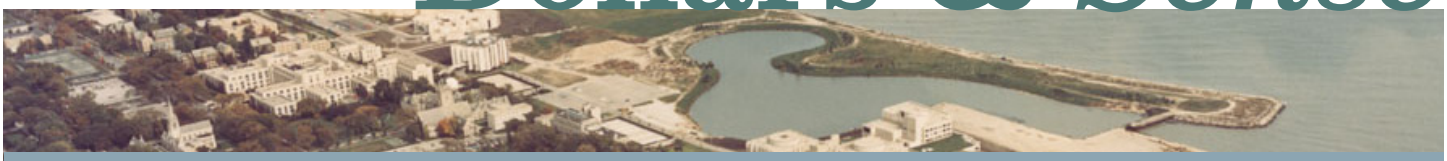
Dollars & Sense



Winter 2013 Volume 7, Issue 3 **Purchasing Resource Services**

NUFinancials Upgrade Details

As you may know, a significant upgrade to NUFinancials is underway. There are many improvements associated with the upgrade and this issue of Dollars & Sense highlights a few important changes that will affect processes within departments and schools.

Changes to Hold from Further Processing

As indicated in NU Purchasing Policy, the purchase of goods and services from outside vendors is to be *preceded* by the issuance of an official Purchase Order (PO) generated by NUFinancials, which is then sent to the vendor. Initiating a Requisition needs to occur at the time the product or service is ordered, not when payment is due. This provides an appropriate audit trail since all transactions are captured in the system, putting the University in the best position to pay for purchases in a timely manner. Starting with a Requisition ensures that transactions are appropriately approved and an official PO is issued and sent to the vendor. An official PO is the legal document that governs the transaction and properly protects the department/school and University. The terms and conditions specify each party's rights and obligations. Verbal purchases (i.e. phone orders) are not considered valid by the University, nor are purchase orders generated through internal department/school systems, vendor systems, or means other than NUFinancials.

The primary purpose of 'Hold from Further Processing' is to allow departments/schools to indicate when they need to have a PO occasionally sent to a vendor in a way other than the default dispatch method in the vendor's profile in NUFinancials. By checking the 'Hold from Further Processing' box on the requisition and entering appropriate instructions in the 'comment' field, it allows Purchasing Resource Services to change the dispatch method for that one order. 'Hold from Further Processing' should not to be used to pay an invoice after the fact when a PO should have been issued and sent to the vendor at the beginning of the transaction. Exceptions are granted on a very limited basis.

After analyzing 'Hold from Further Processing' requisitions over a six month period, we have discovered that this process is being used too often to pay for goods and services after the fact. Therefore no official systematic approval was obtained prior to the purchase and no PO with NU's standard terms and conditions was sent to the vendor, which creates tremendous risk to the University. This is not compliant with University Purchasing policy and is not considered a sound business practice.

Beginning December 16, all requisitions submitted with the 'Hold from Further Processing' box checked will now be routed to PRS for approval before being sourced into a PO.

This will allow PRS to better monitor the appropriate use of this process, to ensure it is being used in a way that complies with NU Purchasing policy, and to change behavior. If a Requisition is reviewed and a policy violation is identified, a significant policy conversation will take place with the requester and their supervisor and the Requisition may be sent back. There will be a three-month grace period to allow departments and schools to adjust to this new process.

NUFinancials Key Dates

Friday, December 6:

Expense Report documentation must reach Accounts Payable by 5:00 p.m. to guarantee final approval before NUFinancials is taken down.

Online Vouchers received in the Accounts Payable Approval Inbox by 5:00 p.m. are guaranteed approval before NUFinancials is taken down.

Tuesday, December 10:

NUFinancials will be taken down at 6:00 p.m. Requisitions must be fully approved and sourced into a Purchase Order prior to 6:00 p.m.

All items not fully approved will be taken out of workflow (not deleted).

Monday, December 16:

NUFinancials will come back up at 8:00 a.m.

All items that were taken out of workflow will need to be resubmitted.

For a full list of key dates and detailed descriptions, please see:

NUFinancials Upgrade Transaction Processing Deadlines [PDF]

Please plan to purchase items needed during this downtime prior to December 10. No purchase orders or payments can be made during the downtime.

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Payment Guideline Matrix Coming Soon

Our analysis of Requisitions put on hold also revealed some services that might be better served by promoting use of the P-Card or Online Voucher process. We have identified some exceptions to the requirement that a PO be issued for certain services that are considered low dollar and low risk, where a formal PO may not be necessary. PRS is developing a Payment Guideline Matrix that highlights these services and alternative payment methods and offers clarification on when 'Hold from Further Processing' should be used. This matrix will be available at Purchasing - Buying at Northwestern by December 12.

