



RFQ Approvals and WF
LOG-MM-016
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LaGov

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Today's Workshop Objectives

- Review Current RFQ Approval Process
 - Commodity
 - Construction
 - Professional Services
- Capture Approval Decision Attributes For Purchasing RFQs



Today's Workshop Objectives

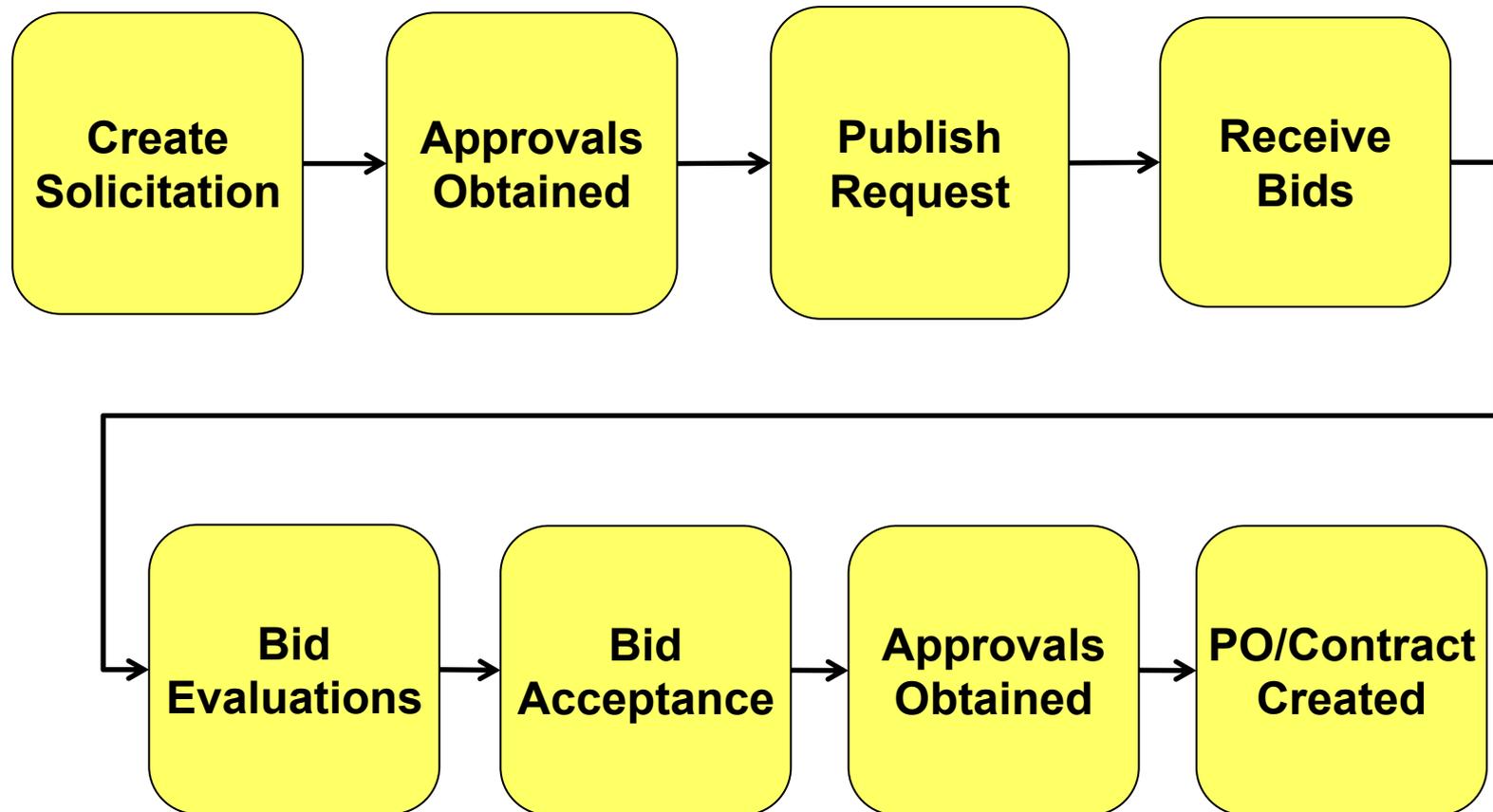
- Review Glossary
- Overview of SAP Workflow Approval Functionality



As-Is Overview



High-Level RFQ Approval Process – Commodities





Agency RFQ Approval– Commodities

	≤ \$1000	>\$1000, up to & including \$2000	>\$2,000, up to & including \$5,000	> \$5000, up to & including \$10,000	> \$10,000, up to & including \$20,000	> \$20,000, up to & including \$25,000	> \$25,000
DOC	End user makes purchase & issues confirming P.O.	End user gets 3 phone/fax quotes. DOC approves. End user creates order	End user sends requisition to DOC purchasing. DOC purchasing assigns req. to a buyer by commodity. Buyer issues solicitation & posts to LaPAC. Bid out at least 3 days. Bids returned via fax. Buyer awards and issues P.O.(s). Award reviewed and approved			Send to OSP	
DHH	End user makes purchase & issues confirming P.O.	End user may request & be granted permission to handle. Not routine. User obtains 3 phone/fax quotes & sends to DHH Purchasing. DHH Purch. Approves & issues P.O.(s).	Send to DHH Purchasing			Send to OSP	
		End user sends requisition to DHH Purchasing. Req. is directed to buyer by agency. Buyer creates solicitation in AGPS. Solicitation is approved. Buyer posts to LaPAC. Bids are out at least 10 days. Buyer makes award. Award is approved & P.O. issued.				Send to OSP	



Agency RFQ Approval – Commodities (continued)

