

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

368



FROM: Riverside County Information Technology (RCIT)

SUBMITTAL DATE:
January 23, 2013


SUBJECT: Responses to Questions Raised During the Presentation of RCIT's 13/14 Strategic Plan

Departmental Concurrence

RECOMMENDED MOTION: That the Board of Supervisors receive and file the enclosed answers to questions raised during the RCIT 13/14 Strategic Plan presented on January 15, 2013.

BACKGROUND: During the January 15, 2013 presentation of the RCIT's 13/14 Strategic Plan I was asked to respond to a list of questions related to items addressed in the plan. Enclosed are the answers to those questions.

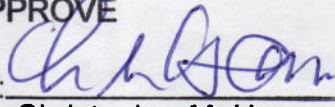
(Continued on Page 2)


 Kevin K Crawford
 Chief Information Officer

23 Jan 13

| | | | | |
|---|--------------------------------------|--------|---|--------------------------|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$ N/A | In Current Year Budget: | N/A |
| | Current F.Y. Net County Cost: | \$ N/A | Budget Adjustment: | N/A |
| | Annual Net County Cost: | \$ N/A | For Fiscal Year: | N/A |
| SOURCE OF FUNDS: RCIT Operating Budget | | | Positions To Be Deleted Per A-30 | <input type="checkbox"/> |
| | | | Requires 4/5 Vote | <input type="checkbox"/> |

C.E.O. RECOMMENDATION:

APPROVE
 BY: 
 Christopher M. Hans

County Executive Office Signature

Dept's Recomm.:
 Per Exec. Ofc.:
 Consent
 Policy
 Consent
 Policy

Prev. Agn. Ref.: 3-11 1/15/13 | **District: All** | **Agenda Number:**

3-32

REVISED

BACKGROUND: (Continued)

OVERVIEW

RCIT has been looking at alternative ways to deliver technology services to achieve two major goals for the County:

1. Move the County towards a more standard and best practice environment; and
2. Achieve significant cost savings.

Two of the projects that support the above goals are the Consolidation Initiative and the Converged Network Project (CNP). Both projects will achieve the goals of best practices and savings.

At the beginning of the Consolidation Project the County had approximately 700 technology staff. It appears that some of the services provided by this staff are duplicative and also include the same hardware/software. Because of the divisions of effort, it has made it more difficult for Departments to share information, collaborate and cooperate. The Initiative will seek and recommend removal of duplicative efforts and move to standardized enterprise services for the betterment of the County as a whole.

The CNP started as an effort to replace the obsolete phone system and after several months of review became clear that we could achieve a significantly higher level of service by utilizing the complementary services around Voice over Internet Protocol (VoIP). Specifically, we combined core data upgrades, voice, wireless and video capabilities. The combined effort results in significant savings overall and provides those capabilities more effectively than separate projects. It also significantly enhances our ability to secure County infrastructure assets and data. The CNP will enhance the ability to segregate data and audit access to systems and files, which allows for discreet and named access throughout the network.

The following are the questions provided by Supervisor Ashley:

1. **What is the cost of converging? No budget has been provided.**

- a. Answering the question for the Converged Network Project (CNP)...Here is the estimated budget proposed for the CNP, which will be financed at 0% and payments over the next 7 years:

| Hardware and Software | Cost |
|------------------------------|------------------------|
| Cisco Phones and Routers | \$ 3,800,000.00 |
| Cisco Software and Licensing | \$ 1,700,000.00 |
| Cisco Network Upgrades | \$ 3,500,000.00 |
| Cisco Wireless | \$ 2,000,000.00 |
| Cabling | \$ 800,000.00 |
| Implementation | \$ 2,300,000.00 |
| Taxes | \$ 900,000.00 |
| Contingency | \$ 1,000,000.00 |
| TOTAL | \$16,000,000.00 |

The cost of the debt service for CNP is included in the "Converged Operational Costs" line, and when compared to the "Current Operational Costs" achieves a total cost savings of \$14 million over 7 years, as illustrated below:

