



Travis County Commissioners Court Agenda Request

Meeting Date: September 30, 2014

Prepared By/Phone Number: Lori Clyde/44205

Elected/Appointed Official/Dept. Head: Cyd Grimes

Commissioners Court Sponsor: Judge Biscoe

Agenda Language: Approve Modification No. 7 to Contract No. 44000000257 (H.T.E. Contract No. CM090255LC), SAP Public Sector, Inc., for BEFIT software and maintenance support.

- **Purchasing Recommendation and Comments:** Purchasing concurs with department and recommends approval of requested action. This procurement action meets the compliance requirements as outlined by the statutes. This request is for the procurement of High-Performance Analytic Appliance (HANA) software.

The Auditor's Office recommends approval of the procurement for the software needed to upgrade the existing SAP financial, procurement, human resources and payroll comprehensive reporting environment also known by the technical name SAP Business Warehouse (BW) to version SAP BW 7.4 on HANA. The expected benefits of the upgrade are:

- Enhanced report performance for all County users – dramatically reduced wait times for report generation.
- Improved CAFR reporting performance to accommodate current and future increased data volumes – extending the viability of the current CAFR system for many years to come. It also maximizes the return on the investment of considerable Vendor and County employee time and effort that has already occurred in the CAFR system.
- Increased responsiveness for dashboards and analytic reports – fewer end-user delays.
- Expanded dashboard and other analytic report functionality by eliminating performance constraints.
- Ability to focus developers' time on report functionality instead of optimizing for performance.

- Ability to provide more up-to-date information in the SAP Business Warehouse. Today, data is updated nightly – the upgrade will allow us to update the information more than once a day where a need exists.

The Auditor's Office believes that upgrading the SAP Business Warehouse beginning with the procurement of this software represents a good value to the County in making sure that we can keep on improving SAP reporting and provide timely and useful financial and human resources information to the County end-users. The one-time cost of the HANA software is \$146,642. The on-going maintenance cost beginning January 1, 2015 is \$32,262.00. The maintenance cost will be covered by re-allocating existing funds within the Auditor's Office cost center for SAP County-wide maintenance and support.

➤ **Contract Expenditures:** Within the last ____ months \$0.00 has been spent against this contract/requirement.

➤ **Contract Modification Information:**

Modification Amount: \$146,642.00

Modification Type: Software purchase

Modification Period: Beginning September 30, 2014

➤ **Funding Information:**

SAP Funds Reservation #: 300001283

Funding Account(s):

Comments:

TRAVIS COUNTY
AUDITOR'S OFFICE

NICKI RILEY, CPA
COUNTY AUDITOR



TRAVIS COUNTY
ADMINISTRATION BUILDING
P.O. BOX 1748
AUSTIN, TX 78767
(512) 854-9125
FAX: (512) 854-9164

TO: Cyd Grimes, Purchasing Agent **DATE:** September 17, 2014
FROM: Christina Adair, County Auditor's Office
SUBJECT: Approve modification No. 7 to Contract No. 4400000257 for the procurement of High-Performance Analytic Appliance (HANA) software from SAP Public Services, Inc

Proposed Motion: Approve modification No. 7 to Contract No. 4400000257 for the procurement of High-Performance Analytic Appliance (HANA) software from SAP Public Services, Inc. for a total one-time cost of \$146,642 and ongoing annual cost of \$32,262

Purpose: This request is for the procurement of the software needed to upgrade the existing SAP financial, procurement, human resources and payroll comprehensive reporting environment also known by the technical name SAP Business Warehouse (BW) to version SAP BW 7.4 on HANA.

Details: On September 16, 2014, Commissioners' Court approved the funding of one-time costs associated with the SAP Business Warehouse upgrade through a reallocation of existing BEFIT (new financial system) project funds. The one-time costs approved for funding request are outlined in the table below.

Upgrade to SAP Business Warehouse	One-Time CO	One-Time General Fund	Timeframe for Procurement
Hardware (not to exceed)	\$186,500	\$139,500*	Early FY15
SAP Software	\$146,642	\$0	This Request
Migration Services (not to exceed)	\$160,000	\$45,500	Early FY15
TOTAL:	\$493,142	\$185,000	
* 3 years maintenance and services			

This request is for the procurement of the SAP software only. The hardware and services items will be procured in early FY15 for the upgrade to take place in March – June of 2015. This will make sure that we have completed the upgrade in time for FY15 year-end processing and reporting. The software license needs to be in place before the hardware installation can be completed.

