

**OFFICE OF INNOVATION AND TECHNOLOGY
FISCAL YEAR 2017 BUDGET TESTIMONY
APRIL 12, 2016**

INTRODUCTION

Good morning, President Clarke and Members of City Council. I am Charles Brennan, Chief Information Officer for the Office of Innovation and Technology. I am pleased to be here to provide testimony on the Office of Innovation and Technology's Fiscal Year 2017 operating budget. Joining me today are Chris Donato, Chief Financial Officer, and Raymond Hayling, Deputy CIO. Other members of my Executive Management team are also here in chambers today.

DEPARTMENT MISSION/PLANS

Mission: To increase the effectiveness of the City's information technology infrastructure, manage the City's technology assets efficiently and effectively, and modernize City government in order to improve all service to Philadelphians.

Plans for Fiscal Year 2017

In FY17, the Office of Innovation and Technology (OIT) plans to continue oversight of all major information and communications technology initiatives for the City. OIT remains responsible for identifying the most effective approach for implementing new information technology throughout the City, improving the value of the City's technology assets and return on the City's technology investments, ensuring data security, planning for continuing operations in the event of disruption of IT or communications services, and supporting accountable, efficient, and effective government across City government.

OIT plans to continue to manage a complement of six service areas to further its mission and support the goals of the administration.

Automated & Digital Government

Services which automate and simplify business processes and workflow, enable online transactions for the public, and provide easy-to-use business intelligence tools.

- Economic Development Applications
- Enterprise Application Services
- Enterprise Database, Storage, Platform and Hosting
- Financial Applications
- Human Capital Management
- Legal Applications
- Public Safety Applications
- Transportation & Utilities Applications

- Web Presence Management

Business Protection

Services that protect the continuity of the City's business operations, and the confidentiality of the city's assets, systems, data and employee privacy.

- Business Continuity
- Information Security
- Risk Management

Collaboration & Communication

Services which enable staff and consultants to share information and work together in an effective efficient manner on task, projects and initiatives.

- Dispatch
- Email
- Enterprise Voice
- Instant Messaging
- Media & Events
- Mobile Communication Management
- Web Mapping

Connectivity

Services which allow staff to access IT resources for local and remote sites and share information with business partners.

- On-Premise Access
- Remote Access
- Wireless Access

Innovation and Open Government

Services which make technology and information accessible and useful to Philadelphians and their communities, and provide an innovation infrastructure to solve urban challenges in new ways.

- Digital Inclusion & Access
- Open Data
- GIS Data

Professional Services

Professional services which focuses on planning, governing and managing IT investments, people and technologies to increase alignment with the business.

- Project Management
- Technology and Strategy Planning
- Vendor and Contract Management

Technology & User Support

Services which support various end-user technology resources, needs and requests.

- Account Management
- Desktop Management
- Desktop Software
- File and Print Management
- Help Desk
- End User Device Management

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

Staff Demographics Summary (as of January 2016)

	Total	Minority	White	Female
Full-Time Staff	328	192	136	115
Executive Staff	6	1	5	1
Average Salary - FTS	\$70,806	\$66,796	\$77,352	\$69,378
Average Salary - ES	\$131,165	\$142,830	\$137,232	\$113,500
Median Salary - FTS	\$70,000	\$66,240	\$74,942	\$69,172
Median Salary - ES	\$142,830	\$142,830	\$142,830	\$113,500

Employment Levels (as of January 2016)

	Budgeted	Approved	Filled
Full-Time Positions	385	361	328
Part-Time Positions	17	17	17
Executive Positions	6	6	6
Overall Average Salary (FTEs)	\$71,170	\$71,169	\$70,806
Overall Median Salary (FTEs)	\$66,495	\$70,000	\$70,000

Financial Summary by Class -

General Fund	Fiscal 2015	Fiscal 2016	Fiscal 2016	Fiscal 2017	Difference
	Actual Obligations	Original Appropriations	Estimated Obligations	Proposed Appropriations	FY17 - FY16
Class 100 Employee Compensation	\$18,927,724	\$19,900,681	\$19,900,681	\$20,884,763	\$984,082
Class 200 Purchase of Services	\$39,172,871	\$54,383,430	\$54,860,440	\$52,318,443	(\$2,541,997)
Class 300 Materials and Supplies	\$449,787	\$958,080	\$870,256	\$581,460	(\$288,796)
Class 400 Equipment	\$5,323,053	\$8,640,271	\$8,739,083	\$9,777,598	\$1,038,515
Class 500 Contributions	\$500	\$0	\$0	\$0	\$0
Class 700 Debt Service	\$0	\$0	\$0	\$0	\$0
Class 800 Payment to Other Funds	\$0	\$0	\$0	\$0	\$0
Class 900 Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0
TOTAL	\$63,873,935	\$83,882,462	\$84,370,460	\$83,562,264	(\$808,196)

Contracts Summary (All Funds, as of December 2015)

	FY11	FY12	FY13	FY14	FY15	FY16*
Total amount of contracts	\$19,844,204	\$17,927,562	\$16,988,604	\$34,655,040	\$19,015,288	\$7,939,878
Total amount to M/W/DBE	\$4,976,204	\$3,460,531	\$2,437,542	\$6,988,347	\$4,732,056	\$1,572,673
Participation Rate	25%	19%	14%	20%	25%	20%

* as of December 2015

OIT's FY17 participation goal is 25%.

**OFFICE OF INNOVATION AND TECHNOLOGY
PROPOSED BUDGET OVERVIEW**

PROPOSED FUNDING REQUEST

The proposed Fiscal Year 2017 general fund budget totals \$83,562,264, a decrease of \$808,196 over Fiscal Year 2016 estimated obligation levels. This decrease is primarily due to the reduction in the one-time papal visit, PC equipment refresh expenditures, projected reductions in some of the costs related to the Wi-Fi data service delivery and PECO costs as well as Voice Communications and Network Group, offset by the addition of critical Class 100 positions and software updates.

The proposed budget includes:

- \$20,884,763 in Class 100, a \$984,082 increase over FY16. This funding will compensate OIT’s employees performing various tasks which promote OIT’s major objectives which are to: implement, manage and service information technology infrastructure that enables efficient and cost effective application solutions for City departments. Improve efficiency and value of City information technology initiatives by providing best practices through ongoing oversight, support activities project management oversight and strategic planning.
- \$52,318,443 in Class 200, a \$2,541,997 decrease over FY16. This funding will support, develop and improve the delivery of City IT services and information. Provide ongoing centralized services and support for the IT infrastructure, data center, help desk, IT network (internet/intranet/WAN and PC desktop), cable TV, telecommunications, system software and maintenance, software development framework (best practices guidelines), and IT training. This funding will also maintain the City’s Emergency 911 System.
- \$581,460 in Class 300, a \$288,796 decrease over FY16. This funding will provide the Office of Innovation and Technology with the materials and supplies needed to efficiently function and maintain many of the department’s objectives and ongoing daily operations, including those related to IT Infrastructure, Unified Communications and the 911 system.
- \$9,777,598 in Class 400, a \$1,038,515 increase over FY16. This funding will provide major equipment and hardware to support many of the technical systems currently utilized such as Unified Communications and the Emergency 911 System. Also, provide a replacement of outdated personal computers, printers, laptops, equipment and hardware related to ongoing maintenance associated with telecommunications and infrastructure throughout the City.

STAFFING LEVELS

Staffing Levels (as of January 2016)

	Positions	Class 100 Amounts
Budgeted	385	\$26,463,660.00
Approved	361	\$25,692,009.00
Filled	328	\$23,224,451.00

LIST NUMBER OF NEW HIRES BY ETHNICITY AND LANGUAGE

	Total	Minority	White	Female
FY16 Full Time New Hires	30	50%	50%	27%

- See appendix for Bilingual Employees Chart

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

DEPARTMENT PERFORMANCE (OPERATIONS)

Performance Measures	FY15 Actual	FY16 YTD (as of 12/31/15)	FY16 Goal**
Gartner IT Organization Maturity score (out of 5)	3.2	N/A	4
Availability*	99.97%	99.00%	99.90%
Volume of Service Requests	39,406	18,367	N/A
Percent of customer issues closed within service level for time to resolve	70.12%	71.09%	90.00%
Percent of customers satisfied with services provided	92.21%	93.31%	97.00%
Number of modernization projects on track	7	7	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, TIs, and Internet.*

***OIT and Performance Management will work closely during the remaining months of FY16 and the beginning of FY17 to refine and update strategic goals and measures for each major service.*

**OFFICE OF INNOVATION AND TECHNOLOGY
OTHER BUDGETARY IMPACTS**

FEDERAL AND STATE (WHERE APPLICABLE)

N/A

OFFICE OF INNOVATION AND TECHNOLOGY – CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Contracts FY16 Contracts

Vendor	Service Provided	Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE Participation Achieved	\$ Value of M/W/DSBE Participation	Total % and \$ Value Participation - All DSBEs	Local Business	Living Wage Compliant?
CIPPlanner Corporation	Enterprise Project Management	\$1,324,340	6/26/14	5/1/15	MBE: 8-12%	0%	\$0	10% \$132,434	Yes	Yes
					WBE: 2-5%	10%	\$132,434			
					DSBE: 0%	0%	\$0			
Azavea, Inc.	Stormwater Billing	\$899,891	4/20/12	7/1/15	MBE: 10-15%	0%	\$2,520	5% \$44,365	Yes	Yes
					WBE: 10-15%	5%	\$41,845			
					DSBE: 0%	0%	\$0			
Computerized Facility Integration, LLC	Integrated Work Order Asset Management System	\$870,504	4/22/15	12/1/15	MBE: 10-15%	0%	\$0	10% \$87,486	No	Yes
					WBE: 10-15%	10%	\$87,486			
					DSBE: 0%	0%	\$0			
Unisys Corporation*	Philly 311 CRM Solution	\$687,827	10/2/12	12/27/15	MBE: 10-15%	0%	\$0	0% \$0	No	Yes
					WBE: 10-15%	0%	\$0			
					DSBE: 0%	0%	\$0			
Revenue Solutions, Inc.	Tax Delinquency Data Warehouse	\$515,000	5/24/13	2/2/15	MBE: 15-20%	0%	\$0	15% \$74,675	No	Yes
					WBE: 15-20%	15%	\$74,675			
					DSBE: 0%	0%	\$0			

* Original system implementation reached 10% OEO participation. This contract amendment is for support and maintenance only, and is provided solely by the prime vendor primarily for warranty purposes.

