County of Los Angeles
INTERNAL SERVICES DEPARTMENT
1100 North Eastern Avenue
Los Angeles, California 90063

TOM TINDALL
Director

Telephone: (323) 267-2101
FAX: (323) 264-7135

"To enrich lives through effective and caring service"

May 21, 2013

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

Dear Supervisors:

**REQUEST FOR APPROVAL
TO ACQUIRE COMPUTER EQUIPMENT
AND APPROVE APPROPRIATION ADJUSTMENT
(ALL DISTRICTS - 3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ( )
DISAPPROVE ( )**

SUBJECT

Request approval to purchase computer equipment with a unit cost greater than $250,000 to meet the needs of County departments and approval of the Appropriation Adjustment.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Internal Services Department (ISD) to acquire computer server equipment for a total capital asset expenditure of $468,000 to support Countywide automated applications.

2. Approve an Appropriation Adjustment to transfer $1,004,000 from Services and Supplies to Capital Assets Equipment to provide adequate appropriation for the required capital asset purchases (Attachment B).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On an ongoing basis, ISD acquires computer and networking equipment to meet the computer application needs of County departments. Pursuant to County Policy, Board approval is required when individual components of this equipment exceed $250,000.

This request is for approval to acquire one (1) mainframe computer server to meet the demand for County Web Portal services at the Downey Data Center. We are experiencing growth in the number of departments using the County Web Portal. We anticipate increased usage when new features and functionality are deployed beginning in August 2013. The capital asset cost of this procurement is $468,000.

This new mainframe computer server is a planned financed purchase for Fiscal Year (FY) 2013-14. We are moving this purchase to FY 2012-13 due to the increased demand for these computing services and a desire to reduce our use of financing when appropriate.

In addition to the $468,000 for the new mainframe computer server purchase, the requested $1,004,000 budget adjustment for capital assets covers an additional $500,000 to acquire network and voice equipment for Department of Public Social Services (DPSS) and $36,000 for network equipment for the Public Library. No component of these two purchases exceeds $250,000. The total cost of this purchase will be passed on to DPSS and Public Library, respectively.

Implementation of Strategic Plan Goals

The acquisition of this computer and networking equipment is necessary to meet the information technology requirements of the departments served by ISD and supports the County strategic goal for Operational Effectiveness.

FISCAL IMPACT/FINANCING

The approval of the recommended appropriation adjustment to transfer $1,004,000 from Services and Supplies to Capital Assets Equipment will provide adequate appropriation for the required capital asset purchases.

All costs are offset by billings to County departments. There will be no additional cost impact to County departments. All equipment will be purchased outright, rather than financed, to avoid interest charges in future years. No additional net County cost is required for these acquisitions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This request complies with the County Equipment Policy that your Board approved on October 16, 2001. This Policy requires that departments obtain Board approval to purchase or finance equipment with a unit cost of $250,000 or greater. The Chief Information Officer recommends approval of this purchase (CIO Analysis Attachment A).

CONTRACTING PROCESS

These equipment items are commodity acquisitions under the statutory authority of the County Purchasing Agent. The acquisitions will be competitively bid by the Purchasing Agent in accordance with the standard County Purchasing policies and procedures.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Your approval will ensure that ISD can acquire the resources necessary to operate County computer systems managed by the Department.

CONCLUSION

The Executive Office, Board of Supervisors, is requested to return one stamped copy of the approved Board letter to the Director, ISD.

Respectfully submitted,

Tom Tindall

TOM TINDALL
Director

Richard Sanchez

RICHARD SANCHEZ
Chief Information Officer

TT:DC:TJT
Attachments (2)

Enclosures

c: Chief Executive Office
County Counsel
Executive Officer, Board of Supervisors

ATTACHMENT A

RICHARD SANCHEZ
CHIEF INFORMATION OFFICER

Office of the CIO

CIO Analysis

NUMBER:	DATE:
CA 13-09	4/29/2013

SUBJECT:

REQUEST APPROVAL TO ACQUIRE COMPUTER EQUIPMENT AND AN APPROPRIATION ADJUSTMENT

RECOMMENDATION:

☒ Approve ☐ Approve with Modification ☐ Disapprove

CONTRACT TYPE:

☒ New Contract ☐ Sole Source
☐ Amendment to Contract #: Enter contract #. ☐ Other: Describe contract type.

