

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: Thursday, October 12, 2006

IBA Report Number: 06-45

City Council Agenda Date: October 16, 2006

Item Number: 201

Item: Review of Information Technology Business Process Reengineering (BPR)

OVERVIEW

On Monday, October 16 the City Council will hear the Information Technology (IT) Business Process Reengineering (BPR) study. The City Council has been asked by the Mayor's office to accept the IT BPR study and authorize the implementation of the organizational changes described in the report. These organizational changes include the addition of 4.00 Group Information Technology Manager positions in Public Safety, Public Works, Land Use and Economic Development and the Customer and Neighborhood Services. Discussion on how these positions will be funded is discussed below.

This particular BPR addresses the City's Information Technology activities. Historically the City's Information Technology structure has been decentralized with departments developing their own policies and procedures to accomplish their mission. This environment has required departments to create their own IT organizational structures to accomplish their IT needs. An example of this is identified in the Mayor's July 26, 2006 Information Technology (IT) Business Process Reengineering (BPR) Study. Currently City departments support 521 different applications which includes citywide and department specific programs. After review of the applications by the Mayor's IT BPR team it was found that duplication of applications and systems exist within the City. In the opinion of the IBA the support of multiple and sometimes duplicative programs is inefficient and not the best use of City funds in the current fiscal environment.

OUTCOMES

The actions before the City Council on Monday, October 16 constitute the first step in a multi-step process. This initial step of creating Group Information Technology Managers will enable the Mayor's office to create a consistent application policy and to review the City's IT process and structures from a Citywide view point. This first step should be considered a base from which future efficiencies can occur.

FISCAL IMPACTS

The Mayor is proposing to add 4.00 Group Information Technology Manager positions with this action. To ensure that the Fiscal Year 2007 Citywide (General Fund and Non-General Fund) position count does not increase, the Mayor is proposing to offset the 4.00 positions by reducing (1.00) position in the Community & Legislative Services Department (General Fund), and (3.00) positions from the following Non-General Fund departments: Metropolitan Wastewater, Development Services, and Environmental Services. The funding for the 4.00 positions will be accomplished via a Citywide (General Fund and Non-General Fund) allocation. The allocation has been calculated based on each department's share of the total Information Technology budget with San Diego Data Processing. Departments incurring an expense due to the allocation will absorb the costs. This allocation has been used in the past to fund Citywide software programs and the Mayor's office has indicated that the City Attorney, Chief Financial Officer, and the City Auditor's office has approved this allocation and that it meets the Mayor's March 17, 2006 Cost Allocation Policy.

RECOMMENDATION

The IBA has high hopes for this process. Many studies have been done in the past resulting in minor changes to IT policies, structure, or services and little to no savings. Departments have done their best to meet their customer service demands in a decentralized IT environment. With the creation of the 4.00 Group Information Technology the City will be able to move to a centralized structure that will take advantage of a new strategic plan and create efficiencies that will hopefully result in savings to the City. The IBA recommends approval with the following caveat:

- As the new IT Strategic plan is developed and savings are identified the City Council is updated on the progress.

[SIGNED]

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[SIGNED]

APPROVED: Andrea Tevlin
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