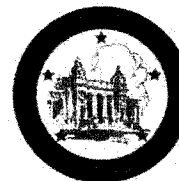


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM
3.20
(ID # 6267)

MEETING DATE:

Tuesday, February 6, 2018

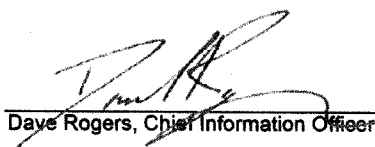
FROM : RIVERSIDE COUNTY INFORMATION TECHNOLOGY AND Human Resources :

SUBJECT: RIVERSIDE COUNTY INFORMATION TECHNOLOGY (RCIT) and HUMAN RESOURCES (HR): Approve Amendment 1 to the Master Ordering Agreement and Order Form No. ORD0622349-1 with ServiceNow for additional required modules [Districts: All]; [Total cost: Up to \$2,021,869 through March 30, 2023], 100% HR Workday System Fund.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Amendment 1 to the Master Ordering Agreement (Amendment) and Order Form No. ORD0622349-1 (Order Form) with ServiceNow, Inc. for expanding the County's licensing to support HR Case Management requirements of the HR Transformation, in an amount up to \$2,021,869 through March 30, 2023 and authorize the Chairman of the Board to execute the Amendment No. 1 and Order Form on behalf of the County; and;
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459; as approved by County Counsel to sign amendments to the agreement: 1) that do not change the substantive terms of the agreement.

ACTION: Policy


Dave Rogers, Chief Information Officer

1/23/2018


Michael Stock, Assistant CEO, Director of Human Resources

1/31/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: February 6, 2018
xc: RCIT, HR, Purchasing

Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$431,182	\$397,512	\$2,021,869	\$397,512
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: HR Workday System Fund			Budget Adjustment:	No
			For Fiscal Year:	17/18- 22/23

C.E.O. RECOMMENDATION: [CEO use]

BACKGROUND:

Summary

As part of the Human Resources transformation initiative, the HR Department is transforming its service delivery model based on recommendations from KPMG. In addition to the implementation of Workday as the County's new HRMS, a call center utilizing a case management system is required to operate the services center concept of the new design. The HR Department and KPMG reviewed case management systems and found that the existing vendor for IT, ServiceNow, also offers an HR-specific case management product. The ServiceNow HR product offers pre-built service workflows for typical Human Resources services (benefits, employee relations, terminations, etc.) which would shorten the implementation project timeline needed to bring up the HR case management system and support the transformation of HR service.

This request is for the ServiceNow subscription service Licenses only as described in the Order Form. KPMG will provide the implementation services for the additional module as part of their existing contract. KPMG will be utilizing the HR transformation component of the existing contract to provide HR functional, change/training and Workday integration support and will be utilizing the ServiceNow stabilization support component of the existing contract to provide ServiceNow technical support.

RCIT will be responsible for on-going support for the system and will require two additional support staff funded by HR. This staff will be dedicated to helping support the technologies driving the HR Transformation.

The Amendment No. 1 to the Master Ordering Agreement and Order Form No. ORD0622349-1 have been approved as to form by County Counsel.

Impact on Residents and Businesses

There is no negative impact on citizens and businesses.

Additional Fiscal Information

Description:	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 22/23	Total

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

Ongoing Costs:						
Annual Subscription	\$431,821	\$397,512	\$397,512	\$397,512	\$397,512	\$2,021,869


Contract History and Price Reasonableness

On March 29, 2016 M.O. 3-27, the Board approved the agreement with ServiceNow to provide technology management services, including: help desk, incident management, process control, asset management and analytics. Together, these functions are referred to as information technology service management (ITSM).

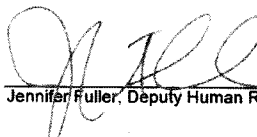
ServiceNow has agreed to provide county with the discounted rate of 81%. Also, ServiceNow are willing to hold pricing for the annual subscription through March 30, 2023 without any cost uplift.

