

UCDAVIS

Supply Chain
Management

Purchase Agreements: Why and How To Use

Spring 2021



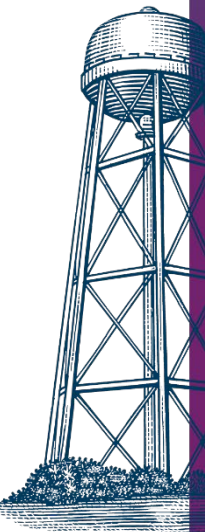
What is a Purchase Agreement?

- 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.
- There are multiple types of purchase agreements available, including those for goods and services.
- Some purchase agreements are available to all UC Davis departments, while others are only available to specific departments.



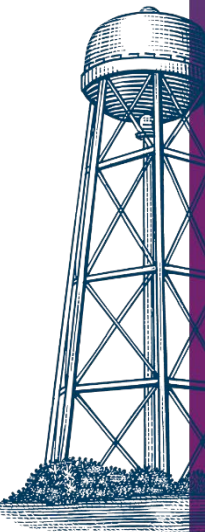
Benefits of Using Purchase Agreements

- Provide the best value offered by that supplier
- Protect your purchase under the relevant terms and conditions
- Save buyer from unexpected price increases
- Often provide generous return and exchange policies



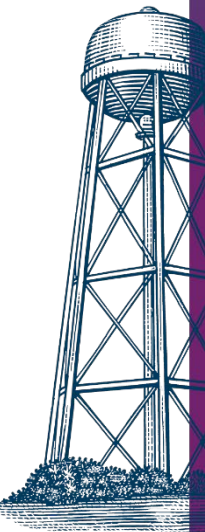
Approved Methods Using Purchase Agreements

- The purchasing methods described in this presentation are the only **acceptable** university purchasing methods.
- Purchasing an item for official business using personal funds, and later requesting reimbursement, is **not** an approved university purchasing method.
- The information in this presentation is for all departments, except Hospital (Chart H) accounts. Refer to the [UC Davis Health Purchasing website](#) for more information.



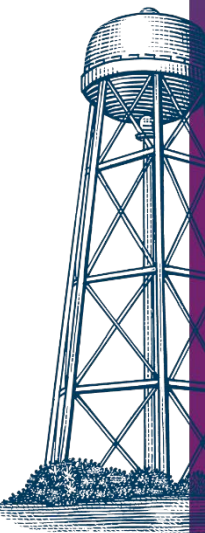
Many Purchase Agreements are in AggieBuy

- **AggieBuy** is the UC Davis e-procurement system, containing multiple supplier catalogs, which are available as a result of university purchase agreements, and is the preferred purchasing method for all goods at UC Davis.
- When you make a purchase from one of the more than 40 supplier catalogs in AggieBuy featuring computing, medical, laboratory, scientific, office, furniture, hardware, and custodial supplies and equipment, you are automatically getting the full benefits of those agreements.



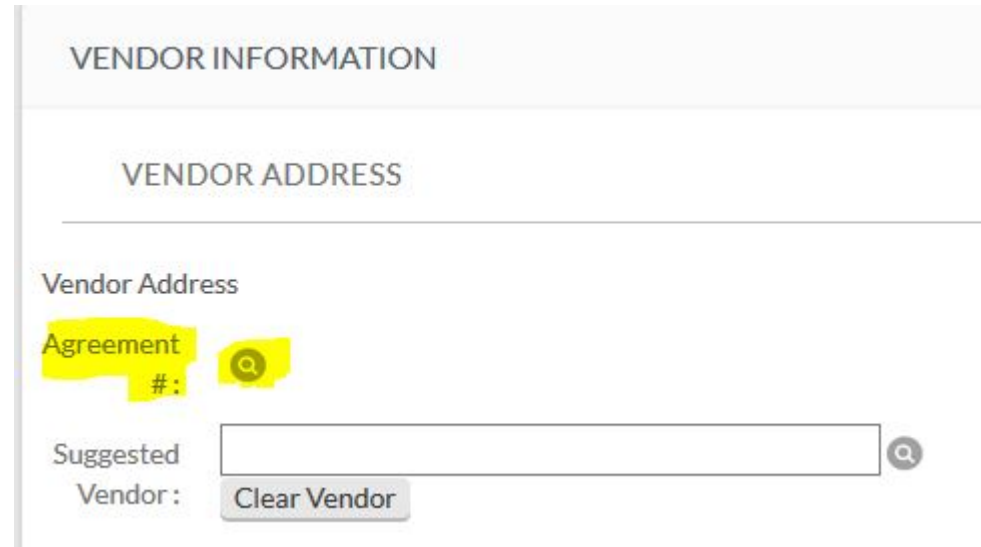
Purchasing Against Agreements in KFS

- There may be situations where AggieBuy does not have what you need, or you may wish to use an agreement for services, rather than goods. The Kuali Financial System (KFS) can be used in those cases.
- Before a transaction against a KFS Purchase Agreement can be initiated with a supplier, a KFS Requisition document citing that specific agreement must be created and fully approved. The fully approved Requisition will generate a Purchase Order that can be used with the supplier.



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.




