MyFloridaMarketPlace

Contracts 101

Workshop
AGENDA

- MyFloridaMarketPlace Overview
- Contracts Overview
- Contract Requests and Creating Contracts
- Creating Invoices against Contracts
- Resources
MFMP Overview

https://Buyer.MyFloridaMarketPlace.com/Buyer/Main
Customizable dashboard
MFMP Overview

Purchasing and Finance and Accounting Requirements

• Methods of Procurement
• Commodity Code
• Object Codes
Methods of Procurement

- PRIDE
- RESPECT of Florida
- State term contracts (STC)
- State purchasing agreements (SPA)
- Competitive solicitations
- Alternate contract sources (ACS)
  - A complete ACS listing is available at [http://dms.myflorida.com/contracts](http://dms.myflorida.com/contracts)
- Single source
- Statutory exemptions
- Informal quotes
- Emergency purchase
Commodity Codes

- Commodity codes are 8-digit codes
  - Hierarchical tree structure, which enables ‘drill down’ or ‘roll up’ analysis
  - 4 levels:
    - Segment – First 2 digits
    - Family – Second 2 digits
    - Class – Third 2 digits
    - Commodity – Fourth 2 digits
  - MFMP uses the class and commodity levels exclusively

- Commodity codes for services begin with “70-94”
  - The requester or “On Behalf Of” approves Service invoices

- Commodity codes that begin with a number other than “70-94” are regular commodities
  - MyFloridaMarketPlace generates a receipt for all commodity requisitions that needs to be completed by the requester or “On Behalf Of”
Florida Commodity Codes

- Search for commodity codes using
  - Department of Management Services
    http://www.dms.myflorida.com/mfmp/projects/commoditycode
MFMP Overview

Department of Financial Services (DFS) Object Codes

• Identify the type of services, materials, or other charges for which monies are expended.
• Six-digit codes that identify specific types of expenditures.
• First four digits are “state standard”.
• Last two digits are assigned by the agency.
• DFS Object Code listing: 
<table>
<thead>
<tr>
<th>Commodity Code Name &amp; Description</th>
<th>Object Code Name &amp; Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>12190000: Solvents</td>
<td>361000: Janitorial and Household Supplies</td>
</tr>
<tr>
<td>14111511: Writing Paper</td>
<td>380000: Office Supplies Consumable</td>
</tr>
<tr>
<td>23152900: Packaging Machinery</td>
<td>519000: Other Furniture and Equipment</td>
</tr>
<tr>
<td>24110000: Containers and Storage</td>
<td>241000: Repairs and Maintenance-Commodities</td>
</tr>
<tr>
<td>30171600: Windows</td>
<td>320000: Building and Construction Materials</td>
</tr>
</tbody>
</table>
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The MFMP Contract is a formal agreement between the agency and supplier set up electronically in MFMP.

- MFMP Contracts include agreements for:
  - Agency Term Contracts: Contractual Service or Commodity purchasing agreements established between a specific agency and a vendor.
  - Interagency Contracts: Contractual Service or Commodity purchasing agreements established between agencies.
  - Alternate Contract Source: Contracts put in place by other entities that have been determined by the Department to be cost-effective, as authorized by Section 287.042(16), Florida Statutes.

- State Purchasing uses MFMP to create State Term Contracts.
MFMP Contracts Overview

• Agencies should enter Agency Term Contracts into MFMP to assure consistency and control when purchasing from those contracts.

• Agencies can enter contracts for both Services and Commodity purchases.

• Refer to the Department of Financial Services’ Florida Accountability Contract Tracking System (FACTS) website for additional information and requirements related to FACTS. [http://www.myfloridacfo.com/aadir/statewidecontractreporting.htm](http://www.myfloridacfo.com/aadir/statewidecontractreporting.htm)
The MFMP Contract Request is the initial contract information a customer populates in MFMP about a Contract.

- Agencies use the Contract Request (CR) function to establish and approve the Contract (C) in MFMP similar to the way you use a requisition to establish a purchase order.
- Contract Requests display with a “CR” prefix in MFMP and the Contracts display with a “C” prefix (For example: CR1234 and C1234).
- Once a Contract Request is approved in MFMP, the agency can generate releases (purchase orders) against the Contract for contracts marked as “Release Required.”
MFMP Contracts allow agencies to

- Electronically track spend against agency contracts.
- Define the scope of purchases against contracts.
- Allows agencies to manage budget (Contract Amount).
- Document multi-year agreements that are “Release Required.”
  - The agency can issue a new release (purchase order) for each fiscal year.

