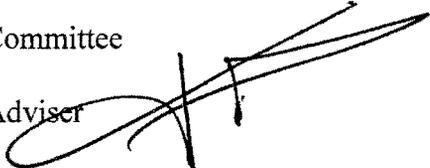


MEMORANDUM

July 8, 2010

TO: Management and Fiscal Policy Committee

FROM: Dr. Costis Toregas, Council IT Adviser 

SUBJECT: Interagency Technology Policy and Coordination Committee (ITPCC) 2011 Work Program

Expected to attend:

Dick Leurig, Chair of ITPCC CIO Subcommittee and Montgomery College Director Emeritus for Future Technology and Innovation Initiatives
Gary Thomas, ITPCC Staff

Summary of staff recommendations to the MFP Committee:

1. **Accept ITPCC 2011 Work Plan on C1-2 as approved by the ITPCC Principals group.**
2. **Provide guidance** to ITPCC regarding resource allocation and the degree of urgency to explore interagency sharing solutions under the Cross Agency Resource Sharing (CARS) initiative.
3. **Plan for a session in late fall to review the final detailed report of the PC replacement situation across agencies and to react to proposed possible funding strategies to maintain the IT equipment of all agency employees at acceptable levels.**
4. For both CARS and PC replacement initiatives, request that an **effort be made to develop separate short term (for implementation during the FY12 budget deliberations) and longer term solutions and strategies.**

ITPCC Work Plan

During the budget sessions in Spring 2010, the ITPCC was challenged with developing its 2011 Work Program across agency priorities, given the degree of rapid and constant changes in individual agency budgets. It was therefore agreed that the ITPCC would present its final 2011 Work Program in a July MFP worksession. A work program has indeed been developed by the CIO Subcommittee, approved by members of the Principals group; it is presented on ©1-2 for the endorsement of the Committee.

The work program is composed of several projects, principal amongst them being:

- FiberNet (including exploration of a Public-Private partnership model and a chargeback framework for cost absorption by user agencies as requested by the Committee and the full Council)
- GIS Strategic Plan across agencies
- Continuity of Operations Planning automation

In addition, there are expectations of explicit involvement in the IT element (one of nine) of the Cross Agency Resource Sharing (CARS) initiative, which had its major kickoff meeting on June 30, 2010. The memo from CAO Tim Firestine detailing the expectations and process of CARS is on ©3-6. The graphic on ©6 is particularly important, as it shows the driving vision for the CARS effort: to reduce overall (i.e., cross agency) costs of providing the 9 selected services by collaborating on service provision and finding ways to perform functions in one agency that others may use (Shared Services model).

The Committee will be hearing more about the CARS effort as it gets under way; however, it may be helpful to engage the leadership of the CIO subcommittee of the ITPCC in a discussion of expectations arising from the CARS initiative. The Work Program for 2011 is already full, and it would be useful to consider how the ITPCC will be able to accommodate any additional work elements arising from the CARS effort under current budget conditions. As priorities are set for CARS projects in the IT arena, the ITPCC may have to shift priorities or be put in a position of abandoning on-going projects if the Principals group should find other projects more compelling or with a stronger Return on Investment.

Therefore, staff recommends approval of the FY11 Work Plan for the ITPCC, after an understanding is reached of how CARS work elements would be absorbed by the ITPCC work plan under consideration.

ITPCC Desktop Replacement Guidelines Policy Update - 2010

A document detailing guidelines for desktop computer replacement was developed in 2002. The Committee requested that an update of that plan be performed, and ITPCC has been conducting internal surveys and analysis to perform this update function. A draft of the findings, though not yet complete, is provided to the Committee on ©7-8 in order to have an early chance to see the evolving dimensions of the findings. It is clear that the result of budget restrictions on the technology efforts of all agencies is an aging PC inventory, and this could spell difficulties, both in the use of PC's and in the dramatically rising cost estimate to perform a "catch up" effort some time in the future to bring all equipment in compliance with industry standards (estimated on ©7 at \$41.3 million by the end of 2011, if all aging machines 4 years or older were to be replaced).

