



COUNTY OF LOS ANGELES  
DEPARTMENT OF PARKS AND RECREATION

"Parks Make Life Better!"

John Wicker, Director

Norma E. Garcia, Chief Deputy Director

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

October 10, 2017

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

21 October 10, 2017

LORI GLASGOW  
EXECUTIVE OFFICER

Dear Supervisors:

**AUTHORIZE THE TRANSFER OF  
INFORMATION TECHNOLOGY MODERNIZATION FUNDS  
TO THE DEPARTMENT OF PARKS AND RECREATION  
AND APPROVE AN APPROPRIATION ADJUSTMENT  
(ALL SUPERVISORIAL DISTRICTS) (4-VOTES)**

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

**SUBJECT**

The recommended actions will allow the Department of Parks and Recreation to upgrade its Enterprise Asset Management System using Information Technology Modernization Funds and approve an appropriation adjustment.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find the proposed action not subject to the California Environmental Quality Act for the reasons stated herein and the reasons reflected in the record of the action.
2. Approve the proposed upgrade and migration of the Department of Parks and Recreation's Enterprise Management System from the obsolete Maximo 7.5 on-premises version to the latest Maximo 7.6 Software as a Service (SaaS) version, using the Obligated Fund Balance Committed for IT Enhancements.
3. Approve an appropriation adjustment to transfer \$1,001,000 of net County cost from the Obligated

Fund Balance Committed for IT Enhancements to the Services and Supplies Financing Use in the Department of Parks and Recreation's Operating Budget to fund the proposed Enterprise Management System Upgrade and Migration.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended actions will authorize the upgrade and migration of the Department of Parks and Recreation's (DPR) Enterprise Asset Management (EAM) system from the obsolete on-premises Maximo 7.5 version to the latest Maximo 7.6 SaaS version.

DPR previously acquired and implemented the on-premises Version 7.5 of International Business Machines (IBM) Maximo EAM system to provide asset management, inventory management and work order system support to the daily operation of its 182 parks and recreational facilities. The work order system is used to initiate and track all maintenance work to ensure efficient and timely completion of all required work orders. Maximo EAM is currently utilized by 200 maintenance workers and supervisors throughout the Department and is accessible 24 hours a day and 7 days a week. Since its implementation a decade ago, DPR's EAM was not refreshed or improved to meet DPR's growing needs for additional functionalities, especially the newly introduced technologies including Geographic Information System (GIS) tools and mobile applications. In April 2017, IBM, a County vendor, announced end of support life for the Maximo 7.5 on-premises version. This unsupported software will likely exceed the normative bounds of operational risk, which may cause mission-critical service disruptions of inestimable duration and cost.

The proposed upgrade and migration to the Maximo 7.6 SaaS version will vastly improve the current EAM system, allowing DPR to take full advantage of several new or improved functionalities, which includes the following:

1. Full manufacturer support for version 7.6 to address and troubleshoot any technical and/or security issues;
2. GIS-capable toolset (included in version 7.6), which will provide efficient and accurate asset management and tracking capabilities;
3. Mobile Maintenance Management solution is included in version 7.6, which will enable field and maintenance staff to conduct business on the go. The mobility feature will significantly improve maintenance and asset tracking as well as will enable DPR staff to report issues and maintenance work status on site using County-issued smartphones;
4. Standardized and streamlined reporting tools, compared to version 7.5, which have caused issues requiring excessive staff time to generate and update custom reports;
5. Ease of Use intuitive, and customizable, User Interface (UI) navigation, which will motivate end-users in entering information in the system; and
6. Quick implementation rollout with SaaS solution compared to on-premises version.

SaaS is a subscription-based model often run on a "pay as you go" service model. Billing will be only for the concurrent sessions of application use and for the number of instances accessed, not on a per user licenses. No hardware acquisition, implementation, maintenance or upgrades is required, which will present cost savings compared to the existing, on-premises, implementation.

DPR, in coordination with IBM, has conducted a cost-analysis study and project roadmap. Due to the complexity of this project, it is best to implement the upgrade and migration in a two-phased approach. The forecasted amount of \$1,001,000 for the completion of this effort, given the complexity of converting this customized on-premises system to a standard SaaS Version, includes a fifteen percent (15%) contingency for any unanticipated modifications we may face. However, this amount may not account for the cost of any future customized “bolt-on” applications and/or functionality. Please refer to Attachment A for Phase I & II roadmap and the estimated cost breakdown.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs the provisions of Making Investments That Transform Lives (Goal 1), Fostering Vibrant and Resilient Communities (Goal 2), and Realizing Tomorrow's Government Today (Goal 3). These recommended actions support the Strategic Plan by investing in technology that will provide County residents with safe facilities and efficient maintenance services.

### **FISCAL IMPACT/FINANCING**

The estimated cost of the proposed upgrade and migration of the EAM system is \$1,001,000, which includes application development services for migrating the current on-premises environment to SaaS, site merge and location hierarchy redesign, reports configuration, Mobile and UI design and implementation, fifteen percent (15%) contingency and funding for the first year cost of \$292,000 for the ongoing SaaS subscription cost.

The recommended appropriation adjustment (Attachment B) will appropriate \$1,001,000 to the Services and Supplies Financing Use in DPR's Operating Budget, which will be funded with the cancellation of \$1,001,000 from Obligated Fund Balance Committed for IT Enhancements. Upon approval of the appropriation adjustment, sufficient funding will be available to fully fund the proposed upgrade and migration of the EAM system.

#### Operating Budget Impact

The Department anticipates ongoing SaaS subscription cost of \$292,000 annually. The Information Technology Modernization Fund allocation will cover the first year subscription cost in Fiscal Year 2017-18. Sufficient funding will be available in DPR's Operating Budget in future fiscal years for this ongoing cost. Funding for this cost will be generated from operational savings resulting from the EAM system upgrade and other information technology enhancements.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On September 18, 2007, the Board of Supervisors (Board) unanimously approved the Chief Executive Office's recommendation for County Departments, DPR, to leverage Agreement Number 75869 with IBM to implement its EAM system. The proposed software upgrades and enhancements are aligned and will be part of the County's existing agreement. The Chief Information Office (CIO) has reviewed and recommends approval of the proposed actions and the CIO Analysis is included as Attachment C.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed action is not subject to the California Environmental Quality Act (CEQA) in that the action does not meet the definition of a project according to Section 15378 (b)(4)(5) of the State CEQA Guidelines because the action is an administrative activity which by its terms does not involve any commitments to any specific project which may result in a potentially significant physical impact on the environment.

**CONTRACTING PROCESS**

The upgrade and migration of the DPR's EAM system will be completed by a vendor who will be selected through a competitive solicitation under a Board--approved Enterprise System Master Agreement (ESMA).

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**


The recommended actions will not have an impact on current services.

**CONCLUSION**

Upon approval by the Board, please forward one adopted copy of the Board letter to the Chief Executive Office, Chief Information Office, and one adopted copy to the Department.

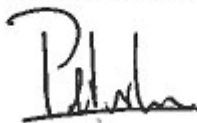
Should you have any questions, please contact Mohammed Al Rawi at (213) 738-2874 or MAIRawi@parks.lacounty.gov and Malou Rubio at (213) 738-3015 or mrubio@parks.lacounty.gov or Nicole Melkonian at (213) 738-2986 or nmelkonian@parks.lacounty.gov or Kaye Michelson at (213) 738-2855 or kmichelson@parks.lacounty.gov.

Respectfully submitted,



JOHN WICKER  
Director

Reviewed by:



PETER LOO  
Acting Chief Information Officer

JW:NEG:MA

Enclosures

- c: Executive Office, Board of Supervisors
- Chief Executive Office
- County Counsel
- Auditor-Controller
- Internal Services Department

Attachement A

Phase I is composed of an As-Is Migration to Cloud and a Maximo 7.6 Upgrade.

Phase I Tasks	Budgetary Estimate	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18
Initiation and Kickoff	\$18,988.00						
Project Management (~10%)	\$12,672.00						
Conduct Planning, Analysis and Provisioning	\$12,672.00						
Conduct Conversion, Maximo Upgrade & Move SaaS	\$55,680.00						
Configuration and Core Team Testing	\$56,900.00						
Migration and Upgrade Cutover	\$51,840.00						
Refresh DEV & TST from PRD	\$12,144.00						
<b>Estimated Subtotal Phase I</b>	<b>\$220,896.00</b>						

Phase II would include the merging Maximo Sites, Location Hierarchy Redesign, and other Maximo enhancement.

