



## North Carolina Procurement Transformation

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# NC E-Procurement Ariba Buyer Upgrade

October 2011



# Agenda

- **Welcome & Introductions**

- **Ariba Buyer Upgrade**

- Project Overview & Status
- NIGP & Approval Flow Update
- NCID Interface
- Historical Data Approach

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- **Questions & Answers**



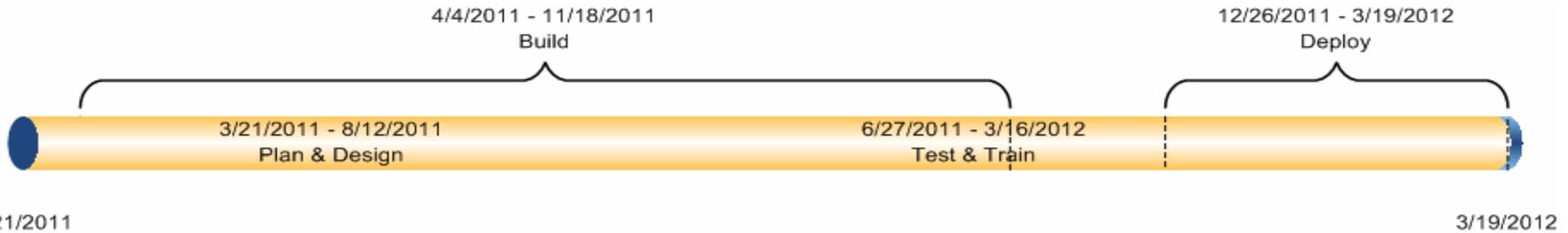
# Project Overview

## The Ariba Buyer Upgrade Project provides an opportunity to implement and support several strategic initiatives for the State of North Carolina procurement:

- ***Lower Total Cost of Ownership (TCO)*** – Removing 34 customizations (23%) previously applied to the core Ariba software.
- ***Workflow & Process Optimization*** – Consolidation of 26 business rules into 6 standard rules.
- ***Enhanced Spend Visibility and Usage of State Term Contracts*** – Enhanced catalog functionality (improved search features such as product search refinement, product comparison, and enhanced product data).
- ***National Institute of Government Purchasing (NIGP) Commodity Code Update*** – The existing NIGP commodity code structure will be updated to provide users the opportunity to more appropriately classify their purchases, offering increased insight and better spend visibility and reporting options
- ***North Carolina Identity Management Interface (NCID)*** – The upgraded system will leverage and integrate with the existing state identification system to authenticate all E-Procurement users (state agency, community college, and Local Education).
- ***Hardware Re-platform and upgrade*** – The upgraded system will be run on state of the art Dell servers with the Red Hat operating system.



# Project Timeline & Status



- Created a standardized approval flow based on industry best practices and State of North Carolina procurement requirements.
- Completed the design phase and reviewed 70 comprehensive functional and technical designs with multiple State representatives from various agencies.
- Developed over 1,200 detailed test conditions for validating system functionality.
- Currently executing the first of three system test passes. Over 85% of the conditions defined for this system test pass have been executed with a 90% pass rate.
- Currently in the final stages of development, with over 90% of development activities complete.
- Have begun a pilot program with NC School of Math and Sciences utilizing communications and mapping activities for the NCID conversion.



# NIGP Update

**The Ariba Buyer Upgrade Project provides an opportunity to update to the most recent NIGP Commodity Code structure.**

- The NIGP Commodity Codes currently in use today have not been updated since 2001
- There are over 1,800 commodity code changes between the original version and the current version
- New codes provide classifications for modern categories and recycled identifications
- Using new codes provides better spend classification which helps the State in its strategic sourcing initiatives
- The NCEP upgrade Team has assessed the impacted interface systems and is working with each affected system



## Requisition Approval Update

**The requisition approval flow configuration effort is well under way and we are on target to complete workflow configuration by December 16<sup>th</sup>.**

- All State NCAS Agencies have been trained on the workflow configuration.
- Follow up sessions are now being scheduled to answer questions and provide assistance.
- Several Agencies have chosen to use the new “Catalog Only” approval rule which bypasses Purchasing Agent approval for catalog only requisitions by dollar threshold.



