

**CNIC Governing Board  
Meeting Minutes – January 19, 2006**

Approved 2/13/06

Attendees:

<b>Agency:</b>	<b>Board Representative:</b>	<b>CIO or Representative:</b>
DAS	Lindsay Ball	Mike Zanon
DCBS	Cory Streisinger	Dan Adelman
Corrections	Max Williams	John Koreski
Education		
Employment	Laurie Warner	
Forestry	Clark Seely	Sandy Jefferson
Housing & Community Services		
Human Services	Clyde Saiki	Bill Crowell
State Police	Ron Ruecker	David Yandell
Revenue	Elizabeth Harchenko	Stan McClain
ODOT	Matthew Garrett	Ben Berry
Veterans' Affairs	Jim Willis	Herb Riley

State Data Center: Mark Reyer, Dave Howard

Project Office: Julie Bozzi, Keith Kohan

Accenture: Mike Dawson, Kari Ensminger

Others: Rod Bailey, Tanya Crane, Ken Disbrow, Bill Fink, Sarah Gates, Raelynn Henson, Robert Kennedy, Jerry Korson, Greg Malkasian, Sarah Miller, Peter Spirup

**1. Opening Comments**

The new Director of DAS, Lindsay Ball, introduced himself to the board. He then opened the meeting by strongly emphasizing both his commitment to the CNIC project and his expectations in terms of agency accountability and participation. Lindsay's expectations include:

- All expenditures and potential savings need to be readdressed on an ongoing basis to ensure accuracy and comprehensiveness.
- FTE numbers need to be considered so as to ensure that anyone truly affected by this project will have the same opportunities to apply for jobs at the SDC (being conservative with the numbers could mean a complete disregard for those employees whose positions may have been missed in the initial FTE review but will be affected).
- All agencies must come forward with CNIC related issues to Lindsay directly or within the structure of the Governing Board (at no time should any agency go directly to the legislature with an issue).
- Everything the Governing Board intends to present to the legislature must first be clearly articulated and documented with the board.
- "Pulling out" of this project is not an option.

There was discussion regarding some historical elements of the project and documenting savings and agency expenditures. Bill Fink clarified that there was only one request pending with agencies regarding validating staffing and 03-05 S&S expenditures (originally made Dec. 2005). The budget presented to the legislature last spring was based on estimates with the understanding that the numbers would be reassessed once actual information became available.

The original Accenture deliverable (March 2004) indicated that 219 positions should be in-scope. When the budget was assembled during the legislative session, that number was reduced to 155. There now needs to be clear documentation to explain the reduction from 219 to 155. This is what the December exercise was based on. Lindsay asked whether or not the agency directors were aware of this information; they agreed that they were. He cautioned that the answers need to be clear for the legislature and audit purposes.

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Elizabeth Harchenko noted two major challenges thus far: the business case was based on a lot of assumptions with a single objective of pronouncing this project a “go” or “no go”; and the situation is not static – agency operations continue to change. A lot of things have changed since the original business case was set forth. Changes may need to be tracked with a baseline against which the current state can be compared.

The agency directors concurred that the appropriate time to readdress this issue is at the conclusion of the December staffing and S&S validation exercise. Lindsay also suggested doing it again once the consolidation begins.

**2. In-scope Budget Review**

Current savings must be clearly defined before budgets are set for 07-09 in September. The mainframes will be in the SDC by April. June or July would be a good time to readdress savings. It was noted that those agencies going into the SDC late may not have the needed information by then. Mark Reyer pointed out that by June-July more will be known about the monies needed to run the SDC. Bill Fink stated that updates in July should be relatively easy based on the analysis of December information coming in. The analysis should be available in two weeks. The most important part of the current process is identifying any additional in-scope positions. This will also help settle the dust for staff who are concerned about having been excluded from the earlier list and not having the same opportunity to apply for SDC positions in the first wave of hiring.

**DECISION:** On June 15 a request for information to validate savings will again be made of the CIOs. This information will be due back to DAS by July 15.

Julie Bozzi distributed the “clarifying points” document that the Steering Committee recently developed. There were no questions about the handout (contained below).

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In-Scope Expenditures and Personnel Information

Regarding the December 2005 request to update in-scope expenditures and personnel information, the CNIC Steering Committee suggests that adding the following clarifying points to the record will assist the audit purposes for which this information is being gathered.

- **Evolving Scope:** During the 2003/04 timeframe, the scope of the project was in flux. The original business case estimates were based primarily on the collective size of the IT infrastructure for the twelve agencies. In the summer of 2004, there was general agreement on the scope. In the fall of 2004, the scope was revisited to include services “to the wall plate”, an effort referred to as “Stage Zero” which was updated with the “service catalog” – see below.
- **Resource Validation:** With multiple review sessions in the winter/spring of 2004/05, IRMD worked with each agency to validate the workload FTE that was anticipated to move the State Data Center (SDC). Additionally, agencies were asked to estimate the hardware and licensing costs associated with equipment moving to the SDC. Those estimates were reviewed in detail, and were used to develop the 05-07 budget for the SDC. Copies of the original material submitted are available.
- **Bargaining Unit Agreements:** Based on the resource validation (above), position numbers and names were provided to develop the “3A” list (those staff positions whose workload would be transferred to SDC). Individuals whose positions were on the 3A list were notified during 2005 of their application opportunity during the upcoming SDC staff recruitments.

- **Service Catalog:** When the Service Catalog was finalized in the fall of 2005, many details of the specific services to be provided by the SDC were clearly defined. An associated In-Scope Matrix was updated at this time.
- **Updating the Estimates:** In December of 2005, agencies were asked to validate again the resource estimates, based on the finalization of the Service Catalog and based on the actual expenditures during the 03-05 Biennium. In aggregate, this re-validation showed that \_\_\_\_\_X FTE would need to be added to (or reduced from) the SDC and that the variance between the estimated S&S/capital outlay and the actual expenditures was \$\_\_\_\_\_Y.

--End Handout--

### **3. Human Resources Report**

Jerry Korson reported that the finalization of the in-scope group is necessary so that the agreement with the union can be reassessed as needed. Draft position descriptions are complete and now available for in-scope staff to review. There are no hard numbers (how many positions for specific functions) and this is frustrating for the in-scope staff. Individuals are anxious to see what the next step in the process will be. Last week Network and Engineering manager candidates were interviewed. This week Operations manager candidates are being interviewed. Jerry is striving to keep the in-scope staff well informed. Agency HR representatives have been very supportive. The process set forth by the Letter of Agreement is being followed. Job announcements could be sent out as early as January 30 but this will be delayed if more time is needed to finalize the in-scope staff list. It is more important to verify the accuracy of the list prior to job announcements being launched.

### **4. Project Manager's Report**

Julie Bozzi reported on the status of the project, recent survey results and communications.

**Status Report:** The CNIC strategic timeline was discussed. The first schedule slippage was changed from June 2006 to July 19, 2006 based on the tape library RFP protest. The project is moving into readiness implementation. Individual agency migration planning is underway. The project is currently in stages three and four which run concurrently. There is some slippage in the area of procurement. Disc storage was protested and the protest will be denied. An intent to award will go out this week. The big AIX servers were delivered early but are dependent on installation of the tape library and disc storage procurements. Accomplishments of stages three and four include:

- The network is being managed from SDC
- A readiness plan is in place
- Procurement processes are underway
- The Mainframe RFP has been released
- AIX servers are in
- Migration planning is underway
- Security and physical use standards are in place.

SDC management positions have been released, posted and the hiring process has begun. The latest QA reports the project at low risk. Procurements are on the critical path for getting the agencies migrated into the SDC. Relocation services will be done by Accenture and the contract is being negotiated now. The "transition to permanent staff" strategy has been created. Twelve workgroups are working on the CNIC project, each with their own schedule that rolls up into a complex master schedule. Asset transfer and license issues are being tracked and addressed.

DHS, ODOT, DAS and OED are working on their transitions into the SDC. Julie will begin working with their CIOs to discuss the staff required for these transitions. The project is using a migration planning methodology provided by Accenture. Migration plans should be complete no later than February 20. Move-day plans (also known as "wave plans") will be done between February 20 and March 20. On March 20 execution of the wave plans will begin. During stage four, the SDC will begin monitoring systems and getting agency sign-off. Accenture's contract will end in July.

Surveys: Change readiness surveys have been conducted twice now with agency staff. They are being asked what they think about this project and their futures. The surveys indicate that this project does not represent a popular change. There were, however, many significant positive increases between the September and December surveys. Positive increases were noted in the following areas:

- Staff are receiving needed information
- Messages represent consistent information
- Confidence in achieving the CNIC mission
- Belief that the consolidation is in the best interest of the state.

Communications to in-scope staff: Two workgroups assist with communications: Change Management; and Peer Communications groups. DAS Personnel is in regular contact with in-scope staff. CIOs are to be meeting with these individuals regularly. Numerous classes on resume writing and interviewing have been conducted. Quarterly all hands meetings are held. Mark has been attending agency meetings and he holds brown bag lunch sessions at the SDC every Tuesday and Thursday for *any* agency staff who wish to attend.

Agency directors agreed that these efforts should be coupled with good communication to and from CIOs and IT managers. The fact is that until people know where they will be and whether or not they have jobs, there will be anxiety. Lindsay noted that one of the most important things the agency directors can do is to talk to their managers about this situation and to do whatever they can within state policy for the individuals affected and their managers.

#### **5. Quality Assurance Report**

Ken Disbrow distributed the most recent quarterly QA report as of the end of December. Overall project failure risk is low. There is a certain amount of risk reported just because of the size of this project. An earlier risk identified involved completion of the project schedule. That schedule has been completed. Procurements cause some anxiety but it is not believed that they will affect the overall success of the project. Ken shared that it is typical in a project of this size and at this stage for a certain level of panic to occur in some individuals. Simple concerns have a way of bubbling up and becoming bigger. This has happened on every project Ken has evaluated. Some of this could be based on individuals facing the reality of the upcoming changes. Change resistance can lead to magnified concern. Training has been provided to managers to help them have change management conversations with their staff. This is a very positive move.

Some of the reasons that staff are becoming more concerned were discussed and included:

- Fear that they will be identified as in scope *after* the hiring process at the SDC begins
- Anxiety at the prospect of job hunting (something many have not done in many years)
- Concern for the welfare of their family if they lose their job.

Ken affirmed that the best way to mitigate these concerns is to keep information flowing. Rumors will always exist and if they get worse, this is typical. Agencies must ensure that their staff knows where to go for answers. Individuals should also be reassured that their agency will do everything in its power to help staff through this change.

#### **6. Administrator's Report**

Mark Reyer reported on the Network consolidation, management team hiring, procurements and business continuity planning.

Network: The SDC had eight volunteer network engineers consolidate the state network. The task was completed ahead of schedule and without any major glitches. The volunteers came from different agencies and worked very well together. Mark received several reports that these individuals were quite impressed by one another's expertise and skill set. He noted that three of these network engineers are not on the list of in scope staff.

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Staffing: Several SDC managers have been hired with more to be hired in the coming weeks. Dave Howard was introduced; he will oversee day to day operations of the SDC as the Service Delivery Manager.

Procurements: Vendors are going to be calling and in some cases already have. Companies are anxious because due to the consolidation there will now be only one buyer instead of 12. Agency directors may receive negative calls from vendors regarding choices being made at the SDC. Agencies should refer all vendor calls to Mark or Dave Howard. Mark is very pleased with the way procurements have progressed; RFPs are being done without brand bias. It is important to keep in mind as the procurement process moves forward that for any one winner, there are many losers. This will add to vendor anxiety and activity.

Business continuity planning: Mark asked the CIOs to look at their current business continuity plans. The project is at a high risk potential for having to exercise these plans if a computer is out for a day. This is a very remote possibility but implies that this is the appropriate time to re-evaluate and test these plans.

**7. Other Issues**

Lindsay believes that this project exemplifies where state government stands today. He also believes that this project will be the wave of the future in terms of where state government will go. As technology changes, the SDC will shift and change too. Savings will continue to be realized in future years.

**Next Scheduled Meeting**

Monday, Feb. 13, 2006  
3:00 – 4:30 p.m.  
DAS West ~ Conference Room A