

1 [Agreement Amendment - Carahsoft Technology Corporation - ServiceNow Products - Not to
2 Exceed \$28,300,000]

3 **Resolution authorizing the Department of Technology to enter into a first amendment**
4 **to the enterprise agreement (EA) with Carahsoft Technology Corporation to purchase**
5 **ServiceNow Software Products, increasing the term for an additional four years from**
6 **August 31, 2025, for a total term from September 1, 2022, through August 31, 2029, and**
7 **increasing the contract amount by \$18,452,904 for a new not to exceed amount of**
8 **\$28,300,000 pursuant to Charter, Section 9.118.**

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10 WHEREAS, On October 1, 2022, the Department of Technology ("Department")
11 entered into an enterprise agreement on behalf the City and County of San Francisco ("City")
12 to purchase ServiceNow Software Licenses, Hardware, and Support Services ("ServiceNow
13 Products") from Carahsoft Technology Corporation ("Carahsoft EA"), pursuant to a waiver
14 granted by the Office of Contract Administration under Administrative Code, Section 21.30;
15 and

16 WHEREAS, The Carahsoft EA had an initial term of three years, from September 1,
17 2022, through August 31, 2025, with an option to extend the term for two additional terms of
18 two years each, and a not to exceed amount of \$9,847,096; and

19 WHEREAS, City departments were initially projected to spend approximately \$3.3
20 million per year for ServiceNow Products, but spending has accelerated because numerous
21 departments are seeking to purchase additional licenses, spending under the contract will
22 reach the not to exceed amount prior to the end of the contract term; and

23 WHEREAS, The Department has evaluated the City's needs for ServiceNow Products
24 from Carahsoft, the Department has determined that the City's spending under the proposed
25 extended term of the Carahsoft EA will exceed \$28,000,000; and

1 WHEREAS, The Department and Carahsoft have entered into a First Amendment to
2 the ServiceNow EA that will increase the contract amount by \$18,452,904 for a new not to
3 exceed amount of \$28,300,000 and extending the term by four years, for a total term of
4 September 1, 2022, through August 31, 2029, a copy of the First Amendment is on file with
5 the Clerk of the Board of Supervisors in File No. 250622;

6 WHEREAS, The First Amendment will benefit the City, because ServiceNow and
7 Carahsoft agreed to a price hold and minimum discounts of 24-52% for City subscriptions for
8 an additional four years, without these discounts, the costs to City departments for
9 ServiceNow Products would increase by more than 20%, from about \$3,300,000 per year to
10 \$4,000,000 per year; and

11 WHEREAS, Section 9.118 of the Charter requires approval by the Board of Supervisors
12 for contracts requiring expenditures above \$10,000,000; now, therefore, be it

13 RESOLVED, That the Board of Supervisors approves the First Amendment to the
14 ServiceNow EA to allow City departments to continue to purchase ServiceNow Products from
15 Carahsoft with a not to exceed amount of \$28,300,00 and a term that will expire on August 31,
16 2029; and, be it

17 FURTHER RESOLVED, That within 30 days of the First Amendment being fully
18 executed by the parties the Department of Technology shall provide a copy of it to the Clerk
19 of the Board for inclusion in the official file.

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