COUNTY OF LOS ANGELES

FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294

P. MICHAEL FREEMAN
FIRE CHIEF
FORESTER & FIRE WARDEN

December 9, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

AUTHORIZE THE CHIEF INFORMATION OFFICE TO EXECUTE A SERIES OF WORK ORDERS WITH INTERNATIONAL BUSINESS MACHINES CORPORATION FOR PROFESSIONAL SERVICES TO IMPLEMENT A FLEET ASSET MANAGEMENT SYSTEM (ALL DISTRICTS) (3 VOTES)

CIO RECOMMENDATION: APPROVE (X)

SUBJECT

The Consolidated Fire Protection District of Los Angeles County (District) is requesting that your Board authorize the Chief Information Office (CIO) to execute a series of work orders for professional services under the County's Master Services Agreement (MSA) with International Business Machines Corporation (IBM), to implement the District's Fleet Asset Management System for a maximum amount of $1,100,000. Your Board was notified in January 2008, via a Board Notice, of the District's intent to request additional work order authorizations to complete the implementation of the Fleet Asset Management System.

IT IS RECOMMENDED THAT YOUR BOARD, ACTING AS THE GOVERNING BODY OF THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY:

1. Approve and direct the CIO to execute a series of work orders for professional services under the County's MSA with IBM, for the implementation of the District's Fleet Asset Management System.

2. Authorize the spending of $1,100,000 to execute the series of work orders for the implementation of the District's Fleet Asset Management System.

3. Find that this agreement is exempt from the provisions of the California Environmental Quality Act (CEQA).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The District provides maintenance and management of an inventory of 700 emergency vehicles and 1,000 non-emergency vehicles that use 3,000 auto-related inventory parts. The District requires a fleet asset management solution to improve and automate its fleet asset management capability. In January 2008, the District notified your Board of our intent to request the CIO to execute a work order for the development of a comprehensive fleet asset management business model and a strategy to implement the IBM Maximo fleet management suite. The development of a business model and an implementation strategy were completed in September 2008.

The purpose of this next series of work orders is to continue utilizing IBM professional services to implement the future state business model, including improved business processes, resulting in a more efficient fleet asset management capability. These work orders will be executed and completed by Fiscal Year 2010-2011. The District will receive the following deliverables from IBM:

- Data Conversion
- Fleet Asset Management Training Materials
- Business Workflow Specifications
- Production System Cutover

This request for approval is in accordance with your directive, which limits the delegated authority of the CIO to execute work orders in an amount not to exceed $300,000.

Chief Information Office Concurrence

The CIO concurs with this project and has provided their analysis as referenced in the attached CIO Analysis document.

Implementation of Strategic Plan Goals

The implementation of a Fleet Management System is aligned with the following County strategies: Goal 2 Workforce Excellence, Goal 4 Fiscal Responsibility, and Goal 8 Public Safety, as this system will enhance the District's ability to effectively and efficiently manage the District's fleet assets.

FISCAL IMPACT/FINANCING

The total cost of the work orders for the Fleet Asset Management System shall not exceed $1,100,000. Sufficient funds are available in the District's Fiscal Year 2008-09 Administrative Budget Unit for the projected 2008-09 cost of $527,500. Additional project funding, to fully fund the project, will be provided via future years' budget process. There is no impact to net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

IBM is the sole source provider and is uniquely positioned to provide the required technical support and consulting services.

This Board letter is in accordance with your directive, which limits the delegated authority of the CIO to execute work orders in an amount not to exceed $300,000.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Implementation of the District's Fleet Asset Management System will replace disparate legacy systems with a consolidated web based system allowing for greater visibility of fleet assets within the District which will promote workforce excellence, public safety, and fiscal responsibility.

CONCLUSION

Upon approval by your Board, please instruct the Executive Officer to return adopted copies of this letter to the following offices:

1. Consolidated Fire Protection District of Los Angeles County
   Executive Office
   1320 North Eastern Avenue
   Los Angeles, CA 90063

2. Consolidated Fire Protection District of Los Angeles County
   Information Management Division
   5815 Rickenbacker Road
   Commerce, CA 90040
   Attn: Rob Sawyer, Division Chief

Respectfully submitted,

P. MICHAEL FREEMAN
FIRE CHIEF

RICHARD SANCHEZ
ACTING CHIEF INFORMATION OFFICER

PMF:CIO:rms

Attachment

c: Chief Executive Officer
   Auditor-Controller
   Chief Information Officer
   County Counsel
   Internal Services Department

CIO ANALYSIS

FIRE DEPARTMENT FLEET MANAGEMENT CONSULTING AND PROFESSIONAL SERVICES AGREEMENT - IMPLEMENTATION

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION ☐ DISAPPROVE

Contract Type:

☐ New Contract ☐ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract ☐ Hardware Acquisition ☒ Other

New/Revised Contract Term: Base Term: 3 Years # of Option Yrs: 0

Contract Components:

☐ Software ☐ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: Chief Jesus Burciaga, Deputy Chief, Fire Department

Budget Information :

Y-T-D Contract Expenditures	$ 144,560
Maximum Contract Amount	$1,100,000
Aggregate Project Amount	$1,244,560

Project Background:

Yes	No	Question
☐	☒	Is this project legislatively mandated?
☐	☒	Is this project subvented? If yes, what percentage is offset?
☐	☒	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved.

Strategic Alignment:

Yes	No	Question
☒	☐	Is this project in alignment with the County of Los Angeles Strategic Plan?
☒	☐	Is this project consistent with the currently approved Department Business Automation Plan?
☒	☐	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
☒	☐	Does the project technology solution comply with preferred County of Los Angeles IT Standards?
☒	☐	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

Project/Contract Description:

The Fire Department (Fire) is requesting Board authorization for the Chief Information Office (CIO) to execute a series of Work Orders (WO) with IBM under the County's IBM Master Services Agreement (MSA) in the amount not to exceed $1,100,000 to support implementation of IBM/Maximo Fleet Management software and associated business processes to track and manage an inventory of 1,700 emergency and non-emergency vehicles and 3,000 auto-related inventory parts.

Background:

Currently, Fire manages its portfolio of vehicles through a variety of non-integrated, compartmentalized manual and automated processes and systems. It determined that acquiring and implementing the IBM/Maximo Fleet Management software suite would allow it to achieve important improvements in its Fleet Management program.

Fire has acquired the IBM/Maximo Fleet Management software for $299,699 in June 2007 via the County's IBM license agreement. Also, it conducted a business process analysis and planning engagement with IBM for $144,560, which identified the planning and requirements definition for the implementation of the fleet management software suite and new opportunities for streamlining fleet business processes. This Board request seeks approval for consultant services to implement the system designs and associated processes defined in the previous WO to support the Department's management of its fleet operations.

Project Justification/Benefits:

Improvements in fleet management business processes and technology will allow Fire to enhance its operational capabilities and the financial management of these important assets. Acquiring IBM implementation services should significantly improve the probability of software implementation success and associated business process improvements. The Fire Fleet software and business processes will integrate with the County's eCAPS enterprise financial system.

Project Metrics:

A detailed project plan has been developed with the participation and agreement of Fire, CIO and IBM that defines the implementation project scope, tasks, deliverables, responsibilities, staffing, schedule, acceptance criteria, and payment milestones. Fire and IBM have both identified project managers who will manage the project according to the project plan. The CIO will also provide project oversight assistance.

The results of this Fleet Management Consulting and Professional Services WO should result in the implementation of the IBM/Maximo Fleet Management software suite and improved Fire fleet management business processes.

Impact On Service Delivery Or Department Operations, If Proposal Is Not Approved:

The Fire Department has acquired the IBM/Maximo Fleet Management software suite and performed business process improvement and detailed implementation planning in order to achieve a successful software implementation. If this current proposal for implementation services is not approved, the Department could either choose to not proceed with implementation or could proceed with implementation with a substantial risk of not successfully achieving its Fleet Management objectives.

Alternatives Considered:

The alternative approach would be for Fire to proceed with the implementation using its in-house resources, or seeking implementation services from another professional services provider. Fire has determined that it would be very difficult to successfully complete the implementation without the assistance of IBM. Fire will continue to commit an implementation team made up of technical, operational and management personnel, but needs the professional services technical and operational expertise to achieve a timely implementation that will result in meeting the project objectives.

While there are potentially other professional service providers, the proposed IBM project team members worked extensively with the Department to conduct the business planning project, and as a result have developed significant insight into current operations and the transition needed to implement improved operations and systems.

Project Risks:

Key members of the Fire executive team responsible for the fleet management function have committed themselves and other key operational staff to the next stage of implementation. These include executives of the Fleet Services, Materials Management and Information Management units.

As Fire proceeds with the Fleet Management implementation project, there are risks that will require close oversight to ensure an effective outcome:

- Ensuring availability of key Fire fleet, materials and IT personnel to participate in project activities including meetings, software reviews and training;
- Ensuring the availability of knowledgeable IBM project consultants;
- Achieving the agreement of Fire executive management, project participants and other department personnel to make changes in existing processes; and
- Ensuring that changes to the IBM/Maximo software will be limited to tailoring of tables, and will not involve modifications to the source code that could limit the ability to implement software upgrades over time.

Risk Mitigation Measures:

Each of the above risks has been addressed by the Fire Department and IBM. Based on these discussions, the CIO feels confident that the Department understands these risks and the importance of effectively monitoring them throughout the implementation engagement. The following actions represent the plans to mitigate the above risks:

- Fire Department management has committed to providing the appropriate technical, operational and management personnel to work on the project.

- The IBM project consultants will be the same as those that completed the business process analysis. Fire is familiar with their knowledge and capabilities. IBM has committed to a specific level of effort, including onsite presence.

- The Work Order Statement of Services defines the scope of work, key assumptions, tasks, responsibilities, deliverables, scheduling, acceptance criteria, staffing and payment milestones.

- Fire Department management understands the need to improve business processes, and has committed to changing business processes as may be needed, and to avoiding customization of the fleet management software.

Financial Analysis:

The costs for this series of work orders are not to exceed $1,100,000 for professional services and all project-related travel expenses. Two work orders are anticipated. The first work order will focus on core fleet management processes and is expected to be completed during FY 2008-2009. The second work order will address procurement/purchasing and integration with eCAPS and is expected to be completed during FY 2010-2011.

CIO Concerns:

None.

CIO Recommendations:

The Chief Information Office supports this action and recommends Board approval.

CIO APPROVAL

Date Received:	September 15, 2008
Prepared by:	John Arnstein
Date:	November 6, 2008
Approved:	
Date:	11-24-08