

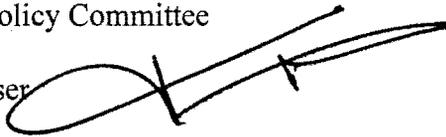
GO COMMITTEE #1  
March 28, 2011

Worksession

MEMORANDUM

March 24, 2011

TO: Government Operations and Fiscal Policy Committee

FROM: Dr. Costis Toregas, Council IT Adviser 

SUBJECT: Update - Interagency Technology Policy and Coordination Committee (ITPCC)

ITPCC Principals

Dr. DeRionne P. Pollard, ITPCC Chair and President, Montgomery College  
Francoise Carrier, Chair, M-NCPPC  
Dr. Jerry Weast, Superintendent, MCPS  
Tim Firestine, CAO, Montgomery County Government  
Jerry Johnson, General Manager, WSSC  
Annie Alston, Executive Director, HOC  
Steve Farber, Council Staff Director

Summary of Staff Recommendations

1. Accept the ITPCC Chair letter updating the Committee on the ITPCC work program in FY11.
2. Schedule an additional ITPCC work session in early summer to review and approve the FY12 ITPCC work program.
3. Update the ITPCC principals with Council views presented during their discussion regarding the Organizational Reform Commission recommendations related to IT.
4. Request that the Council IT Adviser recommendations related to the three current collaboration initiatives on PC replacements, Data Center use, and e-mail, contacts, and scheduling systems using Cloud Computing be included in the FY12 ITPCC work program for priority action and completion.
5. Request that the Executive provide an explicit response and a budget mechanism that recognizes the "Red" and "Yellow" priority systems now in existence totaling \$246m, and incorporate needed actions in an approach which manages the commensurate risk associated with not fulfilling them.

## Background

The Chair of the Interagency Technology Policy and Coordination Committee (ITPCC), Dr. DeRionne P. Pollard, has provided the Committee Chair with an overview of ITPCC's accomplishments in FY11 and several ideas which may contribute to a work program for FY12. This letter is on ©1-10.

Staff suggests that the Committee review the letter, identify desired work elements for FY12 which can help the Committee carry out its work in the IT arena across all agencies, and schedule an additional discussion with the ITPCC principals in June 2011, when final recommendations can be made regarding ITPCC's work program. The current budget impact for the ITPCC FY12 work plan is minimal, as the ITPCC recommended budget is \$4,250 for miscellaneous expenses and staff expects to recommend its approval during the FY12 operating budget discussions on April 13, 2011. If significant additional resources are found to be required to carry out this work plan, they can be handled through a supplemental appropriation request at that time, possibly through the currently dormant Interagency Technology Fund (ITF).

## Staff comments on FY12 opportunities for collaboration

In the March 22, 2011 Council review of the Organizational Reform Commission recommendations regarding Information Technology, it was clear that there is wide policy support for collaborative actions across agencies in the IT realm. The ITPCC review on March 28, 2011 comes at a good time to provide suggested areas of such collaboration.

There are three areas where collaboration is already bearing strong results, and this worksession is a good way for the Committee to endorse and urge targeted action in specific areas. These areas, and the possible actions that can be included in the 2012 ITPCC work program for action, are:

## PC replacement policy coordination

The ITPCC issued an update to an earlier report on February 2011. The full report, titled "Policy Guidelines for Replacement of PC systems" can be found at:

V:\ITPCC\ITPCC\_PC\_Systems\_Replacement\_Guidelines\_December2010

Staff suggests that part of the ITPCC Work Program in FY12 be a monitoring and reporting function, where the compliance of each agency to the guidelines approved by ITPCC is described, exemptions noted, and service levels monitored to ensure that all employees have adequate equipment with which to carry out their information-intensive work.

## Data center joint use

Montgomery College has recently built and is now operating a state-of-the-art data center facility, with adequate space to accommodate additional users. Within the context of ITPCC, Montgomery County Government is undertaking a Business Impact Analysis (BIA) in order to ascertain the detailed requirements for its own data center needs, and how those needs would fold into a shared facility such as MC's.

The Council IT Adviser believes that the MC facility could act as a host for other agencies, thus ensuring closer coordination of data systems and possibly reducing the number of positions. The ITPCC work program should include an element reflecting the planning and implementation of the BIA results and the move of MCG and other agency data facilities into the MC space as deemed feasible by the BIA report.

