

TO: MAYOR & COUNCIL
FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER
SUBJECT: **CE – ENTERPRISE RESOURCE PLANNING SYSTEM MAINTENANCE AND SUPPORT**
PURPOSE: To obtain Council approval to award a contract extension for Enterprise Resource Planning (ERP) system maintenance and support.

RECOMMENDATION

THAT a one-year contract extension to SAP Canada Inc. for an estimated total cost of \$778,803 including GST and PST in the amount of \$83,443, as outlined in the October 16, 2023 Council Report titled “CE – Enterprise Resource Planning System Maintenance and Support” be approved; and

THAT final payment be based on the actual services delivered and unit prices as submitted.

CHIEF ADMINISTRATIVE OFFICER’S COMMENTS

I concur with the recommendation of the Deputy Chief Administrative Officer and Chief Financial Officer.

1.0 POLICY SECTION

The City’s Change Order Policy requires change orders, which individually or when accumulated with prior change orders increase total value of the contract exceeding \$1,000,000 shall be approved by Council.

2.0 BACKGROUND

On December 2, 2015, Council awarded a contract to SAP Canada Inc. in the amount of \$4,615,963 including GST and PST in the amount of \$494,568 for maintenance and support of the City’s ERP system. The contract was for a seven-year period from January 1, 2015 to December 31, 2021 with options for individual one-year extensions at the discretion of the City.

Since the award of this contract, there has been one contract extension for the period January 1, 2022 to December 31, 2022, for a total value of \$755,982 including GST and PST in the amount of \$80,998.

Services under this contract include the maintenance and support of the City’s ERP System. These costs include the licensing fees and support services including, but are not limited to, regular patch upgrades, release notes (to resolve known issues), ongoing escalation support for City of Burnaby specific issues and queries, and regular reports.

3.0 GENERAL INFORMATION

This recommendation is for a one-year contract extension for the period January 1, 2023 to December 31, 2023 for an estimated cost of \$778,803 including GST and PST in the amount of \$83,443. The total estimated contract value is \$6,150,748 including GST and PST in the amount of \$659,009.

Contract History	Date	Accumulative Total Change (including GST & PST)
Original Contract Award	Jan 2015 – Dec 2021	\$ 4,615,963
Contract Extension	Jan 2022 – Dec 2022	\$ 755,982
Contract Extension	Jan 2023 – Dec 2023	\$ 778,803
TOTAL		\$ 6,150,748

SAP Canada Inc. has provided similar services to the City in the past. Their prices are competitive and reflective of current market conditions. Review by City staff indicates that SAP Canada Inc. has the capability to successfully complete the work required under this contract.

The Chief Information Officer concurs with the recommendation.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

The NOI #231-08-23 (Attachment 1) was publicly advertised. Upon closing, the City received no objections.

5.0 FINANCIAL CONSIDERATIONS

Funding for this operating work is provided in various operating accounts included in the 2023 – 2027 Financial Plan.

Respectfully submitted,

Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

ATTACHMENTS

Attachment 1 – NOI #231-08-23

REPORT CONTRIBUTORS

This report was prepared by Scott Lovas, Purchasing Specialist, and reviewed by Sophan Lum, Assistant Manager Purchasing – Capital.