Procurement and Contracting Services

Financial Management Software as a Service (SaaS) Solutions

ADDENDUM #2

Please mark all proposal submission Envelopes with the following information

Sealed RFP # L192205
Due on 9/13/21 no later than 2:00 PM, MST
The following questions were received prior to the close of the questions/inquiries period on August 23, 2021, at 12:00PM MST:

**Preproposel Conference Questions:**

1. Will there be any flexibility in the number or type of references required?

   The 5 references are required, and we ask that, to the extent possible, the references apply to higher education or public section of a similar size/complexity of the University.

2. Will you be posting this deck and the recording?

   Yes. The Slide Deck is at the end of this addendum and the recording is posted here: [https://arizona.zoom.us/rec/share/yNwx6hrMfuuDQkPUy4Q_9uN846jpCH-3zCsep_HLVL4K6FoqsS0XHIBqmdK_4k51.sugTLZO_ZMr7zQ_C?startTime=162940306900](https://arizona.zoom.us/rec/share/yNwx6hrMfuuDQkPUy4Q_9uN846jpCH-3zCsep_HLVL4K6FoqsS0XHIBqmdK_4k51.sugTLZO_ZMr7zQ_C?startTime=162940306900)

3. Are you looking to replace your HCM system? (Since you ask to replace Payroll accounting)

   Not at this time, but we will be interested in learning about offerings in HCM and Student space as there may be a need down the road.

4. Do you currently run payroll out of PeopleSoft?

   Yes.

5. Just to clarify, U of A is looking to replace PeopleSoft Payroll and integrate it back to the new HCM solution?

   We are not looking to replace PeopleSoft Payroll at this time but will need to build an integration to our new financial system (to record journal entries).

**Additional Questions:**

6. When do you anticipate executing the contract for the software? Will this occur prior to going out to bid for the implementation partner?

   We will execute the contract for software after the award and negotiations are completed. We plan on releasing the services RFP upon award of the software.

7. There appears to be conflicting language in the RFP as it relates to budget technology. The PDF file implies that the University plans on keeping and extending Axiom’s functionality. However, in the functional requirements there appear to be a number of questions on what budget capabilities the vendor can
provide. Can we get some clarity here on the University’s preference for a budget solution—maintaining axiom, or evaluating an integrated Budgeting application?

The University currently intends to continue use of Axiom, with our current contract in place until June 2024. Functional requirements listed were intended to demonstrate budget capability in support of Sponsored Grants and Contracts as well as any potential opportunities to supplement or replace Axiom functionality over time.

8. What functionality does Axiom provide for the University today?

All annual and multi-year budget construction processes for operating funds are initiated in Axiom. This currently includes labor planning, operational expenditure planning, and requests for new budget allocations. Axiom integrates with our current financial system supporting daily budget data loads.

9. In the Excel table, there are a number of questions around budget development; are these asked from the lens of how we would accomplish these items within the proposed financial solution and/or as a combination of the proposed financial solution and Axiom?

Any budget development topic needed to support Sponsored Grants and Contracts natively in the solution is a basic requirement. All remaining items were listed in an attempt to offer vendors an opportunity to demonstrate functionality that could either supplement or replace Axiom functionality over time if applicable.

10. As it relates to Budget Development/Strategy (FUNC 156-159), is this something you accomplish within Axiom today and want to understand options available to you with your new financial system?

These items were listed in an attempt to offer vendors an opportunity to demonstrate functionality that could either supplement or replace Axiom functionality over time if applicable.

11. As it relates to Budget Development/Personnel Budgeting (FUNC 101-120), are you doing any of this functionality in Axiom today? Would the University like to do this with the proposed financial offering?

Yes, this functionality is currently offered in Axiom. There is no current need for this functionality for general operating funds, but the requirements were requested in relation to Sponsored Grant and Contract funding to determine possible opportunities/relationships for personnel budgeting for these projects.

