

**ITEMS REQUIRING BOCC APPROVAL
3 ITEMS**

**1. BUSINESS BYDESIGN TEST SYSTEM - ENTERPRISE RESOURCE PLANNING (ERP)
FUNDING - ENTERPRISE RESOURCE PLANNING**

(Single Source)

#18-2009 Contract

Subscription Term - 3/1/2018-2/28/2021	SAP Public Services, Inc.	
	Annual	Total three (3) years
Annual, SAP ByDesign Base Fee	\$12,807.90	\$38,423.70
Annual, SAP ByDesign Std Enterprise User (10 Users)	\$11,331.60	\$33,994.80
Annual, SAP ByDesign SCM Enterprise User (5 Users)	\$7,660.80	\$22,982.40
Total Cost	\$95,400.90	

On recommendation of Kimberly Bush, on behalf of Enterprise Resource Planning (ERP), Linda Kizzire moved to **accept the quote from SAP Public Services, Inc. for a total three (3) year cost of \$95,400.90.** Richard Powell seconded the motion. The motion passed unanimously.

ERP is preparing for a major upgrade of Sedgwick County’s SAP financial system scheduled to occur in 2021. The upgrade will be from the current ERP Central Component system (ECC), to a cloud system called SAP Business ByDesign (“ByD”). As part of their preparation, ERP wishes to purchase a small, “test” ByD system to become familiar with the new functionalities of the system, learn how the current financial processes will change, understand how security authorizations are structured, how data is transferred to and from the system, etc. The test ByD system will first be used by the ERP department, then by Finance staff, and eventually by departmental staff so that when the major upgrade occurs in 2021, all users of the county financial system are prepared for the transition.

Questions and Answers

Richard Powell: In looking at the chart that was provided, there is one line, the line for the annual charge of \$11,331.60 and below that there is another line for \$7,660.80. What is the difference other than the numbers, one of them is for ten (10) users and one is for five (5) users, are those being used by different entities? Why is there a variance of the numbers?

Mike Elpers: Hi, Mike Elpers ERP Director. The system just like the SAP system of today for the most part license by the different number of users and within the system there are different types of users, like a power user versus employee self-service type user. The second line, the \$11,000.00 item is for standard enterprise users, the third line for \$7,000.00 is a larger user in the system dealing with supply chain management enterprise user.

Richard Powell: In the explanation down below the last sentence, “the test ByD will be used by the ERP department, finance staff and eventually by departmental staff”, even though this is several years out how is this going to be rolled out to the individual departments or county entities? Are each one of these users going to be required to have a license? And if there is going to be a license required, how is that going to be funded at the departmental level?

Mike Elpers: The rollout is very general at this stage. My high level thinking is for 2018 for ERP to learn the system, just like today’s SAP financial system it’s very complex. 2018 is the year for my ERP staff to become familiar with how the system works. In 2019, I want to involve more of the financial stakeholders, people on the eighth floor in the finance department so they are familiar with how it works, and the budget staff. Then in 2020, again this is very high level, we would start involving the departmental end users, the ones that today produce shopping carts or in one way or another work with the annual budget process, they have involvement with the financial system. The project itself, which will take place in 2021, is estimated to be over a six (6) or seven (7) month implementation period. We will have a third party onsite to help us with that implementation. The terms of that agreement haven’t been worked out obviously, but a typical engagement like that has some kind of “train the trainer” type approach built into it. Where the third party comes on and meets with the power users of the system, train them on how the system works, let them become familiar it. Those users go back to their departments and serves as a point of contact of how the system works, address some of the routine questions that come up with it. As far as funding for the licenses, when we get to that point just like it is today will come out of the ERP budget.

Linda Kizzire: Mike, I got a couple questions also. Since the treasurer’s office is a very big user of it in addition to finance, are

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we going to have some people specifically assigned to do some testing? Because we feed everything to finance out of the first floor.

Mike Elpers: I am sure you will be heavily involved with it.