ATTACHMENTS:

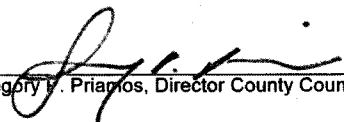
1. Amendment No. 1 to the Master Ordering Agreement with ServiceNow, Inc.
2. Exhibit D - ServiceNow Order Form #ORD062349-1.
3. M.O. 3-27 approved March 29, 2016.
4. Executed Master Ordering Agreement with ServiceNow, Inc. dated March 29, 2016.




 Teresa Summers, Director of Purchasing 1/31/2018



 Jennifer Fuller, Deputy Human Resources Director 1/23/2018



 Gregory V. Priamos, Director County Counsel 1/31/2018



 Dave Rogers, Chief Information Officer 1/23/2018



DAVE ROGERS
Chief Information Officer
JIM SMITH
Chief Technology Officer

MEMORANDUM

LOUIS RAJA ARUL DOSS, ACIO
Enterprise Applications Bureau
PATRICK ELLIANO, ACIO
Converged Communications Bureau
GIL MEJIA, ACIO
Technology Services Bureau

To: Board of Supervisors/Purchasing Agent

Date: January 29, 2018

Via: RCIT, Procurement Contract Specialist

From: Dave Rogers, Chief Information Officer

Subject: Sole Source Procurement for ServiceNow HR Module

The below information is provided in support of my Department requesting approval for a sole source.

1. **Supplier being requested:** ServiceNow Inc.
2. **Vendor ID:** 0000125689
3. **Supply/Service being requested:**
ServiceNow subscription for Human Resource Service Delivery Professional module.
4. **Alternative suppliers that can or might be able to provide supply/service and extent of market research conducted:**
ServiceNow is the current platform used by the county as an Information Technology Management System (ITSM). This request is in addition to the existing county ITSM platform.
5. **Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:**
RCIT selected ServiceNow as the platform based on business requirements and impact on business processes. After detailed research with other customers and checking with Gartner, we were able to achieve a 50% discount for the primary subscription licenses. This conforms to our research and indicates that ServiceNow is providing the appropriate discounts for our volume.
6. **Reasons why my department requires these unique features and what benefit will accrue to the county:**
RCIT requires the unique features of ServiceNow to meet the goals and business processes for Human Resource to provide services to applicants and integrate with Workday platform.
7. **Period of Performance: From February 28, 2018 to March 31, 2023 (total number of years)**
Is this an annually renewable contract? No Yes
Is this a fixed-term agreement: No Yes

8. Identify all costs for this requested purchase. If approval is for multiple years, ongoing costs must be identified below. If annual increases apply to ongoing costs such as CPI or other contract increases, provide the estimated annual cost for each consecutive year. If the annual increase may exceed the Purchasing Agent's authority, Board approval must be obtained. (Note: ongoing costs may include but are not limited to subscriptions, licenses, maintenance, support, etc.)

Description:	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 20/21	Total
One-time Costs:						
N/A	\$0	\$0	\$0	\$0	\$0	\$0
Ongoing Costs:						
Annual Subscription	\$431,821	\$397,512	\$397,512	\$397,512	\$397,512	\$2,021,869
Total Costs	\$431,821	\$397,512	\$397,512	\$397,512	\$397,512	\$2,021,869

9. Price Reasonableness:

ServiceNow is offering the County of Riverside a 50% discount as agreed to in the original agreement executed on March 29, 2016 Minute Order 3-27.

10. Does moving forward on this product or service further obligate the county to future similar contractual arrangements or any ongoing costs affiliated with this sole source? (Maintenance, support, or upgrades, if so, please explain)?

No. Maintenance, support, and upgrades are included in the annual subscription.

