

State of South Dakota

Bureau of Finance and Management

REQUEST FOR PROPOSALS (RFP)

RFP NO. 23RFP8918

**Enterprise Resource Planning (ERP) Software**

**and Implementation Services**

August 2, 2023

**DUE**: September 15, 2023, 5:00 p.m. Central Time

Pierre, SD, USA

RFP Contact: Jason Lutz

ERP@state.sd.us

**Table of Contents**

[1.0 GENERAL INFORMATION 5](#_Toc141442855)

[1.1 PURPOSE OF REQUEST FOR PROPOSAL (RFP) 5](#_Toc141442856)

[1.2 ISSUING OFFICE AND RFP REFERENCE NUMBER 5](#_Toc141442857)

[1.3 SCHEDULE OF ACTIVITIES (SUBJECT TO CHANGE) 5](#_Toc141442858)

[1.4 PRE-PROPOSAL CONFERENCE 6](#_Toc141442859)

[1.5 OFFEROR INQUIRIES 6](#_Toc141442860)

[1.6 OFFEROR'S CONTACTS 6](#_Toc141442861)

[1.7 SUBMITTING A PROPOSAL 6](#_Toc141442862)

[1.8 MODIFICATION OR WITHDRAWAL OF PROPOSALS 6](#_Toc141442863)

[1.9 BEST AND FINAL OFFERS 7](#_Toc141442864)

[1.10 DISCUSSIONS WITH OFFERORS (NEGOTIATIONS) 7](#_Toc141442865)

[1.11 PROPRIETARY INFORMATION 7](#_Toc141442866)

[1.12 LENGTH OF CONTRACT 7](#_Toc141442867)

[1.13 GOVERNING LAW 7](#_Toc141442868)

[1.14 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS 7](#_Toc141442869)

[1.15 NON-DISCRIMINATION STATEMENT 7](#_Toc141442870)

[1.16 RESTRICTION OF PROHIBITED ENTITY 8](#_Toc141442871)

[1.17 RESTRICTION OF BOYCOTT OF ISRAEL 8](#_Toc141442872)

[2.0 MANDATORY REQUIREMENTS 9](#_Toc141442873)

[3.0 SCOPE OF ERP SOLUTION 10](#_Toc141442874)

[3.1 INTRODUCTION 10](#_Toc141442875)

[3.2 GOALS AND OBJECTIVES 11](#_Toc141442876)

[3.3 ORGANIZATIONAL SCOPE 11](#_Toc141442877)

[3.4 FUNCTIONAL SCOPE 12](#_Toc141442878)

[3.4.1 Budget 12](#_Toc141442879)

[3.4.2 Financial Management 13](#_Toc141442880)

[3.4.3 Procurement/Logistics 14](#_Toc141442881)

[3.5 INSTITUTIONAL METRICS 14](#_Toc141442882)

[4.0 SERVICES REQUIRED 16](#_Toc141442883)

[4.1 COMPREHENSIVE IMPLEMENTATION SERVICES 16](#_Toc141442884)

[4.1.1 Project Management Services 17](#_Toc141442885)

[4.1.2 Functional Team services 17](#_Toc141442886)

[4.1.3 Technical Team Services 17](#_Toc141442887)

[4.1.4 Organizational Change Management Services 18](#_Toc141442888)

[4.1.5 End-User Training 18](#_Toc141442889)

[4.2 REMOTE DELIVERY OF SERVICES 18](#_Toc141442890)

[5.0 IMPORTANT PROJECT INFORMATION 20](#_Toc141442891)

[5.1 FIXED FEE BID 20](#_Toc141442892)

[5.2 PROJECT TIMING 20](#_Toc141442893)

[5.3 PROJECT GOVERNANCE AND ANTICIPATED PROJECT ORGANIZATION 20](#_Toc141442894)

[5.4 STATE FACILITIES PROVIDED 22](#_Toc141442895)

[5.5 STATE STAFFING 22](#_Toc141442896)

[5.6 KEY PROJECT ASSUMPTIONS 22](#_Toc141442897)

[6.0 PROPOSAL SUBMISSION 24](#_Toc141442898)

[7.0 TECHNICAL PROPOSAL RESPONSE FORMAT 25](#_Toc141442899)

[7.1 PROPOSAL SECTION 1: TRANSMITTAL LETTER/EXECUTIVE SUMMARY: 25](#_Toc141442900)

[7.1.1 Transmittal Letter 25](#_Toc141442901)

[7.1.2 Executive Summary 25](#_Toc141442902)

[7.1.3 Contract Exceptions 25](#_Toc141442903)

[7.2 PROPOSAL SECTION 2: OFFEROR QUALIFICATIONS: 26](#_Toc141442904)

[7.2.1 Mandatory Requirements 26](#_Toc141442905)

[7.2.2 Subcontracting 26](#_Toc141442906)

[7.2.3 Software Solution Provider 26](#_Toc141442907)

[7.2.4 Implementation Services Provider 27](#_Toc141442908)

[7.3 PROPOSAL SECTION 3: SOFTWARE SOLUTION 27](#_Toc141442909)

[7.3.1 Proposed Business Software Applications 27](#_Toc141442910)

[7.3.2 ERP Business Processes 28](#_Toc141442911)

[7.3.3 Integrated Software Tools 33](#_Toc141442912)

[7.3.4 Application Architecture/Technology Tools 34](#_Toc141442913)

[7.3.5 Security 34](#_Toc141442914)

[7.3.6 System Integration 35](#_Toc141442915)

[7.3.7 Data Management Capabilities 36](#_Toc141442916)

[7.3.8 Accessibility 36](#_Toc141442917)

[7.3.9 Data Analytics and Reporting 36](#_Toc141442918)

[7.3.10 Key Differentiators 36](#_Toc141442919)

[7.3.11 Software Licensing 36](#_Toc141442920)

[7.3.12 Software Maintenance and Customer Support Services 37](#_Toc141442921)

[7.3.13 Software Updates and Upgrades 37](#_Toc141442922)

[7.3.14 System Documentation 37](#_Toc141442923)

[7.3.15 User Community 37](#_Toc141442924)

[7.3.16 Strategic Direction 37](#_Toc141442925)

[7.3.17 System Requirements 38](#_Toc141442926)

[7.4 PROPOSAL SECTION 4: IMPLEMENTATION SERVICES 39](#_Toc141442927)

[7.4.1 Project Management Methodology 39](#_Toc141442928)

[7.4.2 Timeline and Implementation Approach 40](#_Toc141442929)

[7.4.3 Specific Services 40](#_Toc141442930)

[7.4.4 Proposal Assumptions 41](#_Toc141442931)

[7.4.5 Lessons Learned 41](#_Toc141442932)

[7.4.6 Optional Products/Services 41](#_Toc141442933)

[7.5 PROPOSAL SECTION 5: PROJECT TEAM 41](#_Toc141442934)

[7.5.1 Project Organization 41](#_Toc141442935)

[7.5.2 Personnel Summary Table 42](#_Toc141442936)

[7.5.3 Resumes 42](#_Toc141442937)

[8.0 COST PROPOSAL RESPONSE 43](#_Toc141442938)

[8.1 WORKSHEET 1 – TOTAL COST SUMMARY SCHEDULE 43](#_Toc141442939)

[8.2 WORKSHEET 2 – SAAS COST SCHEDULE 43](#_Toc141442940)

[8.3 WORKSHEET 3 – CONSULTING SERVICES COST SCHEDULE 44](#_Toc141442941)

[8.4 WORKSHEET 4 – OTHER COST SCHEDULE 44](#_Toc141442942)

[8.5 WORKSHEET 5 – LABOR RATES SCHEDULE 45](#_Toc141442943)

[8.6 WORKSHEET 6 – DELIVERABLES PAYMENT SCHEDULE 45](#_Toc141442944)

[8.7 WORKSHEET 7 – OPTIONAL COSTS 45](#_Toc141442945)

[8.8 WORKSHEET 8 – COST ASSUMPTIONS 45](#_Toc141442946)

[9.0 PROPOSAL EVALUATION AND AWARD PROCESS 46](#_Toc141442947)

**RFP Attachments:**

Attachment 1: *System Requirements* (Excel)

Attachment 2: *Cost Schedules* (Excel)

Attachment 3: *Current Integrations Inventory*

Attachment 4: *Data Conversion*

Attachment 5: *Model Statement of Work*

Attachment 6: *Standard Services Contract Template*

1. GENERAL INFORMATION
	1. PURPOSE OF REQUEST FOR PROPOSAL (RFP)

The State of South Dakota Bureau of Finance and Management (hereafter “State”) is initiating this Request for Proposals (RFP) to solicit proposals from firms (the “Offeror,” the “Vendor” or, post-award, the “Contractor”) interested in participating in the State’s Project BISON (Business Information System for Operational Needs) for the acquisition and deployment of comprehensive Enterprise Resource Planning (ERP) Software and Implementation Services.

The ERP software shall include functionality for Budgeting, Financials, and Procurement, and the proposal shall include all associated comprehensive implementation services.

All proposals must include all software within scope (see RFP Section 3) and all requested implementation services (see RFP Section 4). Proposals that present and bid only software or only services will be disqualified upon receipt. See RFP Section 2 for additional mandatory requirements that must be met before the proposal is accepted and evaluated.

The ideal proposal in response to the RFP will include:

* A proven mature software solution with features specific to public sector administration;
* All functionality described in the System Requirements (RFP Attachment 1) in one integrated ERP solution;
* A rich library of pre-defined integrations for data exchange with internal State systems and external State providers or customers;
* A system integrator with experience implementing the product in a public organization;
* A project approach and methodology proven in previous implementations of the ERP solution by the proposed system integrator;
* A comprehensive toolset of implementation accelerators tailored to the ERP solution;
* A project timeline that strikes the optimum balance of work product of the highest quality, reasonable cost, and controlled risk; and,
* An experienced team of consultants with broad implementation experience to support the transition of functionality and data from existing legacy applications.

Proposals submitted in response to this solicitation must comply with the instructions and procedures contained herein.

* 1. ISSUING OFFICE AND RFP REFERENCE NUMBER

The Bureau of Finance and Management is the issuing office for this document and all subsequent addenda relating to it, on behalf of the State of South Dakota. The reference number is RFP # 23RFP8918. This number must be referred to on all proposals, correspondence, and documentation relating to the RFP.

* 1. SCHEDULE OF ACTIVITIES (SUBJECT TO CHANGE)

|  |  |
| --- | --- |
| RFP Publication | Wednesday, August 2, 2023 |
| Pre-Proposal Conference | Friday, Aug. 11, 2023. 10 am Central |
| Offeror Questions Due | Friday, Aug. 18, 2023, 5 pm Central |
| Responses to Offeror Questions | Friday, Aug. 25, 2023 |
| Proposals Due for Submission | Friday, September 15, 2023 |
| Software Demonstrations/Oral Presentations | October 23 – Nov. 17, 2023 |
| Proposal Revisions (if required) | November 2023 |
| Anticipated Award Decision/Contract Negotiation | December 2023 |

* 1. PRE-PROPOSAL CONFERENCE

A pre-proposal conference is scheduled to be held at the date and time shown in RFP Section 1.3, *Schedule of Activities*. All prospective Offerors may attend; however, attendance is not mandatory. Offerors are encouraged to submit questions to the RFP contact shown in RFP Section 1.5 prior to the conference.

Participants will attend via teleconference/Teams meeting. Link will be provided upon email request to the RFP Contact prior to August 11.

Verbal questions will be taken during the conference and will be answered to the best of the State’s ability at that time. The State will be bound only to the State’s written answers to questions. Any verbal responses to questions at the Pre-Proposal conference are preliminary and unofficial. Questions requiring an official response must be submitted in writing and will be answered in written form.

* 1. OFFEROR INQUIRIES

Offerors may email inquiries concerning this RFP to obtain clarification of requirements. Only questions submitted via email will be accepted. No inquiries will be accepted after the date and time indicated in the *Schedule of Activities*. Inquiries must be emailed to:

Jason Lutz

Bureau of Finance and Management

ERP@state.sd.us

Include in subject line: “RFP # 23RFP8918”

The questions and the answers will be provided via the State of South Dakota’s Bureau of Administration Central Bid Exchange website and will be posted by the date and time indicated in the above *Schedule of Activities*. Offeror may not rely on any other statements, either of a written or verbal nature, which alter any specification or other term or condition of this RFP. Offeror will be notified in the same manner as indicated above regarding any modifications to this RFP.

* 1. OFFEROR'S CONTACTS

Offerors and their agents (including subcontractors, employees, consultants, or anyone else acting on their behalf) must direct all questions or comments regarding the RFP, the evaluation, etc. to the RFP contact indicated in Section 1.5 above. Offerors and their agents may not contact any state employee other than the RFP contact regarding any of these matters during the solicitation and evaluation process. Inappropriate contacts are grounds for suspension and/or exclusion from specific procurements. Offerors and their agents who have questions regarding this matter should contact the RFP contact.

* 1. SUBMITTING A PROPOSAL

All proposals must be completed and received by the date and time indicated in the *Schedule of Activities*. Proposals received after the deadline will be late and ineligible for consideration.

No proposal shall be accepted from, or no contract or purchase order shall be awarded to any person, firm or corporation that is in arrears upon any obligations to the State of South Dakota, or that otherwise may be deemed irresponsible or unreliable by the State of South Dakota.

See RFP Sections 6 and 7 for detailed instructions on the form and method of response.

* 1. MODIFICATION OR WITHDRAWAL OF PROPOSALS

Proposals may be modified or withdrawn by the Offeror prior to the established due date and time.

No oral, telephonic, telegraphic or facsimile responses or modifications to informal, formal bids, or Request for Proposals will be considered.

