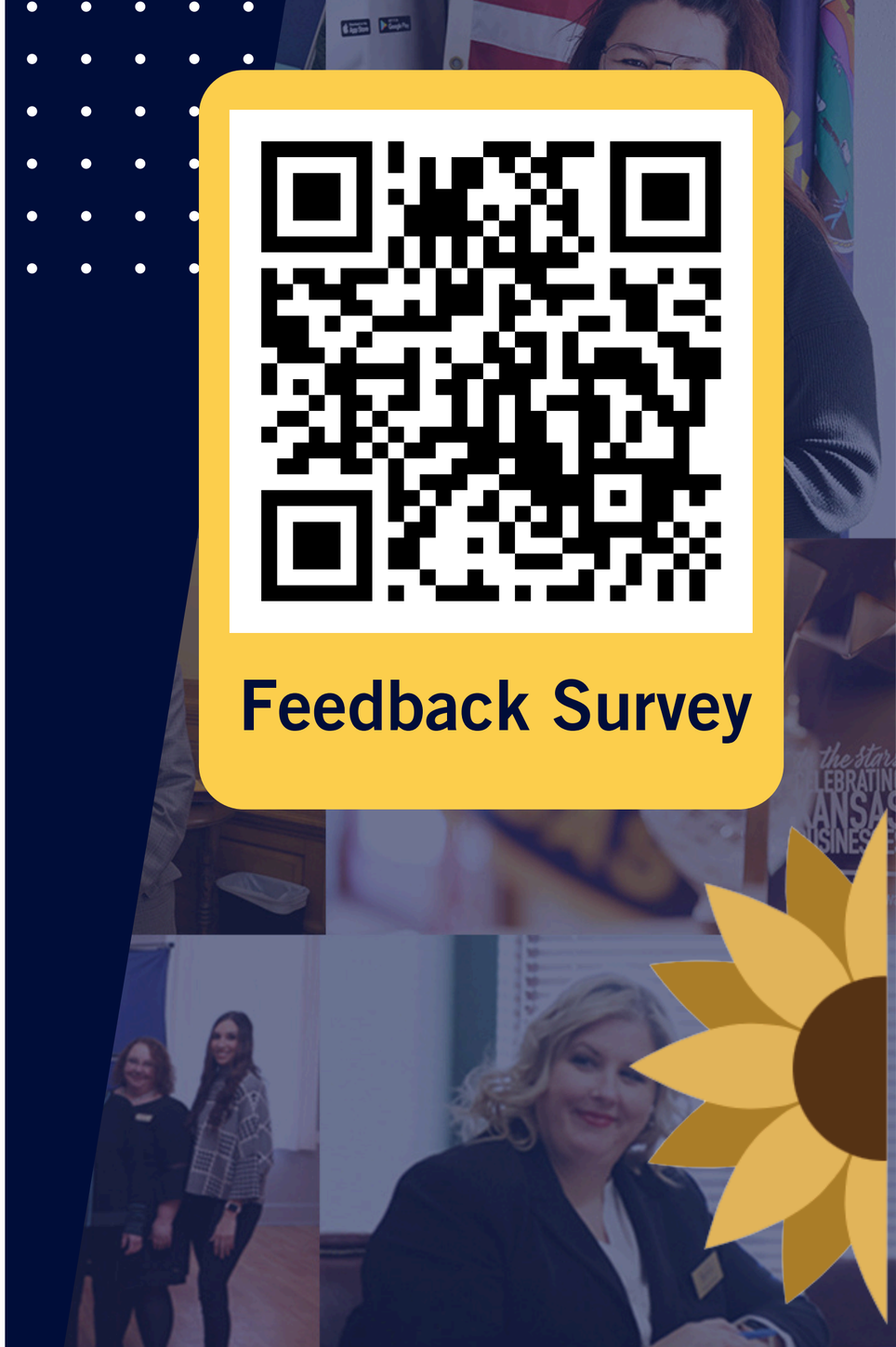
WELCOME

2024

KANSAS AGENCY BUSINESS SUMMIT

NASPO™
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Feedback Survey

GENERAL SESSION

Foundations of Public Procurement

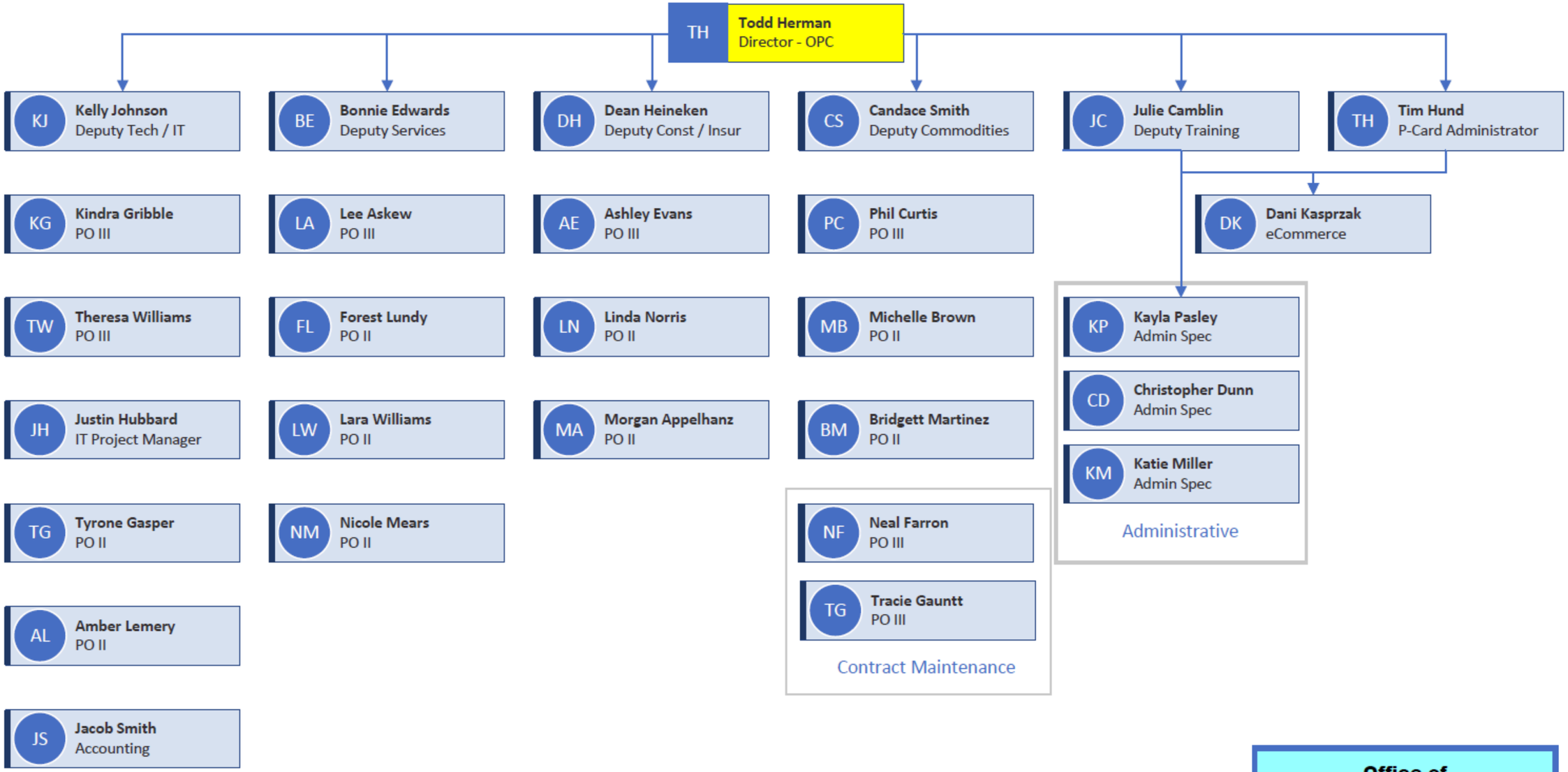
OFFICE OF PROCUREMENT AND CONTRACTS

KANSAS AGENCY BUSINESS SUMMIT

Speaker:
Todd Herman



OFFICE OF PROCUREMENT AND CONTRACTS



Office of Procurement and Contracts

Todd Herman - Director

October 4th, 2024

PROCUREMENT CARD PROGRAM

KANSAS AGENCY BUSINESS SUMMIT

Speaker:
Tim Hund



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PROCUREMENT CARD PROGRAM

Strong Internal Controls

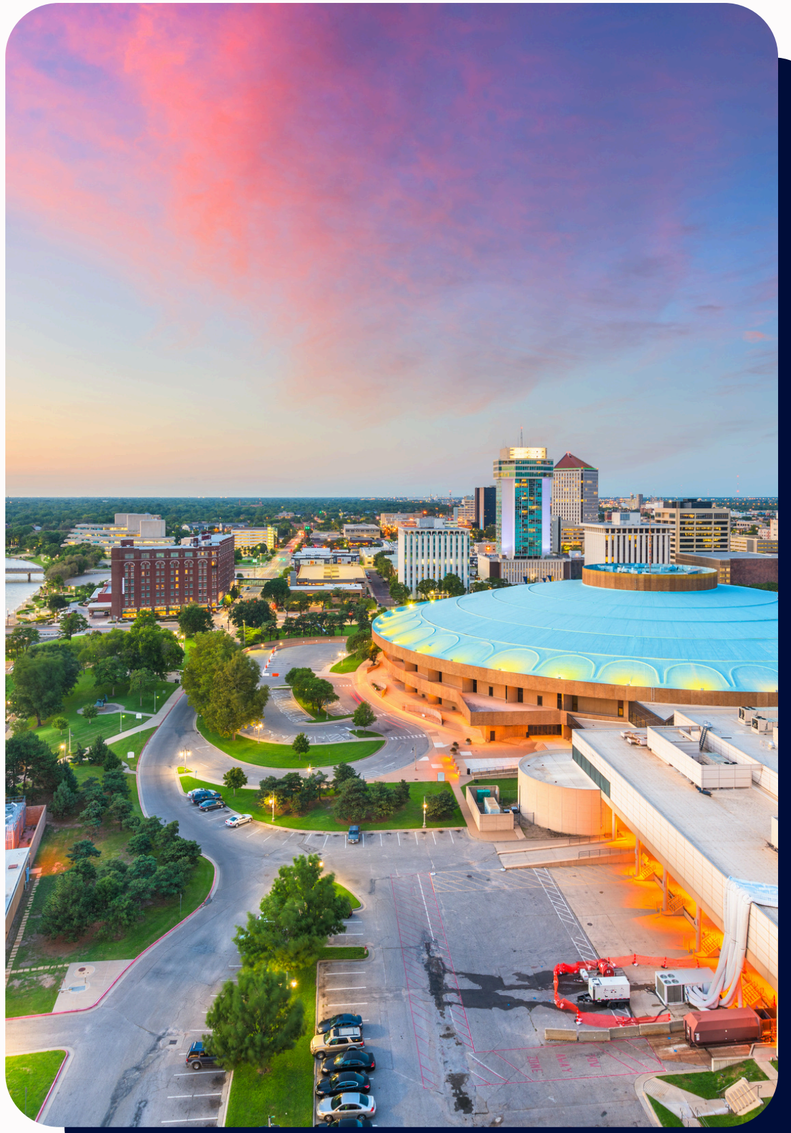
- Timely Transaction Reconciliation
- Agree Control Account Statement Activity to SMART
- Reporting Lost, Stolen, Compromised P-Cards

Requesting Credits for P-Card Purchases

Deleted P-Card Vouchers

Recent Recurring Audit Findings

Questions and Answers



Strong Internal Controls

01

P-Card Transactions should be reconciled within 30 days of purchase dates.

02

Activity (purchases, payments, adjustments, etc.) per control account statements (received from UMB) should be agreed to activity per SMART.

03

Immediately report lost, stolen or compromised card to UMB.
1-800-821-5184 (24 hours a day; 7 days a week)



Requesting Credits for P-Card Purchases Internal Controls

01

First request a credit from the merchant.

02

Then dispute the purchase with UMB, if the merchant will not process a credit.

03

Always dispute fraudulent purchases with UMB.

04

The Dispute form must be e-mailed to UMB (Cherie Figge/Michelle Carr) within 60 days after the purchase date per VISA rules,



Deleted P-Card Vouchers

01

If a p-card voucher (or voucher line) is deleted from the accounts payable module of SMART, ask the SMART team to add back the related transactions (as unreconciled) in the p-card module of SMART.

02

A permanent out-of-balance with UMB will occur if transactions associated with a deleted voucher are not added back to the p-card module.



Reversion Project Update

UMB anticipates adding a feature to UMB Commercial Card in the first quarter of 2025 that will automatically revert temporary changes (strategies, single purchase limits, credit limits, etc.) to the original values.



Recent Recurring Audit Findings

Walk-in contracts only include items physically located in a merchant's store at the time of purchase.

01

Walk-in contracts do not include items not physically located in a merchant's store at the time of purchase (even if picked-up at the merchant's store at a later date).

- Examples: bulk orders, or special orders.

02

Prior Authorizations are required in the following instances:

- The items purchased are not physically located at the merchant's store
- The purchase amount is $5,000.00 or more

03

Out-of-State Travel Approvals were not always documented

04

Explanations were not always attached to transaction receipts when there were differences between receipt amounts and VISA charge amounts.

05

Detailed receipts were not available in a few instances

- Descriptions (or meaningful descriptions) were not always input into the P-Card module during transaction reconciliation.

06

Contract numbers (for purchases from State contract suppliers) were not always input into the P-Card Module during transaction reconciliation.

07

Meaningful descriptions and detailed receipts are necessary for transaction transparency.

08

P-Card convenience fees (fees charges for paying with a credit card rather than paying via accounts payable, cash, etc.) are not prohibited.

