



Agenda Submittal

Agenda #: 47 **Status:** Regular Calendar
Type: Contract **Department:** Information Technology - Registrar of Voters
File #: 19-956 **Contact:** Tim Flanagan, 784-2703
Agenda date: 12/10/2019 **Final action:** 12/10/2019
Title: Receive a presentation from the Department of Information Technology; Consider approving a 2 year contract addendum, with a one-year option for extension, with Avenu Insights & Analytics to provide managed IT services for \$12,785,956 for the term of January 1, 2020 through December 31, 2021; Consider authorizing the Chief Information Officer (CIO) to execute the agreement and to negotiate and execute change orders with Avenu, not to exceed 10% of the contract amount within the relevant fiscal year, within departmental appropriations for IT managed services, and with the County Administrator's concurrence; and Consider adopting a resolution amending the List of Numbers and Classifications of Positions to add 1.0 FTE Information Technology Analyst - Principal (TBD) and 2.0 FTE Inventory Coordinator (TBD)
Governing body: Board of Supervisors
District: All
Attachments: 1. A - Amendment, 2. B - Resolution, 3. C - Links to Original Contract, 4. Executed Amendment, 5. Adopted Resolution, 6. Minute Order

Date	Ver.	Action By	Action	Result
12/10/2019	1	Board of Supervisors		

Published Notice Required? Yes _____ No X
 Public Hearing Required? Yes _____ No X

DEPARTMENTAL RECOMMENDATION:

The Department of Information Technology (DoIT) recommends that the Board of Supervisors receive a presentation on the status of IT service delivery and consider:

- 1) Approving a 2 year contract addendum, with a one-year option for extension, with Avenu Insights & Analytics to provide managed IT services for \$12,785,956 from January 1, 2020 through December 31, 2021;
- 2) Authorizing the Chief Information Officer (CIO) to execute the agreement and to negotiate and execute change orders with Avenu, not to exceed 10% of the contract amount within the relevant fiscal year, within departmental appropriations for IT managed services, and with the County Administrator's concurrence; and
- 3) Adopting a resolution amending the List of Numbers and Classifications of Positions to add 1.0 Full-Time Equivalent (FTE) Information Technology Analyst - Principal (TBD) and 2.0 FTE Inventory Coordinator (TBD).

SUMMARY:

The contract with Avenu Insights & Analytics (Avenu) for IT managed services expires on December 31, 2019. The services provided by Avenu are critical to the ongoing successful operations of the Department of Information Technology (DoIT) and the County. Previous recommendations to the Board of Supervisors

included the potential for issuance of a Request for Proposal (RFP) to test the market for IT Managed Service Providers and to verify that Solano County is currently receiving the best service and the most competitive pricing. Extension of the contract will allow DoIT sufficient time to explore the market, develop an RFP and issue requests for proposals for contracted technology services as DoIT continues to build and improve its organization and service delivery model to adjust to changes in technology, the technology industry, and customer demands.

FINANCIAL IMPACT:

Contract amendment costs:

The total cost of the two-year contract extension is \$12,785,956. The contract costs by fiscal year are as follows:

- FY2019/20 - \$3,072,366 - included in the DoIT's current Adopted Budget.
- FY2020/21 - \$6,390,520 - will be included in the requested budget for the fiscal year.
- FY2021/22 - \$3,323,071 - will be included in the requested budget for the fiscal year.

These amounts are consistent with the expiring contract and with previous contract amendments and include a COLA as outlined in the provisions of current contract amendment. Contract amounts will be reduced commensurate to position changes outlined in this board action following position creation and successful hiring. Upon successful completion of hiring DoIT will return to the board to seek authorization for ATR accounting transactions to recategorize appropriations from professional services to employee salary expense.

New County positions:

The addition of three positions will be fully offset by reductions in the Avenu contract in FY2019/20 and in future fiscal years.

Add FTE in Solano County

- 1.0 FTE IT Analyst - Principal (TBD)
- 2.0 FTE Inventory Coordinator (TBD)

Delete FTE from Avenu Contract

- 1.0 FTE Senior Network Analyst
- 1.0 FTE Asset Mgt/Procurement Analyst
- 1.0 FTE Asset Mgt/Procurement Analyst

The total cost of the three positions added to DoIT is estimated at \$354,042 and will be fully offset by a reduction in Avenu contract cost of \$362,454 assuming staffed are hired at mid-range Step 3.

Additionally, this amendment adds net-new audio/visual managed services at an additional cost of \$54,282 in FY2019/20 which can be absorbed in existing appropriations due to contract savings in FY2019/20. Costs for additional fiscal years are included in the costs reported above.

