



## MEMORANDUM

**To:** CMAP Board

**From:** Angela Manning-Hardimon  
Deputy Executive Director, Finance and Administration

**Date:** June 8, 2022

**Re:** Contract Approval for a 14-month agreement with Arctic Information Technology, Inc., for the not-to-exceed amount of \$2,394,220, for an Enterprise Resource Planning System

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### Background

On April 7, 2021, the Board approved a contract with BerryDunn to assist the agency in developing business requirements, issuing a Request for Proposal, and selecting a vendor for a new ERP (Enterprise Resource Planning). One of the primary objectives of this project was to identify the agency's technology business requirements in the areas of General Ledger and Financial reporting, Budgeting, Purchasing, Bids and Contracts, Accounts Payables, Accounts Receivables, Fixed Assets, and Project and Grant Accounting system and select and implement a system that could provide the modern technology required to meet the agency's growing reporting, compliance, and performance management needs. The agency's current ERP, OneSolution, is beyond its useful life and has been the agency's financial system since 2008. Use of OneSolution is not intuitive for staff and many functions required by finance and project managers are performed outside of the system based using Monarch, Excel, Word, Access, Teams, Tableau, and SharePoint.

Implementing a new ERP presents an opportunity for the agency to leverage the newest technology, streamline processes, provide more timely financial reporting, manage projects more efficiently, implement performance management, manage the compliance requirements of federal and state grants, provide appropriate internal controls and compliance with auditing standards, and provide required cybersecurity protection needed for financial information in today's high data security environment. In addition, a new ERP will allow the agency to integrate with other applications and maximize functionality with applications such as Microsoft Project Management, ADP, BI Power, and SAP Concur. To reduce the agency's long-term technical support and infrastructure cost, the agency wants to implement an ERP that is hosted by a third-party provider, software as a service (SaaS).

### Review Process

A Request for Proposals (RFP) was sent to potential consultants and posted to the CMAP website on January 5, 2022. Staff held a non-mandatory pre-bid information session for consultants on January 14, 2022. Questions and answers from the information session were transcribed and posted on the CMAP website. Interested participants were permitted to submit additional questions by February 9, 2022. The RFP submissions were due on February 9, 2022. CMAP received timely responses from five firms: Arctic Information Technologies, BS&A, Highstreet, Rock Solid, and Tyler.

Proposals were reviewed by three CMAP staff members who served on the scoring committee with input considered from additional staff in the areas of Finance, Planning, and Plan Implementation. The selection process included multiple scoring phases. The Vendor Short-Listed phase utilized the following selection criteria:

1. The functionality of the application including the ability of the software to integrate with the CMAP systems environment
2. CMAP's preferred technical specifications
3. The vendor's approach to achieve CMAP's goals and objectives regarding timeline, proposed resource hours, implementation plan and on-going maintenance and support
4. The vendor's experience delivering the services requested with previous clients of similar size and complexity
5. Proposed staff skill and experience level

Table 1 shows the average score of each firm that submitted a response to the RFP.

**Table 1: Initial Scoring for All Firms**

Criteria	Maximum Score	Arctic IT (MS Dynamics)	BS&A	Highstreet (Oracle)	Rock Solid (MS Dynamics)	Tyler
Functionality	35	27	10	31	30	12
Technical Qualifications	15	11	6	11	12	8
Approach	25	20	19	22	18	17
Vendor Experience with similar firms	20	15	16	16	11	18
Proposed Staff Experience with similar sized firms and complexity	5	3	4	4	3	2
Total	100	76	55	84	74	57

The initial scoring identified Arctic IT, Highstreet and Rock Solid as the short-listed candidates, who were invited to deliver in-depth demonstrations of their applications to the committee and select staff members. Arctic IT and Rock Solid proposed the Microsoft Dynamics 365 product and Highstreet proposed the Oracle product. The agency's goal was to implement a Tier 2

product. However, no Tier 2 vendor provided a product that met the critical business requirements of the agency.