* 1. BEST AND FINAL OFFERS

The State reserves the right to request best and final offers (BAFO). If so, the State will initiate the request for BAFO; a BAFO may not be initiated by an offeror. Best and final offers may not be necessary if the State is satisfied with the proposals received.

If a BAFO is sought, the State will document which Offerors will be notified and provide them opportunity to submit a BAFO. Requests for BAFO will be sent stating any specific areas to be covered and the date and time in which the BAFO must be returned. Conditions, terms, or price of the proposal may be altered or otherwise changed, provided the changes are within the scope of the request for proposals and instructions contained in the request for BAFO. If an Offeror does not submit a BAFO or a notice of withdrawal, the offeror's previous proposal will be considered that offeror's best and final proposal. After all BAFO are received, final evaluations will be conducted.

* 1. DISCUSSIONS WITH OFFERORS (NEGOTIATIONS)

This process is a Request for Proposal/Competitive Negotiation process. Each Proposal shall be evaluated, and each Offeror shall be available for negotiation meetings at the State’s request. The State reserves the right to negotiate on any and/or all components of every proposal submitted. From the time the proposals are submitted until the formal award of a contract, each proposal is considered a working document and as such, will be kept confidential. The negotiation discussions will also be held as confidential until such time as the award is completed.

* 1. PROPRIETARY INFORMATION

The proposal of the successful Offeror(s) becomes public information. Proprietary information can be protected under limited circumstances such as client lists and non-public financial statements. An entire proposal may not be marked as proprietary. Offerors must clearly identify in the Executive Summary and mark in the body of the proposal any specific proprietary information they are requesting to be protected. The Executive Summary must contain specific justification explaining why the information is to be protected. Proposals may be reviewed and evaluated by any person at the discretion of the State. All materials submitted become the property of the State of South Dakota and may be returned only at the State's option.

* 1. LENGTH OF CONTRACT

The State intends to make one or more awards to the responsive and responsible Offeror(s), as determined by the evaluation process. The software contract term will be for five (5) years, with options to renew for successive 5-year terms (or other such period(s) as the parties may agree to). For the implementation services, the awarded Offeror will be required to enter into a services contract with the State that complies with all aspects of the States terms and conditions.

* 1. GOVERNING LAW

Venue for any and all legal action regarding or arising out of the transaction covered herein shall be solely in the State of South Dakota. The laws of South Dakota shall govern this transaction.

* 1. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS

By signing and submitting this proposal, the Offeror certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation, by any Federal department or agency, from transactions involving the use of Federal funds. Where the Offeror is unable to certify to any of the statements in this certification, the Offeror shall attach an explanation to their offer.

* 1. NON-DISCRIMINATION STATEMENT

The State of South Dakota requires that all contractors, vendors, and suppliers doing business with any State agency, department, or institution, provide a statement of non-discrimination. By signing and submitting their proposal, the Offeror certifies they do not discriminate in their employment practices with regard to race, color, creed, religion, age, sex, ancestry, national origin or disability.

* 1. RESTRICTION OF PROHIBITED ENTITY

In accordance with the South Dakota Codified Law 5-18A, any bidder or offeror submitting a bid or offer in response to this document certifies and agrees that the following information is correct:

The bidder or offeror is not an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly-owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates, of those entities or business associations, regardless of their principal place of business, which is ultimately owned or controlled, directly or indirectly, by a foreign parent entity from , or the government of, the People’s Republic of China, the Republic of Cuba, the Islamic Republic of Iran, the Democratic People’s Republic of Korea, the Russian Federation, or the Bolivarian Republic of Venezuela.

It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the purchasing agency to reject the bid or response submitted by the bidder or offeror on this project and terminate any contract awarded based on the bid or response, and further would be cause to suspend and debar a business under SDCL § 5-18D-12.

The successful bidder or offeror further agrees to provide immediate written notice to the purchasing agency if during the term of the contract it no longer complies with this certification and agrees such noncompliance may be grounds for contract termination and would be cause to suspend and debar a business under § 5-18D-12.

* 1. RESTRICTION OF BOYCOTT OF ISRAEL

For contractors, vendors, suppliers, or subcontractors with five (5) or more employees who enter into a contract with the State of South Dakota that involves the expenditure of one hundred thousand dollars ($100,000) or more, by submitting a response to this solicitation or agreeing to contract with the State, the Offeror or Offeror certifies and agrees that the following information is correct:

The Offeror or Offeror, in preparing its response or offer or in considering proposals submitted from qualified, potential vendors, suppliers, and subcontractors, or in the solicitation, selection, or commercial treatment of any vendor, supplier, or subcontractor, has not refused to transact business activities, has not terminated business activities, and has not taken other similar actions intended to limit its commercial relations, related to the subject matter of the bid or offer, with a person or entity on the basis of Israeli national origin, or residence or incorporation in Israel or its territories, with the specific intent to accomplish a boycott or divestment of Israel in a discriminatory manner. It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the State to reject the bid or response submitted by the Offeror or Offeror on this project and terminate any contract awarded based on the bid or response. The successful Offeror or Offeror further agrees to provide immediate written notice to the contracting executive branch agency if during the term of the contract it no longer complies with this certification and agrees such noncompliance may be grounds for contract termination.

1. MANDATORY REQUIREMENTS

The following minimum qualifications are established for the Offeror proposal. The Offeror will describe in its response (see RFP Section 7.2.1) how the proposed solution/service provider meets these minimum qualifications:

1. All proposals must include all software within scope (see RFP Section 3) and all requested implementation services (see RFP Section 4). Proposals that present and bid only software or only services will be disqualified upon receipt.
2. The software product is proposed and delivered on a Software-as-a-Service (SaaS), Platform-as-a-Service (PaaS), or Cloud ERP basis.
3. Financial Management, Budgeting and Procurement/Logistics components of the Offeror’s proposed ERP solution must be in production entity-wide for either a:
	1. U.S. state government; or a
	2. U.S. city or county government of comparable size and complexity to the State. For the purposes of this RFP, “comparable size and complexity” is defined as an annual budget of at least $1 billion and a minimum of 8,000 full-time employees.
4. Financial Management and Procurement/Logistics core components are fully integrated and provided by the same ERP solution provider. The State acknowledges that certain specialized functions may require third-party software solutions.
5. Offeror’s proposed ERP solution must have single sign-on (SSO) functionality and integrate with the State’s standard SSO/identity management service. Acceptable SSO industry standard protocols include OAuth 2.0 and OpenID Connect.
6. The primary implementation services contractor will be required to be a certified partner of the proposed software product, if that designation is available.
7. The primary implementation services contractor will be required to show that it has completed, as primary provider of services (more than 50% of implementation services to customer), an implementation of the proposed software product at a US state/local government or state agency/organization.
8. SCOPE OF ERP SOLUTION
	1. INTRODUCTION

The State has initiated its internal Project BISON and is issuing this RFP to procure a fully integrated, comprehensive ERP solution and the associated implementation services for a statewide deployment of the new solution.

The state agencies below are the primary business owners responsible for the identified core functions:

* Bureau of Human Resources and Administration – Procurement
* Bureau of Finance and Management – Financials and Budgeting
* Bureau of Information and Telecommunications – Technology and Technology Procurement

The State seeks a solution that could replace the State’s legacy statewide administrative systems supporting the Financial Management, Budget, and Procurement/Logistics components. The State desires an integrated ERP solution delivered as-a-service on a modern, scalable technology platform that will allow the State’s investment to be both functionally and technically viable for the foreseeable future as described in this RFP.

The core Financial Management and Procurement functionality components are expected to be of a single ERP system. For purposes of clarity, the intent of the State is to allow Offerors to propose ERP software or third-party software for non-core Financial Management, Procurement and Logistics functionality, including Budget Development, if the Offeror believes it provides a better overall solution to address the needs of the State.

From a technology viewpoint, the State’s ERP vision is a cloud-based solution that is fully supported by the software provider and removes the State’s administrative burden of software fixes/releases, hardware refresh cycles, backups, disaster recovery, and many technical staffing requirements. The RFP requires that the Offeror provide associated hosting services for the pre-production (development) and production infrastructure. Throughout the RFP, references are made to hosting services. It is understood that a SaaS ERP system may differ in some respects from a cloud-based ERP system provided as-a-service with subscription pricing; however, in order to support both models in a single RFP, the use of the term “hosting services” is intended to address both models.

The State’s current systems environment consists of several different systems on various internal-hosted platforms, including a legacy mainframe system. A primary goal for this initiative is to create a more flexible, fully integrated systems environment.

The major existing systems that support the above-listed functional areas include the following:

* **Central Accounting System** (CAS): The State’s accounting system of record that provides functionality to support the State’s financial business functions (i.e., General Ledger, Accounts Payable, Budget Control, Procurement, Inventory). The software is E:Series from Infor. This is a mainframe system the State has used for more than 30 years;
* **South Dakota Budget System**: A client/server application that supports the statewide Budget Development processes. It was developed by and is supported by the State (not commercial off-the-shelf software);
* **E-Procurement System**: The State uses EasyPurchase, a commercially available, standalone application from ESM Solutions that provides e-Procurement functionality statewide. The State intends to assess the capabilities of the full Procurement suite of the ERP system but may choose to continue to utilize the State’s EasyPurchase procurement system for formal solicitations; and
* **Financial Reporting System**: The State uses Oracle Financial Consolidation and Close System (FCCS) to create accrual-based annual financial reports from its cash basis budgetary accounting system.

Also included in the scope of the ERP initiative are the existing agency-specific systems that would likely be retired/avoided if a new ERP system were implemented as those systems provide functionality included in the ERP functionality within scope.

For Human Capital Management and Payroll, the State uses Infor Cloudsuite HCM. In a separate effort, the State currently plans to migrate this application from a single tenant instance to a multi-tenant instance prior to go-live on a new ERP solution. Any HCM/Payroll software or services, other than needed integration with the new ERP solution, is out of scope of this RFP.

It should be noted that a typical statewide ERP system would not replace programmatic systems such as road/bridge management, tax revenue management, or Medicaid management information systems; therefore, they are not included in scope.

* 1. GOALS AND OBJECTIVES

Project BISON was created to advance the modernization of State administration. While the State continues to support and maintain its systems, they are aging platforms that lack many of the features and capabilities of more modern ERP solutions that will help the State meet the following goals and objectives:

1. Reduce the State’s sizable technology risk exposure resulting from software obsolescence, hardware/technical infrastructure obsolescence, and the increasing scarcity of technical resources;
2. Resolve much of the fragmentation of the State’s existing administrative systems environment, which hinders process efficiency due to dual data entry, system reconciliations, and data-synchronization adjustments, reporting from fragmented data sources, etc.;
3. Incorporate functionality that meets or exceeds federal security standards (e.g., NIST), including FedRAMP Moderate certification, and provide security functions such as role-based segregation of duties and configurable approval rules that significantly strengthen financial controls;
4. Provide for a single Procurement system that would be fully integrated with the financial management, asset management, and inventory functions, thereby improving process efficiency and control. As stated above, the State intends to assess the capabilities of the full Procurement suite of the ERP system but may choose to continue to utilize the State’s EasyPurchase procurement system for formal solicitations;
5. Provide for better tracking and management of the State’s projects and assets;
6. Achieve process standardization based on best practices across the State through the implementation of a unified technology platform;
7. Provide for the reduction of paper-based processes by leveraging electronic workflow, approval, document management, and retention capabilities where appropriate;
8. Provide for the capture and production of a consistent expandable set of data;
9. Provide a more flexible solution to meet evolving business requirements (e.g., compliance with Governmental Accounting Standards Board [GASB] guidance) that is configurable by business users and does not require software developers to adjust/maintain system rules; and
10. Provide for enhanced compliance with Section 508 of the Americans with Disabilities Act regarding accessibility.
	1. ORGANIZATIONAL SCOPE

It is assumed that a new ERP system would be implemented statewide at all agencies, departments, etc. for which it is business-justified to do so. Higher education, including State colleges and universities, and the Board of Regents are not generally within the scope of this effort, although they are required to provide interfaces for basic information from their external accounting system to the State’s system-of-record and make some direct entries into our system.

* 1. FUNCTIONAL SCOPE

The State is evaluating the replacement of its legacy Budget, Financial Management, Financial Reporting and Procurement/Logistics systems. The State’s ideal solution is one in which best practices inherent in the new solution can be adopted by the State with no customization of the underlying software. This solution will be delivered on a modern, scalable technology platform that will allow the State’s investment in new systems to be functionally and technically viable for the foreseeable future.

As indicated above and in the graphic that follows, the functional scope of the ERP initiative includes the functional areas of Financial Management, Budget, and Procurement/Logistics.



**Functional Scope**

The three major functional components within the scope of this effort include the following:

* + 1. Budget

The Budget component should provide capabilities to support the entire life cycle of the State’s budget development process (including forecasting) for the preparation, review and approval of the State’s operating and capital budget appropriations. Budget capabilities should include the ability to:

• Integrate with selected data from the State’s Human Resources system such as data regarding positions, vacancies, and payroll.

• Populate budget request/recommendation templates with historical and year-to-date expense and full-time equivalent (FTE) employee and position information.

• Integrate annual and special appropriations with the Financial Management component of the ERP system.

• Provide strict security controls for each budget stage with audit and exception reporting to assure the business owners of each stage that the confidentiality of the budget related to work-in-progress has not been viewed or compromised by unauthorized parties.

• Allow multiple budget stages to be open concurrently with flexible business rules to ensure the integrity of each stage.

• Support cost projections and modeling.

• Support revenue projections and modeling.

• Support dashboards.

• Support the publication of diverse budget documents such as the executive budget, department budget requests, appropriation bills, mark-up sheets and summaries of the budget documents.

• Provide extensive reporting and data analytics capabilities.

* + 1. Financial Management

The Financial Management component (including budgetary control) should provide the full range of financial capabilities to support the State’s current and future needs. It should be fully integrated within the Financial Management component and with the Budget and Procurement/Logistics components to avoid the redundant entry of information. Financial capabilities should include:

• Accounts Payable functionality including integration with other Financial Management modules and Procurement to facilitate automated matching and payment generation in accordance with business rules established by the State.

• Accounts Receivable functionality to support the establishment and aging of receivables with the automatic generation of notices based on business rules established by the State.

• Asset Management functionality to support the monitoring, tracking, transferring for attributes for assets such as location and assignment by agency, division and individual, as well as information related to funding and depreciation.

• Budget Control functionality to enable the State to load and manage appropriations utilizing allotments based on business rules established by the State.

• Cash Management functionality to enable the State to manage cash in the State Treasury and in bank accounts in accordance with the Cash Management Investment Act (CMIA) and business rules established by the State.

• Chart of Accounts functionality to accommodate all entities within the scope of this RFP to share a common financial chart of accounts to support the independent operations of all departments within the framework established by the State for agency-specific and statewide reporting and accountability.

• Cost Accounting & Cost Allocation functionality to support multiple cost allocation processes including basic percentage allocations and complex multi-basis, multi-pool stepdown cost allocation processes required to support some Public Assistance Cost Allocation Plans and the Statewide Cost Allocation Plan.

• Department of Transportation (DOT) FHWA Billing functionality to support both statewide and DOT processes such as Federal Highway Administration (FHWA) billing.

• Encumbrance Accounting functionality to support requisitions and purchase orders spanning multiple fiscal periods (e.g., State fiscal year, federal fiscal year, grant-specific fiscal year) and multiple allotment periods (e.g., monthly, quarterly).

• Grant Management functionality to support the entire grant management life cycle from application through close-out for grants received by the State (grantee) and support the entire grant management life cycle from application to closeout for grants made by the State (grantor).

• Project Management functionality to support the entire project management life cycle from project initiation through project closeout including supporting the recording of project-related financial events in other financial modules.

• Financial Reporting capability to enable the production of the State’s Annual Comprehensive Financial Report.

• Procurement card functionality enabling review and approval of transactions from procurement cards supplied by major banks.

• Travel and Expense Management functionality to simplify the expense reimbursement and reconciliation process, including facilities for expense report creation, submission, approval, reimbursement, and accounting. In addition, the software can assist the State in keeping track of employee’s business-related expenses.

* + 1. Procurement/Logistics

The Procurement/Logistics component should provide the full range of procurement and logistics capabilities to support the State’s current and future needs. It should be fully integrated within the Financial Management component to avoid the redundant entry of information and provide budgetary control for the procurement process. Procurements/Logistics capabilities should include:

• Formal acquisition process from requisition to solicitation to contract or purchase order (PO) with best and final offer (BAFO) and firm closing date/time functionality to award. Creation of master contracts with process for requisitions and POs under those contracts.

• Informal acquisition process from requisition to informal solicitation with target date/time functionality.

• Purchase process against catalogs, roundtrip (punchout) catalogs, and off-catalog.

• Purchase process (POs, receipts/receivers, and invoices) for quantity purchases and for amount purchases.

• Modification and cancellation process for requisitions, POs, receipts/receivers, solicitations, contracts and catalogs.

• Vendor management including registration, self-service and vendor holds.

• Process for posting solicitations and contracts on secure public-facing site.

• Inventory management with basic warehousing functionality to support inventory locations, order fulfillment, reorder thresholds, restocking, aging and management reporting.

• Facilities management functionality for a variety of facility types providing capabilities such as planning, scheduling, tracking warranties, work orders, tracking utilities and security cards.

• Contract Management functionality to support the entire contract life cycle, including the abilities to workflow activities and transactions as defined by the State and budget-check contract expenditures against funding availability.

* 1. INSTITUTIONAL METRICS

The State offers the following organizational metrics to assist Offerors in proposal-related pricing and scoping exercises.

|  |  |  |
| --- | --- | --- |
| 1 | FY24 Enacted Budget | $7.4B |
| 2 | Fiscal Year Begins | July 1 |
| 3 | Total Active Users in Central Accounting System (CAS) | 300 |
| 4 | Total Number of General Ledger Accounts Maintained in Central Accounting System (CAS) | 150,000 |
| 5 | Total Number of Active Vendors in Central Accounting System (CAS) | 22,000 |
| 6 | Total Active Users in South Dakota Budget System | 200 |
| 7 | Total Active Users in EasyPurchase System | 1,400 |
| 8 | Total Number of POs Processed Annually by EasyPurchase System | 10,500 |
| 9 | Total Employees | 9,500 |
| 10 | Total Employees Likely to Use Travel Reimbursement Functionality | 7,500 |

1. SERVICES REQUIRED
	1. COMPREHENSIVE IMPLEMENTATION SERVICES

The State is seeking consulting services from Offerors who have experience implementing the proposed ERP solution in a public sector organization. This section provides a high-level description of the services to be included in the proposal. Based on the scoping information provided in this RFP and its attachments, Offeror will quote a fixed fee price for implementation services.

An overview of general project activities that will be included in each stage of the project include:

Plan

* Project Management
* Project Team Training on Software Product (may be additional cost)
* Organizational Change Management and Communications
* Other Planning and Preparation

Architect/Design

* Review of Critical Business Processes
* Review of Chart of Accounts/Financial Reporting Structure
* Analysis of Requirements and Improvement Opportunities
* Solution and Business Process Design

Configure and Prototype

* Software Configuration
* Security Configuration
* Integrations
* Data Analysis and Conversion, including Initial data Load/Transfer
* Reports, Queries, Dashboards and Forms

Test

* Testing – System, Performance, Security, User Acceptance

Deploy

* Administrator Training and Knowledge Transfer
* End-User Training / Transition Support
* Documentation
* Knowledge and Skills Transfer Process
* Implementation/Deployment (roll-out) Support
* Post-Implementation Support

These services are addressed in more detail in RFP Attachment 5, *Model Statement of Work*, and will be finalized in the agreements between the State and the Offeror.

The Offeror shall propose all services necessary to deploy the proposed Budget, Financial Management, Procurement, and Logistics functionality. In addition, the prime implementation services contractor will be expected to manage interactions and support with the ERP solution provider during the implementation contract period.

As part of the response to RFP Section 7.5, *Project Team,* Offeror will name at least six staff as Key Personnel: the Project Manager for the engagement, at least three Functional leads, a Technical lead and a Change Management lead. The State requires named resources for the six key positions and will not accept representative resumes for the key roles. The State expects that the six named Key Personnel will be the resources assigned to the project.

The State expects that the Design/Architect phase will include review of critical business processes and financial account structure. For additional information, see Section 2 in RFP Attachment 5, *Model Statement of Work.*

* + 1. Project Management Services

The State expects the Contractor will provide a Project Manager (PM) for the duration of the project, who will partner with the State’s Project Manager as the primary managers and coordinators for all implementation efforts. The State highly prefers that the Contractor PM have the PMP (Project Management Professional) certification.

A comprehensive work plan shall be submitted within forty-five (45) days of project start, and will be fully updated at least monthly for the duration of the project. The work plan shall include tasks, dependencies, linked predecessors/successors, critical paths, and responsible parties (both Contractor and State staff) assigned to each task. Additional work plan requirements are included in Section 1.1 of RFP Attachment 5, *Model Statement of Work*. The Contractor shall provide resources to manage and maintain the project plan and any project tracking tools. In addition, the Contractor PM will work with the State PM to define, document, and allocate project roles and responsibilities as per the Contractor suggested path.

* + 1. Functional Team services

The State expects the Contractor to provide expertise and manage configuration in all functional areas in partnership with State subject matter experts (SMEs), with the understanding that State SMEs will make final business decisions. During the design stage, the State expects the Contractor to perform an analysis of requirements specific to the South Dakota Department of Transportation, to better understand the complexities involved in supporting SDDOT on the new ERP solution. The Contractor functional consultants will support new software releases during the implementation, and train/educate the State SMEs sufficiently to support and advance the system through releases and adoption of new functionality after go-live of the software.

* + 1. Technical Team Services

Working in collaboration with the State technical leaders, the State expects the Contractor to support the management and coordination of all project technical team activities. The Contractor shall provide a Technical Lead, Integrations Lead, Conversions Lead, Reporting Lead, and a Testing Lead. (One person may be able to perform more than one role.) The detailed split and assignment of the technical tasks will be agreed upon between the Contractor and the State.

In all technical areas, the Contractor technical Leads will provide technical expertise and mentorship on software and support development, and will work with the State technical lead on architecture/strategy for conversions, integrations, and reporting/analytics.

For conversion work, the State will be responsible for cleansing, preparing and extracting data from legacy systems in a Contractor-supplied format, and Contractor will be responsible for loading and technical validation of the data into the new system. The State expects to convert the essential data required to deploy the Budget, Financial Management, Procurement, and Logistics functions. For reference, the State has provided its initial scope for data conversions as RFP Attachment 4, *Data Conversions*.

For integration work, the State has supplied a listing of current integrations as RFP Attachment 3, *Current Integrations Inventory*. The Offeror shall review this list and estimate the total hours required to design, code and test the integrations that will be needed for the new system. The Contractor and State staff will share the effort on integrations, 75% Contractor and 25% State, with the understanding that the State will require the Contractor to provide development support and mentoring on the development toolset. The cost associated with the Contractor’s 75% of the integration effort will be included as part of the overall fixed bid.

An important internal integration for the State will be linking the data within the new ERP with the State’s transparency website. The integration should have the ability to update the transparency website by making available payment details at a vendor, agency, fund, appropriation and object code level, and receipt details at an agency, fund and revenue source level with transaction dates to support timeframe searches.

For reporting work, the State is asking for the Offeror to include the costs to develop reports, queries, dashboards and forms (collectively, called reports) as described below. The fixed fee will include the costs for three categories of reports (more information about each of these is presented in RFP Attachment 5, *Model Statement of Work*):

1. The Contractor will be responsible for design and development of the reports required for completing the State’s Annual Comprehensive Financial Report (ACFR).
2. The Contractor will be responsible for an additional 150 reports, to be defined and agreed during the project (see definitions in RFP Attachment 5, *Model Statement of Work*).
3. The Contractor will include a “Development Pool” of an additional 5,000 hours for development of additional reports as needed, to be defined and agreed during the project.

The State expects custom report development to be a joint activity between the Contractor and the State that will be initiated early in the project and run throughout. The ACFR and another 150 reports will be part of the Contractor’s quoted fixed fee. In addition, the Pool of 5,000 hours will be included in the fixed fee bid but will be paid as reports are defined by the project team, developed by the Contractor and accepted by the State. The State and the Contractor will jointly agree to a list of report development items during the project, with the State providing item priority and approval of the list. This Pool may also provide development hours if other technical items, such as integrations, are added to the scope post-contract at the request of the State. If development items that were included in the fixed cost, such as integrations, are eliminated post-contract, the hours associated with that item will be added to the Pool and made available for other development items.

* + 1. Organizational Change Management Services

The State understands the scope of transition services that will be required for a successful deployment. The State is asking the Contractor to provide two resources: a senior Change Management and a Communications Lead for planning and leadership in this area. These senior consultants will help State project management and change management staff develop the Organizational Change Management and Communications plans, and support their execution for the duration of the project.

* + 1. End-User Training

The Contractor must provide a senior Training Lead who will work with the Change Management Leads and Project Managers to develop, direct, and execute the end-user Training Strategy and Plan. The Contractor shall lead and provide resources for 80% of the development of end-user training based on the Training Strategy and Plan, and will be responsible for train-the-trainer sessions with State training resources. The State will be responsible for 20% of the training development efforts, and will administer enrollment and lead all instructor-led classes. For end-user training, the State would like to leverage SDLearn, its Learning Management System based on Cornerstone. The State expects most end-user training will be done with self-paced courses delivered over the web, but there may be curricula that require an instructor-led approach.

* 1. REMOTE DELIVERY OF SERVICES

As part of its best value approach, the State is looking to reduce project costs during the implementation. One major cost saving factor will be the use of technology to use time more efficiently and reduce travel costs for State staff and the consultants. The State is expecting that web collaboration/meeting tools and other enabling technology will be used extensively during the project. The State currently uses Microsoft Teams internally. With the use of technology, there are many tasks/activities/deliverables that could be done by the Contractor off-site, and that approach is acceptable to the State. The State expects no more than 10% overall of consultant time will be delivered on-site. The State project office will be based in Pierre, SD, and that will be the primary sites for on-site work. The State expects that most consultants will be on-site at the start of the project for orientation and alignment, and when needed at critical project junctures or to resolve issues.

1. IMPORTANT PROJECT INFORMATION
	1. FIXED FEE BID

The State requires a fixed fee bid, inclusive of travel and other expenses. The State requests on the Cost Schedules two billing rates from the Offeror during the project: one rate that is all-inclusive of travel for on-site consulting work, and one rate that includes no travel and will be used when consultants are working remotely. These rates shall be used by the Offeror in calculating its fixed fee bid, and may be used by the State for any additional services requested by the State following contract execution. The Offeror should describe in the description of its approach (see RFP Section 7.4 below) the activities and percentage usage by project role for off-site or remote work.

The State requests the Offeror make and disclose reasonable assumptions regarding the overall scope of the project and present an overall plan for the entire project as part of its response for the Technical Proposal.

* 1. PROJECT TIMING

The State expects to initiate the implementation project in Q2 (April-June) 2024 and expects that the go-live date for the Budget Development component and the go-live date for the Financials and Procurement/ Logistics components may not be the same. The go-live date for the Budget Development component for all agencies and functionality should align with the start of the State’s Budget Development process, which is July 1. The Contractor and State may decide there is a better go-live date for Budget, depending on the business processes involved. The go-live date for the Financials and Procurement/ Logistics components for all agencies and functionality should align with the State’s fiscal year, so July 1, 2026. This is the start of the State fiscal year and the typical deployment date for state statutory changes. The State expects that the submitted bid will use these assumptions.

Current planning is built on the assumption that all proposed functionality and all agencies would come into production on these dates. Due to the age and difficulty of working with the legacy systems, the State is hesitant to adopt a plan that involves maintaining the legacy systems and developing “temporary” integrations between legacy and new systems for a phased functionality deployment. The actual project start dates and duration will be determined during the negotiations for the services Statement of Work.

If the Offeror has an alternative approach to timing or phasing of functionality that the Offeror believes would result in improved outcomes, less risk and/or lower cost, the State welcomes the presentation of these alternatives as part of the response in RFP Section 7.4, *Implementation Services*.

* 1. PROJECT GOVERNANCE AND ANTICIPATED PROJECT ORGANIZATION

The following chart provides a high-level governance and anticipated organizational structure for the ERP Project. Offerors should include any recommended adjustments to the anticipated structure in response to RFP Section 7.4.1.



The State will follow standard project management methodologies to secure executive sponsorship, concept and business process approval, and to ensure effective planning of activities and utilization of resources.

The Executive Sponsor will be responsible for executive communications on project-related matters, providing executive input to the Steering Committee, and setting the high-level strategy for the project.

The Steering Committee will be responsible for disseminating executive communications on project-related matters, resolving escalated business and resource related issues, providing input and direction to the Project Management Office, disseminating project information within their organizations, and advocating for the implementation of approved standardized business processes and data across all State departments.

The Project Managers in the Project Management Office will be responsible for making recommendations to the Steering Committee after reviewing all standardization and/or configuration of the ERP system as provided by the Functional Teams. The Project Managers will also review and facilitate resolution to project issues submitted by the Functional, Technical and OCM Teams and, if needed, will submit project issues to the Steering Committee. The Project Managers ensure compliance with ERP project goals, objectives, project management guidelines, project standards, project scope, quality management, project budget, reporting and documentation. They ensure that the State and Contractor resources are leveraged effectively across the project, and review and recommend approval of project deliverables. Finally, the Project Managers are responsible for managing the project work plan, monitoring activities of the ERP project team, timelines, and risks. They also have overall responsibility for reporting on the status of project activities, milestones, and deliverables.

The Technical and Functional teams are comprised of subject matter experts that will be responsible for the development, standardization, configuration, and testing of business processes. The Change Management team will oversee the organizational change management, communication, and training needs of end-users. These teams will submit unresolved project issues to the Project Managers, as needed.

* 1. STATE FACILITIES PROVIDED

The Offeror may assume that the State will provide workspace for Contractor’s personnel when on-site to include utilization of State printers, copiers, workspace, network, and internet access. The State will not provide computer equipment for use by the Contractor’s personnel, unless there is a unique situation where there is a demonstrated need to use State equipment. As required, the State will provide adequate training facilities required for project team and end-user training.

The State is expecting that some project work will be performed on-site at the State project team offices, but distribution of remote work will be determined during contract negotiations by role and project need. The project services provided on-site will be primarily performed by the Contractor at a State-designated facility located in Pierre, SD.

* 1. STATE STAFFING

The State plans to provide a combined total of 25 full-time employees (FTEs) for the Budget, Finance and Procurement/Logistics implementation which are anticipated to be overlapping phases. These staff are expected to support the areas of Project Management, Budget Development, Financial Management, Procurement, Technical, Organizational Change Management (OCM), Communications, and Training. The State further anticipates that certain members of the State’s project team supporting OCM, Communications and Training will not be required until the system design and development activities phase are nearing completion. As part of the Offeror’s project plan, the Offeror should identify the timing for when these state project team members will be needed to support the project which will be subject to acceptance by the State.

* 1. KEY PROJECT ASSUMPTIONS

The following key project assumptions should be taken into consideration when responding to this RFP:

* The ERP project is a high priority of the State with corresponding commitment and support by all levels of management to include timely consensus and deadline-based decisions.
* The State is committed to changing business processes and requirements, and expects to use ERP-delivered business processes as the starting point for business process workshop activities where feasible. Some processes may be driven by State laws and guidelines and may not be able to be modified; however, the state is open to reviewing potential statute changes where appropriate to accommodate best business practices and use of the system.
* Strong project governance standards are applied equitably and fairly in a manner that ensures the opportunity for input by all State stakeholders.
* The State will establish senior project leadership with the authority to make timely policy level and resource decisions to meet project needs and deadlines.
* The State will establish project management with appropriate levels of experience, and provide guidance and direction from project sponsors.
* There will be State staff and Contractor leads for each major functional, technical and change area identified within the project organization.
* The State will commit sufficiently skilled State staff resources to the project as reflected in an agreed upon work plan and staffing plan.
* The State will be able to reach timely agreement on critical decisions such as business process configuration and whether gaps in functionality can be addressed through other means than software extensions.
* The existing legacy systems at the State will continue to operate as required throughout the deployment period.
* The Contractor will commit sufficient expert resources to meet the project timeline, post-implementation support, and knowledge and data transfer.
* Contractor resources as proposed will be available as needed within two weeks of contract execution.
1. PROPOSAL SUBMISSION

The Offeror is cautioned that it is the Offeror's sole responsibility to submit information related to the evaluation categories and that the State of South Dakota is under no obligation to solicit such information if it is not included with the proposal. The Offeror's failure to submit such information may cause an adverse impact on the evaluation of the proposal.

To be considered for a contract award, Offeror must submit a complete response to this RFP in conformance with the format and content requirements set forth herein (see RFP Sections 7 and 8). A proposal that does not provide all the information requested herein, in the order described, may be deemed nonresponsive and is subject to rejection.

 All responses must be completed and received by the date and time indicated in the Schedule of Activities. The proposal should be page numbered and should have an index and/or a table of contents referencing the appropriate page number.

The responses to the Technical Proposal and the Cost Proposal must be submitted as separate files. There should be no reference to cost in the Technical Proposal.

The Offeror should provide one (1) copy of their entire proposal, including all attachments, in Microsoft Word/Excel, PDF or a combination of these formats for text responses. The responses to RFP Attachment 1, *System Requirements* and RFP Attachment 2, *Cost Schedules*, must be submitted in Microsoft Excel format. Do not lock or put passwords on the submitted documents. Any PDF files that are submitted must be text searchable and able to be printed.

Offerors may submit the electronically formatted copy of their proposal via email or on a flash drive. Use the following naming conventions for the submitted files.

* Technical proposal: [Offeror Name]\_RFP\_23RFP8918\_Technical
* Cost proposal: [Offeror Name]\_RFP\_23RFP8918\_Cost

If submitted by email, the subject line of the email should be:

* [Offeror Name] – RFP 23RFP8918 Response

The email, including attachments, must be limited to 20MB in size. If multiple email messages are necessary to meet the size limitation, the subject of the email message should be:

* [Offeror Name] – RFP 23RFP8918 Response x of y

And the file name in the email should be:

* [Offeror Name]\_RFP\_23RFP8918\_Technical\_x\_of\_y

Where “x” represents the number of the component out of “y” total components of the response (e.g., if a total of 3 components submitted as attachments to 3 messages: 1 of 3, 2 of 3, and 3 of 3).

If submitted on a flash drive, there is no limit on file size. The package containing responses submitted on flash drives must be labeled on the outside of the package as follows:

RFP Number: 23RFP8918

RFP for ERP Software and Implementation Services

DUE: [Date/time specified in *Schedule of Activities*]

BUYER: BFM

Send to

State of South Dakota, Bureau of Finance and Management

Attention: Jason Lutz

500 East Capitol Avenue, Pierre, SD 57501

1. TECHNICAL PROPOSAL RESPONSE FORMAT

Provide the following information in the order requested. There shall be no cost information included in the Technical Proposal.

The State does not require, nor desire, any promotional material which does not specifically address the response requirements of this RFP. Offerors are asked to keep their submissions to the shortest length consistent with making a complete presentation of qualifications, products and services.

* 1. PROPOSAL SECTION 1: TRANSMITTAL LETTER/EXECUTIVE SUMMARY:
		1. Transmittal Letter

The transmittal letter shall be in the form of a standard business letter on the Offeror’s letterhead and shall be signed by an individual authorized to legally bind the Offeror. The Transmittal Letter shall include the following:

1. Identification of the name, title, telephone number and email address of the person(s) authorized by their organization to contractually obligate the software provider organization;
2. If different, identification of the name, title, telephone number and email address of the person(s) authorized by their organization to contractually obligate the implementation services organization;
3. If different, identification of the name, title, telephone number and email address of the person authorized to function as the main contact on behalf of the proposal;
4. A statement that the entire offer and the price contained therein is a valid offer and shall be binding upon the Offeror in all respects for a period of 180 days from receipt of the Best and Final Offer (BAFO), or from submission if no BAFO is requested; and
5. Acknowledgement of receipt of any and all amendments or addenda to this RFP.
	* 1. Executive Summary

Maximum length: 5 pages. In the Executive Summary, the Offeror should condense and highlight the contents of the proposal in such a way as to provide the State with a broad understanding of the offer. This section of the offer is designed to provide a clear and concise understanding of key aspects of the offer within the 5-page limit as follows:

1. Narrative of its understanding and ability to provide the solution and perform the services as outlined in this RFP, including summarizing the proposed solution and service offerings;
2. Information on the experience, background, and qualifications of all of the responding firm(s), including engagements where the proposing firms (software and services) have previously worked together;
3. Discussion of why the combination of firm(s) presented in the offer is best qualified to provide the products and services required herein; and
4. Discussion of why the products and services proposed represent the best value to the State.

Offerors must clearly identify in the Executive Summary and mark in the body of the proposal any specific proprietary information they are requesting to be protected. The Executive Summary must contain specific justification explaining why the information is to be protected.

* + 1. Contract Exceptions

Provide a summary recap of contract exceptions to the State’s terms and conditions, if any. See RFP Attachment 6, *Standard Services Contract Template*. On this summary, quote the section number and text of the contract term and an explanation of the exception. If applicable, the Offeror may suggest alternate language that would be more acceptable.

* 1. PROPOSAL SECTION 2: OFFEROR QUALIFICATIONS:
		1. Mandatory Requirements

As a response to this item, the Offeror must specifically address each of the items in RFP Section 2, *Mandatory Requirements*. The Offeror must be as specific and concise as possible in describing how it meets each of the Mandatory Requirements.

* + 1. Subcontracting

List any subcontractors planned to be utilized. Do not include the primary Software Solution Provider or the primary Implementation Services Provider. Describe the scope of work and role(s) they will perform.

* + 1. Software Solution Provider
			1. Include a detailed narrative description of the Software Solution Provider’s (SSP) organization with the following elements:
1. Brief overview of business operations, with an emphasis on ERP-related operations in public sector or other organizations of similar size and complexity;
2. SSP’s ERP experience in organizations of similar size and complexity, with an emphasis on state government and public sector installations;
3. Research and development budget;
4. Date established; and
5. Location in which the SSP is incorporated.
	* + 1. In an appendix to their proposal, the SSP must submit copies of the most recent year’s independently audited financial statements, as well as those for the preceding year. The submission must include the audit opinion, the balance sheet, statements of income, retained earnings, cash flows, and the notes to the financial statements. If independently audited financial statements do not exist for the SSP, the SSP must document the reason and, instead, submit sufficient information to enable the State Evaluation Team to determine the financial stability of the SSP. The State reserves the right to require the SSP to submit additional financial information it deems necessary to complete its evaluation.
			2. List in table format ERP installations for the SSP for organizations of similar size and complexity that have come into production within the last three years. Include in the table any public sector ERP installations that are in progress (contracted but not in production) as of the proposal due date. If desired, the SSP may also include commercial customers who are similar in size and complexity to the State. Include columns for:
6. Organization name;
7. Initial production date (or target date of production) by module;
8. Product(s) initially deployed and release/version, including the functional modules deployed within a major functional area; and
9. If upgraded since initial production, date of upgrade and current release/version.
	* + 1. The SSP must provide three (3) references from organizations, other than the State, where the software/modules that are the subject of this solicitation are currently in production usage. To the extent possible, provide references for public sector customers of a similar size/complexity as the State. Ideally, all references would be using all software proposed. If that isn’t the case, the State requires additional references so that all major software components of the proposal have at least three references.

The State, at its discretion, may contact any of the references provided by the SSP and SSP’s provision of such references shall act as approval for the State to contact references in order to determine their experiences with the SSP.

