Buying at U-M

A Quick-Start Guide

FINANCE
PROCUREMENT SERVICES
UNIVERSITY OF MICHIGAN

FINANCE
PROCUREMENT SERVICES
UNIVERSITY OF MICHIGAN

Welcome!

At Procurement Services, our goal is to partner with you to make it easy, convenient, and cost effective to purchase the products and services you need to support the University of Michigan's missions of education, research, and patient care. Beyond that, we're here to help reduce legal and financial risks for you and ensure that U-M's purchasing dollars are spent in an ethical manner.

The breadth and depth of U-M's purchasing efforts are as diverse as the institution itself and this document, *Buying at U-M—A Quick-Start Guide*, was developed to help you, regardless of the size, scope, and type of your purchasing needs. It includes a variety of helpful resources, ranging from descriptions of buying methods and contact information to policies and training modules—all presented in a short, easy-to-understand format.

We welcome your questions and look forward to hearing from you, both about this guide as well as any other ideas you may have to make the purchasing experience even better for the U-M community. On behalf of our teams, thank you for your ongoing support of Procurement Services.

Tally Thrasher
Assistant Vice President and
Chief Procurement Officer

Kristine Komives, MHSA
Director Supply Chain Strategy and
Procurement—Michigan Medicine

Contents

3 Procurement Services buying process
4 Buying methods
6 User responsibilities
7 Training
8 Other resources

Procurement Services buying process

Purchasing is the act of obtaining or buying goods and services. The process ranges from determining needs to receiving goods and maintaining records.

Procurement involves sourcing products, negotiating favorable prices, and selecting goods and services important to you and your department.

The following six steps detail the buying process recommended by Procurement Services to make your purchasing more cost effective and efficient.

1 CONSIDER NEEDS

Clarify your needs for the purchase by considering the basic characteristics and standards of the item or service. Note: If your purchase is estimated to be $10,000 or greater, please contact Procurement Services for assistance.

2 DETERMINE SUPPLIERS

Locate potential suppliers, gather product information, and solicit bids starting with internal service providers and the Procurement Services search tool.

3 EVALUATE OFFERS

Evaluate your offers, considering total cost, including price, shipping cost, and any relevant fees.

4 PLACE ORDER

After selecting a suitable offer, place your order using Marketsite+, QTO, or an M-Pathways ePro requisition. The system will then automatically create a purchase order (PO).

5 RECEIVE GOODS

Inspect your shipment immediately to ensure the order is correct, complete, and undamaged. Contact your supplier promptly with any issues.

6 MAINTAIN RECORDS

Maintain clear and concise records for all of your department's transactions. All procurement transactions are audited regularly. Employees processing orders or requesting goods or services should be familiar with the list of procurement user responsibilities.

Buying methods

Procurement Services helps colleges, schools, and units make buying decisions in the most cost-effective and convenient way possible. The following list offers a number of buying options for your consideration when making purchasing decisions for your area.

Internal service providers	**U-M business units that provide products or services to other departments.** Please search by commodity to determine if the product or service is available through an internal service provider. Orders may also be placed by phone or fax.
University-Wide supplier contracts	**Competitively bid contract pricing available to authorized U-M employees.** Visit the Procurement Services website under Find Products & Services or shop at Marketsite+.
Marketsite+ (User)	**U-M's online catalog that allows employees to create buying carts and use shortcodes to place orders from approved suppliers.** Marketsite+ provides easy online access to multiple UM-approved suppliers.
Quote to Order (QTO)	**A web-based portal designed to help U-M employees obtain estimates from multiple University-Wide suppliers for mailing, printing, web/graphic design, and IT temporary staffing.** U-M employees can log into the QTO system to create quotes and send them to University-Wide suppliers.

Buying methods (continued)

PCard	**PCards can be used for travel, hosting, and occasional supply purchases. They are ideal for individuals who have frequent travel and hosting expenses.** The PCard is only for U-M business and all items purchased with it are the university's property. The PCard should only be used by the person to whom it's issued.
ePro requisition	**The ePro requisition (ePro req) is used for all transactions that require a purchase order (PO).** It's also used for transactions that are $50,000 and greater—and for those requiring special approvals.
Competitive bid process **(ePro requisitions over $50,000)**	**Competitive bidding encourages companies to compete for a specific product, service, or project.** Contact the right Procurement Team for your purchase early in the process. The Procurement Team can create and send out competitive bids for goods to be purchased.
PeoplePay	**PeoplePay is used for paying individuals rather than businesses. It is also used for paying honoraria, royalties, or recording prizes, gifts, and awards.** The PeoplePay Decision Tool helps employees to determine how to pay an individual for non-appointment-related items or services.

User responsibilities

The following list details the responsibilities of the employee processing an order or requesting goods or services.

Signature authority	**Signature authority belongs to Procurement Services. Employees are not authorized to sign purchasing contracts and agreements on behalf of U-M.** • All contracts and agreements between a supplier and U-M must be reviewed by Procurement Services. • Some contracts and agreements contain language requiring legal and/or risk management review. Procurement Services obtains the necessary approvals and ensures compliance. • Procurement Services handles negotiations with suppliers and obtains the legally authorized signatures for all contracts and agreements.
Monitor order status and respond to supplier questions	**The M-Pathways Manage Requisition Page provides you with the ability to review, edit, or cancel requisitions.** • View requisitions in any status. Active requisitions that have not been sourced to a purchase order and do not have a status of complete or canceled can be edited. • After a purchase order has been dispatched (sent to the supplier), the goods or services are received and the supplier is paid.
Shipping to a non-university location	**Anything ordered with U-M funds is university property and should be shipped to a valid U-M address whenever possible.** • Users are not allowed to ship orders to their homes through ePro Requisitions or Marketsite+ transactions. • Temporary guidance on shipments to a non-university address can be found on the Procurement Services website. • Questions about shipping to a non-university address should be sent to Procurement Services.

User responsibilities (continued)

Invoices	Respond to supplier questions regarding invoices or payments.
Restricted purchases	U-M prohibits some goods and services from being purchased. Other purchases require special. approvals. Procurement Services maintains a list of restricted purchases.

Training

All employees who purchase goods and services on behalf of U-M must complete the following eLearning courses in My LINC to obtain access to the transaction types in M-Pathways.

- **PRE101 Fundamentals of Procurement**—This course is the prerequisite to all other Procurement eLearning courses.
- **PRE103 Non-PO Voucher**—Primarily used as a method of payment for reimbursements. It is not a method for ordering goods and services. Users must complete the eLearning course PRE103 to obtain access for creating 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 and a corresponding eLearning course for each.

- **PRE104 Special Request ePro req**—Used for one-time purchases from suppliers that do not have contracts with U-M and to create a “release” (order) against an M-Pathways contract.
- **PRE105 Marketsite+ ePro req**—Used with U-M’s online catalog ordering system to place orders from suppliers that have negotiated pricing with the university.
- **PRE106 PeoplePay ePro req**—Used to pay an individual for non-appointment-related services.

Other resources

Procurement General Policies
All purchases of goods and services must be made in accordance with the Procurement General Policies SPG 507.01. Adherence to these policies and procedures ensures that procurement activities will be done in an open and competitive environment and that all prices paid by the university will be fair and reasonable.

Procurement Services Buying Teams
procurement.umich.edu/contact-us

Finance Customer Care
- Phone (734) 764-8212, prompt 2 (8 a.m. to 5 p.m.)
- Fax (734) 615-6235
- procurement.services@umich.edu

Buying Blue
Buying Blue is a UM-wide initiative to promote best practices, create efficiencies, and maximize resources across the Ann Arbor, Dearborn, Flint, and Michigan Medicine campuses. As part of this initiative, we invite you to join the Buying Blue Community of Practice (CoP) group, a campus-driven forum to build community and share purchasing-related knowledge.

Michigan Medicine Procurement
2500 Green Road, Suite 100
Ann Arbor, MI 48105
- Phone (734) 763-9877
- UH-Procurementrequests@med.umich.edu
- hits.medicine.umich.edu/about-hits/get-help/

ITS Service Center (4-HELP)
- The ITS entry point for direct support of everyday technology needs for the U-M community.
- its.umich.edu/help (Call, chat, or email options)

Online Access Request System (OARS) and Financial Unit Liaisons
Online Access Request System (OARS) is a tool for requesting and authorizing access to administrative data in ITS-managed systems and applications. Financial Unit Liaisons (Fin ULs) can initiate and authorize access requests for all users in their unit.

Contact Procurement Services

1000 Victors Way
Ann Arbor, MI 48108

Phone: (734) 764-8212, prompt 2 (8 a.m. to 5 p.m.)
Email: procurement.services@umich.edu
Fax: (734) 615-6235

procurement.umich.edu

FINANCE
PROCUREMENT SERVICES
UNIVERSITY OF MICHIGAN