



October 18, 2012

The Honorable Katherine Feinstein
Presiding Judge
Superior Court of California, County of San Francisco
400 McAllister Street
San Francisco, CA 94102

Dear Judge Feinstein:

The following is in response to the 2011-2012 Civil Grand Jury report, "Déjà vu All Over Again: San Francisco's City Technology Needs a Culture Shock."

Thank you for giving us the opportunity to address the technology needs of our City.

As you know, San Francisco is recognized as the "Innovation Capital of the World" for good reason. We are home to an incredible technological ecosystem that provides the perfect environment for innovation to flourish. That is why the Mayor has made IT and Innovation among his top priorities. Mayor Lee currently chairs the U.S. Conference of Mayors Technology and Innovation Taskforce, which focuses on promoting government efficiency, effectiveness and responsiveness through IT and Innovation, access to public data, and partnering with the private sector.

We appreciate the Civil Grand Jury's interest in Information Technology and in our Committee on Information Technology (COIT), however we strongly disagree with many of the assertions of the Civil Grand Jury, and are concerned that they reflect an incomplete understanding of how the City's IT services actually work. Technology, like other citywide services such as finance, human resources and contracting, are managed both by the department and by a central agency. This structure ensures coordination and efficiency while preserving department autonomy as appropriate. While there is always room for improvement, our City has made significant strides towards a more efficient and effective technology system – identifying opportunities for consolidation, developing a 5-year ICT plan, and developing enterprise-wide solutions to address long-standing challenges.

The Mayor's Office, the Office of Controller, the Department of Human Resources, the Chair of the Committee of Information Technology and the City CIO consolidated response to the Civil Grand Jury's findings is as follows:

Finding F1: Delegating the attendance of COIT meetings by the Mayor to a representative sends a negative message to department heads and CIOs that internal citywide technology issues are not a high priority for the Mayor.

Response: Disagree. The Mayor's Budget Director is his representative to COIT, as well as to the Capital Planning Committee and on other citywide policy-making bodies. This delegation does not send any negative message about the Mayor's commitment to COIT and citywide technology. Rather,

the Mayor's Budget Director's active participation greatly enhances the Mayor's involvement and direction to the Committee.

Finding F2: The Department of Technology continues to be perceived by many of its customers as providing unsatisfactory service in terms of quality, reliability, timeliness, and cost.

Response: Partially Disagree. Although there is some level of frustration with the services provided by the Department of Technology, it is not dissimilar to other internal services where one department provides a service to another. The Department of Technology and the Mayor's Office continue to work with central service departments to provide timely, reliable and cost effective services.

Finding F3: There are consequences to the Department of Technology for failing to deliver timely and high quality services, including the Mayor and Board of Supervisors continually cutting DT's budget.

Response: Disagree. Although the Department has experienced budget reductions over the past several years, all City departments had to make reductions as resources became scarce during the economic downturn. Over the past two fiscal years, the Department of Technology has received funding to support high priority citywide technology projects.

Finding F4: Another consequence to the Department of Technology for unsatisfactory service is the reluctance of departments to participate in citywide initiatives and to give up their operational independence.

Response: Disagree. Most departments do participate in citywide initiatives such as data center consolidation, email systems conversion and eMerge.

Finding F5: COIT policies and citywide consolidation initiatives are not communicated to Department Heads and CIOs effectively by the Mayor and COIT.

Response: Disagree. While there is room for improvement, all departments are aware of the various citywide consolidation initiatives, and participate in the creation of those policies at COIT.

Finding F6: COIT is not in compliance with the Administrative Code by failing to find and appoint two non-voting, non-City employee members.

Response: Partially Disagree. The City is currently in the process of filling the two non-voting, non-City employee appointments.

Finding F7: The current citywide ICT organizational structure hinders the City CIO from fully using the established "authority and responsibility necessary to...implement COIT standards, policies, and procedures for all City Departments."

Response: Disagree. The City's CIO has the ability to review IT purchases, implement citywide initiatives and recommend funding levels for IT systems and projects (within and outside of the Department of Technology).

Finding F8: The strategic role of the City CIO and the operational role of the Director of DT are two fundamentally different and equally full-time jobs.

