



# ADMINISTRATION COMMITTEE

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## Agenda Report

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**Agenda Date:** 11/10/2021

**Agenda Item No:** 9.

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**FROM:** James D. Herberg, General Manager  
Originator: Lorenzo Tyner, Assistant General Manager

**SUBJECT:**

**IMPLEMENTATION OF SERVICENOW IT SERVICE MANAGEMENT SOFTWARE**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Professional Services Agreement to Computer Aid, Inc. (CAI) to provide ServiceNow IT Service Management software and implementation services, Specification No. CS-2021-1244BD, for a total amount not to exceed \$474,505; and
- B. Approve a contingency of 47,451 (10%).

**BACKGROUND**

The current Information Technology Service Management system (ITSM), BMC Footprints, utilized by the Orange County Sanitation District (OC San) was implemented in 2013 and provides basic functionality including service requests, incident, change, release, and inventory management capabilities. The system was implemented by OC San's Information Technology (IT) division to track, manage, and deliver its portfolio of IT services.

The IT division processes on average over 800 requests a month utilizing this antiquated and often slow system. The ITSM system is the primary system used to track the division's day-to-day operations and ensure that all activities are conducted effectively and efficiently with available resources. Without an ITSM system the division would not be able to consistently provide the level of IT service required by OC San.

**RELEVANT STANDARDS**

- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard
- Protect OC San assets
- Ensure the public's money is wisely spent

**PROBLEM**

OC San's current ITSM solution is antiquated and requires substantial resources to support and maintain. The system is hosted on premises, which requires constant attention by IT staff to ensure it is operational and compliant with security standards. Additionally, the system lacks advanced capabilities that a mature IT organization requires such as intelligent automation, native mobile application, performance analytics, live dashboards, and user self-service. Further, the current system does not have the ability to natively interface with other critical applications and services in use by the OC San IT Service Desk. The lack of modern functions and inability to integrate with 3<sup>rd</sup> party services creates significant inefficiencies for staff and related business processes.

**PROPOSED SOLUTION**

To ensure that IT services are delivered effectively and efficiently, the IT division requests to purchase ServiceNow and related professional services to install and configure the system. ServiceNow, the leader in the ITSM industry, offers a cloud-hosted solution that provides a full suite of modern ITSM capabilities. ServiceNow's intuitive and easy-to-use interface creates strong synergies between information technology organizations and the customers they serve, enabling efficient and cost-effective service. Additionally, ServiceNow has an integration hub that allows for seamless integration with many of the systems that OC San already utilizes. This will enable OC San to realize the full value and potential of current IT investments. The result for OC San will be improved service delivery, increased efficiency, and an improvement to the end user experience for all staff.

**TIMING CONCERNS**

Proper tracking and management of IT services is imperative for the continued support of OC San business and plant operations.

**RAMIFICATIONS OF NOT TAKING ACTION**

The decision not to purchase the ServiceNow ITSM system and related professional services will result in continued administrative inefficiencies. This will negatively impact the IT's division ability to provide high quality service and prolong operational inefficiencies for staff members.

**PRIOR COMMITTEE/BOARD ACTIONS**

N/A

**ADDITIONAL INFORMATION**

A Request for Proposal was advertised on June 10, 2021. OC San received six responsive proposals valid for 180 calendar days from the opening. Proposals were received on July 16, 2021 from Computer Aid, Inc. (CAI); CDW Government, LLC; ClarusTec, Inc.; Enterprise Networking Solutions, Inc.; Red River Technology, LLC; and RSM US, LLP. A Staff Evaluation Committee consisting of four representatives from the IT division reviewed and ranked each of the proposals in accordance with the evaluation process set in the OC San Purchasing Ordinance. A representative from the Purchasing and Contracts Administration division participated in the evaluation process as a

non-voting member. The proposals were evaluated according to work plan; understanding and approach; related experience; and team and staff qualifications.

Individual scoring was the chosen method of evaluation for this procurement. Members of the team performed an independent review of the proposals and later met as a group with the Buyer to discuss their preliminary scores and discuss any questions/concerns they had. Proposals were evaluated based on the following criteria:

Criterion	Weight
Work Plan	25%
Qualifications & Experience of Firm	25%
Proposed Staffing & Project Organization	20%
Interview	10%
Cost	20%

The evaluation team first reviewed and scored the proposals based upon the criteria listed above, other than cost.

Rank	Proposer	Criterion 1 (Max 25%)	Criterion 2 (Max 25%)	Criterion 3 (Max 20%)	Subtotal Score (Max 70%)
1	Computer Aid, Inc. (CAI)	22%	23%	17%	62%
2	Red River Technology, LLC	18%	18%	14%	50%
3	Enterprise Networking Solutions, Inc.	18%	15%	12%	45%
4	RSM US, LLP	17%	15%	11%	43%
5	CDW Government, LLC	13%	17%	10%	40%
6	ClarusTec, Inc.	14%	11%	10%	35%

The two highest ranking firms, Computer Aid, Inc. (CAI) and Red River, Inc. were selected for interviews. The interviews were conducted on September 1, 2021. Following the interviews, the evaluation team ranked the firms based on both the proposals and interviews using the evaluation criteria and weighting listed above.

Rank	Proposer	Subtotal Score (Max 70%)	Presentation (Max 10%)	Total Score without cost (Max 80%)
1	Computer Aid, Inc. (CAI)	62%	9%	71%
2	Red River Technology, LLC	50%	8%	58%

All proposals were accompanied by a sealed cost proposal. Only the cost proposals for the two highest ranked firms were opened and negotiated.

Rank	Proposer	Subtotal Score without cost (Max 80%)	Cost (Max 20%)	Total Weighted Score (Max 100%)
1	Computer Aid, Inc. (CAI)	71%	20%	91%
2	Red River Technology, LLC	58%	16%	74%

Rank	Proposer	Original Cost	BAFO (if applicable)
1	Computer Aid, Inc. (CAI)	\$598,938	\$474,505.00
2	Red River Technology, LLC	\$618,430.15	\$596,495.23

References were contacted and verified for the two top-ranked firms. Based on their review of the proposals, references, interviews and cost proposals, the Evaluation Committee unanimously scored Computer Aid, Inc. (CAI) as the most qualified firm.

## CEQA

N/A

## FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted. (FY2020-21 & 2021-22 Budget, Section 8, Page 49, Information Technology Capital Program (M-MC-IT)).

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
11/17/2021	\$474,505	\$47,451

## ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:

- Draft Professional Consultant Services Agreement