



Final Information Technology Assessment for the City of Evansville and the Vanderburgh County

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In the Spotlight.

Fitness in the Park

FREE!

Saturday, July 20 from 9-11AM

Water Aerobics at Lorraine Pool

TRI-STATE

with Tri-State Athletic Club Instructors

- 09:00am Water Aerobics with Miki
- 09:30am Water Aerobics with Miki
- 10:00am Water Aerobics with Miki
- 10:30am Water Aerobics with Miki
- 11:00am Water Aerobics with Miki

REGISTRATION: \$5.00 (includes pool access and towel)

LOCATION: Lorraine Pool, 1000 W. Washington St., Evansville, IN 47710

More information: [www.evansville.org](#)

"Summer of Swimming" free aquatic aerobic exercise session continues at Lorraine Pool Saturday, July 20, from 9-11 am.

Upcoming Events

Date	Event	Time
19 JUL	Shred Day	July 19, 2013 10:00 AM - 1:00 PM
23 JUL	County Commission Meeting	July 23, 2013 5:00 PM - 6:00 PM
23 JUL	Drainage Board Meeting	July 23, 2013 5:30 PM - 6:00 PM

more >

Calendar

Latest NEWS

- Open House to View Preliminary Concepts for Roberts Park
- "Summer of Swimming" Continues Saturday at Lorraine Pool
- Human Relations Commission to Hold Annual Dinner September 6
- Evansville Residents' Participation in Recycling Doubles in One Year

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July 18, 2013

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07/18/2013

To: Mayor Lloyd Winnecke
 Civic Center Complex
 1 N.W. Martin Luther King, Jr. Boulevard
 Evansville, Indiana 47708-1833

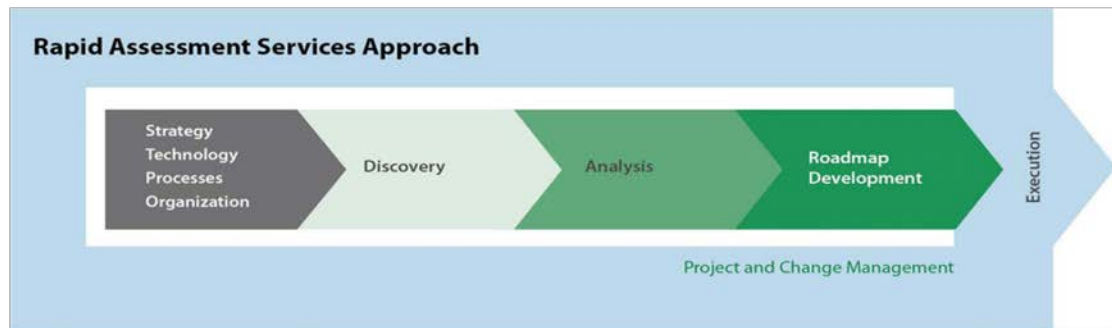
Overview

McGladrey worked with City of Evansville(City) and Vanderburgh County(County) to conduct an IT Assessment of the IT capabilities and strategy.

The goals of the assessment included:

- Develop an understanding of how employees use technology.
- Understand the goals and objectives of COE and VC with respect to growth, products, and services
- Determine how key strategic initiatives are identified, tracked, delivered and proposed
- Identify opportunities to reduce Complexity and Total Cost of Ownership (TCO)
- Create a recommended go-forward approach and plan
- Evaluate current IT services and provider

Assessment Approach



	Discovery	Analysis	Roadmap / Recommendations
Key Activities	<ul style="list-style-type: none"> • Meet with key stakeholders to discuss current state of organization and strategic goals • Review: <ul style="list-style-type: none"> - Existing documentation - IT infrastructure including servers, desktops, and laptops - Key applications and interfaces - IT controls - IT organizational model and governance 	<ul style="list-style-type: none"> • Assess technology's integration with key operational processes, including potential alternative models and related costs • Evaluate gaps in current application and infrastructure management • Analyze: <ul style="list-style-type: none"> - Risks and opportunities related to current environment - Overall IT platform stability and functionality - Opportunities for technology improvements / stabilization. 	<ul style="list-style-type: none"> • Prioritize projects by cost/benefit to determine the appropriate set of investments for the roadmap • Prepare deliverable that includes: <ul style="list-style-type: none"> - Observations - Application inventory and system interfaces - IT risk evaluation - Strategic alternatives and recommendations - Key re-engineering activities and timeline • Present findings and recommendations to key stakeholders

