

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 25, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO # 119: TRANSMITTAL OF REPORT ON THE
PROPOSED FY 2009 INFORMATION TECHNOLOGY PLAN BY THE
COMMISSION ON INFORMATION TECHNOLOGY

The attached report was prepared by the City of Alexandria Commission on Information Technology. The Commission has reviewed the City Manager's Proposed FY 2009 Information Technology Plan and makes observations and recommendations in accordance with the provisions of The Code of the City of Alexandria, Section 2-4-113(a)(1).

**City of Alexandria
Commission on Information Technology**

**Report on the Proposed FY 2009
Information Technology Plan**

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EXECUTIVE SUMMARY

The Information Technology Commission makes the following observations and recommendations regarding the proposed FY 2009 Information Technology Plan:

- **The proposed plan adequately addresses the City's established IT goals as referenced in the plan.**

- **The Commission commends ITS for its efforts in prioritizing projects that could be deferred, but again 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.**

- **While the Information Technology Commission acknowledges the discipline, knowledge, insight and dedication of the ITS staff that prepares the annual IT Plan, we recommend that ITS consider the merits of adopting a more structured "top down" approach in the development of the annual Information Technology Plan so as to provide needed traceability of programs. This would require a restatement of the overall goals of the plan and a periodic review and analysis of the strategies required to fulfill the established goals.**

- **The Information Technology Commission commends ITS for its informed and balanced deliberative process in establishing and funding the critical priorities. As funding is restored the Tier II and Tier III initiatives should be evaluated for inclusion in the IT Plan.**

- **The Information Technology Commission endorses the CIP prioritization process indentified in the Budget and Fiscal Affairs Advisory Committee's (BFAAC) Report on the City Manager's Proposed Budget for FY 2009 and recommends that it be applied to the development of the annual IT Plan.**

- **The Information Technology Commission recommends that the statement of the relationship contain, for each specific IT Project a statement of its contribution to the achievement of the goals and objectives of the City Council Strategic Plan.**

- **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 reaffirms its prior observation that in the preparation of the annual Information Technology Plan, it may also prove helpful to Council's budget deliberations to provide a Replacement Schedule for all of these components.**
- **The Information Technology Commission observes that many efforts have been made to bring projects in multiple areas together under the auspices of a single project (e.g., payroll/personnel/financial accounting/asset management and TES Infrastructure Management and Maintenance System/Citywide Customer Relationship Management system).**
- **The Information Technology Commission observes that the telephony project calls for the replacement of technology that is currently budgeted departmentally rather than centrally in ITS's budget.**
- **It is recommended that the budget for both the current and new technologies be centralized and managed under ITS.**
- **The Information Technology Commission observes that operating cost impacts generally are noted in the budget as a simple dollar figure.**
- **The Information Technology Commission renews its FY 2008 recommendation 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.**

OBSERVATIONS AND RECOMMENDATIONS

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 2009 Information Technology Plan and makes the following observations 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. In a change from prior years, however, the FY 2009-2014 IT/CIP does not include out-year projects that have not been funded in the current fiscal year. Thus, notwithstanding a \$2.1 million increase from the FY 2008-2013 IT Plan, this change in methodology has caused the 6-year total to level off despite the funding of a number of significant initiatives.¹ **The Commission commends ITS for its efforts in prioritizing projects that could be deferred, but again 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

While the Information Technology Commission acknowledges the discipline, knowledge, insight and dedication of the ITS staff that prepares the annual IT Plan, we recommend that ITS consider the merits of adopting a more structured "top down" approach in the development of the annual Information Technology Plan so as to provide needed traceability of programs. This would require a restatement of the overall goals of the plan and a periodic review and analysis of the strategies required to fulfill the established goals. A more structured "top down", or strategic plan, approach would provide needed traceability of programs. Accordingly, the plan must be accompanied by an analysis of the capability to execute it. A high level statement of the over-arching goal of the IT Plan with defined strategies and activities to execute these strategies would provide an audit trail to understand and evaluate the actions described in the plan.³

In light of the limited availability of funds a number of project requests could not be funded in the proposed FY 2009-2014 Information Technology Plan. These projects have place markers

¹ Customer Relationship Management System (CMRS), Criminal Justice System Data Storage, Replacement of Lotus Notes, Enterprise Maintenance Management System, General Services Management System, and Telephone Emergency Notification System are some of the initiatives in progress. Proposed FY 2009 Information Technology Plan, page 24.

² By way of example, the scheduled migration from Lotus notes/Domino e-mail system to Microsoft Office/Exchange in FY 2011 warrants close monitoring of a potentially changing environment; if IBM invests in the upgrade of Lotus Notes the project may be deferrable to 2013 or later. If not, earlier conversion may be required. Budget Memo #28, March 14, 2008.

