



Approved by:	Marla Bleavins Chief Airport Administrative Officer	
ITEM TYPE	<input checked="" type="checkbox"/> Award <input type="checkbox"/> Amendment <input type="checkbox"/> Appropriation <input type="checkbox"/> Policy/Program <input type="checkbox"/> Other	
SUBJECT	Request to adopt the following report and approve a one-year contract with a one-year renewal option with SAP Public Services Inc., for an amount not to exceed \$650,000, covering software licensing fees and maintenance services for the financial accounting management information system of Los Angeles World Airports.	

Item REQUIRES City Council Approval.
 Item is subject only to STANDARD REVIEW by the City Council.

DISCUSSION

1. Background and Necessity of Requested Action

03-02-2009	Resolution # 23732 (DA-4330)	Contract Award
Approved an amendment to Resolution 22880 for the execution of the software license agreement from April to December 2009, and from January 1, 2010, through December 31, 2012, in an amount not-to-exceed \$6,157,962. The City Council adopted the action under Council file number 09-0478 in April 2009.		
09-17-2012	Resolution # 24900 (DA-4330A)	Contract Award
Approved First Amendment to Contract DA-4330 to extend term to four (4) years, January 1, 2013, through December 31, 2016, in an amount not-to-exceed \$2.5 million.		
09-21-2016	Resolution # 26070 (DA-4330B)	Contract Award
Approved Second Amendment to Contract DA-4330 to extend term to three (3) years, January 1, 2017, through December 31, 2019, to maintain the software license agreement to continue using SAP software for costs not-to-exceed \$1,735,062.		
12-19-2019	Resolution # 26911 (DA-5414)	Contract Award
Established a three-year contract with SAP for software licensing fees and maintenance services from January 1, 2020, through December 31, 2022, in the amount of \$1.95 million.		

12-15-2022	Resolution # 27653 (DA-5604)	Contract Award
Established a one-year sole source agreement with SAP Public Services Inc. (SAP) with two (2) one-year renewal options for software licensing fees and maintenance services, from January 1, 2023, through December 31, 2025, in the amount of \$1.95 million.		

The proposed contract will allow Los Angeles World Airports (LAWA) to maintain the software license agreement with SAP during the Oracle transition, where SAP will serve as a data backup solution.

Since July 2001, Los Angeles World Airports has used SAP software as the basis for the Financial Accounting Management Information System. The current version of the software will no longer be supported by SAP after 2027. In January 2025, LAWA commenced an 18-month Oracle cloud implementation as a replacement system. The replacement system is being managed by Deloitte Consulting LLC and has an anticipated go-live date of July 1, 2026. Los Angeles World Airports will maintain SAP as its system of record through June 30, 2026, and as its data backup solution through the end of calendar year 2026.

Without this proposed contract, LAWA will only be able to maintain its current level of software licensing through December 31, 2025.

2. **Selection Process:** Competitive process. Other process. Not applicable.

As this contract allows the continued use of the current SAP critical software through the completion of the Oracle cloud implementation, the sole award to SAP was determined to be the best and most feasible option.

3. **Fiscal Impact:** None. Revenue generation. Cost/cost recovery. Other.

The licensing costs associated with the contract will not exceed \$1,287,844 over the two-year period. Costs will be recovered through fees and rates/charges as appropriate.

4. **Alternative Actions:** Alternatives considered. No alternatives considered.

APPROPRIATIONS

- Appropriation required. No appropriation required. Funding is available.

Funding for these services is included in the Fiscal Year 2025-26 LAWA Operating Budget in LAX Cost Center 1190011 – Financial Management Systems Division, Commitment Item 520 – Contractual Services. Funding for the subsequent year will be requested as part of the annual budget process

INCLUSIVITY & IMPACT

- Goals/requirements identified. No goals/requirements stipulated. N/A or other.

PROVISIONS

The Chief Executive Officer has approved this item.

The Board of Airport Commissioners is hereby requested to adopt staff's determination that the requested action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.

The Board is hereby further requested to authorize the Chief Executive Officer, of designee, to execute the contract with SAP Public Services Inc. subject to approval by the Los Angeles City Council and approval as to form by the City Attorney.

Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 373.