



April 30, 2013 | State of Oklahoma

Quarterly Report

Year 2: Quarter 3

Progress on Consolidation

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And Telecommunications



Forward

I believe that most people come to work every day aiming to do a good job, and as a consequence, most of our agencies do pretty well in pursuit of their missions and visions. What we do not do very well is to recognize those extra efforts - - - we often do not let our co-workers know how much we appreciate their dedication and commitment to the successful completion of the task at hand and how they are supporting the overall mission and vision of both the Information Services Division and the agency they directly support. Zig Ziglar once said that *“People often say motivation doesn’t last. Well, neither does bathing – that’s why we recommend it daily.”* Please recognize your co-workers whenever you get a chance.

This past quarter, we consolidated the data centers from Department of Health, the Employees Group Insurance Division (formerly OSEEGIB), the Department of Agriculture, completed agency consolidation for six agencies and migrated the first mainframe system to the consolidated mainframe, along with several other achievements.

I want to take this opportunity to thank all of the IT employees of the State for what they have accomplished already and for what they are about to accomplish.

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1 Summary of Consolidation Progress

The objective of reducing information technology operational cost is accomplished by identifying, prioritizing and executing consolidation projects.

A cost benefit analysis is completed for each consolidation project. This analysis identifies the estimated current cost and the estimated future cost (after project completion) for each project. Estimated project savings can be categorized into cost reduction or cost avoidance. Cost reduction projects are prioritized ahead of cost avoidance projects. Cost reduction projects actually reduce the operational cost from the previous year's spend. An example of a cost reduction project is the security rollout. Before the security rollout the State was paying \$1,150,859 annually for security software. An enterprise license for security software was procured and implemented. After this project is completed, the State will pay \$189,300 annually for security software. Cost avoidance projects actually reduce the increase of operational cost. An example of a cost avoidance project is the implementation of the Department of Health's network. The Department of Health was working with a vendor to implement a more robust network. Their legacy network did not meet their business needs. A joint project with OMES/ODOT/Health was completed. The newly implemented Department of Health network was less expensive to implement and operate than the vendor proposal. Annual estimated savings was \$1.4M. There are many examples of cost avoidance that we find during consolidation. For example, two agencies were planning on building new data center space; we accommodated them in the state data center and they did not build these redundant facilities. We do not quantify all of the cost avoidance opportunities as avoiding the expansion of government (cost avoidance) does not equate to the reduction of the size of government (cost reduction).

Each quarterly report includes a list of all consolidation projects that are complete or in process (Figures 3 and 4). Figures 1 and 2 track the total net present value of consolidation projects.

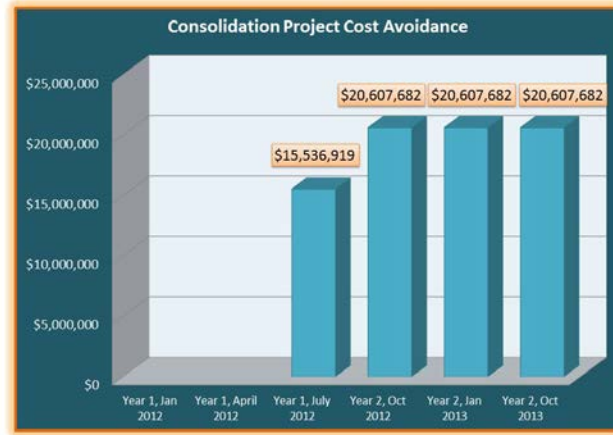
Total Net Present Value of Cost Savings

Figure 1



Total Net Present Value of Cost Avoidance

Figure 2



Figures 3 and 4 include a list of all consolidation projects that are complete or in process.

Consolidation Project Savings

Figure 3

Agency Name	Status	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
AllICM	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

Agency Name	Status	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
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
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 Transition	Completed		\$145,700	\$145,700	\$145,700	\$145,700	\$145,700
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

Agency Name	Status	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
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
CareerTech Helpdesk Transition	Execution		\$13,000	\$13,650	\$13,650	\$13,650	\$13,650
ODVA Network Consolidation	Planning		\$33,817	\$33,817	\$33,817	\$33,817	\$1,017,517
OKDHS Printer Optimization	Planning		\$135,000	\$160,000	\$160,000	\$160,000	\$160,000
Health Dept Printer Optimization	Planning		\$257,631	\$307,631	\$307,631	\$307,631	\$307,631
Agriculture Printer Optimization	Planning		\$62,579	\$87,579	\$87,579	\$87,579	\$87,579
DEQ Printer Optimization	Planning		\$90,470	\$115,470	\$115,470	\$115,470	\$115,470
Health Dept Network Consolidation	Execution		\$1,822,537	\$1,437,627	\$1,437,627	\$1,437,627	\$1,437,627
OKDHS Eliminate Unused Software	Planning		\$286,273	\$202,987	\$202,987	\$202,987	\$202,987
Conservation Comm Consolidation	Planning		\$9,042	\$9,042	\$9,042	\$9,042	\$9,042
Medical Examiners Consolidation	Planning		(\$8,234)	(\$13,734)	(\$8,234)	(\$13,734)	(\$8,234)
Dept of Libraries Consolidation	Planning		\$130,167	\$130,167	\$124,667	\$124,667	\$130,167
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	Planning		\$436,970	\$276,770	\$441,770	\$276,770	\$276,770
SDE Decommission HP NonStop (Mainframe)	Planning		\$191,242	\$385,939	\$393,566	\$401,422	\$409,513
Security as a Service – Phase I	Execution		\$57,542	\$723,798	\$723,798	\$723,798	\$723,798
Statewide Mainframe Consolidation	Execution		\$125,866	\$2,205,852	\$2,599,973	\$2,605,848	\$3,172,201
Telecom Expense Management	Planning		\$2,680,000	\$3,426,000	\$3,426,000	\$3,426,000	\$3,426,000
Pardon & Parole Bd Consolidation	Execution		\$51,082	\$52,515	\$62,474	\$59,304	\$61,704
TOTAL ANNUAL SAVINGS		\$4,403,598	\$13,430,221	\$16,465,844	\$17,068,087	\$17,028,117	\$18,957,766
Savings Over 6 Years ¹ \$77,851,944							
NOTES: ¹ FY12 plus NPV of savings achieved in FY13 – FY17							

Consolidation Project Cost Avoidance

Figure 4

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	Execution		\$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

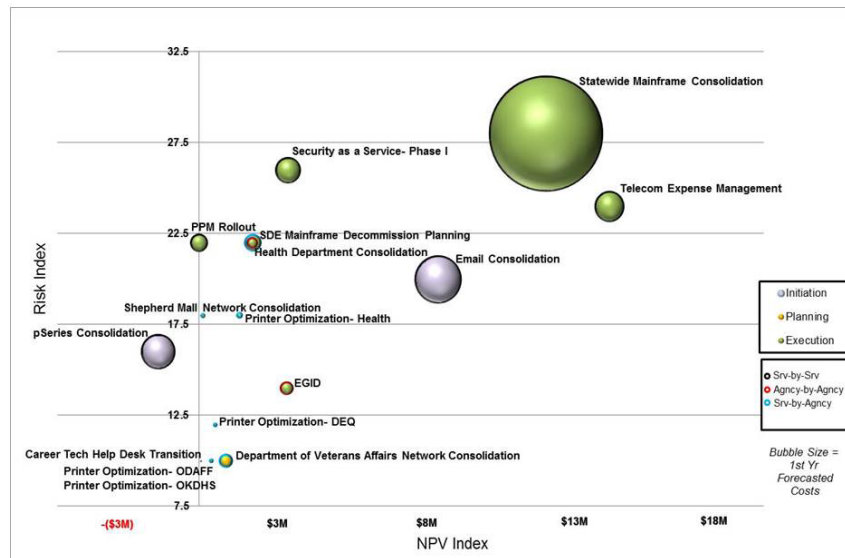
Savings Over 6 Years¹ \$20,607,682

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

Our updated beach-ball chart is displayed in Figure 5. To recap, the size of the circle indicates the investment required; the risk index (along the Y axis) is a forced ranking of estimated implementation risk; and net present value estimate (along the X axis) is the estimated value of the project upon successful completion. Telecom expense management moved into execution, as did our project portfolio management solution. We added some printer optimization projects and the enterprise agreement for Adobe products to this listing.

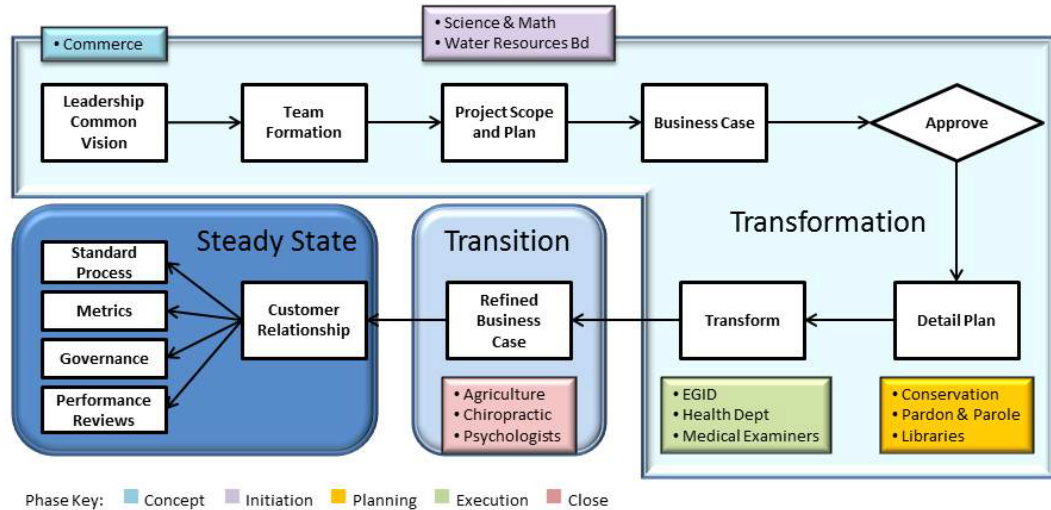
Consolidation Portfolio

Figure 5



Figures 6, 7 and 8 outline the agency-by-agency, service-by-service and service-by-agency activities. Fifty-seven agencies have been consolidated and we are approaching the halfway mark for the overall consolidation project.

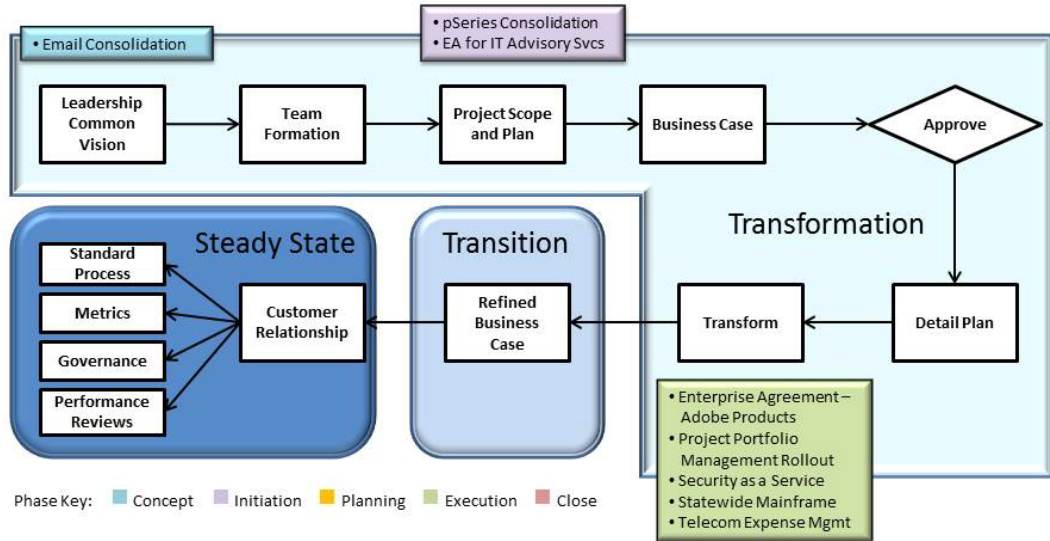
Agency-by-Agency Consolidation Approach Figure 6



Agency-by-Agency Completion			
Abstractors Board Accountancy Board Aeronautics Comm Anatomical Board * Arts Council Banking Dept Building Bonds Comm Capital Investment Board Capitol Improvement Auth Ctr f/Advancement of Science & Tech (OCAST) Central Services – DCS Children & Youth 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 Judicial Complaints Council * Labor Dept Lic Social Workers Bd Liquefied Petroleum Gas Board	Long Term Care Admin Bd Marginal Well Commission 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 Scenic Rivers Commission 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

Service-by-Service Consolidation Approach

Figure 7

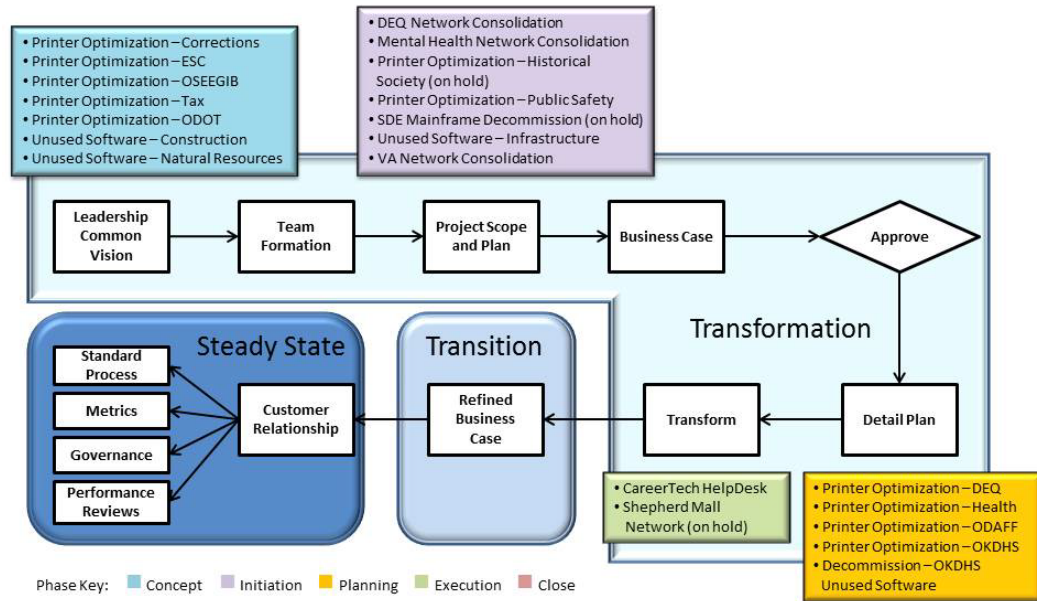


Service-by-Service Completion:

- 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

Service-by-Agency Consolidation Approach

Figure 8



- 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

One of our most significant accomplishments this quarter was reaching an agreement to move the DHS field workstation support staff to the indirect federal match rate. This enables us to provide workstation support and service across the enterprise without regard for OKDHS division or county lines and will provide depth in our ability to support users across the State. The field staff is able to open their own tickets, transfer them to facilities to request parts, and close them when the issue is resolved. This eliminates the need for field staff to contact the helpdesk to open tickets, empowering employees to more effectively complete their duties. This will be done for all field support personnel within the next quarter. As we continue to align field personnel with geographic location regardless of which agency needs service, staff can spend more time assisting users and less time traveling.

