

# NASCIO Recognition Awards: IT Project and Portfolio Management

## *District of Columbia Service Modernization Programs Oversight Office*

### Executive Summary

The DC Office of the Chief Technology Officer (OCTO) is focused on a long-term strategic plan that integrates and streamlines IT applications across the District in order to support more efficient government operations, and to deliver better, more seamless services to taxpayers. This approach is being executed through the existence of nine Service Modernization Programs (SMPs), each focused on a major functional area of business within the government.

By default, each existing SMP works in relative isolation from every other SMP, focused on its respective functional area. This isolation exacerbates project success risk for each SMP and would undoubtedly lead to increased costs due to inefficiencies. To address this issue, the SMP Oversight Office was established to implement SMPs in an effective manner that benefits the District holistically. The purpose of the SMP Oversight office is to:

- Align SMPs to District-wide priorities;
- Eliminate “gaps and overlaps” among SMPs;
- Create a District-wide SMP management framework to include identification and monitoring of benefits realization in SMPs.

The effective implementation of the SMPs will bring significant improvements to citizens as well as businesses. In order to meet this goal, the CTO has identified three key principles that must be reflected in virtually every technology initiative that the District undertakes:

- **Provision of a Benign Service Delivery Mechanism:** Deliver the same results via multiple methods of contact – web, email, call-center contact, or in-person.
- **Guaranteed Closure:** Ensure that a) the user is aware of all required steps in a particular process, b) the user and District representatives serving the user are aware of precisely where the user is in a particular process, and c) the user is fully aware of the actions that he or she must take to complete the process.
- **Provision of a Single Point of Entry:** Ensure that system and agency boundaries are transcended in a seamless manner.

Each new SMP is required to produce a complete “bottom up” benefits realization plan, as part of a standardized *Concept of Operations*, before moving to major development of applications. At the highest level, each of the nine SMPs is similar in scope of technology requirements. From a benefits realization perspective, the nine SMPs can be divided into three groups, each with a different mix and rate for benefits realization:

- **Back Office SMPs (Administrative, Financial and Transportation)** - Back Office SMPs automate processes that support the business of government internally and are largely invisible to residents.
- **Front Office SMPs (Citizen, Property and Motorist)** - These SMPs automate and support direct contact between the DC government and District residents.
- **Government Vertical SMPs (Human Services, Education, and Enforcement)** - Vertical SMPs automate delivery of specific high priority government functions with high demands for inter-agency collaboration. They are designed to improve service and reduce problems serving our most vulnerable constituents: those in need, those in school, and those in danger.

# **NASCIO Recognition Awards: IT Project and Portfolio Management**

## ***District of Columbia Service Modernization Programs Oversight Office***

### **A. A Citywide Problem Addressed**

The DC Office of the Chief Technology Officer (OCTO) is focused on a long-term strategic plan that integrates and streamlines IT applications across the District in order to support more efficient government operations, and to deliver better, more seamless services to taxpayers. This approach is being executed through the existence of nine Service Modernization Programs (SMPs), each focused on a major functional area of business within the government. Each of these programs is designed to identify, develop and deploy critically needed technology and technology infrastructure to District Agencies in order to facilitate new service offerings for District residents and realize new efficiencies and cost savings for the District government itself. Current and projected SMPs include: ASMP (Administrative); CSMP (Customer Service); ESMP (Emergency Services); EdSMP (Education); FSMP (Finance); HSMP (Health); MSMP (Motorist); TSMP (Transportation); and PSMP (Property).

By default, each existing SMP works in relative isolation from every other SMP, focused on its respective functional area. It is not feasible for an individual SMP to be aware of, let alone contribute to, the success of every other SMP. This isolation exacerbates project success risk for each SMP and leads to increased cost due to the following inefficiencies:

1. Incorrect scoping of individual SMPs
2. Inconsistent funding models/concept of operations, resulting in no “apples-to-apples” comparisons
3. Duplication of effort due to no coordination of common/shared capabilities
4. Lack of information sharing
5. Failure to standardize COTS platforms and leverage District-wide license-buying
6. Failure to consider SMP architecture in context

The SMP Oversight Office was established to address these issues and to implement the SMPs in an effective manner that benefits the District holistically. This office provides overarching coordination of activity between SMPs and has four primary responsibilities:

1. To ensure that SMP activities are coordinated in the most efficient manner possible.
2. To develop policies, standards and procedures that benefit all SMPs.
3. To serve as a source of business, financial, risk-management and technical counsel to SMPs.
4. To develop core common services and establish key infrastructures that are required to successfully deploy technology developed by the SMPs.

## NASCIO Recognition Awards: IT Project and Portfolio Management

### *District of Columbia Service Modernization Programs Oversight Office*

#### **B. Improvements that Make Government Work**

The SMP Oversight Office initiative supports several key District IT objectives, leading to significant improvements in government operation. These improvements include:

1. **Effective Delivery of Services:** deliver the right services to the right constituents at the right time.
2. **Accurate and Timely Intelligence:** ensure that SMPs are working together to deliver accurate and timely data on District infrastructure, cleanliness, crime, youth services, citizen complaints, and other operationally significant issues that can shared with the District leadership, DC Council, watchdog concerns and the public.
3. **Effective Tactics and Strategies:** support the District’s goal of cross-agency cooperation by establishing procedures, policies, and benchmarks that ensure accountability and support the Performance Based budgeting process.
4. **Rapid Response:** provide the organizational structure required to ensure that best practices, lessons learned and related experiential information is shared between each SMP, thus allowing SMPs to reduce development and deployment times and their related cost.
5. **Operational Savings:** realize operational savings by centralizing the development of certain common services, eliminating duplication of effort, “right-sizing” the scope of individual SMPs, and making it possible to share subject-matter expertise across SMPs.
6. **Public Accountability:** support the District’s goal of open governance with 360-degree transparency by standardizing SMP policies and procedures and providing a single center of SMP accountability.

