



January 31, 2014 | The State of Oklahoma

Quarterly Report

Year 3: Quarter 2: Report No. 9

Progress on Consolidation

Developed by:

Information Services Division

Office of Management and Enterprise Services



Forward

Following the requirements of the Information Technology Consolidation and Coordination Act (HB 1304), the Information Services Division (ISD) of the Office of Management and Enterprise Services (OMES) is providing an update to the consolidation progress.

The consolidated project savings presented in this report were gathered and calculated in a manner consistent with previously reported project savings. The methodologies utilized to generate and report the savings are currently under review by a third party at the request of OMES administration.

Thank you for your interest and support as we continue the transformation of the IT services for the State of Oklahoma.

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1 Summary of Consolidation Progress

This quarterly report will present our updated consolidation project savings and cost avoidance; our updated service-by-agency, agency-by-agency and service-by-service consolidations; and the consolidation portfolio projects listing. (Figures 1-6).

Consolidation Project Savings

Figure 1

Agency Name	Status	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
AIICM	Completed	\$34,311	\$48,511	\$41,411	\$41,411	\$41,411	\$41,411
Banking Dept	Completed	\$7,251	\$7,251	\$7,251	\$7,251	\$7,251	\$7,251
Board of Nursing	Completed	(\$15,543)	(\$9,745)	(\$15,245)	(\$15,245)	(\$15,245)	(\$15,245)
Capitol Improvement Auth	Completed	(\$1,601)	(\$1,052)	(\$1,052)	(\$1,052)	(\$1,052)	(\$1,052)
Dept of Central Services	Completed	\$37,194	\$9,054	\$14,554	\$9,054	\$9,054	\$3,554
Dept of Corrections HCM	Completed	(\$132,472)	\$93,753	\$234,892	\$234,892	\$234,892	\$234,892
Dept of Tourism	Completed	\$93,607	\$94,407	\$93,727	\$93,727	\$93,727	\$93,727
Disaster Recovery Services	Completed	\$247,344	\$419,245	\$203,524	\$203,524	\$203,524	\$203,524
Employee Benefits Council	Completed	\$150,115	\$214,084	\$208,584	\$214,084	\$208,584	\$214,084
Fiber – First National Building	Completed	\$11,895	\$49,115	\$49,115	\$49,115	\$49,115	\$49,115
Office of Personnel Mgmt	Completed	\$70,596	\$77,933	\$77,046	\$70,746	\$70,746	\$70,746
People Move 2012	Completed	\$2,336,741	\$2,336,741	\$2,336,741	\$2,336,741	\$2,336,741	\$2,336,741
Dept of Education	Completed	\$1,098,231	\$1,054,231	\$933,231	\$960,731	\$1,054,231	\$1,435,231
Dept of Education Managed Print Services	Completed	\$200,251	\$279,251	\$279,251	\$279,251	\$279,251	\$279,251
State Treasurer	Completed	\$277,473	\$277,474	\$277,475	\$277,476	\$277,477	\$277,477
VoIP OKC County Health Dept	Completed	(\$11,794)	\$41,814	\$41,814	\$41,814	\$41,814	\$41,814
CareerTech Position Consolidation	Completed		\$98,150	\$98,150	\$98,150	\$98,150	\$98,150
AG HelpDesk Transition	Completed		\$3,086	\$3,241	\$3,403	\$3,573	\$3,751
CareerTech Independent Contractor Consolidation	Completed		\$39,960	\$39,960	\$39,960	\$39,960	\$39,960
COMIT Telemanagement Billing Module	Completed		\$60,675	\$123,925	\$123,925	\$123,925	\$123,925
Decommission MidCon	Completed		\$113,160	\$113,160	\$113,160	\$113,160	\$113,160
Fiber – Classen Buildings	Completed		(\$33,336)	\$14,592	\$14,592	\$14,592	\$14,592
Fiber – LandMark Tower	Completed		(\$49,514)	\$14,821	\$14,821	\$14,821	\$14,821

Agency Name	Status	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Fiber – Prof Engineers & Land Surveyors	Completed		(\$29,922)	\$4,164	\$4,164	\$4,164	\$4,164
Labor Dept	Completed		\$86,293	\$83,814	\$86,925	\$95,629	\$93,429
ODVA HelpDesk	Completed		\$145,700	\$145,700	\$145,700	\$145,700	\$145,700
Transition							
Private Vocational Schools	Completed		(\$1,155)	(\$605)	(\$605)	(\$605)	(\$605)
SDE HUPP Contract Consolidation	Completed		\$85,942	\$92,056	\$89,249	\$86,357	\$83,379
SDE Printer Consolidation Phase 2 *	Completed		\$84,247	\$5,247	\$5,247	\$5,247	\$5,247
Wheat Comm	Completed		\$3,598	(\$1,902)	(\$1,902)	(\$1,902)	(\$1,902)
Agriculture Dept Consolidation	Completed		\$120,056	\$125,644	\$125,644	\$125,644	\$125,644
Children & Youth Commission	Completed		\$107,391	\$90,891	\$90,891	\$107,391	\$90,891
Mines Dept	Completed		(\$10,913)	(\$16,413)	(\$16,413)	(\$10,913)	(\$16,413)
Scenic Rivers Commission	Completed		(\$6,195)	(\$6,195)	(\$6,195)	(\$6,195)	(\$6,195)
SDE Child Contract Consolidation	Completed		\$18,500	\$23,700	\$23,700	\$23,700	\$23,700
SDE Child Nutrition Contract Consolidation	Completed		\$60,399	\$60,399	\$60,399	\$60,399	\$60,399
DEQ Position Cost Savings	Completed		\$113,475	\$113,475	\$113,475	\$113,475	\$113,475
Pharmacy Board Consolidation	Completed		\$94,000	\$88,500	\$88,500	\$88,500	\$88,500
Dentistry Board Consolidation	Completed		(\$2,529)	(\$3,857)	(\$3,857)	(\$3,857)	(\$3,857)
SDE GED Lifelong Scoring	Completed		\$5,838	\$5,838	\$5,838	\$5,838	\$5,838
Vet Board Consolidation	Completed		(\$3,904)	(\$3,904)	(\$3,904)	(\$3,904)	(\$3,904)
Chiropractic Examiners Consolidation	Completed		(\$2,524)	(\$2,524)	(\$2,524)	(\$2,524)	(\$2,524)
Psychologists Examiners Consolidation	Completed		(\$1,408)	(\$1,408)	(\$1,408)	(\$1,408)	(\$1,408)
Pre-Surplus Clearing House	Completed		\$173,446	\$0	\$0	\$0	\$0
Eliminate Unused Software – Shared Services *	Completed		\$125,204	\$128,960	\$132,829	\$136,814	\$140,918
DOC Re-organization	Completed		\$140,570	\$140,570	\$140,570	\$140,570	\$140,570
Conservation Commission Consolidation	Completed		\$14,575	\$14,575	\$14,575	\$14,575	\$14,575
Medical Examiners Consolidation	Completed		\$13,932	\$8,432	\$13,932	\$8,432	\$13,932
SDE – CAS Contract Consolidation	Completed			\$20,000	\$21,000	\$21,000	\$21,000
SDE Scrantron Contract Consolidation	Completed			\$140,548	\$147,575	\$147,575	\$147,575

Agency Name	Status	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
ODOT Video Editing System	Completed			\$29,670	\$0	\$0	\$0
Employee Benefits Div – VM Ware	Completed			\$5,357	\$5,357	\$5,357	\$5,357
Health Depart Network Consolidation	Completed		\$1,822,537	\$1,437,627	\$1,437,627	\$1,437,627	\$1,437,627
EGID – Manage Engine Renewal	Completed			\$4,148	\$4,148	\$4,148	\$4,148
Multi Injury Trust Fund IT Consolidation	Completed			\$1,461	\$6,461	\$1,461	\$1,461
Security as a Service – Phase I	Completed		\$57,542	\$723,798	\$723,798	\$723,798	\$723,798
Real Estate Comm Consolidation	Completed			\$118,756	\$118,756	\$118,756	\$113,056
Dept of Libraries Consolidation	Completed		\$115,599	\$115,599	\$110,099	\$110,099	\$115,599
Decommission Unused Software – Infrastructure	Completed			\$88,984	\$88,984	\$88,984	\$88,984
LIMS – Laboratory Info Mgmt Sys	Completed			\$580,056	\$116,034	\$116,034	\$116,034
Live Scan Fingerprinting Sys	Completed			\$45,000	\$45,000	\$45,000	\$45,000
Medical Claims Clearinghouse	Completed			\$48,000	\$28,200	\$28,200	\$28,200
ODAFF – Oracle Licensing Applic	Completed			(\$7,470)	\$5,028	\$5,028	\$5,028
ITSW1004 Cable Materials and Accessories	Completed			\$2,604,000	\$0	\$0	\$0
ITSW1024 Encrypted Email Software	Completed			\$54,000	\$5,400	\$5,400	\$5,400
Boll Weevil Consolidation	Completed			\$5,341	\$5,341	\$5,341	\$5,341
Behavioral Health Licensure Consolidation	Completed			\$1,857	\$3,450	\$3,450	\$3,450
OSDH – NetIQ Contract	Completed			\$8,637	\$8,114	\$8,114	\$8,114
ITSW1030 Good Technology RFP	Completed			\$5,340	\$5,340	\$5,340	\$5,340
Pardon & Parole Board Consolidation	Completed		\$38,052	\$32,552	\$32,552	\$32,552	\$32,552
Dept of Veterans Affairs Network Consolidation	Planning		\$33,817	\$33,817	\$33,817	\$33,817	\$1,017,517
ODOT GIS TAB	Planning			\$44,000	\$7,920	\$7,920	\$7,920
IPSH Health Exchange Info	Planning			\$74,000	\$196,100	\$196,100	\$196,100
*OKDHS Printer Optimization	Execution		\$135,000	\$160,000	\$160,000	\$160,000	\$160,000
*Health Dept Ptr Optimization	Execution		\$303,231	\$323,231	\$323,231	\$323,231	\$323,231
*Agriculture Ptr Optimization	Planning		\$62,579	\$87,579	\$87,579	\$87,579	\$87,579
*DEQ Printer Optimization	Initiation		\$90,470	\$115,470	\$115,470	\$115,470	\$115,470

Agency Name	Status	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
OSEEGIB Consolidation	Execution		\$515,053	\$610,159	\$610,159	\$610,159	\$610,159
Shepherd Mall Network Consolidation	Execution		\$9,825	\$38,257	\$38,257	\$38,257	\$38,257
Health Dept Consolidation	Execution		\$436,970	\$276,770	\$441,770	\$276,770	\$276,770
Statewide Mainframe Consolidation	Execution		\$1,769,151	\$2,162,249	\$2,838,061	\$2,838,061	\$3,623,315
*Telecom Expense Management	Execution		\$2,680,000	\$3,426,000	\$3,426,000	\$3,426,000	\$3,426,000
*OKDHS Eliminate Unused Software	Execution		\$286,273	\$202,987	\$202,987	\$202,987	\$202,987
OKDHS Email to the Cloud	Initiation			\$351,018	\$218,481	\$225,874	\$233,489
Dept of Commerce Consolidation	Execution			\$490,683	\$235,035	\$229,535	\$229,535
pSeries Consolidation	Initiation			\$283,000	\$283,000	\$283,000	\$283,000
OASIS/OKLeX Consolidation	Planning		(\$37,704)	\$35,704	\$35,704	\$35,704	\$35,704
Dept of Transportation Consolidation	Planning		\$518,327	\$386,827	\$386,827	\$386,827	\$386,827
Virtual Technology Storage	Planning		(\$493,410)	\$533,441	\$545,978	\$580,191	\$617,826
Career Tech Consolidation	Planning		\$139,564	\$139,564	\$139,564	\$139,564	\$139,564
OHCA Consolidation	Planning		\$654,792	\$654,792	\$654,792	\$654,792	\$654,792
OSDH Autism	Planning		\$200	\$200	\$200	\$200	\$200
TOTAL ANNUAL SAVINGS		\$4,403,598	\$15,696,732	\$22,778,332	\$20,215,556	\$20,196,131	\$22,373,739
Savings Over 6 Years ¹ \$94,181,334							
NOTES: ¹ FY12 plus NPV of savings achieved in FY13 – FY17							

Changes to the figures include additions of several projects in the planning stages and various adjustments to those progressing through the process. Two projects were removed from the calculations: 1) Mental Health Network Consolidation has been cancelled; and 2) SDE Decommission HP NonStop (Mainframe) was broken into separate projects, for which cost benefits analyses will be developed.

