



Defending our Reputation

Refuting Inaccurate & Damaging Claims
published in the Palm Coast Observer & social media



*Palm Coast
City Council Meeting
3/3/2020*

Who is Coastal Cloud



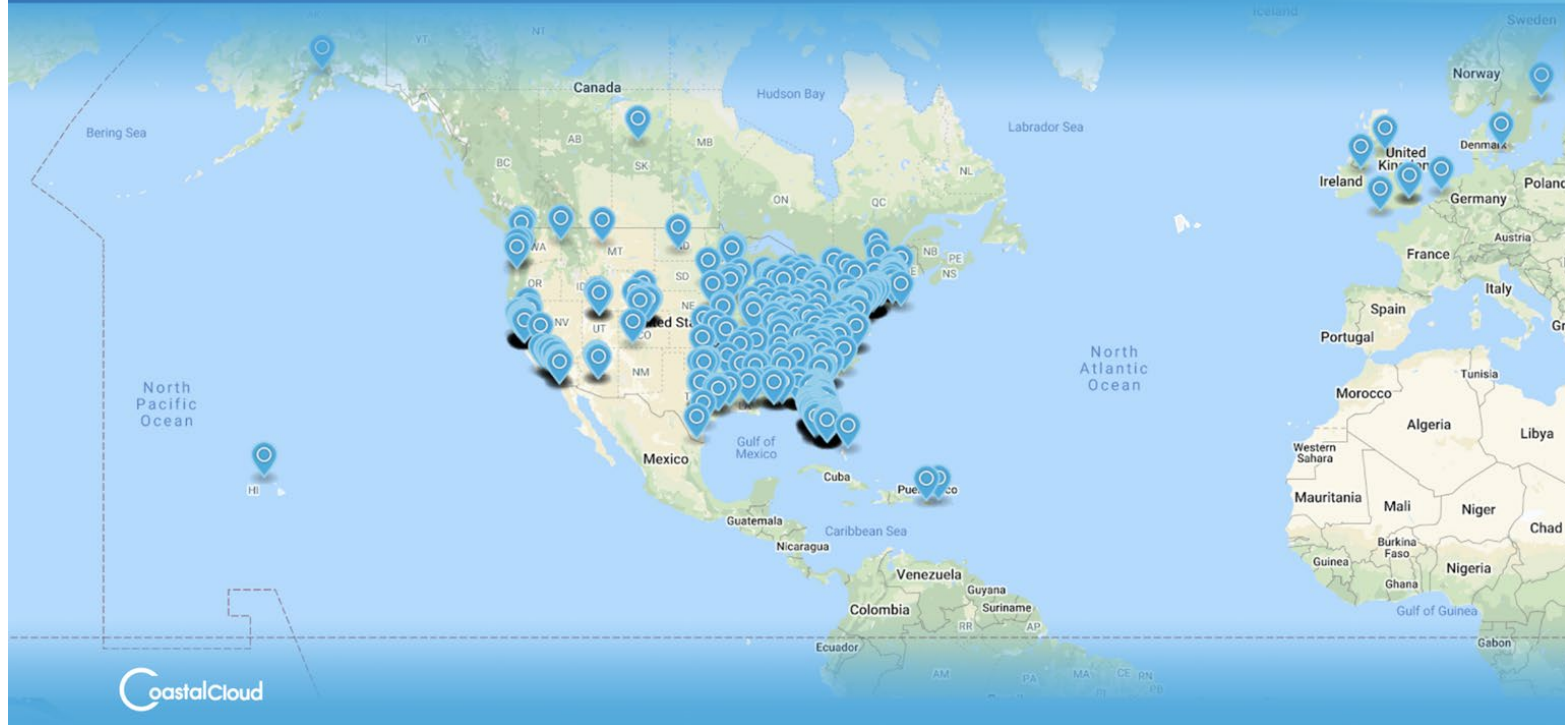
- National technology company founded in Palm Coast in January 2013
- 200+ employees
- #1 rated Salesforce IT consulting company in the US
- Forecast \$40M in revenue in 2020
 - *\$0 of which are related to the City of Palm Coast*





Coastal Cloud - 650 clients worldwide

Our Customers





Coastal Cloud - strategic pro bono investments



The Sea Turtle Hospital
at WHITNEY LABORATORY

Grand Opening


Kids' Activities
Behind-the-Scenes Tours
Whitney's Traveling Zoo



Saturday, October 24th
10:30am - 1:30pm

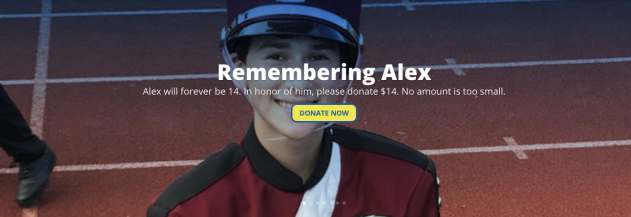
UF Whitney Laboratory for Marine Bioscience
9505 Oceanshore Blvd St. Augustine, FL 32080
www.whitney.ufl.edu 904-461-4000





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We Believe In Safe Schools For Our Children



Remembering Alex
Alex will forever be 14. In honor of him, please donate \$14. No amount is too small.

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SHOP



VOLUNTEER



DONATE

Inaccurate & Damaging Media & Social Media Claims

OPINION

LETTERS TO THE EDITOR



PALM COAST MONDAY, FEB. 24, 2020 1 week ago

Beware the 'tricky' relationship between Palm Coast and Coastal Cloud

SHARE f t e COMMENTS 3

Future arrangements like the one that led to Palm Coast Connect should be scrutinized more carefully.

by: Guest | Writer

By Cindi Lane



Sue Urban

Coastal Cloud and the City of Palm Coast where is the "BULLSHIT" button? This is a complete conflict of interest.

