City of Dallas | SERVICE FIRST, NOW!

Overview of Department of Information and Technology Services:

Technology That Pays Its Way

Committee on Government Efficiency

May 11, 2026

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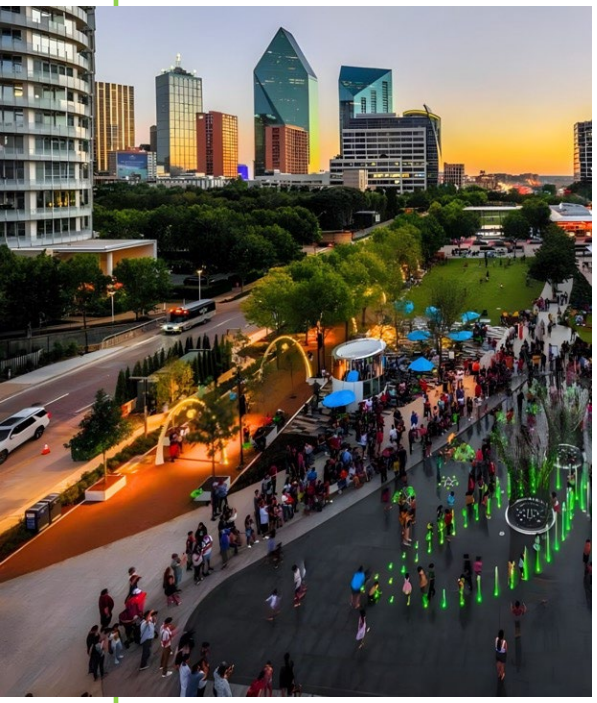
Today's Agenda



Technology as City Infrastructure

ITS runs the operational infrastructure delivering services to 1.3 million Dallas residents every day.

Resident Services

311 & Permitting

- Enterprise 311 Platform
- Land-Based Permitting
- Court Case Management
- Code Compliance Platform

Finance & HR

ERP & Payroll

- CGI Advantage (Finance)
- Workday (HR/Payroll)
- Purchasing
- Accounts Payable

Communications

Network & Collaboration

- Enterprise Network
- SharePoint
- City Website & Intranet
- Document Management

Public Safety

911 Dispatch & CAD

- Computer-Aided Dispatch
- Fire Station Alerting
- Body Camera Management
- Records Management

End User Services

Help Desk & Devices

- Service Desk
- Contact Center Infrastructure
- End-User Computing
- Email

Infrastructure

Data Center & Security

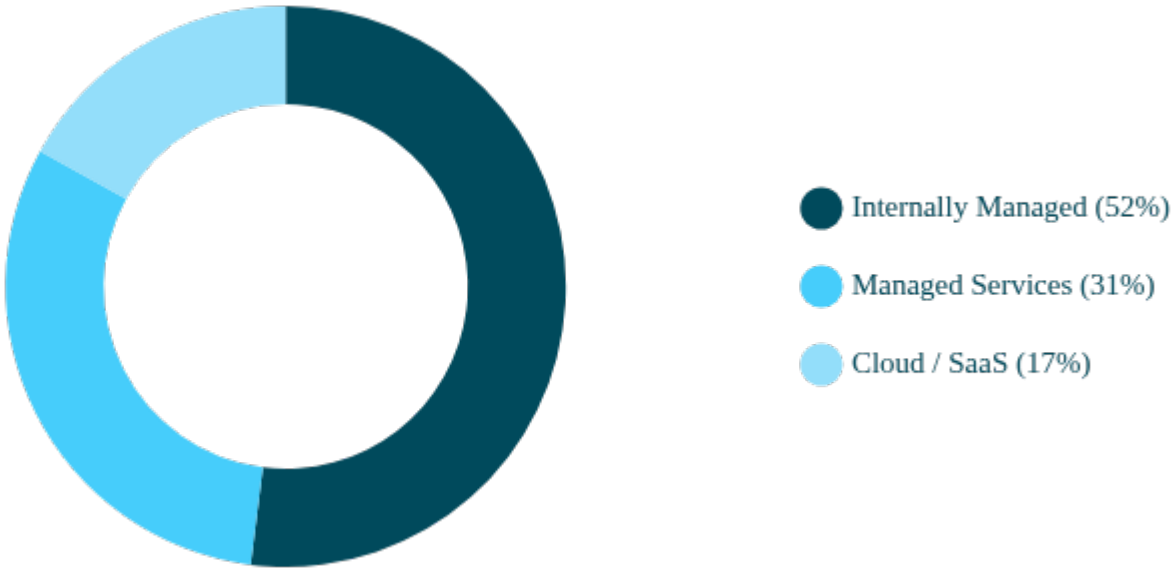
- City Data Center
- Cybersecurity Operations
- Network Architecture
- Backup & Recovery

ITS serves all 44 city departments and supports over15,000 city employees — from police officers in the field to clerks processing permits. Every major interaction with the City depends on ITS services and infrastructure.

Dallas ITS Enterprise Systems Landscape

ITS operates under a hybrid delivery model.

Application Delivery Mix



582
active applications across 44 departments

$169M
ITS FY26 budget

240
ITS FTEs supporting city operations

15K+
city employees supported FY2025-26 Adopted Budget Document

Governance note: Department-owned applications (shadow IT) exist and are being inventoried; shared accountability governed through ITS's Application Governance framework.

IT Spending Benchmarks

Dallas spends comparably on a *per-employee* basis but is meaningfully **lower-spending relative to operating budget** — suggesting we are running lean, not wastefully.

2025 GARTNER STATE & LOCAL MEDIANS

All metrics follow the Gartner Framework Definitions for IT spending and staffing. These are direct peer-group benchmarks — Government, State and Local.

5.3%
IT Spend as % of Operating Expense
(up from 4.7% in 2024)

4.0%
IT FTEs as a % of All Employees

$10,815
IT Spend per Employee
(down from $11,171)

CITY OF DALLAS ITS — FY26

ITS Spend as % of Operating Expense
3.97%
1.3 pts below median

IT FTEs as % of Employees
1.56%
2.5 pts below median

ITS Spend per Employee
$10,949
+$134 above median

What the Benchmarks Indicate

The data indicates Dallas is investing responsibly but running somewhat leaner than sector peers — which reduces expenditure today, but may raise potential risk tomorrow.

FINDING ONE

Dallas spends comparably to peers on a per-employee basis.

At $10,949 per employee, Dallas marginally exceeds the Gartner state/local median of $10,815. This is not an over-funded department.

$10,949

per employee vs Gartner median $10,815

FINDING TWO

Dallas is spending less as a share of operating budget.

At 3.97% of operating expense vs. the 5.3% Gartner median, Dallas has a 1.3-point gap. On a $4.25B operating budget, that gap represents approximately $55M in spending below benchmark, which could represent deferred investment.

3.97%

vs 5.3% Gartner median

FINDING THREE

Dallas's FTE ratio is notably below the industry norm.

At 1.5% IT FTEs vs. a 4.0% Gartner median, the Dallas ITS FTE base is stretched thinner than most. This is partially explained by our reliance on managed services but increases vulnerability during staff transitions.

1.56%

IT FTEs vs 4.0% Gartner median

Bottom line for COGE: These sector benchmarks do not indicate waste — they indicate a lower operating spend ratio and FTE staffing that has been holding. The question is whether that model is sustainable as the City's technology obligations grow.

Application Portfolio — From 860 in 2023 to 582 in 2025

IT Cadre Assessment
860 apps identified

↓

Reclassification
modules & duplicates removed

↓

Rationalization
redundant apps consolidated

↓

Retirement / Sunset
unsupported apps decommissioned

↓

Current State
582 active apps

260 Redundant Applications — Breakdown by Function

Case Management Systems	61
Financial Management Systems	65
Document Management Systems	34
Communication Management	19
Human Capital Management	25
Data Analytics Systems	34
Data Management Systems	22

Key Reference Points

582
Current Dallas active applications
across 44 departments

260
Applications with functional redundancy
across 7 core capabilities

Application Risk Status — Current Portfolio Health

81% — No Risk
(Upgraded, 472 apps)

16% — At Risk
(Needs Upgrade, 93 apps)

3% — Hosted
(Vendor-managed, reduced exposure)

What This Means

The environment is largely stable. A targeted focus on ~90 at-risk applications will significantly reduce the City's overall exposure.

Good news: 81% carries no material risk — upgraded or vendor-managed. Dallas ITS has made meaningful progress through active lifecycle management..

Action required: The 16% at-risk category (~90 applications) represents systems running on unsupported or end-of-life versions. These create security exposure, compliance gaps, and service continuity risk. Several touch public safety and financial operations.

Remediation Approach

1. **Validate Usage**
Confirm business need, usage levels, and ownership of each at-risk system

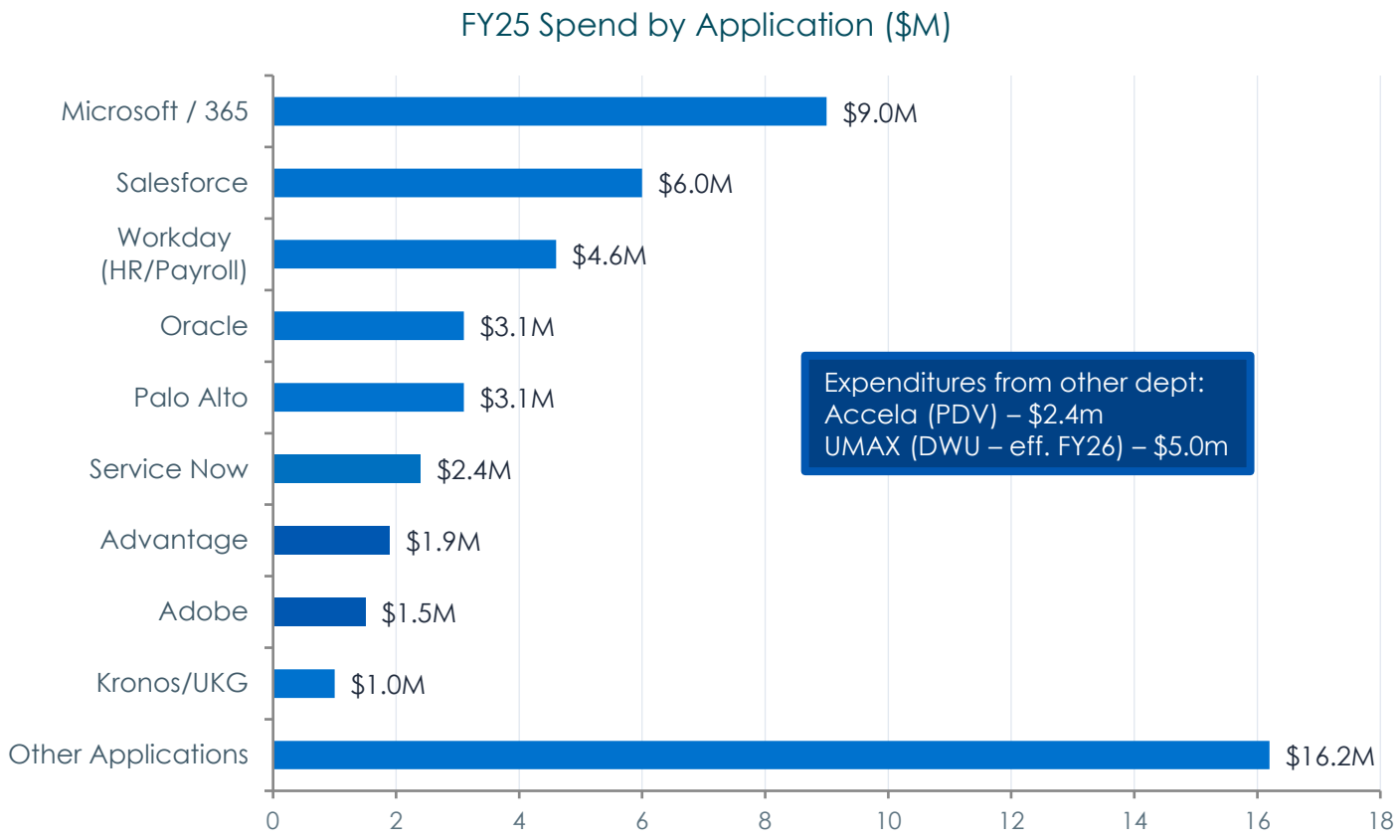
2. **Assess Risk & Redundancy**
Identify overlap with enterprise platforms before upgrading

3. **Define Enterprise Direction**
Standardize on approved platforms where possible

4. **Rationalize**
Retire, consolidate, or modernize with a time-bound plan

ITS Software Expenditure Is Concentrated Among a Small Number of Vendors

The lion's share of expenditure comes from a handful of vendors — FY25 total application spend for software licenses and maintenance is $48.9m.



~66.9%

of total FY25 spend from TOP 9 applications

~33.1%

Other application FY25 total spend

KEY INSIGHT

Reducing vendor count does not proportionally reduce spend. Consolidation strategy must target high-impact vendors.

How New Applications Are Governed — The Intake Process

To prevent the portfolio from growing back to undesired levels, every new application request must pass three gates before approval.

This governance structure means the portfolio should only grow when justified — every addition is tied to a business capability and reviewed for redundancy first. This is how we sustain the reduction from 860 to 582 and reach a multi-year target below 400.

Gate 1

Request

Capture & standardize incoming requests

- Standardized intake form capturing business need, department, users affected
- All requests logged into central portfolio registry
- Requestor identifies current workaround and associated cost

Gate 2

Architecture Review

Map to enterprise capabilities; identify overlap

- Enterprise architecture team evaluates functional overlap with existing systems
- Check alignment with approved enterprise platforms (Workday, CGI Advantage, etc.)
- Security and integration complexity assessed

Gate 3

Decision

Strategic investment approval or redirect to enterprise solution

- Approve as new application (with cost/benefit justification)
- Redirect to existing enterprise solution with department support
- Defer pending broader platform decisions

How Technical Debt Impacts Dallas

Technical debt is the accumulated cost of using aging technology rather than investing in modern alternatives.

~ 90

applications at end-of-life or unsupported versions

16%

of total portfolio carrying active risk exposure today

Gartner finding:

For every $1 of technical debt that goes unaddressed, future remediation cost increases by an estimated $3–5 over a 5-year window.

Excess Maintenance & Licensing

High Impact

Legacy vendors charge premium support rates for out-of-lifecycle products — typically 20–30% above standard rates.

Staff Time Lost to Workarounds

High Impact

When systems don't integrate or automate, staff compensate manually — consuming capacity that could serve higher-value work.

Incident & Recovery Costs

Medium Impact

Aging systems fail more frequently. Emergency remediation and unplanned downtime cost materially more than planned upgrades and disrupt resident services.

Security & Compliance Exposure

High Impact

Unsupported systems receive no security patches, creating exploitable vulnerabilities and increasing the City's data breach and regulatory compliance liability

Where We're Exposed - Priority Risk Areas

Highest-priority exposures touch public safety, financial operations, or high-volume resident services.

	Department	Resident Impact	Exposure Type	Status
End-of-Life Infrastructure Platforms	ITS / All Departments	City-wide availability	Security, Continuity	High Risk
Legacy Case Management Systems	Courts, Code Compliance	Court processing, enforcement	Compliance, Integration	High Risk
Financial Management Redundancies	Finance, Multiple Departments	Payment processing, reporting	Audit, Compliance	High Risk
Document Management Fragmentation	City-wide, 34 systems	Records access, transparency	Open Records, Legal	Medium Risk
Data Analytics Fragmentation	Multiple Departments	Reporting accuracy	Decision Quality	Medium Risk
Communication Platform Redundancies	City-wide, 19 systems	Internal coordination	Cost, Security	Managed

ITS is prioritizing remediation based on risk tier and public impact

The City Data Center — A Significant Contributor to Risk and Technical Debt

Current State — City Hall On-Premises

- Physical limitations (power, security, cooling, redundancy)
- Aging infrastructure approaching/past refresh lifecycle
- No geographic redundancy
- Challenging to equip and staff for 24/7 continuity of operations
- Technical debt connection: migration forces lifecycle decisions on aging systems

Current Technical Direction — Hybrid Cloud + Colocation

Commodity and non-sensitive workloads move to cloud (IaaS/SaaS)

Mission-critical and security-sensitive systems relocate to commercial colocation (Tier III/IV physical controls, redundant power, geographic separation)

- ✓ Eliminates City Hall facility constraints
- ✓ Maximizes flexibility without surrendering control of sensitive systems
- ✓ Migration resolves aging infrastructure and some application technical debt
- ✓ Consistent with Austin, San Antonio, and other peer cities

Next step: Council approved on April 22, 2026. Data Center move anticipated in 2027.

Peer City Approaches to Data Center Modernization

SAN DIEGO, CA

Commercial Colocation

City IT systems moved into commercial colocation facilities under formal contracts. Focus on improving resiliency and third-party hosting continuity

BOSTON, MA

Primary Data Center Colocation

Procured commercial colocation for primary City data center operations and interconnection services via competitive RFP process.

AUSTIN, TX

Modern Colocation Expansion

City documentation explicitly recommends expanding operations into modern colocation facilities rather than continuing to rely on City-owned space.

SEATTLE, WA

Council-Approved Colo Services

Colocation services procured under formal governance and Council approval as part of the Next Generation Data Center strategy.

SAN ANTONIO, TX

Legacy Exit Strategy

Actively transitioning away from City-owned data center toward commercial colocation or third-party managed space via public RFI process.

A clear national pattern has emerged: large cities are moving critical systems into commercial facilities purpose-built for reliability, security, and continuity.

How Dallas Delivers IT Services — Managed Services vs. Internally Managed

Gartner guidance for government IT: **Use external expertise where it adds strategic value** — specialized skills, 24/7 operations, scale — while retaining internal teams for mission-critical knowledge, governance, and sensitive functions.

MANAGED SERVICES (CONTRACTED OR SAAS)

- Service Desk & Help Desk — End User Services
- Enterprise Network Support Services
- Enterprise Contact Center (Phone Services)
- Land-Based Permitting System
- Court Case Management
- Enterprise 311 Platform
- Public Safety Video Management

Why managed:

24/7 availability requirements, specialized vendor expertise, or cost-competitiveness at required scale

INTERNALLY MANAGED

- Computer Aided Dispatch System (911)
- Regional Wants and Warrants (Public Safety)
- Fire Station Alerting System
- Animal Shelter Management System
- SharePoint & Collaboration Platforms
- City Website & Intranet
- Document Management & Network Architecture

Why internal:

Mission criticality, security sensitivity, or direct operational control needs — 911, for example, cannot tolerate a vendor dependency chain

Note: The right mix is not fixed; ITS evaluates each service on mission impact, cost-competitiveness, risk tolerance, and internal capability — and revisits that evaluation as the City's needs and the vendor market evolve.

Next Steps to Improve Effectiveness and Efficiency

Within 30 Days

Data Center Modernization Plan — Council Presentation

ITS will present the formal business case and implementation plan for transitioning from the City Hall on-premises data center to a Hybrid Cloud + Colocation model.

The presentation will include a total cost of ownership analysis, implementation timeline, and risk assessment.

FY26-27

Reduce Application Redundancy Through Governance and Consolidation

ITS will create a prioritized remediation schedule for the ~90 at-risk applications, sequenced by risk tier and resident impact.

Work will be planned and executed within the approved budget. The data center modernization plan will address a significant portion of underlying technical debt.

Annually

Define a Risk-Based Remediation Schedule Within the Approved Budget

ITS will reduce application redundancy over time by controlling new additions through the governance intake process and replacing aging point solutions with consolidated enterprise platforms.

At-risk application metrics will be reported through the Technology Accountability Report.

Questions

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