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1.0 Recommendation Team

The recommendation team comprised of:

Mike Allred	A&FS
Damian Chapman	OOA
Steve Frost	A&FS -MM
Ken Woodard	A&FS -MM
Alex Martin	A&FS - MM
Radhika Prabhu	A&FS – C&A
Dane Monell	Fac: O&M
Mike Donnelly	Fac: O&M
Jan Carmikle Dwyer	A&FS - MM
Patty Mescher	A&FS - DaFIS
Alex Matsis	A&FS - MM
Lia Scott	A&FS – E&SS
John Gregg	A&FS – C&A
Marian Wong	A&FS - DaFIS

Recommendations were made based on findings from process mapping studies and focus group meetings and these findings have been documented in the Purchasing Analysis, Business Contract Analysis and Focus Groups documents.

2.0 Recommendations: Category - People (Organization Structure, Staffing and Roles)

2.1 Purchasing and Business Contracts Organization Structure

1. **Action Team:** S. Frost (lead), A. Matsis, R. Prabhu, K. Woodard

2. **Problem:** Recommend an organization structure for Purchasing and Business Contracts that considers the following:
   - Automating the buyer and analyst assignment processes, which would take into account workload and align staff expertise with “order” types, commodities, and delegations in order to:
     - Implement backup systems. (P6.2.c & BC6.2 e)
     - Enable document initiators to see who is going to process their requests. (P6.2.c)
     - Facilitate departmental interactions with Purchasing and insure that the same knowledgeable buyers are handling like requests. (P6.1 g.1)
   - Keeping managers involvement in day-to-day tasks (e.g., buyer assignment, email requests for emergencies and change orders) to an absolute minimum. (P6.2 t)
   - Providing professional training for buyers. (P6.2 x)
   - Allocating support staff for routine tasks (e.g., change orders) that might be shared between Purchasing and Business Contracts. (P6.2 y)
   - Improving top management support (e.g., policy enforcement and backing) for buyers. (P6.2 z)
   - Making the “agreement” request process transparent to end-users. (P6.3 e)

3. **Additional Needs:** *Not applicable.*

4. **Assumptions:** *Not applicable.*

5. **Category:** People

   i. Org Structure and Staffing (PO)
   - Business Contracts Manager would handle insurance exceptions (need a “hammer” to encourage vendor cooperation)
   - Team leads would ensure emergency requests are processed timely
     a. Unit managers would back up team leads
   - Use Buyer I positions across the organization as “floaters” for fast tracking purchases and agreements.
   - The Associate Director of Purchasing and Business Contracts will be responsible for all issues that cross over organizational lines

   ii. Roles of People (PRP)
   - Need to review and update all Buyer and Analyst delegations (See attached IOP for proposed delegations)

   iii. Budget
   - An analysis of Materiel Management’s budgets indicates that funding will be available to implement this organization structure. This takes into account the following:
     - Lost revenue in Storehouse due to Strategic Sourcing agreements coming online.
     - Storehouse no longer financially able to subsidize State-funded operations.
     - New revenue streams from strategic sourcing and P-Card programs.
     - One-time funding provided by the Provost.
   - Karl and Steve are working on a detailed budget to implement the proposed organization structure.

6. **Optional Solutions with dependencies and Critical Success Factor:** Refer to Section 7.

7. Recommendation:

- Implement a new, long-term organization plan that consolidates all of Materiel Management's contracting functions. (Refer to Organization Chart and Team Commodity Assignments)
- Develop an implementation/transition plan (Refer to Transition Plan)
- Improve customer service. Address all issues/perceptions identified in Purchasing and Business Contracts' customer focus groups that could be addressed by this subcommittee. (Refer to responses to the three focus group documents)
- Align resources (e.g., human) commensurate with workload.
- Consider merging like functions in other parts of Materiel Management's organization (e.g., administrative support, desk reviews, etc.).
- Equitable pay for comparable work across the new organization structure
- In the process, address and resolve Materiel Management's overall budgetary issues (e.g., as appropriate, consider the loss of Storehouse revenue that the Strategic Sourcing initiative will bring about and balance it with new revenue streams from Strategic Sourcing/e-Procurement and Purchasing Card.)
- Partner with OOA's HR initiative to improve the initiation and processing of Independent Contractor agreements
- After implementation, consider the impact that other process improvements would have, if implemented, on the organization's resources (e.g., The implementation of a "Change Order" document to enable departments to open/close their own purchase orders would make that workaround go away in Purchasing)

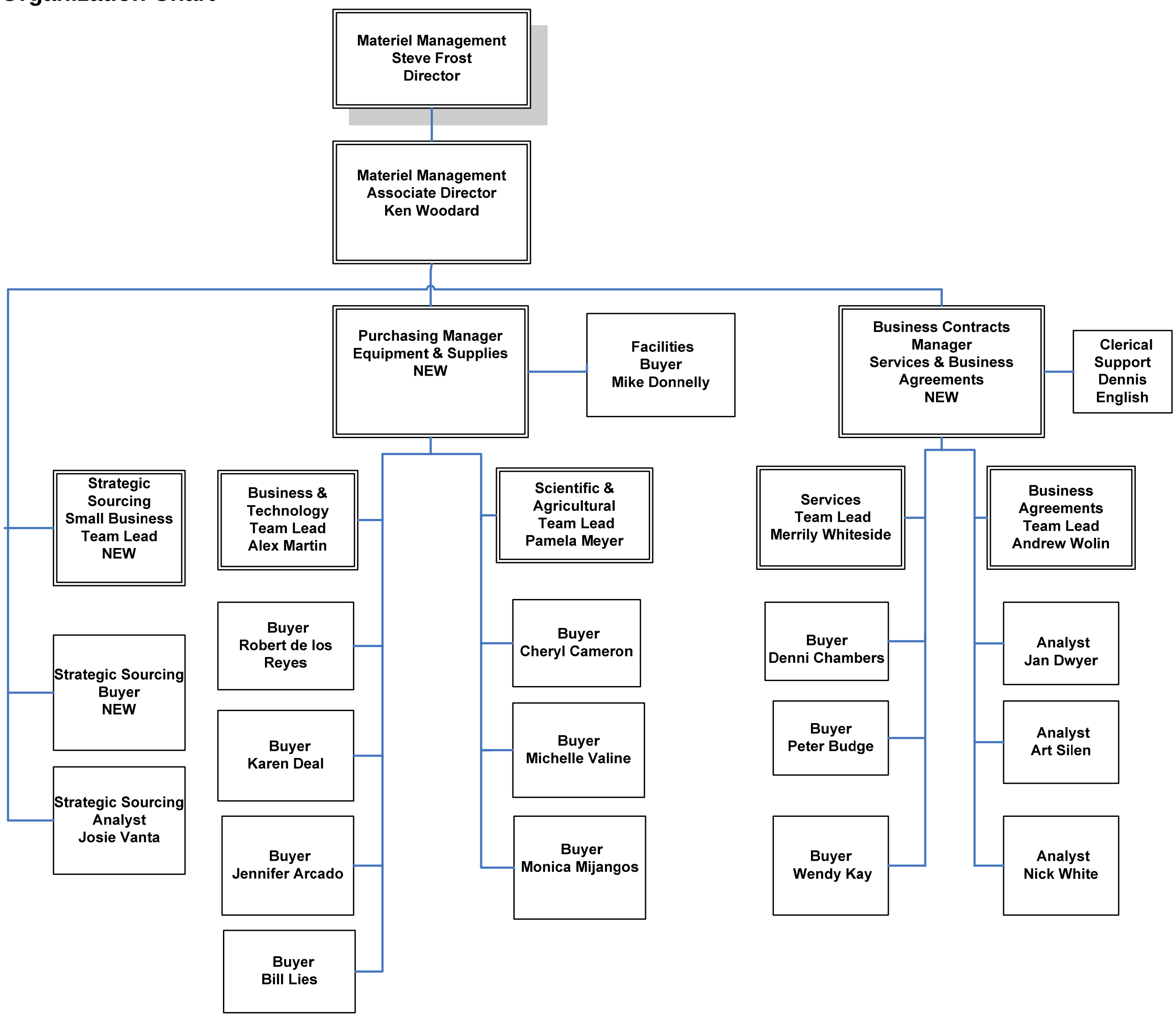
Dependencies

- Implementation of an RFx module that would facilitate buyer and analyst assignments
- Delegation of "quick quote" purchases
- Implementation of a "Review Function", which is being discussed in the Business Contracts subcommittee
- Implementation of the *Return for Correction* functionality (SR #12600) vs. the ability to change data
- Implementation of a customer satisfaction survey email, which is being discussed in the Business Contracts subcommittee

Critical Success Factors/Measures

- Need to develop measures (P4P exist for Purchasing…new ones are needed for Business Contracts and Strategic Sourcing) to evaluate the successfulness of this plan. Ken Woodard to contact other UC campuses for existing Business Contracts measures.
- Feedback on customer satisfaction emails
- Risk Assessments to gauge the morale of the team and whether the risks associated with the organizations objectives have been mitigated.
- Delegated agreements review report

Organization Chart



Team Commodity Assignments

*Purchasing Equipment & Supplies Office Products	*Purchasing Equipment & Supplies Agricultural & Scientific	*Purchasing Services	*Business Contracts	*TEAM LEADER RESPONSIBILITIES	
				Review requisitions for:	**Other Duties:**
Computers	Agricultural	Independent Contractors - Graphic Designers, Furniture & Work Space Designers When not part of the Furniture Purchase, etc.	Licenses, Royalties, Patents & Rights - Except Software & Copyright	Correct commodity codes	**Buyer/Analyst Assignment**
Computer Networking	Scientific	Travel, Conferences, Hotel & Facility use	Professional Services	Correct Team	**Reassign workload due to imbalance, sick & vacation Leave**
Wireless	Medical	Vendor Credit Applications	Performers	Correct order type	**Provide Hands-on one to one training of Buyer/Analyst staff**
Copiers	Food Processing Equipment	Equipment Maintenance	Affiliation Agreements-Non-UCDHS	**Review all attachments such as:**	**Meet & confer with other team leaders and Management to propose & initiate improvements to procedures/system**
Printers & Scanners	Food Products	Equipment Repair	Marketing UCD Services	General item descriptions	**Process most complex agreements & purchase orders**
Photography	Security systems & devices	Testing	University Extension - Revenue	Bids specifications	
Software & Software Licenses	Communication	Laboratory Analysis	Sales of Animals, byproducts, seeds, plants, etc.	Conflict of Interest Form	
Office Trailer Lease-purchase	Athletic & Sports	Custodial	Grower Agreements	Independent Contractor Pre-hire Worksheet	
Designated Equipment Rental, Lease or Lease-purchase Agreements	Designated Equipment Rental, Lease or Lease-purchase Agreements	Farm Labor	Sports Agreements other than purchase	Sole Source Document	
Confidentially/Disclosure Agreements when directly associated with designated equipment	Confidentially/Disclosure Agreements when directly associated with designated equipment	Landscaping & Gardening	Student Recruitment	Extension period	
Graphic Design - Finished products	Transportation Equipment - Air, Boat, Bus, Truck & Automobiles	Transportation Charter Services - All Kinds	Consulting	Change Order review	
Storage Facility Agreements	DEA Licenses for Controlled Substances & Purchase of Drugs	Graphic Design Independent Contractor	Broadcast & Film Participation		
Office Furniture & Work Spaces	Animals/Feed/Care/Housing	Staffing Agency Temporary Workers - Programmers, Software Developers, Web Designers, Network Engineers, Facilities Related Workers, Clerical Workers, etc.	Animal loan, lease, special use & Boarding		
Arts & Crafts	Chemicals & Reagents	Household Relocations	Faculty, Staff & Student Appointments including IPA		
Uniforms	Cargo Containes, Sheds & Portable buildings	Vendors providing installation or repair and/or maintenance services to the campus, e.g. windows 7 blinds cleaning, stairwell and gutter cleaning, pool cleaning, vineyard management, etc.	Training Agreements for University Staff & Students to Study Elsewhere or Non-University Individuals to Study at UC Davis		
Shelving & Lockers	Fire & Police		Lease of UC Property by Others		
Signs	Fuels & Gases		Utility		
Video & Audio	Water systems Waste systems		Vet Med Faculty Personal Consulting		
Power supply	Waste systems		DMCA Legal Issues		
Musical instruments	Tools		Work Study		
Material Handling	Pumps		Land Use Permits of Others of < 1 Year		
Laundry & Janitorial	Paints Air conditioning		Non-disclosure & Confidentiality other than Purchasing		

2.2 Confirming Orders

1. **Action Team:** J. Gregg (Lead), C. Johnson, J. Dwyer, K. Woodard

2. **Problem:** Confirming orders add additional work at Purchasing and sometimes the end user' emergency purchase order results in a confirming purchase order. The Purchasing Department processed 421 confirming purchase orders from January 2003 to February 2004. Of these purchase orders, 151 exceeded $2,500.
   PPM 350-10 states that use of confirming requisitions and purchase orders to authorize retroactively unofficial commitments made to vendors by unauthorized personnel is a violation of University policy.

   Departments are sometimes signing for the University. They are not authorized signers, yet they have signed agreements for consulting, professional services (e.g., CPA, attorney) and income. Yet, it has been the practice at UC Davis to allow confirming purchases of up to $500 to be paid by direct charge if requested by the departments.

   Sometimes confirming orders are actually purchase orders to the employee, which are generally reimbursements.

   The method for handling "rushes" encourages confirming orders, which circumvent the contracting system by "forcing our hand." The item is already purchased bypassing all policy requirements. While many excuses are made for confirming orders, some are legitimate. The use of confirming orders has become a workload management tool in departments. Rather than request a rush order, departments will sometimes just buy the item or service from a vendor or employee and try to pay it via a direct charge.

   Confirming orders happen when:
   - Staff and faculty makes a purchase with their own funds and seeks reimbursement.
   - UC funds are committed above the departmental delegation (e.g., $3,000) and department wants a confirming order. However, most are under the $2,500 departmental delegation.

3. **Additional Needs:** *Any other requirements that should be considered. If none, mark as not applicable.*

   Our faculty are not up to date with the authorities granted to their peers. Confirming orders are done at other universities, especially private universities.

4. **Assumptions:** *Any assumptions made as part of the recommendation findings. If none, mark as not applicable.*

   - Departments are not completely restricted by policy to the low value purchasing process. They can establish petty cash funds in accordance with PPM 330-45. The purpose of a petty cash fund is to provide a limited amount of cash, not to exceed $200, for the purchase of low-value supplies and authorized services that are not practical to purchase under the low-value purchase authorization process for official University business.
   - Staff & Faculty (not the Business Officers) may not always understand when they are doing confirming orders. They need to be educated in the basic Materiel Management (MM) Contracting Services Purchasing and Business Contracts processes.
   - Campus Administration and policy do not support confirming orders.
   - DOV will probably stay at $2,500, but the equipment threshold is at $5,000
   - Procurement Card is at the $2,500 limit and will probably remain at this level for some time.
   - Department head is responsible. We should not be policing their delegations.
   - If we delegate, the department is responsible and must be held accountable.

- Policy compliance is part of the delegation.

5. **Current Capability:** *The following capabilities exist and are in various levels of use:*

Business Contracts
- Can process "Rush" agreements upon request to avoid confirming requests.
- Will go to the dean/vice chancellor with our questions and problems regarding confirming contracts
- Will need to inform and teach departments how to work within policy

Purchasing
- Can process "Rush orders or emergency orders" to avoid confirming requests.
- Can set up high value unlimited Blanket purchase orders to handle repeat purchases
- Independent Contractor Agreements
- Facility Use Agreements

Departments

Our main theme here is there are existing procedures to handle purchase requests so the departments can avoid unnecessary confirming purchase requests.
- Can often times make purchase with DPO (under the $2,500 delegation limit)
- Can make purchase with Procurement Card (under the $2,500 delegation limit)
- Can contact Purchasing or Business Contracts staff to get an emergency PO or Business Agreement processed to avoid the confirming order process.

6. **Category:** *Select the main category*

People:

ii. Roles of People (PRP)

Optional Solutions with dependencies and Critical Success Factor:

Option1: Allow departments to reimburse employees for up to $200 consistent with the petty cash delegation. Hold department responsible for complying with existing policies and procedures.
- The advantages are flexibility with delegation of authority, consistency with the petty cash policy, and departments will be tougher than a central office.
- The disadvantage is that some departments may not have sufficient staff to process via the alternative methods within the "rush" timeframe expected by the PI, faculty or staff member requesting the rush.

Dependencies

- Business officer needs to be responsible and go to the Chair to train faculty.
- Purchasing and Business Contracts Online Guides can emphasize the policies and procedures
- Business Contracts has FAQ's
- Purchasing needs FAQ's

Critical Success Factor

- Business Officer should use and teach faculty that these exist and reference them.
- Make improvements and teach departments to teach their faculty to come to the department business officer to assist them with existing solutions.

7. **Recommendation:** The recommended solution.

Revise policy to allow for confirming orders up to the petty cash limit of $200, including tax and shipping. Allow DC's that go direct to check write to be used to reimburse employees up to this limit. Announce the policy change on the DaFIS and Purchasing list servers and through DaFIS Tips.

Confirming orders should not circumvent the DPO or strategic sourcing processes. Department business officers need to work within the system as much as possible to help their people to work through the process.

Materiel Management Contracting Services needs to publish FAQ's and other help and Guide information on the appropriate MM web sites.

MM Contracting Services Buyers and Analysts need to assist the faculty and staff and remind them of alternative ways to process rush requests and to discourage confirming requests which are against University policy.

Original receipts must be required for all confirming orders. Declarations of Lost Receipts will not be accepted. Receipts must describe all items purchased.

3.0 Recommendations: Category - System (Process and Technical)

3.1 RFx and Contract Management System

1. **Action Team:** Alex Matsis (Lead), Radhika Prabhu, Marian Wong; Patty Mescher

2. **Problem:** The RFQ program is not integrated with the DaFIS system, which causes multiple inefficiencies for the procurement process (See BPI Purchasing Analysis doc for details) and status reporting.
   - Bidding
   - Contract Management
   - Buyer Assignment PR & CO
   - Baseline measures PR, PO, CO, Receiving

3. **Additional Needs:** The RFx solution needs to accommodate similar Business Contracts processes.

4. **Assumptions:**
   4.1. The RFx solution would be used for all RFx documents, to include Request for Quote (formal/quick), Request for Information, Request for Proposal, and telephone/e-mail quick quotes.
   4.2. Commodity code table will be cleaned up.
   4.3. The existing security model and database infrastructure will be leveraged.
   4.4. A workgroup can only be associated with one commodity group and one order type.

5. **Dependencies to other BPI projects:**
   5.1. Vendor List Commodity Code Sharing
   5.2. BPI 6.2.b – Lack of track able measures
   5.3. BPI 6.2.c – Buyer Assignment
   5.4. BPI p6.2 a.2 - Receiving Process

6. **Optional Solutions / Dependencies / Critical Success Factors**
   These solutions do not assume the technology for the user interface (Uniface, Cold Fusion, JSP, etc…).
   However the system must be web-based using an Oracle database (version 8.1.7.4 or higher).

6.1. Buyer Assignment

6.1.1. Purchase Requisition & Buyer Assignment

The following is the business workflow for the buyer assignment process.

1. The existing DaFIS workgroup assignment document will be used to develop buyer and analyst workgroups. Workgroups will be established based upon the recommendations of the Organization Structure BPI Sub-Group.
2. Assign Order Type and Commodity to Workgroup
3. Assign Buyer/Analyst to Workgroup
   1 and 2 are functionally and technically required for all options
4. PR is assigned
   This can be addressed by options A,B,C listed below.

Interface Requirements for Assignment Process:

- PR document (with drill down to detailed document)
- Drill down to an individuals queue (pr stat report by buyer/analyst)
- When an assignment is made, an edit must be executed when the assignment exceeds the individuals delegation amount

- Can be filtered by Workgroup, Buyer, assigned, unassigned, Commodity Group, Order Type, Dollar Amount
- Must be able to handle data input, based upon assignment authority role, for buyer/analyst assignment and perform as a un-editable report for buyer viewing.
- Store users search criteria defaults.
- Upon the assignment of the buyer an e-mail notification is sent to the initiator of the requisition and the request is placed in the buyers processing queue as "Assigned".
- Retain the historical data associated with each assignment and re-assignment, including dates.
- Review buyer/analyst workload.

