



Glasgow City Council Electronic Trading Supplier Guide v4.0



Table of Contents

1. Introduction	3
2. Purchase to Pay Process.....	4
3. eProcurement Readiness	5
4. Advanced Connectivity Options.....	5
5. Supplier Portal - Account Management.....	6
6. Costs.....	7
7. Steps for Implementation	7
8. Setting you up on our systems	8

1. Introduction

Purpose of this document

The purpose of this guide is to outline Glasgow City Council's vision of electronic trading, to explain the process and to provide the information your company needs to enable it to trade electronically with Glasgow City Council.

Although this document has a technical focus it is equally important to consider and understand the entire potential impact of the implementation of electronic trading on your organisation. By addressing this comprehensively and understanding any amendments or adjustments required to existing operational processes there is an increased chance of successful implementation and future working.

Background

As part of its efficiency initiative, the council has invested in eProcurement technology covering the purchase to pay process; ordering, receipting and invoicing. This was originally based on the PECOS online ordering system developed by the Scottish Government which the council implemented in 2006; however, Glasgow City Council has developed a number of additional processes covering the whole Purchase to Pay life cycle.

Recently, as part of this ongoing initiative the Twice as Much by 2013 project was formed to develop new technology and make it easier for suppliers to transact with the council electronically. This project is due for completion in 2013 at which point the council expects to be receiving greater than 85% of all transactions electronically. All future suppliers will be added through this standard contract process thereafter.

*****Please note that should you become an awarded supplier; all the information provided in this guide is valid and essential to your company trading with Glasgow City Council*****

2. Purchase to Pay Process

eProcurement enables orders and invoices to be transferred back and forth via the Internet rather than by traditional paper based methods. Glasgow City Council has already seen significant savings in transaction costs, as have a number of key suppliers.

SUPPLIER BENEFITS	GCC BENEFITS
<ul style="list-style-type: none"> • No telesales • Reduce back office cost • No paper invoices / Postage costs • Contract compliance • Accurate pricing • Structured ordering patterns • Less credit control • Access to account 24/7 	<ul style="list-style-type: none"> • Reduced transaction costs • Financial commitment at the ordering stage • 100% contract compliance • Partnership working with supplier base

To deliver shared benefits, the council contract with suppliers who are willing to integrate with the Council's eProcurement systems.

Glasgow City Council will have decided how they would like to submit purchase orders and receive invoices from you and all the information you require will be included in this Supplier Guide.

These decisions are made in conjunction with the council departments that will be affected by this new contract coming into place and they are based on the following factors;

- Type of commodity being bought – Goods/Services/Works
- Volume of orders the contract will generate
- Volume of invoices the contract will generate
- Functionality available

If you have had business with Glasgow City Council in the past then the above may mean changes for your organisation but these changes should result in the same efficiencies for you as it does for us.

GCC's overall aim was to make it possible for all suppliers to integrate with us electronically for minimal set up or ongoing costs regardless of the size of your organisation or current capabilities. At the lowest level of interaction, only a PC and Internet connection are required. This can even be done from a home office. For a more integrated set up we accept industry standard connectivity and data types which should suit larger organisations with more advanced technical capabilities.

An implementation plan will be agreed at award of contract and whichever option is agreed the council will work with individual suppliers to evaluate the most effective solution. By utilising one of our more advanced EDI options you may be able to 'reuse' parts of your set-up, reducing the cost of servicing other local authorities whilst achieving additional efficiencies.

3. eProcurement Readiness

eProcurement has been established between the Public Sector and the market place for some time now. Despite this the council recognises suppliers will be in varying states of eProcurement readiness some may already be providing sophisticated solutions to their customers across a number of marketplaces, others may not yet have started on this journey. Whatever the current position, the council will work with suppliers to help them implement the changes required to progress with eProcurement and assist the selection of the appropriate level of interaction.

Within the general section of the technical response area in our eTendering System, bravoSolution we ask some eProcurement questions which you are required to complete. Although it is not a prerequisite at this stage for potential suppliers to have previous experience of eProcurement, the council is interested in understanding suppliers' current capability in order to assist planning, post contract award.

Note: the council will not discriminate against suppliers if all their employees object to using the Internet for religious reasons. Please speak to us to determine what alternative arrangements can be used to be able to trade with you.

4. Advanced Connectivity Options

As previously stated, Glasgow City Council expects to transmit electronic orders and receive electronic invoices back from suppliers issuing 5 or more invoices per annum.

There are a variety of options for electronic integration of suppliers to GCC ranging from simple email for Purchase Orders and self posting of Electronic Invoices to cXML Purchase order then through to Lodged Purchasing Cards.

The maturity of suppliers' infrastructure, back-office systems, volumes and frequency of GCC interactions (i.e. number of orders) and how orders are placed will determine which option will be chosen during Supplier Adoption.

It is recognised that most GCC suppliers will have various levels of technical capability. For this reason, Glasgow City Council can provide various options to enable suppliers to easily tap into electronic connectivity and trading.

Lodged Purchasing Cards (P-Card)

Purchasing Cards (P-Cards) are a type of company credit card issued to our suppliers and used as a replacement for paper invoicing. Purchases made through Glasgow Family ordering systems are charged to the Card by the supplier after goods have been dispatched and suppliers are paid within 4 working days. GCC require all P-Card suppliers to be signed up to level 3 capability, which provides full line item and VAT detail against the Purchase Order as required when issuing paper invoices.

Supplier Portal – Minimum Mandatory Requirement

The Supplier Portal is an online application provided by GCC to enable the following:

- View purchase orders
- Submit electronic invoices and credits
- Account Management Functionality (see section 5)

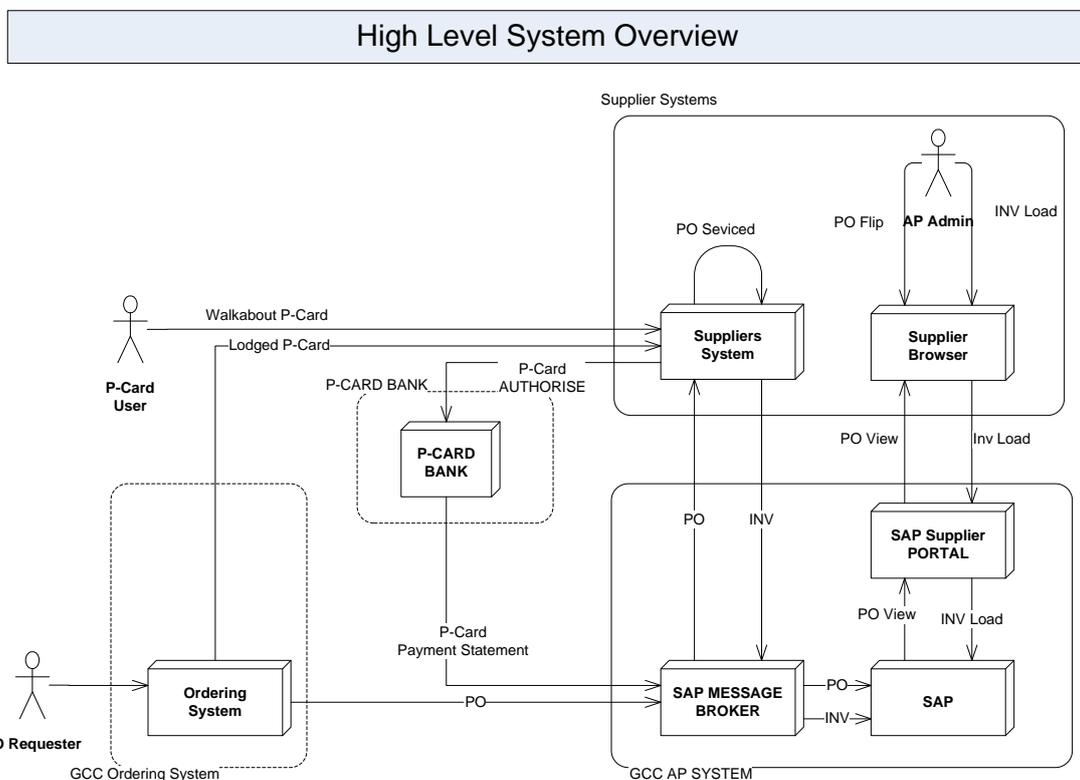
This is the most basic connectivity type and only requires internet access and a PC to use. This is minimum connectivity we require from all suppliers who submit 5 invoices or more on an annual basis.

