



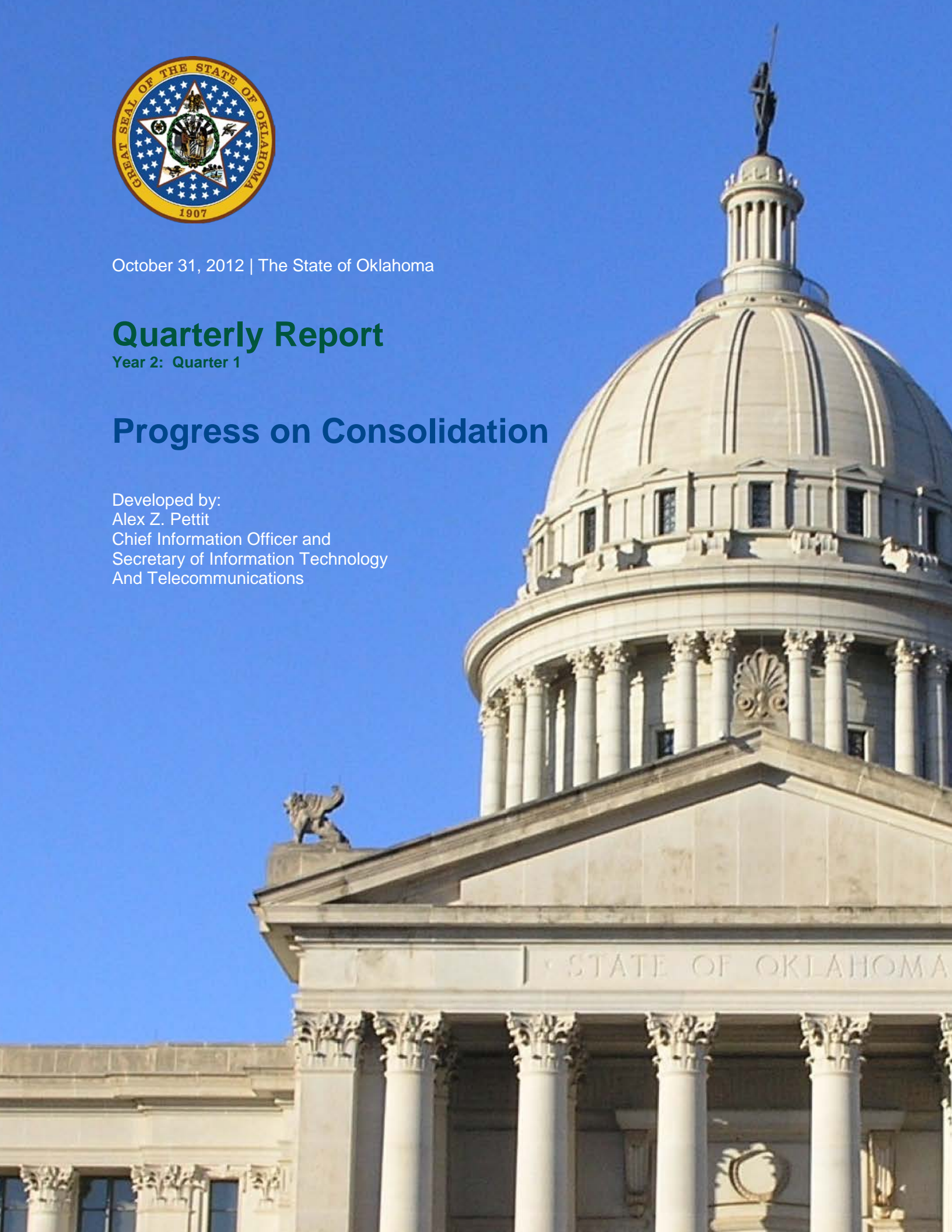
October 31, 2012 | The State of Oklahoma

Quarterly Report

Year 2: Quarter 1

Progress on Consolidation

Developed by:
Alex Z. Pettit
Chief Information Officer and
Secretary of Information Technology
And Telecommunications



Forward

It is the responsibility of leadership to provide a high level strategic vision of what to do as well as the tactical guidance on how it should be done. Our governing objectives can be summarized as follows:

- 1) Reduce the size of government through improved utilization of information technology resources;
- 2) Improve transparency of spending on information technology (IT) services; and
- 3) Increase the accountability of IT activities and services.

With a clear mission, performance can be assessed objectively and by using data-driven metrics. It is my pleasure to present the fourth quarterly report, outlining our shared applications services strategy current state, the three-year roadmap, our future state, schedule, budget and report card of in-flight projects.

Our number of helpdesk calls has doubled to over 14,000 per month in the last 10 months with 94% of these cases responded to and resolved within our target performance metrics. This report also outlines the approaches taken towards cyber security for the state.

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

Alex Z. Pettit

Chief Information Officer and
Secretary of Information Technology
and Telecommunications

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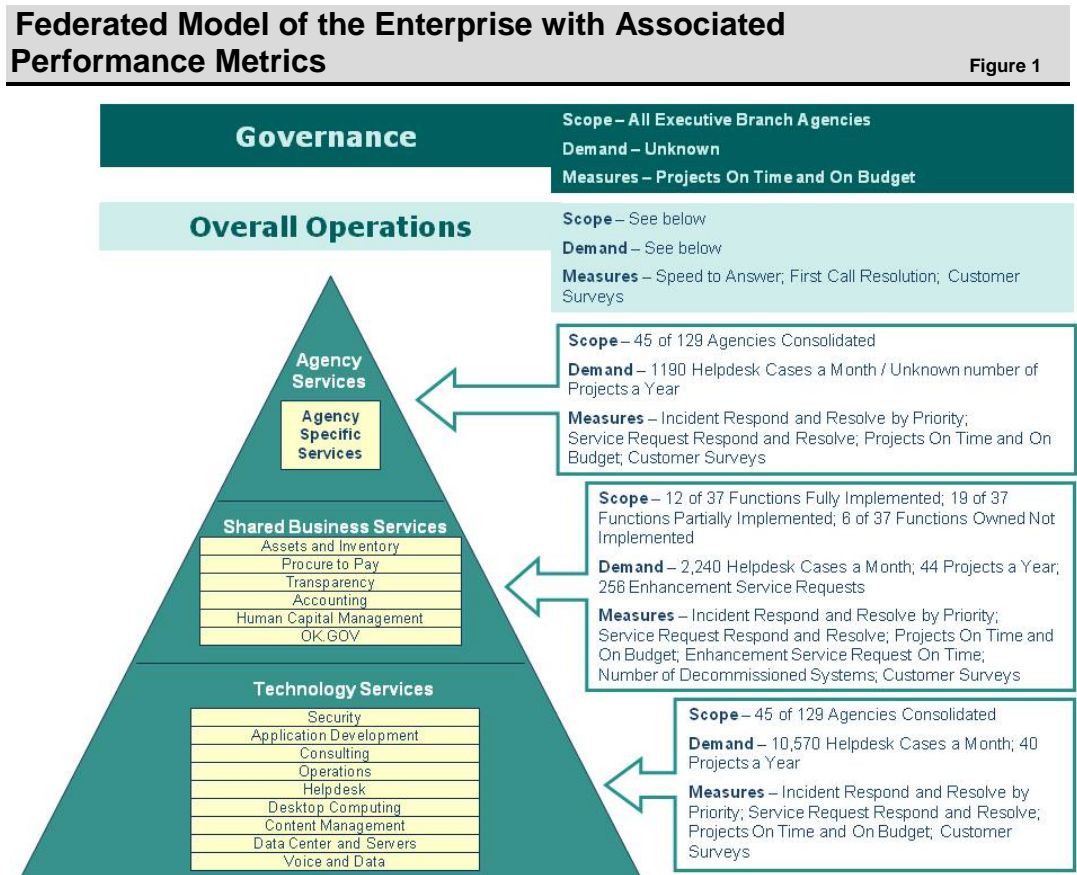
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1 Summary of Consolidation

Information Technology services can be categorized into three categories: IT Infrastructure Services (Technology Services); Shared Business Services; and Agency Specific Services.

The reasons to consolidate can be explained in terms of three goals: 1) to increase efficiency of government operations, as measured in dollars; 2) to increase the alignment with the values of the elected leadership, as demonstrated through improvement of transparency of IT spending; and 3) by increasing the quality of IT services delivered, as defined through the establishment of data-driven service levels and the public reporting of performance in real or near-real time dashboards.

A model of this can be seen in Figure 1 with the associated performance metrics for each level presented to the right of the pyramid.



14,000 Helpdesk cases a month; 94% responded to and resolved within target

These metrics are available online under www.cio.ok.gov and illustrate how much is being accomplished by the IT employees and how well they are doing.

From a financial perspective, the following charts update the performance of the consolidation efforts. The data has been updated to reflect payments through the end of the fiscal year and the costs associated with capital projects. Capital projects were included in the prior report and now have been broken out to reflect the costs that are not expected to be part of the ongoing operational expenses. These one-time costs associated with the capital projects are not included when calculating overall savings to the state. Figure 2 summarizes this into tabular form. This illustrates the effect of applying the payments through the end of the fiscal year and the removal of the capital projects (special projects) such as the Tax Commission project (authorized in House Bill 1387, 2008). Figure 3 illustrates all IT costs including personnel costs.

Revised Payroll less Capital Projects					Figure 2
	FY-2009	FY-2010	FY-2011	FY-2012	% of Change
Adjusted Reported	\$264,968,416	\$249,193,573	\$231,072,919	\$230,142,576	13.143%
- Major Capital Projects	\$897,265	\$10,411,480	\$10,426,486	\$10,306,852	
Less Major Capital Projects	\$264,071,151	\$238,782,093	\$220,646,533	\$219,835,724	16.751%

IT Costs including Personnel Costs Figure 3

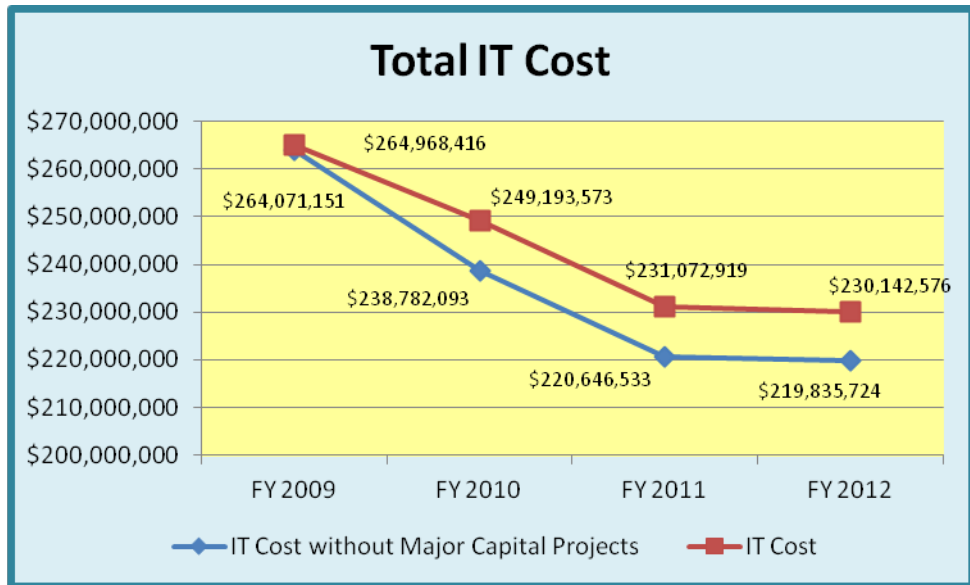
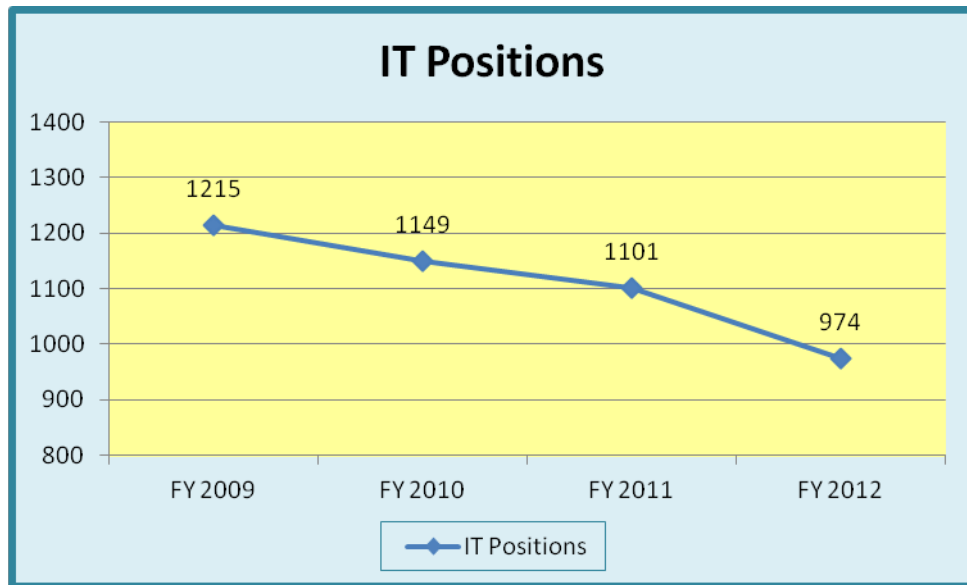


Figure 4 shows a decrease of 20% in state IT positions since 2009. A vast majority of those positions have been consolidated into the Office of Management and Enterprise Services' structure.

