FILE NUMBER: 2025-056

DATE: Tuesday, March 11, 2025

SUBJECT: Resolution Authorizing a Single Source Agreement with Sierra Digital, Inc. for Professional Technical Services for the Implementation of Datasphere Data Warehouse.

DESCRIPTION: Resolution Authorizing Single Source Agreement With Sierra Digital, Inc. for $1,000,000 to Provide SAP Datasphere Data Warehouse Implementation Required for the Maritime PortConnect Port Management Information Systems and Terminal Operating System Project, and Utilizing Grant Funds from the California Office of Supply Chain, Governor's Office of Business and Economic Development (GO-Biz), California Containerized Ports Interoperability Grant Program.

<u>**EXECUTIVE SUMMARY**</u>**:**

At the May 2024 Board of Port Commissioners meeting, the Board adopted a resolution accepting $4,240,000 in grant funds from the California Office of Supply Chain, Governor's Office of Business and Economic Development (GO-Biz) authorizing the District to enter into a grant agreement with GO-Biz to implement the *Maritime PortConnect* project. The elements of the Maritime PortConnect project include standing up a new Port Management Information System (PMIS) and Terminal Operating System (TOS), as well as enabling the secure sharing of identified data with other California Ports.

<u>At the October 2024 Board of Port Commissioners meeting, the Board adopted a resolution a</u>uthorizing an agreement with Tidalis Americas LTD, to provide Maritime PortConnect PMIS and TOS Software License and Implementation.

The last element of the Port's Maritime PortConnect project – is the standing up of a data platform to enable the District's ability to collect, parse, and serve data to California Port entities as required by the terms of the grant. In 2024, the District participated in a Data Management Discovery process to determine the path forward, including the identification of a Data Warehouse. It was determined that SAP Datasphere Data Warehouse, a product the Port owns but has not yet deployed, possesses the functionality the Port requires to meet the ongoing data warehousing needs of Maritime PortConnect. This last element is the implementation services to deploy the Datasphere Data Warehouse.

SIERRA DIGITAL, INC. IMPLEMENTATION SERVICES: Sierra Digital is a system integrator selected by the District through competition and currently under an active contract to provide services. (Resolution 2021-090 August 19, 2021; Document No. 73061). Sierra Digital has provided many years of reliable professional services to the Port. Additionally, they are an SAP Silver Partner and a trusted partner in deploying Datasphere and associated data services. Based on the complexity of integrating Datasphere with both Maritime Tidalis PMIS/TOS and S/4 HANA, as well as meeting the data collection and sharing requirements of the GO-Biz Grant, staff recommends a single source agreement with Sierra Digital, Inc., one of the Port's competed vendors

under contract, to provide technical implementation services for the installation and configuration of Datasphere Data Warehouse and associated integrations to SAP, Maritime Tidalis PMIS/TOS, and other District platforms. Time is of the essence with this installation as the GO-Biz Grant period ends on March 2, 2026.

- The implementation project for Datasphere is complex, requiring in-depth SAP Data Warehouse expertise to manage a seven-to-nine month implementation.
- Sierra Digital is an existing, competed as-needed consulting services vendor to the Port of San Diego. (Resolution 2021-090 August 19, 2021; Document No. 73061)
- Sierra Digital is a Silver partner of SAP, and leader in the installation and configuration of Datasphere, SAP Analytics Cloud and all data integration services.
- It does not serve the good of the Port or the public to recompete for these services.
- Datasphere Data Warehouse is an integral part of the Maritime PortConnect Port Management Information System/Terminal Operating System (PMIS/TOS) project.
- The PortConnect project will collect, parse, and serve data to California entities as required by the terms of the grant.

RECOMMENDATION:

Adopt a Resolution Authorizing Single Source Agreement with Sierra Digital, Inc. for $1,000,000 to Provide Professional Technical Services for the Implementation of SAP Datasphere Data Warehouse.

