

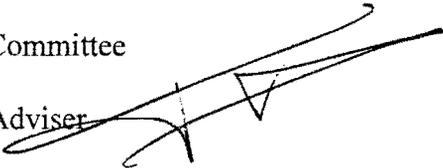
October 12, 2009

Worksession

MEMORANDUM

October 8, 2009

TO: Management and Fiscal Policy Committee

FROM: Dr. Costis Toregas, Council IT Adviser 

SUBJECT: Mid-year review of Interagency Technology Policy and Coordination Committee (ITPCC) work plan

Expected to attend:

Dick Leurig, Chair, CIO Subcommittee, ITPCC
Gary Thomas, ITPCC Manager

Summary of staff recommendations to the MFP Committee:

- 1. Support long term, sustainable replenishment strategies for the important Interagency Technology Fund (ITF) when they are presented by the Executive for action.*
- 2. Request a Return on Investment model for FiberNet, given its vital support nature for all agencies, so that funding discussions can be properly supported.*
- 3. Identify areas of Committee interest so that future ITPCC projects can incorporate projects responsive to Council concerns. Council staff suggests favoring projects of an interagency nature that can reduce overall costs through consolidation, coordination, and collaboration between agencies using technology. Examples of such successful efforts in the past include FiberNet, the Central Vendor Registration System, and the COOP project. Potential future projects include data center collaboration, interagency IT Disaster Recovery, and "Cloud Applications" (including word processing, spread sheets, and presentation software) across agencies (see ©7 for federal strategies in this direction).*
- 4. Encourage ITPCC to explore potential cost savings in service delivery using cross-agency IT, and report findings in the next ITPCC review.*

Background

During the March 30, 2009 review of the ITPCC program update and budget request, the Committee Chair suggested that the ITPCC present a mid-year review of its progress and challenges. In this way, more effective strategies based on current information could be discussed, and Committee members could appreciate options earlier and be in a position to make a positive and effective contribution. It should be noted that this shift to semi-annual review is already part of the legislation which created ITPCC some 15 years ago.

To help this mid-year review, ITPCC has provided a document summarizing various aspects of its work program on © 1-5.

Staff comments

1. FUNDING

ITPCC is structurally one of the most unique County organizations, bringing together the major agencies at the technology, as well as at the Principal level, and thereby allowing explicit discussions regarding cross agency strategies. At a time of fiscal problems, the utility of ITPCC is made even more important and vital. Good progress has been made over the last few years around practical projects undertaken by ITPCC, and summarized in the document presented on ©1-5.

In order for ITPCC to operate, it needs financial support which allows interagency funding flows, and requires strong cross-boundary leadership with managers who will do the right thing not only for their own agency, but for the benefit of the taxpayer and resident across functions and administrative boundaries. The latter requirement is well provided by the caliber of the managers who work within the ITPCC platform, but there is concern regarding the preservation of a funding mechanism that can fund its important initiatives. The semi-annual report correctly identifies support of the ITF as a vital area of MFP activity, and should be endorsed. Lacking a designated reserve, there are two subordinate strategies to consider:

- continue to identify projects that can help ITPCC meet its objectives, and support supplemental appropriations for their funding; and
- advocate for the restoration of the ITF as soon as conditions merit.

2. COMPLETED PROJECT EVALUATION

Roughly 10% of all ITF funded project budgets are designated for project evaluation. This requirement is placed on the interagency teams executing each project, so lessons learned can be documented and more effective mechanisms deployed in subsequent projects, given actual experiences highlighted in the evaluations. The Committee has not seen any evaluations for completed projects, and should request that they be provided as soon as practical so that these lessons can be understood better and used in subsequent policy and management discussions.

3. FIBERNET VALUE AND STRATEGY

It is sobering to consider the many mission-critical systems which depend on FiberNet for their broadband connectivity needs. ©4 provides a partial list of these service connections. Montgomery County Government is providing the support for this important technology, and while the funds come

from its budget authority, the benefits are felt by all agencies. It is, therefore, important to recognize this interdependency and appreciate the delicate nature of the funding strategy. The Committee should become more of a sponsor and advocate of FiberNet, and support its linkage in agencies whose budgets are reviewed by other Council Committees, especially at a time of fiscal duress.

As listed in ©3, there are direct cost savings, cost avoidance and service enhancements possible through the use of FiberNet and its secure, broadband services. Identifying these benefits and developing a financial Return on Investment model that can show their impact is a complex undertaking given the interagency nature of Fibernet's constituency, and yet such an effort should be undertaken to secure support and adequate funding for replenishing and maintaining the core infrastructure. This may not happen automatically, and the Committee may be the organization that sees all the proper pieces and can properly advocate for this support.

4. ASSET MANAGEMENT

The Committee requested that an update be made to the PC replacement policy across all agencies. Given the actions taken during the FY09 Savings Plan and FY10 budget discussions, it is wise and important to coordinate Executive branch and Council strategies for replacing this essential resource for county employees in all agencies.

©6 shows the condition of the PC assets in all agencies as of 2002. It is a refresh of this table that the ITPCC CIO subcommittee has agreed to undertake, and the results will be very helpful as the Committee and full Council begin to review replacement strategies for FY10 and FY11 action.

5. COST SAVINGS USING CROSS AGENCY STRATEGIES

The use of IT as a cost reduction strategy is a hotly debated item. It is clear that IT enhances service delivery, but reducing costs requires actions beyond IT deployment. It requires change management practices, business practice re-engineering, and even the elimination of traditional service models and substitution with their hi-tech counterparts. This cost reduction strategy discussion has been going on within the ITPCC for some time now. The Council IT adviser has provided a framework for such discussions, here shown on ©8, and both Principals and CIOs have weighed in with comments, but no definitive decision has been reached.

It is the opinion of Council staff that the continuing revenue downturn may force additional cost savings requirements on government agencies and departments. The strategy of reducing IT investments across the board, commensurate with these revenue reductions, should be re-examined. Under some conditions, counterintuitive strategies of keeping IT investments level or even increasing them, while reducing operating budgets of user agencies after they achieve higher levels of automation, can produce viable results.

This discussion is a long and difficult one, especially on a cross-agency basis. The experiences of Montgomery County Government with TechMod implementations, where Enterprise Resource Planning (ERP), MC311, and MCTime projects each currently offer opportunities for reducing operating costs, can help inform the more difficult ITPCC discussion. The next TechMod discussion with the MFP Committee is on November 2, 2009 and will touch on the experiences to date in this arena.

October 7, 2009

The Honorable Duchy Trachtenberg, Chair
Management and Fiscal Policy Committee
Montgomery County Council
100 Maryland Avenue, 6th Floor
Rockville, MD 20850

Dear Mrs. Trachtenberg:

The Interagency Technology Policy and Coordination Committee (ITPCC) is pleased to offer this update regarding the activities of the FY 2010 work program.

The FY10 work plan for the ITPCC is focused on several items including continued implementation of the Interagency Technology Fund (ITF) program that currently consists of two ongoing projects—the GIS Strategic Plan development, and the Continuity of Operations Planning (COOP) Automation project. Implementation of the FiberNet program continues through work of the FiberNet Interagency Technical Advisory Group (ITAG), the CIO Subcommittee, and the FiberNet Governance Group (i.e. the ITPCC) within the framework of the Interagency FiberNet Governance Charter adopted in November, 2002¹. ITPCC is responsible for developing and submitting the FiberNet CIP which represents a consensus of the agencies for this project. An update to the ITPCC desktop asset management guidelines originally approved by ITPCC in November 2001 is in the project initiation phase. The Security and eGovernment Special Interest Groups (SIGs) remain active.

These items present significant challenges for the ITPCC agencies in these fiscally constrained times requiring commitment of limited staff resources for planning, participation in workgroups, and execution of work tasks associated with the current projects.

Interagency Technology Fund (ITF)

On March 11, 2008, the Council unanimously approved creation of the Interagency Technology Fund (ITF) in Resolution No. 16-475. The original funding source was current revenues resulting from cost savings achieved in the Technology Investment Fund (TIF) originally created in 1994 and designated for future TIF projects. These funds, approximately \$2 million, were initially redirected for use in the new ITF program.

In May 2008 Council approved three ITF projects; the GIS Strategic Plan, the Automated Continuity of Operations Planning (COOP) project, and the Public Safety Dispatch Operations Systems (CAD) roadmap study in the final FY09 budget actions. On July 29, 2008, Council

¹ The *FiberNet Governance Charter* and the other major ITPCC studies are available on the Montgomery County intranet site at V: /ITPCC/. Council members and staff have access to this resource and are encouraged to consult this information when questions arise.

approved the Central Vendor Registration System (CVRS) project. The current approved ITF portfolio consists of two completed projects—CVRS, and the CAD roadmap study, and two active projects, the GIS Strategic Plan and the COOP Automation projects.

