

# PORTLAND METRO



## SUPPLIER CONTRACT MANAGEMENT MODULE REVIEW

**SUBMITTED BY: ERIC WARSHOWER**  
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**EMPOWER  
SOLUTIONS**  
AN INTELLIGROUP COMPANY

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## 1. Introduction

The document presents the high level requirements that were discussed during the Supplier Contract fit-gap/assessment sessions at Portland Metro on April 28<sup>th</sup> – April 29<sup>th</sup>. The document also details the business processes that need to be reviewed, aligned or changed for a successful Supplier Contract Management implementation.

## 2. High Level Requirements

Business Area	Requirement
Contract Creation	There are several Contract Types that need to be supported: <ul style="list-style-type: none"> <li>• Goods and Supplies Contract</li> <li>• Nature in Neighborhood Grant Agreement</li> <li>• Lease Agreement</li> <li>• Standard Public Contract</li> <li>• Personal Services Contract</li> <li>• Intergovernmental Agreement</li> </ul>
Contract Content Management	Clause Approvals must be supported. In case a clause is changed, it must be approved by a central body
Contract Content Management	The system should insert specific clauses for items that are over (or under) \$50,000 in value.
Approval Workflow	Workflow must support multiple approval criteria: <ul style="list-style-type: none"> <li>• Signature Level</li> <li>• Amount Based (Standard Supervisor – \$10,000, Deputy Directory – \$25,000, Director – \$50,000, Anything over \$50,000 goes to COO or designee)</li> <li>• Contract Type</li> <li>• Department</li> <li>• May need the ability to link approval notifications to chart field segment (particularly Program code)</li> </ul>
Approval Workflow	Ability to add an ad-hoc approver. This is required for forwarding approval requests to OMA (Office of Metro Attorney).
Approval Workflow	The ability to add an ad-hoc approver should be a restricted function i.e. Some people have it and some don't.
Contract Creation	Required clauses – Certain clauses are required for certain type of contracts. This is specifically true of IGA contracts
Contract Creation	Dependant clauses - Certain clauses must be included in the contract if a specific clause is included in the contract. This is specifically true of IGA contracts
Approval Workflow	Ability to deny an approval.
Approval Workflow	Provide a common monitor to review the status of each approval notification and identify transactions that are pending approval. The monitor should allow re-assignment of notification of required.
Approval Workflow	Issue escalations and reminders if the approval notification has not been acted on for a specific, predefined period of time.
Approval Workflow	Allow approvers to designate one or more people who can approve on their behalf if the approver is not available (owing to vacation, leave etc.).
Approval Workflow	Support Digital Signatures.

External Contacts	Ability to add external contacts from vendor contacts.
External Contacts	Ability to send contract document and attachments at any time during the contract life cycle.
Attachments	Ability to attach any number of documents, regardless of size, to a contract
Query	Provide querying capability in the context of contract attributes and lifecycle. Some of the possible query attributes could be: <ul style="list-style-type: none"> <li>• Contract Stage</li> <li>• Who needs to approve at this point</li> <li>• Average time per approval</li> <li>• Comments by each Collaborator and Approver</li> <li>• Date and Time of each contract stage as the document progressed through them (Creation, Collaboration, Approval, Dispatch, Execution)</li> </ul>
Collaboration	Ability to Email XML to an external contact and receive back an edited file. An internal collaborator should be able to upload the file in the system.
Amendments	Ability to amend an existing contract document. The amended document is likely to have a different approval lifecycle then the original document.
Amendments	Ability to support various amendment types i.e. term change, Price change etc.

### 3. Business Process Alignment for SCM implementation

An SCM implementation will bring unique product challenges along with possible changes in Metro's existing business processes. Listed below are some of the business processes that will need to be aligned to the strategic focus of implementing SCM.

