

## **CIO Management Council**

### **June 3, 2008**

*approved June 17, 2008*

**Attendees:** Dugan Petty, Ben Berry, Virginia Alster, Ed Klimowicz, Rick Howard, John Margaronis, Dorothy Oliver, Sandy Jefferson, Troy Rutten and Kathryn Naugle

**EISPD Staff:** Darren Wellington, Ed Arabas, Sean McSpaden, Paula Newsome, Scott Riordan and Charlene Wood

**Others Present:** Gail Carter and Melissa Canfield (DAS/SPO)

Dugan Petty called the meeting to order at 1:00 p.m.

#### **Approval of Minutes, Agenda Overview and Action Items – Dugan Petty**

The May 20, 2008 minutes were adopted as presented.

#### **Action items from May 20:**

- Sean McSpaden is in the process of drafting the list of historical and concurrent enterprise activities and will be ready to present them at a future CIOMC meeting.
- The EA Core team will revise the charter and bring it back to the CIOMC for approval on June 17 with the intent to move it forward to the CIOC. This revision should include the activity list and compelling rationale for EA.
- Dugan will invite Terry (last name) and Jennifer (last name) to the CIOMC on a quarterly basis to check in and discuss issues regarding (insert).
- CIOMC members are asked to review the EISPD, ESO and ITIP business plans and send comments to Dugan by May 27. Dugan extended the response time to Friday, June 6, 2008.

#### **Managed Service Provider & Amendment 6 – Melissa Canfield & Gail Carter**

The CIOMC requested that Dugan meet with Dianne Lancaster to discuss the status of the MSP contract and to identify what will be covered in Amendment 6. Dugan and Dianne met Monday, June 2, 2008. Melissa Canfield distributed a detailed matrix to the members outlining: topics requiring modifications to the MSP contract; focus workgroup recommendations; and the actions proposed by SPO. Melissa pointed out that feedback from the agencies has been important in this process. With this feedback, SPO was able to identify what was and was not working. Most of the supplier's issues have been related to rates which were addressed in Amendment 5. SPO's intention is to make this contract easier to use and to address the agencies needs. Melissa said that the initial draft of Amendment 6 was sent to DOJ for comments, not for legal sufficiency. SPO was simply allowing DOJ to familiarize themselves with the types of changes being contemplated. A cross reference document has been created to capture the changes that have been proposed in Amendment 6.

Rate card increases and new skill sets have been added to Amendment 5. Business needs cannot be met for specialized services within the current list of skill sets and associated rates. Five new skill sets were added and a fourth rate tier was created for most skill sets. The fourth rate tier allows agencies to obtain IT services in areas that require specialized training or certification. Current skill sets are written broadly enough

to cover most GIS needs. Gail pointed out that the GIS skill sets will be looked at again in the rebid.

The workgroup recommended that SPO modify the statement of work (SOW) and update our process documents on how to use the MSP. The, "Notice of Independent Contractor Status" was removed from the contract. SPO added amendment and change order forms. The term of the IT MSP contract was extended to May 4, 2010.

Gail spoke about the pending changes which will be included in Amendment 6. SPO relocated section of the contract to provide a better fit and make it easier to use. The term hardware was said to cause some confusion. The MSP was created for professional services not for the purchase of hardware. SPO talked to nextSource and they determined the insurance coverage was not adjustable via work order. What would be optimal is to make sure there is enough coverage to cover all potential work orders built into the base contract.

Dugan pointed out in contracting there is a direct relationship between insurance coverage and the price agencies have to pay. The challenge is to get the insurance level at the level needed by balancing liability and cost. He recounted a conversation with the state's designated risk management broker, The Willis Group (Willis), who recommended buying a higher insurance limit to protect the state's interest. What Willis recommends is different than what is stated in the contract. One of the questions around Amendment 6 is: should the state negotiate an amendment for higher insurance. Melissa pointed out that we will negotiate this point with nextSource, the responsible party, not the subcontractor.

The workgroup recommends allowing insurance coverage to be adjustable by work order contracts (WOCs). DAS Risk Management and Willis recommends: for Commercial General Liability insurance, increase PA insurance limits from \$1million to \$5 million; and increase Professional Liability from \$1million to \$5 million, preferably \$10 million. If an IT contractor is not meeting the milestones then there needs to be penalties associated with the lack of performance.

The workgroup decision on the project duration and scope is Option 2: no term limit during the term of the IT MSP PA; and a three year term limit after the expiration of the IT MSP PA on May 4, 2010.

Melissa said SPO wants to keep the IT MSP flexible to meet the agency project needs. SPO eliminated the project stage requirement. The WOC-specific terms and conditions have been clarified and adjustable terms and conditions added. The workgroup replaced the change order process with an amendment process. NextSource and SPO will provide statewide training.

Melissa said ongoing maintenance and support issues will be included in future discussions and will be included in the next contract. The workgroup has been discussing the possibility of creating a different agreement for maintenance and support.

Dugan said two amendments have come out over the past few years. Amendment 5 addressed the two year limit on work orders and broadens it. SPO has listened to what CIOs have had to say. SPO then refined the MSP contract to make it an effective tool

for the CIOs to use. Dugan thanked the CIOs and their staff for participating in the work group.

Dugan asked and received approval to recommend support of Amendment 6 to the CIOC.

**Action:** Schedule SPO to present the IT MSP subject at the CIOC meeting on June 5, 2008.

### **CIOC Survey – Kathryn Naugle**

Kathryn reviewed the results of the CIOC survey with the members. The survey's purpose was to establish a baseline of responses to provide a baseline for future comparisons, and to help in redefining direction for the CIOC Council. For this initial survey, participation was limited to state agencies and the Oregon University System. The high level of respondents appears to be an indicator of both an interest in technology in government, and an interest in improving the value of the CIOC.

Three general themes emerged from the analysis of the results:

- The CIOC needs to establish agendas that are relevant for participating agencies despite different structures, size, experience and mission.
- Strategic goals and tactical objectives need to be revisited and potentially reset.
- CIOC meeting agendas should be driven by member input about areas of greatest need making the time investment "value added" for agencies and the enterprise overall.

Kathryn outlined the three top ranked "most important" IT priorities:

1. IT Security
2. State Data Center Stabilization
3. Implementing solutions for document, forms, content and knowledge management

The top ranked "important" priorities were:

1. Strategic and/or tactical planning
2. Enhancing/improving existing systems/processes
3. Disaster Recovery, Identity and Access Management (I&AM) and IT staff development and retention

Other suggestions for priorities include:

- Developing a business reference model for IT alignment
- Improving cross agency project management

Kathryn said the survey shows that the CIOs would like to have meeting agendas that include formal presentations from agency CIOs, guest speakers and updates from the State CIO. Enterprise efforts must have relevance and ownership at the agency level. There was interest in the alignment around business and IT. There was high interest in the areas of disaster recovery; strategic and tactical planning; and I&AM.

John thanked Kathryn for her work on the survey. He pointed out these recommendations will be acted on. The CIOMC will be responsible for writing the CIOC charter. John said at the CIO Council meeting the roundtable would be revised to have a

focus topic. As disaster recovery was one topic identified as one of the Councils top priorities it will be the first topic. The feedback received on the strategic tactical plan will be used as we refresh the tactical plan.

### **Roundtable – All**

Troy Rutten was welcomed as the Employment Department CIO.

Kathryn Naugle is the newly assigned Deputy CIO for Department of Human Services. Kathryn is transitioning into her new environment and is learning a lot of new things.

Virginia Alster, ODOT, spoke about the book “why right brainers rule the world”.

Sandy Jefferson reported that Forestry is working on business process modeling. The interviews with the executive staff start next week. In about three weeks interviews will begin with the Forestry staff in the field offices.

Dorothy Oliver reported that DCBS is close to agreement with vendor for the e-Permitting system. The terms and conditions are being reviewed by a lawyer. The vendor wants their money up-front. DCBS wants to pay as the work is completed. Also, DCBS is moving to Office 2007. DCBS servers have been moved back to the building. Dorothy spoke with Verisign who offered to bring someone in to talk to state staff.

John Margaronis reported that his vacation was wonderful, but it is good to be home. The Lottery has presented their annual budget to the Lottery Commission. John spoke about the impact the smoking ban in Lottery retail establishments will have on the revenue stream. The Lottery is looking at mitigation strategies to protect the states' revenue stream. Lottery's Sharepoint project is now in its first roll out and is proving to be successful. Our traditional game system replacement project is set to go live on October 12<sup>th</sup>.

Ed Klimowicz reported that DHS has been working with the SDC on the IBM mainframe upgrade.

Dugan said the IBM mainframe issue might be a subject to discuss with the SDC/CIO Advisory Board since it has significant impact to the agencies. Dugan suggested inviting Julie Bozzi and Mark Reyer to the CIO Council meeting to discuss the IBM toolset. Another alternative is to have the SDC CIO Advisory Board call a meeting to discuss this subject. Members agreed that Dugan should have an off line meeting with Mark Reyer to discuss.

**Action:** Dugan will have a conversation with Mark Reyer about the IBM mainframe in the near future.

### **IT Asset Inventory and Management Policy – Sean McSpaden**

Sean said the existing policy was created in April 2004. At the same time version 1.0 of the Asset Management Architecture was created. The document described a maturity path for agencies' asset inventories. The statewide policy was put in place because state law requires DAS to ensure that all state owned IT assets are inventoried and tracked through the asset's life cycle. DAS has to maintain and report the agency information. In 2004 agencies were asked to name their agency coordinator. EISPD

has posted the instructions and templates on the EISPD Website. The last statewide inventory was collected in 2005 with the focus on hardware.

The next step will be the policy revision and review. The law is still there and there is a need for the basic information about assets deployed across state government.

Kathryn said we have a law that we have not complied with in three years. We completed the inventory at Employment but Kathryn did not understand how the inventory added any value. Sean replied in 2001 and 2003 the legislature asked agencies what assets they had, what the cost was and what is the impact on the budget. Kathryn said she understands the value of the inventory at the agency level but not the enterprise level.

Dugan pointed out that we need to understand what we have at the agency level in order to understand what we have at the enterprise level. Dugan used the example of the power usage and management initiative to demonstrate connection between the inventory and the Governor's sustainability initiative. He suggested that what members can do is set targets at the agency level. Agencies need to understand what their power usage is. It also needs to be captured at the enterprise level.

Troy pointed out Employment had a coordinated effort that was used every year to get the information. She highlighted the difference between DAS EISPD collecting the data because DAS might be asked a question someday, as opposed to focusing on the problem DAS is trying to solve and getting that information in a timely way.

Sean said both agencies and DAS have statutory requirements to collect the information and to report it. What is outlined in the policy is that DAS EISPD is going to receive this information from agencies and produce a report. In the past that inventory was produced on a one-time basis. The CIOs and the CNIC leadership at the time had proposed putting into place an asset repository. Instead, we have to call for inventory using spreadsheets because we do not have the asset management component of Remedy.

Dugan requested that members take a look at the draft policy. After further discussion the CIOMC will decide if we should move this subject to the CIOC.

**Action:** Sean will provide the CIOMC members with the statute that governs the policy.

**Action:** Bring the subject back to the CIOMC for discussion before going forward to the CIOC.

Dugan adjourned the meeting at 2:40 p.m.