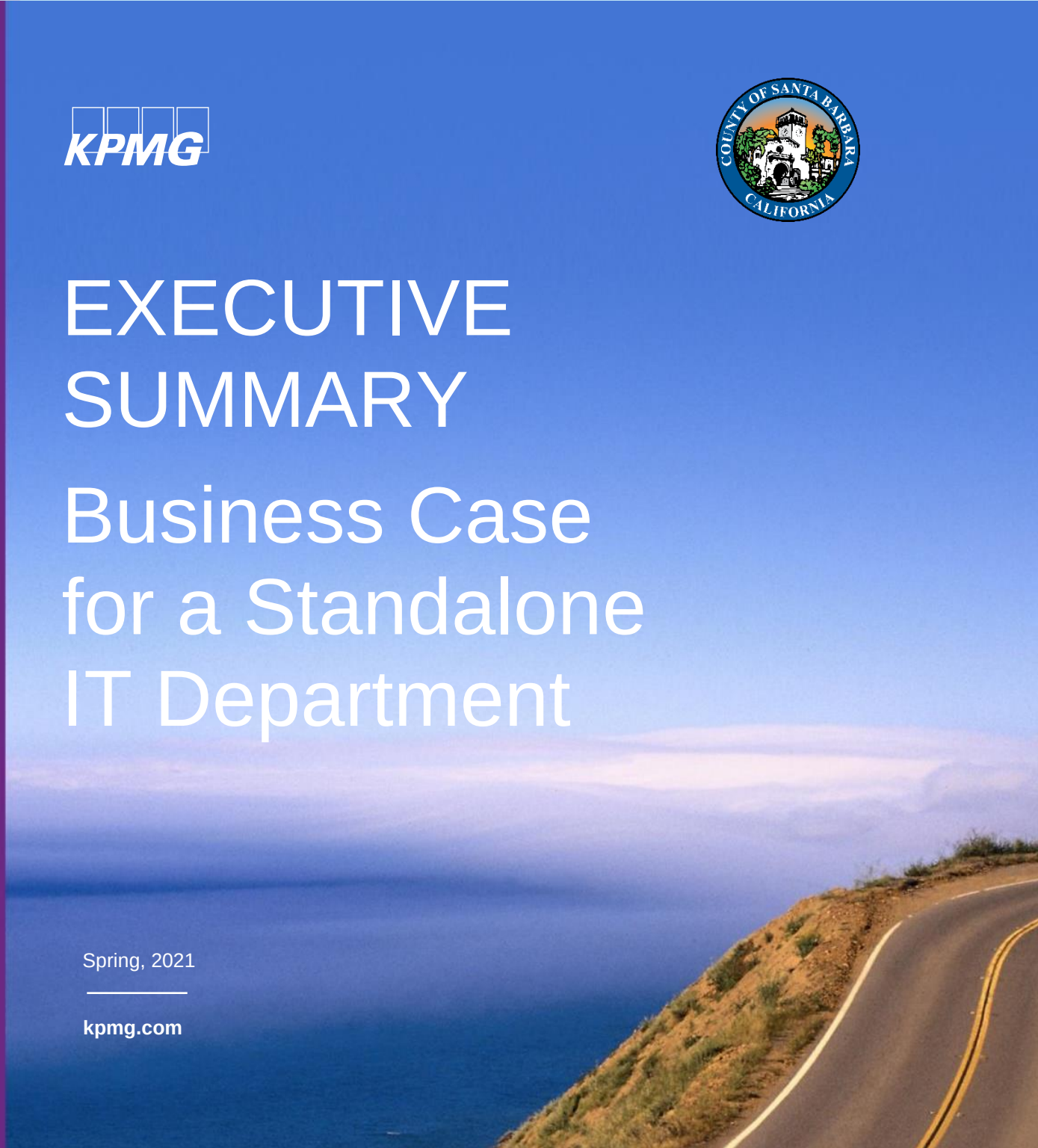
Attachment 1

KPMG Report: Executive Summary Business Case for a Standalone IT Department

EXECUTIVE SUMMARY

Business Case for a Standalone IT Department



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Executive Summary

Scope and Methodology

The County of Santa Barbara contracted with KPMG in May 2019 to conduct an operational and performance review of all County departments. In August 2019, General Services departmental review recommended that the County should establish ICT as a stand-alone department to increase resiliency, enhance risk mitigation, reduce redundancy, provide better performance and improve customer service. The purpose of this business case is to assess the county's IT current state, analyzed key inputs, and develop an implementation plan to establish ICT as a standalone department.

KPMG's 8-week engagement included:

Key stakeholder interviews with ICT management, as well as department heads of other County departments.

Peer county reviews of IT organizational approaches, size and costs of other California counties.

This fieldwork enabled KPMG to develop a conceptual scope for a stand-alone IT department and to identify the major activities, or pre-requisites, required to create the department.