Expected Benefits of the upgrade:

- Enhanced report performance for all County users – dramatically reduced wait times for report generation.
- Improved CAFR reporting performance to accommodate current and future increased data volumes – extending the viability of the current CAFR system for many years to come. It also maximizes the return on the investment of considerable Vendor and County employee time and effort that has already occurred in the CAFR system.
- Increased responsiveness for dashboards and analytic reports – fewer end-user delays.
- Expanded dashboard and other analytic report functionality by eliminating performance constraints.
- Ability to focus developers’ time on report functionality instead of optimizing for performance.
- Ability to provide more up-to-date information in the SAP Business Warehouse. Today, data is updated nightly – the upgrade will allow us to update the information more than once a day where a need exists.

Budgetary and Fiscal Impact: We believe that upgrading our SAP Business Warehouse beginning with the procurement of this software represents a good value to the County in making sure that we can keep on improving SAP reporting and provide timely and useful financial and human resources information to the County end-users.

The one-time funds for this procurement have been encumbered with funds reservation 300001283 based on the funding source below.

Fund	Fund Center	Amount
4072-Cert of Obligation Series 2012	1060024072 - Co Auditor BEFIT-CO 2012	\$146,642

The ongoing annual cost for the maintenance of this software is \$32,262 beginning in FY15. This cost will in its entirety be covered by re-allocating existing funds within the Auditor’s Office cost center for SAP County-wide Maintenance and Support.

- cc: Nicki Riley, County Auditor
Melinda Grahmann, County Auditor’s Office
Barbara Wilson, County Attorney’s Office
Diana Ramirez, PBO
Jessica Rio, PBO
Lori Clyde, Purchasing Office

MODIFICATION OF CONTRACT NUMBER: 4400000257 (CM090255LC) SAP ERP Sfw. & Maint. Support

ISSUED BY: PURCHASING OFFICE 700 LAVACA, SUITE 800 AUSTIN, TX 78701	PURCHASING AGENT ASST: Lori Clyde TEL. NO: (512) 854-9700 FAX NO: (512) 854-9185	DATE PREPARED: September 15, 2014
ISSUED TO: SAP Public Services, Inc. 3999 West Chester Pike Newtown Square, PA 19073	MODIFICATION NO.: 7	EXECUTED DATE OF ORIGINAL CONTRACT: December 7, 2010
ORIGINAL CONTRACT TERM DATES: <u>December 7, 2010-December 6, 2011</u>		CURRENT CONTRACT TERM DATES: <u>January 1, 2012 - December 31, 2015</u>

FOR TRAVIS COUNTY INTERNAL USE ONLY:
Original Contract Amount: \$ 1,366,529.00 Current Modified Amount \$ 2,475,391.30

DESCRIPTION OF CHANGES: Except as provided herein, all terms, conditions, and provisions of the document referenced above as heretofore modified, remain unchanged and in full force and effect.

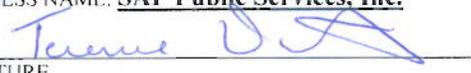
This contract is modified to license the SAP HANA Runtime Edition for SAP BW per the attached:

Appendix 10
effective September 30, 2014 ("Appendix")
to
SAP PUBLIC SERVICES, INC. ("SAP")
SOFTWARE LICENSE AGREEMENT effective December 7, 2010 ("Agreement")
with
Travis County, Texas ("Licensee")

This Appendix is hereby annexed to and made a part of the Agreement specified above. In each instance in which provisions of this Appendix contradict or are inconsistent with the provisions of the Agreement, the provisions of this Appendix shall prevail and govern.

1. **LICENSED SOFTWARE:** The Software licensed to Licensee pursuant to this Appendix consists of the components identified below and specified as being licensed. Only individuals licensed as Named Users under the Agreement are permitted to Use the Software and third party software licensed under the Agreement. Such Use shall be in accordance with their respective Named User type, the identified Licensed Level, and the terms of this Appendix. Each Software product licensed hereunder may be referred to as a "Package". At SAP's request, Licensee shall deliver to SAP a report, as defined by SAP, evidencing Licensee's usage of the Software.

Note to Vendor:
 X Complete and execute (sign) your portion of the signature block section below for all copies and return all signed copies to Travis County.
 DO NOT execute and return to Travis County. Retain for your records.

LEGAL BUSINESS NAME: <u>SAP Public Services, Inc.</u>	<input type="checkbox"/> DBA
BY: <u></u>	<input type="checkbox"/> CORPORATION
SIGNATURE	<input type="checkbox"/> OTHER
BY: <u>Terence Dougherty</u>	DATE: <u>9/22/14</u>
PRINT NAME <u>Director of Contracts & Sr. Corp. Counsel</u>	
TITLE: <u>Sr. Corp. Counsel</u>	
ITS DULY AUTHORIZED AGENT	

TRAVIS COUNTY, TEXAS	DATE:
BY: <u>CYD V. GRIMES, C.P.M., CPPO, TRAVIS COUNTY PURCHASING AGENT</u>	

TRAVIS COUNTY, TEXAS	DATE:
BY: <u>SAMUEL T. BISCOE, TRAVIS COUNTY JUDGE</u>	

Licensed SAP Software may utilize limited functionality of other SAP Software products ("SAP Runtime Software"). Unless Licensee has expressly licensed the SAP Runtime Software (under this or a separate Appendix), Licensee's Use of such SAP Runtime Software is limited to access by and through the licensed SAP Software for the sole purpose of enabling performance of the licensed SAP Software. In the event Licensee Uses the SAP Software to build and/or operate a custom developed or third party application, additional license fees may be required.

There are no applicable country/language specific versions licensed by Licensee from SAP hereunder.

If Licensee has an affiliate or subsidiary with a separate agreement for SAP software licenses and/or support services, such affiliate or subsidiary shall not be licensed under this Agreement even if such separate agreement has expired or is terminated, unless otherwise agreed to in writing by the parties.

1.1 **SAP HANA ^(a):**

"X" if Licensed	Software	License Metric	Licensed Level
	SAP HANA Runtime Edition for SAP BW ^{(b)(k)}	HSAV ⁽³⁾	1

(a) Definitions.

- i. Data Sources. Any software product(s) and/or database instance(s) for which Licensee has secured an appropriate license.
 - ii. Non-SAP Applications. Any software and/or applications, other than licensed SAP Proprietary Information, for which Licensee has secured an appropriate license from an entity other than SAP, SAP AG, and/or any of its/their subsidiaries and/or distributors.
- (b) The following limited – use versions of SAP HANA: SAP HANA Runtime edition for SAP BW; SAP HANA Database Edition for SAP BW; SAP HANA Limited Runtime edition for Applications and SAP BW; SAP HANA Limited Runtime edition for Applications; or SAP HANA Limited Runtime edition for Applications-User, may be deployed in the same installation as any other SAP HANA edition provided at least 50% of the installation is being used to operate one or more of the following SAP HANA Licenses: SAP HANA Base Edition, HANA Platform Edition; SAP HANA Enterprise Edition
- (k) SAP HANA, Runtime DB Edition for SAP NetWeaver BW ("HANA DB for BW"). HANA DB for BW is a database licensed solely to support Licensee's Use of SAP NetWeaver Business Warehouse (SAP BW) and Use is limited to communications between SAP BW and HANA DB for BW. HANA DB for BW may support an unlimited number of Data Sources and unlimited use of SAP Business Warehouse Accelerator, subject to the applicable Licensed Level. Any access to HANA DB for BW, including but not limited to data loading, modeling, reporting and distribution, must take place via SAP BW. HANA DB for BW may not be used as a database for any other purpose except as specified in this footnote. HANA DB for BW includes a runtime license of HANA Studio and access is solely to administer and manage SAP BW and perform additional data modeling required to extract or report on SAP BW generated data and objects. HANA DB for BW does not include a license for SAP BW. Standalone Use of HANA DB for BW is not permitted. Licensee has the right to access BW generated data natively in HANA for reporting purposes using SAP BusinessObjects or SAP certified third-party BI tools. Unless otherwise agreed by SAP, HANA DB for BW includes licenses for SAP Near-line storage for SAP BW (NLS for BW). NLS for BW includes a runtime license of Sybase IQ Enterprise Edition, Sybase IQ Enterprise Edition-Very Large Database Management Option and Sybase IQ Enterprise Edition-Unstructured Data Analytics Option which may solely be used with SAP BW. Licensee shall pay additional license fees for HANA DB for BW in the event Licensee's SAP Maintenance Base Value increases.

(3) **HANA SAP Application Value (HSAV)** is the sum of prices for licensed Software, excluding those items identified in the list of prices and conditions that do not contribute to the HANA SAP Application Value.

1.2 **RUNTIME DATABASE: MS SQL Enterprise Edition**

2. **LICENSE FEE AND PAYMENT:** The total Net License Fee to Licensee for the Software licensed hereunder is USD 146,641.19 which is comprised of the following:

- ***Net License Fee for SAP HANA Software licensed hereunder – USD 135,778.88.***
- ***Net License Fee for MS SQL Enterprise Edition software licensed hereunder – USD 10,862.31.***

The total Net License Fee set forth in this Section 3 shall be invoiced upon execution of this Appendix and is payable net thirty (30) days of the date of invoice.

