



TO: Board of Contracts and Awards
FROM: Daniel Key IT Department
Kathy Vaughan IT Department
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and
Alex Clark, Finance/Purchasing
SUBJECT: SAP Master Services Contract Amendment
RFP Specification No IT14-0576F, Contract Nos. 4600010811, 4600010861,
4600010810, 4600010812 – July 17, 2018
DATE: June 22, 2018

RECOMMENDATION SUMMARY:

The Information Technology Department requests approval to increase the spending authority for four master (“bench”) contracts for supplemental SAP implementation and support services by \$2,000,000 for contract numbers. 4600010811 to Apex, Bellevue, WA, 4600010861 to Avertra Corporation, Herndon, VA, 4600010810 to Phoenix Business, Inc., Haltom City, TX, and 4600010812 to Sage Group Consulting, Inc. Hazlet, NJ. The original contract lengths varied, with all four contracts starting between the periods of April 24th, 2015 to June 10th, 2015. All the contracts were scheduled to end in 2018, three years after their respective effective date, with two possible one-year extensions through 2020, for \$1,900,000, plus any applicable taxes. The contract has already been extended to 2019 and will likely be extended through 2020. This increase will bring the contract to a cumulative total of \$3,900,000, plus any applicable taxes.

STRATEGIC POLICY PRIORITY:

- Encourage and promote an open, effective, results-oriented organization.

By supporting the City’s SAP enterprise system, this contract supports an open, effective results-oriented organization.

The City of Tacoma has provided in-house SAP support since 2003. Since that time, there has been steadily growing demand to improve the City’s utilization of SAP technology and business functionality. The demand for SAP based projects continues to grow and current staff cannot accommodate the increased workload. The anticipated projects for the rest of 2018 and in the 2019-2020 biennium include several major multi-million dollar projects that need staffing such as Workforce Connect Mobile Work Management, Tax and License Automation, Analytics and Reporting and Automated Meter Infrastructure.

The ability to continue to leverage the “bench” contracts will allow the Information Technology Department to meet the needs of the business and the ever increasing demand for SAP projects to enable the City and TPU to leverage automation and enhance business processes.

BACKGROUND:

ISSUE: The standard staff augmentation contracting process adds months to the project lifecycle for each technology initiative and is not useful in filling temporary staffing gaps.



Establishing reusable “bench” contracts for supplemental SAP services will improve efficiency and agility for the Information Technology Department to accommodate dynamic customer needs, to fulfill niche technical skillsets, and to deliver approved business modernization projects in 2015-2016. Task assignments for the areas of procurement, human resources, finance/budget, and employee retirement services will be issued according to project need.

ALTERNATIVES: An alternative action is to issue separate and distinct request for proposals and subsequent contracts for each project assignment. Establishing reusable bench contracts for supplemental SAP services as needed will better accommodate dynamic workloads, customer needs, and planned innovation projects, saving time in delivery.

COMPETITIVE SOLICITATION:

A roster of 4 authorized consulting firms was established in 2014 through SAP Technical and Functional Consulting Services, RFP Specification PS No. IT14-0576F. It is anticipated that another RFP will be executed when the current contract ends.

CONTRACT HISTORY: This original contract was approved by Resolution No. 39174

SUSTAINABILITY: The solicitation evaluation criteria included 5% toward sustainability practices of respondents.

SBE/LEAP COMPLIANCE: Not applicable.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
5800 – Information Systems	596910	5310100	\$1,000,000
5800 – Information Systems	596930	5310100	\$500,000
5800 – Information Systems	596600	5310100	\$500,000
TOTAL			\$2,000,000

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
5800 – Information Systems	596910	5310100	\$1,000,000
5800 – Information Systems	596930	5310100	\$500,000
5800 – Information Systems	596600	5310100	\$500,000
TOTAL			\$2,000,000



City of Tacoma

Contract and Award Letter
Purchase Resolution – Exhibit “A”

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$566,188

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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

Explain how expenditures are to be covered and if budget modifications are required.