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| Item |
| Meeting 2016 Dec 12 |

COUNCIL REPORT

TO: CITY MANAGER **DATE:** 2016 December 07

FROM: DIRECTOR FINANCE **FILE:** 5820-20
Reference: 2016-11/16

SUBJECT: CONTRACT AWARD
SAP HANA SOFTWARE LICENCE AND MAINTENANCE SUPPORT

PURPOSE: To obtain Council approval to award a contract for SAP HANA software licence and maintenance support.

RECOMMENDATION:

1. **THAT** Council approve a contract award to SAP Canada Inc. for a total cost of \$916,252.51 including GST and PST in the amount of \$98,170 as outlined in this report.

REPORT

The City purchased an enterprise resource planning system from SAP Canada Inc. in 2005. SAP software supports the City's core business processes including: asset and land management, human resource management and payroll, financial planning, purchasing, treasury services, capital project management, and financial reporting.

The current Oracle software database is 11 years old and scheduled for replacement. The replacement SAP database platform is called S/4 HANA high performance, in-memory database which will significantly improve the processing speed and the operating performance, while reducing storage requirements of the City's Enterprise Resource Planning system.

The software license purchase and support contract is for the period 2017 January 01 to 2020 December 31 at a total cost of \$916,252.51 including taxes of \$98,170. Approval of this contract award is subject to the final adoption of Bylaw No. 13691 which appears elsewhere on this agenda and final contract review and negotiations conducted by the Purchasing Manager.

The work of this contract includes the software license purchase for HANA Runtime, S/4 HANA and BW/4 HANA and the first year of support costs totaling \$594,589 including taxes, and three years of annual maintenance at \$107,221 per year for a total of \$321,663 including taxes for the period 2018 – 2020. A Notice of Intent to contract was advertised publicly to award this contract to SAP Canada. The City did not receive any objections to the award notice by the closing time of 2016 December 05.

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The recommended company, SAP Canada Inc., has completed the previous contract to the satisfaction of the City. The Chief Information Officer concurs with this recommendation.

Funding for the software licence purchase and first year support costs of \$594,589 will be identified in the 2017 Capital Plan. On-going maintenance costs for this replacement software are included in the base 2018 – 2020 Operating Plan.



Denise Jorgenson
DIRECTOR FINANCE

GC:CA/mm

Copied to: Chief Information Officer
City Solicitor