

# ERP Software - Request for Information



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On behalf of

## Sample Company

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1/17/2017

## Project Purpose

The management team of Sample Company have authorized an investigation into replacement ERP software solutions to support our business going forward. The purpose of this Request for Information (RFI) is to collect written information about the capabilities of a number of ERP vendors, to determine a shortlist of three to six vendors to be invited to provide a full proposal.

The Sample Company nominated team leader for the ERP selection project is:

**David Smith**  
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**(714) 555-1234**

I am their Independent ERP Consultant. RFI responses, questions, and communications related to this project should be addressed to me. I can be contacted as shown below:



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This Request for Information (RFI) is issued solely for information and planning purposes only, and does not constitute a solicitation. Responses to the RFI will not be returned. Responses to this RFI are not an offer and cannot be accepted as a binding contract. Sample Company is not liable for any cost incurred by the vendor in response to this RFI.

# Statement of Requirements ERP Project 2016

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## Summary of Sample Company

### Introduction

Sample Company (www.SampleCompany.com) is a repetitive job shop that fabricates metal parts for the plumbing, hydraulic, aerospace, and heavy truck and equipment industries. Sample Company has three manufacturing facilities, encompassing three different companies, in the US, totaling more than 200,000 square feet, and operates more than 250 state of the art production machines. The facilities are located in Anaheim CA, Topeka KS, and Secaucus NJ. Sample Company machines large quantities of complex parts in a variety of metals such as steel, aluminum, stainless steel, and brass, and in addition to its three locations, also works closely with joint ventures globally.

### Our Timetable is:

		Bus. Days
RFI Issue Date:	October 12, 2016	
Email intention to respond no later than:	October 20, 2016	6
Deadline for questions:	October 27, 2016	5
Responses and indicative costing to be submitted:	November 21, 2016	16
Shortlisted suppliers to be informed:	December 9, 2016	13
Initial meetings and first demonstrations to be concluded:	January 20, 2017	27
Conclude contract agreements & nominate winning vendor:	February 10, 2017	15
Commence implementation:	February 24, 2017	9

### Current Technology

Sample Company is currently processing on **System 2000** software from **ADP**. The three companies are part of a site based domain, but each company is segregated from each other based on user account security. The majority of the system runs on MS SQL 2012 and is replicated nightly between the servers to create some redundancy.

The three companies use Microsoft Office including Microsoft Outlook for eMail.

They employ approximately 300 people, of which there are currently 88 users. (Please see *User Listing* below)

Please base cost estimates on 50 concurrent users. We will expand the number of users as appropriate. Please also include the cost to add each user.

