Commitment Approval Narrative

Purpose

The purpose of the Commitment Approval process to generate Purchase Orders for entities performing work on the project by apportioning funding received into the project account. The PM creates Commitments in e-Builder, from which FSBO creates Requisitions in PeopleSoft, for which Purchase Orders are created and issued to the designated entities.

Initiator

The Project Manager initiates the commitment approval process.

Key Terms

Project Charter	Information packet, in which the PM develops a Project Scope, creates an initial, estimated Project Budget and Project Schedule. The Project Charter provides information to FPC Leadership, which allows them to review the plan put together by the PM, and comment back or provide their approval to move forward.
Professional / Contractor Proposal	Written document outlining the proposed cost of the Scope of Work provided by the PM. The Contractor's proposal will typically include a Schedule of Values (SOV)
Minor Project Proposal	Proposal generated by the PM, which includes actual costs corresponding to the project's Statement of Work, project funding sources, and a proposed schedule. Acceptance of a Minor Project Proposal by the Client results in project funds being transferred into the FPC Project Account.
Schedule of Values (SOV) *Contractor*	Project Cost breakdown provided by the contractor, which details specific costs comprising the total value of each Account Code (Division and Non-Division items) submitted with their proposal. The PM uses the SOV when creating Commitments and typically creates commitment lines which mirror each SOV line. When entered in this manner, the Invoice Items in the 08 – Pay-App & Consultant Invoice process satisfies the SOV requirement.
Commitment	In general, a commitment of construction financing provided to the Contractor or Professionals by the Owner for a project which has been approved by the agent responsible for funding the project. UCF uses the Commitment process to apportion project funding to a specific vendor for a defined scope of work. The creation of a commitment alerts the Facilities and Safety Business office of the need to create a requisition for the commitment.

Requisition	A purchase requisition is a PeopleSoft form, which the Facilities and Safety Business Office (FSBO) creates and submits to UCF Procurement, identifying services/materials to order from an outside vendor. A requisition is used by Procurement to create a Purchase Order (PO).
Purchase Order	A Purchase Order (PO) is a binding contract between UCF and the Vendor. POs include the services/materials being purchased, the scope of service, payment terms, invoicing instructions and the purchase order number. The above information is pulled directly from the Commitment information provided by the PM.

Summary

Once a project has been funded, the PM will need to create Commitments for each entity the University pays directly. The Commitment alerts the Facilities and Safety Business Office (FBSO) that the PM wants to allocate a portion of the project funding to a specific entity for a particular service. Commitments are typically created for Construction Managers or General Contractors, Architect/Engineers if the project requires design, vendors whose services are required, but who are not subcontractors of the CM/GC, and internal UCF departments providing services (UCF IT, UES, etc).

FSBO will review the information provided by the PM to ensure it follows UCF policies, then will create a requisition, which will be reviewed and turned into a Purchase Order (PO) by UCF Procurement.

The PO, which serves both as a contract between UCF and the vendor, as well as a Notice to Proceed, will be deliver to the vendor by UCF Procurement. The PM should also receive a notification; however, the PM should follow up with the vendor to confirm receipt.

Requirements

- Commitment Type
- Commitment Control
- Company
- Retainage Percent
- Scope of Work / Project Charter
- Vendor Proposal
- Input Date of Proposal

Pre-requisites

- Project Charter
- Minor Project Proposal or UIMP/Carry Forward Request

Key Steps

Start: CA Process Initiation - PM initiates the Commitment Approval process in e-Builder
Step1: Routing Workflow – the e-Builder system applies three logical tests to determine CA routing
Step2: FSBO Review and Requisition Creation
Step3: UCF Procurement Review and PO Creation
Step4: Funds Validation
Step 5: UCF Procurement Sends PO Information to Contractor
Finish: FPC PM follows up with Contractor to ensure PO Information was received

CA Process Initiation

The Commitment Approval process starts with the PM initiating the process.

Routing Workflow

The e-Builder system then applies a set of three business rules to the CA to route it to the next step of the workflow.
Commitment Type **-** If any of the below types were input by the PM, the Commitment is routed directly to FSBO for review.   - Internal UCF Contracts   - BCO Fees   - Emergency PO   - GSA Contract   - Job Order Contract   - NJPA   - Owner Direct Purchase   - Quote under 10K PO   - SEM Plant Maintenance   - Other Commitment
Construction Commitment **-** The next validation checks to see if Construction was selected by the PM.
- If Construction was selected, and the Commitment Value is greater than or equal to $2M, the Commitment is routed to the FPC Manager, Facilities Planning (MGR) for review.   - If Construction was selected, and the Commitment Value is less than $2M, the commitment is routed to FSBO for review.
Non-Construction Commitments **-** The final validation checks the Commitment Value for non-Construction commitments.
- If Construction was <u>not</u> selected, the Commitment Type is not contained in the above list, and the Commitment Value is greater than or equal to $200K, the commitment is routed to the FPC MGR for approval.   - If Construction was <u>not </u>selected and the Commitment Value is less than $200K, the commitment is routed to FSBO for review.

