A Report of the 2005-2006 Civil Grand Jury
For the City and County of San Francisco

SAN FRANCISCO'S

INFORMATION TECHNOLOGY HIGHWAY:

POTHOLES OR POSSIBILITIES

Released May 2006

Purpose of the Civil Grand Jury

The purpose of the Civil Grand Jury is to investigate the operations of the various departments, agencies, and officers of the government of the City and County of San Francisco—to develop constructive recommendations for improving the operations of the City and County of San Francisco, as required by law.

Each Civil Grand Jury has the opportunity and responsibility to determine which officers, departments and agencies it will investigate during its one year term of office. To accomplish this task, the Civil Grand Jury divides into committees. Each committee researches in depth the departments or areas which are being investigated, by visiting government facilities, meeting with public officials, and reading appropriate documents.

The nineteen members of the Civil Grand Jury are selected at random from a pool of thirty prospective jurors. San Francisco residents are invited to apply. More information can be found at: http://www.sfgov.org/site/courts_page.asp?id=3680, or by contacting Civil Grand Jury, 400 McAllister Street, Room 008, San Francisco, CA 94102; (415) 551-3605.

State Law Requirement

Pursuant to state law, reports of the Civil Grand Jury do not identify the names or identifying information about individuals who provided information to the Civil Grand Jury.

Departments and agencies identified in the report must respond to the Presiding Judge of the Superior Court within the number of days specified, with a copy sent to the Board of Supervisors. As to each finding of the Civil Grand Jury, the response must either (1) agree with the finding, or (2) disagree with it, wholly or partially, and explain why. Further, as to each recommendation made by the Civil Grand Jury, the responding party must report either (1) that the recommendation has been implemented, with a summary explanation of how it was; (2) the recommendation has not been implemented, but will be implemented in the future, with a time frame for the implementation; (3) the recommendation requires further analysis, with an explanation of the scope of that analysis and a time frame for the officer or agency head to be prepared to discuss it (less than six months from the release of this report); or (4) that recommendation will not be implemented because it is not warranted or reasonable, with an explanation of why that is. (California Penal Code, §. 933, 933.05.)

PURPOSE OF THIS REPORT

To provide focus, recommendations and support for improving Information Technology programs and operations in the City and County of San Francisco.

I. SUMMARY

All Roads Lead to Change

In October 2005, this Civil Grand Jury (CGJ) began an investigation of the current status and effectiveness of the City and County of San Francisco's (the City) Information Technology (IT) programs and operations. Excluded from the analysis were the pending 311 Call Center and Wi-Fi installation since neither was operational during our study.

In the course of our investigation, a number of issues surfaced. These included the following:

1. The Department of Telecommunications and Information Services (DTIS), which is responsible for managing IT for the City, is not respected by other City departments. A series of short-term leaders in DTIS, the loss of a significant number of DTIS personnel, and an inability to deliver needed services in a timely manner have affected the functioning of the department. Other City departments find DTIS expensive and unreliable.

2. The Committee on Information Technology (COIT), the IT policy advisory group mandated by the City's Administrative Code,[1] is not living up to the original expectations. Infrequent meetings, City departmental disregard for the

[1] San Francisco Administrative Code, §3.24, Committee On Information Technology. Mayor's Finance Director, a member of the Board of Supervisors, the Controller, the Director of Telecommunications and Information Services or their designee, and one department head from each of the following six groupings of departments: (a) Public Protection, (b) Public Works, Transportation and Commerce, (c) Human Welfare and Neighborhood Development, (d) Community Health, (e) Culture and Recreation, (f) General Administration and Finance. The department heads shall be selected annually by the four continuing members. The Committee on Information Technology shall take a leadership role in encouraging and coordinating departmental efforts in the use of new technology. The Committee shall promote interdepartmental cooperation and City standards. It shall review major interdepartmental and citywide projects and make policy recommendations thereon. (Added by Ord. 223-97, App. 6/6/97)

Administrative Code relating to COIT, a reduction of personnel, and internal personnel issues have all contributed to COIT's ineffectiveness.

3. Improved leadership, IT knowledge sharing, centralization of some services, and the development of a citywide IT plan were all called for in numerous studies and reports conducted for the City in the last ten years. These recommendations are as valid today as when each of the reports was first issued.

4. Small departments that rely on general funding for their technology needs are often at a distinct disadvantage financially compared to Enterprise Departments where external funding can be applied to IT projects.[2]

5. Given the unique needs, requirements, and deadlines of Enterprise Departments, it is unrealistic for these departments to rely on DTIS for all their IT services. City staff has proposed a "hybrid[3]" IT program as a potential solution to the tug-of-war between centralization and decentralization of IT functions.

6. City departments seldom share IT knowledge, thus duplicating efforts and increasing costs to the City.

7. The Executive Director of IT for the City and County of San Francisco is classified as a department head. Given the size and complexity of City IT operations, the Civil Grand Jury recommends reclassifying the position to that of a Chief Information Officer (CIO). This reclassification would provide the necessary authority and recognition for that individual to design and implement overdue changes in administration of IT services citywide.

There is ample evidence to support the need to create an efficient and cost-effective IT program. Suggestions for action offered by this CGJ include the following:

- Changing the structure and operation of DTIS.
- Reviewing the purpose, function, and operation of COIT or the designated IT policy making group.
- Monitoring future IT expenditures and cost savings using data from the Fiscal Year (FY) 2005-2006 Budget as a starting point.
- Increasing citywide IT collaboration and cooperation.
- Establishing and empowering the position of CIO to lead the design, implementation and monitoring of IT changes.

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[2] Enterprise Departments are large departments with budgets augmented by fees, grants and other funding sources that are generally earmarked for the specific use of those departments.

[3] In the hybrid model, IT functions common to most City departments (e.g., e-mail, etc.) would be centralized. IT functions unique to a given department would remain in that department.

II. INTRODUCTION

Technology at the Crossroads

> *"With $5 million in settlements, don't let anyone tell you we can't afford a computer system. Think of what settlements we could have avoided if we had this technology in advance. Money is not an appropriate excuse. Money is not the reason we haven't put the system in place. It's political will."*[4]

On February 12, 2006, Mayor Gavin Newsom offered the above response to a *San Francisco Chronicle* series about the use of force by the San Francisco Police Department. Unfortunately, the inefficient and costly use of information technology by the City is not limited to the Police Department.

The year 1996 was a pivotal one for IT in the City. KPMG[5] and City officials—including Board of Supervisors members, Mayoral representatives, City management, private sector executives, members of the press and the public—completed a "*Strategic Plan for Information Technology*" for the City. The plan recommended:

- A coordinated IT Strategic Plan, leading to common standards, priorities and methods.
- The development of a "one-stop shop" for technological innovation, information, advice and support.
- A combination of centralized and decentralized resources to provide flexibility.

As a result of the KPMG study, several technology organizations within the City were combined to create DTIS.[6] Political leaders understood that IT was an uncoordinated function. In May 1996, the Civil Grand Jury released its report, "*Information Technology Services in San Francisco Government,*" which highlighted the City's IT issues. In July 1996, as part of the budget process, COIT was created.[7]

One need only "fast forward" from 1996 and to 2006 to realize how quickly information technology has changed—and continues to change. While DTIS is expected to *constantly* upgrade and update its technology and its training programs, it has been faced with annual budget deficits for the last several years and a reduction in IT personnel. In addition, the City must compete with the private sector and other regional governments for IT professionals. Civil

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[4] Sward, Susan 2006. THE USE OF FORCE: Mayor demands accountability. Newsom responds to *San Francisco Chronicle* police use-of-force series, cites need for 'political will' to set up computer tracking system. The *San Francisco Chronicle*, February 12.

[5] KPMG LLP, the U.S. member firm of KPMG International, a Swiss cooperative. KPMG LLP is a provider of audit, risk advisory, and tax services.

[6] San Francisco Administrative Code, §11.86. DTIS replaced the Department of Electricity and Tele-communications, the Information Services Division of the Controller's Office (including EIPSC), Citywatch and 911. (Added by Ord. 293-96, App. 7/17/96; amended by Ord. 58-00, File No. 000198, App. 4/7/2000; Ord. 203-04, File No. 040752, App. 8/5/2004)

[7] The amendment to §3.24 of the San Francisco Administrative Code was added by Ordinance. 223-97, approved by the Board of Supervisors on. 6/6/97.

Service rules and City pay scales contribute to the City's difficulties in hiring and retaining individuals with state-of-the-art IT skills. All these factors have had an adverse impact on DTIS and on the City's ability to keep pace with technological change.

City policy seems to put off long-term investments in technology to "another day." In 2006, and as part of a region known globally for its technology and innovation, San Francisco government continues to lag behind other cities and counties in its use of technology. Sources both inside and outside the City's IT structure have regularly made recommendations for change but have been routinely ignored during the past ten years. Consequently, neither the efficiencies nor the savings that should result from the development of a state-of-the-art technology program appear to be in place today.

In the course of this CGJ investigation and as this report goes to press, positive movement forward is actually taking place. Some of the positive IT activities we have observed include:

- The newly created General Services Agency (GSA)[8] now incorporates DTIS (**Appendix A**) and is overseen by the new Chief Administrative Officer (CAO). One goal of the agency is the reassessment of the City's IT structure. At preliminary budget hearings before the Budget and Finance Committee on April 5, 2006, Chris Vein, DTIS Executive Director, presented general plans for that reassessment.

