



IT Sourcing

Board Meeting October 16, 2012

Agenda Item #29

Oct-2012

County of Orange – CEO/IT

Agenda

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- Impetus
- Goals
- Scope and Benefits
- Evaluation Process
- Proposed Vendors and Recommendation
- Next Steps

Drivers for Change

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- **Current IT services contract expired**
- **IT Sourcing standards have evolved**
 - Old: Staff augmentation (additional headcount)
 - New: Managed services (delivery of IT services based on established Service Level Agreements – SLA)
 - Services are now “commoditized”
- **Current separate voice and data networks lead to inefficiencies**
- **Current voice systems are end-of-life**

Sourcing Goals

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- **Business Goals**
 - Provide cost-effective IT service delivery
 - Maximize funding for programs and business operations
 - Provide technology capability to meet business needs today and into the future
- **Information Technology Goals**
 - Enhance consistency and predictability through guaranteed service levels; performance is quantified and tracked monthly
 - Improve Countywide IT transparency with dashboard reporting
 - Attain a secure, reliable, scalable, Countywide converged voice and data network that will support evolving requirements of County Agencies/Departments
 - Refresh and renew technology systems in a timely manner
 - Identify and implement technology solutions that are innovative and flexible

Scope 1 – Data Center Services

Service	User Benefits	IT Support Benefits
Governance & Relationship Management	<ul style="list-style-type: none"> ▪ Clear delineation between County and vendor responsibilities ▪ Emphasis on customer satisfaction ▪ Focus on innovation 	<ul style="list-style-type: none"> ▪ Uniform tools, processes and procedures facilitate increased operational efficiency ▪ Vendor provides single interface for problem and incident management across Scope 1 and Scope 2 services
Server Hosting & Enterprise Storage	<ul style="list-style-type: none"> ▪ Improved performance ▪ Increased system availability ▪ Enhanced storage option 	<ul style="list-style-type: none"> ▪ Enhanced monitoring and management ▪ Improved tools and 24/7 monitoring ▪ Scalability based on usage
Data Center Operations Management, Monitoring & Reporting	<ul style="list-style-type: none"> ▪ Performance portal provides IT transparency ▪ Enhanced tools for information security 	<ul style="list-style-type: none"> ▪ Guaranteed performance service levels ▪ Ability to measure operational performance
Service Desk	<ul style="list-style-type: none"> ▪ 70% guarantee of 1st call resolution ▪ Quality assurance process ensures positive experience 	<ul style="list-style-type: none"> ▪ Expanded knowledge base ▪ Depth of bench ▪ Reduces 2nd level support costs
Desktop Support	<ul style="list-style-type: none"> ▪ Remote desktop management or onsite support if necessary ▪ Improved resolution time 	<ul style="list-style-type: none"> ▪ Reduce Countywide support costs ▪ Desktop standardization provides support and cost efficiencies
Application Development & Maintenance	<ul style="list-style-type: none"> ▪ Support for applications with defined maintenance and enhancements 	<ul style="list-style-type: none"> ▪ Improved support model and guaranteed service ▪ Warranty periods
Disaster Recovery	<ul style="list-style-type: none"> ▪ Expanded solution that can accommodate a wider variety of business requirements 	<ul style="list-style-type: none"> ▪ Additional recovery locations and services

Scope 2 -Converged Voice & Data Network

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Service	User Benefits	IT Support Benefits
Management of existing voice and data networks and security	<ul style="list-style-type: none">▪ Minimizes impact to the County core business processes by taking over the management and support of in-place systems with minimal changes	<ul style="list-style-type: none">▪ County IT no longer supports Agency network and voice systems (except Law and Justice agencies)
Implementation of a Countywide converged voice and data network	<ul style="list-style-type: none">▪ Clients have flexibility in selecting handsets vs. desktop phones▪ No need to move phones▪ Remote accessibility to voice and data services, regardless of device▪ One stop service for all enterprise services: e-mail, network and voice▪ Offers a variety of unified communications▪ Integration with applications for improved client services▪ Instant conferencing▪ Document sharing	<ul style="list-style-type: none">▪ Single voice and data network infrastructure with ability to prioritize application network utilization▪ Reduced costs due to streamlined architecture, elimination of duplicate circuits and hardware, and expert service provider▪ Ability to upgrade bandwidth as needed, limiting operational costs▪ Common voice and data network management▪ Pro-active and improved security practices and procedures

IT Sourcing Governance

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- **Given the size, scope and complexity of the IT Sourcing initiative, a comprehensive governance model was established:**
 - **Board of Supervisors**
 - Role: Provide oversight and guidance to the Executive Committee; review and approve key sourcing procurement recommendations, including bidder down selection, approval to negotiate and contract authorization
 - **IT Sourcing Executive Committee**
 - Role: Advise/inform the Board of key issues as required during the procurement process; make recommendations to the Board
 - Participants: Chaired by the CEO, included Deputy CEOs, CIO, Sheriff-Coroner, Director of Human Resources
 - **Source Selection Committee**
 - Role: Review individual Technical Evaluation Teams' recommendations; develop comprehensive recommendations to Executive Committee
 - Participants: Chaired by Assistant CIO, included Assistant CEO, CIO, Department Heads and external participants; attended by Grand Jury Alumnae Association
 - **Technical Evaluation Teams**
 - Role: Evaluate individual vendor proposals by service areas; present results of evaluation and make vendor recommendations to the Source Selection Committee
 - Participants: Included CEO/IT, Agency and external representatives; approximately 35 evaluators

Procurement Process

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- Multi-step procurement process was outlined in RFP instructions
- Additional focus beyond standard procurement process:
 - Multiple vendor solution presentations/product demonstrations to County staff
 - Vendor due diligence (multiple opportunities)
 - Review of County confidential documents (technical diagrams, policies and procedures, facility information, etc.)
 - Visits to County facilities
 - Multiple question and answer sessions (oral and written)
 - Clarification sessions to ensure County requirements were clear
 - Detailed walk-through of Scope 2 solutions
 - County due diligence
 - Reference check calls conducted to verify vendors' ability/experience
 - County visits to vendors' proposed service delivery sites
 - Preliminary negotiations
- Significant focus on governance (multi-step recommendation process with Technical Evaluation Teams, Source Selection Committee and Executive Committee)

Current Proposed Vendors

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Vendors Proposing Scope 1 (Data Center Services)

- HP
- SAIC

Vendors Proposing Scope 2 (Voice & Network)

- Verizon

Vendors Proposing both Scope 1 & 2*

- Xerox

* Xerox has provided proposals for both scopes. HP and SAIC have submitted Scope 1 responses but have offered to be a prime for both scopes once the County selects the Scope 2 provider. A prime/sub relationship and pricing could be finalized in negotiations.

Recommendation

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- Based on the results of the scoring, the IT Sourcing governance teams recommend the following:
 - Scope 1: Select SAIC as the primary and Xerox as the secondary vendor to enter into negotiations
 - Scope 2: Select Xerox as the primary and Verizon as the secondary vendor to enter into negotiations

	HP (Scope 1)	SAIC (Scope 1)	Xerox (Scope 1)	Xerox (Scope 2)	Verizon (Scope 2)
Total Weighted Score	299.9	362.7	318	359.7	282.2
Rank Number	#3	#1	#2	#1	#2

Next Steps

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- October 16 – Board of Supervisors to consider approval of vendor selection for contract negotiation
- October - December 2012 – Final contract negotiations
- Mid-December – Board to consider approval of contract(s)
- January 2013 – Begin transition