Phase II Tasks	Budgetary	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18
Project Management (~10%)	\$17,600.00						
Site Merge and Location Hierarchy Redesign - SLDEV	\$104,644.00						
Configure Applications and Reports	\$76,740.00						
Implement Labor Reporting	\$31,040.00						
Implement Interfaces	\$73,780.00						
Implement Anywhere Mobile	\$24,960.00						
UAT and PRD Cutover Phase II	\$37,964.00						
<b>Estimated Subtotal Phase II</b>	<b>\$366,728.00</b>						

**Total Phase I & Phase II \$587,624.00**

TRM SaaS Flex Platform Subscription	# Of Licenses
Named Maximo Users	15
Concurrent Maximo Users	40
Scheduler Licenses	10
Linear Add On Licenses	10
Names Anywhere Users	20
Concurrent Anywhere Users	30
Hosted Environments	2
<b>Total SaaS Annual Cost</b>	<b>\$291,897.00</b>

Savings Offset	Amount
ISD Hosting May 2018	\$4,624.00
ISD Hosting June 2018	\$4,624.00

**Total Offset Savings \$9,248.00**

**Total \$870,273.00**

**15% Contingency \$130,540.95**

**GRAND TOTAL \$1,000,813.95**

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF PARKS AND RECREATION

DEPT'S. NO. 600

October 10, 2017

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 2017-18

4 - VOTES

SOURCES

GENERAL FUND
A01-3052
COMMITTED FOR IT ENHANCEMENTS - \$1,001,000
DECREASE OBLIGATED FUND BALANCE

USES

PARKS AND RECREATION
A01-PK-2000-27640
SERVICES AND SUPPLIES - \$1,001,000
INCREASE APPROPRIATION

SOURCES TOTAL: \$ 1,001,000

USES TOTAL: \$ 1,001,000

JUSTIFICATION

Reflects an appropriation adjustment transfer of \$1,001,000 from the Committed for IT Enhancements Obligated Fund Balance to the Services and Supplies Financing Use in the Department of Parks and Recreation's Operating Budget to fully fund the proposed Enterprise Management System Upgrade and Migration.

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

Malou Rubio
AUTHORIZED SIGNATURE Malou Rubio, Departmental Finance Manager II

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

Lori Glasgow
LORI GLASGOW
EXECUTIVE OFFICER

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR ---

- ACTION
RECOMMENDATION

- APPROVED AS REQUESTED
APPROVED AS REVISED

AUDITOR-CONTROLLER

BY [Signature]
Sept - 13 20 17

CHIEF EXECUTIVE OFFICER

BY [Signature]
September 14 20 17

B.A. NO. 031



PETER LOO

ACTING CHIEF INFORMATION OFFICER

# Office of the CIO CIO Analysis

NUMBER:

CA 17-16

DATE:

10/10/2017

SUBJECT:

**AUTHORIZE THE TRANSFER OF INFORMATION TECHNOLOGY MODERNIZATION FUNDS TO THE DEPARTMENT OF PARKS AND RECREATION AND APPROVE AN APPROPRIATION ADJUSTMENT**

RECOMMENDATION:

Approve                       Approve with Modification                       Disapprove

CONTRACT TYPE:

New Contract     Sole Source  
 Amendment to Contract #:     Other: Appropriation Adjustment

CONTRACT COMPONENTS:

Software     Hardware  
 Telecommunications     Professional Services

SUMMARY:

Department Executive Sponsor: John Wicker, Director, Department of Parks and Recreation

Description: The Department of Parks and Recreation (DPR) is seeking approval to upgrade and migrate DPR's existing, department-supported, but obsolete IBM Maximo 7.5 Enterprise Asset Management (EAM) system to a Software-as-a-Service (SaaS) version hosted by International Business Machines Corporation (IBM). The upgrade, migration, and the first-year subscription cost would be funded by a \$1,001,000 transfer from the Obligated Fund Balance Committed for IT Enhancements to DPR's operating budget.

Contract Amount: \$1,001,000

Funding Source: Obligated Fund Balance  
Committed for IT Enhancements (Net County Cost)

Legislative or Regulatory Mandate

Subvended/Grant Funded: N/A

### **Strategic and Business Analysis**

PROJECT GOALS AND OBJECTIVES:

Parks and Recreation's EAM system upgrade and migration project has the following goals:

- A. Migrate from the existing, on-premises version of IBM Maximo 7.5 to the current SaaS version of Maximo (currently version 7.6), hosted by IBM;
- B. Implement additional functionality, user interface improvements, and enhanced reporting and analytics capabilities available in Maximo 7.6;
- C. Expand the number of DPR licensed users through a new combination of named and concurrent user licenses; and
- D. Retire and decommission the obsolete, on-premises Maximo 7.5 system.