FSBO Review and Requisition Creation

The FSBO team receives and reviews the commitment in e-Builder. FSBO ensures a Project Charter has been completed and a Minor Project Proposal has been approved by the client. FSBO reviews the CA to ensure guidelines from Award of Minor Projects to Continuing Service Contractors Selected through a Qualifications Basis are followed. If more information is required, FSBO will return the CA back to the PM, otherwise FSBO will verify funds exist in the FPC Project Account, create a requisition for a PO in the PeopleSoft system and provide UCF Procurement with the Project Charter and Minor Project Proposal by attaching them to the requisition. FSBO will copy the scope of services provided by the PM into a field that also displays on the PO when it is created.

UCF Procurement Review and PO Creation

UCF Procurement reviews the requisition to ensure it complies with University Procurement Policies, and if so, creates a Purchase Order (PO) in PeopleSoft. This information is then passed back to FSBO.

Funds Validation

Upon a PO being issued by UCF Procurement, FSBO inputs the PO Number into the CA and selects Funds Validated, which completes the CA process.

UCF Procurement Sends PO Information to Contractor

UCF Procurement emails the PO Information to the Contractor's contact information as listed in the PeopleSoft system.

FPC PM follows up with Contractor to ensure PO Information was received

The PM should be notified that the PO information was delivered when FSBO inputs the PO Number into the CA process. The PM should reach out to the Contractor to ensure the PO Information was successfully received.

How to guide – The Commitment Approval (CA) Process

The e-Builder Minor Project Proposal is comprised of the following elements:

Start Process	Scope and Contract Information
Commitment Details	Commitment Type and Company for which the Commitment Item(s) will be created
Commitment Others	Retainage Percent and information about the CA used by FSBO
Commitment Custom Fields	PeopleSoft PO Number associated with the Commitment
Commitment Items	Displays Commitment Items the PM has already created
Add New Commitment Item	PM inputs data to create a new Commitment Item

