

4.3

DEPARTMENT OF
ADMINISTRATIVE SERVICES

SALLY W. NAGY
CHIEF INFORMATION OFFICER

CITY OF SACRAMENTO
CALIFORNIA

1000 I STREET
SUITE 120
SACRAMENTO, CA
95814-2601

PH 916-264-8600
FAX 916-264-5087

August 25, 1999

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: UPDATE ON THE CITY'S YEAR 2000 READINESS (Y2K) EFFORT

LOCATION: Citywide

RECOMMENDATION:

This report provides an update on the status of the City's Year 2000 readiness and is for information only.

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

FOR THE COUNCIL MEETING OF: August 31, 1999

SUMMARY:

The City has made great progress in preparing for the year 2000. This report provides status information on the City's Year 2000 Readiness (Y2K) effort.

BACKGROUND:

City staff have been working on the Year 2000 issue since 1996 when the City Council approved the purchase of a new IBM enterprise server and operating system software 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 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.

This report will cover four main areas:

- Current Status of Remediation Efforts
- Emergency Planning
- Public Information and Outreach Plan
- Next Steps

Current Status of Remediation Efforts

Mainframe Systems: Staff are in the final stage of mainframe applications testing. This testing, which simulates the remainder of 1999 and half of 2000, began in April for most mainframe applications. These include the City's Financial, Human Resource, Utility Billing, Pension, Business Tax and Parcel systems as well as a number of smaller applications. To-date, all applications have successfully passed tests through February 29, 2000. Testing will continue through mid-September to ensure all applications can successfully process dates and data through June 30, 2000.

Microcomputers: Staff continues to identify, test and either fix or replace mission-critical non-compliant PCs. Progress continues.

Networks: In December 1998, the Council authorized the Technology Division of Administrative Services Department to proceed with an analysis of the City's networks in order to improve network reliability and stability. This analysis resulted in a recommendation for improvements which, when implemented, will also satisfy network-related year 2000 compliance requirements. Staff is currently finalizing the detailed plan that will result in long-term performance improvements. In the meantime, implementation of the year 2000 required work has begun with completion scheduled for October.

Embedded Chips: Departments have made significant progress in both the identification and correction of potential embedded chip problems. Most systems have already been tested, fixed and/or replaced. The most significant non-compliance issue is the Police 9-1-1-phone system. This system is in the midst of being upgraded to a compliant

version. The first part of the upgrade was completed on August 17, 1999 in preparation for a statewide test of the 9-1-1 system scheduled for late September. The remainder of the upgrade will be completed shortly after the test.

Emergency Planning

The City and County are continuing preparations for a joint Emergency Operations Center to address year 2000 issues. As you may recall from the Fire Chief's July 20, 1999 report, the primary focus of this joint effort is to anticipate and respond to the human needs of Y2K problems; including those not necessarily caused by computer system failures. These include extraordinary year-end celebrations, demonstrations, heightened fear and uncertainty, and the potential for weather-related emergencies that occur at this time of the year. A joint readiness exercise will be conducted on November 19, 1999.

The City has completed an analysis of the City's emergency power needs in the event of power failures. The Y2K Team Leads have met with SMUD who has assured us that even under their worst case scenario they do not expect any power failures to last longer than twenty-four hours. SMUD reported to staff that they do not at this point expect Y2K failures to have any greater probability of occurrence than any other typical cause of power outage. City generators have been inventoried, fuel requirements have been identified and an action plan developed.

Public Information and Outreach

The City's Y2K Public Education Plan, designed to educate the community and employees on how to prepare for the Y2K challenge, continues to be an integral part of the Year 2000 Readiness. Since July 1, 1999, when the Plan was officially announced to City customers, a significant number of achievements have occurred:

- 2,500 City residents accessed the Y2K Hotline (444-2Y2K)
- Over 10,000 Y2K Preparation Guides have been distributed through customer service counters, public meetings, service organizations, church groups, crime prevention programs and employee safety meetings
- Generous media coverage appeared in print, both daily and monthly publications, news radio stations and multiple television stations

- the City's Y2K Internet Web Page, www.sacto.org/y2k/ received 1,181 hits during the month of July

Working in conjunction with the President's Council on Year 2000 Conversion, the City will produce "*Ask the Bug*", an educational series that bring citizens together, asking questions of concern to local government and private agencies to discuss the Year 2000 readiness of our community. An independent facilitator will work in conjunction with staff to produce a 30-minute program that will be marketed to commercial and cable stations for broadcast. In addition, "*Ask the Bug*" will also be web-casting the series, which means it can be viewed on the City's Web-site. An 8-minute version will also be available and used for neighborhood meetings, service organization presentations and employee safety meetings. Completion of "*Ask the Bug*" is scheduled for early October.

Next Steps

Substantial progress has been made and, overall, the City is well positioned for the turn of the century. The focus for the remainder of 1999 continues to be to finish the work in process, reevaluate and test what's been done, identify any remaining problem areas that haven't been addressed and develop contingency plans to deal with possible Y2K failures both by City systems and those outside our control.

- We will continue participation on the City/County Year 2000 Task Force to jointly plan and execute Public Safety Year 2000 contingency efforts.
- Departmental contingency plans will be tested.
- A comprehensive assessment of City-wide Y2K preparedness for essential and critical business processes will be conducted in late September/early October.
- We will move forward with the public information and outreach campaign.
- Staff will provide regular updates to the Mayor and Council for the duration of this 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).

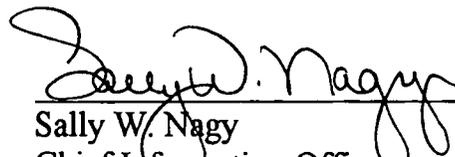
POLICY CONSIDERATIONS:

Addressing the Year 2000 problem for the City is 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

Exhibits:

A-1 Year 2000 Readiness Update Presentation Slides



City of Sacramento

Year 2000 Readiness Update August 31, 1999



Summary

- The City is progressing well in preparing for the year 2000
- Since our last briefing, additional progress has been made
- At this time, we expect no serious oversights

7



Today's report will cover

- Current status of readiness efforts
- What you can expect on January 1, 2000
- Public Information and Outreach Plan
- KPMG's Y2K Assessment Report
- Next steps

Current Status - Mainframe Systems



- All major applications successfully tested through March 1, 2000:
 - Financial, Human Resource, Utility Billing, Pension, Business Tax, Parcel, etc.
- Testing to continue until mid-September to ensure compliance through July 2000

Current Status - PCs/Networks



- Staff continue to identify, test and either fix or replace non-compliant PCs
- Network upgrades scheduled to be complete in early October

Current Status - Embedded Chips



- Progress continues with most systems assessed and deemed compliant

- 9-1-1 Phone System
 - 1st piece of upgrade successfully completed August 17, 1999
 - Statewide test to be conducted in September
 - Remaining upgrade to follow statewide test

Current Status - Emergency Planning



- Back up power evaluation and action plan for all City generators is complete
 - SMUD credible worst case scenario anticipates no Y2K-caused service interruptions
 - No additional generators needed for City
 - Current fuel supplies are adequate

- Joint EOC exercise planned for November 19, 1999

What You Can Expect for the Remainder of This Year



- Many staff dedicated to Y2K preparedness
- Some projects may slip as staff and resources are reassigned to Y2K

What You Can Expect on January 1, 2000



-
- Essential City services will function
 - Not all systems will be perfect
 - There may be some inconveniences as non-critical systems may not be fully fixed
 - Backup plans will be in place
 - Staff will be prepared

Public Information & Outreach



- City's Y2K Web Site - 1,181 hits in July
- Participation in KFBK's Y2K Preparedness Guide
- Y2K hotline set up - 2500 calls through August 25th
- Information brochure - 10,000 distributed to-date
- Utility bill inserts
- City press conference on July 20th
- Participation in the White House's "Y2K Community Conversation" planned for August - *Ask the Bug* series due out in October

City-wide Y2K assessment as of July 1999



	Actual					Estimated*	
	March	April	May	June	July	August	October
Inventory	▽	●	●	●	●	●	●
Assessment	▽	▽	●	●	●	●	●
Remediation/Replacement	◆	◆	▽	▽	▽	●	●
Business Continuity Plan	◆	◆	◆	▽	▽	●	●
Awareness	▽	●	●	●	●	●	●
Work Plan Management	◆	◆	▽	●	●	●	●
Documentation	◆	▽	▽	▽	▽	●	●

* Note: August and October ratings are based on departmental forecasts of their expected ratings on August 31, 1999 and October 31, 1999.

- Green - Area is on schedule to be satisfactorily completed prior to Year 2000.
- ▽ Yellow - Area not in jeopardy, but there are concerns that need to be monitored by management.
- ◆ Red - Warrants immediate attention.
- Blue - All efforts in an area complete or not addressed by Y2K program assessment.



16



Key Points

- City departments continue to improve
- Since June 22 report to Mayor/Council, all red ratings have been addressed
- Areas still focused on addressing
 - Remediation
 - Testing of continuity plans
 - Organization of documentation



Next Steps

- Finish work in process
 - Testing contingency plans for all City departments
 - Test 911 systems
 - Complete building security compliance assessment

- Develop a staffing plan for the period December 29, 1999 through January 3, 2000 to ensure sufficient Y2K staffing availability for non-EOC activities

- Perform comprehensive assessment of City-wide Y2K preparedness for essential and critical business processes during September/October

- Continue roll-out of Public Information Plan