Buyer Assignment Criteria:
- Order Type
- Commodity Code
- Delegation Dollar Amount
- Workload

Workgroup Assignment Criteria:
- Order Type

Options:

A. Manual PR Assignment by Lead or Buyer/Analyst (**Not Recommended)**
   a. Interface which lists **ALL** PR's, fully approved, and not assigned (no filters on this interface)
   b. Workgroup Lead or Buyer must review and assign PR's. The PR will not be fully approved.

   This option is not recommended. The system can automatically start the assignment process. In addition, the development effort required to implement option A vs. B is the same. The business value of option B is greater.

B. Automatic PR Assignment to Workgroup (Recommended)
   a. A system process will automatically assign a PR to a specified workgroup based on order type and commodity group. The PR will not be fully approved.
   b. Interface which lists only those PR's, fully approved, and assigned to a specific workgroup
   c. A buyer/analyst will be associated with workgroup(s).
   d. A workgroup will be associated with an order type and a commodity group.
   e. Workgroup Lead will be able to reassign the "defaulted" assignment to other Workgroups or an individual

C. Automatic PR Assignment to Buyer/Analyst
   a. A system process will automatically assign an approved and unassigned PR to a specified buyer/analyst based on order type and commodity group. The PR will not be fully approved.
   b. Interface which lists only those PR's, fully approved, and assigned to a specific buyer/analyst.
   c. A buyer/analyst will be associated with buyer/analyst(s).
   d. A buyer/analyst will be associated with an order type and a commodity group.
   e. Workgroup Lead will be able to reassign the "defaulted" assignment to other Buyer/analysts or an individual.

PR Status	Date	Description
Unassigned		Approved & Unassigned - this status is only allowed from the system at the time the PR is fully approved. This status can not be set manually.
Assigned	Date Assigned	Approved & Assigned
Re-assigned	Date Re-assigned	This status can be initiated by a team lead only.

6.1.2. Change Order & Buyer Assignment

The existing CO defaults the buyer from the Purchase Order.

6.1.3. Buyer Assignment Exceptions

- CO Only - In the event the buyer is no longer active the system will perform Option B in the Purchase Requisition Buyer Assignment section.
- PR & CO - In the event commodities are added which now cover multiple workgroups the system will perform Option B in the Purchase Requisition Buyer Assignment section.

6.2. RFx

Once the PR is Buyer Assigned the Buyer creates an RFx document; the information should be populated from the PR/Request process. The system should be able to accommodate the following functionality:

		Build	Buy	Required	Nice to Have
a)	Buyer should be able to review their assigned PR's.	x	x	x	
b)	System must maintain a status for all phases of the RFx lifecycle. System should assign the status and system date based on a specific action that took place.	x	x	x	
c)	System should allow the buyer/analyst to identify the evaluation criteria.	x	x	x	
d)	Buyer should be able to identify type of document (RFx) that he/she will be doing (verbal, quick, formal, etc.).	x	x	x	
e)	Buyer should be able to select vendor(s) to solicit proposals based on a user selection.	x	x	x	
f)	System should either populate Terms/Conditions (Phrases) and/or allow the buyer to select.	x	x	x	
g)	Terms & Conditions (Phrases) must be associated with the funding source for the RFx.	x	x	From DaFIS	
h)	The RFx terms must be linked and maintained with the DaFIS PO.	x	x	From DaFIS	
i)	Terms & Conditions (Phrases) can be	x	x		From

	associated with the commodity code for the RFx.				DaFIS
j)	System should allow the buyer/analyst to identify if the bid needs to be posted on the web.	x	x	x	
k)	System should accommodate Word/Excel/PDF attachments. (If attachments are allowed a set of standard templates need to be developed)	x	x	x	
l)	System should allow the buyer to print/fax/email a bid to potential vendors (quick/formal/attachments)	x	x	x	
m)	System should allow the Buyer/Analyst make the RFx document visible to the requested department for collaboration (at the very minimum) and review to ensure accuracy of specifications.	x	x	x	
n)	The existing PO/CO process will have to be updated to accommodate the new RFx process.	x	Integration requirement	From DaFIS	
o)	System must manage excluded vendors.	x	x	From DaFIS	
p)	Bid analysis/evaluation should be part of the system.	x	x	x	
q)	Bid responses and evaluation criteria document must be available in an electronic fashion between contracting unit and requesting department.	x	x	x	
r)	The bid document must have the ability to be secured to protect confidential information in part or whole.	x	x	x	
s)	Prior to issuance to bidders the draft bid must be routed, reviewed, and approved by department to ensure accuracy of specifications. This process may require specification changes prior to submission to vendors. This activity must be captured for the tracking of measures.	x	x	x	
t)	Allow vendors to submit bid online.	x	x	x	
u)	System must allow for the creation/reporting and printing of formatted bid documents.	x	x		
v)	System must be integrated with DaFIS PO for PO creation.	x	x		

Bid = “RFQ,RFP,RFI”

Assumption:
The PR has been reviewed by the buyer prior to RFx processing.

6.3. Contract Management

The system should be able to accommodate the following high-level requirements

		Build	Buy	Required	Nice to Have
a)	Document creation or attachment (the ability to build an agreement or simply attach a agreement in word format)	x	x	x	
b)	Provide a central repository of approved contract templates and contract template functionality	x	x	x	
c)	Variable (start, end date, response dates, deadlines)	x	x	x	
d)	Correspondence	x	x		
e)	History/audit trail	x	x	x	
f)	Emailing to vendor from system (export) and receiving response back from vendor (import)	x	x	x	
g)	Commitment (payment), milestones	x	x		
h)	Searching and reporting	x	x	x	

The agreement/purchase request process must be transparent to the users

- Single point of entry
- Intelligent processing distribution

The requesting functionality must remain in DaFIS regardless if a third party tool offers this functionality.

- DaFIS workflow offers Account Manager routing for documents with split funding, Special Conditions and Review Hierarchy routing. Integrating this type of workflow with third party tool would not be cost effective.
- Users are familiar with the existing request process and interface, therefore training would not be required on a new requesting process.

6.4. Recommendation

Buyer Assignment

Our recommendation for buyer assignment is that the assignment occurs at the last step in the PR process (Section 6.1.1 option B). The PR will route to the Team Lead for the workgroup who will review and assign the request to the Buyer or the Analyst. Once the assignment is completed the PR will be in fully approved status.

RFx/Contract Management

It's the recommendation of the BPI - RFx sub-committee that we consider the option of procuring a system rather than developing a system in-house. Although several interfaces will need to be developed (with DaFIS) to accommodate the business processes for Purchasing and Business Contracts utilizing a vendor solution, we believe that the implementation will be much faster and offer additional functionality than normally would not be able to deliver in developing a system in-house. A preliminary estimate of in-house development would be somewhere between 2,500 to 3,000 hours (analysis to implementation). Consequently, a Request for Proposal (RFP) document will be developed to solicit responses from potential vendors that can deliver a system which will be able to accommodate the RFx and Contract Management processes.

Dependencies: As listed in Section 5

Critical Success Factors/Measures:

1) The recommended buyer assignment process will eliminate the delays that occur in the current system (delay in downloading the PR in Purchasing, review of the PR by Manager and assignment of the PR).
2) Bring consistency in the RFx and Contract management process. The system will eliminate the manual inefficiencies in the process.
3) Allow the end user to access real-time information about their requests.
4) More accurate turnaround time e.g. the turnaround time for the request once assigned to the Buyer
5) More and improved data to perform spend analysis

3.2 Vendor List Sharing – Commodity Based

1. **Action Team:** Ken Woodard (lead), Alex Matsis, Lia Scott

2. **Objective**: Make a recommendation for all contracting units (Purchasing, Business Contracts, Strategic Sourcing, etc.) to share preferred vendors (Purchasing vendors and Business Contracts contractors) and to improve department ability to select the right supplier for their procurements.

3. **Problem:** Departments would like to know what vendors are used and/or recommended by contracting units (especially agreements and small business vendors) for a given commodity. This would save department's time in trying to find vendors and allow the knowledge in contracting units to be shared with regard to "preferred" vendors.

4. **Additional Needs:**

The following additional needs were considered by the team.

- Buyers and analysts have requirements to e-mail vendors, individually and en masse, for the RFx process.
- Buyers and analysts also have occasional need to fax to vendors from the desktop.
- Share Small Business Program list of small, disadvantaged, woman-owned and disabled veteran vendors with departments.

5. **Category:**
Systems vi. Process, Short Term (SPS)
Training i. Internal (TI), ii. External (TE)

6. **Current Capability & Optional Solutions and Critical Success Factor:** The following capabilities exist and are in various levels of use:

- **Outlook Lists** – Buyers and analysts currently maintain personal lists in Outlook. This provides them the ability to list by category, commodity or service. It also provides them the ability to e-mail one or many vendors, with return receipt options. This option has the following limitations:
- The information is not readily available to all DaFIS users.
- Information maintained in the personal lists often duplicates that in the DaFIS vendor table, for those vendors that are already in DaFIS.
- The personal lists take time to maintain, and currently most buyers are maintaining their own lists.
- Dependencies:
- Buyers and analysts share their Outlook lists of vendors
- Buyers and analysts maintain their lists and send revisions to others
- Critical Success Factor:
- Lists can be shared electronically with others and can be modified. It is difficult to measure success of this program.
- **DaFIS Transaction Processing (TP)** – The vendor table currently allows for commodity codes to be associated with a vendor. There are currently just over 1350 entries in the table used to store this information (Ps_vend_comm_t). Maintenance of this information is currently manual and cumbersome, and data is not provided to the vendor maintenance group.

- Dependencies:
- System changes to vendor table for identifying vendor category by commodity, commodity groups and ranges and business type (small, large, disabled veteran, etc)
- Training of staff and departmental users in campus community
- Queries to gain access to this information
- Critical Success Factor:
- In DaFIS, vendor commodity lists and categories can be shared by all buyers, analysts and campus community. Modifications or revisions can be made centrally and can then be read by all in DaFIS and Decision Support. This can be measured by increase usage of approved and/or recommended vendors. Usage information can be measured through DaFIS queries.

  E-mail, fax and contact information is stored with the vendor record, when the information is available. DaFIS has the capability to send an e-mail to an initiator. Such functionality could be extended to a vendor record.
- **DaFIS Decision Support (DS)** – The Vendor Lookup (FIS30) allows the user to run a list of vendors based upon a commodity code. That functions works, but the results are limited due to the lack of maintenance of this information in Transaction Processing (TP) and is too cumbersome to maintain..

7. **Recommendation:** It is this team's recommendation to go with the DaFIS solution as it offers the most flexibility, being the program already used for all purchases and agreements. It can be accessed by all campus DaFIS users without modification. Inputting duplicate information in another database or program will be more costly to enter and have limited access capability.

8. **System Changes:** The following system changes would be needed to accomplish the minimum requirement of providing commodity based lists to departments:

   - Systematic update of the vendor commodity information based upon approved purchasing and business agreement documents. This could be limited to PO and Business Contracts agreement documents, or extended to DPO documents.

   The following system changes would extend the solution to meet the additional needs identified above:

   - Add ability to e-mail a vendor from within DaFIS TP (use right-click functionality currently available for user ID).
   - Add a web based report that would allow a buyer or analyst to query for specific vendors based upon commodity (and sometimes location), then select from the list for a mass e-mail.
   - Add small business information to the DS Vendor Lookup (FIS30) and the TP Vendor Search – both as criteria and display. There is currently no easy way for departments, buyers or analysts to view this information.
   - Add desktop fax functionality based upon vendor's fax or contact fax record.

9. **Initial Update Effort:** The following initial update effort would be required to accomplish the minimum requirement of providing commodity based lists to departments:

   - Vendors would have to be updated with commodity information as it is currently known. Commodities on agreements could be used for initial population of this information. However, this may change how vendor commodities are maintained in groups and ranges. Also, with agreements, the first commodity listed (in alphabetical/numerical order) would default to the agreement and may not be the most common commodity for that vendor or agreement. The lists are also incomplete and manually inserted by department when issuing DPO against the agreement.

- Vendors used by buyers or analysts for quotes and bids, that are not currently in DaFIS, should be added.

The following initial update effort would extend the solution to meet the additional needs identified above:

- Business type and ownership codes need to be updated for most records. This would require:
  1. Mass mailings to gain this information;
  2. Investigate possible download of vendor information from state, federal and private small business clearing house agencies' small business listings;
  3. investigate possibility of getting downloadable lists from other UC campuses

- Investigate possible download of vendor information from state, federal and private small business clearing house agencies' small business listings.

10. **Maintenance Requirements:** The following ongoing maintenance would be required to accomplish the minimum requirement of providing commodity based lists to departments:

- The commodity association should be system driven, as outlined above.

The following ongoing maintenance would extend the solution to meet the additional needs identified above:

- Small business information would have to be entered for new vendors unless it can be a feature of any new RFX or Contract management software solution. Buyers or analysts making contact with vendors could require this information at that time for those vendors. A process would have to be identified for others.
- Full contact information (e-mail, fax, etc.) would have to be maintained for vendor records.
- Buyers and analysts would have to request new vendor records for those vendors used in bidding process that aren't already in the system.

3.3 Streamline Equipment Management (EQ) Approval and Review

1. **Action Team:** Radhika Prabhu (Team Lead), Steve Frost, Delanda Buchanan, Patty Mescher

2. **Problem (Purchasing Analysis Reference 6.2 h):** The equipment approval process is manual wherein the Control Desk in the Purchasing department prints and walks all the approved specific purchase requisition's to Equipment Management (EQ) for equipment verification. In the event of errors, all communication occurs via email and this information is not logged in the system for future audit trails. The initiator fixes the error in the templated document and sends all parties an email with the new PR number. The original requisition is then cancelled by Purchasing. If no errors are found the requisition is returned to the control desk at Purchasing.

3. **Additional Needs:** Not applicable.

4. **Assumptions:**
   - Only specific PR's need to be reviewed and approved by EQ.
   - The EQ approver will be able to view the supporting documentation that is associated with the order. The supporting documents help the approver glean further details to make a decision whether an item should be equipment.
   - The EQ approver will review:
     - All inventorial equipment (equipment indicator of yes, over the equipment threshold and object level EQUIP) and
     - All supply commodity codes that could be equipment if over the threshold (supply commodity with threshold indicator 'yes' in other words object level SUPP and 'yes' threshold indicator).
     - All PR's should not route for approval as this would add additional workload on the staff.

5. **Category:** Systems (long term)

6. **Optional Solutions with Dependencies and Critical Success Factor:**

Option 1: **Special Conditions Routing:** All specific PR with any commodity code on a line item having a threshold indicator set to 'Yes' will special conditions route to EQ for approval. If any errors are found on the requisition, the document will route back to the initiator for correction.

The Purchase Requisition item amounts are generally estimates and can ultimately result in a very different amount on the Purchase order. Therefore, the requisition's dollar value has not been added to the solution. (Note: A dollar value attribute is being added to special conditions routing as part of SR 13083).

If the PR comes in as supply item but at the time of creating the DaFIS Purchase Order it exceeds the equipment threshold ($5K) then the PO document should be ad hoc routed to EQ for approval. (This may require Special Conditions Routing to be triggered for the PO in these instances because, for example, the PR would have circumvented Extramural Accounting. The PO may now require their approval before it is released to a vendor.)

Dependency: a) Attachment functionality
b) SR 12600: Return for correction functionality
c) New SR: Route specific order having commodity code with threshold indicator set to 'Yes'
d) SR13140: Implement Equipment Threshold Increase

Option 2: **Clearing House Review:** The equipment review can be part of the proposed clearing house review. The clearing house function has been proposed for the new Business Contracts system to review all requisitions for accuracy and completeness prior to the requisition being approved.
The clearing house reviewer will need the necessary skills to accurately review the requisition so that the items are correctly identified as equipment and the PR is correctly completed. In addition, the reviewer will need to training in accounting practices as well as OP reporting and commodity code description.
As in option 1 the system will have to flag orders with commodity codes having a threshold indicator set to 'Yes' for the reviewers attention. If any errors are found on the requisition the document will route back to the initiator for correction.

Dependency:
a) Clearing house functionality
b) Attachment functionality
c) Flagging the commodity codes with threshold indicator set to 'Yes'
d) SR 12600: Return for correction functionality
e) SR13140: Implement Equipment Threshold Increase

Critical Success Factors/Benefits (Option 1 and Option 2):
After the implementation of this change the key areas of activity in which favorable results can be expected include:

a) The EQ review process should be faster as there is no dependency on the control desk printing the document. An indirect measure is by the amount of time taken for the special conditions approval versus the time taken from the PR being approved (estimate download and print time by the control desk) to the PR being buyer assigned.
b) The time taken for the PR to be assigned to the buyer should be shorter as mentioned above.
c) All audits and trails will occur in the system. The EQ approval process can be tracked in the system
d) There will be no need for manual intervention in other words the PR will not have to be printed and be walked over to EQ staff.

7. Recommendation: The team's recommendation is Option 1 Special Condition Routing. The review process is already taking place under Equipment Management. The reviewers have expertise in the equipment approval process and are currently receiving accounting training from the CAA Division Manager. At the current time with the given resources this review appears to be functionally aligned with CAA.

As the system changes might occur at a later date, in the interim when there is a change on the PO the recommendation is an IOP be issued wherein the Buyer routes the PO document for approval to Equipment Management.

3.4 Formal Emergency Request Process

1. **Action Team:** Jan Carmikle Dwyer (Team Lead), Alex Martin, Dane Monell

2. **Problem:**

Need for formalized request process for emergencies (RFI P6.2k, bC 6.2p). Specifically:

"There's no direct line for getting emergencies resolved without going to Alex and he's not always there." Should develop a program where you call a person who is a problem solver. Emergency process should be clear and documented.

A satisfying purchasing process is one that is: "Back-up buyers: Being able to shift to a different buyer. They respond and listen to emergencies. They believe the departments on emergencies. (7 votes)

Buyers ranking of questions they get from campus users by frequency: "Can you do rush order?" tied for 3rd place

Change one thing about BC, what would it be? One vote for "Someone that specializes in events – short turnaround – extremely responsive."

3. **Additional Needs:** not applicable.

4. **Assumptions:** Note that process for business contracts may change in response to DaFIS integration. However, in the interests of an immediate solution, worked with business contracts as is

5. **Category:** Depends on solution chosen.

Systems:

i. Technical, Long Term (STL)
ii. Technical, Short Term (STS)
iii. Process, Short Term (SPS)

6. **Optional Solutions with dependencies and Critical Success Factor:** *List the possible solutions, any current capabilities (system features, business practices etc) that can be leveraged and dependencies. Mention any system enhancements associated with the solution.*

A dependency outlines what other changes should be in place and this will help us build the roadmap for implementation.

Critical Success Factor: What is the benefit of the solution and how are we going to measure (benchmark) the success in the future?

Option 1: Broaden publicity and internal/external education of existing processes, which is documented for Purchasing, and anecdotal for Business Contracts and Facilities. Consider: As part of process documentation, should criteria for "emergency" be defined (to the extent it can be)?

Dependencies:

a. Although Purchasing's process is currently written and available through the Purchasing website, Business Contracts' and Facilities' are not. These should be formalized (if necessary) and written.

b. To maximize publicity and educational use, all processes should be readily available in user-friendly locations, particularly easy to access just-in-time. Since the current sources don't seem to be effective, new locations may be best determined by asking our customers where they get similar information that they do retain, and where they'd look first if they didn't know.

Critical Success Factors:

This solution will be successful if it is implemented quickly and reduces/eliminates frustration with the process/lack thereof in our customers needing RUSHes. We could get a quick measure of success by following up with departments who request RUSHes when the agreements are done to see if they knew about the "new" process and whether it worked for them.

Option 2: Make system changes to DaFIS so that requests can be flagged as emergencies by the departments either at time of request, or at some point during the process if the status changes. Making this flag part of the request process would eliminate the need to make personal contact to identify a RUSH, which seems to be the source of the issue. The emergency status could be automatically communicated to the buyer/analyst who could then handle appropriately.

Dependency:

This would require programming resources to make technical system changes. Could be short-term if a simple flag were added, or long-term if tools were included to let buyers/analysts know of changes, or other automated processes were added.

Critical Success Factors:

This solution would also be successful if it reduces/eliminates frustration with the process/lack thereof in our customers needing RUSHes. We could get a quick measure of success by following up with departments who request RUSHes when the agreements are done to see if they knew about the "new" process and whether it worked for them.

7. **Recommendation:** The team recommends implementing Option 1 as a low-cost quick solution, with Option 2 put on the list for consideration during future technical system changes.

3.5 Vendor Invoice Modifications

1. **Action Team:** Radhika Prabhu (Team Lead), Sharon Henn, Cyndy Johnson, Mary Kroeger, Nancy Van Tassel, Steve Frost, Alex Martin, Jim Hewlett and Lia Scott.