12. Can you clarify FUNC66, what does the University mean by camera ready reporting? Is this asking for pixel perfect reports or an integration in the MS Office
Suite for packaged Word/PPT/Excel docs that are tied to the proposed financial engine?

Camera-ready reporting in FUNC66 refers to reports that are rendered fully formatted and can be printed without additional editing.

13. How many “Super” Users/Administrators you would need for the following solutions:
   a. Sourcing – # of users creating solicitation events: 10
   b. Contract - # of users that would be authoring contracts: 50
   c. Supplier Management-# of users responsible for managing suppliers: 20

14. Spend volume that you can expect to be run through an eProcurement platform?

   38,369 orders were placed in our ecommerce platform (Jaggaer) during FY21 with a total spend of $21,722,171.

15. Please provide the number of employees in each category:
   a. Full-Time: 10,762
   b. Part-Time: 9,005
   c. Number of Student Workers: 5,200

16. Can the UNIVERSITY provide context and background on why it appears it may be potentially limiting itself to simply a multi-tenant SaaS Solution and not also a Private SaaS Solution as well?

   The University wants to take advantage of economies of scale for databases, resources, and applications of a multi-tenant architecture enabling performance scalability. Shared costs of technology platform, software development and maintenance costs are important factors as well.

   The University desires a standard system from the SaaS vendor such that all customers are running the exact same code, experiencing the same issues and have the same system, thus not introducing any unwanted or unintentional uniqueness other than configurations.

17. Can the UNIVERSITY confirm that the driving factors for requiring a SaaS solution are (at minimum)?
   a. Ability to consume the Technology Solution as a Subscription licensing model
   b. Eliminating the need for UNIVERSITY provided Hosting Infrastructure & On-Going Support
   c. Ability to have in essence – an “evergreen” based Technology Solution provided by the Vendor so that new enhancements and performance improvements can be easily utilized
d. Ability for the Vendor to provide to the UNIVERSITY a SaaS Solution which has all of the required reliability, sustainability, security and performance related capabilities and attributes on a consistent basis, measured and guaranteed through Service Level Agreements.

These are a few of the reasons as well as the ones mentioned above in question 16. It is not just a SaaS solution but a multi-tenant solution.

18. If the above are correct and a Private Tenant based SaaS Solution is proposed, which meets all of the above, would the UNIVERSITY accept such a Proposed Offering as compliant to your Limiting Criteria?

JUSTIFICATION:
Based on a successful track record of providing our Proposed Solution, which has been in operations at many of the Country’s R1 based High Education based Universities over the past (20) years, and has evolved over this time span (based on incremental, regular technology, functionality and capability enhancements), will the UNIVERSITY also allow for a proposed Private Tennant based SaaS Solution as well?

a. To confirm credibility in this area – (2) of the leading R1 based Higher Education based Universities in the US – just recently successfully deployed our Private Tennant SaaS Solution and are fully in operation, realizing significant value-added outcomes for the UNIVERSITY wide Financial Management needs.

b. Our Private SaaS Solution was evaluated and chosen by these RI Higher Ed Universities, over those Solutions from other SaaS providers, who only offer a multi-tenant-based Solution – so that these Universities could adequately consume and manage a SaaS based Solution on an on-going basis.

We stated multi-tenant for the reasons mentioned in question 16.

19. Did the UNIVERSITY hire a consultant to advise and develop your RFP and RFP Strategy? If Yes – can the UNIVERSITY provide the name of this organization?

ISG is providing project management and information that the University requests. ISG is not in the traditional role of acquisition advisor.

20. Has the UNIVERSITY had demonstrations of potential SaaS based Financial Management Solutions over the last 12-18 months? If Yes, can the UNIVERSITY share which Vendors SaaS Solutions were presented to the University?

