Department of Information Technology

Department of Information Technology

The Department of Information Technology provides citywide technology strategy, operational support of applications, infrastructure, and wireless technologies, enterprise application services and manages Information Technology (IT) services contracts and assets.

The purpose of technology is to support business and operations by allowing customers to operate more efficiently, provide better data for decision-makers, and drive higher customer satisfaction for stakeholders. In order to achieve these goals, the City will need to continue modernizing its software applications and hardware. The IT annual allocations provide for upgrades and enhancements to information technology projects that are eligible for capitalization. Individual projects are expected to result in a city-owned asset, which can include, but is not limited to, equipment, system interfaces, and intellectual property.

2026 CIP Goals

The Department of Information Technology plans on initiating the following in Fiscal Year 2026:

- DCS Network Equipment Upgrades at NCWRP & PS2 (NEW)
- Pt. Loma WWTP DCS Upgrades Phase 2 (NEW)
- Pump Station 2 DCS Improvements (NEW)
- Pump Station 64/65 Distributed Control System (DCS) (NEW)
- South Bay Water Reclamation Plant DCS Upgrades (NEW)
- COMNET Fiber Optic & DCS Network Upgrades
- DCS EDS Utility Upgrade (NEW)
- Water Information Management System (WIMS) (NEW)
- PUD LIMS Replacement (NEW)
- Sewer Modeling and Support Services (B26001)
- Remittance Software Upgrade (B25087)

Department of Information Technology: Capital Improvement Projects

Project	Prior Fiscal Years		FY 2026 Adopted		Future Fiscal Years		Project Total
Enterprise Funded IT Projects / ATT00002	$	22,548,656	$	6,240,000	$	-	$ 28,788,656
Governmental Funded IT Projects / ATT00001		2,026,000		200,000		-	2,226,000
SAP Modernization / T25000		2,960,000		3,100,000		138,140,000	144,200,000
Total	**$**	**27,534,656**	**$**	**9,540,000**	**$**	**138,140,000**	**$ 175,214,656**

Department of Information Technology

Enterprise Funded IT Projects / ATT00002

Intangible Assets - Information Tech

Project Status:	Continuing
Duration:	2020 - 2040

Contact Information:	Alatorre, Samuel
	619-533-3465
	salatorre@sandiego.gov

Description: This annual allocation provides for upgrades and enhancements to information technology projects that are eligible for capitalization and funded exclusively with enterprise funding sources. Individual projects are expected to result in a city-owned asset, which can include, but is not limited to, equipment, system interfaces, and intellectual property.

Justification: This annual allocation provides for improvements and enhancements to information technology projects that are expected to have a duration longer than one fiscal year.

Operating Budget Impact: None.

Schedule: Projects will be scheduled on a priority basis.

Summary of Project Changes: The total cost of the project has increased due to updates to the cost and schedule of subprojects.

Expenditure by Funding Source

Fund Name	Fund No	Exp/Enc	Con Appn	FY 2026	FY 2026 Anticipated	FY 2027	FY 2028	FY 2029	FY 2030	Future FY	Unidentified Funding	Project Total
Metro Sewer Utility - CIP Funding Source	700009	$ 7,519,066	$ 11,181,393	$ 6,240,000	$ -	$ -	$ -	$ -	$ -	$ -	-	$ 24,940,460
Muni Sewer Utility - CIP Funding Source	700008	82,293	1,295,210	-	-	-	-	-	-	-	-	1,377,503
Water Utility - CIP Funding Source	700010	472,047	1,998,646	-	-	-	-	-	-	-	-	2,470,693
Total		**$ 8,073,405**	**$ 14,475,249**	**$ 6,240,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**-**	**$ 28,788,655**

Department of Information Technology
Governmental Funded IT Projects / ATT00001

Intangible Assets - Information Tech

Project Status:	Continuing
Duration:	2020 - 2040

Contact Information:	Alatorre, Samuel
	619-533-3465
	salatorre@sandiego.gov

Description: This annual allocation provides for upgrades and enhancements to information technology projects that are eligible for capitalization and funded exclusively with governmental funding sources. Individual projects are expected to have a duration longer than one fiscal year and result in a city-owned asset, which can include but is not limited to equipment, system interfaces, and intellectual property.

Justification: This annual allocation provides for improvements and enhancements to information technology projects that are expected to have a duration longer than one fiscal year.
Operating Budget Impact: None.
Schedule: Projects will be scheduled on a priority basis.
Summary of Project Changes: The total cost of the project has increased due to updates to the cost and schedule of subprojects.

Expenditure by Funding Source

Fund Name	Fund No	Exp/Enc	Con Appn	FY 2026	FY 2026 Anticipated	FY 2027	FY 2028	FY 2029	FY 2030	Future FY	Unidentified Funding	Project Total
CIP Contributions from General Fund	400265	$ 839,951	$ 186,048	$ 200,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,226,000
IT CIP Contributions	200802	860,409	139,591	-	-	-	-	-	-	-	-	1,000,000
Total		**$ 1,700,360**	**$ 325,639**	**$ 200,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,226,000**

Department of Information Technology

SAP Modernization / T25000

Intangible Assets - Information Tech

Project Status: Continuing	**Contact Information:** Alatorre, Samuel
Duration: 2025 - 2031	619-533-3465
	salatorre@sandiego.gov

Description: This project provides for the modernization of the City's SAP system to implement a modernized Enterprise Resource Planning (ERP) system using emerging cloud, data analytics, and intelligent technologies. The modernization of SAP is critical for effective asset management and service delivery.

Justification: This is a new ERP solution with technologies to facilitate optimized application development, integrations, and infrastructure management.

Operating Budget Impact: As the project develops and progresses, operating impacts will be identified.

Schedule: Vendor selection is anticipated to be completed in Fiscal Year 2027. Implementation of the new solution is anticipated to begin in Fiscal Year 2027. A phased deployment of the new solution is anticipated to begin in Fiscal Year 2029 with the first of multiple go-lives anticipated in Fiscal Year 2029.

Summary of Project Changes: Total project cost has increased by $7.2 million due to increased licensing costs, labor costs, and other associated expenses. The project schedule has been updated for Fiscal Year 2026.

Expenditure by Funding Source

Fund Name	Fund No	Exp/Enc	Con Appn	FY 2026	FY 2026 Anticipated	FY 2027	FY 2028	FY 2029	FY 2030	Future FY	Unidentified Funding	Project Total
IT CIP Contributions	200802	$ 775,255	$ 2,184,744	$ 3,100,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,060,000
Unidentified Funding	9999	-	-	-	-	-	-	-	-	-	138,140,000	138,140,000
Total		**$ 775,255**	**$ 2,184,744**	**$ 3,100,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 138,140,000**	**$ 144,200,000**

Department of Information Technology

Project	Project Total	Unidentified Funding	Percent Unfunded	Description
SAP Modernization / T25000	$ 144,200,000	$ 138,140,000	95.80%	This project provides for the modernization of the City's SAP system to implement a modernized ERP system using emerging cloud, data analytics, and intelligent technologies. The City is finalizing the appropriate funding sources; still undetermined if 1) the General Fund 44% portion is expected to be funded via debt financing, while 2) the Non-General Fund 56% portion is expected to be included in department's allotments as non-discretionary costs.
Total		**$ 138,140,000**		