

MEMORANDUM

TO: Chief Information Officers, Chief Fiscal Officers, and Agency Procurement Officers of State Agencies, Boards, and Commissions

FROM: Eric Glenn, Administrator, Enterprise IT Contracting
Kelly Sanders, Chief Procurement Officer

DATE: AUGUST 16, 2017

SUBJECT: State Term Schedule Guidance #4

This is the fourth of several State Term Schedule Guidance documents that DAS will issue to provide information about enhanced transparency measures and associated reporting requirements related to agencies' use of State Term Schedule contracts.

Initial guidance to implement enhanced transparency measures for the use of State Term Schedule (STS) contracts was issued on June 16. This initial guidance included information on the requirement to obtain at least three quotes or seek a waiver of competitive selection from the Controlling Board; how to address continuations from FY17; use of Direct Purchase Authority; and deadline information to be considered on the Controlling Board agenda for July 10.

Additional guidance was issued on June 23 and June 30. This guidance included additional clarification on State Term Schedule use, Frequently Asked Questions and information on the transparency reporting requirements and the new STS Contract Purchase Forms.

In this guidance, we will seek to provide additional clarification on State Term Schedule use as well as provide more information about the transparency reporting requirements.

A. State Term Schedule Use

The new requirements for STS use apply to all FY 18 purchases that reference STS contracts as the purchase authority, regardless of dollar amount. **However, monitoring compliance with the requirements is a manual process because OAKS FIN will permit the creation of a PO that does not meet the new requirements.** If a PO referencing an STS appears on the Exception report, then the only circumstance in which the agency should have already issued the PO to the supplier is when there is a time delay in entering the solicitation details on the new OAKS FIN STS Contract Purchase Form.

The agency should not have issued a PO referencing an STS as the purchase authority if it cannot complete the STS Contract Purchase Form with either the required solicitation detail or an approved Controlling Board number demonstrating that the Controlling Board has approved the agency's specific purchase from the STS contract.

Alternatively, as outlined in prior STS communications, the agency can seek to remove a PO from the Exception report by cancelling the PO and recreating it without directly referencing the STS as the

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purchase authority. However, this path is possible only when the purchase can reference the agency's Direct Purchase Authority.

Once a P-card transaction that includes an STS contract has been approved and built to a voucher, the contract ID cannot be removed. If the contract ID were removed it would not cause Controlling Board threshold to be recalculated, so the agency's threshold total would be incorrect.

B. STS Contract Purchase Form

Agencies are required to complete the appropriate STS Contract Purchase Form (Requisition, Interface PO or P-Card) for all purchases made using STS as the purchase authority.

As previously noted in STS guidance #3, the OAKS BI report (VA-0011 STS Contract Purchase Form Report) will pull data directly from fields within the STS purchase transaction in OAKS (requisition, payment card voucher or interfaced purchase order) and the corresponding STS Contract Purchase Form to automate population of the required information for the quarterly report. Therefore, **agencies should pay close attention to the quality and accuracy of the information entered in the "Description" data field for requisitions and interfaced purchase orders and the "Explanation" and "Sourcing Details" data fields on the applicable STS Contract Purchase Forms.** It is also important to remember the reports will be publicly available; therefore, agencies should avoid including sensitive or subjective information.

When entering quotes for prior year continuation projects, the value of the current transaction will automatically populate one of the required supplier quote fields and cannot be revised; therefore, agencies should enter the original quote amount in the Sourcing Details field for comparison to the original value of the other quotes that were not selected as the winning quote.

For instance, an agency solicited STS suppliers in FY17 to obtain quotes for a major project. The agency received a quote from MTM Technologies for \$242,000, from XYZ Technologies for \$247,000 and ABC Technologies for \$250,000. The agency selected MTM Technologies, and the project started in FY17 and will now wrap up in FY18. In order to issue an FY18 purchase order for the remaining portion of the work (\$92,800) referencing the MTM Technologies STS contract, the graphic below shows how the agency should complete the Supplier Quotes section of the STS Contract Purchase Form for the quotes from ABC Technologies and XYZ Technologies (not MTM because that information will pre-populate with the FY18 requisition information):

Supplier Quotes							1-3 of 3
Winning Quote	*Supplier Name	UOM	Qty	Unit Price	Total		
<input checked="" type="checkbox"/>	MTM TECHNOLOGIES INC	AMT	1.0000	92800.00000	92,800.00	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="text" value="ABC TECHNOLOGIES"/>	<input type="text" value="AMT"/> <input type="button" value="Q"/>	<input type="text" value="1.0000"/>	<input type="text" value="250000.00000"/>	250,000.00	<input type="button" value="+"/> <input type="button" value="-"/>	
<input type="checkbox"/>	<input type="text" value="XYZ TECHNOLOGIES"/>	<input type="text" value="AMT"/> <input type="button" value="Q"/>	<input type="text" value="1.0000"/>	<input type="text" value="247000.00000"/>	247,000.00	<input type="button" value="+"/> <input type="button" value="-"/>	

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The graphic below shows how the agency should complete the Sourcing Details section of the STS Contract Purchase Form:

The screenshot shows a web form with the following elements:

- Continuation Flag
- FY Originally Procured:
- Lowest Quote Selected
- Justification:
- Explanation:
- Sourcing Details**
-

Also, please be advised the screenshot instruction documents included with STS guidance #3 are now formal Job Aids that will be posted in two locations: the FIN Source and myOhio FIN Home page. The DAS training team will also incorporate the content into the appropriate sections of the ePro and PO Workbooks as well.

C. Transparency Report

The OAKS BI report (VA-0011 STS Contract Purchase Form Report) is a tool for agencies to use to monitor completion of the STS Contract Purchase Forms (Exceptions layout) and preview how the agency's use of STS contracts will appear on the quarterly report for Controlling Board members (Quote Details layout).

In order to assist agencies with monitoring timely completion of the STS Contract Purchase Forms, the Exceptions layout of the report will be automatically generated from Cognos BI and emailed to agency CFOs and APOs every Friday beginning 8/25/17.

Please direct any questions about this information to Eric Glenn (for IT purchases) at Eric.Glenn@das.ohio.gov and Kelly Sanders (for non-IT purchases) at Kelly.Sanders@das.ohio.gov.

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