

Kansas State University Contract Management Assessment

Phase 1 Final Deliverable



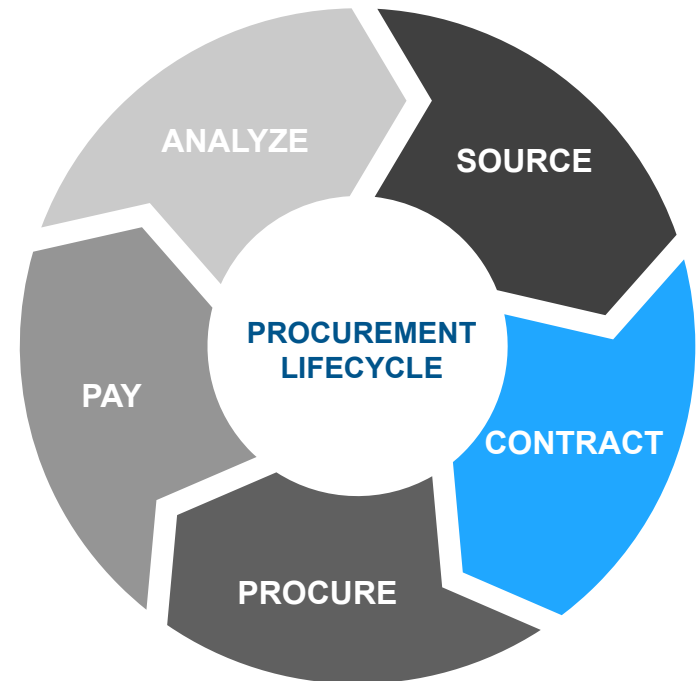
Engagement Summary

Huron Consulting performed an assessment focused on the University's contracting function and other procurement touchpoints

Project objectives included:

- Review and document current state activities in contracting as well as identify other procurement observations impacting process
 - Mission | Vision | Strategy
 - Organization | People | Culture
 - Policies | Processes | Procedures
 - Tools | Technology
- Identify opportunities to improve contract workflow, negotiations, and the review process
- Prepare and validate a list of functional requirements for a software solution

Assessment Areas



Findings & Observations

Voices of Kansas State University

”

“One thing I’m sure you’ll hear a lot about is shadow systems, everyone uses their own system without any real guidance on how we should be doing things”

– Central Admin

”

“I really don’t know when we would need to make a contract instead of issuing a normal Purchase Order ”

– Department Business Manager

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“I’m told the 146a is required and non-negotiable, yet we’ve negotiated those terms with suppliers. So is it really required? Because it makes me look incompetent to our suppliers and slows the whole process down.”

– Department Business Manager

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“We really don’t have a clue what we are purchasing, a faculty member can send a list of specs but that means nothing to an accountant!”

– Department Accountant

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“I’m constantly acting as the liaison between my faculty, purchasing, the supplier, and General Counsel’s Office, and I’m constantly going back and forth to find the information I need.”

– College of Engineering

Findings & Observations

Mission | Vision | Strategy

- No K-State department communicates a University or department mission for contract management. General Counsel's statements focus on OGC's contract requirements and review; while Purchasing's statements provide guidance on contract sources and its sourcing role for contract requests for goods/services.
- University's contracting vision is solely focused on compliance and risk mitigation. Purchasing ensures purchasing policy enforcement while General Counsel's manages risk mitigation.
- Given the decentralized operating structure and delegation of budget management and revenue generation to colleges; each department has a different definition, tolerance, and management of risk.
- The variability of staff sophistication and management styles across colleges also impacts the on-going risk management activities during the life of the contract.



“

“There are times I don’t know what I am doing, who I am doing it with, and where I am supposed to do it.”

- Department Accountant

[1] General Policies & Procedures, University Contracts, PPM 3070, Revised February 29, 2016

[2] General Accounting Procedures, Purchasing Procedures, PPM 6310, Revised July 1, 2017, October 1, 2020

[3] K-State Home >> Office of General Counsel >> Contracts (<https://www.k-state.edu/generalcounsel/contracts.html>)

Findings & Observations

Organization | People | Culture

- Sentiment across campus is there is little subject matter expertise within Purchasing. They are viewed as a transactional rather than a strategic business partner.
- Department feedback indicated a strong perception Purchasing is understaffed. Due to staffing levels, inefficient systems, lack of category/industry specialization, and undefined/ad hoc process contributes to Purchasing's inability to keep up with all the requests.
- Focus groups all described different contracting best business practices, preferred workflow, or workflow routing indicating no true best practices are communicated.
- No consensus across campus on which department is responsible to manage a contract after execution (i.e., contract performance, expiration, and renewals).
- Departments have a genuine service orientated ethos and want to do the right thing for the University but also service their faculty and staff.



"There are major gaps between 'requirements' and 'best practices'"

- Purchasing

Findings & Observations

Policies | Processes | Procedures

- All contracts must be reviewed by OGC which can cause significant delays in the contracting process. Campus is really challenged with the lack of transparency about the process and status of requests.
- The KSU-146a is required to be attached on all contracts which faculty and staff see as overly burdensome. Furthermore, it is not clear across campus if the 146a is required because OGC will make amendments to the document on occasion during a contract negotiation.
- Standard processes around contract development, approval, execution, and inventory/management are not well defined nor clearly communicated across campus.
- Contract workflow is conducted via email which is inefficient and provides no transparency as to the status of a request or review.
- Requisition to Purchase Order processes at the department level are often performed offline, before activity in FIS. In addition, PO terms vary by department.



"We were using campus mail to process bids with Purchasing."

- Vet Med Focus Group

Findings & Observations

Tools | Technology

University's source-to-pay activities based on Focus Group feedback

- Sourcing is challenged with high volume of ad-hoc spot buys due to limited preferred suppliers and lack of intentional collaboration across the University.
- Lack of relevant, centrally directed tools and processes has led departments to develop their own tools for managing pieces of the procure to pay environment and has handicapped the ability to promote preferred suppliers / contracts and reinforce the “right” purchasing decisions.
- Piecemeal systems, process, and data collection inhibits the overall ability to rely on data for decisions - making category management and broader strategic contracting, purchasing and payables decision making more difficult.

K-State performance gaps across the various process areas

	Source	Contract	Procure	Settle	Analyze
Key Activities	● Preferred Suppliers	● Request	● Shopping	● Supplier Reg.	● Spend Analysis
	● Sourcing / eRFx	● Author/Redline	● Requisition	● Supplier Vetting	● Category Mgmt.
	● Spot Buys / RFQ	● Approval	● Encumber	● eInvoices	● SLA/KPI Mgmt.
	● Supplier Vetting	● Execution	● Financial Approvals	● Paper Invoices	● Supplier Reporting
		● Storage	● Special Approvals	● Receiving	
		● Reporting	● PO Transmission	● Matching	
		● Track Obligations		● Payment Strategy	

LEGEND: ● Performing ● Developing ● Not Present ● Unknown

Executive Summary

Overview of Recommendations – Want to focus on two key areas



1. Develop A Shared Vision

- Create a unified University shared vision for contract management.
- Establish missions and supporting strategies for the entire contracting lifecycle with a strategic focus on risk management but also supporting spend management capabilities and customer service emphasis.



2. Optimize Operating Model

- Implement a center-led purchasing model with subject matter expertise and contract facilitation capabilities.
- Clearly define delineation between Purchasing and other departments, establish new roles and responsibilities for team, provide skill enhancement opportunities and on-going development strategy.



3. Institute a Risk Framework

- Develop an inventory of risk elements which require mitigation and management.
- Operationalize the elements through a contract questionnaire to gather information end-users about proposed agreements, set review/timing expectations, and promote the use of POs and templates.



4. Enhance University Contracts Policy

- Revise the current contract policy to standardize the approved process, forms, and solutions to support contracting vision. Align contracts policy with other department policies to support strategy.



5. Increase Training Resources

- Develop training and self-help materials to communicate the approved CLM processes and procedures.



6. Adopt Centrally Administered Technology

- Implement both contract and procurement technologies to support the center-led purchasing, operationalize process, and de-burden departments from managing multiple technology solutions while respecting their independence.

Recommendations

R2

Optimize Operating Model

Key Findings & Observations

- Existing staffing levels in Purchasing are perceived as a barrier to exercising more strategic influence and addressing purchasing and contracting volumes but there are data gaps to adequately assess staffing levels.
- Departments are often unsure of the person or department responsible for managing the contract from request to execution. Departments will often manage the contracting process when Purchasing is overwhelmed with other tasks.

R2.1 Build A Center-Led Operating Model

- K-State should commit to a center-led purchasing operating model with purchasing subject matter / industry expertise and dedicated contracting support embedded in the Purchasing department.
- A center-led purchasing department will provide greater opportunity for savings by advising contract requesters on preferred or established supplier relationships, facilitate greater collaboration among departments for stakeholder demand aggregation, improve data visibility and quality all while contributing to operating efficiency by reducing redundant work performed in departments.



DECENTRALIZED

Decentralization delegates decision making to colleges /departments.

Units have the authority to make decisions without the need to consult centralized leadership but need to add staff with the purchasing and contracting capabilities.



CENTER-LED

Center-led function offers support to colleges and departments.

Flexible approach with centrally managed strategy, business processes spend categories, and explicit autonomy to colleges and departments to function in specialty areas.



CENTRALIZED

Centralized function aggregates all activities in few or single department.

Central department is responsible for a high level of subject matter expertise and service levels, managing all purchasing and contracting activities.

Recommendations

R2

Optimize Operating Model

R2.2 Develop Category Expertise

- With the center-led approach, K-State Purchasing staff should develop commodity/industry expertise. This typically expressed through category management which is the bundling of like goods/services into a category to manage the procurement, contracting, supplier landscape, and demand management.
- K-State should assign categories to its Purchasing staff to develop expertise and provide heightened levels of service for campus end-users. In the short term, staff may need to manage multiple categories but as the department matures an FTE should be dedicated to managing key categories such as Research and IT.

Typical Category Structure In Higher Education

Clients defined categories based on their needs and purchasing profile of the institution. This is a list of common categories across similar schools

General Goods & Services



Regular daily goods like pens, paper, food, uniforms, etc.

Professional Services



Includes many business services like financial, engineering, architect, etc.

Information Technology



Hardware, software, networking services, installation, data mgmt

Scientific & Research



Lab equipment & services, chemicals/agents, animals, etc.

Facilities Management



Construction, energy, janitorial & grounds services, equip. install, etc.

Medical



All goods and services medical (i.e. Vet Clinic)

Recommendations

R6

Adopt Centrally Administered Technology

Key Findings & Observations

- Current contracting processes are managed by email and other disparate systems which inhibits the ability to optimize process, enforce compliance, and otherwise guide end-users through desired contracting processes. It has also contributed to rather antiquated CLM practices (i.e. campus mail, email, etc.) to facilitate contracting.
- The decentralized operating model at the department level has led to a proliferation of contracting and procurement tools which challenges the ability of central departments from aligning policy, process, and University-wide operationalizing University-wide strategy and risk mitigation.

Recommendations

R6.1 Operationalize Contract Lifecycle Management (CLM) Enhancements Tool (PHASE 1)

- Implement and require the use of a centrally led and managed CLM tool for contracting needs throughout campus.

R6.2 Implement University-wide eProcurement Solution (PHASE 2)

- Select a comprehensive procure-to-pay (P2P) solution, that includes buy-side functionality such as end-user shopping, preferred and Kansas State use electronic catalogs, eForms for non-standard purchases, dynamic workflows, and connectivity to suppliers as well as pay-side features like eInvoicing integration, receiving, matching, enforce payment terms and accommodate settlement strategies. The P2P solution may integrate with the CLM tool but at minimum should enable processes and workflow to support new CLM strategies.

Recommendations

R6

Adopt Centrally Administered Technology

R6 Technology Observations

- Across campus there is little consistency with procurement methods, preferred or strategic suppliers are not aggregated to a single area, PO processes are different among departments.
- Lack of relevant, centrally directed tools and processes has led departments to develop individual strategies and implement different tools to manage procure-to-pay activities which undermines the university's ability to develop and manage strategic spend initiatives.
- The proliferation of systems also challenges KSU's abilities to drive data-centric sourcing decisions for category mgmt.

R6.1 Implement a Contract Lifecycle Management Tool

- KSU should select a contract lifecycle management solution that at a minimum:
 - provides a central contract repository that is accessible and searchable
 - electronically routes contracts for review, approval, and signature
 - provides audit trails and historical data, facilitating reporting on key metrics.

	Source	Contract	Procure	Settle	Analyze
Key Activities	● Preferred Suppliers	● Request	● Shopping	● Supplier Reg.	● Spend Analysis
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Executive Summary

The recommendations provide a staged path forward with a focus on building a foundation and plan, enabling the people and process, and expanding technology use and outreach to campus

May – July 2021

FOCUS

Near Term, 1-3 Months



Develop A Shared Vision:

Department development and alignment of mission, vision, and strategy



Optimize Operating Model:

commit to transforming Purchasing and perform initial realignment of staff



Institute a Risk Framework:

OGC, Purchasing, Risk, IT and others develop risk inventory as contract templates, est. PO terms



Enabling Technology: Issue RFP for CLM technology with P2P scalability considerations

- ✓ Develop strategy, organize the people, and build a foundation

- ✓ Create project and communications plan to prepare campus for change

August – October 2021

ENABLE

Medium Term, 3-6 Months



Optimize Operating Model :

determine relevant KSU categories, staffing needs, responsibilities, and funding



Institute a Risk Framework:

develop Contract Questionnaire and contract templates to add to CLM system



Enabling technology:

implement CLM solution and build case for P2P solution mobilize stakeholders



Policy & Training: revise policies to accommodate new structure and strategy while developing training approach

- ✓ Quick wins to establish contract ownership and set expectations

- ✓ Engage other key departments and campus for changes to come

November 2021+

EXPAND

Long Term, 6+ Months



Optimize Operating Model :

defined categories, staff categories assigned, and staff development plan finalized



Enabling Technology: stabilize CLM implementation while gather requirements and issuing RFP for P2P solution



Training: engage in full change management and training plan for contracts and prepare for P2P changes

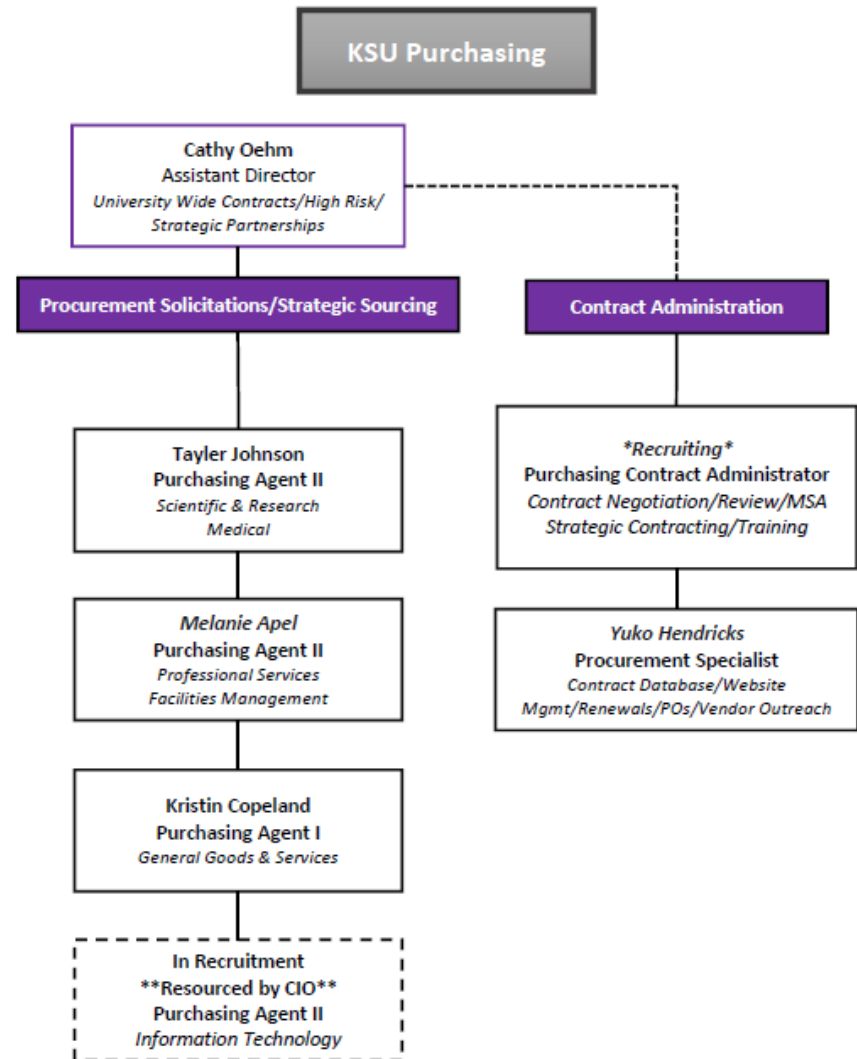
- ✓ Foundations established and CLM system live

