



Department: **Corporate Services**
Fax: 705-876-4607

To: **Distribution List** From: Bernadette Lawler/Marla Sutherland

Fax: Date: April 11, 2014

Phone: Pages: 8 including this cover page

Re: P-07-14 City of Peterborough Budgeting Software Solution

Comments: Addendum # 2 is attached hereto.

Take notice that the City of Peterborough has issued the attached Addendum number 2 for Request for Proposals # P-07-14 which is the second addendum issued to date.

Please confirm you have received this addendum by signing below and faxing a copy of this covering sheet to Corporate Services, City of Peterborough, 500 George Street North, Peterborough, Ontario, K9H 3R9, Attention Bernadette Lawler or Marla Sutherland, Fax: 705-876-4607. If you are unable to fax the confirmation sheet, please confirm receipt by email to tenders@peterborough.ca.

Sandra Clancy, Director
Corporate Services
705-742-7777 Toll Free: 1-855-738-3755 Ext 1860

Addendum Confirmation:

I hereby confirm I have received **Addendum # 2** to City of Peterborough, Request for Proposals # **P- 07-14** and that I have received **2 addendum** issued to date for this Request for Proposals.

Signature

Company

Date

Note: The submission forms include a section for the Proponent to indicate the number of addenda they have received. If a Proponent does not reflect the proper number of addenda issued on the Proposal documents submitted, the Proposal would be rejected unless in the opinion of the City the missing addendum could not reasonably be expected to have altered the price submitted.

The City of Peterborough
Addendum Number 2 to Request for Proposals P-07-14
Item: City of Peterborough Budgeting Software Solution

The following outlines amendments to the original documentation for the above noted Request for Proposals.

Item 2.0 Closing Date and Time

1. A request for a one week extension of the due date for P-07-14 from April 17, 2014 to April 24, 2014.

Answer: The City is extending the Closing Date for this RFP to Thursday, April 24, 2014 before 3:00:00 p.m. local time. Please change the RFP in the following areas:

Cover Page

Change **Closing Date and Time** to: **Thursday, April 27, 2014 before 3:00:00 pm**

Section 2.0 Closing Date and Time

Change paragraph 1 to read:

“Sealed Proposals are to be submitted to the City of Peterborough, Corporate Services, Main Floor, City Hall, 500 George Street North, Peterborough, Ontario, K9H 3R9 **before 3:00:00 pm on Thursday, April 24, 2014 (the “Closing”).**”

Section 3.0 Proposal Opening Date, Time and Results

Change paragraph 1 to read:

“All Proposals received on time will be opened in public on **Thursday, April 24, 2014 at 3:15 p.m.** at City Hall.”

Item 4.2 Errors, Omissions and Questions

Change paragraph 2 to read:

“Proponents with questions related to this RFP, finding errors in, or omissions from the RFP, or having any doubt as to the meaning or intent of any part of the RFP, must contact an authorized person, listed in this Section, **before 12:00 NOON on Wednesday, April 16, 2014** to allow staff time to respond or to prepare and distribute an addendum as necessary, and to allow time for Proponents to receive and process the new information.”

Item 8.4 Clarification and References

2. Would a lack of references specific to a newly developed Budget solution mean elimination from the shortlist.

Answer: Not necessarily. The Evaluation Committee will evaluate the quality and relevance of the references that are given and assign an appropriate score.

Item 7.0 RFP Details\Specifications

3. How many internal resources will you have available for this project?
Roles - Project Management, System Administrators, IT Resources?
Availability - Will they be dedicated resources? Do they have any prior experience with any of the tool sets?

Answer: From PTS we would provide one Project Manager (PM), one Systems Administrator (SA) and one Application Support Specialist (AS) (two if necessary). None will be dedicated resources and would be assigned to the Project on an as-needed basis, but the PM will be the sole point of contact for this project through PTS. Experience with tool sets will depend on what the tool set is, however the likelihood of at least one PTS staff member having some familiarity with it is fairly good.

Item 7.2 Background

4. Have you finalized and validated within your internal organization the changes to your budgeting process or is this still evolving? How much process re-engineering will be done as a part of this project? Will this be a factor during the design and implementation of the budgeting application.

Answer: Process changes will be evolving through the design and implementation phases. Staff are looking for a balance between maintaining the familiarity and flow of the current budget process and leveraging the automation and data management tools of a new system.

5. How much of the current state requirements developed using Excel are applicable to the future state?

Answer: All. Everything currently calculated in Excel must be available in the future system. The software's functionality will determine to what degree these calculations are integrated into the software or remain as stand alone excel worksheets.

6. Do you need to budget/plan Income Statement, Balance Sheet and Cash Flow?

If No, are we just reporting the Actuals for the BS & CF?

