



## Travis County Commissioners Court Agenda Request

**Meeting Date:** April 29, 2014

**Prepared By/Phone Number:** Lori Clyde/44205

**Elected/Appointed Official/Dept. Head:** Cyd Grimes

**Commissioners Court Sponsor:** Judge Biscoe

**Agenda Language: Approve Modification No. 13 to Contract No. 4400000762 (H.T.E. Contract No. PS090255LC), Labyrinth Solutions, Inc. (LSI), for BEFIT Implementation Services.**

- **Purchasing Recommendation and Comments:** This procurement action meets the compliance requirements as outlined by the statutes.

The purpose of this contract modification is to procure SAP (Systems Applications and Programs) inventory management consulting services in order to complete the design of an inventory management system for Health and Human Services and Veterans Service (HHS&VS) Housing Weatherization Program.

When Travis County contracted for the implementation of a new financial system, inventory management was identified as likely additional functionality needed as part of the County's new financial system but was not deemed essential for the core implementation of the new system. Inventory management was, therefore, included in the overall project budget approved in December 2010 with the understanding that before any work could begin or budget be consumed for Inventory Management, Commissioners' Court approval was required for the exact scope of work and cost.

In May of 2013, the sponsors for the new financials system project, also known as project BEFIT, provided Commissioners' Court with a BEFIT project budget update. This update included the inventory management functionality with a recommendation to limit the initial inventory management implementation to a pilot for the weatherization program at HHS&VS since HHS&VS was then and still is the department expressing the strongest need for an inventory system.

This contract modification includes for a fixed price the design of SAP Inventory Management for the Weatherization Program. If Travis County decides to move ahead and implement the design created as part of this contract modification, then a separate implementation contract modification will be created for approval by Commissioners' Court. Health and Human Services along with the Auditor's Office recommends approving this modification for these consulting services and believe it is a good value to the County for delivering a complete HHS&VS Weatherization inventory system design.

The cost of this modification for the design phase is \$72,900 funded by the existing BEFIT CO (Certificates of Obligation) project budget set aside for Inventory Management.

➤ **Contract Modification Information:**

Modification Amount: \$72,900.00  
Modification Type: Additional services  
Modification Period: Beginning April 29, 2014

➤ **Funding Information:**

- SAP Funds Reservation #: 300001137
- Funding Account(s):
- Comments:

TRAVIS COUNTY  
AUDITOR'S OFFICE

NICKI RILEY, CPA  
COUNTY AUDITOR



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**TO:** Cyd Grimes, Purchasing Agent

**DATE:** April 17, 2014

**FROM:** Sherri Fleming, Travis County Health & Human Services and Veterans Service  
Deborah Britton, Travis County Health & Human Services and Veterans Service  
Christina Adair, County Auditor's Office

**SUBJECT:** Approve Modification No. 13 to Contract No. 4400000762, BEFIT  
Implementation Services with Labyrinth Solutions, Inc.

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**Proposed Motion:** *Approve contract modification No. 13 to Contract No. 4400000762 in the amount of \$72,900*

**Purpose:** The purpose of this contract modification is to procure SAP (Systems Applications and Programs) inventory management consulting services in order to complete the design of an inventory management system for Health and Human Services and Veterans Service (HHS&VS) Housing Weatherization Program.

**Details:** When Travis County contracted for the implementation of a new financial system, inventory management was identified as likely additional functionality needed as part of the County's new financial system but was not deemed essential for the core implementation of the new system. Inventory management was, therefore, included in the overall project budget approved in December 2010 with the understanding that before any work could begin or budget be consumed for Inventory Management, Commissioners' Court approval was required for the exact scope of work and cost.

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**Objectives:**

The HHS&VS Housing and Financial divisions along with the Grants team in the Auditor's Office currently manage the weatherization inventory and grant billing for inventory through a combination of manual processes and a standalone tracking system. The purpose for SAP inventory management system is to meet the following objectives:

- A full function inventory management system
- Improved inventory control
- Decrease number of hours spent by HHS&VS Housing and Finance personnel on administration and reconciliation
- Foundation for more timely and even billing of Grant(s) throughout the year
- Integration with procurement goods receipt process to record goods (materials) in inventory as they are received
- Goods issuance control with tracking of goods (materials) used by each HHS&VS approved client application
- Improved costing of materials for grant billing. Today, the costing is based on manually tracking against individual purchase orders (POs) and making sure that each PO hasn't been overextended. With the SAP inventory management system, costs are assigned automatically using an accepted method such as FIFO (First In First Out) or average cost.

**Budgetary and Fiscal Impact:** the cost for this modification is \$72,900 funded by the existing BEFIT CO (Certificates of Obligation) project budget set aside for Inventory Management. The total planned CO budget for Inventory Management is \$599,818.

We believe that procuring these consulting services represent a good value to the County for delivering a complete HHS&VS Weatherization inventory system design.

The FY14 funding source is:

<b>Fund</b>	<b>Fund Center</b>	<b>Amount</b>
4072-Cert of Obligation Series 2012	1060024072 - Co Auditor BEFIT-CO 2012	\$72,900

Funds reservation document 300001137 has been created in the amount of \$72,900 to reserve the funds required for this modification.

cc: Nicki Riley, County Auditor  
Melinda Grahmann, County Auditor's Office  
Barbara Wilson, County Attorney's Office  
Diana Ramirez, PBO  
Lori Clyde, Purchasing Office