City of Franklin, Virginia

Request for Proposals
For
Financial Management, Tax Administration, and General Enterprise Resource Planning Software

RFP#2014-06

Issue Date:	Friday, June 6, 2014
Proposal Due Date:	Friday, July 18, 2014
Time:	3:00 PM Local Time

Send Proposal To:

City of Franklin, Virginia
Melissa D. Rollins, Director of Finance
207 West 2nd Ave.
P. O. Box 179
Franklin, Virginia 23851

Technical Inquiries:

Minor and Associates, PLLC
Attn: Sheila Minor
P. O. Box 1072
4300 Cedar Creek Lane
Prince George, VA 23875
sminor@minoracct.com
(804) 731-2437

The purpose and intent of this Request for Proposal (RFP) is to seek sealed proposals from qualified firms to establish a contract, through competitive negotiations, to provide a comprehensive financial management software package to perform various functions as specified in the attached request for proposal.

Sealed proposals, one (1) original, five (5) copies, and one electronic copy should be submitted by 3:00 P.M. local prevailing time on Friday, July 18, 2014 to the City of Franklin Finance Office, 207 W. 2nd Avenue, Franklin, Virginia 23851. Proposals submitted after this date and time will not be accepted. Proposals will be evaluated for the purpose of selecting the most suitable Offeror as described by the evaluation criteria.

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I.   PURPOSE

The City of Franklin ("City") seeks to establish a contract for the provision of software, implementation services, training and maintenance for a comprehensive financial management system ("ERP") to support the following financial and administrative functions for the City:

A.   General Ledger
B.   Budgeting
C.   Accounts Payable
D.   Purchasing/ Procurement
E.   Payroll
F.   Human Resources Administration
G.   Cash Receipts, Delinquency Administration and Collection
H.   Real Estate Tax Administration & Billing (not including Computer Assisted Mass Appraisal)
I.   Personal Property Tax Administration & Billing
J.   Utility Billing
K.   Income Tax Return Administration
L.   Business License Administration
M.   Miscellaneous Billing
N.   Fixed Asset Inventory

The City desires a turn-key financial software package, or combination of integrated software packages, that will provide the functions listed above.   The new system will provide a comprehensive and automated means to assess the City's taxes and miscellaneous fees, manage City resources of various types, and accurately account cash inflows and outflows, in an efficient, effective, user-friendly and customer service-oriented manner using up-to-date technology.   The desired solution will incorporate web portals for customer and citizen inquiry and transactions, workflow capabilities for efficient and paperless processing of various tasks, and integrated systems and databases that provide real-time information across the various functions of the City.

Please note that questions are due to the City no later than July 2, 2014. The City reserves the right to schedule an optional pre-bid conference in order to answer questions and discuss the project at a later date, but before the response due date. All known vendors shall be notified of the pre-bid conference, if scheduled. The pre-bid conference would also be posted on eVA.

II.   BACKGROUND

A. General
The City of Franklin is located in southeastern Virginia immediately adjacent to the Virginia Beach Norfolk Newport News Metropolitan Area (MSA) and approximately nine miles from the North Carolina state line. Franklin, which had been a part of Southampton County for many years, became an incorporated Town in 1876 and an independent City on December 22, 1961. Subsequent annexations in 1986 and 1996

increased the population. Today, Franklin City is the home of approximately 8,900 citizens. The City's land area is 8.75 square miles.

The City enjoys a unique relationship with Southampton County whereas an annexation agreement exists that requires the City to pay the County for a portion of tax and other revenues collected along the "Industrial Revenue Corridor Area". References are made throughout applicable modules as to system requirements essential to obtaining and reporting this information to Southampton County.

One of the most basic functions provided to the citizens by the government organization is acting as steward of public resources. In order to fulfill this responsibility in an effective and efficient manner, it is necessary for the City to implement a modern computer system to handle the daily administration of all financial activities, which is the core of all City functions. To ensure the City can continue with its tradition of excellent financial management, it has become necessary to look at the implementation of a new financial system. The current financial software modules are supported by Bright & Associates, have been in place since 1999, and operate on an AS/400 Platform utilizing a data tape backup. The following modules are currently being utilized:

- General Ledger
- Accounts Payable
- Payroll
- Budget Preparation and Management
- Revenue and Cash Receipting (Treasury Functions)
- Personal Property & Real Estate (a separate CAMA application is used for the Real Estate Appraisal System)
- Business License
- Income Taxes
- Purchasing and Requisitions
- Encumbrance
- Utility Billing
- Work Order System

The current system integrates network printers (laser and wide-format dot matrix).

