



# ALAMEDA COUNTY INFORMATION TECHNOLOGY DEPARTMENT

1106 MADISON STREET, OAKLAND, CA 94607 • (510) 481-3700 • FAX (510) 272-3608

DAVID MACDONALD  
DIRECTOR

AGENDA \_\_\_\_\_ Date: July 25, 2011

July 19, 2011

The Honorable Board of Supervisors  
Administration Building  
Oakland, California 94612

Dear Board Members:

**SUBJECT: EXECUTE THE MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTIES OF ALAMEDA AND SAN MATEO TO HOST THE PERSONNEL INFORMATION PAYROLL SYSTEM**

**RECOMMENDATION:**

1. Approve and execute the memorandum of understanding between the Counties of San Mateo and Alameda to maintain and host the San Mateo County's the Personnel Information Payroll System, the human resource and payroll system, in the amount of \$443,500 and for the period 7/26/11 through 6/30/14, with an option to extend the contract for two fiscal years; and
2. Approve the delegation of authority to the Director of Information Technology Department or designee to negotiate and amend the contract within 10% of the contract amount, upon approval and review of County Counsel and the delegation of authority will expire on June 30, 2014.

**DISCUSSION/FINDINGS:**

The County of San Mateo's Personnel Information Payroll System (PIPS) application is currently maintained and hosted by Reliant, a third party vendor. Reliant gave notice to San Mateo County that it would no longer act as a host of the PIPS. The County of Alameda was approached by San Mateo County to act as host for the PIPS. The Information Technology Department has the hardware and information systems infrastructure to host the San Mateo County's PIPS.

Leveraging our current resources, Information Technology Department is able to assist San Mateo County at reasonable rates. There will be a one-time payment to Alameda County of \$65,500 to cover the County's installation and set-up costs for hosting PIPS and a monthly fee adding for three years totaling a minimum amount of \$443,500, with an option to extend the contract for two fiscal years, totaling \$252,000. These payments could increase by up to 10% a year if our costs increase.

**SELECTION CRITERIA AND PROCESS**

*The San Mateo County is a sole source exception according to the Uniform Procurement Manual, Chapter 5, Sole Source, Section C, Goods or Services Acquired from Other Governmental Agencies.*

**FINANCING:**

There is no net County cost as a result of this action. The appropriation and offsetting revenue for this contract is already included in the Information Technology Department's approved budget for Fiscal Year FY11-12 and will be for subsequent MOE request FY12-13 and FY13-14.

Sincerely,



David Macdonald, Director  
Information Technology Department

cc: Susan Muranishi, County Administrator  
Patrick O'Connell, Auditor-Controller  
County of San Mateo

## **Memorandum of Understanding (MOU)**

This MOU is made and entered into on the \_\_\_\_\_ day of July, 2011, between the County of Alameda Information Technology Department ("Alameda ITD") and the County of San Mateo ("County") (collectively "the Parties").

WHEREAS the County's HR and Payroll System known as Personnel Information Payroll System (PIPS) application is currently maintained and hosted by People Strategy. ("People Strategy");

WHEREAS People Strategy gave notice that it would no longer host and maintain PIPS for the County;

WHEREAS Alameda ITD has the necessary infrastructure, computer hardware, third-party software maintenance support, computer operations support, database administration support, and connectivity to production and Disaster Recovery site to host PIPS, including web servers, mainframe, storage, networking and other hardware and software to host PIPS;

WHEREAS County desires Alameda ITD to host PIPS, a system (a) written in COBOL using the CICS command language for on-line processing, (b) where access to CICS is also provided via a java/web interface proffered by the IPServer for CICS/ESA which is a HTTP 1.0 compliant Web server, developed by Data 21, that runs natively in CICS/ESA; and (c) where batch processing is performed with COBOL and ASAP tools; and

WHEREAS Alameda ITD will (1) segregate PIPS from other applications hosted by Alameda and (2) permit the County to maintain PIPS and use the common software and the County's custom software needed to maintain and update PIPS;

Now, therefore, the Parties do mutually agree as follows:

**A. DESCRIPTION OF SERVICES:** Provide infrastructure, computer hardware, third-party software maintenance support, computer operations support, database administration support, and connectivity to production and Disaster Recovery site to host PIPS.

