



COUNTY OF SAN DIEGO

AGENDA ITEM

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DATE: March 24, 2026

XX

TO: Board of Supervisors

SUBJECT

**PROVIDING DIRECTION ON THE FUTURE OF COUNTY TECHNOLOGY
(DISTRICTS: ALL)**

OVERVIEW

On April 8, 2025 (18), the San Diego County Board of Supervisors (Board) directed the Chief Administrative Officer (CAO) to take action regarding the use of Information Technology (IT) by the County of San Diego (County). On November 4, 2025 (17) staff presented on the information technology assessment performed by an independent third party to the Board. The Board directed the CAO to collect additional information and provide a recommendation for the new information technology and telecommunications (IT&T) contract construct in March 2026.

On November 19, 2025, the County released a request for information through the Department of Purchasing and Contracting for the vendor community to respond and provide input. The County Technology Office gathered additional information from community engagement, employee surveys, employee outreach, labor relations, and lessons learned activities, and will continue its good faith efforts with key stakeholders. These efforts will be incorporated into an overall strategy in the coming years. With this information, the CAO is requesting approval of the new structure for the IT&T contract approach to allow staff to create and issue a competitive procurement.

The new IT&T contract will ensure IT solutions directly support organizational strategy, operational efficiency, and growth. It will provide stable and secure operations, continuous improvement, innovation and modernization, and cost optimization. The current projects and preparations the Board has already directed, such as the Enterprise Resource Planning modernization, approved on November 18, 2025 (25), completion of the Integrated Property Tax System to minimize mainframe use, data center consolidation to minimize transition costs, IT efficiency efforts, along with many other initiatives has positioned the County to deliver a future-ready IT service model that drives transparency, agility, and innovation, empowering the organization through cost-efficient solutions, modern technology, optimized services, and robust governance for sustained strategic value.

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RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Approve the proposed changes to the contract duration, network infrastructure and applications framework structures for the new Information Technology & Telecommunications contract.
2. Authorize the Director, Department of Purchasing and Contracting to issue a competitive solicitation or solicitations for a new Information Technology Services Provider and Data Network Services Provider, by (1) identifying qualified vendors through a Request for Statement of Qualifications process, and thereafter (2) issuing one or more Requests for Proposals to those potential prime contractors found to be qualified. Upon successful negotiations and determination of fair and reasonable price, the Chief Administrative Officer will return to the Board of Supervisors with recommendations on award of contract(s) for the provisions of technology services.

EQUITY IMPACT STATEMENT

Information Technology and Telecommunications (IT&T) services are used extensively by County of San Diego (County) departments to provide efficient and effective service delivery to the public. As a result, Information Technology (IT) services and software do have the potential to either mitigate or exacerbate existing inequities. By adhering to the already established safeguards, including the Chief Administrative Officer Administrative Manual Items 0400-01 related to County Information Systems-Management and Use, 0400-02 Internet Use, 0400-03 Computer Accounts Management and Use, and 0400-11 County Information Classification, Protection Level and Proper Security, the risk of exacerbating existing inequities can be mitigated. Meanwhile, the use of IT can increase the effectiveness of County employees and programs that provide services to our community's most vulnerable residents.

In addition, responses to the County's recent request for information on IT&T clearly indicate that major vendors in the industry marketplace have developed mature and measurable programs to promote small and local business participation. These programs will be leveraged in the future to promote a resilient economy in the County.

SUSTAINABILITY IMPACT STATEMENT

By utilizing information technology (IT) in operations, the County of San Diego (County) can enhance efficiency and reduce environmental impact through optimized resource allocation. The automation provided by IT applications and data analytics can improve sustainability initiatives such as energy management in County buildings and providing County services online rather than in person. Additionally, responsible IT governance ensures that existing and emerging technologies align with ethical and environmental best practices.

FISCAL IMPACT

Costs and revenue of \$1,395,000 were included in the FY 2025-26 Operational Plan in the County Technology Office to support the planning and execution of the procurement of the new Information Technology & Telecommunications (IT&T) contract based on existing General Purpose Revenue. There will be no net change to General Fund and no new staff years.

There will be future one-time costs estimated at \$16,000,000 in FY 2027-28 for the transition to the new IT&T contract. Additionally, it is anticipated that there will be changes to fees for IT&T

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services that will take effect in the middle of FY 2027-28 as transition starts January 2028 that will not be known until a new vendor is selected. The current average annual contract spend on fees and services through the IT outsourcing contract is approximately \$208 million per contract year. Amounts for the IT&T fees and services will be included in future operational plans.