EDI Message Broker

For those suppliers who prefer to transact electronically by developing Electronic Data Interchange transmission linking GCC purchasing systems to their back office and distribution system. All of which is managed through GCC's bespoke message broker service. All suppliers using Message Broker are also required to sign up for Supplier Portal for Account Management functionality (see section 5 below).

GCC System Overview

All of the electronic invoicing options listed above interface with GCC's purchasing and financial systems. This is displayed in the diagram below:



5. Supplier Portal - Account Management

All suppliers other than those utilising P-Cards MUST use the 'Supplier Portal' to manage their account with GCC online regardless of the volume of invoices you submit. You can:

- View the payment status of your invoices
- Communicate with Glasgow City Council
- Submit supporting documentation e.g. proof of delivery, copy invoices
- Download remittance advice
- Communicate with the Council regarding invoices
- View master data held for you and request changes
- Run reports

6. Costs

Electronic Invoicing Solution	Cost per Annum	Set-up Costs
Lodged Purchasing Card	RBS Costs - up to 2.25% per transaction - supplier can negotiate with RBS	Software solution cost, maintenance costs etc - these costs are agreed between RBS and the supplier.
Supplier Portal – Full Functionality & Supplier Portal – Account Management Only	Year 1 = £45 for 2012. This is the current annual licence fee determined by SAP. Year 2 onwards (maintenance fee) = 22% of the current annual license fee. (The licence fee will be subject to change on an annual basis). GCC will charge the supplier the above costs through Direct Debit.	None
EDI with Supplier Portal(account management): Options <ul style="list-style-type: none"> • FTP with CSV • FTP with cXML • Http with CSV • Http with cXML • Web Services with cXML 	Year 1 = £45 for 2012. This is the current annual licence fee determined by SAP. Year 2 onwards (maintenance fee) = 22% of the current annual license fee. (The licence fee will be subject to change on an annual basis). GCC will charge the supplier the above costs through Direct Debit.	Please note that GCC provides options that require minimal development. However, should you choose an EDI option out with the GCC standard options you will be responsible for any related development costs.

7. Steps for Implementation

Should you be successful in the tender process the following will apply:

1. Choose a connectivity method:
 - a) Lodged Purchasing Card
 - b) Supplier Portal
 - c) EDI Message Broker
2. Complete further paperwork if required e.g. Advanced Technical Questionnaire and sign up.
3. Following 'sign up' you will be directed through the commissioning phase to ensure that the technology and operational processes are in place ready for 'go live'?
4. After successful completion of the commissioning period you will be notified when you can 'go live'

Implementation should be in place for the date specified in [section 4.11](#) in the tender documentation. GCC and the Supplier should have the resources in place to enable this to happen.

8. Setting you up on our systems

Should you be successful in this tender process we will ask you to complete our 'Supplier Header Template' with your business details. The details included on this template will be used to:

- Create an account for you in GCC's invoice payment system
- Set you up as a supplier on the councils ordering system
- Set up a Supplier Portal account for you to logon and register (if applicable)

Therefore, it is very important that the information provided is accurate and consistent as incorrect or missing data may result in delays to payment for goods and services provided.