

APPROVAL PROCESS FOR IT PURCHASES

To decrease University costs, an April 19, 2013 memo from the Office of the President (http://www.purdue.edu/newsroom/purduetoday/releases/2013/Q2/130419_MED-Memo-IT.pdf) set a goal of purchasing IT commodities in a manner that best takes advantage of existing or new bulk purchase agreements. The president charged the Office of the University CIO with responsibility for approving the purchase or acquisition of all IT commodities funded by general fund or auxiliary sources.

As a result, the Office of the University CIO inserted new steps into the IT purchase approval process. IT commodity approvers will look for opportunities to take advantage of University site licenses and strategic sourcing programs and will identify hidden costs and security risks in IT-related gifts. These additional steps are intended to be transparent and augment any existing practice related to IT purchases in departments and University procurement processes and policies. As in the past, it is recommended that all IT commodity purchases be discussed with your local IT support staff prior to submission of a requisition or contract.

The new process will impact all purchases of IT commodities made with general fund or auxiliary sources and potential beneficiaries of free IT software or services. Purchases made with sponsored program funds, while still subject to standard procurement processes, are not subject to the additional review, but staff and faculty may engage voluntarily to take advantage of potential cost savings.

IT commodities (goods and services) include all equipment, hardware, software, and services related to IT, including but not limited to:

- Computers and accessories (systems, displays, printers, etc.)
- Network equipment and components
- Data, voice or multimedia equipment
- Software licenses, data services
- Audio visual equipment
- Renewals, maintenance and support for any of the above named purchases

The information below highlights in bulleted form the new steps for obtaining approval for the purchase of IT commodities. Please note that these processes are subject to change and your suggestions and feedback are welcome to help make the processes work as efficiently and effectively as possible.

If you have questions or need assistance processing your IT order you can submit inquiries to itcommodities@purdue.edu.

WHAT'S NEW?

BIDS AND CONTRACTS

- The Procurement contracting or buying offices will seek approval from the IT commodity approvers prior to initiating bidding or contract review.
- To facilitate review, include the following information when submitting bids or contracts to Procurement:
 - Business purpose for the purchase
 - Notes/approvals from IT professionals engaged in advance of requisition
 - Alternatives explored
 - New or replacement IT purchase
 - Funding source
 - Authorizing parties
 - Contact name and phone

SRM/ARIBA (OnePurdue Procurement Systems)

Requisitioners do not need to take any additional action for the IT commodity to be entered into the work flow; this will be automated based upon the shopping cart data.

- An IT commodity approver role has been created for SRM and ARIBA requiring Office of the University CIO (or delegate's) approval for all IT commodities greater than or equal to \$2,500 on all funding sources except for sponsored research. Cost share expenditures will be included in the review.
- All orders requiring approval will be reviewed within 1 business day of order receipt into the approval inbox. If more time is needed before approval, the IT commodity approver will notify the requisitioner.
- If the cart contains IT purchases on both sponsored and non-sponsored funds, the entire cart will be routed for approval if the sum of the request is greater than \$2,500.
- For any request that costs less than \$2,500, the IT commodity approvers will serve a reviewing role but will not be required to approve. Orders will not be held awaiting review. However, the reviewer-can determine that the purchase requires additional IT review and at that point will proceed with the appropriate approval path.
- The comment section of all orders, regardless of amount, should include the information below, as applicable:
 - Business purpose for the purchase
 - Notes/approvals from IT professionals engaged in advance of requisition
 - Alternatives explored
 - New or replacement IT purchase
 - Contact name and phone
- Any carts that require immediate attention must indicate the nature of the emergency in the comment box of the SRM/Ariba order.
- If a purchaser using sponsored program funds would like the purchase to be reviewed by IT commodity approvers, please discuss the purchase with local IT support before placing the order and insert the commodity approver "P_IT Approver" (only available in Ariba).

DIRECT INVOICE VOUCHER (NON-PURCHASE ORDER PAYMENTS)

The Direct Invoice Voucher (DIV) process is not intended to avoid or bypass appropriate procurement or payment procedures, and every effort should be made to process IT purchases through the SRM. Personal purchase of IT-related items intended for Purdue reimbursement should be avoided except in emergency situations.

- The central IT organization will monitor spending on non-PO payments, which is currently in excess of \$10M annually, to ensure that this process is being used appropriately.
- The IT commodity approver will contact the local IT support area to explore spending identified as potential deviations from the expectations.

PURCHASING CARDS

The Purchasing Card Program is not intended to avoid or bypass appropriate procurement or payment procedures and should be used for emergency purposes only when buying IT products or services. To ensure minimal disruption in business transactions, no additional prior approvals for IT commodities will be required when using a purchasing card; however, each area will be held responsible for operating within the requirement that using purchasing cards for IT commodities is for emergencies only.

According to the Purchasing Card Handbook

(<http://www.purdue.edu/business/procurement/pdf/pcardhbkbk.pdf>), **Orders for computers, tablets, and iPads and similar computer-type devices as well as orders for printers, copiers, multi-function, fax, and scanner units, are not allowed on the credit card.** To obtain an exception, contact the Purchasing Department Help Desk. Purdue Purchasing has negotiated pricing discounts with the vendors listed in the link below and orders should be placed through the SRM system.

<http://www.purdue.edu/purchasing/Buying/computerHardware.html>

In addition, there are many other approved vendors for IT commodities in the SRM purchasing system. The vendors can be found at the link below by looking in Category ID's beginning with 432XXXXX (Components for Information Technology or Broadcasting or Tel Group) and 8111XXXX (Computer Services Group).

<http://www.purdue.edu/business/procurement/xls/Vendor%20List.xls>

If there is a vendor you use consistently for IT commodities that is not available to you through SRM, please contact someone in the related IT buying group as indicated in the directory listed in the link below.

http://www.purdue.edu/business/procurement/General_Information/staffDirectory.html

- The central IT organization will monitor spending on procurement cards, which is currently in excess of \$1M annually, to ensure that purchasing cards are being used appropriately.
- The IT commodity approver will contact the local IT support area to explore spending identified as potential deviations from the expectations.

ACCEPTANCE OF FREE AND LOANED PRODUCTS AND SERVICES

- Whenever free or loaned IT products or services are offered to the University, you must contact your local IT professional or itcommodities@purdue.edu to discuss the nature of the gift or loan, any additional costs, and the IT security risks before accepting (this includes free software and cloud applications).
- The University Development Office will be looking for IT authorization prior to finalizing any gift-in-kind documentation and Contracting will be seeking approval from IT before accepting loaned products.

PHYSICAL FACILITIES WORK ORDERS AND PROJECT FUNDING AUTHORIZATIONS

- Any Physical Facilities work order that involves infrastructure to enable installment of IT-related products will require approval by the IT commodity approvers in advance of starting work.
- The IT commodity approvers will monitor work orders and project funding authorizations to ensure appropriate IT approval has been obtained in advance and will contact departments as necessary if further authorization is needed.