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User Listing

#	Department	Company / Location	User Name	User Title	Super User Name	Device(s)
1	Accounting	Anaheim CA	User name	Cost Acct	Manager 1	PC Only
2	Accounting	Topeka KS	User name	CPA	Manager 1	
3	Accounting	Topeka KS	User name	Controller	Manager 1	
4	Accounting	Topeka KS	User name	CFO	Manager 1	
5	Accounting	Topeka KS	User name	Accounting	Manager 1	
6	Accounting	Topeka KS	User name	Accountant	Manager 1	
7	Accounting	Topeka KS	User name	Accounting	Manager 1	
8	Cust Svc	Anaheim CA	User name	Cust Svc Mgr	Manager 2	Laptop
9	Cust Svc	Anaheim CA	User name	Office Manager	Manager 2	PC Only
10	Cust Svc	Secaucus NJ	User name	Office Manager	Manager 2	PC Only
11	Cust Svc	Anaheim CA	User name	Office Manager	Manager 2	PC Only
12	Engineering	Anaheim CA	User name	Engineer	Manager 3	Laptop
13	Engineering	Secaucus NJ	User name	Engineer	Manager 3	PC Only
14	Engineering	Anaheim CA	User name	Engineer	Manager 3	PC Only
15	Executive	Secaucus NJ	User name	President	-	Laptop
16	Executive	Topeka KS	User name	Owner	-	
17	HR	Secaucus NJ	User name	HR Manager	Manager 4	Laptop
18	Manufacturing	Secaucus NJ	User name	Lean Engineer	Manager 5	PC/Laptop
19	Manufacturing	Anaheim CA	User name	Maintenance	Manager 5	PC Only
20	Manufacturing	Anaheim CA	User name	Plant Manager	Manager 5	PC/Laptop
21	Manufacturing	Secaucus NJ	User name	Plant Manager	Manager 5	PC/Laptop
22	Manufacturing	Anaheim CA	User name	Plant Manager	Manager 5	PC/Laptop
23	Manufacturing	Anaheim CA	User name	Production Supv	Manager 5	PC Only
24	Manufacturing	Secaucus NJ	User name	Production Supv	Manager 5	PC Only
25	Manufacturing	Anaheim CA	User name	Scheduler	Manager 5	PC Only
26	Purchasing	Secaucus NJ	User name	Purchasing	Manager 6	PC Only
27	Purchasing	Anaheim CA	User name	Purchasing	Manager 6	PC Only
28	Quality	Secaucus NJ	User name	Quality Mgr.	Manager 5	PC Only
29	Raw Materials	Anaheim CA	User name	Warehouse	Manager 7	PC Only
30	Raw Materials	Secaucus NJ	User name	Material Handler	Manager 7	PC Only
31	Raw Materials	Anaheim CA	User name	Warehouse	Manager 7	PC Only
32	Sales	Anaheim CA	User name	Estimator	Manager 8	PC Only
33	Sales	Anaheim CA	User name	Sales Manager	Manager 8	Laptop
34	Sales	Anaheim CA	User name	Sales Person	Manager 8	Laptop
35	Shipping/Rcvng	Anaheim CA	User name	Shipping Person	Manager 9	PC Only
36	Shipping/Rcvng	Anaheim CA	User name	Shipping Person	Manager 9	PC Only
37	Shipping/Rcvng	Secaucus NJ	User name	Shipping Person	Manager 9	PC Only
38	Shipping/Rcvng	Secaucus NJ	User name	Shipping Person	Manager 9	PC Only
39	Shipping/Rcvng	Secaucus NJ	User name	Shipping Person	Manager 9	PC Only
40	Shipping/Rcvng	Anaheim CA	User name	Shipping Manager	Manager 9	PC Only
41	Shipping/Rcvng	Anaheim CA	User name	Shipping Manager	Manager 9	PC Only
42	Tool Room	Secaucus NJ	User name	Tool Maker	-	PC Only
43	Tool Room	Anaheim CA	User name	Tool Maker	-	PC Only
44	Training	Anaheim CA	User name	Trainer	-	Laptop

## Project Objectives

Sample Company is looking for new software to achieve the following primary goals:

Reduction in manufacturing costs in the areas of better equipment management, improved procurement procedures, improved allocation of labor resources, and enhanced planning and control to shorten WIP times. The integration of the multiple systems existing at each plant (company), into one system, to allow for consolidated reporting.

Improve job costing and estimating accuracy.

Reduction in selling, general, and administrative (SG&A) costs.

Improve inventory accuracy.

## Modules to be Implemented

- ✓ Accounts Payable
- ✓ Accounts Receivable
- ✓ Business Intelligence / Report writing
- ✓ Capacity Planning
- ✓ General Ledger
- ✓ Inventory Management
- ✓ Manufacturing Requirement Planning
- ✓ Product Quality (Quality Assurance)
- ✓ Purchasing
- ✓ Quotations & Estimating
- ✓ Repair and Service
- ✓ Sales Analysis
- ✓ Sales Order Processing
- ✓ Shop Floor Control

## Phase 2 - Possible Implementations

- ✓ Customer Relationship Management (CRM)
- ✓ Electronic Data Interchange (EDI)
- ✓ Enterprise Portal (for employees, vendors, customers)
- ✓ Finite Scheduling
- ✓ Human Resources
- ✓ Payroll (Or Interface with payroll service)
- ✓ Warehouse Management System

## **Timeframe for acquiring and implementing new software**

While there is no specific timeframe which must be adhered to, and no new impending events driving the process, Sample Company anticipates that the new ERP software will be decided upon within 90 days of the “responses due” date.

