



# County of Monterey

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

## Board Report

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**File #: 13-1313, Version: 1**

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- a. Approve and authorize the Contracts/Purchasing Officer to execute on behalf of County of Monterey a Master Ordering Agreement with ServiceNow, Inc. in the amount of \$566,382 for the period of December 17, 2013 through December 16, 2016 for the provision of software subscription, software maintenance/support, and implementation services;
- b. Approve and authorize the use of the Information Technology Designation account in the amount of \$290,381 for Fiscal Year 2013-14 ;
- c. Authorize the Auditor Controller to increase appropriations in the amount of \$290,381 for Fiscal Year 2013-14; and
- d. Authorize the Contracts/Purchasing Officer to sign future renewals to the Service Agreement under the same or similar terms as recommended by the Director of Information Technology.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts/Purchasing Officer to execute on behalf of County of Monterey a Master Ordering Agreement with ServiceNow, Inc. in the amount of \$566,382 for the period of December 17, 2013 through December 16, 2016 for the provision of software subscription, software maintenance/support, and implementation services;
- b. Approve and authorize the use of the Information Technology Designation account in the amount of \$290,381 for Fiscal Year 2013-14 ;
- c. Authorize the Auditor Controller to increase appropriations in the amount of \$290,381 for Fiscal Year 2013-14; and
- d. Authorize the Contracts/Purchasing Officer to sign future renewals to the Service Agreement under the same or similar terms as recommended by the Director of Information Technology.

### SUMMARY/DISCUSSION:

The Information Technology Department (ITD) has identified the need for an enterprise software tool that will meet the necessary requirements for ITD to successfully transition to an ISF. An ISF has been determined to be the appropriate structure for ITD to function as a service department.

To assess ITD's effectiveness as an ISF, a consultant was hired to guide the evaluation process of County's information system needs, processes, structures and capabilities. This process included obtaining all stakeholders' feedback on services rendered or required, and acquiring subscriptions for access to information technology industry standards. During this evaluation process, thirty-five members representing fifteen departments within the County were involved in providing input. The evaluation led to the development of Request for Proposal (RFP) No. 10441 which was released on September 18, 2013.

Of the three responses received, two vendors were chosen to proceed to the Proof of Concept phase of the RFP. The two vendors set up a test instance for participants to test the features and functionality of their proposed applications. Upon completing the testing of the software applications, this recommendation was presented to the Budget Committee on November 27, 2013.

The reduction of data entry requirements into multiple applications for the tracking of service orders, time entry for individual service orders, inventory management, and reporting requirements across multiple teams involving all Information Technology disciplines will promote cost effectiveness, efficiency, and increase accuracy. The provision of an asset and inventory tracking component will allow ITD to incorporate capital replacement in the forthcoming budget estimates. The reporting capability of this application across all ITD services, resources, and invoicing will ensure transparency in becoming an ISF. The approval of this action will provide a unified tool to streamline the processes necessary as a service department and reduce the applications that are necessary in tracking service requests, resources, inventory, and cost reporting. As a result of the RFP response and Proof of Concept evaluation by ITD and members of county departments, it is the recommendation of the Director of ITD to approve the Master Ordering Agreement with ServiceNow, Inc.

OTHER AGENCY INVOLVEMENT:

ITD was able to go back to the vendor and negotiate more favorable language for the County on several issues and as such County Counsel has reviewed the Master Ordering Agreement as to legal form and concurs. The Auditor-Controller's Office has been apprised of the steps taken to become an ISF, reviewed the RFP prior to release, and concurs with the recommendation. Risk Management cannot approve due to the non-standard liability and indemnification in the vendor developed Master Ordering Agreement. The Service Agreement is on file with the Clerk of the Board.

FINANCING:

The funds will be sourced through an Information Technology Department Designation Account stemming from FY 2011-12 surpluses in the amount of \$834,133. Of this \$834,133, the amount of \$250,000 was used to cover FY 2012-13 shortfalls in the Printing and Graphics Division of ITD. Of the remaining \$584,133, \$290,381 will be used for the initial year implementation. Subsequent software maintenance will be included in each respective Recommended Budget. The breakdown of the Designation Account is attached.

Prepared by: Sarah House, Management Analyst III, 755-5108

Approved by:

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Dianah Neff, Director of Information Technology

Dated: December 9, 2013

Attachments:

Master Ordering Agreement  
ServiceNow Order Form  
ServiceNow Scope of Work  
Exhibit A to Scope of Work  
ITSM ServiceNow Cost Overview  
ITD Designation Account Breakdown