ITPCC representatives will brief the Committee on the findings to date and on the schedule that would provide the completed report to the Committee by November 2010. The relationship between this report and the FY12 budget cycle in each agency is important, so adherence to the timeframes suggested will be crucial. For agencies with budget cycles that are early on the calendar year, the timing suggested by ITPCC may not be adequate and may have to be shortened.

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FY 2011 ITPCC Workplan

I. *FiberNet II*

- Interagency Technical Advisory Group (ITAG) will assess the combined impacts of FY10 and FY11 cuts, evaluate the risks and consequences presented by these actions to the future of the FiberNet project, and revise the project as needed.
- Prepare an amended CIP (if needed) for the approved FY11-16 FiberNet project that reflects ITPCC recommendations, additional revenues, and increased costs. The project implementation will be based on known available resources.
- Perform administrative actions required by review of technical and governance issues identified through the operation of the Interagency Technical Advisory Group (ITAG).
- Respond to FY11 MFP/Council requests
 - Identify requirements for a FiberNet Public Private Partnership (PPP) utilization and validation study.
 - Identify requirements for a study of FiberNet Chargeback alternatives in consultation with the Office of Management and Budget, Council staff, and the Department of Technology Services.

II. *Interagency Technology Fund (ITF)*

- Complete funded ITF projects
 - Complete and closeout the GIS Strategic Plan project in FY11.
 - Complete the closeout of the pilot phase of Continuity of Operations Automation Project (COOP) in FY11.
- Develop and submit new project requests, subject to available resources and agency capability to implement.

III. *Support the CARS Initiative--(March 24, 2010;June 30, 2010)*

- Support County Agency Resource Sharing (CARS) IT Workgroup initiatives accepted by the ITPCC.
- The Montgomery College President, and ITPCC Chair, will serve on the CARS Executive Committee in FY11.
- Dick Leurig will serve as the Workgroup Chair for the CARS Information Technology Workgroup Focus Area and will report to the CARS Executive Committee as requested.

IV. *IT Asset Management –Funding and Planning*

- Maintain *the Health and Replacement Priority for Major IT Systems* risk status data for ITPCC Program and Budget Review presentations to Council in FY11.
- Issue a Final Report for updated agency guidelines for PC replacements in FY11.

V. *SIGs*

- SIG groups will continue to be available for peer to peer information sharing and ongoing monitoring of emerging technologies and best practices on topics of interagency interest.

Miscellaneous/Other

- The ITPCC Chair remains with Montgomery College for FY11. Dr. Hercules Pinkney, Interim President of Montgomery College and the current ITPCC Chair, will be replaced by the new College President, Dr. DeRionne Pollard, after August 2, 2010. Dick Leurig will continue as the CIO Staff Subcommittee Chair in FY11.
- The Approved FY11 ITPCC NDA is \$5,000 for miscellaneous operating expenses and basic supplies intended to support various ITPCC workgroup activities. Supplemental appropriations will be required for any additional project work.
- New initiatives/studies will be considered and prioritized, but ultimately will require sufficient agency resources, time, and supplemental appropriations to implement. ITPCC reserves the right to reprioritize the workplan as necessary to cope with the impact of reduced agency resources available for new and current project work, including delaying requested initiatives until adequate support is available.
- The approved FY11 workplan represents consensus of the ITPCC agencies.

Approved June 28, 2010.

Montgomery County Government
Cross -Agency Resource-Sharing (CARS) Committee
Rockville Memorial Library, 21 Maryland Avenue
1st Floor Conference Room
June 30, 2010 (2:00 pm – 4:00 pm)

AGENDA

- 2:00 pm** **Welcome & Meeting Purpose** Tim Firestine, Chief Administrative Officer, MCG
- 2:05 pm** **Opening Remarks** Ike Leggett, County Executive
Nancy Floreen, Council President
- 2:15 pm** **Introductory Remarks,
Members of the CARS
Executive Committee** Tim Firestine, Chief Administrative Officer, MCG
Dr. Jerry Weast, Superintendent, MCPS
Dr. Hercules Pinkney, Interim President, MC
Francoise Carrier, Chairman, MNCPPC
Annie Alston, Executive Director, HOC
Jerry Johnson, General Manager, WSSC
Steve Farber, Staff Director, County Council
- 2:45 pm** **Examples of Successful
Interagency/Cross-Agency
Efforts** Dick Leurig, Montgomery College
*ITPCC – Interagency Technology Policy and
Coordination Committee*
Philip McGaughey, MCPS
*IPCC – Interagency Procurement Coordinating
Committee*
ICEUM - Eric Coffman, MCG
*ICEUM – Interagency Committee on Energy &
Utilities Management*
- 3:00 pm** **Next Steps/Process/Timeline** Tim Firestine, Chief Administrative Officer, MCG
See next page for details
- 3:10 pm** **Breakout Sessions** CARS Workgroups
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**Montgomery County Government
Cross -Agency Resource-Sharing (CARS) Committee**

