



Wes Moore, Governor · Aruna Miller, Lt. Governor · Atif Chaudhry, Secretary

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PROCUREMENT OFFICER'S DETERMINATION  
AWARD RECOMMENDATION  
Intergovernmental Cooperative Purchasing  
COMAR 21.05.09.04

### **Background Information**

The existing contract for Salesforce licenses is set to expire on August 31, 2023. This Statewide contract for Salesforce Software-as-a-Service (SaaS) and Products allows State agencies to automate business processes and workflows, facilitate information management across State agencies, and improve communication with the public. Salesforce also makes sure that service upgrades, new system features, and enhancements, including mobile and social technologies, are available to the State.

Carahsoft Technology Corporation (Carahsoft) is the exclusive reseller of Salesforce licenses. Carahsoft sells Salesforce through the General Services Administration (GSA) Multiple Award Schedule (MAS) contract and through the National Association of State Procurement Officials (NASPO) ValuePoint, NASPO's cooperative contracting arm. Since Carahsoft is the exclusive reseller for Salesforce licenses, there would be no competitive advantage for the State to procure Salesforce licenses. In addition, comparing the Carahsoft pricing for Salesforce between the NASPO Valuepoint and GSA contracts, it has been determined that the State would receive the best pricing by obtaining Salesforce through the GSA MAS Contract No. 47QSWA18D008F. The NASPO Valuepoint pricing was 12% higher than the GSA pricing.

A Procurement Officer's Determination to use the Intergovernmental Cooperative Purchasing Agreement (ICPA) method was approved and posted on the Procurement.Maryland.gov webpage on January 10, 2023. The Request for Quote (RFQ) was placed under GSA's MAS for Information Technology (Contract No. 47QSWA18D008F) under the authority of the GSA Cooperative Purchasing program on January 19, 2023. A public notice was placed in eMaryland Marketplace Advantage (eMMA) on January 20, 2023.

### **Technical Evaluation**

Carahsoft is the exclusive reseller of Salesforce licenses. Therefore, the proposal provided by Carahsoft met all of the technical requirements.

### **Financial Evaluation**

Carahsoft is the exclusive reseller of Salesforce.com products and licenses. There are over 1,700 Salesforce products available. Carahsoft's pricing model is to offer a percentage discount off of Salesforce's suggested retail price (MSRP).

In 2021 OSP compared the pricing between GSA and NASPO for seven purchase orders for Salesforce products from DoIT, MDOT, and MDH. The study found that GSA prices were lower than NASPO prices by approximately 12%.

**Comparison between GSA and NASPO prices**

	GSA prices	NASPO prices	Savings
20 Salesforce products	\$9,936,549.64	\$11,290,290.42	\$1,353,740.78

GSA maintains a Multiple Award Schedule (MAS) that issues long-term governmentwide contracts that provide federal, State, and local government buyers access to commercial products, services, and solutions at pre-negotiated pricing. The MAS also allows users to request additional discounts for government buyers.

Carahsoft’s price proposal guarantees a 3.0% discount on all Salesforce products. Carahsoft’s percentage discount is greater than that offered to the GSA, which is only 1.26% below MSRP. The chart below reflects two recent purchases of Salesforce.com products by the State. These products were not listed on the NASPO website.

**Carahsoft’s pricing per GSA schedule and State of Maryland**

Sample Salesforce Product	MSRP	GSA Schedule	DGS Price	Savings from GSA
121-0092 Service Cloud Enterprise	\$1,800	\$1,777.33	\$1,746.00	\$54.00
121-0242 CRMAnalytics	\$1,800	\$1,777.33	\$1,746.00	\$54.00

**Overall Summary and Recommendation**

The Carahsoft price proposal is fair and reasonable. The Carahsoft price proposal applies to all products and for all contract years. The contract term is for three (3) years with two (2) one (1) year option renewals. Therefore, I recommend awarding this ICPA contract to Carahsoft Technology Corporation for the reasons stated above.

Determined By:

*John Walker* Aug 11, 2023  
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 John Walker, Procurement Officer, DGS OSP / Date

Approved By:

*Mike Haifley*  
 Mike Haifley (Aug 16, 2023 09:46 EDT)  
 \_\_\_\_\_  
 Mike Haifley, Acting Chief Procurement Officer / Date

*Atif Chaudhry* Aug 16, 2023  
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 Atif Chaudhry, Secretary, DGS / Date

# DGS OSP ICPA POD for Salesforce Licenses 08.2023

Final Audit Report


2023-08-16

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