



## STAFF REPORT

TO: Mayor Fischer and Members of City Council

FROM: Sam Magureanu, Finance Director  
Heidi Heller, City Clerk/HR Manager

DATE: January 11, 2023

RE: Accounts Payable Workflow Solution Contract with OPG-3 and 2023 Capital Improvement Plan Amendment

### **BACKGROUND:**

As part of the 2022 City strategic planning to create operational efficiency, City staff identified the Accounts Payable Workflow Solution as one of the technology updates needed to enhance and streamline the current operational process as it relates to processing disbursements and the ability to store and track documents electronically in Laserfiche.

### **FISCAL IMPACT:**

The initial estimated cost was around \$21,000. Staff budgeted \$10,000 to be spent from the General Capital Improvement fund 400 as part of the 2023 CIP, plus the use of a non-cash credit of \$11,000 held with contractor (OPG-3) from a previous project. The final cost received from contractor (OPG3) on December 2<sup>nd</sup>, 2022 is \$27,750. The additional \$6,750 is recommended to be financed by the General Capital Improvements fund 400. The impact to the General Capital Improvement fund will be minimal when considering the 2023 budgeted expenditures, approximately 2.6 million dollars in budgeted capital expenditures in the fund. City staff will continue to closely monitor this fund since most likely additional funding sources will need to be identified to fund all of the projects planned in the 2023-2032 CIP.

The project is a one-time cost, and the only on-going annual expenditures relate to additional Laserfiche licenses for departments heads, estimated at less than \$1,000.

### **REQUESTED ACTION:**

Approve the contract with OPG-3 in the amount of \$27,750 for the implementation of the Accounts Payable Workflow Solution and approve an amendment to the Capital Improvement Plan for the AP Workflow Solution from \$10,000 to \$16,750.

### **ATTACHMENTS:**

- 1) OPG-3 Scope of Work



## Statement of Work

### *AP Automation*

For: City of Little Canada

December 2, 2022

**Laserfiche<sup>®</sup>**  
**Run Smarter<sup>®</sup>**

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# Statement of Work Approval

By signing this document, City of Little Canada agrees that the proposed approach detailed in the following document satisfactorily addresses all items in scope for the project.

City of Little Canada:

<b>Signature</b>	
<b>Name</b>	
<b>Title</b>	
<b>Date</b>	

OPG-3:

<b>Signature</b>	
<b>Name</b>	
<b>Title</b>	
<b>Date</b>	

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## Statement of Work – AP Automation

This Statement of Work (“SOW”) defines the professional services (“Services”) that OPG-3 will provide for the City of Little Canada (City of Little Canada) in conjunction with the AP Automation (“Project”). This SOW will be a part of a Professional Services Agreement between OPG-3 and City of Little Canada

### Project Scope and Objective

City of Little Canada would like to streamline their accounts payable process by implementing an automated process using the templated AP Automation solution framework developed by OPG-3. Using a templated framework constrains the overall scope of the project to keep costs lower and speed implementation while allowing the system to be tailored to City of Little Canada’s needs. Based on discovery and analysis of the existing process, the proposed solution will include the core solution and additional modules as needed. The core components of the solution include:

- Automatic import of invoices from centralized mailbox and association with vendor through lookup to finance application
- Automatic import of Purchase Orders and lookup to finance application to retrieve metadata including vendor, PO details and status
- Invoice verification process where header data is confirmed/entered through a dynamic form and PO is associated and business rules (such as unique Invoice # by vendor) are applied
- Invoice coding process using a dynamic form with lookup and visual verification from finance application and business rules (such as restricting GL accounts by department, line items totals matching invoice totals, application of tax, etc.) are applied
- Invoice posting process through which the system generates a formatted .CSV file for import into finance application to create records for all invoices approved through the process
- Automated process to lookup payment information from finance application to apply to invoices and move them to their final location where retention is applied, and they’re linked to other purchasing documents

Additional modules include: City of Little Canada

#### *Purchase Order creation and approval*

- Laserfiche Forms based process to create purchase orders and submit for approval
- Review and approval process for Purchase Orders based on City of Little Canada’s business rules
- Management of Purchase Orders through the AP process including closing POs, keeping POs open (blanket PO) and paying POs short as necessary
- Linking PO to Invoice in Laserfiche repository