	≤ \$1000	>\$1000, up to & including \$2000	>\$2,000, up to & including \$5,000	> \$5000, up to & including \$10,000	> \$10,000, up to & including \$20,000	> \$20,000, up to & including \$25,000	> \$25,000
DSS	End user makes purchase & issues confirming P.O.	End user may request and be given permission to handle. If so, they obtain quotes in accordance w/ Small Purchase procedures. Send requisition & quotes to DSS Purchasing. DSS Purchasing approves & issues P.O.(s)			Send to OSP		
		End user sends requisition to DSS Purchasing. Req. is directed to buyer by agency. Buyer creates solicitation in AGPS. May or may not post to LaPAC. Bids sent & received by fax (3 days) if < \$2000; If > \$2000, bids by mail (21 days). Buyer awards & issues P.O.(s)					
DPS	End user makes purchase & issues confirming P.O. if w/in user's DPA; Otherwise, gets 1 quote and sends requisition to DPS Purch., who approves & issues P.O.	End user obtains 3 phone/fax quotes End user sends requisition & quotes to DPS Purchasing. DPS Purchasing award & issues P.O.	End user sends requisition to DPS Purchasing. Requisition assigned to buyer by agency. Buyer creates solicitation in AGPS. If > \$10M, they post to LaPAC & leave out 14-21 days. Bids received by mail. If not > \$10M, bids by fax and left out 10 days. Buyer makes award & issues P.O.(s)			Send to OSP	



Agency Solicitation Processing – Commodities (continued)

	≤ \$1000	>\$1000, up to & including \$5000	> \$5,000, up to & including \$25,000	> \$25,000
DOTD	End user makes purchase & issues confirming P.R./P.O. if w/in user's DPA or submits invoice for payment using SSI (Standard State Invoice); Otherwise, gets 1 or more quotes and sends requisition to DOTD Purchasing, who issues P.R./P.O.	Some Districts are granted permission to procure at their level for commodities that are not restricted. If so, end user obtains 3 phone/fax quotes. & makes awards. <i>Bid process and/or award is reviewed & approved.</i> End user can send requisition to DOTD Purchasing who obtains 3 phone/fax/email quotes & makes award. . DOTD Purchasing awards & issues P.R./P.O.(s) if they bid; otherwise agency awards & issues.	Send to DOTD Purchasing <i>Solicitations may be reviewed prior to issuance. All awards are approved prior to issuing P.O.</i>	Send to OSP if Non-Exempt; Otherwise DOTD Purchasing handles



Solicitation Process Approvals – Commodities

Manual (offline approvals):

- RFP's (under Procurement Code)
 - Approval of RFP document prior to issuing
 - Approval of recommendation for award
 - Approval of final contract (Director of OSP)

- IT Purchase (Hardware, hardware maintenance, software, software maintenance) > \$100,000:
 - Procurement Support Team (PST) review of solicitation document
 - PST review of award recommendation



Solicitation Process Approvals – Commodities AS-IS

System approvals that build to OSP:

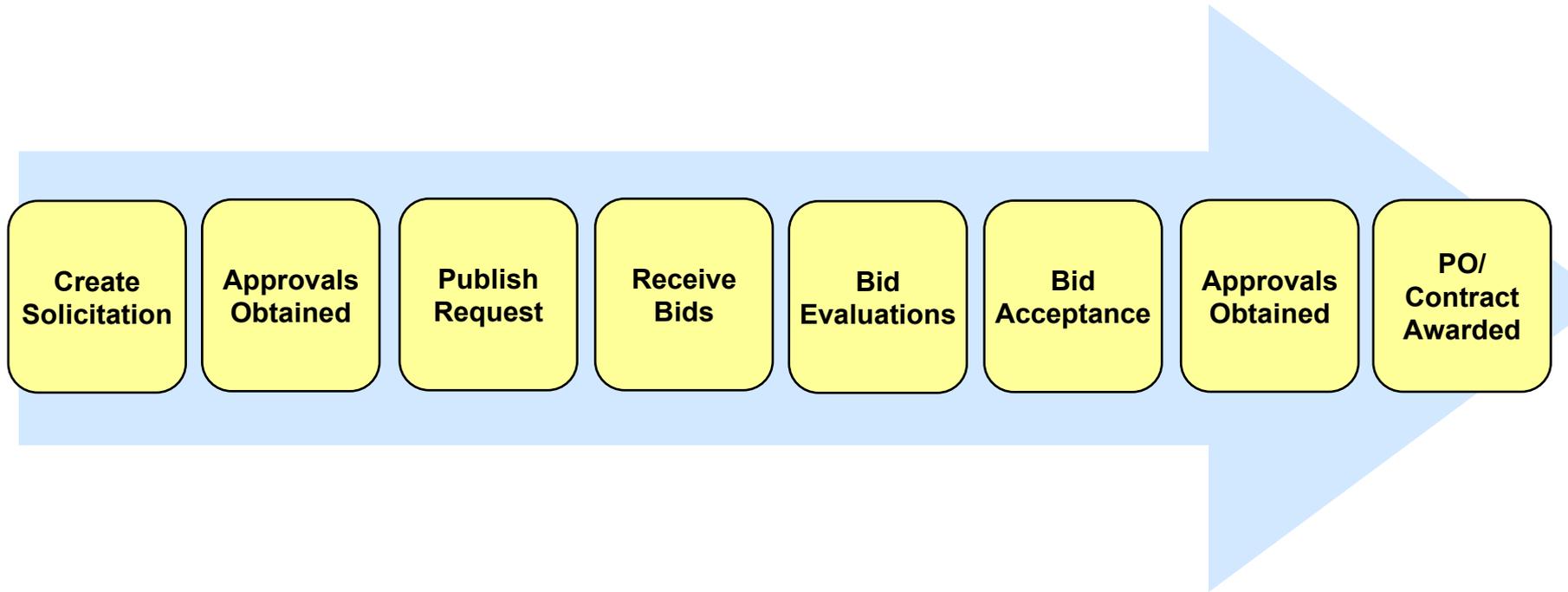
- Competitive purchases bid by an agency that exceed agency's DPA:
 - Agency's purchase unexpectedly exceeds its DPA
 - Agency has been given prior delegation by the Director of OSP to bid a particular purchase
 - Agency has been given a delegation for certain commodities for resale by the Director of OSP, regardless of the amount (e.g., Canteen resale items bid by DOC). No OSP review required.

