MEMORANDUM

DEPARTMENT OF FINANCE & RISK MANAGEMENT

Date: November 19, 2014

To: Presiding Judge, Superior Court
Elected Officials
Appointing Authorities

From: Tom Burke
Finance Director

Re: Fiscal Year 2015-16 Budget Adjustments for new ITD Internal Service Fund

Earlier in the current fiscal year, the Board of Supervisors approved several contracts for three new Information Technology Department (ITD) initiatives relating to (1) an Enterprise Agreement for Microsoft software licenses (Software Initiative), (2) leasing agreements to lease Hewlett Packard computers and equipment (Hardware Initiative), and (3) leasing agreements to lease Hewlett Packard servers and storage (Servers/Storage Initiative). Historically, many of these costs have been paid by the General Fund as part of the ITD Base Budget as well as individual departmental budgets making their own software and desktop hardware purchases. Beginning in Fiscal Year 2015-16, the budgets for these three initiatives will be contained in an Internal Service Fund within ITD and each department will be charged based on its use of the services from this fund in the following manner:

Software: Each department will be charged based on the number of devices used by the department.

Hardware: Each department will be charged for the rent payments for the equipment leased on behalf of the department.

Servers/Storage: Each department will be charged based on its use of County servers and storage units.

In order to fund the Internal Service Fund charges, the funds currently available to ITD to pay for these costs will be reallocated to the budgets of departments funded by or substantially subsidized by the General Fund. The funds from ITD will be added to the existing FY 2014-15 departmental budgets for software and hardware purchases resulting in an increase in their Fiscal Year 2015-16 base budgets. There should be no net impact to the departments. While departments will receive this additional funding, they will not be able to repurpose the use of these funds in their requested budgets.

For departments that are not funded with General Fund revenues, their budgets will need to increase in Fiscal Year 2015-16 to accommodate the ITD Internal Service Fund costs, but there will be no General Fund subsidy for these costs. Those departments are the Development Services Department, the Regional Flood Control District, the Fleet Services Department, the Kino Service Center, the Pima Free Library District, the Transportation Department, and the Regional Wastewater Reclamation Department.

Attachment 1 is a Budget Allocation Schedule at the departmental level showing the anticipated maximum costs that need to be budgeted for Fiscal Year 2015-16 for software (based on the number of devices in each department), for rental of hardware (based on the leased equipment deployment schedule provided by Jesse Rodriguez in his November 10, 2014 memorandum, included in this memorandum as Attachment 2), and for servers/storage (based on a schedule of usage provided by ITD to Finance). The amount of information technology related expenditures that each individual department already budgeted in Fiscal Year 2014-15 is identified on the Budget Allocation Schedule, as well as the additional funding that will be allocated from the General Fund to departments to handle the increase in expenditures. For most departments, this is basically a shifting of budget authority and funds from ITD into the other departments. For the seven Non-General Fund departments listed above, the increases represent a previously unbudgeted and unfunded expense. Funding for those departments will need to come from departmental revenues.

Note that the allocations included in this analysis are at the total departmental level and do not take into account departments that have information technology costs within their associated grants and funds that are not part of the General Fund. Your assigned analyst will be working with you to determine the additional level of adjustments that may be required. These adjustments may result in your department requiring less General Fund support than shown than shown in the Budget Allocation Schedule. For departments reporting to an elected official, the planned ITD initiatives identify software licensing and hardware leasing but do not include charges for servers or storage except for those elected officials who have coordinated with ITD for those services.

Attachments

Budget Allocation Schedule
ITD Internal Service Fund for Hardware, Software, and Servers/Storage
Fiscal Year 2015-16

Department Code	Department Name	Total Computer/ Device Count	Leased Hardware	Enterprise Software	Leased Server/Storage	Total ITD Internal Service Fund Costs	Existing Budget in FY 15	Reallocation of General Fund to Departments	Non-General Fund Department Contributions	Maximum Amounts for FY 16 Budget
AS	Assessor	175		63,705.64		63,705.64	-	63,705.64	-	63,705.64
BOS	Board of Supervisors	20	23,901.63	7,280.65	13,948.43	45,130.70	9,300.00	35,830.70	-	45,130.70
CA	County Administrator	25	29,717.29	9,100.81	24,409.11	63,227.21	3,000.00	60,227.21	-	63,227.21
CAC	Office of Court Appointed Counsel	42	35,203.98	15,289.35	119,330.94	169,824.27	6,900.00	162,924.27	-	169,824.27
CC	Clerk of the Superior Court	332	-	120,858.71		120,858.71	-	120,858.71	-	120,858.71
CD	Community Development & Neighborhood Conservation	36	30,174.84	13,105.16	48,557.17	91,837.17	11,000.00	80,837.17	-	91,837.17
CED	Community & Economic Development Administration	2	2,390.16	728.06	1,394.84	4,513.07	4,513.07	0.00	-	4,513.07
CL	Clerk of the Board	34	40,632.77	12,377.10	23,712.32	76,722.19	-	76,722.19	-	76,722.19
CM	Communications Office	8	9,560.65	2,912.26	5,579.37	18,052.28	5,000.00	13,052.28	-	18,052.28
CO	Constables	13	10,896.47	4,732.42	21,960.84	37,589.73	7,200.00	30,389.73	-	37,589.73
CS	Community Services, Employment & Training	387	324,379.53	140,880.48	327,480.96	792,740.97	103,709.00	689,031.97	-	792,740.97
DE	Environmental Quality	54	45,262.26	19,657.74	88,743.31	153,663.31	33,791.00	119,872.31	-	153,663.31
DSD	Development Services	85	105,086.94	30,942.74	195,106.77	331,136.45	64,030.00	-	267,106.45	331,136.45
ED	Economic Development & Tourism	9	7,543.71	3,276.29	33,278.89	44,098.89	7,250.00	36,848.89	-	44,098.89
EL	Elections	19	15,925.61	6,916.61	23,998.09	46,840.31	4,499.00	42,341.31	-	46,840.31
FC	Regional Flood Control District	78	65,378.82	28,394.52	108,516.50	202,289.84	91,320.00	-	110,969.84	202,289.84
FM	Facilities Management	114	151,617.53	41,499.68	111,690.81	304,808.02	67,400.00	237,408.02	-	304,808.02
FN	Finance & Risk Management	304	377,477.64	110,665.80	417,301.21	905,444.65	88,072.00	817,372.65	-	905,444.65
FS	Fleet Services	60	50,291.40	21,841.94	99,157.95	171,291.28	24,000.00	-	147,291.28	171,291.28
FSC	Forensic Science Center	37	44,415.16	13,469.19	75,069.22	132,953.58	-	132,953.58	-	132,953.58
HD	Health	430	538,270.62	156,533.87	437,711.62	1,132,516.11	76,922.00	1,055,594.11	-	1,132,516.11
HR	Human Resources	62	51,967.78	22,570.00	170,659.72	245,197.50	17,450.00	227,747.50	-	245,197.50
IT	Information Technology	393	513,756.38	143,064.67	309,336.96	966,158.02	89,900.00	876,258.02	-	966,158.02
JCx	Justice Courts All	160	-	58,245.16		58,245.16	-	58,245.16	-	58,245.16
JCA	Justice Courts - Ajo					-	-	-	-	-
JCG	Justice Courts - Green Valley					-	-	-	-	-
JCT	Justice Courts - Tucson					-	-	-	-	-
JU	Juvenile Court	279	-	-		-	-	-	-	-
KSC	Kino Sports Complex	12	10,058.28	4,368.39	8,369.06	22,795.72	7,900.00	-	14,895.72	22,795.72
LD	Legal Defender	48	63,650.83	17,473.55	155,778.69	236,903.07	1,800.00	235,103.07	-	236,903.07
LIB	County Free Library	1593	1,942,602.39	233,703.15	1,278,799.24	3,455,104.78	625,500.00	-	2,829,604.78	3,455,104.78
OEM	Office of Emergency Management & Homeland Security	128	158,767.21	46,596.13	106,924.00	312,287.33	6,000.00	306,287.33	-	312,287.33
OMS	Office of Medical Services	7	8,365.57	2,548.23	4,881.95	15,795.75	3,300.00	12,495.75	-	15,795.75
PCA	County Attorney	468	-	-		-	-	-	-	-
PD	Public Defender	185	230,235.30	67,345.97	503,887.26	801,468.53	35,392.00	766,076.53	-	801,468.53
PF	Public Fiduciary	35	29,336.65	12,741.13	31,991.22	74,068.99	725.00	73,343.99	-	74,068.99
PO	Procurement	31	25,983.89	11,285.00	21,620.06	58,888.95	3,400.00	55,488.95	-	58,888.95
PR	Natural Resources, Parks & Recreation	110	131,672.48	40,043.55	85,503.75	257,219.78	39,812.00	217,407.78	-	257,219.78
PW	Public Works Administration	31	29,590.21	11,285.00	21,620.06	62,495.27	19,679.00	42,816.27	-	62,495.27
RE	Recorder	50	75,920.91	18,201.61		94,122.52	-	94,122.52	-	94,122.52
SC	Superior Court	825	-	300,326.61		300,326.61	-	300,326.61	-	300,326.61
SD	Sheriff	1234	1,564,115.96	449,215.80	880,771.46	2,894,103.21	250,000.00	2,644,103.21	-	2,894,103.21
SS	School Superintendent	50	-	18,201.61		18,201.61	-	18,201.61	-	18,201.61
SUS	Office of Sustainability and Conservation	14	11,734.66	5,096.45	48,235.98	65,067.10	13,700.00	51,367.10	-	65,067.10
TO	Treasurer	37	39,099.20	13,469.19	-	52,568.39	-	52,568.39	-	52,568.39
TR	Transportation	212	279,896.57	77,174.84	284,207.75	641,279.16	127,518.00	-	513,761.16	641,279.16
WW	Regional Wastewater Reclamation	516	849,357.66	187,840.64	612,044.12	1,649,242.42	169,324.00	-	1,479,918.42	1,649,242.42
	Grand Total	8569	$ 7,924,238.97	$ 2,564,965.68	$ 6,701,579.63	$ 17,190,784.28	$ 2,019,306.07	$ 9,807,930.54	$ 5,363,547.67	$ 17,190,784.28

PIMA COUNTY
INFORMATION TECHNOLOGY

MEMORANDUM

Date: November 10, 2014

To: Elected Officials
Department Directors

From: Jesse Rodriguez
Chief Information Officer

Re: Computer, Server, Storage Leasing and Microsoft Software Purchases

A major issue facing all institutions is how to keep their technology relevant. Pima County is no exception. The current strategy employed by the organization is to purchase technology outright. The problem with this strategy is that after just a few years there is little to show for the expenditures. Computer equipment and associated software rapidly become obsolete. Because of that, future purchases often do not mesh well with equipment or software already in place, making support of the technology infrastructure not only more difficult, but more expensive as well. Some of the County's equipment/operating systems are so old that we are unable to deploy newer versions of established applications. Additionally, these older operating systems and applications continue to subject Pima County to a wide array of security risks. For example, Microsoft ended support for Windows XP on April 8, 2014, and now all systems that continue to utilize Windows XP are subject to security risks that cannot be resolved, nor will they be supported by Microsoft.

To address this issue, Pima County has entered into a lease agreement with Hewlett Packard for desktops, laptops, tablets, servers and storage. All future acquisitions of the aforementioned devices will be identified and submitted as a leased device/system. The project schedule for computer replacements has been finalized based on budget, location and device age. The goal is to minimize the cost to the County by reducing the total number of locations that are deployed each year. This will result in an effort to deploy leased computers by geographic location, while taking into account budgets as appropriate. County wide server and storage needs that have been budgeted within the lease agreement will require all future projects requiring servers and storage to be housed within the County primary and disaster recovery data centers. Secure multi-tenancy will be set up to meet the security needs of all departments.

Additionally, a Microsoft Enterprise Agreement has been approved by the Board of Supervisors as of July 1, 2014, which encompasses County IT supported departments, the Sheriff's and the Assessor's departments, and will be expanded to all Elected Officials areas by fiscal year 2015/2016. Going forward, all Pima County software purchasing related to Microsoft will be identified and placed on the Microsoft Enterprise Agreement. Departments will be charged based on the number of devices in their departments and their use of licenses. The Information Technology Department is working with the Finance Department for the allocation methodology and how this will be budgeted for the Fiscal Year 2015-16 budget.