**BUSINESS DRIVERS:**

IBM's Maximo EAM is the enterprise asset management/work order management application in use at DPR, Public Works, Fire, and Sheriff. DPR's system was implemented in 2008 following Board of Supervisors approval of an Information Technology Fund (ITF)-funded work order.

DPR uses the EAM system for asset management and inventory management (including purchase orders and work orders) in the operation of its 182 facilities. The asset management function assists in the management and maintenance of building, trees, and equipment, while the inventory management function tracks assets stored in DPR warehouses. The work order function tracks service and maintenance requests, as well as the budget for capital projects. It is an essential, business-critical system used by 200 employees and is available 24 hours a day, 7 days a week.

In April 2017, IBM announced end-of-support for the version of Maximo, 7.5, that DPR's EAM system is based upon. DPR must upgrade to Maximo 7.6 to maintain information security compliance and to ensure vendor support during service disruptions.

Additionally, DPR has noted several desired enhancements that are not possible with the current 7.5 version but are available in 7.6, including:

- Geographic Information System (geospatial) integration;
- A mobile maintenance management system;
- User-generated reports;
- A friendly, configurable and upgrade-persistent user interface;
- Time- and usage- based preventative maintenance tracking; and
- Predictive maintenance forecasting.

DPR has determined that the one-time cost of upgrading and enhancing its on premise system from 7.5 to 7.6 is approximately \$1.8M one-time, plus slightly more than \$300,000 annually. However, if the Department were to move to a subscription-based, SaaS model hosted by IBM, the one-time cost would be less than \$600,000 and the annual cost would be less than \$300,000. The SaaS model also allows for a concurrent user license, allowing DPR to expand the use of its Maximo EAM system to additional staff that was cost-prohibitive under the on premise named user licensing.

Since the DPR does not have the available funding for the one-time migration costs or for the overlapping SaaS subscription needed during the migration and testing period, it is requesting the transfer of \$1,001,000 from the fund set aside for the modernization of legacy information technology systems. Following the initial upgrade, migration, and modernization, the Department would be responsible for future costs, including the Maximo SaaS subscription fees.

**PROJECT ORGANIZATION:**

The Executive Sponsor is the Director of Parks and Recreation, John Wicker. The Project Director is DPR's CIO, Mohammed Al-Rawi. The Contractor's performance will be managed by DPR Senior Application Developer Frank Kim. The Contractor work will adhere to a Work Order solicited under the Internal Services Department's (ISD) Enterprise Services Master Agreement (ESMA) and the terms and conditions of ESMA.

**PERFORMANCE METRICS:**

The ESMA Contractor's work will be monitored, validated, and accepted according to the deliverables and acceptance criteria that will be detailed in the ESMA Work Order. The Work Order will include the delivery of a detailed implementation plan, formal written status reports, and regular meetings with the County's Project Manager to review plan progress and to identify and mitigate risks.

**STRATEGIC AND BUSINESS ALIGNMENT:**

DPR indicates the upgrade and migration of the Maximo EAM will "...support the Strategic Plan by investing in technology that will provide County residents with safe facilities and efficient maintenance services." The Chief Information Office notes that DPR's EAM systems may specifically support the following strategies in the 2016-2021 Strategic Plan: II.2.3 (Prioritize Environmental Health Oversight and Monitoring), III.2.3 (Prioritize and Implement Technology Initiatives That Enhance Service Delivery and Increase Efficiency). The EAMS improves the accuracy and speed of maintenance of key County assets maintained by DPR. Beyond normal preventative and regular maintenance activities, the addition of predictive analytics and enhanced reporting should increase the safety and efficiency of DPR services and facilities.

**PROJECT APPROACH:**

DPR intends to use ISD’s ESMA to solicit a two-phased Work Order for an ESMA-qualified Contractor to migrate the existing Maximo EAMS from on premise to the IBM-hosted SaaS Maximo service and then to configure it with additional desired functionality. DPR will subscribe to the Maximo SaaS service, while continuing to operate the on-premises Maximo 7.5 system until a successful system cutover. Once the system has been cutover and accepted, the department will decommission the on premise system.

**ALTERNATIVES ANALYZED:**

Parks and Recreation analyzed the costs of three scenarios:

- 1) **Remaining business-as-usual (remaining on Maximo 7.5).** Although this scenario is the least costly (approximately \$115,000 per year), for the reasons mentioned in the “Business Drivers” section above, remaining on Maximo 7.5 is not a viable alternative and not considered.
- 2) **Upgrading on-premises to Maximo 7.6 and implementing the additional desired functionality (e.g., GIS-integration and mobile device support).** In this scenario, the Department would hire a consultant to perform the upgrade and implement the desired new features. For estimation purposes, DPR used the budgetary estimate for the SaaS upgrade and migration ESMA work order. This is a conservative estimate, since an on premise upgrade of the existing system would likely be more involved than a cloud migration. Also, it would require an additional server, increasing the ISD server hosting cost by approximately one-third. Finally, the desired Maximo functionality and increased number of users would significantly increase the software and user license fees as well as the software maintenance versus the business-as-usual.
- 3) **Moving to a SaaS subscription model (the recommended approach in this Board Letter).**


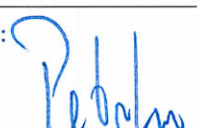
The estimated costs for the alternatives analyzed are:

<i>Scenario</i>	<i>One-Time Cost</i>	<i>Annual IBM Cost</i>
Business-as-usual	N/A	\$115,182
On-premise 7.6	\$1,798,744	\$304,379
<b>SaaS</b>	<b>\$586,000</b>	<b>\$291,897</b>

<p><b>Technical Analysis</b></p>	<p><b>ANALYSIS OF PROPOSED IT SOLUTION:</b></p> <p>The Department’s existing Maximo 7.5 EAMS is internally hosted on servers and databases located in the ISD’s eCloud environment and is managed and maintained by DPR staff. This project would engage a qualified ESMA contractor to perform the migration of the on premise Maximo 7.5 implementation to the cloud-based, SaaS version of Maximo 7.6, hosted by IBM. The Contractor will also implement, in a second phase of the project, additional capabilities not currently present in the on premise system, including geographic information system, mobile maintenance management, and predictive forecasting features. The Department also intends to engage the Contractor to make improvements to the user interface, workflow, and reporting of the system.</p> <p>Given the long history (9 years) that DPR has used the Maximo software, it is appropriate that DPR continue to use Maximo. Since IBM has announced the end of support for Maximo 7.5, it is recommended that DPR upgrade to Maximo 7.6 to maintain vendor support for security updates, product support, and feature enhancements. However, the increased licensing, maintenance and infrastructure costs for upgrading to 7.6 and implementing the new software modules – both on a short-term and long-term basis – make the SaaS version of Maximo the most cost-beneficial for DPR versus the other Maximo scenarios. The need for short-term, technical expertise not existing at DPR calls for the use of a qualified Contractor to perform the necessary migration, upgrade, and enhancement work related to Maximo, and the use of the ESMA master agreement is appropriate.</p> <p>Although unlikely, DPR could decide to migrate its EAM system back from Maximo SaaS to County hosting. Since the Department is only licensed for the Maximo 7.5 software, it would need to upgrade licensing to the then-current version and engage the appropriate services to implement the on-premises environment and to migrate from IBM hosting.</p>																		
<p><b>Financial Analysis</b></p>	<p><b>BUDGET:</b></p> <p><b>One-Time Costs<sup>1</sup>:</b></p> <p>ESMA Costs<sup>2</sup>:</p> <table border="0"> <tr> <td style="padding-left: 40px;"><i>Phase I Services (Upgrade/Migration)</i></td> <td style="text-align: right;">\$ 220,896</td> </tr> <tr> <td style="padding-left: 40px;"><i>Phase II Services (Redesign/Enhancements)</i></td> <td style="text-align: right;"><u>\$ 366,728</u></td> </tr> <tr> <td>Subtotal EMSA Contract Costs:</td> <td style="text-align: right;">\$ 587,624</td> </tr> <tr> <td> </td> <td></td> </tr> <tr> <td>First Year Maximo SaaS Subscription</td> <td style="text-align: right;">\$ 291,987</td> </tr> <tr> <td> </td> <td></td> </tr> <tr> <td>Offset: ISD Hosting (May-June 2018)<sup>3</sup></td> <td style="text-align: right;">(\$ 9,248)</td> </tr> <tr> <td> </td> <td></td> </tr> <tr> <td>Contingency (15%)</td> <td style="text-align: right;"><u>\$ 130,541</u></td> </tr> </table>	<i>Phase I Services (Upgrade/Migration)</i>	\$ 220,896	<i>Phase II Services (Redesign/Enhancements)</i>	<u>\$ 366,728</u>	Subtotal EMSA Contract Costs:	\$ 587,624	 		First Year Maximo SaaS Subscription	\$ 291,987	 		Offset: ISD Hosting (May-June 2018) <sup>3</sup>	(\$ 9,248)	 		Contingency (15%)	<u>\$ 130,541</u>
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	<p><b>Total One-Time Costs:</b></p> <p><b>Ongoing Annual Costs<sup>5</sup>:</b></p> <p>Maximo SaaS Subscription</p> <p><b>Total Ongoing Annual Costs:</b></p>	<p><b>\$ 1,000,904<sup>4</sup></b></p> <p><u>\$ 291,987</u></p> <p><b>\$ 291,987</b></p> <p><sup>1</sup> One-time costs will be funded by Net County Cost through the requested appropriation transfer from the Obligated Fund Balance Committed for IT Enhancements, offset by expected departmental savings when the existing Maximo 7.5 servers are decommissioned.</p> <p><sup>2</sup> ESMA work order will be competitively bid, so costs may vary; if applicable, increased cost over the estimate will be covered by contingency funds.</p> <p><sup>3</sup> The annual impact to ISD will not be significant – three virtual servers (for Maximo 7.5) to a potential four servers (for Maximo 7.6), representing approximately \$56,000-\$74,000 per year in reduced hosting revenue.</p> <p><sup>4</sup> Appropriation is rounded to \$1,001,000.00.</p> <p><sup>5</sup> DPR indicates that beyond the initial SaaS hosting cost that will be covered by Net County Cost, future years’ subscriptions will be covered through a combination of existing budget associated with the current on-premises Maximo 7.5 system and savings from other DPR IT programs that will be redirected toward the Maximo SaaS cost. The Department does not anticipate needing additional baseline funding for the ongoing costs.</p>
	<p><b>RISK MITIGATION:</b></p> <ol style="list-style-type: none"> <li>1. Risk: Contractor fails to complete work in a satisfactory or timely manner – Under ESMA, the Contractor may only invoice for work performed after the associated deliverable is accepted by the County. ESMA includes provisions for liquidated damages in the amount of \$100 per day per infraction. ESMA also contains provisions for dispute resolution and a Quality Assurance Plan that reviews compliance with ESMA Terms and Conditions and Work Order performance standards. If necessary, the County may terminate the ESMA by Default if the Contractor “...fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Master Agreement or any Work Order issued hereunder...”</li> <li>2. Risk: Price for contracted work exceeds awarded bid or unforeseen work is required – DPR anticipates that the ESMA Work Order for the upgrade, migration, and enhancement services will be solicited on a</li> </ol>	

	<p>fixed-price per deliverable basis rather than on a time-and-materials per deliverable basis. Additional, unforeseen work will be funded by the 15% contingency funding requested.</p> <p>3. Risk: Migrated system does not work as intended – DPR will require the Contractor to conduct and document comprehensive system and component level testing, which will also include user acceptance testing by DPR staff. DPR will establish, in the Work Order, an appropriate warranty period beyond the ESMA default 30-day Work Order Warranty to ensure the Contractor will correct any deficiencies following the final system acceptance.</p> <p>4. Risk: Out-of-scope changes that threaten on-time and on-budget project completion – In addition to formalizing the project governance and scope change procedures, the Department will confirm with its key stakeholders and executives that the deliverables are consistent with the project objectives and user expectations. Any approved, additional work outside of the scope will be appropriately prioritized and scheduled.</p> <p>5. Risk: Requested County programming modifications or customizations would make upgrades and maintenance difficult or impossible – One of the reasons DPR is moving to the Maximo SaaS service is to ensure forward compatibility with any configuration changes, including user interface configurations during software updates. This is a challenge with the current on-premises Maximo software. The Maximo SaaS product offers enhanced end-user configuration possibilities while still supporting DPR’s requirement of preserving those County-specific customizations when the SaaS software is upgraded.</p> <p>6. The Acting Chief Information Officer (CIO) reviewed the recommended action and did not identify any IT security or privacy-related issues.</p>
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<b>CIO Approval</b>	<p>PREPARED BY:</p> 	<p>9/25/2017</p>
	<p>Eric Sasaki, Sr. Associate CIO</p>	<p>Date</p>
	<p>APPROVED:</p> 	<p>9/25/17</p>
	<p>Peter Loo, Acting Chief Information Officer</p>	<p>Date</p>

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