Procure-to-Pay Workflow Process Assessment Project

City of Fort Collins

Current Environment Needs Assessment Report

Final Version

February 1, 2016

Prepared for:
City of Fort Collins
215 North Mason St., 2nd Floor
Fort Collins, CO 80522

City of Fort Collins
Procure-to-Pay Workflow Process Assessment Project

Current Environment Needs Assessment Report

Table of Contents – Final Version

Version	Delivered Date	Update Reason
Draft 1	January 11, 2016	Draft 1 delivered to the City for review
Draft 2	January 25, 2016	Draft 2, including City-provided edits, delivered to the City for review
Final	February 1, 2016	Final version created following City review

Executive Summary

The City retained Berry Dunn McNeil & Parker (BerryDunn) to provide consulting services to evaluate its current procure-to-pay (P2P) environment, workflows, processes, and utilization of the J.D. Edwards system. The City is currently using the J.D. Edwards EnterpriseOne software suite to support purchasing processes, including decentralized processes for purchases less than $5,000 and the City Purchasing Department's administration of purchases greater than $5,000. As many approved purchases are "one-offs" and procurement processes are inconsistent across departments, the City has recognized a need to review its procure-to-pay workflows with an emphasis on use of the J.D. Edwards system. The focus of this project is to identify recommendations for improvement, including process changes, enhancements to the existing system, and the use of available third-party point solutions.

In November 2015, BerryDunn conducted an initial project planning meeting with the City Project Team to clarify project goals and objectives, identify known project constraints, and refine dates and/or tasks as appropriate. Following the meeting, BerryDunn requested information from the City in order to become more familiar with the current environment. A web survey was provided to City staff to understand the issues and challenges with the current Procure-to-Pay system(s) and/or business processes.

In December 2015, BerryDunn facilitated a project kickoff meeting with the City Project Team and department users. During the meeting, BerryDunn and the City Project Team members were introduced and a review of the approach and timeline for the project was provided. In addition, City staff had the opportunity to ask questions about the project and discuss the City's goals and objectives with the Project Sponsor.

Following the project kickoff meeting, BerryDunn facilitated on-site fact-finding meetings with department staff involved with procure-to-pay activities. The purpose of these meetings was to follow up on information previously provided, understand the current procure-to-pay business processes within each department, and identify challenges in the current environment. The meetings were conducted based on the following departments and subject areas:

Table i.1: Fact-Finding Departments and Subject Areas

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No.	**Departments/Subject Area**
1	Central Procurement Process Overview
2	Department Process Review: Community Services (Parks, Park Planning and Development, Recreation, Natural Areas, Cultural Services)
3	Department Process Review: Downtown Development Authority, Poudre Fire Authority, and Poudre Library District
4	Department Process Review: Finance Service Area

Fact-Finding Departments and Subject Area	
No.	**Departments/Subject Area**
5	Department Process Review: Planning, Development, and Transportation: Streets, Traffic, and Engineering
6	Department Process Review: Utilities (including Warehouse)
7	City Leadership Work Session
8	Department Process Review: Police Services
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10	Department Process Review: Human Resources and Information Technology
11	Technical Support Work Session
12	Department Process Review: Operation Services (Fleet and Facilities)
13	Department Process Review: Attorney's Office, Municipal Court, and City Manager's Office

Immediately following the first on-site work session trip, BerryDunn coordinated follow-up fact-finding activities in developing the first draft of this Current Environment Needs Assessment Report.

The City is using the JD Edwards EnterpriseOne (JDE) application, and manual paper-based processes, to support a hybrid (centralized and decentralized) procure-to-pay (P2P) process. Purchasing activities begin within each department with staff identifying the need to procure a good or service. Departments then conduct research, and based on the purchasing thresholds identified in the City's code and other factors, determine the purchasing method to use. The following table identifies the purchasing thresholds for purchases with City funds, not including federally funded or construction procurements that may follow modified processes.

Table i.2: Purchasing Thresholds

Purchasing Thresholds	
Amount	**Action Required**
$5,000 and Under	Validate reasonableness of purchase. Permitted to use P-Card, Mini Order, Blanket Order, or Annual Orders. Formal competition is not required, however limited comparison of prices through computer search, catalog review, etc. is recommended.
$5,001 - $60,000	Conduct research and obtain quotes, and/or formal bid or Request for Proposal (RFP) solicitation. Permitted to use requisition and purchase order. Exceptions to the competitive process can be made. Blanket Orders and Annual Orders are permitted with appropriate bidding procedures.
Over $60,000	Conduct research and develop competitive procurement documentation. A RFP or formal bid process is required.

Depending on the dollar threshold, nature of the purchase, and other policies and procedures identified in the City's Purchasing Manual, a number of different purchasing methods can be used. The table below defines the different methods.

Table i.3: Purchasing Methods

Purchasing Methods	
Method	**Description**
Mini Order	Mini orders are used for purchases under $5,000 and are typically generated after the purchase has occurred. Mini orders are entered into the JDE system in order for the goods or invoice to be paid for. Within JDE this function is called "receiving." Mini orders are one of the most frequently used purchasing methods at the City. Mini orders are used for purchases that are not typically identified as a need ahead of time, and when P-Cards are not feasible. Purchases could include supplies at a hardware or auto parts store for tools or parts that are not covered under a blanket order or contract. Staff may obtain an invoice at time of purchase or receive on a delivered invoice at a later time.
Procurement Card (P-Card)	P-Cards are issued to City staff when a supervisor has determined the need for staff to hold one, and a dollar threshold is assigned to the staff member's account. P-Cards come in two forms at the City including declining balance cards and traditional credit cards with purchasing limits. Declining balance cards are primarily used for field worker's clothing allowance. Traditional cards are more prevalent at the City and used for ad-hoc purchases under $5,000. P-Cards are typically used for purchases similar to mini order purchases. There is no clear definition as to when to use a P-Card compared to a mini order, therefore the decision is typically made based on the historical practices of the department, preference of the staff member, circumstances of the good or service being purchased, and the vendor.
Blanket Purchase Order	Blanket purchase orders are typically generated after a formal solicitation process, and have an estimated quantity and dollar value against which the City may make multiple individual purchases against the blanket purchase order for up to a twelve month period. Individual purchases against blanket purchase orders typically do not exceed $5,000. Vendors may or may not know the total dollar value authorized by the blanket purchase order. These orders are used as an efficient methodology for internal budgeting and tracking method separate from a negotiated contract. As City staff make purchases with the vendor, they are applied as individual orders against the contract. With vendors that are used frequently by the City, a blanket order is a streamlined method for purchases that can be used instead of mini orders or P-Cards. Blanket orders are set up at the beginning of each year and are typically based on the previous year's purchasing activity. At the end of each year blanket orders must be closed out and then re-issued by the Purchasing Department in the new year. If the estimated dollar amount is exceeded during the year, then the department must submit an amendment to increase the value of the blanket order.
Annual Order (Term Contracts)	Similar to a blanket order, annual orders are generated each year and are essentially pre-authorized purchases that draw down from the total annual order value. Annuals orders are used much less at the City than blanket orders. Annual orders do not encumber funds, therefore users must carefully monitor expenditures against the budget.
Requisition and Purchase Order	Requisitions and purchase orders are used for purchases over $5,000 and require some level of research and quotes to support the purchase. Typically this research is performed

Purchasing Methods	
Method	**Description**
	by departments with oversight from a buyer in Purchasing. For purchases over $60,000, requisitions are often generated after the formal bid or RFP process. Requisitions are generated to encumber funds and for department supervisors and the Purchasing Department to review and approve the purchase prior to the generation and issuance of the purchase order. Purchases under the $60,000 threshold are primarily managed by departments with Purchasing oversight, which can lead to variation, For purchases over the $60,000 threshold, buyers in Purchasing typically manage the process.
Invitation for Bid (IFB)	For certain procurements over $5,000, a formal bid process is followed. IFB's are typically issued for specific goods and services where the primary evaluation factor may be cost. When following the IFB process, the City must accept the vendor with the lowest responsible and responsive bid. Prior to issuing the bid documents, the requisitioning departments work with their respective Purchasing Department Buyer to conduct the appropriate research and follow the IFB process. Once a vendor has been awarded the bid, the department receiving the goods or services generates a requisition and follows the requisition and purchase order process.
Request for Proposals (RFP)	Request for Proposals may be issued for procurements over $5,000 and must be issued for procurements over $60,000. An RFP is different from an Invitation for Bid (IFB) because it is a competitive procurement method that allows the City to consider facts other than price when making the decision to award. Before soliciting the RFP documentation, the City must conduct research to develop specifications and/or scopes of work. Once proposals from potential suppliers have been received, the City must follow detailed guidelines to evaluate vendors which could include interviews, reference checks, and a negotiated scope of work.
Payment Authorization	For procurements that do not fall under the "typical purchase" umbrella, such as magazine subscriptions, escrow payments, land purchases, library performers, and other one-off payments, City staff may use payment authorizations. Payment authorizations are forms that are filled out and submitted to City leadership for approval and do not require the use of purchase orders, P-Cards, mini orders, or any other purchase vehicle. Upon approval, the department is authorized to make the purchase. It was reported that as a policy, payment authorizations are used infrequently and generally only when other methods are less suitable.

The purchasing process is complex and takes significant time and resources to maintain. For example, for expenditures less than $60,000 when a formal bid/RFP is not required the decision to use a particular purchasing method is not always clear, and the process can differ depending on the particulars of the project and commodities/services procured. The following workflow identifies at a high level the decisions to be made and activities to be performed when conducting a procurement. Note that the figure below is an overview and does not account for the many differences in process between each department. Also, note that more granular workflow steps can be found in the City's Purchasing Manual as well as the JDE training materials.

Figure 1.1: P2P Purchasing Method Workflow[1]

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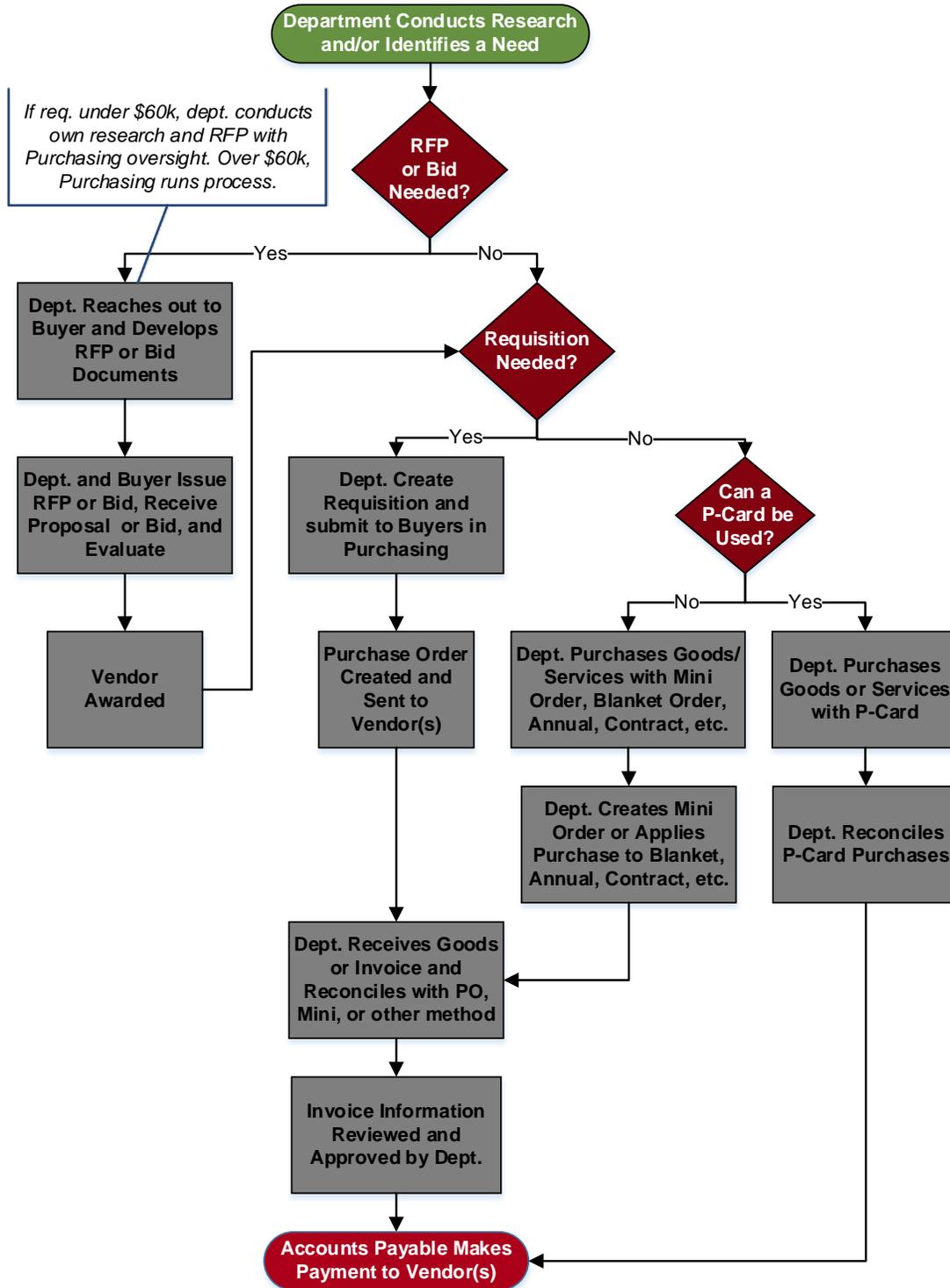
[1] This workflow is only meant to be a high-level overview of the P2P process at the City. For additional detail and the official guide to purchasing activities, refer to the City of Fort Collins Purchasing Manual.

Section 4.0 of this report identifies six goals from City Leadership and seven goals from the Project Team. These items are combined with 56 challenges and areas for improvement in Section 5.0. Each of the 56 items is marked where it relates to a technology, process, or policy area. Some of the key themes among items include:

1. The City is not fully leveraging available technology and tools to support the P2P process.
2. Expansion in technology capabilities will likely increase efficiencies and effectiveness in P2P processes.
3. Significant variation exists among departments for P2P processes.
4. Opportunities exist to revisit and create new policies to support standardization in the P2P process.

The information contained in this Current Environment Needs Assessment Report reflects the City's current business processes and the associated challenges as a result of the current environment. The next steps in the project involve developing a Future State Planning Memo as well as an Action Plan Report to discuss the strategy for improvements as well as the detailed tasks and resources needed to implement improvements. As this project continues, it will be important that City stakeholders continue to be engaged in contributing input and making decisions.

1.0   Introduction

This section of the report describes the background of the project, the format of the report, and the work performed in the project to date.

1.1.   Project Background

The City retained Berry Dunn McNeil & Parker (BerryDunn) to provide consulting services to evaluate its current procure-to-pay (P2P) environment, workflows, processes, and utilization of the J.D. Edwards system. The City is currently using the J.D. Edwards EnterpriseOne software suite to support purchasing processes, including decentralized processes for purchases less than $5,000 and the City Purchasing Department's administration of purchases greater than $5,000. As many approved purchases are "one-offs" and procurement processes are inconsistent across departments, the City has recognized a need to review its procure-to-pay workflows with an emphasis on use of the J.D. Edwards system. The focus of this project is to identify recommendations for improvement, including process changes, enhancements to the existing system, and the use of available third-party point solutions.

Tasks involved with this project include overall project management and a current environment assessment. These tasks include conducting onsite fact-finding activities including meetings with City staff, developing a current environment needs assessment, developing a future state planning memo, conducting research and developing an action plan report, and preparing and delivering a presentation of the action plan report. This project concludes once the action plan report has been presented and finalized.

1.2.   Report Format

This report is comprised of seven sections and an executive summary, as described below:

1. **Introduction.** This section of the report describes the background of the project, the format of the report and the work performed in the project to date.

2. **Current Procure-to-Pay Processes.** This section of the report describes the current environment as it relates to the Procure-to-Pay processes.

3. **Procure-to-Pay Technologies and Tools.** This section of the report identifies the primary technologies and tools used to support the current Procure-to-Pay processes.

4. **Goals and Objectives from City Leadership.** This section of the report identifies the key goals and objectives for the future Procure-to-Pay processes as communicated by City Leadership.

5. **Primary Challenges and Areas for Improvement Opportunities.** This section of the report presents the primary challenges and areas for improvement related to the Procure-to-Pay processes including process, policy, and technology items.

6. **Change Management Considerations.** This section of the report presents considerations related to change management at the City as it prepares for implementing changes to the Procure-to-Pay processes.

7. **Upcoming Project Tasks and Activities.** This section of the report describes the upcoming project tasks and activities including future research and action planning.

1.3. Work Performed

In November 2015, BerryDunn conducted an initial project planning meeting with the City Project Team to clarify project goals and objectives, identify known project constraints, and refine dates and/or tasks as appropriate. Following the meeting, BerryDunn requested information from the City in order to become more familiar with the current environment. A web survey was provided to City staff to understand the issues and challenges with the current Procure-to-Pay system(s) and/or business processes.

In December 2015, BerryDunn facilitated a project kickoff meeting with the City Project Team and department users. During the meeting, BerryDunn and the City Project Team members were introduced and a review of the approach and timeline for the project was provided. In addition, City staff had the opportunity to ask questions about the project and discuss the City's goals and objectives with the Project Sponsor.

Following the project kickoff meeting, BerryDunn facilitated on-site fact-finding meetings with department staff involved with procure-to-pay activities. The purpose of these meetings was to follow up on information previously provided, understand the current procure-to-pay business processes within each department, and identify challenges in the current environment. The meetings were conducted based on the following departments and subject areas:

Table 1.1: Fact-Finding Departments and Subject Areas

Fact-Finding Departments and Subject Area	
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Immediately following the first on-site work session trip, BerryDunn coordinated follow-up fact-finding activities in developing the first draft of this Current Environment Needs Assessment Report.

1.4.   Procure-to-Pay (P2P) Definition

Procure-to-Pay (P2P) is the process that every local government organization performs in order to purchase goods or services. P2P begins with the sourcing process and flows through the ordering and then analysis steps. The primary activities of the P2P process are Ordering and Sourcing, with RFQ's/Quotations and Invoice/Payment demanding the most resources. Depending on the organizations policies, procedures, and culture; organizations use different vehicles for purchasing activities such as requisitions and purchase orders, procurement cards (P-Cards), mini orders, payment authorizations, and more. The figure below provides a basic overview of the P2P process.

Figure 1.2: Basic P2P Process[2]

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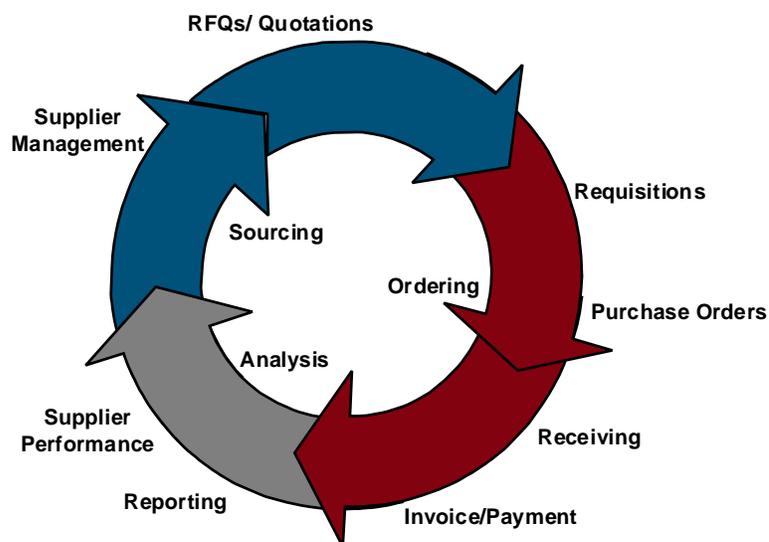
[2] Adapted from Oracle Procure-to-Pay Life Cycle: http://www.oracleforall.com/ebs-procure-to-pay-lifecycle/

1.5. Common Terms and Abbreviations

The following table contains a selection of the common terms and abbreviations used throughout this report along with the related definitions and explanations.

Table 1.2: Common Terms and Abbreviations

No.	Term/Abbreviation	Definition/Explanation
	Common Terms and Abbreviations	
1	ACH	Automated Clearing House
2	AP	Accounts Payable
3	BerryDunn	Berry Dunn McNeil & Parker, LLC
4	CDNS	Community Development and Neighborhood Services
5	CDOT	Colorado Department of Transportation
6	City	The City of Fort Collins, Colorado
7	CMO	City Manager's Office
8	CNC	Configurable Network Computing
9	CPIO	Communication and Public Involvement Office
10	DDA	Downtown Development Authority
11	DMS	Document Management System
12	ECM	Electronic Content Management
13	ERP	Enterprise Resource Planning
14	IFB	Invitation for Bid
15	IT	Information Technology
16	JDE	J.D. Edwards software system
17	MS	Microsoft
18	P2P	Procure-to-Pay
19	P-Card	Purchasing Card
20	PDT	Planning, Development, and Transportation
21	PFA	Poudre Fire Authority
22	PLD	Poudre Library District
23	PO	Purchase Order
24	RFP	Request for Proposal
25	UMB	UMB Bank
26	UPK	User Productivity Kit
27	VPN	Virtual Private Network

2.0   Current Procure-to-Pay Processes

This section of the report describes the current environment as it relates to the procure-to-pay processes.

2.1.   General Purchasing Overview

The City is using the JD Edwards EnterpriseOne (JDE) application, and manual paper-based processes, to support a hybrid (centralized and decentralized) procure-to-pay (P2P) process. Purchasing activities begin within each department with staff identifying the need to procure a good or service. Departments then conduct research, and based on the purchasing thresholds identified in the City's code and other factors, determine the purchasing method to use. The following table identifies the purchasing thresholds for purchases with City funds, not including federally funded or construction procurements that may follow modified processes.

Table 2.1: Purchasing Thresholds

Purchasing Thresholds	
Amount	**Action Required**
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Table 2.2: Purchasing Methods

Purchasing Methods	
Method	**Description**
Mini Order	Mini orders are used for purchases under $5,000 and are typically generated after the purchase has occurred. Mini orders are entered into the JDE system in order for the goods or invoice to be paid for. Within JDE this function is called "receiving." Mini orders are one of the most frequently used purchasing methods at the City. Mini orders are used for purchases that are not typically identified as a need ahead of time, and when P-Cards are not feasible.

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	managed by departments with Purchasing oversight, which can lead to variation, For purchases over the $60,000 threshold, buyers in Purchasing typically manage the process.
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The purchasing process is complex and takes significant time and resources to maintain. For example, for expenditures less than $60,000 when a formal bid/RFP is not required the decision to use a particular purchasing method is not always clear, and the process can differ depending on the particulars of the project and commodities/services procured. The following workflow identifies at a high level the decisions to be made and activities to be performed when conducting a procurement. Note that the figure below is an overview and does not account for the many differences in process between each department. Also, note that more granular workflow steps can be found in the City's Purchasing Manual as well as the JDE training materials.

Figure 3.1: P2P Purchasing Method Workflow[3]

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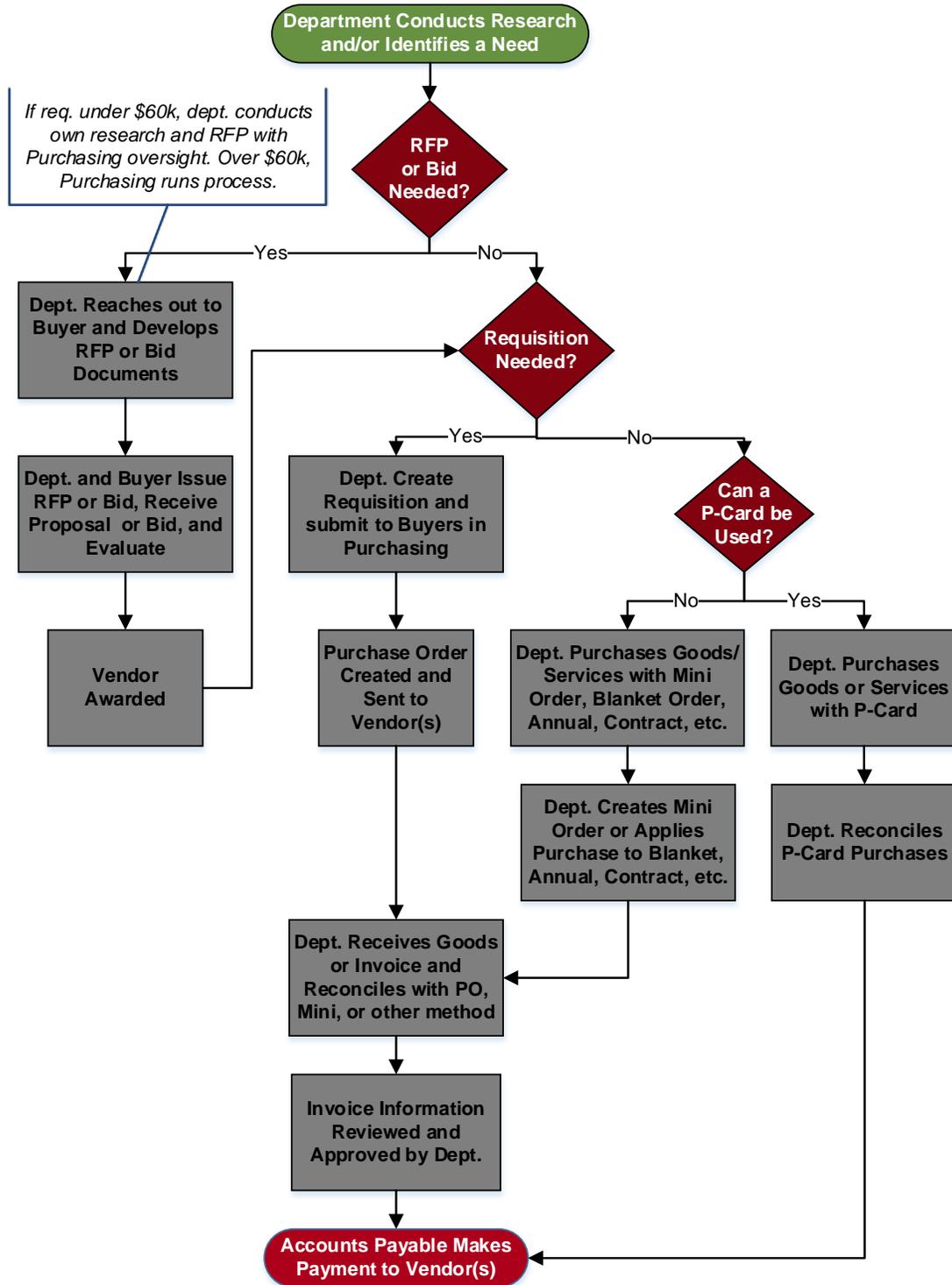
[3] This workflow is only meant to be a high-level overview of the P2P process at the City. For additional detail and the official guide to purchasing activities, refer to the City of Fort Collins Purchasing Manual.

2.2. Mini Order Process

Most mini order activity begins before JDE is used and is decentralized. Mini order sourcing activities are typically limited due to the nature of the purchases and dollar threshold. Some departments obtain quotes for mini orders, but not all. Once the department has made the purchase and received an invoice, then the mini order is created in JDE. Often, the invoice will be mailed or emailed to the City after the good or service has been obtained. Departments will manually route paper mini order invoices to supervisors for approval prior to completing the receiving function in JDE. Once the mini order is entered, the department can then receive the invoice. For some departments, there is a threshold to create a requisition of $300 above which requires supervisor approval. It was reported that thresholds for creation of requisitions and invoice approval isn't standardized and varies between departments. Invoices for mini orders are typically received and approved by designated staff within the departments who then route the invoice to Accounts Payable for payment.

Department Exceptions

- Some departments obtain approval electronically, while others are relying on paper invoices.
- Utilities warehouse staff use mini orders and obtain quotes for inventory items on a regular basis.
- The Utilities warehouse staff regularly create requisitions for mini orders prior to making the purchase or receiving the invoice.
- The City charges the Library $75 to process a mini order. Reportedly, because of this the Library utilizes their own checking account for purchases under $5,000 whenever possible.
- Multiple departments and divisions maintain a list of open orders MS Excel.

Detailed Challenges and Areas for Improvement

- Currently, the automated JDE notifications that advise approvers of a pending transaction requiring their review and action do not distinguish whether the transaction to be approved is a mini order (OM) or requisition (OR).
- It was reported by the Attorney's Office that a buyer name is required to be entered onto a mini order.
- It was reported that accurate and current views into account balances may be impacted by the heavy use of mini orders. This is a result of most mini orders being reportedly entered into JDE following receipt of the invoice, as opposed to creating a pre-encumbrance through a requisition or generation of a mini order in advance of the purchase.

2.3. Procurement Card Process

Purchasing Card management at the City is decentralized with department P-Card managers and cardholders administering the majority of the process. The City's P-Card merchant, UMB Bank, has reportedly provided the City with favorable terms

due to the City's ability to organize a consortium that has provided the merchant with significantly more business in the area. It was reported that the City received over $100,000 in rebates in the previous year. Recently, the City moved from a Visa web portal for reconciling P-Card transactions, to the JDE Expense Management module that pulls transaction information from UMB on a daily basis using a custom interface. The process is still relatively new to City staff, and department users reported mixed experiences with the effectiveness of the process.

P-Cards are issued by the Accounting and Treasury Department upon request by department supervisors when a need for a card is identified. Supervisors determine the purchasing threshold based on what they expect the employee to buy. For example, Engineering's typical threshold is a $5,000 limit per transaction and $10,000 per month. Meanwhile, the Traffic Department's highest threshold is $2,000 per transaction and $4,000 per month. It was reported that P-Card training is limited to the employee signing confirmation that they have read the City P-Card Policies & Procedures Manual. Some departments reported that many employees may not have actually read the manual. Some departments have had challenges with managing P-Card transactions, including personal purchases on P-Cards. It was reported however, that P-Cards have restrictions on what can be purchased based on merchant code. There are two types of P-Cards in use at the City; there are declining balance P-Cards that are used for clothing purchases by field workers, and there are more traditional credit card P-Cards that have set monthly and transactional thresholds. The credit card P-Cards are primarily used throughout the City.

Similar to mini orders, P-Card purchases do not typically include sourcing activity such as performing research or obtaining quotes. The P-Card purchasing process is carried out by an employee with a P-Card, identifying a need for a good or service, and then making the purchase. At the end of each month, employees are required to reconcile their P-Card transactions. It was identified that the reconciliation process is different amongst departments. A majority of departments reconcile their P-Cards following a hybrid approach where part of the responsibility falls on the cardholder, and the remainder falls on the P-Card manager within the department. Each month, cardholders review and approves the entries and collect all their receipts and give them to their department's P-Card manager. The manager then scans the receipts and attaches them to the file within JDE. The manager keys in transaction information into JDE, reconciles with the provided statements, and assigns the appropriate account numbers to each transaction. Using electronic workflow, the P-Card manager then routes the entries to the cardholder's supervisor for approval. If a receipt is missing, cardholders are required to fill out a lost receipt form that is attached with the scanned receipts. Once approved by the supervisor, the P-Card manager typically files and archives a hard copy of the receipts. The alternative approach used in some departments is to have the cardholder review and approve the entries and scan and attach their receipts to their own transactions and provide the statement and supporting documentation to their supervisor for approval. Some City staff may not have regular or any access to a computer, and some departments have made an internal policy decision related to entering and reconciling information, which is why the process may vary.

When a cardholder leaves the City, he or she is required to turn in their P-Card. As part of the exit process, there is a separation sheet that includes the return of the P-Card.

Department Exceptions

- The Recreation Department has the cardholder scan their own receipts and attach the files in JDE.

- Parks and Parks Planning maintains envelopes for cardholders to drop off their receipts.

- The Poudre Fire Department has the cardholders enter their own receipts and assign account numbers, which are then routed to supervisors for approval.

- In Traffic, cardholders also write the work order number on each receipt so that the P-Card manager can assign the transaction to the correct sub ledger in JDE, and track the expense in CityWorks.

- Engineering has cardholders enter their own receipts into JDE, but then the P-Card manager assigns the account number following department approvals as it is reported that most the cardholders do not know the appropriate account numbers.

- Engineering often makes P-Card purchases using Colorado Department of Transportation (CDOT) grant funds, and must print and send account transactions to CDOT for refund. The printed documents require handwritten signatures. CDOT reimburses with ACH transfers.

- The Utilities P-Card manager prints out P-Card statements for each cardholder from JDE and sends each via interoffice mail to cardholders (since most don't have ready access to JDE to review transactions). Cardholders scan their receipts into JDE then the P-Card manager reconciles the receipts with the transactions in JDE.

- It was reported that Fleet prints out each P-Card transaction report and receipts for supervisor approval since it is easier for the supervisor to keep track of what has been reviewed and approved. Reportedly, with some Fleet staff making 15-20 purchases in a day, this process can be very time-consuming.

- Environmental Services reported that because there is usually an urgency to approve P-Card transactions; oftentimes, receipts aren't reviewed until after the transactions have already been approved in JDE.

- Most Police Services reconciliation activities are conducted completely in JDE once the cardholder has scanned in their receipts including approvals. Some cardholders, who have limited access to computers during the review timeframe, review and approve printed statements.

- Community Development and Neighborhood Services (CDNS) has cardholders verify expenses within JDE instead of printed reports.

- Some CDNS cardholders scan their own receipts.

- Transfort cardholders do not access JDE at all for P-Cards per department-level election.

- Transfort's P-Card manager exports all transactions into MS Excel and uses the spreadsheet to reconcile receipts.

- Human Resources allows cardholders to scan receipts and enter account codes; however, the codes may at times be entered incorrectly or be wrong, and the P-Card managers must then update the account numbers.

- Operations Services generates a report through BI Launchpad that produces one listing for all P-Cards. Each P-Card starts on a new page and streamlines the review process since the P-Card manager does not need to print each report one at a time. This report has been disseminated to other departments recently in an effort to spread best practice.

- Fleet prints out green colored sheets for each cardholder that lists each transaction, account code, checkbox for receipt submission, and other necessary information. The green sheets are sent to each cardholder who review and attach their receipts to the document. The P-Card manager receives the sheets and receipts and enters the information into JDE and scan the receipts. Cardholders then go into JDE and confirm the entries.

- Fleet staff reported that the color of the sheets is important, because it signifies to cardholders that it is time to reconcile their cards, and makes it more difficult for the sheets to get lost in a stack of papers.

- Facilities staff enter transactions as they happen, as opposed to the end of the month, so the receipts can be scanned, work orders closed, and bills sent out in a more timely fashion.

- Facilities cardholders turn in their receipts to supervisors who then send them to the P-Card manager. The P-Card manager enters each receipt into the TMA work order system in order to bill out charges, along with the regular JDE reconciliation process.

- The City Clerk's staff maintain spreadsheets of purchasing transactions in order to compare to JDE and catch errors. Staff reported occasional errors in account code digits during P-Card reconciliation – other departments may accidently apply transactions to the wrong account code.

Detailed Challenges and Areas for Improvement
- It was reported that some department staff may be interested in adjusting P-Card thresholds, including IT, due to the volume of their purchases.

- It was reported that Utilities is not promoting the increased use of P-Cards because collecting receipts has been so difficult.

- It was reported that printing P-Card transaction reports can take up to 12 clicks in JDE per report.

- It was reported that P-Card managers and cardholders may benefit from configuring the default account codes in JDE for cardholders to ones most relevant to them.

- It was identified that some cardholders in Utilities have shared their cards with other employees, and then struggle to reconcile those transactions and receipts.

- It was identified that some departments could benefit from utilizing P-Cards more and moving away from mini orders, including but not limited to Utilities, City Manager's Office (CMO), Communication and Public Involvement Office (CPIO), and Environmental Services.

- It was reported that occasionally cardholders will pay sales tax. When this occurs, they are asked to go back to the vendor and have it removed.

- It was reported that departments with employees assigning their own account numbers expressed challenges with cardholders appropriately assigning account numbers for each transaction, leading to additional work to correct.

- It was reported that IT makes regular purchases on behalf of other departments and because of this, when reconciling transactions, have the ability to assign account codes for other departments on their transactions.

- It was reported that Human Resources makes advertising purchases for other departments, and then don't have the ability, like IT, to assign other department's account codes. The workaround has been the entering of journal entries to charge various accounts. IT reported doing this through logging in to JDE with the Self Service Role.

- Recruitment staff reported that when reconciling P-Cards, cardholders will often enter information into the wrong month. Staff reported an interest in visually separating months so this is less likely to occur.

- It was identified that the City could benefit from online training materials for P-Cards in an effort to standardize the reconciliation process throughout the City, and adjust the compliance process to require cardholders to review purchasing policies and training documents. IT reported that UPK's are available and links can be shared as needed.

- The City would benefit from requiring standardized training for cardholders prior to the issuance of a card, in order to promote awareness surrounding P-Card and purchasing policies and procedures.

- It was identified that other departments could benefit from leveraging Operations Services BI Launch Pad report that combines all P-Cards onto one report as an interim improvement to the manual reconciliation process. IT reported that all P-Card Managers have access to BI Launch Pad and these reports.

- It was reported that Facilities was previously able to extract P-Card transaction information from JDE and import it into TMA; however the timing wasn't quick enough to get the bills out on time and transactions went missing, so staff decided to enter transactions manually and then compare to JDE later.

- Facilities staff reported that they occasionally receive invoices for P-Card transactions. Usually they are caught when staff enter transactions into TMA; however this is often too late and the transactions must be reversed. Staff reported a desire for duplicate invoice rejection to occur earlier in the process. IT reported that there is "Unedited Transaction Research" on the Expense management page, containing UMB data that is searchable and that all P-Card Managers have access to BI Launch Pad and these reports.

- The Attorney's Office, Municipal Court, and City Clerk's Office staff reported challenges with P-Cards, and the overall P2P process, because it is such a small component of what they do. Staff reported an interest in creating a position that manages P2P activities for all three departments, instead of staff within each department managing their own. Further, staff reported frustration with workflow steps that are too complex for the size of their departments.

- The City Manager's Office (CMO) P-Card manager reported that the additional step of tracking down managers for approval has been a cumbersome process. It was identified that there may be workarounds available for the P-Card manager to take on more approval authority without needing to involve managers.

- It was reported that direction has been unclear to supervisors in departments as to who should be reconciling P-Cards. Recreation staff reported that they were told supervisors should be reconciling cards and not administrative support staff.

- It was identified that not all departments were aware that receipts can be combined into one attachment per card as opposed to separate attachments for each receipt.

- It was identified that not all staff were aware that once receipts have been scanned into JDE, they can be thrown away.

2.4.   Blanket Orders and Annual Orders

Blanket orders and annual orders are set up at the beginning of each year by the Purchasing Office. Unless otherwise indicated, blanket orders processes described will be the same for annuals as annuals begin as blankets within JDE. It was reported that there are over 300 blanket orders used throughout the City and there could be multiple blankets for the same vendor.

Departments review their purchases from the previous year and identify the vendors and estimates of dollar value for each blanket order. Departments negotiate pricing and other contract information to arrive at an agreement. Once a blanket order has been established, the departments have the authority to make purchases under $5,000 for a single purchase with the vendor. If purchases exceed the value of the blanket order within a year, then the departments must initiate a new requisition to increase/amend the blanket order.