2. **Problem (P6.2 p, P6.5.1 b):** Even though the Purchase Order or the Departmental Purchase Order is a contract, modifications are made later on the Vendor Invoice.

3. **Additional Needs:** Not applicable.

4. **Assumptions:** The Purchase Order or the Departmental Purchase Order is a contract that should be adhered to.

5. **Category:** Systems and People (Roles)

6. **Optional Solutions with dependencies and Critical Success Factor:**

   The current issues are due to workarounds in place and the team discussed the need for new interfaces for the item screen and tax calculation versus fixing the defects in the existing interfaces. Most of the issues can be resolved by placing better controls and system checks in the existing interfaces thereby enforcing adherence to the contract and reducing the time needed to implement these changes. The recommended checks have been detailed in the recommendation section along with dependencies and critical success factors.

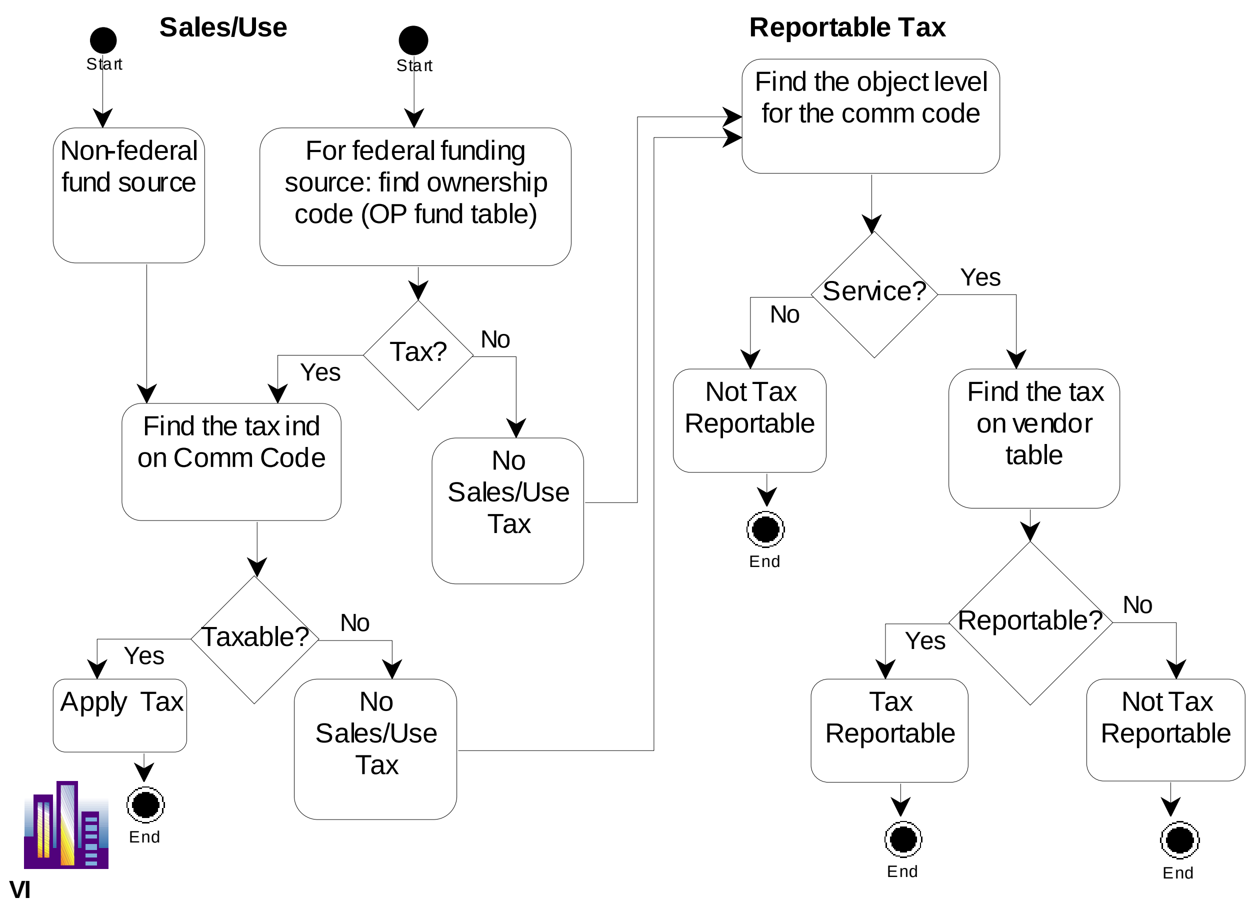
7. **Recommendation:** System checks and controls

	VI Field	Populates from order?	Changes to VI Document (both PO and DPO)
VI – Page 1 (Main Document)			
1)	Prior VI Num	No	- No change
2)	Pay In Full	No	- **AP SR**: On final approval edits for VI or VID, if "Paid-in-full" flag is set, the system should check for other VI or VID documents in routing with the same PO or DPO number If other documents are found, the system should move the "Paid-in-full" flag to the highest document number still in routing - **Purchasing SR (applies to PO only)**: Create a new document in TP that would give departments the ability to cancel/close or open their own Purchase Order (PO) documents. Or, modify the existing Cancel/Close Departmental Purchase Order (CDPO) document to provide this same functionality. - Once return for correction (SR 12600) is implemented, AP approvers will not need access to change this field.
3)	What type of….invoice?	No	- Remove the default 'District and State Tax'. The user will have to select the tax. The group decided that due to the default the user does not realize that they should be changing this field when appropriate. - This field will no longer be a drop down and instead should behave like other fields where you have to double-click and it

	VI Field	Populates from order?	Changes to VI Document (both PO and DPO)
			takes you to a reference table. The reference table will have an explanation field to give more guidance. - Change the question from 'What type of tax did the vendor bill on this invoice?' to 'Type of Tax' - Once return for correction (SR 12600) is implemented, AP approvers will not need access to change this field.
4)	Remit –To vendor Num	Yes	- This field should remain open to the AP approvers (due to levies associated with a vendor on a PO) - If the AP approver changes the field the document should be routed for additional approval - System edits to compare this field to the PO remit- to and see if any changes were made by the user.
5)	Group Code	No	- Remove default, the user has to select a group code. - Add explanation field to the payment group code table so that more description can be added. - This field should remain open to the AP approver although the AP approver can choose to use the return for correction functionality in case of errors.
6)	Non-Check	No	- Redundant field, remove this field as the group code provides information whether to use a non-check.
7)	Attachment	No	- No changes to this field as this point. AP is currently reviewing the need for attachments with payments.
8)	Invoice Terms/Text	Yes	- AP approver will not modify this field. - **Purchasing SR**: Add a business rule to the Vendor Invoice (VI) document that would preclude anyone from overriding the Purchase Order's (PO) PO and Departmental Purchase Order's (DPO) Discount Terms to one that is less advantageous to the University. In addition, for VI's citing a PO ***or*** DPO that was placed against an agreement, do not permit any override to the PO Discount Terms.
9)	Pmt Date	No	- Both the document initiator and the AP approver should not be able to modify this field. This date will be automatically set based on the invoice received date and terms (this functionality is in place). - AP will use queries to generate edit reports on this field.
10)	Pmt Purpose	No	- AP approver should not modify this field.
VI – Page 2 (Item Information)			
11)	Pay Item	No	- Once return for correction (SR 12600) is implemented, AP approvers will not need access to change this field.
12)	Invoice Qty	Yes	- This field need to be expanded to accommodate and use 12 decimal places
13)	Unit Price (DPO only)	Yes	- No change - AP approver should not modify this field.
14)	Tax Amount	No	- No change (AP will need access to this field)
15)	Insert Line	No	- No change (look at this after all the other changes mentioned in

	VI Field	Populates from order?	Changes to VI Document (both PO and DPO)
			this document have been implemented and review the need for insert line button)
VI –Page 3 (Accounting Distribution)			
15)	% Dist	No	- AP approver should not modify this field.
16)	Tax Code	No	- AP will need access to this field. Drive the tax based on the decision process shown below.
17)	Disc	Yes	- This should be a non-editable field for all users.
18)	Lien Reduction	Yes	- AP approver should not modify this field.
19)	Insert Line	No	- No change

Decision Process



Dependencies:

a) SR12600: Return for correction functionality
b) New changes requests as described in the changes column.

Critical Success Factors:

After the implementation of this change the key areas of activity in which favorable results can be expected include:

a) Error rate on the discount terms found on the Vendor Invoice should be reduced. For the month of April, the discount terms error rate on direct to checkwrite documents based on statistical sampling was an average of 10%. Fewer error rate rates on the tax code.
b) Purchasing will spend less time processing cancel, close or open change orders (e.g. due to incorrect use of 'pay in full' flag).
c) Separation of duties at Accounts Payable will be enforced.
d) By increasing the decimal places we can anticipate fewer adjust lines.
e) Better adherence to the contract

3.6 Receiving Module (P6.2.a.2)
SR: 1138 – Create Receiving Document for Goods & Services Received

1. **Action Team:** Patty Mescher(Team Lead); Cyndy Johnson; Alex Matsis; Mike Donnelly; Radhika Prabhu; Alex Martin

2. **Problem:** The system does not allow for the recording of goods received at the time of receipt. The recording of goods received can only be performed at the time of payment. In many cases goods are paid for prior to their receipt and the party requesting payment for goods received is not the party who receives the goods.

3. **Additional Needs:** The modifications required to the DaFIS Purchasing and Accounts Payable modules could be fairly complex for this new functionality. It would be imperative to coordinate the development required for these modifications with all other Business Process Improvement modifications for Purchasing and Accounts Payable.

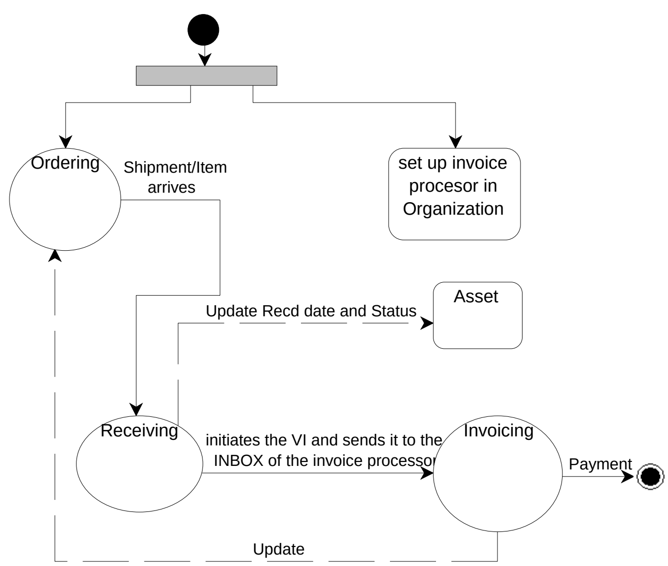
4. **Assumptions:**

5. **Category:** System, Long Term (STL)

6. **Optional Solutions with dependencies and Critical Success Factor:**

   Enhance DaFIS to include receiving functionality based on the following high-level analysis performed during the Transaction Processing II project.

   The Purchasing business process has been determined to consist of three sub-processes: Ordering Process, Receiving Process and Invoicing Process



Ordering Process

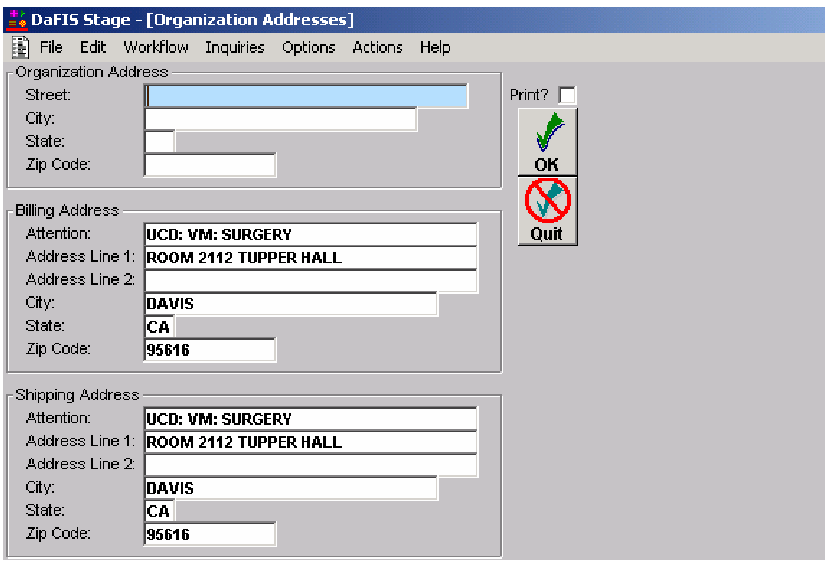
1) Information from a DPO can be changed on the receiving process but a PO cannot be changed on the invoicing process. The system will be designed with the flexibility that business rules can be table driven for each order type. If the order type is e.g. PO (which cannot be changed from the invoicing process) then the receipt of an item will generate the automatic payment for that item. As with the invoice in TP1, the payment will be triggered

based on the terms. Note: This functionality and its business rules will be detailed during the requirements gathering phase.

2) The order will continue to have each item listed separately and completely with item description, quantity, price, tax, freight etc.

Receiving Process

1) In many departments the receiving person/process is/can be different from the person processing the invoice payment, therefore the receiving process will be different from the invoicing process.
2) When the receiver acknowledges the receipt of an item, the system should initiate the invoice document and move it to the in box of the person who is responsible for the invoicing process (when the receiver and the invoice processor are different). Note: During the order or organization setup, the user id of the invoice processor should be captured.



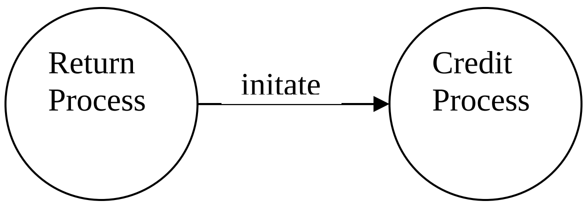
3) On the receiving process the name of the receiver, quantities received, date of receipt and condition of the item will be recorded. The date of the receipt will be system date but can be changed to a past date but not a future date (Note: there might be an issue with the received date and capitalization date when the date (crosses fiscal periods, this needs to be discussed during the detail requirements gathering).
4) The receiver should be able to select “received all items” option or override the item receipt and quantity at the line item level.
5) The receiving process should update CAMS with the received date and change the status on the asset to “received”. (The different statuses of an asset and the change in status have not been discussed at this point. This will be addressed in future integration meetings and CAMS requirement gathering meetings).
6) When applicable, an item should be acknowledged as received after the entire item (i.e., all components) has been received e.g. the entire computer should be marked as received but the receipt of the keyboard is not the receipt of the computer. Payments will be made after the entire item is received.

Invoicing Process

1) This process will have the same behavior as the vendor invoice. This process will initiate the payment to the vendor.
2) The payment information will update the vendor table and the agreement table (at the backend it should also update the purchasing history table).
3) Any changes to the order from this process should update the purchasing information or link the changes to the order.
4) Payment will be triggered based on the terms. This will also be true when payments are initiated by the receiving document.
5) Need to have a check if duplicate payments are being made against the same PO.
6) Check that taxes should not be calculated for freight line item (Note: Further business rules will be gathered moving forward during requirements gathering).

Returns and Credits

The return and exchange process will handle the returns and initiate the credit process.



The some of the business rules associated with the return process have been documented below:

Condition	Business Rule
1.0 Exchange	- Update the asset information (e.g. the new asset will get a new serial number). - Capture the exchange information – e.g. Asset A was exchanged for asset B. - There will be no change with the lien.
2.0 Return item and receive a different new item	2.1 DPO: - Based on the DPO either the lien is changed or there is no change on the lien. - If the lien is changed the credit will reverse the lien and the invoice will be a new lien. - Update the DPO - Update the asset information.
	2.2 PO: - Receive a credit. - Based on the notification either create a new PO or do a CO. - Update the asset information.
3.0 Return with no exchange	3.1 Original Item was paid: - Receive a credit - Update the asset information
	3.2 Original Item was not paid - Update the asset information - Close the PO (at the line item).
4.0 Return [w/ exchange]	- Update the asset information (e.g. the new asset will get a new serial number). - Capture the exchange information – e.g. Asset A was exchanged for asset B. - Receive credit - Issue new payment

The functionality must have the flexibility to either pay at the time of order, upon receipt, or hold for payment. This is a high-level, initial look at the overall process. There are a number of issues and scenarios that are not detailed here. Each scenario will need to be analyzed by purchasing document and payment status.

7. **Recommendation:** This module will help streamline the receiving to payment process and should be considered upon complete review of all other Purchasing and Accounts Payable BPI system modifications. The Action Team will make the recommendation of the priority of this change in conjunction with all system gaps.

   E-procurement will reduce the number of orders that will need a receiving function and should be considered when prioritizing this enhancement. The following matrix lists the potential orders which could impact the need.

Fiscal Year 03-04			*E-Procurement*	
	No of POs	*Total Amount*	*Potential % No of Orders*	*Potential % Dollars*
Purchase Orders	9,090	$87,850,916.86		
DPOs	136,373	$74,691,900.44		
Lab (Fisher/VWR)	16,305	$ 5,752,311.24	12%	8%
Office Supplies	12,154	$ 5,126,307.87	9%	7%

3.7 BPI - Business Contracts and Purchasing System (Request, Amendment, Delegation, Contract Creation, Excluded Vendors)

1. **Action Team:** Radhika Prabhu (Team Lead), Steve Frost, Ken Woodard, Lia Scott, Patty Mescher, Marian Wong and Alex Matsis

2. **Problem:** This recommendation covers multiple areas and includes overlapping gaps with the Purchasing module in DaFIS. The improvement areas include:
   - Integrating Business Contracts in the DaFIS system (BC 6.2a, BC 6.2f, BC 6.2g, BC 6.2n, BC 6.2 z)
   - Implementing a consistent process for amendments and delegations (BC 6.2 w)
   - Adding excluded vendor functionality (BC 6.2m)
   - Formalized method of requesting agreements and capturing this information systematically (P 6.3a, P 6.6.1).
   - Adding new reports

3. **Additional Needs:** *Not applicable.*

4. **Assumptions:** *Not applicable.*

5. **Category:** Systems

6. **Optional Solutions with dependencies and Critical Success Factor:**

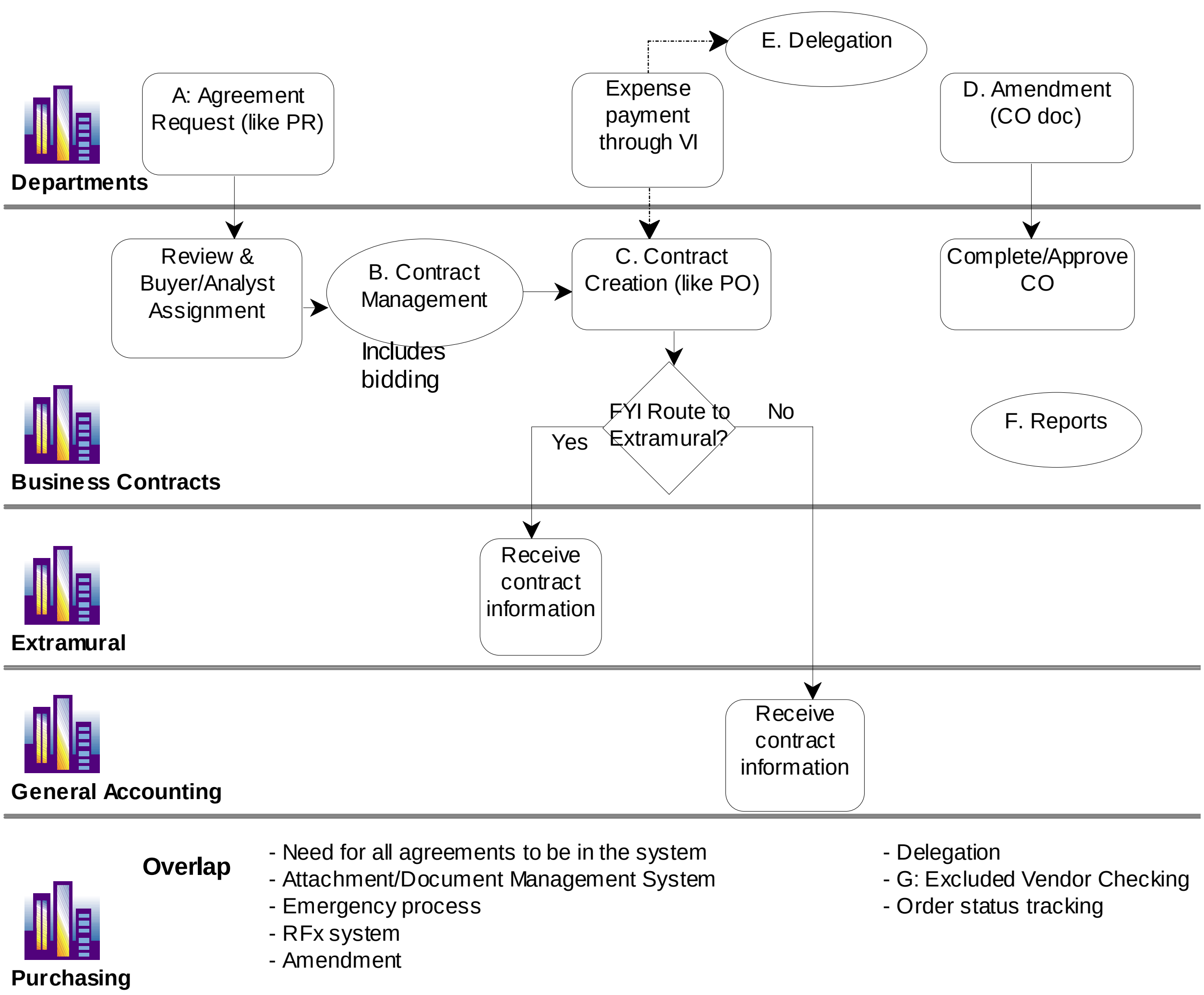
   Option 1 (Recommended solution): Integrate Business Contracts in DaFIS
   Refer to Section 7.0 for discussion.
   Option 2: Build a new system for Business Contracts

7. **Recommendation:** Integrate Business Contracts in the DaFIS system

   High Level Resolution

   a. Improvements in DaFIS can satisfy the OOA initiative to streamline business contracts and purchasing needs.
   b. Development and implementation of new system solutions to satisfy the purchasing process improvements and the OOA initiative outside of DaFIS can be expected to take much longer than solutions implemented in DaFIS.
   c. Use the Purchase Requisition - Purchase Order model as a base for our discussion and recommendations.

