MEETING MINUTES

State of Louisiana ERP Project

Blueprint Workshop/Purchase Requisitions Approvals/Workflow

Session: LOG-MM-008

10/07/2008 @ 8:30 to 4:30

Location: Galvez Building – Oliver Pollock Room C-111

LaGov/Logistic Team Attendees

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

Agency Attendees:

No.	Name	Agency	Invited?	Attended?	Comments
1.	Anderson, Shannon	DPS	Y	Y	
2.	Babin, Patricia	DSS	N	Y	
3.	Bello, Jennifer	DPS	Y	N	
4.	Bloodworth, Dorene	DEQ	Y	Y	
5.	Buckner, Yvette	WLF	N	Y	
6.	Elliott, Sterrie	LaGov	Y	N	
7.	Eppes, Ginger	AG	Y	Y	
8.	Fontenot, Duane	DSS	Y	N	
9.	Galloway, Charlotte	CRT	Y	Y	
10.	Garrison, Charlotte	DOTD	N	Y	
11.	Gooding, Teresa	LED	Y	N	
12.	Hays, Robert	NELWVH	Y	N	
13.	Hernandez, Kathy	SOS	Y	Y	
14.	Higgenbotham, Margaret	AG	Y	Y	
15.	Jones, Shanda	SOS	Y	N	
16.	Kees, Wynette	WLF	Y	N	
17.	Kunjappy, Elizabeth	LDR	Y	N	
18.	Landry, Melodie	LDOL	Y	N	
19.	Lea, Denise	OSP	Y	N	

20.	LeBlanc, Morgan	DOC	N	Y	
21.	LeBourgeois, Judy	DNR	N	Y	
22.	Lellig, John	LaGov	N	Y	
23.	Lewis, Karen	DNR	Y	N	
24.	Liford, J.D.	OTM	Y	N	
25.	Lumbard, Pat	PSC	Y	Y	
26.	Marrero, Denise	OFPC	Y	Y	
27.	Miller, Diane	LDAF	Y	N	
28.	Miller, Lisa	DEQ	N	Y	
29.	Napoli, Paul	DOTD	Y	N	
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.	Pierce, Karen	LaGov	Y	N	
35.	Politz, Thomas	CRT	N	Y	
36.	Pulliam, Sonya	DHH	Y	Y	
37.	Richardson, Lonnie	LDI	Y	N	
38.	Sanders, Randy	DOTD	Y	N	
39.	Sewell, Kenyetta	DSCS	Y	N	
40.	Sharp, Suzanne	DOC	Y	N	
41.	Smith, Susan	OCR	Y	N	
42.	Sonnier, Felicia	OSP	N	Y	
43.	Stewart, Chris	LED	Y	Y	
44.	Stribling, Martina	OYD	Y	N	
45.	Thomas, Gwen	DNR	Y	N	
46.	Tickles, Michelle	LDOL	Y	N	
47.	Trivedi, Mandar	LaGov	Y	N	
48.	Wallace, Patti	DOE	Y	N	
49.	Ward, Wanda	LDAF	Y	N	
50.	Watson, Eve	DHH	Y	N	

	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**	Belinda Rogers Kenya Lipscomb Mark Wright Adam LaTour	• None	Hard copies were provided of power point slides and blueprint schedules.
5.	**Key Decisions**		• Standardize approval processes • "Approve" is the default choice on work items • Line item approval	
6.	**Action Items**		• ID key person in each department who can determine required approval steps and people • Check with Gene workflow (K's) • Exempt commodities (Who does bidding) • Follow up DOTD IT approvals (Approved item list) *INTERNAL CATALOG* (WLF IT, too) • Chain of command .01, .02, .03... • Approvals Diagram will be emailed to agency's point of contact	
7.	**Organizational Impacts**		None	

8.	**FRICE-W**	• $0 Contract/Request Hierarchy Approval
9.	**Parking Lot**	• Where are we going to run our reports (BO discuss) • FHWA (Outside agency) coming into SAP for approval? • (LEAF)– Financed requisitions • Capital Outlay (150K) (Construction OSP workflow approval slide) (Capital Outlay Budget Category) Under 150K not in Capital Outlay • Review Line Item approval vs. Header level approval

Adam LaTour describes capturing approvals both on-line and off-line approvals as-is process. Looking for validation on the as-is processes captured. An action item will be added to validate approvals for agencies not represented in the as-is slide deck.