Response: Partially Disagree. There are many ways of structuring a department, but Department Heads need to be skilled at strategic thinking, implementation, and operations. In some departments, the Department Head is more focused on external issues, while the department's deputy focuses on the day to day operations of the department. This could be a model for the Department to consider.

Finding F9: Departmental CIOs have no formal forum to communicate with each other or coordinate common technology issues.

Response: Disagree. Department CIOs meet informally every month. Additionally, the CIOs meet in formal committees and subcommittees of COIT.

Finding F10: The lack of a functional reporting relationship between the City CIO and the departmental CIOs is a fundamental weakness in implementing common citywide programs.

Response: Disagree. There is no need to develop a functional reporting relationship. The City employs a similar model in the Human Resources, Finance, and Purchasing areas citywide.

Finding F11: Allowing common ICT functions to be addressed and performed on a department-by-department basis has led to duplication of effort and unnecessary spending.

Response: Disagree. The City understands the issue of duplication of effort and unnecessary spending. For this reason, the City has long ago embarked on consolidation efforts to streamline operations and reduce expenditures. For example, the City has implemented the CIO review of all server purchases, and has implemented Enterprise Agreements for software which allow for more efficient use of limited resources.

Finding F12: The five-year ICT plan does not include: (1) ongoing operational activities, and (2) projects currently in progress with prior funding.

Response: Agree. The five-year ICT plan is a strategic plan and not a plan that focuses on operational activities.

Finding F13: There are no consolidated citywide ICT budget and staffing plans.

Response: Partially Disagree. The City reviews citywide ICT spending through the annual budget process and through the budget subcommittee of COIT. Consolidated ICT costs are prepared and provided to COIT annually.

Finding F14: Although COIT, DT, and a City CIO, address technology on a citywide basis, technology is not treated as a distinct citywide organizational entity.

Response: Agree. Technology is a function of all departments, and it cannot be taken out of a department's budget. For many departments, ICT is a mission critical element of a department's business. For example, it is important for a department like the Airport to manage its own technology

that is distinct to its business, such as airport security. However, the role of COIT is to ensure that IT is planned and executed from a citywide perspective, so that as a City we can invest in technology that is required by our many departments, such as email, enterprise agreements, virtualization of servers, and open access to data.

Finding F15: There is no comprehensive annual reporting on the state of technology within City government presented to the Mayor or the Board of Supervisors.

Response: Agree. It is a policy of the City to consider major citywide planning efforts every other year. The City will update and submit to the Board of Supervisors for approval the Five Year ICT plan, Ten year Capital Plan and Five Year Financial Plan on March 1, 2013.

Finding F16: There is a scarcity of consolidated citywide data in the technological arena, separate from departmental budgets.

Response: Disagree. While there is always room for improvement, there is no scarcity of data regarding citywide technology.

Finding F17: COIT concentrates on the design and implementation of individual projects rather than citywide costs and savings stemming from these projects.

Response: Disagree. Costs and savings are considered when projects are proposed. A COIT committee is charged with monitoring costs and progress after the projects begins. The Department of Technology presents project updates to COIT that address project status, budget and scope.

Finding F18: There is a need for a citywide ICT asset management system.

Response: Partially Disagree. While there is a need for a citywide system that should include all assets, including IT, COIT does leverage systems where reasonable.

Finding F19: There is a need for a citywide database of ICT personnel.

Response: Agree. There are currently systems in place to provide reports on citywide IT staffing.

Finding F20: There is no effort to gather and utilize comprehensive quantitative data to track how ICT currently functions.

Response: Disagree. The City uses performance measures, which provide data to analyze the effectiveness of projects.

Finding F21: The ICT 5-year plan is not a strategic plan and does not calculate how changes in ICT systems would impact City operations and costs.

Response: Disagree. The five-year ICT plan is a strategic plan, and while certain metrics may not exist, we can always add measurements. The ICT plan identifies and promotes the citywide IT strategies. The ICT plan includes extensive financial data, such as multi-year funding strategies, cost estimates and savings, derived from the reduction and reallocation of funds from IT initiatives.

Finding F22: City ICT managers are experiencing a growing difficulty in hiring technologists with “cutting edge” knowledge, skills, and experience.

Response: Agree. The City agrees that this process is difficult and we are working to address this issue..

Finding F23: Relying on Permanent Civil Service as a standard way of hiring technologists is too slow and cumbersome for the business needs of ICT units.