Recommended Process Flow



Business System Components

A. Agreement Request

a. The request document will be like the Purchase Requisition document in DaFIS.

b. The interface of the request process will have a decision process built within it and should be user friendly.

   i. Business rules will be defined to determine the ‘collection’ of commodity codes that will be used for Business Contracts.

   ii. The process will ask questions to guide the requester through the process. The order type will determine the fields required to be completed on the request. Once the initiator completes the document, the system will return a summary of detail, such as if liens will be created, lien amount, and if the special conditions routing is required. The summary would also allow the user to cancel/commit the request.

c. There are multiple alternatives for non-DaFIS users of the current BARD process. The solutions depend on the scope of the project and requirements, such as:

i. Granting DaFIS access to current non-DaFIS users
ii. Adding the dean and vice chancellor to review hierarchy as needed
iii. Building electronic email notification
iv. Building web application
v. Building a web inbox
vi. Creating reports

d. Document Management System (DMS) will be a necessity and key to the systems future.
i. RFI is out for vendor response.
ii. The DaFIS attachment functionality will not be implemented before the DMS.

e. Emergency status (recommendations to be made by separate team lead by Jan Carmikle Dwyer)
Tracking the number of emergency requests is necessary regardless of whether or not the user option to set the 'priority' is implemented.

f. Financial business model for expense, revenue and no-cost business contracts

i. Expense
- Expense contracts will require an account, and funds will be liened. Liens will be released by the Vendor Invoice payment document. (Note: UCDHS sets up hospital NPA but the hospital accounts are not liened)
- Ability to lien over multiple fiscal years for an expense contracts. This is an issue as DaFIS does not currently allow users to easily lien a multi-year contract over multiple fiscal years. Work around in place include using the Departmental Encumbrance document to distribute liens over multiple fiscal years and in Business Contracts the entire amount is liened for the year when a NPA is created, then amendments are used to provide future liens as they occur.
Possible solutions include
Option 1 (recommended): Fixing current system to support liens over multiple fiscal years
Option 2: Not liening contract amount
Option 3: Continuing existing workarounds

ii. Revenue
- Accounts will not be required for revenue request. At the agreement request stage accounts will not be setup for extramural related contracts and might not be setup for self-supporting activities. This is an issue as the PR document requires an account at the request stage. Possible options include
Option 1 (recommended): Not requiring any account information
Option 2: Tying the account request to the contract request process
Option 3: Creating and using temporary accounts when the requestor indicates extramural funds are being used for the contract.
- Approvals would include
Drive the approval by org hierarchy
- OVCR: Need to consider having sub-contracts associated for a grant.

iii. No-Cost
- No-cost contracts will not require an account, and no funds will be liened.
- Org hierarchy approval will be used.

g. Request Review by the contracting unit
- Every request should be reviewed for
i. The order type and whether the request belongs to the selected contracting unit
ii. The correct selection and use of commodity codes that circumvented special conditions routing
iii. Sole source use, justification and disclosure
iv. Change order – renewal simplified review
v. Missing attachments e.g. conflict of interest, independent contractor pre-hire worksheet etc.
vi. Federal fund requirements
vii. Item description (general)
Point vii will be reviewed in further detail by the buyer but points i to vii reviews should occur prior to buyer assignment by the contracting unit reviewer. The objective of this initial review is to reduce the review that must occur at later stages of the contracting process, thereby avoiding further delays later

on. In other words, problems could be resolved while the requests would typically be sitting in the queue for processing. This also specifically addresses the following input from the Purchasing and Business Contracts focus groups.

- "Each step continues unimpeded. No bottleneck. You're notified immediately to collaborate on problems. Not dropping the ball. Not set aside. (Purchasing Customer)"
- "A single point of contact per department or everyone has same information at Business Contracts."
- "Map the process so you know to go in the right place the first time would save time."
- "We have some that go between Real Estate and Purchasing and Business Contracts and I don't know how you'd ever pull them apart."
- "They're supposed to communicate if we send it to wrong place."
- "There needs to be a lead unit that then hands off. (in case cannot figure where the contract should go)"

- <u>Options for the reviewer function</u>

Option 1 (recommended): The team lead for each workgroup could also function as the reviewer with Purchasing and Business Contracts Managers as back-up
Option 2: A new reviewer position
Option 3: The Purchasing and Business Contracts Managers

It is our recommendation that the Team Lead has an additional role of the reviewer and, communicates with departments, other contracting units and Education & Support Services as appropriate. The team lead will already be expected to have this level of knowledge and therefore limited training will be required. This will eliminate the need for a new position (option 2) or the use of resources at the management level (option 3). It is estimated that a total of 4-8 hours per day (for about 40 requests per day) will be spent reviewing Purchasing and Business Contracts requests
Until the Document Management System and having grants online is implemented the team lead will be supported in point's v and vi by a support staff.

- In case the incorrect order type was selected
  - Allow the order type of the request to be changed
  - If the order type is changed notify the requestor with the reason why it was changed
  - Forward the request to the contracting unit for processing.
  - In the absence of a Document Management System the supporting documents will have to be transferred to the right unit.
- In case of other types of errors the document will be routed back to the user for correction (SR 12600)
- Special Conditions Routing will be needed for the review process. The workflow will be: Dept completes request > Org review hierarchy > Special conditions routing > Workgroup Team Lead review and Buyer assignment> Approve
- Once the team lead has completed the review they will then assign the request to the Buyer or the Analyst and approve the PR. Recommendations to be made by the RFX – Buyer Assignment team (Alex Matsis team lead)

h. For those types of agreement requests like the conference agreements that have no dollar amount associated with it at the time of request:
   - The PR and PO document should allow zero dollars on a specific order type.
   - Later the department can initiate the Change Order document to request the amount and the lien would be setup.

i. <u>Corrections after approval</u> will require cancellation and re-submission.

B. Contract Management

Recommendations to be made by the RFX team (Alex Matsis team lead)

a. Routing slip functionality must be considered in the RFX solution.

b. Solution will be applicable to both Business Contract and Purchasing.
c. Electronic notification replacing paper based cover letter.

C. Contract Creation (Creation of PO/NPA like document)

a. This document will be automatically populated from information on the requisition document and contract management process and, will be completed by the analyst for all types of contracts.
b. Contract creation prior to receiving the second party signature for an expense agreement will be allowed.
c. Automatic email notification to the requestor (users to whom the document should email to be decided) and will be applicable to both Business Contract and Purchasing
d. Contract creation occurs after the negotiation process. The request will have a single point of entry resulting in a PO like document. A new document may be needed as the PO document does not accommodate some Business Contracts agreements like revenue and no-cost. The system must generate multiple output formats according to UCOP standards.
e. Any agreement (expense or revenue) related to sponsored activity should be automatically FYI routed to Extramural Fund Accounting. Extramural should be able to see the costing principle, any overhead that was applied to the budget component of the agreement and the contract document.
f. Revenue agreements that are not Extramural should be automatically FYI routed to General Accounting. The types of contract received by General Accounting include:
   - Reimbursement contracts for 19900 funds.
   - Revenue contracts for self supporting activities e.g., CNL
   - Copies of No cost contracts (open for discussion)
   - Revenue generating intercampus research contracts.
g. Future Discussion/Phase: Automating appropriation based on a budget component in the system.
h. The email notification will also contain a link to a customer satisfaction survey requesting feedback on the process.
i. If the Buyer/Analyst needs additional approval the PO should automatically ad-hoc route for approval if over buyer's/analyst's delegation. This might need changes to the buyer table.
j. Having an online system that captures all information will eliminate the need for a logbook when a contract is destroyed after the retention period
k. Notification to Extramural Accounting to prompt an account set up and this could possibly be driven by Special Conditions Routing (related to A.f.ii. option 2)
l. Retention period for document issued by Business Contracts and Purchasing
   OP requirements
   - Inventorial Equipment: 5 years from the date of issue of contract. Change orders do not affect the date unless they add equipment items, and in such case it would be the date of issuance of the change order.
   - Supplies and materials: 2 years from the date of issue of contract. Change orders do not affect the date unless they add supplies and/or materials items, and in such case it would be the date of issuance of the change order. If it's a blanket agreement, it would be 2 years following the expiration of the agreement.
   - Services of any type (includes professional service, consulting and independent contractor agreements, maintenance agreements, repair services, performer agreements, labor agreements, etc.): 5 years from the date of expiration of the agreements. If it's a one-time contract it would be from the last date the service has been furnished under the contract. Again, change orders or amendments do not affect the date unless they extend the agreement, and in such case it would be 5 years from the expiration of the agreement, or incase of a one-time contract it would be from the last date the service is furnished under the contract.

   Extramural requirements (for federal and non-federal grants)
   - Documents for any purchase or service on a federal or non-federal fund should be retained for 6 years from the date of issuance of the contract. If an audit is on-going the documents should be retained even past the retention period until the audit is complete.

- The documents to be retained should support an external audit that all Purchasing or Business Contracts functions were performed. E.g. bid documents for competitive bids. Email communications need not be retained.
- Policy information can be found at http://www.policies.uci.edu/adm/records/i.html#I-D

D. Amendment

a. Solution defined will handle both amendments and renewals for Purchasing and Business Contracts. The existing DaFIS infrastructure and process (document) will be used and will allow the departmental user to initiate the Change Order (CO).
b. Electronic notification to the contracting unit and department when the departmental agreement is up for renewal/expiration. The renewal notice needs to be table driven (reference the PI close out report model). Need an email indicator on the Agreement type Table.
c. The CO document will be opened to the department. The department initiates the CO document, the system will populate with the existing open PO/Agreement information and, then the user can modify the information and route for approval. Prior to submission for approvals there will be a method for the user to be able to review the changes. Approvals will be the same as the PR and in addition the document will route to the contracting office reviewer. The approvers will be able to view the modifications.
d. If the Buyer/Analyst initiates the CO the document should not route for all the approvals and after buyer approval the document should send an email notification (users to whom the document should email to be decided).
e. The CO will have to go through the buyer/analyst assignment process (recommendations to be made by the RFX team - Alex Matsis team lead) and the document should be able to route back for correction in case of errors. Unlike the PR, the CO document is approved once the Buyer/Analyst completes the change order.
f. The buyer/analyst should have the ability to change the CO document and the approved CO document should update the Agreement Table when applicable (this does not happen currently).
g. Consider merging the CO document for close/cancel - SR13163: The Purchasing department currently is the only department that can cancel/close or reopen a Purchase Order. If a department accidentally forgets to mark a final invoice "pay in full" or if they prematurely mark an invoice "pay in full", they must contact Purchasing to either close or re-open their Purchase Order. There will be no special conditions routing on the CO document for the cancel/close function although other routing still needs to be determined.
h. The buyer/analyst should have the ability to print the change order with omissions, additions and changes.
i. The CO process needs to continue to reverse and resubmit order (for accounting purpose).
j. Track measures for the change orders e.g. the number of amendment requests (recommendations to be made by the RFX team - Alex Matsis team lead).

E. Delegated Agreements to Departments

a. Most delegated business contracts are paid on a DC. The current process lacks the ability to track activity, contract amounts and payments. The delegations have not been reviewed and recommendation to be made by the Org Structure team (Steve Frost team lead).
b. In the future it is recommended that all Business Contract delegations be made at the Materiel Management level (currently includes VC OOA authorization). Other contracting units will need to take control of delegations for their agreements and ideally would be entered in the DaFIS system.
c. Requirements (overlap with Purchasing):
   i. Delegated contracts must be captured in DaFIS, such as the Agreement table. This will be of a delegation agreement type(s). The delegated contract will be generated by a DPO-like document and payments made on a Vendor Invoice document. The contracting units will have the ability to monitor and review their delegations.
   ii. Each delegation can have multiple vendors associated with it. The vendors might not be identified at the time of the delegation but at the time the DPO-like document is created.

iii. A delegated agreement can have multiple commodities associated with it.
iv. Need to capture the org that is using the delegated agreement. Each delegation will have an agreement associated with it in the system. A delegation can be associated with multiple orgs. Route delegated documents for org approval based on the primary org that the user will have to indicate. Allow subordinate orgs to access and use agreements delegated to superior org in the same org hierarchy.
v. The delegated agreement should have all the terms/phrases associated with it, and stored on the Agreement Table. These terms will automatically populate on the DPO-like document and these can't be modified by the department.

The PR-like (delegation) document could be used to request the delegation and the PO document will formalize the delegation between Materiel Management and the department. This information along with the phrases would also populate the Agreement Table.
The PR-like document for campus-wide agreements (local area M3 agreements) can be initiated by the Buyer/Analyst which will bypass the routing process.
The department would then initiate agreements against the delegation on a DPO-like document.
The DPO-like document would be populated by the entries on the Agreement Table. Payments against the DPO-like document would then be accomplished using the VI document.

F. Report (Purchasing and Business Contracts)
These are new reports that will be added to Decision Support.

a. Provide General Accounting with access to view agreement information from request to contract creation process including sales and service authorization (online agreement tracking system).
b. Need to periodically review whether the departments have responded to agreement renewals (run the inactive report).
c. Buyer workload statistics
   This is a currently a web application and the report can be viewed from the URL
   http://ucdmm2.ucdavis.edu/workload/
d. Agreements on the web application and maintenance
   These reports can currently be viewed from the following URL
   http://ucdmm.ucdavis.edu/dm3/agreements.cfm and https://ucdmm.ucdavis.edu/agreemaint/
e. RFQ posting and maintenance
   These reports can be currently viewed from the following URL
   http://ucdmm.ucdavis.edu/ucdbids/UCDQuote.cfm and https://ucdmm.ucdavis.edu/rfqmaint/
f. Balanced scorecard reports for up channel workload reporting (P4P).
   This report can be currently viewed from the following URL
   http://ucdmm.ucdavis.edu/pstats/BSForm.cfm
g. DCA Queries: Used to determine how much to recharge some units for Purchasing services.
   This report can be currently viewed from the following URL
   http://ucdmm.ucdavis.edu/special/karlstuff.cfm
h. Vendor Paid Report web application (to get top vendors for annual report)
   This report can be currently viewed from the following URL
   https://ucdmm2.ucdavis.edu/maint/vendorpaidform.html
i. Annual Small Business Report for UCOP web app
   This report can be currently viewed from the following URL
   http://ucdmm.ucdavis.edu/special/sb/
j. List of Small Business Report for departments
k. Identify and develop delegation reports to facilitate desk reviews
l. Scheduled Jobs
   Expired Agreements Report (email)
   Buyer Workload Statistics (Monthly email)
   Aged Requisition Report (email)
   PO Turnaround for WEB (07/01/04: Currently in TEST)

G. Excluded Vendor Checking

a. Excluded vendor checking should be automated and the level of automation will depend on the complexity of the report.

b. List of websites that should be checked for excluded vendors include:
  - HHS–OIG—List of Excluded Individuals–Entities (http://oig.hhs.gov/fraud/exclusions/listofexcluded.html)
  - GSA Excluded Parties List System (http://epls.arnet.gov/)

Note: UCOP occasionally issues a list of State Water Resources Board violators and since this is issued infrequently for a small set of individuals the exclusion checking will be completed manually.

c. OIG vendor exclusion was developed in 2003 and the customer feedback during testing was positive. Due to Business Contracts reorganization the implementation of the program was put on-hold. This system should be looked as a model for other vendor exclusion websites.

d. The checks will occur at
  - Requisition (Business Contracts only)
  - Adding the vendor to the vendor table (Business Contracts and Purchasing)
  - RFX creation (Business Contracts and Purchasing)
  - Contract creation (Business Contracts and Purchasing)
  - On a monthly basis the vendor table will be checked, open payments and all active contracts including agreements and change order/amendments. (Business Contracts and Purchasing)
  - Direct Charge Hospital document (For Medical Center only)

  Per Rory Jaffe, there is no need to check more often than monthly as people are only added to the list once a month.

  Purchasing processes include the Purchase Order, Departmental Purchase Order, the Departmental Repair Order and Non-Procurement Agreements.

  In the case of all applicable documents the checks will occur at every approval stage.

e. Confirmation

  The first level of check is checking the vendor name on the websites. If there is a likely match then the next level of confirmation needs to occur to verify the Social Security Number and the Tax ID. There are two options for the confirmation
  - Manual: The analyst or the buyer has to log into the system and confirm if there was a match on the SSN or Tax ID.
  - Automated: The system will do an additional check to confirm if the SSN was a match by automatically confirming the SSN on the website.

f. If the vendor is excluded:
  - An email is sent out to the Department (if applicable) and to a vendor exclusion workgroup. The Buyers and Analysts will be part of this workgroup.
  - The excluded vendor indicator (new indicator) on the vendor table will be flagged. There will be separate indicators for OIG, GSA and State Board Water Resource Violators.
  - The excluded vendor indicator can also be manually flagged which would send an email to the workgroup.
  - A vendor that has been flagged cannot be used on any document.
  - When applicable the Buyer or Analyst will contact the vendor informing them of the exclusion when there is an active contract or agreement.

g. Reinstate previously excluded vendor
  - Part of the monthly process, the vendor table indicator would be turned off and an email will sent to the workgroup.

H. Other

a. Data from the Access Database will have to be mapped and moved to DaFIS.

b. Capture the commodity group and sub-group to the Agreement Table.

Dependencies

- Document Management System (RFI Contact, Eben Sutton)
- Buyer Assignment, Contract Management, agreement status report and baseline measures (dependency on the RFx team, Alex Matsis team lead)
- Return for correction functionality (SR12600)
- Team Leads with Review role (dependency on the Org Structure team, Steve Frost team lead)
- Emergency requests and tracking (dependency on the Formalized request process team, Jan Carmikle Dwyer team lead)
- The departments should be able to cancel/close or reopen their Purchase Orders (SR13163)
- Delegation review (dependency on the Org Structure team, Steve Frost team lead)

Critical Success Factors/Measures

The system enhancements described in this recommendation will enable recommendations made by other sub-teams like

- P4P measures and other measures to track the turnaround times, etc.
- Agreement status reports
- Feedback on customer satisfaction emails
- Risk Assessments to gauge whether system workarounds or issues are preventing the organization from meeting their objectives.
- Delegated agreements review report

8. Future Actions related to the proposed Business Contracts system

a. Including OVCR, Real Estate and Medical Center in the Business Contracts system: Based on initial feedback received the team recommends meeting with other contracting units during the early design phase and present a visual picture or prototype of how the system would behave. The solution will also include the RFx and Contract Management modules (recommendations to be made by the RFX team - Alex Matsis team lead).

b. The following items should be addressed before the requirements/analysis phase and have been assigned to the Business Contracts Manager, Ken Woodard:
    i. Verify with Kathy Hass whether the UCOP fund information is required at request stage.
    ii. Contact other UC campuses for existing Business Contracts measures and to identify the systems they are using (assigned by Org structure team).

3.8 Direct Charge Temporary (DCT)

1. **Action Team:** Mike Allred (lead), Leslie Beal, Steve Frost, John Gregg, Sharon Henn, Cyndy Johnson, Lia Scott, Jim Seibert

2. **Problem:** P6.5.3 – Do away with the DCT?

   The Direct Charge Temporary (DCT) was originally intended as a way to pay for orders that pre-dated DaFIS, and therefore were not in the system. The original intent was that the document would be removed after six months; however, departmental concerns over workload kept the document around.

   The DCT provides a "workaround" to the standard procurement process. The concerns over continued use of the DCT are as follows:

   - Object codes are not as specific as commodity codes for reporting and tracking purposes. Activity on the DCT is not captured in our procurement reporting to UCOP and other entities.
   - The DCT doesn't have the system controls found on purchasing and VI documents, largely due to the lack of commodity codes. This allows the user to bypass special conditions routing, intentionally or otherwise, removing our controls.
   - The DCT was never designed to be a procurement document; therefore, it contains none of the terms and conditions that protect the university.
   - The purchase is made with an unofficial document ("dummy DPO"), putting department and university at risk (again lacking appropriate terms, conditions, etc.).
   - Most units using the DCT maintain their detail in a shadow system, making it harder to tie details together for audit, reporting and tracking purposes.

3. **Additional Needs:** Two of the high use units have responsibilities distributed over a wide geographic area. Any solutions identified have to address this issue.

4. **Assumptions:**

   That the e-procurement system will be available in the near future. This will solve issues for two of the high use units.

   That the bugs causing AP to recommend use of the DCT will be resolved in the near future, to allow complete removal of the DCT document. Pending that, AP will have to retain access to the document.

5. **Category:**

   Systems:

   i. Process, Long Term (SPL)

6. **Optional Solutions with dependencies and Critical Success Factor:** The following issues were identified by the units contacted (Animal Science, Neuroscience, and ANR – Central Coast and South Region) as the reasons for using the DCT document.

Issue	Response

Issue	Response
1. Workload	The action team recommends working with each of these units to identify ways that these units can comply with the standard process while minimizing their workload to the extent possible. In most cases these units are recording the detailed information somewhere, so the actual workload increase should be negligible.
2. TP Access	This was an issue only for this one region of ANR. Other regions have the same issues, but are not handling them in the same manner. The action team recommends working with the other ANR regions to identify solutions for the CC&S region that will eliminate their need for the DCT.
3. Entertainment object code 7760 not allowed on DC	The action team was in agreement that the DCT should not be used for entertainment reimbursements. The recommendation is that these reimbursements be made on an EEV, if they are to be recorded as entertainment.
4. Fisher feed rejects – partial shipments	It is recommended that the Fisher feed be fixed in order to allow payment against a closed Fisher DPO (SR 13239 has been entered for this problem) Implementation of the e-Procurement system should make this problem disappear, but the action team did not know the timeline of implementing this solution Based upon the timeline being proposed (see below) this issue should be resolvable in time
5. Credit memos don't update purchasing document	Service requests have been entered to address this issue (13183 and 13184). The credit memo problems have also been identified as part of the Purchasing BPI initiative. It is recommended that the DCT remain with only AP access until these fixes can be made.

7. Recommendation:

As each unit has a specific set of concerns, the following recommendations are being made for each unit.

Unit	Action(s)
ANR - Central Coast & South Region	Contact representatives from other ANR regions and inquire as to their practices for the same issues (ESS) Contact CC&S region representatives regarding their issues, and provide coaching on how to resolve them (ESS, Internal Control and ??)

Unit	Action(s)
Animal Science	Contact Dean and/or Associate Deans to inform them of the pending change Collect their concerns (if different from the users) Work with the business users to develop practices that will provide them with a streamlined, yet compliant, procurement process
Center for Neuroscience	Develop options for dealing with their business needs Work with the director to identify which options will most closely match their needs Work with director to ensure that any additional training of staff can be accommodated

Since most of these units have been doing business through the DCT for an extended period of time, the action team recommends allowing a transition period so the units' issues can be addressed. In addition, communication with the rest of the DaFIS community will be required to provide them with advanced notice and alternatives to the DCT. It is therefore recommended that the DCT remain available at least until January 1, 2005. The proposed timeline would be:

September 2004	Inform the high-volume units of the plan to remove the DCT
September/October	Work with the high-volume units to replace their DCT processes Inform the rest of the DaFIS community of plans to remove the DCT
November/December	High-volume users would pilot their new processes Work with them to resolve any issues that arise
January 1, 2005	Access to the DCT is removed

3.9 Purchasing Card

1. **Action Team:** S. Frost (lead), Karl Reinking, Mary Fields, Charles McDonald, Alex Martin, and Melissa Roberts-Greiner. Also consulted with John Gregg, Holly Hennessy, Cyndy Johnson, Lia Scott, and Jim Hewlett.

2. **Problem:** Recommend Purchasing Card solutions to:

   - Improve the account reconciliation process. (P6.4 a & P6.1 b.2)
   - Provide an alternate method of training for those users who cannot attend a class. (P6.4 b) Internal Purchasing Card training might not be effective. Faculty do not take the training seriously. (P6.1 b.2)
   - Reduce purchase order (DPO) and invoice (VI) processing on campus. (P6.4 c)
   - Promote best practices to improve departments' Purchasing Card usage effectiveness. (P6.4 d) Faculty does not always use the card properly. (P6.1 b.2)
   - Improve communications with departments concerning double taxation for out-of-state vendors. (P6.4 e)
   - Improve Purchasing Card usage on campus and to promote buy-in. (P6.1 k.1)
   - Assist departments with identifying which vendors work best with Purchasing Card. (P6.1 a.4)

3. **Additional Needs:**
   - Compliance issues with regard to the newly issued UCOP Policy (BUS-43, Part 8).
   - Program modifications needed to facilitate the UC Purchasing Card contract change from Bank One to US Bank.

4. **Assumptions:** None.

5. **Category:** *Select the main category*

   Systems: Short Term (SPS)
   Training: External (TE)

6. **Optional Solutions with dependencies and Critical Success Factor:**

   Refer to Section 7

7. **Recommendations:** The recommended solutions are to:

   - Perform the following to comply with UCOP Policy (BUS-43, Part 8) and to facilitate US Bank's requirements:

  - Update Policy & Procedure Manual Section 350-22, Departmental Purchasing Cards.
  - Update the UC Davis Purchasing Card User's Guide.
  - Develop web-based Purchasing Card training modules for prospective cardholders, supervisory reviewers, and FPD reviewers.
  - Change the online Purchasing Card Application system to capture new program elements and to enable the electronic transmission of new applications to US Bank.
  - Modify the DaFIS Feed Payment Distribution (FPD) document to include a required certification statement even for canceled documents.
  - Create a Frequently Asked Questions list.
  - Update the Purchasing Card website to include all of the above as well as several other resources.
- Assist departments with the account reconciliation process by:
  - Adding the FPD document to the Ledger auto annotation program.
  - Developing a best practice to facilitate reconciliation.
  - Updating the Policy & Procedure Manual, Section 350-22, to educate cardholders of the need for securing and forwarding required source documents to reviewers.
  - Displaying vendor provided reference data on the FPD. (SR # 13439)
- The new web-based Purchasing Card training modules will enable prospective cardholders, supervisory reviewers, and FPD reviewers to complete the required training without having to attend classes.
- The web-based Purchasing Card training modules will test participants' understanding of the material presented. Successful completion of the training module will be a prerequisite to allowing a prospective cardholder to apply for a Purchasing Card.
- Develop data mining queries and perform desk reviews to monitor campus compliance and to assist departments with weaknesses in their internal controls..
- Build an e-Procurement System to reduce purchase order (DPO) and invoice (VI) processing on campus. The e-Procurement System will use ghost Purchasing Cards for settling the campus' vendor payments.
- Develop a best practices document to facilitate departments' effectiveness when using Purchasing Cards.
- Create an on-line form that would enable departments to request Accounts Payable to reverse double taxations for out-of-state vendor purchases.
- Work with Purchasing, Accounts Payable, and Education & Support Services to develop an informational tax website for departments.
- Explore, in consultation with the CAT, the feasibility of allowing departments to reverse duplicate Purchasing Card tax charges using the FPD document.
- Hold campus forums and visit departments to improve communications and to promote the Purchasing Card usage on campus.
- Utilize a list serve to respond immediately to departments' Purchasing Card Program inquiries. Then use this information to update the Frequently Asked Questions webpage.
- Consider developing on-line self-assessment tools for reviewers and/or cardholders so that they can evaluate the effectiveness of their department's Purchasing Card Program.

Critical Success Factors/Measures:

- Track the number of Purchasing Cards and activity on campus.
- Customer surveys
- Desk review "pass" rates

3.10 Overall System Development

1) **Acton Team:** Alex Matsis, Damian Chapman, Patty Strauss (Lead), Lia Scott, Radhika Prabhu, Steve Frost, Ken Woodard

2) **Objective:** The purpose of the Business Process Improvement Initiative was to identify areas requiring greater efficiency in existing work methods and implement streamlined procedures that increase the effectiveness of work flow and customer service for the Business Contracts and Purchasing processes.

   The objective of this document is to provide a recommendation for the implementation of system changes associated with the initiative. This document does not include the specific details of each BPI recommendations.

3) **Problem:** The Business Contracts and Procurement business processes are impacted by limitations or constraints within our current applications. The major system issues identified by the BPI Action Team are:

   <u>Referential Data</u>
   - The system maintenance of Vendor commodities is too laborious to maintain. (TM Item 12)
   - Commodity codes are not filtered to promote proper use. (TM Item 28)
   - The system maintenance and renewal of Vendor Insurance is a manual process. (TM Item 43)
   - Delegated authorities are not captured. (TM Item 35)

   <u>Data for Tracking</u>
   - No data captured to perform baseline measures, track requests or report on bulk purchases. (TM Item 2)
   - No data capture of emergency requests to report on statistics or to maintain baseline measures. (TM Item 14)
   - Vendor's performance is not captured. (TM Item 6)
   - Goods received data is not captured upon receipt. (TM Item 22)

   <u>DaFIS Processes</u>
   - Various system gaps which include: (TM Item 26)
     - Entry of line item dollar amount not available at payment on VI
     - Liens reflected inaccurately
     - Accounts Payable processes do not update related Purchasing data
     - Equipment purchases do not update CAMS
     - Other system gaps identified within this document
   - Purchase Requisitions must be manually approved by Equipment Management (TM Item 10)
   - The Temporary Direct Charge (DCT) allows the purchasing process to be bypassed (TM Item 37)
   - Vendor Invoice allows modifications to base contractual data (TM Item 20)

   <u>Non-DaFIS Processes</u>
   - RFx processes are external to DaFIS and DS Reporting. (TM Item 2)
   - Business Contracts processes are external to DaFIS and DS Reporting. (TM Item 45)
   - Contract management is performed with various methodologies and is not centralized. (TM Item 2)

4) **Additional Needs:**
The following additional needs were considered by the team.
Additional staffing and funding will be required to purchase, implement and maintain new systems.

5) **Recommendation:** Early in the initiative process it was discovered that the Business Contracts and Purchasing processes are analogous. The greatest difference between the two is the lack of integration of Business Contracts processes within DaFIS. Whereas there are several BPI recommendations to fix and enhance the existing DaFIS Purchasing module and its integration with other DaFIS modules, these fixes and enhancements would also apply to Business Contracts processes.

This recommendation has a phased approach with priorities established on modifications to the existing system, integration to the existing system and the implementation of new systems. Please note all system changes will require detailed system analysis and design, which are not covered in this document.

In summary this document recommends six phases with the following resources and timelines.

Phase	Item #	Project	Timeline	Source Group
1	2	DPO system bug-Agreement Paid to Date	1-2 Months	Advisory
1	3	Excluded Vendor Checking	1–2 Months	Compliance
1	4	Return for Correction	2-3 Months	Process
1	5/6	E-mail notifications - all phases of process	2 Month	Advisory/Customer
1	7	Insurance requirements - General Liability	1 Month	Customer
1	8	Vendor Performance	1-2 Months	Customer
1	9	Commodity and Object Codes	1–2 Months	Advisory/Customer
1	10	DRO Serial Number and Add Asset Serial Number	1 Month	Process
15 Months = 3 Resources for 5 to 6 months (Spring to Fall 2005)				
Phase	**Item #**	**Project**	**Timeline**	**Source Group**
2	1	EDMS	3-6 Months (Strictly Integration)	Process
2	2/3	Contracting Agent Assignment	2 – 3 Months	Customer/Advisory
2	4	Agreement Request - Integrate BC	2-3 Months	Customer/Process
2	5	Amendment Request - Integrate BC	2-3 Months	Customer/Process
2	6	Formal Emergency Request Process	1-2 Months	Customer/Advisory
2	7	Review Request	1 – 4 Months (Dependent on Scope)	Process
2	8	Date Needed - Add business rules	1–2 Months	Process
2	9	Vendor List Sharing	1–2 Months	Customer
2	10	VI Modifications - Discount Terms/PIF	1 Month	Process
2	11	SR 10545 – Creation of negative lien	1-2 Months	Customer/Advisory
2	12	AP Credit Memo -Update Purchasing Tables	2-3 Months	Process
25 Months = 3 Resources for 7 to 8 months (Fall 2005 to Spring 2006) - EDMS requires an additional resource 3-6 months				
Phase	**Item #**	**Project**	**Timeline**	
3	1	Change Order - System Gaps	1-2 Months	Process
3	2	Change Order - Printing Changes	2-3 Months	Process
3	3	Amendment Request - Open/Display Changes only	2-3 Months	Process
3	4	Streamline Equipment Management Approval	1-2 Months	Process
3	5	Delegated Agreements to Departments	2-3 Months	Customer
14 Months = 3 Resources for 4 to 5 months (Spring 2006 to Fall 2006)				
Phase	**Item #**	**Project**	**Timeline**	
4	1	RFx & Contract Management	3- 6 Months (Strictly Integration)	Process
4	2	Vendor Invoice Modifications	1-2 Months	Process
4	3	Multi-Year liens	2-3 Months	Customer
4	4	Split Funding	3-4 Months	Customer
9 Months = 2 Resources for 4 to 5 months (Fall 2006 to Spring 2007) - RFx requires an additional resource 3-6 months				
Phase	**Item #**	**Project**	**Timeline**	
5	1	Re-establish lien by cancelled VI	1 Month	Customer/Process
5	1	SR 11179 – Redistribute Purchasing Lien fixes	1 Month	Customer
5	2	Integration of Equipment purchases to CAMS	2-3 Months	Advisory
1 Resource for 5 months (Spring 2007 to Fall 2007)				
Phase	**Item #**	**Project**	**Timeline**	
6	1	Add Pre-Planning Request/Amendment	2-3 Months	Process
6	1	Add Intelligent UI Request/Amendment	4-5 Months	Process
6	2	Receiving Module	3- 4 Months	Process

6	3	Vendor Insurance	Unknown at this time	Process
6	4	SR 10548 Feeds and liens	2-3 Months	Process
15 months = 3 Resources for 5 to 6 months (Fall 2007 to Summer 2008)				

Definitions: Many terms within Purchasing and Business Contracts are stated differently, yet are analogous. It is recommended that terms and definitions are defined and agreed upon prior to the analysis of system modifications cited in this document.

Contracting Agent	A Purchasing Buyer, or Business Contracts Analyst.
Agreement	A Purchasing Blanket Request, Contract or the Business Contracts Agreement
Specific Order	A specific purchase over the departmental delegation amount, which has no university agreement involved.

The timelines within this recommendation are based on the current overall system architecture and are not based on any in depth analysis. The timelines are assuming system development to implementation,

The following system recommendations were defined as either system gaps or specific items within a recommendation. These items will not be addressed within this recommendation as a system modification for the following reasons:

4. **Liens** (BPI 6.2; 6.6.1.b;6.6.2.a System Gap) - None of these requests have a large enough impact directly to the BPI.
   SR 10097 – Re-establish lien on NPCO
   SR 10547 – Internal Docs do no update liens
   SR 10546 – Liens on Clearing Accounts

4. **Discount Terms table** “is broken” (BPI 6.2 System Gap) – Asked vendors in 97 for discount terms and have not asked again. This is not a system issue. See Advisory document.

4. **Object code** (BPI 6.2 System Gap) should be changed without having to do it later. This is in regards to objects tied to commodities; they want to be able to change it. We will not make this change; the system enforces the controls appropriately. If the wrong object is defined with the commodity it should be addressed through the appropriate protocols.

4. **Link the Default and Item Account** (BPI 6.2 System Gap) information when documents are templated. Documents that have been changed from the default will be templated as changed. This request could become very complex and it is recommended that the template feature within DaFIS not be modified at this time.

4. **Bookstore payment feed** (BPI 6.6.1.e System Gap) should “cancel” PO automatically. There is no longer a system purchase order involved in this process. The Director of Materiel Management has authorized the department as the office of record on these purchases, therefore payments are made directly to vendors through a direct charge feed process.

Phase I Modifications can be accomplished on the existing application without regard to integration issues (as does Business Contracts), new functionality (as does Receiving Module functionality), or third party tools (as does RFx or EDMS systems). In addition, some of the modifications are pre-requisites of subsequent phases.

The developer resources required for Phase I equates to 15 months of developer time. With three developer resources available for these projects they could be completed within a 5 to 6 month period. This is dependent on resources also available for system and user acceptance testing.

1. **An Open PR's by Commodity** report allows buyers to make bulk purchases. SR 13217 - Open PR by Commodity - BPI 6.2 r, has been developed and implemented as a DS Report November 1, 2004.
   Timeline: Complete

2. **DPO system bug** (BPI 6.5.1 System Gap) causes unused DPO to count against total dollar agreement amount. A cancelled, closed, or disapproved DPO must re-establish the total dollar agreement amount.
   Timeline: 1 – 2 Months – Development in progress

3. **Excluded Vendor Checking** system modifications and edits will be required on the vendor table and all agreement, purchasing and payable documents. The dependencies this process has upon the RFx system recommended in BPI 3.1 would require further analysis and consideration.
   Timeline: 1-2 Months

4. **Return for Correction** (SR12600) provides an immediate business process improvement for campus staff that must reproduce documents that are disapproved in their final stages due to inappropriate data elements. This functionality is to be applied to all routable DaFIS documents and will require extensive testing.
   Preliminary systems analysis and design has been completed on this enhancement and has been cited on the following BPI Recommendations:
   a) Organization Changes (BPI 2.0) – Allow the Contracting Agent to return a document for correction vs. having the ability to make changes to documents.
   b) VI Modifications (BPI3 3.2) – Allow AP staff to return a document for correction when tax code, pay in full indicator, group code or pay item is incorrectly cited.
   c) Streamline Equipment Management (BPI 3.3) – Allows EQ to return documents for correction when equipment cited incorrectly on documents.
   d) Business Contracts/Purchasing (BPI 3.7) – Allow contracting agent to return documents for correction when data elements are cited incorrectly.
   Timeline: 2-3 Months – Global Affect - Earmarked for Early 2005

5. **E-mail notifications** (BPI 6.2 System Gap) are recommended at the time a buyer is assigned, at the time the PO is fully approved and to approvers during Special Conditions Routing. Analysis will be required to determine who will be e-mailed and for what processes for Special Conditions Routing.
   Timeline: 1 Month

6. **E-Mail Notifications** are requested in the Business Contracts and Purchasing System recommendation (BPI 3.7) at the time of agreement renewal, expiration and when amendments are generated by contracting agents.
   Timeline: 1 Month

7. **Insurance requirements** (BPI 6.5.2 System Gap) of general liability should only be required on a DRO if repairs are to be performed off-site. Offsite repair data must be captured in a manner to execute this edit.
   Timeline: 1 Month

8. **Vendor Performance** (BPI Not Posted) recommends a user interface for reporting vendor performance incidents, links to the incident report, data capture of a few additional data attributes and reporting.
   Timeline: 1-2 Months
   Resource – Education & Support Services staff

9. **Commodity and Object Codes** (BPI 6.2 System Gap) can be selected more accurately on documents by filtering lookups. Rules established through the commodity code table and the document restrictions table could be used to accommodate the filtering. However, further systems analysis is required to determine if this is feasible and the timeline is contingent on the number of documents this functionality is applied to.
   Timeline: 1–2 Months

10. **DRO Serial Number** (SR 524) and the Add Asset Serial Number (SR 10840) should be alpha-numeric. The modification will require exporting and importing all data during the transition of the data type within the database.
    Timeline: 1 Month

Phase II Modifications are those modifications requested in the Business Contracts & Purchasing System recommendation (BPI 3.7), in addition to other system gaps. This recommendation includes the integration of Business Contracts processes to Purchasing processes while enhancing the existing Purchasing processes.

The developer resources required for Phase II equates to 25 months of developer time. With three developer resources available for these projects they could be completed within a 7 to 8 month period. This is dependent on resources also available for system and user acceptance testing and DOES NOT include resources required for the EDMS integration.

1. **Attachments & EDMS**:

   Attachment functionality would have an extensive positive impact to several campus and A&FS business processes. This is apparent in the multiple BPI recommendations where this functionality is identified as a dependency.
      3.0 RFx and Contract Management
      3.3 Streamline Equipment Management Approval & Review
      3.5 Vendor Modifications
      3.7 Business Contracts & Purchasing System
   A simple implementation of attachment functionality within the current financial system would require a twelve (12) month implementation effort. This includes hardware and application development which would require a solution for indexing, a reference and execution of the indexed attachment and appropriate storage of the attachments. A simple implementation would limit the types of files to be attached and would not provide data compression or handle virus infected attachments.

   EDMS: A vendor provided Enterprise Document Management System (EDMS) would provide a comprehensive solution that would handle API's for different types of attachments (i.e., Excel, Visio, Word, Adobe, etc…) and provide methods for data compression and minimize the amount of required storage. (See the EDMS RFI for information).

   In conclusion it is not recommended to use our resources on the implementation of a homegrown attachment solution if EDMS is to be implemented within the next 12 months. However, it is recommended that the needs of Business Contracts and the Purchasing processes are considered in each phase of the EDMS solution **and that the first third party tool to be**

integrated with our current systems is EDMS. The number of modifications which will be required to our current systems to provide our users with this exceptional functionality could be extensive and would require quite a bit of time. However, the payoff for our invested time would benefit the entire campus. By the implementation of RFx and Contract Management, which are mainly internal processes, there would not be a benefit to the entire campus to the extent of an EDMS.
Timeline: 3-6 Months (Strictly Integration) – Global Affect

2. **Contracting Agent Assignment (a.k.a Buyer Assignment)** (BPI 3.0) is an existing process within the system, which requires major enhancements to accommodate the application and team leads making Contracting Agent assignments based upon commodity and order type. Various reports will be required to measure a Contracting Agent's workload, progress, and historical accomplishments. The Contracting Agent Assignment will be available for departmental request tracking.
Timeline: 2 – 3 Months

3. **Workflow modifications** will direct the request identified in item 4, 5 and 6 to the proper contracting unit and team lead based upon the commodity code and order type of the request, or the cited agreement. This will require modification to Workgroup maintenance as defined in BPI 3.0. In addition, if the request is not fully approved the "Return for Correction" developed in Phase I must be available.

4. **Agreement Request:** In order to alleviate the need to maintain multiple processes within our current infrastructure it is recommended the existing Purchase Requisition be used to support the recommendation. Agreement Request users range from administrative and faculty staff to Dean's and Vice Chancellor's. The fundamental decision of how users will access or approve these documents must be made. This is due to the requirement of all users being FIS users, vs. non-FIS users.
Timeline: 2-3 Months

5. **Amendment Request**: The modifications required to accommodate the new order types of the agreement request must be implemented to Amendments.
Timeline: 2-3 Months

6. **Formal Emergency Request Process** (BPI3.4) simply recommends a manner in which to flag requests as an emergency. A dependency should exist to the Contracting Agent (Buyer Assignment) recommendation in the RFx and Contract Management (BPI 3.1). The assignment process may need to be handled differently for emergency requests. This implementation will also include reports to perform measures upon emergency requests. Outstanding issues are how requests should be handled in the event they become an emergency or non-emergency prior to the creation of the agreement. Emergency functionality should be applied to the amendment process also.
Timeline: 1 – 2 Months

7. **Review Request** will be conducted by the team leads. This is a high risk area for the inability of departmental tracking and bottlenecks. The user interface of the request review must provide expedient processing. In the event that a new Agreement Request user interface is developed the needs of the review process should be considered. The "Return for Correction" functionality developed in Phase I must be available for this process.
Timeline: 1 – 4 Months (Dependent on Scope)

8. **Date Needed** (BPI 6.2 System Gap) should be more meaningful on the PR. There are multiple interpretations of what this date implies based upon the user. Add business rules which impact the process and the "date needed".
   Timeline: 1-2 Months

9. **Vendor List Sharing** (BPI 3.2) will provide an immediate business process improvement for campus, Purchasing and Business Contracts, without major system changes. The overall recommendation includes reporting, updates to existing vendor commodities functionality, fax, and vendor e-mail updates. In addition, modify label to read "Completed Delivery".
   Timeline: 1–2 Months

10. **Vendor Invoice Modifications** (BPI 3.5) site multiple recommendations to change VI field edits. It recommended that the discount terms and the paid in full modifications have the biggest impact to the BPI and should be handled as early as possible. All other modifications for the recommendation have been addressed in other areas of this system recommendation.
    Timeline: 1 Month

11. **Liens** (BPI 6.2; 6.6.1.b;6.6.2.a System Gap) (SR10545;10097;10641;10546;11179) are not managed appropriately within DaFIS due to several factors which can be addressed individually.
    SR 10545 – Creation of negative lien
    Timeline: 1-2 Months

12. **AP Credit Memo** (BPI 6.2; 6.6.1.b System Gap) (SR 10475; 13183; 11560) modifications are recommended to update the appropriate purchasing records when items are returned on a purchase order. This will also require analysis for the re-establishment of liens associated with the purchase and affects to the check-write.
    Timeline: 1–2 Months

Phase III Modifications are modifications which would have an impact on existing business process workflow for the campus and internal A&FS divisions.

The developer resources required for Phase III equates to 13 months of developer time. With three developer resources available for these projects they could be completed within a 4 to 5 month period. This is dependent on resources also available for system and user acceptance testing.

1. **Amendment (Change Order)** (BPI 6.6.1.e System Gap) (SR10475; 10593; 10594; 10846; 10545) system gaps include the CO checking for additional documents in routing such as the RPL and VI, updates to the purchasing tables (as identified in the Advisory document, which have been addressed elsewhere in the document) and automatically closing the PO when a lien equals zero.
   Timeline: 1-2 Months

2. **Amendment (Change Order)** (BPI 6.6.1.a System Gap) (SR 1146) must be printed with only the changes to the order, i.e., to include deleted items, quantities and added items and quantities
   Timeline: 1-2 Months

3. **Cancel/Close/Open Agreements** (Amendment/Change Order) by departments. The canceling, closing or re-opening of an Agreement has historically been accomplished through the Amendment, or Change Order process. This functionality is a recommendation cited within the Vendor Invoice Modifications (BPI 3.5) and is in line with the Business Contracts and Purchasing System (BPI 3.7) recommendation, which requests the Change Order to be initiated by

departments. The implementation of such functionality will alleviate the contracting department having to re-open agreements when the agreement has been accidentally closed or close agreements when no longer needed. Departments who currently e-mail requests for changes to agreements will now have the control to create the change and receipt proper approvals.
Timeline: 2-3 Months

4. **Streamline Equipment Management Approval and Review** (BPI 3.3) via Special Conditions Routing. Additional dependencies for this recommendation include the Return for Correction (SR 12600) and Implement Equipment Threshold Increase (SR 13140) and EDMS. This enhancement will involve modifications to Special Conditions Routing to route the Agreement Requisition to EQ for review. EDMS must be implemented before the full benefit of this recommendation will be realized due to the manual distribution of supporting documents to EQ from the Purchasing department.
   Timeline: 1-2 Months – Global Affect – Requires EDMS

5. **Delegated Agreements to Departments** is from the Business Contracts and Purchasing recommendation (BPI 3.7). There is currently no tracking mechanism for managing department delegations. This system functionality is completely new and requires a maintenance document, approvals, workflow, and has processes which execute against the data created from the process. In addition, this is functionality that is required for Purchasing and Business Contracts processes, therefore, should occur after the integration of the processes identified in Phase II.
   Timeline: 2-3 Months

Phase IV Modifications includes new systems which have a direct impact on A&FS Contracting units and system modifications which have an impact to campus but not a direct impact to the purchasing and business contracts processes.

The developer resources required for Phase IV equates to 15 months of developer time. With three developer resources available for these projects they could be completed within a 4 to 6 month period. This is dependent on resources also available for system and user acceptance testing.

1. **RFx & Contract Management** (BPI 3.1) (SR 13215) should be implemented after the stability of Phase I through III of this recommendation. The implementation of these two systems will be manageable with the Business Contracts and Purchasing processes being integrated previously.
   Timeline: 3- 6 Months (Strictly Integration)

2. **Vendor Invoice Modifications** can be handled as independent modifications. The majority of the VI Modification recommendation is changes to the field edits, or the removal of fields. All other recommendations have been addressed in other areas of this system recommendation.
   Timeline: 1-2 Months – Global Affect

3. **Liens** (BPI 6.2; 6.6.1.b;6.6.2.a System Gap) (SR10545;10097;10641;10546;11179) are not managed appropriately within DaFIS due to several factors which can be addressed individually. Liens do not exist over multiple years.
   Timeline: 2-3 Months

4. **Split Funding** (BPI 6.2 System Gap) (SR 502) should allow the entry of amounts instead of strictly percentages for better accuracy and ease. The management of line items and accounting lines within the DaFIS application for purchases, amendments and payments is fairly complex. A comprehensive assessment of the existing and recommended behavior for split funding would be required to implement changes. Due to the dependencies of purchasing and accounts payable both modules would require assessment.

Timeline: 3-4 Months

Phase V Modifications include recommendations which have a direct impact to campus and a lesser impact directly to the process improvement to Purchasing and Business Contracts.

The developer resources required for Phase V equates to 5 months of developer time. This is dependent on resources also available for system and user acceptance testing.

1. **Liens** (BPI 6.2; 6.6.1.b;6.6.2.a System Gap) (SR10545;10097;10641;10546;11179) are not managed appropriately within DaFIS due to several factors which can be addressed individually.

Re-establish lien by cancelled VI	Timeline: 1 Month
SR 11179 – Redistribute Lien fixes	Timeline: 1 Month

2. **Integration of Equipment purchases to CAMS** (BPI 6.2 System Gap) (SR 10475) would require the automatic set up of Add Asset documents at the time a Purchase Order was fully approved. Comprehensive analysis is required to ensure the appropriate establishment of assets and the interaction with the asset bar coding system.
   Timeline: 2-3 Months

Phase VI Modifications includes functionality that is not currently available and would require modifications to the existing application vs. a third party tool purchase.

The developer resources required for Phase VI is incomplete at this time.

1. **Agreement & Amendment Request – Pre-planning and Intelligent User Interface -** The request recommendation (BPI 3.7A.b) states the need to guide the user through the process to make appropriate decisions to determine the order type and display a summary of detail prior to the final submission of the document. In addition, several departments have established pre-planning forms which capture information that is ultimately added to the purchase requisition. Consideration should be taken to automate this process. See the Purchasing Process and Mapping Analysis document, section 6.1.b.1 In the event a new user interface is required to provide this functionality for the "Specific", "Blanket", "Expense", "Revenue" and "No Cost" order types, we may consider including the Non-Purchasing Agreement process. We may consider changing the document from "Purchase Requisition" to a more generic term, such as "Requisition".

   Add Pre-Planning functionality to Request and Amendment
   Timeline: 4-5 Months
   Add Intelligent User Interface to promote accurate data attributes Request/Amendment
   Timeline: 4-6 Months

2. **Receiving Module** (BPI 3.6) functionality is not available within the DaFIS application. The modifications that are required to implement this functionality will impact the purchasing and accounts payable processes. With the number of modifications required to the purchasing module as outlined in Phase I through IV it is recommended that stability is present in the system prior to this modules implementation. In addition, there is an expectation that E-Procurement will have a direct impact on the number of orders that will need receiving functionality. With the implementation of E-Procurement over the next six months a more accurate projection of the impact to this project will be available.
   Timeline: 3- 4 Months

3. **Vendor Insurance** (BPI Not Posted) expiration notifications should be sent to contracting agents and vendors. *Placeholder for recommendation.*
   Timeline:

4. **Liens** (BPI 6.2; 6.6.1.b;6.6.2.a System Gap) (SR 10548) are not managed appropriately within DaFIS due to several factors which can be addressed individually. Physical Plant feeds and possibly other service unit feeds do not update liens. Therefore, departments must maintain manual monitoring of charges to adjust liens.
   SR 10548 – Feeds do not update liens Timeline: 2-3 Months

7) **Initial Update Effort:**
   1. **Translating Business Contracts access database data to DaFIS.**
   2. **Translating initial data to RFx system.**

8) **Maintenance Requirements:**
   1. **Measuring critical success factors of each implementation.**
   2. **Standard system application and hardware maintenance of new systems.**

3.11 Too Many Commodity Codes

1. **Action Team:** Damian Chapman (Lead), Lia Scott.
2. **Problem:** The DaFIS financial system contains a plethora of commodity codes most of which are either detailed duplicates of commonly used codes or are codes that are not used by users. The primary problem stems for over saturation of commodity codes, which should be simplified to help users identify the appropriate code they will need to use in the DaFIS system. In the initial analysis of the commodity codes of the 24,000 active codes, 19,729 have not been used in the last two years.
3. **Additional Needs:** Depending on the resources the E&SS team can commit to the weeding and deletion of the codes additional resources may be needed for a short time.
4. **Assumptions:** This process will be completed by the E&SS team since they manage the commodity code tables.
5. **Category:**

   Training i. Internal (TI)

   Some training might be necessary to campus purchasing users.

   Systems vi. Process, Short Term (SPS)

   This change can be taken care of in the short term if the appropriate resources are allocated for its completion.
6. **Optional Solutions with dependencies and Critical Success Factor:**

Option 1 – Allocate resources to the completion of the project. The critical success factor is committing the time of a member of the E&SS team while completing with other priorities.

Option 2 - Leave the table alone. To this point the table has been reduced significantly, although there is still quit a bit of room for improving the table.

Recommendation: This project should be listed as a top priority since for a relatively small allocation of resources the BPI team can have an immediate impact felt across campus.

Below is the initial Commodity Code Reduction Proposal put together by Lia Scott:

Commodity Code Reduction

This document defines the proposals for the initial round of commodity code reduction. Dependent upon the success of the initial round, additional analysis of the remaining commodities may be required to further reduce the active list.

Proposal: If a cluster of commodity codes conform to defined criteria, they can be consolidated.

Criteria:

- If the descriptions indicate a common type of product (ex: paint) with modifiers (ex: latex, flat vs. latex, gloss)
- If the object codes are the same, indicating that any special conditions routing would remain
- If the various commodity indicators are the same (e.g. DOV or Equip) indicating that the restrictions/uses are the same

If one or more codes within a group identified above are on the used list, that code or codes would be chosen to “represent” the group.

The codes kept will be renamed to represent the entire group (e.g. PAINT, INTERIOR/EXTERIOR now represents thirteen codes previously used to describe interior and/or exterior paints).

Proposal: If a commodity code conforms to defined criteria, it can be inactivated.

Criteria:

- If the commodity code belongs to a group that has been identified for consolidation, and it is not the code selected to represent the group of codes
- If the commodity code is on the unused list, but has a comparable code on the used list

3.12 Vendor Performance Reporting

1. **Action Team:** Lia Scott (lead), Radhika Prabhu, Steve Frost

2. **Problem:** There is currently no way of tracking vendor performance issues, and no standard practice for responding to recurring problems with a given vendor.

   i. Although a "complaint" form is available, it is not easy to find or to use. The current usage of the form is very low.
   ii. If a form is completed, there is no running record of reported incidents to quantify possible repeat offenses. In Purchasing the forms are kept in an incident file, but retrieval and count are manual.
   iii. In Business Contracts, the reports of poor performance are kept as part of the contract file, making retrieval impractical and providing no link for repeat offenses.
   iv. Departments have no way of checking, prior to making a purchase, whether the vendor they are selecting may have a history of poor performance or poor customer service with other campus departments.
   v. Departments are not able to communicate with the buyers when they have a history of poor service from a vendor, and therefore do not want to do business with them.
   vi. There are no guidelines on what should be done when a vendor has one or more incidents of poor performance.

3. **Additional Needs:** Not applicable.

4. **Assumptions:** Not applicable.

5. **Category:**
   Systems:
   i. Technical, Long Term (STL)
   ii. Technical, Short Term (STS)
   iii. Process, Long Term (SPL)
   iv. Process, Short Term (SPS)

6. **Optional Solutions:**

   i. Develop the incident reporting form into a web based form.

   - This would be easier for users to complete than the current form, which must currently be printed and mailed
   - Information from the form would be stored in a database
   - Buyers would be provided an interface to report response and resolution for each given incident reported
   - Lookups could be created for campus and/or buyers to check vendor performance prior to making a purchase
   - Buyers and Analysts would also use this form to report problems

ii. Make campus users aware of incident reporting form and its use

- Show participants in Purchasing classes where the form is, and explain how it is used
- Have form more visible on web site
- Email the mailing lists

iii. Add prompt to Vendor Invoice (VI) that links to incident reporting form

- Provide a way that users processing a VI can easily access the incident report form
- Since vendor performance issues are generally after the order, the VI is the optimal place to prompt users to file an incident report

iv. Add a field to the Purchase Order (PO) Departmental Purchase Order (DPO) for expected delivery date

- This field would then be compared to the Goods Received Date to track vendor performance
- Create a departmental report to show which open orders were past their expected delivery date. Similar to the Maximo expediter function where the Expediter Materials Report is used to monitor the delivery dates on orders.
- Create a report for Purchasing to track trends to detect possible major issues with vendors not meeting delivery expectations

v. Define role of buyers and analysts in problem resolution process

- The buyer on a PO currently investigates any incidents reported, provides mediation as needed, and reports any findings back to department.
- If the vendor involved is part of the Strategic Sourcing program, then the incident is reported to OP for investigation. The buyer is responsible for reporting any OP findings back to the department that initiated the report.
- If the purchase order was a DPO or DRO, the buyer will still fulfill the roles outlined in the first bullet above. With the reorganization, it is unclear how these incidents would be assigned to a buyer, but it is likely that it would be commodity driven.

vi. Provide consistent response to reported incidents

- Each incident is currently investigated by a buyer to determine the issues, and provide mediation if needed.
- Upon implementation of an web-based incident reporting system, as outlined above, the buyer would enter all responses and resolutions into the incident record.
- A threshold should be developed (likely percentage based) at which it would be determined that repeat offending vendors would be listed on a web site. The buyer would mark the incident reports, and those would be accessible to campus users. Thresholds for history and seriousness of incidents would also have to be established, so as not to unfairly portray vendors.
- In extreme cases of repeat offenses, a buyer will request the Stop PO indicator set for a vendor. This is currently the practice, but should be determined by thresholds and standards as noted above.

vii. Consider this concern in future development efforts

- Since many vendor performance issues revolve delivery issues, vendor performance reporting should be written into any receiving module developed
- The RFx/Contract Management system should check against the incident database for any vendors entered, and flag them to alert the buyer. The buyer could then check the incident reports to determine if there should be any concern over using the vendor.
- A solution for future consideration would be to have the vendor exclusion process run against the incident reporting database and automatically flag vendors. Depending upon the incidents reported (number and severity) users could be provided a warning, or stopped from using the vendor all together. This solution would depend upon the ability to identify criteria that could be used to systematically identify "problem" vendors. This would need further extensive analysis, and should only be considered after the earlier recommendations are implemented. Experience would aid in determining if such quantifiable measures would be possible.

7. **Recommendation:** The recommendation is to proceed with solutions i, ii, v, vi outlined above. The additional solutions should be considered as part of other system as process changes, as described with each proposed solution. As there is little to no vendor performance information tracked today the critical success factor for this recommendation is to measure increased reporting, better tracking of trends and, consistent problem resolution and response.

3.13 Internal Operating Procedures (IOP's)

Below is a list of completed IOP's as of 03/15/2005

Purchasing	Business Contracts
Buyer Delegation Authority	Analyst Delegation Authority
Sole Source	Sole Source
Agreement & Special Delegations	Successor contracts
Vendor Shows	
Independent Contractor Agreements	
Excluded Vendor Checking	Excluded Vendor checking
Controlled substances	
Change order processing	Amendment processing
Emergency & Rush orders	Emergency & Rush agreements
University Extension Conference & Class Delegation	
Electronic email of RFI, RFQ, & RFP documents	Electronic email of RFI, RFQ, & RFP documents
Rental agreements	
Pre-purchase planning guide	Pre-agreement planning guide

Additional operating procedures or planned on a continuing basis. Once the two manager positions are filled (Spring 2005) it is expected this process will be on the fast track and should be initially completed by spring 2006. The nature of the Internal Operating Procedure process are living documents to be added to and revised on a continual basis, thus assuring up-to-date Best Practices.

3.14 Insurance Review and Setup

1. **Action Team:** Damian Chapman (Lead), Radhika Prabhu, Ken Woodard, Patty Strauss, Deborah Luthi.

2. **Problem:** A need has been identified to help automate and simplify the insurance review and setup. Currently if a contract or order requires insurance then a certificate of liability insurance is obtained before the contract is signed or the order placed. The amount of insurance required varies and Risk Management Services has published guidelines that campus departments and purchasing use in obtaining insurance verification. Simply, the campus community stakeholders processing RO (repair orders) in this process are having problems with the amount of time needed to gather the information along the cumbersome process due to various areas that need to be reviewed and improved.

   Three areas for improvement have been identified.

   1. Maintaining current vendor insurance. Update when coverage expires. Currently this is mostly a manual process and improvements are needed. Purchasing receives alerts through DaFIS Decision Support then completes the revision process manually.
   2. When issuing Departmental Repair Orders (RO's), departments are mostly dependent on the vendor in obtaining insurance information. Many repair vendors are new vendors and do not have insurance certificates on file with the University. This process can be time consuming and lead to delays.
   3. Lack of guidance on the type of insurance requirements a department needs to obtain from a vendor for Departmental Repair Orders (RO). Because of the complexity of figuring out the insurance requirements, some departments require either too much or too little insurance from vendors. Additionally, vendors are hesitant to request UC Regents as additional insured from their insurance broker.

3. **Additional Needs:** Not applicable at this time.

4. **Assumptions:** This process will not become automated anytime soon either as an external system or one linked to DaFIS due to the expense verses the benefits. However, there is a possibility of automating the system along with the RFx and Contract Management systems if UCD chooses to implement them in the future. An automated insurance certificate system could be included in the RFP document as a desired (optional), but not required feature.

5. **Category:**

   Training i. Internal (TI)

   Introducing a new system to campus will open up the need to train staff on using the system to obtain the information they require.

   Training ii. External (TE)

   Depending on the system campus may have to train vendors and/or the entities that supply the vendor insurance coverage on how to deliver confirmation of insurance.

   Systems iii. Technical, Long Term (STL)

   Technical support will be needed to maintain either the internal system or the links (downloads) with an external system.

Systems vi. Process, Short Term (SPS)

In the short term the processes will need to be reviewed to ensure adequate compatibilities.

6. Optional Solutions with dependencies and Critical Success Factor:

Option 1 - Use the product offered by Ins-Cert.com.

Completed:

Deborah Luthi is followed up with Bill Hartigan to get references of brokers and businesses that use the Ins-Cert.com product. She provided these to Ken Woodard. These were sketchy at best and did not represent any long term use over 6 months. Vendor's product was not used with any volume for us to make a valid determination that is a proven technology or fit for University use.

Ken Woodard followed up with UC Davis vendors and insurance brokers used by our vendors, to find out how this system would affect them. Also inquired if they are currently using any similar systems. UC Davis vendor insurance brokers were identified and questioned. Out of 18 contacted, 12 responded, and none of the 12 had ever heard of In-Cert.com; none were interested in using Ins-Cert.com's process after review the Ins-Cert.com informational materials. Additionally, none of the 12 were using another online processes.

Option 2 - Use a software product from other companies

Completed:

Ken Woodard made contact with a company named Insurance Data Services. They provide a complete online service of setting up each vendor's insurance data and keeping their coverage information up to date, for about $12/vendor/year. Using the assumption we have 1800 vendors showing current insurance coverage, it would cost UCD $21,600 per year to maintain the existing certificates. We probably do not have coverage certificates on another 1,000 or more vendors that really should have certificates on files; bringing the existing total to $$33,600 per year to maintain. It could be safely stated that we will add more insurance certificate requirement vendors in the future as UCD grows and we tweak the system. This system proposal is cost prohibited.

Option 3 – Add to RFP specifications

Issue this requirement as an "Incentive" or "Desired" feature of the RFx and Contract Management RFP to be released later this year.

Option 4 – Revise MM - Purchasing manual insurance certificate process

At least for the time being, revise the manual insurance certificate process and place all responsibility for obtaining insurance certificates on the Purchasing and Business Contracts unit. This will include certificates necessary for companies doing repair work for UC D departments. The added responsibility will lie with the Materiel Management/Purchasing Insurance Desk staff.

Option 5 – Revise Insurance Requirement/Exception Matrix

Revise Risk Management's Insurance Requirements and Exception Matrix and post it on the Risk Management and Purchasing/Business Contracts web sites.

7. **Recommendation:** Multiple players on campus have stakes in the outcome of this process improvement and all of them need to be engaged before a final recommendation is reached. The four primary stakeholder groups are:

1. Campus departmental community that hunt for the insurance information, especially during the RO (Repair Order) process.
2. Risk Management Services, since they are responsible for advising the campus on insurance requirements.
3. System owners, ensure the solution works with DaFIS if that interaction is identified as a requirement.
4. Purchasing, Business Contracts, Facilities, OVCR Sponsored Programs, OMRP – Real Estate Services, and the Office of A&E, since they require certificates from vendors prior to issuing purchase orders and contracts.

We recommend a combination of options 3, 4 & 5

Option 3 - Add the automated insurance certificate documentation process to the RFx/Contract Management RFP, which is scheduled to be issued in late 2005.

Option 4 - In the interim period, Materiel Management Insurance desk shall continue to maintain the insurance certificate files and enter timely information in DaFIS TP and the Insurance table for each vendor requiring insurance coverage. Also, this same desk will take on the new responsibility of obtaining certificates of insurance for repair vendors utilized by the campus community on an ASAP basis to accommodate the campus community repair order process. If Purchasing cannot obtain the insurance from the vendor identified by the department, then the insurance desk will help from the buying staff, will make every attempt to find other vendors with insurance already on file that meet the department's needs.

Departments will be notified by list serve message and a link on the Purchasing web site, that when an insurance certificate is required for a vendor they wish to use for repair work, the MM Insurance desk shall be contacted to process the request.

Option 5 – Bonnie Robbins (Risk Management) and Ken Woodard (Materiel Management) will work together on the revision of the Purchasing and Business Contracts Insurance Requirements and Exception Matrix. It will be posted on the Risk Management and Materiel management web sites for campus community and contracting departments use.

3.15 Confirming Orders

1. **Action Team:** J. Gregg (Lead), C. Johnson, J. Dwyer, K. Woodard

2. **Problem:** Confirming orders add additional work at Purchasing and sometimes the end user' emergency purchase order results in a confirming purchase order. The Purchasing Department processed 421 confirming purchase orders from January 2003 to February 2004. Of these purchase orders, 151 exceeded $2,500.

   PPM 350-10 states that use of confirming requisitions and purchase orders to authorize retroactively unofficial commitments made to vendors by unauthorized personnel is a violation of University policy. This policy will be updated in July 2005 to reflect current revisions.

   Departments are sometimes signing for the University. They are not authorized signers, yet they have signed agreements for consulting, professional services (e.g., CPA, attorney) and income. Yet, it has been the practice at UC Davis to allow confirming purchases of up to $500 to be paid by direct charge if requested by the departments.

   Sometimes confirming orders are actually purchase orders to the employee, which are generally reimbursements.

   The method for handling "rushes" encourages confirming orders, which circumvent the contracting system by "forcing our hand." The item is already purchased bypassing all policy requirements. While many excuses are made for confirming orders, some are legitimate. The use of confirming orders has become a workload management tool in departments. Rather than request a rush order, departments will sometimes just buy the item or service from a vendor or employee and try to pay it via a direct charge.

   Confirming orders happen when:
   - Staff and Faculty make a purchase with their own funds and seek reimbursement.
   - UC funds are committed above the departmental delegation (e.g., $3,000) and department wants a confirming order. However, most are under the $2,500 departmental delegation.

3. **Additional Needs:**
   Our faculty is not up to date with the Purchasing authorities granted to their staff or the Purchasing buyers. Confirming orders are done at other universities, especially private universities on a regular basis at various higher levels with no reprimand.

4. **Assumptions:**
   - Departments are not completely restricted by policy to the low value purchasing process. They can establish petty cash funds in accordance with PPM 330-45. The purpose of a petty cash fund is to provide a limited amount of cash, not to exceed $200, for the purchase of low-value supplies and authorized services that are not practical to purchase under the low-value purchase authorization process for official University business.
   - Staff & Faculty (not the Business Officers) may not always understand when they are doing confirming orders. They need to be educated in the basic Materiel Management (MM) Purchasing and Business Contracts processes.
   - Campus Administration and policy do not support confirming orders.
   - DOV will probably stay at $2,500 consistent with UC policy, but the equipment threshold is at $5,000
   - Procurement Card is at the $2,500 limit and will probably remain at this level for some time.
   - Department head is responsible. We should not be policing their delegations.
   - If we delegate, the department is responsible and must be held accountable.
   - Policy compliance is part of the delegation.

5. **Current Capability:** *The following capabilities exist and are in various levels of use:*

Business Contracts

- Can process "Rush" agreements upon request to avoid confirming requests.
- Will go to the dean/vice chancellor with our questions and problems regarding confirming contracts
- Will need to inform and teach departments how to work within policy
- These ideas will be incorporated in the new Purchasing and Business Contracts workshops on campus by ESS and representatives form both the buying and contracts analyst staff.

Purchasing

- Can process "Rush orders or emergency orders" to avoid confirming requests.
- Can set up high value unlimited Blanket purchase orders to handle repeat purchases
- Processes Independent Contractor Agreements
- Facility Use Agreements

These ideas will be incorporated in the new Purchasing and Business Contracts workshops on campus by ESS and representatives form both the buying and contracts analyst staff.

Departments

Our main theme here is there are existing procedures to handle purchase requests so the departments can avoid unnecessary confirming purchase requests.

- Can often times make purchase with DPO (under the $2,500 delegation limit); and higher limits for agreement purchases
- Can make purchase with Procurement Card (under the $2,500 delegation limit)
- Can contact Purchasing or Business Contracts staff to get an emergency PO or Business Agreement processed to avoid the confirming order process.

6. **Optional Solutions with dependencies and Critical Success Factor:**

Option1: Allow departments to reimburse employees for up to $200 consistent with the petty cash delegation. Hold department responsible for complying with existing policies and procedures.

- The advantages are flexibility with delegation of authority, consistency with the petty cash policy, and departments will be tougher than a central office.
- The disadvantage is that some departments may not have sufficient staff to process via the alternative methods within the "rush" timeframe expected by the PI, faculty or staff member requesting the rush.

Option 2: Allow departments to reimburse employees for up to $500, which has been the unofficial historical limit arranged by the Purchasing Manager and Accounts Payable Manager for approximately the past 5 years.

- The advantages are flexibility with delegation of authority and consistency with Past Practice.
- The disadvantage is that some departments may not have sufficient staff to process via the alternative methods within the "rush" timeframe expected by the PI, faculty or staff member requesting the rush.

Dependencies

- Business officer needs to be responsible and go to the Chair to train faculty.
- Purchasing and Business Contracts Online Guides can emphasize the policies and procedures

- Business Contracts has FAQ's
- Purchasing needs FAQ's

Critical Success Factor

- Business Officer should use and teach faculty that these exist and reference them.
- Make improvements and teach departments to teach their faculty to come to the department business officer to assist them with existing solutions.

7. **Recommendation:** The recommended solution is Option 2.

Revise policy to allow for confirming orders up to the unofficial historical limit of $500, including tax and shipping. Allow DC's that go direct to check write to be used to reimburse employees up to this limit. Announce the policy change on the DaFIS and Purchasing list servers and through DaFIS Tips. Also consider including this in the P&PM revisions to P&PM 35-10.

Confirming orders should not circumvent the DPO or strategic sourcing processes. Department business officers need to work within the system as much as possible to help their people to work through the process.

Materiel Management Contracting Services needs to publish FAQ's and other help and Guide information on the appropriate MM web sites.

MM Contracting Services Buyers and Analysts need to assist the faculty and staff and remind them of alternative ways to process rush requests and to discourage confirming requests which are against University policy.

Original receipts must be required for all confirming orders. Declarations of Lost Receipts will not be accepted. Receipts must describe all items purchased.

3.16 Delegate Quick Quote

1. Action Team: Initial Team Mike Donnelly (Team Lead); Lia Scott; Radhika Prabhu
   Revised Team January 2006: Andy Lamb, Janice King, Ken Woodard.

2. Perceived Problem: The Departments obtain prior quotes from vendors before forwarding orders on to Campus Purchasing. When a buyer in Purchasing receives the order, they may also send out a quote to the same vendor. Each Buyer has their own list of vendors and the departments do not have access to this information. Although this may seem like a duplication of effort, the fact is that the quotes obtained by the departments do not always include all of the information necessary to make the correct purchasing decisions.

3. Current Form: The Quick Quote form that Campus Purchasing now uses includes a number of pieces of information that are required for the vendor to fill out. These include: delivery lead time, F.O.B. point, payment terms, carrier, quote expiration date, warranty, and company information. All of this information is necessary for the buyer to complete an order and issues a P.O. to a vendor. This information is also critical in a buyer's evaluation of competing quotes from different vendors.

4. Solution: Since this Quick Quote Form already exists and works well for the Buyers, the form can be made available to the Departments to use. The recommendation is that it be made available on the Material Management web page as a downloadable form. This same form is currently being used by the purchasing unit in O&M Facilities.

5. Training/Guidelines: The associated training on the use of this form would be minimal, since the form is self-explanatory. Campus Purchasing has had very few instances of vendors not understanding the form. The training for the use of this form to Campus Departments could be incorporated into the DaFis training modules that are currently being offered.

   The guidelines for using this form should be included into the training piece, and be written into the web site when a download is requested. These guidelines should address: vendor selection, vendor database, approved vendors, order limits, and number of required quotes. All guidelines and training will align with the University's Policies & Procedures in regards to purchasing activities.

6. Recommendation: Encouraging the Departments to use the existing form makes logical sense. It can help in avoiding duplication of effort, it is already familiar to the Purchasing staff, and it would help streamline the purchasing process. Since the existing form works so well, there is no need to write up a totally separate form just for Campus Departments to use.

   Update the Quick Quote form to be consistent with other forms available on the Materiel Management website. Provide a reference to the University of California terms and conditions of Purchase and make the terms available for viewing on-line.

   The form can be used by Departments for obtaining multiple quotes when purchasing within their Department delegation. The additional fields on the form and reference to University terms and conditions provides for a complete procurement transaction reducing risk to the University.

   Departments can also use the form for requesting budgetary quotes from known vendors when preparing purchase requests above their Department delegation. The completed Quick Quote can then be sent to Purchasing as a Purchase Requisition attachment. The buyer assigned to the request can use the information on the Quick Quote in deciding on the most favorable procurement strategy to use based on the requested commodity and dollar amount of request.

4.0 Recommendations: Category - Training (Internal and External)

4.1 Training and Communication

1. **Action Team:** Lia Scott (TL), Jan Carmikle Dwyer, Mary Fields, Jim Hewlett, Radhika Prabhu

2. **Problem:** In summary,

   The items assigned to this group, from both Purchasing and Business Contracts, were:

   - P6.2 l - Campus communication and Training
   - P6.2 s - The criteria for sole source can be confusing to the user and many times whether the order is sole source or bid is determined after the buyer starts working on the order.
   - P6.1 j - The DaFIS training though useful does not cover all the scenarios (commodity based training needed). Training mostly covers DaFIS but there is need for policy training.
   - P6.1 l.1 - Information on the DaFIS Purchase Requisition and quotes can be conflicting and confusing at times resulting in order errors.
   - P6.1 c.3 - Need better definition of sole source and the ability to meet the requirements e.g. To test for Scrapies in sheep Federal requirements and standards is to use VANTANA products, therefore have a need to sole source.
   - P6.1 g.5 - Not clear about the definition of sole source based on the conversations with the buyers. Is it based on the dollar amount, product? Should be clear when to use Sole Source.
   - P6.1 d.6 - Need some end user training on the different DS reports that are available and relevant to them e.g. a list of commodities that have been purchased
   - BC6.2 h - Lack of consistency in:

     i. Agreements forms

     ii. Internal procedures

     iii. The BARD might come to Business Contracts office or to the Analyst directly

     iv. How Analysts deal w/each contract. Better communication consistency in negotiation of terms and same manner of follow up for each (Focus Group).

     v. Non-disclosure agreement so each analyst handles the same. (Focus Group)

3. **Additional Needs:** The Business Contracts class (through Staff Development) has been placed on hold until the reorganization is complete and the processes have been established.

4. **Assumptions:** None.

5. **Category:**

   Training:

   ii. Internal (TI)

   iii. External (TE)

6. **Recommendation:** The recommended solution.

   - P6.2 l - Campus communication and Training

i. Conducting risk assessments studies for Business Contracts, Purchasing, AP and ESS to identify the communication issues and to organize a facilitated meeting with these units to discuss the communication gaps.

ii. The consistency of communication from and between buyers, AP, analysts and ESS is being worked on by another action team. Recommend these groups be polled for risks and effects of this communication gap. This action team comprises of the following members;

AP: Andrea Arch, Tiffany Hsieh
Travel & Entertainment: Donna Nires
E&SS: Jim Hewlett
Purchasing: Merrily Whiteside, Peter Budge
Business Contracts: Nicklos White

iii. A communication protocol for system/process changes has been proposed as part of the climate survey. The communication issues identified as part of the BPI analysis have also been identified by the communication team named above. Recommend that a group of representatives from Purchasing, ESS, AP and Business Contracts be formed to develop a protocol that will be used by each of these groups. The following suggestions, based upon this action team's work, should be given to that workgroup:

- Document dependencies of other systems. A communication protocol for system changes will not succeed without this piece.
- Document dependencies of other processes/procedures. A communication protocol for procedural changes will not succeed without this piece.
- Document the process owners. There may be more than one process owner.
- Attached is a working document the group put together that will be shared with the communication team.

iv. This group recommends Dean's forums and PI group forums to address issues of compliance and their roles in same. Online PI training has been suggested outside of this group. The group has concern that there is no motivation for faculty to take such training.

➢ P6.2 s - The criteria for sole source can be confusing to the user and many times whether the order is sole source or bid is determined after the buyer starts working on the order.

i. Sole source has been added to the Purchasing 102 class. Users are shown the online form, and examples of appropriate use are covered.

ii. Confusion still exists over sole source, and was identified by the BPI Communications group as a problem. Recommend that a group of representatives from Purchasing, ESS, and Business Contracts be formed to develop additional recommendations for addressing confusion among users, buyers and analysts. The following suggestions, based upon this action team's work, should be given to that workgroup:

- Steve Frost and Alex Martin be invited to clarify the difference between sole and single source; how and when each should be used.
- Look at the existing DaFIS online sole source to recommend usability improvements.
- Internal training on the DaFIS online sole source for buyers and analysts be considered. Not all are aware that it is available or how to use it.
- That the DaFIS form be used exclusively, and the downloadable form be removed from the MM web site to lessen confusion.

