Thursday, January 19, 2023

Subject: Request for Proposal #: 2023-01-001 Budget Transformation Implementation

Questions & Answers – Thank you for your interest in this RFP. This document serves to answer questions posed by Respondents to the above referenced RFP. We look forward to your proposals.

Areas of response: Forty-three (43) Questions answered.

1. *Could the due date be extended to have more time to prepare a proposal?*

**R. Unfortunately, Rice will not be able to extend the proposal timeframe for this RFP.**

1. *We see in the news that Rice University launched a strategic plan process (*[*https://news.rice.edu/news/2022/strategic-planning-process-be-launched-january*](https://news.rice.edu/news/2022/strategic-planning-process-be-launched-january)*).*

*It seems these two efforts might have some common components based on the brief news clipping (for example, “how the university will focus its resources to realize the vision”). With this context, how does the Budget Transformation Implementation effort intersect with the Strategic Plan effort being pursued?*

**R. The Budget Transformation Initiative is one of the key strategic priorities of the university as we think about the allocation of resources. The Strategic Plan is more about where we should allocate and what the academic priorities for the university will be. the two projects will be aligned but will not have project management overlap. The budget model should be flexible to allow us to align our incentives and resources to our strategic priorities.**

1. *Is Rice generally looking for broad-based budget consulting services that highlights options for different budget models that best fit the institution or does it have a specific budget model in mind (e.g., Responsibility Centered Management, Zero Based Budget) or that have been previewed with the leadership team?*

**R. We are open to a variety of possibility and would look for the implementation partner to provide different options, along with the pros and cons of each approach. Generally, we are looking at an incentive-based model that is specifically built to support Rice.**

1. *Do you anticipate the selected vendor to lead communication efforts with the broader campus community (e.g., running town halls and conducting interviews with academic and administrative leaders) or will that effort be shared with leadership and staff from Rice during/after the consultant’s efforts have concluded?*

**R. This will be a Rice led, consultant supported project. Generally, things like Town Halls and other large meetings will be facilitated and led by Rice personnel, but where appropriate we would like our partners to provide the larger context or share their experiences in implementation. It is likely that the partner would be more involved in stakeholder interview. We would also rely on our partner to produce much of the communication materials (e.g. slides, written communication, etc.) throughout the project.**

1. *Is Rice considering any technological solutions to support its budget model in the future?*

**R. Not at this time. We already have a budget system and just implemented a new ERP.**

1. *Can you provide more detail about the "profit sharing" portion of the Financial Proposal outlined on page 10?*

**R. Part of the implementation includes strategies around new revenue generation, cost containment, procurement strategy, the use of gift and endowment funds and cultural and organizational change. We are interested in hearing from vendors innovative and creative ways to address these and would be open to various pricing and profit-sharing options.**

1. *Can you clarify who the executive sponsors and steering committee members will be for this engagement?*

**R. The Executive Sponsors are the Vice President for Finance and Administration and the Provost. We have not yet determined the steering committee.**

1. *To what extent have project leaders socialized this initiative amongst the campus or broader stakeholder groups?*

**R. This is an exciting initiative that has been discussed at the executive leadership level, deans, and with the broader financial community. However, we will need to do additional communication to include all stakeholder groups as we move forward.**

1. *Section 5.0, Proposal Submission, is separated into 5.1 Technical Proposal and 5.2 Financial Proposal sections, while 7.0 Submission Requirements requests that Suppliers include Pricing as part of a specific proposal outline. Can you clarify whether* *Suppliers should submit separate technical and financial proposals?*

**R. Suppliers shall submit separate technical and financial proposals to allow Rice to evaluation each independently with the appropriate stakeholders in order to score the submissions appropriately. This methodology enables a segregation of information that prevents individuals who otherwise do not have input or necessary interest on financial or technical data to evaluate their assigned portion independent of the other.**

1. *The RFP indicates a desire to identify revenue enhancement opportunities – do you have a specific target (in dollars) or timeline to meet that goal?*

**R. No, we do not have a specific amount at this time. Part of the current state analysis will need to include what options we have and the magnitude that is achievable.**

1. *When did Rice last conduct a comprehensive review of its budget practices?*

**R. Rice has had an incremental model for as long as memory serves. There have been updates and additions through the years, but no comprehensive overview of the budget model.**

1. *Will the proposal presentation would be in person or would be a virtual option as well?*

**R. We would prefer the presentations to be in-person.**

1. *Who comprises the Steering Committee?*

**R. We have not yet determined the Steering Committee membership.**

1. *Has Rice designated a single project lead that will work with/represent the steering committee during the day-to-day of the project? If so, could you share who they are?*

**R. Vice President for Finance and Administration Kelly Fox and Provost Amy Dittmar are the executive sponsors. Deputy CFO Katrina Spencer will be the key contact for the project.**

1. *Do you have an estimate of the number of departments / centers that need to be interviewed?*

**R. We expect we will have approximately 30 units for the stakeholder interviews. However, this number could change as we move through the project and understand more.**

1. *What is the current ERP Rice University uses today? What version and/or module(s) is functional, and is this centralized across all departments?*

**R. Rice implemented Oracle Cloud starting in July 2021. It is a centralized system with functional Human Resources and Financial modules.**

1. *What is the primary tool used for budget and forecasting today at Rice? Is this centralized across all schools, departments, centers, etc.?*

**R. Oracle EPBCS, which was implemented as part of the ERP. Yes, it is centralized and used by the entire university.**

1. *Does Rice have a tool that maps out the cost of education across all academic centers that can be leveraged for mapping funds flows and allocations?*

**R. No, we do not have this tool. At this point in time we are not looking to implement any new software.**

1. *What is the system or tool used to administer allocations? Will the tool change with the new budget model? If so, would a proposal for vendor selection be helpful in this response?*

**R. At this point in time we are not looking to implement any new software.**

1. *Since this engagement is focused on designing and supporting the implementation, who will be supporting the role of system integration?*

**R. At this point in time we are not looking to implement any new software.**

1. *What type of budgeting model does Rice currently utilize? A centralized model? A responsibility center management (RCM) model?*

**R. Rice has had an incremental model for as long as memory serves. There have been updates and additions through the years, but no comprehensive overview of the budget model. Generally, we are looking at an incentive-based model that is specifically built to support Rice.**

1. *How does the University expect the model to be tested/delivered? In excel? In a sandbox environment? Another format/system?*

**R. We would like to use our existing technology or excel to support the model.**

1. *Does the University have a weighting methodology for its selection criteria? If so, would Rice be willing to share this methodology?*

**R. Yes. No.**

1. *Has Rice established specific budget parameters for this effort? If so, would you be willing to share this information so we can customize our proposal to best meet the institution’s objectives?*

**R. General budget parameters. No.**

1. *Beyond the typical busy and slower seasons (beginning & end of semesters, winter break, etc.) of higher education, what other times of year does Rice anticipate the project would slow or there’d be limited availability of Rice representation? Is the plan for the work to be continuous for 24 months?*

**R. Yes, we expect the project work to continue throughout the 24 months. However, as you note, due to the academic calendar we have some sensitivities we need to be aware of and accommodate in the schedule.**

1. *Beyond identifying opportunities and recommendations for cost and revenue optimization, is there an expectation that the firm will support implementation of opportunities? What is the expected scope of integration with the centers (e.g., firm leads teams within centers to identify and execute opportunities, firm provides resources to execute opportunities, etc.)?*

**R. Part of the implementation includes strategies around new revenue generation, cost containment, procurement strategy, the use of gift and endowment funds and cultural and organizational change. We are interested in hearing from vendors innovative and creative ways to address these and would be open to various pricing and profit-sharing options.**

1. *The RFP's introduction says, "It is important to the University that this is a University-led, consultant-supported engagement." Could you please elaborate on what would and would not be expected from the consultants throughout each phase? A clearer understanding of the desired project organizational structure and working relationship will help us provide you with the right approach, team, and team size.*

**R. This will be a Rice led, consultant supported project. Generally, things like Town Halls and other large meetings will be facilitated and led by Rice personnel, but where appropriate we would like our partners to provide the larger context or share their experiences in implementation. It is likely that the partner would be more involved in stakeholder interview. We would also rely on our partner to produce much of the communication materials (e.g. slides, written communication, etc.) throughout the project.**

