



Technology Investment Council



State of Delaware
Technology Investment Council Meeting Minutes
December 15, 2009

Technology Investment Council Attendees

Name	Organization	Attendance	Represented by
James Sills	DTI	Present	
Russ Larson	Controller General	Present	
Dr. Lillian Lowery	DOE	Represented	Dr. Mike Owens
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	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 9:00 am.

Welcome:

Jim Sills welcomed everyone to the third TIC meeting in 2009. This meeting was held by video teleconference in two locations: DTI William Penn Building in Dover and the Wilmington Carvel Building. Introductions were given at each of the locations. TIC member attendance was noted as shown in the above table. Others in attendance included DTI Senior Staff, DTI Team Leaders, IRM Council Representative and the Office of Management and Budget staff.

Old Business:

Jim Sills asked if all the members received and reviewed the September 15, 2009 TIC meeting minutes and requested for a motion to approve them. With no comments or questions, Russ Larson made a motion to approve the minutes as written and Carlos Vieira seconded the motion. With no opposition the motion was carried.

IT Consolidation Update ~ Bill Hickox:

DTI has completed detailed assessments of the initial five agencies IT operations. The agencies include: Department of State, Department of Labor, Department of Finance, Department of Transportation, and Department of Education. Consolidation recommendations and the associated cost savings are being reviewed with the five agencies senior management this week. Common themes within the agencies were help desk/desktop support, data center consolidation, and improvement of efficiencies in contractual resources. The recommendations will be presented to the Governor once they have been completely reviewed by all the cabinet secretaries and Ann Visalli. Our main goal is to acquire executive level support to move forward. Once we receive the authorization and support we will begin to establish implementation plans for the initial five agencies and continue with the detailed assessments of the remaining ones.

Russ Larson: Are there any people savings for state employees or are they all contractual?

Bill Hickox: The presentation that will be provided to Ann on Monday include contractual, people, hardware, and software savings.

Russ Larson: Legislative action would be focused in what area?

Bill Hickox: Presumably in the people savings.

Ann Visalli: I think you should clarify whether it is people, meaning vacant positions or people in positions that you no longer need.

Bill Hickox: There is a combination. Before any people adjustments would be made there are certain things that require legislative approval or action and there are certain things that wouldn't. The virtualization of servers into a common infrastructure and expanding our virtual efforts does not require legislative approval. If we were shifting personnel or moving positions, then some may fall under Section 54 Epilogue language or some may require legislative approval.

Ann Visalli: Just to be clear; Section 54 epilogue language has not been vetted or implemented in the way that I think you may be referring to. I would caution you in the way you exercise the use of that section.

Bill Hickox: I suggested that was an option; I did not say that was the direction or that we used it.

Carlos Vieira: There is quite a variety of areas that can be impacted financially in terms of savings. Is there some kind of prioritization process that says the stuff with the biggest bang for the buck and easiest to do is going to get done first or put in place first so that we get the savings as quickly as possible?

Bill Hickox: Yes, part of our recommendation package includes what we refer to as quick hits, medium hits, and long term hits, which provides the opportunity for least pain, can happen the quickest, and will result in the greatest savings versus those things that may have significant pain, will take awhile to implement, and won't have as much savings. We are going to categorize them and allow the agency to review it to say here is the direction we want to go and now let's put together an implementation plan.

Russ Larson: Is there an agreement among the Cabinet Secretaries that this is a good thing to do?

Bill Hickox: Based on the meetings we have had so far with the leadership of the Department of State and Secretary McMahon, there is an agreement in concept. They feel that this is the right thing to do but there is some level of trepidation associated with it... as Secretary McMahon phrased it, they want to make sure that they 'can fire the person if they don't do it right.' Their concern is level of service. I think from a conceptual basis they are on board. They have heard loud and clear from the Governor that this is the kind of thing that we need to start thinking about and moving forward. Their biggest concern is how it is implemented and what level of say do they get at the end of the day.

Secretary Sills: I would say also it is the fear of the unknown. This is relatively new in state government in terms of consolidating redundant functions within the central IT organization. If I had a dime for every time I heard 'my agency is different' or I am asked 'will you be able to provide the level of service that I am currently receiving?' Everybody wants to see the implementation plan, they think the assessment and recommendation documents are great, but to take it to the next level we need to develop detailed implementation plans and service level agreements.

