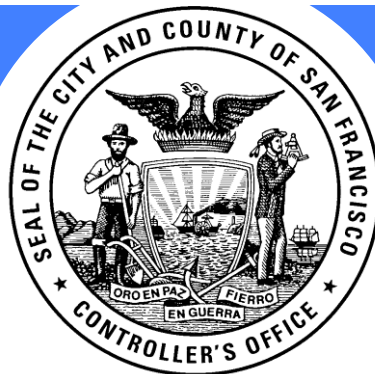


Year End Close Workshop FYE20: Requisitions and POs / OCA Purchasing Guidance

May 7, 2020



CITY & COUNTY OF SAN FRANCISCO


Office of the Controller &
Office of Contract Administration

Questions & Answers

Departments may submit their year-end questions through the MS Teams “Live Event Q&A” Feature

Year End Close Workshop FYE20: Requisitions and POs / OCA Purchasing Guidance


May 7, 2020



CITY & COUNTY OF SAN FRANCISCO
Office of the Controller

Live event Q&A

FeaturedMy questionsMost recent



No featured questions yet

Ask a question

Questions & Answers

- The questions will be consolidated into a “Frequently Asked Question (FAQ)” to be uploaded to the Knowledge Center once all the workshops are completed.

Slide Decks

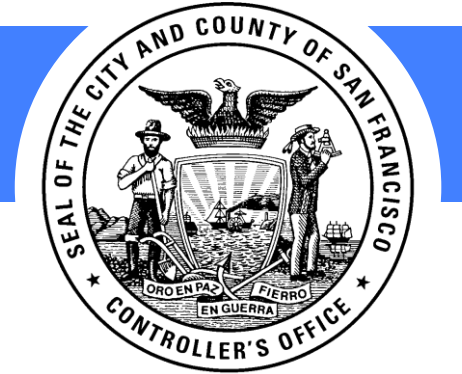
- Individual Year End Workshop slide decks will be available on the Knowledge Center the following day.

Agenda

Topic	Speaker	Dept / Division
Requisitions & Purchase Orders <ul style="list-style-type: none"> - Important Changes - Key Dates - PO Roll - Continuous Monitoring - PO Roll Sales Tax Cleanup - Requisition & PO Close - PO Close Short - Prorated Sales Tax - Best Practices & Job Aids 	Min Fang & Patrick Rice	Controller's Office – AOSD & Systems Division
OCA Year End Updates	Shawn Peeters	Office of Contract Administration

Requisitions & Purchase Orders

Min Fang and Patrick Rice
Office of the Controller



Purchase Order: Important Changes for this Year

- **Sales Tax Change from Non-Prorated to Prorated**
 - This change will happen during the PO Roll process
- **No Pre-Open for PO Module for FYE2021**
 - Due to the change from Non-Prorated to Prorated Sales Tax
- **Annual Funded POs will not be Rolled into FYE2021**
 - All annual fund POs will be closed except for PO Distribution Lines using Project Code 10033788 (2019 COVID-19)
 - Departments are responsible for Closing their Annual Funded POs

Purchase Order & Requisition Key Dates

- **Submit Purchase Order Roll Requests to AOSD**
 - No need; but please do close continuing fund POs not needed and ALL annual fund POs except for PO Distribution Lines using Project Code 10033788 (2019 COVID-19)
- **Last Day for PO Change Orders**
 - June 25 - 5:00 PM
 - POs cannot roll with an open change order, pending vouchers, etc.
 - Change Orders for Annual Fund POs are limited to reductive Change Orders
 - For Continuing Fund POs, departments are discouraged to do increasing Change Orders. Instead, departments should create new POs if additional goods or services are required.

