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DEPARTMENT OF
ADMINISTRATIVE SERVICES

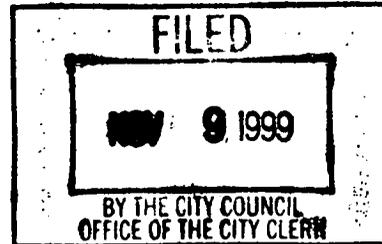
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November 3, 1999



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

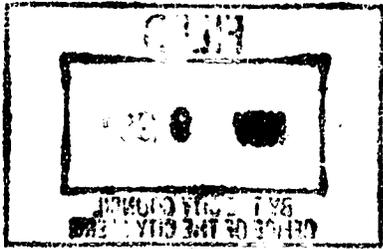
FOR THE COUNCIL MEETING OF: November 9, 1999

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
- KPMG Detailed Assessment Report – Dated November 3, 1999

Current Status of Remediation Efforts

Mainframe Systems: Staff have completed mainframe applications testing for the City's Financial, Human Resource, Utility Billing, Pension, Business Tax and Parcel systems as well as many smaller applications. These applications are now in "frozen" status where they will remain until after the first of the year.

Microcomputers: Staff continues to identify, test and either fix or replace mission-critical non-compliant PCs. Progress continues. No major disruptions are anticipated.

Networks: The City's Wide Area Network is in the final stages of Y2K remediation. Critical and essential remote sites are currently compliant. Remaining remote sites are due to be compliant by the end of the year.

Embedded Chips: Departments have made significant progress in both the identification and correction of potential embedded chip problems. The most significant non-compliance issue was the Police 9-1-1-phone system, which required a two-step upgrade. The first part of the upgrade was completed on August 17, 1999 in preparation for a statewide test of the 9-1-1 system, which was conducted in late September. Having successfully passed that milestone, the second part of the upgrade will be completed by November 15, 1999. Staff is confident that the 9-1-1 system will function correctly in the Year 2000.

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 is planned for November 19, 1999.

Public Information and Outreach

The City's Y2K public education plan continues to be a vital tool for effectively gauging the public's awareness and understanding of the City's efforts to prepare for the Y2K challenge. Recent key actions taken include:

- 2,771 City residents have accessed the Y2K Hotline (444-2Y2K) since its activation in July.
- 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.
- The City's Y2K Internet Web Page, www.sacto.org/y2k has received 4,090 hits to date.
- The Public Information and Outreach Business Continuity Plan has been developed and tested.
- The second Y2K utility bill insert was distributed in October.
- The City Manager distributed a Y2K Fact Sheet to City employee October 19, 1999.

"ASK THE BUG" videotaping began with City staff, PG&E, SMUD, Sutter Hospitals, and the American Red Cross the week of October 25, 1999. Community representatives are scheduled to begin videotaping the week of November 8, 1999. The "ASK THE BUG" 30-minute segment and an 8-minute summary are slated for viewing

December 1, 1999. Commitments to broadcast the educational series have been made by Channels 6, 10, 13, and Sacramento Cable. "ASK THE BUG" will also be available on the City's web-site.

Next Steps

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 has been done, and identify any remaining problem areas that have not been addressed.

- A joint City/County emergency preparedness exercise will be conducted on November 19, 1999.
- Training on critical departmental contingency plans will be conducted.
- Integration of business continuity plans across the City will be completed.
- We will move forward with the public information and outreach campaign.
- Staff will continue regular updates to the Mayor and Council for the duration of this project.

KPMG Detailed Assessment Report

In late September/early October, KPMG conducted a comprehensive assessment of the City's readiness based primarily on documentation of actions taken, and review of continuity and contingency plans. While there is still much work remaining, KPMG's overall assessment is that the City is in good shape relative to Y2K preparation. Although all areas received either a blue (complete) or green (on schedule) rating, we cannot slow our efforts. The KPMG Assessment Report is attached for your review.

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).

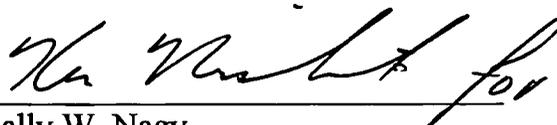
POLICY CONSIDERATIONS:

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 KPMG Detailed Assessment Report