



**BOARD OF SUPERVISORS  
AGENDA LETTER**

**Agenda Number:**

**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** CEO  
**Department No.:** 012  
**For Agenda Of:** December 14, 2021  
**Placement:** Administrative  
**Estimated Time:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** 4/5ths

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**TO:** Board of Supervisors  
**FROM:** CEO  
Mona Miyasato, County Executive Officer  
Janette D. Pell, Director, General Services  
Contact Info: Jeff Frapwell, Assistant County Executive Officer 805-568-3400  
**SUBJECT:** **Countywide Hybrid IT Operating Model Contract and Amend Salary Resolution  
– All Districts**

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DocuSigned by:  
  
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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Recommended Actions:**

It is recommended that the Board of Supervisors:

- a) Approve and authorize the Chair to execute the Professional Services Agreement (PSA) with Gartner for Phase A - Hybrid IT Model, in the amount not to exceed \$475,000.00 and with an option to order Phase B – Develop Cost Assessment and Implementation Budget in the amount not to exceed \$126,000.00;
- b) Direct the Director of General Services to return with the results of Phase A and gain authority to either exercise or decline the option for Phase B – Develop Cost Assessment and Implementation Budget;
- c) Approve Budget Revision Request #0007961 in the amount of \$550,000 from General County Programs for Phase A and current fiscal year CIO salary (4/5 Vote Required);
- d) Adopt changes to the salary resolution (Attachment 2), which adds one (1) full-time Chief Information Officer (Department/Corporate Leader-Executive) to the County Executive Office effective December 13, 2021; and
- e) Determine that the above action is not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15378(b)(4) and 15378(b)(5) because it consists of government administrative or fiscal activities that will not result in direct or indirect physical changes in the environment.

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**Summary Text:**

On April 20, 2021, the Board of Supervisors (BOS) received a report by KPMG on a business case for a standalone Information Technology (IT) Department and endorsed the concept. The Board directed the CEO and General Services (GS) to proceed with the prerequisite tasks as outlined in Phase 1 of the KPMG report, which is the development of an implementation plan.

Based on the KPMG report recommending the development of an implementation plan to create a standalone IT Department, and the need to update the County's IT job classifications, compensation, and mapping, two scopes of work were developed: one for the standalone IT department implementation plan (the subject of this Board letter) and another to determine classification, compensation, and organizational mapping of IT positions (to be presented to the Board in January 2022). There is a synergy between the two different scopes of work. The job classifications will be developed as the IT Hybrid Model's future state organization is designed. Regardless of the final decision on whether to make IT a standalone department, IT job classifications, compensation, and mapping still need to be completed to update and review what currently exists. This need was identified in October 2016 and has not been completed.

**Background:**

The County currently has a highly decentralized information technology structure, with information technology services embedded within the Department of General Services. This function had been its own department in FY 2008-09 prior to the Great Recession. With increasing need for technology coordination, security, and cost efficiency, County staff began evaluating the costs and benefits of a singularly focused information technology department. KPMG's report recommended a hybrid model where some duties became more centralized in a countywide IT department and others remain decentralized in departments. Steps were outlined to further shape the development of this new department.

Staff solicited proposals for this next phase of work. KPMG and Gartner submitted quotes for both the standalone IT department implementation plan and the human resources classification, compensation and mapping work. The Gartner quote was less expensive and met the needs as outlined by the County. The Steering Committee overseeing this project (Jeff Frapwell, Maria Elena De Guevara, Daniel Neilson, Janette Pell, and Lisa Plowman) recommends the County engage Gartner for both scopes of work. HR will be responsible for coordinating the completion of all the job descriptions and assist Gartner as needed in the compensation and mapping exercise. Regardless of the Board's final decision on implementing a standalone IT department, the revised job descriptions can be implemented to ensure the County remains competitive within an ever-changing market.

**Discussion:**

As reported in the April 20, 2021 letter to the Board, the implementation plan will contain Phase 1 – Prerequisites for a Standalone Department, based on 4 major activities, or pre-requisites. Working collaboratively with all of the County's stakeholder departments, phase A will focus on refining the detailed scope and finalizing the organization and technology plan based on that scope.

***Phase A - Hybrid IT Model***

- Pre-requisite #1: Confirm scope of IT services and delivery model

With focus on discussing transition considerations, in collaboration with department staff, this activity involves documenting all services and systems to be provided by ITD to Departments, and which IT services and systems will be provided by other County departments.

- Pre-requisite #2: Create organizational change plans  
This activity involves defining the role of each position in the new structure, identifying skills/fit and capacity gaps, testing the market for availability gaps.
- Pre-requisite #3: Develop technology roadmap  
This involves developing a multi-year timeline of activities associated with migrating systems, infrastructure, and other services to be in the IT Department (ITD).

***Phase B – Develop Cost Assessment and Financial Implementation Plan***

- Pre-requisite #4: Assesses costs, savings potentials to develop a multi-year phased implementation financial plan  
This activity involves baselining current IT spend across the county, calculating and quantifying cost savings potential by identifying opportunities, benefits, and the future costs and implementation budget based on the technology roadmap.

The completion of these tasks will refine the costs and benefits of establishing a standalone department and prepare the County to implement a hybrid model, while ensuring both Countywide and departmental IT needs are addressed. Staff will return to the Board with that evaluation as part of final actions that need to occur to create a standalone department.

The initial estimate for the Phase 1 Implementation Plan was approximately \$1.6M to 2.1M in one-time costs (per the KPMG ICT Department Business Case (Attachment 4), page 15). The proposal of Phase A and B as presented here is less than the estimate provided by KPMG Phase 1 Implementation Plan.

Gartner Consulting is an international leader in IT Research and Consulting that brings together insight, benchmark data, and problem-solving methodologies with expertise and focus on helping IT leaders address their most critical priorities to achieve stronger business outcomes in a digital world. Gartner will complete the prerequisites identified in the KPMG Phase 1 Implementation Plan, identified in the Gartner contract as Phase A. Staff will return to the Board for approval of technology roadmap and Phase B, where Gartner will assess costs, savings potentials in order to establish a phased, multi-year, implementation plan for a standalone IT department.

**Chief Information Officer (CIO) (Attachment 2)**

As part of the study of making ICT a standalone department, KPMG developed a proposed job description and recommended salary range for the department director, or Chief Information Officer (CIO) position. As work proceeds on the prerequisites, staff will work with Human Resources on this job description and a recruitment strategy. It is recommended the recruitment for this position begin early in the process to allow the CIO to provide much needed capacity to contribute to prerequisite tasks identified in the implementation plan. Based on this recommendation, recruitment for the CIO is anticipated to be completed by the end of March 2022 and the position filled as of April 2022. Funding to cover the on-going salary and benefits costs for this position during the fourth quarter of this fiscal year is included in the attached Budget Revision, and future on-going funding will be included in the upcoming budget process for FY 2022-23. This position will initially be established within the County Executive Office's

department budget until such time a standalone IT department is created. Should the County not proceed with an IT department after the implementation plan is completed, the CIO position will still be necessary to focus expertise on technology advancements countywide.

It is expected the CIO will work collaboratively with the consultant and departments, building strong relationships. The CIO will not be expected to provide the daily support and supervision to existing ICT staff initially. This oversight will begin as the IT department leadership team is formed and structured in a way that will meet the design established in the Hybrid IT Model.

### **Fiscal and Facilities Impacts:**

**Budgeted:** Funding was set aside within the General Fund as part of the FY 2021-22 adopted budget to address the costs associated with the proposed professional agreements and partial year funding for the recommended additional Chief Information Officer position. Budget Revision Request #0007961 (Attachment 3) in the amount of \$550,000 will allocate the funding necessary from the General Fund for this project and also for the CIO salary and benefits beginning in April 2022. A proposed budget revision for the costs associated with Phase B will be incorporated in a future Board letter when staff returns with the results of the Phase A work effort.

<b>Contract</b>	<b>Services</b>	<b>Current FY 2021-22 Cost</b>	<b>Annualized On- going Cost</b>	<b>Total One-Time Project Cost</b>
Gartner - Phase A	Operating Model & Job Classification Study	\$ 475,000	\$ -	\$ 475,000
Gartner - Phase B	Implementation Financial Plan	\$ 126,000	\$ -	\$ 126,000
Gartner Total		\$ 601,000	\$ -	\$ 601,000
<b>Total Project</b>		<b>\$ 601,000</b>	<b>\$ -</b>	<b>\$ 601,000</b>
<b>Total Salaries &amp; Benefits - CIO</b>		<b>\$ 75,000</b>	<b>\$ 300,000</b>	<b>\$ -</b>
<b>Total Project + CIO - General Fund</b>		<b>\$ 676,000</b>	<b>\$ 300,000</b>	<b>\$ 676,000</b>

### **Staffing Impacts:**

#### **Legal Positions:**

Add 1 new

#### **FTEs:**

Add 1.0

### **Special Instructions:**

Please send one (1) copy of the minute order to Wesley Welch, Business Manager, County Executive Office at [wwelch@countyofsb.org](mailto:wwelch@countyofsb.org), and one (1) copy of the fully executed resolution and minute order to Stefan Brewer, Workforce Planning Division, Human Resource Department at [SBrewer@countyofsb.org](mailto:SBrewer@countyofsb.org).

### **Attachments:**

1. Attachment 1 - Gartner Professional Services Agreement
2. Attachment 2– CIO Salary Resolution
3. Attachment 3 - BJE #0007961
4. Attachment 4 - KPMG Report: Business Case for a Standalone IT Department

### **Authored by:**

Janette Pell, General Services Director