# NCID Interface

## **Single point of administration and control for simplified management and standardized processes for the State, agencies, end users, and customer applications**

- All NC E-Procurement users will need to have an active NCID
- Actively working with NCID team to generate reports to assist conversion for smooth transition
- Communications with existing NCID entities will begin soon
- Reports with proposed user mappings and entity NCID administrator information will be provided to assist agencies with mapping confirmation activities
- Communications detailing the functional changes with the shift to leverage NCID will be incorporated into regular notifications



# NCID Interface

**The following data preparation steps are necessary to transition NCEP to leverage the NCID system. Agency participation with the process is crucial to a smooth transition.**

## Reporting

- Work with NCID to generate entity reports
- Create initial NCEP to NCID mappings
- Determine entities to be on-boarded onto NCID system

## Communication

- Send NCEP to NCID mappings to entities for review (continues process of user "clean up" efforts)
- Engage entities needing to on-board onto NCID system
- November and January follow-up communications
- Notifications regarding new functionality in the upgrade to include NCID details

## Entity Preparation

- Validate provided NCEP to NCID mappings (3-4 weeks turn around)
- Work with NCID administrators to register users as needed
- Work with NCEP to on-board entity to NCID system

## Conversion

- Prepare entity data results for conversion data
- Integrate user data into testing environments



# NCID Interface

## Examples of some of the communication content that will go to each entity for NCID data validation

### UNC NC School of Math and Science: E-Procurement - NCID Sign-Off

#### Background and Instructions

As we continue preparing for the NC E-Procurement upgrade in 2012, we are trying to determine which users will be set up in the upgraded system. As you know, one of the changes to NC E-Procurement will be that all users will log in to the system using their NCID credentials instead of their standard NC E-Procurement login information. From the initial user list that you sent back to us indicating which users should be loaded in the upgraded system, we have attempted to match each user to an NCID. On your list, there may be some users where we were not able to make a positive match to an NCID, or they do not currently have an NCID. We are asking that you, as the Security Administrator, go through the attached list and verify the NC E-Procurement to NCID matchings.

NCEP User Name	NCEP User Login	NCEP User Email	NCID First Name	NCID Last Name	NCID	Create User ID?	NCID Approved by Agency	Entity Provided NCID
Kathy Allen	Allenk	allenk@ncssm.edu	Kathleen	Allen	ktallen	Yes		
Richard Alston	Alston	alston@ncssm.edu	Richard	Alston	rialston	Yes		
Gail Hudson	Hudson	hudson@ncssm.edu	Gail	Hudson	gfhudson	Yes		
<b>Sandra Jackson</b>	<b>jackson</b>	<b>jackson@ncssm.edu</b>				<b>Yes</b>		
Kathy Jackson	jacksonk	jacksonk@ncssm.edu	Kathy	Jackson	kajackson	Yes		



# Ariba Historical Data Transformation Recommendation

- **NC E-Procurement application contains 10 years of historical data** including over 3 million Purchase Orders
- **Ariba does not provide a way to migrate partial data** when migrating from Ariba Buyer version 8 to version 9. Therefore, either all 10 years of historical data must be migrated or none of it.
- **The Transformation Project recommendation was to not convert data** as part of the overall goal of simplifying the solution and improving the performance of the E-Procurement system. In addition, the transaction data will still be available in NCAS.

