Request for Information (RFI)
Electronic Contract Invoicing Solutions

Timeline:

Released: December 5, 2014

Pre-Submission Conference: The New York City Comptroller's Office ("Comptroller") is considering holding a pre-submission conference in order to allow interested vendors to comment and ask questions. If you are interested in attending a Q&A session if scheduled, please indicate your interest by emailing RFI@comptroller.nyc.gov by December 22, 2014.

Questions Due: January 5, 2015

Responses Due: January 16, 2015

Agency Contact:
All questions and requests for additional information should be sent in writing to the agency contact below. Please submit all questions by January 5, 2015. Responses to this RFI may be submitted to the attention of the agency contact electronically to the e-mail address below.

Name: Richard Friedman, ACCO
E-mail: RFI@comptroller.nyc.gov

1.0 Overview

This Request for Information (RFI) is issued by the Comptroller to invite responses and gather information regarding options for electronic processing of contract invoices and payments. The Comptroller seeks information regarding innovative approaches to gaining efficiency for City agencies and increase transparency for the City's vendor community by transitioning the invoice submission, review, and approval processes from their mostly paper-based current state to an electronic solution. The Comptroller is interested in new technologies and capabilities available to meet the City's invoice management needs.

Contract invoices and payments contemplated in this RFI refer to payments made by agencies for goods, services, and/or construction provided by contractors which have been delivered, inspected, and accepted. Invoices may be submitted by contractors to contracting agencies at any time following contract registration in the City's Financial Management System (FMS) in accordance with the procedures and format laid out in the subject agreement.

Payments not included in scope of this RFI include claims, agency payrolls, School Construction Authority contract payments, inter-agency funds transfers, and other miscellaneous payments not related to contracts.

Respondents are invited to submit approaches, solutions, and ideas for achieving the goals described below in a secure, scalable, and cost effective manner. This RFI is intended to invite ideas and discussion from the vendor community about options available for modernizing the City's contract invoicing process and responses will inform research and strategy for this project. Respondents need not limit responses to the areas outlined in Section 6 and are encouraged to submit any information the respondent deems relevant to the subject matter of this RFI.

The publication and release of this RFI does not obligate the Comptroller's office to obtain or procure any services or products provided by the respondents or otherwise as a result of this RFI. This RFI is intended solely for use by the Comptroller's Office to assist us in gaining information regarding the electronic processing of contract invoices and payments. The Comptroller's Office reserves the right to postpone or cancel this RFI, in whole or in part, and to reject all responses. Respondents will not be reimbursed for any costs or expenses incurred to prepare responses to, or costs and expenses associated with, this RFI. For the purposes of this RFI, the terms "respondent" or "vendor" mean an entity submitting a response to the RFI.

This RFI is the first of what might be a series of RFIs that the Comptroller's Office may issue in order to optimize the city' expenditures, improve transparency, and reduce waste. The Comptroller welcomes feedback about this process in order to effectively pursue innovative approaches to optimizing business processes.

2.0 Background

2.1 General Information

The New York City Comptroller, an independently elected official, is the Chief Fiscal Officer of the City of New York. The mission of the office is to ensure the financial health of New York City by advising the Mayor, the City Council, and the public of the City's financial condition. The Comptroller also makes recommendations on City programs and operations, fiscal policies, and financial transactions. In addition, the Comptroller manages assets of the five New York City Pension Funds, performs budgetary analysis, audits city agencies, registers proposed contracts, etc. This office employs a workforce of over 700 professional staff members. These employees include accountants, attorneys, computer analysts, economists, engineers, budget, financial and investment analysts, claim specialists and researchers in addition to clerical and administrative support staff. The New York City Comptroller's Office website is http://www.comptroller.nyc.gov/.

2.2 The Comptroller's Role in Contract Invoicing and Payment

The Comptroller's Office oversees vendor data including business and tax information, manages the City's Payee Information Portal (PIP) used by vendors to do business with the City, and, jointly with the Office of Management and Budget (OMB) manages the City Financial Management System (FMS) which stores vendor, contract, and payment data entered by City agencies.

As part of the Comptroller's review of proposed contracts, the Bureau of Contract Administration reviews, among other aspects of the procurement and contract, funding information, contract pricing, and proposed payment structure prior to registration. Once a contract has been registered in FMS, invoicing and payment by the agency may begin.

