

MEMORANDUM

DATE: May 29, 2010

TO: Judie Zimomra, City Manager

FROM: Bert Smith, MIS Director

RE: Migration to Cloud Technology

The City is transitioning to storage of critical data and applications as Cloud Based. The use of Cloud technology will move the critical data and applications from Sanibel's Main Server Room into data storage facilities outside of southwest Florida.

The use of Cloud based technology provides very cost effective alternatives to provide:

1. Increased disaster recovery and business continuity capabilities.
2. The current evacuation plan requires significant MIS time to prepare core systems and backups. With the systems utilizing Cloud technology, the City's data is already safely located and available anytime, anywhere there is internet connectivity.
3. As needed increases in computational performance and data storage

The City Manager approved Phase 1 for \$7,360 for Planning and Data Gathering to inventory City resources, systems, data, current vendors and services, disaster recovery planning expectations and requirements. This plan is attached.

CliftonLarsenAllen has submitted an additional two phase plan to provide:

Phase 2 – Technology Provider Research and Recommendations: \$11,040

Phase 3 – Transition Plan Definition: \$11,500

This plan is attached.

CliftonLarsenAllen performs the Financial Audit annually and is already aware of much of the City's resources, applications and data. In order to maintain their role as Auditor, they will make recommendations of alternatives and solutions, leaving the final decision to the City.

Staff is recommending Council approval to proceed with CliftonLarsenAllen for this project and to re-allocate the Fire Suppression project CIP funds to this project.

y:\is\projects\590 - cloud migration\fire suppression council memo.doc

11/12-041



CliftonLarsonAllen

CliftonLarsonAllen LLP
6810 International Center Boulevard
Fort Myers, FL 33912-7129
239-226-9900 | fax 239-226-9950
www.cliftonlarsonallen.com

May 18, 2012

Mr. Bert Smith
Director – Management Information Systems
City of Sanibel
800 Dunlop Road
Sanibel, FL 33957

Dear Mr. Smith:

We are pleased to confirm and outline our understanding of the Information Technology (IT) Strategic Planning Services CliftonLarsonAllen LLP (CLA) will provide for the City of Sanibel. If it meets with your approval, this letter will serve as an agreement made by and between CLA and the City of Sanibel.

Project Objectives and Scope

Our objective of the IT Strategic Planning Services is to assist the City of Sanibel in identifying and determining options and a plan to move from an internally hosted data center to a cloud based technology solution that supports the majority of the in-house applications and services over a 24 month period. This plan will also include a definition of the resources (internal and external) that are needed to support the transition and end technology solution.

Our methodology provides the foundation for assessing IT infrastructure and staff within government entities. We have structured our approach and work plan into three phases: 1) Planning and Data Gathering; 2) Technology Provider Research and Recommendations; and 3) Transition Plan Definition.

This agreement made by and between CLA and the City of Sanibel is specifically for Phase 2 and Phase 3 – Technology Provider Research and Recommendations and Transition Plan Definition, respectively.

PHASE 2: TECHNOLOGY PROVIDER RESEARCH AND RECOMMENDATIONS

Based on the system needs, current technology inventory and technical assessment, the team will select cloud vendors that can provide secure, stable and flexible IT services in support of the City of Sanibel’s current and future technology needs.

CLA will prepare a report summarizing the options for replacing the existing IT infrastructure with cloud based resources, including cost estimates (where available), strengths of the selections and other criteria to assist the City of Sanibel in selecting a “best fit” solution.

PHASE 3: TRANSITION PLAN DEFINITION

Our team will define a high level plan identifying the steps and timelines for moving from the hosted IT environment to the proposed cloud based solution. This plan will also factor in the resource inventory and future skills and certifications required to maintain the City of Sanibel’s IT infrastructure throughout the transition to the cloud. Additionally, partner companies will be identified to add specific skills and additional bandwidth in the support of the current and future IT infrastructure.

Client information requirements

The Company agrees it is solely responsible for the accuracy, completeness, and reliability of all of the Company's data and information that it provides CLA for our engagement. The Company agrees it will provide any requested information on or before the date we commence performance of the services.

Management responsibilities

Management is responsible for making all management decisions and performing all management functions, and for designating an individual with suitable skill, knowledge, or experience to oversee these services. Management is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results. Management is responsible for establishing and maintaining internal control, including monitoring ongoing activities.

Our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, we will inform you of any material errors that come to our attention and any fraud or illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal control as part of this engagement.

As consultant's, we may not be independent of management. The information provided by us will become the responsibility of management. Management has the expertise to understand the results as presented and/or will obtain a full understanding of the information as it will become a part of your book of records. We expect to begin our consultation immediately upon project acceptance.

Deliverables

We will maintain ongoing communication with the liaison assigned to work closely with us and will meet with management leaders, as requested, regarding the status of our progress throughout this engagement. In addition, upon completion of phase 2, we will provide a written report to the City of Sanibel summarizing the options for replacing the existing IT infrastructure with cloud based resources, including cost estimates (where available), strengths of the selections and other criteria to assist the City of Sanibel in selecting a "best fit" solution. Upon completion of phase 3, we will provide a defined high level plan identifying the steps and timelines for moving from the hosted IT environment to the proposed cloud based solution. This plan will also factor in the resource inventory and future skills and certifications required to maintain the City of Sanibel's IT infrastructure throughout the transition to the cloud. Additionally, partner companies will be identified to add specific skills and additional bandwidth in the support of the current and future IT infrastructure.

Timing

This agreement shall begin immediately upon your acceptance and following our receipt of this agreement with the Company's signature. In addition, CLA will work with the City of Sanibel to identify a specific start date for fieldwork.

Personnel

Our firm has adopted a team approach to client service, which means that CLA will provide the Company with a team of people who have the relevant knowledge and experience to perform the work plan outlined above. Martin Redovan is the engagement Partner. Jody Speer will provide primary contact and project management.

Time limitation

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute. We both agree that any action or legal proceeding by you against us must be commenced within the period of limitations as delineated in Florida Statute 95.11(4)(a), regardless of whether we do other services for you, or shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery.

Limitation of remedies

Our role is strictly limited to the engagement described in this letter, and we offer no assurance as to the results or ultimate outcomes of this engagement or of any decisions that you may make based upon our communications with, or our reports to, you. The City will be solely responsible for making all decisions concerning the contents of our communications and reports, for the adoption of any plans, and for implementing any plans you may develop, including any that we may discuss with you.

You agree that it is appropriate to limit the liability of CLA, its principals, directors, officers, employees, and agents ("we" or "us") and that this limitation of remedies provision is governed by the laws of the State of Florida, without giving effect to choice of law principles. The exclusive remedy available to you in the event of a disagreement, controversy, or claim ("Dispute") shall be the right to pursue claims for actual damages that are directly caused by acts or omissions that are breaches by us of our duties under this agreement, but any recovery on any Dispute shall not exceed \$500,000.

Confidentiality and restricted use of information

CLA will hold the information supplied by the Company to us in confidence and CLA will not disclose it to any other person or party, unless the Company authorizes us to do so, it is published or released by the Company, or it becomes publicly known or available other than through disclosure by us. The Company agrees any report or deliverables CLA provide to the Company are only for the internal use of the Company's management. They may not be distributed to any other person or party, for any purpose, without our prior written consent. The Company further agree to hold any information, reports or deliverables that CLA provide to the Company in confidence and agree that the Company will not disclose to any other person or party, unless CLA authorizes the Company to do so, it is published or released by us, or it becomes then publicly known or available other than through disclosure by the Company or except as provided by the Florida public records law.

CLA may, at times, use subcontractors to perform services under this agreement and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement. CLA will be as responsible for any act done by these subcontractors as it is for its personnel under this agreement.

Legal compliance

The Company agrees to assume sole responsibility for full compliance with all applicable federal and state laws, rules or regulations, and reporting obligations that apply to the Company or the Company's business, including the accuracy and lawfulness of any reports the Company submits to any government regulator, authority, or entity. The Company also agrees to be solely responsible for providing legally sufficient substantiation, evidence, or support for any reports or information supplied by the Company to any governmental or regulatory body, entity, or for any insurance reimbursement in the event that the Company is requested to do so by any lawful authority. CLA, its successors, affiliates, officers, and employees do not assume or undertake any duty to perform or to be responsible in any way for any such duties, requirements, or obligations.

Scope of agreement

This agreement applies to all aspects of our consulting relationship and to any other or additional services CLA may render to the Company at any time, unless they are covered by a separate written agreement that the Company and CLA both sign.

Fees

The actual cost of a project is based on the level of expertise required to complete the project, and the desired total work plan hours agreed to by the City of Sanibel management. Our fees will be based on the actual time incurred by our professionals on your behalf. We will work with you and your staff in an effort to minimize our time and the resulting fees to you. You will be billed for out-of-pocket costs such as travel, document production, word processing, postage, etc. that we incur on your behalf. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed all services, including documentation or written correspondence. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

The following table includes a breakdown of the hours and fees for phase 2 and 3. Note that the rate used in the table below is a blended rate and will be a fixed hourly rate regardless if a manager or partner incurs hours.

Project Phase	Hours	Rate	Fees
Phase 2: Technology Provider Research and Recommendations	48	\$230	\$11,040
Phase 3: Transition Plan Definition	50	\$230	\$11,500
Total	<u>98</u>		<u>\$22,540</u>

In the event CLA's services are terminated for whatever reason during the project, the Company will promptly compensate CLA for all professional services rendered and reimbursements due up to the point of termination.

In addition, we will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our firm's performance of these services.

Other

This agreement will remain in effect until it is terminated by either party on thirty (30) days written notice, with or without cause. In the event of termination, the terms of this agreement shall survive and remain in effect. Any notices under this agreement shall be sent to the Company at the address noted above and to us at:

CliftonLarsonAllen LLP
Attn: Martin A. Redovan
6810 International Center Blvd
Fort Myers, FL 33912

CLA is performing this agreement as an independent contractor, and we are not to be considered an employee or agent of the Company. This agreement contains the entire agreement and understanding between us and any prior proposals, communications, agreements, and negotiations between us are merged into and replaced by this agreement, which may not be modified except in a writing signed by both parties. In the event that any provision of this agreement shall be deemed invalid or unenforceable, then the remainder of this agreement shall remain in force and effect. In the event of any Dispute, this agreement shall be governed by the laws of the State of Florida, without giving effect to any choice of law principles.

Agreement

CLA appreciates the opportunity to assist the Company and believe that this letter accurately summarizes the terms of our engagement. If the Company has any questions, please contact us.

If the Company agrees with the terms of this engagement as described in this letter, please sign the enclosed copy and return it to us. By returning this letter of engagement, the Company is authorizing us to commence our services.

Sincerely,

CliftonLarsonAllen LLP



Martin A. Redovan, CPA
Partner
239-226-9902
Martin.Redovan@cliftonlarsonallen.com

Response:

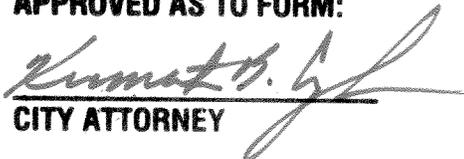
This letter correctly sets forth the understanding of the **City of Sanibel**.

Officer Signature: _____

Title: Judith A. Zimomra, City Manager

Date: _____

APPROVED AS TO FORM:



CITY ATTORNEY

APPROVED FINANCIAL SUFFICIENCY
Pharmacist & Licensed Active Fin Dir
for Sylvia A. Edwards, Finance Director

11/12-040



CliftonLarsonAllen

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May 18, 2012

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Director – Management Information Systems
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This agreement made by and between CLA and the City of Sanibel is specifically for Phase 1 – Planning and Data Gathering.

PHASE 1: PLANNING AND DATA GATHERING

Planning

As part of this process, our team will conduct a kick-off meeting to validate the project objectives, scope and approach with key stakeholders as designated by the City of Sanibel. Additionally, we will validate our understanding of the City's expectations for the project, including the following:

- Methodology and approach
- Project communication plan
- Resources to be utilized and logistical arrangements
- Strategies to mitigate disruption to the City's day-to-day operations

Data Gathering

Pertinent data will be requested and used in the assessment. Requested documents and information will include, but not be limited to:

- Organizational charts for roles and reporting hierarchy
- Inventory of IT staff, skills, certifications and roles
- Inventory of systems and applications
- IT vendors and services provided
- Disaster recovery planning expectations and requirements
- Other relevant documentation related to the IT processes, IT infrastructure and physical environment

We will leverage existing knowledge from previous IT audits conducted to support the financial statement team. However, we will request the City of Sanibel complete a profile document that includes a description of the current technical infrastructure including devices, systems and support services to provide us additional visibility for areas the previous IT audit did not cover due to scope and/or to gain further knowledge related to changes that have occurred since our IT audit.

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Deliverables

We will maintain ongoing communication with the liaison assigned to work closely with us and will meet with management leaders, as requested, regarding the status of our progress throughout this engagement. In addition, upon completion of phase 1, we will develop an inventory of technical infrastructure including, devices, systems, support services, etc.

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The following table includes a breakdown of the hours and fees for phase 1. The rate used in the table below is a blended rate and will be a fixed hourly rate regardless if a manager or partner incurs hours.

Project Phase	Hours	Rate	Fees
Phase 1: Planning and Data Gathering	32	\$230	\$7,360

In the event CLA's services are terminated for whatever reason during the project, the Company will promptly compensate CLA for all professional services rendered and reimbursements due up to the point of termination. In addition, we will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our firm's performance of these services.

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Attn: Martin A. Redovan
6810 International Center Blvd
Fort Myers, FL 33912

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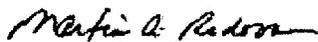
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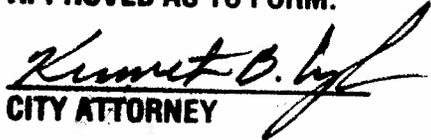
This letter correctly sets forth the understanding of the **City of Sanibel**.

Officer Signature: _____

Title: Judith A. Limonta, City Manager

Date: May 29, 2012

APPROVED AS TO FORM:


CITY ATTORNEY

APPROVED FINANCIAL SUFFICIENCY

Christine S. ...
for Sylvia A. Edwards, Finance Director