OFFICE OF INNOVATION AND TECHNOLOGY – EMPLOYEE DATA

Staff Demographics (as of January 2016)

Full-Time Staff				Executive Staff			
		Male	Female			Male	Female
		African-American				African-American	
<i>Total</i>		74	54	<i>Total</i>		0	0
<i>% of Total</i>		22.6%	16.5%	<i>% of Total</i>		0.0%	0.0%
<i>Average Salary</i>		\$61,890	\$63,399	<i>Average Salary</i>		\$0.0	\$0.0
<i>Median Salary</i>		\$56,925	\$60,000	<i>Median Salary</i>		\$0.0	\$0.0
		White				White	
<i>Total</i>		101	35	<i>Total</i>		4	1
<i>% of Total</i>		30.8%	10.7%	<i>% of Total</i>		66.7%	16.7%
<i>Average Salary</i>		\$79,096	\$72,320	<i>Average Salary</i>		\$143,165	\$113,500
<i>Median Salary</i>		\$75,725	\$71,415	<i>Median Salary</i>		\$142,830	\$113,500
		Hispanic				Hispanic	
<i>Total</i>		10	0	<i>Total</i>		1	0
<i>% of Total</i>		3.0%	0%	<i>% of Total</i>		16.7%	0%
<i>Average Salary</i>		\$78,256	\$0	<i>Average Salary</i>		\$142,830	\$0
<i>Median Salary</i>		\$74,342	\$0	<i>Median Salary</i>		\$142,830	\$0
		Asian				Asian	
<i>Total</i>		22	20	<i>Total</i>		0	0
<i>% of Total</i>		6.7%	6.1%	<i>% of Total</i>		0%	0%
<i>Average Salary</i>		\$73,418	\$77,100	<i>Average Salary</i>		\$0	\$0
<i>Median Salary</i>		\$73,575	\$70,000	<i>Median Salary</i>		\$0	\$0
		Other				Other	
<i>Total</i>		6	6	<i>Total</i>		0	0
<i>% of Total</i>		1.8%	1.8%	<i>% of Total</i>		0%	0%
<i>Average Salary</i>		\$66,651	\$80,281	<i>Average Salary</i>		\$0	\$0
<i>Median Salary</i>		\$58,001	\$74,542	<i>Median Salary</i>		\$0	\$0
		Bi-lingual				Bi-lingual	
<i>Total</i>		16	12	<i>Total</i>		1	0
<i>% of Total</i>		4.9%	3.7%	<i>% of Total</i>		16.7%	0%
<i>Average Salary</i>		\$71,515	\$76,328	<i>Average Salary</i>		\$142,830	\$0
<i>Median Salary</i>		\$71,225	\$80,000	<i>Median Salary</i>		\$142,830	\$0
		Male	Female			Male	Female
<i>Total</i>		213	115	<i>Total</i>		5	1
<i>% of Total</i>		64.9%	35.1%	<i>% of Total</i>		83.3%	16.7%
<i>Average Salary</i>		\$72,141	\$69,378	<i>Average Salary</i>		\$133,649	\$101,750
<i>Median Salary</i>		\$70,162	\$69,172	<i>Median Salary</i>		\$133,515	\$101,750

OFFICE OF INNOVATION AND TECHNOLOGY
APPENDIX (Other Relevant Data and Charts)

Number of Bilingual Employees (as of January 2016)

	Spanish	Tagalog	Arabic	Malayalam	Hindi	Gujarati	Cantonese & Mandarin	Punjabi	Urdu
App Services	1	0	0	1	1	0	0	0	0
App Suppt Devel	0	1	0	0	0	0	1	0	0
Fire	0	0	0	0	0	0	0	0	0
GSG	1	0	0	0	0	0	0	0	0
Infrastructure	0	0	1	1	2	0	0	0	1
ISG	0	0	0	0	0	0	0	0	0
OHR	0	0	1	0	1	0	0	0	0
OIT Finance	0	0	0	0	0	0	1	0	0
OPA	0	0	0	0	0	0	0	0	0
Police	2	0	0	0	0	0	0	0	0
PPPM	0	0	0	0	0	0	0	0	0
Revenue	0	1	0	0	0	0	0	0	0
UC	2	0	0	0	1	1	0	1	0
Water	0	1	0	2	1	0	3	0	0
WCS	0	1	0	0	0	0	0	0	0
Total - All Divisions	6	4	2	4	6	1	5	1	1
Total - # of Bilingual Employees		29							
Total - # of Languages Spoken		9							