COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: June 29, 2015

TO: Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

FROM: Laurie Panella, Chief Information Officer, IMSD

SUBJECT: **Report from the Chief Information Officer (CIO) of the Department of Administrative Services - Information Management Services Division (DAS-IMSD) requesting approval of an administrative process for IT purchases**

Issue

The 2015 Milwaukee County Budget established an Information Technology Steering Committee (ITSC) to review and approve software and hardware purchases in excess of $500. The budget further directed IMSD to develop an administrative process by which departments receive approval for replacement items and maintenance agreements or license renewals. This administrative process is subject to the approval by the County Board as stated in the 2015 Budget.

Background

It is best practice for organizations to establish a governance structure around the approval and prioritization of IT spend in order to maximize value for the enterprise. The 2015 budget includes the following language establishing the ITSC as well as the centralization of the procurement of technology goods and services:

Information Technology

An Information Technology Steering Committee is created in 2015 to review and approve information technology purchase requests (hardware or software) with a unit cost of greater than $500. Per best practices identified by the Government Finance Officers of America & Canada, all funds for information technology purchases with a unit cost of greater than $500 are budgeted in the Information Management Services Division of the Department of Administrative Services (DAS-IMSD). No County department or office may purchase information technology-related items with a unit cost greater than $500. The Chief Information Officer will develop by 2015 an administrative process, subject to approval by the County Board, by which departments receive DAS-IMSD approval for replacement items (commodities), updated maintenance agreements or software license renewals that exceed this amount; however the administrative process must require that any request for new or replacement software applications or significant hardware upgrades or purchases must be approved by an Information Technology Steering Committee. The Information Technology Steering Committee shall be comprised of at least one member each from the legislative and judicial branch and one from the Office of the Sheriff.

Intent of the 2015 Adopted Budget

The goal of the centralized spend initiative is to achieve the following results:

- Volume purchase discounts
- Simplify the technology environment leading to more efficient service and ultimately cost reduction
- Ensure license compliance and to implement more efficient license methodology
- Purchase software tools that can be implemented across multiple departments and divisions in order to leverage information across the enterprise

Administrative Process for IT Purchases

In the last quarter of 2014, a Continuous Improvement Project was launched to review the IT purchasing process undertaken by County departments. Representatives from Procurement, IMSD, Parks, Child Support Services, Aging and the House of Correction participated in reviewing and optimizing the process.

Attachment A is the final report from the project team showing the project charter, the current state as of fall 2014 and the efficiencies realized with the future state. Attachment B is the purchasing process that is currently employed for the IT Centralization initiative and is a result of the Continuous Improvement Project.

The IT Centralization process encompasses all County departments with the exception of Transit, Airport and non-departmental organizations.

The original language in the budget narrative identified $500 as the minimum unit cost for IT purchases subject to the review of the ITSC. Attachment B reflects a process with a minimum unit cost of $50,000. The $50,000 limit for projects to be reviewed by the ITSC is in line with research conducted by IMSD.

The ITSC will not have authority of day to day operating spend but the authority to review, approve and prioritize mid-year IT projects as well as review IT project budget requests and recommend inclusion into a future year budget. An information report regarding the role, responsibility and membership of the ITSC will be presented at a future committee date.
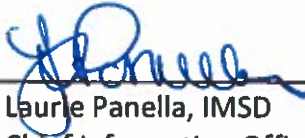
Recommendation

The Chief Information Officer of the Department of Administrative Services - Information Management Services Division respectfully requests authorization to implement the Administrative Process as identified in Attachment B.

Fiscal Impact

There is no fiscal impact to this request.

Approved by:

Laurie Panella, IMSD
Chief Information Officer

cc: Chris Abele, County Executive
       Supervisor Willie Johnson, Jr., Co-Chair, Finance, Personnel and Audit Cte
       Supervisor Theo Lipscomb, Co-Chair, Finance, Personnel and Audit Cte
       Supervisor Jason Haas, Vice Chair, Finance, Personnel and Audit Cte
       Raisa Koltun, Chief of Staff, County Executive's Office
       Kelly Bablitch, Chief of Staff, County Board
       Teig Whaley Smith, Director, DAS
       Josh Fudge, Director, Office of Performance, Strategy & Budget, DAS
       Steve Cady, Research and Policy Director, Office of the Comptroller
       Janelle Jensen, Committee Clerk, Finance and Audit Committee
       Ayce Chiappetta, Fiscal Management Analyst, DAS-PSB
       Clare O'Brien, Fiscal and Budget Manager, DAS-Business Office

Attachments (2)