B. Fund Structure and Financial Reports
In addition to the General Fund, the City operates the following Enterprise Funds: Airport, Electric, Solid Waste and Water & Sewer. For more information on the City's fund types accounting groups, or other financial and budget information, please see the City's Comprehensive Annual Financial Report or budget document located at:
http://www.franklinva.com/content/finance/Franklin_CAFR_FY2013_Final.pdf
http://www.franklinva.com/content/finance/FY14_Consolidated_Budget_Document.pdf

C. Applicable Statistics
The City has approximately 175 full and part-time employees.

The estimated number of current users and concurrent licenses needed by module is as follows:

Department	Total # of Users	# of Concurrent Users
Accounts Payable/Purchasing	3	1
Budgeting/Accounting	3	3
Fixed Assets	2	1
Payroll	2	1
Utility Billing	4	2
Treasurer	5	5
Commissioner of Revenue	4	4
Real Estate Assessor	1	1
Human Resources	2	2
Electric Department	5	2
Information Tech	1	1
Public Works-Water & Sewer	4	2
Public Works – Solid Waste	3	1
All Users for Budget Access/Account Inquiry/Purchase Reqs	13	4
Total Number of Users / Concurrent Licenses Needed	**52**	**30**

Number of Current Utility Accounts Serviced by Type:

Electric (Franklin Power & Light)	5,545
Water & Sewer	3,444
Solid Waste (Garbage)	2,840

III. SCOPE OF WORK

A. General Functionality and Software Requirements

With a change in financial systems, the City recognizes the opportunity to engage in major business re-engineering efforts. The primary focus of these efforts will be the automation of processes, including their initiation at points outside the Finance Department. The new system is also expected to provide vastly improved business intelligence and permit for greater transparency of City finances as information can be pushed out to departments and to citizens using web based technologies.

The City must comply with ever-changing laws, mandates, and regulations regarding our handling of financial transactions to include payroll matters and regulations. Any new

software should be able to accommodate all current software needs as well as any future requirements by Federal or State Government and/or other affiliated agencies.

The proposed system will be Microsoft Windows based in order to leverage the knowledge of existing IT staff and existing IT resources.

B. Integration of the City's technological infrastructure

The City desires a Microsoft Windows Server 2008 and SQL-based system. Proposed systems shall consist of hardware and software applications designed to interface with existing and developing technologies. Where possible, the proposed system will integrate with the existing infrastructure such the City's e-mail services and electronic document management system. This will enhance communication of information to all users of the system and promote greater resource management. This system will support the requirements to collect, compile, retain, and recall data and programmatic files in a supportable, sustainable electronic format.

C. Ensure the efficient and accurate capture of data

The proposed system will utilize integrated databases of financial, budgetary, tax assessment, and personnel data. This allows the information to be easily accessed, reused, and associated to relevant activities. Capturing data once also avoids cost, duplication of effort, and potential for error.

D. Deliver timely and effective responses to customer requirements

The proposed system will use the concept of electronic government to allow transactions and inquiries to occur without customers having to visit City offices or having direct contact with employees. The proposed system will provide workflow management capabilities to ensure service delivery is timely.

E. Specific Functionality

The following is a broad description of the primary functions of the system. **The proposed system or systems should address the functional requirements included in Appendix A, particularly those listed as "required".** Offerors must complete Appendix A indicating whether their software is able to provide requested functionality without additional customization, with additional customization, or not at all.

1. **General Ledger**
   a. The system shall provide a general ledger which maintains all financial data from various sub-ledgers in a standardized chart of accounts with multiple self-balancing funds. The general ledger must recognize and appropriately record transactions in asset, liability, revenue, expense, expenditure, encumbrance and fund equity account types, as well as specific accounting periods and fiscal years.

2. **Budgeting**
   a. The system shall provide a budgeting function allowing users to create multiple versions of budgets for all funds, easily manipulating budget variables to create alternate scenarios for decision making, and ultimately loading an approved budget to the General Ledger for revenue and

expenditure tracking.

3. **Accounts Payable**
   a. The system shall provide an accounts payable function which interfaces with the purchasing function to load approved purchase orders, allows for the entry of invoice information, creates checks and ACH transactions for the payment of vendors, and generates 1099s and other relevant reports.

4. **Purchasing/ Procurement**
   a. The system shall provide a purchasing function which allows for the entry of purchase requisitions, facilitates the approval process, generates purchase orders, provides purchase orders to the accounts payable functions, and records encumbrances to the general ledger

5. **Payroll**
   a. The system shall provide a payroll function which holds relevant employee information (such as hire date, leave balances, salary and deduction information, etc.), generates paychecks and direct deposit files for the payment of employees, and accommodates a variety of employee types and payment types and cycles.

6. **Human Resources Administration**
   a. The system shall provide a human resources function that facilitates the entry of applicant information, maintains relevant employee information (such as certifications, FMLA and other status codes, licensures, benefits selections, evaluations, and disciplinary actions) and provides that information as needed to the payroll system.

7. **Cash Receipts, Delinquency Administration and Collection**
   a. The system shall provide a cash receipting function that accommodates the collection and recording of taxpayer/customer payments with or without associated accounts receivables.
   b. The cash receipting system must interface with the various revenue systems (personal property, real estate, utility billing, and miscellaneous billing) to show proper amounts due and credits to individual customer accounts. It must also interface with the general ledger to appropriately update the balances in revenue, accounts receivable, taxes receivable and cash accounts.
   c. The system will also track and maintain customer information, including delinquency and collections activities.