#### *Receipt capture and linking*

- Use of dynamic fields to quickly capture receipts and associate with vendor
- Ability to link receipts to invoices during the *Invoice Verification* step of the process
- Linking of receipts to invoices to provide 3-way matching

### *Departmental Approval*

- Sub -process added to get necessary approval to pay invoices before they're approved for posting
- Can require initial coding and attachment of receipts or confirmation of receipt of goods at departmental level

A detailed process outline has been attached to this SOW that specifies which components of the templated framework are included in scope.

### Change Management Process

It may become necessary to amend this SOW for reasons including, but not limited to, the following:

- Changes to the project schedule, scope or budget
- Changes in priorities (external or internal to the project) that impact the project
- Environmental or architectural impediments not previously identified
- Lack of access to personnel, facilities, or systems necessary to complete project as scoped

In the event that it is necessary to change this SOW, the following process will be followed:

A Project Scope Change Request (PSCR) will be used to communicate change. The PSCR must describe the change, the reasons for the change, and the effect the change will have on the project, which may include scheduling changes, pricing, etc. A PSCR will be initiated by OPG-3 but must be executed by both parties to make it effective and binding on the parties.

### Parking Projects

Once a project is started, if work is halted for two consecutive weeks ("Dead Weeks") due to circumstances beyond our control (like users are unavailable for testing), the project may be parked so resources can be allocated to other projects. Once the impediment is removed, the project will be re-activated as soon as resources are available. If a project is parked for an extended period, there may be additional cost associated with the time required to get resources back up to speed.

## Identified Phases

The following Phases (major project areas) are included in the services. Phases will run in parallel where possible. **Estimated project timeline is 10 weeks based on the following:**

Phase	Number of Weekly Sprints
0. Project Setup, Kickoff and Prerequisites	1
1. Requirements, Design and Prototype	2
2. System Development	2
3. User Acceptance Testing	3
4. Push to Production	1
5. Knowledge Transfer and Transition to Support	1
<b>Total</b>	<b>10</b>

When a SOW is executed, the corresponding project is marked “Active” and assigned to a Project Owner (within one Sprint) to begin the process of clearing known prerequisites identified as required to complete Phase 0 – Project Setup, Kickoff and Prerequisites. Once all prerequisites have been cleared, the project will be moved to the “On Deck” queue and marked as ready to start.

Projects in the “On Deck” queue are assigned to an Engineer to begin work every week on a “first in, first out” basis according to team capacity. In practice, this is typically 1-2 Sprints. Once an engineer has been assigned, the Project Owner will schedule a Project Kickoff Meeting to review:

- Project scope and objectives
- Project team members and relationships
- Project phases, timeline and deliverables
- Next steps and any potential impediments

Throughout the time frame between SOW execution and Project Kickoff, you should expect weekly communication from the Project Owner so you have a clear understanding of the status of your project and a primary point of contact for any questions you may have.

## Phase 0 – Project Setup, Kickoff and Prerequisites

Projects are completed most efficiently when core dependencies are identified early and cleared as Project Prerequisites. During the Project Setup process a list of prerequisites that could impede the project will be developed. A portion of the Project Kickoff meeting will be focused on discussing the prerequisites, identifying the resource(s) responsible for completing them and determining target dates for resolution.

### **Core Activities Include:**

- Project onboarded to Salesforce and Team sites as dictated by scope and complexity
- List of prerequisites developed and vetted by the Project Owner
- Project Kickoff presentation created, and meeting scheduled

### **Known Prerequisites:**

- Confirm remote access (VPN preferred)
- Read-only ODBC connection to finance application
- Import template for formatted .CSV file (invoice posting)
- Approval matrix
- Laserfiche Import Agent with email archive component installed and configured
  - AP mailbox created
  - Requisite forwarding rules configured

### **Deliverables:**

- Project Kickoff meeting
- Project prerequisites completed



## Phase 1 – Requirements Gathering, Design and Prototype

Because most Laserfiche solutions involve changes to the way an organization works, it's not possible to make final decisions regarding requirements and design without context and understanding of the user experience. OPG-3 will rapidly prototype the user interface and solicit feedback through weekly Sprint Demos and use that feedback to finalized design and requirements.

