

FILE NUMBER: 2025-116

DATE: Tuesday, May 6, 2025

SUBJECT: Resolution Authorizing Amendment No. 4 to Agreement with V3iT Consulting, Inc. for Remote Managed SAP Support Services

DESCRIPTION: Resolution Authorizing Amendment No. 4 to Agreement with V3iT Consulting, Inc. for Remote Managed Support Services of all SAP Databases, Operating Systems, and Security Role Builds to Increase the Maximum Expenditure from \$1,182,000 to \$1,472,344 and Extend the Term to 10/31/2027.

EXECUTIVE SUMMARY:

In 2003 the District implemented SAP as its Enterprise Resource Planning (ERP) system. This core system provides the District with a comprehensive and integrated tool for managing its financials, procurement, inventory, real estate, budget preparation, human resources, benefits, payroll, and projects. Subsequently, additional modules were implemented to manage the District's scheduling of maintenance and maritime operations.

In April 2016, the District issued Request for Proposals No. 16-12AC (KI-P 16-12AU) to secure ongoing Remote Managed Support Services for SAP. Following a thorough evaluation, the selection panel determined that V3iT Consulting, Inc. proposed the most effective approach and demonstrated the capability to meet the RFP scope of services. Consequently, the Board of Port Commissioners awarded an agreement at the August 9, 2016, Board meeting.

In November 2023, the District issued an amendment to extend the term from January 31, 2024, to June 30, 2025; to increase funds for the new term to \$1,182,000; and to amend the scope of services to include support services for the District's new SAP S/4 HANA environment.

The SAP S/4 HANA upgrade project was subsequently put on hold and then cancelled in early 2024. Contracts with SAP for professional services and software were then signed in December 2024, and the S/4 HANA upgrade project commenced in January 2025. The project is expected to conclude in late October 2026. V3iT Consulting, Inc. has provided continuous support services during this timeframe and the District will require ongoing support.

Currently, the District seeks to amend the agreement term ending date from June 30, 2025, to October 31, 2027, and to increase funds from \$1,182,000 to \$1,472,344. This amendment will ensure consistent support through the completion of the SAP S/4 HANA upgrade project and provide ongoing support until a new contract is negotiated.

RECOMMENDATION:

Adopt a Resolution Authorizing Amendment No. 4 to the Agreement with V3IT Consulting, Inc. for remote managed support services of all databases, operating systems, and SAP Security Role Builds to increase maximum expenditure from \$1,182,000 to \$1,472,344 and extend term of agreement to 10/31/2027.

FISCAL IMPACT:

Funds for the first year of this expenditure are budgeted in the FY 2026 Preliminary Budget in the Technology Management Program Professional Services account or included within the relevant project budgets of the District's capital Technology Management Program.

Funding for FY 2026 and subsequent fiscal years will be budgeted in the appropriate fiscal year and cost account, subject to Board approval upon the adoption of each fiscal year's budget.

FIVE YEAR TCO FORECAST	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Professional Services	\$124,433	\$124,433	\$41,478	\$0	\$0
TOTAL FY 2026 - 2030	\$290,344				

COMPASS STRATEGIC GOALS:

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

- A thriving and modern maritime seaport.
- A financially sustainable Port that drives job creation and regional economic vitality.

DISCUSSION:

In April 2016, the District issued Request for Proposals No. 16-12AC (KI-P 16-12AU) to secure ongoing Remote Managed Support Services for SAP. Following a thorough evaluation by a selection panel comprised of District staff from various departments, it was determined that V3iT Consulting, Inc. proposed the most effective approach and demonstrated the capability to meet the RFP scope of services. Additionally, through their experience supporting SAP platforms, they proposed delivering, at no additional cost, solutions they developed for streamlining SAP administration. Consequently, the Board of Port Commissioners awarded an agreement at the August 9, 2016, Board meeting.

In 2022, the District engaged in a platform upgrade of SAP ECC 6.0, an on-premise system to S/4 HANA on the SAP RISE private cloud. This project sought to modernize the District's platform while also reducing the on-site technical footprint. A trusted and competent partner for servicing the current platform and the new, cloud based services became paramount to success. In November 2023, the District issued an amendment to the agreement to extend the term from January 31, 2024, to June 30, 2025; to increase funds for the new term to \$1,182,000; and to amend the scope of services to include support services for the District's new SAP S/4 HANA environment.

The SAP S/4 HANA upgrade project was subsequently put on hold and then cancelled in early 2024. After embarking on an ERP Discovery project to confirm the District's requirements for an ERP, contracts with SAP for professional services and software were signed following Board approval in December 2024, and the S/4 HANA upgrade project commenced in January 2025. The project is expected to conclude in late October 2026. V3iT Consulting, Inc. has provided continuous support services during this timeframe and the District will require ongoing support.

This amendment will ensure consistent support through the completion of the SAP S/4 HANA upgrade project and provide ongoing support until a new contract is negotiated.

Currently, District staff seeks to:

- Amend the expiration date of the Agreement from June 30, 2025, to October 31, 2027.
- Increase funds allotted to the agreement from \$1,182,000 to \$1,472,344.

This approach provides the District a seamless and consistent support through the S/4 HANA upgrade through go-live and through the critical first year of operation on the new platform.

Additionally, the extension enables the District to evaluate the requirements for future remote services in the new environment, following the retirement of the current SAP ECC 6.0 system. This period allows the District to determine whether its IT staff can assume these responsibilities internally with SAP services or if third-party support continues to be necessary. If external support is required, the District will initiate a new RFP process to define the scope of remote services beyond the term of this agreement.

General Counsel's Comments:

The Office of the General Counsel has reviewed and approved this agenda, proposed amendment, and resolution, as presented, as to form and legality.

Environmental Review:

The proposed Board action, including without limitation a Resolution authorizing Amendment No. 4 to Agreement with V3it Consulting, Inc. for remote managed support services to increase the maximum expenditure and extend the term, 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 Sections 21 and 35 of the Port Act which allow for 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:

Marcy Mishiwiiec
Manager Enterprise Applications

Attachment(s):

Attachment A: Agreement No. 4 to Agreement No. 125-2016AC with V3IT