Given the size of Sample Company, the industry, and the number of locations (companies), we believe that implementation of “phase 1” is expected to fall in the range of 9 to 14 months.

## Requirements by Module - Overview

The following pages specify the software requirements at a departmental level, beyond those which are included with most ERP software offerings. Please respond to the requirements by inserting the appropriate number, as defined below, in the “**Vendor Response**” column, and add any supporting comments or documentation you deem relevant, regarding how your software will improve our processes.

- 1 = **More information** is required
- 2 = **Yes**. Functionality is provided out of the box, and is operational at other sites
- 3 = Requirement will be met by **configuring existing software**
- 3 = Functionality achieved via **reports** or screens generated using proposed Reporting Tools
- 4 = Accomplished through the implementation of **Third Party software** or Add on
- 5 = Functionality is provided through **programming customization** of the application
- 6 = Functionality is provided through a **future release** to be available within 1 year
- 7 = Functionality is **not provided**



## Statement of Requirements ERP Project 2016

### Accounts Payable

Feature	Factor	Demo	Vendor Response	Remarks
Centralized Accounts Payable – must share suppliers across the 3 companies	6	Y		
Integrated Job Costing that allows tracking expenses by specific job	6			
Must be able to assign classifications to vendors	6			E.g. raw materials, outside services, tooling
Must allow for consolidated purchases and payments for all companies at the corporate level	6	Y		

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### Accounts Receivable

Feature	Factor	Demo	Vendor Response	Remarks
Commissions are paid when invoice is paid. Rate is by customer. No commission is paid on tooling, surcharges, etc.	6			
Will be collecting sales tax. Software to determine jurisdiction automatically from the ship to address.	5			For Amazon customers
Statements are sent only on a case-by-case, manual basis	4			
There are no late fees charged to customers	1			
US dollars only. Foreign customers pay in USD.	1			Canada, China, Mexico

**Business Intelligence / Report writing**

Feature	Factor	Demo	Vendor Response	Remarks
Ability to export reports to Excel	6			
ODBC capability	6			
System must have extensive drilldown capabilities	6	Y		
Ability to "Slice & dice" data from parameters like: Company, Customer, Item #, Item group, Sales Rep, Territory, Ship-to, State	6	Y		

**Capacity Planning**

<b>Feature</b>	<b>Factor</b>	<b>Demo</b>	<b>Vendor Response</b>	<b>Remarks</b>
BOM structure needs the ability to contain parts made in another facility (company)	6	Y		
Manipulating the schedule directly from a drag-and-drop visual scheduling board	6	Y		Is the drag & drop permanent, or reset by next planning run?
Need Make-to-Stock and Make-to-Order capability	6	Y		
Resources needed to include in planning:	6	Y		Tooling, machines, vendors, locations, and human resources.
Need both Finite and Infinite Capacity Scheduling	5	Y		Finite considers availability of resources
Analyze effect of the forecast on machine, material and labor capacities.	4			
Long term capacity planning	3			Rough-cut planning
Need to optimize production for specific parts using all 3 plants, based on available resources	3	Y		Transfer of material or semi-finished components to another plant for completion

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**General Ledger**

Feature	Factor	Demo	Vendor Response	Remarks
Analyze Forecast Data: Demand, production, inventory needs, labor hours required, cash requirements, part usage	6			
Current G/L account number structure must change to accommodate multi-company	6			For consolidated financials
Dashboards, drill-down, slice & dice	6	Y		
Regulatory requirements: US GAAP only	6			
Report writer capable of constructing balance sheets, P & L statements, budget reports, and period comparisons	6			
Requires the ability to drill-down from journal to transaction source	6			
Sales analysis comparisons by month, YTD, QTD	6			
Slice & dice by Company, Customer, Item #, Item group, Sales Rep, Territory, Ship-to, State	6			
Requires an advanced allocations capability, to allow sophisticated allocation of cost and revenue to multiple projects or equipment	5			E.g. for cutting oil for machines

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### Inventory Management

Feature	Factor	Demo	Vendor Response	Remarks
Ability for items to not maintain on hand quantity	6			E.g. Services appearing on POs
Ability for the item master file to link to related engineering drawings and other documents	6			
Ability to do mass changes to BOM'S? (Replace one component everywhere)	6			
Ability to view past BOM revisions	6			
Allows multiple stocking locations and multiple bins	6			
Cost sets required:Average, Last, Standard, FIFO	6			
Cycle counting by A,B,C classes	6			
Drill down from item to see SO & PO detail	6			
Five decimal places are used for quantities	6			
Lot Traceability: and recall management	6			
Lot Traceability: Ability to see each raw material that went into a job, including who the product was shipped to	6			
Physical Inventory with Tags and reconciliation to book inventory	6			
Sales projections by company for each manufactured item and customer	6	Y		
Vendor Lead Time Reporting	6			
Ability to centralize purchasing for all companies, while MRP is local	4	Y		
Lot Traceability: Products are never recalled	1			

## Statement of Requirements ERP Project 2016

### Manufacturing Requirement Planning

Feature	Factor	Demo	Vendor Response	Remarks
Ability for planning to use inventory from all 3 companies that may have it in stock	6	Y		
Ability to reserve inventory by contract job and requirement date	6			
Based on On-hand, POs, MOs, firm demand, minimum qtys. Not seasonal.	6			
BOM needs 5 decimal places	6			
BOM needs ability to store documents by user function	6			
BOM routings need a minimum of 10 lines of description	6			
Centralized Data Storage by coding data according to site ownership.	6	Y		
Forecast based on managers judgment and experience. Mods may be necessary	6			
Kanban display	6	Y		
Materials also need to be backflushed for assembly items	6	Y		
Option to backflush materials by item (issue materials to MOs when production is complete)	6	Y		
Real time MRP system display, inquiries, & reports	6			
Routing needs to distinguish processing performed by outside subcontractors	6			For example, plating or heat treating
Show MRP by vendor type or job	6			
Support for inter-company transfers of inventory.	6			
Workflow alert for jobs that are behind schedule	6			
Ability to flag MOs as "Firm"	5			
Ability to flag POs as "Firm"	5			
Ability to view workload by machine	5			
BOM needs options for costs to be updated automatically	5			
Calculation of EOQ for quantity to be run	5	Y		
Drag and drop ability for the run order	5			
Manufacturing Pegging Report to see the relationship between SOs & MOs	5			
On hand minimum quantities should be updated automatically based on criteria	5	Y		
WIP to show where every part is for all steps	5			

## Statement of Requirements ERP Project 2016

### Miscellaneous

Feature	Factor	Demo	Vendor Response	Remarks
Mobile access to ERP	6	Y		
A Warehouse Management Module is needed for future implementation	5			Phase 2
Finite Scheduling module for possible future implementation	4			Phase 2
EDI may be required in the future	2			Phase 2
One logon gets user into desktop and ERP	2			
Payroll & HR modules (or interface to a service) are possible requirements for the future	2			Currently Paycom HR & Payroll Software
Fixed Assets is not required	1			
Can a non-programmer develop new processes, tailor screens, etc.?				
ECommerce (interface with Shopify)				
How many customers are on the latest release of the software and when was that release?				
What is the schedule of expected upgrades for the product, and with a timetable?				



