MEETING MINUTES

State of Louisiana ERP Project

Blueprint Workshop/Purchase Requisitions-Create, Change & Delete

Session: LOG-MM-006 and 007

09/30/2008 and 10/01/2008 @ 8:30 to 4:30

Location: Downtown Welcome Center 702 River Road

LaGov/Logistic Team Attendees

Belinda Rogers	Sharon Schexnayder
Brad Denham	Llewellyn DeFoe
Sudhir Deshmukh	Sharon Hebert
Kenya Lipscomb	Cherrilyn Need
Adam LaTour	John Oglesby
Ryan Sides	Theresa Seal
Sharon Hebert	Ginger Epps
Cathy Cutrer	Mark Wright

Agency Attendees:

No.	Name	Agency	Invited?	Attended?	Comments
1.	Anderson, Shannon	DPS	Y	Y	
2.	Bello, Jennifer	DPS	Y	Y	
3.	Beverly, Shannon		N	Y	
4.	Bloodworth, Dorene	DEQ	Y	Y	
5.	Buckner, Yvette	WLF	N	Y	
6.	Calli, Dom	DOTD	Y	N	
7.	Chambers, Bonnie	DOI	Y	Y	
8.	Daigle, Dixie	AG	N	Y	
9.	Fontenot, Duane	DSS	Y	N	
10.	Galloway, Charlotte	CRT	Y	Y	
11.	Garrison, Charlotte	DOTD	N	Y	
12.	Gooding, Teresa		Y	Y	
13.	Hays, Robert	NELWVH	Y	N	
14.	Hernandez, Kathy	SOS	Y	Y	
15.	Higgenbotham, Margaret	AG	Y	N	
16.	Humm, Lori	DYEMtg	Y	N	
17.	Jones, Shanda	SOS	Y	N	
18.	Kees, Wynette	WLF	Y	N	
19.	Kunjappy, Elizabeth	DOR	Y	N	

20.	Landry, Melodie	LDOL	Y	Y	
21.	Lea, Denise	OSP	Y	N	
22.	Lewis, Karen	DNR	Y	N	
23.	LeBlanc, Morgan	DOC	N	Y	
24.	LeBourgeois, Judy	DNR	N	Y	
25.	Liford, J.D.	OTM	Y	N	
26.	Lumbad, Pat		Y	N	
27.	Marrero, Denise	OFP	Y	N	
28.	Miller, Diane	LDAF	Y	Y	
29.	Napoli, Paul	DOTD	Y	Y	
30.	Naquin, Charlotte	WLF	Y	N	
31.	Newsom, Susan	WLF	Y	Y	
32.	Nolan, Debbie	NELWVH	Y	Y	
33.	Parent, Carla	DOTD	Y	Y	
34.	Politz, Thomas	CRT	N	Y	
35.	Prejean, Jeannie	DOTD	N	Y	
36.	Pulliam, Sonya	DHH	Y	Y	
37.	Richardson, Lonnie	LDI	Y	N	
38.	Sanders, Randy	DOTD	Y	N	
39.	Sewell, Kenyetta		Y	N	
40.	Sharp, Suzanne	DOC	Y	Y	
41.	Sloper, Sondra		N	Y	
42.	Smith, Susan	OCR	Y	N	
43.	Sonnier, Felicia	OSP	N	Y	On behalf of Denise Lea
44.	Stewart, Chris	LED	Y	Y	
45.	Stribling, Martina		Y	N	
46.	Terrell, Suzanne		Y	N	
47.	Tickles, Michelle	LDOL	Y	N	
48.	Wallace, Patti	DOE	Y	N	
49.	Ward, Wanda	LDAF	Y	Y	
50.	Watson, Eve	DHH	Y	Y	

