Process Review Procurement Master Data

Logistics
October 2014

LaGov

Process Review Session Agenda

- Purpose
- Procurement Master Data Review
- LaGov - Key Design Elements
- Future Sessions
- Organizational Impacts Identified
- Questions

Purpose of Process Review Sessions

- Process Review Sessions are intended to review the current LaGov system design:

    - Review business process designs
        - Highlight decisions that define the process, approval steps, and integration points

    - Review and discuss system design features
        - Highlight key system features and processes

    - Identify areas of changing process, roles, and responsibilities

Purpose of Today's Review Session
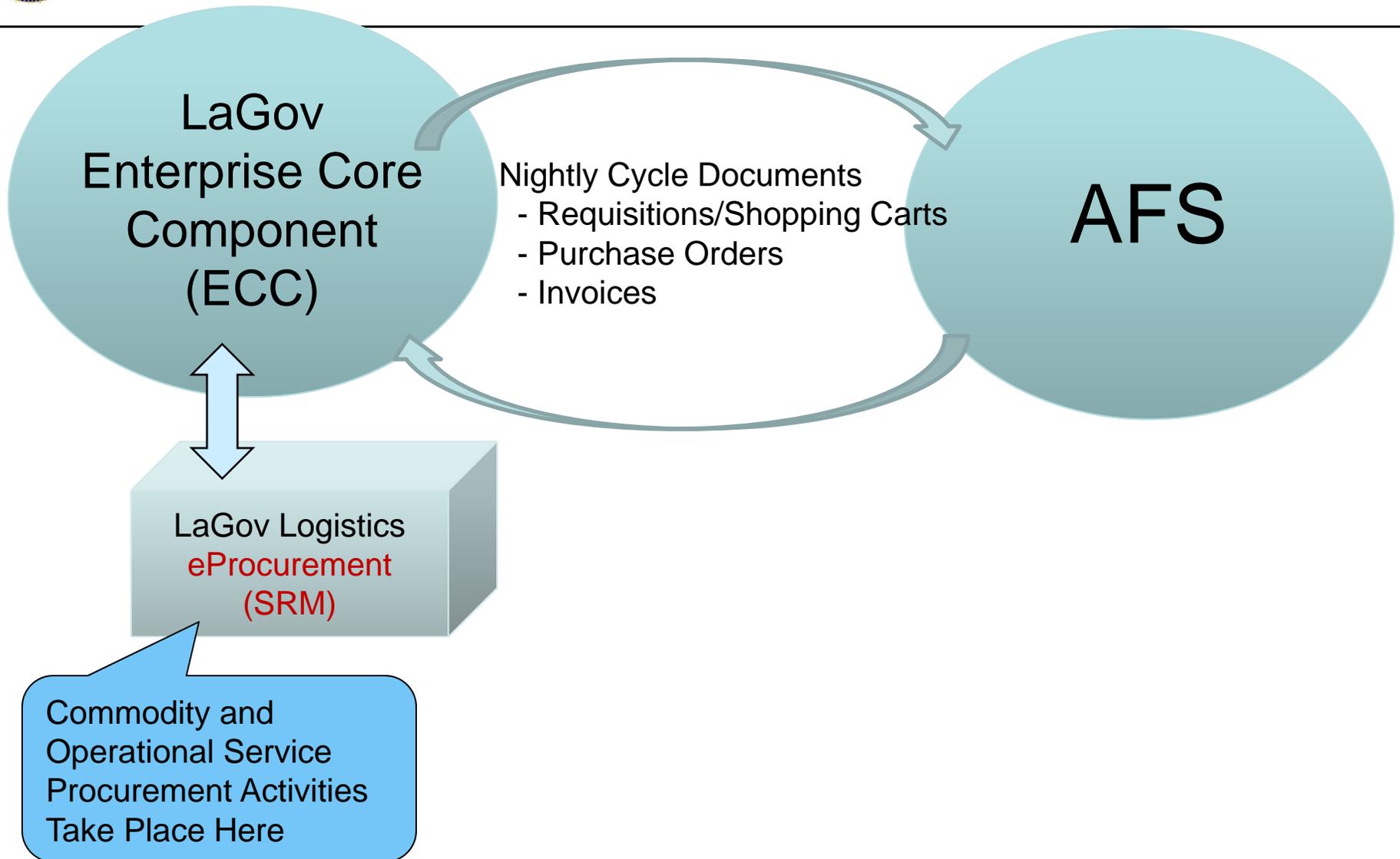
High Level Review
- Procurement Master Data

Address
- Key features of system design and processes

Identify
- Areas of changing processes, roles, and responsibilities

LaGov Enterprise Core Component (ECC)

