



CITY OF MERCER ISLAND REQUEST FOR PROPOSALS

ADVISORY SERVICES FOR ENTERPRISE RESOURCE PLANNING (ERP) SOFTWARE SELECTION AND IMPLEMENTATION RFP NO. 21-03

I. PURPOSE OF REQUEST

The City of Mercer Island (“City”) is requesting proposals from qualified professional firms with proven experience to conduct a needs assessment for an anticipated Enterprise Resource Planning (ERP) software replacement, draft a Request for Proposals (RFP) for ERP replacement, and client-side project management during implementation of the new ERP.

The City’s needs are outlined in the following RFP and Attachment A - Scope of Services.

The City aims to solicit proposals from various consultants, conduct a fair and extensive evaluation based on criteria listed herein, and select a qualified and experienced consultant. Responding consultants should have experience evaluating financial accounting software solutions and corresponding software modules for different local government business-operation workflows.

Preferable consultants will have experience selecting and implementing ERP software, integrating ancillary software used to manage current City operations, and establishing staff trainings to facilitate a smooth transition to the newly implemented software solution.

II. SCHEDULE

The following is a tentative schedule for submission, evaluation, and selection:

January 5, 2021	Release of Proposal
January 18, 2021	Deadline for Submission of Questions
February 5, 2021	Proposals due by 5:00 p.m.
March 1, 2021	Evaluation of Proposals/Interviews
March 16, 2021	City Council Award of Contract

III. BID INFORMATION

Title: Advisory Services for ERP Selection and Implementation
Contact: Matthew Mornick, Finance Director
Phone: (206)-516-9468

Email: matt.mornick@mercergov.org

IV. CITY BACKGROUND

The City of Mercer Island, incorporated in 1960, is a small-size municipality in King County with a population of approximately 26,000. Mercer Island is located in the southern portion of Lake Washington, within the greater Seattle Metropolitan Area. Mercer Island is connected to the mainland on both sides by bridges carrying Interstate 90, with the city of Seattle to the west and the city of Bellevue to the east. Mercer Island is geographically closer to Bellevue and is often considered to be part of King County's Eastside. Mercer Island is the most populated island in a lake within the United States.

Mercer Island has a Council-Manager form of government. Seven Councilmembers serve at-large for four-year terms. The Council selects a Mayor from among its members to serve for two-year terms. The City Manager is appointed by the Council and serves as chief executive officer responsible for the day-to-day administration of City affairs. There are eight advisory Boards and Commissions appointed by the City Council.

Over 190 public servants employed by the City provide a full range of municipal services including fire and emergency medical, police, public works, parks & recreation, planning and zoning, building, water, sewer, and stormwater systems, street maintenance, economic development, social services and general administrative services.

The City maintains over 35 parks and open space areas boasting over 400 acres and trails in excess of 50 miles. The City operates enterprise funds to account for water, sewer, and stormwater operations, fleet maintenance, and capital replacements. The Finance Director serves as the City Treasurer and oversees management of the investment portfolio.

V. PROJECT DESCRIPTION

- A. The City's current ERP software is One Solution – provided by Central Square Technologies. The ERP system was originally purchased and implemented by the City in 1997 with the most recent major update occurring in 2005. The City is currently in the implementation phase to transition to new software (supported by NEOGOV) to perform human resources management and payroll processing functions. Since the current version of One Solution does not currently integrate with NEOGOV and multiple other business system software used throughout the City, Finance staff manually transfer data to complete accounting processes, create accounting records information, and draft financial reports. This lack of functionality and integration makes processes time consuming and inefficient.
- B. Below is a list of functional components/applications outlining what is desired for a new ERP system.

Component	Functionality
System Administration	<ol style="list-style-type: none"> 1. User security/configuration. 2. Permission levels management. 3. Integrated login. 4. Hosted vs. on premises. 5. Interface capabilities with other critical City software (see below).
System Integrations	<ol style="list-style-type: none"> 1. NEOGOV Payroll Module <ul style="list-style-type: none"> ○ Automated posting of payroll entries from subsystem to general ledger (gross, employer & employee tax, net cash). ○ Automated/integrated posting of gross payroll hours and earnings across multiple general ledger codes. ○ Generating payables based on payroll deductions. 2. NEOGOV Human Resource Module <ul style="list-style-type: none"> ○ Generating payables for employee benefit program payments. (i.e. retirement, medical, cafeteria plan benefit options). ○ Position budgeting based on employee class and bargained unit. 3. Asset Management Software (CityWorks) <ul style="list-style-type: none"> ○ Real-time cost tracking to primary financial system. ○ Fleet operation, maintenance, and replacement costs. ○ Asset capitalization – matching general ledger asset value and depreciation to Cityworks asset inventory. ○ Capital program budgeting – using Cityworks data to prioritize capital improvement and replacement projects ○ Warehouse management – link to purchasing. ○ Contractor time tracking and expense payables. ○ Material, labor, and equipment costs. ○ Generating payable/receivable for water service installation and upsizing costs. 4. Utility Billing (inHANCE Impresa by Harris Computer) <ul style="list-style-type: none"> ○ General ledger integration to post cash, revenue, and receivables to primary financial system. ○ Recording of multiple deposit types to automate cash reconciliation process. 5. Retail Point of Sale and inventory control (KEYSTROKE) <ul style="list-style-type: none"> ○ General ledger integration for posting cash and revenue information to primary financial system. ○ Recording of daily cash and credit card deposits to automate cash reconciliation process. 6. Permitting and Land Use (Trakit) <ul style="list-style-type: none"> ○ General ledger integration for posting cash and revenue information to primary financial system. ○ Recording daily cash and credit card deposits. Automated cash reconciliation process for each initiated and completed permit.