DEPARTMENT OF JUSTICE

2041. BRIBERY OF PUBLIC OFFICIALS

"If the connection is causally direct - if money was given essentially to purchase or ensure an official act, as a "quid pro quo" then the crime is bribery"



Peter Principle

After reading the letter I am left with two questions: Why has this not been reported to the Florida Ethics Commission? And Why are the other council people allowing this to happen?

Like · Reply · 1w



MaryEllen Marie

Peter Principle agree! This needs to be investigated. Shady dealing again by our mayor.

Like · Reply · 1w



Inaccurate & Damaging Media & Social Media Claims



Heidi Shipley (Winn)

Ms Shipley was on City Council throughout the period when Mr Landon & Mr Falgout orchestrated the Palm Coast Connect contracts.



Heidi Shipley

Palm Coast Observer Mayor Holland was the reason Coastal Cloud was involved at all. She wanted her new bosses to see how her position in the city could get them the experience they wanted. In every way the city was paying Coastal Cloud - in future sales, in experience, in the cost of people hired to help with the program.

You have two employees that Mr Landon praised at every chance who left great jobs over something. Must be something big I would think.

Inaccurate & Damaging Media & Social Media Claims



Jason Giraulo

 Jason Giraulo
February 24 at 6:46 PM · 🌐

Yep... THIS is best thing I've read in a while. Disappointed. Just disappointed.



PALMCOASTOBSERVER.COM

Beware the 'tricky' relationship between Palm Coast and Coastal Cloud | Palm Coast | Palm Coast Observer



Jessica Falgout

Agreed, Jason!! Well said and well written Cindi!! I'm glad someone is finally saying what needs to be said!!

Like · Reply · 1w



Jason Giraulo

Jessica Falgout me too! Enough is enough. ...

Like · Reply · 1w



Charles D. Burkhart

You're my new hero Cindy! ...

Like · Reply · 1w



Wendy Meyers Cullen

Speechless and proud! ...

Like · Reply · 1w



Inaccurate & Damaging Media & Social Media Claims




Stephen Sherman

Co-owner: Twisted Minds Escape Room

Shared to 50,000 people within 20 minutes of Palm Coast Observer posting


Cindi Lane

 Stephen Sherman ▶ Bunnell Swip Swap ...
February 24 at 6:49 PM · 🌐

[Show Attachment](#)

👍 1


👍 Like ➦ Share

 Stephen Sherman ▶ Swip Swap Palm Coast Florida ...
February 24 at 6:49 PM · 🌐

[Show Attachment](#)

😬👍 3


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 Stephen Sherman ▶ palm coast - what's happening ...
February 24 at 6:49 PM · 🌐

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 Stephen Sherman ▶ Swip~Swap~Palm Coast~Florida ...
February 24 at 6:48 PM · 🌐

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 Stephen Sherman ▶ Swip~Swap~Palm Coast~Florida ...
February 24 at 6:48 PM · 🌐

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👍 1


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 Stephen Sherman ▶ What's Happening, Palm Coast & Flagler County? ...
February 24 at 6:48 PM · 🌐

[Show Attachment](#)

😬👍😬 6 1 Share

👍 Like ➦ Share

 Stephen Sherman ▶ Swip Swap Palm Coast/bunnell ...
February 24 at 6:48 PM · 🌐

[Show Attachment](#)

👍 1

👍 Like ➦ Share

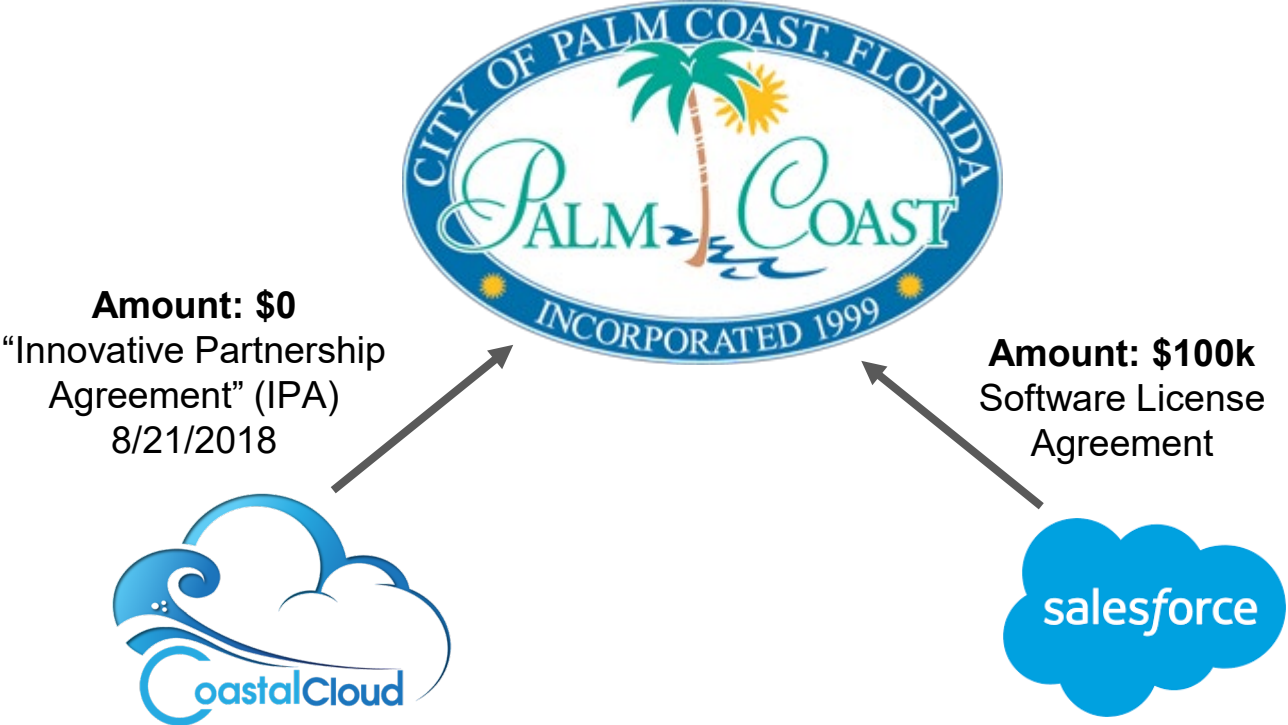
Inaccurate & Damaging Media & Social Media Claims



MJ Mack

Its unethical and they completely side stepped mandatory procurement laws with those dollar amounts.

