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GOVERNMENT OF THE DISTRICT OF COLUMBIA



OFFICE OF THE INSPECTOR GENERAL

717 14TH STREET, N.W., 5TH FL.
WASHINGTON, D.C. 20005
(202) 727-2540

MEMORANDUM

TO: Agency Heads

FROM: E. Barrett Prettyman, Jr. *E. Barrett Prettyman, Jr.*
Inspector General

DATE: March 22, 1999

SUBJECT: Management Alert Letter on the District of Columbia Year 2000
Readiness Status (OIG-1-99DC-9913)

This management alert letter is the second in a series of letters to report on the readiness of the District of Columbia (D.C.) to cope with the Year 2000 (Y2K) conversion effort. The first alert letter dated January 28, 1999, apprised District and Congressional leadership of the status of the Y2K program in the District's 16 agencies regarded as critical. We have now added two other agencies to the 16, the D.C. General Hospital and the University of the District of Columbia.

This management alert letter will additionally assist the District leadership and stakeholders in understanding the new Y2K program evaluation and measurement scale developed by the Gartner Group, one of the noted Information Management Research Technology Groups. It will be the measurement instrument used in this and future reports to provide each agency's status pertaining to the Y2K initiative.

The Office of the Chief Technology Officer (OCTO) has the lead on the Y2K issue for the District. To assist the OCTO in its Y2K efforts, the District's City Council recently approved legislation to give the OCTO wide latitude in contracting with firms to do the Y2K work. The legislation permits the OCTO to do Y2K sole-source contracting. However, before any Y2K contract is finalized, the District's City Council will be provided 72 hours to review Y2K contracts that have been negotiated by the OCTO. By approving such procurement legislation, the Council has provided the OCTO the ability to carry out its Y2K mission without further contract delays.

The information contained in this management alert letter is the result of conferences and meetings with the OCTO. This office will continue its working relationship with the OCTO to facilitate its efforts in achieving Y2K compliance for the District in a timely manner.

BACKGROUND

The information in this management alert letter provides the status of the District's 16 most critical agencies that we reported on in our last letter, along with two additional agencies that have been added to the initial list. The status of the remaining 50 agencies are depicted in the analysis charts in this report. Also, beginning in April, all District agencies and their Y2K status can be accessed from the District's Web Site www.y2k.dcgov.org

There were five initial phases to attain Y2K compliance that were outlined within the General Accounting Office (GAO) approach. The five-phase approaches consisted of **Awareness, Assessment, Renovation, Validation, and Implementation**. These structured approach phases were the first to be utilized by the District. However, as the OCTO began to remediate and renovate the Information Technology (IT) systems, it discovered that there were other Non-IT systems that were tied into the IT systems that should be addressed. These systems consisted of elevators, traffic lights, alarm systems, security doors, etc., all of which are considered as Non-IT systems but possess embedded chips that may have to be changed or upgraded to meet Y2K compliance.

Therefore, to insure that all systems are considered, addressed, and identified for Y2K compliance, the OCTO implemented a new system of measurement to report on the Y2K status for all systems. The new measurement system is called the "Y2K Agency Readiness Scale", developed by the Gartner Group, mentioned above. The scale, as described below, will be used as the instrument of measurement in this management alert letter and future correspondence. The percentages listed show the stage of completion that each level achieves in the total process. For example, when level one is completed, the agency has achieved 25 percent of Y2K compliance. The completion of level two would indicate that the agency is 40 percent compliant toward achieving Y2K compliance.

- Level One - The stage at which all enterprises begin preliminary activity 25%

- Level Two - Problem Determination: this level indicates that a complete inventory of technology and business processes has been taken, and preliminary costs and resources have been determined 40%

- Level Three - Plan Complete/Resources Committed: achieving this level indicates that mission-critical systems have been

identified, and a detailed understanding of remediation strategies and needed resources has been identified and committed for that technology 60%

Level Four - Operational Sustainability: at this level, mission-critical technology has been remediated from Year 2000 risk 80%

Level Five - Fully Compliant: at this level, all technology within the enterprise and within business partners has been made compliant 100%

OBSERVATIONS

The list below identifies the 18 District agencies considered as critical, and the charts shown in Exhibit A provide the status of these agencies. Each agency's position is described in percentiles, as stated above. The list that follows the 18 critical agencies identifies the remaining 50 agencies. The list also correlates with the charts shown in Exhibit B and provides the status of these agencies. Each chart shows the agency's status using the terms as follows: Information Technology (IT) systems, Non-IT systems, and End User Computers (EUC), which are personal computers. The charts also include the status of the contingency plans (Cont) for agencies dealing with any Y2K failures

<u>Agency</u>	<u>Code</u>
1 Office of the Chief Financial Officer	AT ✓
2 Office of Personnel	BE ✓
3 D.C. Emergency Management Agency	BN ✓
4 Department of Employment Services	CF ✓
5 Department of Consumer and Regulatory Affairs	CR ✓
6 Lottery and Charitable Games Board	DC ✓
7 Metropolitan Police Department	FA ✓
8 Fire and Emergency Medical Services	FB ✓
9 Department of Corrections	FL ✓
10 DC Public Schools/Board of Education	GA ✓
11 University of the District of Columbia	GF ✓
12 Department of Health	HC ✓
13 Department of Human Development	JA ✓
14 DC Health and Hospitals/Public Benefits Corp	JB ✓
15 Department of Public Works	KA ✓
16 DC Water and Sewer Administration	LA ✓
17 Office of the Chief Procurement Officer	PO ✓
18 Commission on Mental Health	RM

At this time, all agencies should be at a contingency desired level of completion between 40 percent and 50 percent. Regarding the 18 agencies considered as critical, seventeen, or 99 percent, have achieved or are above that level. The contingency plan for the remaining critical agency is at 25 percent of the desired contingency level. Of the 50 remaining District agencies, 33 are at a 40 percent or above the desired contingency level. The remaining 22 District agencies are at an approximately 25 percent completion level. The following is a list of the non-critical agencies for purposes of Y2K. The list also includes several sub-elements of agencies that bring the total number of entities listed below up to 55.

	<u>Agency</u>	<u>Code</u>
1	Office of the Mayor	AA
2	Office of the DC Auditor	AC
3	Office of the Inspector General	AD
4	Contracts Appeals Board	AF
5	Office of Financial Operations and Management	AT1
6	Office of the Chief Information Officer	AT2
7	Office of Finance and Treasury	AT3
8	Office of Tax and Revenue	AT4
9	Office of Grants Management and Development	AT5
10	Office of Budget and Planning	AT6
11	Office of the Chief Information Officer	AT7
12	Office of Property Management	AS/AM
13	Office of the Executive Secretary	BA
14	Office of Communications	BB
15	Office of Planning	BD
16	Office on Banking and Financial Institutions	BI
17	Office of Zoning	BJ
18	Office of Intergovernmental Relations	BP
19	Commission on the Arts and Humanities	BX
20	Office of Aging	BY
21	Office on Latino Affairs	BZ
22	Office of the Corporate Counsel	CB
23	Public Library	CE
24	Public Employee Relations Board	CG
25	Office of Employees Appeals	CH
26	Office of Campaign Finance	CJ
27	Office of Cable Television and Telecommunications	CT1
28	Office of Motion Picture and Television Dev.	CT2
29	BD of Real Property Assess & Appeals	DA1

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30	Real Estate Services Branch	DA2
31	Department of Housing and Community Dev.	DB
32	Office of Recorder of Deeds	DG
33	Public Service Commission	DH
34	Office of the People's Counsel	DJ
35	Board of Appeals and Review	DK
36	Board of Elections and Ethics	DL
37	Commission on Judicial Disability and Tenure	DQ
38	Board of Labor Relations and Collective Bargaining	DR
39	DC Retirement Board	DY
40	DC Housing Finance Agency	DZ
41	Office of Economic Development	EB
42	Washington Convention Center Authority	ES
43	DC National Guard	FK
44	Office of Pay & Retirement Services	GX
45	DC Department of Recreation and Parks	HA
46	Department of Human Rights and Minority Bus.Dev	HM
47	DC Energy Office	JF
48	Medicaid/Medical Charities	MM
49	DC Housing Authority	PH
50	Child and Family Services	RL
51	DC Sport Commission-Starplex	SC
52	Department of Insurance and Securities Regulations	SR
53	DC Taxi Cab Commission	TC
54	Office of the Chief Technology Officer	TO
55	DC Controller	XX

CRISIS MANAGEMENT

Whenever a situation arises where, in the best judgement of the Y2K Program Office, a critical application or agency is in a likely position to fail because of a Y2K error, a crisis management process will be initiated. The crisis management process at the District follows recommendations outlined by the Gartner Group in its article on **Crisis Management for the Century Boundary**. The criteria used for the crisis management activities are:

- Creation of an Assessment Report
- Creation of an Objective/Priorities Report
- Operations Within an Agency in a Y2K Crisis Situation
- Clear Definition of Responsibilities
- Risk Mitigation Strategies

UPDATE

We reported that four agencies were considered under the crisis management process in our first management alert letter. Those agencies were the Department of Employment Services (DOES), the Office of the Chief Financial Officer (OCFO), the Metropolitan Police Department (MPD), and the D.C. General Hospital.

DOES has been taken from under the crisis management umbrella; however, the OCTO is continuing to work with DOES to assist in resolving any further problems that may occur as the Y2K project proceeds

The CFO has also been taken from under the crisis management umbrella as well. However, the OCTO is still working on some of the issues. The issues consist of the Payroll & Pension systems where Y2K testing must be completed; the defining and writing interface programs for all systems to have data transfer capability; and preparing a Y2K platform on the mainframe to ensure that that code is validated and tested.

We reported on the Metropolitan Police Department (MPD) in the first management alert letter and stated that the MPD had two IT operating systems, namely, the Criminal Justice Information System (CJIS), and the Washington Area Law Enforcement Services (WALES) that they were working on and needed crisis management support. Both systems were in the pre-remediation stage, and the OCTO was scheduled on January 25, 1999 to bring in a team of 12 technicians to work on the first phase of the pre-remediation effort. The OCTO stated that it would take approximately 90 days to complete this task. Therefore, the MPD is still within the 90-day range of the project plan, and work progress is at a satisfactory level.

The OCTO has been advised that the Director of the D.C. General Hospital wished to address his situation on crisis management directly to the Mayor rather than to the OCTO and possibly receive reform money for his Y2K project.

The OCTO is remediating the Hospital's current Software Management System (SMS) and is also evaluating the hospital's request for crisis management assistance within the area of network support. The OCTO has requested from the hospital the lowest to highest requirement levels of the network system. These levels of requirements are needed to evaluate properly the network support system. By breaking down the requirements in three levels—the lowest, medium—and highest, the OCTO will be in a better position to evaluate the network support system using best practice processes. A request for \$962,000 to support the network support system has been received by the OCTO from the D.C. Department of Health and D.C. General Hospital. However, no action has been taken on the request until the aforementioned requirements are received by the OCTO.

OTHER INFORMATION

There are no new agencies requesting or requiring crisis management assistance at this time. However, as agencies are progressing toward resolving the Y2K issues, there may be further areas that need crisis management assistance. The OCTO and this office will continue to monitor each agency situation to determine whether progress is occurring on all Y2K initiatives.

The OCTO has a project manager assigned to each of seven clusters of the District's 68 agencies. These project managers provide an updated status to the OIG on a monthly basis, and they further ensure that the information that will be forthcoming from the OCTO is valid and current.

The OCTO has expended \$31 million as of the end of March on the Y2K project. The Office of Management and Budget has approved \$61.8 million of the \$111.5 million requested by the OCTO for the continued work efforts on the Y2K project.

As each agency head reviews this document, please refer any corrections to the agency's name or code to Mr. Robert L. Isom, Director of Special Projects for Audits, at 727-9234.

Should you have any questions about information contained in this management alert, please call me at the number above or John N. Balakos, Assistant Inspector General for Audits, at 727-9749.

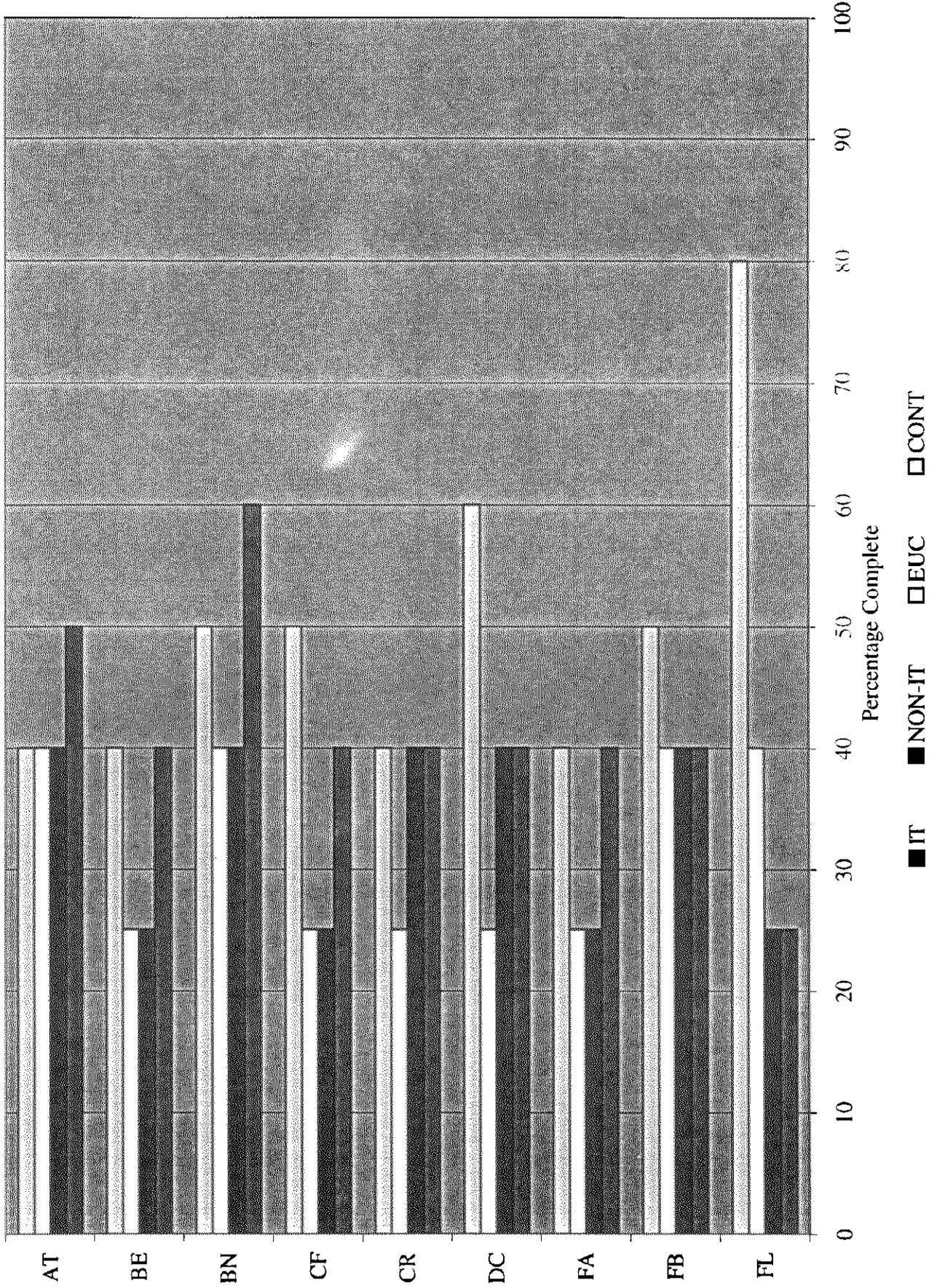
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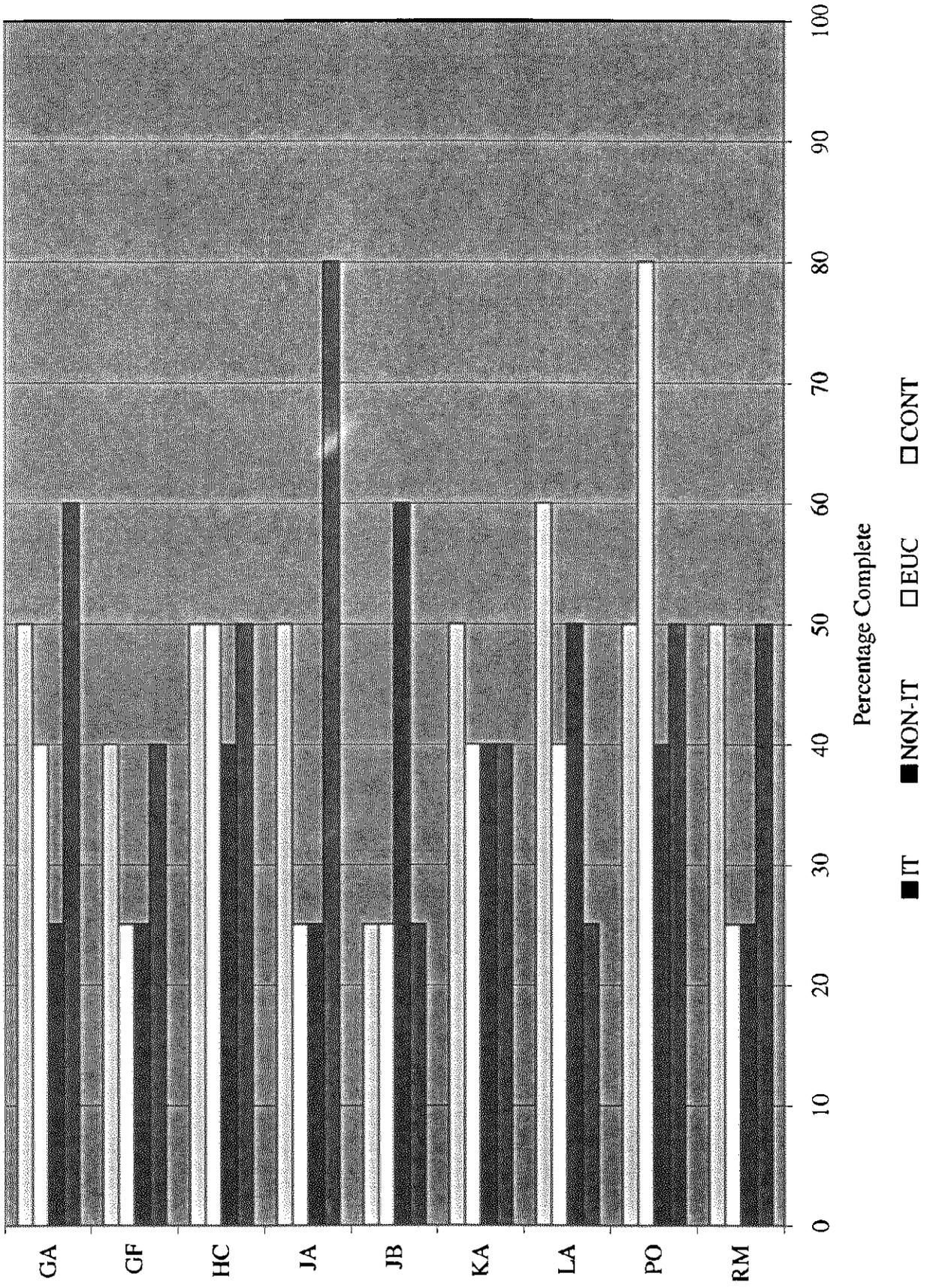
AGENCY READINESS SCALE

Critical Agencies

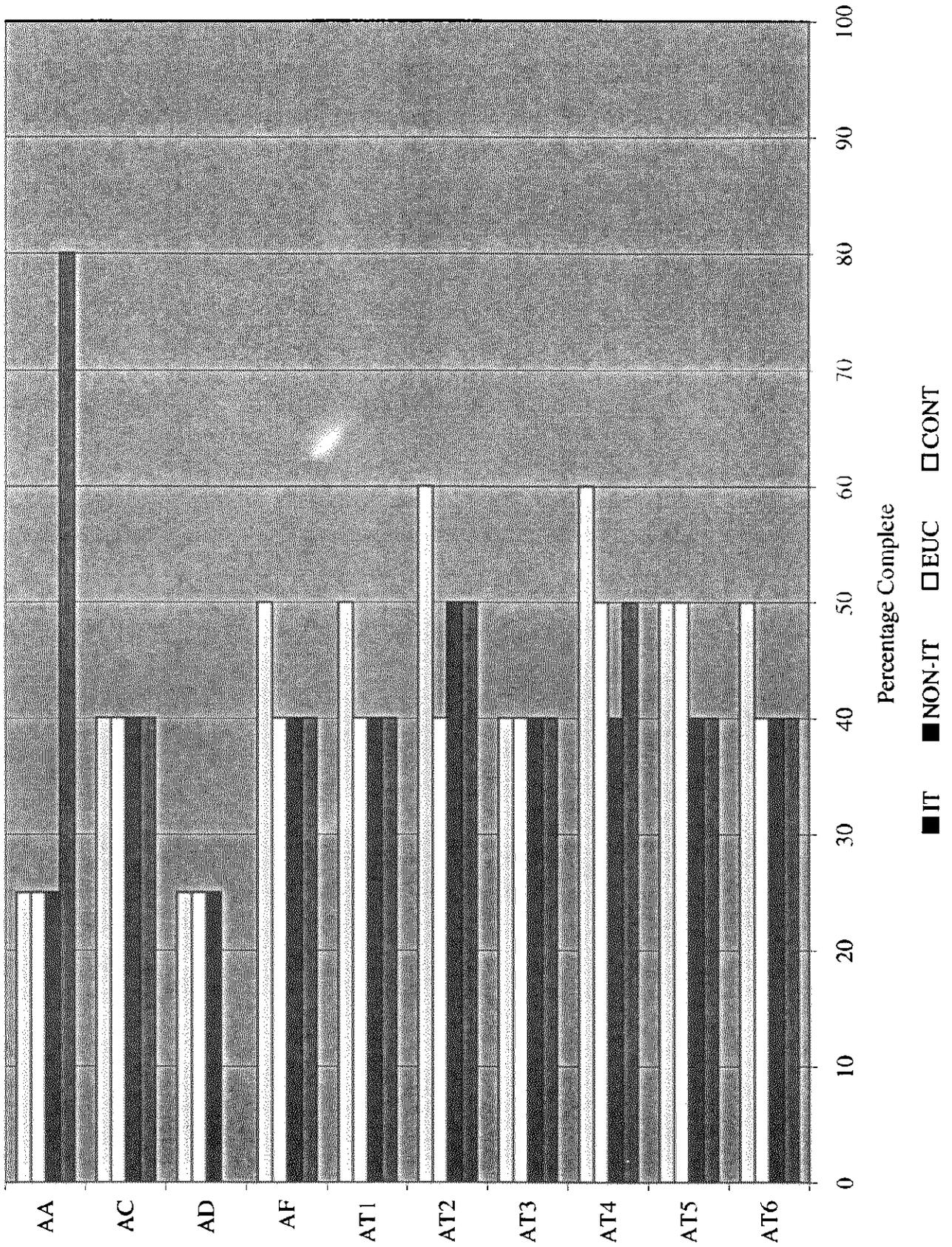


AGENCY READINESS SCALE

Critical Agencies

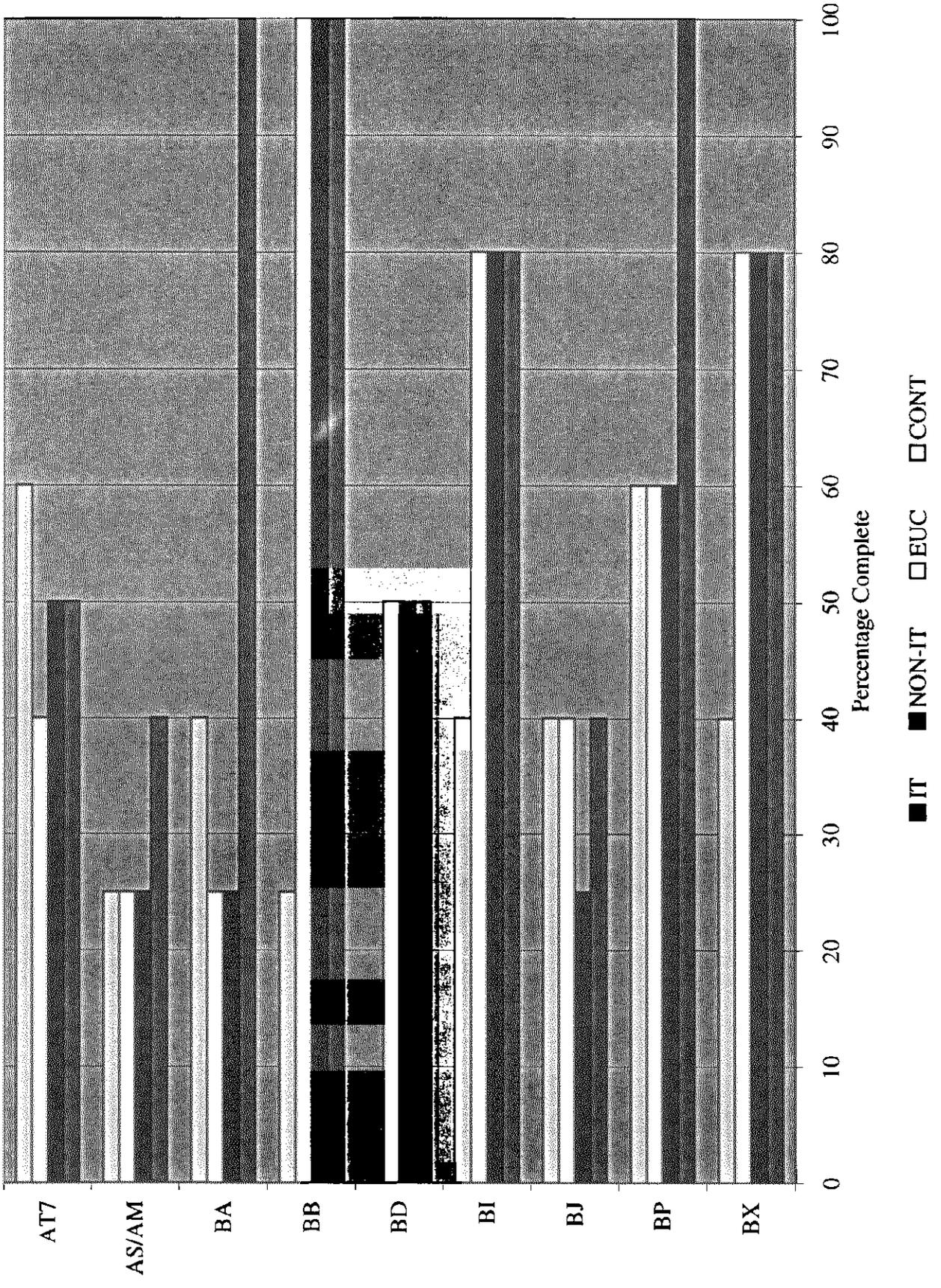


