PR348
Entering Procurement Contracts (VDOT)

Instructor Led Training

Rev 12/14/2022

Welcome to Cardinal Training

This training provides participants with the skills and information necessary to use Cardinal and is not intended to replace existing Commonwealth and/or agency policies.

This course, and the supplemental resources listed below, are located on the Cardinal website (www.cardinalproject.virginia.gov) under Learning.

Cardinal Reports Catalogs are located on the Cardinal website under Resources:

- Instructor led and web based training course materials
- Job aids on topics across all functional areas
- Glossary of frequently used terms

The Cardinal screenshots included in this training course show system pages and processes that some users may not have access to due to security roles and/or how specific responsibilities relate to the overall transaction or process being discussed.

For a list of available roles and descriptions, see the Statewide Cardinal Security Handbook on the Cardinal website in the Security section under Resources.

Course Objectives

After completing this course, you will be able to:

- Understand Procurement Contract concepts, processes, integrations, and interfaces
- Enter, update, and maintain contracts
- Enter contracts thresholds, notifications, and items
- Understand contract versioning
- Close or cancel contracts

Agenda

1 Understanding Procurement Contracts

2 Create or Update Procurement Contracts

3 Maintain Contracts

4 Entering Contracts Hands-On Practice

Lesson 1: Introduction

1 Understanding Procurement Contracts

This lesson covers the following topics:

- Procurement Overview
- Key Concepts
- Enter Contracts
- Maintain Contracts
- Integration with eProcurement and Purchasing
- Interface with SiteManager

Procurement Overview

The Procurement functional area of Cardinal includes four modules:

Purchasing

The Purchasing module includes the buying of goods and services (Procurement) by creating and processing requisitions, purchase orders (PO), receipts, procurement card (PCard), and Integrated Supply Services Program (ISSP) transactions.

eProcurement

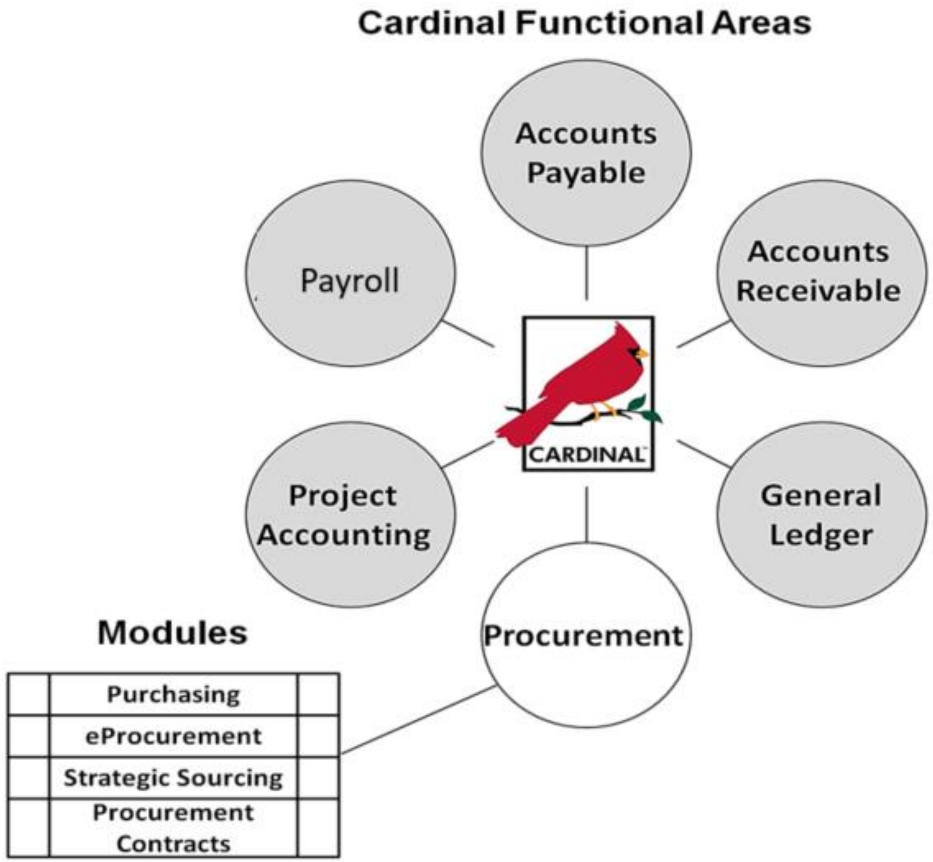
Like Purchasing, the eProcurement module provides for Procurement but is web-based. It is similar to an online shopping cart experience for users requesting goods and/or services.

Strategic Sourcing

The Strategic Sourcing module allows users to create and award bids/proposals to purchase orders or contracts.

Procurement Contracts

The Procurement Contracts module builds, manages, and archives all Cardinal contract related information.



Key Concepts

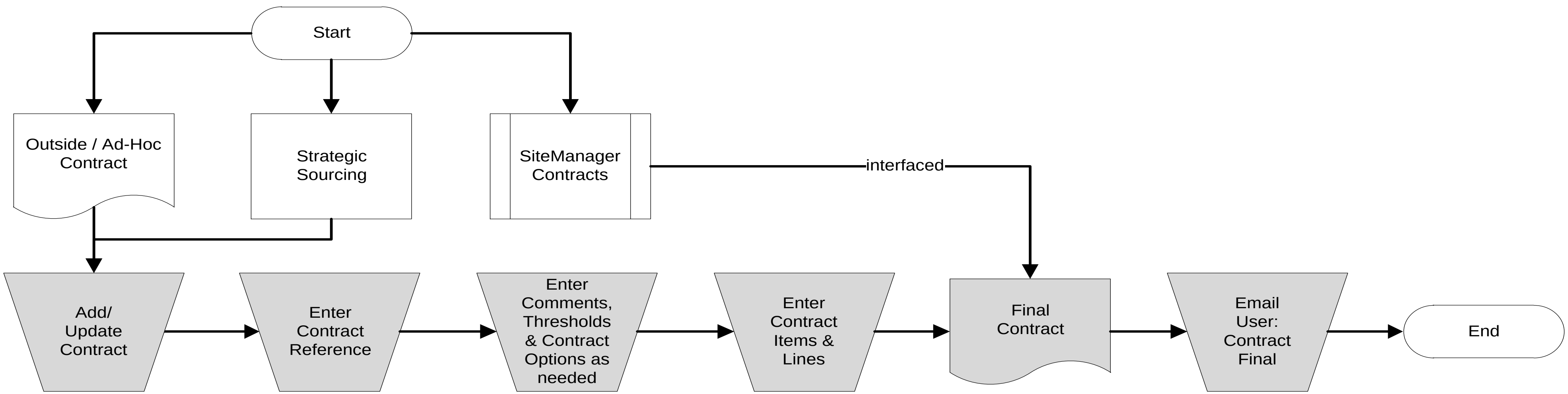
Key procurement contract concepts include:

- Cardinal provides easy access to contracts, in order to maintain contract information. The purchasing contract is a part of the overall procurement system that includes integrations with strategic sourcing, requisitions, and POs for contract creation.
- Cardinal provides the ability to track renewal details as well as supplemental information.
- Changes to a contract are tracked using contract versioning as opposed to effective dating. Contract Versioning allows for major changes to a contract to result in the contract being saved as a new version.
- Cardinal provides the ability to create a notification to a user, or list of users, when a contract is about to expire or a specific threshold amount is approaching. Additional functionality is available to Contract Administrators that allows them to manage contracts and thresholds.

Enter Procurement Contracts

Steps to enter a contract include obtaining supplier and pricing information. This information is received from one of the following sources:

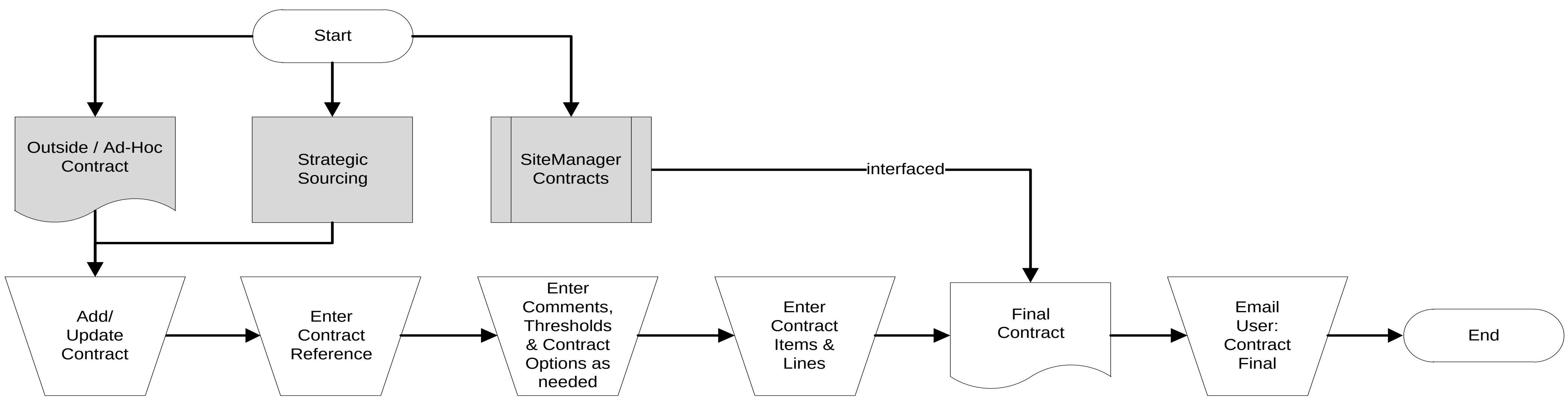
- **Outside/Ad-Hoc Contract** - Solicitation is done outside of Cardinal or created by another entity. Information is then entered manually from a contract that does not originate from the Strategic Sourcing process.
- **SiteManager** interface contract - Construction and Maintenance contract data is uploaded into Cardinal.
- **Strategic Sourcing Event** - Information from contract award information in the Strategic Sourcing module is shared with the Procurement Contracts module.



Enter Procurement Contracts (continued)

Add/Update Contract - Enter or copy contract details into new contract.

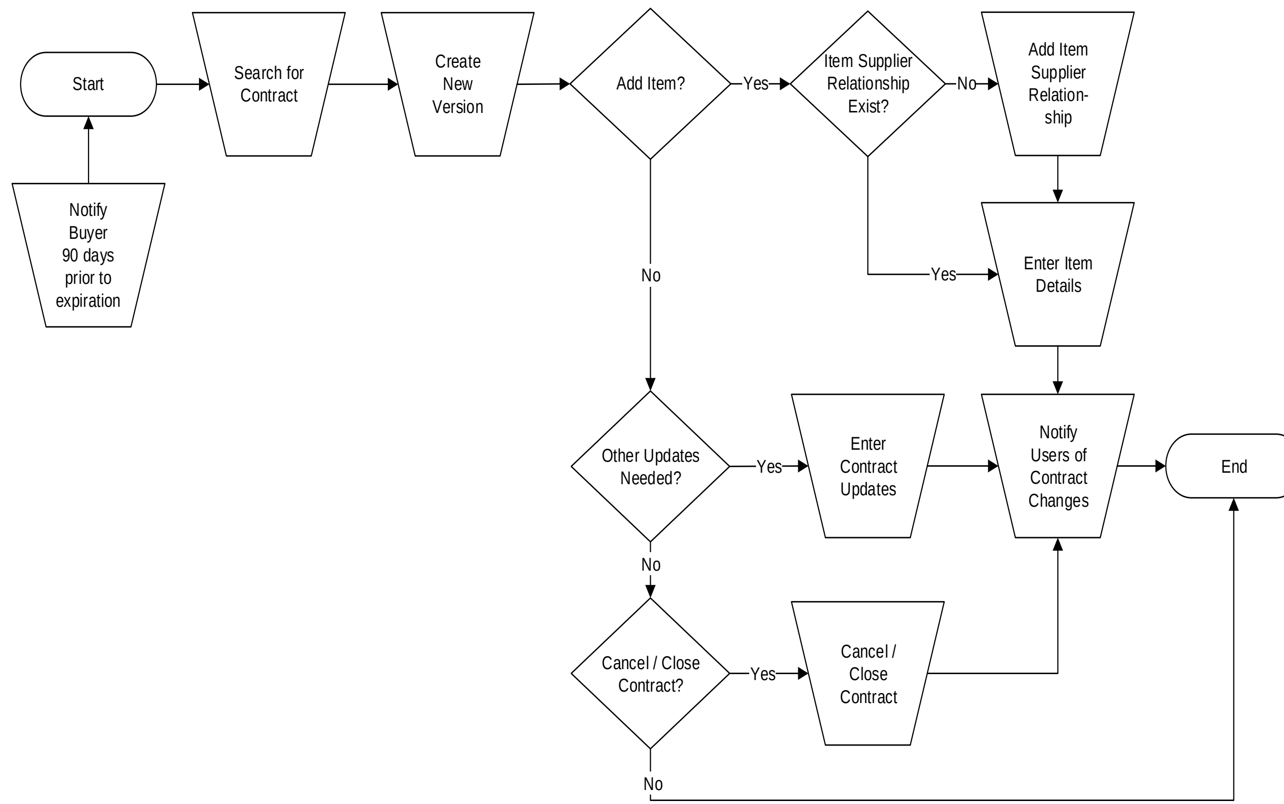
- Enter required contract reference details.
- Enter comments (e.g., terms and conditions), thresholds, and additional contract options as deemed necessary.
- Enter contract items and lines.
- Save contract.
- Notify user of finalized contract.



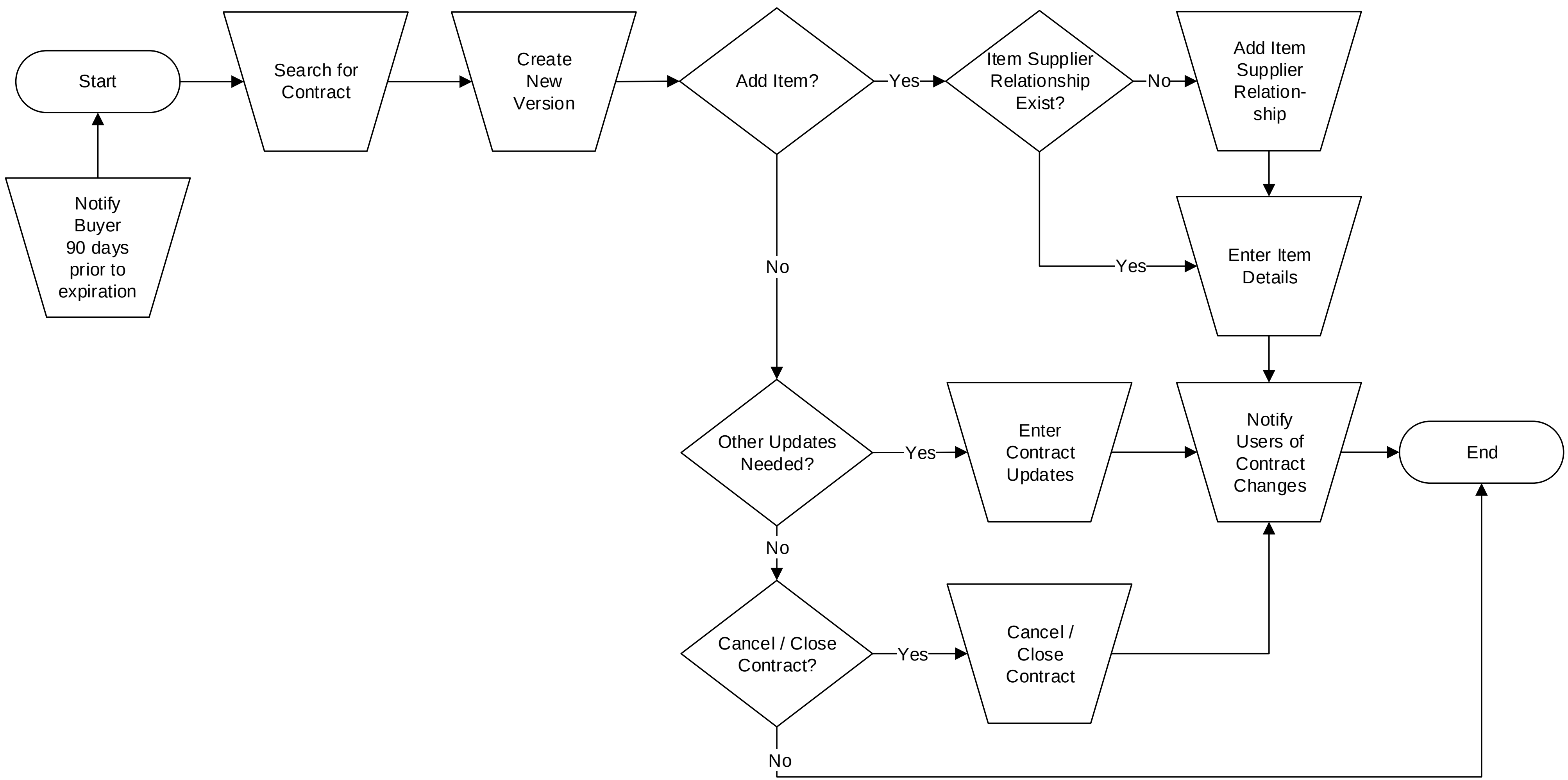
Maintain Procurement Contracts

The following actions are available for maintaining procurement contracts:

- Search for the contract
- Create new version
- Update/modify cancel or close contract
- Add an item
- Create item relationship to a supplier
- Enter contract information
- Notify user(s) of contract modification(s)



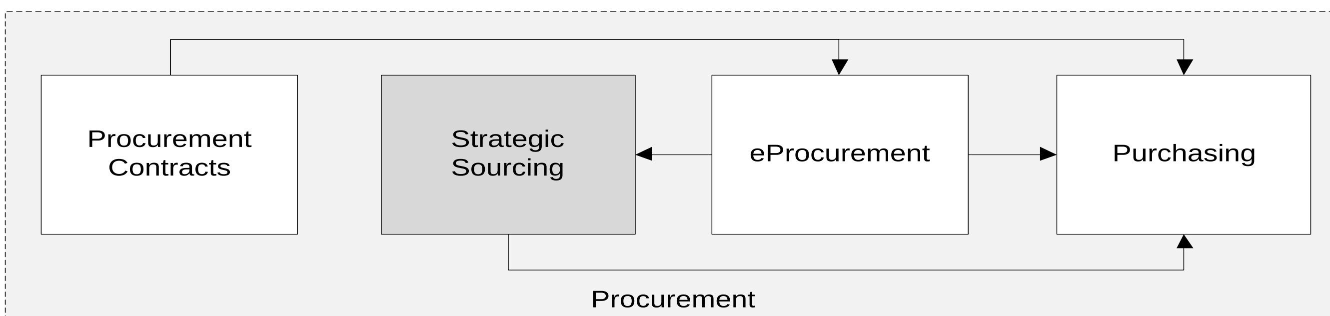
Maintain Procurement Contracts (continued)



Integration with eProcurement and Purchasing

The Procurement Contracts module integrates with the eProcurement and Purchasing modules:

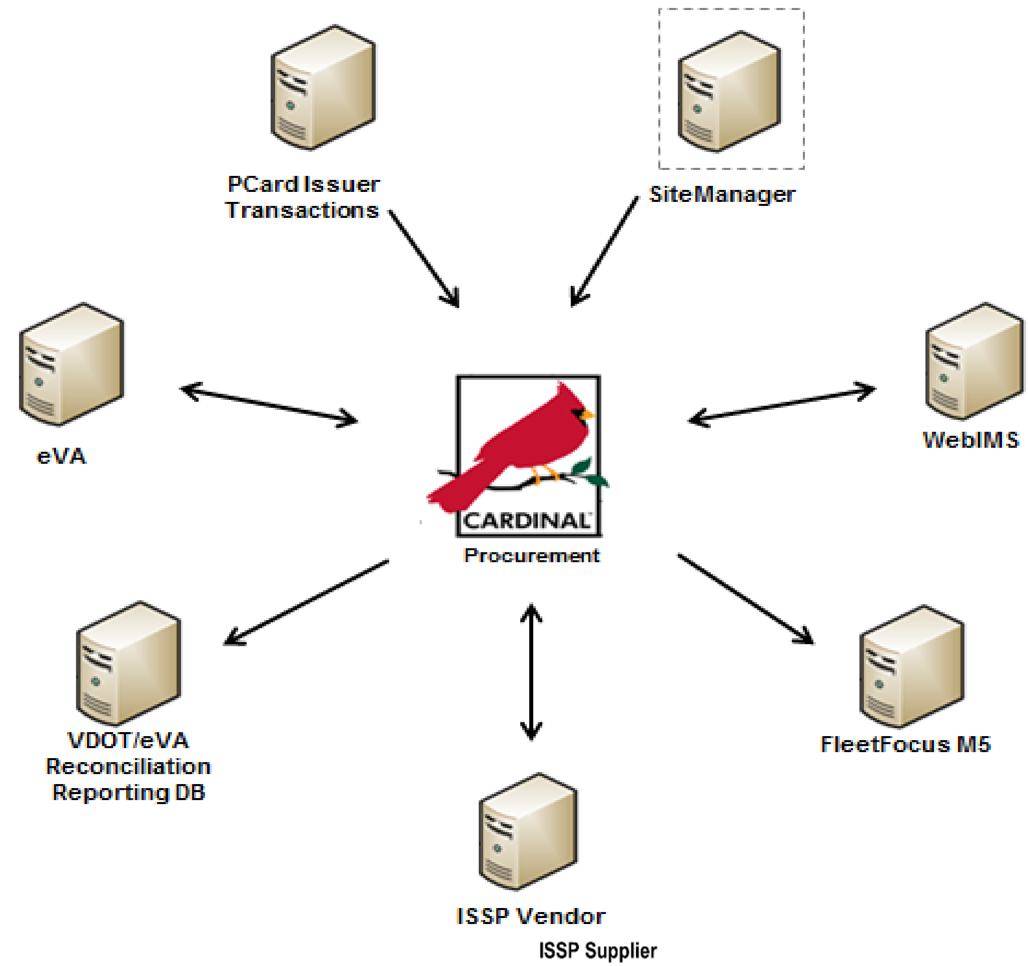
- **eProcurement:** An eProcurement requisition, can be tied to a procurement contract.
- **Purchasing:** When creating a requisition or PO, can be tied to an existing procurement contract.



Interface with SiteManager

Procurement contracts processing interfaces daily with **SiteManager**:

- SiteManager construction and maintenance contracts are received via an inbound interface daily.
- SiteManager contracts are managed in SiteManager.
- If errors occur when loading the file, the errors are written to a log file for review and reporting to SiteManager staff for correction.



Interface with SiteManager (continued)

When the **SiteManager** contract is interfaced into Cardinal:

- The interface creates a Cardinal contract and a PO.
- Contracts are loaded without contract lines, and as a PO with one PO line for the full contract amount.
- If a SiteManager contract has retainage, the associated PO has three PO lines:
  - One line for the contract amount.
  - Two lines for the retainage, i.e., a positive and a negative so that the net effect is zero.
- Contract modifications from SiteManager are loaded as new versions of the Cardinal contract and as change orders to the PO.

Lesson 1: Checkpoint

Now is your opportunity to check your understanding of the course material. Read the question and make note of your answer below.

1. The Procurement Contracts module integrates with what other two modules?

2. The Procurement functional area is composed of what four modules?

Lesson 1: Summary

1 Understanding Procurement Contracts

In this lesson, you learned:

- Integration with the eProcurement and Purchasing modules allows you to tie requisitions and purchase orders directly to procurement contracts.
- Contracts are uploaded from SiteManager into the Procurement module daily.

Lesson 2: Introduction

2 Create or Update Procurement Contracts

This lesson covers the following topics:

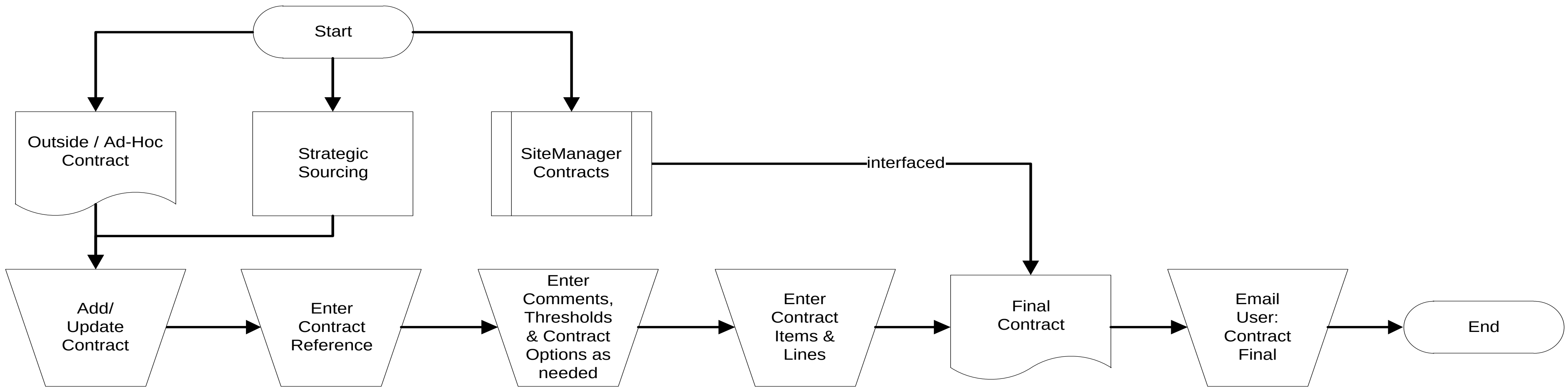
- Create or Update Procurement Contracts
  - Add Comments
  - Create Thresholds and Notifications
  - Enter Contract Reference
  - Order Contract Options
  - Enter Contract Items - Lines
- Create Supplier/Item Relationship
- Save and Finalize Contracts
- Print and Dispatch Contracts

Create or Update Procurement Contracts

A procurement contract captures an agreement between an agency and the seller of the goods or services. It specifies details about the goods or services, pricing, and any other terms and conditions.

Purchasing contracts facilitate the purchasing process by establishing relationships between items and one or more suppliers. This allows identification of suppliers' prices for various items in advance.

Requisitions and POs can be created against contracts to order goods or services without having to request price quotes from suppliers each time.



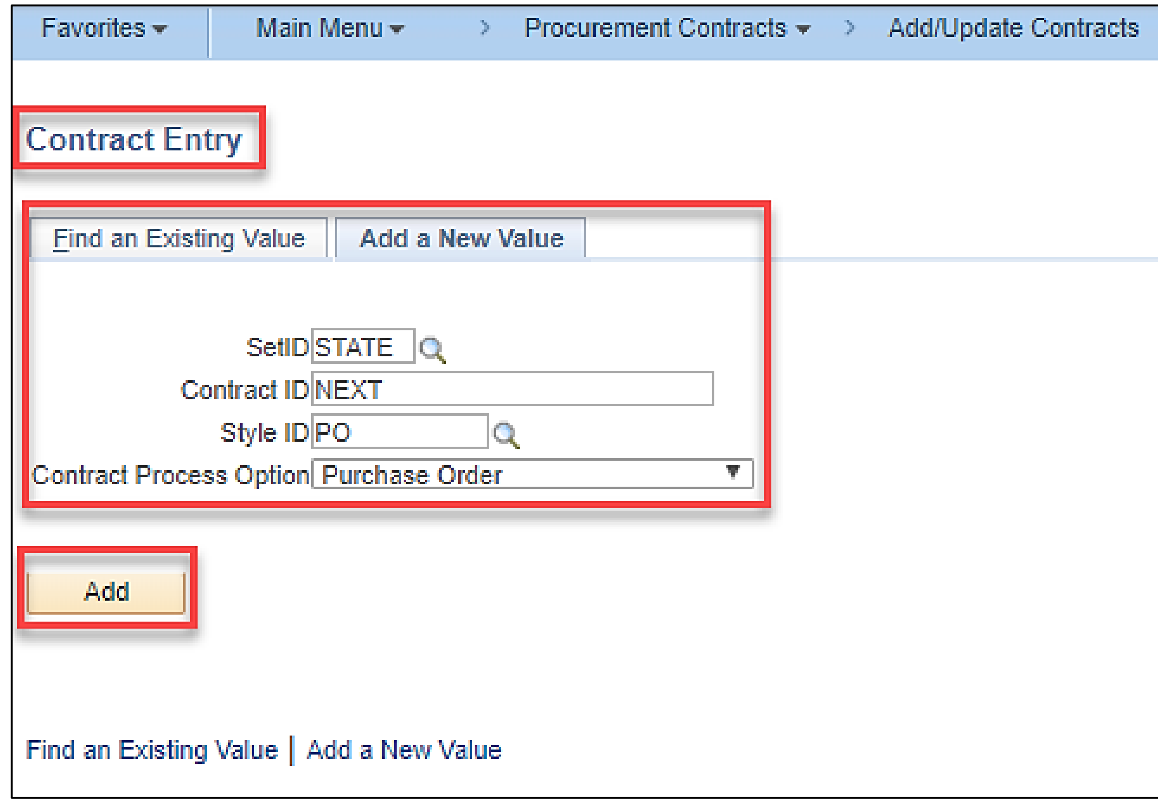
Create or Update Procurement Contracts (continued)

Outside or Ad-Hoc contracts must be entered manually.

To enter a contract navigate to:

Main Menu > Procurement Contracts > Add/Update Contracts

- **SetID** defaults to **STATE**.
- **Contract ID** defaults to **NEXT**. Do not update, the contract number will automatically generate upon save.
- **Contract Process Option** defaults to **Purchase Order** type. Do not update.
- Click **Add**.

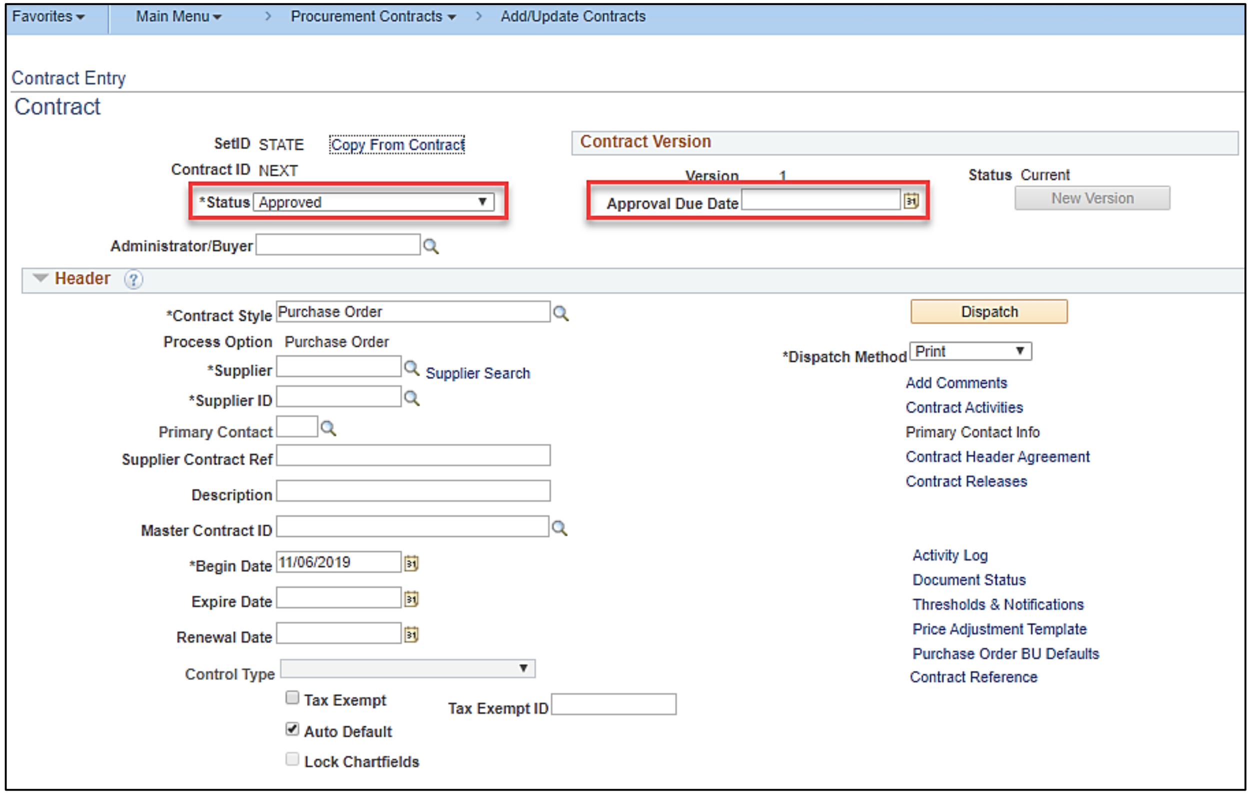


Create or Update Procurement Contracts (continued)

From the **Contract Entry - Contract** page information about the contract can be entered in the **Header** section, or use the **Copy From Contract** hyperlink to copy the following field values:

- **Administrator/Buyer** name
- **Supplier** and **Supplier ID**
- **Begin Date**
- **Expire Date**
- **Renewal Date**
- **Supplier Contact Ref**
- **Description**
- **Maximum Amount** (if applicable)

Once the **Status** is set to **Approved** and the contract is saved, the **Approval Due Date** will automatically populate and become the **Approved Date**.

