



Technology Investment Council



State of Delaware
Technology Investment Council Meeting Minutes
December 11, 2012

Technology Investment Council Attendees

Name	Organization	Attendance	Represented by
James Sills	DTI	Present	
Mike Morton	Controller General	Represented	Jackie Griffith
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	Absent	Not Represented

Call to Order

Secretary Sills called the December 11, 2012 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, DTI Team Leaders, DTI Project Managers, and the Major Project Managers/Sponsors from Delaware Health and Social Services, Department of State, Courts, and Department for Children, Youth, and Family Services.

Old Business

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

IT Consolidation (ITC) Update ~ Matt Payne

- Department of State: DOS Desktop solution has been migrated to DTI's solution.
- Department of Finance: DOF Data Center move went well with no issues.
- Department of Health and Social Services: Assessment of IT resources in the 12 divisions will be performed in two phases: (1) Project Managers and business analysts (2) Technical resources—centralized IRM group within DHSS.
- Department of Corrections: In the process of finalizing the recommendation document.
- Department of Labor: In the process of finalizing the recommendation document.

Challenges and Opportunities:

- Identifying a number of aging legacy systems in the agencies and unsupported code.
- Equipment challenges including hardware and operating systems being multiple releases behind.
- Security challenges identified from vulnerability scans.
- Uncovering more challenges than anticipated which will take more time and money to correct.
- Identifying the agencies that have not been utilizing three tiered environment for their servers.

IT Governance Enhancements ~ Mike Hojnicky

Currently DTI has two systems: Technology Investment Systems (TIMS) and Enterprise Project Management Systems (EPM) that will be combined and replaced by a new solution. This new solution will increase the ability to govern IT across the state. The new system is a SaaS solution hosted by Planview. The vendor, Planview, was selected by a competitive RFP process. The Project is progressing well, and is expected to go live in the first quarter of 2013. This

solution will provide a statewide view of our IT portfolio assets, it will automate business case and project management workflows, and provide enhanced reporting for costs, schedules and resources.

Carlos Vieira ~ Is there going to be a conversion of any kind?

Mike Hojnicky ~ Because it is based on Lotus Notes, we are going to build a repository to store the old systems until we age them out. Data conversion was not a feasible option based on the data captured and the use of it.

Matt Payne ~ There are a lot of new vehicles that do not exist in the old solution. The idea is finish up in the old solution and start in the new.

Ann Visalli ~ When you will be doing training, and when will it go live for the agencies? Will they be using it by the end of March?

Mike Hojnicky ~ In the first quarter. Yes.

Information Security Update ~ Elayne Starkey

The South Carolina breach is being called the largest state government breach in history. 3.6 million Social Security numbers, 15,000 debit and credit card numbers, and 657,000 business tax records were breached. South Carolina accepted responsibility, and the cost for identity theft and credit card monitoring services for those affected is estimated to be \$12 million. The root cause of the breach was a phishing email loaded with malware. Four employees opened the email which planted the malware on their computers and allowed the hackers to retrieve employees' credentials. A total of 44 systems were broken into over a period of a few months before the breach was identified. This breach creates an educational and awareness opportunity - DTI is currently working with the Department of Finance Division of Revenue to ensure any similar vulnerabilities are closed.

Ann Visalli ~ Did the hacker get login credentials from the person that opened the email then go back and login as if they were them, and then surfed around to whatever access that person had? Is that how they got the data?

Elayne Starkey ~ Yes, they had Administrative level access which allowed them to access 44 different systems.

Ann Visalli ~ Did they target people that had Administrative access?

Elayne Starkey ~ We do not know – there has only been two reports released. They hired Mandiant forensics to come in to do the assessment; the investigation is still ongoing.

Pat Griffin ~ How did they discover the breach?

Elayne Starkey ~ They were going through log files and saw the access in the middle of the night and during strange hours which set off red flags.

Pat Griffin ~ Does Delaware have structures in place to review logs regularly?

Elayne Starkey ~ Yes, we have a lot of differences in Delaware compared to South Carolina. They do not have a centralized IT authority, let alone a centralized Security office. They allow remote access without any two factor authentications which is something that we require. Division of Revenue requires that now. There are a number of things in place that make it not so possible for something like this to happen in Delaware. However, we can have great technology and great policies and procedures in place, but it is the employees' decisions that are the weakest link. We are going to do what we can to reinforce their knowledge and training.

Rick Geisenberger: Was it isolated to one division? Were they able to hack into any other agency in their state?

Elayne Starkey: From the released Mandiant report, it was just restricted to the Division of Revenue.

Rick Geisenberger: Since we have a more centralized IT authority, do we have systems in place so if something happens in one department it won't jump over to another department?

Elayne Starkey: Our segmented network architecture would prevent a more widespread attack.

Ann Visalli: What was the nature of the email and the link?

Elayne Starkey: They haven't release that information. I suspect it was a classic phishing email to lure them in.

Additional Cyber Security Updates:

- The Cyber Security half-day exercise was conducted on October 25, 2012. The turnout of technical staff was excellent; there was good success in getting Management and Public Information Officers to participate. The scenario of the exercise was a continuation of last year; it practiced a broad scale attack on the state network escalating to a state of emergency.
- The State of Delaware received another Cyber Security Award for 2012 Best of the Web Cyber Security site in the nation.
- On February 6, 2013 DTI is hosting a day-long Cyber conference at Delaware State University.

Ann Visalli: During Super Storm Sandy there were access problems to the state website. Do you have any post mortem on the traffic and the ability to get things posted?

Bill Hickox ~ GIC manages that whole process which is an outsourced solution. It is not something that we have any visibility into. After the fact, we continue to work with them to provide them with options. Historically, we were able to address scenarios like that with a third party solution we used in the election season a few years ago. It was a solution by Akamai where you can dial up and down capacity very quickly with no issues. We have experience with them, and there is an opportunity to leverage them in the future.

Ann Visalli ~ Is that conversation happening just in case we have another storm?

Rick Geisenberger ~ There was a discussion after the storm and discussions are continuing about how we can leverage the same architecture. The bottom line was that there were a record number of people not only in Delaware but around the country that was inquisitive about what was happening on the east coast. This idea of using this system that can dial up and dial down is a good one, because it is not worth the money to try and build it for that once or every three year type of thing. We are looking into it and the discussions are happening.

Secretary Sills ~ I don't think everyone is aware that the delaware.gov website is actually hosted by Hosting.com. It is not hosted here internally; we use a third party hosting company. They were trying to add servers and capacity as the storm was hitting Delaware, but it just wasn't enough. We are going to talk with GIC to make sure they leverage this third party solution, Akamai. They handle 1/3 of the world's internet traffic. We have used them before and it's an excellent solution.

Secretary Sills ~ I would like Elayne to go back and talk about our 93% completion rate for our CBT Tool.

Elayne Starkey ~ The deadline for our information security computer based training is the end of the year for all the Executive branch employees. We are a little higher than 93% and are working with the last few departments to get to a 100% completion. That is pretty significant – I am not aware of any other state that requires all their employees go through annual information security training. We are looking at another tool for 2013.

Enterprise Wireless Update ~ Bill Hickox

Over the last few years the interest in providing wireless capability within state facilities has grown dramatically not only for state users, but more specifically for customers and citizens that are accessing certain public facilities, such as Courthouses and Legislative Hall. There was an opportunity to create an enterprise solution with four different offering options that allow each of the agencies and facilities to be able to specifically direct their wireless needs. The initial investment was funded by DTI with a \$194,000 annual cost of maintenance and replacement. The rollout of the system is based on the number of access points that people need – starting with a system that has the capacity of 400 access points, which is \$485 per access point for the annual maintenance cost. DTI will work together with OMB to establish it as a priority for the state so it can be rolled out in a cost effective manner.

Pat Griffin: We are still spending a significant amount of money for our own wireless. You are providing the access points but there is still additional equipment agencies need to provide to plug into the access points. Am I correct?

Bill Hickox: There is an upfront cost associated with it and then there is an ongoing access point charge. The Courts situation is unique. Rather than doing the one off type solutions, we're putting together a plan and a program with OMB to prioritize so we have a better plan going forward that addresses the enterprise. To reiterate Director Visalli's

point - It shouldn't be a service that is only provided to agencies that can afford it; it should be a service provided to the agencies that need it based on their customer demand. We are working to address that issue.

Pat Griffin: We spent about \$50,000 on the courthouse for equipment which was separate from the access points. Will each agency still have to come up with their separate equipment to be able to access the wireless? Or is the new system encompassing that equipment?

Bill Hickox: That is exactly what we are working with OMB on – to determine what the best method is to fund that.

Rick Geisenberger: For those agencies that are already set up with public wireless access, does it affect anything?

Bill Hickox: You are going to keep doing what you are currently doing today. With the enterprise plan, what we are rolling out will ultimately encompass replacement and maintenance. As we are replacing equipment, we would anticipate rolling everything under the enterprise solution where feasible.

Ann Visalli: I appreciate you changing your process. Wireless access is becoming common place. I think we should address that it is a public good, and we should provide that service. Funding should be secondary to the access.

Secretary Sills: Colleen Gause and Bill put together a list of the facilities, and we are going to bring you that list to prioritize it to see who should receive the access first.

Ann Visalli: I will be happy to help. We are having discussions as part of the budget process, and I am not expecting people should have to wait until July to move forward.

Secretary Sills: We have Dan Grim here from the University of Delaware. How does the University handle wireless?

Dan Grim: We have it in lots and lots of places – I believe we have 1,600 access points on our campus alone. It is managed by our office and students can use it.

Carlos Vieira: We are doing the same thing at our company. People can just pick up their PC and walk anywhere in the company and your PC is able to work. It is becoming more of an expectation for employees.

Major Projects Update:

DACSES Replacement Project ~ Midge Holland (DHSS)

Two modules have completed their User Acceptance Training (UAT). Three modules have moved into the UAT environment. Training sites in all three counties were secured. Training curriculum is underway and in review by the state. User Training will begin in June. Developing Memoranda of Understanding with data share partners. The Deployment/Implementation Planning process began two months ago. This comprehensive plan was reviewed by the state and returned to the vendor for modifications. The conversion of projects in the Biggs Data Center is scheduled for October. The biggest risk and issue is making sure the resources are available and that there is good coordination between the vendors. There is one concern about the quality issues: the documents that are under review take extended time to review in order to follow due diligence and to stay on the project schedule. An agreement with DTI has been signed to recruit for the Applications Support position. The Service Delivery Management position should be filled before the end of the year. Technical issues awaiting resolution include: IAM, central printing, File Net upgrade, and ESP licenses procurement pending architectural design approval. Major upcoming activities: Deployment Planning and ongoing UAT.

ICIS – Integrated Corporation System ~ Mike Womer

Project has been realigned – the go live date is May 16, 2013. Nine out of the ten weeks of agile releases have been completed. 90% of the test cases have been exposed or executed with an 80% pass rate. In March there is a seven week period of final development with the vendor – this is a key risk point that will be managed very carefully. User training and technical knowledge transfer will be initiated in March.

Carlos Vieira: You said you are using an agile approach – how long have you been doing that?

Mike Womer: Since the middle of August. Every other week, we put out a two-week agile release.

Carlos Vieira: Does that approach help the vendor meet timelines?

Mike Womer: They have experienced delays – the previous approach was that they would go away for six or seven weeks and bring back code. With this every two week process, the business gets to quickly identify the issues. It has been much more successful than it has in the past.

Secretary Sills: This project is currently rated red. What do we need to do to move it back to yellow?

Mike Womer: Two things: The agents are coming in the middle of January – that has to be successfully. If that is not successful there is no way we will get out of the red status. The second is we are going to mitigate the vendor during the final seven week development period and put into place agile milestones. That way we will know very quickly in that seven week period how they are getting along.

Li Wen Lin: A major milestone is to ensure the test environment is stabilized and all the security standards are met before we go into production.

Matt Payne: There also seems to be a couple of key resources from the vendor that have to do the knowledge transfer as well as all these fixes. I am still very concerned about the commitment level because both of those things have to be done at the same time.

Li Wen Lin: The line is drawn and we have commitment that the deliverables will be met.

Matt Payne: I am skeptical because they have missed every timeline they've had for the entire project.

Rick Geisenberger: My view is as long as the red means the project is over budget and over time – I don't care if it's ready until the day it goes up. I don't think there is anything that would cause us to think it's not going to get converted. If that is what red is supposed to mean then I am concerned that we are using the color red. If red is simply over time and over budget, then it is what it is.

Secretary Sills: Then if it goes in 2014 that is not an issue with you?

Rick Geisenberger: What I would say is our existing systems work – they are used to process \$900M in revenue – if the existing system works and it doesn't deliver the additional functionality except for the web page functionality, we would like to be able to deliver to those folks. But what I am hearing from those folks is that it is more important for it to be right than rushed, because they use it for their operations. I would love to get it behind us, because I would love to bring people those value-added services. But we have to get it right, because it is critical to the state's systems.

Carlos Vieira: What I hear is that you don't have time to support both which increases the timeline more. You potentially have people jumping in to participate more with the vendor, and it requires more management and integration with your team.

Rick Geisenberger: There has been a lot more development to this than we thought. What we find is as you get into more and more complex issues, such as customizing the system to meet the specific needs of the specific registered agents that all have different business models. That has made it really tough, so as we get into more complex issues we were just finding that without this development, programmers just weren't getting exactly what they wanted to get. But there is still a fail rate that has to be taken down to zero.

Carlos Vieira: I assume you've already dealt with the vendor for not meeting those timelines?

Secretary Sills: Unfortunately this contract does not include any penalty clauses so we don't have that "hammer" to use as leverage for that vendor. My perspective on this is we have to move it from red to yellow to green - there are 800 defects, and we want the solution to work. We want more improvement from that vendor – I don't think it is unreasonable to ask that vendor to step up.

"DCAP" Delaware Courts Automation Project ~ Marianne Kennedy

Production environment has been built and validated. The first portfolio, the Single View Inquiry for Civil, is in the process of testing with Family Court users. The development and testing for the Criminal Inquiry is almost complete. The vendor will deliver programming for the security piece of the criminal inquiry by March. E-Filing is in process and vendor is still working on the contract. Focus continues on stabilizing infrastructure, environment, and resources. Contractual resources have been brought on to support the e-Filing effort. Xerox modification is on track and contracts have been signed for additional support. The biggest risks are the problems with Software AG. Software AG and their

suite of products were chosen for this project because they already had a contract in place with DTI for contract licensing. Documentation they sent clearly stated that DCAP would not need any additional licensing for Portfolio 1, and the Courts entered into a Service Level Agreement with them to provide development services. Courts had expectations that additional licensing costs would be minimal. In October, Software AG sent a quote for \$2M for additional licensing. The Courts are currently working with DTI to obtain a reasonable price to support portfolios of this project. 80% of the work that has been done will be able to be reused even if they cannot move forward with Software AG. The worst case scenario is to step away from Software AG and find a different vendor. Knowledge transfer has not yet occurred with Software AG. If negotiations are not successful with Software AG, more time will be spent in December-January timeframe to find another tool set, redoing the budget, and refocusing on the resource support. As the project moves forward, there will be reorganization of the project plan and resource alignment.

Matt Payne ~ Late yesterday we did receive more information from Software AG – they have driven their price down significantly since we spoke to them last time. There is a significant increase in size of the environment we need to complete the project. We have been meeting with them, and they have come back with a better price.

Marianne Kennedy ~ We appreciate that the pricing has come down. It will be a hard conversation for us to have about continuing because we have minimal confidence in the vendor at this point. They have not been forthcoming with information. We have spent a lot of time since last January talking to them about potential costs, and they haven't been willing to discuss the details. We have some disputed costs with SAG under the service contract and it has been very difficult working with them. Our confidence is low as to the benefit of working with them in the long run.

Carlos Vieira ~ Do you have a centralized approach for Vendor Management and contracts? You need to create contract standards and things that you have to have in contracts such as SLA's and penalties.

Secretary Sills ~ It is actually de-centralized. Each agency has their own procurement and contracting staff, and they engage vendors separately. There are a number of enterprise agreements with vendors such as Software AG, Oracle, IBM, etc... That is an area we want to improve on globally across the state. Recently, we set up a Vendor Management program where we are evaluating our top 20 vendors on a semi-annual basis. We are a little bit behind the private sector in terms of how we manage vendors. We do have some standard templates with some of those terms and conditions, but I agree with you, penalty clauses should be in all IT contracts.

Matt Payne ~ They are also managed by all different groups in terms of how they manage the vendors. We don't centrally manage our initiatives. Some people are very experienced and some that are not so experienced. And then you have the software companies that are highly experienced that know how to set up everything just right and manipulate the circumstances.

Carlos Vieira ~ The easiest way is to create as many contract standards and templates as you can to help with those things. You are dealing with people that negotiate for a living and your folks more than likely do not. That makes it more complex to get it right.

Matt Payne ~ One of the issues is quickly determining when there is going to be a challenge. If you don't have the right skill set, the issue may become very large before it is recognized and it is hard to undo that.

Upcoming Meeting Dates:

Tuesday – March 12, 2013 (VTC)

Tuesday – June 11, 2013 (VTC)

Tuesday – September 10, 2013 (VTC)

Tuesday – December 10, 2013 (VTC)

Conclusion ~ Secretary Sills:

Secretary Sills informed the Council that the next scheduled TIC Meeting will be on Tuesday, March 12, 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, Ann Visalli made the motion to adjourn, and Jackie Griffith seconded the motion. With no opposition, the motion was carried. The meeting was adjourned at approximately 10:14 am.

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