Contractual Relationships - *no payments to Coastal*



Contractual Approvals - *no involvement from Mayor Holland*



Amount: \$0
"Innovative Partnership
Agreement" (IPA)
8/21/2018



Approvals:

Responsible Dept. Director _____

Date: _____

City Finance DocuSigned by:
4E2A3892B67B492 *Helena Alves* _____

Date: Sep 7, 2018 | 8:12 AM

City Attorney DocuSigned by:
4C1B07CC19C46D *William E. Reischmann, Jr.* _____

Date: Sep 5, 2018 | 3:04 PM

Asst. City Mgr. DocuSigned by:
9993C3F4E5A4473... *[Signature]* _____

Date: Sep 5, 2018 | 3:41 PM

City Manager DocuSigned by:
28EDD2ABE6A8496... *Jim Landon* _____

Date: Sep 8, 2018 | 8:23 AM

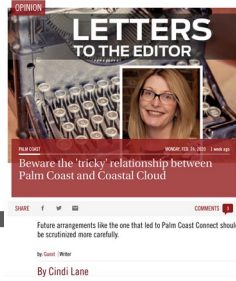
Innovative Partnership Agreement - *no “misunderstanding”*

City of Palm Coast, Florida Agenda Item

Agenda Date: 08/21/2018

Department	ADMINISTRATIVE SERVICES	Amount
Item Key	3781	Account
Subject	RESOLUTION 2018-XX APPROVING AN <u>INNOVATION PARTNERSHIP AGREEMENT WITH COASTAL CLOUD TO DEVELOP A “311” CITIZEN ENGAGEMENT NUMBER AND APP</u>	
Background :	<p><u>UPDATE FROM THE AUGUST 14, 2018 WORKSHOP</u> City Council heard this item at their August 14, 2018 Workshop. Staff. There were no changes suggested to this item. Staff has attached a resolution for Council’s consideration to approve the innovation partnership agreement with Coastal Cloud to develop a “311” citizen engagement number and app.</p> <p><u>ORIGINAL BACKGROUND FROM THE AUGUST 14, 2018 WORKSHOP</u> <u>More recently, innovation, technology and entrepreneurship have been key focuses for City Council and City staff. Great momentum is forming around these focuses and are starting to build upon an ‘entrepreneurial ecosystem’ for Palm Coast.</u> In building this thriving ecosystem, the City has made significant headway with attending educational opportunities (e.g. ESHIP Summit), expanding upon Business Assistance Center initiatives and collaborating with local partners. <u>One partner being Coastal Cloud with an innovative case study</u> (see attached proposed agreement). Today’s presentation will give an update in all of these areas and seek City Council’s guidance on next steps.</p>	
Recommended Action :	Adopt Resolution 2018-XX approving an Innovation Partnership Agreement with Coastal Cloud.	

Timeline of Events - *the missing due diligence*



3/2017 4/2017

- March - City of Palm Coast issues RFP for an “Asset Management System”
 - March - Coastal Cloud submits Proposal for “Asset Management System”
 - April - Palm Coast announces “Top 3 bidders” and Coastal not down-selected
 - April - Coastal requests ‘RFP Scoring Summary’
-
- Mayor Holland (*not a Coastal employee*) had no awareness that Coastal was bidding

Timeline of Events - *the missing due diligence*

3/2017 4/2017 ● “Asset Management System” ‘RFP Scoring Summary’

RFP-IT-17-11 - Asset Management Software Scoring Summary

Active Submissions

Supplier	Total / 100 pts	Required Forms (A, B, C, 1-10) Pass/Fail	Proposal Pass/Fail	Project Understanding / 5 pts	Project Deliverables / 15 pts	Project Methodology / 15 pts	Resources and Project Team / 10 pts	Project Schedule / 10 pts	Pricing / 20 pts	Relevant Experience and References / 15 pts	Completeness, Clarity and Quality of Proposal / 10 pts
AssetWorks LLC	85.57 pts	Pass	Pass	5 pts	13.57 pts	13.71 pts	8.714 pts	7.714 pts	13 pts	14.57 pts	9.286 pts
Data Transfer Solutions, LLC	83.29 pts	Pass	Pass	4.714 pts	12.57 pts	12.57 pts	9.286 pts	8.286 pts	15 pts	12.43 pts	8.429 pts
Jones Edmunds & Associates, Inc.	81.71 pts	Pass	Pass	5 pts	11.86 pts	13 pts	9.857 pts	8.714 pts	10 pts	14.71 pts	8.571 pts
Lucity, Inc.	79.14 pts	Pass	Pass	4.143 pts	10.29 pts	11.71 pts	7.571 pts	7.286 pts	17 pts	13.14 pts	8 pts
PSD Software, LLC	77.29 pts	Pass	Pass	4.143 pts	12.14 pts	11.57 pts	6.857 pts	7.286 pts	15 pts	11.86 pts	8.429 pts
Tyler Technologies	73.86 pts	Pass	Pass	4.143 pts	8.429 pts	11 pts	8 pts	8 pts	16 pts	10.14 pts	8.143 pts
Coastal Cloud	67.57 pts	Pass	Pass	3.286 pts	9.571 pts	10.71 pts	7.143 pts	6.429 pts	16 pts	7.857 pts	6.571 pts
Smart Energy Systems	64.14 pts	Pass	Pass	4.286 pts	12.71 pts	11.71 pts	7.857 pts	5.143 pts	5 pts	9.857 pts	7.571 pts
EMA, Inc.	53.43 pts	Pass	Pass	4.714 pts	10.29 pts	7.857 pts	8.714 pts	2.714 pts	1 pts	11.86 pts	6.286 pts