Nightly Cycle Documents
- Requisitions/Shopping Carts
- Purchase Orders
- Invoices

AFS

LaGov Logistics
**eProcurement
(SRM)**

Commodity and Operational Service Procurement Activities Take Place Here

COMMODITY PROCUREMENT

Commodities

- Office Supplies, Lab Equipment, Vehicle Purchases
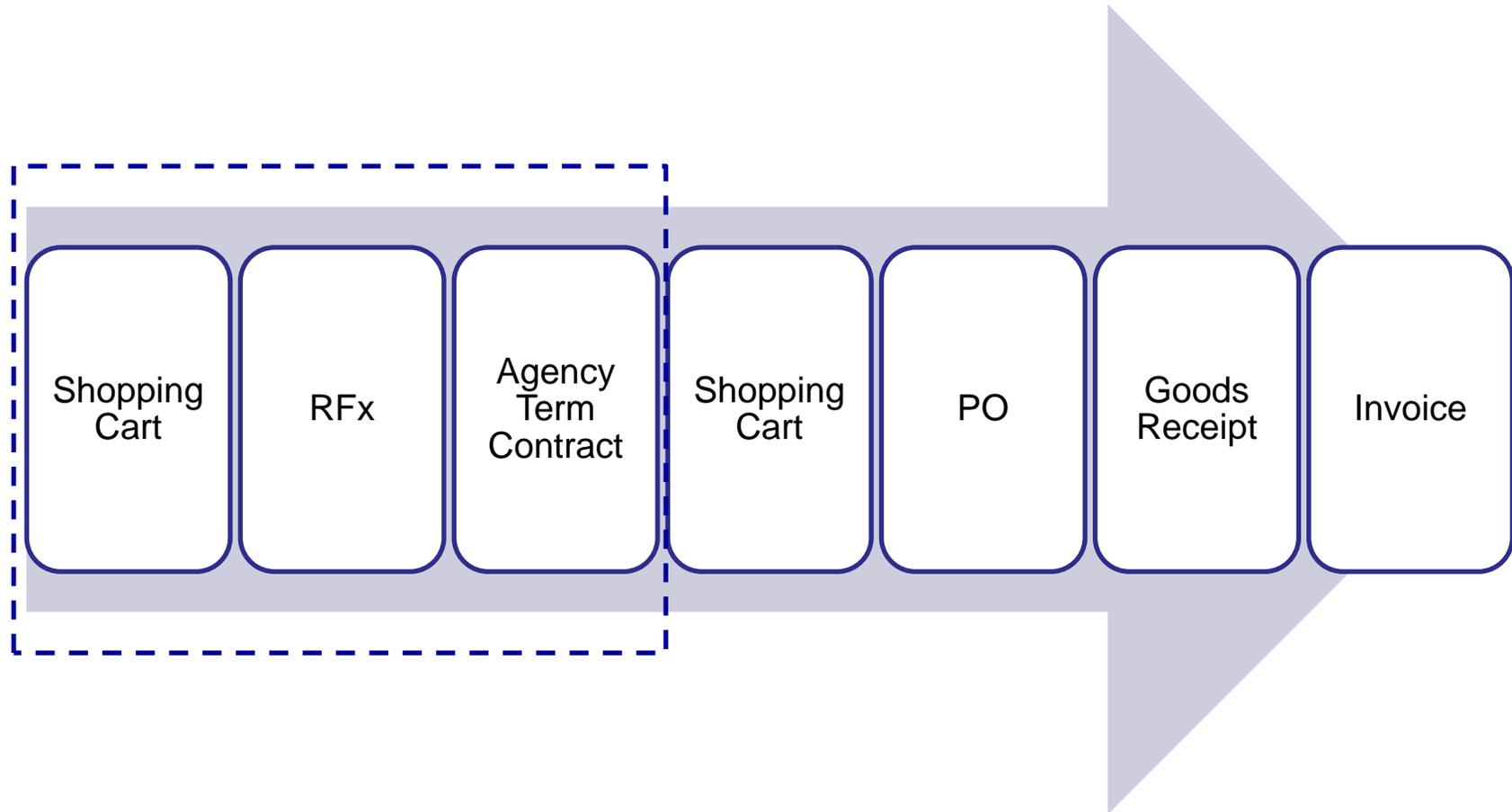- Purchases from Statewide Commodity Contracts

Operational Services

Routine services that are not considered to be professional, social, consulting, or personal services

