CIP Encumbrance and Payment Procedures

1. New Contracts (A/E, Construction):

A. Create Requisition in KFS for the project (to be performed by originating Facilities Office).
   - Various facilities offices may create requisitions as the initiator and have it route to OCI for final approval. Note: Currently the org/chart must be changed to SW-CIP for routing purposes. This org/chart may be changed in the future. We will inform all of you when and if we need to use a different org/chart.
   - If more than one account is to be used, create separate line items for each account code. The DAGS appropriation code that corresponds to the KFS account code can also be included in the line item description.
   - In the requisition “Notes and Attachments” tab, please indicate the DAGS appropriation number and the corresponding account code to be utilized for the project. Attach a copy the allotment advice to the requisition.

B. Submittals to OCI:
   - New A&E Contracts
     1) Copy of Facilities cover memo to OPRPM
     2) Copy of Print screen of the requisition in KFS
     3) Copy of CIP Payment Form document (completed to the extent possible, including accounting information and DAGS appropriation codes)
     4) Copy of contract
     5) Copy of the A/E and subconsultants fee proposals
   - New Construction Contracts
     1) Copy of Facilities cover memo to OPRPM
     2) Copy of OPRPM’s recommendation for award memo
     3) Copy of Print screen of the requisition in KFS
     4) Copy of CIP Payment Form document (complete to the extent possible, including accounting information and DAGS appropriation codes)
     5) Copy of the low bidder’s bid.

C. OCI will:
   - Review KFS Requisition and contract submittals.
   - Once the requisition has been fully approved and finalized, KFS will generate a PO document.
   - PO document number can be found in the “View Related Document” tab in the requisition.
   - Please note: If the contract amount is under $25,000, in the Purchase Order, the Cost Source must be changed to “Central Procurement Approval Required”, otherwise, the PO will not route to OPRPM for final approval.
(OPRPM will not approve construction projects under $25,000 but will approve A/E contracts under $25,000 when made through the professional services selection process. This step only applies to those contracts submitted to OPRPM under $25,000)

- The OCI Account Approver will send a copy of the KFS PO document to the originating Facilities Office. This action will serve as official notification that the KFS Requisition has been approved by OCI.

D. Originating Facilities Office will:
- Upon receipt of the KFS PO document from OCI, the originating Facilities Office will send the KFS PO document along with the contract document originals to OPRPM for further processing.

E. OPRPM will:
- Review contract documents and check to see if a vendor codes is established with DAGS. If not, we will request a vendor code be established.
- Finalize contract documents and transmit documents to the contractor for signature and execution.
- Once contract is returned, sign contract document; or, if contract amount is over $1,000,000, submit to Vice President Todo for signature.
- Transmit the contract documents to DAGS for encumbrance approval.
- Once the documents are approved by DAGS, OPRPM will request a NTP date from the requesting department. When the Notice to Proceed is issued, OPRPM will approve the PO document in KFS and include additional pertinent information (e.g. DAGS contract number in to the organizational document number field, input the DAGS contract number into the CIP payment Form
- Provide a copy of the final purchase order and CIP payment form to OCI and the originating Facilities Office, and provide a copy of the final purchase order and contract input to Disbursing.

F. Payment Processing (initiated by the originating Facilities Office):
- Complete the University of Hawaii CIP Payment Form. Note: The designated “recipient”, “approving authority”, and “administrative officer(s)” for each facilities offices will be provided authority to sign the appropriate line item on the payment form and submit the hard copy payment request and back-up directly to Disbursing.
- Send CIP Payment Form and Invoice to Disbursing for payment processing with DAGS.
- Disbursing to create Summary Warrant Voucher for payment to DAGS
- When DAGS cuts the check and the checks are provided to the University, input check information into the Non Check Disbursement screen. (Note: the PO number should be inputted into the Organization Document Number screen for tracking purposes).
2. Contract Modifications (A/E, Construction):

A. Create PO Amendment in KFS (to be performed by originating Facilities Office)

- Various facilities offices may create PO Amend as the initiator and have it route to OCI for final approval.

- Additional line items should be added to the PO Amend for each contract modification. In the “Notes and Attachments” tab, please indicate the DAGS appropriation code and the corresponding KFS account code to be utilized for the modification.

- If more than one account is to be used, create separate line items for each account code. The DAGS appropriation code that corresponds to the KFS Account Code can also be included in the line item description.

- Please note: If the contract amount is under $25,000, in the Purchase Order, the Cost Source must be changed to “Central Procurement Approval Required”, otherwise, the PO Amend will not route to OPRPM for final approval.

If the total amount of the contract is still under $25,000 with the modification, this step would apply. If the contract modification brings the contract amount over $25,000, it should automatically route to OPRPM.

B. Submittals to OCI:

1) A&E Contract Modifications

- Copy of Facilities cover memo to OPRPM
- Copy of Print screen of PO Amendment
- Copy of CIP Payment Form document (completed to the extent possible, including PO Number, DAGS contract number, accounting information and DAGS appropriation codes)
- Copy of the A/E and subconsultants fee proposals for the modification

2) Construction Contract Modifications:

- Copy of Facilities cover memo to OPRPM
- Copy of Print screen of the PO Amendment
- Copy of CIP Payment Form document (complete to the extent possible, including PO Number, DAGS contract number, accounting information and DAGS appropriation codes)
- Copy of the signed change order proposals for the general contractors and subcontractors

C. OCI will:

- Review KFS PO Amend and contract modification submittals.
- The OCI Account Approver will send a signed copy of the KFS PO Amend document to the originating Facilities Office. This action will serve as official notification to the originating Facilities Office that the contract modification request has been approved by OCI.
D. Originating Facilities Office will:

- Upon receipt of the signed copy of the KFS PO Amend document from OCI, the originating Facilities Office will send the KFS PO Amend copy along with the contract modification request originals to OPRPM for further processing.

E. OPRPM will:

- Review the modification request. If all documents are in order, finalize the contract modification and transmit modification document to the contractor for signature and execution.

- Once contract is returned, sign modification document. If modification amount is over $1,000,000, submit to Vice President Todo for signature.

- Transmit the modification document to DAGS for encumbrance approval.

- Once the modification document is approved by DAGS, OPRPM will approve the PO Amend document in KFS.

- Provide a copy of the final purchase order amend CIP payment form to OCI and the originating Facilities Office, and provide a copy of the final purchase order amend and contract input to Disbursing.

F. Payment Processing:

- Complete the University of Hawaii CIP Payment Form. Note: The designated “recipient”, “approving authority”, and “administrative officer(s)” for each facilities offices will be provided authority to sign the appropriate line item on the payment form and submit the hard copy payment request and back-up directly to Disbursing.

- Send CIP Payment Form and Invoice to Disbursing for payment processing with DAGS.

- Disbursing to create Summary Warrant Voucher for payment to DAGS

- When DAGS cuts the check and the checks are provided to the University, input check information into the Non Check Disbursement screen. (Note: the PO number should be inputted into the Organization Document Number screen for tracking purposes).