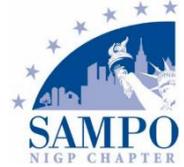




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Benefits of a Streamlined Procurement and Payment Process

May 2 & 3, 2017

#2018NYGovBuy  @NYSPRO  @nysprocurement



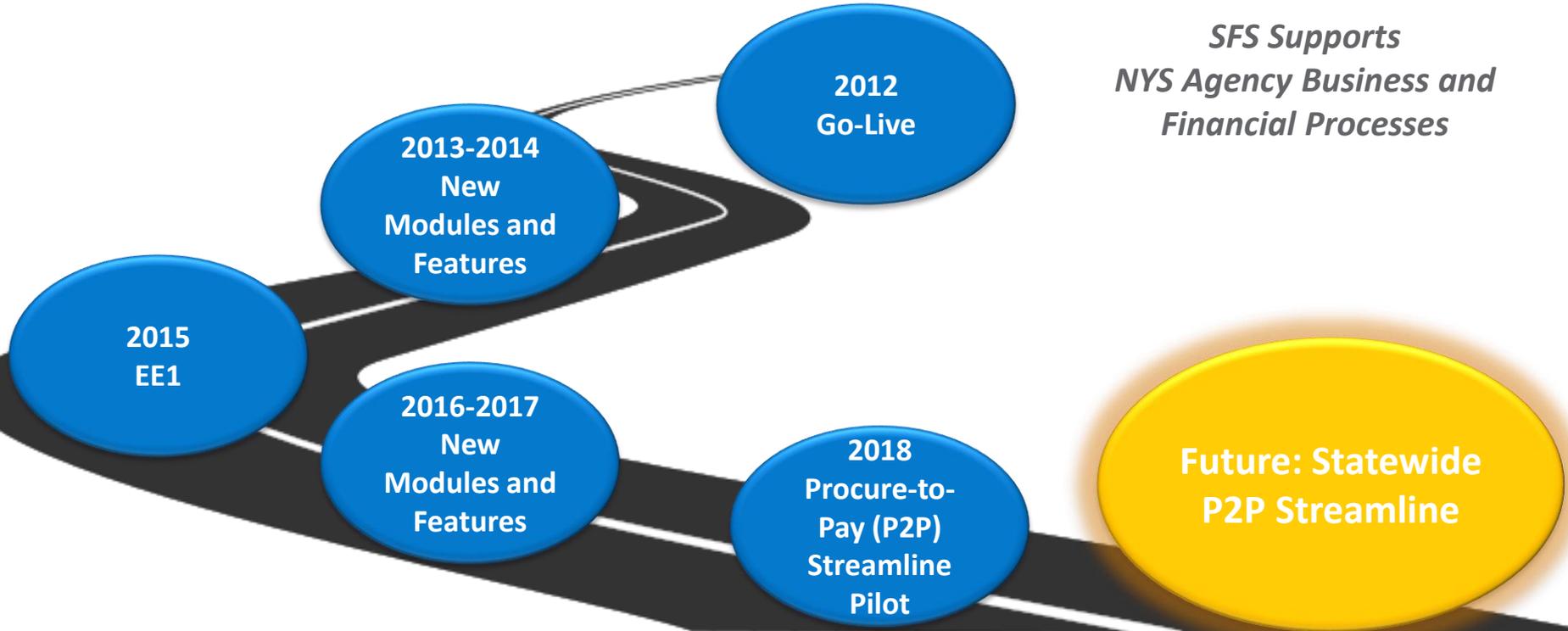
Alexandra DeFrancesco, SFS Stakeholder Services Manager
Paul Kalinowski, SFS Procure-to-Pay Application Bureau Manager

STATEWIDE FINANCIAL SYSTEM





Statewide Financial System





Supporting Agency Processes and NYS Business Needs



New York State

Build a more consistent way to do business with NYS

Careful management of the State's Financial Plan

Deliver strong return on investment in State government



State Agencies

Increased financial process efficiency

More control over when payments are made

Informed financial management in line with policy



Statewide Financial System

Support for agency business processes

Consistent and reliable service

Secure real-time data





THE P2P STREAMLINE PROGRAM





P2P Streamline Program Goals

Deliver a best practice, end-to-end streamlined process model that will enable agencies to:

Automate certain work, improve procurement workflow, and save time and money

Leverage SFS functionality that supports agency business processes

Improve ability to make payments at the appropriate time, save money, and avoid late payment interest

Improve collaboration with vendors and agencies across the procure-to-pay process

Enhance vendor relationships with a more consistent procure-to-pay process model

Increase efficiency with all invoice and voucher workflow and attachments in one system

Have better visibility and reporting to support the streamlined procure-to-pay process



P2P Streamline Program Approach



OMH and BSC Pilot Partnership

Partner with OMH as Key Pilot Agency

- Engage in entire project
- Collaborate with BSC to drive business process change
- Capture lessons learned



SFS Statewide Monthly and Seasonal Releases

Periodic System Updates

- SFS Release Calendar
- Monthly checkpoint calls
- SLMS training
- Job aids and reference material in SFS*Secure*



Agency Feedback

Engage Agency Staff and Management

- Partner with DOB, OSC, OGS as Lead Agencies
- SFS Community Councils
- CFO Advisory Group



Statewide Program Implementation



P2P Streamline Timeline

January 2018

Some statewide enhancements released

April 2018

OMH and BSC pilot changes in the areas of requests and orders and receiving

TBD

Implementation of streamlined P2P business processes statewide



April 2018

Limited, additional statewide changes

Summer 2018

OMH and BSC pilot invoicing and vouchering changes; other statewide system enhancements





Alexandra DeFrancesco, SFS Stakeholder Services Manager

Paul Kalinowski, SFS Procure-to-Pay Application Bureau Manager

SFS P2P STREAMLINE PROGRAM PLANNED IMPROVEMENTS





Fundamentals of Procurement

Requests and Orders

- Eliminate paper forms
- Reduce manual data entry
- Simplify frequent purchases
- Automate approvals
- Improve visibility into requests
- Support workload prioritization
- Automate the dispatch of orders to vendors
- Communicate purchase needs to vendor using PO

Receiving

- Ease data entry and visibility
- Perform timely receiving to enable timely invoice processing
- Automate the return process
- Eliminate need to manually track credits
- Improve insight into vendor performance
- Support more accurate vendor invoicing

Invoices and Vouchers

- Eliminate time spent working in multiple systems
- Eliminate manual research for incomplete invoices
- Eliminate manual entry with automated voucher creation from invoice
- Reduce time resolving match exceptions
- Reduce number of invoices needing agency review



REQUESTS AND ORDERS



Requests
and
Orders

Receiving

Invoices
and
Vouchers





Requisitions and Purchase Orders

Requisitions

- Start a request to purchase goods or services within and across agencies
- Give agency staff visibility and timely insight into all purchases in progress

Purchase Orders (PO)

- Final decision on who to purchase from
- Dispatched / sent to the vendor
- Authorize the vendor to deliver the goods and / or services



Requests in SFS

OMH
Pilot

Requests
and
Orders

- Improved, user friendly requisition entry page in SFS that includes more defaulted data values (e.g., ChartFields) and requires less data entry.
- Ability to easily select items to purchase from eMarketplace, Favorites, Recently Ordered, Catalogs, or Item Master, and when necessary, manually typing in the need.
- Individuals with no internet access will have the ability to set up a proxy to enter requisitions.
- Submitted requisitions are routed for review and approval in SFS, with the ability to support multiple levels of approval (as needed), based on agency business rules.



