



## Legislation Details (With Text)

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<b>Type:</b>	Contract	<b>Status:</b>		<b>CCIS</b>	
<b>File created:</b>	12/9/2016	<b>In control:</b>		<b>City Council</b>	
<b>On agenda:</b>	1/10/2017	<b>Final action:</b>		<b>1/10/2017</b>	
<b>Title:</b>	<p>Recommendation to adopt Specifications No. RFP TI 16-112 and award a contract to Carahsoft Technology Corporation, of Reston, VA, to provide, install, train, and support City staff in the use and implementation of a new Service Management application, in the amount of \$252,929, authorize a 20 percent contingency in the amount of \$50,586, for a total contract amount not to exceed \$303,515 for the first year; thereafter, in an annual amount not to exceed \$68,040, for ongoing licensing and maintenance fees, for year two, with the option to renew for two additional one-year periods, at the discretion of the City Manager; and</p> <p>Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$147,515 from funds available. (Citywide)</p>				
<b>Sponsors:</b>	Technology and Innovation				
<b>Indexes:</b>	Contracts				
<b>Code sections:</b>					
<b>Attachments:</b>	1. 011017-C-10sr.pdf				

Date	Ver.	Action By	Action	Result
1/10/2017	1	City Council	approve recommendation	Pass

Recommendation to adopt Specifications No. RFP TI 16-112 and award a contract to Carahsoft Technology Corporation, of Reston, VA, to provide, install, train, and support City staff in the use and implementation of a new Service Management application, in the amount of \$252,929, authorize a 20 percent contingency in the amount of \$50,586, for a total contract amount not to exceed \$303,515 for the first year; thereafter, in an annual amount not to exceed \$68,040, for ongoing licensing and maintenance fees, for year two, with the option to renew for two additional one-year periods, at the discretion of the City Manager; and

Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$147,515 from funds available. (Citywide)

City Council approval is requested to enter into a contract with Carahsoft Technology Corporation (Carahsoft Technology), to acquire the application, installation, training and maintenance services for the service management software solution.

Technology and Innovation (TI) and Financial Management (FM) currently utilize BMC's Remedy Action Request System Version 5.0 (Remedy) to track service requests and manage technology assets. Remedy Version 5.0 software has not been updated since its implementation by TI in 2004. Due to the age of the system, it does not meet the current and future needs of the City, requires staff to manage a number of manual processes, and is no longer supported by the vendor. The service management system is the backbone of TI's

operations as it tracks all incoming service requests, as well as facilitates timely resolution of requests to meet the City's increasing technology needs. In FY 2016, Remedy was used to manage over 28,000 Help Desk and technology service requests and tracked over 15,000 technology assets (monitors, printers, scanners, projectors, computers, etc.).

As TI continues to transition toward a customer-centric service model, it is imperative that the department has a service management system that can accomplish more than just managing service requests. Instead, TI is seeking a system that provides a robust customer experience where users can receive real-time service request updates, search knowledge bases to resolve issues quickly, and has self-service tools that will help automate time-consuming tasks such as submitting technology service requests and ordering new technology equipment.

Carahsoft Technology is a leader in providing software and support solutions to federal, state, and local agencies. The ServiceNow service management solution will allow the City to focus on daily activities, tasks and processes, including intake and resolution of service requests (i.e. Help Desk tickets, password resets, system access, monitor and computer requests, and other hardware and software issues). ServiceNow software provides a system framework that defines, structures, and automates work flows that will allow the migration of information from the City's current service management system to the new application.

The Request for Proposals (RFP) was advertised in the Long Beach Press-Telegram on March 4, 2016, and 5,437 potential proposers specializing in technology hardware/ software services were notified of the RFP opportunity. Of those proposers, 51 downloaded the RFP via the City's electronic bid system. The RFP document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at [www.longbeach.gov/purchasing](http://www.longbeach.gov/purchasing) <<http://www.longbeach.gov/purchasing>>. The RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 22 local, minority and women-owned business groups. Eight proposals were received on April 5, 2016. Of those eight proposers, two were certified Small Business Enterprises (SBEs), three were Minority-owned Business Enterprises (MBEs), four were Women-owned Business Enterprises (WBEs), and none were Long Beach businesses (Local). The selection committee determined that Carahsoft Technology Corporation, of Reston, VA (not an SBE, MBE, WBE, or Local), was the most qualified firm to provide the service desk application.

A selection committee, comprised of staff from the Technology and Innovation Department, reviewed the written proposals and evaluated each firm's proposal in accordance with the evaluation criteria, as stipulated in the RFP. After a rigorous evaluation process, the committee selected Carahsoft Technology Corporation based on their extensive knowledge in service management processes and the functionality of the ServiceNow application, the firm's implementation experience with public agencies and companies of varying sizes including the County of Sacramento, City of San Diego, City/County of Denver, comparable costs with other service providers, extensive market share in the Service Management field, and availability of 24/7 support.

As part of this action, TI would be acquiring the ServiceNow Service Management Suite that includes a number of different modules (incident, problem change, asset, etc.). Included at no additional cost are a suite of other features that are a part of the core ServiceNow Platform (reporting, surveys, mobile, collaboration tools, content management, etc.). Ongoing ServiceNow annual licensing fees will cost an additional \$7,000 as compared to Remedy, but TI will be receiving a host of new features that justify the increase in costs.

### **Local Business Outreach**

In an effort to align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the PlanetBids database to download RFP specifications. Through outreach, 535 Long Beach vendors were notified to submit proposals, of which three downloaded and none submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Amy R. Webber on December 12, 2016 and by Budget Analysis Officer Julissa Jose-Murray on December 19, 2016.

City Council action to adopt Specifications No. RFP TI 16-112 and award a contract concurrently is requested on January 10, 2017, to ensure the contract is in place expeditiously.

The first year cost will be \$252,929 plus a 20 percent contingency of \$50,586, for a total of \$303,515 to purchase the software license, project management and implementation of the application, and training. In years two through four, the annual cost is estimated at \$68,040 for ongoing licensing fees and vendor support. In total, the amount would not exceed \$507,635 over the four-year contract term.

The Technology and Innovation Department currently has the appropriation of \$156,000 in FY 17 for the ongoing costs of a service management application. The additional cost for the application is unbudgeted; therefore, an appropriations increase of \$147,515 in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) is requested. Costs for these services are recovered from client departments and are budgeted in the annual TI MOU. There is no local job impact associated with this recommendation.

Approve recommendation.

BRYAN M. SASTOKAS

DIRECTOR OF TECHNOLOGY AND INNOVATION

APPROVED:

PATRICK H. WEST  
CITY MANAGER