

PART E
SPECIFICATIONS

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GENERAL

E1. GENERAL

E1.1 These Specifications shall apply to the Work.

E2. SERVICES

E2.1 The Contractor shall perform an accounts payable recovery audit in accordance with the requirements hereinafter specified.

E2.2 The Contractor shall at a minimum perform a review of the City's accounts payable system and purchasing card in year one (1), year three (3) and year five (5) of the Contract.

E2.3 The Contractor shall be responsible for the collection of all over payments or under payments identified by their review process.

E2.4 The Contractor shall maintain and provide the City with:

- (a) copies of all working papers;
- (b) copies of all supporting documentation i.e.: invoices, transaction reports or other related documentation to support a claim for an over payment by the City or an under payment by the Contractor/Vendor;
- (c) all cheques, bank drafts, money orders, etc. collected from all Contractors/Vendors with the appropriate reconciliation of these payments;
- (d) copies of all statements, bills and accounts;
- (e) copies of records necessary to substantiate all charges for services performed;
- (f) management reports on the findings of the review(s); and
- (g) recommendations to improve the internal controls of the various systems reviewed.

E2.5 The Contractor shall have a Certified Fraud Examiner review and evaluate the City's accounts payable and purchasing card systems data as part of the accounts payable recovery audit.

E2.6 Work that is excluded from this Contract includes the following:

- (a) All Commodity Tax (Goods and Services Tax, Provincial Sales Tax, Customs Duties, etc.) related issues;
- (b) All credit invoices received from Contractors/Vendors that the City has already identified but not taken; and
- (c) Any amount that the City has already identified as an over payment or under payment.

E3. BACKGROUND INFORMATION

E3.1 The following is provided for the information of the Bidder:

- (a) In May 2003 the City implemented PeopleSoft (version 8.4) software;
- (b) For the period of May 1, 2003 to April 30, 2004 the City paid a total of 6,200 Contractors/Vendors approximately \$467 million dollars thru the PeopleSoft accounts payable module; and
- (c) For the period of May 1, 2003 to April 30, 2004 the City's purchasing card program had approximately 62,000 transactions for approximately \$17 million dollars.

E3.2 The City has a decentralized accounts payable function. The City has fifteen (15) Departments each with an accounts payable section. There are two (2) Departments that have two (2) accounts payable sections. Each accounts payable section maintains their own invoices, vouchers, etc. that have been paid by their area.