Buying / Ordering in SFS

OMH
Pilot

Requests
and
Orders

- Approved requisitions are automatically routed in SFS to buyers, leveraging the buyer's procurement expertise and SFS tools to source requests to POs.
- Buyers can make adjustments to the requisition prior to converting it to a PO.
- Flexible workflow will support agency and Business Services Center (BSC) review and collaboration.
- New buying tools and PO features in SFS, such as:
 - **Requisition Selection Page** to manage, edit, and stage requisitions for auto-sourcing to a PO.
 - **PO Workbench** to close fully liquidated POs, cancel POs, budget check POs, and dispatch POs.
 - **Buyer WorkCenter** includes a collection of frequently used pages and queries to improve visibility into requisitions and POs.
 - **One-Time Email Dispatch** provides the ability to dispatch a PO to a vendor using a different vendor email address than the default address.





Receiving

Requests
and
Orders

Receiving

Invoices
and
Vouchers





Receiving in SFS

OMH
Pilot

Receiving

- The Receiving role will be available to more agency users.
- Receipt Date, a field in SFS, moved to the Receipt Header to be more visible.
- Agencies will be able to determine if the Receipt Date should default to the current date, or require the Receiver to enter a date.
- Vendors will have the ability to track in SFS when goods are received improving vendor-agency collaboration about specific orders or deliveries.
- Several new receiving-related reports and queries will improve agency visibility into receiving using the SFS.
- The receiving process will be optimized for mobile devices.



INVOICES AND VOUCHERS

Requests
and
Orders

Receiving

Invoices
and
Vouchers





Invoices and Vouchers in SFS

OMH
Pilot

Invoices
and
Vouchers

- Agencies will use a single system – SFS – for the invoice-to-payment process that will support entered, scanned, and electronic invoices (eInvoice) with and without a PO.
- For BSC customer agencies, invoice-related communication with the BSC will be captured within SFS.
- Invoice standards are established by policy, and invoices that do not meet those standards will be returned to the vendor (i.e., rejected or denied, as appropriate).
- Invoice Received Date (IRD) is recorded as the date the invoice was received at the agency's designated official payment office.

Review: Requests and Orders

OMH
Pilot

Requests
and
Orders

Agency employees who request goods and services and supervisors who approve requests, do so now in SFS, using a simplified requisition, requiring no procurement expertise.

Agency buying activities, including vendor negotiations and sourcing, occur as steps between the requisition and PO and are managed by the Buyer.





Review: Receiving

OMH
Pilot

Receiving

Receiving is a proactive process where the receipt is created at or near the time that goods and some services are received, and prior to the arrival of the invoice for goods and services.

Receipts of goods / services are recorded in SFS, by the individuals receiving the goods / services, with the receipt dates reflecting the date goods / services were received.





Review: Invoices and Vouchers

Invoices will be entered, reviewed, approved, and validated in SFS. The date the invoice is received is recorded in SFS in the Invoice Received Date (IRD).

Automatic scheduling, queueing, and paying of a voucher on the scheduled date ensures the payment is made on the most appropriate date.

SFS uses the IRD as the basis date for determining the payment due date. Payments are automatically made on the payment due date, including consideration of offered discounts.

OMH
Pilot

Invoices
and
Vouchers





Ed Bouryng, SFS P2P Streamline Program Project Director

SUMMARY OF INITIAL BUSINESS PROCESS AND SYSTEM IMPROVEMENTS





Streamlined Improvements Delivered to Date

January 2018:

- Eliminated need for paper copies of POs with new one-time PO dispatch
- Consistent application of contract payment terms to the PO
- Reporting improvements to support agency requisitioning and ordering processes - providing more specific, meaningful information

April 2018:

- Buyers have more flexibility to enter a Category Code on the PO line referencing a contract
- Refinements to what will trigger a change notice to the vendor
- Refinements to what changes will require workflow approval
- The Receipt Date field has moved to the Receipt Header, supporting easier data entry and visibility for Receivers

Available
Statewide

Requests
and
Orders

Receiving





Streamlined Improvements Delivered to Date

Available
Statewide

Invoices
and
Vouchers

January 2018:

- Reporting improvements to support agency vouchering processes - providing more specific, meaningful information
- Enabling all vendors to submit invoices electronically

April 2018:

- IRD is used to calculate the payment due date
- Payment terms are now inherited on the voucher when directly referenced on the contract
- Vendors who create new locations will be systematically setup with the IRD as the basis for calculating payment due date
- Vendors are able to easily view receipts recorded by an agency





Invoice Received Date (IRD)

Available
Statewide

- IRD is recorded when an invoice is received in the designated payment office.
- The payment terms, including offered discounts, applicable to an invoice are applied to the IRD by the system to calculate the due date of an invoice.
- The system calculated scheduled payment due date is automatically adjusted to take discounts offered by the vendor.





