




Request for Pricing Consultant - Financial Software - 2022

Sealed quotes clearly marked "Consultant - Financial Software - 2022" will be received up until **12:59:59 pm AST, Friday, April 22, 2022**, at Summerside City Hall, 275 Fitzroy Street, Summerside, PEI, C1N 1H9.

Instructions

1. Price quotation form must be completed, signed and dated.
2. Prices shall not include HST. Tax is to be added when invoiced.
3. The City of Summerside reserves the right to accept or reject any or all bids.
4. Late submissions WILL NOT BE ACCEPTED.
5. Emailed (clayton.smith@city.summerside.pe.ca) submissions WILL BE ACCEPTED.
6. Faxed submissions WILL NOT BE ACCEPTED.
7. Quotations to be signed ONLY by authorized personnel.
8. All literature on services quoted to be enclosed with submission.

For further information or clarification, please contact Clayton Smith at 902-786-4519.



Clayton Smith
Manager of Financial Services
City of Summerside

April 4, 2022

(Date)

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Definitions:

- **Financial Software Solution (FSS)** – We are defining a Financial Software Solution as a program or a group of programs that provide financial (accounting), payables, purchasing, inventory, and financial planning and analysis (including budgeting) modules. All modules, whether centralized or decentralized, must be fully integrated with one another in real-time.

The City of Summerside (The City) is requesting quotations for a consultant to provide consulting services in the selection of the City's next FSS.

Background

The City of Summerside is a municipality of 16,001 residents as of the 2021 Census. The City, despite its relatively small population, is a growing and robust municipality which operates its own electric utility. This means that the City has significantly more revenue/expenses as compared to other municipalities of its size. In the 2022-23 budget, the City had just over \$60 million in total revenue with the same amount approximately in expenses. This does not include significant capital expenditures not expensed through current-year revenue.

The City is currently using Microsoft Dynamics – Great Plains (2015) for its primary Financial Software. The following functions of the software are currently in use:

- General Ledger/Accounting
- Payables
- Inventory

It is the City's intent, regardless of the solution, to expand what we get from our financial software. This is clear through the expanded system requirements and is evidenced in our definition of what a Financial Software Solution means to us.

The following is a **high-level summary** of the City's current processes/procedures across the different areas that makeup a Financial Software Solution, this is not exhaustive and is intended to provide the consultant with an overview of where we are headed:

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Accounting/General Ledger

- **Current**
 - **Bank Reconciliations** – Manual process with cheque listings tracked manually in spreadsheets.
 - **HST** – Manual reconciliation process done through spreadsheets.
 - **Journal Entries** – No specialized process for journal entries. Requirements would be basic in this area and ease of use would be key.
 - **Account Structure** - account-fund-department-project (XXXXXX-XX-XXX-XXX)
 - **Drilldown** – Current drill back capabilities from account to entry to additional information is not ideal.

- **Future**
 - **Bank Reconciliations** – Largely automated with no requirement to maintain spreadsheets in relation to this process.
 - **HST** – Automate all or certain facets of the HST reporting process. Note that municipalities are more complex from an HST perspective as compared to regular businesses as many activities only recover 10 percent while other recover the full 15 percent and still others that are exempt.
 - **Journal Entries** – No major changes anticipated. New software should just make this process more efficient. Perhaps easier to do multi-period journal entries. Improved oversight capabilities. Improved ability to easily attach documents and drill back and forth between summary and details. Main criteria here are ease of use, efficiency, and visibility.
 - **Account Structure** – Open to different account structures. Looking for structure that makes consolidation at year-end easier and that can limit the number of accounts that we need.
 - **Drilldown** – Drill back capabilities at every level of the system should be seamless. From reports to invoices.
 - **Oversight** – Clear audit trail over adjusting/Reclass entries.

Financial Statements

- **Current**
 - Currently, CaseWare Working Papers is used for year-end worksheets and financial statements are created in Excel. This is a tedious and manual process that requires significant time.

- **Future**
 - The ideal software solution could generate PSAS statements based on account linkages eliminating the need to do the core financials in a separate file. This is inherently complex given the complexities of PSAS and the related schedules/eliminations and is certainly a “Wishlist” type of item.

