

PLACER COUNTY

ADMINISTRATIVE SERVICES DEPARTMENT

MEMORANDUM

TO: Honorable Board of Supervisors

FROM: Richard J. Burton, M.D., M.P.H.
Placer County Health Officer and Director of Health & Human Services
Clark L. Moots, Director of Administrative Services
Bekki Riggan, Principal Management Analyst

DATE: August 9, 2011

SUBJECT: *Service Delivery Options and Recommendation Update* - Approve the Implementation of the Health & Human Services and Administrative Services Department's Information Technology/Management Information Systems Consolidation Plan.

RECOMMENDATION

Approve the implementation of the Health & Human Services and Administrative Services Department's Information Technology/Management Information Systems (IT/MIS) Consolidation Plan and Authorize the Director of Administrative Services and the Director of Health & Human Services to take the necessary steps to fully transition the Health & Human Services' MIS program into the Department of Administrative Services' Information Technology Division in accordance with County policies and Industry Best Practices.

BACKGROUND

On April 27, 2010 your Board affirmed Placer County's continued use of service delivery options and the implementation of process improvements and best business practices. In addition, your Board authorized the Executive Officer, in accordance with County departments, to evaluate further practical use of service delivery options, and return to your Board with implementation recommendations.

On August 10, 2010 the County Executive Officer received further direction to implement the first of five (5) service delivery options. These options included Parks and Custodial Services, Bus Drivers, Two-way Radio Installations, Dental Services and Engineering/Surveying Services.

Consistent with your Board's direction, on October 2010 the Health & Human Services Department approached the Administrative Services Department's Information Technology Division with a request for an Assessment of the Health & Human Services' Management Information Systems Program (HHS/MIS) to review the organizational practices and ensure they were aligned with overall Information Technology Governance principles including Best Practices for Information Technology. The Assessment was completed in December 2010 and found that the HHS/MIS program was well managed and followed industry Best Practices. However the Assessment also identified inefficiencies of operations due to duplication of

services and non standardization of technologies between the HHS/MIS program and the Administrative Services Department's Information Technology Division.

During the past six months the Executive Management Teams of the Health & Human Services and Administrative Services Departments have worked closely to develop a reverse privatization, consolidation strategy that focuses on the consolidation and optimization of the HHS/MIS program through a sustainable service delivery solution. This solution was identified as the IT/MIS Consolidation Plan.

The IT/MIS Consolidation Plan is a phased, cost effective approach for eliminating the duplication of services while maintaining the quality of services being delivered through the efficient utilization of technical and professional resources. The IT/MIS Consolidation Plan is comprised of a proposed implementation strategy, a detailed staffing/allocation model and identifies the facility requirements to successfully implement the Plan over an 18 to 24 month period. The anticipated annual program costs savings associated with the transition of the Health & Human Services' MIS program into the Department of Administrative Services' Information Technology Division is between \$300,000 and \$400,000.

Phase 1 will focus on the consolidation of Data Centers, Helps Desks, Software Applications and initial Facility Requirements. Phase 2 focuses on the consolidation of Disaster Recovery Sites, Staffing/Allocation Requirements and a sustainable Funding Strategy.

To ensure the implementation of the IT/MIS Consolidation Plan is consistent with your Board's direction and existing County policy the County Executive Office recommended the inclusion of a Policy and Funding Team to assist and mitigate any labor related issues and compliance with federal/state funding mandates.

In order to move forward with the implementation of the IT/MIS Consolidation Plan your Board's direction and approval is being requested. This consolidation will allow the Health & Human Services and Administrative Services Department's to maximize revenues and maintain a focus on the delivery of their respective core services.

FISCAL IMPACT

One-time costs resulting from this recommendation including the consolidation of Information Technologies (\$113,000) and the facility requirements associated with the necessary moves (\$387,000) will not exceed \$500,000. With the approval of your Board, \$500,000 for service delivery improvements will be re-budgeted with final budget to fund the implementation of the IT/MIS Consolidation Plan. The anticipated annual program costs savings associated with the transition of the Health & Human Services' MIS program into the Department of Administrative Services' Information Technology Division is between \$300,000 and \$400,000.