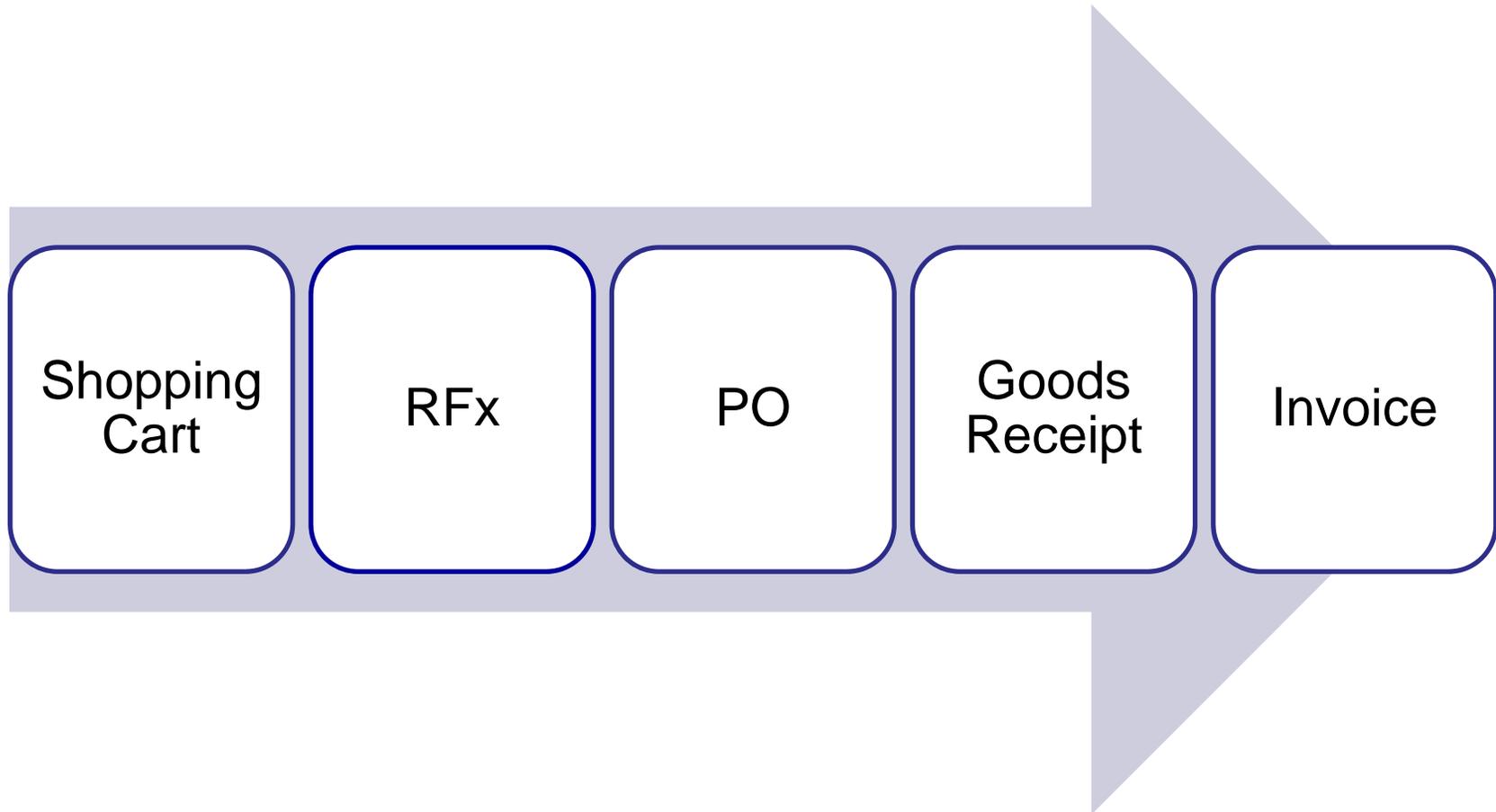- Pest Control, Copier Rental, Garbage Collection

Non Contract Commodity Procurement Overview

Shopping Cart → RFx → PO → Goods Receipt → Invoice

Master Data is

- data that remains basically unchanged over a long period of time

- data that feeds and supports all procurement processes

- used to increase the speed and ease of processing documents by defaulting information for the user

LaGov - KEY DESIGN ELEMENTS

Vendor Master/Registration

Vendor Master – static information about a vendor including their address, name, phone numbers, contact person names, etc. is contained in a vendor master record. The vendor's number is referenced on documents in the system. The number is a sequentially assigned number and is not their TaxID.

When Vendors register with the State through the Vendor Portal, they provide essential details about their company.

- Business Name
- TaxID
- Phone Number
- Address
- Etc.

They provide details about a contact person at the company.

