OFFICE OF THE MAYOR
SAN FRANCISCO

EDWIN M. LEE
MAYOR

September 18, 2015

The Honorable John K. Stewart
Presiding Judge
Superior Court of California, County of San Francisco
400 McAllister Street
San Francisco, CA 94102

Dear Judge Stewart:

Pursuant to Penal Code sections 933 and 933.05, the following is in reply to the 2014-2015 Civil Grand Jury report, *Unfinished Business: A Continuity Report on the 2011-12 Report, Déjà Vu All Over Again.* We would like to thank the members of the Civil Grand Jury for their interest in the quality of San Francisco's information technology (IT) infrastructure and associated staff.

Since the 2011-12 Civil Grand Jury report, the City has made significant efforts to improve coordination and funding of IT needs citywide. The City's Committee on Information Technology (COIT) has continued to evolve as the City's central IT policy, planning, and fiscal coordination body. In the spring of 2015, COIT released the third update to the 5-Year Information & Communication Technology (ICT) Plan, which spans fiscal years (FY) 2016-2020. The ICT Plan serves as the City's framework to proactively plan, invest, and implement IT projects which align with the City's goals of innovation, sustainability, and resilience. The latest iteration of the plan recommends historic levels of funding for IT infrastructure, replacement of legacy systems, and annual projects—recommending $150 million in General Fund investments over the five-year time period through the COIT Annual Project Allocation and the newly created Major IT Project Allocation. This recommended level of IT funding was assumed in the City's Five Year Financial Plan for the same time period.

In addition to the citywide efforts mentioned above, the Department of Technology is in the process of implementing a reorganization with the goals of achieving better efficiency, improved service to client departments, and addressing recruitment and workforce development needs.

A detailed response from the Mayor's Office, the Controller's Office, the Department of Technology, and the Department of Human Resources to the Civil Grand Jury's findings and recommendations follows.

Thank you again for the opportunity to comment on this Civil Grand Jury report.

Sincerely,

Edwin M. Lee
Mayor

Miguel Gamiño, Jr.
Chief Information Officer

Ben Rosenfield
Controller

Micki Callahan
Human Resources Director

Finding 1: The City has not prioritized critical network infrastructure investments, as demonstrated by their failure to fund essential network improvements.

Disagree with finding, wholly. The City has made significant steps in prioritizing and planning for major IT infrastructure projects, maintenance and renewal. The Department of Technology's (DT) plan to improve the network, the "Fix the Network" or "Fix the Fundamentals" project, was identified as a top City priority in the FY 2015-16 – FY 2019-20 Information & Communication Technology (ICT) Plan. By the end of FY 2016-17, the City will have invested over $6.5 million in this project alone, above and beyond DT's operating budget. In addition, the City has invested over $7 million in building and consolidating data centers and nearly $3.5 million in disaster recovery through DT's budget. This is all while the City's investments in IT projects citywide have reached historic levels and are planned to grow to over $150 million over the next 5 years, as laid out in the latest ICT Plan.

Recommendation 1: The Mayor should prioritize the network infrastructure and fully fund the required investment in this foundational platform.

Recommendation has been implemented.
As described in the response to Finding 1, the City has made significant commitments to strengthening the City's network infrastructure through DT's "Fix the Network" project and other citywide efforts around maintenance, disaster recovery, and data center consolidation. As evidence of this commitment, the "Fix the Network" project was highlighted as high priority into the most recent ICT plan and funded with $4.3 million in the Mayor's FY 2015-16 and 2016-17 budget- the largest single allocation from COIT's annual project allocation. Additionally, funding for DT's operational budget has continued to grow to support the ongoing capacity of the department to prioritize this project and support its ongoing maintenance.

Finding 2: Significant problems still exist within DT that limit the services it provides to departments, largely due to their inability to fill job positions and funding restraints.

Disagree with finding, in part.
It is challenging to recruit information technology professionals to City jobs in today's competitive market. DT continues to work closely with the Department of Human Resources (DHR) on initiatives designed to reduce vacancy rates and streamline hiring. These initiatives include a modernized continuous testing program for permanent civil service employees, clarification of project hires, and a new branding and recruitment campaign. DT has implemented a comprehensive four tier plan to prioritize staffing needs and expedite new hires with DHR.

Finding 3: The planned reorganization of DT to designate a responsible party to each department could be a positive step in building DT's credibility.

Agree with finding.

Finding 4: DT lacks business analyst capabilities to launch new initiatives and implement processes to make DT more efficient and effective.

Disagree with finding, in part.

A major goal of DT's reorganization is improvement of the department's business analyst capabilities, while making existing resources more efficient and effective. To this end, DT created a new Business Engagement Manager position and added a second business analyst position in the current fiscal year.

The Business Engagement staff will follow client relationship best practices and seek to create a value-based partnership between DT and City departments through coordination of IT project delivery, services delivery, and vendor relationship management. The staff will also focus on engaging with DT clients to meet their emerging needs and fostering new department and City wide initiatives.

Recommendation 2: The Mayor and Board of Supervisors should require a six-month and twelve-month report on the status of the DT reorganization.

Recommendation will not be implemented because it is not warranted.
Through the annual budget process, the Mayor and the Board of Supervisors have reviewed the Department of Technology's position changes and new organizational structure. Any further changes will be reviewed as part of future budget cycles.

Additionally, in September the department began releasing a monthly project status and key performance indicator report for department heads, including measures on services performed at project levels, network uptime, and other yet-to-be determined metrics. The report will reflect the impacts of the reorganization on service delivery. It will be summarized and presented at public COIT meetings.

Recommendation 3: A user satisfaction survey should be sent to all DT clients, before the end of 2015 and later in six months after the reorganization, to assess whether the new accountability structure is making a difference for clients.

Recommendation has not been, but will be, implemented in the future.
DT agrees with the recommendation and will implement both survey recommendations in the proposed timeline - an initial survey before the end of the CY 2015 and follow-up survey by the end of FY 2015-16.

Finding 5: The skills inventory capability of the eMerge PeopleSoft system, as currently configured, will not enable Department Heads to quickly identify City employees with skill sets in demand.

Agree with finding. The capability is currently in the eMerge PeopleSoft system, but needs departmental configuration to: 1) identify specific skills, 2) link the skills to job codes and positions, which then, 3) aligns the skills to employees by position. As departments implement ePerformance, this process can be employed to meaningfully address their specific needs as well as to address overarching general skills and competencies. Please see the response to Recommendation 4 for more details on the implementation timeline of this initiative.

Recommendation 4: The Office of the Controller should develop the skills inventory capability in the eMerge PeopleSoft system to update IT employee skills by the end of FY15-16.

Recommendation has not been, but will be, implemented in the future.
The Office of the Controller agrees with this recommendation. The Office of the Controller is advancing this capability through the eMerge PeopleSoft system which includes functionality to house a skills inventory and link those skills to job classifications, positions, and employees- successful implementation is

dependent on citywide departmental engagement and adoption. At the center of this functionality is the use of "competencies," which in PeopleSoft are used to define skills and levels of proficiency expected for job classifications and positions. By properly using the competency and performance appraisal features in the ePerformance module in PeopleSoft, the City could develop skills inventory capability.

The current ePerformance Pilot Project is implementing competency and skills assessment for the FY 2015-16 performance appraisal period. The pilot project includes 41 job classifications and 595 employees at the Airport Commission, Controller's Office, Department of Public Health, and Public Utilities Commission. The Controller's Office and its eMerge Division are soliciting additional departments to leverage the ePerformance module for FY 2016-17 performance appraisals. The Office of the Controller will work with the Department of Human Resources and Department of Technology toward citywide deployment after the pilot is successfully concluded.

Finding 6: DHR's efforts through the IT Hiring Group to stimulate IT recruitment and streamline IT hiring will not sufficiently impact departmental IT units and DT.

Disagree with finding, wholly.
The IT Hiring Group, which includes DHR, DT, the Controller's Office, Public Health, and other City departments, continues to move forward with initiatives to improve the City's ability to hire top-notch IT professionals. Every factor impacting hiring is under review and subject to redesign, including: understanding the needs of the market; creating a brand and launching recruitment campaigns; improving the candidate hiring experience; changing workplace culture; revising policies; and utilizing exempt hiring as appropriate. DT will provide funds to hire a temporary recruiter to assist DHR with expedited IT outreach and hiring.

Recommendation 5: DHR should publicly present the results of its pilot IT hiring process to the Mayor and the Board of Supervisors before the end of CY 2015.

Recommendation has not been, but will be, implemented in the future.
The Department of Human Resources is currently expanding its IT hiring pilot, in cooperation with the Department of Technology, the Controller's Office and other City departments. The results will not be ready for presentation at the end of calendar year 2015, but the department projects they will be available by the end of FY 2015-16 and will present these findings to the public COIT oversight body, which includes representatives of both the Mayor and the Board of Supervisors.