Data Center Update ~ Bill Hickox:

The formal agreement on the land extends through the end of this fiscal year, June 30, 2010. At that point the state will have to make a decision whether to continue with or walk away from this potential

opportunity. We have had some discussions in cooperation with DEDO with potential partners that may be interested in locating to Delaware and utilizing that facility as a data center. Those discussions continue and may be dependent on different factors and investment potential. In addition, a Federal Grant Opportunity; a new Jobs Bill is being drafted and ideas were being sought to create jobs. We provided the data center project to the Washington DC director as our submission.

Cost Recovery/Central Funding Model ~ Bill Hickox:

From a strategic perspective, DTI is looking to create a more granular cost allocation model that breaks out the costs associated with specific services. Currently, agencies purchase or request services from DTI that has a chargeback associated with them. However the service is usually packaged with a number of other services that are not required by that agency. Therefore by breaking down these costs, the agencies will only be responsible for the specific services they utilize. This will allow them to be more selective rather than having to purchase a bundle of services.

Ann Visalli: When you do that, can you actually have it be a return on investment and save the state money as opposed to costing the state money?

Bill Hickox: The Central Funding Model is where saving the state money opportunity exists. The cost allocation model does not cost any money to implement. The easiest example would be Exchange. Right now an Exchange rate for an email account is \$20.20 per month. When we say Exchange rate, people think that is just my email account, however what is included in that rate is not just email, it includes anti-virus, anti-spam, internet connection, connectivity to state network, and remote access. All these things are included and the price is a packaged price for everything. So if an agency says we have no intention of using the remote access or unified messaging, than obviously you shouldn't have to pay the \$20.20 price, you should pay a lower price. That would be an example of how we would make it more granular to allow people to choose only the options they are getting.

Ann Visalli: How are those functions paid for now and who pays for them?

Bill Hickox: They are included in the Exchange rate. Each agency pays for them, but when you say pay, there is a difference between chargeback and cost recovery. A general fund agency receives a chargeback statement that says we have allocated this much expense to your agency, they don't actually write us a check. Special fund agencies based on cost recovery will expend those special fund dollars back to DTI.

In order to centralize the core service funding, DTI will be identifying the core services that we provide so we can eliminate the continuous chargeback or cost recovery model. If we can take out the core services and centrally fund them, it will allow for better prioritization of projects and long term savings. It will also help in our governance from a perspective that agencies wouldn't be attempting to do individual activities that may cost the state more rather than if it was centralized through DTI. An example is server virtualization: The purchase and replacement of servers is exempt from the business case process. If we centralize the funding and say that all the servers that are up for replacement will have to be virtualized, savings will be realized in the long run. The cost of virtualizing is significantly lower than the cost of purchasing and replacing servers. Agencies will no longer be purchasing their own individual servers and we would continue to build up the virtualization infrastructure.

Ann Visalli: We met about six months ago about the ELA proposal and I said I was fine with it, what is holding up the process?

Bill Hickox: Instead of saying at day one, here is the ELA everyone has to pay. We are looking to migrate the ELA desk top counts up to full platform by the end of five years. We have reached out to all the

agencies and have discussed what their respective costs would be. Since 2003 there were significant investments on the part of DOC. They decided not to go with software assurance which gives you the automatic upgrades. They have their licenses and they're bound today. If we pushed them into the ELA they would have to come up with about \$300,000 for their portion of it and according to Commissioner Danberg and Deb they don't necessarily need it right now. However, within the next five years they are going to need it because those operating systems are going to have to be upgraded. We do not want to start paying a full blown enterprise agreement price on day one when we are not going to have everybody in it. We are looking to roll into it with a specific rollout strategy. The numbers have been provided to them and we are now working on the pricing associated with that. When an agency is ready to come on board, they pay their share and move forward.

Ann Visalli: When we last spoke my recommendation was for you to choose the low point in the expiration of licenses and upfront the costs for the ELA. Obviously there is some overlap of costs, but if it's something worth doing you need to do it and then we will cover the costs as time goes on and the licenses expire. Unless you can calculate the minimum marginal difference in what you are buying and what is expiring... you just need to go do it and recover the costs as time goes forward.

Pat Griffin: The cost of that enterprise agreement; would each agency be expected to pony up or would that be one payment that would come out of the budget process?

Bill Hickox: That would be something that would fall under the Centralized Core Service Funding. There will be a transition year when we will say this is the amount that we are going to pay each year. We committed to Ann that we would cover that transition year. Moving forward, the effort would be through the Centralized Core Funding Service Model where those dollars that are currently being used for licenses would be shifted to a centralized fund where that payment would be made each year.

