



New York State Business Services Center (BSC) Finance Policies Purchasing

I. Governing Policy

All purchasing transactions are processed by the Business Services Center (BSC) in accordance with all rules and regulations applicable to Executive Department agencies, including:

1. Office of the State Comptroller (OSC) purchasing rules and regulations, Chapter XI Procurement and Contract Management found at:
<http://www.osc.state.ny.us/agencies/guide/MyWebHelp/>
2. NYS Finance Law, Article XI, State Purchasing found at:
<http://www.ogs.ny.gov/purchase/snt/sflxi.asp>
3. New York Procurement Guidelines - State Procurement Council, May 2014 found at:
www.ogs.state.ny.us/procurecounc/default.asp
4. NYS Procurement Bulletin Preferred Source Guidelines, Updated September 2012 found at: www.ogs.state.ny.us/procurecounc/pdfdoc/psguide.pdf
5. Citibank Procurement Card Guidelines found at:
<http://www.ogs.state.ny.us/purchase/pdfdocument/CreditCardGuidelines.pdf>
6. Statewide Financial System (SFS): <http://www.sfs.ny.gov/>

II. General Policies and Procedures

Agencies must procure commodities, services, and technology in accordance with Article 11 of the New York State Finance Law.

Agencies are responsible for:

1. Making the final decision on the details of what the agency needs to procure including vendor, model, quantity, and whether price is reasonable.
2. Creating, submitting, and securing necessary approvals on a SFS requisition for all of the agency's purchasing transactions.
3. Obtaining required purchase approvals (e.g., Division of the Budget B-1184 (B-1184), Office of Information Technology Services Plan to Procure (PTP), and Strategic Sourcing Buy Desk (Buy Desk).
4. Using a Procurement Card (P-card) whenever possible.
5. Obtaining quotes in accordance with the BSC guidelines (refer to the document "Purchasing Requirements for BSC Customer Agencies" located on the BSC Website at <http://bsc.ogs.ny.gov/sites/default/files/PurchasingRequirementsBSC.pdf>).
6. Ensuring that funding is available for the purchase and valid budget coding is supplied.

7. Ensuring that the agency's Minority and Women Business Enterprise (M/WBE) goals are being met.

Business Services Center is responsible for:

1. Arranging/providing guidance and training to requisitioners and receivers.
2. Preparing and issuing purchase orders (PO) for requisitions submitted by the agency.
3. Reviewing purchase order documentation to ensure an adequate procurement record exists for purchase orders issued.
4. Issuing Invitation for Bids (IFBs) for one time purchases when requested to do so. (Please note that Requests for Proposals (RFPs), Requests for Quotes (RFQs) and IFBs resulting in C or T contracts remain the agency's responsibility.)
5. Maintaining all procurement documents for procurements processed by the BSC in accordance with State record retention guidelines.

III. Specific Policies and Procedures

Procedures for processing purchasing transactions in conjunction with the BSC are detailed below:

- A. Purchase Requisitions
- B. Stand Alone Purchase Orders
- C. Stand Alone Purchase Order Change Notices
- D. Contract and Lease Purchase Orders
- E. Contract and Lease Purchase Order Change Notices
- F. Invitation for Bids

A. Purchase Requisitions

If a good and/or service can be charged to a procurement card (if the vendor accepts the card for payment and the charge is within cardholder limits) the card *must* be used. Agencies should *not* use a requisition for a purchase that will be paid for with a P-card. If an agency chooses to use a requisition with the P-card, the requisition must be canceled before the last approval step (Buyer Approval). The requisition process occurs almost entirely within the agency with the exception of Buyer Approval and budget check which occur at the BSC.

The BSC requires an SFS requisition for **ALL** purchase order types including those for one-time (standard), occasional (blanket), emergency, and on-going (contracts) purchases. In addition, requisitions are required regardless of the timing of the purchase. For example, if an emergency or off-hour emergency purchase order is necessary, an SFS requisition will be required after the fact, even if the emergency purchase order was issued without a requisition.

