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Planning

SAP S/4HANA Programme - Programme Partner and related services

Transport for London

F01: Prior information notice

Prior information only

Notice identifier: 2023/S 000-005876

Procurement identifier (OCID): ocds-h6vhtk-03acec

Published 28 February 2023, 3:04pm

Section I: Contracting authority

I.1) Name and addresses

Transport for London

5 ENDEAVOUR SQUARE

LONDON

E201JN

Contact

Mr Mike Marston

Email

v_mikemarston@tfl.gov.uk

Telephone

+44 07553257266

Country

United Kingdom

Region code

UKI - London

Justification for not providing organisation identifier

Not on any register

Internet address(es)

Main address

<https://tfl.gov.uk/>

I.2) Information about joint procurement

The contract is awarded by a central purchasing body

I.3) Communication

Additional information can be obtained from the above-mentioned address

I.4) Type of the contracting authority

Body governed by public law

I.5) Main activity

Other activity

Transport

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

SAP S/4HANA Programme - Programme Partner and related services

Reference number

ICT 14321

II.1.2) Main CPV code

- 72000000 - IT services: consulting, software development, Internet and support

II.1.3) Type of contract

Services

II.1.4) Short description

This Prior Information Notice (PIN) is part of our Early Market Engagement (EME) process to seek Expressions of Interest (EOI) to provide the services outlined below.

Background:

Transport for London's (TfL) existing SAP ECC 6.0 EHP7 environment has been in place since 2004. Over its lifespan, the system has been customised and extended to provide a range of functionality that underpins our business-critical processes in areas like Payroll, HR, Finance, Procurement and Logistics. In some instances this also covers activities across the Greater London Authority (GLA) and Old Oak and Park Royal Development Corporation (OPDC).

The core ECC6.0 EHP7 system is integrated with more than 60 systems across our estate, including Ariba, Success Factors and Maximo.

As SAP ECC 6.0 EHP7 will no longer receive mainstream support after December 2027, we are planning a programme of ERP transformation to realise a new integrated ERP system, taking the opportunity to standardise and improve business processes and ways of working. The programme will look to exploit new features and functionality to drive efficiency and provide a strong green heartbeat for London. This is part of a wider digital ERP transformation programme across our estate, covering the introduction of SAP Success Factors, SAP Ariba and a modernised workforce management capability that integrates with

SAP (system yet to be decided).

Scope:

We are therefore seeking to engage a Programme partner(s) to design, build and operate the new S/4HANA solution and supporting applications.

The Solution scope includes but is not limited to:

- Moving from SAP ECC6.0 EHP7 to the S/4 HANA application
- Upgrading the SAP Business Intelligence Warehouse Suite
- Delivering the technical foundations for integration, front end portal and future developments (e.g. SAP BTP)
- A workstream focussing on providing a consistent and positive user experience to our fixed and mobile workforce, including mobile device deployment
- Integration and potential remediation of any impacted systems interfaces and processes including SAP GRC & IAG, SAP Success Factors and SAP Ariba.

The Services Scope includes but is not limited to:

- Design and Build for S/4HANA: Implementation of a new S/4HANA solution, including services such as: Discovery, Design, Build, Test, Data, Deploy and Change Management
- Operate for S/4HANA: Ongoing application support and maintenance of the S/4HANA solution following the implementation
- Operate for other SAP products: Ongoing application support and maintenance of other SAP solutions such as SAP Ariba, SAP SuccessFactors, GRC, IAG and BPC amongst others
- Operate for ECC: Operational maintenance of TfL's existing SAP ECC6 ERP system from Sept 2025 until go-live of the S/4HANA project
- Cloud Hosting and Infrastructure: Operational maintenance of TfL's existing and future SAP applications on the Cloud
- Licensing: Option to procure SAP & other software licenses, if required

The total contract value for the Design and Build stages is estimated to be in the range of £10m to £15m for implementation, with annual recurring charges of approximately £4m to £5m for Operational Maintenance (including hosting).

Potential Suppliers should register their interest in this procurement by sending an email message by no later than 17th March 2023 to:

v_mikemarston@tfl.gov.uk

Your EOI email message should clearly state:

- Project title: "SAP S/4HANA Programme Partner procurement"
- Supplier name
- Contact details

Those interested Suppliers will then be sent a Market Sounding Questionnaire (MSQ) and Prospectus elaborating upon the short description of the Programme accompanied by guidance notes. Responses should be submitted by 21 April 2023.

Please refer to Section VI: Complementary information for more information on description.

II.1.6) Information about lots

This contract is divided into lots: Yes

II.2) Description

II.2.1) Title

Lot No

1

II.2.2) Additional CPV code(s)

- 48000000 - Software package and information systems
- 72000000 - IT services: consulting, software development, Internet and support

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

This Prior Information Notice has been issued for pre-market consultation as permitted by Regulation 40. Nothing in this Prior Information Notice is intended to commit TfL to a subsequent procurement.

