CITY OF LOS ANGELES
CALIFORNIA

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MAYOR

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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 - 2018-19 MAYOR'S PROPOSED BUDGET

We now live in a Digital Era where information technology has become the primary tool to maximize City resources, deliver effective services, and create a positive constituent experience. The award-winning Information Technology Agency (ITA) has been working diligently to use technology to improve the lives of residents, businesses, visitors, and City employees. Our Chip the Chatbot now answers over 1,430 online questions per week. The LACity.org website provides over three million annual visitors with easy access to elected officials, City services, and local events. ITA initiatives in Anytime, Anywhere Testing (expedited civil service hiring), Procurement Reform (digitizing the purchasing process), and Mobile Worker (replacing end-of-life desk phones with multi-purpose smart phones) are creating multi-fold benefits for City operations and empowering our changing City workforce. Continued investments in technology and the ITA have provided a high Return on Investment (ROI) and continue to be pivotal in both improving City operations and the lives of our constituents.

The Mayor's 2018-19 proposed budget for the Information Technology Agency (ITA) is responsive to the department's requests for resources to improve constituent services, invest in public safety infrastructure, and reduce City risk and liability through cyber protection and records management tools. The department appreciates the support for our new initiatives reflected by the additional funding, as well as the difficult choices made by the Mayor's budget staff in dealing with immense community needs to address homelessness and rebuild traditional infrastructure. Overall ITA's proposed budget represents a decrease of $1.3M, or 1.4%.

The 18-19 budget provides $700K for critical upgrades to the Fire Department station alerting system as well as $1M for the Public Safety microwave system infrastructure. Fourteen new positions are added for the 311 Call Center to reduce call wait time and take on calls for the Animal Services Department. Phase 2 of the Mobile

Worker Program received funding of $700K and $1.1M was provided to continue replacement of LAPD desk phones. Funding is provided for a new citywide email archiving and e-discovery system, which will enable timely and accurate record searches in response to litigation and Public Records requests. This is a critical request to reduce City risk and liabilities encountered through lawsuits and court judgements. The Mayor continues to invest in cyber security, with $850K budgeted for tools and services to protect critical data and two positions to support the Cyber Lab, delivering a no-cost cyber education and threat intelligence sharing service to L.A. businesses.

Requests

The Mayor's proposed budget supports many of ITA's priority requests. There are, however, some crucial requests that are not included in the proposed budget that must be noted, as well as some requests that were only partially funded and that will severely impact the department's ability to implement new, and maintain aging, technology.

-Final Phase of Procurement Reform Project-

First, the Mayor's proposed budget allocates $1M in the General City Purposes Fund for the third and final phase (Phase 3) of the Procurement Reform Project. ITA has already achieved great success with the initial phases of this effort to automate and improve the City's procurement process. During Phase 1, the ITA automated the procurement process for commodity contracting (integrated system from department bid creation to vendor electronic bid responses to contract execution) in July 2017, in concert with the SMS Replacement effort. Phase 2 was funded in FY2017-18 and expands this automation to construction services contracts to bring standardization, efficiency, and transparency to high-dollar, high-value contracts (Fall 2018 completion date). The Board of Public Works, PW Bureau of Contract Administration, City Attorney, General Services Department, City Administrative Officer staff, and other key departments have conveyed very positive reviews with the work completed thus far and expressed an eagerness to implement Phase 2 this Fall. Phase 3 funding was requested for FY2018-19 and seeks to complete the Procurement Reform contract management system project for all service contracts, delivering standardized contract templates for departments, automated workflow approvals, comprehensive reporting of bottlenecks, out-of-the-box ethics reports, and an electronic step-by-step process for vendors to submit bids to ensure compliance and increase participation in City contracts. Funding in the amount of $2.281M for Phase 3 is required to automate the Personal Services contracts, an area ripe for process improvement and standardization. Full funding (additional $1.281M) is needed in ITA's budget to obtain the licensing and software to deploy to departments. The potential savings in staff and vendor time, as well as risk mitigation as Standard Provisions and liability terms are incorporated uniformly, are tremendous. The Mayor's Operations Team (O-Team) estimated a 33%+ reduction in contract processing time and multi-fold ROI from this effort alone.

-Replacement of Aging Payroll System (HRP Project)-

Secondly, the Mayor's budget provides $2M of the $6M the department requested for the Citywide Payroll System Replacement Project. The ITA has accelerated this urgent project due to the fragility and instability of the PaySR system (detailed in the 2016 KPMG assessment), with the vendor already reducing their on-site presence to two days per week, with further reductions next month. The Human Resource & Payroll (HRP) Project Steering Committee, comprised of Controller's Office, Personnel, CAO, and the ITA, will shortly go to Council with an RFP for a new solution, if this is sufficiently funded. This last year, the HRP Steering Committee, with Council funding and assistance from KPMG, has "kicked off" the project with 40 departments, conducted 42 department requirements sessions (over 700 participants & 75% participation rate), and documented/verified requirements for the 25 major City HR/Payroll processes. The initial system implementation for which funding is requested would focus on a modern payroll system capable of accommodating the city's complex MOU requirements, as well as providing position control to simplify tracking of positions by classification, funding source and authority, an effort that is done manually or with standalone systems today. The ITA is prepared to release the RFP to select a system and integrator in June of this year, with the intent of executing a contract by December of this year. Cost estimates for this project range between $10 to $15 Million, and with the expedited timeline the City is projecting, the additional $4M is needed to start the build of this new system in the next FY.

-LAPD & LAFD Critical Radio Site Repairs-

The third area for which ITA would request funding consideration is the repairs to aging and failing LAPD and LAFD radio sites. ITA's budget requested $2.136M to address long-deferred facility repairs at the mountain-top structures which house the equipment transmitting LAPD and LAFD radio calls. This last year, both the Police department and Fire department has suffered radio call outages that have diminished field communications for police officers and fire fighters. The $1M proposed by the Mayor will fund the critical replacement of the HVAC (necessary to cool, maintain and extend useful life of the equipment there) at Mt Lukens and Mt Washington to address outages caused by system overheating. However, there are additional critical issues at other sites, including failing backup power supply (UPS) at San Pedro Hill, failing DC power supply at Verdugo Peak and San Vicente Peak, and the need for tower replacement at Out Mountain (winds, rain storm, or earthquake can cause the radio tower to fall). Full funding of ITA's request will address 7 projects at 5 sites, and serve as a good start addressing this maintenance long-deferred since the Great Recession.

-ITA Chief Information Security Officer Position (No Cost Request)-

Lastly, ITA has a no cost request to right-size the City's Chief Information Security Officer (CISO) position. The Department has taken the leadership role in guiding, advising, and coordinating all City departments, including the proprietaries, on cyber security. The existing individual in this role interacts closely with Homeland Security, the FBI, as well as state cyber experts to coordinate strategies and share threat information. For the last two years, this individual has operated at an executive level of responsibility that corresponds to the current CISO classification and would put the incumbent or par with

existing CISOs in proprietary departments. Recent cyber breaches at the City of Atlanta and countless private sector companies has reinforced the importance of leadership and a proactive cyber security stance by the City of Los Angeles. Regular position authority for the CISO is requested, with no General Fund impact.

Closing

ITA is proud to support the City's digital efforts with leadership in innovation, such as Early Earthquake Warning, chatbots, and Internet of Things (IoT), as well as, improving core City operations, such as Procurement Reform, Anytime/Anywhere Civil Service Testing, and the Mobile Worker Program. We take our responsibilities very seriously as IT experts on the systems and infrastructure required to keep our City safe and well-run, and it is in that capacity that we highlight the above requests totaling $6.4M. We look forward to the continued support of the Mayor and Council as we work to implement responsive, responsible, and excellent technologies for the City of Los Angeles.

Respectfully submitted,

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