Agencies can set up different types of MFMP Contracts to allow flexibility for agency needs

- Supplier Level
- Commodity Level
- Item Level
Choosing the Contract Level to use

- **Supplier Level**
  - Supplier Level is the broadest option and allows orders to a supplier.

- **Commodity Level**
  - Commodity Level allows orders of any goods or services by commodity code.

- **Item Level**
  - Item Level allows orders of only specific goods or services from a supplier.
Choosing the Contract Level to use

• General Guidelines:
  – Use Supplier Level for contracts with a summary description of general types of goods or services.
    • Example: General supplies for maintenance or general maintenance services.
  – Use Commodity Level contract if your contract contains similar commodity types.
    • Example: Pharmaceuticals.
  – Use Item Level when the contract line items are well-defined with related fixed unit prices and/or rates.
    • Example: Auto Parts.
    • Regularly scheduled maintenance.
## MFMP Contracts Overview

### Contract Request Statuses

<table>
<thead>
<tr>
<th>Status</th>
<th>Status Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composing</td>
<td>Customer creates the Contract Request; also, a Contract Request can return to the Composing status if the preparer withdraws the request.</td>
</tr>
<tr>
<td>Submitted</td>
<td>Customer submitted the Contract Request for approval.</td>
</tr>
<tr>
<td>Denied</td>
<td>An approver denied the Contract Request.</td>
</tr>
<tr>
<td>Approved</td>
<td>The appropriate approvers fully approved the Contract Request.</td>
</tr>
<tr>
<td>Processed</td>
<td>The approvers approve the Contract Request and MFMP creates its associated Contract.</td>
</tr>
</tbody>
</table>
## MFMP Contracts Overview

### Contract Statuses

<table>
<thead>
<tr>
<th>Status</th>
<th>Status Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processed</td>
<td>Contract has completed processing and is ready for use.</td>
</tr>
</tbody>
</table>
| Open | The Contract status moves to Open when one of the following events occurs:  
• Contract’s effective date starts.  
• Current date is between the Contract’s effective and expiration dates and has a valid available amount.  
• Agency manually opens the Contract after it has been manually closed. |
| Inactive | • Reached the Contract Expiration; however, has a remaining balance that allows processing of invoices. |
| Closed | The Contract status moves to Closed when one of the following events occurs:  
• Reach Contract’s expiration date and there is no available balance remaining on the Contract; or  
• Agency manually closes the Contract. |
MFMP Contracts Overview

Standard Contract Workflow
• Contact is the person in MFMP that:
  – Manages the contract in the system
  – Approves service invoices
  – Attaches documentation required by Department of Financial Services
• Contract Manager is the person that:
  – Ensures information is entered appropriately and there is purchasing authority to have a contract in the system
  – Approves the MFMP Contract

“Contact” (if not the preparer)  Contract Manager
MFMP Contract Considerations

• MFMP does not currently auto-encumber Contracts.
  – Encumber funds for a Contract directly in Florida’s Accounting Information Resource system (FLAIR) then record the encumbrance information on the Contract Request.

• Approved MFMP Contracts do not route to vendors.

• MFMP routes the releases (purchase orders) to vendors for MFMP Contracts set up as “Release Required”.
MFMP Contracts Overview

Contract Exemption eForm

• Enter the exemption reason
• Check the “Exempt?” box
• Enter comments
• Add attachments as required
• Submit

• Approval flow
  – The Purchasing department must approve the Contract Exemption eForm.
  – Once approved, MFMP populates the checkbox on all invoices tied to the contract with the Transaction Fee Exemption and Reason.
Key Terms

• Definitions - Provides high-level information about the MFMP Contract, (title, contract effective dates, method of procurement).

• Release Required - Indicates that a purchase order is required each time a purchase is made against a specific MFMP Contract.

• Limits - Defines structure of contract, including minimum and maximum limits.

• Pricing Terms – Defines terms agreed upon by the State of Florida and supplier.
Contract Requests and Contracts

Key Terms

• **Access Control** - Identifies the customers with edit and/or purchase permissions on the MFMP Contract.

• **Appendixes** - Add documents to the MFMP Contract as necessary.

