



## Legislation Text

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File #: 2018-0571, Version: 1

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**DATE:** May 14, 2019

**SUBJECT:**

**RESOLUTION AUTHORIZING A SINGLE SOURCE PURCHASE ORDER IN ACCORDANCE WITH BOARD POLICY NO. 110 II.H WITH CARAHSOFT TECHNOLOGY CORP. FOR SALESFORCE ENTERPRISE APPLICATIONS PLATFORM LICENSING IN AN AMOUNT NOT TO EXCEED \$1,739,000, AND RESOLUTION AUTHORIZING AGREEMENT WITH DELOITTE CONSULTING, LLP IN AN AMOUNT NOT TO EXCEED \$1,500,000 FOR SALESFORCE IMPLEMENTATION SERVICES WITH A FIVE-YEAR TOTAL COST OF OWNERSHIP OF \$4,439,000. FUNDS REQUIRED FOR THIS PURCHASE ARE BUDGETED. FUTURE FISCAL YEARS WILL BE BUDGETED IN THE APPROPRIATE FISCAL YEAR, SUBJECT TO BOARD APPROVAL UPON THE ADOPTION OF EACH FISCAL YEAR'S BUDGET**

### **EXECUTIVE SUMMARY:**

Striving to support the District's vision of becoming a *21<sup>st</sup> Century Port*, the District's Information Technology Department engaged in a review of technology to address three current solution needs while simultaneously establishing a strategic software platform that can fulfill future needs. Three pressing needs that encompass District business centers and public engagement are:

1. Grants Management: comply with Federal grant requirements; resolve identified limitations to the District's grant-funded equipment tracking and project financial reporting.
2. Park Permits and Event Registration: modernize, streamline and improve access by the public.
3. Citizen Relationship Management (CRM): replace the existing end-of-life solution; enhance District business processes and provide easy access, integrated communication and consistent user experience for the public.

The District assessed various best-of-breed solutions, employed a Request for Proposals process, and assessed solutions in use by partner organizations. Staff learned of an implementation underway at the City of San Diego using a software applications platform, Salesforce.com, with implementation services delivered by leading integrator, Deloitte Consulting. Further review and engagement with City counterparts revealed that project was performing to existing District requirements under a competed services agreement.

Salesforce.com is a software application development and delivery platform that is fully hosted and secured in the Cloud. Salesforce was recommended as the application platform by the two preferred respondents to the District's CRM Request for Proposals prior to learning about the City's

implementation. Salesforce has the benefits of a proprietary platform, fully managed and meeting Federal security standards, while enjoying a vast developer community akin to an open source standard - a combination that has resulted in rapid and widespread adoption by government. Salesforce is recognized by the two top technology research firms, Gartner and Forrester, as a leader in the application platform industry. Multiple solutions, such as the three listed above - and replacing and improving outdated systems in the future, such as lease management - can be fulfilled on Salesforce's single application platform while reducing the need to install more hardware and maintain disparate software. For these reasons, staff requests waiving Board Policy No. 110 IID to acquire Salesforce.com.

Additionally, staff recommends leveraging a pre-competed agreement between the City of San Diego and Deloitte Consulting, LLP for Salesforce implementation services. Deloitte Consulting, LLP has demonstrated their ability to perform substantially similar work at the City and has delivered outcomes that meet District requirements.

As proposed, FY 2019 expenditures are estimated at \$490,000 while FY 2020 expenditures are estimated at \$1,605,000. This investment will deliver applications to service grants management, permitting, and customer relationship management, inclusive of solution licensing for use within the District and by the public. Continued annual licensing is expected to increase with expanded use to \$370,000 annually thereafter. Additional applications for District, public and tenant use may be developed beyond FY 2020, such as a Real Estate lease tracking and related services, public records request management, for example.

While funding was not planned for this purpose in FY 2019, progress on other technology capital projects was affected by circumstances throughout the year resulting in an availability of funds to proceed within the current budget.

### **RECOMMENDATION:**

Adopt a Resolution authorizing a single source Purchase Order in accordance with Board Policy No. 110 II.H with Carahsoft Technology Corp. for Salesforce enterprise applications platform licensing in an amount not exceed \$1,739,000, and Resolution authorizing Agreement with Deloitte Consulting, LLP in an amount not to exceed \$1,500,000 for Salesforce implementation services with a five-year total cost of ownership of \$4,439,000.

### **FISCAL IMPACT:**

FY 2019 expenditure of \$490,000 was not anticipated during the development of the FY 2019 budget; however, funds for this expenditure have been identified in the Technology Management Program's FY 2019 budget.

<b>Cash Requirement Forecast</b>	<b>FY 18/19</b>	<b>FY 19/20</b>	<b>FY 20/21</b>	<b>FY 21/22</b>	<b>FY 22/23</b>
Software as a Service	\$290,000	\$305,000	\$370,000	\$381,000	\$393,000
Services - Professional & Other	\$200,000	\$1,300,000	\$1,200,000		
Total by Fiscal Year	\$ 490,000	1,605,000	1,570,000	381,000	393,000
	<b>\$ 4,439,000</b>	<b>Total Cash Requirement</b>			

In addition to the scope of the proposed agreements, future services to configure additional capabilities on this solution platform are foreseeable but not yet fully defined (see Discussion). The proposed agreements and an estimate of future services in FY 20/21 comprise a \$4,439,000 Five Year Total Cost of Ownership estimate.

Funds required for future fiscal years will be budgeted for in the appropriate year and cost account subject to Board approval upon the adoption of each fiscal year's budget.

### **COMPASS STRATEGIC GOALS:**

This agenda item supports the following Strategic Goal(s).

