

City of Encinitas

REQUEST FOR PROPOSAL

SOFTWARE AND IMPLEMENTATION SERVICES FOR AN ENTERPRISE RESOURCE PLANNING SYSTEM



Published on October 1, 2009
Responses due by 2:00 pm Pacific Time on November 9, 2009

Deliver to:
City of Encinitas
City Clerks Department
505 S. Vulcan Avenue
Encinitas, CA 92024-3633

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Part I

General Information

GENERAL INFORMATION

PART I

1.1 PURPOSE AND SYSTEM SCOPE

The City of Encinitas is seeking proposals from qualified firms for the procurement and implementation of a fully integrated, citywide, Enterprise Resource Planning (ERP) System containing the following applications:

Required:

- General Ledger
- Cash Management/Cash Receipts
- Accounts Payable
- Accounts Receivable
- Budgeting
- Fixed Asset Management
- Project Accounting
- Grant Accounting
- Investment Management
- Purchasing
- Payroll
- Human Resources
- Employee Self Service

Optional:

- Utility Billing
- Planning
- Permitting/Inspections
- Code Enforcement
- Business Registration
- Fleet Management
- Records Retention
- Nuisance Alarm

It is important to note that the City will entertain proposals that address one or more portions of this Request for Proposal.

The City reserves the right to award contracts for the listed products or services to more than one vendor either during or after initial system implementation. The City may work with multiple vendors or with a single vendor serving as a point of contact (Prime Contractor), with one or more subcontractors. In order to facilitate the integration of multiple applications, the vendor(s) must be willing to cooperate with each other by supplying interface information, including file layouts, etc.

The City desires proposals from Vendors offering either 1) a “hosted”, SaaS (Software as a Service) or ASP (Application Service Provider) solution (web-based, online business applications with servers located at the Vendor’s facilities) or 2) a “non-hosted” solution (applications that would reside on servers installed by Vendor at the City’s facilities).

For solutions that offer both hosted and non-hosted, please include pricing for both options. For responses that offer non-hosted solutions, the City is asking Vendors to include available financing options that amortize project costs over a five year period.

It is not necessary to have offerings for all applications or features. However, proposing a more comprehensive system to the City would be clearly advantageous.

1.2 BACKGROUND

The City of Encinitas, California is located in San Diego County, 25 miles north of San Diego and 95 miles south of Los Angeles. The City has a permanent population of 62,500 residents and encompasses approximately 21 square miles of land area in Northern San Diego County

The City of Encinitas provides a full range of services to the public, including public safety, highways and streets, culture and recreation, public improvements, community development and general administrative services. The City is under contract with the County of San Diego law enforcement services. The San Dieguito Water District, a subsidiary district of the City of Encinitas, provides drinking water and recycled water to over 38,000 citizens in Encinitas.

1.3 CURRENT SYSTEM

The City’s current software application system, Sungard Public Sector version 5.0, is an IBM AS/400-based system that was implemented in 1991. The City has experienced growth since 1991 and has since developed operational needs beyond the abilities of the current system. The following are some “gaps” identified in the assessment process:

- Generating custom reports is difficult
- Capital projects are not well-supported
- Integration with other systems is difficult
- Importing/exporting data is cumbersome
- Limited payroll functionality
- Data needs to be imported/rekeyed to create the budget document

- There is data that resides in miscellaneous notes that can't be reported on

The City would like to eliminate the need for spreadsheets and stand-alone applications in various departments which do not interface with the current system. Two examples of this are 1) spreadsheets to track Capital Projects and 2) an application to track the fire department's schedules and overtime. Interfaces required for this project are listed in Section 2.3 of this document.

1.4 CURRENT COMPUTING ENVIRONMENT

The City has approximately 250 employees and 250 PCs. City employees are located at 10 locations, all connected by fiber.

The City's standard network operating system is Windows Server 2003 Standard Edition with Active Directory and Exchange as the messaging system. The standard desktop operating system is Windows XP.

The data backbone is a mix of switched 10/100 and gigabit. The City has recently moved to a routed network architecture, consisting of several VLAN's, based on location and device type.

The City's data center is configured as a limited access, controlled environment. The standard configuration is rack mounted HP and Dell servers in configurations with redundant power supplies, Smart Array SCSI controllers, built-in Ethernet 10/100 or 10/100/1000 network interface cards. Critical data is stored on an iSCSI SAN (Storage Area Network) utilizing LeftHand Networks SAN IQ software having both SAS and SATA storage available. The system should take into consideration that Encinitas is planning to migrate to a virtual environment for servers with VMWare's Infrastructure suite in fiscal year 09-10. All servers are backed up on a regular schedule utilizing Symantec's Backup Exec and LeftHand Networks SAN snapshots, and all have McAfee Antivirus.

The City's telephony system is a Cisco VoIP solution supporting 250 phone sets. It includes voice mail, ACD queues, and E911. See Attachment A – "Business Systems".

The following is a baseline of current City values:

- Total parcels – 22,338
- Active water meters – 11,365
- Building permits issued in FY09 – 2,332
- Planning applications approved in FY09 – 137

- Code enforcement cases in FY09 – 1,973
- Business registration accounts – 5,271

1.5 **PROJECT GOAL**

The goal of this project is to replace the current finance system with a fully integrated, citywide, ERP System for the City. This will provide the City with the tools to adopt best business practices, reduce the need for redundant data processes and increase access to information. The City will be most interested in “turn-key” solutions from Vendors offering the best possible solution at a highly competitive price, with a project methodology that effectively demonstrates minimal risk to the City.

1.6 **BUSINESS OBJECTIVES**

The business objectives for this project are:

- Make information easily and broadly available to all City staff members.
- Implement the use of best business practices.
- Have the ability to effectively train new employees.
- Implement systems that are intuitive to all levels of users.
- Support or compliment the City’s desired technical architecture.
- Integrate information from multiple city systems.
- Strengthen operational effectiveness and efficiencies.
- Expedite internal approvals (e.g. purchase orders, invoices, permit applications, etc.).
- Provide audit trails.
- Obtain financial information in a timely manner.
- Integrate with the City’s GIS products (ESRI’s ArcServer & Services, ArcObjects and ArcMap) to acquire spatial-related data in a real-time mode.

1.7 **COSTS**

Each Vendor, by submitting a response to this RFP, agrees that any cost incurred by responding to this request, or in support of activities associated with this RFP, shall be the sole responsibility of the Vendor. The City will not pay any costs associated with the preparation, submittal, presentation or evaluation of any response to this RFP.

1.8 **QUESTIONS**

Questions must be submitted in writing and may be emailed to Maureen Salmon, IT Project Manager, at msalmon@CityOfEncinitas.org. No contact with any other City employees or other individuals performing work on behalf of the City by Vendors responding to this RFP will be permitted. **All questions regarding the content of**

this RFP must be submitted on or before October 19th, 2009 at 5:00 pm Pacific Time. The City will not respond to questions submitted after that date. All responses to questions submitted will be posted on the City's website on or before 5:00 pm Pacific Time on November 2nd, 2009.

1.9 CLARIFICATION

The City may contact a Vendor to clarify uncertainties or eliminate confusion concerning the contents of their RFP response.

1.10 PRESENTATIONS

At the City's discretion, Vendors (and their subcontractors) may be invited to make a presentation to City staff members on the matters addressed in this RFP. In addition, Vendors may be required to make one or more appearances at City Council meetings to answer questions or make a presentation. Any and all costs associated with this process will be the sole and exclusive responsibility of the Vendor.

1.11 SCHEDULE OF EVENTS

Following are key dates for this RFP. The City is committed to this schedule but reserves the right to make modifications:

- Release RFP 10/01/09
- Deadline for submission of written questions (5:00 PM) 10/19/09
- Responses to questions posted on City website (5:00 PM) 11/02/09
- Proposals due (2:00 PM) 11/09/09
- Vendor evaluation/selection of finalists 12/14/09
- Short list onsite Vendor software demos 1/04/10 – 1/15/10
- Staff recommendation for final vendor(s) selection 1/25/10
- Vendor contract negotiations 1/26/10 – 2/23/10
- City Council approval 3/10
- Project kickoff 4/10 - 5/10

Part II

General Requirements

GENERAL REQUIREMENTS

PART II

Requirements defined in this section contain the overall general functions of the City's desired Enterprise Resource Planning System and implementation. This section defines a system that will provide a high level of flexibility in meeting the City of Encinitas' current and future computing requirements.

2.1 REQUIRED SYSTEM FUNCTIONS

A detailed list of system and software functionality requirements have been compiled (See Attachment B – "Enterprise Resource Planning System Requirements").

2.2 APPLICATIONS/MODULES

The City of Encinitas is interested in procuring a core ERP system (i.e. financial, payroll and human resource applications), including some optional components. The applications/modules desired for this project, including a brief description of each, are as follows:

Required

- 1 **General Ledger** – Fund accounting, GASB-34 requirements, chart of accounts configuration and audit trail tracking
- 2 **Cash Management/Cash Receipts** – Entering, balancing and posting of receipts.
- 3 **Accounts Payable** – Recording and tracking invoices or payments due and managing the payment of these items via check or electronic funds transfer. It should also support withholding tax processing for vendors.
- 4 **Accounts Receivable** – Recording invoices (e.g. damage recovery for City property, housing assistance, annual sewer charges, etc.) or any other obligations due from customers and managing the collection of payments to settle these items.
- 5 **Budgeting** – Multi-year budget input, analysis and monitoring capabilities for all accounts, including capital improvement projects. Data modeling capabilities to project multiple scenarios.
- 6 **Fixed Asset Management** – Tracking the financial value of fixed assets in an organization, depreciation and revaluation of assets and recording the physical location of an asset.

- 7 **Project Accounting** – Tracking the progress of projects across multiple fiscal years, project budgeting, analysis and reporting.
- 8 **Grant Accounting** – Tracking and reporting the funding and distribution of grants across fiscal years.
- 9 **Investment Management** – Tracking and analysis of investments.
- 10 **Purchasing** – Requisitioning, purchase order generation and the approval process.
- 11 **Payroll** – Including timekeeping, leave management and online timecard submission. It should also support multiple payroll processing periods.
- 12 **Human Resources** – Recruitment, applicant tracking, employee benefits, position control, worker's compensation information and personnel training (e.g. tracking employee training required and completed and the administration of in-house training classes). Provide the ability to track the details of the two bargaining unit agreements, the City of Encinitas/San Dieguito Water District and the Encinitas Fire protection District. Experience with California Public Employees Retirement System (CalPERS) is necessary.
- 13 **Employee Self Service** - Provide ability to view full payroll history, employee benefit history, deductions, leave balances and medical /dental plans by employee for any specified period of time. Employees should also have the ability to edit certain information online. An approval routing process should be available for all record updates.

Optional

Depending on the total project cost and fit with desired City application functionality and architecture, the following applications would also be procured:

- 14 **Utility Billing** – Tracking water consumption, consumer payment history, meter reading information, billing history, deposit amounts. The ability for online payment and inquiry.
- 15 **Planning** – Tracking the plan check process, including planning commission activities for planning permit applications.
- 16 **Permitting/Inspections** – Tracking the inspection and plan check process for building and engineering permit applications.
- 17 **Code Enforcement** – Tracking municipal code violations and fines and logging citizen complaints.
- 18 **Business License Management** – Tracking the businesses in the City, type of business and their current registration status.

- 19 **Fleet management** – Managing the City’s vehicles and equipment, including a range of functions, such as vehicle maintenance, fuel management and health & safety management.
- 20 **Records Retention** – Tracking the City’s permanent records and their timely disposal upon required destruction date.
- 21 **Nuisance Alarm** – Tracking false alarms within the City and invoicing for penalties incurred.

2.3 **INTERFACES**

A number of interfaces with external or legacy systems will be required for this project. Some will require a one-way interface; others will require a two-way interface. Some will require real-time query and update capabilities while others will require batch file capabilities (ODBC compliant) only. Each interface is listed below and designated as required or optional, depending on the package of applications that are proposed. Each interface is followed by a brief description of the functional requirements for that interface. Please note the type of interface in your proposal (i.e. whether each interface is a “standard” (already developed, installed and working successfully at other sites) or “custom” (new, not yet developed) interface).

The City acknowledges that there may be additional costs associated with interfaces that are difficult or time consuming to build. Therefore, for each interface listed, and where applicable, please identify the type of interface and integration currently in use by your customers with your proposed system and identify approximate costs the City will incur in Attachment C – “Proposal Pricing Form”. Include the costs to build any custom interfaces.

Required

Interface to Class (Parks and Recreation - Active Network’s Class Software) – The City uses Active Network’s Class software for parks and recreation activity registration and payment. The new software must interface with this system to track revenues and expenses and report them to the general ledger. Walk-in registrations would require a fee update to the Class system. This is a two-way interface with update capabilities that would need to happen in real-time.

Interface to Microsoft Office - Requires the system proposed to be ODBC compliant. Vendor must provide the tools and training necessary for staff to be able to effectively transfer data to/from the applications proposed to Microsoft Office applications for further use, evaluation and/or analysis of that data on an as needed basis.

Interface to Adobe Acrobat - Requires the system proposed to be ODBC compliant. Vendor must provide the tools and training necessary for staff to be able to effectively transfer data to/from Adobe Acrobat for further use, evaluation and/or analysis of that data on an as needed basis.

Interface to Telestaff (PDSI) – The City uses Telestaff to log sick time, schedule coverage for outages and report on the fire department's schedules. The new software must interface with this system to process the Fire Dept. payroll. This is a one-way interface to the new solution with update capabilities that could be processed in batch mode.

Interface to Document Management (LaserFiche) – The City uses LaserFiche for its document management system. The new software must interface with this system to display related documents. This is a one-way interface to the new solution with inquiry capabilities that would need to happen in real-time.

Optional

Interface to the City's e-mail System – The City uses Microsoft Exchange/Outlook for email and calendars. The new software would interface with this system to add appointments to calendars when meetings and deadlines are setup in the new system. Also, emails should be sent from the software as reminders of appointments or project deadlines. This is a one-way interface to Microsoft Outlook with update capabilities that need to happen in real-time.

Interface to GIS (ESRI ArcSDE) – The City currently uses ESRI for their citywide GIS solution. The new system would interface with the City's GIS database in order to acquire spatial-related data in a real-time mode. If utility billing, planning, permitting/inspections or code enforcement is proposed, then this will be a required interface. This is a one way interface that will query information from this database in real-time and bring it into the software solution to display various data fields (e.g. addresses, tax parcels, legal lots, certificate of compliance, zip codes, census tract/blocks, etc.).

Interface to Cityworks (Azteca Software) – The City currently uses Cityworks for City infrastructure asset management (e.g. water meters, pipes, hydrants, streets, etc.), inspection tracking, service requests and work orders. If utility billing, planning or permits/inspections is proposed, then this will be a required interface. This is a two way interface with update capabilities.

Interface to the City's Business Registration Software (HDL) – The City currently uses HDL for business registration. If not proposed as part of the core modules, an interface would be needed. The new system would interface with HDL to automatically send business information to the code enforcement system when renewals are not paid and to flag the account as current in HDL when payments

are received. This is a two way interface with update capabilities that would need to happen in real-time.

Interface to the City's Permit Tracking System (Sungard Public Sector) – The City currently uses the Sungard Public Sector software on an IBM AS/400 system in an ASP environment for planning, engineering, building permits and inspections. The new system must interface with Sungard's system to track deposits and fees that are due and payments that have been made. Also, revenues and expenditures are reported on these activities. This is a two way interface with update capabilities that would need to happen in real-time.

Interface to the City's Utility Billing System (Sungard Public Sector) – The City currently uses the Sungard Public Sector software on an IBM AS/400 system in an ASP environment for utility billing. The new system must interface with Sungard's system to track deposits and fees that are due and payments that have been made. Also, revenues and expenditures are reported on these activities. This is a two way interface with update capabilities that would need to happen in real-time.

Interface to the City's Code Enforcement System (Sungard Public Sector) – The City currently uses the Sungard Public Sector software on an IBM AS/400 system for code enforcement activities. The new system must interface with Sungard's system to track fees that are due and payments that have been made. Also, revenues and expenditures are reported on these activities. This is a two way interface with update capabilities that would need to happen in real-time

2.4 COMPLIANCE

The System proposed must be compliant with the Government Accounting, Auditing and Financial Reporting (GAAFR) standards, including the National Council on Governmental Accounting (NCGA) and Government Accounting Standards Board (GASB) restatements, which currently includes Statement 34.

2.5 REQUIRED PROCESSING ENVIRONMENT

The City of Encinitas intends to implement a distributed, scalable, and adaptable computing environment. To accomplish this, the new system should provide end-users with the ability to enter and manipulate data in an on-line interactive mode. It should permit simultaneous access to files. Both hardware and software must have the capability to be interconnected through existing network infrastructure, preferably to include the Intranet and Internet. All updates should be processed in real time, i.e., should be immediately available throughout the system.

2.6 ADMINISTRATIVE TOOLS

The system should include administrative tools to monitor utilization, trace database access, optimize database definitions and optimize data retrieval time. It must permit system audits to determine who has used the system recently and what changes have been made, and must keep a daily transaction journal for recovery purposes should that become necessary. It must also support performance monitoring tools and activity statistics reporting features. Statistics should be available on database access rates (both update and query) by program, workstation and by time of day. The system must provide restart capabilities as well as database access activity logging. Utilities should include data recovery tools and optimization tools.

2.7 MODULARITY

The system must be modular in design so that new application components can be integrated with the system to accommodate a phased implementation and take advantage of new technological advances. Once implemented, the system must be able to easily expand to include new capabilities without negatively impacting previously implemented functionality.

2.8 PROCESS CONTROLS

The system should provide edit controls to prevent incomplete or incorrect data from being processed and programmatic control of the process flow to prevent information from being processed in the wrong sequence.

2.9 HARDWARE

If an onsite system is proposed, the Vendor must propose and install the servers required to support the applications installed. The Vendor will install the servers on racks, on the pre-existing City's network.

Workstations, printers or changes that may be required to support the new environment (i.e., electrical, upgrades to the existing network, etc.) will be the responsibility of the City.

Fault tolerant equipment is not required however "high availability", a system design protocol and associated implementation that ensures a certain degree of operational continuity during a given measurement period, is desired. The servers must be configured to adequately support the current volume estimates and projected growth over the next five (5) years, assuming a 5% growth every year.

Third party equipment required to complete the proposed configuration is to be provided and installed by the Vendor.

Part III

Functional/Technical Requirements

FUNCTIONAL/TECHNICAL REQUIREMENTS

PART III

3.1 DETAILED FUNCTIONAL/TECHNICAL REQUIREMENTS

This section addresses the detailed requirements of the application software by functional area. For each requirement contained in Attachment B – “Enterprise Resource Planning System Requirements”, Vendors are required to assign a rating according to the table below and a 1 to 3 sentence statement of how the requirement will be supported. This will determine how well the proposed software can meet each need by indicating whether the proposed solution can support the functionality in the standard release, if minor configurations or modifications are needed, if a third party solution is necessary, if substantial changes are required, if it is not available at all or if it will be in a future release. The requirements worksheets can be downloaded from the City’s website at www.cityofencinitas.org. The entire set of requirements worksheets are subject to verification by the City at any time during the procurement process. If such verification determines that a Vendor misrepresented its product functionality, they will be disqualified. It is therefore very important that Vendor complete the worksheets accurately as it will affect their opportunity to be considered further in this process.

Rating	Definition
4	Standard and available in the current release. The software currently supports this requirement. No customization or modification is required.
3	Meets requirement with minor configuration or modification. Configuration maintains the application on an upgrade path. Testing and production of modifications will be completed by the implementation date. Include an estimate for the cost of the modification.
2	Available with third party software application. Indicate the name of the application recommended and number of installs completed.
1	Does not meet requirement and requires substantial system modification. Indicate time required and estimated cost of modification.
0	Not available. Software will not meet requirement.
F	Future release. Requirement will be available in a future release. Indicate anticipated

release month and year.

The City ratings have been provided in Attachment B according to the key below:

Key to City Priority:

R = Required

I = Important

N = Nice To Have

Part IV

Submission Requirements

SUBMISSION REQUIREMENTS

PART IV

4.1 PROPOSAL SUBMISSION

To facilitate the evaluation of the proposals, the original (bound copy), ten (10) identical copies of the proposal and an electronic copy in a Windows XP compatible format (e.g. MS Word, PowerPoint, Project, Visio, and/or Excel formats) should be submitted to the office of the City Clerk. Vendors are required to address all of the information specified in the RFP. The City reserves the right to verify any information contained in the Vendor's RFP response or to request additional information after the RFP response has been received.

Proposals must be received no later than 2:00 p.m. local time, Monday, November 9th, 2009. Late proposals will not be considered.

Mailing Address: City of Encinitas
Attn: City Clerk's Office
505 S. Vulcan Ave.
Encinitas, CA 92024

4.2 DELIVERY OF PROPOSAL

Every proposal must be received by the date and time specified in the submission requirements. The responsibility of ensuring that your time-sensitive document is received by the due date and time and delivered to the City office rests solely with the sender. The City assumes no responsibility for proposals which arrive beyond the due date and time. Each Vendor is required to submit the proposal in a sealed envelope. The envelope should be identified with the following:

- RFP name (RFP for City's Enterprise Resource Planning System)
- Proposer's name, contact information, phone number and email address
- Proposal due date: November 9th, 2009

Note: Any deviation from this requirement may result in your proposal being considered non-responsive, thus eliminating your company from further consideration.

The City recommends that you contact the City Clerk's office prior to the closing date to verify receipt of your proposal.

4.3 PROPOSAL FORMAT

In order to facilitate the analysis of responses to this RFP, Vendors are required to organize their proposals into the submission items, as outlined in Attachment D – “Submission Checklist” to ensure that all required documents, forms and attachments have been completed and submitted. Vendors whose proposals deviate from these instructions may be considered non-responsive and may be disqualified at the discretion of the City.

1. Executive Summary
2. Vendor’s Background
3. Contract Terminations/Claims/Litigation
4. Client References
5. Proposed Application Software Solution
6. Recommended Hardware and Operating System Requirements
7. Maintenance and Support Services
8. Project Costs
9. System Procurement Options
10. Hosted Options
11. Internal Controls
12. Database Conversion Services
13. Data Modeling and Reporting
14. Web-Based Interfaces
15. Data Warehouse
16. Virtualization
17. Phased Approach
18. Acceptance Testing
19. System Security
20. Implementation Plan
21. Training and Documentation
22. Software License Fees
23. Exceptions and Alternates
24. Data Import/Export Facility
25. Prime Contractor Responsibilities
26. Audited Financial Statements

Instructions relative to each part of the response to this RFP are defined in the remainder of this section.

1. EXECUTIVE SUMMARY

This part of the response to the RFP should be limited to a brief narrative highlighting the Vendor’s proposal. The summary should contain as little technical jargon as possible and should be oriented toward non-technical personnel. The

Executive Summary should not include cost quotations and should not be longer than one page.

2. VENDOR'S BACKGROUND

Vendors must provide the information in Attachment E – “Vendor’s Background” so that the City can evaluate the Vendor’s financial stability, track record and its ability to support the commitments set forth in response to the RFP. Complete this form for the software Vendor and the implementation partner, if different. The City, at its option, may require a Vendor to provide additional support and/or clarify requested information.

3. CONTRACT TERMINATIONS/CLAIMS/LITIGATION

If the Vendor has had a contract terminated for default during the past five years, all such incidents must be described on Attachment E – “Vendor’s Background”. Termination for default is defined as notice to stop performance due to the Vendor’s non-performance or poor performance; and the issue was either (a) not litigated or (b) litigated and such litigation determined the Vendor to be in default.

Submit full details of all terminations for default experienced by the Vendor during the past five years, including the other party’s name, address, telephone number and email address. Present the Vendor’s position on the matter. The City will evaluate the facts and may, at its sole discretion, reject the Vendor’s proposal if the facts indicate that completion of a contract resulting from this RFP may be jeopardized by selection of the Vendor.

If no such terminations for default have been experienced by the Vendor in the past five years, specifically so state in the attachment.

If the Vendor has had a contract terminated for convenience, non-performance, non-allocation of funds, or any other reason which termination occurred before completion of the contract during the past five years, describe, in detail, all such terminations, including the name, address, telephone number and email address of the other contracting party.

A Vendor response that indicates that the requested information will only be provided if and when the Vendor is selected is not acceptable. Restricting the Vendor response to include only legal action resulting from terminations for default is not acceptable.

4. CLIENT REFERENCES

Vendors should provide at least five (5) municipal client references which are similar

in size and complexity to the City of Encinitas, and have utilized the proposed system successfully for at least 2 years in a comparable computing environment. Submit references for fully completed installations only by filling out Attachment F – “Client References” for each reference submitted. The City will not work through a Vendor’s reference manager to complete a reference. The names, phone numbers and email addresses of the project manager or person with broad knowledge of the project must be listed for each reference. Failure to provide this information may result in the Vendor not being elevated to software demonstrations.

5. PROPOSED APPLICATION SOFTWARE SOLUTION

Please provide a written explanation as to how the proposed solution addresses the requirements described in this RFP. Please reference section numbers in this RFP in your proposal for ease of reference.

Responses should address all items identified in Attachment B – “Enterprise Resource Planning System Requirements”, as well as other optional features recommended by the Vendor. The Vendor must complete the worksheets contained in Attachment B, indicating the availability of the detailed requirements, and a 1 to 3 sentence statement of how the requirement will be supported. . The Vendor should highlight features and capabilities that support the strength of the proposed solution. If you do not have offerings for all required and optional applications, clearly indicate which applications you are proposing.

6. RECOMMENDED HARDWARE AND OPERATING SYSTEM REQUIREMENTS

The Vendor must present, in detail, the recommended hardware environment required to utilize the proposed software. Include a complete list of the proposed equipment with quantity, manufacturer, model number and a general description. The operating system must be Microsoft Windows Server. The database must be Microsoft SQL Server relational database management system. List the operating system software support products required to support the recommended computing environment. List any additional Vendor software products required to support your proposed application software.

