



FI\$Cal

Financial Information System for California

FI\$Cal Solution Walkthrough (SWT): Procurement

2017/2018 Release

Agenda

- Solution Walkthrough Objectives
- Procurement Solution Overview
- Purchasing Process:
 - Create and Approve Requisitions
 - Sourcing (Solicitations)
 - Procurement Contracts
 - Manage Purchase Orders
 - Control-Related Processes
 - Process Procurement Card Transactions
 - Receive and Inspect Goods and Services
- Technology Considerations
- Session Recap
- Q&A Session
- Feedback: www.surveymonkey.com/r/SWTFeedback

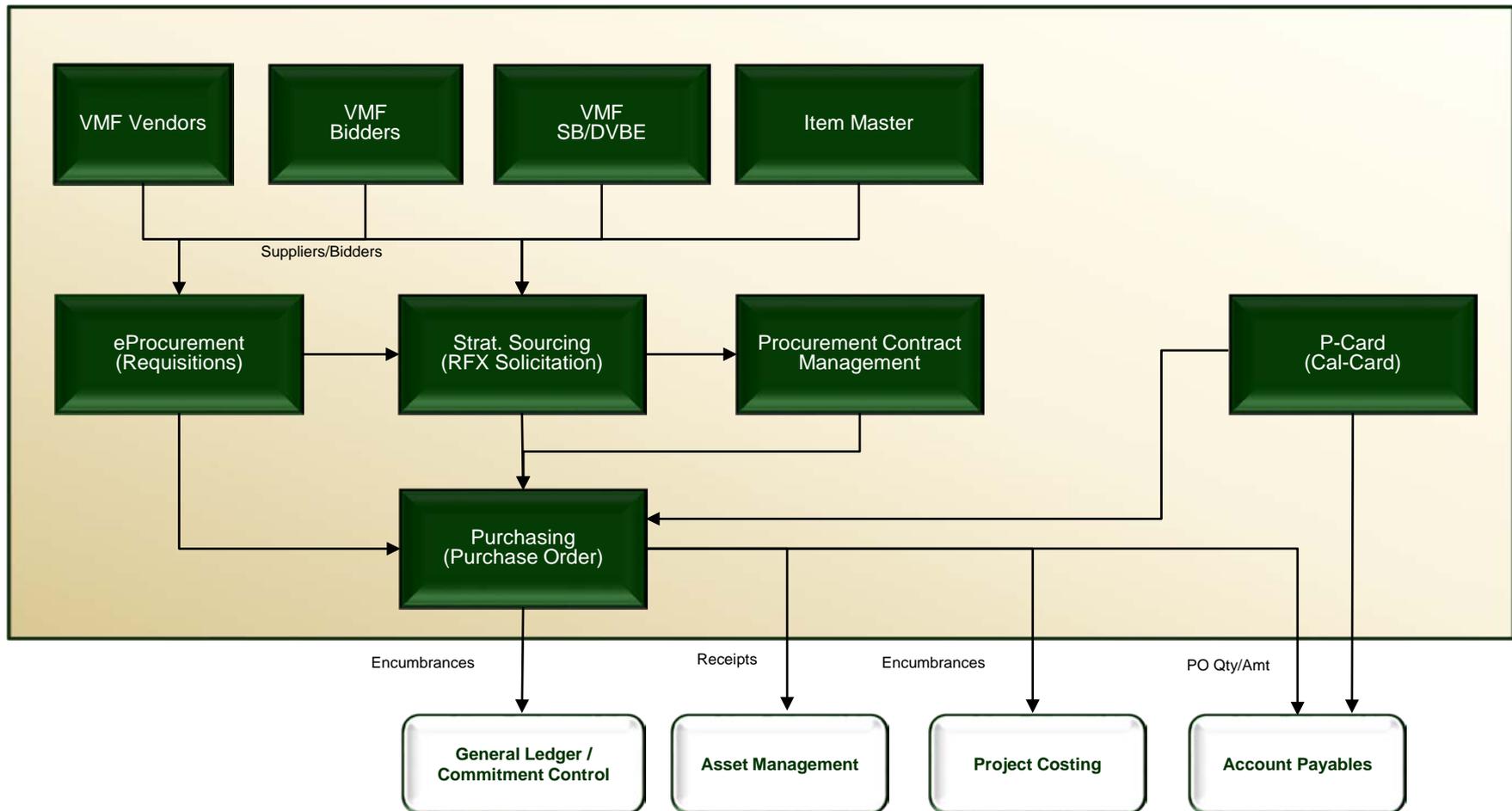


Solution Walkthrough Objectives

The Solution Walkthroughs will provide:

- An overview of the business processes, including key terms and functionalities
- “To-Be” business processes

Procurement (PO) Solution



Requisition Overview

- The Create and Approve Requisition process covers all activities related to a requisition starting with creation, approval, and budget check, and ending with creation of a Purchase Order (PO).
- This includes the following sub-processes:
 - Create, Approve, and Maintain Requisition including a Requisition Change Request

Requisition Key Terms

Term	Definition
Header	General information pertaining to the entire requisition. This includes data such as Business Unit, Requester, and Currency Code. Informational fields include requisition status and whether the requisition has been approved and budget checked.
Lines	Item description, Unit of Measure (UOM), Category, and Quantity for each item on the requisition.
Schedule	Due date, Ship-to address, and Unit Price are stored on the requisition for each item line.
Distribution	Accounting information (the General Ledger ChartField string) is entered. The ChartField string includes Account, Fund, Department ID, Class, Program, and Project.

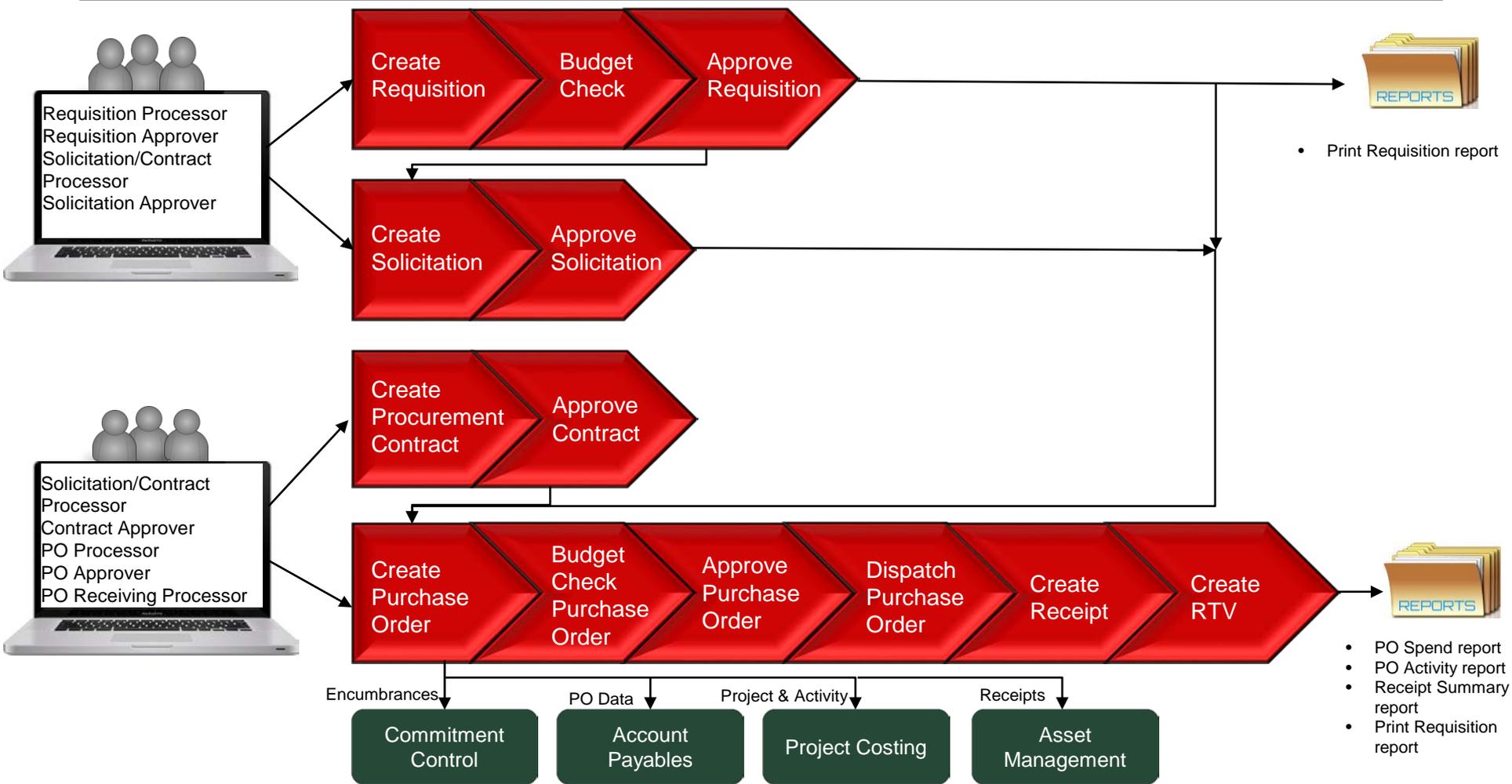
Requisition Key Terms

Term	Definition
Business Unit	An organizational entity that has a balanced set of books and by which General Ledger (GL) reports and processing can be segregated. In FI\$Cal, a GL Business Unit will be defined for each Organization Code ("Org") that receives appropriations.
ChartField	An accounting classification segment (for example, Fund or Program).
Budget Check/ Pre-encumbrance/ Commitment Control	The process of budgetary accounting which enables the tracking or controlling of expenses against budgets, and revenues against estimates.
Reporting Structure	An agency defined ChartField that identifies the organizational entity associated with a transaction. Similar in purpose to the UCM Organization Code at Level 2 and below.

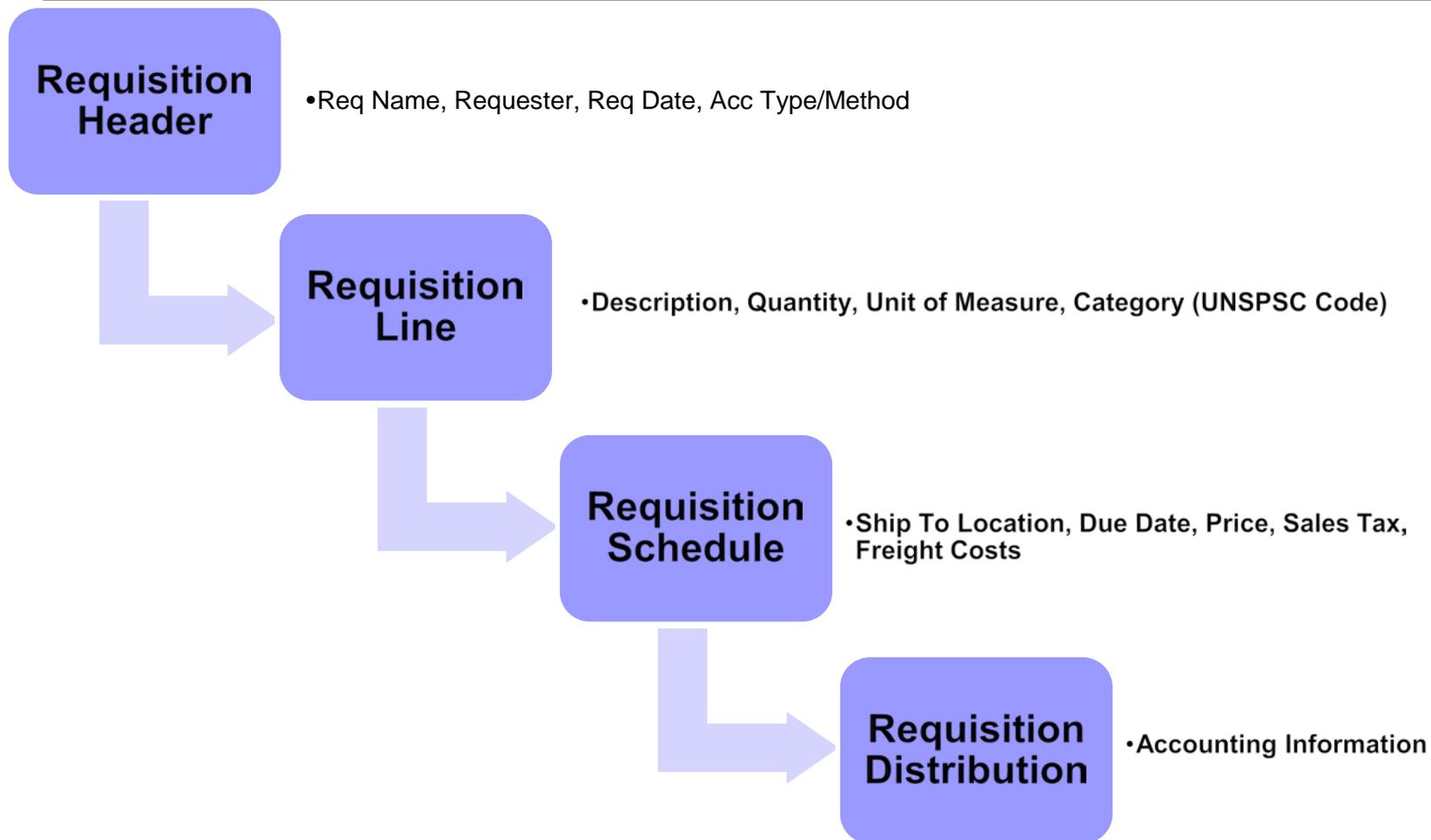
Requisition Key Terms

Term	Definition
Ad Hoc Approver	Approvers or reviewers that are added to the standard approval process. Inserted Ad Hoc approvers apply only to the current requisition or PO being approved.
Acquisition Type	State purchasing activities divided into categories: Non-IT Goods, Non-IT Services, and IT Goods and Services, IT TELECOM, Encumbrance Only.
Acquisition Method	Method of procurement including, but not limited to: <ul style="list-style-type: none"> ▪ Competitive ▪ Non-competitive bids (NCB) ▪ Solicitation through Small Business/Disabled Veteran Business Enterprise (SB/DVBE) ▪ Leveraged Procurement Agreements (LPA) ▪ Emergency
Category	Codes (United Nations Standard Products and Services Codes, UNSPSC) used to classify goods and/or services in FI\$Cal. Should be entered during the requisition process.

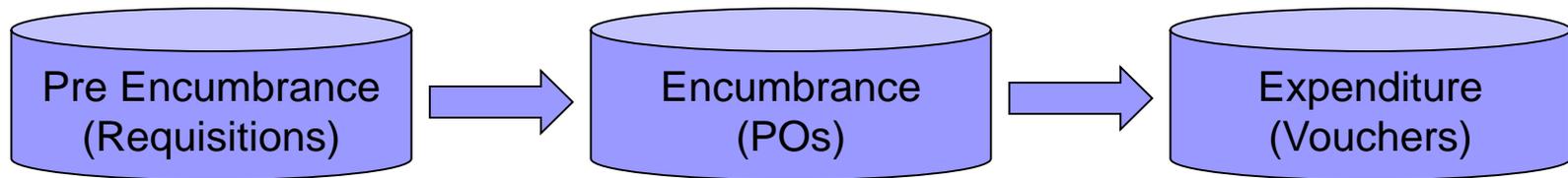
Requisition to Receiving



Requisition Data Hierarchy



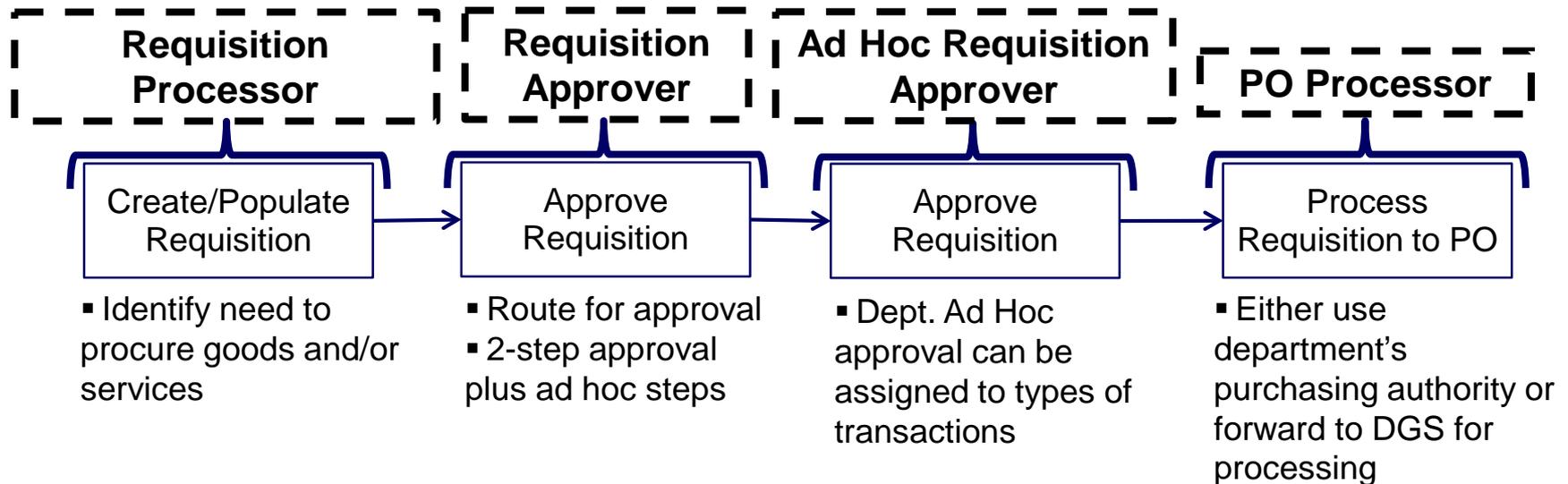
Pre Encumbrance vs Encumbrance vs Expenditure



Budget:	\$1,000,000
Expenses	400,000
Encumbrance	500,000
Pre Encumbrance	50,000*
Available Budget:	\$ 100,000

* Funds in a requisition are a “soft encumbrance” and do not impact the budget. Funds stay available until the PO is released.

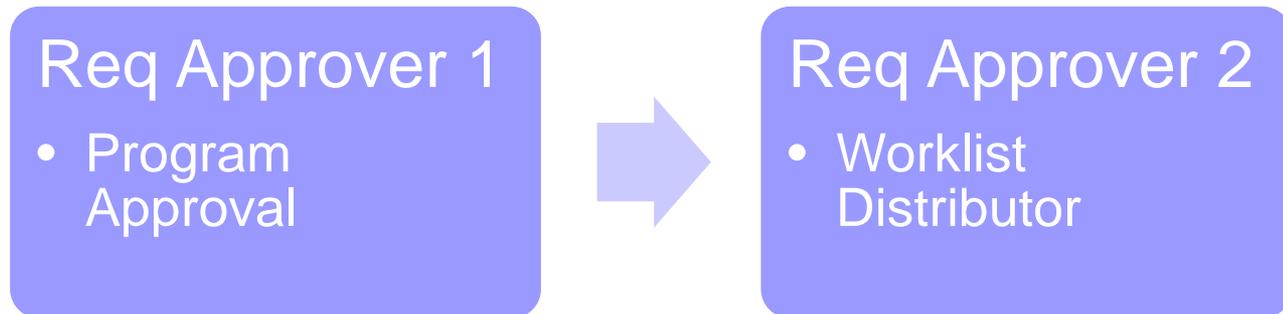
Create and Approve Requisition



Key Impacts

- Acquisition type, reporting structure, and dollar amount will be used to determine workflow routing.
- Requisitions may include ad hoc departmental approvers as well as external (DGS) approvers.

Requisition Workflow



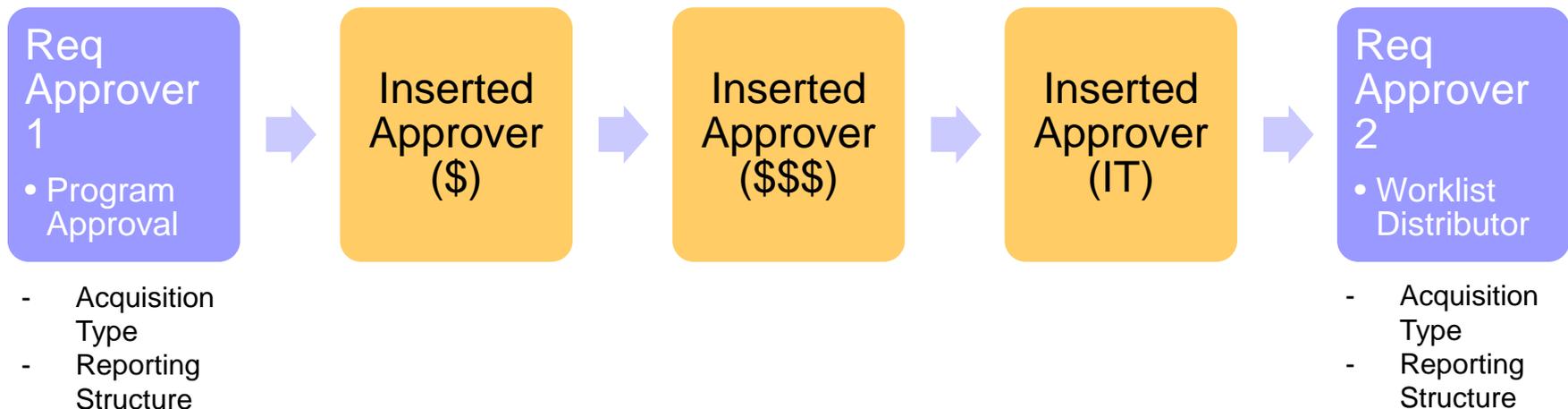
Route By
(Route Control)

- Acquisition Type
- Reporting Structure

- Acquisition Type
- Reporting Structure

- Additional approvals (dollar thresholds, commodity approvals, etc.) can be handled by inserting ad hoc approvers or reviewers.
- Routing an approval to the Department Buyer is a manual step performed by the worklist distributor.
 - Departments have the option to route directly to the buyer as well by assigning the Department Buyers the Requisition Approver 2 role.