- Non-competitive purchases that exceed an agency's DPA:
 - Sole Source
 - Purchase made pursuant to Small Purchase Executive Order
 - Used equipment purchase (if w/in DPA, still requires approval, but approval is obtained manually (offline))

- Commodity-based approvals (e.g. IT Software, Software Maintenance, and Hardware Maintenance purchases greater than \$100,000)

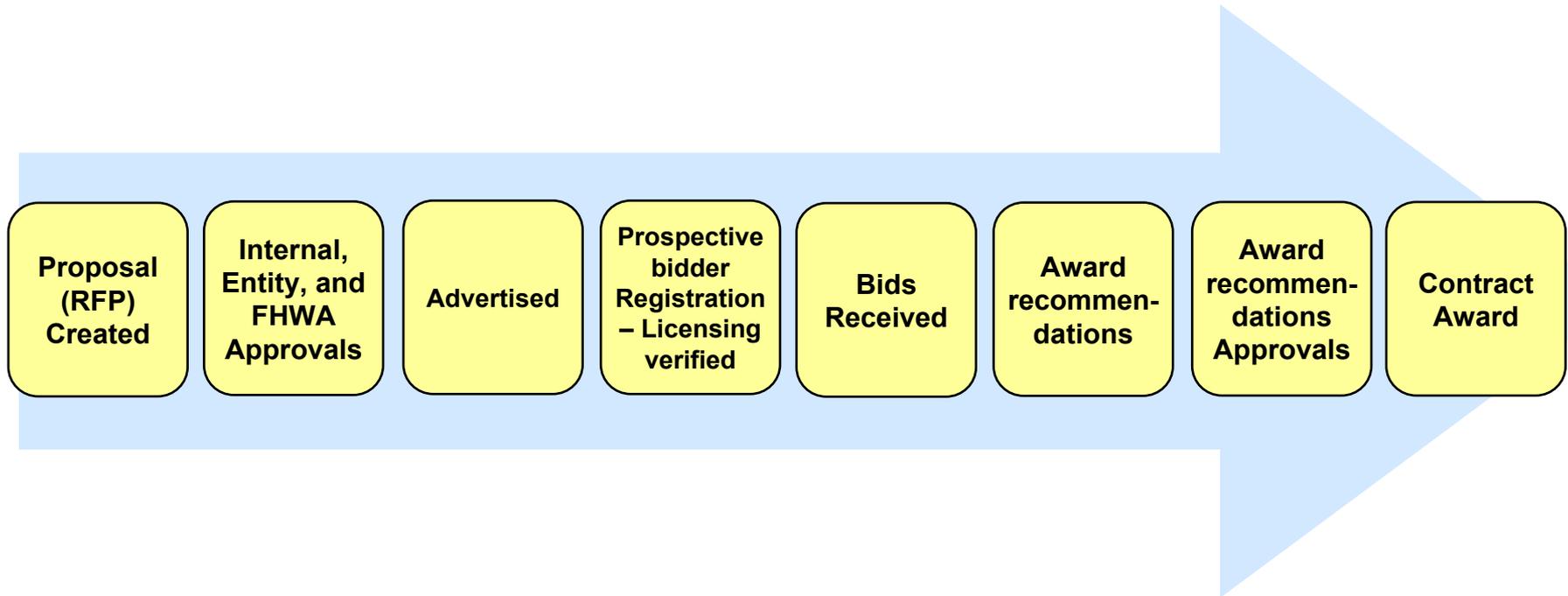


DOTD High-Level RFQ Approval Process – Commodities



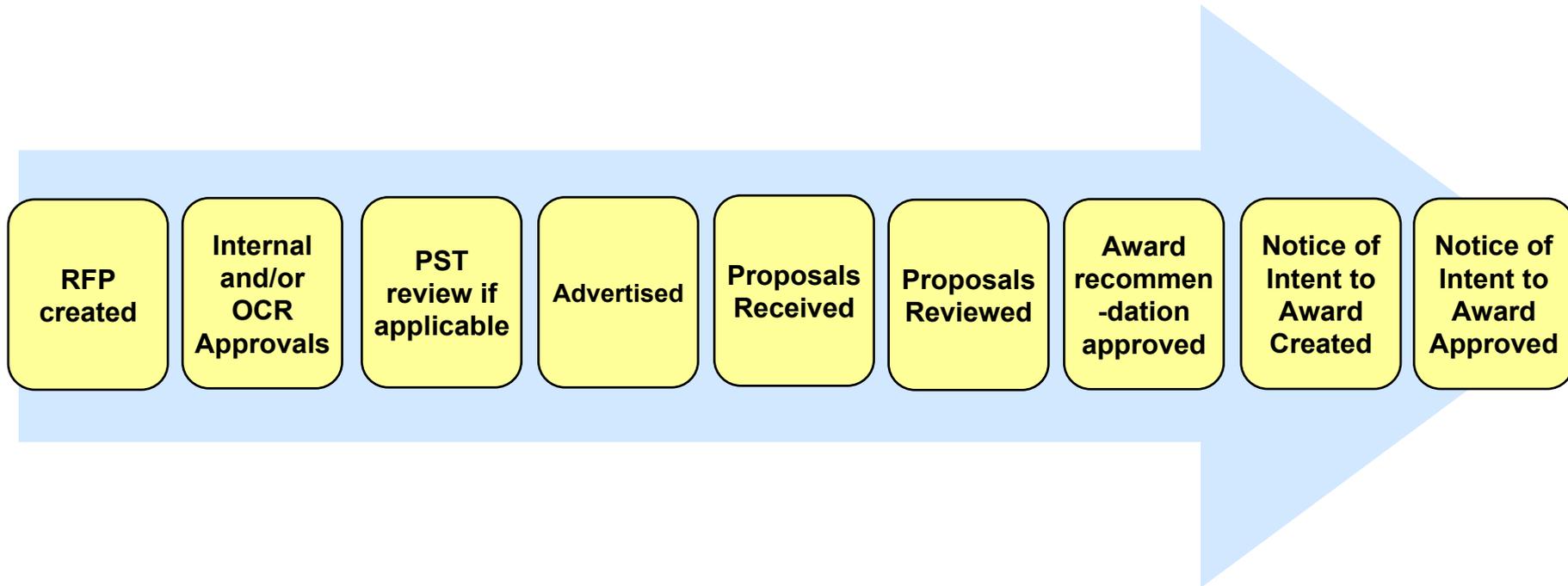


DOTD High-level RFP Approval Process for Construction





High-level RFP Approval Process for Services





SAP Concepts



SAP Glossary

- **Attribute** – A property or value that describes and defines an object or an entity in detail (blonde hair, blue eyes, 5'2" tall, 120 lbs...are all attributes of a human)
- **Client** – A grouping or combination of legal, organizational, business and/or administrative units with a common purpose; a self-contained unit in an SAP system with separate master records and its own set of tables ("The State of Louisiana")
- **Company Code** – This level represents an independent accounting unit within a client. Each company code has its own balance sheet and its own profit and loss statement. Example : a subsidiary company, member of a corporate group ("The State")
- **ECC** – Enterprise Central Component (the core SAP system where financials and most logistics transactions are processed)
- **Matchcode** – A search technique which enables a user to locate a particular database record (such as an account number or material master record) by entering information contained in the record (Key word Search)
- **Reconciliation Account** – A G/L account to which transactions in the subsidiary ledgers (such as in the customer, vendor, or assets areas) are updated automatically
- **Dunning** – A reminder or warning letter used to remind vendors to deliver the material from the purchase orders.



SAP Glossary (continued)

- **Minority indicator** – A business that is owned and controlled by one or more socially and economically disadvantaged persons
- **Tolerance Group** – It is a percentage or a value that is the limit to which an event can deviate
- **Partner Functions** – A term, such as "sold-to party" or "payer", that describes a person or organization with whom you do business
- **Invoice verification** – A term that describes the entering and checking of incoming (vendor) invoices
- **Account Groups** – An object with attributes that determine the creation of master records
- **Flagging for deletion** – A label that identifies a data record to be deleted from the database
- **AVL (Approved Vendor List)** – Object in SAP for source determination which identifies vendors approved to supply specific commodities and services.