If Yes to Balance Sheet and Cash Flow, can you please provide high level budgeting requirements?

If Yes, could they be future phases?

Answer: The Statement of Operations, including detail supporting schedules such as Salaries & Wages, as well as budgeting for capital projects would be the initial project goal. Budgeting for the Statement of Financial Position and Cashflow would be a new budgeting direction for the City.

Item 7.5 Requirements

7. Can you elaborate on your Capital Requirements?
of Projects?

Is the key proposed input form based upon Attachment 9 document?

Answer: The City typically has between 200 and 300 capital projects submitted during the Capital Budget cycle.

The Attachment 9 example is our current Excel Capital Request form containing our input requirements.

The City's Capital Budget can be found at;

http://www.peterborough.ca/Business/Finance/Operating_and_Capital_Budget.htm

Appendix F, Part 3.0 Input, Line 3.11

8. No High-level Description of Operating Budget calculations or processes.
Can you list the approximate number and types of allocations and intercompany entries.

Can you list the approximate number of drivers and different types of modeling calculations required.

Answer: Interorganization transactions are limited to funding for associated boards and agencies.

Interdepartmental transactions usually address the recovery of costs associated with services provided to other departments or allocations based on estimates. Examples would include IT, Finance, Purchasing, Legal.

The use of statistical cost drivers and modeling is currently limited. Please refer to Addendum 1, question 2 answer.

Item 7.5 Requirements, Part 6.0 Account Structure

9. Can we get estimated counts of:
- Accounts (e.g. General Ledger Accounts and rollups, monetary and statistical accounts)
 - Directorates
 - Divisions
 - Groups
 - Departments
 - Versions – e.g. 2 Versions - Working, Final
 - Scenarios – e.g. 6 Scenarios - Actual, Budget, Forecast, etc.
 - Employees – Estimated 990 employees
 - Please list other key business attributes you plan by?

Answer: Please refer to Addendum 1, question 14 answer and question 20 answer.

There are approximately 6,000 G/L accounts

We typically have three versions of the operating budget cycle. Requested, Recommended and Approved. In addition, "what if" iterations are required.

Refer to Attachment 3 of the RFP for typical Scenarios.

Appendix F, Part 2.0 System, Line 2.3

10. If you were to go beyond the 100 users, what do you anticipate would be the maximum number of users?

Answer: Under the current staffing and organization structure 100 users is a reasonable estimate, the upper limit would be 150.

Item 7.7 Technology Infrastructure

11. Where are your metadata structures stored? Are there master hierarchy tables available in the source systems or are they manually maintained? If so, where?

To clarify, your source system for Financials is Cayenta Financials, FMS version 7.6.0. Does it have the necessary roll-ups and hierarchies to support your reporting & analysis? Or are they stored & maintained locally in Excel and Access; are you today building them as part of your reporting tools/reports, or other.

Answer: Although Cayenta has roll-up information, a roll-up hierarchy would be developed, and reside in a budget software table, to address the level of summarization and analysis required in the budget process.

Item 6.1 Freedom of Information

12. Are you able to share information on the approved budget for this project?

Answer: The City of Peterborough website contains our Approved Capital Budget.

Item 7.6 Staff Training

13. 2 Trainers and 15 users (but on page 50, Appendix F, 2.0 System, Line 2.3, they state 100 users).

Please confirm two (2) trainers should be trained to train 100 end users; not 15 users. (see below).

Answer: Training should be provided for 2 trainers as well as 15 high end users. The balance of the users would, in turn, be trained by the In-house trainers.

Item 7.6 Staff Training

14. The successful Proponent shall be required to conduct training sessions that are adequate in length, covering material in sufficient depth to enable the trainees to perform their responsibilities utilizing the new system. The City's training philosophy is a "train-the-trainer" concept, with a maximum utilization of supplier-generated course materials. Training will involve approximately two trainers and **15 users**.

Please confirm that the "train-the-trainer" concept is applicable to the end user training only. Product training will be taken by City of Peterborough resources responsible for actual development during the Build phase.

Answer: Correct.

Appendix F, Part 4.0 Calculating, Line 4.2 – Can you please clarify on this requirement.

15. "System should allow for use of embedded worksheets to calculate data and upload to database."

Answer: For a calculated value, such as User Fees (RFP Attachment 6) or Investment income (RFP Attachment 9) the Budget Analyst must have the ability to build calculations that are integral to the budget system and not a stand alone Excel worksheet. The ability to "drilldown" in a budget line to see the calculations is important.

Attachment 3

16. Please confirm requirements to drill down on associated worksheets - Require the ability to drill down to the detail accounts and **associated worksheets for each summary account**.

