



CITY OF HOUSTON
FINANCE DEPARTMENT
Strategic Procurement Division

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Mayor

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September 9, 2015

Subject: Letter of Clarification No. 1: Request for Information No. S63-Q25533 –
Electronic Accounts Payable Invoicing Solution

To: All Prospective Respondents:

This letter of Clarification is being issued for the following reasons:

- **To update the above mentioned solicitation as follows and to respond to questions posed by perspective respondents.**

1. Remove Page Nos. 1 and 5 and replace with Page Nos. 1 and 5 marked, **REVISED 9/9/2015**:
2. The following question and the City of Houston response is hereby incorporated and made part of the Request for Information:

Question No. 1 “Is there an incumbent contract for this project?”

Answer: **There is no incumbent contract for an enterprise electronic invoicing solution.**

Question No. 2 “Has funding been secured for this project at this time?”

Answer: **Funding has not been identified. Information from the RFI will help determine cost and better inform a budget request.**

Question No. 3 “Would the City of Houston extend the due date of the RFI?”

Answer: **At this time the due date of the RFI will not be extended.**

Question No. 4 “On page 3 of the RFI, do we need to respond to the “Required Functionality for the City” and “Nice to Have Functionality” sections?”

Answer: **Responses should address the questions in the section titled “Questions for Prospective Respondents” on page 5 of the RFI.**

When issued, Letter(s) of Clarification shall automatically become a part of the solicitation documents and shall supersede any previous specification(s) and/or provision(s) in conflict with the Letter(s) of Clarification. All revisions, responses, and answers incorporated into the

Letter of Clarification No. 1: Request for Information No. S63-Q25533 – Electronic Accounts Payable Invoicing Solution

Letter(s) of Clarification are collaboratively from both the Strategic Procurement Division and the applicable City Department(s). It is the responsibility of the bidder/respondent to ensure that it has obtained all such letter(s). By submitting a bid on this project, bidders/respondents shall be deemed to have received all Letter(s) of Clarification and to have incorporated them into this solicitation and resulting bid.

Furthermore, it is the responsibility of each Contractor to obtain any previous Letter of Clarification associated with this solicitation.

Yesenia Chuca

Yesenia Chuca
Procurement Specialist
832-393-8727

REVISED 9/9/2015

	<p>CITY OF HOUSTON FINANCE DEPARTMENT S63- Q25533</p> <p>NOTICE OF REQUEST FOR INFORMATION</p>	<p>STRATEGIC PROCUREMENT DIVISION</p> <p>901 Bagby, Concourse Level, Houston TX</p>
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ELECTRONIC ACCOUNTS PAYABLE INVOICING SOLUTION

The City of Houston Finance Department is soliciting information from Consultants(s)/Contractor(s) specializing in Electronic Accounts Payable Solutions. Please review the provided information. If you believe your firm can provide a response, please submit your information via **Two (2) Hard Copies and Two (2) USB Drives**. All information provided and expenses incurred shall be at **“NO COST”** to the City of Houston.

Please submit your information to Yesenia Chuca, Procurement Specialist by **2:00 p.m. CST, Friday, September 25, 2015** to the following address or electronically to yesenia.chuca@houstontx.gov:

Mail: Yesenia Chuca
City of Houston
City Hall - Strategic Procurement Division
901 Bagby, Suite 514, Basement
Houston, TX 77002

BACKGROUND

CURRENT STATE – QUICK VIEW

The City of Houston’s current state environment for accounts payable (AP) is manual and labor intensive, mostly all paper-based, and federated across multiple staff members and departments. The City is performing a holistic review of its options related to AP. One of the potential inputs to improving the landscape is technology. If a solution is selected and implemented today for the entire City, it would need to be capable of handling the following workload demands:

- Annual Number of Invoices: 133,973
 - Number of PO-based invoices: 90,068
 - Number of non-P.O. invoices: 43,905 (note, 1/3 to 1/2 of these non-PO based invoices are in the form of travel reimbursements and customer reimbursements for court fees, EMS fees, etc. These transactions are out of scope for this project)
- Estimated Number staff (FTEs) performing an accounts payable function: 124
- Estimated Number of COH AP organizations: 20
- Estimated Number of vendors paid annually by the City: ~5,000 vendors (excluding one-time vendors; approximately 4,500 excluding employee reimbursements)

Realistically, the solution the City picks will not be deployed in a fashion that is capable of handling the above workload demands at first roll-out, but having the scalability to do so is important.

CURRENT CHALLENGES

The operating environment for accounts payable, as highlighted above, presents several challenges. Some of these changes can be reduced by technology, while others may continue to exist beyond the implementation of technology.

REVISED 9/9/2015

ELECTRONIC ACCOUNTS PAYABLE INVOICING SOLUTION

INVOICE WORKFLOW AND REVIEW

- Describe how the solution would handle communication between City staff and vendors during the review process, including when additional documentation is requested.
- Describe how the solution would handle situations in which invoices are submitted twice or otherwise appear to be duplicate entries of other received invoices.
- Describe how the solution would track invoices and payment when partial invoice payment is approved (e.g. when certain invoiced items are approved but others remain under review).
- Describe how the solution would notify AP processors and departmental approvers when an item is available for them to be worked, reviewed, or approved.
- Describe how the solution would integrate with SAP to build three-way match receivers from SAP into the workflow process; similarly, if and/or how would the solution turn an approval into a receiver in SAP (or, if receiving is left entirely to be handled in SAP).
- Describe how the solution would know how to route a two-way match invoice differently than a three-way match PO in order to handle different business sign-offs.

INTERFACES WITH OTHER CITY SYSTEMS

- Describe how the solution integrates SAP
- Does the solution integrate with Microsoft Outlook; if so, how?
- Describe the level of effort, including cost, of building interfaces to other City systems.

REPORTING

- Describe how the solution would handle standard and ad hoc reports such as cycle time metrics.

COST

- Describe the cost associated with each of the solutions proposed in response to the above topics. Include any annual maintenance or licensing costs.
- Describe options where cost savings may be achieved by omitting or revising one or more of the above desired functions.
- Describe what an implementation timeline would look like for the proposed solution. Please describe if additional professional services that would be required to implement the solution.
- Describe the suggested personnel that would be required to maintain the solution.
- If the proposed cost model is not cloud based, describe the amount of server space required for the solution based on the City's current state information presented above and the proposed cost for said base.
- Describe any necessary maintenance and upgrades and the associated costs.

Please address any questions by **September 18, 2015** to (preferably via email):

Mail: Yesenia Chuca
City of Houston
City Hall - Strategic Procurement Division
901 Bagby, Suite 514, Basement
Houston, TX 77002

Email: yesenia.chuca@houstontx.gov

Thank You. We look forward to reviewing your information and learning more about your system.