- **Purchasing Organization** – An organizational unit in Logistics, subdividing an enterprise according to the requirements of Purchasing



SAP Glossary (continued)

- **Supplier Self Service (SUS)** – The SAP web based application which enables vendors to self register with the state, view purchase orders, respond to purchase orders, enter confirmations, enter invoices and view the status of supplied services and/or commodities
- **Supplier Relationship Management (SRM)** – The SAP application which enables the procurement process via an web enabled user interface
- **Supplier Screening** – The list of suppliers that have registered to supply items awaiting analysis and approval. They are not seen in the procurement processes until they are approved by the buyer
- **Supplier** – The listing of suppliers that have been accepted as qualified sources of supply for goods and services in SAP SRM
- **Shopping cart** – The object in the SRM application leveraged for the requisition data. This document is what is created by the requisitioner in the application to create requests for procurement.
- **Buy on Behalf Of (BOBO)** – SAP term describing the entry of a shopping cart on behalf of another user. This is performed by the secretary in the SRM system.
- **Confirmations** – The goods receipt function in SRM
- **Workflow** – The SAP functionality for online distribution of electronic documents for approval/review.



SAP Glossary (continued)

- **Spending Limit** – The total dollar amount of a request that an end user can create in the SRM system which would not require an approval/review.
- **Approval Limit** – The total dollar amount of a request that an end user approver has authorization to approve/review a request in SRM.
- **Substitution** – The ability in SRM to create a temporary substitute for an approver user with another system approver user. This is to facilitate the idea of an approver going on vacation
- **Approver** – End user in the SRM system which is responsible for approving or rejecting procurement documents (i.e. shopping cart, confirmation, invoices etc.)
- **Requester** – End user in the SRM system which creates requests for procurement (shopping carts).
- **Skip Level Approval** – Approval process which requires that only the approver with the appropriate approval limit performs the approval of the purchasing document (i.e. the document would skip over the lower level approvers and only be submitted to the one approver with the appropriate approval limit of that specific purchasing document).
- **Parallel Approval** – The approval process where the document is sent to several approvers simultaneously and requires that only one of the approvers actually approves the document. When the document has been approved by one of the approvers, the document is then removed from all the other approver inboxes.



