

SUMMARY STATEMENT

ITEM NO.: DRPA-16-085

**SUBJECT: SAP Application
Management Support and Hosting
Services**

COMMITTEE:

Finance

COMMITTEE MEETING DATE:

July 13, 2016

BOARD ACTION DATE:

July 20, 2016

PROPOSAL: That the Board authorizes staff to negotiate a three (3) year contract with SAP Public Services, Inc. for an amount not to exceed \$6,528,886.00 for Application Management Services (AMS) Assessment, AMS Support, migration services, and application hosting services for a three (3) year period.

Cost Breakdown:

Capital

AMS Assessment	\$750,441.00
Migration Services	970,000.00
Hosting (one-time)	<u>128,501.00</u>
Total	\$1,848,942.00

Operating (3 years)

AMS Support	\$1,332,900.00
Hosting Services	<u>3,347,044.00</u>
Total	\$4,679,944.00

Note: An additional request for funding may be required if the assessment and optimization plan uncover unforeseen issues.

PURPOSE:

To provide the Delaware River Port Authority with SAP application support and hosting services in line with SAP standards.

BACKGROUND:

In 2009 the Authority began a process to explore the replacement of its two legacy systems at the DRPA and PATCO. The legacy systems supported all financial, human resource, purchasing, and asset management functions at both organizations.

A consultant was selected to review our then existing platforms to determine if we should keep what was already in place, or if a new system should be designed and implemented.

The consultant and DRPA staff spent a year meeting with departmental representatives to understand each departments' processes. It was determined that the existing systems could no longer support the agencies' needs and a new system needed to be implemented. The consultant's suggestion for a new SAP system was presented to the Finance Committee and the Board at their respective May 2014 meetings and approved. In August 2014, we executed a contract with the consultant to provide the Authority with an SAP solution.

For 16 months, the Authority and the consultants proceeded through various project phases. The SAP system went "live" on January 4, 2016.

Since going live, both DRPA and PATCO have experienced many issues with the system. At the direction of the Board, we began exploring ways to correct these issues. In order for the DRPA to take full advantage of the processes and efficiencies the SAP system offers, as well as to properly position the DRPA for the future, the DRPA proposes to enter into a contract with SAP. As part of this contract, SAP will be providing:

- 1) Application Management Services (AMS) Assessment
- 2) Application Management Services Support
- 3) Migration Services
- 4) Hosting Services

Staff recommends negotiating a contract with SAP Public Services, Inc. for an amount not to exceed \$6,528,886.00 for Application Management Services (AMS) Assessment, AMS Support, migration services, and application hosting services for a three year period.

SUMMARY:	Amount:	\$6,528,886.00
	Source of Funds:	Revenue Fund, General Fund, 2013 Revenue Bonds
	Capital Project #:	N/A
	Operating Budget:	2016 DRPA 610100 – Repairs and Maint. 2016 PATCO 710110 - Contract Services
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	Three (3) years
	Other Parties Involved:	N/A

DRPA-16-085
Finance Committee: July 13, 2016
Board: July 20, 2016

SAP Application Management Support and Hosting Services

RESOLUTION

RESOLVED: That the Board authorizes staff to negotiate a three (3) year contract with SAP Public Services, Inc. for an amount not to exceed \$6,528,886 for Application Management Services (AMS) Assessment, AMS Support, migration services, and application hosting services for a three year period.

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

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