11. Projected Board of Supervisor Date (if applicable):

February 6, 2018


Dave Rogers, Chief Information Officer

1-30-18
Date

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove

Not to exceed: \$ 2,021,869

One time

Amount through 31 March 2023

Purchasing Agent

Date

Approval Number

(Reference of Purchasing Documents)

List Attachments:

COUNTY OF RIVERSIDE
AMENDMENT NO. 1 TO THE AGREEMENT
WITH
ServiceNow, Inc.

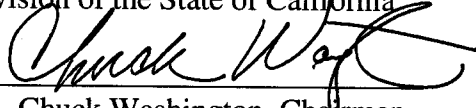
Original Contract Term:	3/18/2016 through 3/18/2020
Original Contract ID:	CON0090302
Effective Date of Amendment:	2/06/2018
Original Annual Maximum Contract Amount:	\$ 420,732
Amended Annual Maximum Contract Amount:	\$ 818,244 through 3/18/2019. After 3/18/2019 through 3/18/2023 Annual amount is \$397,512.00

The Master Ordering Agreement between County of Riverside (COUNTY) and ServiceNow Inc. (CONTRACTOR), entered into as of March 18, 2016 is amended as follows:

1. Section 1A "EXHIBITS", subsection 1A.1 "EXHIBITS LIST": Order Form ORD0622349-1 is hereby added, attached hereto as Exhibit D, and by this reference incorporated herein.
2. All other terms and conditions of the Agreement not modified herein shall remain unchanged.


IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Amendment.

COUNTY OF RIVERSIDE, a political subdivision of the State of California

By: 
Chuck Washington, Chairman
Board of Supervisors

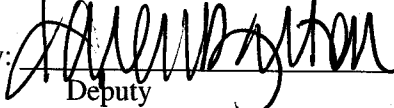
Dated: FEB 06 2018

ServiceNow, Inc., a Delaware corporation

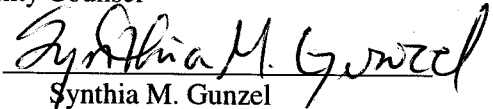
By: 
Name: PAUL CURTIS
Title: SNR DIR ORDER TO CASH

Dated: 29 JAN 2018

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

By: 
Cynthia M. Gunzel
Chief Deputy County Counsel

FEB 06 2018 3.20

COUNTY OF RIVERSIDE
AMENDMENT NO. 1 TO THE AGREEMENT
WITH
ServiceNow, Inc.

EXHIBIT D

ATTACHED ORDER FORM # ORD0622349-1

EXHIBIT D Order Form



ServiceNow, Inc.
2225 Lawson Lane
Santa Clara, CA 95054

Order Number
ORD0622349-1

Pricing Expiration: 27 Feb 2018

SNC Account Exec	Chris Garn
Phone	+16692622051
E-mail	chris.garn@servicenow.com

Customer Invoice Address	Customer Ship To Address
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Company Name County of Riverside Address 3450 14th St Suite City Riverside State/Province CA - California Zip/Postal Code 92501-3862 Country United States Website http://www.countyofriverside.us/ AP Contact Name Title Phone E-mail Account # ACCT0039440	Company Name County of Riverside Address 3450 14th St Suite City Riverside State/Province CA - California Zip/Postal Code 92501-3862 Country United States Website http://www.countyofriverside.us/ Business Contact Title Phone E-mail
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Reference Contract #(s) CON0090302	PO #
	Tax exempt? No
	Payment Terms Net due in 30 days
Currency USD	

Product Code	Subscription Product Name	Type	Units	Term (mos)	Term Start Date	Term End Date	Net Price (Monthly)	Net Price (Annual)	Net Price (Total)
PROD03368	ServiceNow® HR Service Delivery Professional	HR User	22084	61 Months, 1 Days	28 Feb 2018	31 Mar 2023	\$ 1.50	\$ 397,512.00	\$ 2,021,869.07