The GIS Strategic Plan, Phase I, resulted in a Data Maintenance Strategy Report, and a Business Processes-Interagency Coordination Strategy Report that was finalized in March 2009. Phase II of the GIS study is currently underway and expected to document current and recommend workflows and responsibilities, identify inefficient and duplicate processes, recommend improved efficiencies, provide additional specifications and detailed budgets for the Planimetric and orthophoto update program, and assist with developing a governance model, MOU's, and a GIS budget. On October 2, 2009 it was announced that the project manager is leaving, and a new Director of Research and Technology recently started. The new director is reviewing the scope of services and deliverables for the study and may update them. Some tasks may be completed using current MNCPPC staff and leverage KCI, the consultant, for other items. These changes will necessitate a recalibration of the project schedule. It is still anticipated that the final GIS strategic plan integrating all three sections will be completed in FY10. It is worth noting that the last interagency GIS Strategic Plan was completed in 1996.

The Continuity of Operations Planning (COOP) Automation project provides a common web-based process and tool for agencies to use to develop, document, and maintain their continuity of operations plans. These plans may be invoked when disruptions to key business processes require emergency actions to sustain essential business operations. The Office of Emergency Management and Homeland Security (OEMHS) is the sponsor for this project, assisted by the University of Maryland Center for Health and Homeland Security (CHHS). When completed, agencies and departments will have a significantly improved capability to keep COOP plans current and maintain critical services and business operations when confronted with emergency situations. In May 2009, a new COOP project manager was assigned to the project. The project schedule was revised in June 2009 and progress on the project has accelerated greatly.

Montgomery County departments, agencies, and municipalities are working diligently on their COOP plans. Training classes, tabletop exercises, workshops, and leadership training have been conducted since mid-June 2009 and will continue into 2010. The COOP program includes the implementation of the COOP system automation tool (myCOOP), the COOP plan development efforts with the agencies, vendor provided training for myCOOP users and system administrators, and future program implementation, maintenance, and training for all Montgomery County agencies. The project manager provided a detailed briefing to the CIO Subcommittee on October 2, 2009 and demonstrated the considerable capabilities of the COOP tool; displayed agency data currently loaded into the system, and demonstrated the potential of linking this information within an emergency management portal. The COOP project is scheduled for completion by the end of FY10. Implementing a permanent ongoing COOP program will be an essential component of overall emergency management strategies in the future.

In FY10 the need for revenues to fund the budget resulted in \$2.19 million ITF funds no longer being formally designated but reverting to undesignated General Fund current revenue

status. As we approach the third year of the fiscal crisis, the status of ITF funds remains uncertain. ITPCC encourages Council to fund the ITF program when conditions improve. On October 2, 2009, the CIO Staff Subcommittee was unanimous in affirming continuation of efforts to develop new ITF projects for future funding when the economy permits, reflecting an interagency commitment to the objectives of the ITF program.

FiberNet II

The Interagency FiberNet Technical Advisory Group (ITAG), consisting of agency network managers and engineering staff, initiated the process for preparation of the FY11-16 CIP submission on March 27, 2009. This process consists of the ITAG workgroup providing updated requirements from each of their ITPCC agencies to the DTS Network Services manager, John Castner, and his staff so engineering configurations, cost estimates, and implementation schedules can be developed. The ITAG workgroup reviewed the updated plan in August 2009, and unanimously recommended the project to the CIO Subcommittee for approval. The project was reviewed and recommended by the CIOs for final approval to the ITPCC Principals in late August 2009. On September 2, 2009, full consensus of the ITPCC for the recommendations was achieved. The ITPCC recommended project was submitted to OMB on September 4, 2009 as required. The County Executive will transmit his recommended FY11-16 CIP to Council by mid-January 2010. The County Council will complete final review and appropriation action in May 2010.