8. **Real Estate Tax Administration & Billing (not including Computer Assisted Mass Appraisal)**
   a. The system shall provide a real estate billing function that maintains property records and assessments provided by the City's CAMA software. The real estate billing system will generate real property tax bills based on applicable tax rates and interface with the cash receipting system to update the balance on the owner's account, as well as the general ledger for the update of receivables balances.

9. **Personal Property Tax Administration & Billing**
   a. The system shall provide a personal property billing function that maintains individual property records and assessments from various sources. The personal property billing system will generate personal property tax bills

based on applicable tax rates and the Personal Property Tax Relief (PPTR) percentage in effect for the tax year. The system will interface with the cash receipting system to update the balance on the owner's account as well as the general ledger for the update of receivables balances.
   b.

10. **Utility Billing**
   a. The system shall provide a utility billing function for the invoicing and collection of charges for water, sewer, electric, and garbage collection services to utility customers inside and outside of the City. The system must accommodate the assessment of various commodity, utility tax, and miscellaneous charges. The system must interface with the cash receipting system to update the balance on the owner's account.

11. **Income Tax Return Administration**
   a. The system shall provide an income tax return administration function that records the receipt of estimated state tax payments and state tax returns.

12. **Business License Administration**
   a. The system shall provide a business license function that maintains the records of active businesses in the City, generates forms for the payment of business license taxes, and interfaces with the cash receipting system to update the balance on the owner's account.

13. **Miscellaneous Billing**
   a. The system must provide a miscellaneous billing function that calculates and invoices for various taxes and assessments billed by the City, including but not limited to meals taxes, cigarette stamps, transient occupancy tax, pet tags, and nuisance fees.

14. **Fixed Asset Inventory**
   a. The system must provide a fixed assets inventory function that tracks the City's capitalized assets, recording relevant information and calculating depreciation.

F. Hardware Requirements/ Architecture
   The vendor must specify whether the proposed system operates on customer owned, on-site hardware or a hosted, cloud-based hosting operating environment, or both. Despite the City's limited Information Technology staffing, the decision as to whether to utilize a hosted vs. on-site system solution will be secondary to the functionality of the system selected.

   Vendors must provide itemized listings and network diagrams of the proposed hardware requirements and architecture required to support their system under each scenario, as applicable. The hardware requirements list should include initial cost information and annual maintenance costs for all equipment. Hosted solutions should describe all associated annual fees.

   Vendors should identify the level of support needed (daily, monthly and annual activities) from the City's Information Technology staff under each alternative set up.

G. Data Conversion & Implementation Services
The selected vendor shall be responsible for proposing an implementation timeframe, to be approved by the City, which is based upon reasonable allowances for training, data conversion, testing, and parallel system operation. The implementation will be performed in phases and by module, with implementation dates that correspond with typical process milestones (e.g. Payroll implementation at the beginning of the calendar year or calendar quarter due to reporting timeframes.)

The system should provide appropriate data conversion safeguards that meet CoBIT 4.1 (Control Objectives for Information and related Technology) standards and audit best practices. Documentation and data dictionaries capturing the transformation mapping implemented by ETL or other methods from the original data sources to the Offeror's system should be provided for Franklin staff to review and for future reference.

Data conversion will be carried out by the Offeror. Data conversion work will be phased; the phases may mirror the module sequence recommended for implementation by the Offeror based on best practices and experience of the Offeror. The system should convert all detailed transactions, allowing for subsequent automated processing by the system in cases of exonerations, refunds, etc

H. Ongoing Support and Maintenance
The City requires ongoing support and maintenance services for the proposed system, including, at a minimum, a one-year warranty for all software provided by the Offeror from the date of final acceptance (full implementation). The Offeror should warrant that the software proposed shall be substantially free from errors. The Offeror should also warrant that the services performed by the Offeror shall be performed in a timely and professional manner by qualified personnel. Contractor should respond to requests for warranty service within four hours and should remedy any programming errors, defects, or breach of warranty as soon as practicable and with minimal down-time at no charge.

The Offeror should identify ongoing support and maintenance options available to the City for services beyond the warranty period, including annual costs. The Offeror should also address the availability for customization services and the cost structure associated with those services. The Offeror shall also describe their customer service and support delivery, including the method(s) of customer service provided (phone, web, live chat, email) and the ratio of customer support staff to customers.

I. Training
The City requires adequate training/staff development to ensure that all system users are familiar with the operations of the system for their specific roles and responsibilities. The Offeror should specify the length and type of training to be provided, and assume all initial training costs in the proposed system costs. Offeror shall provide training materials, which can be reproduced by the City as needed. Initial training should be conducted at the City's facilities.