Subscription Product SubTotal \$ 397,512.00 \$ 2,021,869.07

Education, Knowledge and Professional Services Subtotal \$ 0.00
Pre-tax Total \$ 2,021,869.07
Estimated Taxes \$0.00
Estimated Grand Total \$ 2,021,869.07

Invoice Schedule	Invoice Date	Amount	Est Taxes	Grand Total
1 Month, 1 Day Subscription Fee	Upon Signature	\$ 34,309.07	\$0.00	\$ 34,309.07
Annual Subscription Fee	Upon Signature	\$ 397,512.00	\$0.00	\$ 397,512.00
Annual Subscription Fee	March 01, 2019	\$ 397,512.00	\$0.00	\$ 397,512.00

Invoice Schedule	Invoice Date	Amount	Est Taxes	Grand Total
Annual Subscription Fee	March 01, 2020	\$ 397,512.00	\$0.00	\$ 397,512.00
Annual Subscription Fee	March 01, 2021	\$ 397,512.00	\$0.00	\$ 397,512.00
Annual Subscription Fee	March 01, 2022	\$ 397,512.00	\$0.00	\$ 397,512.00
		\$ 2,021,869.07	\$0.00	\$ 2,021,869.07

Hosting Details	
ServiceNow # of Instances:	N/A
Instance Names:	N/A
Customer ServiceNow Admin:	
Email:	
Data Center Region:	United States

Terms and Conditions

ENTIRE AGREEMENT. This order is on terms contained in Customer's last Order Form as supplemented by this Order Form and the service descriptions for the purchased packaged professional services ("Service Description"). If not attached to this Order Form, the Service Description is as set forth on www.servicenow.com/schedules.html and is INCORPORATED HEREIN BY THIS REFERENCE. Customer shall limit the types and number of ServiceNow applications, users and their permitted roles, and other use restrictions to those specified in this Order Form.

Payment Terms

If Customer issues a purchase order, any additional or conflicting terms appearing in a purchase order shall not amend the Order Form or the Agreement. Upon request, ServiceNow shall reference the purchase order number on its invoices (solely for administrative convenience) so long as Customer provides the purchase order at least fifteen (15) business days prior to the date of the invoice.

Please submit a PO for the amount set forth above to accountsreceivable@servicenow.com or fax to 877-824-0673 or ServiceNow, Inc., Attention: Accounts Receivable, 4810 Eastgate Mall, San Diego, CA 92121

PRICES ARE FINAL. THIS ORDER IS NON-CANCELLABLE AND, EXCEPT AS OTHERWISE PROVIDED IN THE AGREEMENT, NON-REFUNDABLE. The order is for the entire subscription term and is undividable. Payments are due as per the invoice schedule. All remaining fees are due immediately if ServiceNow terminates for non-payment.

Prices are stated exclusive of taxes, duties and similar assessments on Customer's use, which Customer agrees to pay, excluding taxes on ServiceNow's net income. Taxes shall not be deducted from the payments to ServiceNow, except as required by law, in which case Customer shall increase the amount payable as necessary so that after making all required deductions and withholdings, ServiceNow receives and retains (free from any tax liability) an amount equal to the amount it would have received had no such deductions or withholdings been made.

When applicable, Customer must provide its VAT or GST identification number(s) on this Order Form for (i) the country where Customer has established its business and/or (ii) any other country where Customer has a fixed establishment. Customer shall use the ordered Subscription Service and Professional Services for Customer's business use in the foregoing location(s).

Product Overview

The ServiceNow Product Overview containing descriptions of the ServiceNow applications and platform services included in the Subscription Products as described in the attached ServiceNow Order Form Product and Use Definitions are posted on www.servicenow.com/schedules.html

ServiceNow® Order Form - Product and Use Definitions

USER TYPE DEFINITIONS

"User" means any employee or contractor of Customer or Customer Affiliate that is assigned a unique username and password and has a user profile in the Subscription Service designated as "active". Only Users may be given access to the subscription service by Customer. A use right may not be shared or transferred. Customer shall not use the subscription service in a manner that circumvents usage restrictions.

