



Legislation Text

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SAP APPLICATION MAINTENANCE SUPPORT

Utility Administration, Department of Finance

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(Revised)

Authorizing the mayor to prepare specifications, accept bids and enter into agreements for Systems, Applications and Products (SAP) application, maintenance and support (AMS); authorizing an expenditure not to exceed \$550,000; and declaring an emergency.

SUMMARY & BACKGROUND:

In February 2006, the City of Toledo Department of Public Utilities implemented System, Applications, and Products (SAP). The system bills over 128,000 customers monthly for water, sewer, garbage, and storm water utilities for the city of Toledo and surrounding communities. The system produces, on average, 3500 to 7000 invoices daily, which are printed onsite and mailed via a contracted mailing service.

SAP DPU supplies financial data to the Department of Finance through an SAP ERP interface whose implementation occurred in 2010.

In April 2015, the city of Toledo implemented SAP Utility Customer E-Services (UCES) online billing. Following this implementation, DPU automated the work order process integrating SAP, City Works and an application programming interface SAP to City Works. This SAP system supports customer relations, utility billing, and online billing systems. DPU currently uses the Badger Meter reading software and has interfaces to other software applications. Additionally, DPU will be moving into AMI technology and using Sensus Autoread as an interim solution and Sensus Flexnet as the AMI solution once converted.

The DPU SAP application will be moving forward with AMI/AMR integration starting in 2020. The anticipated completion of the AMI project is 2023. This project will encompass deployment of new meters, meter replacement, a customer service portal, work order integration, monthly meter reads, monthly billing, documentation of processes, potential upgrading of the SAP system and asset management for meters.

The City of Toledo is seeking a single governance structure for the AMS services of both departments. COT desires the vendor to provide professional services for break-fix, enhancement and optimization, strategic planning, Business Process review and improvement, application related basis support and system administration, upgrade assistance, and ABAP programming on both SAP systems.

The COT will reserve the right to award a contract to different vendors for each department's AMS services if no one vendor provides the best proposal for both departments. However, at this time we are recommending moving forward with Deloitte for both operations. The contract has not been finalized, so we reserve the right to choose an alternate(s) if contract terms cannot be agreed upon.

The fiscal impact of this ordinance is as follows:

- The amount of funds requested: annual for Finance is \$100,000; annual for DPU is \$450,000
- The expenditure budget line item: 1001-14700-110ERP1STDSTD (Finance)
6078-31000-4000524STDSTD (DPU)

- New revenue generated (operational revenue, grants, if any): none
- Revenue budget line item (if any): none
- Are funds budgeted in the current fiscal year (yes/no) yes, included in operating budgets
- Is this a capital project (yes/no)? no
- If yes, is it new or existing (new/existing)? existing
- What section of the City's Strategic Plan does this support:
 - o Excellence in Basic Services (yes/no) yes
 - o Quality Community Investment (Livable City, Development) (yes/no) yes
 - o Workplace Culture & Customer Service (yes/no) yes
 - o Environment (yes/no) no

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That the mayor is authorized to prepare specifications, accept bids and enter into agreements for SAP AMS services that will cover application, control, testing and maintenance under the direct control of the City of Toledo under such terms and conditions as the mayor may deem requisite and proper and shall be subject to approval by the Director of Law, Director of Finance and Director of Public Utilities. Agreements shall be for a period of two years with the option of one two-year renewal.

SECTION 2. That, subject to appropriation in future years, the annual expenditure of an amount not to exceed \$450,000 is authorized from the Utility Administrative Services Fund, Account Code 6078-31000-4000524STDSTD, and the annual expenditure of an amount not to exceed \$100,000 is authorized from the General Fund, Account Code 1001-14700-110ERP1STDSTD, for the services listed in Section 1.

SECTION 3. That the Finance Director is authorized to issue her warrant or warrants against the account code identified in Section 2 above in an amount not to exceed \$550,000 in payment of the above-authorized obligations upon presentation of proper voucher or vouchers.

SECTION 4. That this Ordinance is declared to be an emergency measure and shall be in force and effect from and after its passage. The reason for the emergency lies in the fact that same is necessary for the immediate preservation of the public peace, health, safety, and property and for the further reason that this Ordinance must be immediately effective in order to continue the facilitation of financial integrity and record maintenance at the City of Toledo.

Vote on emergency clause: yeas _____, nays _____.

Passed: _____, as an emergency measure: yeas _____, nays _____.

Attest: _____
Clerk of Council

President of Council

Approved: _____

Mayor