

Sole Source Request - SAP MaxAttention

Recommendation

That a sole source agreement between the City of Edmonton and SAP Canada Inc., as outlined in Attachment 1 of the June 22, 2020, Financial and Corporate Services report CR_8344, be approved, and that the agreement be in form and content acceptable to the City Manager.

Executive Summary

SAP MaxAttention is a premium support program that provides services, methods and tools directly from SAP to reduce risks and complexity for the configuration and implementation of the SAP cloud solutions included in the Enterprise Systems Transformation Program (ESTP). The cost of the contract for SAP MaxAttention is included in the project budget and will not exceed \$4.1 million and will be funded through the ESTP capital fund profile. Should these services be required after the conclusion of this agreement's term, funding would be required through existing operating budgets.

Report

On June 4, 2019, Council approved funding for Administration to begin planning for implementation of a modernized enterprise system to manage its core functions, including finance, human resources and supply chain. On July 12, 2019, Executive Committee approved the single source agreement with SAP Canada Inc. for license agreements to acquire SAP licensing and solution hosting. After selecting SAP solutions, Administration competitively procured a systems integration partner to lead the configuration and implementation of these cloud solutions.

The SAP MaxAttention program provides access to SAP technical resources with extensive knowledge of the SAP platform that was purchased by the City. These resources will provide expertise to support some of the City's more complex requirements. For example, the City will be seeking expertise to integrate SAP products with the Google suite of applications, as well as configure the staff scheduling solution for use with multiple groups, including Edmonton Fire Rescue Services, Edmonton Police Service and other shift workers. With the execution of this agreement, both the City and the City's systems integration partner can access the appropriate technical resources to solve some of the City's most complex issues. The City's use of the SAP MaxAttention program was recommended during the systems integration partner procurement process and the value of the systems

integration partner contract is based on the City having the SAP MaxAttention program.

SAP MaxAttention may be executed as a sole source agreement, as these technical resources can only be procured directly from SAP. As SAP is the manufacturer of the software that the City will use, these technical resources are unavailable from any other supplier. This SAP MaxAttention contract will not exceed \$4.1 million for a period of up to two years. Should these services be required after the conclusion of this term, funding would be required through existing operating budgets. Key terms and conditions of the agreement are included in Attachment 1.

Next Steps

Subject to Council approval of this sole source agreement, Administration will finalize the negotiated contract with SAP Canada Inc.

Budget / Financial Implications

No additional funding is needed for this approval request. The contract cost will be covered by existing approved capital budgets for the ESTP.

Legal Implications

As per City Administration Bylaw 16620, agreements over \$500,000 that do not arise from a competitive procurement process must be approved by the appropriate Committee of Council. Due to the suspension of Standing Committees, this report is coming directly to Council for approval. The City is subject to trade agreements that require an open competitive process for procurements of this value, unless a trade agreement exemption applies. For this sole source procurement, there is an exemption in each applicable trade agreement.

Corporate Outcomes and Performance Management

Corporate Outcome(s): The City of Edmonton has a resilient financial position.			
Outcome(s)	Measure(s)	Result(s)	Target(s)
The City's procurement processes are transparent and accountable, allowing the City to make consistent decisions on service policies	Total cost of this contract is within contract value	Contract cost is no greater than 10% difference from budget	\$4.1 Million

Risk Assessment

Risks if Approved:

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
Financial	SAP MaxAttention contract extension may occur based on project timelines	2 - unlikely	3 - major	6 - low	Rigorous project management plans and governance to ensure project timelines	Negotiate SAP MaxAttention extension clauses

Risks if Not Approved:

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
Financial	System Integration Partner costs will increase as SAP MaxAttention was recommended during the systems integration partner procurement process	5 - almost certain	3 - major	15 - high	Award a sole source agreement for SAP MaxAttention	None

Attachments

1. SAP MaxAttention Agreement Key Terms and Conditions

Others Reviewing this Report

- B. Andriachuk, City Solicitor