To: Board of Supervisors  
From: County Executive  
Subject: Introduce Ordinance Amending Sections Of The Sacramento County Code Relating To The Creation Of The Department Of Technology (SRA 2012-001B), Waive Full Reading, And Continue To June 21, 2011, For Adoption  
Supervisorial District: All  
Contact: Navdeep S. Gill, Chief Operations Officer  

Overview

With the recent financial challenges facing the County, the County Executive directed Department Directors and Executive Staff to review the County structure and identify any areas appropriate for resizing considering both cost savings and impact to services. This efficiency study resulted in identification of areas in which the County will benefit by organizational restructuring.

On March 22, 2011, the Board created the Department of Community Planning and Development, combining the Departments of Planning & Community Development and Economic Development and Intergovernmental Affairs and the operations of the Neighborhood Service Centers to provide effective provision of services to the unincorporated area, streamlining of management layers and positions, increased service efficiency and cost reductions.

The efficiency study that brought the March 22nd action has continued and additional areas of streamlining and maximization of resources have been identified. Today, staff recommends the Office of Communication and Technology (OCIT) and the Municipal Services Agency-Management Information Services Division (MSA/MIS) be merged together into a Department of Technology.

Recommendations

1. Introduce Ordinance, waive full reading, and continue to June 21, 2011 for adoption, effective July 31, 2011.
2. Approve the Salary Resolution Amendment to:
   a. Amend the salary range of the Chief Information Officer to entry step / salary range 7/7368
   b. Move positions from the Municipal Services Agency – Management Information Services Division (MSA/MIS) into the Department of Technology.

Fiscal Impact
Amending pay range of the classification of Chief Information Officer results in an annual savings of $39,103.

Savings due to streamlining of services will be evaluated during Fiscal Year 2011-12. Implementation of efficiencies will be identified as the new Department prepares its Fiscal Year 2012-13 cost package under the direction of the new Chief Information Officer.

BACKGROUND

In April of 1997, the County undertook a project to reengineer the Systems and Data Processing Department (S&DP) and the Public Works Management Information Services Section (MIS) (currently the Offices of Communication and Technology (OCIT) and Municipal Services Agency – MIS Division (MSA/MIS)). The reengineering project’s purpose was to produce:

- A competitive market analysis of Information Technology (IT) products and services.
- A list of services that can be acquired more cost effectively, possibly on the open market.
- A list of services S&DP and MIS should continue to provide.
- An analysis of service delivery processes identified for reengineering.
- Cost Savings Analysis.
- Measurable and improved service delivery.

In July 1998, the Board merged S&DP and the Telecommunications Division of General Services, creating OCIT. The new organization’s design was to continue the Deloitte Study of IT governance and the benefits of standards and policies to reduce costs, provide faster service, improved quality, higher security and fewer business interruptions. The new OCIT had four core areas

- Enterprise Telecommunications and Networks
- Enterprise Systems and Data Resources
- Enterprise Applications Support
- Customer Support

In late 2010, with the financial challenges facing the County, the Interim County Executive directed Department Directors and Executive Staff to review the County structure and identify any areas appropriate for resizing considering both cost savings and impact to services. The goals were to:

- Identify and analyze organizational structures to effectively provide services,
- Streamline management layers and management positions,
- Simplify organizational structures where appropriate,
- Explore potential increases in service efficiency,
- Analyze potential for reduced service cost,
- Do no harm.
Currently, OCIT and MSA/MIS perform similar and, in some instances, duplicate functions. Due to the economic downturn, OCIT and MSA/MIS have had significant staffing reductions during the past three years. Merging both organizations is expected to provide the new organization with the opportunity to create efficiencies, streamline redundant services, and provide a deeper “staffing bench”, through staff training for the support of countywide and departmental Information Technology functions.

This recommendation eliminates OCIT and MSA/MIS and merges the organizations into one as the Department of Technology. For the remainder of Fiscal Year 2011-12, the two organizations will continue to provide services to their core constituencies with no change to the pre-approved cost allocations for the year.

By combining the activities of these two organizations the new Department will provide a more seamless and efficient service delivery system by closely aligning the organizations within the County that are responsible for providing similar and, in some instances, identical countywide IT services. This restructuring will create service and operational efficiencies through, but not limited to, a more flexible and larger staff pool to insure and improve service delivery and find efficiencies in overhead and management costs.

Once the Department is created the leadership team will begin work to:

- Develop the organizational structure and service delivery model, leveraging best practices from each organization to meet both countywide and individual customer department needs;
- Develop the financial model and cost package for Fiscal Year 2012-13 in a manner that is appropriate and transparent to customer departments;
- Define the critical success factors and service delivery performance measures with our customers.

This action will further the County’s goal of continuous improvement in the delivery of information technology services while maintaining a high level of customer satisfaction.

**FINANCIAL ANALYSIS**

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Respectfully submitted,

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STEVEN C. SZALAY
Interim County Executive

Attachments: Ordinance
Strikethrough Ordinance
Salary Resolution Amendment