



SAP Application Administration and Support Services

TTI Committee January 9, 2017

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Executive Summary

Contract Title:	SAP Administration and Support Services
Purpose:	Provides critical technical support services and coverage hours to provide sustained support for SAP (personnel, payroll, financial and procurement business functions)
Recommendation:	Approve spending authority of \$3,440,000
Term:	3 years + 2 option years
Vendor:	IT Resonance
How Selected:	RFP
MWBE Goal:	24%

How does the City use SAP?

Human Resource/Payroll Modules

Components	Functions/Modules					
Workforce Process Management	Employee Administration	Organization Administration	Payroll and Legal Reporting	Benefit Administration		
	HCM Processes & Forms	Time & Attendance	Concurrent Employment	Global Employee Management		
Talent Management	Recruitment	Career & Succession Planning	Enterprise Learning Management	Compensation Management	Employee Performance Management	
End User Service Delivery	Manager Self Service		Employee Self Service			

implemented

Not Implemented and not planned for implementation

Implementation in Progress

Not Implemented

How does the City use SAP?

Financial Modules

Components	Functions/Modules					implemented
Accounting	Financial Accounting General Ledger	Controlling	Fixed Assets Asset Accounting	Accounts Payable	Accounts Receivables	Not Implemented and not planned for implementation
	Projects System	Banks/Treasury	Investment Management	Real Estate Management		Implementation in Progress
Logistics and Materials Management	Purchasing	Sales and Distribution	Inventory Warehouse Management	Plant Maintenance	Production	Not Implemented
Public Sector	Funds Management	Grants/Grantee Management	Grantor Management	SRM- Procurement for Public Sector	Public Budget Formulation (PBF)	
	Business Planning and Consolidation (BPC)	Position Budgeting Control (PBC)	SAP Strategy Management			

Historical Background regarding SAP Basis Support at the City

- Approximately 50 service requests every month with an average closing time of 19 hours
- On an average 5 refreshes performed every year
- HITS staffing is lean for SAP support - only 2 HITS FTEs
- Prior contracts for SAP Administration and Support Services
 - Phoenix Consulting
 - RealTech Consulting
- Demand from departments for SAP Services has nearly doubled since 2008 with the launch of Employee Self Service, Manager Self Service, etc.

What is “Application Administration”?

- Required to ensure that SAP application is **installed and configured properly**
- Ensures that all **critical interfaces** are completed in a timely manner
 - Examples: employee payroll and benefit information, employee pension files, schedules for Fire and Police, vendor transaction files
- **24 x 7 x 365 support** is required to address customer requests for payroll processing, ESS and MSS
- Services include implementation of updates and upgrades of SAP Components, patches, SAP performance analysis and tuning, support in incident and error situations, security AMS support, user management, role management, SAP security notes monitoring & implementation, reporting

What are “Support Services”?

- Enhancements and Changes to the software to support critical business needs including, but not limited to federal, legal and other compliance modifications
 - Example: unplanned request for Affordable Care Act functionality. This is a federal mandate, and is required to be completed concurrently with planned workload for employee W2 and 1099 document preparation. Therefore contract support services are utilized to accommodate unplanned mandate while HITS staff complete planned workloads.
- Requests from departmental users for ad hoc system refresh and reports
 - Example: Payroll rate table changes due benefit and pension rate changes.
 - Small projects to enhance functionality

Selection Process – Competitive RFP

- IT Resonance selected from 11 vendors evaluated
- Selection criteria based on
 - Competitive pricing of services
 - Competitive rate card for specialized resources to support enhancement requests
 - Support model proposed
 - Service Level Agreements for Application Administration
- Fully responsive on 24% MWBE goal

Annual Pricing for Application Administration Services

Year	Support Environment Details	Total Price / Month	Total Price / Year
1	6 Production Systems + 35 Non Production Systems + BSI Tax Factory which needs updates once every year + Managing BASIS aspects of various interfaces	\$21,600	\$259,200
2	Up to 8 Production Systems + 35 Non Production Systems + BSI Tax Factory which needs updates once every year + Managing BASIS aspects of various interfaces	\$20,520 (with 5% discount)	\$246,240
3	Same as Year 2*	\$19,494 (with 5% discount)	\$233,928
Option Yr 4	Same as Year 2*	\$18,519 (with 5% discount)	\$222,232
Option Yr 5	Same as Year 2*	\$17,593 (with 5% discount)	\$211,120
Total			\$ 1,172,720

*Contingency will be included to accommodate anticipated environment growth.

Cost Summary

Item #	Description	Amount
1	5 Year Application Administration Services	\$1,172,720
	Contingency for growth	\$267,280
	Total for Application Administration	\$1,440,000
2	Additional spending authority requested for Support Services for planned and unplanned enhancements and changes	\$2,000,000
	Total Spending Authority Requested	\$3,440,000

Noteworthy changes from prior contract

- 1) Represents monthly pricing decrease from prior agreement
- 2) Includes Support Services funding in contract instead of separately bidding each time enhancements are needed

Vendor Partners & Customers

IT Resonance is Authorized Partners to



Hewlett Packard
Enterprise



carahsoft.

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Customers include, not limited to:



Questions?