- In November 2005 and December 2005, the Budget and Finance Committee of the Board of Supervisors (the Board) conducted hearings on issues related to IT procurement and maintenance. An update to those hearings was held on April 10, 2006 at the Board's Government Audit and Oversight Committee. A new IT vision was presented by the DTIS Executive Director. Both the vision and the recommendations appeared to be well received by the Board.

- In 2006, the Controller's Office will be providing a fresh perspective on IT as a result of a Performance Audit of DTIS.

- Under GSA, the responsibility for reviewing IT budget items has moved from COIT to the Mayor's Budget Office. Instructions to departments for FY 2006-2007 budget preparation reflect this change. (**Appendix B**)

[8] GSA was created by the Office of the Mayor in FY 2005-2006 under the auspices of Article III, §3.104, the Charter of the City and County of San Francisco. Departments reporting to the Director of GSA/City Administrator include: The Department of Administrative Services, the Department of Public Works, the Department of Animal Care and Control, the Department of Medical Examiner, the Department of Convention Facilities and the Department of Telecommunications and Information Systems. The City Administrator's Office also oversees the following programs and other offices: the Grants for the Arts Program, the Mayor's Office on Disability, the Labor Standards Office, the Entertainment Commission, the County Clerk, the Immigrant Rights Commission, and the 311 Project.

- The pending introduction of the 311 Call Center[9] and the Wi-Fi installation[10] for the City's citizens indicates that the City is beginning to give technology the needed attention it deserves.

- On March 30, 2006, the COIT convened its first meeting since May 2005. At that time, the DTIS Executive Director, introduced a new vision for the City's IT services (**Appendix C**) which addresses many of the issues that, if acted upon, will significantly improve the City's IT capabilities and efficiencies.

None of the findings and recommendations of this CGJ's report were disclosed prior to the issuance of this report; however, many of the proposals announced at the March 30, 2006 COIT meeting are similar to our recommendations. The CGJ arrived at its findings and recommendations independently and the majority of recommendations in this report were in place prior to the COIT meeting. We felt that recommendations supportive of the new vision were appropriate and these were added to the report following the COIT meeting.

The City staff and others interviewed for this report were candid, cooperative, and generally knowledgeable about the state of the City's IT programs and operations. They provided us with data, directed us to others knowledgeable about the City's IT programs, and kept us informed of City meetings that addressed IT issues. We are very appreciative of their assistance.

In writing this report, we determined some findings and recommendations were appropriately placed under more than one heading so as to provide clarity to the subject. It is our hope that, by implementing the recommended IT solutions, the delivery of City IT services will become more efficient, the use of taxpayers' money will be maximized, and funds will be freed up for other important needs of our fellow San Franciscans.

III. PROCEDURE

Many Roads Leading Nowhere

The CGJ used multiple sources of information to determine the current status and effectiveness of the City's IT programs and to ensure that our findings and recommendations are credible, valid, and realistic. The CGJ:

- Examined "hard copy" documents provided by various City departments and electronic documents available on the www.sfgov.org website.
- Interviewed approximately 25-30 individuals and departments knowledgeable about IT and/or in IT-related positions in City government.

[9] 311 Call Center, a customer service center that will receive public calls for information and requests for government services. The 311 Call Center will provide a single point of contact for all non-emergency City services and allow customers to call one easy-to-remember number to receive information and access City services.

[10] Wi-Fi is wireless fidelity—a broadband wireless network. The Wi-Fi project will establish a City-wide universal, wireless broadband network in San Francisco.

- Attended open meetings that focused on IT issues.
- Conducted Internet research to obtain local as well as national data and information.
- Reviewed studies and recommendations by outside consultants and in-house personnel. We looked at material from 1996 to the present that focused on improving the City IT programs and operations.

Interviewees included personnel from various City departments, union representatives, City Supervisors, and individuals in the Mayor's Office. The CGJ interviewed former employees who held important IT positions during the past ten-years. Also interviewed was an East Coast CIO who was cited by several interviewees and a national publication as being responsible for an exemplary governmental IT program.

IV. BACKGROUND

Roads Not Taken

The studies and reports of 1996 set the stage for the development of an IT organization within the City and resulted in the establishment of DTIS and COIT. Selected report/study recommendations were put in place in the years between 1996 and 2000.

Then the Y2K crisis served to once again highlight IT in the City. Another series of reports and studies about City IT issues began in 2000 and continues to the present. Recommendations for IT reform are common themes in each study. (**Appendix D** presents a more detailed chronology of IT reports from 1996-2000.)

In June 2000, at the request of a member of the Board of Supervisors, the Office of the Legislative Analyst studied the cost and structure of IT in the City and issued a report entitled, *"Information Technology within San Francisco."*[11] Two of five recommendations presented were (1) "Urge COIT to adopt more IT standards and policies for City departments and DTIS to develop a long term architectural vision for information technology. . . ." and (2) "Encourage City departments to share their technological advancements with each other." The study also recommended looking at other jurisdictions and cited the City of Phoenix and the City of Philadelphia as governmental IT programs to review.

Between August 2001 and January 2002, Public Technology, Inc. (PTI)[12] issued a series of reports based on a number of focus groups and meetings with City departments. In one of the reports, *"City/County of San Francisco, CA SWAT Enterprise I/T Report,"*[13] three key

[11] Cabrera, Gabriel. 2000. "Information Technology within San Francisco." Legislative Analyst Memorandum to the San Francisco Board of Supervisors. June 22. http://www.sfgov.org/site/uploadedfiles/bdsupvrs/leganalyst/reports/008-00_Information_Technology_Final.pdf

[12] The Public Technology Institute (Public Technology Inc.) is a national member-supported technology organization created by and for cities and counties in the U.S. As a member, the City and County of San Francisco obtained consulting services from PTI.

[13] Public Technology, Inc.: Enterprise IT Initiative communications plan," September 2001; "SWAT Report, Enterprise IT," December 2001; "Enterprise IT Initiative Action Plan," January 2002.

recommendations included: (1) "Establish a full-time and empowered Chief Information Officer," (2) "Codify department and enterprise roles," and (3) "Establish Project Management standards."

In February 2002, DTIS Executive Director Liza Lowery developed a comprehensive vision for IT entitled, "*An Enterprise Approach to IT: A Proposal to Centralize Information Technology Management & Resources*."[14] Based largely on information collected by PTI, two of the former DTIS Executive Director's recommendations were: (1) "Review and adopt an IT strategic plan" and (2) "Development and management of IT best practices, standards, and policies. . . ."

Almost immediately following the submission of the report to then Mayor Brown, the report's author, Liza Lowery, resigned. Her departure in March 2002 left the carefully crafted IT vision without an advocate in "the wings" to carry out her recommendations. As a result, both the plan and the vision lost momentum and were not implemented. The status quo remained unchallenged.

A new mayoral campaign got underway in 2003. In his campaign, candidate Gavin Newsom advocated new technology programs for the City and issued a series of white papers.[15]

In 2004, newly elected Mayor Newsom and his administration increasingly highlighted technology. The implementation of a 311 Call Center, as outlined in a campaign white paper, became one Mayoral priority[16] and is scheduled for activation in 2006. As part of City services, Wi-Fi,[17] a wireless system to connect San Francisco's citizens to the Internet, is also on its way to becoming a reality in 2006.

V. DISCUSSION: FINDINGS & RECOMMENDATIONS

Follow the Yellow Brick Road

1. Department Of Telecommunications and Information Services (DTIS)

DTIS is a relatively new department in the City. Since its inception in 1996, DTIS has struggled to merge the operations of four separate City organizations—the Department of Electricity and Telecommunications (DET), the Information Services Division (ISD) of the Controller's Office, Citywatch, and the 911 call system.

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[14] Lowery, Liza M. 2002. "An Enterprise Approach to IT: A proposal to centralize information management and technology." DTIS, City and County of San Francisco. February.

[15] Newsom, Gavin: 2004. "A Thriving Economy, A Thriving City: A Plan to Develop and Support Small and Local Businesses;" "311: Improved Customer Service and Public Safety for San Francisco," "A Safer City: Making San Francisco Safer During Emergencies," "Compstat: New Tools for Police Accountability," "Excellence in Government: How Citistat will transform San Francisco." Newsom for Mayor 2004.

[16] Newsom, Gavin, Policy Paper: "311: Improved Customer Service and Public Safety for San Francisco, September 2, 2004. (http://www.sfgov.org/site/uploadedfiles/mayor/policy/NEWSOM_311.pdf as of 4/19/04)

[17] Koytoff, Verne. 2006. Wi-Fi Panel Reviews Bidders; San Francisco moving closer to citywide network. The San Francisco Chronicle, April 6.

For the FY 1996-1997 Budget, then Mayor Brown embraced the idea of centralized technology and added responsibility for citywide telecommunications issues, such as Cable TV and the development of a City Telecommunications Plan, to DTIS's mission.

However, other aspects of IT management, resources, and the delivery of City IT services have remained fairly decentralized. Enterprise Departments[18] supplement their City budget dollars with funds from outside sources. The use of outside dollars varies by department—some of the funds are directed for specific purposes within the department and other funds can be used at the discretion of the department.