- ✓ Improved training creates certainty and reliability for campus

- ✓ Centrally managed technology value realized and campus dialogue for P2P

Already taking steps to adopt recommendations

- Leveraging recent vacancies to restructure purchasing department to adopt/develop category expertise
- Working collaboratively with OGC to develop contract templates.
- Funding support from CIO to establish dedicated Information Technology Purchasing Agent
- Enhanced Communication and Training to the campus community



Next Steps

Complete an RFP for a Contract Lifecycle Management (CLM) Tool

- Provides a central contract repository that is accessible and searchable for campus visibility
- Electronically routes contracts for review, approval and signature
- Provides audit trails and historical data, facilitating reporting on key metrics to leverage more strategic and streamlined contracting

Fully Adopt Center-Led Model

- Restructure staff and build category expertise
- Identify strategic sourcing opportunities

Implement Other Recommendations to Streamline and Improve the Procurement Process

- Risk Framework
- Contract Templates
- Campus Training

2

Appendix: Full Report



Kansas State University Contract Management Assessment

Phase 1 Final Deliverable



Contents

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Executive Summary

Executive Summary

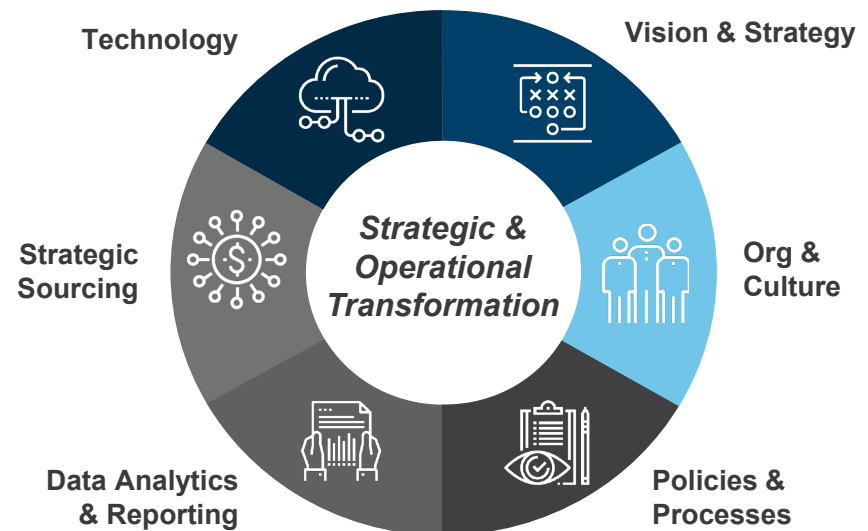
Phase 1 Assessment: Objectives and Scope

Objectives

- Huron has been engaged to assess Kansas State University's current Contract Lifecycle Management (CLM) functions and review high level procurement operational performance and provide technology requirements for a potential CLM Solution and highlight key components needed for a potential RFP.

Scope

- To meet these objectives, Huron has:
 - Gathered Information
 - Assessed Kansas State's Current State
- Final Deliverable / Report:
 - Document Findings
 - Provide Recommendations
 - Propose an Implementation Roadmap



Executive Summary

Phase 1: Assessment Approach

01



Gather Information

- Confirm the project objectives & scope
- Provide KSU with data requests
- Schedule Focus Groups via Zoom

02



Current State Assessment

- Understand current mission, organization, people, process, policy, and technology
- Conduct Focus Groups
- Review data requests

03



Develop Recommendations

- Identify contract lifecycle improvement areas and high-level procurement functionality
- Call-out strategic, operational, technical, and change management considerations
- Provide CLM solution technical capabilities

04



Mid-Point Review

- Share findings and observations from data review and Focus Group discussions
- Discuss preliminary recommendations and follow up items

05



Validations

- Validate findings and feedback from Project Sponsors
- Gather additional information and refine recommendations

06

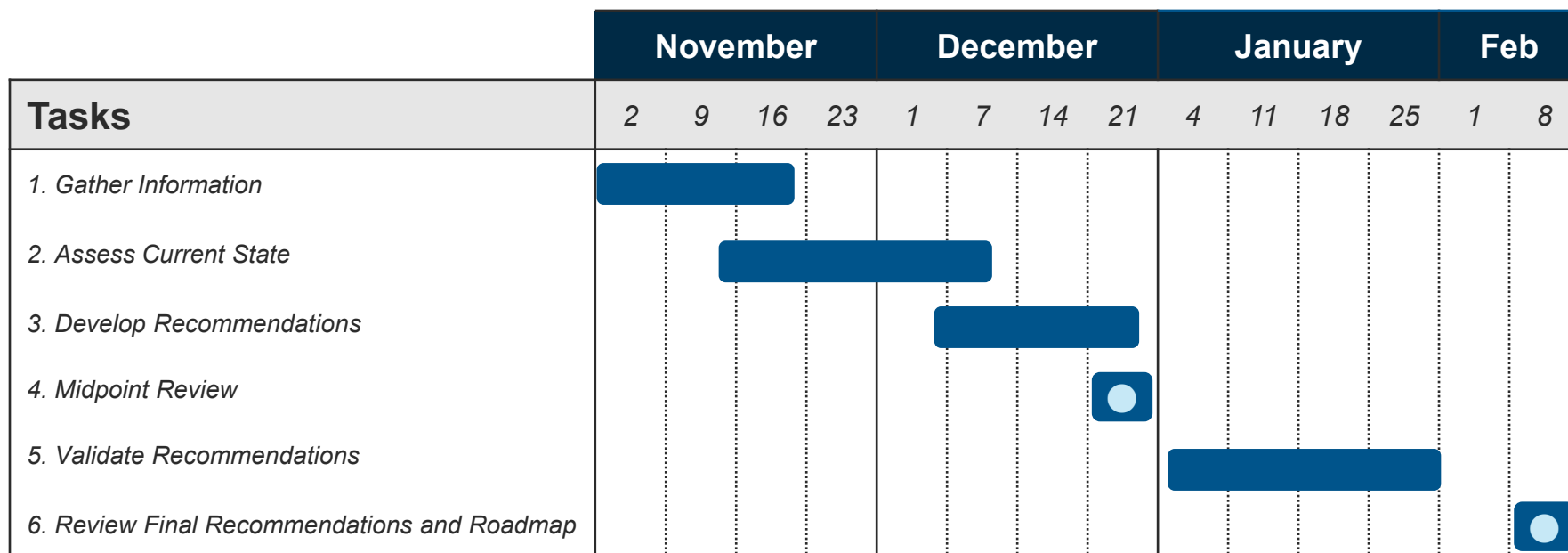


Final Recommendations & Roadmap

- Present final document to leadership
- Review implementation roadmap
- Finalize CLM solution technical capabilities

Executive Summary

Project Timeline



 Milestone/Deliverable

Executive Summary

High level findings & observations of key topic areas from Huron's review of documents, policy, and focus group feedback.

Mission - Strategy - Vision

- K-State's published contracting strategy is for all University contracts to be reviewed by General Counsel^[1], however different departments have different approaches to facilitate such review.
- The philosophy underpinning contract review is risk mitigation as opposed to customer service and relationship building in support of depts/colleges to deliver on missions.
- The contract drafting strategy is to attach the KSU-146a and rely on its overly restrictive covenants to mitigate any and all University risks. There are very few situational specific contract templates.

Organization - People - Culture

- Sentiment across campus is there is little subject matter expertise within Purchasing. They are viewed as a transactional rather than a strategic business partner.
- Department feedback indicated a strong perception Purchasing is understaffed.
- Focus groups all described different contracting best practices, consistent workflow, or workflow routing.
- No consensus across campus on which department is responsible to manage a contract after execution (i.e., contract performance, expiration, and renewals).

Policies - Processes - Procedures

- All contracts flow through OGC which can cause significant delays in the contracting process.
- The KSU-146a is required to be attached on all contracts which some faculty / staff see as overly burdensome for low risk / low dollar contracts.
- Standard processes around contract development, approval, execution, and inventory/management is not well defined.
- Contract workflow is conducted via email which is inefficient and provides no transparency as to the status of a request or review.
- Requisition to Purchase Order processes at the department level are often performed offline, before activity in *PeopleSoft*.

Technology - System - Tools

- All departments have shadow systems for purchase orders, financial reporting, sourcing/bidding management, and document storage.
- Contract workflows are routed through emails and word documents or PDF.
- Until recently (pre-COVID), most contracting functions were conducted via paper with routing by campus mail.
- Recent adoption of *RightSignature* has improved the contract execution and signature processes.
- Contracts for goods and services can be posted and shared via Purchasing's website but it is not consistently updated.

[1] General Policies & Procedures, University Contracts, Review By General Counsel, PPM 3000.040

Executive Summary

Overview of Recommendations



1. Develop A Shared Vision

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- Establish missions and supporting strategies for the entire contracting lifecycle with a strategic focus on risk management but also supporting spend management capabilities and customer service emphasis.



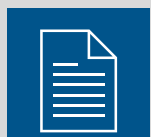
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Executive Summary

The recommendations provide a staged path forward with a focus on building a foundation and plan, enabling the people and process, and expanding technology use and outreach to campus

FOCUS

Near Term, 1-3 Months



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Enabling Technology: Issue RFP for CLM technology with P2P scalability considerations

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Optimize Operating Model :

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Institute a Risk Framework:

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Enabling technology:

implement CLM solution and build case for P2P solution mobilize stakeholders



Policy & Training: revise policies to accommodate new structure and strategy while developing training approach

✓ Quick wins to establish contract ownership and set expectations

✓ Engage other key departments and campus for changes to come

EXPAND

Long Term, 6+ Months



Optimize Operating Model :

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Enabling Technology: stabilize CLM implementation while gather requirements and issuing RFP for P2P solution



Training: engage in full change management and training plan for contracts and prepare for P2P changes

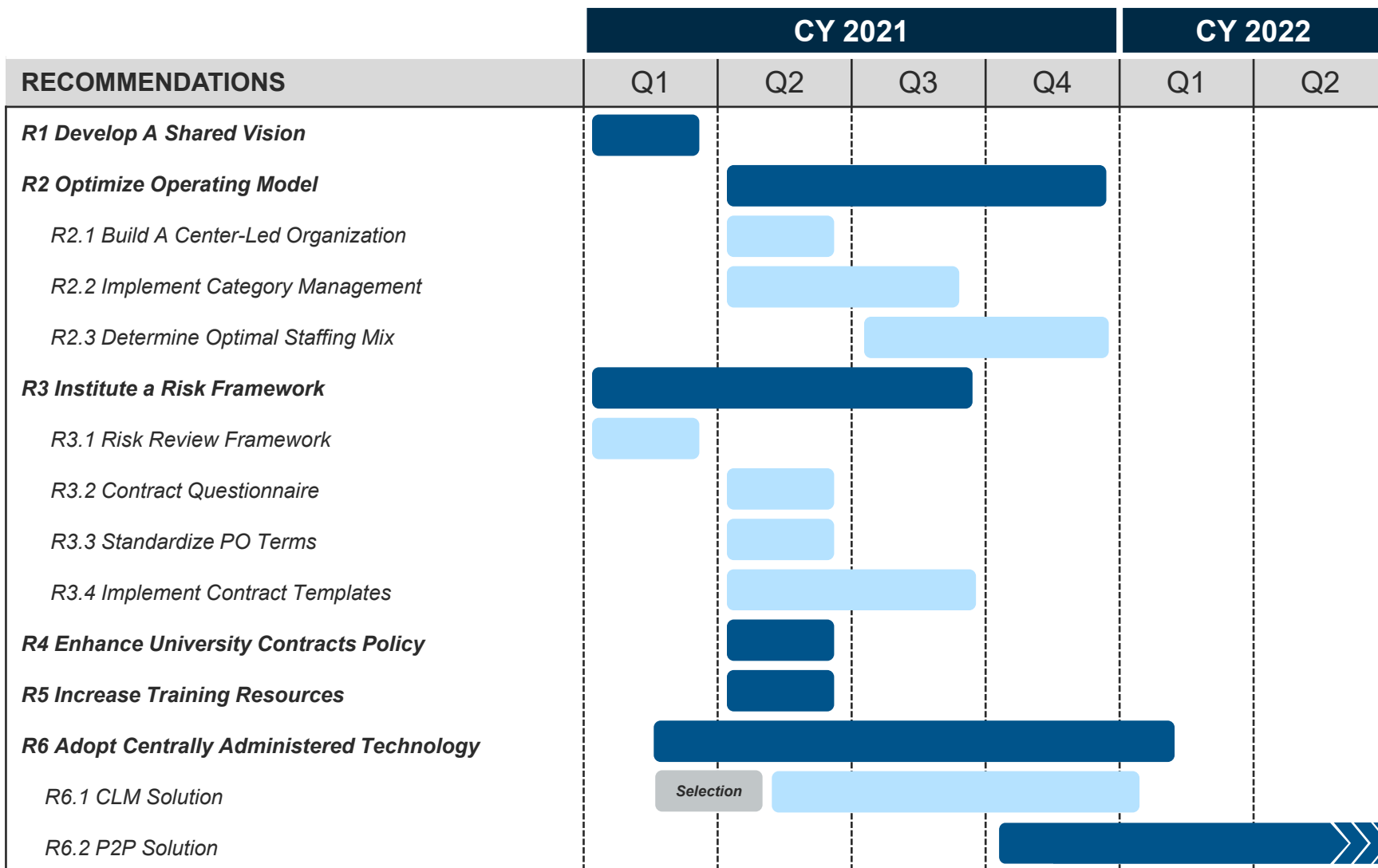
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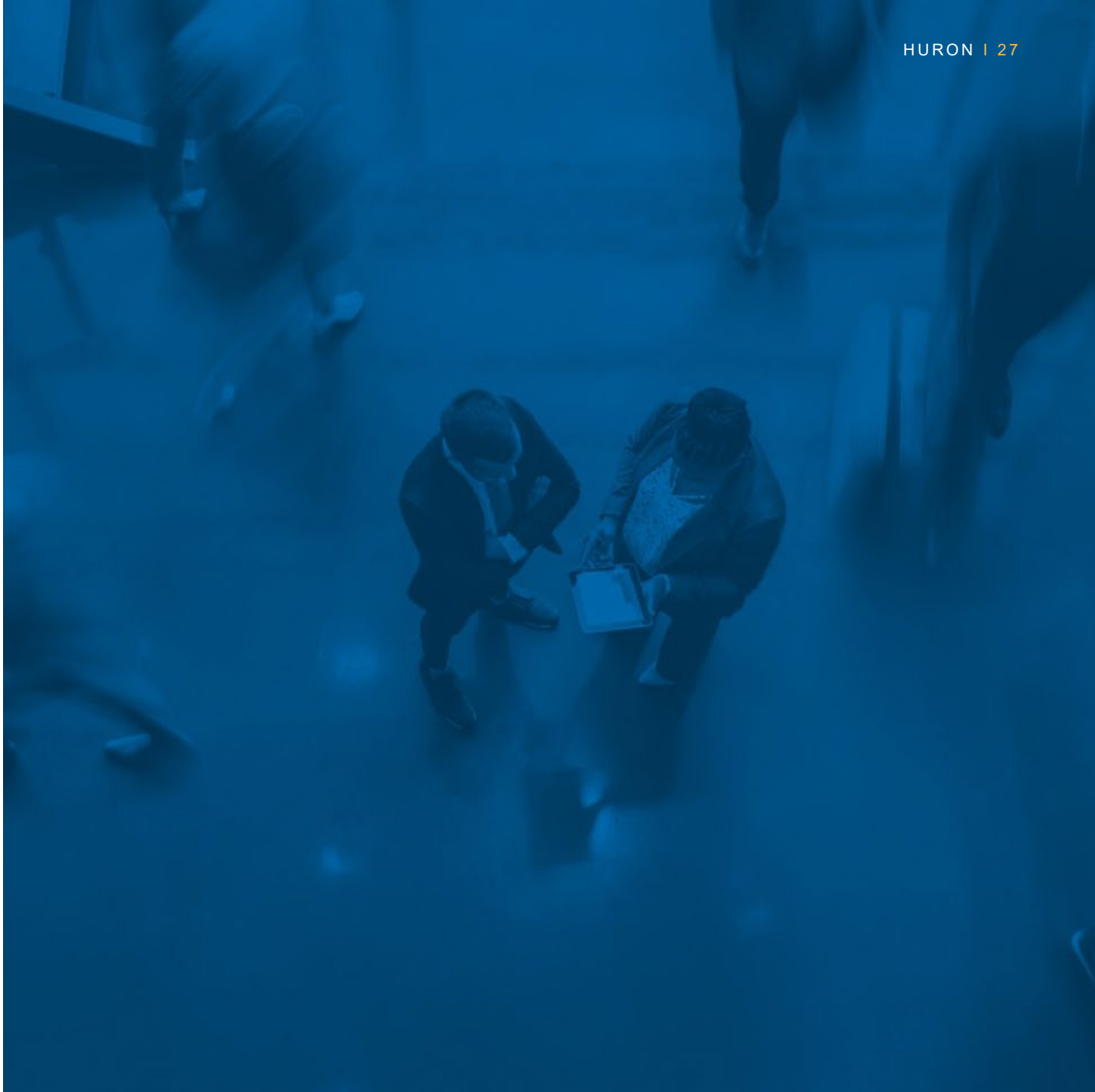
Executive Summary

High-Level Implementation Roadmap



2

Findings & Observations



Findings & Observations

Huron facilitated sixteen (16) separate focus group sessions with over eighty (80) key stakeholders across campus and led several additional individual meetings.

Focus Group	Attendees	Date
Procurement Contracting Committee	Ethan Erickson, Fran Willbrant, Memory Buffington, Cathy Oehm, Gary Pratt, Shari Crittendon, Aaron Good	28-Oct
K-State Purchasing Focus Group	Cathy Oehm, Kale Terrill, Julie Wilburn, Joyce Polson, Kristin Copeland	5-Nov
College of HHS Focus Group	Libby Vathauer, Stephanie Fox, Kathy Schaefer, Cassie Hall, Travis Haug	12-Nov
CIO/ITS Focus Group	Gary Pratt, Chad Currier, Jan Elsasser, Betsy Draper, Kelly Moon, Julie Henton, Angela Chauncey, Dr. Jason Maseberg-Tomlinson	13-Nov
OGC Focus Group	Shari Crittendon, Aaron Good, Elliott Young	13-Nov
Pre-Award Focus Group	Shannon Fisher, Roger McBride, Paul Lowe, Anita Fahrny, Lisa Duer, Mollie Robbins	16-Nov
Engineering Focus Group	Karen McVey, Jamie Boeckman, Debra Wahl, Jayme Reid, Theresa Hogenkamp, Michelle Keating, Vicky Geyer, Shelly Reves-Klinkner, Chassy Nichols, Cindy Fowler, Mayumi Saito, Charlotte Bruna, Seth Galitzer	17-Nov
Education, and Architecture, Planning & Design Focus Group	Shannon Fox, Michelle Musser, Susan Erichsen, Heather Tourney, Sharon Hartwich	17-Nov
Housing & Dining Focus Group	Michael Crow, Larry Farmer, Coila Farrell, Loleta Sump, Anne Murphy, Shannon Ruder, Diana Hutchison	18-Nov
Libraries & Global Campus Focus Group	Katy Bach, Christina Geuther, Harry Williamson, Debbie Hagenmaier	19-Nov
Central Admin Focus Group	Jennyfer Owensby, Joe Milostan, Brent Holiday, Shecky Davis, Cynthia Brott, Mandy Cole, Colleen Hackenberg	19-Nov
College of Agriculture Focus Group	Amy Schmitz, Amy Capoun, Gina Nixon, Scott Graber, Jeanna Duncan, Spencer Casey, Aimee Hawkes, Randy Griffith	23-Nov
College of Business Administration Focus Group	Brianne Porter, Amanda McDiffett, Danielle Fischer	23-Nov
College of Arts & Sciences Focus Group	Erin Kurtz, Lori Moses, Din Phan, Lori Buss, Kim Elliot	24-Nov
Vet Med Focus Group	Priscilla Roddy, Christine Duvendack, Marla Pyle, Jianfa Bai, Lyndse Greenwood	24-Nov
Polytechnic Campus Focus Group	Dennis Stugelmeyer, René Leiker, Monica Curnutt	24-Nov

Findings & Observations

CLM is the requesting, establishing, managing, and terminating agreements including ongoing management and reporting in support of the institution's strategy and business operations.

Renewal / Termination

Renewing agreements and updating in Inventory or terminating and appropriately closing out.

Report

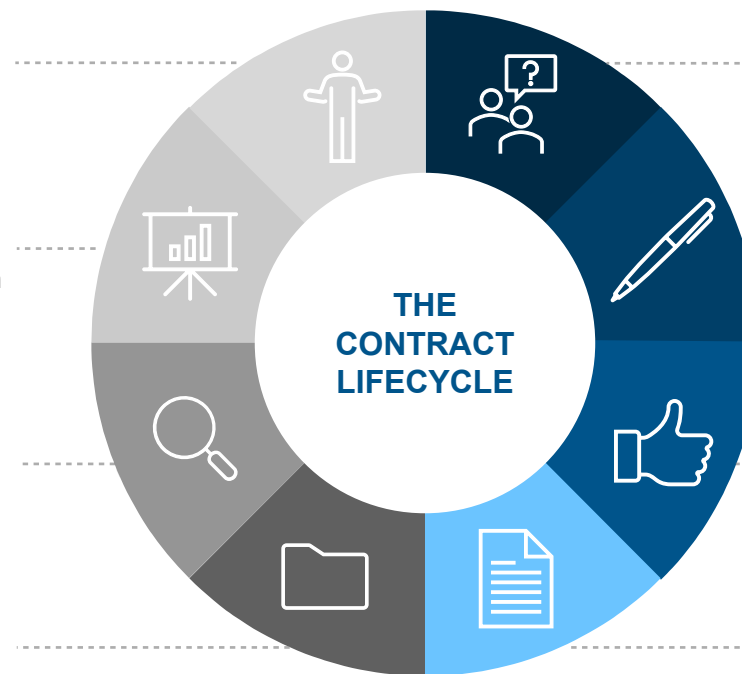
Generating analysis and developing risk profiles based on contract characteristics and attributes

Search

Locating and recalling a contract by any number of attributes.

Inventory / Storage

Recording the executed agreement in a repository for audit, searching, and reporting.



Request

Identifying needs, checking budgets, validating business needs, forms, and requirements.

Review / Redline

Providing review, revisions, and additions to contracts and comparing differences in versions.

Approval

Review and approval from appropriate stakeholders and departments charged with managing or monitoring contract subject matter.

Execution

The execution of the contract by appropriate University member.

Findings & Observations

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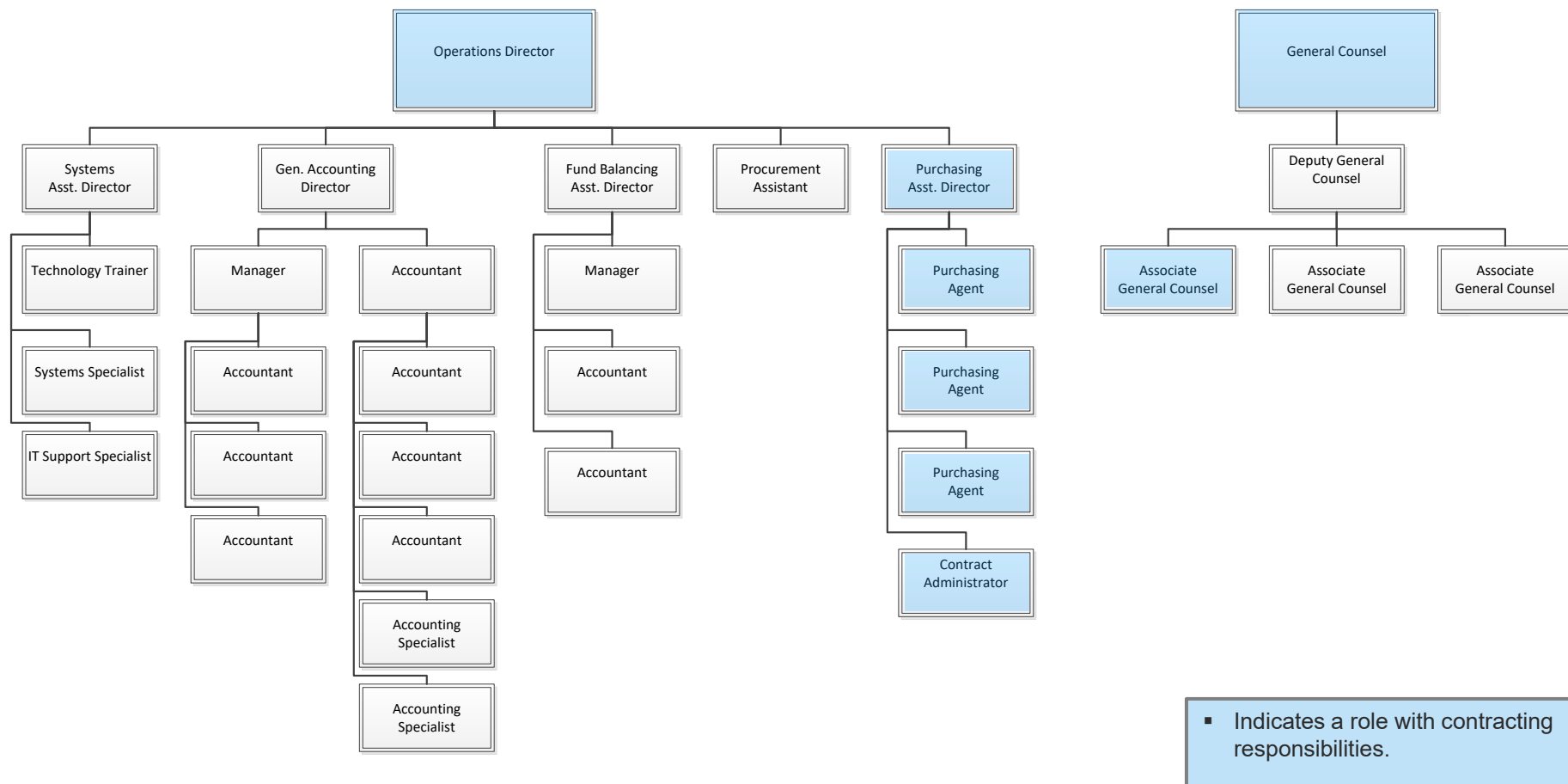
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Findings & Observations

Contracting for business relationships, goods, and services (except research pre-award agreements) are managed with a combination of Operations and General Counsel teams.



[1] Purchasing's Contract Administrator role was recently added and filled. The current FTE has held the position for approximately three (3) months.

Findings & Observations

Organization | People | Culture

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Policies | Processes | Procedures

- All contracts must be reviewed by OGC which can cause significant delays in the contracting process. Campus is really challenged with the lack of transparency about the process and status of requests.
- The KSU-146a is required to be attached on all contracts which faculty and staff see as overly burdensome. Furthermore, it is not clear across campus if the 146a is required because OGC will make amendments to the document on occasion during a contract negotiation.
- Standard processes around contract development, approval, execution, and inventory/management are not well defined nor clearly communicated across campus.
- Contract workflow is conducted via email which is inefficient and provides no transparency as to the status of a request or review.
- Requisition to Purchase Order processes at the department level are often performed offline, before activity in PeopleSoft. In addition, PO terms vary by department.



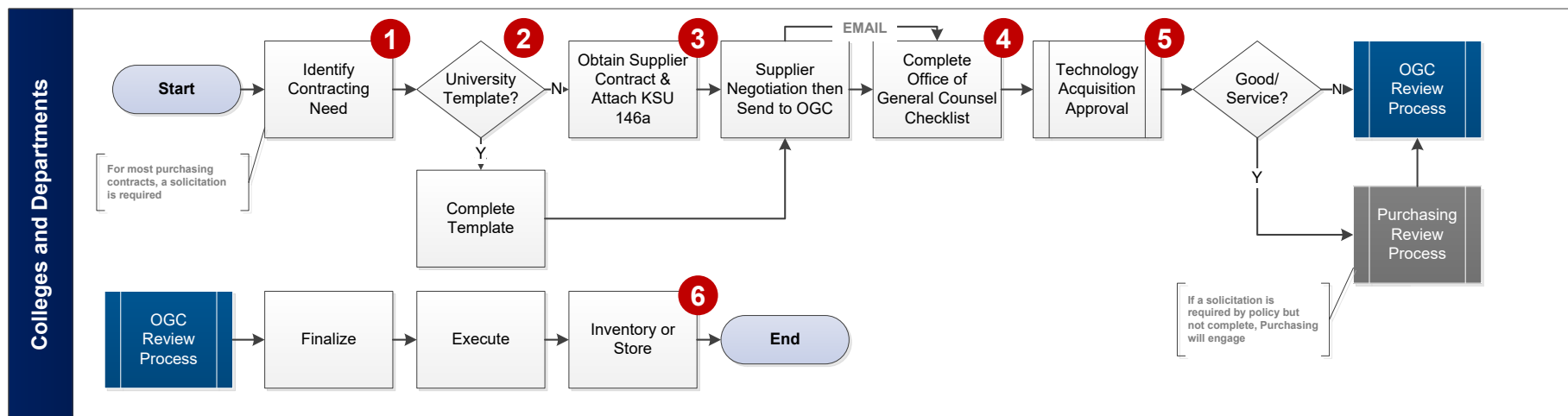
"We were using campus mail to process bids with Purchasing."

- Vet Med Focus Group

Findings & Observations

Policies | Processes | Procedures

The University lacks a standard contracting process, however the map below is an illustrative example of “best case scenario” in the current state with highlighted challenges.

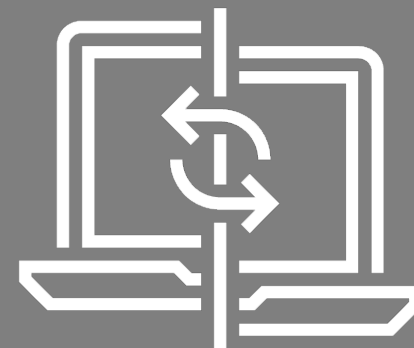


- 1 Faculty and staff identify needs independently and department staff facilitate contract requests via email, excel form, ServiceNow form, or purchasing website. Campus lacks clarity on PO vs true contracting scenario decisions, sourcing requirements, and contract request facilitation responsibility.
- 2 Templates are not widely used but are available for limited circumstances. Templates without material changes (dollar amount, date, and parties) do not require OGC review.
- 3 The **KSU-146a**, a derivative state form, is attached to supplier paper proposed contracts. The form contains all necessary University provisions to mitigate risk. Departments are mixed on whether the document is negotiable with some reporting no changes are permitted while others sharing experiences of regularly amending.
- 4 The **Office of General Counsel Checklist** (“**OGC Checklist**”) is a fillable PDF form with a series of questions to guide a requester through business benefits (cost/risk), IT requirements, University trademark/image, data, and general process guidance.
- 5 The **Technology Acquisition Approval** form is an electronic form which proposes a series of questions to assess the business purpose, security, accessibility, K-State data, and PCI compliance. Campus is challenged at times reconciling this digital form with OGC’s Checklist which is PDF.
- 6 Storing a finalized agreement is highly variable between departments. Not only do departments use different technologies but each tracks different attributes such as supplier information, start date, end date, milestones, invoicing requirements, insurance, certifications, etc.

Findings & Observations

Tools | Technology

- All departments have shadow systems for purchase orders, financial reporting, sourcing/bidding management, and document storage. Much of the contract communication with supplier is by email.
- Contract workflows are routed through emails and word documents or PDF. Document changes are may even be handwritten and scanned for the next reviewer. These practices increase risk, invite mistakes, challenge transparency, and delays in the contracting process.
- Pre-COVID, contract functions were accomplished via paper copies and routing by campus mail. Routing inefficiencies alone could add weeks to the overall contracting time.
- Campus has welcomed the recent adoption of Right Signature which improved the contract execution and signature processes.
- Goods / services contracts may be shared via Purchasing's website; but the webpage is often down, out-of-date, and some contracts posted are not truly University-wide agreements.



“

“Everyone uses their own shadow systems, everyone.”

- Central Admin

Findings & Observations

Tools | Technology

University's source-to-pay activities based on Focus Group feedback

- Sourcing is challenged with high volume of ad-hoc spot buys due to limited preferred suppliers and lack of intentional collaboration across the University.
- Lack of relevant, centrally directed tools and processes has led departments to develop their own tools for managing pieces of the procure to pay environment and has handicapped the ability to promote preferred suppliers / contracts and reinforce the “right” purchasing decisions.
- Piecemeal systems, process, and data collection inhibits the overall ability to rely on data for decisions - making category management and broader strategic contracting, purchasing and payables decision making more difficult.

K-State performance gaps across the various process areas

	Source	Contract	Procure	Settle	Analyze
Key Activities	● Preferred Suppliers	● Request	● Shopping	● Supplier Reg.	● Spend Analysis
	● Sourcing / eRFx	● Author/Redline	● Requisition	● Supplier Vetting	● Category Mgmt.
	● Spot Buys / RFQ	● Approval	● Encumber	● eInvoices	● SLA/KPI Mgmt.
	● Supplier Vetting	● Execution	● Financial Approvals	● Paper Invoices	● Supplier Reporting
		● Storage	● Special Approvals	● Receiving	
		● Reporting	● PO Transmission	● Matching	
		● Track Obligations		● Payment Strategy	

LEGEND: ● Performing ● Developing ● Not Present ● Unknown

Findings & Observations

Contract Lifecycle Management (CLM) includes requesting, establishing, managing, and terminating agreements as well as the critical tasks of ongoing management and reporting in support of the institution's strategy and business operations.

Renewal / Termination

No standard mechanism or alert for expiring contracts and limited process for alerting end users of expiring contracts.

Report

No reporting capabilities throughout campus.

Search

No ability to search for contracts, keywords and clauses, or suppliers.

Inventory / Storage

No comprehensive or enterprise contract repository exists on campus, contract copies are stored on local hard drives.

