



## CITY OF PORTSMOUTH, NH

### **RFP #57-24 FINANCE AND HUMAN RESOURCES SYSTEM AND IMPLEMENTATION**

#### **REQUEST FOR PROPOSALS**

1. Introduction This Request for Proposals ("RFP") is an invitation to prospective service providers to submit a proposal for a cloud-based Software as a Service (SaaS) financial and human resources Enterprise Resource Planning (ERP) solution. This initiative will provide the framework to streamline Finance and Human Resources processes and implement a financial administrative system with a common architecture, which will ultimately allow the City to respond to new requirements in a timely and effective manner. Accordingly, the City is soliciting proposals for a core SaaS finance and payroll administrative system.

Portsmouth is a City in Rockingham County, New Hampshire. An historic seaport and popular summer tourist destination on the Piscataqua River bordering the state of Maine, Portsmouth was settled in 1623. It is a compact community (16 square miles) of 23,102 citizens.

The City seeks a solution that will help support essential functions in our Finance and Human Resources departments. The City's FY25 budgeted appropriations include \$144 million in general funds, \$35 million in water and sewer funds, and \$49 million in special revenue funds. The School Department, the largest of the City's departments, maintains a subsidiary general ledger with which to track school finances in greater detail for federal and state compliance reporting. Combined, the City and Schools carry and pay approximately 1,100 employees annually. The Accounts Payable offices generate more than 15,000 checks annually. The City assesses and taxes over 9,000 property parcels in biannual billing.

2. Overview The City of Portsmouth, New Hampshire ("Portsmouth" or "the City") is embarking on an initiative to replace locally hosted applications supporting its Finance and Payroll operations. The primary objective of the project will be to provide the City with a fully integrated system that will allow the City to deliver outstanding service to the citizens of Portsmouth and support the highest level of financial management. This initiative will promote and aid in the

transformation and standardization of City administrative processes and centralize and standardize financial data storage. This Request for Proposals ("**RFP**") is the first step in a complex initiative to provide the framework within which to streamline municipal finance and payroll processes. Accordingly, the City is soliciting information and pricing for a cloud-based core finance and payroll administrative system software as a service (SaaS) solution and associated implementation services.

3. Submission Instructions Proposals may be submitted via email at [proposals@cityofportsmouth.com](mailto:proposals@cityofportsmouth.com) with subject line RFP# 57-24 *Request for Finance and Human Resource System and Implementation Services*. Alternatively, sealed requests for proposals may be submitted, plainly marked "RFP# 57-24 *Request for Finance and Human Resource System and Implementation Services*" on the outside of the mailing envelope, addressed to the Finance/Purchasing Department, 3rd floor, City Hall, 1 Junkins Avenue, Portsmouth, NH 03801 will be accepted until **July 29, 2024 @ 2:00pm**.

4. Further Information Further information about this request may be obtained on the City of Portsmouth website at [www.cityofportsmouth.com/finance/purchasing.htm](http://www.cityofportsmouth.com/finance/purchasing.htm). Questions will only be accepted and answered in writing. Questions should be addressed to [purchasing@cityofportsmouth.com](mailto:purchasing@cityofportsmouth.com) by July 16, 2024 @ **10:00am**. Addenda to this proposal, if any, including written answers to questions, will be posted on the City's website by July 22, 2024 @ 1:00pm under the project heading.

5. General Goals and Objectives

**Integrate** people, processes, and technology to provide a balanced, efficient level of service.

- Create a collaborative environment where access to data and information, even from remote locations, is based on system data definition, data stewardship, flexibility and security.
- Implement a new core application which will provide seamless integration of other systems regardless of the number of vendors providing software, reducing data entry redundancy and reconciliation.
- Align the reporting strategy with the City's overall data management and data warehousing strategy. This must enable and support performance reporting and consistent information management throughout the City.

**Leverage** resources, institutional knowledge, skill sets, and technology to continuously improve service and productivity throughout the City.

- Eliminate the need to support legacy applications, and promote the creation of a faster, more accurate, and more proactive technological environment at the City.

- Configuration of the finance application software will recognize City-wide requirements. This will require significant and active participation by representatives from various functional areas including but not limited to City Manager’s Office, Finance, Human Resources, Legal, Police, Fire, School and Public Works particularly in the definition of shared data.
- Named functional sponsors will lead the effort, including timely project completion in their respective areas. Functional sponsors will continue to direct these areas as the new system(s) is stabilized. Information Technology will support this effort on a continuous basis.

**Mitigate** risk to the City by focusing on compliance requirements and understanding the impact these requirements have on productivity and service levels.

