



Technology Optimization

Austin Technology Services | March 4th, 2026

Technology Optimization



From the City Manager's memo to Mayor and Council November 5, 2025

Subject: ***Efficiency and Optimization of City Services in Fiscal Year 2026***

- The Citywide Efficiency Process will apply a rigorous, methodology-driven approach to examine our organizational performance, focusing on:
 - Independent assessment of operational efficiency and service delivery.
 - Benchmarking against comparable organizations to identify best practices.
 - Data-driven analysis of resource allocation and organizational design.
 - Recommendations for cost savings, service improvement, and structural adjustments.

Technology Optimization Initiatives

- Centralization of Technology Staff to Austin Technology Services (ATS)
- Citywide Application Rationalization



Centralization of Technology Staff to ATS

Organizational Assessment

June 2025 City engaged Gartner to identify opportunities to increase the value of technology across the organization.

Organizational Design Goals

- Reduce costs, strengthen governance, streamline and modernize applications, and improve operational effectiveness.
- Identify a more efficient and effective operating model that better positions the City to keep pace with the rapidly evolving technological landscape and growing demand for technology services.

Engagement Scope

- Conduct an IT staffing benchmark and high-level IT spend benchmark
- Create an intentional organizational design aligned with citywide technology goals



Centralization of Technology Staff to ATS

Organizational Assessment Outcomes

Findings - What the data showed*

- Austin's IT spending is 81% higher than peer cities (initial estimate ~ \$201m)
- Only 30% of IT spend is centralized, compared to 81% in peer cities
- 98% more IT staff than peer cities
- Current model resulted in duplicate functions, redundant systems, inconsistent standards, and uneven IT maturity across departments

Recommendation

- Align technology staff under a unified department – Austin Technology Services (ATS)

Establishes

- Shared services and governance
- Centralized core capabilities
- Shared accountability
- A service-first model that empowers departments

Benefits

- Reduce duplication of services
- Reduce cost and improve transparency
- Strengthen cybersecurity
- Enhance service quality

* Phase 2 work (in progress) refines the IT Spend Benchmark and removes Operational Technology Costs in alignment with methodology.



Centralization of Technology Staff to ATS

*Process and timeline for Information Technology (IT) positions**

Phase 1 – Transition

- December – March
 - Information Gathering Process
 - Department Director Stakeholder Meetings
- April
 - Team Alignment Recommendations
- May
 - Employee Transition Notification and Onboarding

Phase 2 – Transformation

- 2-3 years
- Continue to transform IT operations from largely decentralized and disaggregated units into highly effective, optimally-resourced centers of excellence
- Revise and strengthen IT governance

* A separate process with a longer implementation timeline is underway for operational technology positions in various enterprise departments.



Citywide Application Rationalization

RESOLUTION NO. 20240814-01

*The City Manager is directed to conduct a comprehensive **review of the City's technology expenditures** with the objective of **identifying opportunities for efficiency through the consolidation of technologies and the reduction of spending on overlapping solutions.***

The review should consider criteria such as cost, redundancy, operational impact, security enhancement, and alignment with the City's strategic goals.



Citywide Application Rationalization

- **July 2025** staff solicited proposals to meet the resolution directive
- **Neos, Inc/Parsolvo selected** based on rationalization work with government organizations
 - Data driven approach
 - Methodology is grounded in industry best practices
 - CIO.Gov – Application Rationalization Playbook
 - INFO TECH Research Group – Application Rationalization and Total Cost of Ownership
 - FinOps Foundation – Open Cost and Usage Specification (FOCUS)
- **August 2025** kicked-off the Citywide Application Rationalization engagement
- **Objectives**
 - Rationalize the City’s portfolio to enhance services and security
 - Reduce costs and reinvest in innovation
 - Eliminate redundancies and improve service quality
 - Secure critical infrastructure and public trust
 - Sustain through coordinated governance and continuous rationalization



Application Rationalization – Highlights

Phase	Highlights
Phase 1 -Initialization	<ul style="list-style-type: none">• Project Kick-off
Phase 2 - Inventory, Discovery, and Assessment	<ul style="list-style-type: none">• Baseline Application Inventory Matrix<ul style="list-style-type: none">• 1184 unique applications catalogued across departments• 2009 total applications across all departments – indicates redundancy
Phase 3 - Scoring, Source to Contract, and Rationalization	<ul style="list-style-type: none">• 24 Consolidation Opportunities identified (300+ applications)• Cost-Benefit and Risk Analysis completed
Phase 4 - Security, Compliance, and FinOps Standardization	<ul style="list-style-type: none">• Completed Security Overlap & Gap Analysis
Phase 5 – Roadmap, Governance and Optimized Modeling	<ul style="list-style-type: none">• Created Dashboard for tracking Performance Metrics• Delivered Continuous Rationalization Recommendations



Application Rationalization- Next Steps

Next Steps	Status
Phase 5-Optimization Modeling - Cost Savings	• March 2026
Phase 6-Final Reporting, Training, and Closeout	• April 2026

Application Rationalization Program Implementation

- 2-3 years; consolidate approximately 300 applications
- Deliver 3 phases of work; 20 – 30 projects
- Realize savings and efficiencies
- Reinvest strategically in new technologies and improved security

Questions?



Thank you!