

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

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|--|--|--|----------------------|
| (1) DEPARTMENT<br>Auditor - Controller -<br>Treasurer - Tax Collector  | (2) MEETING DATE<br>11/25/2014                   | (3) CONTACT/PHONE<br>Tamara Kaizuka 788-2966   |                      |
| (4) SUBJECT<br>Request to approve a FY 2014-15 agreement with Black & Veatch Corporation to provide support for the County's SAP Enterprise Financial System (EFS) on an as-needed fixed rate basis. All Districts.  |  |  |                      |
| (5) RECOMMENDED ACTION<br>It is recommended that the Board: <ol style="list-style-type: none"> <li>1. Approve and execute an agreement for fixed-rate professional services (Agreement) with Black &amp; Veatch Corporation for SAP consulting services;</li> <li>2. Authorize the Auditor-Controller-Treasurer-Tax Collector, or his designee(s), to extend the agreement for up to five (5) additional one-year option periods on a fixed rate as-needed basis.</li> </ol> |  |  |                      |
| (6) FUNDING SOURCE(S)<br>Fund centers 107 & 114<br>Current Yr Budget   | (7) CURRENT YEAR FINANCIAL IMPACT<br>\$91,000.00 | (8) ANNUAL FINANCIAL IMPACT<br>\$0.00  | (9) BUDGETED?<br>Yes |
| (10) AGENDA PLACEMENT<br><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<br><input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A   |  |  |                      |
| (12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)<br>19001473  |  | (13) BUDGET ADJUSTMENT REQUIRED?<br>BAR ID Number: N/A<br><input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A |                      |
| (14) LOCATION MAP<br>N/A   | (15) BUSINESS IMPACT STATEMENT?<br>No            | (16) AGENDA ITEM HISTORY<br><input type="checkbox"/> N/A Date: _____   |                      |
| (17) ADMINISTRATIVE OFFICE REVIEW<br><i>Nikki J. Schmidt</i>   |  |  |                      |
| (18) SUPERVISOR DISTRICT(S)<br>All Districts   |  |  |                      |

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Auditor - Controller - Treasurer - Tax Collector / Tamara Kaizuka

DATE: 11/25/2014

SUBJECT: Request to approve a FY 2014-15 agreement with Black & Veatch Corporation to provide support for the County's SAP Enterprise Financial System (EFS) on an as-needed fixed rate basis. All Districts.

## **RECOMMENDATION**

It is recommended that the Board:

3. Approve and execute an agreement for fixed-rate professional services (Agreement) with Black & Veatch Corporation for SAP consulting services;
4. Authorize the Auditor-Controller-Treasurer-Tax Collector, or his designee(s), to extend the Agreement for up to five (5) additional one-year option periods on a fixed rate, as-needed basis.

## **DISCUSSION**

In 2003 the County selected SAP to replace its existing financial, human resources and payroll mainframe systems, going live in January 2005 with the new system commonly referred to as the Enterprise Financial System (EFS). With the exception of major upgrades and occasional larger development projects, the County supports EFS with in-house staff from the Auditor-Controller-Treasurer-Tax Collector (ACTTC) and Information Technology departments.

With the ongoing evolution of SAP software, the in-house support team is sometimes faced with system needs that cannot be met using existing knowledge and skill sets. The team also has experienced backlogs in department requests for system development with current staffing levels. ACTTC management believes that establishing an ongoing relationship with an SAP consulting resource to use on an as-needed basis will provide an efficient and cost-effective way for in-house staff to keep up to date with SAP knowledge and best practices, and increase capacity for system development projects.

In May 2014 the ACTTC released RFP #PS-1262 requesting responses for consulting services to supplement the in-house functional and technical support teams in a variety of areas to achieve current and future business goals. Nine firms submitted written proposals, which were reviewed by a selection committee consisting of ACTTC and Information Technology staff. Two of the nine firms were promoted to the oral evaluation round. The selection committee unanimously recommended Black & Veatch because of their functional & technical expertise, experience working with other County installations, as well as their approach to understanding the County's SAP system support needs.

Approval of this recommendation will provide for an agreement with Black & Veatch for professional services on an as-needed basis that will be focused in the following areas of work:

- Development and configuration work required for changing and enhancing existing systems to support new business requirements.
- Troubleshooting and problem resolution in development landscape.
- Assistance in the preparation for and application of SAP Enhancement packs.
- Maturation of Business Intelligence (BW/BOBJ) installation.
- Consultation on best practices/business process improvements.

The initial agreement is for one year, beginning with the date of your Board's approval, and includes fixed hourly rates as shown in Exhibit B of the contract for on-demand services. The fixed rate, on-demand structure allows us to utilize Black & Veatch's services when necessary but does not obligate the County to use any services if assistance is not needed. Thereafter the term of the agreement shall automatically renew for up to five (5) additional one-year periods if both parties are in agreement.

### **OTHER AGENCY INVOLVEMENT/IMPACT**

The EFS Steering Committee supported the RFP initiative for SAP consulting services. The General Services Agency and Information Technology department assisted during the RFP screening and vendor selection process.

County Counsel has reviewed the agreement as to legal form and effect.

### **FINANCIAL CONSIDERATIONS**

No increase in appropriations is requested. The ACTTC may spend up to \$60,000 from this year's current budget. Annual renewals are anticipated at the same level but would be subject to your Board's approval. In addition, the Information Technology department has \$31,000 budgeted in the current fiscal year for SAP consulting that may be used under this agreement. Other departments with specific SAP consulting needs may also benefit from this fixed-rate agreement if they have budgeted and approved initiatives in the County's enterprise SAP systems.

### **RESULTS**

By signing this agreement, the County will

- Contribute to a prosperous and well governed community by ensuring that the County's SAP system is accurate and runs smoothly. The SAP system is used by every County department and a number of outside governmental agencies.
- Initiate a relationship with a consulting partner who can become familiar with the modules, integration, and processes of the County's enterprise SAP system.
- Reduce risk by providing SAP system expertise not available within the County.
- Provide guided hands-on training opportunities for County staff supporting the enterprise SAP system.
- Increase efficiency when solving SAP system issues or implementing functionality.

### **ATTACHMENTS**

1. Attachment 1 – Professional Services Contract
2. Attachment 2 – Contract Exhibit A – Statement of Work
3. Attachment 3 – Contract Exhibit B – Fixed Rate Schedule