With the exception of an annual general fund allocation and capital and/or grant funding, DTIS must recover operating costs by providing and billing City departments and other customers for services. To do so, DTIS relies upon a cost development and recovery process that is supported by a rate model. The rate model is a computer program that DTIS uses to develop a billable rate. Ultimately, however, it is the buying decisions of its customers—of City departments—that determine the financial health of DTIS.

Although not directed exclusively to DTIS, in an effort to address waste and inefficiency, all City departments must submit an Efficiency Plan to the Mayor and the Board of Supervisors by October of each year.[19] The preparation of these plans offers each City department an opportunity to review its current status and practices and to outline opportunities and plans for the future. Ultimately, these plans provide a base from which policy and budgetary decisions may be made.

The content requirements of these plans are very specific. A Strategic Plan is an important section in each department's Efficiency Plan. In October 2005, DTIS submitted an impressive Strategic Plan. Unfortunately, other City departments are seemingly unaware of the DTIS plan and are not using its content as a road map for developing future IT programs or adopting its recommendations.

The Civil Grand Jury commends DTIS Executive Director Chris Vein for bringing forth the IT vision presented at the March 30, 2006 COIT meeting (**Appendix C**) and for providing details for its implementation. The CGJ supports this vision and we concur with a phasing in of the proposed changes. We encourage the City's elected leaders to support the plan financially and for City departments to implement the proposed changes.

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[18] Enterprise departments are large, revenue-making city departments, including the Department of Public Health, Department of Human Services, San Francisco Airport, MUNI, the Department of Public Works and the Public Utilities Commission.

[19] San Francisco Administrative Code, §88.4, Efficiency Plans. [T]he head of each department shall prepare and submit to the Mayor by October 1st and to the Board of Supervisors by November 1st a departmental efficiency plan. Each plan shall include a customer service element, a strategic planning element, an annual performance element, and a performance evaluation element for the previous fiscal year. . . The plan shall cover a period of not less than three years forward from the fiscal year in which it is submitted.

Findings

1.a There is a general dissatisfaction with DTIS costs and its ability to deliver services in a timely manner. In 2003-2004, the actual satisfaction by customers was only 43%.[20]

1.b The State has absorbed some IT services that were formerly the responsibility of DTIS thus reducing its workload, personnel and income. As an example, Child Support Services was taken over by the State in January 2006. This meant the loss of three programmer and six operator positions.

1.c In the last four years, approximately 100 DTIS staff positions were lost due to budget cuts.

1.d Civil Service rules favor seniority at the time of layoffs. This has tended to eliminate "recent hires" who may have had state-of-the-art technology skills.

1.e In 2005, a newly appointed City Administrator brought DTIS under the organizational responsibility of the General Services Agency.

Recommendations

1.1 Provide DTIS personnel with training to obtain the skills needed to demonstrate to City departments that DTIS can go beyond the technical side of IT and provide effective project management, not just technical services. IT vendors' professional service contracts should include a provision mandating the training of City IT employees in the use and maintenance of the relevant software and/or hardware, as appropriate.

1.2 Monitor and evaluate the success of "in house" training that is performed by professional services contractors as a condition of future contracts.

1.3 Restructure IT functions around a "hybrid" model. Services and functions common to all 64 City departments should be centralized. IT functions specific and unique to individual departments should continue to remain in those departments.

1.4 The person who oversees IT activities citywide should be elevated to a Chief Information Officer.

1.5 Make changes to the Administrative Code to strengthen DTIS as proposed in public forums by both the City Administrator and the DTIS Executive Director. The CGJ strongly supports their recommendations.

[20] 2003. Mayor's Budget Report, 2003-2004.

1.6 Mayor Newsom and the Board of Supervisors should provide adequate funding for departments to implement the IT vision presented at the COIT meeting on March 30, 2006.

Required Responses:
Mayor's Office – 60 days
Board of Supervisors – 90 days
DTIS – 60 days
COIT – 60 days
GSA – 60 days

2. Committee On Information Technology (COIT)

DTIS was established as an IT operations department. The second component of the City's IT organization as established in 1996 was the Committee on Information Technology. The City's political leaders envisioned COIT to be the policy-making group for the City's technology activities[21] and to be responsible for formulating and defining the direction of IT in the City. COIT was also given the responsibility for the review of IT projects over $5 million and the monitoring of all multi-departmental and citywide IT projects.[22]

Clearly defined responsibilities served to guide COIT in its early years. Today, COIT has become an ineffective body. The mechanics of its operation are still present, but the committee has met only as budget time approaches. COIT's guidance and oversight is largely on paper and is seen as a "hoop" to go through in the budget process.

Regardless of proposals for new technology projects, each year all City departments are required to submit folios to COIT.[23] Folios are intended to update the departments' IT plans and progress. In 2005, only 11 of the City's 64 departments submitted folios, essentially ignoring Administrative Code requirements with little expectation of negative ramifications. The process has been revised for FY 2006-2007 and is outlined in the Memorandum to Department CFOs and CIOs**. (Appendix B)**

All findings and recommendations should take into consideration any proposed reorganization and change that may result from the vision presented at the March 30, 2006 COIT meeting.

[21] The departments and individuals that compose COIT are: the Mayor's Budget Director, a member of the Board of Supervisors, the Controller, the Director of DTIS or their designee and one department head from each of the following six groupings: (1) Public Protection, (2) Public Works, (3) Human Welfare and Neighborhood Development, (4) Community Health, (5) Culture and Recreation and (6) General Administration and Finance.

[22] Including a citywide data network and a citywide area network (WAN) that connects facility-specific local area networks (LANs).

[23] San Francisco Controller's Office, 2005. "A Guide to San Francisco's Budget Process, Budget year 2005-2006." April 2005

Findings

2.a The COIT staff and COIT leadership do not communicate with one another.

2.b The last announced meeting of COIT, prior to the March 30, 2006 meeting, was on May 10, 2005.

2.c A review of the minutes of prior COIT meetings (one in 2004 and two in 2003) disclosed the agendas consisted mostly of routine IT updates with little emphasis on long-term technology priorities.

2.d Section III of the City Administrative Code stipulates that all departments provide a three-year projection folio and annual progress reports. In 2005, only 11 of 64 departments submitted folios to COIT.

Recommendations

2.1 Restructure COIT so that it is a recognized and functional policy-making body that defines the direction of IT in the City.

2.2 Ensure that the City's policy-making IT body (currently COIT) meets regularly (e.g., monthly or bimonthly).

2.3. Amend the Administrative Code so that only documents that are realistic and necessary are required to justify each department's IT planning and expenditures.

2.4 Institute a policy that outlines budget consequences for City departments that do not comply with the Administrative Code.

Required Responses:
Mayor's Office – 60 days
Board of Supervisors – 90 days
DTIS – 60 days
COIT – 60 days
GSA – 60 days

3. Budget and Finance

The CGJ obtained financial information from the General Services Agency and the Controller's Office. Salaries and data processing/IT costs were provided for all departments. As of February 21, 2006, and for FY 2005-2006, the *total* expenditure by the City for IT programs and operations was approximately *$133 million.* The table below shows total budgeted IT

expenses by department.[24] Less than one fifth of all IT expenditures are in DTIS,[25] the department originally created to accomplish this work.

Department	IT Headcount	Annual Salary with 28.5% Fringe	Budget 05-06 Dollars*	Total IT Dollars	Percent of IT Dollars
Department Of Public Health	163	$18,275,010	$7,689,006	$25,964,016	19.5%
DTIS (GSA TELECOMM and IT)	171	$19,584,346	$5,071,967	$24,656,313	18.5%
Human Services	52	$5,084,939	$10,794,629	$15,879,568	11.9%
Public Utilities Commission	85	$9,712,620	$5,854,696	$15,567,316	11.7%
Airport	68	$8,239,175	$2,697,923	$10,937,098	8.2%
MUNI	35	$3,969,063	$2,576,778	$6,545,841	4.9%
Department Of Public Works	31	$3,875,428	$540,769	$4,416,197	3.3%
Controller	16	$1,879,076	$1,534,402	$3,413,478	2.6%
Department Of Building Inspection	16	$1,805,412	$1,428,300	$3,233,712	2.4%
Police	13	$1,434,189	$1,369,198	$2,803,387	2.1%
Public Library	11	$1,093,233	$951,059	$2,044,292	1.5%
Heron's Head Park (Part Of Port)		$0	$1,439,805	$1,439,805	1.1%
City Planning	6	$622,995	$677,575	$1,300,570	1.0%
Human Resources	11	$1,227,657	$40,585	$1,268,242	1.0%
All Other Departments	72	$8,084,576	$5,727,143	$13,811,719	10.4%
	750	**$84,887,718**	**$48,393,835**	**$133,281,553**	**100.0%**

As discussed in the DTIS section of this report, there is general dissatisfaction with DTIS prices and the department's ability to deliver services in a timely manner. Over time, several large departments have developed their own internal technology groups which rival and, in one case, surpasses DTIS's own budget.

In many departments, unique IT needs have been the impetus for developing and relying on internal staff to meet those needs. This is especially true for large City departments such as the Department of Public Health or the Department of Human Resources. IT groups within these large departments are responsible for satisfying governmental requirements, conducting essential business functions, and developing and supporting departmental IT applications. Other City departments often find it less expensive to contract work out than to build a strong internal department or to use DTIS.

