



City of Tacoma

Resolution No.:

Meeting Date: August 19, 2025

**Contract and Award Letter
Purchase Resolution —Exhibit "A"**

TO: Board of Contracts and Awards
FROM: Daniel Key, Director, Information Technology
Enzhou Wang, Assistant Director, Information Technology
COPY: City Council, City Manager, City Clerk, EIC Coordinator, LEAP Coordinator, and
Ryan Foster, Finance/Purchasing
SUBJECT: Snowflake Cloud Data Platform Subscription Purchase – Contract No.
CW2235838 – August 19, 2025 City Council
DATE: July 23, 2025

RECOMMENDATION SUMMARY: Information Technology Department requests approval to increase Contract No. CW2235838, to Snowflake Inc., San Mateo, CA, by \$175,000, plus applicable taxes, budgeted from the Information Technology Fund 5800, for Cloud Data Platform Subscription Service. This increase will bring the contract to a cumulative total of \$625,000, plus applicable taxes.

STRATEGIC POLICY PRIORITY:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

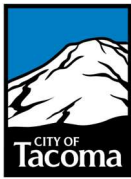
BACKGROUND: In 2020, the City contracted with Snowflake Inc. to procure Cloud Data Platform Subscription Service ("Snowflake") through a Direct Negotiation Waiver process. TPU was already utilizing the service and there were significant organizational and cost benefits in using the same tools and technology across the City. That purchase extended the Snowflake subscription to the City's enterprise platform, making it available to all City departments.

ISSUE: Snowflake is a cornerstone of the City's Data and Analytics programs, providing centralized data storage for City data, which connects to the City's Enterprise Business Intelligence tool, Tableau, to provide departmental and enterprise data reports and dashboards to support data-driven business decisions. Every year, the City must renew our subscription to Snowflake to continue to utilize the platform's services. This year's renewal increases the total contract value above the threshold that necessitates City Council approval.

ALTERNATIVES: In order to maintain Data and Analytics programs in the City, a centralized data repository like Snowflake is recommended. While other data platforms exist, the cost and level of effort to change platforms make it unrealistic within the renewal time frame. A platform shift would cost upwards of \$1,000,000 and take at least six months to complete.

Not renewing our Snowflake subscription would result in data inaccessibility for Tableau and other Business Intelligence tools relying on the platform. Dashboards connected to Snowflake would break as the underlying data would become inaccessible. The City would lose query access to our data, making it so we are no longer able to report on our data.

Without a significant planning effort and funding, renewing our Snowflake subscription is the recommended option.



COMPETITIVE ANALYSIS: A Direct Negotiation Waiver for Snowflake services was approved in July 2020. There were significant organizational and cost benefits by utilizing the same tools and technology across the City. A market assessment and technology evaluation were conducted for this service. Both the Utility Technology Architecture Board (UTAB) and Technology Architecture Planning Team (TAPT) reviewed and ratified the recommendation to proceed with Snowflake Inc.

CONTRACT HISTORY: This contract was originally awarded to Snowflake Inc. through a Direct Negotiation Waiver in July 2020. The initial contract term was for one year in the amount of \$50,000. In December 2021, an additional \$55,000 was authorized for additional credits and the contract term was extended to November 2022. In October 2022, contract term was extended to October 2023, and contract value increased by \$70,000. In October 2023, subscription was renewed until October 2024 for \$100,000. The latest renewal was for \$175,000, for a cumulative total of \$450,000 with the contract term ending August 31, 2025.

SUSTAINABILITY: Snowflake has a commitment to Sustainability guided by two principles: reducing the global environmental footprint of their operations and openly engaging on sustainability issues. They have adopted sustainable real estate practices, minimized waste through reduction initiatives, used sustainable products, and monitored developing sustainability requirements and laws.

EQUITY IN CONTRACTING (EIC) COMPLIANCE: Not applicable - EIC Exception: Direct Negotiation Waiver.

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP) COMPLIANCE: Not applicable to this contract.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
5800 Information Technology	595710	5317950	\$175,000
TOTAL			Up to \$175,000

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
5800 Information Technology	595710	5950468	(\$175,000)
TOTAL			Up to (\$175,000)

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$175,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes.

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A



City of Tacoma

Date: April 9, 2020

To: Daniel Key, Director, Information Technology
Andy Cherullo, Directory, Finance

From: Barry Brosnon
Information Technology Department

Subject: Authorization of Direct Negotiation for Professional Services and Personal Services over \$25,000

For your review and recommendation.

In accordance with TMC 1.06.256 (B), Information Technology Department requests a waiver of the competitive solicitation process and authorization to directly negotiate with **Snowflake Inc, San Mateo, CA**, for Snowflakes Cloud Data Platform Subscription Service, for an amount of \$50,000, plus applicable sales tax.

Direct negotiation approval constitutes a waiver of further competitive solicitation for amendments to the subject contract provided that any such amendment(s) shall be signed by personnel as authorized in the Delegation of Procurement Signature and Approval Authority memorandum. Contract totals shall not exceed \$200,000 without City Council or Public Utility Board approval as appropriate.

EXPLANATION: This waiver is for the Hanalytics Project to procure Snowflakes Cloud Data Platform Subscription Service. There will likely be ongoing costs after this contract expires in 2021.

JUSTIFICATION FOR DIRECT NEGOTIATION:

1. Explain why it's in the best interest of the city to waive the competitive solicitation process.

The Information Technology Department recommends a direct negotiation with Snowflake, since this service is currently being used by TPU as the primary Cloud Relational Database service along side the TPU datalake architecture and strategy. There are significant organizational and cost benefits in utilizing the same tools and technology across the City. This purchase would extend the Snowflake subscription to an enterprise platform, usable to all technology groups and with improved pricing. This waiver is to allow direct purchase of Software as a Service (SaaS). As it stands today, Snowflake does not have any Direct Market Resellers. Customers buy direct from Snowflake.

2. Is this purchase based on a previous competitive solicitation conducted by the City or other agency? If yes, provide the contract information, specification number, etc., and explain the relationship of this request to the previous contract.

The City of Tacoma, via TPU, are currently buying direct from Snowflake for this service. This purchase will establish a new contract with improved pricing for the City of Tacoma. See pricing improvements in section 4 below.

3. Describe the screening efforts made to identify potential service providers.



City of Tacoma

A market assessment and technology evaluation was conducted for this service. Both the Utility Technology Architecture Board (UTAB) and Technology Architecture Planning Team (TAPT) reviewed the options and ratified the recommendation to proceed with Snowflake as the primary Cloud Database Service in conjunction with the overall data lake strategy.

4. Describe the efforts made to assure that the City is receiving the lowest or best price possible.

Today, purchase of this service, via TPU, is made at \$3.00 per compute credit unit. This purchase will lower the compute credit cost to \$2.52 per unit. This is a 16% savings over current cost. The normal discount for a 2 year \$25k capacity agreement is 6%. However, the City was able to negotiate an additional 10% in addition to standard discounts.

FUNDING: Funds for this purchase are available in the Information Technology Fund, 5800.

SBE COMPLIANCE: The Department/Division has checked the [City of Tacoma Small Business Enterprise \(SBE\) website](#) for opportunities to contract with SBE firms on April 9, 2020. There are no SBE firms registered for this category of work at this time.

PROJECT COORDINATOR: Barry Brosnon, 253.382.2638.

Wilson, Amber

From: Adam Cheer <adam.chear@snowflake.com>
Sent: Friday, April 10, 2020 12:42 PM
To: Brosnon, Barry; Brosnon, Barry
Subject: Snowflake Pricing Information

Barry,

Here is a summary of our conversation:

As it stands today, Snowflake does not have any Direct Market Resellers and almost all of our customers buy from us directly.

Here is the discount table for Snowflake:

COMMERCIAL TERMS

ACV Band		12 Month Contract		24 Month Contract		36 Month Contract	
From	To	Annual Discount %	Quarterly Discount %	Annual Discount %	Quarterly Discount %	Annual Discount %	Quarterly Discount %
\$10,000	\$19,999	2%	-	4%	-	6%	-
\$20,000	\$39,999	4%	-	6%	-	8%	3%
\$40,000	\$79,999	6%	-	8%	3%	10%	5%
\$80,000	\$149,999	8%	3%	10%	5%	12%	7%
\$150,000	\$299,999	10%	5%	12%	7%	14%	9%
\$300,000	\$449,999	12%	7%	14%	9%	16%	11%
\$450,000	\$599,999	14%	9%	16%	11%	18%	13%
\$600,000	\$1,199,999	16%	11%	18%	13%	20%	15%
\$1,200,000	\$1,999,999	18%	13%	20%	15%	22%	17%
\$2,000,000	\$2,999,999	20%	15%	22%	17%	24%	19%

City of Tacoma Spend
and normal discount given

Proposed 2 yr City of Tacoma
discount

The City of Tacoma was able to negotiate a discount that is ~3x (16%) the typical discount (4%) we typically give customers spending \$25k. Customers who receive a discount of 16% on a 2 year deal are spending \$450-\$600k with Snowflake.

Our Enterprise Edition is typically a \$3 compute credit. The City of Tacoma was able to negotiate a \$2.52 compute credit as part of their 2 year deal.

ENTERPRISE



Premier +

Multi-cluster warehouse
Up to 90 days of time travel
Annual rekey of all encrypted data
Materialized views
AWS PrivateLink available for extra fee

\$3.00

cost per credit

Here is a link to our pricing guide on the website to validate the information above: <https://www.snowflake.com/pricing/>

Cheers,

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ADAM CHEER

Sales Director - Seattle

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