Linda Kizzire: Ok, I just want to make sure. With 10 users licenses and five (5)...

Mike Elpers: This is the smallest system that we could get, and I wanted it that way. It's only got 20 licenses to it, the more licenses you get the more expensive it is. This is just a way for us to prepare for what I believe will be a significant change management program.

Linda Kizzire: We are with SAP 2001, it is fairly old probably outlived its life cycle. Do you have an estimated cost of what the 2021 total bill will be?

Mike Elpers: I do, it's pretty complex. The system today encompasses both the financial transactional system and HR and Payroll transactional system. SAP has kind of split those two systems in the next version of their software. Business ByDesign piece is just the financial part of it. The second piece of that, which is the HR and Payroll piece is another SAP solution. So each one of those have different costs, each one of those have different implementation costs. It's hard for vendors to project, give you a dollar amount for an upgrade that is three (3) to four (4) years out.

Linda Kizzire: So we are going to purchase the payroll solution from SAP?

Mike Elpers: Yes, that's more likely.

Linda Kizzire: Will we eliminate KRONOS at that point?

Mike Elpers: Actually, KRONOS today is the timekeeping and scheduling component functionality system that we use. The SAP system that we are moving to has timekeeping and scheduling modules to it, it is not planned for this initial implementation but we are looking at it as well, to see if it has functionality that we need that today we get out of the KRONOS system. Whether it can handle all the work schedules that we handle today, so there is an evaluation going on in that aspect as well.

Linda Kizzire: Ok, thank you.

Tom Stolz: When you say that they will be implemented in the first phase out, then in 2021 we would not rollout that timekeeping functionality? Or are you talking about that presently?

Mike Elpers: Yes, that is still being discussed as to whether or not it is included in the 2021 rollout.

Talaya Schwartz: This might be an ignorant question, but with an upgrade of this scale and assuming that it is going to cost a lot of money for the county, did they not include any kind of test system that you can test and try without paying for licensing?

Mike Elpers: There are some 30 day trial systems that you can sign up or register to use but they expire in 30 days, and we've done that. I guess to answer your question, no. Other than a very, very short term test system. There are all kinds of webinars you can attend, there are all kinds of third party consultants that you can talk to, that are very happy to talk to you about it, because they want to be a vendor of yours. They will tell you yes it can do this, yes it can do that or no it can't do this and this is how we accomplish that. It is my feeling and my desire to acquire this so that we can validate it. We can see for ourselves, get our hands dirty, sort of speak, with the ins and outs of how the system works. And make sure on our terms that it does what we need for it to do, and not just rely on somebody else's word. Because when that six (6) months seven (7) months implementation period comes around we want to be ready to roll.

Talaya Schwartz: What happens at the end of this three (3) years if you're not satisfied with how it runs?

Mike Elpers: Actually, there are other options. The Business ByDesign is one (1) of three (3) ERP systems that SAP offers as a solution for managing your financials. The Business ByDesign is kind of the one in the middle. There is another one that is very large called S4, has a higher price tag, but is much more complex. I think knowing the ERP system at Sedgwick County, how we use it, what our power users and departments expect out of it, I think Business ByDesign is a good fit and that still has been proven and other people have told me it's a good fit but again it still has to be proven and this is how we plan to prove that. So to answer your question, if we get to end of this three (3) year period and it's a failure then we have to look at other systems. And hopefully we can determine that before the end of this three (3) period.

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Talaya Schwartz: There is no way you can tell within one (1) or two (2) years? You are really strongly recommending the full three (3) years?

Mike Elpers: I am and it's very possible in six (6) months we could turn around and our CFO could say this is not going to work for me. SAP has said that we could take the cost of this agreement that we are signing off on and apply that towards a different purchase, should this one not pan out for us.

Talaya Schwartz: Ok, thank you.

Richard Powell: Couple more questions came to mind as we were going down the road here. Knowing that we are three (3) year plus, in looking at the rollout of the financial part. Do you anticipate, if known, any concerns for operating systems on our desktop, laptops, PCs? Because we are constantly in a state of flux with operating systems. Are we going to have any concerns at the departmental or entity level with not having proper machinery to support this?