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Payables

- **Current**

- **Payments** - Cheque runs are done on the 15th & 30th of each month. Limited use of wire transfers and EFTs.
- **Automation** – None. All invoices entered manually.
- **Stale Dated Cheques** – Currently requires manual intervention.
- **Account Reconciliations** – All required reconciliations of clearing and holdback accounts done manually.
- **Invoice Management** – Currently invoices are not scanned into the system due to issues with this in the past. Therefore, we are required to scan them to a shared drive that is not linked creating significant additional work.
- **Visa Transactions** – The City currently utilizes US Bank for all credit card transactions. Currently statements are received from US Bank and each employee is then responsible for gathering the relevant invoices, coding, and creating POs if required and attaching to their US Bank Statement.

- **Future**

- **Payments** – Ability to easily switch to EFT payments but still have the ability to process cheque and wire payments as well.
- **Automation** – Looking to add automation wherever possible into the payables process, whether that is automatic invoice entry, auto-coding or otherwise.
- **Stale Dated Cheques** – Automated alerts of any stale dated cheques and potential for automatic reprocessing.
- **Account Reconciliations** – Potential for automation of these process or linking transactions to make reconciliation easier. In particular for holdbacks on invoices. Being able to link the holdback to the capital account would make reconciliations easier.
- **Invoice Management** – All invoices will be digitalized and attached to journal entries. Should also be able to easily attach cleared cheque confirmation and be able to see if amount has been paid.
- **Visa Transactions** – Opportunities for automation i.e. automatic coding or other integration with US Bank would be beneficial but not required.

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Purchasing

- **Current**
 - Purchasing currently done by many individuals throughout the organization with very little centralization. There is one purchasing agent that does most of the purchasing for the Utilities and Public Works. Purchase orders are done manually on paper and there is no way of knowing outstanding commitments.

- **Future**
 - Purchasing will be centralized through a purchasing agent. Digital purchase order will be created by purchasing agent in the system, the purchase will then be completed. The invoice when received will be coded and attached to the purchase order in the system and sent to Director/Manager for approval. Once approved the invoice will enter the payables process. Software that can allow for additional users in this module for approval purposes and ease of use for those individuals is preferred.

Inventory

- **Current**
 - Large listing of inventory items. Difficult to find and keep track of items. No pictures or other means of identifying outside of name. Electrical department is the main user of this function; however, other departments will be starting to use this functionality.

- **Future**
 - Reduced list of items. Ability to easily categorize items to make locating them easier. Ability to attach pictures would be ideal. Ease of use is important in this area. Limited training should be required. Any capabilities to assist with inventory counts and reconciliations would be beneficial.

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Financial Planning and Analysis

- **Current**
 - **Projection Document** – Currently each department has a projection document that they have access to. They review these documents and update monthly budgets for known changes/transactions. The projection is equal to the YTD Actual + Remaining Monthly Budgets. Monthly Budgets are calculated as the average percentage of total spend historically in that month multiplied by the current year budget. For example, Office supplies has a budget of \$150 in 2022-23. In 2021-22 and 2020-21 the average spend in April is 10% of the total spend in office supplies in those years. Therefore, the monthly budget for April 2022 will be \$15 ($\$150 * 10\%$). This method of projecting is highly accurate given our seasonal nature of purchasing and the fact that purchasing patterns remain relatively consistent year-over-year.
 - **Transaction Information** – Another document is provided to departments that allows them to see transaction information related to their department's accounts. Each department is only given access to their own department's information and they can look transactions up by account number or description, vendor, and/or transaction description. PIVOT tables are provided to show a graphical historical spending pattern. A number of employees (25-30) view this information.
 - **SQL** – SQL is used to obtain the data for the above reports. The information is generated from SQL and then put into a spreadsheet in which a macro then distributes the updated data to each of the departments' sheets. It takes almost 20 minutes just to run these macros given the quantity of data and formatting required.

- **Future**
 - **Projection Document** – Looking for a projection document that is easy to follow and provides good useful information such as variances for the department. The software either needs to be able to program in our current projection formula or show that the out-of-the-box solution is just as accurate.
 - **Transaction Information** – Departments should be able to drill back from their projection document to see transaction details. Departments should also be able to see transactions by vendor. Providing read-only access to the projection document and transaction information to as many employees as possible for little increased cost would be ideal.
 - **SQL** – Ideally will not have to use SQL as much to do these functions as they will be integrated inside the FSS.

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Budgeting

- **Current**
 - **Spreadsheets** - Budgets are currently done with Spreadsheets. There are 12 departmental budgets that link together in a summary spreadsheet. There are approximately 15 individuals (Directors and Staff) that input information into the departmental budgets. Approximately 25 individuals require read-only access to the budget information once the budget is approved.
 - **Metrics** – Manually calculated based on budget spreadsheets.
 - **Presentation** – CaseWare software is currently utilized to format and present budget data and create easily printable monthly reports.