Request

The contract request activities and methods are not standardized.

Review / Redline

Reviews and redlines occur via emails, word docs, pdfs, and paper copies.

Approval

Approval workflow exists, but it is different among colleges making it difficult to manage and enforce.

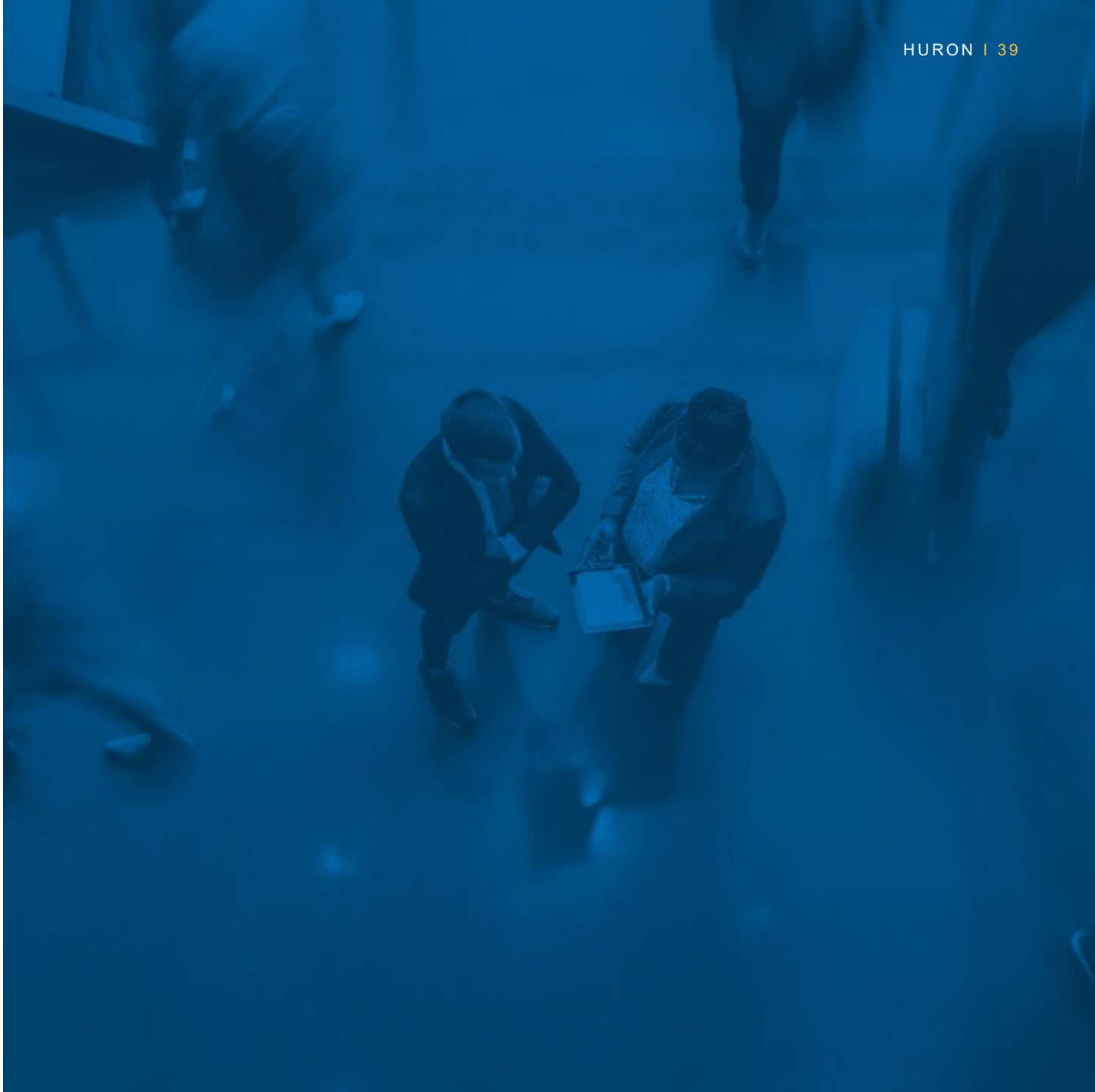
Execution

RightSignature has greatly improved the contract execution process.



3

Recommendations



Recommendations

Overview of Recommendations



1. Develop A Shared Vision

- Create a unified University shared vision for contract management.
- Establish missions and supporting strategies for the entire contracting lifecycle with a strategic focus on risk management but also supporting spend management capabilities and customer service emphasis.



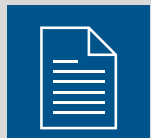
2. Optimize Operating Model

- Implement a center-led purchasing model with subject matter expertise and contract facilitation capabilities.
- Clearly define delineation between Purchasing and other departments, establish new roles and responsibilities for team, provide skill enhancement opportunities and on-going development strategy.



3. Institute a Risk Framework

- Develop an inventory of risk elements which require mitigation and management.
- Operationalize the elements through a contract questionnaire to gather information end-users about proposed agreements, set review/timing expectations, and promote the use of POs and templates.



4. Enhance University Contracts Policy

- Revise the current contract policy to standardize the approved process, forms, and solutions to support contracting vision. Align contracts policy with other department policies to support strategy.



5. Increase Training Resources

- Develop training and self-help materials to communicate the approved CLM processes and procedures.



6. Adopt Centrally Administered Technology

- Implement both contract and procurement technologies to support the center-led purchasing, operationalize process, and de-burden departments from managing multiple technology solutions while respecting their independence.

Recommendations

R1

Develop A Shared Vision

Key Findings & Observations

- Both Office of General Counsel and Division of Financial Services lack mission statements, furthermore Purchasing's statement reflects no meaningful vision, role, or strategy in an end-to-end contract management activity.
- The University websites and policies focus on the “who” and “what” but not the why? K-State messaging does not communicate a positive and supportive contract management vision to encourage departments to be stewards of University funds and partners in risk mitigation.
- Overall Campus lacks a unified University-wide view on contract management.

Recommendations

R1.1 Develop A Shared Vision

- Create mission statements for Office of General Counsel, Divisions of Financial Services (including Purchasing) and other specialty departments with the University's mission. The objectives should lend themselves towards measurable actions to be achieved by the organization in support of campus partners.
- To drive such improvements, leadership should institute a mission, strategy, and vision for contracting that encompasses operational, campus-engagement, employee developmental goals, and technology utilization goals.
- Develop vision and supporting strategies for the entire contract lifecycle, including tenets such as risk mitigation, financial stability, transparency, and government compliance/regulation.

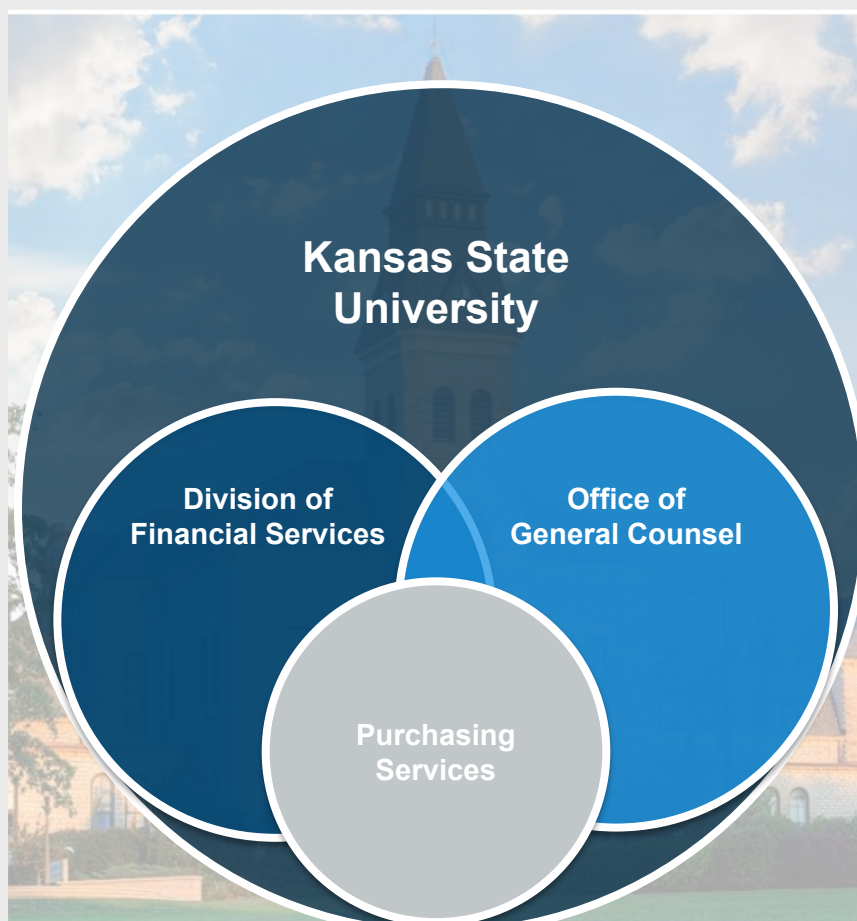


Recommendations

R1

Develop A Shared Vision

R1.1 Mission Statement Creation and Alignment



Kansas State Mission

The mission of Kansas State University is to foster excellent teaching, research, and service that develop a highly skilled and educated citizenry necessary to advancing the well-being of Kansas, the nation, and the international community. The university embraces diversity, encourages engagement and is committed to the discovery of knowledge, the education of undergraduate and graduate students, and improvement in the quality of life and standard of living of those we serve.

Finance Mission (Example)

The Division of Financial Services is committed to advancing the university's mission by providing essential financial services to our students, staff, and faculty. Through the responsible planning and management of the university's resources, Financial and Administrative Services supports and enhances our core mission to be more effective, efficient, and achieve operational excellence.

Office of General Counsel (Example)

The Office of the General Counsel (OGC) supports the dynamic educational environment of K-State by providing legal advice to foster sound decision-making in all areas of operation, instruction, research and administration. Our function is to provide, manage and coordinate quality legal services including legal counsel and representation, litigation and legal risk management, contract drafting and review, compliance oversight and other services and counsel to all parts of the University. It is the goal of our Office to provide counsel to minimize legal risk and costs, reduce litigation exposure, and ensure legal compliance, and to do so efficiently, expeditiously, reliably and professionally.

Purchasing Services Mission

Kansas State University Purchasing Office's mission is to support and facilitate the instructional, research, and public service missions of the University by applying the best methods and best business practices when K-State is acquiring supplies, materials, equipment, goods, property, printing, services, and leases of real property. Within the context of the K-State environment, Purchasing will promote the development and use of purchasing processes that, in turn, promote the pursuit of excellence and the best interests of K-State while maintaining the highest possible integrity, broad based competition, fair and equal treatment of the business community, and increased economies & efficiencies in the purchasing process. K-State Purchasing communicates and collaborates with other state universities and the State of Kansas Procurement and Contracts office to ensure that all procurement opportunities where mutual benefit can be obtained are achieved.

Recommendations

R2

Optimize Operating Model

Key Findings & Observations

- The Purchasing team is inundated with transactional tasks limiting its time to focus on strategic activities, operational improvement, and customer support enhancements.
- Existing staffing levels in Purchasing are perceived as a barrier to exercising more strategic influence and addressing purchasing and contracting volumes but there are data gaps to adequately assess staffing levels.
- Departments are often unsure of the person or department responsible for managing the contract from request to execution. Departments will often manage the contracting process when Purchasing is overwhelmed with other tasks.

Recommendations

R2.1 Build a Center-Led Operating Model

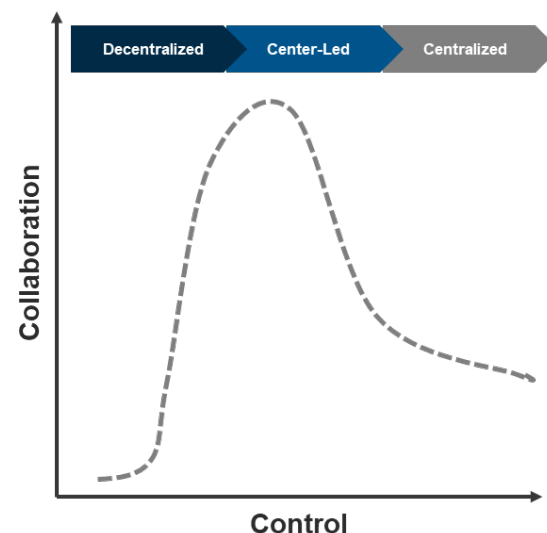
- Develop a structure with sufficient resources and expertise to support the departments' missions and scopes. The operating model must support current state circumstances and be flexible enough to grow in influence and develop greater collaboration with departments. The mission, scope, and collaboration touch points must be communicated to stakeholders to set reasonable service-level expectations of department outcomes and timelines.

R2.2 Develop Category / Industry Expertise

- Identify key spend categories that warrant strategic management and assign to members of the Purchasing team to develop expertise to build purchasing, supplier, contracting, and demand management strategies.

R2.3 Determine Optimal Staffing Mix

- Discover Purchasing's ideal staffing levels to lessen burden on end-users, strategically manage spend, and improve the customer experience



Recommendations

R2

Optimize Operating Model

R2.1 Build A Center-Led Operating Model

- K-State should commit to a center-led purchasing operating model with purchasing subject matter / industry expertise and dedicated contracting support embedded in the Purchasing department. Transitioning to a center-led approach positions the Purchasing department to implement purchasing and contracting best practices and lead process, policy, and technology standardization.
- A center-led purchasing department will provide greater opportunity for savings by advising contract requesters on preferred or established supplier relationships, facilitate greater collaboration among departments for stakeholder demand aggregation, improve data visibility and quality all while contributing to operating efficiency by reducing redundant work performed in departments.



DECENTRALIZED

Decentralization delegates decision making to colleges /departments.

Units have the authority to make decisions without the need to consult centralized leadership but need to add staff with the purchasing and contracting capabilities.



CENTER-LED

Center-led function offers support to colleges and departments.

Flexible approach with centrally managed strategy, business processes spend categories, and explicit autonomy to colleges and departments to function in specialty areas.



CENTRALIZED

Centralized function aggregates all activities in few or single department.

Central department is responsible for a high level of subject matter expertise and service levels, managing all purchasing and contracting activities.

Recommendations

R2

Optimize Operating Model

DECENTRALIZED



Overview

Decentralized model; Purchasing owns policy, business process, University-wide sourcing/contracting, and enabling technologies. Departments manage all other procurement tasks.

Benefits

- Centrally managed policy and technology
- Central audit, monitoring, and contract management
- Entrepreneurial approach; depts have full delegation of purchasing and flexibility to manager its business

Challenges

- Demand higher degree of skill from department roles
- Missed collaboration opportunities
- Reliant on integrated systems for adequate mgmt. from central depts.

Recommended Model

CENTER-LED



Overview

Center-Led model; Purchasing owns all elements of central support including managing contracts, purchasing, and enabling technologies. Departments may manage low dollar and risk purchases.

Benefits

- Centrally managed policy and technology
- Centralized expertise; less skilled resources needed in colleges
- Greater cross-department / college coordination and collaboration
- Easier change management when necessary

Challenges

- Process and category expertise depends on strong direction
- Varying aptitude in process and systems
- No existing enterprise, contract or procurement systems, or support model

CENTRALIZED



Overview

Centralized model; Purchasing has full ownership and direct oversight of all contracting and purchasing activities. Department to identify needs and submit supporting documentation.

Benefits

- Greater ease to develop and maintain unified strategy
- Center of policies, process, and enforcement
- Departments may focus on college related missions rather than centrally administered tasks

Challenges

- Perception of service relationship vs. partner relationship
- Specialized purchases might suffer
- Major system and process changes necessary

Recommendations

R2

Optimize Operating Model

R2.2 Develop Category Expertise

- With the center-led approach, K-State Purchasing staff should develop commodity/industry expertise. This typically expressed through category management which is the bundling of like goods/services into a category to manage the procurement, contracting, supplier landscape, and demand management.
- K-State should assign categories to its Purchasing staff to develop expertise and provide heightened levels of service for campus end-users. In the short term, staff may need to manage multiple categories but as the department matures an FTE should be dedicated to managing key categories such as Research and IT.

Typical Category Structure In Higher Education

Clients defined categories based on their needs and purchasing profile of the institution. This is a list of common categories across similar schools

General Goods & Services



Regular daily goods like pens, paper, food, uniforms, etc.

Professional Services



Includes many business services like financial, engineering, architect, etc.

Information Technology



Hardware, software, networking services, installation, data mgmt

Scientific & Research



Lab equipment & services, chemicals/agents, animals, etc.

Facilities Management



Construction, energy, janitorial & grounds services, equip. install, etc.

Medical



All goods and services medical (i.e. Vet Clinic)

Recommendations

R2

Optimize Operating Model

R2.2 Develop Category Expertise

- A center-led, category focused model positions purchasing to provide both purchasing and contracting leadership for goods and services to campus. For KSU this means the Purchasing Agent I role will manage day-to-day purchasing support, the Purchasing Agent II role will be assigned one or more categories to manage, and establishing a contract manager or administrator role to address contracts in areas without a category manager as well as more complex contracts such as capital equipment, construction, and escalations from the Purchasing Agent II's.

