



**CONSULTING SERVICES:  
DYNAMICS AX 2012 TO DYNAMICS 365 CLOUD UPGRADE  
REQUEST FOR PROPOSALS (“RFP”)**

- ISSUE DATE: August 20, 2019
- DUE DATE: **2:00 P.M.** on **September 12, 2019** (“Submission Deadline”)
- INSTRUCTIONS: Please submit five (5) paper copies and one (1) electronic copy of the Request for Proposals (“RFP”) on a USB flash drive. Submittals must be delivered in a sealed package in person, via mail or courier. Please write “Dynamics” clearly on the outside of the sealed package. Pricing should be delivered with the Proposal in a separately-sealed envelope within the package labelled “Pricing”. (Please include the Pricing form as a separate file on the flash drive.) Submittals received by email, fax, or after the Submission Deadline will be rejected.
- SUBMIT TO: Houston First Corporation, Attn: Mitch Miskowski, 701 Avenida de las Americas, Suite 200, Houston, TX 77010.
- CONTACT INFO: Any questions concerning this RFP must be submitted by e-mail to [bids@houstonfirst.com](mailto:bids@houstonfirst.com) no later than **10:00 a.m.** on **September 6, 2019**. Questions will be answered collectively in the form of a Letter of Clarification and made available at [www.houstonfirst.com/do-business](http://www.houstonfirst.com/do-business).

**PURPOSE AND OVERVIEW**

Houston First Corporation (“HFC”) requests proposals from qualified consultants (each a “Consultant”) with significant experience in software migration and upgrading from Microsoft Dynamics AX 2012 R1 (“Dynamics AX”) – HFC’s current financial system – to Microsoft Dynamics 365 Cloud for Finance and Operations (“Dynamics 365”) as part of HFC’s cloud strategy.

HFC seeks to effectuate the upgrade on a “like-to-like” basis with minimal business process changes. HFC has been approved by Microsoft for the FastTrack program for this project and prefers to work with a Consultant able to support this approach that is also a certified Microsoft Gold Partner.

**BACKGROUND**

HFC is a local government corporation created by the City of Houston to facilitate economic growth through the promotion of the Greater Houston area and the business of conventions, meetings, tourism, and the arts. HFC manages and operates more than 10 city-owned facilities, including the George R. Brown Convention Center, Gus S. Wortham Theater Center, Jones Hall for the Performing Arts, and Miller Outdoor Theatre. HFC is the primary entity responsible for marketing Houston and increasing awareness of its many attractions and amenities.

**SCOPE OF SERVICES**

The Consultant selected as a result of this RFP will be responsible for completing all tasks required to upgrade from Dynamics AX to Dynamics 365. HFC requires the Consultant to upgrade all modules, upgrade all existing reports and complete all integrations described in the Background section above. The scope of work shall include, but not be limited to, all of the following tasks and deliverables:

### Software Upgrade

- Software set-up in the cloud with 3 environments (Production, Testing and Development)
- Data Migration
- Implementation of customized reports and functions
- Integration with identified systems
- Security tied to the Active Directory and inside Dynamics

### Provision of Project Management

- Create the project plan and schedule
- Assist with project communications
- Assist with managing project risk and scope

### Training of Houston First Resources

- Proponents need to provide training to Houston First functional, technical support and team leads
- Provide pre-built training materials

### Post Go-Live Support

- Provide business and technical support for a pre-defined amount of time post go-live
- Establish a Service Level Agreement for the support

### Out of Scope

- The Consultant selected as a result of this RFP will not be responsible for business process changes resulting from the software solution; the change management process; training future end users; or software licensing.

Consultant's methodology should be based on or work with Lifecycle Services (LCS) O365 or Microsoft Dynamics Sure Step Methodology. The selected Consultant will work within the HFC approved FastTrack program. Consultant will work with HFC's Finance and IT team to complete testing.

Use of Microsoft Dynamics AX at HFC started in 2011, and there are a significant amount of transactions in each module, mainly General Ledger, Accounts Payable, Budgeting, and Cash & Bank Management. As the historical data is important and required to be accessible by the business users at least for the last two years, Proposers are asked to recommend (with positives/negatives/risks) the best approach and/or methodology to follow in order to maintain user access to the data.

HFC expects project start-up to being by October 1, 2019 with anticipated project go-live no later than March 1, 2020. Proposers are to provide a project schedule based on this timeframe. Final conclusion of the project should be within a Proposer-specified time after the go-live, which will encompass a post go-live support period.

Proposers should review the Technical Specifications provided below as Exhibit "A" for additional detail.

### **PRICING SCHEDULE\***

Proposer pricing must be submitted by completing Schedule I – Rate Bid Form available online at [www.houstonfirst.com/do-business](http://www.houstonfirst.com/do-business). The form is an unlocked spreadsheet to assist Proposers with providing the detailed breakdown as indicated in item (d) below.

- (a) Rates shall be provided in United States dollars, excluding taxes;
- (b) Rates quoted by the Proposer shall include all labor and material costs, all insurance costs, including any and all other overhead, including any fees or other charges required by law (other

than expenses expressly set out in item (d) below, there will be no reimbursement for additional expenses);

- (c) Travel expenses will be reimbursed at cost with no mark-up and must be evidenced by receipts. All travel shall be economy class and all accommodations shall be standard, business class hotels. Proposers should estimate their travel-related costs in their detailed cost breakdown; and
- (d) All costs related to the project are to be included in a detailed project cost breakdown for each phase of the project. Breakdowns shall include at a minimum:
- Listing of each project member and their associated fee per hour;
  - Project fees (by staff member and by hours worked per task);
  - Project disbursements by phase, or, where applicable, by individual task;
  - Total fees and total disbursements for this RFP; and
  - Not to exceed amount for this RFP

**\*Note: Pricing Form must be submitted in a separate sealed envelope and as a separate electronic file apart from the rest of the Proposal. The sealed envelope containing the Pricing Form should be placed with the rest of the Proposal into a sealed package.**

### **PRE-PROPOSAL CONFERENCE**

A pre-bid conference has not been scheduled for the solicitation and HFC does not anticipate that such a meeting will be held.