Blanket orders are one of the more simple purchasing methods at the City once the blanket order is set up. Upon receipt of an invoice, the invoice is matched with the blanket order and then approved via a receipt transaction in JDE. Hard copy invoices are often routed to numerous individuals within the department for sign-off and approval prior to the JDE receipt transaction. Once approved, the invoice is sent to Accounts Payable for payment.

Department Exceptions
- It was reported that many departments do not use blanket purchase orders, and if used, it is very rarely.

- It was identified that Traffic primarily used annual orders instead of blanket orders.

- It was reported that some departments use a traditional PO and make it "blanket-like" by receiving against it multiple times.
- It was identified that IT may not be providing the appropriate information to buyers when setting up blanket orders. Instead of identifying the blanket as "OB", they are typing in the description in requisitions that they are blankets.

Detailed Challenges and Areas for Improvement
- Fleet reported an interest in the ability to use a previous year's blanket order as a template for the following year.
- It was identified that Natural Services could benefit from blanket orders for legal services.
- It was identified that CDNS could benefit from using a blanket order for office supplies instead of using P-Cards.
- It was identified that IT may benefit from using annual orders instead of blanket orders to take advantage of the flexibility in account numbers.
- Attorney's Office staff reported challenges with double payments being made due to blanket orders being paid after the department switched from a blanket order process to P-Card.
- It was identified that Utilities uses blanket orders, but may benefit from learning more about annual orders to see if they are feasible within the department.
- It was identified that departments may use the terms blanket and annual interchangeably, leading to confusion as to which purchasing method is being used.

2.5. Requisitions and Purchase Orders

The City uses requisitions and purchase orders (POs) for purchases over $5,000 in order to encumber funds and improve tracking and reporting. It was reported that for purchases over $5,000, departments should call Purchasing for guidance on which process to follow. It was also reported that for purchases less than $60,000 when a formal bid/RFP is not required the purchasing process may vary depending upon the depending on the particulars of the project and commodities/services procured.

Departments conduct independent research, which typically includes obtaining written or verbal quotes from vendors for smaller value purchases. Staff reported that the City code allows some latitude in the methodology for obtaining quotes, and because of this, they are handled differently in each department.

For larger purchases that require an IFB or RFP, additional research and tasks are conducted. The bid and RFP process is discussed in more detail in the following section. It was reported that the research and sourcing component, which occurs prior to anything occurring in JDE, is the most time-consuming aspect of the requisition and purchase order process. Because the activities are outside of JDE, it is challenging to track and report on the sourcing activities.

Once departments have conducted sufficient research, they create a requisition in JDE and attach supporting documentation. Supervisors within each department sign off on the requisition, which is then routed to buyers in Purchasing, who convert the requisition to a PO. When creating the requisition, department staff are required to identify the buyer assigned to the commodity to be purchased. Submitted requisitions are assigned to a specific queue for each buyer to monitor. Each buyer has a focus area of commodities and pull from the queue based on focus area. Buyers review the requisitions, and make changes or add notes as needed. It was reported that depending on the department, some attach supporting documentation within JDE, while others send the documentation to buyers via email. If in email form, buyers must attach the documentation to the PO. At this time, the buyer also includes the commodity codes and sustainability identifier information. The PO is then generated using BI Publisher, printed to PDF, and uploaded to a shared network folder. The Director of Purchasing reviews the POs on the shared network folder and signs off on them. It was reported that with the supporting documentation included as separate documents and other factors, it is easier to review the PO packages in the network folders instead of going into JDE. Once electronically signed, Purchasing administrators go into the network folder, import the files into Sire, and send the PO to the vendor as required. It was reported that administrative staff try to send POs in emails whenever possible, but sometimes have to print and mail them instead.

Department Exceptions

- Prior to generating the requisition in JDE, Utilities routes a paper requisition form for review and approval within the department. Once entered into JDE, the requisition needs additional approvals from the same staff. The paper document is primarily for work order purposes. Park Planning does this as well.

- It was reported that the Parks Department uses an MS Excel spreadsheet, formatted to be a fillable form with dropdown functionality for requisitions. Once the MS Excel form is completed, it is routed to supervisors for approval. Once approved, the Park's administrative assistant enters the requisition in JDE. Copies of the requisition, supporting documentation, and

copy of the submitted PO are stored on the Parks Department's network drive. It was reported that by doing this, Parks was able to get rid of all paper files.

- Natural Areas uses a paper form for requisitions prior to entry into JDE.

- The Poudre Fire Authority, Poudre Library District, and Downtown Development Authority (DDA) are separate entities from the City; however, Fire and Library follow the City's purchasing policies. The DDA mostly follows the City's policies, but with some exceptions.

- It was reported that in Traffic, even though Purchasing sends POs to vendors, Traffic staff send out the same PO to the same vendor if they were not copied on Purchasing's email, to ensure the PO is sent.

- It was reported that when generating requisitions in the Utilities Warehouse, they use the last used cost as a starting point and that requisitions are created in JDE prior to posting the quote/bid information to the Rocky Mountain Bid System.

- It was reported that Utilities maintains project accounting MS Excel spreadsheets that are updated with each requisition and purchasing activity. These are used as the primary document for managing project budgets, and often doesn't align with JDE numbers due to a lag in data in JDE.

- It was reported that in Utilities, some supervisors receive emails of items to approve, instead of logging into JDE, because it is easier and quicker for them.

- It was reported that Police Services utilizes requisitions and purchase orders for "serious implication items" such as ammunition, firearms, and some hardware and software in order to maintain a paper trail.

- Fleet prints out paper copies of requisition forms for approval instead of routing electronically.

Detailed Challenges and Areas for Improvement
- Attaching supporting documentation to requisitions is not standardized. Some departments attach the documentation directly in JDE, while others send them in emails to Purchasing.

- It was reported that the Parks Department, and other departments throughout the City, have developed complex network folder structures to store duplicate P2P documentation. Some departments are maintaining all paper copies as well.

- It was reported that many end users may not have sufficient training related to the requisition and PO process. They may not know what a requisition is, or they do not see the value, so they don't use them.

- It was reported that many staff are unclear on the purchasing thresholds.

- It was reported that requisitions from multiple departments can be rolled into one PO; however when receiving, each department must receive on their own line items, which can be a cumbersome process.

- It was reported that Traffic maintains a detailed MS Excel spreadsheet of purchases related to assets in order to report on them at the end of the year. Staff would like the ability in JDE to flag purchases as assets at time of purchase.

- It was reported that Utilities occasionally creates requisitions for purchases over $5,000 after the purchase has already been made.

- It was reported during the City Leadership session, which included primarily department supervisors that increases in approval authority (e.g., Director of Purchasing) for sole source purchases would streamline the process and reduce cycle time.

- It was reported that when looking to hire specialized engineering professional services, a cumbersome workaround is often used to avoid the bid process, when in actuality, as long as there is adequate justification in conformance with the Code, these services can be sole sourced.

- It was reported in CDNS, that occasionally managers approve purchases after they have already been made, instead of prior.

- It was reported that more robust approval routing based on dollar value, account code, etc. could be beneficial.

- Human Resources reported challenges with receiving on invoices since the requisitioner must do the receiving. Because of this, Human Resources reported that they must forward invoices throughout HR.

- It was reported by IT that they would like to receive notifications of when requisitions are converted to POs.

- It was reported by IT that reviewing POs made by other departments for IT-related purchases is a time-consuming process; however, it is necessary to standardize purchases. IT reported a desire for technology purchases to be reviewed through IT more often.

- It was reported that attaching supporting documentation in JDE works when using Internet Explorer, but does not work when using Chrome.

2.6. Bids and RFPs

Purchases between $5,000 and $59,999 require telephone, electronic, or written quotes. For purchases over $60,000, Invitation for Bid (IFB) or Request for Proposals (RFPs) are required to be developed and issued. For all competitive solicitations, departments are encouraged to contact their buyer in Purchasing to identify the steps and processes needed for each purchase. It was reported that depending on the circumstances of the purchase and commodity/service, the procurement may follow differing processes.

The bid processes are typically simpler and less time-consuming than an RFP. Bids are often used for goods that can be defined. For IFBs, departments are required to develop documentation that includes a written description of items, supplies, or services to be supplied by the successful bidder, as well as the date and time that the bids will be opened. Once bids have been received and the department and buyer have followed the policies for review and evaluation, the department will award the selected vendor. For the bid process, the selected vendor is almost always the lowest cost responsive and responsible vendor. The process requires the department to create the requisition in JDE prior to the bid/RFP, however sometime the requisition is not established until after the competitive purchasing process is complete.

The RFP process is a time-consuming exercise that follows detailed steps outlined in the City's Purchasing Manual pursuant to the City Code. RFPs are used for almost all professional service procurements and for goods or services less defined. The RFP process requires departments to work with buyers to create detailed specifications and/or scopes of work to define the purchase. Included in the RFP documentation is evaluation criteria. A significant difference between the RFP and bid process is that the RFP allows the department to evaluate the proposers on more than just price. Because of this, the evaluation component includes detailed steps such as a review of minimum submittal documents and qualifications, vendor interviews, and reference checks. Once the City's evaluation team identifies a preferred vendor, they are awarded the contract and a purchase order is created in JDE.

Department Exceptions

- For almost all RFP and bid procurements, it was reported that the process is identical because they are managed by the Purchasing Department.

- In some instances where buyers follow differing approaches, the individual steps in the processes may be different.

Detailed Challenges and Areas for Improvement

- It was reported that the evaluation criteria and scoring methods for competitive procurements is not always consistent due to human judgement, and that there may be room for improvement by creating more defined criteria and scoring standards.

- It was reported that most departments do not enter requisitions prior to soliciting bids, even though policy dictates this should be done.

2.7. Payment Authorizations

The City will occasionally have payments that do not fall within the traditional P2P methods such as escrow payments, debt service, magazine subscriptions, and real estate purchases. When these purchases need to occur, the City utilizes the payment authorization process. The process is fairly simple in that the department fills out a fillable PDF form with information such as vendor information, method and timing of funds, account code information, and explanation of the payment. The department head reviews

and approves the PDF, and then it is submitted to Accounting and Purchasing (if required) for review, approval, and payment. Staff in most departments reported that payment authorizations are used infrequently, and when they are used, the departments work closely with Accounting staff.

Department Exceptions
- Poudre Library System uses payment authorizations for paying special event performers because they prefer to have the check ready at the end of each performance.
- Besides Poudre Library System, most departments reported using only a few payment authorizations a year.
- Human Resources and the Attorney's Office reported that they do not use payment authorizations anymore. Instead, P-Cards are now used.
- Operations Services uses payment authorizations for license plate title fees, which is a drawdown account set up with the Colorado Department Revenue's Division of Motor Vehicles.

Detailed Challenges and Areas for Improvement
- It was reported that payment authorizations have been paid twice before.

2.8. Invoice Receiving, Routing, and Payment

Depending on the purchasing method used, the timing of the receiving process may be slightly different. For example, because mini orders are typically created once the invoice has been received, the receiving and matching can be more streamlined than the requisition and purchase order process. Staff reported that the receiving process for mini orders is almost always on the invoice and not on the receipt of goods. For requisitions and purchase orders (i.e., purchases over $5,000), receiving could be performed upon receipt of goods, receipt of invoice, or both. Many departments reported performing a manual three-way match when receiving goods – matching the packing slip for goods, with the invoice received, and the purchase order in JDE. Some departments only perform a two-way match – matching the invoice with the purchase order.

The first step on receiving on an invoice is obtaining the invoice from the vendor. It was reported that there are many different ways that the City could obtain an invoice including email or mail to departments, email or mail to Accounts Payable, in the field or during time of purchase, or hand delivered to the department or Accounts Payable. Recently, the Accounts Payable department set up an email address for centralized receipt of invoices and have been promoting it to departments and vendors.

No matter how the invoices are obtained, they must be reviewed and approved by the department. When Accounts Payable staff receive invoices they determine the department that made the purchase, scan the document into Sire (the City's document management system), and index it accordingly. Only Accounts Payable staff have read/write access to Sire. It was reported that Sire pulls data from JDE using the indexed information. Staff in departments reported that documents uploaded to Sire can often be uploaded to the wrong department's "cabinet", which is the terminology

for folders in the system. This is often because it is unclear on the invoice which department is responsible. This is less of an issue when department's receive invoices, because they have the additional business process knowledge to more easily identify the responsible department when routed incorrectly.

When departments receive the invoices directly, they review the documents, supervisors provide sign off on the paper copies, and then they are sent to Accounts Payable for uploading to Sire and payment. Staff reported that when reviewing and matching invoices to POs they will often hand write notes and other relevant information on the invoices. It was reported that although departments would like a copy of the original invoice as well as invoice with notes uploaded to Sire (i.e., multiple versions of the invoice in Sire), Accounts Payable staff reported not having the personnel resources to be able to accommodate the request. The solution that many departments have implemented is to store duplicate copies of all P2P documents, including the marked up invoices, in order to maintain the paper trail. Some departments are maintaining all paper documents, while others are using network folders to store electronic documents. Some departments are also using MS Excel spreadsheets to track invoices and payments made. IT indicated that there may be unused functionality to allow version controlling or department-security so that departments only access their own Sire cabinets.

