

13. Information Systems

- The Port's information systems are not effectively meeting the business needs of the Port and are, in fact, supporting inefficient processes and practices. This is the result of the Port failing to do a comprehensive needs assessment and evaluation of the core business processes and how they relate to each other. Instead, the Port has implemented different systems for individual problem areas instead of addressing the underlying issues related to business processes. For the most part, the systems are not integrated, do not support each other, and are not efficient from an organization-wide perspective.
- The Port has failed to address critical issues identified in its Information Systems Strategic Plan and reiterated in the 2000 Strategic Plan Update. These critical issues include running two parallel general ledger financial accounting systems and a laborious payroll time entry system. These systems are intrinsically related to the other major Port systems because they are necessary for tracking and monitoring Port financial activity and rely upon the other systems for data and information.
- Despite these unresolved issues, the Port has been in the process of selecting and implementing a new facility maintenance management system, Avantis, and its functions for the last four years. The Information Systems Strategic Plan did not classify a facility maintenance management system as a high priority, ranking its replacement as 24th of 25 discrete actions and projects. Implementation of Avantis has been difficult, resulting in time delays and cost overruns. The Port initially reported to the Board of Supervisors that the system would result in one-time costs of \$447,250 (including a \$50,000 contingency) and on-going costs of \$25,140 for annual maintenance and support. Through December of 2003, the Port has spent \$711,198 on implementation costs and license fees, excluding internal staff time, which is \$263,948 or 59.0 percent greater than reported. Additionally, the annual maintenance and support fee is estimated to be \$43,800 in FY 2003-2004 or \$18,660 and 74.2 percent greater than what was initially reported.
- Further, not only are significant system functions not yet operational despite conversion to the Avantis system in December of 2002, implementation of the primary function, the work order module, has been problematic, with almost 55 percent of hours reported by Maintenance staff in October of 2003 charged to indirect time. Our review noted that the Port failed to do a comprehensive business process review and re-engineering as part of the planning phase.

- **The Port should form an Information Technology Advisory Committee to provide guidance and focus on information technology issues at the Port and a Project Team to conduct a comprehensive business process review and needs assessment. A coordinated and integrated information systems environment will greatly increase the efficiency and effectiveness of many Port operations. Direct impacts include the reduction in duplication of effort for data entry, production of reports, reconciliation between systems, and reduction in the complexity of work tasks and operations. At a minimum, the Accounting unit would see a significant reduction in workload resulting in at least \$405,000 in annual savings based on a review of work tasks currently performed by Accounting staff.**

The Administrative Services Information Systems unit is responsible for providing the automated systems necessary to meet the business needs of the Port. This responsibility includes not only the information technology infrastructure such as the network, hardware, and operating systems, but also system applications that perform key business functions.

System Applications

The Port utilizes five key system applications to support its business functions and has plans to add a sixth. They are as follows:

Oracle Financial Accounting System

The Oracle financial accounting system (Oracle Financial System) is the Port's general ledger financial accounting system used to record accounting activity. Along with general ledger activity, it records accounts receivable, accounts payable, and fixed asset accounting transactions and balances. This system was implemented in 1993 in order to provide financial reporting on an accrual basis, which is required by Generally Accepted Accounting Principles (GAAP) because the Port operates as an enterprise or business activity.

Financial Accounting and Management Information System (FAMIS)

The Financial Accounting and Management Information System (FAMIS) is the City of San Francisco's general ledger financial accounting system primarily used to record accounting activity on a cash or budget basis. The Port utilizes FAMIS in order to process payments and to provide a minimum level of financial reporting for the City's comprehensive annual financial report.

Payroll Time Entry System

The Payroll time entry system is a customized Oracle-based system for tracking and reporting hours worked by Port employees. Input into the system is centralized in the Administrative Services Human Resources unit, which performs routine payroll reconciliation and edits before sending a bi-weekly electronic file to the City Controller's Office for downloading into the City's Labor Distribution System and posting to FAMIS. Once the data and information have been posted to FAMIS, a file is sent back with actual payroll expenditure data which is then downloaded to the Port's own Oracle Financial System.

Lease Management and Customer Billing System (PROPworks)

The lease management and customer billing system, PROPworks, maintains lease agreement data and information and records billing and collections activity for Port property leases as well as for Maritime activity. The system, selected through a competitive bid process, replaced the Port's Advanced Revelation system and was implemented in April of 2002 for a one-time implementation cost, including license fees, of \$333,122. Based on FY 2003-2004 expenses, on-going maintenance and support costs are approximately \$33,300 annually.

Facility Maintenance Management System (Avantis)

The Port began use of the facility maintenance management system, Avantis, in December of 2002 to aid the Maintenance Division in tracking and monitoring labor and materials and for inventory control. One-time implementation costs, including license fees, totaled \$711,198 and on-going maintenance and support costs are estimated to be approximately \$43,800 annually, based on FY 2003-2004 expenditures. Full functionality of the Avantis system is scheduled to be operational in June 2004.

Facility Cost Accounting System

The Port has identified for some time the need for a facility cost accounting system in order to track and monitor the costs as well as the revenues from individual facilities or properties. Initially, work on this project was conducted in FY 2000-2001. However, this project has been delayed due to lack of resources and priority.

Strategic Planning and Setting of Priorities

In 1997, Port management identified information systems to be a major weakness in the organization, hindering the Port's ability to conduct its core business functions. An outside consultant from the City's Committee on Information Technology (COIT) developed an information systems strategic plan for the Port, which outlined the mission of the Information Systems unit and its priorities for the next three to five years. Implementation of the Strategic Plan is included in the Port's Annual Operating Budget

as the Information Systems unit's strategy for obtaining its goal of meeting the business needs of the Port.

The priorities outlined by the COIT advisor were:

- Establishing information technology as an important component of Port administration and operations;
- Developing information systems documentation, education and training;
- Developing a "Life Cycle" or a project management framework for system development; and
- Addressing four critical systems applications issues including (1) the Advanced Revelation billing and collections and inventory system, (2) the Payroll Time Entry System, (3) Upgraded Oracle Financial System, and (4) FAMIS.

In 2000, the COIT advisor provided an update to the Strategic Plan, which concluded that major problem areas, including insufficient staffing and inadequate information technology infrastructure, had been addressed. The report noted that the Information Systems unit had been resurrected and great strides had been made toward meeting the needs of the Port. Significant improvements included successful hiring of Information Systems staff, upgrading of the physical status of information systems equipment and technology, and enhanced cultural understanding and bias in favor of information systems goals and objectives. This last issue is important in that the Information Systems unit has improved communication and working relations with end users. As noted in the update to the Strategic Plan, Information Systems formed the Information Systems Coordinators Group with members from the Port's Divisions in order to bring the user community together. The group continues to meet monthly and the Information Systems unit reports that the 2004 Customer Satisfaction Survey reflected ratings well above average in all categories in both systems and applications areas.

However, the 2000 update to the Strategic Plan noted several areas where weaknesses remained:

- Senior management had not taken an interest in information technology issues;
- An Information Technology Advisory Committee (ITAC) had not been established;
- Analyses of the Port's business practices, processes, and procedures had not been performed;
- The Information Systems unit risked taking on too many projects at one time; and
- The need for information systems documentation had not been addressed.

The report also provided recommendations related to specific business applications, including FAMIS and the Oracle Financial System, Payroll processing systems, the property management system, facility maintenance management system, and facility cost accounting system. For all of these systems, the report stated that business practices, processes, and procedures need to be reviewed and re-engineered, if necessary.

Work Plans and Major Accomplishments

The Information Systems unit prepares annual work plans and establishes project timelines to assist the unit in setting its priorities for the coming calendar year. Further, in the Annual Operating Budget, Information Systems details its program objectives and performance measures for the next fiscal year. To document its performance, Information Systems annually prepares listings of major accomplishments and status reports for internal use.

The Port's Incremental Approach to Information Systems

Despite the strategic planning and setting of priorities, the Port's information systems are not effectively meeting the business needs of the Port and are, in fact, supporting inefficient processes and practices. This is the result of the Port failing to do a comprehensive needs assessment and evaluation of the core business processes and how they relate to each other. Instead, the Port has implemented different systems for individual problem areas instead of addressing the underlying issues related to business processes. For the most part, the systems are not integrated, do not support each other, and are not efficient from an organization-wide perspective. Specific issues with each of the systems are discussed below:

Oracle Financial System and FAMIS

The Strategic Plan developed in 1997 proclaimed that addressing the Port's use of parallel financial accounting systems, the Oracle Financial System and FAMIS, was one of the top priorities for the Port. Indeed, running two parallel financial systems requires significant resources due to redundant data entry for transaction processing, reconciliation issues, and system support, especially now that the Oracle Financial System is no longer vendor supported. Further, the two systems as currently utilized lack sufficient reporting capabilities and cause confusion for monitoring both operating budget and capital project financial status.

The Information Systems Strategic Plan emphasized the importance of the financial system needs assessment by stating "The decision involved here is one of the most important system decisions that the Port will make because of how it relates to all of the subsystems currently being used, as well as those that will be used in the expanded environment." However, over the last six years, the issue has been carried forward from year to year in the Information Systems annual work plan with varying degrees of prioritization. Review of the work plans noted that the project was scheduled for completion every year, initially identified as a high priority but shifted to a lower priority in 2001 as the Port dedicated significant resources to implementing the PROPWorks lease management and billing and collections system and the Avantis facility maintenance management system.

The Information Systems unit did conduct a preliminary review and evaluation in March 2000 which produced a presentation given to the former Director of the Finance and Administration Division. At that time, the Information Systems unit recommended the Port move forward with phasing out the Oracle Financial System and moving toward sole use of FAMIS. Information Systems presented a timeline that included documentation of financial system needs and evaluation of FAMIS capabilities in 2000. However, when COIT released its Strategic Plan Update in December of 2000, it rebuked the Port for not moving forward. Referring to the Information Systems unit preliminary assessment, the Strategic Plan Update also recommended moving forward with phasing out the Oracle Financial System and moving toward sole use of FAMIS. The Update reiterated that it was imperative that a work flow analysis be conducted so that business re-engineering changes could be made. By way of example, the Update cited the complex account coding structure used by the Port as an area that required analysis prior to making any new systems decisions. Ominously, the Update predicted that if such fundamental business processes were not addressed, they would become obstacles to the efficient operation of new business applications.

Avantis

The need for a facility maintenance management system was identified in the 1997 Strategic Plan, which noted the following weaknesses in the Maintenance Department:

- Inadequate inventory control,
- Insufficient capability to schedule and track projects, and
- Lack of user-friendly systems.

However, the Strategic Plan did not classify a facility maintenance management system as a high priority. Rather, the Strategic Plan in its scheduling of Information Systems priorities ranked replacement of the facilities maintenance management system 24th of 25 discrete actions and projects.

The project to implement a facility maintenance management system went forward in spring of 2000, when the Information Systems unit developed a Project Charter that defined the project scope and timeline, project management approach and project organization. In the summer of 2000, three meetings were held with the project team to review and re-engineer existing business processes and to subsequently define system requirements. In the second meeting, however, meeting notes indicate that a thorough business process review was not conducted. The minutes report:

“The original idea for this meeting was to begin a user-needs analysis for each of the specific functions for the maintenance organization. The maintenance representatives felt that this would not be beneficial. They have seen systems that perform the functions that they feel that they want for the Port. The two systems that have been mentioned are Datastream and Maximo.

Software acquisition methodology suggests staying away from looking at specific packages until the requirements have been specified....

The next meeting will focus on how to get started on writing the RFP without having done a detailed requirements analysis.”

There were no representatives from the Real Estate, Maritime, or Accounting Divisions at this meeting. Yet, these are all critical customers of the Maintenance Division who are directly impacted by facility maintenance management processes and systems.

The 2000 Strategic Plan Update warned that while the Maintenance Department was eager to implement a new system, Information Systems risked overextending itself and further noted that Information Systems was under pressure to meet unrealistic objectives. The Update reiterated the importance of establishing an ITAC to assist in establishing proper business priorities because of the many interdependent processes and applications, many of which were scheduled for replacement at that time. The Update stated “It is important to evaluate these interactions and application dependencies before decisions get made on software installation and implementation.” The Update underlined the importance of addressing the need to re-engineer business processes and to understand how a facilities maintenance management system “fits into the total picture.” However, at the same time the Update was issued in mid-December of 2000, the Port Commission sanctioned the facility maintenance management system project by approving the RFP.

According to the staff report that went to the Port Commission in December of 2000, the goal of the system was to “streamline maintenance processes with the ability to prioritize and schedule work, improve communication between the Port’s administrative staff and service providers, increase efficiency in day to day operations, and help to reduce maintenance costs.” The RFP identified 11 functional requirements for the system:

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|---------------------------------------|--------------------------------------|
| 1. Work order planning and scheduling | 7. Budgeting |
| 2. Work request creation | 8. Employee tracking and timekeeping |
| 3. Preventative maintenance module | 9. Work planning and scheduling |
| 4. Physical asset tracking | 10. Project tracking |
| 5. Materials management | 11. Tenant billing |
| 6. Purchasing | |

Eventually, through a competitive bidding process, the Avantis Facilities Maintenance Management System by Wonderware Corporation was selected. Estimated one-time costs of \$447,250 (including a \$50,000 contingency) and on-going costs of \$25,140 for annual maintenance and support were reported to the Board of Supervisors’ Finance Committee on May 16, 2001.

The first mention of the facilities maintenance management system in the Information Systems annual work plan was in 2000. Between spring of 2001 and fall/winter of 2002, the Information Systems unit oversaw the execution of the vendor contract, installation of the new system and conversion of existing work orders, and training of system users. Avantis went operational in December of 2002.

Interviews with the Information Systems staff indicated that the implementation of Avantis has not been smooth. Despite Information Systems creation of an implementation plan, several components of the Avantis system are not yet operational. These functions include work planning and scheduling, the preventative maintenance module, materials management, purchasing, and budgeting, or five of the 11 functional requirements identified in the RFP. According to Maintenance staff, these functions are expected to be operational by June of 2004. Section 4 of this report discusses in more detail the implementation issues within the Maintenance Division.

Not only are significant functions not operational, implementation of the primary function, the work order module, has been problematic. A review of the time worked by Maintenance staff in October of 2003 as recorded in Avantis is shown below in Table 13.1.

Table 13.1
Maintenance Division Staff Time Reported
October 2003

Work Order Series	Hours	As a Percent
196XX – Section indirect charges (1)	7,712.5	40.0%
80000 – Port-wide indirect charges (2)	2,870.5	14.9%
8XXX – Direct operating charges (3)	4,930.2	25.6%
Various – Capital funded charges	2,348.0	12.2%
Various – All other charges	1,403.0	7.3%
Total reported hours	19,264.2	100.0%

Source: Administrative Services Division Accounting unit

- (1) According to the Maintenance Division's Avantis project manager, the 196XX work order series is used for productive and non-productive indirect charges for Maintenance work sections, such as electricians or crane operators. Non-productive time includes vacation, sick leave, holidays and so on. Productive time includes meetings, training, administration and supervision, shop cleanup and other work that cannot be directly charged to a specific Port facility, but could be allocated to those facilities that receive the services of the work section.
- (2) According to the Maintenance Division's Avantis project manager, the 80000 work order is used for indirect charges that benefit all Port facilities.
- (3) According to the Maintenance Division's Avantis project manager, the 8XXXX work order series is used for direct charges to facilities and paid for with operating funds.