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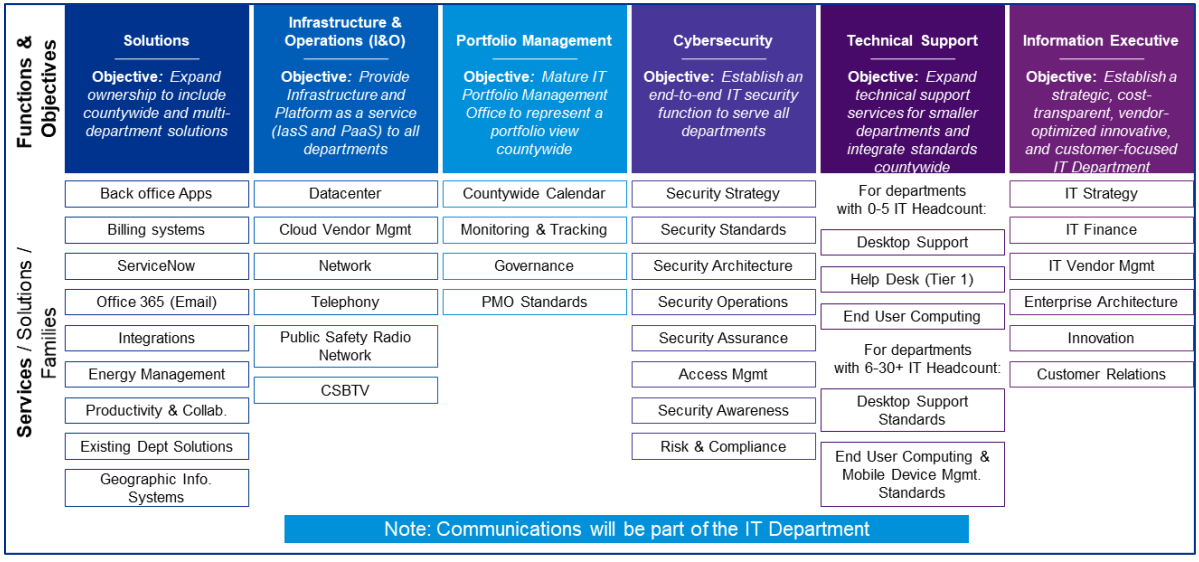
Target State

The stand-alone IT department is an example of a hybrid IT operating model. The central IT department provides shared solutions and services that are used or consumed by multiple departments. Departments retain IT staff to support solutions that are unique to the department. This hybrid model enables efficiencies while also allowing the unique needs of departments to be provided locally.

The proposed scope of the IT department includes the following:

Exhibit A: Objectives and conceptual scope of services



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Benefits

KPMG's analysis identified several benefits of this approach to IT:

- ✓ Enables various efficiencies
  - Reduction in IT vendor spend
  - Reduction in IT software license costs
  - Increased operational efficiency
  - Improved IT project outcomes
- ✓ Improves cybersecurity vulnerability management
- ✓ Strengthens IT cost control

Implementation Plan

KPMG developed an implementation plan based on 11 major activities, or pre-requisites, executed in 2 phases. The first phase focuses on developing the detailed scope and defining the organization and technology plan based on that scope. The business case for the IT department will be updated based on that design. Phase 2 is the implementation of that scope.

*Please see "**Exhibit B: Implementation Plan**" on the next page for details and timing.*

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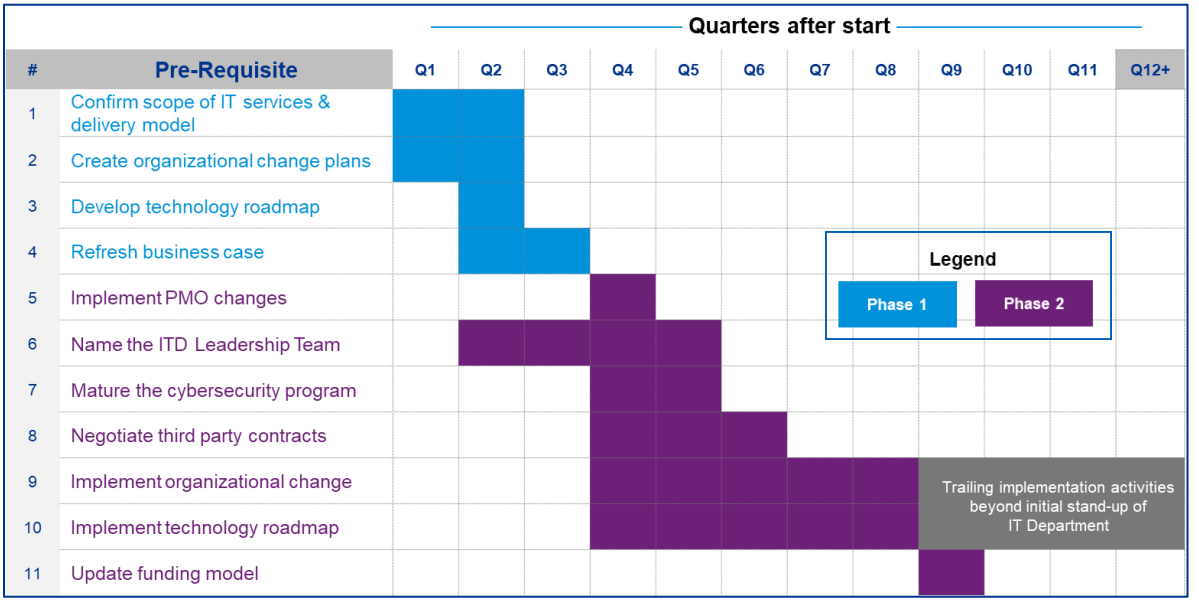
Exhibit B: Implementation Plan



Investment Considerations

KPMG also estimated the costs associated with this plan. Based on the analysis of peer counties with similarly scoped IT organizations, KPMG estimates that the IT department will include approximately 109 FTEs and will have an annual operating budget of approximately $29M. Implementation costs, exclusive of technology investments, are estimated to be between $6.7M and $7.6M. The cost analysis will be updated based on the detailed design that results from Phase 1.