

SAP CONTRACT AMENDMENT



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October 1st, 2020

Council Action Summary

Vendor	SAP
<p>Purpose</p>	<p>Request to amend the current SAP contract to:</p> <ol style="list-style-type: none"> 1. Incorporate terms and conditions for SAP cloud based (SaaS) solutions. This will enable the modernization of SAP features to meet business needs and improve City operations. 2. Extend contract term 3. Increase spending authority to fund the extended term
<p>Current Spending Authority</p>	<p>\$18,000,000</p>
<p>Current Contract Term</p>	<p>4 year base contract + 5 one-year options August 18, 2014 - August 17, 2023 (9 years)</p>
<p>Additional Spending Authority Requested</p>	<p>\$4,106,523</p>
<p>Contract Term Extension</p>	<p>August 18, 2024 (+1 optional year)</p>
<p>Primary Department Users</p>	<p>All City Departments</p>

SAP Agreement Spending Authority Forecast

Fiscal Year	Estimated Annual Spend	Current Capacity Remaining	Additional Capacity Needed (Rolling Total)	Cost Overview
FY21	\$ 3,609,374.56	\$ 5,184,516.10	\$ -	Potential SuccessFactors, Ariba New Product Cost, Annual Maintenance and Subscription Cost
FY22	\$ 3,984,114.56	\$ 1,200,401.54	\$ -	Potential OBB New Product Cost, Annual Maintenance and Subscription Cost
FY23	\$ 2,630,228.56	\$ (1,429,827.02)	\$ 1,429,827.02	Annual Maintenance and Subscription Cost
FY24	\$ 2,676,695.98	\$ (2,676,695.98)	\$ 4,106,523.00	Annual Maintenance and Subscription Cost

Planned SAP Cloud Based Product Procurements

- **Ariba:** Contract and Procurement management solution upgrade
- **SuccessFactors:** Human Capital Management (HCM) and Payroll (PY) solution
- **SAP Analytics Cloud (SAC):** Cloud-based business analytics solution
- **Fieldglass:** Contingent workforce solution currently used by the City
- **S/4 (upgrade to SAP ECC):** ERP backbone, operating system, and application for FICO/Finance
- **Outcome Based Budgeting Solution:** Outcome based budgeting solution used to tie strategic programs to performance-based outcomes correlated to the City's investment of funds

Q&A



Agenda

- ✓ SAP Cloud Amendment Summary
- ✓ Current SAP Agreement Overview
- ✓ Proposed SAP Amendment Overview
- ✓ SAP Agreement Spending Authority Forecast
- ✓ Potential SAP Cloud Based Procurements
- ✓ Q&A

Current SAP Agreement Overview

SAP Ordinances	Original: 2005-0405 Restated Agreement: 2014-756
Contracts Signed	Original : April 29, 2005 Restated: August 19, 2014
Contract Terms	Ends: 2023 Total Term: 18 years
Contract Spend Authority	Total Spend Authority: \$18M Remaining Spend Authority: \$8.8M Estimated Annual Spend Rate : \$1.6M
MWBE Goal	0% for Licenses and Products 35% for Professional Services
NOTE	Current agreement only allows for on-premised based licenses and solutions

Proposed SAP Cloud Amendment Overview

Contract Amendment Planned Date	Planned Council Date for October 2020
Contract Term	Request 7 Additional years Amend Contract To Expire 2027
Spend Authority Requested	\$12.4M (detailed forecast on next slide)
MWBE Goal	0% for Licenses and Products 24% for Professional Services through Enterprise Applications Managed Services Contract
NOTE	SAP Cloud contract allows for the City to procure and use SAP Cloud product offerings such as Ariba, SuccessFactors, Fieldglass, SAP Analytics Cloud, etc.