



STAFF REPORT

Meeting Type: Board of Directors
Title: SAP Software Maintenance Renewal and Support Reinstatement
From: Bret Uppendahl, Finance Director
Through: Ben Horenstein, General Manager
Meeting Date: April 15, 2025

TYPE OF ITEM: X Action Information

RECOMMENDATION: Authorize the General Manager to execute a software license and maintenance renewal agreement with SAP retroactively reinstating and renewing SAP ERP software maintenance and support through December 31st, 2025 in an amount not to exceed \$217,771.37

SUMMARY: The District’s Enterprise Resource Planning (ERP) solution is published by SAP and the current version in production is known as “SAP ERP Central Component” (SAP ECC) version 6. The SAP ECC solution supports operations in and across all of the District’s divisions and business units and is utilized to enable business processes across the entire organization. This software maintenance agreement reinstates SAP software maintenance retroactively and continues ongoing software maintenance and licensing for the remainder of the current calendar year. This will entitle the District to software and security updates released for all licensed SAP ECC modules while the software maintenance contract remains current and will provide District staff access to technical support services from SAP during this term.

DISCUSSION: Software maintenance is essential to keeping the District’s ERP systems stable and secure and access to SAP technical support is essential to keeping the District’s ERP systems running smoothly. On September 15, 2023, the Board approved the reinstatement of SAP ECC software support services. The District deferred this expense and instead negotiated more favorable terms with the software vendor for a subsequent term extension. With this proposed extension, the SAP Support Schedule will be retroactively reinstated and will be renewed for the following calendar year at the annual cost provided below.

Staff recommends that the Board authorize the General Manager to execute the proposed software maintenance agreement through December 31st, 2025 with SAP for a total amount of \$217,771.37.

ENVIRONMENTAL REVIEW: Not Applicable.

FISCAL IMPACT: Funding for the expenditures described above is available within the Information Technology Department's Operational budget for FY 2025. As detailed in the attachments, this proposed reinstatement includes a one-time support fee of \$98,340, an annual maintenance fee of \$196,679, and is offset by a one-time credit in the amount of \$77,248 for a total cost of \$217,771.37.

ATTACHMENT(S):

1. SAP Reinstatement Agreement
2. Schedule 1 – Licenses and Entitlements

| DEPARTMENT OR DIVISION | DIVISION MANAGER | APPROVED |
|------------------------|---|--|
| Finance |  Bret Uppendahl Finance Director |  Ben Horenstein General Manager |