OKLAHOMA
Office of Management
& Enterprise Services

Amendment of Solicitation

Date of Issuance: 9/24/2020

Solicitation No. 0900000458

Requisition No. 0900014049

Amendment No. 1

Hour and date specified for receipt of offers is changed: ☒ No ☐ Yes, to: ____________ _____ _____ CST

Pursuant to OAC 260:115-7-30(d), this document shall serve as official notice of amendment to the solicitation identified above. Such notice is being provided to all suppliers to which the original solicitation was sent.

Suppliers submitting bids or quotations shall acknowledge receipt of this solicitation amendment prior to the hour and date specified in the solicitation as follows:

Sign and return a copy of this amendment with the solicitation response being submitted; or,

If the supplier has already submitted a response, this acknowledgement must be signed and returned prior to the solicitation deadline. All amendment acknowledgements submitted separately shall have the solicitation number and bid opening date in the subject line of the email.

ISSUED FROM:

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Contracting Officer	Phone Number	E-Mail Address

RETURN TO: OMESCPeBID@omes.ok.gov

Description of Amendment:

a. This is to incorporate the following:

Below are the responses to supplier questions received. No further questions will be accepted.

1) Implementation Timeline – When do you want the application to be operational and managing leases per GASB 87?

   We would like to begin entering data into the system in early calendar year 2021.

2) What is the makeup of 15,000 lease portfolio, broken down by the following:

   - Lessee and Lessor We have not gathered lessor detail from agencies. Very few actually act as lessors
   - Real Estate vs Equipment Most will be equipment. Building and land will likely be < 500.
   - By MSA (if any) – Assuming, you have assets under MSA please provide number under each MSA and whether you have access to reports from each vendor with key lease information (e.g. for fleet) I am not familiar with MSA terminology
   - Significant reporting activities/components The state has ten functions of government
   - Inter-agency lessee/lessor activities (if any): We will not be tracking interagency leases.

3) What is your current ERP system(s)?

Cash basis financials come from PeopleSoft. Modified and Full Accrual are prepared in Oracle Financial Cloud.

4) Will you need multiple general ledgers set up in the lease accounting system?

We are not looking to set up general ledgers. We just need a way to get lease liability/asset data summarized for minimal journal entries into OFCCS.

5) Will you need more than a flat file integration between the lease accounting application and the ERP(s)?

We don't necessarily need integration between the applications.

6) Is lease information currently being maintained in excel? If not, how is lease information being maintained?

Manually. Reported by conversion packages (also in excel).

7) Besides standard disclosure reports and reports to reconcile JE's too, are there any other reports that you will be requiring from the application (e.g. for lease procurement or administration)?

Currently, the only use is expected to be for GAAP financial reporting.

8) Will you want approval/workflow functionality set up in the lease accounting system (e.g. so you have one person initiating and one person approving each new lease entered into)?

That could be beneficial.

9) Plans/resources for abstracting leases into lease accounting system. Are you looking for abstraction services or do you plan on handling internally?

I'm not sure I understand what is meant by "abstraction services."

10) Are you looking for technical accounting services/resources to support GASB 87 adoption efforts (e.g. embedded lease evaluation, implementation memo, Day 2 memo, assertion for completeness and accuracy of lease population)?

We do not believe so.

11) If you need assistance in evaluating potential embedded leases, please provide the types of service arrangements you have and a rough number?

N/A

12) Will you determine incremental borrowing rates internally (e.g. through treasury team) or will you need assistance?

We are working with the State Treasurer/Bond Advisor for this.

13) 8.1 "Preparation of Bid", section F, paragraph I – Refers to Exhibit Tiled State Expectations – We were unable to find this through your Wiki

This document is not part of this solicitation and not required. Please disregard Exhibit titled State Expectations requirement

14) Will you sign a MNDA with the software solution we propose implementing? This will cover responses and documentation around security questions you have

Suppliers must submit the Security Assessment, which is a confidential document and not subject to open records requests.

15) Can you confirm that the entire Security Certification and Accreditation Assessment excel file found at the below link is required to be completed? In the bidder instructions, 8.2, section H, paragraph iii it says "**if** an IT Security Certification and Accreditation Assessment is required"
https://omes.ok.gov/sites/g/files/gmc316/f/SecurityCertification-R_0.xlsx

Yes. This project is considered an IT project and therefore this section would be required to be completed.

(This paragraph is a precursor to the following questions) GASB87 compliance includes the State of Oklahoma ("State") in the role of both lessor and lessee. Certain of our questions may need to be answered both from the standpoint of the state acting as lessor given that different agencies may be utilizing different systems, data bases, and/or spreadsheets to capture the over 15,000 lease population given the following:

- The current state may include different state agencies, people, processes and systems which may also vary for lessee and lessor leases within the same agency
- The future state may include different agencies, people and processes for lessor and lessee leases, but will need to be consolidated into the new solution

16) Number of leases:

a. Number of operating leases with the State as lessor

This will be a relatively small number. The vast majority of lessor agreements are eliminated on a state wide basis because they are within the same fund.

b. Number of operating leases with the State as lessee

Our estimate is approximately 15K

17) Agencies/Anticipated number of users in the future:

a. When State is lessor: Number of agencies/users

We anticipate five users using the system. Currently, about five agencies have reportable lessor agreements. They will report that information to the Financial Reporting Unit who will, in turn, get the data into whatever system is used.

b. When State is lessee: Number of agencies/users

We anticipate five users using the system. The data will be provided by the finance officers of around 100 agencies, but we want to limit data being entered into the system.

18) What are the top 5-10 of types of leases (lessor vs lessee)? Examples: office leases, fleet (vehicles), utility infrastructure, equipment, others types

We have very few categories for the leases. Land, Machinery & Equipment, Buildings. In the near future, we will add Intangible Assets for software leases.

19) Which agencies and who within the agencies manage the current lessor/lessee portfolio?

The current portfolio is managed individually by the agencies and then reported to the Financial Reporting Unit at OMES who manages them for the state CAFR.

20) Are there currently standard lease forms/templates maintained by the state?

a. Templates when State is the lessor?

The agencies report them on what are called "GAAP Conversion Packages" to the Financial Reporting Unit. We intend to keep this system by changing the packages to fit GASB 87.

b. Templates when the State is the lessee or does the state rely on?

The agencies report them on what are called "GAAP Conversion Packages" to the Financial Reporting Unit. We intend to keep this system by changing the packages to fit GASB 87.

21) Is a component of this project, the development of standards/templates and the change management needed to make those standards/templates a normal, recurring transaction for the state?

It can be, but we already have a good template for gathering the lease terms.

22) Who will own the new data set? Is it accounting group? Will they then use data for footnotes and accounting entries? Are they expecting to consolidate data?

The Financial Reporting Unit will own the data. The data will be used for footnote disclosures and journal entries. Both will be heavily consolidated.

23) Are there dedicated resources from OMES-IS that have been identified to perform the data custodian roles for the lease solution? Are those resources dependent on the selection that is made?

We currently do not own the lease administration module in PeopleSoft and therefore do not have dedicated resources.

24) What accounting platform is currently utilized by State of Oklahoma? Are data uploads allowed directly into the accounting system?

We currently use Excel spreadsheets. However, we currently are allowed a materiality threshold that limits the number of leases we must track. For instance, there are only about six capital leases, and operating leases are all considered year-to-year. It is not difficult to track them. With GASB 87, our auditors are disallowing the materiality threshold, and most operating leases will become capital leases due to options.

25) Does the state have material numbers of leases where it acts as lessee and as the lessor, both subject to GASB87?

No

26) Are there currently standard lease templates for when the State is a lessee or a lessor? How much of the RFP will involve the establishment of business process standardization/templates for 160 agencies in order to compile the data into a useful, reportable form?

We have a questionnaire that we believe has all the necessary information. It can be adapted if more/less information is necessary.

27) Section 3 of Attachment D to Solicitation # 0900000458 states that "Supplier shall provide a Voluntary Product Accessibility Template ("VPAT")… via a URL linking to the VPAT and shall update the VPAT as necessary in order to allow a Customer to obtain current VPAT information as required by State law." Given the confidential nature of the VPAT, would it be acceptable for a Bidder to submit the VPAT associated with its software solution via Portable Document Format ("PDF") instead of by submitting a URL?

The language in this section uses the word "may" therefore a PDF would be acceptable, though the link is preferred to ensure it is the most current version.

28) Can companies from Outside USA can apply for this? (like, from India or Canada)

All vendors who are interested in pursuing a state contract must review the requirements for registration with the Oklahoma Secretary of State (SOS) and the Oklahoma Tax Commission (OTC). Some vendors may be exempt from SOS and/or OTC registration. It is the responsibility of each vendor to make the determination of an exempt status. For more information regarding registration with the SOS or OTC, please contact each agency, respectively.

29) Do we need to come over there for meetings?

We just completed an implementation that was done mostly by remote due to COVID. Being on premises is not a mandatory.

30) Can we perform the tasks (related to RFP) outside USA? (like, from India or Canada)

Vendor shall provide its services to customer and its users solely from data centers in the U.S. Storage of customer data at rest shall be located solely in data centers in the U.S. Vendor shall not allow its personnel or contractors to store customer data on portable devices, including personal computers, except for devices that are kept only at its U.S. data centers. Vendor shall permit its personnel and contractors the access Customer Data remotely only as required to fulfill Vendor's obligations under the Contract.

31) Can we submit the proposals via email?

As noted on the first page of the Bidder Instructions sealed bids are to be returned via email to OMESCPeBID@omes.ok.gov

32) Regarding the "implementation of Statement 87 "Leases"" are you able to be more specific on what you're looking for in terms of Financial Reporting? Can you also let me know what ERP is being used to house the data and if the data is on premise or hosted in the cloud?

The ERP being used for financial reporting is Oracle Financial Cloud. However, the agency is wanting to limit the number of journal entries made into the system. The aim is for the solution to give summarized reports that can be used to make one journal entry at year's end.

33) Is the desired solution strictly for entries being made into Oracle Cloud? Are there separate data sources required or just this GL? Total user counts?

We need to get the data into OFCCS, but that will be the final step. We need to gather the leases for as many as 160 agencies and then calculate the liability and the amortization schedules. At the end, we would like to be able to summarize the data into a single journal entry into OFCCS. Ideal output would be into Excel first. There will be five users actually using the system

34) When you say you need to gather the leases, where are they coming from?

The State of Oklahoma as a reporting body is made up of approximately 160 agencies that are consolidated into one entity. The lease data will be collected from all the agencies, possibly by a questionnaire, seeking the data necessary for making GASB 87 calculations.

35) Section 8.2 clearly outlines the bid format. However, there are several sections that include "if required...". Which, if any, of sections 8, 11, 12, 13, or 14 are required for this bid response?

The initial response will be based on the criteria in section 8.1.B and the suppliers must submit the Level of Expertise, Risk Assessment Plan, Value Added Plan, Bidder Expert Lead Form, a cost proposal (in format of suppliers choosing) and required state forms listed in section 8.2.B. After evaluations a single vendor will be asked to move into clarification phase in which they will submit their plan (SOW) for the project. A Statement of Work is not required in the original submission and will be asked of the supplier chosen to proceed to the clarification phase. A supplier may choose to include it on their submission but it will not be part of the evaluations. This is considered an IT solicitation so the requirements in Section 8.2.H. i-iv will be required (v – SOW was already answered). Traditional references are not required; however, any verifiable claims made in the Project Capability Submittals will be verified for the vendor proceeding to clarification and we ask that you provide a separate document listing the references that could verify any claims made. None of the items in 8.2.K-8.2.N are required. Sections 11-14 are terms and conditions and not items to be included in a vendor response.

b. All other terms and conditions remain unchanged.

Supplier Company Name (**PRINT**)	Date

Authorized Representative Name (**PRINT**)	Title	Authorized Representative Signature