

**OFFICE OF INNOVATION AND TECHNOLOGY
FISCAL YEAR 2016 BUDGET TESTIMONY
APRIL 14, 2015**

EXECUTIVE SUMMARY

DEPARTMENT MISSION AND FUNCTION

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.

Description of Major Services: OIT oversees all major information and communications technology initiatives for the City. In this role, OIT is 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.

PROPOSED BUDGET HIGHLIGHTS/FUNDING REQUEST

Budget Highlights: The FY16 Proposed General Fund Budget for OIT includes \$2 million in funding for a citywide five-year computer refresh cycle.

Fund	Class	FY14 Actual	FY15 Current Projection	FY16 Proposed Budget	FY16-FY15 Change	FY16-FY15 Percent Change
General	100	17,480,289	19,611,601	19,900,681	289,080	1.5%
	200	44,205,340	53,996,284	54,383,430	387,146	0.7%
	300/400	2,391,158	8,480,497	9,598,351	1,117,854	13.2%
	Total	64,076,787	82,088,382	83,882,462	1,794,080	2.2%
	Positions	259	288	307	19	6.6%
Other*	100	4,851,601	5,519,656	6,562,979	1,043,323	18.9%
	200	14,921,652	19,743,896	24,281,510	4,537,614	23.0%
	300/400	1,754,368	2,599,070	2,740,150	141,080	5.4%
	800	25,890,226	44,292,230	44,702,879	410,649	0.9%
	Total	47,417,846	72,154,852	78,287,518	6,132,666	8.5%
Positions	71	86	86	0	0.0%	
All	100	22,331,890	25,131,257	26,463,660	1,332,403	5.3%
	200	59,126,992	73,740,180	78,664,940	4,924,760	6.7%
	300/400	4,145,525	11,079,567	12,338,501	1,258,934	11.4%
	800	25,890,226	44,292,230	44,702,879	410,649	0.9%
	Total	111,494,633	154,243,234	162,169,980	7,926,746	5.1%
Positions	330	374	393	19	5.1%	

* Other Funds includes: County Liquid Fuels Tax Fund, Special Gasoline Tax Fund, Healthchoices Behavioral Health Fund, Hotel Room Rental Tax Fund, Grants Revenue Fund, Community Development Fund, Car Rental Tax Fund, Housing Trust Fund, Water Fund, Water Residual Fund, Aviation Fund, and Acute Care Hospital Assessment Fund.

Staff Demographics Summary (as of December 2014)

	Total	Minority	White	Female
Full-Time Staff	343	201	142	119
Executive Staff	13	3	10	2
Average Salary - Executive Staff	\$128,880	\$117,645	\$146,945	\$99,702
Median Salary - Executive Staff	\$124,200	\$124,200	\$124,200	\$99,702

Employment Levels (as of December 2014)

	Budgeted	Filled
Full-Time Positions	391	343
Part-Time Positions	26	25
Executive Positions	13	13

Contracts Summary (* as of December 2014)

	FY10	FY11	FY12	FY13	FY14	FY15*
Total amount of contracts	\$12,841,554	\$19,844,204	\$17,927,562	\$16,988,604	\$34,655,040	\$4,512,715
Total amount to M/W/DBE	\$3,301,195	\$4,976,204	\$3,460,531	\$2,437,542	\$6,988,347	\$1,048,553
Participation Rate	26%	25%	19%	14%	20%	23%

PERFORMANCE, CHALLENGES AND INITIATIVES

DEPARTMENT PERFORMANCE (OPERATIONS)

OIT uses the Gartner IT score to measure its effectiveness. The Gartner IT score evaluates a holistic set of interactive maturity assessments designed to help evaluate the maturity of both the IT organization as a provider of information technology services and the enterprise as a consumer of information technology. During FY14, OIT received a Gartner IT score of 3.1 out of 5.0. The goal for FY15 is to reach a score of 3.5 (every .5 increase takes at least 12-18 months to be realized) and the goal for FY16 is to reach a score of 4.0 and, ultimately, to reach a score of 5.0. A Gartner IT score of 3.0 indicates that City departments view OIT as critical to achieving performance goals; and 5.0 means that OIT and the City are full partners in transforming the City's business in innovative ways to increase efficiencies and services for citizens. 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 99.6% of the time in FY14, and 99.9% of the time in during the second quarter of FY15. 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 has decreased year over year by 11%. The percent of customer issues resolved within the time determined by the service levels has decreased from FY13 to FY14 as well as during the first half of FY15 due to new system implementations throughout the City. When a new system is implemented, there is a stabilization period where bugs and other issues are resolved and this causes an increase in both the number of service requests and the time to resolve issues within the department. The percent of customers satisfied with services provided, however, was 93.8% as of the first half of FY15. 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	FY14	FY14- FY13 Change	FY14 Q1-Q2	FY15 Q1-Q2	FY15- FY14 Q1-Q2 Change	FY15 Goal	FY16 Goal
Gartner IT Organization Maturity score	N/A	2.4	3.1	29.2%	N/A	N/A	N/A	3.5	4.0
Availability*	N/A	99.7%	99.6%	-0.1%	99.4%	99.9%	0.5%	99.9%	99.9%
Volume of Service Requests	N/A	29,644	33,188	12.0%	20,412	18,128	-11.2%	N/A	N/A
Percent of customer issues closed within service level for time to resolve	N/A	84.6%	72.9%	-13.8%	78.5%	70.9%	-9.6%	90.0%	90.0%
Percent of customers satisfied with services provided	N/A	93.8%	92.3%	-1.7%	93.2%	93.8%	0.6%	97.0%	97.0%
Number of modernization projects on track	N/A	8	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.

