

Agenda Report

February 1, 2010

TO: Honorable Mayor and City Council
FROM: City Manager
SUBJECT: Creation of an Information Technology Department

RECOMMENDATION:

It is recommended that the City Council:

1. Introduce and conduct the first reading of an Ordinance to amend the Pasadena Municipal Code to create the Department of Information Technology (listed separately on Agenda);
2. Authorize the City Manager to enter into a contract without competitive bidding pursuant to City Charter Section 1002(F) contracts for professional or unique services with Neff Consulting to provide services for an Interim Chief Information Office for an amount not-to-exceed \$177,000 for a period of one year;
3. It is further recommended that the City Council grant the proposed contract an exemption from the Competitive Selection process of the Competitive Bidding and Purchasing Ordinance Pasadena Municipal Code Chapter 4.08, pursuant to Section 4.08.049(B) contract for which the City's Best Interest are served.

BACKGROUND:

Just over a year ago, the City set forth a plan to address the widening budgetary gap in the General Fund made worse by the recession, and chart a course for future investment in the City. As outlined at the time, one key element of this effort is to identify and implement efficiencies and improvements in the delivery of City services. Since that time a number of efforts and initiatives have been implemented, some small, some on a larger scale, but all directed at maximizing results and making the most of scarce resources.

One area of early focus was the City's approach to delivering and supporting Information Technology (IT). Unlike other cities of the same size, Pasadena has no single department responsible for Information Technology. Rather, the Information Technology Services Division which is resident in the Department of Finance, provides some central and support services while a number of departments also maintain their own internal IT staff support and infrastructure, i.e., datacenters.

This atypical mix of centralized/decentralized services, coupled with an overly complex funding model and lack of strategic planning is considered less than optimal by the City's Executive Leadership Team. In order to move beyond the status quo, this past July the City, through a formal selection process, engaged the firm of Pacific Technologies Inc., to undertake an assessment of the City's technology infrastructure.

Through an extensive process of interviews at all levels and across the organization, analysis of key data indicators and comparisons to objective benchmarks and industry best practices, PTI examined the City's performance in the areas of Customer Services, Infrastructure, Application Services, IT Planning and IT Administration. The results, which are set forth in the attached Technology Infrastructure Assessment report, indicate that significant improvement is possible by restructuring the way IT is managed in terms of both service delivery and decision making, without the need for additional financial or staffing resources. The establishment of a single IT department accountable to the City Manager led by a Chief Information Officer responsible for assisting in the development and management of the City's IT vision and direction is the first, most important step to realizing this goal.

Consequently, staff recommends that the City Council adopt an ordinance to create a new Department of Information Technology Department. Initially, the new department will consist of the current Information Technology Services Division and the Internet Web Services Section which currently resides in the Information Services and Libraries Department. The total staff complement will remain at 42.0 FTEs. Corresponding budget adjustments and the modification of the Salary Resolution to add the Information Technology Director/Chief Information Officer will occur during the upcoming budget process.

Over the course of the next 6-9 months a determination will be made as to which IT-related functions and services that currently resident in other City departments should be transitioned into the Department of Information Technology and a new decision making model for major IT efforts will be put into effect.

To assist in this effort, staff recommends contracting with an individual to serve as an Interim Chief Information Officer until such time as the overall structure is complete and a permanent recruitment process could be completed. Rather than undertake a formal request for proposals (RFP) process, staff interviewed with a number of highly-qualified firms/individuals to serve in this capacity. The firm of Neff Consulting was identified as the best overall candidate to perform these services. The principal of the firm is Dianah

Neff who will serve as the interim CIO on an exclusive basis with the City. Her focus will be on implementing the recommendations outlined in the attached Technology Infrastructure Assessment report by PTI.

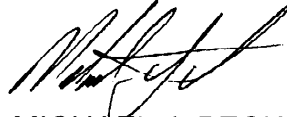
COUNCIL POLICY CONSIDERATION:

Approval of these recommendations is consistent with the City Council's strategic goal of maintaining fiscal responsibility and stability by identifying new efficiencies within the organizational structure.

FISCAL IMPACT:

Sufficient funding exists in the Computing and Communications Fund Balance for the cost of the contract for the Interim Director. The long term fiscal impact of reorganizing and consolidating information technology services and programs is expected to provide an overall reduction in costs, but initially, there may be some additional one-time costs which will be handled in a manner consistent with the City's budgetary controls.

Respectfully submitted,



MICHAEL J. BECK
City Manager

Attachment: Technology Infrastructure Assessment report by PTI.