**THIS IS NOT A CALL FOR COMPETITION**

**Please note this is not a contract opportunity at this stage**

**Carlisle City Council**

**SOFT MARKET TESTING**

The Council wishes to collect information relating to the provision of FINANCIAL MANAGEMENT SYSTEMS and help it in determining how the market would respond to a formal competitive tender for provision of services that would deliver the following objectives:

* Provision an up to date, modern, and robust, financial management system;
* Maximise the opportunity for further scalability, flexibility and development including adding additional modules should the Council consider expansion of further shared working / selling of services;
* Aim to improve financial processes in line with best practice standards and to achieve efficiencies in consistent business processes and reporting;
* To deliver efficiencies through ease of use, improved business processes, maintenance and development;
* Be Digital by Design (i.e. accessible, allow ease of integration to other platforms outside of the core scope).
* The application must be Cloud based, the preference being Software as a Service including a full disaster recovery service.

The main requirements are specified at **Appendix A**, however the key modules to be provided are:

**Lot 1 – Financial System**

General Ledger

Accounts Payable / Purchasing

Accounts Receivable / Debtors

Budget Preparation

VAT Reporting

Reporting

**Lot 2 – Income Management**

Income Management / Cash Receipting

The Council would be interested in hearing from suppliers who can satisfy either or both the above Lots.

The aim of this soft market testing is to understand the following areas:

* Capability of suppliers to deliver our requirements
* The potential level of interest in bidding for this contract
* Indicative costs required to implement the system, any software licence costs, and ongoing support and maintenance costs.

The Council is keen to look at all software solutions that can meet its needs and is not restricting its search to traditional local authority solutions.

The main areas where there are specific Local Authority Accounting requirements are:

* Budgeting – Budgets are the maximum amounts a manger has authority to spend over a period.
* Reporting
  + To internal management
  + To external stakeholders e.g. central government returns in a prescribed format.
  + Freedom of information requests
  + Transparency data (publication of payments over £250)
* Fund accounting e.g. allocating payments to different funds

**Background**

Carlisle City Council is a district Council in North Cumbria serving a population of approximately 105,000 residents. The Council employs approximately 450 employees with the majority of services operated in-house.

The current financial system is provided by Civica Financials with income management and cash receipting also being provided through the Civica Icon system. There are approximately 160 users. Both current systems are provided on a hosted basis.

A list of Council services is provided at **Appendix B**.

The Council takes income from a variety of sources and processes these in a variety of different ways. Payments can be taken in the following ways:

* + Face to Face (Chip and Pin)
  + Telephone (Automated/Customer Advisor)
  + Website
  + Cheque

**Structure of the initial market testing engagement exercise**

The Council would like organisations to respond to this soft market test by answering the questions set out in the **response document at Appendix C**. Please do not provide additional information or brochures and limit your responses to 500 words per question. If you believe this may be something you can contribute to please formally “Express your Interest” and complete the questionnaire below by 5th July 2019. These responses will be used for information only and will not form part of any subsequent procurement exercise.

A limited number of suppliers may be invited to discuss and demonstrate their solutions. Again, any such demonstration will not be scored, and will solely be used by the panel to refine the Council’s requirements. As stated above, attendance at the demonstration session will have no bearing on any procurement exercise, and will not be scored.

The exercise will not include or preclude any organisation from participating in any future procurement exercise that might subsequently be undertaken.

Please submit your responses via The Chest.

The deadline for responses is **Thursday 25th July 2019**.

**No information provided in the response to the soft market testing will be used in any evaluation of any subsequent response to a procurement exercise.**

**Formal procurement**

The Council is considering the timescales for a procurement process and this soft market testing exercise will inform the route that process takes. Suppliers are also asked to propose procurement frameworks which may be considered.

Suppliers are advised that all correspondence relating to this soft market testing engagement exercise will be undertaken via The Chest.

**Appendix A**

###### **The main requirement for the Financial system are:**

###### **General Ledger including**

* Flexible Charts of Accounts (multi-company and multi structure)
* Adaptable reporting structures and hierarchies
* In system enquires

**Accounts Payable / Purchasing including**

* Electronic Purchase Ordering
* Commitment Accounting
* Integrated document management for scanned/pdf invoices
* Supplier payments (preferably with cheque generation abilities)
* Sub-Contractor deductions/submissions

**Accounts Receivable / Debtors Module including**

* Invoice creation - ad-hoc and regular and easily customisable
* Debt Recovery
* Direct Debits & Instalment Plans
* Write Offs

**Budget Preparation & Monitoring including**

* Monthly forecasting
* Preparation of budgets
* Budget Profiling
* Scenario Planning

**VAT Reporting including**

* Monthly VAT returns / Electronic submissions to HMRC
* VAT Reporting

**Functionality including**

* User Alerts for Outstanding Tasks
* User Dashboards
* Electronic Invoices & Remittances
* In system enquiries
* Transaction Drill Down facility
* Data download & upload
* Integration with the Council’s systems such as Revenues and Benefits, Cash Receipting, BACS and Payroll
* Ability to obfuscate data to comply with General Data Protection Regulations

###### **The main requirement for the Income Management system are:**

* + Full Bank Reconciliation
  + Allocation of income to defined funds, VAT code and use of short codes for income allocation
  + PCIDSS compliant
  + Variety of income receipting options e.g. chip and pin, ATP, phone, online and API.
  + Easy transaction moving, splitting and refunding.
  + Transaction distribution to import payments from other sources and export payments made to other council systems.

###### **The main general requirements for both systems are:**

**Reporting including**

* Ability to build and customise reports
* Ability to schedule regular reports to run at prescribed times
* Ability to email reports adhoc/schedule
* Reporting dashboard
* Multi- year reporting
* Ability to report across all modules

**Technical including**

* + Solution is Salesforce based, SAAS, Implemented on IaaS services or Vendor hosted.
  + Web browser access via https with no or limited client extra install.
  + Single sign-on using Azure AD/SAML with two-factor authentication.
  + Compatible with Zscaler ZIA to allow us to monitor https traffic

**Appendix B – Council Services**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Community Services** | **Economic Development** | **Corporate Support** | **Finance and Resources** | **Governance & Regulatory Services** | **Corporate Management** |
| Arts & Leisure Contracts | Building Control | Customer Services | Accountancy | City Engineers | Direct Revenue Financing |
| Bereavement Services | Business Support | Digital and Information Services | Audit | Democratic Services | Non-Distributed Costs (Pensions) |
| Car Parking | Conservation & Heritage | Revenues & Benefits | Creditors | Electoral Services | Corporate Management |
| City Centre Management | Development Control | Risk Management | Debtors | Environmental Health | Other Financial Costs |
| Carlisle Partnership | Economic & Border Partnerships | PA Support Team | Finance | Enterprise Centre | Asset Management Costs (Depreciation) |
| Community Centres | Economic Development |  | Human Resources | Health & Safety |  |
| Community Safety | Enterprise Zone |  | Insurance | Homelessness & Homelessness Accommodation |  |
| Corporate Communications | Planning Enforcement |  | Organisational Development | Investment & Operational Property |  |
| Emergency Planning | Regeneration & Projects |  | Section 151 | Land Charges |  |
| Events | Rural Policy & Support |  | Payroll & Personnel | Legal Services |  |
| Green Spaces | Section 106 / Community Infrastructure Levy |  | Procurement | Licensing |  |
| Marketing | Strategic and Housing Planning Policy |  |  | Mayoral Support |  |
| Old Fire Station |  |  |  | Member Services |  |
| Overview & Scrutiny |  |  |  | Monitoring Officer |  |
| Policy & Performance |  |  |  | Private Sector Housing |  |
| Refuse and Recycling |  |  |  | Strategic Property |  |
| Sports Development |  |  |  | Welfare Advice Service |  |
| Street Cleaning |  |  |  |  |  |
| Third Sector Grants |  |  |  |  |  |
| Tourism |  |  |  |  |  |
| Health & Wellbeing |  |  |  |  |  |

**Appendix C**

**Response Document**

## **COMPANY INFORMATION**

|  |  |  |
| --- | --- | --- |
| 1.1 | Trading Name & Address |  |
|  |
|  |
|  |
|  |  |  |
| 1.2 | Address for Correspondence Relating to this Application:  (If different to 1.1) |  |
|  |
|  |
|  |
|  |  |  |
| 1.3 | Contact Name: |  |
|  | Position in Company: |  |
|  | Telephone Number: |  |
|  | Fax Number: |  |
|  | Email Address: |  |
|  | Mobile Phone Number: |  |
|  |  |  |
| 1.4 | Company Website: |  |
|  |  |  |
| 1.5 | Company Status: | *Please Indicate* |
|  | Sole Trader | **🞎** |
|  | Partnership | **🞎** |
|  | Limited Company | **🞎** |
|  | Public Limited Company | **🞎** |
|  | Charity | **🞎** |
|  | Other (please specify) |  |
|  |  |  |
| 1.6 | Date of Formation or Registration: |  |
|  |  |  |
| 1.7 | Registration Number: |  |
|  | Registered Address: |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| 1.8 | VAT Number: |  |

