



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 30

Agenda Date: November 2, 2023

In Control: City Council A Session

DEPARTMENT: Information Technology Services Department

DEPARTMENT HEAD: Craig Hopkins

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

SAP Unicode Professional Services

SUMMARY:

An ordinance authorizing an amendment to the contract with SAP Public Services, Inc. (SAP) to provide the City of San Antonio with professional services for a technical Unicode conversion in support of a planned SAP system upgrade. ITSD will execute a contract for the technical Unicode conversion of the SAP ECC system as a preparation step for the upcoming upgrade to S4/HANA. Funding for this contract in the amount of \$439,819.00 is available from Certificates of Obligation and included in the FY 2024 - FY 2029 Capital Improvement Program.

BACKGROUND INFORMATION:

The City has used SAP's Enterprise Resource Planning (ERP) software since 2004. The version of the software COSA uses is being phased out by SAP and over the next three years the software will be upgraded to the latest version. This upgrade represents the first significant change to COSA's ERP system since it was installed and gives the City the opportunity to transform essential business processes across Finance, Procurement, Budget, and HR for increased business value.

On September 20, 2022, City Council authorized a contract with SAP to provide Active Attention Services to provide the City with planning and development of a sound technical and business architecture capable of delivering maximum business benefits while minimizing business and technical risk associated with the three-year SAP upgrade. Early in the contract period, SAP identified an improvement that would avoid a major technical risk associated with the proposed upgrade.

The City is seeking services from SAP to conduct a pre-conversion of core HR/Finance solution SAP ECC 6.0 from Non-Unicode to Unicode. This pre-conversion would occur at the platform level, and this pre-conversion is a necessary step in our SAP Upgrade journey and required well in advance of the SAP Upgrade phase to Success Factors and ultimately to S/4 HANA.

In October 2023, ITSD finalized a proposal via contract amendment from SAP for the Unicode Conversion activity. This proposal is offered through the City's Professional Services Schedule, which was originally approved through Ordinance 95976, dated June 20, 2002. The term of this contract will continue until the Unicode Conversion activity has completed.

ISSUE:

Approval of this item will authorize an amendment to the contract with SAP Public Services, Inc. to continue the planned support and upgrade of its SAP system landscape.

This is an amendment to an existing contract with SAP. The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements are not applicable to this agreement.

The recommended award is an exception to the Local Preference Program.

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 Department would be required to pursue an upgrade of the current SAP ERP system with unconverted code; thus, presenting potential hurdles for successful system implementation of the new SAP modules.

FISCAL IMPACT:

This ordinance will authorize an amendment to the contract with SAP Public Services, Inc. (SAP) to provide the City of San Antonio with professional services for a technical Unicode conversion in support of a planned SAP system upgrade. ITSD will execute a contract for the technical Unicode conversion of the SAP ECC system as a preparation step for the upcoming upgrade to S4/HANA. Funding for this contract in the amount of \$439,819.00 is available from Certificates of Obligation and included in the FY 2024 - FY 2029 Capital Improvement Program.

RECOMMENDATION:

Staff recommends approval of an amendment to the contract with SAP Public Services, Inc., in the amount of \$439,819.00 for technical Unicode conversion in support of the SAP ERP system upgrade.

This contract is procured by means of amendment to an existing agreement and a Contracts Disclosure Form is not required.