City Council Report

Date: July 11, 2016

To: City Council

Through: Alex Deshuk, Chief Innovation Officer

From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
              Matt Bauer MBA, CPPO, CPPB, CPSM, Procurement Administrator

Subject: Purchase of a Replacement Vendor-Hosted Information Technology Services Management (ITSM) System for the Information Technology Department **(Citywide)**

Purpose and Recommendation

Council is requested to approve the purchase of a Vendor-Hosted Information Technology Services Management (ITSM) System. A committee representing Fire, Police, Communications, and the Information Technology Department (ITD) evaluated two viable systems and determined that the Cherwell software solution will be meet the overall needs of the City.

The Information Technology Department and Purchasing recommend authorizing the purchase using the State of Arizona cooperative contract with SHI International at $306,705.70 plus a project contingency at $43,294.30, for the first-year total of $350,000.00; and Years 2 through 5 at $36,000.00 annually, for on-going maintenance and support.

Background / Discussion

The primary goal of this initiative is to replace the current IT Service Management (ITSM) system. An ITSM system is used for help desk ticketing, IT asset tracking and configuration management, change management, and other supporting functions that enable the streamlined request fulfillment and management of IT services. The current system processes approximately 10,000 transactions (tickets) per year.

ITD is seeking to replace this obsolete system with a robust, resilient, and scalable vendor solution that uses current technology and leverages industry best practices for ITSM. The new solution will include a streamlined user portal for request fulfillment, incident management, asset management, change management, configuration management, and service level tracking. This user portal can provide "one stop shopping" for users across the City to request IT services.

The new ITSM will be configurable and scalable to accommodate any additional future citywide needs including the Communications, Fire & Medical, Police, and other City Departments.

Alternatives

Council may choose not to authorize purchase.

Fiscal Impact

The first-year purchase of $350,000.00 includes software licensing, professional services, maintenance and support, and years 2 through 5 includes on-going maintenance and support at $36,000.00 annually. This purchase is funded by the Information Technology Department operating budget.

Coordinated With

Information Technology, Fire & Medical, Police, Communications, and Purchasing

PURCHASING INFORMATION
Action: Term Contract Award
Procurement Type: Cooperative Contract Use
Contracting Agency: State of Arizona
Contracting Agency Contract Number: ADSPO11-007500
Mesa Contract Number: 2016285

AWARD RECOMMENDATION
SHI International
Somerset, NJ

Description
Quantity 40 - Cherwell Service Management (CSM) Concurrent User License at $3,070.00/each; Quantity 40 - Cherwell Service Management (CSM) Concurrent User License at $614.00/each; Quantity 5,000 - Express Software Manager – IUPC at $10.00/each; Quantity 5,000 - Software Manager Maintenance and Support at $2.00/each; Quantity 1 – Hosting Services Annual at $1,024.00; Quantity 1 – VPN Annual customer's back end services at $2,047.00; Quantity 1 - Cherwell Service Management Foundations class (plus ½ day Technician Training and ½ day Train-the-Trainer Training) at $14,323.00; and Quantity 38 - Cherwell delivered Professional Services at $1,637.00/each; per Quote #11704839 dated 6/9/2016; and Bomgar Software Licenses and Support at $6,104.00; per Quote #11687272 dated 6/7/2016

Base	$293,064.00
Estimated Applicable Tax	$13,641.70
Total	$306,705.70
Project Contingency (approximately 14%)	$43,294.30
Total Amount Requested (Year 1)	**$350,000.00**
On-going Maintenance and Support	
Annual Contract Amount (Years 2 through 5)	**$36,000.00**