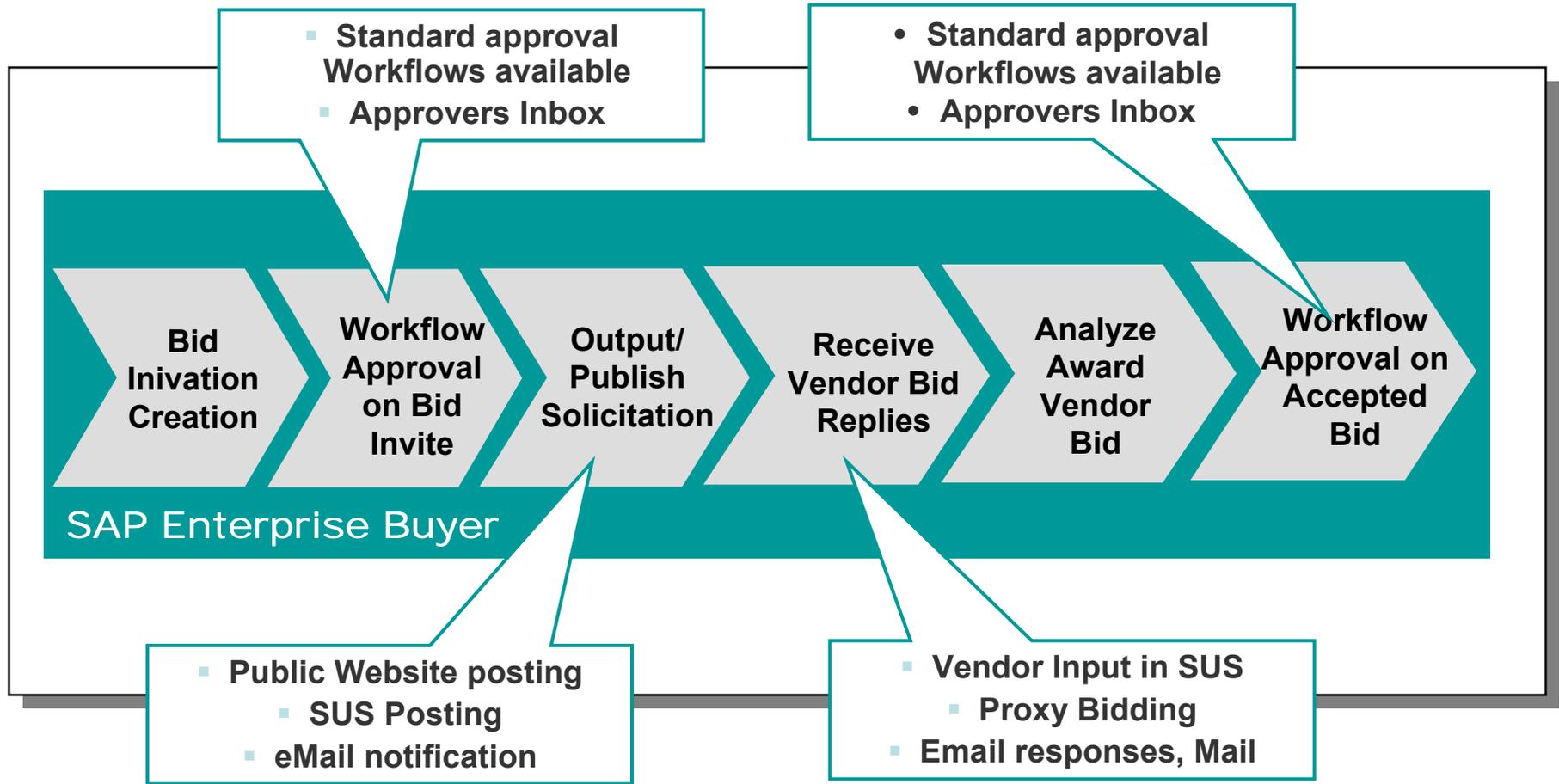
RFQ Approval Process

- **General Definition:**

The process by which users in the SAP solution can review, change, approve and reject solicitations and vendor responses to solicitations. The solicitation documents (bid invitations and vendor bid replies) are automatically forwarded to the appropriate users in the system to facilitate the online approval/review.



General SAP RFQ Process





RFQ Approval Process

- A bid invitation is the SRM document name of the solicitation for a good or service
- Some bid invitations must be approved before further processing can take place
- Criteria set during configuration determine which bid invitations must be approved
- The factors taken into consideration can include:
 - Value of the bid invitation
 - Material or material group being requisitioned
 - Requester



RFQ Approval Process

- Approval agents can be defined with a predefined approval limit (the user can approve documents up to a certain total dollar amount)
- SRM will send the approval notification via email to the approvers
- Approvers will be required to Logon to the SRM system to perform the approval step
- Buyer can add an approver or reviewer (Ad-Hoc Approval)



Bid Invitation Approval Phase

- Outlines the process of approving the solicitations in the SRM system
- Triggered at time of posting of the solicitation by the buyer
- Can be done at the header only via SAP Standard Workflow
- Substitutes for Approvers can be assigned in an Ad-hoc basis
- Additional approvers can be assigned by the buyer or the approver



Bid Invitation Approval Process

- SAP visualizes the approval chain on the item details screen (Approval Preview)
- The Bid Invitation can be held for further processing
- When the buyer saves (publishes) the Bid Invitation, the Approval Workflow is started immediately
- The Bid Invite is not sent out until the workflow approval is completed



Bid Reply Approval Phase

- Outlines the process of approving the selected bid reply to be awarded in the SRM system
- Triggered at time of accepting the vendor bid reply to be awarded by the buyer
- Can be done at the header only via SAP standard workflow
- Substitutes for Approvers can be assigned in an Ad-hoc basis



Bid Reply Approval Phase

- Additional Approvers can be added to the approval chain by the buyer and/or the approver
- The awarded bid reply will not be converted to a PO or a Contract until the approval is successfully completed
- The buyer creates the PO or contract from the accepted online bid reply
- The vendor is notified via email that the bid has been accepted
- The PO is the only document that is sent to the vendor



Ad-hoc functionality

Ad-hoc change of approver by requester

EBP Workflow Customizing

Assign Agents

General Task

or

EBP Manager in Standalone Mode

David Director

Molly Manager

Add Reviewer

Add Approver

Replace

Approval Preview

Approval Preview

Add Reviewer Add Approver



Replace Approver

Enter the last name or a search term ("name")

Approver Find Replace

Choose from the Following List

Search Result: 4 User

Name
Mary Manager
Molly MANAGER
Martin Manager210
Martin MANAGERPUR

Details for User

Name	MARTIN MANAGERPUR
Department	PH2 PUR
Building/Room	13 11
Telephone	681-682 12
E-mail	MARTIN.MANAGERPUR@PH2.COM

List depending on Agents Assignment



Ad-Hoc Functionality

- In the approval preview, employees can specify a different approver.
- This might be necessary, if, for example, a manager is temporarily absent and has not specified a substitute.
- Similarly, managers responsible for approval can specify all subsequent approvers at runtime when executing an approval work item.
- The Approval Preview Screen can be called from the shopping cart, confirmation, invoice, purchase order, contract, bid invitation and bid.



