

eMARS Newsletter

October 11, 2013

Issue 41



The eMARS Newsletter disseminates information to agency users on key topics associated with the system.



New Office Supply Contract

A new office supply contract was effective on October 1, 2013. The Office of Procurement Services recently awarded the office supply RFP to Cardinal Office Products, MA 758 1400000374. With the new contract come new rebates. Agencies have the opportunity to realize an instant 3% rebate at the time the order is placed for any PCard order over \$150. Cardinal will provide a 1% instant rebate on all PCard orders as well as a 2% instant rebate on all orders that exceed \$150. Rebates are applied at the time of checkout. Discounts off the contract price may also be available for high volume orders. Agencies are encouraged to contact Cardinal when ordering high volumes of items such as copier paper for possible volume discounts. For more information about the contract, contact Mike Gustafson at mike.gustafson@ky.gov or Cardinal Office Products at (502) 875-3300 or bdennler@cardinalos.com.

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PCard and Cardinal Orders

As mentioned in the article above, Cardinal Office Supply will offer a discount on orders paid via PCard. A review of the previous Cardinal contract revealed that some agencies were not using PCard to pay for their orders. In light of the new terms of the contract, the Office of the Controller strongly suggests that ALL agencies take advantage of the discount offered by the vendor and use PCard as the primary method of payment for the Cardinal Office Supply Contract. For questions on acquiring a PCard within your agency, please contact your agency Procurement Card Administrator. All other PCard questions may be directed to Finance.CRCGroup@ky.gov.

Lowe's Contract Discounts



Per the Lowe's Master agreement, MA 758 1300001201, discounts are available when making Commonwealth purchases. Registration is required. Information on the various discounts and registration process can be found at:

http://finance.ky.gov/services/eprocurement/Documents/Lowes%20MA%20758%2013_1201%20Ordering%20%20Key%20Fob%20Instructions.pdf



Solicitation Document Preparation

Have you ever wondered why the word "default" appears in the Commodity Group line on the Commodity Group tab of the Solicitation document? It is there for a reason. Unless the contract award will be made by Commodity Group, the word "default" must not be deleted or changed. If it is removed, the *Load Responses* button on the EV document is disabled and awarding the solicitation from the EV is not possible. Creating the award from the EV document is a very important step in the award process. When the EV step is skipped, the contract award information does not post to the Vendor Self Service (VSS) site and the link between the solicitation and the contract is not established. When you create your award from the EV, the link between the solicitation and contract is created and all of the electronic records related to the solicitation and contract remain in the same Procurement Folder.

Commodity Group		Total Lines: 1	Line: 1	Commodity Group Description: Default
Line	Commodity Group Description			
1	Default			



More About the EV Document

Timing is everything, especially when completing the EV document. If the Publish box on the EV document is checked before you are ready to finalize the EV, the bid responses will post to VSS under the Public Bid Reading tab prematurely exposing the bidder's prices before the Award is final. **Protect your agency from unnecessary protests and inquiries by checking the Publish box only when you are ready to finalize the EV and create the Award.**



Competitive Exemption Requests – Not Practical or Feasible to Bid/Sole Source University MOA Exemption Requests

The process for requesting approval of competitive exemption and University MOA exemption is changing. The new process improves efficiency and provides a better approval tracking process.

Procurements for goods and services must go through a competitive process. Agencies should seek competition whenever possible. However, when the circumstance arises where only a unique item or service available from only one source will meet the agency's need or a required item or service is not feasible to bid, the agency must request approval from the Office of Procurement Services.

Agencies seeking a MOA exemption for agreements with state universities or colleges when the agreement does not result in the use of an employee of a state university or college to fill a position or perform a duty that an employee of state government could perform if hired, also require approval from the Office of Procurement Services.

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The new approval process is simple:

1. Construct a letter addressed to Don Speer, Executive Director, Office of Procurement Services that contains a credible and comprehensive justification explaining the agency's need and why the selected good or service is not practicable or feasible to bid or that is available from sole source.
2. If requesting a sole source, obtain a letter from the vendor explaining they are the only available source for the item, service or product.
3. Email the letter(s) to OPS.reporting@ky.gov. Your letters will be logged by the date received, reviewed and returned with approval, instruction to submit a requisition or a request for additional information.
4. Email inquiries regarding the status of your letter to jenifer.taylor@ky.gov



Frequently Asked Questions about the Required Affidavit for Bidders, Offerors and Contractors

The executed Required Affidavit for Bidders, Offerors and Contractors MUST be attached to the eMARS contract (PO, PO2, CT, CT2 an MA). This is necessary for auditing purposes. Below you will find a list frequently asked questions regarding this document.

What must the affidavit be executed for?

- Competitive bids for goods, commodities, non-professional services, or professional services (signed by all bidders, and notarized).
- Noncompetitively negotiated contracts (i.e. any sole source, not practical or feasible to bid, or emergency contracts) (signed by contractor, since no bid, and notarized)
- Small purchase awards, to include transactions without a written contract (over \$1000). (If taking quotes, must be signed by awarded contractor only, and notarized).
- Stand alone payments (PRCs). (Must be signed by the authorized company representative, and notarized.)

All Affidavits must be notarized in all circumstances, as the notary is witnessing the signature of the individual who is swearing under penalty of perjury.

What does the affidavit not have to be executed for?

- Stand-alone payments for GAX, such as utilities, court-ordered payments, postage.
- PCard payments.
- Purchases off Master Agreements (The affidavit will be obtained when MA is established and the agencies do not need to obtain affidavits for each individual purchase off an existing Master Agreement).
- Agreements between governmental agencies.
- Payments for dues, subscriptions.
- TPs for reimbursements to employees.
- Purchases or stand-alone payments in amounts less than or equal to \$1000. Procurement requirements cannot be parceled, split, divided, or scheduled over a period of time in order to subvert the intent of this procedure.

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Why is FAC making this change?

- The Campaign Finance Sworn Statement requirement is statutory under KRS 45A.110. The Finance and Administration Cabinet already requires that this form be signed and notarized for FAC contracts, and our legal office has advised that the form should also be executed for other agency contracts and small purchases as a matter of law.

Does this apply to renewals?

- Yes. When a contract (competitive or non-competitive) is renewed for another term, the affidavit should be re-executed as of the date of renewal.

Does this apply to contract modifications?

- No. The affidavit does not need to be re-executed each time a contract modification is done.

Do we have to modify existing contracts, which do not have the affidavit, just to add the affidavit?

- No. However, as existing contracts are modified for other reasons, have the vendor execute the affidavit at the same time.

Does the executed affidavit need to be attached to the contract in eMARS?

- Yes. It is necessary from an auditing perspective.

Can we accept an email and/or faxed copy of the affidavit or does it have to be an original?

- We can accept faxes or scanned and emailed affidavits, as long as they have been signed and notarized and as long as it is not for an out-of-state vendor (which requires an actual notary seal). Have the vendor mail in the original.

Are prior arrangements exempt from the affidavit process?

- No- these would not be exempt.

We have been asked by several vendors if the cost of getting the affidavits notarized can be passed along to the state?

- No- it is part of them doing business with the Commonwealth.

If a vendor violates a part of the Affidavit, what action can be taken?

- Action could be taken against a vendor as indicated at the bottom of the affidavit: "failure to accurately disclose such information may result in contract termination, repayment of funds and other available remedies under law."

If we pay a vendor on an as needed basis, do we need to get an affidavit each time we make a payment or is the affidavit valid for a period of time?

- The affidavit does not cover a period of time, nor can one affidavit per vendor to be kept on file to cover multiple purchases/ payments, nor does one affidavit cover multiple agencies within a cabinet.

What if we encounter a vendor that refuses to provide the completed form?

- We cannot contract with them.

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Can agency personnel that are Notaries notarize these affidavits?

- Yes, the notary is supposed to witness the signature, and there is no objection to a state employee performing those duties for a vendor. The agency could have some employees who have jobs that require them to make frequent purchases – like maintenance workers-become notaries so they can notarize the signatures.

Can we pay the cost of an employee to become a notary?

- The agency can reimburse an employee the cost of becoming a notary on a TP. Information on how to apply to become a notary is available on the Secretary of State’s website. The application fee is \$10. A notary public’s term of office is for four years.

Instead of having the vendor execute an affidavit for each purchase made, could we create a standing order in the form of a PO or PO2 and make payments against it?

