



City Council Summary Report and Recommendations

FINAL

City of Portland Citywide Technology Assessment

February 19, 2014

Version 1.0

OUTLINE

- ▶ Background
- ▶ Approach
- ▶ Findings
- ▶ Recommendations
- ▶ Next Steps

Overview

Background

In August 2013, BTS selected Sierra Systems to conduct a detailed assessment of the state of city technology to address:

- An anticipated continuing decline in funding
- An unsustainable funding practice of tapping into Operating Reserve to complete critical projects
- Needed improvements to operating efficiency with lower costs to complete mission critical capital and operating projects
- An inability to keep up with increasing demand for new services and solutions – demands from Bureaus and Citizens
- A need to prioritize requests for new services and solutions at the Bureau/Office level and at an enterprise/corporate level

Objectives

To conduct a detailed assessment of the state of citywide technology, including:

- Current state assessment
- Gap analysis
- Recommendations

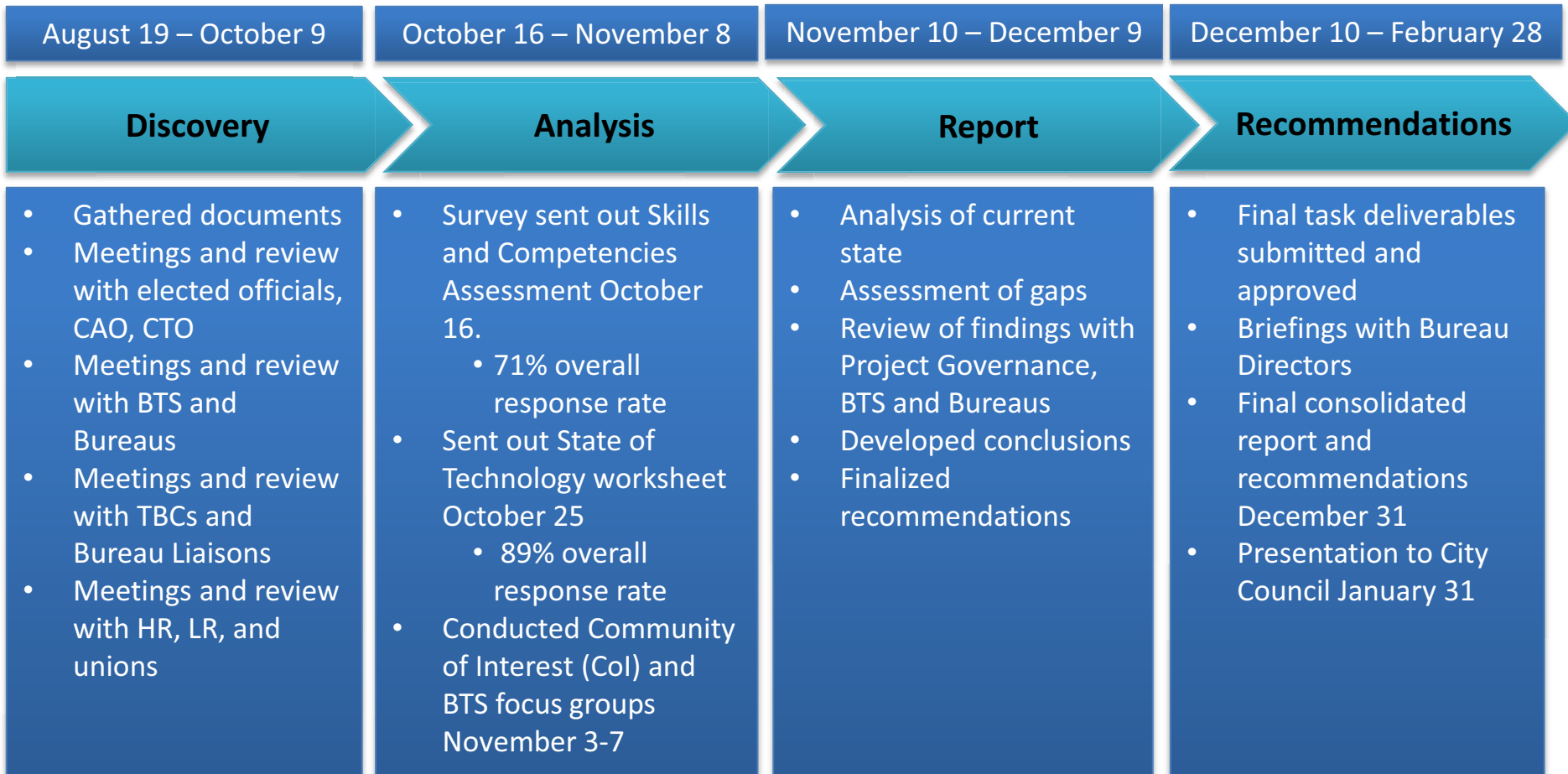


Scope of Citywide Technology Assessment

Sierra Systems conducted an assessment, reported findings and provided a series of recommendations in the following areas:

1. Citywide Technology Governance Model
2. BTS Organizational Structure, Service Delivery Model and Business Processes
3. BTS Budget & Financial Management Practices
4. Citywide Staff Skills & Competency
5. Citywide State of Technology
6. Baseline Capability Maturity Model Integration (CMMI) Appraisal

Methodology and Approach



Findings

BTS Business Environment

The City of Portland has identified...

