Questions & Answers 1– RFP Provision of FC/02/OAS/MC/22

	QUESTIONS	ANSWERS
Question/Answer n°1	The terms and conditions indicate insurance requirements that should satisfy the ESM. Please provide for each insured risk more details about the ESM requirements, i.e., financial thresholds, multiple of yearly contract value, or any other element that would be necessary.	There is no minimum financial or other requirement for insurances referred to in the draft contract. More details about the insurances may be discussed with the preferred provider.
Question/Answer n°2	Please share any additional statistical data currently available. Based on units and average processing time. For example: 1. What is the duration of a weekly/monthly meeting and how many persons from the service provider are typically assisting the meetings? 2. How is the average compilation time of the audit documentation for one audit sample? 3. How much time does in average take the reconciliation of one credit card statement? 4. What is the average time to process an invoice? 5. How many items (invoices, expense statements, etc.) require further clarification for additional documentation and what is the average processing time. 6. How many calls are made daily average to the Call Center Helpdesk	Please find here below the answers based on statistical data currently available: 1. The ESM is currently handling these administrative services in house. No service provider is currently employed for this scope therefore no estimation can be provided 2. The average compilation time of one audit sample is about 8 minutes. 3. The reconciliation of one credit card statement is about 10/ 15 minutes 4. The average time to process an invoice is about 30 minutes, including 2nd review and eventual follow up in case of missing supporting documentation, etc. 5. No estimation can be provided. However, based on our past experience we have more cases of missing supporting document in case of expense claims than in case of invoices. The average processing time of an invoice is 30 minutes, while for an expense claim it is 2 hours. 6. We can estimate an average of 2/3 requests per day. 7. An average of 1 or 2 weekly requests requires an urgent treatment. Details of processing time is clarified above.

	7. How many requests requiring an exceptional or urgent treatment are typically received and what is their average processing time?	
Question/Answer n°3	Is an entire approval log of an accounts payable item (Invoice, Lodge Account, Expense statements, etc.) available in the system?	Please find here below the answers: Invoices: entire approval flow available in Oracle Fusion Lodge Account: the invoice is booked in Oracle Fusion, so the approval workflow is reflected in the system. Expenses: there is no approval workflow in Oracle Fusion. The expenses must be audited in line with the Travel Policy and Expense Policy. The 2nd review is recorded in Oracle Fusion. Corporate credit card: transactions' approval recorded in an ad-hoc internal system.
Question/Answer n°4	How many sources or systems need to be consulted to reconcile an item with supporting documents?	Multiple sources are needed as below indicated: INVOICE: Outlook and Oracle Fusion: the invoices are sent to the functional mailbox (Outlook) which is the first point of the "consultation". Afterwards the invoice is recorded in Oracle Fusion. EMPLOYEE EXPENSES: the only source of consultation is Oracle Fusion as all supported documentation is attached to the expense report. EXPENSES FROM EXTERNALS: Outlook and Oracle Fusion: the expense claim (including supporting documentation) is sent to the functional mailbox (Outlook) and this is the first point of consultation. Afterwards the expense claim is recorded in Oracle Fusion CREDIT CARD: the workstream is automated and it's recorded in ServiceNow. All supporting documentation is automatically saved in a designated folder in SharePoint. To reconcile the credit card transactions the service provider will need to consult the SharePoint location vs the credit card statement which will be available in pdf format. LODGE ACOOUNT – The monthly statement must be reconciled with invoices which are sent to the functional mailbox. The monthly statement can be provided in different formats (pdf, Excel, csv.)
Question/Answer n°5	Can you share a process chart for each major task of the accounts payable scope (at least for those tasks and	Please see below the description of the main accounts payables tasks summarized in points:

	controls performed prior or after the accounts payable process)?	**Invoice processing:**
		1. Receive an invoice via e-mail (physical invoices are exception).
		2. Validate the correctness of invoice details, request supplier creation/update (if necessary).
		3. Identify if the invoice is with PO (a) or 'invoice only' (b):
		
		   a) Match the invoice with the PO.
		   b) Create the invoice line and accounting distribution manually.
		5. Track the invoice as an asset (if applicable).
		6. Apply multiperiod accounting for prepayment invoices
		7. Upload supporting evidence in Oracle and shared location (Share Point).
		8. 2nd User (4-eyes principle) reviews, validates and initiates the invoice approval workflow.
		