Historically, Pima County has funded technology refresh of computing devices and software through individual departments. The paradigm was that individual departments would budget for a five year lifecycle replacement. This has created hardships for the proper management of Pima County Information Technology assets, as well as end user support, as there are multiple versions of the desktop operating software and office productivity software throughout the organization. For example, Microsoft Office versions currently installed on County computers include 2003, 2007, 2010, and 2013 in both Standard and Professional versions. For some departments, it has been an annual challenge to obtain sufficient funds to refresh computers

and associated software. This has led to support being provided for computing devices and software well beyond the planned five year life cycle, taxing scarce IT resources, and leaving these departments behind from important productivity improvements.

The rate of technology change is increasing with an emphasis on client/server technology, faster system development, and shorter life cycles. To keep pace with the shorter life cycles, software enhancements, new compliance requirements, and improved constituent services, Pima County has adopted a three year technology refresh program for desktops and file servers, and a four year refresh program for storage. The shortened technology refresh cycles combined with appropriate and consistent budgeting will begin with the process of leasing computing devices (desktops, laptops, tablets, servers, related storage, and computing peripherals) as a more cost effective means of consistently improving the technology environment within the County.

As part of the leasing process, the Pima County Information Technology Department will be working with each department to complete a physical discovery of the hardware and software currently in use. This will provide the basis for the order of Hewlett Packard leased devices and the software installations. We will need your assistance to ensure the device counts are valid including any computing equipment or other spare parts that have been stored away. With regard to desktops, laptops and tablets, a standard client kit will be updated by November 14th and posted at http://intranet.pima.gov/ITD/purchasing/ for your use. If you have a business case for a deviation from the standard computing setup, there may be an associated additional cost to accommodate the change. Additionally, the roll out plan for desktops, laptops and tablets is also attached (see Appendix A). Please review your department's quantities and provide David Wieters or your Relationship Manager any changes necessary by November 28, 2014.

DW/mk

Attachment

c: ITD Relationship Managers
Service Catalog Approved Purchasers
Craig Rendahl, Computing Engineer

Appendix A –Roll Out Schedule

Department Name	FY 14/15	FY 15/16	FY 16/17	QTY of devices
Assessor	0	0	175	175
Board of Supervisors	20	0	0	20
County Administrator	22	0	0	22
Office of Court Appointed Counsel	0	0	42	42
Clerk of the Superior Court	0	0	332	332
Community Development & Neighborhood Conservation	0	0	36	36
Community & Economic Development Administration	2	0	0	2
Clerk of the Board	8	26	0	34
Communications Office	8	0	0	8
Constables	0	0	13	13
Community Services, Employment & Training	0	0	387	387
Environmental Quality	0	0	54	54
Development Services	0	85	0	85
Economic Development & Tourism	0	0	9	9
Elections	0	0	19	19
Regional Flood Control District	0	0	78	78
Facilities Management	0	114	0	114
Finance & Risk Management	30	274	0	304
Fleet Services	0	0	60	60
Forensic Science Center	37	0	0	37
Health	0	430	0	430
Human Resources	0	0	62	62
Information Technology	202	0	100	302
Justice Courts All	0	0	160	160
Juvenile Court	0	0	279	279
Kino Sports Complex	0	0	12	12
Legal Defender	0	48	0	48
County Free Library	909	636	48	1593
Office of Emergency Management & Homeland Security	0	128	0	128
Office of Medical Services	0	7	0	7
County Attorney	0	0	468	468
Public Defender	141	0	44	185
Public Fiduciary	0	0	35	35

Appendix A –Roll Out Schedule

Department Name	FY 14/15	FY 15/16	FY 16/17	QTY of devices
Procurement	0	0	31	31
Natural Resources, Parks & Recreation	102	0	0	102
Public Works Administration	4	0	.27	31
Recorder	0	50	0	50
Superior Court	0	0	825	825
Sheriff	681	390	163	1234
School Superintendent	0	0	50	50
Office of Sustainability and Conservation	0	0	14	14
Treasurer	0	37	0	37
Transportation	0	212	0	212
Regional Wastewater Reclamation	431	85	0	516
Total	2597	2522	3523	8642