- Yes, a "standing order" is a purchase order that has been issued to a vendor, against which purchases may be made. When repeated purchases of the same type of supply item are expected, multiple orders may be eliminated. Per the affidavit: “the award of a contract to the bidder or offeror or the entity which he/she represents will not violate any provisions of the campaign finance laws of the Commonwealth.” If the vendor executes the affidavit for the standing order, this is sufficient.
- The standing order cannot exceed an agency’s small purchase authority or single quote limit, nor can procurement requirements be parceled, split, divided, or scheduled over a period of time in order to subvert the intent of this procedure. If an agency’s projected needs for like items will cost more than what it can purchase under its small purchase limit, the agency shall submit a Requisition to the Finance and Administration Cabinet, Office of Procurement Services for commodities and services. New standing purchase orders must be issued each fiscal year. The EO1 process is applicable to these types of orders.
- Please use the template which has been set up in eMARS called **SOPO** - Standing/Open Purchase Order. It contains clauses that cover:

QUANTITY BASIS OF CONTRACT – ESTIMATED QUANTITIES

Any and all quantities mentioned in this Contract are purely estimates, and are not to be implied nor inferred as being guarantees. The State is obligated to buy only that quantity needed during the term of the contract.

FUNDING-OUT PROVISION

The Vendor agrees that if funds are not appropriated to the agency or are not otherwise available for the purpose of making payments, the agency shall be authorized, upon thirty (30) days written notice to the Vendor, to terminate this contract. The termination shall be without any other obligation or liability of any cancellation or termination charges.

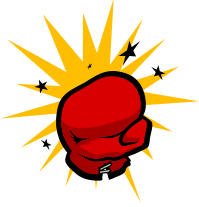
CANCELLATION CLAUSE – 30 DAYS NOTICE

The Commonwealth may cancel the contract by giving written notice thirty (30) days prior to effective cancellation date. In the event such action is taken, the contract shall be null and void upon receipt of a Modification canceling the contract.

Make sure to incorporate your clauses by full text so they are included in the printed contract.

Where can I get a copy of the Affidavit?

- The affidavit can be accessed directly from this link:
http://finance.ky.gov/services/eprocurement/Documents/Attachment_2.pdf



PunchOut

Have you Punched Out yet? PunchOut is streamlining the buyer’s ability to shop and order from a vendor’s website while creating a Delivery Order in eMARS that is electronically submitted to the vendor. The current PunchOut contracts include MRO contracts with Grainger and Fastenal; computer hardware with Dell Computer Corp.; and the furniture contract with ORI/Steelcase. Anticipated PunchOut contracts include the computer software contract with Software House International; communications cable contracts with Anixter Inc. and Graybar Electric Co.; and the MRO contract with MSC Industrial Supply.

The PunchOut MA’s are established based on the same legal authority as the standard MA it replaces, therefore it is subject to the same parameters as the original MA. For example, the MRO MA’s (Grainger, Fastenal and MSC) were awarded based on competitively established WSCA (Western States Contracting Alliance) agreements. The items included on the PunchOut MA’s for MRO items are limited to the items approved for the WSCA agreement and any items that the Commonwealth further limited because the items are available on pre-existing Commonwealth MA’s.

Locating a PunchOut MA is simple. From URCATS, enter **Punch%**, select **Yes** in the **PunchOut Enabled box** and click **Browse**.

Universal Requestor Catalog Search [Menu Back](#)

[Browse](#) [Clear](#)

General

Search For :

Included Sources Master Agreements Inventory Commodity Codes

of Supply: MA Catalog Items Purchase History

Advanced

Warehouse : Quantity :

Vendor Code : Unit :

Price (from) : Expiration Date :

Price (to) : Include Expired Agreements :

PunchOut Enabled : Yes No

[Create Request](#)

[Create Order/Payment](#)

PunchOut	Unit	Unit Price	Vendor Name	Alias/DBA	CL Description	Description	Commodity Code	Commodity Specifications	Supplier Part Number	Source	Expiration
<input type="checkbox"/> Yes		\$0.00	DELL COMPUTER CORP		PUNCHOUT DESKTOP, LAPTOP, SOFTWARE & SRV	COMPUTER HARDWARE AND PERIPHERALS FOR MICROCOMPUTERS	20400			MA 758 PUNC1300000001	06/30/2016
<input type="checkbox"/> Yes		\$0.00	Fastenal		Fastenal MRO PunchOut	MISCELLANEOUS PRODUCTS	57800			MA 758 PUNC1300000002	02/28/2014
<input type="checkbox"/> Yes		\$0.00	GRAINGER INDUSTRIAL SUPPLY		PunchOut Grainger MRO MA	MISCELLANEOUS PRODUCTS	57800			MA 758 PUNC1400000001	02/28/2014
<input type="checkbox"/> Yes		\$0.00	STEELCASE INC		PunchOut Steelcase Installation and Delivery	INSTALLATION	59930			MA 758 PUNC1300000003	12/09/2013