To increase knowledge, raise awareness, and generate excitement for a modern financial system, the University had demonstrations from the 2 top right corner vendors (Workday and Oracle) from the May 2019 Gartner Magic Quadrant for Cloud Core Financial Management Suites for Midsize, Large and Global
Enterprises to briefly demo what a robust SaaS Financial application could provide the University

21. Does the University plan to immediately pay for Annual SaaS Subscription Fees upon execution of the Contract with the chosen Vendor, which is common amongst all Multi-Tennant SaaS Providers?
   a. Or does the University desire a SaaS Subscription Model which starts at the commencement of the delivered, configured and ready for operation – Go-Live Event.

      The time and amount of payment will be handled as part of the negotiation process.

22. Can the UNIVERSITY share with us its drivers for splitting this project into (2) RFP’s, one for Technology and one for Implementation/Support Services?

      Splitting it into 2 enables the University to concentrate on a solution prior to the implementation which will enable us to pick the best implementation partner for the solution chosen.

23. In the Pre-Bid Conference, during the Background of Current System section, the UNIVERSITY shared some statistics around usage and users.
   a. Can the UNIVERSITY provide context around what the differences are between:

      i. Average Daily Unique User?

      Average daily unique users are the number of unique users per day that logged into the system for business days averaged across a selected month.

      ii. Unique Users over a Month?

      Unique users over a month are the number of unique users that logged into the system over a selected month.

   b. To ensure all potential RFP respondents provide a more applies to applies Technology Licensing proposal, can the UNIVERSITY provide its expectations around the following key SaaS Licensing provisions:

      i. # of FTE’s who will be using the new Financial Management System on a regular basis?

      See Statement of Work, section 1.2 of the RFP.
ii. # of Expense Reports / Travel Requests per Year, which would be processed and accommodated by the new Financial Management System?

See Statement of Work, section 1.2 of the RFP.

iii. Confirmation of the UNIVERSITY’s Annual Operating Budget?

Budget is located here: https://budget.arizona.edu/content/budget-reports "FY22 Annual Budget"

iv. What is the Total Annual Procurement Spend the UNIVERSITY expects the New Financial Management System to process and accommodate?

See Statement of Work, section 1.2 of the RFP.

24. In the Pre-Bid Conference, during the “What is being Procured” Section, can the UNIVERSITY provide added Context around:
   a. Content Management
      i. Does the UNIVERSITY required that the New Financial Management System provide a full Enterprise Document Management System with Versioning, Check-In/Check-Out, Collaboration and Approval Based Workflow?

      A full Enterprise Document Management System is not required; however, the University is concerned with and needs to understand how documents and attachments are stored and managed within the solution.

      ii. What is the UNIVERSITY using for this functionality today?

      Please see RFP section 1.2.

25. Section 3.9 of the RFP (Evaluation Process and Award). Can the University share methodology of its Evaluation (i.e. # number of Points across the (3) Key Evaluation Areas), Any specific scoring weighting across the (3) Key Evaluation Areas….)?

<table>
<thead>
<tr>
<th>Proposal Evaluation Criteria</th>
<th>Relative Weight</th>
<th>Max Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capability, Functionality and Integration of Solution</td>
<td>50%</td>
<td>500</td>
</tr>
</tbody>
</table>

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

- Demonstrated functionality
- Capability and Integration of total solution
- Quality of proposed applications and tools
• Capability of data access, security, and architecture
• User experience and ease of use
• Ability to meet University requirements
• Commitment to Sustainability

**Proposer Qualifications/Experience**
Points shall be assigned based on factors within this category, such as:

- Quality of firm references
- Stability of company business and financials
- Successful implementations/services at similar higher education institutions
- Vendor support and maintenance of product
- Compliance with Arizona contractual terms and conditions
- Commitment to higher education, future vision and strategic direction for the firm and the product

**Pricing Proposal**
Cost points will be assigned on the Total Cost of Ownership reflected on the Summary Presentation schedule of the Cost Proposal, for comparison and evaluation purposes.

