

CITY OF LOS ANGELES

CALIFORNIA

INFORMATION TECHNOLOGY
AGENCY

STEVE RENEKER
GENERAL MANAGER
CHIEF TECHNOLOGY OFFICER

MARK P. WOLF
EXECUTIVE OFFICER

ASSISTANT GENERAL MANAGERS
TED M. ROSS
GREG R. STODDARD



ERIC GARCETTI
MAYOR

ROOM 1400, CITY HALL EAST
200 NORTH MAIN STREET
LOS ANGELES, CA 90012
(213) 978-3311
FAX (213) 978-3310

ITA.LACITY.ORG

May 22, 2014

REF: ASB-139-14

Honorable Members of the City Council
City of Los Angeles
Room 395, City Hall
Los Angeles, CA 90012

Attention: Innovation, Technology and General Services Committee

Subject: **DIGITAL INCLUSION PILOT PROJECT (CF NO. 14-0274)**

Dear Councilmembers:

Pursuant to Council Motion (Wesson/Blumenfield/Huizar), Council File No. 14-0274 instruction, the Information Technology Agency (ITA), in partnership with the Department of General Services (GSD), hereby submits the following proposed Digital Inclusion Pilot Program, which achieves the City's objective to divert computers the City no longer intends to employ to their highest possible use. This will be realized through the restoration and dissemination of refurbishable units to non-profit organizations serving disadvantaged communities, work source centers, and low-income families. This process will also limit the City's e-waste footprint, while serving as a catalyst for a burgeoning local e-waste management sector, complete with job-training and career opportunities. Depending on the number of computers that ultimately prove reusable, approximately half of the refurbished computers will be distributed to non-profit organizations that serve low-income communities, while the remaining half of refurbished computers will be distributed through a 12-month pilot program to the Baldwin Village and Koreatown neighborhoods in Council District 10. During that 12-month period, the pilot will aim to examine the effects of home computer access on families and children with a focus on general computer usage, employment, access and education. If successful, this "pilot within the pilot" may be expanded to other low-income areas throughout the City.

BACKGROUND

Due to the Microsoft end-of-support for its Windows XP Operating System on April 8, 2014, a mass computer replacement effort took effect across the City. As a result, thousands of old computers were slated to be salvaged through the City's e-waste recycling. Representatives from the Mayor's Office and Council President Wesson's Office started working with the Information Technology Agency, Department of General

Services, City Attorney's Office and the Bureau of Sanitation to design and implement a digital inclusion pilot project to take advantage of these salvaged computers. On January 28, 2014, the Information Technology Agency sent out a survey to all departments to get an estimate of the salvage computer inventory.

On February 24, 2014, the Mayor sent a memorandum to all City departments regarding the digital inclusion/e-waste project. The focus of the project is to maximize the use of computers the City intends to discontinue, minimize the City's e-waste footprint, strengthen the local e-waste management sector, and provide free computers to low-income communities where people have limited computer access. The Mayor instructed all departments, including the proprietary departments, to set a moratorium on salvaging the City computers while the City finalized the logistics required to implement the digital inclusion project, and to respond to the ITA survey with the number of salvage computer equipment to be included.

DISCUSSION

Digital inclusion generally refers to programs and policies intended to ensure access to information technologies, computer literacy, internet and web-based technology, and actual computer hardware for low-income families and communities that otherwise have limited access to these resources or, in other words, suffer from a "digital divide".

The City is designing the digital inclusion pilot project as a collaborative partnership spearheaded by the Offices of the Mayor, Council President Wesson, ITGS Chair Blumenfield, Councilman Huizar, and multiple non-profit organizations and a for-profit social enterprise organization. The unequivocal intent is to increase digital access to disadvantaged communities. Under strict City oversight, the outside entities will execute the recycling and refurbishing of the computer equipment because of the City's limited staffing resources. They will also carry out the distribution of the refurbished computer equipment among targeted client-based non-profit organizations via partnership with LA Clean Tech, as well as low-income local families via the "pilot within a pilot" in Baldwin Village and Koreatown. The external partners will also provide tremendous job training, career opportunities and actual jobs for disadvantaged youths and formerly-incarcerated individuals.

The external partners have extensive recycling/refurbishing/e-waste experience, have e-waste collector certificates, and will be required to demonstrate that all hard drive destruction and refurbishment are completed prior to distribution or recycling. All non-refurbishable units will be recycled through LA Sanitation or an R2 certified or E-steward recyclers. Income from the recycled component parts of the non-refurbishable computers will be used by the external partners to supplement the costs of the program. All work up to the point of distribution will be overseen by ITA and GSD staff.

As of March 31, 2014, over 8,000 salvage computers have been identified that can be included in the digital inclusion pilot project. The number is projected to exceed 10,000 during the life of the project. It is estimated that approximately 50% of the equipment will

be able to be refurbished and redeployed through the digital inclusion program. Since LA Sanitation maintains contracts for the recycling of all e-waste generated in the city, it is recommended that the remaining 50% will either be recycled through LA Sanitation program or through R2 certified; or E steward recyclers. In order to provide a legal basis and legitimate channel for donating the salvage equipment for refurbishing and distribution for re-use instead of the usual e-waste recycling, the City Attorney has prepared a draft Ordinance amending the City's Administrative Code. The City Attorney also has prepared a Right of Entry Permit and an Agreement to be executed by the City and the lead non-profit organization.

