



**SAN FRANCISCO
HUMAN SERVICES AGENCY**

Department of Benefits
and Family Support

Department of Disability
and Aging Services

P.O. Box 7988
San Francisco, CA
94120-7988
www.SFHSA.org



London Breed
Mayor

Trent Rhorer
Executive Director

MEMORANDUM

TO: HUMAN SERVICES COMMISSION

THROUGH: TRENT RHORER, EXECUTIVE DIRECTOR

FROM: DAN KAPLAN, DEPUTY DIRECTOR
ESPERANZA ZAPIEN, DIRECTOR OF CONTRACTS

DATE: JULY 21, 2023

SUBJECT: MODIFICATION: **CODE42 SOFTWARE, INC. (FOR PROFIT)** TO PROVIDE DATA RISK AND PROTECTION SOFTWARE

DS
EB

CONTRACT TERM: October 1, 2021 – September 30, 2024

CONTRACT AMOUNT:	<u>Current</u>	<u>Mod</u>	<u>Total</u>	<u>Contingency</u>	<u>Total</u>
	\$164,986	\$160,186	\$325,172	\$32,517	\$357,689

ANNUAL AMOUNT:	<u>FY22-23</u>	<u>FY23-24</u>
	\$164,986	\$160,186

<u>Funding Source</u> FUNDING:	<u>County</u>	<u>State</u>	<u>Federal</u>	<u>Contingency</u>	<u>Total</u>
	\$243,879	\$39,021	\$42,272	\$32,517	\$357,689

PERCENTAGE: 75% 12% 13%

The Human Services Agency (HSA) requests authorization to modify the existing sole source waiver and contract with Code42 Software, Inc. for the period of July 1, 2023, through September 30, 2024, in an additional amount of \$160,186, plus a 10% contingency for a total amount not to exceed \$357,689. The purpose of the contract is to provide data risk and protection software.

Background

HSA currently uses Code42's software for data risk protection and response. HSA would like to continue the subscription services for these software licenses. Code42's software allows the user to save data on their laptops that may contain client data and it stay protected. HSA uses Code42's services to provide automated backup and recovery of user data on workstation computers. The Code42 system includes standard backup/recovery in case of device failure, and additionally it is used by HSA to ensure retention of data that may be subject to litigation hold. Code42's service includes litigation hold functionality that prevents users or administrators from accidentally or routinely deleting data under hold, e.g. in the course of decommissioning accounts after separation from employment.

This software and application was previously procured through the Office of Contract Administration's Tech Marketplace. However, HSA would now like to continue working with Code42 but move from having the data stored on-premises to in the cloud. This change would mean the requirement of a Business Associate Agreement because the use of Code42 contains Protected Health Information/Personally Identifiable Information data and will now have to be on a software maintenance contract.

Services to be Provided

Contractor will provide access to the CrashPlan cloud-based software platform.

Selection

The contractor was selected through a sole source waiver which was approved on July 17, 2023 and is proprietary software. Admin Code 21.30: Proprietary Software Licenses and Support and Proprietary Equipment

Funding

Funding for this contract is provided through a combination of Federal, State, and County General Funds.

ATTACHMENTS

Appendix A-1 – Services to be Provided

Appendix B-1 – Budget

Sole Source Approval

**Appendix A-1
Scope of Services
Code42 Software, Inc.
Data Risk and Protection Software
October 1, 2021 – September 30, 2024**

Item 1: CrashPlan Cloud

Description: Standard user license.

Item 2: Product and Integration Configuration

Description: Professional services to get HSA's new tenant configured in the cloud.

Item 3: CrashPlan ProStart Upgrade

Description: Professional services SKU to help facilitate the transition from HSA's previous on-premise SKU to Code42's new fully cloud SKU. This includes a health check, updates to deployment, SSO, etc.

Item 4: Authority Migration Services - Standard

Description: Free professional services SKU to facilitate the actual migration of HSA's tenant from on-prem to the cloud.