The agencies can use ad-hoc (WHIM) approvals, but they are not currently building them in the system. Only State Purchasing uses WHIM approvals.

Business Objects will continue to be used as a front in place to run reports against business warehouse.

SAP will have canned reports the end user will be able to use. The end user will still have the functionality of creating ad-hoc reports.

Security Blueprint sessions may not be scheduled until the system has been setup to meet the State's requirements.

Why is there more purchase order approvals than requisition approvals?

- Purchase orders can be entered directly. Some purchase orders are created without requisitions. Most requisitions are currently outside of the system. It is the goal of the new ERP system to bring these requisitions inside of the system. The number of requisition approvals will increase and will happen inside of SAP in the future.

In DEQ the requisition process is a paper process. In SAP some of those approvals currently being created on the purchase order will be created in the requisition process.

As-Is Processes validated for agencies in the session:
DHH – would like to see an agency approval between the budget and assistant secretary.

1. Field Office (Program Office) initiates need for service – Contract or Program Coordinator
2. Approval: Supervisor in that unit approves that request (manual)
3. Approval: Budget approval – DHH BA-22
4. Approval: DHH Assistant Secretary approves request for service (Signature Authority of the Contract) May change based upon how system builds to-be approvals.
5. Depending upon the type of service and dollar amount it may be bid. If not contract process begins.

This process is basically what all DHH agencies do. For those agencies that have additional approvals, Sonya can get them down to the three approvals listed above. Of these three approvals, the DHH Assistant Secretary approval may move to the contract approval process.

Group discussion on how Civil Service, Attorney General, and OCR approval process will be handled in the SAP System. Civil Service approval can be accommodated within SAP, however it may be determined that Civil Service will run reports after the contract approval process to determine if a state employee could have provided the service.

Group Discussion on how contract terms, conditions, and boilerplates will be handled in SAP as it is not handled in CFMS currently. SAP allows you to attach statements of work, boilerplates etc. SAP will also allow you to print out the contract.

Margaret Higginbotham will be checking to see if Attorney General signatures require a hard copy on legal contracts. If not and the contract is being captured in the system, this could be an electronic signature.

In SAP, the system will begin with a requisition that will require approvals. The requisition will then be used to create a PO, RFQ, or Contract.

The recommendation from SAP is that the agencies standardize their processes for approvals, keeping in mind that the agencies will need to manage and perform periodic maintenance on these approvals.

LED – Approval Requisition Process

1. Contract Coordinator enters request
2. Supervisor Approval
3. Budget Approval
4. Legal Approval
5. Signature Authority for the Requisition

DOC – Approval Requisition Process

1. Agency user enters requisition
2. Approval: Admin Director
3. Approval: Warden (Mgr Approval)
4. Approval: Chief of Operations (Mgr Approval)
5. Approval: Budget (Finance Approval – The budget will automatically be checked to see if money is available. This approval is for the correct account coding. SAP can do both if needed within this approval.)
6. Approval: Undersecretary

Within one level of approval, (manager approval) SAP allows for more than one user at that level.

To-Be Level of approvals diagram was developed on white board and will be emailed to attendees.

Someone can be assigned as an approver for going out and getting a manual approval that can not be captured within the system (DOTD-FHWA)

Point-Of-Contact form was passed around to capture a list (in excel or visio) standardize approach workflow that we'll send out for verification. If no verification, additional comments can be added and we will re-visit with that agency. Will send information out as soon as it has been developed.

DOTD has exempt and non-exempt commodities. At DOTD exempt commodities do not have to be bid by the end user or by the agency. DOTD districts have their own OSP delegated authority. They bid themselves and process POs. Type 02 users have authority to bid / PO or send the bid to central procurement.

Is there an approval on the request based in DOTD's process before going to bid?

- One approval - It is the signature they get from the hard copy from the section head or division authority. It is a form printed out and signed. One or multiple approvals at the requester level depending upon office.

