Exhibit A

# REPORT TO COUNCIL

## Third Quarterly Report
## (April – June 2012)

## Technology Oversight Committee

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## PART I – Technology Project Oversight in the City of Portland
April – June 2012

Background
On February 2, 2011, City Council approved Resolution # 36844 creating an independent five-member citizen committee for City of Portland technology projects. On April 20, 2011, City Council adopted changes to City Code Chapter 3.15.010 and Chapter 3.15.070 to establish the duties and authorities of the Chief Administrative Officer and Chief Technology Officer respectively as they relate to Technology Project Oversight. On June 29, 2011, Council adopted edits to BTS Administrative Rule 4.01 – Technology Project Intake and adopted a new rule (BTS A.R 1.07) on Technology Project Oversight.

As stated in BTS A.R.1.07, technology project oversight for the City of Portland includes the following components:

- Citizen Oversight
- Quality Assurance
- Project Management

Citizen Oversight
The citizen members of the Technology Oversight Committee (TOC) are:

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|---|---|
| Mayor Adams | Wilfred Pinfold, PhD<br>Director, Extreme Scale Programs at Intel |
| Commissioner Fish | Ken Neubauer<br>Infrastructure Manager, Standard Insurance |
| Commissioner Fritz | Doretta Schrock<br>Transportation Security Administration |
| Commissioner Leonard | Dave Lister<br>Integrated Data Concepts |
| Commissioner Saltzman | Ben Berry, MBA<br>CEO, AirShip Technologies Group |

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## Quality Assurance
Quality assurance (QA) – provided by external contractors – is a required component of the City's technology project oversight. The role of the QA consultants on a project overseen by the TOC is to provide guidance and oversight to the City staff on the technology project, but ultimately to report the QA's unbiased findings to the TOC.

Major Accomplishment This Quarter
- QA consultants were hired for the Storage Area Network and Monthly Billing Statements projects. This means that now all four projects that are being overseen by the TOC have external QA in place.
- The QA consultants are using the monthly report template designed by the City's Project Management Office with feedback from the TOC citizens.
- QA consultants attend the monthly TOC meetings (or participate by telephone) to discuss their assessment and answer questions.

Upcoming Milestone for Next Quarter
- Continued use and refinement of the QA report.


## Project Management
Staff from OMF's Business Operations and OMF's Bureau of Technology Services provides committee support and technical expertise respectively to the Technology Oversight Committee.

Major Accomplishments This Quarter
- City Project Management staff developed a Milestone-Based Budgeting tool. City project managers are now using this tool to report to the TOC on the relative proportion of a project's completion vis-à-vis the proportion of its budget expended.

Upcoming Milestones for Next Quarter
- Continued use and refinement of the Milestone-Based Budgeting report.

# PART II – Summary of Technology Projects Under TOC Oversight
April – June 2012

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**Project name:**  Information Technology Advancement Project (ITAP)
**Bureau:**  Bureau of Development Services

*Project description:*  Develop paperless permit and case management and allow complete, online access to the permitting and case review services that development bureaus provide. Project deliverables include digitization of historical permit, case and property information; online access to historical permit, case and property information; implementation of an updated permit and case review information management system; online case and permit application and review services; mobile online access for field staff and implementation of an automated queuing system.

*Status:* The project is currently meeting expectations.

Major Accomplishments This Quarter
- Bidding period for RFP closed April 4, 2012
- Proposals reviewed and evaluated; three vendors on the short list
- Vendor demonstrations completed late May, early June

Upcoming Milestones for Next Quarter
- Site visits by City staff – July
- Contract to be put in place for QA consultant for the project's implementation phase – July/August
- Selection of top two vendors – August
- Top two vendors forwarded to Chief Procurement Officer and City Council – August/September

Risks, concerns, comments from TOC
- Budget: The final budget will be developed after a vendor is selected; the budget will need to be approved by City Council.
- Scope: The project scope will be finalized after a vendor is selected.
- Timeline: Estimated completion of the project is May 2015. The specific timeline will depend on the final scope of the project. There have been some delays during this RFP/evaluation phase of the project, but nothing significant nor anything that threatens the overall timeline.

## PART II – Summary of Technology Projects Under TOC Oversight
April – June 2012

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**Project name:**      **Affordable Housing Software**
**Bureau:**      Portland Housing Bureau (PHB)

*Project description:*      PHB is contracting with Housing Development Software (HDS), Inc. to implement a solution that will provide a single data repository for the City's affordable housing programs. This effort will replace disparate systems with a modern and effective single core system, allow for data-entry efficiencies, reduce overall costs and also improve access to data and reporting tools.

*Status:*      Project is currently meeting expectations.

Major Accomplishments This Quarter
- Funds Management module: End user training and go-live – April
- Single Family module: End user training and go-live – June

Upcoming Milestones for Next Quarter
- Multi-Family module: Go-live scheduled for September
- Asset Management module: Go-live scheduled for September
- Loan Servicing module: Go-live scheduled for September

Risks, concerns, comments from TOC
- Budget: Project remains within budget
- Scope: There has been no significant change in project scope.
- Timeline: The project is on schedule.