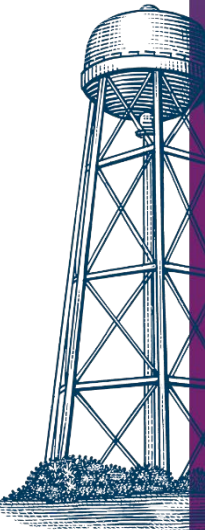
VENDOR INFORMATION

VENDOR ADDRESS

Vendor Address

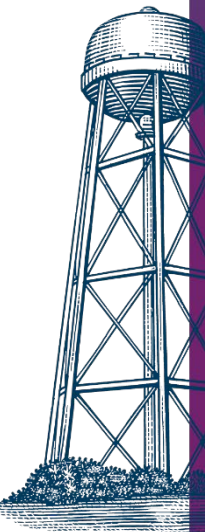
Agreement #: 

Suggested Vendor: 























Purchasing Against Agreements in KFS

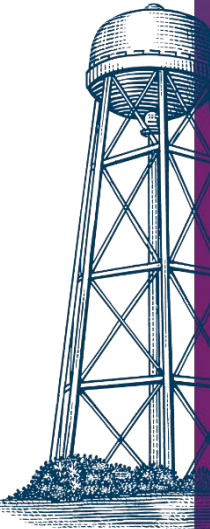
- On the **Agreement Number Lookup** screen, use any of the search fields to search for the agreement, including the name of the vendor to which the agreement was established, or try searching for an agreement assigned to a specific commodity code.
- If you have the Agreement Number handy, you can simply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



Purchasing Against Agreements in KFS

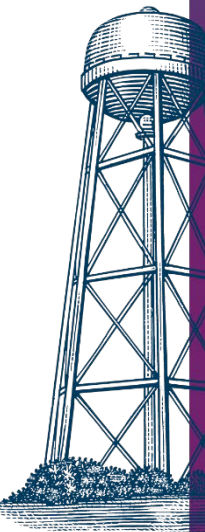
Agreement Number Lookup

Campus: DV - UC Davis	Vendor #: <input type="text"/>
Vendor Name: <input type="text"/>  	Description: <input type="text"/>
Contract Manager: <input type="text"/>   	Agreement Number: <input type="text"/>
UCOP/System-wide Agreement #: <input type="text"/>	Department Agreement #: <input type="text"/>
PO Cost Source: <input type="text"/>   	Payment Terms: <input type="text"/>   
Shipping Terms: <input type="text"/>   	Shipping Title: <input type="text"/>   
B2B Contract: <input type="text"/> 	Commodity Code: <input type="text"/>  
Active?: <input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Both	



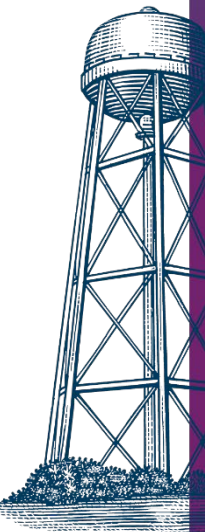
Agreement Lookup in KFS Using Vendor Name

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.



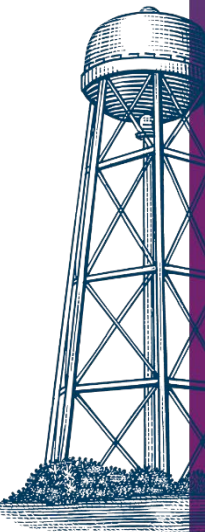
Other KFS Agreement Guidelines

- You will only be able to cite and use **active** agreements on a Requisition and not those restricted to another organization (department) other than the one for which you are purchasing.
- It isn't possible to cite a No Cost or Revenue type of agreement on a Requisition.



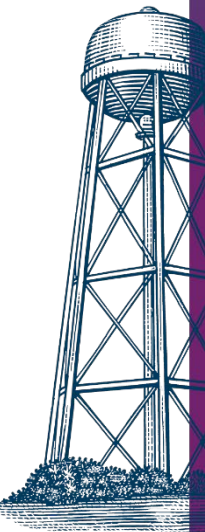
Other KFS Agreement Guidelines

- Determine how you want to encumber the funds against your departmental account(s).
 - You can create one KFS Requisition for the entire amount of the agreement, encumbering the account for the entire amount at one time, or,
 - You can create a separate KFS Requisition for each transaction, encumbering the account only for that specific transaction amount.



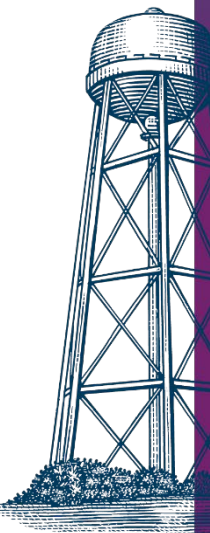
Purchasing Against Agreements with a P-Card

- 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.*



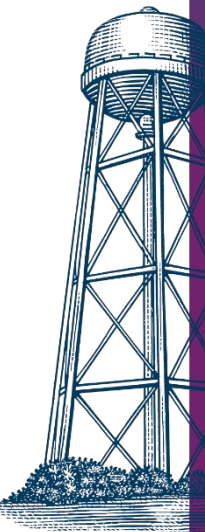
Purchasing Against Agreements with a P-Card

- 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.



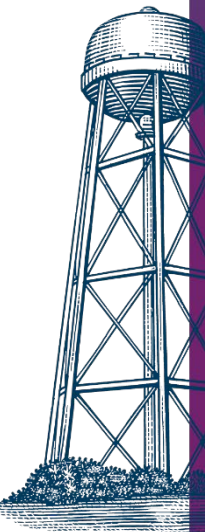
Auditing Past Purchases

- Look at **FIS Decision Support**, **Commodities Purchased Log (365)** report, to review purchases and determine if you are using existing purchase agreements as much as you should be.
- **AggieDash** is another platform you can use to view agreement usage. After logging in with your UC Davis credentials, enter **Agreement Utilization** in the search field to access and view the relevant data for your organization.



Benefits of Auditing Past Purchases

- FIS Decision Support and AggieDash can also help you identify any frequently-purchased items that are not currently covered under an existing university agreement. Your department might want to consider setting up a KFS Purchase Agreement for goods or services that you purchase on a regular basis.



Learn More

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

