<u>ERP Q&A MASTER</u>

- FPUD provides services to 35,000 residents with 9,000 connections. Are the recycled water accounts metered? **Yes-Recycled water is metered.**
- We usually provide 1 year (plus the current year) of historical data conversion. Does that meet your needs? **That will not meet our needs.**
- Will you be using SoftResources during the selection process and implementation process? **SoftResources has been retained to support the District through section of an ERP. No decision on implementation support has been made.**
- What is your financial year-end date? **June 30th**
- How many hard-core users do you need within the system? **Two administrators, 10-12 power users**
- Roughly how many GL accounts do you have? **Around 1,730 G/L Accounts**
- How many bank accounts do you reconcile? **Two main accounts for Money Market and Operating (Investments; HRA (retiree); Pension and OPBE included)**
- Regarding Payroll, how many W2s did you process last year? **81**
- Estimate number of vendors in AP? **About 600**
- How many accounts do you have in AR? (These are outside of the ones you may have for utilities, miscellaneous AR accounts like rentals, leases, airport hangers etc.)
  Less than 10 (4-5 for now)
- How many Utility Customers do you have? **FPUD delivers water to some 35,000 people over a 28,000 square acre service area.**
- What services do you bill for in Utilities? **Water, sewer, recycled water, backflow, operations, Water & Sewer Capital improvement. Pumping charges where applicable**.
- How many billing cycles do you have per month? **Three, all billed once a month.**
- It looks like you currently use Online-Billpay to take your credit/debit card payments. We have our own payment portal that offers the best integration in real time. Would you be open to using our payment portal? **Yes**
- I noticed a key for answering technical questions but didn't see any. Do you have an additional attachment for the technical questions? **Any attachments will be included in this response.**
- We provide training onsite, at our location and online. We give you a significant discount to come to us for training and found that taking you out of your environment to avoid any interruptions can be very beneficial. We also understand that some sites would prefer us onsite. Which do you prefer? **Please provide pricing for both options so that we can evaluate our options. Not knowing the location and travel costs make it impossible for use to communicate our preference at this time.**

- In an effort to follow Federal Government climate change and reduced carbon emission policies, would the District consider email submissions only and waive the requirement for mailed hard copy? **The requirement is per our Administration Code. A hard copy must be provided.**
- Does the project have an anticipated Go-Live target date(s)? If a phased approach is preferred, is there a tentative go-live schedule based on module or department? **We do not have a go-live date at this time. This would be something that we would work with the vendor to determine. We would consider a phased approach if that made sense.**
- Can the District provide the number of users broken down:
  - **Advanced Users – 2 administrators**
  - **Core Users – 10-12**
  - **Self-Service Users – 55**
- How many utility accounts per service does the District manage?
  - **Recycled-31**
  - **Construction Meters-7**
  - **Water Only-9264**
  - **Sewer & Water-5426**
- Has a budget range been identified for the current project - Implementation cost, Annual cost, and number of years? If so, is it possible to share? **We have a budget range for our project and will be evaluating options based upon cost benefit.**
- Has the District been in contact with other vendors before the release of this RFP? If so, please list. **Springbrook**.
- Would FPUD be open to a best of breed submission for the Utility Billing component of your RFP? **No.**
- What types of compensation do you have? **Wages and benefits (Health insurance, Retirement plan, Paid time off.**
- How are you tracking PTO? **N/A**
- If you have Unions, how many do you have? **Two; we have an Employees Association and a Managers Association.**
- How are you managing ACA compliance?
  - **Processing with 3rd Party (Outsourcing the coding and completing of forms)**
  - **Send 1095-C forms to employees by printing and mailing them**
  - **Send 1095-C forms to employees electronically (email, portal, etc.)**
  - **A 3rd party sends 1095-C forms to employees**
- How many States do you file payroll taxes? **1 - California**
- Do you file payroll tax quarterly/annual returns in any of the states listed below?
  - Kentucky
  - New Jersey

