

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Information Technology	(2) MEETING DATE 4/5/2016	(3) CONTACT/PHONE Daniel Milei 781-5072	
(4) SUBJECT Request to approve a FY 2015-16 contract with Binary Tree, Inc., in an amount not to exceed \$77,875, to implement additional security controls and complete the Countywide email migration for the Microsoft Office 365 project; and to authorize a budget adjustment in the amount of \$217,360 from the Automation Replacement Designation to the Countywide Automation Fund – FC 266 to provide additional funding for the Microsoft Office 365 project. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> <li>1. Approve a FY 2015-16 contract with Binary Tree, Inc., in an amount not to exceed \$77,875, to implement additional security controls and complete the Countywide email migration for Microsoft Office 365; and</li> <li>2. Authorize a budget adjustment in the amount of \$217,360 from the Automation Replacement Designation to the Countywide Automation Fund – FC 266 to provide additional funding for the Microsoft Office 365 project by 4/5 vote.</li> </ol>			
(6) FUNDING SOURCE(S) FC 266 - Countywide Automation Fund	(7) CURRENT YEAR FINANCIAL IMPACT \$217,360.00	(8) ANNUAL FINANCIAL IMPACT \$83,000.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001638		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1516092 <input checked="" type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A <u>Date: 6/2/2015, item#18</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Information Technology / Daniel Milei  
781-5072

DATE: 4/5/2016

SUBJECT: Request to approve a FY 2015-16 contract with Binary Tree, Inc., in an amount not to exceed \$77,875, to implement additional security controls and complete the Countywide email migration for the Microsoft Office 365 project; and to authorize a budget adjustment in the amount of \$217,360 from the Automation Replacement Designation to the Countywide Automation Fund – FC 266 to provide additional funding for the Microsoft Office 365 project. All Districts.

## **RECOMMENDATION**

It is recommended that the Board:

1. Approve a FY 2015-16 contract with Binary Tree, Inc., in an amount not to exceed \$77,875, to implement additional security controls and complete the Countywide email migration for Microsoft Office 365; and
2. Authorize a budget adjustment in the amount of \$217,360 from the Automation Replacement Designation to the Countywide Automation Fund – FC 266 to provide additional funding for the Microsoft Office 365 project by 4/5 vote.

## **DISCUSSION**

In September 2012, the Countywide IT Executive Steering Committee (IT-ESC) unanimously approved the recommendation to migrate to a new County email system. Funding of \$725,000 for the email migration project was approved in the fiscal year 2013-14 budget. A project focused on planning and preparing the County for the email migration was conducted from February 2013 through October 2013. During that project, a decision was made to cancel all RFPs and put the migration project on hold to allow time to secure additional funding for the project, learn from other counties who would be migrating to Office 365 (the County's chosen email system), and allow the Microsoft cloud email service to mature and meet stringent federal and state security requirements.

On June 2, 2015, the Board of Supervisors received and filed a notification of proposed changes to the County's existing Enterprise Agreement with Microsoft to cover the Office 365 annual software licenses to replace the 15-year-old Lotus Notes email and calendaring system. Extending the Microsoft agreement to cover Office 365 licenses qualified the County to receive mailbox migration assistance and "cloud onboarding" services from Microsoft as part of the license purchase.

As the email migration project began and the Information Technology Department (ITD) further assessed Microsoft's onboarding and mailbox migration services, it was determined that additional flexibility and control over the migration process was necessary to ensure the migration was completed in a timely manner. ITD contracted with a Microsoft certified third-party vendor for assistance with the email migration. The third-party vendor conducted a variety of setup and configuration activities, along with a pilot migration of approximately 80 mailboxes. The pilot revealed a wide range of data conversion issues, illustrated the complexity of converting data out of Lotus Notes, and triggered the need to implement a set of additional security controls prior to expanding the email migration.

In order to complete the migration by June 30, 2016 and eliminate the need to extend the current Lotus Notes email licensing for an extra year at a cost of \$145,000, ITD is requesting additional funding to establish a direct contract with Binary Tree, a vendor with extensive Lotus Notes experience. Binary Tree is a recognized expert in the Lotus Notes to Microsoft email migration niche and is also the software manufacturer of the migration tool used in most Lotus Notes migrations. ITD believes Binary Tree will offer superior processes, tools, expertise, and advice to the County and is a prudent choice for this partnership. The goal is to complete the countywide email migration before June 30, 2016, and avoid spending \$145,000 to renew Lotus Notes licenses.

In addition to mailbox migration support services from Binary Tree's specialists, ITD recommends engaging several other services to prepare the environment and to securely operate and support Office 365 cloud mail services. These services include additional assistance preparing Lotus Notes accounts to synchronize with Microsoft's Active Directory, expanding the use of Azure, Microsoft's cloud hosting services, to implement additional security controls within Office 365, securing technical training for ITD system administrators, and establishing a Microsoft technical support agreement to help resolve technical issues during and after the migration.

It is also recommended to contract ITD project management time to ensure project scope, schedule and budget are maintained for the remainder of the email and calendar migration. Lastly, due to the technical complexity, high-visibility, and mission critical nature of email, as well as the potential financial impacts of delays, project contingency funds are also being requested.

Funding is being requested in the amount of \$217,360, for the following:

#### **Technical Preparation for Email Migration**

1. Directory synchronization services from Binary Tree, in the amount of \$15,000, are requested to efficiently and accurately convert Active Directory account information from Lotus Notes to the Office 365 environment.
2. Microsoft Azure cloud services, in the amount of \$10,000, are requested to host Active Directory Federation Services (ADFS), which extends certain County security controls into the Microsoft cloud environment. The need for these security controls was identified in the Office 365 pilot migration.
3. A Microsoft Premier Support agreement, in the amount of \$16,000, is requested to enhance support of Microsoft Azure cloud services, as well as ADFS, both of which are new to the County and will be mission critical components of the cloud email system.
4. System Administrator training, in the amount of \$15,000, is requested for ITD infrastructure staff members in support of duties related to configuring, securing, and testing Office 365 Countywide.

#### **Email Migration Services – Contract Required**

5. A professional services contract with Binary Tree, in the amount of \$77,875, is requested to migrate over 3000 mailboxes from Lotus Notes to Office 365.

#### **Project Management and Contingency**

6. ITD Project Management, in the amount of \$31,200, is requested to maintain control of project scope, timeline and budget, gather and document requirements, and manage internal deployment communications plan, contracts and relationships with vendors.
7. Project contingency funds, in the amount of \$52,285, which is a thirty percent rate, are requested due to technical complexity, high-visibility, mission critical nature of email, and potential financial impacts of delays.

Ongoing annual costs starting in FY 2016-17, in the amount of \$83,000, include:

1. Renewal of the Microsoft Azure cloud server subscription, in the amount \$18,000, to host Active Directory Federation Services (ADFS), which extends certain County security controls into the Microsoft cloud environment.
2. Renewal of the Microsoft Premier Support agreement, in the amount of \$65,000, for ongoing technical assistance related the County's management of the Microsoft cloud environment.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

This request has been prepared in coordination with the Office 365 Project Steering Committee, made up of the following departments: Health Agency, Sheriff, County Counsel, County Administrative Office, Probation, Public Works, and Child Support Services. County Counsel has reviewed the contract as to form and legal effect.

## **FINANCIAL CONSIDERATIONS**

The County is currently paying for the Microsoft Office 365 subscription licenses. These licenses cannot be fully utilized by County users until the mail migration is complete. Additionally, if the email and calendar migration is not completed by June 30, 2016, the County will be obligated to renew its Lotus Notes software at a cost of \$145,000, which is an annual license that cannot be prorated on a monthly basis.

To complete the countywide email migration, several components are being requested to ensure completion by June 30, 2016.

Summary of funding request for one-time costs to complete the email migration project:

1. Binary Tree - Directory synchronization services	\$15,000
2. Microsoft Azure cloud services through June 2016	\$10,000
3. Microsoft Premier Support agreement through June 2016	\$16,000
4. System Administrator training	\$15,000
5. Binary Tree - Email migration services	\$77,875
6. ITD Project Management time	\$31,200
7. Project contingency fund	\$52,285
Total	\$217,360

Summary of on-going costs as part of the FY 2016-17 requested budget from the Information Technology Department:

1. Renewal of the Microsoft Azure cloud services	\$18,000/year
2. Renewal of the Microsoft Premier Support agreement	\$65,000/year
Total	\$83,000/year

## **RESULTS**

The completion of the Microsoft Office 365 migration will accomplish the following:

1. Replace the existing email system with a modern, fully integrated cloud based system which will provide expanded storage capacity and reduce the need to maintain and upgrade an email system on premises (Microsoft will become responsible for these activities in its datacenters)
2. Increase end user efficiencies through tighter integration with Microsoft Office, familiar Microsoft screens and menus, and greater compatibility with calendaring systems used in the marketplace.
3. Improves the County's business continuity posture in the event of a disaster by reducing the dependency on the County's datacenter for email.

This meets the County's Community-wide results for a Well-Governed Community: "The County will provide high quality "results oriented" services that are responsive to community desires."

## **ATTACHMENTS**

1. Contract and Statement of Work for professional services between County and Binary Tree