		Expense processing:
		1. Travel expense refund request is submitted by an employee in Oracle Expenses module.
		2. Check the travel expense refund request against the Travel Authorization report from Oracle and in case of a training also against the Training Authorization.
		3. Check the completeness and correctness of the travel expense refund request and request missing information if necessary.
		4. 2nd User (4-eyes principle) reviews the travel expense refund request previously reviewed by the 1st User and completes the travel expense refund request audit in Oracle.
		5. The completed travel expense refund request is automatically transferred to Oracle Payables module.
		6. 1st or 2nd User validates the item in Oracle Payables module.
		
		We expect the successful candidate to perform quality control checks according to the market best practices.
		More information about the process details and key controls will be provided to the successful candidate.

Question/Answer n°6	Do you require an external auditor to access the service providers' premises and to consult data that might not be related to this RFP? Please explain the impact of an	Please note these two provisions in § 19 Inspection and audit: "The ESM reserves the right to perform audits of all books, records, internal processes, and controls of the Service Provider which relate to the performance of the Contract **to the extent permissible under applicable law and professional rules**

	audit on the service provider and the scope of information typically required/requested?	**and with a view to the Service Provider's confidentiality obligations towards its other clients**."
		"The access to the Service Provider's records **will be strictly limited to the records which are directly related to the performance of the Contract**."
		This means that everything <u>not</u> related to the performance of the contract will not be subject to audit from the ESM. As per § 19, the detailed scope and duration of the audit will be agreed between the parties prior to the commencement of the audit. It may include conducting the audit at the service provider's premises however in all cases upon fourteen days' notice, and no more than once per calendar year.
Question/Answer n°7	Is our understanding correct that the responsibility to approve an expense/supply remains with ESM and that the service provider solely verifies that the submitted expense / invoice is in line with the policy/approved acquisition and required supporting documentation available?	Yes, your understanding is correct.
Question/Answer n°8	How is the information on payments made available for to reconcile and update the AP statement and aging report?	The AP aging report is automatically updated with payment status by Oracle Fusion. The service provider will not deal with payments.
Question/Answer n°9	Can you make the policies concerned by the process available? Should now not be possible at which stage can the serviced provider consult?	The ESM Expense and Travel Policy will be shared with the successful Candidate after the contract signature.
Question/Answer n°10	How big is the Team of the current service provider (please indicate number of persons in full time equivalent)? Please also provide the number of persons per grade/seniority?	The ESM is managing these administrative services in house. There is no service provider currently running this function.
Question/Answer n°11	Referring to section 4.9, we understand that the takeover of staff from the current service provider might be necessary. a) How man persons would need to be transferred / taken over by the new service provider? b) Which grades/seniority and experience do these persons have? c) What is the current total gross revenue of all concerned employees? d) In which countries are the concerned persons	Section 4.9 on the Transfer of Undertakings is standard in all our procurement documents. Please note that it applies only if the award of the contract triggers the application of these provisions (this is not automatic). In the event these provisions apply, the details should be discussed and organised directly between the new service provider(s) and the incumbent provider(s) and the ESM is not involved in such discussions. In this case, as the service is new (currently these services are provided in-house), this provision is not applicable.

	currently located? e) Would those employees agree to potentially relocate to another EU country? f) Are there non-Eu nationals, requiring the application of a new work permit in case of relocation to another county? g) Can potentially interested persons directly being taken over by the new service provider by common consent or is there a resignation notice period to be respected?	
Question/Answer n°12	How many hours of ad-hoc clerical and administrative (ie. Archiving at the premises) did ESM request during each of the past 3 years?	An average of 1.5 hours per month has been dedicated to the archiving of supporting documentation and official documents.
Question/Answer n°13	Please confirm whether ESM makes available IT equipment for the Service Provider Team. In the affirmative, is there a maximum number of Laptops/Computers that can be made available?	As per Annex 1 Terms of Reference, 1.1 Description of Services: The ESM will provide the relevant systems access to the Service Provider, but no IT equipment.
Question/Answer n°14	In case ESM does not provide IT materials to the service provider's team, please provide technical requirements and details about the way to connect with ESM infrastructure (e.g. virtual machine, citrix).	All systems/platforms needed for the candidate to perform the services listed in the RfP are cloud based solutions thus all information can be accessed online without any specific software installation. This includes the ERP system- Oracle Fusion which will be needed for recording and processing invoices and travel expenses and SharePoint online which is used for storing data, related guidance and policies. The ESM will provide relevant access.
Question/Answer n°15	Do you currently use a ticketing system for some external or internal requests? If not already in place, would there be the possibility to set up such system?	Currently there is no ticketing system in place. As all work is managed internally (Finance and Control Admin team) there was no need for the automated solution for treating the requests. All requests, including queries from the supplies and employees, are sent via email to the functional mailbox. This mailbox is monitored by Financial Administrators. The ESM has a ticketing tool (currently used for IT related matters) which can be used for the described purpose. ESM can make it available to the successful candidate.
Question/Answer n°16	Which information can currently be retrieved from ESM infrastructure for KPI measurement reporting?	In regards of invoice processing there is a need to build up the report between functional mailbox and the ERP system. In regards of expenses' reimbursement, the ERP system is the main source of information as the employee expense report is created and submitted in the tool therefore the KPI report can be extracted from the system: e.g., number of expense claims submitted through the Oracle Fusion