1. *What are current campus strategic goals?*

**R. Rice University launched a strategic planning process late last calendar year. Refer to this announcement for more detail. It is not a completed process at this point in time.** [**https://news.rice.edu/news/2022/strategic-planning-process-be-launched-january**](https://news.rice.edu/news/2022/strategic-planning-process-be-launched-january)

1. *Please provide the most recent budget to actual reports and any documentation around the current budget process (Policies and Procedures, Requirements, etc.,)*

**R. Rice University does not see a need to provide this data to potential competitors as they assemble and present their solutions.**

1. *How many levels of review and approval does the budget go through currently?*

**R. Essentially three main levels. Department or unit level submits to the Budget office after preparation and reviews internally. The Budget Office works with these entities to reviews input, refine the data and prepare a working budget which is then forwarded to the Vice President of Finance and Administration. The VPFA then briefs University leadership.**

1. *Please provide the Board’s current KPI dashboard, or a list of the KPIs that the Board currently monitors.*

**R. The Board of Trustees’ current oversight and collaboration with University Leadership is not under review or being considered for change related to this project. Data related to current or past reviews is not available for review.**

1. *Can we obtain the current Organizational Chart?*

**R. Rice University is undergoing an assessment and realignment of responsibilities at multiple levels and a current organizational chart is not available.**

1. *Who is currently responsible for the budgetary process? Who is and how many are on the Steering Committee?*

**R. Vice President of Finance and Administration.**

1. *How often are Leadership meetings held and how often is required attendance for the consultant(s), especially in Phases 2 and 3?*

**R. This will be determined collaboratively with the awardee and leadership in order to ensure successful execution of the project.**

1. *How many interviews/interviewees are envisioned for the Stakeholder Interviews in Phase 1?*

**R. It is anticipated this will be determined collaboratively with the potential awardees.**

1. *What accounting and budgeting software are currently being used?*

**R. Rice University employs Oracle Cloud ERP system for the University-wide budgeting tool.**

1. *What are the current challenges? ie. What is not working and what are the pain points.  Are there any parts of the process working well and which part is not. What are the specific areas of most concern to the stakeholders?*

**R. In general, Rice wants to address the overall issues of the current process to ensure there is far more transparency, simplicity and fairness. While this question would appear to require a much lengthier answer, Rice is confident a well-executed project in accordance with the RFP scope will permit any awardee ample view into the current process to understand and work collaboratively on a path forward.**

1. *What is Rice’s estimate (in accumulated fashion) of how many person-hours are required to complete the budgeting process in its current state?*

**R. This is not a metric currently used in the budget process.**

1. *Please clarify the timeline between the information on page 4 and page 9. Is Phase III required to be completed by 12/31/2023 so the budgeting process can start then (12 months) or is Phase III expected to extend through 6/30/2024 (18 months)?*

**R. Since dates are based on the budget year at Rice, the kick-off on the project (Phase 1) is technically upon selection of an awardee which is February of 2023 – not a specific date in February in order to permit negotiation and contract processing. New model implementation is expected in Phase 4 which is the expected to take place with the launch of the Rice fiscal year 2025 (referred to as FY25) which takes place July 1, 2024. Per the RFP, the model should be ready for planning purposes (phase 3) in January of 2024.**

1. *Can you clarify what the expectation for Post implementation support outside of the stated scope of Phase IV? Is Phase IV to start with the development of the budget beginning January 2023, or in July 2024?*

**R. The University has purposely not defined or otherwise created a requirement beyond that which is defined in the RFP. Should it be necessary, and there is a reasonable expectation that it may be, that will be a collaborative effort to determine such support outside of the requirements defined in RFP at a later date.**

1. *When is the final selection of vendor expected? The timeline on page 4 lists a kickoff of March 1st but later on that page and on page 9, it mentions a February start to the engagement.*

**R. It is anticipated that once the reviews of proposals are completed and a selection is made, the announcement of an awardee will take place within the first two weeks of February 2023.**

1. *Is there an established budget for this consulting project?*

**R. Rice University has established targets but part of the reason for this RFP process is to more accurately assess the market in comparison to the offered solutions based on the proposals.**

1. *Are you open to a live meeting to clarify any additional questions or the answers after Rice’s initial response?*

**R. Not prior to the submission of the proposals.**