7. MAINTENANCE AND SUPPORT SERVICES

The Vendor must be cognizant that the City resides in the Pacific Time zone and be able to provide knowledgeable and timely product support for this area. The Vendor will be responsible for providing ongoing user and technical support during the City of Encinitas’ normal business hours which are 7:00am – 6:00pm Pacific Time, Monday through Friday, with after-hour emergency support available. The support must be available in a variety of areas including, but not limited to installing and configuring product updates as they become available, addressing product inquiries

and product errors in a timely manner, providing documentation for product upgrades and using client feedback to determine product enhancement priorities. Complete Attachment G – “Proposed Maintenance and Support” and include a copy of a Support Level Agreement (SLA), support and maintenance contract and an internal support staffing plan.

The City is interested in a five (5) year commitment from the Vendor in a maintenance agreement with price increases capped at the CPI index. Provide price information on Attachment C – “Proposal Pricing Form”.

8. PROJECT COSTS

Provide a fixed price proposal to perform or cause to be performed all requirements described in this RFP, within the time specified by the initial project implementation plan. Vendor shall set forth its fixed price, along with all alternates and exceptions, if any, on Attachment C – “Proposal Pricing Form”. Pricing should be broken down so that the City can see the actual cost for the separate tasks and deliverables listed in the project plan. If there are other project costs, exceptions, exclusions or alternates not accommodated in this spreadsheet, please provide further explanation on a separate page, including how those other project costs, exceptions, exclusions or alternates affect the project price. By submitting this cost proposal, Vendor represents and declares that it has carefully examined this RFP, all project requirements, project conditions (including hardware, software and physical conditions) affecting the performance of the work and that if its proposal is accepted, Vendor will fully satisfy the requirements of this RFP at the price stated. Additional costs submitted on separate pages must appear in the row(s) entitled “Other” on Attachment C – “Proposal Pricing Form”.

9. SYSTEM PROCUREMENT OPTIONS

The City of Encinitas will consider lease or purchase options for procuring the system. In the proposal, include the approaches, along with lease and installment payment options that your company can accommodate along with sample contracts. Identify the benefits to the City offered by your recommended acquisition method. The City would like to consider the outright purchase, time-payment purchase and lease options that are available.

10. HOSTED OPTIONS

Provide information and prices in Attachment C – “Proposal Pricing Form” about any hosted solutions that are offered (e.g. Software as a Service (SaaS) or Application Service Provider (ASP)). Include whether or not disaster recovery services are included.

11. INTERNAL CONTROLS

Describe how internal controls are followed and data secured during the conversion process. Internal controls refer to a means by which an organization's resources are directed, monitored, and measured. It plays an important role in detecting and preventing fraud.

12. DATABASE CONVERSION SERVICES

The system must be able to utilize accumulated data from the systems currently in place. The migration path from the existing systems must include any necessary data conversion and importation from current systems to provide historical views for as much data as exists in the current IBM AS/400 system.

The Vendor shall be responsible for the accurate documentation of the current location, file, field and library names for the data, which will be necessary to populate the Licensed Application Software. This is based on the information supplied to the Vendor by the City's Subject Matter Experts (SME's) in each department. This task will be performed for all applications prior to the data conversion. The Vendor will be responsible for the accurate conversion of the City's current data in machine-readable form from the IBM AS/400, Microsoft Excel and Microsoft Access databases to a Microsoft SQL Server database format, as required by the Licensed Application Software. The Vendor will be responsible for writing and executing all the necessary conversion programs subject to final approval by the City. The City shall make all necessary data available to the Vendor to perform this data conversion effort.

Provide pricing for this in Attachment C – "Proposal Pricing Form".

13. DATA MODELING AND REPORTING

Describe the data modeling and the reporting capabilities of the system being proposed. Include the level of user expertise necessary to independently create reports and whether or not they can be saved, shared and imported directly into other products (e.g. Microsoft Excel).

System users expect advanced reporting with analysis capabilities. The system must include extensive system generated reports and easy-to-use ad hoc report writing capabilities. These include integration with Microsoft Excel, Adobe Acrobat and Microsoft Word. The system must be able to perform multidimensional analysis on financial data and the ability to easily create data marts/data warehouses, repositories of data designed to facilitate reporting and analysis. In essence, the data warehousing concept is intended to provide an architectural model for the flow of data from operational systems to decision

support environments.

The reporting and modeling capabilities of the system should include, but not necessarily be limited to, financial analysis, budget forecasting, monitoring, retrieval of historical data, pre-scheduled reporting and graphical representations of data and reports.

14. WEB-BASED INTERFACES

Identify which applications that are being proposed include web-based interfaces. Applications must be made available via a web-based interface, providing users with simplified (yet secure) access and minimizing desktop application and upgrade issues.

15. DATA WAREHOUSE

Explain the existing process or additional software needed to extract data and load into a data warehouse.

16. VIRTUALIZATION

Explain whether or not the proposed system is capable of running in a virtualized environment and how many clients have this implemented.

17. PHASED APPROACH

Describe your approach to phasing in the applications in Part II, including the order they would be implemented in, how they would be grouped and why. Also explain what level of redundant data entry processes would be necessary during a phased implementation and the potential impact on staff resources.

With a phased approach, newly implemented applications will also be required to interface with legacy applications that have not yet been converted. Describe how this would be handled.

18. ACCEPTANCE TESTING

Describe your methodology for acceptance testing and the criteria to be used for final system acceptance (after installation, testing and go-live).

19. SYSTEM SECURITY

Describe the system security controls in place to prevent unauthorized access to the database, maintain database process controls, and log all database transactions. In addition, describe how the system limits access to application software screens, data elements, and the contents of data elements based on individual roles.

For a hosted model, describe the encryption used in the proposed product.

The Vendor should include a detailed description of the proposed system's security model, including the type of intrusion monitoring that is contained/enforced to limit possible threats. Describe the security setup and configuration process, along with the ongoing maintenance and support requirements for the City. Include whether or not it integrates with Microsoft's Active Directory.

20. IMPLEMENTATION PLAN

Provide a proposed project implementation plan, including an activity by activity critical path calendar day project schedule in Microsoft Project 2003, including logic ties to each activity. This section should address all key phases including, but not limited to project planning, installation, configuration, data conversion, testing, rollout and support. This implementation plan must include:

- The critical path schedule, including a description of each proposed phase, milestone and associated deliverable
- Contract time in calendar days from notice to proceed to expected Notice of Completion
- Deliverable due dates
- Critical meetings
- Detailed tasks
- Proposed phases
- An overview of services proposed for analyzing the City's existing business processes and how they will translate into the proposed system
- Task owner(s)
- Detailed project planning process/methodology
- Organizational change management methodology
- Project risk management/mitigation
- Conversion support plan
- A table listing City staff assignments and proposed labor hours for all tasks
- A table listing Vendor staff assignments and proposed labor hours for all tasks
- A Gantt chart showing the beginning and end dates for all tasks
- Project dependencies
- Periods of unavailability
- Level of expertise required of City staff for conversion, implementation, system configuration and maintenance
- Recommendations for assembling a City project team (e.g. the number of staff, the background requirements, frequency of meetings, the member's roles and responsibilities)
- Communication plan, including a project meeting schedule

- If the City were to pursue a hosted solution, please describe any differences to the implementation plan

Project Management services are a critical component of this project as City resources are minimal and reasonable help from the Vendor will be required in order to successfully implement this system. The Vendor's Project Manager, for example, must be onsite for monthly project management meetings and onsite as often as may be necessary to effectively and efficiently coordinate Vendor's resources. Staff utilized by the Vendor must have sufficient expertise in the applications they install and/or train so as to be highly effective in their respective tasks. Work performed unsatisfactorily will be repeated by the Vendor until successful at no additional charge to the City. The Vendor will design a weekly progress status report form covering the period of time between Contract signing and Letter of Completion. The progress report must include current progress against the project plan, itemize the activities accomplished since the previous progress report, the specific activities planned for the following week and any problems which have occurred or are anticipated. The forms' design and adequacy will be subject to City approval. Progress reports will be prepared weekly prior to Letter of Completion by the Vendor and sent via email to the City's Project Manager. Progress reports will be discontinued when the City, in its sole judgment, deems the project to be complete and in conformance with the contract documents.

Pricing for implementation services should include all costs associated with a successful and complete installation and configuration of the system and all associated implementation tasks should be added to Attachment C – "Proposal Pricing Form".

21. TRAINING AND DOCUMENTATION

Describe your proposed training program for system users and system administrators along with documentation that is included (e.g. training manuals, technical manuals, user guides, data element dictionary and context-sensitive online help text with customizable screens). The Vendor must establish and implement a training program to teach the skills and knowledge necessary to effectively use the technology being proposed.

The City desires the Vendor to train all City employees. Where the number of employees to be trained exceeds the cost effectiveness of an end-user training program by the Vendor, a "train the trainers" approach will be utilized. Please provide pricing for both options, including travel and expenses in Attachment C – "Proposal Pricing Form".

Once the system is installed, the Vendor will be required to return and provide advanced training for both end users and system administrators approximately ninety days after final system acceptance. Please also provide budget estimates for an annual refresher training program for new employees.

Trainers shall be experienced and knowledgeable in the specific Application Software they are teaching and familiar with the procedures in similar environments to the City. Furthermore, the Vendor shall provide a comprehensive course outline for each training session at least three weeks prior to the start of the session showing the course outline, who should attend, and expected outcomes. In addition, the City may request modifications or enhancements to the specific course outlines up to two weeks prior to the start of a session pursuant to the related Business Process tasks associated with the Application Software using the Change Order process (See Section VI – “Change Orders”). The Vendor will make reasonable effort to accommodate such changes

The City may request a replacement trainer if, in the opinion of the City, there is evidence that the trainer initially scheduled has been ineffective in conducting specific training sessions. When the Vendor has been notified that a particular training session was ineffective because of the qualifications or techniques of the trainer, the City will be entitled to withhold payment until a makeup session with a qualified trainer can be completed.

22. SOFTWARE LICENSE FEES

The City is interested in a site license for all Vendor Application Software; however, costs may be excessive for this option, requiring the City to consider either per user licensing or concurrent user licensing.

Attachment H - “Employee Positions by Department” allows Vendors to identify and calculate software licensing and related costs for each software application proposed. Please include pricing for all items including, but not limited to, all database server licenses, client licenses, web licenses, report generators, 3rd party software (if any) and any add-ons or toolkits that may be required to facilitate full use of the system proposed. Provide this pricing in Attachment C – “Proposal Pricing Form”.

Please be sure to include pricing for all three licensing options (per user, concurrent user and site license), if available.

23. EXCEPTIONS AND ALTERNATES

All requested information in this RFP must be supplied. Vendors may take exception or propose alternates to certain requirements in this RFP. Any exception and/or alternate shall be clearly identified on Attachment I – “Exceptions and Alternates”. The City will only recognize exceptions stated on this form. All exceptions and/or alternates are to be identified on this form, including exceptions and/or alternates to contract terms and conditions. The City, at its sole discretion, may reject any exceptions and/or alternates or specifications within the proposal.

24. DATA IMPORT/EXPORT FACILITY

The system must permit the import and export of information to and from other systems (i.e. if a phased approach is taken, the data would need to be sent and extracted from the current system, Sungard Public Sector on an IBM AS/400 in an ASP environment, to interface with legacy systems that have not yet been converted). This would enable reports and queries to be run against this data.

Explain the capabilities your system provides in terms of integration and export capabilities to third party products such as Microsoft Excel, Adobe Acrobat or Microsoft Word, whether those export capabilities are built into the system and whether additional licensing, training and support costs are involved in the export of data from the system proposed to third party software applications.

25. PRIME CONTRACTOR RESPONSIBILITIES

The Vendor selected for this project assumes and accepts responsibility for all of its subcontractors, vendors, employees and agents and all work and product necessary to successfully complete this project. Vendor understands that the City is a third party beneficiary of the efforts of its subcontractors, vendors, employees and agents. The Vendor is to clearly identify the responsibilities of each subcontractor, vendor and agent that Vendor intends to employ to accomplish the project. The Prime Contractor must assume full responsibility for delivery, installation, software performance and implementation of their services. The City will consider the Prime Contractor to be the sole point of contact with regard to contractual matters including the performance of services and the payment of any and all charges resulting from the lease or purchase of software and for services performed

If the City decides to employ multiple agreements for different system components (including for hardware maintenance, application software maintenance, etc.). Vendor agrees to reasonably cooperate with all other contractors and vendors in order to accomplish proper system integration.

26. AUDITED FINANCIAL STATEMENTS

Vendors must provide the most recent audited financial statements for the software Vendor and the software implementation partner, if different (e.g., annual sales, profitability, etc.), an example of a standard purchase and licensing agreement, an example of a standard software warranty contract and a complete client list for implementations completed in the last eighteen months

Part V

Selection Process

SELECTION PROCESS

PART V

5.1 EVALUATION TEAM

An evaluation team, consisting of City of Encinitas department representatives, will be responsible for tasks such as reviewing and evaluating all received proposals, participating in meetings to discuss or clarify responses, attending software demonstrations and any other evaluation task that may be required, such as site visits. The evaluators will consider how well the Vendor's proposed solution meets the needs of the City. It is important that the responses be clear and complete so that the evaluators can adequately understand all aspects of the proposal. The evaluation process is not designed to award the contract to the lowest cost Vendor. Rather, it is intended to help the City select the Vendor with the best responsive and responsible combination of attributes, including price, based on the selection criteria. The responses will be ranked to determine the highest scores. The City reserves the right to require that a Vendor make a presentation, provide a scripted onsite demonstration or submit further clarification to the evaluation team. Discussions and negotiations may take place with Vendors to ensure clarification and to obtain a best and final offer.

5.2 SELECTION CRITERIA

The intention of the City of Encinitas is to procure a functionally complete, cost effective, integrated enterprise resource planning system. The criteria that will be used to evaluate proposals may include, but are not limited to the following:

- Responsiveness of the proposal to the submission requirements set forth in this RFP.
- Quality of the software/implementation services.
- Ability to meet the functional/technical requirements (See Attachment B – “Enterprise Resource Planning System Requirements”)
- Compatibility with current and future technological infrastructure
- The capacity and flexibility of the proposer to perform the contract in a timely manner and on budget.
- Demonstrated performance of the proposed system elsewhere in the public sector, as verified by client references and site visits.
- Adequate staff to allocate to the project with applicable backgrounds and experience.
- Vendor financial stability.
- Public sector experience and qualifications of proposed staff.
- Technical approach and quality: Vendor understands project requirements, and

- the proposed methodology and management plan for the project.
- Onsite demonstrations.
- Installation, implementation and training plans.
- The total cost of the proposal solution and ongoing costs.
- The proven ability of the Vendor to provide good technical support.

5.3 ACCEPTANCE

Submission of any proposal indicates acceptance of the conditions contained in the RFP unless clearly and specifically noted otherwise in the proposal. Failure to furnish all information requested in the specified format may disqualify a proposal.

5.4 FALSE OR MISLEADING STATEMENTS

If, in the opinion of the City, a proposal contains false or misleading statements or references, it may be rejected.

5.5 OTHER RESERVATIONS

The City reserves the right to accept or reject any and all proposals. Further, in the event that funds are not available or terminated, no contract resulting from this RFP will be executed. The City reserves the right to revise the RFP at any time or to make a partial award. The City reserves the right to select an implementation partner separate from the software vendor.

5.6 REJECTION

Issuance of this RFP in no way constitutes a commitment by the City of Encinitas to award a contract. The City of Encinitas reserves the right to reject any and all proposals, in whole or in part, and to waive any and all informalities in proposals received. The City of Encinitas also reserves the right to disregard all non-conforming, non-responsive or conditional proposals, or to cancel the RFP.

5.7 ONSITE SYSTEM DEMONSTRATION

Vendors who submit a proposal in response to this RFP may be required, at the invitation of the City, to present their proposal orally and to demonstrate their proposed system. The time and place of such demonstrations will be scheduled by the City. No official announcement will be made of the names of the Vendors requested to make presentations. Each application package should be demonstrated clearly, showing the interactive and operational aspects of the system from a user's perspective. A standard script will be provided to those Vendor's invited to present onsite demonstrations.

5.8 CONTRACT DOCUMENTS

This RFP and the successful Vendor's proposal shall be incorporated into any Contract resulting from this solicitation. To the extent necessary, the City may rely upon those documents to determine the intent of the contract, but the specific terms shall be set forth in a final contract agreement negotiated as part of finalizing the RFP process.

5.9 AWARD

The City, sole judge in evaluation considerations, may make an award to the Vendor(s) who submit(s) the proposal judged by the City to be most advantageous. The City reserves the right to select based on requirements and may not be lowest cost. A recommendation will be presented to the City Council which conforms to all requirements and whose award will be in the best interest of the City as determined by the evaluation team. The award will only be given to a responsible Vendor(s) qualified, by experience, to perform the services specified herein. The City reserves the right to negotiate with the Vendor selected in the evaluation process for this RFP to acquire the best combination of functional areas (software applications) and level of implementation assistance that best meets its needs within any limitations of available funding. The City reserves the right to award contracts for products or for other services to more than one Vendor, if that is most advantageous to the City of Encinitas. The City specifically reserves the right to buy items or services offered on a line item basis from any Vendor (e.g., Payroll from one proposer and Cashiering from another). In order to facilitate the integration of multiple Vendor applications, Vendors must be willing to cooperate with other Vendor(s) by supplying interface information: file layouts, etc. All proposals submitted shall be valid for a period of one hundred eighty (180) calendar days from the date of proposal receipt.