### **PROPOSAL FORMAT**

Although HFC prefers substance over form, to be considered responsive, Proposers are asked to review the following criteria/information requests and respond, in order, to the best of their ability:

- a. **Transmittal Letter:** Proposers are asked to write a letter communicating effectively why their company should be selected and touching on material points within their Proposal. The letter must be signed by a person authorized to make representations on behalf of the Proposer and include their direct phone number and email address. Proposers must make a specific, unambiguous statement accepting and agreeing to comply, if selected, with the Consulting Services Agreement provided below.
- b. **Experience:** Provide a brief profile of the Proposer, includes organization size, structure, location, affiliates, number of staff, and history, including prior company names and number of years in business. Provide three references for whom Proposer has provided similar services to those requested in the RFP within the last five years. Please include a contact name, phone number, and email address for each such reference. Ideally, references will include two government clients, if Proposer has such experience.
- c. **Project Team:** Identify the essential personnel who would provide the services, such as the project manager (who must have at least five years of relevant experience), responsible corporate executive and any probable subcontractors (with any diversity certifications noted). Please include a description of each team member's proposed involvement on the project, along with individual-specific resumes or profiles listing their education, training, certifications, experience, and any other relevant qualifications. Please address the capacity and commitment of each team member for this project.
- d. **Approach and Methodology:** Detail the Proposer's ability to achieve all aspects of the Project as outlined in this RFP and proposed methodology. Include a tentative timeline noting Project milestones.

- e. **Value-Added Services:** Proposers are encouraged to offer advanced services or unique features in support and furtherance of the project (e.g., proven solutions or recommended approaches; identification of potential risks that may arise and how the Proposer would address these risks; cost-saving measures; packaged training materials; business user and technical training; on-going support). Costs to HFC for value-added services, if any, must be identified clearly.
- f. **Pricing:** Please submit Proposer's pricing for services by completing the Pricing Form available online at [www.houstonfirst.com/do-business](http://www.houstonfirst.com/do-business).

All information provided by Proposers should be organized, clear and concise. Although there are no page limits, Proposers are asked to avoid excessive graphics, title pages, or other extraneous information in their proposal other than requested by HFC.

## EVALUATION

HFC will review and rank every proposal received in response to this RFP based on the following weighted criteria: Transmittal Letter, including expressed acceptance of the Consulting Services Agreement (10 points); Experience, including references (15 points); Project Team (20 points); Approach and Methodology (25 points); Value-Added Services (10 points).

Pricing (20 points) will be scored separately, after evaluation and scoring of the other aforementioned criteria, based on a relative pricing formula using the rates submitted in the Pricing Form. Each Proposer will receive a percentage of the total possible points allocated to price for the particular category it has bid by dividing that Proposer's price for that category into the lowest bid price in that category. For example, if a Proposer bids \$120.00 for a particular category and that is the lowest bid price in that category, then the Proposer will receive 100% of the possible points for that category ( $120/120 \times 100 = 100\%$ ). A Proposer who bids \$150.00 will receive 80% of the possible points for that category ( $120/150 \times 100 = 80\%$ ), and a Proposer who bids \$240.00 will receive 50% of the possible points for that category ( $120/240 \times 100 = 50\%$ ). A Proposer who does not submit pricing for a particular category will be disregarded for purposes of the calculation and receive no points for such category.

HFC reserves the right to interview the top-ranked Proposers, not to exceed five, prior to awarding a contract. If interviews are scheduled, then up to 30 additional points may be added to the existing proposal scores of the top-ranked Proposers, for a maximum possible total of 130 points, based on their responsiveness and interview. HFC further reserves the right to require the top-ranked Proposers to sign a confidentiality and non-disclosure form as a pre-condition of scheduling an interview.

HFC intends to award the contract to the Proposer offering the best value to HFC, as measured by HFC utilizing the foregoing evaluation criteria, including the right to award the contract by criteria other than the lowest price proposed. HFC reserves the right to select or reject all or part of any proposal, waive minor technicalities, and select proposals in the manner and to the extent that they serve the best interests of HFC. This RFP does not commit HFC to award a contract, issue a purchase order, or enter into any other form of agreement with any person or entity. Proposers shall bear all costs associated with or incurred in the preparation and presentation of their Proposal, including, if applicable, all travel and other expenses incurred in connection with in-person interviews and presentations. HFC reserves the right to request proposal clarifications/additional information from some or all Proposers.

## LETTERS OF CLARIFICATION

Responses to all material questions timely submitted by potential Proposers, as well as revisions incorporated into this RFP by HFC, if any, will be confirmed in a letter and made available online at <http://www.houstonfirst.com/do-business/> ("Letter of Clarification"). When issued, Letters of Clarification become part of this RFP and automatically supersede any previous specifications or provisions in conflict therewith. By submitting their proposal, Proposers shall be deemed to have received all Letters of

Clarification and to have incorporated them into their submittal. Verbal responses will not otherwise alter the specifications, terms and conditions as stated herein. It is the responsibility of Proposers to monitor the foregoing link and ensure they receive any such Letters of Clarification and incorporate them in their proposal.

### **FORM OF AGREEMENT**

By submitting a response to this RFP, Proposer agrees, upon notice of selection, to enter into the Consulting Services Agreement provided below. Any requests for clarification or modification to the terms of such agreement must be timely submitted by email to [bids@houstonfirst.com](mailto:bids@houstonfirst.com). Responses will be included in a Letter of Clarification. Alternative terms or pre-printed forms submitted by a Proposer shall be disregarded and may result in a Proposal being deemed, in HFC's discretion, as non-responsive.

### **DIVERSITY COMMITMENT**

HFC has elected not to establish a Diversity Goal for this project. Proposers are, however, asked to review HFC's Diversity Compliance Guidelines and Forms and should include a copy of their diversity certification, if any, as well as the certifications of any subcontractors Proposer will utilize or intends to do business with in connection with the services.

### **RESTRICTIONS ON COMMUNICATIONS**

Throughout the selection process, commencing with the Issue Date, Proposers are directed not to communicate with any HFC employee, officer or director regarding their Proposal, or any matter relating to this RFP, other than through [bids@houstonfirst.com](mailto:bids@houstonfirst.com). Proposers are solely responsible for observation and compliance with such restrictions, and HFC reserves the right to reject any proposal due to violation of this provision.

### **VENDOR CODE OF CONDUCT**

Proposers who do business or seek to do business with HFC are expected to interact with HFC with high ethics and integrity. To promote ethical conduct by its existing and potential contractors, HFC has adopted a Code of Conduct for Vendors, available online at [www.houstonfirst.com/do-business](http://www.houstonfirst.com/do-business). HFC requires that all Proposers be familiar with and abide by the Code of Conduct for Vendors.

### **CONFLICTS OF INTEREST**

Proposers are advised that they have an affirmative obligation to disclose any affiliation or business relationship with an HFC employee, officer, or director creating a conflict of interest (or appearing to a reasonable person to potentially exist). Those who need the disclosure form may find it online at <http://www.ethics.state.tx.us/forms/CIQ.pdf>. By submitting a proposal, Proposers represent to HFC that they have complied with the requirements of Chapter 176 of the Texas Local Government Code.

### **PROTEST PROCEDURES**

Any protest relating to the form, terms and conditions, selection criteria, specifications, exhibits, or any other material RFP content must be filed by the actual or potential Proposer with the Purchasing Agent no later than five business days prior to the Submission Deadline. If the protest consists of a dispute regarding the Proposer recommended by the selection committee, or otherwise relates to the alleged misapplication of selection criteria, then the Purchasing Agent must receive the protest from an actual Proposer after the Submission Deadline, but at least three business days prior to consideration of a contract resulting from this RFP by an HFC committee or Board of Directors, whichever is earlier.

All protests must be made in writing and delivered to Houston First Corporation, Attn: Purchasing Agent, 701 Avenida de las Americas, Ste. 200, Houston, TX 77010. To be considered by HFC, protests must be timely received and include, at a minimum, all of the following information: (a) The name, address and contact information of the Proposer, with sufficient information to establish that a bona fide Proposer is the person or entity filing the protest; (b) The full title of the RFP; (c) Material grounds for the protest, including the provisions of the RFP and the applicable law or regulation that serves as the basis for the

protest; (d) A statement of the specific relief requested by the Proposer; (e) Reference to and attachment of any pertinent documents or sources relied upon by the protestor that the protesting party wishes to have HFC consider; and (f) An affidavit attached to support any factual allegations stated in the submission. The Purchasing Agent will notify the Proposer promptly to acknowledge receipt of a protest.

### **PUBLIC INFORMATION**

HFC is subject to the Texas Public Information Act ("TPIA"). Information submitted by Proposers is subject to release under the provisions of the TPIA set forth in Chapter 552 of the Texas Government Code. Each page where confidential or proprietary information appears must be labeled as such clearly and unambiguously. Proposers will be advised of any request for public information that implicates their materials and may, in accordance with applicable law, elect to assert objections to disclosure with the Texas Attorney General at their cost and expense.

### **RFP PACKETS**

A complete copy of this RFP, including exhibits, necessary forms and other relevant information is available on-line at [www.houstonfirst.com/do-business](http://www.houstonfirst.com/do-business). This RFP provides the information necessary to prepare and submit a proposal for consideration and ranking by HFC.

### **WITHDRAWAL; ERROR**

Proposals may be withdrawn due to errors or for any other reason by a written request received by [bids@houstonfirst.com](mailto:bids@houstonfirst.com) prior to the Submission Deadline.

## EXHIBIT "A" TECHNICAL SPECIFICATIONS

### 1.1 Background

In 2011, Houston First Corporation ("HFC") selected Dynamics AX as its ERP platform to replace its existing system at the time. In January 2011, HFC went live with the following Dynamics AX modules:

1. General Ledger
2. Cash & Bank Management
3. Budgeting
4. Accounts Payable
5. Procurement & Sourcing
6. Fixed Assets
7. Accounts Receivable
8. Human Resources (Master data only, no transactions)

### 2.1 Current Environment

- The current ERP system is Microsoft Dynamics AX 2012 R1, this release has a single database that maintains business data and models (Code).
- Three layers are used to hold the customizations in AX:
  - VAR Layer
  - CUS Layer
  - USR Layer

Note: All layers hold one single model (Default Model)

- The environment has one custom label file that stores all custom labels (TRI)
- Application version: 6.1.7601
- Number of environments: 4 (Production, Acceptance, Testing, Development)
- All servers are virtual servers
- Current Database: MS SQL 2008 R2
- The current Production database size: Approximately 15 Gb
- Number of Domains: 1
- Authentication: Active Directory (Azure)

### 2.2 Modifications

Below is in details all the required modifications that should be migrated to D365 (Processes, Reports, Forms, Integrations and Security objects).

#### 2.2.1 Processes

Two processes are modified to match the business requirements:

a. Ledger Journal Posting

Description: Additional validation to the journal posting validation process, to make sure that only one *Fund* financial dimension value is selected within the same voucher

AOT Projects: `_tri_APPaymentJournalPostingIssue` HFC\_AllowMutipleFund\_Journal, HFC\_MainAcctBlockedForManualEntry, HFC\_SameVoucherFundDimension

b. Reversal GL Transaction

Description: Modify the transaction text at the time of posting when the transaction is of type reversal

AOT Projects: HFC\_GLDescription

## 2.2.2 Standard Reports

There are 11 standard reports that are modified to match the business requirements, these reports are listed below:

1. Check Printing Functionality  
Module: Cash & Bank Management  
Report Path: Cash & Bank Management → Common → Checks → Print Check Copy  
  
Description: Modification to all Check US classes and objects to match Bank X and Bank Y Check formats and layouts (RDP classes and SSRS Report), in addition to small modification to Bank Signature form to determine which layout to use. Two new designs are created for Check\_US SSRS Report.
2. Bank Advice Check Report  
Module: Cash & Bank Management  
Report Path: Cash & Bank Management → Reports → External → Payment Advice  
  
