

OFFICE OF INNOVATION AND TECHNOLOGY
FISCAL YEAR 2015 BUDGET TESTIMONY
March 31, 2014

EXECUTIVE SUMMARY

DEPARTMENT MISSION AND FUNCTION

The Office of Innovation and Technology (OIT) was established in August 2011 by the Mayor's executive order. OIT oversees all major information and communications technology initiatives for the City of Philadelphia - increasing the effectiveness of the information technology infrastructure, where the services provided are advanced, optimized, and responsive to the needs of the City of Philadelphia's businesses, residents, and visitors.

Our vision is to be the premier broker of innovative technology services, recognized for our integrity, talented stewards, and high touch customer service.

Our mission is to manage the City's technology assets efficiently and effectively to help our clients advance opportunities to modernize City government and improve services to all Philadelphians.

In support of our mission and vision, we have the following strategic goals:

- Advance the organization to Level 3 Maturity on the Gartner Score for maturity of an IT organization by 2014. This would mean that City departments would transition from leveraging IT when they consider it necessary to viewing OIT as critical to achieving their performance goals.
- Redesign business processes to be internet-enabled that provide self-service transactions especially for those that don't require face-to-face interaction, increase the availability of downloadable forms, the expansion of ePayment options, and the issuance of on-line bill presentment.
- Increase accessibility of departmental and agency on-line internal reporting tools that minimize paper reports.
- Continue to leverage cloud services for public applications and data as a way to reduce costs, accelerate implementation of new services, and provide 24x7 support for public facing services.
- Continue to stabilize & secure the technology infrastructure for services and applications that must be maintained in-house.
- Establish and advance unified communications to provide state-of-the-art communications network at less operating costs.
- Continue to modernize the City's business application portfolio in accordance with the IT Governance model.
- Continue to provide civic technology applications in the form of web services and mobile apps to enhance the community engagement experience.

We are making progress towards our goals, as exemplified by the following performance highlights:

- Increased in organizational maturity, as measured by the Gartner Maturity model, from 1.9 to 2.4
- Achieved 100% uptime for the public safety radio system
- On average, achieve 89% to 92% uptime for the video surveillance system, with peaks of 95%. Camera uptime can be found at www.cameras.phila.gov.
- Migrated 100% of city email boxes to Microsoft Exchange migration

PROPOSED BUDGET HIGHLIGHTS/FUNDING REQUEST

OIT has seen more than a two-fold increase in General Fund appropriation from FY08 to the FY14 current projection due to the growth in 911 spending as well as the centralization of information technology services formerly residing within departments in accordance with the Mayor’s Executive Order 12-11 on August 22, 2011. However, the size of the consolidation was larger than the \$13 million OIT received in transfers from departments. The consolidation also resulted in an increase in other operating funds – in FY15, OIT is projected to receive about \$19.0 million in Water funds and \$8.7 million in Aviation funds for the Water Department and Philadelphia International Airport respectively. OIT receives another \$44 million in Grant funded appropriations, providing the ability to spend almost \$38.9M in accumulated 911 surcharge revenues. In FY15, OIT is receiving \$2.8 million less in General Fund appropriations than in FY14 which includes \$8 million in savings from lower lease costs associated with the 911 wire line partially offset by additional funding provided to fund operating expenses associated with capital projects (\$5.3 million) and upgrade the data center cooling infrastructure (\$1.5 million).