Timeline of Events - *the missing due diligence*

3/2017 4/2017 **5/2017**

- May - Beau Falgout & intern contact Tim & Sara Hale requesting meeting re: ***'gaps & opportunities for high tech start-ups in Palm Coast...'***

Jasmin Snodgrass <JSnodgrass@palmcoastgov.com>
to Beau, me, sara.hale@coastalcloud.us ▾

May 16, 2017, 3:36 PM



Hello Tim and Sara,

I am Jasmin Snodgrass, an intern at the City of Palm Coast, working for Beau Falgout, the Administrative Service and Economic Director for the City. I spoke to Katrina today about the gaps and opportunities for high tech startups in Palm Coast and she suggested I discuss how to attract high tech startups and talent. Please let me know if you are free anytime next week.

I look forward to hearing from you,

Jasmin

Jasmin Snodgrass
Intern
City of Palm Coast
www.palmcoastgov.com



Timeline of Events - *the missing due diligence*



3/2017 4/2017 5/2017 6/2017

- June - Jim Landon, Beau Falgout, Steve Viscardi (CoPC IT) and 2 interns meet with Tim & Sara Hale at Coastal Cloud headquarters to discuss “**gaps & opportunities for high-tech start-ups in Palm Coast**”
 - Hales demonstrated several Coastal Cloud Public Sector projects based on the Salesforce platform.
 - Landon introduced “Innovation / Partnership” concept - connect CoPC and Coastal to develop new public sector solutions that would generate more high tech jobs in Palm Coast
 - Landon described the legacy city solutions from Tyler Technologies in Plano, TX. & complained about ‘the beast’ that is Tyler - very expensive & slow to innovate or integrate.
- June - Milissa Holland joins Coastal to focus on growing Public Sector business in Tallahassee

Timeline of Events - *the missing due diligence*



- Dec - Jim Landon meets with Tim & Sara Hale at Coastal offices to discuss renewed focus on Innovation & Economic Growth
- Feb - Beau Falgout asks Tim & Sara Hale to assist with screening/interviews for new “Head of Innovation & Economic Growth
- *Zero involvement of Mayor Holland...*

Timeline of Events - *the missing due diligence*



6/2018

8/2018

- June - 1st draft of “*Innovation Partnership Agreement*” from Jim Landon (via Jake Scully - Coastal) to Coastal. (*1 year after initial meeting*)
- June - Jake clarifies to Landon that Salesforce license costs will be required and a separate contract between CoPC and Salesforce
- June - Landon confirms back (via email) re: contract language & license costs

- August - Salesforce delivers Landon a quote for Salesforce license costs (*week before 8/14/2018 workshop meeting*)

Timeline of Events - *the missing due diligence*

6/2018

Jim Landon <JLandon@palmcoastgov.com>
to Jake, Sara, Tim, Wynn ▾

Fri, Jun 22, 2018, 9:27 AM

Good morning Jake,

I also enjoyed our kickoff meeting.

Adding "Intellectual Property" is fine and understood. Please provide us with draft wording that meets your needs.

We will need to discuss the cost of the Salesforce licensing when you have an estimate.

Jim Landon

City Manager

City of Palm Coast

160 Lake Avenue

Palm Coast, FL 32164

Tel: 386-986-3702

www.palmcoastgov.com<<http://www.palmcoastgov.com>>

Timeline of Events - *the missing due diligence*

6/2018

8/2018



Government - Price Quotation

Salesforce.com Government at Carahsoft



Carahsoft Technology Corp.

1860 Michael Faraday Drive | Suite 100 | Reston, Virginia 20190
 Phone (703) 871-8500 | Fax (703) 871-8505 | Toll Free (888) 662-2724
 www.carahsoft.com | sales@carahsoft.com

TO: Jim Landon
City Manager
City of Palm Coast
160 Cypress Point Parkway
Palm Coast, FL USA FROM: Tyler Miller
Carahsoft Technology Corp.
1860 Michael Faraday Drive
Suite 100
Reston, Virginia 20190

EMAIL: jlandon@palmcoastgov.com EMAIL: Tyler.Miller@carahsoft.com

PHONE: (386) 986-3702 PHONE: (703) 673-3551 FAX: (703) 871-8505

TERMS: FTIN: 52-2189693 QUOTE NO: 12657772
 Shipping Point: FOB Destination QUOTE DATE: 08/10/2018
 Remit To: Same as Above QUOTE EXPIRES: 10/31/2018
 Payment Terms: Net 30 (On Approved Credit) RFQ NO:
 Cage Code: 1P3C5 SHIPPING: ESD
 DUNS No: 088365767 TOTAL PRICE: \$75,080.17
 Credit Cards: VISA/MasterCard/AMEX
 Sales Tax May Apply