Response: Disagree Partially. The City must abide by Civil Service rules and processes. For permanent positions, the City must use Permanent Civil Service positions which involve hiring through a merit-based process. For projects that are limited in term, grant funded, or otherwise temporary in nature, the City utilizes project-based positions.

Finding F24: Relying on Permanent Civil Service as a standard way of hiring technologists prevents the city from attracting top talent from the private sector.

Response: Partially Disagree. The City has many dedicated and talented employees. We are always working to recruit new talent into the City, and for that reason recently launched our Innovation Fellowship Program as well as our Code For America Partnership, both of which attract talent to work on City IT and Innovation efforts for short term fellowships. While the Civil Service Process can at times make it more challenging to respond to the availability of qualified candidates, the City intends to engage the Civil Service Commission and its labor partners in a discussion about ways to navigate this challenge.

Finding F25: City technology culture is based in the belief that operating departments focus on their individual missions at the expense of citywide needs.

Response: Disagree. Both departmental unique systems and citywide common systems are needed, and the City should pursue both solutions in order to improve operations.

Finding F26: The cooperative attitude among departments and DT previously found by an earlier Civil Grand Jury has faded.

Response: Disagree. The Department of Technology and other City departments have diligently worked together on a number of citywide initiatives such as data center consolidation, the JUST.I.S. project, email systems conversion, eMerge, Enterprise license agreements, Citywide Tech Refresh program, and Single Sign On.

Finding F27: A department-first perspective, not the citywide perspective intended in the Administrative Code, results in a lack of coordination and communication between and among the different departments.

Response: Disagree. Departments continually work together on a variety of citywide initiatives and intra-department initiatives.

Finding F28: A department-first perspective, not the citywide perspective intended in the Administrative Code, results in duplication of common technology services and products.

Response: Disagree. While there is room for improvement to ensure more efficiency in our systems, departments communicate and collaborate often on various projects that ensure benefits to more than just an individual department.

Finding F29: Department Heads and CIOs do not view the authority granted COIT and the City CIO in the Administrative Code as governing their own plans and actions.

Response: Disagree. The CIO and COIT have considerable influence over departmental actions, setting policy priorities, reviewing purchases, and approving department IT project budgets.

Finding F30: Neither COIT nor the City CIO behave as if they fully believe in their authority to enforce policy and consolidation initiatives.

Response: Disagree. The COIT chair and members, and the City CIO are aware and use their authority to enforce policy and prioritize citywide initiatives.

Finding F31: There are no severe or immediate consequences resulting from City departments failing to abide by agreements to implement citywide initiatives or meet established timelines for completion.

Response: Disagree. This finding assumes that departments are always resistant to the implementation of citywide initiatives, when in fact most departments are engaged participants in Citywide efforts.

The Mayor's Office, the Office of Controller, the Department of Human Resources, the Chair of the Committee of Information Technology and the City CIO consolidated response to the Civil Grand Jury's recommendations is as follows:

Recommendation R1: The Mayor regularly attend COIT meetings to communicate his interest and support of internal citywide technology and move it forward within City government.

Response: Will Not be Implemented. The Mayor will attend COIT as he is able. The Mayor's Budget Director is his representative who attends every COIT meeting to convey the Mayor's priorities and his support of internal citywide technology.

Recommendation R2: The Budget Analyst or the Controller perform a management audit evaluating the Department of Technology's functions to determine if the Department adequately communicates with other departments, and how to alleviate the Department's barriers to better performance.

Response: Will Not be Implemented. The Controller can provide technical assistance, and it would be more useful to provide DT with this assistance as well as support to complete its planned projects over the coming months.

Recommendation R3: Policies and citywide consolidation initiatives adopted by COIT be communicated as Mayoral Directives to Department Heads and CIOs.

Response: Will Not be Implemented. This recommendation is not needed, and it is more appropriate for COIT to communicate its policies and initiatives.

Recommendation R4: COIT appoint two non-voting, non-City employees to sit on COIT without further delay.

Response: Already Implemented. The City is currently in the process of filling these two appointments.

Recommendation R5: The City CIO develop consolidated citywide comprehensive ICT budget and staffing plans, reviewed and approved by COIT, and take the lead in its presentation to the Mayor's Budget Office and the Board of Supervisors.

Response: Will Not be Implemented. COIT already reviews and approves citywide ICT budget, and staffing reports already exist. The City's budget which is proposed by the Mayor and adopted annually by the Board of Supervisors reflects and presents IT spending and staffing. The Mayor and the Board approve line item budgets for all departments which includes IT spending and staffing.

Recommendation R6: Subsequent to COIT approval of the ICT budget and staffing plans, COIT and the City CIO monitor adherence to these plans.

Response: Already Implemented. The City already has in place a CIO review process, and all major projects and large funding allocations are monitored.

Recommendation R7: The City CIO position be elevated in authority, responsibility, and accountability by creating functional "dotted-line" relationships between the City CIO and the departmental CIOs.

Response: Will not be implemented.

Recommendation R8: Provide staff support to both the City CIO and COIT.

Response: Already Implemented. COIT and the Department of Technology already have staff, and the Department of Human Resources, Mayor's Office and Controller will assist COIT and the Department to fill any priority vacant positions.

Recommendation R9: Amend Administrative Code, Section 22A.4 and 22A.7 to separate the position of City CIO from the Department of Technology.

Response: Will Not be Implemented.

Recommendation R10: Amend Administrative Code, Section 22A.4 and 22A.7 to create the separate position of Director of DT, appointed by and reporting to the City CIO.

Response: Will Not be Implemented.

Recommendation R11: The City CIO work with the Controller to conduct a survey, including, but not limited to, perform data, client satisfaction, decision-making and evaluation criteria, inventory of services, and needs assessment, first for baseline figures and then annually to measure improvement over the baseline figures.

Response: Requires Further Analysis. The Department currently has access to performance management tools to measure performance. The Controller's Office staff may be used to assist in further developing the Department's performance indicators and reporting.

Recommendation R12: The City CIO report annually on the state of technology in the City to the Mayor and the Board of Supervisors.

Response: Will be Implemented. The City agrees that the City CIO should report annually, and we will work to ensure this occurs each year.

Recommendation R13: The City CIO and the Controller create a citywide asset management system for ICT equipment.

Response: Will be Implemented through a citywide system. This process is currently underway with the expansion of the DPW information EAM system and the work of the Department of Technology to leverage existing Help Desk solutions in the City.

Recommendation R14: The City CIO and DHR create a citywide skills database for personnel, to catalog such skills as programming languages, web development, database, networking, and operating systems.

Response: Will Not Be Implemented. This will not be implemented, however with the implementation of PeopleSoft 9.0, the City will be able to capture credential information for city employees, including IT professionals. This is likely to include information about employees' competencies, training and skills.

Recommendation R15: Revise the Charter so that all vacant and new technology positions be classified as Group II exempt positions.

Response: Will Not be Implemented.

Recommendation R16: The City CIO be involved, with department heads, in hiring decisions for their highest level ICT personnel.

Response: Already Implemented. The City believes it is appropriate to consult the City CIO in these hiring decisions. The City CIO currently serves as a resource to departments.

Recommendation R17: The City CIO be included, with department heads, in the performance review process of senior ICT personnel in all departments.

Response: Will Not be Implemented. The responsibility to conduct performance reviews rests with the department head, managers and supervisors.

Recommendation R18: Pending revision of the Charter, the Mayor develop methods for speeding up the hiring process for ICT personnel.

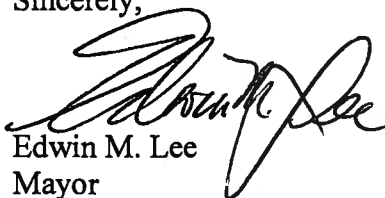
Response: Will be Implemented. The Department of Human Resources and DT will implement procedures to help improve the hiring process for ICT personnel.

Recommendation R19: The Mayor provide consistent, passionate, and aggressive leadership in the field of citywide technology, fostering progress, and garnering agreement among departments toward a more cooperative and cohesive culture.

Response: Already Implemented.

Thank you again for the opportunity to comment on this Civil Grand Jury report and for your interest in the effectiveness of the City's IT services .


Sincerely,



Edwin M. Lee
Mayor



Ben Rosenfield
Controller



Micki Callahan
Director, Department of Human Resources



Naomi Kelly
City Administrator
Chair, Committee on Information Technology



Jon Walton
Chief Information Officer (Acting)