In effect, the City's current "hybrid" IT environment presents the City with the challenge of maintaining a balance between centralization and decentralization. Issues of governance, accountability, and communication between departmental systems should be addressed. *The duplication now present in the technology infrastructure creates a waste of taxpayer dollars.*

[24] When selecting a budget item figure, we used the higher figure of "actual" or "budgeted." We are also cognizant that funds may carry over from or apply to more than one fiscal year.
[25] Information provided by the Offices of the City Administrator and the Controller.

It is hoped that the "total expenditure figure" will offer a starting point from which to measure future cost savings.

Findings

3.a No "citywide" IT planning or governance is functioning in the City.

3.b No individual or department is assigned responsibility for reviewing contracts from a citywide point of view. At this time contracts are viewed from a departmental perspective.

3.c Less than 20% of the City's IT dollars are spent in the City's designated IT department—DTIS.

3.d The services offered by DTIS are cited by City departments as expensive compared with those of outside contractors. The use of "loaded costs" and a work order funding process contribute to the high cost of DTIS services.

Recommendations

3.1 The CIO, as part of the budget process, should review departmental IT plans.

3.2 The CIO or his designee should review IT contracts to ensure that a "whole city" point of view is followed.

3.3 Ensure that COIT or a similar citywide IT planning structure is recognized as the policymaking group that defines the City's direction for *all City departments*.

3.4 Restructure DTIS so that services common to all City departments are centralized there. Specifically, these services would include but would not be limited to: network and communications infrastructure, desktop management, data center operations, centralized project management, e-mail, and help desk functions.

3.5 DTIS should provide assistance to small departments to help determine and meet their technology requirements.

3.6 Conduct an inventory of the City's current IT holdings. This would include location and age of software and hardware plus the duration and terms of both maintenance and professional services contracts.

Required Responses:
Mayor's Office – 60 days
Board of Supervisors – 90 days
DTIS – 60 days
COIT – 60 days
GSA – 60 days
OCA – 60 days

4. Information Technology Governance

The City has known for the past ten years that it needed to make changes to its IT system. Despite valid recommendations and important studies, "21st Century state-of-the-art technology" has been elusive, due to a lack of willingness on the part of the City to carry out the recommendations.

Interviews with today's stakeholders identify the same fundamental issues reiterated so many times in the past:

- Lack of a well-defined citywide IT Strategic Plan with short-term goals, benchmarks and timelines.
- The persistence of competing IT priorities and expensive uncoordinated IT practices across departments.
- Autonomous IT development in large Enterprise departments.
- In other departments, use of general funds for core services, with IT given low priority.
- The need to have recognized IT leadership with appropriate authority to design and enforce a well-articulated IT strategy.

Technology is one of those areas of change that some people and departments embrace and "run with" and others fight. The problem is aggravated by the speed of IT change in terms of hardware, software, and complexity. Veteran IT personnel, who have adapted to numerous waves of technological change, may be justifiably apprehensive of new technology. To have a state-of-art IT system, entrenched patterns of behavior need to be examined and the process for adoption of new technologies needs to be redefined.

Findings

4.a Despite the Mayor's view that the DTIS Executive Director is considered the CIO for citywide IT functions, in reality the DTIS Executive Director is a department head without authority over other department heads.

4.b While the Administrative Code defines DTIS as the City's IT Department, because of its unsatisfactory performance ratings and high costs, many City departments have sought IT solutions outside of DTIS. Today, only 18.5% of total IT dollars flows through DTIS.

Recommendations

4.1 Empower a CIO who has a blend of technical expertise and political dexterity to take over IT development. This position should be a Mayoral Cabinet position and have a long term contract similar to those of the City Administrator or the Controller.

4.2 Adopt an IT vision with specific short-term actions, backed by the political will and resources necessary to move it forward.

4.3 Create a new organizational name for DTIS and redefine its powers so that other departments recognize DTIS as the department responsible for IT governance.

4.4 Think "hybrid!" DTIS should include a high-level transition plan for moving the City from its current decentralized structure to one that combines centralization and decentralization.

4.5 Consider a centralized IT governance strategy and the formation of new IT support groups to provide input and expertise in areas such as:

- A citywide policy-level group responsible for developing priorities, standards, and methods.
- A group that would encourage interdepartmental sharing and cooperation.
- A technical advisory group to provide technical review of projects, departmental system plans, and oversee the implementation of projects.

4.6 Reduce replication and redundancy and improve information sharing among departments by consolidating common applications.

4.7 Tie departmental IT plans to the budget process that is overseen by the CIO.

Required Responses:
Mayor's Office – 60 days
Board of Supervisors – 90 days
DTIS – 60 days
GSA – 60 days

5. Leadership

Over the past decade, DTIS has not had the advantage of long-term leaders. During the nine-year period from 1996 to 2005, six different people held the position of the Executive

Director of DTIS. As a result of the turnover in leadership, the department lost its focus. The lack of continuity of leadership over the years, together with a decentralized IT structure and a loss of confidence in the department's ability to deliver services, are contributing factors that make the present DTIS leadership position extremely challenging. In contrast, department heads of the older, established departments, such as police, fire, and public health, have recognition and support. Until recently, support for the leadership of DTIS was lacking.

In the San Francisco Bay Area and in the City and County of San Francisco, filling managerial positions in the field of information technology poses unique challenges. As a desirable residential and employment area of the nation, employment opportunities in the City have their drawbacks due to the high cost of living and regional competition for IT talent. The City must give careful consideration to drawing and retaining talented IT management. The opportunities for public service need to be matched with a salary scale for the IT leader that is commensurate with the expectations of a CIO position.

According to the City's Annual Salary Ordinance for FY 2005-2006,[26] the Salary Classification for the DTIS Director is a 0963 Department Head Level III. In a Salary Plan that has three ranges, A, B, and C, (**Appendix E**) as of May 2006, the salary will range from $116,064-$180,076. The median salary for a CIO in San Francisco is approximately $238,000[27] or a difference of almost $60,000.

No strategic plan or new IT vision can be implemented without the guidance of a strong and capable leader. If DTIS is to be recognized as the department that brings IT into the 21st Century, then its leader must be given the tools and support to make it happen. A new beginning for DTIS demands the commitment and support of the Mayor and the Board of Supervisors for its leadership. It also requires long-term investments by the City and, as appropriate, legislation to empower DTIS leadership.

Findings

5.a Despite a number of previous recommendations to establish a CIO, that has not happened.

5.b As a department head, the Executive Director of DTIS does not have adequate authority over other City departments necessary to implement recommended changes or to provide adequate service to the public.

5.c DTIS has had six directors in ten years.

5.d. The median salary for a CIO in San Francisco is approximately $238,000. The annual salary range for the DTIS Executive Director, $116,064-$180,076 (5/06) is not commensurate with the responsibilities of the position or the geographical area.

[26] "Annual Salary Ordinance for Fiscal Year Ending June 30, 2006." City and County of San Francisco, File No. 051131, Ordinance No. 204-05, August 4, 2005, p. 176. (see http://www.sfgov.org/site/uploadedfiles/dhr/ASO.pdf as of 4/25/06)
[27] http://swz.salary.com/salarywizard (4/06)

Recommendations

5.1 Elevate the classification and position of DTIS Executive Director and establish the management position of CIO with commensurate salary.

5.2 Re-evaluate the classification of the CIO position for FY 2006-2007 with the eventual goal of reclassifying the position to Department Head V.

5.3 Ensure, as a part of a restructured IT governance body, that the CIO is provided with the authority needed to overhaul the City's fragmented system and oversee *all* aspects of the City's IT. Philadelphia provides a working example of this.[28]

Required Responses:
Mayor's Office – 60 days
Board of Supervisors – 90 days
DTIS – 60 days
GSA – 60 days

[28] Neff, Dianah L. "Five-Year Plan," Mayor's Office of Information Services. Philadelphia, PA January 23, 2006. (http://www.phila.gov/mois/fiveyearplan.html - 4/22/06)

SUMMARY OF FINDINGS AND RECOMMENDATIONS AND REQUIRED RESPONSES

Below is a summary of Findings and Recommendations in the order they appear in the 2005-2006 Civil Grand Jury Report: *"San Francisco's Information Technology Highway: Potholes or Possibilities."*

