



Office of the City Manager

INFORMATION CALENDAR
April 23, 2019

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Savita Chaudhary, Director, Department of Information Technology

Subject: Status Report: City at Crossroads as Long-Standing Need for Structured Approach to Line of Business Experts Function Intersects with ERP Implementation

INTRODUCTION

On January 24, 2017, the City Auditor's Office issued its report City at Crossroads as Long-Standing Need for Structured Approach to Line of Business Experts Function Intersects with ERP Implementation

(http://www.cityofberkeley.info/uploadedFiles/Auditor/Level_3_-_General/A.4_CNCL_Line%20of%20Business%20Experts_Consent%20Item.pdf).

The audit resulted in recommendations aimed at providing a structured approach to the line of business experts' function by implementing policy and procedural guidance that defines the purpose of the function, delineates responsibilities, establishes minimum qualifications, and provides for training and development of line of business experts. The City Auditor requested the City Manager continue to report to Council on the status of those recommendations until all were fully implemented or otherwise addressed. The first status report was provided on July 25, 2017 and the department of Information Technology agreed to implement the recommendations as the FUND\$ replacement project is deployed. This is the second status report on Department of Information Technology progress to implement the audit recommendations since the audit report was presented to Council. Another report will be provided to Council in February 25, 2020.

CURRENT SITUATION AND ITS EFFECTS

The Audit Report included five recommendations, two of the five recommendations have been implemented and the remaining three will be implemented with the Enterprise Resource Planning (ERP) project which is the FUND\$ replacement system. Complete detail on the original recommendation and progress taken to address those recommendations is provided in the attachment to this report.

BACKGROUND

The Department of Information Technology (IT) oversees project implementation of the City's technology systems. Project implementation often includes collaboration between a portfolio coordinator in IT and a line of business expert in the client department. The City's line of business experts' role has been in existence for approximately two decades. Coined initially as module leaders, then as application experts, the City now uses the term line of business experts. Despite changing terminology, the City has not clearly defined the business line of experts' function, roles, and responsibilities. Because of this, the resource needs to train and develop these experts are not clearly understood.

In contrast to line of business experts, the portfolio coordinator's role is more clearly defined. The portfolio coordinator acts as a project manager for the different systems and applications and is responsible for helping client departments maximize their return on technology investments. This can include helping departments prioritize, design, improve, and implement workflow systems, as well as serving as the points of contact in IT for line of business experts. Portfolio coordinators work closely with line of business experts on system implementations and upgrades.

The Portfolio Coordinator plays a critical role in the City's management of its IT application infrastructure. While the Information Technology Department's Help Desk provides front-line support for the City's software systems and computer equipment, portfolio coordinators function more as project managers for the City's integrated and standalone systems. The portfolio coordinator is responsible for helping departments maximize their return on technology investments. Portfolio coordinators accomplish this task by:

- Assisting in prioritization, design, improvement, and implementation of workflow systems,
- Conducting business analysis,
- Programming, and
- Project management.

Information Technology's portfolio coordinators serve as points of contact for line of business experts, and work closely with these individuals on system implementations and upgrades.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the subject of this report.

POSSIBLE FUTURE ACTION

The Department of Information Technology continues to review its functions and develop service level agreements with departments with defined roles and responsibilities, provisions for monitoring and amending the agreement and to identify the areas of improvement.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

None at this time.

CONTACT PERSON

Savita Chaudhary, Director, Information Technology, 981-6541

Attachments:

