



Motion No. M2023-12

Contract Modification with Carahsoft Technology Corp. for the Information Technology Service Management Platform

Meeting:	Date:	Type of action:	Staff contact:
Rider Experience and Operations Committee	02/02/2023	Final action	Jason Weiss, Chief Information Officer Bill Robinett, Deputy Director IT Service Delivery

Proposed action

Authorizes the chief executive officer to execute a contract modification with Carahsoft Technology Corp, the authorized reseller for ServiceNow software, for the Information Technology Service Management Tool Platform project in the amount of \$986,000 for a new total authorized contract amount not to exceed \$3,666,721, plus applicable taxes.

Key features summary

- In 2018, through Motion No. M2018-88, the Committee authorized a five-year contract with two five-year options to extend. The contract provides Sound Transit with an IT Service Management (ITSM) Tool Platform to provide a single system of record for Information Technology (IT) service delivery and governance, including:
 - Service requests
 - Service delivery workflows and approvals
 - IT asset management
 - Incident management
 - Configuration management
 - Change management
 - Cohesive knowledge base and repository for other IT documentation
 - Reporting and analytics
 - Security Operations
 - Governance, Risk and Compliance
- Additional funds are required to maintain current levels of ServiceNow licenses for all previous modules as well additional staff growth projections. In addition, the use of the ServiceNow platform has expanded to other Sound Transit departments including Procurements and Contracts, Human Resources, Safety, Space Planning, Legal, and Operations Engineering and Technology. Additional department teams are also expected to begin utilization of the platform in 2023.
- ServiceNow updates their product SKUs periodically which includes updated and additional functionality. Updating to the latest SKUs for owned product modules insures our ServiceNow

platform stays updated and within maintenance agreements. These updated SKUs necessitate a cost increase in overall funding.

- The amount requested is sufficient to fund the initial five-year contract term. Committee approval will be requested for additional funding if staff decides to exercise the two five-year contract options.
- Applicable taxes for this modification are currently estimated to be \$101,065; applicable taxes for the total contract are estimated to be \$371,365.

Background

Prior to 2018, Sound Transit's Information Technology (IT) Department lacked a fully integrated platform and single system of record that supported industry best practices for IT service delivery, governance, risk, and compliance activities. The existing IT Service Management (ITSM) technology was an ad-hoc combination of several commercially available off-the-shelf software and customized applications. The absence of a single system of record that supported IT activities and allowed for proper tracking and reporting on the information generated out of these practices severely limited the accuracy and effectiveness of IT service delivery.

In July 2018, Sound Transit executed a Purchase Order contract with authorized ServiceNow reseller, Carahsoft Technology Corp. through Motion No. M2018-88. This procurement helped provide better reporting and auditing of IT service delivery performance. The tool also consolidated review of assets, helping IT make sound business decisions on investment priorities, cost and lifecycle optimization, and risk management.

In 2019-2020 the Sound Transit IT Department implemented the single system of record to support industry best practices for IT service delivery, governance, risk, and compliance activities.

In early 2020 the decision was made to expand the system to include the Information Technology Business Management (ITBM) module. While it was determined to be within the original scope of the contract, funding authorization by the Board was delayed until a more refined amount could be calculated pending the completion of all previously planned modules.

The single system was expanded in early 2020 to include the implementation of the ITBM module. The ITBM module was determined to be within the original scope of the contract.

Prior to the implementation of the ITBM module the IT Portfolio and Project Management activities were an ad-hoc, decentralized combination of various programs and platforms, such as Excel Sheets, P6 schedules, MS Project files, SharePoint lists, and PowerPoint Reports. This module enables:

- The centralization and standardization of managing project portfolios, project costs, resources, and the activities completed within those projects;
- Reporting and dashboards, enabling visibility into costs and resource availability, allocation and capacity; and
- Management of the entire project lifecycle from intake of project ideas/proposals through the processes of review and approval, into project definition.

Procurement information

Sound Transit advertised and awarded Request for Proposals No. RTA/RP 0245-17 in 2018. Sound Transit's evaluation team determined that the Carahsoft Technology Corp. proposal is the response that best met the evaluation criteria, offered the best value, and is in the best interest of Sound Transit.

This latest modification is due to growing demand for a higher volume of licenses than originally anticipated. This modification is within the scope of existing contract deliverables for license types and

associated modules. After review it's determined that the per unit pricing remains fair and reasonable for the additional licenses purchased under this contract.

Fiscal information

This action will amend the current contract by \$1,087,065 (including estimated sales tax) for a new total authorized contract amount not to exceed \$4,038,086 (including estimated sales tax) and will be funded from the services category within the Information Technology department's annual operating budget. The services category budget is \$16,942,612, of which a total of \$1,087,065 (including estimated sales tax) is estimated to be spent from this action in 2023 and is currently within the agency's budget authority. After approval of this action, the remaining annual budget will be used to fund other department expenditures anticipated in the 2023 annual budget.

Funding for the additional years of the contract will be included in future annual budget requests. This action does not affect the affordability of the long-range financial plan projection.

Information Technology
(in thousands)

Cost Category	2023 Annual Operating Budget ¹	YTD Actuals ²	This Action (Current Year Impact Only)	YTD Actuals Plus This Action (Current Year Only)	Remaining Annual Operating Budget
Salaries and Benefits	\$24,677	\$	\$	\$	\$24,677
Services	16,943	180	1,087	1,267	15,676
Materials and Supplies	804				804
Utilities	1,137				1,137
Miscellaneous	289				289
Leases and Rentals					
Total Annual Operating Budget	\$43,850	\$180	\$1,087	\$1,267	\$42,583

Contract Spending Plan	Spending to Date ³	Forecasted Spend for Remainder of 2023	Future Spending	Total
Carahsoft Tech	\$2,575	\$1,087	\$376	\$4,038

Contract Detail	Contract Value	Proposed Action	Board Approved
Carahsoft Tech	\$2,681	\$986	\$3,667
Contingency			
Estimated Taxes	270	101	\$371
Contract Amount - Total	\$2,951	\$1,087	\$4,038
Percent Contingency	0%	0%	0%

Notes:
¹2023 Annual Operating Budget is located on page 47 of the Proposed 2023 Budget book.
²No Actuals as of 01/10/23; includes impact of concurrent action presented
³Spending to Date as of 12/31/22.

Disadvantaged and small business participation

Sound Transit promotes and encourages small business participation, which also includes disadvantaged business enterprises (DBEs). Small business and DBE goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of small businesses/DBEs available to perform such subcontracting work.

Sound Transit determined that there were few small business and DBE subcontracting opportunities based upon the work described in this contract, so small business/DBE goals were not established.

Public involvement

Not applicable to this action.

Time constraints

A one-month delay would not significantly affect the delivery of services.

Prior Board/Committee actions

Motion No. M2021-35: Authorized the chief executive officer to perform a contract modification with ServiceNow and its authorized Carahsoft Technology Corp. for the Information Technology Service Management Tool Platform project in the amount of \$300,000 for a new total authorized contract amount of \$2,680,721 plus applicable taxes.

Motion No. M2018-88: Authorized the chief executive officer to execute a five year contract with two five-year options to extend with Carahsoft Technology Corp. to provide an Information Technology Service Management Tool Platform in the amount of \$2,380,721 plus applicable taxes.

Environmental review – KH 1/23/23

Legal review – DM 1/26/23



Motion No. M2023-12

A motion of the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a contract modification with Carahsoft Technology Corp, the authorized reseller for ServiceNow software, for the Information Technology Service Management Tool Platform project in the amount of \$986,000 for a new total authorized contract amount not to exceed \$3,666,721, plus applicable taxes.

Background

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In early 2020 the decision was made to expand the system to include the Information Technology Business Management (ITBM) module. While it was determined to be within the original scope of the contract, funding authorization by the Board was delayed until a more refined amount could be calculated pending the completion of all previously planned modules.

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Motion

It is hereby moved by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract modification with Carahsoft Technology Corp, the authorized reseller for ServiceNow software, for the Information Technology Service Management Tool Platform project in the amount of \$986,000 for a new total authorized contract amount not to exceed \$3,666,721, plus applicable taxes.

APPROVED by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on _____.

Kristina Walker
Rider Experience and Operations Chair

Attest:

Kathryn Flores
Board Administrator