Navigate to Commitment Approval Process

From the e-Builder Home screen

- Select the Projects tab

From the Projects screen

- Search for and select the project for which you wish to create a commitment

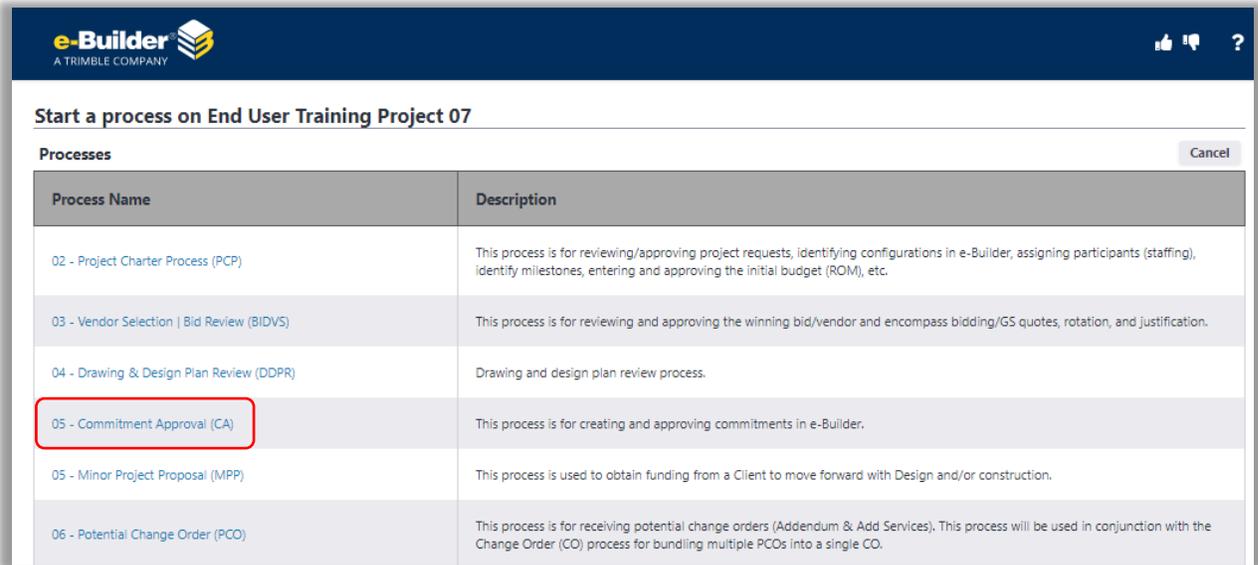From the Projects screen – Project Menu

- Select the Processes link

From the Processes screen – Filter Processes
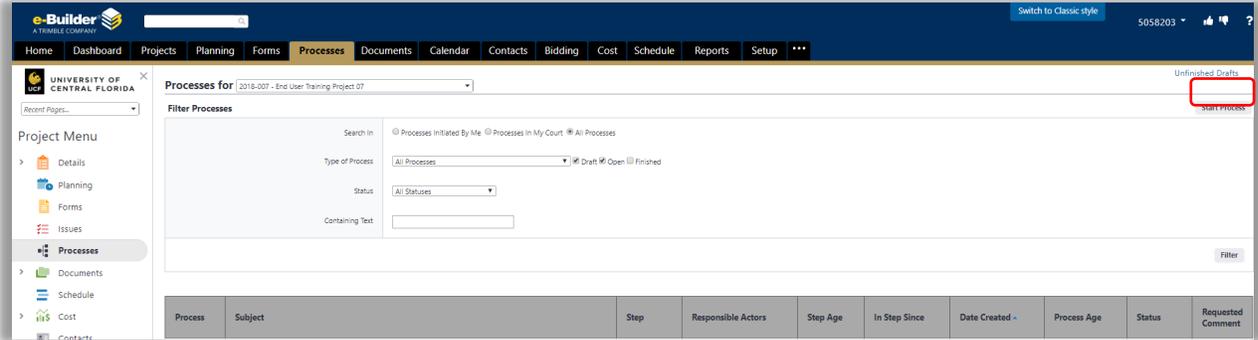
- Select the **Start Process** button

From the Start a Process pop-up window

- Select the 05 – Commitment Approval (CA) link

Commitment Approval – Start Process section

From the 05 – Commitment Approval (CA) screen – Start Process Section

- Date of Proposal
- Attach the Scope of Work created for the entity
- Select the Contract Selection Method dropdown menu

From the Contract Selection Method dropdown menu

- Select the applicable Contract Selection Method
  - Bid Process – PM used eB Quotes
  - E&I Coop

- GSA/NJPA
- Job Order Contract – PM used a JOC
- Justification – PM made a selection based on fit and prior experience
- Major Project – Work is part of a Major Project
- Owner Direct Purchase – Materials purchased directly by UCF to obtain tax savings
- Rotation – PM made a selection based on next entity ready to receive work
- UCF Department – Work to be performed by a Partner Department (FO, UCF IT, etc)
- Under 10K – Value of PO is less than 10K

> You have completed this section. Please note that it is a good practice to save your work often by selecting the **Save Draft** button located at both the top and bottom of the 05 – Commitment Approval (CA) screen. The process will time out if no activity is recorded for 10 minutes.

Commitment Approval – Commitment Details section

From the 05 Commitment Approval (CA) – Commitment Details section

- Select the Commitment Type dropdown menu

- Select the applicable Commitment Type

Full List of Commitment Types:

Code	Description
Architectural Services	Professional Services
BCO Fees	For Permits
Building Envelope Consulting	Exterior Envelope review and testing
Civil Engineer Services	Civil Engineering design services
CM GMP Contract	Construction Manager Contract though a selection process for Major Projects
CM Up to $2M (Continuing Service)	Construction Management Contract Pre-Qualified (Large Minor)
CM Up to 500K (Continuing Service)	Construction Management Contract Pre-Qualified (Small Minor)
Commissioning Agent Services	Building and system commissioning of new and existing systems
Design-Build Architect	Design-Build Architect
Design-Build Contractor	Design-Build Contractor
Electrical Contract	Electrical as prime for construction, repair and maintenance
Emergency PO	Used during emergency situations. See UCF-7.130 Administration and Finance; Purchasing 3.h.1
External Hard Bid	Non Continuing Service Contractor hard bid
GC Up to $2M (Continuing Service)	General Contractor Contract Pre-Qualified (Large Minor)
GC Up to 500K (Continuing Service)	General Contractor Contract Pre-Qualified (Small Minor)
GSA Contract	Reference the GS Contract
Internal Hard Bid	Continuing Services Contractor Only Hard Bid
Internal UCF Contracts	For UES, OIR, CS&T, FO, LNR, etc.
Job Order Contract	Itemized Contracting
Landscape Architectural Services	Design of hard and soft exterior environment
Material Testing/Threshold Inspection Services	Testing of construction materials
Mechanical Contract	Mechanical as prime for construction, repair and maintenance
MEP Engineering Services	Mechanical, Electrical, Plumbing design services
NJPA	National Joint Powers Alliance - Reference Contract
Other Commitment	Other Commitment
Owner Direct Purchase	Owner Direct Purchase Items
Piggyback Contract	Contract from another State agency - Reference the agency
Plumbing Contract	Plumbing as prime for construction, repair and maintenance
Quote under 10K PO	Under 10k Purchasing guidelines
Repair and Maintenance Contract	Repair and Maintenance
Roof Maintenance Contract	For roof maintenance only. If new roof use Trade Contract Contract Commitment Type
SEM Plant Maintenance	
SFM	State Fire Marshall
State Contract	State Contract
Trade Contract	Trade Contractor w/o AE
UES Utility Professionals	Design services for utility design and evaluation

From the 05 – Commitment Approval (CA) – Commitment Details section

- Commitment Control defaults to "Controlled by Commitment Item"
- Select the Company dropdown menu

- Type in the partial name of the entity for which you which to create a commitment
- Select the entity name

The Company Number will auto-populate when the entity is selected

Entering Commitment Item Instructions:

1. Select the Commitment Type
2. Select the Company
3. Optional: set the Commitment Date, Scope of work, Notice to Proceed Date, and Retainage Percent (used for applying retainage percentage on **ALL** commitment items)
4. Under "Add New Commitment Item," click Please Select a Line Item and select 01.01.39 (Division 13 - Special Construction)
5. Enter the Amount
6. Click the Add button
7. Repeat steps 4 through 6 until all commitment items have been entered.
8. When complete, click the Submit button to move the process forward.

Retainage Note: To set a retainage percent across all commitment items, enter the amount in the *Retainage Percent box in the Commitment Others section. Otherwise, individual retainage may be set on individual commitment item(s).

Commitment Details

Status:	Draft		
* Commitment Type:	Job Order Contract	Unit Cost Options:	Lump Sum Amount
* Commitment Control:	Controlled By Commitment Item		
* Company:	Ovation Construction Inc	Company Number:	0000075326
Contact:	Select a contact...		

- Select the Contact dropdown menu
  - All contacts listed for the selected company will populate

- Select the contact for the commitment
  - This selection assists with record-keeping, but does not impact system notifications or routing

You have completed this section. Please note that it is a good practice to save your work often by selecting the **Save Draft** button located at both the top and bottom of the 05 – Commitment Approval (CA) screen. The process will time out if no activity is recorded for 10 minutes.

Note: At the top of the process, in the Start Process section, you will now see the Subject field. The Subject field is auto-populated with the Project Number + Company + Commitment Amount

Commitment Approval – Commitment Others section

From the 05 – Commitment Approval (CA) – Commitment Others

Commitment Date field	Use the calendar icon to select the date. This indicates the date which the commitment is due
Notice to Proceed Date field	The Date of the Purchase Order. Leave blank when creating the commitment.
Scope of Work field	This information will be included in the requisition and PO verbatim when the requisition is created, and it is important for the PM to populate it with the following from the Minor Project Design/Construction Scope of Services. • Copy verbiage from PROJECT OBJECTIVE / SCOPE OF WORK through the end of the document, and paste it into the Scope of Work field. Review and modify format as indicated below: • Any lists should be in alpha-numeric format, as bullets cause issues in PeopleSoft • Font should be Arial • Font size should be 11
Retainage Percent field	Retainage Percent defaults to 0.00 – input a number between 0 – 100 to indicate the retainage percent you wish to systematically withhold from all commitment items. Standard retainage is 10% (Exceptions Bonds and Insurance – 0%)
Retainage Amount: Support Manual Entry checkbox	Select the Retainage Amount Support manual entry checkbox if you wish to have the capability to override retainage amounts on invoice line items

Commitment Approval – Commitment Custom Fields section

From the 05 – Commitment Approval (CA) – Commitment Custom Fields

• The PeopleSoft PO Number field is populated by FSBO when a PO is issued for the Commitment.