Description: This report is modified to show the ACH payment reference
3. Ledger Journal Report  
Module: General Ledger  
Report Path: General Ledger → Journals → General Journal → Print Journal
4. Vendor Aging Report  
Module: Accounts Payable  
Report path: Accounts Payable → Reports → Status → Vendor Aging
5. Vendor Provisional Balance  
Module: Accounts Payable  
Report Path: Accounts Payable → Reports → Status → Vendor Balance List
6. Vendor Transaction List Report  
Module: Accounts Payable  
Report Path: Accounts Payable → Reports → Transactions → Vendor → Vendor Transactions
7. Vendor Payment Journal  
Module: Accounts Payable  
Report Path: Accounts Payable → Journals → Payment journal → Print Journal
8. Customer Free Text Invoice  
Module: Accounts Receivable  
Path: Accounts Receivable → Common → All Free Text Invoices → Print
9. Purchase Agreement  
Module: Procurement & Sourcing  
Report Path: Procurement & Sourcing → Common → Purchase Agreements → Confirmation → Print
10. Purchase Order Report  
Module: Procurement & Sourcing



Report Path: Procurement & Sourcing → Common → Purchase Orders → Confirmation → Print Purchase Order

#### 11. Agreement Follow Up

Module: Procurement & Sourcing

Report Path: Procurement & Sourcing → Reports → Status → Purchase Agreement Fulfillment

### 2.2.3 Custom Reports

Two custom reports were created to cover the business needs, these reports are:

#### 1. Budget Funds Available Report

Module: Budgeting

Report Path:

Budgeting → Reports → Budget Funds available by Division

Budgeting → Reports → Budget Fund Available Batch (By Department)

#### 2. Bank Reconciliation Report

Module: Cash & Bank Management

Report Path: Cash & Bank Management → Reports → Reconciliation → Bank & Ledger balances

#### Power BI Reports

There are currently 15 reports that will need to be migrated/developed/updated to the new implementation once the Dynamics upgrade has occurred

### 2.2.4 Custom User Interface (UI)

Multiple forms have been modified to maintain extra information and additional functionalities that are required by the business, these modifications are listed below:

#### 1. Vendors:

Description: Modifications are applied to vendors table and forms to manage the vendor setup, fields are added to the vendor table and validation code on the form level. In addition, setup forms are created to add the values for the new fields on the vendor table.

Projects: HF\_VendTableFemaleOwned, HFC\_VendBankAccount, FC\_VendorCityCertified

#### 2. Vendor Pending Invoices List page:

Description: Added Invoice total on the form as a display method

Projects: HFC\_GLDescription

#### 3. Diversity Legends

Description: Setup form to create the Diversity Legends values, map the values to the vendors, and populate the selected values on Purchase orders.

Projects: HFC\_PurchTableDiversityExempt

#### 4. Main Account List Page

Module: General Ledger

Description: New fields at table level, and show the fields to the list page and the details forms. Added a new button on the form to show Account Transaction Statement.

Projects: HFC\_28\_PostedTransactions

5. Trial Balance List Page  
Module: General Ledger  
Description: Added a new button on the form to show Account Transaction Statement.  
Projects: HFC\_28\_PostedTransactions

6. Budget Control Statistics  
Module: Budgeting  
Description: Modifications are applied to multiple Budget control forms to show budget amounts as display methods. Modifications are applied on the following forms:

- BudgetControlStatistics
- BudgetControlRevisedBudget
- BudgetControlPreEncumbrances
- BudgetControlEncumbrances
- BudgetControlActualExpenditures.

*Note: These modifications might not be required, depends on the changes on Budget forms in D365*

Projects: HFC\_6\_BudgetControlStatsChanges, hfc\_BudgetControlStatistics, HFC\_BudgetControlStatistics\_FixMissTrans

7. Budget Header:  
Module: Budgeting  
Description: Custom field added to Budget Header Table to capture description text.  
Project: \_tri\_POHeaderAndBudgetUpdates

8. Customer Free Text Invoice  
Module: Accounts Receivable  
Description: Added new fields to the table, and show the fields on the form.  
Project: HFC\_FreeTextInvoiceDescription

9. Purchase Agreement  
Module: Procurement & Sourcing  
Description: Added new fields to Purchase agreements and show the fields on the form  
Project: HFC\_PurchAgreementLineAddNotes

10. Purchase Order:  
Module: Procurement& Sourcing  
Description: Added requester on the header view of the purchase order  
Project: \_tri\_POHeaderAndBudgetUpdates

### **2.2.5 Integrations**

Three integration processes are implemented in AX, which generate data from AX to a third party system, or consume data from a flat file into AX. These integrations are as follows:

1. ACH (Integration)  
Module: Accounts Payable  
Description: ACH file generation are modified to match the bank requirements for ACH files, Custom form to send ACH via email to the vendor.  
Projects: \_tri\_NACHAUpdates, HFC\_ACHVendorEmail, HFC\_NachaFileGenerationDate, HFC\_PaymentJournalLines, HFC\_PO

2. Positive Pay:
  - Module: Cash & Bank Management
  - Path: Cash and Bank Management → Periodic → Positive Pay
  - Positive Pay generation process from AX to a secured FTP directory as a flat file, this process is completely customized. Two formats are there for the positive pay:
    - Bank X
    - Bank Y

Projects: HFC\_PositivePayBankX, HFC\_PositivePayBankY

3. B2G Integration
  - Batch job to export data from AX to a file based for a third party solution (B2G). This batch job runs against SQL database directly to extract data to the file.
  - Note: A new solution should be designed and implemented to handle this integration in D365

Additional Integrations outside of AX

1. Ungerboeck
  - a. Flat file import into Dynamics
2. American Express
  - a. Flat file extracted from AMEX system and manually imported into Dynamics

## 2.2.6 Security

In order to secure the business data and critical processes, custom security artifacts are in AX to achieve this requirement. Below is a detailed table of all custom security objects (Process Cycles (2), Roles (29), Duties (6), Privileges (18), and Code Permissions (2)):

Type	Name	Module
Process Cycle	HFCBudget	Budget Control
Process Cycle	HFCProcessCycle	Administration
Code Permissions	BankPositivePayProcess	General Ledger
Code Permissions	BankPositivePayRecall	General Ledger
Role	HCMEmployee	Human Resources
Role	HFC_Requesters	Procurement & Sourcing
Role	TradePurchasingManager	Procurement & Sourcing
Role	VendPurchasingAgent	Procurement & Sourcing
Role	HFC_Accountant	General Ledger
Role	HFC_AP	Accounts Payable
Role	HFC_AR	Accounts Receivable
Role	HFC_FinanceAdministration	General Ledger
Role	HFC_Purchasing	Procurement & Sourcing
Role	HFCBudgetManager	Budget Control
Role	HFCFinancialController	General Ledger
Role	HFCTreasurer	General Ledger

Role	InventCostAccountant	Procurement & Sourcing
Role	LedgerAccountant	General Ledger
Role	PaymAccountsPayablePaymentsClerk	Accounts Payable
Role	VendInvoiceAccountsPayableClerk	Accounts Payable
Role	BudgetBudgetManager	Budget Control
Role	HFC_Accounts_payable_manager	Accounts Payable
Role	HFC_Approver	Administration
Role	HFC_ARProcess	Accounts Receivable
Role	HFC_ARSetups	Accounts Receivable
Role	HFC_PositivePayRole	General Ledger
Role	HFC_PurchaseRequestor	Procurement & Sourcing
Role	HFCReportManager	General Ledger
Role	LeanWaterspider	General Ledger
Role	LedgerAccountingManager	General Ledger
Role	ProcessACHEmailRole	Accounts Payable
Role	PurchAgentCust	Procurement & Sourcing
Role	VendInvoiceAccountsPayableManager	Accounts Payable
Duty	HFCBudgetReport	Budget Control
Duty	HFC_GL	General Ledger
Duty	HFC_BudgetImport	Budget Control
Duty	HFC_DiversityExempt	Accounts Payable
Duty	HFC_Positive_Pay	General Ledger
Duty	HFC_Procurement_Requestors	Procurement & Sourcing
Privilege	HFCBudgetBFA_Dept	Budget Control
Privilege	HFCBudgetBFADept	Budget Control
Privilege	HFCBudgetBFADivision	Budget Control
Privilege	HFCBudgetReportEntry	Budget Control
Privilege	VendProvisionalBalanceGenerate	Accounts Payable
Privilege	Journal_AccountType_Update	General Ledger
Privilege	COSPlanModelMaintain	Accounts Payable
Privilege	CustBankAccountsMaintain	Accounts Receivable
Privilege	CustBankAccountsView	Accounts Receivable
Privilege	ExemptLegend	Accounts Payable
Privilege	HFC_BFA_DailyBatch	Budget Control
Privilege	HFC_ProcessACHEmail	Accounts Payable
Privilege	ImportBudgetEntries	Budget Control
Privilege	Positive_Pay	General Ledger
Privilege	PositivePay	General Ledger
Privilege	VendBankAccountsView	Accounts Payable
Privilege	Vendor_Info	Accounts Payable
Privilege	VendTableView	Accounts Payable

## 2.2.7 Not-required Modifications

### 1. Upload Tools

Since the implementation is on Microsoft Dynamics AX 2012 R1, a number of upload tools created to upload master data, transactions, and opening balances, are below:

Note: All tools use Excel file as the source of data. Some of these tools are still in use by the system users, however in D365 these tools will be replaced by Data Import Export Framework (DIEF).

Name	AOT Project
Master data upload tool (Upload Tool)	_tri_DataMigration_Base
GL transactions upload tool (Upload Tool)	_tri_GLTransLoadUpdates
Account category upload tool (Upload Tool)	_tri_LoadAcctCategory
Chart of Accounts Upload tool (Upload Tool)	_tri_LoadCOALegacyId
Budget entries upload tool (Upload Tool)	DAX_ImportBudgetEntries HFC_BudgetEntriesImport
Fixed assets upload tool	FixedAssetImport_MC
Budget Import	HFC_BudgetGroupImport

**\*\* One custom DLL (*Renci.SshNet*) is in AOT to support the upload tools; this DLL is not going to be migrated to D365.**

### 2. Enterprise Portal

Enterprise Portal is obsolete and not in use, therefore the customizations will not be migrated to D365.

Name	AOT Project
Role Center modifications (EP)	_tri_RoleCenters
Enterprise Portal Purchase Orders Modification (EP)	_tri_EPRceivingIssue

## 2.2.8 Workflows

There are currently no workflows in AX

### 3.1 Roles and Responsibilities

Subject to revision and addition based on the Proposal selected, this section outlines the Project roles and responsibilities anticipated by HFC.

#### 3.1.1 Steering Committee

HFC expects to establish an internal steering committee comprised of key staff members who will be responsible for the general oversight of the following matters:

- Providing overall direction to the Consultant;
- Appointing a primary point-of-contact within HFC;
- Providing the Consultant with relevant background and historical information necessary to carry out projects; and
- Ongoing communication and review of progress.

### **3.1.2 Consultant Responsibilities**

HFC expects that the Consultant shall be responsible, at a minimum, for all of the following tasks, services and deliverables:

- Consulting with multi-discipline stakeholders;
- Cooperating with HFC and other contracted consultants;
- Providing project status updates;
- Providing progress reports, on a weekly basis, to the steering committee;
- Updating project schedules;
- Carrying out project close-out activities;
- Turning over all project records to the HFC upon project completion, delay, cancellation or termination;
- Provide business user and technical training;
- Provide post go-live support; and
- Other relevant, related tasks as deemed relevant by HFC for the duration of the engagement/project.

