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Budget and Finance Committee
c/o Richard Williams, Office of the City Clerk
Room 395 City Hall
Los Angeles, CA 90012

INFORMATION TECHNOLOGY AGENCY - 2016-17 MAYOR'S PROPOSED BUDGET

The Information Technology Agency (ITA) works with departments across the City of Los Angeles to develop world-class IT infrastructure and applications that provide our residents, businesses, and visitors with the digital services they expect from a leading global city. As evidenced this last year by national recognition in Citizen Engagement and Public Safety (Public Technology Institute), Digital City Services and Data Analytics (Government Technology Magazine), Cloud Computing (Amazon Web Services), Cybersecurity (Intel Security), Open Data (Code for America & Sunlight Foundation), and Smart City leadership (The Economist), our City government has made tremendous strides in the use of technology to serve Los Angeles. While we are not yet a fully digital and connected city, the Mayor's FY2016-17 proposed budget for the Information Technology Agency will continue key technology investments towards this goal.

Among the positive impacts for the public from the Mayor's proposed budget is improved customer service from the 311 Call Center, as new speech analytics tools will be used to provide automated feedback, training for agents, and an improved knowledge database. Residents will also notice an improved website experience and mobile-friendly design across LACity.org and other City websites, along with improved performance and reliability. Also important, our web content will be accessible across all of our communities through federal ADA and Section 508 compliance.

The Mayor's budget includes an investment of $2.4M in the City network. In acknowledging both the crisis state of the data network due to deferred investment and rapidly increasing usage, as well as the critical importance of the network for modern solutions (Cloud storage, VoIP phones, data sharing), the Mayor has funded the necessary network equipment to replace failing and antiquated hardware. Funding is also provided to expand use of low-cost, Cloud-hosted infrastructure that reduces reliance on and maintenance of City-owned server infrastructure.

At the heart of City operations, are our enterprise financial and purchasing systems. Funding is dedicated to major enterprise systems projects, including the final year of the effort to replace the City's former purchasing system (Supply Management System) with the Procurement, Inventory and Vendor Self-Service modules of the existing CGI AMS financial system. Support to transition the Financial Management System to a vendor hosted and supported cloud service effective July, 2017 is also included. Acknowledging that our City's most valuable asset is its people, resources are provided to begin requirements gathering, scope definition and subsequent Request for Proposal development for a new Human Resource Management System.

The Agency's proposed budget is $3.8M less than the current FY, attributable in part to a one-time reduction of $1.9M in funding for citywide communication services. The Department's budget is also reduced due to the functional transfer of 42 staff supporting the Police and Fire 911 dispatch centers and applications to the Public Safety departments that they serve, a move intended to improve efficiency. Additionally, though this does not result in a net reduction of ITA's budget, the Department's share of General Fund dollars has been reduced by $4.5M which is now funded by the Cable Franchise fees. The feasibility of continuing this funding shift will be dependent upon the future receipt of these fees, which are predicted to diminish due to cable "cord cutting".

Requests

The Mayor's proposed budget addresses critical network security and infrastructure needs and supports modernization of enterprise applications. There are, however, some crucial requests that are not included in the proposed budget that must be noted.

First, ITA requests funding consideration for the first year of a three year effort to replace all City land lines with low-cost, cloud-hosted Voice-Over-Internet-Protocol (VoIP) communication systems. While over 80% of American businesses are using VoIP for its robust features and low cost, the City has long deferred its transition from our "Plain Old Telephone System" (POTS) to VoIP due to budget constraints. Even beyond the benefits of VoIP to City operations, our telephone providers have notified the City that our existing POTS telephone systems will be discontinued in the year 2020. Our phone systems are used by Angelenos to communicate with over 500 city facilities and approximately 30,000 employees. As a City, we must begin our full transition to VoIP. The ITA has already begun planning for this effort. The funding will provide site planning, engineering, system programming, equipment installation and training for users at each location. Additionally, in order to upgrade to VoIP phones, the City must replace the cabling infrastructure to accommodate the greater capacity needs of the new technology. Existing data switches/routers will be upgraded with Point of Entry, cabinets, patch panels, etc. ITA will also evaluate the equipment needs and usage and switch employees to soft phones when feasible. This is a large endeavor that must begin in the next FY in order to complete the project by the technology end-of-life deadline. Recognizing that the initial $3.2M request is difficult to fully fund this year, ITA is scaling back the request for the first year to $1,312,000, though this will shift work to the later years.

Secondly, while the proposed budget funds some cyber security requests, the ITA must advocate for funding to protect the City's "high-value targets" (HVTs). A lesson learned from notable data breaches at the U.S. Office of Personnel Management (OPM), Sony Pictures, Target, Home Depot, Anthem, and Hollywood Presbyterian, was the necessity to provide

special protections for an organization's most sensitive data. Unlike previous investments that focus on the City's security perimeter, this item prioritizes the City's most valuable digital assets (911 dispatch systems, sewage treatment facilities, traffic signals, ambulance patient records, etc) and provides specialized encryption, data leakage protection, and response around these assets. A successful cyber attack on any of these high-value targets would not only disrupt City's day to day operations, but also potentially have devastating impact on the economy and the critical services provided to residents. Five hundred thousand dollars ($500,000) is requested for cyber security tools and support for specialized protection around these high-value targets.

The third area for which ITA requests funding consideration is around our "next generation workforce". With IT skills rapidly evolving and over half of ITA employees eligible for retirement within the next two years, we are requesting partial funding of our College Work Start program (Wi-Fis). Funding ($174,000) is requested to hire ten part-time college level workers for placement in our most critical operations (programmers, systems administrators, engineers). These workers would also enhance ITA's service offerings through special projects under the direction and guidance of senior IT staff, such as mobile responsive website development, data interface and integration (APIs), system modernization efforts, data analytics, and sensor/Internet of Things (IoT) applications, to name a few.

Finally, ITA was very recently directed by the Ad Hoc Jobs Committee to serve as project manager to define and map out the scope and function of what should be included in a contract management system. Improvements in the City's contracting and procurement process would provide major benefits to both City operations and our local business community. Recognizing that additional resources would be required for this task, the Committee further directed ITA to request funding through this budget memo. In order to meet this new directive, ITA requires $300,000 to obtain the services of an experienced IT project manager who will gather user requirements, study existing systems and their functionality, research available off the shelf products, and prepare recommendations for subsequent implementation.

The Information Technology Agency begins Fiscal Year 2016-17 with a new, highly experienced management team that is focused on delivering effective technology for a digital and connected city. As part of the Mayor's Workforce Restoration program, we will be partnering with all City departments on their new technology plans which will guide the future of IT investment across the City. We look forward to the continued support of the Mayor and Council as we work diligently to use technology to improve the services available to almost 4 million Angelenos and the efficiency of a well-run government.

Respectfully submitted,

Ted Ross
General Manager

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