

CLEVELAND PUBLIC LIBRARY

Finance Committee

November 14, 2023

**RESOLUTION AUTHORIZING AMENDMENT TO AGREEMENT WITH GFOA FOR
ERP PLANNING AND ADVISORY SERVICES**

WHEREAS, On November 17, 2022, the Board of Library Trustees authorized the Cleveland Public Library to enter into an agreement with Government Finance Officers Association (“GFOA”) in the amount of \$85,000 to provide the first phase of advisory and planning services related to business process improvement for identifying a future enterprise resource planning (“ERP”) system; and

WHEREAS, GFOA is in the process of completing the first phase of this process, which is organized into four tasks/deliverables including project planning and management, needs assessment and process analysis, developing a plan of action, and a readiness project plan; and

WHEREAS, GFOA has submitted a proposal to the Library to perform the second and final phase services, which consist of developing a request for proposals and evaluation guide as well as assistance with system and vendor selection, contract negotiation, and project planning services necessary to ensure a smooth transition; and

WHEREAS, GFOA proposes to provide this second phase of services for a total fee not-to-exceed \$70,000, which would increase GFOA’s total fee for both phases to an amount not-to-exceed \$155,000; now therefore be it

RESOLVED, That the Board of Trustees authorizes the Executive Director, CEO or his designee, to execute an amendment to the agreement with GFOA for ERP Planning and Advisory Services to expand GFOA’s services as set forth in this Resolution for an additional fee not-to-exceed \$70,000, thus increasing GFOA’s total compensation under the agreement to an amount not-to-exceed \$155,000, with the expenditure being charged to the General Fund Account 11100053-53710 (Professional Services), and which amendment shall be subject to the approval of the Director of Legal Affairs.



Government Finance Officers Association

Research and Consulting Center

Prepared for:



CLEVELAND
PUBLIC
LIBRARY

Cleveland Public Library

Amendment 1: ERP Advisory Services – System Selection

November 6, 2023



Government Finance Officers Association

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November 6, 2023

Cleveland Public Library
Attn: Carrie Krenicky
325 Superior Avenue
Cleveland, Ohio 44114

EMAIL: carrie.krenicky@cpl.org

Dear Carrie,

The Government Finance Officers Association (GFOA) is pleased to present this proposal to the Cleveland Public Library (CPL) for continued consulting services for assistance in facilitating the procurement process and providing ongoing advisory services related to CPL's purchase of a new enterprise resource planning (ERP) system. This proposal identifies deliverables, pricing, and roles for GFOA and CPL for GFOA to continue on with the next step in the CPL project and facilitate development of an RFP, assist with system selection, and lead contract negotiations for the replacement of CPL ERP system.

We look forward to the opportunity to continue to work with you and CPL on this project. 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 over a light blue horizontal line.

Michael J. Mucha
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Government Finance Officers Association

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Scope of Work

GFOA's typical scope and services for ERP replacement are organized into two major phases. Within each phase we identify major tasks and each task includes deliverables and milestone payments. The tasks as part of Phase 1 are very similar to tasks GFOA has completed or will complete for CPL.

Typical Services for ERP Replacement

Phase 1 – Business Process Improvement

- Task 1: Project Planning and Management
- Task 2: Needs Assessment / Process Analysis
- Task 3: Develop a Plan of Action
- Task 4: Readiness Project Plan

Phase 2 – RFP Development and Selection Assistance

- Task 5: RFP Development
- Task 6: Evaluation Guide
- Task 7: System and Vendor Selection
- Task 8: Contract Negotiations

This proposal focuses on additional tasks in Phase 2 that will provide an RFP, evaluation guide, along with system selection and contract negotiation services. GFOA will also provide project planning services as necessary to ensure a smooth transition from existing work. A description of services for each task is below.

Task 1: Project Planning and Management

No project can be successful without proper planning and tools to manage the effort. Working together, the GFOA and CPL project manager will prepare the following tools that will be essential to project coordination.

- **Governance Support** – GFOA recognizes that the success of any large enterprise project depends on the ability to adapt to the changes that technology brings to both business process and organizational culture. We also understand that any enterprise system is not owned or controlled by one department in the organization. GFOA will make recommendations on the structure and process for an ongoing governance structure to support the ERP project.
- **Project Plan** – GFOA will prepare a project plan in Microsoft Project and covert key deadlines/milestones to track in a project collaboration tool (like Microsoft Teams). This document identifies all the detailed tasks for the project, the person responsible for executing those tasks, the estimated time required to complete them, and any dependencies that a given task may have relative to other tasks.



- **Project Management** – GFOA will participate in regular project management meetings and provide a regular (monthly) status report for the project. We expect our project manager to serve as a coach, guide, and advisor throughout the project. They will maintain regular communication to address issues, point out risks, provide lessons learned, and ultimately work to help the project be a success. Ongoing costs and effort for all project management activities are built into GFOA’s milestones and deliverables. As part of our ongoing project management services, we will help prepare any communications, attend council meetings, or help delivery key messages to County stakeholders.