Reduction in IT Positions

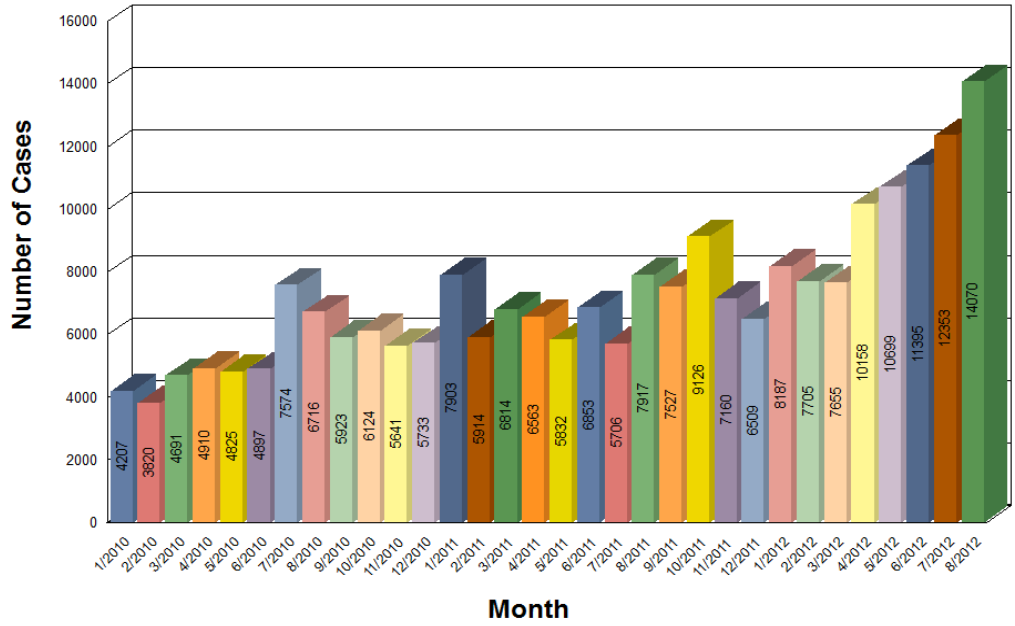
Figure 4



As a consequence of consolidation, we have seen a sharp increase in the number of helpdesk cases. Our success is rooted in identifying and reporting on the specific behaviors which help us achieve our governing objectives. Our ability to quickly recognize our mistakes and devise and apply the correct interventions and tools has been the source of our resilience. As illustrated in Figure 5 and Figure 6, the number of helpdesk cases has reached 14,000 per month, double the number 10 months ago. 94% of the cases have been responded to and resolved within our target performance metrics. The decomposition of performance metrics to an employee specific performance chart has contributed greatly to this achievement. This tool to increase accountability can be seen in Figure 7.

Infrastructure & Business Application Services

Figure 5



Helpdesk cases doubled to 14,000 in 10 months

Operations Service Level Dashboard - Customer

Figure 6

Green Met Expected Target

Red Did Not Meet Expected Target

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Contact Center Speed to Answer	Target 30 Sec 2011 2012	60	51	48	36	39	39	35	44	33	30	36	35
Contact Center First Call Resolution **	Target 62% 2011 2012	53%	51%	51%	56%	55%	53%	57%	52%	52%	51%	51%	53%
Password Reset Response **	Target 90% 2011 2012	96%	98%	96%	94%	96%	100%	100%	99%	94%	92%	93%	93%
Password Reset Resolve **	Target 90% 2011 2012	97%	98%	98%	98%	98%	98%	99%	98%	98%	99%	99%	99%
High Priority Incident Response **	Target 90% 2011 2012	93%	98%	88%	85%	82%	89%	80%	76%	70%	59%	80%	83%
High Priority Incident Resolve **	Target 90% 2011 2012	87%	83%	80%	79%	88%	78%	83%	76%	81%	72%	72%	80%
Medium Priority Incident Response **	Target 85% 2011 2012	97%	100%	99%	98%	98%	99%	99%	96%	99%	98%	97%	100%
Medium Priority Incident Resolve **	Target 85% 2011 2012	90%	94%	65%	61%	67%	83%	79%	80%	80%	82%	81%	81%
Low Priority Incident Response **	Target 85% 2011 2012	97%	99%	96%	97%	97%	97%	98%	96%	93%	84%	98%	98%
Low Priority Incident Resolve **	Target 85% 2011 2012	95%	96%	96%	95%	91%	92%	84%	94%	92%	96%	95%	96%
Assistance Service Request Response **	Target 85% 2011 2012	97%	97%	93%	97%	96%	95%	93%	95%	92%	89%	95%	95%
Assistance Service Request Resolve **	Target 85% 2011 2012	92%	92%	92%	92%	92%	94%	93%	92%	93%	90%	91%	91%

94% of cases responded and resolved on time

Increase Accountability (Quality of Service) Employee View Figure 7

Create Date From: 01/01/2012 Business Segment: Provider Group: Help Desk (OSF) Catalog Description: Product: Pr
 Create Date To: 07/24/2012 Customer Agency: Employee: Catalog Type: Pr
 Customer: Catalog Detail:

Employee Service Levels
 Time run: 7/24/2012 4:47:15 PM

Employees

Employee	Contact 1st Call Resolve Target 62%	Password Reset Response Target 90%	Password Reset Resolve Target 90%	High Incident Response Target 90%	High Incident Resolve Target 90%	Medium Incident Response Target 85%	Medium Incident Resolve Target 85%	Low Incident Response Target 85%
	70%	50%	100%					67%
	86%	96%	97%	100%	100%	100%	100%	99%
	96%	98%	98%	89%	100%	100%	100%	92%
	88%	97%	97%	100%	0%			93%
	76%	86%	89%	76%	90%	100%	89%	100%
	54%					100%	0%	100%
	95%	99%	99%	100%	67%	100%	100%	80%
	99%	100%	100%	100%	50%	100%	100%	
	99%	100%	100%	100%	100%	100%	0%	100%
	99%	100%	100%	100%	100%			
	99%	100%	100%					100%
	99%	100%	100%			100%	100%	89%
	100%	100%	100%					100%
	82%	100%	91%	100%	100%			100%
	93%	95%	98%	0%	100%			77%
	69%	99%	95%	100%	43%	100%	67%	100%
	91%	95%	98%	90%	90%	100%	100%	95%
	92%	90%	94%	100%	100%	100%	100%	79%
	90%	96%	97%	90%	100%	100%	100%	100%
	64%	98%	96%			100%	100%	97%

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Figures 8, 9 and 10 are updates to the savings from IT consolidation, broken down into savings from project activities, savings from reductions of spending and savings from cost avoidance (money that would have had to be spent had the project not been achieved).

Consolidated Project Savings Figure 8

Agency Name	Status	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
AllICM	Completed	\$34,311	\$48,511	\$41,411	\$41,411	\$41,411	\$41,411
Board of Nursing	Completed	(\$15,543)	(\$9,745)	(\$15,245)	(\$15,245)	(\$15,245)	(\$15,245)
Dept of Corrections HCM	Completed	(\$132,472)	\$93,753	\$234,892	\$234,892	\$234,892	\$234,892
Disaster Recovery Services	Completed	\$247,344	\$419,245	\$203,524	\$203,524	\$203,524	\$203,524
Office of Personnel Management	Completed	\$70,596	\$77,933	\$77,046	\$70,746	\$70,746	\$70,746
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
Banking Dept	Completed	\$7,251	\$7,251	\$7,251	\$7,251	\$7,251	\$7,251
Capitol Improvement Authority	Completed	(\$1,601)	(\$1,052)	(\$1,052)	(\$1,052)	(\$1,052)	(\$1,052)
Dept of Central	Completed	\$37,194	\$9,054	\$14,554	\$9,054	\$9,054	\$3,554

Agency Name	Status	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Services							
Dept of Education	Completed	\$1,098,231	\$1,054,231	\$933,231	\$960,731	\$1,054,231	\$1,435,231
Employee Benefits Council	Completed	\$150,115	\$214,084	\$208,584	\$214,084	\$208,584	\$214,084
Fiber – First National Bldg	Completed	\$11,895	\$49,115	\$49,115	\$49,115	\$49,115	\$49,115
Dept of Tourism	Completed	\$93,607	\$94,407	\$93,727	\$93,727	\$93,727	\$93,727
People Move 2012	Completed	\$2,336,741	\$2,336,741	\$2,336,741	\$2,336,741	\$2,336,741	\$2,336,741
CareerTech Position Consolidation	Completed		\$98,150	\$98,150	\$98,150	\$98,150	\$98,150
Fiber – Prof Engineers & Land Surveyors	Completed		(\$29,922)	\$4,164	\$4,164	\$4,164	\$4,164
Fiber – LandMark Tower	Completed		(\$49,514)	\$14,821	\$14,821	\$14,821	\$14,821
Fiber – Classen Buildings	Completed		(\$33,336)	\$14,592	\$14,592	\$14,592	\$14,592
CareerTech Independent Contractor Consolidation	Completed		\$39,960	\$39,960	\$39,960	\$39,960	\$39,960
Dept of Education – Printer Consolidation Phase 2	Completed		\$84,247	\$5,247	\$5,247	\$5,247	\$5,247
Attorney General Helpdesk Transition	Completed		\$3,086	\$3,241	\$3,403	\$3,573	\$3,751
COMIT Telemanagement Billing Module	Completed		\$60,675	\$123,925	\$123,925	\$123,925	\$123,925
Private Vocational Schools	Completed		(\$1,155)	(\$605)	(\$605)	(\$605)	(\$605)
Labor Department	Completed		\$86,293	\$83,814	\$86,925	\$95,629	\$93,429
State Employee & Education Group Insurance Board	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
Dept of Education – HUPP Contract Consolidation	Execution		\$85,942	\$92,056	\$89,249	\$86,357	\$83,379
Consolidation of Health Dept Network	Execution		\$1,822,538	\$1,437,628	\$1,437,628	\$1,437,628	\$1,437,628
AntiVirus, Spam & Encryption	Planning		\$418,429	\$961,559	\$961,559	\$961,559	\$961,559
Dept of Education – Decommission HP NonStop (Mainframe)	Planning		\$191,242	\$385,939	\$393,566	\$401,422	\$409,513
Fiber – 38 th Terrace	Planning		(\$18,680)	(\$3,180)	(\$3,180)	(\$3,180)	(\$3,180)
CareerTech Helpdesk Transition	Planning		\$13,000	\$13,650	\$13,650	\$13,650	\$13,650
Agriculture Dept Consolidation	Planning		\$129,371	\$138,621	\$133,121	\$138,621	\$138,621
TOTAL ANNUAL SAVINGS		\$4,403,598	\$8,417,272	\$8,844,316	\$8,868,110	\$8,975,450	\$9,359,542