PO Change Order Request Process

Currently, when a change needs to be made to a Purchase Order that has already been issued to a vendor, departments fill out the PO Change Request Form on the NU Portal. That information then routes to PRS for entry into NUFinancials.

Beginning December 16, departments and schools will no longer use the portal form to request PO changes. They will go into NUFinancials to initiate change order requests. This brings two significant improvements to the process:

1. No more double entry of the PO change information by the department/ school and PRS.
2. PRS will now have the ability to route submitted change order requests through the same workflow that Requisitions go through.

It has always been a business process control concern that there was no systematic work flow for change orders. In other words, a $400 requisition requires at least one approval, which is a sound business practice and considered an appropriate internal control/separation of duties. Currently, however, change orders route through no formal workflow even if the value of the change order is $100,000. The NUFinancials upgrade changes this and improves upon appropriate internal controls/separation of duties by routing the change order through the same workflow that would be required for a new Requisition.

PRS will continue to monitor all PO change requests and will now have the ability to include notes informing approvers of policy-related matters. It is certainly our hope that this new process will ultimately lead to a change in behavior and fewer change orders because users will spend more time making sure the information is correct before initiating a Requisition to begin with.

Emergency Purchase Orders during NUFinancials downtime

If you come across an emergency situation in which a PO needs to be issued to a vendor during the downtime (on December 11, 12, or 13), please contract Purchasing Resource Services at 1-8120 or purchasing@northwestern.edu. It may be possible for PRS to facilitate the issuance of a manual PO to a vendor in an emergency, with payment being made after the system comes back up.

Departments and schools can also use their procurement cards as appropriate during the downtime.

Receivers not required to initiate payment for small dollar Purchase Orders

Beginning December 16, receivers will no longer be necessary in NUFinancials for Purchase Orders less than $500. Only a two-way match will be required to initiate payment (a PO in the system and an invoice entered by Accounts Payable that matches the PO or is within tolerance).

If an invoice for a Purchase Order under $500 should not be paid because of a dispute with the vendor or some other valid reason, contact Accounts Payable immediately at 1-7339 or a-payable@northwestern.edu. Accounts Payable will put the Voucher on hold and will release it when the department approves it.

If you feel that an invoice was inappropriately paid for any PO, contact PRS at 1-8120 or purchasing@northwestern.edu so we can help resolve the issue with the vendor.

Match Exceptions

Currently, departments only receive match exception notifications when receipts are needed. Beginning December 16, departments will receive email notifications for all match exceptions. This includes:

- Invoice price or amount exceeds the PO price or amount by 25% or more.
- Invoice quantity exceeds the received quantity.

The match exception email notification has been revised to provide better information as to the reason for the match exception and instructions on how to resolve the match exception so payment can be made.

New Preferred Vendors

Office for Research Safety Certification and Testing of Equipment for Evanston and Chicago Campuses

A new contract has been awarded to Salus, Inc. for Certification and Testing of Containment and Safety Equipment beginning January 1 as a result of a formal competitive Invitation to Bid managed by PRS and the Office for Research Safety. Utilizing a single vendor for certification and testing services will provide improved services by certified technicians. A single provider arrangement will assist with maintaining required documentation, ensuring regulatory compliance and providing quick response to repair needs.

Salus will work directly with occupants to make arrangements for inspection and certification of chemical fume hoods. For Biological Safety Cabinets (BSCs) and other equipment, work will be coordinated through Dr. Andrea Hall for the Chicago campus, and Markus Schaufele in Evanston. Salus will update the current BSC inventory and transition to contacting each lab in advance to schedule a mutually convenient time to inspect your equipment.

Please contact the appropriate campus Director for the Office for Research Safety with any questions regarding the new contract or to schedule services. For questions regarding contract administration, contact Alexis Karas, Procurement Administrator at 1-5321 or alexis.karas@northwestern.edu. Contact Jay Renstrom, Director of Operations, Salus, Inc. at jay.renstrom@salustech.net for customer feedback, questions and concerns regarding services rendered.

New Pharmaceutical Vendor in iBuyNU

A new contract has recently been established with McKesson for Pharmaceuticals. The catalog is now available in iBuyNU, but currently can only be used by Health Services. It is our hope to eventually open up access to this catalog to other departments and schools on campus that are authorized and licensed to purchase pharmaceuticals.

