

EXECUTIVE SUMMARY

Recommendation of \$500,000 or Greater SAP Expansion for Payroll Process Improvement

Introduction

Responsible: Procurement and Warehousing Services (PWS)

This request is to approve the Agreements between SAP Public Services, Inc. (SAP) and The School Board of Broward County, Florida (SBBC). The agreements will expand the SAP system to provide critical tools for process improvement and will be funded by the General Fund.

Summary of new Agreements is as follows::

1. SuccessFactors (Term: 06/29/2019 – 06/28/2024) Bid FY20-113
2. Qualtrics (Term: 06/29/2019 – 06/28/2021) Bid FY20-114
3. Mendix (Term: 06/29/2019 – 06/28/2024) Bid FY20-115
4. Cloud Platform (Term: 06/28/2019 – 06/27/2024) Bid FY20-116
5. Access Control (Term: 06/29/2019 – 06/28/2020) Bid FY20-117

Goods/Services Description

Responsible: Financial Services/Human Resources

This request is to approve an expansion of the District's existing SAP software to upgrade existing payroll systems, implement additional payroll systems and controls, and address issues with the current onboarding process through Human Resources. As a result of recurring findings in the Operational Audit of the Broward County Public Schools by the Auditor General for the State of Florida, the School Board has directed the Administration to develop a plan to resolve the issues and prevent any further audit findings around Payroll overpayments and overtime. Since the processing of payroll begins at the point of hire, it is important that the record for each employee be accurate and complete at the time they join SBBC, hence the need to upgrade the front-end solution of the payroll system.

Additionally, the School Board requested that the project better manage access controls through enhanced management capability to monitor and control access and create further opportunities to expand the Segregation of Duties.

Background

In developing the project plan, the Office of Financial Services reached out to the Strategic Planning Team and under the direction of the Chief Strategy and Operations Officer, the team provided support to Finance as the project was outlined. Numerous stakeholder meetings were conducted during the year with principals and departments being interviewed and asked to discuss their pain points and issues around the on-boarding of new staff and the subsequent processing of payroll. The project team also worked with the Information & Technology Department (I&T) to look at current systems, opportunities to reconfigure existing systems and to review where we had gaps in systems and what was necessary to correct the problem.

After the interviews, the project team met for two (2) days and developed a summary of concerns and began mapping a project plan. A list of areas that could be addressed in the short term was developed as well as a list of work that needed to be done but would take longer. At this point, the team requested that SAP bring a team of subject area experts into the District to help identify resources required to achieve the project plan. This discovery session, which took place on March 11 and 12, 2019, assisted the SBBC team in the development of a plan to move forward. Subsequent to the discovery sessions, SAP returned with a team

Recommendation of \$500,000 or Greater
SAP Expansion for Payroll Process Improvement
June 25, 2019 Board Agenda
Page 2

of subject area experts to provide the cross-sectional team from Finance, Human Resources, I&T, Strategy and Operations, and the Office of School Performance and Accountability, live demos of the actual products the District need to buy and how they addressed the findings. After much discussion and review, the minimum required to correctly address the concerns has been established.

The SAP Payroll Process Improvement Project will integrate standalone and paper-based systems with the SAP Enterprise Resource Planning systems for staff recruiting, employment, and learning management. Having these functions as an integrated system along with the elimination of paper-based onboarding will improve the accuracy of data entry and provide a more efficient and timely process of placing new staff into the classroom or work location. The District has identified obsolete processes and systems that contributed to issues such as:

- Overpayment or incorrect payment of Supplements due to approval and confirmation process challenges.
- Inconsistent absence practice, approval, and reporting.
- Delayed visibility and inability to accurately manage payroll costs.
- Possible errors because of a lack of timely review, reporting and inconsistent access controls have led to the segregation of duties violations.

Based on the scope of work involved, the following technology solutions are recommended for purchase under this item:

SAP Success Factors: Learning, Recruiting, Onboarding, and DocuSign are solutions that will help simplify and improve SBBC processes by:

- Ensuring efficiencies in recruiting spend, decreasing time to fill and improving data quality by reducing manual data entry of information from non-integrated systems.
- The use of electronic signatures increases the speed of the recruiting process internally and externally.
- The use of an integrated solution will improve the onboarding process by removing the paper-based time constraints which will provide faster access to systems requiring a P-Number for security purposes
- Electronic off-boarding improvements delimit inadvertent payroll actions upon separation.

SAP Qualtrics: A tool that enables the gathering and use of feedback to improve recruiting and retaining employees. Benefits include:

- Act quickly on real-time data to address potential problems before they become public.
- See how the District's actions impact employee productivity and district key performance indicators.
- Reduce unwanted and costly attrition.
- Highlight and celebrate District wins.

Mendix Rapid Application Development Platform complements SAP solutions by providing organizations the fastest and easiest way to develop applications that allow for leave approvals, a mobile experience, employee engagement, and operational efficiency. Mendix leveraging SAP Cloud Platform is the only low code development platform that natively runs on the SAP HANA data platform, taking advantage of in-memory database capabilities, advanced analytics, and unlimited scalability.

Benefits of using Mendix for application development:

Recommendation of \$500,000 or Greater
SAP Expansion for Payroll Process Improvement
June 25, 2019 Board Agenda
Page 3

- Build apps without coding
- Continuous business and IT collaboration
- Develop enterprise-grade applications
- Leverage reusable components
- Protect SAP investments

SAP Cloud Platform is the environment where Mendix is utilized for applications, providing the mobile flexibility users seek.

SAP Access Control provides segregation of duties, visibility, and documentation across the District’s SAP systems into possible inappropriate access. This functionality is key to identifying bad process, practice, or in some cases, fraud. Also included with this item for School Board approval is a document to update SBBC’s official name within SAP’s system to The School Board of Broward County, Florida, and a document to terminate on-premise licensing resulting in a reduction of SBBC’s annual maintenance costs. The termination is contingent on execution of the above and was negotiated as part of an exchange of on-premise licensing for cloud, resulting in an annual cost reduction of approximately \$351,640.

Procurement Method
Responsible: PWS

The Direct Negotiation was performed in accordance with Purchasing Policy 3320, VI (C)(5)(c), and Section 6A-1.012(14), F.A.C., permit the acquisitions of I&T as defined in Section 282.0041(14), Florida Statutes.

Financial Impact
Responsible: PWS and Financial Services

The total spending authority requested is \$6,051,400 (rounded), as itemized below. The financial impact for the expansion of the contract with SAP will be included in the FY2019-2020 budget approved by the School Board in the General Fund.

Success Factors (Annual)	\$ 781,063.21
<u>Number of years</u>	<u>5</u>
Success Factors Subtotal	\$3,905,316.07
Qualtrics2019-2020	\$ 124,946.35
<u>Qualtrics 2020-2021</u>	<u>\$ 174,903.96</u>
Qualtrics Subtotal	\$ 299,850.31
Mendix (Annual)	\$ 200,039.20
<u>Number of years</u>	<u>5</u>
Mendix Subtotal	\$1,100,196.00
Cloud Platform (Annual)	\$ 138,000.00
<u>Number of years</u>	<u>5</u>
Cloud Platform Subtotal	\$ 690,000.00
Access Control	\$ 55,838.25
<u>Total spend authority (rounded)</u>	<u>\$6,051,200.63</u>

The approval of this recommendation does not mean the authorized amount will be spent.