- Contact Person's Name
- Phone Number
- Email Address
- Identifies if the contact person is authorized to bind the company as a signature authority

Vendor Master/Registration

They indicate for which commodities they wish to receive new RFx email notifications. These are selected at the Family or 2nd level of the UNSPSC. If the Vendor does not register for a certain commodity used on an RFx, the Vendor will not receive the automated notification from LaPac for that RFx.

Vendors will not receive the email notification unless they have paid the notification fee.

They can indicate a Remit To address that indicates to which address payments are sent.

Once the Vendor submits their registration information, they receive a permanent user ID and temporary password to use to log in to the Vendor Portal and perform maintenance activities on their Vendor record.

These activities can include:
- Creating additional contact persons
- Changing contact information
- Updating their commodity selections (including deselecting commodities at the Class or 3rd level of the UNSPSC)
- Remit To Address: If a Remit To address was not added during registration, it can be added only once through the portal. If one was added during registration, it cannot be changed in the portal.

Vendor Master/Registration

Once the Vendor completes the registration page, the Vendor Master record is created in SRM and assigned a Vendor Number.

Vendor Number: Begins with "31" and is a 9 digit sequentially assigned number.

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The Vendor's master record holds the information submitted during registration. The buyer will use the Vendor Master information when entering the RFx Response in LaGov.

When an RFX Response is Accepted (Awarded) the vendor record is transmitted to ECC. The vendor record will be placed in a block status until a W-9 is submitted and the block is lifted by OSRAP.

There is also a manual process to click a button on the Vendor record in SRM to transmit it to ECC.

There are two options to add a Vendor if one does not exist in LaGov:

- Send the Vendor the Supplier Registration link so they may register themselves (Preferred)

- The Buyer may register on behalf of the Vendor (in cases where the Vendor does not have access to a computer)

Upon acceptance of the Vendor submitted W-9 by OSRAP, the payment/purchasing block is removed.

Vendors with multiple location codes will be converted as individual Vendor Master Records, each with their own unique Vendor Number.

Demonstration

The United Nations Standard Products and Services Code (UNSPSC) replaces NIGP and consists of:

- Hierarchical classification with four levels.
  - Levels allow for reporting by drilling down or rolling up for analysis.
  - Each level in the hierarchy has its own unique number.
- Vendors register for commodity codes using this classification.

When used in SRM in purchasing documents this code is entered in the field "Product Category".

As an example, the commodity "ball point pen refills" is part of a larger class of products, "Ink and lead refills", which in turn is part of a family of products, "Office supplies," which is part of a segment of products, "Office equipment, accessories, and supplies." Each level of the hierarchy has its own unique number.

Hierarchy	Category Number and Name
Segment	**44** Office Equipment, Accessories and Supplies
	10 Office Machines and their supplies and accessories
	11 Office and desk accessories
Family	**12** Office supplies
	15 Mailing supplies
	16 Office supplies
Class	**17** Writing instruments
	01 Rollerball Pens
	02 Pen or Pencil Sets
	03 Fountain Pens
Commodity	**04** Ball point pens

Using the above Hierarchy, the UNSPSC code for Ball Point Pens would be "**44121704**".

Demonstration

A Plant in LaGov is created as an Agency or Business Area.

A Plant is referred to as a "Location" in SRM. If a Location is specified on a document, the system checks any Location specific fields for accuracy.

For Example:

- Locations are listed on Contracts to restrict usage to that Agency.

- Locations are used on procurement documents to drive Approvals.

A Delivery Address is the address to which the items on a requestor's Shopping Cart and subsequent POs will be delivered. The Delivery Address prints on the Purchase Order.

Requestors have the option to save their own Delivery Address in SRM to have it default on their Shopping Carts.

LaGov will request the Standard Plant/Location addresses and additional potential Delivery Addresses from each Agency during future conversion activities.

Purchasing Groups- are responsible for day-to-day procurement (commodity and services) activities (Buyers).

Purchasing Groups are assigned by Positions in the HR Organizational Structure.

Each Purchasing Group is assigned a number and is given a name to identify it's position in the Purchasing Organization.

For Example:
90000072 – 273 DOTD PROCUREMENT MGR TEAM 1
90000079 – 276 DOTD AVIATION/PUB TRANS BUYER 1

Purchasing Groups are listed on all procurement documents in SRM and are used to restrict users from editing documents outside of their organization.

Creator	PGroup	Who Can Edit?
🧑	🧑	🧑
🧑	👩	👩

For Example: If PGrp1 is listed on a PO, the user assigned to PGrp2 cannot edit that PO. The user assigned to PGrp1 must change the Purchasing Group to PGrp2 to allow the user assigned to PGrp2 to edit the document. Once the Purchasing Group is changed to PGrp2, the user from PGrp1 can no longer edit the document.

