

AGENDA ITEM

January 141 Contract Authorization - Technology

DATE: December 13, 2010

TO: **Members, Board Committee on Operations**
Members, Board of Governors

FROM: **Information Technology**

SUBJECT: **Contract Approval**

EXECUTIVE SUMMARY

Under Board Policy, Tab 17 [Control Policies & Procedures], Article 3 [Contracts], Section 2 [Authority], contracts in excess of \$75,000 involving consulting services, capital equipment, or technology purchases must be authorized by the Board of Governors. Authority is sought here to proceed with the contracts described in this item.

BACKGROUND

Tab 17 [Control Policies & Procedures], Article 3 [Contracts], Section 2 [Authority] of the Board's Policy Book states as follows:

“No contracts or consulting services, capital equipment, or technology purchases exceeding \$75,000 may be entered into, by or on behalf of the State Bar unless authorized by the Board of Governors. Any future amendments to a contract originally below the \$75,000 threshold that will result in bringing the total contract amount to this level will also require Board approval.”

Exempted are those contracts associated with the normal operations of the Bar including but not limited to site agreements, Admissions consultants, IOLTA and Equal Access grant distributions, and other routine contracted services exceeding \$75,000.

“Also exempted are cases of emergency where purchases necessary for the immediate preservation of the public health, welfare or safety, or protection of State Bar employees or property provided the details justifying an emergency contract and other supporting documentation being reported to the Board at its

next schedule meeting.”

This policy was recently adopted as amended by the Board of Governors at its March, 2010 meeting.

Authority is sought to proceed with the State Bar’s regular Procurement Process on the following contract that is governed by the above policy:

ISSUE

I. Network Carrier Migration Project

This contract is for replacing the carrier who currently provides the Wide Area Network (WAN) connection between the San Francisco and Los Angeles offices.

New Edge Networks via Top Speed Data (broker) currently provides the wide area network connection between SF and LA. The network connection is a Digital Signal 3 (DS3) that is a 45 Megabits per second (Mbps) data circuit. The contract has expired, but it allows for month-to-month continuance.

Without a contract, the bar pays higher monthly rates, has no guarantee on service levels, and no recourse should the provider experience any significant network outage or service disruption. Since contract’s expiration, the vendor has increased the service costs by more than \$10,000 annually. To remedy this, IT worked with Procurement and issued an RFP to replace New Edge Networks. Multiple carriers responded. An evaluation team assessed and rated those responses and selected Intelletrace.

Intelletrace utilizes XO Communications network for a DS3 circuit and provides the bar with service similar to that currently installed. Additionally, traffic studies have indicated that the DS3 circuit is sufficient to support the data traffic between SF and LA.

The contract is for a 3-year term with a 1-year option to renew. Authority is sought to proceed with the State Bar’s regular Procurement Process on obtaining the services described above.

CONCLUSION

Authority to proceed with the WAN RFP award is requested. Upon approval, contract negotiations will begin and installation orders will follow. Once installed, the bar will be able to obtain contracted service guarantees should problems arise. The 4-year cost is \$145,768. The bar will save a total of \$62,638 over the 4-year contract. It is recommended that the Board authorize the bar to proceed with this procurement.

2. Cisco Network Equipment Refresh Project

This contract is for replacing a majority of the networking hardware that facilitates the use of the bar's computer networks between the San Francisco and Los Angeles offices.

In 2008, Information Technology engaged AT&T to assess the network design and infrastructure. The assessment concluded that the State Bar's current network architecture needed to be brought up to industry standards in order to accommodate future deployments of applications and implementation of converged services (i.e. Voice-over-Internet Protocol or VoIP) for the replacement of the bar's telephony systems.

Current Situation

The majority of the bar's Cisco network equipment was purchased in 1999 with an incremental upgrade in 2004. These systems are outdated and not capable of supporting the required data and network protocols (i.e. video, voice transfer throughput), which results in increasingly poor performance for users. The current network was built in a piecemeal fashion and without flexibility. Consequently, there are expected "single points" of failure across the network. Information Technology staff spends a considerable amount of time and effort on risk mitigation and resiliency improvements on the existing network infrastructure. Additionally, network usage continues to increase, which is taxing our current network and on several occasions, has resulted in slow network response and lost network traffic. If network capacity is not increased, performance will progressively degrade and negatively affect the day-to-day operations of the organization.