### **Core Activities Include:**

- Develop and present solution prototypes to get user feedback on foundational design considerations.
- Create requirements backlog and plan implementation. The backlog (functional requirements) will define initial acceptance criteria for project deliverables.

### **Deliverables:**

- Prototype solution
- Finalized project requirements (accepted by City of Little Canada)
- Initial project schedule (accepted by City of Little Canada).

### **Assumptions Driving Effort:**

- Initial project requirements are limited to phases currently in scope.
- The requirements and deliverable acceptance criteria may need to be adjusted based on continued requirements gathering throughout the project. Both City of Little Canada and OPG-3 must approve in writing, which may be an email communication between the parties, any changes to acceptance criteria that would represent a material change to either the solution or its required effort.

## Phase 2 – System Development

Once project requirements and design have been finalized, OPG-3 will complete the back-end development to make the solution ready for User Acceptance Testing.

### **Core Activities Include:**

- Develop solution in test (or production) environment
- Weekly solution demonstrations and walkthroughs with City of Little Canada project team (PM, SMEs and users as appropriate) to show progress and solicit feedback
- Develop test scripts to be utilized in Phase 3 – User Acceptance Testing

### **Requirements:**

- Laserfiche software deployed in Production, Test, and Development environments.
- User account for assigned OPG-3 engineer that includes:
  - Access to the Dev server
  - Access to Laserfiche
- Contact information for an City of Little Canada resource to set up database connections with other accounts as needed

### **Deliverables:**

- System deployed in test (or production) environment, ready for User Acceptance Testing.
- Test scripts to be utilized in Phase 3 – User Acceptance Testing

### **Assumptions Driving Effort:**

- OPG-3 project team members receive access to all necessary City of Little Canada resources by the scheduled implementation start time in the project plan.
- City of Little Canada personnel will be available to provide any assistance OPG-3 may need in the City of Little Canada environment.
- City of Little Canada personnel attending solution demonstrations and walkthroughs are empowered to provide feedback that will affect overall design.

## Phase 3 – User Acceptance Testing

### **Core Activities Include:**

- Work with City of Little Canada to identify end users that will participate in UAT
- Testing by OPG-3 and City of Little Canada end-users (onsite if possible) using the test scripts developed in Phase 3
- Weekly check-in calls to review testing and discuss issues/deficiencies that have been identified
- Remediate any issues discovered during UAT until acceptance criteria are satisfied

### **Deliverables:**

- Facilitated UAT session(s) run by OPG-3 to teach users how to perform UAT
- Weekly check-in calls to review testing and discuss issues/deficiencies that have been identified
- Acceptance of solution by City of Little Canada team as ready for promotion to production

### **Assumptions Driving Effort:**

- City of Little Canada personnel will be available for UAT per a mutually agreed-upon schedule.

## Phase 4 – Promotion to Production

The OPG-3 project team will assist City of Little Canada in promoting the solution from Test to Production. If City of Little Canada prefers, and provides access, the OPG-3 project team can take the lead with City of Little Canada personnel assisting.

### **Core Activities Include:**

- Work with City of Little Canada to develop promotion plan.
- Delete testing data from environment system was developed in
- Migrate processes as needed
- Configure/enable email notifications
- Change test users to production users
- Functional testing of individual components, testing of solution using Test Scripts.

### **Deliverables:**

- Laserfiche solution deployed in production and ready for end users.
- Two weeks of Stabilization support after Promotion to Production.

### **Assumptions Driving Effort:**

- The OPG-3 project team will continue to support the solution for two weeks after Promotion to Production while transferring support responsibilities to the OPG-3 Support Team.

## Phase 5 – Training, Knowledge Transfer and Transition to Support

Once the solution has been promoted to production and is ready for use, OPG-3 will provide training for users and administrators.