	Agenda Item and Notes	*Owner(s)*	*Action Items & Assignments*	*Comments / Follow-up*
1.	**Logistics, Ground Rules, & Introductions**	Belinda Rogers	• None	
2.	**Workshop Objectives**	Belinda Rogers	• None	
3.	**Project Overview/Timeline**	Belinda Rogers	• None	
4.	**Business Process Review** • SAP Logistics Structure • SAP Requisition (definition) • SAP Concepts	Sudhir Deshmukh Brad Denham	• None	Hard copies were provided of Cross-Reference – SAP/State Terminology, Tentative Blueprint Schedule, and PowerPoint slides.
5.	**Key Decisions**		• SAP Requisition process will work with professional service contracts.	
6.	**Action Items**		• Where will Leases live in SAP? (SAP Real Estate Consultant). Sonya Pulliam is the agency representative. • Investigate use of the word “Bid” when it’s non-competitive process (negotiation of terms).	
7.	**Organizational Impacts**		• Electronic signature: Currently a signature is required by statute for service contracts. Title 34, Part V, Chapter 121 (D), (E.1).	
8.	**FRICE-W**		• Report Transparency reports and interface with SAP. • Attachments to bids for vendors not in SUS. • How will Reservations (inventory) be handled. • Pre-Encumbrance from Shopping Cart in extended classic mode.	

9.	**Parking Lot**	• Requisition Types CIC and EQP. Currently end users have to use OSP Purchasing Agency #. will SAP provide functionality to go around this and route to Agency Purchasing Agency. • More discussion needed on service masters versus service catalogs and impact of both. (includes how many uploads a vendor would have to do) • How are we going to handle confirmation Purchase Orders?	

Discussion

Logistics

AS-IS Discussion for Services

The new vendor master data in SAP will retain information for the state on women-owned, minority owned business, SE-HI, DBE's, etc. This requirement is due to federal and state regulations.

Determination was made that services have a manual requisition process that is not captured in the CFMS System. A group census was made determining that the information used in the requisition service process has been captured on most of the forms in the power point slide deck. If an agency requires specific information not captured on the slide deck forms, they will let the Logistics Team know.

FP&C – advertises bids on an architectural website as well as LaPac.

DOI – contract creation process is manual until the contract is entered into CFMS at the header level

DOC – contract creation process is manual until the contract is entered into CFMS at the header level – tracking is completed in lotus notes. Transparency reports are also run on the lotus notes approvals.

DEQ – contract creation process is manual until the contract is entered into CFMS at the header level – tracking is completed in excel. DEQ RFP process tracking is completed in excel

DSS recognized that SAP can help them track where in the system contracts are awaiting approvals.

DOTD - professional services contract creation process is manual. They use lotus notes for tracking and document manager to scan all hard copies of contracts.

WL&F – Process is similar to DSS.

Group Discussion regarding how SAP handles leases ensued. SRM Contract or Purchase Order can feed into Real Estate Module or information can be entered directly into the Real Estate Module.

AS-IS Discussion for Commodities Purchasing

DOTD – manual process until the requisition is entered into PIMS. All PO's must have a requisition. DOTD also has an interface with AGPS. Due to this interface, DOTD has documents that are duplicated in PIMS and AGPS.

DOC- DCI - manual process. Lotus notes build approvals automatically

DOI – manual process

DHH – requisition is entered in AGPS when need is recognized. The requisition goes through the approval

process online. If the requisition needs to be moved to the state purchasing office, the local buyer changes the buyer code on the requisition. DHH has the option to pre-encumber funds at either the time of requisition or after the approvals are attained.

DSS – manual process until the decision is made if the item is on state contract or not (this is done by performing a search in eCat and AGPS).
Wildlife and Fisheries' process mirrors DSS process

DEQ – requires a requisition (offline) but a PO can be created without an online requisition

AGPS Discussion of Slides

Workflow for State Purchasing and Agency Delegated Authority was discussed. This topic will be discussed in a future blueprint regarding requisition workflow.

Currently in AGPS when lines are cancelled from requisitions, those cancelled lines are copied into the new requisition. In SAP when copying a requisition, the lines that are deleted (cancelled) will be pulled over, unless they are "un-checked" in order to not be moved over.

eCAT Requisition discussion of Slides

Group census determined that a requisition or purchase order does not require a pre-encumbrance or encumbrance.

TO-BE SAP Concepts

Requisition for consumables – items not in stock. Consumed immediately.

Service Requisition – identify master records to identify unique service.

Subcontract requisition – the subcontractor would be vendor on request. Standard format only allows for one vendor to be identified.

