



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

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Fifth District

DATE: November 4, 2025

17

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). Specifically, the CAO was directed to outline the next steps for the new County Information Technology & Telecommunications (IT&T) contract expected to begin in 2028 by engaging and informing the Board and members of the public about a fair and competitive process for the selection of the next IT&T prime vendor(s). This includes assessing whether the current IT&T contract aligns with best practices in areas such as customer service, employee support, cost efficiency, risk management, liability, innovation, competition, security, and provider structure, including the use of single or multi-source providers, and identifying opportunities for improvement in future contracts.

To accomplish this, the Board directed the CAO to hire a consultant to conduct an independent Countywide assessment of IT and telecommunications needs, including an audit of active technology solutions across departments, and return to the Board with an update.

Today's item provides a summary of the results provided by Avasant Inc. (Avasant), the independent consultant that conducted the assessment of the County's IT&T services. This summary includes a current assessment of the IT network and computing services, business applications, contract service levels, and recommendations that can be used to improve the provision of IT services in future vendor contracts.

In addition, the Board directed the CAO to implement an innovation fund strategy to best leverage \$1.0 million in annual Innovation Fund resources, engage Board offices, and County Departments. This direction included conducting a semi-annual report to the Board on the County's innovation strategies, including the Innovation Fund, with input from the community, the Board, and County staff and providing an annual report on the foregoing activities. The first annual report will be presented to the Board after the innovation fund strategy has been implemented this fiscal year.

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The Board also directed the CAO to explore funding mechanisms, including state and federal grants, to support Artificial Intelligence innovation and technology upgrades while ensuring alignment with sustainability goals.

Today's action requests the Board to direct the CAO to initiate a Request for Information to gather vendor and service options, return in March 2026 with recommendations for next steps to improve County IT&T services, and receive the Avasant independent assessment report.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Direct the Chief Administrative Officer to take the first step in the County procurement process to conduct a Request for Information to inform the County of vendor information, interested parties, and available options to meet the requirements of County enterprise and departments.
2. Direct the Chief Administrative Officer to return to the Board in March 2026 to provide recommendations on next steps for the procurement and improvements of information technology services for the County.
3. Receive the report of the Avasant independent assessment.

EQUITY IMPACT STATEMENT

Information Technology and Telecommunications (IT&T) services are used extensively by County departments to provide efficient and effective service delivery to the public, but Information Technology (IT) services and/or 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.

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

There is no fiscal impact associated with this request. There will be no change in net General Fund cost and no additional staff years. There may be fiscal impacts associated with future related

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recommendations, which staff would return to the Board of Supervisors for consideration and approval.

BUSINESS IMPACT STATEMENT

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

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

On April 8, 2025 (18) the San Diego County Board of Supervisors (Board) directed the Chief Administrative Officer (CAO) to hire a consultant to perform an independent audit and assessment of the County of San Diego's (County) Information Technology and Telecommunications (IT&T services). In June 2025, the County awarded, through a competitive procurement, an agreement to Avasant Inc. (Avasant). Avasant used peer groups in public and private sector of similar size and complexity to determine if the County is in alignment with best practices and industry standards. In the four areas where the assessment was focused, the County was found to be within the peer group standards. The assessment covers areas of the technology solutions the County deploys and how current the overall information technology (IT) infrastructure is in its lifecycle. Avasant found that the County's adoption of innovative cloud technologies to modernize infrastructure and business applications, as well as its support for modern zero-trust security services, is aligned with its peer group. The assessment also presents opportunities for the County to renew its service delivery by considering strategic tools and approaches for managing risk and gaining efficiencies and setting clearer governance and expectations. From a contract terms and conditions perspective, the assessment indicated the County is currently operating under a contract that, in some respects, requires revisions to reflect contemporary standards in service delivery and contractual obligations. In addition, some service delivery requirements limit flexibility in a rapidly advancing environment, some pricing structures can be refreshed, and agreement terms can be enhanced to align with evolving technology standards.

IT Assessment Findings and Recommendations

IT&T Technology Solutions were evaluated by Avasant and were rated overall as Moderate/Strong alignment to best practices and peer group in commercial and public sector of similar size and scope. This alignment methodology is based on the consistency and effectiveness of adopting common solution best practices seen consistently in current IT services provided in peer groups.

In the assessment, the County demonstrated strong alignment in the areas of cloud infrastructure, endpoint device protection, and identity management. Significant progress has been made in cloud adoption. The County's environment was found to be highly virtualized, and is actively migrating workloads from on-premise to cloud. According to Avasant, this aligns with the broader public

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sector trend toward cloud-first strategies, especially for scalability and disaster recovery. Endpoint protection is comprehensive on all County devices providing real-time protection and data loss prevention. The County was also found to be well-aligned in supporting secure access to services with solutions enabled for single sign-on, zero-trust features, and multi-factor authentication.

Avasant identified an opportunity to enhance service desk delivery and applications development as well as maintenance and operations utilizing more proactive services and expanding automation using intelligent tools for monitoring, testing, agile adoption, and analytics. Fully leveraging the digital employee experience can also improve user satisfaction and reduce support demand.

Avasant evaluated the County's IT Currency to be overall Strong/Full currency alignment. This alignment methodology assesses how well an organization maintains its IT assets hardware, software, and infrastructure by ensuring they remain under current vendor support and warranty and refreshed consistently to remain aligned with industry-standard refresh practices across public and private sectors.

Avasant's assessment found that the County's devices in the data center, network, and end-user environments demonstrate strong lifecycle discipline with 96% of hardware being current. Contractual refresh periods, automated patching and vulnerability management are strongly aligned with industry best practices.

Avasant did identify an opportunity to enhance some legacy systems that are nearing end-of-life and to replace a minor percentage of devices under the refresh cycle. The County can also benefit from automated refresh tracking and persona-based provisioning to streamline service delivery for users.

Avasant's evaluation of Pricing and Value found the County to be within the peer group range overall. The alignment methodology assesses how the County's operational IT expenditures (based on FY 2023–24 financial data, excluding the Sheriff and District Attorney) compare to peer group benchmarks across the operational framework. Benchmark data from city/county governments, the broader government sector, and large organizations were analyzed to provide a comprehensive view of the County's position. The County aligns most closely with the large organization peer group, which represents the most relevant benchmark given its IT scale, complexity, and spending levels.

The metrics on the County's total IT expenditures, the IT operational spending as a percentage of revenue/budget, the IT capital budget as a percentage of total IT budget, and the IT operational spending per user indicate typical alignment within its peer group range. This suggests a balanced investment approach appropriate for the County's size and complexity. The metric on the County's Outsourcing as a percentage of IT Budget significantly differs from its peer group and should be reviewed to ensure it delivers proportional value and outcomes. The IT outsourcing agreement labor rates were assessed against comparable roles in application development industry. The analysis suggests that some of the roles are priced higher than the benchmark for an equivalent level of experience and regional salary band. End User and Service Desk costs are slightly below

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all peer benchmarks, indicating favorable pricing performance. This position suggests an opportunity for the County to explore additional investments in automation to achieve further efficiencies and cost savings.

The assessment highlighted that the County has an opportunity for cost savings in Network, which is above all peer benchmarks. Lastly, the County has an opportunity to develop a more transparent pricing model that would make it easier to analyze the true value of services.

The IT&T Agreement was evaluated by Avasant for general representation alignment which is the methodology based on how clearly and effectively the contract represents key service expectations, governance structures, and accountability mechanisms as seen in public and private sector IT contracts.

According to Avasant, the County's contract language on how IT&T services are described, structured, and governed is aligned to a stable foundation for consistent delivery across critical areas. Avasant found the County IT&T contract to be high-performing with limits in flexibility.

While the analysis suggests that most best practices elements are present in the contract, there are opportunities to enhance provisions to improve transparency, enforceability or alignment with evolving industry standards of based on public and private sector organizations with similar size and scope. This can be applied to service areas such as Customer Service as it relates to Service Level vendor accountability; Cost Efficiency to enhance value with tiered pricing and mechanisms to share automation savings; Security which may benefit as its own framework; Disaster Recovery terminology that can be more consistent; and Innovation that can improve stakeholder engagement and key metrics for value realization. While general risk and liability includes some elements of best practices, there is an opportunity to improve articulation in several provisions to better support governance and performance management.

Avasant's sourcing strategy recommendation notes that the County's current single-source IT model, relying on one primary vendor, is capable of delivering most IT&T services. However, adopting a multi-vendor approach could foster competition and improve cost efficiency. While fully in-sourcing services may be cost-prohibitive, the County could evaluate each operational framework to determine whether a phased transition is feasible. This would allow the County to introduce greater flexibility without disrupting core operations.

