

EXECUTIVE SUMMARY

Direct Negotiation Recommendation of \$500,000 or Greater 58-065E – Cloud Hosting Provider for SAP

This request is to approve the recommendation to award the Direct Negotiation for 58-065E – Cloud Hosting Provider for SAP between VirtuStream, Inc. (VirtuStream) and The School Board of Broward County, Florida, (SBBC). The term of the award is for three (3) years from September 13, 2017 through September 12, 2020.

This Direct Negotiation was performed in accordance with Purchasing Policy 3320, Part VI (C)(5)(c), and Section 6A-1.012(14), F.A.C., permit the acquisitions of information technology as defined in Section 282.0041(14), Florida Statutes, by direct negotiation.

Currently, SBBC utilizes SAP Enterprise Resource Planning (ERP) system to perform the key business functions of the District (Financial Accounting and Controlling, Human Resource Management, and Material Management). The upgrade and migration of this system are needed because SBBC must decommission the existing IBM mainframe environment and retire all mainframe installed applications by June 30, 2018, due to the expiration of system licenses and to avoid a penalty of \$2.5M in mainframe license renewals.

VirtuStream cloud hosting services are being recommended to replace the hosting currently being provided on the district's mainframe system. VirtuStream cloud hosting services are targeted primarily at mission-critical complex enterprise applications, such as ERP suites from SAP. It is differentiated by its application-specific expertise; a platform purpose-built for the availability, performance, security, governance, and service level agreement requirements.

This request is for hosting services for all applications related to SAP Enterprise Central Component (ECC) and Business Warehouse Reporting (BW) in the cloud.

Financial Impact:

This request is to approve the spending authority for the three (3) years of licensing of the VirtuStream, as follows:

VirtuStream Cloud Hosting Services - three (3) years	\$2,550,755
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Details of the spend are illustrated below:

	Fiscal Year	Project Year	Month	Fixed	Managed Services	VM/Baseline
Professional Services	2017	1	September	\$ 65,000.00	\$ -	\$ -
One Time Setup Charge	2017	1	September	\$ 75,759.74	\$ -	\$ -
BW-SB	2017	1	September	\$ 24,912.62	\$ 1,426.84	\$ 6,961
BW-SB	2017	1	October	\$ 24,912.62	\$ 1,426.84	\$ 6,961
BW-Dev	2017	1	November	\$ 24,912.62	\$ 2,853.68	\$ 12,320
BW-Dev	2017	1	December	\$ 24,912.62	\$ 2,853.68	\$ 12,320
BW-QA	2017	1	January	\$ 24,912.62	\$ 4,745.81	\$ 22,367
BW-Prod: Steady State	2017	1	February	\$ 24,912.62	\$ 7,103.23	\$ 28,263
ECC-SB	2017	1	March	\$ 24,912.62	\$ 10,116.83	\$ 32,981
ECC-SB	2017	1	April	\$ 24,912.62	\$ 10,116.83	\$ 32,981
ECC-Dev	2017	1	May	\$ 24,912.62	\$ 12,802.34	\$ 38,321
ECC-Dev	2017	1	June	\$ 24,912.62	\$ 12,802.34	\$ 38,321
ECC-QA	2018	1	July	\$ 24,912.62	\$ 16,418.43	\$ 40,721
ECC-Prod: Steady State	2018	1	August	\$ 24,912.62	\$ 21,895.68	\$ 43,689
ECC-Prod: Steady State	2018	2	September	\$ 24,913.62	\$ 21,895.68	\$ 43,689
ECC-Prod: Steady State	2018	2	October	\$ 24,914.62	\$ 21,895.68	\$ 43,689
ECC-Prod: Steady State	2018	2	November	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2018	2	December	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2018	2	January	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2018	2	February	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2018	2	March	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2018	2	April	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2018	2	May	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2018	2	June	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2019	2	July	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2019	2	August	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2019	2	September	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2019	3	October	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2019	3	November	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2019	3	December	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2019	3	January	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2019	3	February	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2019	3	March	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2019	3	April	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2019	3	May	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2019	3	June	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2020	3	July	\$ 24,914.62	\$ -	\$ 43,689
ECC-Prod: Steady State	2020	3	August	\$ 24,914.62	\$ -	\$ 43,689
Total				\$ 1,037,661.06	\$ 148,353.89	\$ 1,364,740
					Grand Total	\$ 2,550,755