The following information should be provided for each reference:

1. Organization Name;
2. Reference Contact Information: Name, Mailing Address, Phone, Email Address;
3. Number of Employees;
4. Software Product, Modules, and Release Number(s) Implemented; and
5. Software Production Date, and Date of Latest Upgrade.
	* 1. Implementation Services Provider
			1. Include a detailed narrative description of the Implementation Services Provider’s (ISP) organization with the following elements:
6. Brief overview of business operations, with an emphasis on ERP-related operations in public sector or other organizations of similar size and complexity;
7. ISP’s ERP experience in organizations of similar size and complexity, with an emphasis on state government and public sector installations;
8. Research and development budget;
9. Date established; and
10. Location in which the SSP is incorporated.
	* + 1. In an appendix to their proposal, the ISP must submit copies of the most recent year’s independently audited financial statements, as well as those for the preceding year. The submission must include the audit opinion, the balance sheet, statements of income, retained earnings, cash flows, and the notes to the financial statements. If independently audited financial statements do not exist for the ISP, the ISP must document the reason and, instead, submit sufficient information to enable the State Evaluation Team to determine the financial stability of the ISP. The State reserves the right to require the ISP to submit additional financial information it deems necessary to complete its evaluation.
			2. List in table format implementations by the ISP of the proposed software solution where the ISP was prime contractor (i.e., provided more than 50% of implementation services) for public sector clients that have come into production within the last three years. Include in the table all implementations that are in progress (contracted but not in production) as of the proposal due date. Include columns for:
11. Organization name and location;
12. Initial production date (or target date of production);
13. Product(s) initially deployed and release/version; and
14. Scope of services provided for this organization by the ISP.
	* + 1. Provide three (3) references for which the ISP has provided similar implementation services within the past five years. The State may, at its discretion, contact any of the references provided by the ISP. Include the following information for each reference**:**
15. Organization Name;
16. Organization Description (e.g., public sector/commercial);
17. Reference Contact Information: Name, Mailing Address, Phone, Email Address;
18. Number of Employees;
19. Project Description and Services Provided;
20. Project Start and End Dates;
21. Software Product, Modules, and Release Number(s) Implemented; and
22. Software Production Date.
	1. PROPOSAL SECTION 3: SOFTWARE SOLUTION

The Offeror will provide narrative responses regarding the proposed software solution, organized in accordance with the outline below.

* + 1. Proposed Business Software Applications
			1. Provide an overview of the Offeror’s comprehensive software solution, modules/ software proposed, and the integration of the modules proposed to meet the State’s requirements. This item is intended to be a high-level overview of the product(s) offered.
			2. The Offeror shall provide a more detailed description of all application software modules (including third-party and data analytics/reporting applications) necessary to meet the requirements specified in this RFP. For each module, the Offeror should summarize in one (1) page or less the key features and functions of that module, as well as the major integration points of the module, in the following format. The size of the individual response items may be adjusted as needed, as long as the total response for each module does not exceed one (1) page.

**Sample Format for One-Page Software Modules Summary**

|  |  |
| --- | --- |
| **Module Name** |  |
|  |
| **Narrative Description of Major Functions** |
|  |
| **Integration Points** |
|  |

Following is a brief explanation of expected response for each required field:

1. Module Name – Indicate the module name (e.g., General Ledger, Accounts Payable) from the proposed software solution.
2. Narrative Description of Major Functions – Describe in narrative form the major business process functions addressed by the module. Describe the key features of the module and how the module addresses the pertinent business needs of the State.
3. Integration Points – Describe the delivered integration of the module with other modules in related business processes. An exhaustive listing of all integration points is not required. The intent is to provide a general understanding of relationships and dependencies between software modules.
	* + 1. The State would prefer to use the system as delivered as much as possible. Therefore, provide a list or catalog of the following delivered items for the system:
4. Delivered business processes;
5. Delivered transactions; and
6. Delivered reports.

If these lists are lengthy, they may be included as appendices to the proposal.

* + - 1. Describe the features of the user interface/experience that makes the system easy to learn and use for both novice and expert users. Include features such as help screens, navigation aids, online manuals, configurable menus, configurable hot keys, configurable tab order, search tools, using multiple windows, etc. Include a description of how the interface can be configured to State-specific business processes and rules. Include a discussion of coding reduction tools or validation rules that can help to ensure quicker, more accurate data entry.
		1. ERP Business Processes
			1. Address how the new system will be flexible enough to keep up with the frequent changes that the State undergoes. For example, the federal government and State of South Dakota update laws, rules, regulations, and requirements every year, which may require frequent, mandated software changes**.**

***Accounts Payable***

* + - 1. Provide an overview of how the proposed ERP system handles the Electronic Funds Transfer (EFT) process. In an overview, address the following points (at a minimum):
* Describe the capabilities of the ERP system in initiating and processing EFT transactions, including the ability to generate payment files, securely transmit payment instructions to financial institutions, and handle different types of payment methods (e.g., direct deposit, electronic payments).
* Explain how the ERP system ensures the security and integrity of EFT transactions, including encryption protocols, user authentication, and compliance with relevant financial regulations and standards.
* Discuss the integration capabilities of the ERP system with banking systems and payment gateways, allowing for seamless transfer of payment data and reconciliation of EFT transactions.
* Describe the features and functionalities that enable efficient management of EFT processes, such as automated payment scheduling, payment approval workflows, and real-time monitoring of payment status.
* Highlight any additional features or enhancements specific to the public sector context, such as the ability to handle multiple bank accounts, support for complex fund allocations, and integration with financial management modules for accurate accounting and reporting.
	+ - 1. Explain how the proposed ERP system prevents duplicate transaction numbers for warrants, direct invoices, and travel vouchers. Include the following points in the response (at a minimum):
* Describe the unique transaction number generation and assignment features of the ERP system to prevent duplicates. Highlight any automated checks or validations during transaction entry.
* Explain how the ERP system integrates with other systems to synchronize transaction numbering and maintain consistency.
* Outline the configurable rules for defining unique transaction number patterns based on type, date, or other criteria. Discuss customization options to align with specific business requirements.
* Discuss real-time visibility and notifications to alert users of potential duplicate transactions.
* Highlight additional preventive and detective measures in place, such as access controls and audit trails, to ensure data integrity and accuracy.
	+ - 1. Describe the ways the proposed ERP software can receive and accept electronic invoices from the State's vendors. Specifically, address the following methods commonly used by ERP systems (at a minimum), as well as any other methods the proposed software supports:
* ERP Vendor Portal – uploads and flips.
* Email Address – automatic capture and processing.
* Electronic Data Interchange (EDI) – electronic exchange of invoice data, adhering to EDI standards.
* ERP Mobile Application – supports features such as photo capture and document scanning.
* Third-Party Vendor Portals and Supplier Networks – interface ERP system with third-party vendor portals and supplier networks.
	+ - 1. Explain how the proposed ERP system manages vendor invoices for projects funded by federal grants, ensuring accurate project cost tracking and compliance. The State currently uses an Accounts Receivable Clearing Account to keep track of the payment matching and the total cost of the project, but it is open to alternative methods for performing this process. In the response, address the following points (at a minimum):
* Describe the ERP system's approach to processing vendor invoices for federal grant-funded projects and tracking expenses for reimbursement purposes.
* Explain the functionalities that support project cost tracking and allocation of expenses to specific federal grants for accurate financial reporting and compliance.
* Discuss automated features or configurations that enable real-time monitoring of project-related transactions for grant guidelines adherence.

***Accounts Receivable***

* + - 1. Provide an overview of how the proposed ERP software processes internal service funds. In the overview, include (at a minimum):
* How the proposed software handles the billing, settlement, and tracking of services provided by one organizational entity for another.
* The proposed system's functionality for generating invoices or bills for internal service funds, including the ability to calculate charges based on predefined rates or cost-allocation methods.
* Functionality that facilitates the proper recording and reporting of these transactions within the State's financial records.
	+ - 1. Present an example scenario explaining how the proposed ERP software handles the billing-through-settlement process as it relates to internal service funds.
			2. Describe the ERP software’s ability to support the central management of a multi-store point-of-sale (POS) system (in its entirety, as well as by specific departments), which would require the software’s ability to support integration with multiple POS systems through delivered APIs and processes, ensuring: (1) data synchronization (customer, invoice, payment, inventory, etc.), (2) consistent reporting, and (3) efficient and effective management processes across all POS locations.

***Asset Management***

* + - 1. Discuss how asset ownership and funding (multi-fund, multi-agency, grant, project) is performed in the system as well as how ownership is addressed when information is purged.
			2. Describe how the proposed system provide/supports an asset validation process.
			3. How does the system support tracking and reporting infrastructure assets?

***Budget Development***

* + - 1. How does the ERP solution ensure consistency and synchronization of the chart of accounts across the budget development and financial management modules? Are automated updates included? How are discrepancies reconciled?
			2. The vendor should describe the flexibility inherent in the software’s financial chart of accounts and how that flexibility can be used to support single-year and multi-year budgets (e.g., by fiscal year, federal fiscal year, special appropriation, state appropriation year).
			3. Describe how the ERP system accommodates "double budgeting". Example 1: A budget is established for an internal service organization and a budget is also established for the agency/customer paying for the service. Example 2: A budget is established for Agency A and a budget is established for Agency B that includes a grant from Agency A.
			4. The vendor should provide a description of how the system supports organizational changes (e.g., a division of agency A is moved to agency B or 1/3 of agency D is moved to agencies E, F and G) and provides for accurate, current, historical and future reporting, including changes in COA element names.
			5. Provide an in-depth explanation of how the proposed ERP system supports budget development using non-monetary units, such as square footage, computing cycles, etc., for calculating the allocation of dollars. In the response, address the following aspects (at a minimum):
* Describe the ERP system's capability to accommodate budgeting in non-monetary units and the various types of units it supports (e.g., physical units, time units, computational units).
* Explain how the system allows users to define conversion factors between non-monetary units and monetary values to ensure accurate allocation and budget calculations.
* Illustrate real-world examples of how the ERP system facilitates budgeting based on non-monetary units and translates them into financial terms.
* Discuss the system's reporting and analytics features that provide insights into budget allocations and utilization based on non-monetary units.
* Outline the system's data validation and integrity checks to ensure accuracy and consistency in budgeting calculations.
* Highlight any automated features or functionalities that streamline the process of budgeting with non-monetary units and improve overall efficiency.
	+ - 1. Explain how the proposed ERP system handles increasing budgets with partial grant funding and varying match rates for fund sources. Address the following points (at a minimum):
* Overview of managing budget increases with partial grant funding, including recording and allocating additional funds.
* System's support for setting varying match rates for fund sources, especially those with general fund matches.
* Real-life scenarios demonstrating the system's effectiveness in managing diverse funding sources.
* Built-in controls and validation mechanisms to ensure data integrity in budget adjustments.
* Reporting and tracking capabilities for real-time visibility into budget changes and fund allocations.
* User-friendliness and intuitiveness in managing budget adjustments and match rates.
	+ - 1. Share any features that the State needs to consider in terms of budgeting and revenue projections that were not included with the State’s requirements.

***Cash Management***

* + - 1. Describe how cash receipt processing would be performed in the system including: (1) How are bank files received by ERP system? (2) How do agencies claim and classify the transactions? (3) How can the cash receipting process can be further automated (i.e., automatically assigning receipts for approval, generating report for unclaimed lines)?
			2. Describe the bank reconciliation process and the types of files used in the reconciliation process.

***Cost Allocation***

* + - 1. Describe how additional fields can be added to the project table to provide user-defined classification categories.

***General Ledger***

* + - 1. The State's current financial system does not present all chart of account elements across all modules. The Accounts Payable module has more elements than the Budget Control module. Identify which chart of account elements are available across all modules. Discuss the process for adding a custom chart of accounts element including a designation if the field will be available across all modules.
			2. Describe how the system provides for the following budgets:
* Legislative (Appropriation) budgets.
* Agency (Operating) budgets.

Include in the discussion which fields (e.g., agency, fund, object) and hierarchy can be included in the budget.

* + - 1. The vendor should describe how the ERP solution supports encumbrance accounting (e.g., requisitions, purchase orders) spanning multiple fiscal periods (e.g., state fiscal year, federal fiscal year, and/or calendar year) and multiple allotment periods (e.g., monthly, quarterly). The vendor should describe support for carrying forward open requisitions and purchase orders from one fiscal year to the next, including any tracking of expended/encumbered funding for contracts with contract periods that cross multiple fiscal or calendar years and capture the expenditures against the contracts. Also discuss how rolled-over contracts/purchase orders can be scheduled to automatically end after a user specified period.
			2. Annual Comprehensive Financial Report (ACFR) – The vendor should describe features of the ERP solution that are designed to assist in the preparation of the ACFR. The vendor should describe the process and level of effort required to produce the ACFR.
			3. The vendor should describe how the ERP solution supports interagency transactions including: (1) encumbering the service and settlement after the service has been delivered; (2) enabling workflow to enhance the business process; and (3) dispute resolution.

***Grants Management***

* + - 1. The vendor should describe the features of the proposed software solution that support the entire grants management life cycle from application through close-out from both the grantee’s perspective (grants received by the state) and the grantor’s perspective (grants awarded by the state).
			2. Explain how the system supports provides the ability to set up and update "source" tables by agency and grant type to reduce maintenance. An example is indirect cost rates by local education agency/Charter School or grant by school year.
			3. Explain how the proposed system would allow a specific indirect rate for a specific period to be grouped by grant type to allow a rate and time period to be updated by grant type. This update will apply to all the grants connected by the grant type. Include other options where the system has tables/features to reduce similar maintenance efforts.

***Procurement***

* + - 1. Provide an overview of the proposed software’s capabilities to generate and manage multiple or split awards (a single procurement RFP results in more than one contract award). In the overview, include (at a minimum):
* How an award to multiple vendors can be made (e.g., in total, by group, by individual line item, etc.).
* How the proposed system supports the management of multiple vendors, including the ability to send notifications to more than one vendor for a single procurement.
* How the proposed system maintains independent procurement, receipt, and settlement processes for each split award while effectively linking them to the common solicitation/procurement package.
	+ - 1. Provide an overview of the proposed ERP software's handling of Local Purchase Orders (LPOs). In the response, address the following (at a minimum):
* How the LPO process can be configured to incorporate procurement policies and compliance requirements specific to LPOs.
* How the proposed ERP software facilitates the identification and selection of local vendors.
* How the ERP software enables efficient tracking, monitoring, and reporting of LPOs, with specific emphasis on capturing and reporting data related to local vendor utilization, local spend analysis, and compliance with local procurement policies.
* How the purchasing/requisition approval workflow can be configured to trigger the encumbrance of LPOs without the need to involve the State's central Office of Procurement Management (OPM).
	+ - 1. How does the proposed ERP software manage multiple ship-to addresses with multiple bill-to addresses? Describe how a single purchase order could be broken into multiple bill-to addresses for payment.
			2. Provide an overview of how the proposed ERP software supports the Contract Management life cycle. The overview should address the following (at a minimum):
* Describe the software’s ability to support the end-to-end process from contract/agreement authoring (including the drafting, negotiation, and approval processes) through signature.
* List and briefly describe the types of state government contracts/agreements the software typically supports (e.g., procurement contracts, service-level agreements [SLAs], leasing agreements, etc.).
* Explain the software’s ability to use the metrics and other data associated with the contracts/agreements to: (1) build, validate, and monitor transactions, and (2) monitor and evaluate performance against and compliance with the terms and conditions of the contracts/agreements.

