TOWN HALL

Declining PO’s

September 2019
Purchasing Services
Agenda

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• Timeline
• New Declining PO Forms
  – Declining PO – Blanket
  – Declining PO – Independent Contractor Services Agreement
  – Declining PO – Services Agreement
• Existing DBPO’s
• JPL Work Orders
Introductions

• Rachel Fisher, Purchasing Agent
• Briana Kass, Contracting Officer
• Kelly Lam-Tickle, Contracting Officer
• Genelle Vinci, Contracting Manager
Why the Change?

The Declining Balance PO (DBPO) Forms are changing.

**Why?**

- Justification / Audit
- Reporting
- Invoicing
- Clarity
Timeline

October 1, 2019:
Go-Live New Declining Balance PO Forms

October 1, 2019 – October 10, 2019:
Open Office Hours, *Keith Spalding Bldg. Room 118*

<table>
<thead>
<tr>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
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New Declining Balance PO Forms

**Original Form:**
Declining Balance PO

**New Forms:**
Declining PO – Blanket
Declining PO – Independent Contractor Services Agreement
Declining PO – Services Agreement
A Blanket Purchase Order (BPO) is a Declining Balance PO that authorizes multiple low-dollar purchases with a Supplier over the course of one year, whereby accurate projections of specific items/quantities needed cannot be made and the issuance of multiple Spot Buy PO’s would incur unnecessary administrative costs. The purpose of a BPO is to eliminate repetitive administrative efforts by the campus requisitioner and Procurement Services by streamlining the ordering process.
Declining PO – Blanket

Criteria:

All BPO's are subject to Buyer review and analysis and can be disqualified if appropriate criteria are not met.

<table>
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<tr>
<th>Eligibility Requirements</th>
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<tr>
<td>✅ The total Purchase Requisition amount must fund one (1) year</td>
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<tr>
<td>✅ The PTA (account) used must be chargeable for the full year</td>
</tr>
<tr>
<td>✅ A minimum of 2 invoices per month or 24 invoices per year must be received</td>
</tr>
<tr>
<td>✅ The exact quantities ordered of specific items cannot be accurately projected</td>
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Requests that do not meet all of the requirements listed above must be submitted on a different TechMart form. Please contact a Purchasing Agent/Contracting Officer for further direction.
Declining PO – Blanket

Justification:

1. Each individual purchasing against this BPO has reviewed suppliers’ catalogs and made a determination that the prices are fair and reasonable based on their personal knowledge of what an item costs, previous purchases for similar items, or competitor’s pricing for similar items?  
   ☐ By submitting this, I certify the above to be true.

2. What is the business purpose for opening this BPO?

3. Does this BPO exceed $10,000.00?  
   ☐ Yes  ☐ No

   If Yes, please list all other suppliers considered and reasons for not selecting those Suppliers:

4. Do you anticipate ordering any single item costing over $5,000?  
   ☐ Yes  ☐ No

   If Yes; If any single item(s) cost more than $5,000, they are disqualified from being ordered on a BPO. Please submit the item(s) on a different form or contact your Buyer for further directions.
   ☐ I understand

5. Each individual purchasing against this BPO is responsible for reviewing Caltech’s Hosted and PunchOut catalogs. Items available through a Hosted or PunchOut catalog should be ordered directly through the catalog?  
   ☐ I understand
Declining PO – Blanket

Renewals:

• BPO’s are limited to 5 lines

• BPO’s can be renewed annually for a maximum period of performance of 5 years

• To renew a BPO, submit a Change Request with a signed Blanket Purchase Order Renewal Form

Upon receiving the Change Request, your Buyer will perform an evaluation of the previous year to review eligibility requirements. If the PO did not meet the requirements a different PO Form must be used.
Declining PO – Independent Contractor Services Agreement

The Declining Balance PO type used to set up a new Independent Contractor Services Agreement with an individual or sole proprietor. An Independent Contractor Services Agreement should be initiated prior to the commencement of services. If you have already been invoiced for services rendered and there will be no continuing services, the Supplier After-the-Fact form should be used in lieu of the Declining Balance PO form.
Declining PO – Independent Contractor Services Agreement

What has changed?:

• The name is now Independent Contractor Services Agreement (was “Consulting Agreement”)

• Added information to help clarify questions

• Send PO to Supplier is defaulted to “No”
Declining PO – Services Agreement

The Declining Balance PO type used to set up a new Services Agreement with a Supplier that has a defined fee schedule, period of performance or purchase quantities (i.e. 5-year agreement, monthly billings, equipment maintenance agreement)

