

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Executive Office and Riverside County Information Technology

SUBMITTAL DATE:
August 13, 2009

SUBJECT: Requests for Proposal to Inventory, Analyze, and Recommend Improvements in the Use of County Information Technology Services

RECOMMENDED MOTION: That the Board of Supervisors approve and authorize the Purchasing Agent to release two separate Requests For Proposal (RFP) for qualified vendors to: 1) inventory and analyze county information technology services; and 2) to analyze corporate business processes and recommend automation opportunities to improve corporate operations.

BACKGROUND: Riverside County seeks to improve efficiency in the face of unprecedented economic pressures. As part of the effort to – as much as possible – maintain service levels while cutting costs, the Executive Office and the Information Technology Department have begun an effort to help departments do more with fewer resources.

(Continued on Page 2)

Departmental Concurrence

Matthew Frymire

Christopher Hans

Matthew Frymire
Chief Information Officer

Christopher Hans,
Deputy CEO

FINANCIAL DATA

Current F.Y. Total Cost:	\$ 0	In Current Year Budget:
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:
Annual Net County Cost:	\$ 0	For Fiscal Year:

Please Revised

SOURCE OF FUNDS: IT Department Budget (Retained Earnings)

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY:

Jay E. Orr
Jay E. Orr

County Executive Office Signature

- | | |
|---|---|
| <input checked="" type="checkbox"/> Policy | <input checked="" type="checkbox"/> Policy |
| <input checked="" type="checkbox"/> Consent | <input checked="" type="checkbox"/> Consent |
| <input type="checkbox"/> Policy | <input type="checkbox"/> Policy |
| <input type="checkbox"/> Consent | <input type="checkbox"/> Consent |

Dept's Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 3.5 7/21/09

District: All

Agenda Number:

3.15

BACKGROUND (Continued)

Riverside County's information technology services are both decentralized and expensive to provide. There are 27 departments that staff systems and house equipment ranging from large server farms to local area network file and print servers. As of February 2009, there were 626 information technology positions costing approximately \$71 million annually to support county information systems. Our Chief Information Officer estimates that when you add in the cost of equipment and software, the county spends between \$140-200 million annually on information technology resources and services.

Case studies and statistics provided by industry experts - including from other states and counties that have implemented IT best practices - indicate that an estimated 10-20 percent of information technology services are duplicative. If Riverside County proves to be similar, the consolidation of duplicative services and elimination of any excess could equate to significant savings in annual IT operating costs. Additionally, the implementation of IT best practices will improve efficiency and cut costs further.

The kind of changes that would save 10-20 percent in information technology costs would only result after realigning how departments' needs are met. The magnitude of potential savings weighed against the potential impact to all county departments calls for further study and department input.

The Executive Office and Riverside County Information Technology department are in the process of forming an information technology governance committee (ITGC) made up of executive level staff from various departments. If this Form 11 is approved, the resulting consultant studies and reports will provide the detailed census and recommendations necessary to return optimum recommendations to the Board.

The first consulting study requires a consulting firm that is experienced in conducting Corporate IT inventories and assessments, and that has the tools necessary to normalize the Riverside County data with data from other government agencies. This requires extensive experience in IT consolidation efforts, and an extensive database of data from like government consolidation efforts.

The second consulting study requires a consulting firm that is experienced in Business Process Management Methodologies (Lean Six Sigma, etc.) that will identify and analyze the County's corporate business processes, and make recommendations on how to automate and streamline the processes to improve operations.

The CIO has confirmed with Department IT Managers that County staff does not have the level of expertise required to conduct these types of studies, nor do we have available staff resources to dedicate to these studies. Departments will however assign staff to assist in the efforts when resources are available.

The ITGC will focus on potential savings and improved efficiencies in several areas, including: a) the establishment and implementation of corporate IT best practices that reduce the cost of corporate IT services; b) the consolidation of duplicative technology systems and infrastructures; and c) the deployment of shared corporate systems that will improve operational effectiveness.

The following section includes pertinent background information gathered by information technology staff. Also included is the direction that the Information Technology Governance Committee will initially take. This will provide both a foundation and a starting point for the new committee. It will then be the committee's responsibility to validate or correct this information, add

BACKGROUND (Continued)

department recommendations and requests, assess the risks and rewards of various options, and return to the Board with recommended actions.

Corporate IT Best Practices:

Best practice implementations indicate that consolidation efforts that are inclusive of all IT resources and services have not proven to be the most effective approach to produce cost savings. The "utility" approach to consolidation has proven to produce the most cost savings, and continues to provide the departments the level of autonomy they require to focus on their unique business application needs. Therefore the committee will focus on establishing corporate IT best practices that eliminate duplicative IT "utility" resources and services; the data centers, application servers and data storage, associated systems support, and the consolidation of common infrastructure applications (for example, IT help desk, file/print, e-mail, GIS, Web services).

The ITGC will solicit proposals from qualified vendors to conduct an inventory and assessment of IT resources located throughout the county in order to identify duplicative services, provide a cost baseline for the services, and analyze their findings against government benchmark data to determine where the county can potentially reduce duplicative costs through consolidation.

Each opportunity will be documented and presented to the governance committee in a business case that includes; the definition and scope of the effort, options to address the opportunity, the potential cost savings, "pros and cons", and a risk analysis for implementing each option. The role of the ITGC will be to review each cost saving opportunity, validate the business case and cost savings, and make recommendations to the County Executive Officer on what opportunities to pursue.

Deployment of Shared Corporate Systems:

Identification, development, and deployment of corporate shared systems that automate work processes utilized by all departments, could enable the county to operate more efficiently and effectively, and will potentially save personnel and resource costs. For example, these shared systems would be used to move the county to a more paperless environment through the use of electronic forms and image enabled documents. The electronic documents could then be automatically routed, to authorizing agencies and individuals as required to successfully complete the work process.

Examples of how these types of systems could be utilized in the county would be; an automated Board agenda management system, human resources forms and approval processing, time sheet processing, travel request and expense processing, order processing, etc.

In addition, opportunities exist to move public information and transaction processing capabilities on-line, via the Web and Interactive Voice Response systems. This could reduce county staffing of public counters, reduce public wait times, and reduce public vehicle congestion and pollution caused by brick and mortar county staff to public interaction.

County technology standards and maintenance agreements will be reviewed and consolidated where additional savings can be achieved. In addition, Riverside County Information Technology will be working closely with counties across the state to reach joint procurement and licensing agreements that will leverage the buying power of all the counties.