Ad Hoc Workflow – Requisition



- Additional approvals (dollar thresholds, commodity approvals, etc.) can be handled by inserting ad hoc approvers or reviewers.
- Routing an approval to the Department Buyer is a manual step performed by the worklist distributor.

Sourcing (Solicitation) Process Overview

- Manage Sourcing process starts when the department identifies need to purchase goods and/or services or to create a new contract.
- Solicitation Processor creates solicitation or addenda to an existing solicitation.
- Solicitation can be created by direct entry or copying a requisition.
 - Advertisement of solicitation can be posted to CSCR

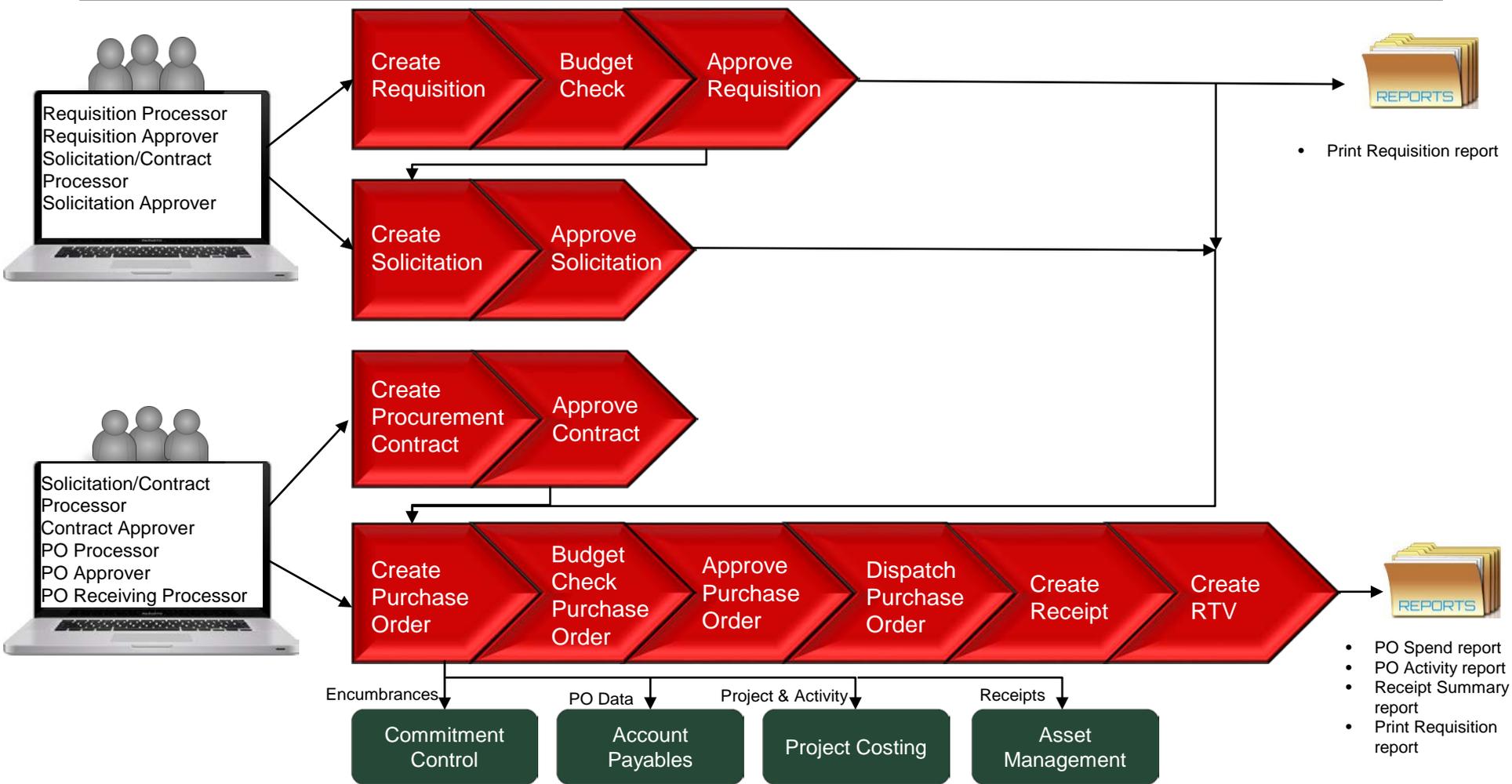
Sourcing (Solicitation) Key Terms

Term	Definition
Event	Terminology in FI\$Cal for a solicitation.
RFx	Event type that applies to R equest F or Quote or Proposal or Invitation or Information for Bid.
Start Date	The date and time that an event is open for bidding.
End Date	The date and time that bids are no longer accepted.
Preview Date	The date that prospective bidders may view the event, but not submit the bid.
Bid Response	Submission of an offer on an event.
Bidder	An entity that has registered in Cal eProcure to receive notifications, maintain their information, and apply for certifications.

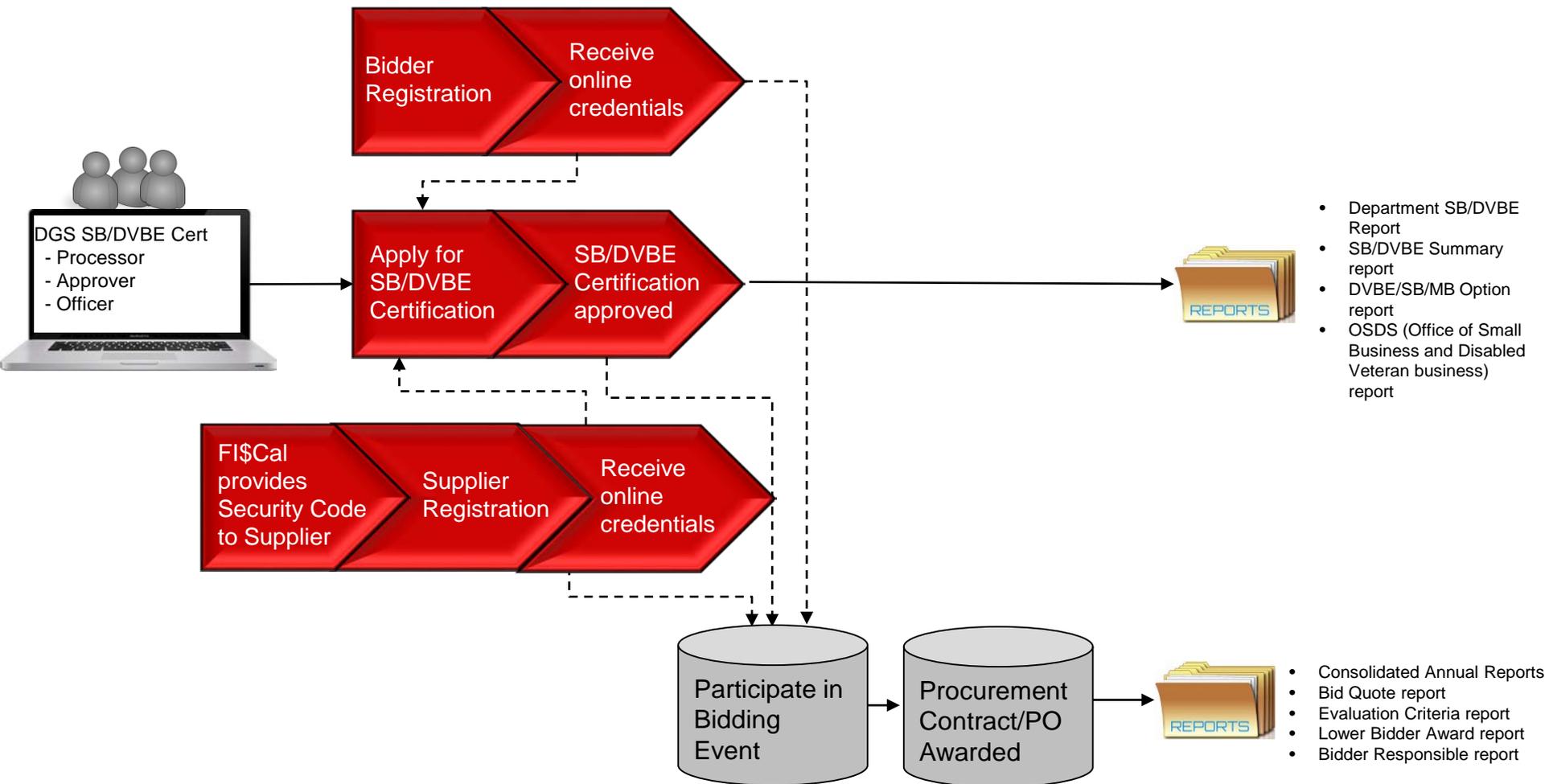
Sourcing (Solicitation) Key Terms

Term	Definition
Supplier	An entity that is actively doing business with the State, or otherwise receiving payments from the State. In Cal eProcure, Supplier is an alternate term for “Vendor.”
eSupplier	An entity that has both registered in Cal eProcure, and is actively doing business with the State. Once a Bidder is awarded a contract or purchase order, they are then categorized as an eSupplier in FI\$Cal.
Sell Event	Event creator offers a good or service for sale. Sell events may be an auction (all bids visible to all bidders or RFx).

Requisition to Receiving

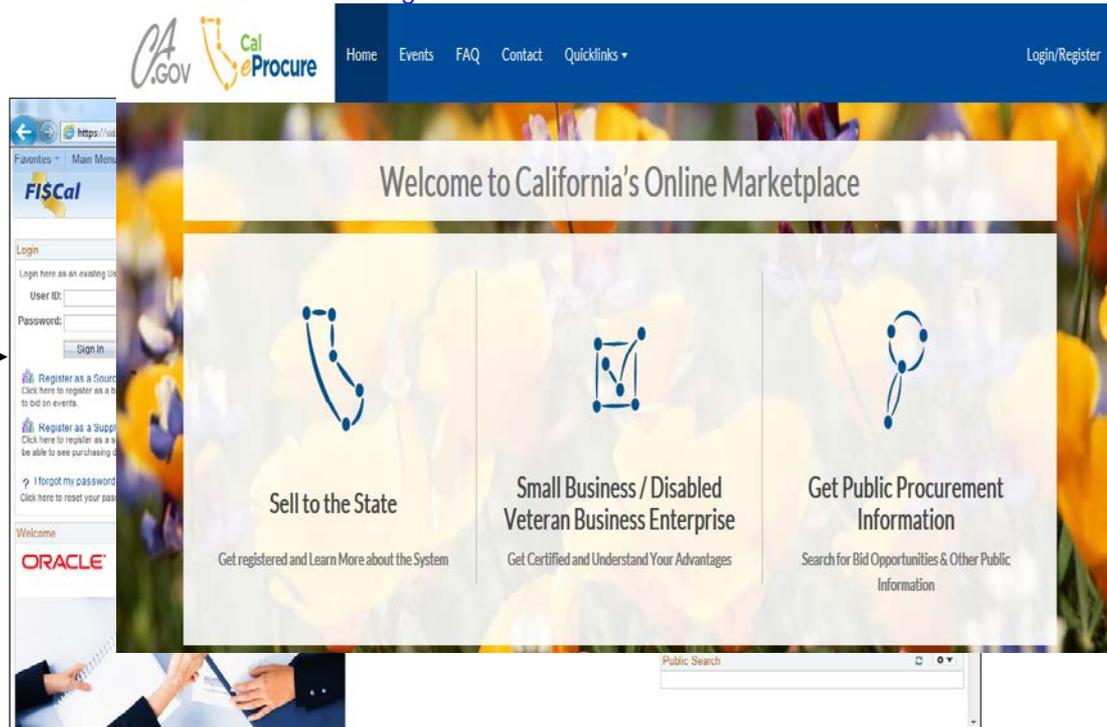


Supplier & Bidder Registration



Supplier Portal

www.CALeProcure.ca.gov



The screenshot shows the CALeProcure website interface. At the top, there is a navigation bar with links for Home, Events, FAQ, Contact, and Quicklinks. The main content area features a large banner with the text 'Welcome to California's Online Marketplace'. Below the banner, there are three main sections: 'Sell to the State' (with the subtext 'Get registered and Learn More about the System'), 'Small Business / Disabled Veteran Business Enterprise' (with the subtext 'Get Certified and Understand Your Advantages'), and 'Get Public Procurement Information' (with the subtext 'Search for Bid Opportunities & Other Public Information'). On the left side of the screenshot, there is a sidebar with a login form and registration links. At the bottom of the screenshot, there is a 'Public Search' input field.

SB/DVBE Certification
- Processor
- Officer
Solicitation Processor

Supplier Registration



Bidder Registration



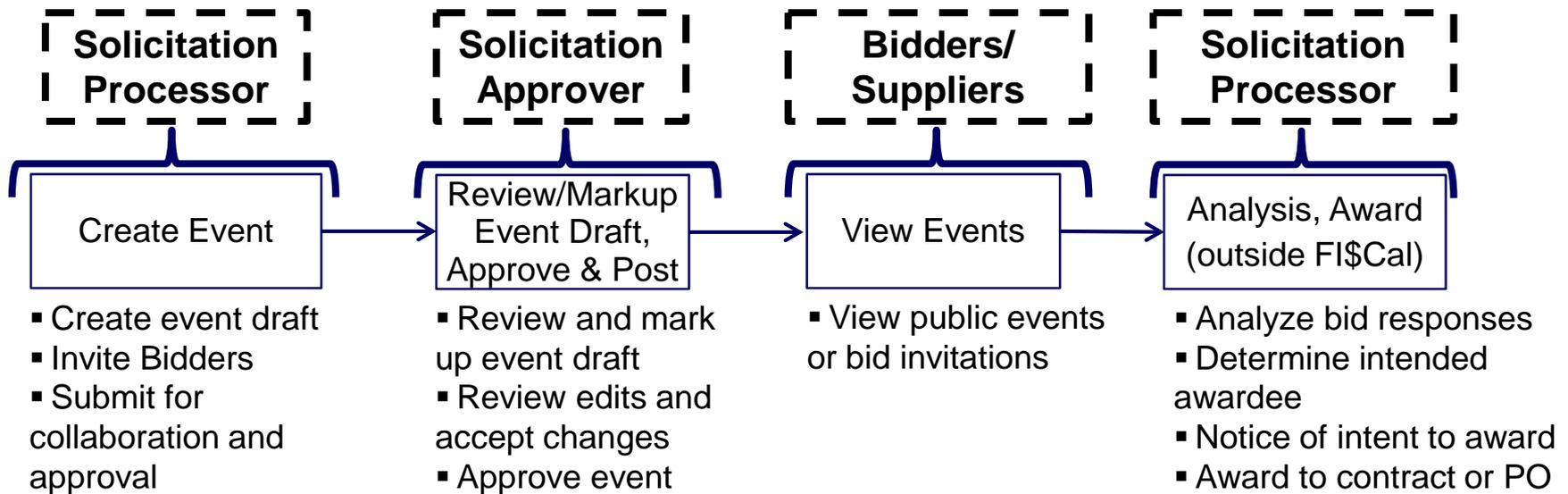
SB/DVBE Certification



Public Search



Sourcing (Solicitation) Summary Flow



Key Impacts

- Solicitation Events may be entered directly or may originate from a requisition.
- Collaborators are selected by the event processor to provide edits; collaboration routing uses approver worklists; Event Processor/Buyer decides which edits to accept.
- The event is posted in the portal and email invitations sent after event approval.

Sourcing Event Approval Workflow

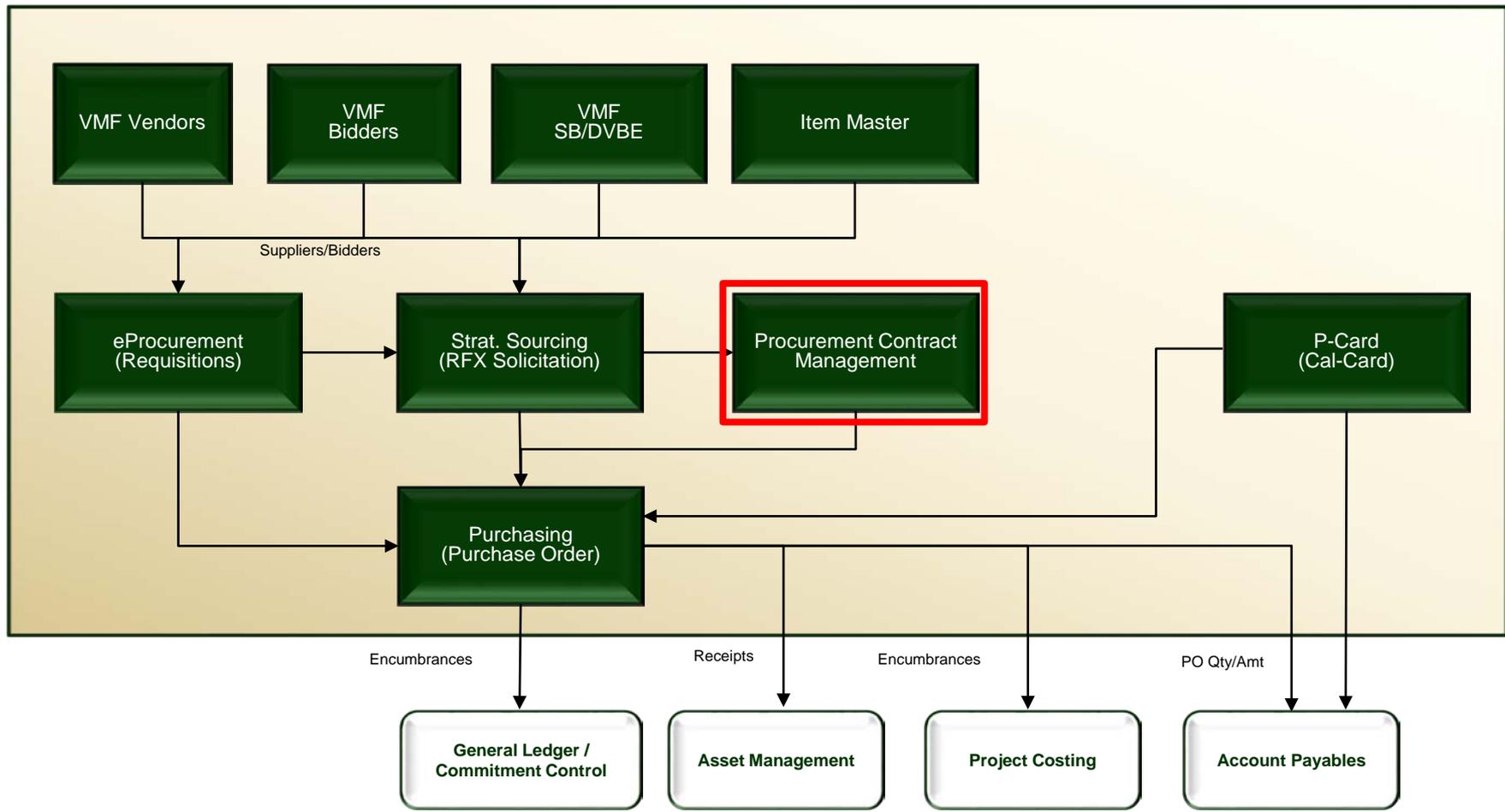
One Step Approval

Event Approver

- Business Unit
- Acquisition Type

- Sourcing Event is a one-step approval process.
- Funding is optional in Sourcing Events so routing by Reporting Structure cannot be used. Program approvals and other conditional situations will be added as ad hoc approvals.
- Solicitation Approver routing is based on business unit and acquisition type route controls.
- Additional approvers can be added via ad hoc functionality as needed.

FI\$Cal Procurement Solution



Procurement Contracts Overview

- Contract process starts upon notification of award to supplier (or vendor).
- Includes ongoing activities necessary to create/amend contract, approve contract, extend, and retire contract.
- Process also includes administration of contract (tracking of contract usage, enforcement of maximum amount(s), and contract effective dates).
- Process ends when contract is available to departments for procurement of goods and/or services.



Procurement Contracts Overview

- Contracts will be created for Leveraged Procurement Agreements (LPAs) and departmental contracts.
- FI\$Cal contracts will enforce spending against maximum amount and contract term (start and end) dates.
- Contracts may be set up for multiple years.
- Ordering/release against contracts is via POs.
- FI\$Cal contracts will keep track of all the individual PO releases and remaining balance of the contract.