Two items are of concern as the FY11 budget cycle begins. The first is the funding source for build out of FiberNet II, and the second is the removal of designation for FiberNet current revenue reserves in FY10 for major upgrades and replacement of core electronics for the network. Connections of the remaining MCPS elementary school sites are delayed due to FY10 budget reductions to the funding source for the FiberNet project². The ITPCC recommends accelerated build out of MCPS elementary schools and other agency sites reflected in the updated FY11-16 plan to facilitate extending the capability of this network to the users, and achievement of the direct cost savings, cost avoidance, and service enhancements to all that this strategic resource enables. Delay will result in lost savings, and the very real increased costs to extend fiber to these sites.³ The revenues from the Comcast Franchise Agreement intended for FiberNet is assured until FY13 when the current cable agreement expires. If it is not redirected to other uses it could fund fiber to a number of these sites enabling us to complete the network sooner. A completed network will enable uses and strategic visioning that cannot be considered today.

In the final appropriation actions for FY10, the formal designation of FiberNet current revenue reserves was removed, and these funds became a part of the undesignated current revenue reserves for the County. The designated FiberNet reserves (approximately \$2.4 million)

² FiberNet is currently fully funded from the Cable Fund and as such is not using tax supported funds. The Comcast Cable Agreement that will expire in 2013 provides funds for FiberNet operation, maintenance, and the construction of FiberNet sites. The revenues reduced for FiberNet construction in FY10 were redirected from the Cable Fund to assist with funding other priorities in the FY10 budget.

³ In 2007, the renegotiated six year old DPWT contract with Baldwin Construction resulted in doubling of the cost per mile to install fiber optic cabling. There is no reason to expect this trend to change.

were primarily intended to provide a certain and ready source of funds for future upgrades to the network core electronics necessary to guarantee required levels of service to the network edge user sites. ITPCC encourages Council to consider restoring the funds when the fiscal situation allows enabling essential core network replacements and upgrades that are inevitable.

All ITPCC agencies are now connected to FiberNet. FiberNet represents one of the most successful interagency technology efforts of recent years. The Housing and Opportunities Commission (HOC) and DTS successfully completed a VoIP solution as a replacement of the HOC phone system using the County telephony platform. The County is now the 'phone company' for HOC resulting in cost savings and performance enhancements. FiberNet enabled creation of WiFi Hotspots in Silver Spring, Bethesda, recreation centers and County cafeterias. It enables direct connections to the State of Maryland networks and local government networks without going through the Internet. The County now functions as the Internet Service Provider (ISP) for HOC and MNCPPC, and is providing ISP carrier services for the City of Rockville and the American Film Institute.

FiberNet is the critical infrastructure that underpins emergency communications countywide, provides the reliable and high speed connectivity required by nearly all of our voice, data, and video communications within government, and enables efficient citizen and business interactions with government services and information resources. FiberNet is built to meet the demands of the future with the capability of making governmental IT services and communications easier to implement, easier to secure, and at lower costs than available in the commercial markets.

IT Asset Management

The ITPCC agreed to review and update the PC Desktop replacement policy originally adopted in November 2001 as part of the FY10 work plan. This project is currently in the initiation phase. On October 2, 2009, the CIO Staff Subcommittee gave a preliminary endorsement for the project scope and agreed to assign workgroup resources. A more detailed plan and schedule will be developed and formal kickoff is expected in November 2009. It is anticipated that this effort can be completed by March 2010.

IT Security SIG

Information security issues increasingly dominate agency technical and policy discussions and require significant agency resources. This group continues peer to peer information sharing and monitoring of security best practices on topics of interagency interest. Discussions about the current threat environment, strategies to improve security, legal compliance issues, and emerging computing models continue to dominate discussions within this group. Compliance with legal requirements, continuity of operations (COOP) and disaster recovery planning (DRP), exploring the potential for sharing agency data center resources for primary and secondary backup sites, privacy and data security issues, and discussion of potential major shifts in computing paradigms in the future such as cloud computing, virtualization, and software as a service models are examples of issues discussed within this group.

EGovernment SIG

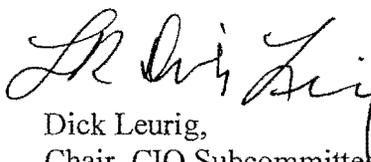
This group meets as a Special Interest Group (SIG) to facilitate coordination and sharing of information among the agencies related to web based technologies. Discussions focus on best practices, emerging technologies, web applications, collaboration opportunities, and explore new opportunities for interagency information sharing. The group recently considered applied Web 2.0 technologies in our agencies. Increasingly, the "Net generation" or those "born digital" is moving into our schools and workforce. They have routinely utilized many of these applications for years in their day to day activities and bring an expectation of using them as students and employees. There is increasing pressure to use this technology in our business environment making it important to understand the risks and potential benefits associated with adoption of Web 2.0 in the enterprise. A quick look at the Montgomery County Government home page reveals some of this new terminology and links to County information through entities such as 'You Tube', 'Facebook', and 'Twitter'. Web 2.0 is here and we need to be ready for it.