- P6.1 j - The DaFIS training though useful does not cover all the scenarios (commodity based training needed). Training mostly covers DaFIS but there is need for policy training.
  i. In 2003 the purchasing classes were modified to incorporate system, policy and procedure. Only one of the focus group members have taken any DaFIS class in the past year. Most had taken training in 1997, and none since.
  ii. The group recommends that additional feedback be solicited from users who have taken the newer classes to correctly assess to the effectiveness of the current model. This should be an online survey sent to attendees of target classes during the past year.
- P6.1 l.1 - Information on the DaFIS Purchase Requisition and quotes can be conflicting and confusing at times resulting in order errors.
  i. This item is deferred pending the findings of the quote action team.
- P6.1 c.3 - Need better definition of sole source and the ability to meet the requirements e.g. To test for Scabies in sheep Federal requirements and standards is to use VANTANA products, therefore have a need to sole source.
  i. See recommendation for item b above.
- P6.1 g.5 - Not clear about the definition of sole source based on the conversations with the buyers. Is it based on the dollar amount, product? Should be clear when to use Sole Source.
  i. See recommendation for item b above.
- P6.1 d.6 - Need some end user training on the different DS reports that are available and relevant to them e.g. a list of commodities that have been purchased
  i. This service is already provided by ESS in the form of consultation and "house calls." This group recommends that these services be more widely publicized.
- BC6.2 h - Lack of consistency in:
  - Agreements forms
  - Internal procedures
  - The BARD might come to Business Contracts office or to the Analyst directly
  - How Analysts deal w/each contract. Better communication consistency in negotiation of terms and same manner of follow up for each (Focus Group).
  - Non-disclosure agreement so each analyst handles the same. (Focus Group)

  i. All issues fall into the internal practices category. It was confirmed with Ken Woodard that these items are being addressed.

Attached is a working document the group put together that will be shared with the communication team.

Change Types

Category	Sub Category	Communication Recommendations
Internal Procedure	A&FS wide (all units reporting to Mike)	Example: travel expense Who does it affect?
	Division/unit	
Internal Policy	A&FS wide	
	Division/unit	
Campuswide Procedure	A&FS originated	
	Campus originated	
	UCOP originated	
Campuswide Policy	UCOP originated	
	Campus originated	
	A&FS originated	
New System	Global Use	
	Limited Use (targeted)	
Personnel/Units	Change in Responsibilities	
	Change in People	
	Reorganizations	
System Change	Bug Fix	
	Enhancement	
User Support	Web sites	
	Documentation	
	Classes/training	
	Help Desk	
	User resources	

Target Groups

Group	Examples
Campus	All employees All staff Business staff All business officers Focus group Customer Advisory Team UCDHS Physical campus units Field stations Students Faculty Security committee/council
Administrative Units	OVCR Planning & Budget Provost/Chancellor
A&FS Units	Individual units
UCOP	
External entities	Vendors Government entities Funding agencies

Current Communication Methods

Method	Examples	
E-mail Lists	DaFIS List DaFIS User List PPS List Purchasing List Directives List A&FS All	
Targeted e-mails		
Meetings	Team Division Sr. Staff CAT (main and subcommittees) One on one	
Forums/workshops		
Phone		
FAX		
Classes		
Consultation visits		
Publications	P&PM Dateline Pamphlets SDPS catalog Administrative Responsibilities Handbook	
Web Sites	A&FS sites My UCDavis OOA web site	
Help Desk		
Systems	Help Messages/errors	
Decision Tools	Decision trees Q&A guides	

Note: Senior Staff meetings have updates on the agenda, but are often missed. Changes to policy, process and procedure should be a standard item on the agenda.

Potential Communication Methods

Method	Examples
Online Bulletin Board	Community posting area One-sided posting area (e.g. by A&FS only)
E-mail Lists	OOA List Chancellors list Faculty Lists (academic senate, federation) Staff Development
Publications	Spirit

Examples:

Storehouse system broken by addition of a new field in the vendor table, 8/3/04
- System change, enhancement
- Internally driven (originated within a division of A&FS)
- Target groups not identified (dependency on documentation of system dependencies)
- Responsible party (owner) not identified

Confirming orders over $500 is not written anywhere public
- Policy and procedure change, campuswide
- Internally driven (originated within two divisions of A&FS)
- Target groups weren't identified
- Was communicated as it occurred (e.g. document disapproved)
- Dependency is that it should be publishable, or it should not be a requirement

Davis city sale tax changes
UCDHS AP taking over entertainment and travel processes
NPA/payment handling for contracts and leases

Questions/Decision Points:

- What category does the change fit? If none, don't proceed. (List)
- Who is the owner of the change?
- Who is process owner?
- What are the target groups? (List)
- Are there any dependencies documented for this change?
- Is this a completely new process/functionality?
- Does it change an existing process/functionality?
- Will it change the way campus does a process?
- Will it change the way campus sees their transactions (e.g. ledger)?
- Will it require any planning and/or setup by the "end user"?
- Who are the major "users"? (What data can we use? DS)
- Have you checked the documented dependencies?
- Who uses the system/process?
- Who is affected by the system/process? (ex. Approvers, those being reimbursed)

Is it one of these kinds of changes?
Who is the owner? Who knows?
Who needs to know?
How to reach all of the target groups?

BPI Communications Sub-Committee (Nicklos White, Peter Budge, Merrily Whiteside, Donna Nires, Tiffany Hsieh, Andrea Arch, Jim Hewlett)

ESS Question & Answer Tip Sheet
Questions most asked by Purchasing customers:

Question	Final Answer
Status of PO? Status of my order?	For the present, departments with the PR number can check the routing or find the buyer's name by going to DaFIS TP, the drop-down menu Inquires, then select Purchasing, then PR Query, insert your PR number and click search. If the PR has been assigned you can contact the buyer for a status either by telephone or email. If the PR has not been assigned, check the routing to see if it is still at your account manager delegates or out for ad-hoc routing for approval. If it has been fully approved for more than one day, you can contact the Purchasing Team Leader at http://ucdmm.ucdavis.edu/Purchasing/Team_Assignments_Commodities_Agreements.xls. Team Leaders each have a set of general commodities that their team processes. Under the Business Process Improvement (BPI) project we are recommending an electronic status solution that will be updated continuously throughout the buying process.
What commodity code to use?	Contact ESS for the appropriate commodity code. Under the BPI process ESS is reducing the commodity code list down to a manageable number. This list will be posted on the ESS web site for departmental reference and use.
Who handles this request (business contracts or purchasing)? Where does this request for service go? Purchasing or Business Contracts?	Under the present system, you can go to the Purchasing Web site http://ucdmm.ucdavis.edu/Purchasing/Team_Assignments_Commodities_Agreements.xls to find the list of services handled by Business Contracts – Services and Business Contracts – Agreements. The Service Team handles services that must be executed by a purchase order and the Agreement Team those that must be processed on a business agreement. In the future when Business Contracts is brought into DaFIS TP, it will be transparent which team will process your request. We will receive it electronically in DaFIS and the team leaders will assign it electronically to the appropriate group and team member. You will be notified electronically of the staff professional processing your request.
How do I 'initiate' the request process? How do I process DPO, PR, PO or DPO?	Requests for purchases of supplies, equipment and services must be routed through the DaFIS purchasing system using the appropriate documents. Low value (Departmental Purchase Order – DPO) supplies and some services can be purchased from existing contracts (negotiated agreements on the Purchasing web site to the stated limit) or from any vendors (up to the $2,500 limit) by using the DPO document. High value supply (over $2,500), equipment and service orders are purchased using the purchase requisition document. The purchase requisition document is approved by your account manager in DaFIS and routed to the Purchasing Department for processing by a professional buyer. See P&PM Sections 350-10 http://manuals.ucdavis.edu/ppm/350/350-10.htm , 350-21 http://manuals.ucdavis.edu/ppm/350/350-21.htm & 350-25 http://manuals.ucdavis.edu/ppm/350/350-25.htm for further information. Information on how to obtain and use the UC Davis Procurement Card up to $2,500 per

	vendor per day is available at http://manuals.ucdavis.edu/ppm/350/350-22.htm .
How do I pay multiple invoices on the same PO?	A DaFIS Vendor Invoice (VI) will need to be initiated for each invoice received from the vendor against the PO document. When you have made the last payment be sure to check the box "Paid in Full". If the PO contains a quantity of 1 on one line item, and if you wish to pay only a percentage of that item on a progress or proportional payment, the percentage of the line item must be paid by adjusting the quantity to be less than '1' (for example: .50 would be entered in the quantity on the VI if only half the payment needs to be made on one VI). Then when you complete the last payment, check the box "Paid in Full".
Why can't you notify me before you cancel my requisition document?	Generally, the buyers do give notification to departments before canceling purchase requisitions. However, when the department processes a DaFIS PR as a Specific Order request when it should come over as a Blanket Agreement request or visa versa, our control desk has to cancel the Specific PR, and have the department template it as a Blanket or visa versa in order for us to process the transaction correctly. Unfortunately, until we can fix this issue in DaFIS (expected sometime in 2005) we have to use this workaround.
Can we increase the value on the PO or pay the vendor more? Who does my change order?	Their may be situations when increasing the value of a PO is acceptable and justified. These may include an unforeseeable expansion of the scope of work or a decision by the department to purchase a larger quantity of product or services. The procedure would be for the department to send an email of instructions and justification for the change, to the buyer of record for the purchase order. IF the request is clearly for new product or services, the buyer will instruct the department to submit a new PR. The buyer who processed the original purchase order would be the contact for any change order to the PO document. If the buyer happens to be out of the office, and the change order must be processed immediately, then the buyer's team leader should be contacted for assistance.
Why should I have to do this way?	Present Purchasing policy and procedures are a result of years of experience in higher educational business practices. We must operate within the State and federal laws and regulations governing public institutions. We attempt to keep up with changes in the industry including technological changes to systems and practices. Generally, actual procedures and practices are reviewed systematically for areas of improvement, simplification, and best practices. Unfortunately, sometimes we don't have the funding readily available to initiate the latest technology that could simplify an existing process. Additionally, since Purchasing procedures are only a part of the process of any given transaction, we must consider the entire process, which may include working within the Accounting, EH&S or other departmental processes to complete a given transaction.
How do I do e-sole source? How can I buy what I want from the vendor I	An electronic sole source document can be created in DaFIS TP from the Purchase Requisition (PR) document screen. Double click your mouse on the Sole Source ID. Button in the second column. Then single click the Create SSJ button in the lower left hand corner of the pop-up screen. This will take you to the Sole Source creation screen on the web. You must use your Kerberos login and password to enter the web site. There you will create your sole source document. Just follow the on-screen directions. Remember, any person involved in the decision for the sole source must also complete a disclosure statement. These individuals do not have to be DaFIS users as the sole source and disclosure statement documents are web based. Generally for minor supply purchases you can use your vendor of choice up to the $2,500 delegation limit of your DOV delegation. All University staff should use prudent buying procedures to obtain supplies and services at the overall lowest price from a responsible

want?	vendor. You may obtain pricing from different vendors to arrive at a reasonable price for the items you choose. Remember, the money you save by checking out various vendors' pricing may be used for other needs within your department. This is not to say your time is not valuable, just consider the time spent when checking out pricing. If you have to process your order through the Purchasing department due to policy, i.e. equipment orders or services, you can be sure we will weigh the value of the product or service with the price and cost of our effort to find you the best deal. These are all factors we consider. Our job is to find you the best products and services that meet your requirements at the best price and within your delivery requirements. We include product and service quality and reputation, warranty and cost as factors to consider. As a public institution we are expected to competitively bid to all known suppliers wishing to participate in our purchasing program. Most of the funding we are responsible for is public funding from the state and federal government.
PO is closed. How do pay?	You can contact the buyer of record to re-open the PO so you can pay any additional invoices. This can be accomplished easily via email.
How do I handle credit on PO? (exchange	Credits can be handled with the Credit Memo document found in the Accounts Receivable document section in DaFIS TP. Please be advised that this document does not affect the amount of money available in the Purchase Order, and may necessitate a Change Order be processed by the buyer of record.
Reimbursement of an employee for purchase >$200 How can you reimburse employee for purchasing over $5000	Employee Reimbursement under $200: This can be accomplished through the use of a departmental petty cash fund if available, or through the use of the Direct Charge (DC) document. In either case the employee must document the expense with copies of invoices or sales receipts. Credit card statements are not sufficient documentation for this process. Employee Reimbursement over $200: This must be processed as a confirming purchase order made out to the employee. See P&PPM 350-10, III. For specifics. As University policy states, employees shall not purchase items with their funds and expect automatic reimbursement from the University. All instances shall be investigated separately and a decision made by the Dean or Vice Chancellor along with Purchasing management as to whether or not the purchase shall be reimbursed according to policy. Faculty and staff are expected to understand the purchasing process and shall use that process to purchase items and services according to policy. If an emergency arrives that dictates an exception to policy, this will be considered by Purchasing management on a case by case basis. You can contact any of the Team Leaders in Purchasing for assistance at: http://ucdmm.ucdavis.edu/Purchasing/Team_Assignments_Commodities_Agreements.xls
Can we get the $$ value of a PO increased and the PO reopened to pay vendor?	We will not open PO's to allow you to add additional items for the sake of simplification of your buying processes. If the PO is relatively fresh and the price or quantity has increased due to unforeseen circumstances, i.e. need 10 pieces of lumber instead of 8, we will open the PO to accommodate this action. Depending on the circumstances, the buyer of record is able to re-open the PO. This decision is made by the Buyer. They should be contacted by telephone or email for consideration.

Agreement Issues: Can't find agreement VI processing against agreement Is a contract ready for payment?	 Agreements can be searched for by using the TP Purchasing Agreements inquiry or the Decision Support query #34. In TP, go to Inquiries (pull down menu), then select 'Purchasing', and then select 'Agreement Lookup'. Departments must first issue DPO's against an agreement by inserting the agreement number in the agreement field of the DPO. When you process the VI document, insert the DPO number in the PO field. Purchasing agreements are ready for payment if they are currently in effect (issued to the vendor), the document initiator's organization and commodity codes have been entered into the agreement table and the department has issued a DPO against the agreement. Follow the VI process above to make payment against the DPO document.
Vendor billed different price	Payments must match the purchase order. Departments are to contact the vendor and obtain a credit memo or new invoice for the correct amount. The DPO or PO document is the document of record. The vendor cannot charge you anymore than the DPO or PO amount unless agreed to by you for the DPO, or the buyer in the case of a PO. Also, a Change Order must be issued to revise the amount of the PO.
Vendor billed for product not received/wrong	Department is to notify the vendor of the problem. Vendors should provide a return shipment authorization for the incorrect shipment, a credit memo for same if invoiced and paid for, and then ship and bill the correct item.
Use VI or DC to pay purchase orders?	Vendor invoice is the correct document for making payments against the purchasing documents. The direct charge document is not a purchasing document and is not to be used to make payments for purchase orders.
How do I do a change order?	Departments request change orders to existing purchase orders by contacting the buyer via email. The request should include specific information on the change, i.e. quantities, changes to product, or delivery. You must also state the reason for making the change. The buyer will make a decision if a change order is the correct method for the transaction.
Is the equipment threshold $2500 or $5000?	The equipment threshold is $5,000 and above. However, the delegated limit for purchasing supplies on a departmental purchase order is $2,500, unless it is against a departmental blanket agreement or a campus/UC system wide agreement with a higher delegated limit for supplies and services only. All orders for inventorial equipment items shall be processed through the Purchasing Department.
Error messages explanation requests	Use online DaFIS help.
How to change my acct or object code	Changing accounts existing in a purchase order requires the department to initiate and Redistribute Purchasing Liens (RPL) document.
Incorrect remit to address	The remit to address can be corrected on the Vendor Invoice (VI) document.
How do I pay for a Business	When a Business Contract is processed for an expense type agreement, a Non Purchasing Agreement (NPA) is created in DaFIS under the agreement number assigned

Contract	by the BC staff. You must use the DaFIS Vendor Invoice (VI) document against the NPA agreement number in DaFIS TP. Do not use the Direct Charge (DC) document.

4.2 BPI Communications Initiative

1. Action Team:

Lead: Mike Allred, Ken Woodard, Lia Scott, , Nicklos White, Jim Hewlett; Merrily Whiteside; Peter Budge; Donna Nires; Tiffany Hsieh; Andrea Arch, Cyndy Johnson

2. Problem:

Failure to have active and thorough communications between A&FS units, especially Purchasing, Business Contracts, & Accounts Payable. Departments are sending customers back and forth assuming the other unit to solve the problem. This is extremely confusing to our customers and demonstrates lack of process knowledge and confidence of staff.

3. Additional Needs:

The A&FS units need to take the initiative to communicate with each other and learn basic problem resolution solutions from each area. Only through understanding of each area's roles can the other areas perform their duties to the fullest.

4. Assumptions:

The assumption is that many of the staff within these units do fully understand the missions of their sister units and how they play a role on campus. They need to concentrate on understanding all the A&FS unit missions as they relate to the Principles of Community. The units are not working together as they should to solve issues for our customers.

5. Category:

- Training:
  1. Internal (TI): Internal communications training to be provided by supervisors and managers.
  2. External (TE): There may be staff development classes that can broaden the staff's knowledge of university policy or communication skills.
- Systems:
  1. Technical, Long Term (STL): Can communicate via email and telephone for the best results. Telephone and computer skills need to be enhanced.
- People:
  1. Org Structure and Staffing (PO)
  2. Roles of People (PRP): Individual staff in all areas may not fully understand their roles and responsibilities when it comes to providing excellent and efficient customer service.

Optional Solutions with dependencies and benefits/measure:

- Option1: Prepare narrative answers to common help questions for Purchasing, Business Contracts and Accounts Payable. Also, provide names of managers, supervisors and/or staff that can be contacted by ESS to answer new inquires as received by the Help desk.
  1. Dependencies: ESS needs to provide listing of regular customer questions. Contracting Services and Account Payable units need to provide complete and up to date answers to the questions.

2. Benefits/Measures: If kept up to date, this will shorten the time to get back to the customer with the correct answers.

- Option2: Bring the staff of Contracting Services (Purchasing & Business Contracts) together for a role playing exercises provided by managers of the units with the assistance of OOA Marion Randall.

  1. Dependencies: Managers and Supervisors must be willing to prepare real life scenarios for role playing exercises to drive the message home. These should be both negative and positive examples for real life effect.
  2. Benefits/Measures: By real time role playing staff can visualize solutions and their impact on the situation at hand.

6. Recommendation:

Both options 1 and 2 have been deployed:

- Ken Woodard has provided standard questions and answers to the questions for use by the Help Desk personnel. Also have provided a list of Purchasing and Business Contracts contacts for a resource to obtain answers to questions received by the Help Desk.
- Management brought the departmental units together in a role playing exercise with the managers, supervisors and members of Educational Support Services. Moderator was a member of OOA Staff, Marion Randall.
- Learning process was accomplished in two sessions. The first session consisted of 7 individuals to a table without supervisor role playing. Staff did not connect well and unfortunately this process did not drive the message home. We still had individuals giving out incorrect information and passing the customer from unit to unit without resolution.
- In the second session we had supervisors' role play from a script. This seemed to be more visual and dramatic, easier for staff to relate. Further discussions showed evidence of a better understanding by all staff. Staff communication skills should be monitored on a regular basis in the field by managers and supervisors. Discussions relating to customer services should take place in unit meetings along with methods and internal operating procedures to deal with problem resolution.

4.3 Mailing of Checks

1. **Action Team:** J. Gregg (Lead), K. Woodard

2. **Problem:** *The improvement area or problem statement*

   At times when checks are received at Business Contracts and depending on the department's insistence, the checks are mailed out to the departments. Mailing of checks to department is against policy 330-55. These checks sent to Business Contracts are most frequently sent by 2nd party contractors.

3. **Additional Needs:** *Any other requirements that should be considered. If none, mark as not applicable.*

   PPM 330-55, paragraph 3.B.5) states "Collections by a cashiering station shall be recorded upon receipt. Under no circumstances shall checks be routed to other offices to obtain recording data information. When account distribution cannot be readily determined, the check should be sent to the Main Cashier's Office. A "Cash Received Undistributed" recording will be made and a copy of the check (in lieu of the check) will be distributed to appropriate offices for reference to determine account distribution."

4. **Assumptions:** *Any assumptions made as part of the recommendation findings. If none, mark as not applicable.*

   Accounts Payable also receives checks sent by departments. Their practice is to deposit the checks into cash undistributed account using a Statement of Cash Collections and contact the departments for information on where to transfer the money.

5. **Category:** *Select the main category*
   Training**: **Internal (TI)

6. **Optional Solutions with dependencies and Critical Success Factor:**

   Option 1 – Comply with PPM 330-55.

   Dependencies – UC Davis policy is based on UC Business & Finance Bulleting BUS-49 which also prohibits routing remittances to other offices to obtain recording information.

   Critical Success Factor – All remittances received are deposited timely and accounted for properly.

7. **Recommendation:** The recommended solution.

   Business Contracts should no longer mail checks to the departments. They should stamp checks with a restrictive endorsement immediately upon receipt, obtain deposit information contacting the department or General Accounting or reviewing the contract. Deposits should be made in accordance with PPM 330-55 to the proper account or the cash undistributed account.

   Note: Business Contracts has stopped sending checks to departments and sends them all to the Cashier's Office.