**Please limit each answer below to no more than 500 words**

1. **Company Background**

*Please provide details of your company’s core business and experience of providing financial management systems*

1. **Solution Overview**

*What system (including modules and versions) would you propose to meet the needs of the Council*

*Please provide an overview of the hosting options inclusive of disaster recovery and benefits of the solution proposed*

1. **In Scope Principles**

*Please advise how your solution meets the objectives outlined below:*

* ***Provide an up to date, modern, and robust, financial management system***
  + *Ability to meet core financial system requirements of a modern Local Authority*
  + *Application of local authority preconfigured templates and/or ease of configuration.*
  + *Ability to report on multiple structure hierarchies*
  + *Examples of innovative use of core modules Accounts Payable/Procurement, Accounts Receivable, Financial Reporting, budgeting. For instance use of workflow, catalogues, Integrated document management for scanned /pdf invoices, optical character recognition, drill down, alerts, search engine, office integration.*
* ***Maximise the opportunity for further scalability, flexibility and development***
  + *Supports multiple instances / companies / partnership working and collaboration.*
  + *Provide solution(s) that cater for varied sizes of organisations with varying complexity.*
  + *Can scale up and down in a cost effective and timely manner.*
* ***Provide a compliant and flexible income management solution for the Council to take payments and process*** 
  + *Supports full bank reconciliation processes including uploading of bank statements*
  + *Provides ability to take payments in different forms, e.g. cheque, telephone, web, face to face, Chip and Pin etc*
  + *Provides analysis and allocation of income into different funds and use of short-codes for allocations of income to various General Ledger codes.*
* ***Aim to improve financial business processes in line with best practice standards and to achieve efficiencies in consistent processes and reporting*** 
  + *Ease of reporting for management and statutory functions.*
  + *Ability and ease to adapt to changes in reporting in management and statutory requirements.*
  + *Examples of innovative business processes implemented at other customer sites (including but not limited to budgetary reporting, electronic purchasing processes, debt management).*
  + *Support to re-engineer current business processes*
* ***To deliver efficiencies through ease of use, maintenance and development*** 
  + *Easy to use, accessible interface.*
  + *Ability to work from a variety of locations and using a range of different devices.*
  + *How easy is it to configure up front?*
  + *How easy is it to make changes to configuration later?*
  + *On-going maintenance requirements (cost and size of team and/or hosted solutions).*
  + *Ease of development.*
* ***Digital by design***
  + *Delivers modern, personalised user interface experience.*
  + *Personalised for users and for different organisations and SLE’s.*
  + *Accessible.*
  + *Supports self-serve capabilities.*
  + *Designed with the user in mind.*
  + *Ease of integration to other platforms*
* ***Compliance with regulations***
  + *PSN and PCI compliant*
  + *GDPR Compliance*

1. **Implementation**

*Please provide indicative implementation timescales to move from the current platform to the new platform.*

*Please provide any details of support you could offer the Council in preparing the business case to review its potential ERP replacement.*

*As we have provided limited information at this stage about our requirements, please advise what the key deciding factors are that will inform the implementation timetable.*

*Please provide an indication of the Resources required by the Council during the implementation.*

1. **Indicative Costs**

*Whilst we appreciate this is not a tender, it would assist the Council to understand the possible indicative costs for the solution proposed in the areas outlined.  Please outline what further key information you would require to provide firmer costs:*

* *Implementation costs*
* *Licensing costs and licence model*
* *Support and hosting costs.  Please include different support options and indicate the model you would recommend and the benefits*

**Lot 1 – Financial System:**

**Lot 2 – Income Management**

1. **Procurement process**

*Please provide indicative timescales for a procurement process to be undertaken. Are there any available frameworks that the Council could use that are fit for purpose? What are the main procurement issues you have faced with recent procurements for this type of product?*

1. **Other Local Authority users**

*Please can you provide a list of other Local Authorities who currently use your system? Including contact details where possible.*

|  |  |
| --- | --- |
| Signed |  |
| Name (Block Capitals) |  |
| Designation |  |
| For and on behalf of |  |
| Date |  |