PURCHASING / BUYING

- Provides day-to-day purchasing support and transaction processing for campus requisitions and spot buys
- Support Purchasing Agent II's in cost reduction efforts and maintaining proper records on all such cost reductions.
- Works collaboratively with customers to understand business requirements for spot-buys
- Supports University end-user purchasing activities by advising on appropriate buying methods, preferred suppliers, and reviewing purchase orders to ensure purchasers receive best value
- Provide guidance and level one help desk support for purchasing and contract requests (i.e. finding forms, completing forms, etc.)

*Support
Day-to-Day
Buying*

*Facilitate
Buying
Methods*

*Implement
Process*

CATEGORY MANAGEMENT

- Perform market analysis, supplier selection, contract negotiations, contract renewals, contract compliance, and supplier relationship management
- Create and review supplier contracts to ensure appropriate business terms, detailed work statements, and facilitate specialty review to ensure compliance.
- Measures and manage supplier performance relative to contracted service levels, identifies and resolves key supplier performance issues to ensure campus satisfaction
- Works collaboratively with customers to understand demand behavior, specification requirements, product/service requirements, and continuous improvement

*Engage
Stakeholder*

*Manage
Contracts*

*Develop
Strategy*

CONTRACTS AGENT

- Primary liaison for contracting between General Counsel's Office and both Purchasing and campus
- Serve as the key point of contact for escalated goods/services contract issues between KSU and third parties to ensure timely review and approval of any variations
- Provide recommendations to campus stakeholders and negotiate directly with supplier attorneys or staff to craft a final document
- Keep KPIs and SLA's for the contracting process and develop process and policy improvement opportunities
- Manage contracting policy alignment, system workflow, templates, repository and troubleshoot issues

*Process
Ownership*

*Provide
Reporting*

*First to
Address
Escalations*

Recommendations

R2

Optimize Operating Model

- Purchasing should work to funnel all goods/services contract requests through its team. In certain cases, if Purchasing and General Counsel or specialty departments (i.e. IT, Risk, EH&S, Post Award) agree; specific types of contracts may route through another area with specific expertise. For example, if IT purchasing expertise just does not exist nor can be developed within a reasonable amount of time, KSU may wish to route IT related contract requests through that department for the time-being until such capabilities develop in Purchasing.
- Division of work between Purchasing and OGC should be defined. The table below shows the expected CLM 'duty' and the related 'distribution of ownership' to identify the activity as a 'Lead' or working on the activity as a 'Shared' or is in a 'Support' role for their counterpart.

Duties	Purchasing	Distribution of Ownership								General Counsel
Managing Technology Solution Process	Lead									Support
Reviewing Contract Requests	Lead									Support
Qualifying Risk / Review Levels	Lead									Support
Reviewing Templates / Low-Med Risks	Lead									Support
Reviewing High Risk / Escalated Contract	Support									Lead
Routing Contract Approvals	Lead									Support
Ensuring Contract in Repository	Lead									Support
Performing Compliance / Business Review	Lead									Support
Reporting / Notifications Responsibility	Lead									Support
Routing Contract Executions	Lead									Support
Continuous Template Updates	Shared									Shared
Updating Contract Policy	Support									Lead

Recommendations

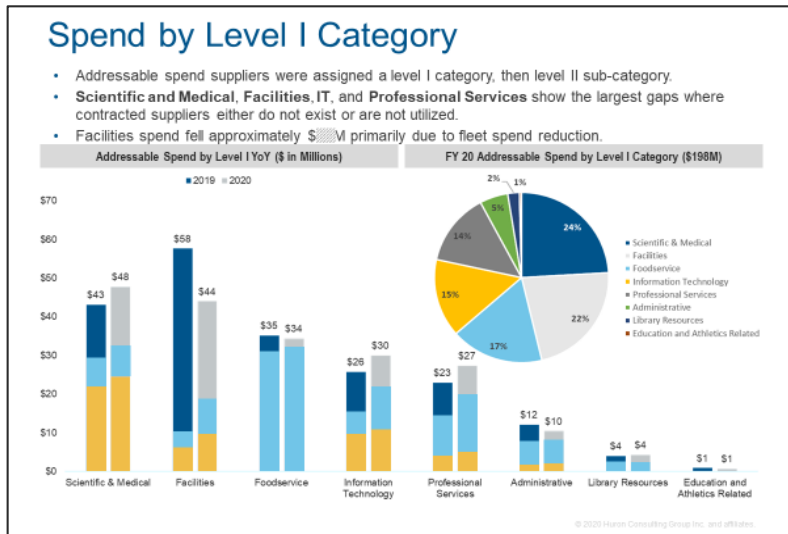
R2

Optimize Operating Model

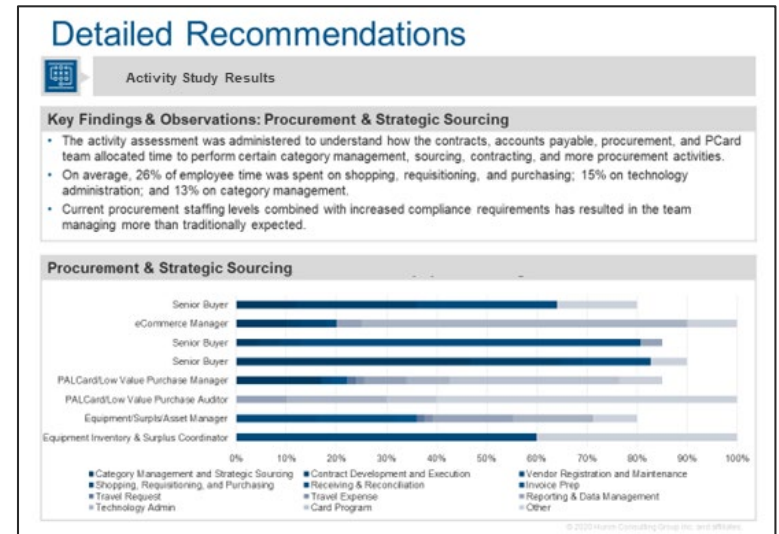
R2.3 Determine Optimal Staffing Mix

- Focus group feedback and other observations, suggest that staffing levels for purchasing and contract management activities would benefit from additional data to define to appropriate staffing and responsibility mix. Huron recommends K-State undertake an **Activity Survey** and **Spend Analysis** to determine insights on spend by supplier, preferred vs non-preferred supplier spend and transactions, spend and transactions by categories and department, and task level information to identify the procurement related functions performed by schools and departments to understand purchasing activities across the University. The insights will help determine important categories and levels of effort for management but also provide savings opportunities to fund technology and staffing investments.

Sample Spend Analysis Output



Sample Activity Survey Output



Recommendations

R3

Institute a Risk Framework

Key Findings & Observations

- Currently the KSU-146a is the primary risk mitigation tool for contracting. Applying a “one-size-fits-all” approach to risk mitigation can inhibit business processes and place undue burden on departments.
- The OGC Checklist is a relatively good primary intake form, however department feedback indicates overall process confusion and how this form aligns with the IT’s forms and purchasing’s process.
- Users are challenged with the misalignment the forms themselves but by the administration or solutions used to collect the information (i.e., OGC checklist administered by PDF, TAA via webform, purchasing/sourcing via email).

Recommendations

R3.1 Establish Risk Classification and Review Framework

- The University should define a framework for assessing risk. The framework should guide other risk mitigation efforts such as a questionnaire, contract templates, and service levels for contract requests. The framework should be communicated and socialized to set expectations to the campus community.

R3.2 Develop a Universal Contract Questionnaire

- Enhance and repurpose the OGC Checklist to a KSU Contract Risk Questionnaire. The assessment should be mandatory for all contracts and include straight-forward questions consistent to advise on workflow and levels of review.

R3.3 Establish PO Verses Contract Requirements

- Standardize PO terms and promote the use of POs to reduce unnecessary contract requests, use Purchasing and OGC time appropriately, and improve services levels to campus.

R3.4 Implement Contract Templates

- Develop contract templates in collaboration with Purchasing / specialty departments which include the relevant KSU-146a terms for the subject matter to appropriately mitigate risk, reduce cycle times, and improve customer experience.

Recommendations

R3

Institute a Risk Framework

R3.1 Establish Risk Classification Framework

- Develop a risk classification framework to standardize the risk assessment and assign different levels of risk to suppliers and contracts. Risk classification standards will help manage University risk and campus expectations.
- Benefits of this framework, include the management of supplier onboarding, allocation of contract resource assignments, and creation of a standardized approach for assessing risk, while also accounting for those suppliers and/or contracts that require additional attention and oversight.

Risk Category	Definition	Examples
Level 3 (High Risk)	Suppliers or Contracts that potentially have a high level of risk to the University. Requires more stringent provisions and authorization from specialty groups, such as Legal, Risk, etc.	▪ Contains sensitive data (e.g. student or medical data) ▪ High dollar value contracts ▪ Includes K-State IP
Level 2 (Moderate Risk)	Vendors or Contracts with spend up to \$100,000 that do not include any of the Level 3 components but include specific risks that must be addressed.	▪ Exchange of routine data ▪ Regular onsite services ▪ Routine lease agreements
Level 1 (Low Risk)	Vendors or Contracts with annual spend of \$10,000 or less that do not include non-monetary risks associated with higher risk levels.	▪ Standard agreements without changes ▪ Contract renewals or dollar and date amendments

Components		Level 1 Low Risk	Level 2 Moderate Risk	Level 3 High Risk
Contract Spend	\$500,000+			●
	\$100,000-\$500,000		●	●
	\$50,000-\$99,000		●	
	\$10,000-\$49,000	●	●	
	<\$10,000	●		
Data	HIPPA/ FERPA / Student Data			●
	Information Security			●
	Sensitive University Data			●
	Routine University Data	●	●	
Property	High Risk to Univ. Property		●	●
	Low Risk to Univ. Property		●	●
	IP Concerns	●		
Compliance	Federal Compliance	●	●	●
	State Compliance	●	●	●
	K-State Policy / Strategy		●	●
	K-State Standard Template	●		
	K-State Template w/ Changes		●	●
	Supplier Template		●	●
Other	Insurance		●	●
	HR / Employment		●	●
	University Safety			●
	Student Health and Safety			●
	Third Party Solicitation	●	●	●
	Highly Regulated Industry		●	●

Recommendations

R3

Institute a Risk Framework

R3.2 Develop a Universal Contract Questionnaire

- Operationalize the risk framework and contract review expectations through a universal Contract Questionnaire which is required for all contract requests.
- Currently there are different paths and requirements based on the nature and subject matter of the request (i.e. technology, purchasing, \$ level, etc.). The variety of processes is the source of end-user confusion and frustration.
- The new Contract Questionnaire should be used to guide end-users through the requirements, risks, and process. It should include pointed questions to identify risks in the key areas identified in the risk framework. It should also alert end-users to specialty risks (such as IT, animals, chemicals/agents, capital equipment) and advise end-users to the additional forms or information required for request submission.
- The goal of contract questionnaire is not only to appropriately route contract workflows, but also to give end users increased visibility into why certain approval steps are necessary.
- Questionnaire questions must extract appropriate contract information while being easy enough for infrequent users to navigate.

Enhancement Opportunities

- **Contract Type** – Goods/Services requests shall all be routed through Purchasing whereas other types (i.e. employment, BAA, etc.) may be routed directly to OGC
- **Information Technology** – Advise users with IT related requests to complete TAA and submit with the questionnaire to create a complete contract request package
- **EH&S**– Include questions for EH&S compliance related elements and collaborate with responsible department, any additional forms should be included just like IT
- **Templates/KSU-146a** – Encourage users to leverage an existing template in lieu of supplier paper and KSU-146a
- **Completeness** – Reject and return incomplete requests

Recommendations

R3

Institute a Risk Framework

R3.3 Establish PO Verses Contract Requirements

- Campus users should understand that purchase orders are preferred but also when a written contract is required. K-State should update its PO terms to include the full KSU-146a requirements and update University policies to guide when a PO or contract is needed.
- PO terms need to be standardized and posted to Purchasing's website, not placed behind a firewall. Departments should be required to use the standard language or include the link to the terms on Purchasing's website. Advise campus that POs are, in fact, contracts and available to establish business relationships quickly.
- Include user-friendly guidance with the Contract Questionnaire when a separate written contract is required and post on the website.

Purchase Order (PO) Not Required

Types of services payments can be made using the Supplier Invoice process and do not require a purchase order:

- Audit and Tax related payments, Payroll, etc.
- Transfer of funds between K-State and Affiliated Hospitals/physician practices in support of agreements
- Utility payments
- Legal services and settlements
- Payment of professional fees/dues

Purchase Order (PO) Required and Not a Contract

A PO alone is an agreement and can be combined with a SOW or Quote (ex. price, description of services, etc.).

- Spot buys or one-time purchases
- Infrequent low dollar transactions with a supplier
- Where the future of the relationship with the supplier is unclear
- Where intellectual property rights ("IP") are not critical to the transaction

Separate Written Contract Required

PO will not be sufficient, more comprehensive written contract is needed. Common examples of contracts required:

- Preferred, high transaction, high spend suppliers
- Services regularly performed onsite
- Professional services (i.e., financial, accounting, consulting, etc.)
- High dollar equipment
- Travel-related services (e.g., travel management, rental car, hotel and airlines)
- Software

Recommendations

R3

Institute a Risk Framework

R3.4 Implement Contract Templates

- Contract templates should be enhanced and added to improve cycle times and allow Purchasing and Legal to focus on higher risk relationships. These templates should include KSU-146a provisions appropriate for the contract's subject matter to provide risk mitigation required by the University, reduce unnecessary supplier negotiations with departments, and Purchasing.
- KSU should also communicate to campus a preference for templates rather than supplier paper to increase efficiency and reduce contract review cycles. More templates developed with legal/specialty departments to capture nuances should increase efficiency by limiting the frequency for lengthy review. The goal is to accomplish 70-80% of agreements on a contract template.
- Ensure contract templates are accessible to Campus on the Purchasing website.

This table is from a peer institution that recently performed a CLM optimization. We first defined high-level contract types and associated contract templates. The templates were developed in cooperation with legal, risk and compliance, student services, marketing, among others.

The school adopted a template first policy to reduce agreements on supplier paper. Target is 80% of contracting on templates.

Good / Services Contract Templates

Acquisition of Goods – Preferred Supplier	Construction – Design
Acquisition of Goods – Purchase/Lease	Construction – Design & Build
Acquisition of Services – Independent Contractor	Construction – Real Estate
Acquisition of Services – Professional Services	Off Campus Events
Acquisition of Services – Speaker/Perf.	Travel – Lodging
Construction – Manager at Risk	Travel – Logistics
Construction – Conventional	Travel Services

Additional Non-Purchasing Templates

- [1] Employment; Employment for Faculty & Staff and Visiting Scholars
- [2] Revenue-Generating; On Campus Facility Rentals, Publishing & Editing, Sale of Goods/Services, and Other
- [3] Sponsored Programs; Joint Venture/Partnerships for Research and Sponsored Research Grants
- [4] Other; Gift/Donor, Internship and Affiliation, Joint Venture, NDA, Study Abroad, Trademark & Copyright, and Other

Recommendations

R4

Enhance University Contracts Policy

Key Findings & Observations

- Current contracts policy is limited in scope and, in the absence of training materials, provides little direction to end-users of the appropriate process.
- Campus is just plain confused; end-users are largely uneducated on the process, unsure of initiating steps and workflow, and unaware of the administrative departments requirements to fulfill their request properly which results in long review times.
- End-users want to do the right thing but are looking for guidance on such steps.

Recommendations

R4.1 Enhance The University Contracts Policy

- Revise existing policies to align with the contract management strategy and supporting mechanisms. Expand policy scope but be clear and concise and align with IT, Sponsored Projects, among others.
- Revisions should communicate strategies as PO verse contract, preferred supplier preferences, OGC Checklist (or Contract Questionnaire) Technology Acquisition Approval form, and any other supplemental materials.
- Finance and General Counsel's office should determine which department will own and be responsible for continual improvements and revisions

Elements of a Contract Policy

Purpose	Guidance	Standards	Risk Mitigation
	Support Mission		
Scope	Goods/Svcs	Software	HR
	Internship	NOT Pre-Award	
People	Purchasing	OGC	Inf. Tech
	Risk	Research	EH&S
Process	Request	Review	Inf. Tech
	Risk	Research	EH&S
Tools	Questionnaire	Forms	CLM Solution

Recommendations

R5

Increase Training Resources

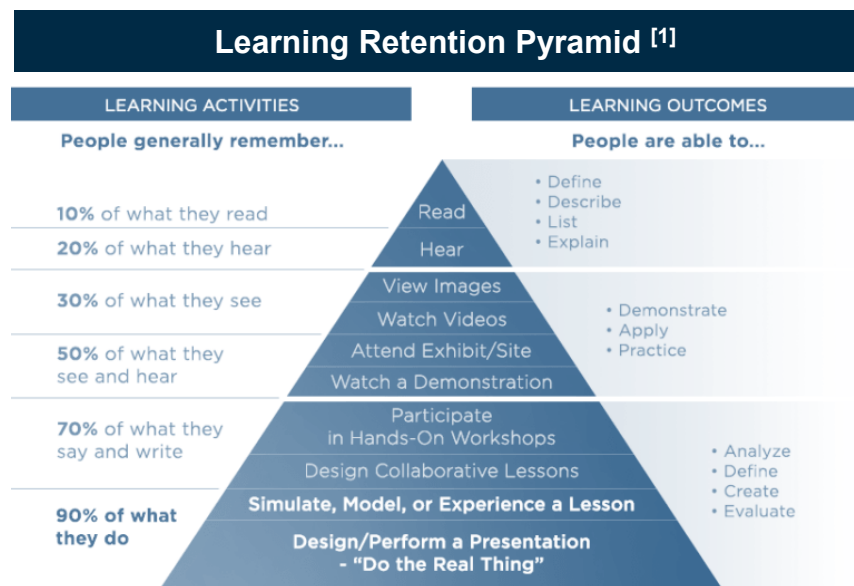
Key Findings & Observations

- Consensus among all users that the contracting process at the University is confusing and there are no training or self-help aids to teach users to navigate the process.
- There are varying degrees of sophistication and volume among contract requesters at the department level and the contracting process is “tribal” with each having its own best practice for contract development and execution.

