Agenda Report

February 25, 2019

TO: Honorable Mayor and City Council

FROM: Department of Information Technology

SUBJECT: **AUTHORIZATION TO ENTER INTO A CONTRACT WITH CARAHSOFT TECHNOLOGY CORPORATION FOR THE PURCHASE AND IMPLEMENTATION OF SERVICENOW INFORMATION TECHNOLOGY SERVICE MANAGEMENT (ITSM) SOFTWARE**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed contracts are exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3);

2. Authorize the City Manager to enter into a contract, as a result of a competitive selection process, as specified by Section 4.08.047 of the Pasadena Municipal Code, with Carahsoft Technology Corporation for professional services associated with the implementation of ServiceNow ITSM software for an amount not to exceed $164,802, which includes a ten percent contingency;

3. Authorize the City Manager to enter into a contract with Carahsoft Technology Corporation for ServiceNow ITSM software licenses under GSA Contract #GS-35F-0119Y in an amount not to exceed $161,784 for a period of three years from April 1, 2019 to March 31, 2022. Competitive Bidding is not required pursuant to City Charter Section 1002(H) contracts with other governmental entities or their contractors for labor, materials, supplies or services; and

4. It is further recommended that the City Council grant the proposed contract for ServiceNow ITSM software licenses an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B) contracts for which the City's best interests are served.

BACKGROUND:

The Department of Information Technology (DoIT) is responsible for providing technology support to City departments. DoIT has used BMC's ServiceDesk Express (SDE) software as an integral tool to manage internal requests for technology services and support since 2011. The core functions of the software include tracking of issues and requests, prioritizing work activities, and providing customer communications tools between DoIT staff and City staff across all departments. Over the last eight years, the software helped to increase the effectiveness and efficiency of the Department's operations, processing over 24,000 issues and requests for services on an annual basis. Unfortunately, as of December 2017, the software vendor no longer maintains, supports or enhances the software. Moreover, newer capabilities, such as online support, knowledge base, and mobile features and functions are needed to increase integration between systems and provide self-service functions. Therefore, staff recommends the replacement of the current system with a modern Information Technology Service Management (ITSM) platform that will replace existing functionality in the current system and offer new capabilities to further enhance the Department's operations.

Over the past year DoIT engaged in a process to identify a suitable replacement which could meet the growing needs of the Department. As part of this effort, DoIT reviewed various industry reports including those produced by Gartner Inc., a respected global research and advisory firm for technology products and services, and reviewed recent ITSM deployment experiences of other jurisdictions such as the City of Los Angeles and the City of Santa Monica. These efforts culminated in a decision to select ServiceNow as Pasadena's replacement ITSM platform. ServiceNow has numerous benefits and enhanced capabilities, including: mobile support for both field technicians and customers, comprehensive knowledge management, enhanced reporting and automated data analytics, streamlined procurement workflows, and the potential to expand and consolidate several other stand-alone systems as the product matures within the organization. Additionally, the new system will be completely hosted, minimizing the hardware footprint and cost to maintain in the City's datacenter.

Given these benefits, DoIT staff prepared a Request for Proposals (RFP) for "Implementation of ServiceNow ITSM Software" which was posted on Planet Bids on October 30, 2018. In addition, services provided by the Finance Department's Pasadena First Buy Local initiative were utilized to communicate this procurement opportunity locally. As a result, 1,955 vendors were notified and 42 vendors downloaded the RFP for review, including three local vendors.

