



September 6, 2012

Presiding Judge, Honorable Katherine Feinstein
 Superior Court of California
 County of San Francisco, Civil Grand Jury
 400 McAllister Street, Room 008
 San Francisco, CA 94102

Subject: Management Responses to Civil Grand Jury Report: “Déjà Vu All Over Again: San Francisco’s City Technology Needs a Culture Shock”

Honorable Katherine Feinstein,

Thank you for providing us the opportunity to review the Civil Grand Jury report entitled, Déjà Vu All Over Again: San Francisco’s City Technology Needs a Culture Shock.

Attached for your review and consideration are SFPUC Management’s responses to the recommendations detailed in the report.

Per the Civil Grand Jury’s letter to the Clerk of the Board, it was requested that responses must indicate whether the recommendation had been addressed and how it was implemented. Due to the nature and scope of the recommendations within the report, follow-up implementation will require a holistic effort by City Departments, the Department of Technology, the Department of Human Resources and the Mayor’s Office.

If you have any questions or need additional information, please do not hesitate to contact me at (415) 554-1600.

Sincerely,

ED HARRINGTON
 General Manager

cc: Michael Carlin, Deputy General Manager
 Todd L. Rydstrom, AGM Business Services & Chief Financial Officer
 Ken Salmon, Director, Information Technology Services & CIO
 Nancy L. Hom, Director, Assurance & Internal Controls

Edwin M. Lee
 Mayor

Anson Moran
 President

Art Torres
 Vice President

Ann Moller Caen
 Commissioner

Francesca Vietor
 Commissioner

Vince Courtney
 Commissioner

Ed Harrington
 General Manager



**SAN FRANCISCO PUBLIC UTILITIES COMMISSION
MANAGEMENT'S RESPONSE TO CIVIL GRAND JURY REPORT: DÉJÀ VU ALL OVER AGAIN: SAN
FRANCISCO'S CITY TECHNOLOGY NEEDS A CULTURE SHOCK**

I. The Structure of San Francisco City Technology

F2

Partially agree. Depends on the function and professional. For example, there is a very cooperative attitude with the DT Fiber group and the IT staff of city departments. The DT phone services support group is another bright spot.

F4

Agree.

F5

Disagree. We are not aware of any non-communication between the Mayor's Office/COIT and Department Heads and CIOs.

F9

Agree that there is no *formal* forum. However, department IT Directors/CIO's meet monthly for lunch to discuss issues and share solutions. The Acting City CIO and the DT CTO are invited to all of these lunches. However, they attend very infrequently. Department IT Directors/CIO's often call and email each other for assistance. There are strong bonds, trust and respect amongst department IT Directors/CIO's.

F10

Disagree. The City CFOs report to their department heads, yet they are still in coordination with and must abide by citywide financial guidelines and policies. This decentralized reporting relationship works well. A reporting relationship alone – direct or indirect – may not speak to the cause of the weakness.

F11

Agree. However, centralized services need to be collaboratively/transparently developed, reliable, and business case based (including being cost effective and formal investigation of alternatives). Also, centralized services should be reviewed frequently by the COIT performance subcommittee.

F13

Partially agree. Departments, including the SFPUC, coordinate staffing plans according to the Mayor's Budget Instructions.

R2

Agree with a management audit or review of DT. However, we suggest that the review be focused on what barriers exist to communication and finding solutions to improve. The problem is why communication is not occurring properly, not the department functions themselves.

R5

Partially agree. Citywide comprehensive systems and technology proposals may have benefit. However, being similar to the city financial administration function may be more helpful (e.g., Controller has over-arching policy authority, however CFOs report to department heads).

R6

Agree. The COIT performance subcommittee should provide timely monitoring, much like the City Services Auditor does for audit findings on their 6-, 12- and 24-month follow-ups to ensure mitigations and best practices are timely implemented.

R7

Disagree. We think it is worth considering the effective model noted about the relationship the City Controller has with city department CFOs. This model should be explored to improve effectiveness.

R8

Agree. SFPUC already does this with personnel and work order funding. Information technology workorders currently represent one of the enterprise's significant costs.