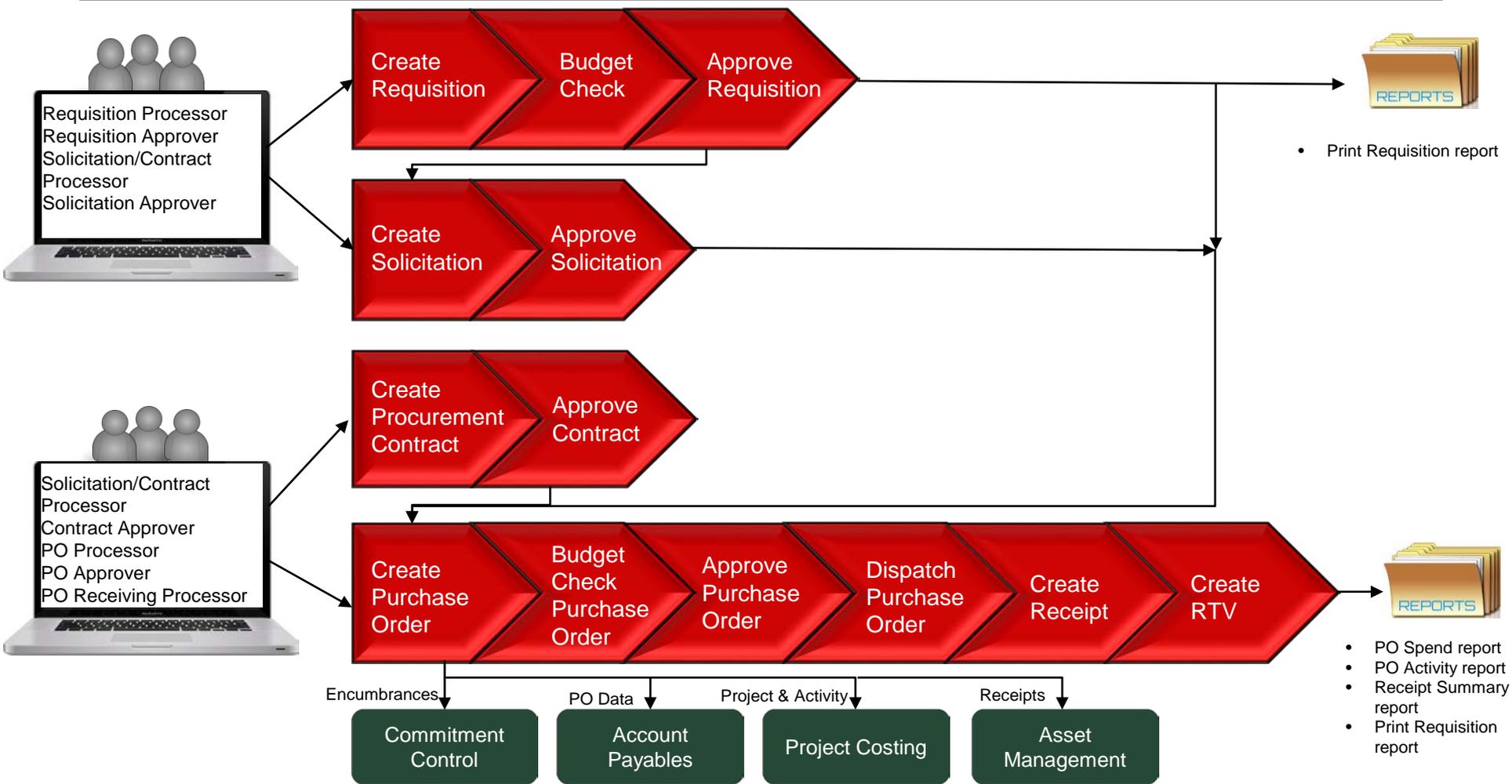
Procurement Contracts Key Terms

Term	Definition
Contract (General)	An agreement between the State and another entity to procure goods or services.
Procurement Contract	Also referred to as a Vendor or Supplier Contract. An agreement with an individual or entity (e.g. vendor, grantee, finance/ leasing company) that the state will pay. This includes the transactional contract and the contract document.
Transactional Contract	A term used for the contract transaction. A user can perform transactions such as create and maintain contract items, amounts, dates, and prices.
Contract Number	Unique identifier for a contract.
Contract Status	Provides Current Status of Contract (Open, Approved, Closed, Canceled, On hold).

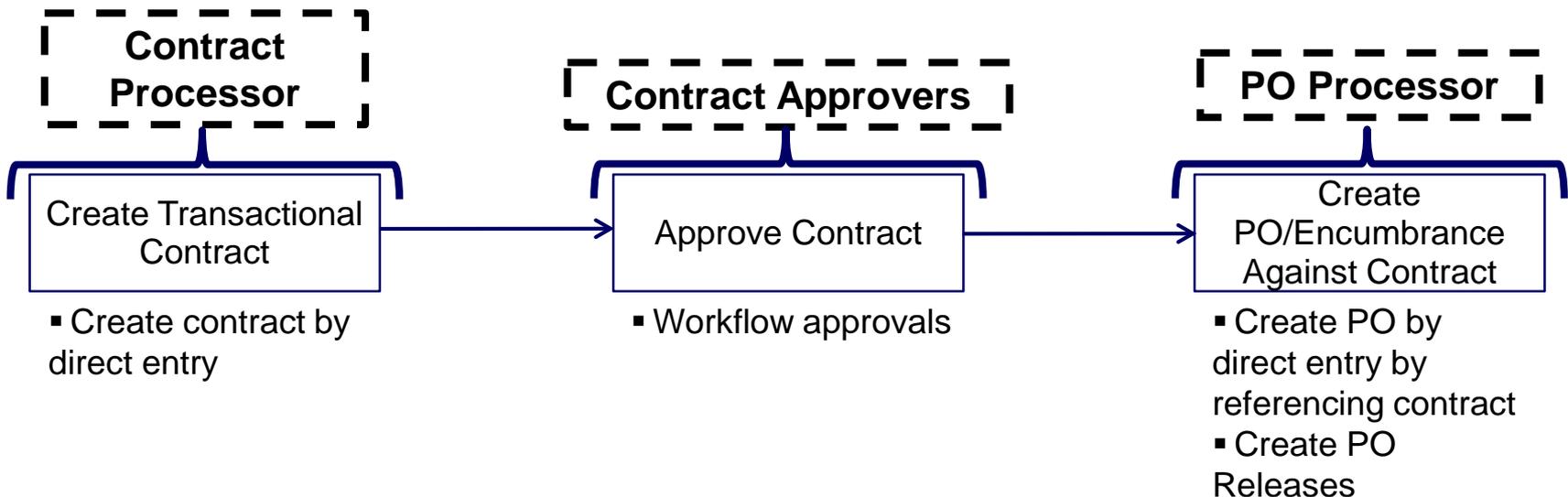
Procurement Contracts Key Terms

Term	Definition
Expiration Date	Date contract becomes unavailable to procure goods and/or services.
Maximum Amount	The maximum amount that the contract cannot exceed.
Line Item Contract	Contract line specified by item id/item description.
Category Contract Line	Contract line specified by a group of items based on an item category (UNSPSC codes).
Open Item Contract	A contract that allows ordering of goods or services as specified by the contract, e.g. vendor catalog.
Spend Threshold	A monetary amount or date criteria for a contract used for triggering contract alert notifications, e.g. against max amount, end date, or renewal date.
Contract Version	The revision level of a transactional contract. This is currently called a contract amendment.

Requisition to Receiving



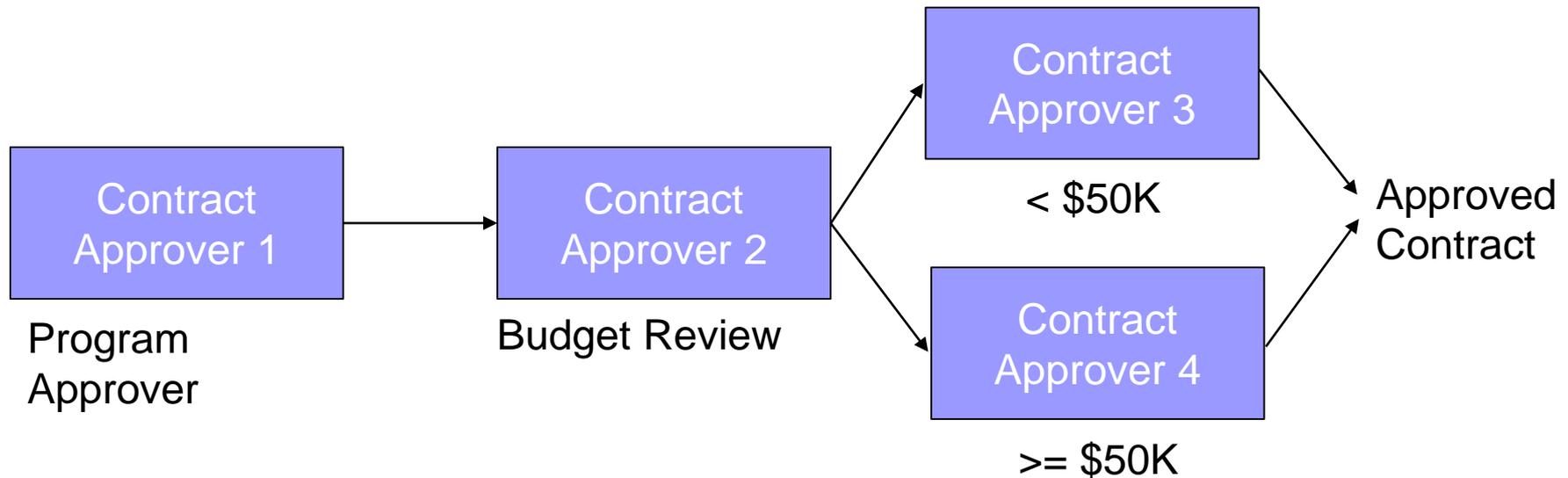
Procurement Contracts Summary Flow



Key Impacts

- Contracts may be created by direct entry or copying from an existing contract.
- Contract will be either an LPA or a departmental contract.
- Wet signatures on contracts still needed from suppliers.
- STD 213 or 210 still required and attached to the transactional contract.
- Purchase Orders must be created to encumber funds in order to process payments for contracts.
- Contract documents will be attached to a specific area in the transactional contract.

Procurement Contracts Workflow



- Contract workflow is similar to the approval process for POs.
- Contract approval routing is based on business unit and acquisition type route controls. Funding is optional in contracts so reporting structure cannot be used as a route control.
- The contract document will be attached to the transactional contract, routed and approved at the same time as the transactional contract.
- Approved contract is routed back to the buyer for execution and distribution.
- Additional approvers can be added via ad hoc functionality as needed.

Break!!!



Purchase Order Overview

- The Manage Purchase Order process is used to create purchase orders (POs) and change orders (amendments) for existing POs. This includes activities necessary to create POs, approve POs, budget check (encumbrance), and dispatch POs to support State/Department procurement activity.

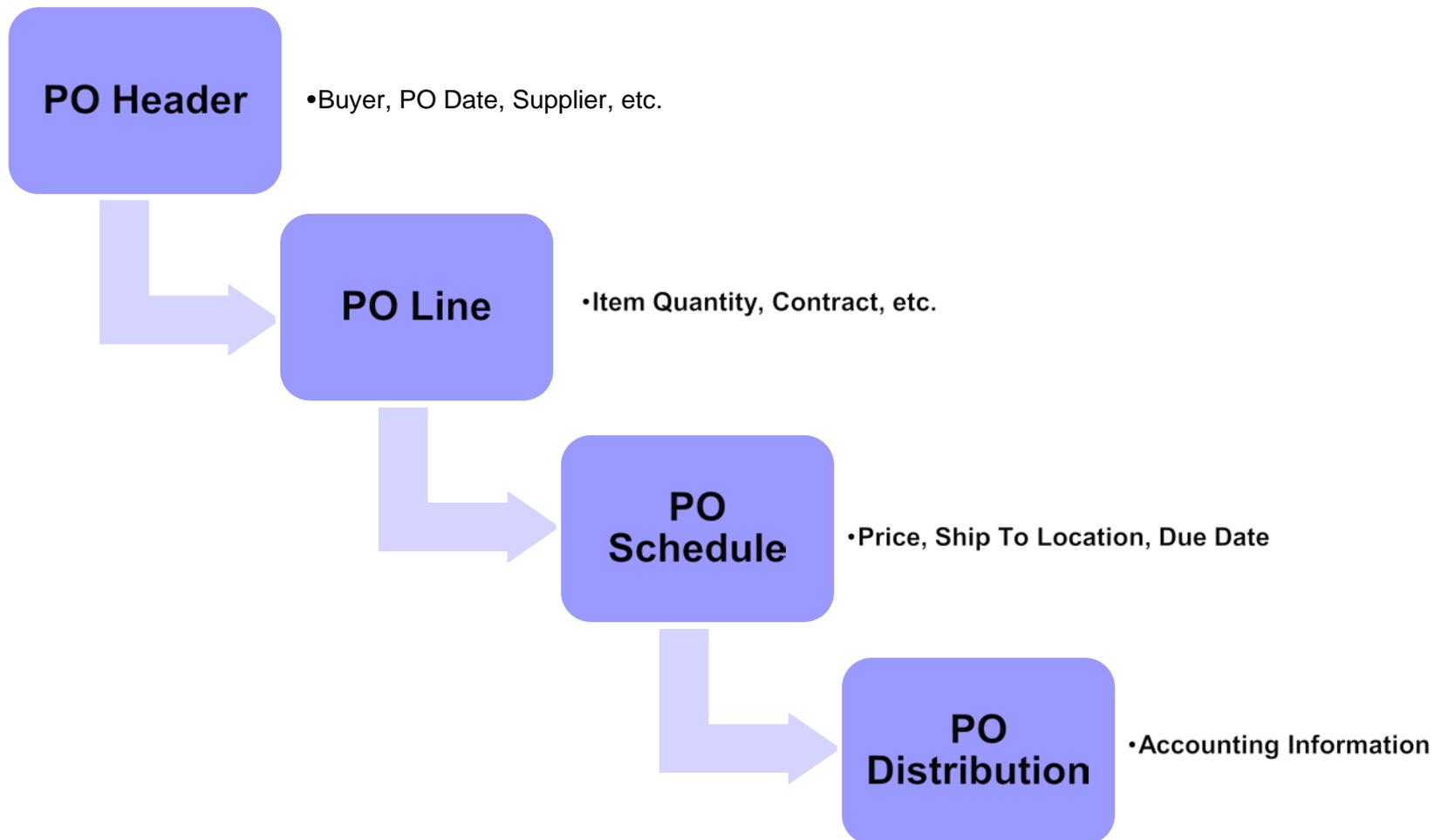
- This includes the following sub-processes:
 - Create Purchase Orders
 - Approve Purchase Orders
 - Run Budget Check
 - Dispatch Purchase Orders



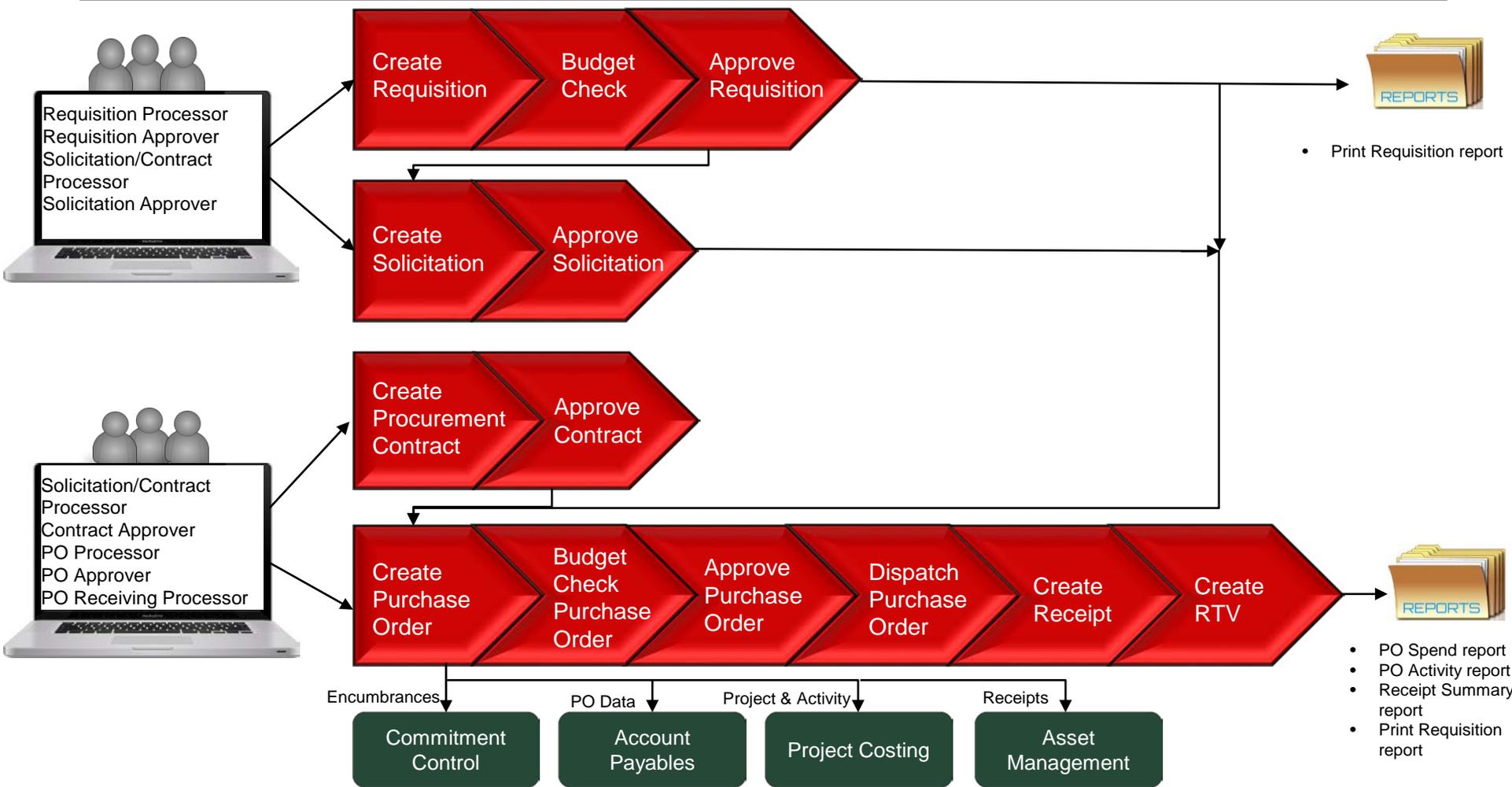
Purchase Order Key Terms

Term	Definition
Header	General information pertaining to the entire order. This includes the PO Date, Vendor, Buyer, PO Type, and PO Reference. The Buyer can also place the order on hold and initiate the approval and budget checking functions. Informational fields include order status and whether the order has been budget checked and dispatched.
Lines	Item description, Unit of Measure (UOM), Category, and Quantity for each item you are ordering.
Schedule	Due Date, Ship-To Address, and Unit Price are stored on the requisition for each item line.
Distribution	Accounting information (the GL ChartField string) is entered. The ChartField string includes Account, Fund, Reporting Structure, Program, Appropriation Reference, and Year of Enactment.

