

FILE NUMBER: 2024-291

DATE: Tuesday, August 13, 2024

SUBJECT: Purchase Order with Carahsoft Technology Corporation for DocuSign Licensing and Premier Support.

DESCRIPTION: Award Purchase Order with Carahsoft Technology Corporation for DocuSign Licensing and Premier Support Services for the Amount of \$170,334.41 for Fiscal Year 2025 and a Five-Year Total Cost of Ownership not to Exceed \$999,283.95. Expenditures for FY2025 are Budgeted. Funds Required for Future Fiscal Years will be Budgeted in the Appropriate Fiscal Year, Subject to Board Approval Upon Adoption of Each Fiscal Year's Budget.

EXECUTIVE SUMMARY:

The District processes an impressive volume of nearly 22,000 documents requiring signatures annually, necessitating a robust and efficient e-signature system. These documents, predominantly fiscal or legal in nature, often require multiple signatures from various stakeholders, including vendors, customers, and the public. In 2018, the District's Information Technology department implemented DocuSign, a leading e-signature technology, which was met with enthusiastic adoption across departments. However, the rising costs associated with higher utilization of DocuSign prompted a shift to signNow, a more cost-effective alternative that promised to fulfill the District's needs after a comprehensive evaluation of its functionality and capacity.

Despite signNow's initial promise, it fell short in managing complex workflows and collaborative tasks, particularly in critical departments like Procurement, Real Estate, and General Services. This resulted in significant inefficiencies, rework, and corrections, leading to frustration among staff and external stakeholders. To mitigate these challenges, a limited number of DocuSign licenses were reintroduced, which, while solving issues in the affected departments, introduced a new challenge of dual e-signature systems operating concurrently, causing confusion.

In light of these experiences, the District is poised to consolidate its e-signature solution to a single, unified platform. DocuSign has demonstrated its capability to handle the District's diverse and intricate document routing and workflow requirements effectively. The District is now seeking the Board's approval for the necessary funding to procure sufficient DocuSign envelope licenses, ensuring all departments can leverage this proven e-signature technology to its full potential. This move aims to streamline operations, enhance efficiency, and provide a seamless experience for all involved parties.

RECOMMENDATION:

Award a Purchase Order with Carahsoft Technology Corporation for DocuSign licensing and Premier Support Services. The staff recommends leveraging the National Association of State Procurement Officials (NASPO) ValuePoint Cooperative Purchasing Organization’s contract number AR2472 to acquire the requisite licenses through Carahsoft, the exclusive distributor for DocuSign.

FISCAL IMPACT:

The five-year cost to the District is estimated at \$999,283.95. Funding for the first year of this expenditure is expected to be \$170,334.40 and is included within the Technology Management Program’s FY 2025 non-personnel expense budget.

With four departments already utilizing DocuSign (Procurement, Real Estate, General Services, and People Services), expanding its use will yield the District a prorated credit estimated at \$17,000. Future funding will be budgeted annually in the appropriate fiscal year and cost account, subject to Board approval upon adoption of each fiscal year’s budget.

Cash Requirement Forecast	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
Equipment & Systems	\$ 170,334.40	\$ 183,961.15	\$ 198,678.04	\$ 214,572.29	\$ 231,738.07
Total by Fiscal Year	\$ 170,334.40	\$ 183,961.15	\$ 198,678.04	\$ 214,572.29	\$ 231,738.07
	\$999,283.95	Total Cash Requirement			

COMPASS STRATEGIC GOALS:

This agenda item supports the following Strategic Goal(s).

- A thriving and modern maritime seaport.
- A financially sustainable Port that drives job creation and regional economic vitality.
- A Port that the public understands and trusts.

DISCUSSION:

In January 2018, the District’s Information Technology Department initiated an effort to enhance operational efficiency by automating document signature processes (e-signature). The deployment of a pilot electronic signature solution, DocuSign, successfully demonstrated compliance with the District’s operational requirements and was readily adopted by District pilot staff. Consequently, an executive decision was made to expand DocuSign’s utilization to key personnel across all departments, concentrating on two pivotal business processes: contracts/agreements/leases and invoice signatures.

Adoption of DocuSign exceeded expectations and restricting its use to only two (2) business use cases proved challenging. As such, the District undertook a cost-saving initiative in 2023 to explore an alternative e-signature platform that was more cost-effective.

This led to the adoption of signNow., which offered an enterprise license model granting unlimited access to all staff members. However, signNow's limitations became apparent when it failed to support complex use cases, such as multi-stage agreement approvals, leading to significant delays and operational inefficiencies. Despite its financial benefits, signNow resulted in increased labor hours due to extensive document corrections and prolonged processing times. To mitigate these issues, a limited number of envelope licenses for DocuSign were procured for departments with complex processes. While this approach restored efficiency in those areas, the coexistence of two e-signature systems caused internal confusion.

Recognizing the need for a comprehensive solution capable of managing diverse e-signature and process management scenarios, the District desires a return to DocuSign as the sole e-signature platform. The higher cost of DocuSign is offset by the time savings it provides to District personnel, thanks to its advanced automation features and ability to handle complex signature workflows. Exclusive to DocuSign, users can work as a team, tracking and updating each other's documents. Users can resend documents and send scheduled reminders to complete workflows. They can assume the ownership of documents, develop and share time-saving templates and document instructions, update and move multiple signature and initial boxes, and make changes to documents in progress. Finally, because DocuSign is a highly recognized platform, invitations to sign are rarely if ever blocked by recipient firewalls.

Procurement Details:

National Association of State Procurement Officials (NASPO) pre-competes number AR2472 is utilized for this purchase.

General Counsel's Comments:

The Office of the General Counsel has reviewed this staff report and the attachment as presented to it and approves them as to form and legality.

Environmental Review:

The proposed Board action, including without limitation to award a Purchase Order with Carahsoft Technology Corporation for DocuSign Licensing and Premier Support Services for the amount of \$170,334.41 for Fiscal Year 2025 and a Five-Year Total Cost of Ownership not to exceed \$999,283.95 does not constitute a project under the definition

set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because there is not a potential to result in a direct or indirect physical change in the environment. Therefore, the proposed Board action is not subject to CEQA and no further action under CEQA is required.

The proposed Board action complies with Section 21 and 35 of the Port Act which allow for the Board to pass resolutions and to do all acts necessary and convenient for the exercise of its powers. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

The proposed Board action does not allow for development, as defined in Section 30106 of the California Coastal Act, or new development, pursuant to Section 1.a. of the District's Coastal Development Permit Regulations. Therefore, issuance of a Coastal Development Permit or an exclusion finding is not required.

Diversity, Equity, and Inclusion Program:

This agenda sheet has no direct DEI impact on District workforce or contract reporting at this time.

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Attachment(s):

Attachment A: Quote with Carahsoft Technology Corporation for DocuSign