Once departments obtain the invoices, either through searching through Sire or obtaining them directly from the vendor, they must receive on the invoice in JDE. The way that workflow is set up restricts Accounts Payable from paying on an invoice, unless the department has received on it in the system. Staff in departments reported that the receiving portion of the process is fairly easy and straightforward, once they have obtained the invoice.

Figure 3: P2P Invoice Receiving Workflow
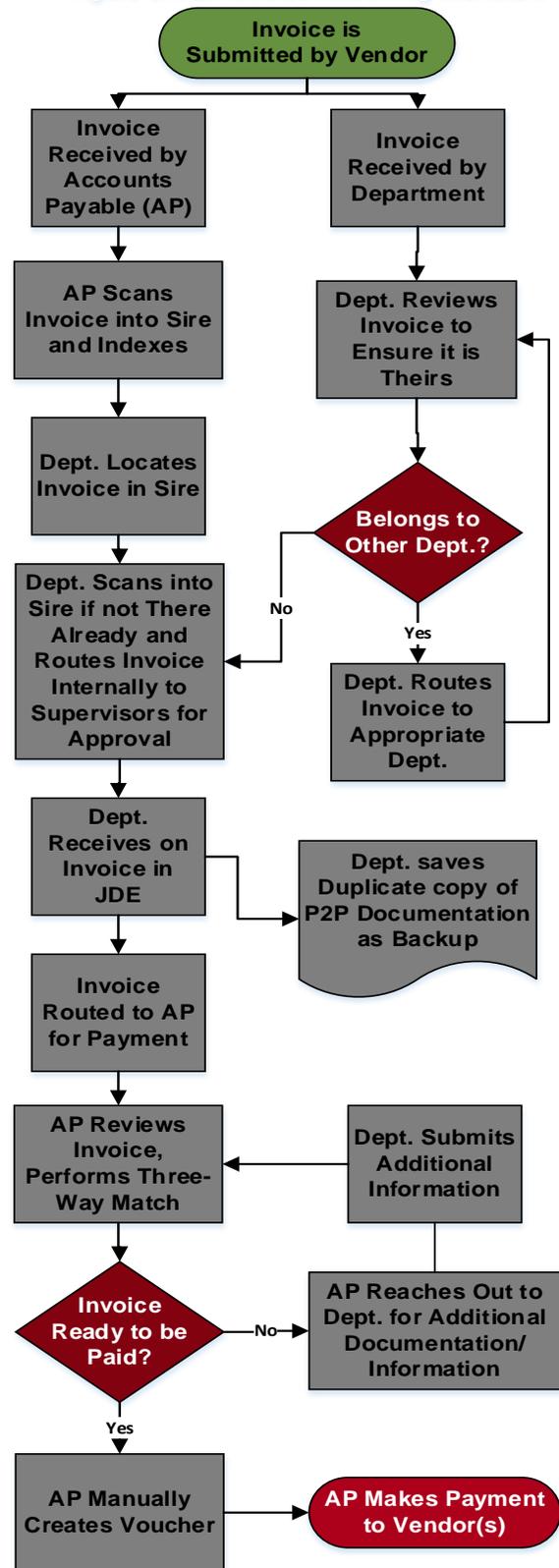
Once an order is received upon in JDE, the approved department invoice copies (which could include handwritten notes) are routed to Accounts Payable for payment. Departments reported differences in how they are routed. Some departments email the documents and some hand deliver. Staff in almost all departments reported issues with staff losing invoices during the routing phase. This is a primary reason for departments maintaining duplicate copies of invoices and other P2P documents. Staff have reported that it is common for vendors to call wondering where their payment is, as well as departments receiving invoices with late payment penalties.

In some departments, it was a misconception that as long as invoices have been received on and documents sent to Accounts Payable by Tuesday, payment will be made by the end of that same week. In reality, payment terms are automatically set up in JDE, which are often Net 30 (meaning the invoice must be paid within 30 days). Accounts Payable staff cut checks and make payments based on the payment terms. Because of this, some invoices that were anticipated to be paid that week, wouldn't be paid until a week or two later. A lack of understanding between the payment policy and departments, have caused departments to communicate unrealistic payment expectations to vendors.

Once the invoice documentation has been entered into Sire and indexed, the City utilizes a web interface called CityDocs that pulls the information from Sire every hour. Departments can log into CityDocs and see at what stage the invoice is in. It was mixed as to whether departments utilize this functionality. Besides CityDocs, staff reported that there isn't any way to know if and when payment has been made to vendors. Staff reported a desire to receive notifications, or at least have some more efficient way to obtain this information.

Staff in most departments reported significant challenges with invoices being paid on time. Accounting reported that on average it takes 38 days for the City to pay a vendor. Much of the challenges reported were from mishandling of invoices. Other challenges reported included invoices being sent from department to department because nobody knows the owner of the invoice, as well as invoices sitting on staff desks and in trucks, which haven't yet been entered into Sire. It was reported that invoices cannot be electronically tracked until they are uploaded to Sire.

Once Accounts Payable receives the invoice to be paid, they check for other documentation required such as the vendor's up to date W9. If the W9 is unavailable, then the vendor cannot be paid. Department staff reported some challenges with Accounts Payable staff letting the invoice sit unpaid instead of reaching out to the department's to notify them of the missing information. Depending on the department, some obtain W9's from vendors on their own and forward to Accounts Payable, while others require Accounts Payable to obtain the W9s from the vendors. Purchasing documentation suggests that Accounts Payable staff are responsible for this activity; however most departments reported that it is much easier and efficient for it to be handled by the department.

Accounts Payable is responsible for cutting checks and making payments to vendors. City staff refers to this process as vouching. Accounts Payable staff receive the approved invoice from departments, perform a manual three-way review (i.e., compare the invoice, purchase order, and receiving report), create the voucher, and then write the check. Accounts Payable staff reported that they manually key the invoice information into JDE to create the voucher. Between keying the voucher information, and

performing the manual three-way review for each invoice, staff reported this requires significant time and resources. The City is reportedly working on a solution to automate the manual vouching process.

It was reported that when paying vendors, a high percentage still do not participate in ACH, although the City does promote the payment method. Many vendors are paid by mailed checks.

Department Exceptions
- The CMO often receive invoices for project or grant purchases and must run reports and maintain additional documentation on each invoice for tracking purposes.
- Municipal Court checks Sire on a monthly basis for invoices uploaded.
- Some departments prefer invoices to be sent directly to Accounts Payable, while most prefer to receive them within their department.
- Some departments prefer Accounts Payable to obtain W9 documents from vendors, while most prefer to obtain W9s on their own.
- Cultural Services tracks documents submitted to Accounts Payable on a paper sheet.
- Operations Services waits a minimum of two weeks once an invoice is submitted to Accounts Payable by the vendor and scanned into Sire before routing for supervisor approval and receiving. This is done in order to avoid double payments in case the vendor also submitted an invoice to the Department.

Detailed Challenges and Areas for Improvement
- Many departments reported issues with Accounts Payable losing or incorrectly indexing invoices in Sire.
- Many departments are maintaining duplicate invoices and P2P documentation either in paper form, electronically on the City's network folders, or tracking in MS Excel spreadsheets to ensure they have documentation for each transaction.
- It was reported that departments would like the ability to receive a notification of when a vendor has been paid, and an easier process for tracking the status of invoices.
- It was reported that the Recreation Department constantly checks between JDE and Sire to verify a payment has occurred.
- It was reported that in order to cut a check Accounts Payable does not need any other information besides an approved invoice and a system receipt. Because of this, there may be little incentive for them to scan additional documentation into Sire that would benefit departments.
- It was reported that Accounts Payable does not have the time or resources to upload additional documentation to Sire, such as invoices with handwritten comments on behalf of departments. Because of this, the City may benefit from providing specific department staff an increased ability to upload documentation to Sire with appropriate security permissions and audit trail.
- It was reported that when Accounts Payable receives invoices directly, they must spend time identifying the appropriate department responsible. This task can be time-consuming.

- It was reported that even if Accounts Payable is sent an invoice directly from a vendor, they must still route it to departments for review and approval.

- It was reported by Finance administrative staff that one of the most time-consuming activities is sorting through mailed and emailed invoices. Mail must be opened and date stamped, which has led to stacks of mail piling up throughout the week.

- It was reported that it is sometimes challenging for departments to identify the appropriate department for an invoice, causing the need to communicate amongst departments to identify the responsible party. This task can be time-consuming.

- It was reported that invoices can sit on a staff member's desk or in a field worker's truck for days before it is entered into Sire and reviewed and approved for payment.

- It was reported by Fire and Library staff that because Accounts Payable at the City cuts checks to their vendors, the vendors are often confused as to why they are receiving payments from the City instead of the independent Fire and Library organizations. Staff reported an interest in including notes on their checks to vendors identifying the department or organization making the payment, to reduce the confusion.

2.9. Other P2P Activities

Vendor File Maintenance

Maintaining the Accounts Payable vendor record is the responsibility of Accounts Payable staff. JDE also maintains a separate address book record for Accounts Receivable vendors, which has very little relationship or reconciliation functionality in the current environment. Both record types are maintained in the same table.

When a department needs changes made to an Accounts Payable vendor's record, such as updating the mailing address, name, etc., they email Accounts Payable with the information. It was reported that for the most part, the process works well and the changes are made promptly; however, occasionally it could take a number of days before a department is notified that a record has been updated.

Within the Rocky Mountain eProcurement system, which the City utilizes for competitive procurements, there is a vendor database. Staff reported that this database is useful for reaching a large number of vendors.

Change Orders

Change orders are primarily used in the P2P requisition, purchase order, and invoice receiving process when values on invoices have changes. Change orders are also used for blanket order changes and contract management. The primary challenge reported with change orders was from Warehouse staff, who must use them when procuring utilizing the metals market. Because market prices changes regularly for metals, once the purchase has been placed, staff must issue change orders to account for the price difference. It was reported that change orders can hold up the invoicing process.

Reporting and Vendor Performance Tracking

The City uses several reporting applications, along with basic reporting built into JDE and Sire that is discussed in more detail in Section 3.4. At a high level, staff reported that although reporting functionality is robust at the City, there is room for improvement.

It was reported that the City does not currently track vendor performance. Because of this, there have been challenges, particularly with the bid process, that have led to relationships with sub-par vendors. It was reported that performing some level of vendor performance tracking could provide documentation that could allow the City to reject bids from sub-par vendors, even if they have the lowest bid. Purchasing staff also reported a desire to develop and maintain an approved supplier list similar to those developed in private industry; however it was recognized that this may not be possible in a local government organization.

Recurring Payments

Departments have the ability to set up recurring payments for activities that are known to reoccur on a regular basis. For example, Parks Planning uses recurring payments for paying their Golf Professionals, who are classified as independent contractors. Engineering uses recurring payments for renting construction trailers, and Police Services for rent payments. Staff reported that the process can work well in some cases but it is challenging when the payments are not exactly the same in each instances. In these cases, the copy function in JDE is used instead.

Lease Purchases

The City procures vehicles and large pieces of equipment using multiple methods, including buying the items outright and lease purchases. The outright purchases follow the standard City P2P processes; however lease purchases require additional steps. These steps involve multiple departments including the department procuring the vehicle or equipment, Fleet, Purchasing, Accounting, and the Budget Office.

Before entering into a lease purchase agreement, the City conducts an analysis to determine if a lease purchase is appropriate for the procurement. This analysis is primarily conducted by a buyer in Purchasing that focuses on Operations Services procurements, as well as other commodities. Accounting also completes a financial analysis for each lease purchase to confirm the lease is favorable to outright purchase. The analysis includes developing an amortization table, estimating interest rates, obtaining quotes/bids as needed, and rolling all of the information into a lease purchase package to be shared with Pinnacle, the City's third-party leasing company that provides the funds. The package is presented to Council and once approved via a Resolution, the buyer generates purchase orders for the items. The purchase order is shared with Pinnacle, who then authorizes it with First National Bank, to release funds from escrow and cut

Workflow for New Lease-Purchase Agreements
Updated 12/10/2015

the check to the vendor. Throughout the year Accounting makes payments on behalf of Fleet, Fleet bills the departments their share of the lease payments, and the five or more departments incorporate the dollar figures into the City's budget for the upcoming years.
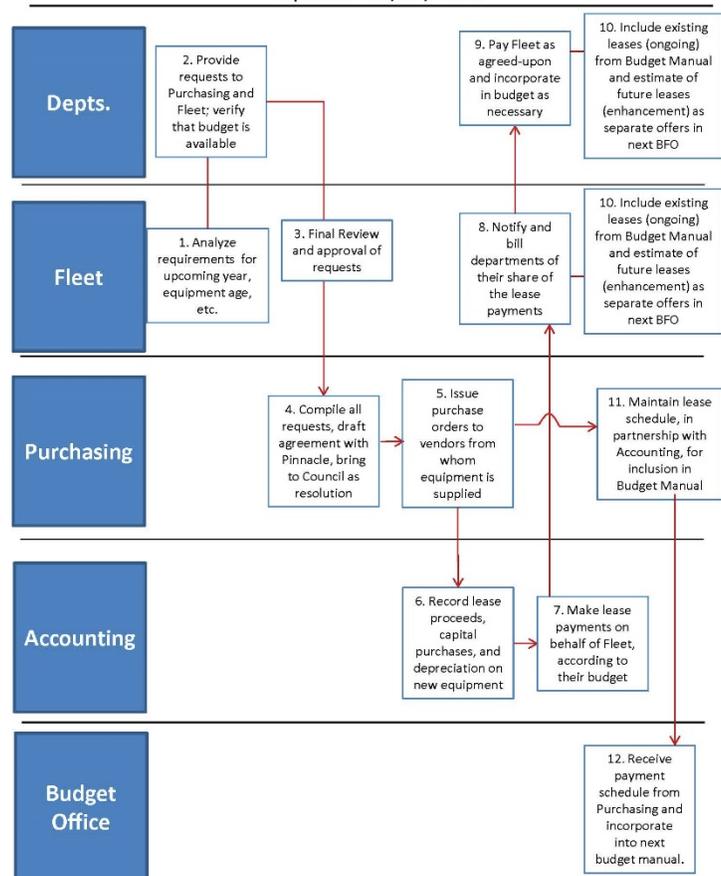
Detailed Challenges and Areas for Improvement

- It was reported that it can occasionally take multiple days for Accounts Payable to update vendor records on behalf of departments.