	FY08 Actual	FY13 Actual	FY14 Adopted Budget	FY14 Current Projection	FY14-FY08 Change	FY15 Proposed Budget	FY15-FY14 Change
General Fund	36,588,294	63,174,058	84,994,181	84,634,861	48,046,567 131.3%	81,786,317	(2,848,544) -3.4%
Other Operating Funds	3,607,294	47,284,009	81,345,589	76,803,169	73,195,875 2029.1%	72,506,533	(4,296,636) -5.6%
Total Operating Budget	40,195,588	112,439,125	166,339,770	161,438,030	121,242,442 301.6%	154,292,850	(7,145,180) -4.4%

As part of the FY15 request is \$4,053,000 in new funding for the ongoing support of capital projects post implementation and upgrades to the City’s data center. Specifically:

- \$760,000 for the annual reoccurring costs associated with Capital infrastructure and business application projects. The annual funding for capital projects includes costs related to infrastructure employed under Exchange Migration, Monitoring Servers, Network, Application, and Security Improvements such as Firewall Hardware Migration and an eDiscovery Solution. This request reflects any decreases in current maintenance for products that will be terminated as a result of the new capital investments, and is thus the net increase for maintenance and support.
- \$1,800,000 for annual reoccurring costs associate with the OnePhilly project. OnePhilly is a project to enable the employees of the City of Philadelphia to bring the best possible services to the public through the implementation of effective and efficient administrative processes. \$1.8 million in FY15 and FY16 is needed to fund training and software maintenance for the new HR management system.
- \$1,493,000 for data center cooling systems upgrade. New funding is requested for upgrades to the City’s central Data Center at 1234 Market Street, which is currently at significant risk due to the age of the cooling infrastructure and the lack of a redundant cooling system. Some of the major applications that reside in the Data Center include, but are not limited to, the following: Police, Fire, Prisons, Financial and OHR systems (FAMIS/ADPICS/Payroll/Taxes/etc.), the new Microsoft Exchange and legacy Lotus Notes systems, Phila.gov and associated web sites which include revenue generating interfaces, Department of Human Services (Children Safety), along with PA State Police and FBI interfaces.

**OFFICE OF INNOVATION AND TECHNOLOGY
BUDGET SUMMARY AND OTHER BUDGET DRIVERS**

Financial Summary by Class - All Funds

	Fiscal 2013 Actual Obligations	Fiscal 2014 Original Appropriations	Fiscal 2014 Estimated Obligations	Fiscal 2015 Proposed Appropriations	Difference FY14 - FY15
Class 100 - Employee Compensation	\$22,051,406	\$25,224,384	\$24,188,522	\$25,235,950	\$1,047,428
Class 200 - Purchase of Services	\$56,934,338	\$74,988,659	\$74,448,659	\$73,548,519	(\$900,140)
Class 300 - Materials and Supplies	\$614,135	\$1,241,759	\$1,505,359	\$1,752,853	\$247,494
Class 400 - Equipment	\$5,543,851	\$9,204,088	\$8,895,488	\$9,260,294	\$364,806
Class 500 - Contributions	\$22,867	\$0	\$0	\$0	\$0
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$27,272,528	\$55,665,880	\$52,400,002	\$44,495,234	(\$7,904,768)
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0
TOTAL	\$112,439,125	\$166,324,770	\$161,438,030	\$154,292,850	(\$7,145,180)

Staff Demographics Summary*

	Total	Minority	White	Female
Full-Time Staff	327	57%	43%	34%
Executive Staff	12	25%	75%	17%
Average Salary - Executive Staff	\$124,760	\$113,667	\$128,458	\$86,500
Median Salary - Executive Staff	\$125,000	\$120,000	\$130,000	\$86,500

Employment Levels*

	Budgeted	Approved	Filled
Full-Time Positions	381	381	327
Part-Time Positions	28	28	16
Executive Positions	12	12	12

Contracts Summary*

	FY09	FY10	FY11	FY12	FY13	FY14*
Total amount of contracts	\$16,842,053	\$12,841,554	\$19,844,204	\$17,927,562	\$16,988,604	\$15,089,111
Total amount to M/W/DBE	\$3,084,790	\$3,301,195	\$4,976,204	\$3,460,531	\$2,437,542	\$3,556,211
Participation Rate	18%	26%	25%	19%	14%	24%

*As of December 2013

**OFFICE OF INNOVATION & TECHNOLOGY
PERFORMANCE, CHALLENGES AND INITIATIVES**

DEPARTMENT PERFORMANCE (OPERATIONS)