**Product Quality (Quality Assurance)**

<b>Feature</b>	<b>Factor</b>	<b>Demo</b>	<b>Vendor Response</b>	<b>Remarks</b>
Ability for inventory locations to be flagged as non-conforming, don't allocate, etc.	6	Y		For items currently in "hold cages"
Ability to report on a vendor to keep track of delivery lead times, number of problems, etc.	6	Y		
Ability to see cost details for machine downtime, product returns, rejects, reworking, etc.	6	Y		
Corrective Action Request documents are required	6	Y		To document, schedule, manage, assign, and track all corrective action events
Quality checks must be completed before production can be recorded	6			
Quality tests for: measurements, weight, plating, heat treatment certifications, pass/fail	6	Y		
Ability to share Product Quality information with customers or suppliers	3			
Access to suppliers to enter receiving inspections directly into the system	3			

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**Purchasing**

Feature	Factor	Demo	Vendor Response	Remarks
Ability to issue blanket POs that are shipped in increments	6			
Ability to purchase non-stock items such as supplies, tooling, and services	6			
True landed cost with additional factors: inland freight, duty ,surcharges, etc. are included	6	Y		With % calcs & pro-rating by weight or cube

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### Quotations & Estimating

Feature	Factor	Demo	Vendor Response	Remarks
Ability to interface with ACT CRM software	TBD			If we continue to use ACT
Ability to interface with MicroEstimating software	TBD			If we continue to use MicroEstimating
CRM module	TBD	Y		If not using ACT
Estimating and Quoting module	TBD	Y		If not using MicroEstimating
MES (Manufacturing Execution System) – automatic production monitoring	TBD			Necessary? Are machines capable?
Support for Kanban from electronic signals?	TBD	Y		Necessary? Are machines capable?
Auto capture time by employee for efficiency reporting and more	6	Y		Phase 2 possibly
Costing to include surcharges, discounts, freight, etc.	6	Y		Landed cost can handle this
Auto calculate surcharges for metal prices	5			No standard customer "deal" yet
Standard cost rollup	5	Y		
Use actual employee hourly rate to for labor rate	5	Y		
Data archiving and document storage:	3	Y		Phase 2
Customer and vendor web portal	2	Y		Phase 2

**Repair and Service**

<b>Feature</b>	<b>Factor</b>	<b>Demo</b>	<b>Vendor Response</b>	<b>Remarks</b>
Ability to see the history of all maintenance performed on equipment	6	Y		
Ability to track the labor for maintenance	6	Y		
Equipment Tracking	6	Y		
Maintain files for parts associated with specific pieces, or types, of equipment	6	Y		
Preventive Maintenance tracking with alerts	6	Y		
Spare Parts Tracking	6	Y		
Products are not serviced	1			Sample Company does not service their products

**Sales Analysis**

<b>Feature</b>	<b>Factor</b>	<b>Demo</b>	<b>Vendor Response</b>	<b>Remarks</b>
Customer file must have a "master" customer capability for sales reporting & A/R	5	Y		

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### Sales Order Processing

Sales Order Proc.	Ability to add a customer-supplied "release #" to shipments, for each detail line shipped	6			
Sales Order Proc.	Ability to change the ship-to for each partial shipment	6	Y		
Sales Order Proc.	Ability to process blanket orders with multiple ship dates	6	Y		
Sales Order Proc.	Certain items require that standard text notes be printed on order documents	6			
Sales Order Proc.	Prices can have up to 5 decimal places	6	Y		
Sales Order Proc.	Pricing is by customer by item. There are some items with generic pricing.	6			
Sales Order Proc.	The same item may be released daily for years. At least 400+ release capability required	6			
Sales Order Proc.	Ability to have items that are not physical, and whose on-hand is always zero	5	Y		
Sales Order Proc.	Ability to import a "release #" from customer portals (currently required by 10 customers)	5			
Sales Order Proc.	Auto backorder fulfillment based on available inventory	5	Y		
Sales Order Proc.	Auto picking based on ship date, inventory, & customer priority	5	Y		
Sales Order Proc.	Flag customers and export "advance shipping data" (8 customers currently)	5			File format as required by each customer
Sales Order Proc.	Item numbers are currently up to 25 characters long	5			
Sales Order Proc.	Some item numbers contain special characters, for example, a leading "."	5			
Sales Order Proc.	System "alerts" for exceptions about credit, inventory, margin, etc.	5			
Sales Order Proc.	Y/N flag for whether a given note should appear on customer documents	5			Or another equally effective method