Agency Name	Status	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Savings Over 6 Years ¹ \$43,923,027							
NOTES: ¹ FY12 plus NPV of savings achieved in FY13 – FY17							

Reduced Spending Figure 9

Project Name	Status	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY016	FY017
2010 Savings Achieved	Completed	\$15,774,843	\$15,774,843	\$15,774,843	\$15,774,843	\$15,774,843	\$15,774,843	\$15,774,843	\$15,774,843
2011 Savings Achieved	Completed		\$18,120,654	\$18,120,654	\$18,120,654	\$18,120,654	\$18,120,654	\$18,120,654	\$18,120,654
2012 Savings Achieved	Completed			\$930,343	\$930,343	\$930,343	\$930,343	\$930,343	\$930,343
Total Savings Achieved		\$15,774,843	\$33,895,497	\$34,825,840	\$34,825,840	\$34,825,840	\$34,825,840	\$34,825,840	\$34,825,840
REDUCED SPEND FY10 – FY17 ¹ \$239,534,632									
Notes: ¹ Actual savings to date plus NPV of savings FY13 – FY17									

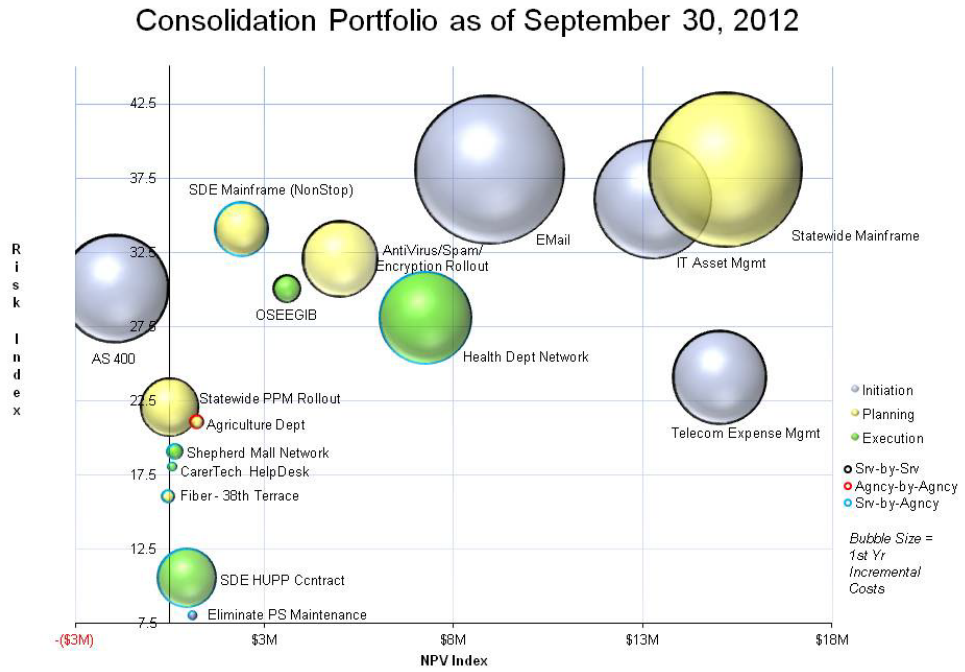
Consolidation Project Cost Avoidance Figure 10

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)
Health Network Consolidation	Execution		\$1,822,538	\$1,437,628	\$1,437,628	\$1,437,628	\$1,437,628
Microsoft EES Statewide Contract	Execution		\$1,139,031	\$1,139,031	\$1,139,031	\$1,139,031	\$1,139,031
TOTAL ANNUAL SAVINGS		\$2,788,227	\$6,509,376	\$6,124,466	\$2,298,774	\$2,298,774	\$2,298,774
Savings Over 6 Years ¹ \$20,607,682							
NOTES: ¹ FY12 plus NPV of savings achieved in FY13 – FY17							

Figure 11 is the updated consolidation portfolio illustration, with the supporting tables of Figures 12, 13 and 14.

Consolidation Portfolio as of September 30, 2012

Figure 11



Consolidation Portfolio

Figure 12

Project Name	Project Phase	Risk Rating	NPV	Payback Months	Year 1 Incremental Cost	Comment
Agency By Agency						
OSEE GIB Consolidation	Execution	28	\$3,107,091	2	\$222,615	All low risk activities have been completed.
Agriculture, Food & Forest Department Consolidation	Planning	20	\$708,539	19	\$25,965	Sec. Reese gave his approval to move forward on Sept 20
Health Department Consolidation	Initiation				\$0	The tower leads are working on their high level plan write-ups.
Wheat Commission Consolidation	Initiation					
Pardon & Parole Board Consolidation	Initiation					
Children & Youth Commission Consolidation	Initiation					

Project Name	Project Phase	Risk Rating	NPV	Payback Months	Year 1 Incremental Cost	Comment
Service By Service						
State Wide Portfolio & Project Management	Planning	22	\$ -		\$435,840	Kickoff meetings for 7 agencies are complete, 4 are scheduled, 7 are left to be scheduled. Design sessions complete for 5 agencies, scheduled for 5 agencies and 11 remaining to be scheduled. Two training sessions in November scheduled for 5 agencies, 2 have already had training.
Statewide Mainframe Consolidation	Planning	38	\$14,700,083	12	\$11,893,434	The Macro Design (AS-IS) activities have been completed. The Micro Design (Steady State) activities are underway. Collecting Position Assessment information for each of the mainframe focus areas. The Mainframe Service Rate activities will begin on November 1st.
AntiVirus, Spam and Desktop Support Services Consolidation - Statewide Rollout	Planning	30	\$4,518,383	10	\$732,431	Reviewing Final SOW and costs from Intuitive for rollout.
Telecom Expense Management (TEM)	Initiation	24	\$14,534,636	5	\$ 1,120,000	The TEM Discovery meeting results will be reviewed with the participating agencies and Business Segment Directors on Thursday Sept 27th. The next step is to assemble the team that will create the RFP.
¹ Microsoft EES Statewide Contract	Initiation	16	\$5,970,957	63	\$6,299,847	
IT Asset Management	Initiation	36	\$12,780,845	8	\$1,768,000	The next step on this project would be to complete a detail Business Value Analysis for 5 or 6 agencies with BMC
Enterprise Email Consolidation	Concept	38	\$8,464,782	20	\$2,807,000	On Hold (Proposal Review)
AS 400 Consolidation	Concept	30	(\$1,442,308)		\$1,500,000	On Hold (Proposal Review)

Consolidation Portfolio (Continued)

Figure 13

Project Name	Project Phase	Risk Rating	NPV	Payback Months	Year 1 Incremental Cost	Comment
Service By Agency						
¹ Health Department Network Consolidation	Execution	28	\$6,770,169	10	\$1,074,895	All pilot sites have been implemented and are operational. Health Department has signed the SOW and is using a PO to OneNet to purchase the equipment. OneNet is in the process of purchasing the equipment for all remote sites.
HUPP Contract Consolidation	Execution	20	\$452,909	58	\$440,458	
Shepherd Mall Agencies Network Consolidation	Execution	18	\$142,978	14	\$33,137	Business case approved
Career Tech Help Desk Transition	Execution	10	\$70,930	0	\$0	Approved
Fiber - 38th Terrace	Planning	16	(\$31,574)		\$23,684	Currently waiting for Letter of No Objection from ONG. Project will require City permit. In the Process of cutting Purchase Orders for all vendors.
SDE Mainframe Decommission (NonStop)	Planning	44	\$1,900,548	12	\$377,029	
Eliminate PeopleSoft Maintenance For Unused Modules	Initiation	16	\$807,611	0	\$0	Governance Board wants to review detail functionality of modules recommended for elimination

Note: ¹ Cost Avoidance Business Case

Completed Projects

Figure 14

Project Name	Current Project Phase	Risk #	NPV	Payback Months	Year 1 Incremental Cost
AGENCY BY AGENCY					
Consolidation - Treasurer	Close	18	\$1,444,629	1	\$31,000
Consolidation - OPM	Close	14	\$382,960	3	\$16,000
Consolidation - Board of Nursing	Close	12	(\$70,770)		\$6,396
Consolidation - AICCM	Close	10	\$216,820	0	\$0
Consolidation - Banking Department	Close	10	\$38,010	79	\$49,857
Consolidation - Capitol Improvement Authority	Close	12	(\$6,043)		\$2,421
Consolidation - Dept of Central Services	Close	12	\$75,065	81	\$101,414
Consolidation - Dept of Tourism	Close	14	\$491,842	13	\$106,822
Consolidation - EBC	Close	10	\$1,051,337	7	\$131,183
Consolidation - State Dept of Education	Close	24	\$5,682,348	6	\$597,857
Consolidation - Private Vocational Schools	Close	20	(\$3,700)		\$3,303
Consolidation - Labor Department	Close		\$396,276	38	\$252,760
Consolidation - Judicial Complaints Department	Close				
Consolidation - Merrit Protection	Close				

Project Name	Current Project Phase	Risk #	NPV	Payback Months	Year 1 Incremental Cost
SERVICE BY SERVICE					
¹ Microsoft Enterprise Agreement	Close	10	\$1,502,548		\$0
AntiVirus, Spam and Encryption Pilot	Close	30	\$4,518,383	10	\$732,430
COMIT Telemangement Billing Module	Close		\$588,815	7	\$71,325
Project Portfolio Management Pilot	Close				\$225,728

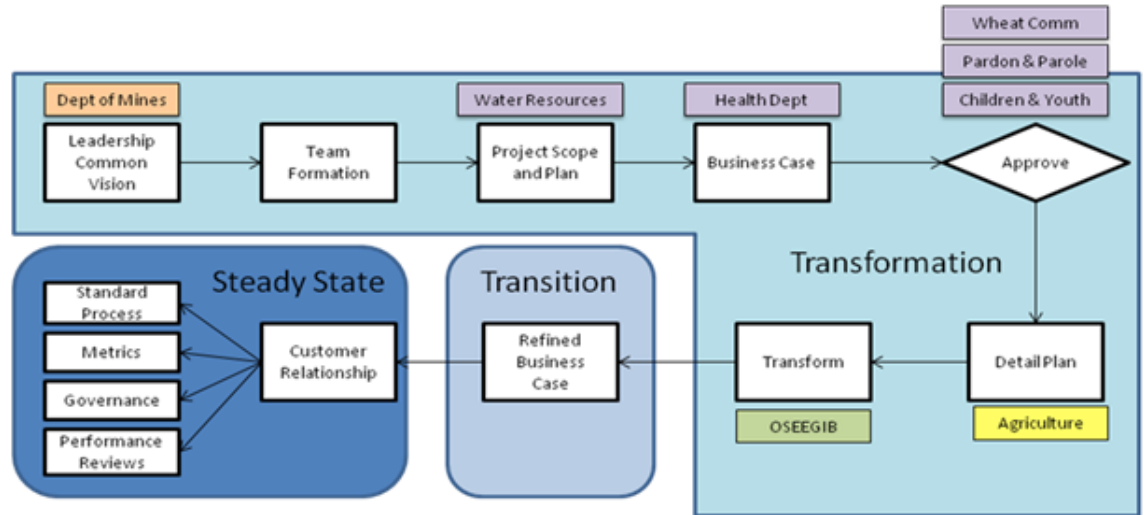
Project Name	Current Project Phase	Risk #	NPV	Payback Months	Year 1 Incremental Cost
SERVICE BY AGENCY					
Disaster Recovery Services	Close	14	\$1,113,477	23	\$433,595
Install VoIP for Oklahoma City County Health Department Main Site	Close	22	\$167,649	27	\$74,422
Dept of Corrections HCM	Close	18	\$937,286	29	460,030
SDE Print Services	Close		\$221,681	74	\$274,806
CareerTech Position Consolidation	Close	10	\$514,516	156	\$1,339,163
Fiber - 1st National Building	Close	10	\$231,102	13	\$50,900
Fiber - Professional Engineers & Land Surveyors	Close	20	(\$14,237)		\$34,086
Fiber - LandMark Tower	Close	20	\$15,832	285	75,279
Fiber - Classen Buildings	Close	24	\$18,877	59	\$18,500
CareerTech Independent Contractor Consolidation	Close		\$209,476		\$0
SDE Printer Consolidation - Phase II	Close	28	\$99,319	115	\$190,559
Agriculture Dept HelpDesk Transition	Close	20	\$15,126		\$0

Note: ¹ Cost Avoidance Business Case

Figure 15 is the updated agency-by-agency consolidation approach. Figure 16 illustrates the updated service-by-service approach and Figure 17 illustrates the progress of the service-by-agency approach as of September, 2012.

