Advanced OK Corral Training

Presented by
Joe Teel

INSTRUCTIONS

PLEASE LOG-IN TO THE COMPUTER USING YOUR O-KEY LOG-IN

DO NOT USE INTERNET EXPLORE

The log-in to the OK Corral Training Site:

airs.okstate.edu/training
Username & Password as provided

Agenda

- **Overview and Review of Procurement Guidelines**

- **OK Corral Resources**

- **Navigating OK Corral**

- **Case Study #1 – The Requisition**

- **Case Study #2 – You Decide**

- **Case Study #3 – The Return**

- **Daily Management & Use of OK Corral**

- **Case Study #4 – The Change Order**

Overview Procurement Guidelines

- Purchasing thresholds established by the Board
    - $0 - $10,000 – Discretionary spend under $10,000
        - Each person – obtain a quote and purchase
        - $0.00 - $5,000 may be placed on p-card or requisition
        - $5,000 - $10,000 on requisition only
    - Over $10,000 – Must be bid / quoted
    - $10,001 – $25,000 – Delegated authority given to the Department
        - Obtain 3 quotes
        - Buy from the lowest quote
    - $25,000 – $50,000 – Delegated to The Office of Central Procurement
        - may quote or bid
    - $50,000 – Delegated to The Office of Central Procurement
        - Sealed bid is REQUIRED
    - $75,000 – PRIOR Board approval is REQUIRED for all A&M Colleges
    - $250,000+ – PRIOR Board approval is REQUIRED for all OSU campuses
- Requisition & PO must be in place prior to goods/service (invoice)

Navigating OK Corral

- Procurement Resources and OK Corral Support

  - Forms

  - Procurement Guidelines

  - OK Corral Guides

  - Punch-out Guides

  - Resources & Forms

  - Procurement Staff

- Contracts available to OSU/A&M

  - OSHOP – "system-wide" contracts

  - Contracts in OK Corral – These are the renewable contracts for departments and system-wide

  - State of Oklahoma Contracts (OMES)

  - E&I Cooperative Contracts

  - Texas DIR Contracts

- Message Board and notifications

  - FY End notifications

  - Updates and changes in procedures

CASE STUDY #1 – The Requisition

You are the "requestor" in OK Corral for your department. You are asked to prepare a household move for an incoming new faculty member

- Total move budget in offer letter is $5,000 (Dept. Max)

- From College Station, TX to OSU Stillwater, OK

- Move is scheduled for June 25th

- Arrives in Stillwater July 1st

- New faculty member is Jean O'Brian

- Quote from Emrick's Van & Storage is $6,500

    - Quote #Q182367 by Matt Howell

    - Quote does not reference any OSU/A&M contract number

    - Estimate/Quote has a signature line

- Purchase using two funds

    - Split using two funds

    - Half the $ amount for each fund

Getting started
Steps to creating an accurate requisition

CASE STUDY #1

Policy for this acquisition:

Go To:

- Procurement Guidelines

    - Search in navigation pane

Go to: OSHOP

- Find contract details and procedures

Create a requisition

- Which form do you use?

- Supplier: Emrick's Van & Storage

- Dollar Amount?

    - Are You Authorized for Amount?

- Create CART for Emrick's

    Do NOT Submit the cart

Select this option "Choose Contract" for ALL EXISITING CONTRACTS. Then select the appropriate contract for the supplier

Link your departmental or system-wide contract to the requisition

- Should be done while in the "cart stage"

- Submit cart

    - Click…

    - **PROCEED TO CHECKOUT**

    - Creates the requisition

Link your departmental or system-wide contract to the requisition

- Should be done while in the "cart stage"

Understanding OK Corral Functionality
the OK Corral Requisition

- Open your Emrick's requisition just created

- Review of the top left section – **General**

  - Description

  - Original Bid or Contract

  - Bid Codes - Understanding Purchasing Bid Codes

    EXEMPT from bid – Why?

    - Purchasing application of bid codes

      - BC 1   Contract / Bid Conducted

      - BC3   Sole Source (form)

      - BC4C Professional Services – Listed in Title 18 – Exempt

      - BC4F Exempt by special Board request

        - Board agenda reference date

        - SAMPLE: 2017.06.17.OSU.J-1.5

      - BC4G State / City / Gov't agency

      - BC4H Exempt by Board Policy

        - Specialized Lab Equipment (form)

        - Textbooks, instructional materials, lab supplies

    - Exempt from bid – Flowchart (Handout)

      - To be retained as a "desk reference" and to be used during training for all case studies

  - Board Approval

    - SAMPLE: 2017.06.17.OSU.J-1.5

  - "Contract for Signature Attached"

    - All documents requiring a signature – must check this box

      - EXCEPTION: Marshal with delegated signature authority by the CPO

- It is within the delegated dollar limit of delegated authority
  - Department to add the statement to the contract:
    - "I acknowledge that I have read and approve the content of this agreement and know it will not be enforce until approved and signed by Purchasing."
    - Department signs, acknowledging they have read and agree to the purchase
  - Document is to be attached to the requisition and will come to The Office of Central Procurement for review and final execution
  - NOTE: IF YOU KNOW THERE IS A CONTRACT IN PLACE AS THE RESULT OF AN RFP, WE DO NOT SIGN QUOTES OR ADDITIONAL CONTRACTS
    - May do the following:
      - (1) do not sign
      - (2) add comment in EXTERNAL NOTES
        - RFP Terms & Conditions Prevail
- "Selling Goods or Services"
  - To be checked if the requisition is to purchase a "point of sale" system or service
  - Notification will be sent to FIM
- "Cost Match Invoices Only?"
  - Departments should consider selecting this on EVERY requisition
  - Requires everyone to create a "cost receipt" against the created PO
  - Multiple invoices against the PO
    - Blanket PO's, copier leases
  - Use "LOT" instead of "Each"
- "PO Distribution Bypass"
  - Should only be used when a PO is NOT to be sent to the supplier (rare)
    - Utility payments
    - Game tickets by Athletics (PO encumbers the funds – PO not needed)

- Review of the center section – **Shipping**
  - "Ship To"
    - The process of changing address
      - Changes to shipment / attentions
      - How-to Guide is available
  - "Delivery Options"
    - This feature does NOT send the supplier a request to expedite shipping
    - It only displays it on the PO
- Review of the far right section – **Billing**
  - Bill To
    - Email: must add the email address of DEPARTMENTAL contact
  - Billing Options
    - Select current FY
- Review of the **Accounting Codes** (Accounting Header)
  - Use of two funds – split accounting
    - Place 1 of the funds in the Accounting Codes
    - Use $2,500 for the first fund used
    - Use $2,500 for the split at the line level
  - "Accounting / Fund – Multiple Accounts
  - Split Accounts at the Line Item - ONLY
  - No Splits at "header:
    - Banner Will Reject
    - Split by $ amount – NOT by %
- Review of the **"Internal Notes and Attachments"**
  - Use naming format for all attached files
    - TBS.Dell.DASNR.2018.01.01
    - SGD.Dell.DASNR.2018.01.01
    - EXD.Dell.DASNR.2018.01.01

- PDF File – will be sent providing examples
        - Record dates and historical information important for next year, etc.
            - Subaward
                - Year 2 increase $50,000 from $50,000 to 100,000
            - Contract expires 2020

- Review of the **"PO Clauses"**
    - "PO Clauses" – Added to all Purchase Orders
        - Non-Appropriation
        - Payment Terms
        - Shipping: FOB Destination
    - PO Clauses typically added by The Office of Central Procurement
        - Affidavit of Completion
        - Destination Cost
        - Funds – FY Funding
        - PO $5K Limit
        - E-Verify
        - Affidavit of Non-Collusion
        - Professional Services Affidavit
        - E-Verify
        - Technology
        - Printing Devices
    - PO Clauses which may be added by the requestor
        - Custom Broker – add to INTERNATIONAL purchases
        - Insurance
        - Christmas Holiday Closure
        - Estimated: Material/Services
        - CIED Tax Exempt

- Review of **"selecting a Supplier"**
    - Correct Company – Check Detailed Information
        - ICON – Punch-out Supplier – DO NOT USE
        - Verify REMIT to Address on quote
        - Find REMIT to Address – Supplier Search
        - Multiple Addresses
        - PO Address (supplier) MUST match the INVOICE address
            - Example: company name change: STC > RK Black (acquisition)

