

City of Los Angeles

California

INFORMATION TECHNOLOGY
AGENCY

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CHIEF TECHNOLOGY OFFICER

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September 1, 2009

REF: EXE-283-09

Honorable Bernard Parks, Chair
Budget and Finance Committee
Room 460, City Hall
Los Angeles, CA 90012

Subject: **RESPONSE TO QUESTIONS FROM AUGUST 11, 2009 ITGS MEETING**

Dear Councilman Parks:

Per your request from the August 11, 2009 ITGS Meeting, the Information Technology Agency (ITA) submits the following in response to the questions received at the meeting:

1. *Clarify the real \$ savings and the real cost*
 - a. See Attachment "A" – CSC/Google Baseline Cashflow (without staffing):
The Document shows the yearly cash flow in regards to supporting the current email system versus the proposed system. The Delta shown on the document is the positive cash flow from the proposed solution.
 - i. Savings range \$4 – 5 million.
 - b. See Attachment "B" – CSC/Google Baseline Cashflow (including staffing):
Same as above plus staff savings.
 - i. Savings range: \$8 – 10 million.

2. *Specify where the funds to pay for this will come from FY 09-10*

City-wide GroupWise Email accounts:	\$	0.00	
City-wide Microsoft Office:	\$	400,000.00	All City Depts.
Support software savings:	\$	540,000.00	ITA
Microsoft Settlement Reimbursement:	\$	1,500,000.00	Settlement Acct
Total Year 1 available funds	\$	2,440,000.00	

3. *Provide the FINAL contract*
 - a. Provided Final Contract to City Clerk on 28 August 2009. The contract has been agreed to by City Attorney, ITA, CSC and Google.
 - b. This document is 155 pages and can be accessed at:
http://clkrep.lacity.org/onlinedocs/2009/09-1714_rpt_ita_8-28-09.pdf.

4. *Explain the pilot implementation plan*
 - a. See Attachment "C" – LA GEECS Project Update.
 - b. LA GEECS – Los Angeles Google Enterprise Email & Collaboration System.

5. *Resolve the details necessary to confirm LAPD participation and consider the other law enforcement agencies, i.e., GSD, City Attorney.*
 - a. CA DOJ, LAPD, City Attorney, CAO, CLA, GSD, and ITA are working together to ensure that the Security Requirements of the system meet their needs. CA DOJ will work with the Project Team from day 1 and throughout the Project to garner their approval of the system for use by the Agencies utilizing CA DOJ data.
 - b. ITA and CSC/Google continue to seek alternatives to meeting the security needs of the City. Several options have been presented and we continue to seek others to ensure that more than one viable option is available to the aforementioned agencies.

6. *Provide written response to all the CLA's questions*
 - a. Provided responses to CLA on 17 August 2009.
 - b. See Attachment "D" – Questions to ITA Regarding CSC Contract and Google System

7. *Justify that this change is a necessity, not a "nice to have"*
 - a. See Attachment "E" – New Email System is a Necessity.

Please contact Kevin Crawford at (213) 978-3311 with any questions.

Respectfully yours,



Randi Levin
General Manager

Attachments

cc: Honorable Tony Cardenas, Chair ITGA
Gerry Miller, Chief Legislative Analyst
Miguel Santana, City Administrative Officer
Ben Ceja, Deputy Mayor
Roy Morales, Chief Legislative Analyst's Office
Jacob Wexler, City Administrative Officer's Office