Answer: See question above.

Appendix F, Part 4.0 Calculating, Line 4.4 – Can you please define "User defined"

17. "System should provide multiple level roll-ups that are User defined."

Answer: User means the System administrator (i.e. the Budget analyst), not the end user. User defined means the System administrator has the ability to develop the hierarchies for rolling up either by account type or organization levels. For example, the ability to determine the roll up code for internal recoveries as being an Operating revenue, an Other revenue or netted out of expenses should be at the discretion of the City and not be determined by system limitations.

Appendix F, Part 6.0 Account Structure, Line 6.1 – Can you please clarify on this requirement. Where does the information on statistical accounts sourced from?

18. “System should accommodate the level of complexity that the GL requires, without necessarily mirroring it. “

City Clerks Office

Monetary accounts				Statistical accounts		
Accounting code	Dept	Monetary account	Description	Statistical account	Name	Description
Marriage Licenses						
1011615604	161	5604	Marriage licenses	5604S1	Marriage Licenses	To recover licence costs and partially recover administration costs
Gaming Licenses						
1011615606	161	5606	Gaming Licenses	5606S1	Lottery Licenses	To recover administration costs
1011615606	161	5606	Gaming Licenses	5606S2	Monte carlo License	To recover administration costs
Business Licenses						
1011615602	161	5602	Business Licenses	5602S1	Adult Entertainment	To partially recover admin costs (See Rpt FACLK05-008 Aug 2,2005)
1011615602	161	5602	Business Licenses	5602S2	Arcade	To partially recover admin costs (See Rpt FACLK05-008 Aug 2,2005)
1011615602	161	5602	Business Licenses	5602S3	Auctioneer Non-resident/One day only	To partially recover admin costs (See Rpt FACLK05-008 Aug 2,2005)
1011615602	161	5602	Business Licenses	5602S4	Auctioneer Resident/One Year	To partially recover admin costs (See Rpt FACLK05-008 Aug 2,2005)
1011615602	161	5602	Business Licenses	5602S5	Bakeshop	To partially recover admin costs (See Rpt FACLK05-008 Aug 2,2005)
1011615602	161	5602	Business Licenses	5602S6	Barber Shop/Hairdressing	To partially recover admin costs (See Rpt FACLK05-008 Aug 2,2005)

Answer: The use of statistical cost drivers and modeling is currently limited. Please refer to Addendum 1 question 2 answer.

Statistics are not currently collected in the GL nor does a statistical chart of accounts currently exist. The City wishes to further explore the use of statistics for calculations, analysis and reporting for budget purposes.

Appendix F, Part 7.0 Other, Line 7.1 Vendor should create templates for input and reporting that follow our current guidelines.

19. Can you please provide some general information on your current guidelines?

Answer: A new Budget software system is a significant change for the City. To ensure a reasonable transition by users the current Input/report formats should be the basis for developing new system templates. The Users should be focused on new features provided by the system, such as, multi-level approvals and real time feed back as data is entered, and not acclimatizing to an unfamiliar format. RFP attachments provide guidelines for these templates.

Addendum 1 – Question 19.

20. The City has previously stated 100 users (software licenses) are needed for entering Operating budget data. Please help us to better understand your requirements. Are those same 100 users required to enter and manipulate the salary and benefit data for their department(s) staff? In other words, do department managers (or the equivalent) calculate salaries and benefits in a detailed manner for each position (salary, wages, benefits) within that department. Or alternatively, are the salary & benefit calculations done by a smaller group (maybe in Finance or HR) for the City as a whole with department managers budgeting for the position costs provided by Finance or HR?

Answer: Managers would input a name, position code and FTE value. The position code would be used by the system to retrieve from a data table the payroll information required to cost out the position. Hourly wage (payroll is based on pay grids for both union and non-union), Benefit %, Compensation expense account, Full time or Part time, Union or Non union, hours per FTE, grid step, etc.. The budget software would cost out the position based on the managers input.

As defined in RFP Appendix F, Part 3.0 Input, Line 3.2, information, such as detail payroll data, should be download from the source system and stored in the Budget software tables. Any download of information would be controlled by the budget administrator i.e. “on demand”. “On demand” updates would allow the budget analyst to control when updates are downloaded and to capture and quantify the effects from changes.

Item 7.7 Technology Infrastructure

21. Amendment to RFP specifications;

Delete 7.7.5 and replace with:

7.7.5 The preferred database platform is ORACLE (ver. 11g), which is housed on IBM AIX (ver. 6.1) servers. Workstations are running WINDOWS 7 64bit operating systems with UAC enabled.

End of Addendum #2.