



Technology Investment Council



State of Delaware
Technology Investment Council Meeting Minutes
June 11, 2013

Technology Investment Council Attendees

Name	Organization	Attendance	Represented by
James Sills	DTI	Present	
Mike Morton	Controller General	Present	
Ann Visalli	OMB Director	Present	
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 June 11, 2013 TIC meeting to order at approximately 9:00 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, DTI Project Managers, Major Project Managers/Sponsors from DHSS, Courts, and Kid's Department.

Old Business

Secretary Sills asked if all the members received and reviewed the March 11, 2013 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) ~ Matt Payne

DTI successfully moved the Department of Agriculture IT environment into the DTI Data Center. DTI is currently, cross-training the ERP team with the Pensions office. DTI reached a conclusion on the Department of Labor assessment and the steps that need to be taken. They include a reorganization of their IT personnel, strategic planning and service desk and incident management standardization. The Delaware State Police recommendations are completed, and their data center will be consolidated within DTI. The Department of Health and Social Services consolidation efforts have been delayed until 2014. The assessment phases for the following three agencies will begin by the end of 2013: DNREC, OMB, and the Kids Department.

Identity Access Management (IAM) ~ Matt Payne

IAM allows identification of user's access into State systems. DTI is leveraging the Oracle 11gR2 IAM product. During testing a lot of core issues with the application were found. However, the application was successfully implemented on June 10th, and as expected there was some slowness. The implementation will be heavily monitored for the next few weeks. After the roll-out has stabilized, Pensions will begin use of the 11gR2 platform for pay advices. In an effort to not slow down projects, DTI advised agencies to use 10g IAM platform on some of their initiatives aware that in the future it will eventually be moved to 11g. An increase in the State's self-service options will most likely be seen with the roll out of W-2 and Open Enrollment processing.

Ann Visalli ~ Just for the record, this will be the first time the W-2's will be available online. It's a whole new functionality. We have been mailing W-2's forever, and now that they are online, there will be a significant amount of people who will call on February 2nd that can't understand why they haven't received their W-2 in the mail.

Matt Payne ~ Your point is well taken. The service itself just allows you to gain access and reset your password.

Cloud Solutions ~ Jims Sills

There has been an explosion of the number of agencies that are using Cloud solutions throughout the State. 18 different state agencies are utilizing Cloud applications; 42 applications are in place and 19 are in process (13 of those began in January 2013.) This has allowed the State to be more efficient and agile, because the need to set up software and hardware is eliminated. Cloud technologies require subscription fee versus paying a large upfront cost and maintenance costs over time. Three new Cloud solutions that DTI is currently implementing are the following:

Service Now ~ Matt Payne

This tool has five phases; DTI has currently implemented three. ServiceNow owns the solution and also works on the deployment of the solution. ServiceNow supports all the iTIL functions and helps manage Help Desk solutions, change management, and incident management. DTI is starting off simple and learning how to use the tool and then will eventually build on it. DTI is being very cautious on the roll-out and implementation of the tool. The remaining two phases should be rolled-out by the end of summer.

Project Portfolio System (PPS) ~ Matt Payne

This tool will provide a holistic enterprise view of the State's portfolio through comprehensive project and resource dashboards. It also provides insight into the areas of IT investments, current and past efforts. This tool replaces three DTI legacy solutions; TIMS, EPM and HP.

Salesforce ~ Matt Payne

Salesforce is a company that builds the solution but does not implement it. They have certified partnerships that implement the product. At its core, it is a CRM solution that tracks relationships with advanced features. It is also a development tool in which you can build solutions. One solution has been deployed in the state with this product; the Governors Constituent Tracking Solution, and there is one solution that is in flight with the DOS. DTI is also in conversations with DNREC, DEDO and DDA about some potential projects. This platform will be positive for the State and will allow solutions to be deployed much faster.

Brian Maxwell ~ How much did this platform cost?

Jim Sills ~ The cost of the contract is about \$1.3M over three years. It is important for everyone to understand that we have 34 different CRM systems in the State and over 40 case management systems. So if agencies want to get off their existing systems, we want to move them to a standardized platform. This is the platform that we think makes sense to move all the agencies over time. That is why we are pushing this – over time this will save the State time, money, labor and resources, so we are not supporting 30 different systems, we are only supporting one.

Ann Visalli ~ Can you be specific?

Matt Payne ~ Yes, we are looking at something for Mosquito Control for DNREC. For Agriculture, we were looking at a LIMS solutions, and DEDO it is a business portal product. It has also been used for the Governor's Constituent Tracking system.

Jim Canalichio ~ What does the licensing model look like?

Matt Payne ~ The way the licensing model works is over a three year time period there are multiple products and you pay for X number of licenses at an enterprise level. As you build them, you roll it out and that is how you get the three year cost of the product. When you are working with the agency you need to be able to say this is what it cost to deploy it and this is what it costs for year 1, year 2, year 3... and those number of licenses get allocated to the agencies. There is also a cost associated with the actual deployment of it. When you buy this all your getting is the base package and you will then have to go and build the tool.

Ann Visalli ~ All those rates have to get approved.

Jim Sills ~ It is not free. If they were going to pay for another solution, we are saying pay for this solution and you have to pay for it on a monthly basis for the subscription. They would have to pay something for it, and that's how we would recover our costs.

Ann Visalli ~ We have had this experience before where agencies come to us mid-budget cycle and say DTI is telling us we have to go to a new platform, a new phone, etc... and we don't have any money for it, and here is the charge. So before you sign off on any agreements with any agencies, it needs to go through OMB so we can identify the funding source, if necessary. I would set aside the remainder of the \$1.3M so you can cover that cost without being dependent on any other agencies being able to upfront the transition to another platform. Hopefully you are going to realize some savings within your own budget to cover that.

Matt Payne ~ For us it is not a situation where we are saying you have to move to this platform. It is more of a situation of saying this is a tool that we have, and if someone comes up with a need, this is the tool we might use to do that. This is not a 'you have to go to Salesforce' – it's more of a 'this is the right tool to use'.

Ann Visalli ~ What would the DEDO application be?

Matt Payne ~ That is the business portal. There was a need or request that we can do a better job of keeping business in the State, identifying businesses that want to move to the State, entrepreneurs that are starting new businesses in the State, and the interactions that we have with them. It is for DEDO to use to work with those people. There could be people at the other end. DEDO, Labor, and Finance have been a part of it. This is something the Governor was asking DEDO to look at. A group from Salesforce came in to show how they can potentially use it.

SaaS Chargeback Model – Bill Hickox

As required by Epilogue, before DTI establishes a new rate, the sign off by the Officer of OMB and the Controller General is required. According to Delaware Code, any agency that has issue or challenge with the rate charged with DTI can review that with the Technology Investment Council. DTI is bringing this to their attention today and will then be submitting it to OMB and Controller General's Office for sign-off. Rather than establish a single blended rate, where everyone pays the same, DTI went with a straight pass-through. This is the rate that DTI paid on a per subscription basis for the contract of \$1.3 - \$1.4M over three years. With straight pass-through's, DTI is the holder of that contract and has paid the first year payment. The proposed chargeback model is for agencies that are interested in utilizing the Salesforce solution for one of their systems. The rate would have to be determined based on what you are attempting to do, what the system is trying to do, how many people are using it, how many super users, how many citizen interactions, etc.. Once that is determined, then a Statement of Work would be developed that would identify how many licenses are required, and then it is a straight pass-through charge.

Pat Griffin ~ What is a straight pass-through?

Bill Hickox ~ What I mean when I say straight pass-through is – the vendor charges DTI \$62/month for the license then DTI charges the agency \$62/month. We do not intend to charge more and make a profit.

Bill Hickox ~ For ServiceNow there are three different levels of users: Process users, Approvers, and End User. These are the rates that DTI was charged for the ServiceNow implementation, and these will be the rates that any interested agency will be charged.

Ann Visalli ~ What will you do if these rates don't get approved by me? Because I don't feel the agencies are in a position to pay for it. Are you just on the hook for the \$1.3M and the software doesn't go anywhere.

Bill Hickox ~ The ServiceNow is a little different. There is no commitment to the number of licenses. With the Salesforce licenses, if in fact there was not a rate approved then DTI cannot legally charge that rate to an agency.

Brian Maxwell ~ How does the ServiceNow rates apply to Benefits?

Bill Hickox ~ There is a difference between establishing the rate and officially charging the agency. There are certain cases, for example in your case you were recently moved to a solution and within a year DTI came back to you and said we are going to move you again and, as such, we are not going to penalize you for that move because we have already moved you within a year. So that is a separate rate discussion – what we are attempting to do is establish an official DTI approved rate. Whether or not an agency gets charged because of whatever negotiations occurred previously is really a separate issue.

Ann Visalli ~ Do Mike and I get to decide what agencies pay and what agencies don't pay based on who has money and who doesn't have money? How is that decision getting made?

Bill Hickox ~ We will engage with the agency as we are going through the implementation. When agencies are looking for solutions like this, they come to us with some level of budget associated with it.

Ann Visalli ~ I am just reliving my phone experience where agencies came to me mid-year and said DTI decided to go to a new phone platform and we don't have money for it. I do not want to relive that experience.

Bill Hickox ~ That is why we are working through establishing a rate, and if a commitment was made that we are going to make that adjustment to support that issue then that is a separate issue. What we are attempting to do is address the Epilogue requirements for establishing the rates. If the rates do not get established, then nobody gets charge. Then there will not be an implementation.

Carlos Vieira ~ I am assuming when you do a comparison over time this will be a much more efficient model overall.

Jim Sills ~ Overall this will be a better process and will reduce the number of similar solutions in the state. So when systems become obsolete, we are not sitting there with that software and hardware in our environment.

Ann Visalli ~ An agency should have already done that and entered into that relationship, so it really depends. If DTI is coming in and saying here is your solution and this is what we are charging you for it, it is a chargeback rate. If the agency goes out on its own and procures it independently then it is a different process. It doesn't mean they can do it without authority. It goes back to communication and making sure that DTI understands there are budget implications and that a lot of agencies do not have extra money. It becomes a world of 'have' and 'have-not's' - an agency with money gets all the bells and whistles. We need to not look at it that way. We need to have a different priority - we are spending the tax payers' money on the areas that are most important to State government and not necessarily on the agencies that have other sources of funding. I am trying to get away from that other model.

Li Wen Lin ~ It is a catch 22. I think sometimes the discussion about having an enterprise solution goes in hand with the discussion on centralized funding and leveraging economies of scale.

Ann Visalli ~ That's right, but with that there needs to be a more comprehensive approach. I will use wireless as an example: DTI said if the agency had funding, they could get wireless, but if they didn't have money, they couldn't. This is completely contrary to way you should install wireless in public buildings. That is an example where you really have to make decisions with more communications and cooperation across agencies rather than independently based solely on the technology and the funding model. Some of this stuff that we find out about in these meetings should be discussed ahead of time. We need to have more planning ahead of time so it can be deployed differently.

Glenn Tascione - I am not sure I follow your model about the 'haves' and the 'have-nots'. In effect, this is a scaling back model - you either have a capital expenditure upfront or you are going to pay for the service over time. The agency has to come up with funding to do the project period. It's really just a change in how it is going to proceed. I actually think the smaller upfront cost of doing a subscription model enables the ones with less revenue than the other way around. A small agency that needs a big capital expenditure upfront would have a tougher time in the current model than go to a subscription.

Ann Visalli ~ There is not a debate about having an economy of scale in the solution. That is not the issue - the issue is when a solution is purchased and determined by DTI, the agencies then have subsequent budget needs in order to participate in that solution, they are left in a position where they don't have the money to buy it, and they often don't have a choice to what solution they are going to use. Over the years, DTI had developed rates with overhead and they were charging agencies more than what they would pay if they were procuring it on their own. So the Epilogue that Bill was referring to was a mechanism to keep the DTI rate structure from being independently set by DTI and then passed on to the agencies without any fiscal oversight.

Biggs Data Center ~ Bill Hickox

DTI had a UPS failure at the Biggs Data Center in the fall. It was quickly stabilized through the use of rental equipment that is currently in place. Options are being reviewed with OMB and DHSS. After the thorough assessment, the findings will be presented to OMB and DHSS. There are many potential options and costs associated with this so it is very important that everyone is on board to effectively move forward.

Pat Griffin ~ In terms of the failure, was it the equipment?

Bill Hickox ~ It was a piece of equipment, or more specifically, the UPS.

Ann Visalli ~ As a follow up, I want to mention that there was a letter sent to Secretary Sills from Secretary Landgraf – I was cc'd on the letter. The letter has not yet been responded to and the letter is a few weeks to a month old. For the record, I want to say that this letter still hangs out there, and I look forward to an agreed to response from your department. I am happy to share with you what the path forward is to make sure that all the parties are in agreement. There are other parties besides Health represented at Biggs as well, so before anything is concluded, I want to make sure the Secretary of Health and Social Services is well represented and a response is forthcoming. I am assuming it is forthcoming, because it has been a while since the letter was sent.

Jim Sills ~ The letter is forthcoming. It has taken a few weeks to figure out the options. We finalized our numbers last Thursday and plan to send her a response before Friday.

Ann Visalli ~ I am assuming that since there are options that there will be a process for making the final decision that includes my agency as well as Health. Education may want to be included as well.

Major Projects Update:

DACSES Replacement Project ~ Midge Holland (DHSS)

There are 79 business days before the project goes live. DHSS is deeply involved in User Acceptance Training and is comfortable with the level of defects found. Currently, DHSS is active in the train the trainer phase with the vendor. There are some quality issues with the remaining deliverables with primarily the training materials which may impact the schedule. There are state staff openings and the positions are posted. There have been some breakthroughs this week with implementing IAM into the portal. DHSS is in the process of preparing for the next IV&V review. The actual conversion and go-live is scheduled in October.

FACTS II ~ Steve Fletcher

FACTS II Project is on schedule – the development phase was kicked off in June 2012, and the project is half way complete with the programming phase. There are three issues remaining that are being worked through. There is a six phase testing program in place and is in parallel with development. There have been three months allocated for User Acceptance testing. Staffing issues include two vacancies; one is our tech lead and one vacancy is due to military service. That resource is being replaced by a contractor. There is a significant time commitment for staff from the business units that will continue through testing and training. In July, the initial programming will be finalized. The systems testing will be finalized and integration testing will begin in August.

Matt Payne ~ Steve touched on an important topic – the ongoing support model, the criticality of certain types of positions and the ability to get those positions. If you are unable to get those positions filled, then you should be able to go out and get contractual labor or pay a third party to support it. Those are very different financial models. All the discussions we had today about notification and budget, I just wanted to make sure people understand that if you have a different ongoing support model that is going to require a different kind of funding then it takes a big lead time to fit into the budget cycle.

Security Program Update ~ Elayne Starkey

Phishing Exercise Program Update

The goal of this exercise was to raise awareness of the dangers of indiscriminately clicking on links or opening attachments in unsolicited emails. 16,000 state workers were sent phishes, and 30% of those recipients clicked on the link in a package delivery email. Once those recipients clicked on the link they were immediately presented with an education screen. During the pilot, after repeated phishes, the click rate was reduced. This confirms that the education program is working and will be continued through the end of the calendar year. The program will be expanded to include the Courts and K12. The detail of this exercise has been shared with the agency Information Security Officers, and Secretary Sills has sent the Cabinet status reports of their agencies.

Keeping State Data Secure in the Cloud

DTI has a Cloud First approach which means not every application goes to the Cloud, but every new application is considered for the Cloud model. There are many benefits to using the Cloud model but it also comes with some security

risks. DTI has been using a Terms & Conditions document for about 2 years. This document is basically a list of expectations for the Cloud vendors. Version 2 of the Terms & Conditions has been streamlined and simplified and is now available on the DTI website. The clauses were reduced from 32 to 23. There are nine mandatory clauses DTI considers non-negotiable. Those nine clauses consist of items such as, 'the State retains full, legal ownership of all the data, and the data remains in the United States'. There also has been a lot of conversation about if there is a breach – who is responsible for what and who pays for what. A lot of the responsibility is placed on the vendor if there is a breach.

Brian Maxwell ~ OMB has been actively procuring a lot of services for our Learning Management System. A lot of vendors are taking exception to DTI's Terms & Conditions, especially some of the mandatory ones. Are other agencies experiencing the same thing?

Elayne Starkey ~ I would say that we have had a few outside of OMB that have tried to raise exceptions, especially to the liability of the breach notifications. For obvious reasons, vendors don't want to sign up for breach notifications because they can be huge. The State constitution does not allow us to accept limits on liability in that area. Usually through these conversations, we can come to some common ground, and if not, we get the AG involved.

Matt Payne ~ We the State, for all the right reasons, are taking a more detailed approach than a lot of other places these vendors respond to. So when we ask for these things there is a natural push-back. In the end, we get them on the phone and we work through it. But it does initially create tension.

Brian Maxwell ~ Yes, and when we go back to them and say this is nonnegotiable the vendor sometimes cave and say we will meet these, but they haven't actually designed the product yet. So when we pull back the curtain and say you really aren't meeting are criteria then we are going to be at a stage where we have already eliminated other people and may have to start the procurement all over again. I am just wondering how many times we are going to run into that pitfall and what we can do to offset the time lost? The clocks ticking and all these exceptions are out there. We have been working very closely with DTI to work through those, but when you are on procurement cycle on having to award a contract the window gets smaller and smaller.

Elayne Starkey ~ Yes, I understand, and we try to be very responsive. Just as recently as yesterday, there is information going back and forth on the eProcurement one. What makes these different from the others that we vetted, are that these were presented and asked for response from the vendors at the RFP stage. Typically everything we have done to date has been at the post-award stage and then the negotiations. Rather than exceptions from X number of vendors, the agency has settled on one vendor and we wrestle through the terms and conditions with just that one vendor. That makes this process a little different.

Carlos Vieira ~ Relative to the vendor and due process, is IP protection part of your conditions as well?

Elayne Starkey ~ Intellectual Property Protection? Yes, it basically comes down to the classification of the system. If there is intellectual property that is part of the system then it will show up in the overall classification, and then that drives the discussion in terms of how far we will go with all the terms and conditions.

Carlos Vieira ~ What we are seeing on our side is IP and IP protection are standards in everything we do with any vendor. The liability protection you are talking about is a standard as well. It absolutely is a negotiation point with every single vendor, but if the company can't take that on financially then their liability protection is not worth a whole lot to you. That entire process is really important.

Elayne Starkey ~ By the end of the day we feel it is worthwhile and we are serving the State well by getting these terms and conditions in place with the vendors.

Conclusion ~ Secretary Sills:

Secretary Sills informed the Council that the next scheduled TIC Meeting will be on Tuesday, September 10, 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, Carlos Vieira made the motion to adjourn, and Glenn Tascione seconded the motion. With no opposition, the motion was carried. The meeting was adjourned at approximately 10:15 am.