- **Content Management** – Identify People and Roles that will be maintaining the contract content and rules. Approval authority and workflow must be established to prevent un-authorized or accidental changes to the clause content. Some of the content may be specific to regulatory requirements and may need separate approvals from regulatory bodies.
- **Content Management – Centralized vs. De-centralized** – Although content and rules can be maintained separately for each contract type. This will not prevent the implementation of a successful, fully operational SCM system. However, an analysis should be performed to identify common content across various types of contracts with the goal of standardizing the content and language. This will provide long term efficiencies in the contract management system.
- **Document/Contract Closure** – What activities need to happen in the system to identify contract termination/cancellation/normal closure? These triggers and activities need to be identified, standardized if possible, and formalized in the process.
- **Contract Execution** – What activities need to happen in the transactional system (AP, PO) system at the time of contract initiation? Some of the activities maybe:
  - Activate the Vendor for pay cycle
  - Review encumbrances and residual spending authority
  - Release a Purchase Order
- **Approval and Collaboration** – Identify bottlenecks and business process adjustments to streamline approval processes. Metro should also consider evaluating the boundaries between Collaboration and Approval processes to reduce approval levels and expedite multi-step complex approval workflows.
- **Contract Amendments and their relationship to actual activities in the system** - Contract amendments may have their own collaboration and approval lifecycle. It must be noted that contract document amendments do not amend the transactional aspect of the contract i.e. Terms, amounts etc. The transactional activities must be executed separately in conjunction with the document amendments.
- **Attachments, document retention policy and server sizing** – Any number of documents can be attached to a contract document. The attachments may include supporting documents, RFPs, RFQs and vendor submissions. The whole process needs to be evaluated in the context of server sizing, Metro's document retention policy, document security and other considerations.
- **Send Contract documents to External Parties and Dispatch Process** – This can be done anytime during the lifecycle of the contract. Care must be exercised to select only the attachments that are intended to be sent. The "Send" process creates distinct security risks as the information is being disseminated to external parties electronically. An alternative may be to practice a paper based dispatch process, which is inefficient but inherently secure.

- **MWESB/DBE tracking** – starting from bid procurement through contract award. Some elements of tracking may need to be initiated at the start of procurement lifecycle.
- **Use of Contract Attributes** – (Department and Sponsor) in workflow and collaboration. Department may not be granular enough for precise approval workflow. An attempt must be made to identify the contract attributes that will provide precise distribution control.
- **Distinguish between Sub-Recipient, Vendors and Sub grantees** – How to differentiate various vendors that provide services towards the fulfillment of a grant?

#### 4. Supplier Contract Management Implementation Benefits

- Standardize the contract processes using rule-based contract creation.
- Reduce time-to-contract.
- Track and manage full contract lifecycle.
- Drive contract compliance and regulatory oversight reducing contract risk and monetary penalties. A key example would be IGA contracts that need to have specific required clauses.
- Streamline Approval Workflow and eliminate Approval Exceptions.
- Centralize Contract Terms and content that ensure improved manageability and control. The centralized content can be used across multiple contract types.
- Robust authoring capabilities using Microsoft Word 2007.
- Enhanced Collaborative processes amongst the workgroup leading to consistently better quality output.
- Standardize Amendment processing based on the type of amendment i.e. Term, Price etc.
- Support for digital signatures using Word 2007 and Adobe PDF format.
- Generate Executive Summary using important information from the contract. Executive summaries are routed along with the main document for easy viewing during collaboration and workflow approvals.
- Enhanced Supplier Relationship Management metrics using the supplied toolset i.e. XML Publisher and Query. The metrics can be captured across the lifecycle of the contract. A key example would be capturing MBE/DBE status for vendor contracts.

#### 5. Fit-Gap Assessment

The following table details each functional area specific to Portland Metro’s business functions and identifies the high level fit-gap with respect to SCM product functionality.

Business Area	Requirement
Contract Creation	All types of contracts mentioned in the requirements are supported by the product.
Contract Content Management	All content, variables, rules and Word formatting are supported by the product.
Approval Workflow	1. All approval workflow can be supported by the delivered tools without customizing the system. However, certain approval scenarios (like approval by chartfield segment) have a higher cost in terms of configuration and

	<p>testing. From Metro’s perspective, those scenarios have a higher on-going maintenance cost.</p> <p>2. Approval workflow by available attributes (like Department ID, contract type etc.) may not be granular enough and it may be required to identify and build an approver list based on other attributes in the system. This may require additional configuration (and possibly, customization effort).</p>
Collaboration	All collaboration functions are supported by the product.
External Contacts	External contacts can be established from vendor Contacts or manually added.
Attachments	Any number of attachments can be added over the life of the contract. However, one must be cognizant of the retention policies and server overhead/capacity when establishing attachment rules.
Query	XML Publisher and query can be used to inquire upon any number of scenarios in the SCM system.