- It was reported that the City's vendor table within JDE contains duplicate vendor records.

- It was reported that the system does not prevent duplicate vendors from being created, however JDE does validate tax ID's. It was identified that this could be inconsistent use of tax ID's.

- It was reported that requisitions can be entered against inactive vendors.

- It was reported that requesting the W9 from vendors is inconsistent among departments. Some departments request them from vendors themselves, while others rely on Accounts Payable to obtain the documentation.

- It was reported that Accounts Payable staff occasionally hold payments to vendors that have not provided W9s, but do not take any action to notify the vendor or departments of the hold based on missing documentation.

- It was reported that looking up vendors in JDE typically works fine; however sometimes when vendor information has not been updated, it becomes more challenging to find vendors. It was reported that the introduction of ACH information has made this more challenging.

- Warehouse staff reported challenges with new vendor numbers being created when a vendor changes its name, even though all other information hasn't changed.

- It was reported that Human Resources is interested in setting up recurring payments for classes.

- Many departments reported challenges with reporting, whether it be lack of knowledge to generate reports, lack of security permissions to run reports, or not reaching out to Finance or IT for reporting assistance.

- It was reported that vendor performance tracking could improve the bid process by providing additional decision making and justification data.

- It was reported that the lease purchase process is time-consuming, cumbersome, and includes many different departments and approvals. Staff reported a desire to reduce the complexity of lease purchases; however it was recognized that this may not be feasible.

3.0   Procure-to-Pay Technology and Tools

This section of the report identifies the primary technologies and tools used to support the current Procure-to-Pay processes.

3.1.   J.D. Edwards

The City implemented J.D. Edwards EnterpriseOne (JDE) in 1998 as the City's enterprise resource planning (ERP) software system. Modules implemented include the foundation module (general ledger, accounts payable, accounts receivable, asset management, etc.), expense management module, human capital management module, procurement module, and security functionality. The budgeting module is reportedly not used. JDE is the primary system used for P2P activities; however staff reported that the functionality utilized in the procurement module is minimal because this module is primarily designed to support a manufacturing environment. The City is currently on application version 9.1 and Tools version 9.1.5.3 and has implemented a process to keep the system up to date by upgrading the entire application every four years. Tools is upgraded more frequently, which provides the underlying technology for JDE applications. The City uses BI Publisher for all forms in JDE, including Purchase Orders. BI Publisher is also used to burst or email department representatives their PO's.

The City uses some workflow functionality within JDE to route P2P transactions for review and approval such as requisitions entry and conversion to purchase orders, mini order entry, invoice receiving, and tracking work order information. JDE is also used for reconciling P-Cards. Staff reported that overall, JDE in combination with other applications are adequate for the City; however changes could be made regarding improving business processes, workflow, and reporting. It was reported that Finance is the heaviest users of JDE. Within departments, only a few employees may regularly log into JDE in their daily work. In departments that employ many field workers, most staff do not typically have a need to use JDE. Variances were reported throughout departments that some supervisors log into JDE for workflow and approvals, while most prefer other methods, such as staff emailing documentation as well as paper documents. JDE has electronic signature functionality.

It was reported that JDE has document management functionality that is utilized for some document types, such as copies of P-Card receipts, but because it is basic functionality, the City uses Sire for more robust electronic content management (ECM) needs. Staff reported that documents scanned into JDE, do not interface and duplicate in Sire, and visa-versa.

IT reported that the City has implemented a JDE app for phones and tablets that staff can log into using a virtual private network (VPN) connection in order to perform some processes. Staff that were aware of the application reported that it is a cumbersome process to log in, and stay logged in, while in the field and conducting regular business activities. Many other staff members were not aware of the VPN method to access JDE from tablets or smart phones.

Multiple departments reported maintaining their own MS Excel spreadsheets and other mechanisms to track and manage procurement activities. Some staff, such as project managers, have created detailed project management MS Excel spreadsheets to track revenues and expenses along with project milestones and purchasing activities. Staff reported that these MS Excel spreadsheets are being maintained due to a lag in data in JDE, concerns over missing information in JDE, and more flexibility in tracking and reporting. It was reported that these MS Excel spreadsheets are considered the "master" record, instead of JDE. When reconciling with JDE, they almost never match, and staff trust their own spreadsheets more. It was identified that the lag in data is likely the result of business process bottlenecks (delay in Journal entry or invoice payment) and not technology.
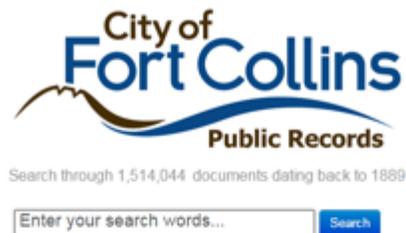
JDE interfaces with a number of different applications at the City including Sire, CityWorks, TMA, Faster, and the Warehouse system. The City employs IT staff to generate and manage interfaces as well as other custom developments.

3.2. Sire and CityDocs

The City implemented Sire in 2005 for electronic content management functionality. Sire is used for storing and indexing many different documents for the City. According to the City's website, there are over 800,000 public documents dating back to 1889 in Sire and accessible through CityDocs. Documents provided show that there are over 1,500,000 documents in Sire (public and non-public

documents) that can be viewed using CityDocs. The primary documents managed in Sire for the P2P process are scanned invoices. As described in more detail in previous sections, Accounts Payable staff scan and index all invoices in Sire. Sire then pulls information from JDE to populate additional information on each document. Sire is separated into different "cabinets" or folders for each department. Cabinets can have different security levels, including public access, depending on the content within each. Departments do not have the ability to upload or modify documents in Sire. With the security in Sire, it is considered the legal cabinet for invoices.

City of
Fort Collins
Public Records

Search through 1,514,044 documents dating back to 1889

Enter your search words...   Search

Departments:
- Accounts Payable
- City Clerk
- City Attorney
- Planning/Development Review
- Engineering
- Grant Management
- Human Resources
- Building Services/Zoning
- Parks
- Purchasing
- GIS Maps
- Traffic
- Utilities

Popular Documents:
- City Council Agendas
- Ordinances
- Resolutions
- Engineering

Staff reported that the City is beginning the process of identifying a replacement ECM system that will improve upon Sire, which is outdated and lacks functionality that new systems offer. The system will not be replaced for a few more years, but in the meantime, the City has reduced any improvements or modifications to the system.

Department staff reported a number of challenges with the way Sire is used in P2P. The primary challenge has been issues with invoices not indexed in Sire as expected and not using Sire as part of workflow within P2P processes. Departments also requested the ability to upload additional versions

of invoices into Sire, such as ones with notes, in order to maintain all invoice receiving documents in one place. Staff reported that this may be able to eliminate some of the duplicate document storage occurring at the City. Accounts Payable staff reported that version control functionality is available, they just don't have the resources to be able to spend the time scanning and indexing additional documents. It should be noted that there may be other places for these notes to be stored within the system.

Department staff also requested the ability to scan and index their own documents into Sire, with appropriate security permissions, in an effort to rely less on Accounts Payable managing their documents. It was identified that there was a misconception that Sire's role based security did not have the ability to drill down and provide access to only specific cabinets and functionality in Sire. It was reported by IT that rule based permissions can be set up, so that departments have the ability to scan and upload documents themselves. Accounts Payable reported a concern about maintaining the integrity of Sire being the legal cabinet if additional staff are provided write access in Sire.

To provide a view of Sire to department staff, the City implemented CityDocs, which is viewer that pulls documents from Sire using a custom developed utility. Departments have the ability to log into CityDocs and view the status of invoices. Because CityDocs is the viewer of Sire, some departments refer to CityDocs and Sire as the same application. Because of this, departments reported similar challenges with CityDocs as Sire in discussions.

3.3. Microsoft Office

The City uses Microsoft (MS) Office products, primarily MS Word, MS Excel, and MS Outlook, to manage P2P processes. JDE has the ability to export data to MS Excel, and some functionality to import from MS Excel. Several departments have developed detailed MS Excel spreadsheet to track information that is not easily tracked or managed in JDE. Some departments have developed fillable forms using MS Excel for requisitions and use MS Excel for reporting and decision making. The City also uses email to route documents and record approvals. Staff did not report any specific MS Office challenges; however, some did report a desire for improved import and export functionality from JDE to MS Excel.

3.4. Reporting Applications

The City uses applications specific to reporting as well as functionality built into business process applications to generate reports and forms. BI Publisher is used for generating letters and documents such as W2s, paychecks, accounts payable checks, and most other forms City-wide. Crystal Reports utilizing Business Objects is used for financial reporting, as well as canned JDE reports. Staff reported that BI Launch Pad is the City's enterprise reporting suite portal and is used for all enterprise reporting and has over 300 users. BI Publisher and Crystal Reports can be accessed through BI Launch Pad. Staff reported there are only a few canned JDE reports, which are used by less than 10 staff through the City. Sire provides reporting functionality as well.

IT staff reported that the City is heavily invested in Crystal Reports, which has been expanded in use to fill the gaps in JDE reporting functionality. Although JDE has improved its reporting functionality

with system upgrades, the City prefers the continued use of Crystal Reporting. IT staff reported that JDE's OneView Reporting is priced per person, per module. Therefore, someone in Finance cannot use OneView reporting tools for Risk Management modules. It is cost prohibitive and cannot be used on other non-JDE systems. In addition, SAP's Crystal Reports can reportedly be used over any database, thus making it an Enterprise Reporting tool, rather than a JDE specific reporting tool.

Department staff reported a number of challenges and areas for improvement regarding reporting. For example, staff in Community Services departments reported a desire for more user-friendly reporting for P-Cards. In Operations Services, IT created a custom report that has satisfied the department's P-Card reporting needs that Community Services and other departments could potentially implement. Traffic reported challenges with reporting assets at the end of the year and that flagging assets at time of purchase may aid in reporting.

It was reported by Utilities that departments do not have the ability to run reports out of Sire for information such as invoice status. Finance, who have read/write access to Sire, have the ability to run a number of reports; however, departments must request the reports from Finance. Utilities has an interest in having more reporting permissions in Sire. Utilities staff also reported that depending on how a report is run in JDE, the information displayed can be different and that project accounting in JDE is inadequate. Some supervisors reported giving up on trying to generate project management reports, because they have been so challenging to generate and instead track project information in manual spreadsheets. Police Services reported an interest in "stale date" reports for invoices and checks as well as basic exception reports. In CDNS, staff reported challenges with reporting due to charges hitting inactive business units. When generating the reports, totals can be off because of the charges misapplied.

For a number of the challenges identified with reporting, IT reported that solutions have been developed for other departments or could be developed if requested. A general consensus from IT staff was that departments should not hesitate to reach out to their business owner when a reporting need has been identified. The business owner can then work with IT if needed to create reports. Within the City, the business owners are responsible for Crystal Reports on their respective systems. IT provides a centralized Enterprise Reporting platform, but does not have staff on hand to write reports for the entire City.

3.5.   Additional Software Related to Current Processes

JDE, Sire, CityDocs, MS Excel, reporting applications, and manual-paper based processes are the primary tools for managing P2P processes. A number of applications that are indirectly related to P2P are identified in Appendix B.

3.6.   Related Technology Projects

The City is in the process of implementing technology projects and initiatives concurrently with this analysis of the P2P processes. Currently planned and in-progress technology projects related to P2P are identified below.

Automated Vouching Process Improvements. Accounts payable currently conducts three-way review manually, and manually keys information into JDE to generate a voucher to be paid. Most ERP systems have the ability to automate this process. The City has conducted research and is working to find a solution to allow for automated vouching within JDE. Manual vouching has been identified as a very time-consuming process that if automated, could provide the Accounts Payable staff more time to perform other necessary P2P activities. City Staff has recently encountered a barrier, as JDE requires that the 'quantity' field is required for automated vouching. Alternatives have not yet been researched.

Sire Replacement. The City is in the early stages of planning for the replacement of Sire, the City's document management system. It was reported that a request for proposal will be issued in 2016, and the implementation will most likely occur in 2017. Staff reported that Sire is outdated and does not provide the functionality that a modern system will provide, include enhanced electronic content management.