Consolidation Project Cost Avoidance

Figure 2

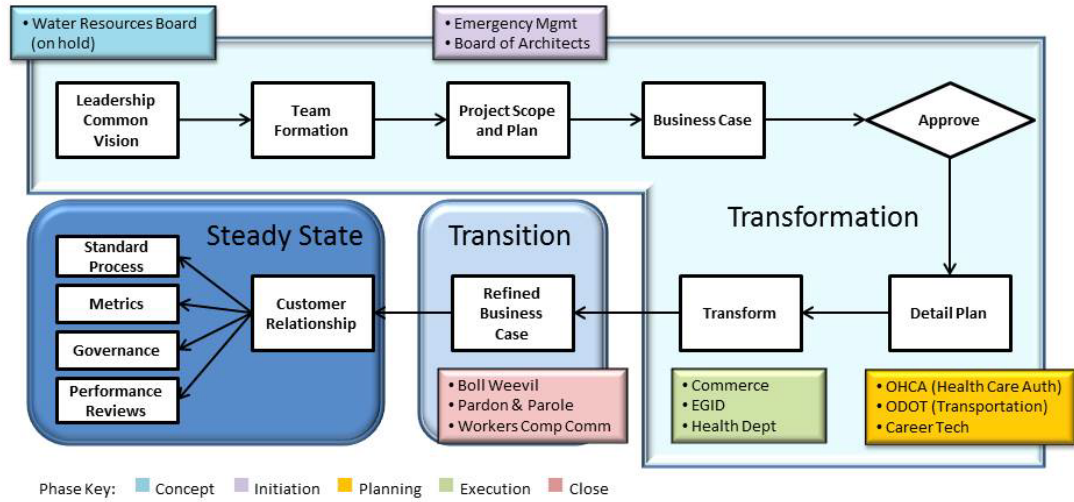
Project Name	Status	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
ISD Procurement	Completed	\$81,654	\$81,654	\$81,654	\$81,654	\$81,654	\$81,654
Statewide IT Contracts	Completed	\$920,266	\$1,679,846	\$1,679,846	\$1,679,846	\$1,679,846	\$1,679,846
SSL Certificate Savings	Completed	\$7,888	\$7,888	\$7,888	\$7,888	\$7,888	\$7,888
Microsoft Enterprise Agreement	Completed	\$1,778,419	\$1,778,419	\$1,778,419	(\$2,047,273)	(\$2,047,273)	(\$2,047,273)
Microsoft EES Statewide Contract	Completed		\$1,139,031	\$1,139,031	\$1,139,031	\$1,139,031	\$1,139,031
Health Network Consolidation	Completed		\$1,822,538	\$1,437,628	\$1,437,628	\$1,437,628	\$1,437,628
TOTAL ANNUAL SAVINGS		\$2,788,227	\$6,509,376	\$6,124,466	\$2,298,774	\$2,298,774	\$2,298,774

Savings Over 6 Years¹ \$20,607,682

NOTES: ¹ FY12 plus NPV of savings achieved in FY13 – FY17

Agency-by-Agency Consolidation Approach

Figure 3



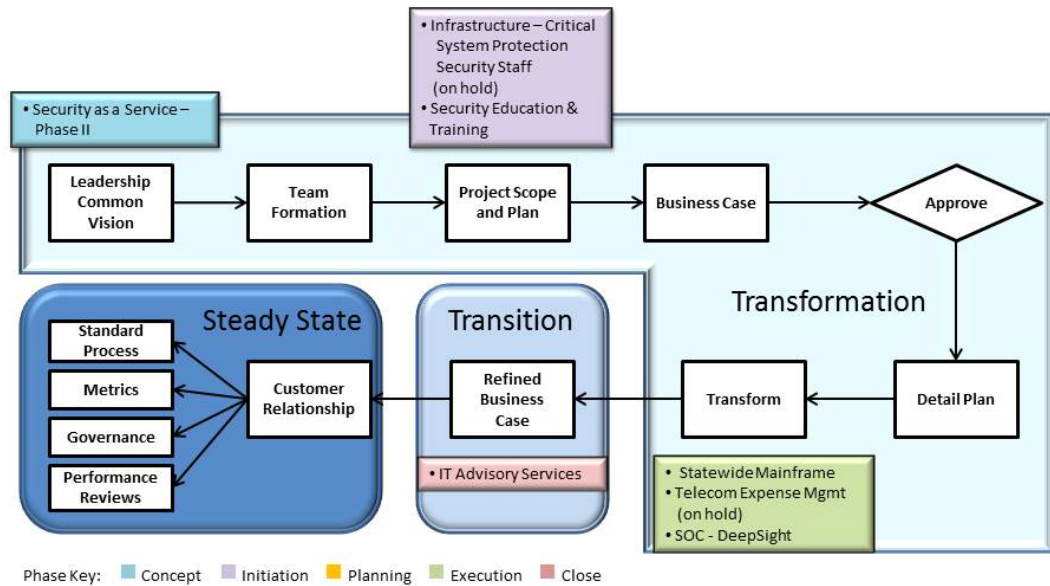
Agency-by-Agency Completion

Abstractors Board Accountancy Board Aeronautics Comm Agriculture Anatomical Board * Arts Council Banking Dept Bond Advisor Building Bonds Comm Capital Investment Board Capitol Improvement Auth Ctr f/Advancement of Science & Tech (OCAST) Central Services – DCS Children & Youth Comm Chiropractic Conservation Comm Construction Industries Bd Consumer Credit	Dentistry Board Disability Concerns Education Dept Employees Benefits Council Ethics Commission Finance Authority Fire Marshal Governor Human Rights Comm Interstate Oil Compact Comm Industrial Finance Auth Judicial Complaints Council * Labor Dept Libraries Lic Social Workers Bd Liquefied Petroleum Gas Board	Long Term Care Admin Bd Marginal Well Commission Medical Examiners Merit Protection Comm Mines Dept Motor Vehicle Comm Multiple Injury Trust Fund * Native American Cultural & Educ Auth Nursing Board Optometry Board Personnel Mgmt Office Pet Breeders * Pharmacy Physician Manpower Training Comm Private Voc Schools Bd Prof Engineers & Land Surveyors Licensure Bd	Psychologists Real Estate Scenic Rivers Commission Science and Math Sorghum Comm State Treasurer Teachers Prep Comm Teachers' Retirement Sys Tobacco Settlement Endowment Trust Tourism & Recreation Uniform Building Code Comm University Hospitals Auth * Veterinary Medical Exam Wheat Commission * = No IT Services
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The Department of Libraries and Real Estate Commission have been moved to the completion list since the last quarter and other agencies continue to move forward in the process. Water Resources Board has been moved from the Project Scope and Plan back to the Leadership Common Vision phase for further analysis and is currently on hold. The Health Department and Employees Group Insurance Division of OMES (EGID) have been moved from the Refined Business Case back to the Transform phase due to adding scope to these projects and are currently being re-evaluated.

