

**Appendix A(1) – Operating Costs  
Procurement Authorization  
SAP System Integrator Services for SAP-ERP Implementation Program  
(Wave 1)  
Proposal No. P25PX15779**

**Estimated Financial Impact Ongoing Cost Years 0-10 (10 Years)**

The 10 Year estimated ongoing cost is \$36.8M.

Costs Include:

- ERP Centre of Excellence
- Annual Software Warranties and Maintenance (Oracle and SAP – ongoing warranty)
- Internal Maintenance and Support (Ticketing and front line Help Desk, uPerform)

The following table identifies the estimated operating costs from the **itelligence** report for Years 0-5 (\$15,707K). For Years 6-10 we used the estimates for Year 5 (\$4,220 \* 5 years = \$21,100K). The total estimated operating cost for Years 0-10 (10 Years) is \$36,800K.

The operating costs will be reviewed and refined for the 2017 budget.

<b>Operating Cost Category</b>	<b>Year -0</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Total</b>
Centre of Excellence	-	\$271	\$1,595	\$1,895	\$2,195	\$2,195	\$8,151
Oracle – Ongoing Warranty	-	200	200	200	200	200	1,000
SAP – Ongoing Warranty	-	345	690	920	1,150	1,150	4,255
Ticketing and front line Help Desk	-	36	300	450	600	600	1,986
uPerform	-	15	75	75	75	75	315
<b>Total</b>	-	\$867	\$2,860	\$3,540	\$4,220	\$4,220	\$15,707

All costs are in \$000's, \$2017 dollars