1. Responsibilities

Agency Requestor

- Determines and defines what goods or services are needed.
- Contacts the BSC for procurement guidance, as needed.
- Researches procurement and secures outside approvals (B-1184, PTP, and Buy Desk).
- Places order via an agency P-Card, whenever possible.
- Creates requisition in SFS.
- Names the requisition with the contract number when preparing a requisition for a lease, C, T, or D contract.
- Attaches quotes, reasonableness of price, and other supporting documentation in SFS.
- Includes account number, when available.
- Ensures items quoted on an OGS NYSPRO contract are actually on the contract at the quoted price for the quoting vendor. See <http://www.ogs.ny.gov/BU/PC/>.
- Submits separate requisitions for contract and non-contract items.
- Designates a receiver for the purchase. BSC requires receiving for commodities. Receipt must be entered in SFS after goods are received.
- Identifies Unit ID for indexing in FileNet on line 1 of the requisition along with the first item.
- Includes the following items in the additional information section of the requisition, if applicable:
 - Designates whether the purchase order should be faxed or emailed to vendor and supplies fax number or email address
 - Supplies B-1184 approval number
 - Supplies quote number
 - Identifies contract number
 - In the comment field or line item description, indicates if an "A" route check is required including location for check delivery
 - In the comment field or line item description, indicates that PR is confirming (Requestor must attach invoice to the PR and amount of PR and invoice must match exactly)

Agency Requestor's Supervisor/Department Manager/Procurement Manager

- Reviews and approves requisitions in SFS.
- Approvals are required as defined in the agency SFS role mapping process.
- Orders should only be approved for transactions that are an appropriate use of State and/or Federal funds.

Agency Budget/Finance Office

- Reviews and approves requisitions in SFS.
- Ensures funds are allocated for the requisition and the proper budget coding is used.

BSC

- Provides purchasing advice upon request.
- Reviews requisition and gives final buyer approval in SFS.
- Assigns requisition to a BSC Purchase Order Processor to generate a purchase order.

NOTE: When the BSC gives buyer approval to a requisition, the requisition is budget checked during the next budget check cycle. If the requisition fails budget check, the BSC is **not** notified. While the BSC will monitor transactions through the worklist, it is incumbent upon the agency to monitor their requisitions to avoid a delay in processing using the Budget Inquiry Module in SFS or the E-procurement module.

2. Requisition Process

There are a number of tools and resources available to assist agencies with the requisition process.

- a. The BSC has developed training videos to assist agencies in preparing requisitions.
 - Creating a Requisition in the SFS
(<http://www.ogs.ny.gov/bsc/purchasing/CreatingARequisition.mp4>)
 - Approve or Deny a Requisition in the SFS
(<http://www.ogs.ny.gov/bsc/purchasing/ApproveAndDenyARequisitionInSFS.mp4>)
- b. The BSC has also developed step-by-step PDFs.
 - Creating a Requisition in the SFS
(https://online.ogs.ny.gov/bscenter/forms/BSC_CreatingARequisitionInSFS.pdf)
 - Approve or Deny a Requisition in the SFS
(https://online.ogs.ny.gov/BsCenter/Forms/BSC_ApproveorDenyaRequisitionInSFS.pdf)
- c. The BSC Purchasing Requirements Chart
(<https://online.ogs.ny.gov/BsCenter/Forms/PurchasingRequirementsBSC.pdf>) provides guidance on requirements for purchases given their dollar value and purchase type.
- d. The BSC and SFS offer live training classes on requisition and receiving in SFS. Sign up in the Statewide Learning Management System (SLMS) located at: <https://nyslearn.ny.gov/>. If you require SLMS assistance call: 518-473-8087 or email SLMSHelpdesk@goer.ny.gov.
- e. Staff in the BSC Purchasing Unit are available to answer questions related to the requisition process. They can be reached at (518) 457-4272.

B. Stand Alone Purchase Orders

Stand Alone Purchase Orders are those that are not associated with an agency specific lease, C, D, or T contract. They are purchases made from preferred sources, OGS NYSPRO Centralized Contracts, an IFB for a one-time purchase, or purchases made using discretionary spending authority.

Definitions:

Standard Purchase Order

A basic order issued to a vendor for a one-time purchase of commodities and/or services. Usually, the order is issued, goods or services are received, the vendor is paid, and the order is closed.

Blanket Purchase Order

Blanket purchase orders are used to purchase those commodities and/or services that are needed on a regular or repetitive basis. A purchase order is prepared for a maximum amount. Multiple deliveries can be made against the PO, as needed, up to the total amount of the blanket order. There is no obligation to take the full amount of the order. A blanket purchase order closes at the end of the fiscal year, if not sooner.

