Purchasing Advisory Council
PAC Meeting Minutes
Lighty 405, 02/20/2015, 11a-12p

- Introduction – Lauralea Edwards
  - Led by Strategic Sourcing Specialist Lauralea Edwards.
  - Sign-in sheet sent around for attendance.
  - Covered the agenda.
- Fuel Card Update – Patty Gropp
  - The state contract with our Fuel Card provider Comdata is expiring, and the state contract is moving to US Bank’s Voyager program.
    - WSU used to be on the Voyager program many years ago.
  - After a lot of research and discussion, WSU is planning to stay with Comdata as our provider.
- Office Depot – Patty Gropp
  - Many of heard about the proposed merger of Office Depot and Staples – this deal is in the works and nothing is finalized yet. It may take a very long time for this to actually happen.
    - In the meantime, all of our contracted pricing with Office Depot is still good, so please use them as you normally would.
  - Order Values – average cost in time and materials to fulfill each order is around $55, but average WSU supply order is only for $21, which means we are losing a chance to save money. Over 50% of WSU orders to Office Depot are under the average.
    - If you need supplies, then by all means order what you need, but with some planning you can get what you need and help WSU save money in the process.
    - Try reducing the amount of times you order. Consolidate multiple requests to have a bigger order. Try to establish a minimum order threshold of around $60 wherever possible.
- Washington State Dept. of Enterprise Services (DES) training - Eric Rogers
  - By 07/01/2015 all those with contract or purchasing authority are supposed to go through DES training.
    - We have been waiting to see what materials would be developed for this training, but so far what has been produced does not seem feasible for WSU (i.e. multiple 8 hour trainings!).
    - Purchasing is working with HRS to develop our own training material to hopefully make better targeted training, reduce the amount of time required to go through it, and create easier access to those materials (i.e. online accessibility).
      - Should happen within the next few months.
      - Those who would be required to train at this point includes: Pcard Cardholders and Approving Officials, as well as anyone with Contract or Expenditure/Purchasing Authority.
- Federal Direct Buy Limit Update – Eric Rogers
  - RECAP: The Federal Direct Buy limit will soon be changing to a $3,000 bid threshold. Higher education will have to enforce this limit effective July 1, 2016
    - Working to appeal this new limit and set it at $10,000 for WSU. More to come as this develops.
- K-Orders – Eric Rogers
  - When using as K-order and you need to forward a copy to anyone, especially the vendor/merchant, ensure to use the “Vendor” copy, not the “Department” copy.
    - Dept. copy has no links to the T&C’s of the agreement on it, so if used critical information will not be included.
- Contract Management System Update – Lauralea Edwards
  - Goal is to replace the current paper based requisition system with a new electronic version. This would allow tracking of jobs and info on where in the process a request is currently at.
  - Conducting user group meetings to map out the contract process.
    - That process is currently ahead of schedule.
• Current issue is to decide on which software platform to implement.
• There is a website you can look over the process and the current progress being made at: [http://purchasing.wsu.edu/cms.html](http://purchasing.wsu.edu/cms.html)

