



CITY OF HOUSTON
FINANCE DEPARTMENT
Strategic Procurement Division

Annise D. Parker

Mayor

Carolyn Hanahan
Acting Chief Procurement Officer
P.O. Box 1562
Houston, Texas 77251-1562

T. 832.393.9127
F. 832.393.8755
<https://purchasing.houstontx.gov>

September 15, 2015

Subject: Letter of Clarification No. 2: 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 respond to questions posed by perspective respondents.**

1. The following questions and the City of Houston responses are hereby incorporated and made part of the Request for Information:

Question No. 1 “Are the 20 City of Houston (COH) Accounts Payable (AP) groups located in different physical locations/addresses?”

Answer: **Many of the AP groups are located in 611 Walker or in City Hall, but several are located in other locations in downtown or even outside of downtown all together.**

Question No. 2 “Are the 20 COH AP groups connected by the same network?”

Answer: **Yes, we are using the same physical network, but some employees are on a different Windows domain. Some of the domains have two-way trust, but one only has one-way trust. That said, all users are able to access SAP without issue.**

Question No. 3 “Would you provide a network topology diagram/description?”

Answer: **This information will not be disseminated at this time.**

Question No. 4 “What Windows operating systems are currently in place?”

Answer: **Most users are on Windows 7, although some are one Windows 8.**

Question No. 5 “What server operation systems are currently in place?”

Answer: **We currently run Windows servers – mostly HP- in a mixed physical and virtual environment. Our database of chose is Microsoft SQL server.**

Question No. 6 “What is the SAP version currently in place?”

Answer: **SAP ECC6, Enhancement Pack 6**

Question No. 7 “Does the City have a development staff to maintain workflows, manage adding or removing users and maintain or develop web applications? If so, please describe staff size and capabilities.”

Answer: **The City has minimal development staff in comparison to the hundreds of applications maintained centrally. There is a central ERP team that maintains some basic workflows in SAP, there is an FTE devoted to OnBase workflows, and an FTE devoted to SharePoint/Nintex.**

Question No. 8 “What is the City’s retention policy for invoices?”

Answer: **Generally 5 years, but it varies based on the standards circulated by the Texas State Libraries and Archive Commission.**

Question No. 9 “Does the City currently have an existing ID scheme in SAP for invoices? Is so, please describe.”

Answer: **Yes, it is auto-incremental in SAP. Misc. invoices (non-PO based invoices) start with a 19 (for instance, 1900679621) while PO-based invoices start with a 512 (for instance, 5120724288). The PO-Based invoices then generate multiple follow-on documents, including an accounting document that starts with 510 (for instance, 5100858775).**

Question No. 10 “What is the City’s invoice approval workflow “tree”? For example: Invoice less than or Equal to \$100,000 requires two levels of approval; Invoices greater than \$100,000 require three levels of approval, etc.”

Answer: **The workflow varies from department to department from invoice type to invoice type. Outside of the departments, service request invoices of all amounts and other invoices over various items require the Controller’s Office to post. The only actual approval done in SAP is the park and post; the actual business approval is currently occurring outside of SAP so it’s difficult to define is a finite way at this point.**

Question No. 11 “Do you have anything specific in mind regarding “the ability to create ad-hoc document routing paths?” If so please describe.”

Answer: **Some project based vendors may be working with different departments or different project managers within a department. A possible future state (perhaps a want rather than an absolute need) would be for a departmental gatekeeper to receive an invoice for approval from the AP staff and then be able to route it to the project manager handling that invoice – if the goods receipts haven’t already been entered into SAP.**

Question No. 12 “What level of vendor support, post implementation, do you require or envision?”

Answer: We would like to have train-the-trainer support post implementation and perhaps some floating ours to for additional support in building out any templates or interfaces for new vendors. But, this is also dependent on pricing and complexity of the product.

Question No. 13 “Could please provide the annual spend volume for the City?”

Answer: In FY15, we estimate the City processed \$1.573 billion worth of invoices against PO-based purchases. For non-PO based invoices, it is difficult to estimate how much is spent via procurement due to how we classify our vendors as it relates to governmental transfers and bond payments, but we believe an additional \$100 million or so in procurement spend occurs through these type of non PO-based invoices.

These numbers do not include employee reimbursements, but they do include some governmental transfers that are processed by our accounts payable groups on POs like those made to the Houston Arts Alliance and various Community Development Block Grant disbursements.

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(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