CITY OF SACRAMENTO
CALIFORNIA

May 31, 2000

City Council
Sacramento, California

Honorable Members in Session:

APPROVED

JUN 6 - 2000

OFFICE OF THE
CITY CLERK

SUBJECT: **YEAR 2000 (Y2K) FINAL REPORT**

LOCATION: Citywide

RECOMMENDATION:

This report provides a final update on the City's Year 2000 readiness effort and is for information only.

CONTACT PERSON: Sally W. Nagy, Chief Information Officer, 264-8600

FOR THE COUNCIL MEETING OF: June 6, 2000

SUMMARY:

The City successfully prepared for the arrival of the Year 2000. Preventing disruption to City services by Y2K-related failures was a major project of unprecedented magnitude. The project carried a deadline that could not be pushed back even if our work was not complete. Documenting all the City's business processes was a significant task. These challenges were faced by every organization worldwide in proportion to each country's reliance on technology. The fact that so few problems were reported does not mean that the effort was in vain or unnecessary; instead, it is a testimony to the seriousness with which others and we addressed the problem, and to the quality of the work performed. City staff did an excellent job in preparing for the Year 2000 date rollover. This report provides final status information on the City's Year 2000 readiness (Y2K) effort.
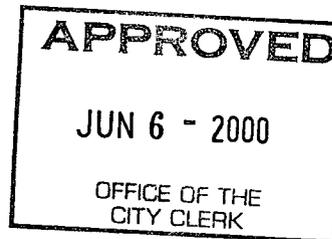
BACKGROUND:

City staff began working on the Year 2000 issue in 1996 when the City Council approved the purchase of new IBM equipment to replace the old mainframe hardware and software. On March 2, 1999, the Council authorized the establishment of a centralized Year 2000 Project Office and the retention of KPMG Peat Marwick, LLP the latter of which was to provide an independent assessment of the City's readiness efforts and project management of the City's Y2K Project Office. On June 22, 1999, the Council authorized a follow-on contract with KPMG for continued project management of the City's Year 2000-readiness effort.

Over the weekend of December 31, 1999 – January 2, 2000, City staff were on alert for any Y2K-related issues. The Emergency Operations Center (EOC) was fully staffed for this purpose. The City experienced no issues requiring major efforts to resolve, nor any causing major impact to the city's operations or services to the citizens.

This report will cover five main areas:

- Overall Y2K Impact
- Emergency Planning
- Public Outreach
- Documentation Requirements
- Staff Recognition

Overall Y2K Impact

As part of the Y2K assessment and remediation effort, all the city's business processes were identified and prioritized. The critical and essential business process subsets were used as a starting point to develop a comprehensive checklist of both facilities and systems. These checklists covered all business processes, not just the critical and essential. Teams were formed in every department to perform testing and monitoring for the century "rollover" weekend of December 31, 1999 – January 2, 2000. A Citywide reporting process was put into place to rapidly inform the City Manager of any problems or disruptions.

The testing and monitoring efforts were successful. Out of 1,837 items checked as of 5:30 p.m. on January 3, only three minor problems were reported. An additional 51 items on the list were checked subsequent to January 3. Approximately 20 problems overall resulted from Y2K, and without exception they were minor, single, isolated incidents which were quickly remedied. For example, on the first payroll of the new year the Missing Time Sheets Report contained bad data due to a Y2K date problem. This report is critical to the time sheet editing process. Programming staff fixed the report immediately after it was discovered, and the payroll processing continued normally.

If the quality of the remediation and monitoring effort had been lower, we might have been faced with multiple failures simultaneously which would have made management and correction of the problems significantly more difficult.

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There are two cases of minor Y2K-related problems that are still outstanding. Phone systems at the Solid Waste and Revenue Divisions produce management reports with erroneous dates. This problem was known well in advance, and both divisions developed a workaround. The system at both locations will be replaced in the near future.

Emergency Planning

The Y2K EOC was activated on December 31, 1999. Activities were scaled back at 3:00 a.m. on January 1, 2000. Shutdown occurred at 6:00 p.m. on January 3.

From an emergency response perspective we encountered a relatively quiet evening. The City and County activated a number of their Departmental Operation Centers as well as the joint Emergency Operation Center. We readied the La Sierra Community Center as the joint Emergency Operations Center for the millennium changeover activation.

On January 31, 2000, the City and County as well as the outside agencies participating in the EOC activation held an after-action meeting to evaluate the Emergency Operation. The primary topic of discussion was the City and County's use of facilities not intended for use as EOCs. Numerous issues were discussed in a series of meetings resulting in the City and County staff currently working to develop some short-term fixes and long-term recommendations.

Public Information and Outreach

A six-month Public Involvement Plan was implemented, which underscored the importance of effective public awareness and understanding relative to the City's efforts in preparing for the Y2K challenge. Targeted messages were: inform the public what to do, position the City as "ready," and mitigate panic and fear. Noteworthy achievements included:

- 3,300 City residents accessed the Y2K Hotline (444-2Y2K)
- Over 20,000 Y2K Preparation Guides were distributed through customer service counters, public meetings, service organizations, and church groups
- The City's Y2K Internet Web Page, www.cityofsacramento.org/y2k, received 6,000 hits
- Three Y2K utility bill inserts were distributed
- *"Ask the Bug"* video was produced and aired

The outreach program seemed to be effective in combating public anxiety. National television news reports from around the world aided us in maintaining a calm and positive atmosphere due to their upbeat reporting of the festivities and lack of problems as the date rolled over.

Documentation Requirements

City staff spent a great deal of time documenting critical and essential processes and remediating potential Y2K problems. It is very important to retain a trail of documentation of the actions

taken. The City Attorney and City Clerk have provided direction to staff with respect to record retention policies and procedures, which all departments need to follow.

Staff Recognition

The success of the Y2K effort was due to the hard work and dedication of staff. Effective teamwork both within each department and at a Citywide level was a major factor. Today 327 people who were significantly involved in ensuring the City's Y2K readiness are being formally recognized for their contribution. However, there were many other City employees who were involved in some way in Y2K preparations whose hard work made possible the success of the project.

FINANCIAL CONSIDERATIONS:

No additional funding is being requested at this time.

ENVIRONMENTAL CONSIDERATIONS:

Ongoing administrative and maintenance activities, which are not made for purposes of a public works construction project, do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Sections 15061(b)(1), 15378(b)(3).
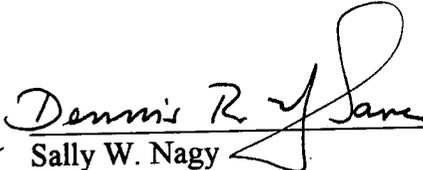
POLICY CONSIDERATIONS:

Addressing the Year 2000 problem for the City was critical to continued operations and services to the community in the Year 2000 and consistent with the City Council's direction.

ESBD

Not applicable as no goods or services are being requested.

Respectfully submitted,

Sally W. Nagy
Chief Information Officer

RECOMMENDATION APPROVED:

Robert P. Thomas
City Manager