



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to Execute a Supplemental Agreement to the Professional Services Agreement, Dated February 28, 2020, with Carahsoft Technology Corporation for SAP Concur Expense and Invoice Software to Increase the Maximum Compensation by an Additional \$230,000 to \$680,000; Waive Formal Competitive Procurement Procedures; and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Finance & Admin)**

Submitted By: Julie Lam, Chief Financial Officer; Kristi McKenney, Executive Director

Parties Involved:

Carahsoft Technology Corporation, a
Maryland Corporation, Reston, VA

SAP Concur (formerly Concur
Technologies, Inc.), Bellevue, WA

Amount: \$680,000 (operating expense)

EXECUTIVE SUMMARY: The Port of Oakland (Port) implemented SAP Concur Expense and Invoice (SAP Concur) in 2020 to facilitate and streamline purchasing card reconciliations, employee expense reports, travel authorizations, and accounts payable invoice approvals. SAP Concur eliminated repetitive data entry, unnecessary Oracle processes, and digitized our accounts payable records. Port Staff would like to add additional functionality available from SAP Concur, Invoice Capture, which expedites loading invoices into SAP Concur using artificial intelligence. Invoice Capture will further streamline the current invoice loading process and reduce processing delays. Port Staff is requesting the Board's authorization to increase the maximum compensation by an additional \$230,000, increasing the maximum compensation to \$680,000, for the three-year contract term, including two one-year options to extend, which extended term was previously approved by the Board.

BACKGROUND & ANALYSIS

In 2019, Port Staff completed an informal competitive process to streamline inefficient and primarily paper-based manual accounts payable processes. SAP Concur was selected based on annual cost, functionality, user interface, and ease and cost of implementation. In 2020, the Port entered an 18-month contract, including implementation costs, software subscription, and support services. In 2022, the Port extended the existing contract for an additional 31 months, expiring on October 31, 2024. In September 2024, the Board approved a supplemental agreement with Carahsoft Technology Corporation for SAP Concur to extend the existing contract by three years with two, one-year options to extend (latest expiration date of October 31, 2029) and increase the maximum compensation to \$450,000.

The SAP Concur functionality currently being utilized automated the invoice approval workflow and fully digitized the accounts payable records, making records management more efficient, and providing visibility and accountability to the status of an invoices. However, Port Staff still manually scans and reviews invoices to load them into SAP Concur to make them digitally available for Port Staff to review and approve. Additionally, Port Staff must manually identify and delete duplicates. Port Staff would like to add SAP Concur's Invoice Capture functionality, which will automate the manual scanning, identification of duplicates, and initial content review processes, and significantly shorten the total processing time for accounts payable invoices.

Maximum contracting authority requested is as follows:

	<u>Amount</u>
11/1/2024 - 10/31/2025	114,798.51
11/1/2025 - 10/31/2026	127,717.80
11/1/2026 - 10/31/2027	127,717.80
11/1/2027 - 10/31/2028 (Estimated Optional Extension)	127,717.80
11/1/2028 - 10/31/2029 (Estimated Optional Extension)	127,717.80
Unforeseen additional services over the 5-year term	54,330.29
	<u><u>\$ 680,000.00</u></u>

Port Staff has had positive experiences with the SAP Concur and their support team, have established over a dozen interfaces for the software to communicate directly with our accounting system, and wish to continue using the service with the added functionality. In the absence of this service, Port Staff would have to return to inefficient paper-based systems and continue with the current manual process of loading and identifying duplicates or implement a different software to maintain the efficiencies created by the system. Therefore, Port Staff requests the Board waive formal competitive procurement procedures as being in the best interest of the Port and authorize the Executive Director to execute a supplemental agreement for an additional \$230,000 to increase in maximum compensation to \$680,000 for the current three-year contract term, including two one-year extensions.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- ☐ Categorically exempt under the following CEQA Guidelines Section:

Choose an item.

- ☒ "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).

- ☐ Other/Notes:

BUDGET

- ☐ Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR

- ☒ Operating

- ☐ Non-Operating

- ☐ Capital

Analysis: Approval of the proposed action does not impact FY 2025 Operating Expense Budget. Future costs will be included in Port Finance department's future operating expense budgets.

STAFFING

- ☒ No Anticipated Staffing Impact.

- ☐ Anticipated Change to Budgeted Headcount.

Reason:

- ☐ Other Anticipated Staffing Impact (e.g., Temp Help).

Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port's Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

- ☐ Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

Choose an item.

- ☐ Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? No.

GENERAL PLAN (City Charter § 727):

Conformity Determination:

<p><u>Reason:</u> There are no sustainability opportunities related to this proposed action because it does not involve a development project, purchasing of equipment, or operations that presents sustainability opportunities.</p>	<p>No Project – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.</p>
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) in the Port’s Strategic Plan:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Capture Our Market and Grow the Economic Base <input checked="" type="checkbox"/> Modernize and Upgrade Infrastructure <input type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience <input type="checkbox"/> Maximize Land Use Value and Revenues <input type="checkbox"/> Workforce Training and Jobs Development <input type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development 	