

For the Agenda of:
September 16, 2009

To: Board of Supervisors

From: Office of Communication and Information Technology

Subject: Report Back – Overhead Cost Reductions For Office of Communications and Information Technology (OCIT)

Supervisory District: All

Contact: David Villanueva, Chief Information Officer – 874-7825

Overview

On September 11, 2009, the Board of Supervisors requested a report back on overhead cost reductions made by OCIT, the County Executive Office and the County Executive’s Cabinet. This report includes past and planned reductions from OCIT.

Fiscal Impact

OCIT reduced its budget from \$57.6 million in Fiscal Year 2008-09 to \$48.1 million in Fiscal Year 2009-10. 35 staff positions were eliminated or unfunded and eleven contractors were released. The \$9.4 million savings significantly reduced the burden of OCIT’s allocated costs on General Fund Departments. In addition to these savings, OCIT was able to return \$4.6 million savings in Fiscal Year 08-09 on June 30, 2009.

BACKGROUND

The Office of Communications and Information Technology (OCIT) provides IT services to county departments, with service costs allocated to user departments as part of the annual Allocated Cost Package.

OCIT has made a strong commitment to reducing our overhead costs, cutting our budget by 16.4% and reducing positions by 14.7%, in order to relieve the General Fund as much as possible. OCIT has also absorbed a significantly increased workload without raising rates, and in fact refunded \$4.5 million dollars to customers, \$3.7 million of which was General Fund money.

Significant efforts this year have included:

- Assisting Health and Human Services by consolidating its departmental help desk operations into the Countywide Service Desk operated by OCIT (at no additional cost to DHHS.) DHHS had staffed its help desk with five contractors.
- Assisting General Services by consolidating its departmental help desk operations into the Countywide Service Desk operated by OCIT (at no additional cost to DGS).

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- Consolidating the workload of the Human Assistance Network Support and its IT Manager. A salary resolution amendment (SRA) will be submitted to move the rest of the team into OCIT (2 Senior IT Analysts).
- Saving the County \$270,000 by reviewing and monitoring employee cell phone plans.
- Extending Voiceover IP phones to departments where replacing their old failing equipment will actually decrease their per phone costs by \$60 per year.
- Reductions to management included unfunding two Deputy Director positions and two IT Manager positions; and deleting one IT Manager and one Accounting Manager positions.
- Renegotiating costs with various software maintenance vendors to achieve reduced rates for the County in excess of \$200,000.

OCIT's commitment to support the County Executive's directive to develop a plan for consolidating IT services will continue this year as more opportunities to save money and become more efficient are determined.

Respectfully submitted,

APPROVED
TERRY SCHUTTEN
County Executive

David Villanueva, Chief Information Officer
Office of Communications and Information Technology