Responses to IFB

In November 2010, IT posted an Invitation for Bid (IFB) on its website for the Cisco Equipment Refresh Project. The IFB included a provision that vendors provide a trade-in quote for the equipment being replaced. Additionally, Cisco provided a list of over 20 Gold Certified Partners that were invited to participate in the IFB. Cisco provided each vendor with a credit of \$32,935.96 to be used towards the trade-in value for the equipment being replaced. Four vendors responded to the IFB. Their cost proposals are listed below:

En Pointe Network - \$482,432.04
NetXperts - \$481,231.49
Bear Data Systems - \$466,890.75
Epoch Universal - \$466,783.14

Phase I – Cisco Network Equipment Refresh Project

The primary objective of the project is to replace the majority of the bar's Cisco network equipment hardware. The upgrade will provide faster network access, better integration of new technology, assure uninterrupted service, and lays the

groundwork for VoIP telephony. Our expectation is that the equipment procured will address the following:

- Increased reliability of network equipment
- Increased network redundancy
- Improved network performance
- Reduce/Eliminate service interruptions attributable to component failure
- Accommodate/Support greater service demand from internal and external customers
- Prepare the network for future technologies (i.e. VoIP, video, etc.)
- Enhance network security

CONCLUSION

Authority to proceed with the Cisco Network Equipment Refresh Project award is requested and to proceed with committing the IT Special Assessment Fund and award the IFB to Epoch Universal who submitted the lowest bid of \$466,783.14.

3. Server Equipment Refresh Project

The Server Refresh Project (Phase I) began in 2008. The objective of Phase I is to implement blade server¹ and virtualization² technology to consolidate, reduce power consumption, and enhance maintenance for file and print, web, e-mail, and storage. While Phase I laid the groundwork for the aforementioned technology, Phase II will consist of continuing the replacement of end-of-life servers, and greater utilization of virtualization technology to reduce the number of physical servers and expand storage to accommodate for data growth.

Current Situation

In 2008, the bar had approximately 100 physical servers in the datacenters in San Francisco and Los Angeles. Phase I reduced the number of physical servers to 80, and during the last two years 17 more were migrated to virtual servers. Currently there are 63 physical servers in the two datacenters with a majority being more than 5 years old. Running a datacenter with old servers is a challenge for IT to manage and support because the bar increasingly utilizes:

¹ A blade server is a stripped down server computer with a modular design optimized to minimize the use of physical space and energy. Whereas a standard rack-mount server can function with (at least) a power cord and network cable, blade servers have many components removed to save space, minimize power consumption and other considerations, while still having all the functional components to be considered a computer.

² Virtualization is software technology which uses a physical resource such as a server and divides it up into virtual resources called virtual machines (VM's). Virtualization allows users to consolidate physical resources, simplify deployment and administration, and reduce power and cooling requirements. While virtualization technology is most popular in the server world, virtualization technology is also being used in data storage such as Storage Area Networks, and inside of operating systems such as Windows Server 2008 with Hyper-V.

enterprise-level applications which require increased computing power; web servers which are used for the bar's customer-facing applications; increasing data demands (e-mail, electronic documents, and multimedia).

Responses to IFB

To meet the demands and requirements for server and data storage capacity, in October 2010, IT posted an IFB on its website for the procurement of additional blade servers, storage, and VMWare licenses. IT staff worked with IBM to solicit several of their Premier Level Value Added Resellers (VARs) to submit proposals for the IFB. At the close of the IFB, only two vendors submitted proposals. IT contacted several of the vendors who received the IFB, but chose not to submit proposals. The vendors indicated that after reviewing the IBM VARs vendor pool, they determined that they would not have been able to compete with their pricing/discount schedule and opted not to bid.

The two vendors who did submit IFB proposals were Technology Integration Group with a proposal of \$190,760.28, and Key Information Systems with the lowest cost proposal of \$180,718.59.

Phase II – Servers, Storage, Virtualization Project

Our expectation is that the equipment procured will address the following:

- Improve server resilience and redundancy using clustering technologies through virtualization.
- Provide server processor and data storage capacity to meet the anticipated growth in system requirements for the bar. This allows computing resources to be dynamically and flexibly allocated and will improve server utilization from 5-10% to around 50%.
- To provide future capacity of on-premise disaster recovery provision for critical applications.
- Consolidations of over 10 physical servers into virtualized systems, and by 2nd quarter of 2011, de-commission 19 physical servers.
- Upgrade critical application servers for Oracle/PeopleSoft ERP, Exchange Email, File/Print, SQL Database, and Web Application systems.
- Accommodate the system requirements for the Office of the Chief Trial Counsel's Case Management System.
- The above objectives will be achieved with no additional server administration or systems management overheads. This will be achieved through a reduction in the overall number of servers and the deployment of better system management tools as part of the architecture.