TOTAL QUOTE: \$75,080.17

LINE NO.	PART NO.	DESCRIPTION	QUOTE PRICE	QTY	EXTENDED PRICE
1	205-0004	Lightning Service Cloud - Enterprise Edition Start Date: 10/31/2018 End Date: 10/30/2019	\$1,680.64 OM	20	\$33,612.80
2	205-0017N	Lightning Field Service - Dispatcher - Enterprise Edition Start Date: 10/31/2018 End Date: 10/30/2019	\$1,680.64 OM	2	\$3,361.28
3	205-0017	Lightning Field Service - Contractor - Enterprise Edition Start Date: 10/31/2018 End Date: 10/30/2019	\$560.21 OM	6	\$3,361.26
4	205-0024	Customer Community - Enterprise Edition - Logins Start Date: 10/31/2018 End Date: 10/30/2019	\$15.28 OM	1000	\$15,280.00
5	205-0175	Government Cloud Premier+ Success Plan (EE) Start Date: 10/31/2018 End Date: 10/30/2019	\$19,464.83 OM	1	\$19,464.83

SUBTOTAL: \$75,080.17

TOTAL PRICE: \$75,080.17

Timeline of Events - *the missing due diligence*

8/2018 9/2018

- August - City Council Workshop where Landon presented “Innovative Partnership Agreement (IPA)” with CoPC and Coastal Cloud.
 - “Innovative Partnership Agreement with Coastal Coastal to develop a 311 Citizen Engagement application” (system)
 - Tim & Sara Hale showed videos of other Citizen Engagement solutions built on the Salesforce platform in Nashville, TN and Peterborough, England
 - City Council approved IPA with unanimous vote
 - Mayor Hollard recused herself
- September - Jim Landon leaves role at CoPC, Beau Falgout as Interim City Mgr

Timeline of Events - *the missing due diligence*

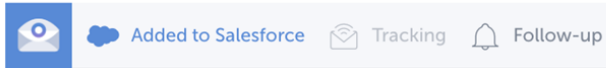
8/2018 9/2018 **10/2018**

- October - Tim Hale emails videos of Citizen Engagement platform in use in Cary, NC. Beau Falgout, Interim City Manager responds ***“I look forward to kick starting Palm Coast’s transformation.”***

● **Beau Falgout** <bfbalgout@palmcoastgov.com>

Oct 7, 2018, 3:20 PM

to ● Tim, ● Sara ▼



Love the videos, thanks for sharing and I look forward to kick starting Palm Coast's transformation.

Beau Falgout
Interim City Manager

City of Palm Coast
160 Lake Avenue
Palm Coast, FL 32164
Tel: 386-986-3796
www.palmcoastgov.com

Timeline of Events - *the missing due diligence*



8/2018 9/2018 10/2018

4/2019

6/2019

8/2019

- April - Matt Morton begins as new City Manager.



- June - “Palm Coast Connect” goes live. *Enhancements every 2 weeks...*
- June - Cindi Lane resigns, Jason Giraulo resigns



Jason Giraulo

- August - “Palm Coast Connect” enhanced for “Emergency Operations” support for Hurricane Dorian - *with 4 days notice....*

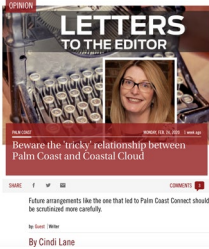
Timeline of Events - *the missing due diligence*

Summary points:

- The CoPC & Coastal Cloud partnership was initiated by Jim Landon & Beau Falgout in early 2017 as an Economic Development initiative (*before Mayor Holland was employed by Coastal*)
- Mayor Holland had ZERO involvement through the entire IPA process - Jim Landon explicitly kept her out of it
- Jim Landon was well aware of Salesforce license costs before the August 2018 workshop. There were no “surprises”

“Apples & Oranges”

Citizen Engagement Systems: Salesforce vs SeeClickFix



Cindi Lane - Palm Coast Observer:

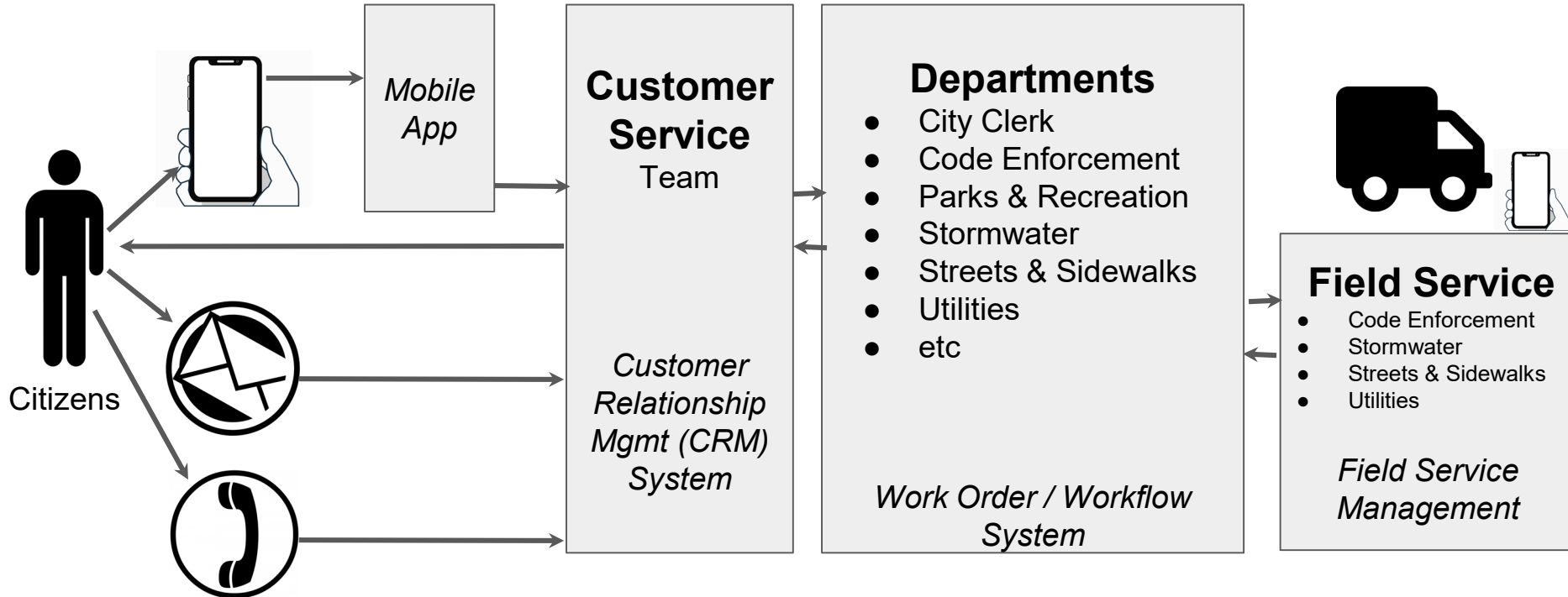
“the Palm Coast Connect app costs three to four times more annually than if the city had purchased an off-the-shelf app already being used in hundreds of communities across the United States. Additionally, those products may have offered more functions the city was looking for and tied into Palm Coast’s existing software systems more easily.”

