



# COMMITTEE ON INFORMATION TECHNOLOGY

## OFFICE OF THE CITY ADMINISTRATOR

To assess which approach will work best for your procurement please complete the following:

### Project Overview

License / Product Name	
Company	
Sponsor Department	
Department Contract Development Lead	
Department Technical Lead	
What is the business problem the product/system will address?	
Proposed Contract Term	
Projected Total Cost	

### Shared Contracting Checklist

1. Is the product already in use in the City? You may be able to easily procure from an existing contract.	
2. Is the contract for: A. Re-negotiate, upgrade or expand an existing contract B. Procure new software products only C. Procure new software products and professional services	
3. If this contract is to expand the use of an existing product, has the vendor provided good customer service and support? Please comment on vendor performance and the product's upgrade history.	
4. What is the estimated number of products/licenses to procure?	
5. What is the estimated value of the project?	
6. Combining the purchasing power of multiple departments can lower costs. What Departments have expressed an interest in the same product?	
7. What would be the estimated value of a multi-department contract for this product?	
8. Does the system interface or integrate with an existing City system?	
9. Is there a demonstrated citywide need?	
10. Is the contract owner & funding source defined & stable?	
11. Is there an open-source alternative?	
12. Is there a citywide implementation plan?	
13. Are new City resources (FTEs) needed for implementation? Is this accommodated in current staffing plans?	
14. Are new City resources (FTEs) needed for on-going support and maintenance? Is this accommodated in current staffing plans?	

## General Guidance

Are you planning to procure technology or re-negotiate a current technology contract? Now is the time to determine if a shared contracting approach can save the City time and money.

Please consider the following:

1. Is the software or system currently in use in the City? There could be an existing contact you can purchase from. To find one please contact:
  - a. Department of Technology
  - b. Office of Contract Administration
2. Are multiple departments are planning on using the same technology? If yes, consider one of the following contracting approaches:

**Enterprise Agreement:** A standard set of general terms, deliverables and costs managed by one Department. Best used when multiple departments want to use a similar set of products or services. This can include one product or can be for multiple products and professional services. There is a maximum limit on the contract value (not to exceed). One Department manages the agreement and charges back departments for the cost of their licenses and services. Recommend having MOUs between the Department owning the contract and those using the contract to establish number of licenses and costs.

- a. Pros: Departments can leverage the contract terms and volume purchase pricing.
- b. Cons: Department owning the contract is responsible for the payments whether or not the Departments pay for their licenses. Department owning the contract must be proactive in contacting users, establishing license numbers, controlling license growth, and coordinating user support.
- c. Example: ESRI Enterprise Agreement for GIS technology

**Volume Purchase Agreement:** One contract with terms, specific deliverables and cost. Negotiated based on a guaranteed large number of licenses to be purchased. Best used when multiple departments want to purchase the same product and can estimate and commit to purchasing a specific number of licenses.

- d. Pros: Departments can leverage the deep discounts negotiated based on the large number of licenses purchased.
- e. Cons: Departments must commit to purchasing a number of licenses. Generally, not used for purchasing professional services.
- f. Example: Office 365 for office productivity tools

**Blanket Agreement:** A standard set of general terms, deliverables and costs with individual work orders. Best used when several departments want to use a similar set of products or services. This can include various mixes of software products and professional services/training. There is a maximum limit on the contract value (not to exceed). Each department drafts a Work Order that lists the specific products and professional services required.

- g. Pros: Departments can leverage the master terms and procure their specific licenses and services. Rates and costs are already negotiated.
- h. Cons: When the contact value is reached, the contract must be re-negotiated. All departments using an Enterprise Agreement should coordinate purchases in advance with the lead Department.
- i. Example: ServiceNow

## Next Steps

1. Communicate

Inform OCA, DT, and COIT that there be an opportunity for a shared contract and provide the Shared Contracting Checklist (above) in an email to:

- a. Department of Technology
- b. Office of Contract Administration
- c. COIT

This team will help options for contracting, other departments to partner with and will assist with the contract development.

2. Define the Requirements

Develop the scope of work and system requirements for the contract.

3. Check Vendor References

Does the vendor have a solid reputation for delivering the product and services on schedule and without costly change orders?

## Considerations for the Contract

Please ensure the contract includes the following:

1. Specific cost for deliverables and services
  - a. Request discounts for quantities of licenses or services
  - b. Ensure there is agreed rates for additional purchases which may not be included in the phase 1 implementation
2. Target maintenance costs increases to 3% per year or less
3. System security requirements
  - a. If the products are a SAAS please see OCA's procedures for SAAS procurement
4. Software training and any system implementation support
5. Schedule for deliverables, training and system implementation
6. Penalties for vendor non-performance
7. Service Level Agreement for support and system updates
8. Most importantly – include the contract term that allows other City department or government entities can purchase from the same contract and receive the terms and pricing. Contact Department of Technology for the contract language.