



Department of County Assets
MULTNOMAH COUNTY OREGON

501 SE Hawthorne Blvd, Suite 400
Portland, Oregon 97214

MEMORANDUM

TO: Board of County Commissioners

FROM: Sherry Swackhamer, Department Director *Sj*

RE: Request for Exemption to County RFP Requirements

DATE: July 11, 2016

The Department of County Assets (DCA) requests an exemption from purchasing rules requiring a competitive procurement. This exemption request specifically would allow DCA to contract with Rimini Street for support and maintenance of the County SAP-ERP system. This request is made under PCRB Rule 47-0275-Sole Source Procurements for goods and non-personal services over \$150,000.

Description

Multnomah County intends to contract with Rimini Street to archive the patches, upgrades, updates, and documentation to the most currently-available revision levels according to our existing contract with SAP, and to provide support for the SAP ERP system and the Oracle database used by the SAP application after the termination of our support contract with SAP. The estimated annual value of this services contract is \$920,000.

Services

Rimini Street will archive both the SAP application and the Oracle database, under the direction of the staff of Multnomah County, and then assist Multnomah County staff with making updates as requested, using the most-currently available patches, bug fixes, and other code available to us based on our support contract with SAP, within 12 weeks of signing the contract with Rimini Street. Upon completion of archiving our existing application and the database, and upon termination of our support contract with SAP, Rimini Street will provide second-level support to our Multnomah County team for issues, bug fixes, Tax, Legal, and Regulatory updates, performance tuning, and other production support activities during the term of the contract with Rimini Street.

Market Research

Our research shows that Rimini Street complies with six key areas of our needs that other organizations cannot provide, per our requirements for an overall support structure:

Archiving of all available upgrades, updates, patches, and documentation

Multnomah County has an existing support contract with SAP that covers both the application and the Oracle database used by the application. Multnomah County access upgrades, updates, patches, and documentation through an online repository only available to SAP customers with an active support contract.

Rimini Street creates a cloud-based archive of all of the available code, patches, and bug fixes that we have access to per our existing contract with SAP. Using their ISO 9001:2008 certified onboarding process, they ensure that a comprehensive archive of all upgrades, updates, patches, and documentation are included for each client, in a unique-to-the-client repository.

Support for any version of the application / database

Multnomah County determines, through the SAP Steering Committee, how frequently to update, upgrade, and release patches to the production version of the SAP application and its associated Oracle database. In some situations, Multnomah County will chose to remain on an older version or revision of an application. Multnomah County desires that organizations under a support contract are able to provide support to the County's desired version or revision level of the application and its associated databases and not require the County to be a particular version or revision level determined by the provider of the application and database, or a contracted support organization.

Rimini Street will support whatever version of the SAP application and its associated Oracle database and other necessary middleware products as determined by Multnomah County, within the constraints of the availability of the necessary updates, upgrades, patches, and documentation by SAP.

Security

Multnomah County expects organizations to comply with industry-standard security capabilities, and to certify their capabilities through industry-recognized certifications.

Rimini Street employs the strictest level of security scheme available in the market, called ISO27001. It is a rigorous and detailed security scheme, and only a small percentage of companies that apply for ISO27001 certification pass the certification process. Rimini Street is the first and only independent software support provider to have an ISO27001 certification. That certification means that Rimini Street has the security controls in place to protect the confidentiality, integrity, and availability of their client and partner information.

Dedicated support personnel

Multnomah County expects to have a named, single individual available from support organizations as a primary point of contact for the relationship between the County and the support organization.

Rimini Street assigns a Named Primary Support Engineer (PSE) who will be familiar with the unique aspects of our system, its components, our organizational practices, and our ongoing support lifecycle.

Support Delivery model

Multnomah County expects support personnel to be experienced, be employed by the organization providing support, and that support is not provided by an outsourced call center or support personnel. Multnomah County expects to be able to ask questions in addition to make requests for support for issues.

Multnomah County expects to assign the severity level of any issue or request, and that the support organization will operate within Service Levels based on the County's assigned severity level for the issues and support requests that need assistance.

Rimini Street employs support engineers that are required to have at least ten years of hands on experience. Rimini Street does not use an offshore call center, and all calls are handled by a primary engineer in the County's time zone. Rimini Street does not use any partner organizations for support personnel, and all support and fixes are completed by Rimini Street employees. Rimini Street will provide services according to service levels tied to the severity level assigned by Multnomah County. Rimini Street will respond to "What If" questions. Rimini Street includes customer satisfaction as a key component of the compensation plans for its support engineers.

Performance and Interoperability Support

Multnomah County has a complex set of interoperable applications used in the delivery of services to the residents of the County. Multnomah County's SAP ERP applications and their features play a central role to most services provided by the County. Multnomah County expects the support organization for the SAP ERP application to be able to address performance and interoperability issues and concerns beyond the base SAP ERP application at no extra cost.

Rimini Street's Technology Support Services provides guidance, advice, best practices, and practical solutions that embrace new technologies without impacting the business functions delivered by existing ERP applications. The group's' services include performance and interoperability support at no extra cost.

Compatible Goods & Services

Multnomah County's SAP ERP application plays a central role to most services provided by the County. The primary capabilities of the SAP ERP application include human capital management, financial services, transaction processing, supply chain management, work order management for facilities, and providing data and reporting about the daily operations of the County. Due to the critical nature of the features provided by the SAP ERP application, the County requires an active support contract in order to ensure that upgrades, updates, patches, and documentation are available to address system availability, workflow, efficiency, and ongoing evolution of the application. This support contract and the organization providing the support is utilized by the County's ERP application support team as second-level support per industry-standard lifecycle management of a critical application like the County's SAP ERP application.

Software/Data Exchange with other Public/Private Agencies

Multnomah County's SAP ERP application serves as a primary system of record for human resources, finance and accounting, and facilities. Data requested or required by other public or private agencies is shared with those organizations through standard data exchange methods (e.g. file transfers) or data interfaces built from other applications to the County's SAP ERP application. Multnomah County is the sole provider of data exchange methods or data interfaces and requires an active support contract in order to address any issues that may arise through the use of those methods or interfaces.

Pilot Project

Multnomah County has had a support contract for its SAP ERP application and the Oracle database used by the application since the implementation of the SAP ERP application in 2001. Terminating the support contract with SAP and establishing a support contract with Rimini Street has been reviewed and approved by the SAP Steering Committee who is tasked with the lifecycle management of the features, capabilities, and support of the SAP application and its associated data interfaces and data exchanges. Given the nature of the long-standing support contract with SAP, the move to Rimini Street is a pilot to explore the expected value, improved services, and ongoing stability, at a lower overall cost, to be measured through performance metrics during the life of the support contract and the expected life of the SAP ERP application by the County. Rimini Street provides Service Level Agreement parameters through the contract that meet or exceed the Service Levels the County has in its existing contract with SAP.

Additional Findings

Multnomah County has explored alternatives available in the market, and has found that several other public entities chose Rimini Street after evaluating the very few alternatives in the market. Included in the list of organizations who have recently contracted with Rimini Street are:

Douglas County School District
Washington State Department of Enterprise Services
State of Louisiana
West Sussex County Council
City of Glendale
Milton Hershey School
Frederick County MD & School District
Modesto Irrigation District
City of Eugene, OR

Exemption Period

PCRB Rule 47-0275(5) allows for a maximum exemption period of two (2) years, unless unusual circumstances warrant a longer exemption period. The County has initiated an ERP Replacement Project. The Department is requesting a three (3) year exemption period to ensure that our SAP-ERP system is fully supported until the County has fully migrated to the new solution.