



# Technology Investment Council



State of Delaware  
Technology Investment Council Meeting Minutes  
March 12, 2013

## Technology Investment Council Attendees

Name	Organization	Attendance	Represented by
James Sills	DTI	Present	
Mike Morton	Controller General	Present	
Ann Visalli	OMB Director	Represented	Brian Maxwell
Mark Murphy	DOE	Represented	Karen Field Rogers
Myron Steele	Chief Justice	Represented	Pat Griffin
James Canalichio	Dixon Valve & Coupling Co.	Present	
Dan Grim	University of Delaware	Present	
Carlos Vieira	Bank of America	Present	
Glenn Tascione	Barclay's Bank	Present	

### **Call to Order**

Secretary Sills called the March 12, 2013 TIC meeting to order at approximately 9:01 am.

### **Welcome**

Secretary Sills welcomed everyone, and introductions were made at the Dover and Wilmington Video Teleconference (VTC) locations. TIC members' attendance was noted, as shown in the above table. Others in attendance included DTI Senior Staff and Project Managers, Major Project Managers/Sponsors from DHSS, Courts, and Kid's Department and a representative from Oracle.

### **Old Business**

Secretary Sills asked if all the members received and reviewed the December 11, 2012 TIC meeting minutes and requested a motion to approve them. Jim Canalichio made a motion to approve the minutes, and Dan Grim seconded the motion. With no opposition, the motion was carried.

### **IT Consolidation (ITC) ~ Secretary Sills**

DTI has been working on the ITC initiative for approximately 3 years, and we are currently engaged with 10 different agencies. The first five departments are about 65% consolidated, and we have realized over \$2.5M in savings and cost avoidance. 10 positions have been reduced through attrition, 5 contractual positions were eliminated, and 33 positions have been consolidated with outside agencies. Small departments such as Department of Agriculture and the Delaware Economic Development Office have been very satisfied with the consolidation because they now have the ability to access a wide range of IT resources. The Department of State and the Department of Finance are happy with certain aspects of ITC but still want to maintain some control. The larger departments, like DelDOT and the Department of Health and Social Services, are having major challenges with ITC. They have larger IT departments/staff within their agencies and find it difficult to give up any control. DTI has determined synergies between the IT departments for consolidation. However we have been engaged in an ongoing, unanticipated "battle" for the last few weeks with these larger agencies. Overall, DTI is making progress. The Department of Labor just accepted DTI's ITC recommendations.

### **ITC Update continued ~ Matt Payne**

In addition to looking for efficiencies, DTI has uncovered a lot of risk. There were a lot of areas where agencies' IT departments were not in as good as shape as they should have been, and their technology was not updated. Therefore, a huge part of the ITC effort is not just about cost-savings but also avoiding issues. Many ITC-related projects have emerged from the completed agencies' assessments. They include having to upgrade the infrastructure, change modules, or evaluate resource challenges. DTI is currently working closely with the Office of Management and Budget (OMB) and the Department of Health and Social Services (DHSS). DHSS has a few large initiatives in the pipeline that will require a substantial amount of incremental resources. An agreement has not been reached collectively in terms of what the state can fund. Today, the DHSS IT team is made up of approximately 125 – 130 resources, and their proposal

requests 40 – 60+ additional resources. The State will not be able to fund all of them. If they were to be able to move ahead with their proposal, they would be almost the same size as DTI; the central IT organization. DTI is trying to develop a “big picture” end state by finding synergies between the departments and leveraging resources. Discussions are continuing. The interaction with the Department of Corrections (DOC) has been good. The biggest challenge we face with DOC is with vendor management. There has been a change in leadership at DOC, so once the new Commissioner settles in, we will continue the ITC discussions. One of the best interactions we have had is with The Department of Labor. They have been very forthcoming with sharing their information and have agreed to every recommendation. The discussions with Pensions have also been very good, and there is an opportunity to consolidate their ERP team with DTI. Interactions with the Department of Safety and Homeland Security continue, and the Department of Finance data center in Carvel is 90% complete.

*Pat Griffin ~ When you look at the server virtualization [ITC Savings slide], is that the estimate of how much was saved by the agencies?*

*Matt Payne ~ It's what the State saves. That number represents the amount it would be, over a couple of years, if we did not virtualize and continued to buy more and more equipment.*

*Pat Griffin ~ Does that include resources maintained and other different factors?*

*Matt Payne ~ The resources are broken out separately.*

*Brian Maxwell ~ For the Department of Labor, are there positions involved with the recommendations?*

*Matt Payne ~ They have a very special circumstance; they have union resources. It made more sense for their resources to remain managed by the DOL so we did an internal consolidation. We combined resources by skill set across their divisions. A different tactic was needed, but we believe we will get all the same benefits. We also set up a unique managerial relationship from an IT expertise. For example, the DOL Help Desk lead will remain at DOL but will be working with the Help Desk resources from DTI who provides the tools and processes.*

### **Broadband Grant ~ Mike Hojnicky:**

The Broadband Grant is coming to an end on September 30, 2014, and funding will no longer be available at that time. \$400K of unused funds for projects, that no longer have a good return on investment, will be reverted back to the federal government. We are unable to reallocate this funding to other projects. The final set of website enhancements will be implemented, and the community outreach will continue through until September 30<sup>th</sup>. The outreach program has been successful. Recently at the Cyber Event, DTI hosted an onboarding session with 26 community leaders.

*Brian Maxwell ~ What was the total amount of the grant, and how much was the state contribution?*

*Mike Hojnicky ~ The total grant was \$2.1M, and there was a 20% state match.*

*Pat Griffin ~ Once the funding is gone, is there funding for future maintenance?*

*Mike Hojnicky ~ Currently, we do not have it in our budget to maintain the site.*

*Mike Morton ~ What would be the ongoing maintenance if you were to take it over?*

*Mike Hojnicky ~ I am going to estimate \$100,000. We have providers that have to gather and upload data to the site.*

*Secretary Sills ~ Delaware is number 1 in the entire U.S. for broadband coverage and speed. We average about 10mbs, and that average is highly concentrated in New Castle County. We also have about 90% coverage in terms of broadband access. Once 4G is fully deployed later this year, we will be close to 100%. I will send you the latest broadband map. Mike can you tell the committee when we had our audit from the federal government and we were trying to revert back some of the funds?*

*Mike Hojnicky ~ We proposed a number of ways to leverage the funds we weren't going to use, and they said 'no, we don't want you to give the money back'. They insisted we find ways to spend the money.*

### **Major Projects Update:**

### **DACSES Replacement Project ~ Midge Holland (DHSS)**

The System Integration Testing (SIT) is coming to an end. A few modules had been deferred because of a change request with the vendor – they are currently running through SIT. User Acceptance Testing is slightly behind schedule. About 300 active users and 400 view-only users will be going through training. The training materials are being reviewed; train-the-trainer will begin in June, and user training will begin in July. Deployment activities are underway, and the Deployment Plan document is still under review. There have been some issues with printing, and business processes have to be revised and refined. However, they are on track for September implementation. There are still quality issues with the vendor, although they have improved. Other issues/risks include staff vacancies and open technical challenges awaiting resolution.

*Brian Maxwell ~ On the Projects Issues/Risks it says, “Open technical challenges awaiting resolution by State.” The state is a big place – is that DTI and DHSS combined? And the items listed below; is there a plan to address those and a timeline with regards to when they will be addressed?*

*Midge Holland ~ It’s a combination of all the state resources. We measure our risk by who is on the hook for them. In this instance it is the state; DSS, DHSS and DTI. In our project schedule, we have a couple of milestones associated with getting the IAM work done; it is a risk because we have missed most of those. We may end up bringing the portals up after implementation. They are not on the critical path for the rest of the functionality; however they are customer phased-in. We would like to be able to offer them at the same time. There is an issue with the Division of Professional Regulation in terms of some file changes and work that needs to be done in order to get our interface with DTL working appropriately. We are working with DTI to make sure that piece of functionality happens.*

*Brian Maxwell ~ How would you describe the color of your project? Green, yellow, or red?*

*Matt Payne ~ Yellow. We have about 12 projects we review in our Major Projects Review and, in that, we look at 3 or 4 to bring to the TIC. They are usually yellow – we only have one in red status.*

*Secretary Sills ~ I believe we have a work around for the printing issue and have a long term fix that we will be implementing in the next 3 months or so. I also want the TIC to be aware that the DACSES and Eligibility Modernization projects are going in on the same weekend in October. That is a high risk for two large scale projects to go in on the same weekend. I have Oracle here, and we have run into a number of challenges with the Identity Access Management Tool. We are working with Oracle closely and have been on calls with his team for the past couple of days. We are implementing IAM in a number of different applications across the state. The System Automation issue that Midge touched on relative to the Division of Professional Regulation – we have been frustrated with the vendor’s response in terms of coming back to us with the fix.*

*Matt Payne ~ This is a tool that the Division has, but they don’t have the skill set within their team to create the interface that’s needed to send over. The challenge on top of that is that there are some security issues in the base application, and we asked them to make changes. DTI resources found vulnerabilities in the app and had to bring it to the vendor’s attention, and they have been challenged to address them.*

*Elayne Starkey ~ The vendor is just not interested in delivering secure code that works. It is not a good situation.*

*Pat Griffin ~ What are the issues that you are addressing with IAM?*

*Matt Payne ~ We are trying to use Oracle 11g R2, which is the most current version of the IAM product. Since August, we have been working with the product, and we have identified a number of outstanding issues with the functionality. From a functional perspective, it is supposed to allow self-service for things like Open Enrollment. For example, if someone hasn’t used their password for over a year, they will be able to modify their password online. Today, they have to call the Help Desk, and the Help Desk gets bombarded with phone calls. We have identified multiple issues within the core Oracle application itself; it is a complicated tool to work with. Oracle has recognized they have issues within the app itself – it is not an implementation problem.*

*Pat Griffin ~ Are you looking to have this in for May open enrollment? Do you have a drop-dead date for the upgrade?*

*Matt Payne ~ Yes. The biggest challenge is having it ready within the next week so that PHRST can test it. We are actually two weeks later than we like to be in the testing. We want to make sure we have it lined up with the*

communication plan, because it needs to go out to a wide range of folks. I believe we have the highest level now within Oracle working on it. We will get it done – whatever we have to do.

**“DCAP” Delaware Courts Automation Project ~ Marianne Kennedy**

The Courts have agreed to terminate their relationship with Software AG and have brought in the National Center for State Courts (NCSC) to perform an assessment of their technical approach and project direction. NCSC met with the Courts leadership team yesterday to review the draft report of recommendations. A final report is expected in the next three weeks. Most of the recommendations are centered on Project O, which is focused on stabilizing the architecture for the system. The project team continues to stabilize the environment and work on Portfolio 1 items. The drafting of Software AG’s written termination agreement is in process. The Courts are continuing to review their needs along with the NCSC recommendations on the types of positions that are required. Project Management will also be realigned.

Brian Maxwell ~ The budget is \$15.7M, and we have spent \$14.1M to date. What is the total project cost? Given your update, it doesn’t sound like we are on firm ground on what direction we are going and we’ve spent \$14M.

Marianne Kennedy ~ Part of this is the COTS project where we brought in an Oracle based system from Xerox in our civil area. It has been implemented, is up and running, and working well. However, we felt that particular product was not going to meet the needs of our criminal area. We had about \$2.5M balance remaining when we switched gears to the Criminal piece. We had expended some of that but the bulk of it was spent on the civil implementation.

Pat Griffin ~ That \$15M included all of the money for the initial hardware. COTS was started 12 years ago. We have some ongoing funds that we put aside for technology needs and projects. Our understanding on moving forward was that we were going to have to reassess what the money would be used for when we understand where we are going. We are looking to do a lot of the programming and work in-house. With the NCSC coming in, we are going to look at that to determine if that is the best approach overall.

Brian Maxwell ~ I think it is confusing. It seems like some of the spend is already spent on COTS. So we are in another phase – I am new to this –can we just separate the two and keep the details?

Matt Payne ~ When it was funded; it was funded for both. If you want to cancel the one and start another one, you just have to understand that the funding was for both.

Brian Maxwell ~ Are you saying we had scope creep?

Matt Payne ~ No, it took a little bit more time and money to do the civil. We thought we’d have more money for criminal. And then we had the change of direction; the canned package was not going to work for the criminal.

Pat Griffin ~ A lot of the money was spent with the Xerox contract. It was front-loaded which I don’t think is unusual in terms of the resources, structure, and the set up. We used that with the civil piece – there was a lot of concern whether it would be effective, considering we have total integration with DELJIS and the systems now, and whether that approach would work.

Secretary Sills ~ Did the draft report recommend additional funding? Since it is going to take additional resources and longer to get implemented; are they recommending additional funding for the criminal portion?

Marianne Kennedy ~ They haven’t recommended a specific number, but the recommendation says for any system this size it will cost us. What they are recommending at this point is to really consider, with the small IT staff that we have, is whether or not we are trying to support doing it ourselves. What they are saying is that other states of our size have not been successful with that.

**ICIS – Integrated Corporation System ~ Mike Womer**

From a risk perspective, the vendor has been unable to meet the development milestones, and as a result the May go-live date will not be met. Within the next couple of weeks, the new schedule will be determined. A key factor to determining the new schedule will be holding the vendor accountable for when they can resolve the over 1,200 outstanding defects. Currently, the project is not at a point to establish a new go-live date.

Pat Griffin ~ Are you trying to figure out if the vendor can actually do what you need them to do?

*Mike Womer ~ That has been a clear issue on this project; the vendor has not been able to accomplish any milestone. What we are requiring them to do is hold a weekly update at a detailed level so we can forecast, week to week, where we are, and if we are on track or not.*

*Rick Geisenberger ~ What has occurred in the last two months is we have been able to do training, and we have been very pleased with it and the way it looks and feels. We are now getting ready for the last level of detail, and the really complicated issue, that is way beyond me and the business day to day functionality. The bottom line is that we are not going to go-live until it works the right way.*

*Jim Canalichio ~ You switched to an agile methodology the last time around; is that what you are referring to in your weekly update?*

*Mike Womer ~ Yes, the agile for development has been since August. We've broken them down in 10 tracks plus external web services for the phases – we've gone through 10 series of deliveries of code. We saw about a 20% failure rate for those defects. We just recently received a code push for March – we've begun to test those and have seen about a 30% failure rate.*

*Jim Canalichio ~ Last time around, it was about 800 defects, and now it is over 1,200, so it is cycling upward?*

*Mike Womer ~ At the time of the last update we were roughly around cycle 7 or 8, so we've had 5 additional tracks since then. We estimated then that we would be close to a high point of 1,400-1,500, and we were close to where we estimated at that point. We had about 7,000 test scripts we were testing in the project, and roughly 95% of that was new functionality and 5% was left to be exposed. One key milestone that has been prioritized is the external crucial agent relationship. The majority of these agents access the web services so the codes for those services will be delivered early. They will then be delivered to the agents so they can finalize their development and testing. User training will begin March 25<sup>th</sup>.*

*Pat Griffin ~ With the training occurring now and looking at pushing out the date, will you have more training later? If people aren't using it – they forget it.*

*Mike Womer ~ We made a decision to continue with training and then have a supplemental/refresh training later.*

*Li Wen Lin ~ We also will have a training database available for users before the go-live.*

*Rick Geisenberger ~ This system itself is much more intuitive than the current system.*

*Pat Griffin ~ Do you have relatively a large base of limited users or mostly a small base?*

*Rick Geisenberger ~ There are 1,500 people that use the system regularly, and they use it in different ways. You have some people that use the entire system and some that are doing only data entry or look-ups. For me, the biggest issue is, if you keep having 20-30% fail rates, when do we get down to zero? We've gone from 5,500-6,000 items to 1,250, and that is good. But the 1,250 has another 20% fail rate, and now we have 300 items. The frustration is at what point do we get to zero? They are getting there; it is just taking time.*

*Mike Womer ~ And that is why the focus is not on the go-live date – the focus is on the code delivery date.*

*Brian Maxwell ~ How dependent will the agency be after the go-live with this vendor, and will this vendor ever do business with the State again?*

*Matt Payne ~ No to the second question. I think they have done a very bad job in terms of delivering the solution. It's very late, and they continually miss dates and commitments. On the other hand, it is a total customized solution. This is not like a COTS solution where we can go ahead and find someone, so the State does have an ongoing support group. In the future, the plan is in the first year for the State and the vendor to work together to make changes. On top of the training that is really where the education is going to take place – more hands-on. On an ongoing basis, the State is going to have a team to maintain this application. It is built with a toolset, so the actual relationship in the long run really has to be the owner of the toolset as opposed to the vendor that built the custom solution.*

*Rick Geisenberger ~ At the end of that one year period – the question is are we going to retain the vendor on a consultant basis? If we have good knowledge transfer, we will not have to do that.*

*Matt Payne ~ The big thing is to understand how the tool works. We have a combined team with DTI and DOS folks. A couple of people have great knowledge of the business on the team; some with the right skill set and some that have both. The ideal thing is for everybody to have both, and that will take some time.*

**Security Program Update ~ Elayne Starkey**

Cyber Security Executive Order ~ The Executive Order focusing on Cyber Security was released by the White House in January. This directs the U.S. federal government agencies to share cyber threat information with critical infrastructure providers. We will be following it closely to determine how it affects state governments.

Spear Phishing Program ~ The pilot is up and running. The purpose of this program is to educate our users about the dangers of indiscriminately clicking on links from unsolicited emails. We crafted an email and sent it to our employees in a controlled environment. If they clicked on the link, they were presented with an education screen reminding them of all the dangers of clicking on a link from an unknown source. The numbers received from the pilot have been disappointing. The click rate, the rate that users click on the link, is as high as 40% in some organizations. The good news is when we resend the email the number will go down. The last email was a two part challenge. It asked the user to click on a link, and if they clicked on the link, it asked for their user name and password; 8% clicked and 4% gave up their credentials. We will be repeating the exercise and performing some targeted education. We are hoping to expand the pilot to include all three branches of government.

*Pat Griffin ~ Will you eventually send it out to everybody?*

*Elayne Starkey ~ Yes. The license we purchased enables us to do it enterprise-wide.*

*Brian Maxwell ~ Who are you sharing the results with? Are you sharing it with the Cabinet Secretaries or the Information Security Officers within each agency?*

*Elayne Starkey ~ At this point, the Information Security Officers are receiving the metrics, and we are encouraging them to share it with their agencies.*

*Brian Maxwell ~ You might have to copy the Cabinet Secretaries. Some of them may not be sharing that information.*

*Secretary Sills ~ Let me address that also. For the department that had the high percentage; I did send the Cabinet Secretary a note, but we have not disclosed it across the board to the other agencies.*

*Mike Morton ~ Elayne will you be notifying LIS staff when you start sending the emails, so they are not surprised?*

*Elayne Starkey ~ Yes, we are coordinating very closely with the IT staff. Especially in the early round.*

Mandiant Cyber Threat Security Report - The Security community is abuzz because of the release of an interesting report by the Mandiant Security forensics firm. The open source report traces a series of cyber-attacks on U.S. companies to a Shanghai-based unit of the Chinese army. Portions of the executive summary were distributed and the full report is available here: [http://intelreport.mandiant.com/Mandiant\\_APT1\\_Report.pdf](http://intelreport.mandiant.com/Mandiant_APT1_Report.pdf)

**Upcoming Meeting Dates:**

Tuesday – June 11, 2013 (VTC)

Tuesday – September 10, 2013 (VTC)

Tuesday – December 10, 2013 (VTC)

Tuesday – March 11, 2014 (VTC)

**Conclusion ~ Secretary Sills:**

Secretary Sills informed the Council that the next scheduled TIC Meeting will be on Tuesday, June 11, 2013. It will be held in two video teleconference locations in the Dover and Wilmington.

**Adjournment – Secretary Sills:**

With no further business to be conducted, Dan Grim made the motion to adjourn, and Carlos Vieira seconded the motion. With no opposition, the motion was carried. The meeting was adjourned at approximately 10:16 am.