2.3 Prompt Payment and Transparency

The Procurement Policy Board (PPB) establishes prompt payment guidelines for mayoral City agencies. Section 4-06 of the PPB Rules contains the City's policy and standards for prompt payment and the Comptroller's Office, jointly with the Office of Management and Budget (OMB), sets the interest rate applicable to contract payments that fail to meet such standards.

The Comptroller has identified an opportunity to ensure a high standard of prompt payment performance as well as provide greater transparency for vendors awaiting contract payments. Additionally, agencies may benefit from faster payment processing in the form of contract discounts associated with early payment.

While prompt payment standards are enforced by FMS, it relies on agency entered data. Agencies are expected to enter the date which the invoice was delivered to the agency as well as the date of goods/services acceptance. The later of these two dates is used by the system to track whether the agency is late in issuing a payment to the vendor.

Additionally, when the system determines that a payment has been issued late, the agency can override the system to stop the resulting interest payment. Payment type is encoded by the agency on the payment request and is used to determine the rules around prompt payment calculation. It determines Interest Eligibility lag and the dollar threshold.

Contract invoicing procedures are internal to each City agency; vendors submit invoices directly to agencies rather than to a centralized Citywide point of intake. Once invoices are approved, the agency will enter a payment request into FMS. The payment request must be approved by 2 other individuals. A disbursement to the payee is then issued within 2 to 5 days - depending on the cash management policy. Disbursements are made as either an electronic funds transfer (EFT) (approximately 80% of the time) or as a physical check.

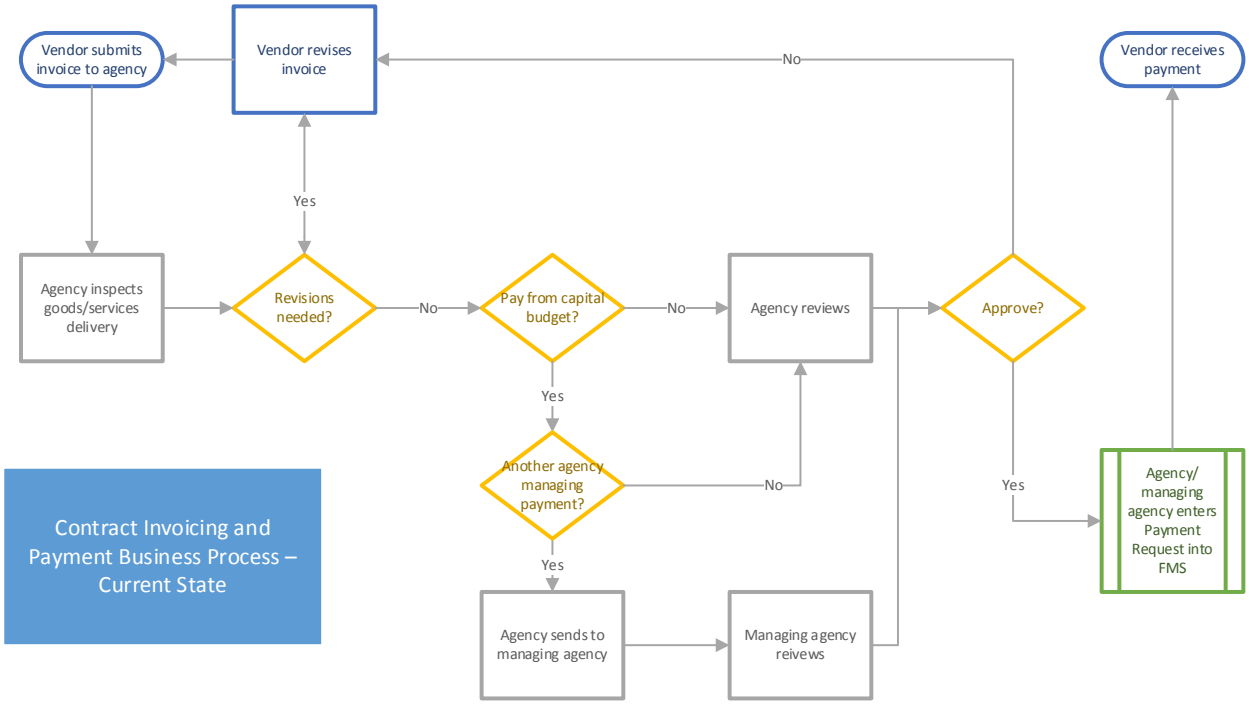
Currently, vendors do not have visibility into the review process between invoice submission and the time a payment request is entered into FMS. This means vendors have visibility approximately 5 days prior to the actual issuance of the disbursement. If the payment is subject to a hold, the vendor can see this in PIP as well once the payment request is in FMS.

However, there does not exist an automated confirmation of successful submission, nor a way for vendors to see pending and approved invoices. Vendors rely on agency personnel to provide updates upon request. As a result of these primarily manual, paper-based invoicing procedures, it can be difficult to enforce prompt payment standards.

3.0 Current State of Contract Invoicing

3.1 Business Process

Agencies establish internal protocols for invoice acceptance and review. However, the process generally follows a linear path for expense contracts: vendors submit invoices in paper for work performed or goods delivered. Agency staff inspects the delivery or work, then reviews and approves the invoice. Any necessary revisions to the invoice would be coordinated between the agency and the vendor during inspection and review. Agency staff enters payment information into FMS as a Payment Request. Multiple layers of review exist which may vary by agency. Payment is released by the Comptroller and an EFT or check is then issued to disburse payment to the vendor.



3.2 Health and Human Services (HHS) Accelerator System

Health and Human Services (HHS) agencies utilize the HHS Accelerator system to process procurements and contract management actions including invoicing. (*See* Attachment A, HHS Accelerator Invoices and Payments). While the above flowchart represents generally the business process for invoices processed through Accelerator, many of the steps are supported by the system and completed electronically.

However, at this point, only a portion of the City's contracts are processed through Accelerator as it was developed for client and community-based services contracts only; the following agencies utilize the system for such contracts. Of these agencies, those with mixed portfolios retain individual invoice and payment procedures for contracts that are not eligible for Accelerator[1]:

- Administration for Children's Services (ACS)
- Department for the Aging (DFTA)
- Department of Corrections (DOC)
- Department of Health and Mental Hygiene (DOHMH)
- Department of Homeless Services (DHS)
- Department of Probation (DOP)
- Department of Small Business Services (SBS)
- Department of Youth and Community Development (DYCD)
- Housing and Preservation Department (HPD)
- Human Resources Administration (HRA)
- Office of the Criminal Justice Coordinator (MOCJ)

3.3 Payee Information Portal (PIP)

The Payee Information Portal (PIP) is used by City vendors to complete some of the steps necessary to do business with the City:

- New vendors use PIP enroll as a City vendor by entering business information and receiving a vendor identification number.
- New and existing vendors use PIP to update their business profile information such as contacts, business type, and tax status.
- New and existing vendors enroll into bidder's lists by selecting the commodity codes related to the goods, services, or construction they provide.
- Existing vendors report their subcontractors in PIP for agency approval. Subcontractor payments are also recorded PIP by prime contractors.
- New subcontractors activate in PIP to create a business profile so that their prime contractor may select them when entering subcontract information.
- Existing vendors may view their active and historical contracts which have been accepted in FMS.
- The following additional information is available for payments that reference orders:
    - The breakdown from invoiced amount to the net payment amount (e.g., accounting for items such as retainage, discounts, etc.)
    - Agency entered payment request description

[1] HHS Accelerator procurements follow Section 3-16 of the PPB Rules.

- Referenced commodity information (commodity code, quantity / unit cost, service line amount)
- Invoice Received date (the date the invoice showed up at the agency)
- Invoice tracking Date(the date that the agency approved the goods services)
- Vendor's Invoice date (the vendor's supplied invoice date)
- Delivery From / To Periods (service dates for the goods / services)
- Scheduled payment date (the date that the payment is scheduled to become a disbursement),
- Reason for holds (if any)

At this time, no functionality exists within PIP for vendors to submit invoices electronically. Additionally, vendors have no standard way of accessing the real-time status for an invoice that is under review.

Subcontractors must have a PIP account to allow their prime contractors to report their contracts and payments to the agency. However, subcontractors do not interact with PIP at this time in any other way (e.g. to manage their contracts with the prime contractor, submit or view their invoices, etc.)

