



## Board Report

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Support authorizing the Office of the Auditor-Controller (AC) to serve as the primary contract holder to the CenturyLink Master Service Agreement, and subordinate service level agreements (SLAs), providing Disaster Recovery, Data Center and Managed Services for the Enterprise Resource Planning (ERP) System, and Co-location and Disaster Recovery Services for Natividad Medical Center; and Support the approval of the contract and an increase in appropriations.

### RECOMMENDATION:

It is recommended that the Board of Supervisors Budget Committee:

Support the approval of the contract and increased appropriations for the annual cost of disaster recovery, redundant data center and co-location solutions that may continue for up to three years upon approval of the Board of Supervisors.

### SUMMARY/DISCUSSION:

In 2007, the Chief Administrative Officer (CAO) requested that the responsibility for management and support of the County's Enterprise Resource Planning (ERP) system be transferred back to the Office of the Auditor-Controller (AC). Upon the CAO commitment to provide the necessary resources and financial support to sustain and effectively manage the ERP system, the Auditor-Controller accepted this responsibility.

The AC then reiterated to the Information Technology Department (ITD) that disaster recovery and data center redundancy be acquired to ensure these mission critical systems would be secure in the event of a systemic failure or, a natural catastrophe. However, the provision of disaster recovery, data center redundancy, responsive technical support, hardware and operating systems refresh protocol, and adequate test environments were not addressed. Therefore, after more than 16 years attempting to acquire these services through County resources, the AC opened a Request for Proposal (RFP#10500) for disaster recovery and redundant data center services in October 2014, and invited both County ITD and external vendors to respond.

Upon completion of the County's RFP protocols and processes, CenturyLink Technology Solutions (CTS) was determined to have the best solution for meeting all requirements defined in the RFP. In addition to the ERP requirements, the RFP also included co-location services for Natividad Medical Center (NMC) whose operational systems also require a high degree of reliability and continuity. By consolidating AC and NMC requirements into a single RFP, the County will benefit from economies of scale; and enable the AC and NMC to implement a long-term strategy for managing and ensuring business continuity of their respective systems.

The ERP system, developed by CGI Group Inc., includes multiple components that support AC functions integral to the County's operations. These mission-critical functions include all general accounting functions (as the County system of record), creation and distribution of bi-weekly payroll for employees, disbursement and payment of contracts and purchasing, management of County assets and debt, and performance of internal audits. In its present state - without disaster recovery and data center redundancy, operational continuity of these critical County functions is jeopardized, and exposes the County and the Board of Supervisors to the risk of non-payment of payroll, vendors, procurements, and contracted services.

The NMC data center presently operates within hospital space classified for patient care, and does not fully comply with the requirements set by the Office of Statewide Health Planning and Development (OSHPD) under whose jurisdiction NMC falls. These OSHPD requirements stipulate that the data center be fully earthquake proof, and that fire suppression, preferably with a pre-action system, be in place. In order to bring the NMC data center into OSHPD compliance, and to ensure continuity of its operations, Gary Gray, DO and Interim CEO at NMC, has provided his written commitment to support and fund this disaster recovery and co-location data center effort (see Attachment 1).

The AC's selection of CTS was based on the company's past performance with similar government and healthcare organizations, and the ability to scale its offerings to County-specific requirements. CTS is a Fortune 500 company providing disaster recovery, data, voice, co-location and managed services, to business and government clients worldwide. Its 57 data center locations provide geographic diversity for redundancy, IT asset protection and equipment failover, and are seismically engineered to mitigate the impact of potential earthquake activity.

Upon support from the Capital Improvement Committee and the approval by the Board of Supervisors, the AC and NMC anticipate that the CTS contract will start in late June 2015, and redundant data center, managed co-location and disaster recovery solutions will be fully operational within 90 days of initiation.

**OTHER AGENCY INVOLVEMENT:**

Natividad Medical Center, County Administrative Office.

**FINANCING:**

Authorizing County commitment to a three-year contract for disaster recovery, data center, and co-location based on AC and NMC requirements, requiring an annual commitment of approximately \$1.1M to \$1.3M, of which approximately \$150,000 will be financed by NMC for co-location, and for which an estimated \$200,000 will apply to consulting and implementation services, and the remaining \$855,000 for annual disaster recovery and managed services. These services will require financing from the general fund.

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**Attachments:**

Letter from Dr. Gray, Interim Chief Executive Officer, NMC