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Purchase summary

Requirement	SAP Licenses
Selected sourcing route	Negotiations
Commercial importance	High
Incumbent supplier	SAP Ukraine
Need-by date	2027-01-01
Available calendar days	95
Expected sourcing cycle days	60
Time buffer	35

Category strategy

Strategic Objective: Control cloud and application cost while preserving the ability to scale, change supplier or platform, and support business demand. Avoid paying for unused licences, unused committed capacity or unnecessary premium tiers. Ensure that material dependencies, migration effort and exit requirements are understood before commitment.

Supplier Strategy: Use suppliers that can provide transparent usage, pricing and support data. For SaaS and cloud services, require visibility of actual consumption, licence assignment and renewal exposure. Where switching supplier or platform would involve material migration, integration or retraining, assess that dependency explicitly before award. Do not accept long minimum commitments solely to obtain a lower unit price unless the committed volume is supported by forecast demand.

Preferred Sourcing Approach: Use a limited RFP when selecting a new strategic application, cloud platform or managed cloud service, or when the requirement involves material migration, integration or operating-model change. Use RFQ, framework arrangements or negotiation for clearly defined renewals, additional licences, additional capacity or standard services on an approved platform. For incumbent renewals, compare current utilisation, future demand, commercial alternatives and realistic switching cost before deciding whether competition would add value.

Assessment: The requirement supports the category objectives by aiming to renew SAP licenses with better terms, maintain continuity, and support new business needs. The selected sourcing route, Negotiations, aligns with the Preferred Sourcing Approach for renewals of clearly defined licences on an approved platform. Specification maturity is industry standard, which is appropriate for negotiation. No material migration or platform change is indicated, so the route is consistent with category strategy.

Recommended approach

- Validate actual SAP licence utilisation before renewal to avoid paying for unused licences or premium tiers.
- Confirm that the proposed licence quantities and committed consumption reflect validated future demand and allow reduction if demand falls.
- Remove any unused premium editions, modules, or services where practical.
- Since SAP Ukraine is the sole viable supplier, accept the sole source condition but document justification clearly.
- Negotiate to improve commercial terms focusing on pricing stability, renewal caps, and transparency of licence usage and consumption reporting.
- Include contract clauses for exit assistance, data and configuration export, and controlled change management to mitigate vendor lock-in risk.
- Ensure renewal notice periods and price-change mechanisms are clearly defined to avoid commercial exposure.
- Benchmark pricing and terms against global SAP standards or similar markets to support negotiation leverage despite single source.

Next actions

1. Validate current SAP licence assignment and utilisation data with SAP Ukraine and internal stakeholders.
2. Confirm forecasted licence demand for 2027-2029 to support negotiation volumes.
3. Obtain and review SAP's renewal terms, including price-change clauses, notice periods, and premium tier usage.
4. Prepare negotiation plan focusing on price stability, licence flexibility, and exit provisions.
5. Issue negotiation documents to SAP Ukraine and schedule negotiation sessions with relevant stakeholders.

What to verify

- Confirm that the sole source condition is fully justified and documented according to procurement policy and category strategy.
- Verify that all renewal terms, including renewal notice periods and price-change mechanisms, are understood and acceptable.
- Check that data and configuration export capabilities at contract termination meet business continuity and exit requirements.