GSD and ITA have been in coordination with the departments regarding the pick-up and receiving of the equipment, and a procedure has been developed and shared with the list of department PC salvage coordinators that ITA had compiled. GSD had identified and completed getting a City warehouse ready for storage of the salvage computers, and the facility is now available for the GSD movers to coordinate the moving schedules with the departments to pick up and transport the computers along with their peripherals from each department. Once a sizable number of the salvage equipment has been received, ITA will work with the City partners to start evaluating the inventory received and make a determination on the quantity and quality of the salvage computers that can actually be refurbished. Once this phase is completed, the City partners will then proceed with the data wiping of the salvage computers.

ITA will be responsible for providing the management and oversight of the computer tracking and data wiping process for this project. The City partners will be responsible for wiping the computer hard drives completely clean of data using an industry-certified data destruction software program that is both Department of Defense (DOD) and Health Insurance Portability and Accountability Act (HIPAA) certified. A certificate will be generated for each "clean" computer after all data has been totally wiped/destroyed from its hard drive. Only the computers confirmed with zero City data remaining will be distributed by ITA to the City partners for software refurbishing.

An ITA staff will provide onsite supervision for the computer receiving, data wiping, and releasing to the selected external partners working in the City facility. GSD and ITA staff will be controlling and managing the access to the premise. This is essential to maintain a smooth operation and efficient collaboration with the external partners working in the warehouse, to ensure security and quality control which will include random auditing of hard drives. To provide additional security, ITA has installed an alarm system with motion sensors, along with cameras that GSD had purchased. Regular status meetings will be conducted to evaluate the progress of the program and to address any issues or concerns. Metrics for success will be established, and periodic reports will be generated to assess the overall effectiveness of the program.

The Offices of the Mayor, Council President Wesson and ITGS Chair Blumenfield will identify and select the appropriate non-profit organizations to partner with on this pilot project in consultation with members of the City Council. Half of the refurbished

computers will be distributed to non-profit organizations that serve low-income communities, while the remaining half of the refurbished computers will be distributed through a 12-month pilot program to the Baldwin Village and Koreatown neighborhoods in Council District 10. During that 12-month period, the pilot will aim to examine the effects of home computer access on families and children with a focus on general computer usage, employment, access and education. If successful, the program may be expanded to other low-income areas throughout the city. They will also establish the metrics to measure the success of this pilot project.

This is a tremendous opportunity to maximize resources, limit the city's e-waste footprint, create local jobs, bolster an emerging local e-waste management sector, and bridge the digital divide in the city. Based on the success and experience gained from this endeavor, the City may consider the feasibility of including other types of City e-waste in a similar or more expanded refurbishment program. In addition to partnerships with non-profit organizations, the City is also working to create partnerships with businesses who are interested in participating and donating computers and/or providing low cost or free internet services for participants of this program. The project will help develop a model for future treatment of the city's electronic waste that will benefit disadvantaged and low-income Angelinos, the environment, and the local economy.

RECOMMENDATION

That the Council, subject to the approval by the Mayor:

1. Approve the proposed digital inclusion pilot program as presented in this report.
2. Receive and File Motion (Wesson – Blumenfield - Huizar), Council File No. 14-0274, inasmuch as the proposed digital inclusion program and pilot meets the goal and objective of the Motion.
3. Authorize Sanitation to hire two additional Student Professional Workers at a cost of \$34,800 per year for support of this new service and instruct Sanitation to submit unfreeze requests to the Managed Hiring Committee for on-boarding staff.

FISCAL IMPACT

ITA, GSD, and Sanitation will provide staff support for this project. An onsite staff position from ITA will be assigned to ensure oversight and security of the operation and equipment during operating hours. GSD will provide resources for transporting the computers to the warehouse (staffing, materials/equipment and space required) along with janitorial services. In addition, GSD has used existing funds to pay approximately \$5,000 in one-time startup costs for fencing, security cameras and other items needed to prepare the warehouse facility.

Sanitation will provide two student Professional Workers (one full-time equivalent) for 12 months to back-fill the work of the one ITA full-time position that is assigned by ITA to perform the management and oversight of the warehouse operation (security support, auditing of hard drives to ensure data has been destroyed, and distribution of the computers to the onsite partners after data wiping).

Honorable Members of the City Council

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Respectfully submitted,



Steve Reneker
General Manager

cc: Honorable Eric Garcetti, Mayor
Rick Cole, Office of the Mayor
Doane Liu, Office of the Mayor
Greg Good, Office of the Mayor
Peter Marx, Office of the Mayor
Dan Caroselli, Office of the Mayor
Emmett McOsker, Office of the Mayor
Matt Peterson, Office of the Mayor
Susana Reyes, Office of the Mayor
Jeanalee Obergell, Office of the Mayor
Honorable Herb J. Wesson
Honorable Bob Blumenfield, ITGS
Honorable Mike Bonin, ITGS
Honorable Mitch O'Farrell, ITGS
Honorable Jose Huizar
Justin Wesson, Council District 10
Stephanie Magnien, Council District 3
Miguel Vargas, Council District 14
Laura McLennan, Council District 11
Harout Semerdjian, Council District 13
Miguel Santana, City Administrative Officer
Jody Yoxsimer, Office of the City Administrative Officer
Jenny Mach, Office of the City Administrative Officer
Juliann Anderson, Office of the City Attorney
Laurel Lightner, Office of the City Attorney
Mike Dundas, Office of the City Attorney
Mandana Khatibshahidi, Office of the Chief Legislative Analyst
Tony Royster, GSD
Deborah Ramos, GSD
Melissa Yusilon, GSD
Enrique C. Zaldivar, Sanitation
Alex Helou, Sanitation
Karen Coca, Sanitation
Mark Wolf, Information Technology Agency
Agnes Lung-Tam, Information Technology Agency