E-mail, contacts and calendaring in the Cloud

Strong productivity gains can be achieved if all agencies use common, or at least interoperable, e-mail, contact, and calendaring systems. M-NCPPC has recently initiated a migration to Cloud-based Microsoft systems for their e-mail, contact, and calendaring functions, and can become the exemplar for other agencies. In addition, their contracting vehicle might provide easy access to the technologies and consultant advice necessary to undertake this transition.

The impacts of the M-NCPPC move are significant. The program description and expected impacts are shown below.

*M-NCPPC is operating on an e-Mail system that is over 10 years old and subject to repeated failures and frequent interruptions in service. To replace this system, M-NCPPC staff explored various options including the newer technology of Cloud Computing. Upon delving into the options, it was discovered that we could achieve optimal efficiency --both short term and long term savings--while attaining quality service delivery and newer technology. A comparison of cost savings is found in the chart below:*

<b>Estimated Saving Cloud Solution – 1000 Users</b>		
	<b>In House Implementation</b>	<b>Cloud Solution</b>
Upgrade and implement eMail services including anti-spam & redundancy	\$527,660	\$72,306
Implementation & Deployment Expense	\$0	\$20,472
Next 4 Years Recurring Costs	\$490,584	\$289,224
Five Year Total	\$1,018,244	\$382,002
Avg. Cost/User/Year	\$204	\$76
Estimated 5 Year Savings		\$636,242
Capital Investment	\$236,519	\$0

*We expect to be fully implemented by this summer.*

Staff suggests that an implementation element for all agencies relating to migrating E-mail, Contact and Calendaring functions to a Cloud-based solution emulating the leadership actions of M-NCPPC be explored in FY12. Whether using the same system as M-NCPPC or a different one, interoperability of function should be far more easily accomplished. Beyond the obvious cost impacts, the productivity enhancements accruing to all agency employees would be significant: employees could more easily contact colleagues in other agencies, schedule meetings, and exchange information without the technology impediments now in existence.

### Risk in large system replacement

The “Red risk” systems seen over the 6 year CIP horizon should give reason for pause to the Committee. An approximation of the 6 year Red-System cost projections are **\$154m**, with an additional **\$92m** falling in the yellow category - nearly a quarter of a billion dollars (©2). These numbers may be **undercounts** of the true cost and are certainly **not** reflected in the formal budgeting process within the CIP program.

The magnitude of these needed investments is truly overwhelming; even more overwhelming is the lack of any formal recognition of this need in the formal multi-year County funding mechanisms, such as the CIP. Lacking formal inclusion into a system which eventually develops responses in a timeframe meaningful to the challenge, one is led to believe that “fix upon failure” is the norm. However, the “fix upon failure” option is neither an effective nor a desirable solution. The government will invariably pay more, and the solution may not be a lasting or a responsive one when deployed under duress. Therefore processes should be developed to recognize the true magnitude of the systems needing replacement, and funding should be organized for their implementation. The County and its agencies have no option but to use IT in order to provide the services expected by the general public; providing for the orderly replacement of systems, infrastructure, and other essential elements of IT is not a luxury but a necessity which must be faced soon.

### Staff Recommendation

- Accept the ITPCC letter from Chair Pollard and schedule a session in early summer to review the ITPCC work program.
- Update the ITPCC principals with the views of Committee members regarding the Organizational Reform Commission recommendations on IT and solicit their views as to timing and priority of needed actions.
- Ask the ITPCC to include the three IT Adviser recommendations in the upcoming FY12 plan.
- Ask the Executive to develop a risk management strategy for all large “at-risk” systems across agencies.



Office of the President

March 23, 2011

The Honorable Nancy Navarro, Chair  
Government Operations and Fiscal Policy Committee  
Montgomery County Council  
100 Maryland Avenue, 6<sup>th</sup> Floor  
Rockville, MD 20850

Dear Ms. Navarro:

The Interagency Technology Policy and Coordination Committee (ITPCC) is pleased to provide this update regarding the activities of the FY 2011 work program.

Implementation of the FiberNet program continues through work of the FiberNet Interagency Technical Advisory Group (ITAG) within the framework of the Interagency FiberNet Governance Charter adopted November 25, 2002<sup>1</sup>. The FiberNet project is focused on utilization of federal ARRA funds awarded to a consortium of Maryland Counties, including Montgomery County, in September 2010 that will provide construction funding for FiberNet valued at an estimated \$14 million. The grant will fund construction to extend the network to an additional 109 sites<sup>2</sup>. All ARRA funded sites must be completed by August 31, 2013 when the grant expires.

Two remaining Interagency Technology Fund (ITF) projects—the interagency GIS Strategic Plan, and the Continuity of Operations Planning (COOP) Automation Project, resulted in the ITPCC adoption of the final GIS Strategic Plan on February 7, 2011, and a decision to continue the COOP project for another full year to allow the project team to adopt a new software tool to support COOP processes. The next step in the implementation of the GIS plan is to adopt a GIS Governance Charter and establish workgroups to focus on specific plan requirements. The initial meeting to begin the process of GIS charter development has been scheduled to meet on April 4, 2011. The FY11 budget decision to delete funding for the COOP software product, used since project inception, necessitated a major recalibration of the COOP project approach and an extension of the project timeline. The ITPCC approved the recommended *Policy*

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<sup>1</sup> The *FiberNet Governance Charter, November 25, 2002*, and other major ITPCC studies are available on the Montgomery County intranet site at V: /ITPCC/. All Council members and staff have access to this resource and are encouraged to consult this information when questions arise.

<sup>2</sup> See the GO Committee packet for March 7, 2011 for explicit description of the ARRA Grant and the FiberNet project [circle#20-21].

[http://www.montgomerycountymd.gov/content/council/pdf/agenda/cm/2011/110307/20110307\\_GO1.pdf](http://www.montgomerycountymd.gov/content/council/pdf/agenda/cm/2011/110307/20110307_GO1.pdf)

Guidelines for Replacement of PC Systems on February 7, 2011.<sup>3</sup> In addition to providing a planning tool for PC replacements, this study identifies the risks and consequences emerging from reallocated capital funding for PC replacements over the last several fiscal years as a partial solution to revenue shortfalls.

The ITPCC continues to report on the health of major IT systems within the agencies. The Council is referred to the IT Budget Detail information provided on March 28, 2011 by each ITPCC agency for detailed insight into the accomplishments, issues, strategic priorities, health of major IT systems, and risks and consequences associated with major IT systems that have not been sufficiently funded for years. We only need to recall the incredible disruption created in November 2009, when the County automated traffic control system, that was long overdue for replacement experienced a major failure to see the potential impact to the public that can be caused by overdue replacement or major upgrades for major technology infrastructure. The following table summarizes the current agency estimates of the fiscal resources required by risk category for replacements and upgrades for major IT systems. Most of these remain unfunded.

**SUMMARY Multi-year Cost Projections by Risk Categories**

	FY11	FY12	FY13	FY14	FY15	FY16	Total 6-Yr.	Repl.-Cost
<b>RED</b>	34,178,900	49,005,400	33,879,000	18,718,000	9,586,000	9,626,000	154,993,300	231,908,202
<b>YELLOW</b>	18,020,178	12,997,300	12,088,266	24,513,088	12,680,720	12,230,810	92,530,362	101,753,703
<b>GREEN</b>	9,058,000	11,247,570	14,326,570	11,947,210	11,623,466	11,582,000	69,784,816	152,327,570
<b>TOTAL</b>	<b>61,257,078</b>	<b>73,250,270</b>	<b>60,293,836</b>	<b>55,178,298</b>	<b>33,890,186</b>	<b>33,438,810</b>	<b>317,308,478</b>	<b>485,989,475</b>

**Risk Key**

- Red= QEF Rating 29-54; obsolete or vulnerable critical systems/applications in immediate risk of failure
- Yellow= QEF Rating 15-28; aging or vulnerable critical systems likely to need major upgrade or replacement in the next 3-6 years
- Green= QEF Rating 7-14; stable systems expected to require only routine maintenance or minor upgrade over the next 3-6 year

Two additional entities impacting the ITPCC work program have emerged in FY11. The Cross Agency Resource Sharing (CARS) initiative was formally convened by the Executive branch on June 30, 2010. The CARS Executive Committee is comprised of the same membership as the ITPCC Principals. The ITPCC CIO Subcommittee supports the information technology component of the CARS initiative. The Organizational Review Commission (ORC) was initiated by Council Resolution No. 16-1350 on May 18, 2010. Council Resolution No. 16-1434 adopted on July 20, 2010 designated the appointments to the ORC. Public Hearings must be completed by March 31, 2011, and Council must vote on each plan before the FY12 operating budget is adopted. ORC recommendations impacting IT may require additional resources for implementation.

On February 3, 2010 the Cross Agency Resource Sharing (CARS) initiative concept was considered by agency principals. On June 30, 2010 the CARS Executive Committee formally began the CARS initiative. Since the ITPCC has focused on interagency coordination since 1994, the ITPCC was identified as the workgroup needed to support

<sup>3</sup> Policy Guidelines for the Replacement of PC Systems, ITPCC formally adopted on February 7, 2011.

the CARS efforts in the information technology (IT) area. In July 2010, the ITPCC agreed to support the CARS IT initiative in the adopted workplan for FY11. In December 2011, the CARS IT workgroup was directed to undertake four projects—1) GIS Strategic Plan implementation (with MNCPPC as lead); 2) Mobile Data/Voice Communication Contract Consolidation (with MCPS as project lead); 3) IT Help Desk Services Consolidation (with Montgomery College as lead); and, 4) Joint Use and Data Center Consolidation (with MCG Technology Services as lead). Much of the ITPCC effort and staff time for FY11 has been directed to the CARS initiative since June 2010.

On January 31, 2011 the Organizational Review Commission (ORC) issued a final report containing recommendations with numerous potential impacts for agency IT operations. On February 21, 2011 the County Executive response to the ORC report contained recommendations with serious consequences for the IT community. On February 7, 2011, the ITPCC requested a meeting with the individuals responsible for the IT recommendations found in the ORC report in order to clarify the basis and rationale for the recommendations. This meeting has not occurred and the agencies remain concerned that the ORC recommendations are not based on thorough analysis and complete information. The potential benefits cited in some of the ORC recommendations are without clear objective basis in the environments we must support, and if implemented as proposed, may further compromise IT services delivered within the agencies. The ORC final report and the County Executive response to this report were issued without the opportunity for all affected agencies to hear, question, and respond to the findings and recommendations before publication. The agencies would have discovered that many items cited as deficient in some way have already been implemented or actively pursued. Council hearings are now underway and hopefully, the agencies will have the opportunity for additional input before final Council action on the ORC recommendations prior to the adoption of the FY12 operating budgets.

These items present significant challenges for the ITPCC agencies. Four years of budget cutting and staff reductions have significantly depleted resources available for new IT project work. All project work requires planning, resources, and execution of work tasks. The CARS IT initiatives and the ORC recommendations will continue to produce additional workload for already stretched ITPCC agency resources. As a consequence of the recommendations of these various committees and commissions, the ITPCC has elected to defer finalizing a work plan until the full impact and resource requirements of the various Committee and Commission initiatives are known.

#### **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 that resulted 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 redirected to fund the new ITF program projects. Four projects were approved. In November 2008, the Office of Management and Budget

(OMB) advised that new project submissions would not be considered due to declining revenues. In FY10, the formal designation of these reserves for the ITF was removed and the funds redirected to meet other County priorities. Due to the lack of a funding source, all new ITF project requests ceased. Of the initial projects, two remained at the start of FY11, the GIS Strategic Plan and the Automated Continuity of Operations Planning (COOP) project.

The GIS Strategic Plan was completed and approved by the ITPCC on February 7, 2011<sup>4</sup>. Implementation efforts were initiated immediately and are currently directed to establishing an interagency GIS Governance framework to include a governance charter, governance groups, and identify the initial projects. The GIS governance framework may closely resemble the highly successful FiberNet governance framework that was adopted in November 2002. A workgroup to develop the GIS Charter has been designated, and will begin work on April 4, 2011. 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 business continuity of operations plans in a central location. 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. When completed, agencies and departments will have a significantly improved capability to keep their COOP plans current and maintain critical services and business operations when confronted with emergency situations.

In response to the FY11 budget shortfall, the funding for the COOP automation tool (myCOOP) used for plan documentation and development was eliminated. This remotely hosted "cloud application" was no longer available as an interagency tool for COOP development. Plan development efforts within the agencies; vendor provided training for users and system administrators; and future program implementation, maintenance, and training essentially ended. The project manager and OEMHS have worked very hard to salvage this important project and have arrived at a solution that now requires customizing and adopting a new software application (WebEOC) for our environment.