OIT uses the Gartner IT score as a measure of its maturity as a provider of IT services and the enterprise as a consumer of information technology. During FY13, OIT received a Gartner IT score of 2.4 out of 5.0. The goal for FY14 is to reach a score of 3.0 and, ultimately, to reach a score of 5.0. A score of 2.0 indicates that City departments independently leverage IT when they consider necessary; 3.0 means that City departments view IT as critical to achieving performance goals; and 5.0 means that IT is a primary driver of service model innovation for the City. OIT also measures the overall availability of Wide Area Network (WAN) and internet, website, platform and applications by the percent of time these networks the City relies on to conduct business are up and running. OIT currently only has the ability to collect information on WAN & Internet, which was available 99.7% of the time in FY13, and 99.4% of the time in Q2 of FY14. OIT has a goal of addressing 90% of customer issues within the target service level for time to resolve, which varies significantly according to the severity of the issue (e.g. major incident that causes major service disruption, versus a desk phone not working). The volume of service requests increased by 40% from FY13 because recently consolidated departments began using OIT’s service desk software to track requests. Finally, as described above OIT has eight major business application modernizations underway, eight of which are on track for delivery. “On Track” means that current project status reports indicate that there are no known critical issue(s) inhibiting the progress or completion of any of the projects in accordance with their estimated timelines.

Performance Measure	FY08	FY13	FY13-FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14-FY13		
						Q1-Q2 Change	FY14 Goal	FY15 Goal
Gartner IT Organization Maturity score	N/A	2.4	20.0%	N/A	N/A	N/A	3	3
Availability*	N/A	99.7%	0.5%	99.9%	99.4%	-0.6%	99.9%	99.9%
Volume of Service Requests**	N/A	49,574	66.4%	22,912	31,994	39.6%	N/A	N/A
Percent of customer issues closed within service level for time to resolve	N/A	84.6%	30.2%	84.1%	86.2%	2.6%	90.0%	90.0%
Percent of customers satisfied with services provided	N/A	93.8%	-2.9%	93.5%	93.2%	-0.3%	97.0%	97.0%
Number of modernization projects on track***	N/A	8	0.0%	8	8	0.0%	8	8

* Overall availability of WAN & Internet, Website, Platform and Applications. Current ability only allows OIT to measure availability of WAN & Internet and is computed as the average availability for TLS, T1s and Internet. FY13 Q1-Q2 data shows Q2 only.

** System to track tickets was not fully operational until the second quarter of FY11, and went down July - October in FY12. Consequently, actual volume of service request for FY11 and FY12 was higher than reported.

*** During FY12, OIT was in the process of establishing the modernization projects.

DEPARTMENT CHALLENGES

- Access to the latest technology skills and the ability to recruit staff into positions requiring these skills

STAFFING LEVELS

As of the end of the second quarter of FY14, OIT has a total of 327 total personnel, of which:

- 255 are under the General Fund
- 64 are under the Water Fund
- 3 are under the Airport Fund
- 5 are under the Capital Fund

As of February 2014, OIT has made 32 new hires, with the following ethnicity and language composition:

- 40% female, 60% male
- 39% African American, 19% Asian, 4% Other, and 2% Latino

PAST INITIATIVES

OIT is proud of the following sampling of accomplishments:

- **Police District Connectivity:** Upgraded all Police districts have been upgraded to high speed connectivity circuits (TLS) and state of the art new and secure connection devices. OIT continues to extend this environment for Criminal Justice Information System (CJIS) compliance.
- **Email Migration:** Fully migrated 100% of city email boxes to Microsoft Exchange, a new and unified email system, which has led to increased functionality for end users.
- **Video Surveillance:** Increased video capabilities at more locations to serve public safety. This was accomplished by adding new video core environment (33 new servers), and exported video clips to a newly configured storage environment which will provide Police with the capacity to archive video feed for over two years. In addition, the new video core environment has been separated from the City's main core network to enhance the security and integrity of the video system.
- **Public Safety Radio System:** Upgraded the 800 MHz radio system by completing over 95% of all activities required to move forward with meeting the federal rebanding mandate.
- **KEYSPOTS:** Fully implemented and currently operate 77 KEYSPOt sites – technology enabled community centers – as part of American Recovery and Reinvestment Act's broadband stimulus funding award. As of end of calendar year 2012, KEYSPOt sites have served over 280,000 people with open access visits and almost 200,000 hours of training. Working closely with Mayor's Office of Civic Engagement and Volunteer Service and Mayor's Commission on Literacy on Cities of Service award focusing on training volunteers to support adult literacy programs in KEYSPOt sites and other community-based organizations.
- **Open Data:** Published an open data plan for the City of Philadelphia to guide the implementation of a city-wide transparency and open government program. Released 41 new data sets from city departments which had not before been available to the public. Released a large data set detailing a collection of serious crimes occurring in Philadelphia since January 2006; this data release was cited by the publication "The Atlantic Cities" as one of the [best open data releases in the country in 2012](#).
- **AVI Calculator:** Built the AVI Calculator app, allowing residents to lookup their new property value and estimate their tax on any device and in 6 languages.
- **Debt Management:** In partnership with the Treasurer's Office, successfully procured, tested and on boarded a networked Debt Management system, substantially improving analytical capabilities and mitigating risk.
- **Lobbyist:** In partnership with the Board of Ethics, successfully implemented new software to meet online lobbying registration and filing requirements of the Ethics Code creating more transparency for both lobbyist and stakeholders.

CURRENT INITIATIVES

OIT is currently working towards the following accomplishments:

- **311 CRM:** In partnership with Philly311, this project is implementing a cloud-based Software as a Service ("SaaS") customer relationship management (CRM) solution to manage the City's 311 call center. The new CRM, will use state of the art technology to improve internal operations processing times, increase first time call resolution and improve service delivery currently experienced by 311 users.
- **Cashiering:** In partnership with the Department of Revenue, this project is implementing a state of the art Cashiering and Remittance system, which will allow for faster processing of payments and forms.
- **eCLIPSE:** In partnership with the Department of licenses & Inspection, project eCLIPSE (electronic Commercial Inspection Permit Services Enterprise) will the replace L&I's current database system, Hansen. The project's main objective is to enable online application, payment, processing, status checking and printing of relevant documents for all department activities, including business licensing, permitting, inspections, Electronic Plan Review, and code enforcement.
- **OnePhilly:** This project will implement a new Workforce Management system, which is the first phase of an overarching Administrative Systems Modernization Project, a major initiative undertaken by Finance in cooperation with the Office of Human Resources, OIT and agencies throughout City government to replace

all of the City's major administrative systems with an integrated technology solution (Oracle eBusiness Suite) and implement effective and efficient administrative processes Citywide. Phase I will address the City's workforce management processes and systems, including human resources, payroll, time and attendance, benefits administration, and pensions administration. The Project is currently completing its planning stage for modernization and integration of City Workforce Management Systems.

- **Tax Delinquency Data Warehouse:** In partnership with the Department of Revenue, this project will implement an integrated revenue data warehouse, a best practice that will allow the department to better use and mine taxpayer information to drive collections.
- **PARS:** In partnership with multiple public safety stakeholder, this project will replace PARS, the current Preliminary Arraignment System (PARS), which automates the processing of police arrests thru to arraignment.
- **Inmate Management:** In partnership with the Prisons Department, this project will replace the current inmate management system, Lock and Track, which is at end of life and has a single point of failure. An inmate management solution is designed to manage the day-to-day operations of a correctional facility and incorporates a robust reporting platform to easily generate critical reports and statistics.
- **CAMA:** In partnership with the Office of Property Data, this project will implement a new real estate appraisal system.
- **CityNet3:** This project will provide a fully redundant network solution which will have the capability to fully support City services now and in future. Currently, the City's core network has not been upgraded in over ten years, and equipment is reaching end-of-life even as new and improved City services are demanding increased network speed and bandwidth.
- **Virtualized Environment:** A project to expand the virtualized server environment of OIT's data center, resulting in greater efficiency for the server and data center environment.
- **Open Storage Platform Replacement:** Replace legacy open systems platform (Clarion) with a new platform to increase capacity to meet the demands of application portfolio growth and increased monitoring/management tools. Included in this initiative is the implementation of e-Discovery capabilities within this platform.

NEW INITIATIVES

OIT has identified three new initiatives for the FY15-FY19 five year plan:

- **Data Center Upgrade:** Upgrades to the City's central Data Center at 1234 Market Street, which is currently at significant risk due to the age of the cooling infrastructure and the lack of a redundant cooling system. Some of the major applications that reside in the Data Center include, but are not limited to, the following: Police, Fire, Prisons, Financial and OHR systems (FAMIS/ADPICS/Payroll/Taxes/etc.), the new Microsoft Exchange and legacy Lotus Notes systems, Phila.gov and associated web sites which include revenue generating interfaces, Department of Human Services (Children Safety), along with PA State Police and FBI interfaces.
- **Innovation Academy:** A partnership with Philadelphia University to train municipal employees in the principals of innovation. Recently have graduated the first cohort of 19 employees.
- **Innovation Lab:** Municipally operated space intended to provide city employees with the opportunity to think and work creatively and cross-departmentally.

CONTRACTING EXPERIENCE

M/W/DBE Participation on Large Contracts

FY14 Contracts

Vendor	Service Provided	Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DBE Participation Achieved	\$ Value of M/W/DBE Participation	Total % and \$ Value Participation - All DSBEs	Living Wage Compliant?
Computronix	Licenses and Inspections eCLIPSE capital project	\$3,242,358	7/4/12	4/1/13	MBE:	19%	\$607,085		Y
					WBE:	6%	\$195,000	25%	Y
					DSBE:	0%	\$0	\$802,085	Y
Unisys	311 CRM Replacement	\$2,592,719	10/2/12	12/27/13	MBE:	4%	\$114,000	11%	Y
					WBE:	7%	\$173,000	\$287,000	Y
					DSBE:	0%	\$0		Y
CGI	Budget Formulation	\$1,534,000	2/21/13	3/17/14	MBE:	15%	\$234,244	15%	Y
					WBE:	0%	\$0	\$234,244	Y
					DSBE:	0%	\$0		Y
Azavea	PWD Stormwater Billing System Support	\$1,201,235	4/20/12	7/1/13	MBE:	5%	\$55,900	7%	Y
					WBE:	2%	\$29,330	\$85,230	Y
					DSBE:	0%	\$0		Y
Unitary	Capital Project Architectural and Planning Services	\$1,050,000	6/14/12	11/1/13	MBE:	7%	\$70,000		Y
					WBE:	7%	\$70,000	13%	Y
					DSBE:	0%	\$0	\$140,000	Y

EMPLOYEE DATA

Staff Demographics

Full-Time Staff

Executive Staff

	Male	Female	Male	Female
Total	215	112	10	2
% of Total	66%	34%	83%	100%
	African-American	African-American	African-American	African-American
Total	68	59	1	0
% of Total	21%	18%	8%	0%
	White	White	White	White
Total	112	30	8	1
% of Total	34%	9%	67%	8%
	Hispanic	Hispanic	Hispanic	Hispanic
Total	11	0	1	0
% of Total	3%	0%	8%	0%
	Asian	Asian	Asian	Asian
Total	19	17	0	1
% of Total	6%	5%	0%	8%
	Other	Other	Other	Other
Total	5	6	0	0
% of Total	2%	2%	0%	0%
	Bi-lingual	Bi-lingual	Bi-lingual	Bi-lingual
Total	0	0	0	0
% of Total	0%	0%	0%	0%

