



Office of the City Manager

CONSENT CALENDAR  
January 24, 2017

To: Honorable Mayor and Members of the City Council

From: *DWR* Dee Williams-Ridley, City Manager

Submitted by: Savita Chaudhary, Director, Information Technology

Subject: Contracts: ServiceNow Corporation for Software Licensing and Alcor Solutions Inc. for Implementation of Information Technology (IT) Service Management and IT Asset Management Solution

RECOMMENDATION

Adopt two Resolutions:

1. Authorizing the City Manager to execute a contract with ServiceNow Corporation for Software Licensing for Information Technology Service Management Asset Management Solution, for a total not to exceed \$261,756 from February 14, 2017 to June 30, 2020
2. Authorizing the City Manager to execute a contract with Alcor Solutions Inc. for Implementation of Information Technology Service Management and Information Technology Asset Management Solution, for a total not to exceed \$491,894 from February 14, 2017 to June 30, 2020.

FISCAL IMPACTS OF RECOMMENDATION

One time funding of \$200,000 for this project is allocated in the FY 2017 Information Technology department budget account code 010-2701-410-3047 and 010-2701-410-3038 as defined below. The appropriation of the remaining contract amount of \$553,650 and on-going maintenance in future fiscal years FY2018/FY2019 is subject to council approval of the FY 2018 & FY 2019 Budgets and Annual Appropriation Ordinances.

\$87,252	Budget Code: 010-2701-410-3047 16IT27 Software Licensing: Information Technology Service Management, IT Asset Management Solution (\$87,252 annually)
\$112,748	Budget Code: 010-2701-410-3038 16IT27 Professional Services FY2017: Implementation Services for Systems Integration

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**\$200,000**      **FY 2017 Total License and Professional Services Fees**

\$87,252      Budget Code: 010-2701-410-3047 16IT27

	Software Licensing: Information Technology Service Management, IT Asset Management Solution
\$267,348	Budget Code: 010-2701-410-3038 16IT27 Professional Services FY2018: Implementation Services for Systems Integration
\$38,400	Budget Code: 010-2701-410-3038 16IT27 Professional Services FY2018: Systems Administrator Training and Post implementation Support
<b>\$393,000</b>	<b>FY 2018 Total License and Professional Services Fees</b>
\$87,252	Budget Code: 010-2701-410-3047 16IT27 Software Licensing: Information Technology Service Management, IT Asset Management Solution
\$73,398	Budget Code: 010-2701-410-3038 16IT27 Professional Services FY2019: Systems Integration Services, Training and Post implementation Support
<b>\$160,650</b>	<b>FY 2019 Total Licenses and Professional Service Fees</b>

The contract has been entered into the City's contract management system and assigned CMS No. TZV2W for ServiceNow and QW5Y7 for Alcor Solutions, Inc.

#### CURRENT SITUATION AND ITS EFFECTS

The purpose of an Information Technology Service Management and Asset Management project is to deploy a cloud based software solution ServiceNow that will help track IT projects and project resources using industry standard IT Governance practices. Currently there is no consistent and centralized method for prioritizing and scheduling Information Technology projects or assigning and scheduling project staff resources.

The new system will also replace a custom home-grown IT Help Desk Application called "DoIT" service request and incident management ticketing system that has its limitations. The new system will allow IT staff to track both service requests and projects on a "single pane of glass" thus saving time, adding transparency, and affording a consistent means to share status on service requests and projects. The new system will bring efficiencies by creating a centralized database of all IT Assets across the organization thus improving the asset maintenance and replacement lifecycle. The Help Desk is the 'face of IT' and is highly dependent on the incident and service request fulfillment processes. The new system will integrate with other software tools, automate workflows, online self-service management and provide a knowledge base for shared

knowledge across all IT divisions and in support of more online services being made available to City staff across all departments. The new system will help us improve project portfolio management, provide wide range of reports and dashboards to help make informed decisions for utilizing our resources effectively in alignment with Digital Strategic Plan and City's Strategic Goals to serve the City of Berkeley community.

### BACKGROUND

The Department of Information Technology (DoIT) has been using a custom home-grown software application to manage Help Desk Service Requests since 2001. The current system lacks the asset management and project management capabilities. The current system lacks the capabilities to track Service Level Agreements (SLA's) with other departments and vendors. The current system does not provide the integrated functionalities necessary to automate many of the manual processes necessary to support our operations.

In 2015 DoIT started looking at replacement solutions that would serve both the daily needs of a service management and asset management solution, as well as the longer term needs of managing IT projects and IT resources.

In September 2016, DoIT issued Request for Proposal (RFP) Specification No. 16-11072-C for an Information Technology Service Management and Asset Management solution and receive three qualified vendor responses.

In November 2016, the review committee selected the top two vendors to participate in two rounds of demos.

### RATIONALE FOR RECOMMENDATION

A review committee comprised of key staff members from all divisions of Department of IT (DoIT) evaluated each of the three RFP responses and determined that the ServiceNow Corporation's proposal best fits the City's business, technological, and fiscal requirements.