Approval Limits

- SRM Approval Workflow can Have Several Levels
- The Workflow can also Skip Levels and be Submitted only to the Appropriate Approver Based on Approval Limit
- Approval limits identify and facilitate the order and hierarchy of the approval chain in the SRM system



Spending/Approval Limit Example

	<u>Spending Limit</u>	<u>Approval Limit</u>	<u>SLApprover</u>
Buyer3	1000\$	0\$	Manager2
Manager2	5000\$	1500\$	Manager3
Manager3	10000\$	3000\$	Manager4
Manager4	20000\$	20000\$	Manager5

APPROVAL hierarchy = Manager2, Manager3, Manager4,

- 1) RFQ total value of Buyer3 = 500\$ → no approval needed
- 2) RFQ total value of Buyer3 = 1200\$ → Approver = Manager2
- 3) RFQ total value of Buyer3 = 4000\$ → Approver = Manager4
- 4) RFQ total value of Manager2 = 12000\$ → Approver = Manager 4



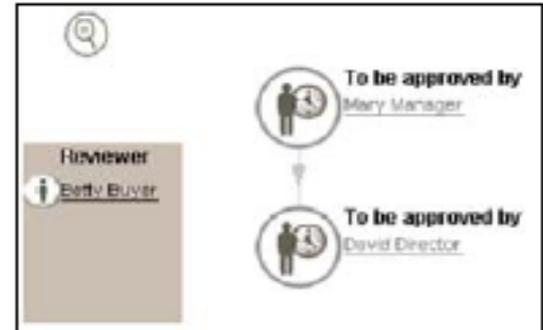
Spending/Approval Limit Example

- This workflow is a one-step approval: if the approval limit for Manager2 is exceeded, the work item is automatically sent to the spending limit approver of Manager2 (= Manager3)...
- The approver is determined on the basis of the value for an attribute SLAPPROVER (spending limit approver), not on the basis of the next manager in the organizational plan.

Reviewer

Reviewer Concept

- Observe approval process for shopping cart
- Reviewer work item does not disappear until the approval workflow is completed.



Approval Messages

Here you can approve or reject shopping carts, confirmations of goods receipts etc.
Click on the 'Edit' icon to display details

Substitute

Approval: 4 Entries

Description	Received on	Action
Perform review for shopping cart Eduardo Gonzalez Employee with the value 10.000,00 USD	01.08.2002	
Perform review for shopping cart Eduardo Gonzalez Employee with the value 10.000,00 USD	01.08.2002	
Perform review for shopping cart Eduardo Gonzalez Employee with the value 10.000,00 USD	01.08.2002	
Perform review for shopping cart Eduardo Gonzalez Employee with the value 10.000,00 USD	01.08.2002	



Betty Buyer



Mary Manager



David Director

Reviewer Authorities

- Display shopping cart items
- No authority to approve or reject shopping carts



Reviewer Concept

- An email is sent to the reviewers email account
- Providing the functionality to observe an approval process.
- A reviewer observes the whole approval process (many approvers).
- The Reviewer work item does not disappear until the approval workflow is complete.
- The Reviewer does not have the authority to approve or reject shopping carts.



Change Document During Approval

Employee

- *change cart*
- *delete cart*

Manager

- *change cart during approval*
- *approve cart*
- *partially reject cart*
- *reject cart*

Authorization
level



Changing
total value

Workflow action:

- *continue*
- *restart (new approval)*
- *delete*
- *no action*



Changing the Document in Approval

- You can define whether or not a document can be changed during the approval process.
- You can influence the effect on the approval workflow by defining authorization levels for the user.
- SRM standard options are:
 1. Document changed; The approval continues
 2. Document changed; The approval starts from the beginning, if new workflow found in starting conditions
 3. Document changed; The approval starts from the beginning
 4. Document cannot be changed



How Do You Approve?

- An email is sent to the approvers email account
- A link is provided on the email to the SRM login screen
- User logs into the SRM login screen
- User opens the inbox option on the transaction menu
- Approval “workitem” appears in user’s inbox



How Do You Approve?

- Each workitem can be executed to view more details, approve or reject
- May also:
 - reserve (take ownership if workitem has been sent to a group of users)
 - add attachments
 - resubmit (postpone action to a later date / time)
 - Forward



Review of SAP Concepts



RFQ Approval Process

- Workflow requires a certain amount of Development
- Workflow is very flexible and is an online process
- Workflow can have more than one approver
- Workflow approvals are at the Header Level
- Workflow Approvals can be Multi Level or Skip Level



RFQ Approval Process

- Approver Hierarchies are created via Approval Limits
- Best to Limit the Number of Levels to 4 in SRM
- Best to Normalize the Spend Limits across the State
- Best to Normalize the Approval Limits across the State

