



TO: Board of Contracts and Awards
FROM: Jack Kelanic, Director of Information Technology
Kathy Vaughan, IT Manager, Information Technology Department
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and
Chuck Blankenship
SUBJECT: SAP HANA equipment, NASPO ValuePoint Master Agreement AR233 (14-19), EMC2,
NASPO ValuePointMaster Agreement MNWNC-109- March 21, 2017
DATE: March 7, 2017

SUMMARY:

The Information Technology Department recommends a contract be awarded to World Wide Technology, Inc., Maryland Heights, MO, in the amount of \$818,590 plus ten-percent contingency, for a cumulative total of \$900,449, including applicable sales tax, for the purchase of information technology equipment and related installation services to enable the City's SAP system upgrade to the SAP HANA computing platform.

STRATEGIC POLICY PRIORITY:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

If approved, this contract would help ensure the City's sustainable SAP technology environment, which the City and Tacoma Public Utilities use in support of core business operations.

BACKGROUND:

The City implemented SAP software as its Enterprise Resource Planning (ERP) system in 2003. Since that time, the City has leveraged SAP software as its major financial, work management, utility billing and human resources/payroll system.

The Information Technology Department last upgraded the City's SAP computing equipment in 2010 and SAP software in 2011, and has since kept the system current with security updates and enhancement packages.

ISSUE: The City's current SAP computing equipment is at the end of its planned lifecycle and is due for replacement.

ALTERNATIVES: Staff explored three equipment replacement scenarios. The first option is to replace the aged equipment in kind and forego the SAP HANA upgrade. This option is not attractive because the SAP software will become technically unsupported in 2025, and is already precluded from functional enhancements.

The second option of migrating the City's SAP system to a cloud infrastructure provider was analyzed but not recommended due to negative impact on ongoing operating costs.

The recommended option is to replace the City's computing equipment with state-of-the-art hardware and upgrade the SAP software concurrently. This option suffices the City's objectives of fiscal sustainability and risk avoidance, yet enables continued business growth.



COMPETITIVE SOLICITATION: This purchase would leverage the Cisco NASPO ValuePoint Master Agreement AR233 (14-19), Participating Addendum for Washington State No. 01114 and the EMC2 NASPO ValuePoint Master Agreement MNWNC-109, Participating Addendum for Washington State No. 05815-004.

CONTRACT HISTORY: New contract.

SUSTAINABILITY: Implementation of the new computer equipment would reduce the City’s data center power consumption.

SBE/LEAP COMPLIANCE: Not applicable.

RECOMMENDATION:

The Information Technology Department recommends a contract be awarded to World Wide Technology, Inc. in the amount of \$900,449 for the purchase of information technology equipment and related installation services to enable the City’s SAP system upgrade to the SAP HANA computing platform.

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Information Systems Fund 5800	596000	5600000	\$900,449
TOTAL			\$900,449

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Information Systems Fund 5800	596000	5600000	\$900,449
TOTAL			\$900,449

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: There is no fiscal impact to the current biennial budget. The 2017 costs in the amount of \$900,449 are appropriated and available within fund 5800.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A