PIP Technical Specifications

The Payee Information Portal (PIP) is the application name given to New York City's implementation of CGI's Advantage Vendor Self Service (VSS) product Version 3.9.0.1. The VSS product is an off the shelf commercially available solution. The product is a 3 tiered web app running J2EE java. The installation is implemented on the following stack of products:

Technical Component	Description
Web Server Layer	Apache
Business / Application Code	CGI Advantage Vendor Self Service 3.9.0.1 (J2EE java / Versata Logic Server)
Application Server	IBM WebSphere Application Server 8.x
Database Server	Oracle 12
Operating System (for all layers)	AIX 7

The application is managed as a consumer off the shelf (COTS) product. Requested changes to the product need to be reviewed to determine the impact on maintenance / support. The City is currently targeting an upgrade from the 3.9.0.1 product to the 3.10.0.1 product later in calendar year 2015.

Interface Capabilities

PIP has limited interface capabilities out-of-the box. The technical platform on which the application resides provides infrastructure tools to support the creation of custom interfaces.

The PIP application is built as an accompaniment to the CGI Advantage Financial product. There are a substantial set of interfaces in the complete solution that transfer financial, vendor and reference data between the applications.

3.4 Financial Management System (FMS)

Contract, budget, payment, and vendor data are stored in the City's Financial Management System (FMS). FMS is used by City employees only and does not have a public facing portal for vendors.

An IT solution for electronic invoicing would need to interface with FMS.

FMS Technical Specifications

The Financial Management System (FMS) is the application name given to New York City's implementation of CGI's Advantage Financial product - Version 3.9.0.1. The Advantage Financial product is an off the shelf commercially available solution. The product is a 3 tiered web app running J2EE java. The installation is implemented on the following stack of products:

Technical Component	Description
Web Server Layer	Apache
Business / Application Code	CGI Advantage Financial 3.9.0.1 (J2EE java / Versata Logic Server)
Application Server	IBM WebSphere Application Server 8.x
Database Server	Oracle 12
Operating System (for all layers)	AIX 7

The application solution is managed as a COTS product. Requested changes to the product need to be reviewed to determine the impact on maintenance / support. The City is currently targeting an upgrade from the 3.9.0.1 product to the 3.10.0.1 product later in calendar year 2015.

Interface Capabilities

There are several models employed for interfacing with FMS.

In all cases, interfaces into FMS require the construction of a business transaction in a standard XML format. Examples of XML business transactions are: Payment Request document, Payment hold record, Purchase Order document. Interfaces (e.g., data extracts) from FMS are ascii format pipe-delimited ("|") data files. A standard set of data

extracts are published for agencies to use. Custom data extracts are constructed upon request – they also use an ascii format pipe-delimited ("|") data layout.

The majority of interfaces with FMS batch in nature and are processed on a nightly basis. Interfaces where the business requirements do not require real-time integration follow the model below:

Inbound batch interfaces:

- City agencies transmit data to FISA using FTP-S.
- External entities transmit data to FISA using FTP-S with pgp data encryption

Outbound batch interfaces:

- City agencies retrieve data from FISA using FTP-S.
- External entities retrieve data from FISA using FTP-S with pgp encryption.

System integrations that have real time (or near real time) business requirements utilize a message queue based solution. The sender deposits the message into the queue using the standard XML business transaction format. A set of conversational messages are used to notify the sender of message intake and business state changes.

The infrastructure on which the Advantage solution is installed provides the opportunity to utilize additional interface / integration approaches (e.g., web services, direct database access, etc.). These models are not currently employed in the FMS interface solutions.

4.0 Goals for Electronic Contract Invoicing

The Comptroller's priorities for an electronic invoicing solution include:

- Front-end access for vendors to electronically submit invoices;
- The ability for agencies to issue an order through the solution which is then converted to an invoice;
- The ability for vendors to see the status of submitted invoices through the intake and review process, in real-time if possible;
- Improved prompt payment performance through greater internal coordination from invoice intake to payment disbursement by tracking all approval actions and assigning tasks; and
- The ability to enforce and audit contract scope and pricing compliance through possible invoice validation.

