



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: AUGUST 20, 2019

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT WARDS: ALL

SUBJECT: MASTER SUBSCRIPTION AGREEMENT WITH SALESFORCE.COM, INC. FOR ECONOMIC DEVELOPMENT PROJECT SOFTWARE, IN THE AMOUNT OF \$52,171.66, FOR A THREE-YEAR TERM, WITH OPTIONAL ANNUAL SUBSCRIPTION RENEWALS THEREAFTER SUBJECT TO FUTURE FUNDING AVAILABILITY

ISSUE:

Approve a Master Subscription Agreement and Order Form with Salesforce.com, Inc. for Economic Development Project Management Software, in the amount of \$52,171.66, for a three-year term, with optional annual subscription renewals thereafter, subject to future funding availability.

RECOMMENDATIONS:

That the City Council:

1. Approve a Master Subscription Agreement and Order Form with Salesforce.com, Inc. for Economic Development Project Software, in the amount of \$52,171.66, for a three-year term, with optional annual subscription renewals thereafter;
2. Authorize the City Manager, or his designee, to execute the Master Subscription Agreement and Order Form, including making minor non-substantive changes, and to sign all documents necessary to complete the transaction; and
3. Authorize the City Manager, or his designee, to exercise the optional annual subscription renewals for the Master Subscription Agreement and Order Form, at the end of the three-year term, subject to future funding availability, in an amount not to exceed a 7% increase from the applicable pricing for the prior term, and to sign any documents necessary to implement the optional annual renewals.

BACKGROUND:

Salesforce.com, Inc. (“Salesforce”) builds and delivers customer relationship management applications as scalable online services. The software gives companies and government organizations of all sizes a complete 360-degree view of the customer and allows detailed, long-term project tracking and reporting.

The City of Riverside Economic Development Division began using the Salesforce project management platform at the beginning of fiscal year 2013 as an annual renewable subscription. To date, staff uses Salesforce to track over 22,250 accounts, opportunities, projects and campaigns for Economic Development purposes and relies on Salesforce to track and report on City Council directed Strategic Goals.

DISCUSSION:

The basic provisions of the Master Subscription Agreement and Order Form are summarized below:

1. Term - Three-year initial agreement with the option to renew automatically every year thereafter.
2. Termination - The City can terminate the agreement by providing at least 30 days notice to Salesforce prior to the expiration of the three-year period.
3. Price - \$52,171.66 for fiscal year July 1, 2019 through the fiscal year ending June 30, 2022.
4. Price Escalation - None during the initial three-year agreement period. Subsequent annual renewals are limited to a maximum of 7% annual increases.

The proposed Master Subscription Agreement and Order Form also create cost savings to the City by locking in pricing and eliminating the annual 7% increase regularly applied by Salesforce for the first three years of the agreement. Staff recommends that City Council approve the three-year Master Subscription Agreement and Order Form with Salesforce.com, Inc. and any future renewals subject to funding availability.

The agreement is in accordance with Purchasing Resolution No. 23256, Section 403 which states, “Competitive Procurement shall not be required for information technology software maintenance and license renewals; training; advertising; or professional recruitment services where the Manager is satisfied that the best price, terms and condition for the Procurement thereof have been negotiated.”

The Purchasing Manager concurs that the recommendation is in compliance with Purchasing Resolution No. 23256, Section 403. The Chief Innovation Officer concurs with this report.

FISCAL IMPACT:

The fiscal impact of this action is \$17,390.55 annually for a total of \$52,171.66 for fiscal years July 1, 2019 through June 30, 2022. Sufficient funding is available in Software Purchase and Licensing Account 2815001-425700 to cover the expenditure. Future renewals of the master subscription agreement will be subject to available funding within the Community & Economic Development Department.

Prepared by: David Welch, Community & Economic Development Director
Certified as to availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer

Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachment: Salesforce Master Subscription Agreement and Order Form