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QUESTIONS

Procurement Card Program



COMMON PROCUREMENT QUESTIONS

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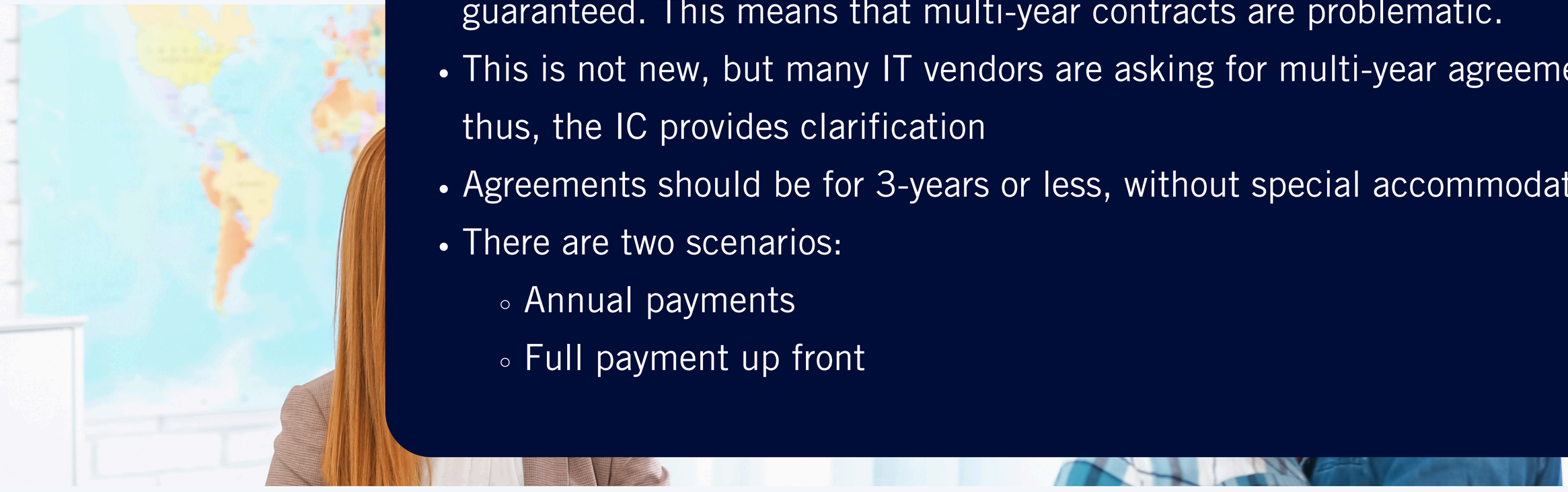


Speaker:

Kelly Johnson

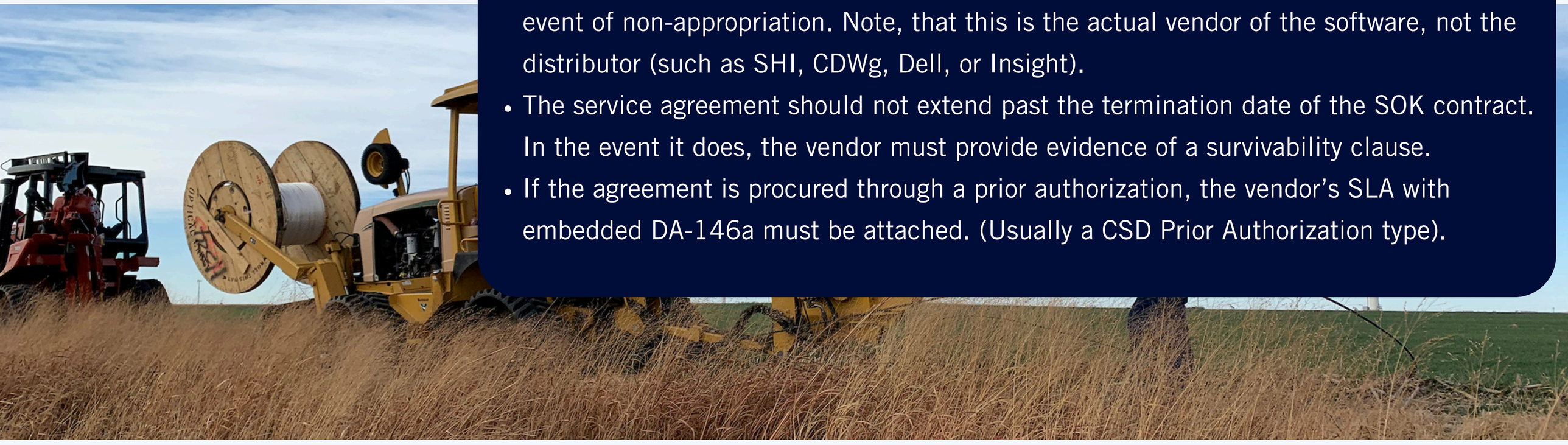
IC 25-02 – Multi Year IT Purchases

- The purpose if this information circular is to provide guidance when procuring IT agreements for longer than a 12-moth period.
- Agencies receive an annual budget, and future appropriations are not guaranteed. This means that multi-year contracts are problematic.
- This is not new, but many IT vendors are asking for multi-year agreements; thus, the IC provides clarification
- Agreements should be for 3-years or less, without special accommodations.
- There are two scenarios:
  - Annual payments
  - Full payment up front



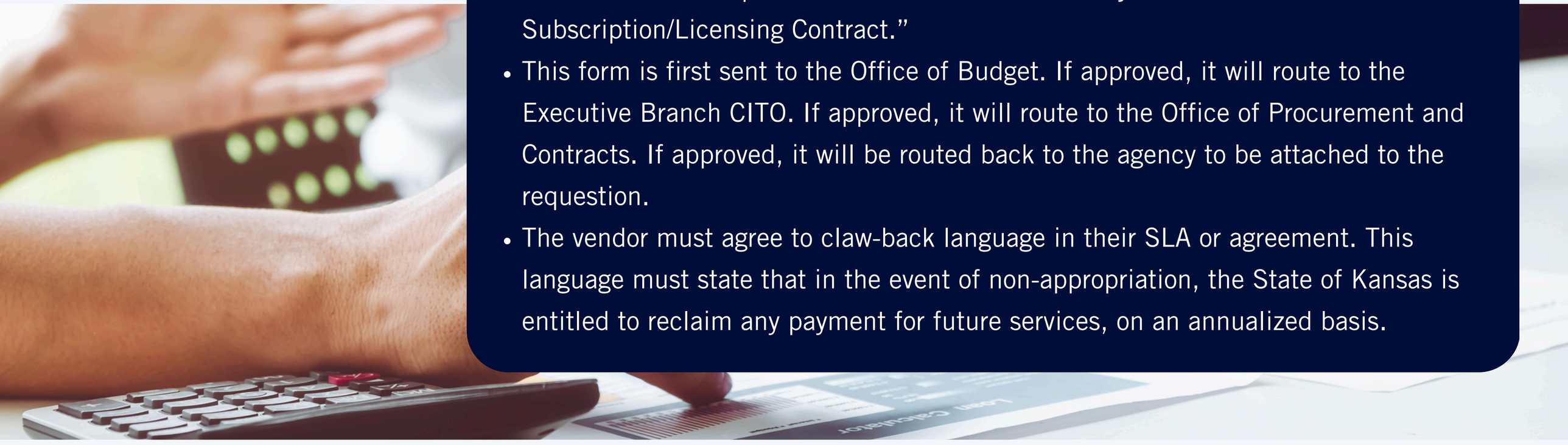
Annual Payments

- This is the preferred method.
- Vendor must understand that payments will be annualized and subject to termination in the event of non-appropriation. Payment will be in the same fiscal year in which services are received.
- The company must sign and agree to the DA-146a, which allows for termination in the event of non-appropriation. Note, that this is the actual vendor of the software, not the distributor (such as SHI, CDWg, Dell, or Insight).
- The service agreement should not extend past the termination date of the SOK contract. In the event it does, the vendor must provide evidence of a survivability clause.
- If the agreement is procured through a prior authorization, the vendor's SLA with embedded DA-146a must be attached. (Usually a CSD Prior Authorization type).



Payment in full – Up Front

- This method requires a substantial discount (minimum of 20% or $25,000).
- All terms for the annual payment apply (DA-146a & survivability clause).
- Before entering into an agreement with the vendor, the agency will need to complete and execute a “Request for Authorization for Pre-Payment in Full for IT Subscription/Licensing Contract.”
- This form is first sent to the Office of Budget. If approved, it will route to the Executive Branch CITO. If approved, it will route to the Office of Procurement and Contracts. If approved, it will be routed back to the agency to be attached to the requestion.
- The vendor must agree to claw-back language in their SLA or agreement. This language must state that in the event of non-appropriation, the State of Kansas is entitled to reclaim any payment for future services, on an annualized basis.



