



MEMORANDUM

To: Board Members
Alaska Industrial Development and Export Authority

From: John Springsteen
CEO/Executive Director

Date: January 9, 2019

Subject: Information Technology Capital Request
Resolution No. G19-02

Staff recommends approval of funding for various information technology (IT) improvements and replacements not to exceed \$329,600. A list of the proposed expenditures is provided in Attachment A. The requested funding will be used to (1) provide a new phone system for the Authority's administrative building, (2) provide new equipment for the newly renovated area on the first floor of AIDEA's administrative building, (3) provide a building-wide intercom system, (4) replace the Authority's file server, and (5) replace and elevate the UPS battery bank. The expenditures will be made over the next two to three years.

AIDEA purchased its current phone system in 2004 and performed maintenance upgrades in 2010. The phone system is at the end of its useful life and is no longer eligible for software updates that protect the internet-based system from threats such as malware and viruses. Outdated software leaves the Authority vulnerable to network security issues. A new phone system will include new built-in software that will be eligible for automatic updates, better protecting the Authority from current network security threats. Additionally, the new phone system will include new functionality such as an intercom system that will allow for building-wide communication.

The first floor lobby area of the Authority's administrative building was recently converted from offices to a large, open space to be used for training, meetings, and other group activities. If approved, this Resolution will provide funds to outfit this area with IT equipment including, but not limited to, monitors, training tables, an audio/visual system, and a recording system. Cost estimates for work to be performed by outside contractors in the first floor lobby area in Attachment A are based on State contract pricing.

During the recent earthquake in Anchorage critical information was communicated to staff in the administrative building through other staff, texts, and phone calls. There was no tool to disseminate information in an immediate and consistent manner throughout the building. The lack of immediate and consistent information during an emergency can lead to confusion, misinformation, and, in some cases, put staff and visitors in the building at risk. Staff is recommending the purchase and installation of a battery-operated intercom system for the administrative building. Such a system would allow for building-wide communication and would be independent of the buildings electrical system. This addition would improve staffs' ability to manage emergency situations in an efficient and safe manner.

The file server is a critical part of the Authority's IT infrastructure, storing all files for both AIDEA and AEA. The current file server is five years old. This replacement is part of the Authority's overall IT plan of replacing the file server every five years. The server is at the end of its useful life in its current capacity. It will continue to be utilized, but in a less critical capacity, as an offsite backup server. Impacts of not replacing the server include loss of Microsoft support within the next 18 months and a greater risk of server failure.

Lastly, staff recommends replacing the current UPS battery bank and elevating the batteries off the floor. The current UPS batteries were damaged from flooding caused by the recent earthquake and need to be replaced. The UPS batteries serve as an emergency source of power to keep our critical systems operational in the event of a power outage. Elevation of the new UPS battery bank is recommended to protect them from any future flooding.

RECOMMENDATION:

Staff recommends approval of Resolution No. G19-02.

Attachment A
IT Capital Request

<u>Description</u>	<u>Total</u>
<u>First floor training and meeting area</u>	
Monitors (4)	\$ 4,200
Audio/Visual system and room controls *	115,500
Recording system	5,600
Contract labor	71,700
Shipping	3,500
Subtotal-First floor training and meeting area	<u>200,500</u>
Cisco phone system	36,400
File server	25,000
Training tables (20 tables)	28,200
Intercom system	2,500
UPS Batteries	15,000
Contingency to allow for future price increases (7%)	<u>22,000</u>
Total	<u><u>\$ 329,600</u></u>

* Includes \$1400 for miscellaneous hardware that could be used in other areas if needed. Included in this line item for budget purposes only

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G19-02

**RESOLUTION OF THE ALASKA INDUSTRIAL
DEVELOPMENT AND EXPORT AUTHORITY
APPROVING FUNDING FOR CAPITAL COSTS FOR
INFORMATION TECHNOLOGY REPLACEMENTS AND
IMPROVEMENTS**

WHEREAS, the Alaska Industrial Development and Export Authority (“the Authority”) utilizes various types of Information Technology (“IT”) to support the projects and programs of the Authority and thereby advance the public interest;

WHEREAS, the replacement and addition of new IT assets is necessary from time to time to allow the Authority to continue to utilize the benefits IT provides;

WHEREAS, the Staff of the Authority is proposing to make the IT replacements and improvements that are listed on Attachment A;

WHEREAS, the IT expenditures will constitute capital costs that are outside of the Authority’s annual operating budget;

WHEREAS, the IT replacements and improvements are in the best interest of the Authority and are therefore in the public interest; and


WHEREAS, the Staff of the Authority recommends the Board authorize an amount not to exceed \$329,600 for the IT replacements and improvements designated in Attachment A.

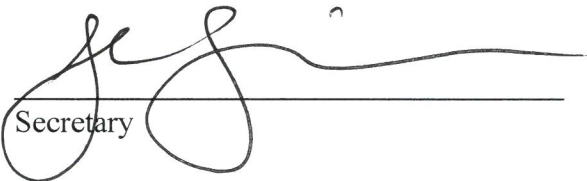
NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AS FOLLOWS:

Section 1. The Authority may expend up to \$329,600 from the Revolving Fund for the IT replacements and improvements noted in Attachment A.

Dated at Anchorage, Alaska, this 9th day of January 2019.




Chair


Secretary

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