



Legislation Text

File #: 2017-0225, **Version:** 1

DATE: June 20, 2017

SUBJECT:

- A) RESOLUTION AUTHORIZING AMENDMENT TO THE AGREEMENT WITH SAP PUBLIC SERVICES, INC. FOR THE ADDITION OF APPENDIX 13 - SAP ADVANCED LEARNING PACKAGE LICENSING; INCREASING THE LICENSING EXPENDITURE BY \$47,600 PER YEAR, FOR A CUMULATIVE INCREASE OF \$238,000 OVER 5 YEARS; AND**
- B) RESOLUTION AUTHORIZING AN AGREEMENT WITH ASPIREHR, INC. FOR IMPLEMENTATION SERVICES NOT TO EXCEED \$67,650, FOR A MAXIMUM PROJECT COST OF \$305,650 CONDITIONED UPON THE APPROVAL OF ITEM A**

EXECUTIVE SUMMARY:

The current Agreement provides the San Diego Unified Port District (District) licensing and maintenance on all SAP Enterprise Resource Planning, Business Warehouse, Business Objects, Online Analytical Processing, and Crystal Reports (otherwise referred to as SAP Systems). The terms of the agreement began in 2002 with the Board's authorization of the selection of SAP as the District's integrated resource management system and reporting solution. The District's licensing cost for SAP Systems is \$180,311 per year; the additional licensing expenditure of \$47,600 will increase the total cost of ownership to \$227,911 per year starting in Fiscal Year 2017/2018 (FY 17/18).

The additional licensing supports the Harbor Police Department's (Harbor Police) Training Management project. The District will implement SAP Advanced Learning Package (SALP), which is the upgrade to SAP's Training and Events Management module the District is currently using. The new solution will improve Harbor Police's ability to manage and report on certifications and training compliance for sworn and non-sworn personnel. Staff recommends AspireHR, Inc. (Aspire), who specializes in SALP Public Sector implementations to complete the upgrade. The cumulative increase to licensing over 5 years along with the implementation costs of \$67,650 has a total project cost of \$305,650.

RECOMMENDATION:

- A. Adopt a Resolution Authorizing an Amendment to the Agreement With SAP Public Services, Inc. For the Addition of Appendix 13 - SAP Advanced Learning Package Licensing; Increasing the Licensing Expenditure by \$47,600 Per Year, for a Cumulative Increase Over 5 Years of \$238,000.
- B. Adopt a Resolution Authorizing an Agreement with AspireHR, Inc. For Implementation Services Not to Exceed \$67,650 For a Maximum Project Cost of \$305,650.

FISCAL IMPACT:

Funds are not required for the current FY 16/17. Funds required for the upcoming fiscal year are included in the preliminary FY 17/18 budget. Future funds requirements will be budgeted for in the appropriate fiscal year and cost account subject to Board approval upon adoption of each fiscal year's budget.

(And Beyond)

Cash Requirement Forecast	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
Services - Professional & Other	\$ 67,650	-	-	-	-
Software Maintenance	\$ 47,600	47,600	47,600	47,600	47,600
Total by Fiscal Year	\$ 115,250	47,600	47,600	47,600	47,600
	<u>\$ 305,650</u>	Total 5-year Cash Requirement			

COMPASS STRATEGIC GOALS:

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

- A Port that the public understands and trusts.
- A Port that is a safe place to visit, work and play.
- A Port with an innovative and motivated workforce.
- A financially sustainable Port that drives job creation and regional economic vitality.

DISCUSSION:

As part of the 21st Century Port initiative Harbor Police has been working towards updating systems and processes to create a more efficient and collaborative environment between their people and the systems they use. Part of that initiative is to implement a new training management solution for monitoring certification and training compliance for sworn and non-sworn personnel.

Understanding that the People Strategies Department's continuing efforts for an overarching District Learning Management Program is still a few years away from execution, it is important for Harbor Police to find a solution that meets their immediate obligation to improve the current processes for managing training records, find an open platform that can integrate with future systems (i.e. Computer Aided Dispatch System), and is low in cost.

During the review of SAP Advanced Learning Package (SALP), Harbor Police were able to complete a site visit with the San Diego Police Department, as the City of San Diego recently upgraded to SALP for 34 departments. The meeting included hearing opinions about the solution from the employees and administrators, a review of business needs as they vary between the two agencies and a list of project lessons learned. The opinions on user experience were favorable and there were no major concerns noted in the review of the requirements and the lessons learned. Harbor Police and Information Technology (IT) staff left the meeting with confidence in its ability to manage and report on training data.

The SALP is an upgrade to our current SAP Training and Events Management module. FY 17/18 project cost is \$115,250, with continued licensing cost of \$46,700 thereafter, for a total of \$305,650 at the end of 5 years. District IT staff researched alternative training management solutions and found them to be far more expensive and would not integrate to SAP without a substantial additional cost.

The analysis shows that upgrading the District's current system allows the District to leverage the following:

- Zero upfront purchase costs since the District is paying for additional SAP licensing and the cost to implement only
- Annual license cost include quarterly system enhancements and maintenance
- Integration is inherent between SAP systems.

Staff recommends AspireHR, Inc. (Aspire) to complete the upgrade because they specialize in SALP Public Sector implementations. They have been an industry leader in SAP Human Capital Management since 1998. Staff has reviewed all Harbor Police training management requirements with Aspire and is in agreement with their recommended quick complete project approach and timeline of 16 to 18 weeks.

For these reasons Staff recommends authorizing the amendment to the SAP Public Services, Inc. contract to increase licensing to include SAP Advanced Learning Package, and authorizing the agreement with AspireHR, Inc. for implementation services.

Total Cost of Ownership (TCO)

In accordance with BPC 110 Section IIIF, the current Agreement for licensing and maintenance on all SAP Systems began in 2002 with the Board's authorization of the selection of SAP as the Districts integrated resource management system and reporting solution. As of FY 16/17, the District's licensing cost for SAP Systems is \$180,311 per year; the additional licensing expenditure of \$47,600 will increase the total cost of ownership to \$227,911 per year beginning FY 17/18. The estimated 5-year TCO for SAP Systems is approximately \$1,207,205 (includes onetime SALP implementation costs). The cost may increase over time in order to purchase additional user licenses or for additional upgrades as determined by Executive Leadership.

General Counsel's Comments:

The Office of the General Counsel has reviewed the amendment to the agreement With SAP Public Services, Inc. and the agreement with AspireHR, Inc. and approves both as to form and legality.

Environmental Review:

The proposed Board action 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 action allows for the District to implement its obligations under the Port Act and/or other laws. 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.

Finally, the proposed Board 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:

Joy Hutton
Senior Business Analyst, Information Technology

Attachment(s):

Attachment A: Appendix 13 - Order Form SAP Cloud Services
Attachment B: Agreement No. 109-2017KC with Aspire HR Inc.