- For DOTD it is not the head of the agency that provides the approval, it's Carla Parent, Procurement Director. →

DOTD as-is

1. Requester
2. One approver does both manager approval & financial approver (same person may be signature auth)
3. Legal n/a
4. Signature authority (may be same person as step 2)

DOTD exempt commodities do not go to State Purchasing (SP gives exemption). DOTD can bid those commodities out themselves.

Some of DOTD's materials are bought by other agencies and municipalities. Those are agency contracts and can be handled in SAP.

Third Party Assets Finance (LEAF) discussion. Capitol Assets control $5,000. The assets may still fall under $1000 limit and fall within a LEAF don't think this is correct).

The state will create a PO for items that will be paid through a third party (Financed Purchases). A requisition is currently created without accounting data. These purchases are usually for assets, but are not always for assets. (LEAF and MIPA (movable equipment))

Construction Repair: OSP handles all equipment or repair to an existing building (operating expense). Request goes to OSP if > 5,000 (furnish & install or labor/materials). If under $150,000 capital outlay and done out of operating budget Office of Facility Planning approval is not required (i.e. Agencies are paying for carpet repair) Currently the acquisition budget is called capital outlay major building repair (assets) but isn't capital outlay category projects. OFP approval is still required. (Construction repair slide deck)

1. Request for repair
2. Manager approval
3. Finance approval
4. Facility planning (signature authority)
5. (If over $5,000 OSP will bid out – goes by commodity level not requisition level) DOTD creates a work order instead of going to procurement.

Proprietary or Sole Source Purchase (Delegated Authority)
Between the Finance and Legal, we will have another approval called "commodity". In that approval each line requires a UNSPSC code.

IT-10 OIT IT approval is an on-line approval (web form) approved outside of the system. This can be handled in the commodity authority for > $100,000. DHH - OIT Director approves the request regardless of amount.

DOTD has an approved item (IT) list that they need to follow. If not, further justification and approval is needed by DOTD OIT to procure. Further research needs to be done to determine how DOTD IT approvals will be handled in SAP. *internal catalog
If item is procured off of DOTD internal catalog, approval to IT isn't built. If non-catalog item is procured IT approval is built.

A user can enter a different paying agency at the line level depending on the security the State decides upon.

Request on proposed approval flow

DED does their own capital outlay. They do not go through OFPC (approx 30 years). They have approximately 800 other contracts per year.

If the state chooses the Approver could make changes to the request. While most agencies like the idea, further discussion needs to (take) place on how the State will maintain this. This function can be assigned by level or by user id.

If you have different types of commodities associated with the request (i.e. asset, UNSPSC code, etc.) will drive line item approvals. This is why the approval can not be at the header level.

Each line item approval will send a notification to the approver.

Discussion on header versus line item approval. SAP suggestion is to build line item approvals. Of five items, if three are approved, those three move on. The second level approval can view all but only open the approved items.

<u>Pros vs. Cons of line item level approval:</u>

PROS

- Line Item approval
- each line gets approved by the correct person,
- can mix GL accounts, commodities etc.

CONS

- Cart can't go anywhere until all approvals have been rejected or approved
- SAP allows the approver to "Select All" on the header to approve all items on the requisition.
- SAP allows for threshold approvals on the overall header, overall line item or unit price levels.

It's not possible in SAP in the MGR APP level to have 4 people approve regardless of spending/approval limit. The (hierarchy) is set up by dollar amounts. The SAP workaround would be to put $.01 for 1st approver, $.02 for 2nd approver, etc. While approvals based on dollar amount would work for commodities, service contracts with a zero dollar amount would not work. A post was added on FRICE-W.

Once an approver views the detail, if the requisition has 100 lines and needs to reject one item, the approver does not have the option of going back to the header and "select all" feature to approve® the rest of the items. If the State wants to default the detail item to approve this is configuration. Key Decision needs to be added so that the item detail defaults to "approve". This way the state is required to reject items at the detail.

Requisitions have both CRO PO and bidding items. Overall amt is > DPA. Without the CRO items it's below. Will State Purchasing approval be issued in SAP? Create a doc type for only CRO items.