RealSource Phase II: Launch of Contracts+ Module

Overview

(March 9, 2020)

On March 9, 2020, the new RealSource Contracts+ module (Contracts Plus) is available for use to all RealSource users. While some users may never interact with the module, those who do business with vendors under a contract will find Contacts+ to be especially useful.

The implementation of Contracts+ represents Phase II of the RealSource project. The last phase of the project (Phase III), which involves the implementation of a Sourcing tool, is tentatively slated to go-live during the 1st quarter of FY21.

Contracts In General

Procurement Services reviews, negotiates, creates and executes about 2,000 purchase contracts per year. While the Contracts team writes some contracts, most are written by vendors and presented to departments as a condition to doing business. Contracts take many forms, including quotes, licenses, agreements (sales, event, consulting), etc., and include legalese (terms and conditions). Most are presented in PDF copy; however, some are presented on-line, including click agreements. While typically associated with POs, contracts may also apply to certain PCard transactions or one-time payments.

When a vendor presents a contract as a pre-condition to accepting a PO, PCard transaction or payment, the contract must be reviewed, approved and executed by Procurement Services. Contracts submitted to Procurement Services frequently lack appropriate information and documentation. In the midst of a review, Procurement Services sometimes discovers that certain non-procurement pre-requisites have not been met or business risks have not been evaluated. These shortcomings hinder the prompt review and execution of a contract.

Currently, contracts processed by Procurement Services are stored in a system with limited functionality and user access, and does not integrate with the university’s source-to-pay system (RealSource). Therefore, even when a new contract has been reviewed and executed, accessing and using it to the benefit of the university is limited.

The implementation of Contracts+ will automate and standardize the contract request process, improve the collection of information and documentation, and identify pre-requisites that departments must meet before starting the contract review process. Additionally, Contracts+ will make contracts readily available to all RealSource users and track contract spend by requisition, PO and invoice to benefit of the university on-the-whole.
**How Does Contracts+ Change What Departments Are Currently Doing?**

1. **Procurement Requisitions Not Required to Request a Contract**
   Departments are no longer required to create a procurement requisition to request a contract review. Instead, Contracts+ assigns a unique number to each request. Users can also “name” a contract request. Both the contract request number and name provide the means to search for contract requests.

   Note, while a procurement requisition is not required to request a contract, one will be required at the point in which you wish to create any related POs.

2. **Requesting Contract Reviews Has Changed**
   Currently, departments send requests to review or create contracts to Procurement Services at contracts@vcu.edu.

   After March 9, 2020, all new requests to review or create contracts (except legacy contracts) must be submitted instead through Contracts+ via a “Request Contract” form. The “Request Contract” form is accessible from the Contracts Icon (left side of the homepage) under the Requests tab.

   The Request Contract form guides users through the process of gathering information and documents, and draws attention to certain non-procurement pre-requisites that must also be satisfied prior to submitting a request.

   Contract requests received in Procurement Services prior to March 9th will be completed under the “old” system; however, any resulting contracts will be added to the new Contracts+ repository upon execution.

3. **Order of Activities to Review/Execute Contract Have Changed**
   Oftentimes departments send contracts for review prematurely to contracts@vcu.edu. Information or documents provided are sometimes insufficient, non-procurement pre-requisites have not been met, or business risk has not been considered. These hamper the ability of the university to review, negotiate and execute contracts in a timely manner.

   Contracts+ creates a systematic approach for departments to collect and provide the appropriate information and documents, plus take care of any non-procurement pre-requisites and business risks before a review starts. Contracts+ lessens the “back-and-forth exchanges” between departments and Procurement Services that hinder timely contract reviews.

   Further, Contracts+ integrates with DocuSign, allowing for speedy, electronic execution of contracts by both the vendor and Procurement Services staff.
4. **Checking Status of a Contract Request Is Simplified**
   To check the status of a contract review, departments will no longer need to phone or email Procurement Services, but can check the status instead in Contracts+. Also, users will receive RealSource notifications as the review progresses all the way to contract execution.

5. **Communications Between Procurement Services and Departments**
   Currently, communications about contract reviews are exchanged between departments and Procurement Services by email. Contracts+ allows users and Procurement Services to send communications through Contracts+, thereby creating a communications history.

**Describe Some of the New Features**

1. **Legacy Contracts Added**
   Prior to launch, roughly 400 high-usage legacy contracts will be active in the Contracts+ repository. All contracts executed after March 9th will also reside in Contracts+.

   Note, legacy contracts are not required to be added to Contracts+ and will not impact your ability to process requisitions/POs or make payments. Departments may desire, however, to add additional legacy contracts to the Contracts+ repository. If so, departments should verify that additional purchases are expected to occur under the legacy contract into the next fiscal year.

   Requests to add legacy contracts **ARE DIFFERENT** than requesting a “contract review.” To request a legacy contract to be added to the Contracts+ repository, a temporary form has been added near the bottom of RealSource homepage. Requests to add legacy contracts will be accepted through August 1, 2020. If you have a large number of legacy contracts to add, please call the RealSource Helpdesk at 8-0889, Option 6, so that easier data collection methods can be considered.

2. **Contracts “Repository”**
   For the first time in the university’s history, contracts will be housed in a searchable Contracts+ repository. Each will contain about 30 data points and a PDF copy of the contract. Departments will have the capacity to search for contracts based on any of the data points, and view contract summaries or access them in full.

3. **Advance Notifications on Key Data Points**
   Among other features, Contracts+ automatically triggers notifications for key contract activities. These include contract expiration or renewal, exceeding certain contract values, etc. Unique dates or amounts that “trigger” these notifications can be established for each individual contract.
4. **Shopping With a Particular Vendor**

When a user attempts to shop with vendors who have contracts in Contracts+, the user will be presented with a pick list of contracts to shop against. Before deciding if they want to shop against a pre-existing contract, users can review the contract summary or full PDF copy.

If users “pick” a contract while shopping, Contracts+ will automatically link all POs and invoices associated with the contract to the contract history. The history can be used in many ways, including negotiating future pricing based on the university’s overall spend.

5. **Searching for a Contract to Shop Against (Not Vendor Specific)**

Contracts+ has a powerful search engine. It allows users to search for pre-existing contracts to tag-on to. Searches can be conducted by commodity code, department, stakeholder, pricing type, etc. Similar to the above, once a contract is identified, users can review the contract summary of the full PDF copy.

**Want to Know More?**

To learn more about the Contracts+ tool, several one-hour, info-sessions will be held on each campus from March 9-19, 2020. Access the “News/Events” section of the RealSource website for the schedule and registration links.

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Additional information about Contracts+ can be found in the “Departments Only” section of the RealSource website. Questions or comments can be sent by email to RealSource@vcu.edu or directed to the RealSource Helpdesk at x8-0889, Option 6.

We welcome the opportunity to help you leverage the use of this exciting new tool.

*Sincerely, the RealSource Team*