



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 10

Agenda Date: September 29, 2022

In Control: City Council A Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

SAP Active Attention Services

SUMMARY:

This ordinance will authorize a contract amendment with SAP Public Services, Inc. (SAP) to provide the City of San Antonio with Active Attention Services (project and system planning) for the SAP system upgrade. SAP will provide a dedicated team of SAP solution architects for the three-year duration of the upgrade to help align the City's SAP system roadmap and assist with key decisions on SAP's products and best practices. Funding in the amount of \$2,616,400.00 is included in the FY2023-2028 Capital Improvement Program.

BACKGROUND INFORMATION:

The City has used SAP's Enterprise Resource Planning (ERP) software since 2004. The version of the software the City 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 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 HR 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, Procure to Pay; Budget to Report; Hire to Retire; Acquire to Retire; Plan to Project; Order to Cash; and Manage IT.

Coming out the Value Discovery engagement SAP identified business capabilities in the newest version of the software that will address many current challenges and realize additional business benefits identified by the City's business stakeholders. In order to realize the enhanced business value made possible by the new version of the software, the upgrade project will need to be planned and guided by SAP's point of view based on their unique knowledge of their own technology and capabilities strategy and roadmap.

SAP's Active Attention Services offering is an outcomes-driven approach to ensure that the business best practices embedded in SAP's products are optimized to realize the City's business value proposition. As the software vendor, SAP has deep knowledge of the product and provides unique planning services and tools to assist in ERP upgrade and transformation projects like the one the City will undertake. Because of the Value Discovery exercise already completed, SAP's service will be tailored to meet the City's upgrade and transformation objectives. As the designer and developer of the software SAP is in a unique position to guide and assist the City in planning a sound technical and business architecture capable of delivering maximum business benefits while minimizing business and technical risk.

In July 2022, the City requested an Active Attention Services proposal from SAP. 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 the services will begin October 3, 2022 and end on October 2, 2025.

ISSUE:

Approval of this item will provide the City a contract to plan and support the upgrade of its SAP system landscape in a way that will facilitate adoption of best-practices ERP business processes for City Finance, Procurement, Human Resources, and Budgeting operations using SAP's software.

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 amendment not be approved, the City's Information Technology Services Department would have to forego leveraging SAP's experience at identifying opportunities, issues or concerns associated with upgrades to their proprietary suite of products.

FISCAL IMPACT:

This ordinance will authorize a contract amendment with SAP Public Services, Inc. (SAP) to provide the City of San Antonio with Active Attention Services (project and system planning) for the SAP system upgrade. SAP will provide a dedicated team of SAP solution architects for the three-year duration of the upgrade to help align the City's SAP system roadmap and assist with key decisions on SAP's products and best practices. Funding in the amount of \$2,616,400.00 is included in the FY2023-2028 Capital Improvement Program.

RECOMMENDATION:

Staff recommends approval of this contract amendment with SAP Public Services, Inc., to provide the City's Information Technology Services Department with Active Attention Services (project and system planning) for the SAP system upgrade for a total cost of \$2,616,400.00.

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