**EXHIBIT “B”  
CONSULTING SERVICES AGREEMENT**

This Consulting Services Agreement (“Agreement”) is made by and between Houston First Corporation, a Texas local government corporation (“HFC”) whose address is 701 Avenida de las Americas, Suite 200, Houston, Texas 77010, and [TBD] (“Contractor”) whose address is [TBD]. In consideration of the mutual promises contained herein, the parties hereby agree as follows:

**ARTICLE 1: RESPONSIBILITIES**

1.1 Contractor acknowledges that the purpose of this Agreement is to retain Contractor’s services to oversee and effectuate software migration and upgrade HFC’s financial system from Microsoft Dynamics AX 2012 R1 (“Dynamics AX”) to Microsoft Dynamics 365 Cloud for finance and operations (“Dynamics 365”), including all modules and reports used by HFC, on a like-to-like basis with minimal business process changes and maintenance of historic records for archival purposes.

1.2 Without limiting the foregoing, Contractor agrees to and shall provide and perform services for HFC in strict accordance with this Agreement, including the Scope of Services attached hereto as Exhibit [TBD] and made a part hereof for all purposes.

1.3 Services shall commence on the Effective Date (defined below) and be completed no later than **March 1, 2020**, based on the following project milestones: [TBD].

1.4 Contractor shall undertake and complete its services in a manner commensurate with the best interests of HFC and consistent with the skill, judgment, diligence, and care ordinarily provided by entities performing comparable services. Contractor shall perform expeditiously to ensure the timely and orderly completion of its services.

1.5 Contractor shall act in accordance with applicable laws and observe high standards of ethics in the conduct of its services and responsibilities under this Agreement.

1.6 Contractor shall not take for itself or divert to a third party any corporate opportunity arising out of this Agreement or discovered otherwise through the use of HFC property or information. Contractor represents to HFC that it is not a party to any outstanding agreement creating or appearing to create a conflict of interest with regard to its services hereunder or that would preclude Contractor from complying with the terms of this Agreement; Contractor shall not enter into any such conflicting agreement during the Term.

1.7 Contractor shall not subcontract or delegate any portion of the services without the advanced written consent of HFC.

1.8 Contractor shall designate a representative who shall have express authority to bind Contractor with respect to all matters under this Agreement and provide a direct phone number and email address for such authorized representative.

1.9 If any services performed by Contractor do not meet the standards of this Agreement, as determined by HFC in its reasonable discretion, then Contractor shall correct or modify such the service promptly upon demand from, and at no additional cost to, HFC. If Contractor performs services knowing them to be contrary to applicable laws, statutes, ordinances, rules and regulations, and/or lawful orders of public

authorities, then Contractor shall be liable for such violation and shall bear the costs attributable to correction.

## **ARTICLE 2: PAYMENT**

2.1 Subject to all terms and conditions of this Agreement, HFC agrees to pay Contractor [TBD] for the performance of the services detailed in the Scope of Services.

2.2 Reasonable expenses incurred by Contractor in the performance of its services under will be reimbursed at cost; provided such expenses are approved in advance and in writing by HFC, and further provided that HFC reserves the right to require Contractor to submit estimated travel expenses in a pre-approved form. For the avoidance of doubt, the parties agree that reimbursable expenses shall not include first-class travel or accommodation, overhead or general administrative costs.

2.3 Contractor will be paid on the basis of monthly invoices submitted by Contractor, and approved by HFC, detailing the services provided by Contractor and pre-approved expenses incurred during the previous month and the attendant fee. Invoices shall be submitted electronically by the fifth calendar day of the month following each month in which services are performed. HFC shall make payment to Contractor within 30 calendar days of the receipt and approval by HFC of such invoices.

2.4 If any items in any invoice submitted by Contractor are disputed by HFC for any reason, including lack of supporting documentation, then HFC shall temporarily delete the disputed item and pay the remaining amount of the invoice; provided, however, that HFC shall promptly notify Contractor of the dispute and request clarification and/or remedial action. After any dispute shall have been settled, Contractor shall include the disputed amount on a subsequent regularly scheduled invoice or on a special invoice for the disputed item only. All payments to Contractor contemplated hereunder shall be paid in U.S. funds; pre-approved expenses incurred in non-U.S. currency will be converted by HFC to U.S. funds at time of payment.

## **ARTICLE 3: INSURANCE**

3.1 Minimum Insurance Requirements. With no intent to limit Contractor's liability under the indemnification provisions hereof, Contractor shall provide and maintain, and shall require its contractors and subcontractors to maintain, for the full duration of the Term, including any extension thereof, at least the following insurance and available limits of liability:

- a. Commercial General Liability, including broad form coverage, contractual liability, bodily injury/death, and property damage in amounts not less than \$2,000,000 each occurrence and \$5,000,000 aggregate;
- b. Workers' Compensation with statutory limits (Contractor shall not self-insure for Workers' Compensation); and
- c. Employer's Liability, with limits of \$1,000,000 for each accident, disease limits of \$1,000,000 per policy and \$1,000,000 per employee.

3.2 Endorsements. Contractor's Commercial General Liability insurance policy shall include an additional insured endorsement in favor of HFC and shall be primary and noncontributory to any other policies of insurance which may be available to HFC with respect to claims arising in connection with this



Agreement. All of Contractor's policies must contain an endorsement approved by HFC waiving any claim or right in the nature of subrogation in favor of HFC.

3.3 Rating. The issuer of any policy shall have a Certificate of Authority to transact insurance business in Texas or shall be an eligible non-admitted insurer in the State of Texas and have an A.M. Best's rating of at least A- with a financial size category of Class VI or better, according to the most current edition of Best's Key Rating Guide, Property-Casualty United States. Contractor shall be responsible for and bear any claims or losses to the extent of any deductible amounts and waives any claim it may ever have for same against HFC.

