**To: Vice Presidents for Administration, CUNY Campuses**

**From: Margaret Egan, Director of Strategic Initiatives, in partnership with the CUNY Institute for State and Local Governance (ISLG)**

**Cc: Central Office Procurement, University Office of General Counsel (OGC), and University Computing and Information Systems (CIS)**

**Re: New Commercial-Off-the-Shelf Software Process for Department Administrators**

**Date: 07/03/2019**

**New Commercial-Off-the-Shelf Software Process**

**Overview**

As part of the Administrative and Academic Excellence Initiative (AAEI), the Office of Budget and Finance (OBF) - Procurement, in partnership with the Office of the General Counsel (OGC) and University Computing and Information Systems (CIS), collaborated with ISLG to begin to create a more streamlined and efficient procurement process across all CUNY campuses and departments. This memo serves to provide an overview of the initiative and describe business process changes that directly impact campus departments across the University. The changes described in this memo should be reviewed prior to the new fiscal year.

The scope for the first phase of this initiative is Commercial-Off-the-Shelf software (COTS) purchases. Starting **July 8, 2019**, all requisitions and purchase orders for COTS software purchases, as defined below, will be processed by Office of Budget and Finance (OBF) - Procurement, rather than Campus Procurement and/or OGC.

The criteria for COTS purchases is as follows:

1. Software must be installed and run on a CUNY-owned or -managed computer (e.g., any desktop, laptop, tablet, server, or mobile device), and
2. Software must be a new purchase with a total aggregate value of $0 - $20,000.  If this purchase includes renewal terms, the total aggregate value may not exceed $49,999 and renewals cannot exceed a five-year term.
3. Software must be purchased with tax levy funds.

Note that for purchases to qualify as “new” for a college, that college must never have: 1) purchased the software previously, regardless of the source of funds; or 2) used the software under the terms of a trial offer. This process also excludes purchases of new releases or versions of a previously purchased product.

**Changes for Departments starting July 8, 2019**

**Software Requisition Supporting Documents:**

There are two new documents created to facilitate the submission and approval of software requisitions:

1. **CUNYFirst Software Requisition Guide:** This document will assist in the completion of ***all*** software requisitions. This guide is not specific to COTS. The prompts included should reduce manual data entry errors on the requisition form and the need to resubmit corrected requisitions.
2. **CUNY Software Requisition Supplement:** This document must be completed and attached to ***all*** software purchases within CUNYfirst. Requisitions that are submitted without this attachment will be considered incomplete. The supplement will assist campus procurement departments and Central Office Procurement when making software purchases by ensuring that all necessary information is provided. This will reduce back and forth corrections that have historically delayed the purchasing process.

**Budget Error Notification for Tax Levy Requisitions:**

Beginning July 8, when an employee submits a requisition, CUNYfirst will conduct an automatic check to verify that the budget account referenced on the requisition has sufficient funding for the requested good(s) or service(s) and notify the employee if there is insufficient funding. In the current state, if the requisition fails the budget check, there is no automatic notification that the transaction requires correction and resubmission, which can result in requisitions with budget errors sitting idle for significant periods of time. CIS developed this new budget error notification in CUNYfirst to prevent such delays.

The new budget error notification will automatically email those submitting requisitions if any of their requisitions are on hold in CUNYfirst with budget errors. Budget error notifications are sent every Wednesday and Friday morning to anyone submitting a requisition that results in a budget error. These email notifications will continue every Wednesday and Friday until all budget errors are addressed. Once all budget errors are resolved and the requisitions are resubmitted, the requisition number will no longer appear in the email notification.

This new feature is expected to streamline the procurement process so that departments receive sufficient requested goods and services more quickly and efficiently.

**Recommendation to Review Requisition Approval Levels:**

The current requisition approval workflow in CUNYfirst requires three approvals from within the requesting department: supervisor approval, department approval level 1, and department approval level 2. While the workflow requires three approvals, campuses are able to effectively consolidate these into two or one approval(s) by allowing the same person to approve a single requisition multiple times (effectively decreasing the number of “unique approvers”). An analysis of requisitions from fiscal years 2015-2017 demonstrates that consolidating approval levels and using fewer unique approvers reduces the average time required for a requisition to be approved. On average, department approval takes:

* 15 days for requisitions with three unique approvers
* 12 days for requisitions with two unique approvers
* 6 days for requisitions with one unique approver

The data shows that 14% of CUNY’s software requisitions utilized three unique approvers, while 42% and 44% of these requisitions utilized two or one unique approver(s), respectively (see attached Appendix). Further analysis of this data indicates that the number of unique approvers utilized was not related to the price of the software being purchased.

The attached Approval Level Appendices give an in-depth breakdown of the number of unique approvers used at each campus for all COTS Software requisitions and all requisitions, respectively. It is recommended that campuses evaluate their need for multiple unique reviewers and consider consolidating approval levels in order to further streamline their procurement process.

For any questions or concerns regarding the changes described above, please contact Joanne Gill (Joanne.Gill@cuny.edu) in Office of Budget and Finance (OBF) – Procurement.

**Attachments:**

* CUNYFirst Software Requisition Guide
* CUNY Software Requisition Supplement
* Approval Level Appendices