CONCLUSION

Authority to proceed with the Server Equipment Refresh Project IFB award is requested and to proceed with committing the IT Special Assessment Fund to award the IFB to Key Information Systems.

4. Infolink Consulting Contract

In 2007, the California State Auditors (Report 2007-030) recommended that the Bar: "Take the steps necessary to ensure its information technology systems can capture the required performance measurement data to support the projects needed to accomplish strategic-planning objectives, or devise alternative means of capturing this data such as using an Excel spreadsheet." The State Auditor expressed concern that the State Bar's information technology systems could impede the State Bar's ability to automate the reporting of metrics, citing that "...standard reports produced by the existing system do not meet staff needs and the system cannot produce ad hoc reports, report formatting is awkward, and report development is a labor-intensive process."

To address these concerns and to provide departments with the ability to produce ad hoc reports and to address the auditors' recommendation that the bar develop and report meaningful performance indicators, the State Bar is utilizing a Business Intelligence tool, Cognos Report Net ("Cognos"), for which it has an existing license.

In early 2010, IT bid and contracted with a Cognos vendor to develop a pilot program using the Intake performance indicator data. A draft dashboard report with drill through detail reports was developed and was very well received.

In mid 2010, IT posted an RFP to engage a consultant to create at least one dashboard and several reports for each State Bar office. If the initial dashboards are deemed successful, more reports could be added. The vendor would confer with each office regarding their reporting requirements and submit an estimate. The RFP included but was not limited to developing the following sample reports:

1. The Office of Intake receives complaints against attorneys from the public and must determine whether to investigate the allegations within 60 days of receipt. Dashboard reports by age, by received date, supervisor, and caseworker with drill through reports in danger of exceeding 60 days.
2. The Office of Trials investigates and tries cases and must file formal charges on valid cases within six months or one year or receipt depending upon complexity. Dashboard reports aged by received date, supervisor and case worker with drill through reports for those matters in danger of exceeding six

or twelve months.

3. The State Bar Court hears cases for those matters where the Office of Trials files charges. The Court's Performance Standards require cases to be completed within a specified timeframe, depending on the type of case. Dashboard reports by judge, case type, and age with drill-through information for those matters approaching or exceeding their standard would be useful.
4. One of the tasks of the Office of Admissions is to administer the bar exam and verify educational eligibility. Dashboard report by exam date, by supervisor, by case worker with a drill through of outstanding applicants.
5. The Offices of Member Services and Member Billing monitor and regulate attorney mandatory educational and renewal compliance. Dashboard reports aged by period.
6. Statistical reports: Exam pass rates by year, school. Cases closed by disposition, firm size. Member educational compliance by period, by date range. Member renewal compliance by period, by date range. Member suspension by year by status.

Responses to RFP

Three vendors responded to RFP, including the vendor that developed the pilot project for the OCTC Intake Unit, Infolink. The contract requested is for two years with an option to renew for an additional year at an estimated cost of \$114,042. If more reports need to be developed, IT would seek the board's authority to by submitting an addendum to the Cognos consultant agreement. The contract is within existing budget parameters. Approval of this contract is requested.

Project Benefits:

In addition to addressing the State Auditor's recommendations, Cognos would enhance and facilitate the State Bar's internal operational and external departmental reporting independent of IT. IT hopes to develop in-house Cognos expertise by collaborating with the consultant to develop and design the initial reports and therefore have the capacity to provide this functionality bar wide.

CONCLUSION

Authority to proceed with the Infolink award is requested. Upon approval, development of at least one dashboard and several reports for each State Bar office as related to their identified service areas. As stated in the benefits section, deployment of an enhanced reporting tool will provide easier access to metrics may allow for greater efficiencies.

FISCAL / PERSONNEL IMPACT:

The personnel and budget impact is as set forth in the item.

RULE AMENDMENTS:

None

BOARD BOOK IMPACT:

None

RECOMMENDATION

Authority to proceed with the contracts is requested. If the Board Committee and Board agree, adoption of the resolution below is recommended

PROPOSED BOARD COMMITTEE RESOLUTION:

Should the Board Committee on Operations agree with the above recommendation, the following resolution would be appropriate:

RESOLVED, that the Board Committee on Operations authorizes staff to proceed with the contracts identified in the item before the committee this date, within the parameters set forth.

PROPOSED BOARD RESOLUTION:

Should the Board concur with the Board Committee on Operations' recommendation, the following resolutions would be in order:

RESOLVED, that upon the recommendation of the Board Committee on Operations, the Board of Governors authorizes staff to proceed with the contract identified in the item before the Board this date, within the parameters set forth.