

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
ERM PROJECT**

AGENDA ITEM NO. 21

TO: Mayor and City Council

FROM: Troy Elliott, ERM Project Director

THROUGH: Terry M. Brechtel, City Manager

COPIES: J. Rolando Bono, Deputy City Manager; Travis M. Bishop, Assistant City Manager; Andrew Martin, City Attorney; Bill Wood, Assistant City Attorney; Milo Nitschke, Director, Finance Department; Gary Moeller, Director, Information Technology Services Department; File

SUBJECT: Amendment to the existing License and Maintenance Agreement with SAP Public Services to include GIS Business Connector software and maintenance

DATE: March 6, 2003

SUMMARY AND RECOMMENDATIONS

The following Ordinance authorizes and ratifies the execution of an amendment to the existing License and Maintenance Agreement with SAP Public Services to provide the City with the GIS Business Connector software and support.

An Ordinance ratifying the execution of an amendment to the SAP Public Services, Inc. license and maintenance agreement to provide for the acquisition of proprietary software licenses for the GIS Business Connector for \$23,280 and subsequent maintenance at an initial annual amount of \$3,321; appropriating and encumbering funds and authorizing payment.

Staff recommends approval of this Ordinance.

BACKGROUND INFORMATION

On June 20, 2002 the City Council approved Ordinance 95976 that authorized an End User License and Maintenance agreement with SAP Public Services to provide for the acquisition of proprietary software licenses for Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM) software in an amount of \$3,895,466. Within the terms of this agreement the City negotiated and locked in future pricing options which stipulated that for a period from the effective date of the license agreement through December 26, 2003 the City may purchase additional SAP functionality at the stated discount of 80.6% from the current list price in effect. The discounts were negotiated in order to provide the City the flexibility to evaluate future ERM Project needs on a case-by-case basis and determine the appropriate action to be taken as additional requirements are identified. The ERM Project team has evaluated the option of developing the GIS Business Connector internally versus purchasing the connector from SAP. Analysis has proven it is more cost effective to purchase, than to develop the interface internally. Additionally, the purchase of the Connector provides a known and workable SAP supported tool that has been tried and tested and provides a tool for future expansion of GIS functionality.

The GIS Business Connector will provide the City with the ability to connect or create a bridge between the new SAP Customer Relationship Management System and the City's GIS mapping system thereby increasing customer service to citizens of San Antonio through the City's 311 Customer Service center. GIS will be utilized to validate addresses for service requests, verify duplicate service requests by address, reports statistics on service requests as well as provide Customer Service Representatives information specific to a customer, such as garbage collection schedules, out of cycle brush collection, council district, etc.

In order to have the Customer Relationship Management Software configured and tested prior to the May go-live date, this amendment was executed on February 7, 2002. The major provisions of the GIS Business Connector amendment include the following:

- License Fee and Payment
 - List price of \$120,000 discounted by 80.6% in accordance with the End User License agreement effective June 30, 2002 for a total net license fee of \$23,280
 - Due and payable 30 days from date of invoicing
- Maintenance Fee and Payment
 - Maintenance is priced at the current factor of 17% multiplied by the net license fee of \$23,280 for an annual maintenance fee of \$3,958. (17% of \$23,280)
 - Maintenance fees are subject to change during a calendar year upon ninety days notice to the City
 - Maintenance fees are invoiced annually on January 1, any maintenance fees due prior to January 1 are invoiced on a pro rata basis. As a result, the first years maintenance is \$3,321 for the period March 2003 through December 2003.

POLICY ANALYSIS

Execution of the GIS Business Connector amendment to the End User License Agreement with SAP Public Services, Inc., is consistent with previous City Council actions to facilitate the implementation of an Enterprise Resource Management System.

FISCAL IMPACT

This ordinance appropriates and encumbers \$23,280 payable to SAP Public Services Inc. for the acquisition of proprietary software licenses for the GIS Business Connector.

The amount appropriated for the first year of maintenance and support is \$3,321 (pro rated for March through December) to be funded from Certificates of Obligations or other available funds. The remaining years of service and maintenance will be funded through the annual operating budget process in an amount not to exceed the current maintenance factor in effect (currently 17%) multiplied by the net-license fee of \$23,280 for an amount of \$3,985 for each subsequent year.

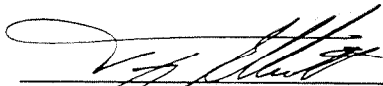
These amounts are programmed within the ERM Project Budget. The hardware and software budget estimated at the beginning of the project considered future unidentified hardware and software needs that would be determined as the project progressed. The combined hardware and software budget for the ERM Project is \$15,635,500 of which \$12,589,097 has been obligated through previous Council actions for items such as SAP Software, Hansen Software, Software Maintenance, initial computer Hardware purchase, Oracle Database and Crystal report writer.

As a result, a sufficient balance of \$3,046,403 is available for purchase of the SAP GIS Connector.

COORDINATION

This amendment to the SAP End User License agreement for the GIS Business Connector was coordinated with City Attorney's Office, Information Technology Services Department and Finance Department.

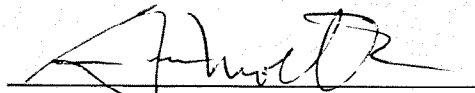
SIGNATURES



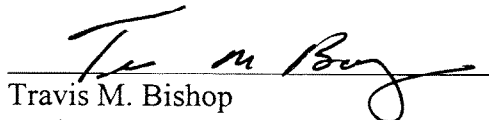
Troy Elliott
ERM Project Director



Milo Nitschke
Director
Finance Department

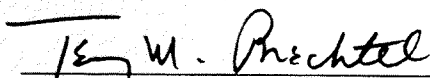


Gary Moeller
Director
Information Technology Services Department



Travis M. Bishop
Assistant City Manager

Approved:



Terry M. Brechtel
City Manager



City of San Antonio Discretionary Contracts Disclosure*

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2

Attach additional sheets if space provided is not sufficient.

State Not Applicable for questions that do not apply.

* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the City in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the City is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any individual who would be a party to the discretionary contract:

Not Applicable

(2) the identity of any business entity that would be a party to the discretionary contract: _

SAP Public Services, Inc.

and the name of:

(A) any individual or business entity that would be a subcontractor on the discretionary contract:

(B) any individual or business entity that is known to be a partner or a parent or subsidiary business entity, or any individual or business entity who would be a party to the discretionary contract:

SAP America, Inc.
SAP AG

(3) the identity of any lobbyist or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract:

Not Applicable



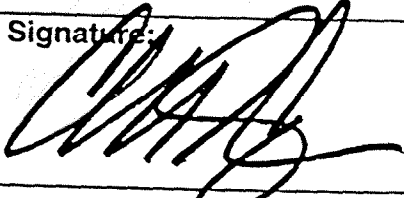
Political Contributions

Any individual or business entity seeking a discretionary contract from the City must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any current or former member of City Council, any candidate for City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made: None	Amount: N/A	Date of Contribution: N/A
-----------------------	----------------	------------------------------

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the City shall disclose any known facts which reasonably understood raise a question as to whether any City official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

Signature: 	Title: Director of Contracts Company: SAP Public Services, Inc.	Date: 01/18/02

¹ For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.