How could the city say “no” to Coastal Cloud’s app even as it became clear the financial cost was going to be so much higher than SeeClickFix or another readily available product? They couldn’t.

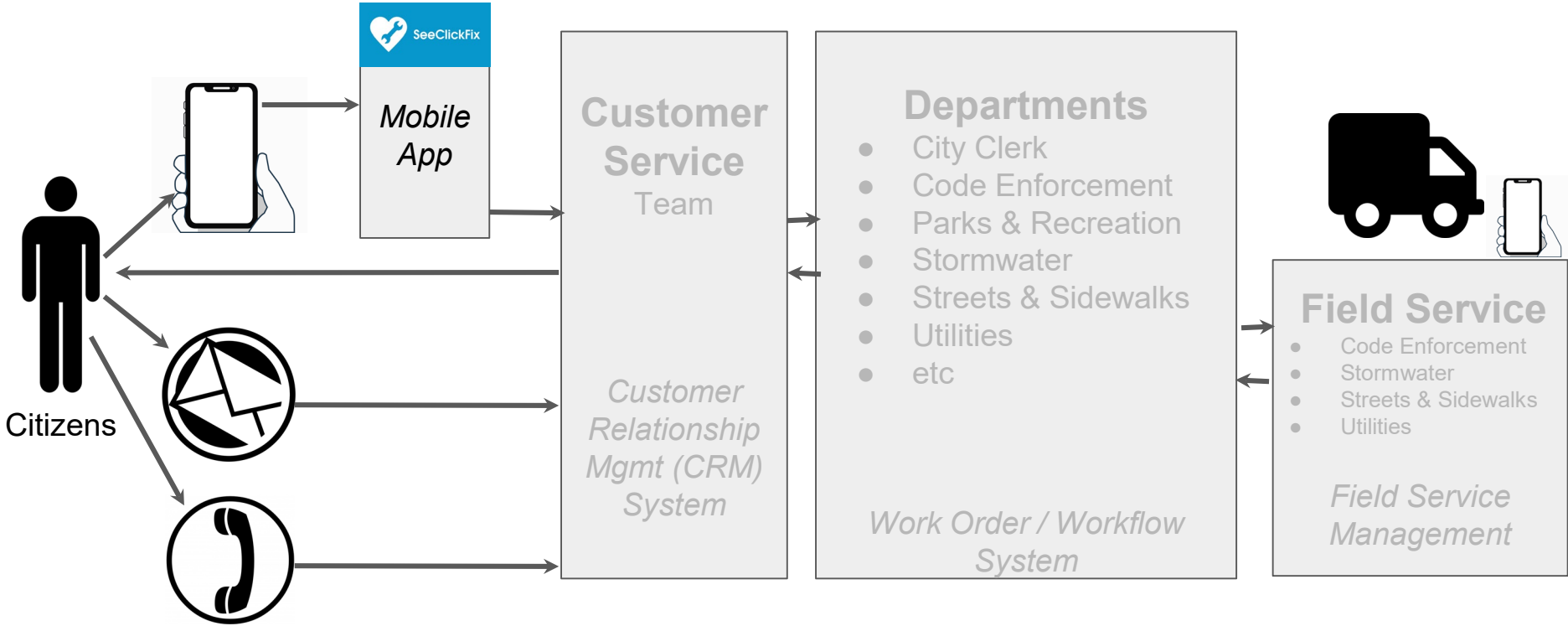
“Apples & Oranges”



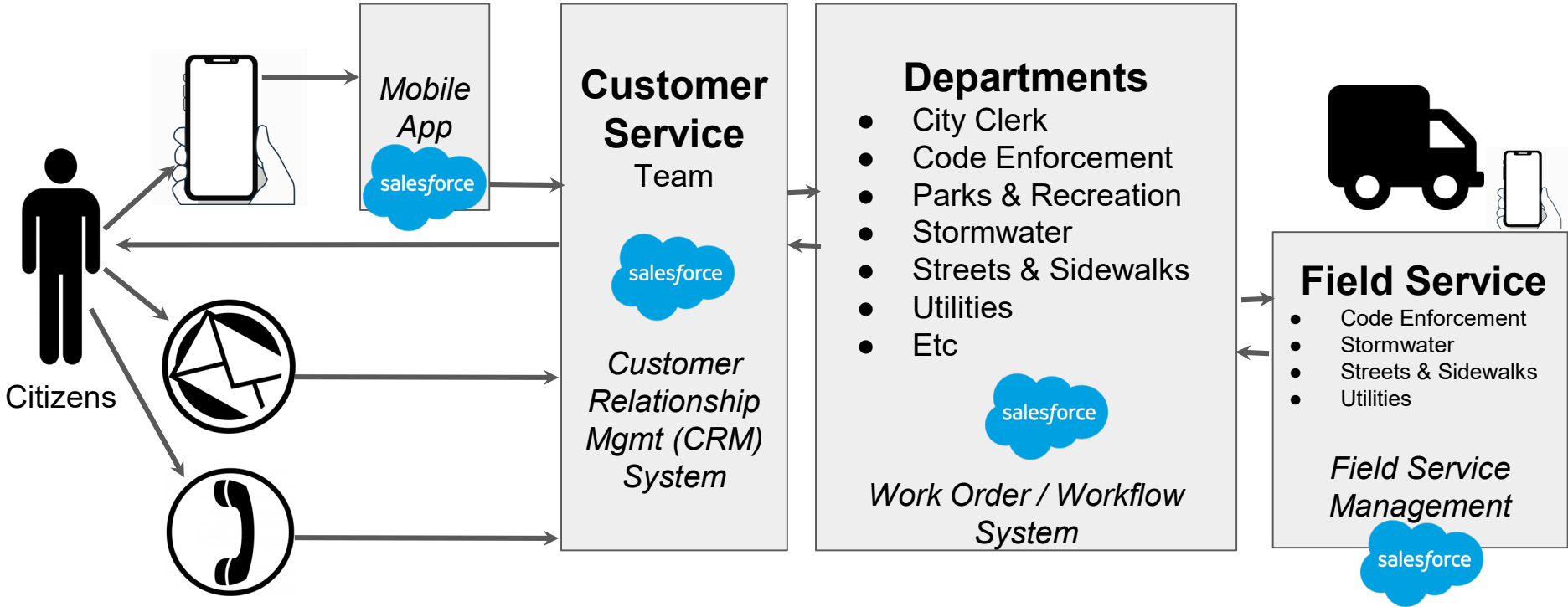
Citizen Engagement Systems: *Salesforce* vs *SeeClickFix*



SeeClickFix: Cindi Lane “\$15k one-time fee plus \$36k/year”

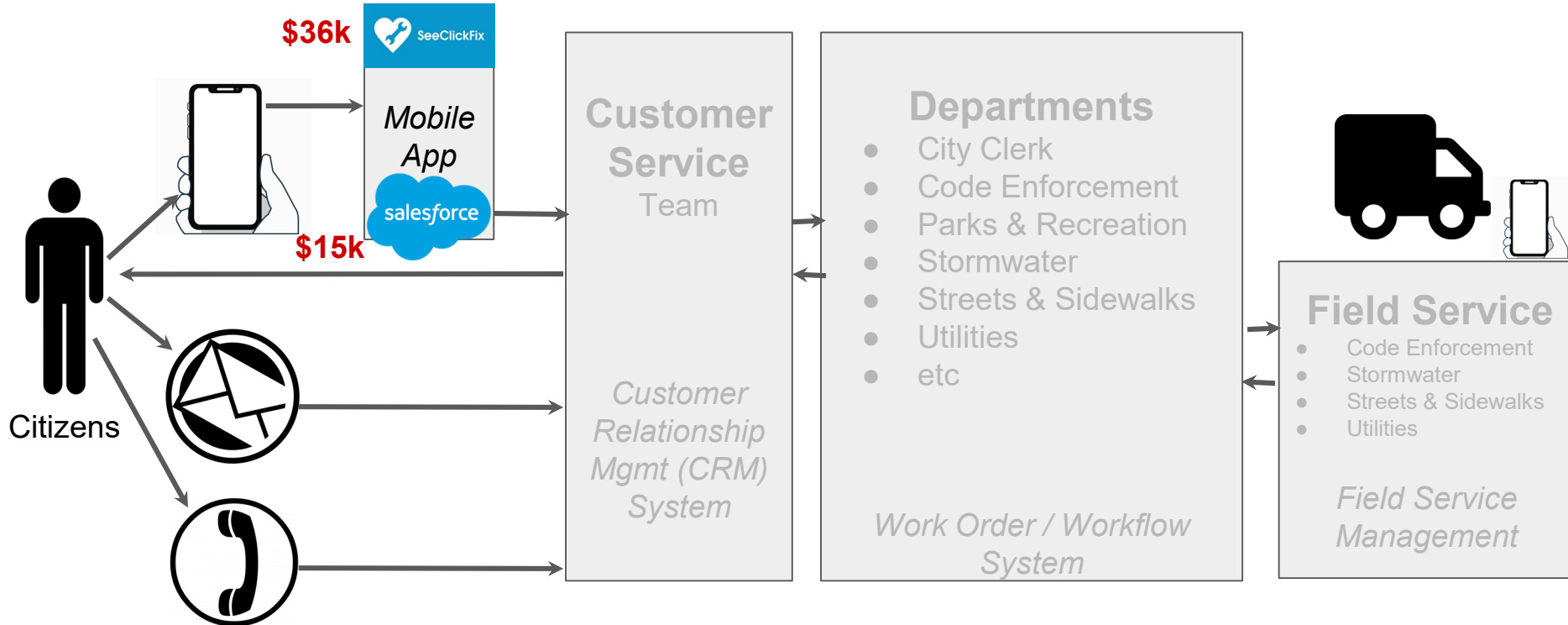


Salesforce: Cindi Lane “City budgeted \$100k”



“Apples to Apples”

Salesforce vs SeeClickFix: \$15k/year vs \$36k/year



SeeClickFix company sold in 2019



GovTech Biz

CivicPlus Acquires 311 Software Company SeeClickFix

CivicPlus has added another competitor to its ever-expanding suite of integrated communications software in SeeClickFix, a tool that has offered citizens ways to use mobile devices to report issues à la 311.

