



County of Monterey

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

Board Report

File #: A 18-239, **Version:** 1

- a. Approve and authorize the Contracts Purchasing Officer, or designee, to execute Amendment No. 2 to the Master Ordering Agreement between ServiceNow Incorporated and the County of Monterey to amend the remaining amount owing through the end of the contract term of December 20, 2019 from \$122,400 to \$196,353, in order to reflect credits ServiceNow granted to the County and to purchase 60 additional licenses; and
- b. Approve and authorize the Contracts Purchasing Officer, or designee, as recommended by the Director of Information Technology, to execute up to 3 additional amendments to the Agreement adding up to 90 additional ServiceNow licenses at a maximum additional cost of \$133,650 through the end of the Agreement term of December 20, 2019, subject to County Counsel approval and provided the terms of the Agreement are not significantly altered.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts Purchasing Officer, or designee, to execute Amendment No. 2 to the Master Ordering Agreement between ServiceNow Incorporated and the County of Monterey to amend the remaining amount owing through the end of the contract term of December 20, 2019 from \$122,400 to \$196,353, in order to reflect credits ServiceNow granted to the County and to purchase 60 additional licenses; and
- b. Approve and authorize the Contracts Purchasing Officer, or designee, as recommended by the Director of Information Technology, to execute up to 3 additional amendments to the Agreement adding up to 90 additional ServiceNow licenses at a maximum additional cost of \$133,650 through the end of the Agreement term of December 20, 2019, subject to County Counsel approval and provided the terms of the Agreement are not significantly altered.

SUMMARY:

The Board is asked to authorize amendment to the ServiceNow Incorporated (ServiceNow) Master Ordering Agreement to adjust the remainder of the contract price to (1) provide for the purchases of additional licenses and (2) reflect credits against the contract price provided to the County by ServiceNow. The Board is also asked to authorize the purchase of additional licenses through the end of the Agreement term in order to meet County departmental needs.

DISCUSSION:

ServiceNow has been a County vendor since December 2013, providing a cloud-based service management platform. This service management software allows for detailed documentation of services provided by ITD to County departments, optimizing ITD staff workloads, improving resource analysis and forecasting, providing a comprehensive view of county-wide projects, improving asset tracking, and streamlining Incident and Change Management.

On December 17, 2013, the Board of Supervisors approved a Master Ordering Agreement with ServiceNow for the provision of these software subscription, software maintenance/support, and implementation services. In doing so, the Board also authorized renewals to the Master Ordering Agreement, under the same or similar

terms as recommended by the Director of Information of Technology. ITD exercised that authority and extended the ServiceNow agreement through December 2019.

On March 17, 2017, the Board of Supervisors authorized amendment No., 1 to the Agreement to purchase the Domain Separation Plugin, adding \$37,855 to the original cost of \$566,382 for a new agreement cost of \$604,237. The Domain Separation Plugin allows several County departments to manage incidents, staff workload, projects and portfolios, assets and change management at the Department-level. Separate domains allow departments the ability to manage their own internal incidents, establish data segregation, and customize business process definitions and user interfaces for their own processes and reporting.

To accommodate increased Department usage of ServiceNow tools and to facilitate the deployment of the Domain Separation Plugin to County departments which have expressed interest in this functionality, the Information Technology Department (ITD) seeks to purchase sixty additional ServiceNow Licenses at a cost of \$86,162. They will be deployed to the Department of Social Services, Assessor- Recorder-County Clerk departments. The Sheriff's Office and Human Resources Department have expressed desire to utilize ServiceNow tools in the future.

ServiceNow has provided the County with \$12,209 in credits to account for functions and plugins which the County has not used or used very little.

As of the date of the Board's consideration of proposed amendment No. 2, approximately \$122,400 remain in the ServiceNow Agreement through the end of the current term of December 20, 2019. The proposed amendment seeks to change this amount to reflect the \$86,162 cost of the purchase of 60 additional licenses, as explained above, and to reflect the \$12,209 in credits against the contract price that ServiceNow has provided to the County.

The Board is also asked to authorize the purchase of additional ServiceNow licenses, including the Domain Separation Plugin, by amendment of the ServiceNow Agreement through the end of its current term of December 20, 2019. This would enable ITD to provide this useful software to the County departments as they request it. The requested authority would be for the purchase of a maximum of 90 additional licenses in an amount not exceeding \$133,650; amendments to purchase these licenses would be subject to prior County Counsel review and would not significantly alter the other terms of the Agreement.

OTHER AGENCY INVOLVEMENT:

County Counsel reviewed Amendment Number 2 as to form.

FINANCING:

Funds for the proposed agreement in the amount of \$196,353 have been included in the FY 18-19 Recommended Budget for the Information Technology Department, ITD 1930, Budget Unit 8439, Appropriations Unit INF002. Future year expenditures will be included in ITD budget submission.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Board's approval of this agreement will enable the County to expand service management software to additional County departments.

☐ Economic Development
☒ Administration
☒ Health & Human Services

☐ Infrastructure
☒ Public Safety

Prepared by: Sandra Shaffer, Management Analyst III, 759-6957

Approved by:

Eric A. Chatham, Director of Information Technology, 759-6920

Attachments: Agreement with ServiceNow, Inc.; Amendment No 1 to Agreement with ServiceNow, Inc.;
Proposed Amendment No. 2 to Agreement with ServiceNow, Inc.

Attachments are on file with the Clerk to the Board