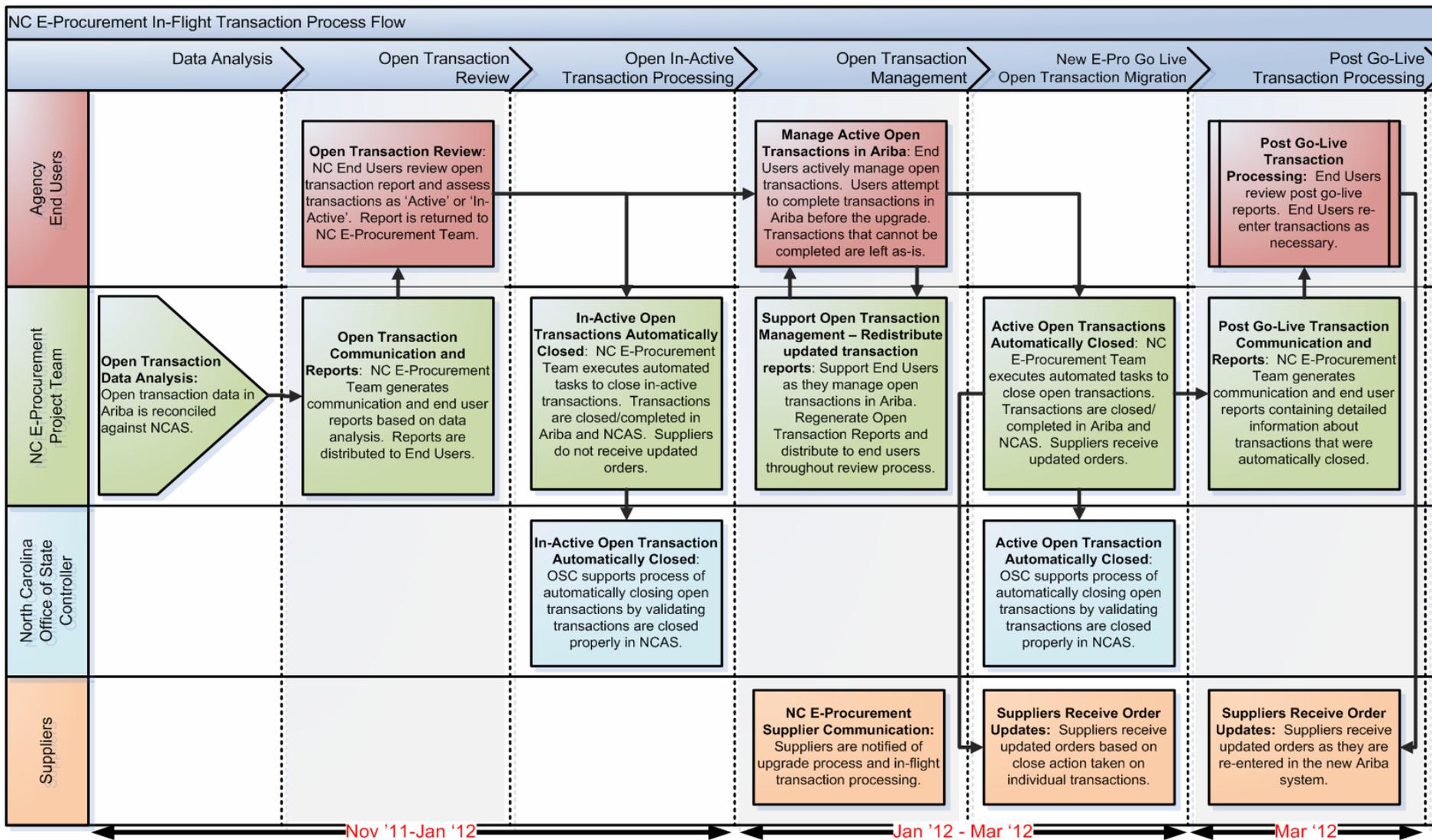


# Open Transaction Process Summary

- An open or “in-flight” transaction is:
  - Any requisition that has been integrated with NCAS but has not generated a Purchase Order
  - Any purchase order that has been integrated with NCAS and sent to the supplier but has not been fully received or cancelled in Ariba or closed in NCAS
- Data will not be converted to the new Ariba system, therefore open transactions need to be reviewed and completed or closed in the current Ariba system to successfully close them in NCAS and distribute any necessary updates to suppliers.
- In-Flight transactions will be handled through a combination of manual and automated steps to successfully complete or close transactions in the old Ariba system.
  - Agency End Users will need to review open transactions and identify active vs. in-active transactions.
  - End users will manage their open active transactions and attempt to complete them in Ariba prior to implementation of the new system.
  - Transactions that are in-active or not completed prior to go live will be automatically closed in Ariba and NCAS as part of go-live activities for the new system.
  - Agency End Users will need to review transactions that were closed automatically and re-enter them in the new Ariba system.



# Open Transaction Process Flow





## Transaction Data Summary Table (as of 9/30/2011)

Agency	Open POs	# of Requesters	Average Per Requester
Employment Security Commission	0	0	0
Department of Transportation	0	0	0
NC Ports	0	0	0
Public Health Lab	0	0	0
Department of Cultural Resources	221	66	3
Department of Insurance	83	30	3
Department of Justice	81	12	4
NC School of Science and Math	87	21	4
Wildlife Resource Commission	130	25	5
Department of Labor	99	18	6
Department of Commerce	212	26	8
Office of State Controller	26	3	8
Department of Revenue	69	8	9
Department of Public Instruction	909	83	11
NC Education Lottery	120	10	12
Department of State Treasurer	186	16	12
Department of Secretary of State	13	1	13
Office of State Auditor	13	1	13



# Automated Open Transaction Processing

E-Procurement Document	Automated Action	Reason