FISCAL IMPACT:

The estimated five-year cost to the District for Datasphere Implementation is $1,000,000 total. Funds for FY 2025 are budgeted in the GO-Biz Grant for Maritime PMIS and TOS, which is Board approved for an overall grant award of $4,240,000. Funds required for future fiscal years will be budgeted in the appropriate fiscal year, subject to Board approval upon adoption of each fiscal year's budget. For transparency, the full high-level project budget is shown in the table below:

ITEM	PROCURED VIA	COST	FUNDS SOURCE
Software and Cloud Technology (Tidalis PMIS and Datasphere Data Warehouse)	Previously Board-Approved Tidalis TCO & SAP TCO	$ 2,324,000	Maritime Port Connect Grant via GO-Biz
Sierra Digital Implementation Services	**Single Source provider via Board Approval**	**$ 1,000,000**	**Maritime Port Connect Grant via GO-Biz**
Project Staffing (Project Management and Analysts)	Previously Board Approved As-Needed Staffing Contracts	$ 916,000	FY25 and FY26 Technology Management Program

Total Project		$4,240,000	

COMPASS STRATEGIC GOALS:

This agenda item supports the following Strategic Goal(s).

- A thriving and modern maritime seaport.
- A Port with an innovative and motivated workforce.
- A financially sustainable Port that drives job creation and regional economic vitality.

DISCUSSION:

Maritime PortConnect Project Background.
At the May 2024 Board of Port Commissioners meeting, the Board adopted a resolution accepting $4,240,000 in grant funds from the California Office of Supply Chain, Governor's Office of Business and Economic Development (GO-Biz) authorizing the District to enter into a grant agreement with GO-Biz to implement the *Maritime PortConnect* project. The elements of the Maritime PortConnect project include standing up a new Port Management Information System (PMIS) and Terminal Operating System (TOS), as well as enabling the secure sharing of identified data with other California Ports.

At the October 2024 Board of Port Commissioners meeting, the Board adopted a resolution authorizing an agreement with Tidalis Americas LTD, to provide Maritime PortConnect PMIS and TOS Software License and Implementation.

The last element of the Port's Maritime PortConnect project is the standing up of a data platform to enable the District's ability to collect, parse, and serve data to California Port entities as required by the terms of the grant.

SAP Enterprise System and SAP America, Inc Background

SAP Enterprise (ECC) has been the Port's ERP software since 2003. The software supports all major Port business transactions including but not limited to Real Estate Lease Management and Tenant Invoicing; Maritime Tariff Management and Customer Invoicing; Plant Maintenance and Asset Management; Engineering Project Systems; Human Resources; and all Financial Management modules including Budgeting, Accounting, Procurement, Accounts Payable, and Payroll. SAP also supports a full enterprise data repository, the Business Warehouse (BW).

In 2019, then Chief Technology Officer, Keith Coffey, led a team comprised of the Senior IT Leadership and the Executive Leadership Group (ELG) through a critical decision regarding the Port's strategic ERP partner. The team considered factors including the complexity and diversity of the Port's business processes, as well as the SAP's industry leadership posture. The team decided to remain on the SAP platform, and their decision was approved by the Board in Agenda File 2019-0165, authorizing an SAP agreement

and corresponding Total Cost of Ownership (TCO). Part of the investment made at that time was a purchase of DataSphere Data Warehouse.

SAP DataSphere as the Port's Data Warehouse
In 2024, the Port of San Diego participated in a Data Management Discovery process to determine its path forward, including the identification of a Data Warehouse. It was determined that the SAP Datasphere Data Warehouse possessed the functionality required for replacing the legacy SAP Business Warehouse (BW) and will meet the ongoing data warehousing needs of Maritime PortConnect and other initiatives.