Agency-by-Agency Consolidation Approach

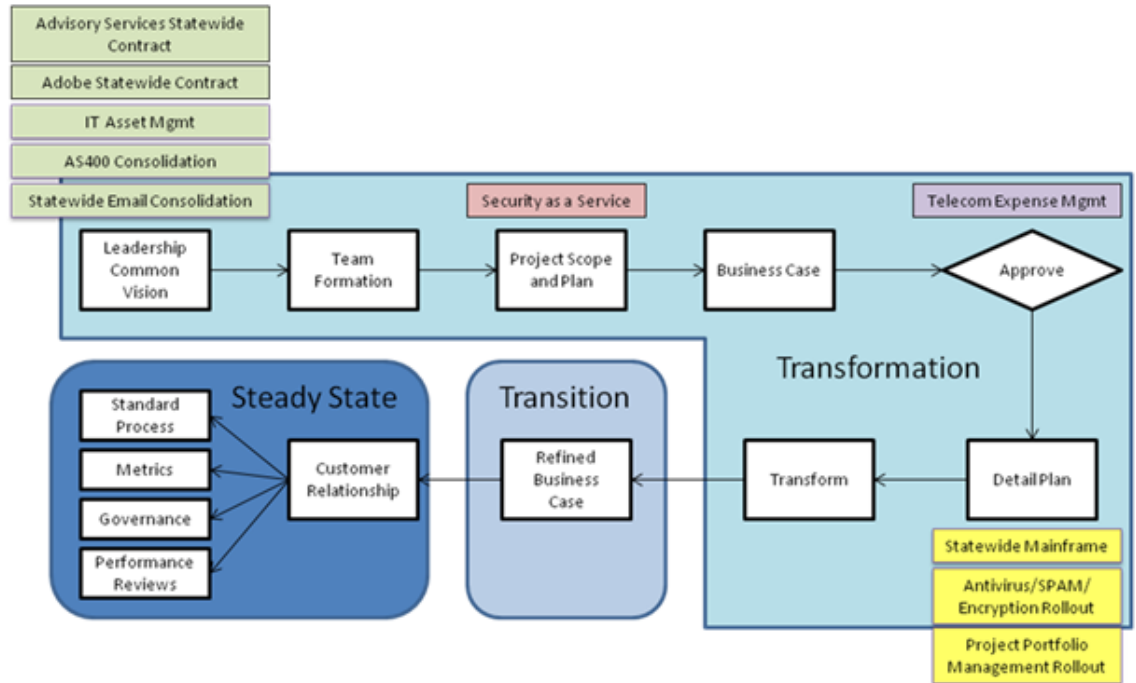
Figure 15



Abstractors Board Accountancy Board Aeronautics Comm Anatomical Board* Arts Council Banking Dept Building Bonds Comm* Capital Investment Board Capitol Improvement Authority	Ctr/Advancement of Science & Tech (OCAST) Central Services – DCS Construction Industries Board Consumer Credit Disability Concerns Education Dept Employees Benefits Council Fire Marshal	Governor Human Rights Comm Interstate Oil Compact Commission Judicial Complaints* Labor Dept Lic Social Workers Bd Lic Pet Breeders* Liquefied Petroleum Gas Board Long Term Care Admin Bd Marginal Well Comm	Merit Protection Commission* Motor Vehicle Comm Multiple Injury Trust Fund* Native American Cultural & Educ Auth Nursing Board Optometry Board Personnel Mgmt Office	Physician Manpower Training Comm Police Pension & Retirement Sys Private Voc Schools Bd Prof Engineers & Land Surveyors Licensure State Treasurer Teachers Prep Comm	Teachers' Retirement Tobacco Settlement Endowment Trust Tourism & Recreation Uniform Building Code University Hospitals Auth* * = No IT Services
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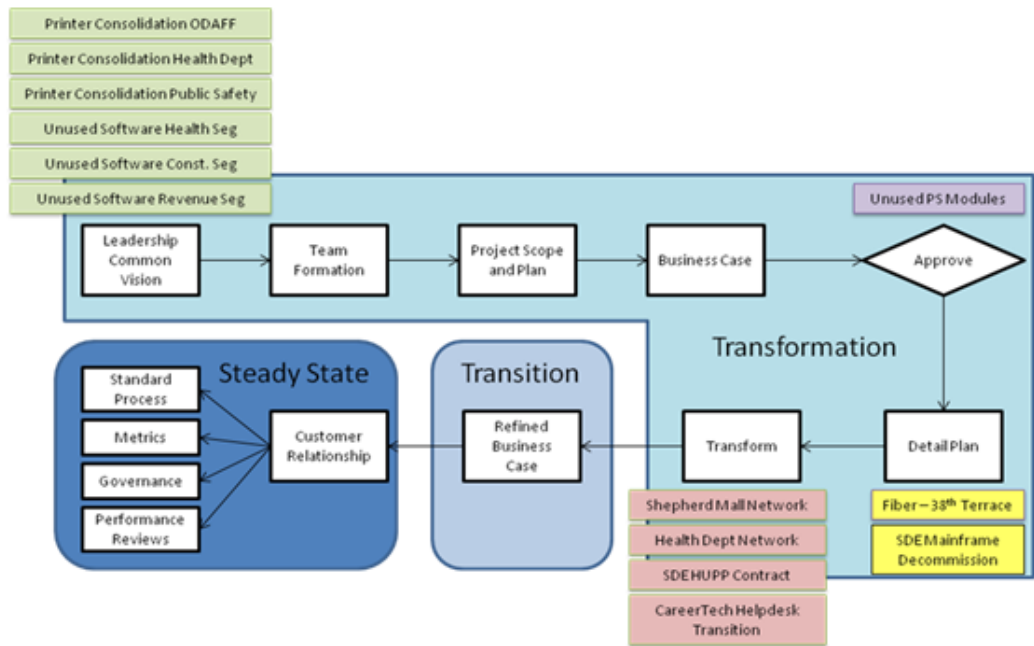
Service-by-Service Consolidation Approach

Figure 16



- Service-by-Service Completion**
- Microsoft Enterprise Agreement
 - People Move 2012
 - Antivirus / Spam / Encryption Pilot
 - COMIT Tele-management Billing Module
 - Project Portfolio Management Pilot

Service-by-Agency Consolidation Approach Figure 17



- Service-by-Agency Consolidation Approach**
- Department 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
 - SDE Print Services Phase 2
 - ODAFF Helpdesk Transition

Completed Consolidation Projects

- **CareerTech Position Consolidation**
The Office of Management and Enterprise Services, in partnership with the Oklahoma Department of Career and Technology Education (ODCTE), was able to reallocate job duties and provide additional leadership opportunities for the IT staff assigned to ODCTE. This allowed for the elimination of a vacant senior IT management position and resulted in first year savings of \$98,150 and a positive net present value of \$514,516.
- **Fiber PELS**
This project consisted of providing single-mode fiber connectivity to the Board of Licensure for Professional Engineering and Land Surveyors. It aids in the consolidation and optimization of this agency and other partners in the future. The new fiber connectivity also provides

redundancy and a reduction in current commercial fees and maintenance cost. It enables the Office of Management and Enterprise Services to support an array of common application and equipment, thus reducing their overhead and base support expenditures.

- **Fiber Landmark Tower**

The Landmark Towers project consisted of a joint effort between the Office of Management and Enterprise Services and the Oklahoma Department of Transportation to provide single-mode fiber connectivity to four state agencies for consolidation. This effort enabled OMES to reduce overall connectivity service cost by \$15,000 per year while also extending state network and server support further reducing state expenditures. One key aspect to the installation of the fiber was the support provided by the property owner which included funding, space and maintenance support.

- **Fiber Classen**

The North Classen consolidation project enabled a joint collaboration between the state, property owner and commercial vendor to support numerous state agencies in two facilities. The property owner places a conduit between two buildings housing seven state agencies paying \$47,000 per year for voice and data services. Utilizing the owner's conduit, OMES provided single-mode fiber connectivity between the facilities which in-turn enables a single connection through the commercial vendor back to the state data center. The optimization of the agencies' traffic and services over one connection provides a savings of \$14,500 per year.

- **CareerTech Independent Contractor Consolidation**

The Office of Management and Enterprise Services, in partnership with the Oklahoma Department of Career and Technology Education (ODCTE), was able to eliminate the need for an independent contractor which supported some ODCTE IT systems. This was accomplished through the transfer of knowledge and duties to shared resources and resulted in first year savings of \$39,960 and a positive net present value of \$209,476.

- **Dept of Education Printer Consolidation Phase 2**

The Office of Management and Enterprise Services, in partnership with the State Department of Education (SDE), continued the consolidation of print devices in this second phase of the project. Managed print services include copiers, printers, scanners, fax machines, multi-function printers and consumables/supplies. Prior to Phase 1, SDE used eight (8) vendors for those services at an annual cost of \$475,057. Phase 1 of the project yielded a positive net present value of \$1,396,257 without sacrificing features or functionality. Phase 2 of this project focused on the retirement of desktop-based print devices and continued this trend with an additional positive net present value of \$103,465.

- **Agriculture Helpdesk**

The Office of Management and Enterprise Services (OMES), in partnership with the Oklahoma Department of Agriculture, Food and Forestry (ODAFF), was able to transform and support the information technology helpdesk function. This was accomplished by transferring the existing ODAFF IT helpdesk personnel and systems to the OMES Service Desk. This transition resulted in first year cost savings of \$3,086 and a positive net present value of \$18,239.

- **COMIT Telemangement Billing Module**

This project involves installation and configuration of an upgrade to PCR's COMIT Cable Management System. The upgrade consists of installing a billing module that will provide a service invoice to OMES customers for telecom related expenses.

The COMIT Telemangement System has a comprehensive billing module which includes CDR/SMDR/IPDR call collection, rating and processing for one SL100 and one Avaya 8730 (standard switch output).

Additional billing functions include:

- General Ledger File in the format defined by OMES
- Rate table and V&H tables with updates
- Integration with COMIT service order, projects and equipment inventory
- Bill view integration with WebCenter
- Billing reports including standard exception reports
- Import of up to 5 vendor billing files/invoices (electronic)

This project has reduced annual maintenance cost for these functions and provides a net present value of \$588,815.

- **Private Vocational Schools**

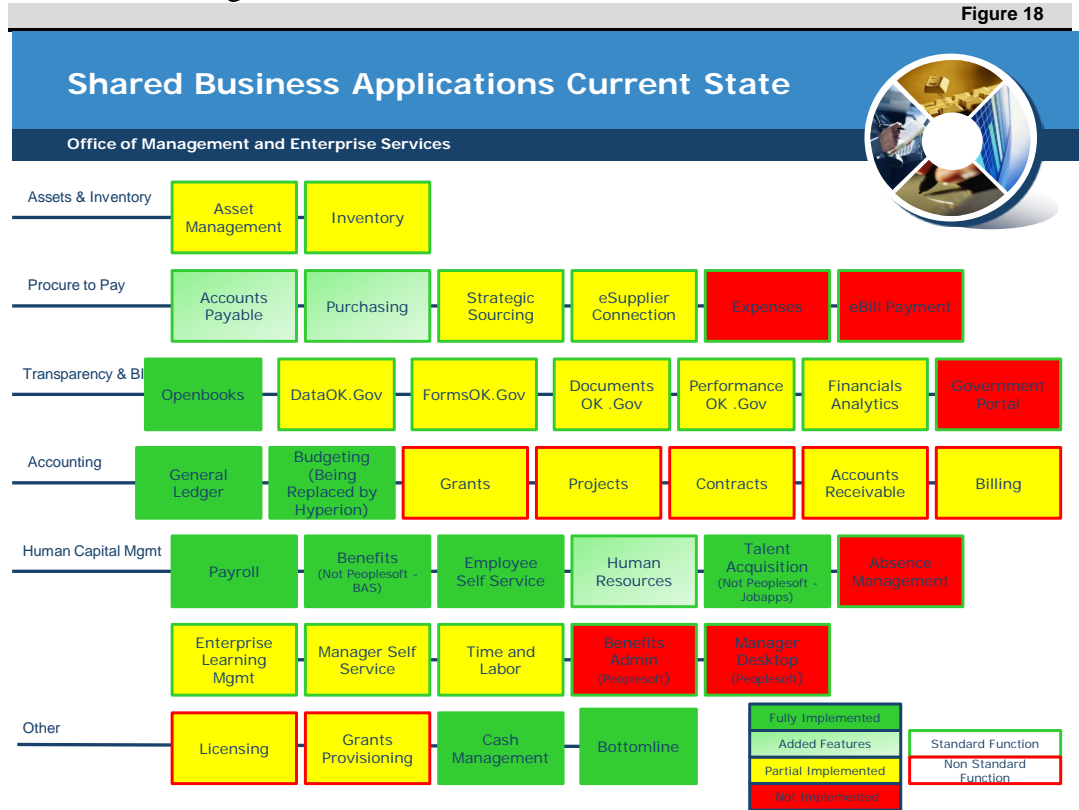
OMES was able to transform and assume the support of OBPVS's network including the configuration and management of its switches, firewall, email and calendaring, file and print as well as all desktop support. The agency is now well positioned to take advantage of the full spectrum of OMES's broad range of advanced services that leverage the statewide infrastructure.

- **Labor Department**

OMES was able to transform and assume the support of OBPVS's network including the configuration and management of its switches, firewall, email and calendaring, file and print, as well as all desktop support for all 77 employees including offices in OKC, Tulsa and field employees. We were able to reduce expense for hardware, software and services by utilizing enterprise-wide services to decommission all supported servers, saving approximately \$86,293 in the first year. This agency had a positive net present value of \$472,802 upon being transferred to steady state. The agency is now well positioned to take advantage of the full spectrum of OMES's broad range of advanced services that leverage the statewide infrastructure.

2 Shared Business Applications Update

Shared Application Services include applications that support assets and inventory, procure to pay, transparency and business intelligence, accounting, human capital management, and other miscellaneous business functions. The implementation of these applications is most effective when they support standard business processes. A model of the current state of Shared Business Applications can be seen in Figure 18.



The functions highlighted in the dark and light green are implemented for most of the state agencies. If a function is light green, it means that more functionality is available for that specific business function. The functions in yellow are implemented in some of the agencies in the state. The functions highlighted in red are applications that are owned by the state but not utilized. In addition each rectangle is either outlined in green or red. Green indicates that the business function can utilize standard processes across agencies. These type of functions can be implemented quicker and at a lower cost than the functions that support non-standard (agency specific) business processes. It is apparent that the state has started many shared application function but has achieved a statewide rollout on only a few of these initiatives.

Over the past several months the shared business applications governance committee has met to layout the strategic direction for the implementation of shared application services for the state. The priorities outlined by this group

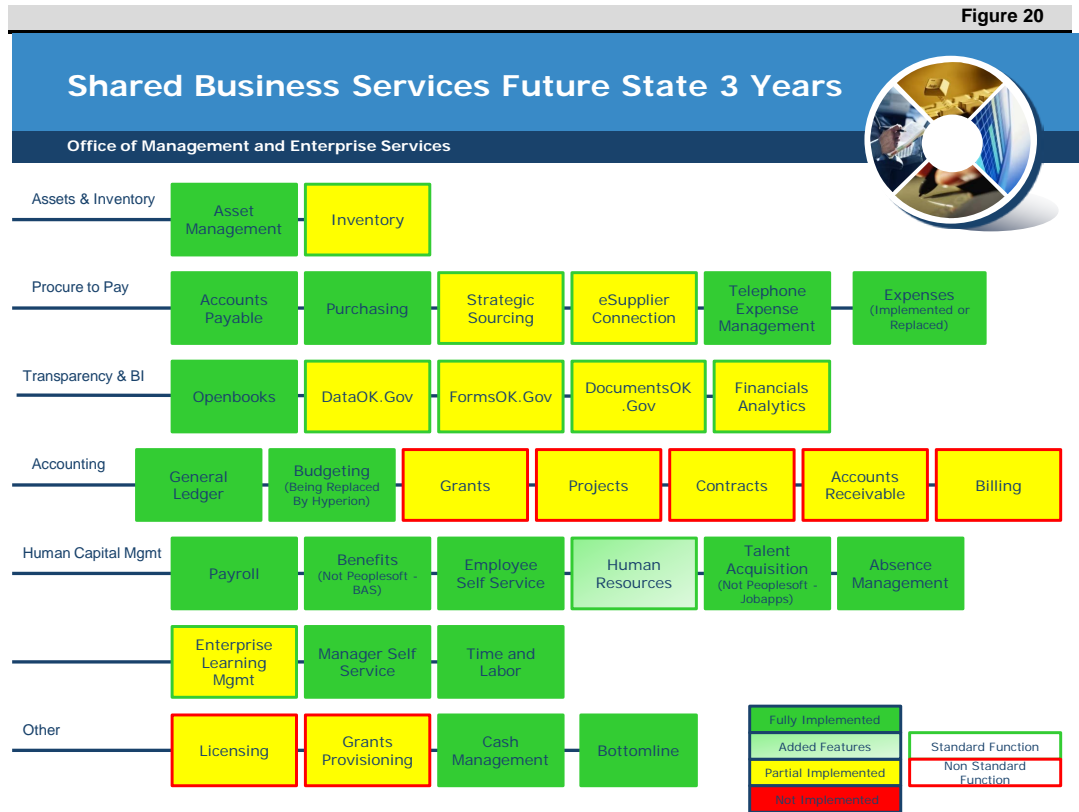
were to: 1) identify applications that are not going to be utilized by the state and drop software maintenance on these functions to reduce cost; 2) complete projects that are in process; 3) work on projects that have harvestable savings (positive business case); 4) work on projects that support the accounting consolidation efforts; 5) complete the rollout of functions that are underutilized and support standard business processes (yellow with a green outline); 6) start and complete the rollout of functions that are standard but not yet started (red with a green outline); and 7) work on functions that are underutilized and support agency specific services (yellow with a red outline).

Based on these priorities and available resources a three-year plan has been created see Figure 19.



A model for the future state (three year) Shared Applications Services can be seen in Figure 20.

Figure 20



The shared business application services governance committee will meet on a quarterly basis to track progress against this plan, review and prioritize new projects, and approve budgets. In their next meeting they will review a plan to stop paying software maintenance on the applications that have not been implemented that will save the state \$600K over five years.

In the original Information Technology Modernization Study, it was pointed out that the state has many applications that duplicate the same business functions (i.e. 76 financial systems, 22 time and attendance systems, etc.). One of the key purposes of the Shared Business Applications program is to reduce these types of applications. In fiscal year 2012, the team has eliminated 22 applications and there are an additional 10 applications planned for elimination in fiscal year 2013. The chart below outlines the applications that have been eliminated or are planned to be eliminated. We will continue to track the elimination of duplicate applications as one of the key performance metrics of this program.

Identified Agency Systems Eliminated or To Be Eliminated By Central Systems

- **Department of Capital Asset Management**
 - Payroll
 - Time and Effort
 - Great Plains Billing and Receivable
- **Department of Commerce**
 - Grants Management
 - HP MPE Platform
- **Department of Corrections**
 - Oracle HR
 - Oracle Learning Management
 - Oracle Time & Leave
 - Mainframe Platform
- **Department of Environmental Quality**
 - Time & Effort
 - Inventory
 - Financial Systems
 - Training Database
- **Department of Health**
 - Time & Effort
 - Mainframe Platform
 - Other To Be Determined In Consolidation
- **Department of Mental Health**
 - Oracle Inventory
- **Department of Transportation**
 - Inventory
 - Other To Be Determined In Consolidation
- **Office of Personnel Management**
 - State Pay For Higher Ed
 - State Personnel For Higher Ed
- **Office of Management and Enterprise Services**
 - Accounts Receivable/Billing
 - Time Entry
- **Oklahoma Accountancy Board**
 - Licensing System
- **Oklahoma State Treasurer**
 - ACES Cash System
 - Account Reconciliation System
- **Police Pension and Retirement System**
 - Mainframe System
- **Secretary of State**
 - SOS Application
 - SOS Notary System

- **State Department of Education**
 - Help Desk
- **Tourism Department**
 - Help Desk
- **Water Resources Board**
 - Time Entry

Figure 21 represents the 2013 schedule for shared service projects.

FY2013 Shared Business Services Project Schedule											Figure 21	
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
BI Project Analytics					Green	Green	Green	Green	Green			
Children & Youth Services MSS	Purple	Purple	Purple	Purple								
Commerce GPC Support					Green	Green	Green					
DCS AR/Billing Conversion To PS	Yellow	Yellow	Yellow	Red								
Debt Transparency-HB 2857								Green	Green	Green		
Dept of Rehab Services MSS	Purple	Purple	Purple	Purple								
Electronic Vendor Payments	Purple											
ePro Statewide For All Purchases					Green	Green	Green					
ePro Statewide For IT Purchases	Yellow	Yellow	Yellow	Red								
Grants Provisioning-Commerce Pilot	Purple	Purple	Purple	Purple								
Grants Provisioning-Commerce Rollout	Yellow	Yellow	Yellow	Green	Green	Green						
Grants Provisioning-DAC JAG	Purple	Purple	Purple									
Grants Provisioning-DAC RSAT	Yellow	Yellow	Yellow	Green								
Grants Provisioning-DAC VOCA	Purple	Purple	Purple									
Grants Provisioning-DAC Rollout	Yellow	Yellow	Yellow	Green	Green	Green	Green	Green				
Grants Provisioning-Homeland Sec	Yellow	Yellow	Yellow	Green	Green							
Grants Provisioning-OCAST OARS	Yellow	Yellow	Yellow	Green	Green	Green						
Grants Provisioning-TSET	Yellow	Yellow	Yellow	Green	Green							
Health Department GPC AR/BI	Yellow	Yellow	Yellow	Green	Green	Green	Green	Green	Green	Green	Green	
Health Department Time & Labor	Yellow	Yellow	Yellow	Green	Green	Green	Green	Green	Green	Green	Green	
Higher Education Payroll Interface	Purple	Purple	Purple	Purple								
Hyperion Budget System						Green	Green	Green	Green	Green	Green	Green
Licensing-Construction Industries	Yellow	Yellow	Yellow	Green								
Licensing-Health Department	Yellow	Yellow	Yellow	Green	Green	Green	Green	Green				
Licensing Labor Department					Green	Green	Green	Green				
Licensing-Long Term Care Admin	Purple											

	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Licensing-Real Estate Commission	Yellow	Yellow	Yellow	Green	Green	Green						
ODOT GPC AR/BI						Green	Green	Green	Green	Green	Green	Green
OESC GPC Support	Purple	Purple	Purple									
Optimize Procure To Pay	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
OSF ISD Consolidation	Purple	Purple										
State Auditor & Inspector GPC AR/BI							Green	Green	Green	Green	Green	Green
State Auditor & Inspector MSS							Green	Green	Green	Green	Green	
Treasury ACES Replacement	Yellow	Yellow	Yellow	Green	Green	Red						
Treasury Cash Management	Yellow	Yellow	Yellow	Green	Green	Red						

A text version of the table above is available on Page 6-18 of Appendix A.