Purchase Order & Requisition Key Dates


- **Systematic Close of POs and Requisitions Fully Qualified for Close**
 - June 24
- **Manual Close of POs and All Requisitions by Departments**
 - June 26
 - Departments are responsible for managing and closing POs and requisitions.
 - All annual fund POs not closed by 6/26 will be systematically closed. For POs with contracts, departments must process reductive change orders or PO close short by 6/25. Otherwise, any remaining balance will not be returned to the contract.
- **PO Rollover**
 - July 1 – July 3

Purchase Order Roll

- All open Continuing Fund Purchase Orders (without errors) as of June 29, 2020 will roll into FYE21. **A PO will not roll if it –**
 - Is on hold
 - Is not in a valid status
 - Is for an inactive supplier
 - Has an invalid budget status
 - Has a pending voucher
 - Has a partially vouchered receipt
 - Has all lines fully matched
 - Has all lines over-expensed
 - Does not have a merchandise encumbrance

Purchase Order Roll Eligibility Report

CON will not send out flashes with PO roll eligibility for FYE20 year end. Departments please look up PO roll eligibility in the Purchase Order Roll BI dashboard. The data is available now.


SF EMPLOYEE PORTAL
Reports & Analytics


Search All

Procurement and Spend

Home Catalog

[Procurement Activity](#)
[Purchase Order Encumbrances](#)
[Purchase Order Roll](#)
[Requisition Pre-Encumbrances](#)
[Inactive Purchase Orders and Requisitions](#)
[Supplier Spend Analyzer](#)
[Procure to](#)

Purchase Order Roll
 * Report View
☒ Pre-Roll Eligibility
☐ Post-Roll Status
 PO Roll Status
 --Select Value--
 Accounting Fiscal Year
 --Select Value--


Purchase Order Pre-Roll Eligibility
 Indicates the roll eligibility for each purchase order.
 Time run: 4/20/2020 4:25:55 PM

Purchase Order Number	Purchase Order Reference	Purchase Order Accounting Date	Purchase Order Approved Date	Purchase Order Date	Source Purchase Order Status Description	Purchase Buyer Name	Supplier Number	Supplier Name	Supplier Active Flag	Purchase Order Line Number
0000034526	DPCO15000254	7/4/2019	10/11/2018	3/13/2017	Dispatched	Hahn,Albert S	0000020138	FISCAL MANAGEMENT ASSOCIATES	Y	

Other Purchase Order Reports

- Departments should run the PO encumbrance balance reports available in the Buyer WorkCenter to ensure that all open POs are needed in the new year, and [close all Continuing Fund POs not needed and all Annual Fund POs.](#)

FSP_PO_ENC_DTL_W_DTL_CF (Encumbr Rpt - Budg Analysis)

FSP_PO_ENC_DTL_W_APRO_CF (PO Encumbrance Balance CF)


- Departments should run the following reports available in the Buyer WorkCenter to [ensure all POs allowed to roll are in valid status.](#)

FSP_AP_UNPOSTED_NOT_PAID_VCHRS (Unposted Vouchers Against POs)

FSP_POROLL_RECEIPT_PARTIAL_MAT (PO Lines with Partially Vouchered Receipts)

Purchase Order Roll Status Report

CON will not send out flashes with PO roll status after the PO roll. Departments please look up the status in the Purchase Order Roll BI dashboard. The data will be available on July 5, 2020.

**SF EMPLOYEE PORTAL**
Reports & Analytics

Search All

Procurement and Spend Home Catalog

Procurement Activity Purchase Order Encumbrances **Purchase Order Roll** Requisition Pre-Encumbrances Inactive Purchase Orders and Requisitions Supplier Spend Analyzer Procure to f


Purchase Order Roll

*** Report View**
☐ Pre-Roll Eligibility
☒ Post-Roll Status

PO Roll Status
--Select Value-- ▼

Accounting Fiscal Year
--Select Value-- ▼

Accounting Fiscal


**Purchase Order Post-Roll Status**
Indicates whether each purchase order was rolled into a selected budget year.
Time run: 4/20/2020 4:35:12 PM

PO Roll Target Year 2018 ▼

Purchase Order Number	Purchase Order Reference	Purchase Order Accounting Date	Purchase Order Approved Date	Purchase Order Date	Source Purchase Order Status Description	Purchase Buyer Name	Supplier Number	Supplier Name	Supplier Active Flag	Purchase Order Line Number
0000034274	DPCO13000127	6/30/2018	7/1/2017	12/27/2013	Complete	conversion_buyer	0000010869	SMART ERP SOLUTIONS INC	Y	1