		expense module not processed or addressed (in case of issues) within 72h from their submission.
Question/Answer n°17	Is the service provider allowed to develop and install tools on ESM infrastructure that allow progress tracking or measurement of KPIs?	In general ESM does not allow to develop and install tools on internal IT infrastructure. In case the request is driven by a justified need, the IT security expert could be consulted.
Question/Answer n°19	Does ESM provide the Call Center phone number(s) and related infrastructure?	Currently there is no Call Center phone number as all calls are done to the responsible individuals of the Finance and Control Administrative team. The ESM is willing to work with the successful provider to implement direct telephone access to the dedicated administrators, via the internal ESM telephone network.
Question/Answer n°20	If and when necessary, will ESM IT be available to support the service provider and its Team for IT related support and installation of tools?	The ESM will provide access to all platforms and systems needed for the candidate to perform the services in the scope of this tender. The ESM can support the successful candidate with relevant settings.
Question/Answer n°21	Are other systems used in the process apart from Oracle Fusion? For example, for electronical archiving? Please elaborate and provide the list of other tools/software used	Invoices and reimbursement requests from externals are currently received on the function mailbox. Oracle Fusion – processing invoices travel expenses, SharePoint online – electronical archiving ServiceNow – approval workflow for corporate credit cards
Question/Answer n°22	Do your systems foresee the implementation and audit trail of the accounts payable process?	Yes, Oracle Fusion foresees an audit trail of the AP process.
Question/Answer n°23	Is our understanding correct that the service provider needs to consult 2 separate mailboxes and their content might differ? Please elaborate as this might be an area of risks (double consideration)	Currently only one functional mailbox is in place. If the question refers to the OCR implementation, please note that it is not foreseen a monitoring of its mailbox, since (once it will be deployed) the tool will upload the received invoices directly.
Question/Answer n°24	Does the system have a function to reconcile the invoices to payments on the bank account?	Yes, Oracle Fusion has this functionality in place. However, payments are not in the scope of this tender.
Question/Answer n°25	How many invoices are recurring?	The average invoice volume is stated in the RFP.
Question/Answer n°26	How many suppliers do you currently have in the master data?	The ESM/EFSF have got 622 active suppliers (from which we received at least one invoice over the past 4 years).

Question/Answer n°27	How many new suppliers are created per year?	We create in the Suppliers Master data an average of 96 suppliers per year (suppliers as such and externals, such as trainees, guests, etc.). The workload related to the master data for externals could be assessed as 20%/30% of the total workload. Only the creation/modification of the master data for externals is in scope of this tender (suppliers as such and employees are not in scope, since the related data is handled by another team within the institution).
Question/Answer n°28	Do some expense statements include recurring allowances paid based on a flat amount according to a policy and without any further supporting evidence required?	No, every reimbursement requires related supporting documentation.
Question/Answer n°29	How many item lines does an expense statement have (in average)?	The average of 4/5 item lines for the reimbursement of travel expenses is estimated. The average item lines of a general expense claim (e.g. reimbursement of professional literature) is usually one line.
Question/Answer n°30	Are some items on an expense statement paid by ESM credit card which then require the submission of an expense statement?	No, whatever already paid by the ESM does not require any expense reimbursement.
Question/Answer n°31	How can the service provider meet time related KPI and at the same time prevent double treatment of an expense? For example: a credit card statement is received after the submission of the expense statement.	At the time of the travel expense report review, the basic check that must always be performed is to verify that the credit card number (available last 4 digits) showed on the claimed invoice is not corresponding with the ESM corporate credit card. Any items which are in doubt should be addressed to the ESM Finance & Control.
Question/Answer n°32	How many VAT certificates are issued per year?	On average 40 VAT certificates are issued on a yearly basis. The process is fully automatised, meaning that the VAT certificates can be generated by the system.
Question/Answer n°33	How many requests are typically received from stakeholders requiring assistance in the process?	Regarding the Procure-to-Pay process, we get on average 5 requests per week.
Question/Answer n°34	Who instructs the creation or modification of the supplier master data? Or how is the accounts payable team supposed to know if the relationship is still ongoing, free from conflicts of interest?	We apply a different process for the master data creation/update of suppliers and externals. Master data creation/update of suppliers: the creation/update is instructed based on the invoice data by the accounts payable administrator (future service provider) to the specialized team within ESM. Master data creation/update of externals (candidates, speakers etc.): the creation and update are performed by the accounts payable administrator (future service provider) Master data is recorded on an ad-hoc basis every time a n expense from

		a new "external" is submitted or requires an update. An approval workflow (handled by ESM Finance and Control) is setup to validate the input.
Question/Answer n°35	How is the procure 2 pay end user training currently organized 1-to-1 or group sessions? How many training sessions are typically organized and what is their average duration.	Both formats are possible. The average duration of the training is between 1 and 1.5 hours.
Question/Answer n°36	How many questions/requests are typically received per day under the Procure 2 pay process?	Please refer to the answer of question n. 33
Question/Answer n°37	How many credit cards do you use?	The ESM currently owns 9 corporate credit cards.
Question/Answer n°38	How many transactions are on average on a monthly lodge travel account statement?	Volumes in last years (2020 and 2021) are not representative due to Covid-19 and the travel limitations (up to 10 transactions per month). Before pandemic (2019) the average number of transactions per month in the lodge account stood at 115. From January to April 2022, an average of 30 transactions per month has been reported.
Question/Answer n°39	How many hours are on average required on a yearly basis to update FAQ or documentation?	Current documentation and guidelines to staff must be reviewed on a regular basis (minimum once a year). Time estimated is from 24 to 40 hours per year.
Question/Answer n°40	Under the VAT compliance process, how many invoices need to be rejected and require a supplier to reissue an invoice to reflect the ESM's VAT treatment?	We have an average of 20 invoices per year submitted with an incorrect indirect tax treatment (1% of the total yearly invoice volume).
Question/Answer n°41	How many samples do auditors typically select per year? And how much time does one sample require to be processed (collection of audit evidence)? Or do you know how many hours in total are required for audit support?	The sample of supporting documentation requested by the external Audit may vary from year to year. During the past financial year full supporting documentation for 160 accounts payable items has been requested. The total time estimated is between 12 to 24 hours a year.
Question/Answer n°42	Does the Master Data Management require to update static data or also to collect some compliance documents which then need to be uploaded to the system / e-archive?	The Master Data management requires creation and update of the static data in Oracle Fusion based on the document (usually reimbursement form) sent via e-mail by externals. The document/e-mail is not uploaded in Oracle Fusion. Please refer to the Question 34 for more information regarding the Master Data Management.
Question/Answer n°43	How many time is typically required for ad-hoc request to ensure a smooth BAU?	We can estimate that the time needed for general administrative work on ad-hoc requests is about 16 / 20 hours per month. This includes assistance on fixing issues related to invoices and P2P support.

Question/Answer n°44	Is the assistance to staff to enter expenses in the system included in the two hours estimate to treat an expense statement?	Yes, the assistance to staff to enter expenses in the system is included in the two hours estimate average to process an expense claim
Question/Answer n°45	Might invoices be related to the acquisition of fixed assets that are depreciated over their lifetime? How are these invoices identified / flagged?	The invoices related to fixed asset are usually linked to POs - General Ledger distribution is already recorded at the PO level, so no additional investigation is required.
Question/Answer n°46	How many GL accounts concern the accounts payable process?	GL Accounts are listed in the Chart of Accounts. Currently the total of GL Accounts in scope of the Accounts Payable is 112. Invoices are usually linked to a PO, therefore general ledger distribution is already recorded in the system, so no additional investigation is required.
Question/Answer n°47	Do invoices require allocation to projects, service lines and will the information be readily available without consultation?	General ledger relevant segments codes are *company code, GL code, Cost Centre, Project code*. Invoices are usually linked to a PO, therefore general ledger distribution is already recorded in the system, so no additional investigation is required. For the residual invoices not strictly related to a PO, the service provider will get clear guidance in a excel file which details each service and related GL distribution.