Mike Elpers: Not with the operating systems. The concern would be with web browsers. This software, as well as the one we're looking for the HR upgrade, is operating system agnostic. It works through a web browser, there is no software that gets installed on your desktop. That kind of compatibility does not matter. Right now using the most widely industry standard type of program called HTML5, which is compatible with every type of browser out there: Chrome, Internet Explorer, Firefox, and even Safari on IOS devices and mobile devices. Software vendors anticipate that this is a cloud system, doesn't require that large piece of software being installed on your desktop to use it. So it is about as compatible as we can get.

Richard Powell: One last question, and this is another way out in left field question. We're in the midst of a lot of discussions, right now, between several Kansas county entities with the focus on a new robust RMS. Is there any concern that we should be looking at with the package being recommended here or the direction we are taking? And I don't even know if it's necessary, are there any concerns about this SAP having any ties to RMS and does RMS need to have any concerns about looking at it also?

Mike Elpers: I don't believe so, not with the financial system. I would say that we have a vast landscape of SAP systems, a reporting system, Business Warehouse is another one. I would think that it might be a good idea to take those kind of compatibilities into account when looking at RMS if you are wanting to leverage that for reporting on the records and on this kind of thing. But as far as financial transactions, I don't believe so.

Richard Powell: I just wondered because the potential for timeline on RMS falls in the same window to what you defined here, and maybe some other parties might have some knowledge on this but it looks like it's going to all run in to each other about the same time. Both of these are clearly going to have substantial investments requirements. I would hate to see us get to a point where we need to get that compatibility or communication capability, and we don't have it. If it would be something we could or should?

Mike Elpers: I think ERP is part of the IT department, so as long departments, whether it is a public safety department that is implementing a large records management systems, or whether it's a Human Services department looking for some kind of major upgrade in their department, as long as those efforts involve the IT department. Then it's our job in IT to be aware of all the technology advancements to make sure that we are not overlapping services, duplicating services, and that systems are as compatible as they can and they work together as they should.

Richard Powell: Alright, appreciate your outlook on that.

Linda Kizzire: Follow up to Richard's, does that mean that we are going to have enough resources for project managers? I know we are pretty short on project managers right now in ITSS.

Mike Elpers: I am not real sure how to answer that Linda. I would say plan ahead as much as you can. We need to get it on our radar and get it in front of us. The fewer surprises all of us encounter the better.

Linda Kizzire: Alright, thanks.

Tom Stolz: I will just add to Colonel Powell's comment, I knew those were two (2) separate projects but I do think it is worthwhile to talk about that. We have been planning for a new CAD system for 911 for a couple of years and recently, within the last year the Sheriff has expressed a need for a new RMS system. So those projects are now dovetailed together. Mike, you been planning for this new SAP upgrades for months, if not a year?

Mike Elpers: Couple years now, yeah.

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Tom Stolz: I am viewing this as two separate projects but we will surely talk about if there is any way these systems can work together. Just to convolute the CAD and RMS discussion, we also talked about other jurisdictions climbing on board on that too, City of Wichita, Derby and other entities. We haven't spent any money on this SAP rollout, this is the first time we are going to now spend money to bring a vision into a focused reality, is that correct?

Mike Elpers: That's correct.

Tom Stolz: Have we set down? Because to me if I just look at this from a competitive process, we have an SAP system, I see all the logical reasons why we want to continue with the SAP system. But the fact of the matter is we could punt SAP and go with a whole other system. Have we looked at the cost and what are your thoughts on that?

Mike Elpers: The research I did on that early on was to look at comparable entities, public sectors, government entities, similar populations, and similar locales even, to see what they were doing. It became apparent pretty fast that if we were to move to something else, a new implementation of a new system is a lot different than an upgrade. I don't really want to call this an upgrade because it is so different. But staying with the same vendor has the same type of business process, business scenarios associated with it as our system to date. So the change management is less. The other thing you have to remember is, as you said, "the financials is only the part of the overall SAP landscape that we have". We mentioned the reporting system, Business Warehouse, Procurement SAP system PPS, Enterprise portal and another one called Solution Manager. They all kind of talk to each other, and they are built to talk in SAP language, if you will. So if we dump our SAP financial system and move to an Oracle or a Microsoft ERP financial system then that system will have to be modified as well as all of our other systems to be able to talk to each other. We interface a lot with the TAG system with the Treasurer's office system so all of those configurations have already been worked through. If we go with something new, then we would kind of have to start that process over. We saw other public sector entities that were implementing ERP anywhere from four (4) millions to thirty (30) millions plus. And timelines from two (2) years to eight (8) years. So it was deemed the best option at that time to stay with SAP to look more closely with the options that SAP gives us.

Tom Stolz: Because even with another solution Microsoft or Oracle, they are not free and so just looking at it from outside SAP is competitive with those other types of systems.

Mike Elpers: Absolutely.

Tom Stolz: It's not like we were being taken to the cleaners with this. It's a competitive entity, it's being used, and it's comparative to other entities. Now back to this piece, this is a sole...Joe what are we going to call this? This is a sole source?

Joe Thomas: It will be a single source.

Tom Stolz: Single source?

Joe Thomas: Yes sir.

Tom Stolz: There really is no competition? It has to be this entity?

Joe Thomas: Well sole source would mean that this is the only solution but as mentioned there are other ERP systems but we are tied into this single ERP system. So we call it a single source.

Tom Stolz: Mike, are you prepared to maybe do a commissioners workshop or staff meeting, where you can kind of step through this so that the Commissioners are aware that we are migrating to this? Have you ever sat down and talked to them?

2. KRONOS WORKFORCE MAINTENANCE AND SUPPORT - INFORMATION TECHNOLOGY AND SUPPORT SERVICES (ITSS)

FUNDING - ENTERPRISE RESOURCE

(Hardware/Software Maintenance)

#18-2008 S/C #8000121603

	Kronos Incorporated
Maintenance and Support - Workforce (hardware and software) 3/17/18-3/16/19	\$92,485.90

On the recommendation of Kimberly Bush on behalf of Information Technology and Support Services (ITSS), Talaya Schwartz moved to **accept the quote from Kronos Incorporated in the amount of \$92,485.90**. Ellen House seconded the motion. The motion passed unanimously.

Kronos Workforce provides the e-timesheet system and various timeclocks for Sedgwick County departments. This system integrates with SAP to provide a complete timekeeping/payroll solution.

Last year, the county spent \$107,201.50 for this support.

Questions and Answers

Richard Powell: I noticed from what we are being quoted today versus our expenditure from last year there is a reduction of about 15 percent. Of course we are always to be happy to see a lesser price, that seems to be a rather significant number. Is there a particular reason for such a downward price, which is again good but are we just quoting for a lesser fix amount?

Greg Gann: Good afternoon, Greg Gann, project manager of IT. The pricing is reflective of the fact that we also have another product from KRONOS, Telestaff is a scheduling piece, and by working to co-term our maintenance agreement, it's given us a reduced price. There has been some training that we no longer require for the E-timesheet system as well.

Richard Powell: Thank you.

Talaya Schwartz: Can you just talk a little about what exactly the maintenance and support is? It says hardware and software, is there anything else included in that?

Greg Gann: We're empowered to do a number of things on our own, but there is a certain point where we have to engage with the vendor. This gives us 24/7 support any time of day, they give us immediate response and give us solutions as quickly as possible to keep us online. It is our payroll system and we can't have it down for any reason.

Tom Stolz: Do we have any actuals of how many times we did that. How many times have we called upon them 2017?

Greg Gann: It's not been that much, it a very reliable system. Our experience with payroll has been that whenever we needed help they've been responsive within an hour, we've been able to solve the problem and move forward. I can't recall a time when we were at a full stop.