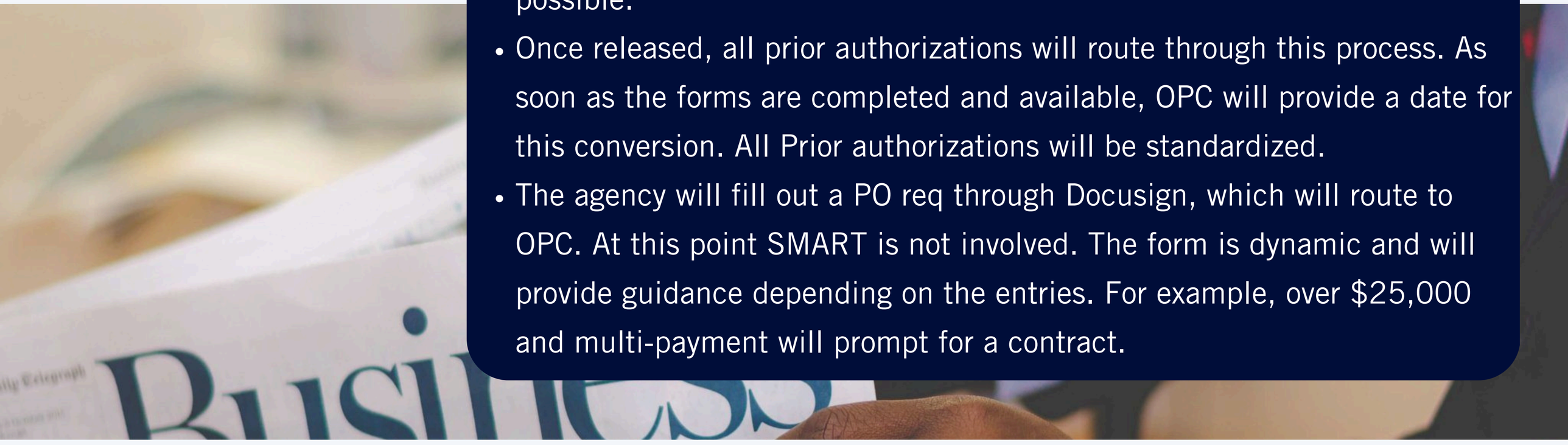
IC 25-02 – Multi Year IT Purchases

QUESTIONS



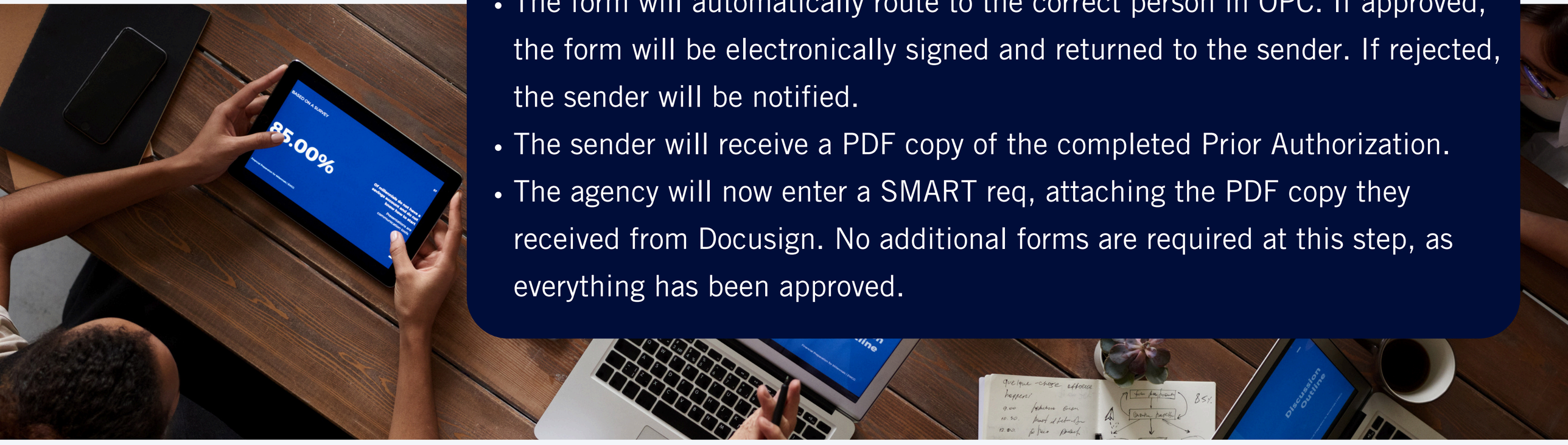
Prior Authorizations Moving to DocuSign

- In November, the prior authorization form will move to an electronic form.
- The process will implement a true prior authorization process.
- This process is designed to mimic the existing system as much as possible.
- Once released, all prior authorizations will route through this process. As soon as the forms are completed and available, OPC will provide a date for this conversion. All Prior authorizations will be standardized.
- The agency will fill out a PO req through Docusign, which will route to OPC. At this point SMART is not involved. The form is dynamic and will provide guidance depending on the entries. For example, over $25,000 and multi-payment will prompt for a contract.



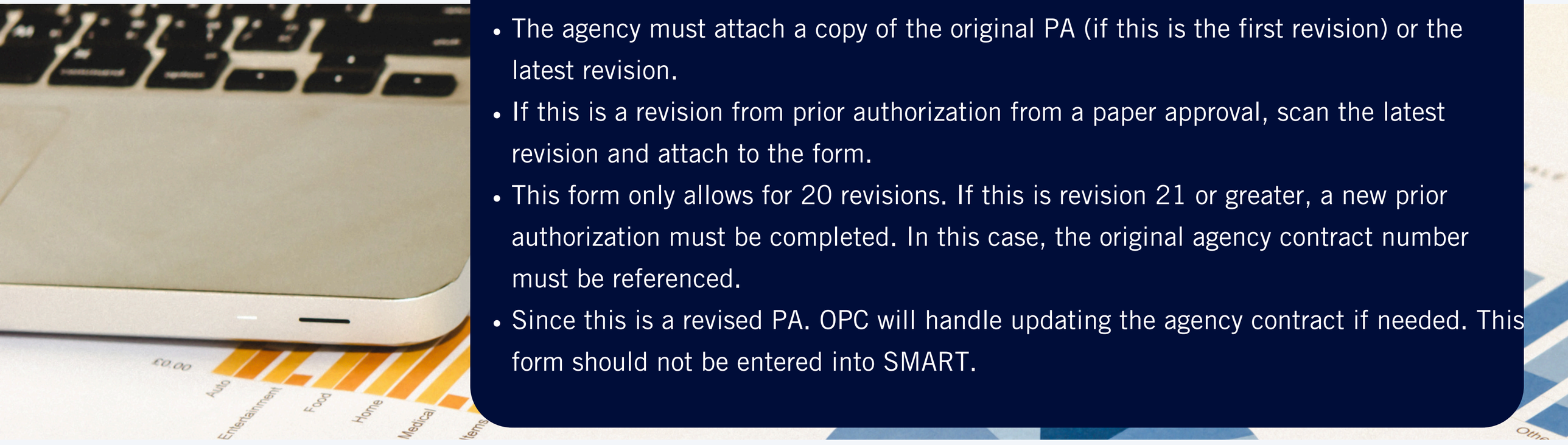
DocuSign – Prior Authorizations

- If needed, a SH, BOI, and Cert of Procurement can be attached, along with a quote or other required documents.
- The form will automatically route to the correct person in OPC. If approved, the form will be electronically signed and returned to the sender. If rejected, the sender will be notified.
- The sender will receive a PDF copy of the completed Prior Authorization.
- The agency will now enter a SMART req, attaching the PDF copy they received from Docusign. No additional forms are required at this step, as everything has been approved.



DocuSign – Prior Authorizations

- Because of the process, revised prior authorizations will be a separate form. They are no longer part of the original PA.
- This form will also be started from the web and is similar to the prior authorization form, but more condensed.
- The agency must attach a copy of the original PA (if this is the first revision) or the latest revision.
- If this is a revision from prior authorization from a paper approval, scan the latest revision and attach to the form.
- This form only allows for 20 revisions. If this is revision 21 or greater, a new prior authorization must be completed. In this case, the original agency contract number must be referenced.
- Since this is a revised PA. OPC will handle updating the agency contract if needed. This form should not be entered into SMART.



DocuSign – Revised Prior Authorizations

QUESTIONS



Document of Resolution Form (DOR)



Issued when an agency fails to preform the required steps of a procurement

- Failure to obtain a signed prior authorization when needed
- Improper use of a contract, such as purchasing unauthorized items
- Exceeded delegated authority with a vendor

When a DOR is required, OAR or OPC will issue a DOR. This form describes the violation and is sent to the lead procurement officer in the agency. The agency does not create a DOR.

The agency will be required to fill in an explanation of the event AND the steps they are implementing to ensure it does not occur again.

The form must be signed by the Head of the Agency.

The form is returned to Kelly.johnson@ks.gov and Bonnie.Edwards@ks.gov

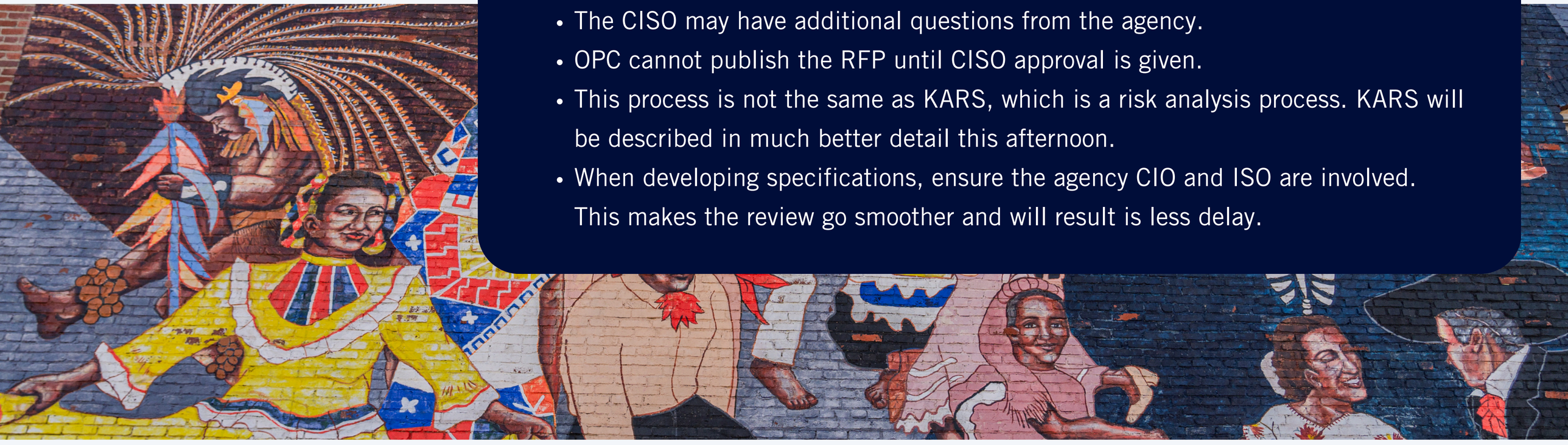
If the solution is accepted, this form will be signed by OPC and attached to the PO or Requestion for processing

If the amount is over $100,000, this form is routed to the Secretary of Administration for Approval.