Main areas that could benefit from multi-sourcing are in Application Development where the County could introduce a secondary vendor on a pre-negotiated rate card basis to improve pricing and responsiveness and Networking, where an independent framework could drive clarity, flexibility, and cost improvements.

Customer Satisfaction

The County Technology Office (CTO) has an independent consultant conduct an annual IT customer satisfaction survey that provides invaluable feedback in helping us to understand the strengths of IT service delivery in the County and identify areas for improvement. The 2025

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survey, conducted over 3 weeks in June, included responses from 2,166 employees which also provided 2,178 written comments in addition to the standard questions. The survey covers all aspects of IT including the service desk, the quality of business applications, hardware and software quality, and remote work capabilities. The overall satisfaction score was 4.4 out of 5.0, the highest score received in the 17 consecutive years of conducting the survey which keeps the County "Best-in-Class" performing in the top 10% of a Gartner database of public and private organizations.

Satisfaction levels for Computer Services and Standard Desktop Applications, Service Desk and Collaboration Tools all saw slight increases compared to last year. Regarding teleworking, the respondents are highly satisfied with features that support teleworking, with 2025 scores slightly higher than 2024. Suggestions for improvement included additional onsite and personalized support, streamline processes for faster issue resolution, and enhanced communications and transparency. The County continues to maintain its best-in-class rating for employee satisfaction year over year based on the independent survey of County employees.

IT Innovation Strategy and IT Funding Opportunities

On April 8, 2025 (18) the Board directed the CAO to implement an Innovation Fund strategy to best leverage the \$1M in annual Innovation Fund resources through engagement with the Board and County departments, conduct an annual presentation to the Board that includes information on Innovation strategies and Innovation fund with input from the community and the County enterprise, and provide an annual report of these activities.

The annual Innovation Fund of \$1M originates and is governed by a provision within the County IT&T Services Agreement that supports Innovation Management Services. This service framework is designed in partnership with the IT&T vendor, Peraton, to drive ongoing innovation and transformation by rapidly testing new ideas or technologies that support an approved business use case. The County and Peraton each contribute \$500,000 annually, totaling \$1M that can be used for proofs of concepts including material costs to perform these activities.

With the inception of an IT academy brought forth by CTO in 2022 to increase County departments' IT knowledge, return of the annual Innovation Day event, and a first-ever Idea-thon, engagement is up, and conversations are shifting toward possibilities and solutions. In addition, strategic innovation at the County level is underway to advance the Board's direction in maximizing the availability of the Innovation Fund and supporting a stronger culture of innovation at the County.

With the Board approval of an artificial intelligence policy, in partnership with the IT&T vendor, an innovation business strategy is in development that focuses on: 1) promoting guided innovation with assigned team resources that will help departments establish their business use case, 2) building a knowledge base of approved and available orchestration engines such as large language model capabilities, robotic process automations, etc. that can support multiple business use cases with a consistent user experience, 3) presenting Innovation Fund reporting and new innovative solutions that can be shared regularly with all county departments and offices, County public

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websites, and community engagements to reinforce innovation as a core value and operating practice for the County.

The County's planning for a new County IT contract expected in 2028 represents a timely opportunity to strengthen the alignment of technology and innovation with strategic goals, ensuring investments deliver measurable business value and community benefit. There will be an opportunity to re-examine the Innovation Management services framework focusing on improving innovation outcomes, strengthening stakeholder engagement, formalizing governance, and establishing clearer measures of success.

In parallel, the Board's directive to explore funding mechanisms, including state and federal grants, to support innovation while ensuring alignment with sustainability goals opens new opportunities to expand capacity without increasing County costs.

Together, these efforts reinforce the County's commitment to fostering a culture of innovation that engages both staff and the community, while ensuring investments deliver measurable outcomes. By combining internal creativity, external funding opportunities, and structured governance, the County is positioning itself to accelerate innovation in a way that is sustainable, inclusive, and accountable. Consistent with the Board's direction, the CAO will provide semi-annual updates on these activities, highlighting progress, lessons learned, and the tangible impact of innovation on County services.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's action aligns with the County of San Diego (County) 2025-2030 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,



EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

Attachment A – Independent Assessment Report

Attachment B – Sourcing Strategy Recommendations