Continuous Monitoring

- Departments should also use the following SF Reports & Analytics Procurement dashboards to continuously monitor their Purchase Orders and Requisitions:
 - ✓ Purchase Order Roll
 - ✓ Purchase Order Encumbrances
 - ✓ Requisition Pre-Encumbrances
 - ✓ Inactive Purchase Orders and Requisitions
- Continuous Monitoring of the Purchase Order and Requisition lifecycle management throughout the year will help to reduce the number of POs and Requisitions that departments will need to Close at Year End



**SF EMPLOYEE PORTAL**
Reports & Analytics

Welcome

Welcome

COVID-19 Daily Dashboards

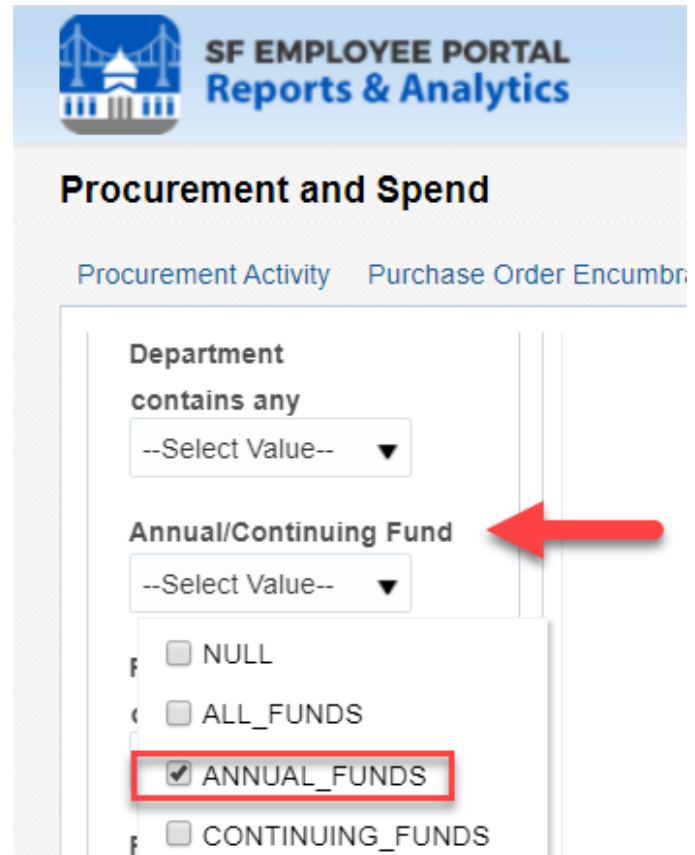
- Budget Exceptions
- General Ledger
 - Trial Balance Overview
 - Trial Balance Summary
 - Trial Balance Details
 - Trial Balance by Project and Activity
 - Trial Balance Summary - General Fund Only
 - Trial Balance Summary - Enterprise Funds Only
 - Trial Balance Summary - Special Revenue Funds Only
 - General Ledger Line Details (Transaction Details)
- Accounts Payable
 - AP Overview
 - AP Invoice Tracking
 - AP Approval Workflow
 - Open Invoices
 - Overdue Invoices

**Procurement**

- Procurement and Spend
 - Procurement Activity
 - Procurement Activity – P-Card Only
 - Purchase Order Encumbrances
 - Purchase Order Roll
 - Requisition Pre-Encumbrances
 - Inactive Purchase Orders and Requisitions
 - Supplier Spend Analyzer
 - Procure to Pay
 - Invoice Price Variance
 - Contracts (Expenditure Only)
 - Contract Expirations (Expenditure Only)
 - Strategic Sourcing
 - Procurement Approval Workflow

Use the Annual/Continuing Funds Filter to Manage Your Requisitions and Purchase Orders

- Step 1: Select Filter value:
- Step 2: Click Apply



SF EMPLOYEE PORTAL
Reports & Analytics

Procurement and Spend

Procurement Activity Purchase Order Encumbr

Department
contains any
--Select Value-- ▼

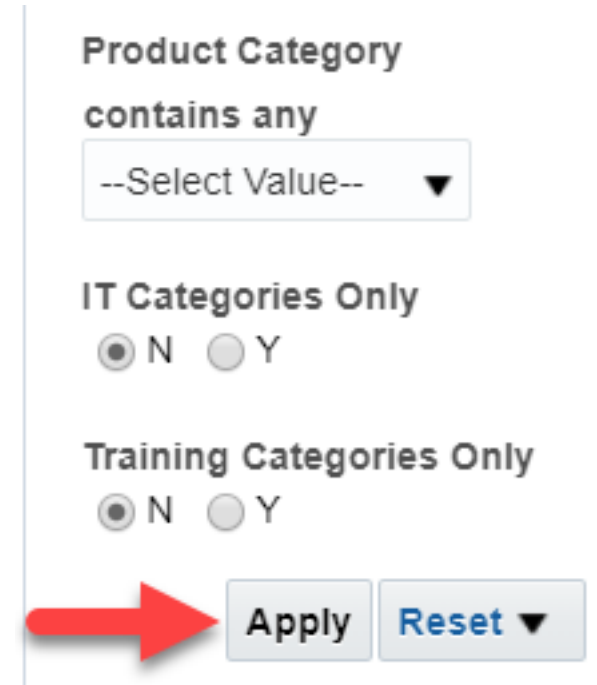
Annual/Continuing Fund
--Select Value-- ▼

☐ NULL

☐ ALL_FUNDS

☒ ANNUAL_FUNDS

☐ CONTINUING_FUNDS



Product Category
contains any
--Select Value-- ▼

IT Categories Only
☒ N ☐ Y

Training Categories Only
☒ N ☐ Y

Apply **Reset** ▼

Purchase Order Roll – Sales Tax Cleanup

- If a purchase order was set up as sales tax applicable but invoices turn out to be tax exempt, Departments should **not** simply mark vouchers as tax exempt and pay.
- This creates problems at PO Roll; the system will carry forward the unliquidated sales tax encumbrance in the merchandise line in addition to the sales tax encumbrance in Account 552115
- Departments must change such POs from Sales Tax Applicable to Item is Exempt by June 25 to avoid duplicate sales tax encumbrance carryforward

Tax Destination

11790

Tax Applicability

Item is Exempt

Ultimate Use Code

Exception Type

None

Purchase Order & Requisition Close

- Very important: Departments **must close POs not needed starting now!**
- CON will run the PO and Requisition Close batch processes on 6/24 to close POs and requisitions **fully qualified** for system close (see the next two slides for system close criteria)
- Departments must close POs **not needed** or **ineligible for PO Roll** by 6/26
- Departments must close **all requisitions** by 6/26
- Departments must close all POs with Non-prorated Sales Tax data issues by 6/26

System Close Criteria - POs

The reconciliation process will close a PO distribution line if all the criteria are met.

A PO distribution will be closed if all the following apply:

Hold Status

- Is not on hold

Status

- Is open, approved, dispatched, or canceled

Last Activity Date

- Is not within the last 60 days

Budget Status

- Is valid

PO Vouchers

- Are posted

Match Status – Full Match Required

- Is fully matched, or
- Is partially matched within the close under percent tolerance or the associated voucher is finalized

Receiving

- Receiving required – Receipt Status
 - Is fully received, or
 - Is partially received within the close under percent tolerance or the associated voucher is finalized
- Receiving not required – Due Date is not within the last 60 days

System Close Criteria - Requisitions

A Requisition distribution will be closed if all the following apply:

Hold Status

- Is not on hold

Last Activity Date

- Is not in the past 60 days

Budget Status

- Is valid

Not Still Active

- A requisition is no longer active if it has been canceled,
- fully sourced to PO, or
- partially sourced to PO and the PO has been finalized

POs Sourced from Requisition

- Are closed, and
- in valid budget status

Because the requisition must be canceled or sourced to be closed, a requisition with a remaining pre-encumbrance will not be closed.