Part VI

Contract Terms and Conditions

CONTRACT TERMS AND CONDITIONS

PART VI

Please note any exceptions to these terms using Attachment I – “Exceptions”

6.1 APPLICABILITY

The following are proposed contract terms which the Vendor shall assume will become part of the provisions of the final negotiated contract documents. The City may amend and/or revise these terms depending on the individual proposals. Final contract negotiations are part of the RFP process. No RFP is yet accepted until the final contract terms are approved by City Council or staff person authorized by the City Council to accept final contract terms approval.

6.2 PAYMENT TERMS

Payment for the Enterprise Resource Planning System shall be made in amounts and at times set forth in the Contract. Payment must be made upon receipt of original invoice(s) in accordance and in conformity with payment dates for bills and claims as established by the City. Prior to payment, the Vendor must submit an original, dated, itemized invoice of services rendered. Upon completion of each phase identified in the project, as deemed by the City, the applicable amount will be paid to the Vendor by the City of Encinitas. The Contract negotiated as a result of this RFP shall be on a firm, fixed price basis. A twenty percent (20%) retention will be held back until Vendor's receipt of the City's Letter of Completion, as described below.

6.3 LETTER OF COMPLETION

The City will provide the Vendor with a Letter of Completion confirming that the Vendor has fully implemented the purchased applications and related services when:

- The Vendor has met all the requirements of the Contract, including completion of all services and work necessary for installation of all Licensed Application Software, subject to the Project Schedule and meeting all of the Project Task Requirements to Project Completion.
- The Vendor has provided training to the City as required by the contract.
- The Vendor has provided all Licensed Application Software to be purchased under this contract (along with Web Application and Third Party Integration software) as set forth in the Contract and all technical and user documentation relating to all Licensed Application Software.
- All required Acceptance and Reliability Testing is complete and

- accepted by the City.
- All Licensed Application Software purchased under this Contract is fully loaded and operational.
- Documentation is presented to the City representing a complete system backup of the Application Software and data. The documentation shall include, but is not limited to, instructions as to how to completely re-install the contents of the media onto the hardware.
- All Software Maintenance Services and Technical Support Services are in place and functional.

6.4 SOFTWARE LICENSE

The Vendor shall grant the City a perpetual, nontransferable, nonexclusive license under the terms of the Contract to use the purchased applications on its network, or on an externally (third party) hosted network, or as part of SaaS or ASP model. The City shall have the absolute right to upgrade or replace any equipment in the internal network and continue to use the purchased applications on the network. The City shall not be required to pay the Vendor any additional licensing fee or other fees as a result of using the purchased applications in conjunction with the upgraded or replaced equipment on the network.

The City has the right to assign or transfer the license due to annexation, involvement in a joint power authority, name change or any other situation.

6.5 SOFTWARE MAINTENANCE FEES

The annual software maintenance agreement (ASM) includes all technical support services, software maintenance services, Licensed Application Software upgrades, Licensed Application Software fixes and Licensed Application Software enhancements. The fees will commence one year after the successful implementation and the issuance of the Letter of Completion.

As long as the City is current on maintenance, migration to a new product with similar functionality by the same Vendor will be allowed at no additional cost. The only cost to the City would be to purchase additional licenses, if needed.

6.6 ADDITIONAL USERS AND APPLICATIONS

The City will require that prices quoted will not increase over the course of the subsequent two (2) year period after the contract execution. This “price protection” applies to additional City users and applications that are listed in the RFP (as Required or Optional) but are not initially purchased.

6.7 APPLICABLE TAXES

Taxes based upon net income or any other tax normally paid by the Vendor shall be the sole responsibility of the Vendor. The Vendor shall obtain and maintain during the duration of the Contract, an Encinitas City Business License as required by the Encinitas Municipal Code.

The Vendor will solely be responsible for paying all federal and state employment and income taxes and for otherwise complying with all other employment law requirements with respect to the Vendor and its employees.

The Vendor agrees to indemnify, defend and hold the City harmless from any and all liability, damages or losses (including attorney's fees, costs, penalties and fines) the City suffers as a result of the Vendor's failure to meet its obligations under this section or a third party's designation of the Vendor or its employee as an employee of the City, regardless of any actual or alleged negligence by the City.

6.8 CONFIDENTIAL INFORMATION

Any written, printed, graphic or electronically or magnetically recorded information furnished by the City for the Vendor's use are the sole property of the City. This proprietary information includes, but is not limited to, customer requirements, customer lists and information concerning City employees, products, services, prices, operations and security measures.

6.9 SERVICES AND STATEMENT OF WORK

The Contract will include the following scope of Vendor's services:

- All services and work necessary for the implementation of all Licensed Application Software, subject to the Project Schedule and meeting the Project Task Requirements to completion
- All training and documentation as required
- Continuing Software Maintenance Services
- Continuing Technical Support Services
- Software Warranty (which will remain in effect as long as maintenance is current)
- Data conversion

Except as otherwise explicitly stated in the Contract, the Vendor will furnish all labor, materials, equipment, products, tools, transportation and supplies required to complete the project.

6.10 DOCUMENTATION AND COPYRIGHT

Collected data, analyses and any analytical processes, programs and files developed as a contractual requirement are the sole property of the City of Encinitas. The City has the sole right to copyright any process or program and may license its use by others for a fee or without charge.

6.11 INTELLECTUAL PROPERTY RIGHTS

The Vendor will indemnify and hold harmless the City from liability of any kind, including costs and expenses for or on account of any copyrighted service marked, trademarked, patented or un-patented invention, process, article or work manufactured or used in the performance of the contract, including its use by the City. If the Vendor uses any design, device, materials or works covered by letters, service mark, trademark, patent, copyright or any other intellectual property right, it is mutually agreed and understood without exception that the proposal prices will include all royalties or costs arising from the use of such design, device or materials in any way involved in the work.

6.12 PROVISIONS REGARDING SUBCONTRACTORS

Unless provided for in the contract negotiated and entered into in connection with this RFP, no contract shall be made by the Vendor with any other party for furnishing any of the work or services requested in this RFP without the prior disclosure and approval of the City. Any subcontract entered in connection with this RFP subsequent to the execution of the contract with the Prime Contractor, must be disclosed and approved by the City in writing.

If use of subcontractors is planned, the proposal must include specific designation of the tasks that the subcontractor is to perform. All corporate information required by this RFP to be provided by the Vendor must also be provided for each proposed subcontractor. Under this RFP, the City retains the right to approve all subcontractors. The City is a third party beneficiary of all subcontractor work. All subcontract agreements must be signed at the time of contract award date.

Subcontractors may participate in more than one proposal submitted in connection with this RFP.

6.13 CHANGE ORDERS

The scope of the project can only be modified through an executed written change order document agreed to and signed off by the City of Encinitas and the Vendor. The City or the Vendor may request such changes in writing and shall specify:

- The nature of the requested change or modification to the contract, in detail

- How the proposed change or modification impacts the Contract and the Project Schedule
- The specific reason for the proposed change or modification
- The name and signature of the City or Vendor representative proposing said change or modification

The mutually agreed upon changes would then be made to the Project Schedule. If a Change Order request is made by the City, the Vendor shall provide a written response to each change or modification requested and will provide a written quote within ten (10) working days following receipt by the Vendor of the City's request, including schedule impacts. If a Change order request is made by the Vendor, the City shall within ten (10) working days provide a written response to each Vendor change or modification requested, including whether the City will accept, reject or propose a modification to the Vendor's request. Neither the City nor the Vendor is under any obligation to accept a proposed change order. The parties remain required to proceed under the terms of the Contract. Acceptance of a change order request is subject to compliance with the City's current purchasing ordinances and policies. Upon acceptance of a change order it shall become part of the Contract. No change order is valid until it is fully executed by both parties.

6.14 NEWS RELEASES/ADVERTISING

News releases and/or advertising pertaining to this procurement or any part of the subject shall not be made without prior, written approval of the City of Encinitas.

6.15 ACCEPTANCE TESTING

Once the hardware and Application Software has been delivered, installed, and configured, and the Vendor has converted any relevant City data and trained the designated City resources to operate the basic components of the Licensed Application Software, the Testing Period can begin. During the Testing Period, the City will test all delivered software by executing any or all of the features as required by the Contract, Attachments, Proposals and change orders to ensure that all the Licensed Application Software is fully functional.

