



**CHANGE ORDER APPROVAL  
RECOMMENDATION**

Meeting Date: December 14, 2023  
 Contact: Alexander Ralph  
 Contact No.: 604 829 2092

TO: Bid Committee  
 FROM: Chief Procurement Officer

**RECOMMENDATION**

Recommendation to approve a change order to an existing contract in relation to Consulting Services for SAP S4/HANA Conversion Agreement PS20210159 with:

Deloitte Inc.  
 410 West Georgia Street  
 Vancouver, BC  
 V6B 0S7

The Chief Purchasing Official recommends that the Bid Committee approve the change order to the contract, under the authority of the City’s Procurement Policy ADMIN-008.

Solicitation Number:	PS20210159 Consulting Services for SAP S4/HANA Conversion
Description of the Goods or Service:	Consulting Services For SAP S/4 HANA Conversion for Technology Services Department
Recommended Vendor:	Deloitte Inc.
Original Contract Value:	\$1,195,240.00
Previously approved change orders:	\$ 725,927.00
Change Order Increase:	\$ 700,000.00 Time and Materials
Cumulative cost of previously approved, and contemplated change orders	\$1,425,927.00
Maximum contract value including current and contemplated change orders	\$2,621,167.00

## **BACKGROUND**

The City publicly posted a Request for Proposal on January 28, 2022, seeking the professional/consulting services of an experienced SAP consultant to lead, guide, and assist the City's in-house SAP Support Services team in completing technical conversion to S/4HANA. This was awarded to Deloitte and the work was completed in August 2023.

As part of the engagement, the contract also allows for further statements of work to be delivered in different areas to support a business transformation related to use of S/4 HANA. This ability has been leveraged to date under Change Orders 1,2 and 5 (\$495k) as part of the SAP Program to support the Financial Planning Transformation Project. This has developed design artifacts that would support the first change which will impact the development of the 2024 operating budget beginning in May 2024.

Subsequent changes will be made to both operating and capital budgeting processes in 2024 and 2025. SAP Executive agreed in Oct 2023 that this project should use an agile approach to design and build future pieces of work. This is best practice for this type of large software development to ensure benefits are realized and costs constrained. This work is not included in this Change Order.

## **REASON FOR CHANGE ORDER**

This Financial Planning Transformation Project is using an agile delivery approach to ensure that benefits are realized and costs constrained.

This Change Order represents the engagement of Deloitte to lead, guide and assist the City's in-house SAP Support Services team to build solution to create, deploy and support Operating Budget / Income Statement using SAP Cloud Analytics Planner. For the solution to be ready on 17<sup>th</sup> May 2024, Deloitte must have their team in place on 8<sup>th</sup> January 2024.

Design work has not been completed; key scoping decisions which will impact the SOW will be made by Karen Levitt and Patrice Impey on 13<sup>th</sup> December. Only after this, can the final SOW be added to the change order. That being said, the work is time and materials and City has received non-binding estimates. This Change Order is for \$700k; the scope will be adjusted to match the amount. Deliverables have been defined and are included in Appendix 1. Although not optimal, this approach is required to align procurement policy requirements to project timeline.

## FINANCIAL SECTION

<b><u>Impact on Contract Value</u></b>	
Maximum amount originally approved by Bid Committee	\$ 1,195,240.00
Original contract value	\$ 1,195,240.00
Total of previously Approved Change Orders	\$ 725,927.00
Current Contract Value	\$ 1,921,167.00
Contemplated Scope Change for Consultant	\$ 700,000.00
Cumulative cost of previously approved, and contemplated change orders	\$ 1,425,927.00
Maximum contract value including current, and contemplated change orders	\$ 2,621,167.00

A list of the change orders executed to date is included as Appendix 1.

Funding for this Change Order is from TS 2024 Capital Budget - Business Discretionary portfolio (CUB-00205-18) which is pending final Council approval. This Change Order is to start work with Procurement, but no PO will be issued until budget is approved.

## LEGAL

The solicitation document used for the RFP, including the form of agreement included therein, was based on a template prepared by Legal Services, as required by the City's Procurement Policy ADMIN-008.