AGENCY READINESS SCALE Non-Critical Agencies



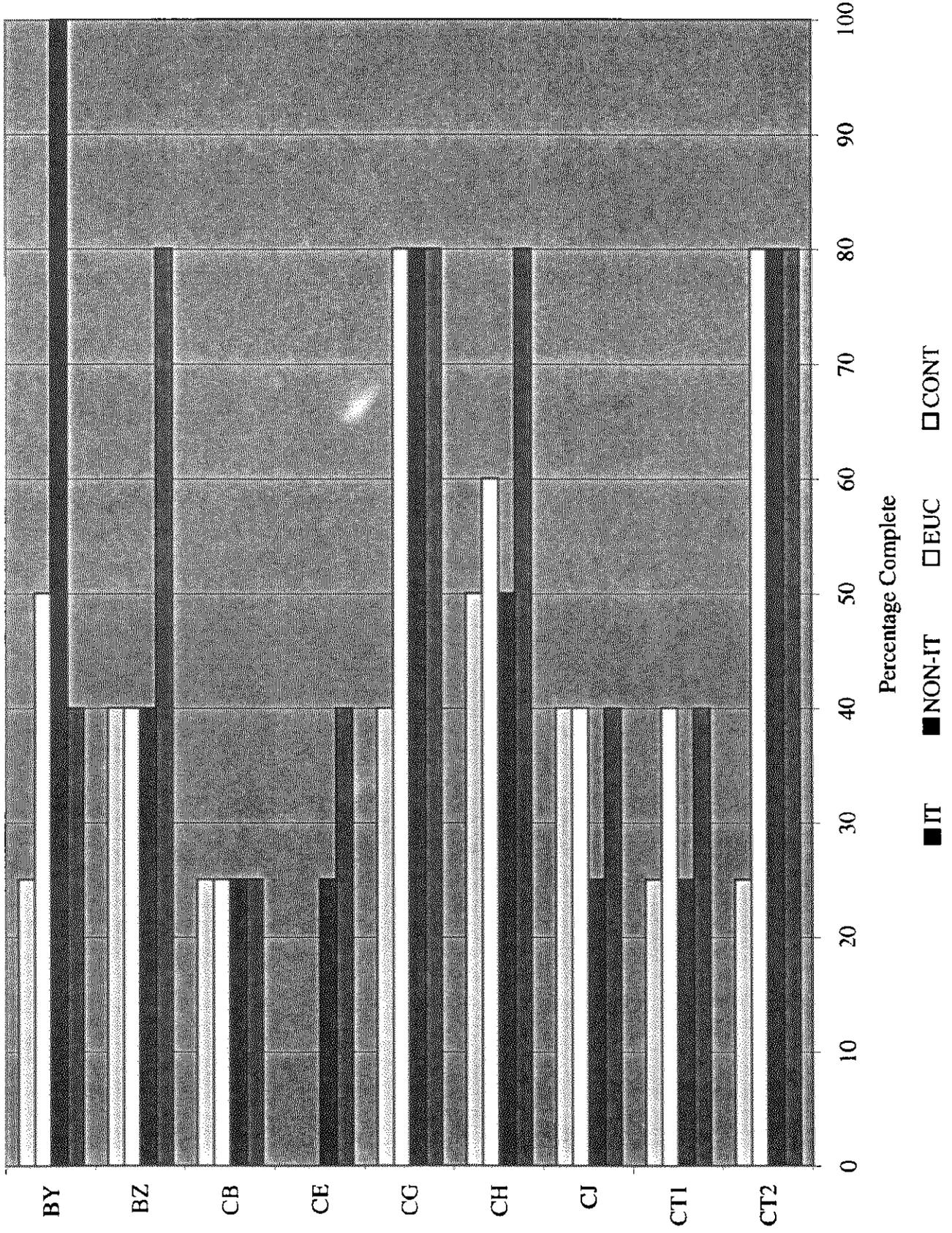
AGENCY READINESS SCALE

Non-Critical Agencies



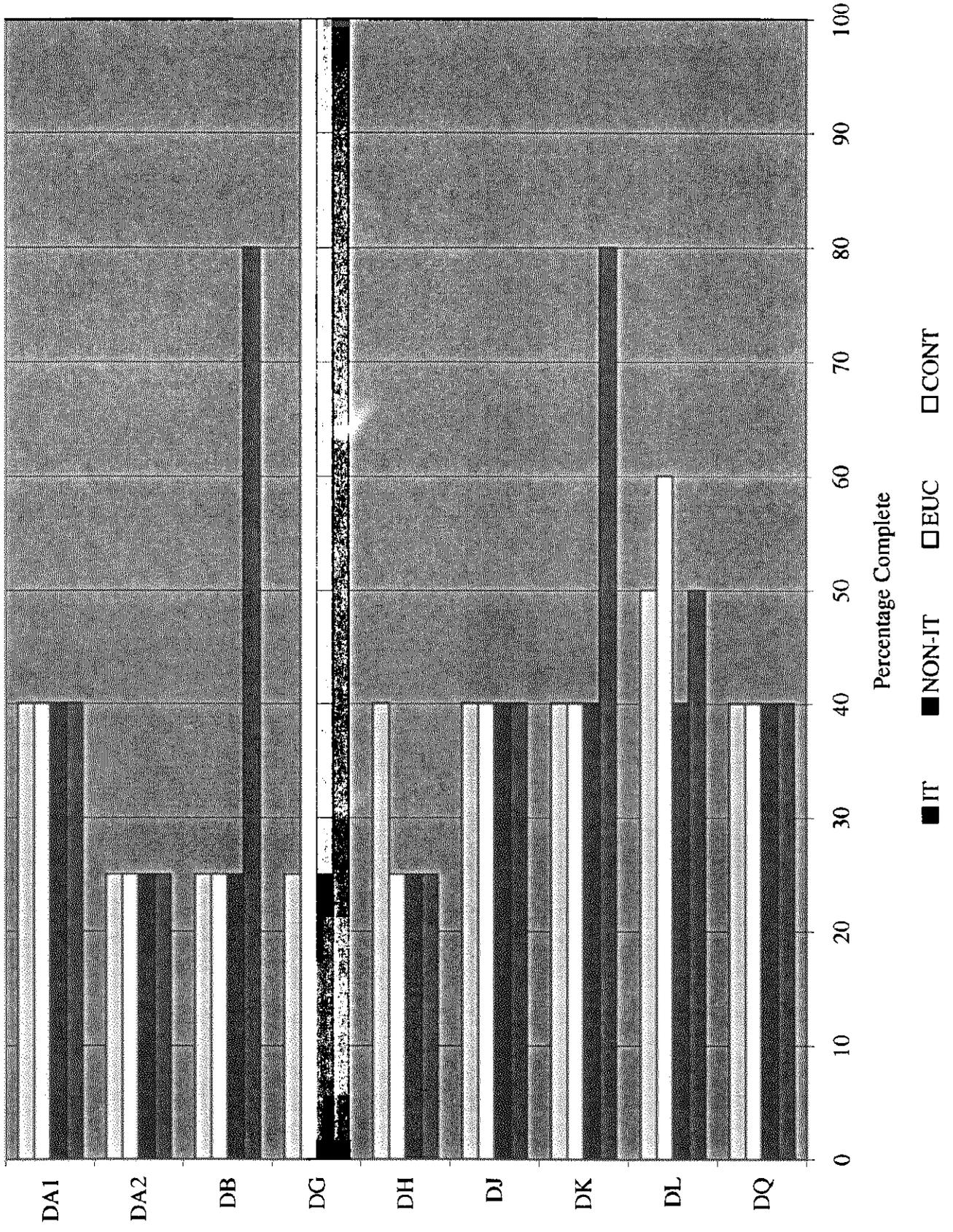
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Non-Critical Agencies



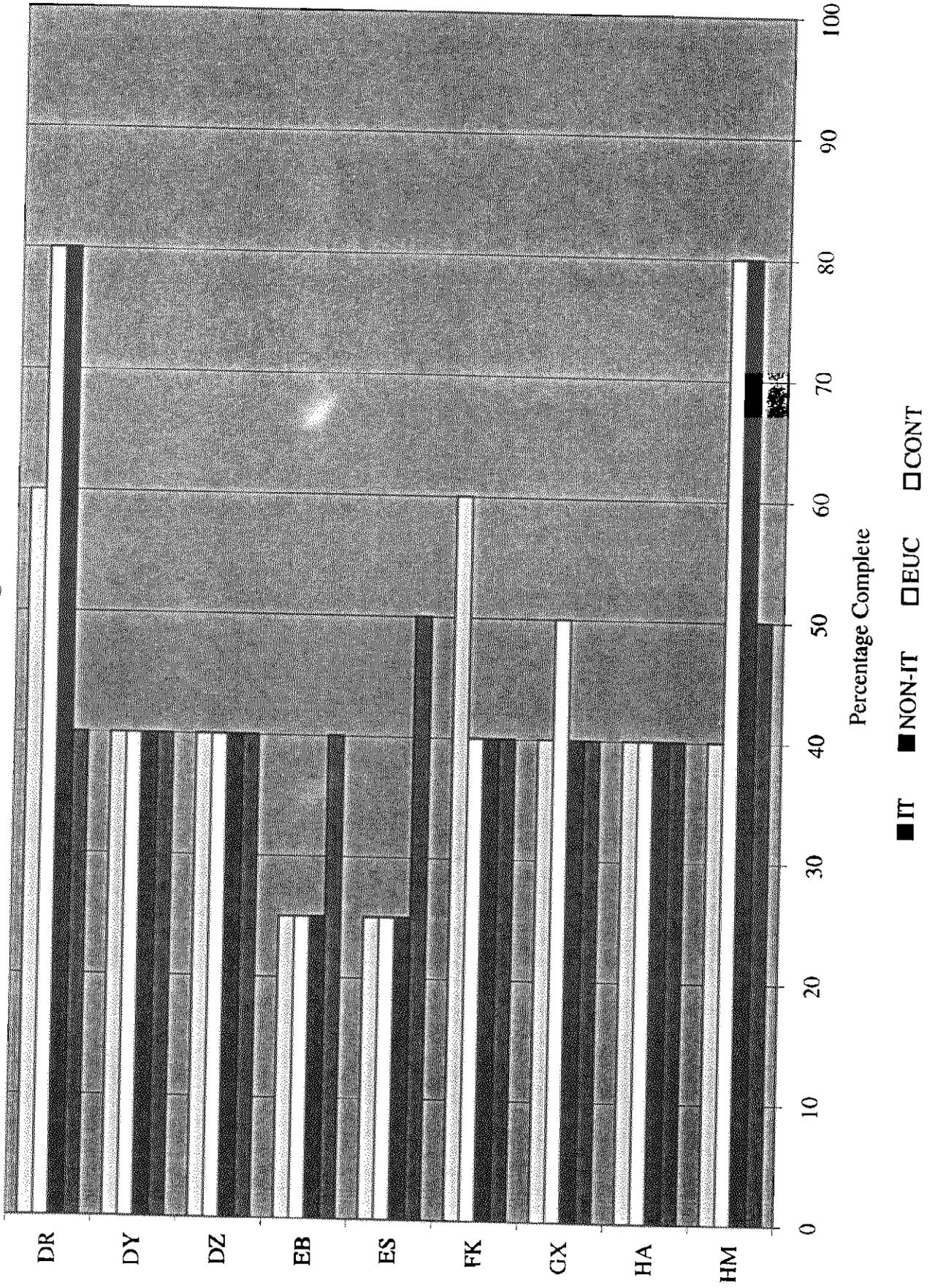
AGENCY READINESS SCALE

Non-Critical Agencies



AGENCY READINESS SCALE

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AGENCY READINESS SCALE

Non-Critical Agencies