Deb Lindell: Right now I pay \$320 for a license; I would need to pay \$480 for that same license under software assurance. Are we all clear about that? It is much larger; where is the extra money coming from?

Bill Hickox: Actually because you are purchasing under Select, you're purchasing at \$320 and you need to purchase at \$480. However if you purchase under the EA pricing it is \$250 per desktop. Because we are moving into a different category of purchase, it is significantly lower.

Deb Lindell: But the Software Assurance is still on top of that?

Bill Hickox: No.

Deb Lindell: The \$250 is the price each year?

Bill Hickox: Yes.

Delaware's ARRA Grant Requests ~ Mike Hojnicky:

Delaware was awarded the Broadband Mapping Grant for \$1.5 million. This will provide for mapping services across the state of Delaware. The end result will be a web site that will outline where broadband services are available. DTI is the project sponsor and will provide project leadership and management for this grant. We will be partnered with the University of Delaware Information for Public Administration. Planning teams will include local government, business, and the agricultural community to ensure we have a good understanding of where broadband services are needed throughout the state. The project goals are to identify the best practices for the community, the appropriate services, and the barriers of deployment.

The Broadband Expansion Grant request for \$1.6 million to expand broadband access to schools is currently in the due diligence phase where they are requesting additional documents and information. Our team is responding to all the requests and will be meeting with the NTIA.

We have not received any updates on the Delaware State University Upgrade Grant for \$10.9 million. Various teams are working on this grant and we are hoping to hear something soon.

DTI is preparing for the second round of funding which is expected to come out in early 2010. We are currently working with the Division of Libraries to formulate an upgrade to their libraries. We will also be reaching out to our stakeholders to identify additional opportunities for this second round of funding.

New Service Offering ~ Mike Hojnicky

DTI is looking at what services need to be revised to meet the agencies demands and requests. One area where this was accomplished was the Service Desk Expansion. We moved DelDOT's service desk support to DTI on December 1, 2009. The calls are flowing well, DelDOT is receiving 24/7 support, and they are pleased with the turnout. As we move forward with the IT Consolidation we will be working with the other agencies to look for more opportunities to improve service. Another service DTI was able to improve is the VM Enterprise software licensing. We originally had one license available, we went back to the vendor and added on the additional services that the agencies required. Finally, the Enterprise Voice Services (EVS) is a one call service where DTI provides all the necessary additions and changes for voice phones through a Cisco or Avaya platform. We are planning to revise that service to identify the specific needs of each agency. Currently, there are many agencies that do not have the level of support or technicians available to provide phone system support.

The new opportunities we have identified are storage as service, enterprise SharePoint, and virtual server hosting. We have identified a cost savings service for those agencies that are going out and buying additional storage as their server storage gets low. We are also working on a solution to provide SharePoint to other agencies so they can participate and take advantage of that technology. In addition, as we identify servers that agencies want to replace, we are working on a service that will allow us to initiate a virtual server. This will get them up and running very quickly and will provide ongoing life cycle management. An example of storage as service comparison: If an agency were to purchase 10TB of storage, there would be a cost savings per month with the DTI solution versus our current vendor EMC. Also the agency would be able to buy storage as they grow as opposed to buying excessive capacity.

Ann Visalli: The service desk expansion; are you factoring all of that with DTI employees and is that the long term plan?

Mike Hojnicky: Yes, that is our long term plan and in our IT consolidation we will identify resources from agencies; maybe one person from an agency will transition over to the service desk. This will help with the transfer of knowledge and help with the additional capacity. The volumes of our service desk have increased even before DelDOT was added on. Our current service desk was handling about 1800-2000 calls last month alone. We will need to see what resources can shift over to supplement our staff so we have a transfer of knowledge and the numbers to handle the volumes, because we are a 24/7 shop. The other component of the service desk which we are getting ready to expand is the desk top support piece; DTI will be able to help other agencies with pc desk top replacement, life cycle management, and extended service.

Russ Larson: Functions are being moved to DTI, but people are not being moved to DTI?

Mike Hojnicky: Initially they are not, but the long term goal is that one or several resources will shift over into our service desk to supplement our staff and handle increased volumes.

Russ Larson: So if I'm a help desk operator in DOE and that function gets moved over to DTI and you don't need that person anymore; you won't take that person?

Mike Hojnicky: The challenges we are finding with the agencies are there are two types of help desk; the business side and the technical side. For example, DOS has folks that support their licensed agents. They will still have to maintain that service desk as a business function and DTI will pick up the desk top support and end user problems. We therefore would require, based on the volume of their calls, a person to transition over through IT Consolidation. DTI would need a resource that would shift over to DTI that would supplement our staff. There could be a reduction of the number of FTE's because now that one person is backed up by all our personnel.

Russ Larson: Using DOS as your example, you have two groups of customer service people; one that handles corporate questions and another that handles IT questions. Isn't it the same person answering the call?

Mike Hojnicky: In some instances there are folks that cross over, but there are some folks that are strictly technical and some that provide business responses. That is the challenge as we go through; we have to make sure we provide clear separation. DelDOT has folks that provide application support and my service desk will handle the technical issues and route the business questions back over to the business unit. In our model, we have the merit people retain their merit status but report up through the DTI organization, that was our original discussion under the IT Consolidation.

Ann Visalli: But they wouldn't be DTI employees because DTI is an exempt organization. It is challenging and there is a lot of misinformation and assumptions flying around.

Mike Hojnicky: The point is we will still need some resources to handle the volume to keep the level of service the agencies require.

Ann Visalli: Here is the ideal scenario: DOS has people on their help desk that does desk top support and they have two vacancies; two people retiring. DTI says if you consolidate your function you do not need two positions you only need one and that is where the savings come in. So we are able to cut one vacant position and the associated funding and other vacant position moves to DTI, becomes exempt and DTI can then fill it. That is the ideal scenario where what was previously done with two positions; you can now do with one. You have now provided the same level of service with one employee that was previously provided by two because there was no sharing across agency lines. However, the ideal scenario doesn't always exist and that's where the challenge comes in. If there are two vacancies at stake and two people are hired on the same day and if DTI says we'll take those two positions and fill them, it now costs the state more money because everybody at DTI typically makes more money than the same employee does in the merit system. So unless there is an elimination of funded positions, it may be cost avoidance down the road, but the argument DTI should be making is that we need these two positions to keep up with the growing demand on state services. So we are actually avoiding costs in the future. The problem is we have hundreds of millions of dollars in budget gaps so we cannot really afford to add in higher salaries to our current complement. The whole point of it is to realize some level of savings... that is the challenge.

Russ Larson: Another challenge is meeting the SLA agreements the agencies are holding us to... that is a real issue.

Ann Visalli: That is not a new issue. That is the same problem we actually had in 2000 when we had agencies going out hiring and contracting out their own staff because they weren't satisfied with the level of service they were getting from the state.

Secretary Sills: We have had some interesting discussions with Ann over the last couple weeks. Her points are valid and we have to work through this together.

DTI Major Projects Update: ERP ~ Matt Payne

The ERP Objective/Scope has not changed. We are migrating from an older mainframe system to PeopleSoft applications and upgrading to a more current version. The Maximus portion of the project is 100% complete. We have an extensive detailed plan from November which is 19% complete. Some issues and concerns of the project are (1) Resources: The functional and technical resources are being stretched thin, the level of participation requested from the end users is high, and the helpdesk and training position transfer has been slow to progress. (2) Training: There will be approximately 3700 people that will require training. Currently we have eight educators lined up and are planning to add two to four more. We are offering 26 different classes with an instructor and about 10-15 self study classes. (3) Scope: We have been contacted by the state's audit office that wants to conduct a pre-implementation audit. We are very concerned about this proposed audit because at this point it could jeopardize the project. We have reviewed their scope and still have to come to an agreement on what we will or will not be able to do in terms of an audit.

Russ Larson: What was the genesis of that audit? Who said we have to do an audit?

Matt Payne: Tom Wagner, the Auditor of Accounts.

Russ Larson: Did he say why?

Secretary Sills: That is a difficult question to answer. I'll just answer it in my own way: Supposedly he wanted to conduct this audit about 12-14 months ago and for some reason it never moved forward. Now he wants to conduct the audit from February to April. Initially when Matt and I spoke with him he was going to focus on the accounting controls related to the new system. If you look at the scope of this audit, it is really focused on technical and security issues and maybe 20% is accounting related. We determined that this is going to impact us by 150-175 man days, in terms of DTI, OMB, and the Department of Finance. I do not know why he selected to do it right now. There are certain aspects of what he is looking at that I think could help us, but there are certain aspects of what he is attempting to do that will provide no value added benefit. Matt and I sent him an email on Friday morning and will follow up with him today.

Matt Payne: Part of the audit is talking about how things are designed – the whole system has already been built. Going back and looking at the design at this point would not be considered a value add. Taking an evaluation of what we are going to do, education wise; that probably is a value add. At the end of the day an audit should help us find things that we can fix and improve. The risk- reward of investing the time in this audit does not seem to be appropriate at this time of the project.

Russ Larson: So this audit is not a traditional financial audit on the \$60 plus million that has been spent?

Ann Visalli: It's a technology, implementation audit. It's a lose- lose situation, if you say you don't want to be audited then you are not being transparent, if you say come on in, you know exactly what's going to happen; they are going to say you can't go live... it's a lose-lose.

Russ Larson: I'm not sure if it's a total lose-lose. I see if there is a possibility the project is jeopardized in timing by up to a year, that is not worth the state auditor coming in and spending two months and 175

man days to do this thing. I would certainly have no issue with the auditor going in and auditing the accounting of it; the financials.

Ann Visalli: If someone comes in and says, here are some things you may have to look at after implementation to improve the reporting requirements system of your comprehensive financials, we want to hear it and we want to have the time to take that list and go do it. However, to have him come in and jeopardize the implementation of the project is completely unacceptable. I'm open to advice or suggestions of how to take control of the helm here.

Russ Larson: It could be a phone call.

Ann Visalli: Consider yourself called.

Pn Narayanan: Russ, maybe a TIC observation made at this meeting can give you some legitimacy to move forward with a recommendation to delay the audit.

Russ Larson: That's not a half bad idea. This is a giant project – I have been involved in small projects that were chaos on the day you turn the key. On July 20th I suspect that DTI, Ann, and I are going to be getting dozens of phone calls from staff, agencies, and legislators' asking why is this and that happening, and you will have to get through all that. To add doing an audit is just inconceivable to me. I agree with Ann that an audit of that type wouldn't be a bad idea once it's in place and up and running. If they do an audit in February and say the system design is all wrong then...wow...we have been working on this for so many years! With tens of millions of dollars involved we are passed that.

Glenn Tascione: To qualify the question from a private sector, I have never had a situation where you have had a pre-implementation audit. We have had plenty of situations where we have been asked to bring in outside consultation to see if we are on the right path. But to audit something that is not a final product, would be a waste of resources. Bringing in a secondary consultation or outside expert to validate the design is different than an audit. If that was the suggestion I would be for that, but an audit prior to a launch... I would put a suggestion forth as a TIC member saying we recommend that they delay the audit until post implementation when there is actually a system to audit. To audit a work in progress is a waste of resources and would jeopardize the timeline of the project.

Ann Visalli: Can we draft a letter and send it to the Governor and the co-chairs of leadership? Who would you want us to send it to on your side?

Russ Larson: Absolutely. In terms of financing, it affects a lot of different groups. I believe that Pn's suggestion that the TIC endorse what you recommended is the cleanest way to move forward.

Secretary Sills: So we are recommending that we would send him a letter saying that the TIC membership would like to (1) reduce the scope and (2) focus on post implementation versus pre-implementation. To formalize this, I am going to have Glenn make a motion.

Glenn Tascione: I make a motion to draft the said letter from Secretary Sills requesting both the change in scope of the audit and a deferral of the timing of the audit.

Carlos Vieira: I second the motion.

Secretary Sills: All in favor?

All TIC Members: Aye

The motion to draft a letter to Tom Wagner was carried without opposition.

Secretary Sills: We will work on drafting that today and I will send it over to Ann and Russ for review.

ERP continued: Next Steps of the project are as follows: (1) Minimize system change requests and freeze the development. (2) Complete the 4th round of testing to fine tune conversion and test bundles and fixes. (3) Finalize resources for helpdesk and training and renovate the office space to accommodate the helpdesk and training staff. (4) Complete training material preparation and delivery planning. DTI recommends the following: The Executive Sponsors continue to support the resource commitment and strict adherence to the project schedule. The ERP project has spent \$66 million to date; the project remains on budget.

Pat Griffin: What is the total cost at the end of the project?

Matt Payne: It is about \$80 million.

Ann Visalli: I have a couple of follow-ups: The RFP for the audit is not yet on the auditor's website, so timing is important....the sooner the better. PHRST is also going through an upgrade prior to the go live for Financials. If you talk to the folks at Financials, they would need to have any organizational and structural changes in the budget voted on by May 15th which is obviously not going to happen. So this is a significant issue for me, my office, and for the state agencies that have any structural changes being proposed. We are trying to come up with some mechanics. For example, Colin O'Mara wants to go from x number of divisions to x- 4 divisions, that has significant personnel charges and budgetary impacts. The bill is law; the problem is the budget goes with the bill. The budget and the budget bill then would not be what are reflected in the financial system based on the path they are on now, which is unacceptable. We are working through some solutions.

Russ Larson: I can't even imagine what that solution would be.

Ann Visalli: We are working through it. You have the budget and the accounting system that doesn't actually reflect what the law says, either way there is a disconnect.

Pat Griffin: I am sure long term they envisioned the fact that we make changes. So in the long term plan, are there some accommodations for such changes or is it just difficult because of the timing?

Ann Visalli: There has to be, you have to have the ability in the financial system to set up a new appropriation or a new structure in the budget. We can't predispose the Joint Finance Committee to a vote, so it's the overlap between implementation, in other words if we assume that the DNREC restructuring is going to happen and it doesn't, the new system would reflect the restructuring when in reality JFC may not vote on that or the other way around, so we are going to have a disconnect and it could take another fiscal year to recreate that new structure.

Russ Larson: What you are telling me is if a budget were proposed in January in a typical year, it gets to Joint Finance and some issues come up and we realize we have to change the structure of DNREC or DTI or something, they would rewrite the Governor's proposed budget to reflect that change? If it's past June 30th, how long does it take them to implement that?

Ann Visalli: Once we are up and running that's fine. It's the snapshot of DFMS to PHRST and then PHRST to Financials. They have to take a snapshot of DFMS in May in order for Financials to come up, PHRST has to upgrade, PHRST has to upgrade in the beginning of June to get payroll out and to be up in time for Financials to come up in July. In order for PHRST to upgrade they have to take a snapshot of DFMS, so whatever DFMS looks like in the beginning of May, it is the snapshot that they take.

Russ Larson: Fine, why can't they look like they do now, DNREC in May?

Ann Visalli: Because we may be recommending a budget where it would look very different... that's the challenge. Let's say the Governor wants to recommend the Colin O'Mara structure. BDIS, my system reflects that. It's not just the bill we produce; we actually produce the budget system. So from January to May, BDIS and the Governor's rec reflect this new DNREC system. The DFMS still has the old system. If it passes in the Governor's recommended form, BDIS, the bill, and JFC are all on board with the new structure, except now the budget system, DFMS, the new financial system, and PHRST won't match. They took a picture of DFMS in May which didn't reflect the new structure.

Pn Narayanan: That will only be a problem for the first time. Moving forward that is not an issue.

Russ Larson: Pn, you have been over in my building; the last thing that the members of the Joint Finance Committee want to hear is that you can't go against what we proposed in the Governor's budget because the computer can't accept it.

Ann Visalli: The last thing I want to hear is that you can't propose it, because the system can't do it. We are all in the same boat. It is an outstanding issue.

Russ Larson: Rather than take up time on this issue that is clearly one of a budget process, perhaps you can let me know when the next meeting is you are having.

Major Project Status: ICIS ~ Matt Payne:

ICIS – Integrated Corporations Information System: The legacy mainframe imaging and workflow system will be upgraded and updated to a .net based web application using an Oracle database. The work is primarily being done by Alliance. The base tool set that they used to build the system is Epitome Software. When the project is completed the state will own the source of the application. Overall the ICIS Project is currently behind schedule, however it is on budget.

ICIS Issues and Concerns: The development track is about 30 days behind schedule. The vendor is adding incremental resources without additional costs to get the project back on schedule. Rather than starting our testing on January 2, 2010 for the first track we will be starting at the end of the month. We were able to get a hands-on look at how the application works during an agent/end user conference in September. From that conference came some recommendations which still need to be resolved. Another concern is the impact of the consolidation efforts on the project is unknown at this time. Specifically SAN storage; there is incremental storage needed when we roll out and during testing. In addition, the people that are supporting the existing system have a mainframe skill set and the new application is .net and oracle data base. There will have to be some type of subsidy of skill set added to the solution set to be able to support it on an ongoing basis. Education will be required.

The next steps for ICIS are: Making sure that vendor resources are being added to get the development phase back on schedule, continuing successful migration from the prototypes to the completion of code, establishing the development environment within the state, finalizing assessment of required technical skills for on-going support of the new system, finalizing automated testing and service manager tool discussion, and finalizing the test and implementation plans.

Carlos Vieira: What was the cause of the delay in development?

Matt Payne: What they said was that they underestimated the amount of change that was being asked for when they built the prototype. They built the prototype, they got it out there, and then people said, 'Can

we have this?’, ‘Can we move this?’, and ‘This isn’t what we meant.’ It is not unusual when you have a prototype; so they are now making adjustments to go ahead to make that into the development piece itself.

Carlos Vieira: So by moving the testing out etc... do you think we can catch up?

Matt Payne: So far the testing ending hasn’t changed. Again this is iterative, but it requires more manpower. So some factors have not changed. The factor that we changed was the manpower and they have agreed to do it for no incremental costs because of the way the contract is structured.

Major Project Update: COTS ~ Matt Payne:

The scope of the project has not changed since our last TIC meeting. We are moving off of mainframe functionality to a distributed environment. One thing that has changed is the civil functionality has successfully been completed and has been extended out to all the Courts. The Lexis Nexis automated filing upload has been implemented and made available. The feedback from the Courts has been positive. The vendor, ACS has met with members of the Courts to discuss end user system challenges. Appropriate changes to the system are being made by the vendor. DTI performed traces in the network to identify any network related issues and Oracle reviewed the infrastructure and provided feedback. The transition of Oracle imaging to replace FileNet will occur on April 1, 2010. This will provide cost savings and improved performance.

COTS Issues and Concerns: The Criminal Phases continue to present significant challenges; we are trying to build up confidence in terms of the ability of this solution set to provide what is needed in the criminal phase. We need to spend time looking at the interfaces and how they will be done with DELJIS which is critical to the project’s success. Finally, additional customization or in-house development may be needed in the long term to handle case load demands and to improve how people feel about the criminal phase.

The budget is approximately \$15 million and is a fixed price, milestone deliverable contract with the vendor. The project continues to operate within the budget.

COTS Next Steps: Need resolution of issues surrounding the criminal phase and how we are going to move forward, completion of JP Court efficiency plan, and evaluation of possible solution sets to supplement the vendor product.

Russ Larson: Is there any value to stopping after the civil part is completed... putting the criminal part on hold for a year or two? This has been an ongoing issue forever... the criminal side.

Matt Payne: Our plan was making sure we can demonstrate that this solution set would give the users of the system everything they needed. That is why we are spending this time now trying to get the added improvements to civil. In a sense it is on hold. I don’t know the literature and I am not familiar enough with the contract on how that will work in terms of the fixed bid.

Russ Larson: It just sounds like to me based on what we just said that we are really going out of our way to bend the proposed system to fit the client, which makes some sense except the proposed client is unwilling to change the way they do business. Everything has to be adapted which is exactly what we are trying to get away from with all these major projects we have been doing.

Matt Payne: The system as delivered does not fit with exactly what we want to do with the criminal phase. That is why we are saying what we may want to entertain making these incremental customizations so that the end result is a happier user base. The only down side to that is you are not upgrading release by release; you have changed the model from a third party solution where you would get ongoing support from the vendor, ACS to a customized solution where, we the State would be responsible on this end.

Russ Larson: I don't disagree with you but in that particular scenario you just painted, wouldn't it be more costly to the State to do that than just let them do business as usual?

Matt Payne: Not necessarily, I am not familiar with the ongoing ACS annual maintenance and I am also not familiar with the details of how many people are funding within the courts technology team and if that had to be supplemented with other resources. Those pieces would have to be weighed out.

Carlos Vieira: Is there a concern that if they don't go through with the criminal phase, they will have to do something anyway, from a technology perspective to keep up?

Matt Payne: That is a great point Carlos. Some folks on the team say we should just stay where we are and we will just live on the mainframe forever. We do not see that as a great solution; resources are becoming more of a challenge to find. With the wages that we offer from the State, it would be hard to compete with the private sector in terms of what can be paid. Is it an issue today? No. Will it be an issue several years from now? Yes. Some folks say it really is not an issue because people are using the mainframe more than ever before, but what they are not saying is that they are using it as a repository for the data, not for application functionality. They are leaving that part out of the equation. We are taking about the application side of this, not the data.

Russ Larson: The problem is, I envision us saying to the judges that we are trying to help you here and make this system better to make your life more efficient and Myron and the other Judges coming back and telling us, ' Well, you're not, this is not making our life better and you are forcing something down on us that is costing millions of dollars that we don't want.' Is that the case?

Matt Payne: There were a lot of issues and concerns which drove the start of the project. I would say it would be interesting to take a look on the criminal side before my arrival. My understanding is that there is a lengthy list of issues and concerns with the current environment that would have to be measured. The risk of staying where you were... those things never went away.

Carlos Vieira: They can get exacerbated over time. It seems like you are going to have to do something with the environment. Keeping something that is out of sync will continue to add cost to it over time and make it tougher to integrate with the rest of the state systems and platforms. I assume the value of that becomes more and more relevant as you move forward. As they fall further behind it eventually becomes worse for them as well.

Pat Griffin: I want to mention, one of the things we have been looking at is the fact that our system doesn't perform in a vacuum; we connect with Corrections and DELJIS and that is why interfaces are so key that IT works properly. Matt and Secretary Sills have been working with us to focus on those kinds of issues to make sure that all of our inter-connected systems will all work together. That is why this is so critical and so many efforts are being taken to make sure this will work.

Russ Larson: Is this something we should say let's hold up for six months to a year to get these things settled and then pick up again and keep on rolling?

Deb Lindell: ACS has never successfully completed a criminal implementation of a court anywhere in this country; do we really want to be the guinea pigs?

Secretary Sills: They have actually completed three; Rhode Island, Arkansas, and Missouri. Matt and I have been attending the Chief Judges meetings for the last three months and this is always on their agenda. There is a lot of discussion; some judges are for moving forward, some want to just stop it, some

want to take a pause or time out. We have been meeting with consultants, we have met with the vendor, ACS, and we've met with some judicial computer consultants. There are still a lot of discussions going on but we need to make a decision; are we going to go forward, are we going to pause, or are we going to stop. The last three months we have been trying to provide a framework to help make that decision and it has been very difficult to get them to say yes, maybe, or no.

Matt Payne: Part of that is there is focus on this effort to get civil into a place where everybody says this is working really well.

Pat Griffin: I just want to add that we are very much aware of looking at a decision. In the last meeting, we have been focusing on it. It is on the top of everyone's mind that we can't let this decision go on forever, but we want to make the right one.

Russ Larson: I think that you guys know that you have to make a decision is a good thing. Based on what Pat and Jim said let the judges continue to meet and see where they end up as opposed to us taking a stand.

Secretary Sills: I want to be really clear; we are not recommending one decision or another. We are just trying to create a framework for them to make a decision and I hope, Pat we are providing some good guidance for the Chief Justice.

Pat Griffin: Absolutely, I just want to thank you very much. Your involvement has been very helpful in this process. I do think we have to obviously look at the Courts decision, but we care very much about the input, valuable advice, and expertise we are getting to make sure it is the right one. They just want to make sure their decision works, because criminal has to work.

Russ Larson: Totally understood, but what I am suggesting is the TIC recommend to the Judges that we think this thing ought to just stop or have a year's break. More importantly that information is fed back to the Governor and the Joint Finance Committee. Their money in 2011, we'll pick it back up in 2012.

Ann Visalli: How much money?

Pat Griffin: All that is left that has not been paid out to the criminal phases is about \$2.2 million.

Ann Visalli: Is it new appropriations?

Pat Griffin: No, it has been there now for awhile. If you have strong thoughts, I will communicate them back, but beyond that I anticipate we will then look at it and will try to make a decision.

Russ Larson: I think that is the way to go and what you said is fine.

Carols Vieira: Quick question relative to the vendor; at what point do they walk away if we delay them and do they have an out, relative to their contract?

Pat Griffin: I know we have an out at any point for failure of performance. I don't know if they have an out, but I think they would like a successful implementation. I believe they have tried to work within their means to try to make that happen.

Matt Payne: I would agree with that. The fact that they sent the folks out here to come do the review in all the Courts and agree to make these changes I think is evidence of that.

Carlos Vieira: I just don't know if you suddenly say we are going to put this on pause for a year whether they would walk or try to renegotiate the cost, etc... That is something that needs to be considered.

Proposed Meeting Dates ~ Secretary Sills:

The proposed meeting dates for the TIC meetings in 2010 are as follows:

- Tuesday, March 16, 2010
- Tuesday, June 15, 2010
- Tuesday, September 14, 2010
- Tuesday, December 14, 2010

Conclusion ~ Secretary Sills:

Secretary Sills thanked the members for their participation, confirmed that a draft letter regarding the ERP Pre-Implementation Audit to Tom Wagner would be drafted today, and concluded the meeting.

Adjournment – Secretary Sills:

With no further business to be conducted: Russ Larson made the motion to adjourn; Pat Griffin seconded the motion. The meeting was adjourned at approximately 11:01 am.

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