THE CITY OF SAN DIEGO

REPORT TO THE CITY COUNCIL

DATE ISSUED: October 11, 2006

REPORT NO: Rev. 06-140 (Revised Attachment III)

ATTENTION: Council President and City Council
Docket of October 16, 2006

SUBJECT: Information Technology Business Process Reengineering (BPR)

REFERENCE: Final Report on Information Technology Reengineering Study

REQUESTED ACTION:

1. Accept the Report from the Mayor on the Information Technology Business Process Reengineering Study.
2. Authorize the City Auditor and Comptroller and the City Attorney to prepare the necessary documents to implement the BPR recommended organizational changes:
   - Authorizing the Auditor and Comptroller to adjust expenditure appropriations to reflect the creation of four Group Information Technology Manager positions in Public Safety, Public Works, Land Use and Economic Development and the Neighborhood and Customer Services Group.
   - Authorizing the Auditor and Comptroller to adjust revenue appropriations associated with the creation of these Group Information Technology Manager positions.

STAFF RECOMMENDATION:

1. Accept the Report on Information Technology Reengineering and authorize implementation of the organizational changes described therein.

SUMMARY:

Background

The Mayor has commenced Business Process Reengineering (BPR) efforts to improve efficiencies, reduce the cost of City government and to maximize the services offered to our residents. BPR focuses on significantly streamlining work processes (activities, services or functions) for substantial improvement and reorganizing functional work groups and positions. On July 31, 2006, the City Council adopted Ordinance O-19523, establishing a policy for the implementation of Business Process Reengineering Results (Report to City Council No. 06-094).

The Information Technology Reengineering Study

Information Technology (IT) in the City of San Diego is supported through a diverse organization and service delivery structure relying on multiple service providers. Some IT functions are centralized, but the majority are delivered based on individual department needs and funding capabilities. The City's IT organization and governance processes reflect this service delivery model.

The City's current internal IT organization is primarily decentralized. The City's Office of the Chief Information Officer (CIO) employs a limited number of information technology staff to support citywide programs and functions, as well as Communications personnel to support the City's wireless voice and data systems. While many IT functions are provided by departmental staff, the majority of technical services are provided by San Diego Data Processing Corporation (SDDPC), a not-for-profit public benefit corporation wholly owned by the City.

The IT reorganization initially started as a BPR project, however it was quickly recognized that a structured reorganization had to occur prior to addressing future process improvements, including the centralization of common functions and the reengineering of information technology functions.

Establishing a stronger governance process, clear reporting relationships and evaluating the existing structure providing IT services became the guiding factors of the team as they reviewed existing processes and organizational structures.

IT Organizational Structure

The initial step in the reorganization includes the creation of Group Information Technology Managers to ensure the consistent application of policy, to develop teams to continue the review and evaluation of the City's information technology functions, and to guide the implementation of the plan which was developed.

This reorganization provides initially for the relocation of four existing positions to create the Group Information Technology (IT) positions. The Group IT Managers will serve as the core of the new governance process for information technology and lead the ongoing effort to reengineer the City's IT processes and functions. To that end, the following immediate steps will be taken:

- Institute central governance process starting with the new Group IT Managers.
- Develop a new strategic plan for information technology that will provide the road map for future years.
- Centralize management of common City IT processes to achieve efficiencies and improve customer service.
- Partner with San Diego Data Processing Corporation to reengineer other functions and develop the most efficient organization.

- Assist other City reengineering efforts in using technology to improve business processes and to transform the City.

The status of these steps, along with all other recommendations included in the Reengineering Report on Information Technology, are summarized in Attachment 1.

FISCAL CONSIDERATIONS:

The proposed transfer of existing positions and funding will be utilized for this initial stage of the BPR process. See attached Summary of Budget Impacts.

The positions being transferred from the Environmental Services Department, Metropolitan Wastewater Department, Community and Legislative Services group and Development Services Department are currently unclassified positions. The positions within Environmental Services, Metropolitan Wastewater Department and Development Services Department (all of which are filled) have traditionally been the Information Technology managers for those departments. The position within Community and Legislative Services is currently vacant.

The current workload of the transferred positions in Environmental Services, Metropolitan Wastewater and Development Services will be partially absorbed by existing employees and partially transferred to the Group Information Technology Managers until a more complete evaluation of Departmental Information Systems Analyst staffing can be evaluated and returned to City Council for approval.

The position from Community and Legislative Services will be eliminated and transferred to the Public Safety group with a working title of Group Information Technology Manager position.

The budget for these positions will be moved from the current departments into the specified Deputy Chief departments. An allocation, to distribute the cost of support for the IT Group Manager to each of the departments within each group, was developed. The basis for the allocation has been calculated based on each department's percentage of the final FY07 IT budget with San Diego Data Processing as compared to the other departments within each group. The IT Group Managers will be budgeted in the Deputy Chief departments, which are General Fund. Non General Fund revenues will be transferred into each of the group's General Fund department budgets according to the allocation described above. For General Fund departments, comparable transfers of expenditure appropriations will be made for each of their shares as calculated by the same allocation (See Attachment III.) Temporary job orders will be established to track costs for the new Group IT Managers until such time as the Appropriations Ordinance can be updated via a Quarterly Adjustment.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Extensive Business Process Reengineering effort and study has been conducted to date, however much more work lies ahead to complete the entire study. Interviews were held with key internal

and external stakeholders, as well as benchmarking with other similar municipalities. Future work will include input from employees and managers from various departments as well as representatives from labor unions who will continue to discuss various approaches to provide information technology services in the City of San Diego.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

City employees and managers will have improved, more efficient and effective information technology services across the city.

Rick Reynolds
Assistant Chief Operating Officer

A COPY OF THE FINAL REPORT OF THE INFORMATION TECHNOLOGY REENGINEERING STUDY IS AVAILABLE FOR PUBLIC VIEWING AT THE OFFICE OF THE SAN DIEGO CITY CLERK.

Attachment I: Information Technology (IT) Reengineering Study Recommendations Matrix
Attachment II: Information Technology (IT) Reengineering Study Recommendations Matrix
Attachment III: Citywide FTE, Expenditure and Revenue Impact