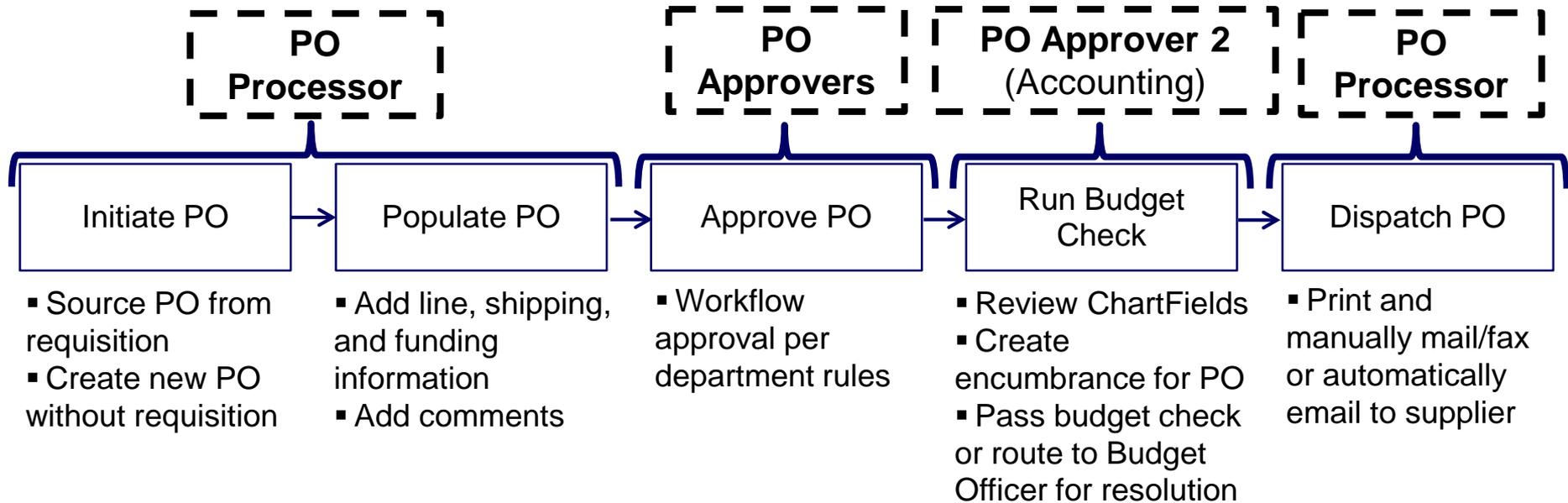
Purchase Order Data Hierarchy



Requisition to Receiving



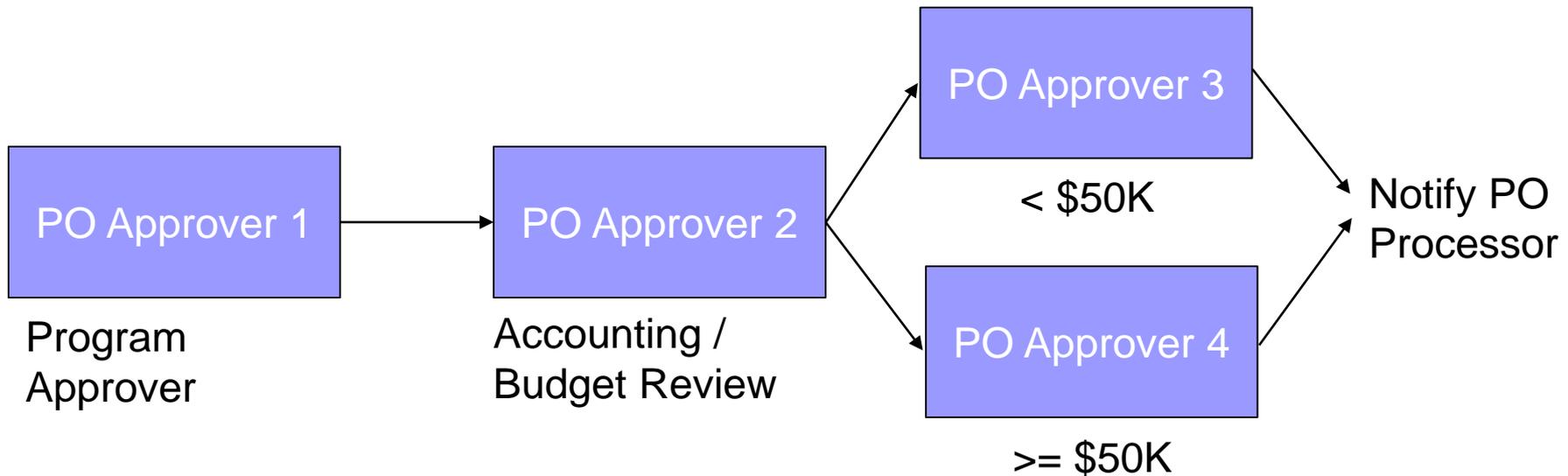
Manage Purchase Order



Key Impacts

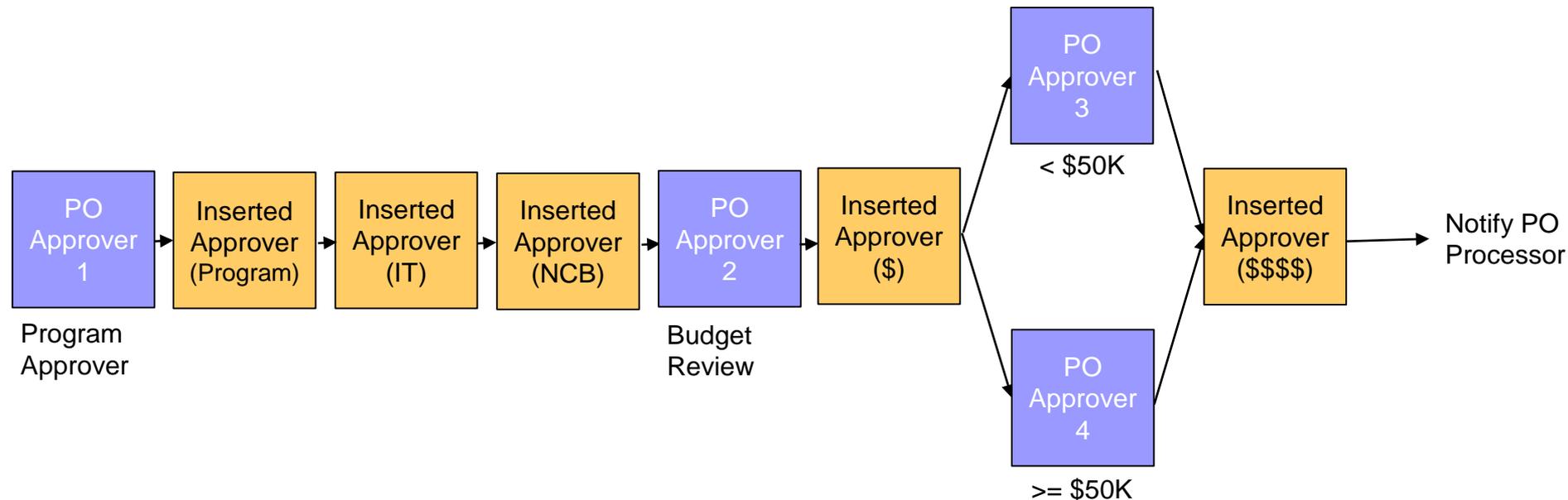
- Only users with the role of Department PO Processor is allowed to create POs.
- Electronic routing and approvals for POs.
- Automated budget check/encumbrance.

Workflow – Purchase Order



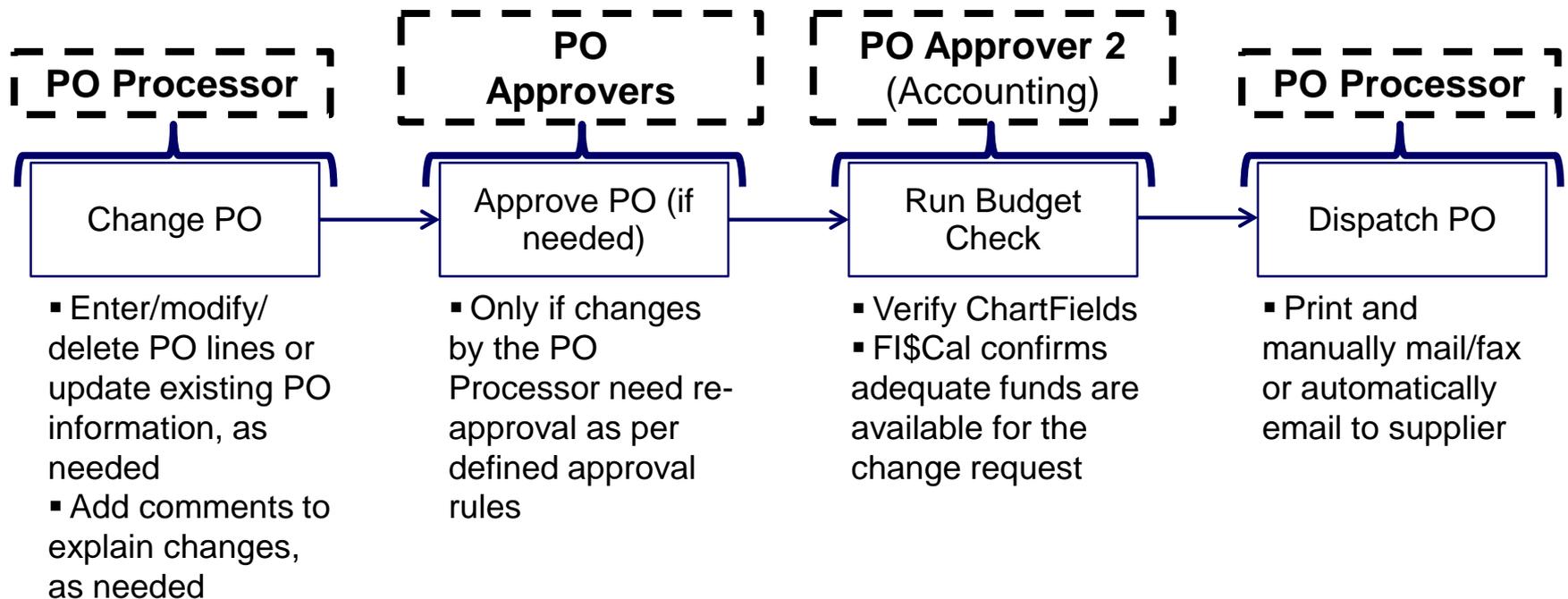
- Additional approvals (dollar thresholds, acquisition type approvals, etc.) will be handled by inserting ad hoc approvers or reviewers.
- Either PO Approver 3 or 4 will approve, depending on the amount of the PO.

Ad Hoc Workflow – Purchase Order



- Additional approvals (dollar thresholds, acquisition type approvals, etc.) will be handled by inserting ad hoc approvers or reviewers.
- Either PO Approver 3 or 4 will approve, depending on the amount of the PO.

Manage PO Change Order



Key Impacts

- PO numbers remain the same following a Change Order because the revision number is incremented and tracked by FI\$Cal.
- When a Change Order is triggered, the PO may need to be re-approved.

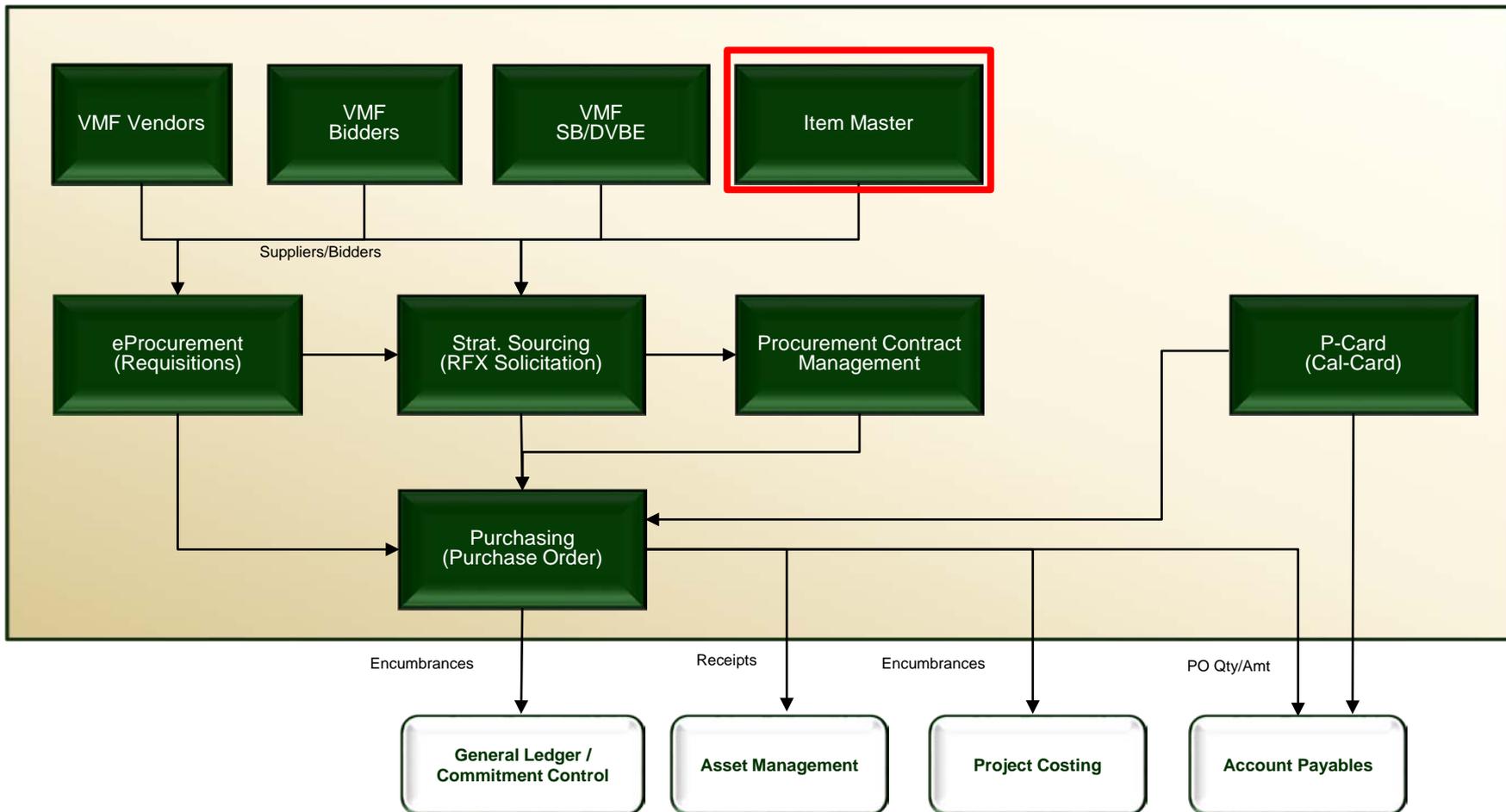
Purchase Authority Application (PAA)

- PAA will be entered online, electronically routed, and approved at department and DGS levels in FI\$Cal
- Purchasing Authority Contact (PAC) and Procurement and Contracting Officer (PCO) will be approved by DGS and added in FI\$Cal
- Users with PAC and PCO roles will be approving PAA requests
- Delegated purchasing authority is monitored/enforced in the following areas:
 - Requisitions
 - Solicitations
 - Contracts
 - Purchase Orders

PAA Key Terms

Term	Definition
Procurement Contracting Officer (PCO)	Single point of contact for DGS/Procurement Division (PD) on procurement matters. Responsible for all procurement and contracting within the department. Responsible and directly accountable for the department's purchasing authority.
Purchasing Authority Contact (PAC)	Interfaces and communicates with the DGS/PD, the PCO, and subordinate staff. Oversees day-to-day procurement activities conducted under the purchasing authority.

Item Master



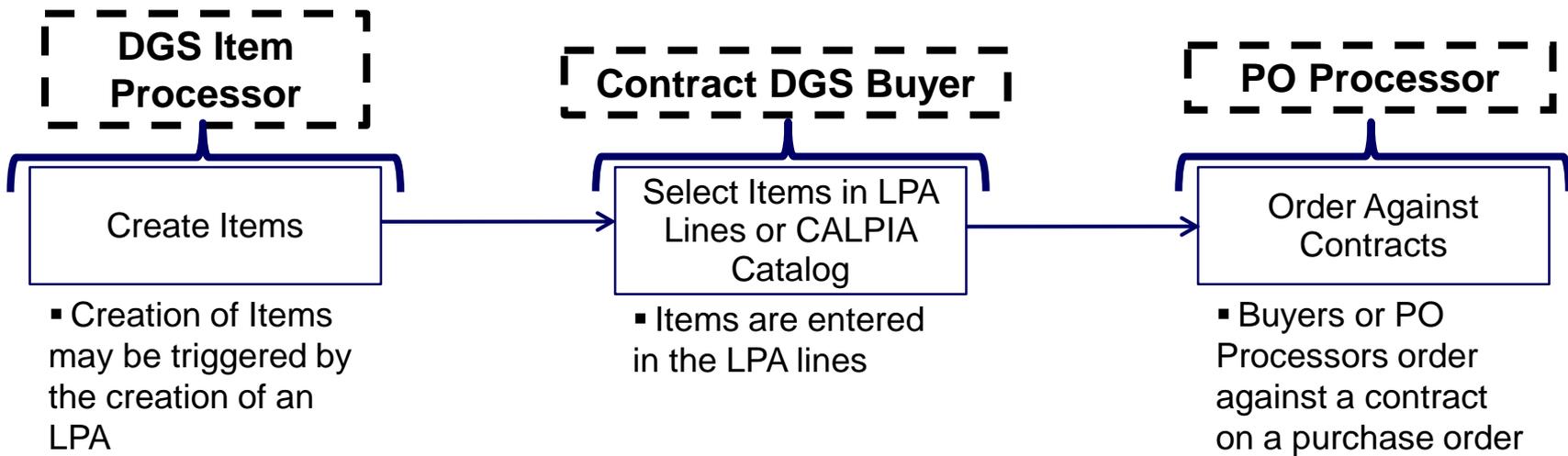
Items Key Terms

Term	Definition
Item	An item represents a good and/or service for purchase by the State of California; multiple contracts can be associated with one item and items will typically be related to LPAs and CALPIA.
Item ID	A unique system identifier for an item associated with an LPA or CALPIA.
Item Category	A means of classifying an item. Every line item must be assigned to an Item Category. The item category code used by the State of California is UNSPSC code.
Item Catalog	An Item Catalog maintained internally by the state to facilitate the ordering and tracking of purchases.

Item IDs Overview

- Item IDs are utilized in conjunction with:
 - Leveraged Procurement Agreements (LPAs) – coordinated purchases from private suppliers
 - California Prison Industry Authority (CALPIA) – goods and services from Prison Industry
- An Item ID is a unique identifier of a good or service.
- The state will set up items for purchasing, to enhance procurement transaction efficiency and data reporting and analysis capability.
- Items provide the most detailed tracking / reporting of state spend.
- Item data is reusable. After an item is defined in FI\$Cal, the same standardized item data can be used by departments on a requisition, purchase order, solicitation, and control agency report for purchase of items.
- Reduce data entry when ordering by Item ID. Attributes such as description, unit of measure, and United Nations Standard Product and Service Codes (UNSPSC) are automatically populated on the transactions.

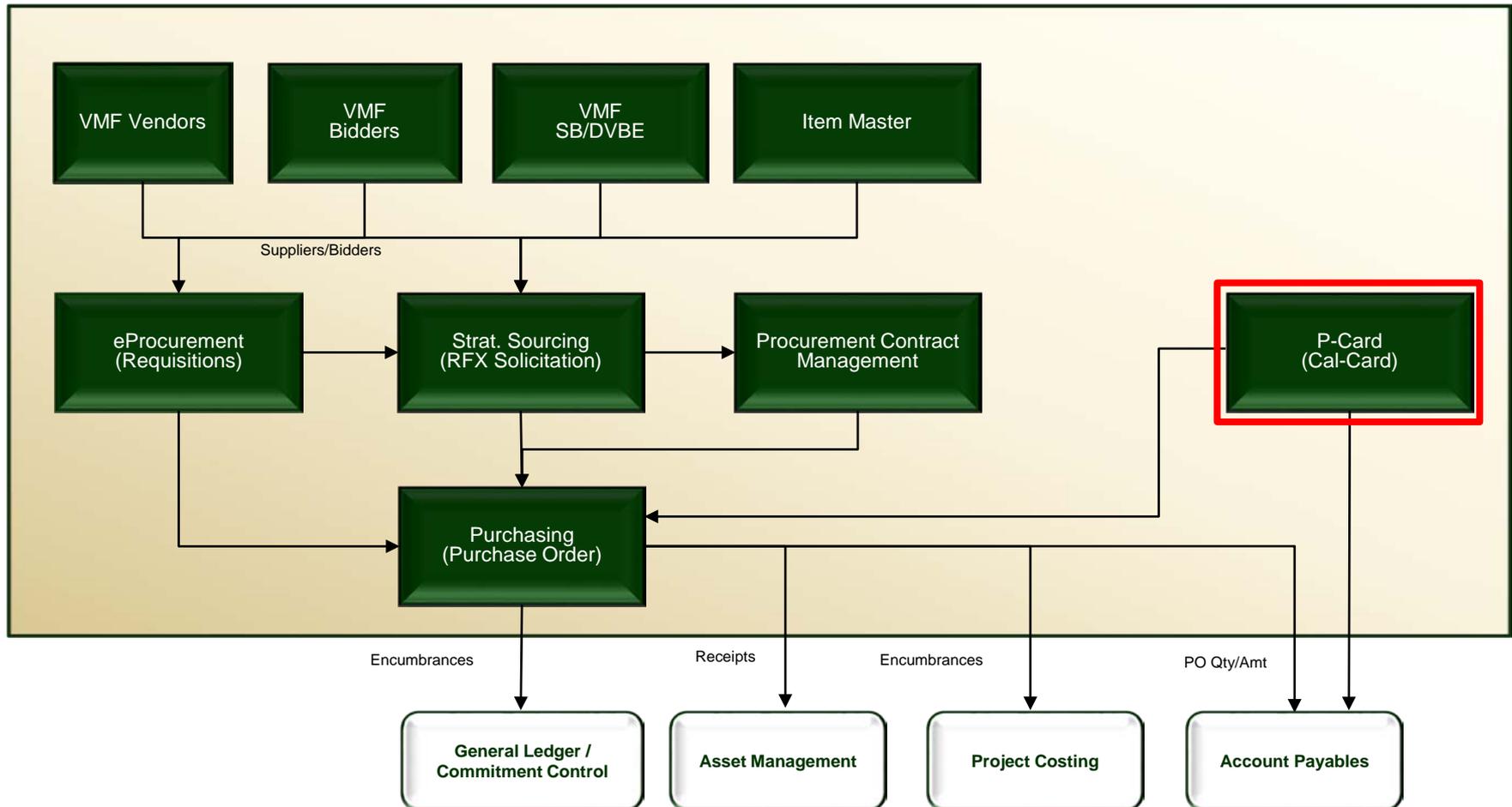
Items Summary Flow



Key Impacts

- Creation of items will be driven by LPA, CALPIA, and CALTECH use.
- Contract releases are done by purchase orders. Specific Item IDs may be ordered on the PO.

