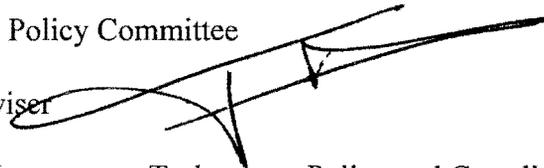


Worksession

MEMORANDUM

April 11, 2011

TO: Government Operations and Fiscal Policy Committee

FROM: Dr. Costis Toregas, Council IT Adviser 

SUBJECT: FY12 Operating Budget NDA for Interagency Technology Policy and Coordination Committee (ITPCC), Section 65-9 in the Executive's Recommended Budget

The following are expected to attend:

Gary Thomas, ITPCC Staff
John Cuff, Office of Management and Budget (OMB)

Members of the ITPCC may also be available for detailed questions.

The Council Resolution establishing ITPCC is on ©1-2, the relevant page from the recommended FY12 operating budget is on ©3, and the accomplishments of ITPCC in FY11 are on ©4-13.

Summary of Staff Recommendations

1. Accept the Executive's recommended budget of \$4,250.
2. Agree to review the possibility of eliminating ITPCC and transitioning the ITPCC legislative mandate to the CARS IT Subcommittee in a Committee worksession in early summer 2011.

Overview

For FY12, the Executive recommends a budget of \$4,250 for the important work of the ITPCC. Council **staff recommends the approval** of this amount. This sum is 15% less than the amount approved in FY11 and is intended to cover miscellaneous expenses associated with the convening of the ITPCC governance groups. They include:

ITPCC Principals:

Dr. DeRionne Pollard (Chair), MC
Tim Firestine, MCG
Jerry Weast, MCPS
Francoise Carrier, M-NCPPC
Jerry Johnson, WSSC
Jerry Robinson (Acting), HOC
Steve Farber, Council Staff Director

CIO Subcommittee:

Dick Leurig (Chair), MC
Steven Emanuel, MCG
Sherwin Collette, MCPS
Mike Russell, MC
Henry Mobayeni, M-NCPPC
Mijib Lodhi, WSSC
Scott Ewart, HOC

There is also a staff member who supports the ITPCC: Gary Thomas, an employee of the Department of Technology Services in Montgomery County Government. His salary and related costs are absorbed within the DTS budget, although his work assignment and evaluation are performed by an ITPCC designee (currently the chair of the CIO subcommittee).

In FY11, the ITPCC provided support to several interagency projects; these are detailed in the summary of accomplishments on ©4-13. In FY11, the ITPCC also took on the additional task of supporting all the work tasks of the CARS IT Working Group and is currently pursuing them.

The ITPCC committee has significant overlap with the Cross Agency Resource Sharing (CARS) initiative IT Working Group; ©14 provides a graphic representation of this overlap. In practical terms, the ITPCC is the body which executes the program of the CARS IT effort. The similarity of the two groups and the existence of the broader CARS platform which provides focus in 9 areas of interagency collaboration have created the opportunity for consolidation or simplification of the multiple structures. This option should be explored when more information is known about the long term resource requirements of CARS and its legislative evolution as a formal body. Currently, CARS is funded internally with no direct financial support, so the ITPCC support framework is far superior and should be retained.

The work program for ITPCC is under development and will be reviewed by the Committee in the June/July 2011 timeframe. There are no currently known specific budgetary requirements for ITPCC projects, so the Executive recommendation of \$4,250 is adequate for FY12. If the work program review by the Committee in early summer reveals additional resource requirements, they can be discussed and included in the FY12 budget through a supplementary appropriation. At the same time, a discussion regarding the optimal structure to support cross-agency initiatives can be analyzed and a recommendation provided to the Committee for action.

Resolution No.: 12-1758
Introduced: July 19, 1994
Adopted: July 26, 1994

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmember Praisner

Subject: Reconstitution of Interagency Technology Policy and Coordination Committee

Background

1. The County Council recognizes the importance of all forms of technical innovation, especially those rapidly changing electronic technologies such as computer mapping, telecommunications, and automated information services.
2. The County Council established the Interagency Technology Coordination Committee by resolution on July 27, 1984.
3. The efforts of the Interagency Technology Coordination Committee and its subcommittees since 1984 fostered the coordination of county computer systems, information processing and purchase of computer hardware and software, and the committee provided valuable budget recommendations to the County Council.
4. The Council desires that these activities continue to expand to keep pace with the need for planning and coordination, especially in the areas of computer mapping and telecommunications, with their emerging opportunities for interagency linkage and economies of scale.

Action

The County Council for Montgomery County, Maryland, approves the following resolution:

The Interagency Technology Coordination Committee is hereby reconstituted with broader responsibilities as the Interagency Technology Policy and Coordination Committee.

This Committee shall have the following general duties and responsibilities:

- (a) to promote and enhance the coordination of technological innovation among and within the various agencies of government in Montgomery County, with particular emphasis on electronic technologies relating to telecommunications, computer mapping, and automated information systems.
- (b) to create a communication vehicle by which the various agencies of government can assist the County Council and each other to develop sound and efficient public policies to evaluate alternative uses of these technologies as they proliferate and become more important to the cost and operations of government.
- (c) to facilitate the coordinated implementation of such countywide policies through the mutual development of practical plans, proposals, and recommendations concerning individual agency expenditures for electronic hardware, software, equipment, and related issues.
- (d) to provide a discussion forum for the sharing and evaluation of information pertaining to such new technologies, including their various economic, social, and operational costs and benefits.

This Committee shall begin fiscal year 1995 with the following specific duties and responsibilities:

- To recommend, by September 30, the appropriate relationship between the ITPCC and the Technology Innovation Fund Committee.
- To recommend a procedure for the selection of the ITPCC Chairperson and the Chairpersons of the subcommittees.
- To develop a proposed committee work program for fiscal year 1995, based on perceived needs and priorities.
- To review this work program with the Management and Fiscal Policy Committee within three months from the adoption of this resolution, and to maintain general liaison with the Council through its MFP Committee and thereafter.
- To request the commitment of resources from each member agency sufficient to show significant progress in implementing this work program, with an approximate schedule of meetings of the full committee, and such similar meetings of the subcommittees as are necessary to accomplish the objectives of the work program.
- To recommend joint ventures to research and implement automation solutions, such as document imaging.
- To recommend a standard data collection spreadsheet that can collect the costs of all computing, telecommunications, and GIS activities of all agencies into standard classifications.
- To recommend a mechanism for soliciting appropriate non-agency, private sector support and input in these efforts.

The Committee shall be composed of the following government officials:

- The Montgomery County Chief Administrative Officer
- The Superintendent of Montgomery County Public Schools
- The President of Montgomery College
- The Chairman of the Montgomery County Planning Board
- The General Manager of the Washington Suburban Sanitary Commission
- The Staff Director of the Montgomery County Council, who shall serve as an ex officio, non-voting member

Initially, there shall be established also three standing subcommittees, called respectively the GIS Subcommittee, the Telecommunications Subcommittee and the Computer Subcommittee, which shall take direction from the Interagency Technology Coordination Committee, and which shall be composed of one member from, and designated by, each of the voting agencies represented on the Interagency Coordination Committee.

The Chairman of the Montgomery County Planning Board shall be the Chairperson of the Committee for FY95 and shall be responsible for the normal duties of a committee chairman, including the appointment of chairs to subcommittees, and such other tasks as may be appropriate from time to time.

The funds placed in the Montgomery County Department of Information Systems and Technology (DIST) FY95 budget shall be used to provide appropriate support to the Committee and its subcommittees.

This is a correct copy of Council action.

Kathleen A. Freedman, CMC
Secretary of the Council

| <i>FY12 Recommended Changes</i> | <i>Expenditures</i> | <i>WYs</i> |
|---------------------------------|---------------------|------------|
| FY11 Approved | 420,820 | 0.0 |
| FY12 CE Recommended | 420,820 | 0.0 |

Interagency Technology, Policy, & Coordinating Comm.

This NDA supports the operation of the Interagency Technology, Policy, and Coordination Committee (ITPCC). The ITPCC was chartered by the Montgomery County Council to promote strategic planning and coordination in the use of information technology among County agencies. The ITPCC reports biannually to the County Council. By regularly convening the agencies' chief executive and chief information officers, the ITPCC provides an effective forum for the coordinated implementation of technology policies and guidelines. Additionally, the ITPCC facilitates interagency communication, the evaluation and sharing of new technologies, and advises policy makers on the strategic uses of technology.

| <i>FY12 Recommended Changes</i> | <i>Expenditures</i> | <i>WYs</i> |
|-----------------------------------|---------------------|------------|
| FY11 Approved | 5,000 | 0.0 |
| Decrease Cost: Operating Expenses | -750 | 0.0 |
| FY12 CE Recommended | 4,250 | 0.0 |

Judges Retirement Contributions

This NDA provides pensions for retired Judges who were on the bench prior to 1968 in the Circuit Court and the People's Court (District Court) of Montgomery County and for their surviving spouses.

