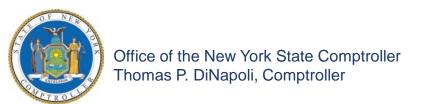# Office of Operations
2015 Fall Conference
December 8-9

Partners in Excellence

Changes to Procurement in EE1

Bureau of Contracts
Peter Schuyler Vander Veer, Contract Management Specialist 3

Office of the New York State Comptroller
Thomas P. DiNapoli, Comptroller

Office of Operations
John Traylor, Executive Deputy Comptroller

Division of Contracts and Expenditures
Margaret Becker, Deputy Comptroller
Charlotte Breeyear, Director, Bureau of Contracts

- **2 Step Encumbrance Process Eliminated**

  - No need to create a Contract related PO to demonstrate Funds Reservation

  - Requisition line(s) serves as the Funding Reservation that systematically pre-encumbers funds and reduces the State agency's available budget balance

  - Purchase Orders can now be used as true ordering documents

- **Contract Lines**

  - Agencies have the option to define specific components of the Contract using lines, such as:

    - Deliverables

    - Periods of time

  - Link separate chart of accounts values to each line

    - Each line can be "opened" as needed to allow P2P activity for that line

- ## Contract Amendments

  - To route a Contract Amendment to OSC for review, create a new contract version in SFS that includes:
    - Appropriate Audit Type that routes the transaction for OSC review; and
    - Change(s) made to one or more of the following Contract Header Fields:
      - Contract Maximum
      - Begin Date
      - Expire Date
      - New York State Contract Description Field

- **Contract Amendments**

  - Submit a contract amendment to OSC for review if:
    - Original contract was subject to OSC review; and
    - Terms & Conditions are modified in the amendment, including:
      - Contract Maximum
      - Begin Date
      - Expire Date
      - NYS Contract Description Field
      - Scope Changes
      - Contract Provisions
      - Budget Adjustments
  - Submit an amendment to a contract not originally subject to OSC review if the amendment will increase the Contract Maximum to meet or exceed OSC's review threshold

- **Contract Amendments**

    - Do not submit an amendment to OSC when making modifications to contract lines that are not related to changes in contract terms and conditions such as:

        - Opening a converted contract for P2P activity
        - Changing funding on a contract line(s)
        - Creating/opening contract lines for new fiscal year

    - Please note, do not make changes to contract lines that cause the Funds Reservation to fall below the required amount

    - See Chapter XI, Section 2.E.1 - Contract Amendments Subject to OSC Review, of the Guide to Financial Operations (GFO) for additional information

CHANGES TO PROCUREMENT IN EE1

- **Purchase Order Agreements**

  - Stand-Alone Purchase Order agreements that exceed OSC pre-approval thresholds are entered as contracts, using the OP prefix

  - These transactions are generally for one-time purchases and do not require a formal contract document beyond the standard terms and conditions associated to a Purchase Order

  - Allows Purchase Orders subject to OSC review to follow same process as all other procurement transactions

- **Purchase Order Agreements**

  - The entire value of the Purchase Order must be entered as the Contract Maximum Amount
  - Funds must be reserved for the total transaction amount
  - The Begin Date should be the earliest date the PO would be dispatched to the vendor
  - The Expire Date should be the last day of the fiscal year associated to the funds being used
  - The OP transaction should be routed to OSC for review using the appropriate Audit Type
  - See Chapter XI, Section 3 - Purchase Orders Subject to OSC Review, of the GFO for additional information

- **Contract Assignments**

  - No longer required to create a new, unique NYS Contract # (C1234567) when processing a Contract Assignment in SFS

  - SFS auto generated Contract ID provides a unique contract identifier allowing the reuse of the NYS Contract # for Contract Assignments

  - Reusing the NYS Contract # for a Contract Assignment increases transparency in reporting and helps contract monitoring

  - See Chapter XI, Section 12.B –Contract Assignments, of the GFO for additional information

CHANGES TO PROCUREMENT IN EE1

- **Multi-Agency Contracts**

  - Corporate Contract checkbox is no longer used for Agency contracts

  - PO Defaults are selected for each Business Unit (BU) authorized to use the contract

  - Authorized BUs can create and manage their own Contract Lines

  - See Chapter XI, Section 8.B - Multi-Agency Contracts, of the GFO for additional information

- **Revenue Agreements**

  - Revenue contracts are now processed in the Customer Contracts module

  - Contractors must be customers within the SFS customer files with an assigned New York State Customer ID and will have a corresponding Supplier/Vendor ID

  - Transactions must be created and amended in SFS using online access

CHANGES TO PROCUREMENT IN EE1

- **Revenue Agreements**

  - No bulkload interface is available
  - No more than one amendment at a time can be pending approval
  - See Chapter XI, Section 7.A - Revenue Contracts, of the GFO for additional information

PURCHASE ORDERS

Improvements

- The State will use purchase orders as ordering documents

- Purchase orders should be used for all purchases, where practicable

- Purchase orders are authorized electronically in the SFS

Benefits

- Purchase orders will be the primary method agencies will use instruct suppliers to provide goods and services

- The purchase price, unit of measure, quantity and quality will be documented in a formal agreement

- SFS will provide the State with greater purchasing and spending intelligence

- Agencies will no longer need to print, sign, scan and email the purchase order to the supplier

PURCHASE ORDERS

Improvements

- Non agency contract purchase orders may be created, approved, and dispatched systematically when the vendor is a preferred source or when each PO line references a centralized contract item in the Item Master

- Contract purchase orders are created, approved, and dispatched systematically based on the criteria, schedule, and duration defined and approved by the agency

Benefits

- Agencies will dedicate fewer resources to processing purchase orders, allowing them to reallocate resources to other value-add activities

- Purchase orders will be processed and dispatched quickly

- The State will use significantly less paper

ELECTRONIC DELIVERY OF PURCHASE ORDERS

Improvements

- State agencies can deliver purchase orders to vendors from SFS via email or MarketPlace

- Vendors on MarketPlace will receive all purchase orders from online Business Units through the MarketPlace

- The Vendor Management Unit set up 41 frequently used vendors to receive purchase orders via email and more will be set up in the future

Benefits

- Agencies will no longer be required to print, sign, scan and email purchase orders to vendors

- Purchase orders will be processed and dispatched quickly, without significant manual effort from staff

- Vendors will be responsible for updating their ordering addresses, saving the State time and resources

ELECTRONIC INVOICING

Improvements

- Suppliers approved by VMU can submit electronic invoices directly to SFS via direct entry or file transfer

- All vendors in MarketPlace will submit electronic invoices to the State via file transfer from MarketPlace

- From an electronic invoice, SFS will automatically create a voucher in 'Postable' status in the Accounts Payable module

Benefits

- Vendors will no longer need to mail and/or email invoices

- Agencies will no longer need to receive, date stamp and file paper invoices for e-invoicing vendors

- Agencies will no longer need to manually create vouchers for e-invoicing vendors

- Voucher and payment processing will be expedited, reducing late payments and prompt payment interest paid by the State

INTEGRATION WITH MARKETPLACE

Improvements

- Agency purchasing personnel can browse on-line catalogs of centralized contract commodities and add the items to their shopping carts

- Upon completing the order, SFS automatically builds a completed purchase requisition in Pending status

- For online BUs, vendors in the MarketPlace will receive all purchase orders, and submit all invoices, through the MarketPlace

Benefits

- Agencies will spend less time creating requisitions because the information will be pulled from MarketPlace

- Greater procurement intelligence because all MarketPlace purchases will reference Item Master items

- More efficient, streamlined and modern purchasing and payment experience

- Vendors and the State will use significantly less paper