



**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date: 8/12/2025

ALL

Item Creation Date: 8/1/2025

HITS- SAP Cloud ERP System Upgrade Appropriation

Agenda Item#: 71.

**Background:**

**Specific Explanation:**

The Chief Information Officer recommends that City Council approve an ordinance to appropriate \$460,000.00 from the Equipment Acquisition Consolidated Fund (1800) for the planned SAP Cloud ERP Upgrade project for Houston Information Technology Services. This project is budgeted in the approved FY2026 Capital Improvement Plan adopted by the City Council.

<u>PROJECT</u>	<u>PROJECT NO.</u>	<u>AMOUNT</u>
SAP Cloud ERP System Upgrade	X-680062*	\$460,000.00

This planned project for the SAP Cloud ERP System Upgrade will allow the City to transition from its current on-premises solution to a cloud-based, Software-as-a-Service (SaaS) ERP platform that supports key functions including Finance, Procurement, Payroll, and Human Capital Management. This upgrade will streamline operations by enabling high-speed transactions, advanced analytics, and on a single platform eliminating the need for separate systems. By adopting this modern technology architecture, the City will gain greater system reliability, build-in disaster recovery, and flexibility to scale and deploy services as needed. Ultimately, this project will enhance service delivery, improve decision-making, and position the City to better meet the needs of its workforce and residents as well as ensure that the City remains current with technology standards and continues building a foundation for a more efficient, responsive, and secure operations. HITS will leverage an existing contract with SAP Public Services, Inc. for the purchase of professional services and software.

**Fiscal Note:**

No significant Fiscal Operating impact is anticipated because of these projects.

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**Lisa Kent, Chief Information Officer**  
**Houston Information Technology Services**

**Prior Council Action:**

N/A

**Amount and Source of Funding:**

\$460,000.00- Equipment Acquisition Consolidated Fund (1800)

**Contact Information:**

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**ATTACHMENTS:**

<u>Description</u>	<u>Type</u>
FMBB doc	Financial Information
SAP FORM A	Financial Information
COF	Financial Information