

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services Agency	(2) MEETING DATE 11/5/2013	(3) CONTACT/PHONE Janette Pell, General Services Agency Director 805-781-5200	
(4) SUBJECT Request to approve the use of Countywide Automation Replacement funding to purchase two blade servers to support the County's Enterprise Financial System, authorize a budget adjustment in the amount of \$24,751 in Fund Center 266 Countywide Automation Replacement, and amend the fixed asset list for the purchase of two blade servers to support the County's Enterprise Financial System (EFS/SAP). (4/5ths vote required)			
(5) RECOMMENDED ACTION It is recommended that the Board: 1. Approve the use of FC 266 Countywide Automation Replacement funding to purchase two blade servers to support the County's Enterprise Financial System, (EFS/SAP); 2. Authorize a budget adjustment in the amount of \$24,751 in FC 266 Countywide Automation Replacement; (4/5ths vote required) and 3. Amend the fixed asset list for the purchase of two (2) blade servers to support the SAP system (4/5ths vote required).			
(6) FUNDING SOURCE(S) FC266 Countywide Automation Replacement	(7) CURRENT YEAR FINANCIAL IMPACT \$24,751	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1314039 <input checked="" type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>May 21, 2013</u>	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors
FROM: Janette Pell, General Services Agency Director
DATE: 11/5/2013

SUBJECT: Request to approve the use of Countywide Automation Replacement funding to purchase two blade servers to support the County's Enterprise Financial System, authorize a budget adjustment in the amount of \$24,751 in Fund Center 266 Countywide Automation Replacement, and amend the fixed asset list for the purchase of two blade servers to support the County's Enterprise Financial System (EFS/SAP). (4/5ths vote required)

RECOMMENDATION

It is recommended that the Board:

1. Approve the use of FC 266 Countywide Automation Replacement funding to purchase two blade servers to support the County's Enterprise Financial System, (EFS/SAP);
2. Authorize a budget adjustment in the amount of \$24,751 in FC 266 Countywide Automation Replacement; (4/5ths vote required) and
3. Amend the fixed asset list for the purchase of two (2) blade servers to support the SAP system (4/5ths vote required).

DISCUSSION

The Auditor-Controller's department and GSA-IT are jointly responsible for the maintenance, development, and management of the County's SAP suite of products including financial, payroll, human resources, benefits administration, and business warehouse modules.

The County signed an agreement with SAP to implement the Enterprise Financial System (EFS) on September 9, 2003 and the initial go-live occurred in January 2005. Since then, products have been kept up to date by applying fixes to correct problems with software programs and operating systems. However, technical changes and functional enhancements are not generally part of this process. There are system needs that cannot be met using existing skill sets and resources, including preparing for an SAP upgrade, enhancing SAP performance, improving security and access controls, expanding SAP Portal, implementing SAP Mobility, and expanding Business Intelligence (BI) functionality.

An in-depth assessment of the County's EFS and planning effort with SAP Public Services was completed in November 2012, by the County's EFS team, comprised of management and technical staff from the Auditor-Controller's Office and General Services Agency-Information Technology (GSA-IT). The assessment resulted in the creation of a multi-year EFS operational plan which identified required SAP updates, maintenance activities, and hardware replacement schedules. Hardware requirement recommendations included two additional servers to support activities related to the operation of the County's EFS. It was determined that many of the planned activities in Appendix 9 of the SAP Software End User License Agreement (attached), as approved by the Board on May 21, 2013, will require more server capacity than currently exists. The purchase of two new servers must precede many of the maintenance activities identified in the EFS operational plan. A delay in this purchase of additional server capacity would postpone many of the activities identified in the EFS operational plan now scheduled to be implemented between January and June, 2014.

The two servers being requested will provide the capacity to test and implement SAP on the latest versions of the Microsoft server operating system and database platforms. This will prepare the foundation for the significant SAP upgrade and Budget Prep Replacement projects that are anticipated for 2015. When implemented, these two new servers

will replace the current set of eight SAP test and production servers which are now six years old and have exceeded their normal useful life of four years. Replacing these eight servers will eliminate a \$6,400 yearly maintenance cost for this aging hardware.

OTHER AGENCY INVOLVEMENT/IMPACT

The EFS steering committee, comprised of staff representing the Administrative Office, Auditor-Controller-Tax Collector-Public Administrator, General Services Agency, Health Agency, Human Resources and Public Works, approved the SAP plan requiring the purchase of new server hardware.

FINANCIAL CONSIDERATIONS

The two blade servers will be purchased with FC 266 Countywide Automation Replacement funding that is currently budgeted for training center computer replacement, \$24,751. The Auditor-Controller supports the use of training center computer replacement funds for these server purchases. The training center computer replacement funding will be requested again in the FY 2014-15 budget cycle in FC 266 Countywide Automation Replacement. The initial cost of the two blade servers is estimated at \$16,000 for hardware and \$6,695 for required software. Ongoing annual maintenance of \$1,600 will be budgeted and paid for in FC114 – Information Technology starting in FY 2016-17. This purchase will have no impact to the General Fund.

RESULTS

Approval of this request for the purchase of two blade servers will allow the EFS team to comply with mandatory software upgrades and maintenance activities identified by the software vendor. Additionally, it will facilitate the virtualization of the SAP production and test environments, simplify the current hardware configuration, and allow the EFS team to leverage existing data recovery tools available on virtual servers. Finally, two new servers will provide increased flexibility to the EFS team to test new functionality and work more efficiently on the approved projects related to maintenance and improvement the County's financial system.

This meets the County's Community-wide Results for a Well-Governed Community: "The County will provide high quality "results oriented" services that are responsive to community desires."

ATTACHMENTS

1. Appendix 9 of the SAP Software End User License Agreement