BUSINESS IMPACT STATEMENT

The proposed recommendations regarding the future of Information Technology & Telecommunications services will position the County of San Diego (County) to take the next steps in the procurement process to maintain the continuity of County operations and service delivery while providing opportunities to enhance the capabilities of departments to innovate and reengineer business processes.

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

The County of San Diego (County) has outsourced its information technology and telecommunications services (IT&T) to commercial providers since 1999, earning national recognition in the ensuing years for innovative and effective delivery of technology services in support of the County's business operations. Through that initial outsourcing agreement, the County transformed and consolidated a fragmented and broken technology environment into one that is integrated, secure, and stable. In 2005, the County returned to the market to secure a new agreement, one that would build upon those gains and provide the means to accelerate the adoption of new technologies to innovate and improve both internal business processes and service delivery to the public. In 2016, County staff returned to the San Diego County Board of Supervisors (Board) to secure the next agreement that included continuous improvement and innovation to the stable operational environment. The current agreement is set to expire on December 31, 2028.

To prepare for the end of the current contract, the Board established an ad hoc subcommittee on transformative technologies and artificial intelligence on June 4, 2024 (13) to provide input on the current and future IT&T services. On November 4, 2025 (17), the County presented results of an independent third-party assessment on the current state of County information technology (IT). Subsequently, the County performed additional information gathering by completing a Request for Information on January 9, 2025, community engagement, employee survey, employee outreach, labor relations, and collection of lessons learned over the term of the current contract.

With this collection of data, the County is recommending several changes to the structure of the new contract. There are two significant changes that are the result of the feedback and information collected, which apply to the network and applications frameworks.

To achieve competitive pricing and maintain operational efficiency, County staff proposes separating the current IT&T agreement into two independent agreements: one for IT services and another for network services. By separating the network services agreement from the broader IT services agreement, the County will be better positioned to secure competitive pricing and keep pace with rapidly evolving networking technologies. The IT services provider would continue to oversee and manage the network services provider to maintain singular accountability and ensure

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end-to-end service delivery. Under this structure, the network services agreement would encompass architecture, design, implementation, automation, and key components such as managed network services, wired and wireless connectivity, zero trust security, firewalls, intrusion detection and prevention systems, and network access controls. This approach offers flexibility in selecting providers while maintaining integration with the information technology agreement. While this structure introduces complexities such as managing multiple contracts, coordinating services, and mitigating potential security gaps, these risks can be addressed through strong governance and clear communication protocols.

County staff also proposes a new Application Services model designed to increase competition, streamline procurement, facilitate more local and small vendor participation, and enhance service continuity. For this approach, new application requests will be routed through the Department of Purchasing and Contracting or a multisource integrator (MSI) to ensure competitive pricing and access to specialized expertise. The IT Services Provider will operate the MSI as an independent function, enabling the IT Provider to compete for project work while maintaining clear segregation of duties. Once projects are deployed into production, the IT Services Provider will manage operational support and maintenance, ensuring seamless service delivery across the service desk, asset management, integrations, and County experience. This structure promotes competition, efficiency, accountability, and improved outcomes for County operations while promoting more local and small vendor participation.

The County also identified a recommendation to change the contract duration. In the past, the County had a five-year contract, then a seven-year contract with a five-year extension. Staff recommend the new contract term as a six-year contract with two extensions of four years and two years, resulting in a minimum of six and a maximum of twelve years. This change shortens the main contract term to allow for any adjustments that need to be made earlier than a seven-year term. This also has two extensions instead of one to allow changes as needed or decision points for the County to decide course of action.

The County has conducted extensive planning and analysis regarding the sourcing strategy for the upcoming competitive procurement as the current IT outsourcing agreement nears its end. In addition to outreach and collaboration with internal and external stakeholders, staff is recommending changes as discussed above regarding contract duration, network and application frameworks. This change has the potential to improve competitive pricing, competition, local and small business participation, vendors with successful track records of success at local, state, and national levels, among just a few of the potential benefits. The request is to approve the recommended changes and allow the staff to draft the request for proposals package, publish the package for evaluation, then return for request to award.

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LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's action aligns with the County of San Diego (County) 2026-2031 Strategic Plan initiative of Empower (Transparency) by enhancing transparency, improving digital governance, and ensuring that contractual agreements are in place to support the missions of County departments to provide an excellent customer experience to the public. Additionally, by prioritizing Information Technology services as a key component of the County's service delivery model, the County can make strategic and sustainable technology investments while continuing to foster an inclusive, innovative, and forward-thinking environment for all residents and businesses.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ebony N. Shelton', written in a cursive style.

EBONY N. SHELTON
Chief Administrative Officer