

<b>REQUEST FOR COUNCIL ACTION</b> CITY OF SAN DIEGO	CERTIFICATE NUMBER (FOR COMPTROLLER'S USE ONLY)
--	--

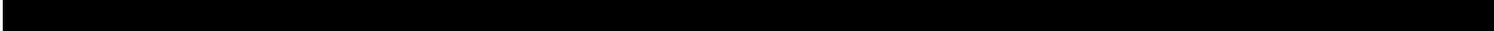
TO: CITY COUNCIL	FROM (ORIGINATING DEPARTMENT): Public Utilities - Wastewater	DATE: 11/22/2013
---------------------	---	---------------------

SUBJECT: SAP Enterprise Asset Management Project Briefing

PRIMARY CONTACT (NAME, PHONE): Susan Bowman, 858-654-4429, MS 901A	SECONDARY CONTACT (NAME, PHONE): Jane Arnold, (858) 614-4569 MS 901A
---	---

**COMPLETE FOR ACCOUNTING PURPOSES**

FUND					
DEPT / FUNCTIONAL AREA					
ORG / COST CENTER					
OBJECT / GENERAL LEDGER ACCT					
JOB / WBS OR INTERNAL ORDER					
C.I.P./CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00



FUND					
DEPT / FUNCTIONAL AREA					
ORG / COST CENTER					
OBJECT / GENERAL LEDGER ACCT					
JOB / WBS OR INTERNAL ORDER					
C.I.P./CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00

COST SUMMARY (IF APPLICABLE): Informational Item Only

**ROUTING AND APPROVALS**

CONTRIBUTORS/REVIEWERS:	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
Liaison Office	ORIG DEPT.	Sasaki, Ann	11/25/2013
	CFO		
	DEPUTY CHIEF		
	COO		
	CITY ATTORNEY	Palmucci, Ray	11/26/2013
	COUNCIL PRESIDENTS OFFICE		

PREPARATION OF:     RESOLUTIONS     ORDINANCE(S)     AGREEMENT(S)     DEED(S)

Informational Item Only

STAFF RECOMMENDATIONS:

No action requested; informational item only.

SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION)

COUNCIL DISTRICT(S):	Citywide
----------------------	----------

COMMUNITY AREA(S):	Citywide
--------------------	----------

ENVIRONMENTAL IMPACT:	
-----------------------	--

CITY CLERK	
------------	--

INSTRUCTIONS:	
---------------	--

**COUNCIL ACTION**  
**EXECUTIVE SUMMARY SHEET**  
CITY OF SAN DIEGO

DATE: 11/22/2013

ORIGINATING DEPARTMENT: Public Utilities - Wastewater

SUBJECT: SAP Enterprise Asset Management Project Briefing

COUNCIL DISTRICT(S): Citywide

CONTACT/PHONE NUMBER: Susan Bowman/858-654-4429, MS 901A

**DESCRIPTIVE SUMMARY OF ITEM:**

The Public Utilities Department (PUD) is implementing an SAP Enterprise Asset Management solution to replace multiple legacy maintenance management systems with a comprehensive and integrated asset and work management solution. A primary driver of this effort is the need to have SAP integration of financial, procurement, inventory, human resources, customer service, fixed asset, geographic, and CIP information into the maintenance management system. This integration will allow the Department to gain efficiencies in the overall operation of the utility through the sharing of information within the same application platform.

**STAFF RECOMMENDATION:**

No action requested; informational item only.

**EXECUTIVE SUMMARY OF ITEM BACKGROUND:**

Since 2009, the City of San Diego has made a significant investment in building the SAP Enterprise Resource Planning (ERP) platform. The selection of a SAP-based solution for infrastructure asset management is considered optimal because it leverages and will derive more value out of the City's SAP investment. The proposed SAP ERP Enterprise Asset Management (EAM) solution architecture will inherently integrate with existing functionality provided by SAP Public Sector (IS-PS) and Utilities (IS-U) Solutions.

The Public Utilities Department (PUD) is implementing an SAP EAM solution to replace multiple legacy maintenance management systems with a comprehensive and integrated asset and work management solution. A primary driver of this effort is the need to have SAP integration of financial, procurement, inventory, human resources, customer service, fixed asset, geographic, and CIP information into the maintenance management system.

This integration will allow the Department to gain efficiencies in the overall operation of the utility through the sharing of information within the same application platform. A properly implemented EAM system can be used for in-depth analysis of the maintenance activities across the Utility. This analysis will enable the Department to save substantially in maintenance costs. An integrated EAM will improve the preventive/reactive maintenance ratio by allowing better management of labor resources, better condition monitoring of assets and avoidance of costly repair/replacements.

The implementation of this solution will give the City a foundational system upon which our goals of infrastructure asset management can be transformed into actions. The benefits of a comprehensive asset management software system are numerous, and include: application of an analytical approach to the repair and replacement of assets, ability to capture the full lifecycle cost of maintaining and replacing assets, convergence of asset information into a single system, elimination of inefficient and ineffective business practices, reduced labor costs due to increased visibility to resources, reduced procurement cost due to integration with SAP procurement, and elimination of redundant data entry into disconnected systems.

FISCAL CONSIDERATIONS: N/A

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE): N/A

PREVIOUS COUNCIL and/or COMMITTEE ACTION (describe any changes made to the item from what was presented at committee): N/A

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Public Utilities will address Public Outreach efforts via a robust Change Management and Communication Plan. Communication frequency and type will be determined by each stakeholder group's needs and in conjunction with City Leadership, the Mayor's Office and participating agencies, as needed.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

At a high level, the following represents key project stakeholders:

Public

- Citizens of San Diego
- Public Utilities' Rate Payers

Elected Officials and Oversight Committees

- Mayor & Executive Leadership Team
- City Council
- Independent Rates Oversight Committee

Outside Agencies

- Metro Joint Powers Authority
- Participating Agencies
- Regulatory Agencies
- Municipal Employees Association (MEA)
- Local Chapter 127

City Leadership (Director-level positions)

- Director, Department of Information Technology

- Director, Environmental Services
- Director, Financial Management
- Director, Office of the Comptroller
- Director, Public Utilities
- Director, Public Works
- Director, Purchasing and Contracting
- Director, Transportation and Storm Water
- Director, City Treasurer's Office

Citywide Affected Departments

Citywide ERP Business Process Owners  
City Employees

Sasaki, Ann  
Originating Department

---

Deputy Chief/Chief Operating Officer