

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 26, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #74: COMMISSION ON INFORMATION TECHNOLOGY
- FY 2008 PROPOSED IT PLAN REPORT

The Commission on Information Technology has completed its analysis of the City Manager's Proposed FY 2008 Information Technology Plan. The Commission's findings and recommendations are submitted to City Council in the following (attached) report.

Attachment 1: Commission on Information Technology FY 2008 Proposed IT Plan Report

**City of Alexandria
Commission on Information Technology**

**Report on the Proposed FY 2008
Information Technology Plan**

Daniel Brooks
Mark S. Feldheim, Chair
Brian Hunt, Secretary
K. Rob Krupicka
Catherine Hogan Lewis
Kostas Liopiros
R. Mark McLindon
Scott Newsham
Patrick O'Brien
Redella S. Pepper
R. Heather Planey, Vice-Chair
Scott Price
Marie Schuler

EXECUTIVE SUMMARY

- **The proposed plan adequately addresses the City's established IT goals as referenced in the plan.**
- **The Information Technology Commission commends ITS for its efforts in prioritizing projects that could be deferred, but cautions that these initiatives must be closely monitored to avoid obsolescence, a failure of critical IT infrastructure, and the associated increased replacement and operating costs.**
- **The Information Technology Commission observes that scheduled replacement of communication systems, work stations, file server and network components is efficient, essential and cost effective in the long-term.**
- **The Information Technology Commission recommends that the City explore the feasibility of closer collaboration, coordination and oversight of the IT functions of Alexandria City Public Schools (ACPS) and the Libraries.**
- **The Information Technology Commission renews its prior recommendation that additional project prioritization descriptors may be helpful in establishing IT Plan priorities and would be of assistance to the City Council in its annual budget deliberations.**
- **The Information Technology Commission recommends that ITS apply MFRI for its CIP projects using a periodic review process that focuses on efficiency, technical performance, and impact metrics.**
- **The Information Technology Commission recommends that ITS continuously review its project management capabilities to ensure successful initiation, execution, control and completion of IT projects.**
- **The Information Technology Commission recommends that the multi-year Estimated Operating Impacts (FY 2008-2013) be restated to more accurately reflect the true future costs.**
- **The Information Technology Commission commends ITS for the preparation of a thorough, well-documented plan and expresses its appreciation for the time, effort and professionalism of the ITS staff. We look forward to continue working with ITS in ways that will help achieve the stated goals of the ITS Department, improve the budget process, and provide assistance to Council in future reviews.**

In accordance with provisions of The Code of the City of Alexandria, Section 2-4-113(a)(1), the Information Technology Commission has reviewed the City Manager's Proposed FY 2008 Information Technology Plan and makes the following findings and recommendations:

The proposed plan adequately addresses the City's established IT goals as referenced in the plan. The 6-year Capital Improvement Plan (CIP) priorities are well articulated and appear achievable. Projects that are unlikely to be completed have again been deferred to later years. However, anticipated challenges identified by the by the City Manager in the FY 2007 Budget have become a reality for the Proposed FY 2008 Budget and Information Technology Plan, requiring additional deferral of critical infrastructure to meet budgetary constraints.¹ **The Commission commends ITS for its efforts in prioritizing projects that could be deferred, but cautions that these initiatives must be closely monitored to avoid obsolescence, a failure of critical IT infrastructure, and the associated increased replacement and operating costs.**²

The Information Technology Commission observes that scheduled replacement of communication systems, work stations, file server and network components is efficient, essential and cost effective in the long-term. Rapidly changing technologies, maintenance of aging systems and the reduction or elimination of manufacturer technical and hardware support can prove disruptive and costly to the delivery of essential IT services. Accordingly, replacement schedules should be based on anticipated equipment life cycles and reviewed regularly to ensure that they are current. In preparing the annual Information Technology Plan, it may also prove helpful to Council's budget deliberations to include a Replacement Schedule for all of these components.³

¹ The Commission is advised that the contractor responsible for the replacement of obsolete switches and the conversion to VoIP has recommended that the entire project be undertaken at the same time, but budget impacts require that the conversion be phased in. Similarly, the conversion of the City's legacy Payroll/Personnel Systems has been deferred inasmuch as the Arlington County system currently used by the City is still available for a period of time.