• **Summary** – Allows for the review of all information entered for the MFMP Contract Request.
AGENDA

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• Contracts Overview
• Contract Requests and Creating Contracts
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Create a Contract Request

- Click the "Contract Request" link in the Common Actions area, or
- Click "Contract Request" link if you are on the Contracts tab.
Areas to Complete

- Input information for five areas to complete the Contract Request.
- Review a "Summary" of the information.
- The MFMP navigation panel helps advance you through the process.
- Asterisks (*) note required fields.
Step 1: Definitions

1. Complete the Contract Request to define the contract.

2. After titling the contract, there are mandatory fields in this step, including:
   - Method of Procurement
   - Form of Contract
   - Contract ID
   - Contract Type

3. Contact is the owner of the MFMP Contract who approves service invoices.

4. The MFMP Contract Type defaults to "Item Level," but you can change this selection type to "Supplier Level" or "Commodity Level".
Step 1: Definitions

• Complete the following fields:
  – Effective Date, when is/did the contract begin
  – Expiration Date, when does the contract expire
  – Vendor Location

• Release Required defaults to "Yes“, Change this selection if releases (purchase orders) are not required as part of using this Contract.

- Effective Date:
- Expiration Date:
- Evergreen: Yes No
- Supplier: *(no value)*
- Vendor Location: *(no value)*
- Blanket Purchase Order: 
- Contract Encumbrance #: 
- Contract Encumbrance Line #: 
- Release Required: Yes No
- Currency: US Dollar
- Distributor? 
- Historical Amount Spent: USD
Step 2: Limits

- Define the minimum and maximum commitment amounts. The maximum is the total contract amount.
- Define any allowed percentage above the maximum.
- If desired, you can define the minimum amount required per invoice against the agreement; and define notification limits.
- Add additional approvers to notify if minimum or maximum limits are reached.
Contract Requests and Contracts

Step 3: Pricing Terms

- The “Pricing Terms” area tracks the contract terms agreed upon by the State of Florida and the supplier.

- The agency establishes all accounting details for the Contract, including split accounting and associates the MFMP Contract to the FACTS Contract number.

- The Pricing Terms “landing page” provides you with a summary view in the "Description" field of any pricing terms you apply.

- The Pricing Terms “Definition” populates to releases (purchase orders) and invoices.

- Pricing terms differ based on the MFMP Contract Type selected; Supplier Level, Commodity Level, or Item Level.
Step 3: Pricing Terms (Supplier Level)

The description and accounting information apply to the entire contract.
The description and accounting information apply to specific commodity groupings on a MFMP Contract.
Contract Requests and Contracts

Step 3: Pricing Terms (Item Level)

- Release Required

- No Release Required
Step 3: Pricing Terms

- Use the “Discount Percent” option to edit the pricing information / available discounts.
- To apply multiple discount rates, select "Tiered Pricing" and click “Define Tiers”.
- For “Term-Based Pricing”, select “Define Terms” and enter a start date and percentage discount; MFMP applies these specified discounts on the selected start date.
Contract Requests and Contracts

Step 3: Pricing Terms Accounting Details

Contract Encumbrance Number: [__]  
Contract Encumbrance Line Number: [__]  
Available Balance Override Indicator: [__]  
Account Code:  
Organization Code:  
Expansion Opt:  
Opt Version: (no value)  
Object Code:  
PriorPeriodIndicator: (no value)  
Budget Entity:  
Int Budget Ind:  
GAAFR Fund:  
External Fund:  
State Fund:  
Fund Identifier:  
Category:  
Category Year: [00]  
State Program - Standard:  
External Program:  

Contract:  
Agency Unique:  
Contract Year:  
Grant Year:  
Project ID:  
Ext Category:  
Gen Led:  
Encumbrance Gen Led:  
Ext Gen Led:  
Encumbrance Ext Gen Led:  
Product ID:  
Ext Object:  
Other Doc Num:  
Grouping Character:  
BPIN:  
Certified Forward Indicator: N  
Batch:  
Description:  
Quantity:  
Count:  
Transaction Fee Exempt?: [__]  
Transaction Fee Exemption Reason: (no value)
Step 4: Access Control

- Use “Access Control” to select agency buyer customers by name and provide customers with edit capabilities.
- Access Control limits which customers have access to edit or create releases (purchase orders) for a Release Required MFMP Contract.
Step 5: Appendixes

- Use the Appendix area to upload contract-related documents.
- Click on “Add Appendix” to browse for and upload documents.
- Limit attachment size to less than four megabytes (4 MB).
- MFMP recommends using common file types such as Excel, Word, or PDF.
Contract Requests and Contracts