Cancel vs. Close vs. Reductive Change Order PO Decision Matrix

	Has the PO been received or vouchered?	Closing Method
With Contract	Yes	Change Order > Close
	No	Cancel > Close
Without Contract	Yes	Close
	No	Close

Cancel vs. Close PO vs. Reductive Change Order

- Cancel can only be done when there has been no activity (no receipts and no vouchers)
- Will return balance to both the budget and the contract

Maintain Purchase Order	
Purchase Order	
Business Unit SFGOV	PO Status Dispatched
PO ID 0000181831	Budget Status Valid






- Close will only return remaining balance to the budget, but not the contract
- Only PO Administrators in each department have access to close

[Favorites ▼](#)[Main Menu ▼](#)[Purchasing ▼](#)[Purchase Orders ▼](#)[Buyer's Workbench 🔍](#)

Cancel vs. Close PO vs. Reductive Change Order

- If PO has activity against it and a balance that needs to be returned to the contract, process change order (by amount or quantity depending on PO setup) to decrease the PO amount to expensed amount and then close.

Maintain Purchase Order	
Purchase Order	
Business Unit SFGOV	PO Status Dispatched
PO ID 0000181831	Budget Status Valid



- The department must process the change order to decrease the PO amount to the received or matched amount (whichever is greater) or flag PO lines to Close Short by [6/25/20](#)
- [Close of POs – 6/26/20](#)

Canceling POs Sourced from Requisitions: Avoid Locked Pre-encumbrances

- This locked Pre-encumbrance issue is caused when a user Cancels a PO and selects the “No Do Not Re-Source Reqs” option
- To avoid the situation of a locked Requisition Pre-encumbrance, always cancel the PO with “Yes, Re-Source all Reqs” option and Cancel the Requisition from Manage Requisitions page

Maintain Purchase Order

Cancel Purchase Order

Business Unit SFGOV PO ID


Would you like to open the Requisition quantity(ies) to be sourced again?

☒ Yes, Re-Source all Reqs

☐ No, Do Not Re-Source Reqs

☐ Specify Reqs to Re-source

Continue



Purchase Order Close Short

- The PO Close Short process does not actually close POs. It cancels or reduces PO lines based on PO activity **to return funds to the contract balance** (if applicable) **as well as budget** and prepare the PO for close.
- The PO Close Short process does not work for POs that:
 - Are rolled from a previous Fiscal Year
 - Are Fully Matched
- The Close Short flag on the PO line must be selected.
 - A line **without receiving or vouchering activity**, will be canceled.
 - A line **with receiving or vouchering activity** will be reduced to the received or matched amount, whichever is greater.

Purchase Order Close Short

If your PO is not needed in the new year and should be closed, but is associated to a contract, select the **Close Short checkbox** for the PO line.

WARNING!

Do not select this checkbox if your purchase is not complete and you still plan to receive or voucher the PO line. Job aids are available in the SF Employee Portal. PO Admin webcasts available soon.

PO Close Short Workbench

Purchase Orders

Business Unit SFGOV

WorkBench ID

*Description Close Short Workbench

Search Criteria

Clear all rows from the list

Select Close Short All

Clear Close Short All

Process Monitor

PO Close Short Worklist

Personalize | Find | View All | First 1-4 of 4 Last

PO ID	Line	Schedule	Item ID	Description	Close Short	Close Under Qty %	Applied to PO?	*Close Short Set Option	Amount Only	Buyer	Supplier ID	Contract ID	GPO ID	Last Activity
0000236855	1	1		GRANT- Wardrobe for Opportunity - Men's Interview Clothing 2015-2020	<input checked="" type="checkbox"/>		No	Received Amount	<input checked="" type="checkbox"/>	59886	0000008486	1000006238		12/12/2018
0000236855	2	1		GRANT- Wardrobe for Opportunity - Men's Interview Clothing 2015-2020	<input type="checkbox"/>		No	Received Amount	<input checked="" type="checkbox"/>	59886	0000008486	1000006238		12/12/2018

- AOSD requested Prorated Sales Tax in 2018
- Sales Tax was Prorated before PeopleSoft implementation
- Best accounting practice
- Many bugs/issues with Non-prorated Sales Tax
- Big pain point during PO Roll/Year End

In the Procurement World:



- The Sales Tax Encumbrance will be against its goods/services chartfields.
- The Sales Tax will not be encumbered against its own account (552115 i.e. non-prorated).
- In PO accounting entries, Sales Tax will be part of the Monetary Amount.

Purchase Order Best Practices



Purchase Order: A Purchase Order is used for the one-time purchase of a defined quantity of goods or services



Change Orders to Increase Quantities/Amounts:

Departments should create new POs when additional goods or services are needed



Reductive Change Orders: Reductive change orders are appropriate for reducing quantities or amounts for POs released against a Contract

PO Close Short Best Practices



Release Accurately: Issue PO Releases from Contracts for Quantities/Amounts that will be fulfilled within a specific period of time. **Avoid issuing Blanket PO Releases.**



Receive Accurately: A receipt is an official record of goods or services that the City has received from a Supplier. Enter Receipts for the actual Quantities/Amounts received.

Job Aids for Year End Processing of Requisitions and Purchase Orders are Available in the Knowledge Center:

- [Understanding PO Encumbrance Liquidation Options](#)
- [Understanding Cancel/Close/Finalize Processes for Requisitions](#)



Office of

Contract

Administration

**Presented by
Shawn Peeters**

Sailaja Kurella

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Discussion Topics

- **OCA Requisitions**

- ☐ FY 19/20 Requisition Deadlines
- ☐ Urgent Bids for FY 20/21 POs

- **OCA Term Contracts**

- ☐ Change Order PO releases

- **OCA Emergency Purchasing**

- ☐ Resources
- ☐ FEMA Attachments
- ☐ New Informal Emergency Request for Quotes

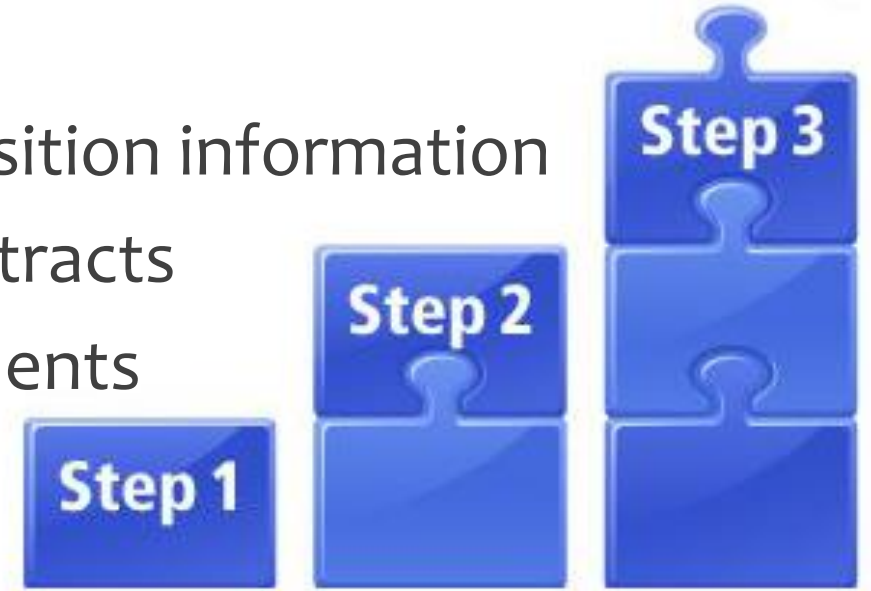
Key Purchasing Deadlines

- Requisitions for Equipment & Vehicles – not on Term Contracts February 28
- Requisitions for Equipment and Vehicles – on Term Contracts March 13
- Non-IT Requisitions for items to bid out not listed above March 13
- Non-IT Requisitions for items w/no bid, but not listed above May 29
- IT Requisitions Materials/Services in Tech Marketplace > \$25K May 15
- IT Requisitions Materials/Services in Tech Marketplace ≤ \$25K May 29
- Dept Professional Services Request requiring OCA approval May 29

OCA Requisitions

OCA Requisition Processing Stages:

- Work with Departments to get complete requisition information
- Advertise, Conduct Evaluation, and Award Contracts
- Collect Vendors Insurance and Other Requirements
- Issue POs



FY 19-20 Requisitions

- Requisitions in OCA's current queue = 125
- Deadline to submit most requisitions for FY 19/20 has passed (Non-IT > \$10K w/no bid: 5/29 & IT RQ's: 5/15 & 5/29)
- Requisitions received before deadlines will be prioritized

Urgent Bids for FY 20/21

Urgent FY 20/21 Purchases

Subject to OCA approval, some consideration will be given to a **limited** number of urgent purchases that need to be executed at the beginning of FY 20/21; however, no promises are being made.

