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DEPARTMENT OF
ADMINISTRATIVE SERVICES

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December 9, 1999

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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: December 14, 1999

SUMMARY:

The City has prepared for the arrival of 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
- Final Preparation

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 Y2K remediation effort is complete. Critical and essential remote sites are currently compliant. Remaining remote sites are due to be compliant by the end of the year.

Embedded Chips: Staff have tested and/or received certification for all critical and essential systems known to contain embedded chips. There is one known problem. The Off-Street Parking system is not compliant and is due to be replaced. However, this will not occur prior to year-end. In the meantime, the system is being patched and contingency plans have been developed for operation should these patches not prove successful. Therefore, staff are not expecting any significant disruptions to occur.

Emergency Planning

The City and County are continuing preparations for a joint Emergency Operations Center to address Year 2000 issues. 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. For the first time, the EOC will have a networked computer system. Staff will be able to access not only each other in the EOC but also communicate with the Operations Centers, other City offices and outside entities.

A joint readiness exercise was conducted on November 19, 1999. Over 225 individuals participated. Participants included the joint City/County EOC, the Fire Operation Center, Public Works Operation Center, Utilities Operation Center and the Administrative Services Operation Center as well as a number of County Operation Centers. Outside agencies included SMUD, UCD Police, Folsom Police, the FBI, the CHP, State OES, OES Law Enforcement, and the National Guard. The exercise revolved primarily around response-related issues. The exercise scenario was considered realistic and departmental responses were very successful. We are currently in the process of preparing the materials and facility for the actual activation. This includes enhancements resulting from suggestions made during the November exercise.

Public Information and Outreach

A six-month Public Involvement Plan, which underscored the importance of effective public awareness and understanding relative to the City's efforts in preparing for the Y2K challenge, is nearing completion. A multi-faceted community outreach plan was implemented utilizing a number of tactics, to achieve our targeted messages: inform the public what to do, position the City as "ready", and mitigate panic and fear. Noteworthy achievements include:

- 3,072 City residents have accessed the Y2K Hotline (444-2Y2K) since its activation in July.
- Over 12,000 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.cityofsacramento.org/y2k, has received 5,016 hits to date.
- The third Y2K utility bill insert is being distributed in the December utility bill.
- The "ASK THE BUG" 30-minute video segment and an 8-minute summary are available on local broadcast stations and Access Sacramento. It is also available via the City's web-site.

Final Preparation

Overall, as KPMG stated in its November 4, 1999 "Year 2000 (Y2K) Detailed Independent Assessment Final Report", the City is on schedule for completion of its Y2K readiness by the New Year. Critical and essential business processes have been tested and/or certified and continuity plans developed. The focus for the remainder of 1999 is to finish the work in progress including non-critical/essential business processes, reevaluate and test what has been done, and identify any remaining problem areas that have not been addressed. There is also a focus on finalization of the early detection measures to be used for status reporting.

- A joint City/County EOC will be activated on December 31, 1999.
- Training on critical departmental contingency plans will be completed.
- Training on early detection measure reporting will be conducted.
- We will continue the public information and outreach campaign.

Finally, staff are preparing status reporting formats to ensure timely and accurate updates to the Mayor and Council for the duration of this event.

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).

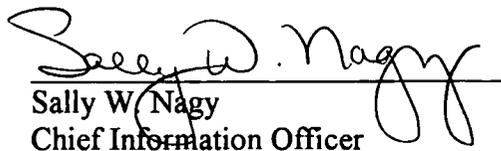
POLICY CONSIDERATIONS:

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