- Develop an integrated structure that will promote the consistent interpretation and enforcement of policies, procedures, local, state and Federal laws and regulations throughout the City.
- The ERP project will provide approvals, workflows, alerts, and monitoring controls and reporting tools necessary to help ensure the City’s compliance with the following:
  - GAAP (Generally Accepted Accounting Principles),
  - GASB (Governmental Accounting Standards Board),
  - PCI-DSS (Payment Card Industry),
  - HIPAA (Health Insurance Portability and Accountability Act),
  - ACA (Affordable Care Act),
  - Federal, State and Local Regulations.
- Provide an environment that eliminates redundant technological solutions and encourages solutions that maximize the goals and objectives of the City. This may be accomplished through timely issue resolution, thoughtful decision-making, and consistent project management.

## 6. Project Scope

6.1 Affected Municipal Units and Areas The City is requesting proposals from qualified service providers for a cloud-based finance and payroll administrative system. The City has 25 departments including Accounting, Assessing, City Clerk, City Manager’s Office, Economic and Community Development, Facilities, Fire, Health, Human Resources, Information Technology, Inspections, Legal, Library, Parking & Transportation, Planning & Sustainability, Police, Public Works, Purchasing, Recreation, School, Senior Services, Tax, Water/Sewer, Welfare and Zoning Enforcement.

## 6.2 Project Process Scope

The system must accommodate the following service functions.

Finance functions including General Accounting, Chart of Accounts maintenance, Project Management, Budget Preparation, Departmental Accounting, Accounts Receivables, Fixed Assets, Accounts Payable, General Ledger, Journal Entries, Encumbrance Processing including Payroll Encumbrance, Period Processing (13<sup>th</sup> month), Central Cash Receipting, Purchase Card Processing and Electronic Payments – ability to both receive and send.

Procurement service functions including RFP and Bid Processing, Requisitioning, Managing Purchase Orders/Change Orders, Strategic Sourcing and Contract Maintenance, E-commerce, Inventory Control, Vendor Tracking with email alerts.

Human Resources functions including Personnel Administration (Job Classifications and Positions, employee compensation, competency management, and work performance), Personnel Development, Labor Distribution, Position Control, Benefits Administration, Benefits Self-Service, Workforce Maintenance, Payroll, Time Management system, Employee Self-Service, Compensation and Benefits reporting, Budget forecasting for salaries, automatic salary adjustments, workflow for authorizations.

### 7. Service and Productivity Improvements Sought - Addendum A

### 8. Specific Municipal Needs - Addendum B

### 9. Technical Considerations

#### Current Technical Environment

The City's current IT environment consists of a hybrid of onsite and cloud applications. The City's network, designed in a hub and spoke configuration, is stable and robust. The existing finance system (FinancePlus) is locally hosted with a hot site for survivability and disaster recovery. The FinancePlus system has multiple system interfaces and customizations which are necessary to accomplish work. The City hopes the new system will make many, if not all these unnecessary.

The City's IT strategy is to move boldly to cloud solutions, strengthen network design and resiliency, and harden the environment against malicious attacks. Currently there are a variety of information technology systems, architectures, and infrastructures in use at the City. This is the result of the availability of technology in the past, the varied needs resulting from the City's broad mission and focus, and the array of funding options for systems projects.

## Centralized and Decentralized IT

The City has a central IT department as well as several decentralized IT units reporting to functional directors. As a result, there are decentralized units such as Police that have their own instance of O365, a separate network and specialized applications, but PD uses central finance system for payroll and all other finance functions. The school department also has a decentralized IT team and uses Google suite throughout. Yet they too will use the central finance system for all financial functions.

## Browsers

The SaaS solution architecture should support multiple browsers including Microsoft Edge, Safari and Google Chrome.

## Proliferation of Endpoints and Devices

The City is seeing more distributed access to computing resources. While desktop/laptop interfaces are still the norm, additional interfaces in the form of hand-held devices are starting to see more use as applications, particularly messaging and collaboration applications, expand and mature.

## Privacy and Data Security Requirements.

The service provider must have sufficient physical and digital security measures in place to protect the City's data and comply with the City's security standards, policies and reporting requirements. The ERP should support standard security architectures to ensure integrity, and confidentiality. Information must be protected from tampering, or accidental changes and should be available only to authorized entities. Access to applications, information, and resources should be parameter-based and provide authentication, authorization, and non-repudiation.

## Breach Notification

Vendors must within 24 hours, both in writing and verbally, report any confirmed theft, breach, or exposure of PII or protected data or sensitive data. If the application vendor experiences a cyber incident or data breach the City must be sent regular updates as investigation of the breach proceeds including but not limited to the extent to which City of Portsmouth data may have been exfiltrated or altered.