NEXT STEPS/PROCESS/TIMELINE

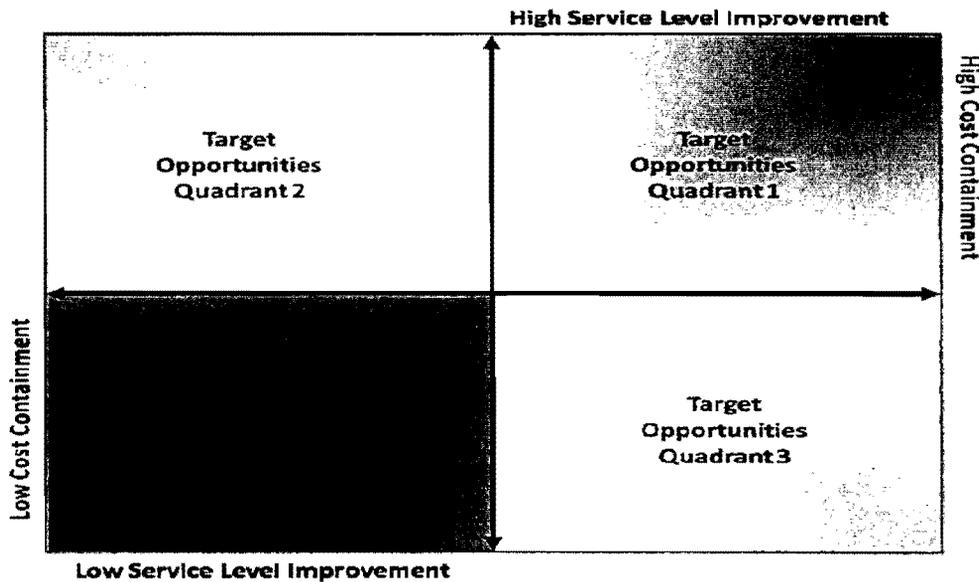
Quarterly Report #1: September 22, 2010 (2-4 pm) location TBD:

1. Select a chair for each workgroup

- The chair will have the responsibility of reporting on the group's progress to Executive Committee as well as guiding overall workgroup efforts.

2. Develop a list of target opportunities for CARS involvement

- Use a brainstorming session to create a list of all potential ideas for CARS involvement related to your workgroup
- Chart all of the identified opportunities using the format below based on initial perception of:
 1. Potential cost containment or reduction, and
 2. Potential service level improvements



3. Select the top three items from your list that are expected to produce the highest combined results in time for the FY12 budget and justify your reason for this selection

4. By September 15, 2010 (in advance of CARS 1st quarterly meeting), the workgroups should submit a written report to the CARS Executive Committee summarizing its activities and recommendations, including supporting rationale and documentation, if any. The reports should be submitted to a designated person (Fariba Kassiri at fariba.kassiri@montgomerycountymd.gov or as determined at the June 30th meeting) for collection and distribution to the CARS Executive Committee.

5. At the September 22, 2010 meeting, the workgroup chair will present the report to the CARS Executive Committee.

- The Executive Committee will receive your updates, provide directions, discuss progress made by each workgroup, and provide explicit FY12 target priorities for each workgroup.

**Montgomery County Government
Cross -Agency Resource-Sharing (CARS) Committee**

NEXT STEPS/PROCESS /TIMELINE

Quarterly Report #2: December 9 (2-4 pm) location TBD:

- 1. Develop an implementation plan for each of the selected FY12 cross-agency resource-sharing priorities. At minimum, address the following factors when developing your Action Plan:**
 1. Cost containment or reduction
 2. Best practices identified in the national public sector
 3. Long-term sustainability
 4. Service level related issues/improvements/risks, if any

- 2. By December 1, 2010, (in advance of CARS second quarterly meeting) the workgroup should submit a written report to the CARS Executive Committee.** The reports should be submitted to a designated person (Fariba Kassiri at fariba.kassiri@montgomerycountymd.gov or as determined at the September 22nd) for collection and distribution to the CARS Executive Committee.

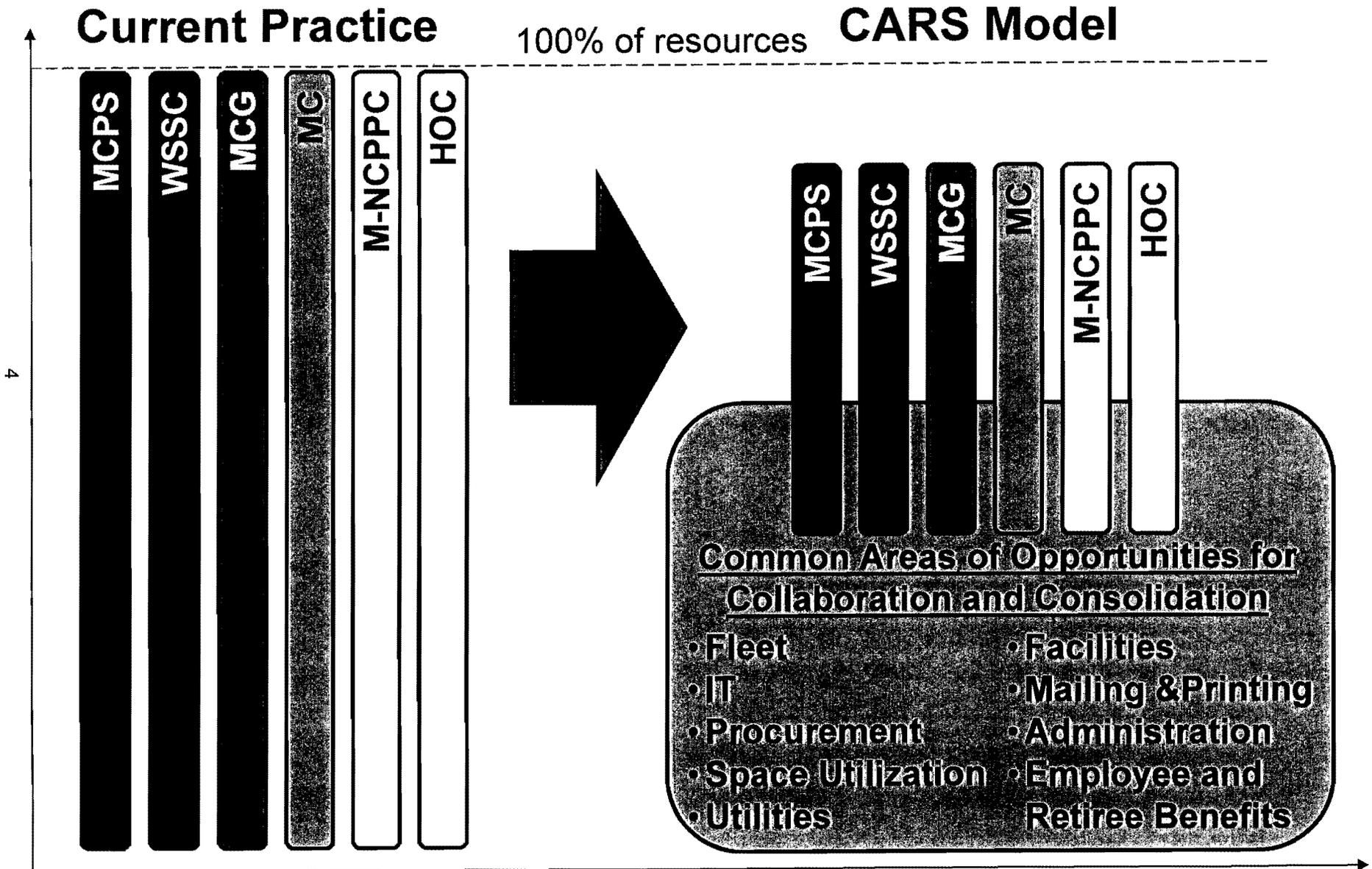
- 3. On December 9, 2010 the workgroup chair will present the implementation plan for each of the selected FY12 cross-agency resource-sharing priorities to the CARS Executive Committee.**
 - The Executive Committee will receive your updates, provide directions, and provide explicit action plan needed to include these items in FY12 budget submission.
 - The Executive Committee may chose to include OMB and various staff from legislative committees in these final discussions.