Invoice Received Date (IRD)

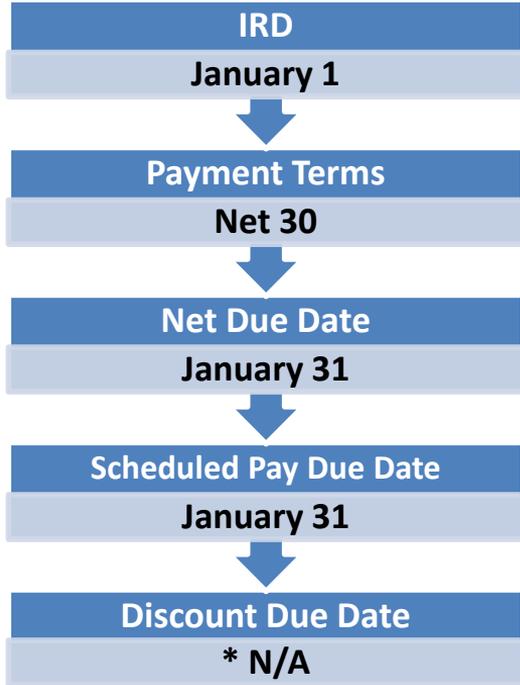
Available
Statewide

- Use and accurate entry of the IRD will provide agency accounts payable staff with automatic queuing and paying of vouchers, requiring less manual intervention to ensure payments are made timely.
- For eInvoices and vendor-entered self-service invoices, the IRD is the date the invoice was electronically received.
- Based on the IRD, the system will calculate the scheduled payment due date and discount due date and schedule the payment for the appropriate date.





Scenario: Standard Process



IRD is the Basis Date and is used to calculate:

- *Scheduled Pay Due Date*
- *Net Due Date*
- *Discount Due Date*

*Invoice is received from the vendor on January 1 for \$100.
Invoice contains all information and attachments required to
make a payment.*

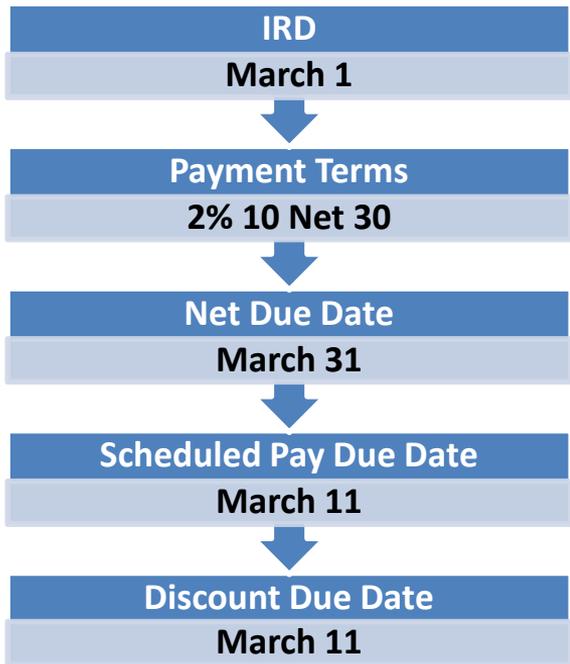
***Invoice is
paid on
time.***

- *Basis Date: January 1 (IRD)*
- *Scheduled Due Date: January 31
(Calculated as earlier of discount or Net Due Date)*
- *Payment Date: January 31*

* Only vouchers with a discount pay term will have a **Discount Due Date**.