- The bid with the lowest quoted cost of the overall system will receive the maximum points possible for this section.
- Remaining bids will receive points in accordance with the following formula:
  \[(a/b)(c) = d\]
  
  - \(a\) = lowest cost bid in dollars
  - \(b\) = second (third, fourth, etc.) lowest cost bid
  - \(c\) = maximum points for Cost category (200)
  - \(d\) = number of points allocated to bid

**Total Maximum Points**

<table>
<thead>
<tr>
<th>Demonstration Evaluation Criteria</th>
<th>Max Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demonstrated functionality</td>
<td>50%</td>
</tr>
<tr>
<td>Demonstrated user experience, ease of use and system flexibility</td>
<td>25%</td>
</tr>
<tr>
<td>Capability and integration of total solution</td>
<td></td>
</tr>
</tbody>
</table>

26. Section 4.0 (AGREEMENT TERMS AND CONDITIONS) Do we have the correct understanding around the UNIVERSITY’s expectation & requirements for acknowledgement & confirmation around “Agreement terms and Conditions”. Specifically:
a. Vendors RFP Proposal Response needs to acknowledge and fully agree to all outlined Terms and Conditions provided by the University in Section 4, unless
   i. Vendor has submitted questions and/or clarifications in the submitted Q/A and UNIVERSITY provides feedback and/or confirmations in a published Addendum.
   ii. Vendor is not permitted to provide red-line modifications and/or exceptions to the UNIVERSITY’s Section 4.0 within its RFP response.

Section 4.0 contains terms that the University would expect to see as part of an agreement with the awarded vendor. Vendors are able to submit exceptions, however, the University expects to negotiate over any exceptions or submitted terms.

27. Regarding Item 4.12 (Sales and Use Tax) Does the University believe the new Financial Management System’s SaaS Subscription is Taxable and should all RFP Respondents add the associated Arizona Sales Tax to their Pricing Response?

Yes, this subscription is taxable and vendors should add the applicable taxes to their proposal.

28. Regarding Item 4.36 (Price Adjustment for Multi-Year Contracts) It is our understanding in reading the UNIVERSITY’s RFP that the Initial TERM of the SaaS-based SOLUTION Subscription is (10) Years. As such, all RFP respondents need to provide firm, fixed pricing for the Annual SaaS Subscription Invoicing for a period of (10) years. Is this a correct assumption?

The initial term is five years with the option to renew for five additional one year periods. If all options are exercised, the contract period will be ten years. Pricing for the first five year term and subsequent one year renewal options should be provided with your response.

29. Regarding Item 4.42 (Termination) For Sub Item 4.42.1 (Convenience) – this language is generally associated with Implementation, Consulting and/or On-Going Support Services and not SaaS based Subscriptions. Generally – most all SaaS based Higher Education Financial Management Vendors require Annual SaaS Subscription payment in advance/per year and do not allow for Termination for Convenience during the Base Subscription Term. Will the University agree to the general provisions of SaaS based Higher Education Financial Management – No Termination for Convenience during the BASE 10 Year UNIVERSITY Contract Term, without associated early termination penalties, which the Vendors may outline in their Pricing response?

The University agrees to the removal of 4.42.1 from the RFP document.
30.L192205 -Attachment 3 (Pricing Proposal) Can the UNIVERSITY define when YEAR 1 starts and the expected YEAR duration?

The dates below are dependent upon completion of selection and contract activities and are subject to change.

b. Start of Go-Live? July 1, 2023

Clarifications:

Sections 3.7.10, B.3. and Certification 7.1 are corrected to: *Under this RFP, the University shall hold that vendors’ responses to this RFP shall remain in effect for a period of one hundred and eighty (180) days following the Due Date or the BAFO offer, whichever is later, unless an extension is agreed upon by both parties.*

Slide Deck

Slide 1

Slide 2

Agenda

- Introductions
- Purpose and Logistics
- Background
- Scope of Solicitation
- Proposal Highlights
- Evaluation and Demonstrations
- Questions and Conclusions
Slide 3

Introductions

- Celeste Kanzig, Manager, Procurement and Contract Services, RFP Coordinator
- Stacey Lemos, Assistant Vice President and Comptroller

Slide 4

Purpose

The purpose of the conference is to provide for questions and answers regarding specifications of the RFP.

Slide 5

Pre-Proposal Conference Logistics

- Registration details submitted for this webinar will serve as attendee list. Please send any updates to Celeste Kanzig (cdkanzig@arizona.edu)
- Participants will be muted during presentation.
- Questions can be entered in the Q&A area and will be answered in the Q&A session at the end or responded to in an amendment.
- Additional questions after this call may be submitted in writing. The deadline for submission is August 23, 2021.
- Verbal representations or responses to questions at this conference are not official. Respondents are to rely on written statements issued by the RFP Coordinator. Any other communication will be considered non-binding on the University. Communication directed to parties other than the RFP Coordinator may result in disqualification of the Respondent.
- Nothing in this presentation alters the RFP. In the event of a conflict, the RFP and its official amendments shall prevail.
• The University uses Kuali Financials, which was implemented in 2011, as the comprehensive financial system.
• Kuali Financials modules include Accounts Receivable, Accounts Payable, Vendor Management, Capital Asset Management, Chart of Accounts/General Ledger, Financial Processing, Contracts and Grants, Purchasing/B2B, Labor Distribution, Workflow, Identity Management, and Effort Certification. Some modules have been modified by the University to meet operating needs.
• Monthly, the system processes 4,000 purchase requisitions, 15,000 payments, including 2,500 travel trips/reimbursements and handles over 16,000 purchasing card transactions. It contains over 21,000 active accounts and 1,000 object codes (natural accounts).
• There are over 1,000 average unique daily users and over 3,000 unique users in a month. Transactions use integrated workflow and document management.
• The University does not currently use a Travel module.

The University of Arizona current financial system no longer meets the needs of the University. To achieve modern efficiencies in today’s world of fast-moving changes, we are exploring a more robust Software as a Service (SaaS – cloud-based) financial system that will provide the University increased financial clarity, a more standardized and robust Chart of Accounts, and more modern and streamlined business processes.

System Stability
The University is concerned about the ongoing support of the system, which puts the University at risk for stability with respect to cost, maintenance, growth, and security.

Technical Challenges
The myriad of disparate and siloed systems on campus warrants the need for evaluating ways to better optimize, leverage, and integrate those systems ahead of a new financial system.

The guiding principles are implementation ideals that drive how elements of the project will be designed, implemented, and operated. They are guard rails, to help ensure every decision, process, and task has a means of attaining operational excellence in the new financial system.

• Promote flexibility and adaption
• Ensure utmost system integration and connectivity
• Establish mechanisms of standardization
• Increase understanding, evaluate, and seek to improve business processes
• Commitment to collaboration and optimal use of resources
• Create project transparency
Scope of Solicitation

- The intended coverage of this RFP and any Agreement resulting from this solicitation shall be for the use of all Departments at the University of Arizona (Arizona). The other State Universities, Arizona State University (ASU) and Northern Arizona University (NAU), along with Pima Community College (PCC) and any other educational institution or Governmental entity may access an Agreement resulting from this solicitation issued and administered by the University of Arizona.
- The University requires a cloud-based, multi-tenant Software-as-a-Service (SaaS) solution
- Following the notification of Intent to Award to this RFP for an ERP Software Solution, the University will release a separate RFP for comprehensive implementation and integration services
- The Respondent’s pricing proposal must be valid through 180 days following the due date or best and final offer date, whichever is later

What is Being Procured?