**B. PURPOSE OF MOU:** To provide the necessary environment and infrastructure to host PIPS.

**C. COUNTY'S OBLIGATIONS:** In exchange for the consideration set forth herein, County agrees to share certain obligations set forth in Attachment A hereto and to pay Alameda as described below under paragraph "E."

**D. ALAMEDA ITD's OBLIGATIONS:** In exchange for the consideration set forth herein, Alameda ITD agrees to provide the infrastructure, environment and services as provided for in Attachment A hereto.

**E. PAYMENT TERMS:** In accordance with all terms, conditions and specifications set forth herein, County shall make payments to Alameda ITD based on the rates and in the manner specified in **Attachment B** hereto. In no event shall the County's total fiscal obligation under this MOU exceed \$859,300.

**F. PERIOD OF MOU:** The term of this MOU shall be three years commencing on July 26, 2011 through July 25, 2014. County and Alameda agree that County may elect to extend this MOU to June 30, 2016 if it so notifies Alameda in writing on or before March 31, 2014 of the County's intent to extend the MOU an additional two years.

**G. GENERAL TERMS AND CONDITIONS:**

**1. INDEMNIFICATION:**

a. It is agreed that County shall defend, save harmless and indemnify Alameda ITD and its employees, officers, and agents from any and all claims which arise out of the terms and conditions of this MOU and which result from the negligent or willful acts or omissions of County and its employees, officers, and agents.

b. It is agreed that Alameda ITD shall defend, save harmless and indemnify County and its employees, officers, and agents from any and all claims which arise out of the terms and conditions of this MOU and which result from the negligent or willful acts or omissions of Alameda ITD and its employees, officers, and agents.

c. In the event of concurrent negligence of County or its employees, officers, and agents on the one hand, and Alameda ITD or its employees, officers, and agents on the other hand, then the liability for any and all claims for injuries or damage to persons and/or property which arise out of terms and conditions of this MOU shall be apportioned according to the California theory of comparative negligence.

**2. INSURANCE:** Each party will maintain general liability insurance and workers compensation coverage in such an amount as may be reasonably necessary to assure compliance with the Indemnification provision, herein above. The other party shall be named as additional insured on an endorsement with respect to the liability coverage. The requirement of this provision may be fulfilled by each party with evidence that the required insurance coverage is in place through an entity authorized to provide said insurance; however, any waiver shall not affect a party's liability to the other party under the Indemnification provision. Each party agrees to provide the other party copies of said policies, certificates, or endorsements upon execution of this agreement.

**3. EQUAL EMPLOYMENT OPPORTUNITY/NON-DISCRIMINATION:** Each party shall comply with E.O. 11246 Equal Employment Opportunity, as amended by E.O. 11375, Amending Executive Order 11246 Relating to Equal Employment Opportunity, and as supplemented by regulations at 41 CFR part 60, Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor. During the performance of this Agreement, neither party shall discriminate, harass, or allow harassment against any employee or applicant for employment because of race, religion,

sex, age, national origin, ancestry, political affiliations, disability, medical condition, marital status, or sexual orientation. Each party shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.

4. **LICENSE AND AUTHORITY:** Each party affirms that it is duly authorized to enter into this agreement by its governing or controlling body.

5. **EQUIPMENT AND FACILITIES:** Alameda ITD will provide all necessary equipment and facilities to render services pursuant to this agreement, unless otherwise agreed to by the parties.

6. **ASSIGNMENT:** This Agreement is not assignable by either party, either in whole or in part, without the consent of the other party in the form of a formal written amendment.

7. **SUCCESSORS AND ASSIGNS:** This agreement shall be binding on the heirs, executors, administrators, successors, and assigns of the respective parties.

8. **GOVERNING LAW:** The validity of this agreement and any of its terms or provisions as well as the rights and duties of the parties hereunder shall be governed by the laws of the state of California.

9. **AMENDMENT:** No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

10. **UNENFORCEABLE PROVISION:** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

11. **HEADINGS:** All section headings contained herein are for clarification and convenience of reference only and are not intended to limit the scope of any provision of the agreement.

12. **TERMINATION:** Either party may terminate this Agreement upon two (2) years advance written notice and be relieved of the payment of any future consideration should the other party fail to perform under this agreement.

In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereafter referred to as materials) prepared by Alameda ITD under this MOU shall become the property of the County and shall be promptly delivered to the County. Upon termination of the MOU, Alameda ITD shall promptly provide to the County copies and originals of any County software or County Data (as defined below) on media designated by the County, in the format it resides in Alameda's computer system.

13. **AMBIGUITY:** The language herein shall be construed as jointly proposed and jointly accepted, and in the event of any subsequent determination of ambiguity, all parties shall be treated as equally responsible for such ambiguity.

14. **EXPENSES:** Each party shall be responsible for all costs and expenses incident to the performance of services under this agreement, except as provided by this agreement, including but not limited to: all costs of equipment; all fees, fines, licenses, bonds or taxes required of or imposed; and all other costs of doing business.

15. **DISPUTES:** The parties shall continue with the responsibilities under this MOU during any dispute.

16. **TIMELINESS:** Time is of the essence in this MOU.

17. **RELATIONSHIP OF THE PARTIES:** Alameda ITD agrees and understands that the work/services performed under this MOU are performed as an independent Alameda ITD and not as an employee of the County and that Alameda ITD acquires none of the rights, privileges, powers, or advantages of County employees.

18. **"COUNTY DATA"** shall include means all data and information of any kind or nature submitted to Alameda ITD by County, or received by Alameda on behalf of County, in connection with the Services.

#### **H. Confidentiality and Security:**

##### **County Confidential Information**

All information provided by the County, or otherwise learned by Alameda ITD as a result of providing the Services, shall be considered "County Confidential Information," including but not limited to, any and all County employee, financial, and customer information; product production, capacity and delivery information; cost and pricing data; and like information which is highly confidential and valuable to County operations. Special use by County of information in the public domain shall also be considered County Confidential Information. County shall remain the sole and exclusive owner of all County Data and other County Confidential Information hosted on Alameda ITD's mainframe and servers, regardless of whether such data is maintained on magnetic tape, magnetic disk, or any other storage or processing device.

A. All such County Data and other Confidential Information shall, however, be subject to regulation and examination by the appropriate auditors and regulatory agencies to the same extent as if such information were on County premises. Upon County request, Alameda ITD shall promptly provide to the County copies of any and all County Data on media designated by the County, in the format on which it resides on the Alameda ITD's computer system.

B. Alameda ITD agrees: (1) to hold County Confidential Information in strictest confidence, disclosing it only to those employees and contract workers of Alameda ITD, "Alameda personnel" and suppliers who have a need to know and only as it relates to the

performance of the Services; (2) not to make use of County Confidential Information other than to perform obligations hereunder; (3) not to reproduce County Confidential Information in any media; and (4) not to disclose, cause to be disclosed, or otherwise release County proprietary information to any party. Alameda ITD agrees to protect County Confidential Information with at least the same degree of care used to protect its own proprietary information, but in no event with less than commercially reasonable care in accordance with industry standards.

#### Alameda ITD Confidential Information

A. County acknowledges that during the term of this Agreement, certain information considered by Alameda ITD to be confidential or proprietary information may be disclosed by Alameda ITD to County or accessed by County from the Alameda System "Alameda Confidential Information ." Alameda Confidential Information of a tangible nature may, but is not required to be, labeled as such.

