



PORT OF BELLINGHAM

Washington State

REQUEST FOR PROPOSALS

GASB 87 Lease Accounting Software

Port of Bellingham

Proposals Due: January 26, 2022 by 12:00 p.m. (Local Time)

**Port of Bellingham
1801 Roeder Avenue Suite 146
Bellingham, WA 98225**

Attention: Tamara Sobjack
Chief Financial Officer

ONE (1) Digital Copy Required – Email to tamaras@portofbellingham.com

GENERAL

The Port of Bellingham (Port) is soliciting proposals for lease accounting software. The Port will be the sole judge as to which proposal best suits the Port's requirements of this service. This request for proposals is intended to be part of a competitive bidding process. Although cost is an important consideration in this proposal, in accordance with RCW 39.04.270, the Port is not required to purchase services solely based upon the lowest bid. The decision to award a contract to a vendor will be based on the following factors.

Factor	Points
Technical Considerations	10
Integration	10
General Features	5
Accounting Considerations	50
Price	25
Subtotal	100
Interview (optional)	25
Total Points	125

The Port reserves the right to accept or reject in part or in entirety, any or all proposals received as a result of this request. Any decisions by the Port shall be final and conclusive.

Respondents will not be reimbursed for costs that they incur in preparing their RFP responses.

The Port is a public agency and as such is subject to the Public Records Act. Any information provided in response to this RFP may be subject to public disclosure.

BACKGROUND

The Port of Bellingham is a municipal organization that serves Washington's Whatcom County community by providing public transportation facilities, promoting economic development, providing stewardship of the commercial and industrial waterfront and by working with other agencies to provide needed public infrastructure. Port administrative offices are located in Bellingham, Washington. The Port leases industrial and commercial property, and operates an international airport, two full service marinas, a cruise terminal, a shipping terminal.

SCOPE OF SERVICES

The Port of Bellingham is seeking a lease accounting solution for its entire lease portfolio including but not limited to, real estate, vehicle, and equipment leases. The chosen solution must provide all necessary disclosures, reports, journal entries, and other outputs necessary to comply with Legacy GASB (Including GASB 13 and GASB 62) and GASB 87. The solution must have the ability to transition existing leases to the new standard and to provide the adjustments and journal entries necessary to restate the prior year financial statements as required under GASB 87.

The proposal should address the Scope of Services noted below:

Technical Considerations

- Intuitive user interface and navigation (GUI: graphical user interface).
- Allow for export of data to other applications.
- Establish system security controls by department or role to effectively manage accessibility to confidential data (e.g., a department will only have access their specific leases).
- Encryption of all data interchange/interfaces with other systems internal or external.
- Describe your service level agreement commitment for system up-time and explain your commitment if your SLA is not reached.
- Can the system support 24/7 operation with all data imports, exports and processing occurring simultaneously while users are active on the system?

Architecture

- Is your application cloud-based?
- Provide the architecture model/design for your solution.
- Describe your solution's ability to change and adapt the system to respond to changing organization needs (please include any features or functions that help users change or customize the system to adapt the way the system supports changing business process needs once the system has gone live).
- In which programming language(s) is the software and database currently maintained?
- Do you provide proof of operational service measures? If Yes, please describe.
- Describe your encryption.

Data Security and Access Control

- Please describe the user access security model provided with the application. Do you support federated single sign on between your apps (SAML, Windows AD, etc.)?
- Are you able to provide for access audits?
- Is system access recorded in an audit trail?
- Does the system have role based access functionality?
- Can the system restrict user access by allocation level? (i.e. specific departments can only view specific leases)
- How many users can be added to the software?
- Are additional users added at an additional cost?
- Does the software support an optional read-only access for auditors or others who do not require the ability to edit or enter data?

- Does the software support an admin type user who can add and delete users and update user roles only?
- Describe your data protection policies and data encryption standards.
- Does your company issue a SOC report? How often?
- What type of SOC report is issued? (SOC 1, SOC 2, SOC 3)
- Is your SOC report issued by one of the following firms: EY, Deloitte, KPMG, or PwC?
- Describe your provisions for secure storage, distribution and destruction of customer data.
- Describe other security and/or access controls of your solution not identified above.

Disaster Recovery (if Cloud Solution)

- Describe capabilities that exist within the system to minimize disruption and application downtime in the event of a system outage (RTO).
- What would you expect the application recovery time to be in the event of a system outage?
- How is system usage and performance monitored?
- Where are the data centers located?
- Where is data moved in the event of a disaster/recovery event?
- Are your data centers audited by a third party?
- Other disaster recovery considerations of your solution not identified above.

Browser Support

- Do you currently support, plan to support or plan to drop the following browsers:
 - Microsoft Edge
 - Google Chrome
 - Mozilla Firefox

Integration

- Define the integration/interface tools you deliver with your system (data import/export, Web services, APIs, etc.).
- All data used within the system can be loaded via the provided interfaces or batch upload (initial load or mass updates).
- All such data can be loaded while production use of the system continues.

General Features

- Does the system have real estate lease tracking and management?
- Does the system have equipment and vehicle lease tracking and management?
- Does the system have email notification for key dates (i.e. lease renewal options, expiration, rent payment changes, etc.).

Accounting Considerations

- Does your platform support dual jurisdiction reporting for the new lease accounting standards (i.e GASB)?
- Does the system offer the ability to apply discount rates at a portfolio level, based on the organization structure or asset class?

- Does the system offer complete lessor accounting under GASB 87, including the recognition and subsequent accounting for the deferred inflow of resources and the lease receivable?
- Does your system handle sub-lease accounting under GASB 87?
- Can you tie balances from high level disclosures to detailed reports, individual leases and amortization schedules?
- Does your system have the ability to calculate the journal entries needed to transition existing leases to the new accounting standard?
- Can the system appropriately account for lease modifications by prospectively adjusting the lease liability and asset?
- Does the system automatically generate the journal entries related to modifications and other re-assessment events that require remeasurement of the lease liability ?
- Does your system handle lease actions required under GASB 87? (i.e. modify, terminate, renew, impair, etc.)
- Can the system track lease history and provide an audit trail for any lease changes? Including, but not limited to the previous value, the new value, who made the change, who approved it, and when the change occurred.
- Does the system properly account for payments that are fixed in substance versus those that are variable under the requirements of GASB 87?
- Does the system provide reports for account balance reconciliations?
- Does the system provide users alerts as to whether a lease is in scope under GASB 87?
- Does your system support both full and partial lease terminations, including the automatic generation of the associated journal entries?
- Does your system have standard reports to address the disclosure requirements in GASB 87?
- Does your system have a custom reporting studio, allowing users to create their own reports?
- Can the system lock journal entries?
- Does the software have the ability to store accounting records and schedules for different points of the lease's life cycle? For example, do you have access to the amortization schedule before and after a lease modification?
- Does the software have the ability to record a cumulative catch-up entry for a lease that was not timely entered into the software?
- Does your system support the application of discount rates at the individual lease level and using the portfolio approach? (i.e. by asset classification, lease term, cost center etc.)
- Can the system store renewal options and allows users to designate the renewals as reasonably certain to be renewed or not reasonably certain to be renewed and will the lease term properly reflect the designation?
- Can the system pull aggregated journal entries by any level of the entity's organization structure and provide a lease-by-lease breakdown of the aggregated journal at the click of a button?
- Does the system provide the comparative financial statements required under the GASB 87 transition guidance?
- Does the system provide an opening balance sheet report for all former operating leases that are recorded on the Statement of Net Position under GASB 87?

- Does the system handle both accounting treatments permitted under Legacy GASB? (i.e. Lease Contract Method and Straight-Line Method)
- Does the system allow users to create unlimited customized fields?
- Does your organization support GASB 96 and the required accounting for subscription-based IT arrangements?

Pricing and Contracting

- Please describe your pricing model including licensing/subscription payments and additional fees for optional implementation services.
- Is your solution cloud-based (SaaS) or does it require the purchase of a perpetual license?
- Describe any potential license types needed to provide full functionality.

VENDOR RESPONSIBILITY

All questions concerning this RFP must be emailed to tamaras@portofbellingham.com. The deadline to submit questions is noon on January 21, 2022.

Include in the email, your company name, complete mailing address, phone number, fax number, contact name, and email address. Before submitting any questions, Proposers must check the Port's website (<https://www.portofbellingham.com/bids.aspx>). All questions that are asked will be posted with answers on the website.

VENDOR RESPONSE

This RFP was issued on January 5, 2022. All submissions must be received no later than January 26, 2022 by 12 p.m. PST and must include a completed RFP in PDF format as presented herein.

Please also include references from current users of the system with the completed RFP.

Direct all communications to Tamara Sobjack, Chief Financial Officer at tamaras@portofbellingham.com.

PROPOSAL EVALUATION

Members of a Port selection committee will score each proposal independently. The value of proposals will be rated in each of the categories listed below:

- **Technical Considerations:** Evaluation based on meeting the requirements as set forth in the scope of services.
- **Integration:** Evaluation based on meeting the requirements as set forth in the scope of services.
- **General Features:** Evaluation based on meeting the requirements as set forth in the scope of services.
- **Accounting Considerations:** Evaluation based on meeting all requirements as set forth in the scope of services.
- **Price:** Evaluation based on overall cost, implementation cost, and annual service contract cost
- **References:** Evaluation based on references supplied by the Vendor from current users of similar systems.

PROPOSAL SUBMISSIONS

All submissions become property of the Port and will not be returned. All conditions contained in this RFP are considered accepted by the vendor in any proposal submitted. The accepted proposal will be included as an attachment to the agreement with the Port. The successful service provider will be required to execute the Port's Standard Agreement for Personal Services without modification.

Proposals having any erasures or corrections thereon may be rejected unless explained or noted over the signature of the proposer.

Vendors shall submit proposal on company letterhead and be signed by a person authorized to bind the organization to the proposal specifications and pricing. By signing this proposal, the undersigned hereby acknowledges that they are authorized and duly bound to execute this document on behalf of the company and that his/her signature is binding on the company.

Proposals shall be emailed to tamaras@portofbellingham.com with the subject line: **GASB 87 Lease Accounting Software; Port of Bellingham.**

Proposals should include the following:

1. **Technical Considerations:** Provide detailed responses to the technical consideration requirements outlined in the scope of services section. Note whether the service is included in standard offering, provided by a third party, provided by the vendor but requires customization or not currently provided.
2. **Integration:** Provide detailed responses to the integration requirements outlined in the scope of services section. Note whether the service is included in standard offering, provided by a third party, provided by the vendor but requires customization or not currently provided.
3. **General Features:** Provide detailed responses to the general features requirements outlined in the scope of services section. Note whether the service is included in standard offering, provided by a third party, provided by the vendor but requires customization or not currently provided.
4. **Accounting Considerations:** Provide detailed responses to the accounting consideration requirements outlined in the scope of services section. Note whether the service is included in standard offering, provided by a third party, provided by the vendor but requires customization or not currently provided.
5. **Pricing:** All submissions must include two pricing matrices - one for software and another for any implementation services that may be necessary. The pricing provided must define the cost of initial implementation, licensing/subscription fees, and on-going/recurring annual estimated costs for services. We recognize that additional pricing analysis may be required and that the costs are subject to change based on that analysis. Vendors should clarify modules included and provide the following details: one-time costs (inclusive of license, implementation, migration, and training), recurring fees, and specify if ongoing maintenance, support and development are included in your pricing. You must state in writing that all provided pricing information, including stated prices, would remain valid and applicable for 90 days from the date the RFP is received.
6. **References:** A list of references supplied by the Vendor from current users of similar systems.

RFP Schedule:

January 6, 2022	RFP Advertised
January 26, 2022	Proposals Due
By February 28, 2022	Successful Proposal Selected
By March 31, 2022	Implementation of System

Amendments

Any prospective Vendor desiring an explanation or interpretation of the proposal documents must request the explanation or interpretation via email to tamaras@portofbellingham.com no later than 1/21/22 by 12:00 (PST); all answers will be posted on the RFP website at <https://www.portofbellingham.com/bids.aspx>. The Vendor agrees that the Port shall not be liable for any claim based on ambiguity of which the Vendor knew and did not inform the Port of or of which the Vendor should have reasonably known. It is the sole responsibility of the Vendor to visit the website throughout the proposal development process for any changes to the RFP documents issued by the Port; the Vendor agrees that the Port shall not be liable for any claim based on the Vendor's failure to monitor the website for changes.

The Port may amend, in whole or in part, any terms or provisions of this RFP prior to the closing time. Final agreements will require approval by the Port of Bellingham Commission or Executive Director.