Emergency Purchase Order

An emergency is an urgent and unexpected situation where there is a health and safety concern or where the safeguarding of public resources is at risk. Such purchase order requirements are acted upon immediately. The agency must inform the BSC Purchasing Unit at OGSPurchasingUnit@ogs.ny.gov or 518-457-4272 of the emergency as soon as possible.

Off-Hour Emergency Purchase Order

If an emergency arises off-hours requiring a purchase order to be issued, a requisition is to be entered into SFS the next business day with a written explanation of the extent of the emergency including health and safety concerns. The requisition must state that it is a confirming order. An off-hour emergency PO is typically for the first 24-48 hour time period of the incident. The agency must inform the BSC Purchasing Unit at OGSPurchasingUnit@ogs.ny.gov or (518) 457-4272 of the emergency as soon as possible. Additional planning may be required if the emergency situation continues beyond 48 hours.

1. Responsibilities

Agency

- Submits an approved requisition with the appropriate supporting documentation to the BSC. (See Requisition Section A.1.)

- Responds within 3 business days to any requests from the BSC including requests for additional supporting documentation, clarifications, and requests for correction of requisition budget check errors.

BSC

- Follows up with agency requisitioner as required.
- Ensures purchase order complies with purchasing rules and regulations.
- Establishes a procurement record to support the purchase order.
- Generates purchase order encumbering funds.
- Dispatches purchase order and sends to the vendor via email or fax as prescribed on the requisition. A copy of the PO will be sent via email to the agency requestor, the agency liaison, and any other contact as designated by the requestor. Additional contacts may be added to the Additional Information section.
- Dispatches purchase orders within 3 business days from the receipt of a properly completed and supported requisition with a valid budget. A properly completed and supported requisition is defined as one that meets all of the requirements as outlined in the Purchasing Requirements for BSC Customer Agencies chart and includes the documentation to support it. (In the event a requisition requires OSC approval, the BSC will submit the purchase order to OSC within three business days.)

C. Stand Alone Purchase Order Change Notices

A change notice is a request to amend an already dispatched purchase order. The request should not substantially change the value or composition of what was originally included on the PO. Updates may include changes to pricing, quantity, items, delivery terms, etc. A Purchase Order Change Notice may increase the value of a PO to the extent that it warrants additional purchasing requirements, e.g., B-1184, Contract Reporter, etc.

1. Responsibilities

Agency

- Determines there is a need to increase, decrease, revise, or cancel an existing PO.
- Submits email (along with new quote, if prices, items or quantities are changing) to request a change notice/cancellation. The request must be from the designated agency liaison or the liaison must be copied on the email that submits the request to the BSC mailbox: ogspurchasingunit@ogs.ny.gov.
- Supplies additional documentation that may be required based on changes in the value of the purchase order (please see the "Purchasing Requirements

for BSC Customer Agencies” chart on the BSC website at

<http://bsc.ogs.ny.gov/sites/default/files/PurchasingRequirementsBSC.pdf>).

- Secures a B-1184, PTP, or other approvals that may be required as a result in the change in the purchase order amount.
- Responds within 3 days to information requests from the BSC concerning change/cancellation order or budget check failure.

BSC

- Processes change notices in SFS within 5 business days based on properly documented requests from agency for Purchase Order Change Requests.
- Contacts agency when budget check errors occur.
- Ensures Purchase Order Change Notice complies with purchasing rules and regulations.
- Establishes a procurement record to support the Purchase Order Change Notice.
- Dispatches purchase order and sends to the vendor via email or fax where required. Change Notices that do not require vendor action do not get sent to the vendor (e.g., small change to pricing to pay an invoice received in the Accounts Payable Unit).
- Emails a copy of the PO or notification that the change has been completed to the agency requestor, the agency liaison, and any other contact as designated by the requestor.

D. Contract and Lease Purchase Orders

Contract and Lease Purchase Orders are those that are associated with an agency specific lease, C or T contract. The agency is responsible for bidding out its requirements for a contract and sending a recommendation for award to OSC. When OSC requests a PO to complete the contract approval process, the BSC will issue the PO.