Step 6: Summary

- The Summary page provides a view of the information entered in Steps 1 – 5 of the MFMP Contract Request process.
- The Summary provides the “Pricing Terms” and the “Approval Flow” on separate tabs.
- The MFMP Contract Request (CR) number displays in the upper left hand corner of the screen.
### Step 6: Summary

- Add documentation to support the MFMP Contract, i.e. copy of contract, price sheet, scope of work.
- Add comments to support contract and/or facilitate payments.
Step 6: Summary

- MFMP Contract Requests require the MFMP Contract Manager’s approval to become active.
- Confirm that the necessary MFMP Contract approvers are listed in the approval flow.
- Your MFMP Contract approval flow is different from your standard workflow for requisitions.
Contract Requests and Contracts

Approving Contract Requests

• MFMP Contract approvers review all MFMP Contract Request data entered in Steps 1 – 5.

• Approvers review the MFMP Contract to confirm it is set up to support one of the following:
  – Your agency’s two-party written agreement with the vendor for purchasing and invoicing; or
  – The Contract is set up as Release Required.
Contract Requests and Contracts

Approving Contract Requests

• Review to verify the MFMP Contract includes:
  – Contract Effective Date.
  – Contract Expiration Date.
  – Description.
  – Pricing Terms.
  – Accounting Information.
  – FACTS Contract Number (if applicable).
  – Attachments (For example: Scope of Work).
## Changing a Contract

### Contract Changes

<table>
<thead>
<tr>
<th>Editable Fields</th>
<th>Contract Fields, Not Editable</th>
<th>Contract Pricing Terms, Not Editable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact</td>
<td>MFMP Contract Type</td>
<td>Description</td>
</tr>
<tr>
<td>Edit Permissions</td>
<td>Release Required</td>
<td>Commodity Code</td>
</tr>
<tr>
<td>Release Authorization</td>
<td>Currency</td>
<td>Supplier Part Number</td>
</tr>
<tr>
<td>Add Money</td>
<td></td>
<td>Supplier Auxiliary Part ID</td>
</tr>
<tr>
<td>Extend Contract Term</td>
<td></td>
<td>Unit of Measure</td>
</tr>
<tr>
<td>Update/Add Encumbrance Number</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Changing a Contract

Search for and select the Contract Request
Changing a Contract

Click the Change button

To see the edit box, you need Edit Access on the MFMP Contract.
Contract Requests and Contracts

Demonstration

- Training environment: https://trn-buyer.myfloridamarketplace.com/Buyer/Main
- Create Supplier Level Contract Request and Contract.
- Create Item Level Contract Request and Contract.
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Creating Contract Invoices

Key Terms

• PO-Based Invoice – Invoice for contracts with release (purchase order).
• Contract-Based Invoice – Invoice created directly against the contract, no release (purchase order).
Creating Contract Invoices

Use a PO-based invoice for MFMP Contracts set as “Release Required”.

Select "PO-based Invoice" from the Common Actions area.
Creating Contract Invoices

Complete the Invoice fields, searching for and entering the Purchase Order and Vendor Location.
Creating Contract Invoices

• Create invoices from contracts in one of two ways:
  – Contract-based invoice or
  – From the invoice button on the Contract or Contract Request.

• Creating invoices from the Contract or Contract reduces data entry. MFMP enters the Contract number and Supplier information.

• Select "Contract-based Invoice" from the Common Actions area.
• Enter the information for the invoice.
• Attach a copy of the paper invoice.
• Submit.
Creating Contract Invoices

Search for the Contract.

- Click the Invoice button.
- MFMP enters the contract number and the supplier information.
Demonstration

• Training environment: https://trn-buyer.myfloridamarketplace.com/Buyer/Main.

• Create an invoice in MFMP.
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• For questions or assistance, contact the MFMP customer service desk at (866) 352-3776 or BuyerHelp@MyFloridaMarketPlace.com.

• Online resources at http://www.MyFloridaMarketPlace.com include MyFloridaMarketPlace and System Administrator manuals, training information and more.

• To search for vendors:
    • Username and password: “publicuser”
• Register for MFMP training at: http://dms.MyFlorida.com/mfmp_buyer_training

• Training environments allow you to practice what you learn.
  – MFMP Training Environment https://trn-buyer.myfloridamarketplace.com/Buyer/Main
  – The username is the same as your regular login.
  – The password is: “train30”