IV. PROPOSAL CONTENTS

Proposals shall efficiently and succinctly address the following:

A. Description of the Vendor, including information sufficient to give the City indications of the Company's capacity, history, financial stability and vision. Vendors should also describe their experience with similar organizations, particularly municipal governments, and specifically Virginia municipalities.

B. Availability and preference between Hosted vs. On-site configurations, including relevant considerations and costs of both options, if available.

C. Preferred and required minimum hardware configurations, including sketches of both hardware layouts. Description must include itemized specs for all components of each scenario. Vendors may include hardware pricing in their proposal, but the City reserves the right to provide hardware for Offer to use in installation, purchased directly from other vendors.

D. Recommendations for implementation of the system, including phased approach among modules, training to be provided and when, identification of milestones, concurrent usage with current system

E. Approach toward training- types of training provided, number of classes per module, train everyone or train-the-trainer approach, estimated number of hours of training to be provided to employees

F. Ability to meet the functional requirements outlined in **Appendix A**. To be considered, vendors must respond as to their proposed system's ability to perform each function. It is expected that for each response in the affirmative, that functional requirement would be met by the software as proposed with no additional customization at the costs included in the proposal. Those functional requirements unable to be addressed within the standard system as proposed, but which may be addressed through vendor customizations should be clearly shown as requiring additional customization with an estimated additional cost.

G. Customer support structure and service level agreements. Offerors shall describe their help desk and other customer support services in detail, including the various ways customers may contact the Offeror for customer support, the ratio of customer support personnel to customers, average response and resolution time statistics for various levels of issues, samples of technical documentation, etc. Offerors should complete **Appendix C** Service Level Agreement or a comparable document. Offerors should also describe their level of commitment to product enhancements, specifically citing the frequency of update releases, responsiveness to changes in state and federal mandates, and availability of customization.

H. Contingency Planning. Offerors shall identify how they provide appropriate data and software backups and Continuity of Operations in the event of a localized or wide-spread catastrophic event. Information should reference the timing of backups, location, restoration plan, hardware or software requirements, and response time.

I. Project management plan and implementation services. Offerors shall provide a comprehensive project management plan and detailed description of implementation services to be provided, such as providing test and training environment databases separate from the production environment for City use in testing various processes during implementation and training staff in system function. Offerors shall describe in detail

their project management structure, including the identification of key personnel involved with project management and their qualifications. Offerors shall also describe their implementation plan, including the identification of key personnel involved with implementation and their qualifications.

J. Pricing. Offerors shall complete **Appendix B** or a similarly detailed itemization of proposed costs for all project phases leading to a turn-key system. Fixed costs shall be provided whenever applicable, and in the absence of fixed costs, rates per unit shall be identified with a estimated number of units to be provided. Hardware requirements of the system shall be identified in the proposal, and if available from the vendor, the costs of associated hardware shall be included and itemized in the pricing proposal as well.

K. References. Offers should provide a list of similarly sized local governments for which they have successfully implemented similar software. Two of such references shall be from Virginia localities. References should include a the name of the locality, a contact individual who actively participated in the implementation, their title, phone number, email address, and a brief description of the systems implemented.

L. Proof of authorization to conduct business in the Commonwealth of Virginia. Offerors shall complete **Appendix D** and include that document with their proposal submission.

V. GENERAL TERMS AND CONDITIONS

The proposal for this submittal shall contain the following information and shall address all evaluation criteria:

A. Applicable Laws

This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the County of Southampton, Virginia. The agency and the contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (*Code of Virginia*, § 2.2-4366). The contractor shall comply with all applicable federal, state and local laws, rules and regulations.

B. Appropriation of Funds

The continuation of the terms, conditions, and provisions of a resulting contract beyond June 30 of any year are subject to approval and ratification by the Franklin City Council and appropriation by them of the necessary money to fund said contract for each succeeding year. In the event of non-appropriation of funds, the contract shall be automatically terminated with no recourse to the Offeror.

It is understood and agreed between the parties herein that the City shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

C. Anti-Discrimination

By submitting their proposals, offerors certify to the City that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the *Virginia Public Procurement Act (VPPA).* If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, § 2.2-4343.1E).

In every contract over $10,000 the provisions in 1. and 2. below apply:

1. During the performance of this contract, the contractor agrees as follows:

    a.   The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

    b.   The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.

    c.   Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.

    2.   The contractor will include the provisions of 1. above in every subcontract or purchase order over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

D. Ethics in Public Contracting

By submitting their proposals, Offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Offeror, supplier, manufacturer or subcontractor in connection with their proposal), and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value

was exchanged.

The Offeror shall identify any actual or potential conflicts of interest that exist, or which may arise if the Offeror is recommended for award, and propose how such conflicts might be resolved.

By his/her signature on the proposal documents submitted, each Offeror attests that her/her agents and/or employees, to the best of his/her knowledge and belief, have not in any way colluded with anyone for and on behalf of the Offeror, or themselves, to obtain information that would give the Offeror an unfair advantage over others, nor has he/she colluded with anyone for and on behalf of the Offeror, or itself, to gain any favoritism in the award of this Request for Proposal.

