Novation and Assignment
(SAP Only)

GOAL: To effectively process a SAP novation or assignment of a contract in BidBuy using the same initial contract # at IOC.

DEFINITIONS:

Assignment – The transfer of **some or all** of a party's (vendor or agency) rights, benefits, or claims under a contract by that party (the assignor) to a third party (the assignee) without extinguishing the assignor's obligations under the original contract.

Novation – The transfer of **all** of a party's (vendor or agency) obligations, rights, benefits and claims under a contract by that party (the transferor) to a third party (the transferee), resulting in a new contract between the transferee and the other original party to the contract and the extinguishing of all obligations, rights, benefits, and claims under the original contract.

Tab	Task	Who/Where
	Ensure that the new vendor is registered in BidBuy and certified in SAMS/SRM. Print a copy of the Summary Tab from the Original PO for reference.	Agency
	DAY 1	
SAP - De-obligation	Perform steps in SAP per SAP instruction **Changes in the existing contract/obligation to be novated (having the old vendor) in SAP system** 1. Change the Class code to 99 in **Header; Basic Data** tab. 2. Reduce the Guaranteed minimum amount to the consumed amount in **Header; Account Assignment** tab. 3. Reduce the Current fiscal year amount to consumed amount in **Fiscal Data** tab and delete future fiscal year entries 4. Add modification text as per the guidelines from IOC on the **Notes and Attachments** tab 5. Release the contract This will result in de-obligating the contract for old vendor.	Agency/SAP
BidBuy - Original PO Summary Tab	Create a New PO - Clone PO - Fiscal Year (options will be the current Fiscal Year unless during the Roll Period, when both the current and previous Fiscal Year will be available)	Agency

	A Link to New PO Will Be Displayed. (note the cloned PO #) *NOTE: The new PO will contain most information from the original PO, with minor updates required.*	

BidBuy
New PO
- General Tab
	Update the New PO
	- Short Description: Include "Novation" or Assignment in the description
	- Type Code: Should be the Type used on the Original Procurement
	- Fiscal Year of Obligation: Current Year
	- Contract Begin Date: Remains the same as the original PO
	- Contract End Date: Remains the same as the original PO
	- Department/Location: Update as needed
	- O/O Number:
	    o If original PO has this field populated, enter that # here
	    -OR-
	    o Enter the ALT ID from the Original PO
	    (This will ensure that the Obligation number on file with the IOC remains the same for the contract life, per IOC guidelines)
	- Alt ID: Leave Blank
	- SAP Vendor #: Enter Vendor # for the New Vendor
	- SAP Contract Value: Value from the Original PO
	- Other: Any values in custom columns that are not included in the Cloned PO should be re-entered with information from the Original PO
	- Save & Continue
		Agency

BidBuy New PO - Items Tab	- Item Target Value: Enter the remaining value from original PO - Other: Any data in custom columns that are not included in the Cloned PO should be re-entered with information from the Original PO - Save & Continue	Agency
BidBuy New PO - Vendor Tab	- Lookup & Change Vendor - Select New Vendor - Change Vendor - Save & Continue	Agency
BidBuy New PO - Control Tab (if needed)	NOTE: information from the Control Tab is not cloned to the new MBPO. Reconcile and manually update: - Master Blanket/Contract Begin Date Same as Original PO - Master Blanket/Contract End Date: Same as Original PO - Dollar Limit: <u>Unconsumed</u> Portion of the PO, if needed - Save & Continue	Agency
BidBuy New PO - Attachments Tab	- Attach all required documents, such as the Novation/Assignment Agreement, New Contract if applicable, Disclosures, Certifications, etc.	Agency
BidBuy New PO - Notes Tab	- Enter: Novation for [ORIGINAL PO #] from [Vendor A to Vendor B], effective [date]. - Save & Continue	Agency

BidBuy New PO - Summary Tab	Conduct Approvals - Review information - Submit for Approval - Manually add approvers, as necessary, such as SPO, Legal, etc. After all approvals received, Send to Vendor. Once the PO has been sent through the interface, Alt ID in the PO will populate with new SAP contract #.	Agency
SAP - Changes to New SAP Contract	- Perform steps in SAP 1. Add unconsumed amount from current fiscal year from the contract having old vendor as the current fiscal year amount in **Fiscal data** tab. Also, add future year values as per the requirement. 2. Add same unconsumed amount from above step as a Guaranteed minimum amount in **Header**; **Account Assignment** data tab. The contract will be obligated as an Establishment at IOC with this amount for new Vendor. 3. Verify that "Old contract number" field has obligation number in the **Header; Basic Data** tab. 4. Verify that all fields in **Header-Basic Data** tab are correct. If fields were interfaced from BidBuy, create a change order and apply it to correct them. Otherwise, change them manually in SRM. 5. Add Header establishment text as per the guidelines from IOC on the **Notes and Attachments** tab 6. Save the contract	Agency/SAP
	---DAY 2---	
SAP - Release the Contract for New Vendor	Release the contract for new Vendor in SAP system This will generate a COD for establishment of new vendor that evening	Agency/SAP

BidBuy
Original PO
- Change Order
	When approvals are received on the New PO:
	
	Create a Change Order
	- General Tab
	  - Short Description: Non-orderable
	  - Type Code: 9-Novation
	
	  Save & Continue
	
	- Control Tab
	  - Contract End Date: Date of the Novation - last orderable date for the original contract
	  - Dollar Limit: If a Dollar Limit is listed, change to the Consumed Amount
	
	  Save & Continue
	
	- Notes
	  - Enter details of the NEW PO including the #
		Agency

BidBuy Summary Tab	Review information Submit for Approval Manually add any necessary approvers: SPO, Legal, etc. When Approved, Apply the Change Order on the effective date Users will see the below message when the Change Order is applied in BidBuy: “Novation/Assignment transaction must be completed in SAP by the ACTS Procurement Team. Please notify the team and provide the BidBuy Purchase Order #, SAP Contract # and New Vendor #.	Agency/ SPO/ Legal