3 Governance

Previous quarterly reports have alluded to governance and the need to establish a process to integrate IT into the achievement of the agency goals. We have made much progress toward establishing a statewide governance process, which is described here.

The Governmental Technology Applications Review Board created in House Bill 1170 (2010) has taken an active role in working with the Chief Information Officer in the review of, amendments to and approval of the proposed plans of action. The Board has provided a forum to ensure transparency and openness as the process of consolidation has moved forward as directed by the Oklahoma Legislature. Information concerning board meetings and action items and other business taken up by the Board is published on www.cio.ok.gov, providing all interested parties up-to-date information. The Board also provides a review of convenience fees charged by state agencies, boards, commissions or authorities for electronic or online transactions, ensuring fees charged are appropriate and consistent. The Board has been diligent in providing this oversight and has encouraged those making application to implement applications using convenience fees to make greater use of the open-systems concept as defined in statute.

Figure 22 outlines the general governance model proposed in the CapGemini report of 2010. The high level process outlined emphasizes the establishment of business driven committees that set strategy to ensure IT is working on the right projects.

Enterprise Governance Model Figure 22

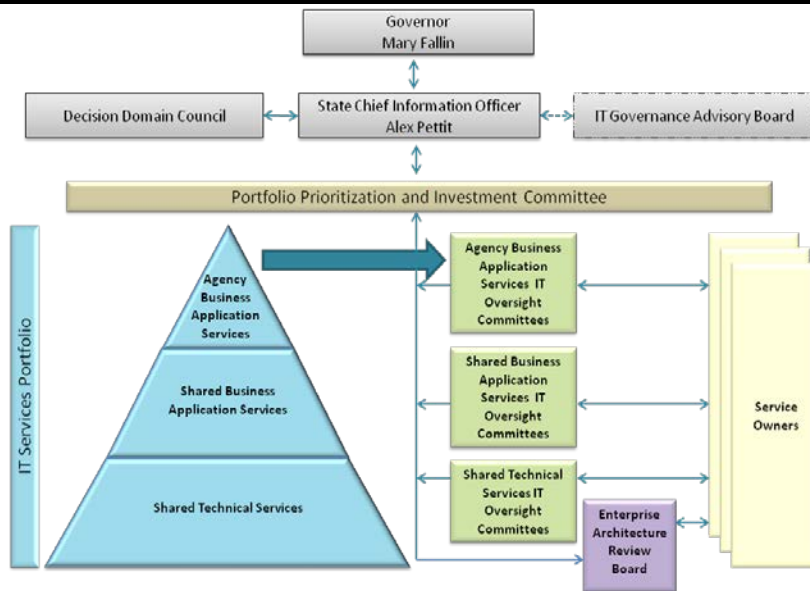
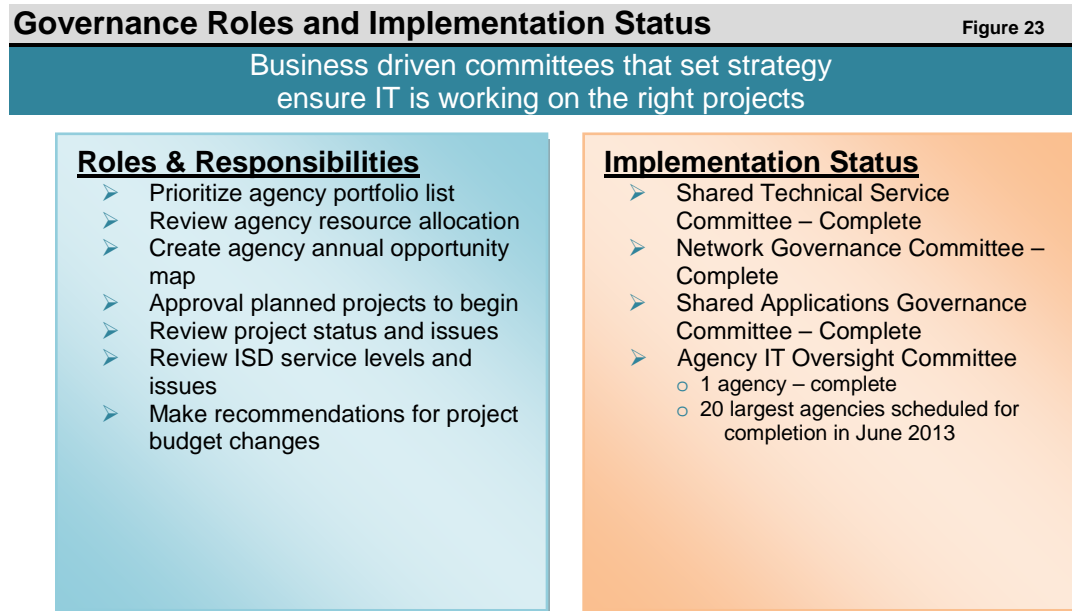
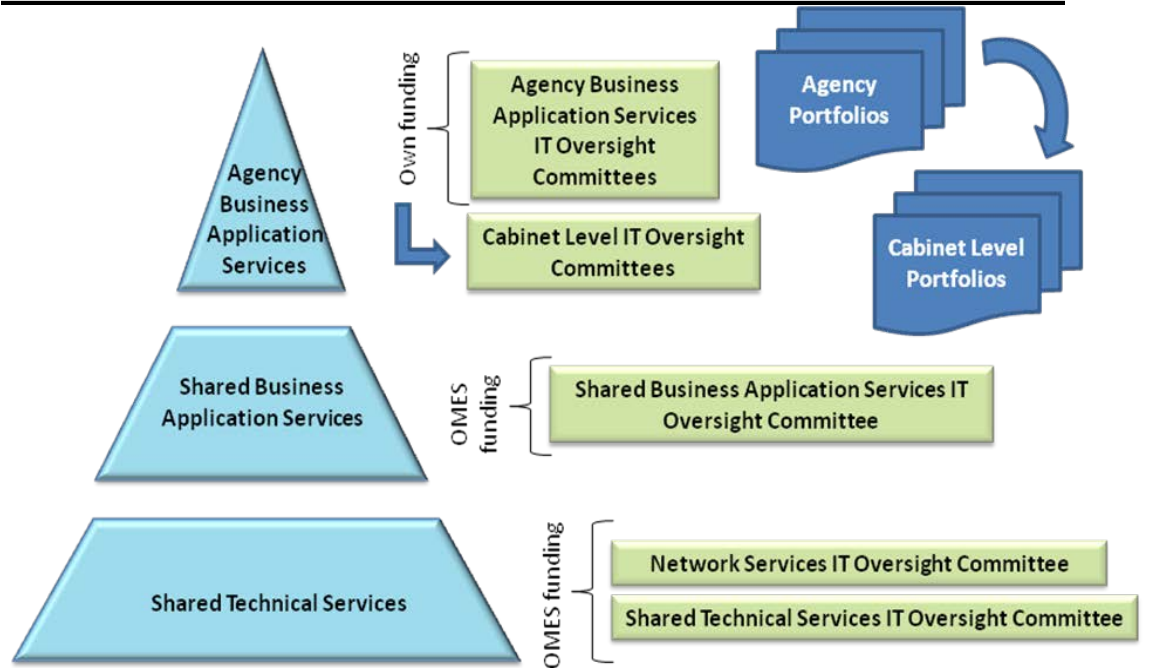


Figure 23 outlines the roles, responsibilities and the status of implementation of these committees. These committees have responsibility to review and approve budgets, allocate staff resources and to set priorities.



The IT services portfolio governance decomposition can be seen in Figure 24. Agency IT projects are reviewed with the governing bodies for those specific agencies. There are 17 large or giant agencies which warrant this level of governance. At the next level down are the cabinet segment governing bodies, which review all project portfolios for all the agencies in a single cabinet. A more detailed illustration of this can be seen in Figure 25. Agriculture and environment, education, health and human services, finance, public safety and security, and construction are the cabinet segment governance boards which have or are in the process of being set up.

Enterprise Governance Decomposition Figure 24



Cabinet Governance Figure 25

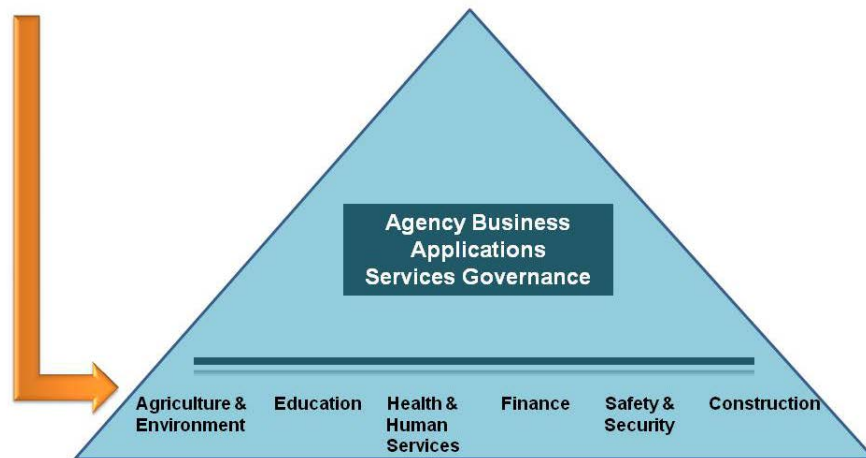
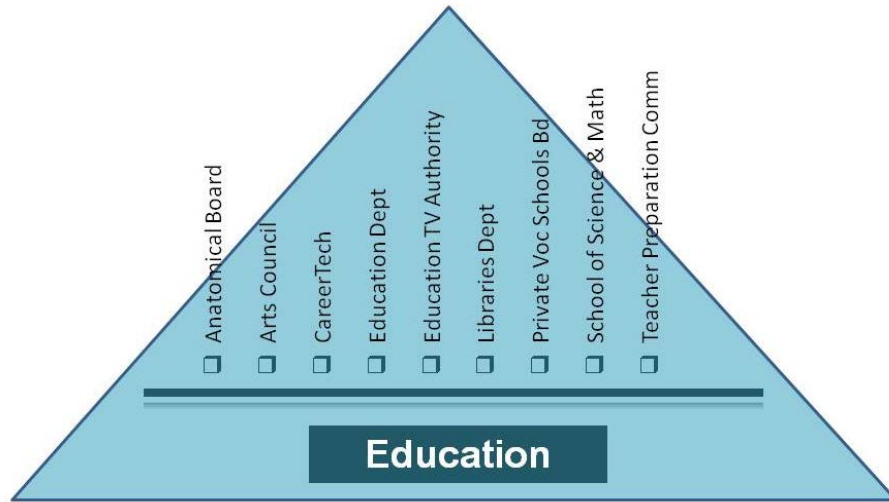


Figure 26 takes the education segment and lists all the agencies that are part of this grouping. These groups will meet quarterly to approve planned projects, review project status and issues, review service levels and issues, and make recommendations for project budget changes. This provides the greatest opportunity for agencies within a cabinet to identify where there are opportunities to collaborate on projects, cooperatively meet needs, and otherwise stay informed about the activities and priorities of their sister agencies. This represents a significant change to how work has been performed in Oklahoma, with every agency responsible for and accountable to only their own agency director or

governance body and missing synergistic opportunities to collaborate with other agencies performing complimentary work in the same general segment.

Cabinet Governance – Education Segment Figure 26



We have begun the process of setting up the IT Oversight Committees for the 21 large and giant agencies with Education being complete. Cabinet level governance will be launched after the agency governance boards are meeting and have begun utilizing the portfolio project management tool for all projects and have adopted the state project management framework to consistently measure and track progress on projects. The rollout schedule for this process can be seen in Figure 27.