DEPARTMENT CHALLENGES

- Management of a complex federated IT environment, driven largely by the limitations of legacy IT applications that make it difficult to advance technology
- Funding limitations for to take advantage of technology trends
- Access to top IT talent

ACCOMPLISHMENTS & INITIATIVES

Developing a Legacy of Innovation: OIT has created an infrastructure of innovation within the City to foster creativity and help employees strategically manage public technology. Three coordinated initiatives - the Innovation Lab, an Innovation Academy, and the Innovation Fund - provide City government with the place, the people, and the process through which to address urban challenges.

- **Academy for Municipal Innovation:** The Academy helps encourage and establish a culture of innovation in City government. In partnership with Philadelphia University, the Academy provides City employees with training in the creative process and new methodologies for applying innovation to workplace challenges.

- **Innovation Lab:** Opened in August 2014, the Lab is a technology-enabled, flexible work space in the Municipal Services Building where City employees and external stakeholders can work collaboratively. The Lab offers wireless Internet access, multiple screens on lab walls and work tables, and the ability to project content from devices to screens throughout the lab. Since its launch, the Lab has hosted brainstorming sessions, youth programming and meetings of all sizes.
- **Mayor's Innovation Fund:** Inspired by a Bloomberg Philanthropies Challenge, the Mayor's Office of Grants and the Mayor's Fund for Philadelphia created a \$100,000 Mayor's Innovation Fund in 2014 to provide resources to support short-term public-private partnerships and projects to improve life in Philadelphia. An innovation working group led by OIT and the Mayor's Office of Grant's moved the process forward. As of early 2015, the Innovation Fund has granted \$70,000 to five different projects.

Open Data Progress: Since FY11, OIT has worked with 29 departments to publish over 150 open data sets for public use, including crime incidents, licenses, violations, property assessments, and lobbyist activity. Information can be accessed by visiting www.opendata.philly.org.

Connecting Citizens to Government through Technology: OIT has developed a cluster of new mobile-friendly applications that enhance access to heavily used City services and promote civic engagement. In September 2012, OIT launched Philly311 mobile application that allows users to report issues to City departments. In December 2012, the 311 Mobile App won the Big Vision Awards: Government and Politics from Philadelphia City Paper. In October 2013, the City released MyPhillyRising, an application which enables residents to connect to events, nearby resources, and neighbors in their community from their mobile phone. Additionally, OIT designed and deployed a single, consolidated citywide mapping website where users (www.phila.gov/map) can view maps with data from City departments. Users can customize maps with geographical, business, public safety, infrastructure, recreation, and cultural data.

Public Computing through KEYSPOt: In collaboration with main partners from the Urban Affairs Coalition and Drexel University, and supported by the American Recovery and Reinvestment Act (\$62 million, beginning in 2010), OIT implemented and sustained the KEYSPOt program, a program for a neighborhood-based, citywide network of 80 public computing centers intended to provide public access to technology and the Internet. In September 2012, the City was among 13 recipients awarded the White House "Champion of Change" award for OIT's community-based work on KEYSPOt and PhillyRising programs. The KEYSPOt program will reach a milestone of one million visits by the end of 2015.

Citywide and Departmental Applications: Funding in the recommended FY16 Capital Budget of \$14.1 million will continue the City's investment to replace and modernize legacy applications and create new applications that improve business processes to increase operational efficiency and reduce costs/risks of older applications. This funding combined with previous fiscal year capital funds is all part of the \$120 million multiyear investment in the improvement of the City's technology. Additionally, OIT will receive an additional \$2 million in new funding in its Operating Budget in FY16 for a citywide five-year refresh cycle of computers.

Modernizing Business Applications for City Departments: In FY14 and FY15, OIT launched four priority business applications to modernize payment processing at the Department of Revenue, customer relationship management at Philly311, license and inspection processing and case management at the Department of Licenses and Inspections, and asset management for the Office of Fleet Management.

Improving the City's Technology Infrastructure: In 2013, OIT continued its program to stabilize, secure, and optimize the City's IT Infrastructure by upgrading network equipment and connectivity between buildings, upgrading security firewalls, implementing new storage platforms, increasing backup capabilities and consolidating server computing platforms into an enterprise virtualized environment. The benefits of these infrastructure improvement efforts resulted in a significant reduction in the risk of interruption in services supporting the City's applications. Increasing the virtualized server environment enabled reductions in the physical footprint (related space and environmental costs) as well as reducing the time required to stand up new servers from approximately eight weeks to fewer than two weeks. The network infrastructure provides the foundation for computing systems in the City. The recommended FY16 Capital Budget includes \$7 million of funding to leverage existing capital funds for OIT to continue its work in allowing for the stabilization of the network and continued expansion and implementation of current and future

technologies. Projects include enterprise upgrades, unified network/communications, public safety infrastructure, security improvements, servers/storage/MS Exchange replacement and implementation, and infrastructure specifically for business applications.

Message Switch System Upgrade: This technology investment is a total of \$10.5 million in the recommended FY16 Capital Budget. Funds in the amount of \$5 million were budgeted in FY15 and the remaining \$5.5 million are recommended for FY16. This new message switch will improve the public safety information exchange between the City and the Commonwealth.

STAFFING

Staff Demographics (as of December 2014)

<i>Full-Time Staff</i>				<i>Executive Staff</i>			
Male		Female		Male		Female	
African-American		African-American		African-American		African-American	
<i>Total</i>	75	60	<i>Total</i>	1	0	<i>Total</i>	1
<i>% of Total</i>	21.9%	17.5%	<i>% of Total</i>	7.7%	0.0%	<i>% of Total</i>	0.0%
White		White		White		White	
<i>Total</i>	107	35	<i>Total</i>	9	1	<i>Total</i>	9
<i>% of Total</i>	31.2%	10.2%	<i>% of Total</i>	69.2%	7.7%	<i>% of Total</i>	7.7%
Hispanic		Hispanic		Hispanic		Hispanic	
<i>Total</i>	11	0	<i>Total</i>	1	0	<i>Total</i>	1
<i>% of Total</i>	3.2%	0.0%	<i>% of Total</i>	7.7%	0.0%	<i>% of Total</i>	0.0%
Asian		Asian		Asian		Asian	
<i>Total</i>	24	18	<i>Total</i>	0	1	<i>Total</i>	0
<i>% of Total</i>	7.0%	5.2%	<i>% of Total</i>	0.0%	7.7%	<i>% of Total</i>	0.0%
Other		Other		Other		Other	
<i>Total</i>	7	6	<i>Total</i>	0	0	<i>Total</i>	0
<i>% of Total</i>	2.0%	1.7%	<i>% of Total</i>	0.0%	0.0%	<i>% of Total</i>	0.0%
Bi-lingual		Bi-lingual		Bi-lingual		Bi-lingual	
<i>Total</i>	*	*	<i>Total</i>	*	*	<i>Total</i>	*
<i>% of Total</i>	*	*	<i>% of Total</i>	*	*	<i>% of Total</i>	*
Male		Female		Male		Female	
<i>Total</i>	224	119	<i>Total</i>	11	2	<i>Total</i>	11
<i>% of Total</i>	65.3%	34.7%	<i>% of Total</i>	84.6%	15.4%	<i>% of Total</i>	15.4%

* OIT is currently collecting information.

	Total	Minority	White	Female
FY15 Full Time New Hires	31	48%	52%	39%

CONTRACTING

**M/W/DBE Participation on Large Contracts
FY15 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	Living Wage Compliant ?
Cellco Partnership dba Verizon Wireless	Public Safety Mobile Data Solution	\$2,700,000	3/18/2011	9/1/14	MBE: 20 - 25%	0%	\$0		Yes
					WBE: 20 - 25%	0%	\$0	0%	
					DSBE:	0%	\$0	\$0	
Engility Corporation	IT Network Security	\$656,210	6/26/2010	7/1/14	MBE: 10 - 15%	29%	\$190,301		Yes
					WBE: 10 - 15%	0%	\$0	29%	
					DSBE:	0%	\$0	\$190,301	
CDI IT Solutions	Staff Augmentation	\$500,000	2/7/11	11/30/14	MBE: 15 - 35%	0%	\$0		Yes
					WBE: 15 - 35%	0%	\$0	0%	
					DSBE:	0%	\$0	\$0	
Smart IMS	Staff Augmentation	\$500,000	2/7/11	11/30/14	MBE: 15 - 35%	100%	\$500,000		Yes
					WBE: 15 - 35%	0%	\$0	100%	
					DSBE:	0%	\$0	\$500,000	
Software AG	Technical services for Licensed Software	\$456,987	10/14/11	1/1/15	MBE:	0%	\$0		Yes
					WBE:	0%	\$0	0%	
					DSBE:	0%	\$0	\$0	

OTHER BUDGETARY IMPACTS

FEDERAL AND STATE (WHERE APPLICABLE)

N/A

OTHER

N/A