FI\$Cal Procurement Solution



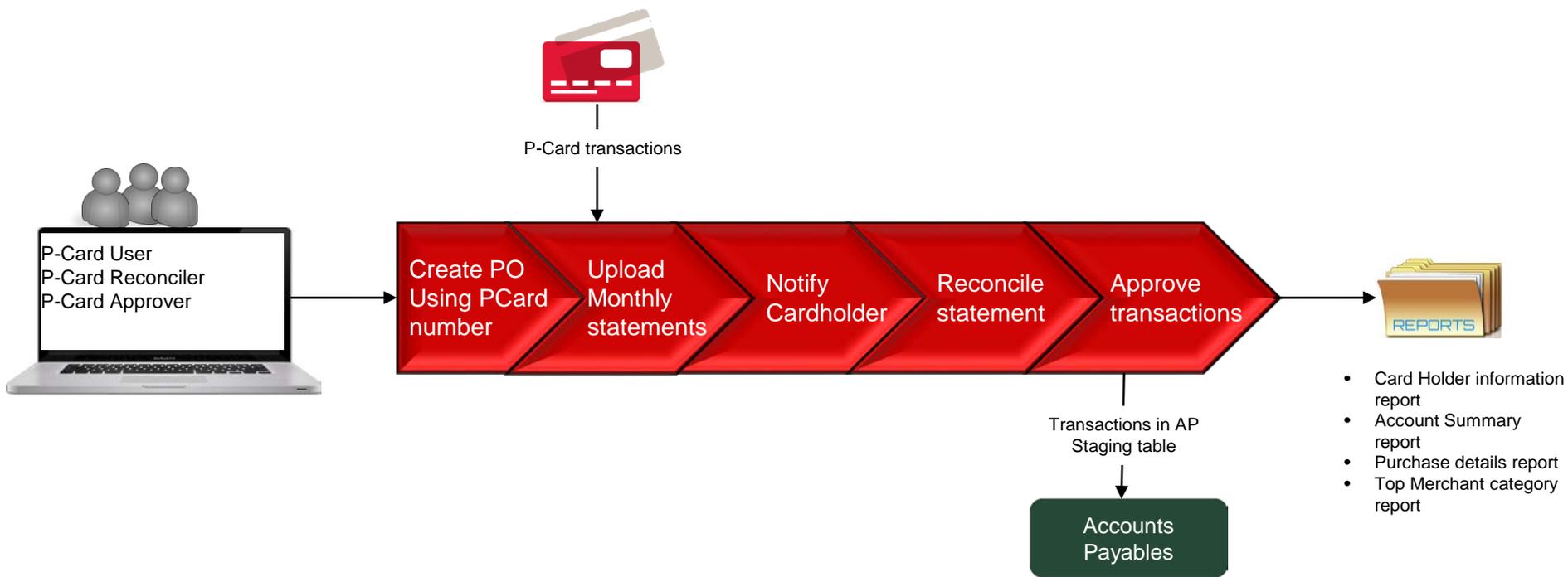
Process P-Card Transactions Overview

- The Procurement Card (P-Card) Process includes:
 - Creating and administering cardholder profiles
 - Loading, reconciling, and approving P-Card transactions
 - Generating payments to the bank
- Transaction statements will be received from the bank electronically and loaded into FI\$Cal. Reconciliation by cardholders/proxies is performed in FI\$Cal.
- The following are the two main scenarios in which the P-Card is used (per State procurement rules):
 - Requisition/PO created prior to obtaining goods/services via P-Card
 - Directly at Merchant

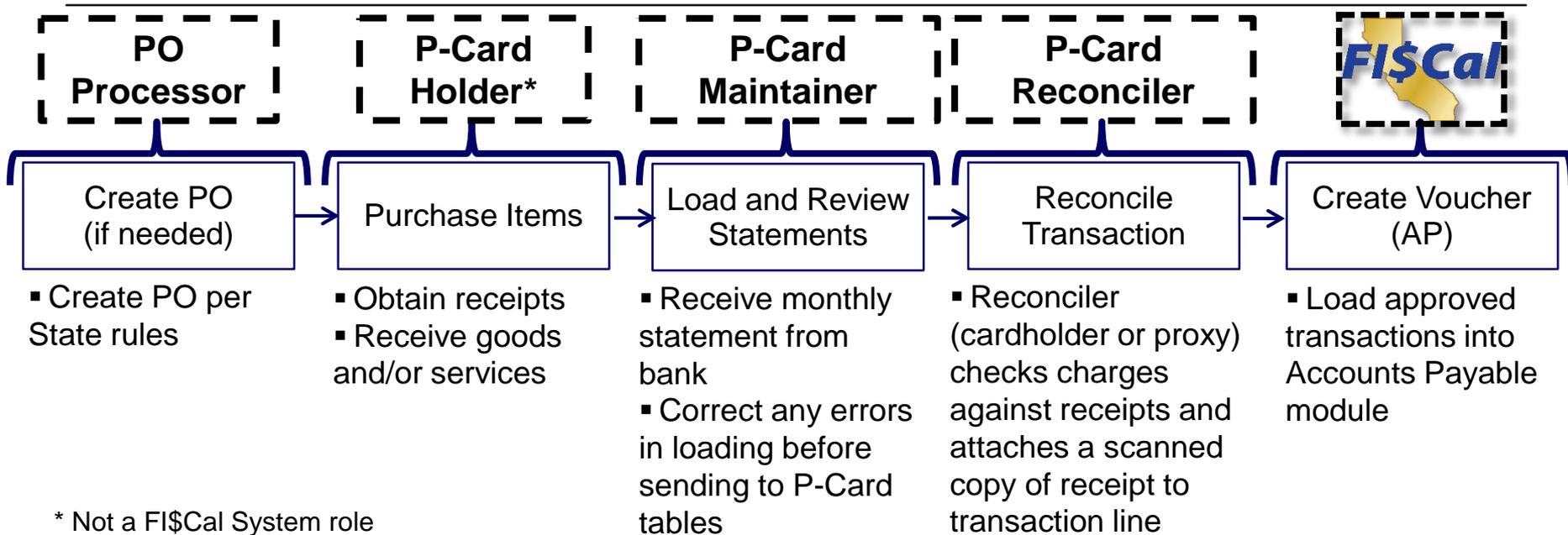
P-Card Key Terms

Term	Definition
P-Card	A payment mechanism (Visa payment card) that can be used in conjunction with a department's delegated purchasing authority. Referred to currently as CAL-Card. The P-Card procurement mechanism can be used with or without a PO, following State rules.
Lines	Individual transaction lines from the P-Card statement to be reconciled and approved within FI\$Cal.
Reconciliation	The task of checking validity of Bank P-Card charges, comparing and attaching scanned receipt, entering procurement information (UNSPSC code, vendor, etc.).
Proxy	A user designated to perform online reconciliation on behalf of a cardholder, and approve and/or review a cardholder's P-Card transactions.

P-Card



Process P-Card Transactions



Key Impacts

- Bank Statements will be loaded and P-Card reconciliation will be performed in FI\$Cal.
- Reconciliation includes adding UNSPC code, acquisition method type, SABRC recycle, EPP compliance, and identifying the vendor (including SB/DVBE participation) if a PO was not created.
- Reconciled and approved transactions are pushed to AP for payment processing.
- All FI\$Cal department P-Cards will be on the same bank cycle.

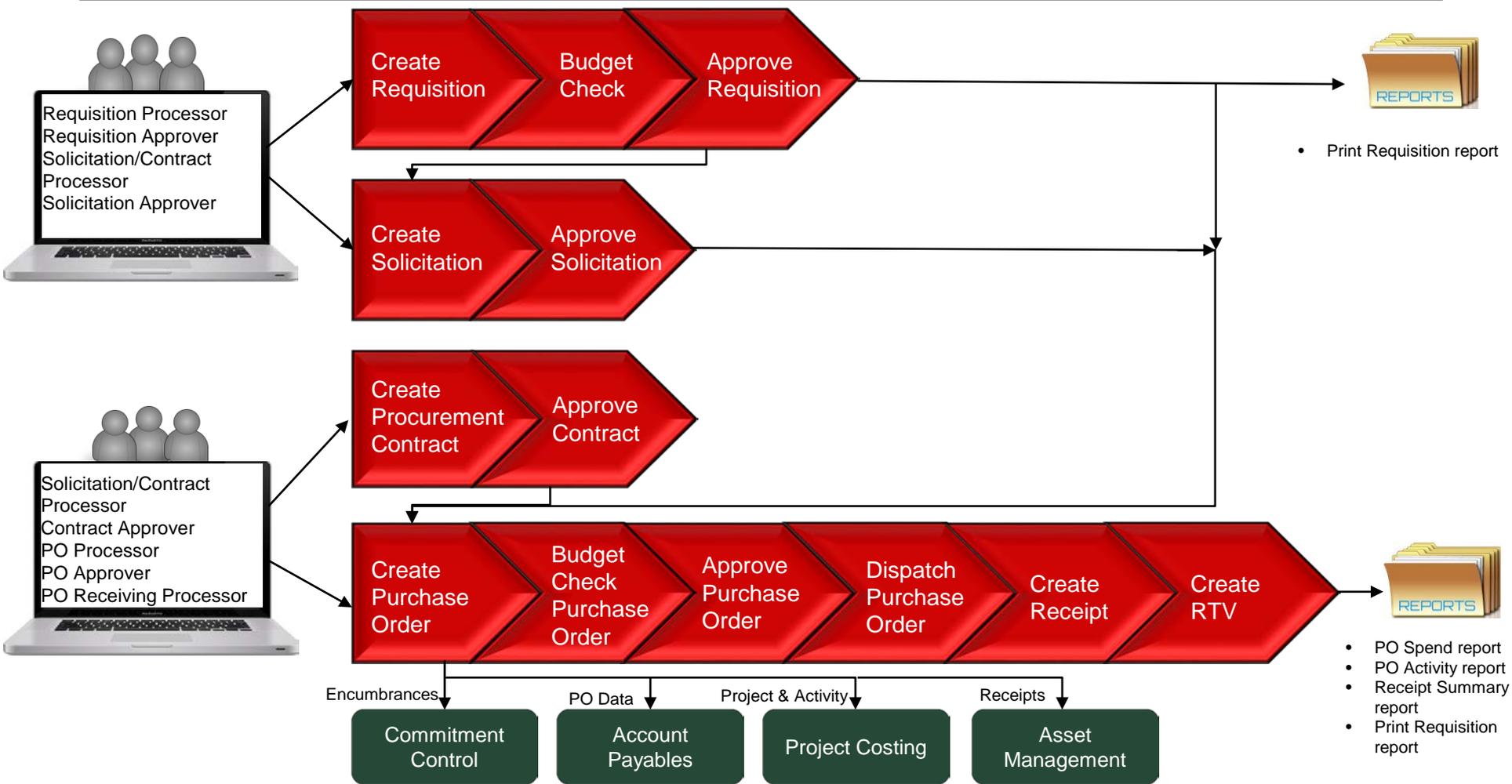
Receiving Key Terms

Term	Definition
Receiving	The act of taking possession of goods or services in order to stage them for inspection, place them into inventory, or deploy them for immediate use.
Inspecting	The act of examining products that have been delivered to determine conformance to the purchase specifications. Performing required “acceptance testing” on goods or services received as a condition for authorizing payments for the purchase.
Acceptance	Acknowledging that the products and/or services conform to the requirements of the PO so that the vendor may be paid.
Return to Vendor (RTV)	The process of returning goods and/or services that have been received and subsequently found unacceptable.

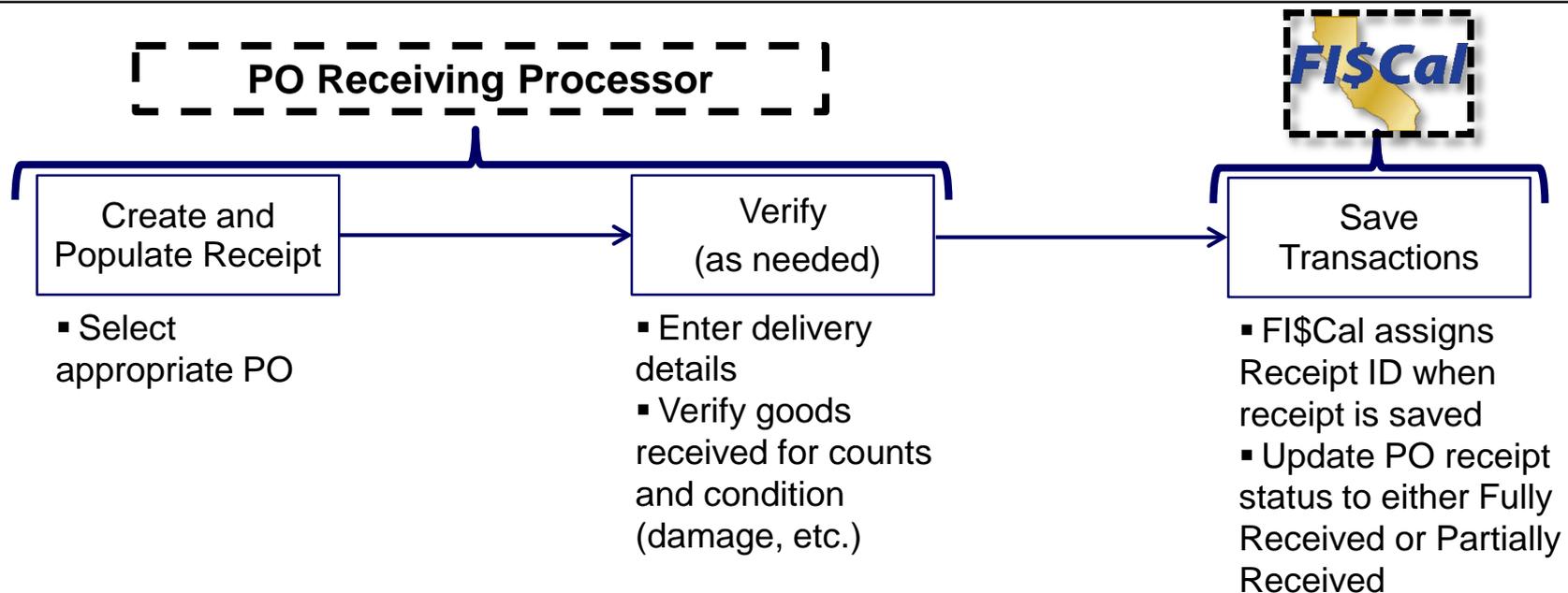
Receiving Overview

- The Receive Goods and/or Services process records the receipt of goods and/or services by the State and verifies conformance to shipping documents and PO requirements.
- Reject quantities, reject reason and disposition are recorded in the system for full traceability.
- Full receipt or partial receipt(s) may be performed.
- Receiving may be performed in dollars (amount) rather than quantity commonly used in Services POs.
- This includes the following sub-processes:
 - Create Receipt
 - Inspection
 - Create Return to Vendor (RTV)

Requisition to Receiving



Create Receipt

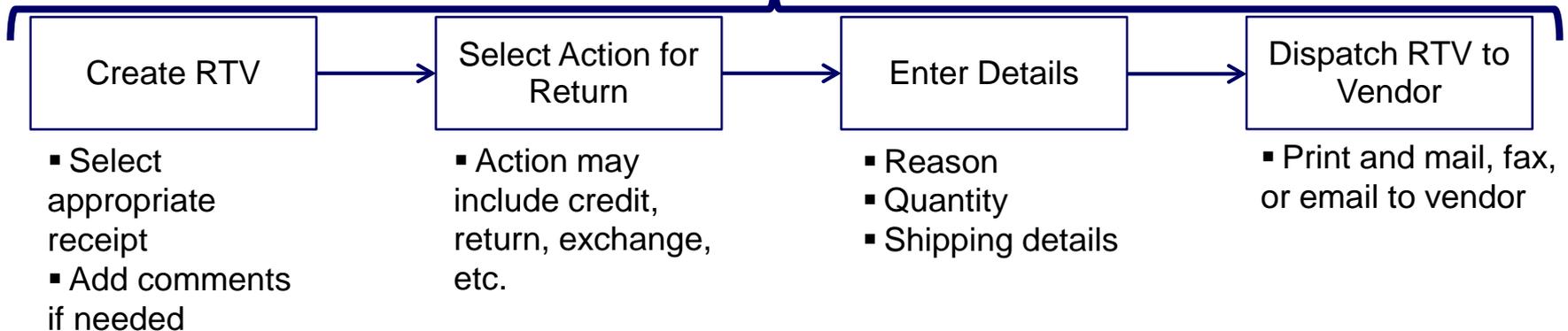


Key Impacts

- Receipt delivery, accrual, summary, ship-to, and account details are captured in FI\$Cal.
- Blind receiving will be implemented.
- Automated update of PO status when goods/services are received.

Create Return to Vendor (RTV)

PO Receiving Processor



Key Impacts

- RTV instructions and reason codes are incorporated in creating an RTV.
- A query is available to view over-shipments.

Technology Considerations

- A conversion is the transfer of data from its current format to a type that can be integrated into the FI\$Cal system.
 - There are three key conversions that will be performed with departments transitioning to FI\$Cal:
 - Procurement Contracts Conversion
 - Open PO Conversion
 - Vendor Conversion
 - Conversions can be done automatically or manually.

FI\$Cal's Procurement Benefits

- Various route controls in addition to Business Unit are available for procurement workflow routing:
 - Acquisition type, reporting structure, and transaction dollar amount for Requisitions and Purchase Orders (POs)
 - Acquisition type and transaction dollar amount for Procurement Contracts
 - Acquisition type for posting of Solicitation Events
- Procurement transactions may include ad hoc departmental approvers as well as external (DGS) approvers.
- Integration with Account Payables and other modules.
- EPP/SABRC tracking and reporting available for every transaction.
- Online P-Card reconciliation available in FI\$Cal.
- Minimize paper approval required as FI\$Cal handles the workflow approval electronically in the system.

Session Recap

- Key Considerations
- Action Items
- Open Questions

More Information Can be Found at...



FI\$Cal Project Information:

<http://www.fiscal.ca.gov/>

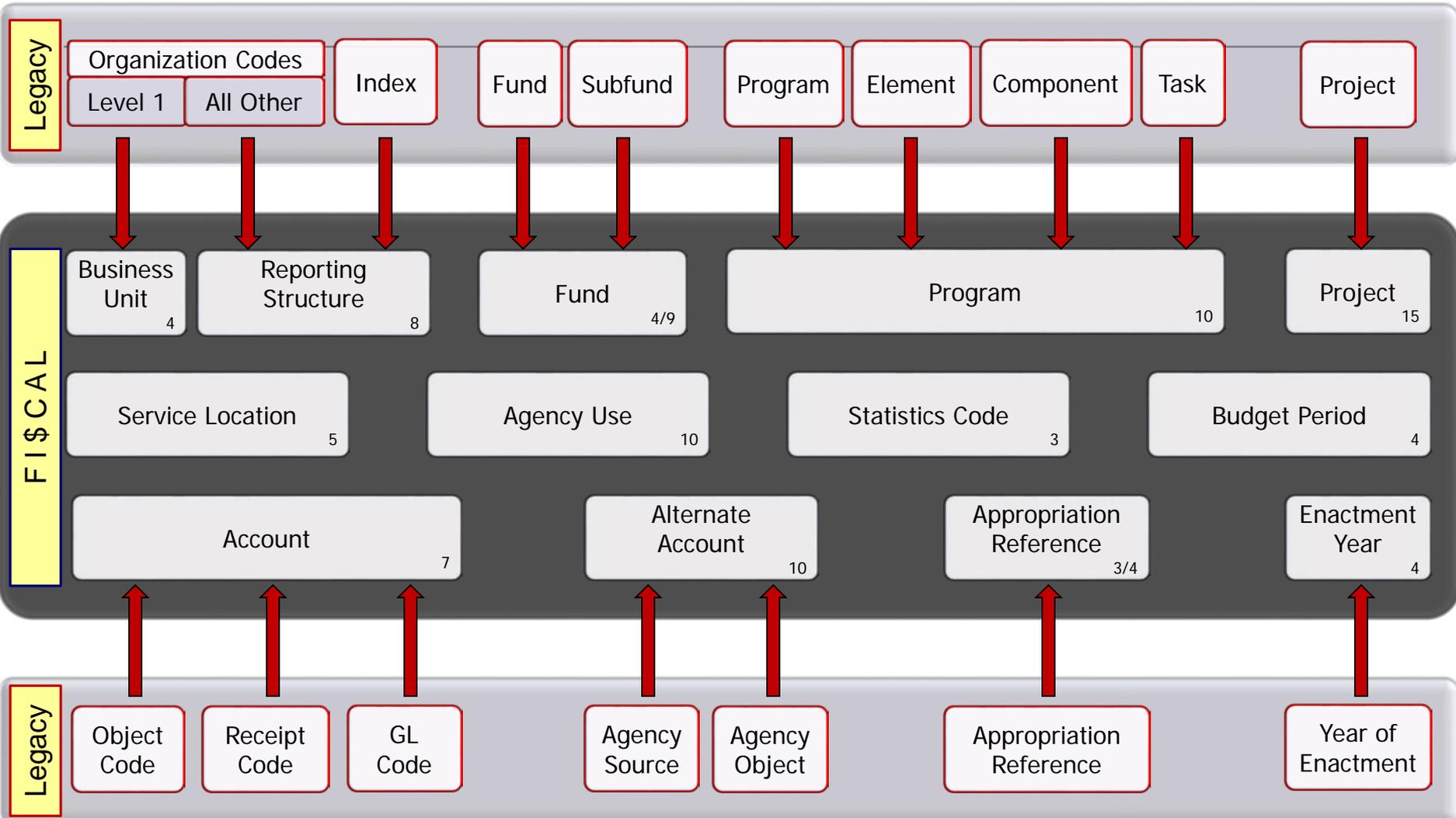
For Questions, Comments or Feedback:

www.surveymonkey.com/r/SWTFeedback

or e-mail the FI\$Cal Project Team at:

fiscal.cmo@fiscal.ca.gov

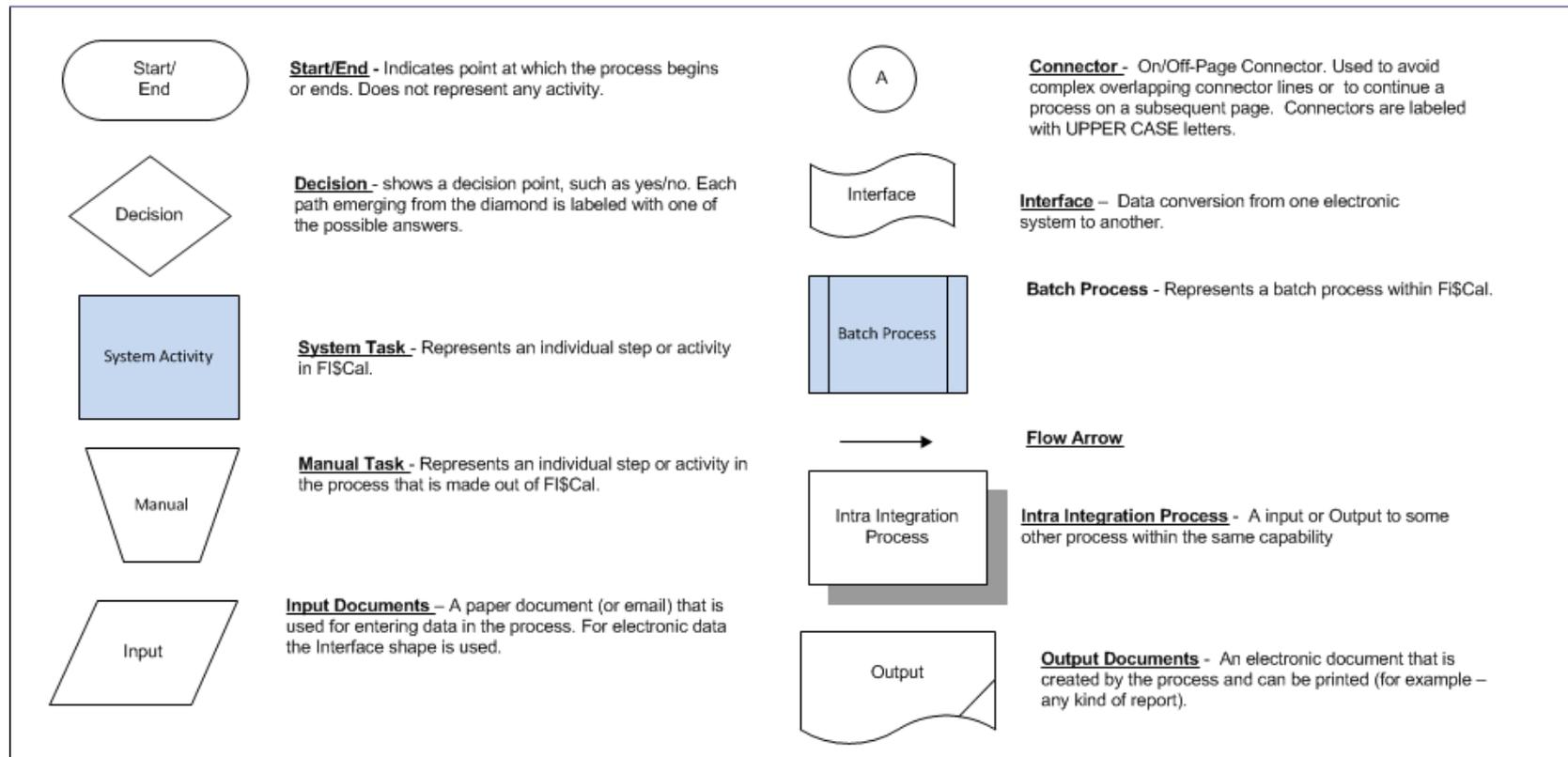
ChartField / UCM Codes Cross-Reference



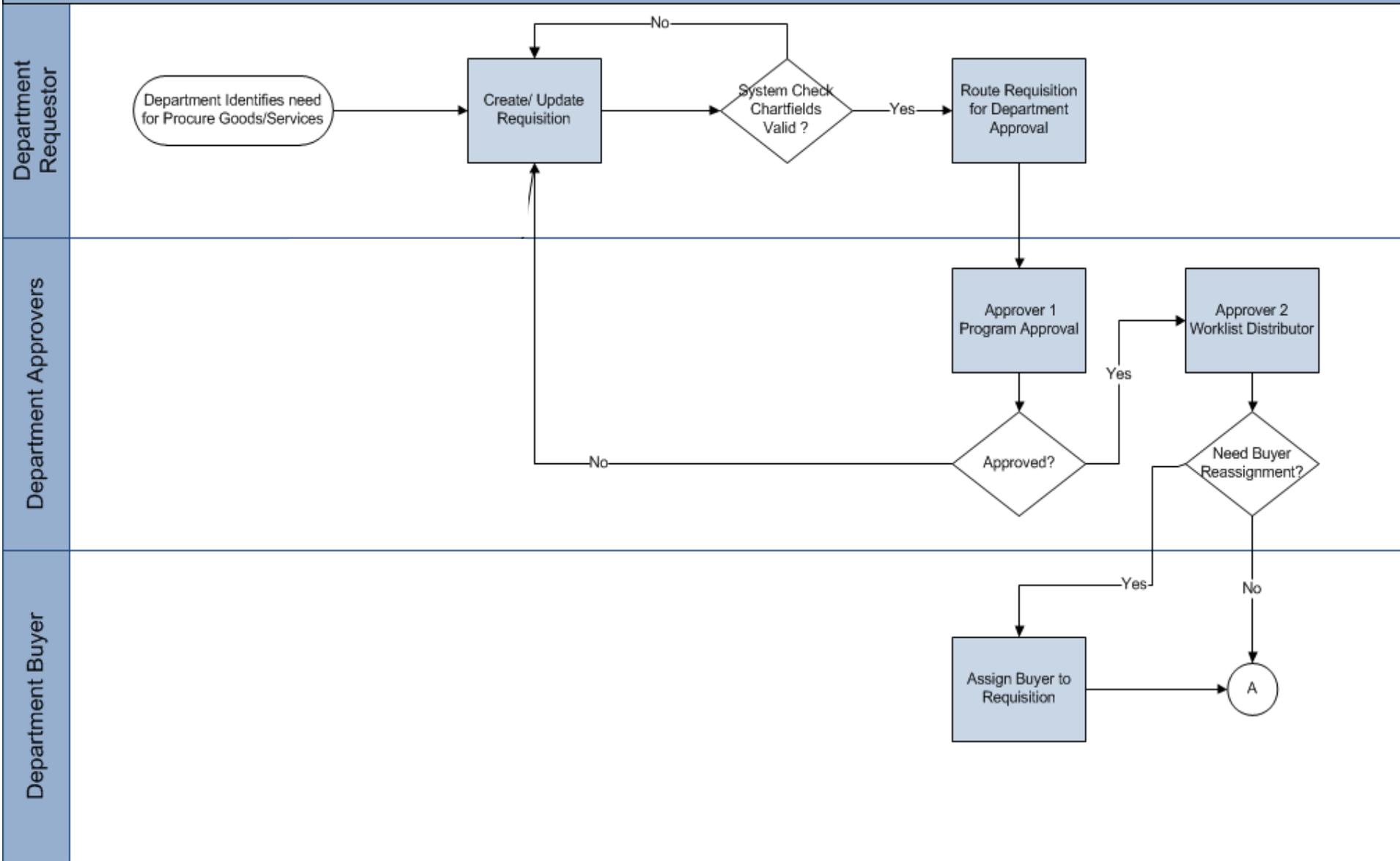
Appendix

Additional information and screenshots for reference

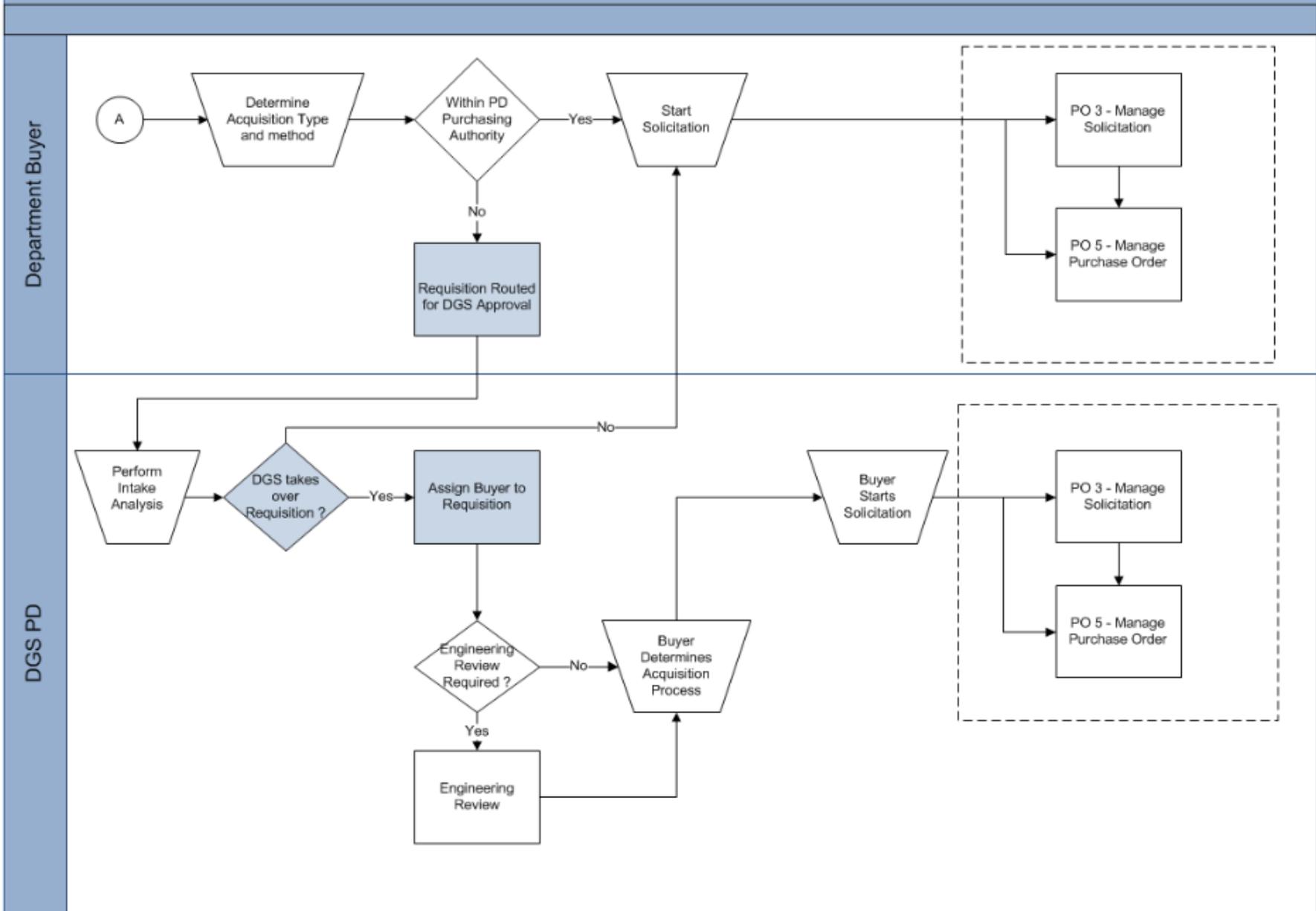
Guide to Symbols in Flows



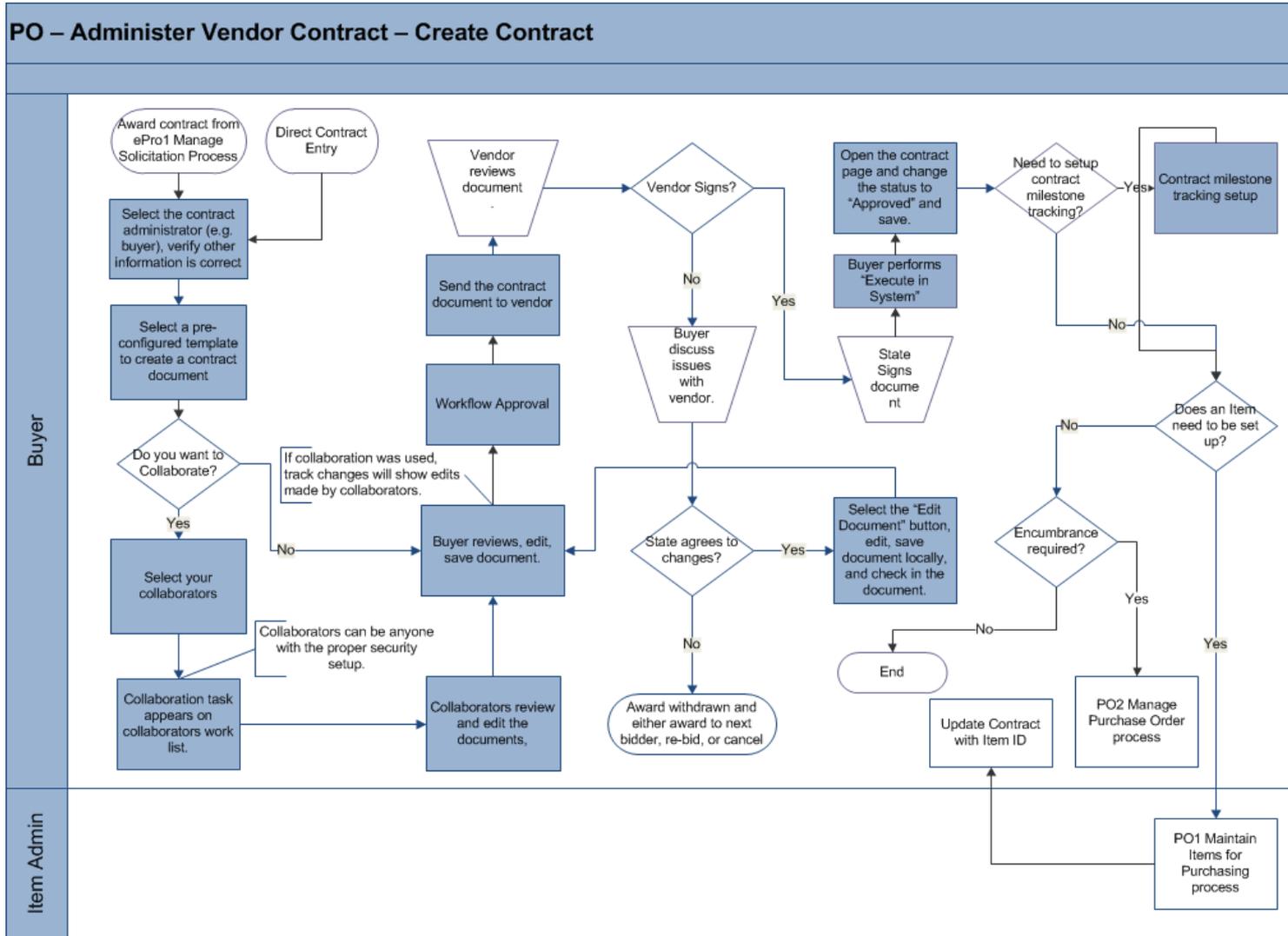
Create and Approve Requisition To-Be Process (Page 1)



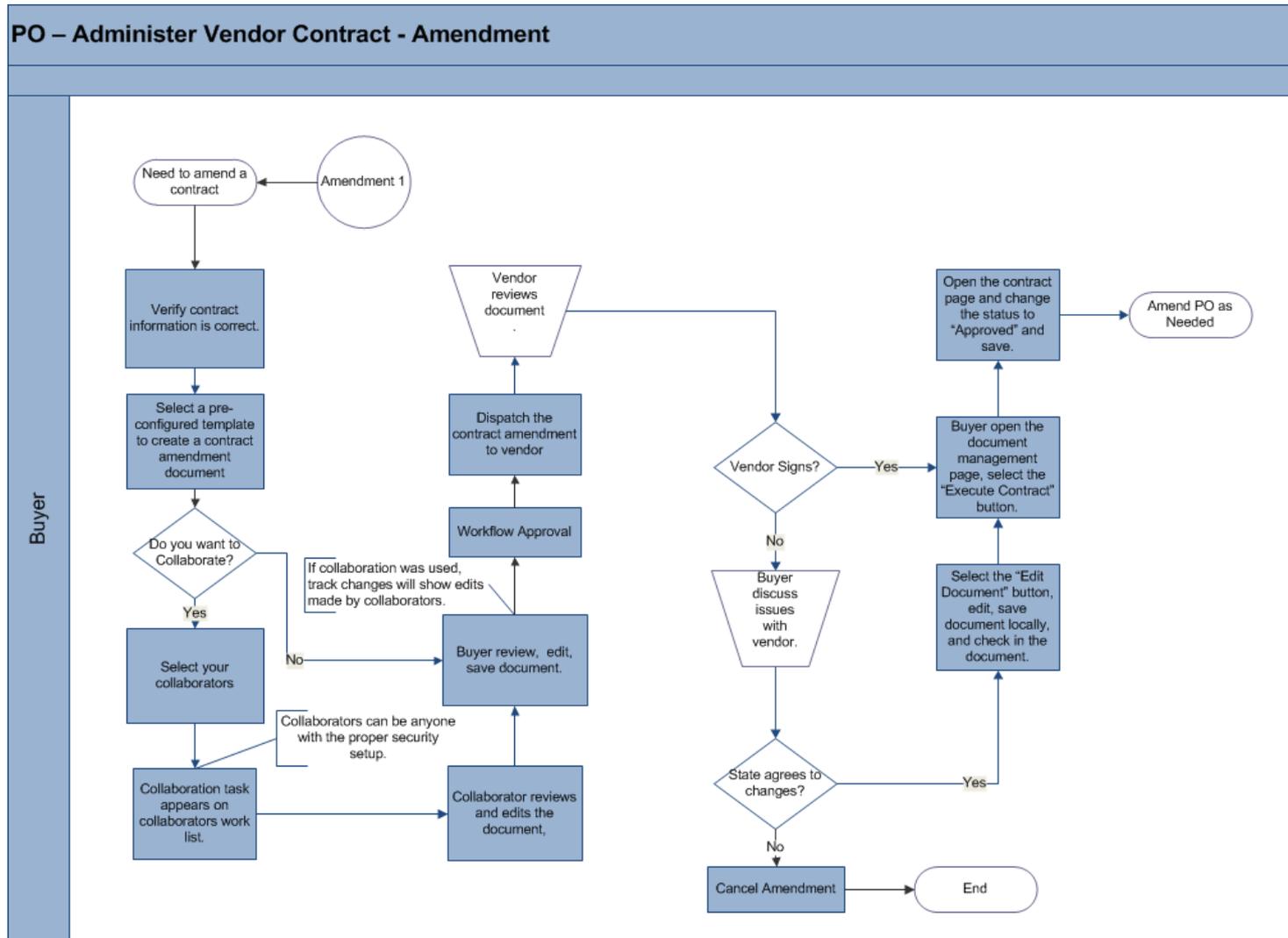
Create and Approve Requisition To-Be Process (Page 2)