E. Immigration Reform and Control Act of 1986

By submitting their proposals, Offerors certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.

F. Antitrust

By entering into a contract, the contractor conveys, sells, assigns, and transfers to the City of Franklin all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the City of Franklin, relating to the particular goods or services purchased or acquired by the City of Franklin under said contract.

G. Clarification of Terms/ Addenda

If any prospective Offeror has questions about any specifications or other solicitation documents, the prospective Offeror should contact the buyer whose name appears on the face of the solicitation no later than July 2, 2014. Any revisions to the solicitation will be made only by addendum issued by the buyer. Addenda will be posted on the City's website at www.franklinva.com. Each Offeror is responsible for obtaining all addenda posted at the Purchasing Department website or by emailing the Finance Director at mrollins@franklinva.com.

H. Payment

1. To Prime Contractor:

a. Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).

b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall

not affect offers of discounts for payment in less than 30 days, however.

d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.

I. Precedence of Terms

The General Terms and Conditions: Applicable Laws, Anti-Discrimination, Ethics in Public Contracting, Immigration Reform and Control Act of 1986, Antitrust, Clarification of terms/ Addenda, and Payment shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

J. Qualifications of Offerors:

The City may make such reasonable investigations as deemed proper and necessary to determine the ability of the Offeror to perform the services/furnish the goods and the Offeror shall furnish to the City all such information and data for this purpose as may be requested. The City reserves the right to inspect Offeror's physical facilities prior to award to satisfy questions regarding the Offeror's capabilities. The City further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Offeror fails to satisfy the City that such Offeror is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.

K. Changes to the Contract

Changes can be made to the contract in any of the following ways:

1.   The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.

2.   The City may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt. The contractor shall be compensated for any additional costs incurred as the result of such order and shall give the City a credit for any savings. Said compensation shall be determined by one of the following methods:

a. By mutual agreement between the parties in writing; or

b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number

of units of work performed, subject to the City's right to audit the contractor's records and/or to determine the correct number of units independently; or

L. Default

In case of failure to deliver goods or services in accordance with the contract terms and conditions, the City, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the City may have.

M. Insurance

By signing and submitting a proposal under this solicitation, the Offeror certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded; the Offeror further certifies that the Offeror and any subcontractors will maintain these insurance coverages during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission:

1. Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the City of increases in the number of employees that change their workers' compensation requirements under the *Code of Virginia* during the course of the contract shall be in noncompliance with the contract.

2. Employer's Liability - $100,000.

3. Commercial General Liability - $1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The City of Franklin must be named as an additional insured and so endorsed on the policy.

4. Insurance & Risk Management - $1,000,000 per occurrence, $3,000,000 aggregate

N. Proprietary Information

Ownership of all data, materials and documentation originated and prepared for the City pursuant to this RFP shall belong exclusively to the City and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by the Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protection of Virginia Code §202.4342(F), in writing, either before or at the time the data is submitted. The written notice must specifically identify the data or material to be protected and state the reasons why protection is necessary. The proprietary or trade secret materials submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute traced secret or proprietary information. The

classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and will result in rejection and return of the proposal.

O. Announcement of Award

Upon the award or the announcement of the decision to award a contract, the Finance Department will inform the Offerors who submitted proposals of the City's decision in writing.

P. Drug-Free Workplace

During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "*drug-free workplace*" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

Q. Nondiscrimination of Contractors

No Offeror shall be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or Offeror employs ex-offenders unless the City has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

R. Audit

The Offeror shall retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited by the City of Franklin, whichever

is sooner. The agency, its authorized agents, and/or state auditors shall have full access to and the right to examine any of said materials during said period.

S. Preparation and Submission of Proposals

Proposals must give the full business address of the Offeror and be signed by him/her with his/her usual signature. Proposals by partnerships must furnish the full name of all partners and must be signed in the partnership name by one of the members of the partnership or any authorized representative, followed by the designation of the person signing. Proposals by corporations must be signed with the legal name of the corporation followed by the name of the State in which it is incorporated and by the signature and designation of the president, secretary, or other person authorized to bind it in the matter. The name of each person signing shall also be typed or printed below the signature. A proposal by a person who affixes to the signature the word "President," "Secretary," "Agent" or other designation without disclosing the principal, may be held to be the proposal of the individual signing. When requested by the City, satisfactory evidence of the authority of the officer signing in behalf of the corporation shall be furnished.

T. Withdrawal or Modification of Proposals

Proposals may be withdrawn or modified by written notice received from offerors prior to the deadline fixed for proposal receipt. The withdrawal or modification may be made by the person signing the proposal or by an individual(s) who is authorized by him/her on the face of the proposal. Written modifications may be made on a separate document. Written modifications, whether the original is delivered, or transmitted by facsimile, must be signed by the person making the modification or withdrawal.

U. Receipt and Opening of Proposals

1. It is the responsibility of the Offeror to assure that his/her proposal is delivered to the place designated for receipt of proposals and prior to the time set for receipt of proposals. Proposals received after the time designated for receipt of proposals will not be considered.
2. The provisions of § 2.2-4342 of the *Code of Virginia*, as amended, shall be applicable to the inspection of proposals received.

V. Bid Acceptance Period

Any bid in response to this solicitation shall be valid for ninety (90) days. At the end of the sixty days the bid may be withdrawn at the written request of the bidder. If the bid is not withdrawn at that time it remains in effect until an award is made or the solicitation is canceled.

W. Termination by Owner for Convenience

1. Owner may terminate this contract at any time without cause, in whole or in part, upon giving the contractor notice of such termination. Upon such termination, the contractor shall immediately cease work and remove from the project site all of its labor forces and such of its materials as owner elects not to purchase or to assume in

the manner hereinafter provided. Upon such termination, the contractor shall take such steps as owner may require to assign to the owner the contractor's interest in all subcontracts and purchase orders designated by owner. After all such steps have been taken to owner's satisfaction, the contractor shall receive as full compensation for termination and assignment the following:

a. All amounts then otherwise due under the terms of this contract,

b. Amounts due for work performed subsequent to the latest Request for Payment through the date of termination,

c. Reasonable compensation for the actual cost of demobilization incurred by the contractor as a direct result of such termination. The contractor shall not be entitled to any compensation for lost profits or for any other type of contractual compensation or damage other than those provided by the preceding sentence. Upon payment of the forgoing, owner shall have no further obligations to the contractor of any nature.

2. In no event shall termination for the convenience of the owner terminate the obligations of the contractor's surety on its payment and performance bonds.

VI. SPECIAL TERMS AND CONDITIONS

A. Submission of Proposal Envelope

The signed proposal should be returned in a separate envelope or package, sealed and identified with the RFP Number and Title (on Page 1 of this solicitation) clearly shown on the outside of the envelope.

The envelope should be addressed as directed on Page 1 of the solicitation.

The Offeror takes the risk that the envelope, even if marked as described above, may be inadvertently opened and the information compromised. Proposals may be hand delivered to the designated location in the office issuing the solicitation. No other correspondence or other proposals should be placed in the envelope.

Conditional proposals or proposals not prepared and submitted in accordance with provisions hereof shall not be considered. Any deviations from these or other requirements shall be itemized and explained in an attachment to the proposal. Any proposal may be withdrawn prior to the scheduled time for the opening of proposals or authorized postponement thereof. Any proposal received after the time and date specified shall not be considered.

All proposals shall be submitted in sealed envelopes bearing on the outside of the envelope the name of the consultant, his address, the name of the project for which the proposal is submitted and the RFP number. If forwarded by mail, the sealed envelope containing the proposal, marked as directed above, shall be enclosed in another envelope

addressed as specified in the proposal form.

B. Indemnification

Contractor agrees to indemnify, defend and hold harmless the City of Franklin, its officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, arising from or caused by the use of any materials, goods, or equipment of any kind or nature furnished by the contractor/any services of any kind or nature furnished by the contractor, provided that such liability is not attributable to the sole negligence of the using agency or to failure of the using agency to use the materials, goods, or equipment in the manner already and permanently described by the contractor on the materials, goods or equipment delivered.

C. Method of Payment

The City will make payment towards this contract after satisfactory receipt of services and receipt of a valid invoice.

1. Proposals shall be received by the City Purchasing Director in accordance with the Request For Proposal Letter.

2. Three (3) copies and one original of the proposals shall be submitted.

D. Renewal of Contract for Maintenance

The resulting contract may be renewed by the City for nine (9) successive one year periods under the terms and conditions of the original contract except as stated in 1. and 2. below. Price increases may be negotiated only at the time of renewal. Upon a determination by the City to renew this contract for an additional term, written notification will be given to the Contractor.

1. If the City elects to exercise the option to renew the contract for an additional one-year period, the contract price(s) for the additional one year shall not exceed the contract price(s) of the original contract increased by more than the percentage increase/decrease of Table 4 "Other Services" category of the Consumer Price Index (CPI) of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available. The source for this index shall be http://www.bls.gov/cpi.

2. If during any subsequent renewal periods, the City elects to exercise the option to renew the contract, the contract price(s) for the subsequent renewal period shall not exceed the contract price(s) of the previous renewal period increased by more than the percentage increase/decrease of Table 4 "Other Services" category of the Consumer Price Index (CPI) of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available. The source for this index shall be http://www.bls.gov/cpi.

E. Cooperative Procurement

This procurement is being conducted by the City of Franklin in accordance with the provisions of 2.2-4304 Code of Virginia. If agreed to by the Contractor, other public

bodies may utilize this contract. The Contractor shall deal directly with any public body it authorizes to use the contract. The City of Franklin, its officials and staff are not responsible for placement of orders, invoicing, payments, contractual disputes, or any other transactions between the Contractor and any other public bodies, and in no event shall the City, its officials or staff be responsible for any costs, damages or injury resulting to any party from use of a Franklin contract. The City of Franklin assumes no responsibility for any notification of the availability of the contract for use by other public bodies, but the Contractor may conduct such notification.

