City of Burnaby

TO:	CHAIR AND MEMBERS FINANCIAL MANAGEMENT COMMITTEE	**DATE:**	2017 September 05
FROM:	DIRECTOR FINANCE	**FILE:**	5820-20 *217-12/16*

SUBJECT: **CONTRACT AWARD – SAP HARDWARE AND DATABASE REPLACEMENT PROJECT (SUITE ON HANA) – IMPLEMENTATION SERVICES**

PURPOSE: To request approval to award a contract for the implementation services component of the SAP Hardware and Database Replacement (Suite on HANA) project.

RECOMMENDATION:

1. **THAT** Financial Management Committee recommend Council approve a contract award to The Createch Group for an estimated value up to $1,072,523 including GST in the amount of $51,073 as outlined in this report.

REPORT

The City's current SAP hardware environment is at end-of-life and needs to be replaced for reasons of business continuity and performance. In addition, SAP will cease to support the City's existing version of its SAP enterprise resource planning (ERP) software in 2020. The combination of these factors provided the impetus for the Information Technology department to recommend upgrading the City's ERP environment to SAP's new HANA database in addition to the standard hardware replacement. Council approved the SAP Hardware and Database Replacement project on 2016 December 12.

The migration from a traditional relational database to an in-memory database is complex and new to the City. Since the SAP environment contains core financials and other key operational information, it is also essential to maintain the integrity of that data during the transition. Engaging an implementation services organization with previous experience in SAP HANA upgrades will ensure the project team leverages proven migration processes, tools, lessons learned and best practices. The skillsets offered by implementation services' firms are highly technical and specialized and will enable City staff to quickly build their own knowledge and capability in order to sustain the new and unfamiliar technology post migration.

The work of this contract includes the formulation and execution of a plan to migrate the City's current SAP database and software to SAP Suite on HANA and will include testing, custom code adaptation and database performance tuning to optimize the systems.

Twelve submissions to a Request for Proposals (RFP) were received by the closing time on 2017 March 20.

To: *Finance Management Committee*
From: *Director Finance*
Re: *CONTRACT AWARD – SAP HARDWARE AND DATABASE REPLACEMENT PROJECT*
           (SUITE ON HANA) – IMPLEMENTATION SERVICES
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The recommended company, The Createch Group, is a leading Canadian provider of SAP solutions and has strong experience in HANA migrations, including delivery of a HANA migration for the Municipal Property Assessment Corporation in Ontario. In addition, The Createch Group has a deep Canadian based HANA-experienced resource team, and has shown that they provide the best value, experience and services for the requirements of this contract.

The Chief Information Officer has reviewed the agreement and concurs with the recommendation.

The funding for the SAP Hardware and Database Replacement (Suite on HANA) project was approved on 2016 November 26 at $4.14 million (inclusive of taxes). The total project cost includes hardware, software and implementation services. A breakdown of the cost estimate is as follows:

Project Component	Cost Estimate ($)
HANA Hardware Contract	1,480,000
HANA Implementation Services Contract	1,021,450
Taxes	228,673
HANA Licensing	560,755
Project Planning and Scoping	84,000
Project Contingency (10%)	273,000
Internal Labour Cost	492,000
Total	**$4,140,000**

Funding for this project is provided under the following WBS element: AEA.0083 ($1,021,450) within the 2017-2021 Financial Plan.

Noreen Kassam
DIRECTOR FINANCE

GC:CA/mm

Copied to: City Manager
               Deputy City Manager
               Chief Information Officer