	<ul style="list-style-type: none"> ○ Historical and actual permit data for revenue forecasting.
	7. Supervisory control and data acquisition (SCADA) Control System
	8. Invoice Cloud
	9. Recreation and Facility Rentals (Perfect Mind)
	<ul style="list-style-type: none"> ○ General ledger integration for posting cash, revenue, deposits collected and revenue deferrals to primary financial system. ○ Recording of multiple daily cash and credit card deposits to automate cash reconciliation process. ○ Time tracking of camp and volunteer hours.

General Ledger	<ol style="list-style-type: none"> 1. Fund accounting capable. <ul style="list-style-type: none"> ○ Automated movement of cash between funds as transactions post. 2. Journal entries, adjusting journal entries, automated recurring entries, and ability to create automated reversing journal entries. 3. Reporting (expenditure, revenue, budget to actuals; transaction detail (current year, prior years, and across multiple years). 4. Retainage management. 5. Chart of Accounts that allows for WA State BARS requirements.
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Cashiering (POS)	<ol style="list-style-type: none"> 1. Processing payments, including integrated credit card processing and ACH/Electronic payment formats. 2. Ability to enter/edit revenue code at point of receipt. 3. Security to enable multiple cashiers 4. End of day balancing and reporting.
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Investments	<ol style="list-style-type: none"> 1. Ability to track investments held. <ol style="list-style-type: none"> a. Calculate interest earnings. b. Amortize premium, discounts, and accrue corresponding change in interest earnings.
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Project Accounting	<ol style="list-style-type: none"> 1. Project setup. 2. Project reporting and contract management. 3. Capital program funding including transfers between funds for shared costs.
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Business Licensing	<ol style="list-style-type: none"> 1. Active Business License tracking. 2. Integration with Washington State business licensing service (BLS).
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Business and Occupation Tax Collection	<ol style="list-style-type: none"> 1. Generate quarterly and annual tax statements. 2. Allow for electronic tax filing. 3. Tax filing reminders. 4. Tax credit issuance. 5. Reporting based on filing status, gross revenue, business location.
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Budget	<ol style="list-style-type: none"> 1. Submitting budget requests. 2. Budget versioning - creating budget scenarios/budget worksheets/decision packages. 3. Entering & tracking budget adjustments. 4. Committing budget to GL. 5. Creating personnel budget / entering assumptions and adjustments by bargaining unit to create position budget. 6. Ability to manage budget at Fund, Department, or line-item level.
Accounts Payable	<ol style="list-style-type: none"> 1. Entering/approving invoices. 2. 1099 preparation/issuance. 3. Check run reporting at variable level of detail. 4. Vendor creation/authorization/maintenance. 5. Document management (invoices, contracts, insurance certs). 6. Ability to pay vendors via ACH or check. 7. Linking pdf copy of invoice to PO and AP check with ability to view via reporting function. 8. Integration with bank for Positive Pay fraud prevention and clearing checks at month end. 9. Automated tracking of invoices that do not include WA Sales tax for monthly Excise Tax reporting. 10. Contract/project management updates and partial pays against approved total. 11. Reporting at invoice/PO/vendor and check level. 12. Void/reverse with option to re-encumber PO.
Accounts Receivable	<ol style="list-style-type: none"> 1. Generating invoices. 2. Credit memos. 3. Aging report. 4. Integration with cash receipting to close invoices when paid.
Purchasing	<ol style="list-style-type: none"> 1. Electronic purchase order (PO) system. 2. Electronic PO approval workflow. 3. Warehouse inventory management. 4. Entering/approving requisitions. 5. Rolling POs/year end. 6. Mass maintenance to close outdated PO's based on date range. 7. Contract management including Change orders.
Capital Improvement Program	<ol style="list-style-type: none"> 1. Project management. 2. Multi-year reporting. 3. Contract management that links with Accounts payable. 4. Project coding for associated costs to include direct payroll costs.