Requisitions in Submitted State	<ul style="list-style-type: none"> <li>Automatically Withdraw Requisition</li> </ul>	<ul style="list-style-type: none"> <li>Transaction cannot be completed in the old Ariba system after go-live.</li> <li>Transaction needs to be withdrawn to release pre-encumbrance in NCAS.</li> <li>Requisitions will need to be re-entered and completed in the new Ariba system.</li> </ul>
Purchase Orders in Ordered State (not yet received)	<ul style="list-style-type: none"> <li>Automatically Cancel Requisition</li> </ul>	<ul style="list-style-type: none"> <li>Transaction cannot be received and completed in the old Ariba system after go-live.</li> <li>Transaction needs to be cancelled to release encumbrance in NCAS.</li> <li>Requisition / PO will need to be re-entered and completed in the new Ariba system so that the order can be successfully received and paid (Note: Service POs still being assessed)</li> </ul>
Purchase Orders in Receiving State	<ul style="list-style-type: none"> <li>Automatically generate Change Order to reduce amount to the amount already received.</li> </ul>	<ul style="list-style-type: none"> <li>Transaction cannot be received and completed in the old Ariba system after go-live.</li> <li>Transaction needs to be changed to complete the order for the already received items in Ariba and release the encumbrance for remaining order items in NCAS.</li> <li>Requisition / PO will need to be re-entered and completed in the new Ariba system so that the order can be successfully received and paid.</li> </ul>



## Additional Considerations and Notes

- Service Purchase Orders
  - Service Purchase Orders that have been issued to suppliers through Ariba but have not been received do not necessarily need to be closed in the old Ariba system.
  - Users will still be able to pay against the original PO within NCAS without any action in the old or new Ariba system.
  - However, if the Service Purchase Order may need to be updated in the future it should be cancelled in the old Ariba system and re-entered in the new Ariba system.
- Current Ariba E-Procurement System Pre-Go Live Freeze
  - Assessing options for updating the current NC E-Procurement system to restrict users from creating new requisitions one week prior to the go-live.
  - This will help manage and reduce the total number of open transactions that need to be processed and re-entered in the new Ariba system.
  - Users will be able to complete existing requisitions and purchase orders in the current Ariba system.



*Questions?*