CSC/Google Baseline Cashflow

Licenses	17,000		Licenses	30,000		
	With Staffing	No		With Settlement Monies	Yes	With Rebate
				Yes	Yes	
Desktop Suite (eMail, Office and Collaboration)			Desktop Suite (eMail, Office and Collaboration)			
	2009-10	Current Budget	Base SaaS	2009-10	Current Budget	Base SaaS
ITEM		Total	Total	ITEM	Total	Total
Implementation		\$ -	\$ 890,900.00	Implementation	\$ -	\$ 890,900.00
GroupWise - Citywide		\$ 305,660.00	\$ 305,660.00	GroupWise - Citywide	\$ 539,400.00	\$ 539,400.00
Other Software - ITA		\$ 479,913.40	\$ 1,001,730.48	Other Software - ITA	\$ 540,968.40	\$ 1,088,735.99
Microsoft - Citywide		\$ 400,000.00	\$ -	Microsoft - Citywide	\$ 1,669,925.00	\$ 1,269,925.00
Staffing		\$ -	\$ -	Staffing	\$ -	\$ -
Hardware Costs		\$ -	\$ -	Hardware Costs	\$ -	\$ -
Settlement Monies		\$ -	\$ (1,500,000.00)	Settlement Monies	\$ -	\$ (1,500,000.00)
TOTAL		\$ 1,185,573.40	\$ 698,290.48	TOTAL	\$ 2,750,293.40	\$ 2,288,960.99
Delta		\$ -	\$ 487,282.93	Delta	\$ -	\$ 461,332.41
<i>Per user Costs</i>		\$ 69.74	\$ 41.08	<i>Per user Costs</i>	\$ 91.68	\$ 76.30
Delta		\$ -	\$ 28.66	Delta	\$ -	\$ 15.38
2010-11			2010-11			
Upgrades		\$ 350,000.00	\$ -	Upgrades	\$ 350,000.00	\$ -
GroupWise - Citywide		\$ 320,943.00	\$ -	GroupWise - Citywide	\$ 566,370.00	\$ -
Other Software - ITA		\$ 503,909.07	\$ 1,080,000.00	Other Software - ITA	\$ 568,016.82	\$ 1,665,450.00
Microsoft - Citywide		\$ 420,000.00	\$ -	Microsoft - Citywide	\$ 1,689,925.00	\$ 1,269,925.00
Staffing		\$ -	\$ -	Staffing	\$ -	\$ -
Hardware Costs		\$ 420,000.00	\$ 14,000.00	Hardware Costs	\$ 525,000.00	\$ 21,000.00
Google Rebate		\$ -	\$ (170,000.00)	Google Rebate	\$ -	\$ (300,000.00)
TOTAL		\$ 2,014,852.07	\$ 924,000.00	TOTAL	\$ 3,349,311.82	\$ 2,656,375.00
Delta		\$ -	\$ 1,090,852.07	Delta	\$ -	\$ 692,936.82
Delta Total		\$ -	\$ 1,578,135.00	Delta Total	\$ -	\$ 1,154,269.23
<i>Per user Costs</i>		\$ 118.52	\$ 54.35	<i>Per user Costs</i>	\$ 111.64	\$ 88.55
Delta		\$ -	\$ 64.17	Delta	\$ -	\$ 23.10
2011-12			2011-12			
Upgrades		\$ 350,000.00	\$ -	Upgrades	\$ 350,000.00	\$ -
GroupWise - Citywide		\$ 336,990.15	\$ -	GroupWise - Citywide	\$ 594,688.50	\$ -
Other Software - ITA		\$ 529,104.52	\$ 1,091,287.50	Other Software - ITA	\$ 596,417.66	\$ 1,676,737.50
Microsoft - Citywide		\$ 441,000.00	\$ 230,010.00	Microsoft - Citywide	\$ 1,710,925.00	\$ 1,269,925.00
Staffing		\$ -	\$ -	Staffing	\$ -	\$ -
Hardware Costs		\$ -	\$ -	Hardware Costs	\$ -	\$ -
Google Rebate		\$ -	\$ (170,000.00)	Google Rebate	\$ -	\$ (300,000.00)
TOTAL		\$ 1,657,094.67	\$ 1,151,297.50	TOTAL	\$ 3,252,031.16	\$ 2,646,662.50
Delta		\$ -	\$ 505,797.17	Delta	\$ -	\$ 605,368.66
Delta Total		\$ -	\$ 2,083,932.17	Delta Total	\$ -	\$ 1,759,637.89
<i>Per user Costs</i>		\$ 97.48	\$ 67.72	<i>Per user Costs</i>	\$ 108.40	\$ 88.22
Delta		\$ -	\$ 29.75	Delta	\$ -	\$ 20.18
2012-13			2012-13			
Upgrades		\$ -	\$ -	Upgrades	\$ -	\$ -
GroupWise - Citywide		\$ 353,839.66	\$ -	GroupWise - Citywide	\$ 624,422.93	\$ -
Other Software - ITA		\$ 555,559.75	\$ 1,002,267.10	Other Software - ITA	\$ 626,238.54	\$ 1,519,452.98
Microsoft - Citywide		\$ 463,050.00	\$ 241,510.50	Microsoft - Citywide	\$ 1,732,975.00	\$ 426,195.00
Staffing		\$ -	\$ -	Staffing	\$ -	\$ -
Hardware Costs		\$ 462,000.00	\$ 15,400.00	Hardware Costs	\$ -	\$ 23,100.00
Google Rebate		\$ -	\$ (170,000.00)	Google Rebate	\$ -	\$ (300,000.00)
TOTAL		\$ 1,834,449.41	\$ 1,089,177.60	TOTAL	\$ 2,983,636.47	\$ 1,668,747.98
Delta		\$ -	\$ 925,674.48	Delta	\$ -	\$ 1,680,563.85
Delta Total		\$ -	\$ 3,009,606.64	Delta Total	\$ -	\$ 3,440,201.73
<i>Per user Costs</i>		\$ 107.91	\$ 64.07	<i>Per user Costs</i>	\$ 99.45	\$ 55.62
Delta		\$ -	\$ 43.84	Delta	\$ -	\$ 43.83
2013-14			2013-14			
Upgrades		\$ -	\$ -	Upgrades	\$ -	\$ -
GroupWise - Citywide		\$ 371,531.64	\$ -	GroupWise - Citywide	\$ 655,644.07	\$ -
Other Software - ITA		\$ 583,337.74	\$ 1,013,583.84	Other Software - ITA	\$ 657,550.47	\$ 1,521,033.84
Microsoft - Citywide		\$ 463,050.00	\$ 253,586.03	Microsoft - Citywide	\$ 1,756,127.50	\$ 447,504.75
Staffing		\$ -	\$ -	Staffing	\$ -	\$ -
Hardware Costs		\$ -	\$ -	Hardware Costs	\$ 603,750.00	\$ -
Google Rebate		\$ -	\$ (170,000.00)	Google Rebate	\$ -	\$ (300,000.00)
TOTAL		\$ 1,417,919.38	\$ 1,097,169.87	TOTAL	\$ 3,673,072.04	\$ 1,668,538.59
Delta		\$ -	\$ 917,682.20	Delta	\$ -	\$ 1,680,773.23
Delta Total		\$ -	\$ 3,927,288.84	Delta Total	\$ -	\$ 5,120,974.96
<i>Per user Costs</i>		\$ 83.41	\$ 64.54	<i>Per user Costs</i>	\$ 122.44	\$ 55.62
Delta		\$ -	\$ 18.87	Delta	\$ -	\$ 66.82