B. County agrees: (1) to hold Alameda Confidential Information in strictest confidence, disclosing it only to those employees or agents of County who have a need to know; (2) not to make use of Alameda Confidential Information other than to use Alameda Services or perform obligations hereunder; (3) not to reproduce Alameda Confidential Information in any media; and (4) not to disclose, cause to be disclosed, or otherwise release Alameda Confidential Information to any party, unless disclosure of Alameda Information is required by law. County agrees to protect Alameda Confidential Information with at least the same degree of care used to protect Alameda Confidential Information with at least the same degree of care used to protect its own proprietary information, but in no event with less than reasonable care in accordance with industry standards.

**I. Communications:** Communications between the parties to this Agreement may be sent to the following addresses:

In the case of the County to:

Chris Flatmoe, CIO/Director Information Services Department  
455 County Center, 3rd Floor  
Redwood City, CA 94063  
Fax Number: 650-363-7800

In case of Alameda ITD to:

Stephen Sheldon  
Technical Services Manager, ITD  
510.272.3742  
steve.sheldon@acgov.org

**K. UNDERSTANDING AND ACCEPTANCE OF THE PARTIES:** This MOU constitutes the entire understanding of the parties. The signatures below signify both an understanding and acceptance of the MOU provisions.

COUNTY OF ALAMEDA, a political subdivision of the State of California

By: \_\_\_\_\_  
Nate Miley, President, Board of Supervisors

Date: \_\_\_\_\_

COUNTY OF SAN MATEO

By: \_\_\_\_\_  
Carole Groom, President, Board of Supervisors,  
San Mateo County

Date: \_\_\_\_\_

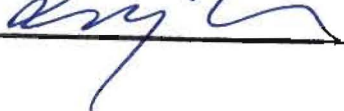
ATTEST:

By: \_\_\_\_\_  
Clerk of Said Board

DUNS # (Required for amounts of \$25,000 or more)

625139170

Approved as to Form  
RICHARD P. KARLSSON, Interim County Counsel

By:  \_\_\_\_\_

**EXHIBIT A: ALAMEDA ITD'S OBLIGATIONS AND COUNTY-ALAMEDA ITD  
SHARED OBLIGATIONS**

**ALAMEDA OBLIGATIONS FOR APPLICATION HOSTING, SUPPORT AND MAINTENANCE:** Alameda ITD will provide the environment required in order to host the Payroll Information Payroll System (PIPS). The computing environment will include the necessary network, mainframe, mainframe operating system, and mainframe tools to host and maintain PIPS.

Alameda ITD agrees to provide the following application hosting support resources:

- LPAR access dedicated to PIPS environment
  - COBOL
  - CICS
  - Reserved 4 MSU z/OS resources on Alameda County Mainframe
  - Scheduler Product (currently Zeke)
  - Sort Product (currently Sync Sort)
  - DASD management (currently FDR/ABR)
  - TSO
- VPN access to San Mateo to allow Programmer, FTP, and User HTTP access to PIPS applications
- Technical Resources and Staff – available 24/7
  - Operations Staff
  - Tech Services System Programmer Staff

Alameda ITD further agrees to:

- Work closely with SMC-ISD to isolate performance related issues. Alameda ITD will resolve issues related to infrastructure LPAR, OS, and CICS. County's Programming staff will be responsible for working with People Strategy to resolve performance or functionality issues related to the application and data.
- Perform maintenance on these systems according to agreed upon change management procedures. Such maintenance is usually performed during the Alameda County maintenance window on Sundays between the hours of 7am - 9am.
- Perform Volume Backups of all System & Application data.

- Provide methodology for backing up VSAM, Application Data, and datasets.
- Provide four CICS Regions for “Test”, “QA”, “Training”, and Production.
- Provide 24x7 monitoring for performance and productionabend notification.
- Provide PPRC backup of San Mateo Production System, application, and data to Alameda’s ITD’s disaster site.
- Manage RACF security access for County personnel, through a procedure where a single person or persons from County authorize those changes.