Datasphere and Maritime PortConnect
The Port of San Diego Maritime PortConnect program is powered by a $4,200,000 grant through the California Office of Supply Chain, Governor's Office of Business and Economic Development (GO-Biz), California Containerized Ports Interoperability Grant Program. The implementation of Datasphere is part of the scope of Maritime PortConnect and the environment will warehouse and provide data services to data from Port Maritime and Business systems. The Maritime data requested by this grant will be collated within Datasphere with data from SAP and possibly other sources to provide robust information.

Procurement Details: SINGLE SOURCE

Sierra Digital, Inc and Port of San Diego Information Technology Department Relationship
Sierra Digital Inc. has been a partner to the Port for many years. In 2021, they competed for and won a five-year contract with the Port to provide As-Needed Consulting Services and have provided critical assistance and support to the Port IT team in support of the SAP Platform. (Resolution 2021-090 August 19, 2021; Document No. 73061).

Absent using SAP services directly for implementation of Datasphere, they strongly encouraged using a partner such as Sierra for this effort. SAP utilizes third party partners to augment their own implementation services over a broad platform of offerings. Sierra Digital, Inc. is an SAP Silver partner and top-level vendor for the installation, configuration, and deployment of Datasphere, SAP Analytics Cloud (SAC), and Integration Suite for data integration and sharing.

Pricing and Alternatives in the Marketplace
The development of Datasphere was initially quoted by SAP as part of the S4 HANA upgrade, with a pricing of over $1.8 million, even with the inclusion of offshore resources to minimize costs. This quote far exceeded the Port's budget for a Data Warehouse. In response, SAP recommended the Port use a vendor with strong capabilities in data management and integration, such as Sierra Digital. SAP often uses partners like Sierra as a third-party addition to their own implementation offerings. Leveraging the Port's long-standing relationship with Sierra and their status as a competed vendor for as-needed consulting services, Sierra initially priced the effort at $1.2 million. They then further reduced the cost to $1 million without compromising the scope of work. Additionally, Sierra agreed to work under the direction of the Port's Project Manager for the S4 upgrade.

A high-level review of other vendors/pricing in the market revealed similar quotes ranging from $1.2 to $1.5 million. The required level of SAP/Datasphere in-depth knowledge is critical and would require deeper investigation into any potential alternates. Given the urgency of the Maritime PortConnect project timeline and the potential six-month delay a full RFP process and vendor evaluation could entail, this route was deemed infeasible. All project invoices must be received and paid by the end of the grant period, February 2026.

General Counsel's Comments:

The Office of the General Counsel has reviewed this agenda as presented to it and approves the same as to form and legality.

Environmental Review:

The proposed Board action, including without limitation a resolution authorizing a single source agreement with Sierra Digital, Inc. for $1,000,000 to provide SAP Datasphere Data Warehouse implementation required for the Maritime PortConnect Port Managements Information Systems and Operating System Project, and utilizing grant funds from the California Office of Supply Chain, Governor's Office of Business and Economic Development, California Containerized Ports Interoperability Grant Program, does not constitute a project under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because there is not a potential to result in a direct or indirect physical change in the environment. Therefore, the proposed Board action is not subject to CEQA and no further action under CEQA is required.

The proposed Board action complies with Section 21 and 35 of the Port Act, which allow the Board to pass resolutions and to do all acts necessary and convenient for the exercise of its powers. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

The proposed Board action does not allow for development, as defined in Section 30106 of the California Coastal Act, or new development, pursuant to Section 1.a. of the District's Coastal Development Permit Regulations. Therefore, issuance of a Coastal Development Permit or an exclusion finding is not required.

Diversity, Equity, and Inclusion Program:

This agenda sheet has no direct impact on District workforce or contract reporting at this time.

PREPARED BY:

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Attachment(s):
Attachment A: Single Source Form – Sierra Datasphere Implementation Services
Attachment B: Single Source Memo – Sierra Datasphere Implementation Services
Attachment C: Agreement No 08-2025MM with Sierra Digital Inc for Datasphere Configuration and Deployment