CSC/Google Baseline Cashflow

Licenses		17,000		Licenses		30,000	
With Staffing		Yes	With Settlement Monies	Yes	With Rebate	Yes	
Desktop Suite (eMail, Office and Collaboration)				Desktop Suite (eMail, Office and Collaboration)			
ITEM	2009-10	Current Budget	Base SaaS	ITEM	2009-10	Current Budget	Base SaaS
		Total	Total			Total	Total
Implementation		\$ -	\$ 890,900.00	Implementation		\$ -	\$ 890,900.00
GroupWise - Citywide		\$ 305,660.00	\$ 305,660.00	GroupWise - Citywide		\$ 539,400.00	\$ 539,400.00
Other Software - ITA		\$ 479,913.40	\$ 1,001,730.48	Other Software - ITA		\$ 540,968.40	\$ 1,088,735.99
Microsoft - Citywide		\$ 400,000.00	\$ -	Microsoft - Citywide		\$ 1,669,925.00	\$ 1,269,925.00
Staffing		\$ 1,275,159.36	\$ 322,426.00	Staffing		\$ 1,533,904.32	\$ 547,426.00
Hardware Costs		\$ -	\$ -	Hardware Costs		\$ -	\$ -
Settlement Monies		\$ -	\$ (1,500,000.00)	Settlement Monies		\$ -	\$ (1,500,000.00)
TOTAL		\$ 2,460,732.76	\$ 1,020,716.48	TOTAL		\$ 4,284,197.72	\$ 2,836,386.99
Delta		\$ -	\$ 1,440,016.29	Delta		\$ -	\$ 1,447,810.73
<i>Per user Costs</i>		\$ 144.75	\$ 60.04	<i>Per user Costs</i>		\$ 142.81	\$ 94.55
Delta		\$ -	\$ 84.71	Delta		\$ -	\$ 48.26
2010-11				2010-11			
Upgrades		\$ 350,000.00	\$ -	Upgrades		\$ 350,000.00	\$ -
GroupWise - Citywide		\$ 320,943.00	\$ -	GroupWise - Citywide		\$ 566,370.00	\$ -
Other Software - ITA		\$ 503,909.07	\$ 1,080,000.00	Other Software - ITA		\$ 568,016.82	\$ 1,665,450.00
Microsoft - Citywide		\$ 420,000.00	\$ -	Microsoft - Citywide		\$ 1,689,925.00	\$ 1,269,925.00
Staffing		\$ 1,326,165.73	\$ 335,323.04	Staffing		\$ 1,595,260.49	\$ 569,323.04
Hardware Costs		\$ 420,000.00	\$ 14,000.00	Hardware Costs		\$ 525,000.00	\$ 21,000.00
Google Rebate		\$ -	\$ (170,000.00)	Google Rebate		\$ -	\$ (300,000.00)
TOTAL		\$ 3,341,017.80	\$ 1,259,323.04	TOTAL		\$ 4,944,572.31	\$ 3,225,698.04
Delta		\$ -	\$ 2,081,694.76	Delta		\$ -	\$ 1,718,874.27
Delta Total		\$ -	\$ 3,521,711.05	Delta Total		\$ -	\$ 3,166,685.00
<i>Per user Costs</i>		\$ 196.53	\$ 74.08	<i>Per user Costs</i>		\$ 164.82	\$ 107.52
Delta		\$ -	\$ 122.45	Delta		\$ -	\$ 57.30
2011-12				2011-12			
Upgrades		\$ 350,000.00	\$ -	Upgrades		\$ 350,000.00	\$ -
GroupWise - Citywide		\$ 336,990.15	\$ -	GroupWise - Citywide		\$ 594,688.50	\$ -
Other Software - ITA		\$ 529,104.52	\$ 1,091,287.50	Other Software - ITA		\$ 596,417.66	\$ 1,676,737.50
Microsoft - Citywide		\$ 441,000.00	\$ 230,010.00	Microsoft - Citywide		\$ 1,710,925.00	\$ 1,269,925.00
Staffing		\$ -	\$ -	Staffing		\$ -	\$ -
Hardware Costs		\$ -	\$ -	Hardware Costs		\$ -	\$ -
Google Rebate		\$ -	\$ (170,000.00)	Google Rebate		\$ -	\$ (300,000.00)