***Travel & Expense Management***

* + - 1. Provide an overview of how the proposed ERP software handles a state government's Employee Reimbursement process (including reimbursement for travel), covering expense request/ authorization through financial settlement. In the overview, address the following (at a minimum):
* Expense Request, Authorization, and Encumbrance: Explain how the proposed software facilitates expense request creation, approval workflow, policy compliance, and the establishment of encumbrances. The system should accommodate multiple funding sources and expense entities (e.g., cost centers, projects, etc.) for accurate expense allocation and tracking.
* Direct Payment for Certain Expenses: Describe how the software processes transactions paid via "Direct Bill" or on State-issued p-cards for online payment and collection billings for lodging, airline, car rental, and the like, that are billed directly to the appropriate State expense entity(ies) for payment. Furthermore, describe the system’s ability to: (1) track for which employee each expense was incurred, (2) exclude these State-paid amounts from the calculation of the amount expensed to an employee in calculating full travel costs, and (3) capture relevant data regarding the payment transaction (e.g., name of person's purchasing card, hotel name, travel agency, etc.).
* Expense Capture and Submission: Discuss the software's features for capturing data from various sources, including documentation related to direct payments by the State, p-card data, and employee-submitted documentation. Explain how expenses can be allocated to the appropriate funding sources and expense entities, supported by necessary documentation, while also considering encumbrance adjustments.
* Expense Review, Reimbursement, and Accounting: Explain the software's approach to reviewing, approving, and reimbursing expenses, taking into account relevant funding sources, expense entities, encumbrances, and employee-taxable events. Highlight how the system ensures proper accounting entries, accurate financial reporting, and analysis. Also, describe the available methods for reimbursement, such as direct deposit or check issuance.
* Multiple Employees on a Request/Submission: Describe how the software supports requests and submissions involving multiple employees, ensuring efficient collaboration and accurate allocation of expenses to the respective funding sources, expense entities, and encumbrances.
* Financial Settlement and Reporting: Explain how the integration of the system's modules ensures accurate financial reporting, including the proper liquidation of encumbrances, and provides efficient and effective settlement processes. Highlight the system's capabilities in generating comprehensive financial reports and supporting regulatory compliance requirements.
	+ - 1. Explain, within the context of employee reimbursement, how the proposed ERP software handles the concept of "home station" within its financial modules.
			2. Certain reimbursable events for state employees are considered taxable reimbursements for W-2 reporting purposes. Describe how the ERP solution would differentiate between and process taxable vs. nontaxable reimbursable events (e.g., Taxable = non-overnight in-state per diem, tool allowances, tuition reimbursements; Nontaxable = out-state per diem, overnight lodging, etc.).
		1. Integrated Software Tools
			1. The State expects to follow best business practices inherent in the software as much as possible. However, the State may have business requirements that are unique. With this understanding, in their response the Offeror should describe the capabilities and approach to addressing client-specific needs through configuration or other means without modifying the software source code. These could include the ability to:
* Add and/or activate additional data elements;
* Configure lists of valid values for existing and custom data elements;
* Use standard application programming interfaces (APIs) or standard entry and exit points so that external systems/code can interact with system processes;
* Ability to update data in the base software via APIs;
* Extend the functionality of the proposed software using delivered tools without modifying the delivered system source code; and
* Create, configure, define, and modify business process models and workflows for business transactions based on business rules, including supporting alerts and notifications. The Offeror should describe any out-of-the-box workflow capabilities and explain ease of use in configuring additional workflows.
	+ - 1. Does the automated workflow system delivered with the core ERP software have any capabilities to integrate with or incorporate other State software such as Infor?
			2. Describe the document management/imaging capabilities that are built in or delivered as part of the base system. List the document types that may be stored, and describe the process for entry, access, markup and notes, management, and archiving. Provide a brief discussion of the technology that is used to manage the documents.
		1. Application Architecture/Technology Tools
			1. Provide the State with a fully detailed Architecture Diagram of the proposed production environment. If the other environments differ architecturally, provide the respective Architecture Diagrams.
			2. How many environments are generally allocated for client usage during implementation? How many non-production instances (e.g., test or sandbox) and which ones are included after go-live in the standard subscription/offering? Is there a limit to the number of non-production environments? How quickly can a new environment be provisioned? How often are non-production environments refreshed? Can each environment be on its own refresh schedule?
			3. Identify the minimum and recommended desktop configuration requirements. Catalog the web browsers (including minimum release level) that are compatible with the system, and any browsers that provide a preferred experience. Are there any third-party products or significant browser configuration changes required to run the product? Does any proposed software require a browser plug-in or any installation of code on the device?
			4. Describe which mobile operating systems are supported with native apps, and if a mobile/responsive version of the application exists. Describe common functions or applications that can be accessed on these platforms in the delivered solution, including common use cases for the alternative platforms. Describe the system’s mobile application strategy and any mobile applications that can be downloaded to iOS or Android devices.
			5. The Offeror shall describe any technology support products (including third-party products) required to operate, control, manage, configure, enhance, upgrade, report on, and integrate the proposed solution and meet the State requirements as specified in this RFP. The Offeror should provide descriptions of any proposed technology enablers and support products as applicable: (Note: if costs are associated with any of these items, they should be included in the Cost Proposal on Schedule 4, Other Costs)
* Ad hoc reporting/query tools;
* Business intelligence tools;
* Tools for views/screens/custom forms/custom dashboards;
* Upgrade assistance tools;
* Enterprise application interface (EAI) tools;
* Extract, transform, and load (ETL) and data migration tools;
* Production tools (e.g., schedulers);
* Application and load/performance testing tools;
* Configuration and software change management tools;
* Performance monitoring tools; and
* Document management capabilities.
	+ 1. Security
			1. Offeror should describe the security approach within the ERP. The system shall provide application controls to prevent unauthorized use of the system, maintain system process controls, and log all transactions. In addition, the system shall provide security to limit availability to application functionality, software screens, data records, data elements, and data element values where appropriate. This description should address, but is not limited to:
* Single sign-on and ability to integrate with State’s SSO/identity management service (identify identity management solutions previously integrated, and provide recommendation, if any);
* Federation with Azure Active Directory for South Dakota user authentication;
* Data encryption both in transit and at rest (indicate if there is additional cost for encryption of data at rest). In addition, identify the data encryption standards that are available and/or used in the application;
* Any support for third-party data encryption;
* Built-in multi-factor identification capability and/or support for third-party multi-factor authentication for non-South Dakota users (i.e., database administrators, server administrators, network administrators, etc.) that support the ERP/infrastructure;
* Configurability of security;
* Role-based authorizations, including any delivered business processes/pages/functionality/workflow to automate security approval and provisioning;
* Row-based authorizations, including any delivered business processes/pages/functionality/workflow to automate security approval and provisioning;
* Database access;
* Data privacy;
* Handling confidential data; and
* Preservation and auditability of data and changes.
	+ - 1. Describe how the system security will limit users to view and update information for only their assigned department while allowing State personnel to seamlessly consolidate financial information from all departments. How do security definitions apply to in-system reporting?
			2. Describe the solution’s approach to keeping an authentic source of person identities in place. When onboarding a new employee, describe the process using an external identity provider.
			3. Describe how security roles are added/removed when changes occur (e.g., user changes department). Describe any automation capabilities to streamline the addition or removal of security roles when personnel changes occur.
			4. Describe how the proposed system will provide a detailed audit trail to allow the authorized user to trace the history of all changes in user data or in system configuration. How does the system facilitate the audit of security accounts, roles and access?
			5. Describe capabilities to alert administrators of unusual or suspicious changes to data, including download, remove or modify data. Describe any Data Loss Prevention processes built into the application.
			6. Describe the tools, processes or capabilities in the system for archiving data. What is recommended for an archiving policy for the system? What features or capabilities are delivered with the system to support the storage and retrieval of archived data? Is archived data discoverable during search? How is data validity and integrity assured?
			7. Describe any capabilities for records retention in the event of a legal hold or litigation.
		1. System Integration
			1. Describe how functionality is integrated across the proposed solution, ensuring single data entry points and consistent, non-duplicated information across all functional modules, as well as how data integrity is ensured. Describe any delivered communication services that guarantee message delivery and handles queuing and encryption for various types of communication (e.g., publish and subscribe, request/reply). Identify any data integration hubs or brokers that are proprietary. Describe the product’s approach to allowing the State to interface or exchange data between the proposed software solution and other software systems. The description should include, but not be limited to:
* The technologies used (e.g., SOAP, REST, XML files, JSON, Text files, CSV files);
* Description of both the inbound and outbound approaches;
* A catalog or list of APIs available for State use;
* Any limitations on the number of records that can be accessed by the API; and
* Any limitations or governors placed on web services-based interfaces.
	+ - 1. Describe any prepackaged/supported integrations/interfaces. Discuss the integration with office productivity software, such as Microsoft Office or other email clients. What protocols or standards are supported?
			2. Do any integrations need to be developed between any system functions or between the system and the data analytics/reporting tool? Include in the discussion any previous experience in integrating the solution with systems that are noted in RFP Attachment 3, *Current Integrations Inventory*.
			3. Describe how the system can adapt to business-necessary integrations using widely adopted open APIs and standards. Additionally, the State expects that the Contractor will make available/expose software services and publish documentation for those software services that would enable third-party developers to interface other business applications. Include a detailed description of this system capability.
			4. Are any batch or non-real-time processes required for communications between software modules?
			5. Describe any SMS/text messaging functionality, including the ability to opt-in or opt-out of text messages.
		1. Data Management Capabilities
			1. Describe any data management capabilities, including any proposed data cleansing and data conversion tools. What does the system provide to ensure integrity of converted data, such as enforcement of field rules or business rules, or application of data edits? Describe the tools/accelerators available to support the conversion of data from our legacy systems to the proposed ERP. Are these tools provided with the proposed ERP or from third parties? Describe the process for data conversions and loads specifically highlighting what features and functionality will be available to the State and what functionality will only be available to the software vendor or a third-party system integrator.
			2. Describe any capabilities delivered with the system that would allow the State to load historical information that may not be available for processing but would be available for query.
		2. Accessibility
			1. Discuss the solution's compliance with promulgated accessibility standards. Describe the features and capabilities of the system that provides for accessibility, and a discussion of the technology behind these features.
		3. Data Analytics and Reporting
			1. The Offeror should discuss its analytics/reporting strategy for the proposed ERP, including:
* Data analytics and reporting capabilities inherent in the ERP system, and additional data analytics/reporting tools that may help the State further its analytics/reporting strategy;
* Integration of existing BI tools, such as PowerBI;
* How data from the ERP solution can be incorporated and merged with data in any existing State data warehouses, including what tools would be used or required to accomplish this; and
* Any limitations or governors in place to limit web services calls, if applicable.
	+ 1. Key Differentiators

Describe the features and functions of the proposed ERP that are unique to this offering, innovative and differentiate the solution.

* + 1. Software Licensing
			1. Offeror should include a copy of all software agreements that Offeror expects to execute with the State, including (but not limited to) proposed Software License and Annual Maintenance Agreement, or SaaS Subscription Agreement and Service Level Agreements for all proposed software, including third-party software.
			2. Offeror should provide an explanation of the software licensing or subscription fee basis upon which costs have been calculated (e.g., number of employees, number of users, State budget, etc.) and the metrics that were used for calculation of software fees. Do not include the dollar amounts; only the metrics that were used.
			3. Offeror should describe its standard cost escalation policies at contract renewal time. What are any escalation factors based on?
		2. Software Maintenance and Customer Support Services
			1. Offeror should describe the proposed maintenance and support plan, including general service-level commitments offered under the support agreement. Maintenance and support information should outline the following:
* Comprehensive customer support strategy;
* Definition of the level of proposed support. If alternative maintenance and support plan levels exist (e.g., platinum, gold, silver), provide a description of each alternative plan available to the State;
* Telephone support (e.g., toll-free support hotline, hours of operation, availability of 24 x 7 hotline);
* Online support (e.g., “Web chat”, ability to submit and check status of issues, remote dial-in, Web site access to patches, fixes and knowledge base);
* Offshore support, if any, that would be used to support the State;
* Problem reporting, resolution and escalation procedures (e.g., severity levels and response time);
* Process for requesting a new single point of contact, if the State desires such;
* Procedures for bug fixes, patches and enhancements; and
* Any recent independent assessments of customer support.
	+ - 1. What involvement or contribution can the State expect from the primary ERP software provider during the implementation project?
		1. Software Updates and Upgrades
			1. Offeror should describe its upgrade strategy for the proposed software, including an overview of the strategy, what support capabilities and tools are provided to facilitate the upgrade process, and the number of software versions that are currently supported. How can customers test upgrades/releases? Are clients forced to take updates and, if so, how often? What is the typical new functionality release schedule? Does this include the core system and native mobile apps?
			2. Describe the process for bug fixes. Is there SLA commitment for how quickly bugs will be identified and resolved, or a workaround implemented?
			3. The Offeror should also explain how its upgrade process affects user-defined fields, user-defined tables, and other configuration items. Is there any assurance that updates will not break existing configurations and/or supported integrations?
		2. System Documentation
			1. Describe the application documentation that is delivered with the system. Describe any business process documentation that is delivered, such as flow diagrams or narratives.
			2. Describe the system/technical documentation that is delivered with the system. Provide a representative example.
		3. User Community

Offeror should describe how customers are able to participate in and influence product direction and enhancements. What user groups are available to the State? How often do they meet and how are they structured? Does the software provider or the user group manage the agenda and content of the meetings? What training opportunities and resources does the software provider make available to customers?

* + 1. Strategic Direction

Offeror should describe its future vision and product direction by addressing the following topics at a minimum:

* Product feature and component development roadmap, including mobile device support and analytics support;
* Future technology direction and unique or differentiating technology approach;
* Development methodology and the extent to which it is customer driven; and
* Strategic product plans for new releases.
	+ 1. System Requirements

The State has developed System Requirements, provided as RFP Attachment 1, *System Requirements*. The Offeror must respond in the provided Excel file to the requirements specifically as described in this section. The response must be returned as an Excel file. (Do not submit the response to System Requirements in PDF format only.)

A response to each requirement is required to be considered responsive. The response options are provided and described below.

The Offeror may also add any comments or explanation in the Comments column of the Excel workbook. Some responses request comments to provide more information about the response.

When responding to a requirement where the response is “DT,” or where the requirement is being met with a third-party product, Offerors should state the name of the tool, toolset, or third-party software in the “Comments” field associated with the requirement.

Note that, if any third-party software is proposed to satisfy the State requirements, the costs/fees associated with acquiring/licensing the product and the implementation costs associated with the third-party software must be included in the fixed fee bid submitted in the Cost Proposal. Do not include any cost information in the responses to the System Requirements.

**Offeror Requirement Response Definitions**

| **Responses** | **Requirement Response Definition** |
| --- | --- |
| **SF** Standard (Configurable) Functionality | The proposed software provides the requested functionality without screen, code, or design changes. The product can satisfy the specification “out-of-the-box” without any modification to the vendor’s standard baseline software offering. The software may require configuration using supplied configuration options or tools. The Offeror should only use “SF” if the baseline software as delivered in the current release meets the requirement “as-is” or through software configuration with minimal effort.In the case of a report, query, or integrations related requirement, the Offeror should only use “SF” if there is no development effort associated with meeting the requirement (e.g., a standard delivered report). If the user would need to design a query or report to satisfy the requirement, that item would be classified as “DT”.If the product that provides this functionality is a third-party solution, not a component of the proposed ERP software, Offerors should state the name of the third-party software in the “Comments” field associated with the requirement. If there is a cost associated with this third-party solution, that cost must be reflected in the Cost Proposal. |
| **DT**Development Tools | The desired feature or functionality is not available as part of the standard proposed software functionality, but customizations can be made to the standard software utilizing a delivered “development toolset” to satisfy the specified requirement, and does not require modifications to the system source code. Examples of customizations done using delivered tools might include adding new data fields, changing a field length, creating a query, creating an interface/integration, writing a custom report or modifying a view or screen.A brief explanation is required to support any proposed development. Explanations should be provided in the “Comments” section of the requirements response, including the name of tool or toolset that is recommended.If the product that provides this functionality is a third-party solution, not a component of the proposed ERP software, Offerors should state the name of the third-party software in the “Comments” field associated with the requirement. If there is a cost associated with this third-party solution, that cost must be reflected in the Cost Proposal. |
| **FR**Provided in Future Release | A future release of the proposed software will provide the requested functionality without screen, code, or design changes. The Offeror should only use “FR” if the future release of the base or third-party software will fully meet the requirement and the release date has been publicly announced by the software vendor.A brief identifier/description of the software module, referenced release, and the expected release date should be included in the “Comments” field associated with the requirement.  |
| **DNM** Does Not Meet Requirement | The desired feature or functionality is not available as part of the standard (base or third-party) software functionality, or requires modifications to the system source code, or is a future release item without a scheduled release date. Without modifying the system, the requirement would most likely be met by a process workaround or by interfacing to an existing legacy application. If selecting this option, the Offeror should add a comment in the requirements response proposing a workaround or other method/process that could satisfy this requirement for the State. |

* 1. PROPOSAL SECTION 4: IMPLEMENTATION SERVICES
		1. Project Management Methodology

The Offeror shall describe its approach to managing the project. As part of its project management approach, the Offeror shall describe the project management tools, standards, controls, and procedures that will be utilized to create a proven, reliable process, as well as proposed standards for status reporting, risk management, issue management, and communications. Describe any proprietary tools or utilities that the Offeror will bring to the project.

Offerors are invited to provide recommendations for project governance and organizational change management in this section of their response.

* + 1. Timeline and Implementation Approach

The Offeror should describe its proposed approach for the implementation project and a proposed timeline for the project, including deployment dates. The response to this section should demonstrate the Offeror’s understanding of the needs and objectives of the State, and the Offeror’s ability to successfully deploy the new system. The State is looking for the Offeror to recommend an approach, timeline and structure that minimizes cost and risk. This section shall encompass all services and deliverables identified in RFP Section 4, *Services Required* and in RFP Attachment 5, *Model Statement of Work*.

Describe previous project experience with offsite work and the planned strategy for this project. Identify in the response which services might be performed at a site other than the project site in Pierre, SD. No work will be performed outside the United States without prior written permission from the State.

Describe in the narrative how the recommended approach will reduce risk to the State and facilitate user acceptance. The approach should also highlight techniques to reduce project costs and increase project engagement for the project duration, such as the use of a web collaboration tool. Identify specific activities that lend themselves to this approach. Discuss any experience using these techniques in a similar manner on other engagements, and share any lessons learned.

The description provided should include the following information:

* Key principles and distinguishing characteristics;
* Phases and major activities;
* Implementation timeframes; and
* Proposed deliverables.

In addition to the narrative response to this section, the Offeror should provide in its proposal:

1. A Statement of Work for the project, describing major tasks and all deliverables that will be included in the project. The State has provided RFP Attachment 5, *Model Statement of Work*, which can be used as a starting point. The State has provided additional detail in the Model Statement of Work regarding its expectations for deliverables that will be produced and services that will be performed by the Contractor and the State, and these should be incorporated into the sample SOW provided in the Offeror’s response.
2. A preliminary high-level Work Plan demonstrating the relationship between the work to be performed, the deliverables to be provided as described, and the timeline recommended in the approach. A more comprehensive detailed Work Plan will be required from the awarded vendor within 30 days of project initiation, including a Staffing Plan with named resources. See requirements for the comprehensive Work Plan in Section 1.1 of RFP Attachment 5, *Model Statement of Work.*
	* 1. Specific Services
			1. Describe any recommended pre-implementation activities the State could complete to prepare for the implementation project.
			2. List the recommended product training by role for the State’s project team, and the recommended timing for this training. If there are options for delivery, discuss those options here. If applicable, provide a link to the course catalog. The State’s assumption is that the software vendor will supply this training. If the Offeror has alternatives for project team training that could be a better value to the State, describe that option here.
			3. Describe the expected process to analyze the State Chart of Accounts as it is currently configured, and transition into the proposed solution. What experience can be offered for this activity from other clients?
			4. Describe the specific training, communications and cultural change management approaches and deliverables proposed. What level of support during the project is proposed to be provided for change management and communications?
			5. What end-user training approach is assumed? Is there any standardized courseware or template for end-user curriculum that the Offeror can offer? Does the approach require or recommend tools or applications for training development and/or delivery? Which courses are commonly delivered for the end-user training in the classroom, and which will be self-paced computer learning? Based on previous experience, what curriculum for end users is recommended?
			6. Describe any workarounds, extensions or creative solutions developed in previous engagements when implementing the proposed software to address specific issues at a state agency or public organization.
			7. Describe any tools, utilities or special access that the State will be expected to provide for the implementation project, whether service is being done on-site or off-site.
			8. How many software environments/tenants are recommended for the implementation project? Briefly describe how each tenant is used during the project. Is it recommended that any additional production tenants are used other than those that come standard with the software fee?
			9. Describe the process(es) and approach proposed for development items such as integrations, custom reports, or similar items during implementation.
			10. Describe the approach to managing new software releases during the implementation project.
			11. Describe the approach to knowledge transfer from consultants to State staff during the project, including functional and technical knowledge. What actions will the Offeror take to ensure that knowledge transfer is happening? How will it be monitored and verified during the project?
		2. Proposal Assumptions

The Offeror shall provide a comprehensive listing of all assumptions made in preparing their services bid in response to this RFP. Include any assumptions related to project scope. Reminder: No cost data should be included in the assumptions.

* + 1. Lessons Learned

The Offeror should provide a discussion of the significant lessons learned from experience at managing and deploying enterprise installations of a new ERP system, particularly those related to public sector implementations, and how those lessons will be applied to the State project.

* + 1. Optional Products/Services

In addition to the requirements and other specifications in this RFP, the State is willing to consider any alternative or innovative products, services or approaches from the Offeror that would result in improved outcomes, better functionality, lower cost and/or lower risk to the State. These might include different tools or project approaches, different timelines, or any other aspect where the Offeror could offer value to the State. The State invites the Offeror to present concisely these suggested changes here. This response will not be evaluated or scored; it is an optional component. No response is required for this section. Any product or service presented in response to this section must be an optional added-value component, and not required to meet a requirement or service specification from this solicitation. The State may or may not consider any proposed alternatives. The costs associated with any of these alternatives may be presented as Optional Costs on the Cost Proposal.

* 1. PROPOSAL SECTION 5: PROJECT TEAM
		1. Project Organization

Offerors shall provide a narrative description of the recommended project organization for the implementation project and proposed organization chart(s) for the project team including all recommended roles for Offeror and State staff. Additionally, the Offeror shall provide a table showing all roles (Offeror and the State) proposed for the engagement with a brief description of the responsibilities, the recommended staffing level, recommended timing, and expected source (Offeror, the State) of personnel for each listed role. The State anticipates that certain members of the State’s project team supporting OCM, Communications and Training will not be required until the system design and development activities phase are nearing completion. As part of the Offeror’s response to this section, the Offeror should identify the timing for when these State project team members will be needed.

* + 1. Personnel Summary Table

The Offeror should provide a Personnel Summary Table listing key Offeror personnel assigned to the project. Offeror will name at least six staff as Key Personnel: the Project Manager for the engagement, at least three Functional leads, a Technical lead and a Change Management lead. If other proposed non-key Offeror personnel are known, they may also be included in the table below. As illustrated by the example below, the Personnel Summary Table must include the proposed role(s), consultant name, total years of relevant implementation experience, years of experience in the proposed role, list of significant clients in the proposed role, and relevant certifications.

The State requires named resources for the six key positions and will not accept representative resumes for the key roles. The State expects that the six named Key Personnel will be the resources assigned to the project. The State has a strong preference that the Contractor PM have the PMP (project Management Professional) certification.

**Format for Offeror Personnel Summary Table**

|  |  |  |  |
| --- | --- | --- | --- |
| **Proposed Role(s)** | **Consultant Name** | **Firm** | **Experience Summary** |
| EXAMPLE: Project Manager | John Smith | X Consulting | 4 years Product Y implementation experience, 5 years as project manager on 2 similar projects, Client Name, PMP certification |
|   |   |  |   |
|   |   |  |   |
|   |   |  |   |

* + 1. Resumes

The Offeror shall provide resumes for each role to be filled by the Offeror. In addition to the resumes for the six key personnel listed above (required), Offeror may provide brief resumes for other staff who will fill that role or representative of the person who will fill that role. Resumes shall include the following information:

* Name of consultant;
* Proposed role on project;
* Education and training;
* Summary of relevant experience (including start and end dates);
* Experience implementing proposed software;
* Public sector experience;
* Other relevant experience; and
* Employee of Offeror or subcontractor.
1. COST PROPOSAL RESPONSE

Offeror shall submit a signed detailed cost proposal to include all aspects of providing the scope of products and services associated with this RFP. The pricing submitted as part of the proposal shall be considered a valid offer, and must remain valid as specified in the RFP terms and conditions. To support pricing, the State has provided some metrics about the State in RFP Section 3.5.

The Cost Proposal should be submitted as a separate file from the Technical Proposal. There should be no cost information in the Technical Proposal.

The Cost Proposal shall be submitted in Excel format. The Offeror may also include a printed (PDF) copy of the cost spreadsheets with the Excel file as part of the submission.

The Offeror must use the Excel workbook pricing format presented as RFP Attachment 2, *Cost Schedules,* and not their own format. “TBD” (to be determined) or similar responses in the workbook cells for costs are not acceptable. Failure to provide the cost information fully may lead to a determination that the proposal is non-responsive.

Formulas are provided in the workbook for the convenience of the Offeror. The Offeror shall be responsible for the consistency and accuracy of the formulas, sums and roll-ups contained in the workbook. Any errors are solely the responsibility of the Offeror. Additional rows and columns may be added as needed.

Note that the State’s fiscal year is July 1 – June 30. The first fiscal year on the cost worksheets is FY24, which ends June 30, 2024. The amounts shown for services in FY24 will be for a partial fiscal year. There will also be a partial fiscal year at the end of the project if services terminate on any date other than June 30. Since the State budgets by fiscal year, it is important that project costs are allocated properly to the corresponding fiscal year.

The remainder of this section contains specific instructions concerning how Offerors are to address and submit the various cost worksheets that are included in the Excel workbook. Cost information is to be provided in accordance with the templates provided in RFP Attachment 2, *Cost Schedules*. Evaluated total cost will be calculated based on the multi-year cost as reflected on the Total Cost Summary Schedule.

* 1. WORKSHEET 1 – TOTAL COST SUMMARY SCHEDULE

This schedule must reflect all firm, fixed costs required to implement the proposed ERP software according to the implementation schedule consistent with the requirements and specifications in the RFP documents.