## Access to Data

The City will require access to our data as requested, including for the purpose of migrating to a new system.

## Service Levels

The service provider must ensure that the service meets minimum 99.9% uptime excluding announced maintenance activities.

### Support

The service provider will provide full support and maintenance of the application with a dedicated account team assigned to the City.

### Commitment to Providing Software Support and Maintenance

Each proposal should demonstrate a long-term commitment to supporting the proposed solution. As part of this commitment, support and maintenance must be available to the City for a minimum of 5 years after go-live. The scope of support should include the general obligation to improve and enhance the software solution. The City will structure its commitment to purchase such support and maintenance on a year-to-year basis. Beyond the commitment of a 5-year term, 24 months prior written notice of discontinuation of support services must be provided.

## 10. Proposal Submission Requirements

### 10.1 Software vendor should provide the following regarding support services.

- Describe the documentation provided with the product and the frequency and method of documentation updates.
- Describe your customer training program including on-site and off-site classes, class schedules, curriculum, materials and any on-line or computer-based training courses.
- Describe your standard warranty for the software including any optional or exceptional clauses.
- Describe the tools you provide to test the software for configuration consistency, accuracy of function and system performance.

### 10.2 Industry Expertise and Experience.

Provide a brief history of your company, a detailed description of industry expertise, experience demonstrated past performance, staff qualifications (including applicable education and experience) particularly of the consulting project implementation team, and references of other municipalities using the proposed system and implementation services.

### 10.3 Proposed IT Solutions/Strategy.

Provide a detailed description of the service provider's proposed SaaS solution, upgrade strategy, and implementation methodologies.

10.4 Proposed Controls.

Provide a detailed plan which ensures the integrity of updates applied. Describe your testing procedures for application changes including vendor/client testing and validation, and the associated upgrade notification process.

10.5 One-time Costs

Provide a detailed breakdown of the total proposed implementation costs including subscription and implementation consulting support expenses including but not limited to travel and other billable expenses.

10.6 On-going Costs

Provide recurring SaaS costs including subscription, maintenance and support components if any, in a variety of contract lengths and leveraging available government discounts.

Proposal Submission Deadline

Proposal submissions must be received by **July 29, 2024, at 2:00pm**. Submissions received after the Proposal Submission Deadline will not be considered.

RFP Timetable.

The following table sets out key dates during the RFP process.

<b>ACTIVITY</b>	<b>DATE</b>
RFP Issue Date	06/17/2024
Deadline to Submit Questions	07/16/2024 10:00am
Addenda and Responses posted to website	07/22/2024 1:00pm
Proposal Submission Deadline	07/29/2024 2:00pm

Evaluation Criteria.

The City will evaluate multiple criteria to select the most appropriate service provider. The major qualitative areas that the City will use to evaluate bidders are as follows:

- Responsiveness to submission requirements - 5 points
- Qualifications of firm and project team members - 10 points
- Previous related work and references - 10 points
- Strength and fit of proposed solution’s user interface, business logic, and capacity to address City needs as evidenced in the functional user demos - 40 points
- Strength and fit of software development and maintenance approach, implementation strategy, and user/technical support model – 15 points
- Cost - 20 points

The City, at its discretion, may select a service provider outright or select one or more finalist(s) for in-person and/or virtual interviews and vendor demos. Demos will show how the software addresses specific functionality listed in the municipal needs section above and be driven by “how to” questions from functional users which will be provided in advance and/or in response to demonstration. Upon selection, the highest-ranking service provider will be invited to contract negotiations with the City.

If an acceptable contract cannot be executed with the top service provider, the City may eliminate that provider from further consideration. The City may then proceed to conduct negotiations with the service provider next preferred among those not previously eliminated. Such processes will be continued until either an acceptable contract is executed, or all proposals have been eliminated.

When the contract is executed by both parties, the service provider will be instructed to kick-off the project in collaboration with City staff assigned to the project as soon as practical. All information, data, documents, and other materials acquired or developed during the implementation process shall be the property of the City of Portsmouth.

#### 11. Reservation of Rights.

The City of Portsmouth reserves the right to reject any or all proposals, to waive technical or legal deficiencies, to accept any proposal, and to negotiate such terms and conditions of the final contract as may be in its best interest. The City reserves the right to undertake such investigation as it deems necessary to evaluate the qualifications of the firm and to evaluate the qualifications submitted.