POTENTIAL SAVINGS (in millions)

| ITEM | FY 13-14 | FY 14-15 | FY 15-16 | FY 16-17 | FY 17-18 | FY 18-19 | FY 19-20 | Total |
|-----------------------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Current Operational Costs | \$ 8.500 | \$ 9.025 | \$ 9.593 | \$ 10.210 | \$ 10.878 | \$ 11.603 | \$ 10.878 | \$ 70.687 |
| Converged Operational Costs | \$ 7.575 | \$ 7.295 | \$ 8.521 | \$ 8.433 | \$ 8.355 | \$ 8.536 | \$ 7.905 | \$ 56.619 |
| TOTAL | \$.925 | \$ 1.731 | \$ 1.073 | \$ 1.777 | \$ 2.523 | \$ 3.067 | \$ 2.972 | \$ 14.068 |

NOTE: If Departments are allowed to delay or opt out, savings will be commensurately decreased.

- b. Answering the question for the Consolidation Initiative...There is not a budget for the initial phase of the consolidation project, as we are utilizing internal RCIT resources to accomplish the Assessments.

Below is an estimate of available savings should the Board support all recommended changes. To date there are 3 projects that have been started as part of the Consolidation: Converged Network, CRM, and GIS. The ROI for each of those projects are being considered separately and have been removed from the estimation below (as of Dec 31, 2012). RCIT will continue to track and provide actuals and/or updated estimates, as appropriate.

CURRENT COSTS (In Millions)

| ITEM | FY 13-14 | FY 14-15 | FY 15-16 | FY 16-17 | FY 17-18 | FY 18-19 | FY 19-20 | Total |
|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| Staffing | \$ 75.00 | \$ 76.87 | \$ 79.18 | \$ 81.56 | \$ 84.00 | \$ 86.52 | \$ 89.12 | \$ 556.26 |
| Infrastructure | \$ 58.10 | \$ 58.97 | \$ 59.86 | \$ 60.75 | \$ 61.66 | \$ 62.59 | \$ 63.84 | \$ 425.78 |
| Applications | \$ 24.90 | \$ 25.52 | \$ 26.16 | \$ 26.81 | \$ 27.49 | \$ 28.17 | \$ 28.74 | \$ 187.79 |
| TOTAL | \$ 158.00 | \$ 161.37 | \$ 165.20 | \$ 169.12 | \$ 173.15 | \$ 177.28 | \$ 181.70 | \$ 1,185.83 |

CONSOLIDATED COSTS

| ITEM | FY 13-14 | FY 14-15 | FY 15-16 | FY 16-17 | FY 17-18 | FY 18-19 | FY 19-20 | Total |
|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| Staffing | \$ 73.66 | \$ 72.92 | \$ 75.11 | \$ 77.36 | \$ 79.68 | \$ 82.07 | \$ 84.53 | \$ 545.32 |
| Infrastructure | \$ 57.52 | \$ 54.48 | \$ 57.21 | \$ 58.35 | \$ 59.23 | \$ 60.12 | \$ 61.02 | \$ 410.95 |
| Applications | \$ 24.65 | \$ 24.53 | \$ 24.40 | \$ 23.67 | \$ 23.20 | \$ 22.73 | \$ 22.51 | \$ 165.70 |
| TOTAL | \$ 155.83 | \$ 154.94 | \$ 156.72 | \$ 159.39 | \$ 162.11 | \$ 165.22 | \$ 168.06 | \$ 1,121.97 |

POTENTIAL SAVINGS

| COSTS | FY 13-14 | FY 14-15 | FY 15-16 | FY 16-17 | FY 17-18 | FY 18-19 | FY 19-20 | Total |
|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Staffing | \$ 1.35 | \$ 3.96 | \$ 4.07 | \$ 4.20 | \$ 4.32 | \$ 4.45 | \$ 4.59 | \$ 26.94 |
| Infrastructure | \$.58 | \$ 1.47 | \$ 2.65 | \$ 2.40 | \$ 2.43 | \$ 2.47 | \$ 2.82 | \$ 14.83 |
| Applications | \$.25 | \$.99 | \$ 1.75 | \$ 3.14 | \$ 4.28 | \$ 5.44 | \$ 6.23 | \$ 22.09 |
| TOTAL | \$ 2.18 | \$ 6.42 | \$ 8.48 | \$ 9.74 | \$ 11.04 | \$ 12.36 | \$ 13.64 | \$ 63.86 |

(Highlighted cell shows first year of substantial completion or movement.)

