



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 11

Agenda Date: December 5, 2024

In Control: City Council A Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Sherpa Budget Licensing and Implementation

SUMMARY:

This ordinance authorizes an agreement with Carahsoft Technology Corporation (Carahsoft) to procure software licensing and implementation services for Sherpa Budget to support the Office of Management and Budget Phase of the City's Enterprise Resource Planning (ERP) modernization and transformation program. The contract has an eight-year base term with three optional one-year extensions for an estimated contract value of \$4,023,010.42 over the contract term including renewal periods. Funding for the implementation of the Office of Management and Budget Phase of the ERP Project is included in the FY2025 – FY2030 Capital Improvement Program in the amount of \$1,743,222.12. Funding for subsequent years is contingent upon City Council approval of the annual budget.

BACKGROUND INFORMATION:

The City has used SAP's ERP software since 2004. The City has deployed SAP's Strategic Enterprise Management (SEM) budgeting system to prepare the City's budget. The version of the software the City uses is being phased out by SAP over the next three years and through a

modernization and transformation program will be upgraded to the latest version. This upgrade represents the first significant change to the City's ERP system since it was installed and gives the City the opportunity to transform essential business processes across Finance, Procurement, Budget and Human Resources for increased business value.

In Summer 2021, the City engaged with SAP for an ERP Value Discovery exercise across seven distinct process domains that represent the City's ERP landscape to include Hire to Retire; Procure to Pay; Budget to Report; Acquire to Retire; Plan to Project; Order to Cash; and Manage IT. Coming out of the Value Discovery engagement, SAP identified business capabilities in the newest software version that will address many current challenges and realize additional business benefits identified by the City's business stakeholders.

On September 29, 2022, City Council approved a contract with SAP Public Services, Inc. through Ordinance 2022-09-29-0725 for upgrade planning and support services to guide and assist the City in making key decisions on migration to their new technology solutions to facilitate the adoption of best-practices Financial and Procurement processes utilizing SAP's software. Through this engagement the City was able to identify the business value proposition as well as the technical benefits of migrating budgeting functions to Sherpa Budget.

Submitted for City Council consideration and action is an offer submitted by Carahsoft Technology Corporation (Carahsoft) for the licensing and implementation of Sherpa Budget as part of the second phase of the City's Enterprise Resource Planning (ERP) modernization and transformation program. The City of San Antonio Office of Management and Budget, Information Technology and Finance Department worked with SAP and Gartner, the City's Independent Verification & Validation (IV&V) consultant to verify the next logical successor program to SEM. This was determined to be Sherpa.

The current program approach is to deliver functionality in three separate waves;

- 1) Human Resources with SAP Success Factors software which is currently underway with a planned implementation of May 2025;
- 2) Budget with Sherpa software (which this ordinance authorizes) and has a tentative final implementation of May 2026; and
- 3) Finance/Procurement with SAP S4 Financials and Ariba Procurement software which has a tentative implementation of October 2027. Implementation services for Finance/Procurement will be procured separately through a Request for Proposals, expected for release in March 2025, with an anticipated award in August 2025.

This contract with Carahsoft is procured through a federal supply schedule of the United States General Services Administration (GSA) Multiple Award Schedule 47QSWA18D008F authorized under Texas Local Government Code 271.103, which satisfies the legal requirements to seek competitive bids. The Sherpa Budget software suite in this contract offering includes Operating, Salary and Capital Budget Preparation functions including Budget Reporting, Publishing and Document Management.

The initial term of the contract will begin upon approval of this ordinance and shall remain in full

force and effect for an eight (8) year period. Three additional annual renewals will also be authorized through this action.

ISSUE:

Approval of this ordinance authorizes an agreement between Carahsoft Technology Corporation (Carahsoft) for Licensing and Implementation of the Sherpa Budget software suite for the City's Enterprise Resource Planning (ERP) modernization and transformation program for an eight-year base term with three optional one-year extensions.

This purchase is exempt from the Local Preference Program and the Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived.

The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived as ITSD will be utilizing a GSA Multiple Award Schedule contract with a non-SBEDA eligible firm.

The Veteran-Owned Small Business Preference Program does not apply to non-professional services, so no preference was applied to this contract.

ALTERNATIVES:

Should this contract not be approved, the City's Information Technology Services, Finance and Human Resources Departments would not be able to continue the upgrade of the City's Enterprise Resource Planning (ERP) modernization and transformation program which began in October 2024 with the Human Resources modules. The current ERP system will not be supported past 2030 and it is imperative that the effort to upgrade the ERP system begin immediately.

FISCAL IMPACT:

This ordinance authorizes an agreement with Carahsoft Technology Corporation (Carahsoft) to procure software licensing and implementation services for Sherpa Budget to support the Office of Management and Budget Phase of the City's Enterprise Resource Planning (ERP) modernization and transformation program. The contract has an eight-year base term with three optional one-year extensions for an estimated contract value of \$4,023,010.42 over the contract term including renewal periods. Funding for the implementation of the Office of Management and Budget Phase of the ERP Project is included in the FY2025 – FY2030 Capital Improvement Program in the amount of \$1,743,222.12. Funding for subsequent years is contingent upon City Council approval of the annual budget.

RECOMMENDATION:

Staff recommends approval of this agreement with Carahsoft Technology Corporation for SAP's Budget software suite for the continuation of the City's Enterprise Resource Planning (ERP) modernization and transformation program for a total cost of \$4,023,010.42 over the term of the contract to include renewal periods. This contract was procured by means of a cooperative agreement and a Contracts Disclosure Form is not required.