



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: April 12, 2007
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Meeting Date: April 19, 2007

TO: Standing Committee on City Services and Budgets

FROM: General Manager of Corporate Services

SUBJECT: Award of Contract for RFP#PS07028 - Professional Services for the Implementation of the SAP Project Systems (PS) and Investment Management (IM) Modules

RECOMMENDATION

- A. THAT, subject to the conditions set out in Recommendations C, D and E, the General Manager of Corporate Services be authorized to negotiate a contract with E-Tech Consulting Inc. for professional services up to a maximum contract value of \$250,000 plus applicable taxes; source of funds to be the Infrastructure Management Strategy ("IMS") - SAP PS and IM implementation project capital.
- B. THAT, subject to the conditions set out in Recommendations C, D and E, the Director of Budget Services as the Chair of the SAP PS/IM Project Steering Committee ("Steering Committee"), with the approval of the Steering Committee, be authorized to procure additional external resources through a public competitive procurement process to implement the SAP PS/IM modules if and as required up to a maximum value of \$100,000 plus applicable taxes; source of funds to be the existing SAP Business Support Services' operating budget.
- C. THAT the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendations A and B.

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- D. THAT all such legal documents be on terms and conditions satisfactory to the General Manager of Corporate Services and the Director of Legal Services.
- E. THAT no legal rights or obligations will be created or arise by Council's adoption of Recommendations A, B, C and D until such legal documents are executed and delivered by the Director of Legal Services.

CITY MANAGER'S COMMENT

The City Manager recommends approval of Recommendations A through E, noting that Recommendation B is an attempt to allow for a more timely approval process for additional external resources that may be required to implement the SAP PS and IM modules to ensure the successful and timely completion of the project, which is a critical path within the Infrastructure Management Strategy project.

COUNCIL POLICY

Consultant contracts over \$30,000 are to be approved by Council.

BACKGROUND

On September 28, 2005, Council approved the Infrastructure Management Strategy ("IMS") that includes a hybrid systems solution of Autodesk software and services and SAP software at a total project cost of \$10,239,000 (Autodesk - \$8,641,000, SAP - \$1,598,000). Council further authorized the General Manager of Corporate Services to issue a Request for Proposals ("RFP") for consulting services for the implementation of each of the SAP Project Systems ("PS"), Investment Management ("IM"), and Business Intelligence ("BI") modules; and that the results of the RFP, along with staff recommendations, be reported back to Council for consideration and contract approval.

PURPOSE

The purpose of this report is to seek Council approval to award the contract for professional services to support the implementation of the SAP PS and IM modules to E-Tech Consulting Inc. as well as to seek authority to award a further contract or contracts up to \$100,000 for additional external resources if and as required on an expedited basis.

DISCUSSION

Scope of Work

Under the overall direction of the City, the scope of this consultancy will include:

- Defining and controlling project scope and work plan
- Directing and managing work plan execution activities
- Validating key project deliverables

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- Preparing project status reports
 - Chairing/facilitating functional team meetings and workshops
 - Leading issue resolution
 - Coaching/assisting City staff on system configuration, documentation, testing, and data conversion

Process

An RFP for professional services for implementation of the SAP PS and IM modules was prepared by SAP Business Support in consultation with Purchasing and Legal Services. The RFP was issued on March 1, 2007 and was advertised on the City's Purchasing website and the BC Bid website, and in the Vancouver Sun.

The RFP closed on March 22, 2007 and 4 proposals were received. The submissions were from the following firms (for a time and materials consultancy up to a maximum "upset" price including fees and disbursements as follows):

- E-Tech Consulting Inc. ("E-Tech") - \$250,000
- STS Summit Information Technology Services Inc. (STS Summit) - \$202,440
- Granite Falls Management Ltd. ("Granite Falls") - \$218,400
- L Compagna and Company, Inc. ("L Compagna") - \$180/hr on-site or \$125/hr off-site; non-compliant time and materials bid

Evaluation

An evaluation committee (the "Committee") was established to review the proposals and decide on a proponent to be recommended to the SAP PS/IM Steering Committee and the General Manager of Corporate Services. The evaluation process included reviewing the proposals, individual assessment, meeting to discuss the proposals, interviewing the proponents, and checking references.

Proposals were evaluated by the Committee using an evaluation matrix that measured qualifications and experience of the proponents including key team members, project methodology, work plan, value added services, and cost.

Based on the assessment of the proposals and subsequent interviews and reference checks, the Committee unanimously concluded that the E-Tech proposal provides the best value to the City. The E-Tech consultant demonstrated a superior level of technical and business knowledge and experience in the implementation of the SAP PS and IM modules. In particular, E-Tech has over 10 years of experience working on and leading PS/IM specific implementations across several industries including municipal operations. E-Tech is the best qualified to provide the City with the SAP PS/IM implementation leadership that is required for this project. Staff therefore recommend that E-Tech be awarded this consultancy for services at an estimated cost of \$250,000 plus applicable taxes.

SAP - PS and IM implementation is identified as a critical path within the IMS project. The RFP and proposal pricing is based on the commitment that the City will provide the internal SAP resources as outlined in the RFP to work with the consultant on the project. In September 2006, Council approved the IMS project and the creation of a regular full time Business Analyst position within SAP Business Support Services beginning January 2007. Recruitment effort has gone on for three months without success. In the event that the position remains unfilled at the start of the project, staff recommend that additional external resources be procured through a further competitive procurement process to implement the SAP PS and IM modules to ensure the successful and timely completion of the stated deliverables within the defined project scope. To allow for the project-required expedited approval of these additional external resources, staff further recommend that the Director of Budget Services (Chair of the Steering Committee), with the approval of the Steering Committee, and on legal terms approved by the Director of Legal Services, be authorized to procure additional external resources if and as required up to a maximum value of \$100,000 plus applicable taxes.

FINANCIAL IMPLICATIONS

The maximum value of the contract with E-Tech Consulting Inc. for the professional services to support the implementation of SAP PS and IM modules is \$250,000 plus applicable taxes. Source of funds will be the IMS - SAP PS/IM Implementation project capital.

Should staff determine that additional external resources are required to implement the SAP PS and IM modules, subject to Council approval of Recommendation B, the Director of Budget Services (Chair of the Steering Committee), with the approval of the Steering Committee, and on legal terms approved by the Director of Legal Services, will procure additional external resources through a further competitive procurement process if and as required up to a maximum value of \$100,000 plus applicable taxes. Source of funds will be existing SAP Business Support Services' operating budget.

CONCLUSION

Staff recommend that the contract for professional services related to the implementation of the SAP PS/IM modules be awarded to E-Tech Consulting Inc. Staff further seek authorization from Council to procure additional external resources if and as required.

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