Brian Druley, Director of Administration & Information Technology for Health Service, said of the contract: "The positive collaboration between the Health Service Pharmacy with PRS represents a major success. With the substantial growth in utilization of the Pharmacy since implementing third party billing with the majority of the prescription benefit plans over the past two years, the McKesson contract enables the Pharmacy to consolidate purchasing with one primary vendor, streamline the ordering and payment process, and also contributes to better transaction controls. In particular, the technology project to develop and implement the McKesson catalog in iBuyNU is a key accomplishment that provides a significant improvement in the efficiency of the PO workflow in contrast to the previous process. Collectively, these achievements yield positive benefits to Pharmacy business operations that contribute to continued strong financial performance and overall growth of the Health Service Pharmacy. Most important are the improved pharmacy services and added value for NU students who use the Health Service Pharmacy."

PRS sincerely appreciates the opportunity to work with Health Services on this initiative.

Maintenance, Repair and Operations

PRS recently announced the awarding of new Preferred Vendor contracts for Maintenance, Repair and Operations (MRO) Supplies as follows:

- Steiner Electric: Electrical Supplies, Philips Lamps, Belts
- Johnson Pipe & Supply: Plumbing
- Grainger: Tools, Hardware, Fasteners, Filters, Safety, Primary HVAC, GE Lamps, Landscaping and Other Miscellaneous MRO supplies (i.e. adhesives, lubricants)
- Neuco: Secondary HVAC

It was our intent to go live with new catalogs in iBuyNU for the above vendors in late summer/early fall, and we sincerely apologize that this did not happen. We had numerous contract details that took longer to negotiate than anticipated.

We hope to finalize the remaining contract issues in time to go live with these new catalogs in iBuyNU by the end of the calendar year. Thanks to the new contracts, these four vendors should be able to address University-wide needs more fully than other, non-preferred vendors commonly used on campus.

If you have any questions regarding the new vendors or contracts, please contact Alexis Karas, Procurement Administrator, at 1-5321 or alexis.karas@northwestern.edu.

BUY & SELL ON THE SURPLUS PROPERTY EXCHANGE

The Surplus Property Exchange is an online bulletin board where Northwestern University departments can list surplus University property. (Please do not submit personal items, as they will not be posted.) At any given time there are a variety of NU-owned items for sale and for free. Once an item has been listed for 30 days it is then available to purchase for personal use. Visit the Surplus Property page to check out the selection. You can also sign up for the listserv to receive emails when new items are posted.

Awesome lockers are currently for sale on the Surplus Property Exchange.

Preferred Vendor Updates

Travel

Northwestern University's Orbitz for Business website is now live and accepting airline, car, rail, and hotel reservations. As a reminder, the benefits of booking travel via the NU Orbitz for Business website include:

- A robust online booking tool that provides easy access to the broadest range of low-cost offerings for airline, car, rail, and hotel arrangements
- Proven results of reducing travel costs without the need to check multiple websites
- Customized booking processes designed to help ensure compliance with NU travel policies and federal funding regulations

Orbitz Training and User Registration

If you were unable to attend one of the NU Orbitz for Business training sessions, you can view a recorded session via the Travel Services website.

If you have students or part-time employees who need access to Orbitz for Business, please visit Travel Services to learn more about registering users.

Travel 100 Group and Intra World Travel Customers

Travel 100 Group and Intra World Travel will continue to be included in the NU travel program as agent-assist options for departments and schools. Both agencies now offer lower service fees for their international trips. Visit Travel Services to learn more about these travel agencies.

Tower Travel Customers

Tower Travel will continue to handle the redemption of any unused tickets you may have with them and be able to bill your chart string through December 25, 2013. After that you will need to use a personal credit card. Tower is no longer an NU Preferred Vendor and should not be used for new travel.

HP

HP, one of NU's preferred computer supplies vendors, has a new representative. Aivy Nguyen can be reached at 855-736-9124.

Doubletree Hotel

Doubletree Hotel, one of NU's preferred hotel vendors, has a new representative. Linda Pedian can be reached at 312-477-0164.

SHI

SHI, NU's preferred Software vendor, has a new representative. Michael Lamdagan can be reached at 815-603-1004. The main customer service team is teamshi@shi.com.

Ice Mountain

Ice Mountain, NU's preferred water vendor (bottled water & filtration units), has a new representative. Greg Kulhanek can be reached at 630-390-2234.

Peninsula Chicago

Peninsula Chicago, one of NU's preferred hotel vendors, has a new representative. Chad Hilpipre can be reached at 312-337-6607.

Midwest Moving & Storage

Midwest Moving & Storage, one of NU's preferred moving and relocation vendors, has a new representative. Catherine Ahaus can be reached at 847-857-1640.