1. DEPARTMENT OF TELECOMMUNICATIONS AND INFORMATION SERVICES (DTIS)
FINDINGS
1.a There is a general dissatisfaction with DTIS costs and its ability to deliver services in a timely manner. In 2003-2004, the actual satisfaction by customers was only 43%.
1.b The State has absorbed some IT services that were formerly the responsibility of DTIS thus reducing its workload, personnel and income. As an example, Child Support Services was taken over by the State in January 2006. This meant the loss of three programmer and six operator positions.
1.c In the last four years, approximately 100 DTIS staff positions were lost due to budget cuts.
1.d Civil Service positions favor seniority at the time of layoffs. This has tended to eliminate "recent hires" that may have had state-of-the-art technology skills.
1.e In 2005, a newly appointed City Administrator brought DTIS under the organizational responsibility of the General Services Agency.
RECOMMENDATIONS AND REQUIRED RESPONSES ***Mayor's Office – 60 days | Board of Supervisors – 90 days | DTIS – 60 days | COIT – 60 days | GSA – 60 days***
1.1 Provide DTIS personnel with training to obtain the skills needed to demonstrate to City departments that DTIS can go beyond the technical side of IT and provide effective project management, not just technical services. IT vendors' professional service contracts should include a provision mandating the training of City IT employees in the use and maintenance of the relevant software and/or hardware, as appropriate.
1.2 Monitor and evaluate the success of "in house" training that is performed by professional services contractors as a condition of future contracts.
1.3 Restructure IT functions around a "hybrid" model. Services and functions common to all 64 City departments should be centralized. IT functions specific and unique to individual departments should continue to remain in those departments.
1.4 The person who oversees IT activities citywide should be elevated to a Chief Information Officer (CIO).
1.5 Make changes to the Administrative Code to strengthen DTIS as proposed in public forums by both the City Administrator and the DTIS Executive Director. The CGJ strongly supports their recommendations.
1.6 Mayor Newsom and the Board of Supervisors should provide adequate funding for departments to implement the IT vision presented at the COIT meeting on March 30, 2006.
2. COMMITTEE ON INFORMATION TECHNOLOGY (COIT)
FINDINGS
2.a The COIT staff and COIT leadership do not communicate with one another.
2.b The last announced meeting of COIT, prior to the March 30, 2006 meeting, was on May 10, 2005.
2.c A review of the minutes of prior COIT meetings (one in 2004 and two in 2003) disclosed the agendas consisted mostly of routine IT updates with little emphasis on long-term technology priorities.
2.d Section III of the City Administrative Code stipulates that all departments provide a three-year projection folio and annual progress reports. In 2005, only 11 of 64 departments submitted folios to COIT.
RECOMMENDATIONS AND REQUIRED RESPONSES ***Mayor's Office – 60 days | Board of Supervisors – 90 days | DTIS – 60 days | COIT – 60 days | GSA – 60 days***
2.1 Restructure COIT so that it is a recognized and functional policy making body that defines the direction of IT in the City.
2.2 Ensure that the City's policymaking IT body (currently COIT) meets regularly (e.g., monthly or bimonthly).
2.3. Amend the Administrative Code so that only documents that are realistic and necessary are required to justify each department's IT planning and expenditures.
2.4 Institute a policy that outlines budget consequences for City departments that do not comply with the Administrative Code.
3. BUDGET AND FINANCE
FINDINGS
3.a No "citywide" IT planning or governance is functioning in the City.
3.b No individual or department is assigned responsibility for reviewing contracts from a citywide point of view. At this time contracts are viewed from a departmental perspective.
3.c Less than 20% of the City's IT dollars are spent in the City's designated IT department—DTIS.
3.d The services offered by DTIS are cited by City departments as expensive compared with those of outside contractors. The use of "loaded costs" and a work order funding process contribute to the high cost of DTIS services.

RECOMMENDATIONS AND REQUIRED RESPONSES   ***Mayor's Office – 60 days | Board of Supervisors – 90 days | DTIS – 60 days | COIT – 60 days | GSA – 60 days | OCA – 60 days***
3.1 The CIO, as part of the budget process, should review departmental IT plans.
3.2 The CIO or his designee should review IT contracts to ensure that a "whole city" point of view is followed.
3.3 Ensure that COIT or a similar citywide IT planning structure is recognized as the policymaking group that defines the City's direction for ALL City departments.
3.4 Restructure DTIS so that services common to all City departments are centralized there. Specifically, these services would include but would not be limited to: network and communications infrastructure, desktop management, data center operations, centralized project management, e-mail, and help desk functions.
3.5 DTIS should provide assistance to small departments to help determine and meet their technology requirements.
3.6 Conduct an inventory of the City's current IT holdings. This would include location and age of software and hardware plus the duration and terms of both maintenance and professional services contracts.
4. INFORMATION TECHNOLOGY GOVERNANCE
FINDINGS
4.a Despite the Mayor's view that the DTIS Executive Director is considered the CIO for citywide IT functions, in reality the DTIS Executive Director is a department head without authority over other department heads.
4.b While the Administrative Code defines DTIS as the City's IT Department, because of its unsatisfactory performance ratings and high costs, many City departments have sought IT solutions outside of DTIS. Today, only 18.5% of total IT dollars flows through DTIS.
RECOMMENDATIONS AND REQUIRED RESPONSES   ***Mayor's Office – 60 days | Board of Supervisors – 90 days | DTIS – 60 days | COIT – 60 days | GSA – 60 days***
4.1 Empower a CIO who has a blend of technical expertise and political dexterity to take over IT development. This position should be a Mayoral Cabinet position and have a long term contract similar to those of the City Administrator or the Controller.
4.2 Adopt an IT vision with specific short-term actions, backed by the political will and resources necessary to move it forward.
4.3 Create a new organizational name for DTIS and redefine its powers so that other departments recognize DTIS as the department responsible for IT governance.
4.4 Think "hybrid!" DTIS should include a high-level transition plan for moving the City from its current decentralized structure to one that combines centralization and decentralization.
4.5 Consider a centralized IT governance strategy and the formation of new IT support groups to provide input and expertise in areas such as: ▪ A citywide policy-level group responsible for developing priorities, standards, and methods. ▪ A group that would encourage interdepartmental sharing and cooperation. ▪ A technical advisory group to provide technical review of projects, departmental system plans, and oversee the implementation of projects.
4.6 Reduce replication and redundancy and improve information sharing among departments by consolidating common applications.
4.7 Tie departmental IT plans to the budget process that is overseen by the CIO.
5. LEADERSHIP
FINDINGS
5.a Despite a number of previous recommendations to establish a CIO, that has not happened.
5.b As a department head, the Executive Director of DTIS does not have adequate authority over other City departments necessary to implement recommended changes or to provide adequate service to the public.
5.c DTIS has had six directors in ten years.
5.d. The median salary for a CIO in San Francisco is approximately $238,000. The annual salary range for the DTIS Executive Director, $116,064-$180,076 (5/06) is not commensurate with the responsibilities of the position or the geographical area.
RECOMMENDATIONS AND REQUIRED RESPONSES   ***Mayor's Office – 60 days | Board of Supervisors – 90 days | DTIS – 60 days | COIT – 60 days | GSA – 60 days***
5.1 Elevate the classification and position of DTIS Executive Director and establish the management position of CIO with commensurate salary.
5.2 Re-evaluate the classification of the CIO position for FY 2006-2007 with the eventual goal of reclassifying the position to Department Head V.
5.3 Ensure, as a part of a restructured IT governance body, that the CIO is provided with the authority needed to overhaul the City's fragmented system and oversee all aspects of the City's IT. Philadelphia provides a working example of this.

GLOSSARY

311	Phone number for City non-emergency services
Application	Computer program designed for a specific task for individual departments
Best practices	Most effective means of performing a function, derived from studying successful cases
CAO	Chief Administrative Officer
Centralization	Consolidation of IT in the City under a single, central authority
CGJ	Civil Grand Jury
CIO	Chief Information Officer
Citywatch	SF government TV cable channel 26
COIT	Committee on Information Technology
DET	Department of Electricity and Telecommunications, merged with ISD to form DTIS
DTIS	Department of Telecommunications and Information Services
Enterprise Department	City department which generates income from services
Governance	Persons who make up a body to govern or administer something
GSA	General Services Agency
Hybrid	Information Technology structure combining centralization for common functions, such as e-mail, and de-centralization for individual departmental applications
IFPTE	International Federation of Professional and Technical Engineers
ISD	Information Services Division, merged with DET to form DTIS
IT	Information Technology
KPMG	provider of audit, risk advisory, and tax services
Loaded costs	Extra costs for performing a service, such as what DTIS needs to charge some departments because "richer" departments have their own IT personnel and bypass DTIS
OCA	Office of Contract Administration
Political will	The desire of officials to pursue certain policies, especially when they challenge the status quo.
PTI	Formerly known as Public Technology, Inc., Public Technology Institute is a non-profit organization that brings technology to local government.
SWAT	Special Weapons and Tactics (Team). Police term used by Public Technology, Inc. to evaluate SF's IT organization and make recommendations
Wi-Fi	Wireless (fidelity) local area network

RESOURCES

INTERVIEWS

Board of Supervisors, City and County of San Francisco
Committee on Information Technology (COIT) Staff
Department of Telecommunications and Information Services (DTIS)
Former employees of DTIS
International Federation of Professional & Technical Engineers (IFPTE)
Mayor's Office, City and County of San Francisco
Members, Board of Supervisors, City and County of San Francisco
Office of Contract Administration/Purchasing
Office of the City Administrator City and County of San Francisco
Office of the Controller, City and County of San Francisco,
Office of the Legislative Analyst, Board of Supervisors

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"Police can't take care of business – SF officials must change city's management ways", Kevin J. Mullen, *San Francisco Chronicle*, February 19, 2006.
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STUDIES/REPORTS

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City & County of San Francisco An Enterprise Approach to IT: A Proposal to centralize information technology management & resources: Liza M. Lowrey, Executive Director, Department of Telecommunication & Information Services, February 2002.
COIT Annual Business Folio Report
PTI Survey and Results Reports, Public Technology, Inc.
"Enterprise IT Initiative Communications Plan," September 2001, Public Technology, Inc.
"SWAT Report, Enterprise IT" December 2001, Public Technology Inc. SWAT Team
"Enterprise IT Initiation Action Plan," January 2002, Public Technology, Inc.
IT Strategic Plan for the City of Philadelphia, May 2003.

OPEN MEETINGS

Board of Supervisors City & County of San Francisco - Budget and Finance Committee— November 17, 2005, December 1, 2005, and April 5, 2006.
COIT Meeting, March 30, 2006
Government Audit and Oversight Committee, April 10, 2006.

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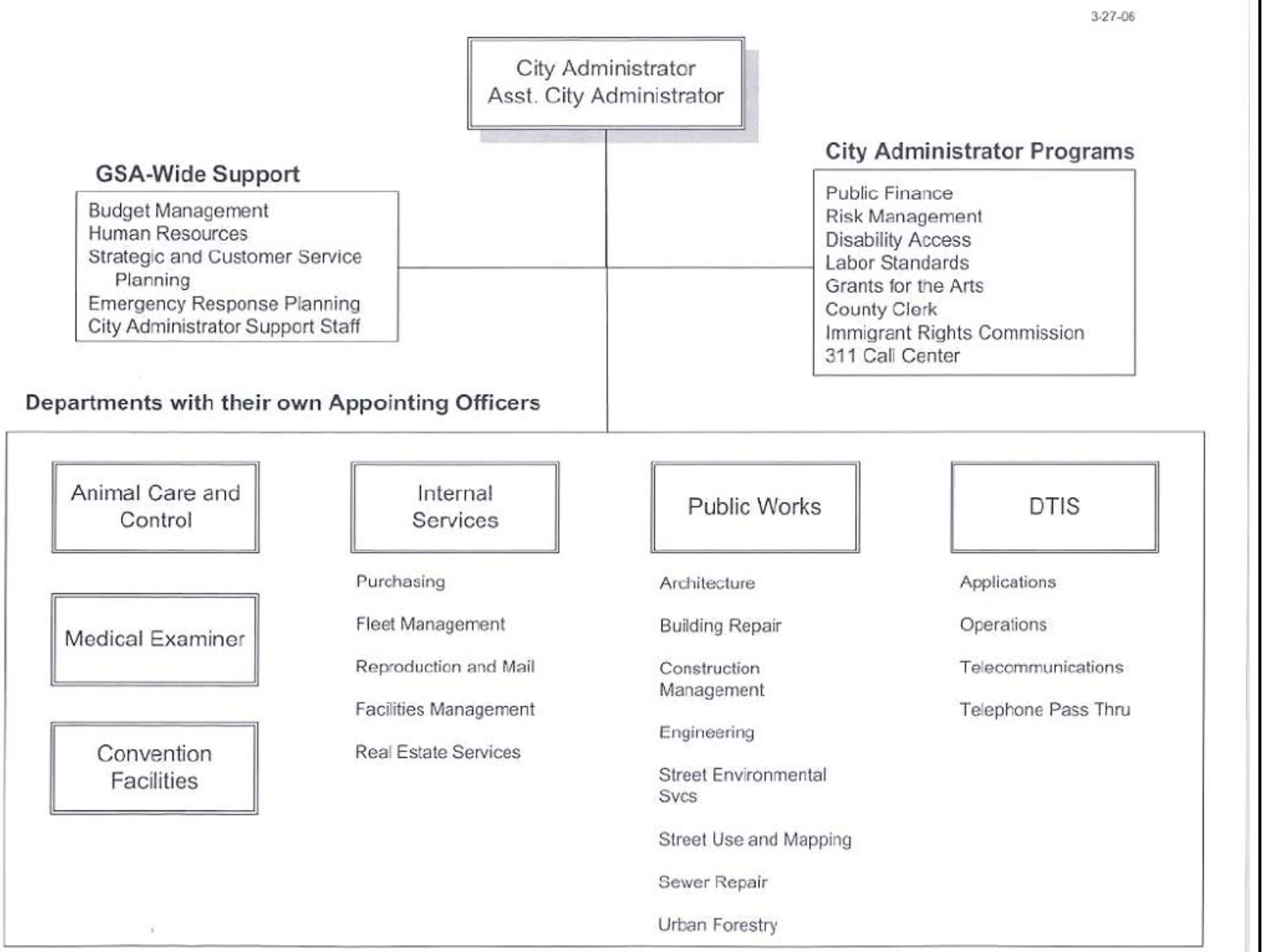

3-27-06
City Administrator
Asst. City Administrator
GSA-Wide Support
Budget Management
Human Resources
Strategic and Customer Service Planning
Emergency Response Planning
City Administrator Support Staff
City Administrator Programs
Public Finance
Risk Management
Disability Access
Labor Standards
Grants for the Arts
County Clerk
Immigrant Rights Commission
311 Call Center
Departments with their own Appointing Officers
Animal Care and Control
Medical Examiner
Convention Facilities
Internal Services
Purchasing
Fleet Management
Reproduction and Mail
Facilities Management
Real Estate Services
Public Works
Architecture
Building Repair
Construction Management
Engineering
Street Environmental Svcs
Street Use and Mapping
Sewer Repair
Urban Forestry
DTIS
Applications
Operations
Telecommunications
Telephone Pass Thru

MEMORANDUM

To: Department CFOs, CIOs
From: Noelle Simmons, Ed Lee, Chris Vein
Re: FY06-07 Information Technology Project Budget Requests
Date: February 3, 2006

For fiscal year 2006-07, departments are requested to submit the attached Information Technology Project Request Form for all IT projects with a total project cost of $500,000 or more. This form replaces COIT Folio forms and will be used to anticipate, plan for and track large technology needs across the City.

Please note that IT project requests submitted through this form should not duplicate FY06-07 equipment or capital requests. This form is intended for requests that involve large-scale system upgrades, or new technology initiatives. It is not intended to be used to request funds for routine replacement of IT equipment or maintenance of existing systems. Those requests should be submitted on the equipment request form or through base budget submissions.

Three copies of the requests are due with the department's budget submission to the Mayor's Budget Office by **February 21, 2006**. General Fund departments requesting new funding for an IT project should not load the expense into their budget without prior Mayor's Budget Office approval. A citywide committee formed to recommend projects to COIT will review all IT proposals.

General Background Information
Complete the supplemental budget form for each IT project proposed for FY06-07. Provide background information for the proposed project including a brief description of the project and the business rationale for the project including any estimated budgetary savings, operating efficiencies, or improved program outcomes anticipated to result from this investment. If the IT Project is required to comply with any State or Federal mandate, please indicate this on the form.

Request Type and Description
Please specify and **briefly** describe the major cost components of the project. Types of requests or expenses include: equipment/hardware, software, professional and specialized services, ongoing maintenance contracts, new department staffing requests, work orders to other departments, or other.

Proposed Funding Source
Indicate how the department plans to fund the major cost components of the project. The major funding categories include: funded in the department's FY06-07 base budget, a one-time request included in the department's 3% contingency plan, an unfunded project where new funding is requested from the General Fund, grants, or other.

Proposed Project Budget
Estimate the budget of the proposed IT project. Specify whether the project will require one-time investments over time (for example a project may be phased in over several years) and other anticipated ongoing maintenance needs.

Timeline for Implementation/Annual Milestones
Provide a timeline for implementation and completion including any annual milestones.

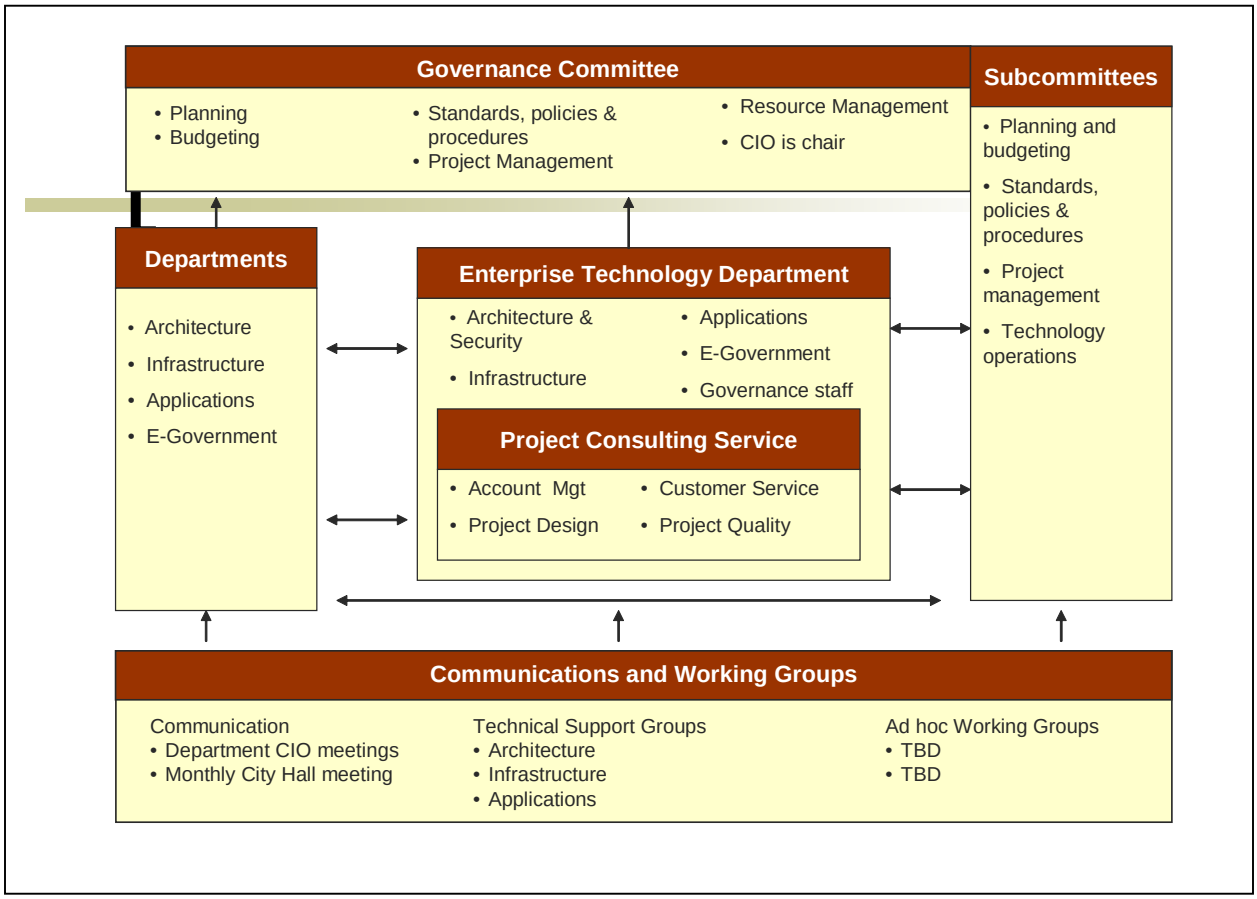
Please contact your Mayor's Office budget analyst with any questions.

