
REPORT TITLE: Direct Negotiation with Concur Technologies Inc.

FROM: Gary Kent, CPA, CGA, ICD.D, Chief Financial Officer and Commissioner of Corporate Services

RECOMMENDATION

- 1. That the Director of Procurement be authorized to enter into Direct Negotiations with Concur Technologies Inc. to establish a licensing model for Expense Management services, at an estimated annual cost of \$73,032, excluding applicable taxes, for the first ten (10) year period, commencing August 2022 and ending in July 2032, subject to approval of the contract and annual budget review, in accordance with Procurement By-Law 30-2018, as amended; and**
- 2. That the Chief Financial Officer and Commissioner of Corporate Services be authorized to execute the contract and all related ancillary documents with Concur Technologies Inc. on business terms satisfactory to the Chief Financial Officer and Commissioner of Corporate Services and on legal terms satisfactory to the Regional Solicitor; and**
- 3. That approval be granted to renew the contract for two optional five-year periods, subject to satisfactory performance, price and approved budget and escalated in accordance with the terms of the contract; and**
- 4. That approval be granted to increase the value of the contract, negotiate and issue contract amendments to add any future solution features, functionalities, modules and systems from Concur Technologies Inc., subject to budget approval.**

REPORT HIGHLIGHTS

- In 2021, the Region of Peel (Region) procured an Enterprise Resourcing Planning Solution (ERP) with SAP Canada Inc. (SAP) under Document 2020-075P. A competitive process was completed and approvals were granted authorizing additional modules and additional licenses on an as required basis for the duration of the contract and subject to approved budget.
- The Region is currently implementing SAP as its ERP solution for Finance, Human Capital Management and Procurement functions.
- Regional staff were advised that although SAP SE wholly owns Concur Technologies Inc., SAP Canada Inc., a subsidiary of SAP SE, has no ability to sell Concur services and solutions directly to clients. Currently, Concur Technologies Inc. remains as a separate legal entity.
- This report proposes to authorize the Chief Financial Officer and Commissioner of Corporate Services to execute the contract with Concur Technologies Inc., on a direct negotiation basis, for services and professional services, subject to annual budget

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approval, in accordance with the Procurement By-Law 30-2018. This includes forecasted growth for the first five-year period.

DISCUSSION

1. Background

Concur Technologies Inc. is the world's leading provider of integrated travel and expense management services and solutions. In 2014, SAP SE, SAP's parent company, acquired Concur Technologies Inc., to offer clients an Expense Management Solution that is fully integrated with SAP ERP modules and banking agencies.

The Region conducted a competitive process and awarded the ERP product to SAP Canada Inc. under Document 2020-075P. The SAP ERP product is currently under implementation in order to modernize the Region's core business functionality while addressing its current, end of life Peoplesoft system. One of the initiatives identified in the SAP Roadmap is to automate the employee expense management and the Corporate Purchasing card (P-Card) program. Regional Staff evaluated the Concur Expense Management Solution and confirmed that this solution meets the Region's requirements for automating the existing paper-based, manually intensive employee expense and P-Card management process and provides the required controls to ensure compliance with corporate policies and audit recommendations.

The functionality provided by Concur Technologies Inc. will be integrated into the SAP system that is part of the organization's Enterprise Resource Planning system tentatively scheduled for a May 2023 launch.

During discussions with SAP Canada Inc., Regional staff were advised that although SAP SE wholly owns Concur Technologies Inc, SAP Canada Inc. is a subsidiary of SAP SE and is not authorized to provide or contract for Concur Cloud Services directly, as denoted in Appendix I. Currently, Concur Technologies Inc. remains as a separate legal entity and is solely able to enter into legal agreements for Concur Cloud Services with clients.

This report proposes to authorize the Chief Financial Officer and Commissioner of Corporate Services to execute the contract with Concur Technologies Inc. on terms satisfactory to him, on a direct negotiation basis, for services and professional services, subject to Regional Solicitor approval of the legal terms and annual budget approval. This includes forecasted growth for the first five-year period.

2. Procurement Process

This is a non-competitive procurement process and requires Regional Council approval. The process to award this contract is in compliance with the Procurement By-law 30-2018, as amended.

In accordance with and Procurement By-law 30-2018, as amended, section 5.2.1 and Amending By-law 4-2020, which authorizes the award of direct negotiation procurements for goods and services that are reasonably available from only one source by reason of the scarcity of supply in the market or the existence of exclusive rights held by any

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vendor or the need for compatibility with goods and services previously acquired and there are no reasonable alternatives or substitutes.

FINANCIAL IMPLICATIONS

There are sufficient funds within the approved cost centre GC19007 for the Region to award this contract.

CONCLUSION

An offer representing good value has been received from Concur Technologies Inc. for Expense Management services for the first ten-year term. This report recommends the award to Concur Technologies Inc. on a direct negotiation basis.

APPENDICES

Appendix I – SAP and Concur Relationship

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