Purchasing Groups are also used on Shopping Carts to direct an approved Shopping Cart to a specific buyer.

The Purchasing Groups displayed to a user during Shopping Cart creation are determined by that user's position in the organization and will reflect only the Purchasing Groups responsible for that section of the Organization. Purchasing Groups from other Agencies, for example, will not be displayed.

Requisitioners

- Create Shopping Carts
    - Shopping Carts up to $5,000 will auto-generate a PO which will print on the printer of the selected Buyer
    - Shopping Carts greater than $5,000 will be sent to a Buyer for processing in to a PO

Basic Buyers (PGroup)

- Create Shopping Carts
- Create POs

Buyers (PGroup)

- Create Shopping Carts
- Create RFx's
- Create Contracts
- Create POs

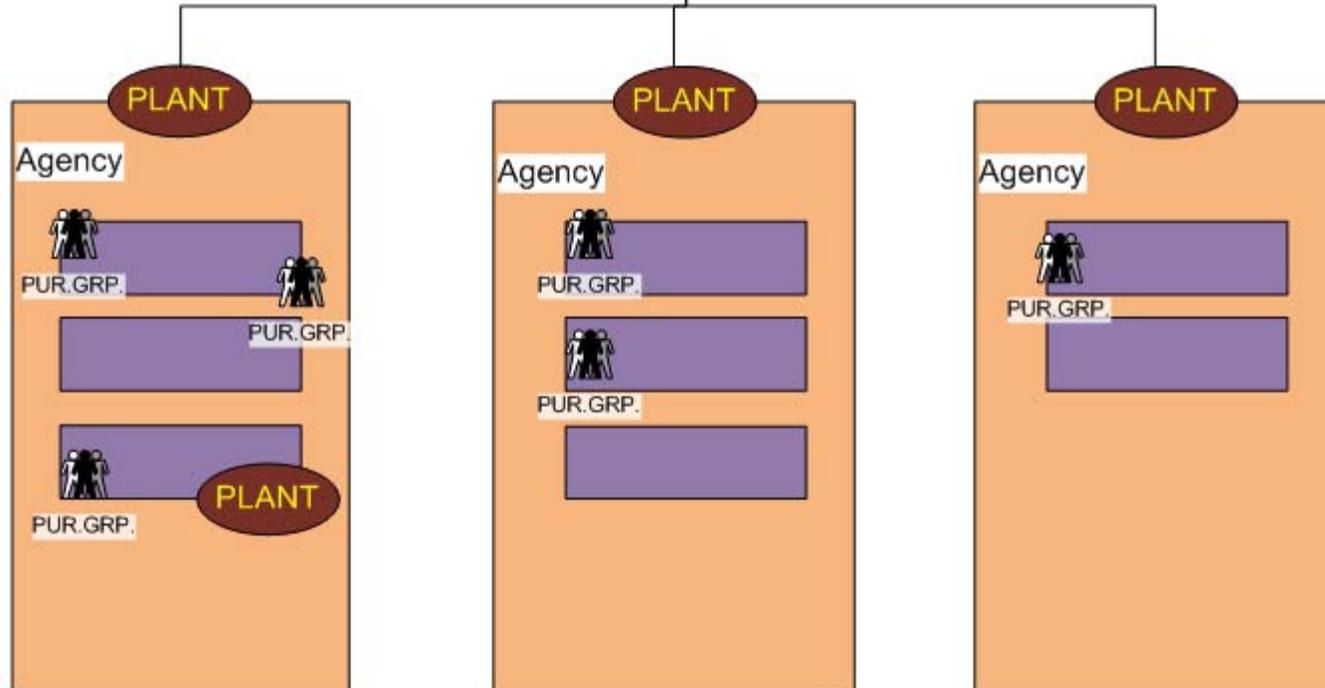Consolidated vs Non-consolidated Agencies

OSP Exempt Purchases

DEPARTMENT

Department

AGENCY

PLANT

Agency

PUR.GRP.

PUR.GRP.

SECTIONS / LOCATIONS

PUR.GRP.

PLANT

PLANT

Agency

PUR.GRP.

PUR.GRP.

PLANT

Agency

PUR.GRP.

Where work is typically shared among Buyers in the organization, the Agency may prefer to add Multiple Positions to the same PGroup.

This will allow Buyers to share workload easily without transferring documents to and from each other in the system.

Accounts Payable

October 28th and 29th

Project Documentation

Project Documentation Location:

http://www.doa.louisiana.gov/ois/lagov/srm/srm_conversion.htm

Recap and Questions?