Appendix C

TEN YEARS AFTER THE 1996 IT PLAN CONSIDERATIONS & RECOMMENDATIONS

Presentation by Chris Vein to the Committee on Information Technology – March 30, 2006.

The CGJ has chosen to put the new vision of IT in a slightly different order from that presented at the March 30, 2006 COIT Meeting so that the new organization chart is presented first.



Ten Years after the 1996 IT Plan
Considerations & Recommendations

Briefing to the Committee on Information Technology (COIT)
March 30, 2006

In 1996 . . .

- Analog voice systems; proprietary data systems; growing use of world-wide web
- Federal telecommunications reform was in full swing
- San Francisco's economy was growing
- IT Plan recognized the need for change:
  - Common vision & plan
  - City-wide standards & policies
  - Seamless communication
  - Performance measurement & project plans
  - Adequate training & support
  - Security
- San Francisco responded by:
  - Creating new governance or policy bodies
  - Creating technology "one-stop-shop"

But over time . . .

- Digital voice systems; more open technology systems; applications using world wide web
- San Francisco's economy stopped growing
  - Staffing reductions
  - Project hold
- We continued to recognize the need for change
  - 2001Brown Initiative
  - 2002 & 2004 Telecomm Commission reports
  - COIT & SMPG discussions
  - DTIS internal reports
  - Board of Supervisors hearings
- Moved away from the vision of the 1996 IT Plan
  - Governance or policy bodies were defunded or met infrequently
  - Departments build own technology organizations; DTIS is not used as a "one-stop-shop"
  - Technology leadership becomes diffused

Ten years later . . .

- Growing convergence of IT and telecomm infrastructure; defined & robust open technology systems; internet protocol new platform
- Multiple reform bills at the Federal and State levels
- San Francisco economy growing; deficit remains
- The City still needs
  - A common vision & plan
  - Alignment of plan with available resources
  - City-wide standards & policies
  - Quality controls
    - Project management
    - Performance measurement
  - Resource management
    - Adequate training & support
- Now faced with
  - Outdated technology infrastructure
  - "Shadow" systems
  - Inefficient, redundant business processing

Considerations

- Role & responsibility of Governance
  - Functions
  - Policies
  - Processes
- Payment for technology
  - How to pay
  - How much to pay
- Importance of customer service
  - Governance
  - DTIS
  - Departments
- Centralization and/or decentralization of technology operations
  - Infrastructure such as mainframes and servers
  - Applications such as enterprise resource planning (ERP) or email
- Optimal organization and staffing model
  - Capabilities needed to support future applications and current capabilities
  - Most efficient organizational structures

Recommendations

- Refocus the governance or policy bodies
  - Responsible for IT & telecommunications
  - Functional authority over all departments
    - Three-year City Plan
    - Budget
    - Standards, policies, and procedures
    - Quality oversight
    - Resource management
  - Supported by sub-committee structure
- Create enterprise Chief Information Officer function
  - Understand and focus on business issues of City
  - Translate between business needs & technology solutions
  - Lead governance or policy body
  - Create team & long term plan
- Refocus the technology one-stop-shop organization
  - Centralize functions to enterprise economies of scale; decentralized functions to department economies of scale
    - Architecture
    - Infrastructure
    - Applications
  - Create consultative approach to city problem solving
  - Provide staff support to Governance

Plan

- Approve recommendations
- Charge DTIS Director with plan development and implementation
  - Project manager
  - Involve all departments at all levels
  - Short, medium, and long term initiatives
  - Recraft administrative code
- Propose short-term initiatives in FY 06-07 budget
  - Governance staff move into DTIS
- Report progress to new governance body monthly

Outcome

- City-wide approach to IT and Telecommunications
- City technology leadership
  - Empowered governance
  - Enterprise technology leader - CIO
  - Continued strong Department leaders
- Clearly defined roles and responsibilities
  - New technology organization
    - Centralized common infrastructure
    - Technology consulting organization
  - Departments focusing on their unique business requirements
- Cross-department communication and problem solving

Appendix D

A CHRONOLOGY OF SAN FRANCISCO INFORMATION TECHNOLOGY 1996 -2006

1996

- KPMG and City officials complete a "*Strategic Plan for Information Technology" for the City and County of San Francisco.*" The plan includes recommendations for:
  - Development and implementation of a strategic plan. (Phase I)
  - Verification mechanism to ensure the strategic plan remained current and viable. (Phase II)
  - A technology vision with specific short-term actions.
  - The establishment of a "one-stop shop" for technological innovation, information, and support.
  - A technical staff with the necessary skills and capabilities.
  - Procurement processes that were timely, flexible, and responsive.
  - A new three-tiered centralized IT Governance Strategy including a Council on IT (COIT); a Technical Advisory Group (TAG); and a Central Technology Group.
  - A combination of centralized and decentralized resources.
  - Consistent investments in IT and multi-year budget processes.

- As a result of the KPMG study, DTIS is created by an Amendment to the San Francisco Administrative Code, Article IX Section 11.86. It features

  - An amendment to form DTIS, bringing together the Department of Electricity and Telecommunications and the Information Services Division of the Controller's Office (including EIPSC), Citywatch, and the 911 call system.
  - The Director position for DTIS is created and the individual is designated to serve as the City's Chief Information Officer (CIO).
  - The responsibilities of DTIS are outlined and include providing telecommunications and information services to City departments, overseeing cable television franchises, and the City's cable access television channels.

- The Civil Grand Jury issues the report, "*Information Technology Services in San Francisco Government*" that highlighting IT issues. (May 1996) In *Responses to the Grand Jury Report*, Mayor Brown and City departments state they had already established initiatives aimed at charting a new course for the use of IT. They reference the KPMG Report.

- The Committee on Information Technology (COIT) is created by Amendment to the San Francisco Administrative Code, Section 3.24 (Codified 6/97).

* COIT is established as the policy making group for the City charged with formulating policy and defining the direction of IT in the City. It is designed to review major interdepartmental and citywide projects and to make policy recommendations.

* The COIT committee members include: the Mayor's Finance Director, a member of the Board of Supervisors, the Controller, the Director of DTIS, and a department head from: (a) Public Protection, (b) Public Works, Transportation and Commerce, (c) Human Welfare and Neighborhood Development, (d) Community Health, (e) Culture and Recreation, and (f) General Administration and Finance.

* The Strategic Management and Planning Group (SMPG) became responsible for the Annual IT Business Folio. It has the responsibility of reviewing IT projects over $3 million and less than $5 million. SMPG members are from the Board of Supervisors, Rent Arbitration, DPW Administrative Services, the Port, DTIS, Human Resources, Public Health, PUC and the Sheriff's Department.

1997

- The Telecommunications Commission is established by the Board of Supervisors. (March 1997) This was to be an advisory body to the Mayor, the Board and DTIS on telecommunication-related issues.

1999

- The Performance and Review Ordinance of 1999 is developed. **Starting in 2003,** it requires each department head to prepare and submit a departmental Efficiency Plan to the Mayor and the Board. (Codified 1/2000) Each plan is to cover a three-year period and include the following elements:

    - a customer service,
    - a strategic planning,
    - an annual performance,
    - a performance evaluation for the previous year.

2000

- A report is issued by the Office of the Legislative Analyst, "*Information Technology within San Francisco*." (June 2000) Highlights of this report are the following:

    * The City depends on a number of City agencies for IT services.
    * The total cost of IT in the City is not easy to determine, because each department obtains services through various channels.

- No citywide approach exists for tracking consulting costs incurred outside the Computer Store.
- San Francisco's current management structure is decentralized. Larger Enterprise Departments often built their own IT internal systems and staff. Smaller departments often lack funding resources and tended to fall behind in their technology despite DTIS support.
- Best practices in Phoenix and Philadelphia are recommended for review (These cities have "hybrid" IT structures—centralized and decentralized operations, CIO's, centralized management, departmental autonomy, and departmental IT plans tied to the budget process.)
- IT problems are acknowledged in the KPMG and in the Civil Grand Jury Reports.

