



## Legislation Text

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**File #:** 24-210, **Version:** 2

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*Report Prepared by: Jeff Bennyhoff, Director of Information Technology*

**SUBJECT:** Approval to Waive the Competitive Bidding Requirement to Allow for the Purchase of Standardized Equipment and Approval of Software Subscription Amendment with FreshWorks, Inc with a not to Exceed Amount of \$15,443 in Fiscal Year 23/24

### REPORT IN BRIEF

Considers approving to waive the competitive bidding requirement pursuant to Merced Municipal Code section 3.04.210 for purchase and the approval of the software subscription with FreshWorks, Inc for \$15,443 for fiscal year 23/24 with a total not to exceed amount to FreshWorks of \$86,326.

### RECOMMENDATION

**City Council** - Adopt a motion:

- A. Approving to waive the competitive bidding requirements as stated in Section 3.04.210 of the Merced Municipal Code pursuant to an annual service or supply agreement; and,
- B. Approving a software subscription amendment with Fresh works Inc. for an Information Technology Service Management software of \$15,443 for fiscal year 23/24; and,
- C. Authorizing the City Manager to execute the necessary documents; and,
- D. Authorizing the Finance Officer to make the necessary budget adjustments.

### ALTERNATIVES

- 1. Approve as recommended by staff; or
- 2. Refer back to staff with direction; or
- 3. Continue to a subsequent meeting; or
- 4. Take no action

### AUTHORITY

Article II and III of Title 3, Chapter 3.04, of the Merced Municipal Code relating to purchases of equipment and services (Section 3.04.080 and 3.04.120) and waiving of the competitive bidding requirements (Section 3.04.210).

### CITY COUNCIL PRIORITIES

As provided for in the 2023-24 Adopted Budget.

### DISCUSSION

Effective October 31, 2016, the City of Merced authorized an agreement for a software suite from FreshWorks, Inc for the departments work orders, incident management, fixed asset inventory tracking, project management, and knowledge base. This contract authorizes automatic renewals pursuant to section 9.3 of the original agreement. The IT Department would like to continue utilizing these services through FreshWorks Inc. Between 2017 to present the City has expended \$70,883 to FreshWork for software services. To continue to utilize these services for an additional one (1) year period requires a contract amendment for additional expenditure authority in the amount of \$15,443. As the total value of the contract, including the amendment, exceeds the bid threshold under municipal code section 3.04.120 this requires council approval. In addition to requiring the expenditure authority staff is seeking to waive the competitive bidding requirements as the department already utilizes the technology from Freshworks, Inc.

The FreshWorks software suite fulfil the Information Technology Departments requirements for our ITSM (Information Technology Service Management) and ITOM (Information Technology Operations Management) solutions. To ensure the alignment of IT operations with the strategic goals of the organization, it's crucial to implement IT Service Management (ITSM) and IT Operations Management (ITOM) solutions. ITSM focuses on aligning IT services with the needs of the City, promoting customer satisfaction and efficiency in service delivery, while ITOM optimizing the operational aspects of IT infrastructure, ensuring systems are secure, reliable, and efficient. Together, these solutions enhance operational efficiency, reduce downtime through proactive issue resolution, and ensure compliance with regulatory standards, all of which are pivotal in managing risks effectively. Additionally, they enable the IT department to optimize resources, control costs through better financial management, and improve service quality through continuous feedback and innovation. The integration of ITSM and ITOM offers a holistic approach to IT management, fostering innovation and keeping the organization competitive in a rapidly evolving technological landscape. Thus, adopting ITSM and ITOM is not merely about addressing current operational challenges but is a strategic investment in the organization's future, ensuring it remains resilient, efficient, and aligned with its overarching strategic objectives.

## **IMPACT ON CITY RESOURCES**

Funding is available in the 2023-2024 adopted budget in the Fund 7008-Support Services Information Technology Division for the Freshworks, Inc annual subscription.

## **ATTACHMENTS**

1. Service Order Form
2. FreshWorks Service Agreement