We continue to work to synergize our activities across agencies. 107 surplus computers were reallocated among agencies and put into service to avoid replacement or repair costs on existing equipment. Routers, network security

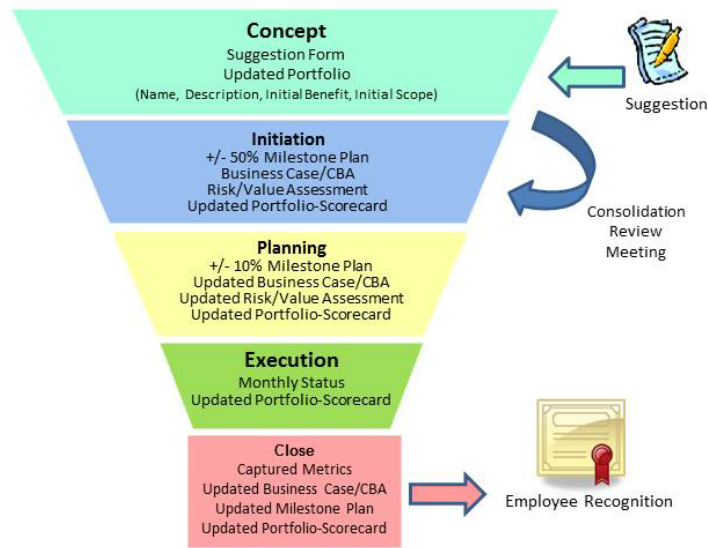
devices and other surplus equipment is identified and transferred to where it can improve IT services for an agency and avoid or eliminate an expense. Consolidation of the mainframes continues and the July report will include a detailed analysis of project progress.

2 IT Cost Savings Ideas

One initiative from a year ago was to solicit IT cost savings ideas from both the vendor community and the state IT employees. The purpose was to identify IT cost saving projects which could be added to the beach-ball chart previously displayed. Opportunities from the employees could be for any level of the pyramid of services (infrastructure, shared services or agency specific services) which could be optimized for the reduction of IT costs. Vendors were asked to provide suggestions in one of six categories: application development, network infrastructure, server virtualizations, desktop administration, storage systems or document imaging. The diagram of the process is displayed in Figure 9 and 10.

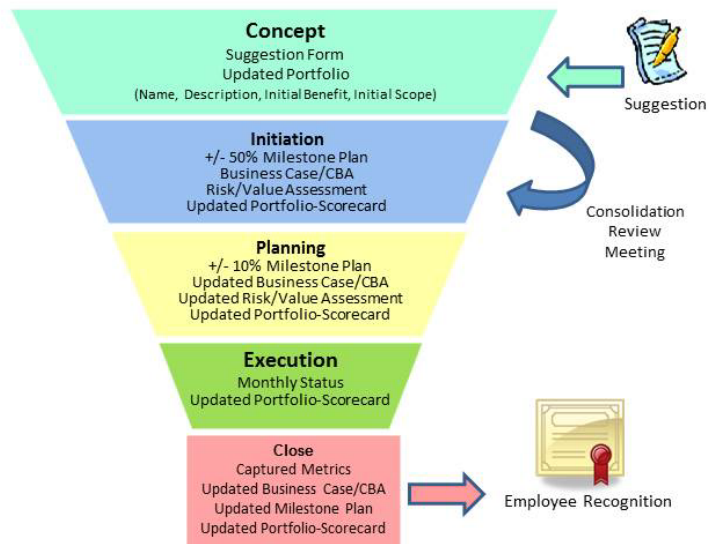
Process

Figure 10



Process

Figure 10

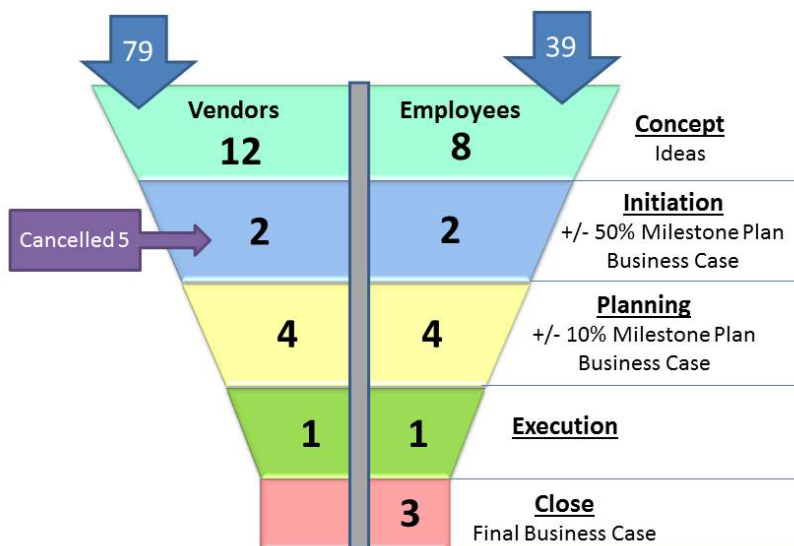


Employees were encouraged to participate through posts on the CIO Wiki, the CIO website, emails and direct communications to staff. Vendors were encouraged by press releases from the Department of Commerce, postings on the CIO website, publication in various trade papers and discussions at the National Association of State Chief Information Officers (NASCIO).

A decomposition of the ideas can be seen as a diagram in Figure 11 and a more detailed project-by-project listing in Figures 12 and 13 with cancelled vendor suggested projects appearing in Figure 14.

2012 IT Cost Savings Ideas

Figure 11



In total, 39 employee projects were submitted, with 18 suggested projects having a 12 month or less return on investment (ROI) for advancement. Eight are still in the concept phase, two have moved on to the initiation phase, four are in the planning phase, one project is in execution and three employee suggested projects have been completed. The decomposition of the employee suggested projects is illustrated in Figure 12.

2012 IT Cost Savings Projects List – Employee Ideas

Figure 12

Proposal Name and Number	Project Sponsor	Project Phase	Status	Expected Start Period	Expected Finish Period	Project Manager	Detailed Description
Tax Commission – HR Consolidation (30516)	Mike Hedrick	Concept	On Hold (Proposal Review)			Bryan Moore	Employee – Hanh Minson, Lisa McKeithan, Carol Barton
Decommission Unused Software – Public Safety Segment (30578)	Ben Gherezgiher	Concept	New	August 2012		Ben Gherezgiher	Employee – Pat Elwood
Decommission Unused Software – Revenue Segment (30580)	Dave O'Bryant	Concept	New	August 2012		Dave O'Bryant	Employee – Pat Elwood
Decommission Unused Software – Education Business Segment (30576)	Matt Singleton	Concept	New	August 2012		Matt Singleton	Employee – Pat Elwood
PaloAlto Firewalls (30594)	Sarjoo Shah	Concept	On Hold (Proposal Review)	August 2012			Employee – Tyler Earman
Storage Management (30589)	Drew Swain	Concept	On Hold (Proposal Review)	August 2012			Employee – Tyler Earman & DEQ Operations Staff
Linux Web Server (30588)	Drew Swain	Concept	On Hold (Proposal Review)	August 2012		Nick Wallace	Employee – Zachary Phillippe
Decommission Unused Software – Eligibility & Insurance Segment (30575)	Sarjoo Shah	Concept	New	August 2012		Sarjoo Shah	Employee – Pat Elwood
Strategic Sourcing > Reverse Auction (30597)	Pat Elwood	Initiation	On Hold (Develop High Level Business Case)	July 2012	August 2013	Glenda Drennan	Employee – Pat Elwood
Decommission Unused Software – Infrastructure (31211)	Drew Swain	Initiation	Develop High Level Business Case	August 2012	June 2013	Bob Howard	Employee – Pat Elwood
SDE Mainframe Decommission Planning (30846)	Joel Robinson	Planning	Develop Detail Level Business Case	May 2012	July 2013	Lisa Hendrix, Leea Mote	Employee – Karen Coe-Ross, Charlyn Neal, Alex Nguyen, Karla Jarrett, Bob Schultz, Dawn Will
EA for IT Advisory Services (30596)	Matt Singleton	Planning	Develop Detail Level Business Case	August 2012	June 2013	Glenda Drennan	Employee – Pat Elwood
Decommission Unused Software – OKDHS (33444)	Sarjoo Shah	Planning	Develop Detail Level Business Case	August 2012	June 2013	Sarjoo Shah	Employee – Pat Elwood
OKDHS HR Consolidation (31987)	Sarjoo Shah	Planning	Develop Detail Level Business Case	December 2012	July 2014	Hahn Minson	Migrating DHS Oracle HRIS system to PeopleSoft HR, ELM and JobAps

Proposal Name and Number	Project Sponsor	Project Phase	Status	Expected Start Period	Expected Finish Period	Project Manager	Detailed Description
Enterprise Agreement – Adobe Products (30881)	Jennifer McCaulla	Execution	Execution	August 2012	May 2013	Glenda Drennan	Project moved to ISD Procurement Portfolio and assigned for development of Adobe SW Contract
Pre-Surplus Clearing House (32887)	Drew Swain	Closed	Complete	August 2012	March 2013	Sunni Bolt	Employee – Charles Morris, Tom Copeland
Decommission Unused Software – Health Segment (30886)	Patsy Leisering	Closed	Complete	August 2012	January 2013	Patsy Leisering, Justin Thompson	Employee – Pat Elwood
Eliminate PeopleSoft Maintenance for Unused Modules (30690)	Mike Hedrick	Closed	Complete	August 2012	January 2013	Mike Hedrick	

On the vendor side, 79 projects were suggested with 19 making it past the ROI requirement into the concept process. Of these, two projects have advanced into the initiation phase and five suggestions were cancelled. Four projects have entered into our detailed planning phase with one project in the executive phase. This decomposition of vendor suggested projects is displayed in Figure 13 and the cancelled vendor projects in Figure 14.