• Questions
  • Budget information/amounts from Bus. Objects are not matching what is being billed through Central Receiving, why?
    ▪ We will need some more info in order to ascertain exactly what the issue is. No known upcharges occur in that system that should be happening. We will reach out to you for some more specifics to better understand what is happening. Mostly occurs with non-FedEx shipping.
    ▪ FOLLOW-UP: The additional charges that people are seeing are accessorial and/or special handling fees that are tacked on by UPS after the fact. Many times there will be phone calls made, lift gates used, or anything that the carrier had to use for special handling of the packages. The reason that we don’t see those fees on the original bill is because these fees are tacked on after the fact when the package is delivered to the end user. UPS and FedEx both have accessorial fees and they are very specific per package and per delivery.
      • Residential deliveries always have accessorial and fuel surcharge fees.
      • The figure provided on the RFS is the cost of the shipment before any fees are charged. If there are multiple payment requests on the same RFS (RXXXXXX), this would be a case where AP is paying the original shipping cost followed by the fees that are carrier charges.
  • When trying to determine if the T&C’s of an online contract are okay to use, Purchasing is contacted but does not always provide a clear answer if the agreement is ok to use or not. Where does the liability of if it should be used fall on?
    ▪ Online agreements are very tricky, and there is not much Purchasing can do for you to change anything found in their agreement. Purchasing dept. tries to advise the requestor as to where the possible risks lie in entering into that agreement, but ultimately the decision is that of the requestor.
    ▪ If the requestor wants the online agreement looked into fully as other contracts are, expect that the process will take much more time to do. Negotiating the terms can take a lot of time and resources.
      • Best bet if time is an issue – is to weigh the risks that are presented to you and determine if using that merchant is the right way to go about getting the goods in question and accept the risks or if another merchant may be a better answer where possible.
  • What is the general timeframe that requests for reviewing contract T&C’s should take?
    ▪ It depends on the commodity, the merchant, and the agreement. Some are simple and easy to work though, while others can take much longer.
      • Example – IT requests go through additional review processes
      • Best bet is to ask a Buyer for an estimation on your particular request.
    ▪ For critical issues – we can apply some pressure to try and speed up the process, but make sure this is known up front.
    ▪ Typical contract should be through the system in <= 30 days.
    ▪ The online contract system currently being developed will help in this matter, as you will be able to see exactly where your request is in the process.
  • When consolidating orders for Office Depot – should we avoid Pcard splits?
    ▪ Splits are no longer an issue with AP, so feel free to order what you need from the merchant and do any necessary splits in PNet4.
  • There was a previously mentioned project to make a more user friendly Object/SubObject resource; how is that project coming along? Users would like to have a box they can type a commodity into and find some coding guidance.
• The Controller’s office has started this project up and is going through an initial internal review of the existing objects/sub-objects and then they will be reaching out to departments for additional input. If you have input now, you may send your comments to Joy Morton (joy.morton@wsu.edu)

• Remember that how you use an object can change how it coded, so guidance can be very difficult in some situations as the same item can be coded multiple ways based on how it’s used.

• Some new codes have been created. Will push that info out on the PAC listserv.
  • Info on last code added: http://acctspay.wsu.edu/images/Controllers_office%20New%20Object%20Code!.htm

• Purchasing has a resource on its web page that can be of some help in the meantime
  • http://purchasing.wsu.edu/Object-SubobjectCoding.html

  o Will online agreements be a part of the new electronic contract system?
  • This is still currently under debate, but is possible. The topic will be added to the project team’s discussion topics.

• Addendum – Calculating Tax on Splits in PNet4
  o Additional info not in the meeting from Gerik Kimble, Head of AP.
  o Info can be found after the end of these meeting notes (pg. 4).

• Helpful Links
  o Meeting Minutes & Meeting Agenda slide deck
    • http://purchasing.wsu.edu/PACmeetings.html
  o Contract Management System updates page
    • http://purchasing.wsu.edu/cms.html
  o Object/SubObject resource on Purchasing homepage
    • http://purchasing.wsu.edu/Object-SubobjectCoding.html
  o New O-S code info:
    • http://acctspay.wsu.edu/images/Controllers_office%20New%20Object%20Code!.htm
Sales Tax Entry on Split Transactions in PNet4

When a transaction is split in PNet4 and sales tax has been charged by the vendor, the tax needs to be split as well. If the split is not accurately computed, it causes problems with the use/comp tax calculation. It sounds complicated, but it’s surprisingly easy to do.

In PNet4, when you’re processing a split transaction, there is a field that gives you the percent that line is of the total amount (shown below).

Here is the same screenshot with all the lines of the split:

To calculate the sales tax, multiply the total amount of tax paid ($35.87 in this example) by the percentage shown for each split. The result is the amount of sales tax to enter for that particular line. In this example, the first split should have $5.21 entered (35.87*.1452=5.208 rounded to the nearest penny = 5.21).

Repeat this process for each split and the sales tax will be accurate and complete.

Note: The sales tax for credits should be worked in the same manner. The only difference is that on a credit, the sales tax should always be entered as a negative since it is being refunded as part of the transaction.