

OHLONE COMMUNITY COLLEGE DISTRICT

MEMORANDUM

REVISED

TO: Board of Trustees  
FROM: Douglas Treadway  
DATE: November 8, 2006  
SUBJECT: Award of Contract for Mainframe Hosting, Server Based Computing Service (SBCS), and CSGnet (California State Government Network) Services to California Department of Technology Service (DTS)

*Under Public Contract Code (PCC) 12100, the California Legislature authorizes the California State Department of General Services (DGS) "to enable the timely acquisition of information technology goods and services in order to meet the state's needs in the most value-effective manner." Furthermore PCC 12100.5 directs that California Community Colleges shall adopt policies and procedures that further the legislative polices for contracting technology goods and services.*

PCC 12100.7 defines value-effective acquisitions to include:

- (1) The operational cost that the organization would incur if the bid or proposal is accepted.
- (2) Quality of the product or service, or its technical competency.
- (3) Reliability of delivery and implementation schedules.
- (4) Quality and effectiveness of business solution and approach.

**Background:** For several years the Ohlone College Information Technology Department has continued to provide quality information technology (IT) services and solutions to the College's faculty, staff, and students. As a part of these services the Department supported the College in purchasing and installing the Datatel Colleague integrated Enterprise Resource Planning (ERP) software suite. The District utilizes Colleague's Student System, Financial Aid, Human Resources, Payroll, and Accounting modules. The Colleague system also provides for Web-based access through WebAdvisor for Students and Staff to register for classes, view grades, view class rosters, and other information.

Since its initial implementation in 1998, Datatel releases a mandatory upgrade of its Colleague approximately every three years. Each of these upgrades requires costly hardware upgrades. In 2005 Datatel again announced its mandatory upgrade, Release 18. In order for the College to continue to receive Colleague application support, this upgrade must begin in January 2007 in order to be completed by June 2007.

The nature of ERP software applications such as Colleague necessitates mandatory upgrades in response to regulatory changes, application enhancements, and bug fixes. While these software upgrades are a necessary reality of managing an ERP application, the associated hardware upgrades they require create an ongoing financial challenge for the District. In response to Datatel's last mandatory upgrade to Release 17, the District approved the acquisition of the required mainframe hardware at a cost of nearly \$700,000 via a five year lease. Now a little more than three years later, we are faced with having to make a similar costly acquisition while still owing on the previous purchase. Clearly the District needs to identify a more *value-effective manner* of acquiring its information technology hardware resources.

**Proposal:** In July 2005, under the Governor's Reorganization Plan (GRP) Number 2, the Consolidated Data Center (CDC) as a California state government entity was established to serve as the primary IT provider in the state. Its mission is to service the common technology needs of executive branch agencies and other public entities with accountability to customers for providing secure services that are responsive to their needs and represent the best value to the state. The goal of the CDC for state and quasi-state agencies is to substantially improve the performance and management of their information technology infrastructure with particular focus on 1) receiving best value in the acquisition, management, and operation of IT infrastructure and resources; 2) realizing the most appropriate levels of security, quality and risk management; and 3) ensuring that its customer core competencies are reinforced and respected. Toward accomplishing its goals, the CDC has several different offerings. Included among these are its Mainframe Application Hosting, Server Based Computing Service (SBCS), and CSGnet (California State Government Network).

### **Mainframe Application Hosting**

Under this offering, DTS recognizes that Commercial Off-the-Shelf (COTS) software applications are a vital component of many organizations. However, for many state and quasi-state organizations maintaining the financial capital required to keep up with ever increasing technology needs is nearly impossible. In response to the important technology needs of governmental entities, the CDC leverages its data centers to provide a cost effective solution for hosting applications in a reliable, secure, and technologically up to-date environment. This service includes 24x7 secure processing, application performance monitoring and backup and recovery capabilities.

### **Server Based Computing Service (SBCS)**

The Server Based Computing Service Offering (SBCS) provides the hosting, management, and maintenance of customer applications on centralized server farms located at DTS. This service includes applications such as terminal emulation, word processing, spreadsheet, presentation and e-mail. Potentially, any software residing on the customer's workstation is a candidate for server-based computing, including custom built, client/server, and legacy applications. Customers can access these centralized applications from any location using two-factor authentication and a web browser.

This service offers an enterprise approach to centralized and standardized end-user application management. It also provides customers a cost-effective solution to maintaining a common set of desktop tools. The environment provides the same look and feel or user experience as an application running on a local workstation, whether in the office, at a remote location, or on a mobile computer.

**CSGnet (California State Government Network)** The DTS Department of Technology Services offers dedicated statewide telecommunications through the California State Government Network (CSGnet), a multi-protocol, routed TCP/IP network that supports both connection-oriented and connectionless-oriented protocols. CSGnet consists of a statewide backbone with nine Points of Demarcation (PODs) located in the major metropolitan areas of California. Customers may connect to the nearest node, generally within the through a variety of methods at line speeds ranging from 56K to DS3. The dedicated CSGnet provides the secure, high-speed, reliable network infrastructure that connects agencies using DTS hosted services.

As a quasi-state entity and in line with Public Contract Code 12100 and 12100.7 Ohlone College is entitled to take advantage of these *value-effective* DTS hosted solutions. These services are very similar in concept and application as hosted application services that the College currently uses: WebCT, CurricUNET, and iTunesU.

Furthermore, this solution supports the legislature's *most value-effective* approach toward meeting information technology needs by: 1) the acquisition and operational cost for Ohlone College to provide these technologies itself far exceed the cost from DTS; 2) because of DTS's economies of scale, the quality of the products and services, as well as the depth of DTS's technical competencies make this offering superior to our current capabilities; 3) DTS's 24x7 operations model means greater reliability and coverage in delivery and implementation services; and finally, 4) quality and effectiveness of this approach as a integrated robust business solution. The cost of a contract for Mainframe hosting, Server Based Computing Service (SBCS), and CSGnet (California State Government Network) Services to California Department of Technology Services (DTS) is \$258,388 for the remainder of the 2006-2007 academic year, beginning January 2007. This amount includes one-time implementation costs of \$29,715 and monthly recurring costs of \$38,112. These costs will be funded within the current Fund 10 Budget.

Beginning the 2007-2008 budget year the annual cost for this service will be \$457,345.

This contract will preserve current IT positions. IT staff will be able to provide more district services related to the College's strategic goals as a result of this contract.

Given the tight timeline for the State to order equipment, allowing the Datatel upgrade can begin in January, staff must bring this item forward to the Board, pending the conclusion of CSEA discussions.

**RECOMMENDATION:**

The President/Superintendent recommends that the Board of Trustees Award a Contract for Mainframe Hosting, Server Based Computing Service (SBCS), and CSGnet (California State Government Network) Services to California Department of Technology Services (DTS) for \$258,388 for the remainder of the 2006-2007 academic year beginning January 2007, pending CSEA negotiation and ratification.