TOTAL		\$ 1,657,094.67	\$ 1,151,297.50	TOTAL		\$ 3,252,031.16	\$ 2,646,662.50
Delta		\$ -	\$ 505,797.17	Delta		\$ -	\$ 605,368.66
Delta Total		\$ -	\$ 4,027,508.22	Delta Total		\$ -	\$ 3,772,053.66
<i>Per user Costs</i>		\$ 97.48	\$ 67.72	<i>Per user Costs</i>		\$ 108.40	\$ 88.22
Delta		\$ -	\$ 29.75	Delta		\$ -	\$ 20.18
2012-13				2012-13			
Upgrades		\$ -	\$ -	Upgrades		\$ -	\$ -
GroupWise - Citywide		\$ 353,839.66	\$ -	GroupWise - Citywide		\$ 624,422.93	\$ -
Other Software - ITA		\$ 555,559.75	\$ 1,002,267.10	Other Software - ITA		\$ 626,238.54	\$ 1,519,452.98
Microsoft - Citywide		\$ 463,050.00	\$ 241,510.50	Microsoft - Citywide		\$ 1,732,975.00	\$ 426,195.00
Staffing		\$ -	\$ -	Staffing		\$ -	\$ -
Hardware Costs		\$ 462,000.00	\$ 15,400.00	Hardware Costs		\$ -	\$ 23,100.00
Google Rebate		\$ -	\$ (170,000.00)	Google Rebate		\$ -	\$ (300,000.00)
TOTAL		\$ 1,834,449.41	\$ 1,089,177.60	TOTAL		\$ 2,983,636.47	\$ 1,668,747.98
Delta		\$ -	\$ 2,251,840.21	Delta		\$ -	\$ 3,275,824.34
Delta Total		\$ -	\$ 6,279,348.43	Delta Total		\$ -	\$ 7,047,878.00
<i>Per user Costs</i>		\$ 107.91	\$ 64.07	<i>Per user Costs</i>		\$ 99.45	\$ 55.62
Delta		\$ -	\$ 43.84	Delta		\$ -	\$ 43.83
2013-14				2013-14			
Upgrades		\$ -	\$ -	Upgrades		\$ -	\$ -
GroupWise - Citywide		\$ 371,531.64	\$ -	GroupWise - Citywide		\$ 655,644.07	\$ -
Other Software - ITA		\$ 583,337.74	\$ 1,013,583.84	Other Software - ITA		\$ 657,550.47	\$ 1,521,033.84
Microsoft - Citywide		\$ 463,050.00	\$ 253,586.03	Microsoft - Citywide		\$ 1,756,127.50	\$ 447,504.75
Staffing		\$ -	\$ -	Staffing		\$ -	\$ -
Hardware Costs		\$ -	\$ -	Hardware Costs		\$ 603,750.00	\$ -
Google Rebate		\$ -	\$ (170,000.00)	Google Rebate		\$ -	\$ (300,000.00)
TOTAL		\$ 1,417,919.38	\$ 1,097,169.87	TOTAL		\$ 3,673,072.04	\$ 1,668,538.59
Delta		\$ -	\$ 2,243,847.94	Delta		\$ -	\$ 3,276,033.72
Delta Total		\$ -	\$ 8,523,196.37	Delta Total		\$ -	\$ 10,323,911.72
<i>Per user Costs</i>		\$ 83.41	\$ 64.54	<i>Per user Costs</i>		\$ 122.44	\$ 55.62
Delta		\$ -	\$ 18.87	Delta		\$ -	\$ 66.82

Attachment "C"
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: August 31, 2009 REF: EXE-282-09

To: IT Policy Committee Members

From: Kevin Crawford, Assistant General Manager
Information Technology Agency 

Subject: **LA GEECS PROJECT UPDATE**

The project to replace the GroupWise system is continuing its progress forward. Last week, we completed the negotiations on the contract with the implementer, Computer Sciences Corporation (CSC). We have already had a review and recommendation to move forward from the ITGS (now ITGA). Next, we will be before the Budget and Finance Committee, then onto the full Council for approval.

