

## MEMORANDUM

**TO:** Governing Board Members

**FROM:** Paul E. Dumars, Sr., Chief Financial Officer, Executive Office

**DATE:** December 2, 2008

**SUBJECT:** Sole Source with Budgetec, LLC  
Public Budget Formulation Project

**Background:** The District's current budget development process does not link resource allocation and agency commitments to meet service delivery objectives and goals taking into account the current strategic planning process and the business cycle. As a result there is limited capability to integrate the budget development processes with financial and/or project management data. The Public Budget Formulation (PBF) project will address these shortcomings and replace the existing Oracle budget development system with an SAP tool (PBF software) that integrates with the District's existing SAP software. The goal is to have budget development and planning become the foundation for annual and multi-year resource allocation decisions, using actual financial information to track resource use and shift resources to meet changing needs, connect actual and targeted results to spending, and have the ability to discuss, evaluate, and re-evaluate earlier decisions.

**How this helps meet the District's 10-year Strategic Plan:** The SAP System is a critical component towards the improved our current system, business processes and therefore the Mission Support program, as it becomes necessary to generate, present and analyze financial information to adjust the annual work plan and the strategic plan given the expected revenue reductions in upcoming years.

**Funding Source:** This agreement should not exceed \$1,362,200 of which \$929,040 ad valorem funds are in the FY09 budget and the remainder is subject to Governing Board approval of the FY10 budget.

**This Board item impacts what areas of the District, both resource areas and geography:** The District's SAP System affects all business process across the District, including processes in Budget, Procurement, Finance, Operations and Maintenance, Project Management, Information Technology, and Human Resources.

**What concerns could this Board item raise:** The District does not have the sufficient "in house" staff with the required detailed SAP technical skill set necessary to perform the tasks needed to implement and support this project, and therefore we require support from outside consultants.

**Why should the Governing Board approve this item:** The District has purchased the software and now we need the services to use the software. The District will use SAP's PBF software tool to implement the new budget development and planning process. At this time, Budgetec is the only company that has the functional and technical understanding of SAP's PBF software, its capabilities and the knowledge to configure the product because they were the team that: developed the requirements for the new software tool tailor made for the public sector, develop detailed specifications for the software, were part of the SAP development team of this new software, created test scenarios and conducted the product testing, and created a training class (Academy) for SAP Implementation partners to learn the basics of the product.

If you have any questions, please do not hesitate to call me at ext. 6212.

PED/bc

Resolution