

| Recommendation from BLA  | Response                      | Comments   | Update   |
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| <p>Recommendation 1.1: The SFDT Chief Financial Officer should evaluate SFDT’s service catalogue for services that may be more equitably billed on a variable basis to customers and adjust cost recovery to variable charges where appropriate.</p> | <p><b>Agree</b></p>           | <p>The following actions are underway: SFDT is undergoing a comprehensive review of services and rates. SFDT is working on a new rate guide and will first present it at the Shared Services Forum, DT’s customer advisory group, for feedback before rolling it out to all City departments.</p>  | <p><b>1. Complete.</b><br/>SFDT published a new rate guide on its Sharepoint site in July 2017, discussed it at the Shared Services Forum, and is using it for all City Department work order budgeting.</p>   |
| <p>Recommendation 1.2: In addition, the Chief Information Officer should direct the Department’s Deputy Directors to expand the use of SFDT’s existing time management system to track all staff work, as detailed in Recommendation 6.2.</p>        | <p><b>Partially Agree</b></p> | <p>SFDT will sunset use of the department-specific time management system (OnTrac), in favor of using the time management program within the City’s PeopleSoft payroll system. We will increase staff use of the time management system.</p>   | <p><b>1. Complete.</b><br/>SFDT has sunset use of the Department-specific time management program OnTrac on July 1, 2017 and is fully using the City’s PeopleSoft payroll system for charging staff time working on projects to specific project activity codes.</p> |
| <p>Recommendation 1.3: The Chief Financial Officer should conduct a true- up analysis of its 081CI recoveries during its preparation of the six-month Budget Status Report and adjust service rates to minimize over or under collection.</p>        | <p><b>Partially Agree</b></p> | <p>The Department will continue to conduct analyses of its recoveries and expenditures at the time of the six-month budget status reports, as it has done in the past. In the case where expenditure savings may lead to surplus recoveries, the Department believes decisions as to whether any potential surplus should be used to reduce rates in the current year or to cover one-time expenditures and moderate rates in future years should be made in consultation with other stakeholders. The Department does not expect to raise rates to cover under collection except under some emergency circumstance, and would only do so in consultation with stakeholders.</p> | <p><b>1. Complete</b><br/>Prior response remains applicable. Mayor budget office decides on returning fund balance or apply to future year budget.</p>   |
| <p>Recommendation 1.4: As SFDT updates its Service Level Agreement with customers, the Chief Financial Officer should prepare more detailed</p>  | <p><b>Agree</b></p>           | <p>SFDT is working on a new rate guide and will present it at the Shared Services Forum for feedback before rolling it out</p>   | <p><b>1. Complete</b><br/>SFDT published a new rate guide in July 2017 and presented it at the Shared Services</p>   |

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| explanations of SFDT’s billing procedures, detail services provided to customers, the basis for their costs, and incorporate this additional information into the new Service Level Agreement.  |              | to all City departments. This detailed information will then be incorporated into the updated Service Level Agreement with departments.                        | Forum and made it available to all Departments on SFDT's Sharepoint site.  |
| Recommendation 2.1: The Chief Information Officer should direct the Strategic Sourcing Manager to (1) explore options for implementing a contracts management database, and (2) expedite the development of the Contract/Vendor Management program, in conjunction with the adoption of a new data management system. | <b>Agree</b> | SFDT will explore use of contract and supplier management features in the City's new PeopleSoft Financial System coming on line July 2017.                     | <p><b>1. Partially Complete</b></p> <p>The plan to implement a vendor management program, including the timeline, has been established in Onstrategy. However, DT did not agree to implement a “contracts management database” or a “new data management system” because we had been informed by the F\$P Project that Peoplesoft has the functionality and capability to manage contracts &amp; vendors, and PeopleSoft would become the standard system for contract/vendor management across the City.</p>  |
| Recommendation 2.2: The Chief Information Officer should direct the Strategic Sourcing Manager to develop a policy to include scopes of work, schedules for deliverables, not-to-exceed amounts, and performance measures in all future contracts.  | <b>Agree</b> | SFDT is in the process of developing a policy on contract development that will reflect features of the new PeopleSoft Financial System by September 30, 2017. | <p><b>1. Complete</b></p> <p>We have updated the "<a href="#">Purchasing, Travel &amp; Reimbursement Guidelines</a>" on the DT SharePoint site to include the requirements on scopes of work, deliverables, quality metrics, not to exceed amount, and timelines. In addition, we have updated our training materials and templates to align with this new policy, such as the "<a href="#">Checklist - DT Procurement 101</a>" and "<a href="#">Template - Request for Proposal</a>". Moreover, we have invited City Attorney Office to provide a training to DT, and many DT managers and project managers have attended the training, including Linda G., Bryant B., Keith K. and many others. We have also invited OCA to provide another training to DT on Oct 31, and all DT Managers are invited.</p> |
| Recommendation 3.1: The SFDT Chief Financial Officer should develop policies and procedures to document (a) line-item budgets, (b) delivery timelines, (c) scopes of work, and (d) basis for  | <b>Agree</b> | SFDT is drafting new policies and procedures that incorporate the Audit suggestions. They will be compatible with the Controller’s new PeopleSoft              | <p><b>1. Partially Completed</b></p> <p>SFDT has drafted a new Interdepartmental Services Agreement (work order) template that prompts for line item budgets, delivery</p>   |

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| <p>costs for all IT Pass Thru work orders, including those finalized during the annual appropriation process. In addition, the CFO should develop clear criteria to determine whether service requests may be accomplished within baseline recovery revenues or require additional funding and incorporate that into the FY 2017-18 service level agreement with customers.</p>  |                               | <p>Financial System by September 30, 2017.</p>   | <p>timelines, scopes of work and basis for costs. This is being used for all new Interdepartmental Services Agreements, and we intend to use this for pre-existing ones as requested by requesting departments or at time of renewal. Dependent on Peoplesoft capabilities.</p> |
| <p>Recommendation 4.1: The Chief Information Officer should direct the Deputy Director of Client Services to reconcile and develop interim documentation of its SLA and ServiceNow procedures for FY 2017-2018. This documentation should be distributed to all SFDT customers when it is available.</p>   | <p><b>Agree</b></p>           | <p>The SFDT's current Strategic Plan calls for a revised online SLA and catalog by the end of this fiscal year. Changes will include reconciliation with ServiceNow. It will be released to departments at the beginning of FY 17/18.</p>  | <p>1. <b>Complete</b></p>   |
| <p>Recommendation 4.2: The Chief Information Officer should prioritize filling vacant budgeted positions in the Client Engagement Office.</p>  | <p><b>Agree</b></p>           | <p>Plans are in place to fill one Client Engagement position by the end of FY 16/17. A second vacant position is targeted to be filled by the end of Q2 FY17/18.</p>   | <p>1. <b>The new CIO is evaluating resources and staffing priorities.</b></p>   |
| <p>Recommendation 5.1: The Chief Information Officer should (1) direct the Deputy Director for Client Services to rewrite the PMO mission statement to strengthen the PMO's defined role, (2) direct the Deputy Directors for SFDT's four divisions to write procedures for assignment of technical staff to PMO projects, and (3) direct the Deputy Director for Client Services to develop procedures for PMO oversight of non-PMO project managers and vendors.</p> | <p><b>Partially Agree</b></p> | <p>A revised mission statement to define and strengthen the PMO's role will be developed and communicated by the end of Q1 FY 17/18.</p> <p>The CIO and Deputy Directors will research and discuss the most effective way to utilize technical staff on projects which are assigned to the PMO and write procedures to reflect the agreed upon protocols by the end of Q1 FY 17/18.</p> <p>The department will consider the 3<sup>rd</sup> recommendation as part of the mission</p> | <p>1. <b>Complete</b><br/> 2. <b>In process with the CIO-Governance</b><br/> 3. <b>CIO reviewing resource distribution</b></p>  |

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|   |                        | statement rewrite process to be undertaken during Q1 FY 17/18.  |   |
| Recommendation 6.1: The Chief Information Officer should direct the Deputy Director for Client Services to (1) develop more detailed formal protocols on project definition, planning and scope, including working with clients on project scope, and (2) train and evaluate project managers on implementation of these protocols.   | <b>Agree</b>           | More detailed formal protocols on project definition and scope definition and planning will be developed by the end of FY 16/17.<br><br>The PMO will complete planned training and PM evaluation on these protocols by Q2 FY 17/18.   | <ol style="list-style-type: none"> <li><b>1. Complete</b></li> <li><b>2. Training complete, protocols documented</b></li> </ol>   |
| Recommendation 6.2: The Chief Information Officer should direct SFDT's Deputy Directors to (1) require that all staff time is entered into existing time management system (Ontrac) in order to track all staff work, not just work billed to IT Pass-thru work orders, as noted in 1.2 of this report; and (2) reconcile Ontrac timekeeping records with Project Online records monthly. | <b>Agree</b>           | SFDT will sunset use of the department-specific time management system (OnTrac), in favor of using the time management program within the City's PeopleSoft payroll system. By the end of Q1 FY 17/18, we will begin monthly reconciliation of PeopleSoft timekeeping records for staff who already track at the project level with Project Online monthly. | <ol style="list-style-type: none"> <li><b>1. Complete</b></li> </ol>  |
| Recommendation 6.3: The SFDT Chief Financial Officer should work with the Deputy Director for Client Services to revise Finance Division guidelines to require that invoices be routed to project managers for approval.  | <b>Partially Agree</b> | The Department is developing procedures for project manager review and approval of invoices when appropriate.<br><br>While important for project managers to be involved in purchases and invoicing, they are typically not engaged in work efforts to the degree required, nor are they the SMEs appropriate, for payment authorization.                   | <ol style="list-style-type: none"> <li><b>1. SFDT has implemented invoice review procedures to ensure that business owners or their delegates review invoices prior to payment.</b></li> <li><b>2. Info on Sharepoint site</b></li> </ol> |
| Recommendation 6.4: The Chief Information Officer should direct the Deputy Director for Client Services to revise PMO project guidelines to require project managers to manage budgets.   | <b>Agree</b>           | For projects managed by the PMO, the project managers are involved in and informed of project funding amounts and sources, purchase requests and approvals, and payments so that they can assist in managing project budgets, and track/report on forecast vs. actuals.   | <b>Complete and changes ongoing</b>   |

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|   |              | This will be further clarified in updated PMO guidelines.  |  |
| Recommendation 6.5: The CIO should direct the Deputy Director for Client Services to implement Project Online controls, including (1) defining appropriate use of data for and reporting on color-coded status reports; (2) requiring approval by the PMO manager for project changes that exceed a threshold defined by the PMO. | <b>Agree</b> | The PMO has implemented color-coded status and demand management reports. Additional enhancements to provide better visual representation of project status are underway and will be completed by end of FY 16-17. We will develop a threshold for project changes which require PMO Manager approval prior to implementation. | <ol style="list-style-type: none"> <li>1. <b>Complete</b></li> <li>2. <b>CIO reviewing governance procedures. new controls implement 3<sup>rd</sup> quarter</b></li> </ol> |
| Recommendation 6.6: The CIO should direct the Deputy Director for Client Services to work with the Strategic Sourcing Manager to implement Recommendation 2.2 to develop a policy to include scopes of work, schedules for deliverables, not-to-exceed amounts, and performance measures in all future contracts.                 | <b>Agree</b> | The Deputy Director of Client Services with work with the Strategic Sourcing Manager to develop and implement the requested policy.  | <ol style="list-style-type: none"> <li>1. <b>Complete</b></li> </ol>   |