



SCHOOL BOARD ACTION REPORT

DATE: September 8, 2020
FROM: Denise Juneau, Superintendent
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For Introduction: September 23, 2020
For Action: October 7, 2020

1. TITLE

Approval of contract amendment with EPI-Use for SAP staff support for school year 2020-21.

2. PURPOSE

This Board action will approve a one-year contract for the 2020-21 school year with EPI-Use for SAP business systems staff augmentation. This will maintain continuity for our business system configuration/maintenance, while we continue to recruit permanent staff to fill these positions long-term.

3. RECOMMENDED MOTION

I move that the School Board authorize the Superintendent to execute a contract amendment with EPI-Use for a total Not-To-Exceed (NTE) amount of \$820,000, including taxes, for SAP staff support services with any minor additions, deletions, and modifications deemed necessary by the Superintendent, and to take any necessary actions to implement the amendment.

4. BACKGROUND INFORMATION

- a. **Background** Over the past two years it was identified that we needed additional staffing support for our SAP system. The workload that had built up over time had exceeded our current staffing capacity. In addition, our technical expert in SAP Payroll/Benefits resigned, leaving us with an emergency skills gap. The work associated with this position ~~includes~~are critical functions that change throughout the year as a result of changes to school health care benefits (SEBB), Collective Bargaining Agreements (CBA), changes due to COVID-19 and general system maintenance/fixes. State mandates like SEBB have required significant development time to address all of the data that is now required to be sent to the state on a daily/weekly basis regarding employee status. Additional staffing is also needed to complete other critical projects and enhancements. We have been trying to manage with current staff levels, but we remain behind and ~~cannot~~can't appropriately support our business processes. Over the past 15 years we have under-resourced our system which has resulted in inefficient

systems. This recommended motion will address the need to support SAP functions in the interim while permanent full-time resources are recruited. This contract will fund temporary staff augmentation for the entire year (FY 2021). A Staff Augmentation Request for Proposal was published August 21, 2019 for this purpose.

Given the current extremely difficult SAP market, we will ~~employ~~ employee staff augmentation via contracted services as a business model. We are continually recruiting permanent staff for key positions, which would result in a significant decrease in spending on contractors in the future. Going forward, we have a goal of an 80:20 model of FTE to contractor ratio. A staffing plan has been attached that outlines this goal and the spend plan per month.

- b. **Alternatives** We can continue fully outsourcing our functional analyst positions for HR/Payroll, but this is not recommended due to the high costs. Another option is to discontinue this funding completely, but that will leave us with a large skills gap without a way to keep our business systems appropriately maintained and running.
- c. **Research** A specialized SAP Human Resources (HR) Professional Services firm called EPI-Use has been identified as a company that has K-12 experience and extensive concurrent employment experience. With extensive K-12 SAP experience, they were brought in to turn around a failed SAP HR/Payroll implementation at Los Angeles Unified School District. Furthermore, a Staff Augmentation Request for Proposal was published August 21, 2019 for SAP services to augment staff and bring in resources with specialized technical skills as needed. EPI-Use was one of two vendors selected for this purpose.

5. **FISCAL IMPACT/REVENUE SOURCE**

Fiscal impact to this action will be ~~an amount~~ NTE \$820,200.00000 including taxes over a period of 12 months, as services are needed. ~~This, which~~ includes a ~~contingency~~ contingency amount, ~~and~~ if of 30% equal to \$189,092. If we find staff to hire, the amount of this contract could be lower than this estimate. Examples that would drive use of contingency funds would be if there is a delay in filling staff vacancies, we receive new compliance mandates which are unfunded, or other unforeseen circumstances requiring additional temporary staff.

The revenue source for this motion is funding earmarked for these services from Buildings, Excellence V (BEX V) Capital Levy.

Expenditure: ☒ One-time ☐ Annual ☐ Multi-Year ☐ N/A

Revenue: ☐ One-time ☐ Annual ☐ Multi-Year ☒ N/A

6. **COMMUNITY ENGAGEMENT**

With guidance from the District's Community Engagement tool, this action was determined to merit the following tier of community engagement:

☒ Not applicable

☐ Tier 1: Inform

☐ Tier 2: Consult/Involve

☐ Tier 3: Collaborate

The proposed solution is a backend staffing augmentation to support HR/Payroll/Benefit processes.

7. EQUITY ANALYSIS

This contract amendment supports system tasks that enable district wide Payroll/Benefit functions for all employees regardless of race, sex, or religion.

8. STUDENT BENEFIT

This action will fill a role that is essential to the district by providing a resource to help support critical functions used by current and future employees including paid time off, benefits, and leave.

9. **WHY BOARD ACTION IS NECESSARY**

- ☒ Amount of contract initial value or contract amendment exceeds \$250,000 (Policy No. 6220)
- ☐ Amount of grant exceeds \$250,000 in a single fiscal year (Policy No. 6114)
- ☐ Adopting, amending, or repealing a Board policy
- ☐ Formally accepting the completion of a public works project and closing out the contract
- ☐ Legal requirement for the School Board to take action on this matter
- ☐ Board Policy No._____, [TITLE], provides the Board shall approve this item
- ☐ Other: _____

10. **POLICY IMPLICATION**

Per Policy No. 6220, Procurement, any contract or contract amendment over \$250,000 must be brought before the Board for approval.

11. **BOARD COMMITTEE RECOMMENDATION**

This motion was discussed at the Audit and Finance Committee meeting on September 14, 2020. The Committee reviewed ~~and motioned to move the item forward to the full Board with a recommendation and consideration. The~~ motion ~~passed unanimously. and~~ _____.

12. **TIMELINE FOR IMPLEMENTATION**

Upon approval of this motion, a contract amendment will be executed, and functional and development resources will be deployed from EPI-Use to help support CBA, Start of School, Year End Legal Changes, and various other HR/Payroll support needs.

13. **ATTACHMENTS**

- ~~Not Applicable~~Staffing Spend Plan for 2020-21

Staffing Spend Plan for SAP for 2020-21

	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>TOTAL</u>	<u>Contingency</u>	<u>GRAND TOTAL</u>
<u>Convert 2 contractors to FTE and hire a 3rd FTE</u>	\$ 90,133.33	\$ 90,133.33	\$ 90,133.33	\$ 50,837.28	\$ 50,837.28	\$ 50,837.28	\$ 34,566.13	\$ 34,566.13	\$ 34,566.13	\$ 34,566.13	\$ 34,566.13	\$ 34,566.13	\$ 630,308.64	\$ 189,092.59	\$ 819,401.23