Task 1: RACI Matrix and Deliverables

Task	GFOA	CPL
Initial Project Management Discussions	R	R
Provide Project Management Template Documents	R	I
Plan Kick Off Meeting	R	R
Identify Project Teams	I	R
Set Up Project Collaboration Site	R	C
Identify Project Goals	C	R
Identify Governance Structure	C	R
Deliverable 1: Project Management Documents	A	C
Review and Accept Deliverable 1		A

(Deliverables are numbered and listed in bold)

Note: the following definitions are used for roles in the RACI Matrix

R = Responsible: Party responsible for completing the work. Step leads to deliverable.

A = Accountable: Accountable party for contracted deliverable (or acceptance of deliverable).

C = Consulted: Party has minor role in completing the work.

I = Informed: Party is knowledgeable about task, but not directly involved.

Task 5: Develop Request for Proposal (RFP)

In this phase, GFOA will develop a detailed Request for Proposals (RFP) document for CPL. 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. We are working now to make significant revisions to our template based on thorough review of process and how to get the most value for our clients. We plan to work collaboratively with CPL’s procurement team to include any terms and conditions from CPL’s standard documents, decide on the procurement process, and ensure compliance with any other County requirements.



When complete, the RFP document will incorporate information developed with many of the other deliverables from this project including:

- 1) Procurement terms and conditions
- 2) Detailed vendor response templates
- 3) Templates to build core elements of vendor statement of work
- 4) Functional Requirements
- 5) Interface Definition
- 6) Technical Documentation
- 7) Key Objectives / Goals / Critical Success Factors for the Project
- 8) Service Level Agreements
- 9) Other information necessary for vendors to prepare detailed response that meets CPL's needs.

GFOA maintains a list of ERP vendors, implementation partners, and others in the industry. We will help publicize CPL's RFP to get the most competitive response.

A key part of the RFP will be the development of detailed functional requirements and overall business process expectations that will be important throughout the selection project and throughout implementation. For the processes that are determined to be in scope, GFOA consultants will work with CPL staff to review, validate and ultimately make decisions on the high-level to-be process definition and those requirements that will serve as a tool for accountability going forward.

GFOA focuses functional requirements development on business process and will prepare requirements in the form of testable use cases that will have value beyond the procurement phase. At each step in the business process we will determine both the system requirements and implementation requirements and document those using a Microsoft Excel template that is aligned to our process maps that will be included in the eventual RFP. Requirements development focuses on functional requirements that define "what" needs to be completed (such as tasks, outputs, interfaces, calculations, processing, etc.) and not on "how" the system or the organization handles tasks currently. This allows for future improvement and full utilization of the system tools and built in processes to make CPL more efficient.

At this stage in the process, it is important for the business process improvement decisions to be made so the RFP can present a clear direction for CPL's project. While every ERP system has slightly different ways of completing business process transactions and the full business process can't be defined at a fine level of detail without the assistance of system consultants, the overall direction and high-level understanding of the process is important to communicate.

It is expected then that the requirements serve as the base document that establishes a template for proposal comparisons, the scope of the implementation project, the base



level criteria for user acceptance testing, and the standard for post implementation warranty.

Task	GFOA	CPL
Review and determine procurement process and roles	R	R
Define selection team	C	A
Define selection criteria	C	A
Prepare draft RFP using County required terms	R	C
Review Draft RFP	C	R
Deliverable 5: RFP	A	
Review and Accept Deliverable		A
Issue RFP		A

Task 6: Identify 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. In addition, the approach is continually enhanced by feedback from the hundreds of public sector clients that we work with, our own staff experience, and the vendor community. Recently, GFOA has been working to incorporate our research on decision architecture into our approach for ERP RFP evaluations. GFOA will work with staff from CPL to develop an evaluation strategy and work to define clear evaluation criteria. Once established, GFOA will prepare a guide for evaluators and conduct training alongside procurement staff from CPL.

Task	GFOA	CPL
Discuss evaluation strategy	R	R
Define evaluation team	C	R
Define selection criteria	R	R
Deliverable 5: Evaluation Guidebook	A	C
Review and Accept Deliverable		A
Conduct training for evaluation team	R	R

Task 7: Selection of Vendor

Through defined steps, vendors will be evaluated and scored according to pre-defined criteria with the top vendors moving on to compete at the next step. Each step is an opportunity to negotiate terms, address risks, and provide methods for holding stakeholders accountable. Overall, our approach is focused on identifying and mitigating risks throughout the procurement process. GFOA’s RFP template provides the opportunity to focus the evaluation on key risk factors in the implementation and



separates actual proposal from marketing buzzwords. GFOA's standard evaluation process includes the steps described below.