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## PART II – Summary of Technology Projects Under TOC Oversight
April – June 2012

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**Project name:** **Storage Area Network**
**Bureau:** Bureau of Technology Services

*Project description:* In 2005, a Storage Area Network (SAN) was deployed to solve the City's data storage needs, addressing storage on multiple disk arrays, available space in one area couldn't be used in another, and multiple storage systems were expensive to maintain and grow. Since 2005, data storage needs for bureaus have continued to climb. Creating additional data storage capacity is the primary goal of this SAN project.

*Status:* Project is currently meeting expectations.

Major Accomplishments This Quarter
- Equipment received for all task orders.
- Case Associates selected as QA vendor.
- Portland Building hardware physical installation completed.
- Pre-migration planning documents prepared.

Upcoming Milestones for Next Quarter
- Remediation of problems related to incompatibility between switches and new equipment should be resolved in July
- Schedule and validate migration details with stakeholders
- Data connectivity in preparation for mainframe migrations
- Initiate procurement for FY 2012-13 hardware needs

Risks, concerns, comments from TOC
- Budget: The project is currently within budget.
- Scope: There is no significant change in project scope.
- Timeline: The project is on schedule. There have been some delays in this phase, but nothing significant nor anything that threatens the overall timeline. One delay is due to switch incompatibility with new hardware; timeline may be impacted, depending on the resolution of this issue.
- Overall: The TOC has moderate concern about the SAN incompatibility issue, since – as of the time of this quarterly report– there is not a proposed fix in which the staff has confidence. At the same time, TOC recognizes that no immediate needs would go unmet if the schedule does slip, since the current system is adequate for the near term. Finally, the TOC notes there is some risk that additional costs may be incurred, if the City needs to acquire additional or replacement equipment. This risk is mitigated by a contingency reserve.

PART II – Summary of Technology Projects Under TOC Oversight
April – June 2012

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Project name:     Monthly Billing Statements
Bureau:           Water Bureau; Revenue Bureau

*Project description*:     The Portland City Council has directed the Portland Water Bureau to modify its billing system and processes so the majority of its water and waste water customers receive monthly statements. Currently, Water performs quarterly meter reads and bills quarterly. The quarterly bill will be divided into three monthly billing statements under the new program. Meter reads will still be done quarterly. Quarterly payments will no longer be an option.

*Project redefined*:     The monthly payment will be optional, but in order to be able to pay monthly, the customer must sign up for electronic billing.

*Status*:     Project scope and timeline re-set.

Major Accomplishments This Quarter
- Water Bureau decision to change project scope in that monthly billing will be optional, not mandatory.
- City Council direction that monthly billing be made available only to customers who sign up to pay electronically.
- Custom programming for monthly statements delivered by Cayenta
- Pacific Consulting Group hired as QA consultant for the project.

Upcoming Milestones for Next Quarter
- Cayenta upgrade completed
- Monthly billing configuration and functional testing
- Project will continue to be monitored by the TOC, with Water Bureau and TOC concurrence.
- QA vendor to begin providing QA services, including regular reports to the TOC.

Risks, concerns, comments from TOC
- Budget: The changes to the project (noted above) significantly decrease the costs and deferred revenue.
- Scope: The technological and public relations impact of the project are notably eased.
- Timeline: The timeline has been re-set along with the project scope.

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This quarterly report represents the final report of the Technology Oversight Committee for the fiscal year 2011-12. Thus, the following comments reflect both a brief look back over the past year as well as what's ahead for the TOC as a committee for fiscal year 2012-13.

## A Look Back

  - *TOC processes and forms.* Over the past year, the structure for effective oversight have been put into place with the TOC including project intake documents, specific reporting forms for City project staff and QA consultants, milestone-based reporting, and budget monitoring
  - *Early engagement.* When it created the TOC, City Council indicated their intention for City technology projects to engage with the TOC in the early stages of a project. The experience of the TOC over the past year is that bureaus are doing just that – attending the TOC meetings to discuss potential projects and/or possible approaches to technological challenges. This early engagement helps ensure the TOC can provide timely oversight or advice during the formative stages of a project.
  - *TOC communication with City Council.* Jack Graham, the Chief Administrative Officer (CAO) has provided quarterly TOC reports to City Council for updates on the status of projects and the development of the committee itself. Additionally, when there was a time sensitive issue and concern about the Monthly Billing Statements project of the Water and Revenue Bureaus, the CAO conveyed to City Council a letter written by the TOC outlining their concerns. Thus the process for the CAO to communicate routine and urgent TOC matters to City Council is proving effective.

## A Look Ahead

The TOC expects the following issues to loom large and impact the ability of the Technology Oversight Committee to provide effective oversight of City technology projects:

  - *Workload management.* The TOC recognizes the need to develop and implement practices and methods to manage the number of projects it oversees. The TOC currently has four projects in their portfolio with a fifth project likely to be added soon. The TOC is working with City support staff to implement means by which to monitor these projects with enough time during TOC meetings for full discussion of project status, risks and issues.

  - *Prompt engagement of external quality assurance (QA) vendors.* City bureaus will need to continue to be responsive in engaging QA vendors early in the life of the technology project to ensure there is effective and timely QA information from the get go.

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— *Objective quality assurance (QA) work.* While it is true that the QA consultants are hired by the bureaus undertaking the particular technology projects, the QA consultants are responsible for reporting to the TOC and for providing unbiased assessments of their respective projects. This message has been and will continue to be communicated to QA consultants as they are engaged on technology projects overseen by the TOC.