

**UCDAVIS**

Supply Chain  
Management

# Purchase Agreements

October 19, 2021



# Welcome!

- We'll get started shortly.
- This webinar will be recorded.
- If you have questions along the way, please place them in the chat. Jim Hewlett will be monitoring the chat. You can also send him a direct message using the chat feature.



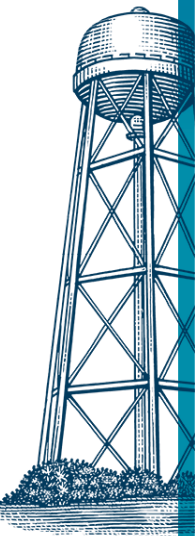
# Introductions

- Mike Morgan, Director of Procurement
- Steven Kobayashi, Associate Director, Procurement and Business Contracts & Small Business Program Officer



# Agenda

- Welcome and Introductions
- Our Guiding Policies
- Purchase Agreements
- Questions/Comments
- Resources



# Community of Practice

Community of Practice goals:

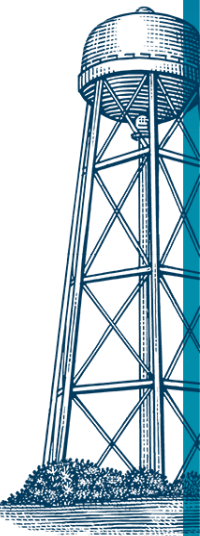
- Improve communication between Supply Chain Management and our “superusers.”
- Provide training regarding changes in procurement policies/procedures and best practices.
- Give you the information you need to be “compliance evangelists” for your department. Compliance is everyone’s responsibility!
- Answer your questions and hear your concerns.



# Procurement Guiding Policies

As a public entity, UC Davis, and all those acting on its behalf, are subject to a many laws and policies. These include:

- The California Public Contract Code
  - Codifies Best Value bidding
- UCOP BUS-43 – Purchases of Goods and Services
- Small Business First – Now part of Bus-43
- Regents Policy 5402 and Article 5 of the Collective Bargaining Agreement



# A Note About Our Definitions

In an effort to give everyone a baseline shared understanding of our presentation, we have included basic definitions of various documents and processes related to purchasing.

Please keep in mind that with a campus as large and complex as UC Davis, there are exceptions to almost every process and document we have outlined.



# What is a Purchase Agreement?

It is an agreement between the university and an outside supplier, outlining specific terms and conditions and pricing offered to the university for a specific period of time.





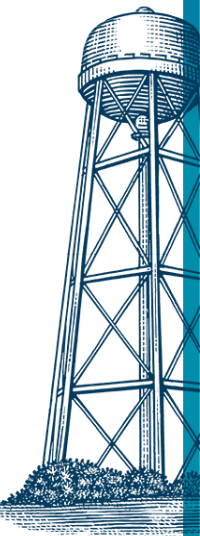
# Benefits of a Purchase Agreement

- Harness the collective power of the campus/university!
- Provide the best value offered by that supplier
- Protect your purchase under the relevant terms and conditions
- Can save the buyer from unexpected price increases
- Often provides generous return and exchange policies
- Timely processing of Automatic Purchase Orders (APO); no need to send through Procurement and Contracting Services



# Types of Agreements

- Campus agreements (strategic sourcing local) are agreements set up for use by all UC Davis departments, often for suppliers in the local region, including hotels.
- Systemwide agreements (strategic sourcing systemwide) are agreements available to all UC campuses, such as the Fisher Scientific, Office Depot, and Dell Computer agreements.
- Department/Blanket agreements are agreements that are not available on an existing campus or systemwide agreement; they are set up for a specific department for a specific good or service for a specified time period.



# Types of Agreements

- Revenue Agreements – Revenue Agreements are those for which UC Davis is receiving money. Examples of revenue agreements include arrangements under which UC Davis is providing a service or being reimbursed for staff and faculty salary and benefit costs.
- No-Cost Agreements: This type of agreement is submitted to Procurement and Contracting Services when the primary transaction is being conducted outside the standard requisition process, such as on a Travel Card, but the supplier is requiring the university to agree to specific terms and conditions. The department does not have the authority to sign on behalf of the university, but the buyers in Procurement and Contracting Services do.



# Other Relevant Documents

- Requisition (REQS) - Internal request document to purchase goods or services; a Purchase Order is created after a Requisition is fully approved
- Purchase Order (PO) – Document that creates the transaction to the outside supplier to purchase goods or services, and is created once all appropriate approvals have been secured on the Requisition
- Automatic Purchase Order (APO) – When a Requisition is automatically approved in KFS following the fiscal officer's approval, and does not require additional review/approval by Procurement and Contracting Services, it is considered an “automatic” purchase



# Using Agreements in AggieBuy

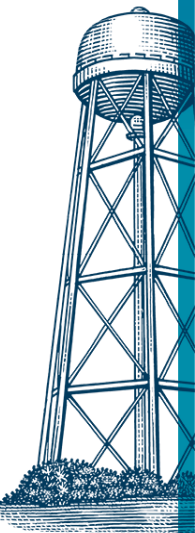
It's easy! When you make a purchase from one of the more than 40 supplier catalogs in AggieBuy, you are automatically getting the full benefits of university agreements.