- Review of adding the **"Quote Number"**
    - Supplier quote # | By (sales rep) | Date of quote | Check EXPIRED date
        - EXAMPLE: Q182367 by Matt Howell on 4/18/2019

- Review of the **"Item Description"**
    - Provide as much info as possible
    - Labor – this is NOT acceptable
        - Labor, set-up & install of Shimadzu T100 in Rm. PS B009 - Dr. White
    - Parts – this is NOT acceptable
        - Misc. Parts, repair of vacuum pump in 201 Ag Hall – Dr. West
    - Description for bid award requisition
        - Estimated - Athletic Event Cleaning Services for FY18 to include all contracted facilities and special events per all previously submitted bid documents of bid # OSUA&M-RFP-000276-2017. Payment from detailed invoices.
        - Time of services – designated length of time
        - Security Services provided for all campus event from July 1, 2018 through June 30, 2019.

- Review of **Line 1** of the requisition (Items)
  - **External Notes / Attachment**s (Not allowed on Punch-outs)
    - These notes will show up on the PO
    - Attachments will be distributed with the PO (signed contracts)
    - Place to provide instructions to the supplier
      - Contact is Jim Jackson
      - Phone: 405-744-0000
      - Email: jim.Jackson99@okstate.edu
      - Lab: 302 Endeavor

- Goods or Services are Delivered
  - Were goods shipped or services delivered as ordered?
  - Creating an OK Corral Receipt
    - Receipt in OK Corral is required before payment can be made
    - Cost Receipt (preferred)
    - Only receipt what has been received
      - Backordered items,
      - Drop shipped items,
      - Split shipments, etc.

- Creating an OK Corral Invoice
  - Split accounting
  - OK Corral Invoice must match paper (manual) invoice or e-invoice
  - Manual Invoices (paper invoice from supplier)
    - Must create an OK Corral invoice
    - Attach supplier invoice.
    - Required before payment can be made
    - Must match the PO

- Supplier's e-invoices for goods/services (electronic invoice sent to OK Corral)
  - MUST match PO
  - Check for discrepancies
  - Company & address on invoice MUST be the same as the PO supplier
- Punch-out suppliers with e-invoicing and contracted shipping costs
  - OK Corral – Resources & Forms
  - **"Shipping Charges for Contracted Punch-out Suppliers"**
- Payment Applied – balances on the POs
  - Invoice Tab on the PO
    - Invoice summary – compare to PO Total $ amount
    - Invoice / Cost
    - Status: OPEN / NET INVOICED
      - Net Invoiced
  - Confirm balance in Banner (ERP System of Record)

Daily Management and Use of OK Corral

- "Starting a new requisition" – **Which form to start with?**

    - Punch-out Suppliers – Under contract – Exempt from bid/quotes

    - Non-Catalog form

    - Specialized Lab Equipment form (must qualify) – Exempt from bid

    - Sole Source / Sole Product form (must qualify) – Exempt from bid

    - Yearly Service Agreement form

    - Other Payments form

- "Purchase Amount" – will determine how you proceed

    - Non-catalog form

        - Under $10,000 – proceed

        - $10,001 - $25,000 – Dept. to obtain 3 quotes – select the low

        - Above $25,000 – supplier is: "Subject to Bid" – comes to Purchasing

CASE STUDY #2 – You Decide

You are the "requestor" in OK Corral for your department. You are approached by a member of the faculty to submit an order using a departmental account for lab equipment. Given the following:

To be purchased:

- Specialized glovebox (research) – Must be model quoted

    - Supplier: M. Braun, Inc – 14 Marlin Way, Stratham, NJ

    - Amount: $28,012.00

    - Shipping: FOB Destination

    - Quote #345769-19 by Jake Star on 1/1//2019

        o This item is being custom designed to the specifications required for the lab and research

        o Make: Braun

        o Model: GBOX-348

        o Catalog #: 7698-2020

- Lab 208 HBRC

    - Dr. Ima Wiseman

    - Phone: 405.744.0301

- Dollar Amount?