Tom Stolz: I guess this is, we are buying an insurance policy basically?

Greg Gann: It's the same with anything, it's to insure that we will always have the system available to us when we need it.

Tom Stolz: The only other question I was going to ask Mike actually was, as we move forward with the revision this will be considered, maybe or maybe not up for discussion, whether we would replace the system with a revised system in 2021? And we're going to be back here in a year from now talking about our one year maintenance agreement again from KRONOS, right? This is annual?

Greg Gann: It is annual.

Tom Stolz: One source, only people in town.

Linda Kizzire: Is there a reason why we did not get more than one year of support? At a locked in price?

Kim Bush: We are working on that we were not able to do it in time for the renewal dates.

Tom Stolz: When did we kick off KRONOS?

Greg Gann: 2014.

Tom Stolz: When we did that, did we get a certain number of years of maintenance?

Greg Gann: Three (3) years.

Tom Stolz: And now we are extending basically the time. That's a good question on the multi-year, it might be some savings.

Kim Bush: This is the first year off contract. This is the first annual support payment made since expiration of this contract.

Tom Stolz: I got you.

Kim Bush: And actually I will be here again probably towards the end of the year for the other half of this, until they get it all combined.

3. COMMUNITY E-WASTE COLLECTION EVENT - ENVIRONMENTAL RESOURCES
FUNDING - ENVIRONMENTAL RESOURCES

(Request sent to 55 vendors)

RFP #18-0003 Contract

	Dynamic Recycling, Inc.	Apollon Computers, Inc. dba IT Source, Inc.	
Community E-Waste Collection Event - Lump sum event cost for two weekends* (Thursday-Saturday) spring of 2018. Specific dates to be determined.	\$153,660.00**	Included in per pound pricing	
Per pound, collected material	\$0.24	\$0.50/lb TV and CRT \$0.20/lb everything else	
No Bid	Bindery Express	Boge Iron & Metal Company	Cascade Asset Management
	Cybergear	Electronix Recycler, Inc.	Green Lights Recycling
	HHM Facility Management	Midwest Scrap Management	Parkhurst Computers
	Pro Kansas Recycling	Ribbit Computers	RS Used Oil Services, Inc.
	Universal Lubes	US Ecology	Wichita Iron
	Wichita Material Recovery	All Metal Recycling	

**Negotiated Price

On the recommendation of Kimberly Bush, on behalf of Environmental Resources, Richard Powell moved to **accept the proposal from Dynamic Recycling, Inc. with a negotiated lump sum event cost of \$153,660.00 and a collection rate of \$0.24 per pound for the duration of the event.** Linda Kizzire seconded the motion. The motion passed unanimously.

A review committee comprised of Susan Erlenwein and Cindy Le - Environmental Resources, David Adams - ITSS and Kim Bush - Purchasing reviewed and scored the responses based on criteria set forth in the RFP. Dynamic Recycling, Inc. received the highest score and the team is unanimously recommending them for award.

This event will be held on two (2) weekends (Thursday-Saturday) this spring at the Public Works West Yard. The awarded vendor is responsible for equipment and staffing to facilitate event days to include: collection of materials from customer vehicles, weighing and tracking materials collected for reporting back to the county, loading material onto trucks for transport back to their facility and event site preparation/clean-up. The vendor will recycle all material collected through appropriate domestic recycling facilities following laws and standards that govern recycling. The vendor will also shred/drill all hard drives received during the event.

An event of this magnitude has not previously been held by Sedgwick County. A one day e-waste collection event was held in 2009 and approximately 261,000 pounds of e-waste were collected from residents.

Dynamic Recycling, Inc. provided an extremely detailed and thorough response including references who have utilized their services for similar large scale events over multiple years. Apollon Computers, Inc. dba IT Source, Inc. (IT Source) did not provide a complete and thorough response, nor did their response address all items in the Scope of Work. The review committee felt that the lack in quality of their response may reflect upon their ability to successfully organize and manage such a large scale event. In due diligence, Purchasing reached out to references for IT Source, and while they were generally satisfied with the level of service received, the type of work they engaged in with those organizations is not comparable to the event the county plans to hold.