OTHER FACTORS TO CONSIDER:

The relationship of the selected cross-agency strategies to the various legislative committees of the Council responsible for authorizing and appropriating funds for each agency must be properly defined and coordinated. Funding for chosen implementation efforts can be explored including pooling existing resources across agencies.

The CARS Executive Committee will make every effort to reach out to the community at large (business, residential, non-profit) to seek input and provide guidance to the workgroups. The Executive Committee may also seek advice and input from experts unaffiliated with any member agency for selected focus areas or related options for shared services.

Cross-Agency Resource-Sharing Committee (CARS)



ITPCC Desktop Replacement Guidelines Policy Update-2010
[Update for MFP, July 12, 2010]

On October 12, 2010, the MFP Committee requested an update to the original ITPCC desktop replacement guidelines that were adopted October 16, 2001. A standard data collection template was developed to compile the following information: PC categories utilized, actual and recommended replacement cycles by category, current inventory by category, estimated annual replacements, and estimated annual replacement cost. Additional data elements showing the age distribution and the increasing replacement backlog were collected to provide a view of the current health of desktop systems across the ITPCC agencies. In June, 2010, this data was updated to reflect final FY11 budget decisions.¹

Replacement cycles have been severely curtailed or totally eliminated since FY08 in most agencies due to the impact of the recession on Montgomery County. The current strategy is to delay replacement cycles well beyond the industry recommended 4 year cycles for desktops and 3 years for laptop systems to reallocate this capital expenditure to other areas of the budget. In most agencies, PC systems are currently replaced or repaired only when they fail.

ITPCC Desktop System Distribution by Age--June 2010							
	1 year	2 years	3 years	4 years	5 years	5+ years	TOTAL
Totals	5,633	14,745	18,469	18,176	10,356	2,392	69,771

The risk impact on the overall status of desktop systems is a cause for concern as unrelenting change drivers continue to impact the agency PC inventory. By the end of FY11, 44.3% of the total PC inventory of 69,771 systems will be more than 4 years old. Assuming the current average cost per PC at \$1,336, replacement of high risk systems (4 years and older) will require an estimated \$41,314,464 by the end of FY11.

Estimated Distribution by Risk			
June 2010			
ITPCC	0-2 yrs.	3 yrs.	4+ yrs.
Total PCs	20,378	18,469	30,924
Risk Distribution	29.2%	26.5%	44.3%