Recommendation

R5.1 Increase Training Resources

- Develop contracts and purchasing training resources which may include a mix of on-demand video training and self-help guides.
- Training components should include the review of contract and purchasing policies and processes, such as contract requests, contract templates and use, contract reviews, storage, and reporting. Later with the adoption of technology consider evolving the curriculum and require all users to complete training as part of the onboarding process and on an annual basis.
- Align new trainings with other administrative process training and make the materials available via Purchasing or OGC’s website for self-help.



Recommendations

R6

Adopt Centrally Administered Technology

Key Findings & Observations

- Current contracting processes are managed by email and other disparate systems which inhibits the ability to optimize process, enforce compliance, and otherwise guide end-users through desired contracting processes. It has also contributed to rather antiquated CLM practices (i.e. campus mail, email, etc.) to facilitate contracting.
- The decentralized operating model at the department level has led to a proliferation of contracting and procurement tools which challenges the ability of central departments from aligning policy, process, and University-wide operationalizing University-wide strategy and risk mitigation.

Recommendations

R6.1 Operationalize Contract Lifecycle Management (CLM) Enhancements Tool

- Implement and require the use of a centrally led and managed CLM tool for contracting needs throughout campus.

R6.2 Implement University-wide eProcurement Solution

- Select a comprehensive procure-to-pay (P2P) solution, that includes buy-side functionality such as end-user shopping, preferred and Kansas State use electronic catalogs, eForms for non-standard purchases, dynamic workflows, and connectivity to suppliers as well as pay-side features like eInvoicing integration, receiving, matching, enforce payment terms and accommodate settlement strategies. The P2P solution may integrate with the CLM tool but at minimum should enable processes and workflow to support new CLM strategies.

Recommendations

R6

Adopt Centrally Administered Technology

R6 Technology Observations

- Across campus there is little consistency with procurement methods, preferred or strategic suppliers are not aggregated to a single area, PO processes are different among departments.
- Lack of relevant, centrally directed tools and processes has led departments to develop individual strategies and implement different tools to manage procure-to-pay activities which undermines the university's ability to develop and manage strategic spend initiatives.
- The proliferation of systems also challenges KSU's abilities to drive data-centric sourcing decisions for category mgmt.

K-State performance gaps across the various process areas

	Source	Contract	Procure	Settle	Analyze
Key Activities	- Preferred Suppliers - Sourcing / eRFx - Spot Buys / RFQ - Supplier Vetting	- Request - Authoring - Approval - Execution - Storage - Reporting - Track Obligations	- Shopping - Requisition - Encumber - Financial Approvals - Special Approvals - PO Transmission	- Supplier Reg. - Supplier Vetting - eInvoices - Paper Invoices - Receiving - Matching - Payment Strategy	- Spend Analysis - Category Mgmt. - SLA/KPI Mgmt. - Supplier Reporting
Systems	Web Forms Email	RightSignature AiM MS Office Email Campus Mail	State, Internal, & Supplier Websites Microix MIP by Community Brands Web Forms Email & US Mail	PeopleSoft Microix MIP by Community Brands QuickBooks	QuickBooks Excel Microix MIP by Community Brands

LEGEND: ● Performing ● Developing ● Not Present ● Unknown

Recommendations

R6

Adopt Centrally Administered Technology

R6.1 Implement a Contract Lifecycle Management Tool

- KSU should select a contract lifecycle management solution that at a minimum: provides a central contract repository that is accessible and searchable, electronically routes contracts for review, approval, and signature and provides audit trails and historical data, facilitating reporting on key metrics.
- Outlined below are a core requirements and advanced features K-State needs in the near term, and Huron will provide a full list of business requirements at the end of this presentation. Huron has reviewed and vetted these with K-State.

Capability / Features	Brief Description	Core Requirement	Advanced Feature
Supplier Registration & Management	Ability to integrate the supplier master or incorporate the supplier registration process for unapproved third-parties		
Sourcing	Ability to develop and engage in sourcing events such as bids, quotes, and RFx		
Contract Authoring & Redlining	Ability to include contract templates, fallback clauses, redlining, and configurable fields		
Review, Approval, & Workflow	Ability to facilitate a contract request, request review, approval, and other dynamic workflow requirements		
Searching Monitoring & Reporting	Ability to store, classify, categorize, search, and report on a central contracts database		
Full Suite Capabilities (P2P Scalability)	Ability to add procurement/purchasing functionality as KSU's department needs mature and expand		
User Security & Accessibility	Ability to limit access to certain contracts for unauthorized users, overall data security and ability to access databases		
Administration & Configuration	Ability to add custom configurations, availability of configuration support, etc.		
Integration	Ability to integrate with a range of 3 rd party applications such as financial systems, eSignature applications, Microsoft office, and others		
IT Specifications	Ability to push updates, extract metadata, and other technical IT specifications outlined		

Recommendations

R6

Adopt Centrally Administered Technology

- The **CLM Requirements** cover the required 'coverage of functionality' needed to purposefully manage contracts and include progressive elements that can provide a more sustainable approach to P2P process and tools. As part of K-State's **Phase 2 'Selection'** effort, potential technology partners should be encouraged to provide examples and insights reflective of how their solutions may be expanded to address end to end purchasing and payment challenges.

	Source	Contract	Procure	Settle	Analyze
Key Activities	- Preferred Suppliers - Sourcing / eRFx - Spot Buys / RFQ - Supplier Vetting	- Request - Authoring - Approval - Execution - Storage - Reporting - Track Obligations	- Shopping - Requisition - Encumber - Financial Approvals - Special Approvals - PO Transmission	- Supplier Reg. - Supplier Vetting - eInvoices - Paper Invoices - Receiving - Matching - Payment Strategy	- Spend Analysis - Category Mgmt. - SLA/KPI Mgmt. - Supplier Reporting
CLM Requirements Coverage	Supplier Registration and Management				
	Sourcing and Award Management				
		Contract Lifecycle Management			
		Searching & Reporting			Searching & Reporting
	P2P Full Suite Capabilities				
	User Security & Accessibility				
	Integrations				
	IT Specifications				

CLM Requirements

Supplier Registration & Management and Sourcing

Ability to integrate the supplier master or incorporate the supplier registration process for unapproved third parties.

Core Requirement Advanced Feature



A	Supplier Registration and Management	Description of Requirement
(1)	Supplier On-Boarding	Describe your tool's supplier registration process, i.e. how does it enable suppliers to register online and add new supplier users to their account. Are suppliers able to initiate their onboarding into the tool?
(2)	University Approvals	Describe your ability to route a supplier registrations and/or record update for University approval before the supplier is added to database. Describe the ability to flag vendors as problematic.
(3)	Supplier Self Service Maintenance	Describe the ability for suppliers to add and update their information such as addresses and emails via their own external facing platform. What data is captured?
(4)	Supplier Commodity/Service Category Code Identification	Describe the tool's ability to capture category codes and diversity classifications and which classifications are available (e.g., SIC, SITC, NAICS, UNSPSC, NIGP, SBE, MWBE, etc.).
(5)	Supplier Notification and Email	Describe the ability to communicate with suppliers via the tool. Is there a portal? Are there automated Supplier notifications? If using email, can email be initiated from the tool and the originating email plus all responses to that email captured and stored in the tool?
(6)	Supplier Directory Search, Filter and Profile Review	Describe the supplier search capability of the tool. What search criteria and filters are available? Are search results exportable?

Sourcing

Ability to develop and engage in sourcing events such as bids, quotes, and RFx.

Core Requirement Advanced Feature

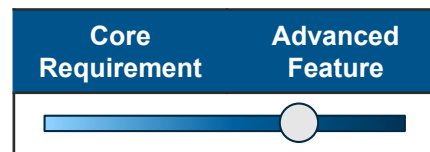


B	Sourcing	Description of Requirement
(1)	Bid Capability	Describe any functionality incorporated into the tool to facilitate RFI's and/or bids/quotes from suppliers and track responses. At a minimum this could be an email capability with all responses appearing (consumed by) in the tool.

CLM Requirements

Contract Authoring & Redlining

Ability to include contract templates, fallback clauses, redlining, and configurable fields



C	Contract Authoring & Redlining	Description of Requirement
(1)	Contract Template and Clause Library	Does the tool store contract templates and clauses (including multiple versions of clauses)? Describe your capabilities for a centralized electronic repository that enables the creation and maintenance of contract terms, clauses, and attachments. Are these contract components available for re-use throughout the organization?
(2)	Contract Templates	Describe the functionality related to Contract Templates. Are templates associated with Contract Types? Can a template house a main contract document and other attachments (riders, exhibits, etc.)? Can a template be configured with custom fields?
(3)	Contract Document Generation	Describe the tool's ability to complete a contract document and any other related attachments automatically. Can the main contract and any other attached documents be automatically filled out using placeholders (e.g., Supplier name, address, start date, end date, etc.)? Does the tool offer any capabilities to default in various clauses, exhibits, etc. based on some user input?
(4)	Contract Types Selection	Describe the ability of the tool to handle multiple contract types. Does the tool have the capability to use a questionnaire to lead users to a correct contract type based on their answers to that questionnaire? Is there any kind of conditional visibility so only relevant fields are displayed based on contract type or a previous answer to a field? Does it have the ability to handle Procurement, Revenue, IT, Educational Agreements, Construction, Facilities, Subawards, Speaker/Events, Hotel, Travel, Contingent Labor, ICA's, etc.? Can additional document types be routed within the tool (e.g., Sole Source Justification)?
(5)	User Configurable and Actionable Fields by Contract Type	Describe the ability of the tool to configure additional custom/flex/user-defined fields that are searchable and reportable. Such values may be prompted for, stored, used for workflow processing, and used as search criteria.

CLM Requirements

Contract Authoring & Redlining

Ability to include contract templates, fallback clauses, redlining, and configurable fields



C	Contract Authoring & Redlining	Description of Requirement
(6)	User Defined Document Type/Category	Does your tool have the capability to create user defined document types to assign to a transaction/document to further allow categorization, processing control, workflow routing, spend analysis, unique security rules by document type, standardize life-cycle processing, or other capabilities. For example, Is there a capability to upload Certificates of Insurance related to a contract and track the expiration of the certificate throughout the life of the contract? Describe the ability to group documents from the same supplier.
(7)	Copy From Previous Document	Describe your tool as it relates to the ability to search for frequently used, or complicated transactions created previously, and copy them into a new transaction.
(8)	Contract Modifications	Describe the functionality and what modifications are allowed on an active contract. Does your tool have the ability to monitor, track and control modifications?
(9)	Contract Negotiations	Does your tool offer a secure negotiation portal? How does it handle supplier negotiations / redlining? Please describe.
(10)	Contract Renewal Notification	Describe how your tool processes renewals. Can renewals be automated and what is the criteria? What notifications exist and to whom?
(11)	Contract Amendment/Versioning	Describe the ability of the tool to imitate, track, and process Amendments. How does it handle versioning of documents, etc.?
(12)	Contract Discussion Board	Describe any capability to initiate discussions within the contract record in the tool, to copy originator or any other user on the discussion, to add attachments in the discussion board, to send notifications when new discussion posts are created, and to reply to discussion topics via email and have it appear on the discussion board.
(13)	Dynamic Template	Does the tool have the ability to link to or dynamically pull in templates from external sites?
(14)	Search Features	Describe the tool's ability to search within contract documents (word, excel, pdf). Describe the ability to search for specific attachments across contracts. (E.g. be able to search other contracts that have included the same attachment), or favorite frequently used contracts.
(15)	Collaboration	Please describe the capability of the tool to facilitate stakeholder collaboration for authoring or assembling a contract document an associated attachments.

CLM Requirements

Review, Approval, & Workflow

Ability to facilitate a contract request, request review, approval, and other dynamic workflow requirements



D	Review, Approval, and Workflow	Description of Requirement
(1)	Dynamic Routing	Describe the ability to route a contract record for review / approval. What criteria is available? Can workflow be triggered by custom fields?
(2)	Approval Capabilities	Describe the ability for ad hoc approvals or reviews, and describe your transparency for stakeholders when a contract record is in the workflow
(3)	Workflow Requirement Settings	Describe the ability to require certain actions for a certain step in the workflow -- e.g., Completed information security form required during a certain step in the workflow
(4)	Workflow Notifications	Describe the notifications for reviewers / approvers throughout the workflow process. Also describe the notifications for end users when an approval happens, a document is sent for eSignature, a contract has been signed / executed, or a status changes.
(5)	User Identification	Describe the ability of the tool to import users with corresponding organizational information and the ability to use that information for workflow routing (e.g., cost center, department, supervisor, etc.)
(6)	Separate Review based on Funding	Describe your tool's ability to separate review and approval processes for soft funded procurement vs. hard. (Separating fund availability from contract term review.)
(7)	Workflow - Updating Documents	Describe the ability to add comments / red lines to contract documents or to be able to add/update separate attachments
(8)	Workflow - Editing	Describe the functionality of the tool to allow approvers while in workflow to edit the contract record. Can they be restricted to only editing certain sections or fields?
(9)	Workflow - Approver Forwarding	Describe the tool's ability to forward documents onto another approver/reviewer if necessary (another approver will approve in lieu of the original approver). Describe your approval time management? Can you escalate if an approver exceeds time limit.

CLM Requirements

Review, Approval, & Workflow

Ability to facilitate a contract request, request review, approval, and other dynamic workflow requirements

Core Requirement Advanced Feature



D	Review, Approval, and Workflow	Description of Requirement
(10)	Workflow - Approver Additions	Describe the ability for an approver to add another approver into the flow after them (they will still approve but want to add an additional approver).
(11)	Workflow - Checklist	Describe the ability to provide a checklist within certain workflow steps so that the reviewer / approver knows what they are to do within that workflow step.
(12)	Workflow - Data Request	Describe the ability to initiate a request for data within a workflow step (e.g., Office of Information Technology (OIT) requesting a supplier complete checklist and return it to them).
(13)	Workflow - Work Queues	Describe the ability to utilize a work queue for a workflow step using a distribution list and how the assignment and tracking of who is working on which contract is accomplished.
(14)	Contract Workflow - Electronic Routing and Processing	What are the capabilities of the tool to provide electronic contract routing and approvals based on a variety of configurable rules and conditions. This includes notifications, email approvals, XML messages, mobile text messages, mobile approvals, etc.
(15)	Email Management	Please describe your systems capability to add dynamic information into system and email notifications (e.g. contract name, contract owner, etc.). Can custom field data be included?

CLM Requirements

Searching, Monitoring, & Reporting

Ability to store, classify, categorize, search, and report on a central contracts database



E	Searching, Monitoring & Reporting	Description of Requirement
(1)	Contract Lifecycle Reporting	Does your tool have a robust dashboard reporting functionality for both scheduled and ad-hoc items such as cycle time, work load, milestones and compliance?
(2)	Establishing Requirements	Describe your tool's ability to establish and track reporting requirements based on type of contract.
(3)	Contract Performance	Describe your tool's ability to monitor, track and control supplier performance.
(4)	Search Capabilities	Does your tool have robust search capabilities -- using standard fields, keywords, partial search, custom fields, status, contract type, user, dept, cost center, etc. to find contracts? Please describe.
(5)	Linking Contracts	Describe your ability to link contracts together by "parent-child" relationship, project, or other designations.
(6)	Reporting Capabilities	Describe your tool's ability to generate reports based on the contract type, the utilization of specific clauses/fallback clauses, the contract area (department/agency/entity), the expiration date (expiring in the next 30/60/90/180, etc. days), the PO against contract, the spend / revenue against contract, and the ownership details. Also does it have the ability to report lifetime spend / revenue by project/fund?
(7)	Incentive Tracking	Describe the tool's ability to track usage and compare against defined measures to enable the tracking of GPO agreement targets that might indicate rebate or similar incentive are due to the buying organization. Further, functionality might provide estimate for such contractually defined incentives.
(8)	Reporting and Tracking	Describe the tool's ability to track and report the time spent working on each document.