#### **C. Benefits Realized by Citizens and Businesses**

Effective implementation of SMPs will bring significant improvements to citizens as well as businesses. In order to meet this goal, the CTO has identified three key principles that must be reflected in virtually every technology initiative that the District undertakes:

**Provision of a Benign Service-Delivery Mechanism:** Technology initiatives that provide citizen-facing services must be designed and implemented in a manner that delivers the same service results via multiple methods of communication – web, email, call-center contact, or in-person contact.

**Guaranteed Closure:** Technology initiatives that provide citizen-facing services must be designed in a manner that ensures that a) the user is aware of all required steps in a particular process, b) the user and District representatives who are serving the user are



## **NASCIO Recognition Awards: IT Project and Portfolio Management**

### ***District of Columbia Service Modernization Programs Oversight Office***

It is important to note that a great number of everyday citizen requests require complex, multi-step, cross-agency participation. Opening a new business in the District or obtaining a building permit are both examples of multi-step, cross-agency processes that affect thousands of District residents each year. In each case, inefficiencies lead to both decreased citizen satisfaction and increased expense to the District in terms of redundant and often inefficient business processes.

In order for these organizational imperatives to be met, the SMPs must be successful. The Service Modernization Program Oversight Office is designed to maximize the likelihood that each SMP will succeed.

#### **D. Realized Return on Investment**

Each new SMP is required to produce a complete “bottom up” benefits realization plan, as part of a standardized *Concept of Operations*, before moving to major development of applications. These Cost Benefit Analysis and Benefits Realization plans are created by the oversight office in collaboration with the agencies and clusters that are the beneficiaries of the SMP.

At the highest level, each of the nine SMPs is similar in scope of technology requirements. For example, each new SMP project is projected to be a six-year endeavor with rolling deliverables. Each is anticipated to include specific agency applications, citywide applications and cross-agency integration platforms developed using the District’s “service-oriented” enterprise architecture.

From a benefits realization perspective, the nine SMPs can be divided into three groups of three, each group having a different mix and rate for benefits realization:

#### **Back Office SMPs (Administrative, Financial and Transportation)**

Back Office SMPs automate processes that support the business of government internally and are largely invisible to residents. The plan completed for the first of these types of programs, ASMP, indicates that benefits for this class of program will come mainly from improved staff capacity and better management of resources and assets. Typically these efficiency benefits are reinvested by the agencies at which they are achieved.

Assuming that TSMP and FSMP produce benefits similar to those expected from ASMP, benefits realization will begin 24 months after the program clears the Milestone One gateway. These programs would be expected to reach breakeven after 48 months, at which point they should generate benefits annually of \$.75 for each capital dollar invested in the program. By the time the program is transitioned to operations at the end of six years, a back office SMP should

## **NASCIO Recognition Awards: IT Project and Portfolio Management**

### ***District of Columbia Service Modernization Programs Oversight Office***

have paid for itself almost twice-over in realized benefits. Total lifecycle ROI will be a function of how many years the system can operate before requiring replacement.

Deleted: benefits.Total

#### **Front Office SMPs (Citizen, Property and Motorist)**

Front Office SMPs automate and support direct contact between the DC government and District residents. The first benefits realization plan completed for this type of program, CSMP, indicates that benefits will come mainly from more efficient delivery of services to residents. While the benefits to residents are profound, a smaller portion of these benefits can be reinvested in other initiatives.

As a result, realization of benefits in CSMP will be considerably slower than that of back office SMPs. According to the CSMP plan, it will take three years to see returns and seven years to reach the point of cost/benefit break-even. The annualized benefit from the project is considerably lower, producing \$.30-\$.32 cents annually for each dollar invested in the project.

PSMP and MSMP, because they impact two the city's largest "brick-and-mortar" operations, may potentially offer very large benefits through consolidation of front office storefronts. In building these assumptions, however, OCTO treats this potential benefit as outside the scope of the SMP programs.

#### **Government Vertical SMPs (Human Services, Education, and Enforcement)**

Vertical SMPs automate delivery of specific high priority government functions with high demands for inter-agency collaboration. They are designed to improve service and reduce problems serving our most vulnerable constituents: those in need, those in school, and those in danger.

The most powerful reasons for implementing the three vertical SMPs are not based on efficiency arguments; rather, they are based on reduction of human costs in the clusters they modernize. The SMP oversight office creates ways for each new vertical SMP to quantify the benefits of improving service to our most vulnerable constituents.

Directionally, from what has been discovered to date in HSMP, it is reasonable to expect that a vertical SMP will create \$.10 of real annual savings per capital dollar invested. In addition, we expect each government vertical SMP to create large benefits for the life and well-being of our most vulnerable constituents and the subsequent reduction of litigation directed at the city. These benefits are not yet quantified.