



# Agency Cutover/Conversion Workshop (Procurement)

January 14, 2015

# Workshop Topics/Agenda

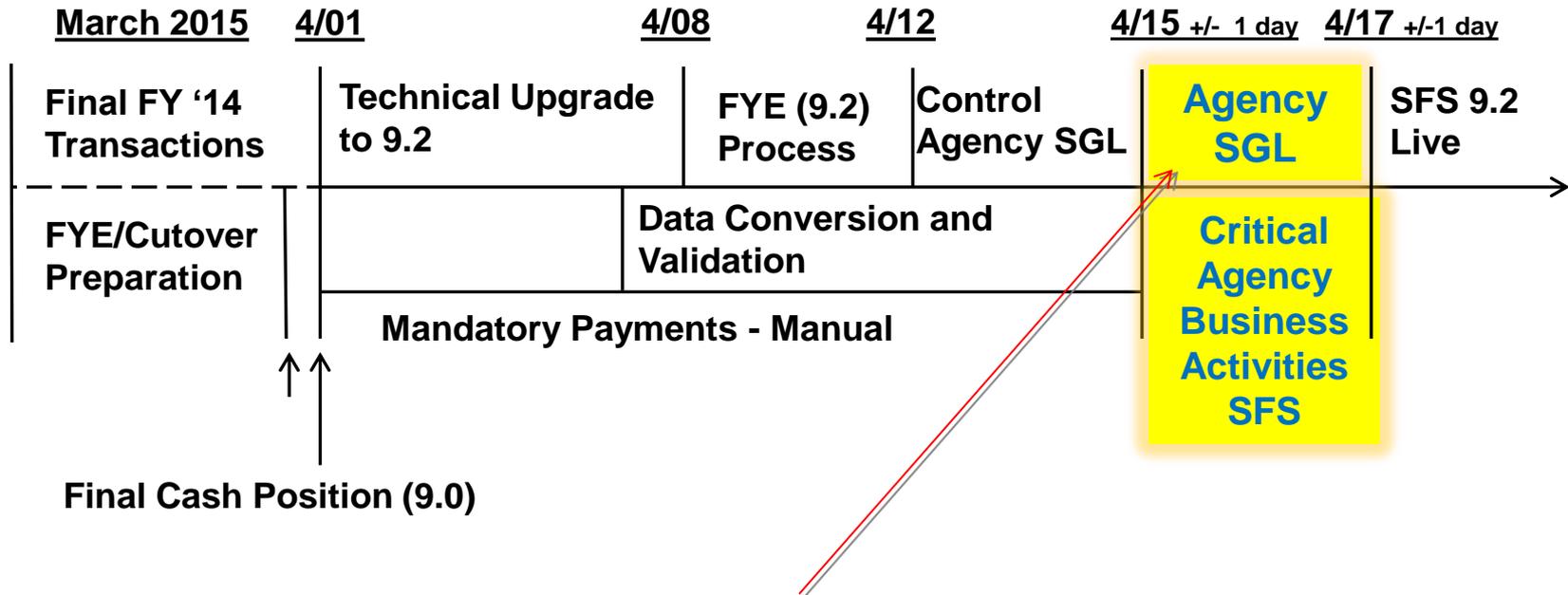
- Cutover approach and activities
- Procurement - Cutover and Conversion considerations
- Contract distribution line management
- Questions and comments

# Cutover Approach and Activities

# Cutover Approach

- Full Dress Rehearsal (FDR) is scheduled to begin February 10 and will precede Cutover activities
- Cutover will begin April 1 and include activities that SFS, Office of the State Comptroller (OSC), Division of Budget (DOB), and agency staff need to complete, including fiscal year end (FYE), lapsing, technical upgrade, and data conversions
- Cutover consists of following groups of tasks:
  - Final FY '14 transactions, FYE and Cutover Preparation
  - Technical Upgrade - PeopleSoft 9.0 to 9.2
  - Data Conversion and Validation
  - FYE Processing
  - Control Agency Soft Go-Live
  - Agency Soft Go-Live

# Cutover Approach - Timeline



**Agencies should limit activity from April 14 to April 18 to the most critical tasks.**

# Lead Up to Cutover – March

**To assist with preparations for Cutover, SFS recommends that agency staff complete the following:**

- Delete Budget Journals that are no longer necessary.
  - This is not required but is recommended. It provides the agencies the opportunity to determine if any of these journals should still be processed.
  
- Review purchase orders (POs) that are related to Contracts and unencumber them.
  - This is not required but recommended. This gives agency staff the opportunity to review contracts.

# Final FY' 14 and Cutover Prep

## Typical year end activities (end of March)

- **Agencies**

- Ensure all transactions are submitted within OSC and Business Service Center (BSC) deadlines
- Ensure all POs are in a valid budget status
- Ensure all vouchers and expense reports are complete

- **Control Agencies and SFS**

- Close POs that are completed
- Delete any general ledger (GL) journals, vouchers and budget journals that are not posted within OSC deadlines
- Deny any expense reports not posted within OSC deadlines
- Travel authorizations and requisitions will be handled differently (see next slide)

# Final FY' 14 and Cutover Prep

## Additional year end activities to support EE1 at the end of March

- **Agencies**

- Comply with guidelines communicated from OSC to agencies related to transaction processing (e.g., reference the Guide to Financial Operations)

- **SFS**

- Close POs related to both agency contracts and master contracts
- Close POs subject to Bureau of Contracts (BOC) even if they do not reference a contract
- Close all requisitions and travel authorizations

# Technical Upgrade Activities (4/1 – 4/7)

- **SFS**

- Ensure 9.2 production infrastructure is ready
- Clone 9.0 production (PCAS control agency use) to new 9.2 production (PFIN), Clone PCAS to ERTCAS (agency reference read only)
- Perform technical upgrade with PFIN as source, followed by custom code and configuration migrations
- Apply security role changes and establish batch scheduler

- **OSC**

- Process mandatory payments outside of SFS production
- Validate pre-conversion baseline

- **DOB**

- Prepare for upload of the financial plan

- **Agencies**

- Prepare for upload/creation of agency commitment control (KK) and operating plan with new year budgets

# Data Conversion Activities (4/08 – 4/12)

- **SFS**

- Establish conversion dependent configurations
- Execute conversions and validate

- **OSC**

- Process mandatory payments outside of SFS production
- Perform additional validations of converted data

- **DOB**

- Continue to prepare for upload of new fiscal year financial plan

- **Agencies**

- Lead agencies will have specific data conversion validation responsibilities
- Other agency specific conversion responsibilities are covered in the second part of this presentation

# FYE Processing Activities (4/08 – 4/11)

- **SFS**
  - ❑ Execute FYE processing (PO roll and budget close etc.)
- **OSC**
  - ❑ Perform additional validations of FYE processing
  - ❑ Continue to process mandatory payments outside of SFS production
- **DOB**
  - ❑ Continue to prepare for upload of the financial plans
- **Agencies**
  - ❑ Prepare for upload/creation of correcting project/child budget transfers

# Agency Soft Go-Live

## Description and Purpose

- Agency Soft Go-Live is the period immediately following OSC's confirmation that all activities that took place during the cutover are properly reflected in the SFS.
  - At this time, agencies are no longer locked out of the system, but are expected to utilize the system for a limited set of “start up” transactions.
  - This is performed to ensure that proper OSC and SFS support will be able to address critical issues/tasks in a timely fashion and that less critical processes do not detract from the overall ability to transition successfully.

# Agency Soft Go-Live continued

## Agency Focus

- Agency staff should focus on:
  - ❑ Confirming that the data conversion was successful
  - ❑ Re-establish critical records in accordance with the new system architecture (e.g., Payment Schedule Projection (PSP), contract related POs)
  - ❑ Prepare for only most critical payments
- Payments should be limited to those critical to ongoing operations and should be processed in accordance with the specific EE1-related guidance provided by OSC
- Specific agency activities during the transition to 9.2 will be presented next

# Procurement Cutover and Conversion Considerations

# Procurement – Cutover Conversion Considerations

## Where will the data be different as a result of Conversion?

- Requisitions – all will be closed for conversion as pre-encumbrances will be applied when new requisitions are created and budget checked
- PO – change in display of information related to agency and master contracts as well as agency contracts
- Contract Record - data and structural change
- Vouchers – change in display of information related to master contracts and inclusion of contract information

# Requisitions

- FYE and conversion activities include the closing of all purchase requisitions in the SFS. This includes:
  - Requisitions that have been fully sourced – Same as previous FYE
  - Requisitions that have been partially sourced – Same as previous FYE
  - Requisitions that have been approved but not sourced – EE1 Implementation
  - Requisitions that have been created but not yet approved in WF – EE1 implementation
- Users will need to create a new requisition where the purchase of goods or services on the closed requisition is required to be sourced to a PO.
- These new requisitions once approved in agency workflow will be budget checked creating a pre-encumbrance. This pre-encumbrance will impact the Agencies appropriation/segregation available balances.