First Prev Next Last

[Start New Request](#)
[Add To Current Request](#)
[View Current Request](#)
[Catalog Line Details](#)
[Buy From Supplier](#)

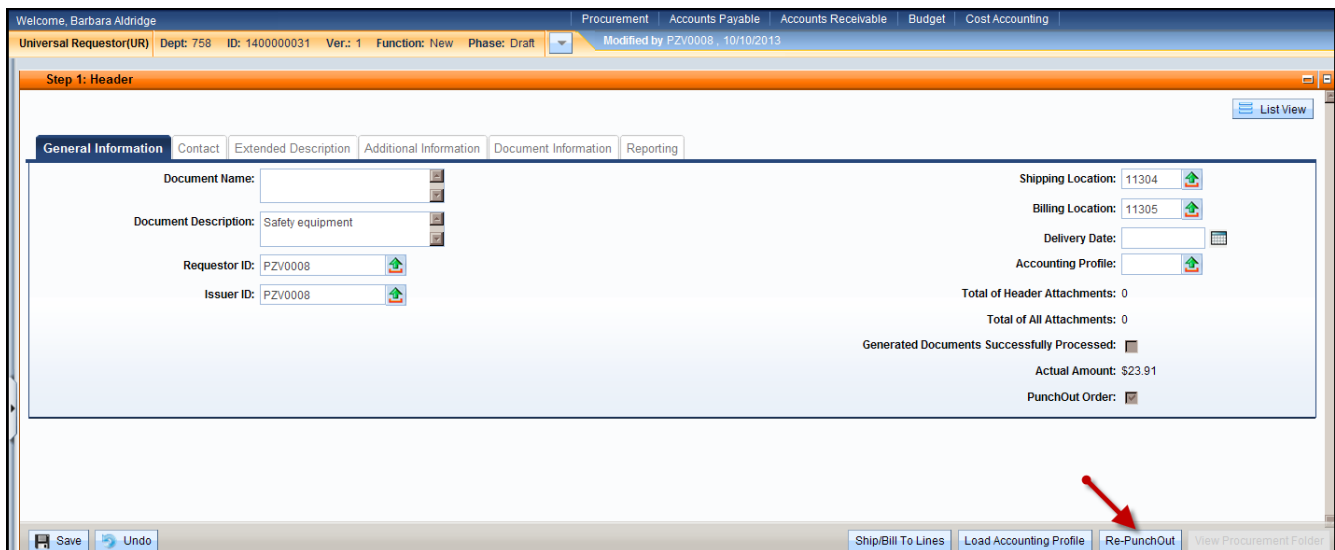
[Add Selected Lines to MALS](#)
[View MALS Records](#)
[Create Delivery Order](#)
[Create Payment](#)
[Start New MA Comparison](#)



Re-PunchOut

The Re-PunchOut option is now functional with vendors who choose to participate. Currently all vendors set up with PunchOut allow the Re-PunchOut feature. However, as new PunchOut vendors are added, some may not choose to participate. Users will be able to identify those vendors who participate by the active *Re-PunchOut* button located on the Header section of the UR document.

Re-PunchOut allows users to re-enter the vendor’s website from the draft version of the UR document. For instance, if while reviewing your UR document, you notice an incorrect quantity or need to include another item, you are able to Re-PunchOut to the vendor’s web site from the UR document. Simply click the *Re-PunchOut* button located within the Header Section of the UR.



Enterprise Business Intelligence (EBI)

The eMARS team is proud to introduce the Enterprise Business Intelligence (EBI) solution to the eMARS community. EBI is a collaborative effort between the eMARS Team and COT to provide a Commonwealth of Kentucky solution to business reporting (Business Intelligence) – SAP Business Objects. Throughout the Commonwealth, there are a number of reporting solutions – most of them SAP Business Objects. SAP Business Objects is a leader in Business Intelligence and the Commonwealth already has a significant investment in the software licenses and knowledge of the tool.

To date the EBI team has consolidated the business reporting needs for FAS3, Revenue and KHRIS into the EBI solution. What does this mean to the eMARS users? Those of you who are FAS3 user’s recently saw a small change in the look of FAS3. For the most part that will be the biggest change – it looks a little different but the functionality is basically the same. This will be same as we move forward with KBUD and eMARS into the EBI solution in the future.