



City of Santa Clara

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Agenda Report

19-605

Agenda Date: 6/25/2019

REPORT TO COUNCIL

SUBJECT

Action on an Amendment No. 3 to Agreement with Avasant, LLC for Management Consulting for IT Services to extend the term of the agreement by 12 months with no additional contract funding required

BACKGROUND

On January 26, 2016, Avasant, LLC (Avasant) was awarded an agreement to provide Outsourcing Advisory Services, with compensation not-to-exceed \$260,870. Avasant was selected through a competitive Request for Proposal (RFP) and selection process. Under the original agreement, Avasant provided advisory services that included conducting a detailed review of the City's information technology (IT) services, a comprehensive sourcing scenario analysis and a recommendation to go to market and conduct a comprehensive RFP to select a vendor.

On June 13, 2017, the City Council approved Amendment No. 1 to extend the term of the agreement with Avasant through June 30, 2018, and increase compensation by \$138,700, for a total not-to-exceed amount of \$399,570. Throughout the outsourcing services RFP phases, final vendor selection and vendor transitions, Avasant provided industry knowledge, governance tracking and Service Level Agreements for improved performance management, supplier outcomes and maturity in IT services.

On September 18, 2018 the City Council approved Amendment No. 2 to extend the term of the agreement through June 30, 2019 and increase the total not-to-exceed amount by \$99,940 to \$499,510. This Amendment allowed Avasant to continue to provide management consulting through the first year of steady state services with our selected outsourced vendor.

The proposed Amendment No. 3 would extend the term of the Agreement by 12 months, through June 30, 2020 with no additional funds requested. The proposed Amendment would allow Avasant to provide subject matter expertise and governance support. It is advisable to have continuity for these kinds of agreements.

DISCUSSION

Avasant is one of the top-rated management consulting firms in the U.S. with successful IT outsourcing advisory engagements in public agencies and municipalities as well as private industry customers. The specialized nature of these engagements requires specific industry presence and skillsets. The City has benefited from Avasant's outsourcing expertise including industry specific benchmarking, service level agreement analysis, outsourcing service methodologies and ensuring the appropriate outsourcing governance structure is in place to manage our agreement and service delivery.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT

No fiscal impact is anticipated beyond administrative staff time and expense.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney’s Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov [<mailto:clerk@santaclaraca.gov>](mailto:clerk@santaclaraca.gov) or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Approve Amendment No.3 to the Agreement with Avasant, LLC for Outsourcing Advisory Services, by extending the term by 12 months, from July 1, 2019 through June 30, 2020 for outsourcing advisory services with no additional funding required.

Reviewed by: Gaurav Garg, Director of Information Technology/CIO

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Amendment No. 3 - Avasant, LLC