# Purchase Orders

- Part of the FYE and Conversion process is to have all POs associated to Contracts (Agency and Centralized) closed, these POs created in 9.0 can not be converted into the 9.2 contract architecture.
  - New POs associated to Agency Contracts will need to be created utilizing the contract line information that will be created by the Agency Contract Processor.
  - New POs associated to Centralized Contracts will need to be created utilizing the contract line information that will be created by the OGS Contract Processor
- All of the new POs will need to have new PO numbers, they can not be created using the same number that was closed.
- Receipts associated to the closed POs will not be usable to associate to the new POs and subsequent payments.

# Purchase Orders

## Bulkload Specific:

- In 9.0 Bulkload agencies do not indicate on their POs when Centralized Contracts are being used, as a result, SFS has no way of identifying those POs to close them.
- All Bulkload POs appear as stand alone, not associated to a contract. All stand alone POs that are not closed as part of routine FYE processes, will be rolled and converted into 9.2.
- Bulkload Agencies will need to send a Change Order for those POs related to Centralized Contracts in order to pay against them and identify the correct Centralized Contract and Contract Line information.
- The non-PO expense enhancement in AP is not usable where the voucher line is associated to a PO.

# POs and PSP

- During conversion a default PSP method will be assigned to all POs. A single method (yet to be determined) will be used on all POs at Conversion.
- All rolled POs will be PSP allocated and budget checked with a one default PSP method.

## **Agency Action:**

- Review POs to see if the PSP needs to be updated

# Contracts – Conversion Considerations

## Overview of changes observed at Conversion

- Procurement contracts are being re-architected
- Contract information will be presented on lines to reflect the new structure
- Funds will be pre-encumbered against a contract via a requisition if the contract requires funding **reservation**
- Agency staff must understand:
  - How their existing contracts will appear in 9.2
  - What action they need to take to begin transacting against them

# Contracts – Conversion Considerations

## Contract Record - Data Changes

### *Contract Numbering*

- The naming convention used in 9.0 to identify contracts, (BBBBB-NNNNNNNNNN-DDDDDD), will be separated into three fields;
  - Business Unit
  - NYS Contract #
  - Department #
- The description field will contain the traditional NY Contract ID number
- The delivered Contract ID field will be auto populated for new contracts; converted contracts will retain the NY Contract ID within the Contract ID field

# Contracts – Conversion Considerations

## Contract Records – New Fields

Two new fields will be created as part of the conversion process

- **Non PO Expense Amount** is the life to date (LTD) expenditure against all posted regular vouchers (both PO & non-PO) referencing the contract
- **Non PO Adjustment Expense Amount** is the LTD expenditure against all posted adjustment vouchers (both PO & non-PO credit memos & ROAs)

# Contracts – Conversion Considerations

## Agency Action Recommended

- Confirm that contract information converted correctly
  - ❑ The contract maximum amount in 9.2 should be the same as in 9.0
  - ❑ The total LTD expenditures in 9.0 should be in Contract Line 1
  - ❑ The difference between the contract maximum and the LTD expenditures should appear in Line 2 (see training)
  - ❑ The 9.0 contract number should be in the description field
  - ❑ The prefix in the 9.0 traditional contract number should translate appropriately to the contract profile established as part of EE1. If this is incorrect, submit an SFS Help Desk ticket

# Agency Contracts

- All active contracts will be converted with all header information and two Contract Lines created:
  - Line 1 will be the Life to Date expended against that contract at the time of conversion. This line will not be active or usable for associating to new POs created against the Contract.
  - Line 2 will be the remaining balance available to spend on the contract. This will be a usable line however the “Indicate for Release” indicator will not be checked.
- Before POs can be released or associated to a converted Agency Contract, a new Contract Version will need to be created that will enable use.
- Where applicable, the PO Defaults for the contract will need to be updated to include all POBU’s that are authorized to use this contract.
- Following slides breakdown what will be required and what is recommended when updating converted Agency Contracts.

# Agency Contracts

## Contract Lines:

- Line 1 will not be active and can not be edited to be used. The information on this line effects the Contract remaining balance and is included in necessary contract reports (NYPO3606 and NYPO3675)
- Line 2 will be the total remaining balance for the contract. Often this amount will represent multiple fiscal years worth of activity. Line 2 should be updated in several ways:
  - The Category Code for this line in conversion was populated with “Supplies.” User should update this with a category code that represents the goods or services being ordered on this line.
  - The Line Maximum Amount will need to be updated to an amount necessary for the liability being assumed for this line. It may be an amount to cover liabilities incurred up to March 31, 2015 or it may be the amount going forward, April 1, 2015 through March 31, 2016.

# Agency Contracts

## Contract Lines Continued:

- Distribution Line information will need to be populated for this and/or any line that will be used and funding reservation is required. Keep in mind the Category Code to Account Code mapping.
- The “Included for Release” box will need to be checked for this and any other lines created for use.
- The Contract Version will then need to be saved in a “Pending OSC” status.
- The SFS will systematically create a Purchase Requisition with a line related to each line on the contract where the “Indicate for Release” box is checked.
- The created requisition will be budget checked. If budget check fails, the contract will update to a status of “Failed Budget Check.” User will need to resolve the budget check error, either via budget journal or editing the distribution line information on the contract.

# Agency Contracts

## Contract Lines Continued:

- Once the Requisition receives a valid budget check, it will be sourced to an RFQ document which will be linked to the contract.
- At this time, the contract version will be updated to Approved. As long as only contract line information was updated, there will be no amounts held in the “In Process” amounts.
- The new Contract Version Amendment created on the amendments page will be updated to Approved as long as the changes made were restricted to contract line changes only.
- At this point, POs can be released against those lines which the “Included for Release” box has been checked.

# Agency Contracts

## Recommendations:

- The Maximum Amount on any line with the “Included for Release” box is checked should represent the amount of commitment for the Category Code associated to that line. For a lease, Rent, Parking, Utilities, and Tax Escalation would each have a separate line.
- At least one line should be maintained for the remaining balance that is not included in open lines.
- Where multiple Agencies are using a contract, each Agency should have separate contract lines to be maintained and released against.

# Contract Profile

- Will be populated during conversion using the Contract Number Prefix value as a basis.
- Once set on the contract, a user cannot change this field.
- If the Contract Profile was converted incorrectly, SFS will provide agencies with a window to notify us of the correction.
  - During the approved correction period, agencies should submit a Help Desk incident for any Contract Profiles they believe were submitted incorrectly. Please write “EE1 Contract Profile Request” as the subject of your email.
  - The request will be sent to OSC for review and approval.
  - Once approved, SFS will make the correction.

# Contract Profile Recap

## Agency Action Required

- During Agency Business Process Testing:
  - Review all Contract Profiles assigned to your agency's contracts
  - Report any corrections needed to SFS via the Help Desk
- For Agency Contracts post-Conversion:
  - Check the Contract Profiles assigned to your agency's contracts in Production
  - Report any corrections needed to SFS via the Help Desk during the specified reporting window

# Vouchers – Conversion Considerations

## Overview of changes observed a Conversion

- All in-flight vouchers will be deleted as part of FYE activities.
- Voucher records remain available in SFS for historical purposes.
- Due to changes in the processing of vouchers, to contain contract details at the line level, information related to agency and master contracts will be updated on voucher records at Conversion.

## Agency Action

- No agency action on vouchers is required.

# Contract Distribution Line Management

# Overview

- EE1 implementation will introduce the utilization of contract lines for all contracts, agency specific and statewide or centralized contracts.
- Most agency contracts have a contract profile that indicates funding reservation is required. Funding reservation requirements are being met in 9.2 through the use of a purchase requisition.
- A single requisition will be created for agency contracts where funding reservation requirement is applicable as part of the contract creation process. This single requisition will be kept in sync with the funding commitments indicated on the contract lines.
- When funding reservation is required for the contract, contract lines that have the “Indicate for Release” box checked will require distribution information be included for those lines.
  - This same checkbox is used to indicate which contract lines should reserve funding on the requisition.
  - If the checkbox is not checked then funds reservation for that line does not occur.

# Contract Distribution Management

Key principles for contract distribution management being applied through EE1 include:

- Ability to maintain a funded contract line with changes to related lines through the life of the contract.
- Provide users with the ability to update/re-allocate contract lines after PO Releases and reflect the change on the associated requisition.
- Manage contract distribution lines aligned with the management of requisition lines.
- Differentiate the needs of contract-requisition synchronization from the needs of contract distribution PO release needs.

