COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles
2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org

Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

May 1, 2007

Honorable Board of Commissioners
Community Development Commission of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

APPROVE THE PURCHASE OF DELL COMPUTERS CORPORATION EQUIPMENT FOR TECHNOLOGY INFRASTRUCTURE UPGRADE (ALL DISTRICTS)
(3 Vote)

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

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the purchase of computer equipment to upgrade infrastructure is not subject to the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

2. Approve and authorize the Executive Director to execute a purchase order with Dell Computers Corporation (Dell) to upgrade the Commission's technology infrastructure following approval as to form by County Counsel, and authorize the Executive Director to use for this purpose $697,645.30 included in the Commission's approved Fiscal Year 2006-2007 budget.

3. Authorize the Executive Director to increase the amount of the purchase order by up to $69,764.53 for unforeseen costs using the same source of funds described above.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to upgrade the Commission's technology infrastructure. Fourteen critical business applications run on equipment that is prone to hardware malfunction which results in system downtime. While the Commission has been very resourceful by making good use of aging equipment, continued use of such equipment slows business and provides little protection in case of system failure or natural disaster.

Therefore, the Commission has designed a long range plan to improve its technology infrastructure. As an initial step, the Commission requests the purchase of 1 blade chassis with 10 blade servers, 10 applications servers, 2 tape backup libraries, and 1 Storage Area Network (SAN) switch from Dell.

Servers-
Twenty-five percent of the Commission's servers are seven years or older. Many of the Commission's business systems cannot run on the outdated servers. When one server fails, as many as six applications cannot be used until the server is repaired.

Blade Servers: The blade chassis and its server blades use less space and cost less than applications servers. They also provide a forty percent reduction in power consumption over standard servers and will require no additional circuits to be installed. These servers will allow the Commission to handle different infrastructure programs and manage server assignments.

Applications Servers: If the proposed purchase is approved, all of the outdated machines will be replaced. Unlike the blade servers, the applications servers will be specifically designed for each major application. The Commission will purchase VMWare which allows one physical server to run multiple virtual servers simultaneously. VMWare will provide business continuity in the event of primary server failure.

Tape Backup Libraries-
The Commission's aging backup tape drives are prone to overheating and data corruption. They also require manual operation whereby staff members insert backup tapes multiple times on a daily basis. This current method causes network congestion since backups must be conducted during business hours.

If the proposed purchase is approved, the Commission will receive tape library units that have the capacity to back up the Commission's entire network

overnight. Additionally, the new automated drives contain multiple tape library cassettes which would reduce staff maintenance from daily to weekly.

SAN Switch-
The Commission's SAN currently has only one switch which provides access to two terabytes of storage for 350 staff members. In the event of a primary equipment failure, a second switch would allow the core communication path for the SAN data to remain in operation. A second switch would also provide load balancing, thereby managing network traffic more efficiently.

FISCAL IMPACT / FINANCING:

There is no impact on the County general fund. The purchase will be funded with up to $767,409.83 included in the Commission's approved Fiscal Year 2006-2007 budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The requested equipment purchase will not exceed a cost of $767,409.83. This cost will also cover Dell's provision of maintenance support. Dell has provided satisfactory maintenance support services for equipment previously purchased by the Commission.

The Chief Information Office (CIO) has reviewed and approved this request as reflected in the CIO Analysis provided as an attachment to this letter.

ENVIRONMENTAL DOCUMENTATION:

Computer equipment purchases are exempt from the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations, Part 58, Section 58.35 (b)(3), because they involve activities that will not have a physical impact or result in any physical changes to the environment. These activities are also not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS:

Recently, the National Association of State Procurement Officials (NASPO) conducted a competitive bidding process consistent with the Commission's policies and procedures for the type of equipment the Commission now seeks to purchase. NASPO has a Master Price Agreement with Dell dated September 14, 2006, that makes said

equipment available to the state and local agencies within the state at discounted prices. The Commission plans to take advantage of the discounted prices for the Dell equipment leveraged through NASPO, which are lower than what Dell would otherwise offer to the Commission through an independent procurement process.

