MEMORANDUM

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| To: | Mayor & Council |
| From: | K. Aaron Shirley, Finance Director |
| Date: | March 2, 2021 |
| Subject: | Accounts Payable Automation & Workflow Software |

Mayor & Council,

## Background

Accounts payable is a critical system to the City's day to day operations but from its handling of paper invoices for coding to its single-item invoice entry into our accounting system it's a process that leaves a lot to be desired. While our accounts payable process has functioned fine for a smaller city for years' staff and elected leaders have recently observed the City's growth wave affecting department after department in terms of workload and I would like to be proactive in implementing a solution that would streamline the workflow as well as reduce both time and errors in our accounts payable system.

## Research & Findings

Finding the right software vendors for each of the needed moving pieces that worked well in a government context was a challenge, but I recently became aware of Spanish Fork City automating their accounts payable system and visited with them. Their accounts payable team and the directors, who approve and code the invoices, had nothing but praise for this software solution which provides the moving pieces I mentioned previously which include:

1. OCR technology with machine learning capabilities that can read and extract data from invoice PDF's while constantly improving itself in its data extraction capabilities.
2. Workflow solution for invoices to be coded by directors in an online portal with improved audit trail for questions on invoices months or years down the road.
3. Batch exports for uploading into our accounting system saving time from manual individual invoice entry.

Stampli is a month-to-month contract so if it's not a good fit we can cancel at any time at a relatively low cost. Also, we were able to get them to give us a quote at a 50% discount as shown in the chart below.

| Stampli | 1st Quote | 2nd Quote | Final Quote |
|---|---|---|---|
| Invoices per Year | 2,400 | 4,800 | 4,800 |
| Monthly Cost | $735 | $1,036 | $735 |
| Annual Cost | $8,832 | 12,432 | $8,832 |

### Recommendation

I recommend that the City contract Stampli on a month to month basis to improve the workflow and reduce the time spend on the accounts payable process. In addition, this software pushes the need for a part-time accounts payable clerk even further down the road than our initial two to four-year timeframe estimates.

### Recommended Motion:

**Motion to approve a month to month contract with Stampli for accounts payable workflow and automation software.**