# New Distribution Line Fields

To enable users to better manage their contract lines through the associated contract lines, custom fields are being added:

- **Maximum Line Amount:** User editable field; enables a user to enter an amount for the distribution line rather than a percentage of the contract line amount (bulkload retains option to send status quo percentage).
- **Distribution Line Status:** Display only field that will indicate the status of the associated requisition distribution line. Valid values: Open, Cancelled and Closed. (information-only entry will be included on outbound). This field will be blank for contracts that DO NOT require funding reservation and funded contracts for which a requisition has not been established yet.

# New Distribution Line Calc Fields

To enable the system to better manage contract distributions and to provide additional value-add information, the following calculated fields are added:

- **In Process Amount:** Calculated field – sum of all contract amendment amounts in a status of pending approval by OSC where the line was used to support funds reservation.
- **Released Amount:** Calculated field – sum of related PO monetary amounts.
- **Remaining Amount:** Calculated field – remaining amount that is available for PO release  
 $\text{Remaining Line Amount} = \text{Maximum Line Amount} - \text{In Process Line Amount} - \text{Released Line Amount}$ .
- **Remaining Percentage:** This is the percentage of the remaining amount. It indicates what percentage of the remaining contract line amount this distribution line represents (i.e. Net Percentage).

# New Contract Line Calc Fields

To enable the system to use contract line available amounts related to refunds, the following system managed field is added :

- **Remaining Non PO Adjustment Amount:** Enables use of the distribution line beyond the remaining amount for refunds:
  - Only relates to POs against the contract line where the PO was closed at time of refund.

# Functionality Example

- Agency contract with funding reservation required, maximum contract amount is \$100.
- Total \$100 is on one contract line.
- Contract line has three distribution lines.
- \$10 has been released from the contract

## Contract Header and Line Information

Contract Header						
Max Hdr Amt	Released Amount	In Process Amt	Non PO Exp Amt	Non PO ADJ Exp	Remaining Amt	
100	10	0	0	0	90	
Contract Line						
Max Line Amt	Released Amount	In Process Amt	Non PO Exp Amt	Non PO ADJ Exp	Remaining Amt	Remaining Non PO Adjust Amt
100	10	0	0	0	90	0

# Functionality Example

- Contract line of \$100 has had \$10 released.
- Only one line was used for the \$10.

## Contract Line – Distribution Lines

Distrib Line #	Distrib Ln Status	Max Dist Amt	Rel. Dist Amt	In Process Dist Amt	Remaining Dist Amt	Dist Pct
1	O	30	10	0	20.00	0.22
2	O	20	0	0	20.00	0.22
3	O	50	0	0	50.00	0.56

- Online agencies can enter dollar amounts on the distributions (similar to a PO or a Requisition) rather than gross percentages.
- Bulkload agencies may send Gross % (as they have done for their testing to date) and/or dollar amount. Gross % sent on the bulkload file will be converted to amount and saved as Max Dist Amt in SFS. Gross % itself is NOT saved in the system.

# Functionality Example

- User is updating the max distribution amount to what has been released against the distribution line
  - An example where this action would be applicable is where funding associated with line 1 is lapsing and new funding is being associated to the contract line.
- User also adds a new distribution line for the amount being reduced from the first line. Remaining distribution amount must be equal to (or less than – if Non PO Adjustments exist) the remaining contract line amount.

## Contract Line – Distribution Lines

Distrib Line #	Distrib Ln Status	Max Dist Amt	Rel. Dist Amt	In Process Dist Amt	Remaining Dist Amt	Dist Pct
1	O	30	10	0	20.00	0.22
2	O	20	0	0	20.00	0.22
3	O	50	0	0	50.00	0.56
4	O	<b>20</b>	0	0		

# Functionality Example

- After save, the associated requisition will be updated and budget check will occur to release the pre-encumbrance from the first line and establish a pre-encumbrance for the fourth line.
- Distribution line 4 is now available for use.

## Contract Line – Distribution Lines

Distrib Line #	Distrib Ln Status	Max Dist Amt	Rel. Dist Amt	In Process Dist Amt	Remaining Dist Amt	Dist Pct
1	O	10	10	0	-	-
2	O	20	0	0	20.00	0.22
3	O	50	0	0	50.00	0.56
4	O	20	0	0	20.00	0.22

# Questions & Comments



If you have any questions after this meeting, please send them to the SFS Help Desk at: [HelpDesk@sfs.ny.gov](mailto:HelpDesk@sfs.ny.gov) and include your question topic in the subject line of the email.

Please contact the SFS Help Desk with any questions.

- SFS Help Desk
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Thank you for your  
attendance and participation