Recommendation 6: DHR should issue a monthly written report to the Mayor and Board of Supervisors showing the number of open IT positions at the beginning of the month, the number of new IT position requisitions received in the current month, the number of IT positions filled in the current month, the number of open IT positions at the end of the month, and the average number of days required to fill the IT positions closed in the current month.

Recommendation will not be implemented because it is not warranted.
DHR regularly reports to the Committee on Information Technology (COIT) on the status of the IT Hiring Group's progress, so further reporting is not operationally beneficial at this time. For context, current results reflect that approval of a department's request to fill a position, a process managed by DHR and the Mayor's Office, takes an average of four days. Other parts of the hiring process are managed at the department level, where extended periods of time between when a position goes vacant and when a

department submits a request a hire occurs, based on the department's immediate priorities, needs, and goals. There may also be periods of time between when the request to hire is approved and when a person is actually hired, due to circumstances such as lack of an adequate candidate pool. Without any context on where a vacancy actually is in the hiring process, and departmental insight into why a position remains vacant, a monthly set of data will not shed any light on why an IT job remains unfilled.

DHR and the Mayor's Office are pursuing numerous, potentially impactful improvements to processes and systems that will create more transparency for hiring in general.

Additionally, DHR regularly reports to the Civil Service Commission on matters under its jurisdiction. Annual reports to the Civil Service Commission, which are relevant to IT hiring, include:
- Appointments Exempt from Civil Service under the 1996 Charter Section 10.104 - 1 through 10.104 – 12
- Appointments Exempt from Civil Service under the 1996 Charter Section 10.104 – Categories16 through 18
- Position-Based Testing Program
- Class Consolidation

Finding 7: The absence of a way to quickly bring in technology resources, whether on an "at will" or CSS basis, puts the City at a great disadvantage in hiring, and potentially at risk, in all of its technology initiatives.

Disagree with finding, in part.
DHR supports the principles of the merit system, which provides equal opportunity for employment to all applicants, and helps ensure employees are selected and promoted based on merit, and without discrimination. The City's civil service system provides options to hire exempt employees. DHR, along with the IT Hiring Group, is clarifying these options as part of the IT hiring program.

DHR and the IT Hiring Group continue to improve hiring, as stated in response to finding six. The progress being made was noted in the City Services Auditor (CSA) Performance Unit's April 2015 hiring report.

Recommendation 7: DT should launch a taskforce to recommend options for recruiting and hiring IT staff, particularly on an "at will" basis.

Recommendation has been implemented.
In its original report, the Civil Grand Jury recommended that the Mayor's Office and DHR convene a taskforce to develop methods to speed up the process for hiring IT personnel in the absence of making all IT positions exempt, which would require a Charter change. The taskforce was convened and included DT, DHR, the Mayor's Office, the Controller's Office, other City departments, and IFPTE Local 21.
As noted in response to recommendations five and six, this group developed and implemented interim strategies to improve hiring, including a pilot online, on-demand exam. The pilot exam was successful, but only impacted one portion of the hiring process. As noted in response to finding two, this group is implementing a comprehensive plan to improve IT hiring.

Recommendation 8: The Mayor and Board of Supervisors should calendar an interim review of taskforce proposals within six months of its convening.

Recommendation has been implemented.
The taskforce, described in the response to Recommendation 7, presented to the public COIT body in their September 19th, 2013 meeting and updated the group on January 29th, 2015. The taskforce will continue to present updates and proposals to the public COIT body in the future.

Recommendation 9: DT needs a recruiter dedicated exclusively to DT and other IT units' staffing needs.

Recommendation has not been, but will be, implemented in the future.
As part of the larger departmental reorganization, DT has prioritized existing resources in the current fiscal year to support the existing efforts to improve IT recruitment through DHR. The department is in the process of identifying the appropriate staff position to focus on expedited outreach and hiring for IT positions. The ongoing nature of this position will be re-evaluated at the fiscal year end as part of the larger taskforce planning and recommendations for improving the City's IT hiring.

Recommendation 10: DT needs to hire business analyst talent for the taskforce, new reorganization, and new initiatives.

Recommendation has been implemented.
As described in the response to Finding 4, DT created a Business Engagement Office as part of its reorganization. The purpose of the Business Engagement Office is to utilize best practices for client engagement, service delivery, and vendor relationship management. The Office is currently staffed by an existing staff member with budget approval to add an additional staff member in the current fiscal year. The department intends to continually evaluate the needs of the team and consider adding additional resources in coming fiscal years.