Rollout Schedule Figure 27

Agency	Kickoff	Agency	Kickoff
Tax Commission	September	Juvenile Affairs	November
Rehabilitation Services	October	Corrections	December
Agriculture	October	Education Emp Ins Gp	December
Environmental Quality	October	Veteran Affairs	December
Libraries	October	Transportation	December
CareerTech	October	Mental Health	January
Water Resources	October	Corporation Comm	January
Health Care Authority	October	Bureau of Investigation	January
Public Safety	November	Health Dept	February
Human Services	November	Employment Security	February

A text version of the above table can be found on Page 6-21 of Appendix A.

For a specific example of how this has been implemented, the Oklahoma State Department of Education would be our most mature implementation to date. A graphic of how this has been implemented is depicted in Figure 28, illustrating how various responsibilities are assigned to different committees comprised of agency and IT staff. This ensures tight alignment between strategic direction of SDE agency leadership and the day-to-day activities of OMES IT staff.

OMES Learned About SDE

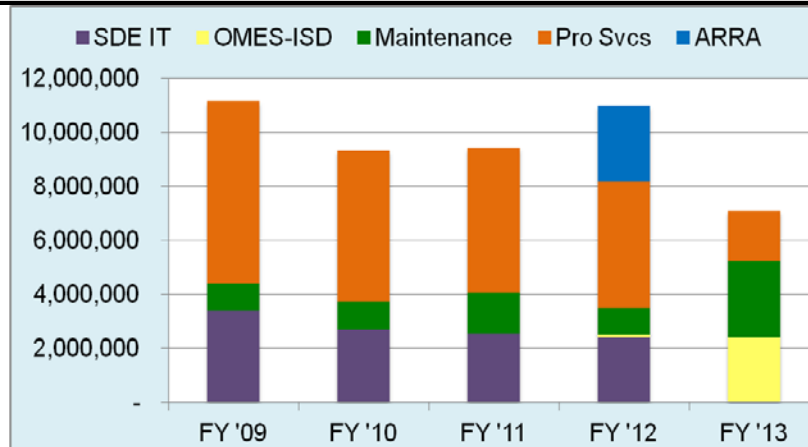
Figure 28



In turn, this has given us greater insight into how IT dollars are spent in the agency and the opportunity to align that spend with the priorities of leadership. These are depicted in figures 29, 30, 31 and 32. As an example of how this information affects policy, in Figure 32 almost 75% of the maintenance budget is consumed by the special education software solution, but only 17% of all school districts use this solution to meet their needs. This has given us the opportunity to review and recommend changes to reduce the maintenance costs and bring them more in line with the value of the solution.

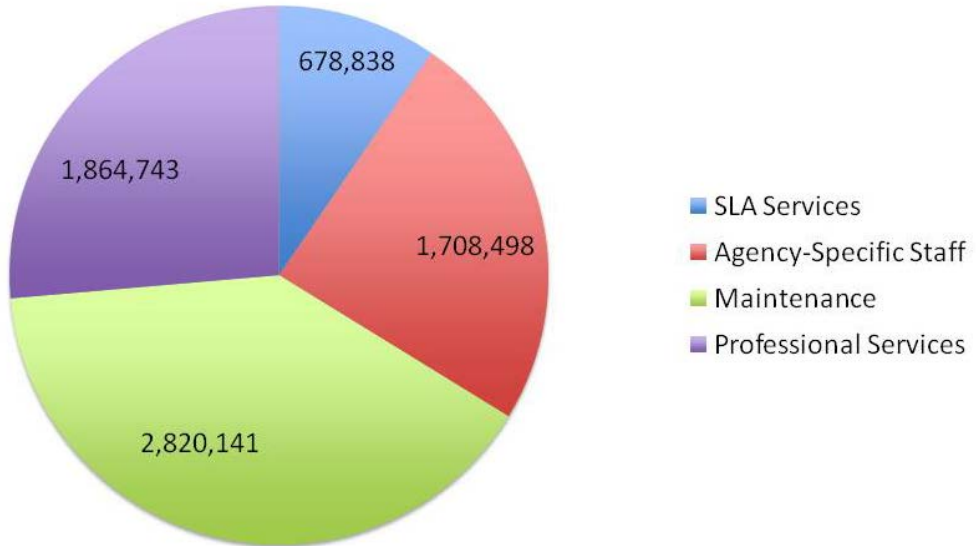
SDE IT Spending

Figure 29



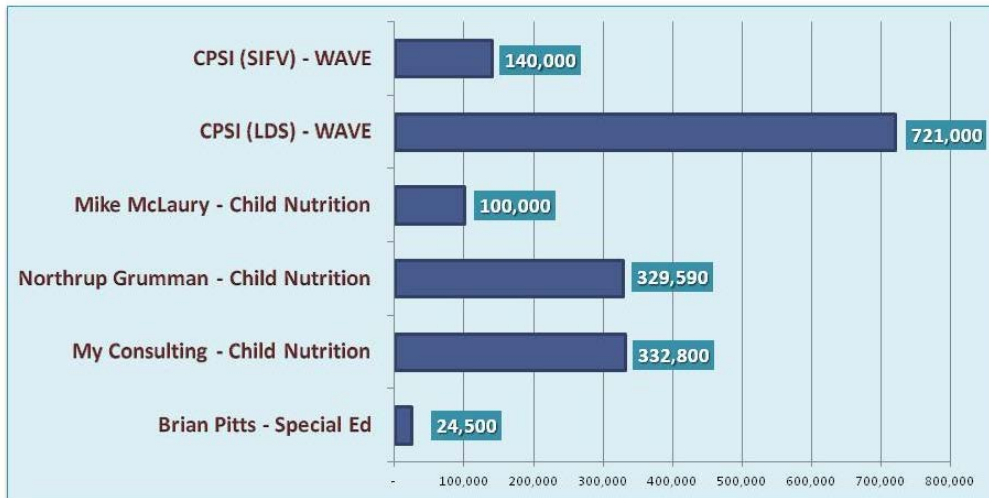
SDE IT Spending – FY13

Figure 30



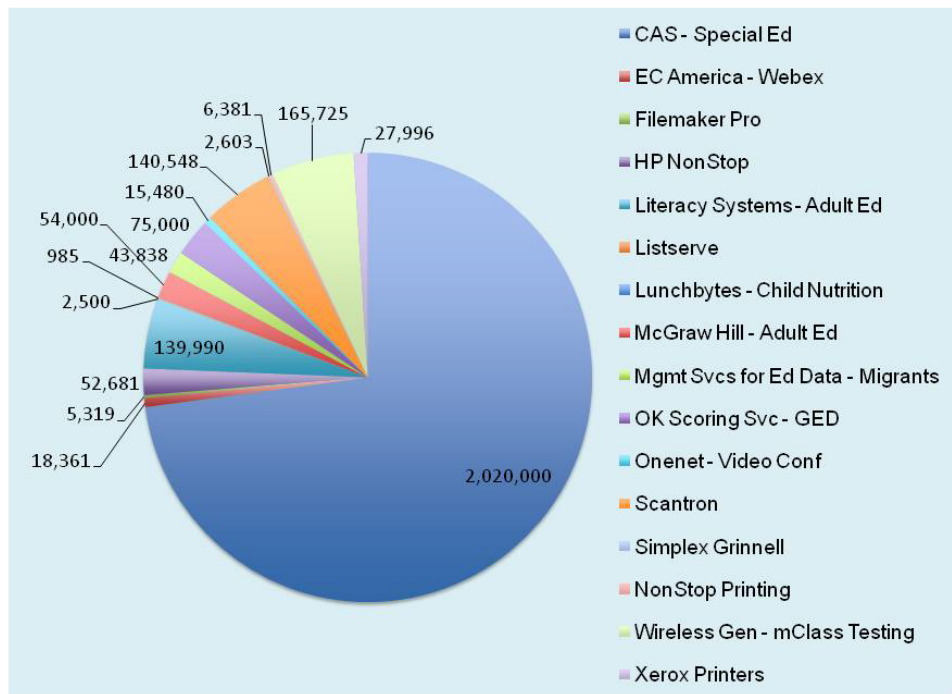
SDE Professional Services

Figure 31



SDE Hardware/Software Maintenance

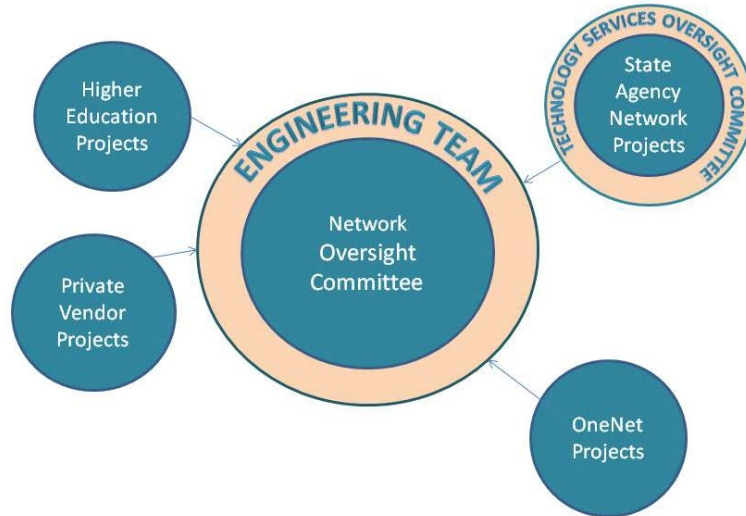
Figure 32



Another implementation example is our governance proposal for the state network and connectivity system. Figure 33 illustrates how OneNet, the Oklahoma Department of Transportation and Oklahoma Office of Management and Enterprise Services will coordinate our efforts and activities for the benefit of all stakeholders and users of the OCAN, state fiber network, or the OneNet connectivity services in a complimentary partnership. This group will approve the standards for network assets, approve the pricing structure, prioritize projects, approve project funding in the form of annual budgets and changes to budgets, review resource allocations, review service level targets and performance against these targets, and approve projects as they move through the phases of the ITIL project management process.

Network Governance Structure

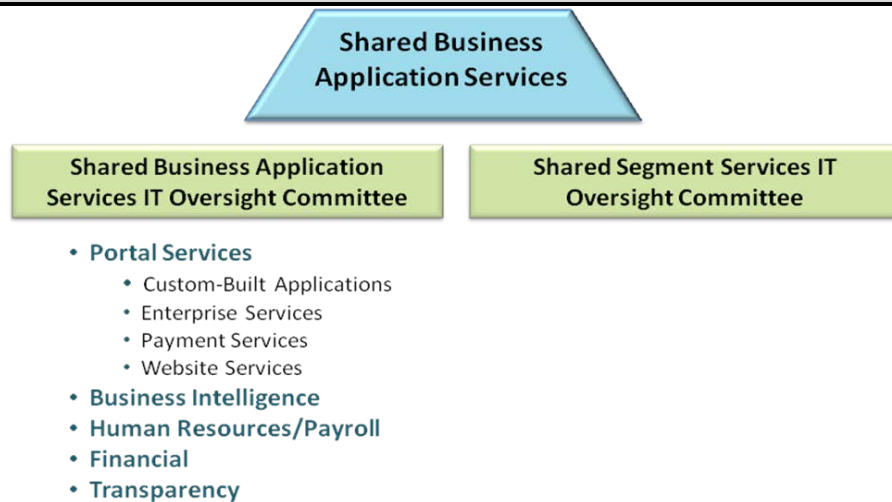
Figure 33



The final implementation example is the governance model for the shared business applications services, better known as our PeopleSoft services discussed in section 2 of this report. As depicted in Figure 34, the shared business application services reside in the middle of the pyramid with two different groups to review and approve projects and activities. The Shared Business Application Services Governance Board reviews the portal services, business intelligence projects, human resources/payroll projects, the financial services projects, and the transparency initiatives undertaken by the PeopleSoft team. Led by the business segment director (Mike Hedrick), the board is comprised of the key business owners from HR, DCAR, DCS and OMES administration. This group meets quarterly and is our longest standing example of an IT governance process in the state.

Shared Business Applications Services Governance

Figure 34



4 IT Security

With all of the security breaches in state and local government, it seems a good time to outline the approach the State of Oklahoma has taken towards cyber security, the project plan and the projected completion and accelerated completion timelines.

