

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
12	12/8/14	Open	Action	10/30/14

Subject: Delegating authority to the General Manager/CEO to continue to pay invoices for annual maintenance support fees for SAP Public Services, Inc. under the 2001 Software Maintenance Agreement with SAP Public Services, Inc.

## ISSUE

Whether or not to delegate authority to the General Manager/CEO to continue paying invoices for the annual maintenance support fee under the 2001 Software Maintenance Agreement with SA Public Services, Inc.

## RECOMMENDED ACTION

Adopt Resolution 14-12-\_\_\_, Delegating Authority to the General Manager/CEO to Pay the Annual Support Fee under the 2001 Software Maintenance Agreement with SAP Public Services, Inc.

## FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	105,018.65
Budget Source:	Operating	Next FY:	\$	
Funding Source:	Local/Federal	Annualized:	\$	105,018.65
Cost Cntr/GL Acct(s) or	76-630021	Total Amount:	\$	105,018.65
Capital Project #:				
Total Budget:	\$ 105,018.65			

- The annual support fee is calculated as 18% of the then-current License Fee for the SAP Software used by RT for Financial Accounting, Procurement, Personnel and Materials Management.

## DISCUSSION

In 2001, when the Board approved the acquisition and implementation of the SAP software suite, it also authorized (by Resolution No. 01-10-0206) the Board Chair and General Manager/CEO to execute the maintenance agreement included as an appendix to the Software End-User License Agreement. The Software Maintenance agreement continues in perpetuity until terminated or cancelled and commits RT to pay the annual support fee for so long as it uses the software.

In past years, the General Manager/CEO has paid the annual support fee under his or her authority to award contracts under \$100,000, even though the contractual commitment was actually made in 2001 and the payment of the annual support fee was not technically a separate contract action.

Approved:

Presented:

Final 12/2/14

General Manager/CEO

Director of Information Technology

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This year the annual support fee exceeds \$100,000, prompting Staff to reexamine the authority for the annual support fee and the mechanism for payment. Because the payment of the annual support fee is necessary to maintain the functionality of the software and, for this reason, is not a discretionary expenditure, Staff is requesting a delegation of authority to the General Manager/CEO to continue paying the annual support fee to SAP Public Services, Inc. for so long as RT continues to use the SAP software.

RESOLUTION NO. 14-12-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 8, 2014

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO PAY THE ANNUAL SUPPORT FEE UNDER THE 2001 SOFTWARE MAINTENANCE AGREEMENT WITH SAP PUBLIC SERVICES, INC.**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

WHEREAS, on October 12, 2001, the Sacramento Regional Transit District and SAP Public Services, Inc. entered into a Software Maintenance Agreement for the specified software provided by SAP pursuant to the Software End-User License Agreement between the parties; and

WHEREAS, the Software Maintenance Agreement obligates RT to pay an annual support fee for continued service, support, and upgrades for the specified software.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, authority is hereby delegated to the General Manager/CEO to pay the annual support fee due under the October 12, 2001 Software Maintenance Agreement between SAP Public Services, Inc. (SAP) and the Sacramento Regional Transit District (therein "Licensee") each year for so long as RT continues to require maintenance and upgrades for the licensed software required under the October 12, 2001 agreement.

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PHILLIP R. SERNA, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary