

**DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS TESTIMONY
BEFORE THE CITY COUNCIL COMMITTEES ON CONTRACTS, TECHNOLOGY, AND
OVERSIGHT & INVESTIGATIONS
RE: INTRO. 0498-2014 / CONFLICTS OF INTEREST IN CITY CONTRACTS
MONDAY, DECEMBER 15, 2014**

Good afternoon Chairs Rosenthal, Vacca, and Gentile members of the committees on Contracts, Technology, and Oversight and Investigations. My name is Anne Roest and I am the Commissioner of the Department of Information Technology and Telecommunications, or DoITT, and New York City Chief Information Officer. Thank you for the opportunity to testify today.

As the City's IT agency, DoITT supports the underlying technology and systems for many City agencies and entities, and provides assistance in facilitating implementation of programs where it can offer expertise and advice. While DoITT is not involved in all of the City's large-scale technology initiatives, it has played key roles in many. Our experience has led us to the firm belief that the better managed a project is, the less likely it is to be susceptible to fraud and waste. As Commissioner I intend to instate stronger governance practices for all DoITT-led projects and look forward to working with the City's technology leadership to define a larger, citywide approach to governance.

I will focus my remarks today on one such large tech initiative DoITT is currently actively engaged: the Emergency Communications Transformation Program, or ECTP. I have been tasked with assessing, restructuring, and managing ECTP since my appointment last spring, and offer this insight as an example of a rigorous evaluation of a multi-stakeholder, multi-year initiative that has significant impact on New Yorkers. There are also similarities between ECTP and other large technology initiatives the City has undertaken, and there are lessons to be gleaned across these programs.

In 2004, the City of New York began the ECTP, a five-year project to modernize and consolidate the City's 911 emergency communication system – the most complex and expansive system in the nation. As you may recall, eight years later, in December, 2011, as part of the ECTP, the NYPD and FDNY 911 operations were co-located into the first Public Safety Answering Center (PSAC). Since then, the City has been moving toward the development of the second PSAC, in the Bronx, to ensure fully-redundant 911 operations for the first time in its history.

By the end of 2013 the projected opening date for PSAC 2 was December 2015. During a May 2014 briefing for the City's First Deputy Mayor, however, it was communicated that the go-live date for PSAC 2 had slipped dramatically and would now be delayed to 2018. In addition to this delay, the cost was expected to increase significantly. Finding this to be unacceptable, and knowing the history of the program, the First Deputy Mayor ordered a full assessment of all facets of the program. DoITT was to focus its particular review on the technological components of ECTP and where processes and practices could be improved to ensure successful delivery of PSAC2 and all of its technology.

DoITT's report, issued on August 6, 2014, was a full review of the technological aspects of ECTP including budget, schedule, and governance. In it, DoITT made several recommendations on how to correct any deficiencies in the overall management of the program going forward. I would like to review for the committees some of the recommendations the City has been implementing in an effort to improve the 911 emergency communication system.

Hopefully, our findings will lend themselves to offering guidance as the City assesses its processes for the management of future large-scale city contracts – IT or otherwise.

Governance Recommendations

On large projects – and especially large IT projects – we know we need a governance model that offers clear accountability or direction for stakeholder decision making and escalation. With regard to ECTP, that model should enable, and require, sustained participation from all stakeholder agencies for the duration of the program, and include executive-level oversight with active and committed participation from agency heads.

Accordingly, as part of our governance recommendations we created the ECTP Steering Committee, responsible for directing and advising the ECTP Program Management. Its role is to understand the key issues, risks and requested changes, approve or escalate budgetary-related changes, and to provide advice and decision making for escalated items. In short, the Steering Committee’s role is to monitor program progress and carry back information about its decisions to the respective segments of the program.

We also took management control back from the systems integrator (SI),¹ making it clear that we are responsible for the successful outcome of the project. In short, we can outsource work, we can outsource management tasks, but we cannot outsource responsibility.

Schedule Recommendations

Our review indicated that large IT programs can be divided into multiple, smaller, and more manageable projects. Breaking up very large technology initiatives into smaller, more discrete and attainable parts can allow the City to adapt to advancing technologies as well as expand the pool of potential vendors able to successfully bid on a project.

Budget Recommendations

To exert greater direct control of ECTP, we recently reduced the number of consultants managing delivery of PSAC2 from nearly 140 to just over 30, and shifted much of their responsibility to City staff. Our review also found that the City could get the best value by developing a sourcing strategy for the remaining procurements. We eliminated “layered procurements” – and therefore layered markups – by buying directly from the source rather than buying through a systems integrator.

Vendor and Contract Management Recommendations

Our findings also indicated the value of appointing a Vendor and Contract Management lead, and providing staffing necessary to effectively oversee the numerous vendor engagements and contracts associated with the program. We are seeking to eliminate layers of vendors wherever possible, so that the vendor directly responsible for delivery is in turn directly communicating with stakeholders and City program management – not with other vendors.

The lessons we have learned from our ECTP review validate some related initiatives DoITT has underway, and which I would like to conclude with here.

¹ Systems Integration refers to the design, build, and implementation of applications, networks, systems, or IT infrastructure. In layman’s terms, a Systems Integrator is the contractor responsible for ensuring that all the technological components of a program work together.

First, DoITT has recently launched new citywide SI contracts, the first ever standard technology contracts developed specifically for New York City projects. Open to agencies and entities citywide, these contracts offering competitive pricing, well-defined requirements, and performance standards, and are written in plain language for ease-of-use by technical and non-technical project managers and executives alike. These contracts also open up City technology initiatives to a wider range of companies by dividing projects into two classes – those up to \$5 million and those up to \$25 million.

Included in these contracts are greater accountability and protective measures for the City, such as a requirement for performance demonstration requirements, code reviews, and deliverable inspections at any time. If it becomes apparent that a project is not meeting deadlines or will launch late, the City is able to default the contractor without any delay.

As another example of our work to address challenges with contract delivery, DoITT developed the Project Management Office “Workshop Training Program.” In an effort to share knowledge and constantly improve the way we work, DoITT offers workshop training on Program/Project Management and Project Delivery topics. Over the past three years we have conducted more than 200 workshops for more than 1500 participants from 30 different City agencies. Sessions are typically two-hour long, high-level, informal discussions, on topics including “Project Management Work Planning,” “Project Management Risk Management,” and “Requirements Elicitation.”

Effective contract and project oversight is a critical function of any government, particularly for one as large and complex as ours. I hope DoITT’s experience in reviewing and administering large-scale contracts can prove instructive as the City pursues future large-scale IT initiatives to improve the delivery of services to New Yorkers.

I thank the committee members for their time this morning, and happy to take any questions you may have

Thank you.