NOTE: The implementation project will be referred to as the **Los Angeles Google Enterprise Email and Collaboration System** or **LA GEECS**.

The focus of LA GEECS will be to implement the Email and Collaboration to replace the GroupWise Email System. Google Apps, which is also a part of the offering, will be included in the training, but not a specific migration requirement of the implementation. Neither ITA nor CSC will remove any MS Office programs from any computer, during the implementation.

Below is a high-level schedule (tentative based upon contract execution date):

- Contract Signed 1 Oct 2009
- Implementation Planning 2 Oct – 31 Oct 2009
- Pilots 1 Nov – 31 Jan 2009
 - City Pilot 1 Nov – 31 Dec 2009
 - LAPD Pilot 1 Nov – 31 Jan 2009
- Production Migrations Jan – Jun 2010
 - Group 1 – 3500 users Jan 2010
 - Group 2 – 4000 users Feb 2010
 - Group 3 – 4500 users Mar 2010
 - Group 4 – 5000 users Apr 2010
 - Group 5 – 5000 users May 2010
 - Group 6 – 5000 users Jun 2010
- Warranty Period Jun – Jul 2010
- Implementation Complete Aug 2010

A little more detail on the above schedule and processes for the implementation:

- **Implementation Planning:** Departmental order, migration weekends, and archival strategy will be planned. Train-the-Trainer and Administration courses will be held.

- **Pilot of 2000-3000 users total City-wide:** Only Departments volunteering to be in the Pilot will be included. If your Department would like to be part of the Pilot, please let us know. We already have a number of volunteers and are trying to ensure that the pilot group represents City-wide interests as best we can.

- **Production Migrations:** These are the migrations that will occur after the Pilots are completed successfully and the Project approved to move onto to production.
 - Please let us know which of the Production Migration Groups your Department would prefer (1st and 2nd choices, please).
 - Please let us know if larger Departments (700+ staff) would prefer a phased implementation for their staff. Note that the phased implementation will still be by the groups listed in the tentative schedule.
 - We will endeavor to accommodate everyone's schedules, knowing that we must complete by June 30th to garner the maximum savings.

- **Warranty Period:** This is the 60 day period following the completion of the migration that the system must run error-free to make the final payment for implementation services.

Our budgetary situation requires that we look for and attain the maximum savings that are available. We can save over \$500,000 on project & service costs, if we accomplish the migration of archival data with City Staff. This would mean that we would use an internal tool to migrate archived email beginning in the Pilot, so it would be available when the user was migrated to the Google System. This would be a change from our current plan (having the implementer complete this) and what has been briefed in the past.

We need the following from each of you:

1. Department wants to participate in the Pilots (Y/N)?
2. Department 1st and 2nd choice of Production Migration Groups?
3. Large Departments (700+ staff): If a phased implementation is preferred?
4. Thoughts on migrating archival data internally.

We look forward to working with each Department to ensure the successful migration to LA GEECS and decommissioning of GroupWise.

Primary Contacts for LA GEECS within ITA:

- Project Sponsor Kevin Crawford 213-978-3311
- Project Manager Emilia Yañez 213-922-8379
- System Owner Dan Clarke 213-978-7599

Please let us know if you have any questions or concerns.

Attachment "D"

Questions to ITA Regarding CSC Contract and Google System

GENERAL

1. **What other major governmental entity in the U.S., comparable in size to the City of LA, has fully implemented and actively utilizes Google mail and/or applications?**
 - o Washington DC
 - Washington DC is actively using Google Apps, specifically Google Sites and Google Docs.
 - Although they are not actively using Gmail as their primary mail store, they are delivering ALL city email to Gmail as a secondary backup / recovery system
 - Following is a recent interview / article dated 10 August 2009 with perspective from their current CTO: http://www.govtech.com/gt/articles/708898?utm_source=rss&utm_medium=link
 - o No other major governmental entity in the U.S. has yet deployed at this scale. However, the solution is under consideration at a number of similar sized organization including the Federal Government
 - o Numerous large commercial organizations including Valeo, Motorola, Fairchild Semiconductor, Google, and Genentech are currently implemented and actively utilizing Google mail and/or Applications.