IMPACT ON CURRENT SERVICES AND PROJECTS:

If approved, the purchase of Dell equipment would ensure that the Commission can provide the infrastructure necessary to support the myriad of applications the Commission utilizes.

Respectfully submitted,

Bobbette A. Glover

for CARLOS JACKSON
Executive Director
COMMUNITY DEVELOPMENT COMMISSION
COUNTY OF LOS ANGELES

Reviewed by:

JON FUNNHAUSER
Chief Information Officer
COUNTY OF LOS ANGELES

Attachments: 1

CIO ANALYSIS

PURCHASE OF DELL EQUIPMENT
FOR THE COMMUNITY DEVELOPMENT COMMISSION
(ALL DISTRICTS) (3 VOTES)

CIO RECOMMENDATION: ☒ APPROVE ☐ DISAPPROVE ☐ APPROVE WITH MODIFICATION

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

New/Revised Contract Term: Base Term: 1 Yrs # of Option Yrs: 0

Contract Components:
☐ Software ☒ Hardware ☐ Telecommunications
☐ Professional Services

Project Executive Sponsor: Carlos Jackson, Executive Director, CDC

Budget Information :

Y-T-D Contract Expenditures	$0
Requested Contract Amount	$767,409
Aggregate Contract Amount	$767,409

Project Background:

Yes	No	Question
☐	☒	Is this project legislatively mandated?
☐	☒	Is this project subvented?
☐	☒	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 and security Standards?
☐	☒	Has data for this contract and/or project been entered into the Information Technology Tracking System (ITTS)? A one time hardware purchase does not require tracking via ITTS.

Project/Contract Description:

The Community Development Commission (Commission) plans to upgrade outdated IT infrastructure equipment via a purchase from Dell Computers Corporation (Dell) of 1 blade chassis with 10 blade servers, 10 applications servers, 2 tape backup libraries, and 1 Storage Area Network (SAN) switch, at a not-to-exceed cost of $767,409.83.

There is no impact on the County's General Fund. The funds will originate from the Commission's approved Fiscal Year 2006-2007 budget.

Background:

The Commission is in the process of implementing a number of IT projects to improve their overall technology environment. One of the initial projects is to upgrade their IT infrastructure, including hardware and software. The purchase of Dell equipment identified within the attached Board letter will provide the foundation for other components of the Commission's multi-year plans.

Project Justification/Benefits:

The purchase of this infrastructure equipment will help improve performance of existing software applications, allowing program staff to work more efficiently and effectively with less system downtime caused by hardware malfunction.

Project Metrics:

Project metrics are not required for this hardware purchase.

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

The short-term impact of not approving the purchase order is that the Commission's program staff will continue to experience operational inefficiencies. A longer-term impact of not approving the purchase order is that the Commission will not be able to properly backup their data nor run many of their business applications. Additionally, incremental progress in implementing improvements to their overall technology would be delayed.

Alternatives Considered:

No other alternatives were considered. Dell equipment is the Commission's recommended standard for infrastructure equipment.

Project Risks:

None

Risk Mitigation Measures:

None.

Financial Analysis:

The anticipated purchase cost for this (Dell equipment) infrastructure upgrade is $697,645.30. Authorization is requested to increase the purchase order by no more than 10% for unforeseen costs for a total purchase price not to exceed $767,409.83. The funds will originate from the Commission's approved Fiscal Year 2006-2007 budget. The Commission plans to utilize discounted pricing available via the National Association of State Procurement Officials (NASPO).

Subsequent to the request detailed in this document, the Commission will be seeking additional purchasing authority to acquire the following in support of their multi-year planning:

• Microsoft Enterprise Licensing:	Approximately $ 985,000
• Upgrade Oracle (PeopleSoft) Human Resource and Financial Management System	Approximately $ 500,000
• Public Housing and Section 8 System (new) and Hardware	Approximately $ 1,421,225
• Cisco Switch – Infrastructure Upgrade	Approximately $ 209,660

CIO Concerns:

None.

CIO Recommendations:

My office recommends the approval by the Board of the proposed acquisition.

CIO APPROVAL

Date Received: April 2, 2007

Prepared by:

Date: April 16, 2007

Approved:

Date: 4-19-07

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