Consignment requisition – vendor brings materials to site. You pay for it when you use it.

Third-Party requisition – good or service being requested by vendor. The vendor will provide good or service at another site of customer

Stock transfer requisition – not sure if this will be used.

EPB is procurement model of SRM. There is a piece for transaction, bidding, and source list – all separate.

SAP expects the requisition process to be pushed to the lowest level there is. However, it is up to the agency how this is done. (Lowest Level: Originator of the request).

Requisitions are built from the End User, MRP or Plant Maintenance (Warehouse). Requisitions trigger an RFQ or a Purchase Order Creation means of requisitioning.

MRP will generate what you need to replenish warehouse in addition to reservations.

SAP recommends that the process begins with a requisition and have approvals within the system. After a request has been changed into a PO, the request cannot then be changed. A new requisition must be created for additional items, or the buyer (contract officer) must be contacted to make changes to the PO. Additionally, changes can be made to a bid invitation/RFP (Request for Quote) instead of the requisition. Those changes on the bid invitation will be copied to the PO during the PO creation process.

Multiple requisition (commodity or service) lines can be aggregated to PO's and RFQ's to attain leverage of total quantities/hours ordered instead of individual purchase orders (PO) or RFQ. Also, individual POs and RFQ's can

be created if needed.

A requisition that is created by a user that references a state contract can be configured to release the PO for that requisition automatically so that a buyer does not have to intervene. Also, approvals can be built in the system so that a buyer only has to make an approval and the PO will be automatically created.

When SAP references "buyers" they are referring to commodities buyers as well as service contract officers.

SAP provides the ability through requisitioning for agencies to charge other agencies if needed for services rendered.

Suppliers will have the ability to enter their invoices online for payment. Payment would not be approved before a state approval is created. Suppliers also have the ability to alert the system online when a service is created.

Boilerplate Terms and Conditions can be uploaded to the system to be used on Requests for Quotations as well as Purchase Orders and Contracts. Also, other standard clauses can be setup in the system to allow the buyer to select which clauses should be used in Contracts, Purchase Orders, and Requests for Quotations.

SAP does not keep actual signatures in the system. A vendor will log into the system using a unique login that SAP identifies as an electronic signature to indicate their acceptance of a document (either PO's or Contracts).

Training videos and documents will be created for vendors to demonstrate the appropriate online/website registration process for them. These documents should be detailed enough to explain which fields are required and for what reasons.

The buyer will be notified by the system (via email) that items are awaiting their approval/response before documents (bid replies, contracts, etc) from vendors can be transferred to the system.

The Agency determines if electronic approvals are required by creating the requirements (approval workflow) for a request (requisition).

A Shopping cart can be changed after the initial approval is made to the completed shopping cart. This change will trigger the system to push the completed shopping cart back to the initial approver before any additional approvals can be made or purchase orders/RFQ's can be created from the shopping cart. SAP will allow you to turn off the process of requiring approvals after a change by a determination factor (happens only if certain fields are changed). Those fields will be determined by the State if the State determines they do not want the automatic renewal of approvals process.

Approvals are done at the header level which means the entire shopping cart can be approved or at line item where each line would have to be approved and can be done by different approvers. Only one can be done. This decision is done at state level.

Approval preview – Open at header line and it will show you who has to approve the line item. If approved it will show you who approved and when. Will show each approver if more than one. This does not go away. The history screen does not show this information.

Sourcing cockpit is where the buyer determines where the request needs to go (i.e. bid, purchase order, etc.). The buyer can make changes to this request as well. A change log does exist in SRM to captures all changes. You can also group like commodities from separate requests to try and get a better price for a larger quantity. These requests are incomplete, but approved in SAP at the point they display in the buyers sourcing cockpit. Requestors do not have the capability to create POs in SAP. If a request has been entered by the end user, SAP has the capability to reference those line items on a contract and can trigger an approval or not and create a PO if configured that way.

If a solicitation has multiple lines for multiple shipping addresses, SAP will create one PO for all lines. Users will only be able to receive/view lines pertaining to their ship to address.

Accounting data can either be entered at the line item level or the header level (which the system will push down to each line) on requisitions.

When Good Receipts are created, users can only see lines they have authority for on POs if multiple lines exist that have different delivery locations.

SAP Buy On Behalf Of (BOBO) is used to default information such as an address.

If requesting items or services for another user, you would need proper security; all default information is based upon the On Behalf Of (BOBO) user ID.

Line items on requisitions and POs can have single or multiple accounting lines for one item. On an SAP Purchase Order you can have item #1 by percent and item #2 by dollar amount.

Accounting can be set once at the header level which can be copied down to the line levels, but is recommended checking each individual line by drilling into the line. If you change a cost center at a different line, the header information goes away, but not the accounting information within that line.

You will still be able to perform interagency transfers. (Contract where a State Agency is the Vendor) Finance will determine how the actual moving of monies is performed.

The "Performance Period", (begin date), field on the shopping cart can be back dated if needed. A buyer can request that a certain person within a vendor or company provide the requested service through the "Service Provider" field on the shopping cart. The "Short Description" field on the Shopping cart is used for a brief description of the service requested. The "Long Description" field can be utilized to further explain the requested service.

Service Master Discussion: The service master can be used by professional service buyers to pre-populate requisitions with information for services that are used multiple times throughout the year. Services can also be populated in to catalogs instead of using service masters. The catalog can list the details that the service master lists (i.e. descriptions, unit of measure, price, vendor, etc.). Catalogs for services are more user-friendly than service masters in that catalogs are website based.

Using the UNSPSC Code (replaces Commodity - Class/Sub-Class) you can get to more detail in the Catalog. Instead of Physician Services you can specify what type of Physician. SAP will allow a global (statewide) internal catalog for services. Vendors would submit their prices in an excel format to the State. The State would then upload the new prices for that vendor to the internal catalog.

The decision as to whether to use service catalogs or service masters will be made on a later date with input from the professional service buyers.

EBP is the procurement module of the SRM module. In SRM we have different pieces; we have a piece to accept bidding, etc. EBP is the piece for creation of the Requisition, PO, and actual entry of the Invoice.

SAP allows for attachments (statement of work) to be placed on the requisition. These attachments can be copied to the PO and sent to the vendor.

Discussion regarding previous State's going to all electronic signatures once SAP implemented. While this did happen, it may require a change to statue to allow electronic versus hand signatures. Title 34, Part V, 121 (D) and (E.1) (Page 70) – Requires OCR, Agency, and Vendor Signatures.

SAP Users will have two email boxes that work in conjunction with each other. (One in SAP and the other in Outlook or Lotus Notes) If you do not go into SAP, emails will be viewable in your Outlook. This is also where you would see any requests changed by someone else, approvals, etc. to your inbox. The emails are sent as soon as the approval is developed. The email will be sent to your outlook or lotus notes stating there is something awaiting your approval. The email will contain a link into SAP (SRM). If a second approval is required, that approver will not receive an email until the 1st approval is complete. In SAP a "Work Item" is a request that needs to be approved.

SAP requires a three-way match between the PO, the receiving document, and the invoice in order to allow the invoice to post. The system performs this check during the entering of the invoice. An invoice that does not completely match the other two documents will not be allowed to post (i.e. price differences, quantity differences, etc).
Confirmation PO's can be created in SAP for any purchase amount if needed by the state. SAP recommends that these "after-the-fact" POs be initiated with a requisition in the system so that the approvals and audit trails exist for tracking purposes. If the vendor is registered on-line it allows them to see bids, purchase orders, order responses, confirmations on-line, time-sheets for your approval, and create electronic invoices into the system.

A shopping cart can have multiple forms per line of the shopping cart. A requisition can have a catalog item on one line, a material master inventory item on another line, and a free form text item on another. Additionally multiple vendors can be selected per line item. The buyer then has the ability to group certain items by vendors if they wish when creating POs. RFQ's can also be created from certain lines on a requisition while other lines can be left out.

The state can recommend to requisitioners how they would prefer the like-lines on a requisition to be grouped. However, if no direction is given the system can accommodate any situation.

SRM or SAP will need to be pre-configured for approval process. This can be done by value of requisition, material, material group, or requisitioner. SAP is flexible on what can be triggered to go through the approval process.