Memorandum

Responses to Questions Received on the Request for Proposal (Ref#FIN0825-001)

Enterprise Planning Resource (ERP) System Architecture and Configuration

Date of doc: 8/21/2025

1. Could you please provide details on your data migration requirements into Dynamics 365 Business Central, including:
 - What legacy systems or databases are currently in use?
 - Which key data entities need to be migrated (e.g., customers, vendors, items, open transactions)?
 - What is the expected data volume and historical period to be migrated?
 - Are there any data cleansing or transformation requirements prior to migration?
 - Are there specific compliance or audit considerations related to the migrated data?

A: Our current ERP system is Accufund (on-premise), and all migration requirements will originate from this platform. Key data entities include customers, employee records, payroll items, vendors, charts of accounts, items, open transactions, and relevant historical financial records. All required data is housed on our internal server and is generally clean. If feasible, we would like to migrate the full historical dataset (for reference, our general ledger contains approximately 500,000 entries). Maintaining audit trail integrity is essential and must align with public agency compliance standards.

2. Could you please provide the total number of business users who will require access to Microsoft Dynamics 365 Business Central, broken down by department? Additionally, please specify the type of access required for each group of users, such as:
 - Full access (transactional/business process users)
 - Limited access (e.g., executives, report-only users, approval/review users)
 - Any other role-specific or read-only access needs.

A: MWDOC has approximately 50–60 system users. Of these, about 5 accountants and up to 3 HR/payroll will transact in the system daily. The remaining users will have limited or read-only access for time entry, expense reporting, reporting, approvals, or review purposes.

3. Are there any restrictions or preferred formats for submitting the proposal, such as Word, PowerPoint, or PDF?

A: PDF please

4. With respect to post–go-live support, could you please clarify the nature of ongoing technical support you expect (e.g., helpdesk, system monitoring, upgrades, user training)? Additionally, how many years of support coverage are you anticipating, and should we include a Total Cost of Ownership (TCO) estimate at this stage?

A: We expect ongoing technical support for about a year to get us started. This includes desk services, periodic system monitoring and user training refreshers. We anticipate requiring some support coverage post-implementation. Please provide cost estimates for that effort.

5. Given the reporting requirements outlined including the ability to generate standard and ad-hoc reports, develop financial statements, dashboards, and budget reports, and enable data exports and visualizations, could you please specify which reporting tools are currently under consideration? This will allow us to evaluate the options and recommend additional solutions if appropriate.
A: The updated RFP specifies that Excel is the reporting tool of choice, particularly for ad hoc and Board reporting. Business Central's native reporting capabilities and dashboards should also be leveraged.

6. Can you describe your procurement process from RFQ issuance through vendor selection, requisition, and payment, and how do you plan and manage procurement budgets and cost controls during this cycle?
A: Our procurement process generally includes issuance of RFQs, receipt of vendor proposals, internal evaluation, vendor selection and notification.

7. Can you walk us through your complete sales process from lead generation to invoicing and payment receipt and explain how you manage pricing strategies, discount policies, and customer credit limits, including any approval workflows involved
A: As a public agency, we do not maintain a traditional sales pipeline. Revenue is primarily generated through water wholesaling, program participation, water reliability projects, and inter-agency agreements. Invoicing and collections are managed within established approval workflows under the oversight of the Finance department

8. How many warehouses or storage locations does your organization manage, and do you require centralized or decentralized inventory visibility across these sites?
A: We do not operate multiple warehouses. Our inventory needs are minimal and primarily limited to office and program support materials.

9. How many different type of inventory is being managed, is there is any specific requirement related to Inventory management?
A: N/A

10. Can you describe your key business workflows, including any approval hierarchies, involvement of external stakeholders, and how exceptions or overrides are handled within those processes?
A: Key workflows include procurement, budgeting, financial reporting, program billing, water billing and approval processes for expenditures. Approval hierarchies generally follow departmental management through executive management, with General Manager required for certain $amount thresholds. Exceptions and overrides are handled through established policies and documented approvals

11. What types of rebate programs do you offer, and are they based on customer level, product level, or both?
A: Currently, we do not require grants lifecycle management within Microsoft Dynamics 365 Business Central as grant tracking is handled outside of the ERP system.