F. Demonstrations

Shortlisted Offerors will be required to present an on-site scripted demonstration of the proposed solution. Offeror should be available to present the information for a period of up to two days.

Demonstration sessions will likely include a short demonstration to the Evaluation Committee as well as a subsequent demonstration of day-in the-life scenarios to functional teams and may be required for multiple groups.

G. Hosted Solutions

Hosted solutions will be considered and may be proposed in addition to an on-site solution.

H. Multiple Awards

This RFP may result in a multiple award. If in order to meet the full scope of the proposal, Offerors may partner with other firms to provide a comprehensive ERP for the City.

In this situation, the Offeror should identify the primary firm that will be responsible for the integrated user experience as well as the operational, functional and data integration points between proposed solutions. The primary firm will need to be identified for the initial implementation as well as the contract years following solution rollout.

Subsequent to contract award, the City should have the option to procure the proposed solution in whole or in stand-alone parts or modularly based on gap analysis and optionally proof of concept trials.

I. Performance Bond and Labor and Material Payment Bond

If the proposed price is over $100,000, a labor and material payment bond and a performance bond, each in the amount of 100% of the contract price, with a corporate surety authorized to do business in the Commonwealth of Virginia and otherwise acceptable in all respects to the City Attorney will be required for the faithful performance of the contract.

The party to whom the contract is awarded will be required to execute the contract and obtain the labor and material payment bond and the performance bond within fifteen

calendar days from the date when the Notice of Award together with the contract is delivered to the Contractor for execution.

J. Software Support

As part of the software purchase price, one year software support for each item shall be included. Support shall include phone support and all software updates. Updates shall include Correction Releases, Point Releases, and Level Releases. Support begins on the first day of the month after the software is installed by Contractor. Purchase price for third party products shall also include one year software support.

Space has been provided in the Pricing Schedule for pricing for Year(s) 2 -5 Software Support.

K. Source Code Escrow

1. For each of the conditions defined in a and b below, Contractor hereby agrees to place into an escrow account with a mutually agreed upon third party escrow agent two (2) copies of the source code for each item of Application Software, in a form necessary for a programmer of ordinary skill to modify and maintain and convert the Application Software into object code and install and execute the Application Software without further assistance from Contractor.

    Contractor will also place into escrow the data dictionary and entity relationship diagrams, compilation instructions in a written format or recorded on video format, a list of maintenance tools and third party systems with their manufacturer's name and contact information used in development and maintenance, etc. and all manuals not previously provided to the City that are used in development and maintenance of the Application Software, as well as a running object code version submitted on a virus free media, compiled and ready to be read by a computer, so that the escrow agent can verify the contents of the deposit in good working order and certify good condition to the City.

    All referenced documentation shall be provided in the English language not later than 15 Days after the City's giving notice to Contractor of Acceptance of each item of Application Software licensed under this Agreement. Updated documentation shall be provided not later than 15 days after the City's installation of any new major release of any application.

2. All costs associated with the set-up and maintenance of the escrow account shall be paid for by the Contractor.

3. The escrow agent shall be authorized to release the source code to the City solely upon the occurrence of any of the following events: (1) Contractor's cessation, for any reason, to do business; (2) the City's purchasing of the source code outright; (3) Contractor's failure to install and certify any item of Application Software; (4) Contractor's generally making such source code available to other licensed users of

the Application Software; (5) Contractor 's failure to fulfill any of its material obligations under this Agreement; or (6) Contractor's failure or refusal to continue to support or offer further development for any one or more items of Application Software where City is up-to-date in its payment of all Application Support for each such item(s) of Application Software pursuant to this Agreement. Upon such release of the source code, Customer shall receive a nonexclusive, nontransferable, perpetual, license to use the source code solely for the maintenance, enhancement, improvement and updating of the Application Software Product in connection with Customer's use of the Application Software.

4. A form of escrow agreement among the City, Contractor and the escrow agent shall be agreed upon and executed simultaneous with the execution of this Agreement. Materials should be shipped to the City via traceable courier or electronically. Upon receipt, escrow agent should contact Contractor and City to verify receipt.

L. Travel

The City shall not be liable for any reimbursement costs associated with travel. Offerors are encouraged to forecast any relevant travel expense and include as a part of the total solution cost.

M. Warranty

The Offeror should warrant that Software proposed shall be substantially free from errors. Subsequent contract should conform to the requirements set forth in this RFP. Contractor should also warrant that the services performed by the Contractor shall be performed in a timely and professional manner by qualified personnel. Contractor should respond to requests for warranty service within four hours and should remedy any programming errors, defects, or breach of warranty as soon as practicable and with minimal down-time at no charge. The warranty should remain in effect for a minimum of one year after the date of final acceptance of the software. In the event that the software, in whole or in part, does not perform in accordance with the contractual requirements, the contractor should promptly, and in no case any later than twenty-four (24) hours after notification thereof, correct, modify, or improve the software, at the contractor's sole expenses, to ensure that the Software complies with the software availability and response standards and software requirements set for in this RFP. The failure of the software or any part of it to meet these standards and requirements set following such a correction, modification, or improvement may constitute a default by the contractor.