5.0 Two Possible Approaches

The Comptroller's Office has identified two possible solutions for electronic invoice submission and processing, and is seeking information about the feasibility of both as well as alternative

solutions and strategies to achieve the above goals. Responses regarding business process changes are also welcome.

1) Enhancements to one or more existing City system
2) Creation of a web-based portal that integrates with the City's existing systems

The Comptroller's Office encourages innovative ideas and solutions outside of the above approaches that would allow the City to implement the desired changes quickly and in a cost effective manner.

6.0 General Points of Interest

Respondents are not required to provide responses to all of the below topics. Respondents are encouraged to respond with other considerations and approaches not covered herein that would achieve the Comptroller's priorities listed in Section 4.0.

6.1 Solution Framework

- Describe the overall solution including all possible functions as well as the technologies required for implementation.
- Describe hosting option for the solution (e.g. cloud, in-house managed, etc.)
- List the equipment (hardware and software) the proposed solution requires.
- Describe how the solution would support individual agency procedures such as varying layers of review, inspection and sign-off requirements, data retention requirements, etc.
- Describe how the solution would store and extract data from various file formats (e.g. Microsoft Word, Microsoft Excel, PDF).
- Describe similar solutions that have been implemented by other government entities, if any.
- Describe how the solution would handle data retention, including archiving and restoring historical data.

6.2 Accessibility

- Describe the access requirements for various users of the proposed solution, including, but not limited to, City agencies, vendors, and the Comptroller's Office.
- Describe backup and recovery for the proposed solution.
- Describe how the solution would handle remote access from outside City firewalls.
- Describe the scalability of the proposed solution, including scenarios for which implementation would be phased by agency or by contract funding type (expense, capital funding).

6.3 Submission

- Describe how vendors would use the solution to electronically submit invoices and backup documentation.
- The ability to specify order number, commodity line, accounting line (and/or funding line) would simplify the transition from invoice submission to payment request. Describe how the solution would handle this concept.
- Describe how attachments would be handled.
- Describe how signatures and electronic signatures would be handled and validated.
- Describe what unique identifiers can be assigned to an invoice submission.

6.4 Status Alerts

- Describe the solution's capacity to generate e-mail alerts for vendors at various milestones such as successful invoice submission, invoice approval, and payment request entered.
- Describe the solution's capacity to allow vendors to customize how and when alerts are generated and transmitted.
- Describe the solution's capacity to allow vendors to view real time status updates.

6.7 Invoice Review

- Describe how the solution would handle communication between agency staff and vendors during the review process, including when additional documentation is requested.
- Describe how the solution would handle situations in which invoices are submitted to one agency and approved and paid by another.
- Describe how the solution would support bundling multiple invoices into one payment after approval and how the solution would differentiate between contracts and invoices covered by a single payment.
- Describe how the solution would support contract compliance by tying invoiced items to contract agreements.
- Contract lines may be closed out when the line amount is fully paid or left open if the line is partially paid. Describe how the solution would support contract line management during the process from invoice receipt to payment request entry.
- Describe how the solution would handle and track invoices and payment when partial invoice payment is approved (e.g. when certain invoiced items are approved but others remain under review).

6.8 Interfaces with Other City Systems

- Describe how the solution integrates with financial management or accounts payables, or other vendor portal applications.
- Describe the level of effort, including cost, of building interfaces to other City systems.

6.9 Security

- Describe how the solution would secure and protect City and vendor data.

6.10 Reporting

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

6.11 Cost

- Describe the cost associated with each of the solutions proposed in response to the above topics.
- Describe options where cost savings may be achieved by omitting or revising one or more of the above desired functions.

6.12 Possible Future Integration

A long term possibility for the City is an end-to-end procurement solution that supports Citywide procurement from agency planning stages through solicitation, award, and contract management and payment. Such a solution would integrate with or replace one or more of the existing systems in use by various City agencies. For each proposed solution, explain how it integrates with industry standard procure-to-payment solutions.

7.0 Instructions for Respondents to RFI

Submissions should be submitted electronically to RFI@comptroller.nyc.gov no later than January 16, 2015.

Respondents to this RFI may be invited to engage with the Comptroller's project team and may be asked for additional information about and/or demonstrations of their services and solutions. At this time, the Comptroller's interest is to collect information about the current state of technology and solutions available to meet the project goals described in this RFI.