² By way of example, the Proposed FY 2008 Information Technology Plan notes that the number of computer workstations has increased from 2,200 in FY 2005 to 2,500 in FY 2008. The Commission is advised that the 4 year replacement schedule has increased to a 5 year schedule to reflect budget restraints. While the additional year may not be problematic at this time, continued deferral of scheduled replacement may be cause for concern.

³ File Server and Network Replacement Schedules are set forth at Appendix A of the Proposed Plan.

The Information Technology Commission recommends that the City explore the feasibility of closer collaboration, coordination and oversight of the IT functions of Alexandria City Public Schools (ACPS) and the Libraries. Recognizing that the ACPS and Libraries may have different environments, requirements, commitments and plan priorities, it may, nevertheless, be cost effective to include these entities in a City-wide Information Technology Plan. In addition to possible economies of scale in terms of equipment purchase, the alignment of the City's Strategic Plan and IT investments (enterprise architecture) would be more clearly defined. Following an internal study, it may prove helpful to undertake a more detailed examination of any identified IT efficiencies and cost savings.⁴

The Information Technology Commission renews its prior recommendation that additional project prioritization descriptors may be helpful in establishing IT Plan priorities and would be of assistance to the City Council in its annual budget deliberations. Last year we suggested that in addition to the rating of project priorities within the plan, projects with projected cost savings should have a projected return on investment (ROI) date and that any state or federal mandates should be specified. We also noted that projects that do not lend themselves to ROI calculations should continue to focus on cost avoidance and service improvements.

While each of the projects described in the Proposed FY 2008 Information Technology Plan generally note "Project Benefits", "Operating Budget Impact" and "Relationship to the City's Strategic Plan", the City Manager's Proposed FY 2008 Operating Budget and Capital Improvement Program has implemented a new budget process that requires measurable indicators of performance as described in the City's Managing for Results Initiative (MFRI).⁵ We readily acknowledge the inherent challenges of creating valid performance measures for CIP projects within the IT Plan, but given the mandate of the new budget process, we recommend that ITS prepare for this possibility. **The Information Technology Commission recommends that ITS apply MFRI for its CIP projects using a periodic review process that focuses on efficiency, technical performance, and impact metrics.** Conducting assessments at specified periods (i.e., "stage gates") in a project's life cycle provides needed visibility into project performance and management. In the "stage gate" process, projects must meet specific impact, efficiency, and technical performance benchmarks in order to proceed to the next phase. The implementation of such a structured review process will help ensure that essential projects are retained and fully implemented.⁶

⁴ Currently ITS Staff coordinates with 7 other City departments and agencies that provide IT services. Although the City's Director of Information Technology Services is a member of the ACPS Technology Leadership Council, there is no formal coordination.

⁵ Managing For Results Initiative (MFRI) is a long-term process that identifies needs, develops plans and policies, tracks performance and costs, and continuously evaluates and revises plans based on results. *City of Alexandria-Managing for Results Initiative Overview*; Evaluating each of the IT Plan initiatives in the context of the City's Strategic Plan helps to ensure that the projects remain relevant to the needs and values of the City. See Budget Memo #50, FY 2008 Proposed Budget.

⁶ Budget Memo #50, FY 2008 Proposed Budget

The FY 2008-2013 IT Plan reflects a number of significant multi-year projects including replacement of the City's Payroll/Human Resources system, accelerated Document Imaging, replacement of telephone systems and conversion to VoIP, and the Fall 2007 completion of a wireless network pursuant to the franchise agreement with Earthlink, Inc.⁷ As proposed, the FY 2008 IT Plan includes \$50,000 in prior year balances for outside project management services and \$5,000 annually for project management software applications. **The Information Technology Commission recommends that ITS continuously review its project management capabilities to ensure successful initiation, execution, control and completion of IT projects.**

The Information Technology Commission recommends that the multi-year Estimated Operating Impacts (FY 2008-2013) be restated to more accurately reflect the true future costs. In reviewing this portion of the IT Plan, we noted that the projected future costs remained at a constant FY 2008 level. Given the likelihood of cost increases associated with wage growth and inflation, these estimates should be adjusted accordingly.

The Information Technology Commission commends ITS for the preparation of a thorough, well-documented plan and expresses its appreciation for the time, effort and professionalism of the ITS staff. We look forward to continue working with ITS in ways that will help achieve the stated goals of the ITS Department, improve the budget process, and provide assistance to Council in future reviews.

⁷ Earthlink has recently been awarded a wireless contract with Arlington County as well.