After the demonstrations were completed, committee members reviewed comments submitted by select staff members before submitting their final revised scores. The procurement officer included scores for cost and comparable references for only the short-listed firms. Reference verifications were requested and were reviewed by the committee members. Table 2 reflects the final scores for short-listed firms.

**Table 2: Final Scoring for Short-Listed Firms with Cost Breakdowns**

Criteria	Maximum Score	Arctic IT	Highstreet	Rock Solid
Functionality	35	29	31	31
Technical Qualifications	15	12	11	12
Approach	25	20	22	15
Vendor Experience with similar firms	20	19	17	10
Proposed Staff Experience with similar sized firms and complexity	5	3	4	3
Comparable References	5	5	1	1
Cost	20	5	7	20
Implementation	-	\$1,930,756	\$1,729,960	\$429,205
Travel	-	\$80,000	\$69,000	\$43,100
Training	-	\$61,364	\$260,091	\$0
Subscription/3 <sup>rd</sup> Party Costs	-	\$152,100	\$158,915	\$157,781
Maintenance	-	\$170,000	\$0	\$0
Total 1 <sup>st</sup> cost	-	\$2,394,220	\$2,217,966	\$630,086
Total 10-year cost of Investment	-	\$3,915, 220 (Implementation, Subscription)	\$3,824,470 (Implementation and Subscription)	\$2,635,360 (Implementation and Subscription)
Total	125	93	93	92

### Recommendation for Contractor Selection

After demonstrations and subsequent follow-up conversations with each vendor, the selection committee reached a consensus to recommend **Arctic IT** as the provider for the Enterprise Resource Planning project.

Microsoft Dynamics 365 (MS 365) and Oracle are both great products that met the agency's critical business requirements, and final scores for all three vendors were comparable. The agency received great proposals. Arctic IT and Rock Solid both proposed Microsoft Dynamics 365 solutions. The cost proposed by Rock Solid quoted was significantly less than Arctic IT. However, Rock Solid did not demonstrate the level of experience with similar clients as CMAP. Rock Solid offered a good change management approach, which is important in any ERP implementation, but they had limited if any experience with clients in US. Rock Solid's client base resides in Puerto Rico and the Caribbeans.

Highstreet proposed the Oracle product which was also well received by the committee, and there was great confidence in the Highstreet team's implementation ability as several of their clients are partners in the CMAP region. However, the committee felt that the Oracle platform was too ambitious for the agency from a complexity, implementation, configuration, training, and maintenance perspective. This application is powerful and can accomplish far more than the requirements as stated in the RFP. In addition, the long-term cost of Oracle would be greater when factoring ongoing training and technical support cost.

Finally, Arctic IT proposed the Microsoft Dynamics 365 solution. As previously mentioned, MS 365 met the agency's critical business requirements. The product is very user intuitive, integrates well with platforms mentioned above, and easier to configure. The agency base environment is Microsoft, so Microsoft Dynamics 365 is a seamless integration with the CMAP environment. ADP, the agency's Human Capital Management system integrates easily into the MS 365 platform as well. The committee felt Arctic IT presented the best project approach and comparable experience with the CMAP project. Arctic was the only vendor that submitted a proposal that provided full maintenance support post go live for the agency, which resulted in their price proposal outpacing Highstreet's price proposal. Arctic provided a proposal that considered staff's available time to work on the project, realistic timeline to complete the project, and post go live support needs. Arctic IT provided a full turnkey solution to the agency.

In addition, all three vendors provided 10- year cost proposal that included implementation plus subscription. Arctic IT cost was \$3,915,220, Highstreet was \$3,824,470 and Rock Solid was \$2,635,360. Arctic IT proposed **optional** post go live maintenance support above what is provided by the application vendor for an additional \$1,609,710 for a total of \$5,202,830. BerryDunn recommends that the agency negotiate price and refine scope with the selected vendor during the contract negotiation process to further reduce the cost of this project.

CMAP staff is seeking Board approval for the award of a fourteen-month contract with **Arctic Information Technology** for the not-to-exceed cost of \$2,394,220. Support for this contract will be provided from the FY22, FY23 and FY24 Operating Grants.

ACTION REQUESTED: Approval