



Government Finance Officers Association

Research and Consulting Center

Proposal for:



**Sacramento Transportation
Authority, CA**

ERP Advisory Services

November 19, 2024



Government Finance Officers Association

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November 19, 2024

Sacramento Transportation Authority

Attn: Dustin Purinton

801 12th Street, 5th Floor,

Sacramento, CA 95814

EMAIL: Dustin@sacta.org

Dear Dustin,

The Government Finance Officers Association (GFOA) is pleased to present this proposal to the Sacramento Transportation Authority (STA) for consulting services related to business process improvements and acquisition of a new enterprise resource planning (ERP) system for the STA.

GFOA is a 501(c)3 non-profit association with 23,500 members representing nearly 10,000 local governments. As one of the premier membership associations for public-sector professionals, GFOA can offer independent, objective, and best practice focused consulting services consistent with our mission to improve government management. Over 600 governments have found value in our experience, expertise, and detailed approach to business process improvement, modernization, and policy development projects.

If there are any questions or you would like to discuss the proposal, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael J. Mucha', is written in a cursive style.

Michael J. Mucha

Director, Research and Consulting Center

Government Finance Officers Association

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GFOA Qualifications

The Government Finance Officers Association (GFOA) is the premier association for public sector finance professionals in the United States and Canada. Founded in 1906, GFOA currently has over 23,500 members that look to GFOA as the gold standard for identifying, developing, and communicating leading practices in government management. As a non-profit organization, GFOA’s mission is to promote excellence in state and local government financial management. GFOA accomplishes this mission by identifying and developing policies and practices and promoting them through education, training, consulting and leadership.

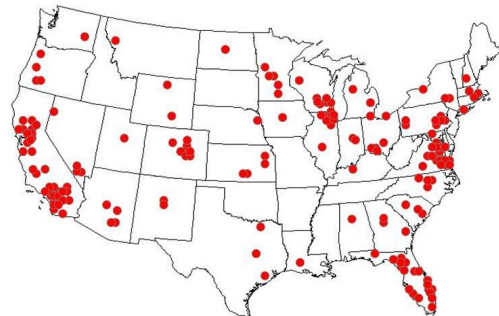


GFOA’s Research and Consulting Center (RCC) is nationally recognized for its comprehensive analytical and advisory services, as well as for research on issues specific to state and local governments’ financial, human resource, procurement, payroll and operational management. Since beginning operations in 1977, the RCC has assisted hundreds of cities, counties, public utilities; and other forms of government to create best practice solutions to meet their unique challenges.

Approximately 20 years ago, GFOA began consulting for enterprise resource planning (ERP) system assessments, procurement, contract negotiation, and implementation advisory services. GFOA has built a reputation as the unparalleled leader in the field of providing objective, independent advice for ERP procurement and implementation projects. Our approach to ERP projects focuses on business process improvement, effective governance, and building organizational readiness throughout each stage of the procurement process. In addition to our consulting projects, we frequently teach our approach as part of GFOA’s training program and in some cases even other consulting firms have used GFOA templates and past consulting deliverables to leverage our lessons learned and market leading formats.

GFOA’s strategic mission is to improve state and local government financial management

GFOA is not affiliated with any software vendor or firm aligned with any software vendor does not implement software. Our focus is exclusively on providing honest and unbiased recommendations to our clients and leveraging our experience to help all public-sector organizations with informed ERP guidance. The ERP market has undergone significant change in recent years and governments are increasingly more reliant on technology to implement



financial management best practices. In addition, because of the growth in “cloud” and



the importance of these systems on the overall administration of local government, these technologies continues to evolve. With our consulting experience and continued research, GFOA has been able to improve its approach and generate additional value for our clients through reduced costs, reduced risk, and best practice recommendations to improve not only technology, but also business process.

Other Products and Services

GFOA also provides many services to members and other government managers in addition to consulting services. Our consulting services complement and utilize much of our research knowledge and membership network to deliver current, relevant, and proven strategies. The same consultants who regularly advise clients also research and write white papers and journal articles, author and edit publications, conduct training, coordinate GFOA's annual conference, and staff best practice committees.

- **Industry Standard Publications:** GFOA staff prepare the industry's leading publication to guide governmental accountants on all standards and financial reporting guidance. *Governmental Accounting, Auditing, and Financial Reporting* (The "Blue Book") is published by GFOA and GFOA consultants and clients have ready access to GFOA's technical experts throughout the project for any complex accounting or financial reporting questions as we work through business process change, chart of account configuration, or system set up challenges.
- **Government Finance Review:** GFOA consultants also regularly contribute articles and serve as reviewers for GFOA's bi-monthly publication, The Government Finance Review, along with other leading journals, books, and white papers. Both the April and February 2024 issues had articles written about GFOA's experience with ERP projects. Articles for each issue are available at www.gfoa.org/gfr
- **Other Research and Publications:** GFOA conducts ongoing research with its member network and communicates information on leading practices, lessons learned, and trends in financial management such as technology utilization and governance. GFOA currently has over 40 titles available. The following is a sampling of products recently written by GFOA consultants.
 - **Technologies for Government Transformation: ERP Systems and Beyond**
 - **IT Budgeting and Decision Making: Maximizing Your Government's Technology Investments**
 - **Financial Foundations for Thriving Communities**





- **Best Practice Committees:** GFOA has seven standing committees made up of leading finance professionals from governments throughout the United States and Canada that meet regularly to develop best practices to promote and guide sound financial and overall government management.
- **Annual Conference and Training:** GFOA's Annual Conference attracts approximately 5,000-7,000 government finance professionals and provides a forum to discuss innovative practices, learn best practice examples, network with peers, and interact with exhibitors. GFOA also provides ongoing training seminars throughout the country to assist members with continued professional development. GFOA consultants are regular trainers at these seminars including seminars on ERP procurement, project management, and best practices in ERP implementation.

Proposed Scope

ERP system implementations offer many promises for improving business processes, empowering employees with tools to become more effective, and ultimately transforming the entire organization. GFOA understands that the STA is currently using Quickbooks and that the system (as implemented) lacks several common features which would provide significant value to the STA. Compared to current systems, more functional and modern alternatives exist in the market that may provide advantages to the STA. In addition, prior to implementing new technology, GFOA also understands that the STA is looking to improve business processes and policy related to accounting, finance, budget, and procurement. This proposal for services is intended to allow GFOA to build upon recommendations from our initial assessment and work towards implementing both new processes/policies and a new financial system to replace Quickbooks.

Services have been split into two major phases and several tasks as listed below:

Phase 1: ERP Readiness

1. Document Future State Processes
2. Revise Policies (As Necessary)
3. Chart of Account Design
4. RFP and Requirements Development

Phase 2: System Selection


5. Proposal Review
6. Demos / Interviews
7. Contract Negotiations



Detailed descriptions of GFOA services and listing of deliverables are provided below.

Document Future State Process

GFOA will participate the business process design sessions with the STA staff to validate business process decisions and prepare documentation that will be used going forward in the project (and to set clear expectations among STA staff). Scope of business processes to document include:

Process List	
Process	Task / Topics
Accounting	<ul style="list-style-type: none"> • Chart of Accounts • General Ledger Transactions  • Grant • Project Tracking • Financial Reporting • Treasury
Budget	<ul style="list-style-type: none"> • Operating Budget • Capital Improvement Planning (CIP) • Budget Adjustments / Amendments
Procure – Pay	<ul style="list-style-type: none"> • Vendors • Purchase Requisitions <ul style="list-style-type: none"> ○ RFP / RFI / RFQ • Purchase Orders / Contracts • Inventory • P-cards • Change Order • Accounts Payable • Travel Reimbursement
Billing	<ul style="list-style-type: none"> • Customer File • Online Bill Pay • Billing • Accounts Receivable
Capital Assets	<ul style="list-style-type: none"> • Asset Tracking • Asset Acquisition • Asset Disposal
Debt Service	<ul style="list-style-type: none"> • Debt Service Reporting

Process Documentation	
Frequency	• 1 Months



On-Site Presence	<ul style="list-style-type: none"> • Remote
Deliverables	<ul style="list-style-type: none"> • Future State Process Documentation

Revise Policies

If the STA would like assistance with drafting policies to support the new system or if new policies are required to guide certain functions, GFOA could lead process to draft the new policy. GFOA proposes a three-part method to develop policies:

- **Step 1 – Present Best Practices.** GFOA will do a workshop with finance staff and/or board representatives (or other stakeholders) to explain best practices related to specific policies in scope.
- **Step 2 – Interview Stakeholders on Values and Preferences.** GFOA will help the STA articulate its policy positions and principles by first interviewing key stakeholders and then facilitating a decision-making workshop. Interviews will help set the overall direction of the policy and allow GFOA to develop effective policies consistent with the STA’s vision.
- **Step 3 – Develop Financial Policies and Principles.** GFOA can then distill key themes from the interviews, which will serve as the basis for a final set of principles. We will work to draft policies based on feedback from the STA, benchmark examples, best practices, and our experience. From this, a policy manual is then developed.

Process Documentation	
Frequency	<ul style="list-style-type: none"> • TBD
On-Site Presence	<ul style="list-style-type: none"> • Remote
Deliverables	<ul style="list-style-type: none"> • Revised Policies

Chart of Account Design

GFOA will continue working with the STA on recommendations and build out for a revised chart of accounts. We consider this to be a critical component of project readiness. The chart of accounts (project/activity structure) serves as the foundation for the financial system and all financial transactions. GFOA also can help STA develop a chart of account to support budgeting, management reporting, projects, and grants

GFOA will also leverage expertise from its technical services center to help identify appropriate funds and ensure the chart is established in a way to comply with new GASB standards.

Chart of Accounts	
Frequency	<ul style="list-style-type: none"> • 1-2 Months



On-Site Presence	<ul style="list-style-type: none"> • Remote
Deliverables	<ul style="list-style-type: none"> • Revised Chart of Accounts

RFP and Requirements

In this phase, GFOA will develop a detailed Request for Proposals (RFP) document for STA. The GFOA RFP format is designed to remove disparity between proposals and to provide as close to an apples-to-apples comparison as possible. In addition, GFOA develops all RFP’s with the end goal in mind – a successful contract that mitigates risk and leads to a successful project.

GFOA has a template RFP that was specifically designed for ERP procurements and that we have continually updated as required by changes in the ERP market. GFOA will develop functional requirements to support future-state business processes that serve as a baseline for a successful ERP implementation and provides accountability for major areas within a core system. We plan to work collaboratively with the STA procurement team to include any terms and conditions from the STA’s standard documents, decide on the procurement process, and ensure compliance with any other STA contracting requirements.

RFP and Requirements	
Frequency	<ul style="list-style-type: none"> • 1 Months
On-Site Presence	<ul style="list-style-type: none"> • When Necessary
Deliverables	<ul style="list-style-type: none"> • RFP • Requirements

Proposal Review

GFOA will work with staff from the STA to develop an evaluation strategy and work to define clear evaluation criteria. GFOA’s system selection and procurement methodology relies on principles of fairness, attention to detail, and competition, yet remains flexible enough to adapt to local procurement laws or other unique situations. Our approach considers how best to use the procurement process to facilitate a statement of work and contract that holds the vendor accountable, ensures a quality implementation, and makes expectations clear.

Upon receiving the written proposals from vendors, GFOA will assist with this assessment by reviewing proposals and providing high level comments on potential risks, issues, and any significant weaknesses/gaps and/or strengths GFOA can also leverage our extensive experience to compare each proposal to industry standards. All key findings will be documented in a brief proposal assessment report that identifies GFOA’s findings. This report will also identify additional information that will be needed from vendors going forward.



GFOA expects that after reviewing proposals, the STA elevates a limited number of vendors for onsite demos/interviews.

Proposal Evaluation	
Duration:	<ul style="list-style-type: none"> • 1 Month
On-Site Presence	<ul style="list-style-type: none"> • Remote
Deliverables	<ul style="list-style-type: none"> • Proposal Evaluation Comments

Demos / Interviews

GFOA staff will develop detailed demo scripts for each vendor. Demo scripts are based heavily on the requirements and business process decisions built in early tasks. Also, GFOA’s approach to software demos provides a focus on implementation activities. GFOA will also facilitate the demos and interviews with each vendor. In this role, GFOA would be on-site to guide the meetings, ensure compliance with the demo scripts, take notes, and point out differentiators.

If necessary, STA could also use a clarification or discovery round to provide another opportunity for the STA to clarify unresolved issues before it makes its final elevation. Prior to Discovery, GFOA will develop a request for clarification (RFC) letter for each vendor that was elevated. Then, during discovery, each remaining vendor is invited back on-site for one more day of presentation. During this presentation, any remaining issues with software functionality, implementation approach, data conversion, or scope are clarified and vendors are asked to make any necessary revisions to their proposal. The main focus of this session is to plan the implementation so that the STA and vendor can later develop a detailed statement of work.

