Technology Investment Council

State of Delaware
Technology Investment Council Meeting Minutes
September 14, 2010

Technology Investment Council Attendees

Name	Organization	Attendance	Represented by
James Sills	DTI	Present	
Russ Larson	Controller General	Present	
Ann Visalli	OMB Director	Represented	Andrea Godfrey
Dr. Lillian Lowery	DOE	Represented	Wayne Hartschuh
Myron Steele	Chief Justice	Represented	Pat Griffin
James Canalichio	Dixon Valve & Coupling Company	Not Present	
Dan Grim	University of Delaware	Not Present	
Carlos Vieira	Bank of America	Present	
Kris Younger	82 North LLC	Not Present	
Glenn Tascione	Barclay's Bank	Present	

Call to Order:
Secretary Jim Sills called the meeting to order at approximately 9:03 am.

Welcome:
Jim Sills welcomed everyone, and introductions were given at each of the two locations: Dover and Wilmington. TIC member's attendance was noted as shown in the above table. Others in attendance included DTI Senior Staff, DTI Team Leaders, IRM Council representative, Courts, DOS Representative, and DTI's Legislative Analyst.

Old Business:
Jim Sills asked if all the members received and reviewed the June 15, 2010 TIC meeting minutes and requested for a motion to approve them. With no comments or questions, Pat Griffin made a motion to approve the minutes as written, and Russ Larson seconded the motion. With no opposition, the motion was carried.

Strategic Plan ~ Secretary Sills:
On an annual basis, the TIC is required to present a Strategic Plan by October 1, 2010, per Delaware Code. In March 2010, the Strategic plan was presented to the TIC in compliance with the Delaware Code. Going forward, each October, an updated Strategic Plan will be presented to the TIC for approval and endorsement.

IT Consolidation Update ~ Bill Hickox:
On August 27, 2010, the Governor signed Executive Order 20, titled, "Utilizing More Effectively IT Resources to Drive Cost Savings in State Government". The purpose of this executive order was to clarify and identify the efforts of the IT Consolidation. Included in the consolidation effort is a Purchase Order Review which states that any IT spend in excess of $10,000 requires DTI approval. The interim P.O. process is currently being worked on with OMB.

Rick Geisenberger ~ I wanted a clarification on the Executive Order, because it says that all P.O.'s should be sent to DTI over $10,000. It does not say anything about it being approved by DTI. It seems clear on the $50,000 and on consulting expenses, but it is not clear that the $10,000 is subject to approval.

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Bill Hickox ~ Let me clarify; it does not say P.O. approval on this document, it says P.O. review. OMB is forwarding them to DTI; OMB has the approval or denial ability of anything over $5,000. For IT spend over $10,000, OMB is asking us to review it and give our opinion on it. We are providing a recommendation back to OMB to approve or deny. The Executive Order doesn't specifically provide approval authority, but they must be sent to DTI, and we are making those recommendations to OMB. In all cases, they have taken our recommendation.

Pat Griffin ~ Is that a new process? I think at one point they used to be reviewed with OMB.

Bill Hickox ~ Now it is more formalized. There were things that would go through OMB, and when OMB starting looking at the $2,500 PO's, they would come through and if they'd see something, they would ask our opinion. It has been more formalized from Clearing House for Grants. Grants will not get approved and pushed through unless it has a business case number associated with it. That process has been in place for several years at least.

Rick Geisenberger ~ Is there a formal procedure or process in FSF to expedite it? What is the timing of that?

Bill Hickox ~ Yes, we are working on a formalized process with OMB, and we will continue to establish a formal process. I want to reiterate that the "temporary process" has not resulted in any delay of any P.O.'s. We have a one day turnaround on all the P.O.'s we have seen except for two, and that was a result of the agency IRM being out of the office and not able to respond. We have been very clear and specific that we are not going to delay these efforts.

Another item of IT Governance is IT Position Review. When IT Positions are vacant, and an agency decides to post the IT position, DTI has the opportunity to review that position with OMB to determine if it can filled, consolidated, or converted to a DTI exempt position. Any case where DTI converts a position to exempt status would go though the legislative process required.

The next item under IT Governance is Managed Service Provider (MSP). The MSP concept is part of the Executive Order which states that, DTI, in consultation with our customer agencies, will develop a more efficient process for the solicitation of IT contractual resources. The states of Pennsylvania and New Jersey currently use this concept; instead of using 20 or 30 different vendors negotiating separate IT contractual resource deals with the state, there is one specific vendor which acts as the broker. Initially, DTI had the DTI professional and Technical Services Contract which included over 20 + vendors that used a specific rate card. This contract is not a mandatory use contract because DTI is not a central contracting agency. There are some agencies that will go outside of DTI's contract and get the same contractual resources, in most cases at a higher rate. By moving to the MSP model, the contract will be led by OMB/GSS which has mandatory use authority. Therefore, every state agency would be required to use it.

Pat Griffin ~ When the Courts have gotten involved with vendors, we have been able to negotiate even better, reduced rates, would DTI have a problem with that?

Bill Hickox ~ This is how it works: The State would have one contractual relationship with a vendor (the general contractor), and the general contractor can have any subcontractor. Right now, DTI has only 20+ vendors. If we find a vendor that can do something better, even if they are not on the contract, we cannot talk to them. If we had one general contractor, and there is someone who can do the work better, the general contractor can reach out and grab that resource at anytime and pass it through to the State with a specific rate card. With that rate card, they cannot go above that specified rate. The general contractor, who is also the MSP Provider, renegotiates rates every year. In the last two years, Pennsylvania and New Jersey have produced rate reductions across the board for their states.

Pat Griffin ~ What is the incentive for the general contractor to go out and look for those competing bids?

Bill Hickox ~ Once the general contractor has the contract, if someone needs a resource, that resource request automatically goes out to everybody; all the people in the network. So they all come in at the same time. It is not something that has historically been done in Delaware, but we have seen other states around us use it, and it has resulted in significant savings. We feel if we leverage that together, there is an opportunity for savings.

Rick Geisenberger ~ Would part of that contract include minority and women-owned businesses?

Bill Hickox ~ There are actually a number of different things that can be done when the contract is set up. The general contractor can require certain things that the State can't require. The general contractor can say when I push these resource requests out, all Delaware businesses or women/minority businesses get first shot at them. There are certain things they can do or establish as here's what we would like to see; we would like to see improved participation in women and minority businesses or more work going to Delaware businesses. That's a performance metric we hold the general contracto,r and they can very specifically do things that we can't, as you are aware while we go through the procurement process.

IT Consolidation Vertical Synergies including the core services; Data Center, Help Desk, Network, DBAs, and Applications Development are opportunities for consolidation and savings. In some agencies, there will be an opportunity to consolidate every one of these core services. However, in others, there will only be specific elements of the core services that can be consolidated. It is critical to assess these services on an agency by agency basis to determine what is and what isn't appropriate for consolidation.

DTI has completed a thorough assessment and compiled recommendations for the Department of State (DOS). A 44-page recommendation document was sent to DOS for review last week, and a meeting will be scheduled to discuss these recommendations. DTI has presented the Memorandum of Understanding (MOU) to Department of Finance (DOF), which identifies the rules of engagement for the assessment. Once the DOF MOU is executed, DTI's internal ITC team will begin the detailed assessment.

DTI consolidated its Output Management center that was located within the William Penn facility and transitioned it over to Government Support Services/OMB, located in Enterprise Business Park. This move will allow DTI to repurpose the raised floor space and expand the DTI Data Center in order to accommodate the data center consolidation with the initial agencies. Per epilogue requirements, DTI acquired the appropriate approvals, and the expansion is currently underway.

DTI will compile a Cost Savings Report for each agency as the IT consolidation implementation moves forward. It will include a breakout of costs savings for specific items. In certain cases, there will be a requirement to make an investment in order to get near term or long term savings.

Rick Geisenberger ~ I would like to add, we were presented with the report last week, and one of the big questions we raised is to try to get an understanding of this particular Cost Savings report and where those savings will fall. They may be savings that DTI realizes or savings that DOS or OMB realizes depending upon where or what the savings is. For instance, if we consolidated the data centers, one of the savings would be electrical costs. Electrical costs aren't billed directly to our agency; I assume those energy savings would be realized by OMB. We want to bring clarity to where the savings are.

Bill Hickox ~ Those of you may be aware that the FY11 budget that was passed included a $1 million reduction out of DTI's general funds appropriations because of anticipated savings associated with IT consolidation. As we see agencies that are having savings, DTI is going to be in a position to have to charge back those savings to recover the $1 million hole that was removed from our budget. There are five agencies coming in from the first phas,e and there were some questions and concern of how much to take out of each agency. It was decided to take it all out of DTI, and it will be worked out at the end. We want to make sure it gets worked out.

Rick Geisenberger ~ The point is if there is $100,000 of saving,s and we directly receive the savings, but then it just gets billed right back to us, then there were no savings.

Bill ~ Remember, the tax payers have gotten a $1 million of savings, because it has already been removed from our budget. So, if in fact there is a $100,000 savings from your perspective and we recoup that, there is still $100,000 savings. That savings got front loaded.

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ARRA Grant Update ~ Mike Hojnicki
The state of Delaware was awarded one grant to date, the Broadband Mapping Grant for $1.5 million. DTI is in partnership with the University of Delaware Institute for Public Administration. The grant consists of two major pieces: 1) Mapping to identify the availability of broadband access across the state of Delaware, and 2) Identifying the areas where that access is not available or limited. The project is progressing well, with the first data uploaded to NTIA in May, and on schedule to meet the September 30th update. A public website that will allow the public to identify where free internet access is available will be implemented in November 2010. In June 2010, the NTIA offered a supplemental funding opportunity for $1.5 million. This has allowed DTI to apply for funding for years three through five of this project, which will include website maintenance, support, and additional outreach programs. This grant was approved by Clearing House and submitted to the NTIA on July 1, 2010. DTI is awaiting a response from NTIA to our request from NOFA 2. The two grant requests that have been through due diligence are Digital Library Job Centers from the Delaware Division of Libraries for $2.5 million and DTI's Digital Connections for over $3 million. NTIA states all funds will be awarded by September 30, 2010.

Russ Larson ~ Is there a difference between broadband mapping and broadband access?

Mike Hojnicki ~ Yes, there is. The mapping identifies where there is internet access across the state of Delaware, which includes planning for expansion. The NOFA 2 Grant under the Divisions of Libraries allows for expansion of work spaces in selected libraries to allow the public to get training and find jobs. This grant would allow the public to get access to broadband internet services.

Russ Larson ~ So none of this involves some crew going out and running wires someplace?

Mike Hojnicki ~ No, not in the general communities. The Library Grant will focus on expansion in existing libraries.

Rick Geisenberger ~ The Library Grant consists of two pieces; the job centers for the anchor libraries in Wilmington, Seaford, and Georgetown. In addition, there is mobile access within every public library. If we get the federal grant, we will be able to do both. Mobile access is a high priority for the Governor.

IT Governance ~ Mike Hojnicki
The DTI Customer Relationship Specialist (CRS's) team reached out to their counterpart OMB Budget Analysts. The purpose of this joint meeting was to introduce each other and to encourage collaboration between DTI and OMB. These meetings will occur on a routine basis. Andrea Godfrey from OMB will also be participating on the internal Technology Investment Council (iTIC). DTI will ensure all the analysts will have access to all the business cases to ensure they can review any agency submissions. As DTI refines the business case process, OMB's input will be requested. The average DTI turnaround for the Purchase Order Review Process has been 1-2 business days.

Andrea Godfrey ~ Meaghan has been trying to turn them around as quickly as possible and get the information to you for PO review. Your response has been immediate, except for the 2 that you had to reach out to the agency. It has moved very quickly; they haven't been held up on the OMB or DTI side.

DACSES Replacement Project ~ Matt Payne:
The Delaware Automated Child Support Enforcement System (DACSES) has gone under contract for Independent Verification of the project. The vendor will move into a Delaware site for three years to work on this deliverable. This project is being led from a technical perspective by the IRM team within DHSS. The objective of this project is to take the solution used in the state of Arkansas and modify it to meet Delaware's needs. There are 13 full-time employees (FTE's) needed to support this new solution, and to date, there has been only two offers accepted. It has been a challenge to find the right technology resources for the price, due to the specific skills we are requesting. Two thirds of this project is funded by the federal government, and meetings are held regularly to ensure they are aware of the current status of the project. The DACSES project is progressing well and is on schedule. The target go-live is in November.

Russ Larson ~ Is the meeting with the Feds an open meeting? Can someone from my office sit in?

Matt Payne ~ It is a project meeting, open to the public,c and anyone is welcome to attend. Bill and I are in attendance under an advisory role.

Pat Griffin ~ Who is the Verification vendor? Are the 13 positions new?

Matt Payne ~ They selected KPMG. The 13 positions are technical and would be new to their area. They have an existing mainframe system, so they need a completely different skill set.

ICIS ~ Matt Payne:
The Integrated Corporations Information System (ICIS) will replace existing technology with newer technology and work flow. The solution will be upgraded to a .Net-based web application using an Oracle database. It is critical to supporting Division of Corporations which brings in $900 million in revenue annually for the State. This solution is 50% customized. The team is committed to completing the project the first quarter of 2012. Currently, solutions are being developed, and additional steps of quality walkthroughs have been added. Extra steps have been added for the functional team to sit down with the vendor, and as they are delivering solutions, they are giving them immediate feedback to ensure the business needs are met in order to go live. Incremental monies are required to extend the time period; a portion is for services already provided, and a portion is for work that is yet to be completed. After negotiations with the vendor, it was agreed to not exceed $4.2 million incremental for the initial project budget. A Project Director has been added to this project to ensure the technical, vendor, and functional deliverables take place. The Project Manager was replaced with the new project director in August.

The issues and concerns with ICIS are insufficient requirements gathering, vendor is completing rework of project plan based on Change Order impacts, technical staff for post go live will not be prepared for post go live support, and insufficient and unclear direction resulted in incomplete testing efforts. The next steps will be to continue the process for analysis and design tracks, continuation of quality walkthroughs, move DEV and UAT to Biggs Data Center, and preparation for Agent Partners in October.

Russ Larson ~ What are we getting with this project?

Rick Geisenberger ~ Right now, we have an imaging database, web- based application, and workflow application, all of which were written in different years. The database was written in 1983, the workflow system in 1989, the imaging system in 1992, and the eCorp came aboard in 2001. They don't talk to each other. Some things can take a turnaround time of 3 years. It is also written in programming language, and we are still dependant on the original contractor who lives in Colorado and is 69 years old. This is a more fully integrated system where when you make a change in one thing it carries forward. It will be much more user friendly, and people will be able to be trained in a week. There will also be a lot less room for people to make mistakes in this system.

Russ Larson ~ Is the 50% customization because we are so unique?

Matt Payne ~ It is because we brought a basic rules engine workload tool, and we are taking that and building this application.

Rick Geisenberger ~ We also are the only state in the country that has this content and the direct access to this database. We own the code.

COTS: Project Overview ~ Matt Payne:
The assignment of the restructured COTS team was to evaluate the current direction, specifically the criminal phase. The team has spent a lot of time with the users of the system and reviewing solutions. Recommendations will be presented in October. The two options being considered involve leveraging the existing technology and leveraging the vendor but have the vendor build a front-end presentation layer to make the canned solution easier for the end user to navigate. This project is being managed by the Courts. DTI's role is to help with architectural questions and support.

ERP ~ Matt Payne

ERP system has been implemented. There are 3,000 end users currently utilizing the system. There were 30,000 transactions processed within the first 30 days of operation. The helpdesk received over 2,700 calls, and 83% were resolved on the initial call. There continues to be a steep learning curve and a high demand on the subject matter experts in the functional area. A post go live structure is still needed. The technical structure is set with the same core group that was involved with the implementation. Minor performance challenges have occurred, but it is relatively small compared to how large the project is and how many people it affects. The plan forward is to continue the education labs and monitor any items or issues that are brought to our attention. The actual amount spent through FY10 is $64.4 million.

Russ Larson ~ The woman who uses it in my office is tearing her hair out. I guess you have handled a lot of her issues, but we are very small. An organization like DOC or DHSS must be going through quit a learning curve.

Matt Payne ~ Absolutely a huge learning curve. It is taking a lot longer to get the same volume of work done than it used to, and we knew that was going to happen. We expected a dip down, and then eventually we would go up. We communicated it would take about a year to settle in, and we expect to beat that. There is no doubt it is an extra burden on the folks when you are switching from doing something one way to something else.

Pat Griffin ~ For us, the people that are using this are the same people doing the budget, so it makes it that much harder because of the deadlines with the budget process.

Matt Payne ~ From the timing perspective, there really wasn't an alternative. Remember, we did it at the end of one fiscal year and the beginning of the next. If we hadn't done it that way, there would have been a whole conversion created in that year on top of it and would have made it that much more complicated.

Pat Griffin ~ There was a small group of full- time State employees that came in to help set up ERP. Are they still involved in the transition?

Matt Payne ~ They are still working; some people are helping with education and some are helping with the help desk.

Deb Lindell: One of the issues that come up at DOC is the P-card transactions and how they will work in the system. Can you share anything in regards to where that stands? We are about three months into this not being able to process these transactions and we rely a lot on P-cards.

PN ~ A few weeks back, Kim Wheatley had some concerns and asked to meet with me to explain the problem. I told her to contact me when she was available. Many issues were resolved, and I do not know which particular issue you are referring to.

Deb Lindell ~ My understanding was the reconciliation was off and there was no way to fund.

PN ~ Can you please ask her to contact me?

Matt ~ We have an ongoing list of things that we are trying to address. We recognize there are issues, and we are going to continue to battle them. A portion of the issues have been how you actually use it. A portion is true issues with the software; they fall into a lot of different buckets. It will take some research to provide the solutions.

Information Security Update ~ Elayne

The Cyber Security Leadership Exercise was held on September 1, 2010 at DEMA. This important exercise was geared towards non-technical executive level leadership. A total of 56 leaders attended from state, city, and county government. Overall, it was an effective way to raise the awareness of Cyber Security. Ironically, it occurred three days after the public announcement of the Pension breach. This created some meaningful discussions throughout the exercise.

As part of National Cyber Security Awareness Month, an October Cyber Security campaign has been established. Elementary School Safety presentations will take place in October and November, and for the first time, we will reach out to High Schools students. On September 23, 2010, a Cyber Brief educational session will take place. Three nationally recognized Cyber experts will speak. 215 registrations have been received. The 6th Annual Statewide Cyber Exercise "Cyber Deception" is another exercise geared more towards technical personnel and will take place on October 27, 2010.

Rick Geisenberger ~ I would like to comment on the Cyber Security Exercise. I thought it was excellent; the most valuable thing was that you got to meet some of the people that you would interact with in a real attack. Also, what came out of it was that you would call DTI. It is more about data recovery, which is if such an attack brought our systems down, how would we function in state government? I think that is somewhat related to the COOP Plan, and so much of it is dependent on bringing the systems back up. Doing more of this kind of thing is beneficial.

Elayne ~ We are depending on the agencies for the COOP Plan as well. They know best where their most critical systems are and in terms of what gets recovered in the first 48 hours after an incident. That is why the COOP plan is so important.

Jim Sills ~ We have been providing the Governor and Secretary Schiliro COOP updates of where we are with the Tier I and Tier II agencie,s and at the next meetin,g we will give the TIC a full scale update. Ric,k to your point, we are focused on it and a lot of departments are not. Unfortunately, we have to be driver to get people engaged to develop a COOP plan. We are also in the process of streamlining the process to reduce the time; it currently takes between 10 – 12 months to actually develop your COOP plan. For the first 16 agencies, 11 are actively engaged, and about five are in the process of getting started. I feel good about where we are, and we need to keep the momentum going. People don't understand if there was a catastrophic event, what would you rely on; would you have a backup plan and procedures?

Rick Geisenberger ~ This type of exercise would get more people engaged more thoroughly in the COOP process.

Russ Larson ~ When you talk about priority levels 1, 2, or 3, I would assume you mean catastrophic. The first level you would want is communications between police, fire, National Guard… then you move your way down the food chain from there.

Elayne ~ That is correct, Tier I includes the following : public safety, emergency response; any agency if there services not availabl,e and someone may lose a life or property damage. .

Russ Larson ~ One more question: The IT Consolidation has become a priority of the Governor in that he did Executive Order 20. Is it a priority at the cabinet meetings? I am getting the impression that there is some push back from various Cabinet members.

Jim Sills ~ The Cabinet is onboard. We had a number of meetings to review the individual items of the Executive Order, and we finally broke through, and everyone agreed. One of the things that finally got people to understand what we are trying to accomplish is what Bill just reviewed. We spend about $150 million on IT for the State. By putting in place IT Governance including reviewing the purchase orders, coming up with programs to manage the contractors more effectively, and thoroughly reviewing the IT resource,s we will achieve greater savings. The Cabinet Secretaries could not argue with that; it needed to be done, and it is what we should do as a State organization. We are going to make sure that whatever is consolidated on an agency basis that it makes sense, and there are synergies with DTI. Once I communicated the model and the cost savings opportunities, the Cabinet bought into it, and everyone is onboard with it now.

<u>Upcoming Meeting Dates:</u>
Tuesday – December 14, 2010
Tuesday – March 8, 2011
Tuesday – June 14, 2011

<u>Conclusion ~ Secretary Sills:</u>
Secretary Sills thanked the members for their participation, confirmed the next scheduled TIC Meeting will occur on Tuesday, December 14, 2010, and concluded the meeting.

<u>Adjournment – Secretary Sills:</u>
With no further business to be conducted, Russ Larson made the motion to adjourn, and Pat Griffin seconded the motion. The meeting was adjourned at approximately 10:28 am.

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