

DRAFT**RESOLUTION 20xx-xxx****RESOLUTION APPROVING REALLOCATION OF
UNSPENT FUNDS IN THE ECONOMIC RECOVERY
PROGRAM (ERP) BUDGET IN THE AMOUNT OF
\$200,000 TO ERP018 MOLASSES TANK REMOVAL,
AND \$345,000 TO ERP030 CUSTOMER PAYMENT
PORTAL - S4/HANA UPGRADE**

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

WHEREAS, the Economic Recovery Program (ERP), funded by \$110,000,000 in American Rescue Plan Act (ARPA) funds, was established in October 2021, with agenda item 2021-0349 and the ERP program consists of 40 projects grouped into ten project types; and

WHEREAS, the ARPA funds are administered by the California State Lands Commission and the funding agreement with the State Lands Commission allows the District to administratively reallocate funds as necessary between projects, provided that any administrative changes were relayed to the State Lands Commission via the regular reporting process; and

WHEREAS, the BPC directed staff to notify the BPC when funds were reallocated within project groups but seek approval when proposing to reallocate funds between project groups; and

WHEREAS, staff have completed two Economic Recovery Program (ERP) projects under budget which has resulted in a total of \$410,329 in unspent funds available for reallocation and a third ERP project is projected to be completed under budget; and

WHEREAS, two ERP projects, ERP018 Molasses Tank Removal and ERP 030 Customer Payment Portal – S4HANA Upgrade require additional funds; and

WHEREAS, the ERP018 Molasses Tank Removal Project (ERP018 Project) will remove three large molasses storage tanks that are defunct and no longer able to store or transfer liquid molasses cargo at the Tenth Avenue Marine Terminal; and

WHEREAS, originally budgeted at \$1,500,000 for removal of the tanks, subsequent design work has increased the cost and scope of this project to include stormwater improvements, electrical system relocation, and heavy-duty pavement installation; and

20xx-xxx

WHEREAS, the Engineering team has identified a suite of funding sources to address the budget needs for this project which include \$200,000 in funds from ERP004 Tenth Avenue Marine Terminal Electrical Improvements and Substation (ERP 004 Project), and this BPC action would transfer the funds from ERP004 Project to ERP018 Project; and

WHEREAS, the ERP030 Customer Payment Portal group of projects consists of upgrades to the District's SAP system, HR customer service portal, and three external customer service portals; and

WHEREAS, the S4HANA Upgrade project is to upgrade SAP; and

WHEREAS, the SAP upgrade project is underway, with two major milestones already achieved: the implementation of the Grants Management Module and the Real Estate Management Module; and

WHEREAS, additional funds are required due to increased professional services support to achieve systems integration, and product and District-specific engagement with the software vendor (SAP) to ensure the quality of the final delivered system; and

WHEREAS, staff is proposing to move \$345,000 in unallocated funds to ERP030 Customer Payment Portal – S4HANA Upgrade; and

WHEREAS, approval of this agenda item will leave \$65,329 unallocated and available to address future funding needs within the ERP program; and

WHEREAS, staff recommends approving the reallocation of unspent funds in the ERP budget in the amount of \$200,000 to ERP018 Molasses Tank Removal, and \$345,000 to ERP030 Customer Payment Portal S4HANA Upgrade.

NOW, THEREFORE, BE IT RESOLVED that the Board of Port Commissioners (BPC) of the San Diego Unified Port District (District), does hereby approve the reallocation of unspent funds in the Economic Recovery Program (ERP) budget in the amount of \$200,000 to ERP018 Molasses Tank Removal, and \$345,000 to ERP030 Customer Payment Portal – S4HANA Upgrade.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 14th day of November 2023, by the following vote: