



Technology Investment Council



State of Delaware
Technology Investment Council Meeting Minutes
June 12, 2012

Technology Investment Council Attendees

Name	Organization	Attendance	Represented by
James Sills	DTI	Present	
Russ Larson	Controller General	Present	
Ann Visalli	OMB Director	Represented	Dean Stotler
Dr. Lillian Lowery	DOE	Represented	Karen Field Rogers
Myron Steele	Chief Justice	Represented	Pat Griffin
James Canalichio	Dixon Valve & Coupling Company	Present	
Dan Grim	University of Delaware	Present	
Carlos Vieira	Bank of America	Not Present	
Glenn Tascione	Barclay's Bank	Present	

Call to Order

Secretary Sills called the June 12, 2012 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 Team Leaders, DTI Project Managers, and the Major Project Managers/Sponsors from Delaware Health and Social Services, Courts, and Department for Children, Youth, and Family Services.

Old Business

Secretary Sills asked if all the members received and reviewed the March 13, 2012 TIC meeting minutes and requested a motion to approve them. Glen Tascione approved the minutes and Jim Canalichio seconded the motion. With no opposition, the motion was carried.

IT Consolidation Update (ITC): Agency Status ~ Bill Hickox

Department of State (DOS): The final phase of the consolidation is being scheduled which includes the Carvel state office building and other ancillary entities. Additional savings have been realized for Disaster Recovery Consulting Services and the HP Consultant Service Contract reduction of hours. Department of Finance (DOF): DOF is progressing slowly. One of the biggest issues is risk mitigation. An Infrastructure Lifecycle Plan has been prepared in order for DOF to work with the Office of Management and Budget to attempt to get that issue rectified. Department of Education (DOE): DOE is progressing well. The Data Center consolidation is scheduled for the weekend of June 30th. DOE has been very cooperative as we continue to work through the Service Level Agreements (SLA's). Department of Transportation (DelDOT): Disaster Recovery, Data Base Administration, Linux support, and help desk resources and functions have been consolidated. The SLA's are being finalized for Network Support, Data Voice Video. Additional savings are being experienced on Purchase Orders (PO) for lifecycle purchases of equipment. As a result of the PO review, DTI flagged and stopped a DSP PO. We are currently working with DSHS to migrate them over to the state standard. We also identified new pricing on the PCs they were purchasing, which will allow for cost savings and consistency across the enterprise. The new agency engagements are as follows which brings us to a total of 10 agencies: Department of Agriculture ~ their key resource retired so we took over support; Department of Safety and Homeland Security ~ met with DSHS leadership to kickoff ITC; Department of Corrections ~ met with DOC leadership to kickoff ITC; Department of Labor ~ met with DOL leadership to kickoff ITC; Department of Health and Social Services ~ scheduled to meet with DHSS on June 12, 2012.

Windows XP – End of Life ~ Mike Hojnicki

Windows XP will no longer be supported by Microsoft (MS) as of April 14, 2014. There will be no support or security updates from MS, the existing vendor application support may be problematic, and XP and Windows 2000 devices will no longer be supported in the state domain. DTI is encouraging the agencies to start planning for this transition. Our goal, moving forward, is to continue to increase awareness through customer outreach. Agencies must update their application inventory, test applications compatibility with Windows 7 MS Application Compatibility Tools, assess the incompatibilities and migration options, develop their upgrade and deployment plans, and work with their fiscal officers to budget for the upgrade.

Russ Larson: Can you give me some idea of how much it will cost to move from XP to 7 for about 4,000 units?

Mike Hojnicki: It depends. If the hardware can take the upgrade to Windows 7, at the software level, agencies may have the licensing to do that. If they are replacing the hardware (the devices themselves) because it will not run the new operating system, they are looking at an average of \$800 per system unit. Keep in mind there may be some application incompatibilities for more additional costs.

Pat Griffin: As an oversight and given that huge volume, is there any possibility to further negotiate the contract?

Bill Hickox: This comes down to an issue that we have been talking about with the budget office and the legislature for years which is going to a statewide enterprise agreement. This means we would make the purchase across the board and everybody would have Software Assurance. Then we would simply upgrade everybody to the new operating system and we wouldn't have the out of pocket licensing costs. Secretary Sills and I meet with the highest leadership in Microsoft, and at the end of the day it was coming down to \$16M. With the budget situation the state is in, it would be very difficult to come up with that \$16M out of pocket. The other key component is even if we have that in place; greater than 50% of 12,000 machines that are currently on XP cannot support Windows 7.

Mike Hojnicki: Bill is correct. The hardware assessments we received from ITC have uncovered machines that are over 8 years old and are just barely running on the network. We are seeing that agencies have not been able to keep up with a consistent hardware refresh cycle over the last several years.

Glenn Tascione: When is the recommended replacement cycle generally?

Mike Hojnicki: The most optimal is normally about a 4 year replacement cycle with desktops. With laptops it is usually shorter because they're mobile and heavily used. Most organizations are in that 5, 6, 7 years or when funding shows up they buy scenario.

Pat Griffin: You negotiate the contract for the people, generally. Clearly there is going to be a lot of purchases coming up. Is there a way to tighten up that contractor?

Bill Hickox: Yes, that contract is actually negotiated through OMB/GSS - Dean can explain how that process works?

Dean Stotler: We actually leverage the Master Cooperative through the WISCA contract to take advantage of the \$7 Billion a year worth of spending. What we have done with DTI is we had them identify a standard machine in order to get the greatest discount possible. This is why we now have standardization and PO reviews. We worked with a lot of agencies that were under-buying and over-paying or over-buying items they didn't need. The standard configuration is the deepest discount possible.

Jim Canalichio: Are we anticipating that there will be some significant upgrades required to software for different agencies that aren't going to work on this platform?

Matt Payne: Yes. When budgets are tough it carries all the way through, and it doesn't stop at the equipment or at the operating system. As we have done our analysis, looking at some of the agencies via ITC, we find some software packages for companies that do not exist anymore or software packages that are 7 or 8 releases behind. It's the same theme; you do what you can with the money you have. It is absolutely going to be an issue when we get to that level.

Jim Canalichio: I would see that as being more problematic than actually upgrading XP. If you have the money you can throw the money at it, but upgrading key pieces of software is a whole other problem.

Matt Payne: It is a big problem, as you said, from a financial and lead time perspective. The time that it takes to load up a PC and put on an operating system is one thing; the time it takes to replace a critical piece of software that someone uses to do their business from day to day, is a different ball game. As people are planning the efforts for next year, one of the key takeaways is the understanding of the time, not the money, their staff is going to have to dedicate to these activities, which is quite significant.

Glenn Tascione: Is it fair to say, come 2014 an XP machine won't be able to connect to the network?

Mike Hojnicky: From the state perspective, yes. It is a risk.

Secretary Sills: My fear is that the agencies will wait until the last minute to start addressing this issue versus addressing some of it now. We have been communicating with the various agencies and making them aware of this issue but money is tight, and we have not had a priority to allocate funds to replace these PC's. It is a big issue.

Matt Payne: And the money will get tighter if you wait too long and all of a sudden have to bring in a lot of contractual labor to do a lot of the work for you.

Information Security Program Update ~ Elayne Starkey

In November 2011 the FBI busted a \$14 Billion Estonian hacker ring. Their method was to plant malware (DNSChanger) on computers that turned off antivirus updates and redirect the computers to the hacker ring computers. After they were busted, the FBI continued to support the servers, giving a 6 month window to eradicate the virus. After July 9, computers impacted by the DNSChanger may lose Internet connectivity and receive a "page not found" message. There is a URL – <http://www.dcwg.org> - that has been vetted as a solution to this malware. Use this URL to check your computers to see if you are infected. Two years ago the TIC sent out an email to the Cabinet Secretaries about the Delaware Information Security Officer Certification (DCISO) Program. We completed the first round and have our first graduating class of DCISO's. There was a recognition ceremony with the Governor where the 14 newly certified DCISO's were recognized.

Midge Holland: Was the DNSChanger information in any of the security newsletters that Elayne sends out?

Elayne Starkey: Yes, the May newsletter and we have several websites set up that people can go to for information.

Secretary Sills: Elayne, can you give us an update on the CBT training?

Elayne Starkey: We are approaching the half way mark of our year-long effort to get all the executive branch employees completed with the Computer-Based Training. The mid-term status reports will be going out to the agencies at the end of the month. Progress is good. We have about 8,000 registered users; 45% of those have completed their CBT. Agencies, like DOL, are completely done. The Courts were done as of December 2011. Reminders to those that have not completed it will be sent out prior to the deadline of October 31, 2012.

Major Projects Update – Matt Payne ~

Our Major Projects Review was about 7 weeks ago and 4 out of 12 projects were selected to provide updates.

DACSES Replacement Project – Midge Holland (DHSS) ~

The DACSES project is making good progress. June 1st marks the 2nd year in the development phase. The functional and technical designs are almost complete. The environment for User Acceptance Testing (UAT) is being set up at the Biggs Data Center and testing will begin toward the end of the summer. Organizational Change Management is moving forward. Information was sent out to partner agencies which included a memorandum of understanding (MOU) and Service Level Agreement data. The go-live date went from October 17th to October 1st. However, DACSES is in competition with five other DHSS projects that are scheduled to go-live in that same time frame. That represents a risk to the time line, so a mitigation strategy is being worked. The biggest risk is the Video Lottery legislative changes that could impact design. A change request will be done with the vendor in order to complete the programming and be incorporated with the rest of the implementation. DACSES has also had a difficult time keeping technical resources. DTI has been asked to help facilitate getting vacancies filled, so more attractive salaries can be offered and better qualified applicants can be found. The Executive Sponsors board agreed with and recommended this assistance. Upcoming activities include: Development and unit testing, continuing to prepare UAT scripts, looking to hire a short term professional UAT manager, continuing to manually clean up data, and installing hardware and software for UAT.

Pat Griffin: The transfer of positions, does that have to occur with the budget process?

Midge Holland: Yes, we can come up with an agreement right now, but eventually it will have some budget impact.

Bill Hickox: It doesn't actually have to wait until the budget is finalized or the transition happens. There is epilogue language within the budget that states positions can be redeployed for the benefit of the State. This is what we have been leveraging through consolidation. It requires the sign-off of the Director of OMB and the Controller General. The bigger issue associated with this is that Child Support Enforcement has been funded for a certain pay grade. These positions necessitate a higher pay rate. If they are transitioned, there would have to be some supplemental funding to carry through from the Child Support General fund into DTI's appropriation in order to support the higher salary. So if in fact the TIC concurs that is a good approach and a good idea, I can work with OMB on that specific subject and those specific 2 positions based on the direction of the TIC.

Secretary Sills: We agree that is the path forward. Steve Fletcher has the same issue.

Steve Fletcher: It is a statewide problem. We have to deal with it individually, project by project.

Bill Hickox: There is a strategy, mechanism, and overall philosophy in place. The creation of DTI was to support this very thing we are talking about today. The mechanism is in the epilogue language that Ann Visalli put in to make it happen. The strategy is on a project by project basis, if in fact it is determined to be a risk and is appropriate. Another thing we need is the agreement between DTI and the impacted agency. The way it is written, DTI can't just show up at the Budget and Controller Generals Office and say sign this we are taking the following employees; there has to be concurrence amongst the agencies that this is the appropriate mechanism in order to address the risk within the project. Once that happens then we can work with OMB to craft it and send it to the Controller General's office for signature. If in fact the TIC concurs regarding Child Support Enforcement, we can commence that work.

Secretary Sills: We have been talking about this issue for 2 years. We are now to that point where we need to execute and put a plan in place. If the TIC concurs that this is the right strategy, I am recommending that...

Glenn Tascione: I have one question before you make the recommendation. Does DTI have the opportunity to evaluate if 2 is the right number? If it isn't the correct number to get the project done to begin with, are we moving the problem from one department to another or are we actually going to solve it by moving it to DTI? Do you get an opportunity in this process to evaluate and say, 2 is fine and it's a pay scale issue or is it really they need 3, 4, or 5?

Matt Payne: What we do is ask the opinions of the business' that are running the projects. We do not go in on each project and say, if we were staffing it, this is what we would put in. To answer Glenn's question; no we do not. Do I think it is a good idea? Yes, I think it is a very good idea - both should agree. As far as the agreement, I think we should also be on the same page that this is the right job skills and the right numbers.

Midge Holland: For this particular class we actually have 5 positions; 3 are filled and 2 are vacant. We are transitioning the 2 vacant ones. Through attrition they are not going to make a difference on the extra skill sets, but at the time that was our best assessment of the 2.

Bill Hickox: There are five positions in that class and 3 are filled. If 2 get converted to DTI positions that are higher to be deployed back to the project, I can guarantee that those 3 people that are currently at the lower grade are going to apply for the 2 higher grade positions. Then we are going to have 2 more positions that we are going to have to convert. So we are going to have to look at it as an issue of 5, it's not necessarily an issue of 2.

Chuck Hayword: That's what has been happening over the last 15 months. As the positions become available at DTI, folks have moved over. The bigger point down the road that we discussed at the last TIC meeting is that our original standing was that the state, after the warranty period, would run the project, and we would be responsible for maintaining the system. Without some of these folks that is going to change. We are going to have to do some kind of a contract to keep the system running because we don't have those folks in place who are trained and understand how the system works. We really need people sooner than later so that they are involved in the development process.

Matt Payne: My view, in general, is the process is fine. Related to Glen's point, I would recommend that the agency has to say they want to do it and then, at that point, it is appropriate to spend time between DTI and the agency putting our heads together to assure ourselves this is the right number. The process has been going on long enough that we might want to make an assessment and ask if this is still the right model in terms of the state supporting it, as Chuck alluded to. Maybe the model is a little different - we have been in it for 2 years and have a little more

information on our hands. The things we thought were true two years ago we find aren't, and maybe our system needs to be a little different. I think a little time spent on that analysis is time well spent.

Pat Griffin: What exactly is DTI taking on? I am not sure I understand it.

Bill Hickox: How the process works in a case like this is the position is converted to a DTI position. DTI then participates with the agency in the hiring of the resource. When the resource is hired they are deployed back into the agency so they are now working with that agency providing the function for that agency under the management of the Project Manager. What we are doing is providing the resource – we created a mechanism where we can get higher qualified/skilled folks that are going to stay around a little longer. Through an ITC phase one of the things that is helpful is when we get to that agency, now several of the people that are sprinkled within the agency are already DTI exempt employees, so it makes the consolidation effort easier.

Russ Larson: Can I clarify something? There was talk about the section in the epilogue as if it applies to DTI and was put in because of DTI. However, it was put in as a statewide policy back in 2009 when the deficit hit. It is to try to not throttle back in hiring people and to move them around where they are needed. It works well in DTI's case for all the reasons you just gave, but it is more of a statewide issue on position creation and elimination. On the example you just gave, the theory from OMB and my office would be that those 2 positions would be transferred to DTI and not be backfilled back into the agency they came from – they would be gone.

Pat Griffin: One of the pieces to look at – because these .Net resources are hot commodities – do we know that bringing them to DTI is going to solve the problem or do you want to look at it as a pilot? If you keep having turnover, even if it goes to DTI, that is not an effective solution.

Bill Hickox: Actually what has happened is all the recent .Net hires have come from DelDOT, Corporations, and from other state agencies. At this point we haven't lost any people– we have just gained them all from other agencies.

Pat Griffin: At some point you are going to have gained everybody and are going to have to hire from the outside. I don't know what the pay scale is for them and I don't know if you can meet that pay scale.

Matt Payne: That is what we talked about in the last TIC when Ann was here. That was my point; right now DTI salaries look good compared to other state salaries. We have had folks from lots of different positions come from outside the state into DTI and that has not been the case for this particular skill set. That tells you maybe we are not competing with the outside market. The market always changes, so we need to evaluate this particular skill set versus the market should we find ourselves in a place where we are not competitive anymore and cannot secure the right resources. We also need to look at a strategy of using a sourcing partner that can do some of that work or managing a partnership. There are number of different ways we can go and they all have their pluses and minuses.

Midge Holland: The positions that we lost to DTI came initially from our side so we have now been hiring from other state agencies. As soon as there was a higher pay grade and more money available they moved to DTI.

Matt Payne: There have been other non-state people that have applied for these positions, but the reality was the people that have been given the jobs were the most qualified. Another thing we need to evaluate is the right way to get the whole market aware of the positions. Not all these positions are created equal and are not all in the same demand.

Steve Fletcher: There seems to be an opportunity for DTI to get their arms around this. It is not about a one for one swap of bodies from one agency to another agency. You don't need a full time person on every project, but you need to be able to provide that to all projects. So it's not a body swap, it really is a strategy that says how you manage a pool of very talented, very expensive resources for the benefit of all projects statewide.

Matt Payne: I agree with you. You are making a case for the benefit of having a group consolidated around these resources where you can pick the right one.

Steve Fletcher: In our FACTS II project, it will be the real "gurus" that will be needed for post implementation support. No project can afford that person full time. Presumably, a state consolidation could provide a mechanism that would allow you to manage that.

Matt Payne: That is what the whole case is for the ITC effort in general.

Pat Griffin: I think that sounds like a great idea looking at this as an overall strategy. Not only as an overall pool of bodies but to put a condition on that DTI will continue to review this to see what's the best complement of resources to meet the needs. As a part of this in terms of TIC support, put that on the table that we support transitions as needed but also continue to monitor the overall strategy and recognize that it may change as the needs become apparent and as this process moves along.

Secretary Sills: This is a great discussion. This is what I am recommending – I want to document this discussion in the minutes, but what I think we need to do is create a recommendation that outlines some of the points we discussed today. Then send that recommendation to the Controller General and OMB so that we have the strategy, recommendation, and the policies behind this particular recommendation. I think we are still loosey, goosey in terms of how it will work, but I want to document it in writing. We will copy the TIC members on that recommendation to OMB and the Controller Generals Office. Russ, do you think that is the way to do it?

Russ Larson: Yes, I certainly do not have an issue with that. The next guy who takes my place will not understand what is going on here, but Ann has been intimately involved in this thing. Getting it through OMB and my office will be helpful down the road.

Secretary Sills: Then that is what we will do.

Pat Griffin: Would that mean the strategy would be that you wouldn't have to go back for individual positions or is it an overall strategy that an approved individual position would fall under? Is that what you had in mind?

Bill Hickox: I think it is recognition of an overall strategy, because we still legislatively would have to go through the process for each individual position.

“FACTS II” Family and Child Tracking System, II ~ Steve Fletcher

The development phase began on June 11th. The project is still expected to be completed by June 2014 for a go-live scheduled in February 2014. A kickoff meeting has been scheduled for June 21st and will include over 100 people and ACF. The initial project plan will be base-lined in three weeks. On the second week of July, for ten weeks, requirements will be reviewed. About 90% of the requirements are being verified internally, and the remaining 10% are clarifications. In early September, the requirement verification will be followed by the design JAD sessions, which will occur for 12 weeks. Budget is on track. The Federal matching funds have been revised slightly upward. Overall things are on track.

Midge Holland: It goes without saying that for your data share partners, if you could give us as much running time for when you will need us for JAD, we would appreciate it.

Steve Fletcher: We are anticipating doing the requirements verification internally. But the design JADs are going to require a lot of folks, and I absolutely understand that and will provide that as much as we can. In fact, we would like to set up some planning time with you in the next few weeks.

Steve Fletcher: We are okay – we had an ongoing FACTS II project meeting which includes about 12 folks from the business and we have been working them a lot and very intensely on this make up. We have pretty much filled in the matrix with all the people's names. It is not going to be a fun summer, but everyone is stepping up to the plate. We put the responsibility back on the person to find someone to replace them if they can't be there. No one is thinking it is going to be a walk in the park. And we are continuing to work through the process.

“DBCS” Delaware Background Check System ~ John Glauser:

The Background Check system is taking 12 different interfaces and merging it into 1 web based application. The budget is being funded through a CMS grant given in October 2010. There was a coding issue which has caused in the vendor schedule delays. A meeting was held on May 18th with project sponsors to discuss issues and expectations. A decision was made to delay final implementation until February 2013 at no additional cost to the state. The total budget is \$3M with the Federal and \$1M with the State. As of March 31st, \$731K of the Federal was spent and \$552K of the State was spent. Upcoming activities include beginning and continuing testing.

Secretary Sills: Do you feel confident that they will hit the February 2013 date?

John Glauser: Yes, if we didn't have the issue with the coding we would have hit the September date for sure.

“DCAP” Delaware Courts Automation Project ~ Marianne Kennedy:

Project has a current vacancy for a Project Manager. Litigation strategies are in place to take over the PM role. Project is refocusing on the government structure, enhancing vendor management area, and moving forward with Portfolio 1. Testing began this week and it is expected that single view inquiry will be rolled out in July. Software AG completed the major Portfolio 1 development work, they assisted with the JIC staff skills assessment, and provided additional follow up services. They have a few issues with monitoring the delivery of services because of the PM issue; however they have been working very closely with the project team. Refinements to communication approach and resourcing are being undertaken. The PM transition may delay implementation of various components; however Dale Matthews and others have taken on the role as PM and are keeping the project moving forward. Project Governance realignment and schedule refinement will be worked on to achieve effectiveness in vendor relations. In June, Gap Analysis will be performed and recommendations will be implemented resulting from the May assessment. Budget is still on track. In the beginning of May, \$13.8M has been spent on this project. No additional funding is expected to be required.

Secretary Sills: Is the Software AG cost at \$600K or so?

Marianne Kennedy: It is at \$880K.

Secretary Sills: If you subtract that from the \$1.9M that is remaining, you will have \$1M left. So will you be able to complete the Portfolios with \$1M?

Marianne Kennedy: Actually, there are some other funding sources available. Part of this project involves some child support issues with the Family Court – so we have some funding available for that. And we also had planned to use our maintenance money we had available to support this project.

Pat Griffin: We knew from the beginning that we were going to rely on the vendor. The intention was at the very beginning and then the transition - that is why there is a skill assessment. This has become an internal project. We always knew that the JIC staff was going to pick up the bulk of the work on this as we moved along.

Marianne Kennedy: We are well poised to move away from having Software AG review all the development work because we are working very closely to define what additional support they will provide us in the next few months. We have made a lot of good progress and do expect to move away from having the kind of detailed support from them that we needed in the past couple of months.

Secretary Sills: We are up to our open discussion portion; is there is anything anyone would like to bring up?

Pat Griffin: I would like to note that this will be Russ Larson’s last TIC Meeting.

Russ Larson: I appreciate the efforts of this committee. I have been on it since the inception. I was also here at the inception of DTI and OIS. It has worked well, and I hope it continues to work well. My successor is Mike Morton who is excellent. He has a lot of questions when it comes to meetings like these. I wish you the best of success.

Upcoming Meeting Dates:

Tuesday – September 11, 2012 (VTC)

Tuesday – December 11, 2012 (VTC)

Tuesday – March 12, 2013 (TBD)

Tuesday – June 11, 2013 (TBD)

Conclusion ~ Secretary Sills:

Secretary Sills informed the Council that the next scheduled TIC Meeting will be on Tuesday, September 11, 2012. It will be held in two video teleconference locations in the Dover and Wilmington.

Adjournment – Secretary Sills:

With no further business to be conducted, Pat Griffin made the motion to adjourn, and Jim Canalichio seconded the motion. With no opposition, the motion was carried. The meeting was adjourned at approximately 10:28 am.

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