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Key Interviews and Stakeholders –

City Stakeholders

- Mayor's Office
- City's Attorney
- City Clerk
- Fire Department
- Public Works
- Water and Sewer Utility
- Controller's Office
- Police Department and Police Chief
- Parks and Recreation
- MRC Staff and Ownership (IT Service Provider)

County Stakeholders

- President, County Commissioners
- County Auditor's Office
- County Treasurer's Office
- Sheriff's Office
- All County Departments

Key Findings

Overall Organizational Findings

As an overall opinion we have found the City and County do a good job of executing day to day support for key Information Technology(IT) systems. Although we have found the City's and County's Service Provider to be reactive and less strategic than we would like to see, we believe this stems from inexperience of the former CIO. The relinquishment of strategic responsibility is epidemic in today's IT communities both in private and public organizations. Over the past twenty years business departments have abdicated strategic responsibility to the IT department hoping IT would understand what is best for the business. This has created a reactionary role for IT and has the IT organization trying to lead a business they do not have the skills or acumen to affect.

The city and county employ various forms of technology to execute day to day functions. These functions range from printer support, desktop support, copier, and support of key services (i.e. 911, financials, and water and sewer billing). We have found that departments are able to execute day to day tasks with little to no problems. However the City and County lack strategic planning and this does not empower the departments to create real change that would improve the departments business. This also prevents the executives from planning and prioritizing large scale strategic initiatives

We also found the City and County support "Shadow IT" (IT Personnel that exist in other departments that have IT responsibilities but no budgetary link to IT) . This is a hidden cost that is hard to quantify. The Fire, Police and GIS. We believe the City is under spending on IT. They are currently paying the Service Provider 1.2 Million for City and 900K for County. The average IT spending for Municipalities of similar size is 2-4% of revenue according to Gartner Benchmark and Analytics Report December 2012.. -- The 2012 State and Local Government vertical industry average IT spending as a percent of operating expense is 3.6%, the same as in 2011.. This does not take into account the Shadow IT that we found dispersed across the City and County.

The City's Operating Expense for 2012 was: 236.5 Million dollars

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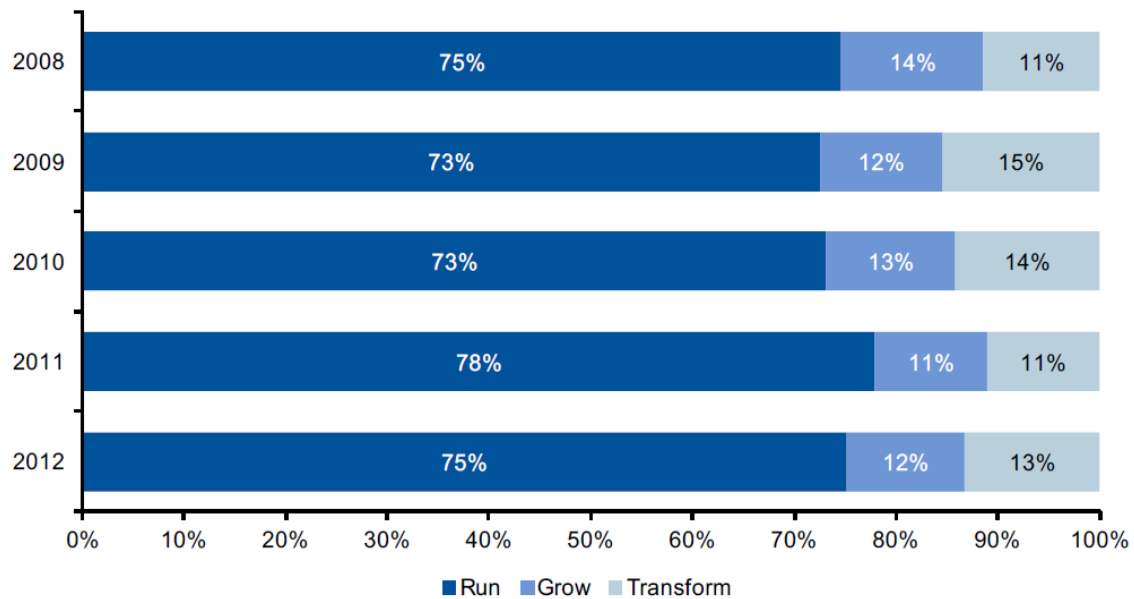
Current IT Spend for 2012(excluding Shadow IT): ~2.2 Million and 4 Million (Excludes Ford Center)