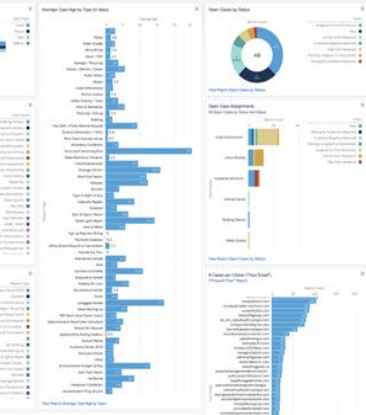
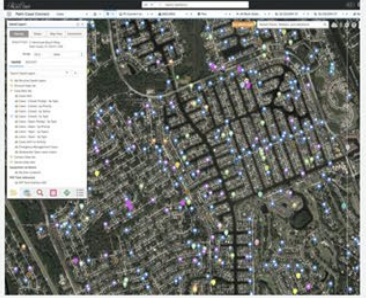
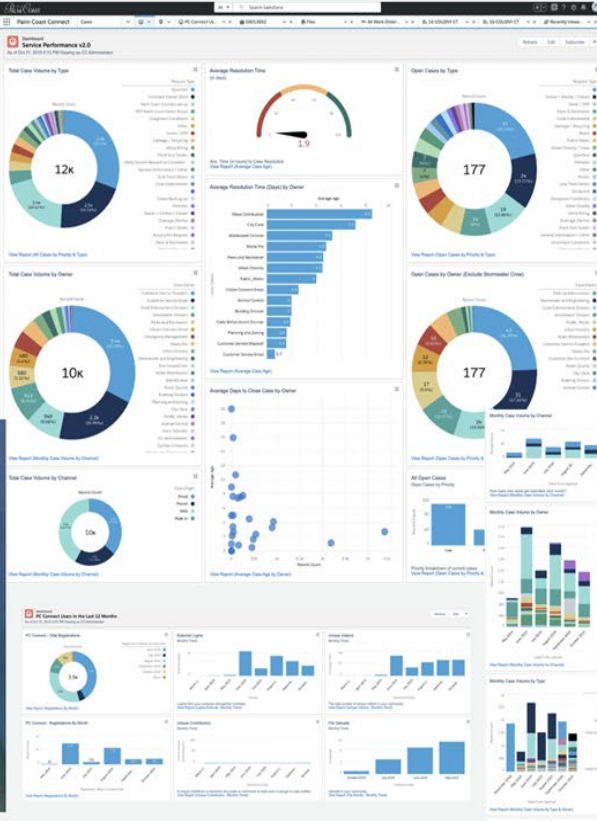
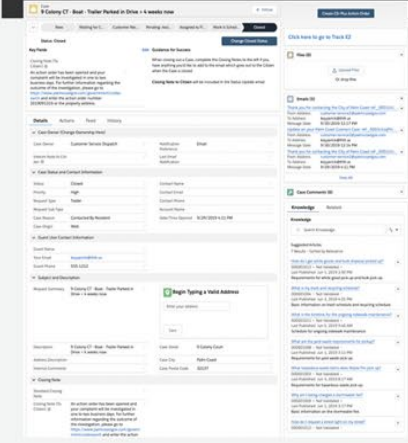
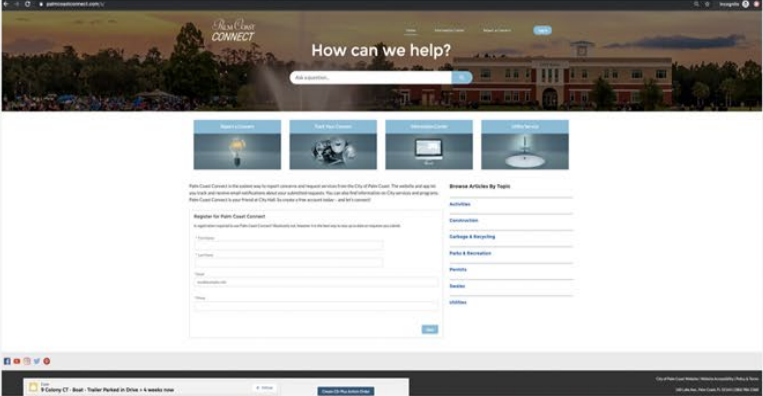
BY ANDREW WESTROPE / OCTOBER 11, 2019

Software License costs

Summary points:

- Salesforce licenses are NOT '3 to 4 times more expensive than an off-the shelf app'. In fact, they are 50% less expensive than comparable functions.
- The Salesforce Palm Coast Connect platform has much broader capabilities which impact many departments and help the city operate with more transparency, accountability and efficiency. The business improvements are much greater than the traditional 'siloes' systems in most city governments.
- Cindi Lane apparently didn't check with the Users/Managers of Palm Coast Connect to understand the scope, pricing & value of the system vs alternatives

Greater Transparency, Accountability, Efficiency



Conclusions

- Cindi Lane misrepresented the facts around the CoPC and Coastal Cloud relationship
- This misrepresentation was printed & promoted by the Palm Coast Observer & shared across social media channels, *recklessly damaging the reputation of Coastal Cloud*
- The entire CoPC / Coastal Cloud “innovation partnership” was crafted by Jim Landon & Beau Falgout, not Mayor Holland
- Coastal Cloud has received \$0 compensation from CoPC and has invested over \$320k in the Palm Coast Connect solution
- Salesforce licenses are not “*more expensive*” than comparable solutions
- Palm Coast Connect is enabling a new culture in CoPC that is more *transparent, accountable & efficient*
- The CoPC / Coastal “innovation partnership” is a Win/Win deal that improves our city and has the potential to bring more high tech jobs to the community