The costs associated with preparing the agenda item are nominal and absorbed by the department's FY2019/20 Adopted Budget.

DISCUSSION:

History:

IT services have been vendor supplied under various constructs since 1989. The proposed contract amendment will extend IT managed services under this current contract to a 16th year. Services has been provided by a variety of vendors over time with change in recent years being triggered typically by acquisition. Avenu Insights & Analytics acquired the former vendor in September 2018. At the time of acquisition all

existing staff were retained, and all contracted services continued to be managed per the contract.

The managed services contract currently delivers 46 positions to the County to provide services for the following functions:

- Data Center Operations
- Desktop Support Services
- Network Maintenance and Support
- HelpDesk Services
- Application Support
- GIS Support

Past intentions to construct and process an RFP to test the market and engage in a new contract for managed services were stalled by changes in DoIT senior leadership and the necessary work to stabilize the department and analyze the service delivery model for Solano County.

Current Status:

As part of the stabilization of services, DoIT evaluates all FTE vacancies as they arise to determine if the position is correctly positioned as an employee of the County or if the organization would be better served with the service embedded into to the managed services provider contract. Further, current analysis has determined that 3 positions currently held in the managed services contract would be more appropriately staffed within DoIT as County employees. In-sourcing these positions will be cost neutral as the value of the contracted positions exceeds the fully-loaded cost of the proposed County FTE positions.

DoIT recommends the addition of the following positions, pending the Department of Human Resources classification review: 1.0 FTE IT Analyst - Principal (TBD) and 2.0 FTE Inventory Coordinator (TBD). The following positions would be eliminated from the Avenu contract: 1.0 FTE Senior Network Analyst and 2.0 FTE Asset Management/Procurement Analyst. The Senior Network Analyst position in the managed service contract is currently vacant. The two Asset Mgt/Procurement Analyst positions have existing incumbents in the managed service contract. The current contract with Avenu permits the County to in-source positions at will and the existing incumbents will be encouraged to apply for an open and competitive recruitment.

The role of the IT Analyst - Principal (TBD) will be to architect, design data-center infrastructure around the County and to ensure the managed service provider successfully delivers best-practices for ongoing maintenance and operations of these facilities. Currently this work is bifurcated between County and contracted staff and this position will seek to draw clear boundaries and create clearer accountability for ongoing operations.

The two Asset Management/Procurement positions in the current contract process and design IT procurement practices for Solano County in addition to providing assistance to the Desktop Support service tower for the design and approach to deployment of end-user IT purchases. The intention of bringing these functions into the County workforce is to remove any appearance of conflict of interest in IT procurement, to more directly control the design of IT procurement and deployment, and to expand the service into software license management and IT contract management.

Additionally, a net new service is proposed to be included in this amendment. Audio/Visual IT support for conference rooms has been identified as a gap in service across the County office spaces. The need to refurbish aging Audio/Visual systems is a body of work that currently isn't explicitly staffed in the County. This amendment adds this service and is included in the reported costs associated with the contract.

Next steps:

Constructing an RFP for managed services, selecting a vendor, and negotiating a new contract is estimated to take upwards of 12 months. Documenting in sufficient detail the nature of the services required, aligning these services with the mission of the department and the County, and then thorough deliberative analysis of proposals and contract negotiations are each step in the process that would expect to occur over multiple months. DoIT is proposing to begin this body of work to secure future IT managed services with sufficient time built in to ensure a new contract is ready for review and approval prior to the expiration date of the recommended amendment (12/31/2021).

As part of the preparation for the RFP, the department is working with the current vendor to modernize our Service Level Requirements (SLRs) to more accurately describe success of service delivery in each service tower. Furthermore, DoIT is working with the current vendor and the full-time County staff team to better position work assignments and roles to ensure engineering, architecture, and intellectual property work is primary done by County staff, while operations, maintenance, and project work is primary done by the managed service provider. Both the new SLRs and more accurate descriptions of work assignments will be pillars of support for a new RFP.

ALTERNATIVES:

The Board may choose not to approve extending this contract, however, this is not recommended. The current contract for IT managed services expires on December 31, 2019, and not renewing the contract would cause disruption to IT service delivery.

The Board may choose not to approve the in-sourcing of the three (3) recommended positions; however, this is not recommended. In-sourcing these positions helps move the County towards a sustainable managed services provider model and improve over-all service delivery through continuous consideration of in-sourcing or out-sourcing work as the needs of the County change over time.

OTHER AGENCY INVOLVEMENT:

County Counsel and the County Administrator's Office have been involved in the contract review. County Counsel has approved the contract as to form. DoIT has also worked with the Department of Human Resources (HR) on the classifications for insourcing positions. The department will work with the Department of General Services in the development of an RFP.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION