City of Palo Alto
City Council Staff Report

Report Type: Consent Calendar  Meeting Date: 6/20/2011

Council Priority: {ResProject:ClearLine}

Summary Title: SAP Basis Support

Title: Approval Of Software Consulting Service Contract Amendment with Sierra Infosys, Inc. in the amount of $84,000 for the SAP Basis Support of SAP Industry-Specific Solution for Utilities, SAP Financials, Customer Relationship Management System, Business Intelligence System and Utilities Customer Electronic Services

From: City Manager

Lead Department: Administrative Services

Recommendation
Staff recommends that Council approve and authorize the City Manager or his designee to execute the amendment of the attached usage-based professional services agreement (Attachment B) with Sierra Infosys Inc. in the amount not to exceed a one-time increase of $84,000 for SAP Basis support in fiscal year 2012. The total contract amount for fiscal year 2012 will not exceed $334,000. Fiscal 2013 amount will remain the same as $250,000. The total contract amount for fiscal 2011, 2012 and 2013 not-to-exceed $834,000

Executive Summary
SAP Basis encompass a wide spectrum of tasks, ranging from Oracle data base administration, system security, system monitoring and tuning, user authorization, system backup, system landscape maintenance, support package application, SAP audit support, and project support. These tasks are essential to SAP system health and security so that ongoing business continuity is assured. The two in house Basis staff support five systems, over 1400 SAP users, 17 servers, and 11 oracle databases in the live, 24/7 operating environment. To provide the necessary support resources and skills for the SAP system, Basis together with six other support areas was incorporated into the three-year overall SAP support and maintenance contract agreement, established in 2010 with Sierra Infosys (CMR:291:10). The portion allocated to Basis support, approximately $50K per year, would normally be sufficient with two full time in house Basis staff. Unfortunately, one of the Basis staff has been out on medical leave since February 2011 and the period of absence will be up to twelve months. To minimize business impacts of staff on medical leave, additional SAP Basis support from external vendors is needed.

Background
On July 2010, the City Council approved a three-year software consulting services contract with Sierra Infosys Inc. in the amount of $750,000 for the support and maintenance of the following SAP modules: Industry-Specific Solution for Utilities, financials, customer relationship management, business intelligence and utilities customer electronic services, with each year not to exceed $250,000. To address the in house Basis resource and skill gap, a portion of the Sierra Infosys contract, approximately $50K per year was allocated to SAP Basis. The scope of work for Basis support in the original contract was to implement various modules of SAP Solution Manager, a tool to improve system management and monitoring efficiencies. With the three-year contract in place, Sierra Infosys has been working with in house Basis staff and has established a good working relationship through projects such as SAP Solution Manager, QAS environment, and BI QAS/Dev rebuild. To fill in the resource gap while Basis staff on medical leaves, a new list of Basis support scope of work has been established.

**Discussion**

Requests for quotation for the following scope of work, approximately equivalent to 5+ months SAP Basis Support were sent to: Group Basis, Sierra Infosys, Inc. Cronus Consulting, and GlobalSource IT.

- Perform and document Oracle data base related daily/weekly/monthly/quarterly monitoring and tuning tasks for five SAP systems (UCES, ESS/MSS, ECC, CRM and BI)
- Perform and document SAP portal system monitoring tasks (CRM IcWeb, UCES, and ESS/MSS)
- Provide assistance to SAP Basis Authorization Admin to implement fixes according to SOSS report for ECC production, CRM production and BI production
- Perform Oracle data base patch/release upgrade (from 10.2.0.20 to 11.2.0) for all systems
- Assess and enhance ECC production file system configuration
- Perform ECC Support package upgrade to the latest version
- Perform CRM Support package upgrade to latest version
- Perform BI Support package upgrade to the latest version
- Perform UCES Support package upgrade to the latest version
- Develop Central User admin (CUA) strategy and implement plan

Sierra Infosys was selected because of the following reasons:
a. Lowest hourly rate ($92/hour remote, $113 on site)

b. Efficiency and productivity: Sierra Infosys has been working with City’s Basis team and functional team in the past few months and they are familiar with City’s environment and configurations.

c. Dedicated resource: Sierra Infosys has dedicated one resource to support the City

Timeline
The time period for this request will be from July 2011 to July 2012.

Resource Impact
This contract will be funded from existing funds in the Information Technology Internal Service Fund.

ATTACHMENTS:

- Attachment A: Amendment to Sierra Infosys Contract (PDF)

Prepared By: Jennifer Leu, Manager, IT

Department Head: Lalo Perez, Director

City Manager Approval: James Keene, City Manager
This Amendment No. 1 to Agreement No. C10135998 ("Agreement") entered into July 1, 2010, by and between the CITY OF PALO ALTO - ("CITY"), and Sierra Infosys Incorporated, located in Houston, Texas.

**RECITALS:**

WHEREAS, the Agreement was entered into between the parties for the provision of SAP Application Maintenance Support; and

WHEREAS, the parties wish to amend the Agreement;

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the parties agree to the following revisions:

**SECTION 4 NOT-TO-EXCEED COMPENSATION.** The section entitled "Not-To-Exceed Compensation" is hereby amended to read as follows:

Contract Value for FY12 (July 1, 2011–June 30, 2012) was $250,000.
Contract Value for FY12 is increased $84,000.

Contract Value for FY12 is now $334,000.

Fiscal Year 2013 Contract Value remains $250,000 as originally approved.

**SECTION: EXHIBIT A - SCOPE OF WORK:** Exhibit A under SAP BASIS is hereby modified to add the following to be completed during FY12 contract period.

- Perform and document Oracle data base related daily/weekly/monthly/quarterly monitoring and tuning tasks for 5 systems UCES, ESS/MSS, ECC, CRM and BI.
- Perform and document Portal system monitoring tasks (CRM, IcWeb, UCES, and ESS/MSS)
- Provide assistance to SAP Basis Authorization Admin to implement fixes according to SOSS report for ECC production, CRM production and BI production
- Perform Oracle data base patch/release upgrade (from 10.2.0.20 to 11.2.0) for all systems
- Assess and enhance ECC production file system configuration
- Perform ECC Support Package upgrade to the latest version (as-is version 700 SP22)
- Perform CRM Support Package upgrade to latest version (as-id version 700 SP16)
- Perform BI Support Package upgrade to the latest version (as-is version 700 SP17)
- Perform UCES Support Package upgrade to the latest version (as-is version700 SP14)
- Develop Central User admin (CUA) strategy and implement plan

**EXHIBIT C-1 HOURLY RATE SCHEDULE:** The Hourly rate schedule is hereby amended to add two additional hourly rates pertaining to the revised scope of work.
Remote Hourly rate  $92.
Basis Hourly Rate  $113.

Except as herein modified, all other provisions of the Agreement, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives executed this Amendment on the date first above written.

APPROVED:

City Manager

APPROVED AS TO FORM:

Senior Asst. City Attorney

SIERRA INFOSYS INCORPOATED
By: [Signature]
Name: Raghunathan Kumar
Title: President

Amend Amt
Rev. July 31, 1998