12. How do you calculate rebate eligibility based on sales volume, revenue, or specific time periods and what workflows are involved in approvals?
A: These calculations will be calculated outside of Business Central

13. Could you please elaborate on your fixed asset management requirements? Specifically, do you require functionality for lease management, or are you focused on asset lifecycle management including preventive and corrective maintenance?
A: We do not have much fixed asset to record. Therefore, the basic functionality provided by business central is sufficient.

14. Do you manage internal projects, customer-facing initiatives, or other types of projects such as grant funded or cross-departmental efforts, and how do you differentiate and track them within your system?
A: We do not currently use a CRM system within our ERP

15. Can you describe how your organization manages billing for water usage and service fees, including the application of tiered or seasonal rate structures, and what systems or processes support invoice generation, overdue account handling, installment plans, and reporting across districts or service zones
A: These are performed by the seller of the water we are buying. Since we are a pass-through, we bill it to our member agencies (which are our local water districts)

16. How do you manage vendor contracts, payment terms, and recurring obligations such as utilities or leases, and do you require approval workflows, departmental tracking, or integration with grant and fund accounting systems to ensure compliance and performance monitoring?
A: Vendor contracts are tracked with contract number, vendor, term, not-to-exceed (NTE) amount, funding source, and Board approval references. Payment terms are typically Net 30. Compliance is ensured through approval workflows, budget checks, and attachment of contract documents

17. How do you need to track different fund types in Business Central (e.g., restricted, unrestricted, grant-based)?
A: Business Central should support fund accounting, distinguishing restricted, unrestricted, and grant-based funds. We prefer using dimensions/segments to tag Fund, Department/Cost Center, Program/Project, and Funding Source to support reporting

18. Do you require Business Central to manage fund transfers and allocations automatically?
A: Yes. Currently, inter-fund/inter-program transfers and allocations are processed via journal entries.

19. Are there specific reports or compliance dashboards in Business Central you need for fund tracking?
A: Required reports include: Fund balance by fund; Statement of Revenues, Expenditures, and Changes in Fund Balance; Budget vs. Actual by fund, department, and program and Encumbrance/commitment reporting

20. Which AP processes Business Central should support for vendor invoices and payments?
A: Business Central should support invoice capture, 2-/3-way match, configurable approval workflows, ACH/check/Positive Pay, remittance advice emails, 1099/1096 processing, segregation of duties, and bank reconciliation. Payment runs support for partial payments and credit memos

21. Do you need to create and manage departmental or project budgets directly in Business Central?
A: Yes, but compilation of budget will remain in excel for the time being as we may move into a multi-year budget cycle

22. Should Business Central support multi-year budgeting and “what-if” scenario analysis?
A: Yes, and Yes

23. Are automated approval workflows for budget submissions required?
A: Yes

24. Do you need Business Central to provide variance analysis (budget vs. actual) and reporting dashboards?
A: Yes

25. Are there specific dashboards, KPIs, or analytics in Business Central you want for decision-making?
A: Budget utilization %, YTD vs. budget/forecast, encumbrances and remaining available funds, cash by fund, AR aging by member agency/program, AP aging and payment cycle time, contract/NTE utilization, and project/program cost-to-date Revenue and Cost

26. In addition to the high-level modules outlined, could you please provide more detailed requirements for the core financial modules (e.g., general ledger, accounts payable/receivable, budgeting, fixed assets), procurement, and any other finance-related functions? This will help us better understand the specific processes, and reporting needs, that are critical to your operations
A: Our immediate priority is to implement and stabilize the new ERP system, including all necessary integrations, before exploring additional features. As a small but growing agency, we welcome feedback on our current business processes and how Business Central can help streamline and improve them

27. The RFP refers to ‘architecting.’ Does this mean only the solution architecture for D365 Business Central (with Paylocity, and the Excel-based reporting tool), or an enterprise-wide integration architecture connecting additional current/future systems as well? If enterprise-wide, which systems/flows are in scope?
A: The RFP refers to the solution architecture for Microsoft Dynamics 365 Business Central, including integration with Paylocity and Excel-based reporting (a tool has been defined on the updated RFP, please check). Enterprise-wide integration beyond these systems is not currently in scope.

28. If the scope is enterprise-wide, would you prefer simple point-to-point integrations or a lightweight central integration layer to support added systems? Is there any latency/SLA or RPO/RTO expectations we should design for?
A: nan

29. We assume 10 users are expected to access BC and to be trained, please confirm.
A: Virtual training is fine. We estimate about 5 accountants to be trained to use business central

30. Could you please confirm whether virtual training sessions for Dynamics 365 Business Central would be acceptable to MWDOC, or if there is a preference for in-person training?

A: Virtual training sessions are acceptable. In-person training may be considered if necessary during implementation

31. a) For General Ledger, Customer, Vendor, and Fixed Assets data, do you require a full transactional data upload, or would a consolidated opening balance as of a mutually agreed date suffice?
b) If transactional data upload is preferred, how many years of historical data are you planning to import?
A: Data entities to be migrated will all be from Accufund. This include: customers, employee records, payroll items, vendors, chart of accounts, items, open transactions, and relevant historical financial records. If possible, we anticipate migrating all historical data (as a reference, we currently have about 600k lines of entries in our GL table)
a) A consolidated opening balance as of a mutually agreed date is sufficient.
b) If transactional data upload is determined necessary, approximately three years of historical data will be considered.

32. As Jet reports are considered for reporting, should we co-ordinate with ISV company or MWDOC will handle the setup and configuration?
A: MWDOC expects bidding vendors to coordinate with the ISV(s) company to set up and configure their solutions with Business Central

33. a) Which Paylocity products are currently in use?
b) Also, could you provide some more details with regards to which functionalities need to be integrated with Paylocity—such as timesheets, payroll, expense reporting, and employee management?
A: a) None, but Paylocity integrates with Business Central
b) Integration needs are: full payroll processing (including tax filings) and related employee data required for financial reporting. Timesheets, expense reporting, and employee management.

34. Are there integrations beyond Paylocity and the Jet Reports? If yes, please share details of the systems, and details of integration (unidirectional/bidirectional, no. of services)
A: No integrations beyond Paylocity and Jet Reports are anticipated at this time

35. Are there any custom document reports required (e.g., Sales Invoice, Purchase Order, Payment Voucher, etc.) beyond the standard templates provided by Business Central?
A: No additional custom document reports are required beyond the standard templates provided in Business Central

36. What are the tax modules (i.e VAT/Sales Tax) to be implemented in BC?
A: A separate tax module is not necessary in Business Central at this time. As we are a sales tax-exempt agency, we only track use tax activities

37. Could you please confirm the expected duration of post-implementation support? Is MWDOC anticipating a 1-year support period, or a longer-term commitment?
A: MWDOC anticipates a minimum one-year support period post-implementation. A longer-term commitment may be considered based on cost and need

38. Is there a specific form or format that proposers must use to submit the Conflict of Interest declaration? If so, kindly share the template or provide guidance on where it can be accessed.

A: There is no required template. Proposers may provide the Conflict of Interest declaration in their standard format

39. We assumes that Exhibit B (Ethics Policy acknowledgment) is required only at the selection stage for the chosen vendor. Please confirm if this understanding is correct or if it must be submitted as part of the proposal.
A: Exhibit B (Ethics Policy acknowledgment) is required only at the selection stage for the chosen vendor. It does not need to be submitted as part of the proposal.

40. Can build the proposal response in its own format while addressing all the response components mentioned in section #4 of the RFP document?
A: Yes, proposers may submit the proposal in their own format, provided all response components outlined in Section #4 of the RFP are addressed