



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement
DCM: David Gaines
DATE: August 16, 2022

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a first amendment to a Professional Services Agreement between the City of Denton and Grant Thornton LLP, amending the contract approved by the City Council on December 7, 2021, in the not-to-exceed amount of \$116,335.00; said first amendment to provide project management services for accounts payable automation and vendor management consulting services for the Finance Department; providing for the expenditure of funds therefor; and providing an effective date (File 7831 – providing for an additional first amendment expenditure amount not-to-exceed \$94,000.00, with the total contract amount not-to-exceed \$210,335.00).

INFORMATION/BACKGROUND

The City of Denton desires to implement a fully automated software, that will be utilized by the Finance, Procurement and Compliance Departments for vendor management and payment processing which will include at a minimum vendor onboarding, tracking certificates of insurance, processing check requisitions, deposit refund request, retainage, travel advances, expense reimbursement, vendor reminders, document storage, and reporting capabilities. Currently, both the Finance and Procurement Departments utilize several systems to process payments and manage vendors. This process creates several obstacles across departments such as the successful implementation of an invoice numbering process which helps eliminate the possibility of duplicate payments and maintaining an active list of vendors and up-to-date insurance information.

During 2021, Procurement and Finance advertised a solicitation for consultation services for vendor management and payment processing which did not receive any bid responses. After the solicitation closed, the department conducted additional research and located a cooperative agreement with Grant Thornton for the needed consulting services. Grant Thornton has in-depth experience with the City's current version of JD Edwards in which they assisted with the last two successful system upgrades.

Phase one of two identifying operational needs and system requirements for a software solicitation was awarded to Grant Thornton and approved by Council on December 7, 2021. The proposed first amendment is for phase two of two, which will focus on project management.

Phase 2 – \$94,000.00

- Integration
- Training
- Post live support

Phase 2 Proposed Services	Estimated Expense
Project Manager	49,400
Financial System Configurable Network Computing	18,200
Developer	26,400
Total:	\$94,000.00

The main goal of automating the accounts payable and vendor management process is to improve payment efficiencies and controls across departments. The system will need to integrate into the City's current financial reporting software (JDE).

The automated accounts payable system will allow for a standardized platform for departments to submit a payment request. Methods will include electronic submittal forms, which can easily be submitted to the Finance Department for processing. The key goal of the system will be to centralize all requests to one user-friendly platform. The system will integrate with the existing financial system and be responsible for sending notifications of new requests to the requesting department. At a minimum, the selected system will need to process 8,000 checks, 1,500 refunds, and 3,000 ACH payments annually.

The vendor management system will allow for a standardized platform for new vendor onboarding, existing vendor changes, and vendor tracking of all necessary requirements to conduct business with the City including conflict of interest questionnaires, IRS taxpayer identification documentation, certificates of insurance, and electronic payment information. Methods will include electronic portal submission which will be directly submitted to the Procurement and Compliance Department for processing. The key goal of the system will be to centralize all requests to one user-friendly platform in which the vendor has access to update information as necessary and make changes when applicable. The system will integrate with the existing financial system and be responsible for sending notifications of new requests to the requesting department.

Pricing obtained through the Department of Information Resources (DIR) Cooperative Purchasing Network has been competitively bid and meets the statutory requirements of Texas Local Government Code 271.102.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On January 28, 2020, Council approved the interlocal agreement with the Department of Information Resources Purchasing Network (Ordinance 20-196).

On December 7, 2021, City Council approved a contract with Grant Thornton LLP, in the not-to-exceed amount of \$116,335 (Ordinance 21-2509).

RECOMMENDATION

Award Amendment No. 1 with Grant Thornton LLP, to provide project management services for accounts payable automation and vendor management consulting services for the Finance Department, in a not-to-exceed amount of \$94,000, for a total amended contract amount of \$210,335.

PRINCIPAL PLACE OF BUSINESS

Grant Thornton LLP
Austin, TX

ESTIMATED SCHEDULE OF PROJECT

This project will be started upon approval with a completion date by December 31, 2022.

FISCAL INFORMATION

These services will be funded from Accounts Payable & Vendor Management Software account 840127744. Purchase Order #198849 will be revised to include the second amendment amount of \$94,000. The total amount of this contract is \$94,000.

EXHIBITS

Exhibit 1: Agenda Information Sheet

Exhibit 2: Original Ordinance and Contract

Exhibit 3: Ordinance and Amendment 1

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Vis Bouaphanthavong, 940-349-7743.

Legal point of contact: Marcella Lunn at 940-349-8333.