NEEDS

Responsive

Cost
Efficient

Thought
Leaders

CHALLENGES

Evolving
Technologies

Resourcing

Budget

Perceptions

IT is a commodity,
cheaper over time

Key Findings

- **BTS has absorbed large (~\$11M) budget reductions since 2006**
- **Opportunities exist for further improvement**, for example additional consolidation and removing legacy and/or redundant systems
- A **solid foundation exists** for an improved Bureau engagement model, however there are **limited forums for collaboration** among “like businesses” and Bureaus around common technology service needs
- **Governance is an enabler** of effective Citywide technology strategy and management; current state is **deficient in higher-level, Citywide technology governance**
- A consolidated **citywide funding perspective does not exist** – a prerequisite to a Citywide return on investment framework
- There appears to be a **shortfall in Technology spending** compared to leading practices

Key Findings (continued)

*IM/IT = Information Management /
Information Technology

- **BTS faces typical challenges** of current ‘Traditional’ organizational model; silos, duplication, focus on operations vs. strategy
- The Chief Technology Officer (CTO) is expected by Bureaus to **provide greater strategic leadership** for Citywide IM/IT
- Executives do not feel they have an adequate view on the entire investment of IM/IT in the City or the management of IM/IT risk
- A **citywide Technology Vision and Master Plan** is needed to augment the BTS Strategic Plan; cohesive **Bureau business plans are needed** to inform the Technology Vision and Master Plan
- **Technical Architecture is well defined** and largely consolidated, however **other key architectures require attention**

Recommendations

Top 5 Recommendations

1. Establish a clear mandate for Bureau collaboration to enable alignment of technology and business strategies and roadmaps
2. Implement a governance structure to support cross-bureau decision making and collaboration
3. Improve funding mechanisms for cross-bureau initiatives
4. Revise CTO title and mandate to include mandate for common business solutions and auditing of bureau compliance
5. Clearly define and validate the total citywide technology spend and establishing a benchmark for performance – adjust citywide technology spend to align with leading practice

Recommendation #1: Cross-Bureau Mandate

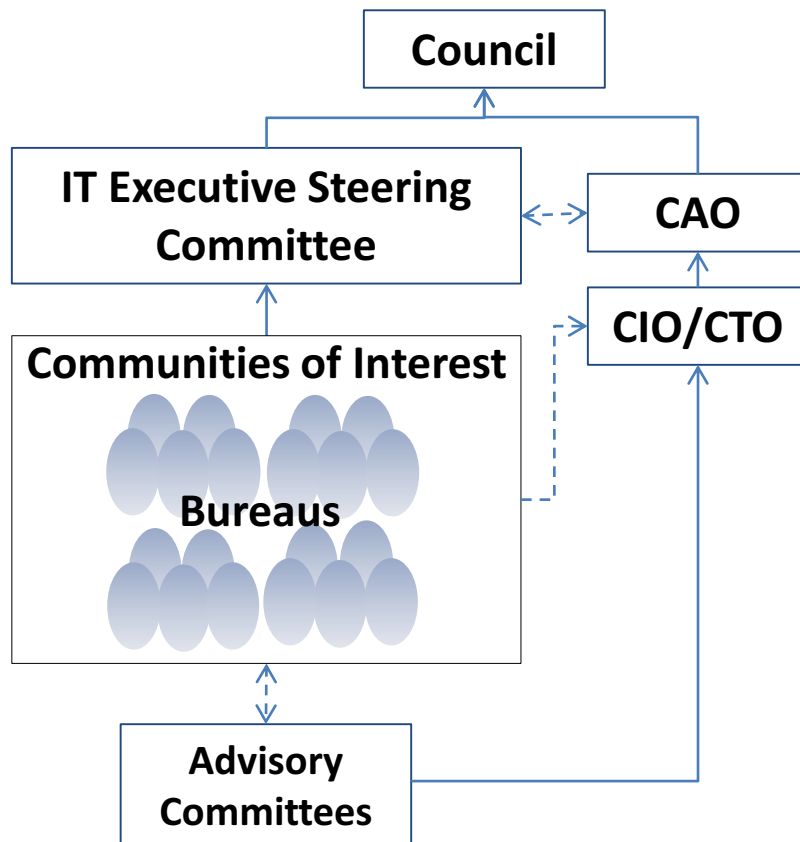
Establish a clear mandate for Bureau collaboration to enable alignment of technology and business strategies and roadmaps.

