

**DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS TESTIMONY
BEFORE THE CITY COUNCIL COMMITTEES ON LAND USE AND TECHNOLOGY
FISCAL YEAR 2011 PRELIMINARY BUDGET
WEDNESDAY, MARCH 16, 2011**

Good afternoon Chairs Comrie and Cabrera, and members of the City Council Committees on Land Use and Technology. My name is Carole Post, Commissioner of the Department of Information Technology and Telecommunications, or DoITT. Thank you for the opportunity to testify today about DoITT's Fiscal 2012 preliminary budget and some of the agency's initiatives and goals for the year to come. With me today are Brett Robinson, our Deputy Commissioner for Financial Management and Administration, and Mitchel Ahlbaum, our General Counsel and Deputy Commissioner for Franchise Administration.

I will begin today with DoITT's budget summary followed by an update on DoITT's work over the past year, with some concluding detail about the initiatives we have underway to continue to improve the delivery of IT services to New Yorkers and the agencies that serve them.

DoITT's Fiscal 2012 Preliminary Budget provides for operating expenses of approximately \$377 million, an increase of \$25 million from the Fiscal 2012 November Budget, and a net decrease of \$38 million from Fiscal 2011's current modified budget. This increase is largely due to maintenance costs associated with several large-scale upgrades including to the mainframe and the CityNet network. The budget includes \$79 million in Personal Services to support 1,007 full-time positions, and \$298 million for Other than Personal Services. Of the \$298 million, 36 percent, or \$108.7 million, represents Intra-City funds to be transferred from other agencies to DoITT for services it provides. Telecommunications costs represent the largest portion of the Intra-City expense; Fiscal 2011 Intra-City telecommunications expenditures are budgeted at \$95.6 million, while total telecommunications costs are budgeted at \$116.8 million.

Now let me share some agency highlights since last testifying before these committees. DoITT's mission is to modernize IT systems, unlock data and information, and innovate the way government uses technology to deliver services. In the past year we have taken a number of important steps to deliver upon this mission.

First, we have worked to position the City's IT departments to better function as an enterprise – rather than as a collection of separate entities – to drive citywide efficiencies and savings around IT investments. Through Executive Order 140 that Mayor Bloomberg issued in October 2010, DoITT is working to centralize the coordination of information technology planning and policy for the City. We will do so by:

1. Implementing the Citywide IT Infrastructure Services Program (CITIServ) and provide for an IT shared services environment;
2. Establishing more enterprise IT contracts to provide favorable pricing and beneficial conditions for City agencies; and
3. Developing citywide IT policies and standards where appropriate.

What Executive Order 140 does, essentially, is formalize what DoITT has been working toward for some time: a coordinated approach to citywide IT implementation and policy. And last month, we marked a major milestone in these efforts when I joined Mayor Bloomberg and Deputy Mayor Stephen Goldsmith in opening the City's new state-of-the-art data center in downtown Brooklyn. The facility will allow the City to centralize the technology infrastructure of more than a dozen agencies over the next year and that of more than 40 agencies over the next five years, saving roughly \$100 million.

The process of consolidating, unifying and re-purposing disparate data centers is now or will soon be underway at agencies across the City, and our new data center provides the capacity and services to ensure seamless transitions for those agencies – particularly those with systems nearing end-of-life or seeking to expand to meet space, storage or power needs. Those investments can now be combined, reduced or eliminated.

In Fiscal 2011 we will achieve just over \$5 million in cost savings or avoidance associated with CITIServ, which is the amount we sought to achieve. As the program continues, including migrations projected for Fiscal 2012, the associated savings and cost avoidance will increase accordingly.

In addition to the consolidation of IT infrastructure, DoITT has also worked to streamline the provision of services and software through key enterprise contracts.

In Fall 2010 DoITT completed negotiations with McAfee to procure enterprise workstation security software and services for a five-year term, **with an estimated savings of \$18 million** over that period plus a wide array of security services and features that are now available to every City agency – including several network monitoring tools that have never been made available before.

Shortly thereafter, we announced a wide-ranging IT agreement with Microsoft to consolidate the dozens of disparate licensing agreements across the City into one and provide more than 100,000 City employees with state-of-the-art computing power. The agreement is **estimated to save New York City a total of \$50 million** over the next five years.

In Fiscal 2012 and beyond, DoITT will pursue additional enterprise licensing agreements, leveraging the City's size and scope to achieve deep discounts and beneficial terms and conditions on citywide IT contracts.

Another significant highlight of the last year regards continued utilization of the New York City Wireless Network, or NYCWiN. NYCWiN is the City's secure, broadband wireless network created for public safety and public service operations, and provides agencies real-time access to high-speed voice, video and data communications, allowing field workers to access agency systems and applications via laptops and handheld devices. Over the past year we deployed more than 600,000 devices that use the network, thus avoiding the expense of using commercial carriers and ensuring secure and reliable service. The network is currently being used by police officers to access a wide array of crucial information in the field; by the Department of Transportation to centrally monitor and wirelessly program traffic lights during rush hours, special events and emergencies; and by the Department of Environmental Protection – and the public – to track water use via automatic meter reading. NYCWiN was also used to stream real-time live video of snow conditions vis-à-vis the "Snow SCOUT" teams that were deployed in January.

Another citywide technology initiative is the Emergency Communications Transformation Program, or ECTP, to improve the City's emergency communications services. DoITT serves as the technical lead for ECTP, which is led overall by the Office of Citywide Emergency Communications. In June 2010, call-taking and dispatch operations for the Fire Department and Emergency Medical Dispatch successfully deployed to the new facility using upgraded and modern equipment. The Police Department is expected to move into the facility by the end of the year.

In addition to our work in optimizing the City's IT infrastructure, DoITT continues to advance a range of programs that use technology to improve the accessibility of government services.

For example, in the area of broadband, DoITT is working with partners across the city to develop a comprehensive strategy around expanding broadband availability and adoption. These efforts have contributed to our success in garnering more Federal broadband stimulus funding than any other city, or by any state, to benefit New Yorkers who have traditionally been underserved: the elderly, low-income households, and those relying predominantly on publicly-available access.

In January DoITT joined the Department of Education and Federal, State, and local elected officials and other partners to launch NYC Connected Learning. This program provides training, curriculum and classroom technology support to more than 18,000 low-income students and their families at public schools citywide, helping teachers and school leaders to facilitate on-line learning both in school and at home.

In September DoITT reached agreements in principle with the city's two incumbent cable television providers, Cablevision and Time Warner Cable, on the renewal of their franchises – both of which provide significant public broadband-related benefits, such as:

- Creation of public computer centers in low-income communities;
- Installation of WiFi in portions of 32 parks in low income neighborhoods; and
- Investments to bring fiber into commercial buildings not currently being served in some of the city's industrial and manufacturing areas.

In addition to these efforts, DoITT introduced a number of innovative tools and solutions to help better deliver City services and to help New Yorkers more easily engage with City government. Some examples include:

- the new **311 Service Request Map** which provides location and status information for 311 complaints filed over the past year across 15 categories and more than 100 subcategories. This new tool complements the successful launch of 311 Online and its companion – the free 311 Mobile App for iPhone. In the near future, we will introduce a 311 text messaging feature to provide yet another channel for users to obtain valuable information about City services.
- the **NYC Snow Site** which provides real-time information on services and alerts during a snowstorm or possible other weather conditions and events, and also provides a forum where users can post comments and upload photos.
- the **City Council's Discretionary Fund electronic application**, which enables not-for-profits to more quickly and easily apply for funding – and for the Council to more quickly respond to and track awardees.
- enhancements to the **Business Express** tool which makes opening a business in the City faster, simpler, and clearer by providing a comprehensive online service to identify required licenses and permits.
- **NYC BigApps 2.0**, the second iteration of the City's successful open data competition, which makes more than 350 datasets – double the amount from the first round – available through DoITT's DataMine on *NYC.gov*. Shortly, winners will be announced including two Popular Choice winners chosen during a public voting period.

Through these initiatives and many others, DoITT is working to extend its current capabilities and apply proven methodologies to maximize fiscal investment, increase performance, and leverage economies of scale.

To conclude, I will briefly detail our approach to managing the delivery of these initiatives to ensure the most efficient use of taxpayer dollars on IT projects.

Over the past year DoITT has improved customer support to agencies by expanding and rigorously applying the use of project management tools, and augmenting the use of performance metrics to report on DoITT's operations, to both internal and external customers. And DoITT's Project Management Office works to leverage existing technologies, establish standards for new technologies, and provide smooth transitions from project concept to execution. This focus has already manifested itself in returns for taxpayers as DoITT's project management staff has assumed responsibility for several IT initiatives, obviating the need for outside project management consultants.

DoITT also created a Vendor Management Office to improve vendor accountability and performance within and beyond the agency and to implement appropriate policies, procedures and standards around vendor engagements. The Vendor Management Office's focus is threefold:

1. Enhancing and expanding the successful program for offering citywide IT backdrop contracts.
2. Developing a rigorous administrative program for managing and monitoring vendors and consultants within DoITT.
3. Establishing citywide, strategic, and comprehensive management of the vendor community. This means positioning the City as an enterprise to get the most for every tax dollar spent – as in the aforementioned Microsoft deal – but also holding vendors accountable for their dealings with the City across all engagements, not solely on a project-by-project basis.

Finally, while there will almost always be a need for highly-specialized, outside technical expertise, it is important to note that not all IT projects are the same, and so not every IT project requires identical approaches to technical support. Therefore, we are examining many projects to ensure the right mix of external IT expertise complemented by the considerable talents of DoITT's own IT professionals. This approach can often reduce costs and allow us to develop in-house talent that can be applied across multiple projects.

As described today, we have taken a number of important steps over the past year to save taxpayer dollars and enhance service delivery. While I have discussed but a few of these many initiatives here today, I invite you to review DoITT's 2010 Annual Report on NYC.gov, outlining how we are helping agencies and other partners meet their IT needs, as well as providing modern, reliable and secure IT infrastructure for a 21st-century New York City. We look forward to continuing this work in Fiscal 2012 and beyond.

Thank you again for your time this afternoon. We would now be pleased to address any questions you have.