

## **2.10 Actions Related to a Purchase Order with Carahsoft Technology Corporation for Salesforce, Inc. Customer Relationship Management Licenses.**

### **Recommendation:**

Adopt a resolution authorizing the City Manager or her designee to:

- (a) Negotiate and execute a Citywide purchase order with Carahsoft Technology Corporation for Salesforce, Inc. Customer Relationship Management licenses, and related services for a maximum compensation of \$1,535,659 for the initial term beginning on or about September 1, 2024, and ending August 31, 2025, or as otherwise adjusted to align with the software subscription term;
- (b) Negotiate and execute amendments as required for any unanticipated changes to the purchase order with Carahsoft Technology Corporation not to exceed a total amount of \$307,000, subject to the appropriation of funds; and
- (c) Exercise up to six additional one-year options to extend the term through August 31, 2031, or as may be adjusted to align with the software subscription term, subject to the appropriation of funds.

CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment. (Finance)



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Drew Corbett

**SUBJECT: SEE BELOW**

**DATE:** September 3, 2024

Approved

Date

9/5/24

**COUNCIL DISTRICT:** Citywide

**SUBJECT: Actions Related to a Purchase Order with Carahsoft Technology Corporation for Salesforce, Inc. Customer Relationship Management Licenses**

## **RECOMMENDATION**

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- b) Negotiate and execute amendments as required for any unanticipated changes to the purchase order with Carahsoft Technology Corporation not to exceed a total amount of \$307,000, subject to the appropriation of funds; and
- c) Exercise up to six additional one-year options to extend the term through August 31, 2031, or as may be adjusted to align with the software subscription term, subject to the appropriation of funds.

## **SUMMARY AND OUTCOME**

Authorizing the City Manager or her designee to take these actions provides the City with access to Salesforce, Inc. Customer Relationship Management licenses and related services.

## **BACKGROUND**

Currently, multiple departments and offices across the City use a variety of customer relationship management tools, including but not limited to, Salesforce licenses for their operations. Each of these tools were procured under different agreements. This sometimes creates challenges with regard to supporting the licenses and administering the agreements. In an effort to reduce the number of individual customer relationship management agreements in the City, increase interoperability across the tools and departments, and obtain better pricing through volume purchase, the City is seeking to consolidate all the various customer relationship management tools and licenses into one agreement with Carahsoft Technology Corporation for Salesforce, Inc. software tools to be managed by the Information Technology Department. This consolidation will also help staff better manage and support the City's Customer Service Visions and Standards initiative.

## **ANALYSIS**

In June 2024, the Finance Department released a Request for Bid on behalf of the Information Technology Department for Salesforce, Inc. Customer Relationship Management licenses through the City's e-procurement system, Biddingo. The Finance Department had previously determined that procurement of the Salesforce, Inc. licenses can proceed as a brand name procurement pursuant to Section 4.12.240 of the San José Municipal Code.

Over 6,000 vendors were notified of the bid opportunity by Biddingo through its daily bid notices, and 19 companies viewed the Request for Bid. One vendor, Carahsoft Technology Corporation submitted a bid response prior to the submittal deadline.

<b>Bidder</b>	<b>Bid Total</b>
Carahsoft Technology Corporation (Reston, VA)	\$1,535,658.59

Staff reviewed Carahsoft's response and verified that it met the City's specifications and requirements. In accordance with the San José Municipal Code, Section 4.12.320, a combined five percent of the total evaluation points were reserved for the local and small business preference. Carahsoft Technology Corporation did not request the local or small business preference. The City's Request for Bid process includes a 10-day protest period that began when the City issued the Notice of Intended Award on July 19, 2024. No protests were received. Staff recommends award to Carahsoft Technology Corporation as the sole responsive and responsible bidder.

**EVALUATION AND FOLLOW-UP**

This memorandum will not require any follow-up from staff.

**COST SUMMARY/IMPLICATIONS**

The cost of the Citywide purchase order during the initial one-year term is not to exceed \$1,535,659. Currently, a portion of the cost is being funded by the General Fund, Low- and Moderate-Income Housing Asset Fund, Sewer Service and Use Charge Fund, Rental Stabilization Program Fee Fund, Construction Excise Tax Fund, Integrated Waste Management Fund, and General Purpose Parking Fund. Additional purchases made through this Citywide purchase order will be funded by each individual department as required and based on their appropriations that are subject to the City's annual budgeting process.

**BUDGET REFERENCE**

The table below identifies those departments with funding for their licenses in their respective budgets. The remaining funding is available for additional licenses Citywide and subject to appropriation.

Fund #	Appn #	Appropriation Name	Total Appropriation	Amount for Recommendation	2024-2025 Proposed Operating/Capital Budget Page*	Last Budget Action (Date, Ord. No)
001	218T	Customer Service Vision and Standards	\$5,000,000	\$600,000	774	6/18/2024, 31102
001	0512	DOT Non-Personal/Equipment	\$25,832,486	\$143,700	726	6/18/2024, 31102
346	0562	Housing Non-Personal/Equipment	\$1,699,058	\$80,000	871	6/18/2024, 31102
541	0512	DOT Non-Personal/Equipment	\$15,206,308	\$56,886	907	6/18/2024, 31102
001	0492	Finance Non-Personal/Equipment	\$2,633,934	\$56,000	470	6/18/2024, 31102
450	0562	Housing Non-Personal/Equipment	\$553,515	\$15,000	897	6/18/2024, 31102
001	0642	PRNS Non-Personal/Equipment	\$50,835,255	\$10,532	600	6/18/2024, 31102
465	6123	Pavement Maintenance - City	\$1,129,000	\$7,932	578	6/18/2024, 31102

Fund #	Appn #	Appropriation Name	Total Appropriation	Amount for Recommendation	2024-2025 Proposed Operating/Capital Budget Page*	Last Budget Action (Date, Ord. No)
541	0572	PW Non-Personal/Equipment	\$303,460	\$3,352	907	6/18/2024, 31102
423	0762	ESD Non-Personal/Equipment	\$5,363,345	\$926	869	6/18/2024, 31102
533	0512	DOT Non-Personal/Equipment	\$7,593,653	\$232	859	6/18/2024, 31102

\* The 2024-2025 Adopted Operating and Capital Budget was approved on June 11, 2024, and adopted on June 18, 2024 by the City Council.

### **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office, City Manager's Budget Office, City Manager's Office, and the Information Technology Department.

### **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the September 17, 2024 City Council meeting.

### **COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

### **CEQA**

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

### **PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

HONORABLE MAYOR AND CITY COUNCIL

September 3, 2024

**Subject: Actions Related to a Purchase Order with Carahsoft Technology Corporation for Salesforce, Inc. Customer Relationship Management Licenses**

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/s/

DREW CORBETT

Acting Director of Finance

For procurement- and contract-related questions, please contact Albie Udom, Deputy Director of Finance – Purchasing and Risk Management, at [albie.udom@sanjoseca.gov](mailto:albie.udom@sanjoseca.gov). For program-related questions, please contact Khaled Tawfik, Director of Information Technology Department, at [khaled.tawfik@sanjoseca.gov](mailto:khaled.tawfik@sanjoseca.gov).