



WASHOE COUNTY

Integrity Communication Service

www.washoecounty.gov

STAFF REPORT

BOARD MEETING DATE: July 14, 2026

DATE: June 8, 2026

TO: Board of County Commissioners

FROM: Beth Todd, IT Manager, Technology Services

775-328-2369, BTodd@washoecounty.gov

THROUGH: Behzad Zamanian, Chief Information Officer

SUBJECT: Recommendation to approve an Agreement for Cloud Services for a five-year Cloud Enterprise Resource Planning (ERP) and Human Capital Management (HCM) subscription agreement with SAP Public Services Inc., in an amount not to exceed [\$5,638,056.07]; and a separate Business Technology Platform (BTP) Enterprise Agreement for cloud usage in an amount not to exceed [\$57,830.00]. These agreements cover a five-year term beginning August 28, 2026 and ending August 27, 2031. The transition to SAP Cloud represents a strategic modernization initiative to migrate County financial, procurement, human resources, payroll, and related administrative functions to a cloud-hosted environment. (All Commission Districts.)

SUMMARY

This staff report requests approval by the Washoe County Board of County Commissioners (BCC) of two separate agreements between Washoe County and SAP Public Services Inc. for a comprehensive cloud-based Enterprise Resource Planning (ERP) and Human Capital Management (HCM) platform. These agreements cover a five-year term beginning August 28, 2026 and ending August 27, 2031, in a total amount not to exceed [\$5,695,886.07]. This contract exceeds the \$300,000 purchasing threshold established under Washoe County Code (WCC) 15.490, which authorizes the Purchasing and Contracts Manager to approve purchases up to that amount; and therefore, requires BCC approval.

The agreements allow Washoe County to modernize our current Financial and HR systems (collectively referred to as our ERP environment) and includes SAP Cloud ERP Private Edition (SAP S/4HANA), SAP SuccessFactors (SF) Human Capital Management modules, SAP Integration Suite, WalkMe digital adoption tools, LeanIX enterprise architecture tools, SAP Signavio process management tools, and SAP AI Units, among other services.

AGENDA ITEM # _____

Washoe County Strategic Objective supported by this item: Innovative Services

PREVIOUS ACTION

On October 22, 2002, the Board approved the agreement between Washoe County and SAP Public Services, Inc. in the amount of [\$1,046,211] with an annual maintenance of approximately \$145,813 per year for the software license and system training for the Enterprise Resource Planning (ERP) Project. Additionally, the Board approved the ERP Project Facility for [\$1,195,587.86] and funding for the project management for the ERP project, not to exceed [\$580,000].

On June 13, 2017, the Board approved the FY18 renewal of SAP Financial Software System Maintenance Agreement in the amount not to exceed [\$300,000]. Similar items for SAP support services were approved by the Board on May 24, 2016; June 9, 2015, June 2014, and May 28, 2013.

On June 20, 2023, the Board approved the reinstatement amendment to the SAP Software License Agreement with SAP America, Inc. for ERP support services starting FY24 in an amount not to exceed [\$435,000.00].

BACKGROUND

Washoe County currently operates on a legacy SAP on-premise ERP system originally implemented in 2003. The transition to SAP Cloud Private Edition (SAP S/4HANA Cloud Private Edition) represents a strategic modernization initiative to migrate County financial, procurement, human resources, payroll, and related administrative functions to a cloud-hosted environment. This type of enterprise system transformation is consistent with the County's Stewardship of our Community strategic objective.

Key factors that led to the decision to upgrade our ERP system are:

- Our current implementation of SAP is scheduled to be end of life December 31, 2027.
- Upgrading our ERP system increases opportunities to modernize processes and allow Washoe County to fit-to-standard practice and reduce customization, accelerate timelines, and improve maintainability.
- Washoe County will be adding employee onboarding functionality, eliminating our current paper-based process and modernizing new employees' initial interactions with the County.
- Washoe County will be adding a more robust benefits tracking system which will allow for automated benefit enrollment, reduced manual entry, and an improved employee and retiree experience.

FISCAL IMPACT

Sufficient budget authority for this contract is available in the FY27 Budget in the Capital Improvements Fund (F402), ERP Upgrade (PW920242) for these five-year contracts with SAP Public Services Inc., not to exceed [\$5,695,886.07].

Annual fees are listed below:

Fiscal Year	Dates	Subscription Annual Fee	Cloud Usage Annual Fee	Total
FY27	8/28/2026 – 8/27/2027	\$678,756.90	\$11,566.00	\$664,517.74
FY28	8/28/2027 – 8/27/2028	\$825,445.37	\$11,566.00	\$862,816.53
FY29	8/28/2028 – 8/27/2029	\$1,270,439.54	\$11,566.00	\$1,282,005.54
FY30	8/28/2029 – 8/27/2030	\$1,305,431.54	\$11,566.00	\$1,316,997.54
FY31	8/28/2030 – 8/27/2031	\$1,557,982.72	\$11,566.00	\$1,569,548.72
			Total	\$5,695,886.07

The increase in annual fees from FY27 to FY29 reflects the phased addition of the SAP Payroll Processing, SAP Time Track Cloud, SAP Success Factors Compensation modules, and expanded SAP Build user licenses in later fiscal years.

Technology Services continues to aggressively investigate and negotiate all on-going maintenance contracts, and wherever possible, attempts to achieve the best pricing and/or alternative options to ensure support at the least possible cost while working within the adopted budget.

RECOMMENDATION

It is recommended that the Board of County Commissioners approve an Agreement for Cloud Services for a five-year Cloud Enterprise Resource Planning (ERP) and Human Capital Management (HCM) subscription agreement with SAP Public Services Inc., in an amount not to exceed [\$5,638,056.07]; and a separate Business Technology Platform (BTP) Enterprise Agreement for cloud usage in an amount not to exceed [\$57,830.00]. These agreements cover a five-year term beginning August 28, 2026 and ending August 27, 2031. The transition to SAP Cloud represents a strategic modernization initiative to migrate County financial, procurement, human resources, payroll, and related administrative functions to a cloud-hosted environment.

POSSIBLE MOTION

Should the Board agree with the staff recommendation, a possible motion would be:

“Move to an Agreement for Cloud Services for a five-year Cloud Enterprise Resource Planning (ERP) and Human Capital Management (HCM) subscription agreement with SAP Public Services Inc., in an amount not to exceed [\$5,638,056.07]; and a separate Business Technology Platform (BTP) Enterprise Agreement for cloud usage in an amount not to exceed [\$57,830.00]. These agreements cover a five-year term beginning August 28, 2026 and ending August 27, 2031. The transition to SAP Cloud represents a strategic modernization initiative to migrate County financial, procurement, human resources, payroll, and related administrative functions to a cloud-hosted environment.”