Commitment Approval – Add New Commitment Item section

From the 05 – Commitment Approval (CA) – Add New Commitment Item

- Select the Please Select a Line Item link

From the Budget Line Items pop-up window

Budget Line Items   ⊠

Account Code	Description
01.01.01	Summary Cost
01.01.02	Concept Design
01.01.04	Civil
01.01.05	Geotech
01.01.06	Interior
01.01.07	LEED Adim

- Select the Account Code for which you wish to create the commitment line
  - In this example, 01.03.25 General Requirements was selected

Item Number	001
Budget Line Item	01.03.25
Current Budget	20,000.00
Description	Division 1 - General Requirements
Retainage Percent	0.00
Amount	0.00
Allowance Item?	☐
Custom Fields	

Add

Item Number field	Item Number defaults to 001
Budget Line Item field	The Budget Line Item field changes to the Budget Line Number
Current Budget field	The Current Budget field is populated with the approved budget amount for the Line Item *In this example, the budget amount of 20,000 is populated*
Description field	The Description field is populated with the Line Item Description A good practice is to add a hyphen after the original description name, and include additional descriptive information from the contractor's Schedule of Values (see examples below): *Division 1 – General Requirements – Builders Risk Insurance* *Division 1 – General Requirements – Move Lab Counter* *Division 1 – General Requirements – Floor Protection – Visqueen*
Retainage Percent field	Retainage Percent defaults to the value listed in the Retainage Percent field from the Commitment Approval – Commitment Others section. Input a number between 0-100 to change the retainage percent for the commitment item
Amount field	Amount defaults to 0.00 Input the amount you wish to allocate to this commitment line *In this example, 10,000 was input*
Allowance Item checkbox	Allowance Item Allowances are used to set aside funds for specific work activity, which is not certain to occur (example below): *A renovation to a room within a building built before 1980 may or may not need asbestos abatement. The PM is able to create a commitment line for this activity, marked as an allowance. If the activity occurs, funds are withdrawn from the commitment. If the activity is not needed, funds revert to the client at the end of the project.*
Custom Fields icon	
Add button	Select the **Add** button to create a commitment item

Commitment Approval – Commitment Items section

Once Commitment Items have been created, they will appear in the Commitment Items section. The PM is able to edit each field except for Current Budget, which is controlled by the approved budget for the Line Item.

From the 05 – Commitment Approval (CA) – Commitment Items

- Select the pencil icon next to the information you wish to edit

- o Item Number
    - ▪ Commitment lines should match the Contractor's Schedule of Values. If the PM receives a revised Schedule of Values the PM can re-order lines to match the revision.
- o Description
- o Retainage Percent
    - ▪ A retainage of 10% is expected to be withheld on all lines except those related to bonds and insurance. If the Retainage Percent is less than 10%, the PM should use the edit feature to ensure the commitment line has a 10% retainage value
- o Amount
- Select the Line Item link to change the Account Code designation if needed
- Select the Allowance checkbox to designate the commitment line as an allowance item
- Custom Fields are not used
- Select the Delete link to delete the commitment line

Commitment Items

Item Number	Line Item	Description	Current Budget	Retainage Percent	Amount	Allowance	Custom Field(s)	
001	01.03.25	Division 1 - General Requirements	20,000.00	0.00	10000	☐		Delete

- Enter the new value (ex. 18500)

Commitment Items

Item Number	Line Item	Description	Current Budget	Retainage Percent	Amount	Allowance	Custom Field(s)	
001	01.03.25	Division 1 - General Requirements	20,000.00	0.00	18500	☐		Delete

Commitment Items

Item Number	Line Item	Description	Current Budget	Retainage Percent	Amount	Allowance	Custom Field(s)	
001	01.03.25	Division 1 - General Requirements	20,000.00	0.00	18,500.00	☐		Delete

Repeat the process of adding all relevant commitment lines you wish to be included in the Vendor PO

Commitment Items

Item Number	Line Item	Description	Current Budget	Retainage Percent	Amount	Allowance	Custom Field(s)	
001	01.03.25	Division 1 - General Requirements	20,000.00	0.00	18,500.00	☐		Delete
002	01.03.26	Division 2 - Existing Conditions	5,000.00	0.00	3,000.00	☐		Delete
003	01.03.27	Division 3 - Concrete	50,000.00	0.00	44,000.00	☐		Delete
004	01.03.28	Division 4 - Masonry	50,000.00	0.00	40,000.00	☐		Delete
005	01.03.33	Division 7 - Thermal & Moisture Protection	6,000.00	0.00	5,500.00	☐		Delete
Total			131,000.00		111,000.00			

Commitment Approval – Review and Submit

Once all commitment lines are added, save your work, review and submit

- Select the **Save Draft** button
- Select the **Check Spelling** button to perform a spell check. Note that verbiage included in the commitment will appear on the Purchase Order verbatim, so it is important for it to be correct.
- Select the **Submit** button to route the process to the next step (see Routing Workflow Heading)