As can be seen in the table, a full nine months after implementation, almost 55 percent of Maintenance staff time is being recorded as indirect time – that is time not spent on a specific a Port facility, asset, or capital project. Either Maintenance staff are spending a significant amount of time on indirect activities, which is a management issue in and of itself, or Maintenance staff are inaccurately coding their time. The Avantis project manager has since conducted an analysis of indirect time worked by Maintenance staff between July of 2003 and March of 2004. The analysis, which distributes indirect time to a very detailed and low level, can be used by Maintenance management to refine the Avantis coding structure, improve the accuracy of time coded, and/or improve work assignments and Maintenance staff productivity.

Additionally, there are some significant weaknesses that have not been address by either Avantis or business process re-engineering by the Maintenance Division. One of the primary objectives was to eliminate the use of the Oracle Work Management System (WMS) because of the complexities and inefficiencies surrounding its business processes. However, to date, that system is still in use and, in fact, Information Systems had to build a link between the coding structure in Avantis and that in WMS. The already complex coding structure, discussed in the Strategic Plan Update in 2000, has become even more elaborate with the implementation of Avantis. There now exists separate activity coding structures for Avantis, WMS/Oracle Financial System, and FAMIS. Accordingly, no efficiencies have been realized in terms of WMS and financial tracking and monitoring of Maintenance activities.

Further, Avantis is not integrated with the Port's other systems, most importantly, the general ledger financial accounting systems. Integration was a primary concern early in the facility maintenance management system project development. The Project Charter referred to these systems and noted that they would require integration with, or at a minimum interface with, the new system. Indeed, at the Port Commission meeting in mid-December of 2000, a Commissioner specifically asked about integration with the PROPworks system to which the staff responded that integration was the intent and it was the responsibility of the consultant and Information Systems to make sure that the systems were integrated.

The Project Charter stated that “The decisions which are made with regard to the Facilities Management System must be made with a longer-term view of the Port's future systems configuration.” At the time, as noted above, one of the Port's primary priorities was to evaluate and develop a solution to the Port's use of two general ledger financial accounting systems (Oracle and FAMIS). Given that Engineering and Maintenance, with approximately 50 percent of Port staff, is the main generator of Port expenditure activity, these systems are significantly dependent upon each other for efficient and effective business processes. The fact that the Port did not resolve the fundamental issue of its financial accounting systems before it proceeded with implementing a facility maintenance management system demonstrates a lack of long-term and strategic planning which ultimately was detrimental to the organization in terms of time and money. Emblematic of the Information System unit's failure to address these issues, and user needs in general, is the fact that the Accounting User Reference Guide for the Avantis

system was not put together until May of 2003, five months after implementation, and it was conceived and put together by the Accounting Fiscal Officer to address unmet needs.

Finally, the system does not facilitate financial tracking and monitoring of either the operating expenditures or capital projects. Any cost data that is provided is computed from a table using a blended hourly rate. There is no recording or reconciliation of actual costs as recorded in the Port's financial accounting systems. While budgeted amounts can be input into a separate tab, it is not part of the regularly accessed screen. Thus, there is no reporting of budget to actual comparisons at any level, much less at the level that the Maintenance Department manages its staff and its projects. However, financial tracking and monitoring is a basic measurement of performance and activity in any organization. Without this type of monitoring, there is no way assesses the efficiency and effectiveness of the Maintenance staff and their performance.

Through December of 2003, the Port has spent \$711,198 on implementation costs and license fees but excluding internal staff time. This is \$263,948 or 59.0 percent greater than what was initially estimated and reported to the Board of Supervisors. Additionally, \$582,330 in staff costs have been incurred by the Information Systems unit. The staffing costs expended by the Maintenance Division have not been tracked, but would likely be considerable. The annual maintenance and support fee for Avants is estimated to be \$43,800 in FY 2003-2004 or \$18,660 and 74.2 percent greater than what was initially estimated and reported to the Board of Supervisors.

Payroll Time Entry System

Assessment of the Payroll time entry system has been on the Information Systems unit annual work plan since at least 1998. Each year, there has been a new timeline for conducting the analysis. The 2002 work plan summarizes the objective of the assessment best as a project "...to conduct an analysis of the current payroll sub-system (based in Oracle) and determine whether its functionality can be made significantly more effective by: (1) Enhancing it, in place, (2) Replacing it with a "package" system, or (3) Replacing it with the Controller's TESS time recording system. Once a determination has been made as to the proper direction to take, a project plan should be devised and executed that will lead to a full implementation of the chosen approach."

The 2000 update to the Strategic Plan noted that not much had changed since the 1997 Strategic Plan, in which Payroll system deficiencies were identified. The Update stated "Before any systems changes get made, Payroll Processing business practices, processes, and procedures must be analyzed and reviewed by a cross section of domain experts."

Some of the improvements to the Payroll time entry process as reported by the Information Systems unit include:

- Development of a program in Avants to create system generated time sheets for Maintenance staff at Pier 50,
- Development of timesheets in MS Access and Excel for use by Pier 1 staff,
- Installation of a dedicated printer in the Payroll area, and

- Enhancement of payroll error reports to improve the edit process.

These accomplishments, however, have not addressed the fundamental problems with the current Payroll time entry process, which includes duplicate time entry and reconciliation between multiple systems. Further, the Oracle system is no longer supported by the vendor, increasing the need for the Port's own Information Systems staff resources. According to Port staff, the current Payroll time entry process is very labor intensive. First, time worked must be manually recorded twice, initially in the Avantis system or on hard copy time sheets by employees and then data entered into the Oracle Payroll time entry system by Human Resources staff. Second, the Oracle Payroll time entry system requires manual entry of 40 hours per week, rather than entry of only exceptions to a default/primary time code. This type of exception reporting is used by the Controller's TESS System. Finally, because of the Port's use of two financial systems, Payroll reconciliation and edit process is more cumbersome. Because TESS links directly to FAMIS as well as incorporates compensation and benefit parameters from all of the City's labor agreements, it would provide up front edits that are currently only identified later in the process, if at all, using the Port's Payroll time entry system. One obstacle to TESS, according to the Port, is that it is not clear as to whether TESS can accommodate the Port's complex coding structure. However, it should be noted that if the Port had conducted a thorough business process review and re-engineering prior to the implementation of Avantis, it is possible that the coding structure could have been simplified and accommodated by TESS.

Lease Management and Customer Billing System

The Port's lease management and customer billing system was identified by the COIT advisor in the 1997 Strategic Plan as a critical issue. The Port's Advanced Revelation (AREV) system that handled the revenue and inventory functions for the Port at that time was deemed unstable, unreliable and unsupported. To replace the lease management and billing module of the AREV system, the Port was in the process of implementing the ATTACK system when the Strategic Plan was developed. Subsequently, the ATTACK system implementation was suspended in 1999 because, according to Information Systems staff, the project ran out of funding and it was determined that the system was no longer appropriate given the Port's evolving information systems environment.

The PROPworks lease management and customer billing system was then selected through a competitive bid process and implemented in April of 2002. Port staff in Information Systems, Accounting, and Real Estate report that that the implementation was smooth and the system is functioning well.

Our audit identified a few weaknesses or areas for improvement related to the PROPworks system. Most significantly, the processes surrounding data input must be strengthened. For more detail on these issues, refer to Section 7 of this report.