During this time, the Vendor will provide access (at no additional charge) to a qualified technician either onsite or via telephone. This technician will have full access rights to the City's SQL server (regardless of the location) as well as the ability to remotely access the server, if necessary, to assist the City in the testing of these applications.

If any part of the Licensed Application Software and integrated subsystems should fail (i.e. not perform according to the function and feature required), the City may designate that portion as a Project for completion at a later date and

apply other remedies as may be available. If one or more portions of the Licensed Application Software are designated for later completion, the Vendor shall proceed with completion of all other functional portions of the Licensed Application software.

Sixty days after “go-live”, a list of remaining issues will be compiled. Final acceptance will take place after these non-conforming elements are corrected, except for minor or inconsequential problems.

6.16 FUNCTIONAL PERFORMANCE

Functional performance of the overall system will be measured with the maximum number of concurrent licenses being used simultaneously (50) on a dedicated server configured with at least the minimum requirements provided by the Vendor. Prior to going live, a complete system/network assessment will be done by the Vendor. Based on this assessment, the Vendor will provide recommendations for the configuration of the City’s MS SQL Server and provide recommendations for performance optimization on all other systems/network. At any time, any user will experience the same or better performance as demonstrated in the Vendor’s presentations. This performance guarantee applies to all standard transactions such as queries, data retrieval, data entry and navigating through forms in the product.

The City understands and agrees that it has the responsibility for ensuring third party products and environments (including but not limited to file and printer servers, web servers, local area networks, MS SQL Server and ArcSDE) are configured appropriately for the demand that the Licensed Application Software will place on them.

Notwithstanding the City’s responsibility, the Vendor warrants that it will use best efforts to assist the City with the configuration and optimization of third party products and environments that are used by the Licensed Application Software.

6.17 LAWS AND REGULATIONS

The Vendor shall comply with all applicable laws, ordinances and codes of the State of California, San Diego County and the City of Encinitas. It shall be the responsibility of the Vendor to be knowledgeable of all federal, state and local laws, ordinances, rules and regulations that in any manner affect the terms of the Contract. Failure to comply with all applicable laws, ordinances and codes may result in the termination of the Contract. This agreement shall be governed by and construed in accordance with the laws of the State of California and any and all disputes, arbitrations or legal actions shall be initiated and venued in San Diego County, North County Division.

6.18 DISPUTES PRIOR TO ISSUANCE OF LETTER OF COMPLETION

- **INTERNAL RESOLUTION PROCESS**- Vendor and City recognize that strict compliance with the project requirements, including meeting the individual benchmark project time requirements of the project implementation plan are essential and material parts of this agreement. If City or Vendor believes a party to this agreement, including subcontractors or sub-vendors are substantially failing to meet the project requirements or project schedule, the party shall provide a detailed written notice to the other party identifying the issues with specificity, including all necessary backup materials as attachments. The noticed party shall specifically respond in detail to each item contained in such notice within 10 calendar days, including all necessary backup materials as attachments. If the issue is schedule related, the Vendor shall submit a proposed recovery schedule in Microsoft Project schedule format. If noticed party's response does not resolve the entire dispute to the satisfaction of the other party, the unresolved issues shall refer to the City Manager or designated delegee for formal review and consultation between City project staff and Vendor. The City Manager or delegee shall announce a determination in writing within 15 calendar days after completion of the review. The City Manager's determination is final and no further internal appeal is allowed. The parties agree to work in good faith toward informal resolution of all disputes. During the pendency of any dispute, vendor shall remain obligated to continue to perform its obligations under the agreement and may not refuse to proceed with work required under this agreement.
- **MEDIATION** – Prior to any termination or abandonment of the Contract caused by a material breach, a party must request that the dispute(s) causing the proposed termination or abandonment be submitted to mediation. The parties shall meet in mediation within 30 calendar days of receipt of the written request. The mediator shall be agreed to by the mediating parties; in the absence of an agreement, the parties shall each submit one name from mediators listed by the American Arbitration Association. The mediator shall be selected by a "blindfolded" process. The mediation shall take place in San Diego County, California. The cost of mediation shall be borne equally by the parties. No party shall be permitted to terminate or abandon the Contract without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The mediation process may not last more than 30 calendar days after the mediation, unless the parties extend the maximum time by mutual agreement.

- **TERMINATION** – If mediation does not resolve the contract dispute, prior to contract termination or abandonment, the party shall provide a final written 20-working day notice to the other party that shall be specific as to the alleged material breaches and what steps are required to be taken by the other party to cure the breach. If the party determines the breach(s) set forth in the Notice to Cure is not cured, it shall give final 10-working day written termination notice to the other of its intention to terminate or abandon the agreement. Prior to the 10th working day following the final notice by the City or Vendor, the Vendor shall assemble the completed work product to date and work in progress, and put same in order for proper filing and closing, and deliver said product to the City.
- In the event of a material contract breach by the Vendor, including if Vendor's software application fails to perform as required, the City shall have the right to recover from the Vendor damages attributable to the breach by the Vendor, including recovery of all fees, license costs and other monies paid by the City under the Contract and consequential damages recoverable under tort law principles. In the event the City is ultimately determined in material breach of its obligation under the contract, Vendor shall recover money due under the agreement and contract damages, if any. No attorney's fees or dispute costs are recoverable under this agreement.
- In the event the Vendor ceases to provide maintenance and support for the Licensed Application Software (including any Vendor-supplied updates) for reasons other than the City's failure to pay maintenance fees, a current copy of the Source Code for the Licensed Application Software with complete system documentation will immediately be provided to the City in order to ensure continued maintenance.
- Prior to filing any legal action at any time against city, vendor shall timely comply with all claims filing requirements of the California Government Claims Act. Any legal actions filed in this matter shall be filed and venued in San Diego County. Vendor shall accept the jurisdiction of the courts in State of California, San Diego County.
- This dispute resolution process does not apply and shall not limit the City's right to pursue all remedies, including but not limited to its remedies for breach of implied or express warranty once the City issues the Letter of Completion.

6.19 INDEMNIFICATION AGREEMENT

- **LIABILITY, INDEMNIFICATION AND DEFAULT** – The City shall in no event be liable to the Vendor or other person claiming damages as a result of the City's use of the Licensed Application Software and Materials in conformity of this Contract Agreement, whether direct or indirect, special or general, consequential, or incidental or arising from loss of profits; provided that this provision shall not apply to any claim, demand, loss or action alleging that any modifications made by Licensee to the Licensed Application Software and Materials infringe any third-party rights in the United States respecting copyright, trade secret, or patent.
- The Vendor shall immediately defend, indemnify and hold City harmless from any demands, claims or suits by a third party for loss, damages, expenses, liability, legal costs and attorney's fees arising out of claims or allegations that the City's use of the Licensed Application Software and Materials in conformity with this Agreement infringe any third-party rights on the United States respecting copyright, trade secret or patent or that the Licensed Application Software caused damage to any person.
- The Vendor agrees to immediately defend, indemnify and hold the City and City's officers, officials, employees and agents harmless from, and against any and all liabilities, claims, demands, causes of action, losses, damages and costs, including all costs of defense thereof, arising out of, or in any manner connected directly or indirectly with, any passive or active negligence and/or acts or omissions of the Vendor or the Vendor's agents, employees, subcontractors, officials, officers or representatives. Except as otherwise provided in this Section, upon demand, the Vendor shall, at its own expense, immediately agree to defend the City and the City's officers, officials, employees and agents, from and against any and all such liabilities, claims, demands, causes of action, losses, damages and costs, whether or not negligence or other liability against the Vendor has been or will ever be established against Vendor and notwithstanding whether active, passive or sole negligence is alleged against City.

6.20 INSURANCE

The Vendor, at its own cost and expense, shall purchase and maintain during the life of this Contract Agreement a comprehensive liability policy that shall protect the Vendor from claims for property damage and injuries to persons, including accidental death, and name the City as an additional insured under said policy in not less than the following amounts:

- General Liability including personal injury and property damage in the amount of \$1,000,000
- Automobile liability, all automobiles, in the amount of \$1,000,000 for combined single limit

In addition, the City shall be named as additional insured by endorsement on such policies and shall be notified by the insurance carrier of any change in or cancellation of coverage. The Vendor further agrees during the life of this Contract Agreement to maintain, at the Vendor's expense, all necessary insurance for its employees, including, but not limited to, Workman's Compensation, disability, and unemployment insurance.

The Vendor shall furnish a certificate of insurance and Additional Insured Endorsements countersigned by an authorized agent of the insurance carrier on a form of the insurance carrier setting forth the general provisions of the insurance coverage. The countersigned certificate shall name the City as an additional insured under the policy. The certificate shall contain a statement of obligation on the part of the insurance carrier to notify the City of any material change, cancellation or termination of the coverage at least thirty (30) calendar days in advance of the effective date of any such material change. The certificate shall be furnished by the Vendor to the City prior to execution of this Contract Agreement by the City.

Before the Vendor shall employ any person or persons in the performance of this contract, the Vendor shall procure a policy of Worker's Compensation Insurance as required by the Labor Code of the State of California.

6.21 WARRANTY OF PERFORMANCE

- COMPLIANCE WITH STATE AND FEDERAL AUDIT REQUIREMENTS - As long as the City maintains continuous support for the Licensed Application Software, the Vendor shall ensure that all application software will comply with any and all current State and Federal audit requirements, such that the City will not be liable for program flaws which may violate any such requirements.
- WARRANTY OF PERFORMANCE – The Vendor warrants that the Licensed Application Software will perform error free in accordance with its specifications and requirements as set forth in the Contract, if properly used in the operating environment. The Vendor warrants that all components are interoperable and the configuration is complete and suitable for the purpose and use specified by the City. The Vendor's warranty of performance shall

be based on the specifications, terms and conditions contained in the Contract as a whole, including Attachments, the Proposal and Change Orders. Any future upgrades will have no adverse impact on the interoperability of the Licensed Application Software. This Warranty of Performance and other Provisions of this Contract shall supersede and replace the provisions of any other document enclosed with or accompanying any packaged software documentation provided by the Vendor.

- **SOFTWARE WARRANTY** - At no charge to the City, the Vendor will promptly correct errors so that the software at all times meets all technical and other requirements of the Contract. Vendor's inability to promptly correct a defect in an application or provide a replacement product shall constitute a material breach of the agreement and the City may pursue all available remedies, including, but not limited to a refund of all Software license fees.
- **ORAL REPRESENTATIONS** - No City or Vendor employee has the authority to bind either party to any oral representation or warranty.

6.22 NONAPPROPRIATION OF FUNDS

The complete installation of the Enterprise Resource Planning System is contingent on budgetary funding from the annual City budget. Funding may be allocated in phases over several fiscal years. In the event that sufficient funds are not appropriated for the contract payments required to be made in future fiscal years then the City at its sole discretion may terminate the Contract at the end of the current fiscal year, without penalty or additional expense. If non-appropriation occurs, the City agrees to deliver written notice to the Vendor of such early termination at least 30 days prior to the end of the current fiscal year.

6.23 AUDIT DISCLOSURE

Pursuant to California Government Code section 8546.7, if the Contract is over ten thousand dollars (\$10,000), it is subject to examination and audit of the State Auditor, at the request of the City or as part of any audit of the City for a period of three (3) years after final payment under the Contract.

6.24 LIQUIDATED DAMAGES

Time is of the essence in the performance of the work and all timing requirements, including those found in the Project Implementation Plan shall be strictly adhered to unless modified by City in writing. Failure of Vendor to complete all requirements necessary for completion of the work within the contract time set forth in the Project Implementation Plan will result in damages being sustained by City. Such damages are, and will continue to be

impracticable and difficult to determine. For each consecutive calendar day in excess of the contract time for completion specified in the Project Implementation Plan, the Vendor shall pay to City, or have withheld from monies due it the sum of One-Thousand dollars (\$1000.00) per calendar day. The City and Vendor agree that the \$1000.00 per day is an estimate of the value of the costs and actual damage caused by Vendor to complete the work within the allotted contract time and that such sum is liquidated damages and shall not be construed as a penalty, and that such sum may be deducted from payments due the Vendor if such delay occurs.

6.25 PERFORMANCE BOND ALTERNATIVE

The City will favorably consider a proposal that includes a proposed performance bond, provided by a California admitted surety, for the completion of the project in the event Vendor is unable to perform. The City will require the entire language of the Performance Bond submitted with the RFP response, including the access to the surety in the event of City questions. Acceptance of the performance bond is at the sole discretion of the City.

6.26 ESCROW AGREEMENT

Vendor shall be required to present as part of the RFP submittal a program source code escrow agreement. In such an agreement, the City may access the source code for the purpose of maintaining and supporting its program license as provided in the escrow agreement, in the event of circumstances such as discontinued product support or financial insolvency of the Vendor. An independent third party will retain the source code in escrow; however it is Vendor's responsibility to periodically (at least annually) ensure the third party holds a current version of the source information.

The City may gain access to the source code for the application software for the purpose of maintaining and supporting their system purchased from the Vendor. Vendor agrees that for so long as the escrow agreement is in effect, they will deposit and update whenever changes are made, at Vendor's sole cost, a copy of the current version of the program source code for all programs for which the City holds a license.

Vendor agrees that for so long as this software license and support agreement is in effect it will take no steps or actions which would have the effect of modifying or eliminating the escrow agreement without first having received written permission from the City to do so.

ATTACHMENT A BUSINESS SYSTEMS

(See Attachment A PDF Diagram)

ATTACHMENT B ENTERPRISE RESOURCE PLANNING SYSTEM REQUIREMENTS

(See Attachment B Excel Spreadsheet)

ATTACHMENT C PROPOSAL PRICING FORM

(See Attachment C Excel Spreadsheet)

ATTACHMENT D SUBMISSION CHECKLIST

(See Attachment D Excel spreadsheet)

ATTACHMENT E VENDOR'S BACKGROUND

(See Attachment E Excel spreadsheet)

ATTACHMENT F CLIENT REFERENCES

(See Attachment F Excel spreadsheet)

ATTACHMENT G PROPOSED MAINTENANCE AND SUPPORT

(See Attachment G Excel spreadsheet)

ATTACHMENT H

EMPLOYEE POSITIONS BY DEPARTMENT

<u>DEPARTMENT</u>	<u>Position</u>
City Council	Mayor Deputy Mayor 3 Council Members Council Secretary
City Manager	City Manager Arts Administrator Assistant to the City Manager Executive Secretary Senior Management Analyst 2 GIS Analysts GIS Intern GIS Project Manager GIS Supervisor 4 HR Analysts HR Manager HR Program Assistant HR Supervisor HR Technician 6 IT Analysts IT Manager IT Project Manager Risk Manager Risk Mgmt Program Assistant Risk/Safety Analyst
City Clerk	City Clerk Deputy City Clerk 2 Program Assistants Records Management Coordinator
Finance	3 Accountants Finance Director 3 Finance Managers 4 Finance Technicians

Planning & Building

Management Analyst

Administrative Support Coordinator

Code Enforcement Manager

2 Code Enforcement Officers

Director of Planning & Building

Environmental Projects Manager

Housing Program Administrator

Intern

Management Analyst

8 Planners

2 Principal Planners

4 Program Assistants

Program Coordinator

3 Senior Planners

Fire

Administrative Support Coordinator

3 Deputy Fire Marshals

Fire Captain

Fire Captain

15 Fire Captains

Fire Chief

3 Fire Division Chiefs

15 Fire Engineers

Fire Marshal

14 Firefighters

Intern

Management Analyst

Marine Safety Captain

Marine Safety Lieutenant

2 Marine Safety Sergeants

Program Assistant

Senior Deputy Fire Marshal

Senior Management Analyst

Public Works

Assistant Superintendent

2 Facilities Specialist

Fleet Maintenance Supervisor

2 Heavy Equipment Mechanic

Management Analyst

Program Assistant

Program Coordinator

Public Works Director

Senior Management Analyst

- 2 Storm Water Maintenance Technicians
- 8 Street Maintenance Technicians
- Superintendent
- Utility and Maintenance Field
- 2 Supervisors
- Utility and Maintenance Supervisor
- 4 Utility Line Maintenance Technicians

San Dieguito Water District

- Program Coordinator
- Director
- Assistant Superintendent
- Assistant District Manager
- Senior Engineer
- Engineer
- 2 Engineering Specialists
- 6 Utility and Maintenance Specialists
- Utility and Maintenance Field
- Supervisor
- 5 Utility and Maintenance Technicians
- Program Assistant
- Administrative Support Coordinator

Engineering

- Director
- Senior Management Analyst
- Administrative Support Coordinator
- Deputy City Engineer
- 7 Engineers
- 2 Interns
- 2 Program Assistants
- 8 Environmental Specialists
- Engineering Specialist
- 2 Program Administrators
- Senior Civil Engineer
- 2 Senior Engineer
- 5 Engineering Inspectors
- Geotechnical Consultant

Parks & Recreation

- Director
- Recreation Superintendent
- Recreation Center Manager
- Senior Center Manager
- 7 Recreation Supervisors
- Facilities Maintenance Specialist
- 4 Program Assistants

- 2 Program/Facilities Attendants
 - Recreation Leader
 - Senior Management Analyst
 - Management Analyst
 - Administrative Support Coordinator
 - Parks & Beach Supervisor
 - Parks & Beach Superintendent
- 3 Parks & Beach Supervisors

ATTACHMENT I EXCEPTIONS AND ALTERNATES

(See Attachment I Excel spreadsheet)