The prices provided in Schedule 1 - Total Cost Summary will be populated from Schedule 2 - SaaS Cost, Schedule 3 Consulting Services Cost, and Schedule 4 Other Costs.

Formulas have been added as a convenience to assist the Offeror in completing the Cost Schedules, however, the Offeror shall be responsible for ensuring the accuracy of all pricing information submitted as part of the proposal. Any assumptions that are necessary to help the State understand the Offeror’s proposed pricing should be provided on Schedule 8 - Cost Assumptions. Additional rows may be added as needed, ensuring the integrity of the formulas and consistency in formatting.

* 1. WORKSHEET 2 – SAAS COST SCHEDULE

This schedule must provide firm, fixed costs for the proposed SaaS software and other software proposed under a SaaS delivery model. If separate pricing is available for the Budget Development, Finance and Procurement/ Logistics software, then the Offeror should list each cost separately. The Basis for Subscription Costs must describe the underlying metrics used for each of the software products, components, and modules for which pricing is provided. If the Offeror is proposing different pricing during the implementation of the system or there is a variance in the pricing metric per year, then the Offeror must add a comment below the table explaining how the costs for those contract years were calculated. The Offeror must ensure the number of units proposed supports the number of users, scope of agencies, volume, and budget figures identified in the historical usage and metrics provided in the RFP to ensure satisfactory performance of the solution during the initial and renewals contract periods. If necessary, the Offeror should use this worksheet for any non-SaaS products and present them with subscription-like pricing, providing pricing details on Schedule 8, Cost Assumptions.

Formulas have been added as a convenience to assist the Offeror in completing the Cost Schedules, however, the Offeror shall be responsible for ensuring the accuracy of all pricing information submitted as part of the proposal. Any assumptions that are necessary to help the State understand the Offeror’s proposed pricing should be provided on Schedule 8 - Cost Assumptions. Additional rows may be added as needed, ensuring the integrity of the formulas and consistency in formatting.

* 1. WORKSHEET 3 – CONSULTING SERVICES COST SCHEDULE

This schedule shall include for each proposed position: the proposed rates for each fiscal year, the proposed hours by month, subtotaled hours by fiscal year, subtotaled cost by fiscal year, total hours for total presented time period, and total cost for total presented time period. For positions where part of the work will be done on-site (at an all-inclusive rate) and part will be done remotely (at a lower rate with no travel), the Offeror may approach this in one of two ways:

1. The position can be broken onto two rows to distinguish these hours. Enter the on-site rate (includes travel) by year and the on-site hours, and on a second row enter the rate and hours for the off-site portion of the work.
2. Use one row. Use a blended rate for on-site and off-site work and enter all hours on this row. Eliminate the sample “Remote” row for the position.

The schedule also includes subtotals for each work group, and totals for all consulting services. Proposed positions shall be grouped into the most appropriate staffing category by work group consistent with the template. The Implementation Services category presents separate work groups for:

* + Leadership and Project Management,
	+ Functional/Configuration Team,
	+ Change Management and Training Team, and
	+ Technical Team.

As explained above, the State’s fiscal year is July 1 – June 30. The first fiscal year on the cost worksheet s FY24, which ends June 30, 2024. The amounts shown for services in FY24 will be for a partial fiscal year. There will also be a partial fiscal year at the end of the project if services terminate on any date other than June 30. Since the State budgets by fiscal year, it is important that project costs are allocated properly to the corresponding fiscal year.

Note the last row in Cost Schedule Worksheet 3, Section 4*, Technical Team*, labeled “Development Pool of Hours”. As described in RFP Section 4.1.3, *Technical Team Services*, the State is asking for the Offeror to quote a cost for a set number of technical development hours. The primary purpose for this Development Pool will be to develop reports, queries, dashboards and forms. This Pool may also provide development hours if other technical items, such as integrations, are added to the scope post-contract at the request of the State. If development items that were included in the fixed cost, such as integrations, are eliminated, the hours associated with that item will be added to the Pool and made available for other development items. Development items will be consumed and paid as the additional items are developed by the Contractor and accepted by the State. Any unexpended funds associated with any unused Pool hours remain with the State at contract termination. The fee for these hours will be assigned to a “Development Pool” deliverable in the Payment Schedule, not to any other project deliverable.

This schedule includes multiple formulas to arrive at the various subtotals and totals, requiring Offerors to take extra care to ensure that all formulas are correct on the submitted Cost Schedules. The provided position names may be altered, and additional rows may be added as needed. Any assumptions that are necessary to help the State understand the Offeror’s proposed pricing should be provided on Schedule 8 - Cost Assumptions.

* 1. WORKSHEET 4 – OTHER COST SCHEDULE

This schedule MUST provide any other proposed non-staffing costs related to this RFP that were not included on Cost Schedules 2 or 3. Examples of other costs that might be presented on this schedule include additional software or tools required to support the implementation not already included on Cost Schedules 2 or 3. For example, if the Contractor assesses a licensing fee for any project-related software that will be used during the implementation, or there is a fee for training materials or development tools, that cost can be included here.

Formulas have been added as a convenience to assist the Offeror in completing the Cost Schedules, however, the Offeror shall be responsible for ensuring the accuracy of all pricing information submitted as part of the proposal. Any assumptions that are necessary to help the State understand the Offeror’s proposed pricing should be provided on Schedule 8 - Cost Assumptions. Additional rows may be added as needed, ensuring the integrity of the formulas and consistency in formatting.

* 1. WORKSHEET 5 – LABOR RATES SCHEDULE

Although the State will not reimburse the Offeror on a “time and materials” or “not to exceed” basis for the project deliverables specified in this RFP (other than the Development Pool of Hours), it may be necessary to make scope changes that require assistance in areas not anticipated for which the State may consider a time and materials payment arrangement. Examples might include additional technical support or additional training development.

For these purposes, the Offeror shall provide all-inclusive (travel and all other expenses included) billing rates for a range of different skill areas using this schedule, and another set of billing rates for work done remotely with no travel expense included. Offerors may propose the same rate for all years for a given role or for all roles, but the State is asking for the Offeror to detail its rates for each role for each fiscal year.

The Offeror is free to add as many additional rows as needed to list project roles with their associated hourly rates.

* 1. WORKSHEET 6 – DELIVERABLES PAYMENT SCHEDULE

Offerors shall complete a proposed Deliverables Payment Schedule using the format provided. Rows may be added as needed. It is not the intention of the State to make payments that are purely time-based; payments should be tied to the acceptance by the State of agreed project deliverables. Not every deliverable must have payment associated; the Offeror may propose a set of deliverables and their expected payment dates. As a performance incentive, 15% of each deliverable payment shall be retained by the State and paid to the Contractor upon final System Acceptance. Offerors shall ensure that the proposed cumulative gross payments for each month do not exceed the cumulative value of the service hours proposed for the corresponding month. The grand total of deliverable-based payments, including retainage, shall equal the total services cost shown on Schedule 3, Consulting Services Cost.

Formulas have been added as a convenience to assist the Offeror in completing the Cost Schedules, however, the Offeror shall be responsible for ensuring the accuracy of all pricing information submitted as part of the proposal. Any assumptions that are necessary to help the State understand the Offeror’s proposed pricing should be provided on Schedule 8 - Cost Assumptions. Additional rows may be added as needed, ensuring the integrity of the formulas and consistency in formatting.

* 1. WORKSHEET 7 – OPTIONAL COSTS

If there were costs associated with any options discussed in RFP Section 7.4.6, *Optional Products/Services*, Offeror may present those optional costs separately in this worksheet. These costs will not be included in the Total Project Cost that is evaluated by the State. Any products or services presented here are considered nonessential or outside the requested scope by the State, and are not required per the Services Scope. Each cost component should include a description, the basis for each of the cost components, and the proposed cost of the component. Any assumptions that are necessary to help the State understand the Offeror’s proposed pricing should be provided on Schedule 8 - Cost Assumptions.

* 1. WORKSHEET 8 – COST ASSUMPTIONS

The Offeror shall utilize this schedule to describe any cost assumptions made by the Offeror providing a description of any assumptions related to cost that are necessary to help the State understand the Offeror’s proposed pricing. The Offeror should reference related cost schedules and describe the assumption as clearly and concisely as possible.

1. PROPOSAL EVALUATION AND AWARD PROCESS

After determining that a proposal satisfies the mandatory requirements stated in the Request for Proposal (see RFP Section 2), the evaluator(s) shall use subjective judgment in conducting a comparative assessment of the proposal by considering each of the following criteria:

* **Firm Qualifications/Experience – 10%**

Points shall be assigned based on factors within this category, such as:

* Submitted responses to RFP Sections 7.1 and 7.2
* Quality of firm references
* Stability of company business and financials
* Successful implementations/services at similar public sector organizations
* Record of past performance, including price and cost data from previous projects, quality of work, ability to meet schedules, cost control, and contract administration
* Ability and proven history in handling special project constraints
* Compliance with South Dakota contractual terms and conditions
* **Capability, Functionality and Integration of Solution – 40%**

Points shall be assigned based on factors within this category, such as:

* Submitted responses to RFP Sections 7.3
* Completeness of product
* Functionality and quality of business applications and associated tools
* Integration of proposed applications and tools
* User experience and ease of use
* Ability to meet State requirements
* Demonstrated fit with State business needs
* **Project Approach and Methodology – 15%**

Points shall be assigned based on factors within this category, such as:

* Submitted responses to RFP Section 7.4
* Specialized expertise, capabilities, and technical competence as demonstrated by the proposed approach and methodology to meet the project requirements
* Ability to meet State timeline and specifications
* Completeness of approach proposed
* Proposed project management techniques
* Fit of methodology to State needs
* Approach that reduces risk to the State and facilitates user acceptance
* Demonstrated quality of methodology from similar engagements
* **Proposed Project Team Experience – 25%**

Points shall be assigned based on factors within this category, such as:

* Submitted responses to RFP Section 7.5
* Resources available to perform the work, including any specialized services, within the specified time limits for the project
* Quality of proposed project team experience and references
* Previous experience in similar role
* Previous experience in public sector projects
* Previous experience with proposed software to be implemented
* Availability to the project locale
* Familiarity with the project locale
* **Total Project Cost – 10%**

The points assigned to Total Project Cost shall be calculated based on the total cost shown on the Summary tab of the submitted RFP Attachment 2, *Costs Schedules*. Instructions for completing RFP Attachment 2 are in RFP Section 8, *Cost Proposal Response.*

Experience and reliability of the Offeror's organization are considered subjectively in the evaluation process. Therefore, the Offeror is advised to submit any information which documents successful and reliable experience in past performances, especially those performances related to the requirements of this RFP.

The qualifications of the personnel proposed by the Offeror to perform the requirements of this RFP, whether from the Offeror's organization or from a proposed subcontractor, will be subjectively evaluated. Therefore, the Offeror should submit detailed information related to the experience and qualifications, including education and training, of proposed personnel.

**Software Demonstrations/Oral Presentations**.

Following the evaluation of the written proposals, the State may choose, as its discretion, to selection finalists to participate in software demonstrations and oral presentations. An Offeror may or may not be invited.

**Demonstration process**: The invited Offeror will demonstrate the functionality and features of the proposed software pertaining to the requirements and specifications in this RFP consistent with the demonstration scripts provided by the State. The State may request that an Offeror demonstrate any function, product, or system capability included in the Offeror’s proposal. The demonstration will be used to obtain additional clarity and understanding of the Offeror’s proposal.

**Multiple proposals**: In the event the State receives multiple proposals for the same ERP software product(s) for the components (e.g., same Financial software) identified in the RFP, the State reserves the right to require that the ERP software provider demonstrate the proposed ERP software product(s) on behalf of all invited Offerors that proposed the same ERP software product(s) for the components. Invited Offerors that proposed the same ERP software product(s) may attend the demonstration performed by the software provider of the proposed ERP software product(s).

Invited Offerors proposing unique software products must demonstrate those unique aspects of their proposed solution.

**Oral presentations**: The State anticipates providing a scripted set of questions in advance of the Oral Presentations with follow-up questions to be asked during the presentations which may be directed to individuals proposed for the positions designated for key personnel in this RFP. The purpose of the oral presentations will be to clarify the proposed methodology, approach and work plan and to confirm the knowledge and expertise of the individuals proposed as key personnel by the Offeror.

**Duration**: Offerors should anticipate 3 - 4 consecutive business days for the software demonstrations and the oral presentations.

**Location**: The State anticipates that the software demonstration and oral presentations will be conducted at a site to be provided by the State within Pierre, South Dakota, but the State reserves the right to request that all or portions of the software demonstration and oral presentations be conducted via webinar. The State shall coordinate all arrangements for the demonstration facility and the scheduling of the demonstrations.

All travel and other related expenses incurred by the Offeror shall be the responsibility of the Offeror.

**Evaluation**: The State intends to expand its understanding of all aspects of the evaluation criteria, including Offeror qualifications, proposed software and proposed services, which will be used to update the subjective evaluation and scoring activities for the finalist Offerors’ proposals.

The State reserves the right to reject any or all proposals, waive technicalities, and make award(s) as deemed to be in the best interest of the State of South Dakota.

**Award**: The requesting agency and the highest ranked Offeror shall mutually discuss and refine the scope of services for the project and shall negotiate terms, including compensation and performance schedule.

* If the agency and the highest ranked Offeror are unable for any reason to negotiate a contract at a compensation level that is reasonable and fair to the agency, the agency shall, either verbally or in writing, terminate negotiations with the contractor. The agency may then negotiate with the next highest ranked contractor.
* The negotiation process may continue through successive Offerors, according to agency ranking, until an agreement is reached, or the agency terminates the contracting process.