  - Ohio
  - Oregon
  - Pennsylvania
  - **X None of the above**

- If you file local taxes, approximately how many local tax jurisdictions do you file? **California only**
- How do you currently manage your periodic payroll tax deposits remittances and your quarterly 941 reporting? **In-House**
- Would you like to continue outsourcing your payroll taxes, or bring them in-house? **We'll entertain the idea if helps to streamline Payroll process.**
- Who is your current payroll tax vendor? **IRS and State (California)/EDD**
- Would you like to continue doing payroll taxes in-house? **For now.**
- How often does your payroll tax liability for a given payroll exceed $100,000? **None for now.**
- Is your current HR system integrated with your payroll system? **Yes it is; however, we feel it's not very good.**
- Are you interested in automating benefit management and enrollment? How do you currently provide enrollment to your employees?
  - **Paper forms**
  - **Combination of paper and online**
- Approximately how many job openings do you post per month?
  - **0-5**
- When recruiting, do you—
  - **Find it difficult to get good candidates**
  - **Receive too many unqualified candidates**
- What are your methods of collecting job applications? **Paper forms.**
- Current applicant tracking system? **We use NeoGov Insight.**
- When hiring, what is your onboarding process like? **Combination of paper and electronic.**
- What is your automated onboarding system? **We do not have an automated onboarding system.**
- Do you currently have an employee self-service option? **Yes.**
- What employee self-service solution are you currently using? **Our Intranet site. Employees can also adjust their insurance coverage during open enrollment on ACWA JPIA's website.**
- Are you happy with your current employee self-service solution? **It's ok but it could be better.**

- Would you like to empower employees to access their information such as pay stubs, W-2s, request W-4 and direct deposit forms electronically through an online portal? **Yes, if the option is offered.**
- What information would you like your employees to access electronically (and update where applicable)?
    - **Pay stubs**
    - **W-2s**
    - **Emergency contacts**
    - **Direct deposit information**
    - **Viewing PTO**
    - **Making PTO requests**
    - **Company-wide announcements/documents**
    - **View company directory and/or organizational chart**
- Are you currently printing and mailing, or manually distributing pay stubs/earning statements and year-end W-2 forms? **Yes**
- What is the process for requesting/approving PTO/sick leave? **HR system/employee portal – we use Time Clock Plus software (TCP)**
- Do you have hourly employees that are required to record time worked? What method of time capture do you need? **Entering time sheets – at TCP**
- What are you currently using to capture time? **Online time sheets - TCP**
- What is your current time entry software? What is your current time entry software? **Time Clock Plus**
- What levels of time approval do you need?
    - **Supervisor**
    - **Manager**
    - **Payroll admin**
- How is time currently getting into your payroll system? **Imported from spreadsheets/ file –imported from TCP**
- What additional data needs to be captured with each time record?
    - **Project/task name**
    - **Cost code**
- How do managers approve time before it comes to payroll? **Timekeeping system -TCP**
- How many funds do you track? **We allocate to seven funds:**
    - **01. Admin**
    - **30. Water Ops**
    - **31. Recycle Ops**
    - **32. Wastewater Ops**
    - **40. Water Capital**
    - **41. Recycle Capital**
    - **42. Wastewater Capital**

- Not limited to other separated program fund; e.g. Community Benefit Program Fund

- What do you track related to funds? **Operating and CIP (capital project) expenses; Revenues; UB Billing.**
- What are you using to track funds currently? **Project Management module from Springbrook**
- What is your current chart of account structure? **A 12-digit number:**
  - **Fund – Division – Department – Acct. Number**
  - **01-00-000-11000**
  - **30-00-000-11000**
  - **31-00-000-11000**
  - **32-00-000-11000**
  - **40-00-000-11000**
  - **41-00-000-11000**
  - **42-00-000-11000**
- Current System Pain Points: Can you elaborate on the main challenges you're currently facing with your Springbrook ERP system? Are there any specific limitations in financial reporting, billing, or other core functions that you'd like to resolve with a new ERP solution?
  - **Report creation and format is a challenge in Springbrook we want to improve upon.**
  - **Budget monitoring for operating and capital is not ideal. Multi-year recurring projects require a new task/project each year.**
  - **Full cost accounting for projects is a challenge with benefits and other indirect benefits.**
  - **Would be nice to generate bills in house and track payment plans.**
  - **See the list of requirements for additional information.**
- Key Objectives for New ERP: What are the top three priorities you hope to achieve with the implementation of the new ERP system? For example, is it improved reporting, enhanced automation, or better integration with other systems? **See previous question**
- Budget and Resource Allocation: Do you have a defined budget for the ERP implementation, and are there any specific cost-saving goals you are trying to achieve by moving away from your current system? **We have a budget range and will evaluate based on cost-benefit. As an organization, we are committed to efficient business practices and look for cost savings opportunities.**
- System Integrations and Data Migration; Third-Party System Integrations: Can you confirm which third-party systems (like Cityworks, Itron AMI meters, WaterSmart, etc.) need to be fully integrated with the new ERP? Are there any other systems or platforms you are currently using or plan to use that should be taken into account? **We will require full integration of the Utility Billing module with the ITRON MDM (Meter Data Management) system and Watersmart (Customer Engagement & Water Usage**

Analytics) system. We will not include integration to Cityworks in this scope of work, however we would like the option to do so and the product will need to have restful interface capability for us to integrate with Cityworks.

- Data Migration: What is the volume and complexity of data that would need to be migrated from your Springbrook system to the new ERP? How much historical data (such as customer billing records, financial transactions, etc.) should be preserved and carried over during the migration? **Springbrook utilizes a Microsoft SQL Server database. The system has friendly table names and the Entity Relationship Diagrams and Data Dictionaries are available. The database is 93 GB in size. Ideally, the District would like to bring over as much data as possible for all modules, with Utility Billing being the most critical. Attached is an Excel file containing names and record counts of the current Springbrook system.**
- Utility Billing and Customer Management: Can you describe the level of flexibility required in your utility billing? For instance, do you have multiple pricing tiers for residential, commercial, and agricultural customers, and what specific billing scenarios (e.g., water usage adjustments, rate changes) should the new system handle? **Yes there are pricing tiers for the following: Domestic, Large Lot Domestic, Multi Unit, & Ag Domestic all have 2-tier rates.**
- Capital Improvement Project (CIP) Tracking: Could you provide more detail on how you currently manage Capital Improvement Projects (CIP)? How critical is it for the new ERP system to track capital project budgets, including project phase tracking, cost categories (labor, materials, services), and any challenges you're experiencing with project accounting? **CIP projects need to be able to track labor, materials, and services expenses individually for each project. Labor expenses should be able to show which individuals charged time to the project. Materials and services expenses should be able to show who the vendor was. CIP projects need to be able to be linked to different funding sources for each enterprise (Water, Wastewater, Recycled Water, and Administrative). We should be able to input a budget at the beginning of the project and then track expense vs budget over time. We also need to be able to track annual expenses as well as total expenses for a project to date for a project that spans multiple fiscal years.**
- Payroll and HR Needs: Can you share more about your payroll and HR requirements? Specifically, do you need to support union-specific rules, manage compensated absence, or handle multi-employee/department allocation for labor costs?
    - **<u>Payroll:</u> We use Time Clock Plus (TCP) for time sheet data (work; vacation, sick time hours and etc.) Then upload the file info from TCP to Springbrook – Payroll Module. The Payroll module does the calculation and allocate them to the respective GL accounts (Regular work hours, vacation, sick, etc.)**
    - **<u>HR:</u> Yes we need to support union-specific rules, manage compensated absence, or handle multi-employee/department allocation for labor costs.**

- User Roles and Permissions: Who will be the primary users of the new ERP system? For instance, will FPUD have a large number of finance department users versus field staff, and how should the system be configured to support different user roles and permissions (e.g., read-only access, full administrative rights)? **11 power users, 2 admins. The remaining users will be general/employee self-service users. Ideally, the module they work in primarily would define the power-user role.**

- Training and Support: What type of training and onboarding support would you need for FPUD employees during the implementation? Are there specific training formats (in-person, virtual, self-paced) you prefer, and how many staff members will require in-depth training? **In person training is ideal, however remote/virtual is acceptable. 10 – 12 staff will require in depth training.**

- Data Security and Access Control: Can you outline any specific security requirements for user access to financial and operational data? Do you have specific standards or certifications that the ERP system must meet (e.g., SOC 2 compliance, PCI-DSS for payment processing)? **Our organization has strict security policies regarding access to financial and operational data. The new ERP system must include the following security features and comply with relevant industry standards:**
    - **User Access and Role-Based Security:**
        - The system must support **Role-Based Access Control (RBAC)** to restrict user access to only necessary functions.
        - **Multi-Factor Authentication (MFA)** should be available for all financial and sensitive transactions.
        - Support for **Single Sign-On (SSO)** with our existing **Active Directory or Azure AD**.
    - **Compliance and Security Standards:**
        - The ERP must comply with **SOC 2 Type II** certification to ensure secure financial and operational data management.
        - If the system processes payments, it must meet **PCI-DSS** compliance for payment security.
        - Compliance with **NIST 800-53** and **CIS Controls** for cybersecurity best practices is preferred.
    - **Data Encryption & Protection:**
        - All sensitive data must be **encrypted at rest and in transit** using at least **AES-256 encryption**.
        - Personally Identifiable Information (PII) and financial records must be securely stored with **access controls and data masking** where applicable.
    - **Segregation of Duties (SoD):**
        - The system should enforce **segregation of duties** to prevent conflicts of interest (e.g., the same user should not be able to create and approve financial transactions).
        - Approval workflows should be configurable for financial transactions and procurement.

- **Audit Logs & Monitoring:**
    - The ERP must support **detailed audit logs** to track user activity, financial transactions, and data modifications.
    - Audit logs should be **tamper-proof** and available for compliance reviews.
    - System monitoring and alerting should be available to detect unauthorized access attempts.

- Disaster Recovery and Data Protection: What are your expectations for disaster recovery and data backup? How often do you require data snapshots and should the ERP solution be hosted in a specific location (on-premises, cloud, or hybrid)? **FPUD prefers a multitenant cloud-based ERP solution, leveraging a secure and highly available cloud environment (e.g., AWS, Azure, or Google Cloud). Our expectations for disaster recovery and data protection include the following:**
  - **Disaster Recovery (DR) Expectations:**
    - The ERP solution must support **high availability (HA)** with minimal downtime.
    - We require a **Recovery Time Objective (RTO) of ≤ 4 hours** for critical financial and operational functions.
    - The **Recovery Point Objective (RPO) should be ≤ 15 minutes** to minimize data loss.
  - **Data Backup Requirements:**
    - Automated **full backups** must occur **daily**, with **incremental backups every 15 minutes**.
    - Backup retention should follow a **tiered approach**:
      - **30-day retention for daily backups**
      - **12-month retention for monthly backups**
      - **7-year retention for financial records (if applicable to compliance requirements)**
  - Snapshots should be **encrypted (AES-256) and stored across multiple availability zones** for redundancy.
  - **Geographic Redundancy & Failover:**
    - The ERP provider should use **multiple geographically dispersed data centers** to ensure resilience.
    - The system must support **automated failover** to a secondary region in case of primary data center failure.
  - **Security & Compliance:**
    - The disaster recovery plan must adhere to **SOC 2 Type II, ISO 27001, and NIST 800-53** security controls.
    - Data should be **encrypted both in transit and at rest**, with controlled access to backup files.
    - The solution must provide **audit logs and real-time monitoring** for backup integrity.

- Timeline and Milestones: What is your ideal timeline for the ERP system implementation, and do you have any specific project milestones you would like to hit? Are there any business cycles or budgeting periods we should consider when planning the rollout? **FPUD wants a smooth and efficient ERP implementation that minimizes disruption to daily operations. Ideally, we would like to have everything up and running within 12 months, with key milestones along the way. Below is a sample timeline.**

1. Suggested Timeline & Milestones:

- **Planning & Setup (Months 1-2)**
  - Define project scope and goals
  - Identify key processes and integrations
  - Plan data migration strategy
- **Configuration & Data Migration (Months 3-6)**
  - Set up the ERP based on our needs
  - Start migrating data from Springbrook
  - Establish security roles and access
- **Testing & Training (Months 7-9)**
  - Test the system and work out any issues
  - Train staff and department leads
  - Run the system alongside our current one to ensure accuracy
- **Go-Live & Support (Months 10-12)**
  - Fully switch over to the new ERP
  - Provide hands-on support and training
  - Fine-tune processes as needed
- **Post Go-Live & Optimization (Months 13+)**
  - Continue monitoring performance and addressing issues
  - Optimize workflows based on user feedback
  - Implement additional features or reports as needed
  - Ongoing training for staff as they get more comfortable with the system

2. Key Considerations:

- Since **our fiscal year ends June 30**, we'd prefer to **go live at the start of a new fiscal year** to keep financial reporting clean.
- We would also like to avoid major system changes **during year-end closing and budget prep**.
- Utility billing cycles are important, so any transition should ensure there is no disruption in invoicing or payments.