#### **ARTICLE 4: LIMITATION OF LIABILITY**

4.1 Release. **CONTRACTOR AGREES TO AND SHALL RELEASE HFC, ITS OFFICERS, DIRECTORS, EMPLOYEES, CONTRACTORS, AND AGENTS FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE BY CONTRACTOR UNDER THIS AGREEMENT, INCLUDING ALL LIABILITY FOR DAMAGES OR OTHER RELIEF ARISING UNDER FEDERAL OR STATE EMPLOYMENT LAWS RELATING TO OR INVOLVING PERSONNEL EMPLOYED OR RETAINED BY CONTRACTOR.**

4.2 Indemnification. **TO THE MAXIMUM EXTENT ALLOWED BY APPLICABLE LAW, CONTRACTOR AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD HFC, INCLUDING ITS OFFICERS, DIRECTORS, EMPLOYEES, CONTRACTORS, AND AGENTS, (COLLECTIVELY, "INDEMNITEES") HARMLESS FROM AND AGAINST ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, FINES, JUDGMENTS, COSTS, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR OTHER LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE BY CONTRACTOR UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THOSE CAUSED BY OR RELATING TO CONTRACTOR AND/OR ITS AGENTS', EMPLOYEES', OFFICERS', DIRECTORS', CONTRACTORS', OR SUBCONTRACTORS' (COLLECTIVELY, "CONTRACTOR'S") ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS; INDEMNITEES' AND CONTRACTOR'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT; INDEMNITEES' AND CONTRACTOR'S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT; AND ACTUAL OR ALLEGED VIOLATIONS OF ANY FEDERAL, STATE OR LOCAL EMPLOYMENT LAWS, INCLUDING WITHOUT LIMITATION, ANY AND ALL CLAIMS AND CAUSES OF ACTION BROUGHT AGAINST INDEMNITEES BY CONTRACTOR'S PERSONNEL AND/OR GOVERNMENT AGENCIES ARISING FROM, RELATING TO, OR INVOLVING SERVICES OF CONTRACTOR'S PERSONNEL UNDER THIS AGREEMENT.**

4.3 Limitation of Liability. **HFC SHALL NOT BE LIABLE TO CONTRACTOR FOR ANY INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL, PUNITIVE, OR EXEMPLARY DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS (DIRECT OR INDIRECT) AND LOST REVENUES HOWSOEVER ARISING, WHETHER OR NOT CHARACTERIZED IN NEGLIGENCE, TORT, CONTRACT, OR OTHER THEORY OF LIABILITY, EVEN IF HFC HAS BEEN ADVISED OF THE POSSIBILITY OF OR COULD**

## **HAVE FORESEEN ANY SUCH DAMAGES.**

4.4 Notice of Claims. If HFC or Contractor receives notice of any claim or circumstances, which could give rise to an indemnified loss, the receiving party shall give written notice to the other party within 30 calendar days. The notice must include a description of the indemnification event in reasonable detail, the basis on which indemnification may be due, and the anticipated amount of the indemnified loss. This notice does not stop or prevent HFC from later asserting a different basis for indemnification or a different amount of indemnified loss than that indicated in the initial notice. If HFC does not provide this notice within the 30 calendar day period, it does not waive any right to indemnification except to the extent that Contractor is prejudiced, suffers loss, or incurs expense because of the delay.

4.5 Assumption of Defense. Contractor may assume the defense of the claim at its own expense with counsel chosen by it that is reasonably satisfactory to HFC. Within 10 calendar days after receiving written notice of the indemnification request, Contractor must advise HFC as to whether or not it will defend the claim. If Contractor does not assume the defense, then HFC may assume and control the defense, and all defense expenses constitute an indemnification loss.

4.6 Continued Participation. If Contractor elects to defend the claim, HFC may retain separate counsel to participate in (but not control) the defense and to participate in (but not control) any settlement negotiations. Contractor may settle the claim without the consent or agreement of HFC, unless it would result in injunctive relief or other equitable remedies or otherwise require the Indemnitees to comply with restrictions or limitations that adversely affect the Indemnitees; require the Indemnitees to pay amounts that Contractor does not fund in full; or does not result in the Indemnitees' full and complete release from all liability to the plaintiffs or claimants who are parties to or otherwise bound by the settlement.

## **ARTICLE 5: CONFIDENTIALITY**

5.1 As used in this Agreement, the term "Confidential Information" shall mean any information relating to the business, operations, plans, accounts, finances, or assets of HFC (whether oral or written, and whether in electronic or other form) disclosed by HFC to Contractor or learned or developed by Contractor in connection with the performance of services by Contractor under this Agreement. Confidential Information does not include information that the Contractor can show was already known to the general public prior to disclosure by Contractor or was authorized to be disclosed in advance and in writing by HFC.

5.2 Contractor agrees to and shall hold all Confidential Information in strict confidence and protect it with the same degree of care with which the Contractor protects its own confidential information, but in any event with no less than a commercially reasonable standard of care; use Confidential Information only for purposes permitted or necessary to fulfill contractual obligations between Contractor and HFC; not copy or otherwise duplicate Confidential Information, or knowingly allow anyone else to copy or otherwise duplicate any Confidential Information then under its control; restrict disclosure of Confidential Information solely to select employees on a need-to-know basis who are under legal obligations requiring them to keep such Confidential Information confidential; not take advantage of any business opportunity based on or derived in whole or in part from the Confidential Information; and not otherwise disclose Confidential Information to any other person or entity.

5.3 Contractor hereby acknowledges and agrees that in the event of any actual or threatened breach of this Agreement (including, by way of example and not limitation, any disclosure of Confidential Information), HFC may suffer irreparable harm and injury and that no remedy at law will afford HFC adequate

protection against, or appropriate compensation for, such injury. Accordingly, Contractor agrees that, in addition to all other rights and remedies available at law or in equity (all of which are expressly reserved by HFC), HFC shall be entitled to injunctive relief and specific performance under this Agreement, as well as the right to recover all costs (including reasonable attorneys' fees) that may be incurred to enforce this Agreement.

5.4 If Contractor is legally compelled, pursuant to a subpoena or other applicable law to disclose any Confidential Information disclosed to it by HFC, then Contractor agrees that it shall provide HFC with reasonably prompt notice of such request or requirement, and will in good faith consult with and consider the suggestions of HFC concerning the nature and scope of such Confidential Information the Contractor proposes to disclose.