- Expected Spend (3%): 7.1 Million
- MRC City contract Cost - ~1.2 Million
- MRC County Contract Cost --~900K
- MRC Ford Center Contract - ~163

The current Service Provider contract to manage the Ford Center is outside the norm for the industry. Although there are some perceived benefits of shared networking and resources, this does not justify the 8-10 thousand dollar monthly excess. The best course of action is to allow VenuWorks to manage the event hall and its entire infrastructure. Their estimated cost is \$4,500.00 a month. This would be a projected Operational saving to the Ford Center between 96K and 120K a year.

Note: The below Gartner Figure is how IT spending is allocated.

Figure 7. Government — State and Local: IT Spending to Run, Grow and Transform the Business



The County faces a challenge since a significant portion of their IT budget is wrapped up in the Sherriff's office. For the purposes of this report, we consider the Sherriff's office as Shadow IT operating outside of the controls (other than budgetary) of the current Service Provider and County Executive authority.

“Information technology and its systems have become so important that the CIO has come to be viewed in many organizations as the key contributor in formulating strategic goals for an organization. The CIO manages the implementation of the useful technology to increase information accessibility and integrated systems management. As a comparison, where the CIO adapts systems through the use of existing technologies, chief technology officer develops new technologies to expand corporate technological capabilities. When both positions are present in an organization, the CIO is generally responsible for processes and practices supporting the flow of information, whereas the CTO is generally responsible for technology infrastructure.” –CIO Magazine 2008

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Over the past 6 years the City and County have been operating with a CIO who ***lacked*** the proper qualifications needed to run a 300 Million dollar organizations. This has created a void in governing the relationship between the business stakeholders and the IT organization. Many organizations face this problem but struggle to fix it due to the cost of attracting a qualified CIO who can drive strategy and ensure tactical delivery. This role often exceeds 200K yearly salary in the Evansville marketplace – Gartner Group 2012 Wage Study.

Current Service Provider

The current IT Services Provider has done a good job of keeping the lights on in the absence of strong IT leadership (CIO). The current Service Provider's contract does not create an environment that would facilitate and reward innovation, systemic improvement and cost reduction. The current contract invites an environment to increase devices and discourage the retirement of any devices. The contract does not provide an incentive to impart strategic vision. This is not to imply we recommend the Service Provider take on the CIO role. We strongly disagree with that assumption. We would like to see the Service Providers be accountable for strategic and tactical goals. However we do believe the current Service Provider has tried to do what is best for the organization, but lacks strategic guidance from the City and County (CIO). The current Service Provider needs to improve IT best practices in the following areas:

- Licensing
- Asset Management
- Change Control
- IT Governance
- More IT helpdesk structure
- Improve Data Center Physical Security – See Findings
- Improved Third Party Access and Network/User Access
- Disaster recovery planning
- Business continuity planning
- Patch Policy
- Incident management
- Service level agreements for key applications
- Some of these processes need to be documented and controlled by the businesses within the City and County.
- Improved system monitoring and auditing
- Document a better backup and restore procedure including frequent testing
- PCI and HIPPA Audits
- Ensure Type 16(Formerly known as SAS 70 Compliance)

The current help desk provides employees with an area to resolve issues and employees feel that they are getting adequate services in this area. Our investigation showed a lack of traceability around break-fix and without this documentation the city and county have no way to proactively prevent future issues and foresee system replacements.

City and County Data Center

The Data Center in the City Building is one of the biggest risks found in this assessment. The datacenter sites in front of a large glass window and would be wiped out by a tornado or high winds. The physical security and access to this center is below best practices for data centers housing critical HIPPA, PCI and financial data. No one should be able to enter this facility without an independent signature and ID check.

IT Governance

We investigated the usefulness and effectiveness of the ITAC committee and found that it does not have the ability to set direction nor should it. We will discuss in detail how to fix this body and have a chartered

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committee that has the goals of the City and the County at the forefront. This has created confusion on how the business leaders(departments) engage IT. This role is normally filled by a steering committee and a Project Management Organization. The City and County do not often share strategic goals and have limited benefit from a shared ITAC committee. We believe strongly that the City and County do not share enough strategic vision to warrant a joint committee on IT. The County has a strong focus on helping Townships and cities, while the City's focus, primarily is citizen security, and quality of life improvements. By sharing this committee they prevent each other from moving independent yet strategic goals forward. The City and the County should have their own Steering Committee with an understanding of how and when to engage each other to leverage services and infrastructure where it makes sense.

A few years ago the City and County embarked on selected a new financial system that would allow the City and County provide better services to the citizens and replace the antiquated financial system that existed for over twenty years. We believe the City and County selected an application that will meet those goals. They did not engage in a process that would identify key stakeholders and placed the project management responsibilities on an employee who was not qualified to implement a Financial System of this size and scope. This employee did a good job, but this process should have been managed by a professional project manager. In an attempt to provide value to the City and County, the Service Provider was asked to provide a project manager. Unfortunately the Service Provider was limited by a 90K dollar spend. The average mid-level project manager in the Evansville Marketplace cost over 110K. This project requires a senior level PM with ERP (Enterprise Resource Planning) and financial systems roll out experience. These employees cost over 125K dollars. The 90K employee provided by the Service Provider was over his head and not empowered to affect the change needed to improve the implementation of Munis by Tyler Technology. The Service Provider should not have provided this resource and the result has reflected negatively on both the PM and the Service Provider.

City and County Commingling of Services

We do not believe the comingling of city and county assets and services to be beneficial. There may be some savings in sharing certain environments, but there are not Service Level Agreements in place to discuss financial, change and strategic responsibilities and who is responsible. This has been left in the hands of the Service Provider. The City and County comingle services and hardware. There is no governance to support this structure.

The City's website is outstanding and well thought out. This does not imply that improvements are not needed, but any improvements should be developed using best practices and should be developed based on the Strategic vision for the City(i.e. social media strategy, online scheduling parks and rec.)

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Recommendations

The most important take away from this assessment is the City and County need to establish their own strategic visions. These should be independent groups that understand how to leverage existing technologies, but make decisions for each entity based on what is best for their own business goals. We recommend the formation of the following in order:

Service Management Organization – Responsible for enforcing SLA's and acting as CIO for City and/or County. They help all vendors navigate the cities structure and help the business drive strategic initiatives. They will hold the Service Providers accountable for Service Level Agreements and report to Executive management. This organization should be measured on defined yearly goals with a defined fee held in reserve when documented goals are met. See the Recommendation Presentation for full details. This organization would also establish a PMO(Project Management Organization) and be responsible for ensure delivery of all projects defined as relevant (usually based on price or visibility)

We recommend the elimination of the ITAC and replace with a Steering Committee. The City and County should each have their own Steering Committee.

Please see the full Technology Action plan for our recommendation and budget.

I would personally like to thank you and your team for the cooperation required to make this a successful assessment. McGladrey looks forward to working with you and your team in the future. We know we can provide the guidance and leadership needed to employ many of these exciting new strategic initiatives and the tactics required to execute on a day to day basis.

Sincerely,



Thomas Cohen
Consulting Leader, Great Lakes Strategy and Advisory
McGladrey, LLP