2012 IT Cost Savings Projects List – Vendor Ideas

Figure 13

Proposal Name and Number	Project Sponsor	Project Phase	Status	Expected Start Period	Expected Finish Period	Project Manager	Detailed Description
Printer Optimization – OSEEGIB (30558)	Sarjoo Shah	Concept	On Hold (Proposal Review)	August 2012		Sarjoo Shah	Vendor – Standley
Printer Optimization – Corrections Dept (30569)	Ben Gherezgiher	Concept	On Hold (Proposal Review)	August 2012		Ben Gherezgiher	Vendor – Standley
Printer Optimization – Tax Comm (30565)	Dave O'Bryant	Concept	On Hold (Proposal Review)	August 2012		Dave O'Bryant	Vendor – Standley
Printer Optimization – Employment Security Comm (30568)	Sarjoo Shah	Concept	On Hold (Proposal Review)	August 2012		Sarjoo Shah	Vendor – Standley
Printer Optimization – Transportation Dept (30564)	Dave O'Bryant	Concept	On Hold (Proposal Review)	August 2012		Dave O'Bryant	Vendor – Standley
Alcatel-Lucent (32950)	Pat Elwood	Concept	New	March 2013			Vendor – Alcatel-Lucent
AT&T – Section 7 Network (32951)	Pat Elwood	Concept	New	March 2013			Vendor – AT&T Section 7 Network
Chickasaw – Telecom and Cabling Services (32952)	Pat Elwood	Concept	New	March 2013			Vendor – Chickasaw
General Dynamics – Study and Implementation of State WAN Utilizing State Assets (32953)	Pat Elwood	Concept	New	March 2013			Vendor – General Dynamics

Proposal Name and Number	Project Sponsor	Project Phase	Status	Expected Start Period	Expected Finish Period	Project Manager	Detailed Description
Goodman Networks – Turf Engagement, Wireless Network and Fiber Optic Network Assessment (32954)	Pat Elwood	Concept	New	March 2013			Vendor – Goodman Networks
Torrey Point – Network Consulting and Support (32955)	Pat Elwood	Concept	New	March 2013			Vendor – Torrey Point
Trans-Tel – Design for Network and Storage Consolidation (32956)	Pat Elwood	Concept	New	March 2013			Vendor – Trans-Tel
AT&T – VoIP Outsourcing (30913)	Pat Elwood	Initiation	Develop High Level Business Case	September 2012	May 2013	Bob Walker, John McDowell	Vendor – AT&T
Printer Optimization – Public Safety (32346)	Ben Gherezgiher	Initiation	Develop High Level Business Case	February 2013	July 2013	Fonda Logston	Vendor – Standley
Printer Optimization – Environmental Quality (31929)	Matt Singleton	Planning	Develop Detail Level Business Case	August 2012	July 2013	Fonda Logston	Vendor – Standley
Printer Optimization – Health Dept (30979)	Patsy Leisering	Planning	Develop Detail Level Business Case	August 2012	May 2013	Fonda Logston	Vendor – Standley
Printer Optimization – Agriculture Dept (31212)	Matt Singleton	Planning	Develop Detail Level Business Case	August 2012	June 2013	Matt Singleton	Vendor – Standley
Printer Optimization – OKDHS (32531)	Sarjoo Shah	Planning	Develop Detail Level Business Case	August 2012	June 2013	Fonda Logston	Vendor – Standley
Telecom Expense Mgmt (TEM) (30566)	Drew Swain	Execution	Execution	September 2012	May 2013	Bob Walker, John McDowell	Vendor – Manage the State's network and telecom expenses for voice, video and data across wire-line and wireless services. Scope – State voice and data network

2012 IT Cost Savings Projects List – Vendor Ideas Cancelled Figure 14

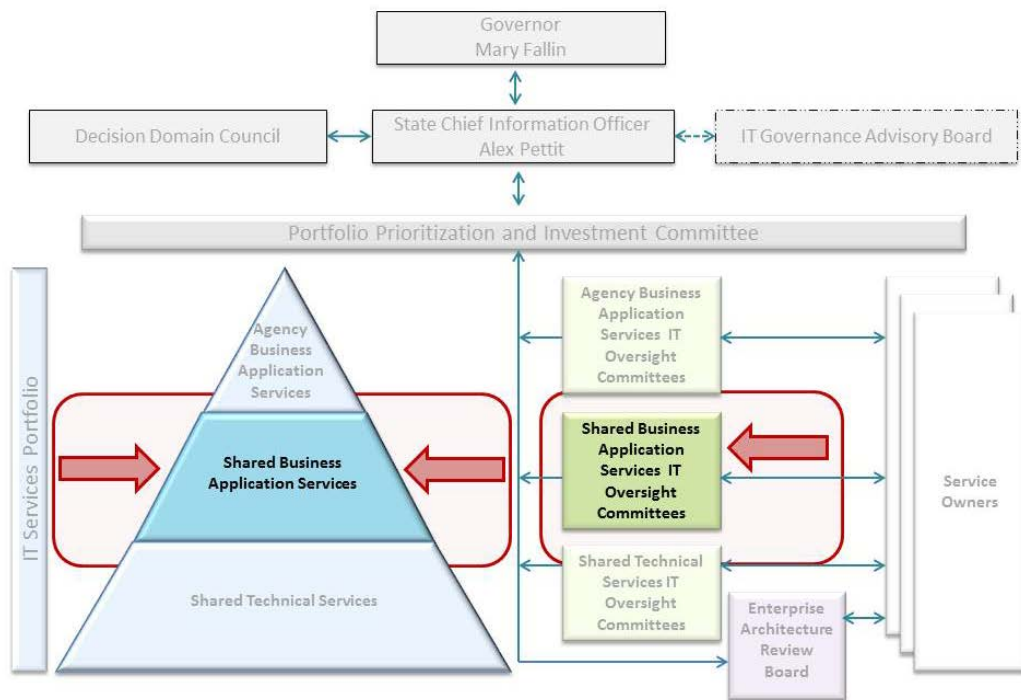
Proposal Name and Number	Project Phase	Status	CBA NPV	CBA Payback Period (months)	Project Manager	Detailed Description	Last Updated
AT&T – Section 9 Network Mobility (32965)	Closed	Cancelled			Bob Walker	Vendor – AT&T	3/18/13
BIS – Imaging Consolidation (30911)	Closed	Cancelled	\$3,048,091	35	Jon Anderson	Vendor – BIS	3/18/13
Kynetic Tech – Depot Mgmt (30909)	Closed	Cancelled			Sunni Bolt	Vendor – Kynetic Tech	3/1/13
Cherry Road – In Source Project Staff (30906)	Closed	Cancelled	\$2,542,373	77	Mike Hedrick	Vendor – Cherry Road	3/18/13
IBM 2012 Outsource Development (33753)	Closed	Cancelled			Pat Elwood	Vendor – IBM	5/15/13

We consider this initiative to be an overwhelming success, with the total savings projected to exceed \$20,000,000 NPV. We intend to initiate this again next year, with new categories for the vendor community to provide us with suggestions in the hopes of more proposals to reduce the size of government. We expect this second RFI to be issued in August of 2013.

3 Shared Business Application Services Governance

The governance model implemented in the State of Oklahoma emphasizes the establishment of business-driven committees that set strategy to ensure IT is working on the right projects. The responsibilities of these committees include prioritizing the project portfolio, reviewing resource allocation, reviewing of projects for approval, reviewing project status and issues, and establishing project budgets. Governance committees are being established in different domains. These domains include Infrastructure, Shared Business Application Services, Agency Business Application Services and Cabinet Level governance over business segments. The focus of this discussion is on the governance of Shared Business Application Services. This can be seen in Figure 15.

Enterprise Governance Model Figure 15



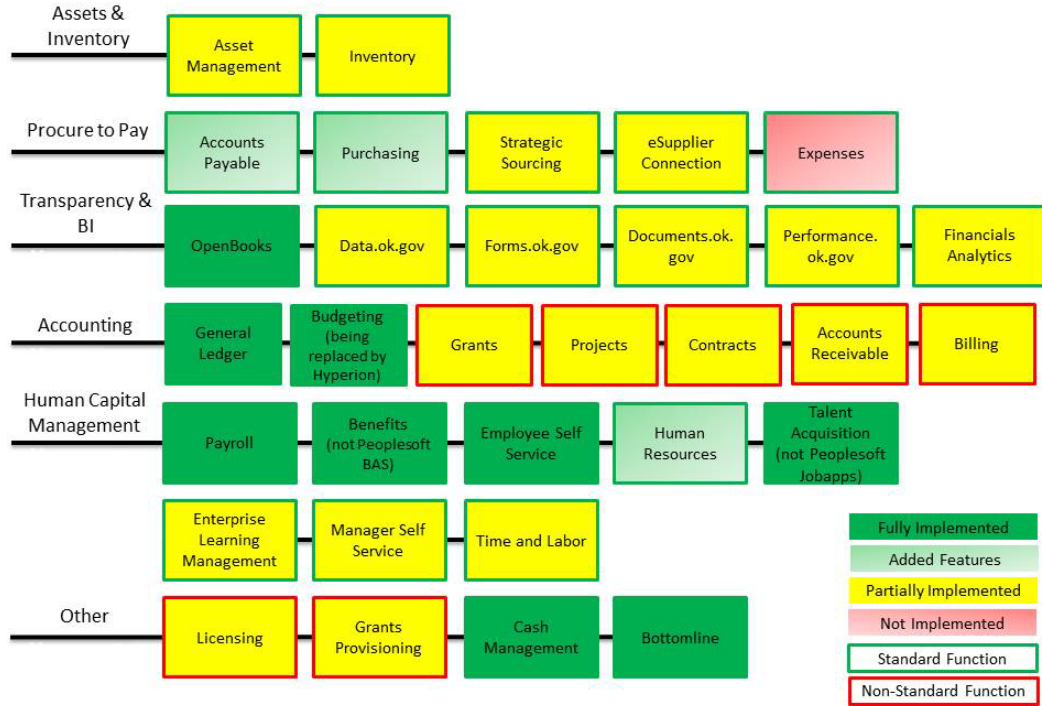
Shared Business Application Services

Shared business application services include applications that support assets and inventory, procure to pay, transparency and business intelligence, accounting, human capital management and other common business functions. The current state of Shared Business Applications is shown in Figure 16. The functions highlighted in the dark and light green are implemented for most of the state agencies. Light green means more functionality is available for that business function. Functions in yellow are implemented in some state agencies. Functions

in red are owned by the State but not yet implemented. Each function is outlined either in green and red. A green outline indicates the business function can utilize standard processes across agencies. A red outline indicates the business function is more specific to each agency. Implementation is more effective when they support standard business processes.

Shared Business Applications Current State

Figure 16



All projects over \$15,000 must be approved by the Shared Business Application Services IT Oversight Committee

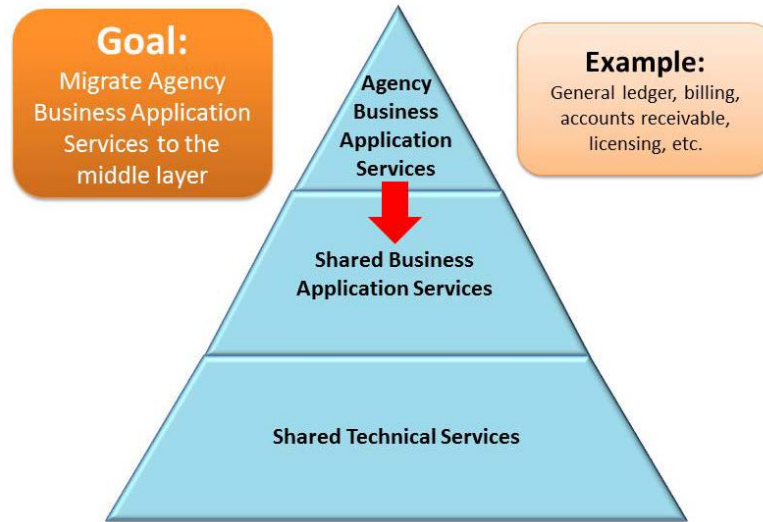
Application Standardization

A number of agencies are utilizing agency specific applications to automate the business functions identified in the shared business applications current domain. These systems have many forms. Some are in-house developed legacy applications, some are COTS programs with various specialties and others are large eBusiness suites. One of the priorities of the Shared Services IT Oversight Committee is to work on projects supporting standardization of business processes and application systems. This effort is important because it reduces licensing costs, software maintenance costs and can result in the retirement of hardware platforms. Additionally the State derives value from using standard systems and processes across all agencies and support greater transparency and data analysis.

As depicted in Figure 17, the goal is to move applications and business processes from agency-specific to common (or shared) business solutions.

Shared Business Applications Goal

Figure 17

**Shared Business Application Services Demand**

All of the demand for IT services is categorized into four activities. These activities are classified as incidents, service requests, enhancement service requests and projects which are described in Figure 18. Each activity is measured against a performance metric and is reported on the Project/Enhancement Service Level Dashboard available on the CIO website.

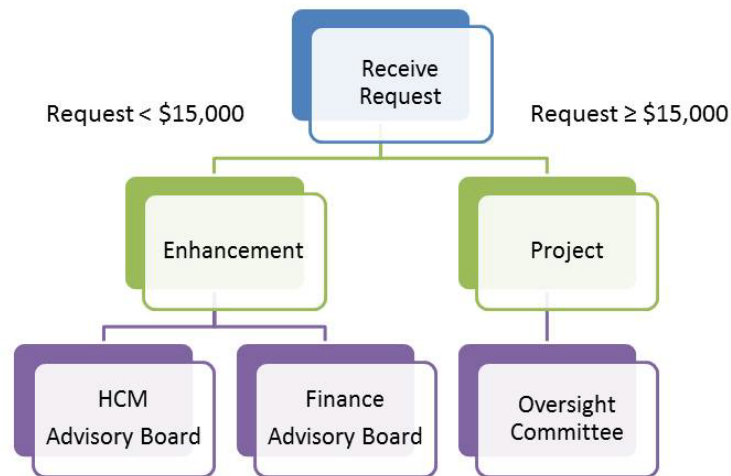
Shared Business Application Services Workflow

Figure 18

- Incident
 - Something is broken or about to break.
 - Metric – Measure based on severity and impact
- Service Request
 - Assistance to show customer how to handle a specific issue, correct a mistake or perform a function only CORE staff are allowed to perform.
 - Metric – measured as priority 3 incident
- Enhancement Service Request
 - Change in system functionality to facilitate continuous improvement or regulatory requirements
 - Metric – 75% of planned service requests completed on time delivery
- Project
 - Cost more than \$15K. Includes rollout of services to new agencies, major enhancements, new service rollouts, etc.
 - Metric – Measured against +/-10% plan for both budget and schedule

Enhancement service requests and projects have oversight structures to evaluate, approve, budget and prioritize the work. A pictorial representation of this process can be seen in Figure 19. Enhancement service requests are divided into two distinct lines of business: Finance and Human Capital Management. Each line of business has its own advisory committee. The advisory committee membership consists of functional staff from several state agencies and the technical staff specific to the function being discussed. The functional staff prioritizes the requests. Each advisory board meets every other month. Agencies interested in participating in these advisory boards are welcome and should contact the OMES HelpDesk.