VI. INSTRUCTIONS TO PROPOSERS

- A. Proposals must be submitted electronically in PDF format via email. When a proposal has been received, a response email will be sent to confirm receipt. Proposals should be marked as follows and sent to:

To: matt.mornick@mercergov.org

Subject: Advisory Services for ERP Software Selection and Implementation

- B. Proposals should be prepared simply and economically, providing a straightforward, concise description of provider capabilities to satisfy the requirements of the request. Emphasis should be on completeness and clarity of content.
- C. Proposals must be received by the posted deadline.
- D. All proposals must include the following information:
1. A brief description of the organization.
 2. List key staff members, including the Principal-in-Charge and Project Manager/primary point-of-contact. Include each team member's availability and estimated time commitment to complete the project on time and within budget.
 3. Specific experience and qualifications of individuals relative to the proposed project.
 4. Provide an approach to completing this project, showing the flow of various tasks and demonstrate a clear understanding of the requested work.
 5. A proposed outline of tasks in a project schedule, including the number of hours required to complete each task.
 6. A proposed project budget, including a rate schedule for services.
 7. A list of cities for which the consultant has advised ERP system replacement and implementations within the past five years.
 8. A list of three recent client references, including telephone and fax numbers, email addresses, and addresses.
 9. Confirm your firm's ability to meet the City's Professional Services Agreement and insurance requirements.

VII. COMPENSATION

- A. Please present detailed information on the firm's proposed fee schedule for the specifications proposed and for any variation for non-routine services, inclusive of

Washington state sales tax and any other applicable governmental charges. Please provide specifics as to definitions of routine versus non-routine tasks, what is fixed as opposed to variable, and how costs are adjusted according to that classification. Base all project estimates on the Scope of Services (exhibit 1), assigning a cost to each of the seven outlined tasks.

- B. Payment by the City for the services will only be made after the services have been performed, an itemized billing statement is submitted in the form specified by the City and approved by the appropriate City representative, which shall specifically set forth the services performed, the name of the person performing such services, and the hourly labor charge rate for such person. Payment shall be made on a monthly basis, thirty (30) days after receipt of such billing statement.

VIII. SELECTION PROCESS

In accordance with the goals of the City of Mercer Island, the following criteria will be used as the basis for evaluation of the proposals and the award recommendation:

- A. The firm's understanding of the scope of services required includes demonstrated abilities to coordinate delivery of the services and understanding of the needs and operational requirements of the City of Mercer Island.
- B. In addition to price, selection will be based on the quality and responsiveness of the firm's overall proposal in demonstrating the firm's ability to satisfy the needs of the City of Mercer Island. Firms may be chosen for interviews with the City of Mercer Island as part of the selection process.

IX. TERMS AND CONDITIONS

- A. The City reserves the right to reject any and all proposals, and to waive irregularities that do not provide unfair advantage/disadvantage to proposals.
- B. The City reserves the right to request clarification of information submitted, and to request additional information from any proposer.
- C. The City reserves the right to award the contract to the firm submitting the next most qualified proposal if the successful firm does not execute a contract within thirty (30) days after the award of the proposal.
- D. By submitting a proposal for consideration, the proposer agrees that its submittal shall be available for selection by the City of Mercer Island for a period of one-hundred and twenty (120) days after the deadline for proposal submittals. Any proposal may be withdrawn by the proposer up until said deadline.
- E. The City reserves the right to expand or diminish the scope of the work subject to negotiation with the selected proposer.

- F. The City is not required to select the proposal that may indicate the lowest price or costs. The City expressly reserves the right to reject all proposals at its sole discretion, without indicating any reason(s) for such rejection. The City may withdraw this RFP at any time without notice.
- G. The contract resulting from acceptance of a proposal by the City shall be in a form supplied or approved by the City and shall reflect the specifications in this RFP.
- H. The City shall not be responsible for any costs incurred by the firm in preparing, submitting or presenting its response to the RFP.
- I. In the event the event the City deems it necessary to clarify or make any changes to this RFP, these changes shall be made in the form of a written addendum authorized and issued only by the Finance Director or authorized designee.
- J. The scope of work under this proposal includes performing services within the City of Mercer Island. The successful Proposer must obtain a City of Mercer Island Business Tax Certificate prior to performance of the services.

X. CONTACTS

All communication concerning this RFP should be directed in writing to:

Matt Mornick, Finance Director
Email: matt.mornick@mercergov.org

Any oral communications will be considered unofficial and non-binding on the City.

XI. PUBLICATION

Notice of this Request for Proposals will be published in the Mercer Island Reporter on January 13, 2021 and in the Seattle Daily Journal of Commerce on January 06, 2021.

XII. ATTACHMENTS

- A. Scope of Services
- B. Sample Professional Services Agreement