Step 1: Initial Assessment

Upon receiving the written proposals from vendors, CPL's project team will begin an assessment and analysis of all proposals. 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. Depending on decisions made in Task 5, the initial assessment may include written proposal reviews, facilitation of a "blind" review for a portion of the assessment, or short vendor interviews/presentations. Throughout the initial assessment, GFOA will provide guidance, summary documents, and analysis, and will be available to answer questions and provide support to the evaluation team and procurement staff.

GFOA expects that after reviewing proposals, CPL elevates a limited number of vendors for onsite demos/interviews. Typically, governments will elevate three vendors.

Step 2: Software Demos and Team 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. Typically time devoted to implementation and demo is split 50/50. GFOA believes that it is critical for vendors to explain HOW the software will be implemented along with the features of the software. The greatest system in the world will not be useful if it is not configured and implemented correctly to meet the needs of the organization.

Our approach to software demos and interviews differentiates GFOA and demonstrates our dedication to continually evolve our approach to a changing ERP market. As software features become more mature, it is less important for governments to evaluate "if" it will work. However, since most of the risk comes from implementation, we work through a series of business process case studies, sample "workshops," and implementation resource interviews to make sure you can effectively evaluate the knowledge and skills of the proposed implementation team.

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. GFOA expects that after this first round of software demos and interviews, CPL elevate two vendors.

Step 3: Discovery

Discovery acts as another opportunity for CPL 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 CPL and vendor can later develop a detailed statement of work. GFOA will facilitate the Discovery session for two proposal teams. Additionally, by clarifying outstanding issues at Discovery, development of the statement of work becomes easier. At the conclusion of Discovery, CPL will enter contract negotiations with one vendor.

GFOA expects that after Discovery, CPL identify a finalist vendor. If it is not possible for CPL to identify a finalist vendor, GFOA will facilitate additional clarification rounds.

Task	GFOA	CPL
Review proposals	R	R
Conduct training on evaluation criteria	R	C
Prepare proposal summaries	R	I
Discuss initial proposal analysis	R	R
Deliverable 7-A: Initial Assessment	A	
Short List Vendors		A
Prepare demo scripts	R	C
Review demo scripts	I	R
Release scripts to vendors		A
Select vendors to elevate		A
Deliverable 7-B Demo Scripts and Facilitation	A	
Provide comments on proposals / demos (through GFOA survey)	C	R
Short List Vendors		A
Prepare draft RFC letters	R	C
Review letters / provide comments	I	R
Update Letters	R	I
Send Letter to vendors	I	A
Facilitate Discovery sessions	R	C
Deliverable 7-C: RFC/Discovery	A	
Select vendors to elevate		A

Task 8: 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 CPL’s statement of work is defined to a fine level of detail to prevent any unnecessary issues or misunderstandings during implementation.



Also, for cloud contracts, it is essential that CPL identify and negotiate appropriate service level agreements and other contractual provisions that establish performance standards and identify role responsibility. GFOA will take the lead in establishing this documentation. GFOA assumes that CPL will be negotiating one contract (or a contract for one proposal if that proposal contains multiple contracts for software, implementation, hosting, etc.).

Task	GFOA	CPL
Collect necessary contracts from vendor(s)	R	R
Conduct initial review and provide comments	R	I
Review and provide comments	I	R
Determine negotiation strategy	R	R
Negotiate contract with vendor(s)	R	R
Finalize contract documents and SOW	R	R
Deliverable 7: Contract Negotiations	A	



Section II. Milestone Pricing

Unless noted, all pricing is provided as a fixed fee. GFOA will invoice for project deliverables upon completion of project deliverables.

Task/Deliverable	Milestone	Price
1	Project Planning	
	Project Planning Activities	Included
5	Develop RFP	
5-A	RFP	\$12,500
5-B	Functional Requirements	Included
6	Evaluation Strategy	
6-A	Evaluation Guidebook	\$7,500
7	Evaluation and Selection of Vendor	
7-A	Initial Assessment	\$10,000
7-B	Demo Scripts and Facilitation	\$15,000
7-C	Request for Clarification / Discovery	\$12,500
8	Contract Negotiations	
8-A	Contract Negotiations	\$12,500
TOTAL NOT-TO-EXCEED PRICE		\$70,000

Note: GFOA's milestone pricing includes any travel costs.



Contract Requirements

- CPL's staff will be reasonably available for interviews and will participate in the project as agreed upon and appropriate. CPL agrees not to cancel meetings, unless for reasons outside of its control, once established (which would increase our travel costs).
- Unless otherwise stated, CPL agrees to confirm acceptance of deliverables within a mutually agreed upon number of business days. If a deliverable is not accepted, CPL must state in writing to the GFOA Project Manager the changes needed to the deliverable to gain acceptance.
- GFOA plans to conduct this engagement 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.
- When performing work on-site, GFOA staff will be provided appropriate workspace and access to copiers, projectors, workspace, and miscellaneous office supplies if necessary. (Note: we plan on providing all services currently in scope remotely.)
- 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 CPL without obtaining prior written consent of the government.
- GFOA is a nonprofit membership association made up of members representing organizations like CPL. 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.
- CPL 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.