    - $28,012.00

        o For the equipment without shipping cost

    - $650.00

        o S/H to be paid from a different fund

- Complete the requisition in its entirety and submit

    - All sections, just like the Emrick's requisition

Case Study #3 – The Return

You are the requestor for your department. Previously, you placed an order to Staples for office supplies on Purchase Order # P0001761. The order has been processed and the items have arrived at your desk. Upon your review of the order you find the following:

- Items 1-3 have arrived as ordered

- Line item # 4 seems to be the wrong item, not matching the item ordered, and will need to be returned

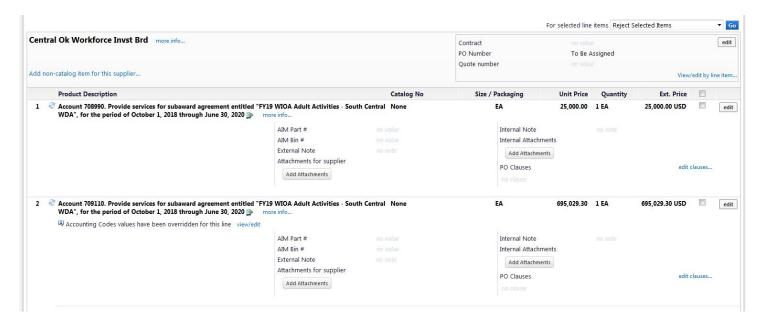- What actions are required?

Daily Management and Use of OK Corral

- "The Approval Process"
    - "PR Approval" Tab
        - Shows the next approver until PO is issued
        - You may contact next approver if it is highly important
        - Most approvers check their list AM and PM each day
    - "The History Tab"
        - OK Corral dates and time stamps every transaction
        - If it happened, it is recorded
            - Requisitions and PO's all have recorded history
            - Forms – appear as line 1 item description on the requisition
                - Open form by clicking the description – then go to History

- "How to Cheat!"
    - Reoccurring PO's – annual blanket requisitions
    - NOT FOR PUNCH-OUT REQUISITIONS
        - Copy old requisition into a new cart

- o Brings over most information and attachments
- o MUST update the information
  - Comments / Notes
  - Dates – Change the dates in subject line
  - Dates – Open any forms – check and change dates inside form
  - Files / Attachments – Remove old & add new documents
  - Check Accounting Information
    - o Chart, Fund, Commodity, and Account
- Have a new faculty member to move.
- Copy the Emrick's requisition to new cart

- Subawards
  - All subawards to be submitted using the NON-CATALOG form
  - If over $25,000 should be split into line 1 and line 2 with different account codes

- Tracking the requisition, PO, receipts, and invoices (Tracking system?)
  - Do you have a system to track requisitions and PO's?
    - o File folders – simple & easy – low volume
    - o Example – discuss

- Requisition is submitted

    - Approved?

    - Status?

    - Was PO created?

- Banner Budget Check II

    - Passes – PO is issued

    - Fails – sent back to requestor

        - Example; Insufficient funds sequence 1, 3, 7

        - Must move funds in Banner to account # (budget must be available)

        - Once budget is corrected – submit back into workflow

        - Must pass Banner Budget Check I (approval tab)

        - After passing Banner Budget Check I

            - Make a comment on requisition to Matt Wessel

            - "Requisition failed Banner II – has been resubmitted – please expedite to PO."

            - Without this comment – will go through workflow, wasting time

- Did the supplier get the PO?

    - Check PO Distribution to see if it was checked

    - Can send PDF – Fax copy of PO

Case Study #4 – The Change Order

- Completing a Change Order form (OK Corral forms)

    - Two (2) types of change forms

        o Close / Cancellation form

        o Change Order Request form

- When is a change order form needed?

    - Policy and Procedure

Invoice Tolerance

Whenever invoices exceed the PO amount by 15% or $100, the payment process will be delayed and a change order will need to be processed before the payment can be made.

Change Orders

University Accounting runs a monthly batch close process and POs with an encumbrance $5.00 or less are closed in Banner. If a purchase order is over-invoiced there is a risk of the PO being closed in Banner. To avoid a PO from being closed prematurely, a change order request must be submitted to increase the purchase order.