Scenario: Standard Process with a Discount



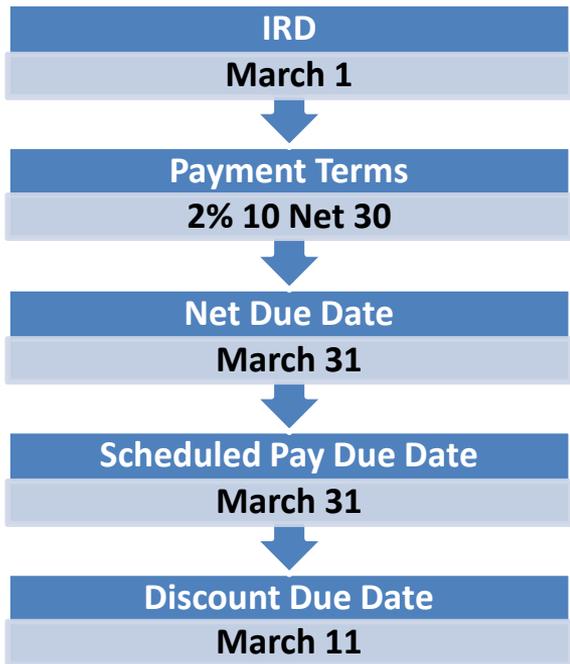
Agency payment office receives an invoice for \$5,000 received from the vendor on March 1.

- Basis Date: March 1 (IRD)
- Voucher Created: March 3
- Scheduled Due Date: Earlier of discount or Net Due Date. Discount date is earlier = March 11
- Payment date: March 11

Invoice is paid by the discount due date with discount applied to payment.



Scenario: Standard Process - Discount Terms Not Met



Agency payment office receives an invoice for \$5,000 received from the vendor on March 1.

- Basis Date: March 1 (IRD)
- Voucher Created: March 15
- Scheduled Due Date: Earlier of discount or net due date. Discount date is passed, so use Net Due Date = March 31
- Payment date: March 31

Payment is made on time, but not by the discount due date, and the discount is lost.



Dan Clark, OMH Consolidated Business Office Director

OMH STREAMLINE PROGRAM PILOT





Process Improvements Piloted by OMH

Requests and Orders

- Initiating the purchase request process with requesters entering requisitions and supervisors approving requests in SFS
- Routing requests to the right buyer and leveraging the procurement expertise of the buyer and tools in SFS, to source to a PO, route to the BSC for review, and finalize prior to vendor dispatch

Receiving

- Managing receiving as a proactive process where the receipt is created at the time the goods or services were provided, by the person receiving the goods or services

Invoice and Voucher

- Using a single system - SFS - for the invoice-to-payment business process; completing all invoice reviews and approvals, and capturing all invoice related communication with BSC within SFS
- Creating vouchers automatically from approved invoices





OMH Partnership and Program Involvement

- Established OMH-P2P Streamline Program project team members
- Performed “As-Is” analysis to understand current state procurement business process
- Participated in requirements definition, model process development, and detailed design discussions
- Partnered with SFS and OGS-BSC on the program deployment timeline
- Developed implementation project plan, outlining key tasks required to transition to the model processes
- Contributed to test scenario development and completed user acceptance testing activities

Providing Results and Feedback to SFS During Stabilization





Matt Ingram, SFS Stakeholder Services Manager

WHAT'S NEXT





What's Next

- Continue, and learn from, OMH and BSC pilot activities.
- Provide additional opportunities for agencies to engage, learn more about P2P, and start to think through the business process changes:
 - SFS P2P and Administrator Community Councils
 - Monthly SFS Agency Checkpoint Calls
- Continue regular communication activities:
 - Weekly Communications Digests
 - SFS Release Calendar (published in SFSSecure website)
 - Monthly Training Releases
 - SFSInfo Emails
- Support OSC, OGS, and agencies in helping vendors understand how to work more efficiently with the State.





PANEL DISCUSSION: P2P STREAMLINE PROGRAM QUESTIONS