On November 30, 2018, the City received a total of six proposals in response to the RFP, none of which were local. A panel comprised of DoIT staff reviewed and scored each proposal based on the evaluation criteria stated in the RFP, which is outlined in the table below:

CRITERIA	WEIGHT
Proposed Solution & Implementation Plan	30%
Experience & References	30%
Cost Proposal	30%
Local Pasadena Business	5%
Small or Micro-Business	5%
Total	**100%**

Following a review of the original scope of work contained in the RFP a clarification of the specific modules to be implemented was sent to each of the vendors and they were requested to submit best-and-final pricing for review. Each of the vendors complied and their final cost proposals were reviewed by the evaluation team and incorporated into the final proposal scoring and ranked as follows:

Rank	Proposer	Location	Score (100 max)
1.	Carahsoft Technology Corp.	Reston, VA	80.33
2.	Cask Technologies	San Diego, CA	74.33
3.	IT Prophets, LLC	Canton, GA	73.33
4.	V-Soft Consulting Group, LLC	Louisville, KY	71.67
5.	Aptris	Loves Park, IL	40.67
6.	HCL Technologies	Houston, TX	38.67

Attachment A contains a summary of scoring for all the proposals.

Based on the scoring above, staff recommends authorization to enter into a contract with Carahsoft Technology Corporation for professional services associated with the implementation of ServiceNow ITSM software. The costs listed below include all implementation services (including analysis, configuration, testing and training), as well as a ten percent contingency allowance. A summary of the contract is as follows:

Base Implementation Amount	$149,820
Contingency Allowance (10%)	$14,982
Contract "Not to Exceed" Amount	$164,802

It is anticipated that it will take six months to implement the ServiceNow ITSM software under the proposed contract.

In addition to the contract for professional services associated with the implementation of ServiceNow ITSM software, staff recommends authorization to enter into a contract with Carahsoft Technology Corporation for the purchase of ServiceNow software licenses in the amount of $53,928 annually for the first three years beginning April 1, 2019, for a total not to exceed amount of $161,784. The price is based on ServiceNow's participation in the General Services Administration (GSA) Cooperative Purchasing Program (CPP) under GSA Schedule 70 (Schedule Contract GS-35F-0119Y) for which Carahsoft is an authorized reseller. GSA provides centralized

procurement for the federal government, and through the CPP allows state, local, and tribal governments to purchase IT, security, and law enforcement products and services offered through specific Schedule contracts at the lowest prices available.

There is currently one open purchase order contract with Carahsoft Technology Corporation to provide employment verification for Workforce Innovation and Opportunity Act (WIOA) program participants for the Career Services Division of the City Manager's Department.

COUNCIL POLICY CONSIDERATION:

The proposed contracts with Carahsoft Technology Corporation support the City Council's goal to improve, maintain and enhance public facilities infrastructure; to provide a high quality of public service, which adds to the quality of life in the City and increases its attractiveness through more efficient management of resources.

ENVIRONMENTAL ANALYSIS:

The proposed contracts are exempt from CEQA per section 15061(b) (3), the General Rule. The General Rule can be applied when it can be seen with certainty that the activity will not have a significant effect on the environment. The proposed actions are for software licenses and implementation services, and will not result in any new development or physical changes.
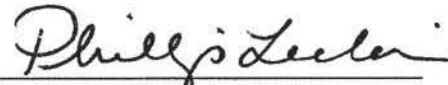
FISCAL IMPACT:

The total cost of the proposed actions will be $326,586. Funding for implementation, first year licensing and support, and any contingency will be addressed by the utilization of existing budgeted appropriations in Capital Improvement Program project #71157 (DoIT Equipment Lifecycle Replacement FY 2015 – 2019). It is anticipated that $218,730 of the costs will be spent during the current fiscal year. The remainder of the costs for software licensing and support at $53,928 annually will be spent over the next two fiscal years, FY 2020 and FY 2021. The ongoing costs will be addressed by the utilization of existing budgeted appropriations in the Department of Information Technology operating budget.

The following table presents a summary of the sources of funds that will be used over the three-year period:
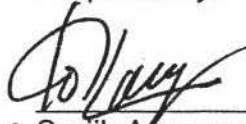
CIP # 71157-DoIT Equipment Lifecycle	$218,730
IT CS-Service Center	$107,856
Total Sources	**$326,586**

Respectfully submitted,

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Department of Information Technology

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Approved by:

STEVE MERMELL
City Manager

Attachments:
 A) Summary of Proposal Scoring
 B) Taxpayer Protection Amendment