Service-by-Service Consolidation Approach

Figure 4



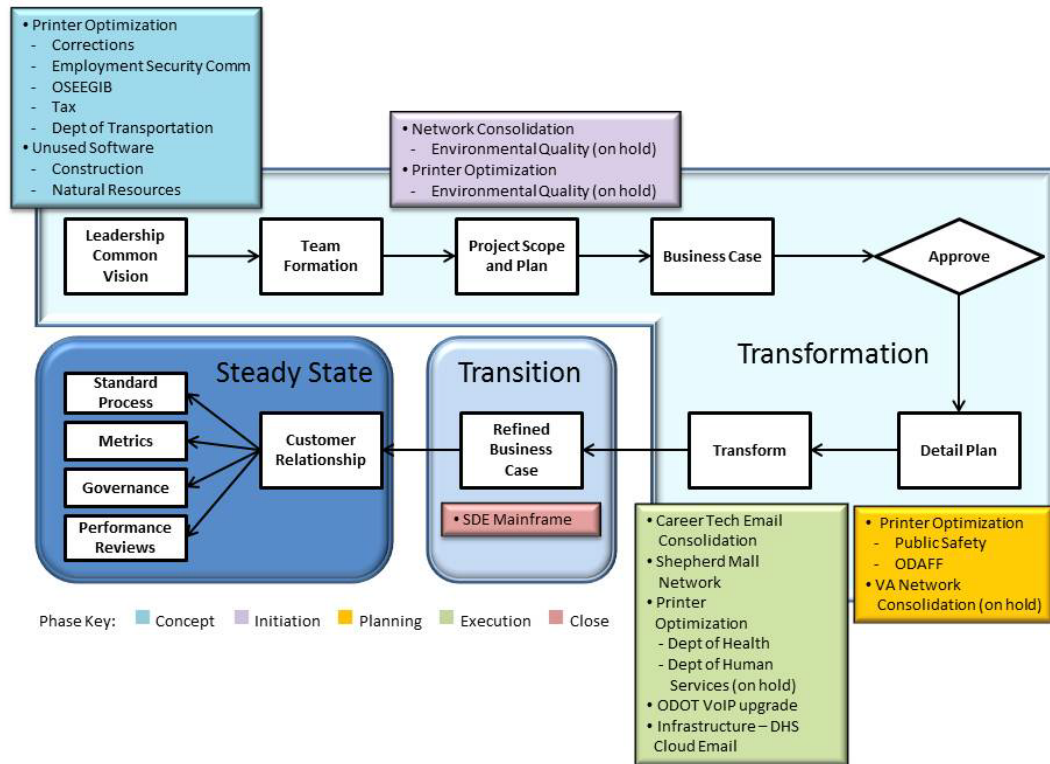
Service-by-Service Completion:

- Antivirus / Spam / Encryption Pilot
- COMIT Tele-management Billing Module
- Microsoft Enterprise Agreement
- People Move 2012
- PPM Tool Pilot
- Pre-Surplus Clearing House – 2012 Cost
- Savings Idea
- Security as a Service – Phase I
- Project Portfolio Management Rollout

Project Portfolio Management Rollout project has been completed. The Security as a Service Phase II was listed under the Project Scope and Plan in error on the last report and is now being discussed under the Leadership Common Vision. The SOC DeepSight project moved rapidly this quarter to the Transform phase. The Enterprise Agreement Adobe Products project has been cancelled and removed from the flowchart.

Service-by-Agency Consolidation Approach

Figure 5



Service-by-Agency Completion

- Dept of Corrections – HCM
- DHS Disaster Recovery
- SDE Print Services Phase 1
- VoIP OKC County Health Dept
- Fiber – 1st National Building
- Fiber – Landmark Tower
- Fiber – Prof Engineers & Land Surveyors
- Fiber – Classen Buildings
- Health Dept. Network
- SDE Print Services Phase 2
- ODAFF Helpdesk Transition
- HUPP Contract Consolidation
- VA HelpDesk Transition
- Unused Software – Health
- Unused Software – Infrastructure
- SDE Mainframe

The Department of Education’s mainframe project was completed this quarter. Due to a study on Xerox, the Printer Optimization for ODAFF is now in process. The Department of Transportation’s VoIP Upgrade project moved rapidly this quarter to the Transform phase. Mental Health Network Consolidation and the Printer Optimization for the Historical Society have been cancelled and removed.

Consolidation Portfolio Active Projects

Figure 6

Agency by Agency					
Project No	Project Name	Project Phase	Risk Rating	CBA NPV	Total Forecast Cost
37981	Career Tech Consolidation	Planning	22	\$731,612	\$138,450
35311	Department of Transportation Consolidation	Planning	14	\$2,154,240	\$156,400
34970	OHCA Consolidation	Planning	14	\$3,432,510	\$281,149
33798	Department of Commerce Consolidation	Execution	14	\$624,131	\$100,000
30235	Health Department Consolidation	Execution	22	\$1,877,595	\$145,000
30236	EGID Consolidation	Execution	14	\$3,107,091	\$222,966
Service by Agency					
Project No	Project Name	Project Phase	Risk Rating	CBA NPV	Total Forecast Cost
33034	Department of Veterans Affairs Network Consolidation	Planning	10	\$954,706	\$241,385
35107	Infrastructure - DHS Cloud Email	Execution	22	\$1,335,374	\$597,968
30979	Printer Optimization - Health Department	Execution	18	\$1,438,759	\$50,000
30982	Network Consolidation for Agencies at Shepherd Mall	Execution	18	\$142,976	\$28,433
Service by Service					
Project No	Project Name	Project Phase	Risk Rating	CBA NPV	Total Forecast Cost
30566	Telecom Expense Management (TEM)	Execution	24	\$14,534,636	\$1,120,000
30237	Statewide Mainframe Consolidation	Execution	22	\$12,287,476	\$16,412,874

2 Conclusion

This concludes the Year 3 Quarter 2 quarterly report (No. 9) of progress on HB 1304 and IT transformation.

ISD has recently embarked on an effort to shift its focus from operational efficiencies to operational excellence. This new approach is exemplified in the newly established values of partnerships with agencies, an emphasis *on customer service and a drive for innovative and collaborative solutions*. The division has recently re-defined its strategic goals to better align with these new values:

1. Drive business innovation through technology
2. Promote collaboration across state entities
3. Utilize all government resources effectively and efficiently

We believe this shift will facilitate a fundamental change in culture of ISD – a culture of adding value to every interaction with our agencies and affiliates; of quickly adapting to the needs of our partners; of providing quality, innovative and secure solutions; of ultimately transforming ISD’s role from a regulator to that of a trusted advisor for our partners. This is what is defined as the “Unification of IT” as opposed to merely the “Consolidation of IT”.

The next report will be posted on or about April 30, 2014.

Please direct any questions regarding this report to the Oklahoma Office of Management and Enterprise Services, Information Services Division at helpdesk@omes.ok.gov.

The archive of the quarterly reports on IT consolidation can be found at:

http://www.ok.gov/cio/Policy_and_Standards/Progress_on_Consolidation_Reports.htm

3 Appendix A: Chart Text Descriptions

Figure 3: Agency-by-Agency Consolidation Approach

Transformation

- Leadership Common Vision
 - Water Resources Board (on hold) (Concept)
- Team Formation
- Project Scope and Plan
 - Emergency Management (Initiation)
 - Board of Architects (Initiation)
- Business Case
- Approve
- Detail Plan
 - Oklahoma Health Care Authority (OHCA) (Planning)
 - Oklahoma Department of Transportation (ODOT) (Planning)
 - Career Tech (Planning)
- Transform
 - Department of Commerce (Execution)
 - Employees Group Insurance Division (EGID) (Execution)
 - State Department of Health (Execution)

Transition

- Refined Business Case
 - Oklahoma Boll Weevil Eradication Organization (Close)
 - Pardon and Parole Board (Close)
 - Workers Compensation Commission (Close)

Steady State

- Customer Relationship
 - Standard Process
 - Metrics
 - Governance
 - Performance Reviews

Figure 5: Service-by-Agency Consolidation Approach

Transformation

- Leadership Common Vision
 - Printer Optimization (Concept)
 - Corrections
 - Employment Security Commission
 - EGID
 - Tax Commission
 - ODOT
 - Unused Software (Concept)
 - Construction
 - Natural Resources
- Team Formation
- Project Scope and Plan
 - Network Consolidation (Initiation)
 - Environmental Quality (on hold)
 - Printer Optimization
 - Environmental Quality (on hold)
- Business Case
- Approve
- Detail Plan
 - Printer Optimization (Planning)
 - Public Safety
 - ODAFF
 - VA Network (Planning)
 - Consolidation (on hold)
- Transform
 - Career Tech Email Consolidation (Execution)
 - Shepherd Mall Network (Execution)
 - Printer Optimization (Execution)
 - Department of Health (Execution)
 - Department of Human Services (on hold) (Execution)

- Infrastructure – OKDHS Cloud Email (Execution)

Transition

- Refined Business Case
 - State Department of Education (SDE) Mainframe (Execution)

Steady State

- Customer Relationship
 - Standard Process
 - Metrics
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 - Performance Reviews

Figure 6: Consolidation Portfolio Active Projects

Agency by Agency

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Service By Agency

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Service by Service

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