

# PURCHASING NEWS

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Spring is here and most people want to be outside enjoying the nicer weather. Keep a spring in your step, keep moving forward and you can achieve many things.

Let us know of topics of interest you would like to see in future editions.

Robert Baxter ext. 8233   Tad Rasmussen ext. 8234

We need your help to keep our records and permissions up to date.

When someone in your department no longer needs access for Fixed Assets, creating purchase order requests and/or placing orders online with Amazon, Home Dept, Office Depot, Staples, etc. we need to know.

This allows us to update their security access and suspend their online ordering access for those who have departed.

Purchasing also needs to know if your department wants someone else authorized to place orders within the County online accounts and/or to create PO requests.

By helping us know changes within your departments, it helps us know who needs training and access to the County's online accounts.

You can let us know via e-mail of changes that are needed.

For updates/changes, the e-mail needs to come from your department head and or approved designee that your department head is copied on.

The e-mail needs to state what is being requested. The new access can request the same access/security as the person they are replacing or you can break it down to ordering online access only or they need training on the purchase order process, etc.

***“With the new day comes new strength and new thoughts.”***

***– Eleanor Roosevelt***

# Best Practices on Engaging with Vendors



## Best Practices on Engaging with Vendors

Kaitee Hall, Purchasing Agent - State of Utah

In procurement, when we discuss taking a project on “from cradle to grave,” we mean we are along for the ride from the development and posting of the solicitation, through contract negotiations, and into contract management. Establishing a good relationship with your vendor through every phase of this process is essential. Here are some best practices to support a positive vendor relationship.

**Set clear expectations** – Laying out the process in a clear, simple way will result in better vendor participation and continued engagement. Solicitations should be clear and concise, aligning with industry standards when possible. Avoid including unnecessary information.

Before an agreement is entered into, make sure the vendor, attorney and you are clear on all contractual expectations. Don't assume you're on the same page as the vendor. It is never a bad idea to double-check that all parties are in alignment on expectations, including delivery and payment terms, required reporting, and metrics.

**Document** –When important conversations with vendors are had, whether in person or over the phone, email the minutes to the vendor and yourself to ensure you are aligned on the takeaway's from the discussion.

**Check in often** – Don't assume that no news is good news. It's a good idea to schedule regular check-ins once a contract is in place. Maintaining contact with the vendors provides an open line to resolve new questions, address concerns before they become issues, and ensure that any changes to roles and responsibilities are known.

This can also serve as a regularly scheduled reminder for you to benchmark the contract pricing next to other industry prices and make sure you're still getting the best possible deal under the contract.

# RELIAS

Purchasing has created Relias training modules. You are encouraged to review and take the assessment with each module.

The following modules are waiting for you:

Auditor - Food and Gift Policy

Auditor - Purchasing Card Policy

Auditor - Purchasing Training for Approvers

Auditor - Purchasing Training for Requisition users (POs)

Auditor - Travel Training

Once you have finished the training you have the option to print out a certificate of completion.

We welcome suggestions for improvements to the modules, or for any additional training module you would find useful.

## When a Contract is Needed

Contracts help protect the County from risk, liability, and uncertainty. They can also help prevent misunderstandings and disputes down the road.

It's always a good idea to consider using a contract for a purchase, but under certain conditions a contract is **required**:

- For purchases of goods over \$10,000
- For purchase of services over \$5,000
- When terms and conditions need to be accepted—only Commission can agree.

Drafting and executing a contract can take some time, so that should be factored in when making a purchase. Your portfolio attorney will help you draft the contract. Then it needs to go on the Commission agenda for Purchasing review and Commission approval.

The contract needs to be signed by both parties. This process must be completed before Purchasing can approve a PO for the purchase.



# Knowledge for Fraud Prevention

Information is power. The County Finance Team harnesses power to help prevent fraud. Knowledge comes from querying the County Financial System, obtaining P-card payment reports, reviewing payments, and searching any other source that contains expenditure information. As you seek to prevent fraud in your department, seek knowledge of where fraud can be found.

## **Small Purchase Fraud**

Small purchase payments should be inspected for frequent payments to a single vendor without a contract, especially regular payments just under dollar thresholds; short time frames between payments to the same vendor; and informal quotes which are regularly awarded to the same vendor.

**Review P-card records:** Download a clean copy of the statement and review against the statement provided with the P-Card log.

**Inspect Purchase Orders (POs):** Review amount thresholds to determine if quotes and/or a contract was needed. Did the buyer follow existing County Procurement rules and regulations?

## **Online Accounts such as Amazon, Home Depot, Office Depot and Staples Fraud**

- **Address Reviews:** Departments should review purchases and other online purchases to verify orders were delivered to approved County business address locations to ensure the items purchased are for work purposes and not for personal use.
- **Personal Spend Reviews:** It is unlawful for a County employee to make a personal order through a County owned account where they would receive additional benefits that they would not receive through their personal accounts, such as free shipping or tax-free purchases.

As procurement professionals, we are a first-line defense for preventing procurement fraud. When seeking information for fraud prevention, review your process to seek knowledge of where or how fraud may occur in your department.

# No News Is Good News?

That's the general approach that many of us take as it relates to life and public procurement. The reason for this is simple, if we have not heard of anything bad, then everything should be fine. When public procurement is in the news, it is usually not a good thing.

When public procurement is in the news more questions are asked. Those who are trusted to procure on behalf of the County are tasked with the stewardship of taxpayer dollars. Unfortunately that stewardship can result in issues that call into question the integrity of the procurement process.

