



April 16, 2001

Memorandum To: Agency Fiscal Officers

From: David L. White *DW*
Deputy Director of State Accounting
Office of Budget and Management

Stephen A. Hunter, CPPO
State Purchasing Administrator
Department of Administrative Services

Regarding: EDI and the new office supply Multiple Award Contract

We have received several questions from agencies regarding the role of electronic commerce in the new office supply Multiple Award Contract (MAC-43). Our intention for this memo is to clarify how agencies should order and pay for goods procured from Total Office Products and Williams Interior Design under the MAC-43.

In an effort to take advantage cost savings associated with electronic commerce, State Purchasing has made it mandatory that the vendors in this contract accept purchase orders, submit invoices, and receive remittance advice via Electronic Data Interchange (EDI). This is a positive step for streamlining the state's procurement approach. EDI and the Payment Card are the most efficient payment methods available to the state at this time.

Agencies will interact with the vendors in two phases: **Pre-EDI** and **EDI**.

The Pre-EDI phase began with the effective start of the MAC-43 on April 1, 2001 and will extend with each vendor until the vendor is prepared to interact with Ohio via EDI. State Purchasing has given the vendors a target of May 1, 2001 to be ready for EDI. During the Pre-EDI phase, agencies are strongly encouraged to use their Payment Cards to order and pay for items on the contract. Traditional paper purchase orders should be used for orders that exceed an agency's direct spending authority or Payment Card limits. Payment Card orders may be phoned in compliance with the contract and state policy.

The EDI phase will begin, for each vendor independently, once they have submitted a complete list of their state accounts and successful testing of their EDI transmissions has been completed. At that point, the vendor will be switched to EDI within CAS. This will have the following impact:

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- Purchase Orders will be transmitted electronically, a paper copy should not be mailed to the vendor.
- Electronic invoices will be loaded into CAS automatically; paper invoices should no longer come from the vendor. Once reviewed by the agency, the invoices will be vouched into CAS as VEC-E documents rather than VOC-E documents.
- An electronic funds transfer payment to the vendor, along with an electronic remittance advice will be made. No warrants or paper remittance will be handled by the agency.
- The vendor should accept phone and fax orders, within direct spending authority, when the EDI account number is included with the order. The vendor would then bill the agency via EDI.
- The vendors *will still accept the Payment Card* during the EDI phase of the contract.

OBM is in the process of assessing the vendors EDI capability and will provide additional guidance regarding the two phases above as information becomes available. Agencies can prepare for EDI implementation by compiling a list of their accounts with each vendor. Agencies should further identify the CAS Purchasing Responsibility Center and, if applicable, Routing codes associated with those accounts. OBM will contact agencies individually for this information once the vendors have provided their list of account numbers.

Until agencies receive further information, they should interact with the MAC-43 vendors as described in the Pre-EDI phase above. If you have additional questions regarding provisions of the MAC-43, please contact Mark Hutchison at (614) 466-2375. If you have additional questions regarding EDI or the Payment Card, contact Greg Miller at (614) 752-9901 or greg.miller@obm.state.oh.us.

Important web links:

State Purchasing MAC-43 language:
<http://www.gsd.das.state.oh.us/purch/pdfs/mac43.pdf>

E-Buy! Ohio on-line catalog:
<http://ebuyohio.odn.state.oh.us/ebuy/index.html>

OBM EDI information:
<http://www.state.oh.us/obm/Information/Ecommerce/EDILinks.asp>

OBM Payment Card information:
<http://www.state.oh.us/obm/Information/PaymentCard/PaymentCard.asp>