- A Port that the public understands and trusts.
- A thriving and modern maritime seaport.
- A vibrant waterfront destination where residents and visitors converge.

### **DISCUSSION:**

The District relies on technology to improve internal business processes and enhance the public and customer experience. Staff proposes to implement a Salesforce platform to replace aging systems, fulfill additional system needs, and enhance the use of technology for interaction between the public and District.

In February 2017, the District issued Request for Proposal (RFP) No. 17-04 that sought firms to implement an applications platform that could be developed to replace the District's aging Citizen Relationship Management (CRM) system. Responses were reviewed and the two preferred proposals included Salesforce as the application platform. The RFP was suspended prior to award when the District learned that the City of San Diego had recently contracted with Deloitte Consulting, LLP to implement the Salesforce enterprise solutions platform for a similar purpose. Staff assessed the work and results with City counterparts and engaged with Deloitte directly to assess the ability to perform to District requirements.

Salesforce.com is a software application development and delivery platform that is fully hosted and secured in the Cloud. Salesforce was recommended as the application platform by the two preferred respondents to the District's CRM Request for Proposals prior to finding the City's implementation. Salesforce has the benefits of a proprietary platform, fully managed and meeting Federal security standards, while enjoying a vast developer community akin to an open source standard - a combination that has resulted in rapid and widespread adoption by government. Salesforce is recognized by the two top technology research firms, Gartner and Forrester, as a leader in the application platform industry. Multiple solutions, such as the three listed above - and replacing and improving outdated systems in the future, such as lease management, can be fulfilled on Salesforce's single application platform while reducing the need to install more hardware and maintain disparate software. For these reasons, staff requests waiving Board Policy No. 110 IID to acquire Salesforce.com.

In addition to implementing a new CRM system, Salesforce was found to provide configurable modules that fulfill other District priorities for technology enhancement. In addition to CRM, Park

Permitting and Event Reservation and Grants Management were assessed and identified as opportunities for immediate action for the following reasons:

1. Grants Management: comply with federal grant requirements; resolve identified limitations to the District's tracking of grant-funded equipment and project financial reporting. Achieving this within the District's current technology landscape was estimated to cost nearly \$1,000,000 as a single solution.
2. Park Permits and Event Reservations: modernize, streamline and improve access by the public while establishing a District workflow that is efficient. The current business process requires manual inputs into multiple systems. Public interaction with information and venue availability is limited. The proposed Salesforce solution will provide a public portal for timely and accurate information and efficient internal process for issuing and managing permits and reservations.
3. Citizen Relationship Management: replace the existing end-of-life solution; enhance District business processes and provide easy access, integrated communication and consistent user experience for the public. The current CRM is 15 years old and is no longer supported as a solution; disproportionate staff time is dedicated to keep this database in production. Due to its age, data from other District systems cannot be integrated into it.

The Salesforce platform can be leveraged to enhance other business processes, such as public records request management and Real Estate lease tracking and related services, and further assessment and consideration will determine which capabilities and in what order future enhancements and configuration may occur. The five-year total cost of ownership includes funds for future development. Further assessment and consideration of the potential utility of the Salesforce platform to the District and our stakeholders will be undertaken.

The Salesforce platform provides value to the District enterprise in the following ways:

- Transform and modernize the way customers experience District services
- Enhance and speed up communication and service delivery
- Introduce a unified business process platform that increases accountability
- Provide customer access to current status, results and relevant data
- Foster collaboration between customers and various District departments
- Identify opportunities for improvement of District services
- Streamline processes creating efficient customer case management
- Eliminate disparate system interfaces for support
- Create unified customer data back-up system
- Enables District staff to manage service requests in an efficient manner
- Allows for port-wide implementation of policy
- Enhance service management through data-driven awareness and reporting

Additionally, staff recommends leveraging a competitively awarded agreement between the City of San Diego and Deloitte Consulting, LLP for Salesforce implementation services. Deloitte Consulting, LLP has demonstrated their ability to perform substantially similar work at the City and has delivered

outcomes that meet District requirements.

Staff recommends the Board adopt a Resolution authorizing a single source purchase order in accordance with Board Policy No. 110 II.H with Carahsoft Technology Corporation for Salesforce enterprise platform licensing in an amount not exceed \$1,739,000 and Resolution authorizing Agreement with Deloitte Consulting, LLP in an amount not to exceed \$1,500,000 for Salesforce implementation services with a five-year total cost of ownership of \$4,439,000.

### **General Counsel's Comments:**

The Office of the General Counsel has reviewed and approved this agenda and the proposed agreement as to form and legality.

### **Environmental Review:**

The proposed Board direction or action, including without limitation, resolutions authorizing agreements for an enterprise solutions platform and implementation services does not constitute a "project" under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because it will not have a potential to result in a direct or indirect physical change in the environment and is, therefore, not subject to CEQA. No further action under CEQA is required.

In addition, the proposed Board direction or action complies with sections 21, 35, and 81 of the Port Act, which allow for the Board to pass resolutions, to do all acts necessary and convenient for the exercise of its powers, and to use District funds for expenses of conducting the District. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

The proposed Board direction or action does not allow for "development," as defined in Section 30106 of the California Coastal Act, or "new development," pursuant to Section 1.a. of the District's Coastal Development Permit Regulations. Therefore, issuance of a Coastal Development Permit or exclusion is not required.

### **Equal Opportunity Program:**

Not applicable.

### **PREPARED BY:**

Keith Coffey  
Chief Technology Officer  
Information Technology

Attachment(s):

Attachment A: Single Source Justification Memo

Attachment B: Agreement between the District and Deloitte Consulting LLP.