**SMC-ISD OBLIGATIONS:** County will be responsible for and provide the following:

- Resolving performance or functionality issues related to the application or data with the assistance of ITD.
- Interfacing to People Strategy when necessary.
- Verifying that testing has been successful and that the system is ready for production deployment.
- Working closely with ITD to isolate performance related issues.
- Performing Application & JCL changes to keep up to date with new releases of CICS, Z/OS, and COBOL.
- Providing licensing for Data 21. San Mateo must ensure compatibility with current releases of IBM software.
- Providing licensing for Change Management system and performing change management requests initiated by San Mateo.
- Converting JCL & PIPS applications to use tools & utilities that Alameda County ITD owns such as Zeke Scheduler, Sync Sort, FDR/ABR or purchase licenses for use only by San Mateo County.
- Using Alameda County supplied backup environment for file recovery or file restores.
- Managing, maintaining and tracking data, and logs used within the PIPS CICS and batch systems. Be responsible for planning and instructions on the implementation of growth changes, recovery of data, and resolution of data problems. Alameda County ITD will implement those instructions in production.
- Creating a Security Procedure to be used by Alameda County ITD to manage RACF changes.

**SUPPORT ROLES AND RESPONSIBILITIES:** Below is a summary of the roles and responsibilities of Alameda ITD and County to clarify support parameters and indicate where third party or agency involvement is required:

<b>Description</b>	<b>Responsible Party</b>
Network Support Mainframe to VPN Tunnel	ITD
Maintenance and monitoring of hardware	ITD
Upgrade & Patching of IBM Software	ITD
Upgrade & Patching of Scheduling Software	ITD
Upgrade & Patching of Sort Software	ITD
Volume Backup of System & Application Packs	ITD
Recovery of System Software	ITD
Performance Monitoring of CICS & Z/OS	ITD
Notification of production abends	ITD
Enforce physical security & data center access	ITD
Initiate Shutdown and IPL of System	ITD
Upgrade & Patch third party software, Data 21	ITD
Upgrade & Patch third party change management sftw	ITD
Manage RACF Security for San Mateo	ITD
Implement instructions for Prod growth of data & storage	ITD
Recovery of Application Data	Shared
Network VPN Tunnel to Programmers & Users	San Mateo
Modify JCL to conform to Alameda County utilities	San Mateo
Application performance & problem resolution	San Mateo
Manage growth of application data & storage in test	San Mateo
Provide instructions for Prod growth of data & storage	San Mateo
Network VPN Tunnel to Programmers & Users	San Mateo
Convert to Zeke Scheduling	San Mateo
Manage Job Scheduling	San Mateo

**EXHIBIT B: COUNTY'S PAYMENT TERMS**

The following is a breakdown of the costs associated with the installation, on-going maintenance and support for Alameda ITD's hosting of PIPS. These On-going charges will be billed to the County on a monthly basis, with the exception of one-time charges. The On-going Charges may increase up to 10% a year to cover any changes in vendor software/hardware costs. The Parties agree to amend this schedule accordingly. Alameda ITD reserves the right to renegotiate if the performed work under this Agreement is beyond the reasonable scope. After a 36 month commitment, the Agreement will be reviewed by both Alameda ITD and County to determine if more time is needed for PIPS hosting and if any adjustments need to be made.

<b>PIPS Hosting Install/Migration</b>	<b>One Time Charge</b>
Tape Drive purchase & install	\$12,000
DASD purchase & install	\$7,500
Infrastructure Build & Assist Application Install & Migration	\$35,000
DFDSS (IBM Software for migration)	\$11,000
Anticipated Total One Time Charges	<b>\$65,500</b>

<b>PIPS Hosting Service</b>	<b>Per month Charge</b>	<b>Annual Charge</b>
Appliance Server Hosting	\$7,500	\$90,000
IBM CICS, Cobol, z/OS (4 MSU's), Hosting	\$3,000	\$36,000
Total Charges	<b>\$10,500</b>	<b>\$126,000</b>

To proceed with this proposal, SMC-ISD will need to approve a funds transfer to cover the support services, as described above. Alameda ITD's Administrative Services Officer, Laura Melendrez (272.3605), will provide specific details and assistance.