3.7. Procure-to-Pay Process Support Model

Support for the P2P process is primarily provided by the City's internal IT department, with staff who specialize in the different aspects of IT, as well as liaisons who handle business process support within each department. Liaisons are the first level of support, who then escalate issues to IT as needed. IT utilizes a help desk ticketing system for handling support. IT is also responsible for generating reports for departments using Crystal Reports. IT works directly with Oracle for JDE issues and other application vendors as needed. Staff reported that Denovo is contracted to provide the City with configurable network computing (CNC) support. CNC support goes to RFP every five years. Prior to being acquired by Denovo, AMX provided the City with support.

It was reported that the role of purchasing business process support has been managed for the last few years by an individual that was not originally assigned to the role, but has taken it on to fill a gap in support. It was reported that this staff member is transitioning off the role and it is unclear who at the City will fill it.

3.8. Training

Technology training at the City is provided by JDE User Productivity Kits (UPKs), in-house developed training documentation, and on-the-job peer training. Staff reported that P2P process and technology training has not been ideal, and that there is an opportunity for improved training delivery. UPKs provide video tutorials on how to perform processes, along with the developed documentation; however department staff reported challenges with finding and accessing the developed materials. IT has been responsible for developing most technology training documentation, and JDE specific UPKs. IT has provided some in-person training for specific topics, which in the past has followed the train-the-trainer approach.

It was reported that new hire training during the onboarding process is not formalized. Staff reported that City culture is supportive of training, there just hasn't been a large push for specific JDE or P2P

training during onboarding, or at regular intervals of employment. The City could benefit from promoting the internal training resources already available to staff.

Departments reported that as a result of little to no training on P2P processes, or the enforcement of reviewing the City's purchasing manual, many end-users do not understand purchasing policy and procedures at the City and much variance has developed. In the Utilities department specifically, it was identified that training on the P-Card purchasing policies and reconciliation activities has been limited, and led to frustrations. Purchasing staff reported that they intend to provide additional training in the future.

4.0   Goals and Objectives from City Leadership

This section of the report identifies the key goals and objectives for the future Procure-to-Pay processes as communicated by City Leadership.

Purchasing goods and services is a core activity for any organization, and for the City of Fort Collins represents a significant percentage of annual City expenditures, including staff resources necessary to execute the processes. Because of this, the City is interested in identifying challenges and inconsistencies in the current procure-to-pay environment in order to improve the efficiency of staff involved in the process and effectiveness of purchases made.

It was reported that one of the City Manager's measures of effective and efficient P2P performance is how fast the City pays its bills which translates to the amount of days to pay a vendor. The City's current average is 38 days. With the City's default payment terms for new vendors set at Net 30 in JDE and a desire to standardize on Net 30 for all vendors, the average is inadequate.

To improve the City's ability to pay bills quicker, City Leadership identified goals for this procure-to-pay evaluation project. The project management team also identified more granular goals to achieve these results. These are identified in the table below, in no particular order.

Table 4.1: City Leadership and Project Team Goals for this Project

City Leadership and Project Team Goals for this Project	
No.	**City Leadership Goals for this Project**
1	Evaluate the City's current procure-to-pay workflow needs.
2	Explore opportunities to improve internal processes through increased efficiency and effectiveness.
3	Identify any potential policy changes that would improve internal processes.
4	Explore opportunities to expand current software usage and consider new technologies that would improve internal processes.
5	Utilize a collaborative process to ensure a variety of stakeholders are involved.
6	Utilize a structured approach to manage resource availability and ensure project success.
No.	**Project Team Goals for this Project**
1	Understand department staff's level of understanding of the City's purchasing polices.
2	Identify inconsistent business processes across the City.
3	Reduce the amount of paper used for purchasing activities.
4	Increase automation in key areas to obtain efficiencies.
5	Develop measurable metrics to identify areas of low performance.
6	Identify why employees are performing processes in certain ways.
7	Develop supplier performance management metrics.

5.0　Primary Challenges and Improvement Opportunities

This section of the report presents the primary challenges and improvement opportunities related to the Procure-to-Pay processes including process, policy, and technology items.

There were many challenges related to the current systems environment at the City identified as a result of the fact-finding activities, many of which are documented in Section 2.0 Current Procure-to-Pay Processes. The following table describes the primary challenges and improvement opportunities identified and includes a column indicating whether the challenge is related to current policy, technology, or processes adopted by the City.

Table 3.1: Primary Challenges and Improvement Opportunities

No.	Description	Technology	Process	Policy
1	The City could implement vendor self-service functionality to include address changes and W9 receipt.	X	X	X
2	The City could expand vendor record maintenance access to users outside of Finance.	X	X	X
3	It was reported that Accounts Payable occasionally holds payments to vendors that have not provided W9s, but do not take any action to notify the vendor or departments of the hold based on missing documentation.		X	X
4	JDE reportedly does not prevent duplicate vendor records from being created, leading to challenges maintaining the vendor database and searching for appropriate vendors.	X	X	
5	It was reported that a new vendor is setup when a current vendor changes their business name.	X		X
6	Inactivating vendors and precluding inactive vendors from displaying in searches may create efficiencies within departments.	X		
7	The City does not perform vendor performance tracking, which may lead to renewal of contracts with underperforming vendors and lost opportunity for vendor performance improvement.	X	X	X
8	The City could adjust competitive purchasing thresholds to provide alternate purchasing processes and gain efficiencies.		X	X
9	The City could utilize project, grant, and asset number on purchasing activity so that related transactions roll-up to the project, grant, or asset.	X	X	X
10	The City could allow certain department users to assign accounts outside of their departments for purchasing activity (e.g., IT and HR.)	X	X	X
11	Departments do not always receive notifications when POs are issued to vendors, or invoices are paid. Staff reported this is leading to additional work and communications to ensure the activities have occurred.	X	X	
12	There are variances in how supporting documentation is provided to Accounts Payable and Purchasing for requisitions. Some departments attach within JDE,		X	X

	Primary Challenges and Improvement Opportunities	Technology	Process	Policy
No.	Description			
	while others email buyers directly.			
13	The City could require requisitions to be entered earlier into the process so that encumbrance functionality can be further leveraged.		X	X
14	The City could enforce standard processes for how P-Card purchases will be reconciled within departments and for which documentation must be retained.		X	X
15	The City could standardize the purchasing thresholds among P-Card users.			X
16	Implementing JDE improvements to manage recurring payments, if available, could decrease time spent by City staff manipulating these payments manually.	X		
17	Adjusting variance thresholds on unit prices of certain commodities may create efficiencies in some departments (e.g., Utilities with purchases of certain metals).	X		X
18	Departments reported not being able to record credits on POs and instead enter a negative PO amount.	X	X	
19	Evaluation and scoring processes for request for proposals is not always consistent or structured depending on the staff involved.		X	X
20	The City could explore potential integrations with the Rocky Mountain Bid System to reduce the instances of manual data entry.	X		
21	The system requires in some instances that the "receiver" and "requisitioner" be the same user which is causing challenges.	X		X
22	Staff reported a desire for increased flexibility in workflow approvals including but not limited to designees during staff absences and approvals by commodity code.	X		X
23	The lease purchase process relies on extensive manual processes.	X	X	
24	The City reported that the process to manage and pay some of the utilities providers is time intensive and relies on manual processes.	X	X	
25	The City previously paid employee expense reimbursements via payroll, and recent moved to payment on a separate check/payment with a separate direct deposit form.	X	X	X
26	It was reported that projects may not be closed in JDE at the same time project activity stops. This allows staff to continue to enter purchases against the projects.	X		
27	The City could implement a formalized receiving process where goods are marked as received in JDE and packing slips are scanned and retained so that a three-way match process can be used.	X	X	X
28	The City could standardize and communicate the approach to holding payments until payment timelines are met.		X	X
29	The City may be able to generate efficiencies by moving to a process whereby AP Clerks are assigned vendor payment responsibilities by vendor name ranges.		X	
30	The City could standardize and communicate the approach to centralized or decentralized invoice receiving.	X	X	X
31	There are variances in how departments prefer invoices to be submitted to the	X	X	X

No.	Description	Technology	Process	Policy
	City. Some departments prefer them submitted directly to Accounts Payable, others prefer directly to their department.			
32	Invoices often sit on staff member's desks or out in the field for a period of time before they are entered into Sire. This reduces the ability to track the progress of invoices, and paying vendors on time.	X	X	X
33	The City could implement functionality to support decentralized invoice entry into JDE.	X	X	
34	Duplicate invoice checking in JDE will better manage City funding and reduce manual efforts within departments to track for these errors.	X		
35	The City could implement functionality to record notes on an invoice record in JDE as it is routed for approval.	X	X	
36	The City could require vendors to indicate the PO number on all invoice received (where applicable) to simplify and improve the routing process.			X
37	The ability to print notes on checks may reduce questions to City staff, particularly in instances where the City is paying vendors on behalf of affiliated agencies.	X	X	
38	Self-service access to see the status of a purchase by department staff will likely create efficiencies and reduce some manual tracking processes.	X		
39	The process of vouching for payments is time intensive and lacks automation.	X		
40	The portion of vendors paid via ACH could be increased.		X	X
41	Inter-department chargebacks are reportedly inefficient and rely heavily on journal entries.		X	X
42	Departments do not currently scan supporting documentation into Sire.	X	X	X
43	Staff reported a lack of dynamic search functionality available to them in Sire, including but not limited to the ability to easily find invoices scanned into the wrong cabinets, and searching for supporting documents related to an invoice. It was identified that this may be due to limited training.	X		
44	The City reported a desire for increase contract management functionality in JDE to support the management of purchases from contracted suppliers and tracking of contract renewals and expiration dates.	X		
45	City staff reported that a mobile instances of JDE for entry and approval will increase efficiencies in processes and allow more information to be tracked in the system as opposed to in paper.	X		
46	The City could implement more robust interfaces to the work order and asset management systems so that when inventory items are purchased these systems are updated.	X		
47	Some browser compatibility issues were reported when staff used Chrome instead of Internet Explorer.	X		X
48	Some staff reported not having access to scanner hardware.	X		X
49	Some vendor contracts and the vendor file reportedly exist with payment terms more expedited than Net 30.			X

No.	Description	Technology	Process	Policy
50	Several employees involved with the P2P process are not aware of the City's purchasing polices and may benefit from additional training.		X	
51	The procurement card training process is reportedly inadequate for training employees on the appropriate use of purchasing cards.		X	
52	Communications regarding purchasing card reconciliation processes and best practices have reportedly not been adequate. Departments are using differing methods to perform the same process.		X	
53	Some smaller departments, such as the Attorney's Office, Municipal Court, and City Clerk each have staff performing the same P2P processes. The departments could benefit from utilizing one staff member amongst the three departments focused primarily on purchasing activities.		X	X
54	It was reported that the current staffing levels in AP are not effective with the current business processes and use of technology.			X
55	Multiple departments reported challenges with reporting, whether it be lack of knowledge to generate reports, lack of security permissions to run reports, or not reaching out to Finance or IT for reporting assistance.	X	X	X
56	The City could communicate the process to request reporting assistance as well as general JDE assistance from Finance, Purchasing, and IT.		X	

Primary Challenges and Improvement Opportunities

Following review and confirmation by the City Project Team, the upcoming tasks and activities of the project will focus on informing the budget and resource implications of addressing these challenges and improvement opportunities. This will include research to JDE partners to determine available functionality and related cost impacts.

6.0   Change Management Considerations

This section of the report presents considerations related to change management at the City as it prepares for implementing changes to the P2P processes.

Preparing an organization to undertake significant change can be difficult if the potential changes are not examined for impact on the productivity and morale of the individuals affected. Substantial changes resulting from projects such as ERP implementations can produce a variety of reactions from staff, including but not limited to:

- Fear
- Uncertainty about one's identity, purpose, and role within the organization
- Questions of job security and organizational status
- Perceived loss of control and predictability
- Lack of faith/trust
- Relief and appreciation

Change management is defined as the processes, tools, and techniques for managing the people side of organizational change effectively at the individual level, to achieve desired project management outcomes across the organization. Change management efforts focus on bringing people through the process of change; from the current state of operations to a desired future state in order to drive positive changes in the business results of the project. While change management may not be as easily quantifiable as project management, successful change management efforts can positively impact project success in the quantifiable terms of budget, scope, and schedule.

The onsite work sessions identified a number of change management areas. The change management focus areas contained in the following table were identified during the onsite work sessions. The focus areas are organized by their respective stakeholder group.

Table 6.1: Change Management Focus Areas

Change Management Focus Areas		
No.	**Stakeholder Group**	**Focus Areas**
1	City End-Users	As the City standardized processes and policies, some end-users will see significant change to the way they use P2P processes today. In some cases they may be required to complete more processing individually and in others their respective purchasing authority may be adjusted.
2	Department Power Users	As the City considers recommendations to utilize more functionality within JDE, Department Power Users will be expected to utilize the software more and earlier in processes. This may require training in some cases as well as an overall reduced reliance on manual and paper-based processes.

