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From: cmsusers-bounces@mailman.state.co.us on behalf of Contract Management System User Mailing List [cmsusers@mailman.state.co.us]
Sent: Thursday, September 30, 2010 1:19 PM
To: cmsusers@mailman.state.co.us
Subject: [CMSusers] Construction Records in CMS
Attachments: ATT3353014.txt

Greetings,

A message about Construction records in CMS. Specifically, the use of the following Construction sub-types:

- o OSA-Change Order SC-6.31
- o OSA-Contract Amendment SC-6.0
- o OSA-Contract Supplement SC-7.0A or SC-7.0B

Prior to the development of the Modification contract type, selection of one of the above was the method of recording a change to an existing Construction contract - regardless of whether the original contract was entered into CMS (those pre-dating 7/1/2009 may or may not have had a contract record created for it).

Our review of these 3 contract types in relation to running accurate reports has revealed the possibility of double reporting for some contracts since the above 3 contract types are not "seen" by the system as Modifications but rather stand-alone contracts. Given this, if one of the above 3 contract types has an entry in the CUMULATIVE amount field that exceeds \$100K, that record will be identified *as well as* the original record (if there is one) as needing personal services reporting. For example:

- An original Construction record was created with a Maximum contract amount of \$1,000,000.00 and CUMULATIVE amount of \$1,000,000.00
- An Amendment using SC-6.0 is entered into CMS adding \$120,000.00 to the original, the Maximum contract amount *of the Amendment* is \$120,000.00 and the CUMULATIVE Amount *of that Amendment* is \$120,000.00
- The original Construction record is then modified to add the \$120,000.00 to the CUMULATIVE amount of the original contract for a new CUMULATIVE amount of \$1,120,000.00.
- When a report is run in CMS to list all personal services contracts with a CUMULATIVE amount greater than/equal to \$100,000.00, *both* the original Construction record *and* the Amendment record will be included. This is not accurate since really there is just one contract now worth \$1,120,000.00 – not 2 contracts over \$100,000.00.

Please remember that the information provided in each CMS contract record should only relate to the document to which the record applies. For example, if you were entering an amendment for \$14,000.00 the CUMULATIVE amount field should only reflect \$14,000.00 – that record = that amendment. The aggregate amount of the entire contract should be increased by the \$14,000.00 in the original CMS (and separate) record.

Use of the Modification contract type alleviates this situation by not having a CUMULATIVE amount field but rather the field "If the Modification Adds or Subtracts money, what is the dollar amount of the change?" This amount is then transferred to the original Construction record (if in the system because was executed after 7/1/2009 or amended after that date and a record had to be created for the original) through increasing of

the CUMULATIVE amount field. No double reporting since Modification records are not included in such reports and only one CUMULATIVE field exists per contract.

The immediate solution has been removal of the above 3 construction modification types from the sub-type drop down list within the Construction umbrella type thereby forcing the use of the Modification contract type to record changes to the original construction contract and use of either the Title and/or the Custom Field to note which of the above 3 forms are being executed.

More long term, OSC is reviewing all current CMS records that have used one of the above 3 contract types to determine how many need to be changed to the new Modification contract type and how many can remain as is. The goal is to ensure proper reporting and make “clean-up” by users as minimal as possible. Clean-up most likely would entail changing the contract type and cleaning up the dollar fields.

Nothing is needed by users at this point except to use the Modification contract type from this point forward.

To everyone this impacts I again say thank you for your patience as we are all learning together.

Brenda

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