Shared Business Application Services IT Oversight Structure Figure 19



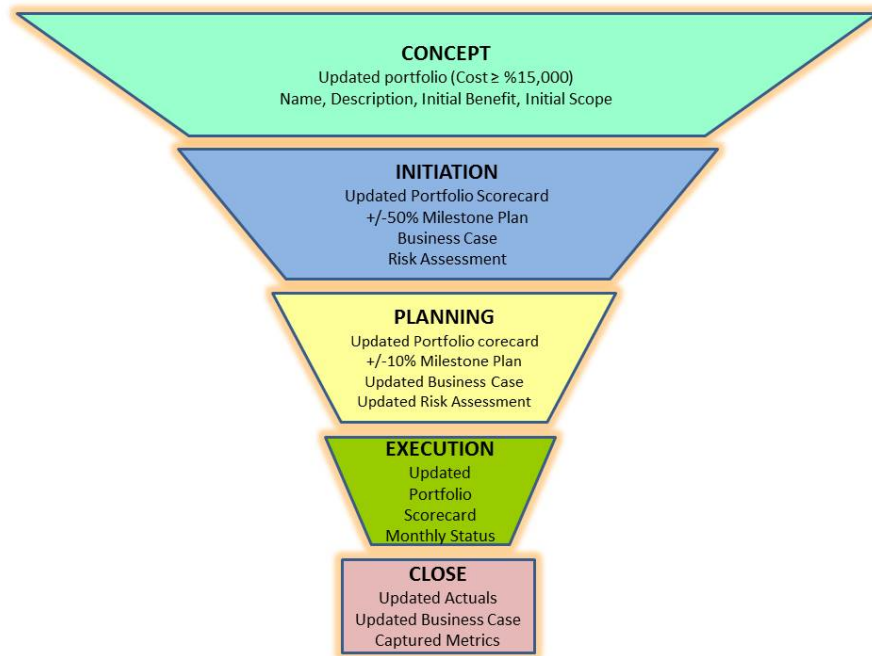
Board and Committee membership includes agencies' functional staff

Projects are governed by the Shared Business Application Services IT Governance Committee (hereby referred to as Committee in this section). The Committee has membership defined by a charter. The membership includes the State Comptroller, Human Capital Management Director, State Purchasing Director, Director of the Performance and Efficiency Division, ISD Chief of Staff, Director of Finance and Administration Business Segment, and ISD Enterprise Systems Analyst. The Committee meets every other month to consider, authorize, prioritize and establish project budgets and monitor projects. The Committee has identified the following list of principles for prioritization: 1) drop software maintenance on applications that are not going to be utilized by the State to reduce cost; 2) complete projects that are in process; 3) work on projects that have harvestable savings (positive business case); 4) work on the projects that support the accounting consolidation efforts; 5) complete the rollout of functions that are underutilized and support the rollout of functions that are business processes; 6) complete the rollout of functions that are standard but not yet started; and 7) work on functions that are underutilized and support agency specific services.

When a request is determined to be a project, the Committee becomes an involved partner in the process. There are five phases in the life of a project, depicted in Figure 20. The first stage is concept. An idea for a project is brought to the Committee to determine how the concept fits with the seven priorities. If the concept is approved by the Committee, the project enters the initiation phase. The initiation phase is a deeper look at the project that results in a plan where the costs and timeline are +/-50% within actual project costs. The +/-50% plan is reviewed by the Committee. If the plan is approved, then the project enters the planning phase. The planning phase is where the detailed estimates and detailed project plan are developed. The result of this phase is the +/-10% plan. The +/-10% plan including budget is reviewed by the Committee. If approved, the project enters the execution phase where the plan is executed. When project is completed it enters the close phase. The costs and timeline are finalized and the project is measured against its plan.

Project Development Life Cycle

Figure 20



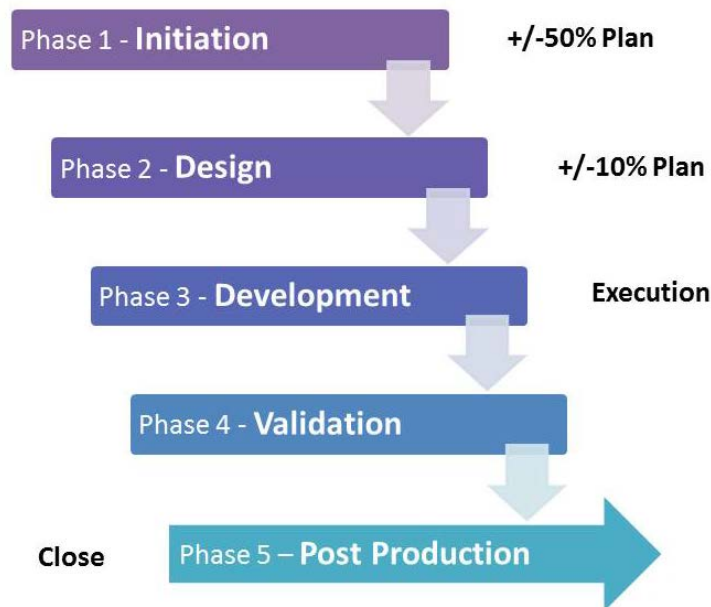
The value of the governance process is to focus the State's resources on the work given priority by the customers.

COTS System Development Life Cycle

In addition to the project methodology the Shared Business Application Services team uses a System Development Life Cycle (SDLC) for commercial off-the-shelf (COTS) software. When a COTS software project is approved by the Shared Business Application Services IT Committee, it is controlled by OMES' five-phase implementation approach shown in Figure 21. The figure illustrates how the SDLC align. Each phase has a set of activities and deliverables.

COTS Five-Phased Implementation Approach

Figure 21



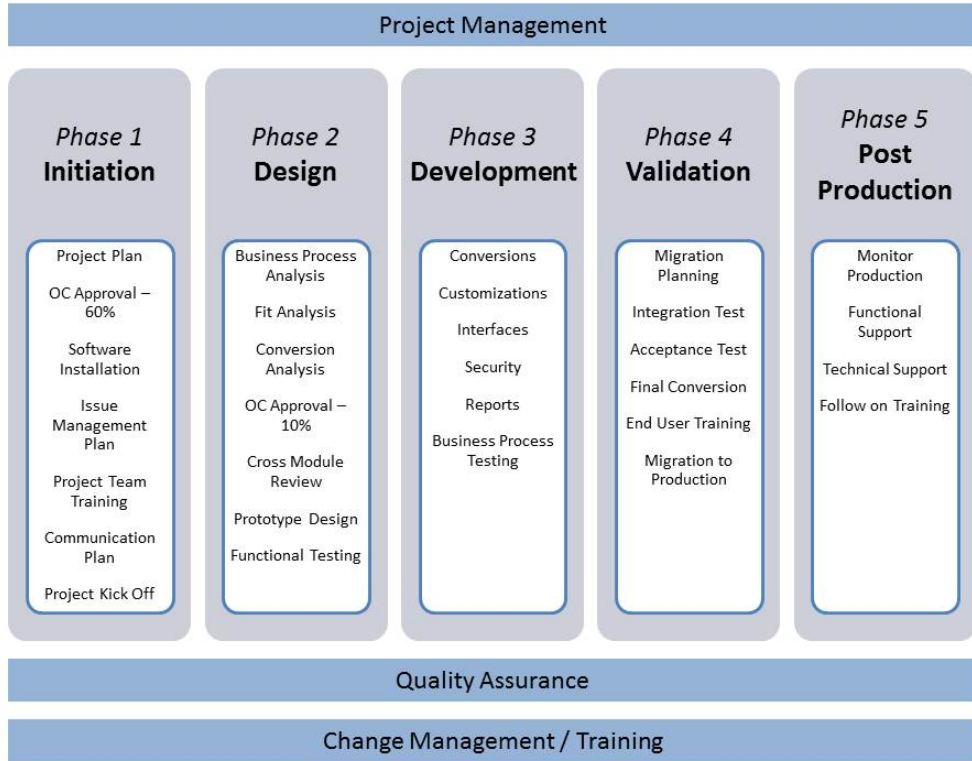
The initiation phase aligns with activities after a concept has been approved. The research phase of the project is approved by both the Committee and the partner agency. High level planning takes place and the +/-50% plan is produced. The design phase is entered after Committee approval of the +/-50% plan. Major activities in this phase are aligned with the production of the +/-10% plan. These activities include business process analysis, fitgap analysis and prototype designs. The development phase is entered upon Committee approval of the +/-10% plan. This phase is when the application configuration, customizations, reports, security access and other related tasks are accomplished. The validation phase is when all testing is completed, the migration plan is developed, training is conducted and the system is migrated to production. The post production phase includes ongoing training and system tuning. Anything required to stabilize the system and the customer's use of the system occurs here. Even though the system is implemented, this phase determines the success of the project.

Figure 22 illustrates the possible activities for each phase. It also illustrates the project management component that lies on top of the SDLC along with the

underpinnings of continuous quality assurance and a change management/training component.

Methodology Maps to Scope Strategy

Figure 22



The value of the SDLC is the mandate and focus of a hardened methodology to guide the team to success. The projects that have been the most difficult did not start on solid footing of this process.

4 Enterprise Licensing and One-Stop Business Licensing

Senate Bill 541 (2011) required state entities that provide licensing or permitting to utilize the state portal to provide an online application or renewal application for any license or permit issued. Although no funding was allocated for this purpose, it was expected that work performed as part of the normal course of operations could be modified to support this functionality. In August of 2011, state agencies were surveyed to identify all licenses and permits issued and begin putting together a plan to bring these licensing or permitting services to the online portal.

House Bill 1601 (2011) established the Oklahoma State Government Business One-Stop Program, designating www.business.ok.gov to provide real-time licensing and permitting services. It was expected that an online process would be established to facilitate business licensing and simplify the licensing process. This would include coordinating the efforts of the Department of Commerce, the Secretary of State and the various boards and agencies which license businesses for specific services or activities.

As depicted in Figure 23, 53 agencies issue 1,481 different license types. A license type is defined as specific purpose license, where a license renewal is different than an original license application, and a license reinstatement different from either a renewal or an original application. In this way, it was possible to identify which license types could be issued online versus in person. Some originating licensing applications require the applicant to appear in person before a license will be issued for photograph or fingerprint or to answer questions. In many of these cases, however, the license renewal can be performed online.

Enterprise Licensing Overview

Figure 23

Based on 2011 Survey - - - 53 agencies and 1,481 license types

Category	Number of Agencies	Number of License Types
Paper based applications and renewals	24	845
Paper based applications but online renewals	10	380
Online applications and renewals	19	256

NOTE: Some agencies may appear in multiple categories

Senate Bill 772 (2011) established the Business and Professional License Facilitation Taskforce to study how to best facilitate the professional licensing process within the State. A recommendation report was developed and submitted to the House and Senate.

The taskforce recommended a four-phased implementation approach:

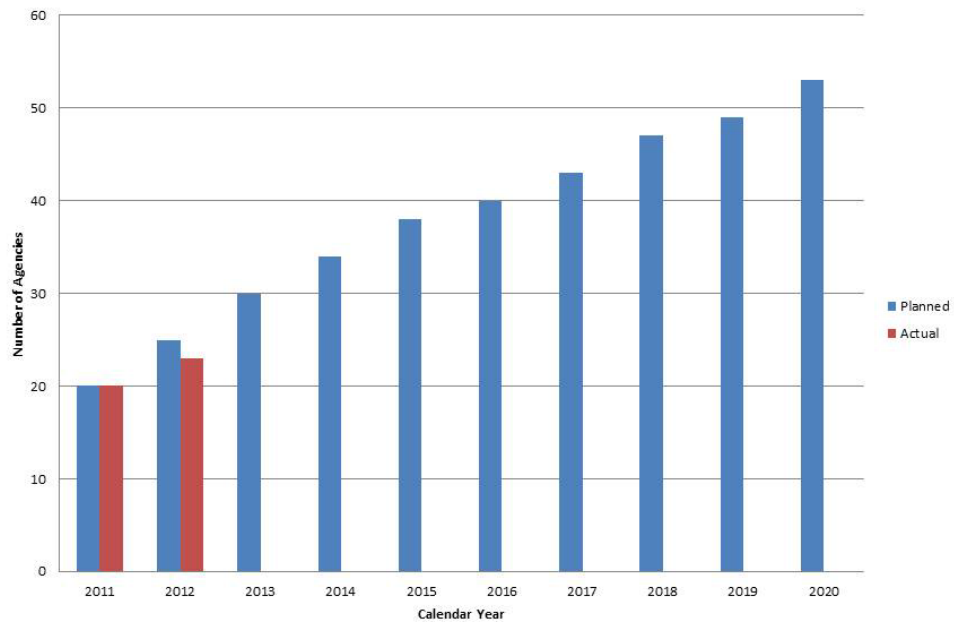
- 1) Provide business licensing one-stop functionality where applicants can determine licensing/permitting requirements for a specific business area.
 - a. Will require a shared database across key agencies (Secretary of State, Tax Commission, and Employees Security Commission as a first step).
- 2) Integrate the business licensing one-stop with the enterprise licensing system for those agencies which have already begun implementation of online licensing, focusing on quick-wins.
 - a. Elimination of duplicate data entry by applicants.
- 3) Implement the enterprise licensing solution.
 - a. Develop an implementation strategy starting with those agencies that do not have a current online system or who have been granted exemptions.
 - b. Identify additional integrations necessary for renewals (ensuring tax payment compliance, background checks, etc.).
- 4) Offer the business licensing one-stop and online licensing solutions to Oklahoma municipalities.
 - a. Allows the applicant to see what local licensing and permitting requirements are necessary for them to practice in a specific municipality.