In the case of any dispute involving the software, the contractor should have the burden of proving that the software meets all standards and requirements. In the event the software is inoperable, the contractor should immediately apply the necessary resources to correct the problem.

VII. EVALUATION CRITERIA

City staff will evaluate all proposals. Proposals will be evaluated using the criteria

outlined below:

Proposal Evaluation Factors:

A. Functional Requirements
    1. Extent to which the proposed software meets the functional requirements identified as "required" or "desired", with emphasis on the "required"
    2. Compliance with the RFP's technical requirements and use of appropriate technology and hardware/ architecture
    3. Extent to which customizations or modifications are needed to meet City's requirements
B. Proposed cost
    1. Comprehensiveness of proposed pricing structure
    2. Implementation Cost
    3. Cost of ongoing services and maintenance
    4. Proposed warranty
C. Qualifications of the Vendor
    1. Experience in Virginia localities
    2. Experience in similar organizations (size, structure, etc.)
    3. Offeror's reputation, capacity, history, financial stability and vision
    4. Demonstrated commitment to product enhancement, including software modification for mandated state and federal changes
D. Professional Services
    1. Quality of project management, including experience of project management staff
    2. Quality of implementation plan, including experience of implementation staff
    3. Quality, variety, and sufficiency of training
    4. Quality, variety, and availability of system support and customer service, including users groups, discussion forums, technical support, help desk, etc.
E. References
    1. Existing customer satisfaction with products, maintenance and support, and overall system
    2. Proven company track record to provide services as promised
    3. Project management
    4. Training

Demonstration Evaluation Factors
    A. Ease of use/ user friendliness
    B. Demonstrated ability to meet functional requirements per scripted processes
    C. Technology, security, integration & compatibility with other City infrastructure

Proposals will be evaluated against the required specifications as listed in the RFP. A proposal may be eliminated from consideration at the City's option for failure to comply with any required specification, depending on the nature and extent of non-compliance.

In addition to meeting mandated specifications, proposals will be evaluated for the ability

of a vendor to provide, in the City's opinion, the best overall solution to meet the City's objectives.

VIII. <u>PRICING SCHEDULE</u>

A. Offerors should provide a complete cost proposal of all software, maintenance, implementation, training, travel, and conversion costs for their proposed solution in accordance with Appendix B. All costs provided in Appendix B are to be expressed as a total cost to the City.

B. One-time charges such as training, conversion or software modification charges should be detailed as non-recurring costs.

C. Any Additional Charges above the annual maintenance costs should be listed in detail.

D. Offerors should project hardware and networking to be adequate for the City's needs for five years.

E. Offerors should estimate costs to upgrade at that time. If upgrades are required prior to five years, so state.

F. Offerors should differentiate all costs clearly so that they may be properly evaluated without interpretation.

G. Software Maintenance Costs for years 2 – 9 should be provided as indicated on Attachment B.

H. Offerors should show the cost of meeting contract requirements for maintaining software. The Contractor will be required to provide ongoing software support (updates) of the system proposed. As software updates are released, distribution of those updates will be the responsibility of the Contractor. Please indicate if updates will be available via the web.

I. If applicable, Offerors should identify any software maintenance fees for preparing the annual software releases for distribution to the City. Major new systems may be offered separate from this contract and at the standard cost for clients who have maintained their maintenance contract agreements.

J. Offerors should identify when maintenance fees commence, and how system customizations, if any, may impact maintenance costs

K. Hosted Solution Pricing – Offerors that submit a proposal for a Hosted Solution should provide pricing in accordance with Attachment B (Hosted Solution).

L. Any fees associated with Third Party Software that is required to fully operate and maintain the ERP should be provided. Use of Third Party Software will be determined based on site total cost at the time of licensing.

M. Offeror should propose a deliverable-based cost schedule using the following Cost Reconciliation Schedule which aligns with the phases of the cost worksheet in Attachment B:

IX. AWARD PROCEDURE

(Note: The City is applying the amendments and reenactments of Code of Virginia §2.2-4302.2 effective July 1, 2014 to this procurement.)

Selection shall be made of two or more Offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in this Request for Proposals, including overall price. The Offerors with the most highly ranked proposals will be invited to the City for scripted demonstrations of their product(s). Upon completion of the demonstrations, negotiations may be conducted with one or more Offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted, the City shall select the Offeror which, in its opinion, has made the best proposal and provides the best value, and shall award the contract to that Offeror. Awards may be made to one or more Offerors. The City may cancel this Request for Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous (Code of Virginia, § 2.2-4359D). Should the City determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the Offeror's proposal as negotiated.