To re-open a purchase order that has been closed prematurely, a change order request must be processed adding funds to the purchase order. If the purchase order is closed in a previous fiscal, Banner does not allow it to be re-opened and a new requisition will need to be submitted.

Change orders are required for the following:
1. *When invoice amount exceeds 15% of the original purchase order amount.*
2. *To increase or decrease quantity or unit price.*
3. *To correct pricing.*
4. *Add shipping.*
5. *To re-open, close or cancel a purchase order*
6. *Add additional accounts or separate split accounts.*
7. *Add additional products or services.*
8. *Change the fiscal year.*

*Central Procurement Office approval is **not** required for the following:*
1. *Adjustment of lines within the PO to balance budget*
2. *Change in accounting*
3. *Closing POs (Buyer notified with questions)*
4. *Final revision approvals*

Central Procurement Office approval is required for the following:
1. *Anything that requires a change where the supplier has to be notified such as:*
    a. *Forgot to add shipping;*
    b. *Increase in quantity;*
    c. *Exceeds the delegated threshold of $25,000;*
    d. *Any other changes requiring amendment of an existing contract.*

- Close/Cancellation Form

- Banner Reports
    - ePrint: FGROPNE
    - SSB Banner: Open Encumbrance Query
        - Banner9: FGIENCD
        - For Banner access visit: https://app.it.okstate.edu/access_request/

- Alternative to close/cancellation form at final payment
    - When submitting the final invoice on a PO
    - Comment to Accounting on the OK Corral Invoice
        - "Close PO after final payment has been processed"
    - NOT ALLOWED ON PUNCH-OUT PO'S

- Change Order Form
    - Open the Change Order Request form
    - Open PO P00001762
        - Increase Line 2 by $100.00
            - Fund: 173040 Services
            - Account: 707340
        - Decrease Line 3 by $133.20
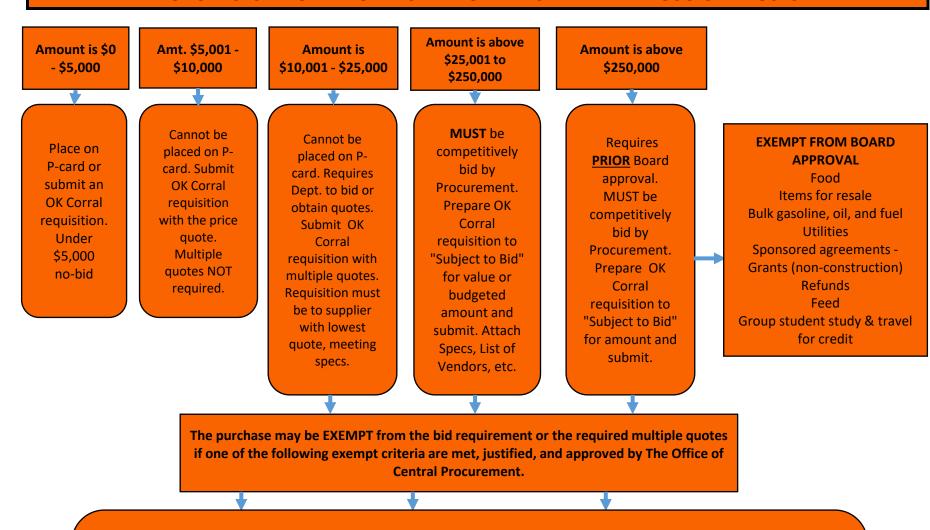   - Add additional line with new funds $133.20
            - Fund: 173060 Equip Rental
            - Account: 708065
    - Proceed to checkout
        - Fill out all tabs
        - Split at line item by price

Requisition	PO #	Description
2483986	P00001195	Staples non-catalog – split accounting
2483984	P00001194	Staples Punch-Out – split accounting
2483968	P00001193	Dell non-catalog – split accounting
2483930	P00001192	Dell Punch-Out – split accounting
2628300	P00001266	Cancellation / Close – split accounts at line item level
2483920	P00001189	Impress Cash Form
2483895	P00001188	OSU-Stillwater Business Cards (CareerTech)
2483893	P00001187	Other Payments Form
2483981	P00001186	Separate Check Form
2483910	P00001185	Sole Source/Sole Brand Justification Form – split accounting
2483890	P00001184	Specialized Lab Equipment Justification Form
2483908	P00001183	Yearly/Service Order
2483790	P00001196	EMRICK'S PO FOR CASE STUDY #1

PURCHASES BY OKLAHOMA STATE UNIVERSITY AND ALL OSU CAMPUSES

Amount is $0 - $5,000

Place on P-card or submit an OK Corral requisition. Under $5,000 no-bid

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Amt. $5,001 - $10,000

Cannot be placed on P-card. Submit OK Corral requisition with the price quote. Multiple quotes NOT required.

Amount is $10,001 - $25,000

Cannot be placed on P-card. Requires Dept. to bid or obtain quotes. Submit OK Corral requisition with multiple quotes. Requisition must be to supplier with lowest quote, meeting specs.

Amount is above $25,001 to $250,000

MUST be competitively bid by Procurement. Prepare OK Corral requisition to "Subject to Bid" for value or budgeted amount and submit. Attach Specs, List of Vendors, etc.

Amount is above $250,000

Requires **PRIOR** Board approval. MUST be competitively bid by Procurement. Prepare OK Corral requisition to "Subject to Bid" for amount and submit.

EXEMPT FROM BOARD APPROVAL
Food
Items for resale
Bulk gasoline, oil, and fuel
Utilities
Sponsored agreements - Grants (non-construction)
Refunds
Feed
Group student study & travel for credit

The purchase may be EXEMPT from the bid requirement or the required multiple quotes if one of the following exempt criteria are met, justified, and approved by The Office of Central Procurement.

Architectural, construction management, engineering, legal, and other Title 18 professional services - **BID CODE 4C**

Sole Source/Sole Brand - **BID CODE 3**

Special Request to the Board of Regents - **BID CODE 4F**

Textbooks, Instructional Material, Lab Supplies, and Specialized Lab Equipment, Livestock, poultry, & Crops - **BID CODE 4H**

Grant acquisitions, when specific make/brands and models are named in the grant - **BID CODE 4H**

Hotel reservations, transportation, interpreters, group meals, tickets for group study and credit - **BID CODE 4H**

Merchandise and food for resale - **BID CODE 4H**

Utility Services regulated by a state or federal commission, municipal ordinance, or tribe - **BID CODE 4H**

Acquisitions with State, City, or other Government Agencies - **BID CODE 4G**

PURCHASING INFORMATION

Joe Teel, Senior Buyer
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OK Corral (e-commerce site) – PO system
http://okcorral.okstate.edu/
- Resources available inside OK Corral
- OSHOP – Listing and details of many of the contract in place for OSU/A&M
- OK Corral User Guides (How-to Guides on using OK Corral)
- Punch-Out Guides (How-to Guides on navigating the Punch-out websites)
- Other contract available (E&I, State of OK, DIR)

Purchasing website
https://purchasing.okstate.edu

Things to Remember:
- Purchases of $0.00 - $5,000 and below may be placed on a P-card or requisition
  - $5,000 is the maximum single purchase amount for the P-card, or Dept. policy
  - Check to verify if a contract exists (required to purchase from existing contract, if in place)
- Purchases of $0.00 - $10,000 may be placed on a requisition without competitive quotes
  - Conducted by the Department
  - Check to verify if a contract exists (required to purchase from existing contract, if in place)
  - Any amount above $5,000 MUST be placed on a requisition
- Purchases $10,001 up to $25,000 bid by the Dept., following policy
  - Obtain minimum of 3 quotes
- Purchases over $25,000 must be bid / quoted by The Office of Central Procurement ONLY
- Purchases of $75,000 for all A&M Colleges requires PRIOR Board approval
- Purchases of $250,000 for all OSU campuses requires PRIOR Board approval
- When a contract exists, it should be used – Board of Regents policy **2.07 (8) Cii**
- A requisition and PO MUST be in place prior to start date of services or purchase date of goods
  - In OK Corral
  - The approved and issued PO is the supplier's authorization to proceed with a purchase
- Pre-payments are NOT allowed by OSU/A&M or any state agency
- Payment terms: Net 30-days from receipt of goods/services and invoice
- Shipping: shall be FOB Destination – ONLY