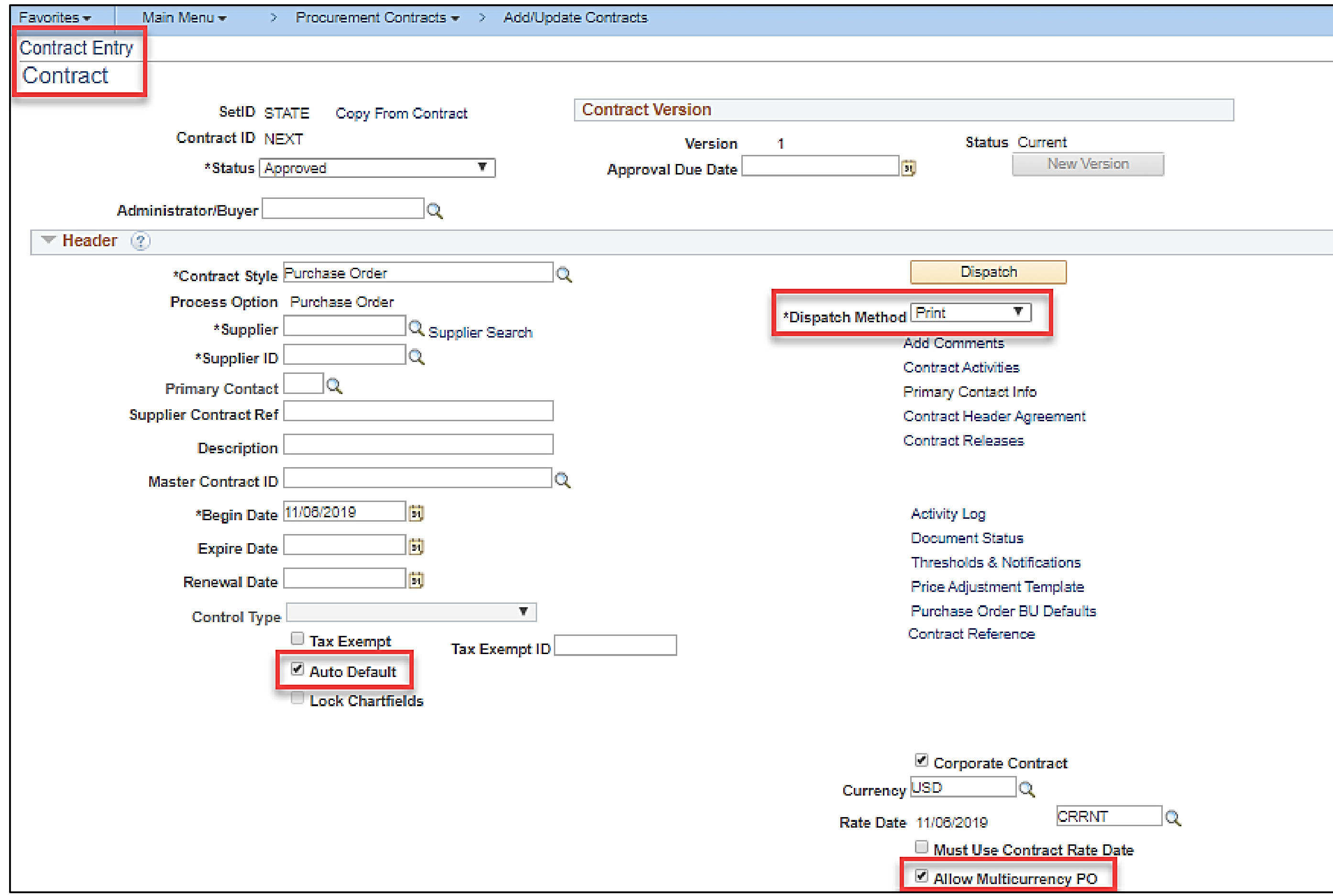


Create or Update Procurement Contracts (continued)

Contract Entry – Contract Header page:

Do <u>not</u> change the following:

- **Auto Default:** defaults to selected
- **Dispatch Method:** defaults to **Print**
- **Allow Multicurrency PO**

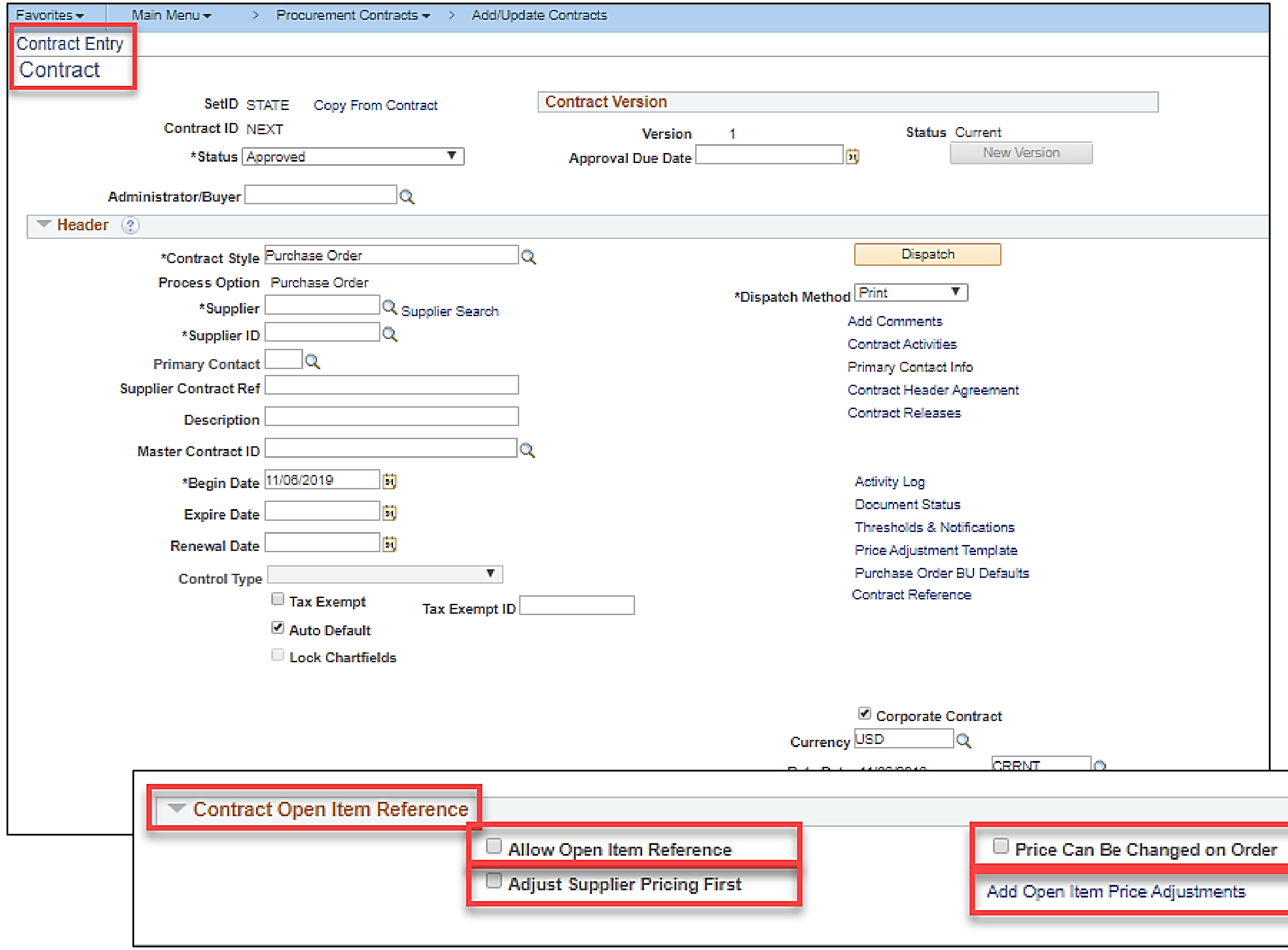


Create or Update Procurement Contracts (continued)

Contract Open Item Reference section:

Do not change the following:

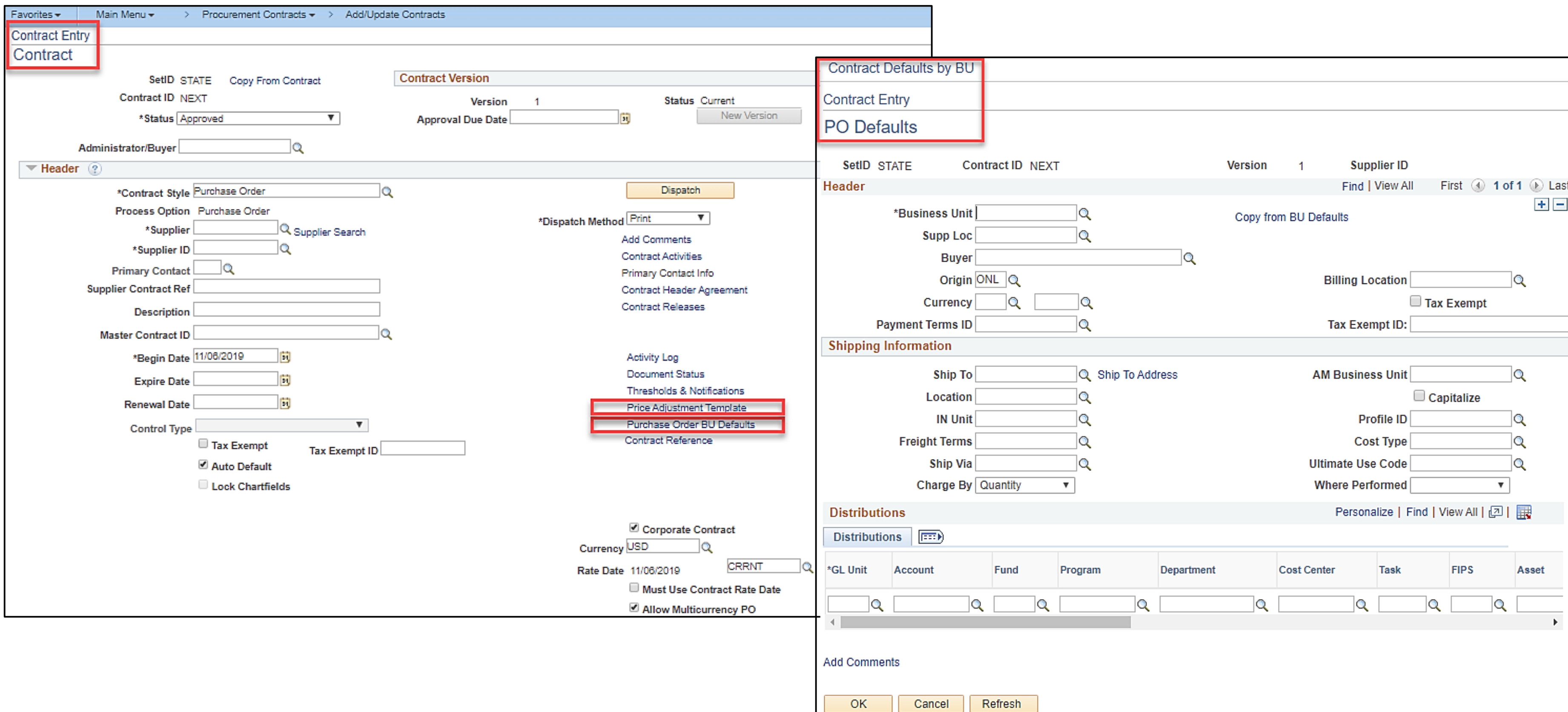
- **Adjust Supplier Pricing First:** defaults to unselected
- **Allow Open Item Reference -** Select this option if the contract will not be restricted to specific items. This option allows the contract to be referenced on a requisition or PO line. This checkbox may be used when creating a Parts/Catalog type contract.
- **Price Can Be Changed on Order -** Gives Buyers the capability to change the contract price on a PO when ordering against a contract. If this check box is not selected, the price fields on the purchase order are unavailable for entry.
- **Add Open item Price Adjustments** – Not used at contract level



Create or Update Procurement Contracts (continued)

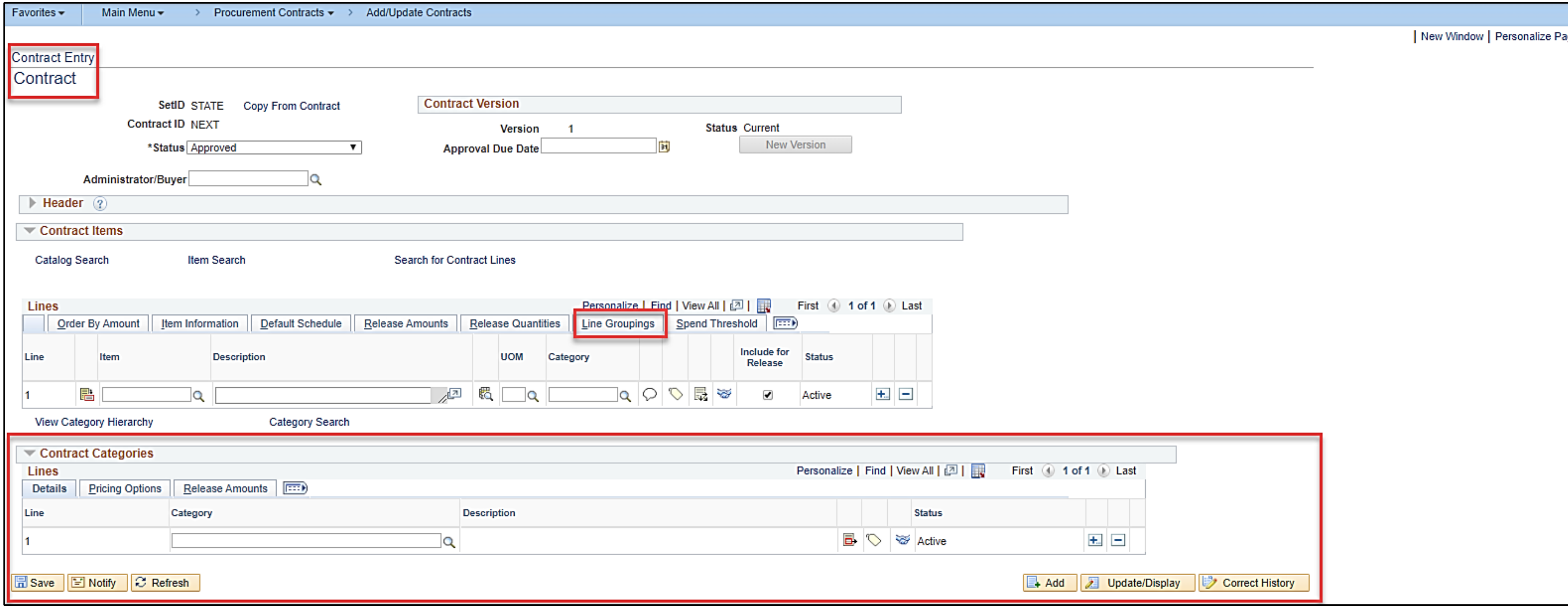
Hyperlinks to additional details are also located on the **Po Defaults** section:

- **Price Adjustments Template –** Not used at contract level
- **PO Defaults -** Set the accounting distribution and payment terms on the contract which then default to the PO.
  - Professional Service contracts are typically set to a **Payment Terms ID** of **00 – Due Now**.



Create or Update Procurement Contracts (continued)

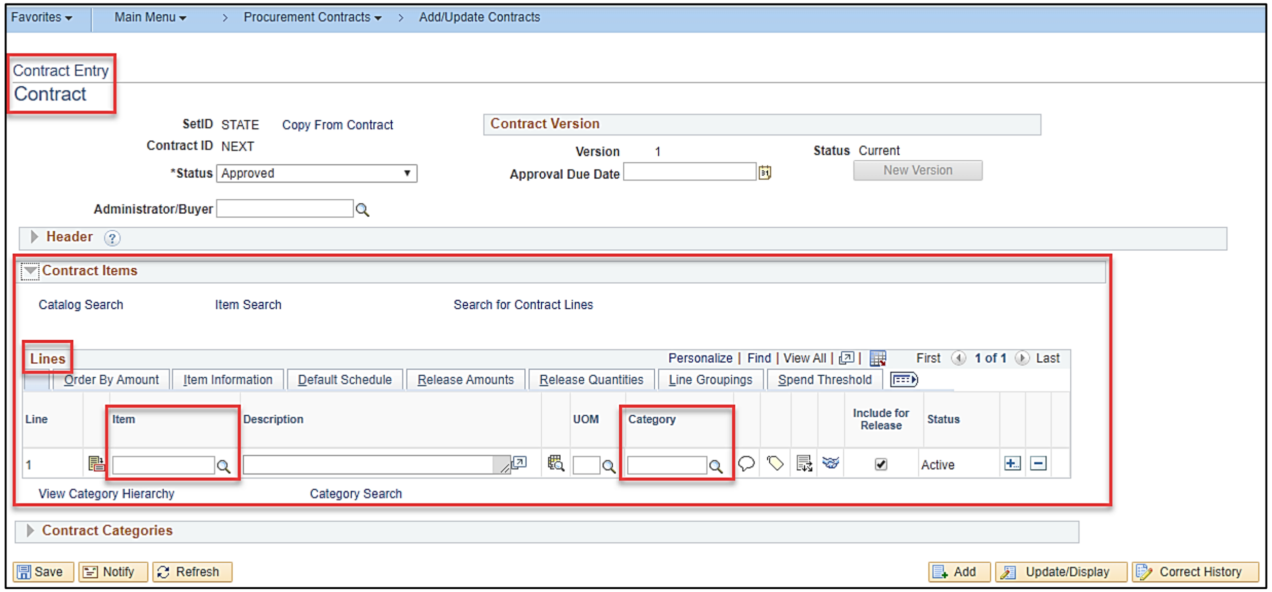
The **Line Groupings** tab and the **Contract Categories** section are not used.



Create or Update Procurement Contracts (continued)

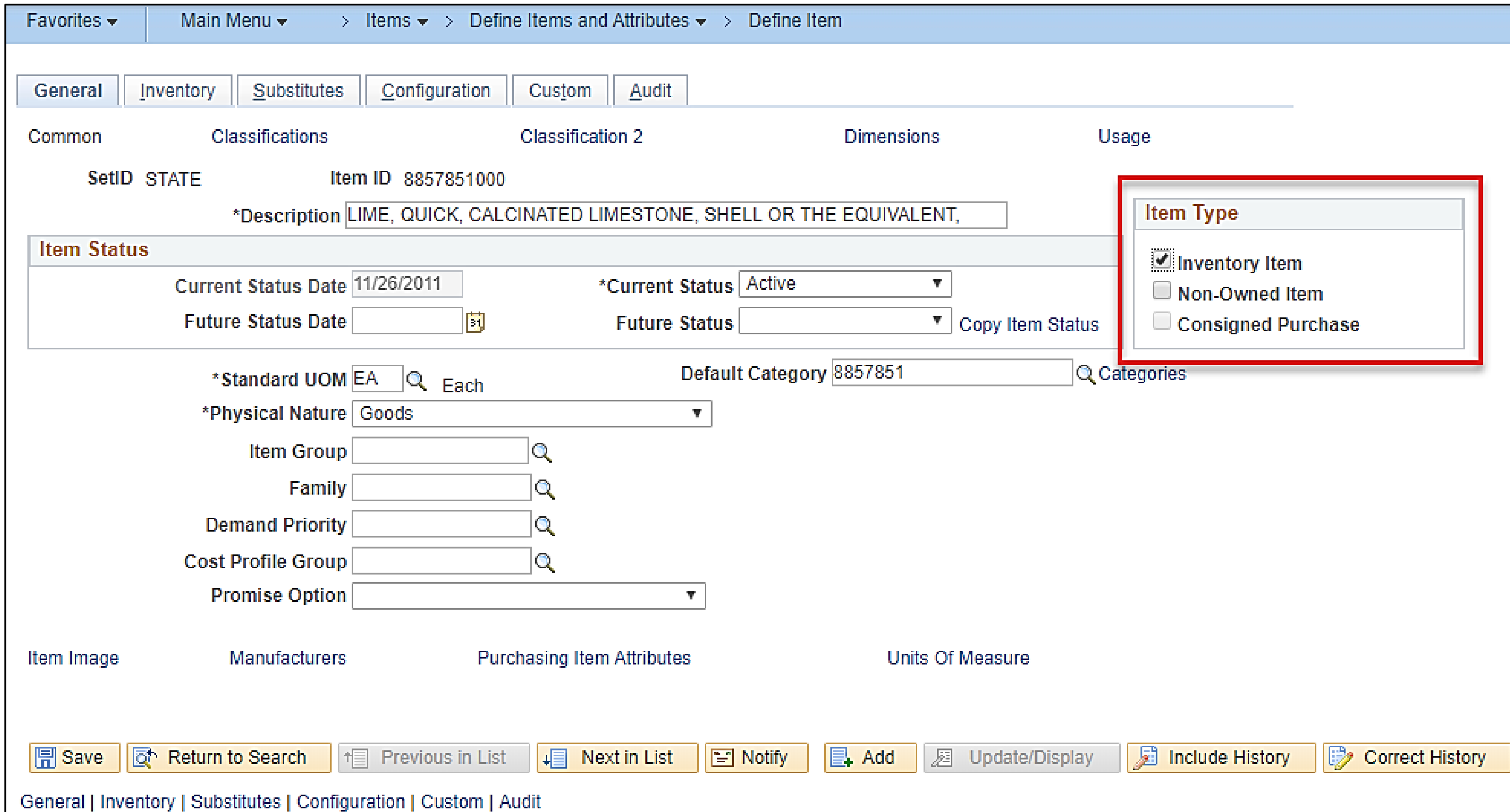
Use the **Contract Items - Lines** section on the **Contract Entry** page to define basic information for contract line items.

- **Item** and **Category** numbers are the same as the National Institute of Governmental Purchasing (NIGP) numbers. NIGP numbers are used on all contract lines.
- Identify the specific items included in the contract. Those items can be used on a requisition or a PO. Items can be identified by **Item** (10 digit) or **Category** (5-7 digit) in the same fashion as a requisition or PO.
- When entering a contract for inventory items, always use a WebIMS inventory item number. On the item table, the **Item Type** will be equal to **Inventory Item**.



Create or Update Procurement Contracts (continued)

- **NOTE:** If entering a contract for inventory items, always use a WebIMS inventory item number. On the item table, the **Item Type** will be equal to **Inventory Item**.



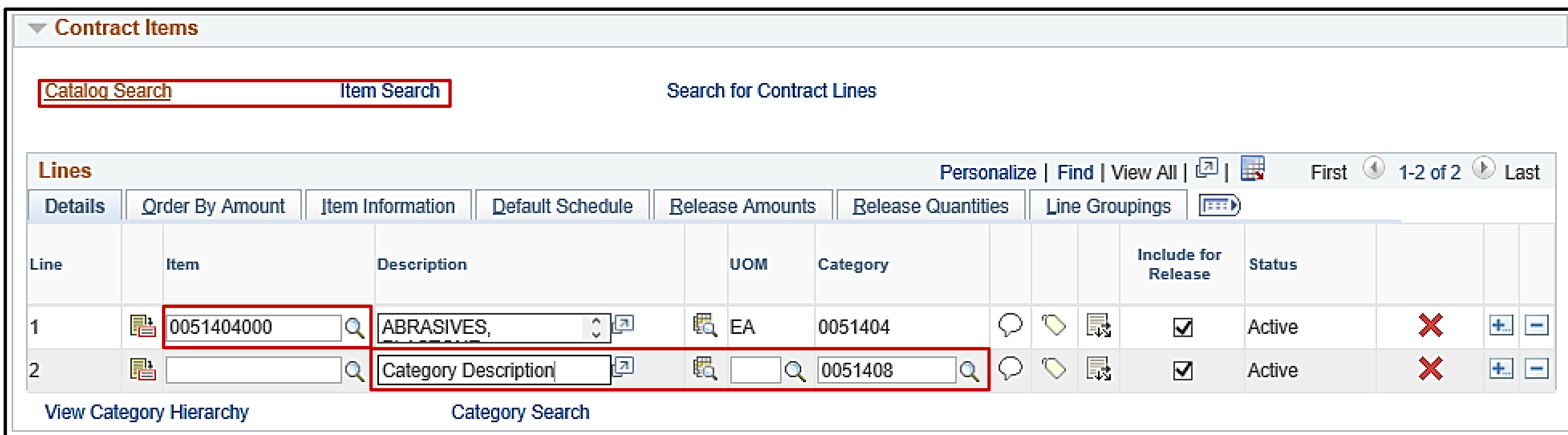
Create or Update Procurement Contracts (continued)

Contract Entry – Contract page**: Contract Items – Lines** section, **Details** tab – use one of three methods:

1. **Catalog** and **Item Search** hyperlinks - These links may be used to search for an item by **Category** or description, and result in a list of items narrowed down by the supplier selected.

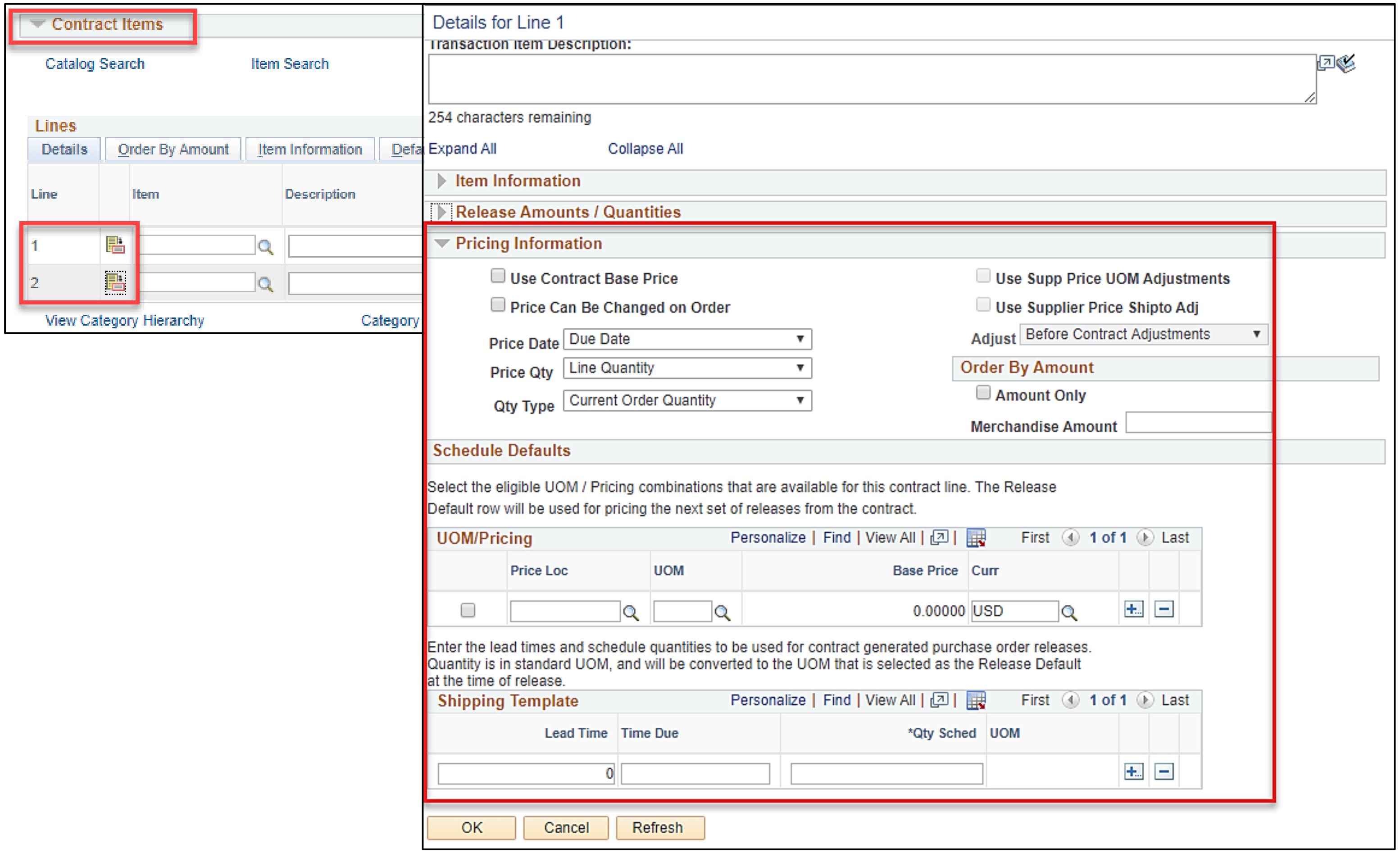
2. **Item** lookup -This is the most common method used to select an **Item**. On each line, click on the magnifying glass next to the **Item** field. The items listed will be narrowed down to items related to the supplier previously selected. The **UOM** (unit of measure) and **Description** field values default from the item table.

3. **Category** lookup - On each line, click on the magnifying glass next to the **Category** field. This method will not be limited to items related to the chosen supplier. Complete the **UOM** and **Description** fields. These fields become available for entry after the **Category** is selected.



Create or Update Procurement Contracts (continued)

- After updating the **Details** tab with **Items**, click on the **Line Details** icon (between the **Line** and **Item** columns) to enter additional information such as **Max or Min Quantities** and the **Unit** price.
- Repeat this step for each **Line**.

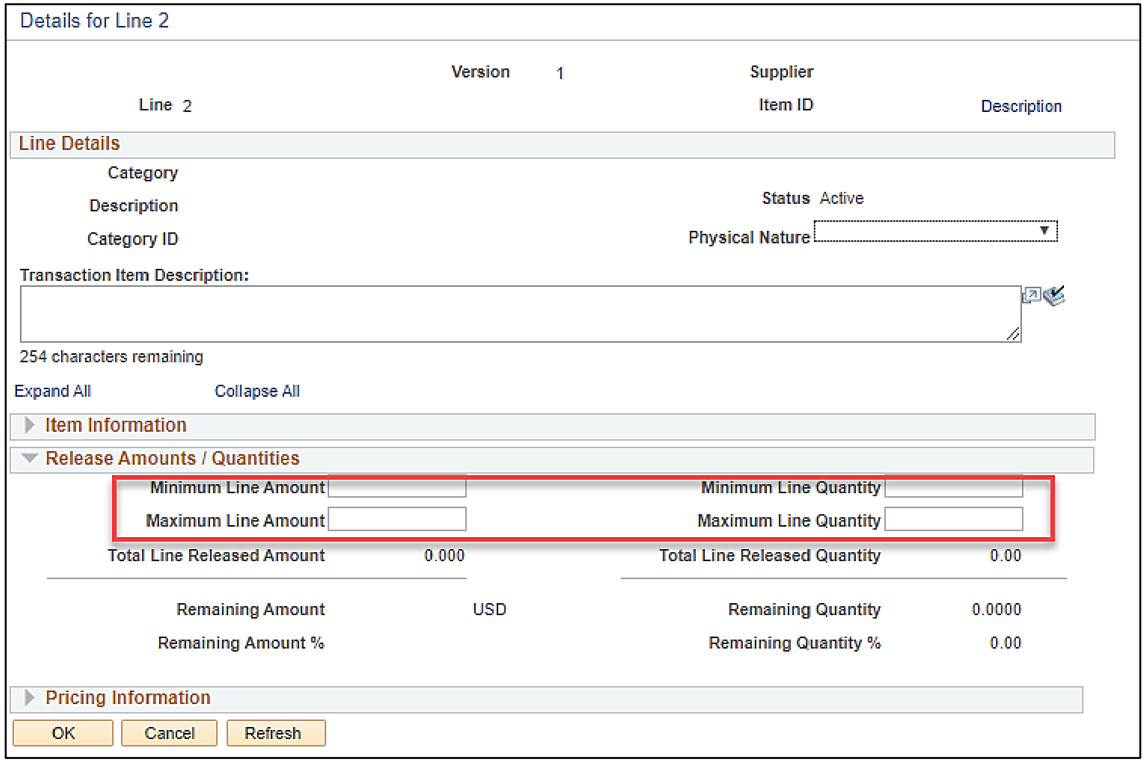


Create or Update Procurement Contracts (continued)

Contract Entry - Details for Line X page, **Release Amounts/Quantities** section:

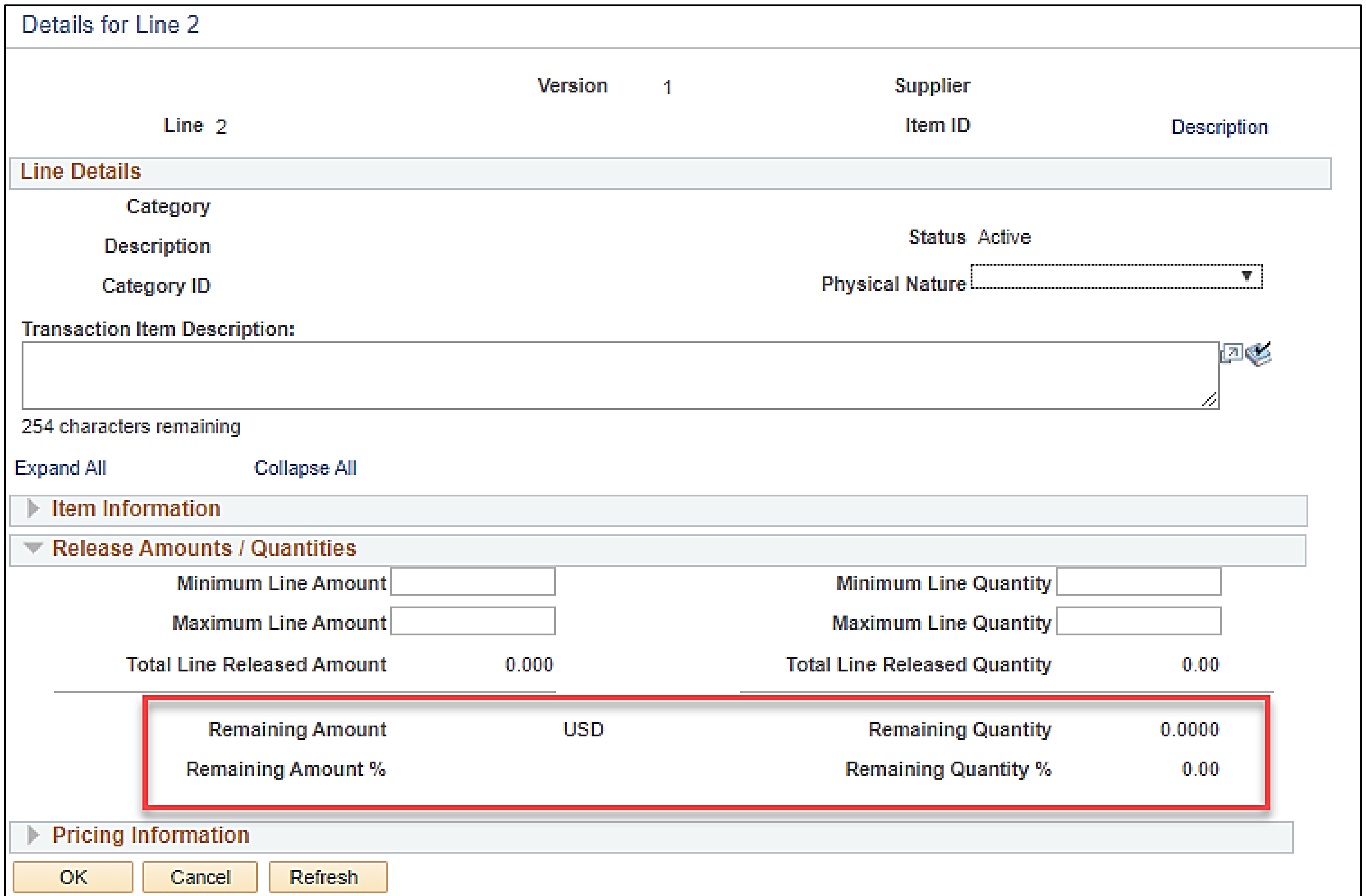
If there is a required minimum and maximum amount and quantity for a line, enter those details here.