- Ongoing Support Needs: After the ERP is deployed, what level of ongoing support do you envision? Are you looking for dedicated support (e.g., 24/7 helpdesk) or something more flexible like an annual maintenance contract with regular updates? **After the ERP is live, FPUD wants reliable and flexible support to ensure smooth operations and long-term success. Here is what we're looking for:**

  1. Support Expectations:

  - Priority Support for Critical Issues – Quick response times for major system issues, especially those affecting payroll or utility billing.
  - Regular System Updates & Maintenance – We expect the ERP to receive updates for security, compliance, and performance improvements.

- User Assistance & Training – Access to resources, knowledge base articles, and occasional refresher training for staff as needed.

2. Preferred Support Model:

- A flexible support model that includes a dedicated support team during business hours (with after-hours emergency support if needed).
- An annual maintenance contract that covers periodic system updates, bug fixes, and new feature rollouts with a predetermined cloud maintenance schedule.
- Ongoing consulting or advisory services to help optimize system use and reporting over time.

We do not necessarily need 24/7 support, but we do want a responsive and knowledgeable team that can help when issues arise.

- Custom Reporting Capabilities: Could you clarify the types of custom financial and operational reports that are most important to FPUD? Are there any specific reporting tools or features you'd like to see in the new system (e.g., ad hoc reporting, automated email reports, dashboard capabilities)? **The District would like the ability to create custom reports. The higher degree of flexibility in terms of report content and format the better. Budget status, year to date expense, project costs etc. are some of the reports we anticipate using.**

FPUD values data-driven decision-making and is looking for a new ERP system with strong reporting and analytics features. Below are some examples of key report and features that we would like to see in the ERP system.

1. Custom Financial & Operational Reports:

- **Financial Reports:**
  - Budget vs. Actuals
  - General Ledger (GL) Transactions & Reconciliation Reports
  - Accounts Payable & Receivable Aging Reports
  - Cash Flow & Revenue Forecasting
  - Fixed Asset Management Reports
  - Capital Improvement Project (CIP) Expenditures
- **Operational Reports:**
  - Utility Billing & Consumption Analytics
  - Customer Payment & Delinquency Reports
  - Workforce Scheduling & Labor Cost Analysis
  - Inventory & Procurement Tracking

2. Preferred Reporting Tools:

- **BI & Ad-Hoc Reporting:** FPUD prefers modern tools such as Power BI or Tableau as the primary Business Intelligence (BI) tool for real-time dashboards and ad-hoc queries.
- **Excel Integration:** The system supports data download and upload via Excel, ensuring that the business logic is enforced to maintain data integrity.
- **Dashboard Capabilities:** The ERP could provide interactive dashboards for executive overviews, allowing drill-down functionality into transactional data.

- Automated Reports & Scheduling: The ability to configure automated email reports for key stakeholders on a daily, weekly, or monthly basis.

3. Data Accessibility & Self-Service Reporting:

- User-Friendly Report Builder: Non-technical users should be able to create custom reports using a drag-and-drop interface.
- Role-Based Access: Reports should be accessible based on user roles to ensure data security and compliance.
- API & Data Export Options: The ERP should provide REST API access for seamless data extraction and integration with external tools.

- Key Performance Indicators (KPIs): Are there any specific KPIs or metrics that you would like the ERP system to track for utilities, finance, or HR departments, such as water consumption patterns, cost tracking for capital projects, or employee performance?
    - **Accounting - That will help if the ERP system can provide us the kind of reports we currently track water consumptions: part manually, with use of Springbrook Project Management module to track capital projects cost.**
    - **HR - Would definitely like to see information about employee performance and be able to create and run multiple reports.**
    - **Engineering - Capital project budget vs expense. All other KPI tracking is through Cityworks.**
    - **Information Technology - These will be determined during implementation.**