Appendix B-1
Calculation of Charges
Code42 Software, Inc.
Data Risk and Protection Software
October 1, 2021 – September 30, 2024

Item # Reference	Product Description	Term	Metric	Quantity	Unit Price
1	CrashPlan Cloud	12 (months)	Each User	2,600	\$61.61
2	ProStart S	Term (First Year only)	One Time	1	\$4,800.00

Annual Amount:

FY22/23 \$164,986	FY23/24 \$160,186	Total \$325,172	Contingency \$32,517	Not to Exceed Amount \$357,689
----------------------	----------------------	--------------------	-------------------------	-----------------------------------

The total amount of this budget is **\$325,172**. Contingent amount up to \$32,517 may be available in the City's sole discretion.

The total amount of the contract shall not to exceed **\$357,689**.



SAN FRANCISCO HUMAN SERVICES AGENCY

Department of Benefits and Family Support

Department of Disability and Aging Services

Office of Early Care and Education

P.O. Box 7988
San Francisco, CA
94120-7988
www.SFHSA.org



London Breed
Mayor

Trent Rhorer
Executive Director

Date: July 17, 2023
To: Dan Kaplan, Deputy Director, HSA
From: Esperanza Zapien, Director of Contracts, HSA
RE: Sole Source Waiver Request, Administrative Code Section 21.30 – Code42 Software, Inc. (Supplier ID # 0000047557)

The Human Services Agency (HSA) respectfully requests the approval of the modification of the previously approved sole source waiver for Code42 Software, Inc. in an additional amount of \$160,186, plus a 10% contingency for a total amount not to exceed \$357,689 for the provision of the proprietary application and software, Incydr, which is a SaaS data risk detection and response product,” utilized by the Human Services Agency Information Technology Department. The purpose of the modification is to increase the contract amount to provide additional license users.

Per Administrative Code Section 21.30(d), “Where a vendor has proprietary rights to the software or where maintenance of equipment by a particular vendor is required to preserve a warranty, software support and equipment maintenance agreements entered into with that vendor shall be treated as a sole source for the purposes of any contract requirements included in the Municipal Code.”

Code42 is the sole owner and exclusive distributor of all versions of the Incydr software. Access and support services for Incydr can only be acquired through Code42 and is not available from another source. Attached to this memo is a letter from Code42 confirming that this software is proprietary in nature and can only be purchased through Code42.

This software and application was previously procured through the Tech Marketplace. However, HSA would now like to continue working with Code42 but move from having the data stored on-premises to in the cloud. This change would mean the requirement of a Business Associate Agreement because the use of Code42 contains Protected Health Information/Personally Identifiable Information data and will now have to be on a software maintenance contract.

Requesting this sole source waiver modification would allow HSA to not interrupt already existing services and continue to work directly with Code42 as they are the sole proprietors of this specific software and application.

HSA is proposing the following:

Request: To modify the current contract with Code 42 for additional additional license users.
Reason for this Request: Admin Code 21.30: Proprietary Software Licenses and Support and Proprietary Equipment
Brief description of services: HSA currently uses Code42’s software for data risk protection and response. HSA would like to continue the subscription services for these software licenses. Code42’s software allows the user to save data on their laptops that may contain client data and it stay protected. HSA uses Code42’s services to provide automated backup and recovery of user data on workstation computers. The




**SAN FRANCISCO
HUMAN SERVICES AGENCY**

P.O. Box 7988
San Francisco, CA
94120-7988
www.SFHSA.org

Code42 system includes standard backup/recovery in case of device failure, and additionally it is used by HSA to ensure retention of data that may be subject to litigation hold. Code42's service includes litigation hold functionality that prevents users or administrators from accidentally or routinely deleting data under hold, e.g. in the course of decommissioning accounts after separation from employment
Duration: October 1, 2021 to September 30, 2024
Contract Total Amount: \$325,172 plus a 10% contingency for a not-to-exceed total amount of \$357,689
Funding: Federal, State, and Local
Competition and Fairness: Code42 is the sole owner and exclusive distributor of all versions of the Incydr cloud-based software platform. Previously, these services were procured through the Tech Marketplace. However, HSA is moving towards storing data in the cloud and this means we must go into contract directly with the Supplier. Code42's pricing is fair and reasonable, and was awarded through a solicitation by the Tech Marketplace. Their prices have remained steady with no large increases since the inception of this system.
Compliance: Code42 is compliant

Approved Disapproved

DocuSigned by:
 7/18/2023
 Dan Kaplan, Deputy Director of Administration and Finance