ORDINANCE/RESOLUTION REQUEST
Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday.** Contact the Mayor's Legislative team with questions

Date of Request: <mark>2/8/2021</mark>

Please mark one: ☐ **Bill Request** **or** ☒ **Resolution Request**

1. Type of Request:

☒ **Contract/Grant Agreement** ☐ **Intergovernmental Agreement (IGA)** ☐ **Rezoning/Text Amendment**

☐ **Dedication/Vacation** ☐ **Appropriation/Supplemental** ☐ **DRMC Change**

☐ **Other:**

2. Title: (Start with *approves, amends, dedicates*, etc., include <u>name of company or contractor</u> and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

> Amends a contract with SciQuest, Inc. dba Jaggaer by adding $915,000 and extending the term by 5 years for continual use and support of the Jaggaer Contract Management software application supporting all City agencies

3. Requesting Agency: Technology Services

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Kevin Anthony	Name: Joe Saporito
Email: kevin.anthony@denvergov.org	Email: joseph.saporito@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed:

With the objective of providing a streamlined solution for the City's contract management process that is easily configurable and provides an improved user experience, City Attorney's Office (CAO), Technology Services (TS) and Purchasing led an effort to purchase the Jaggaer Contract Management System (CMS) Software as a Service (SaaS) solution in 2018 to replace the existing Alfresco custom coded system. This amendment allows for the continual use of that system.

Note: The Alfresco repository, where documents are stored, was not replaced by Jaggaer. Jaggaer replaced the Alfresco contract management workflow.

Contracts prepared by the CAO for the City and County of Denver (CCD) are being saved in a centralized repository, the Alfresco system (back end). In the business environment prior to Jaggaer, any workflows needed for these contracts required TS to develop custom code. This code was embedded within Alfresco which made keeping the repository up to date very complex and workflow requests could take weeks to implement. Also, prior to Jaggaer, in order for vendors to sign contracts, manual intervention was required. Vendors manually signed the contract signature page and sent it to the agency, who then scanned and uploaded the signed signature page into Alfresco. In 2016, this process took on average 26 days for agencies to negotiate and obtain the vendor signature for contracts. In addition, the previous Alfresco application had multiple contract management customizations that inhibited the upgrade to Alfresco 5.0. This custom functionality built into the framework of Alfresco needed to be removed in order to upgrade the Alfresco platform. Any future upgrade of Alfresco is dependent upon the successful de-coupling of the contracts management workflow (front end) and a new contracts management system was needed.

The Jaggaer CMS is used across the City by over 40 agencies and 1060 end-users. This CMS software is used to manage the creation, negotiation, signature, renewal and data analysis of legal contracts. Jaggaer interfaces with Alfresco (City's system of records for contracts), Workday (for purchasing requisitions and supplier information) and DocuSign (for contract signatures).

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As part of the City's use of the Jaggaer CMS, the City pays an annual fee for software support and maintenance. Software maintenance and support services include remote troubleshooting and support provided via the telephone and online channels, as well as installation assistance and basic usability assistance. Software support services may also include new product installation services, installation of product updates, migrations for major releases of software and other types of proactive or reactive on-site services, future minor versions or future major releases of software. These support services are employed to ensure the application is functioning at its maximum capacity.

This contract amendment extends the term by 5 years and increases the maximum contract amount to allow payment for continual vendor provided software maintenance and support.

The table below lists ongoing and/or future projects with Jaggaer:
- Integration with the B2G system (DEDO/DSBO subcontractor's prompt pay to comply with the Mayor's initiative) – SCHEDULED FOR MARCH 2021
- Update to enhance the Workday transmission of the contract metadata for enhanced Purchasing Dept. PO processing – SCHEDULED FOR MARCH 2021
- Integration with the Wolters Kluwer PASSPORT application for the CAO to create case matters for processing contracts terms and agreements. SCHEDULED FOR MARCH 2021
- Migrate away from DocuSign to an internal signature process. – SCHEDULED FOR SECOND QTR 2021

Term exceeding 3 - 5 years per Executive Order 8.

Per Executive Order 8: "*Agencies should limit the duration of contracts to three to five years at which time a new solicitation should be initiated absent special circumstances.*" For most software applications, technology best practices would advise against decommissioning and replacing applications every three to five years; therefore, there will be several special circumstances that would provide for a justification to deviate from this policy. For this request, the information below provides examples of special circumstances directly related to the Jaggaer contract amendment request.

The special circumstances that justify a contract term that exceeds three to five years are listed below:
- Situations where standardization of equipment or continuity of service is required;
- Situations where competition does not exist;
- Situations where economic factors make it unfavorable for the City to re-bid a contract.

Continuity of Service:
The Jaggaer CMS has been configured and/or customized for the City to integrate with Alfresco, Workday and Docusign and so it can meet the contract workflow requirements of the City. Forty City Agencies use the software and 1,060 City employees have been trained and are efficient with this application so the continual use of this application will allow the City to provide continuity in its internal business functions as well external services available to vendors.

Competition does not exist:
As the City has already purchased, implemented, has been trained on and intends on using the Jaggaer CMS for the foreseeable future, continual support from Jaggaer is needed to ensure the application is functioning at is maximum performance. This is a service that should come from the software's manufacturer, Jaggaer, so an opportunity for competition does not necessarily exist.

Economic factors make it unfavorable for the City to re-bid a contract:
The cost to fully implement this software application with additional investments since implementation exceeds $200,000. The City would incur these costs every time a new system is implemented. This is a substantial investment by the City and it would result in an unnecessary negative financial impact on the citizens of Denver if this type of system was replaced every three to five years. The City and Jaggaer underwent a very time-consuming process which included multiple phases from the time of purchase to having a fully implemented system. These include reviewing cooperative contracts, Technology Services review of vendor's security protocols as well as technical architecture to ensure they align with Technology Services' requirements, negotiating a Statement of Work, negotiating a contract, analysis of the City's current state, planning for the new system, designing the new system to meet the City's objectives, implementing the new system, configuring (fine tuning) the new system, testing the new system and training employees on the new system. This process took approximately a year to complete. For the City to re-bid this every three to five years would mean the opportunity for any type of return on the City's investment would be minimalized and the City would be in a perpetual cycle of bidding, implementing, retraining and decommissioning of previous applications.

Analysis of Market / Technology Best Practices

Although there are other products available, replacing the Jaggaer CMS application at this point would go against technology best practices and would bring about undue costs to the City. Also, through contracting, the City has been able to keep any increases in annual costs at or below industry standards.

By their very nature, strategic enterprise-level or major solutions are not re-evaluated for alternatives on a yearly-basis but are evaluated constantly to ensure that they are still providing the expected value. The main reasons for this are as follows:
- Strategic Enterprise-level or major solutions typically have a larger Total Cost of Ownership (TCO) and therefore require longer-term commitments and use to get the full benefits of the ROI.
- Strategic Enterprise-level or major solutions are typically used as a development platform to build other solutions. This decreases the cost of new features/capabilities provided and time-to-market; however, this does increase the dependency to that platform and the cost to move away from it.

Technology Services is responsible for strategically managing technology and part of that is having an architectural technology roadmap that outlines the total life cycle of product(s): when to retire/decommission, upgrade, add functionality to an existing platform or acquire a net new product, etc. that may differ from a three to five year replacement cadence.

6. City Attorney assigned to this request (if applicable): Steve Hahn

7. City Council District: N/A - Citywide

8. **For all contracts, fill out and submit accompanying Key Contract Terms worksheet**

Key Contract Terms

Type of Contract: (e.g. Professional Services > $500K; IGA/Grant Agreement, Sale or Lease of Real Property):

Standard Expenditure contract exceeding $500,000

Vendor/Contractor Name: SciQuest, Inc. dba Jaggaer

Contract control number: TECHS-202157545

Location: Citywide

Is this a new contract? ☐ Yes ☒ No **Is this an Amendment?** ☒ Yes ☐ No **If yes, how many?**

- Original contract: 7/16/2018 - 7/15/2021; Contract Amount: $471,255
  - Signed by Mayor: 8/14/2018

Contract Term/Duration (for amended contracts, include <u>existing</u> term dates and <u>amended</u> dates):

Current Term: 7/16/2018 - 7/15/2021   Proposed term: 7/16/2018 - 7/15/2026   Duration: 8 years

Contract Amount (indicate existing amount, amended amount and new contract total):

Current Contract Amount (A)	Additional Funds (B)	Total Contract Amount (A+B)
$471,255	$915,000	$1,386,255

Current Contract Term	Added Time	New Ending Date
7/16/2018 - 7/15/2021	5 Years	7/15/2026

Scope of work:

Vendor will continue to provide software support of the Jaggaer Contract Management System

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Was this contractor selected by competitive process?   Yes   **If not, why not?**

Has this contractor provided these services to the City before? ☒ **Yes (via this contract)** ☐ **No**

Source of funds: Technology Services Operational Funds

Is this contract subject to: ☐ **W/MBE** ☐ **DBE** ☐ **SBE** ☐ **XO101** ☐ **ACDBE** ☒ **N/A**

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): N/A

Who are the subcontractors to this contract? N/A

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