2. **Assuming the City does not migrate to Google, what would be the costs for retaining and upgrading Microsoft Offices licenses on an annual ongoing basis?**
 - o First, it should be noted that the primary use of Google Apps being evaluated is email. Therefore, the appropriate question is rather: "what would be the costs for retaining and upgrading Novell licenses on an annual and ongoing basis?"
 - The cost for our Novell software and server licenses are \$540,000 annually.
 - The cost for city personnel to maintain and administer this email system is \$1,534,000 annually, consisting of 16 fully loaded staff members.
 - The cost for server upgrades and replacement (as current ones reach end of life) and associated operating system software is averaged at \$262,000 annually.
 - The cost for additional software and services to ensure the city can continue to operate is \$360,000 annually.
 - Therefore, all-in, the total cost for the city to continue maintaining the existing system is \$2,696,000 annually.
 - o In addition to the above costs for email, we estimate that we will spend approximately \$400,000 annually on Microsoft Office licenses for city employees if we do not move to Google Apps.
 - In the last fiscal year (2008-2009) we spent approximately \$1.7 million on Microsoft Office (\$1.2 million for LAPD's Enterprise Agreement).
 - In 2007-2008, we spent close to \$2 million.
 - o The GroupWise system needs to be upgraded. Conservatively, the upgrade can be scoped over 2 years at a cost of approximately \$350,000 per year.
 - o It should be noted that a large majority of City employees will be able to do their jobs with Google Apps. A realistic scenario in 2 years is that 80% of employees will utilize Google Apps, while 20% will continue to use Microsoft Office.

CONTRACT

3. **The report references potential funding available through a settlement with Microsoft. What is the history and nature of this settlement? What are the eligibility requirements for accessing these funds?**

Attachment "D"

- The nature of this settlement was a Class Action lawsuit against Microsoft, in which the City was awarded \$1.5 million. The monies were to be used towards desktop hardware and software. We have met the requirement to recoup the entire settlement with ITA procurements from 2006 through 2009. We are currently in the process of submitting the receipts for the reimbursement.
- 4. How was the total projected cost savings derived?**
- ITA accomplished a standard Technology Return on Investment (ROI) estimation.
 - The amounts used within the ROI analyst are from professional analyst firms Gartner and Forrester, and budgetary estimates from software providers for the products, services and productivity areas identified. Cost estimations can be based per user, per product or per timeframe. They may also be referred to as avoided costs.
- 5. What are "soft savings" and how were they derived?**
- The definition of "soft savings" per the CAO report are those savings that would not reduce the City's costs, but could increase its capacity by freeing up resources that could be used to provide other services. These include: repurposing staff, functionality gains, repurposing or eliminating unbudgeted hardware/software purchases, power/cooling or other utility savings. Specific examples include servers (of which email consumes over 60 today) which could be reallocated to other uses.
 - Finally, there is a tremendous additional, true 'soft savings' which is productivity gains due to enhanced collaboration capabilities, increased uptime of the system, and modern, highly usable technology.
 - In contrast, the report defines "hard savings" as those that would actually reduce the City Budget.
 - It should be noted that the ITA analysis has estimated that this contract would generate hard savings totaling between \$2.4 and \$10.3 million, and additional soft savings totaling between \$5.5 and \$39.7 million over its five year term.
- 6. The "piggy-backing" provision of the contract allows the City to receive pricing discounts on its contract if additional entities choose to contract with CSC/Google. Explain the discount pricing schedule and the dates for achieving the additional number of users in order for the City to benefit from the discount pricing.**
- The pricing discounts offered in the contract are applied at the time of annual renewal. The attainment of the discount is based on the number of users adopting the solution through piggy-backing the contract and reaching a stated threshold on the renewal date. The cost savings can be either \$5 or \$10 per person for the following year's annual payment, depending on the required user threshold attained.
 - Thresholds per person per year:
 1. Year 2 \$10 rebate with 100,000 added users
 2. Years 3-5 \$ 5 rebate for 100,000 added users or \$10 rebate for 250,000 added users
 - NOTE: Rebates are up to and including 30,000 users of the Citywide domains.
 - The vendors have structured the contract to make all state and local government agencies eligible to purchase on the contract
 - To date, ITA has received over 20 'serious inquiries' about leveraging this contract from other California state and local government agencies.

OPERATIONAL ISSUES

- 7. Between October 2008 and July 2008, Gmail was down on five separate occasions. Google was also down in February and May 2009. In May, Google was completely down for two**

Attachment "D"

hours and even the "offline" feature was not working. What happens to the City's accessibility of email, documents and applications when Google or the internet connection goes down?

- The proposed contract ensures a greater than 99.9% service level agreement (SLA) with the city.
- Like any technology system, Google has experienced occasional outages. That said, the real downtime as measured by 3rd party analyst firm the Radicati Group (<http://googleblog.blogspot.com/2008/10/what-we-learned-from-1-million.html>) shows that Gmail's uptime is significantly higher than on-premise systems such as the City's Novell Groupwise implementation. ITA has also publicly stated that the reliability of Gmail is far superior to that of the City's own system.
- Google continues to make system enhancements, and now gives full transparency to customers via a system status dashboard at <http://www.google.com/appsstatus> which shows the global health of the system, any incidents, and full incident reports following a service disruption including enhanced best practices to ensure similar issues do not occur again
- Finally, of the incidents mentioned above, only 2 were "major" incidents that affected a large number of users.
 - Many of the incidents affected a very small number of users (less than 1/10th of 1% globally) and for short durations.
 - Offline features function exclusive of an Internet connection, so the report that offline is affected in the rare event the hosted service is down is false

8. How compatible is Microsoft Office Word with Google's word processing application? Is there any functionality that may be lost with Google applications? Could the City encounter any operational impacts by moving exclusively to Google applications?

- There is full file format compatibility between Microsoft Word and Google Docs documents. At no time will a City employee on Google Docs not be able to read a document authored/published in Microsoft word.
- When a user on Google Docs imports a Microsoft Word document for editing, currently some conversions are not 100%. Google estimates the fidelity of document functionality and formatting to be ~75%.
 - Addressing these issues is one of Google's highest priority activities for the Google Apps team, and they expect to be at full fidelity for the vast majority of cases within the next 6-12 months.
- ITA has never recommended moving exclusively to Google and will not remove other office productivity programs from City computers as part of this implementation. The City could have operational impacts, as several departments are required to utilize other systems (Word and WordPerfect for example).

SECURITY

9. Explain the concerns raised by LAPD and City Attorney as they relate to confidentiality and sensitive information, subpoenas and DOJ requirements. What will have to be done during the implementation process to ensure there will be resolution of the issues?

- Both CA and LAPD utilize data from the CLETS system, which contains sensitive law enforcement data. This data has much higher confidentiality requirements. ITA and LAPD have *already* worked with CA DOJ and received approval of the security to be provided. CA DOJ will be at the table during the implementation planning to ensure that we meet the stated requirements and address other issues that may arise. CA DOJ will work with City staff *throughout* the actual implementation, as required.

Attachment "D"

10. **Recently, a hacker guessed the password to the personal email account of a Twitter employee and was able to extract the employee's Google password. Twitter's corporate documents that were stored in "the cloud" were compromised and leaked out. How can Google ensure that something similar will not happen to the City?**
- The hacker was able to obtain the password for the Twitter employee from a consumer service. The hacker then used the same password to access the employees corporate information, as she used the same username and password for her corporate system. This is of course very bad use behavior. Moreover, Twitter, as a customer of Google Apps, was not using any of the enterprise features provided in the system to enforce password strength, password rotation policy, multi-factor authentication, or private authenticated login.
 - In contrast, the City's proposed implementation has a number of safeguards to prevent such an attack, and will be utilizing these enterprise features provided by Google including:
 - The City will have users continuing to authenticate their username and password to a City directory system, not through Google's web page login.
 - As a result of the above, City users will only be able to access the Google services on City run networks, on City provisioned mobile devices (e.g. Blackberry) or via VPN, identical to how today's system works.
 - The City authentication system will continue to enforce rules on password strength and rotation (frequency of change).
11. **Some would say cloud computing poses great privacy and security risks over traditional computing models. Data stored on a physical computer can be controlled and maintained to a degree that satisfies the user. However, data security and privacy in the cloud is maintained by a vendor. On some level, the City will have to "trust" that Google will take appropriate and aggressive measures to protect the City. What additional information can ITA/CSC/Google provide to give the City a greater comfort level?**
- Many say, including ITA, that the cloud computing model provided in this offering will provide greater privacy and better security than the traditional model currently deployed within the City.
 - The location of a server alone does not make that server secure. Servers stored in a City facility are connected to the Internet just like those of cloud computing vendors. Hacking is stopped and security is achieved by the systems around those servers. Google spends many multiples of the ITA budget on security alone. The contract also requires a higher level of audit, transparency and security than offered generically by Google.
 - SECURITY: We would be happy to discuss the City's security, but not in a public document
 - In conclusion, Google's security is far superior to that which the City currently utilizes.
 -
- Are Gmail user names accessible on the web? Is the security provided to corporate clients and governmental entities at a much greater level than that provided to Google home users so that City user names and other data retained in the cloud would be shielded from hackers?**
- Gmail user names are NOT accessible on the web.
 - In addition, the City will not utilize Gmail user names. We will continue to utilize LACity.org email names, as we do today.
 - Our usernames and passwords are controlled by our own internal Identity Management System (IDM). Access to City data, of all types, requires a valid username and password authenticated by the City IDM to gain access.
 - As noted above in question #10, Google's enterprise system also provides additional safeguards that consumer accounts do not.

