

OHLONE COMMUNITY COLLEGE DISTRICT

MEMORANDUM

TO: Board of Trustees Discussion/Action
FROM: Douglas Treadway
DATE: May 23, 2007
SUBJECT: Department of Technology Services (DTS) Contract Update and Rescission of Contract Award

Background: On November 8, 2006 the IT Department submitted a recommendation to the Board of Trustees to approve an 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 this agreement, DTS would supply Ohlone College the server-based computing and telecommunications infrastructure to support the College's Enterprise Applications: Datatel Colleague, Email, and Microsoft Office Suite.

This recommendation for the DTS Hosting Agreement was a response to the College's critical IT infrastructure needs. As has been shared with the Board previously, our Datatel system has to be upgraded to support the mandatory upgrade of our Colleague ERP application. Additionally, most of the College's existing IT infrastructure is past its lifecycle and is in immediate need of replacement.

In accessing possible solutions and approaches to addressing Ohlone's critical IT infrastructure needs, the IT Department conducted an extensive cost and impact analysis of implementing new hardware infrastructure. The results from our analysis revealed that the cost to address the College's critical IT infrastructure needs by replacing existing hardware and software would be significant. As just one example of estimated costs involved in improving the IT infrastructure, projected costs for the Datatel Colleague upgrade are \$500,000. In addition to the Datatel upgrade, other IT projects are viewed as critical--the Fremont Campus Network Upgrade and the Computer Server Consolidation. Preliminary estimates for these projects are \$300,000 and \$200,000 respectively.

While the funding for these critical IT infrastructure improvements are significant, the Ohlone College Board demonstrated its commitment to addressing the College's IT needs when it authorized the establishment of Bond Project Budget #3-32 for Information Technology Infrastructure in the amount of \$1,000,000. Based upon the IT Department's assessment, it is anticipated that this budget amount should be sufficient for the hardware and software acquisitions needed for the critical infrastructure improvements. However, another vital component necessary to complete these infrastructure improvements is the adequate number of trained IT staff. Current levels of IT regular maintenance and operational support activities make it virtually impossible for existing IT staff to undertake these IT infrastructure projects. Additionally, even if the IT staffing resource capacity were not an issue, the requisite IT skill levels are an issue. Critical IT infrastructure projects of the magnitude needed at Ohlone College require project management and IT hardware and software application proficiencies that exceed our current abilities.

The foregoing establishes the context behind the IT Department's recommendation of the DTS Hosting agreement. DTS Hosting represented a strategic infrastructure sourcing opportunity

that offered the College the promise of a more cost-effective, less-disruptive approach to solving its critical IT infrastructure issues.

Update: Acting upon the Board's approval of this recommended approach, the IT Department has been diligently engaged with DTS for the past six months on implementing the infrastructure outlined in the agreement. Project implementation teams were formed from DTS and Ohlone in December 2006. Through weekly meetings these teams worked collaboratively on the network and IT infrastructure required to support Ohlone's identified needs. Based upon the joint work of the two organizations, project implementation dates finally were defined.

At this point it was the sincerest hope of the Associate Vice President, Information Technology, that IT could report a successful implementation of the critical IT infrastructure with DTS. However, much to the Associate Vice President's dismay, I must report that this project has not met with the success that was anticipated. In fact, the project has been plagued with delays and suffered from the intra-organizational constraints stereo-typically associated with a government bureaucracy.

In response to these project challenges, the IT Department proactively engaged with the DTS leadership in an effort to get the project activities back on track. However, despite assurances given by DTS leadership, the project challenges continued unabated. A thorough review of the situation revealed that the challenges within DTS are systemic. DTS has been unable to organizationally meet our service level expectation as an External Service Provider (ESP). While DTS leadership fashioned a compelling offering in their Infrastructure Hosting Service, it seems that it is an offering more favorably applicable to traditional State agencies.

Path Forward: Prior to the consideration of the DTS approach, the IT Department had been actively engaged in defining solutions to the College's IT infrastructure needs. The IT Department has historically pursued traditional approaches to meeting these IT needs through a combination of internal staff and project-based contract resources. While this approach doesn't offer many of the purported benefits of the DTS approach, it does offer the comfort of a proven process.

In the November 2006 presentation to the Board, the IT Department outlined three critical IT infrastructure projects: Datatel Upgrade to Release 18 (R18), Network Infrastructure Upgrade, and Computer Server Consolidation. Currently the priority for the District is to complete the Datatel R18 Upgrade project. While the other two are also important, a looming vendor deadline for Datatel technical and programming support requires that the Datatel Upgrade be prioritized ahead of the other two projects.

Utilizing past project implementation approaches, the IT Department proposes a combination of internal staff and project-based contract resources to complete the Datatel upgrade. A detailed proposal will be presented at the June 13 Board meeting for your consideration. As well, please expect future presentations and proposals on the Network Infrastructure Upgrade and Computer Server Consolidation projects.

In light of the foregoing and because of the jeopardy posed by continuing the DTS endeavor, the IT Department is recommending that the District discontinue the DTS Hosting approach. Further staff recommends that the District rescind the 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).

RECOMMENDATION:

The President/Superintendent recommends that the Board of Trustees rescind the Award of Contract approved at the November 8, 2006 Board meeting, for Mainframe Hosting, Server Based Computing Service (SBCS), and CSGnet (California State Government Network) Services with the California Department of Technology Services (DTS) in the amount of \$258,388.

/DTS Update 05-23-07