*The original RFP indicated the desire to hold a four (4) weekend event. Due to budget considerations, the committee requested lump sum pricing from Dynamic Recycling for both a two (2) and three (3) weekend event. It was decided by Environmental Resources that a two (2) weekend event will provide adequate opportunity for residents to dispose of their e-waste within the budget allocated for the project.

Answer and Questions

Ellen House: Can you explain how the \$.24 works with the \$153,660.00?

Kim Bush: I can explain that, the lump sum cost of the event for the two (2) weekends which would be the Thursday through Saturday dates include their labor, equipment cost, travel expenses and they are charging on top of that \$.24 per pound of material collected.

Ellen House: So we are not expected to collect near as much as we did in 2009?

Kim Bush: That is something I will let Susan address.

Susan Erlenwein: Susan Erlenwein with Environmental Resources. In 2009, we had a one day event that received any type of electronics so we had huge items coming in that weighted quite a bit. In this event what we plan to do is limit it to just televisions, accessories, Blu-ray players, DVD players, and computers and all their accessories. So we are limiting the type of electronics and we will probably get the cabinet TVs as we did back in 2009. But we had trailers of those coming in, in 09.

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Linda Kizzire: A little nostalgic, I remember when you had that at the Coliseum and I-35 was backed up way down.

Susan Erlenwein: That's why I'll never have another one day event. That's why we're planning on two-three day events. To give people the opportunity to spread out, so they won't be there in one day.

Linda Kizzire: This will be like 8am-5pm, I am assuming?

Susan Erlenwein: 9am-4pm.

Richard Powell: For further clarifications, the recommendation is there is a base rate of \$153,660.00 and in addition to that Sedgwick County will be billed \$.024 a pound for everything that we collect to be added to the \$153,660.00? Let's just say we picked up another 260,000 pounds, so it would be that 260,000 times \$.24? Which would be roughly \$65,000.00 plus \$153,660.00.

Susan Erlenwein: Correct, that's right.

Richard Powell: So the total tab would be \$200K plus?

Tom Stolz: What did we spend on that single event Susan?

Susan Erlenwein: Oh in 09? Well the low bid was at \$.08 a pound and the gentleman had to have 64 part-time workers to handle all the stuff and the total amount I think was 90 something thousand dollars because of that. It wasn't the best delivered service I think we had, because we had cars backed up, materials still there days later at the pavilion because the company that was low bid couldn't handle the material fast enough. That is why in this RFP we have guidelines to how quickly material would be removed from the site, we don't want to tie up the West Yard.

Tom Stolz: I heard Kim describe the problem with IT Source, they don't have the...all of their prices included in the pound pricing. They gave a bad delivery, how they presented their bid and they couldn't pull off a big event like this. Does that summarize our problem with them?

Susan Erlenwein: Yes sir.

Tom Stolz: No matter how you slice the pie it's going to be a big event, whether you do it in two days or three days. This \$153660.00 covers 2-three day events, the only thing we are paying above that is the \$.24 a pound?

Susan Erlenwein: That's correct.

Talaya Schwartz: Do we have any kind of mandate that we have to as a county hold one of these events every so often?

Susan Erlenwein: No we don't. Electronic waste in Kansas can go into the trash. A lot of people don't want to do the recycling because of the components and some of them are hazardous and others are worth quite bit of money. They have gold componenst inside the computers. The Commissioners during budget season last year said they wanted to have an electronics event this year they actually increased my budget so we could have the event.

Tom Stolz: This was part of the funding fee increase on...?

Susan Erlenwein: Solid waste fee.

Tom Stolz: Solid waste?

Susan Erlenwein: That's correct. Right now in the budget for this, the special project is just over \$489,00.00.