- **Future**
 - **Spreadsheets – None**. Goal is to have software that will allow departmental budgets to be created with individuals provided access to input the budget data. Pivotal to success in this area will be ease of use for departments. 15 individuals will need access to edit with 25-30 requiring view access, although it would be preferred if read-only access could be provided to as many individuals as possible. Other possibilities can be considered here depending on the fee structure of the software.
 - **Metrics** – Custom metrics calculated automatically based on changes to budgets.
 - **Integration** – The solution should be fully integrated with the accounting/GL software. Users should be able to click a comparative balance in the budget and be able to see what transactions make up that amount.
 - **Presentation** – Software should be able to create reports that are easily printed and can be adjusted for public presentation. This will need to be done at the individual department level as well as a summary.

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Payroll

- **Current**
 - **Sage HRMS** – HR department is utilizing this software to perform payroll functions. Currently there is no integration and we manually need to do the entries in GP. The HR software account numbers are different from those that we use in GP making this a tedious and lengthy process.

- **Future**
 - **Sage HRMS** – The HR department recently upgraded this software so it will still be in use; however, the goal would be to fully integrate the new FSS with Sage in order to eliminate the need for manual processes and reconciling.

Customer Information System (receivables/revenue)

- **Current**
 - **Sprypoint CIS (SpryCIS)** – We upgraded from Cogsdale CSM to SpryCIS in March 2021. SpryCIS is a Utility Billing software that is cloud-based. This platform handles the billing and receivables function for Electric, Water, Sewer, and General Government. All receivables transactions run through this software. GL Entries come as a batch at the end of each day into GP. In GP there is drill back capabilities from the Journal Entry to SpryCIS.

- **Future**
 - **Sprypoint CIS (SpryCIS)** – We will not be switching from SpryCIS for our billing/receivables function. The new FSS must be able to provide at least the same level of integration as our current FSS.

Miscellaneous

- **Long-Term Debt** – Currently tracking close to 100 loans and their payments in Excel spreadsheets. Any software assistance in this area would be beneficial.

- **10-year Capital Investment Plan** – Currently maintained in Excel, potential for integration into the system would be worth discussing/seeing.

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System Requirements - Primary (*High Level Review*)

1. Must be cloud based.
2. Custom projection reports for each department must be possible and projections must be at least as accurate as current method.
3. Payables function must have opportunities for significant automation and be overall easy to use.
4. Account structure should be able to accommodate different funds (General, Water, Sewer, Electric) and should help to make consolidation for financial statement purposes simple and reduce the required number of accounts.
5. Payments should be able to be made by Cheque, EFT, and Wire Transfer. Capability to make multi-lingual cheques is required.
6. Drill back capabilities across all facets of the FSS should be strong.
7. Purchasing process must be straightforward with the capabilities to easily attach documentation and link to journal entries and to setup rules/permissions.
8. Inventory must be able to do FIFO and must provide restock alerts when thresholds are met. Should be able to attach pictures of objects and setup groupings to make locating items easy. Ability to accommodate average cost is also required.
9. Ability to fully complete the budgeting process with ease of use being the focus.
10. System should be cable of creating statements based on Fund accounting should accounting rules require that again in the future.
11. Data structure should be easy to follow (i.e. clear table structure). Tools to query the data should either be SQL based or provide an easy-to-use alternative.
12. Integration with Sage HRMS will be a benefit if possible.
13. Integration with SpryCIS is required.
14. Ability to generate accurate PSAS statements would be a benefit.
15. Ability to automate at least some portion of the HST reconciliation process would be a benefit.

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Expectations of Consultant

The above should provide you with a basic understanding of where we are and where we generally want to be. We are looking for a consultant to help us find the correct solution or suite of solutions to achieve most of these goals. The following are the anticipated/expected services to be provided:

- **Needs Assessment** – Through discussions with staff create a comprehensive list of software requirements.
- **Advise on Best Practices** – Review current practices and suggest improvements prior to reviewing FSS in order to ensure that FSS are appropriately adjudicated. Also provide best practice information on a decentralized versus centralized approach to software (one solution versus multiple).
- **Software Shortlist** – Based on the consultant’s industry knowledge and data and the software requirements determined above, a short-list of software solutions will be determined and presented to the City.
- **Demonstrations** – Once the shortlist is determined, the consultant will reach out to the various companies and arrange demonstrations for the City. The consultant will take the lead on developing questions to be asked to ensure that key requirements are demonstrated and will assist in ensuring that demonstrations are efficient and effective. The consultant will also assist with the analysis of each solution following the demonstrations.
- **Recommend Solution** – Once the demonstrations and any follow-ups are completed the consultant will take all of the information gathered and provide a recommendation to the City as to what solution is best given the requirements gathered. As part of this recommendation the consultant should identify any remaining gaps, in particular, if there are any key requirements that are not met by the recommended software solution.
- **Development of RFP** – Once the software is selected the consultant will lead and assist with the development of an RFP to determine the vendor to provide the chosen FSS.
- **Vendor Selection** – Once the RFP is closed, the consultant will assist the City with the analysis of submissions from the various vendors to determine what offers the City the best value.
- **Negotiations** – The consultant will be responsible for any negotiations with the vendors if required. Note that this may or may not be required depending on the outcome of the RFP.
- **Implementation Assessment** – The consultant should provide a brief report for the City based on the outcomes of the above as to whether the City has any gaps that may hinder implementation. At this time the consultant may provide a presentation or business case as to why they should be a part of the implementation process.

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Note that if a decentralized approach is being taken by the consultant (i.e. different software companies for planning & budgeting and Accounting) then the consultant must do the above demonstrations and recommendations for all software solutions. At the end of this project the City will either have one Software package that achieves all of the key requirements or a number of separate, but integrated pieces of software that will achieve the key requirements.

Implementation – As part of this RFP the consultant is **not required** to provide assistance with the implementation process. However, if it is determined that the City may need assistance with this process the successful party to this RFP may provide these services as part of a change order to the existing project. This determination will happen once the software is selected and implementation implications have been determined and provided by the consultant.

RFP Assessment – The following scoring grid will be used to evaluate submissions to this RFP:

1. Base Cost – 40%
2. Affiliation with Particular Vendor(s) – 30%
3. Overage Cost – 20%
4. References – 10%

Recent Experience

If possible, please list the ten most recent financial software solutions recommended to clients and the client's industry

Software Recommended	Client's Industry

In a separate document, please indicate how/if you can meet each of the expectations set forth under the section of this document titled “Expectations of Consultant”. Your process may vary from the headers placed in this section as long as the core deliverables are achieved. You may suggest additions to this list it is meant as a minimum expectation.

Please indicate in your proposal whether you are quoting for any in-person meetings/travel as part of your consultation or whether you plan on completing the consultation entirely virtually. It would be the preference of the City to have at least one in-person meeting, however, given the current travel climate and costs if you do not have a base office located near the City an entirely virtual method is acceptable.

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NOT A TENDER CALL

This Request for Pricing (RFP) is not a tender call, and the submission of any response to this RFP does not create a tender process. This RFP is not an invitation for an offer to contract, and it is not an offer to contract made by the City. By this RFP, the City reserves to itself the absolute and unfettered discretion to invite submissions, consider and analyze submissions, select short-listed Proponents or attempt to negotiate an agreement with the Successful Proponent, if any, as the City considers desirable. Without limiting the generality of the foregoing, the City reserves the right to:

- a) reject, consider or short-list any submission whether or not it contains all information required by this RFP;
- b) require clarification where a submission is unclear;
- c) reject any or all submissions without any obligation, or any compensation or reimbursement, to any Respondent, intended Proponent, or any other person associated with this RFP process;
- d) all or any proposals not necessarily accepted, as the acceptance remains within the exclusive discretion of the City;
- e) disqualify or reject any submission without discussion with the submitting party;
- f) reject any or all submissions that the City considers are not in its best interests;

NO OBLIGATION TO PROCEED

Though the City fully intends at this time to proceed with the awarding of a consultant – Financial Software - 2022 as contemplated herein, the City is under no obligation to do so. The receipt by the City of any information shall not impose any obligations on the City. There is no guarantee by the City, its officers, employees or agents, that the process initiated by the issuance of this RFP will continue, or that this RFP process or any RFP process will result in a contract with the City for the provision of a consultant – Financial Software - 2022.

CITY'S DECISION-MAKING POWER

The City has the power to make any decision, or to exercise any contractual right or remedy, contemplated in this RFP at its own absolute and unfettered discretion, and no public law duty, whether arising from the principles of procedural fairness or the rules of natural justice, applies to the City.