The report recommends the City:

- Develop IT standards and policies for a vision for IT.
- Centralize the budget process for funding technology on a citywide basis.
- Encourage departmental sharing of technological advancements.
- Increase the number of multi-departmental or citywide IT systems, reducing replication and redundancy among departments.
- Amend the City's Administrative Code to require that all City departments obtain COIT approval for all IT purchases.

- Mayor Brown announces plans to centralize the management of IT resources and services.

2001

- A directive is issued by the Mayor to develop a comprehensive centralization plan. This responsibility is assigned to the Executive Director of DTIS. (January 2001)

- Public Technology, Inc. (PTI) completes the "*Enterprise IT Initiative Communications Plan."* It discusses perceived benefits, expected outcomes, anticipated barriers and concerns of IT Governance. Success measures and survey results are also included. (September, 2001)

- PTI issues the "*SWAT, Enterprise IT Report.*" (December 2001) It evaluates the central IT organization, the CIO mission, and IT roles and responsibilities. Key recommendations are:

  - Appoint a full-time and empowered Chief Information Officer (CIO).
  - Restore central IT credibility with delivery on short-term projects, improved financial management and a Customer Communications Plan.
  - Codify department and enterprise roles.
  - Align assets to enhance department and enterprise capabilities.
  - Modify procedures for enterprise IT project evaluation.
  - Establish Project Management standards.

2002

- PTI issues the "*Enterprise IT Initiative Action Plan*."(January 2002) This plan expands the updated high-level Enterprise IT Consolidation Plan and is the roadmap for establishing the City's enterprise IT capability.

- The Telecommunications Plan is adopted by the Board. The Plan proposes City policies and procedures to guide the establishment of technologies within the City.

- The Executive Director of DTIS issues "*An Enterprise Approach to IT: A Proposal to Centralize Information Technology Management & Resources.*" (February 2002) This is a comprehensive report that details an IT Strategic Plan. The background information that follows repeats the "same old story:"

    - Despite the adoption of the 1996 IT Strategic Plan and the creation of DTIS, COIT and SMPG, delivery of services have remain fairly decentralized.
    - Decentralization issues remain including three different City e-mail systems, multiple websites, disparate networks, and competing IT priorities.
    - DTIS struggles to achieve its original purpose. It has ***not*** evolved into the City's "one stop shop" for technology.
    - The lack of enabling legislation and flaws in organizational structure allow departments to do "their own thing."
    - Few of the 1996 Plan's vision statements and strategies are achieved and/or followed.

- Executive Director of DTIS resigns. (March 2002) The plan loses momentum and is not implemented.

2003

- Candidate Gavin Newsom's campaign highlighted new technology programs that include SFStat, 311, JUSTIS and Compstat.

2005

- A new General Services Agency (GSA) is created, headed by a new Chief Administrative Officer (CAO) who reports directly to the Mayor.

- The annual DTIS Efficiency Plan identifies IT cost-saving strategies and identifies a strategic plan. (October 2005)

- The Board of Supervisors' Budget and Finance Committee begins hearings on IT Procurement and Maintenance. (November and December 2005) Some of the same issues are once again up for discussion:

    * No IT strategic planning, continuing expensive practices, incompatible systems and the purchase of incompatible software.
    * Many long-term outside IT contracts are without development of in-house IT services.
    * A need to spend City funds wisely and maximize every dollar spent so as to fund other City services.

2006

- The Executive Director of DTIS convenes a meeting with COIT. (March 2006) A presentation is given, entitled "*Ten Years after the 1996 IT Plan: Considerations & Recommendations*." A citywide IT strategy is advocated. COIT votes approval to move the vision forward and requests the DTIS Director to return in thirty days with details of the plan.

Appendix E

MCCP Salary Plan
Fiscal Year 2005-2006

		Range A		Range B		Range C	
0961 Department Head I							
7/1/2005	Hourly	$40.7250	$54.5750	$54.5875	$58.7375	$58.7500	$63.1625
	Biweekly	*$3,258*	*$4,366*	*$4,367*	*$4,699*	*$4,700*	*$5,053*
	Annual	$84,708	$113,516	$113,542	$122,174	$122,200	$131,378
11/5/2005	Hourly	$41.5375	$55.6625	$55.6750	$59.9125	$59.9250	$64.4250
	Biweekly	*$3,323*	*$4,453*	*$4,454*	*$4,793*	*$4,794*	*$5,154*
	Annual	$86,398	$115,778	$115,804	$124,618	$124,644	$134,004
5/6/2006	Hourly	$42.3625	$56.7750	$56.7875	$61.1125	$61.1250	$65.7125
	Biweekly	*$3,389*	*$4,542*	*$4,543*	*$4,889*	*$4,890*	*$5,257*
	Annual	$88,114	$118,092	$118,118	$127,114	$127,140	$136,682
0962 Department Head II							
7/1/2005	Hourly	$50.3500	$67.4875	$67.5000	$72.5750	$72.5875	$78.1375
	Biweekly	*$4,028*	*$5,399*	*$5,400*	*$5,806*	*$5,807*	*$6,251*
	Annual	$104,728	$140,374	$140,400	$150,956	$150,982	$162,526
11/5/2005	Hourly	$51.3625	$68.8375	$68.8500	$74.0250	$74.0375	$79.7000
	Biweekly	*$4,109*	*$5,507*	*$5,508*	*$5,922*	*$5,923*	*$6,376*
	Annual	$106,834	$143,182	$143,208	$153,972	$153,998	$165,776
5/6/2006	Hourly	$52.3875	$70.2125	$70.2250	$75.5000	$75.5125	$81.3000
	Biweekly	*$4,191*	*$5,617*	*$5,618*	*$6,040*	*$6,041*	*$6,504*
	Annual	$108,966	$146,042	$146,068	$157,040	$157,066	$169,104
0963 Department Head III							
7/1/2005	Hourly	$53.6250	$71.8750	$71.8875	$77.3625	$77.3750	$83.2125
	Biweekly	*$4,290*	*$5,750*	*$5,751*	*$6,189*	*$6,190*	*$6,657*
	Annual	$111,540	$149,500	$149,526	$160,914	$160,940	$173,082
11/5/2005	Hourly	$54.7000	$73.3125	$73.3250	$78.9125	$78.9250	$84.8750
	Biweekly	*$4,376*	*$5,865*	*$5,866*	*$6,313*	*$6,314*	*$6,790*
	Annual	$113,776	$152,490	$152,516	$164,138	$164,164	$176,540
5/6/2006	Hourly	$55.8000	$74.7750	$74.7875	$80.4875	$80.5000	$86.5750
	Biweekly	*$4,464*	*$5,982*	*$5,983*	*$6,439*	*$6,440*	*$6,926*
	Annual	$116,064	$155,532	$155,558	$167,414	$167,440	$180,076
0964 Department Head IV							
7/1/2005	Hourly	$61.5500	$82.4625	$82.4750	$88.7000	$88.7125	$95.4750
	Biweekly	*$4,924*	*$6,597*	*$6,598*	*$7,096*	*$7,097*	*$7,638*
	Annual	$128,024	$171,522	$171,548	$184,496	$184,522	$198,588
11/5/2005	Hourly	$62.7750	$84.1125	$84.1250	$90.4750	$90.4875	$97.3875
	Biweekly	*$5,022*	*$6,729*	*$6,730*	*$7,238*	*$7,239*	*$7,791*
	Annual	$130,572	$174,954	$174,980	$188,188	$188,214	$202,566
5/6/2006	Hourly	$64.0250	$85.8000	$85.8125	$92.2875	$92.3000	$99.3375
	Biweekly	*$5,122*	*$6,864*	*$6,865*	*$7,383*	*$7,384*	*$7,947*
	Annual	$133,172	$178,464	$178,490	$191,958	$191,984	$206,622
0965 Department Head V							
7/1/2005	Hourly	$76.6250	102.6750	102.6875	110.5125	110.5250	118.8500
	Biweekly	*$6,130*	*$8,214*	*$8,215*	*$8,841*	*$8,842*	*$9,508*
	Annual	$159,380	$213,564	$213,590	$229,866	$229,892	$247,208
11/5/2005	Hourly	$78.1625	104.7250	104.7375	112.7250	112.7375	121.2250
	Biweekly	*$6,253*	*$8,378*	*$8,379*	*$9,018*	*$9,019*	*$9,698*
	Annual	$162,578	$217,828	$217,854	$234,468	$234,494	$252,148
5/6/2006	Hourly	$79.7250	106.8250	106.8375	114.9750	114.9875	123.6500
	Biweekly	*$6,378*	*$8,546*	*$8,547*	*$9,198*	*$9,199*	*$9,892*
	Annual	$165,828	$222,196	$222,222	$239,148	$239,174	$257,192

0961 This class level has the responsibility for the direction of the smallest-sized City Department (guide: less than 60 employees).

0962 This class level has the responsibility for the direction of a small-sized City Department (guide: 60-175 employees).

0963 This class level has the responsibility for the direction of a medium-sized City Department (guide: 175-800 employees) or for the direction of a central Department with functions impacting employees in all departments and special districts.

0964 This class level has responsibility for the direction of a large City Department (guide: 800-2000 employees), or for the direction of a central Department whose functions include providing direct public services and having a high impact on employees in all departments and special districts.

0965 This class level has the responsibility for the direction of one of the largest City Departments (guide: over 2000 employees) with broad and complex service structures, including multiple and diverse divisions or bureaus or for the direction of a central Department whose functions involve direct public services and having the highest impact on employees in all departments and special districts.