Demos	
Duration:	<ul style="list-style-type: none"> • 1 Month
On-Site Presence	<ul style="list-style-type: none"> • Remote
Deliverables	<ul style="list-style-type: none"> • Demo Scripts • Demo Notes

Contract Negotiations

GFOA will be involved with the negotiation of any applicable software license contract, software maintenance agreement, hosting / SaaS agreement or implementation services agreement. In addition, GFOA will lead the development of the statement of work. The statement of work is the critical document that outlines responsibility for the implementation. GFOA will ensure that the STA’s statement of work is defined to a fine level of detail to prevent any unnecessary issues or misunderstandings during



implementation and provides appropriate direction for all parties to understand the business processes and requirements necessary for a successful implementation.

Contract Negotiations	
Duration:	<ul style="list-style-type: none"> 1 Month
On-Site Presence	<ul style="list-style-type: none"> Remote
Deliverables	<ul style="list-style-type: none"> Software Agreement Services Agreement Statement of Work Service Level Agreements Third Party Agreements

Project Schedule

GFOA has proposed the following high-level schedule to complete all work described in this proposal.

Proposed Schedule	Project Start = TBD																
	1	2	3	4	5	7	8	9	10	11	12	1	2	3	4	5	
ERP Readiness																	
1) Process Documentation	█	█															
2) Revise Policies	█	█	█	█	█	█	█	█									
3) Chart of Accounts	█	█	█	█	█	█	█										
4) RFP and Requirements			█														
System Selection																	
5) Proposal Review					█												
6) Demos / Interviews						█							T	B	D		
7) Contract Negotiations							█										
System Implementation (not in this scope)											█	█	█	█	█	█	



Pricing

Unless noted, all pricing is provided as a fixed fee GFOA staff inclusive of any necessary travel expenses. All work on this project is expected to be completed remotely. If travel is necessary to complete the work, GFOA will travel at no additional cost to STA. If remote, GFOA would be able to facilitate meetings through Webex, Microsoft Teams, or a similar platform.

GFOA will invoice for project deliverables upon completion of project deliverables.

Major Task / Deliverable	Cost*
ERP Readiness	\$12,500
Policy and Chart of Accounts	\$7,500
System Selection	\$10,000
Contract Negotiations	\$10,000
Total	\$40,000

After completion of the system selection activities, if STA is interested in retaining GFOA to provide ongoing services during system implementation, GFOA's proposed and discounted hourly rate would be \$300.



Contract Requirements

GFOA would like to add the following to any future agreement.

- GFOA is a nonprofit membership association made up of members representing organizations like the STA. Therefore, the GFOA's liability and indemnification under any agreement reached with your organization will be limited to the extent of claims paid by insurance coverage currently in force.
- The STA's staff will be reasonably available for interviews and will participate in the project as agreed upon and appropriate. The STA agrees not to cancel meetings once established (which would increase our travel costs).
- Unless otherwise stated, the STA agrees to confirm acceptance of deliverables within a mutually agreed upon number of business days. If a deliverable is not accepted, the STA must state in writing to the GFOA Project Manager the changes needed to the deliverable to gain acceptance.
- The GFOA conducts the majority of the engagement work on a fixed-fee engagement, where payment is due upon completion of deliverables. If any work is to be billed using a time and expense method, the time and expense portion of the engagement will be billed on a monthly basis at the hourly rate of \$275/hour, unless otherwise noted.
- When performing work on-site, GFOA staff will be provided appropriate workspace and access to copiers, projectors, workspace, and miscellaneous office supplies if necessary.
- GFOA is scoped to prepare one RFP document and conduct the evaluation process for that one RFP. If it is determined to be in the STA's best interested to release multiple RFPs, GFOA will develop those RFPs at no additional cost. Proposal evaluation and system selection services for multiple RFPs may require additional cost depending on timing.
- As an educational, nonprofit, professional membership association, the GFOA reserves the right to publish non-confidential documents describing the results of, or created during, the services described in this scope of work. The GFOA will not publish any item with the name of the STA without obtaining prior written consent of the government.
- The STA recognizes that GFOA's role is to provide information, analysis and advisory services. As such, GFOA bears no responsibility for the performance of the software, hardware, or implementation service suppliers.