### **Core activities include:**

- Conduct user and administrator training
- Knowledge Transfer sessions with OPG-3 Support on solution for post-project support.
- Finalize user and admin guides (documentation)

### **Deliverables:**

- User and Administrative training
- User and admin guides

### **Assumptions Driving Effort:**

- City of Little Canada will work with OPG-3 to help develop appropriate training materials for end-users
- City of Little Canada will coordinate attendance of City of Little Canada personnel for training sessions
- Training will occur throughout this project as the OPG-3 and City of Little Canada teams work alongside each other
- OPG-3 may deliver a final update to the System documentation prior to project closeout if such an update is necessary. This potential final System documentation update is not a deliverable of this Phase

## City of Little Canada Responsibilities

The following are City of Little Canada's responsibilities for the Services.

- 1.** City of Little Canada will make available, and provide access to (e.g., within two to three business days), necessary personnel to ensure project success, including:
  - a.** A designated project manager to help schedule meetings, facilitate project governance, coordinate document requests, and other tasks.
  - b.** IT personnel such as system administrators, database administrators, or help desk.
  - c.** Subject matter experts to provide information on City of Little Canada's business processes.
  - d.** Personnel to execute the test scripts and document results for User Acceptance Testing ("UAT"). Personnel will be made available per the project schedule and plan.
- 2.** City of Little Canada will work with OPG-3 to provide any necessary technical resources and support. This includes:
  - a.** Providing requested documentation and acceptance of key deliverables within two to three business days. If City of Little Canada does not respond in writing to OPG-3's request for acceptance within three business days of OPG-3's request, or City of Little Canada's refusal of such approval within the three-day period is not reasonable, City of Little Canada will be deemed to have accepted.
  - b.** Providing any access to the City of Little Canada environment that the OPG-3 team will need to develop the solution.
- 3.** City of Little Canada will be responsible for providing all hardware and licensing all software components necessary for completing Services. This includes:
  - a.** Windows Server 2012R2 (or higher) and SQL Server Standard/Enterprise 2012 (or higher) licenses.
  - b.** SSL certificates for all servers that require them.
  - c.** Licenses for all software and systems on the City of Little Canada network with which the Laserfiche system will integrate.

## OPG-3 Responsibilities

The following are OPG's responsibilities for the Services.

1. OPG-3 will make available, and provide access to (e.g., within two to three business days), necessary personnel to ensure project success, including:
  - a. A designated project owner to help schedule meetings, facilitate project governance, coordinate document requests, provide status updates and other tasks.
  - b. Experienced OPG-3 engineering personnel.
  - c. Personnel to perform preliminary testing during development and prior to UAT. Personnel will be made available per the project schedule and plan.
2. OPG-3 will work with City of Little Canada to provide any necessary technical resources and support. This includes escalating any issues to Laserfiche Support and Laserfiche Development as necessary.

## Project Assumptions

1. The scope of the engagement will include the Services described in this SOW. Any additional scope requests will be provided in a separate SOW or PSCR.
  - a. The Services will focus exclusively on Laserfiche and Laserfiche-related products to support the system and solution, except where explicitly noted in this SOW.
2. If after OPG-3's request for acceptance on project closeout, City of Little Canada does not respond in writing within three business days, or City of Little Canada's refusal of such approval in the three-day period is not reasonable, City of Little Canada will be deemed to have accepted.

## Professional Services Pricing

The proposed solution is offered at a fixed cost based on the components chosen. This SOW is valid for 90 days and will expire on 3/1/2023.

Solution Component	Cost
AP Automation Framework	\$22,200
Department Level Approval	\$5,550
Total	\$27,750

## Payment Plan

All Services will be performed in accordance with this mutually accepted SOW. To provide initial funding for the project an initial payment of 100% of the cost of the SOW will be billed upon execution of the document.

Invoices are due upon receipt. If the customer disputes any portion of an invoice, the customer will pay the undisputed portion when due.

In the event the project is impeded for a period of more than two weeks due to customer delays, OPG-3 will move the project to a parked status. Work will continue once the customer has notified OPG-3 that they are ready to resume work and the project has been onboarded during OPG-3's weekly (Thursday's) backlog grooming meeting.

Changes to project scope or effort required to complete specific work items due to unforeseen complications or issues outside of OPG-3's control will go through the Change Management Process and will be approved by both parties.