³ In defining the several strategies required to fulfill the goal and the activities (programs) required to execute the strategies, the structured approach provides traceability to answer key questions: (1) What programs are necessary to fulfill the goal? (2) How well are we doing to fulfill the goal? and (3) Are there any programs here that are not supportive of the goal?

and will be accommodated as funds are available.⁴ These projects have been categorized as Tier III, i.e., desirable but not mission critical. Additionally, the availability of funds in FY 2010 for certain Tier II projects, i.e., high priority but not urgent as well as additional Tier II projects, is competing with several Tier I high priority, critical funding requests. **The Information Technology Commission commends ITS for its informed and balanced deliberative process in establishing and funding the critical priorities. As funding is restored the Tier II and Tier III initiatives should be evaluated for inclusion in the IT Plan.**

The Information Technology Commission endorses the CIP prioritization process indentified in the Budget and Fiscal Affairs Advisory Committee's (BFAAC) Report on the City Manager's Proposed Budget for FY 2009⁵ and recommends that it be applied to the development of the annual IT Plan. Enhanced priority setting processes using additional qualitative and quantitative criteria in the context of the City's strategic goals to determine project priority will help ensure the development of a supportable and sustainable IT Plan.

In describing projects in prior years, the Information Technology Plan included a reference to each project's relationship to the City Council Strategic Plan goals. We note that in the Proposed FY 2009-2014 the references to the specific projects have been eliminated and that a more general statement of the relationship is contained in the IT Goals and Principles section of the IT Plan.⁶ **The Information Technology Commission recommends that the statement of the relationship contain, for each specific IT Project a statement of its contribution to the achievement of the goals and objectives of the City Council Strategic Plan.** In addition to assisting Council in its funding prioritization for the IT/CIP, it provides a measure of transparency as various CIP items compete for limited funding.

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. **The Information Technology Commission**

⁴ Document Management and Imaging for the Purchasing Office and Office of Historic Alexandria (\$174,000); Citizen Finance Portal (\$150,000); Sheriff Mobile Data Browser (\$70,500); Fire Department Radios (\$40,000); Test DOT Paratransit Module (\$32,000). Proposed FY 2009 Information Technology Plan, page 26.

⁵ Budget Memo #93, April 15, 2008

⁶ Proposed FY 2009 Information Technology Plan, page 4.

reaffirms its prior observation that in the preparation of the annual Information Technology Plan, it may also prove helpful to Council's budget deliberations to provide a Replacement Schedule for all of these components.⁷

The Information Technology Commission observes that many efforts have been made to bring projects in multiple areas together under the auspices of a single project (e.g., payroll/personnel/financial accounting/asset management and TES Infrastructure Management and Maintenance System/Citywide Customer Relationship Management system). We commend ITS on its vision in cross-utilizing its technology. This type of asset management is critical to maximizing the City's return on its IT dollar investment while also minimizing costs of developing/maintaining technology and training city staff on its use.

The Information Technology Commission observes that the telephony project calls for the replacement of technology that is currently budgeted departmentally rather than centrally in ITS's budget. So that the impacts of the project can be better understood and ITS's installation and support of the new technology can be more easily managed and monitored, it is recommended that the budget for both the current and new technologies be centralized and managed under ITS.

The Information Technology Commission observes that operating cost impacts generally are noted in the budget as a simple dollar figure. To clarify whether these costs are in addition to or in lieu of existing operating costs, it is recommended that operating costs are stated in a clear, consistent manner throughout the document. Operating cost impacts as well as the expected term of the impact always should be stated in relation to existing costs (e.g., "a reduction of \$XX,000 per year over the life of the software" or "an increase of \$YY,000 per year for the first 5 years, then a return to existing levels through the remainder of the hardware's life"). Also helpful would be an evaluation of whether additional headcount is required to handle the operational impact. This represents industry best practice of disclosure of the Total Lifecycle Cost of any project.

The Information Technology Commission renews its FY 2008 recommendation 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, we observed that it may 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.⁸

⁷ File Server and Network Replacement Schedules are set forth at Appendix A of the Proposed Plan.

⁸ 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.

Following the adoption of the FY 2008 IT Plan, members of the Information Technology Commission met with ACPS and noted several functional areas of overlap.⁹ Synergies and savings may, or may not, exist, but the City's overall technology plan and objectives would be well-served by exploring the feasibility of closer collaboration.

This year's budget process as related to the formulation of the FY 2009-2014 IT Plan is particularly challenging in light of the City's diminishing revenue growth, increased operating expenses and the need to address aging infrastructure. While every City department was required to set priorities and reduce expenses, ITS staff has acted reasonably and responsibly in the development of this proposed plan. The Information Technology Commission also expresses its appreciation for the time, effort and professionalism of the ITS staff and looks 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.

⁹ E.g., standardization of e-mail systems, Customer Resource Management Systems (CRMS) development.