



San Bernardino County

Legislation Text

File #: 5155, Agenda Item #: 12

REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS OF SAN BERNARDINO COUNTY AND RECORD OF ACTION

December 7, 2021

FROM

ENSEN MASON, Auditor-Controller/Treasurer/Tax Collector

SUBJECT

Amendment to Agreements for SAP Enterprise Support Services

RECOMMENDATION(S)

1. Approve Amendments with the following two contractors to provide additional SAP Enterprise Support Services, increasing the total aggregate contract amount by \$1,532,600, from \$15,043,600 to \$16,576,200 for both vendors, with no changes to the contract term of August 7, 2018, through June 30, 2023.
 - a. The Peloton Group, LLC - Amendment No. 2 to Agreement No. 18-588
 - b. Labyrinth Solutions, Inc. dba LSI Consulting - Amendment No. 2 to Agreement No. 18-589
2. Authorize the Auditor-Controller/Treasurer/Tax Collector to continue approving Work Orders for SAP Support Services, within the aggregate contract amounts, with vendors based on the needed skill sets.
3. Authorize the Auditor-Controller/Treasurer/Tax Collector to prepare and post the necessary budget adjustments, as detailed in the Financial Impact section, to fund the increased contract amount (Four votes required).

(Presenter: Tori Roberts, Assistant Auditor-Controller/Treasurer/Tax Collector, 382-7005)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Improve County Government Operations.

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). Sufficient appropriation for the reimbursements from the Arrowhead Regional Medical Center (ARMC) has been included in their 2021-22 budget. The Auditor-Controller/Treasurer/Tax Collector (ATC) is requesting a budget adjustment in the amount of \$1,532,600 for the 2021-22 budget.

Recommendation No. 3 will authorize ATC to post the following adjustments to the 2021-22 budget:

Funds Center	Commitment Item/GL	Description	Action	Amount
3400001000	55415013	Serv/Supp Transfer In	Increase	\$ 1,532,600
3400001000	52002445	Other Professional Services	Increase	\$ 1,532,600

The below table outlines the maximum payment amount by department and fiscal year for the term of the amended contracts, including previous amounts for the Real Estate Services Department (RESD):

	2018-19	2019-20	2020-21	2021-22	2022-23	Five-Year Total
ATC	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$12,500,000
ARMC	0	970,000 (Amendment No. 1)	1,523,600 (Amendment No. 1)	1,532,600 (Amendment No. 2)	0	4,026,200
RESD	0	50,000 (Amendment No. 1)	0	0	0	50,000
Total	\$2,500,000	\$3,520,000	\$4,023,600	\$4,032,600	\$2,500,000	\$16,576,200

BACKGROUND INFORMATION

On October 1, 2017, the County successfully implemented the new Enterprise Financial Management System (EFMS) with software from SAP Public Services, Inc. (SAP), which replaced the old Financial Accounting System, the TZ Treasury system, and several functions of the existing ePro system. The current contracts with Peloton Group, LLC and Labyrinth Solutions, Inc. dba LSI Consulting allow the County to continue receiving professional SAP EFMS support services following the end of the EFMS implementation's post-production support. The recommended amendments will increase the aggregate contract amount by \$1,532,600 to cover the costs related to the continuous enhancement to the SAP Inventory Module requested by ARMC, which were not included as part of the original costs to sustain and support the current SAP system.

ARMC is currently utilizing both SAP and Meditech to support their financial reporting, which has resulted in business process inefficiencies and redundancies, as well as an increase in cycle time for major business processes. With the selection of Epic as ARMC's new Electronic Health Record (EHR) system, ARMC concluded that there was a need to implement a single, integrated data repository to improve decision-making and self-service inquiry. The overall goal is for ARMC to have SAP as their financial system, while Epic will be their official EHR system.

On February 1, 2021, ARMC went live with the SAP Inventory Module. They are now able to keep track of and replenish their warehouse inventory more efficiently and reduce time spent on manual processes. Due to the improvements experienced with this module, ARMC requested to onboard additional departments (CatLab, Operating Room, Emergency Room) and utilize the consignment functionality to continue improving business processes. Consequently, additional SAP Enterprise Support Services totaling \$1,532,600 are necessary to implement the additional functionality in SAP.

PROCUREMENT

As the result of a competitive process, on August 7, 2018 (Item No. 10), the San Bernardino County Board of Supervisors (Board) approved Agreement No. 18-588 with The Peloton Group, LLC and Agreement No. 18-589 with Labyrinth Solutions, Inc. dba LSI Consulting to provide SAP Enterprise Support Services at fixed rates by classification for the period of August 7, 2018, through June 30, 2023, in an aggregate amount not to exceed \$2,500,000 per fiscal year, for a total aggregate contract amount of \$12,500,000 for both vendors.

On May 19, 2020 (Item No. 25), the Board approved amendments with The Peloton Group, LLC and Labyrinth Solutions, Inc. dba LSI Consulting, to provide additional SAP Enterprise Support Services, increasing the total aggregate contract amount by \$2,543,600 (\$1,020,000 for fiscal year 2019-20 and \$1,523,600 for fiscal year 2020-21), from \$12,500,000 to \$15,043,600, with no changes to the contract term of August 7, 2018, through June 30, 2023.

The below table outlines the current contract amounts expended by each contractor as of October 2021.

	2018-19	2019-20	2020-21	2021-22 (as of October 2021)	Total
LSI Consulting	\$ 1,330,823	\$ 2,212,870	\$ 2,353,518	\$ 136,320	\$ 6,033,531
The Peloton Group, LLC	351,094	1,267,249	705,906	90,977	2,415,226
Total	\$ 1,681,917	\$ 3,480,119	\$ 3,059,424	\$ 227,297	\$ 8,448,757

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Kristina M. Robb, Principal Assistant County Counsel, 387-5455) on October 22, 2021; Purchasing (Bruce Cole, Supervising Buyer, 387-2148) on November 4, 2021; Innovation and Technology (Larry Ainsworth, Chief Information Officer, 388-5501) on November 5, 2021; Arrowhead Regional Medical Center (Jeff Emery, Associate Chief Financial Officer, 777-0708) on October 19, 2021; Auditor-Controller/Treasurer/Tax Collector (Vanessa Doyle, Chief Deputy Controller, 382-3193) on October 14, 2021; Finance (Carl Lofton, Administrative Analyst, 387-5404; and Yael Verduzco, Administrative Analyst, 387-5285) on November 18, 2021, and November 12, 2021, respectively; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on November 18, 2021.