Summary

On July 1, 2009 Montgomery College assumed the role as Chair of the ITPCC. Dr. Brian Johnson was replaced recently with Dr. Hercules Pinkney as Interim College President. Dr. Pinkney will assume an active role with ITPCC soon. Dick Leurig, Director Emeritus of Future Technology and Innovation Initiatives, serves as Chair of the CIO Staff Subcommittee.

The members of the ITPCC thank the County Council for its continued support and welcome its input.

Sincerely,



Dick Leurig,
Chair, CIO Subcommittee
Interagency Technology Policy and
Coordination Committee

DL: gt

Copy to:

The Honorable Valerie Ervin
The Honorable Nancy Navarro
ITPCC Principals
ITPCC CIOs

Montgomery County Agencies PC Inventory Status

as of June 30, 2001
revised May 9, 2002

PC Category		Examples of Users / Applications	Replacement Cycle (Years)	PC Inventory	Annual Replacements	Annual Replacement Costs (PC Hardware Only)
D1	Desktop Mainstream Single Purpose / Application	Internet/Intranet access - single purpose stations	4+	300	75	\$80,850
D2	Desktop Mainstream Standard Standard Office Automation	Office workers, K-12 classrooms, faculty - multi-purpose stations	4	37,329	9,332	\$9,495,394
D3	Desktop Mainstream Accelerated Application with Accelerated Lifecycle	Power Users, faculty, Banner, GIS, CAD, CLASS	3	1,200	400	\$618,083
D4	Desktop High End Specialized Specialized / Multiple Applications	Lab computers (MCG & MC), GIS, CAD, Graphics, Web Developers	2	3,047	1,524	\$5,952,635
D5	Desktop High End Accelerated Applications with Accelerated Lifecycle	Video editing, Specialized Instruction, Faculty	1.5	1,130	753	\$4,952,413
L1	Laptop Mainstream Standard Standard Office Automation	Workers with mobile computing requirements	3	1,706	569	\$1,280,835
L2	Laptop High End Specialized Specialized / Multiple Applications	GIS, Graphics, Web Developers	2	282	141	\$468,650
L3	Laptop High End Accelerated Applications with Accelerated Lifecycle	Specialized Instruction, Faculty, Wireless Applications	1.5	161	107	\$573,533
Total				45,155	12,901	\$23,422,393
Potential PC re-deployment (cascading) savings*					(2,277)	(\$2,316,868)
Annual replacements assuming funding of 15,000 additional D2 PCs in MCPS					3,250	\$3,543,750
Total including additional MCPS PCs					16,151	\$26,966,143

Notes:

- The quantities of annual PC replacements are based on the recommended PC life cycles and do not include any "catch-up" replacements of PCs that are currently older than the recommended lifecycle.
- The quantities of PCs and associated costs in the model are based on current agency inventories and do not include projections of future growth.
- The replacement costs in this model include PC hardware only and do not include other costs that comprise the Total Cost of Ownership (e.g., software, non-warranty maintenance, support, provisioning, etc.).
- Educational discounts for the agencies that qualify are included. The educational discount for PC hardware is much less than the educational discount available for PC software.

*Maximum acquisition savings based on purchase avoidance. Actual savings realized will be reduced by additional re-deployment costs.

Apps.gov: Kundra is ready for a fight

It's Vivek Kundra versus the government bureaucracy, and the information technology industry can't wait to see who wins.

At stake is nothing less than the federal government's decades-old acquisition process and its \$75 billion IT budget. If the federal chief information officer has his way, that process will finally be forced to accommodate the Web-based economy, and as a result, the government's IT budget will shrink considerably.

That was the upshot of the mainstream IT press's coverage of last week's unveiling of Apps.gov, the Obama administration's much-anticipated online technology storefront.

Apps.gov is based on the cloud-computing model, in which organizations access software via the Web and pay for it as a service rather than downloading it onto their own servers.