Dell

Dell, one of NU's preferred computer vendors, has a new representative. Bertram Allen can be reached at 312-566-7785 or northwesternuniversityteam@dell.com

Graebel

Graebel, one of NU's preferred moving and relocation vendors, has a new representative. Mindy Vasques can be reached at northwestern@graebel.com.

Allerton Hotel

Allerton Hotel, one of NU's preferred hotels, has a new representative. Charles Martin can be reached at 312-274-6413 or cmartin@theallertonhotel.com.

To learn more about our Preferred Vendors, and to find the Procurement Administrator that handles each Preferred Vendor contract please visit our Preferred Vendor Matrix.

Process & Procedures

NON-CATALOG DELL REQUISITIONS

When creating a non-catalog requisition for Dell, please make sure to select vendor ID 0000000007 (the vendor name is Dell Marketing L.P). Do NOT use vendor code 0000032547 (for Dell Financials Services LLC) unless the order is for a Dell leasing agreement (these are very rarely used). For regular non-catalog purchases, vendor ID 000000007 should be used.

PURCHASING SOFTWARE

If your department or school is looking to purchase a specific piece of software, there are many options that can be explored before paying full price directly from a vendor. NUIT offers discounted software applications for academic and personal use. Before purchasing anything directly from a vendor, check the NUIT software page to make sure that there is not already a discounted version available. If the title you are looking for is not listed, it may be available through our preferred software vendor, SHI, in iBuyNU. Even if SHI does not have the specific title or version available, they can usually source the item and provide it to you at a discount. Please contact SHI directly at teamshi@shi.com before purchasing any software directly from a manufacturer.

QUICK REFERENCE GUIDE

Please review this quick reference guide to learn which purchases are processed by a department, which are processed through NUFinancials and paid through Accounts Payable, and which are processed through Payroll:

Purchasing and Payment Methods Quick Reference [PDF]

To learn more about the different purchasing and payment processes please consider signing up for the Human Resources training course HRD715-Purchasing and Payments, a free workshop that will soon be available online.

PRS BIDS AND CONTRACTS IN THE WORKS

Purchasing Resource Services is always working to establish Preferred Vendor contracts that best serve the needs of NU departments and schools. These are a combination of new contracts and timely rebids of current contracts. Some of these are very close to being completed. PRS is currently working on the following:

- Temporary Staffing
- NUIT, Next Generation Voice Solution
- NUIT, Client Management System
- Office Furniture
- Janitorial supplies
- Lamp Recycling
- Merchant card processing
- NU Benefit audit services
- Carpet/Flooring
- Crisis Care Management
- Internal Moves
- ORS Hazardous Material Packing & Shipping
- Promotional Items
- Paint & Paint Supplies
- RFID system for CCM
- Rentals (tents, table, chairs, etc.)
- Mattresses
- Household Relocation Moves
- Catering
- Kellogg Employee Engagement Survey
- Local SIP Trunks
- Medical supplies

For questions about these or other bids or vendors, contact PRS at 1-8120 or purchasing@northwestern.edu.

iBuyNU Improvements

A new iBuyNU interface went live on November 4th. Some of the key changes introduced with this upgrade include:

- Cleaner look-and-feel
- Improved navigation: menus on sidebar replaced top tabs
- New functionality that allows you to:
  - Preview the items in your cart from your home page
  - Set a custom home page
  - Bookmark iBuyNU pages you frequently use
  - Search for pages with a new Menu Search

To view a pre-recorded webinar introducing the new changes as well as other training information, please see iBuyNU Upgrade November 2013.

Online Yellow Pages Scam

Several departments have recently been contacted by Onlineyellowpagestoday.com. This company calls departments and sends deceptive invoices for supposed listings on their website. If you receive an invoice from them, please remember that it is a scam and contact PRS at purchasing@northwestern.edu or 1-8120. Do NOT request payment of the invoice.

PRS Staffing Changes

Matt Marzillo
Procurement Administrator

It is with regret that PRS announces the departure of Matt Marzillo, Procurement Administrator, to pursue a new opportunity. He was with the University for over three years and has been a valued part of our Purchasing team. Many people in PRS and at the University have enjoyed working with Matt; he worked especially closely with FM and the NU lab/research community. We wish him every success in his new endeavors.

PRS is in the process of filling the open position created by Matt's departure.

Priscilla Wojtowicz
Procurement Analyst

After a thorough recruitment process Priscilla Wojtowicz has been selected as a new PRS Procurement Analyst. Priscilla was previously a Customer Service Representative in Facilities Management, and is excited to apply her skills and knowledge to her new position. Please join us in welcoming Priscilla to this new challenge and congratulate her on her new position.

PRS Directory

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