Change Driver Considerations

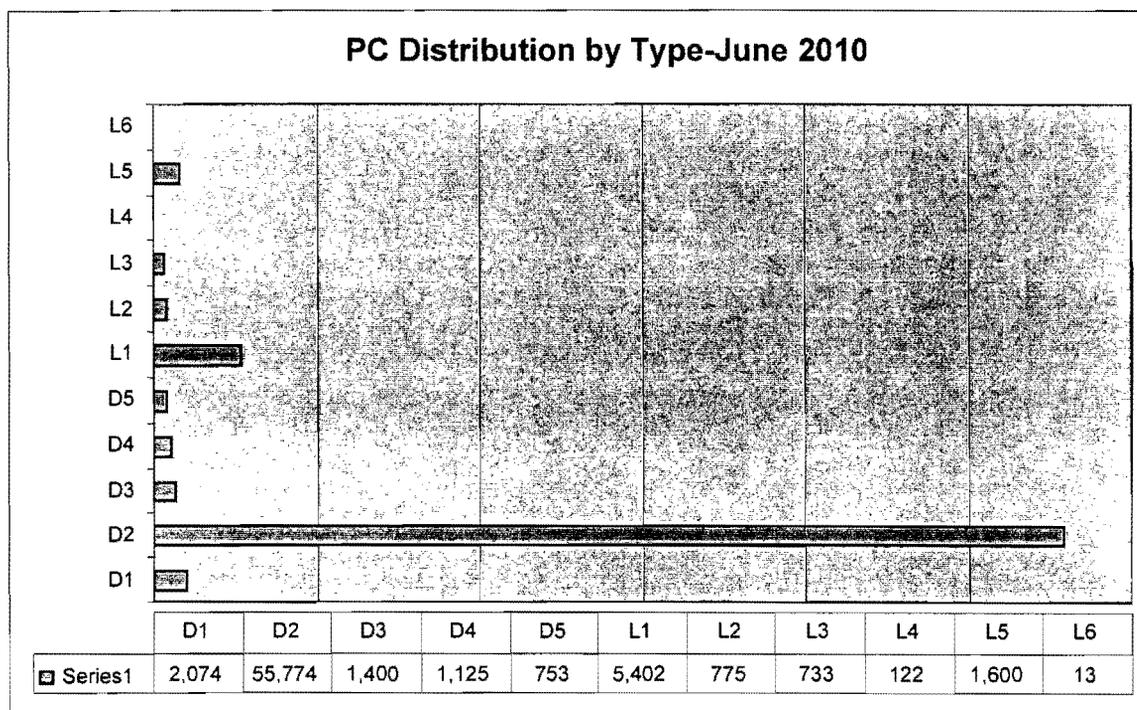
The primary variable driving PC hardware replacement cycles is applications software requirements. Software supports core business processes essential to delivery of customer services. Hardware must accommodate requirements of software specifications or the software will fail to support the business functions properly. Enterprise and specialized software applications that must be supported in addition to the standard business suites often require higher end hardware configurations which may create pressure for early hardware replacement. Maintaining hardware and software consistency is more efficient and promotes interoperability and communications across our diverse agency operating environments. Gartner Group recommends maintaining a 4 years replacement cycle for desktop systems, noting that some may require 3 year cycles for special purposes, and 3 years for laptop systems. Gartner also accepts extending these replacement cycles for one year on a one time basis if fiscal requirements like the current recession require capital preservation—but only for one year and if the added risk of failure is acceptable. Some agencies are entering the third year of deferred replacements to meet other budget requirements. Gartner TCO analysis also shows that cost of

¹ NOTE: These figures and projections are working draft estimates, subject to further revision, review and approval by workgroup staff, CIOs, and the ITPCC before the final report is issued in November 2010. This information offered as an early alert to OMB and Council in anticipation of the FY12 budget cycle.

ownership increases rapidly beyond 4 years, exceeds replacement costs, and does not result in cost savings. To briefly summarize:

- Cost of ownership and maintenance may increase rapidly beyond 4 years according to Gartner Group. Older systems will add costs, not save money.
- Old systems may not work properly with newest systems across the network resulting in degraded interoperability and communications.
- Risk of computer security incidents and compromise may increase.
- Window XP is at end of lifecycle, Microsoft will only support XP with Service Pack 3 after July 16, 2010. Windows XP will not be supported at all beyond April 2014. Windows 7, and Office 2010—the latest standard business/educational suite released June 2010 may require more robust hardware to operate correctly on some machines.
- Inconsistency of hardware and software in user agencies, departments, classrooms, or labs makes maintaining standard software configurations and training more difficult and expensive.
- New functionality and efficiencies enabled by new technology and applications may not be available to users resulting in decreased efficiency and loss of innovation. Consider the changes over the last 4-5 years, things that now are commonplace did not even have names 4-5 years ago.

The following graphic displays the distribution of PC systems by the categories currently employed in the ITPCC agencies. Most systems are mainstream desktop and laptop systems, with the remainder consisting of more specialized systems.



Estimated timeline to completion of the revised ITPCC PC Replacement Guidelines

- July 2010—complete individual agency interviews and data integrity reviews
- August 2010—Workgroup meeting(s) to achieve consensus on recommended replacement cycles and descriptive metrics; draft report to workgroup
- September—workgroup report to CIO Subcommittee
- October—CIO Subcommittee review and edits, and CIO approval
- November—ITPCC Approval; issue final recommendations report