Facility Cost Accounting System

The Port has identified the need to be able to track and monitor the maintenance costs of and revenues generated by Port facilities for some time. Indeed, many different staff indicated that this capability is fundamental to what the Port does in that its primary mission is to manage assets and there is currently no way of determining the highest and best use of those assets from a financial perspective. In FY 2000-2001, the Port went through an extensive process to reconfigure and simplify, with the assistance of an outside consultant, its Oracle Financial System coding structure to be able to capture direct expenditures and revenues by facility. It was determined that an additional application provided by the consultant was needed to allocate indirect costs to the various Port facilities. In FY 2001-2002, the project was turned over to the Finance unit from Information Systems for completion.

Since that time, the project has been on hold given the lack of stewardship, higher priorities, and other system implementation projects in the various divisions of the Port. Both the Real Estate Division and the Accounting unit report that a significant portion of expenditure activity continues to be charged to codes that are not facility-specific whereas revenues, in part due to the PROPworks system, are allocated to generating facility. Indeed, the Oracle Financial System reports that in FY 2002-2003 approximately 49.7 percent of Port expenditures were charged as indirect, whereas only 5.9 percent of revenues were coded as indirect. To move the project forward, significant areas have yet to be addressed, including the establishment of policies and procedures, documentation and training for users, finalizing some of the allocations and coding structure, implementing a system to allocate indirect costs, and, finally, developing reports.

Clearly, the facility cost accounting “system” is intrinsically linked to any facility maintenance management system, billing and collections system, and financial accounting system that the Port may have. As such, the facility cost accounting coding structure developed in FY 2000-2001 has been incorporated into the Avantis and PROPworks systems. However, the model that has been established is not necessarily transferable to FAMIS. Accordingly, further work on this project should be suspended until some of the Port’s fundamental information systems issues are resolved.

Conclusions

Business processes and information systems in any organization are interdependent and do not operate in isolation. However, despite efforts at strategic planning, the Port has taken an incremental approach to addressing information systems needs and has missed a prime opportunity to evaluate core business processes and to make significant improvements to the overall functioning of the Port. The cause may be traced back to lack of leadership at the executive and management levels of the Port and the inability to coordinate the functions and business processes that cross divisions.

Thus, the Port has never resolved its core issues of duplication of work, complexity in the work environment and Port's processes, and lack of data and information management and reporting. Further, the Port has now committed to systems that may not necessarily be the best systems moving forward.

Recommendations

The Executive Director should:

- 13.1 Form a Project Team with members representing all Port Divisions with the responsibility to, by December 31, 2004:
 - (a) Conduct a comprehensive business process review and needs assessment for all Divisions of the Port,
 - (b) Evaluate all existing systems against those needs, and
 - (c) Make recommendations with respect to the Port's general ledger financial accounting systems and other systems required to meet the core business requirements of the Port.
- 13.2 Form an Information Technology Advisory Committee (ITAC) of senior management that:
 - (a) Meets regularly to discuss information systems issues,
 - (b) Provides guidance and focus to the Project Team discussed above, and
 - (c) Makes a determination with respect to the recommendations made by the Project Team discussed above.
- 13.3 Report back to the Port Commission and the Board of Supervisors on an annual basis for the next three years beginning in January of 2005 on the status of the business process review, needs assessment, and implementation of the Project Team's and ITAC's recommendations.

Costs and Benefits

While the Port would experience one-time costs associated with conducting a business process review and needs assessment, implementing a coordinated and integrated information systems environment will greatly increase the efficiency and effectiveness of many Port operations. Direct impacts include the reduction in duplication of effort for data entry, production of reports, reconciliation between systems, and reduction in the complexity of work tasks and operations. At a minimum, the Accounting unit would see a significant reduction in workload resulting in at least \$405,000 in annual savings based on a review of work tasks currently performed by Accounting staff.