## **ARTICLE 6: DEFAULT AND TERMINATION**

6.1 Default. Contractor shall be deemed to be in default under this Agreement due to the occurrence of any of the following events: (a) Contractor fails to perform or observe any material term, condition or requirement under this Agreement; (b) Contractor, or any employee, agent, contractor, or subcontractor of Contractor, violates applicable law in connection with the performance of the Services; (c) Contractor becomes insolvent; (d) All or substantial part of Contractor's assets are assigned for the benefit of its creditors; (e) A receiver or trustee is appointed for Contractor; or (f) Contractor assigns this Agreement without the prior written consent of HFC.

6.2 Remedies. If default by Contractor occurs, then HFC shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, HFC shall have the right, but not the obligation, to cure or cause to be cured on behalf of Contractor any such default, and Contractor shall pay HFC on demand all costs and expenses incurred by HFC in effecting such cure, in addition to all actual damages, losses, costs or expenses incurred by HFC as a result of such default by Contractor.

6.3 Termination for Convenience. HFC reserves the right to terminate this Agreement for convenience at any time by giving 30 calendar days' written notice to Contractor. HFC's right to terminate this Agreement for convenience is cumulative of all rights and remedies that exist now or in the future. On receiving the notice, Contractor shall, unless the notice directs otherwise, immediately discontinue all Services under this Agreement and cancel all existing orders and subcontracts that are chargeable to this Agreement. As soon as practicable after receiving the termination notice, Contractor shall submit an invoice showing in detail the service performed under this Agreement up to the termination date. HFC shall then pay the fees to Contractor for Services actually performed, but not already paid for. **TERMINATION OF THIS AGREEMENT AND RECEIPT OF PAYMENT FOR SERVICES RENDERED ARE CONTRACTOR'S EXCLUSIVE REMEDIES FOR HFC'S TERMINATION FOR CONVENIENCE, WHICH DOES NOT CONSTITUTE A DEFAULT OR BREACH OF THIS AGREEMENT. CONTRACTOR WAIVES ANY CLAIM (OTHER THAN ITS CLAIM FOR PAYMENT AS SPECIFIED HEREIN), IT MAY HAVE NOW OR IN THE FUTURE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM HFC'S TERMINATION FOR CONVENIENCE.**

6.4 Termination by Contractor. Contractor may terminate this Agreement only if HFC defaults and fails to cure the default after receiving written notice thereof. Default by HFC occurs if HFC fails to perform one or more of its material duties under this Agreement. If a default occurs and Contractor seeks to terminate the Agreement, then Contractor must deliver a written notice to HFC describing the default and

proposed termination date. Such date must be at least 90 days after HFC receives notice. If HFC cures the default before the proposed termination date, then the proposed termination date is ineffective. If HFC does not cure the default before the proposed termination date, then Contractor may terminate this Agreement upon 30 days' notice to HFC and may seek any remedy available under applicable law, subject to the provisions and limitations of this Agreement.

6.5 Remedies Cumulative. The rights and remedies of HFC under this Agreement shall be cumulative. HFC shall have and may exercise all other rights and remedies not inconsistent herewith as provided under applicable law, or in equity. No exercise by HFC of one right or remedy shall be deemed an election, and no delay by HFC shall constitute a waiver, election or acquiescence to any default, breach, violation, or on-performance by Contractor.

## **ARTICLE 7: MISCELLANEOUS PROVISIONS**

7.1 Inspections and Audits. HFC and its designees shall have the right to examine and review Contractor's books, records and billing documents which are directly related to performance or payment under this Agreement. Contractor shall maintain such books, records, and billing documents for two years after the cessation of Contractor's services under this Agreement. Nothing in this Section shall affect the time for bringing a cause of action or the applicable statute of limitations.

7.2 Force Majeure. Timely performance by both parties is essential to this Agreement. However, neither party will be liable for delays or other failures to perform its obligations under this Agreement to the extent the delay or failure is caused by Force Majeure. For purposes of this Agreement, Force Majeure means fires, floods, explosions, and other acts of God, war, terrorist acts, riots, court orders, and the acts of superior governmental or military authorities. This relief is not applicable unless the affected party does the following: uses due diligence to remove the Force Majeure as quickly as possible; provides the other party with prompt written notice of the cause and its anticipated effect; and provides the other party with written notice describing the actual delay or non-performance incurred within 7 calendar days after the Force Majeure ceases. If the Force Majeure continues for more than 30 calendar days, then either party may terminate this Agreement by giving 15 calendar days' written notice to the other party; such termination is not a default or breach of this Agreement.

7.3 Successors and Assigns; Survival. HFC and Contractor, respectively, bind themselves, their partners, successors, assigns and legal representatives to the other party to this Agreement with respect to all covenants of this Agreement. Contractor shall not assign, in law or otherwise, sublet or transfer any interest in this Agreement without the prior written consent of HFC. Contractor shall remain obligated to HFC under all clauses of this Agreement that expressly or by their nature extend beyond the expiration or termination of the term of this Agreement.

7.4 Non-Waiver. Failure of either party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on and to enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

7.5 Governing Law/Venue. The Agreement shall be governed by the laws of the State of Texas, without regard to any conflict of law provisions. Litigation in connection with this Agreement shall be in a court of competent jurisdiction in Harris County, Texas.

7.6 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed received when actually received or, if earlier, on the third day following deposit with the United States Postal Service by registered or certified mail, return receipt (or electronic return receipt) requested, Federal Express, UPS, or any other national overnight express delivery service. The notice must be addressed to the party to whom the notice is given at its address set out in this Agreement or other address the receiving party has designated previously by proper notice to the sending party. Postage or delivery charges must be paid by the party giving the notice.

7.7 Extent of Agreement. This Agreement, including Exhibit “A” and any purchase-order addenda made a part hereof upon issuance, represents the entire and integrated agreement between HFC and Contractor and supersedes all prior negotiations, representations or agreements either written or oral. This Agreement may not be altered or amended otherwise except in writing executed on behalf of all of the parties.

[signature block and Scope of Services to follow in final agreement]