1. Responsibilities

New Contract and Amendments Requiring OSC Approval:

Agency

- At the same time contract is submitted to OSC for approval, completes and submits an approved requisition to the BSC.
 - Ensures coding is valid and funds are available in SFS to encumber.
 - Requests encumbrance values that are commensurate with the percentage of agency budget allocated by DOB for the year.
- Supplies supporting documentation to the BSC as required (e.g., contract pricing pages).

- Responds within 3 business days to any requests from the BSC including requests for clarifications and requests for correction of requisition budget check errors.

BSC

- Follows up with agency requisitioner as required for clarification and additional documentation.
- Follows up with agency when budget errors occur.
- Numbers contract purchase orders based on the contract number. First PO is CXXXXXXXX-0. The last digit is incremented by 1 for each subsequent PO against that contract.
- Approves purchase order and links to contract upon OSC request.
- Dispatches PO and emails to the agency requestor, the agency liaison and any other contact as designated by the requestor.

E. Contract or Lease Purchase Order change Request

1. Responsibilities

Agency

- Submits a requisition for each contract/utility PO at the start of each new fiscal year.
- Supplies supporting documentation as required (e.g., contract pricing pages).
- Ensures coding is valid and funds are available in SFS to encumber.
- Requests encumbrance values that are commensurate with the percentage of agency budget allocated by DOB for the year.

BSC

- Follows up with agency requisitioner as required for clarification and additional documentation.
- Follows up with agency when budget errors occur.
- Numbers contract purchase orders based on the contract number. First PO is CXXXXXXXX-0. The last digit is incremented by 1 for each subsequent PO against that contract.
- Approves purchase order and links to contract.
- Dispatches PO and emails to the agency requestor, the agency liaison and any other contact as designated by the requestor.

F. Contract and Lease Purchase Order Change Notices

1. Responsibilities

Agency

- Determines there is a need to increase, decrease, revise, or cancel an existing PO.
- Submits a Contract Purchase Order Change Request Form. The request form must be from the designated agency liaison or the liaison must be copied on the email along with the form that is submitted to the BSC mailbox at OGS.sm.Contractpos@ogs.ny.gov.
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- Supplies additional documentation that may be required based on the changes.
- Responds within 3 days to information requests from the BSC concerning change/cancellation order or budget check failure.

BSC

- Processes change notices in SFS within 5 business days based on requests from agency for Purchase Order Change Requests.
- Contacts agency when budget check errors occur.
- Dispatches revised/canceled PO via email to agency requestor, the agency liaison, and any other contact as designated by the requestor.

NOTE: If the BSC Accounts Payable Unit receives an invoice for payment on an agency specific contract or lease and the current encumbrance does not cover the value of the invoice, the BSC will increase the contract encumbrance without additional approvals provided the following criteria is met:

- The agency has authorized payment of the invoice.
- The agency has provided valid budget coding with the invoice.
- The additional encumbrance will not exceed the total contract value.

G. Invitation for Bids (IFB)

At the agency's request, the BSC will conduct an Invitation for Bids (IFB) for single purchases that result in a stand-alone purchase order. The BSC will not process Request for Proposals (RFPs), Request for Quotes (RFQs), or IFBs for other than one-time purchases due to the subjective nature of requirements and the evaluation process. Agencies will continue to be responsible for processing those procurements that result in a contract, including "C" and "T" contracts.

1. Responsibilities

Agency

- Submits requisition in SFS for the required goods or services and request via email that the BSC issue the IFB.
- Secures all required approvals: PTP, B-1184, Buy Desk, etc.

- Provides goals for M/WBE participation.
- Clearly defines the goods or services to be procured as well as scope and specifications.
- Conducts a site visit for bidders, if needed.
- Approves vendor selected as a result of the IFB process.
- Signs off on vendor responsibility verification.
- Approves vendor provided staffing plan, if applicable.
- Tracks M/WBE goals.

BSC

- Manages the IFB Process:
 - Compiles and issues Invitation for Bids.
 - Advertises in the NYS Contract Reporter.
 - Conducts Vendor responsibility research.
 - Evaluates bids received.
 - Informs the agency of the bid results.
 - Generates the purchase order and submits recommendation for award package to the Office of the State Comptroller for approval.
 - Answers any questions from OSC during the approval process.
 - Issues purchase order to vendor with cc to agency requestor, the agency liaison and any other contact as designated by the requestor.