

| <i>Agenda Item and Notes</i> | <i>Owner(s)</i> | <i>Action Items & Assignments</i> | <i>Comments / Follow-up</i> |
|---|-----------------|--|-----------------------------|
| 1. Logistics, Ground Rules, & Introduction | | <ul style="list-style-type: none"> • None | |
| 2. Project Timeline | | <ul style="list-style-type: none"> • None | |
| 3. Workshop Objectives | | <ul style="list-style-type: none"> • Review and discuss the current or <u>As-Is Business Processes</u>: <ul style="list-style-type: none"> • Which helps to drive out the <i>business requirements</i> • As well as the <i>integration points</i> with other processes • Define <u>Master Data – Info Record, Source List, Quota Arrangement, Condition Records</u>: <ul style="list-style-type: none"> • Address key integration points • Support organizational requirements • Consistent and appropriate use of data fields • Define <u>Future or To-Be Business Processes</u> based on: <ul style="list-style-type: none"> • Best Practices inherent in SAP • Intellectual capital from other SAP implementations • State business requirements • Identify <u>Development Requirements</u>: <ul style="list-style-type: none"> • <u>Forms</u> • <u>Reports</u> • <u>Interfaces</u> • <u>Conversions</u> • <u>Enhancements</u> • <u>Workflow</u> • Understand and communicate any <u>Organizational Impact / Enterprise Readiness Challenges</u> • Gather system <u>Security Authorizations</u> and State-wide <u>Training Requirements</u> • Review State of Louisiana As-Is Glossary • Overview of SAP Info Record, Source List, Quota Arrangement & Pricing Conditions • Concepts of SAP info Record, Source List, Quota Arrangement and Pricing Conditions: <ul style="list-style-type: none"> • Creation of Info Record, Source List, Quota Arrangement, Condition Record • Change Info Record, Source List, Quota Arrangement, Condition Record • Flag for Deletion Info Record, Condition Record • Live SAP Info Record, Source List, Quota Arrangement, Condition Record • Key Decisions <ul style="list-style-type: none"> • Number Ranges • Updates of Info Records | |
| 4. Business Process Review | | <ul style="list-style-type: none"> • None | See “Discussion” below. |

5. Action Items

- Identify OFPC systems referencing sub contractors
- For playback/validate think OCPY RCPY KCPY
- Realistic Price Estimate on Requisitions
- Is applicable source list date determined by current date, PO date, or delivery date? (Sudhir)

Discussion:

AS-IS Discussion

The state uses minimum quantity restrictions such that some items have certain quantity pricing. Some items can be purchased at quantities less than specified. These types of situations are considered price breaks or scale pricing in SAP.

TO-BE Discussion

A Source List is a link between a certain material and a vendor. The source list functionality exists to form an automatic link so that the end user does not have to make the decision on which vendor to use. A source can contain references to multiple vendors for a particular material. Vendors can be individually "blocked" for the material on the source list.

Info Records are considered Master Data in SAP. Info records connect the Vendor to a particular material (in a particular Purchasing Organization) to store information about that relationship (i.e. pricing, delivery, etc). Info Records can also be created for a particular material group (UNSPSC) as opposed to a material master item. Info Records can be managed at the Purchasing Organization level or the Plant level. Certain plants can be configured one way whereas the rest of the applicable plants can be configured differently in the same Info Record.

The information from Info Records can be found in the system by running reports, but an Info Record provides that data for the end user during the transaction without that end user having to run reports on previous history.

DOTD tracks subcontractors in a separate system. The topic of subcontracting was raised during this session due to "Subcontract Info Records". Subcontracting Info Records are used in instances of "tolling" where the client sends parts to a subcontracting vendor to assemble the parts and return the assembled part to the client for use or sell.

Se-Hi vendors should be indicated in SAP to allow for reporting on projects/\$ from the state. A suggestion was made that this information be captured in the vendor master record.

A source list is a list of vendors for a particular material that purchasing has elected to use. When an item has a material master in the system, an end user would like to purchase it, and a contract does not exist, the system will propose the vendors on the source list for that item. The pricing for that item from a vendor on the source list will default in from the info record if one exists. The source list exists to help automate the purchase of materials. If a material master has the flag for the source list turned on, the vendor on the PO must be listed on the source list. If the vendor is not listed on the source list, the system will not let you proceed with the PO. A source list is NOT required in the system. If the source list flag is not turned on in the material master the vendors on the source list and any other vendor can be used on the PO.

The state will need to have the functionality to create POs in the current year (dated for a future year) that will hit the budget in the future year. The state will also need to have the functionality to encumber funds on a PO that is being created in the current year and should hit the budget in the current year. SAP will propose solutions that will accomplish both of these functions.

Pricing Conditions are attributes that are maintained by the State to determine pricing calculations (i.e. gross price + surcharge – discount, etc). Pricing Conditions are usually applicable to predetermined net prices. Conditions can be stored for one or all of the materials supplied by the vendor. Conditions can restrict users from

ordering certain units of measure from a vendor (i.e. the end user is only allowed to order in "crates" or "pallets", not "each"). The Pricing Conditions are accessed by the Requisition or Purchase Order (through the Info Record or Outline Agreement) to determine the total price of the material ordered.

Pricing Scales are found in the Pricing Conditions of an Info Record and Outline Agreement. Pricing Scales refers to prices that change based on an increase in quantity. (i.e. Qty 1-100 Price = .50, Qty 101-200 Price = .48, etc.) Once the quantity is entered on the Requisition or the Purchase Order, the system will reference the Pricing Conditions of the Info Record or Outline Agreement to confirm that scales exist. If the scales exist, the appropriate pricing will be defaulted on to the Requisition or Purchase Order.

Key Decisions

- Info Record Number Ranges will be internally assigned and SAP recommended number ranges will be used

Organizational Impact

-

Parking Lot

- Minimum Order Quantity Restriction (eCat)
- Open ended requirements contracts
- Renewal Options for contracts
- Investigate consequences of blocking vendors from source list and plant level
- Warehouse Related: Items over \$5,000 will have PO approval to determine if item is asset or not (asset class will be determined at this time). Assets \$1,000-5,000 will not be noted on PO as asset but a report will be ran daily to determine if items are assets.

FRICE-W

- Interface with DOTD subs and OFPC systems referencing sub contractors
- E- Capture \$ with SE-HI and Fed Title VI Vendors and Sub Vendors
- E- Hold the Encumbrance of a PO for a future Date and/or hit the appropriate fiscal year budget
- E- Creation of future fiscal year requisitions (No Pre-encumbrance)
- E- Batch Load/Posting of encumbrance to held encumbrance PO's
- E- Ability to view warehouse on hand inventory quantity through the shopping cart in SRM (possibly a BW report – per Adam)
- W- The State will need approvals after MRP runs

Integration Points

-
-