Subject to all necessary approvals, we anticipate starting the tendering process between Q1 / Q2 of financial year 2023/24. This Prior Information Notice does not signify the commencement of any procurement process and does not constitute any commitment by TfL.

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The Solution scope includes but is not limited to:

- Moving from SAP ECC6.0 EHP7 to the S/4 HANA application
- Upgrading the SAP Business Intelligence Warehouse Suite
- Delivering the technical foundations for integration, front end portal and future developments (e.g. SAP BTP)
- A workstream focussing on providing a consistent and positive user experience to our fixed and mobile workforce, including mobile device deployment
- Integration and potential remediation of any impacted systems interfaces and processes including SAP GRC & IAG, BPC, SAP Success Factors and SAP Ariba.

The Services Scope includes but is not limited to:

- Design and Build for S/4HANA: Implementation of a new S/4HANA solution, including services such as: Discovery, Design, Build, Test, Data, Deploy and Change Management
- Operate for S/4HANA: Ongoing application support and maintenance of the S/4HANA solution following the implementation.
- Operate for other SAP products: Ongoing application support and maintenance of other SAP solutions such as SAP Ariba, SAP SuccessFactors, GRC, IAG and BPC amongst others.
- Operate for ECC: Operational maintenance of TfL's existing SAP ECC6 ERP system from Sept 2025 until go-live of the S/4HANA project.
- Cloud Hosting and Infrastructure: Operational maintenance of TfL's existing and future SAP applications on the Cloud

- Option to procure SAP & other software licenses if required.

It should be noted that these may be procured as separate lots (e.g. Design/Build separate from Application Support) or permutations thereof.

We intend to procure a number of compatible Supplier partnerships working together from the outset to jointly propose a cohesive solution and delivery approach which meets our outcome-based requirements.

TfL expressly reserves the rights to:

- amend or adapt scope of requirements before formal release of any Invitation to Tender
- cancel this procurement at any stage
- not award any contract as a result of the procurement process commenced by publication of this notice

II.3) Estimated date of publication of contract notice

30 June 2023

Section IV. Procedure

IV.1) Description

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: No

Section VI. Complementary information

VI.3) Additional information

Description continued from Section II.1.4

During this period, we will host an in-person Supplier Briefing Event on the afternoon of 3rd April 2023 to bring our vision, strategy, plans and approach to life.

This will provide a further overview of the opportunity and approach, allowing Suppliers to ask further questions of us.

Upon receipt of Suppliers' Expressions of Interest we will provide additional information with further instructions on how to participate in the Supplier Briefing Event when we issue our MSQ.

There will be an opportunity for potential Suppliers to submit clarification questions to us prior to the Supplier Briefing Event by emailing them to the above stated email address. We will consider clarification questions as they arise and will issue responses as promptly as possible. Responses to clarification messages will be anonymised and shared with all participating Suppliers.

N.B. The market engagement activity will not be used to formally evaluate Suppliers and any information shared will be used for information purposes only to provide insights and to assist us in preparing for the upcoming procurement. Any information received or discussions held will not contribute to or influence the evaluation of any potential future tender submissions.

Following an assessment of responses received from the MSQ and output from the Supplier Briefing Event, we may hold further market engagement sessions to help us finalise our procurement strategy. Further details and indicative timeframes for any further market engagement will be provided in due course.

Following completion of these exercises, we will then recommend our proposed Route to Market and Procurement Strategy for internal approval prior to launching our formal Invitation To Tender (ITT) procurement project. A more detailed timeline for the formal procurement project will be available after these approvals have been given.

The MSQ and subsequent Supplier Briefing Event do not form part of a formal procurement process and we reserve the right to decide whether to proceed with any tendering procedures in relation to this opportunity. Potential Suppliers shall be solely responsible for any costs incurred participating in any aspect of this EME exercise.

Background and Context

TfL is a world-renowned public transport provider, with a legacy that spans 160 years - today we employ around 27,000 employees in back office, middle office and frontline operations to keep London moving and growing.

The Mayor's Transport Strategy (MTS) sets out the Mayor of London's plans to create a fairer, greener, healthier and more prosperous city, with transport is a cornerstone of this vision. Its reach is broader than just TfL, but we play by far the largest part in delivering it. It outlines how we will change the transport mix across London over the next two decades, providing viable and attractive alternatives to get Londoners out of their cars and opting for cleaner and more active ways to get around our city.

Our Vision (to be a strong, green heartbeat for London) and Values, together with our Roadmaps, effectively form our internal business strategy, focused on how we set ourselves up and act as an organisation. The Roadmaps are the vehicles for achieving the Vision, each featuring the key actions that we take as an organisation to ultimately deliver it and, in turn, support the delivery of the MTS.

We've recently set up the Our TfL Programme (OTP) to help us shape our organisation and deliver our vision. London has changed over the last two years - lifestyles and values are different, when and how customers use our network is shifting, technology is evolving. We need to adapt to meet the expectations of our customers, and our colleagues, and be ready for the challenges we're facing today as well as those we'll face in the future.

We need to become an even more sustainable, more affordable, more inclusive organisation that makes it easier for all of us to do our jobs and make TfL a better, more fulfilling place for colleagues. We've got to make crucial savings, bring our costs down and increase revenue to secure our future and financial sustainability.

OTP isn't just about structure - it's about building a better culture - living our values, using new technology and processes, and changing the ways we work to adapt to the changed world we live in. This is where our Enterprise Resource Planning programme fits in - ERP is a key enabler of OTP, by modernising our processes and systems so that getting things done in TfL will be easier, simpler and better for our people.

Our current SAP ECC6.0 ERP system will be out of mainstream support from SAP by end December 2027. The current third-party SAP Application Support and Maintenance contract comes to an end in September 2025 (and we will look at a variety of options subject to re-tender and welcome the views of interested Suppliers in this regard).

We have already made the decision to move from SAP ECC 6.0 to SAP S/4HANA and in preparation for that have completed an infrastructure improvement programme which migrated SAP to the HANA database run on the Amazon Public Cloud with database

administration and SAP Basis Activities managed by another third-party (not the same partner as Application Support & Maintenance).

We intend to move to S/4HANA at least 12 months prior to the support end date in 2027 to maintain business continuity without undue risk and deliver people, process and other technology benefits as early as possible.

We are seeking to get back to 'SAP standard' out of the box standard technology enabled processes as much as possible therefore eliminating, or significantly reducing, complex manual processes. This means we want to change the way we work promoting more self-service through digital technology, more efficient process workflows, better integrated systems to 'join the dots', give our people a better, more engaging, user experience and deliver the right information and reports people trust and use 'on-system' as opposed to extracting 'off system' into spreadsheets or other 'unmanaged silos'.

Technology is a major aspect of the S/4HANA Programme and data and architecture designs proposed by Suppliers must ensure operational continuity and supportability and embrace areas for cost efficiency such as applications rationalisation. However, technology delivers the tools to enable a change in behaviour but that alone will not suffice. End user adoption and changing behaviour will require process re-engineering and challenging the status quo. We welcome Supplier ideas and input through the MSQ exercise about how to deliver the end user change management alongside the technology changes.

Our main procurement requirement is to engage a Programme partner(s) to implement the SAP S/4HANA Programme. Through this, the Programme partner will support the associated changes to processes and ways of working which both influence and support any changes to our Target Operating Model.

It is anticipated that the contract for the Design and Build stages would be for an initial 24-36 months subject to the scope (with options to extend). The Operate contract would be for a much longer contract term of up to a maximum of 10 years. At this stage we are still considering how a contract, or contracts, might be split between Design, Build & Operate. The issuing of this PIN and the subsequent early market engagement process will help us determine the most appropriate approach to awarding and managing the contract.

Indicators

- This is a one-off contract (no recurrence)
- Renewals are available.

Additional information

This Prior Information Notice (PIN) is issued solely for the purpose of conducting an Early

Market Engagement (EME) exercise and does not constitute any commitment by TfL to undertake any public procurement exercise in the future.

TfL is committed to ensuring fairness, openness and transparency and to following Public Contract Regulations. TfL will manage this EME exercise in a fair, open and transparent manner to realise maximum benefit without disadvantaging any Supplier.

Participation or non-participation in this EME exercise, including the MSQ, will not disadvantage or advantage any Supplier's ability to participate in any future procurement activity, including, in particular, any subsequent procurement process undertaken to deliver the project.

Direct or indirect canvassing of any TfL employee or agent by any Supplier concerning this requirement, or any attempt to procure information from any TfL employee or agent concerning this PIN outside of the formal process described in this document may result in the Supplier being disqualified from participation in any future TfL procurement activity.

TfL will not be entering into any contract based solely on the responses to this PIN and no information contained in this document or in any communication made between TfL and any Supplier in connection with this Procurement exercise shall be relied upon as constituting a contract, agreement, or representation that any contract shall be offered in accordance with this PIN.

TfL is not liable for any costs, fees or expenses incurred by any party participating in this market engagement exercise. TfL cannot guarantee it will incorporate all or any feedback received into any subsequent procurement documentation.

This PIN is for services likely to be procured - it is expected to assist TfL with developing aspects of its procurement strategy.