1: Information Technology Audit Recommendations Summary Table

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Audit Title: City at crossroads as long-standing need for structured approach to line of business experts function intersects with ERP implementation						
Finding and Recommendations		Lead Dept.	Agree, Partially Agree, or Do Not Agree	Expected or Actual Implementation Date	Status of Audit Recommendations, Corrective Action Plan, and Progress Summary	
Finding 1: Underdeveloped line of business experts function poses risks for City’s ERP implementation						
1.1	Clearly define the purpose, responsibilities, minimum qualifications, and training requirements for the line of business experts function.	City Manager	Agree	June 2020 Status Update 4/23/19: In Progress	<p>Status at time of audit issuance 01/24/17: In Progress – City Manager’s Office will work with Director of Information Technology and the Enterprise Resource Planning (ERP) Project Manager to clearly define the purpose, responsibilities, minimum qualifications, and training requirements for the line of business experts function.</p> <p>Director of IT and ERP Business Project Manager will work with Client departments to identify roles and responsibilities for business experts function as we implement the Tyler Munis ERP System for Core Financials and HR Payroll modules</p>	

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				<p>and as various other phases of the project are implemented.</p> <p>Status Update 7/25/17: In progress To be implemented with ERP Project implementation The City selected the Tyler MUNIS in FEB 2017 and the Project Kickoff is scheduled for Jul 25, 2017 thru Jul 27, 2017</p> <p>Status Update 4/23/19: In Progress The first phase of erma included Chart of Accounts, Accounts Payable, Purchasing, Contracts and Projects went live on November 1, 2018. As training was conducted, detailed needs for future training were identified. The erma Steering Committee plans to further define the impacts to business processes as a result of changing technology and training needs. This data will help to</p>

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				<p>identify the roles and responsibilities for the line of business experts who will conduct future trainings to address identified training needs and convey business process changes.</p> <p>The department of IT is working to define templates for roles and responsibilities for the projects as the new systems are implemented.</p> <p>For the overall application inventory a business impact assessment (BIA) is in progress as part of Cyber Resilience efforts which will take about 18-24 months to complete the initial inventory.</p> <p>The BIA will identify the priority for support, roles and responsibilities and disaster recovery priorities for each application supported. IT staff is</p>

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					working with business departments to collect the application inventory.	
1.2	Work with Information Technology to establish written policies and procedures for the line of business experts function at the appropriate organizational level based on the guiding principles established in Recommendation 1.1.	City Manager	Agree	June 2020 Status Update 4/23/19: In Progress	<p>Status at time of audit issuance 01/24/17: In Progress – To be implemented with ERP Project implementation</p> <p>City Manager’s Office will work with Director of Information Technology and the Enterprise Resource Planning (ERP) Project Manager to establish written policies and procedures for the line of business experts at the appropriate organizational level based on the guiding principles established in Recommendation 1.1.</p> <p>Director of IT and ERP Project Manager will work with the City Attorney’s Office, Finance, and Human Resources to establish</p>	

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				<p>written policies and procedures for the line of business experts as various phases of the ERP project are implemented. These policies and procedures will need to be approved by City Manager’s Office and Council as needed.</p> <p>Status Updated 7/25/17: In Progress – To be implemented with ERP Project implementation</p> <p>Status Update 4/23/19: In Progress The first phase of erma including Chart of Accounts, Accounts Payable, Purchasing, Contracts and Projects went live on November 1, 2018.</p> <p>Policies and Procedures: The internal process changes are documented in the training manuals</p>

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					<p>Training: As training was conducted the need for future training was identified and erma Steering Committee plans to identify the impacts to business processes as a result of changing technology and training needs. This data will help to identify the roles and responsibilities for the line of business experts who will conduct future trainings to address identified training needs and convey business process changes.</p>	
1.3	<p>Create boilerplate service level agreements that, at a minimum, define the:</p> <ul style="list-style-type: none"> ▪ general purpose of the agreement; 	Information Technology	Agree	<p>Status Update 4/23/19: Completed 07/01/2018</p>	<p>Status at time of audit issuance 01/24/17: In Progress – To be implemented with ERP Project implementation Information Technology department is working on replacing its Help Desk system and the new IT Service</p>	

