

San Diego Unified Port District

Memorandum

Date: February 7, 2025

To: Scott Chadwick, President and Executive Director

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Subject: Single Source Justification: Sierra Digital, Inc to provide Technical Implementation Services for Installation and Configuration of Datasphere Data Warehouse as part of the Maritime PortConnect Project:

- The implementation project for Datasphere is complex, requiring in-depth SAP expertise to manage a seven-to-nine-month implementation.
- Sierra Digital is an existing pre-competed as-needed consulting services vendor to the Port of San Diego. (2021 RFP As Needed Application Consulting Services.)
- Sierra Digital is a trusted partner of SAP, in the installation and configuration of Datasphere, SAP Analytics Cloud and all data integration services.
- It does not serve the good of the Port to re-compete 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 awarded to the Port of San Diego via the California Office of Supply Chain, Governor's Office of Business and Economic Development (GO-Biz), California Containerized Ports Interoperability Grant Program.

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 our path forward, including the identification of a Data Warehouse. It was determined that the SAP Datasphere Data Warehouse possessed the functionality we require for replacing the 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.

SAP and Sierra Digital, Inc. Relationship

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

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 SAP

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 their trusted partner, Sierra Digital, often used as a third-party addition to their own implementation offerings. Leveraging our 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 our Port Project Manager for the S4 upgrade.

A high-level review of vendors/pricing in the market revealed similar quotes ranging from \$1.2 to \$1.5 million. The level of SAP/Datasphere in-depth knowledge is a question and would require deeper investigation into potential contenders. 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 invoices must be received and paid by the end of the grant period, February 2026.

Staff Recommendation – Single Source Provider - SAP

Based on the performance history of Sierra Digital, the complexity of Datasphere Data Warehouse, and the strong recommendation from SAP, Staff recommends a single source

agreement with SAP to provide project and technical implementation services for the installation and configuration of Datasphere. Time is of the essence with this project as it is tied to the GO-Biz grant for Maritime PortConnect. (California Office of Supply Chain, Governor's Office of Business and Economic Development (GO-Biz), California Containerized Ports Interoperability Grant Program).

Project Costs

The subject of this Single Source Memo is the "Sierra Digital, Inc. Implementation Services" line item shown below. For transparency, the total project costs for Maritime PortConnect are projected to be:

ITEM	VIA	COST	FUNDS SOURCE
Project Staffing (Project Management and Analysts)	Board-Approved SAP TCO	\$ 916,000	FY25 and FY26 TMP
Software (Tidalis PMIS and Datasphere Data Warehouse) and cloud technology	Board Approved As-Needed Staffing Contracts	\$ 2,324,000	Board-Approved Maritime Port Connect Grant via GO-Biz
Sierra Digital Implementation Services	Single Source provider via Board Approval	\$ 1,000,000	Board-Approved Maritime Port Connect Grant via GO-Biz
Total Project		\$4,240,000	

If you have any questions, please contact Marcy Mishiwiiec at (619) 816-3328 or via email at mmishiwiiec@portofsandiego.org.

Attachment(s):

Attachment A: Single or Sole Source Justification Memo

Attachment B: Single or Sole Source Justification Form

Attachment C: Vendor Agreement and Statement of Work