- **Minimum Line Amount -** The minimum amount that can be ordered for a line at one time; generally set to **.01**.
- **Maximum Line Amount -** The maximum amount that is allowed for <u>all</u> orders; generally left blank to allow for any amount.
- **Minimum Line Quantity -** The minimum quantity that can be ordered for a line at one time; generally set to **.01**.
- **Maximum Line Quantity -** The maximum quantity that is allowed for <u>all</u> orders; generally left blank to allow for any quantity.



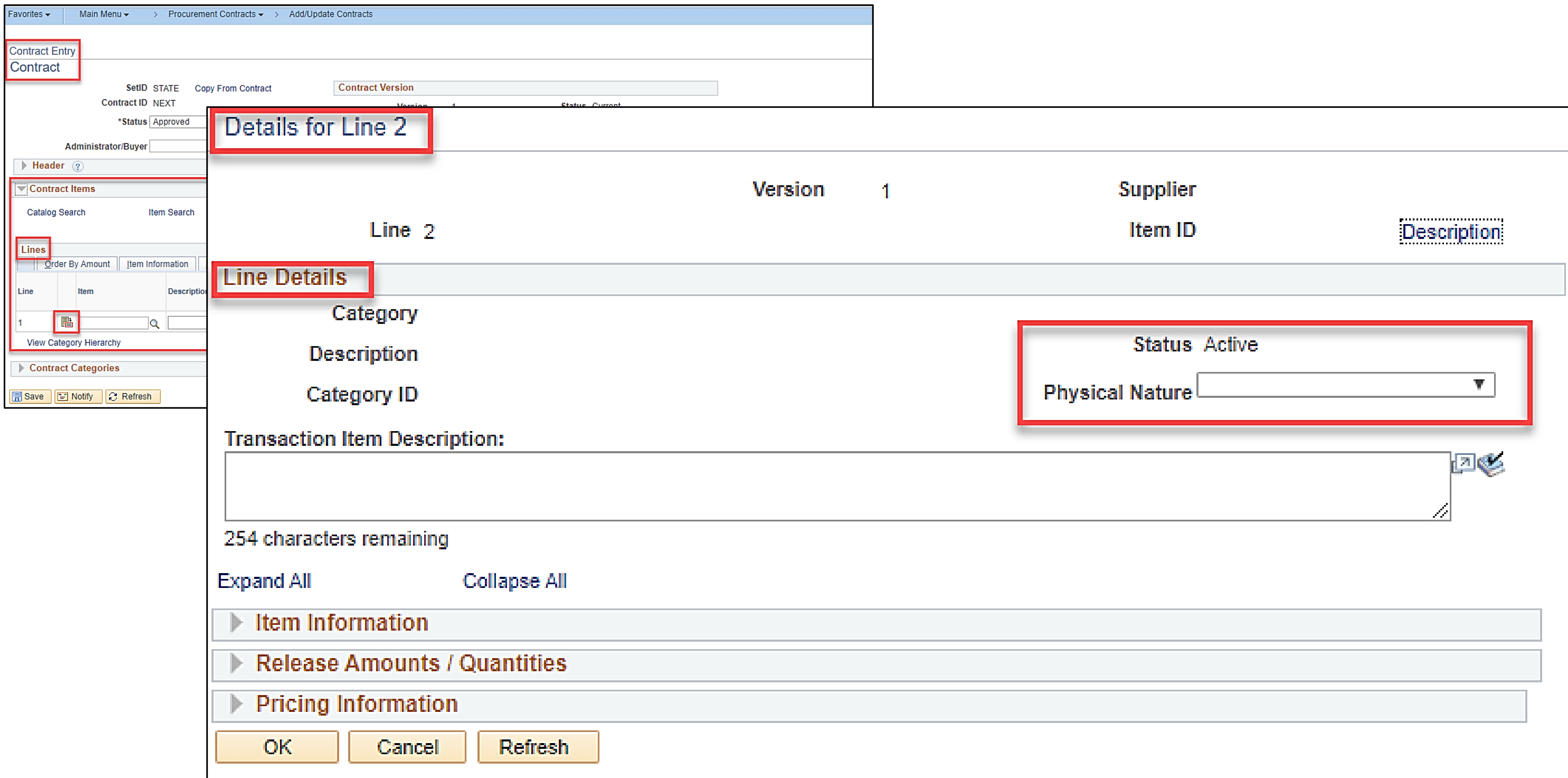
Create or Update Procurement Contracts (continued)

- **Total Line Released Amount** and **Total Line Released Quantity** reflect the amount and quantities that have been released on purchase orders. These values reflect increases and decreases on purchase orders from change orders and are updated by the system. No user intervention is needed.



Create or Update Procurement Contracts (continued)

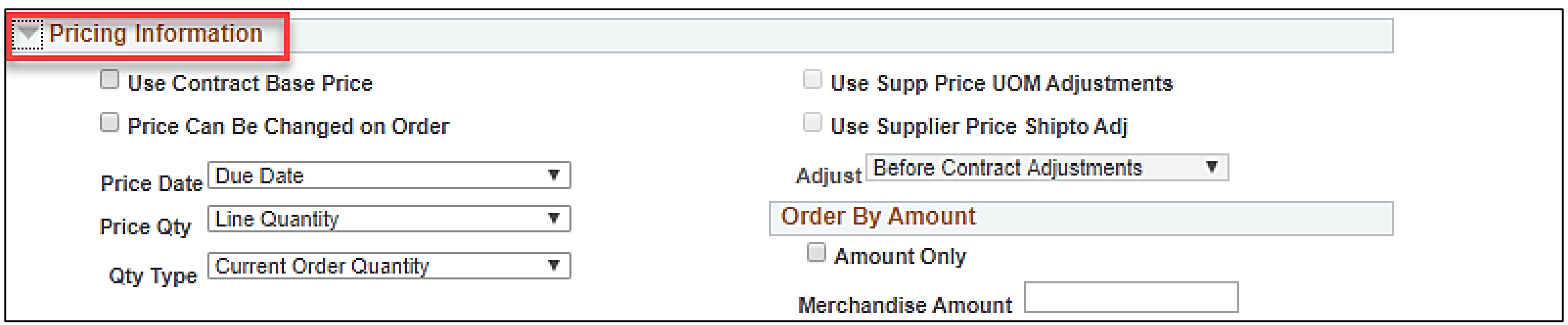
- The **Physical Nature** field defaults to a blank value. For Professional Service contracts, select **Services**.



Create or Update Procurement Contracts (continued)

Contract Entry - Details for Line X page, **Pricing Information** section:

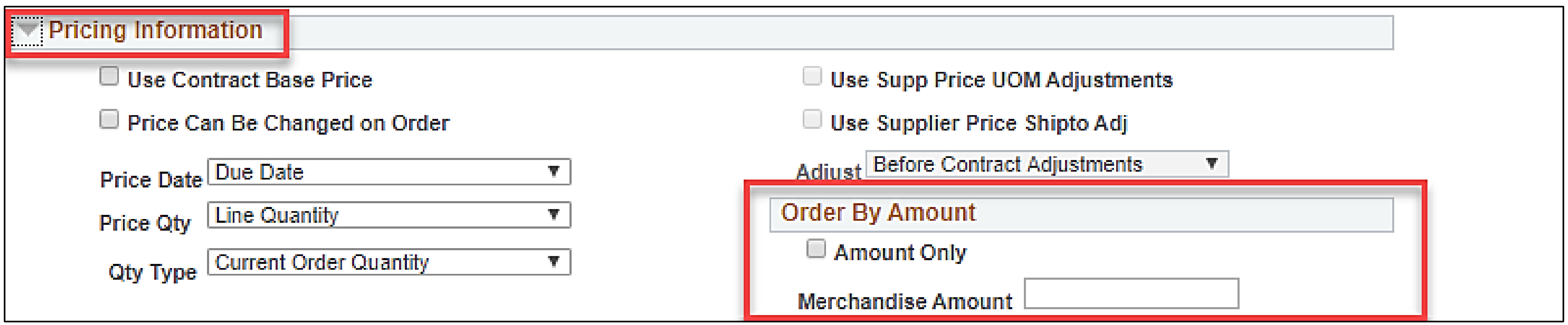
- **Use Contract Base Price -** Select if the price from the contract, not the item supplier relationship price, should be used on the PO.
- **Price Can Be Changed on Order -** Select to allow the Buyer to change the contract line price on the PO. This would be used if the contract line price is a price range rather than a fixed price.
- **Price Date -** Defaults to **PO Date** – Do not change.
- **Price Qty -** Defaults to **Line Quantity** – Do not change.
- **Qty Type -** Defaults to **Current Order Quantity** – Do not change.
- **Use Supp Price UOM Adjustments -** Defaults to unselected – Do not change.
- **Use Supplier Price Shipto Adjust -** Defaults to unselected – Do not change



Create or Update Procurement Contracts (continued)

Contract Entry - Details for Line X page, **Pricing Information – Order by Amount** section:

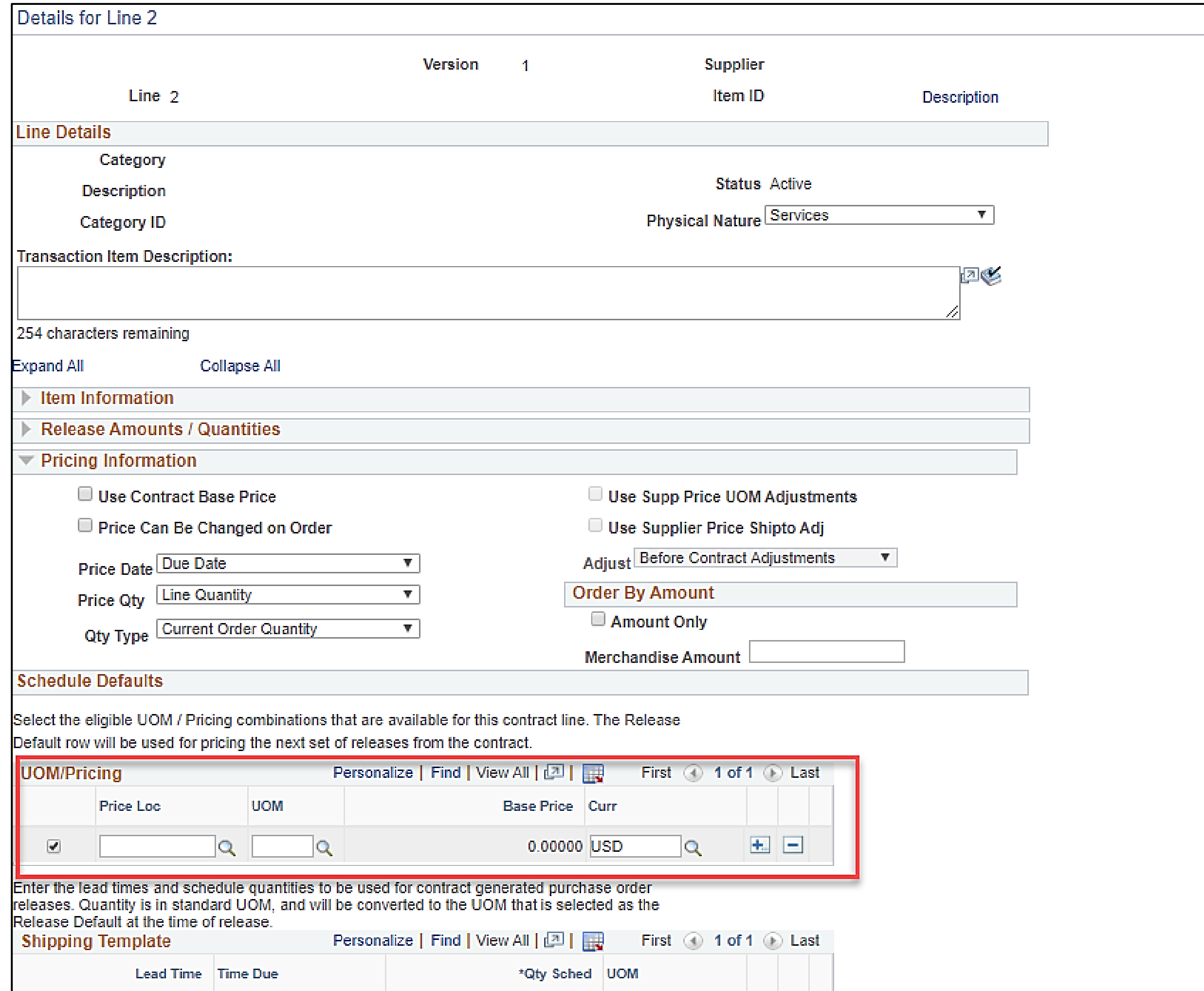
- **Amount Only -** Check this box when the contract line needs to be ordered as amount only.
  - Use **Amount Only** where the quantity is equal to **1** to allow receiving to be done by amount (dollars) instead of quantity.
  - Generally, used with Professional Services contracts or services that are invoiced along the way.
- **Merchandise Amount -** This field will be automatically populated from the **Base Price** field upon save.



Create or Update Procurement Contracts (continued)

Contract Entry - Details for Line X page, **Pricing Information – UOM Pricing** section:

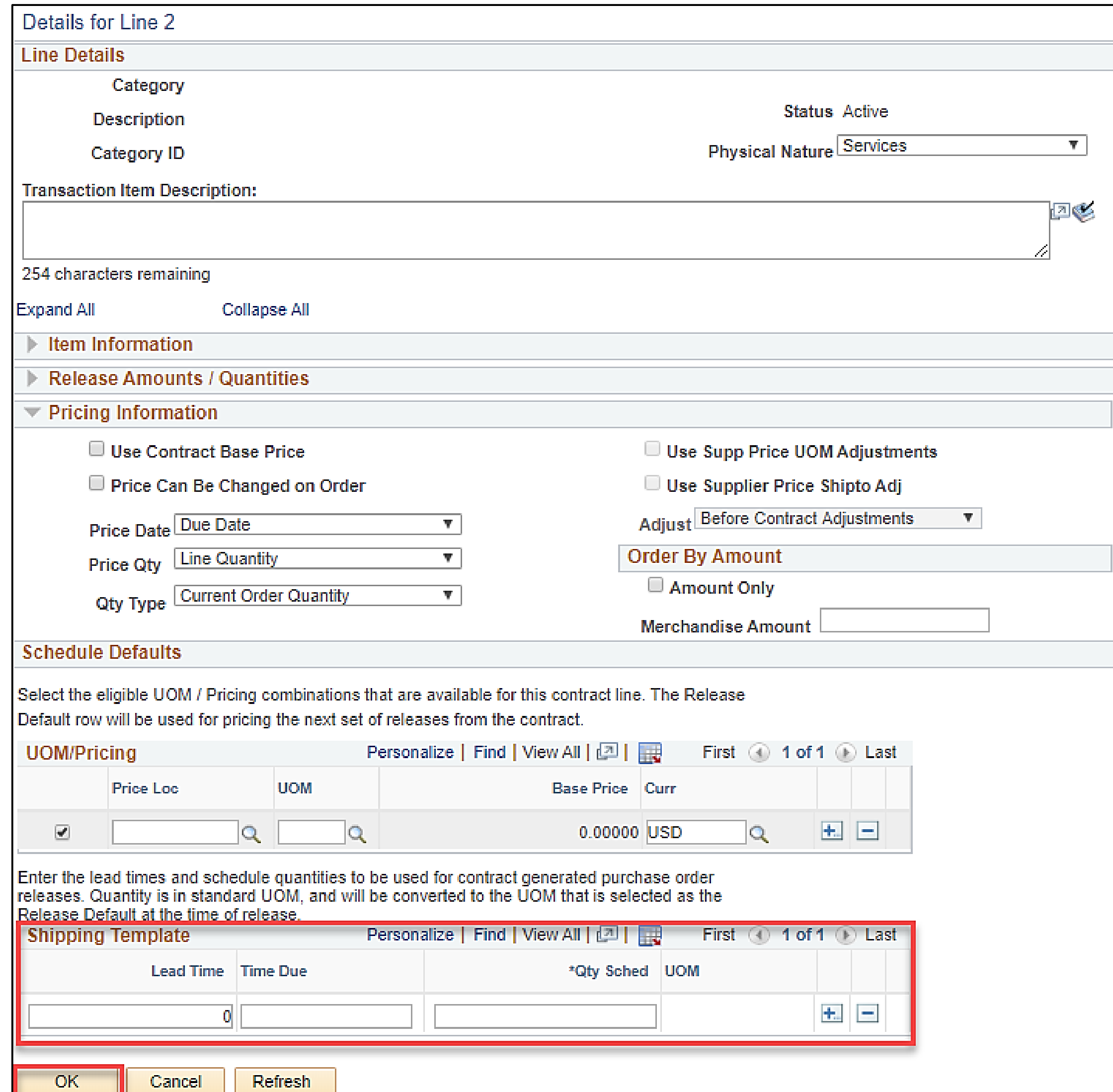
- **UOM/Pricing -** The checkbox defaults to selected.
- **Price Loc -** Defaults to the item location based on the supplier.
- **UOM -** Defaults based on the line item from the previous page.
- **Base Price -** Displays the price of the contract line item. A price defaults from the supplier item relationship or awarded sourcing event. The **Base Price** may be modified if needed.



Create or Update Procurement Contracts (continued)

Contract Entry - Details for Line X page, **Pricing Information – Shipping Template** section is used to pre-set the values which will default on the PO:

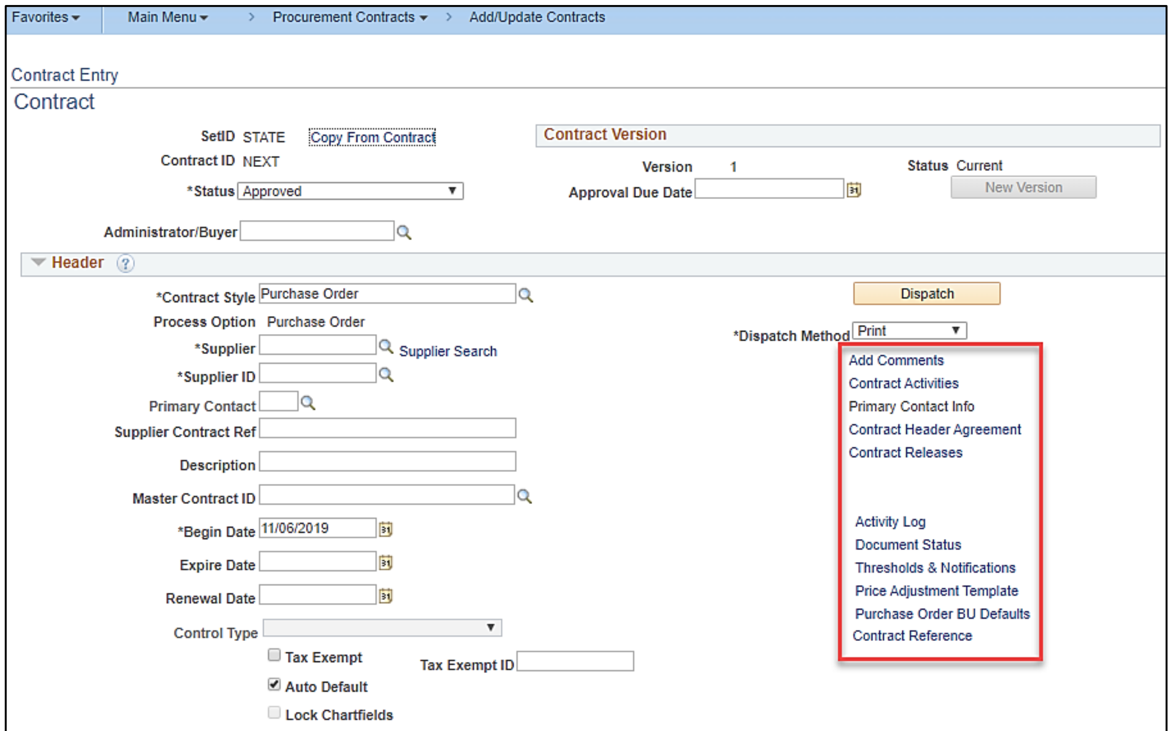
- **Qty Sched:**
  - Set the **Qty Sched** to **0.0001** to allow any variation of the quantity to be ordered on a PO.
  - Set to **1** if PO cannot be issued for a quantity less than **1.**
  - When a contract is set to **Amount Only**, the **Qty Sched** field must be set to **1.**
- Click **OK** and **Save** when all data has been entered.



Create or Update Procurement Contracts (continued)

In the **Header** section of the **Contract Entry – Contract** page, contract entry hyperlinks include:

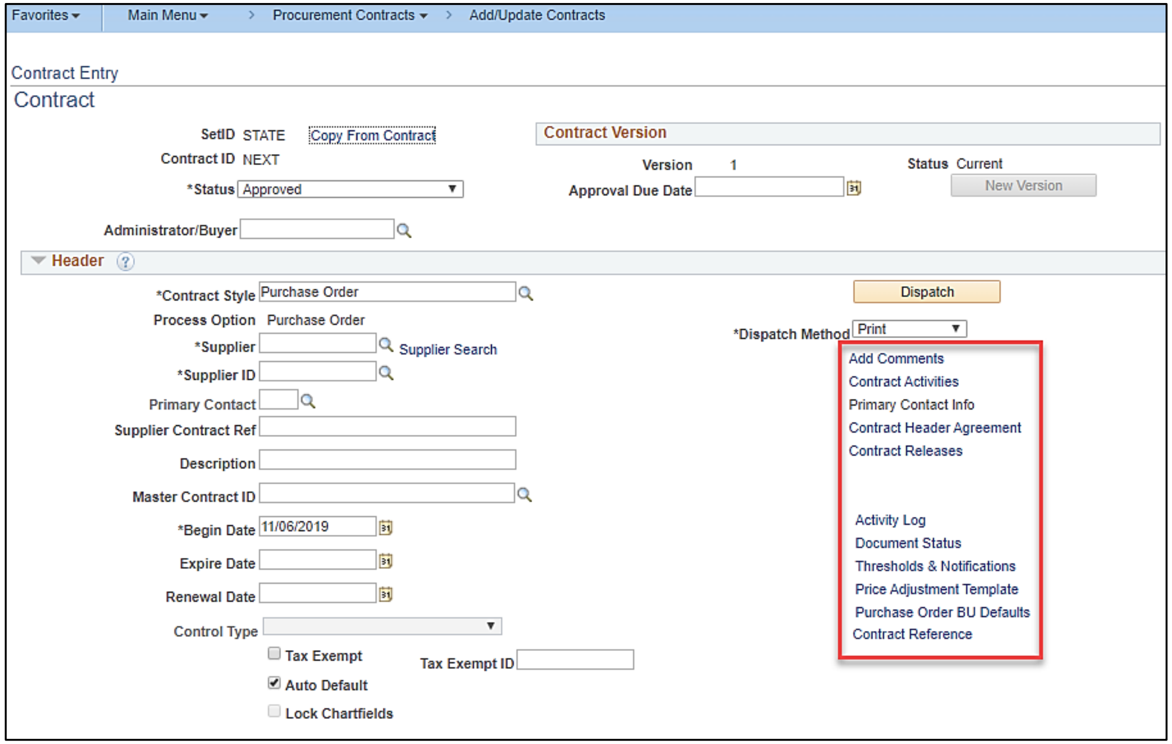
- **Add Comments -** Used to add comments and/or attachments which can be sent to the supplier, or copied to the PO or Voucher as terms, conditions, and/or notifications that affect the entire contract. For a detailed listing of the file extensions that are allowed as attachments in Cardinal, see the appendix section of this course.
- **Contract Activities -** Allows the tracking of activities on the contract, assigning Due Dates and marking them Done. This is especially useful when multiple VDOT Contract Administrators are assigned.
- **Activity Log -** Shows who entered, last updated, and approved the contract and when they did so.



Create or Update Procurement Contracts (continued)

In the **Header** section of the **Contract Entry – Contract** page, contract entry hyperlinks and fields include:

- **Thresholds & Notifications:** Used to notify specific individuals, identified by the Contract Administrator, when certain events happen. Events can be date driven (approaching contract expiration or renewal), or amount driven (amount is within a specified amount or percentage of the maximum contract amount).
- **Contract Reference:** Captures additional information related to a contract such as **Contract Category**, **Responsible Org (**department), **Supplemental Agreements**, and **Contract Renewal Options**.



Create or Update Procurement Contracts (continued)

In the **Amount Summary** section of the **Contract Entry – Contract** page, contract entry hyperlinks and fields include:

- **Maximum Amount:** Allows placement of a cap on the amount that can be released through POs.

Add Comments

Add Comments hyperlink**:**

When entering a contract, comments and attachments can be added using the **Add Comments** hyperlink on the **Contract Entry – Contract** page. This comments section is similar to the comments section available in other modules. Here you can use **Standard Comments** may be used or type in the unique comments.

Comments section**:**

- The **Use Standard Comments** hyperlink is available allowing the user to choose from prepopulated comments.
- Select **Send to Supplier** to have the comment print on the contract.
- Select **Copy to Purchase Order** to have the comment to print on the PO.

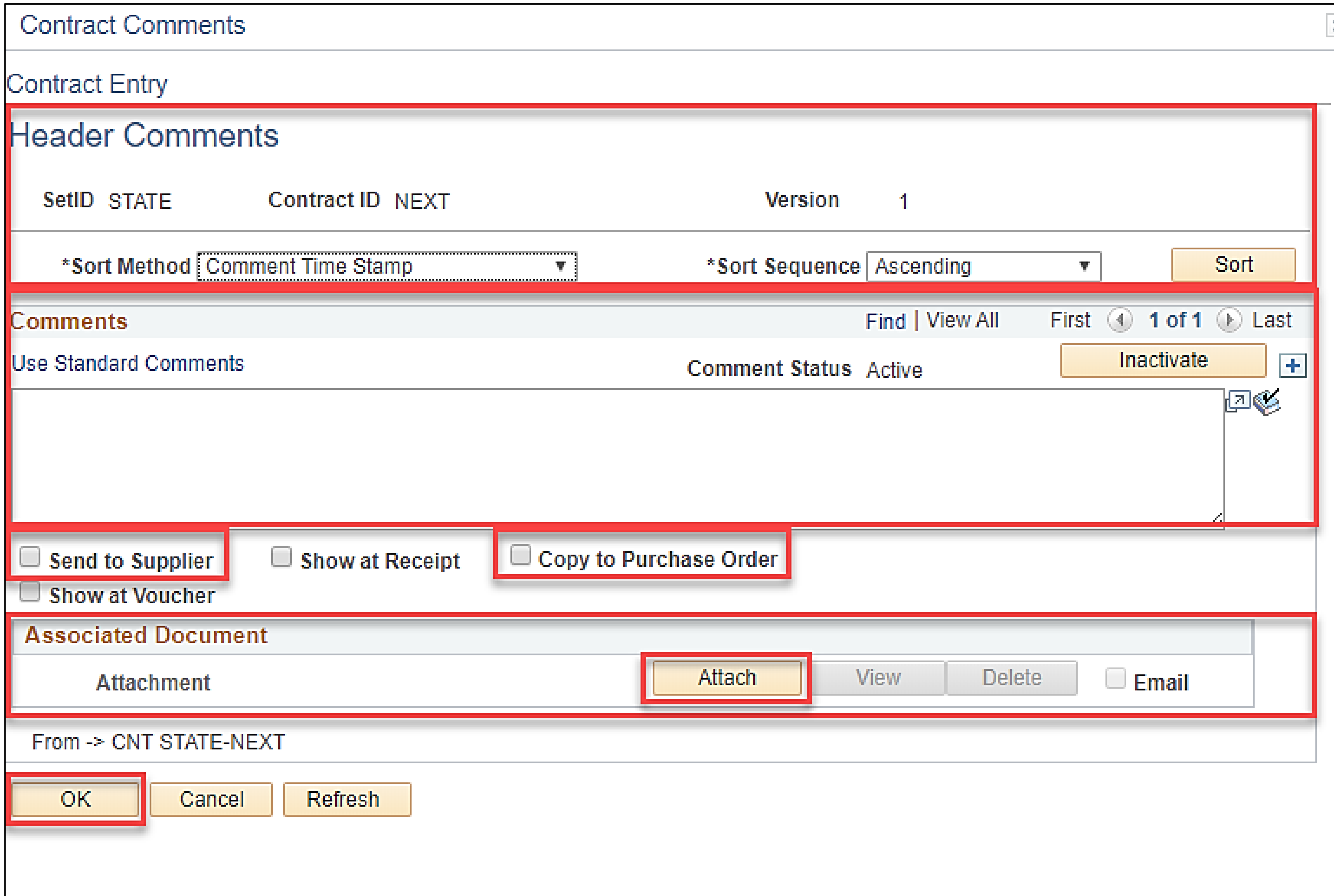
Associated Document section**:**

- Click **Attach** to add a document. For a detailed listing of the file extensions that are allowed as attachments in Cardinal, see the appendix section of this course.

Once added all comments and attachments have been added, be sure to click **OK** to return to the **Contract Entry – Contract** page.

From the **Contract Entry – Contract** page click **Save** to update the contract with the new comment.

Add Comments (continued)

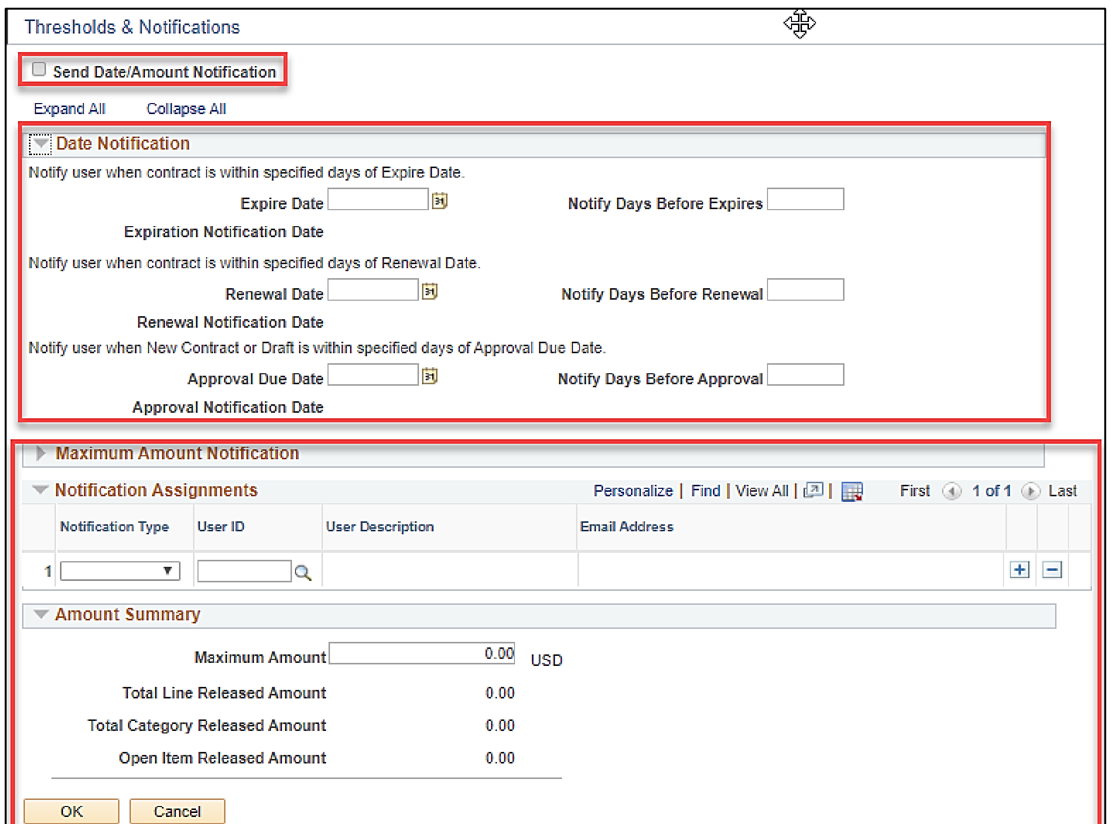


Create Thresholds & Notifications

Thresholds & Notifications allows notification of other Cardinal users when certain events occur.

This feature allows set up of threshold dates or amounts. When those dates or amounts are met, email notifications are triggered to the Cardinal user specified on the page.

Send Date/Amount Notification checkbox must be selected in order for the notification functionality to work. This functionality sends an email and puts an item on the user's Worklist each week until the condition (expiration date, renewal date, or contract maximum) triggering the event is updated, or the contract is set to a **Closed** status.

