



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/10/2023

ALL

Item Creation Date: 9/14/2023

H25006.A2 – Software Licenses and Services for Enterprise Resource Planning System (SAP Public Services, Inc.) - ORDINANCE

Agenda Item#: 20.

Summary:

ORDINANCE Amending Ordinance No. 2014-756 (passed on August 6, 2014) to increase the Maximum Contract amount; and approve and authorizing a Second Amendment Contract between the City of Houston and **SAP PUBLIC SERVICES, INC.** for the Enterprise Resource Planning System and related solutions for the Houston Information Technology Services - \$12,891,992.54 - Central Service Revolving

Background:

P10-H25006.A2 - Approve an ordinance amending Ordinance No. 2014-756 (approved August 6, 2014) to increase the maximum contract amount from \$22,106,523.00 to \$34,998,515.54; approving and authorizing a second amendment to Contract No. 4600012882 between the City of Houston and SAP Public Services, Inc. modifying the terms of the agreement and extending the contract term from August 19, 2024, to August 19, 2027 for the Enterprise Resource Planning System and related solutions for Houston Information Technology Services.

Specific Explanation:

The Chief Information Officer and the Chief Procurement Officer recommend that City Council approve an amending ordinance to increase the maximum contract amount from **\$22,106,523.00 to \$34,998,515.54** and approve a second amendment to the contract between the City of Houston and **SAP Public Services, Inc.** modifying the terms of the agreement and extending the contract term **from August 19, 2024 to August 19, 2027** to continue receiving services for the Enterprise Resource Planning (ERP) System and related solutions for Houston Information Technology Services.

The Agreement was awarded on August 6, 2014, by Ordinance No. 2014-0756, for a four (4) year term, with five (5) successive one-year renewal terms, in the amount of \$18,000,000.00. On November 18, 2020, a First Amendment was approved pursuant to Ordinance No. 2020-0996, which increased the maximum contract amount from 18,000,000.00 to \$22,106,523.00, extended the contract term to August 19, 2024, and modified the terms of the agreement allowing for the purchase of SAP Cloud products and services. Expenditures as of September 14, 2023, totaled \$19,883,243.59. This request for a second amendment to the agreement will modify the terms of the agreement, extend the contract term, and increase the maximum contract amount to allow the City to receive continued services for the ERP system and related solutions.

SAP Public Services will provide licenses, maintenance, and related professional services. The agreement allows the City to receive services for Human Capital Management and Payroll solutions, Employee Benefits Management, Cloud-based Analytics solutions, Contract and Procurement Management solutions, Contingent Workforce solutions, as well as system and application maintenance.

This initiative was presented to the Transportation, Technology, and Infrastructure Committee on July 13, 2023.

M/WBE Subcontracting:

This contract was awarded with a 35% M/WBE participation goal for the professional and consulting services portion of this contract related to the City's Enterprise Resource Planning system. This contract thus far has been used to procure software licensing only, and not professional or consulting services. Therefore, the vendor is currently achieving a 0% participation level due to no subcontracting opportunity. However, the City is utilizing ERP-related professional services under two separate agreements, all which were competitively procured and are currently achieving M/WBE participation goals of 20.06% and 27.07% in their respective contracts. The Office of Business Opportunity will continue to monitor the vendor's good faith efforts with the M/WBE program.

Fiscal Note:

Funding for this item is included in the FY2024 Adopted Budget. Therefore, no fiscal note is required as stated in the Financial Policies.

10/4/2023

DocuSigned by:

6121834A077C41A...

Jedediah Greenfield,
Chief Procurement Officer,
Finance/Strategic Procurement Division

DocuSigned by:

44FF8FE8CCB7481...

Lisa Kent, Chief Information Officer
Houston Information Technology Services

10/4/2023

DS

Estimated Spend Authority

Department	FY2024	Out-Years	Total
HITS	\$962,904.14	\$11,929,088.40	\$12,891,992.54

Prior Council Action:

Ordinance No.: 2014-0756, passed August 6, 2014

Ordinance No.: 2020-0996, passed November 18, 2020

Amount and Source of Funding:

\$12,891,992.54

Central Service Revolving

Fund No. 1002

Contact Information:

Name	Dept/Division	Phone No.:
Jane Wu, Deputy Director	HITS/DBM	(832) 393-0013
Yesenia Chuca, Division Manager	Finance/SPD	(832) 393-8727
Candice Gambrell, Assistant Director	Finance/SPD	(832) 393-9129
Jedediah Greenfield, Chief Procurement Officer	Finance/SPD	(832) 393-9126

ATTACHMENTS:

Description	Type
Certification of Funds	Financial Information
Prior Ordinance - 2014-756	Backup Material
Prior Ordinance - 2020-996	Backup Material
Ownership Form	Backup Material
Delinquent Tax Report	Backup Material
MWBE Verification	Backup Material
TTI Presentation	Backup Material
Prior RCA	Backup Material
Prior RCA - 1st Amendment	Backup Material
Coversheet	Signed Cover sheet
SAP 2nd Amendment Ordinance- Amend and Increase 9.22.23.docx	Ordinance/Resolution/Motion
RCA Funding Request	Financial Information