

Attachment A

IT SERVICE MODELS

IN-HOUSE MODELS (Also referred to as IN-SOURCE MODELS)

- IN-HOUSE 1
 - Centralized
 - All IT staff located centrally and dispatched as required.
 - All IT staff report to IT Manager.
- IN-HOUSE 2
 - Centralized-Modified 1
 - Core IT staff located centrally and dispatched as required.
 - Specialized IT staff located in specialized departments (i.e. PD; Fire; Library; Public Works; Utility; etc.).
 - All It staff report to IT Manager
- IN-HOUSE 3
 - Centralized-Modified 2 (NB Model)
 - Core IT staff located centrally and dispatched as required.
 - Specialized IT staff located in specialized departments (i.e. PD; Fire; Library; Public Works; Utility; etc.).
 - Core IT staff report to IT Manager and specialized IT staff report to their specialized department heads.
- IN THE THREE MODELS ABOVE
 - Private sector contractors, consultants and vendors can be utilized to augment the City's IT resources.
 - Some IT infrastructure and applications may be located in City facilities and some may be located remotely in a vendor's facility.
 - Some IT infrastructure and applications may be owned by the City and some may be leased.
 - City is responsible for all costs and all risk.
 - City is responsible for personnel recruitment, training and various HR issues.

OUTSOURCE MODELS

- OUTSOURCE 1
 - Private Sector Vendor (PSV) manages and operates all IT & Telecommunications infrastructure and Applications.
 - PSV reports to City's IT Manager.
- OUTSOURCE 2
 - PSV manages and operates all IT & Telecommunications infrastructure.
 - City manages and operates all Applications.
 - PSV reports to City's IT Manager.

- OUTSOURCE 3
 - PSV manages and operates IT & Telecommunications infrastructure and Applications in core departments.
 - City manages and operates IT & Telecommunications infrastructure and Applications in specialized departments (i.e. PD, Fire, etc.).
 - PSV reports to City's IT Manager.
 - IT Supervisors in the specialized departments can report to the City's IT Manager or to their specialized department heads.

- IN THE THREE MODELS ABOVE
 - Private sector contractors, consultants and vendors can be utilized to augment the City's areas of responsibility, not the PSV's.
 - Some IT infrastructure and applications may be located in City facilities and some may be located remotely in a vendor's facility.
 - PSV may own none, some or all of the infrastructure and application assets, and the City would own or lease what the PSV doesn't own.
 - PSV may own or share in the ownership of some or all of the IT facilities.
 - City is responsible for contractual costs and minimal risk.
 - PSV is responsible for personnel recruitment, training and various issues.
 - PSV generally wants to retain & hire all or most of City's IT staff as it doesn't want to lose the "knowledge workers" and it doesn't want to incur the risk and cost of recruitment, relocation and training.
 - City generally retains the right of refusal of any of the PSV's IT personnel.

COMMENTS

- Of the approximate 25,000 cities and 3,000 counties in the U.S., less than 100 cities and counties (in total) outsource all or some their IT; this low percent is generally due to internal and external politics, pressure, philosophy, fear, intimidation and misunderstanding.
- From personal experience: of the approximate 100 cities and counties that outsource IT, their degrees of overall satisfaction are "good" to "very good", with a few "poor" and a few "excellent".
- From personal experience: a "very good" city with a "very good" City Manager, "very good" IT Manager and "very good" elected officials will have "very good" satisfaction with its IT outsourcing model.
- From personal experience: a "very good" city will also have "very good" satisfaction with its in-house/in-source IT service model.
- Numerous factors determine whether and when in-house, outsource or a hybrid are advisable.

Sample Service Model Evaluation Matrix

	In-House	Out Source
Risks		
Guaranteed Cost		
Service Level Agreements		
Schedules		
Personnel/Staffing		
Resources		
Control		
Political		