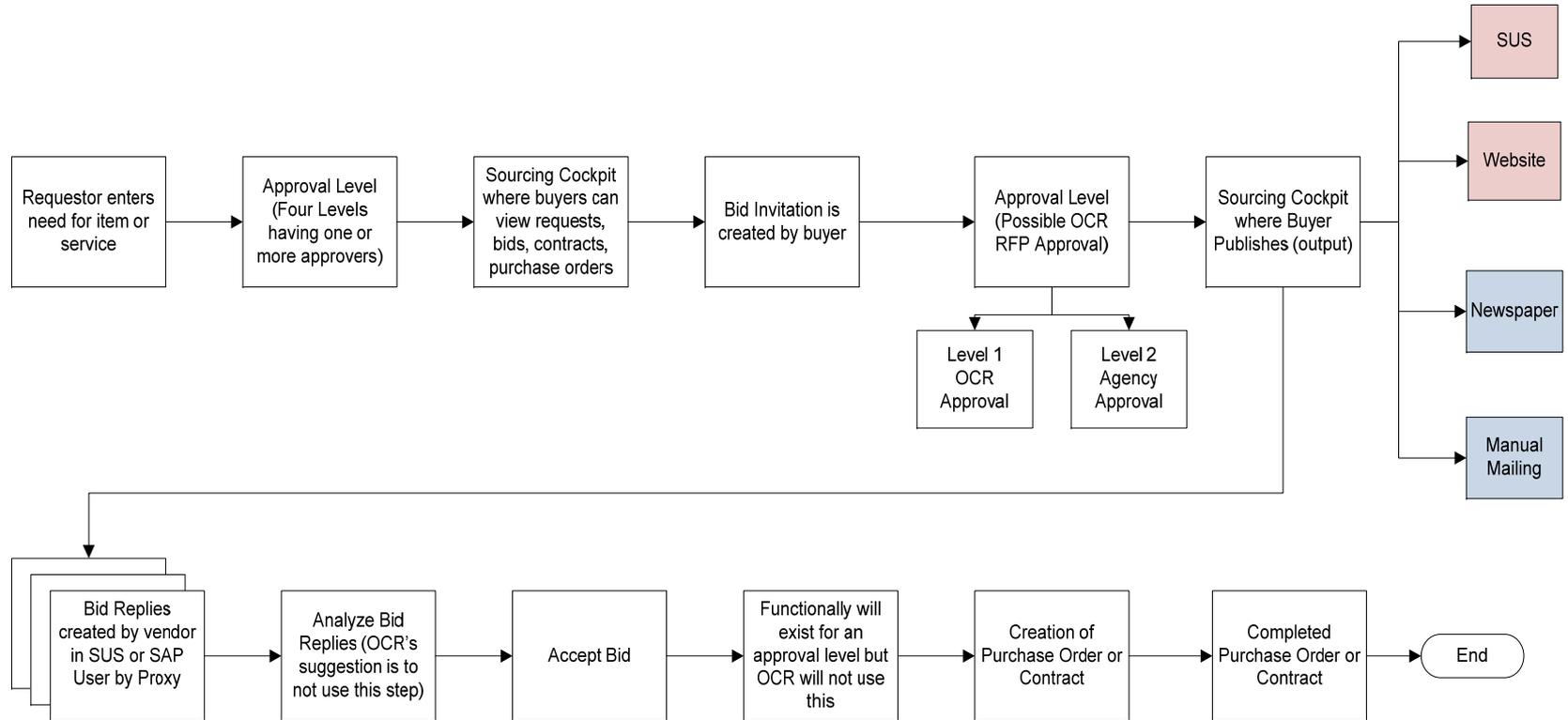


Straw Man





EXAMPLE OF THE OCR SAP COMPETITIVE BID/PROPOSAL PROCESS

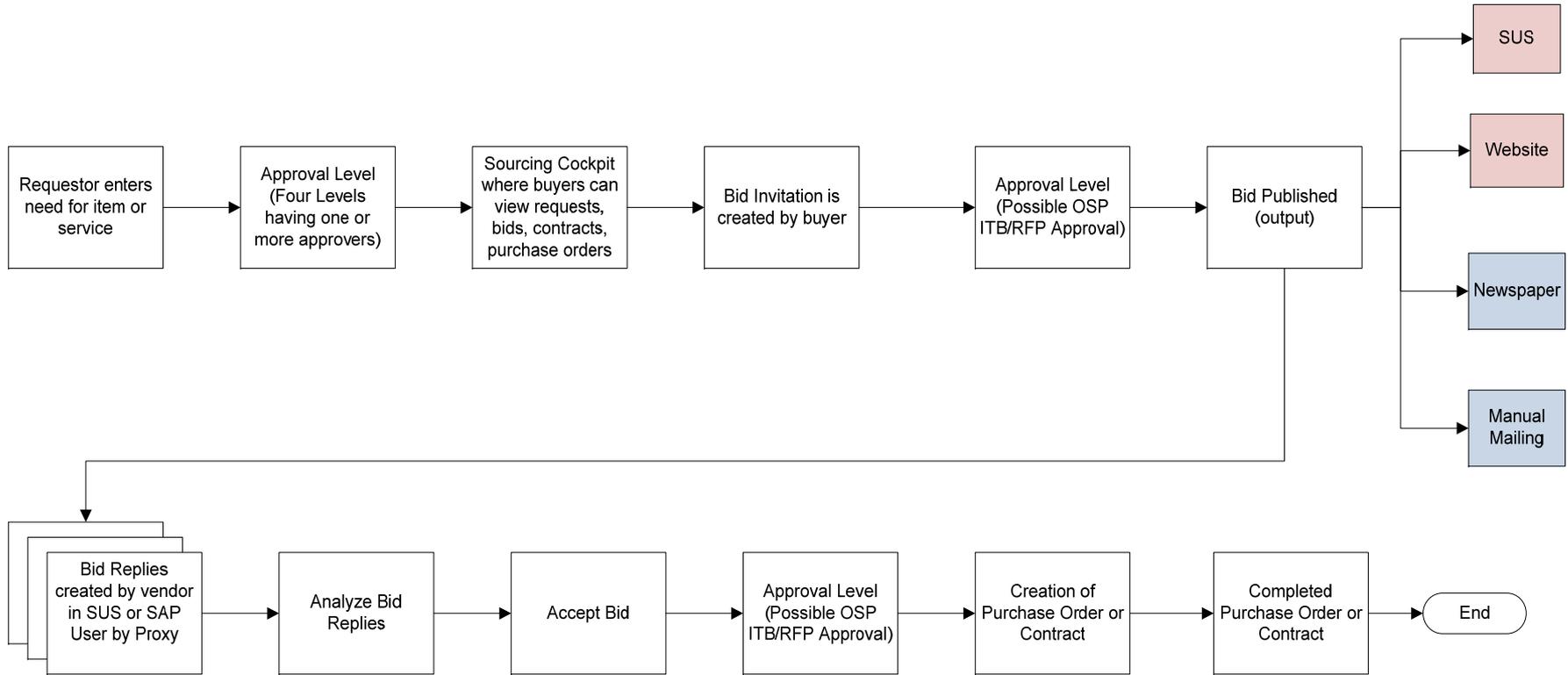


LEGEND

-  Automated Process
-  Manual Process



EXAMPLE OF A SAP COMPETITIVE BID/PROPOSAL PROCESS



LEGEND

-  Automated Process
-  Manual Process



SRM Workflow Approval Screenshots



Inbox Overview

Smart message

Inbox: 182 Entries

Type	Description	Rec. on	Type	Size	Author	Attachment	Status	Approve	Reject
	Approve new user MILES (Mike Habel)	21.11.2000					In process		
	Shipping basket from Prof. Dr. pippi kotti power with value 623.629,12 DEM	20.11.2000					In process	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Shipping basket from Prof. Dr. pippi kotti power with value 623.629,06 DEM	20.11.2000					In process	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Erkaufswagen von Prof. Dr. pippi kotti power mit Wert 12.000,00 DEM annehmen	20.11.2000					Ready	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Erkaufswagen von Prof. Dr. pippi kotti power mit Wert 50.000,00 DEM annehmen	17.11.2000					Ready	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Erkaufswagen von Prof. Dr. pippi kotti power mit Wert 50.000,00 DEM annehmen	17.11.2000					Ready	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Shipping basket from Prof. Dr. pippi kotti power w...	18.11.2000	RAMY IK		Monitor-System				

[Attachments](#) [Forward](#) [Reply](#) [Reply/Reply](#) [Details](#)

Dear manager,
Please approve this shipping basket with total value 623.629,06 DEM
Thanks,
Prof. Dr. pippi kotti power

Forwarded by:
Priority: 5 Medium
Status: In process

Created on: 20.11.2000 16:53:44
Processed: 21.11.2000 08:01:25
Attachments: None



Approval Preview

Microsoft Internet Explorer window showing the 'Enterprise Buyer' application interface. The browser address bar displays: `http://pwq2c-bbp.wdf.sap-ag.de:1080/scripts/wgate/bbpstart602514ee/`

The application header includes: **Enterprise Buyer** (left), **Your Logo Here** (right), and **e-Procurement - Approve Shopping Cart** (center). The date is **Thursday, November 23, 2000**.

Left Navigation Menu:

- Home
- Shop
- Shop with Limit
- Check Status
- Confirm Goods Receipt
- Enter Invoice
- Inbox
- Analyses
 - Shopping Carts per Cost Cen
 - Controlling: Beschaffungsv
 - Analyse der Anforderer: Be
- My Settings
 - My Settings
 - Change Attributes

Main Content Area:

Buttons: [Return to Inbox](#), [Add Reviewer](#), [Add Approver](#)

Actions: Approve Reject all [Continue](#)

Shopping Cart Details:

Number of shopping cart	1000002134
Name of shopping cart	EMPLOYEE1 20.11.2000 15:27
Total value	623.629,06 DEM
Changed on	20.11.2000
Created on	20.11.2000
Changed at	00:00:00
Name of requester	Prof. Dr. pippl lotti power
Last approver	

Approval Flow Diagram:

- Shopping cart created** (Green play button icon)
- In approval since** (Shopping cart icon)
 - [B.A. Arthur Manager1](#)
 - [Mohamed Douls](#)
- Not yet issued** (Person with clock icon)
 - [B.A. Armin MANAGER10](#)
 - [sandeep.desai](#)

[Back to item overview](#)

Basic Data | [Account Assignment](#) | [Purchase order text](#) | [Internal note](#) | [Attachments](#)

Item Details:

Description	100 Mb Zip Disk Cartridge, PC Format	
Product		
Catalog	LOCAL_REQUISITE	
Quantity		120
Unit of measure	PC	
Price		15,00
Limit		0,00
Currency	DEM	

Bottom status bar: [Open Inbox](#) | Local intranet



Buyer Can See the Approval Status

http://pwq2c-bbp.wdl.sap-ag.de:1080/scripts/wgate/bbpstart602514ee/~===== - Microsoft Internet Explorer

Enterprise Buyer Help Home Log off Your Logo Here e-Procurement - Approve Shopping Cart Thursday November 23, 2000

Home
Shop
Shop with Limit
Check Status
Confirm Goods Receipt
Enter Invoice
Inbox
Analyses
Shopping Carts per Cost Cen
Controlling: Beschaffungsv
Analyse der Anforderer: Be
My Settings
My Settings
Change Attributes

Return to Inbox Add Reviewer Add Approver Approve Reject all Continue

Number of shopping cart	1000002134
Name of shopping cart	EMPLOYEE1 20.11.2000 15:27
Total value	623.629,06 DEM
Changed on	20.11.2000
Created on	20.11.2000
Changed at	00:00:00
Name of requester	Prof. Dr. pippi lotti power
Last approver	

Shopping cart created
In approval since
B.A. Arthur Manager1
Mohamed Douls
Not yet issued
B.A. Armin MANAGER10
sandeep desai

Basic Data Account Assignment Purchase order text Internal note Attachments

Documents
File name Send to vendor
Doc1.doc
Path Browse... Add
File name

Back to item overview

Local intranet



Questions?