“In March 2020, a State agency conducted an internal audit and following a review of that audit, a pattern stood out. Multiple invoices for a specific vendor seemed to come in just below their \$5,000 threshold that would require Division of Purchasing engagement. The agency started asking questions. The end result showed that no news is not always good news. Issues related to the integrity of the procurement process had been silently occurring for years.” Windy Aphayrath- State Purchasing

This is a fairly recent example of issues with the procurement process that can happen to any organization.

Can you do anything about it?

Being aware that procurement fraud can happen is the first step.

The next step is recognizing what procurement fraud may look like and where it may be found within your agency. During a procurement training, an FBI representative provided a pamphlet which can help public entities learn where to begin looking.

[The Red Flags of Procurement Fraud and Corruption pamphlet](#) (see link)

<https://purchasing.utah.gov/wp-content/uploads/FBI-Office-Handout-1-1.pdf>

“When an agency understands their own processes, it also understands where there may be opportunities to improve oversight or transparency in the procurement process. Ensuring compliance to policies and statutes that are in place for the procurement process builds on the foundation of being responsible stewards of taxpayer dollars. Tying all this together is ongoing training and awareness of the procurement process and procurement fraud.”

Windy Aphayrath- State Purchasing

County staff can play an important role in identifying potential fraud or waste. If you come across something that seems like it needs to be looked into, call the Internal Auditor staff at 801-851-8230 or e-mail a tip to: [AuditorTips@UtahCounty.gov](mailto:AuditorTips@UtahCounty.gov)

All tips provided will be handled on a confidential basis.

# Medical Supplies, Goods, and Services: Contracts You Need to Know About

Nick Hughes, State Purchasing

The Minnesota Multistate Contracting Alliance for Pharmacy, or MMCAP Infuse, is a National Group Purchasing Organization (GPO) that specializes in medical products and services solicitations. MMCAP is so unique and specialized that almost all fifty (50) states use their contracts. In recognizing this tremendous benefit, Utah has entered into an agreement with MMCAP to allow users within the State of Utah to use these contracts. This benefits a vast number of entities within Utah related to health and human services, veteran's facilities, community health, and patient care. These benefits have been on full display during the pandemic with many of these medical products contracts allocating specific amounts of emergency items for users within the State of Utah.

There are five (5) contracts for Medical Products and Services that comprise a wide spectrum of products from body wash, boost nutritional drinks, flushable wipes, hand sanitizer, urine test strips, gauze, and exam gloves. The five contracts and vendors are:

1. MA2204 Henry Schein Medical;
2. MA310 McKesson;
3. MA2914 Concordance;
4. MA2916 Premier Medical; and
5. MA3166 Medical Solutions

MMCAP Medical Products Contracts are available to all Eligible Users within the State of Utah that have an MMCAP Membership ID. More information on the products and services available through MMCAP Infuse is available at <https://infuse-mn.gov/>

You can also search MMCAP on the state purchasing website:

<https://statecontracts.utah.gov>

If you would like to use any of the current MMCAP Medical Supplies contracts and have questions on receiving an MMCAP Membership ID or whether a product is available through one of the five contracts, follow the instructions in each state contract.



# Supply Chain issues

## You Want What When ?

We have all heard of the current supply chain challenges and many of us have experienced them ourselves in our local communities. COVID has been at the heart of many of the challenges along with the rising costs of fuel. What once took a few days or weeks to receive is now taking months.

As Purchasing has been working with departments to procure items, we have found that many vendors can't get the items or it is going to take a lot longer to receive them. Many items that used to take a day or two for delivery are now taking 6-8 weeks, if not longer. How can we combat the current supply chain challenges?

1. Plan Ahead – if you need an item now, you may not be able to get it within a short time frame. You must think about the needs of your department and work with Purchasing on solicitations.
2. Assess Your Budget – due to challenges of availability and rising costs you may have sticker shock when you get bids and quotes on items you need. Until the supply chain returns to normal.
3. Equivalents – The Utah County Procurement Code requires that equivalents be considered. For example: If your favorite brand is Toro, you need to consider other brands if they accomplish what needs to be done. Equivalents may be easier to get in the timeframe needed.

There are probably many other things to contemplate when considering the current supply chain challenges. Above are just a few. The most important thing is to plan ahead.





## P-card Reconciling

The county processes approximately 16,000 P-card transactions each year. — and every single one of them has to be accounted for. Purchasing has the responsibility of making sure that 100% of the entries are accounted for, and that the amounts match up. Each card custodian is responsible for ensuring that the PO numbers are entered into the Wells Fargo statements. This makes the overall reconciliation process much easier. The reconciliation process can be extremely time consuming and frustrating. We are working toward some improvements in the near future:

- Eventually, we want to transition to a fully automated process. We envision a process where each transaction automatically creates its own requisition, and all the card holder has to do is make sure that the requisition gets processed through the system. No chance for duplicates, wrong amounts, or missed P.O.s. That's our Utopia!
- In the meantime, we are working with IT to come up with a tool that will make reconciling the P-cards easier and more effective than the 100% manual approach we are using now. Once we have that in place, we will be reaching out to you with the details. Our goal is to streamline the reconciliation process without adding a lot of extra work to your already heavy workloads.
- Until these systems are up and running, we ask that you please remember to reconcile your P-cards in the Wells Fargo statements on a regular basis. The sooner you enter the P.O. numbers, the better, as the transactions will be fresh on your mind, and you will not need to spend a lot of time hunting down old transactions.
- Remember you need to pay attention to the Grace period listed in your statement. Once the grace period closes you can no longer enter/edit the PO information. You are locked out.

**Thank you for your help in keeping them current!**