Licensing Implementation Approach

It is necessary to establish a standardized licensing component to interface to a business one-stop solution. Using the 2011 survey results, agencies are categorized into one of three groupings: 1) the agency already has a fully-functional license tracking system; 2) the agency provides online applications and/or renewals but not a fully-functional license tracking system; or 3) the agency is paper based, using manual processes to track licenses and support applications or renewals. Agencies have one of two automated systems to choose between, one basic and one more sophisticated. Both are designed to support integration for background checks, tax status, the licensing system used by the Secretary of State, and other necessary databases to bring business one-stop to a fully automated online environment. Agencies with systems that already provide online services will continue to use them until they need to be updated or retired. At that time, the agency will be converted to one of the two standard enterprise solutions.

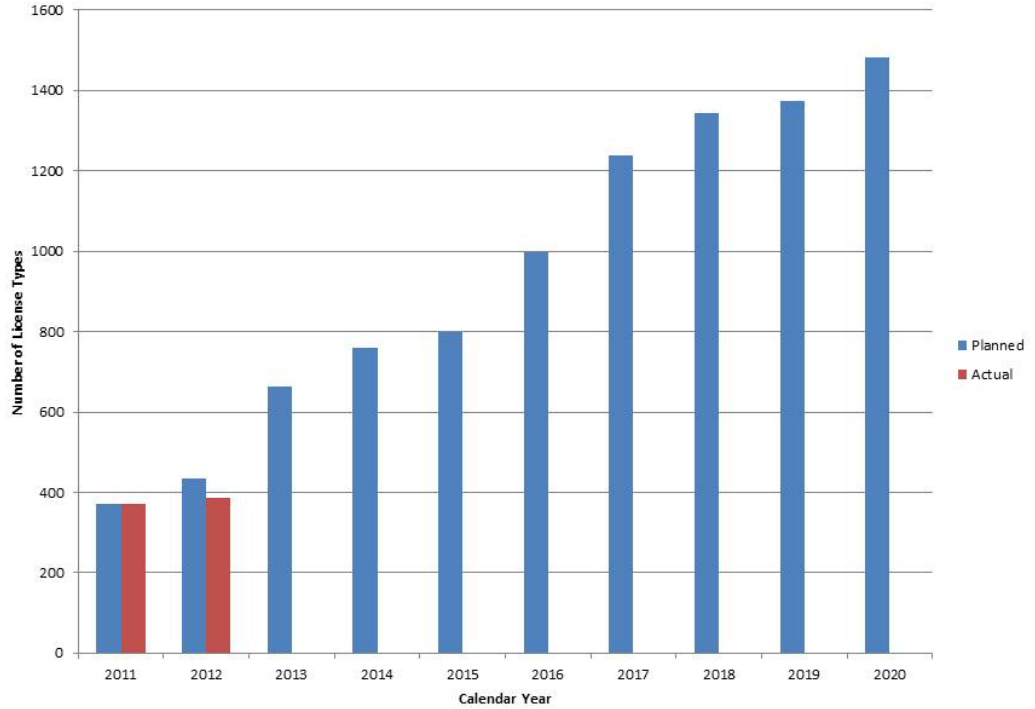
Once a sufficient number of online license solutions have been implemented, the Business One-Stop will be implemented. Currently, there are over 20 agencies which provide at least one type of business license. Common data elements are being identified that will facilitate the one-stop initiative, and our forecast is to begin the Business One-Stop project in 2015. Figures 24 and 25 depict our forecast and progress to date. We anticipate having about half of the total agencies and the total license types available for online application or renewal by 2015. This would then be enough to make the Business One-Stop a fully functional online service for about half the population. As more licenses were automated in the years after 2015, they would be brought into the Business One-Stop as part of their completion.

Planned Licensing Implementations by Agency Figure 24



**Planned Licensing Implementations
by Number of License Types**

Figure 25



At this time, we have approximately 273,232 licensees (individuals and firms) in our online licensing solutions. Figure 26 identifies which agencies/licenses we expect to have online by year. Business Licensing One-Stop candidates (licenses which would also integrate into the business licensing solution) are identified with an asterisk. Some agencies appear more than once on the list due to the number and types of licenses they currently provide.

Licensing Implementation Plan

Figure 26

	2011	2012	2013	2014	2015	2016	2017/2018	2019/2020
Alcoholic Beverage Laws Enforcement (10) *	Nursing (43) Optometry (4)	Accountancy Bd (6) *	Abstractors Bd (6) *	Architecture (68) *	Chiropractic Exam (2)	Agriculture (116)	Dept of Environmental Quality (237) *	Aeronautics Comm (2)
Board of Tests (6)	Osteopathic Exam (6)	Commercial Pet Breeders (2) *	Dentistry (24) *	Dept of Mines (2)	Consumer Credit (24) *	Corporation Comm (81) *	Medicolegal Investigations (1)	Council Law Enforcement Education & Training (30)
Bureau of Narcotics (36)	Perfusionists (2)	Construction Industries Bd (26) *	Div of Capital Asset Mgmt (6) *	Fire Marshal (8)	Motor Vehicle Comm (6) *		Private Vocational Schools (4)	
Chiropractic Exam (8)	Pharmacy (10)	Dept of Environmental Quality (2)	Dept of Health (122) *	Used Motor Vehicle Comm (18) *	Water Resources Bd (7)			Insurance Dept (56)
Corporation Comm (7)	Prof Eng & Land Surveyors (10)	Long-Term Care Admin (4)	Dept of Labor (72)					Funeral Bd (20) *
Cosmetology (26) *	Psychologists (2)	Real Estate Comm (22) *					Alcoholic Beverage Laws Enforcement (74) *	Liquified Petroleum Gas (20)
Dept of Education (2)	Secretary of State (2)						Banking Dept (20) *	Mental Health and Substance Abuse Services (12)
Dept of Human Services (2)	Speech Pathology (10)						Ethics Comm (4)	
Dept of Securities (10)	State Bd Alcohol & Drug Counselors (4)						Horse Racing (7) *	
Insurance Dept (66)	Veterinary Bd (12)							
Licensed Social Workers (10)	Water Resources Bd (38)							
Medical Licensure (46)								
Agencies:	20	25	30	34	38	40	43 / 47	49 / 53
Licenses:	372	434	664	760	799	996	1238 / 1343	1375 / 1481

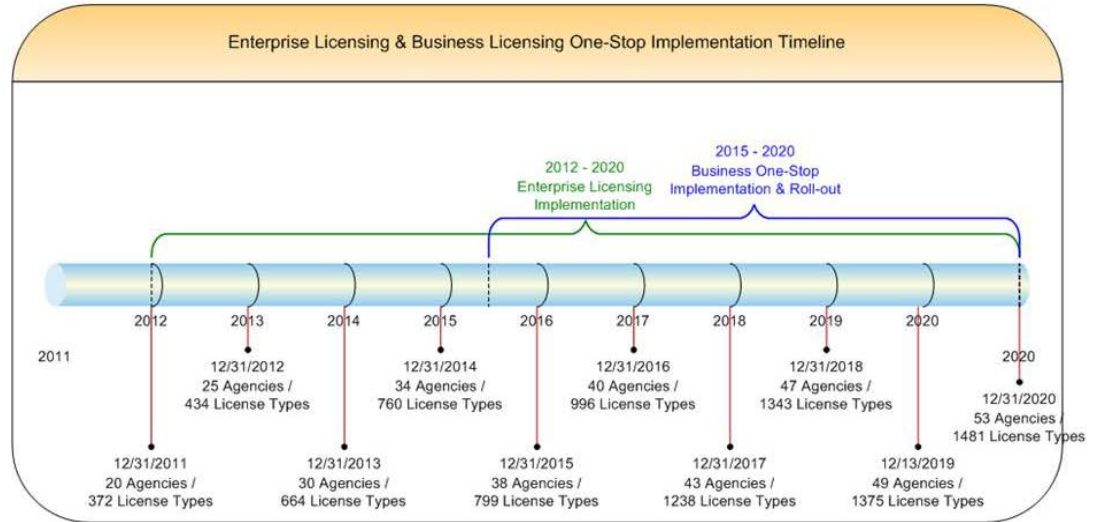
() - indicates number of license types
 * - indicates Business License One-Stop Candidate

NOTE: An agency may appear on the list more than once – it is included in the agency total count when its final implementation is complete.

Figure 27 illustrates the complimentary approach to licensing between the enterprise licensing implementation (automation of the licensing by agency by license) and the overall Business One-Stop implementation. It is anticipated that all 51 agencies and 1,481 license types will be automated and the Business One-Stop fully functional by 2020.

Licensing Implementation Timeline

Figure 27



5 Public Safety Broadband Network Initiative – FirstNet and Radios

A quotation of the Roman statesman Cicero appears on the side of the Grady County courthouse reads “*The safety of the state is the highest law.*”

HB 1304, the Information Technology Consolidation and Coordination Act, chartered the CIO’s office with increasing the effectiveness and efficiency of the State’s telecommunication services. This would be achieved through the consolidation of all IT services and personnel into a single enterprise.

The State of Oklahoma has two major operational public safety land mobile radio systems managed by two state agencies in collaboration with some local government entities. Other state entities also operate radio assets for other related missions. There are over 230 radio tower assets being used and maintained in various levels of service in our State.

Through previous work performed by the State, it was clear that the capital and operating cost associated with a statewide network would be a challenge. Therefore, particular attention in the plan will be given to identifying ways to tap into greater sources of the state assets and financial resources of public safety agencies and other affiliated state institutions including interested private partners when applicable. In addition to a careful collection of public safety’s minimum requirements, the plan will seek other requirements for interested partners for adoption of the new service provided by the Nationwide Public Safety Broadband Network (NPSBN).

The financial models once developed will consider including non-public safety users such as utility companies and their associated revenues, and the State envisions collecting adoption information from first responder agencies, second responders and other government agencies. The process seeks to provide an effective basis for a viable and equitable business plan that could govern the implementation of the NPSBN within the State of Oklahoma.

In February 2012, Congress enacted The Middle Class Tax Relief and Job Creation Act of 2012, containing landmark provisions to create a nationwide public safety broadband network that will provide wireless broadband communication services on a nationwide network to police, firefighters, emergency medical service professionals and other public safety officials. The law’s governing framework for the deployment and operation of this network is the new “First Responder Network Board” known as FirstNet, an independent authority within the National Telecommunications and Information Administration (NTIA). FirstNet will hold the spectrum license for the network

and is charged with taking “all actions necessary” to build, deploy and operate the network, in consultation with federal, state, tribal and local public safety entities and other key stakeholders.

With the passage of the federal statute, Title IV Middle Class Tax Relief and Job Creation Act of 2012, public safety is offered a tremendous opportunity to evolve and improve dramatically the capabilities of public safety communications. The Act creates a National Public Safety Broadband Network concept and calls for FirstNet, the board governing the network and its creation, to consult with state and local governments to ensure its success. The consultation with the states is to be conducted primarily through the State and Local Implementation Planning Grant Program (SLIGP). This document is the State of Oklahoma’s high-level narrative for the implementation of its SLIGP grant to produce a state plan that will help the State to interface with the national initiative.

The major objectives for the implementation of the Oklahoma portion of the NPSBN (OKPSBN) are that the network will be:

- 1) Highly adopted within the State and the cost, functional and performance needs of the State’s public safety users. This is to be accomplished through equitable governance process and standards based consolidated broadband radio service.
- 2) The network should be sustainable within the means and budget of the State of Oklahoma. The financial model to be recommended must take into consideration current state assets. The design will leverage and enhance current investments in land mobile radio services in our State.
- 3) Interoperability is enhanced in the State by this network. The State’s goal for this plan is to collect the required information that will ensure the network will meet these objectives. At the end of the State’s SLIGP program, the State intends to deliver a multi-phased plan to the state governor, FirstNet and NTIA that outlines a blueprint for a successful and sustainable OKPSBN implementation.

The tasks associated with the plan, a number of which may occur in parallel, include the following:

- **Task 0: Grant Preparation Activities** – In order to secure funding for the program, the State will prepare some level of grant application materials. This task includes the development of those materials.
- **Task 1: Initial Administrative Tasks** – Establish governance framework, update state interoperability plans, establish governance charters and bylaws, and identify necessary contracts to complete planning.
- **Task 2: Create Stakeholder List** – Identification of public safety and government stakeholders statewide that will be involved in the data collection effort. This step also includes outreach to the stakeholders. The

stakeholder list will be refined to minimize gaps in the data collection process.

- **Task 3: Create User List** – Ensure that the appropriate information will be collected by all required entities throughout the State. The user list will be refined to minimize gaps in the data collection process. Specific emphasis will be given to rural jurisdictions and the tribal areas of the State during this process.
- **Task 4: High Level Agency Applicable Assets Collection** – Collect the assets of public safety and government agencies throughout the State. Individual counties and cities will be queried during this process, largely via the Public Safety Answering Point contacts. The focus of this effort will be to establish the criteria for each agency to adopt OKPSBN as a service. The work will be conducted via face-to-face meeting to include online surveys and web-based online sessions.
- **Task 5: Statewide Requirements Assessment** – Collect the requirements that will apply to the entire State. This work will be conducted under the governance process identified within our state public safety practitioners and the state CIO's office managing the SLIGP program. The work will be conducted largely in collaboration with reputable consultant assisting the State to lead an equitable assessment that is inclusive of all of the potential stakeholders statewide.
- **Task 6: Regional Requirement Assessment** – Articulation of requirements that will apply to our neighboring states as it relates to our communities in our border areas. Network implementation synergies will be identified to harvest mutual benefits.
- **Task 7: Partner Analysis** – The identification of viable partners that can help the State fulfill its objectives bringing assets, resources and other benefits to the State.
- **Task 8: Implementation Modeling** – The plan will articulate how consolidation of the State's radio service could be accomplished while ensuring all mission critical public safety grade radio services remain intact. The development of the required system designs and financial models will determine the viability of constructing a sustainable solution that meets the needs of the State.
- **Task 9: Detailed Asset Information Collection** – Collection of detailed information for individual assets including the evaluation for service fitness and assessment of value. Evaluation of each relevant asset to its current use and its fitness to be considered for use in the NPSBN.

