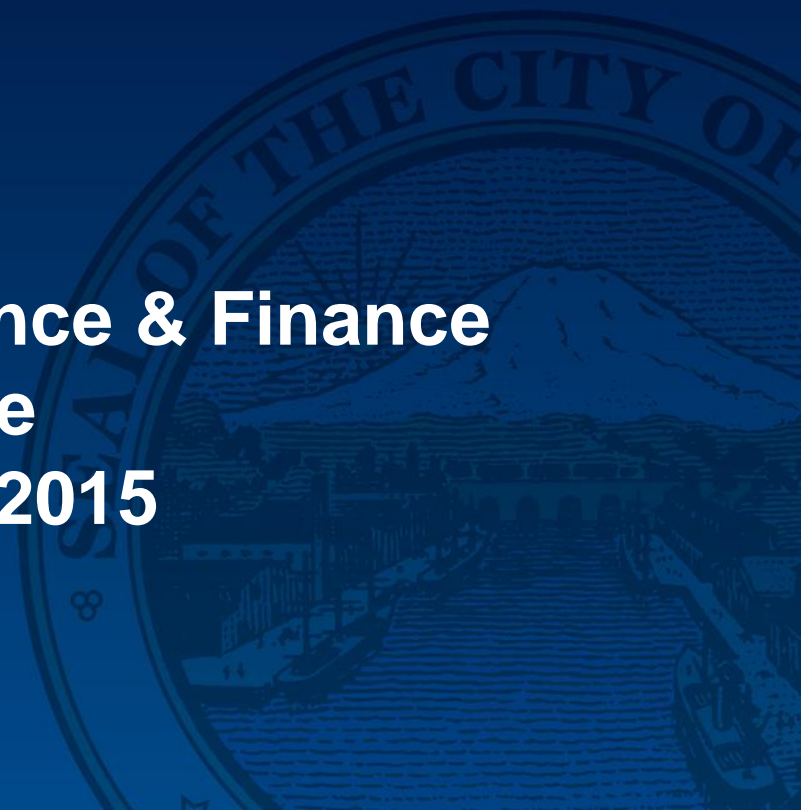# Procure2Pay Project

City of Tacoma

Finance/Procurement & Payables,
 IT, Budget

**Government Performance & Finance
Committee
December 2, 2015**

Overview

- Procure2Pay Project
  - Eliminate manual and inefficient procurement and payment practices
  - Deploy web based software that is integrated with SAP which improves reporting, spend analysis, and drives contract compliance
 - Save the City money through strategic procurement decisions

Background

- 2014 - Sage Consulting recommended review of current SAP functionality
- 2015 - Procure2Pay team established
  - Blueprinted procurement and payment processes
  - Engaged customer feedback group to identify pain points
  - Policy/governance review
  - Develop master data standards and clean up vendor master

Background (continued)

- Address reporting capability/needs

- Procurement and payment best practices

- Customer workshops and vendor outreach

- Address staffing levels

- Develop road map of future state
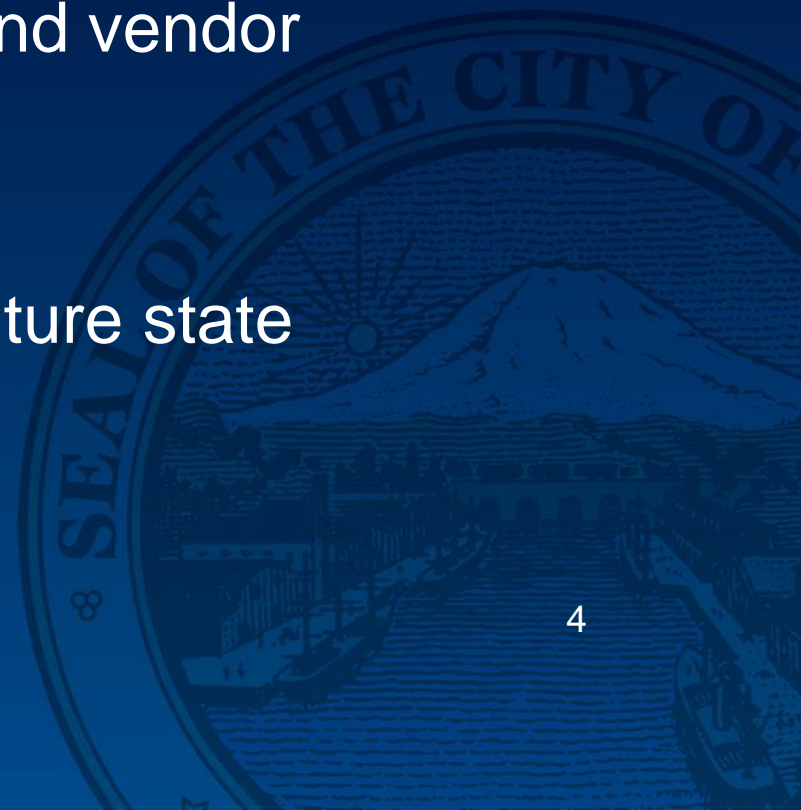
It's Complicated…
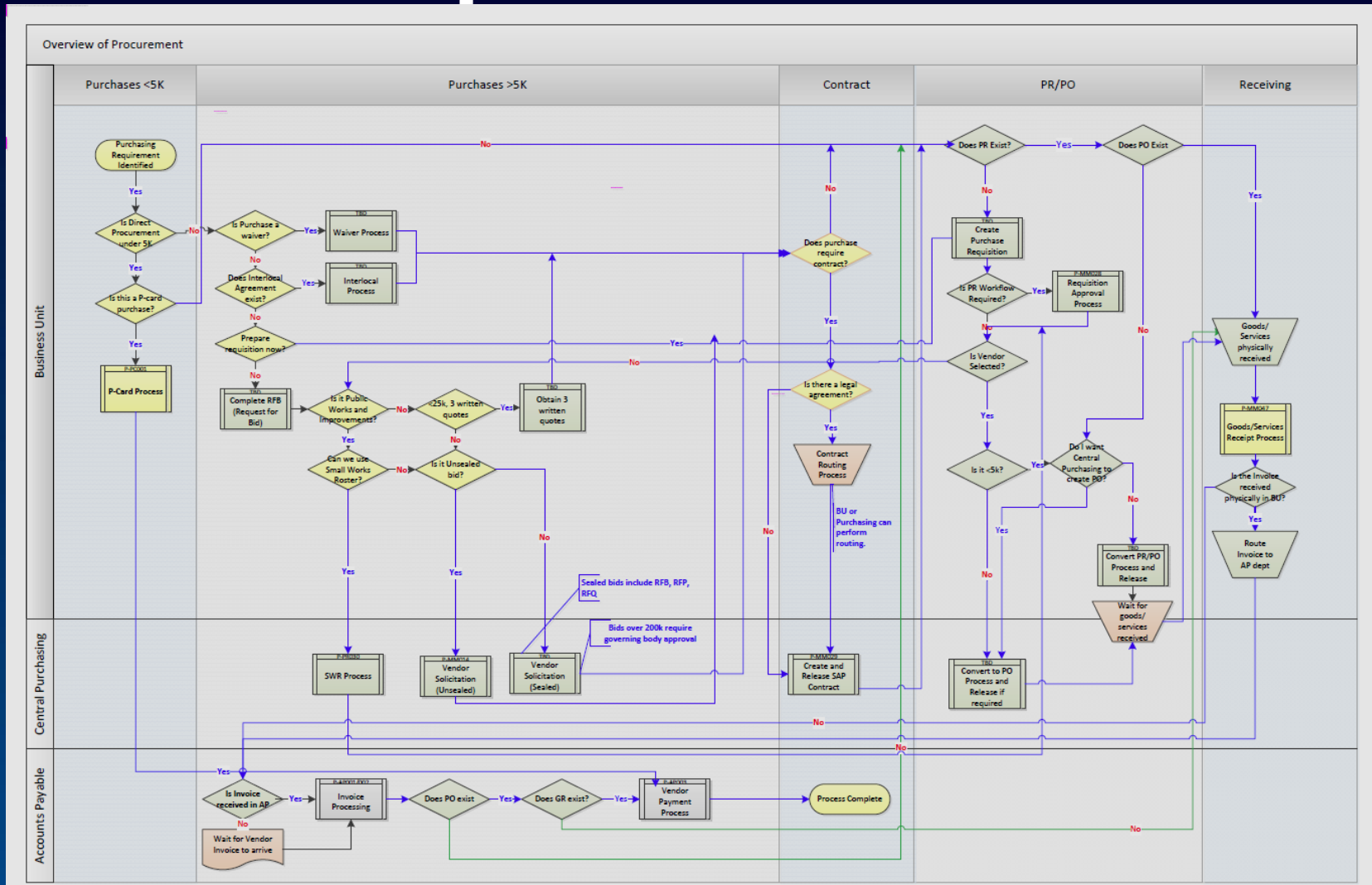
2014 Metrics

$300 Million in POs

- **95% of our spend cannot be measured, analyzed or reported**
  - $284.5 Million in text-only POs
  - Master data, where it exists, is not standardized
- **700 Competitive bid processes**
  - Approximately twice the average of similar organizations

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2014 Metrics

- **No vendor portal for PO's/invoices or pre-registration for bids**
- **57,000 invoices were hand entered into SAP for payment**
  - No capability to receive invoices electronically
  - 96% routed directly to departments instead of AP
  - 33% returned back to departments for corrections

Goal and Recommendations

- Over the next 5 years, enable strategic procurement to leverage our spend and save

  $10 to 15 million

- Deploy an easy and intuitive web-based user interface for both the vendors and the City

Benefits of Solution

- In the future the City will have:
  - Amazon-like ordering, improved visibility of City contracts.
  - Electronic receipt of bids, transmittal of POs and receipt of invoices
  - Streamlined workflow routing and approvals
  - Ability to pay invoices more quickly
  - Improved spend analysis, reporting and drives contract compliance

Benefits of Solution

- Our vendors will have:
  - Access to vendor portal, where they may self register for notification of City of Tacoma bids, electronically submit bid responses, receive POs, and submit invoices
  - Faster payment process
  - Access to a nationwide network of potential customers
  - Increase the vendor community's satisfaction with the City's processes

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Project Status

- Vendor Master cleaned up
- BPC and ISGB approval for the project
- RFP in bid open status
- Project manager selected
- Holding requirement workshops with departments
- Budget secured for $1.6 million
- Phased implementation rollout

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