



Travis County Commissioners Court Agenda Request

Meeting Date: June 24, 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. 5 to Contract No. 440000257 (H.T.E. Contract No. CM090255LC), SAP Public Sector, Inc., for BEFIT Software and Maintenance Support.

- **Purchasing Recommendation and Comments:** Purchasing concurs with department and recommends approval of requested action. This procurement action meets the compliance requirements as outlined by the statutes.

On December 7th 2010, Commissioners' Court approved contract CM090255LC for the procurement of SAP licenses at a total one-time cost of \$1,366,528 and annual software and maintenance cost of \$250,062 for FY2011-2015.

During the fall of 2011 as we finalized our new financial and procurement processes, an additional set of licenses were purchased as a result of changed and improved business processes and in order for the vendors Labyrinth Solutions Inc. (LSI) and SAP Public Services Inc (SAP) to meet requirements in the RFP. The total cost for the additional licenses were \$667,050 with the County's portion at \$324,842. The County's increase in ongoing costs was \$71,885.

At this time, the Auditor's Office recommends purchasing an SAP product called Process Orchestration that is already being utilized by the County. This product is crucial for the development of any future software interfaces with SAP.

Process Orchestration is a separate SAP module that allows external software programs to interface with SAP. Currently, the County uses SAP Process Orchestration to interface with the newly implemented Criminal Courts software (IDA), which fully automated indigent attorney invoicing and payment in SAP. In the near future, Process

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to agenda@co.travis.tx.us by Tuesdays at 5:00 p.m. for the next week's meeting.

Orchestration will be needed for the following interface developments.

1) Human Resources Management Department: Benefit Enrollment and Maintenance interface.

2) Transportation and Natural Resources: Fleet System interface.

The total one-time cost for the new licenses is \$234,651.60, which is a 75% discount and expires on June 30, 2014. The ongoing annual maintenance cost is 22% of the original license cost and calculates to \$51,623.35.

The license cost of \$234,651.60 will be funded by the existing BEFIT project budget by using a portion of the Certificates of Obligation budget set aside for the implementation of Governance Risk and Compliance (GRC), which is a stand-alone SAP module. The GRC module is an audit related product that the Auditor's Office was interested in at the time of the debt issuance used to fund the implementation of SAP. Therefore, implementation costs of \$703,720 were included for GRC in that issuance. However, the licenses for this stand-alone module were not subsequently purchased, because a more cost-effective solution was implemented. At this time, we recommend releasing the GRC implementation costs of \$703,720, so that this amount can be utilized for other SAP modules.

The ongoing annual maintenance costs for Process Orchestration will be offset by the elimination of ongoing maintenance costs for Nakisa Talent Management/Org Chart (44,695.64), and Claims Management Property and Casualty for Self Insurance (\$6,852.73), which was purchased as part of Phase II of the SAP Implementation).

These products reside with the Human Resources Management Department (HRMD). After many discussions with HRMD, we are all in agreement that 1) Nakisa Talent Management/Org Chart would be too costly to fully implement and maintain for the benefit that would be gained, and 2) Claims Management Property and Casualty for Self Insurance is not a product that suits the County's needs. The Auditor has discussed this issue with Debbie Maynor, Director of Human Resources, and they are in agreement with terminating the licenses for Nakisa Talent Management/Org Chart and SAP Claims Management Property & Casualty for Self Insurance for the above reasons.

Overall, the net difference in ongoing costs would increase the annual ongoing costs by \$74.98, which will be funded by the existing General Fund BEFIT project budget. The breakdown of the annual increase is as follows:

Product	Total Fee (\$)
Process Orchestration	51,623.35
Nakisa Talent Management /Org Chart	-44,695.64
SAP Claims Management Property & Casualty for Self Insurance	-6,852.73
Increase in Ongoing Cost	74.98

It is imperative that we purchase these licenses for Process Orchestration, as this product is already being utilized by Travis County. We believe this price is a good value to the County considering the large discount negotiated. This is true with regards to the one-time cost and also the ongoing cost, since it is a percentage of the original license cost. We, therefore, support the procurement of this software and associated ongoing software maintenance cost.

➤ **Contract Modification Information:**

Modification Amount: \$234,651.60
 Modification Type: Purchase of Additional Licenses
 Modification Period: Through December 31, 2014

➤ **Funding Information:**

- SAP Shopping Cart #: 300001195
- Funding Account(s):
- Comments:

TRAVIS COUNTY
AUDITOR'S OFFICE

NICKI RILEY, CPA
COUNTY AUDITOR



TRAVIS COUNTY
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AUSTIN, TX 78767
(512) 854-9125
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TO: Commissioners Court

DATE: June 17, 2014

FROM:  Nicki Riley, County Auditor

RE: Modification No. 4 to Contract No. 4400000257 SAP to purchase licenses for Process Orchestration module

The purpose of this modification is to secure licenses for an SAP product called Process Orchestration that is already being utilized by the County. This product is crucial for the development of any future software interfaces with SAP.

Process Orchestration is a separate SAP module that allows external software programs to interface with SAP. Currently, the County uses SAP Process Orchestration to interface with the newly implemented Criminal Courts software (IDA), which fully automated indigent attorney invoicing and payment in SAP. In the near future, Process Orchestration will be needed for the following interface developments.

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cc: Debbie Maynor, Director of Health and Human Resources
Leroy Nellis, Acting County Executive
Jessica Rio, Budget Director
Barbara Wilson, Assistant County Attorney
Cyd Grimes, Purchasing Agent
Lori Clyde, Assistant Purchasing Agent