3. **DELIVERY:**

Delivery of the Software licensed hereunder is estimated to take place in September of 2014 and will be made by making such Software available for download or other electronic transmission to Licensee's location at: Austin, TX 78701.

Licensee acknowledges having received the remote access information listed below allowing download of the Software not previously delivered under Section 4.1 through the SAP ServiceMarketplace (<http://service.sap.com/swdc>):

USER ID: S0006087181
PASSWORD: DPIVJAGB

Licensee confirms that it has access to SAP Service Marketplace as required to download the Software licensed under this Agreement.

- 4. **SAP ENTERPRISE SUPPORT AND PAYMENT:** SAP Enterprise Support offered by SAP is set forth in the SAP Enterprise Support Schedule to the Agreement. SAP Enterprise Support at the site(s) specified in the SAP Enterprise Support Schedule to the Agreement shall commence as of the first day of the month following the Effective Date of this Appendix. The initial term of SAP Enterprise Support is the remainder of the current calendar year and the next full calendar year ("Initial Term"). After the initial term and subject to the Agreement and SAP Enterprise Support Schedule, SAP Enterprise Support shall renew at the beginning of each calendar year for the subsequent one year period.

The SAP Enterprise Support Fee for the Software licensed under this Appendix is priced at the then current annual SAP Enterprise Support Factor in effect (currently 22%) multiplied by the total Net License Fee for the licensed Software. The current annual SAP Enterprise Support Fee for the Software licensed under this Appendix is USD 32,261.06 (22% of USD 146,641.19). SAP agrees that the SAP Enterprise Support Factor shall remain at 22% until December 31, 2016. Thereafter, the SAP Enterprise Support Fee is subject to change once during a calendar year upon ninety (90) days' notice to Licensee.

Notwithstanding the foregoing it is agreed that Licensee shall receive free SAP Enterprise Support for the Software licensed under this Appendix through December 31, 2014. Thereafter, SAP Enterprise Support Fees shall be invoiced on an annual basis effective January 1 of a calendar year and payable Net 30 days from date of invoice. Any SAP Enterprise Support Fees due prior to January 1 are invoiced on a pro-rata basis for the given calendar year in effect.

- 5. **NAMED USER/SOFTWARE EXCHANGE OPTION:** Until September 30, 2016 Licensee shall have the one-time option, to exchange the SAP HANA Runtime Edition for SAP BW licensed hereunder (provided License Fees and Support Fees have been paid by Licensee) for a one hundred percent (100%) credit of the List Price License Fees for such Software, to be applied towards the licensing of additional Named Users or Software previously licensed under the Agreement (excluding SAP branded, Hana, Sybase products, non-discountable and Third Party Software and third party database, and any software products from entities acquired by SAP after June 2010). In the event SAP Software, is exchanged, 100% of such licensed Software metric must be exchanged and Licensee shall discontinue Use of such exchanged Software. Upon written notice from Licensee regarding its exercising of such exchange option, SAP will issue an Amendment to this Appendix modifying the Named User count or Software metric. In the event such exchange results in additional Named Users or a Software metric beyond the total quantity of Named Users or Software metric licensed herein such that the total List Price of those Named Users or Software received exceeds the total List Price of the Named Users or SAP Software exchanged or requires the licensing of third-party software, then Licensee shall be responsible for all additional SAP Software and Named User License Fees (including third-party software fees). There shall be no refunds or credits based on such exchanges. Such exchange will not reduce Enterprise Support Fees.
- 6. **DATABASE:** Licensee may only Use the runtime database licensed pursuant to Section 1.2 hereof in conjunction with its Use of the Software licensed hereunder in accordance with the terms of this Appendix. In the event Licensee uses the licensed runtime database other than as specified in this Section 5, a full use license, including programming tools, must be licensed directly from the applicable third party database vendor.
- 7. **PUBLICITY:** Licensee agrees to mutually agreeable telephone references for prospective SAP customers.
- 8. **VALIDITY OF OFFER:** The validity of this Appendix will expire September 30, 2014, unless sooner executed by Licensee, or extended in writing by SAP.

Accepted by:

SAP Public Services, Inc.
(SAP)

By: 
Terence Dougherty
Title: Director of Contracts &
Sr. Corp Counsel
Date: 9/22/14

MB

Accepted by:

Travis County, Texas
(Licensee)

By: _____
Title: _____
Date: _____