



Belfast City Council

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| Report to: | Strategic Policy and Resources Committee |
| Subject: | Review of provision of support for SAP |
| Date: | 22 May 2009 |
| Reporting Officer: | Rose Crozier, Head of ISB extn 4200 |
| Contact Officer: | Colm Kilpatrick, Assistant Manager, extn 4354 |

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| Relevant Background Information |
| In October 2006 the Council implemented SAP as its new procurement and financial system. Part of the contract let to Logica CMG covered ongoing support of the SAP product. The term of the support contract was three years which expires at the end of September 2009. |

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| Key Issues |
| During the life of this contract, the Council has built up its own in-house capacity to support SAP and there is now an opportunity to significantly reduce the costs to the Council for external support. |

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| Resource Implications |
| <u>Financial</u> There is no requirement for capital investment as the reduced support costs will be funded through revenue. |
| <u>Staffing</u> No additional staff resources will be required. |

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| Recommendations |
| The Council's support costs for the SAP system are currently £280,000 annually. By entering into a new contract, it is anticipated that these costs can be reduced to £100,000 annually. |
| ISB is seeking to tender for a new support contract which would deliver savings of £540,000 over 3 years. |
| Committee is asked for permission to tender via European Journal for support provision of SAP for a 3 year period. |

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| Decision Tracking |
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| Key to Abbreviations |
| SAP - System Analysis and Program Development |

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