Change Management Focus Areas		
No.	Stakeholder Group	Focus Areas
3	Department Approvers and Department Heads	As with Department Power Users, Department Approvers and Department Heads will be expected to utilize the software more and earlier in processes. This may require training in some cases as well as an overall reduced reliance on manual and paper-based processes.
4	Purchasing Staff	With an overall increased number of users in JDE, Purchasing staff should expect to receive more requests for support as JDE is used in the P2P process.
5	Accounts Payable Staff	In the current environment AP staff have a critical role in the overall P2P process that may change should the City adopt a change to the invoice review and approval steps.
6	IT Staff	With an overall increased number of users in JDE, IT staff should expect to receive more requests for support as JDE is used in the P2P process.
7	City Leadership	As the City implements new processes and policies, City Leadership will need to change some current processes to be in line with these new items.
8	External Stakeholders	The primary focus area related to the vendor community was a need to clarify expectations related to payment timelines. It was reported that although most contracts utilize a Net 30 payment schedule, some vendors have the expectation of payment much more promptly. As identified in other sections of this report, the City should confirm the payment terms they will utilize with vendors. Following this task vendors should be made aware of the confirmed terms.

As the City proceeds with the project, a large number of City staff will be impacted by one or various changes implemented. It will be important that these individual staff members remain informed during the life of the project, and invited to participate in the process where appropriate. Whether it be the concerns identified here or new concerns that arise during the course of the project, change management and communication efforts can assist with mitigation efforts to increase buy-in, reduce uncertainty, and clarify the City's strategic vision for the project.

7.0   Upcoming Project Tasks and Activities

This section of the report describes the upcoming project tasks and activities including future research and action planning.

The information contained in this Current Environment Needs Assessment Report reflects the City's current business processes and the associated challenges as a result of the current environment. The next steps in the project involve developing a Future State Planning Memo as well as an Action Plan Report to discuss the strategy for improvements as well as the detailed tasks and resources needed to implement improvements. These next steps are summarized in the table below.

Table 7.1: Upcoming Project Deliverables

Project Deliverables	
Deliverable	**Summary**
D3. Future State Planning Memo	This document will describe the research approach to informing the Improvement Opportunities.
D4. Action Plan Report	This document will lay out the improvement opportunities with supporting budget and resource implications and a relative timeline.
D5. Action Plan Presentation	This presentation will summarize the Action Plan for the City stakeholder audience.

As this project continues, it will be important that City stakeholders continue to be engaged in contributing input and making decisions.

Project Participants		
No.	**Name**	**Department/Division**
1	Cindy Cosmas	Community Development and Neighborhood Services (CDNS)
2	Mary Donaldson	City Attorney's Office
3	Rita Knoll	City Clerk
4	Wendy Bricher	City Manager's Office (CMO), Communication and Public Involvement Office (CPIO), Environmental Services
5	Gail Budner	Cultural Services
6	Jill Stilwell	Cultural Services
7	Loren Schen	Cultural Services
8	Jennifer Hensley	Downtown Development Authority (DDA)
9	Christie White	Engineering
10	Lucinda Smith	Environmental Services
11	Claire Turney	Finance
12	Dawn Henderson	Finance
13	Kathy Tormaschy	Finance
14	Linda Brown	Finance
15	Linda Samuelson	Finance
16	Travis Storin	Finance
17	Joan Busch	Human Resources
18	LeeAnna Vargas	Human Resources
19	Lynn Sanchez	Human Resources
20	Sky Holubec	Human Resources
21	Chris Martinez	Information Technology
22	Dan Coldiron	Information Technology
23	Eric Bergersen	Information Technology
24	Glen Shirey	Information Technology
25	Janet Gilbert	Information Technology
26	Marija Balic-Wilson	Information Technology
27	Michelle Carr	Information Technology

	Project Participants	
No.	**Name**	**Department/Division**
28	Rachel Springob	Information Technology
29	Suzanne Jarboe-Simpson	Information Technology
30	Elizabeth Knudson	Light and Power Operations - Warehouse
31	Steve Catanach	Light and Power Operations - Warehouse
32	Jeff Baines	Library
33	Patty Netherton	Municipal Court
34	Tammy Reck	Municipal Court
35	Barb Brock	Natural Areas
36	John Stokes	Natural Areas
37	Ken Mannon	Operation Services
38	Leora Spence	Operation Services
39	Rosanne McDonnell	Operation Services
40	Stan Welsch	Operation Services
41	Dawna Gorkowski	Parks
42	Mike Calhoon	Parks
43	Sarah Meyer	Parks
44	Mark Jackson	Planning Development and Transportation (PDT)
45	Kirsten Howard	Poudre Fire Authority
46	Carrie Held	Police Services
47	Tricia Muraguri	Police Services
48	Beth Diven	Purchasing
49	Doug Clapp	Purchasing
50	Elliot Dale	Purchasing
51	Gerry Paul	Purchasing
52	Jill Wilson	Purchasing
53	Pat Johnson	Purchasing
54	Carol Fahring	Recreation
55	Dawn Worth	Recreation
56	Jane Stanislaw	SSRM
57	Sandy Aragon	Traffic

| Project Participants		
No.	**Name**	**Department/Division**
58	Karl Gannon	Transfort
59	Annetta Maestas	Utilities
60	Chris Donegon	Utilities
61	Lisa Rosintoski	Utilities
62	Melissa Walker	Utilities
63	Owen Randall	Utilities
64	Patti Teraoka	Utilities
65	Phil Ladd	Utilities
66	Shannon Gallegos	Utilities

Appendix B: Procure-to-Pay Application Inventory

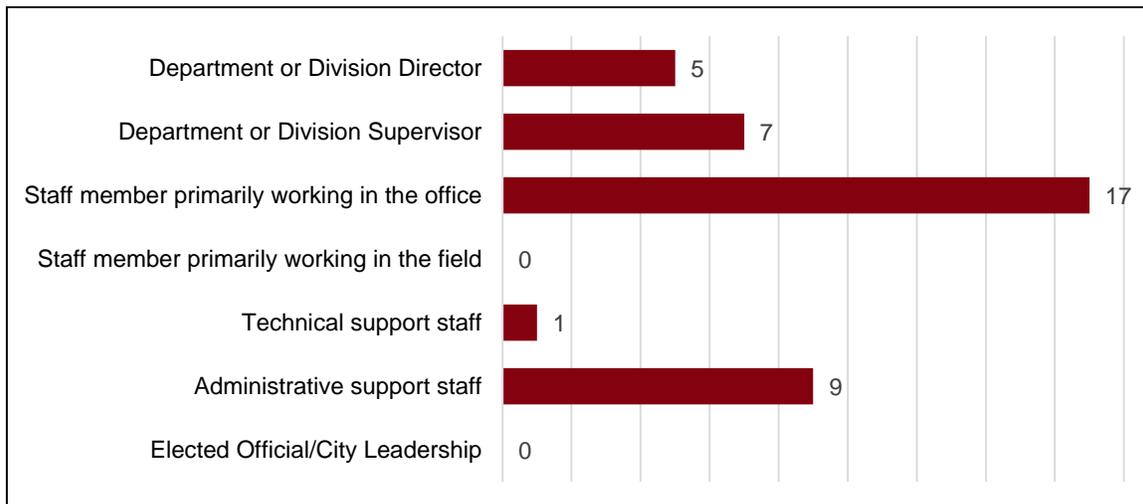| No	Application	Department	Product	Provider
Procure-to-Pay Application Inventory				
1	Enterprise Resourse Planning (ERP)	All	J.D. Edwards EnterpriseOne	Oracle
2	Document Management System (DMS)	All	Sire	Hyland
3	Fleet Management and Work Order System	Fleet	Faster	CCG Systems
4	Maintenance Management and Work Order System	Facilities	TMA	TMA Systems
5	Recreation Management System	Recreation	RecTrak	Vermont Systems
6	Electronic Procurement Subscription	Purchasing	Rocky Mountain E-Purchasing System	Sourcesuite Procurement Solutions
7	DMS Web Viewer	All	CityDocs	City of Fort Collins
8	Reporting Software and Enterprise Reporting Portal	Information Technology	BusinessObjects: Crystal Report, Web Intelligences and Business Objects Enterprise	SAP
9	Inventory Management System	Utilities - Warehouse	In-house Developed	City of Fort Collins
10	Community Development System	Community Services	Automation	Accela
11	Asset Management System	Traffic	CityWorks	Azteca Systems
12	Procurement Card Portal	Finance	UMB Bank	UMB Bank
13	Form Generator	Accounts Payable	BI Publisher	Oracle
14	BART - Budgeting Software	Budget Office	In-house Developed	City of Fort Collins

Appendix C: Web-Survey Results

Below are selected results to the survey questions that were included in the web surveys administered prior to BerryDunn's on-site fact-finding meetings.

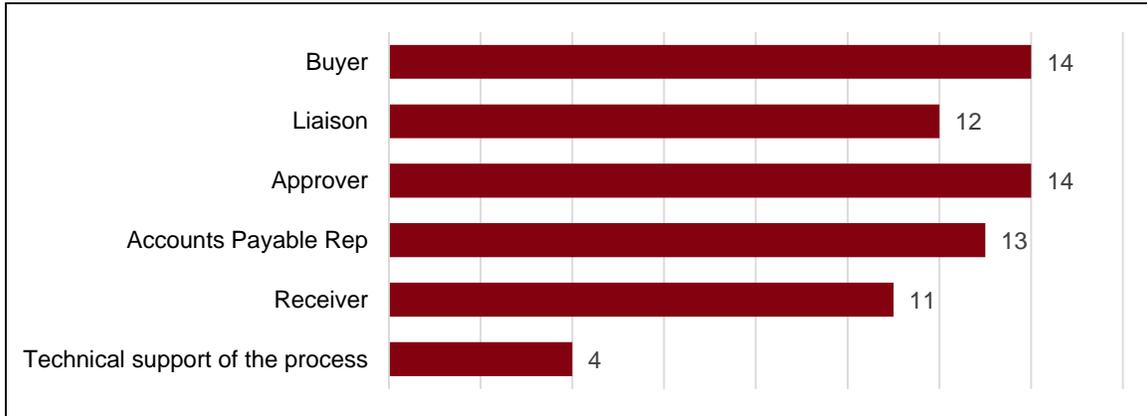**Procure-to-Pay End User Web Survey**

1. Please state the Department(s) or Division(s) that relate most closely to you:
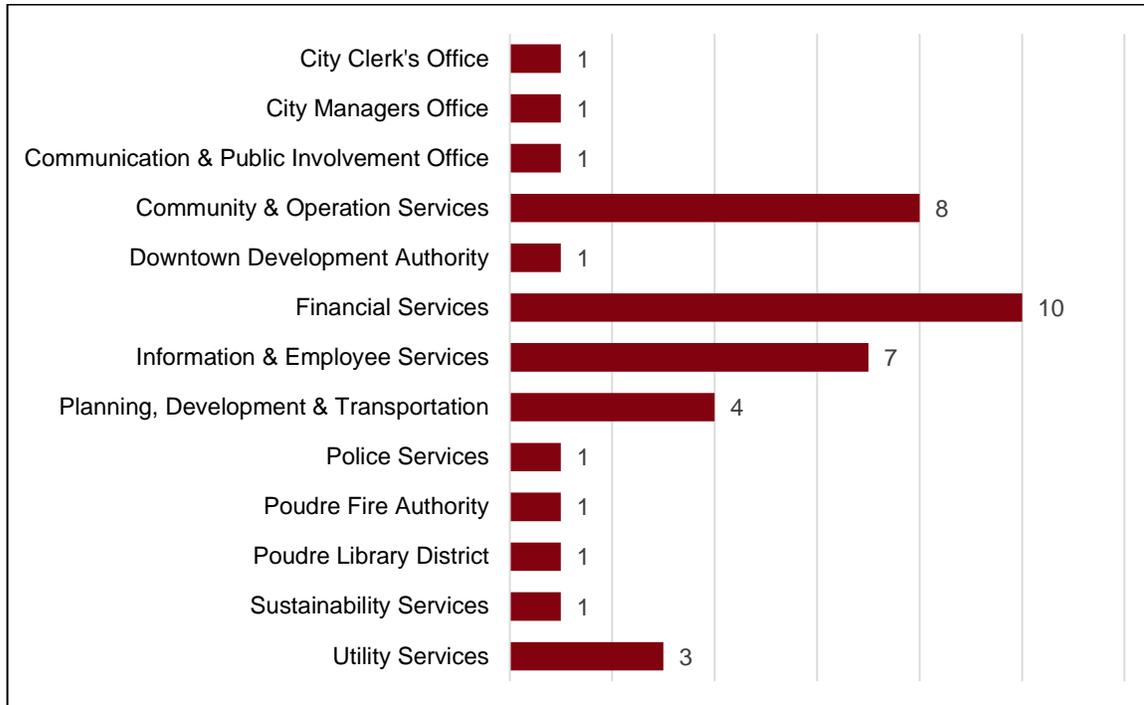
2. Please select the role that best describes your job title or position:

3. Please select the role in the Procure-to-Pay process that most closely relates to you:

Role	Count
Buyer	14
Liaison	12
Approver	14
Accounts Payable Rep	13
Receiver	11
Technical support of the process	4

4. What software system(s) do you use to support the current P2P process?

Software	Count
Adobe Acrobat	5
BI Launch Pad	6
CityDocs	4
CityNet	3
CityWorks	2
Crystal Reports	1
DocuSign	2
JDE	33
MS Excel	16
MS Outlook	7
MS Word	1
Rocky Mountain Bid System	1
SIRE	10
TMA	1