

FINANCIAL MANAGEMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

**SUBJECT: CONTRACT AWARD – SAP HARDWARE AND DATABASE
REPLACEMENT PROJECT (SUITE ON HANA) – HANA APPLIANCE
AND APPLICATION SERVER HARDWARE**

RECOMMENDATION:

1. THAT Council approve a contract award to Hewlett Packard Enterprise Canada Co. for an estimated value up to \$1,657,600 (including GST and PST in the amount of \$177,600), as outlined in this report.

REPORT

The Financial Management Committee, at its meeting held on 2017 September 14, received and adopted the attached report seeking Council's approval to award a contract for the SAP HANA appliance and application server hardware component of the SAP Hardware and Database Replacement project.

Respectfully submitted,

Councillor D. Johnston
Chair

Councillor C. Jordan
Vice Chair

Copied to:	City Manager Deputy City Manager Chief Information Officer Director Finance
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TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2017 September 05

FROM: DIRECTOR FINANCE

FILE: 5820-20

Reference: 170-09/16

SUBJECT: **CONTRACT AWARD – SAP HARDWARE AND DATABASE
REPLACEMENT PROJECT (SUITE ON HANA) – HANA APPLIANCE
AND APPLICATION SERVER HARDWARE**

PURPOSE: To request approval to award a contract for the SAP HANA appliance and application server hardware component of the SAP Hardware and Database Replacement project.

RECOMMENDATION:

1. **THAT** Financial Management Committee recommend Council approve a contract award to Hewlett Packard Enterprise Canada Co. for an estimated value up to \$1,657,600 including GST and PST in the amount of \$177,600 as outlined in this report.

REPORT

The City's current SAP hardware environment is 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.

Since the initial project approval, IT staff has conducted research to appropriately size and scope the hardware required to run the new SAP HANA database, followed by a detailed procurement process.

Seven submissions to a Request for Proposals (RFP) were received by the closing time on 2017 January 23. The work of this contract includes replacing the existing SAP hardware environment (IBM P-series) with new HANA-specific hardware appliances and servers. In addition, the current Oracle database will be upgraded to the new SAP HANA database.

The recommended company, Hewlett Packard Enterprise Canada Co., is the market leader for SAP HANA infrastructure and has deep experience, including implementation of this equipment in the municipal sector. The proposed system is scalable and performance-optimized for SAP

To: Finance Management Committee
From: Director Finance
Re: CONTRACT AWARD – SAP HARDWARE AND DATABASE REPLACEMENT PROJECT
(SUITE ON HANA) – HANA APPLIANCE AND APPLICATION SERVER HARDWARE
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HANA. The proposal from Hewlett Packard Enterprise Canada Co. was the lowest price bid and also offers the best value for the City.

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

The funding for SAP 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 HANA hardware purchase is included in the 2017-2021 Financial Plan under WBS Element: AEA.0083 (\$1,583,600).



Noreen Kassam
DIRECTOR FINANCE

GC:CA /mm

Copied to: City Manager
Deputy City Manager
Chief Information Officer