

## Record Status: Approved

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<b>Small Business Coordination Record</b>		<b>Report Control Symbol DD-AT&amp;L (AR) 1862</b>	
<b>1. CONTROL / REVISION #</b> FY18-MAY22-70 Rev. 2 of 2	<b>2. PURCHASE REQUEST / REQUISITION #</b> SAP, Inc OMB CAT MGT	<b>3. TOTAL ESTIMATE VALUE (with options)</b> \$ [REDACTED]	
<b>4A. PIID</b>	<b>4B. IDV PIID (IF APPLICABLE)</b>	<b>5. MODIFICATION / ORDER #</b>	
<b>6A. CONTRACT SPECIALIST / BUYER NAME (last, first, mi)</b> Dennis Fellin		<b>6B. DODAAC / MAJOR COMMAND</b> N66001/Space and Na...	<b>6C. OFFICE SYMBOL</b> 22550
<b>6D. EMAIL ADDRESS</b> dennis.fellin@navy.mil		<b>6E. PHONE NUMBER (include area code)</b> 717-329-6588	
<b>7A. ITEM AND / OR SERVICE DESCRIPTION</b>  The Federal Government and the Department of Defense (DoD) requires Commercial Off-the-Shelf (COTS) software, software maintenance support, Information Technology (IT) professional services to support IT operations and Cloud Services, to maintain effective organization and serve the needs of its customers. SPAWAR Systems Center (SSC) Pacific, in support of DoD ESI ( <a href="http://www.esi.mil">http://www.esi.mil</a> ) and under the direction of Office of Management and Budget (OMB) Enterprise Software Category Team (ESCT), intends to establish a multiple-award Basic Purchasing Agreement (BPA) with firm-fixed price line items for the procurement of SAP brand-name software products and services to be made available for purchase by the DoD, Intelligence Community, and the wider Federal Government community. The proposed BPAs will be a DoD ESI Enterprise Software Agreement (ESA), as defined in DFARS 208.7401. Ordering under this BPA will be decentralized, resulting in the issuance of orders against a BPA on a firm-fixed price basis. It is anticipated that orders will be competed between the multiple awardees of the BPA, in accordance with FAR 8.405-3, providing all BPA holders fair opportunity, unless an exception applies. The term of the proposed BPAs will be a one (1) one-year base period, and nine (9) one-year option periods. The current DoD SAP BPAs expire 31 June 2018, and in order to continue providing SAP software products and services, a follow-on agreement is required. The overall goal is to build on the previous BPAs and extend coverage to Federal government agencies. This will establish a simplified process to obtain new technologies to include: shared service agreements, Internet of Things (IoT) technologies, cloud services, Information Technology professional services, establish standardized, favorable IP and cloud Ts&Cs, reduced prices from GSA, and a best in class contract vehicle.			
<b>7B. PRODUCT AND / OR SERVICE CODE</b> 7030	<b>7C. NAICS CODE</b> 511210	<b>7D. SIZE STANDARD</b> 38.5M	
<b>8. PERIOD OF PERFORMANCE / DELIVERY DATES (with options)</b> FY18 to FY27			
<b>9. TYPE OF COORDINATION</b> Change			
<b>10. RECOMMENDATION</b> Other Than Full and Open Competition (attach J&A) <b>ADDITIONAL INFORMATION:</b> GSA MAS			
<b>11A. MARKET RESEARCH</b> Attach supporting analysis, including results of sources-sought or request-for-information synopsis, J&A, etc.  The requirements will be competed utilizing the procedures in FAR 8.405-3 and award will be made to SAP designated resellers who are permitted by the publisher to enter into Enterprise Agreements with the Federal Government. The proposed action will be a government-wide BPA which will replace the existing Department of Defense Enterprise Software Initiative (DoD ESI) contract vehicle awarded by the Department of the Navy on behalf of DoD ESI. Based on Order Transaction (OT) data provided by the vendor, total sales to date under the existing ESI BPAs are [REDACTED] with roughly \$ [REDACTED] five years totaling \$78.6M. SAP software licenses, software maintenance support and information technology professional services have been identified as pervasively used by/in Federal government and DoD			