This form often requires the agency enter a new requestion; however, instructions will be provided if this is needed.

IT Security Requirements of SB-291

- This bill requires that the CISO review all IT contracts prior to implementation.
- Due to the RFP process, it is preferred to have the CISO review these prior to bidding and award.
- All IT RFP specifications are routed by OPC to the CISO, prior to being dispatched to a procurement officer.
- The CISO may have additional questions from the agency.
- OPC cannot publish the RFP until CISO approval is given.
- This process is not the same as KARS, which is a risk analysis process. KARS will be described in much better detail this afternoon.
- When developing specifications, ensure the agency CIO and ISO are involved. This makes the review go smoother and will result is less delay.



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QUESTIONS

Common Procurement Questions

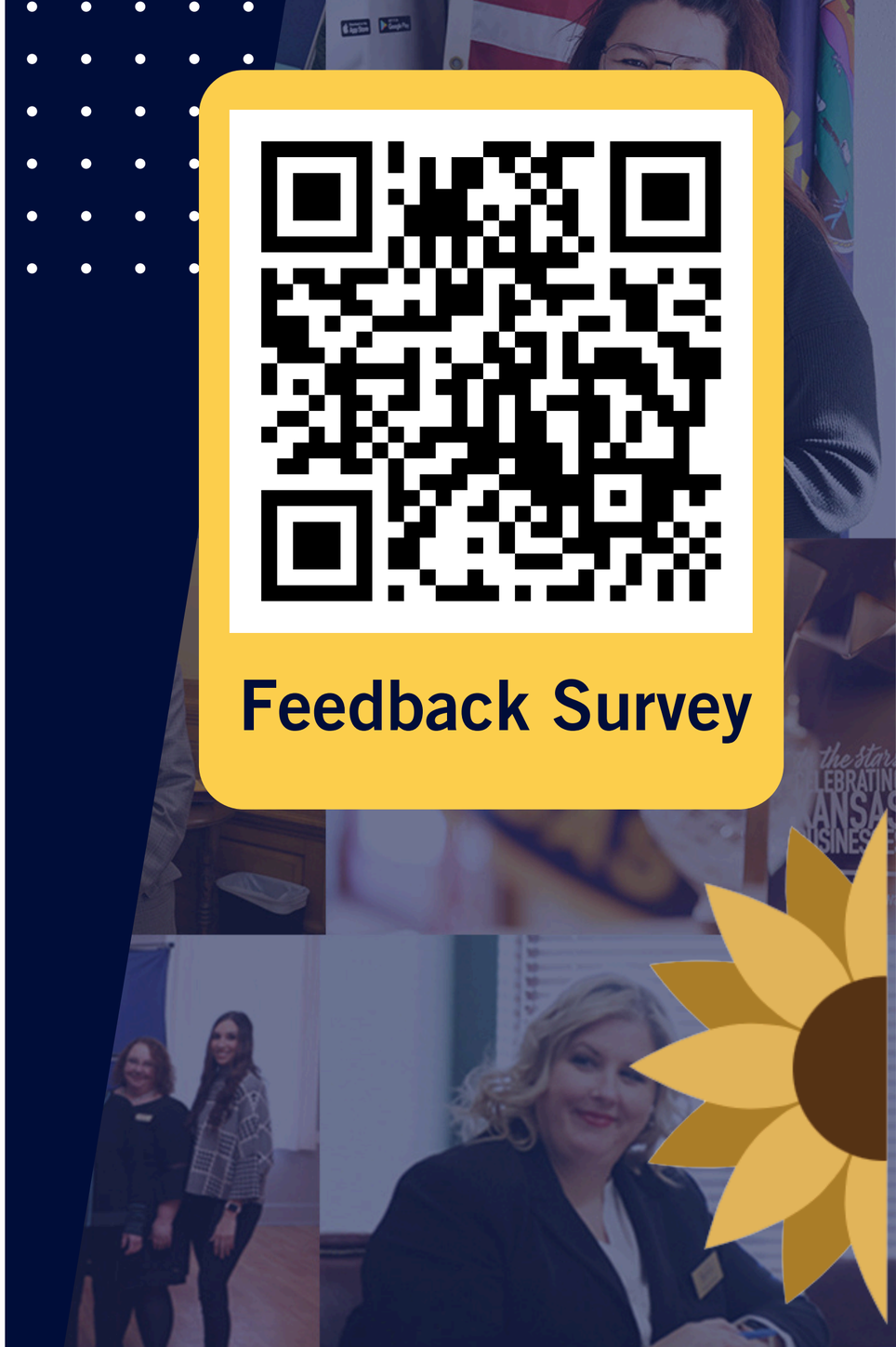


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