- Enable executives to have an integrated citywide IM/IT value framework
- Enhance cross-bureau input in developing Citywide IM/IT strategies, policies and priorities; as a critical driver of Bureau business now and in the future
- Engage bureaus in planning and priorities for corporate IM/IT systems and applications within BTS domain; foster efficiencies
- Enable intra-bureau collaboration among peer bureaus; bureaus expressed interest in collaborating



Recommendation #2: Technology Governance

Implement a governance structure to support cross-bureau decision making and collaboration.



- Strengthens performance reporting and accountability against stated IM/IT strategic outcomes
- Enables stronger and clearer accountability and executive-level reporting
- Include a mechanism for citywide sponsorship and funding of strategic IM/IT initiatives that benefit multiple bureaus

Recommendation #3: Cross-Bureau Collaboration

Improve funding mechanisms for cross-bureau initiatives.

- It is recognized that the City has faced overall budget deficits and has had to look for opportunities for savings and efficiencies
- Create a consolidated view, reporting process and dashboard of technology spending across the city to establish benchmark for citywide technology spend
- Consider options for expansion of the citywide Innovation Fund to fund cross-bureau initiatives
- Develop multi-year aligned technology and business roadmaps to allow for needed prioritization

Recommendation #4: CTO Mandate

Revise CTO title and mandate to include mandate for common business solutions and auditing of bureau compliance.

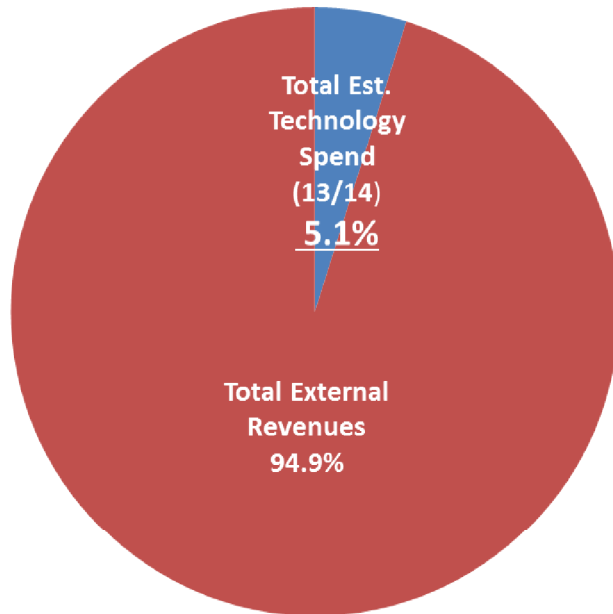
- The City's 2002 Ordinance 177852 that centralized foundational IT functions in BTS and defined the CTO role warrants a re-fresh
- Re-set accountabilities to enable the City to gain an integrated, comprehensive view on total IM/IT investments and risks as well as manage this portfolio in alignment with City strategy and priorities
- Update role to better accommodate new responsibilities and align with industry standards by renaming/re-classifying the CTO position as **Chief Information Officer (CIO)**

Recommendation #5: Technology Spend

Clearly define and validate the total citywide technology spend and establish a benchmark for performance – adjust to align with leading practice.

The City spends an estimated 5.1% of its operational budget on technology citywide, a shortfall of 0.5% or \$9.5M*

Leading Practice:
Government spends
5.6% on Total IT



- **Validate** citywide spend
- Execute on operational efficiencies; expand cross-bureau consolidation
- Adjust citywide technology spend toward 5.6% of operating budget
- Align priorities to citywide business strategy and outcomes
- Prioritize spend on **Business Continuity**

Questions?



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Detailed Reports

Task	Document Name
II	CoP Current State Assessment - Task II (Revised 02_12_2013 v3).ppt
II	CoP - Task II Org Design Svc Del Process - Recs - 2014-01-08-Final.ppt
III	City of Portland - Task III Skills and Competencies - Current State Gap Rec revised dec 23.ppt
III	Citywide IT Staff Skills and Proficiency Survey v8 Dec4.doc
IV	City of Portland - Task IV - State of Technology - 2013-01-10 Final.ppt
V	City of Portland - Task V - BTS Budget - 2013-01-16 – Revised Final.ppt
VI	City of Portland - Task VI Governance - Current State Framework Recommendations – Final.ppt
VI	Citywide IM-IT Governance Final.doc
VII	CMMI Gap Analysis Final Findings – Final.ppt