense Reimbursement/PCard Group
- > Research Procurement
- > Facilities Procurement
- > Print & Professional Services Procurement
- > Technology Procurement
- > General Goods & Services Procurement

Procurement Service Website



Procurement Service Website

- **Procurement Services Website**

<http://procurement.umich.edu/>

- **Customer Service**

(734) 764-8212, option 2

procurement.services@umich.edu

- **Procurement Services Newsletter**

To sign up, enter your email address in the footer of the Procurement Services website.

- **Training [Resources](#)**



M FINANCE UNIVERSITY OF MICHIGAN

Procurement Services
7071 Wolverine Tower
9003 South State Street
Ann Arbor, MI 48109-1282
Contact Us

Finance | Business & Finance | Property Disposition | Compliance | Standard Practice Guide | Internal Resources

© 2018 Regents of the University of Michigan

SUBSCRIBE TO THE PROCUREMENT SERVICES QUARTERLY NEWSLETTER

Enter your U-M email address

Subscribe

Closing



Thank you!

**Contact the Navigate Team with
questions and comments**

navigate-research@umich.edu