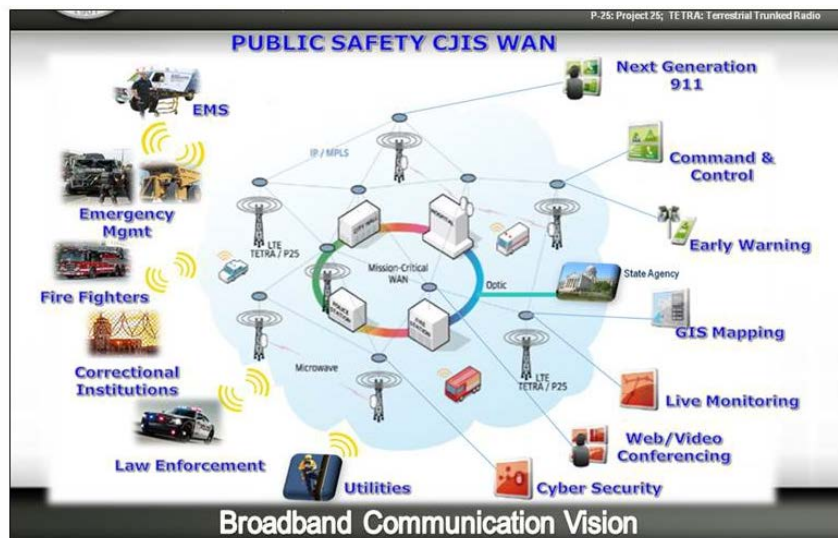
- Task 10: **Development of the Final Plan/Recommendation** – The blueprint of the State’s proposed plan to FirstNet for a successful statewide consolidated broadband network implementation.

Existing Governance Body

The State of Oklahoma broadly interprets its role as planning for a successful broadband implementation in the State – essentially creating a roadmap for achieving the State’s objectives. The State’s primary objectives for the NPSBN are that it is sustainable, highly adopted by public safety agencies and provides enhancements to interoperability for public safety users in the State. This means that the network must meet coverage, cost and other public safety requirements under a sustainable model. To the extent that select private partners are needed for sustainability or provide some other mutual benefit that shares the public safety mission, the State must be involved in collecting information about such partners. As a result, the State sees that as part of the state and local planning the development of an understanding of the types of information/infrastructure state public safety agencies need to share and use under one governance process. An assessment of the services they require along with setting interoperability standards/metrics will be done. If impediments exist for any individual agency to achieve true interoperability, those impediments must also be understood during this planning process.

Figure 28 shows a concept vision of the future public safety broadband network that is supported with appropriate backhaul environment; it further shows some of the potential applications/services that could be supported under the ideal environment.

Concept Vision Figure 28

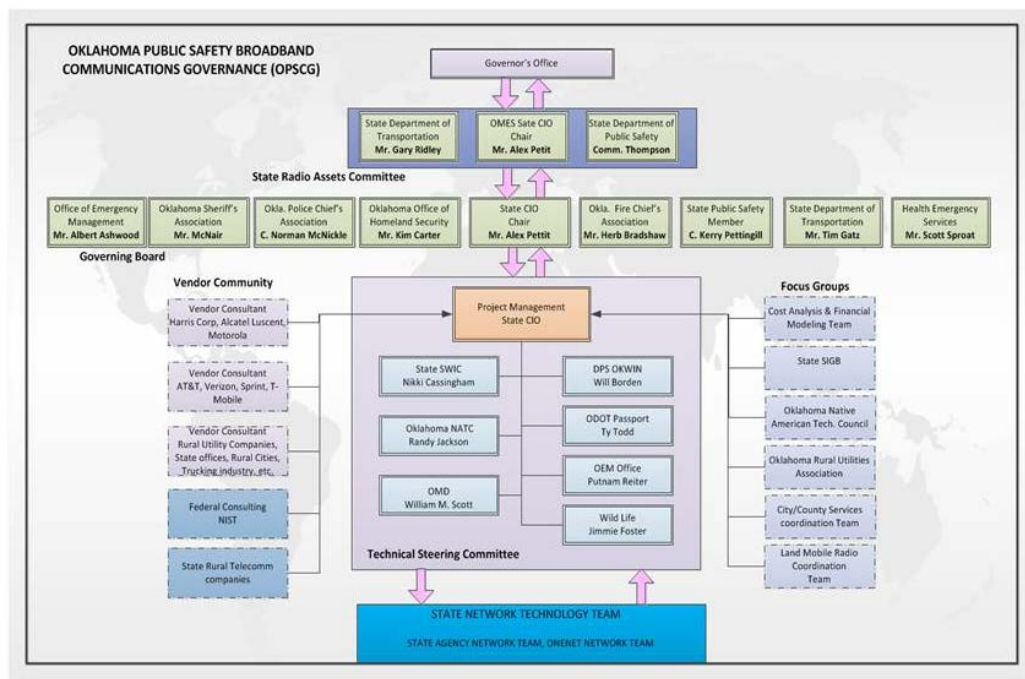


The CIO’s office in collaboration with the main public safety agencies and agencies that have first responder functions, as well as affiliates within local, county and tribal governments, has been working to establish a multi-agency governance process in our State.

Figure 29 depicts the levels of involvement and decision layers within the governance process. The governance process is in final stage of completion. A meeting was held on April 23rd of the full board membership for the review/approval of the related charter and bylaws documents.

Levels of Involvement and Decision Layers

Figure 29



With the help of a consultant firm, the process will mature to engage in the strategic planning process to govern the OKPSBN initiative and a sustainable consolidated radio service in our State.

Each component of the current governance structure is at the same level of authority depending on the hierarchy, allowing for equal participation and authority from all members. Equally important, the Statewide Communication Interoperability Plan (SCIP) remains in the center of the Statewide Interoperability Governance Body (SIGB), as it is the basis for all interoperable communications planning in the State. This governance approach is inclusive and encourages transparency, accountability and collaboration among all stakeholders.

The State through the CIO’s office will implement the proposed governance process and adequately involve all stakeholders and address their interest during the discovery planning process. The identified representative entities and

associations will be tasked to participate in the awareness campaign and ensure their membership is fully aware that their interest is addressed and included in the state plan.

State Asset Discovery Effort

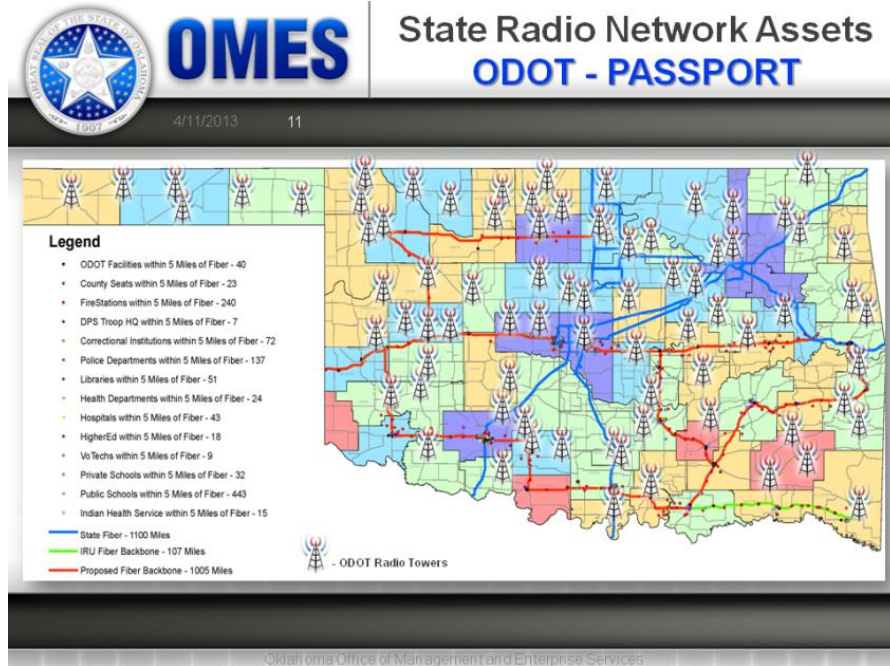
The Public Safety business segment has been tasked to work with the State agencies that are providing radio communication services for public safety and other first responders in our State to come up with a plan for consolidated, sustainable radio based communication service. In addition to establishing governance, the steering committee that was organized from those state agencies and other affiliated agencies has been working to complete preliminary discovery of state assets. Based on studies conducted in the past two years by using third party consultants, some baseline data was collected. Furthermore, a significant number of meetings were held with vendors, telecom co-ops, rural telecom companies and affiliated utility company representatives in order to understand the overall picture of wireless communication in our State.

From a national perspective, we have worked with NTIA and the FirstNet board to understand the requirements of NPSBN and work towards building a plan that will satisfy the State's needs and also enable us to be a major player in the national project. Members from the CIO's office have been participating in regional meetings with the surrounding states that are organized as region 6. Other participating states include Texas, Arkansas, Colorado, New Mexico, Kansas and Missouri. Regional discussions have resulted in identification of synergies regarding communication services that affect inter-state public safety services.

State radio communication assets that are currently managed by 3 major agencies are to be included in the consolidated public safety broadband communication plan. Figures 30, 31, 32 and 33 illustrate the distribution of infrastructure which could be used to support a comprehensive plan.

