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Award SAP S/4HANA RISE with SAP

Transport for London

UK5: Transparency notice - Procurement Act 2023 - <u>view information about notice types</u> Notice identifier: 2025/S 000-009967 Procurement identifier (OCID): ocds-h6vhtk-04ee9b (<u>view related notices</u>) Published 18 March 2025, 3:37pm

Scope

Reference

ICT14908

Description

The project is for the procurement of SAP's Enterprise Resource Planning (ERP) cloud-based solution 'RISE with SAP'. This are business-critical applications to provide TfL's core back-office business functions of finance, procurement and supply chain management and logistics. TFL's current ERP system (called 'SAP ECC 6'), which is provided by SAP, will no longer be supported after December 2027. TfL proposes to make a direct award to SAP (the same provider) of a contract to provide a new ERP system 'RISE with SAP', giving access to SAP applications supported by SAP S/4HANA and built on a hosted SaaS-like architecture which is fully maintained by SAP and provides for improved data management and analytics/reporting. TfL is purchasing subscriptions to different modules provided either as 'Private Cloud Tailored Option' or public cloud services.

Contract 1

Supplier

• <u>SAP (UK) LIMITED</u>

Contract value

- £37,206,813 excluding VAT
- £44,648,175.60 including VAT

Above the relevant threshold

Earliest date the contract will be signed

31 March 2025

Contract dates (estimated)

- 23 June 2025 to 22 June 2032
- 7 years

Main procurement category

Services

Options

The right to additional purchases while the contract is valid.

SAP Preferred Success helps fast track and drive value through a proactive partnership, insight-driven recommendations, release guidance, targeted learning programmes, and service-level agreements (SLA) for enhanced support.

Additional SAP environments.

Service Requests these are any additional development and/or expansion of directly related requirements which may arise in the duration of the contract.

CPV classifications

- 48451000 Enterprise resource planning software package
- 72222300 Information technology services
- 72260000 Software-related services
- 72310000 Data-processing services
- 72320000 Database services

Contract locations

• UKI - London

Other information

Conflicts assessment prepared/revised

Yes

Procedure

Procedure type

Direct award

Direct award justification

Single supplier - technical reasons

• TfL's current Enterprise Resource Planning (ERP) solution and its critical modules (for example Shift Planning, SAP Payroll and the HANA Database) are heavily customised to meet TfL's specific requirements and, without update or replacement, will be unsupportable after the end of 2027.

• TfL's reliance on the SAP-based ERP system and the operational and business-critical modules mentioned above mean that they must be updated, or replaced, so that they are supported in the long term.

• SAP will in future no longer be providing such support to its customers other than those with "RISE with SAP" beyond 23 December 2027.

• Although there is potential for SAP's resellers to provide the RISE with SAP product, this is conditional on their being approved by SAP. In addition, any reseller would commercially only

be likely to provide those services if TfL were to commit to additional "wrap-around" services at extra cost (plus general on-costs).

• To use a reseller would also be sub-optimal as it would add an extra layer of contract management, together with the costs of unnecessary additional services, to the wider S/4HANA project for which it is proposed that RISE with SAP is used.

• Given that TfL's SAP ERP estate and components are highly customised, SAP's associated experience and know-how in supporting TfL specifically is unique. Accordingly, TfL has no option but to move from its current ECC 6 to a S4/HANA ERP solution via RISE with SAP to ensure that business-critical ERP tools, such as Shift Planning and SAP payroll, remain interoperable and can be supported in future.

• The facts explained above mean that any competition for the RISE with SAP product is effectively absent.

Supplier

SAP (UK) LIMITED

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- Public Procurement Organisation Number: PRVG-5171-GJBZ

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Email: <u>ukpublicsector@sap.com</u>

Website: http://www.sap.com/uk

Region: UKI75 - Hounslow and Richmond upon Thames

Small or medium-sized enterprise (SME): No

Voluntary, community or social enterprise (VCSE): No

Contract 1

Contracting authority

Transport for London

• Public Procurement Organisation Number: PHMT-6197-NWNZ

5 Endeavour Square

London

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Region: UKI41 - Hackney and Newham

Organisation type: Public authority - central government

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