

February 9, 2021

C-7

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute an agreement, and any necessary documents including necessary amendments, with Carahsoft Technology Corporation, of Reston, VA, for annual licensing and maintenance of the City's service management application, ServiceNow, in an annual amount of \$110,565, with a 20 percent contingency in the amount of \$22,113, for a total annual contract amount not to exceed \$132,678, for a period of three years, with the option to renew for two additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with Carahsoft Technology Corporation (Carahsoft), for annual licensing and maintenance of the City's service management application, ServiceNow.

On January 10, 2017, the City Council adopted Specifications RFP T116-112 and awarded a contract (Agreement No. 34520) to Carahsoft for one-time implementation and ongoing annual licensing and maintenance of ServiceNow, a technology service management application. The first year contract was in an amount not to exceed \$303,515, and subsequent years in an annual amount not to exceed \$68,040, with the option to renew for two additional one-year periods (Carahsoft agreement).

On June 11, 2019, the City Council authorized an amendment to the Carahsoft agreement to increase the annual amount from \$68,040 to \$110,565, with a 20 percent contingency in the amount of \$22,113, for a total annual contract amount not to exceed \$132,678. This increase allowed for the purchase of additional ServiceNow licenses to accommodate growth in system usage following go-live of the Tyler Munis Enterprise Resource Planning System (LB COAST) and the corresponding increase in technical and application support requests in ServiceNow workflow. All extensions to the Carahsoft agreement have been exhausted and the contract will terminate on February 28, 2021.

As the City's current technology service management application, ServiceNow allows City employees and elected officials to submit technology service and equipment requests to the Technology and Innovation (TI) Department, receive real-time request updates, and search knowledge bases to resolve issues quickly. ServiceNow is the backbone of TI operations as the system of record for service and equipment requests as well as a technology asset inventory system. Based on Carahsoft being the only provider for ServiceNow, TI seeks to enter into a new contract with Carahsoft for the continued licensing and maintenance of ServiceNow.

City Charter Section 1801 requires that contracts for City purchases be awarded to the lowest responsible bidder after a competitive bid process, but allows for awards without a competitive bid process, if accompanied by a Resolution adopted by the City Council. Carahsoft is the sole authorized vendor for ServiceNow contracts with public entities nationwide. Therefore, no useful purpose would be served by advertising for bids, and to do so would constitute an unnecessary use of staff time and expenditure of public funds.

This matter was reviewed by Deputy City Attorney Erin Weesner-McKinley on January 19, 2021, Business Services Bureau Manager Tara Yeats on January 15, 2021 and by Budget Management Officer Rhutu Amin Gharib on January 20, 2021.

TIMING CONSIDERATIONS

City Council action is requested on February 16, 2021, to ensure the City's annual licensing and maintenance for ServiceNow may be renewed prior to the expiration date of February 28, 2021.

FISCAL IMPACT

The total annual contract amount will not exceed \$132,678, which encompasses annual licensing and maintenance costs of \$110,565, and a 20 percent contingency in the amount of \$22,113. Sufficient funds are budgeted in the General Services Fund Group in the Technology and Innovation Department. Costs for annual licensing and maintenance of ServiceNow are recovered from client departments through the annual TI Memorandum of Understanding (MOU). This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


LEA D. ERIKSEN
DIRECTOR OF TECHNOLOGY AND INNOVATION

APPROVED:


THOMAS B. MODICA
CITY MANAGER

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT, AND ANY AMENDMENTS THERETO, WITH CARAHSOFT TECHNOLOGY CORP., WITHOUT ADVERTISING FOR BIDS, TO PROVIDE ANNUAL LICENSING AND MAINTENANCE OF THE CITY'S SERVICE MANAGEMENT APPLICATION, SERVICENOW, IN AN ANNUAL AMOUNT OF \$110,565 FOR A PERIOD OF THREE YEARS

WHEREAS, on January 10, 2017, City Council awarded a contract to Carahsoft Technology Corp. (Carahsoft Agreement) for a one-time implementation and ongoing annual licensing and maintenance of Service Now, a technology service management application; and

WHEREAS, on June 11, 2019, City Council authorized an increase of the annual contract amount for the purchase of additional ServiceNow licenses to accommodate growth in system usage following go-live of the Tyler Munis Enterprise Resource Planning System; and

WHEREAS, as the City's current technology service management application, ServiceNow allows City employees and elected officials to submit technology service and equipment requests to the Technology and Innovation Department (TI), receive real-time request updates, and search knowledge bases to resolve issues quickly; and

WHEREAS, ServiceNow is the backbone of TI operations as the system of record for service and equipment requests as well as technology asset inventory system; and

1 WHEREAS, all extensions to the Carahsoft Agreement have been
2 exhausted and the Agreement will terminate on March 30, 2021; and

3 WHEREAS, Carahsoft Technology Corporation is the sole authorized
4 vendor for ServiceNow contracts with public entities nationwide, as a result, no useful
5 purpose would be served by advertising for bids and to do so would constitute an idle and
6 useless act and an unnecessary expenditure of public funds;

7 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
8 follows:

9 Section 1. The above recitals are true and correct and are incorporated
10 herein.

11 Section 2. The City Manager is hereby authorized to enter a contract,
12 and any amendments thereto, with Carahsoft Technology Corp., to provide annual
13 licensing and maintenance of the City's service management application, ServiceNow, in
14 an annual amount of One Hundred Ten Thousand Five Hundred Sixty-Five Dollars
15 (\$110,565), with a twenty percent (20%) contingency of Twenty-Two Thousand One
16 Hundred Thirteen Dollars (\$22,113), for a total annual contract amount not to exceed
17 One Hundred Thirty-Two Thousand Six Hundred Seventy-Eight Dollars (\$132,678), for a
18 period of three (3) years, with the option to renew for two (2) additional one-year periods,
19 at the discretion of the City Manager.

20 Section 3. This resolution shall take effect immediately upon its adoption
21 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Lona Beach, CA 90802

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2021 by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

Recusal(s): Councilmembers: _____

City Clerk