Comprehensive SaaS ERP solution for:

- General Ledger
- Accounts Payable
- Travel and Expense
- Project Management
- Grants Management
- Accounts Receivable and Billing
- Cost Allocation
- Debt Management
- Treasury and Cash Management
- Asset Management
- Inventory Management
- Inventory Management
- Vendor Management
- Procurement Processing
- Catalog and Commodities Management
- Strategic Sourcing
- Contract Management
- P-Card Processing
- Payroll Accounting
- Financial Analytics/Reporting
- Document Management

Tentative Procurement Schedule

These dates are estimates and may be updated during the procurement

- 08/13/21: Issuance of RFP
- 08/19/21: Pre-proposal conference 1:00 P.M., MST
- 08/23/21: Questions/Inquiries due no later than 12:00PM, MST
- 09/13/21: RFP is Due September 13, 2021, no later than 2:00 PM, MST
- 09/27/21-10/08/21: Finalist Vendor Presentations

Project initiation and go-live date will be determined based upon selection outcomes.
Proposal Highlights - Proposal Organization

All proposal response items and proposal organization requirements are detailed in RFP Section 3.7.10 Proposal Organization.

There are four attachments to the RFP:

- Attachment 1: Solution Requirements
- Attachment 2: Higher Education Community Vendor Assessment Tool (HECVAT)
- Attachment 3: Pricing Proposal
- Attachment 4: Sustainability Questionnaire

Proposal Highlights - Limiting Criteria

Limiting Criteria (Attachment 1, Tab 1) – document your firm’s ability to meet these qualifications in response to RFP Section 3.9.8

- Licensed to do business in the State of Arizona or provide a commitment that it will become licensed in Arizona within thirty (30) calendar days of being selected;
- The product is proposed and delivered as a multi-tenant Software-as-a-Service (SaaS) solution;
- The proposed software must be in production at a Research 1 (R1) US public higher education institution
- The proposed Financial software must have successfully gone through a full fiscal year cycle including year-end close for all proposed modules in scope

Proposal Highlights - HECVAT

The Higher Education Community Vendor Assessment Toolkit (HECVAT) is a security-questionnaire template designed specifically to measure vendor risk for higher education institutions.

Clarification - Section 5.11 states vendors should complete all worksheets in Attachment 2 HECVAT. Only the tab marked HECVAT-Full requires vendor action as per instructions.

Please follow all instructions on the “Instructions” tab in the HECVAT-Full workbook.

For all questions on the HECVAT-Full questionnaire starting at “Documentation” (row 32), please ensure that “Additional Information” provided fully satisfies the description provided under “Guidance” after you have answered each question. Please note that responses will be evaluated using a maturity hierarchy where unsubstantiated attestations will not be accepted, attestations with supporting documentation will be evaluated for acceptability, and responses which include third-party certifications of attestations will be preferred.
RFP Submission Considerations

- See RFP Section 3.8 for submission requirements
- Proposals must be received by the date/time and uploaded to the University's secure storage box no later than 2:00 PM, MST 09/13/21
- Vendors, please be advised that it is your sole responsibility to ensure your proposal is received as described above. The University shall not be responsible for any delays that may occur.
- Proposals must be uploaded to:
  
  **Box Secure Upload:**
  In response to the current COVID-19 Pandemic, proposal responses will be accepted until the due date and time at: [https://arizona.app.box.com/f/7ef1ea59630347e99fe6d719fed1c3cb](https://arizona.app.box.com/f/7ef1ea59630347e99fe6d719fed1c3cb)

  Please title your response in the upload folder as: RFP_VendorName_Response

Evaluation and Demonstrations

- The University has assembled an Evaluation Team representing different business/technology areas, campuses and departments
- Evaluation Criteria for ERP Software Solution (RFP Section 3.9.8)
  - Demonstrated functionality, capability and integration of total solution
  - Proposer qualifications
  - Total cost of ownership for the solution
- The University will invite finalists for virtual software demonstrations
- Scheduled for September 27-October 8, 2021
- Demonstration script will be provided to all finalists

Questions and Answers

- Contact us: Celeste Kanzig cdkanzig@arizona.edu

End of addendum, all else remains the same