CONTRACT COMPONENTS:

☒ Software ☒ Hardware
☒ Telecommunications ☐ Professional Services

SUMMARY:

Department Executive Sponsor: Tom Tindall, Director, Internal Services Department

Description: Request approval to purchase: 1 IBM mainframe server and a budget adjustment to purchase IT equipment for DPSS' California Health Care Eligibility, Enrollment and Retention System (CalHEERS) and Local Area Network switches for the Public Library.

Contract Amount: **$1,004,000** Funding Source: **ISD Budget Appropriation**

☒ Legislative or Regulatory Mandate ☒ Subvened/Grant Funded: **91-100% for DPSS**

Strategic and Business Analysis

PROJECT GOALS AND OBJECTIVES:

The project goals and objectives are to:

- Expand the current mainframe server capacity in Downey.
- Expand the DPSS VoIP infrastructure in Downey.
- Implement VoIP Customer Service Center for CalHEERS.
- Replace existing LAN hardware for Public Library (La Puente and Leland Weaver facilities).

BUSINESS DRIVERS:

- The mainframe server capacity is being expanded to support the growing demand for the County Web Portal services. The Web Portal onboarding schedule includes Animal Care and Control to go live in July 2013, DPSS to go live with multi-language support (English and Spanish) in August 2013, and Departments of Health Services (DHS) and Probation to go live in early 2014.
- The VoIP infrastructure in Downey is being expanded to support the DPSS migration of multiple PBX technology to VoIP.
- The VoIP Customer Service Center for CalHEERS is being implemented to comply with the State's mandate to provide intake for program participants.
- The existing LAN hardware for Public Library is being replaced to address the manufacturer's end of support.

PROJECT ORGANIZATION:

Internal Services Department (ISD) Computing Services Branch will lead the effort to implement the new mainframe server. ISD's Telecommunications Services Branch will lead the effort to implement the VoIP infrastructure expansion for DPSS, to implement the technology for the DPSS Customer Service Center, and the LAN hardware refresh for Public Library.

PERFORMANCE METRICS:

The implementation of the new hardware and software will be deemed production-ready once all systems have been configured and tested.

STRATEGIC AND BUSINESS ALIGNMENT:

The business drivers are well-aligned with the business and CIO Strategic Directions. The mainframe server capacity expansion is consistent with the strategy of allowing departments to leverage the central County Web Portal infrastructure. The VoIP infrastructure expansion is consistent with replacing older, at risk, PBX technology with newer VoIP technology. The VoIP Customer Service Center will support newer telephony technology and comply with the State's mandate. The LAN hardware technology refresh for Public Library will replace equipment that is at manufacturer's end of support.

PROJECT APPROACH:

The various hardware components will be implemented according to project plans. The projects will be managed by ISD, with some professional services support.

ALTERNATIVES ANALYZED:

No technology alternatives were considered as the IBM mainframe server, Cisco VoIP equipment, and LAN equipment are consistent with the County's technology standards and preferred technologies.