## 6. Implementation Plan

The implementation plan presented below is based on the high level requirements collected during the fit-gap/assessment sessions conducted on April 28<sup>th</sup> and April 29<sup>th</sup>. The implementation timeline assumes that certain key business process decisions will be made by Portland Metro prior (and concurrent) to the implementation and appropriate information will be made available to the Empower team which will help in the configuration of the module.

Week	Task	Deliverable	Business Process Dependency
Week 1	<b>Project Initiation:</b> Verify high level requirements, Identify development environments, Initiate technical setup, Elicit and document detailed requirements		
Week 2	Perform Initial Configuration	Detailed Requirements	
Week 3	<b>Initiate Prototype :</b> Configure and code the system to generate a sample contract (“Goods and Supply)		Portland Metro should make available the latest copy, rules and other information specific to the contract
Week 4	Configure and Develop Prototype		
Week 5	<ol style="list-style-type: none"> <li>1. Configure and Develop Prototype</li> <li>2. Review Collaboration mechanism with the users.</li> <li>3. Configure system with respect to Collaboration.</li> <li>4. Gather detailed Approval requirements</li> <li>5. Gather Requirements for other contract types: <ul style="list-style-type: none"> <li>• Nature in Neighborhood Grant Agreement</li> <li>• Lease Agreement</li> <li>• Standard Public Contract</li> </ul> </li> </ol>	Generate the prototype contract in the system.	Portland Metro should make available the latest copy, rules and other information specific to other contracts.

	<ul style="list-style-type: none"> <li>• Personal Services Contract</li> <li>• Intergovernmental Agreement</li> </ul>		
Week 6	Configure and Code contracts		
Week 7	Configure and Code contracts		
Week 8	Configure and Code contracts		
Week 9	Configure Approvals		
Week 10	<b>System Review and Verification</b> – Generate all contracts in the system and demonstrate approval workflow. Weeklong sessions will be conducted with the user group(s) and documents will be put through their life-cycle. Feedback will be collected.	Contract Generation and Approval Workflow	Users should be available for sessions.
Week 11	System Refinements		
Week 12	Systems Refinements		
Week 13	Conduct Training – Buyers, Collaborators,	Training Guides and Job Assists.	Users should be available for sessions.
Week 14	Conduct Training – Approvers	Training Guides and Job Assists.	Users should be available for sessions.
Week 15	System And Configuration Documentation	Configuration Document	
Week 16	Production Support		

## 7. Additional Features

The following are some of the additional features available in the Supplier Contract Management Module. Due to the complexity in configuring these features and because they are typically implemented by clients as a “phase-2”, they were not presented to Portland Metro during the on-site session. Also, Supplier Collaboration via Supplier Portal is a new feature available in 9.1; a version higher than Metro’s current version.

### **Agreement Tracking Monitors Supplier Performance**

Most supplier contracts include specific internal and external deliverables, but these are often lost in the contract details and poorly monitored. PeopleSoft Supplier Contract Management allows organizations to define and track these contractual agreements (Service Level Agreements). Legal clauses, verification requirements, responsible parties, and financial implications are associated with an agreement and maintained in the contract. Suppliers receive notifications regarding agreement actions and can update agreement deliverables using the Supplier Portal. The contract specialist directly monitors the status of all agreements and deliverables.

### **Supplier Collaboration via Supplier Portal**

Supplier Collaboration opens up access to the contract lifecycle to suppliers and other external parties through a new supplier-side facing portal. Supplier Contract Management on-line Supplier Side functionality offers supplier collaboration for authored contracts using native MS Word, support for imported supply-side paper, simplified digital signatures, notifications and ability to update service level agreement deliverables and notifications and ability to review service level agreement metrics such as on-

time delivery of purchases under contract. Agreement compliance, such as on-time performance, is monitored automatically by evaluating the contract execution data within PeopleSoft Purchasing and notifying the interested parties when a compliance issue arises. The supplier will receive electronic notifications of non-compliance with URL links to the supplier portal. The supplier can then review analytic graphs and drill down to the detail related to the SLA activity. Agreement compliance is monitored automatically by evaluating the contract execution data within PeopleSoft Purchasing and notifying the interested parties when a compliance issue arises.