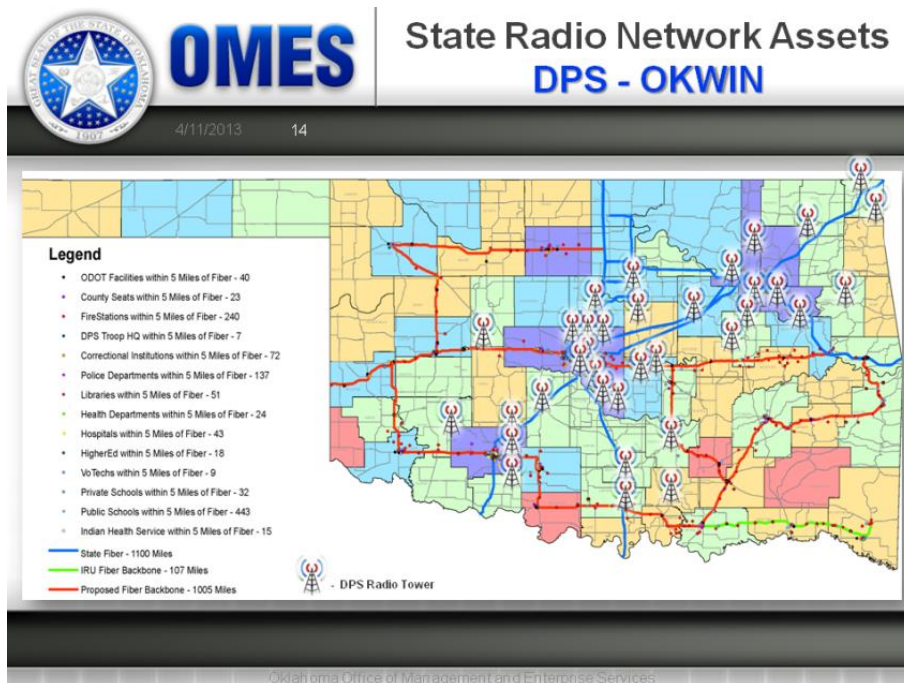
ODOT Passport Infrastructure Assets

Figure 30



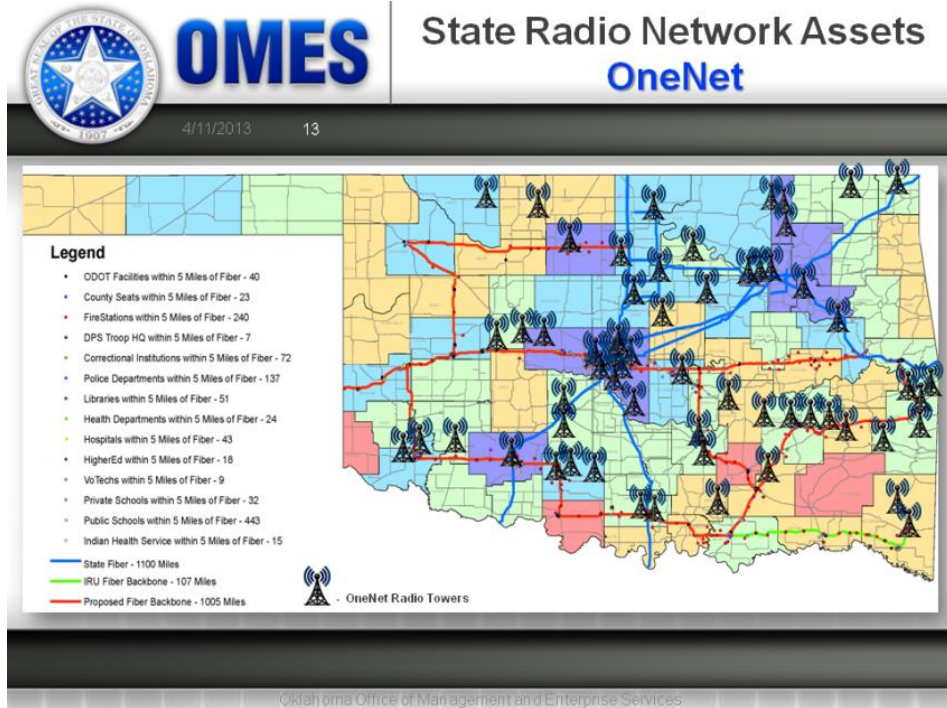
DPS OKWIN Infrastructure Assets

Figure 31



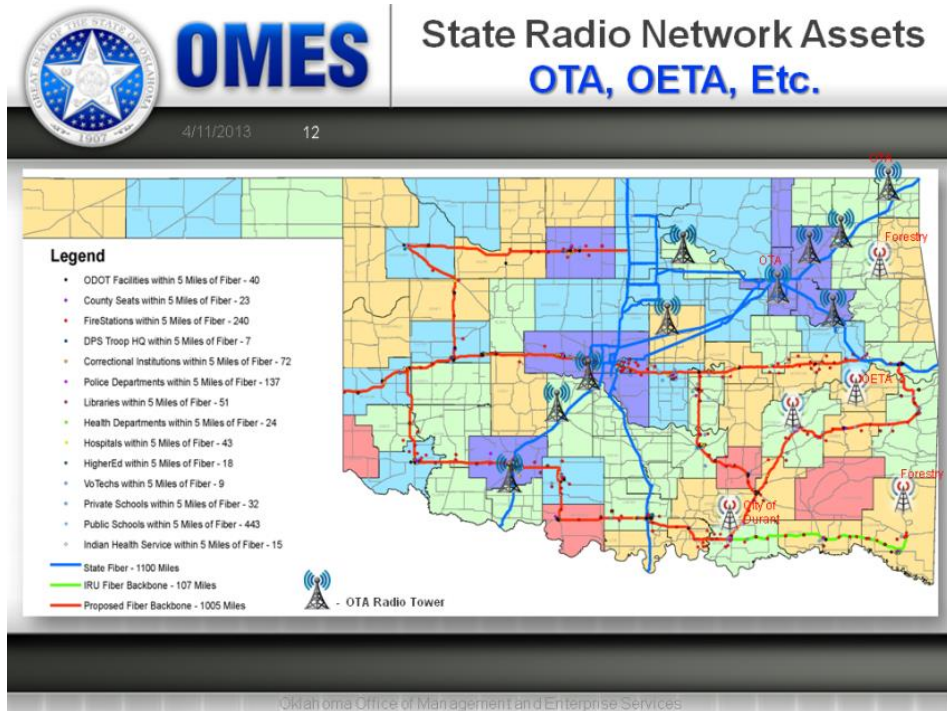
OneNet Infrastructure Assets

Figure 32



OTA, OETA, Etc. Infrastructure Assets

Figure 33



The above figures indicate that the State owns a significant amount of radio tower assets above ground as well as significant fiber assets underground that can be utilized to collectively support the State’s first responders when put under one governance. There are 231 plus tower assets that are being used in some capacity at this time. In addition, a large investment in state fiber and right of way may also help develop a sustainable solution.

While the assessment effort is going on, the steering committee worked aggressively to complete the federal grant application to help fund the first phase of the planning project. The State of Oklahoma has an allocation of \$2.4 million in federal funds that can be used for the OKPSBN initiative. Once the project is funded, expert consultants will be hired to assist with the full assessment of the value of the State’s assets for the purposes of implementation of a converged and centrally public safety broadband network.

The consolidation plan will also include a recommendation of a mature FCC license management approach, which will minimize the risks during usage of licenses by state entities and also establish a central clearing authority to manage all of the allocated licenses maximizing the business benefits of the State.

The pictorial representation of what can be accomplished with what the State already possesses can be seen in Figures 34 and 35.

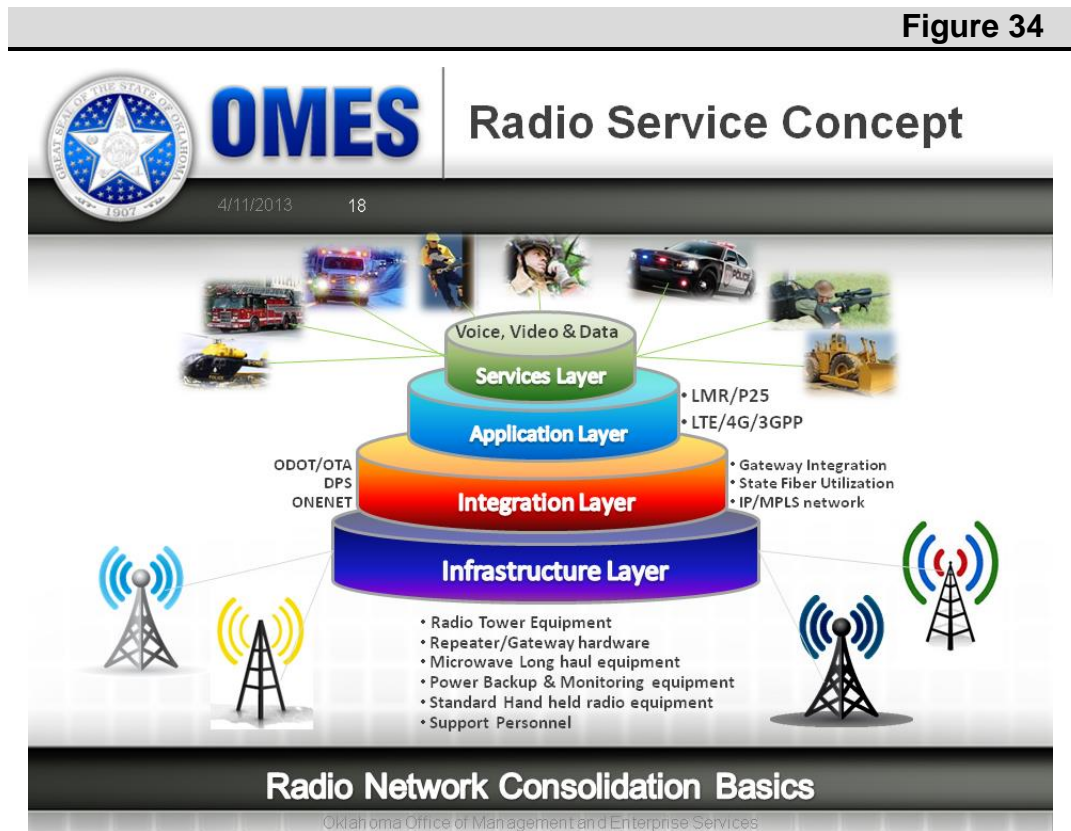


Figure 35

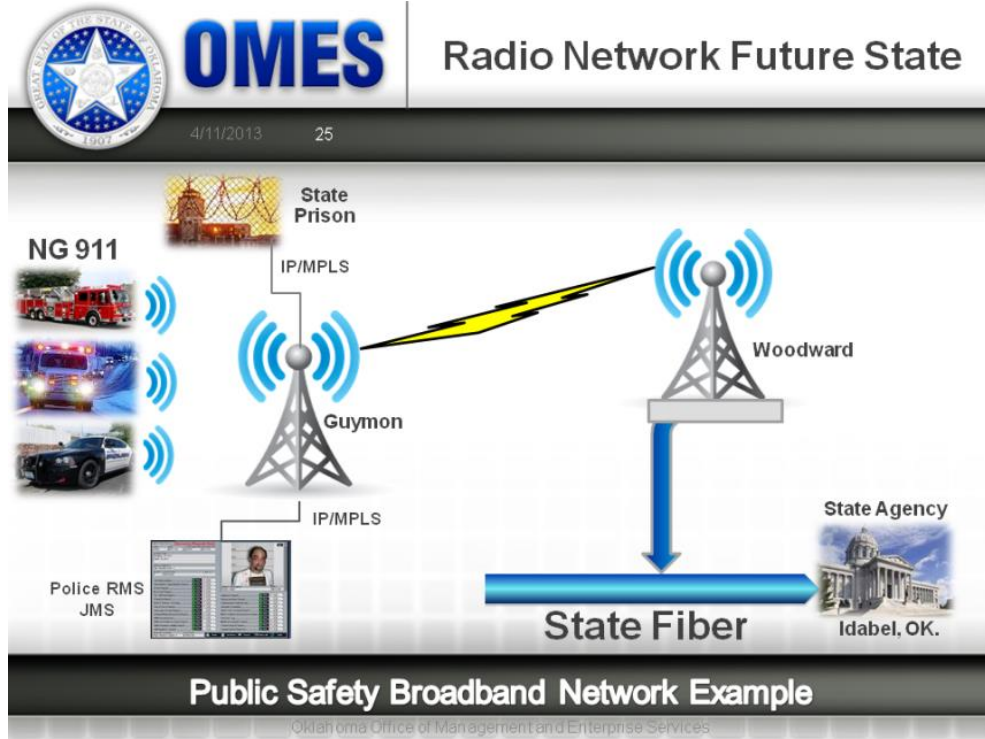
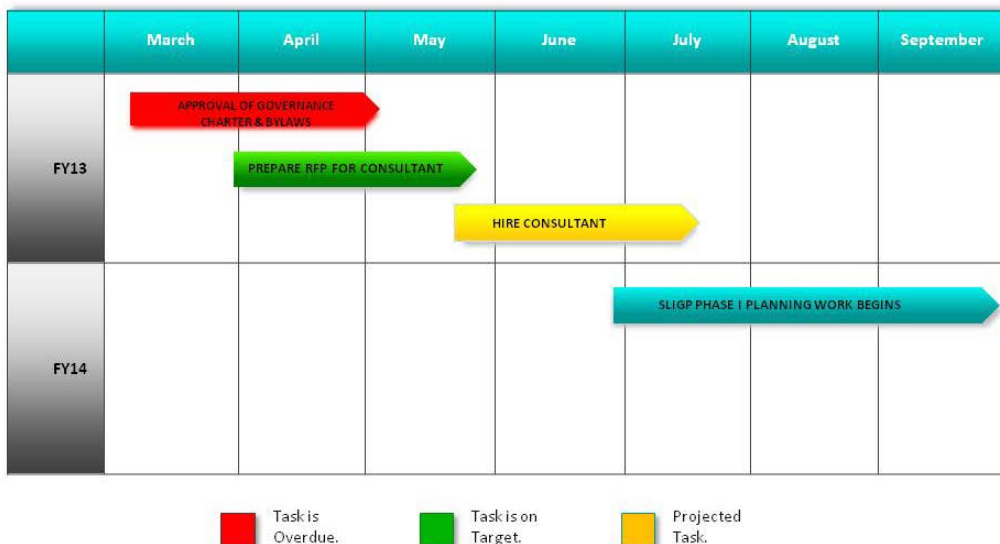


Figure 36 shows the short term activities planned to accomplish the objectives outlined in the overarching plan to complete phase I of the planning process.

OKPSBN Initiative Short Term Planned Activities Timeline

Figure 36



Rural & Tribal Partnerships

The State of Oklahoma recognizes 39 tribal nations of which 38 have federal recognition. According to the US Department of Justice (DOJ) report, Census of Tribal Justice Agencies in Indian Country, 2002, out of the 38 federally recognized tribes 19 have a law enforcement agency employing sworn tribal personnel with general arrest powers. The DOJ rankings recognized that Oklahoma has 3 of the largest tribally operated law enforcement agencies in the nation.

The Oklahoma Native American Technology Council (ONATC) is currently an organized entity that represents Native American tribal governments in the effort of planning broadband access, FirstNet involvement and any other items pertaining to advancing technology in Native Oklahoma. The governance structure for this initiative in our State has a representative participating in the steering committee that is working on this initiative.

Additionally, the Oklahoma Association of Regional Councils (OARC) is a voluntary association of local governments formed under Oklahoma law. These associations address the problems and planning needs that cross the boundaries of individual local governments or that require regional attention. The Council of Governments (COGs) includes all 77 counties. Counties and cities comprise the majority of regional council membership. The OKPSBN steering committee has been working with the public organizations and state agencies to leverage existing infrastructure and resources to assist in assessing needs, identifying users, training and awareness and eventually implementing the plan. The following agencies are regularly participating in the steering committee meetings to collectively advance the statewide initiative:

- Department of Public Safety (DPS)
- Office of Homeland Security (ODHS)
- Office of Emergency Management (OEM)
- Oklahoma Military Department (OMD)
- Department of Transportation (ODOT)
- State Bureau of Investigation (OSBI)
- Oklahoma Native American Technology Council (ONATC)
- Office of Management and Enterprise Services (OMES)

This initiative represents a unique opportunity for Oklahoma to significantly improve the public safety/first responder capabilities, increase coverage, reduce costs and improve interoperability among public safety/first responders beyond anything in any other state. We anticipate being able to report significant progress within the next year and will provide an update in a future quarterly report.

6 Conclusion

This concludes the sixth quarterly report of progress on HB 1304 and IT transformation. Our next report is our fiscal year ending report which will review progress made over the previous fiscal year. This report will be posted after July 31, 2013.

Please direct any questions regarding this report to Alex Pettit, Chief Information Officer and Cabinet Secretary of Information Technology and Telecommunications, State of Oklahoma, at alex.pettit@omes.ok.gov.