Technical Analysis	ANALYSIS OF PROPOSED IT SOLUTION: The proposed IBM mainframe server, Cisco VoIP equipment, and LAN equipment are in alignment with CIO Strategic Directions. No additions will need to be made to the Santa Ana Local Recovery Center as a result of these technology acquisitions. The IBM z114 mainframe server is required to support the growing demand for Web Portal services. This server provides faster processors for improved system performance and lower power consumption than the existing servers. Currently, the Web Portal environment supports ten County portal sites, including the County of Los Angeles home page. The other four departments mentioned above will be added in Fiscal Year (FY) 2013-14. From a capacity planning perspective, this additional mainframe server takes into account the anticipated reduction in mainframe computing requirements related to the upcoming retirement of mainframe applications, such as the Hospital Materials Management System and the Mental Health Management Information System. Also, adding this server and distributing the mainframe workload between three servers will save ISD approximately $84,500 per year in software maintenance costs. VoIP infrastructure expansion in Downey will support the DPSS migration from the aging PBX to newer technology. Many of these telephone systems use technology that is no longer supported by the manufacturers and are at risk of failure that may affect DPSS' ability to deliver services. VoIP Customer Service for CalHEERS will address the State's mandate and is consistent with other County supported telephony infrastructure. The Cisco 3750 LAN switches will replace the manufacturer's end of life hardware at the Public Library in La Puente and Leland facilities and reduce the possibility of system failures. Two switches will be installed at each facility.

Financial Analysis	BUDGET: Contract costs One-time costs: Hardware..... $ 1,004,000 **Sub-total Contract Costs:** N/A Other County costs: One-time costs: **Sub-total one-time County costs:** N/A Ongoing annual costs: **Sub-total ongoing County costs:** N/A **Total one-time costs:** $ 1,004,000 **Total ongoing annual costs:** N/A The $1,004,000 budget adjustment is to purchase a mainframe and other IT equipment outright, rather than financed. The breakdown of the cost is: $468,000 for the mainframe server, $500,000 for the LAN and VoIP equipment for DPSS, and $36,000 for the LAN equipment for Public Library. Costs are offset by billing the departments, and there is no additional net County cost for these acquisitions. There will be no increase in rates to departments. The recurring costs resulting from these purchases will be handled outside of this request.
Risk Analysis	RISK MITIGATION: 1. Because the mainframe server, the VoIP equipment, and the LAN hardware are consistent with the County's preferred technologies, risks related to this project are minimal. 2. The Chief Information Security Officer (CISO) has reviewed the purchase, and at this time did not identify any IT security risks or issues.
CIO Approval	PREPARED BY: Henry Balta, Sr. Associate CIO — Date 5/8/13 APPROVED: Richard Sanchez, County CIO — Date 5-8-13

Please contact the Office of the CIO (213.253.5600 or info@cio.lacounty.gov) for questions concerning this CIO Analysis. This document is also available online at http://ciointranet.lacounty.gov/

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BA FORM 09/09

BOARD OF SUPERVISORS OFFICIAL COPY

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. NO. 300

DEPARTMENT OF INTERNAL SERVICES DEPARTMENT

May 21, 2013

AUDITOR-CONTROLLER:
THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2012-13

3 - VOTES

SOURCES	USES
INTERNAL SERVICES DEPARTMENT	INTERNAL SERVICES DEPARTMENT
A01-IS-2000-13100	A01-IS-6030-13100
SERVICES & SUPPLIES	CAPITAL ASSETS - EQUIPMENT
DECREASE APPROPRIATION $1,004,000	INCREASE APPROPRIATION $ 1,004,000

SOURCES TOTAL: $ 1,004,000

USES TOTAL: $ 1,004,000

JUSTIFICATION

Reflects an increase in Equipment appropriation, offset by a decrease in Services and Supplies, to purchase the capital asset items included in ISD's May 21, 2013 Board letter. ISD will be purchasing the equipment as Capital Assets in order to avoid the cost of financing the equipment in future fiscal years. The adjustment is necessary to provide adequate Capital Asset appropriation.

AUTHORIZED SIGNATURE [Dave Yamashita, Admin Deputy]

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR ---

☐ ACTION

☑ RECOMMENDATION

☑ APPROVED AS REQUESTED

☐ APPROVED AS REVISED

AUDITOR-CONTROLLER BY Karen Shikawa

April 23 2013

B.A. NO. 207

CHIEF EXECUTIVE OFFICER BY

April 25 2013

SEND 6 COPIES TO THE AUDITOR-CONTROLLER