

STAFF REPORT

DATE: March 10, 2025
TO: Sacramento Regional Transit Board of Directors
FROM: David Topaz, VP, Employee Development and Engagement
SUBJ: RATIFYING THE GENERAL MANAGER/CEO'S EXECUTION OF A SERVICES AGREEMENT WITH GOVERNMENTJOBS.COM, INC. (DBA NEOGOV), APPROVING A SOLE SOURCE PROCUREMENT, AND APPROVING THE FIRST AMENDMENT TO THE SERVICES AGREEMENT FOR A LEARNING MANAGEMENT SYSTEM

RECOMMENDATION

Adopt the Attached Resolutions.

RESULT OF RECOMMENDED ACTION

This action will retroactively authorize the General Manager/CEO's authorization of a contract for a Learning Management System (LMS) with Governmentjobs.com, Inc. ("NEGOV") and approve an amendment to the contract for an additional two years, with two 1-year options to allow SacRT to continue using the LMS.

FISCAL IMPACT

The executed Service Agreement included an initial term of two years with a total cost of \$115,454.30 for Years 1 and 2, with billing structured as an annual payment for each year. Costs related to the First Amendment include \$61,148.66 for Year 3 and \$65,227.26 for Year 4. Year 3 funding is included in the approved FY2025 Operating Budget, and Year 4 and Option Years 5 and 6 will be included in the Operating Budget for the corresponding Fiscal Years.

DISCUSSION

In December 2022, NEOGOV provided a demonstration to SacRT staff of its "LEARN" LMS, a 3-in-1 learning management software solution that combines content creation, training tracking, and an extensive course content library. After SacRT staff decided to move forward with the software subscription for an initial term of two years, Procurement sought two quotes, one directly from NEOGOV as the owner of the software and one from SHI International as a reseller. NEOGOV offered the lowest price.

On February 28, 2023, the General Manager/CEO entered into a Service Agreement with NEOGOV for a LMS. The intent was to secure a two-year subscription for the system;

however, the boilerplate NEOGOV Service Agreement contains an auto-renewal provision that was not eliminated prior to execution.

Because Staff was under the impression that the Service Agreement was expiring, in preparation for a new contract, earlier this year Procurement Staff again obtained two quotes from NEOGOV and SHI International for a new two-year term. NEOGOV was determined to be the lowest responsive and responsible bidder.

During Legal review of the new contract request, Staff discovered the auto-renewal language, and that the Service Agreement and SacRT's subscription continue indefinitely, unless terminated by one of the parties at least 30 days prior the anniversary of the new agreement, which was not SacRT's intent. Because the auto-renewal language exists, To address this, instead of entering into a new agreement, an amendment is required to effect changes to the agreement. Staff intends to remove the auto-renewal language but extend the current agreement for two years, plus two additional one-year options.

While Staff has not evaluated any other LMS products, NEOGOV's LMS has been instrumental in assigning and monitoring regulatory training while facilitating technical and soft skills development. It provides a centralized platform for managing employee training, streamlining processes, and ensuring compliance across the organization.

Staff would like to extend the contract for this system to expand its capabilities and continue delivering high-quality, accessible training. The LMS supports:

- A comprehensive catalog of online courses, including mandatory and professional development training.
- Real-time dashboard reporting on training progress, completion rates, and compliance tracking.
- Course management tools for creating and scheduling virtual and in-person trainings, managing registration, and building structured learning pathways.
- Automated tracking of learning progress, test results, and certification renewals.

NEOGOVS LMS reduces the administrative burden of managing multiple training programs by consolidating efforts into a single, cloud-based solution tailored for the public sector. With access to over 1,500 courses, customizable content, and certification tracking, the system enhances productivity, ensures compliance, and supports SacRT's long-term workforce development strategy.

Continued investment in this tool will further streamline training administration, improve employee engagement, and strengthen compliance, ensuring a skilled and prepared workforce.

RESOLUTION NO. 2025-03-020

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

March 10, 2025

RATIFYING THE GENERAL MANAGER/CEO'S EXECUTION OF A SERVICES AGREEMENT WITH GOVERNMENTJOBS.COM, INC. (DBA NEOGOV), APPROVING A SOLE SOURCE PROCUREMENT, AND APPROVING THE FIRST AMENDMENT TO THE SERVICES AGREEMENT FOR A LEARNING MANAGEMENT SYSTEM

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

WHEREAS, on February 28, 2023, after solicitation of two quotes, the General Manager/CEO executed the Service Agreement by and between the Sacramento Regional Transit District (therein "Customer") and Governmentjobs.com dba NEOGOV (therein "NEOGO") for a Software as a Service (SaaS) Learning Management System ("LMS"), which contained an auto-renewal provision under which the Service Agreement continues indefinitely, an action in excess of his contracting authority because the third year of the Service Agreement would result in incurring costs in excess of \$150,000; and

WHEREAS, SacRT has received the benefit of the LMS, 3-in-1 learning management software solution that combines content creation, training tracking, and an extensive course content library and desires to continue using this product for an additional two years, with an option to renew for a further two years; and

WHEREAS, Section 1.105, "Ratification of Unauthorized Procurement" of the Procurement Ordinance permits the Board to ratify an unauthorized procurement if: (1) the supplies or services have been provided to and accepted by SacRT; (2) the ratifying official has the authority to enter into the contract; (3) the contract would have been proper if made by an appropriate contracting officer; (4) the price is fair and reasonable; and (5) sufficient funds are available.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, in accordance with Section 1.05 of the Procurement Ordinance, the Board of Directors hereby ratifies the General Manager/CEO's execution of the February 28, 2023 Services Agreement; and

THAT, under Section 1.405 B.2 of the SacRT Procurement Ordinance, sole source procurement for services is permitted upon a determination that it is in the best interest of Sacramento Regional Transit District (SacRT) to solicit only one contractor; and

THAT, it is in SacRT's best interest to continue to contract with NEOGOV on a sole source basis for the LMS; and

THAT, the First Amendment to the Services Agreement, under which SacRT agrees to continue purchasing the SaaS subscription for an additional two years for an amount not to exceed \$126,375.92, with SacRT options to extend for up to two additional one-year terms; and

THAT, the General Manager/CEO and/or his designee is hereby authorized and directed to execute the foregoing amendment.

RICK JENNINGS, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary