LOS ANGELES COUNTY
ISD
INTERNAL SERVICES

Tom Tindall
Director

COUNTY OF LOS ANGELES
Internal Services Department
1100 North Eastern Avenue
Los Angeles, California 90063

To enrich lives through effective and caring service.

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

May 11, 2010

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#17 MAY 11, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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:

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

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

SUBJECT

Request approval to purchase and upgrade computer related equipment with a unit cost greater than $250,000 to meet the needs of County departments and request approval of the associated appropriation adjustment.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Internal Services Department (ISD) to purchase computer and related equipment for a total expenditure of $4,007,000 to support the growth in the County-wide automated applications.

2. Approve an appropriation adjustment to transfer $4,007,000 in Services and Supplies appropriation to Fixed Assets appropriation to provide adequate appropriation for the recommended purchase of fixed assets.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On an ongoing basis, ISD acquires data processing 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 purchase a mainframe processor, mainframe tape equipment, and midrange disk and tape equipment for ISD at a total purchase cost of $4,007,000 as follows:

- The existing IBM z890 mainframe processor is at technological end-of-life, and will be replaced with an IBM z10 Business Class (BC) for Disaster Recovery at the Local Recovery Center at a total purchase cost of $494,000.
- The existing IBM mainframe virtual tape storage is also at technological end-of-life, and will be replaced with current tape storage technology at a total purchase cost of $1,098,000. As a result of this acquisition, ISD will realize annual operating savings of $255,000 from reduced tape cartridge and equipment maintenance costs.
- An additional new midrange enterprise tape library will be purchased to meet growing backup needs, in addition to providing critical redundancy, at a total purchase cost of $439,000.
- The existing midrange disk storage will be upgraded to meet growing data storage needs of County applications at a total purchase cost of $1,976,000. As a result of this acquisition, ISD will realize annual operating savings of $782,000 from reduced equipment maintenance costs.

Implementation of Strategic Plan Goals

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

FISCAL IMPACT/FINANCING

All costs are offset by billings to County departments. There will be no additional cost impact to County Departments due to the offsetting decrease in ISD's Services and Supplies appropriation. All equipment will be purchased outright, rather than financed, to avoid interest charges in future years.

Your approval of the attached appropriation adjustment will provide adequate fixed assets appropriation for the purchase of the fixed assets in ISD's Fiscal Year 2009-10 Budget.

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.

CONTRACTING PROCESS

These equipment items are a commodity purchase under the statutory authority of the County Purchasing Agent. The purchases 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
Director

Reviewed by:

RICHARD SANCHEZ
Chief Information Officer

SD:DC:AB:sg
Attachments

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

CIO ANALYSIS

REQUEST TO PURCHASE COMPUTER EQUIPMENT

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: N/A Yrs # of Option Yrs N/A

Contract Components:

☐ Software ☒ Hardware ☐ Telecommunications
☐ Professional Services

Project Executive Sponsor: Tom Tindall, Director, ISD

Budget Information :

Y-T-D Contract Expenditures	$0
Requested Contract Amount	$4,007,000
Aggregate Contract Amount	$4,007,000

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? The equipment will be used by ISD to provide service to all departments.

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:

In compliance with County policy, the Internal Services Department (ISD) is requesting Board authorization to purchase computer equipment products that each exceed $250,000. The equipment will replace a mainframe server located at the Local Recovery Center (LRC) in Santa Ana, replace mainframe tape storage, expand midrange tape storage, and replace midrange disk storage.

Background:

As discussed above, ISD's computer purchase involves four components:

Replacement of LRC mainframe server

The current IBM z890 mainframe server located at the LRC is at end-of-life and cannot be used past September 2010. ISD plans to replace the z890 with an IBM z10 mainframe server to support disaster recovery at the LRC, and to move an IBM z9 mainframe to Downey to handle increased County portal infrastructure workload.

Replacement of mainframe tape storage

The mainframe tape storage "Silos" from Storage Technology Corporation (STK) were originally installed in 1995. They have been upgraded over the years and have been under continual equipment maintenance support during that time. STK, a subsidiary of Sun Microsystems, was acquired by Oracle in 2010. Oracle recently announced the equipment maintenance for the "Silos" will end in August 2011. ISD is requesting to replace the "Silos" with current mainframe tape and virtual tape technology. ISD is projecting savings of $255,000 annually.

Expansion of midrange tape storage

The growth of midrange servers and storage continues. ISD is requesting to purchase a new tape storage unit to handle the increased requirements because the existing unit cannot be expanded.

Replacement of midrange disk storage

As noted above, the growth of ISD midrange servers and storage continues. ISD plans to purchase a new disk storage unit to replace an old unit that will be exiting a long-term equipment maintenance agreement in 2011. The total cost of the new disk storage, including five years of maintenance, is less than the maintenance cost of the old unit. Over the five-year life of the new disk storage, ISD will save $782,000 annually.

Project Justification/Benefits:

Overall the purchases will realize over $1,000,000 in annual savings and at the same time provide more energy-efficient operating platforms.

The existing IBM mainframe server at the Downey Data Center is experiencing increased workload due to the on-boarding of Department websites to the County's portal infrastructure. The repurposed z9 BC mainframe server will ensure reasonable website response times. The IBM z890 mainframe server at the LRC is used as a disaster recovery machine in case of an unplanned outage at the Downey facility. Using older technology as a recovery machine puts the County at risk of not being able to assume production workload if required.

By moving the existing z9 server to the Downey facility and replacing the z890 server at the LRC will solve both the workload capacity and technological obsolescence issues facing ISD.

Project Metrics:

The mainframe and midrange computer server projects will be considered complete when the new hardware has been installed and all operational systems have been verified in the ISD data centers and released for production.

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

The ability to acquire hardware with supported maintenance is critical to County in order to provide reliable and accessible data to its citizens and to other government agencies.

If the IBM mainframe at the LRC is not replaced and the z9 BC at the LRC is not moved to Downey, portal infrastructure departments will experience increasing delays in response times as additional departments are on-boarded to the County's centralized infrastructure. In addition, the older IBM mainframe technology will become increasingly expensive to maintain.

Failure to acquire a new IBM mainframe tape solution will place Countywide and departmental applications at risk of loss of data or the inability to access data because the current tape devices will no longer be supported by the vendor as of August 2011.

Midrange disaster recovery procedures require all daily backups to be copied to tape and sent offsite the next day. These tape backups ensure disaster recovery for department applications hosted on Windows physical servers. If the new Midrange Enterprise Tape Library is not approved, ISD Midrange's disaster recovery tape solution will be impacted.

If the Midrange storage replacement is not approved, it will seriously impact ISD's ability to continue and host projects that require storage, such as DCFS consolidation, DPSS EDMS and SMARTS, Auditor-Controller eCAPS/eHR, Treasurer and Tax Collectors CAMS, and various countywide virtualization projects.

Alternatives Considered:

Numerous IBM mainframe server upgrade alternatives have been reviewed in detail, based on capacity planning models, to determine the most cost effective option for the sole source purchase.

The IBM mainframe compatible tape and virtual tape equipment is available from numerous original equipment manufacturers and distributors so that the purchases will be competitively bid.

The midrange tape and disk storage upgrades will be sole source purchases to maintain compatibility with the existing hardware and to leverage the existing staffing skills and management software.

Project Risks:

Minimal risks exist for the installation of both mainframe and midrange storage devices because it is compatible with the existing servers and infrastructure.

Risk Mitigation Measures:

Proper planning and careful implementation activities will be established to minimize risk. In addition, a performance validation will be conducted to ensure that County applications can be supported.

Financial Analysis:

There is no additional Net County Cost associated with this request. All costs are offset by billing to County Departments through composite billing rates of computer utilization.

CIO Concerns:

None.

Recommendations:

Recommend Board authorization of the proposed procurements.

CIO APPROVAL

Date Received: 4/6/2010

Prepared by: Tom Travis

Date: 4/19/2010

Approved: Greg Melendez

Date: 4/29/2010

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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

April 28, 2010

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 2009/10

3 - VOTES

SOURCES		USES	
Internal Services Department A01 - IS - 2000 - 13100 Services and Supplies Decrease in Appropriation	$ 4,007,000	Internal Services Department A01 - IS - 6030 - 13100 Capital Assets - Equipment Increase in Appropriation	$ 4,007,000
SOURCES TOTAL: $	$ 4,007,000	**USES TOTAL:** $	$ 4,007,000

JUSTIFICATION

Reflects an increase in Equipment appropriation, offset by decrease in Services and Supplies, to purchase four fixed asset items included in our May 11, 2010 Board letter. ISD will be purchasing the equipment cash in order to avoid the cost of financing the equipment in future fiscal years. The adjustment is necessary to provide adequate Fixed Asset appropriation.

AUTHORIZED SIGNATURE DAVE YAMASHITA 4-28-10

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES
#17 · MAY 11 2010

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

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR ---

☐ ACTION
☑ RECOMMENDATION

☑ APPROVED AS REQUESTED
☐ APPROVED AS REVISED

AUDITOR-CONTROLLER BY

B.A. NO. 194 4/28 2010

CHIEF EXECUTIVE OFFICER BY

April 28 2010

SEND 6 COPIES TO THE AUDITOR-CONTROLLER