The Circuit Court pension is calculated as one percent of the net supplement paid by the County to the salaries of the Circuit Court Judges as of May 31, 1968, multiplied by the number of years of active service as a Judge (up to a maximum of 20 years). The surviving spouse receives one-half of the pension to which the Judge would have been entitled. The benefits are authorized in Section 12-10 of the Montgomery County Code.

The People's Court (District Court) pension is based on the current salary of a District Court Judge. A retired Judge receives 60 percent of the current salary of a District Court Judge, while a surviving spouse receives one-half of the pension to which the Judge would have been entitled. The benefits are authorized in Article 73B, Section 63(b) of the Annotated Code of Maryland. This NDA may be increased to include a cost of living adjustment at a rate equal to that approved for District Court Judges by the General Assembly. If a cost of living adjustment is approved next fiscal year, the NDA will be adjusted as necessary by a year-end transfer.

| <i>FY12 Recommended Changes</i> | <i>Expenditures</i> | <i>WYs</i> |
|---|---------------------|------------|
| FY11 Approved | 3,500 | 0.0 |
| Decrease Cost: Adjust to Reflect Actual Expenditure Trend | -500 | 0.0 |
| FY12 CE Recommended | 3,000 | 0.0 |

Leases

This NDA provides the funds necessary to lease privately owned real estate to accommodate County programs. Real property leased by the County includes office, warehouse, and retail space; hangar facilities; child care space in schools; parking spaces; and space for communication antennas. Leasing property allows the County the flexibility to locate programs in the communities they serve and provides space for programs to operate when there is no County-owned space available. Further, it is an economical way to procure highly specialized, location sensitive, or temporary space. Currently, there are approximately 80 leased facilities. The inventory of leases is constantly shifting as new leases are added and existing leases are terminated.

| <i>FY12 Recommended Changes</i> | <i>Expenditures</i> | <i>WYs</i> |
|---|---------------------|------------|
| FY11 Approved | 20,945,540 | 0.0 |
| Increase Cost: Outpatient & Addiction Services lease at 981 Rollins | 1,089,120 | 0.0 |
| Increase Cost: Public Safety HQ Delays | 929,060 | 0.0 |
| Increase Cost: State share of closed school revenues | 348,990 | 0.0 |
| Add: Leases: other adjustments | 187,910 | 0.0 |
| Add: Space Planning | 50,000 | 0.0 |
| Reduce: Long Branch Police Satellite lease | -88,860 | 0.0 |
| Reduce: Conservation Corps lease | -133,180 | 0.0 |
| FY12 CE Recommended | 23,328,580 | 0.0 |



Office of the President

March 23, 2011

The Honorable Nancy Navarro, Chair
Government Operations and Fiscal Policy Committee
Montgomery County Council
100 Maryland Avenue, 6th 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, 2002¹. 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 sites². 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*

¹ 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.

² 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

Guidelines for Replacement of PC Systems on February 7, 2011.³ 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 |
|---------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| RED | 34,178,900 | 49,005,400 | 33,879,000 | 18,718,000 | 9,586,000 | 9,626,000 | 154,993,300 | 231,908,202 |
| YELLOW | 18,020,178 | 12,997,300 | 12,088,266 | 24,513,088 | 12,680,720 | 12,230,810 | 92,530,362 | 101,753,703 |
| GREEN | 9,058,000 | 11,247,570 | 14,326,570 | 11,947,210 | 11,623,466 | 11,582,000 | 69,784,816 | 152,327,570 |
| TOTAL | 61,257,078 | 73,250,270 | 60,293,836 | 55,178,298 | 33,890,186 | 33,438,810 | 317,308,478 | 485,989,475 |

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

³ 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, 2011⁴. 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

⁴ 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.⁵

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 approach⁶ 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.⁷ Additional clarification is needed to understand more clearly what problem is

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

⁶ *FiberNet Next Generation Chargeback*, November 12, 2004.

⁷ 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.⁸

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

⁸ 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 |
|---------------|--------------|--------------|---------------|---------------|---------------|--------------|---------------|
| MCG | 296 | 2,291 | 2,869 | 2,664 | 1,579 | 214 | 9,913 |
| MCPS | 7,010 | 2,892 | 9,625 | 12,522 | 12,565 | 4,260 | 48,874 |
| MC | 1,719 | 1,760 | 2,045 | 1,576 | 184 | 0 | 7,284 |
| MNCPPC | 0 | 91 | 214 | 263 | 150 | 176 | 894 |
| WSSC | 591 | 543 | 0 | 618 | 0 | 0 | 1,752 |
| HOC | 135 | 85 | 85 | 90 | 40 | 25 | 460 |
| Totals | 9,751 | 7,662 | 14,838 | 17,733 | 14,518 | 4,675 | 69,177 |

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

The landscape