#### 12. Non-Discrimination Pursuant to State and Federal laws

Any service provider that enters into a contract for goods or services with the City of Portsmouth or any of its boards, agencies, and departments and any recipient of City funds shall: a) implement an employment nondiscrimination policy prohibiting discrimination in hiring, discharging, promoting or demoting, matters of compensation, or any other employment-related decision or benefit on account of actual or perceived race, ethnicity,



color, religion, national origin, gender, disability, age, military status, sexual orientation, gender identity, gender expression, or marital or familial status; b) not discriminate in the performance of the contract on account of actual or perceived race, ethnicity, color, religion, national origin, gender, disability, age, military status, sexual orientation, gender identity, gender expression, or marital or familial status; and c) incorporate the foregoing requirements in all subcontracts related to its contract with the City. The foregoing terms shall have the meaning prescribed to them in N.H. RSA Chapter N.H. 354-A or in the Uniformed Services Employment & Reemployment Rights Act, as applicable.

## Addendum A

### System Productivity Improvements Sought

#### Finance

- Standardized accounting periods, budget cycles and closing schedules
- Flexibility in Chart of Accounts, which is updated for current practices and may be expanded
- General ledger integration with functional activities allowing for consistent real time information
- Enhanced data integrity and timeliness of reporting
- Robust and flexible reporting with cash, GAAP and GASB reporting options

#### Accounts Payable, Travel and Expense

- Cash management
- Vendor management including discount processing
- Flexible payment types

#### Purchasing

- A single mechanism for procurement and non-procurement disbursements
- Robust vendor management
- Flexible e-payment and credit card processing mechanisms.
- Purchasing card capabilities
- Optimize procurement with approval workflow and purchase card reconciliation.

#### Human Resources

- Fully integrated, single source of employee data
- Employee self-service access

### Payroll

- Centralized data entry and reporting
- Online employee access to payroll and tax information

### Accounts Receivable Invoicing

- Water/Sewer billing functionality or ability to integrate with existing Water/Sewer billing application
- Integration with standalone meter reading application
- Ability to do paperless billing and ACH payment process
- Miscellaneous services billing
- Ability to integrate with online payment application and cash receipting module

## Addendum B

### Specific Municipal Needs

#### Finance

- Ability to maintain separate City and School databases or strong subsidiary ledger capabilities
- Ability to interface School 1099 information into City for yearend tax form reporting
- Electronic Purchase Orders and approval process
- Payroll encumbrance
- Bid Processing/Tracking
- Roll purchase orders to next fiscal year direct to an encumbrance fund (i.e., not adding to following fiscal budget) and retain original PO #
- Larger entry field for invoice numbers (minimum 14 characters)
- Permissions to allow staff to view all funds on reports/displays but limit to specific accounts for AP or JE
- Flexible permissions in HR for reporting for non-Finance personnel
- Project financial tracking and/or project-based accounting
- Flexible and efficient processes and reporting
- Improved HR processes for budgeting, step progression
- Ability to do cash reconciliation with due to / due from
- Financial tracking of Property and Liability expenses and payments
- Ability to pay vendors by multiple means (check, ACH, virtual CC)
- Electronic storage of accompanying documentation
- Vendor tracking and contract tracking
- Cash Receipting /Cash Deposit functions – Centralized Cash Receipting
- Ability to integrate payment files, such as lockbox and other files into Cash Receipting from other applications
- API with parking applications
- Interface with State motor vehicle and dog licensing application (Avatar) to Cash Receipting

- Ability to do Property Tax Billing or interface with standalone property tax software MTS (Municipal Tax Systems)
- Robust reporting including:
  - Net position reporting for special and enterprise funds
  - Forecast report built into the system with monthly and quarterly options
  - Robust and functional custom report generation
  - Budget reporting by project number
  - Budget accounts not carried forward in fiscal years when no longer active and excluded from reports
  - Duplicate invoices verification

#### Utility Billing/ Miscellaneous Billing

- Flexible, robust billing and interfaces with external payment applications
- Customer portal for viewing water usage, leaks, bills.

#### Human Resources

- Portal for employees to print copies of checks, vouchers, tax forms, request benefit changes, address changes.
- Time entry portal by exception for payroll
- Interface with Kronos or ability to replace time clock functionality
- Ability to generate payroll reports for miscellaneous billing such as Outside Detail
- Flexibility with code creation and management
- Ability to auto-update Salary Schedules in system
- Automatic step and grade increases based on hire date or other date as desired
- Payroll exceptions for probation
- Budget salary forecasting
- Leave management including automated leave request with workflow and monthly accrual
- Benefits management and tracking
- Submission of documents associated with open enrollment
- Payroll deduction calculations with employee access

- Ability for School employee tracking system to interface with City's HR/Payroll system and processes
- Flexible and robust HR reporting
- Reporting on employee average hours to determine when they have reached 30 hours (for State reporting)
- Robust ACA reports