IMPLEMENTATION

Attachment "D"

13. What are the practical and financial implications of slowing down implementation and phasing in through June 30, 2010? If a pilot is to be implemented, what would be the length of the pilot and which departments would be included? What is ITA's proposed implementation schedule for phasing in the remaining departments?

- The proposed implementation plan has always included a Pilot phase. However, ITA and requesting departments have not determined who will be in the Pilot. Without specific dates and knowing the Departments have their own timing issues, it is not possible to name the specific departments. The ITA GM will contact each department GM to confirm their participation in the pilot during implementation planning.
- ITA will work with departments to schedule the remaining migrations to minimize business impacts and achieve the goal of completing the implementation by June 2010.
- ITA is trying to implement all departments before June 1, 2010 to avoid further GroupWise maintenance payments in FY 2010-2011.

13. After implementation, if the City runs into numerous compatibility issues (e.g. emailing a Google document to someone who only has Microsoft Office) while using both Microsoft Office and Google applications, and determines that a City owned and operated system is a better fit, what are the practical and financial implications? Why would it be expensive or difficult to transition back to a hosted system such as GroupWise?

- The City is primarily contracting Google Apps for the use of the Gmail email application. We don't anticipate any compatibility issues with the email system, and therefore the risk is low. As previously stated, the CAO report on hard and soft savings are independent of moving off of Microsoft Office. They are strictly cost savings relative to moving email and calendaring systems provided by Novell GroupWise today.
- If City personnel also adopt Google's office productivity suite, Google Docs, and issues arise, ITA will work with the vendor to address issues as they arise.
- If the City determines that the system will not meet City requirements and chooses to move to an alternative system (either hosted by another vendor or in-house), it will have to be planned – just as the migration to the Google system.
 - The financial implications are that we would have to procure a new in-house system or negotiate a settlement with Novell to begin to utilize their products again. Staff and hardware would need to be re-purposed/re-purchased to support the internal system. Every migration has its difficulties and this migration would be the same.\
 - The costs of remaining on our Novell system or moving back to an in-house, on-premise system will likely be substantially higher than going with a hosted (aka Cloud Computing) vendor.

Attachment "E"
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: August 31, 2009

To: Randi Levin, General Manager
Information Technology Agency

From: Kevin Crawford, Assistant General Manager
Information Technology Agency

Subject: **NEW EMAIL SYSTEM A NECESSITY**



We are recommending that the City implement Google Documents which include Email, Calendaring, Instant Messaging, Video, Archiving, E*Discovery, virus protection, documents, presentations, spreadsheets and extended storage. We are also recommending that Computer Sciences Corporation (CSC) be selected to be our implementation partner for this project.

The City of Los Angeles is the 2nd largest city in the nation and deserves a State of the Art technology solution that will drive productivity, efficiency, and will enable departments to move forward and communicate in a way that they have been unable to do so until now.

The ability to get whatever information the city needs, when they need it, on whatever device they need it on and to collaborate on all sorts of documents will fundamentally change the way the city works and enhance productivity greatly.

In a fiscal crisis, it is difficult to find technology solutions that will save money, without requiring a significant capital outlay to achieve those savings. The proposed solution will achieve both objectives, saving money while avoiding a costly upfront capital outlay. The system will also allow us to reprioritize staffing to other areas of technology that are currently under staffed and not meeting all business requirements, without an increase in staff costs.

The current email system will require upgrades of both the software and hardware to remain a functioning system. This includes \$1.2 million (currently unbudgeted) to fund those upgrades above the on-going annual maintenance of \$550,000, support and maintenance of the 75+ servers and 9 staff above the proposed solution. The current solution will not achieve anything close to the capabilities of the proposed solution, even with the upgrades.

Doing nothing, no upgrades, to the current solution is not an option. The City experienced ~550 minutes of Post Office failures and downtime in the past twelve months. This has significantly impacted staff throughout the City. In contrast, the Google system experienced ~15 minutes of downtime in the same period.

The proposed solution includes \$4 – 10 million in hard savings, \$5 – 10 million in avoided costs, and \$10 – 20 million productivity enhancements.

The proposed solution provides much more for less and with dwindling resources that is the direction we must take.