



## Statewide Financial System Program Agenda/Minutes

<b>Date:</b>	April 11, 2014	<b>Time:</b>	10:00 a.m.-12:10
<b>Subject:</b>	EE1 Procurement/ Revenue Contract Amendments Solution Recommendations	<b>Location:</b>	Video Conference
<b>Meeting Facilitator:</b>	Barbara-Jean Heinbach	<b>Minutes Prepared by:</b>	James Beswick
<b>Objective:</b>	Discuss with agencies Procurement Contract amendments Solution		
<b>Presentation/Handouts:</b>	EE1 Procurement/Revenue contract Amendments Solution Recommendations 4/4 & 4/11, 2014		

Attendees:					
Edward Bouryng (SFS)	X	Kellie Brandoline (OSC)	X	Peter VanderVeer (OSC)	X
Charlotte Breyer (OSC)	X	Diane Taylor (OSC)	X	Mary Magin (OSC)	X
Ben Fuller (OSC)	X	Sarah Stocklas (OSC)	X	Dave Nagy (ITS)	X
Lawrence Palaski (Parks)	X	Mike Mullin (SFS)	X	Patricia Schaap (SFS)	X
Paul Kalinowski (SFS)	X	James Beswick (SFS)	X	John Corbett (OSC)	X
Bill Howe (DOT)	X	Dinneen, Jeri S. (DOT)	X	Divya Chadalavada (SFS)	X
Carl Ruppert (OGS)	X	Heinbach, Barbara-Jean (SFS)	X		

**Agenda:**

What	Who	Time
Level Set and present the proposed solution/Discussion	Ed Bouryng/ Mike Mullin	120 min

OLD Action Items				
Task Assigned	Staff Assigned (first and last name)	Due Date	To Do Added (PMO Use)	Require- ment #

NEW Action Items				
Task Assigned	Staff Assigned (first and last name)	Due Date	To Do Added (PMO Use)	Require- ment #
Develop detailed design process for zero-dollar contract.	Ed/Mike Mullin	5/1/2014		

The Following Decision(s) Have Been Made
<b>Decision:</b> Agencies were ok with this solution. The Office of the State Comptroller's (OSC) Bureau of Contracts (BOC), bulkload may have something to work out with duplication of files issue.

The Following Decision(s) Are Pending
<b>Decision:</b> N/A

## Minutes -

### Introductions

#### Brief discussions on the current state and future goals

1. **Current state** - Two-step process: Heavily customized process. For contracts and amendments that require OSC approval, BOC changes the contract/amendment status to Requested Purchase Order (PO) to indicate to agencies to submit a PO to reserve funds to meet the BOC approval requirements. A PO can then be created by the agency to associate to the contract/amendment and encumber funds
2. **Future State Goal** - Get back to PeopleSoft delivered process/controls. The Requisition will function as the reservation of funds and the Contract represents the vendor agreement. The PO is the authorization to the vendor to provide the goods or services to the State and encumbers funds as an obligation of the State.
3. **New process:** Requisition > Request for Quotation (RFQ) > Contract > PO - Requisition is the starting point to reserve the funds (pre-encumbrance), capturing contract information. Once contract is created, OSC reviews and approves the contract and the funding reservation. POs can then be released against the Contract.
4. In new world, PO is like a work order, it directs the vendor to provide goods or services. It reserves funds to support the purchase.

#### Zero \$ Contracts

1. The group discussed zero dollar contracts and how this will be handled in the future.
2. Most Office of General Services (OGS) construction contracts are fully funded. Some are funded by agencies as work goes along. The Contract is approved with \$0 encumbrance and funded as needed.
3. The Statewide Financial System (SFS) will take this back for further discussions to assess and determine functionality that might meet this need.

#### Multiple Amendments

1. Delivered PeopleSoft 9.2 functionality, only one amendment can be in process at a time. This is counter to what the State needs.
2. OSC had originally expressed concern with the non-availability of multiple in-process amendment functionality, especially in relation to construction contracts.
3. SFS worked to find an option that meets the majority of NYS requirements.
4. All amendments start by modifying the Contract.
5. Multiple amendments for Date changes may have some constraints
6. Custom fields will be created on the procurement contract to support amendments.
  - a. "In Process" Amount custom field will be used to track both increases/decreases in funding based on amendments. This will assist in controlling how much is available to release against the contract.
7. Not all amendments will require funds reservation. If an amendment requires funds reservation the related requisition will be systematically updated reserving funds.
  - a. Construction projects typically have a current-year segregation which is parceled out over several years. As is the case today, construction projects must work within the current year Segregation. In the same way the "funded" amount of the contract is aligned with how much must be funded in the current year Segregation.
8. Procurement Contract amendments versions in the SFS and amendments maintained to support CAM integration will be kept in sync one-to-one.
9. Current custom amendment record will be modified to function as the "Amendment Request"; it's primarily used for integration with CAM and to track history of amendment actions.

10. Whenever a change is made to the contract that generates a PeopleSoft amendment Version, the PeopleSoft amendment Version can be processed (e.g., requisition update and budget check, completing delivered contract amendment process). If successfully processed, an amendment request record will be created. If the amendment request requires BOC approval then the status of the amendment request will be set to Requires OSC Approval. If the amendment request does not require BOC audit/approval it will be set to Auto-Approved.
11. BOC expressed concern regarding the auto approved PeopleSoft amendment versions – this will require further discussions/clarifications in our detail designs to define when this will occur.

### **Bulkload Impacts**

1. Department of Transportation (DOT) representatives asked how this would impact and work for Bulkload?
2. No requisitions are being bulkloaded from bulkload agencies – this is complicated and not in our scope. Requisition impacts are addressed on the SFS side of the bulkload integration.
3. Bulkload agencies would send Contract line and distribution information along with the contract header and SFS will systematically create the Requisition (pre-encumbrance)-RFQ-Contract.
4. Once the contract is approved, Bulkload agencies can then send in the PO transactions as needed which upon budget check releases the pre-encumbrance and creates the encumbrance.
5. Bulkload agencies can submit multiple amendments for a single contract within one bulkload file. SFS will queue them up in the sequence submitted so that they can be controlled to allow the creation of each amendment one at a time.
6. DOT expressed that it is ok with the design, however expressed concern with duplicate amendment requests from the same agency. This concern is present with the current amendment process as well. It was noted that the agencies would no longer need to associate PO's to a specific amendment sequence number and that this concern may not be valid in the future.

### **Other General Discussion**

1. BSC expressed interest in understanding the process for Stand-alone POs in the future and are considering incorporating these into the contract process. This needs further discussions.
2. POs will relate automatically to the latest version of contract. Agencies will not have to manage POs to an amendment version.
3. An amendment to an approved contract (paper legal signed document) can relate to multiple amendment versions on the PeopleSoft side and is not a one to one relation. Multiple versions on PeopleSoft could relate to a single amendment.