Initially three qualified bidders responded to the RFP and two were elevated to demonstrate their capabilities in onsite sessions with the IT Department and other CoB staff.

The onsite demos consisted of the vendor running through a script of IT Service Management, Asset Management tasks and activities. The functionality was observed, reviewed, and scored by key IT staff members. Each onsite demo included detailed question and answer segments where IT staff were able to ask specific questions of the vendor that relate to functionality, implementation, and support. The final selection was reached by reviewing the scoring matrix, assessing the vendor provided reference list, and through independent out-reach by IT staff to other adopters of the ServiceNow product. The review committee compiled all of this information in order to reach a decision that offers the best possible solution for the City of Berkeley.

Staff recommends ServiceNow Corporation to implement the IT Service Management, Asset Management and Project Portfolio Management modules of their cloud based software called ServiceNow. The implementation services for the system integration and user training will be provided by Alcor Solutions Inc. The new system meets all security compliance standards for HIPAA (Health Information), Payment Card Industry (PCI) and Department of Justice (DOJ) and is meets the federal standards for FEDRAMP Certification. The new system will help to manage resources and project tracking with advanced workflows, and reporting capabilities thus resulting in efficient and effective implementation of IT projects to serve the City of Berkeley Community.

#### ALTERNATIVE ACTIONS CONSIDERED

An alternative consideration was to upgrade the DoIT application, our current home grown IT ticketing system and expand its capabilities. Also, upgrading the home-grown DoIT system was thought to be cost prohibitive due to the significant staff time requirements to develop, troubleshoot as well as to provide maintenance and support of the application. The goal of the Digital Strategic plan is to eliminate custom built software where feasible and go with Commercial off the Shelf (COTS) solution to provide modern technological solutions to serve the City of Berkeley community.

#### ENVIRONMENTAL SUSTAINABILITY

ServiceNow Corporation and Alcor Solutions Inc. will conduct some of their work remotely, and when they do come on-site for face to face meetings, they will be working exclusively over multiple days with the IT Department to minimize both travel costs and greenhouse gas emissions related to travel. Migrating the system from on-premise to cloud based will also reduce the server and storage computing needs as well as ongoing maintenance needed to maintain the equipment. In addition, although not directly related to the deployment of the IT Service Management and Asset Management project, the results of the project will enable the IT Department to input, track, and complete requests for services via web-based tools for CoB staff, which will reduce travel associated with on-site visits to City offices.

#### CONTACT PERSON

Savita Chaudhary, Director, Information Technology, 510-981-6541

#### Attachments:

- 1: Resolution - ServiceNow Corporation
- 2: Resolution - Alcor Solutions Inc.

RESOLUTION NO. ##,###-N.S.

CONTRACT: SERVICENOW CORPORATION FOR SOFTWARE LICENSING FOR INFORMATION TECHNOLOGY SERVICE MANAGEMENT AND INFORMATION TECHNOLOGY ASSET MANAGEMENT SOLUTION

WHEREAS, on September 23, 2016, the City issued a Request for Proposals (RFP) for an Information Technology Service Management and Information Technology Asset Management (Specification No.16-11072-C) and received three qualifying vendor responses; and

WHEREAS, the RFP review committee evaluated each proposal and determined that the ServiceNow Corporation's proposal best met the City's operational, technological, and fiscal requirements; and

WHEREAS, funds have been allocated in budget code 010-2701-410-3047 16IT27 for FY17 and On-going software maintenance funding in future fiscal years is subject to council approval of the proposed city-wide budget and annual appropriation ordinances; CMS No. TZV2W.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute a contract and any amendments with ServiceNow Corporation for Software Licensing for Information Technology Service Management Asset Management Solution, for a total not to exceed \$261,756 from February 14, 2017 to June 30, 2020.

RESOLUTION NO. ##,###-N.S.

CONTRACT: ALCOR SOLUTIONS INC. FOR IMPLEMENTATION OF INFORMATION TECHNOLOGY SERVICE MANAGEMENT AND INFORMATION TECHNOLOGY ASSET MANAGEMENT SOLUTION

WHEREAS, on September 23, 2016, the City issued a Request for Proposals (RFP) for an Information Technology Service Management and Information Technology Asset Management (Specification No.16-11072-C) and received three qualifying vendor responses; and

WHEREAS, the RFP review committee evaluated each proposal and determined that the ServiceNow Corporation's proposal with Alcor Solutions Inc. as proposed Systems Integrator best met the City's operational, technological, and fiscal requirements; and

WHEREAS, funds have been allocated in budget code 010-2701-410-3038 16IT27 for FY17 and On-going software maintenance funding in future fiscal years is subject to council approval of the proposed city-wide budget and annual appropriation ordinances; CMS No. QW5Y7.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute a contract and any amendments with Alcor Solutions Inc. for Implementation of Information Technology Service Management and Information Technology Asset Management Solution, for a total not to exceed \$491,894 from February 14, 2017 to June 30, 2020.