



## Legislation Details (With Text)

**File #:** 2018-0474    **Version:** 1    **Name:**  
**Type:** Action Item    **Status:** Passed  
**File created:** 10/4/2018    **In control:** Board of Port Commissioners  
**On agenda:** 11/6/2018    **Final action:** 11/6/2018  
**Title:** RESOLUTION AUTHORIZING APPENDIX 13 TO BOARD-APPROVED SOFTWARE END-USER LICENSE AGREEMENT WITH SAP PUBLIC SERVICES INC. TO ADD SINGLE SIGN-ON IN AN AMOUNT NOT TO EXCEED \$35,377 WITH A FIVE-YEAR TOTAL COST OF OWNERSHIP OF \$65,406.25. FY2019 EXPENDITURES ARE BUDGETED. FUNDS REQUIRED FOR FUTURE FISCAL YEARS WILL BE BUDGETED IN THE APPROPRIATE FISCAL YEAR, SUBJECT TO BOARD APPROVAL UPON ADOPTION OF EACH FISCAL YEAR'S BUDGET.

### Sponsors:

### Indexes:

### Code sections:

**Attachments:** 1. 7. 2018-0474 Attachment A, 2. 7. 2018-0474 Attachment B, 3. 7. 2018-0474 Draft Resolution

Date	Ver.	Action By	Action	Result
11/6/2018	1	Board of Port Commissioners	adopted	

**DATE:** November 6, 2018

### SUBJECT:

**RESOLUTION AUTHORIZING APPENDIX 13 TO BOARD-APPROVED SOFTWARE END-USER LICENSE AGREEMENT WITH SAP PUBLIC SERVICES INC. TO ADD SINGLE SIGN-ON IN AN AMOUNT NOT TO EXCEED \$35,377 WITH A FIVE-YEAR TOTAL COST OF OWNERSHIP OF \$65,406.25. FY2019 EXPENDITURES ARE BUDGETED. FUNDS REQUIRED FOR FUTURE FISCAL YEARS WILL BE BUDGETED IN THE APPROPRIATE FISCAL YEAR, SUBJECT TO BOARD APPROVAL UPON ADOPTION OF EACH FISCAL YEAR'S BUDGET.**

### EXECUTIVE SUMMARY:

The Board authorized the District to enter into an agreement with SAP Public Services, Inc. on October 8, 2002 for SAP Software End User License Agreement (Original Agreement). Staff recommends authorizing Appendix 13 to the Original Agreement which purchases 650 SAP Single Sign-on licenses and annual maintenance.

Since the component allowing for SAP Single Sign-on is exclusively sold by SAP Public Services Inc., staff recommends a sole source procurement with SAP Public Services Inc., per Board of Port Commissioners Policy No. 110, Section III. E (see attached sole source memo).

### RECOMMENDATION:

Adopt a Resolution authorizing Appendix 13 to Board Approved Software End-User License

Agreement with SAP Public Services Inc. to add Single Sign-on in an amount not to exceed \$35,376.25 with a five-year total cost of ownership of \$65,406.25. FY2019 funds are budgeted. Funds required for future fiscal years will be budgeted in the appropriate fiscal year, subject to Board approval upon adoption of each fiscal year's budget.

### **FISCAL IMPACT:**

Funds for the first fiscal year are budgeted in the Technology Management Program Equipment & Systems account and Software Maintenance account.

<b>Cash Requirement Forecast</b>	<b>FY 18/19</b>	<b>FY 19/20</b>	<b>FY 20/21</b>	<b>FY 21/22</b>	<b>FY 22/23</b>
Equipment & Systems	\$ 34,125.00				
Software Maintenance	\$ 1,251.25	\$ 7,507.50	\$ 7,507.50	\$ 7,507.50	\$ 7,507.50
Total by Fiscal Year	\$ 35,376.25	\$ 7,507.50	\$ 7,507.50	\$ 7,507.50	\$ 7,507.50
	<b>\$ 65,406.25</b>	<b>Total Cash Requirement</b>			

### **COMPASS STRATEGIC GOALS:**

This agenda item supports the following Strategic Goal(s).

- A Port with an innovative and motivated workforce.

### **DISCUSSION:**

The Board authorized the District to enter into an agreement with SAP Public Services, Inc. on October 8, 2002 for SAP Software End User License Agreement (Original Agreement). SAP is the District's enterprise resource planning system. Over time, the District has added both system modules and user licenses to the Original Agreement. These amendments have been added to the Original Agreement as Appendices 1 through 12 respectively.

Staff recommends authorizing Appendix 13 to the SAP End User License Agreement which purchases 650 SAP Single Sign-on licenses and annual maintenance. Single sign-on allows end-users to seamlessly use applications without having to log into each of them with their user credentials. SAP Single Sign-on will authenticate users attempting access to applications against Active Directory.

The benefits of SAP Single Sign-on are:

- Enhanced User Experience
  - Increases user productivity by eliminating the need to perform separate procedures for each software application
  - Eliminates the need for insecure memory aids for passwords
- Streamlined User Administration
  - Lowers help-desk costs due to significantly fewer calls for recovering passwords and unlocking accounts
- Increased Cyber-Security

- Supports strong authentication, digital signatures, and state-of-the-art encryption
- Protects individuals and business from identity theft, computer crime, industrial espionage, and cyber-attacks both internally and externally

Since the component allowing for SAP Single Sign-on is exclusively sold by SAP Public Services Inc., staff recommends a sole source selection with SAP Public Services Inc., per Board of Port Commissioners Policy No. 110, Section IIIE (see attached sole source memo).

The total cost of ownership over five years for SAP Single Sign-on, is as follows:

	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	5-Year TCO
Equipment & Systems	\$ 34,125.00					\$ 34,125.00
Maintenance	\$ 1,251.25	\$ 7,507.50	\$ 7,507.50	\$ 7,507.50	\$ 7,507.50	\$ 31,281.25
Total	<b>\$35,376</b>	<b>\$7,508</b>	<b>\$7,508</b>	<b>\$7,508</b>	<b>\$7,508</b>	<b>\$65,406</b>

### **General Counsel's Comments:**

The Office of the General Counsel has reviewed and approved this agenda and the proposed Appendix 13 as to form and legality.

### **Environmental Review:**

The proposed Board direction or action, including without limitation, an agreement appendix for an existing software agreement does not constitute a "project" under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because it will not have a potential to result in a direct or indirect physical change in the environment and is, therefore, not subject to CEQA. No further action under CEQA is required.

In addition, the proposed Board direction or action complies with Sections 21 and 35 of the Port Act, which allow for the Board to pass all necessary resolutions and to do all acts necessary and convenient for the exercise of its powers. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

The proposed Board direction or action does not allow for "development," as defined in Section 30106 of the California Coastal Act, or "new development," pursuant to Section 1.a. of the District's Coastal Development Permit Regulations. Therefore, issuance of a Coastal Development Permit or exclusion is not required.

### **Equal Opportunity Program:**

Not applicable.

### **PREPARED BY:**

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Senior Management Analyst

Attachment(s):

Attachment A: Single Source Justification Memo

Attachment B: Appendix 13 to SAP Software End-User License Agreement