Agencies. The current customer base consisting of Federal Civilian and DoD) Agencies have made significant investments to integrate SAP software to support their IT operations. Purchasing new software from the government-wide BPA would result in significant redundant costs to the government and impose a substantial learning curve for personnel currently trained and familiar with SAP products. Enterprise Resource Planning (ERP) Financial Management (FM) software covers finance-specific business processes such as accounts payable, accounts receivable, general ledger, and fixed asset accounting, as well as online functions such as invoicing, factoring, electronic payments and financial reporting. FM applications revenues represent a major contributor to the Enterprise Resource Planning market. ERP Services and Operations Management covers integrated applications suites designed to automate a range of business processes from back-office operations to financial management and from sales order capture to customer information management. ERP also covers functions not being addressed by other functional markets. Examples include Environment and Health and Safety, Governance, Risk and Compliance, as well as industry-specific applications for 21 vertical industries. The growth of the ERP technologies market is driven by a surge in demand for cloud-based deployment among global enterprises (annual spend/revenue in excess of \$5B), centralized and real-time data control for better decision making, and operational improvement in various industrial sectors including manufacturing, retail, banking, logistics, government and others. In 2017, the top 10 ERP software vendors accounted for nearly 64.5% of the global ERP applications market which grew 2.4% to approach nearly \$87.2 billion in license, maintenance and subscription revenues. The ERP applications market includes both ERP Financial Management & ERP Services and Operations applications. Last year, SAP led the top 4 global marketplace with 19% market share and \$12.6 billion in ERP product revenues, moving on a 4% increase in license, maintenance and subscription revenues. Microsoft Dynamics was No. 2, followed by Oracle, and Infor, in that order. In 2016 and 2015 the standings of the were slightly changed, with SAP being No. 1, followed by Oracle, Microsoft Dynamics and Infor. Federal Government spend analysis for FY17, shows that SAP controls over 88% of the spend and Oracle controlling the remaining 12 % of the estimated annual spend. There was no spend observed for Microsoft Dynamics or Infor. To increase sales and relevancy, ERP vendors focused on ways to deliver increasingly better value, with a view to the future and the capabilities that will be demanded by customers. The top 4 vendors began to focus on improving the value delivered by data analytics, as well as integrating more automation to the finance and accounting process. In the next five years, it is predicted that enterprise application customers will realize the potential of innovation platforms that are just in their infancy.

**11B. SYNOPSIS REQUIRED** (if No, provide FAR Part 5.202 Exception)

Yes

**11C. SMALL BUSINESS PROGRESS PAYMENTS**

No

**12. CONSOLIDATED OR BUNDLED****12A. CONSOLIDATED BUT NOT BUNDLED REQUIREMENT** Attach required documentation per DFARS Subpart 207.170

No

**12B. BUNDLED REQUIREMENT** Attach required documentation per FAR Subpart 7.107 including benefits analysis

No

**13A. SUBCONTRACTING PLAN REQUIRED**

No

**13B. For recommendations 10g., 10h., 10i., and 12a. or 12b., specify actions taken to maximize small business participation in subcontract performance** (e.g., subcontracting plan requirements of FAR 19.7 and anticipated subcontracting goals, market research to identify small business capability at the subcontracting level, source selection evaluation factor for small business utilization, DFARS Subpart 215.304, 215.305). Attach additional pages as necessary.

There are no subcontracting opportunities for the BPAs as the main products purchased will be ERP COTS software ERP COTS Software subscriptions, software maintenance and a potential for cloud products.

**14. ACQUISITION HISTORY****14A. THIS IS A NEW REQUIREMENT**

No

**PREVIOUS SOLICITATION / CONTRACT #**

see above

**PREVIOUS ORDER NUMBER****RECOMMENDATION HISTORY**

Full and Open Competition (complete Block 13)  
**ADDITIONAL INFO:** HUBZone Evaluation Preference - N/A;

**(10) MAC / ORDER**

GSA MAS

**14B. WAS THE PREVIOUS CONTRACT:**

(1) CONSOLIDATED? No (2) BUNDLED? No

**14C. LIST NAME, CONTRACT NUMBER(S), CAGE CODE(S), AND DUNS OF CONTRACTOR(S) THAT RECEIVED PREVIOUS AWARD(S). INCLUDE TYPE(S) OF BUSINESSES FOR EACH CONTRACTOR** (e.g., SB, HUBZone SB, SDB, SDVOSB, EDWOSB, WOSB, other than small business), **AND TYPE(S) OF CONTRACT. INCLUDE PERIOD OF PERFORMANCE WITH OPTIONS, AND TOTAL CONTRACT VALUE INCLUDING ALL MODIFICATIONS AND EXERCISED OPTIONS.** If previous

contract was consolidated or bundled, list all contractors that received previous awards for any portion of this work; if previous contract was a MAC, list all previous contractors and indicate if reserves were used and if orders could be set aside for small business. Attach additional pages as necessary.

SAP RESELLER BPA # BPA DATE BPA SPEND to Q2, FY18 DUNS CAGE SIZE Advantaged Solutions, Inc. N00104-08-A-ZF42 9/15/2008 - 06/30/2018 \$ [REDACTED] 190169610 37NY3 Small business Carahsoft Technology Inc. N00104-08-A-ZF43 9/15/2008 - 06/30/2018 \$ [REDACTED] .00 08-8365767 1P3C5 Large business Oakland Consulting Group N00104-08-A-ZF44 9/15/2008 - 06/30/2018 \$ [REDACTED] 36478469 1Y5Z2 Small business SAP Public Services N00104-08-A-ZF41 9/15/2008 - 06/30/2018 \$ [REDACTED] 78453050 1JGP2 Large business

**15. CONTRACTING OFFICER REVIEW**

<b>A. NAME</b> (last, first, mi) Jenkins, David W.	<b>B. DATE</b> (YYYYMMDD) 20180605	<b>C. EMAIL ADDRESS</b> david.w.jenkins@navy.mil
<b>D. SIGNATURE</b> (Digital Signature) JENKINS.DAVID.W.1231778744	<b>E. DATE ACQUISITION PACKAGE PROVIDED TO SBP</b> (YYYYMMDD) 20180605	

**F. CONTRACTING OFFICER REMARKS**

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**16. SMALL BUSINESS PROFESSIONAL / SMALL BUSINESS DIRECTOR REVIEW**

<b>A. NAME</b> (last, first, mi) Neto, Jose M.	<b>B. DATE</b> (YYYYMMDD) 20180605	<b>C. EMAIL ADDRESS</b> jose.neto@navy.mil
<b>D. SIGNATURE</b> (Digital Signature) NETO.JOSE.M.1386641508		

**F. SMALL BUSINESS PROFESSIONAL / SMALL BUSINESS DIRECTOR REMARKS**

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**17. SBA PROCUREMENT CENTER REPRESENTATIVE REVIEW**

<b>A. NAME</b> (last, first, mi) Leu, Jane L.	<b>B. DATE</b> (YYYYMMDD) 20180605	<b>C. EMAIL ADDRESS</b> lucy.leu@navy.mil
<b>D. SIGNATURE</b> (Digital Signature) LEU.JANE.L.1283532743		

**F. SBA PROCUREMENT CENTER REPRESENTATIVE REMARKS**

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**18. CONTRACTING OFFICER REVIEW**

If the SBP or the SBA PCR rejects the contracting officer recommendation, the contract specialist and contracting officer use Modify to make change or to add remarks, upload any associated rationale, and proceed to signatures within 5 working days IAW FAR 19.505.

**Supporting Documentation**

File Name	Short Description	Loaded By	Date	Delete
[REDACTED]		FELLIN.DENNIS.J.1038162175	06/01/2018	

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