

**Request for Information / Expression of Interest**

**FHG Purchase to Pay System**

**April 2021**

Introduction

This request for information is issued in order that Futures Housing Association can produce an appropriate specification of requirements for its Invitation to Tender due to be published in May/June 2021. To better understand the marketplace and potential solutions, we are asking suppliers to forward information, solutions, and specifications as they see fit to meet this demand.

Futures Housing Group is a housing association based in the midlands and owns over 10,000 homes. Since December 2019 we have been reviewing our processes around how we make and manage purchases as part of a “Finance Transformation”. The transformation highlighted limitations with our current ordering processes which create waste in the system, time for the Finance Team and delays on invoices being paid to suppliers. Many users found the current system difficult to understand and use, leading to errors in raising and processing orders. 11% of demand into the finance team is to ask for support on using the systemadding additional workloads for the finance team.

There is no easy way for team members or suppliers to have end-to-end visibility of orders. The most common demand on the Finance Team was *“when will my invoice be paid?”*

Whilst our system can auto match invoices to open PO’s, it was identified that the success of this is low as a result of users not having correctly GRN’d goods or as the invoice amount is outside of the allowed 10% tolerance. This leads to manual processes in the finance team to correct the error, or chase users to GRN before the system can continue the process. This equates to up to almost 2hrs work for a finance assistant per day (depending on volume of invoices).

To date, the Transformation has recommended changes to the approval process, schedule of authorities and reducing the number of cost codes and expense codes, whilst these changes are small, they will marginally improve the process for ordering goods, however without changing our technology the changes we are able to make and thus benefits we can realise, are minimal.

The conclusion of this review is that our current Purchase to Pay (P2P) system no longer meets our requirements.

The purpose of this document is to outline our requirements of a replacement system.

We are not looking to replace our finance system (Advanced Open Accounts) and we also have an existing scanning system which we plan to continue to make use of.

Suppliers are invited to show how they can meet our requirements

Scope

The scope of the new system is to replace as much as possible our current Purchase to Pay system, which currently facilitates raising purchase orders, authorising transactions, goods receipt varying orders. It is also utilised to process invoices received where there has been no order raised (e.g. from utility companies for properties we own), Sundry payments, setting up new suppliers and raising debtors’ invoices.

It is highly desirable that any new system can facilitate each of these transaction types, however we will make clear the processes which are either desirable or essential in our scope.

We currently have x active users of our current system, though as our business grows, we anticipate that this number will grow, we’re looking for a system which can grow with us.

As previously mentioned, our current finance system Open Accounts is not part of the scope of this change.

We’re currently implementing a new scanning and EDRM system into the organisation and our anticipation is that this system will be responsible for receiving and scanning incoming invoices as such, any new system must be able to integrate with this system.

The length of contract will be no less than three years following successful implementation.

Specification

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| Specification | Details | Desirability |
| Raising Creditor orders | * Easy to use front end system available to X team members * Integration to creditors ledger based in Open Accounts to select active suppliers * Ability to workflow approvals picking up information from Open Accounts system * Ability to vary workflow based on specific criteria (e.g. to cater for out of office) * Easy traceability of transactions by team members, to enable them to have full end to end visibility of transaction * Supplier portal enabling suppliers to receive, track and vary orders | Essential  Essential  Essential  Desirable  Essential  Desirable |
| Receiving invoices | * Ability for suppliers to submit invoice directly via portal * Integration with PSI Capture scanning system * Ability to receive invoice information at line level * Automated processes to process invoices which don’t match original order | Desirable  Essential  Essential  Essential |
| New Suppliers | * Enables team members to request new suppliers created * Ability for suppliers to interact directly with the new supplier process to submit required documentation and evidence * Varying process depending on estimated contract spend | Essential  Essential  Essential |
| Non PO invoices | * Ability to process invoices which do not have a PO (we have a list of known such instances) | Essential |
| Sundry Payments | * Ability for team members to raise Sundry payments to facilitate ad-hoc payments * Ability to vary payment method (BACS or Faster payment) depending on transaction type | Desirable  Desirable |
| Debtors Invoicing | * Ability to raise a debtors invoice for services provided | Essential |

Training/skills transfer

The supplier should specify how they intend to facilitate the training requirements for:

* Finance team in day to day use of the system, it’s ongoing development and maintenance
* ICT Ongoing support of the system and it’s maintenance
* Team members on how to use the system to ensure it’s full potential is realised

Implementation

Suppliers should demonstrate their implementation timescales based on this. Suppliers should identify the resource required by FHG to support the implementation, as well as the resource allocated to the project by them.