Development of Montgomery County COOP plans will continue in parallel with the new WebEOC system COOP automation project. Departmental COOP information will be loaded into the various COOP templates during monthly workshops that will begin in late February. Department COOP program managers will be invited to the monthly workshops and will be tasked to load all of their information into their COOP boards in WebEOC. The goal is to have this task completed by August 2011. A COOP control application has been customized within WebEOC that will allow the Emergency

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<sup>4</sup> See *GIS Strategic Plan (and Appendices), February 7, 2011*, on the County intranet at 'V:/ITPCC/ITPCC\_GIS\_Strategic\_Plan110207.

Management Group in the EOC to monitor all COOP activations and support all COOP alternate facilities in the event an organization has to execute their COOP plan. The departments that have to execute their COOP also have the capability with this COOP control board application to monitor the emergency event and receive updates on general announcements and significant events that may impact their own COOP efforts. This enables significant integration between emergency response capabilities and COOP response capabilities if activation is required. A partitioned, private library has been set up within WebEOC that will allow all departments to maintain electronic copies of their COOP plans, and other documents that may be needed to execute their COOP plans.

The COOP project schedule continues to change over time. The scope of the program has increased to include other emergency management functions, increased COOP planning development, and the enhancement of template boards within the WebEOC software. However, the plan to test and evaluate COOP plans and the automated tool at least once every year has not changed. Monthly workshops will continue to be conducted, along with WebEOC user training and a tabletop exercise in 2011 to evaluate the COOP plans and the WebEOC COOP template boards.

As a result of these changing requirements, on February 7, 2011 the ITPCC agreed to extend the COOP project through FY12 because fully-developed and tested COOP plans that integrate with EOC operational and emergency response requirements are an essential component of responsible government. COOP is now a program, administered within OEMHS, ongoing and iterative in nature, and a critical element for County emergency response capabilities. The ITPCC supports continued development and implementation of COOP plans under the leadership of the COOP project manager with the resources of the OEMHS.

Still, the ITF remains unfunded. The ITPCC and the CIO Staff Subcommittee remains committed to the interagency objectives and outcomes desired from the ITF. We note that most of the CARS IT projects were previously identified within the ITF context since 2008, but have not been pursued because of lack of resources. Unfortunately, continued budget pressures will likely constrain agency resources and prevent new projects until the fiscal situation improves.

### FiberNet II

Montgomery County is the beneficiary of an ARRA grant that was awarded to a consortium of counties and jurisdictions within the State of Maryland on September 1, 2010. The State is the primary grant recipient and the Inter-County Broadband Network (ICBN) consortium of 10 central Maryland counties and cities is a sub-recipient. Howard County is the administrative lead for the ICBN. The ARRA grant provides Montgomery County with the ability to fund construction valued at an estimated \$14 million, allowing for the addition of 109 sites. All ARRA funded sites must be completed by August 31, 2013.

FiberNet activities for FY11 have been heavily focused on make-ready aspects of this project to ensure that the ARRA grant for FiberNet construction is utilized. Planning meetings have started with the Howard County Project Team to work through the grants technical and reporting requirements. FiberNet has submitted a site list containing all of the locations that will be added to FiberNet using ARRA Grant funding. FiberNet has also developed route maps for all of the grant sites and has begun the process of gaining access to the power and telephone poles that need to be licensed. Pending completion of the required Environmental Assessment, FiberNet has begun the planning and design work that is permissible under the terms of the grant. The FiberNet ITAG workgroup has initiated preparations for the biennial CIP submission of the FiberNet project to OMB in early September 2011.

Eighty-two percent (82%) of the new sites are elementary schools. In approximately one-third of these schools, more than half of the children are eligible for free and reduced meals. The addition of these schools will substantially complete the original vision of FiberNet as described fourteen years ago. For the last two years the FiberNet CIP has gone mostly unfunded for the addition of new sites. An additional seventeen percent (17%) of sites are Housing Opportunities Commission sites, in which residents earn less than \$10,000 per year or less than sixty percent (60%) of the County's median income.

There is a funding match requirement that includes cash and in-kind contributions from the County. The Office of Management and Budget, along with the Cable Office and the Department of Technology Services (DTS), are preparing for this requirement and keeping the Council apprised of developments to this important project.<sup>5</sup>

The ITPCC workplan activities related to FiberNet chargeback policy and further work on a public-private partnership beyond our current practices have been deferred due to the need to focus resources on core workplan items and the new CARS and ORC initiatives.

The issue of chargeback for FiberNet was carefully vetted by ITPCC in 2004 and resulted in a recommended approach<sup>6</sup> that was subsequently approved by Council in May 2005. This solution remedied issues identified in the FiberNet Strategic Plan (June, 2002) and directly aligned with the FiberNet II strategic direction developed in 2003. FiberNet II is a very different technical solution than the original plan, and has resulted in dramatic cost savings for this project. The current chargeback approach aligns with the current technical implementation of FiberNet and has not changed since 2003. The solution also provided designated fund reserves to address future year requirements for major upgrades and the replacement of critical core electronics essential to the delivery of bandwidth to the users.<sup>7</sup> Additional clarification is needed to understand more clearly what problem is

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<sup>5</sup> See GO Committee packet #1, March 7, 2011; Memorandum, *FiberNet-Responses to Analyst Questions, March 2, 2011*, for a detailed discussion of FiberNet status.

<sup>6</sup> *FiberNet Next Generation Chargeback*, November 12, 2004.

<sup>7</sup> In FY10, the designation of reserves for FiberNet was removed providing \$2.4 million to the undesignated current revenue reserves for the County.

to be solved. This would drive any changes to the current chargeback model. Fiscal management of FiberNet chargeback has been the responsibility of the Office of Management and Budget and the Department of Finance for years. Policy or implementation changes to the current chargeback methodology would most properly be directed from these offices since they administer revenue and reporting functions for the County. The FiberNet ITAG could provide any technical details requested for such a change, but under the present architecture and strategic direction for the network, ITPCC does not recommend any change to the current approach. Actual administration of collections and accounting for FiberNet chargeback are not ITPCC responsibilities.

The ITPCC believes that the Department of Technology Services implementation and operation of the FiberNet project continues to effectively and adequately utilize Public Private Partnership (PPP) relationships where they make sense with the private and public sectors. It has further exemplified the benefits to the County where broadband emerging capabilities are achieved at lower costs. FiberNet has leveraged franchise agreements to utilize the networks of companies like Comcast, RCN, FiberGate and FiberTech. FiberNet has also partnered with Atlantech Online, Inc., to provide internet access to the County government and citizens visiting County facilities, Silver Spring and Bethesda WiFi HotSpots. The further build-out of the network utilizing the ARRA grant represents one of the largest public-to-public partnerships ever undertaken by the County.<sup>8</sup>

FiberNet ITAG discussions to date have been inconclusive regarding the best and appropriately strategic approach needed to respond to this alternative. Defining the requirements for a study of PPP, requires the development of a rationale, with accompanying business analysis; and, a statement of requirements and a cost-benefit analysis to develop a recommendation that identifies an alternative strategy for a Public Private Partnership arrangement relative to FiberNet and broadband service provisioning. Once an expert evaluation addressing this strategic change commences, the study outcome will need to include a level of detail that sufficiently identifies specific deliverables, and advantages and proven PPP models that will fully justify a change to County's current FiberNet delivery strategy. Resources, both staff and money, to do this investigation are simply not available at present. A total of four-hundred and sixty-four (464) sites are either on the network (326 sites) or in the pipeline (138, including ARRA sites). Successfully building out ARRA funded sites by August 31, 2013 is our current priority and the focus of all available resources. This represents an unprecedented level of project work for FiberNet.

From its inception, FiberNet was conceived as a private, County-owned, County-operated, and County-controlled network. This is a best practice that has been demonstrated nationally. Outsourcing pieces of it, or selling FiberNet and subsequently leasing back services, was never developed as a viable consideration. There is no known

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<sup>8</sup> See GO Committee packet #1, March 7, 2011 for a detailed discussion of the PPP activity related to FiberNet.

operating model currently available to make this transition while guaranteeing the uninterrupted delivery of services throughout the County.

In the final appropriation actions for FY10, the formal designation of FiberNet reserves (i.e. chargeback revenue) 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) were primarily intended to provide a certain, and ready source of funds for future upgrades to the network core electronics that would be necessary to guarantee required levels of service to the network edge user sites. Core network component replacements and upgrades are inevitable for FiberNet. Currently, to enhance and guarantee service availability, there is a need to increase redundancy from the present single processor approach. This will improve network availability and at the same time increase network capacity, but is not, as of yet, the anticipated major upgrade for the core electronics. Funding has not been available for this improvement. The major core upgrade is expected to be required in 2016-17. ITPCC encourages Council and the OMB to implement an appropriate mechanism to reserve funds for future core upgrade and replacement.

FiberNet is the critical infrastructure that underpins emergency communications countywide; it 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 within 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 is County-owned, controlled, managed, and operated. It is focused on meeting our agency requirements in the most efficient manner. It is governed within the interagency governance framework adopted by ITPCC and reviewed for opportunities for enhancements and improvements enabled by technology innovations. It is most capably managed by DTS, John Castner, and his team of network experts, with input and guidance from ITAG and the ITPCC. It is our network and represents one of the most successful interagency technology efforts of recent years.

#### IT Asset Management

On February 7, 2011, the ITPCC adopted the Policy Guidelines for Replacement of PC Systems as recommended by the PC Lifecycle Policy Workgroup and the CIO Subcommittee. This updated the original PC Desktop replacement policy adopted in November 2001. This project revealed that the overall health of PC systems is not good. There are 69,177 PC, laptop, and mobile data public safety systems in the ITPCC agencies. Currently, 53.4% or 36,926 systems in the ITPCC agencies are four years old or older, and at end of their useful life. The estimated funding requirement to replace these systems at end of lifecycle by the end of FY11 is \$49,458,319. Systems five years old and older present the highest risk and comprise 18.2% or 19,193 systems. The estimated cost to replace the highest risk systems is \$18,854,703.

**Table 2: Distribution by Age of PC Systems—November 2010**

	1 year	2 years	3 years	4 years	5 years	5+ years	TOTAL
<b>MCG</b>	296	2,291	2,869	2,664	1,579	214	<b>9,913</b>
<b>MCPS</b>	7,010	2,892	9,625	12,522	12,565	4,260	<b>48,874</b>
<b>MC</b>	1,719	1,760	2,045	1,576	184	0	<b>7,284</b>
<b>MNCPPC</b>	0	91	214	263	150	176	<b>894</b>
<b>WSSC</b>	591	543	0	618	0	0	<b>1,752</b>
<b>HOC</b>	135	85	85	90	40	25	<b>460</b>
<b>Totals</b>	<b>9,751</b>	<b>7,662</b>	<b>14,838</b>	<b>17,733</b>	<b>14,518</b>	<b>4,675</b>	<b>69,177</b>

Again in FY12 we are faced with major budget cuts making it difficult to fund IT systems replacement and upgrades. ITPCC continues to track the overall health and replacement priority of the major IT systems and refers the Council to the agency materials provided in the annual ITPCC Program and Budget Overview materials on March 28, 2011. Agencies provide many details about their specific systems and note major risks and consequences that they are currently tracking. Providing sufficient resources to avoid major failures and disruptions like those experienced in 2009 is imperative if we are to maintain service delivery.

**Summary**

ITPCC will continue to look for opportunities for interagency cooperation that will result in more efficient service delivery. The final FY12 ITPCC work plan adoption must wait until the full impact of the FY12 budget decisions is known. ITPCC intends to adopt a final FY12 workplan after final budget action in May 2011. We will consider current workplan needs, the four CARS IT projects currently underway, and outcomes from the ORC report and Council’s final actions. The ability to perform meaningful work on these initiatives must be considered in the context of the available agency resources in this fourth-year of budget reductions and some assessment of the value of probable outcomes from the efforts. However, work will continue on FiberNet II and utilization of the ARRA resources to build-out new sites; the COOP ITF project will be continued throughout FY12; the GIS Strategic Plan implementation will commence; and, PC replacement guidelines will be implemented to the extent funding allows. We will further continue to identify risks and consequences within the major IT systems inventory, seek resources to avoid major system failures, and will prepare for the next biennial CIP submission.

It is reasonable to assert that none of us could imagine a fiscal situation of this magnitude and duration. The imperative for seeking areas of common interagency cooperation and resource-sharing is well-known to the ITPCC agencies. We must act cooperatively and deliberately; utilizing the proper analytical problem-solving methods that are well known, and practiced within the IT community. We must avoid wasting resources—staff, time and money—pursuing ‘the whitepaper of the day’, which seem to always promise easy

implementation, and benefits beyond expectations. The ITPCC remains committed to the interagency approach for technology wherever feasible.

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

Sincerely,



DeRionne P. Pollard, Ph.D.  
President, Montgomery College  
Chair, Interagency Technology  
Policy and Coordination Committee

DP: glt

Copy to:  
The Honorable Valerie Ervin  
The Honorable Hans Riemer  
ITPCC Principals ITPCC CIOs