CLM Requirements

Full Suite Capability

Ability to add procurement/purchasing functionality as KSU's department needs mature and expand

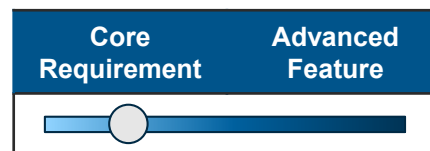


F	Full Suite Capability	Description of Requirement
(1)	Contract Item Ordering Instructions	Describe the ability of the tool to associate ordering, shipping, or receiving instructions based on the contract, contract line, or contract item accessible from the requisition via text search.
(2)	Contract Items	Does your tool offer line items/rows associated with a contract that define each contract line, and what can be purchased by associating items to the contract. These can be description only rows or contain specific items from the item master.
(3)	Contract Max Amount	Does your tool have the ability to establish a maximum cumulative amount of all spend on a contract.
(4)	Contract Pricing	Describe your ability to control pricing by user configurable rules on a contract, and apply those controls to requisitions, purchase orders, and invoices.
(5)	Scheduled Contract Releases	Describe your ability to establish release dates for contract lines that can be automatically processed into a purchase order or an invoice as well as the ability to automatically or manually schedule contract releases into purchase orders and invoices.
(6)	Contract Syndication to Third-Party Systems	Does your tool offer a digitized contract that can be synchronized/exported as data to use with third-party purchasing systems. Contract Owners can track agreements, view transactions, and drill into all relevant documents. Procurement Managers can review current spend and real-time key performance indicators to understand the current contract performance.

CLM Requirements

User Security & Accessibility

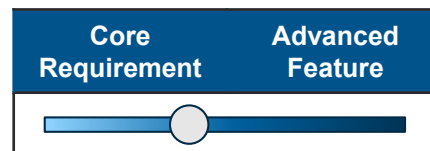
Ability to limit access to certain contracts or databases for unauthorized users, and overall data security.



G	User Security & Accessibility	Description of Requirement
(1)	Security - Visibility and Accessibility Controls	Describe the ability of the tool to restrict visibility and/or accessibility to certain contracts. What capability exists to restrict the information a stakeholder sees on a particular contract? Is there the ability to redact certain sensitive information?
(2)	Virtual Access	Describe the tool's ability to password protect select documents from editing or deletion. Describe the ability for users to virtually access contracts. Is it possible to access without a VPN into a physical desktop on campus?
(3)	Server Backup	Is there a regular or periodic backup of servers? Where are the servers located, on campus or elsewhere?

Administration & Configuration

Ability to add custom configurations, availability of configuration support, etc.

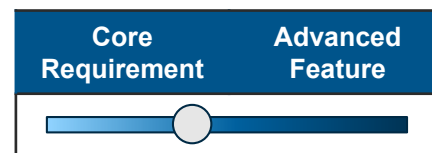


H	Administration & Configuration	Description of Requirement
(1)	Configuration	Describe the ability for a System Administrator with the University to manage / change configurations post go-live.
(2)	Support Structure	Describe the implementation support provided and the longer term production support provided with the tool (e.g., configuration support, integration support, customer service call centers, etc.)
(3)	Status Steps	Describe the ability for custom statuses to be configured and the visibility and capability of those statuses.
(4)	Additional Implementation Services	Describe any additional implementation services provided with the tool (e.g., testing materials & support, training materials & support, production job-aids, etc.)

CLM Requirements

System Integration Requirements

Ability to integrate with a range of 3rd party applications such as financial systems, eSignature applications, Microsoft office, and others

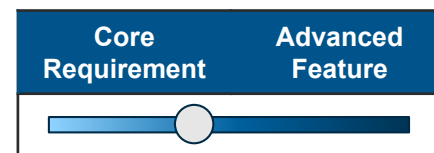


I	Integration	Description of Requirement
(1)	Integration into PeopleSoft	Describe the ability of the tool to integrate into PeopleSoft. Integration would include integrating and pulling in data from a requisition and pushing information to Asset Management and Property Accounting systems and tying objects to the contract that pertain to them. Have you integrated with PeopleSoft previously? How many of your clients are currently integrated with PeopleSoft?
(2)	Supplier Validations	Describe the ability of the tool to integrate with 3rd party sites for TIN validation, OFAC validation, Diversity certifications, and ability to integrate with Visual Compliance or any other system for additional supplier checks.
(3)	Suppliers	Describe your supplier integration capability to pull in additional suppliers. What kind of supplier capabilities does the tool have in addition to a simple supplier table? Is there an upload capability, invite supplier capability, etc.?
(4)	RFx Integration	Describe how the tool facilitates the transfer of information out of and into a 3rd Party Sourcing application. How does it send draft contracts to the Sourcing application for inclusion in bid events, bring back supplier responses, attachments, awarded line items, etc. to create a contract record with all relevant information?
(5)	Microsoft Word Authoring Integration	Describe your tool's capability to use Microsoft Word integration, allowing for offline redlining and the insertion of standard clauses from the centralized library. Describe how contract documents can be created, updated, uploaded, and stored as the contract of record. If you do not integrate with Word but offer embedded authoring/redlining please describe that here.
(6)	Scalability	Describe your tools capability to provide additional procure-to-pay modules (i.e., such as eProcurement, requisitioning, invoicing, etc.) or ability to integrate with other P2P solutions. Are there additional add-ons that can be added to this tool as our institution expands procurement operations & technology?
(7)	Integration with Website	Describe the tool's ability to integrate with KSU's website so clients can easily access our form portals and quickly submit documents. Describe the tools ability to integrate with user calendars for deadlines, filing status, status updates, etc.

CLM Requirements

System Integration Requirements

Ability to integrate with a range of 3rd party applications such as financial systems, eSignature applications, Microsoft office, and others



I	Integration	Description of Requirement
(8)	Contract ID Integration	Describe your tool's ability to create and maintain a unique Contract ID. Can the ID be pushed via integration into 3rd party systems? Can a 3rd party system Contract ID be pulled into the system? This ID will be linked and present through the entire Procure-to-Pay transaction lifecycle, providing drill down, drill-back, and upstream document links in all transactions.
(9)	Master Data Integration	Describe the ability to integrate Master Data (e.g. cost center, departments, fund, purpose, program etc.) into a contract field from a external source.
(10)	Integrated Digital Signature (External)	Describe your capability to utilize digital signatures for external users, such as suppliers. The digital equivalent of a handwritten signature or stamped seal. Digital signatures have the same legal significance as the traditional "Wet Signature" It is a mathematical technique used to validate the authenticity and integrity of a message, software, or digital document. Digital signatures enable internal users to digitally sign a document using applications such as DocuSign, Adobe Acrobat, Microsoft Word, and email programs with signature features. This may be accomplished via native integration to providers such as DocuSign, Adobe, and other public key infrastructure (PKI) schemes, etc.
(11)	Integrated Digital Signature (Internal)	Describe your capability to utilize digital signatures for internal users. Is there flexibility to utilize digital signatures at various points across the internal workflow? The digital equivalent of a handwritten signature or stamped seal. In many countries, including the United States, digital signatures have the same legal significance as the traditional "Wet Signature". It is a mathematical technique used to validate the authenticity and integrity of a message, software, or digital document. Digital signatures enable internal users to digitally sign a document using applications such as DocuSign, Adobe Acrobat, Microsoft Word, and email programs with signature features.

CLM Requirements

IT Specifications

Ability to push updates, extract metadata, and other technical IT specifications outlined



J	IT Specifications	Description of Requirement
(1)	PeopleSoft Extract & Import	Ability to operate ERP/Financial Reporting systems and in particular PeopleSoft through standardized technical interfaces.
(2)	Middleware	Please describe and identify any middleware for schema mapping.
(3)	Upgrades	Ability to push, schedule, or decline updates and upgrades. Describe the product release cycle and how are your customers enhancement requests handled.
(4)	University configurations	Ability for University to configure systems to fit its workflow needs and integrate into existing systems.
(5)	System	Ability for University to track, log and report user & system actions and events.
(6)	Browser Compatibility	Solution is browser agnostic, that is it can be accessed through Google Chrome, Microsoft Internet Explorer, Firefox, iOS, etc.
(7)	Technical or On-Demand Support	Ability to provide technical or on-demand support 24/7 or on regular basis current with central time business hours.
(8)	Data Export	Ability for system data to be exportable and machine readable to support open data environment.
(9)	Metadata	Exportable data should include metadata (set of data that describes and gives information about other data)
(10)	ISO/NIST Compliance	System provides compliance standard with either: ISO 27001 (Information Security Management Systems) or NIST 800-53 Standards (Security and Privacy Controls for Information Systems)

CLM Requirements

IT Specifications

Ability to push updates, extract metadata, and other technical IT specifications outlined



J	IT Specifications	Description of Requirement
(11)	Disaster Recovery and Business Continuity	Define disaster recovery and business continuity capabilities.
(12)	Data Transfer & Methodology	Please describe the available data reporting and data transfer. Are files dropped or pushed via FTP? Define the file types that are offered.
(13)	Transfer at Term	Please describe the process and any related costs or professional services for a full transfer of any University data at the conclusion of the agreement term.
(14)	Responsiveness	Responsive design allowing dynamic adjustment of layout regardless of device (i.e., desktop, tablet, or smartphone) being used.
(15)	Project Management Services	Any recommended project methodology such as: project tasks, milestones, critical path, task start and end dates, appropriate resources to accomplish each task, budget expenditures, deliverables, constraints, and assumptions. The plan must include Planning, Design, Development, System Testing, Implementation, Training, and Documentation.
(16)	Post-Production Services	Service Level Agreement(s) describing Availability, Downtime (scheduled and unscheduled), Credits, RTO, RPO, etc.
(17)	Single Sign On and Locally Administered Password	Capability to integrate with single sign on solutions, using CAS or Shibboleth authentication systems as well as locally administered passwords for cases where the identity management solution is not operational.

Recommendations

R6

Adopt Centrally Administered Technology

R6.1 Implement a Contract Lifecycle Management Tool

- Based on Huron's experience, >90% of universities using PeopleSoft also have Jaggaer in use for eProcurement, invoicing, and often contract management. Overall, >70% of Huron's university clients use Jaggaer in some capacity regardless of ERP. Outlined below is a snapshot of key CLM vendors to include in your selection effort, with emphasis on those that have served Higher Education institutions,

	Jaggaer	Agiloft	Unimarket	Cobblestone	SAP Ariba
Industry Focus by Customer Count	1. Higher Education 	1. Public sector	1. Higher Education 	1. Public sector	1. Banking and securities
	2. Industrial Mfg.	2. Higher Education 	2. K-12	2. Healthcare	2. Consumer goods
	3. Public sector	3. Healthcare	3. Pharmaceutical/biotech	3. Banking and securities	3. Insurance
	4. Life Sciences	4. Pharmaceutical/biotech	4. Non-profit	4. Higher Education 	4. High tech
	5. Utilities	5. High tech		5. Pharmaceutical/biotech	5. Energy (oil and gas)
Company Size	~1000 employees	~250 employees	~60 employees	~75 employees	~4000 employees
Description	<i>In addition to Contract Lifecycle Management, Jaggaer offers solutions that span the entire source-to-settle process, including spend analytics, sourcing, supplier management, eprocurement and procure to pay. Long history of integration with PeopleSoft and other ERPs.</i>	<i>In addition to Agiloft Contract Management Suite, Agiloft sells IT infrastructure library/IT service management, license and asset management solutions, which makes it a good fit for IT organizations. Aligned with ESM, and educational eProcurement tool.</i>	<i>In addition to contract management, source to settle solutions, easy to use Marketplace, and lower-cost licensing and implementation costs; Unimarket is a rising star in Higher Education procurement.</i>	<i>In addition to its Contract Insight Enterprise Edition for CLM, Cobblestone offers contract discovery and data extraction services. It also offers add-on modules for e-sourcing, vendor management, and order and spend control.</i>	<i>In addition to SAP Ariba Contracts, it has solutions spanning the entire source-to-settle process, including spend analysis, sourcing, supplier management and P2P. It is uncommon for a customer to deploy its CLM tool on a stand-alone basis without another complementary SAP Ariba module.</i>

Recommendations

R6

Adopt Centrally Administered Technology

R6.2 Implement University-wide eProcurement Solution

- eProcurement has steadily contributed to advancing spend management performance, not only driving improvements in transaction processing, contract compliance, and financial reporting, but empowering administrative and academic departments by increasing spend visibility, real-time information, improved workflow, and process ownership.
- The core goals of many of peer institutions: implement eProcurement solutions to reduce costs, increase compliance, improve efficiencies, and improve service to the campus community.

Recommendations

- KSU should centrally managed and administer procurement and payables technology and facilitate business process improvements to reduce transactional costs, increase operational efficiencies, mitigate institutional risks, realize greater cost savings, improve department budget management, as well as achieve greater transparency and policy compliance.
- Unified P2P approach would still respect the ability for departments to operate independently while enabling the transition to a center-led procurement organizational model, universal policy enforcement, and lessen the administrative and technical burdens of the department to managing the varied technologies currently used.

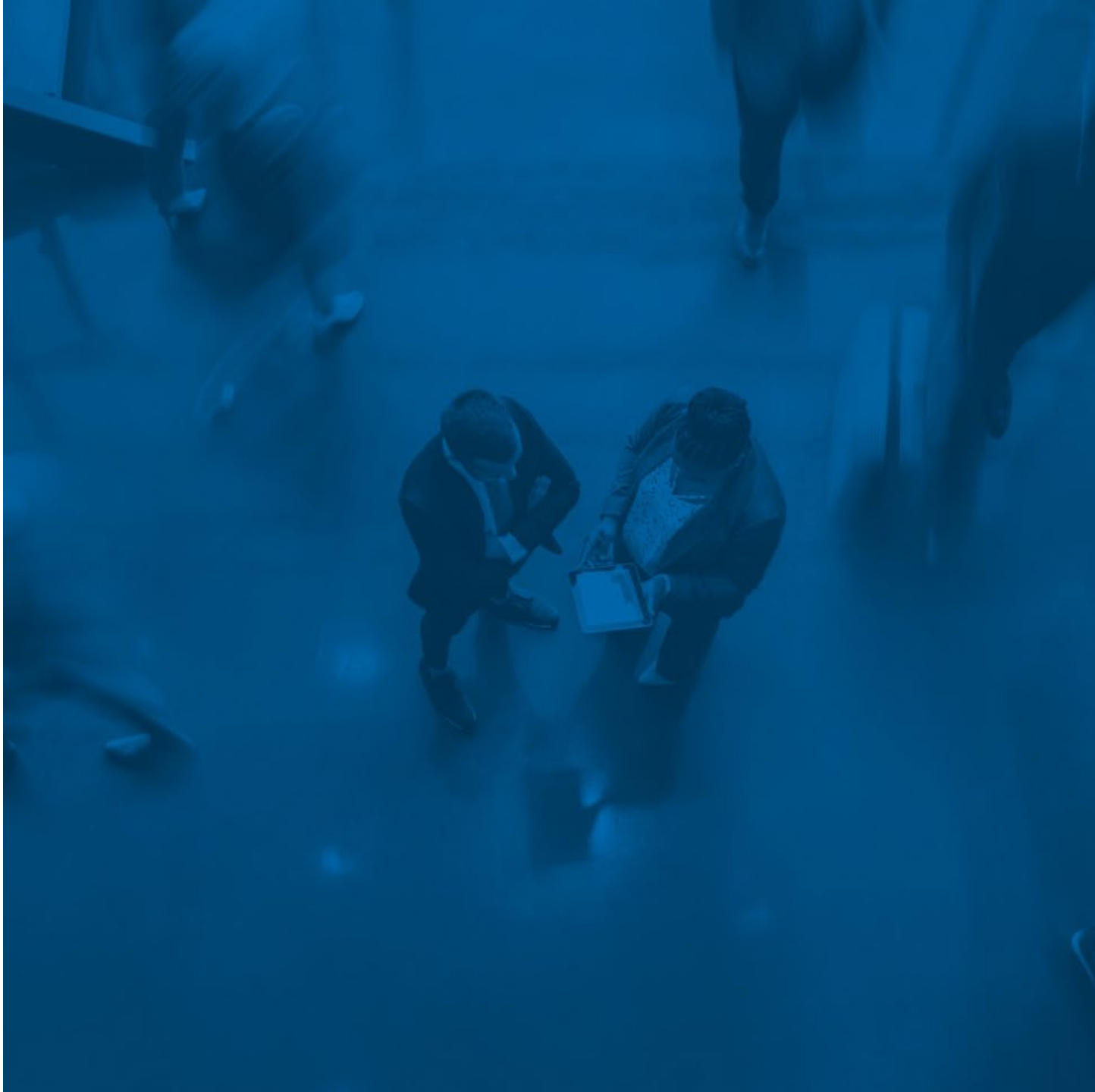
Top Drivers of eProcurement Initiatives¹

1. **Process performance improvement**, usability, and greater campus satisfaction via visibility to requisitions, approvals, workflow, and encumbrances to manage budgets
2. Achieve greater command of **data and analytics**
3. **Aggregate demand** across the institution.
4. Standardize and automate settlements to **maximize discounts**, rebates, as well as prevent duplicate payments and limit variety of payment methods.
5. **Position Purchasing to scale** with KSU growth strategy.