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<ul style="list-style-type: none"> ▪ roles and responsibilities of the parties involved; ▪ goals and objectives; ▪ provisions for monitoring the agreement; and ▪ procedures for amending the agreement. <p>The standard boilerplate should also include a cost section that allows for quantifying service charges and payment provisions in as much detail as possible to help justify costs.</p>				<p>Management system will include the capabilities to setup and monitor the Service Level Agreements (SLA's) for the various applications supported by IT.</p> <p>IT will work with client departments to define these SLA's for the applications based on the priority and acceptable criteria as agreed by client departments. The criteria mentioned in the recommendations will be considered to create the boiler plate agreements.</p> <p>Status Update 7/25/17: In progress – To be implemented with ERP Project implementation</p> <p>Status Update 4/23/19: Completed 07/01/2018 IT deployed a Cost Allocation plan including Service Level Agreements</p>

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				<p>for all departments in FY 19 and has started collecting data. IT presented the plan and Service Level Agreements at a Senior Executive Team meeting and answered questions, in addition to providing all directors with electronic copies of the documents. The Service Level Agreements included the description of services provided by each division, service hours, resources in each division and contact information during and after hours. The SLA's also included the description of services along with Service Level agreements based on impact and urgency.</p> <p>Starting FY20 IT department will provide annual SLA reporting to the departments.</p>

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1.4	Negotiate and execute service level agreements with client departments.	Information Technology	Agree	Status Update 4/23/19: Completed 07/01/2018	<p>Status at time of audit issuance 01/24/17: In Progress Information Technology department is working on replacing its Help Desk system and the new IT Service Management system will include the capabilities to setup and monitor progress of the Service Level Agreements (SLA's) for the various applications supported by IT. IT will work with client departments to define these SLA's for the applications based on the priority and acceptable criteria as agreed by client departments.</p> <p>Status Update 7/25/17: In progress To be implemented with ERP Project implementation</p> <p>Status Update 4/23/19: Completed 07/01/2018</p>	

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				<p>IT deployed a Cost Allocation plan including Service Level Agreements for all departments in FY 19 and has started collecting data. Starting FY20 IT department will provide annual SLA reporting to the departments.</p> <p>The Cost allocation was presented to all departments with staff from budget office, IT and department managers and fiscal team members. The complete plan was also presented to the Senior Executive Team meeting. The final cost and Service Level agreements were emailed to all departments in June 2018 and the budget was adjusted by budget office to reflect the cost allocation changes for FY 19.</p>

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1.5	<p>Work with the Human Resources Department to revise the job classification used for the portfolio coordinator position. Minimum qualification factors might include, but are not limited to:</p> <ul style="list-style-type: none"> ▪ IT Governance/Portfolio Management experience; ▪ Project Management Professional certification; ▪ Project coordination experience; and ▪ Excellent verbal and written communication skills. 	Information Technology	Agreed (at time of audit issuance 1/24/17); current status is Partially Agree – more study needed at 7/25/17	<p>TBD, depending on consultant analysis. See status update in next column.</p> <p>Status Update 4/23/19: In Progress</p>	<p>Status at time of audit issuance 1/24/17: In Progress Information Technology department is working with Budget office to find one time budget to hire a consultant to work with Human Resources to review and classify the Information Technology Job Classifications including Application Programmer Analyst (Portfolio Coordinators Role). It will follow the City’s Admin regulation procedures and will need to be approved by Human Resources, Labor, and Personnel Board before changes are effective.</p> <p>Status Update 7/25/17: In progress To be implemented with ERP Project Implementation Any changes to the job classification must follow the City’s Personnel Ordinance and Personnel Rules and</p>

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				<p>Regulations, which require meet and confer with the affected Union and approval by the Personnel Board before the changes are effective. IT no longer fully agrees with the recommendation. IT has re-evaluated the situation. Currently we have 16 Portfolio Coordinators, and not every one of them is involved in the project management activities. Based on the role, some are doing Programming and/or Business Analysis, while a select few are involved in project management. We'll work with HR, CMO and provide future updates after the Consultant evaluation to be scheduled.</p> <p>Status Update 4/23 /19: In Progress IT is working with human resources department to release an RFP to do</p>

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				classification study in Summer of 2019 and will report back based on the results of the classification study to identify next steps.