II. A Dearth of ICT Information

F14

Partially agree. Information technology is a tool that supports the substantive functions of the city. City departments are organized by the substantive functions, in the best way to support and further service to city residents and taxpayers. IT should not be a unique distinctive entity, as its role is to support city organizations. For example, City CFOs report to their department heads, yet they are still in coordination with and must abide by citywide financial guidelines and policies mandated by the Controller's Office. This decentralized reporting relationship works well.

F15

Agree. We are not aware of the existence of a comprehensive annual report on the state of City technology.

F16

Partially agree. Projects over \$100,000 go to COIT and other systems and positions go by the Mayor's budget instructions where all new positions are reviewed and considered for adoption.

F17

Agree. Data center consolidation, hosted email and eMerge are examples of projects with a citywide focus. A larger focus on cost benefit analysis is needed.

F18

Partially agree. The city has multiple types of assets with varying functions (e.g., finance, technical, facility, utility, etc.). SFPUC assets within each of Water, Power, and Sewer provide multi-functional service rather than one-off functionality. The resolution of a need for a citywide asset management system would require more study, as some departments have well functioning applications, while others do not. We are open to seeing more information as a result of further review.

F19

Partially agree. Departments such as the SFPUC have organization charts that detail how IT services are staffed. However, across 50-60 departments, this type of usefulness may be limited. The SFPUC Learning Management System (LMS) is able to track specific skill sets. The value of any such database would depend on the rigor of ongoing maintenance, reporting reliability, and value extracted from the effort expended.

F20

Agree. We are not aware of any effort to gather such data.

F21

Agree. Additional information on projected savings or avoided cost would be helpful.

R11

Agree. We suggest adding quality of solutions and support levels. Also for the “decision-making and evaluation criteria” we suggest that you add business case driven”. The SFPUC can share our business case template that we use for IT projects.

R12

Agree. This could be useful, but many areas of IT are specialized. We suggest that the annual report be presented as a joint report, with input from the Mayor’s Chief Innovation Officer.

R13

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R14

Agree. This can be beneficial, similar to how the SFPUC uses the Learning Management System (LMS) for tracking licensure and certifications for their engineers.

III. The Need for a Citywide Staffing Plan

F22

Agree. Much progress has been made, but often hiring is slow because of the economy and the cumbersome city process.

F23

Disagree. Permanent Civil Service was devised to incorporate a fair and due process. However, the manner in how it has been implemented in San Francisco has been cumbersome. It has affected all citywide departments across various job recruitments, not just technology. We recommend that it be reviewed with the intent to make the process more efficient and effective.

F24

Disagree. Permanent Civil Service was devised to incorporate a fair and due process. However, the manner in how it has been implemented in San Francisco has been cumbersome. It has affected all citywide departments across various job recruitments, not just technology. We recommend that it be reviewed with the intent to make the process more efficient and effective. We have lost many top candidates to other competitive offers because of delays and other factors in the city’s recruitment process.

R15

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IV. A Culture in Need of Change

F25

Disagree. Departments focusing on the needs and services for city residents and taxpayers are not the issue. City technology is meant to support citywide departments in obtaining their objectives, similar to the support services of Department of Human Resources, Controller's Office, or the Office of the City Attorney. The focus of city technology culture should be how to serve citizens through a combination of department and citywide technology systems.

F26

Disagree. We are not aware of what the state of cooperation has been in the past. However, this relies on the professional relationships between city staff. The SFPUC has had a great working relationship with DT's Fiber Team and this has led to timely and efficient response and communication.

F27

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F28

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F29

Disagree. The SFPUC follows and regards COIT policies seriously.

F30

Partially agree. COIT members are engaged in the process. We suggest a review of timeliness and complete follow through of approved initiatives, similar to the post-audit 6-, 12- and 24-month followup reporting.

F31

Agree. Citywide initiatives are rarely well thought out well enough to gain cooperation and rarely have timelines. An example was a proposed hosted email solution: The contract for hosted email was signed without collaborating with Department IT leaders. In January of 2010, the SFPUC asked DT to produce an email business case including total cost of ownership. The SFPUC has asked for cost data many times over the years and still, to this day the information has not been shared. It is not reasonable to expect support for a project when the costs and schedule are unknown. To be successful, large projects such as citywide hosted email need to be managed formally including total cost, schedule, benefits, risk analysis and formal analysis of alternative solutions.