

MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Administrative Services Division

TO: Honorable Board of Supervisors

FROM: Richard J. Burton, M.D., M.P.H.
Placer County Health Officer and Director of Health & Human Services
Clark Moots, Director of Administrative Services Dept.
Graham Knaus, Director of Administrative Services Division of HHS

DATE: June 9, 2009

SUBJECT: Purchase of Encryption Software

ACTION REQUESTED:

Take the following actions to purchase encryption software to allow Placer County to comply with Federal and State computer security safeguards and system security control requirements:

- a. Authorize the Director of Health and Human Services and Director of Administrative Services to negotiate a contract with Allied Network Solutions, Inc. for a total amount not to exceed \$168,000, and
- b. Approve the award of a contract with Allied Network Solutions, Inc. using a competitively bid public agency contract through the State of California, Department of General Services, and authorize the Purchasing Manager to sign the resulting contract for the period from June 9, 2009 through June 30, 2010 contingent upon review and approval by Risk Management and County Counsel, and
- c. Approve a Budget Revision in the amount of \$141,000, and
- d. Add the software system in the amount of \$141,000 to the Master Fixed Asset List.

This purchase is funded solely by Federal and State revenues. These costs are included in the Department's FY 2008-09 Final Budget. No County General Fund contribution is required.

BACKGROUND:

The California Department of Health Care Services (DHCS) and Social Security Administration (SSA) are requiring counties to implement computer security procedures relating to protecting the privacy of Medi-Cal and SSA Personally Identifiable Information (PII). In order to meet Federal and State privacy and security requirements, the County must comply with the general computer security safeguards, system security controls, audit controls, and business continuity/disaster recovery controls specified by DHCS and SSA. These requirements include the ability to encrypt computer workstations including portable computer devices, such as laptops and notebook computers that process and/or store Medi-Cal PII, and all electronic files that contain Medi-Cal PII when the file is stored on any removable media type device (i.e. USB thumb drives, floppies, CD/DVD, etc.).

The Departments of Health and Human Services and Administrative Services have collaborated to ensure one consistent approach to data encryption throughout the County and are jointly recommending the purchase and installation of this software as the mechanism to do just that.

In accordance with the Purchasing Policy Manual Section 1.3(e)(3), purchases using the terms of another public agency's current competitively bid contract are exempt from the normal competitive requirement. The Department of General Services contract meets this criterion.

FISCAL IMPACT:

Costs are estimated not to exceed \$141,000 in software and professional services, plus \$27,000 in installation and ongoing support charges. This purchase is funded solely by Federal and State revenues which are included in the Department's FY 2008-09 Final Budget. No County General Fund contribution is required.

cc: Procurement Services Division

ADDITIONS TO THE MASTER FIXED ASSET LIST
Health and Human Services Department
Appropriation 53070

<u>Qty.</u>	<u>Description</u>	<u>Cost</u>
1	Allied Network Solutions, Inc.	\$ 141,000 ea
	Total Fixed Asset Additions	\$141,000