

Motion No. M2023-61

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	08/03/2023	Final Action	Mary Cummings, Chief Administrative Officer Jason Weiss, Chief Information Officer Bill Robinett, Deputy Director IT Service Delivery

Proposed action

Authorizes the chief executive officer to exercise five one-year options to extend and modify the contract with Carahsoft Technology Corp, the authorized reseller for ServiceNow software for the Information Technology Service Management Tool Platform, in the amount of \$5,265,000, for a new total authorized contract amount not to exceed \$8,931,721, plus applicable taxes.

Key features summary

- In 2018, through Motion No. M2018-88, the Committee authorized a 15-year contract for ServiceNow software with funding for the first five years, plus unfunded options to extend covering the next ten years. The action incorrectly stated the options were two five-year options to extend, but the contract actually includes ten one-year options to extend.
- The initial five-year contract ends on October 2, 2023. The proposed action will authorize the execution of the first five of ten one-year options and add funds sufficient to cover the next five years, which will allow Sound Transit to continue utilizing ServiceNow software through October 2, 2028. Staff would return at a later date to seek authority to exercise the remaining five one-year options and request additional funding.
- The initial contract scope focused primarily on end-to-end IT Service Management (ITSM) workflow capabilities within the integrated ServiceNow platform for the Information Technology (IT) Department to efficiently manage service delivery, project delivery, and risk management.
- The contract also includes opportunities to extend business process automation to other business functions within the Agency, which have been implemented over time. Presently, the ServiceNow platform encompasses workflow functionality for multiple Agency departments, including Procurement & Contracts, Safety, Operations, Finance and Human Resources, enabling process automation and improved efficiencies beyond the core IT activities. As a result of the increased functionality and utilization, the annual rate for the option years has increased.
- The budget is aligned with current trends and has sufficient capacity to cover this additional option.
- Applicable taxes for this contract extension are currently estimated to be \$539,663.

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, through Motion No. M2018-88, Sound Transit executed a Purchase Order contract with authorized ServiceNow reseller, Carahsoft Technology Corp. This procurement helped to 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.

In 2023, through Motion No. M2023-12, a contract modification was approved that increased the not-to-exceed contract amount from \$2,680,721 to \$3,666,721. This modification was required to support Agency growth resulting in additional staff use of the software as well as the need to update the software to the latest supported version.

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 new 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 was 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 \$5,804,663 (including estimated sales tax amount) for a new total authorized contract amount not to exceed \$9,843,202 (including estimated sales tax amount). This action will be funded from the Information Technology Department's annual operating budget. Within the Services category, the IT CIO Office Software as a Service budget is \$16,942,612 of which \$700,000 (including sales tax amount) is estimated to be spent from this contract in the remainder of 2023 and is currently within the Agency's budget authority.

After approval of this action, sufficient budget remains to cover remaining annual expenditures. Funding for the additional years of the contract will be included in future annual budget requests and is affordable within the current financial plan projection.

Information Technology

(in thousands)

Budget Cost Category	2023 Annual Operating Budget ¹	YTD Actuals ²	Forecasted Contract Spend for Remainder of 2023	YTD Actuals Plus Action (Current Year Only)	Remaining Annual Operating Budget
Salaries and Benefits	\$24,611	\$9,898	\$	\$9,898	\$14,713
Services	16,943	6,246	700	6,946	9,997
Materials and Supplies	804	813		813	-9
Utilities	1,137	968		968	169
Insurance					
Taxes					
Purchased Transportation Services					
Miscellaneous	289	59		59	230
Leases and Rentals		14		14	-14
Total Annual Operating Budget	\$43,784	\$17,997	\$700	\$18,697	\$25,087
Services Category Detail					
IT CIO Office Software as a service	980	126	700	826	154

Contract Spending Plan	Contract Spend to Date ³	Forecasted Contract Spend for Remainder of 2023	Future Spending	Total
Carahsoft Technology Corporation	\$3,992	\$700	\$5,151	\$9,843
Contract Detail				
		Board Approved Contract Value	Proposed Action	Proposed Revised Board Approved Contract Value
Carahsoft Technology Corporation		\$3,667	\$5,265	\$8,932
Contingency				
Contract Total		\$3,667	\$5,265	\$8,932
Estimated Taxes		372	540	911
Total (with estimated taxes)		\$4,039	\$5,805	\$9,843
Percent Contingency		0%	0%	0%

Notes:

¹ 2023 Annual Operating Budget is located on page 47 of the Adopted 2023 Budget book.

² YTD Actuals as of June, 2023

³ Spending to Date as of June, 2023.

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 create a significant impact to the project schedule.

Prior Board/Committee actions

Motion No. M2023-12: 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 \$986,000 for a new total authorized contract amount of \$3,666,721 plus applicable taxes.

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 7/17/23

Legal review – DLM 7/24/23



Motion No. M2023-61

A motion of the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to exercise five one-year options to extend and modify the contract with Carahsoft Technology Corp, the authorized reseller for ServiceNow software for the Information Technology Service Management Tool Platform, in the amount of \$5,265,000, for a new total authorized contract amount not to exceed \$8,931,721, plus applicable taxes.

Background

In 2018, through Motion No. M2018-88, the Committee authorized a 15-year contract for ServiceNow software with funding for the first five years, plus unfunded options to extend covering the next ten years. The action incorrectly stated the options were two five-year options to extend, but the contract actually includes ten one-year options to extend.

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The initial contract scope focused primarily on end-to-end IT Service Management (ITSM) workflow capabilities within the integrated ServiceNow platform for the Information Technology (IT) Department to efficiently manage service delivery, project delivery, and risk management.

The contract also includes opportunities to extend business process automation to other business functions within the Agency, which have been implemented over time. Presently, the ServiceNow platform encompasses workflow functionality for multiple Agency departments, including Procurement & Contracts, Safety, Operations, Finance and Human Resources, enabling process automation and improved efficiencies beyond the core IT activities. As a result of the increased functionality and utilization, the annual rate for the option years has increased.

The budget is aligned with current trends and has sufficient capacity to cover this additional option. Applicable taxes for this contract extension are currently estimated to be \$539,663.

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.

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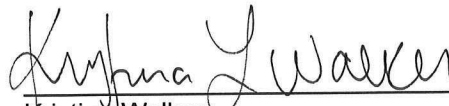
- The centralization and standardization of managing project portfolios, project costs, resources, and the activities completed within those projects;
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Motion


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 exercise five one-year options to extend and modify the contract with Carahsoft Technology Corp, the authorized reseller for ServiceNow software for the Information Technology Service Management Tool Platform, in the amount of \$5,265,000, for a new total authorized contract amount not to exceed \$8,931,721, 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 August 3, 2023.



Kristina Walker
Rider Experience and Operations Chair

Attest:



Adam Montee, on behalf of
Kathryn Flores
Board Administrator