**Shop Floor Control**

<b>Feature</b>	<b>Factor</b>	<b>Demo</b>	<b>Vendor Response</b>	<b>Remarks</b>
Ability to push time and attendance data directly into payroll	6			
Need "Parts Travelers" or "Move Tickets"	6			To keep track of parts movement
Need Barcode printing capability	6			
Need the ability to print or display calendars for work centers	6	Y		
Time and attendance, with labor collection	6	Y		
Outsourced Inventory Management tools	3			To keep track of products being worked on at outsource vendor locations
Manufacturing Execution System (MES)	2			Real-Time Production Monitoring
Biometric support	1			
There are no items with a shelf life that expires	1			

## Requirements – Additional Questions

### The Software

- What training do you provide to the implementation team and users?
- What training delivery methods are available? (videos, webinars, train-the-trainer options, classroom, etc.)
- What is involved in customizing the software?
- Does the proposed software have development tools so that a non-programmer may develop a new business process in the system? (E.g. new fields/files, changes to screens, new screens, etc.)
- Will you provide full source code in the price of the software?
- Is the software written in a commercially available development language which is still being enhanced and supported by the supplier?
- Is your company the original author of the proposed software?
- What Database Management System does your software employ?
- When was the code base of the business logic originally developed?
- How many clients are you currently supporting who are utilizing this software?
- What percentage of your clients are on the latest release of the software, and when was the latest release?
- How often are upgrades to the software planned to be released?
- Please provide details of how the product is supported across multiple sites.
- What levels of support are available, and what are the hours of operation and response times?
- Where is your support team located, and what is their typical response time?
- Who will be supervising our implementation, and what is their experience in working with organizations like ours?
- Please provide information on your implementation methodology.
- Please provide an estimate of the typical implementation time frame for a company of our size.

### Your Company

- How long has your company been in business?
- What is the major benefit of choosing your company rather than a competitor?
- What experience do you have working with companies in our industry?
- Are there any anticipated mergers or acquisitions pending?

Contact Details:

Company Name:

Person responsible for Response:

Email:

Phone Number:

Position:



### **Financial**

- Are programming modifications done at a fixed cost?
- How are additional users added to the system and what costs are involved?
- Will you provide a written statement of work dictating what work will be performed as part of the implementation?
- Is there a flat fee or capped number of hours associated with that work?
- What are your hourly rates for implementation?
- Are software upgrades free, or is there a cost?
- Will program customizations cause additional expense, in order to take advantage of software upgrades?
- What are the ongoing support costs?

# Statement of Requirements ERP Project 2016

## **Budget**

Our anticipated budget will be determined after our review of the RFI responses. We shall provide hardware against your specification via our existing hardware support company.

## **Notes and Instructions**

Our intention is to calculate the total cost of ownership over a ten year period. Please include budgetary pricing for the software that appears to be needed to meet our requirements, sufficient to that end. All estimated costs should be presented including software licenses, annual maintenance, implementation, program modifications, software upgrades, hardware, and training.

It is anticipated that responses can be processed from the material in this document, but if you would like the opportunity to discuss the RFI or your response, a telephone conversation can be requested by emailing [ERC.ERP@gmail.com](mailto:ERC.ERP@gmail.com). Written questions may also be submitted by email to [ERC.ERP@gmail.com](mailto:ERC.ERP@gmail.com) to clarify any points which may not have been sufficiently clear.

Shortlisted vendors will be expected to provide remote demonstration(s) to accommodate geographically diverse participants.

Any use of subcontractors must be identified in the response.

By responding to this Statement of Requirements, you acknowledge that it will be done completely at your company expense, and no information other than that which is already in the public domain will be made available to any third parties without express prior consent from Sample Company.