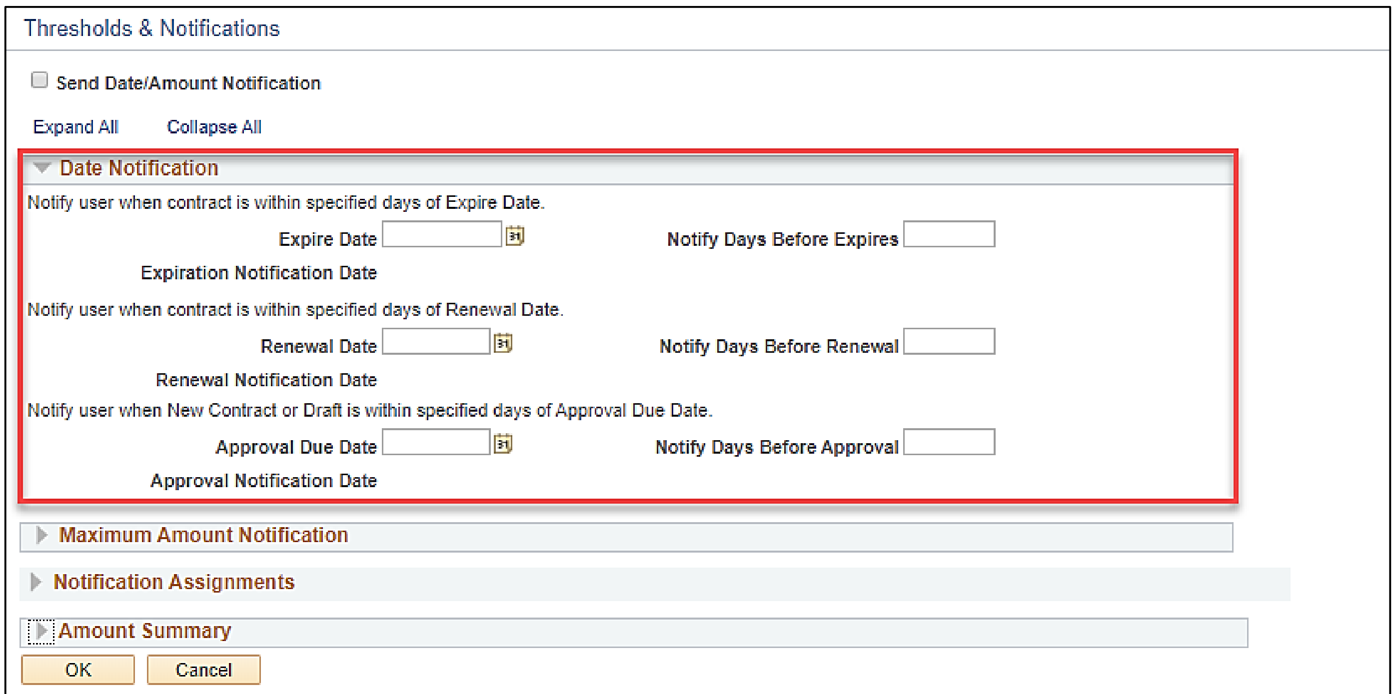


Create Thresholds & Notifications (continued)

Threshold Notification Types:

- **Expiration**
- **Maximum Amount**
- **Renewal**

By entering amounts or date ranges, rules are set up, otherwise known as thresholds, which trigger notification emails and worklist items for Cardinal users assigned on the **Thresholds & Notifications** page.



Create Thresholds & Notifications (continued)

Click **Expand All** to view all content in the two sections.

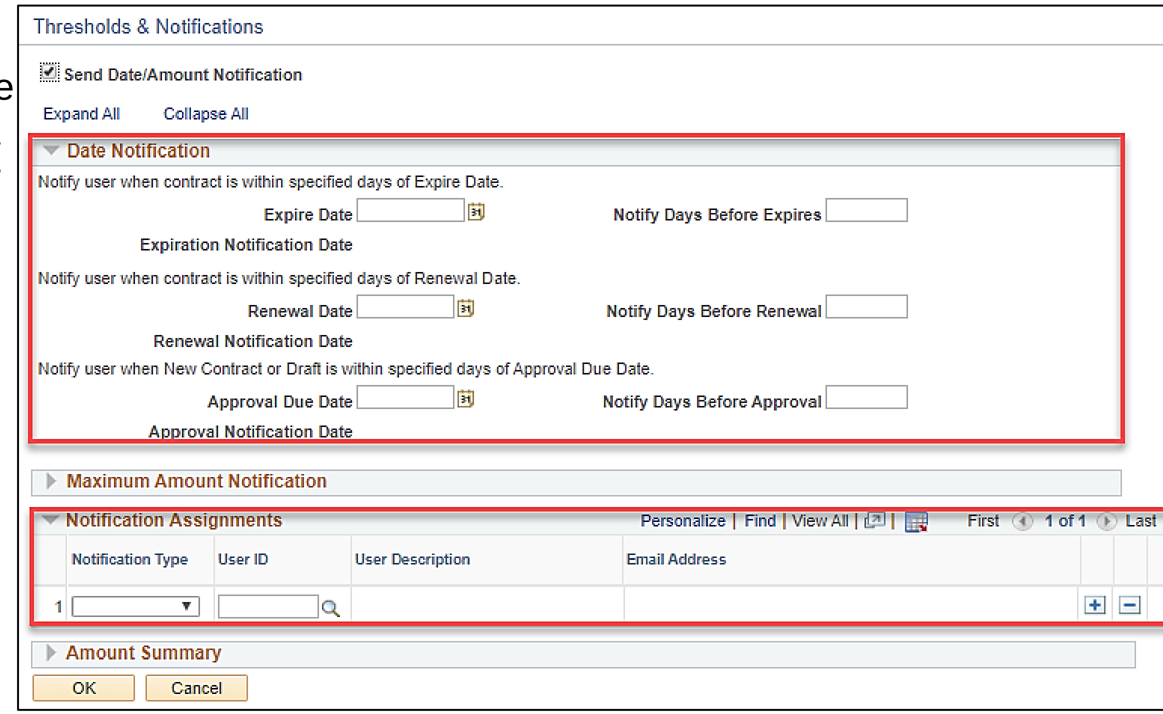
Date Notification section:

Expire Date: Enter an **Expire Date** notification by entering the number of days prior to expiration in the **Notify Days Before Expires** box. There must be a date in the **Expire Date** field on the contract header for this notification to work.

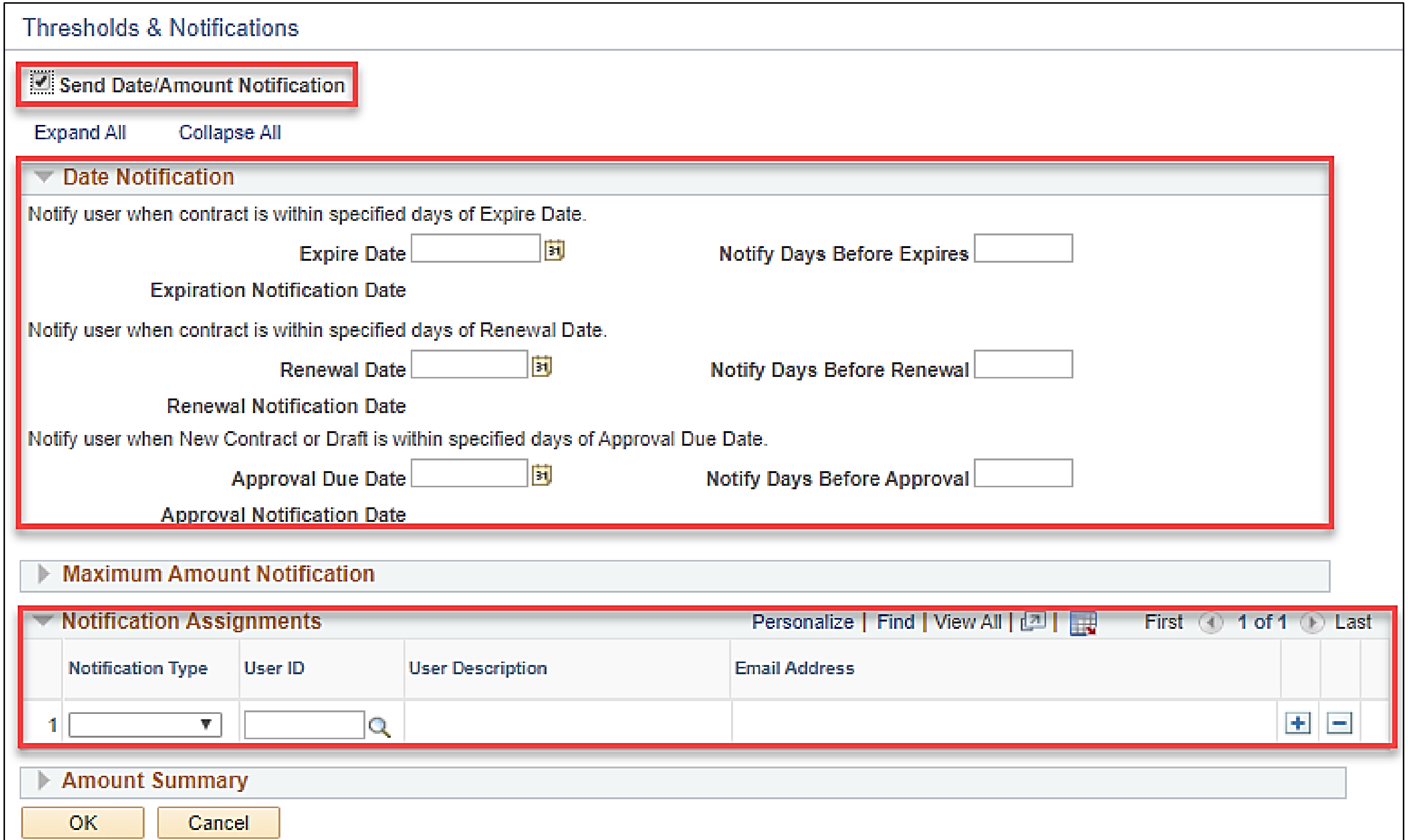
Renewal Date: Enter a **Renewal Date** notification by entering the number of days prior to renewal in the **Notify Days Before Renewal** box. There must be a date in the **Renewal Date** field on the contract header for this notification to work.

Maximum Amount Notification section:

Enter a monetary amount to trigger notification when the contract is about to meet or exceed its maximum amount. For this notification to work, there must be an amount in the **Maximum Amount** field on the contract header located on the **Contract Entry – Contract** page.



Create Thresholds & Notifications (continued)

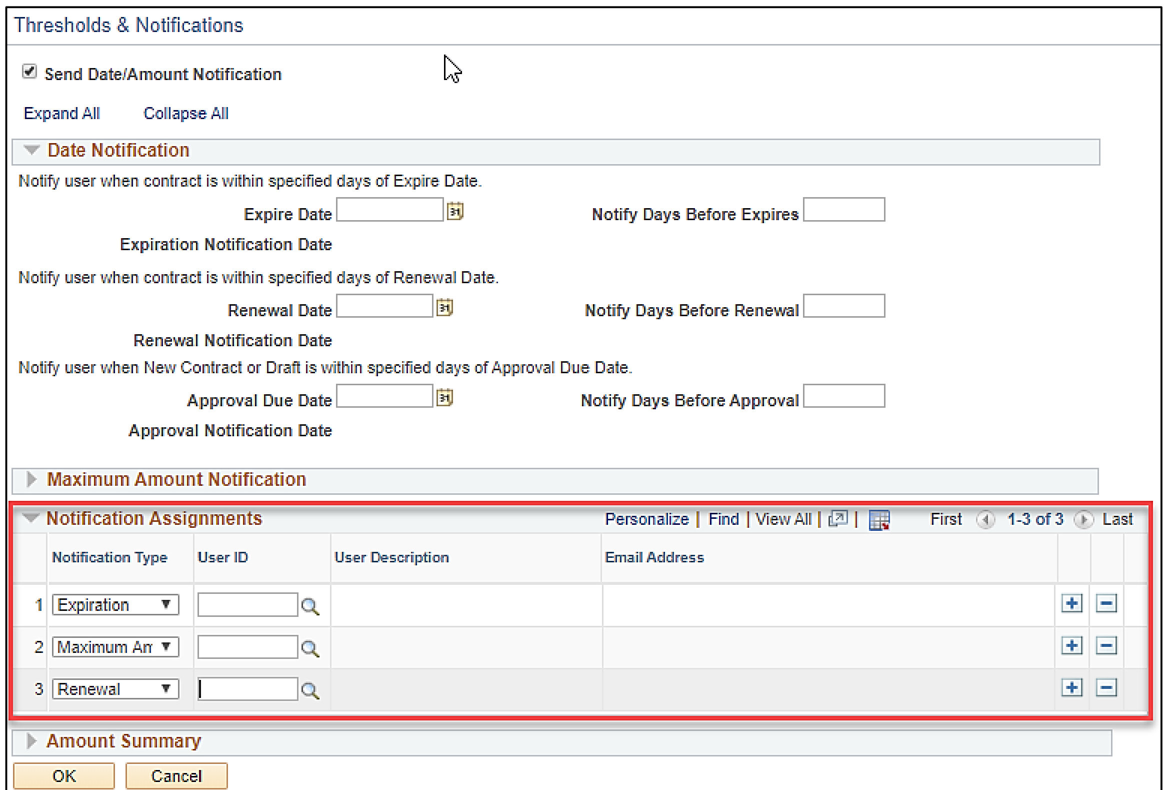


Create Thresholds & Notifications (continued)

Notification Assignments Section:

Notification types include **Draft Approval**, **Expiration**, **Maximum Amount**, and **Renewal**. A new notification line must be created for each new notification type and for each user receiving the notification. Use the **+/-** icons to add or remove users. Multiple users may be setup to receive notifications.

NOTE: Only Active Users will appear in the User ID lookup icon. This list must manually updated to reflect when a VDOT user leaves.



Enter Contract Reference

Contract Entry - Contract Reference page**:**

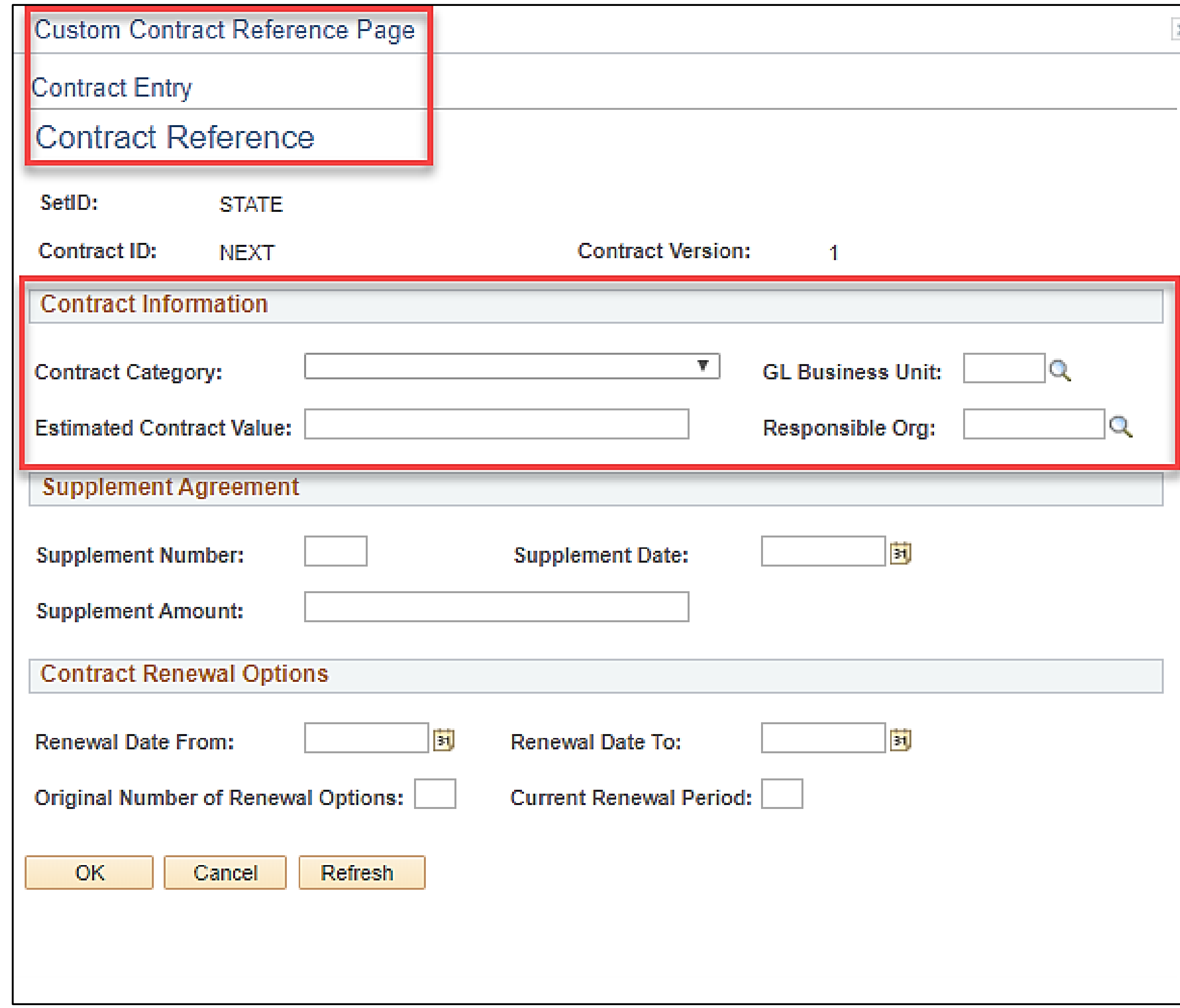
On the **Contract Entry – Contract** page, click the **Contract Reference** hyperlink.

Contract Information section**:**

- ***Contract Category** drop-down provides a list of categories. **Contract Category** helps to categorize contracts to ease in the search and reporting process.
- ***GL Business Unit** field defaults to the agency.
- **Estimated Contract Value** should be entered for all contracts, including requirements contracts.
- ***Responsible Org** lookup icon provides a list of departments.

***Required fields**

NOTE: Information must be entered in the Contract Information section or the contract will not save.

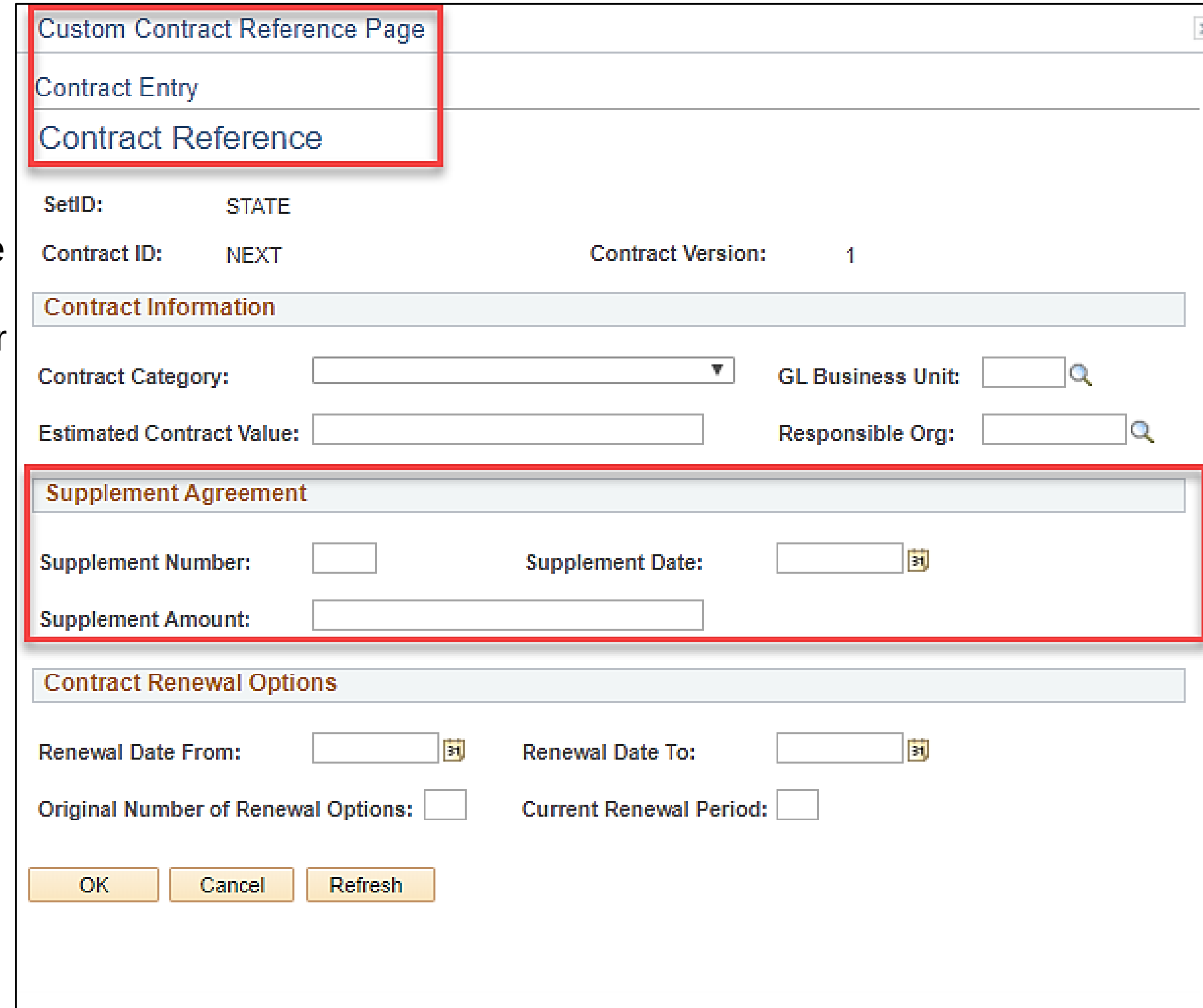


Enter Contract Reference (continued)

Supplemental Agreement section:

Supplemental agreements are usually related to professional service contracts where there is an addendum (add on) to the contract.

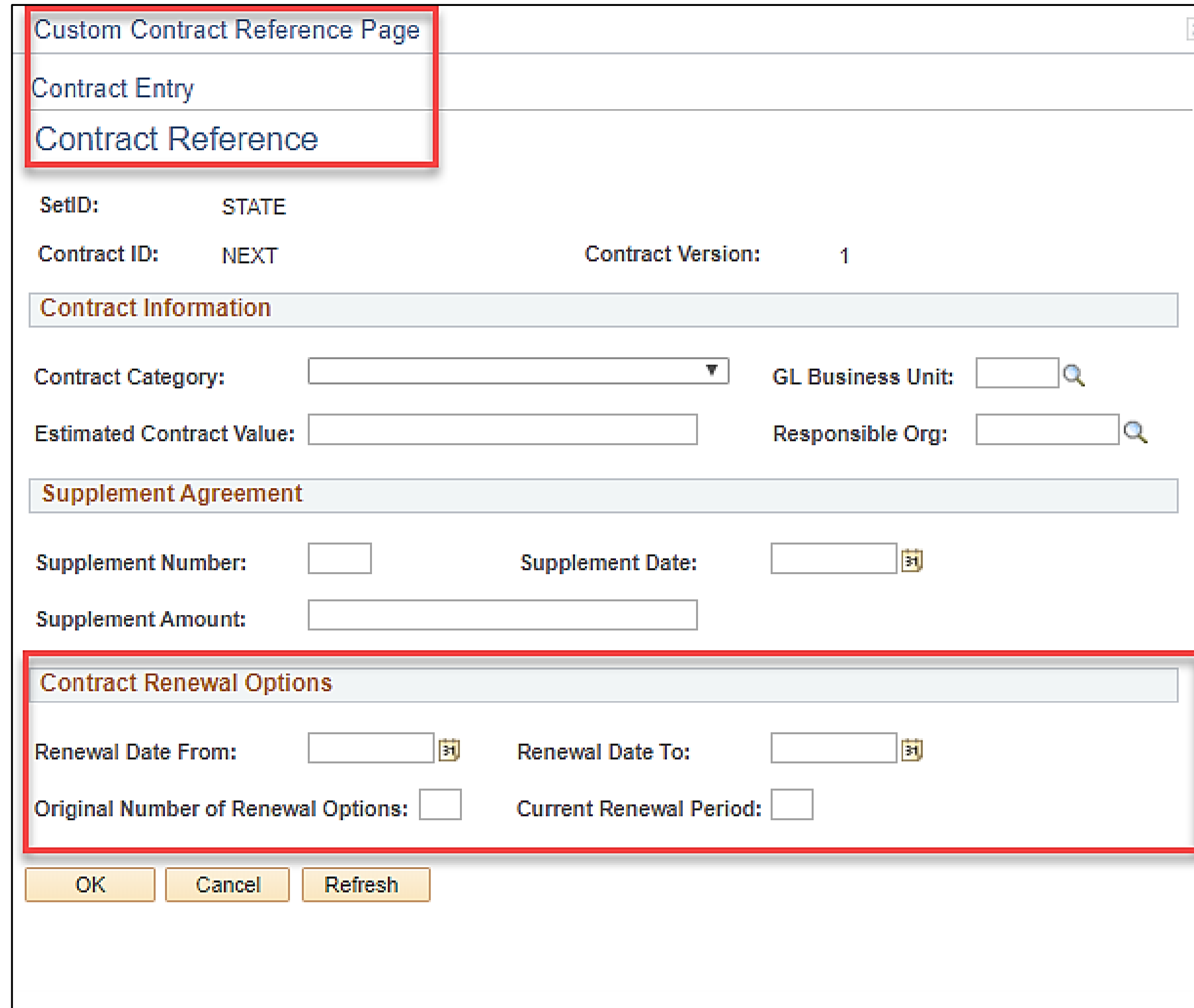
- **Supplement Number:** The number or reference field on the addendum. This could also be the Agency number. Please consult your agency for supplemental agreements procedures.
- **Supplement Date:** The date of the addendum.
- **Supplement Amount:** The addendum amount.



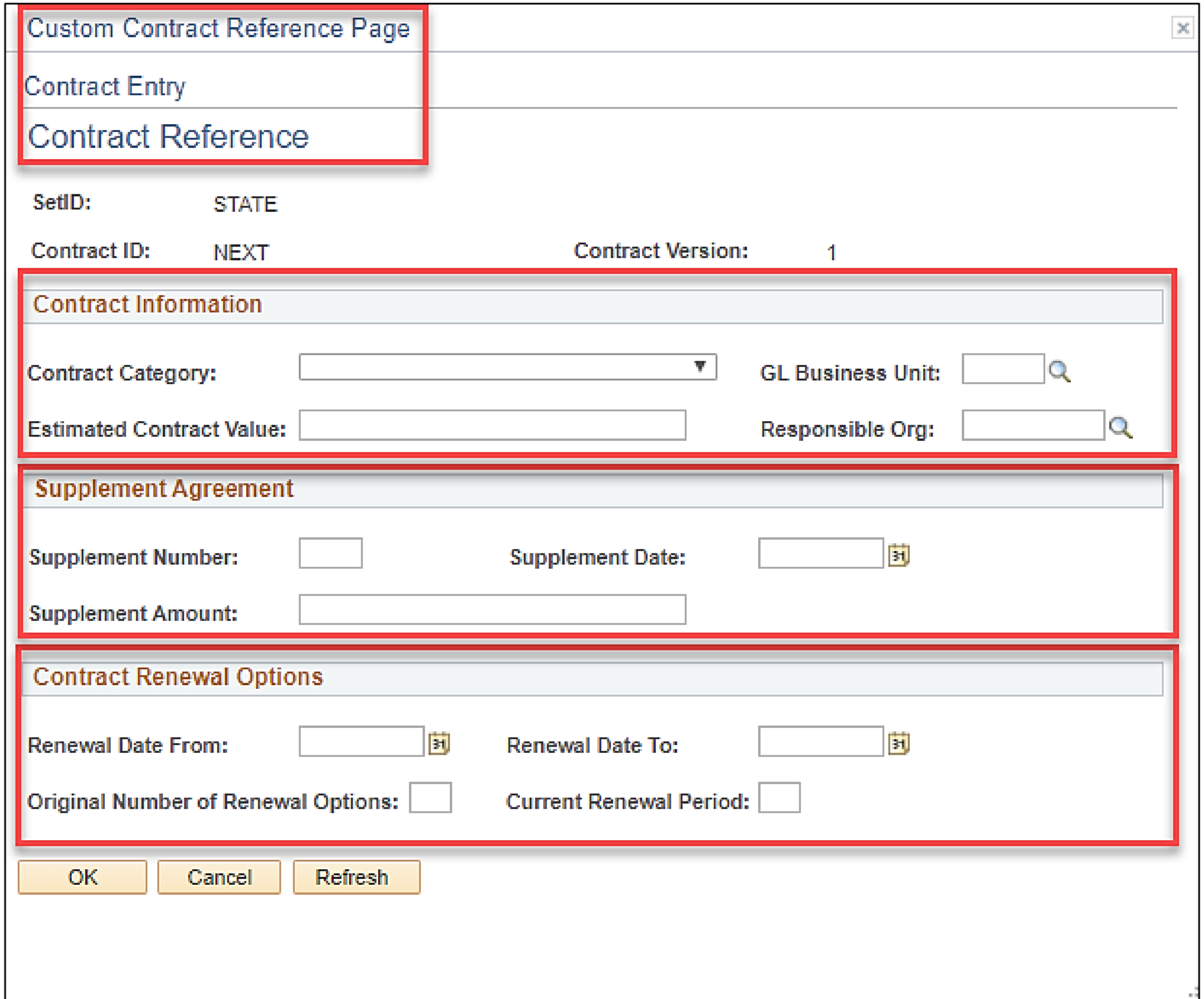
Enter Contract Reference (continued)

Contract Renewal Options section:

- **Renewal Date From** and **Renewal Date To** are populated with the next renewal period dates.
- **Original Number of Renewal Options** is the number of times the contract may be renewed.
- **Current Renewal Period** displays the contract's current renewal period. This value depends on the **Original Number of Renewal Options** field. When a contract is new, this field displays **0** as it has never been renewed.



Enter Contract Reference (continued)



Custom Contract Reference Page

Contract Entry

Contract Reference

SetID: STATE

Contract ID: NEXT

Contract Version: 1

Contract Information

Contract Category:

GL Business Unit:

Estimated Contract Value:

Responsible Org:

Supplement Agreement

Supplement Number:

Supplement Date:

Supplement Amount:

Contract Renewal Options

Renewal Date From:

Renewal Date To:

Original Number of Renewal Options:

Current Renewal Period:

OK | Cancel | Refresh

Create Supplier/Item Relationship

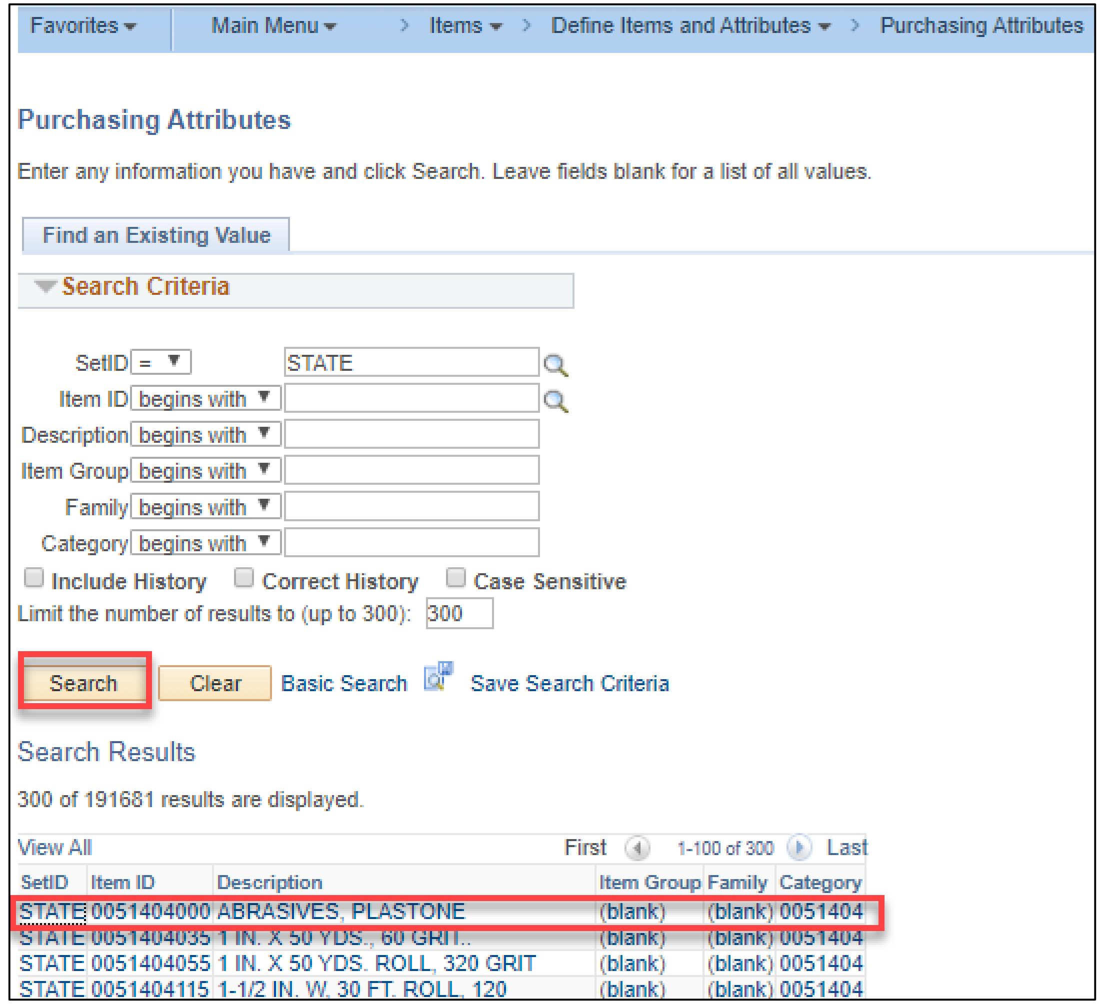
Supplier/Item Relationship:

On an ad-hoc contract, i.e., a contract which is not from SiteManager or a Strategic Sourcing Event, a supplier/item relationship may not already exist. If the relationship does not exist when the item ID is entered into the contract, an error message will be displayed.

Create a supplier/item relationship for an item by inserting a new row on the **Item Supplier** page by using the following navigation path:

Main Menu > Items > Define Items and Attributes > Purchasing Attributes

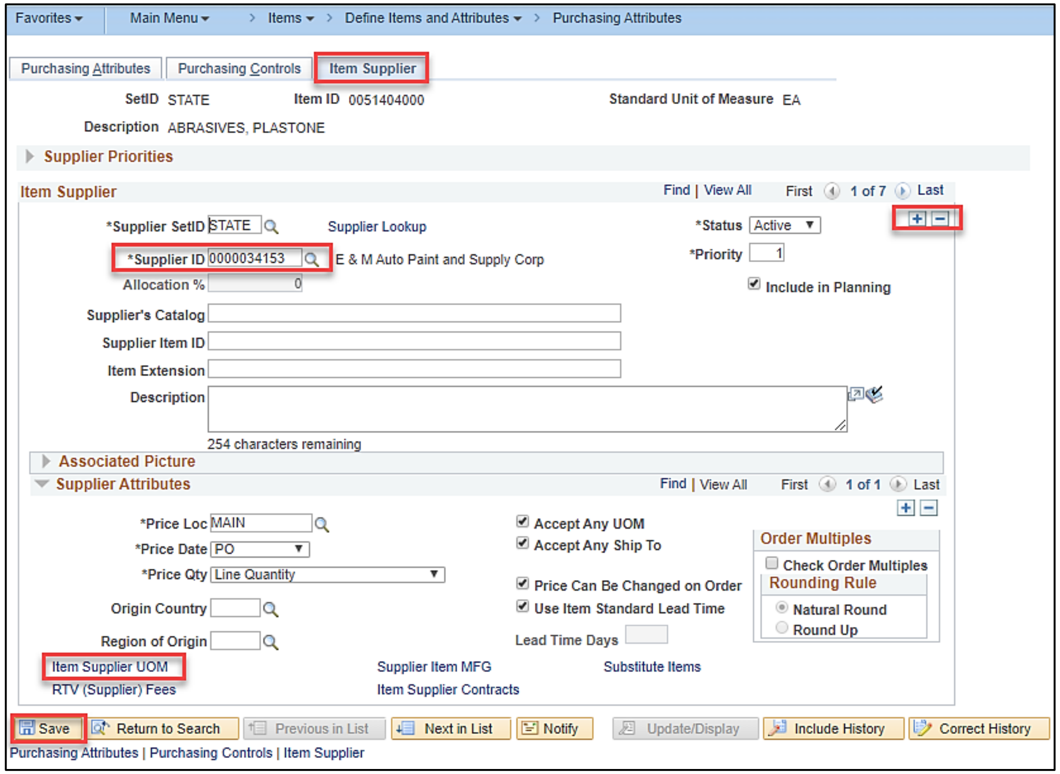
Search for and select the hyperlink for the item that needs a supplier/item relationship.



Create Supplier/Item Relationship (continued)

Supplier/Item Relationship continued:

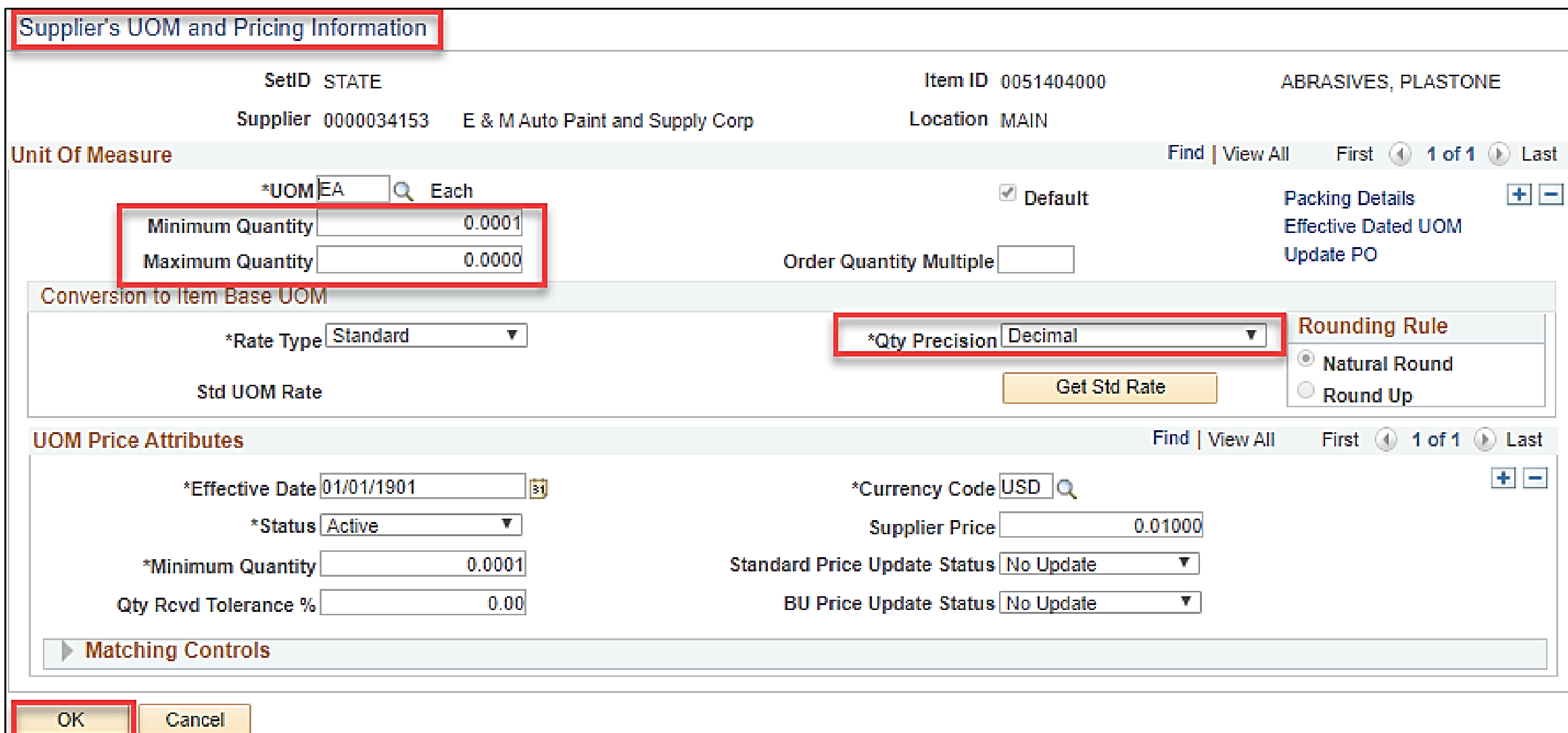
- Select the **Item Supplier** tab.
- Click the **+** icon to insert a new row.
- Enter the **Supplier ID** and accept default values.
- Click **Save**.
- Click on the **Item Supplier UOM** hyperlink and the **Supplier's UOM and Pricing Information** pop-up window will be displayed.



Create Supplier/Item Relationship (continued)

From the **Supplier's UOM and Pricing Information** pop-up window:

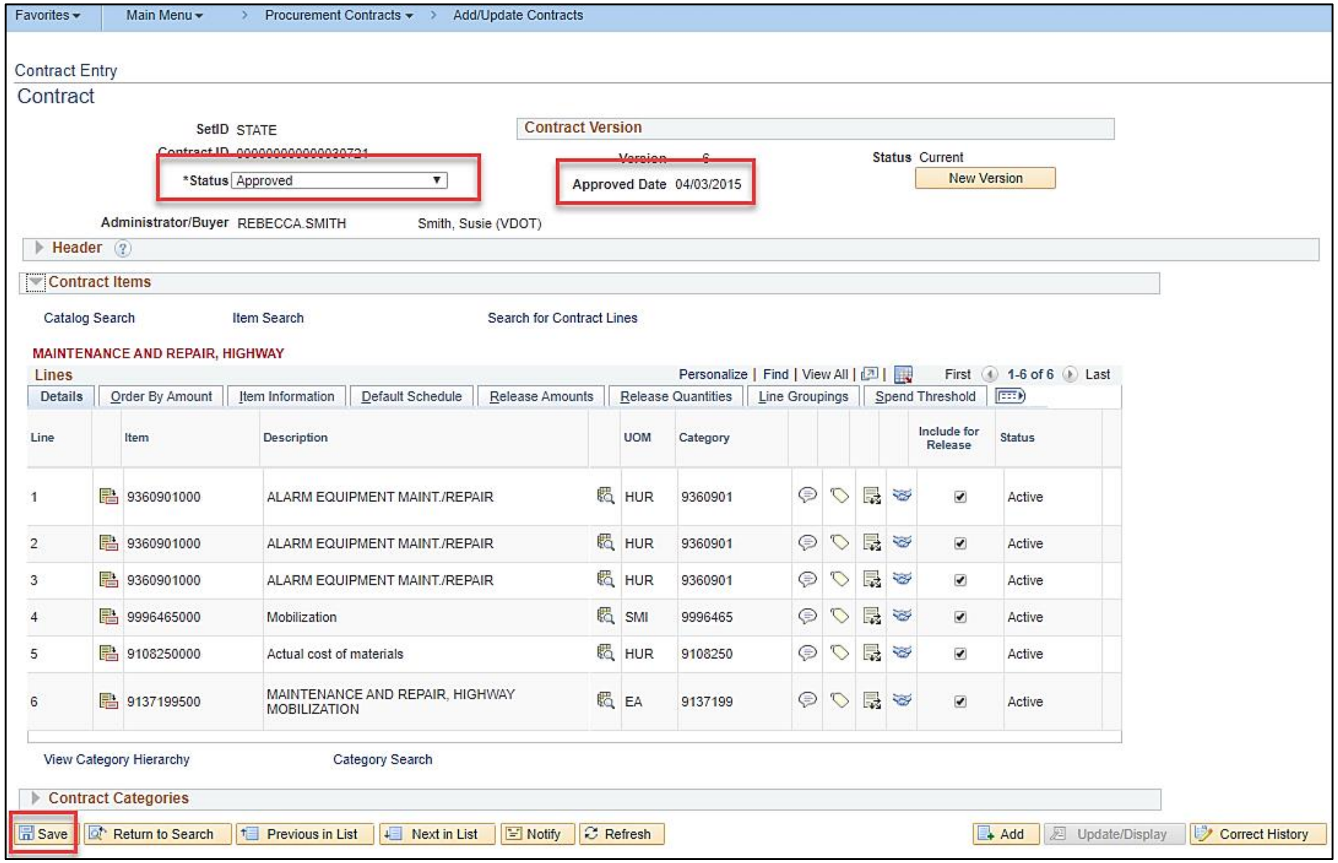
- In the **Unit of Measure** header section, change the default **Minimum Quantity** to reflect the minimum quantity that can be ordered for that item.
- To allow for an unlimited order quantity, set the **Maximum Quantity** to **0.000**.
- If applicable, in the **Conversion to Item Base UOM** section, change the **Qty Precision** value to **Decimal**.
- Click **OK** to return to the **Item Supplier** tab. Be sure to click **Save**.



Save and Finalize Contracts

To finalize the contract and make it available for use on requisitions and POs:

- Review the data entered.
- The **Status** will default to **Approved.**
- Click **Save** to commit the entry of all contract specific data. Once approved and saved, the **Approval Due Date** field is populated with the date approved/saved and becomes the **Approved Date**.



Print Contracts

Users with the role of Contact Administrator have the ability to print procurement contracts. The **Print** contract function provides users with a hard copy contract for the file. The **Dispatch** contract function provides users with a hard copy contract for signature.

To print a contract, navigate using the following path:

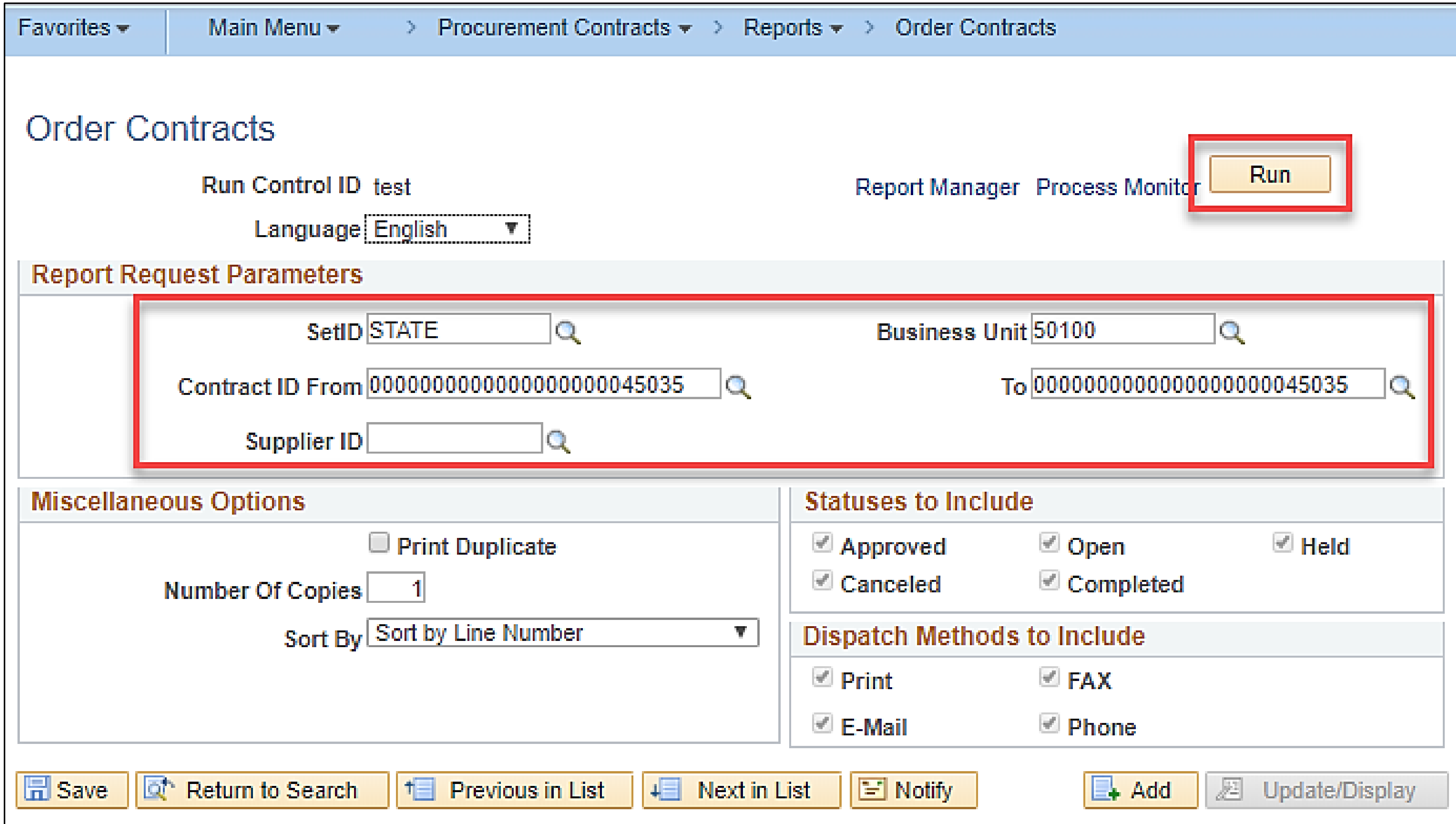
Main Menu > Procurement Contracts > Reports > Order Contracts

- Search for an existing **Run Control ID** or choose **Add a New Value** if one does not exist.
- On the **Order Contracts** run control page, enter:
  - **SetID – STATE**
  - **Business Unit –** The agency number
  - **Contract ID From -** Enter the Contract ID number. The **To** will populate with the same ID.
- Click **Run.**
- On the **Process Scheduler Request** page, select the PDF Format.
- Click **OK**.

For more detailed information about reports, queries, and online inquires, see the Web-Based Training (WBT) course titled **Cardinal NAV220: Introduction to Cardinal Financial Reporting** located on the Cardinal website in **Web-Based Training (FIN)** under **Learning**.

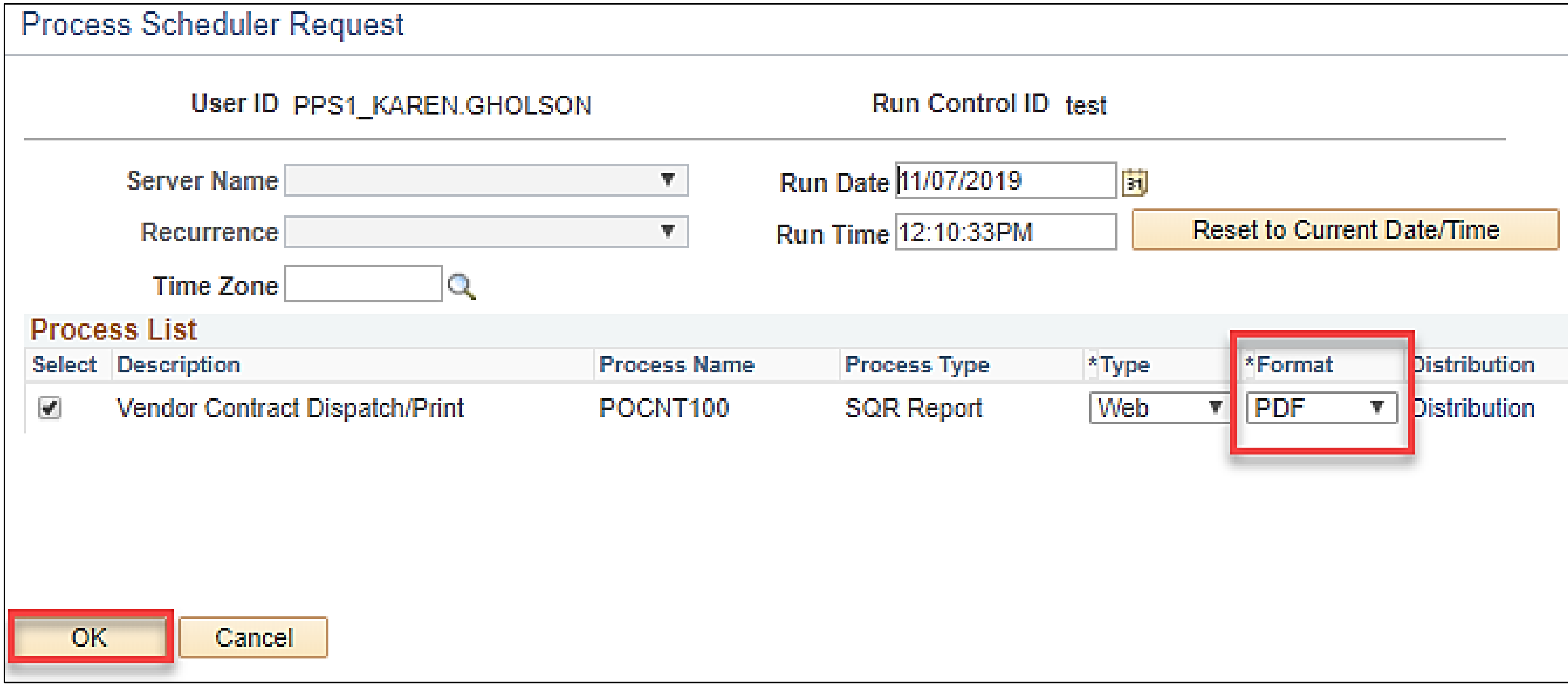
Print Contracts (continued)

Order Contracts Run Control Parameters:



Print Contracts (continued)

Process Scheduler Request:

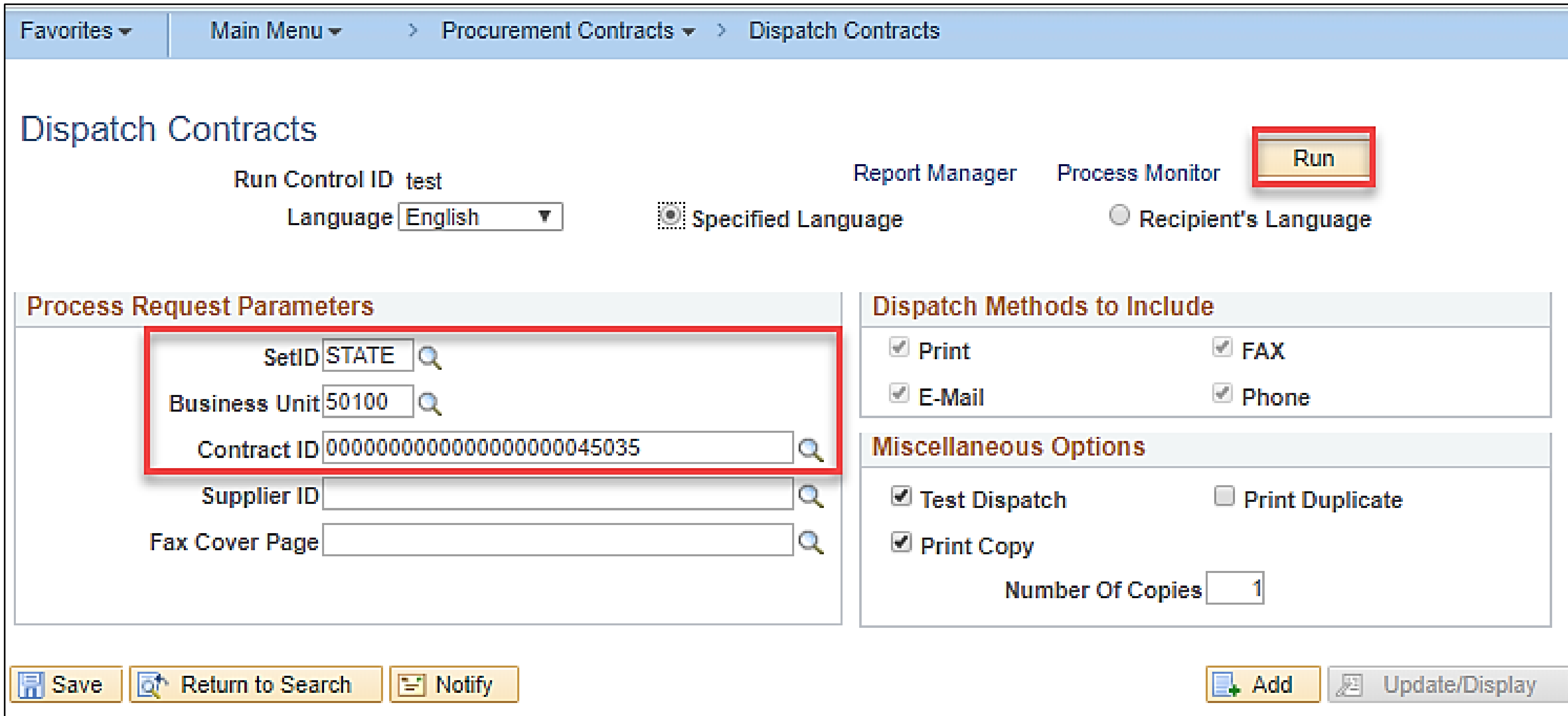


Dispatch Contract for Signature

The **Dispatch** contract function provides users with a hard copy contract for signature. The steps are very similar to that of the print function.

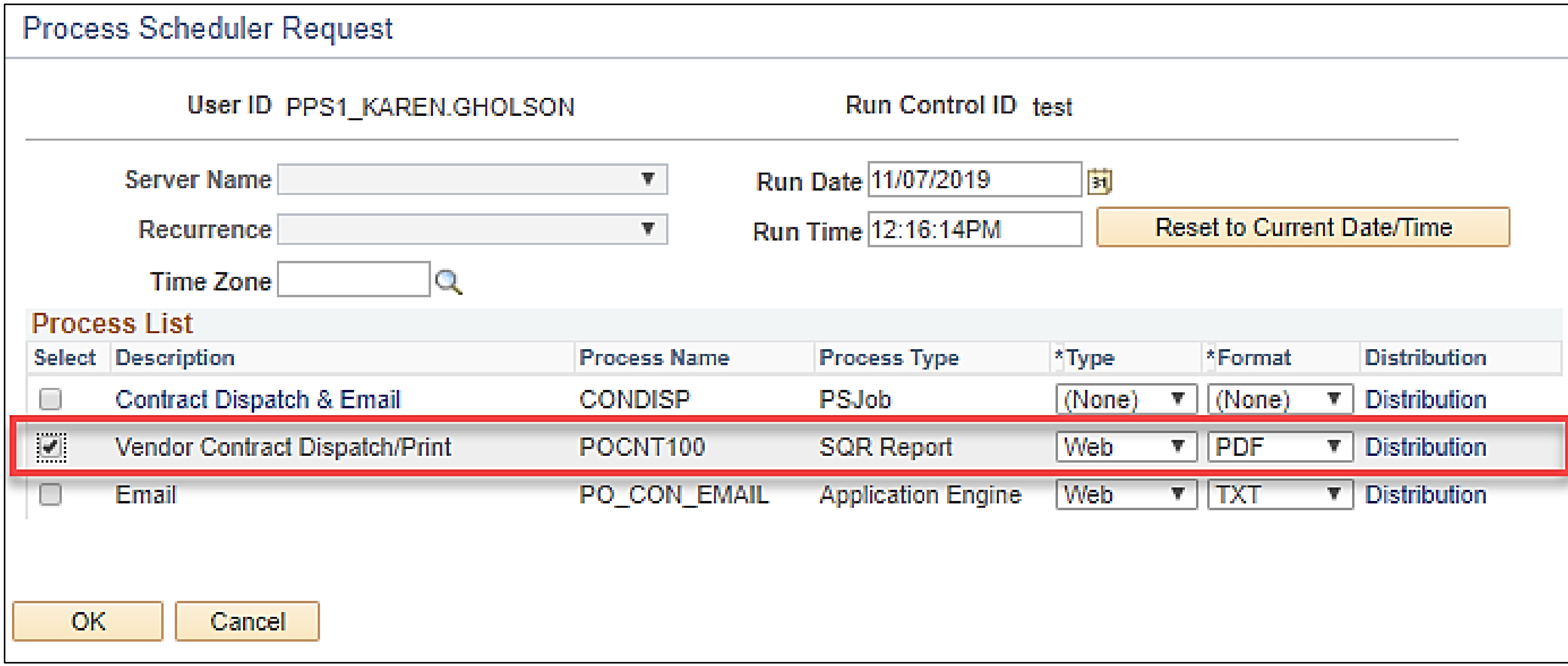
Navigate using the following path:

Main Menu > Procurement Contracts > Dispatch Contracts



Dispatch Contract for Signature (continued)

Dispatch Contract for Signature Process Scheduler Request:


Process Scheduler Request

User ID PPS1_KAREN.GHOLSON

Run Control ID test

Server Name

Run Date 11/07/2019

Recurrence

Run Time 12:16:14PM

Reset to Current Date/Time

Time Zone

Process List

Select	Description	Process Name	Process Type	*Type	*Format	Distribution
☐	Contract Dispatch & Email	CONDISP	PSJob	(None)	(None)	Distribution
☑	Vendor Contract Dispatch/Print	POCNT100	SQR Report	Web	PDF	Distribution
☐	Email	PO_CON_EMAIL	Application Engine	Web	TXT	Distribution

OK

Cancel

Print/Dispatch Contracts

CONTRACT

VA Dept of Transportation
VDOT Central Office
1201 E Broad St
Richmond VA 23219
USA

Dispatch via Print

Contract ID	Version	Page
00000000000000000000045035	1	1 of 3

Contract Dates	Currency	Rate Type	Rate Date
08/11/2016 to 08/10/2017	USD	CRRNT	PO Date

Description:	Contract Maximum
Stone	0.00

Contract Officer Name	Phone
Hudgins, Caroline S. (VDOT)	804/786-2777

Supplier 0000032750
J R Tharpe Trucking Co Inc
Donna Crews
201 ALGERENE RD.
VA10049482
EVAAD91219
DRAKES BRANCH VA 23937
USA

6330951270

THIS CONTRACT IS A RESULT OF IFB 153634.

INVOICE TO: VDOT, 3400 ROSNEY RD., DILLWYN, VA 23936

CONTRACT ADMINISTRATOR - DEBORAH FISH - 434-505-3253

SOURCE OF MATERIAL - APPOMATTOX LIME & LUCK STONE

TELEPHONE # TO PLACE ORDERS - 434-747-4384

ADDED ITEM 8 WHICH WAS OMITTED FROM ORIGINAL AWARD.

Contract Lines:

Line #	Item ID / Category	Item Desc	UOM	Minimum Order Qty	Amt	Maximum / Open Qty	Amt
1	7503548480	STONE, CRUSHED GRADE 25	LTN	0.01	0.00	0.00	0.00

Pricing Agreement: Pricing Date: PO Date
Pricing Quantity: PO Date
Quantity Type: Quantity To Date

Contract Base Pricing 14.65000 LTN MAIN

Stockpile at Chemical Building (Rt. 742) Stockpile - 2.0 miles West of Buckingham Courthouse, to Rt. 742 to the Left,.20 miles to building on the left. (Buckingham Co.) or Stockpile at Andersonville A.H.Q.'s, - 4.0 miles West of Rt. 15 on Rt. 640, A.H.Q.'s on the left (Buckingham County) or Tailgate Spread within Zone 2 (per map attached to IFB).

Shipping Instructions will be furnished by Bill Bailey, (Area Superintendent) (434) 983-1072.

ALL ITEMS:

NOTE Minimum delivery for stockpile material is 400 tons per day and minimum delivery for tailgate spread is 800 tons per day (when requested). Delivery may be required in one or more zones in the same day.

Line #	Item ID / Category	Item Desc	UOM	Minimum Order Qty	Amt	Maximum / Open Qty	Amt
2	7503548480	STONE, CRUSHED GRADE 25	LTN	0.01	0.00	10000.00 0.00	0.00

Pricing Agreement: Pricing Date: PO Date
Pricing Quantity: PO Date
Quantity Type: Quantity To Date

Contract Base Pricing 14.90000 LTN MAIN

Stockpile at Hampden Sydney A.H.Q.'s stockpile - 6.0 miles South of Farmville on Rt. 15 to Rt. 133 on the Right, 1.0 mile South/West to A.H.Q.'s on the left, Prince Edward Co. or Tailgate Spread within Zone 6 (per map attached to IFB).

Shipping instructions will be furnished by Kevin Smith, Area Superintendent. Phone: (434) 223-1025

Final = The price is final after adjustments
Hard = Apply adjustments regardless of other adjustments
Skip = Skip adjustments if any other adjustments have been applied

Unauthorized

CONTRACT

VA Dept of Transportation
VDOT Central Office
1201 E Broad St
Richmond VA 23219
USA

Dispatch via Print

Contract ID	Version	Page
00000000000000000000045035	1	2 of 3

Contract Dates	Currency	Rate Type	Rate Date
08/11/2016 to 08/10/2017	USD	CRRNT	PO Date

Description:	Contract Maximum
Stone	0.00

Contract Officer Name	Phone
Hudgins, Caroline S. (VDOT)	804/786-2777

Supplier 0000032750
J R Tharpe Trucking Co Inc
Donna Crews
201 ALGERENE RD.
VA10049482
EVAAD91219
DRAKES BRANCH VA 23937
USA

6330951270

Contract Lines:

Line #	Item ID / Category	Item Desc	UOM	Minimum Order Qty	Amt	Maximum / Open Qty	Amt
3	7503548480	STONE, CRUSHED GRADE 25	LTN	0.01	0.00	0.00	0.00

Pricing Agreement: Pricing Date: PO Date
Pricing Quantity: PO Date
Quantity Type: Quantity To Date

Contract Base Pricing 16.67000 LTN MAIN

Stockpile at Dillwyn A.H.Q.'s stockpile - 3.0 miles North of Dillwyn, to Rt. 669 to the Right, .10 miles to A.H.Q.'s on the left or Stockpile at Stock Location 1422, 20090 N. James Anderson Highway, Dillwyn, VA. or tailgate spread stone within Zone map 1 (per map attached to IFB).

Shipping instructions will be furnished by Garrett Taylor, Area Superintendent. Phone: (434) 953-1046

Line #	Item ID / Category	Item Desc	UOM	Minimum Order Qty	Amt	Maximum / Open Qty	Amt
4	7503548485	STONE, CRUSHED GRADE 26	LTN	0.01	0.00	0.00	0.00

Pricing Agreement: Pricing Date: PO Date
Pricing Quantity: PO Date
Quantity Type: Quantity To Date

Contract Base Pricing 16.41000 LTN MAIN

Crafton's Gate A.H.Q.s stockpile - .40 miles North of Rt. 47, on Rt. 15/360, A.H.Q.'s on the right or tailgate spread stone within Zone map 9 (per map attached to (IFB).

Shipping instructions will be furnished by Michael Terry, Area Superintendent. Phone: (434) 735-8517

Line #	Item ID / Category	Item Desc	UOM	Minimum Order Qty	Amt	Maximum / Open Qty	Amt
5	7503548485	STONE, CRUSHED GRADE 26	LTN	0.01	0.00	0.00	0.00

Pricing Agreement: Pricing Date: PO Date
Pricing Quantity: PO Date
Quantity Type: Quantity To Date

Contract Base Pricing 14.90000 LTN MAIN

Stockpile at Cumberland A.H.Q. - .10 miles East of Rt. 45 North, on Rt. 60, A.H.Q.'s on the left, Cumberland County or tailgate spread within Zone 4-A (per map attached to IFB).

Shipping Instructions will be furnished by Johnny Stout, Area Superintendent. Phone: (804) 492-5861

Final = The price is final after adjustments
Hard = Apply adjustments regardless of other adjustments
Skip = Skip adjustments if any other adjustments have been applied

Unauthorized

Lesson 2: Summary

2 Create or Update Procurement Contracts.

In this lesson, you learned:

- A contract is used to capture an agreement between the agency and the seller of the goods or services.
- The primary contract type used is a Purchase Order Contract.
- You use the **Contract Entry** page to enter contract specific information.
- You use the **Contract Items - Lines** section to define basic information for contract line items.
- Setting the contract to an **Approved** status allows the contract to be used on requisitions and POs.
- To print a contract, use the **Order Contracts** report or the **Dispatch Contracts** report and select a PDF format.
- The **Dispatch Contracts** report provides for a hard (print) copy of the contract with a signature line.

Lesson 3: Introduction

3 Maintain Contracts

This lesson covers the following topics:

- Search for Contracts
- Contract Versioning
- Update Contracts
- View Contract Change History
- Cancel/Close Contracts

Search for Contracts

Modifications to a contract may be needed throughout the life of the contract. We refer to these updates or changes as maintaining the contract.

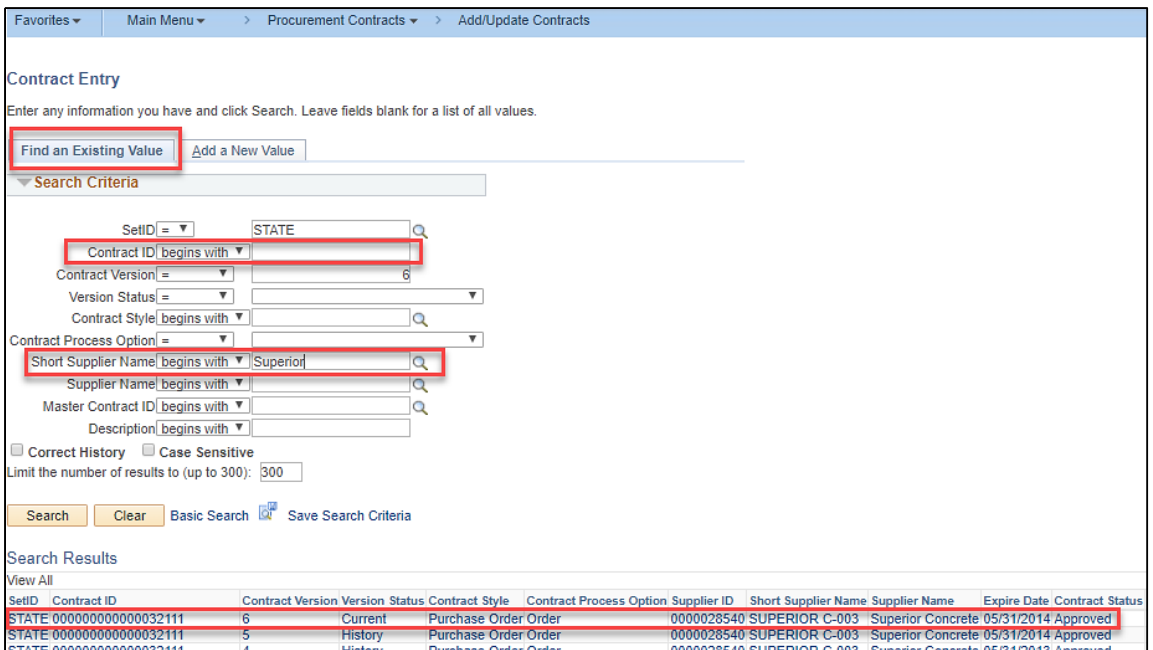
To make modifications to a contract, navigate using the following path:

Main Menu > Procurement Contracts > Add/Update Contracts

Using the **Find an Existing Value** tab, search for a specific contract by entering the **Contract ID**.

Alternatively, find all contracts associated to a supplier by entering in the **Supplier Name**.

Click **Search**. Select the hyperlink for the contract to be modified.

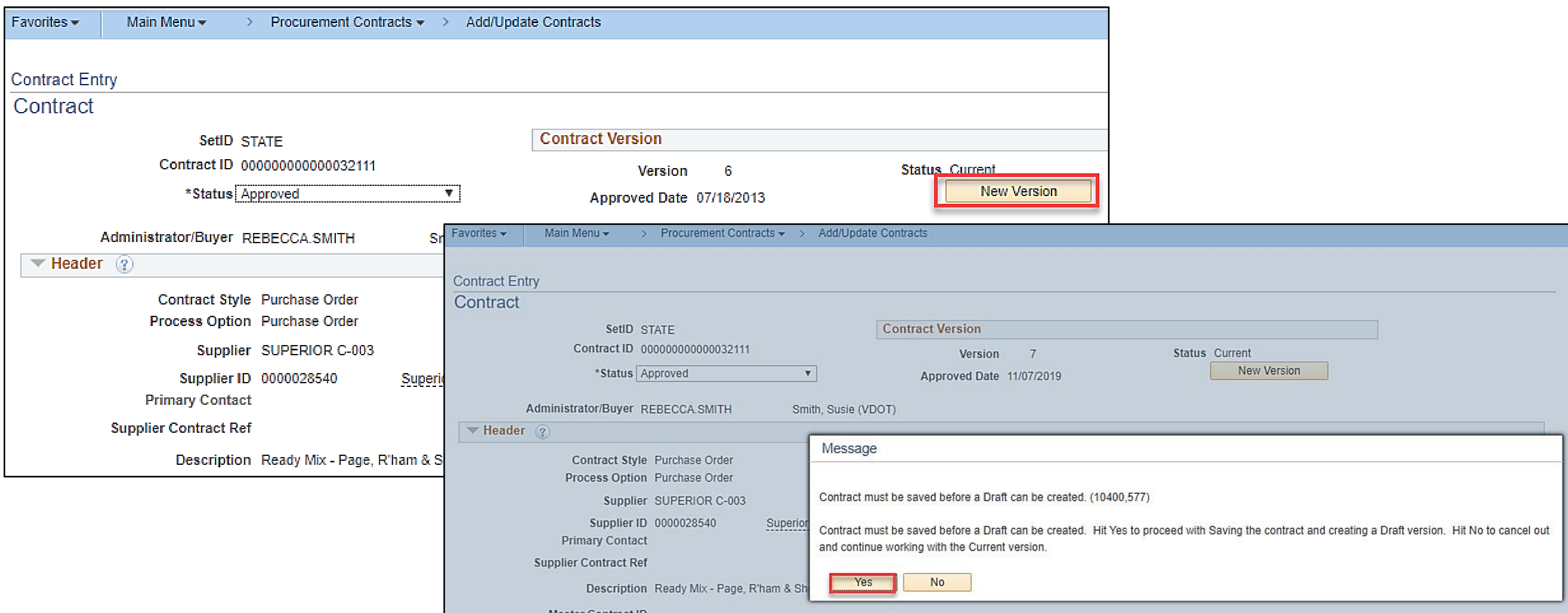


Contract Versioning

Create a new version when material changes need to be made to an approved contract. This includes the addition of lines, price changes, expiration date changes, other modifications, and closing.

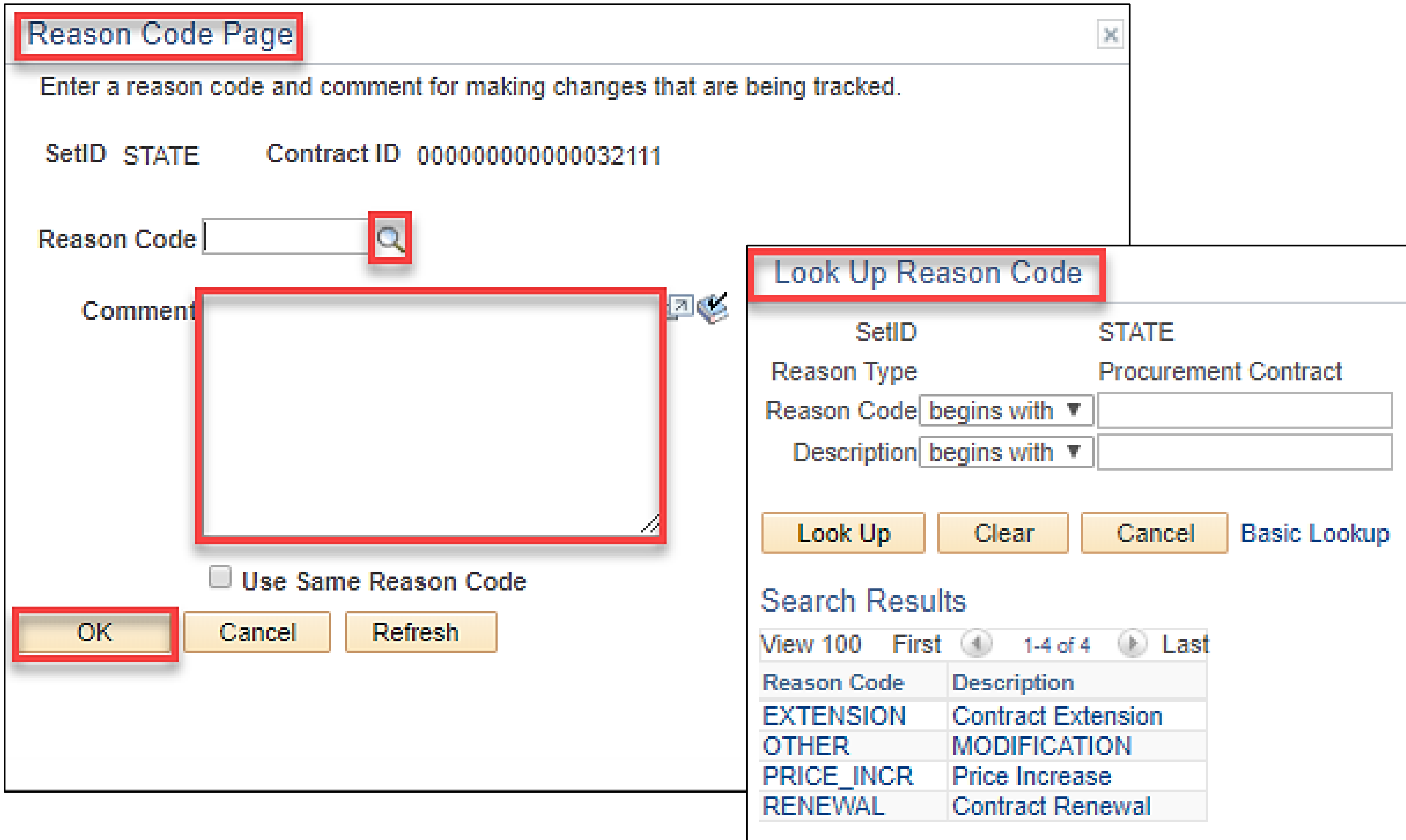
Cardinal copies all contract information from the current version to the new draft version and sets the new version status to **Draft**. From the **Contract Entry – Contract** page:

- Click **New Version**.
- A warning message will be displayed. Click **Yes**. The **Reason Code** pop up will be displayed.



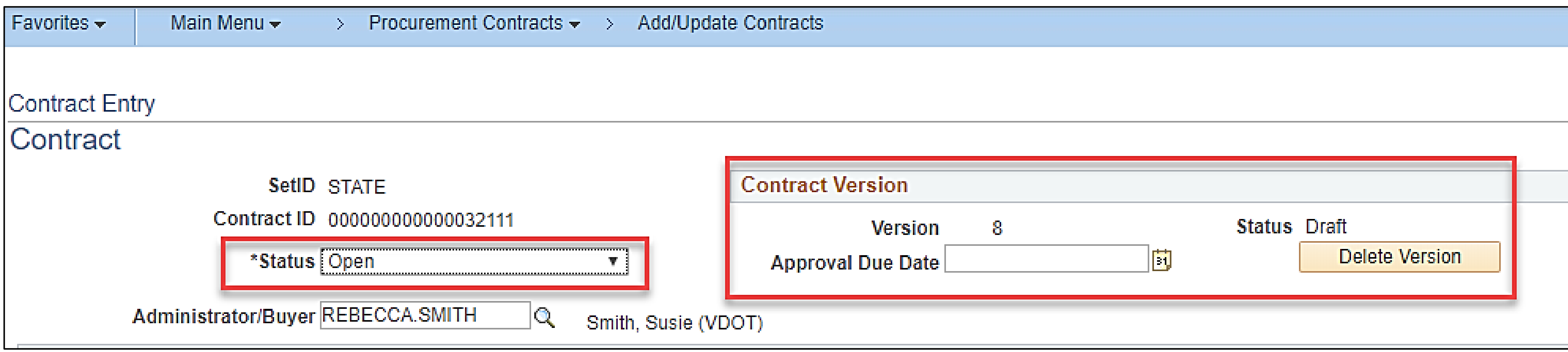
Contract Versioning (continued)

In the **Reason Code** pop-up window, select a **Reason Code** using the magnifying glass icon next to the field. Then enter a comment on what the change will entail and click **OK**. The new version, in draft status, will open for editing.



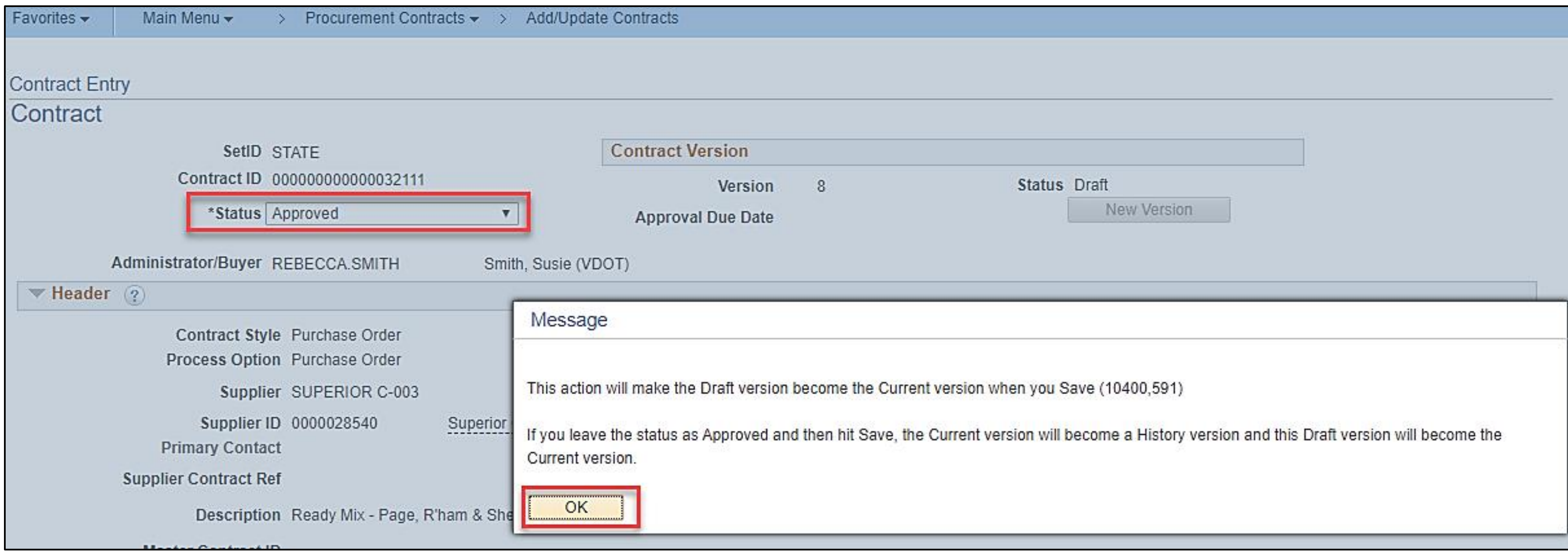
Contract Versioning (continued)

- Cardinal displays the new draft version number and sets the contract **Status** for the draft version to **Open**.
- The **Version** number increments by 1.
- The **Delete Version** button is enabled.
- Any field may be changed and adding or cancelling lines is done the same way as when entering the contract.



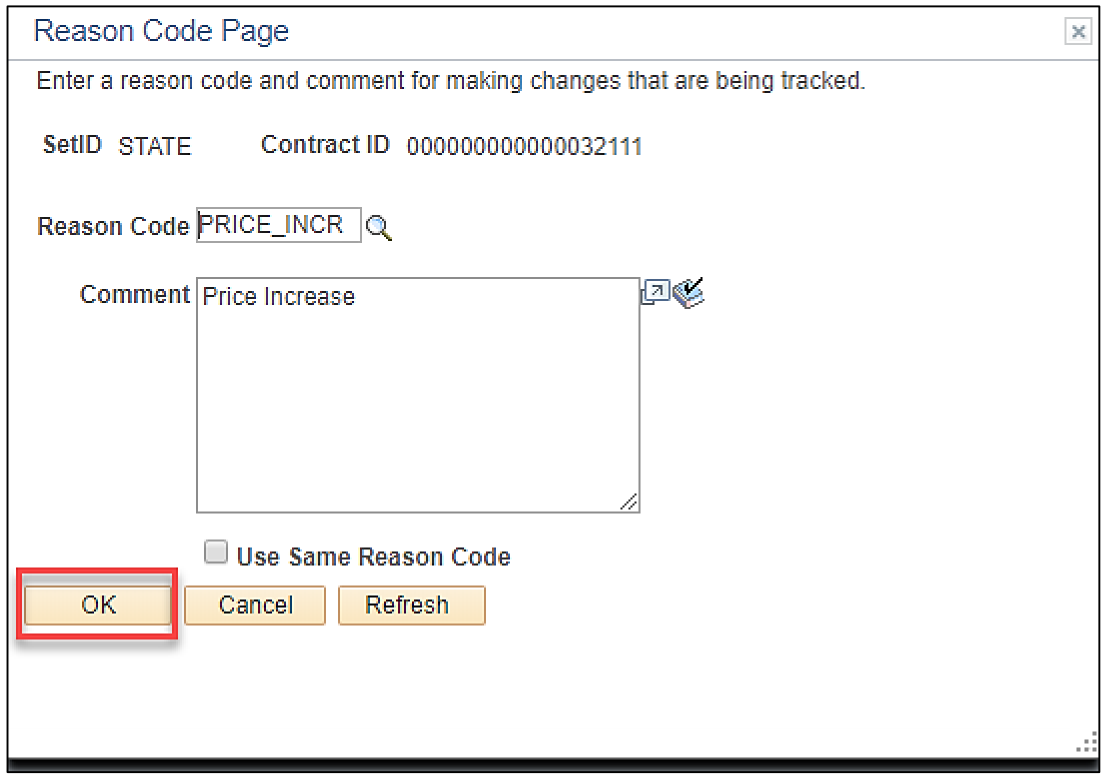
Contract Versioning (continued)

- Once all modifications are complete, change the contract **Status** to **Approved**.
- Changing the **Status** prompts a message to appear: “This action will make the Draft version become the Current version when you Save.” Click **OK.**



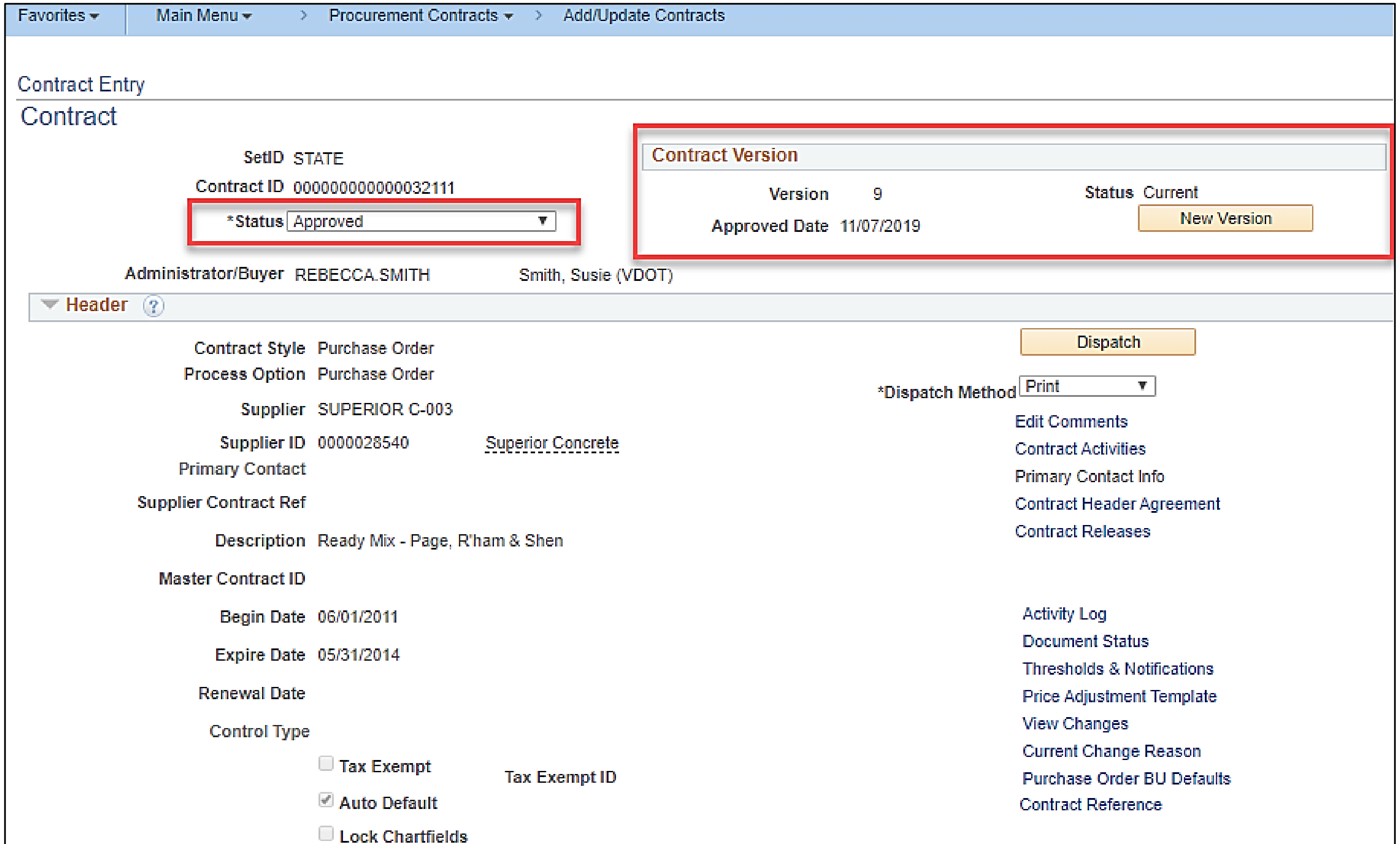
Contract Versioning (continued)

- The **Reason Code** pop up displays. After making the reason code selection click on **OK**.



Contract Versioning (continued)

- Click **Save** to commit the changes. The **Draft** version becomes the **Current** version and the previous **Current** version's status is set to **History**. The new **Current** version is available for use.



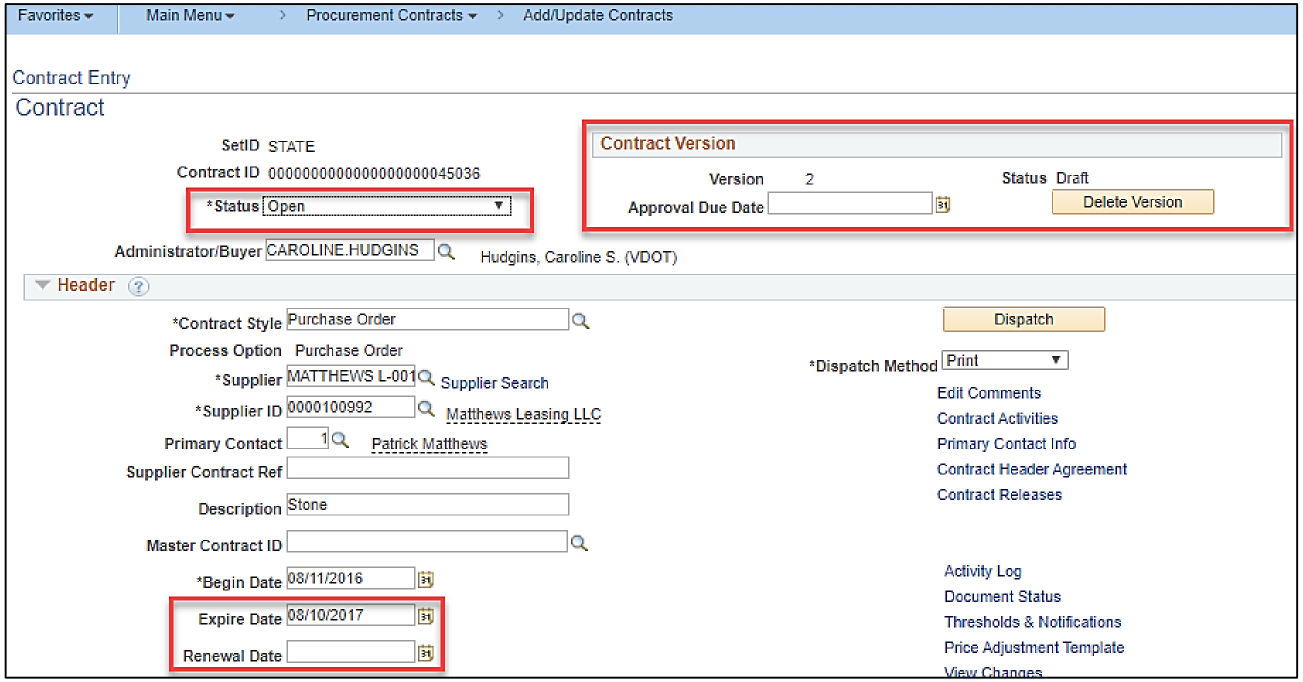
Update Contracts

Updates to Contracts: Contract Entry– Contract page, **Header** section:

On occasion you may need to update the expiration or renewal date. While the contract **Status** is **Open** and you are in **Draft** mode of your new version, you can modify the **Expire Date** or **Renewal Date**:

- Date ranges can cross fiscal years.
- When you change the **Expire Date**, you either shorten or lengthen the contract's coverage date range.

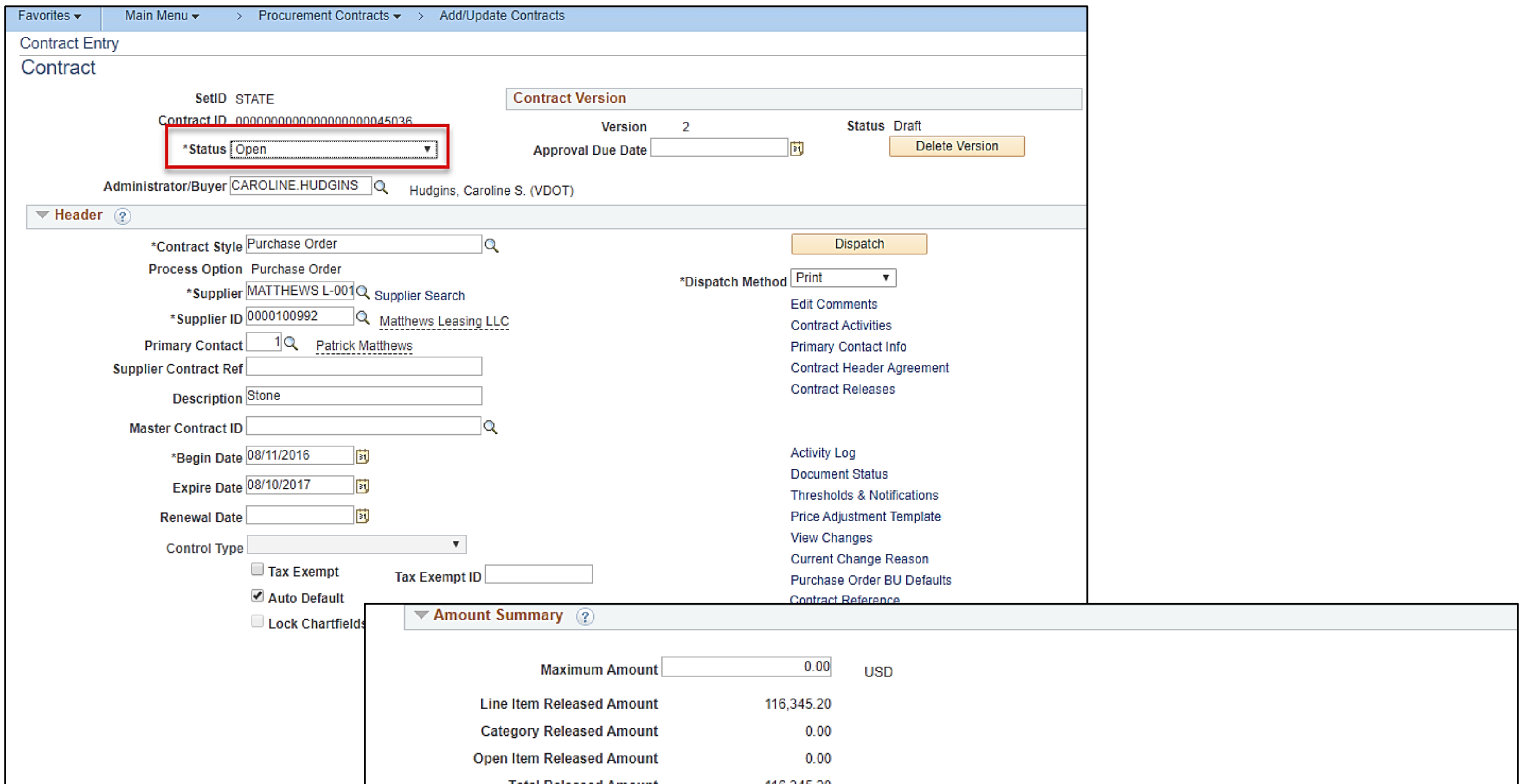
Remember if a contract expiration or renewal threshold notification has been set, an email and worklist item will appear when the **Expire Date** or **Renewal Date** is within the days set for notification.



Update Contracts (continued)

While the contract **Status** is **Open** and in **Draft** mode of the new version, a contract's **Maximum Amount** can be increased or decreased:

- When reducing the contract maximum, the amount cannot be less than the total amount of the POs already released against the contract.
- Increase the contract maximum to any amount required.

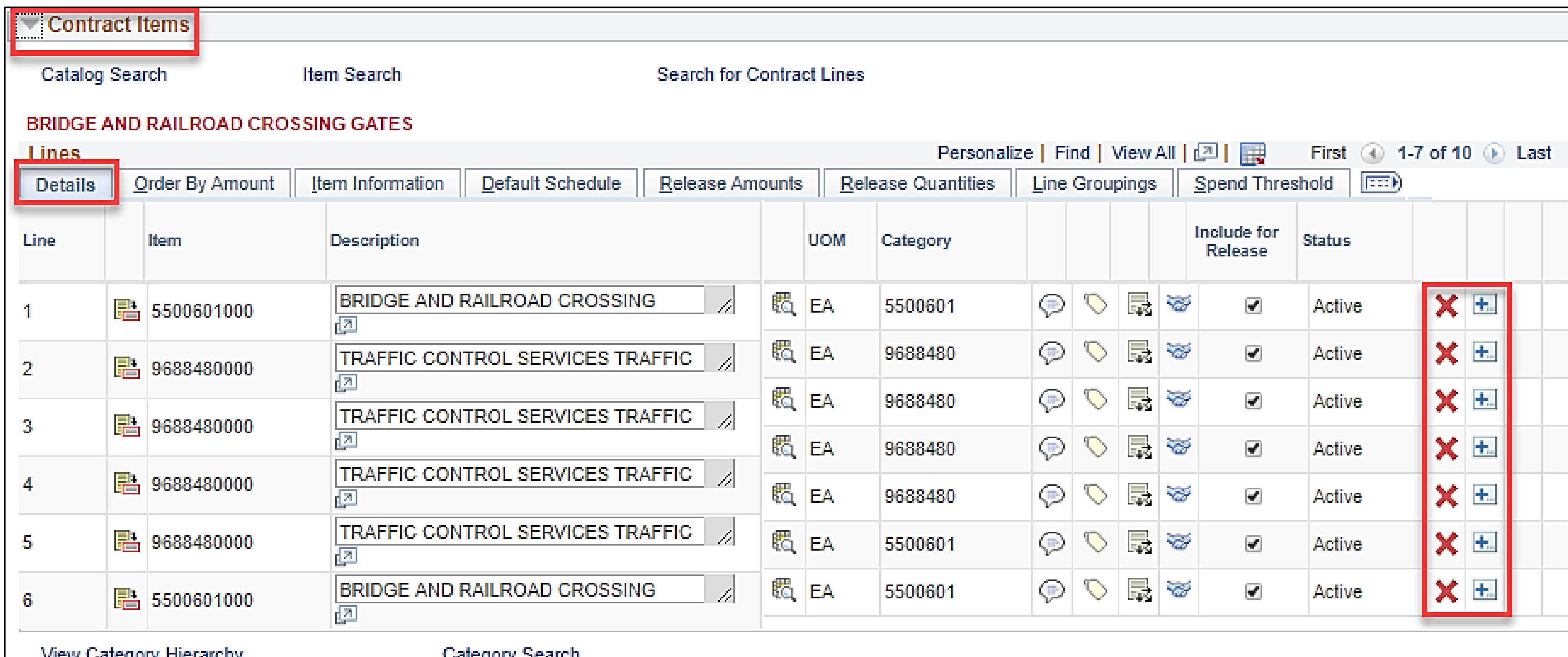


Add or Cancel Contract Lines

Updates to Contracts: Contract Entry– Contract page, **Contract Items - Lines** section:

New lines can be added by clicking the **+** icon at the end of the line on any tab. Enter in the specific item information, price, description, etc. See Lesson 2 for details on adding **Lines** to contracts.

In some cases, the system allows cancellation or inactivation of the line and the Cancel button (a red **X**) appears on the **Details** tab for these actions to be performed.

