



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date: 8/25/2016

HITS- Cost Allocation and Energy Billing Appropriation

Agenda Item#:

Background:

The Interim Chief Information Officer and Chief Procurement Officer recommend that City Council approve an ordinance to appropriate \$127,000.00 from the Equipment Acquisition Consolidated Fund (1800) for SAP Enhancements and various professional and consulting services and support.

The requested appropriation will be used towards professional services, products and consulting services to conduct additional testing, develop, train and support the implementation of SAP Cost Allocation Model and SAP Energy Billing Enhancement. These projects are expected to be implemented by the end of the calendar year, December 31, 2016, to be in compliance with federal regulations.

BACKGROUND:

In March 2013, the SAP First Program Charter was approved by the Directors of Finance, human resources, Administration and Regulatory Affairs and Houston Information Technology Services to successfully implement New SAP business functionalities and to promote the review and use of current SAP modules owned by the City. The enhancements and services will create operational efficiencies and allow the City to utilize a system that it already owns.

The estimated purchases with approximate allocations are as follows:

Automation of City Allocation Plan (SAP)- Funding will be utilized to configure SAP to prepare cost allocation plans needed to fulfill the Federal Office of Management and Budget's (OMB) requirements established in 2CFR 200 of the Federal Code, which gives guidelines for Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. The City of Houston Finance Department has been contracting with outside consultants for a number of years to assist in pulling data from the financial system and department data systems to generate the City's Cost Allocation Plan in compliance with federal regulations. As the City moves into a more cost effective time the SAP Cost Allocation Model will allow the Finance Department to generate the Plans without having to contract outside consultants. The purpose of this project is to expand and update SAP to add the City of Houston (COH) maintained departmental data elements and create and/ or update Cost Centers and Cost Center Groups to generate all 6 Cost Allocation Plan (CAP) schedules- \$79,000.00

SAP Energy Billing Enhancement- The Finance Department has been using SAP as the Electrical Billing Solution (EBS) since August 2014. The City currently maintains approximately 6000+ accounts including respective departmental chargeback information in SAP. Currently, SAP creates Logistics Invoices to pay reliant invoices and chargeback documents to the departments. The primary objective for requesting an enhancement to the EBS is to support the following high-level business requirements: Purchase Renewable Energy from Reliant, Enhance the solution to pay the Solar Energy provider, Account for all financials associated with each Solar Account, and to provide audit control capabilities including account separation of the different reliant Solar Accounts. - \$48,000.00

HITS is currently working with Strategic Purchasing to procure a vendor to perform the necessary services and will return to Council for spending approval, as appropriate.

WBS: X-640008*
X-640022*

Lisa Kent
Interim Chief Information Officer

Prior Council Action:

2015-823: 8/26/15

Amount of Funding:

\$127,000.00-FY17 Equipment Acquisition Consolidated Fund (1800)

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