

<b>Subject</b>	<b>Authorization to Issue Request for Proposal No. 08-7 for a Financial Management Information System</b>
<b>Summary</b>	The Authority authorized a contract with Schaffer Consulting to develop a Request for Proposal (RFP) for a new Financial Management Information System (FMIS). Schaffer’s work thus far has focused on completing system and functional requirements for the RFP. The RFP has been completed and is scheduled to be issued pending authorization from the APC. Over the next 90 days, firms will submit proposals, perform demos, and be evaluated. It is anticipated that a software vendor contract will be recommended to the APC on September 4 <sup>th</sup> .
<b>Recommendation</b>	Staff recommends that the APC authorize Request for Proposal No. 08-7 for a Financial Management Information System. The Authority’s existing system is no longer supported and was not designed for the Measure J program.
<b>Financial Implications</b>	The RFP calls for a not-to-exceed contract amount. The actual cost of ownership will not be known until proposals are received and evaluated. The Authority reserves the right in the RFP to reject all proposals or negotiate best and final terms.
<b>Options</b>	<ol style="list-style-type: none"> <li>1. Authorize the issuance of RFP No. 08-7 for a Financial Management Information System.</li> <li>2. Do not authorize RFP No. 08-7.</li> </ol>
<b>Attachments</b>	None.
<b>Changes from Committee</b>	<i>None</i>

## Background

In 1993, the Authority implemented a project tracking system (“Minotaur”) using an older version of Microsoft Access. This database was specifically designed to track project expenditures pursuant to the Measure C Strategic Plan. Once it became evident that this older application would no longer support the needs of the Authority as it transitions to Measure J, a strategy to replace Minotaur was formulated. In preparation for a new system, the Authority authorized a contract with Schaffer Consulting to assist in this transition. Services from Schaffer include: analyzing the Authority’s business processes, documenting system requirements, vendor research and facilitating a Request for Proposal (RFP) process to select a software vendor best suited to meet the Authority’s objectives. The next step in the process is to issue the RFP, scheduled for June 13<sup>th</sup>. The RFP process calls for a pre-proposal conference, demos and evaluation. It is anticipated that a finalist will be recommended to the APC on September 4<sup>th</sup>.

The RFP process is a critical step in defining the needs for a new financial system, and then evaluating vendors based on compliance with these standards. It is not uncommon to read or hear about a public agency procuring a system, only to find out later that the delivered system lacked necessary functionality, requiring costly remedies. The Authority has addressed this potential pitfall by developing a very exact list of specifications for each functional area. Each specification (approximately 400 functional specifications) has been ranked according to the level of importance to the Authority. The specifications

are organized in a matrix of data by functional area, such as General Ledger, Accounts Payable, Projects, etc. The vendors, in preparing their responses to the RFP, will be required to update the matrix to specify if the proposed system comes complete with the desired functionality. For evaluating vendor proposals, the matrix data will provide both summary and detail output on each firm's readiness to deliver a software product designed to address the Authority's business needs. Additional measures will be taken to ensure that the delivered system meets the contract conditions with the selected vendor. An option discussed with the APC on May 1<sup>st</sup> is to retain Schaffer Consulting for a "phase II" scope of work, to monitor and evaluate vendor quality control during the course of implementation.

Schaffer Consulting believes that the Authority will receive 6 to 9 proposals from "Tier 2" and possibly interest from "Tier 1" software companies. The tier positioning refers to the business market targeted by a firm for its application. A Tier 1 software company, as an example, would target mid to large companies and organizations, perhaps with thousands of employees all over the world. A Tier 2 software company aims to address the needs of small to mid sized organizations. A concerted effort will be made to reach out to all software companies that provide a public sector solution. The evaluation criteria will include: company background and experience, project understanding, project staffing, work plan and schedule, system functionality, software maintenance and support provisions, and cost.

A new financial application will afford the Authority opportunities to better manage the Measure J expenditures using modern business functionality. Currently much of the process is performed manually, with paperwork being typed, copied, and then delivered to County offices for processing. The new system envisions that the General Ledger and Accounts Payable functions will be brought in-house and performed by Authority staff in a more efficient and timely manner. Replacing these manual processes with electronic "workflow" will allow staff to pay vendors in a timely manner, collect grant reimbursements sooner, and monitor project budgets more effectively. The vision is to purchase a financial system that includes core financial applications and web technology functionality to grow with the Authority over the next 25 years.