# Purchasing Against Agreements in KFS

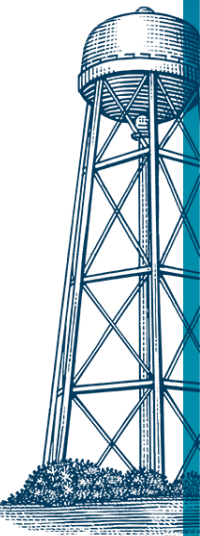
- On the KFS Requisition document, in the **Vendor Information** tab, click on the **Agreement Number** lookup icon to do a search for the agreement.

The screenshot displays the 'VENDOR INFORMATION' tab in the KFS system. Below the tab header, there is a section for 'VENDOR ADDRESS'. Underneath, the 'Vendor Address' label is visible. The 'Agreement #' field is highlighted in yellow, and a magnifying glass icon (lookup icon) is also highlighted in yellow next to it. Below this, there is a 'Suggested Vendor' section with a text input field and a magnifying glass icon. A 'Clear Vendor' button is located below the input field.



# Purchasing Against Agreements in KFS

- On the **Agreement Number Lookup** screen, use any of the search fields to search for the agreement, including the name of the supplier to which the agreement was established, or searching for an agreement assigned to a specific commodity code.
  - If you have the Agreement Number handy, you can simply enter it in the **Agreement Number** field.



# Purchasing Against Agreements in KFS

## Agreement Number Lookup ⓘ

Campus:

DV - UC Davis

Vendor #:

Vendor Name:

Description:

Contract Manager:

Agreement Number:

UCOP/System-wide Agreement #:

Department Agreement #:

PO Cost Source:

Payment Terms:

Shipping Terms:

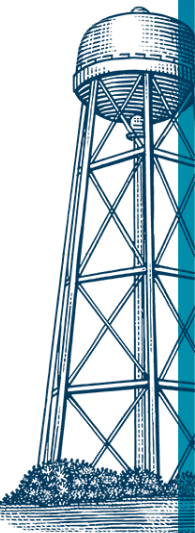
Shipping Title:

B2B Contract:

Commodity Code:

Active?:

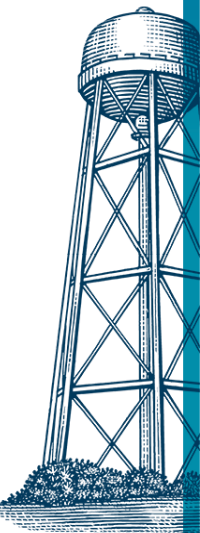
☒ Yes ☐ No ☐ Both





# Using Vendor Name

1. On the **Agreement Number Lookup** screen, in the **Vendor Name** field, click on the lookup icon.
2. In the **Vendor Lookup** screen, in the **Vendor Name** field, enter \*Vendor Name\* (for example, \*Roger's Cat Supplies\*), and then click the **Search** button.
3. In the search results, click on the **Return Value** link to return the results to the **Agreement Number Lookup** screen.
4. On the **Agreement Number Lookup** screen, click on **Search** to retrieve any specific agreements for that vendor.



# Using Agreements with a P-Card

- The university Procurement Card (P-Card) can be used to purchase against an agreement as long as the commodities on the agreement are allowable Procurement Card expenses.
- The dollar limit for the card is \$9,999.99, *regardless of the dollar limit assigned to the agreement.*



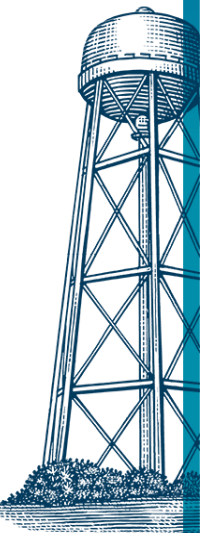
# Using Agreements with a P-Card

- When using a Procurement Card with a supplier with which a university agreement exists, you must provide the agreement number to the vendor, so that the purchase will be properly covered under the terms of the agreement.
  - Failing to disclose the agreement number at the time of the purchase may result in the purchase not being covered under the agreement terms and conditions.



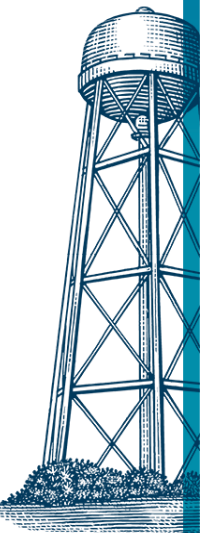
# Creating a Blanket Purchase Agreement

- The KFS **Purchase Agreement (PA)** document is used to initiate the request for a new purchase agreement.
- The document can be used to create each type of purchase agreement mentioned earlier, including blanket and no cost.
- Although the Purchase Agreement does not encumber any funds, an account must be included on the document so that it can route to the fiscal officer for review and approval, before it routes to Procurement and Contracting Services for final review and approval.
- Purchases are made against the approved agreement using a P-Card or KFS Requisition, as described earlier.



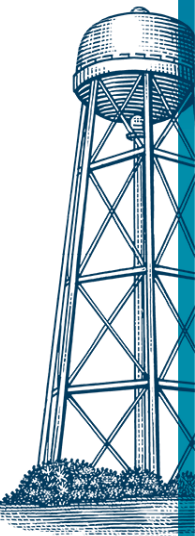
# Creating a Departmental Purchase Agreement

- This is one of the most frequently-created types of purchase agreements created by a department.
- A department may consider creating a blanket agreement if there isn't an existing agreement that meets their needs, and they anticipate at least \$10,000 worth of purchases per year for goods/services with a specific supplier.
- In the **Agreement Type** field, select **Blanket Agreement**.
- The **Not To Exceed Amount** should identify the realistic amount that will likely be spent purchasing against the agreement. Recommend reviewing historical purchasing data in **FIS Decision Support (DS)** to determine amount.
- The **APO Limit** should match the data entered in the **Not to Exceed Amount** field. This will allow you to create a **Requisition** against the agreement for the full dollar amount, if desired, without approval by Procurement and Contracting Services.



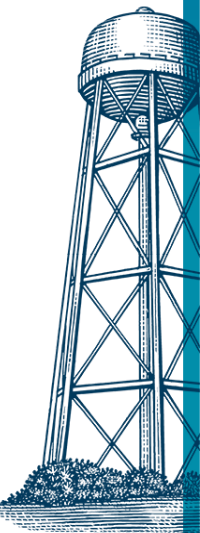
# Amending Agreements

- To initiate an amendment, submit amendment request against the original agreement in KFS by locating the final Purchase Agreement document and clicking on the **amend** button at the bottom of the screen.
- **Do not delete** existing line items. Existing line items should not be modified. New line items may be added as necessary.

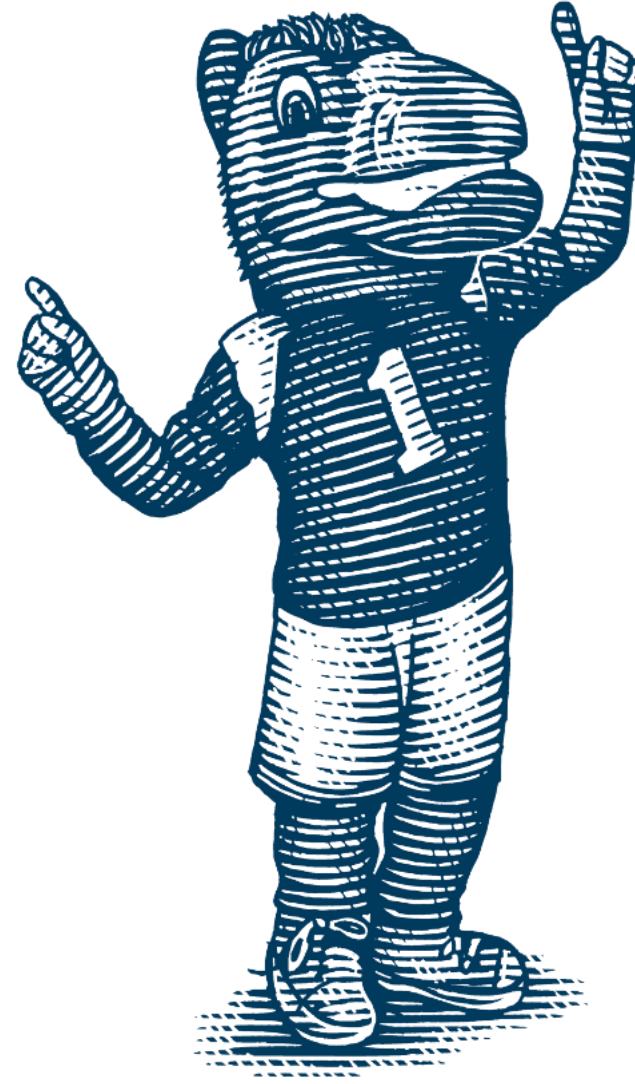


# Amending Agreements (cont)

- All changes to dollar amounts and dates should be made directly to and throughout the KFS document.
- A note must always be added to explain why the change is necessary.
- An agreement cannot be amended to extend the term if work has not been ongoing. If services were completed and a new project with the same scope of work is to commence, a new agreement is required.



# Questions/Comments





# More Information

- Visit our How to Buy [page](#)
- AggieBuy: <https://supplychain.ucdavis.edu/procure-contract/aggiebuy>
  - AggieBuy Help Desk: [ab-help@ucdavis.edu](mailto:ab-help@ucdavis.edu)
- KFS Requisition Purchasing Against Agreement:  
<https://financeandbusiness.ucdavis.edu/systems/kuali/docs/purchasing/reqs#3>
  - KFS Help Desk: [fishelp@ucdavis.edu](mailto:fishelp@ucdavis.edu)
- Procurement Card: <https://supplychain.ucdavis.edu/pay-purchase/p-card/using-card>
  - Card Help Desk: [purchasingcard@ucdavis.edu](mailto:purchasingcard@ucdavis.edu)