Administer Supplier Contracts - Detailed Flows

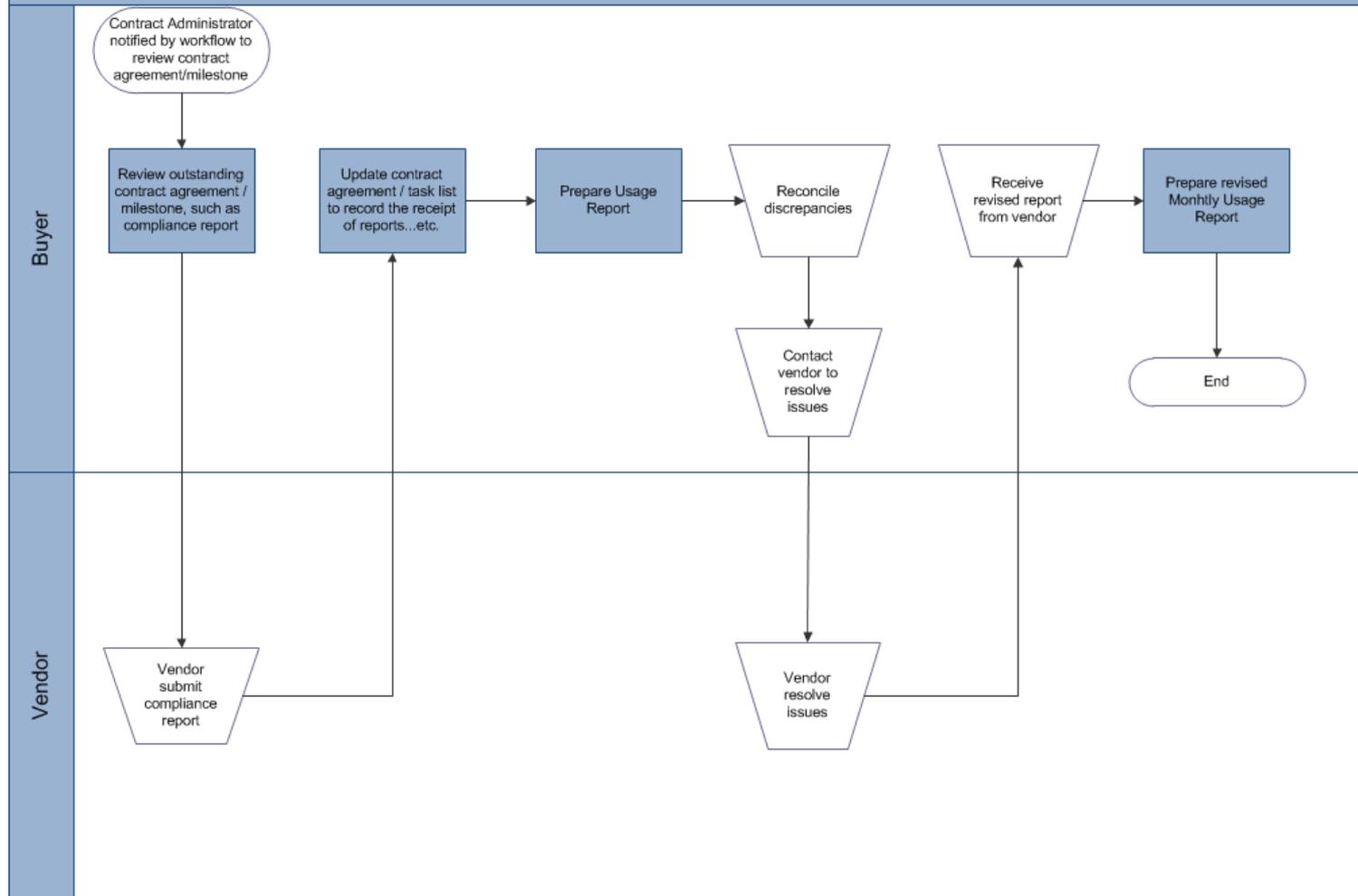


Administer Supplier Contracts – Detailed Flows

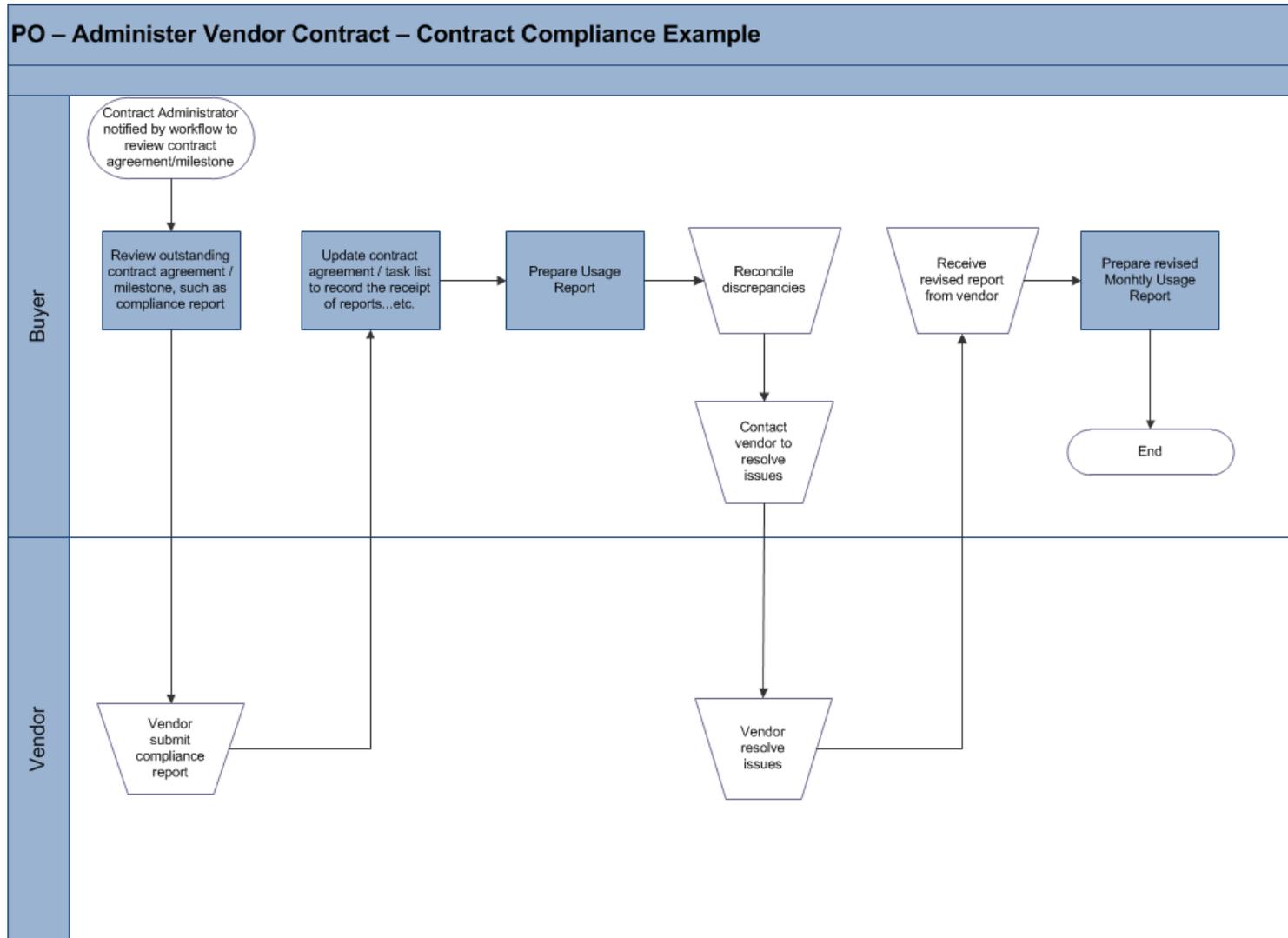


Administer Supplier Contracts – Detailed Flows

PO – Administer Vendor Contract – Contract Compliance Example



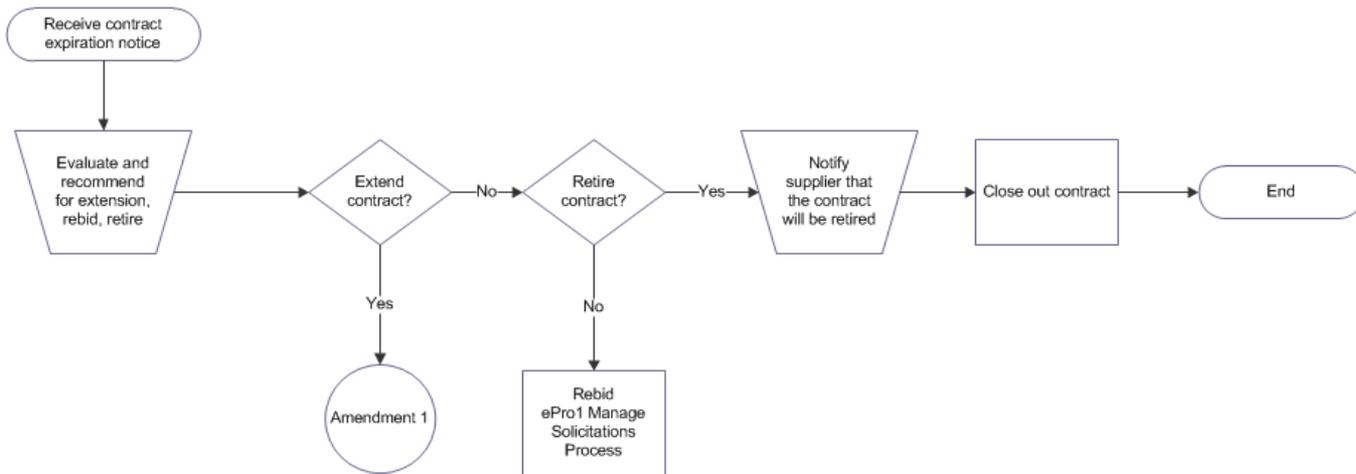
Administer Supplier Contracts – Detailed Flows



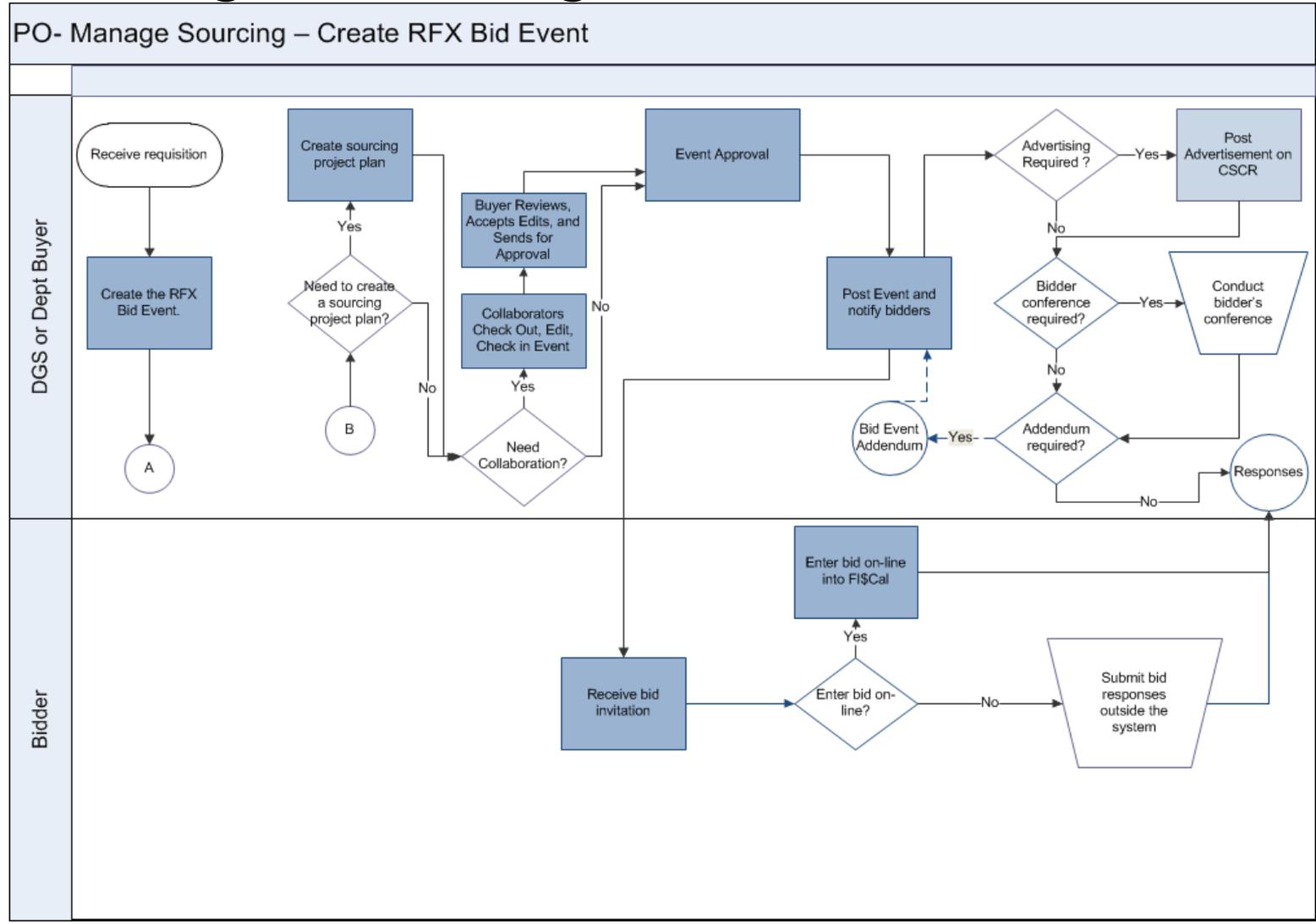
Administer Supplier Contracts – Detailed Flows

PO – Administer Vendor Contract – Contract Extension, Rebid, Retire

Department or DGS Buyer

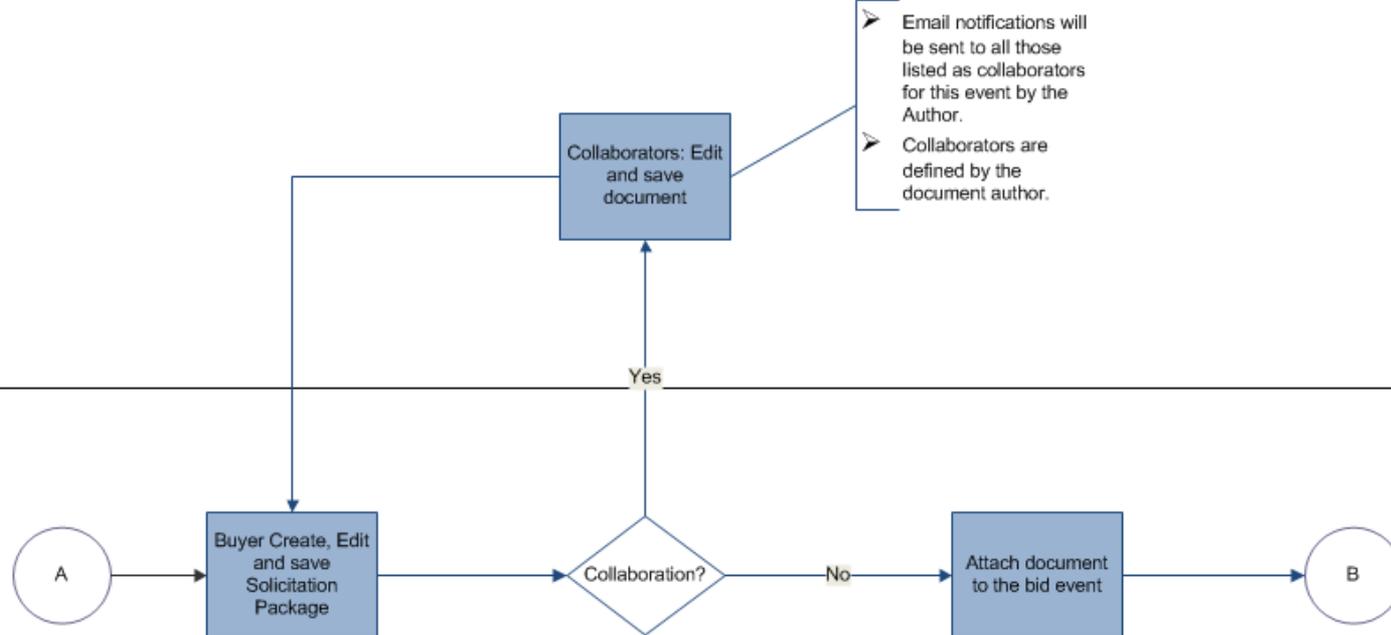


Manage Sourcing Detailed Process Flows



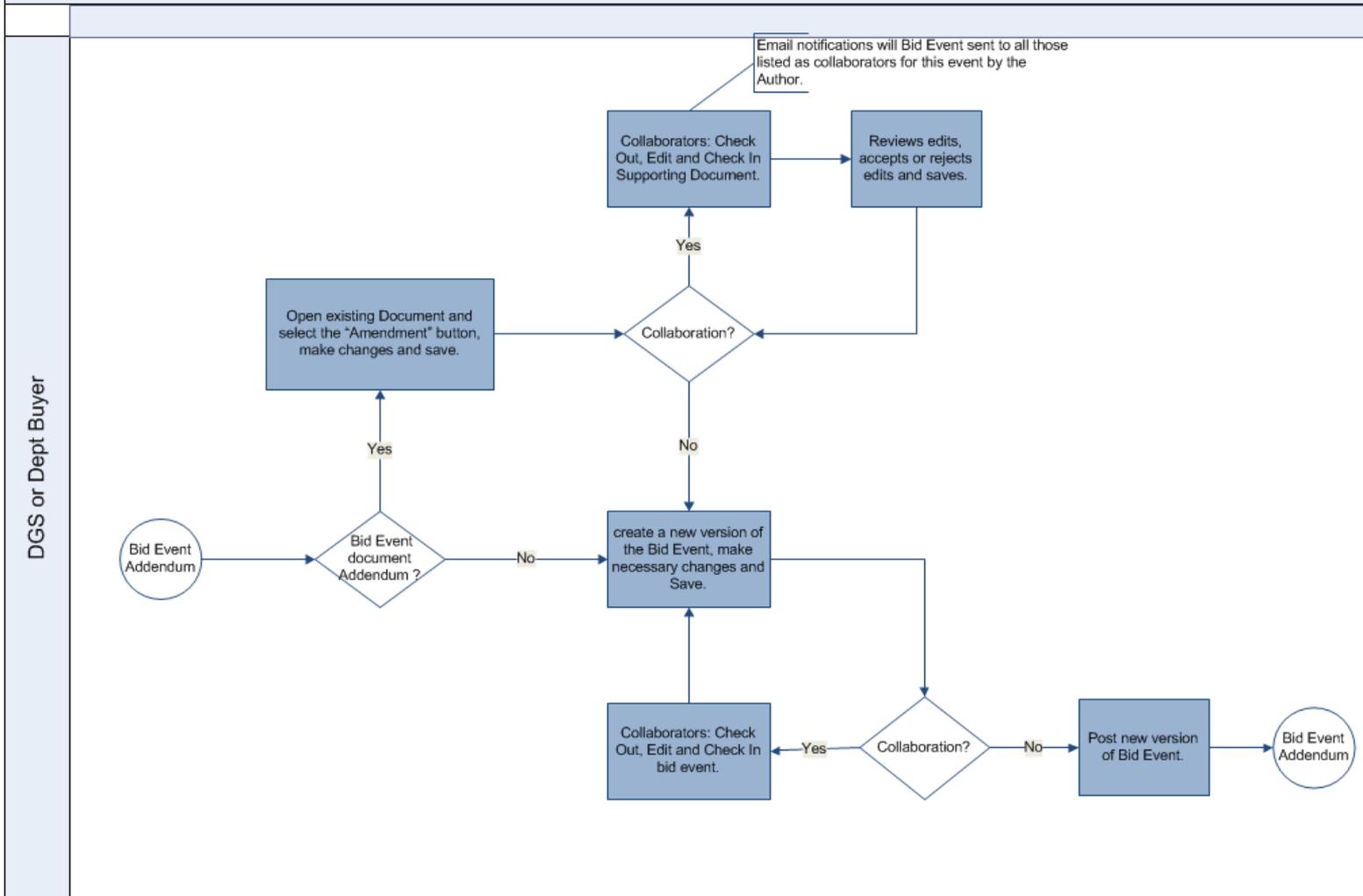
Manage Sourcing Illustrations

PO- Manage Sourcing – Create RFX Document Package

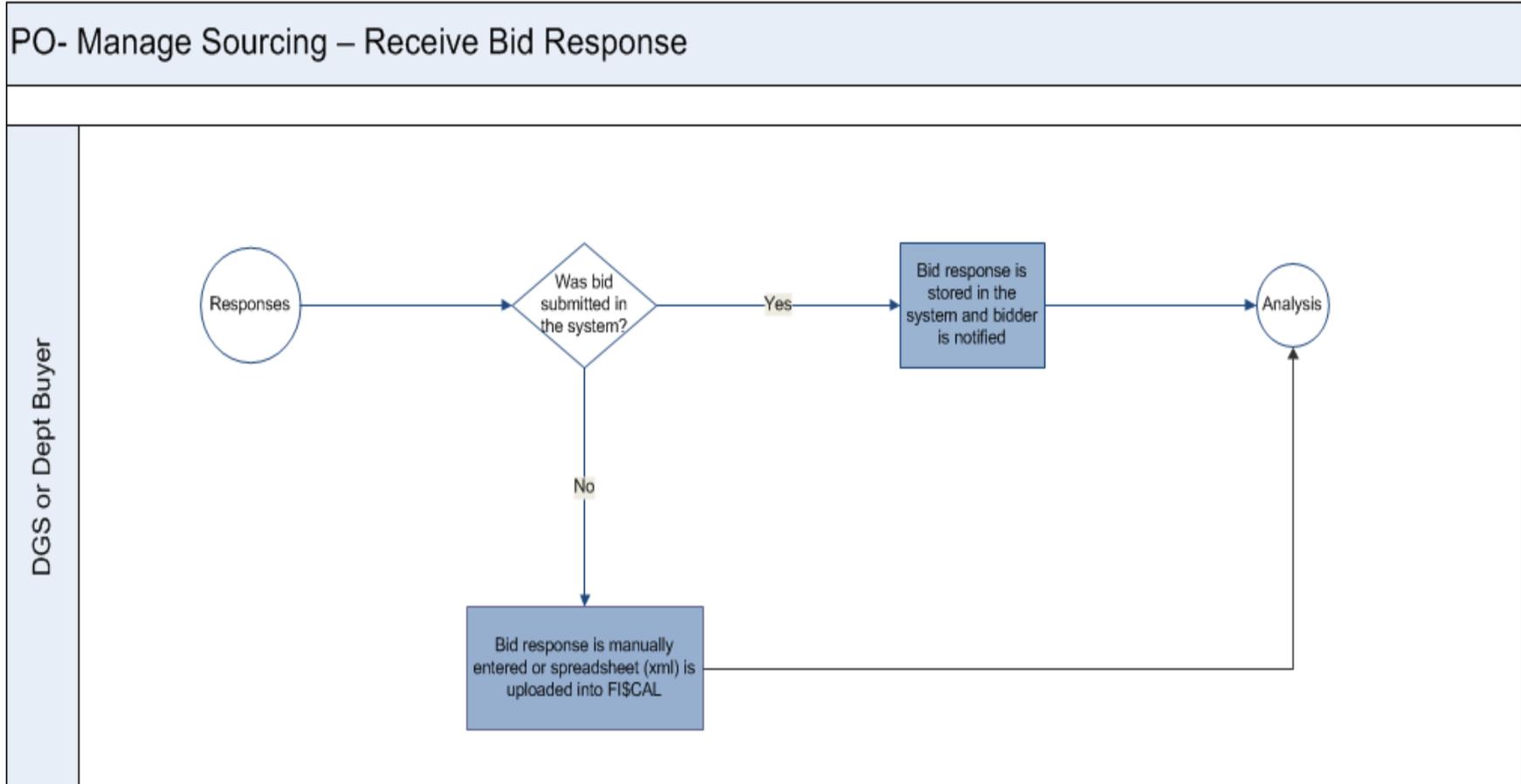


Manage Sourcing Illustrations

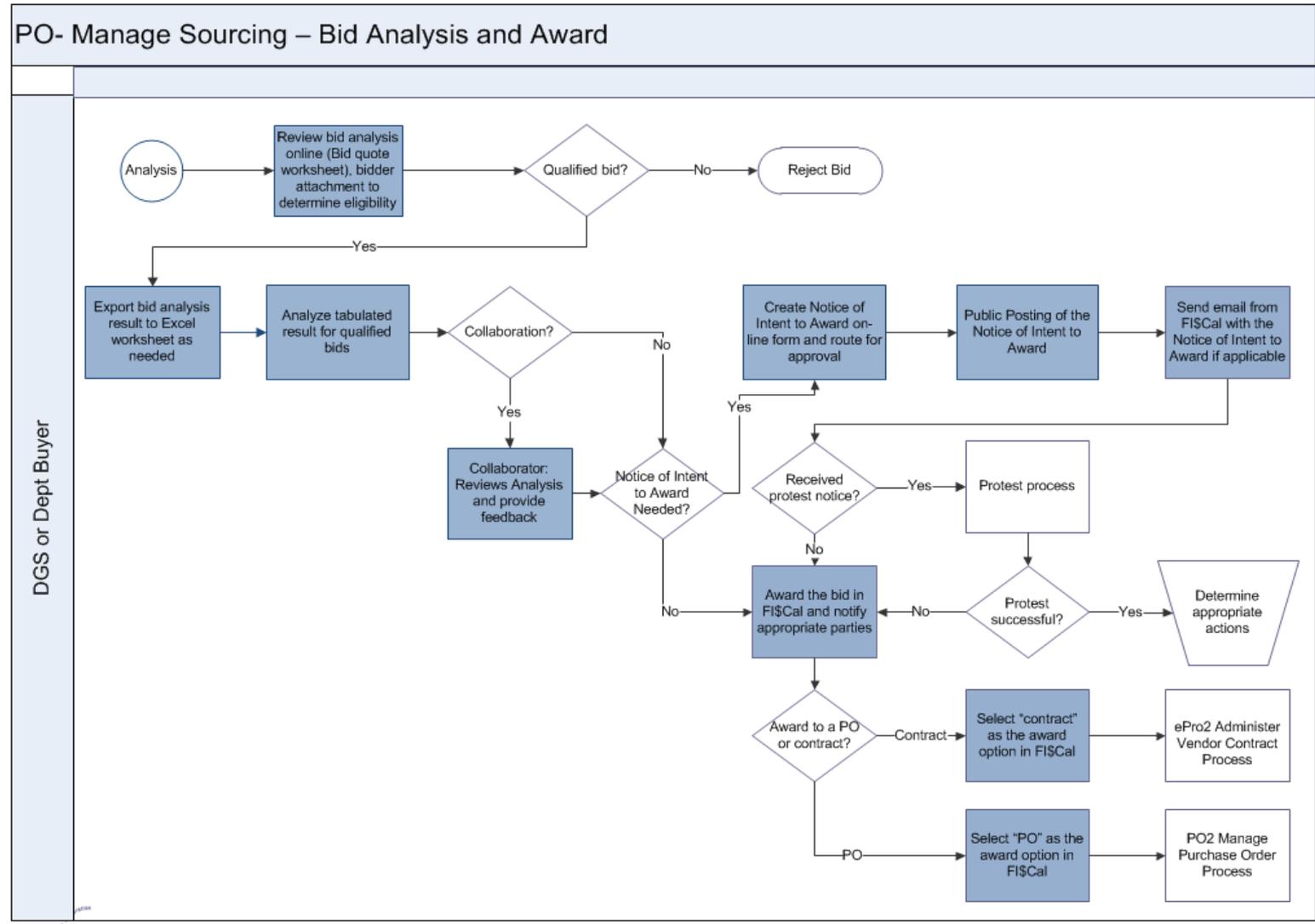
PO- Manage Sourcing – Bid Event Addendum



Manage Sourcing Illustrations

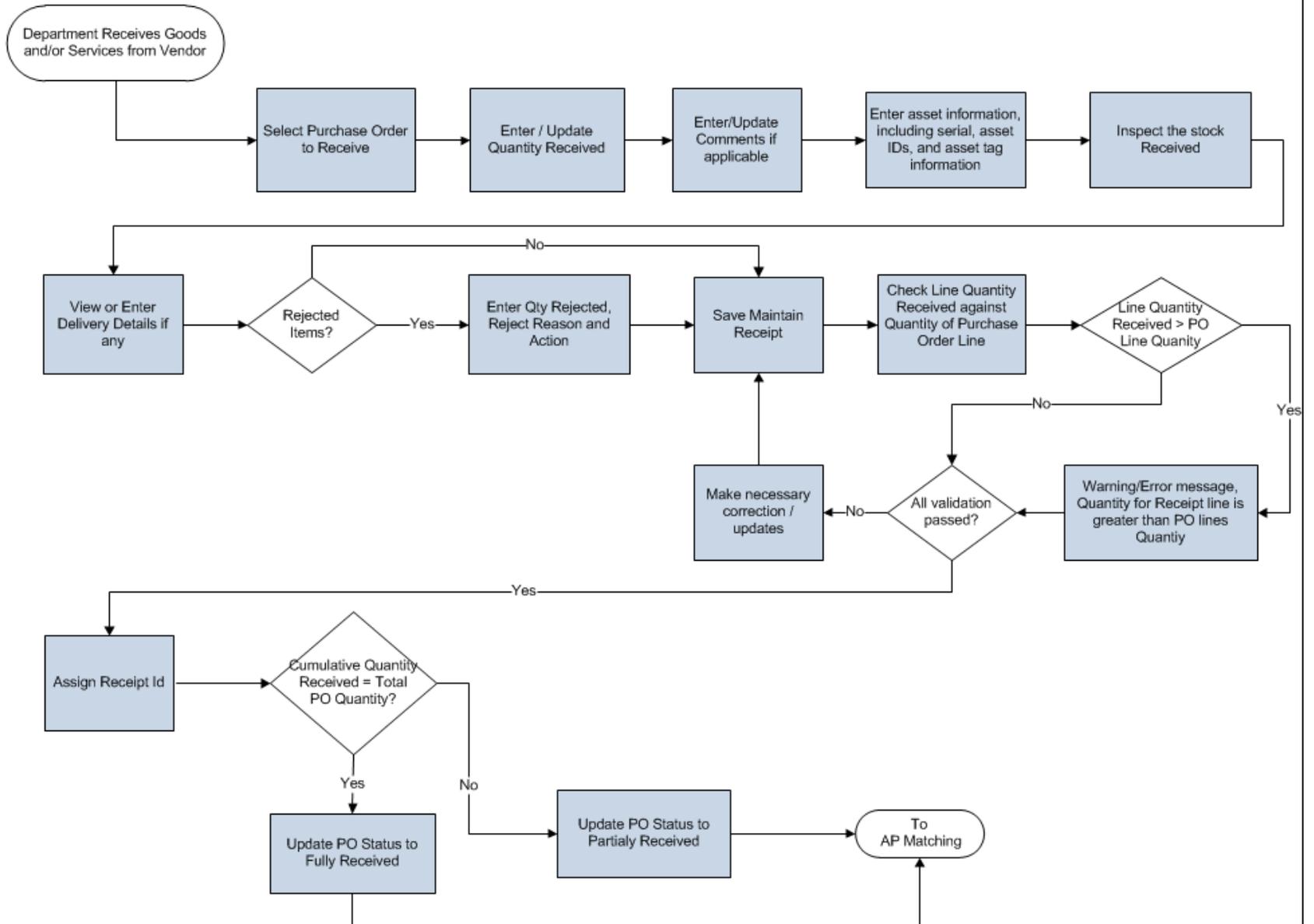


Manage Sourcing Illustrations



Create and Manage Receipt

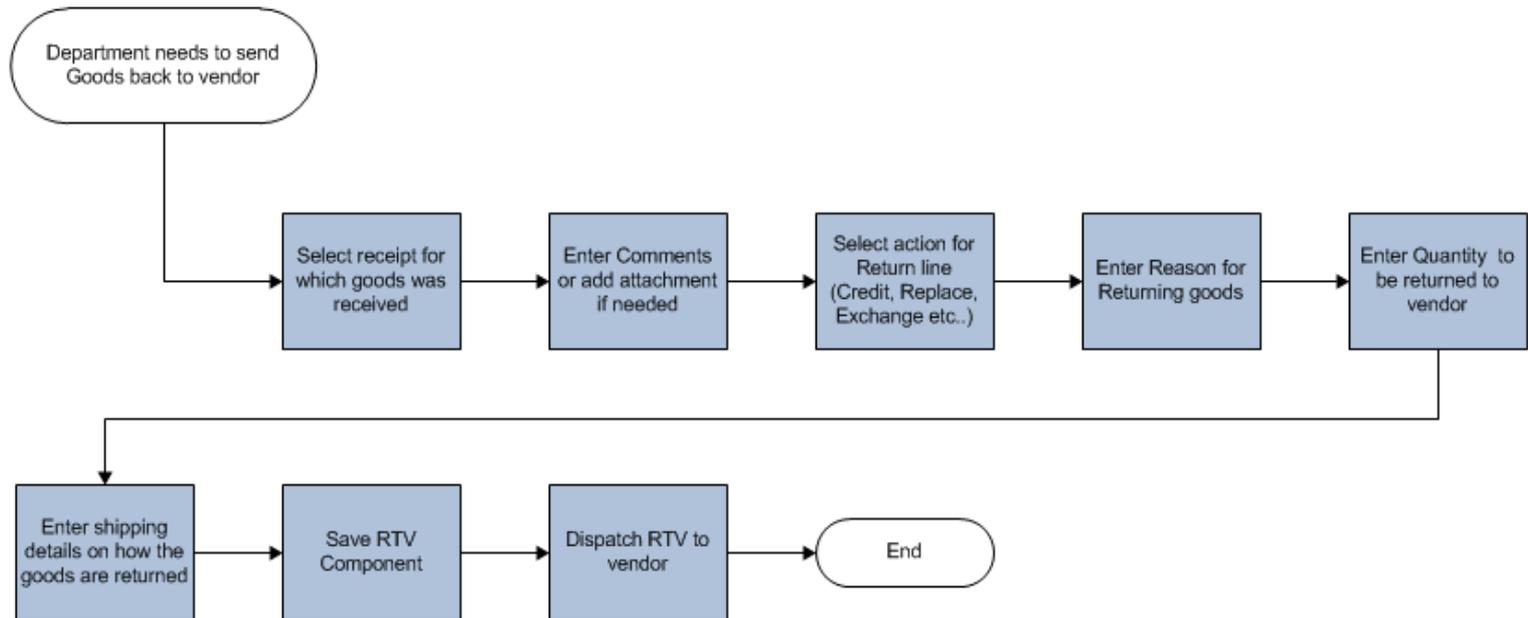
Department Receiving Processor



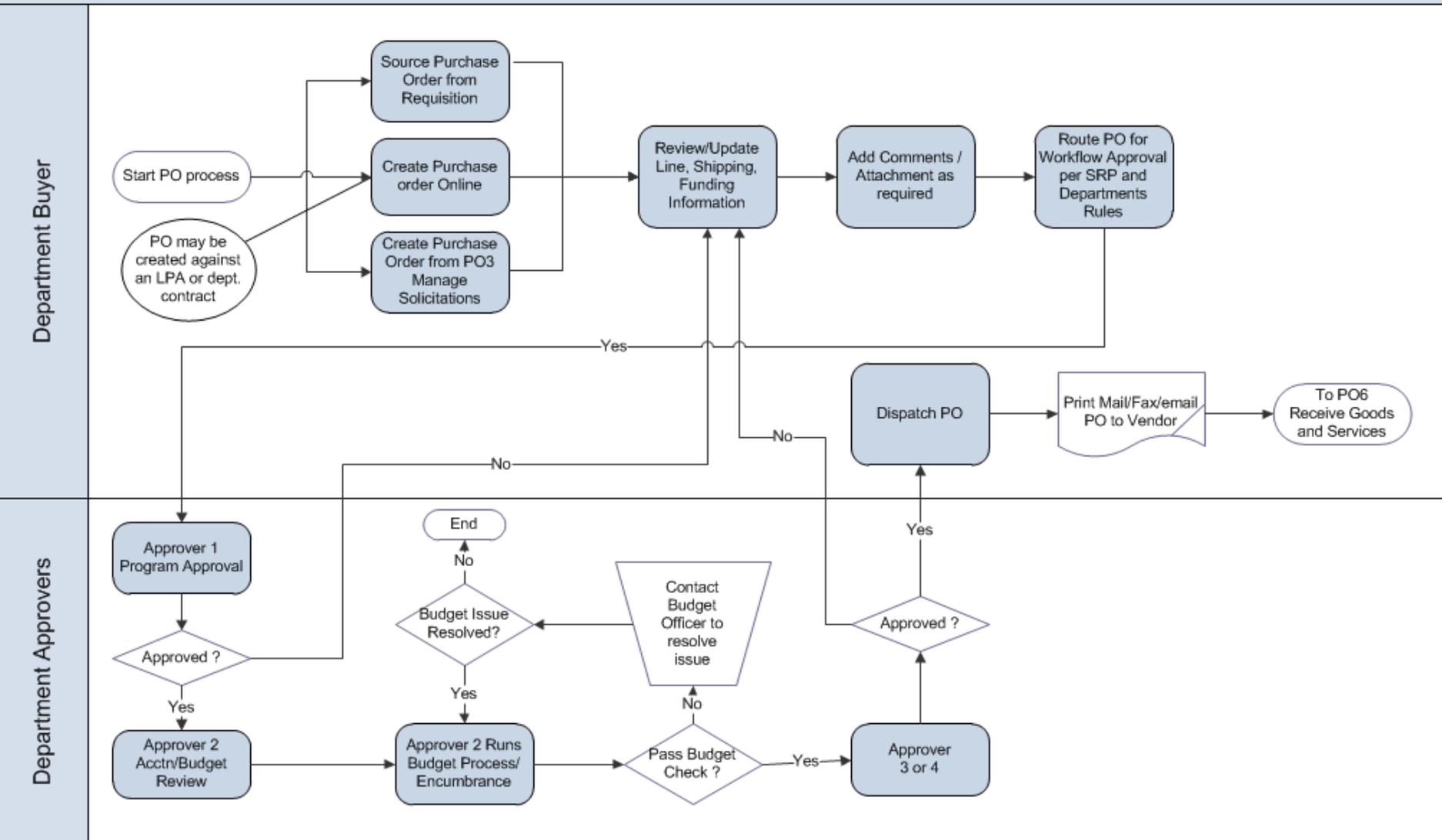
Create and Dispatch RTV

Create and Dispatch RTV

Department RTV Processor

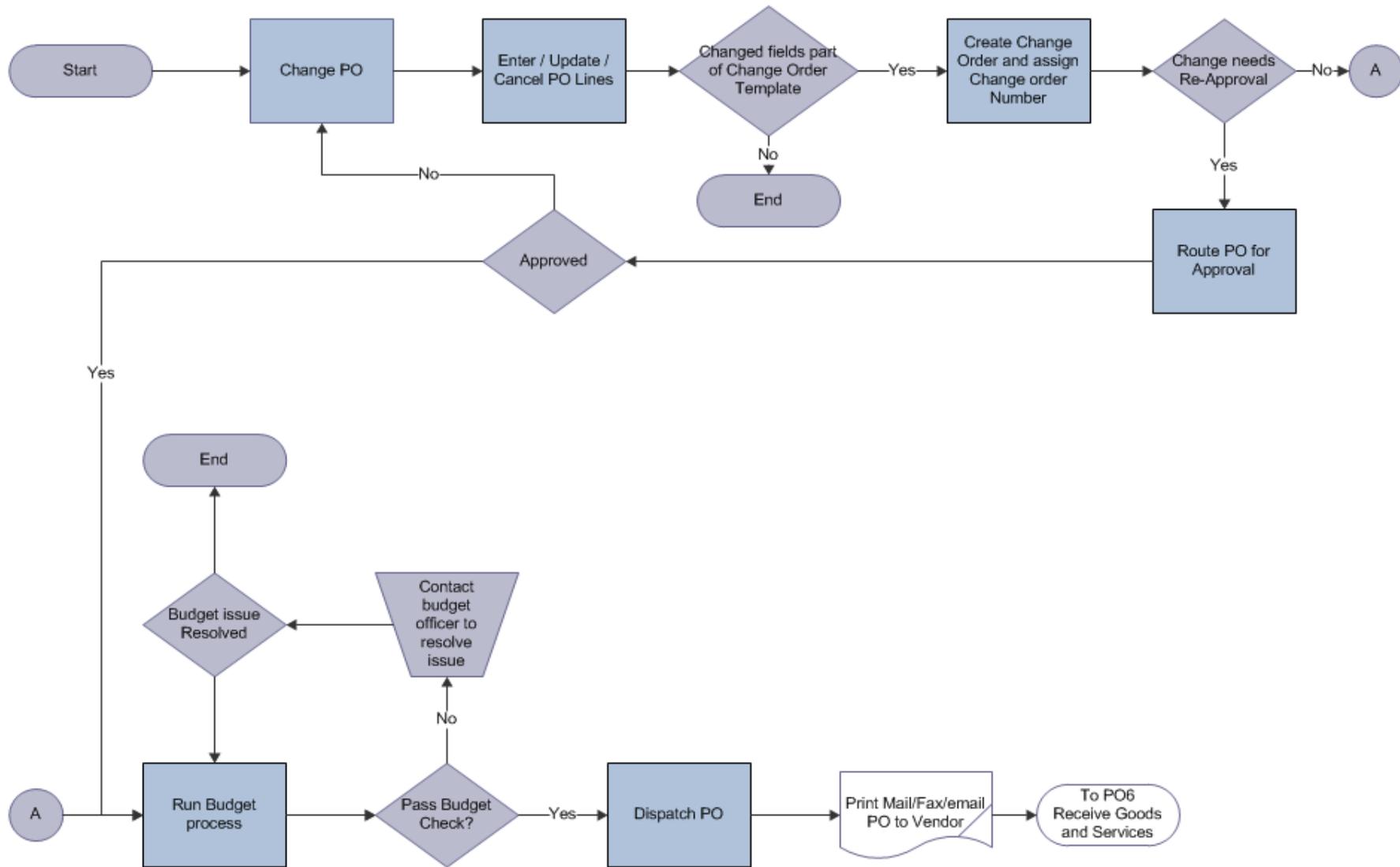


Manage Purchase Order

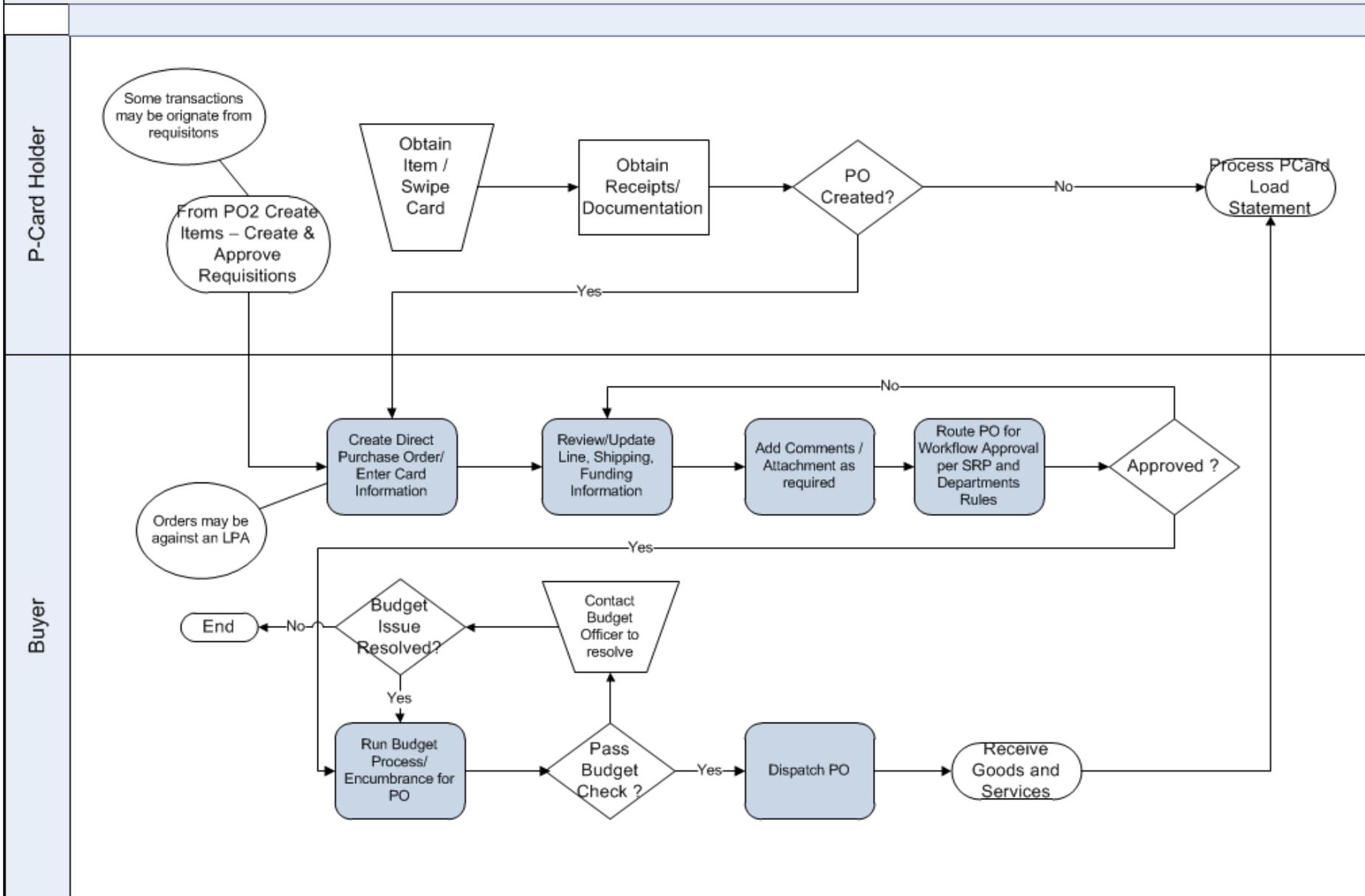


Manage PO Change Order

Department Buyer

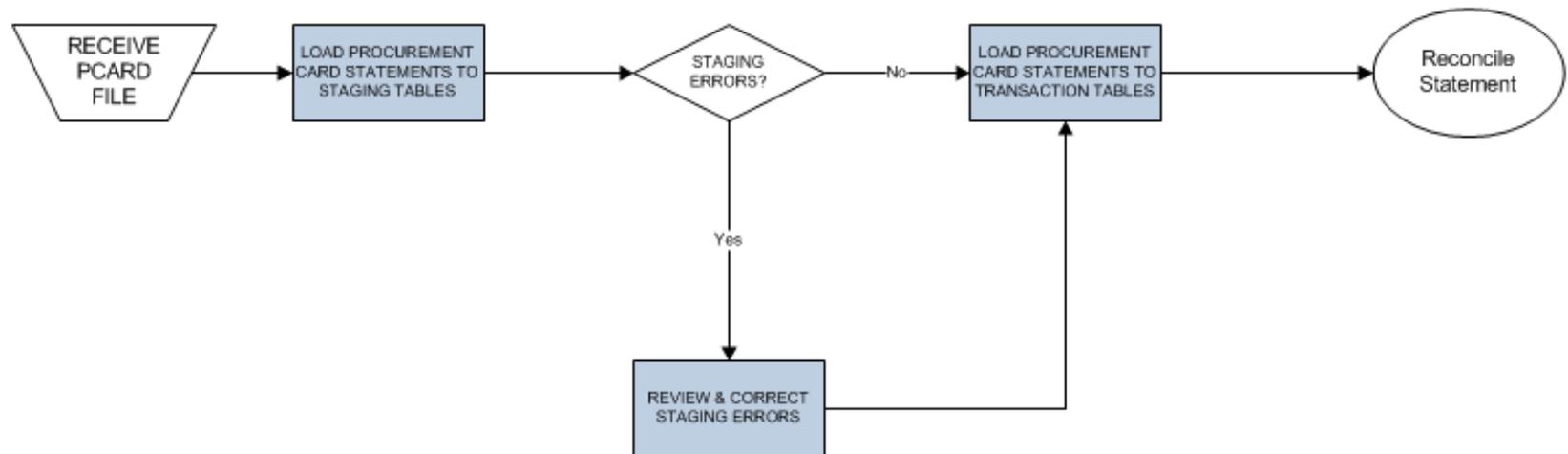


Process P-Card Transactions – Use P-Card



Process Procurement Card – Load Statement

FI\$Cal Pcard Administrator



Procurement Card Reconcile Transactions