For these requests Departments must submit, through their designated OCA Purchaser, for approval:

- ☐ Justification of the urgency and reasons this advertisement cannot wait until July 1, 2020; and
- ☐ Completed requisition checklist, with all required accompanying documents → If not complete upon receipt, may be rejected.

What is an OCA Term Contract?

OCA bids as-needed/indefinite quantity contracts for City Departments to purchase:

- Commodities – products, materials, equipment and supplies, etc.
- General Services – janitorial, security guard, pest control, landscaping services, etc.
- Purchase Orders (POs) released off of these contracts only require Department approval

Year End PO Problem:

- **IF** Departments do not change order POs down to the anticipated spend for FY 19/20
- **THEN** contract funds are lost:
 - Departments will have less money available; OR
 - NO money left in the contract → Departments will have to wait for the new contract

OCA Term Contract POs

Help from Departments:

- **Step 1:** Review your POs and determine anticipated spend for the rest of FY 19/20*; and
- **Step 2:** Change order down POs by the Controller's deadline.

*Reminder: PO amounts should only be set for immediate purchases, not future/unspecified purchases.







Moving Forward:

- ☐ **DO NOT** set up POs for the entire year/future/unspecified purchases.
 - ✓ These POs may be canceled by OCA.
- ☐ OCA will periodically review our Term Contracts and for department end users still creating large POs for full-year/unspecified purchases. If necessary, OCA will change order down the POs and/or may remove end user access to the Term Contracts.

OCA Emergency Purchasing

<https://sfgov.org/oca/resources>

Emergency Purchasing:

-  [City Admin Memo re FEMA Appendices.pdf](#) (Explains FEMA considerations and applicable appendix by purchase type.)
 -  [FEMA Appendix - Purchase Orders.pdf](#) (This appendix should be attached to all non-negotiable purchase orders not associated with any contract or purchase orders issued against existing contracts that do not contain the stated FEMA requirements.)
 -  [FEMA Appendix - Ch. 21 and Grants \(New Contracts and Amendments\).docx](#) (This appendix should be attached all newly negotiated contracts and grants or as amendments to existing contracts.)
 -  [FEMA Appendix- Ch. 6 \(Contracts and Purchase Orders\).docx](#) (This appendix should be attached to all contracts and/or purchase orders for construction services.)
-  [Emergency COVID-19 Purchases Logistics and EOC-OCA Roles \(4-22-20\).pdf](#) (Outlines the steps to take for COVID purchase/contract to ensure adequate review and documentation.)
-  [COVID-19 Informal Request for Quotes Template \(Low Bid\).docx](#) (To be used to request non scarce resources COVID goods and services. Modify as applicable.)

OCA Emergency Purchasing

Appendix – Ch. 21 & Grants (New Contract and Amendments) (04-20)

Appendix – Purchase Orders (04-20)

Appendix – Chapter 6 (Contracts and Purchase Orders) (04-20)

FEMA Purchasing Memo 4.22.2020

COVID-19 Purchases Logistics and EOC-OCA Roles (4-22-20).pdf:

- Outlines steps for COVID purchases/contracts to ensure adequate review/documentation

COVID-19 Informal Request for Quotes Template (Low Bid).docx:

- To be used to request non scarce resources COVID goods and services. Modify as applicable

Thank you for your cooperation during Year End!



Thank you!

Topic	Date	Status
Kickoff	May 5 th , 11:00 – 12:00 PM	Completed
AOSD Guidance and Deadlines	May 6 th , 10:30 – 12:00 PM	Completed
Single Audit and Uniform Guidance	May 6 th , 2:00 – 3:30 PM	Completed
Purchase Orders, Requisitions, and OCA Guidance	May 7 th , 11:00 – 12:00 PM	Completed