[1] Huron internal benchmark and IP.

4

Phase 1 Conclusions



Phase 1 Conclusions: Summary

Procurement and Contract Process Review Phase 1 progress

PHASE 1 ACCOMPLISHMENTS

- High level Observations and Recommendations, including recommendations for improvement and implementation roadmap across contracting functions, including: CLM operating model, processes, organizational roles and responsibilities, and supporting technologies.
- CLM Software Requirements
- Draft CLM Software Demonstration Scenarios

PREPARING FOR PHASE 2 AND 3:

- Engage Huron in Phase 2 work to provide advisory
- Conduct contract system demonstration
- Perform solution selection
- Finalize Recommendations & Implementation Roadmap
- Prepare for CLM solution implementation

PHASE 1 ASSESSMENT



GATHER
INFORMATION



ASSESS CURRENT
STATE



DEVELOP FUTURE
STATE MODEL AND
REQUIREMENTS

PHASE 2 SELECTION



CONTRACT SYSTEM
DEMO & SELECTION
SUPPORT



FINALIZE
RECOMMENDATIONS
& IMPLEMENTATION
ROADMAP

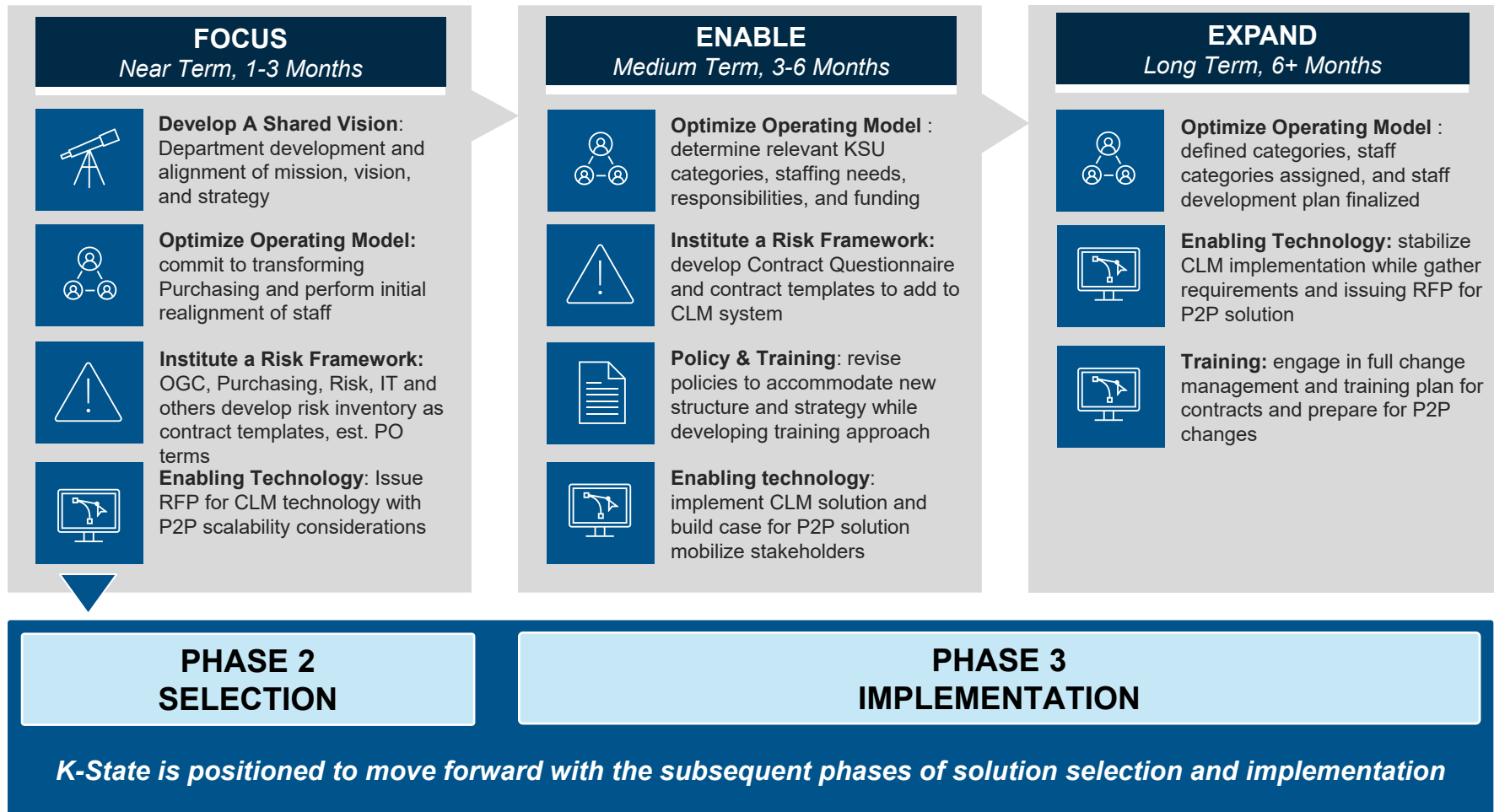
PHASE 3 IMPLEMENT



PLANNING AND
SOLUTION
IMPLEMENTATION

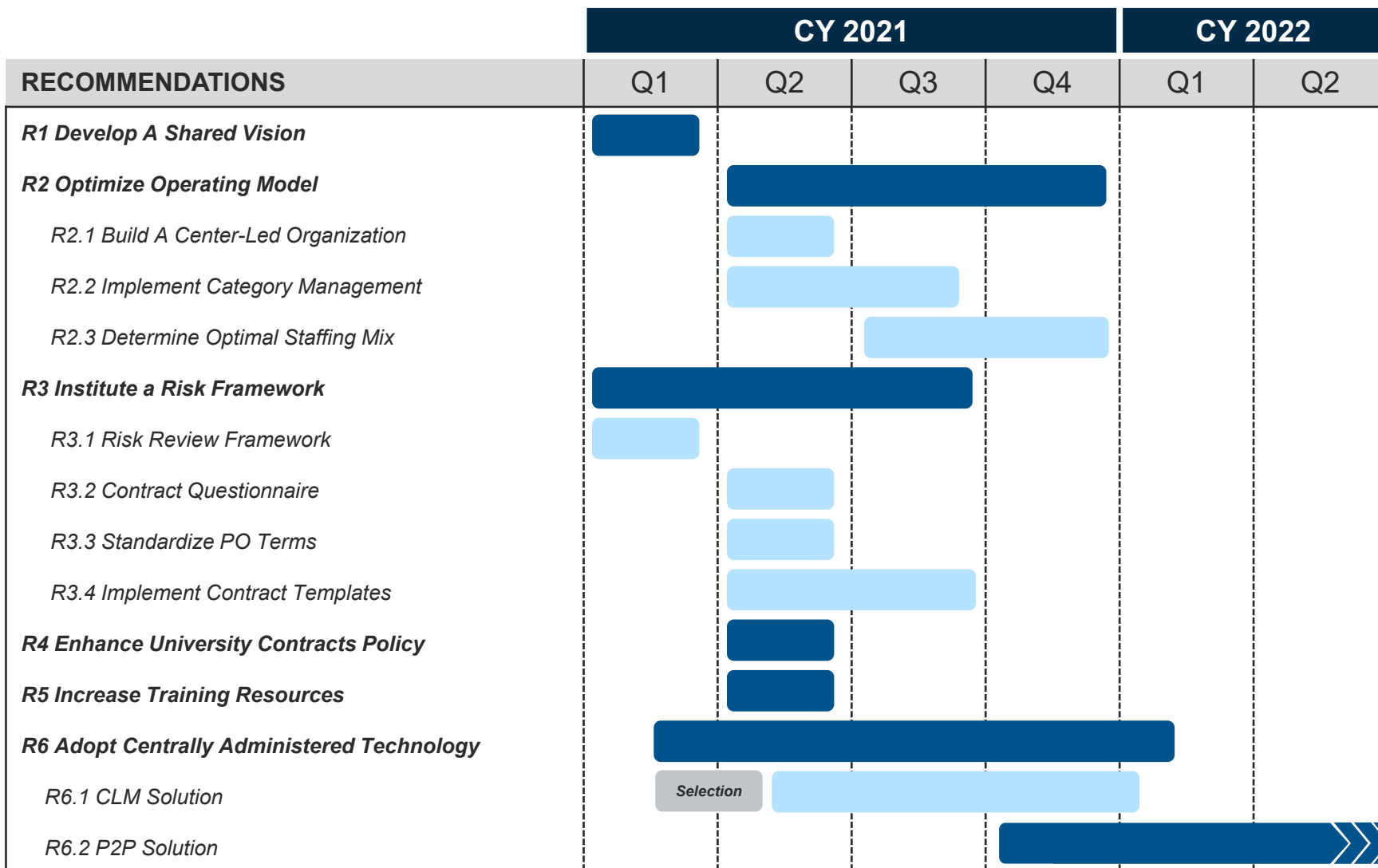
Phase 1 Conclusions: Recommendations

The staged path forward aligned with the CLM project phases and milestones



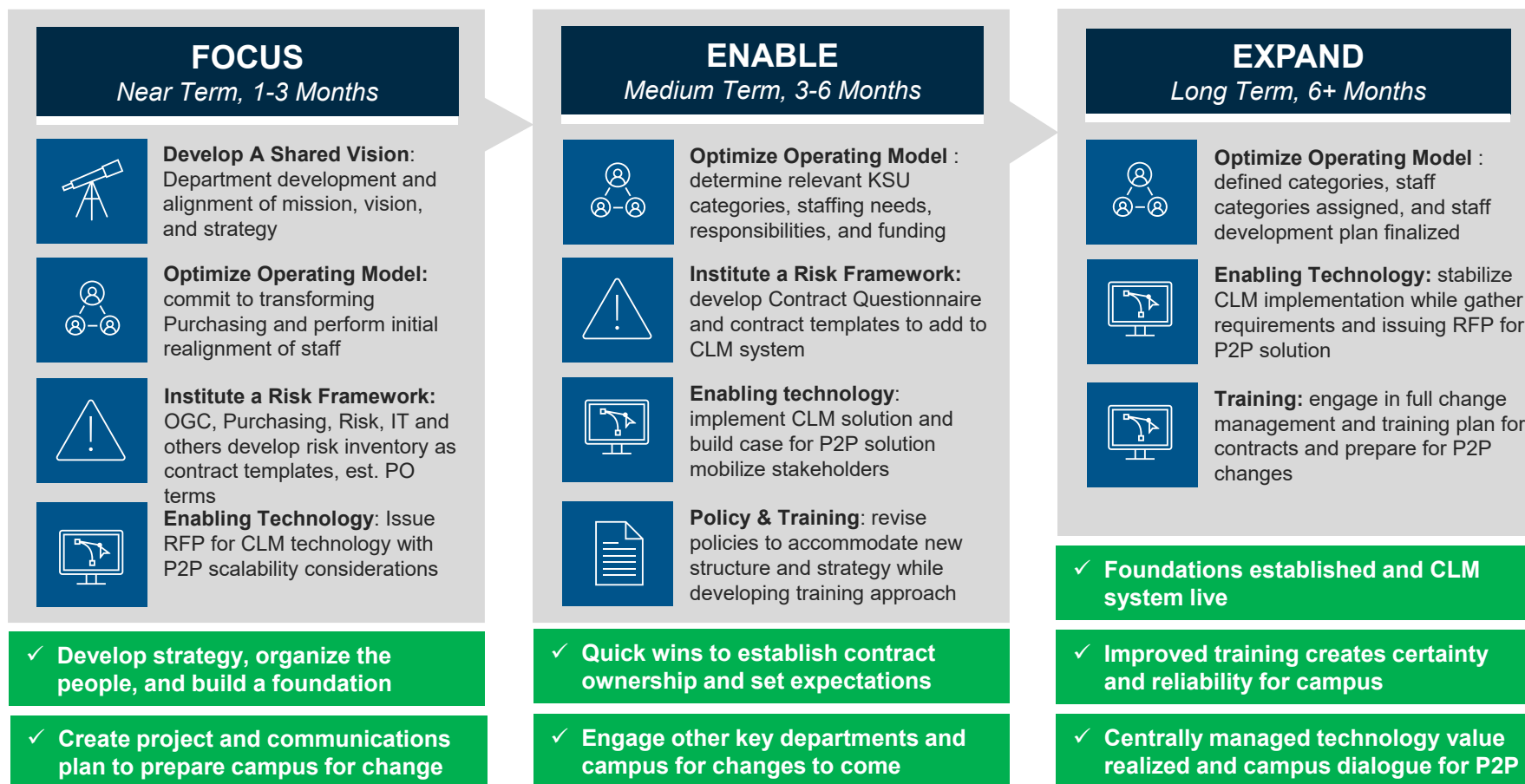
Phase 1 Conclusions: Roadmap

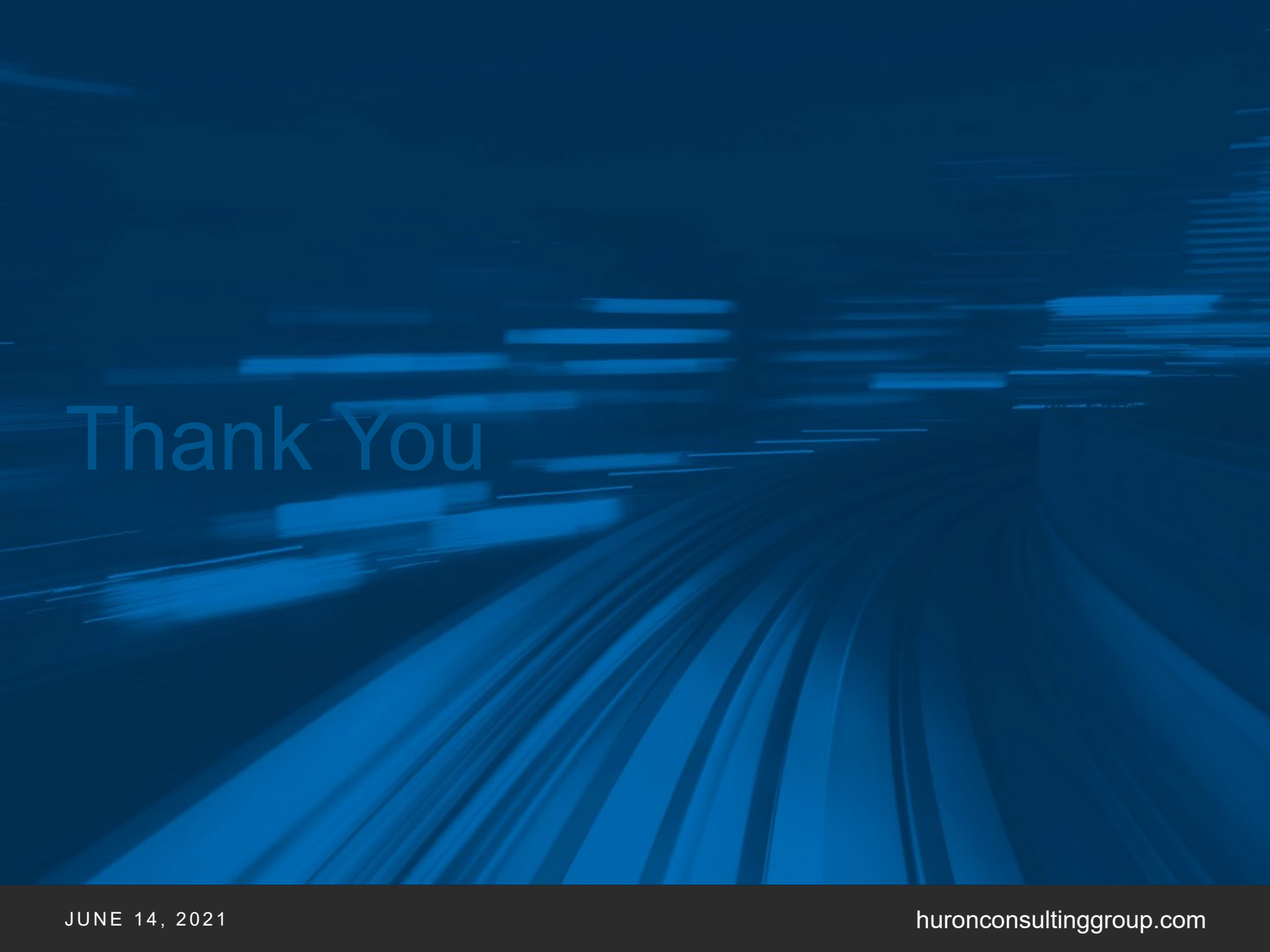
Implementation Roadmap Timeline



Phase 1 Conclusions: Recommendations

The recommendations provide a staged path forward with a focus on building a foundation and plan, enabling the people and process, and expanding technology use and outreach to campus.



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Thank You