"Approver User" is any User performing any of the functions set forth in the table below for an Approver User. An Approver User may only perform the functions set forth in the table below for an Approver User.

"Requester User" is any User that performs only the functions set forth in the table below for a Requester User.

"End User" has the same use rights as **"Requester User."**

"Fulfiller User" is any User other than an Approver User or Requester User. Without limitation, a Fulfiller User is any User that performs any function other than an Approver User function or Requester User function, including those set forth in the table below for a Fulfiller User.

"Process User" has the same use rights as **"Fulfiller User."**

FUNCTION / USE RIGHTS AUTHORIZED	USER TYPES		
	REQUESTER	APPROVER	FULLFILLER
Create its own request	included	included	included
View its own request	included	included	included
Modify its own request	included	included	included
Search the Service Catalog	included	included	included
Search the Knowledge Base	included	included	included
Access public pages	included	included	included
Take surveys	included	included	included
Set its own notification preferences	included	included	included
View assets assigned to user	included	included	included
Access and post to Live Feed	included	included	included
Initiate Chat sessions	included	included	included
Participate in a Watch List	included	included	included
View a report published to them	included	included	included
Approve requests by email that are routed to user	-	included	included
Approve requests routed to user via system	-	included	included
Create any record	-	-	included
Delete any record	-	-	included
Modify any record	-	-	included
Drill through any report	-	-	included
Create any report	-	-	included
Delete any report	-	-	included
Modify any report	-	-	included
Perform development activities	-	-	included (see below)
Perform administrative activities	-	-	included

CONFIGURATION AND DEVELOPMENT

Use of the Subscription Service for application configuration allows Customer to, with respect to the Subscription Products for which Customer has purchased usage, change the values of pre-defined fields, add new fields to existing tables, add new tables that provide additional attributes around the process, build workflow for the process, modify the UI and form layouts, create business rules, integrate with external data sources, and tailor the process through custom scripting. Application configuration is restricted to configuring the processes included in the purchased Subscription Product to meet the customers specific needs without materially altering the purpose of the Subscription Product or the type of business processes that it seeks to automate. If Customer intends to alter the purpose of the Subscription Product or the types of business processes that it seeks to automate, then Customer may develop that new application in a non-production instance and purchase a Custom Applications use right from ServiceNow to deploy that application on a production instance. Customer shall not access the Subscription Service to develop or use a competing product or service.

SUBSCRIPTION PRODUCTS

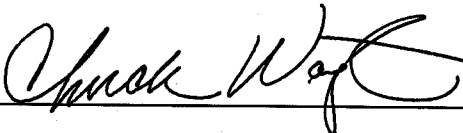
Subscription Product Code/Name Included ServiceNow Applications and Use Rights

PROD03368 ServiceNow® HR Service Delivery Professional – HR User	Case and Knowledge Management; Employee Service Center Usage is limited to the number of Users active in the ServiceNow HR Profile table. An HR User is defined as any active User in the ServiceNow HR Profile table that is within their employment start and end date. Including full-time employees, part-time employees, contractors, and contingent workers. Applicants and alumni that are outside of an employment start and end date are excluded from the definition of HR User.
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ACKNOWLEDGED AND AGREED:

End Customer: County of Riverside

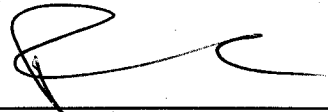
ServiceNow, Inc.

Signature: 

Name: Chuck Washington

Title: Chairman, Board of Supervisors

Date: FEB 06 2018

Signature: 

Name: PAUL CURTIS

Title: SDR DIR CREDIT CASH

Date: 29 JAN 18

ATTEST:

KECIA HARRER-IHEM, Clerk

By  DEPUTY