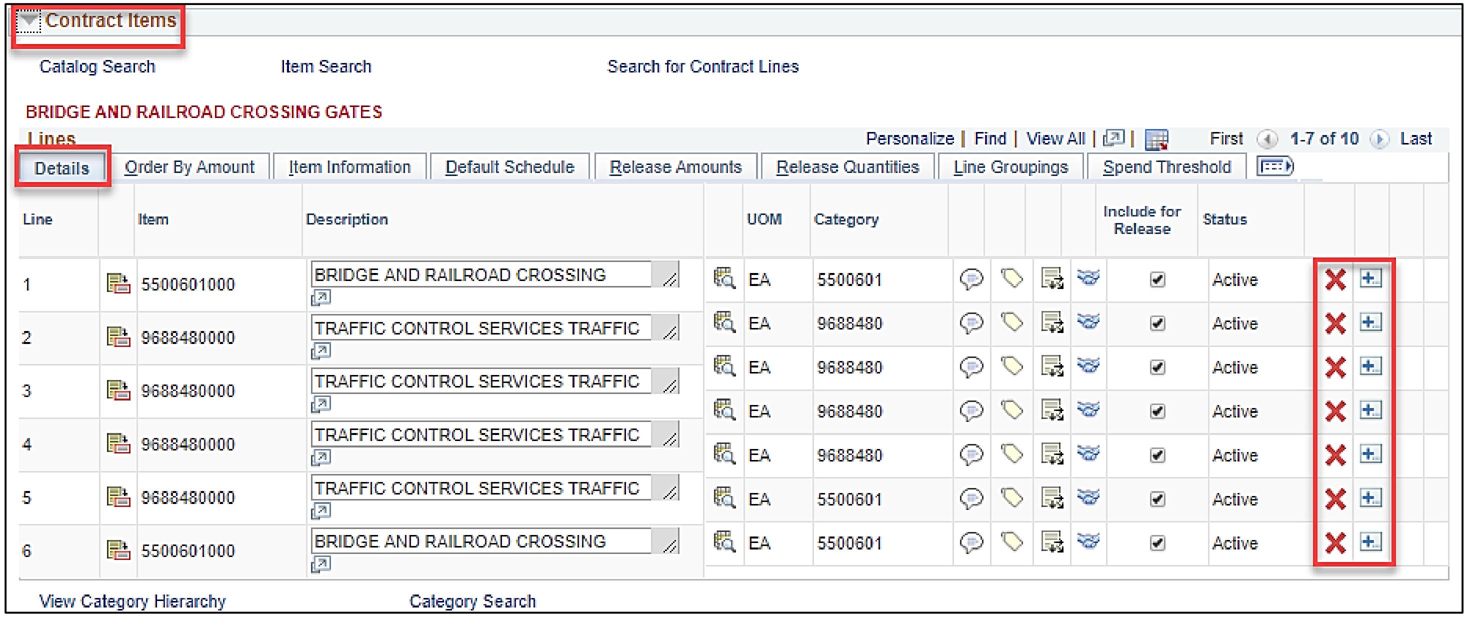


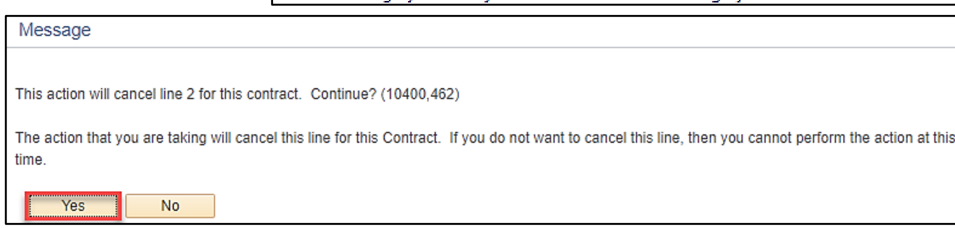
Cancel a Contract Line

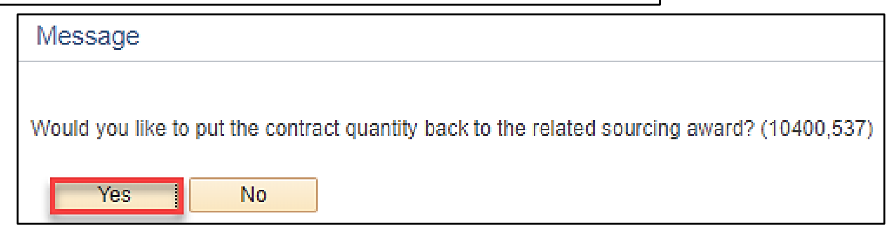
Contract Items - Lines section, continued:

Both cancellation and inactivation of a line result in no future orders being allowed for that line item. If no purchase orders have been placed against a line then the line can be cancelled. If purchase orders have been placed, the line will be inactivated.

- Click the **Cancel (X)** on the line to be cancelled/inactivated. A pop-up window will appear indicating the line is being cancelled/inactivated. Click **Yes** to continue.







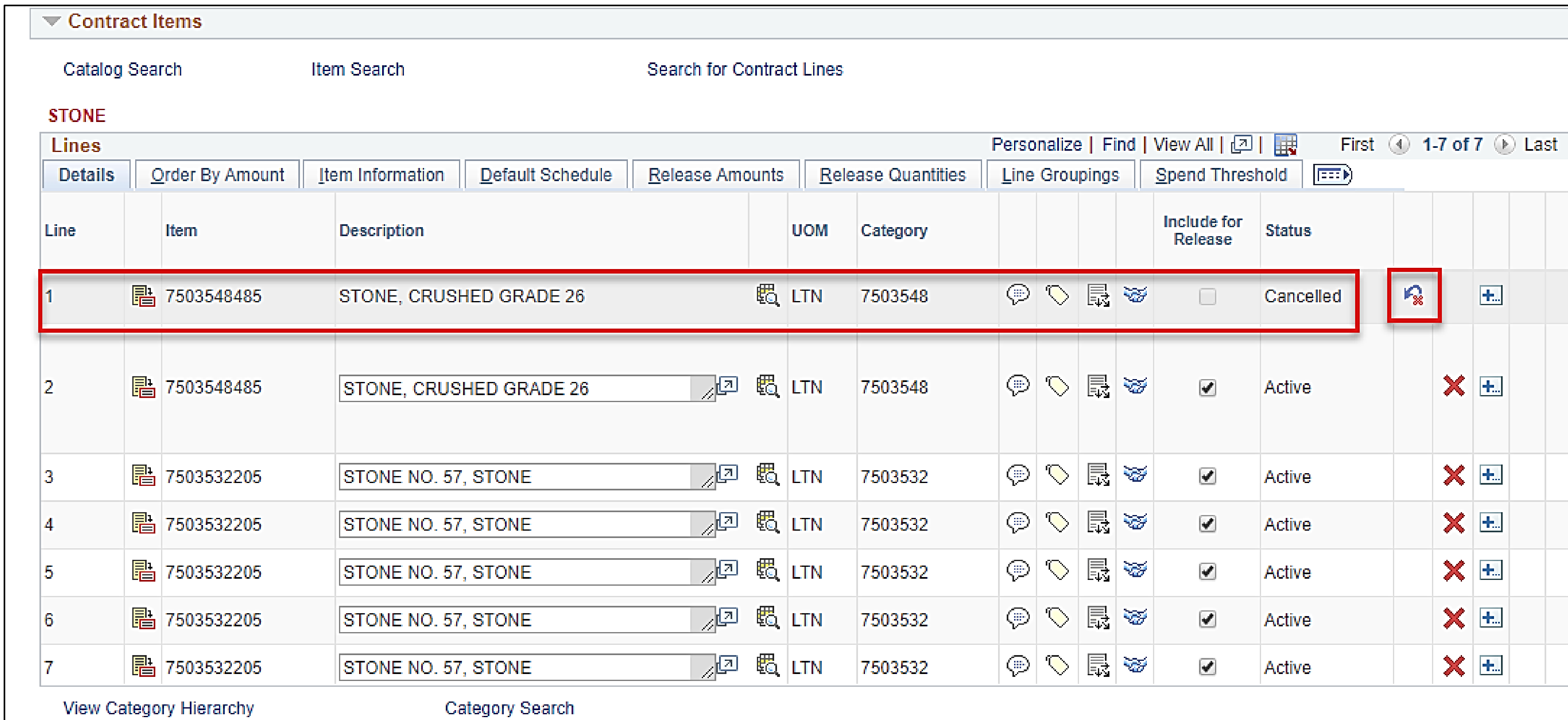
Cancel a Contract Line (continued)

Contract Items - Lines section, **Details** tab continued:

- After clicking **Cancel (X)**, the line still appears but the fields are protected and the **Reactivate** icon is available.

  The line **Status** has been updated to **Cancelled**.

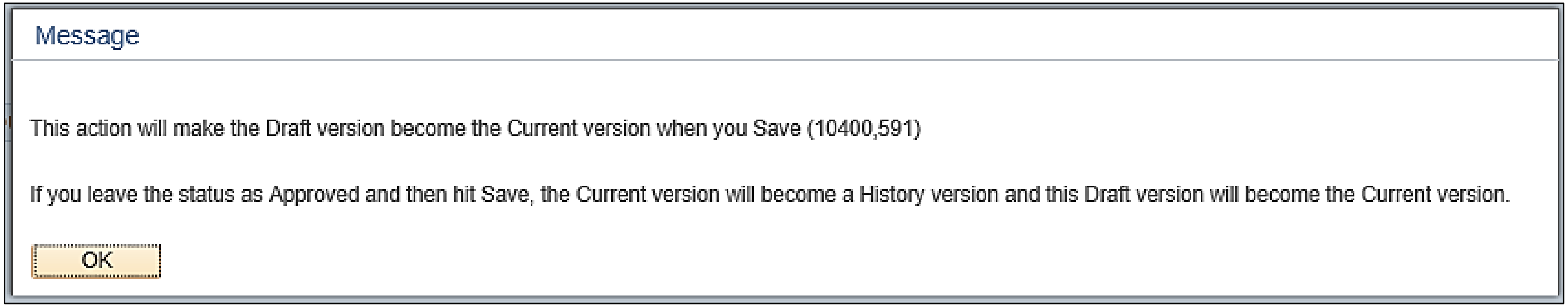
- Click the **Reactivate Line** icon and the line returns to its active state as if nothing ever happened.



Cancel a Contract Line (continued)

Cancel/Inactivate a Line continued:

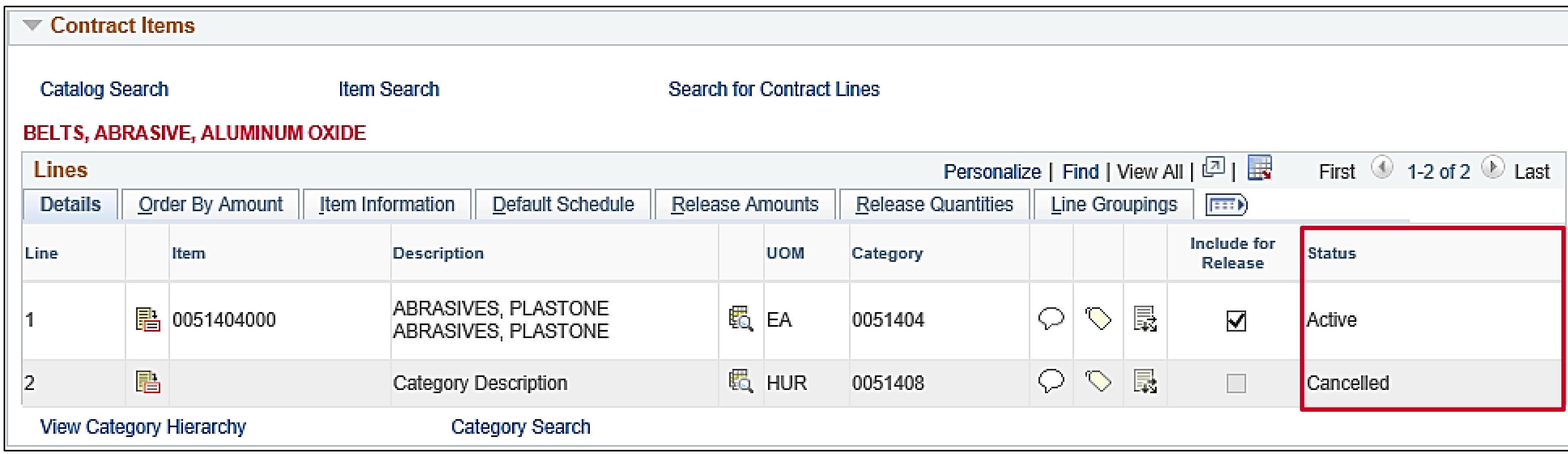
- After reviewing the modifications, change the contract **Status** to **Approved**.
  - A pop-up window will appear with the message “This action will make the Draft version become the Current version when you Save.” Click **OK** to return to the **Contract Entry – Contract** page.
  - To commit the contract modifications, scroll down to the bottom of the **Contract Entry– Contract** page and click **Save**.



Cancel a Contract Line (continued)

Once a draft version's **Status** is changed to **Approved** and the contract is saved, the cancelled/inactivated line(s) cannot be re-activated. The line remains on the contract but cannot be sourced to a PO.

After approving and saving, each line will have an updated **Status** and the **Reactivate** option is no longer available.

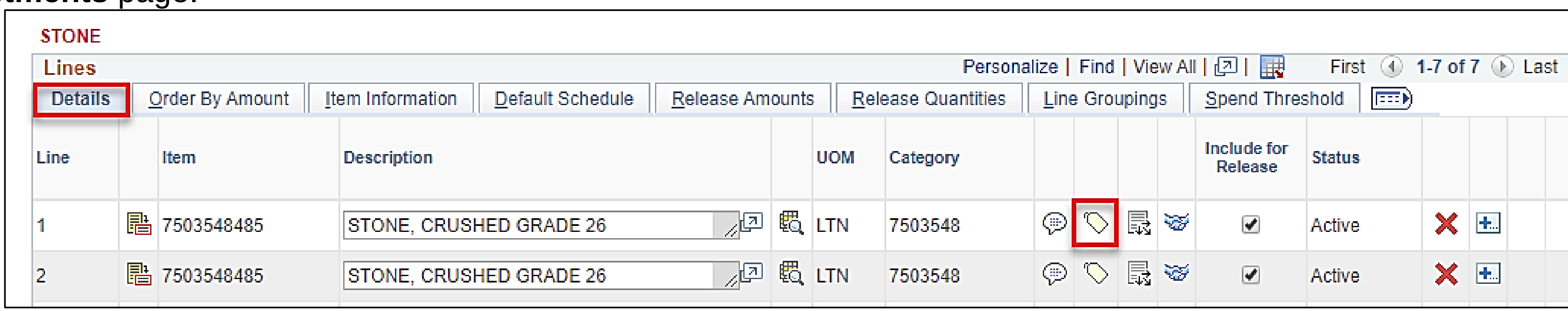


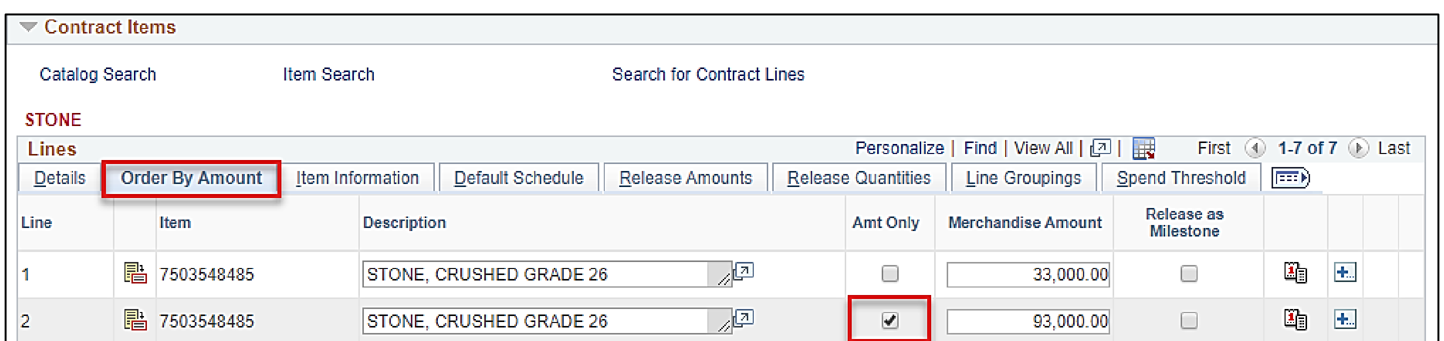
Update Contract Line Price Adjustments

The **Price Adjustments** feature enables users to change the price by amount or percentage. **Price Adjustments** are always calculated against the contract **Base Price**. The first price adjustment may be done by percentage, however subsequent adjustments must be done by amount.

- From the **Contract Items - Lines** section, **Details** tab, click the **Price Adjustments** icon next to the line to be updated. The **Price Adjustments for Item Line XX** page will display. **Note:** The option to adjust price only available for transactions in an open status. If the contract is in an approved status and a price adjustment is necessary, a new version of the contract will need to be created.

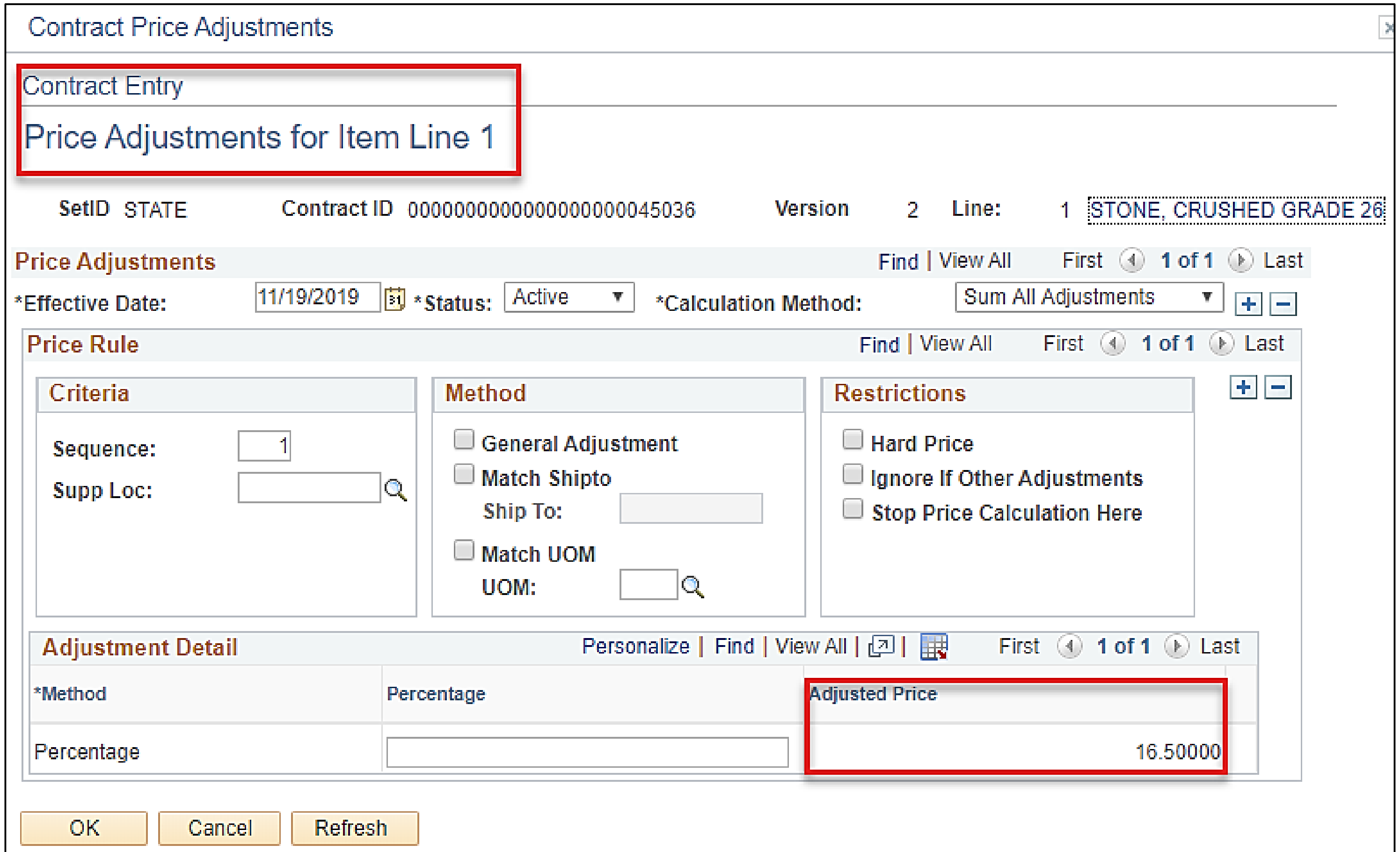
Note: Contract lines set to **Amt Only,** as seen on the **Order By Amount** tab**,** cannot be modified using the **Price Adjustments** page.





Update Contract Line Price Adjustments (continued)

Click on the **Price Adjustments** icon next to the line to be updated. The **Contract Entry - Price Adjustments for Item Line XX** pop-up window displays. The **Base Price** for the selected line is displayed.



Note: The option to adjust price only available for transactions in an open status. If the contract is in an approved status and a price adjustment is necessary, a new version of the contract will need to be created.

Update Contract Line Price Adjustments (continued)

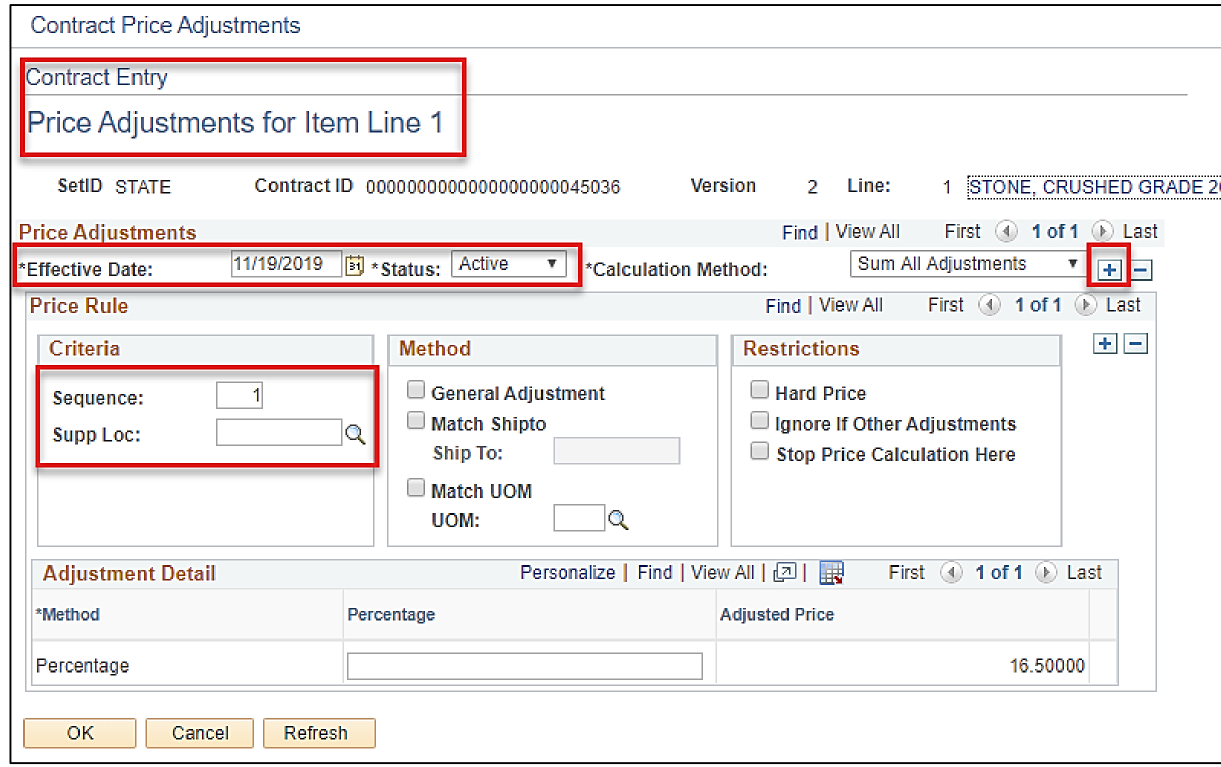
From the **Contract Entry - Price Adjustments for Item Line XX** pop-up window, for all types of **Price Adjustments**:

Price Adjustments section:

- Click on the **+** icon to add an effective-dated row.
- Enter an **Effective Date** for the price adjustment to start. Future effective-dated pricing may be used.
- The **Status** defaults to **Active**.

Price Rule Section:

- The **Sequence** defaults to **1**.
- The **Supp Loc** must be selected; in most cases, select **MAIN**.



Update Contract Line Price Adjustments (continued)

If the first modification to the price is based on Consumer Price Index (CPI) or Producer Price Index (PPI), as per the terms of the contract, use the **General Adjustment** method.

Method section:

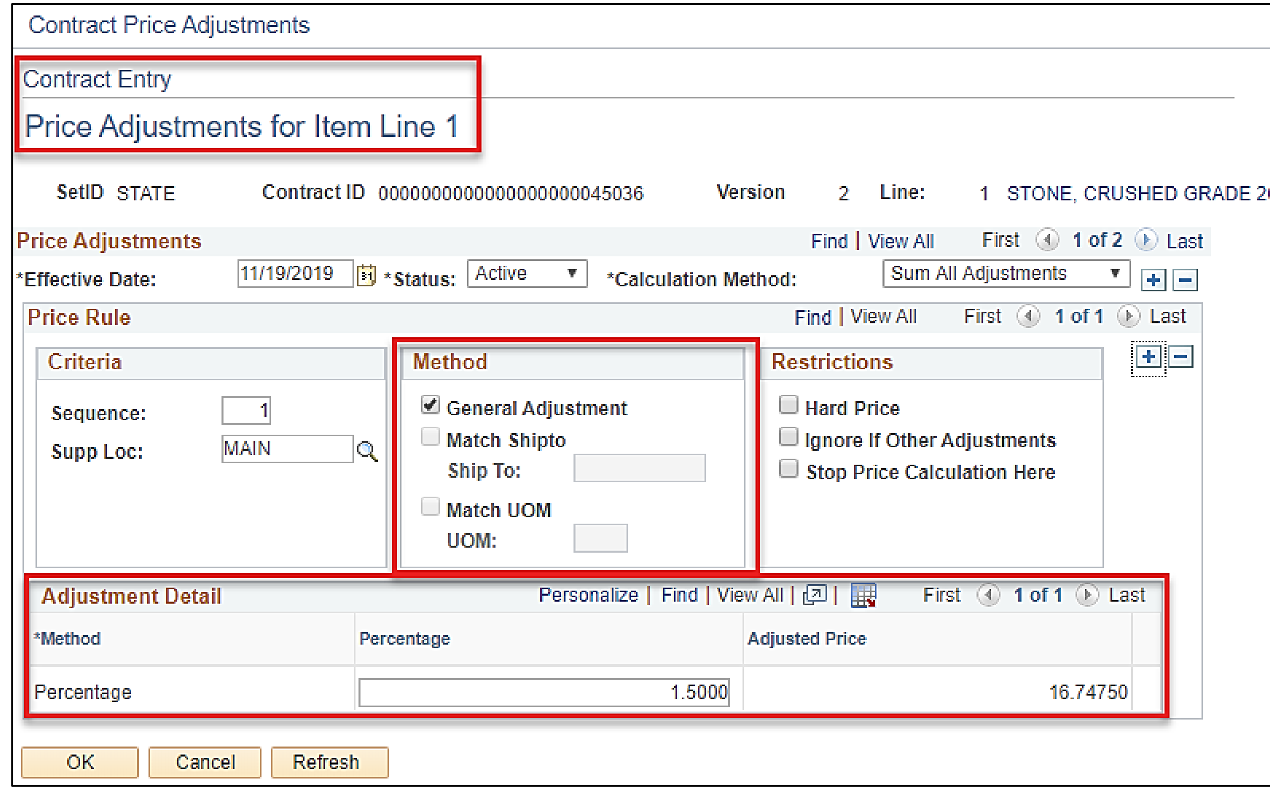
- Select **General Adjustment**.

Adjustment Detail section:

- Enter the CPI or PPI **Percentage**.
  Tab out of this field and the **Adjusted Price** will be updated and displayed on the new **Effective Date**.

- Click **OK** to return to the **Contract Entry – Contract** page.

To save the modifications, you must **Save** the draft version and set its **Status** to **Approved** on the **Contract Entry – Contract** page.



Update Contract Line Price Adjustments (continued)

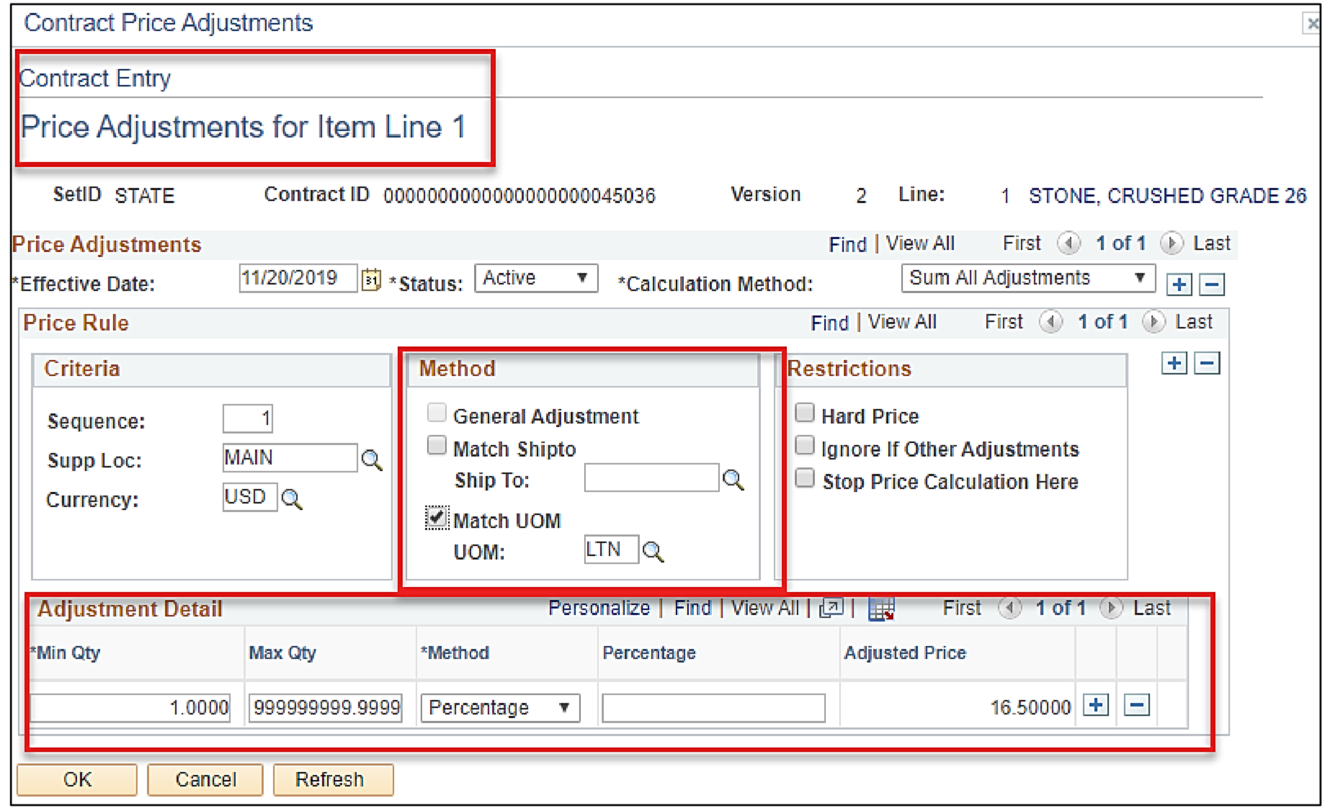
Price changes using amount or percent can be done with a new effective dated row and entering the difference between the base price and the new price. Use the **Match UOM** method.

Method section:

- Select the **Match UOM** checkbox and the system will display the **UOM** field. The **UOM** value selected must be the same as the **UOM** on the contract line.
- **Match Ship to** – DO NOT CHECK

Adjustment Detail section**:**

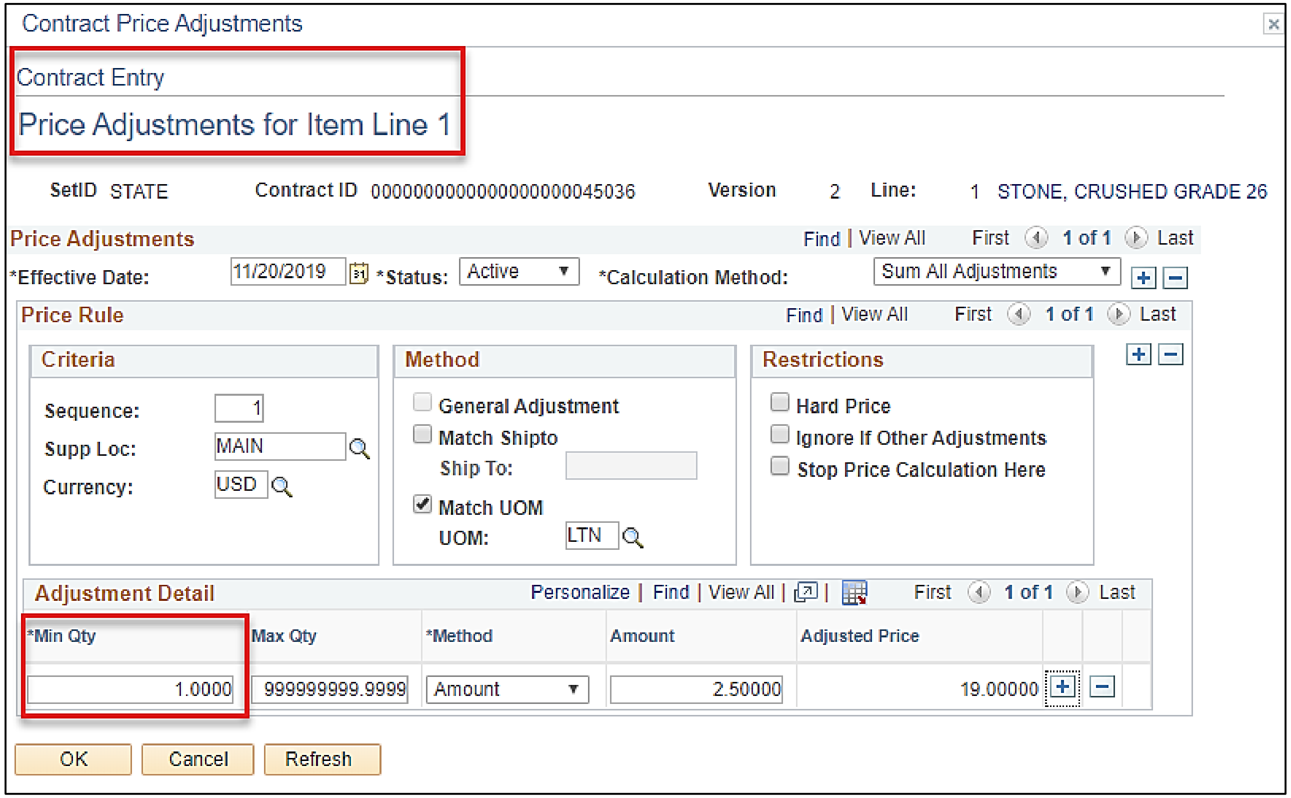
- **Method** - This may be set to either **Amount** or **Percentage**. The adjacent field will change to either **Amount** or **Percentage** based on the **Method** you select.
- Enter the change **Amount** or **Percentage**.
  - To enter a price reduction, enter a minus (**-**) sign before the number in the **Amount** or **Percentage** field.
- Click **OK** to accept the changes.



