Supplier Strategy & Source Selection

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BEFORE WE GET STARTED

• This session will be recorded.

• The chat has been disabled, please use the Q&A function to submit questions.

• At the end of the session, time permitting, we will have a Q&A session.

• As a reminder, this preview session is not training. You will be introduced to new terms and concepts and see system sneak peeks!
SESSION TOPICS

- Procurement Critical Concepts
- Source Selection
- Oracle Procurement Supplier Overview
- Preparing for Oracle Procurement
PROCUREMENT

Critical Concepts
<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
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<tbody>
<tr>
<td>Agreement Supplier</td>
<td>Agreement suppliers are already contracted with UCOP and/or UC Riverside and offer the best overall value in price, quality, and service expectations.</td>
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<tr>
<td>Oracle Procurement</td>
<td>In July 2023, Oracle Procurement will replace UCR’s eBuy procurement system.</td>
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<tr>
<td>Oracle Supplier Portal</td>
<td>In July 2023, the Oracle Supplier Portal will replace the supplier registration process/vendor maintenance process performed in UCR’s Vendor Request System.</td>
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<td>Procurement Card (PCard)</td>
<td>The procurement card (PCard) is encouraged for purchases with suppliers who are not registered in Oracle Procurement for allowable orders below $10,000.</td>
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<tr>
<td>Purchase Order (PO)</td>
<td>A purchase contract written on a University purchase order form which becomes effective either through execution of both parties, or upon execution by the University and performance by the supplier.</td>
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<tr>
<td>Restricted Items</td>
<td>Purchases Requiring Special Approvals: Regardless of the procurement method utilized and dollar amount, the required approvals indicated must be obtained prior to purchasing the item or obtaining service.</td>
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<tr>
<td>Small Business</td>
<td>UC is committed to providing business opportunities for certified Small Businesses (SBE), Women Owned Businesses (WBE), and Disabled Veteran Business Enterprises (DVBE). This policy helps UC invest in and enrich our local communities with jobs and economic stability while furthering our sustainability goals and mission of teaching, research and public service.</td>
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UCR is moving to a Campus-wide Supplier Strategy
This will increase UCRs ability to leverage spend and ability to better negotiate agreements due to consolidated spend

What does this mean for you?
• Not all current UCR suppliers and Purchase Orders will be converted into the new Supplier Portal/Oracle Procurement module
• A smaller supplier database is easier to manage and working with a smaller database presents a lower risk to the University.
• Improved efficiency in the procure to pay process, ability to develop strong standards with invoice submission and payment methods
• New supplier portal and request process will be implemented in July 2023
Supplier Strategy

Maintaining a smaller database with Agreement Suppliers
Agreement suppliers are already contracted with UCOP or UC Riverside and offer the best overall value in price, quality, and service expectations.

• An agreement supplier is recognized through a formal competitive bid process or through a negotiation process if little-to-no competition in the market exists.

• The benefits of working with our agreement suppliers include:
  • A long-term contract outlining the mutual responsibilities of the university and supplier
  • Negotiated terms and conditions (T&C’s), for example shipping and returns processes and payment terms/methods

• Contributes to the UC system's ability to negotiate better discounts/benefits.
Supplier Strategy

Supplier Conversion Criteria

1. Agreement Suppliers
   • UC-wide agreements
   • Local UCR agreements

2. Suppliers associated with:
   • DAPOs with balances greater than $200 within last 6 months
   • POs with balances greater than $200 within the last 2 years

Some situations will prevent purchase order conversion from eBuy to Oracle Procurement due to data incompatibilities with Oracle requirements
Procurement Responsibilities

Of the Department and Supplier

1. **Department**
   - Create the PO before the order is fulfilled

2. **Purchase Order**
   - Contract protecting both department and supplier

3. **Withhold**
   - Suppliers should not fulfill the order until the PO is issued

4. **Supplier**
   - Suppliers must submit invoices to Transcepta or apinvoice@ucr.edu for payment
Source Selection
Purchasing Thresholds

Once you're ready to begin purchasing there are thresholds which are helpful to keep in mind:

- **5K**
  - Equipment may be inventorial
  - Equipment may qualify for partial research tax exemption

- **10K**
  - Transaction limit of the PCard
  - SSPR form required for federal purchases

- **100K**
  - SSPR form required for all purchases
  - May be required to go out to bid

- **700K+**
  - Federal Funds:
    - The Small Business Subcontracting Plan is at $700K
    - The Truth in Negotiations Act (TINA) is required at $750K
UCOP’s Small Business First (SB1st) Program became policy September 1, 2020, with full compliance expected by March 1, 2021. UCR requested a waiver until July 1, 2023.

**Program Goals:**

- Non-construction contracts and procurements between $10,000 and $250,000 to be awarded to certified/registered Small Businesses (SBEs), Women Owned (WBE) and/or Disabled Veteran Business Enterprises (DVBEs), wherever applicable
- 25% of UC annual spending completed with small and diverse businesses (UCR is currently at 18% of this spending requirement)

**What does this mean for you?**

- SB1st uses a streamlined quotation process to increase procurement opportunities for SBEs, WBEs and DVBEs. This direct 'quote-to-award' ability speeds up and simplifies the procurement process and opens doors to larger opportunities.
- To make an award, only one quote is required for purchases below $100,000, and only two quotes are required for purchases between $100,000 – $250,000 (quotes must be from certified small businesses)
Inventorial/Research Equipment Considerations

- Equipment owned by or in the custody of UC Riverside that:
  - Have a total acquisition cost of $5,000 or greater (total cost includes the costs needed to get the asset ready for use, such as, sales tax, shipping and any installation costs).
  - Is not disposable or consumable.
  - Stand alone.
  - Have a useful life of at least one year.
  - Qualify as tangible personal property (can be appraised for value).

- If the piece of equipment cost(s) is less than $5,000 in total cost (including sales tax, shipping and any installation costs), it is not considered inventorial equipment and is not required to be entered into UCR’s Asset Management System (AMS) at acquisition. Alternatively, Inventorial Equipment ($5K+) is required to be entered into AMS, assigned a property tag and tracked throughout its life-cycle while in the care and custody of UC Riverside.

- Inventorial equipment in support of research may qualify for a partial research tax exemption. The reduced rate applies to:
  - Machinery and equipment that will be used at least 50% of the time, and for over one year, in research and development anywhere in California.
  - The exemption includes leased equipment, special purpose buildings, and non-inventorial equipment such as computers that are subject to the same requirements stated above.

- Due to the above requirements, inventorial equipment suppliers must be setup in the Oracle Supplier Portal in order to track the equipment with a property tag. The buyer will determine the method of payment (i.e., PO or PCard).
Supplier Selection

Questions to consider when sourcing good and services:

- Are there any procurement threshold considerations?
- Do I need to provide multiple quotes or additional documentation to make this purchase?
- Will purchases only be made on a limited basis?
- Can the purchase be made with the PCard?
- Is there a small business that offers a similar good or service?
- Is there a UC or UCR agreement for the given product or service?
- If the supplier is not in Oracle, does another catalog supplier provide the same or comparable product?
Supplier Search

Let’s take a look at how you will search for suppliers in Oracle based on Business Classification
Supplier Reports

Let’s take a look at how you will pull the Supplier Business Classification Report
Supplier Request

A supplier request should only be initiated if a supplier does not accept a PCard or the purchase is over $10k and a similar supplier is unavailable (no Supplier Agreement exists). Reminder, the PCard restricted item list prevails.

1. Dept. submits supplier request in Oracle Procurement

2. Central Procurement Services, will review and determine if any existing local/system-wide agreements or current suppliers can be used

3. If not, Central Procurement Services will invite the supplier to provide their company information directly in the Supplier Portal, where they can also maintain their supplier information (self-service)

4. Once the supplier submits their information, Central Procurement Services will set the supplier status as “spend authorized,” this indicates that the supplier has been added to the system and can be used to place orders.
Supplier Request

It is important to note, the supplier approval process will be closely managed. Adding a new supplier to the system will require a strong justification for the need.
Help us check in with our Suppliers!

- Have they updated their profile?
- Is the email on their profile correct?
- Remind them to:
  - Submit their invoices to Transcepta or apinvoice@ucr.edu for payment
  - Check status of payments in the Supplier Portal
  - Provide updated certifications
Supplier Portal

It is important to note, the supplier portal is for suppliers to update their information, review POs/invoices and payment status.
Preparation
Take Action

- **Document your suppliers and favorites in eBuy.** Remember, not all suppliers are being brought over (bringing everything over the past 2 years, repost the conversion criteria)

- If you know of suppliers that are small businesses but are not certified please encourage them to get certified! This will allow them to upload their certifications in the Oracle Supplier Portal and become a registered UC small business.

- Feel free to share the Small Business First materials with your suppliers!