The appeal of that approach is that an organization buys only what it needs rather than stockpiling software licenses, and it avoids the cost of hosting and managing the software and all the associated data.

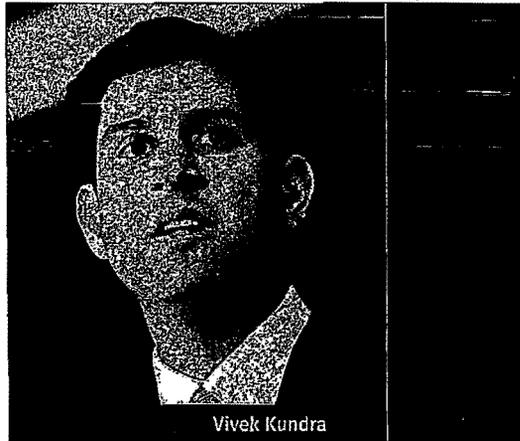
However, the idea of government data floating out there in the cloud might give some federal IT security managers a serious case of the willies. Cloud computing also requires a change in how agencies budget for and buy technology because they are paying for a service, not a fixed product.

"It will be tough for Kundra to bang enough heads together to make real and permanent changes in federal IT, but it's what President Obama hired him to do, and he seems to be off to a good start," wrote David Coursey, a blogger at PC World. "Now the warring with govern-

ment agencies can begin in earnest."

Kundra said the shift to the cloud-computing paradigm could take a long time, and others agreed.

"There will be resistance for years to come, predicated upon culture," Bruce Hart, a former deputy CIO at the CIA, told Robert McMillan of the IDG News Service.



Vivek Kundra

Opponents of the initiative are certain to cite concerns about security. "We're going to see the word 'security' used as the counter-ammunition to his initiatives," said Hart, now chief operations officer at data-center company Terremark Worldwide.

Nearly every report noted the presence of Sergey Brin, co-founder of Google, at Kundra's press conference. As one of the most prominent vendors championing the cloud-computing model, Google is no casual bystander in this initiative.

"With a customer as large as the U.S. government, this is a coup for Google, which has been trying to push Google Apps adoption in the enterprise," wrote Computerworld's Sharon Gaudin. "Having major government agencies willing to depend on Google for Web-

based applications is quite an advertisement for the company's wares."

Incidentally, Google announced last week that it would tailor its Google Apps cloud-computing offerings to meet government security requirements by certifying the software and hiring employees with security clearances.

But many other companies have a vested interest in seeing Kundra succeed, particularly in the current economic climate.

"If the government embraces a long-term, widespread adoption of new technology, it not only finds some cost savings but also pumps much-needed revenue into the hardware, software and Internet companies out there," wrote Sam Diaz for ZDNet.

As eager as vendors are, they might find themselves answering a lot of questions before they get to the stage of taking orders. For example, vendors can assure cus-

tomers that their systems are secure, but how do they write such assurances into a contract?

"Users who ship data to the cloud will need contractual guarantees that it will be maintained with the same level of security as it was in-house, but neither vendors nor users are sure yet how such guarantees can be made," wrote InformationWeek's Charles Babcock. "The owner of the data remains responsible if it is lost or misused, and it remains unclear how much of that responsibility, if any, can be shifted to a cloud supplier."

Other questions have arisen about the availability and reliability of cloud systems and the prospects of an organization "being locked into a single cloud provider," Dan Olds, an analyst at Gabriel Consulting Group, told Computerworld.

Let the battle begin. ■

Strategy Domain Policy target	Inside each agency	Across agencies
Reduce cost of IT		
Reduce cost of business		
Avoid future costs		
Improve service levels		
Offer new services		

**Current
Projects**

- a. COOP
- b. GIS Strategic plan
- c. CVRS
- d. CAD Roadmap

**Projects under
discussion**

- a. Joint Use Data Centers
- b. Translation Services
- c. Video Surveillance
- d. BC/DR

**Council Staff
Suggestions for FY10
given budget
imperatives**

- a. PC Replacement strategies across agencies
- b. GIS streamlining / utility considerations
- c. Data center joint use / Virtualization/ Disaster recovery
- d. FiberNet plan update (technology, public/private partnership potential, funding)

Be Clear which policy target each project serves!

Note: MFP Committee has provisionally scheduled ITPCC update for June 29 2009