Update Contract Line Price Adjustments (continued)

Adjustment Detail section:

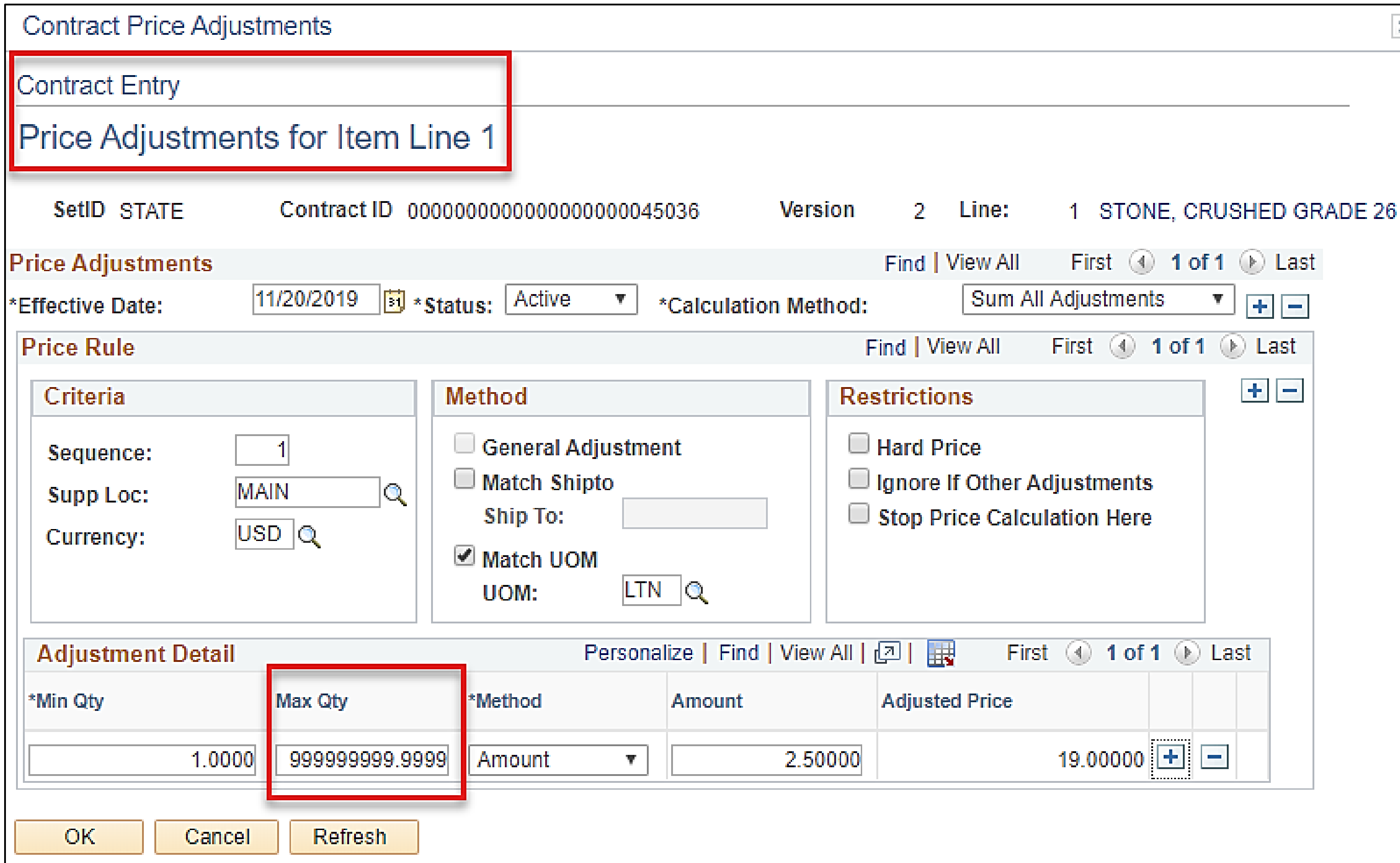
- **Min Qty:** The minimum quantity default is **1.** To allow the user to order a **Min Qty** of less than one, set the **Min Qty** to **.01**. (For example, stone is priced by the ton. However, a user may order ½ of a ton.) If the **Min Qty** is left at 1, and a user orders less than 1, the user will receive an error message indicating they must either modify the quantity ordered to meet the minimum or modify the contract minimum quantity.
- The **Min Qty** must be equal to or greater than (≥) the **Minimum Quantity** set on the item Purchasing Attributes.
- To have the new price applied to all quantities on an order, the **Min Qty** must be changed to the minimum quantity of the item.



Update Contract Line Price Adjustments (continued)

Adjustment Detail section continued:

- **Max Qty:** The maximum quantity defaults, and should remain at, **999999999.9999**.
- Click **OK** to return to the **Contract Entry – Contract** page.



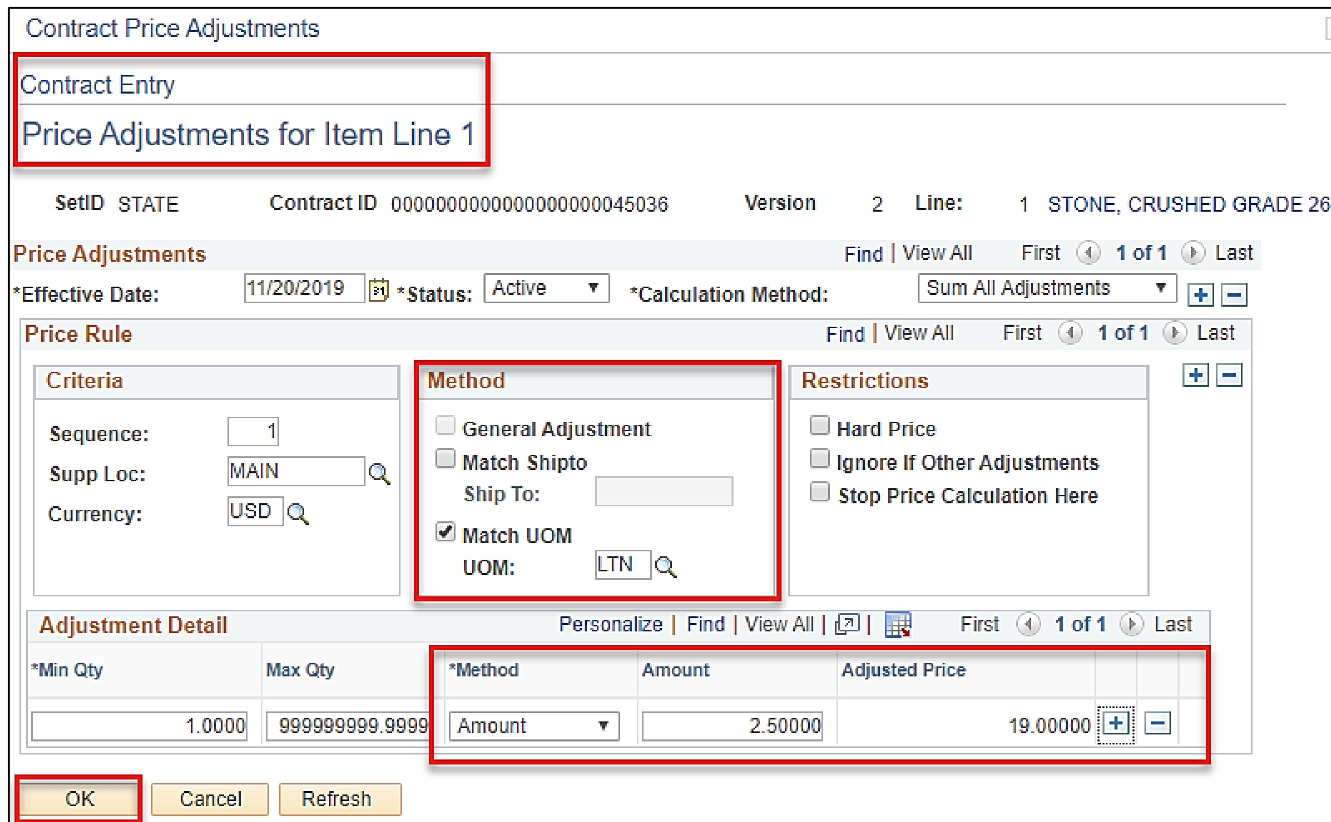
Update Contract Line Price Adjustments (continued)

Match UOM example:

The original base price was $16.50 and the price is increasing to $19.00. In the **Method** section, **Match UOM** is selected. The **UOM** field is automatically populated and matches the **UOM** on the contract line.

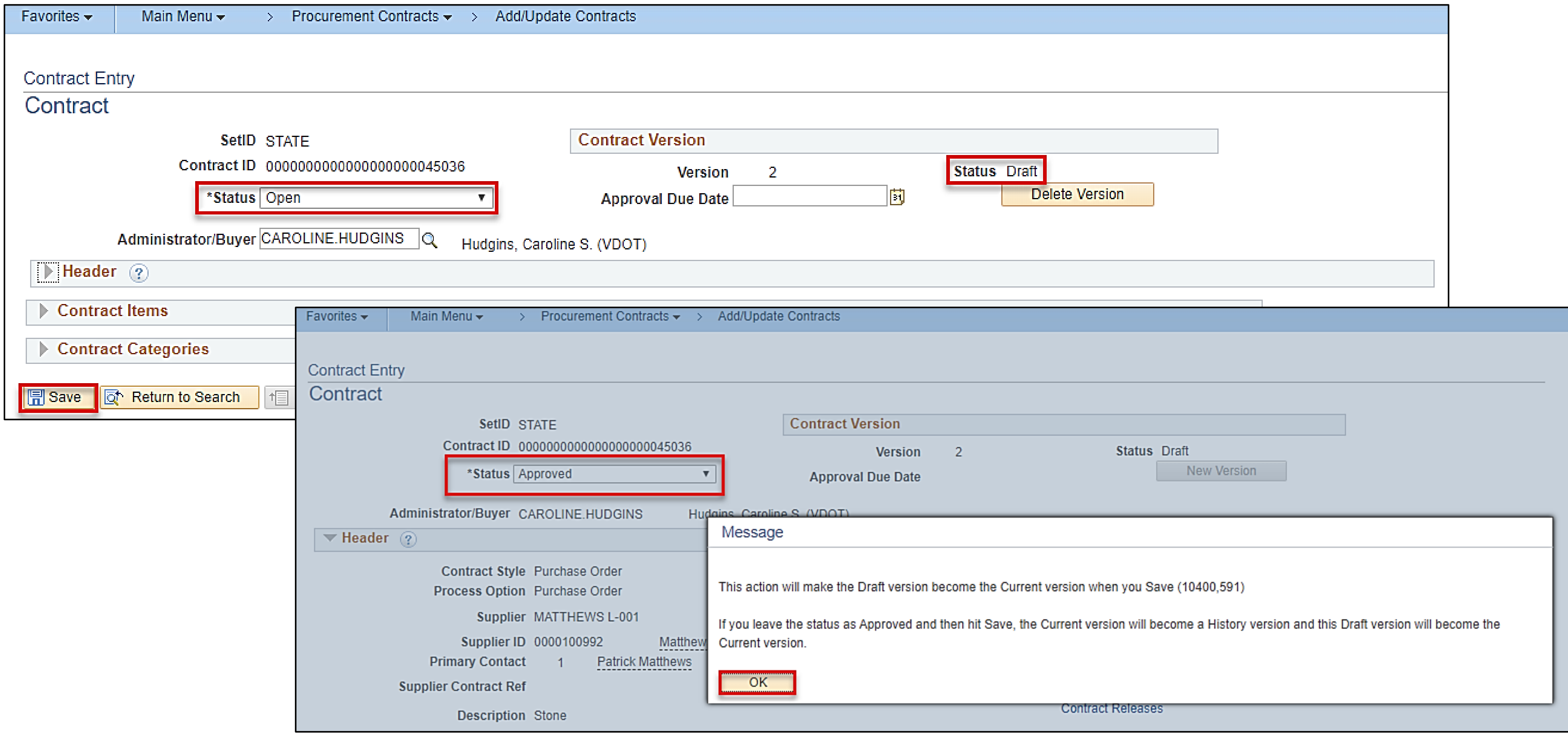
In the **Method** field select **Amount**. The **Amount** field appears and **2.50** is entered as this is the difference between the base price of $16.50 and the new price of $19.00. The **Adjusted Price** will automatically update to **$19.00** after the **Amount** is entered and tab out of the field or Click **OK**.

Click **OK** to accept the change.



Update Contract Line Price Adjustments (continued)

- To save the modifications, **Save** the draft version and set its **Status** to **Approved** on the **Contract Entry – Contract** page. When saving the user will receive a warning message with a reminder that the action will make the Draft the current version. Click **OK**.

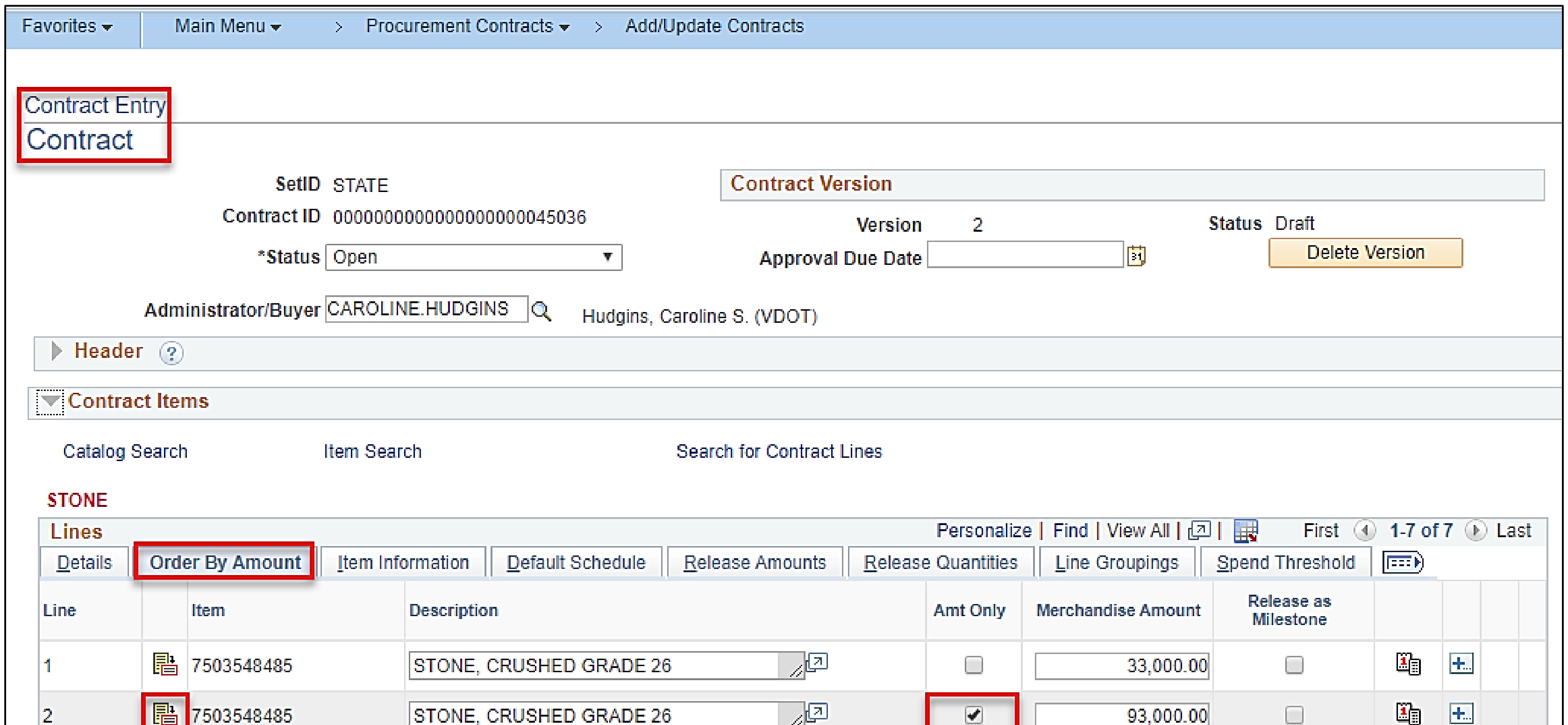


Update Amount Only Contract Line Price Adjustments

Updating the price for a contract line that is marked **Amt Only** differs from updating the normal contract line pricing. **Amount Only** pricing adjustments cannot be entered on the **Price Adjustments** page and cannot be effective-dated.

To adjust **Amount Only** Lines from the **Contract Entry– Contract** page, **Contract Items - Lines** section, either:

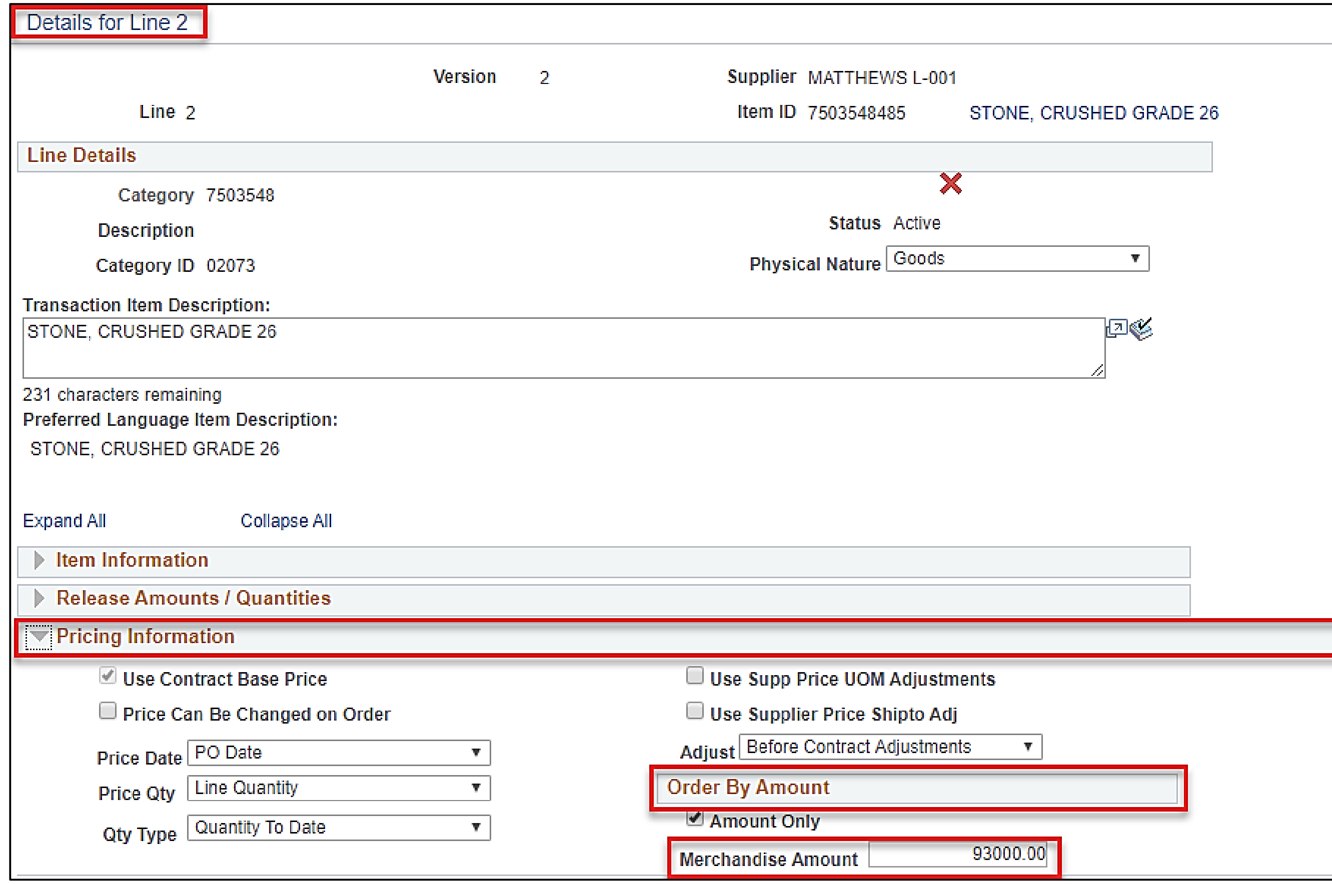
- Uncheck the **Amt Only** checkbox and follow instructions from the prior page; or
- From the **Oder by Amount** tab click the **Line Details** icon to display the **Contract Entry– Details for Line XX** page.



Update Amount Only Contract Line Price Adjustments (continued)

To Adjust **Amount Only** Lines continued:

- From the **Contract Entry– Details for Line XX** pop-up window:
  - Scroll down and expand the **Pricing Information** section.
  - In the **Order By Amount** section, update the **Merchandise Amount** field to the new price.
  - Scroll down to the bottom of the page and click **OK** to return to the **Contract Entry – Contract** page.
- To save the modifications, you must **Save** the draft version and set its **Status** to **Approved** on the **Contract Entry – Contract** page.



View Contract Change History

Use the **Contract Change History** page, to view all changes to a contract. This page details the contract version, change type, description, date, reason code, and individual who made the change.

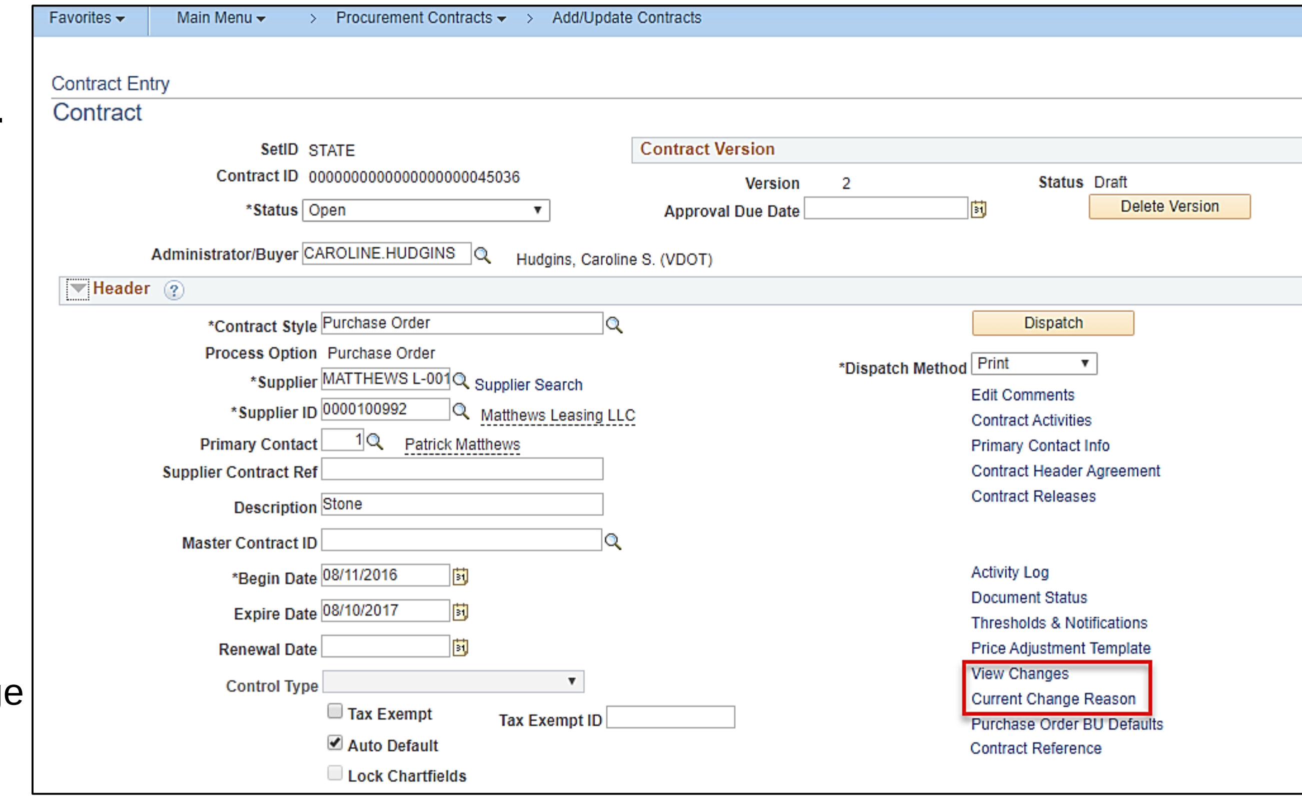
Navigate to the **Contract Change History** page using the following two methods:

- Navigate using the following path:

  Main Menu > Procurement Contracts > Add/Update Contracts

- Click on the **View Changes** hyperlink on the **Contract Entry – Contract** page.

Note: Also on the **Contract Entry – Contract** page is the **Current Change Reason** hyperlink which may be used to view the last change reason code and any related comments.



View Contract Change History (continued)

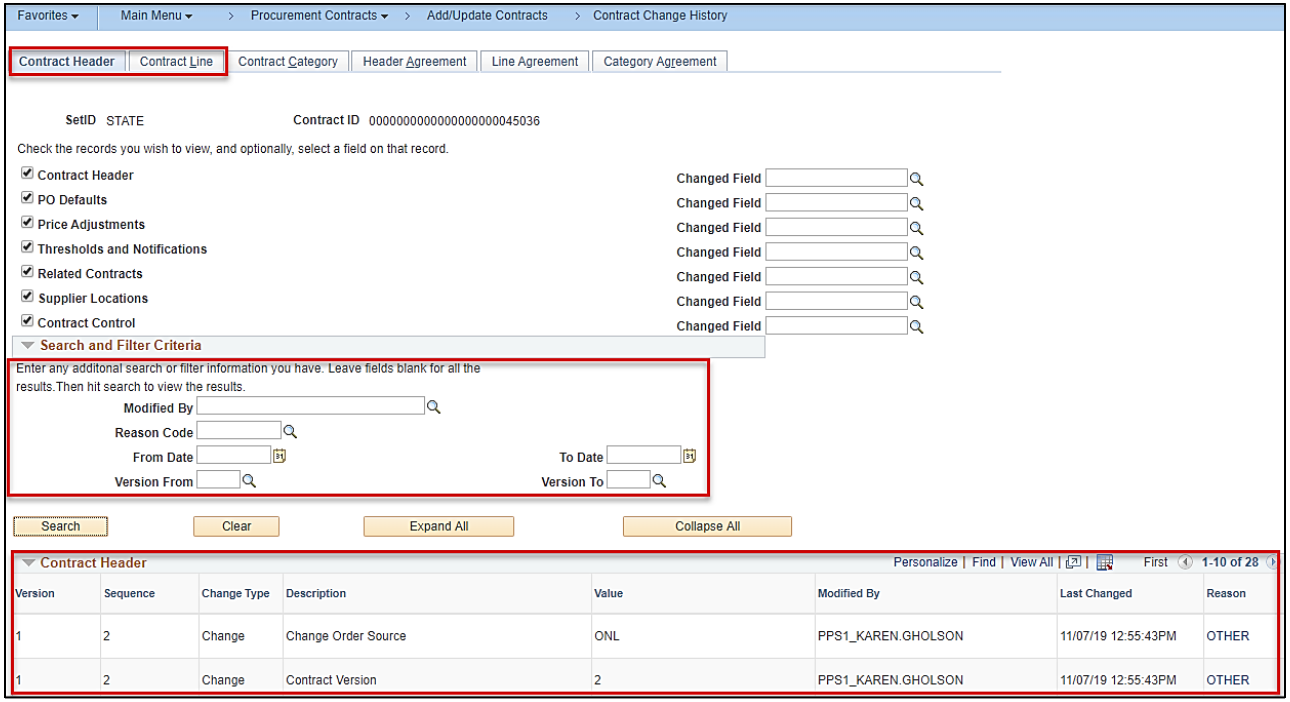
From the **Contract Change History** page, it is possible to search to locate a specific change using the fields in the **Search and Filter Criteria** section or view all results by leaving all fields blank and clicking the **Search** button.

Main Menu > Procurement Contracts > Add/Update Contracts > Contract Change History

Change Type:

- **Change** indicates a changed field and its value.
- **Original** indicates the original field and its value. The **Original** value applies only to the original contract with a sequence of zero.

On the **Contract Change History** page, only the **Contract Header** and **Contract Line** tabs are used.



Cancel/Close Contracts

Cancel or close a contract from the **Contract Entry - Contract** page.

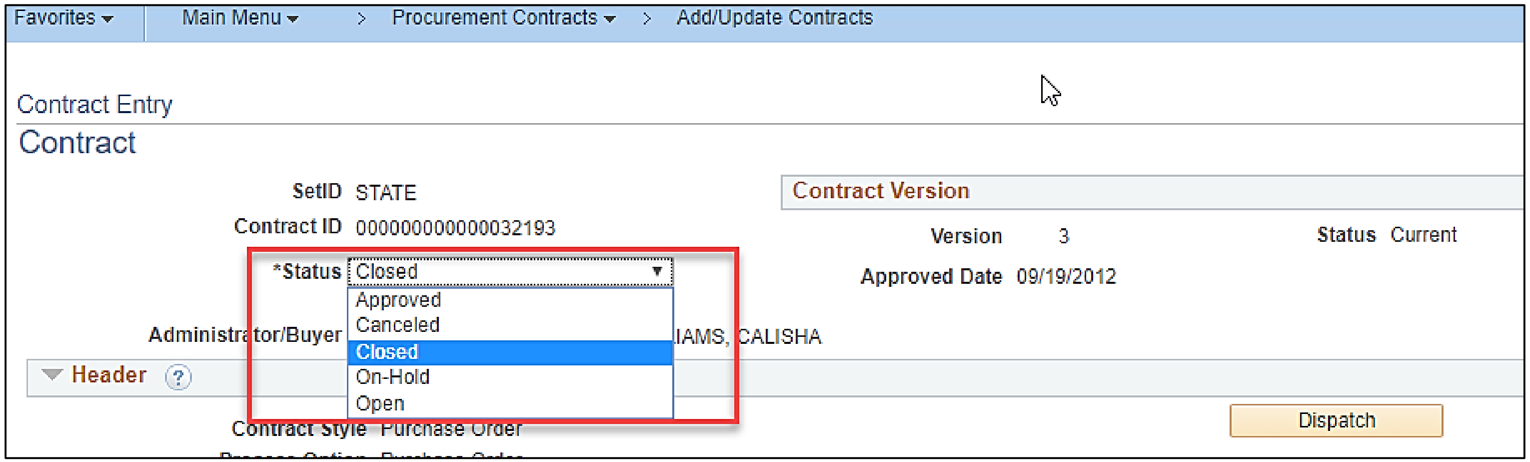
Navigate to this page using the following path:

Main Menu > Procurement Contracts > Add/Update Contracts

Cancel:
A contract can be cancelled when there are no related requisitions or POs.

Close:
Once a contract has expired or otherwise ended, and is not going to be renewed, it must be **Closed**.

To Cancel/Close:
- Set the **Status** to **Cancelled** or **Closed**.
- Unselect the **Send Date/Amount Notification** checkbox on the **Thresholds & Notifications** page to stop future notifications.
- Scroll to the bottom of the page and click **Save**.



Lesson 3: Summary

3 Maintain Contracts

In this lesson, you learned:

- When searching for a contract, you can search for a specific contract by entering a contract ID.
- A material update to a contract requires a new version to be created.
- You can view changes to a contract, such as changes to the contract header or contract lines, on the **Contract Change History** page.
- You can cancel a contract that has not been added to a requisition or a PO. You cancel a contract using the **Contract Entry – Contract** page at the header level by selecting the contract **Status** of **Cancelled**.

Lesson 3: Hands-On Practice

Now you have an opportunity to practice the lessons learned today in a training environment.

Your instructor will provide direction on how to log in and complete the exercise.

If you have any questions, please ask your instructor.

Course Summary

PR348 | Entering Procurement Contracts

In this course, you learned how to:

- Understand procurement contract concepts, processes, integrations, and interfaces
- Enter, update, and maintain contracts
- Enter contract thresholds, notifications, and items
- Understand contract versioning
- Close or cancel contracts

Course Evaluation

Congratulations! You successfully completed the **501 PR348: Entering Procurement Contracts** course.

Your instructor will provide instructions on how to access the evaluation survey for this course.

Appendix

- Key Terms
- Allowed Extensions on Attachments in Cardinal
- Flowchart Key

Key Terms

Attachments: Attachments are additional files (documentation) that provide more detail about the document and that support agreement verification steps.

Contract Modification: Modifications are updates or changes to an existing contract. A modification to a contract can result from changes in source transactions, contract terms, etc. Modifications are captured using versioning.

Contract Reference: Displays additional contract information including **Resp Org** and **Contract Category**.

Contract Version: Contract versions refer to the revision of a purchasing contract transaction. This functionality provides you a method to revise the transactional contract as a new draft version while the prior version of the transactional contract is still active within procurement.

Corporate Contract: A contract used statewide by all state agencies or business units. A non-corporate contract is a contract that is restricted by business unit; business units are assigned on the **PO Defaults** page in Contract Entry.

Procurement Contracts: A procurement contract is a contract that exists as the binding understanding between a state agency and a supplier. This includes procurement contract information such as supplier name, maximum amounts, terms & conditions, line items, and pricing. Procurement contracts may originate from Strategic Sourcing events, SiteManager, or outside of Cardinal.

Retainage: Retainage is a portion of the agreed upon contract price deliberately withheld until the work is substantially complete to assure that contractor or subcontractor will satisfy its obligations and complete a construction project.

Allowed Extensions on Attachments in Cardinal

The following is a list of file extensions that are allowed on attachments uploaded to Cardinal. You should only attach key supporting documents that either enhance the electronic Cardinal transaction approval process or are instrumental as part of the transaction history. The Cardinal system should not be relied upon to maintain agency documentation and should not be considered the official retention source of the agency. Supporting documents, as required by all applicable regulatory/governing bodies, should be maintained by the agency apart from the Cardinal attachment functionality.

Allowed Extensions on Attachments in Cardinal		
.BMP	.CSV	.DOC
.DOCX	.JPE	.JPEG
.JPG	.MSG	.PDF
.PNG	.PST	.RTF
.TIF	.TIFF	.TXT
.XLS	.XLSX	.XML

Flowchart Key

Step Description	Depicts a process step or interface.	Start	Indicates point at which the process begins. Does not represent any activity.
Batch Process	Specifies a batch process.	End	Indicates point at which the process ends. Does not represent any activity.
Manual Operation	Depicts a process step that is preformed manually.	Document	Depicts a document of any kind, either electronic or hard copy.
Decision Outcome	Defines the possible outcomes of a decision or analysis that took place in a step immediately preceding.	X	Indicates an on-page or intra process connector. Used to avoid complex overlapping connector lines or to continue a process on a subsequent page.
Entity Name	Represents an entity (person, organization, etc.).	Step/ Process	Connects steps between business processes.