Note: If you have taxable and non-taxable items on your quote, please separate them on the Form Request so taxable items and non-taxable items are on separate lines. If tax information is not clearly identified on the quote, please use one line and your Buyer will assess.
Declining PO – Services Agreement

What type of Agreement will this be for? ★
- Services
- Materials & Services

Will services be performed in California? (If yes, may be subject to income tax withholding) ★
- Yes
- No

Will services be performed at Caltech? ★
- Yes
- No

Please describe the type of services (and materials) that will be purchased under this BPO. ★

Did you receive an Agreement/Statement of Work/Quote from the Supplier? ★
- Yes
- No

Please attach Agreement/Statement of Work/Quote.

No File Attached

Upload

OR, if you select “No”
- Yes
- No

If not, please explain how the pricing schedule was determined ★

2000 characters remaining
What’s Going to Happen with Existing Declining Balance PO’s?

All current DBPOs will remain open until there is no funding available, unless you:

• submit a **Change Request** to modify the PO on/after Oct. 1st
  – at which point your Buyer will prompt you to set up a new replacement DBPO

  **OR**

• submit a **DBPO requisition** on/after Oct. 1st to initiate a new PO
  – you will need to notify your Buyer if this is replacing a previous PO so your Buyer can remove the encumbrance/close the old PO
JPL Work Orders – updated version

• Revised to accurately capture information fields JPL needs
• Revised to process JPL Work Orders more efficiently
• Revised to educate campus on the rules

Where is it?

Now...the walk through...

Notice the new name
JPL Work Orders – instructions

- **Clarifies** form purpose
  - when Purchasing handles it vs. Office of Sponsored Research
- **Clarifies** expenditure type
- **Clarifies** when to use this form vs change request form
- **Clarifies** campus responsibilities
JPL Work Orders – Supplier

Supplier **DEFAULTS** to correct JPL supplier

<table>
<thead>
<tr>
<th>Supplier Name</th>
<th>Doing Business As</th>
<th>Fulfillment Centers</th>
<th>Additional Supplier Distribution Data</th>
<th>Action</th>
</tr>
</thead>
</table>
| JET PROPULSION LABORATORY   |                   | **PO-MS 171-70:** *(preferred)*  
4800 Oak Grove Dr, MS 171-70, Attn: Patricia Spray or Katrina Nebriaga, Pasadena, CA 91109 US |                                       |        |

**YAY!**
JPL Work Orders – Contact Info

- Required contact fields added for faster processing

- You CANNOT leave these blank.
• UNCHANGED

Form Fields - Statement of Work

Statement of Work

Statement of Work (If you have the SOW as a document, please attach it at the "Attachments" step on this Form Request. Otherwise, please enter the SOW here)

2000 characters remaining

All work will be performed at:

- Caltech
- JPL
- Both
JPL Work Orders – Attachments

- 5 attachment fields added with attachment examples

Add attachments (i.e. SOW, budget, prime award, OSR Award Summary, any pertinent Export Control information related to JPL).
JPL Work Orders – POP

• **IMPORTANT:** POP date rules **made more clear**

Form Fields - POP

**Period Of Performance**

REMINDERS:

JPL Work Order POP's **CANNOT** be outside of the PTA POP.

JPL Work Orders **CANNOT** have a start date in JPL's last fiscal year. (e.g., if today is January 1, 2020, and you want the start date of the JPL Work Order to be September 1, 2019, this is unallowable.

• **IMPORTANT:** **LEARN** these rules!

**NOTE:**

If you want to end date a JPL work order at the end of Caltech's fiscal year end, please note that JPL's fiscal year end and Caltech's fiscal year end are not always the same. Please check with Purchasing or JPL to find out when JPL's fiscal year end actually is.

EX: For FY2020, Caltech's fiscal year end is 9/30/2020. For FY2020, JPL's fiscal year end is 9/27/2020

Helpful practice
JPL Work Orders – funding source

- With **dropdown** field for funding source number
- Along with **additional** information field
-Fields added to clarify funding source
JPL Work Orders – Requisition Lines

- UNCHANGED

Form Fields - Requisition Lines

- **Requisition Line(s)**
  - How many lines do you need? *
    - [ ]

Send PO to Supplier?

- [ ] Yes
- [ ] No
JPL Work Orders – conclusion

• *Help us help you!*

• *Learn and follow the rules*
Questions?