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PSC COMMUNICATOR

News from the Procurement Service Center

Newsletter archives: www.cu.edu/psc/newsletter
To receive the newsletter:
email your Employee ID # to FinProHelp@cu.edu
and ask to be added to the PSC newsletter list.

February 12, 2020

New: Contract for Amazon Web Services

Exciting news! The PSC recently completed a CU-wide enterprise agreement with DLT – a provider of technology solutions – to facilitate the purchase of cloud computing services from AWS (Amazon Web Services). Stay tuned for more information about the details and how to make purchases off of the new agreement.

Leeds School of Business Internships

We're pleased to announce a partnership with the Master's in Supply Chain Management program at the Leeds School of Business (Boulder Campus). In Spring Semester 2020, the PSC is sponsoring ten student interns to work on four key projects:

- Process Mapping, including identifying pain points and optimization opportunities
- Operationalize Strategic Plan, including highlighting ways to achieve cost savings, efficiencies, and value
- Long Tail Spend Analysis, including defining, calculating, categorizing, and analyzing unmanaged spend
- Key Performance Indicators (KPIs) and Measures, including assessing performance and progress against Strategic Plan

The goal of the internship program is to help the PSC by providing expertise and resources to accelerate completion of key initiatives … and to help the students by creating opportunities for them to put theory into practice.

This semester's interns are: Suruchi Bhosale, Philip Bucci, Blair Galbreath, Cory Glenn, David Key, Fairy Nguyenloc, Ryan Millendez, Mark Piazza, Laura Steeve, and Kathryn Taylor. They are pictured below (with the exception of Blair Galbreath) with their faculty sponsor, Gurumurthi Ravishankar, who notes:

The partnership between the Leeds School of Business and PSC is about giving students hands-on experience in applying the skills learned in the MS Supply Chain program. It is a culmination of their year-long master program, and an opportunity to work on projects that have far reaching impact on CU.

The group will deliver their final project presentations in late April. We appreciate their work and look forward to the benefits that this collaboration will bring.

SPOs, POs, and Payment Processing Tips

There's a lot that department procurement specialists can do to ensure that purchase order invoices are processed efficiently.

Standing Purchase Orders (SPOs)

Use an SPO when the purchase order will be in effect for a period of time **and** you'll receive multiple invoices in varying amounts. *Example: a one-year consultant agreement, the supplier invoices as work is completed against the agreement.*

SPOs can only be used when the total spend is greater than $10,000. When filling out the SPO form in CU Marketplace, provide SPO begin/end dates, a detailed description of purchase activity, SPO total amount, and SPO encumbered amount. SPOs are set up with a unit price of $1. The encumbered amount (the total amount available in your department budget) is the amount that payments will draw from. It's essential that you set up the SPO correctly in the beginning, and monitor its activity, to prevent payment problems down the road.

To process an SPO invoice, your Payables specialist needs to confirm all of the following:

- The current SPO number is on the invoice.
- The dates of service being billed are within the SPO begin/end dates.
- There are enough remaining encumbered funds to cover the invoice amount.

If any of the above criteria are not met, payment will be delayed. Payables staff may enter the invoice and place it on hold, or they may return the invoice to the department pending resolution. The department will need to work with the appropriate purchasing agent and/or communicate to ChangeOrder@cu.edu to update the SPO and enable invoice payment.

Purchase Orders (POs)

Use a PO when you know the specific item/s being purchased, as well as their quantity and cost. Each different item is identified on a different line of the PO. A PO can be used for services if the same amount will be billed repeatedly. *Example: you'll be paying $115 for a service every month for the next year, so you create a PO with quantity 12 billed $115 per month.*

As with SPOs, it's essential that you set up the PO correctly in the beginning to prevent payment problems down the road. In particular, note: When purchasing **multiple items**, do **not** create a PO line with quantity 1 for the total amount of the purchase. This set-up will force Payables to calculate the percentage of each invoice against the total amount in order to process payment – an unnecessarily complicated and cumbersome approach.

Questions? Contact FinProHelp at 303.837.2161, or talk to your purchasing agent or Payables team member. We're all happy to help ensure accurate purchase orders and efficient payments.