- NOTE: 1. The above estimates do not include savings from Sheriff, ACO and DA.
 2. If other Departments are allowed to delay or opt out, savings will be commensurately decreased.
 3. Estimates above are utilizing December 2012 staffing levels and assuming a reduction of 40 positions.

2. How much do you anticipate saving through attrition?

- a. The original anticipated savings from the Consolidation Effort in staffing was generated using standard savings percentages reported by Gartner and other resources. The savings estimated is approximately 60 positions or \$6 million annually, from the April 2012 staffing levels. This represents a reduction of approximately 9% of the workforce. Those savings would be attributed to attrition or layoff. The goal in the ROI estimate was combined and not detailed to type of reduction.
- b. Technical Staffing within the County has fallen by 20 positions from the levels used in the original estimate. Remaining savings are now estimated at \$4 million per year upon completion of the consolidation efforts.

3. What is the timeline within the goal of converging by 2013/2014?

- a. The following high level project schedule is included in the Form 11 before the Board today for the converged network project. A specific schedule will be accomplished during the first 30 days of contract and will be shared with the board. The advantage of moving in the new network quickly is twofold: 1. Achieve the savings as quickly as possible and 2. Minimize the time that we have departments split between phone systems and capabilities.

| Phase | Timeframe | Activities |
|-------|--------------------|---|
| 1 | February | Assessment/Discovery |
| 2 | March – April 2013 | Design, Equipment Purchase & Receipt, Pilot system within RCIT |
| 3 | May – July 2013 | Training/Installation in Eastern Riverside Locations |
| 4 | Aug – Oct 2013 | Training/Installation in Western Riverside Locations |
| 5 | Nov – Jan 2014 | Training/Installation in Southwest/Mid-county Riverside Locations |

4. What do you mean by “mandatory”? Do departments have a choice?

- a. The Strategic Plan document defines mandatory as follows:
 - i. **MANDATORY** – Required by the Board of Supervisors, CEO, or mandate (i.e. Federal, State or Local requirement). For example:
 - 1. Consolidation.
 - 2. Trusted Systems Compliance.
- a. Departments reporting to the CEO will accomplish the Technology Assessment with RCIT and consolidate their IT Resources. The CEO's requirement of IT was that we offer an optional assessment to all Elected Departments. In other words, Elected Departments have always had the choice to accept or refuse the Assessment and any possible consolidation thereafter. I did not include Sheriff, the ACO, or DA in the ROI estimates. So far, only COB and DA have not agreed to the Assessment of Services to see if there are any savings to be found.
- b. The Network & Information Secured Enterprise-wide (NISE) Project will establish minimums for network security that will be required for all Departments to meet which will help secure the enterprise network for all departments, users and locations. The system will allow for departments to set higher levels of security for their staff and locations to meet specific business requirements. Without a minimum base setup requirement for ALL, the system can't properly function for the county as a whole.

5. **How many Departments have signed agreements?**

| | |
|--|----|
| a. The following is the current state (as of Jan 17, 2013) of the consolidation: | |
| i. Signed Agreements & Consolidated | 6 |
| ii. Delivered Agreements, Awaiting Signature | 6 |
| iii. Signed Agreements & Awaiting Consolidation | 1 |
| iv. Assessment Complete & Declined Consolidation | 1 |
| v. Assessments in Process | 7 |
| vi. Awaiting Assessment | 10 |
| vii. Declined Assessment | 2 |

6. **How many employees will be lost through attrition?**

a. Please see answer to item 2 above.

7. **How many employees have already left?**

| | |
|---|----|
| a. We have lost the following number of technology employees to date: | |
| i. Voluntarily Leaving | 13 |
| ii. Other | 7 |

8. **How much of RCIT will be outsourced?**

a. RCIT needs to complete the assessment process that is currently underway and has no immediate plans to outsource any of its services. However, RCIT has been asked to look at possibly outsourcing Payroll Services – most of the staff affected here would be administrative and not RCIT or other technical staff. RCIT will, when there is compelling business and technology reasons, make recommendations to the TSOC and brief the Board on servicing options prior to any procurement processes. The CIO will brief Supervisors of any new area where procurement of services is to be studied. The CIO will provide updates in the Regular Quarterly meetings or as appropriate for time sensitive issues.