7 Appendix A: Chart Text Descriptions

Figure 1: Total Net Present Value of Cost Savings

Year 1, January 2012, \$5,975,989
 Year 1, April 2012, \$13,869,057
 Year 1, July 2012, \$33,392,186
 Year 2, October 2012, \$43,923,027
 Year 2, January 2013, \$63,952,169
 Year 2, April 2013, \$77,851,944

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Figure 2: Total Net Present Value of Cost Avoidance

Year 1, July 2012 - \$15,536,919
 Year 2, October 2012 - \$20,607,682
 Year 2, January 2013 - \$20,607,682
 Year 2, October 2013 - \$20,607,682

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Figure 5: Consolidation Portfolio

Agency-by-Agency Projects					
Project No.	Project Name	Project Phase	Risk Rating	CBA NPV	Total Forecast Cost
30236	EGID Consolidation	Execution	14	\$3,107,091	\$222,966
30235	Health Dept Consolidation	Execution	22	\$1,877,595	\$145,000
Service-By-Service Projects					
Project No.	Project Name	Project Phase	Risk Rating	CBA NPV	Total Forecast Cost
32531	Printer Optimization – Dept of Human Services	Planning	10	\$814,703	\$25,900
31212	Printer Optimization – Agriculture Dept	Planning	10	\$435,064	\$26,100
31929	Printer Optimization – Environmental Quality	Planning	12	\$581,270	\$25,000

30979	Printer Optimization – Health Dept	Planning	18	\$1,438,759	\$50,000
30846	SDE Mainframe Decommission Planning	Planning	22	\$1,900,546	\$377,029
30846	Dept of Veterans Affairs Network Consolidation	Planning	10	\$954,706	\$241,385
30982	Network Consolidation for Agencies at Shepherd Mall	Execution	18	\$142,976	\$28,433
Service-by-Service Projects					
Project No.	Project Name	Project Phase	Risk Rating	CBA NPV	Total Forecast Cost
32779	pSeries Consolidation	Initiation	16	(\$1,442,308)	\$1,500,000
30224	Email Consolidation	Initiation	20	\$8,464,762	\$2,807,000
30566	Telecom Expense Management (TEM)	Execution	24	\$14,534,636	\$1,120,000
30237	Statewide Mainframe Consolidation	Execution	22	\$12,287,476	\$16,621,611
30238	Security as a Service – Phase 1	Execution	16	\$3,153,616	\$807,041
30881	Enterprise Agreement – Adobe Products – 2012 Cost Savings Idea	Execution	18	\$52,596	\$2,000
30824	Statewide Portfolio and Project Management	Execution	22	-----	\$375,400

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Figure 6: Agency-by-Agency Consolidation Approach Transformation

Leadership Common Vision

- Commerce (Concept)

Team Formation

Project Scope and Plan

- Science & Math (Initiation)
- Water Resources Board (Initiation)

Business Case

Approve

Detail Plan

- Conservation (Planning)

- Pardon & Parole (Planning)
- Libraries (Planning)

Transform

- EGID (Execution)
- Health Department (Execution)
- Medical Examiners (Execution)

Transition

Refined Business Case

- Agriculture (Close)
- Chiropractic (Close)
- Psychologists (Close)

Steady State

Customer Relationship

- Standard Process
- Metrics
- Governance
- Performance Reviews

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Figure 7: Service-By-Service Consolidation Approach

Transformation

Leadership Common Vision

- Email Consolidation (Concept)

Team Formation

Project Scope and Plan

- pSeries Consolidation (Initiation)
- EA for IT Advisory Services (Initiation)

Business Case

Approve

Detail Plan

Transform

Enterprise Agreement – Adobe Products (Execution)

- Project Portfolio Management Rollout (Execution)
- Security as a Services (Execution)
- Statewide Mainframe (Execution)
- Telecom Expense Management (Execution)

Transition

Refined Business Case

Steady State

Customer Relationship

- Standard Process
- Metrics
- Governance
- Performance Reviews

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Figure 8: Service-by-Service Consolidation Approach

Transformation

Leadership Common Vision

- Printer Optimization (Concept)
 - Corrections
 - ESC
 - OSEEGIB (now EGID)
 - Tax
 - ODOT
- Unused Software (Concept)
 - Construction
 - Natural Resources

Team Formation

Project Scope and Plan (Initiation)

- DEQ Network Consolidation
- Mental Health Network Consolidation
- Printer Optimization – Historical Society (on hold)
- Printer Optimization – Public Safety
- SDE Mainframe Decommission (on hold)
- Unused Software –Infrastructure
- VA Network Consolidation

Business Case

Approve

Detail Plan

- Printer Optimization (Planning)
 - DEQ
 - Health
 - ODAFF
 - OKDHS
- Decommission – OKDHS
- Unused Software

Transform (Execution)

- CareerTech Help Desk
- Shepherd Mall Network (on hold)

Transition

Refined Business Case

Steady State

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

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Figure 10: Process

Concept (from suggestion)

- Suggestion Form
- Update Portfolio (Name, Description, Initial Benefit, Initial Scope)

Initiation (Consolidation Review Meeting)

- +/-50% Milestone Plan
- Business Case/CBA
- Risk/Value Assessment
- Updated Portfolio-Scorecard

Planning

- +/- Milestone Plan
- Updated Business Case/CBA
- Update Risk/Value Assessment
- Updated Portfolio-Scorecard

Execution

- Monthly Status
- Updated Portfolio-Scorecard

Close (Employee Recognition)

- Captured Metrics
- Updated Business Case/CBA
- Updated Milestone Plan
- Updated Portfolio-Scorecard

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Figure 11: 2012 IT Cost Savings Ideas

Concept – Ideas

- Vendors, 12
- Employees, 8

Initiation - +/-50% Milestone Plan Business Case

- Vendors, 2 (Cancelled 5)

- Employees, 2

Planning - +/- 10% Milestone Plan Business Case

- Vendors, 4
- Employees, 4

Execution

- Vendors, 2
- Employees, 2

Close – Final Business Case

- Employees, 3

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Figure 15: Enterprise Governance Model

- Shared Business Application Services
 - Shared Business Application Services IT Oversight Committee
 - Service Owners

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Figure 16: Shared Business Applications Current State

Assets & Inventory

- Asset Management (Standard Function)
- Inventory (Standard Function)

Procure to Pay

- Accounts Receivable (Added Features)
- Purchasing (Added Features)
- Strategic Sourcing (Standard Function)
- eSupplier Connection (Standard Function)
- Expenses (Not Implemented)

Transparency & BI

- OpenBooks (Fully Implemented)

- Data.ok.gov (Standard Function, Partially Implemented)
- Forms.ok.gov (Standard Function, Partially Implemented)
- Documents.ok.gov (Standard Function, Partially Implemented)
- Performance.ok.gov (Standard Function, Partially Implemented)
- Financials Analytics (Standard Function, Partially Implemented)

Accounting

- General Ledger (Fully Implemented)
- Budgeting (not PeopleSoft BAS) (Fully Implemented)
- Grants (Non-standard Function, Partially Implemented)
- Projects (Non-standard Function, Partially Implemented)
- Contracts (Non-standard Function, Partially Implemented)
- Accounts Receivable (Non-standard Function, Partially Implemented)
- Billing (Non-standard Function, Partially Implemented)

Human Capital Management

- Payroll (Fully Implemented)
- Benefits (not PeopleSoft BAS) (Fully Implemented)
- Employee Self Service (Fully Implemented)
- Human Resources (Added Features, Fully Implemented)
- Talent Acquisition (not PeopleSoft JobApps) (Fully Implemented)
- Enterprise Learning Management (Standard Function, Partially Implemented)
- Manager Self Service (Standard Function, Partially Implemented)
- Time and Labor (Standard Function, Partially Implemented)

Other

- Licensing (Non-standard Function, Partially Implemented)
- Grants Provisioning (Non-standard Function, Partially Implemented)
- Cash Management (Fully Implemented)
- Bottom Line (Fully Implemented)

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Figure 17: Shared Business Applications Goal

Goal: Migrate agency business application services to the middle layer

Example: General ledger, billing, accounts receivable, licensing, etc.

Layers (top to bottom)

- Agency Business Application Services
- Shared Business Application Services
- Shared Technical Services

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Figure 19: Shared Business Application Services IT – Oversight Structure

Receive Request

Request < \$15,000

- Enhancement
 - HCM Advisory Board
 - Finance Advisory Board

Request > \$15,000

- Project
 - Oversight Committee

Board and committee membership includes agencies' functional staff

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Figure 20: Project Development Life Cycle

Concept

- Updated portfolio (Cost > \$15,000)
- Name, Description, Initial Benefit, Initial Scope

Initiation

- Update Portfolio Scorecard
- +/-50% Milestone Plan
- Business Case

- Risk Assessment

Planning

- Updated Portfolio Scorecard
- +/-10% Milestone Plan
- Updated Business Case
- Updated Risk Assessment

Execution

- Updated Portfolio Scorecard
- Monthly Status

Close

- Updated Actuals
- Updated Business Case
- Captured Metrics

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Figure 21: COTS Five-Phased Implementation Approach

- Phase 1 – Initiation +/-50% Plan
- Phase 2 – Design +/-10% Plan
- Phase 3 – Development Execution
- Phase 4 – Validation
- Close – Phase 5 – Post Production

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Figure 22: Methodology Maps to Scope Strategy

Phase 1 – Initiation

- Project Plan
- OC Approval – 60 %
- Software Installation
- Issue Management Plan

- Project Team Training
- Communication Plan
- Project Kick Off

Phase 2 – Design

- Business Process Analysis
- Fit Analysis
- Conversion Analysis
- OC Approval – 10%
- Cross Module Review
- ProtoType Design
- Functional Testing

Phase 3 – Development

- Conversions
- Customizations
- Interfaces
- Security
- Reports
- Business Process Testing

Phase 4 – Validations

- Migration Planning
- Integration Test
- Acceptance Test
- Final Conversion
- End User Training
- Migration to Production

Phase 5 – Post Production

- Monitor Production
- Functional Support
- Technical Support
- Follow on Training

Quality Assurance

Change Management/Training

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Figure 24: Planned Licensing Implementations by Agency

- 12/31/2011 – 20 planned, 20 actual
- 12/31/2012 – 25 planned, 23 actual
- 12/31/2013 – 30 planned
- 12/31/2014 – 34 planned
- 12/31/2015 – 38 planned
- 12/31/2016 – 40 planned
- 12/31/2017 – 43 planned
- 12/31/2018 – 47 planned
- 12/31/2019 – 49 planned
- 12/31/2020 – 53 planned

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Figure 25: Planned Licensing Implementations by Number of License Types

- 2011 – 372 planned, 372 actual
- 2012 – 434 planned, 391 actual
- 2013 – 664 planned
- 2014 – 760 planned
- 2015 – 799 planned
- 2016 – 996 planned
- 2017 – 1,238 planned
- 2018 – 1,343 planned
- 2019 – 1,375 planned
- 2020 – 1,481 planned

Figure 27: Licensing Implementation Timeline

Enterprise Licensing & Business Licensing One-Stop Implementation Timeline

2012 – 2020 Enterprise Licensing Implementation

2015 – 2020 Business One-Stop Implementation & Roll-out

- 12/31/2011 – 20 agencies, 372 license types
- 12/31/2012 – 25 agencies, 434 license types
- 12/31/2013 – 30 agencies, 664 license types
- 12/31/2014 – 34 agencies, 760 license types
- 12/31/2015 – 38 agencies, 799 license types
- 12/31/2016 – 40 agencies, 996 license types
- 12/31/2017 – 43 agencies, 1,238 license types
- 12/31/2018 – 47 agencies, 1,343 license types
- 12/31/2019 – 49 agencies, 1,375 license types
- 12/31/2020 – 53 agencies, 1,481 license types

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Figure 28: Concept Vision

Broadband Communication Vision

Public Safety CJIS WAN

- Next Generation 911
- Command and Control
- Early Warning
- GIS Mapping
- Live Monitoring
- Web/Video Conferencing
- Cyber Security
- Utilities
- Law Enforcement
- Correctional Institutions
- Fire Fighters
- Emergency Management

- EMS

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Figure 29: Levels of Involvement and Decision Layers

Oklahoma Public Safety Broadband Communications Governance (OPSCG)

Governor's Office

- State Department of Transportations, Mr. Gray Ridley
- OMES State CIO, chair, Mr. Alex Petit
- State Department of Public Safety, Commissioner Thompson

State Radio Assets Committee

- Office of Emergency Management, Mr. Albert Ashwood
- Oklahoma Sheriff's Association, Mr. McNair
- Oklahoma Police Sheriff's Association, C. Norman McNickle
- Oklahoma Office of Homeland Security, Mr. Kim Carter
- State CIO, Chair, Mr. Alex Petit
- Oklahoma Fire Chief's Association, Mr. Herb Bradshaw
- State Public Safety Member, C. Kerry Pettingill
- State Department of Transportation, Mr. Tim Gatz
- Health Emergency Services, Mr. Scott Sproat

Technical Steering Committee, State CIO

- State SWIC, Nikki Cassingham
- DPS OKWIN, Will Borden
- Oklahoma NATC, Randy Jackson
- ODOT Passport, Ty Todd
- OEM Office, Putman Reiter
- OMD, William M. Scott
- Wildlife, Jimmie Foster

Vendor Community

- Vendor Consultant, Harris Corp., Alcatel Lucent, Motorola
- Vendor Consultant, AT&T, Version, Sprint, T-Mobile

- Vendor Consultant: rural utility companies, state offices, rural cities, trucking industry, etc.
- Federal Consulting: NIST
- State rural telecomm companies

Focus Groups

- Cost Analysis and Financial Modeling Team
- State SIGB
- Oklahoma Native American Technology Council
- Oklahoma Rural Utilities Association
- City/County Services Coordination Team
- Land Mobile Radio Coordination Team

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