Unlike other disciplines, practice leads research in information technology security. If this were the state of practice in the field of medicine, there would be doctors trying all kinds of different combinations of chemicals and compounds to cure whatever ailments they encountered, with hit-and-miss success. However, medicine is a well-defined and relatively older discipline, and IT Security is a relatively new one. Thus, not only does practice lead research, but products lead the services. As an example of this, think of our latest revolution with bring-your-own-device (BYOD). It was not the IT services groups which established the service offering and then encouraged employees to procure and use their own iPhones or iPads, it was the employees who procured these devices demanding access to the state's email and data systems to better perform their jobs which has forced IT departments to provide a previously unimagined security service.

This approach has made it difficult for IT security organizations to structure a risk model. At a high level, risk can be addressed in one of four ways: through avoidance; risk transfer; risk mitigation; or risk acceptance.

Risk avoidance is where threats are identified and categorized and avoidance options are measured and strengthened to detect, prevent and react to an event trigger. Strategies employed in risk avoidance efforts by states include what we identify as base security services: virus protection; spam filtering; disk encryption; and firewall maintenance. Additionally, independent validation and verification in the form of penetration tests or reviews by third parties of configuration of these services is done routinely by some state agencies.

Risk transfer is primarily focused on providing financial protection against the quantitative impacts of an event. Historically, this has been accomplished through training, policies and procedures. Often the instrument itself fails to provide the transfer of risk hoped, and it reduces the IT security group to acting more as a guild protecting itself from blame than a steward of the state taking ownership and actively working to address the vulnerabilities. Additionally, this transfer of risk does nothing to address qualitative impacts (damage to relationships or damage to image) which often accompany large-scale security failures and represent the most significant long term effects.

Risk mitigation is concerned with how to respond to and recover from a disruptive event, thereby reducing the exposure to and likelihood of the occurrence becoming a significant event. Mitigation can come through specifically identifying likely outcomes and procuring tools to detect, notify and mitigate the negative effects of problems which can be anticipated. Examples of this include intrusion detection, intrusion prevention and network monitoring solutions. Historically, mitigation has reduced the number and size of

interruption claims. Mitigation is the primary focus of the mid-level and advanced-level security services discussed later in this section.

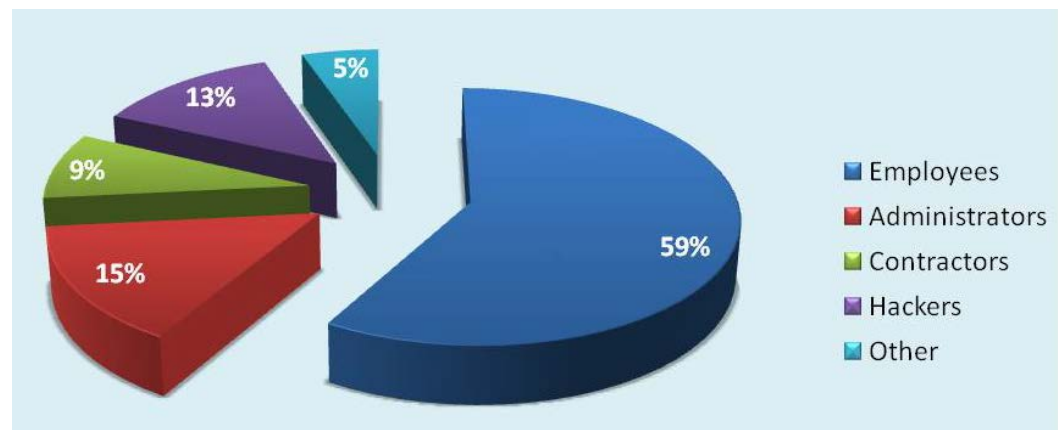
Risk acceptance is when leadership has a clear understanding of and confidence in the staff's ability to respond to a disruptive event or delivery failure. This is only possible with the successful execution of risk avoidance, transfer and mitigation strategies.

Enterprise Security as a service is the consolidation of security functions for all state agencies. This will establish a common set of tools, policies and procedures to implement and maintain a strong security posture for all desktops, servers and online services. These efforts are concerned with defending all information assets from both external and internal threats by providing tools and resources for security best practices and establishing a culture of security awareness.

Common threats include viruses, malware, rogue emails, employee negligence, theft and disgruntled employees. These have always been the core issues, with negligence as the primary root cause of the majority of security breaches. Newer threats include targeting mobile device access, search engine poisoning, phishing and hactivism, where an individual or group attacks the online presence of an entity specifically due to a public position they have taken or policy they endorse. Many states and municipalities have been targets of hactivism, including most recently the state of Alabama and the city of Orlando, Florida. These threats are illustrated in Figures 35 and 36.

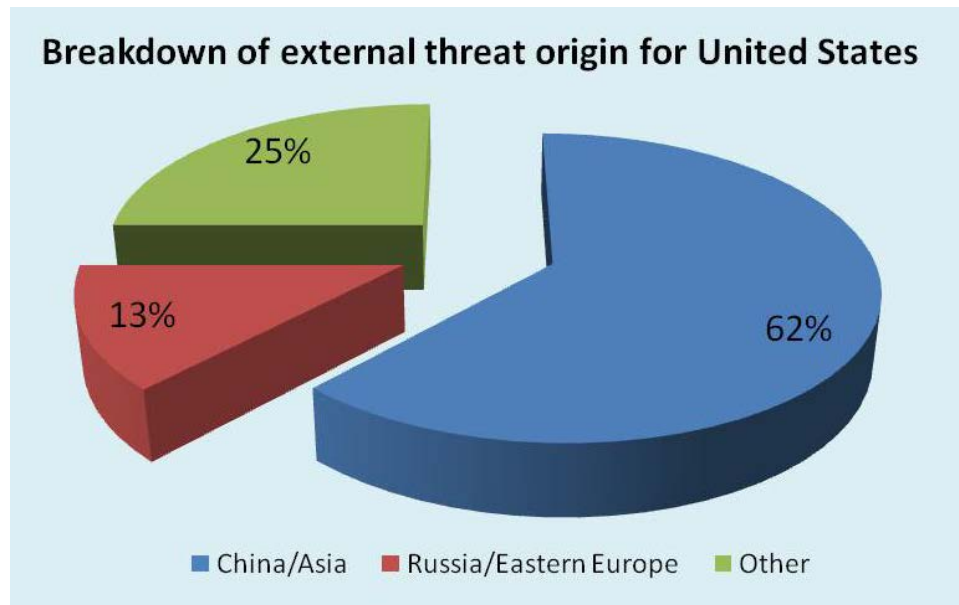
Biggest Threat to Government

Figure 35



External Threats

Figure 36



Starting in February 2012, OMES has provided basic security services to the 46 agencies which have had their IT consolidated. Our plan is to roll-out these basic security services to all of the agencies by June of 2013. Basic security services include antivirus, antispam, hard drive encryption, incident response services and Security Information and Event Management (SIEM) services, to include intrusion detection services (IDS), intrusion prevention services (IDS) and the analysis and correlation of other sources of security information. This service will manage firewalls, filter web content, monitor networks, ensure software patches are kept up to date, and manage and monitor the mobile devices used by the various agency personnel.

As an illustration, the pre-consolidated security posture for the 46 agencies which have been consolidated appears in Figure 37. This same chart is depicted as all green today, but it does give some idea what we expect to find for the majority of the remaining 80 agencies yet to be consolidated.

Pre-consolidation Posture for Consolidated Agencies Figure 37

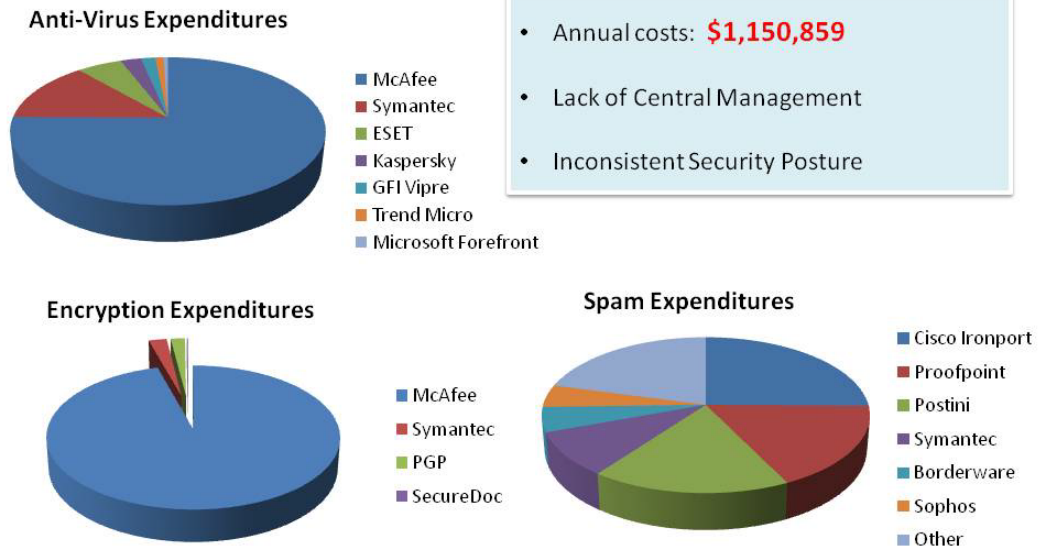
Agency Name	Anti Spam	Anti Virus	Endpoint Encryption	Incident Response	SIEM	IDS/IDP	Firewall Mgmt.	Web Filtering	Network Monitoring	Patch Analysis	MDM
Aeronautics Commission	Green	Green	Red	Red	Red	Red	Green	Red	Green	Red	Green
Construction Industries Board	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Arts Council	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Physician Manpower	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
OCAST	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Teacher's Retirement	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Disability Concerns	Green	Red	Red	Red	Red	Red	Green	Green	Green	Red	Green
Human Rights	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Ethics Commission	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
TSET	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Interstate Oil	Green	Green	Red	Red	Red	Red	Green	Red	Green	Red	Green
Fire Marshall	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
LP Gas	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Marginal Wells	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Motor Vehicle	Green	Red	Red	Red	Red	Red	Green	Green	Green	Red	Green
Long Term Care	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
PELS	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Lic. Social Workers	Green	Red	Red	Red	Red	Red	Green	Green	Green	Red	Green
Consumer Credit	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Abstractors Board	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Governor's Office	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Treasurer	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Education	Green	Green	Green	Red	Red	Red	Red	Red	Red	Red	Red
Tourism	Green	Red	Red	Red	Red	Red	Green	Green	Green	Red	Green
EBC	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
DCS	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
OPM	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
AICCM	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Nursing	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Banking	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Capitol Improvement	Green	Red	Red	Red	Red	Red	Green	Green	Green	Red	Green
Uniform Building Code	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Teacher's Prep	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Municipal Power Authority	Green	Red	Red	Red	Red	Red	Green	Green	Green	Red	Green
Optometry Board	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Commercial Pet Breeders	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Building Bonds	Green	Red	Red	Red	Red	Red	Green	Green	Green	Red	Green
Multiple Injury Trust Fund	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Capital Investment Bd	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Anatomical Board	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Private Vocational Schools	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
Merit Protection	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green
University Hospital Authority	Green	Red	Red	Red	Red	Red	Green	Green	Green	Red	Green
Labor	Green	Green	Red	Red	Red	Red	Green	Green	Green	Red	Green

A text version of the above table is available on Page 6-25 in Appendix A

As described in a previous report, security does not have to be an increase in the current spending by the state, but simply a more optimal spending plan. Previously, the state was paying more than 14 vendors \$1.1MM annually for antivirus, spam filtering and encryption services, and only protecting 17,000 of the more than 30,000 endpoints used by the state (Figure 38). With the statewide comprehensive security contract with Symantec, all 30,000 endpoints are covered and the total annual costs are cut by \$961,000. The total projected cost reduction to the state is estimated at \$4.5MM over five years. In addition, a grant from the department of homeland security is covering most of the first year costs of \$500,000, thereby providing the state with nearly a \$1MM first year savings. This is depicted on Figure 39.

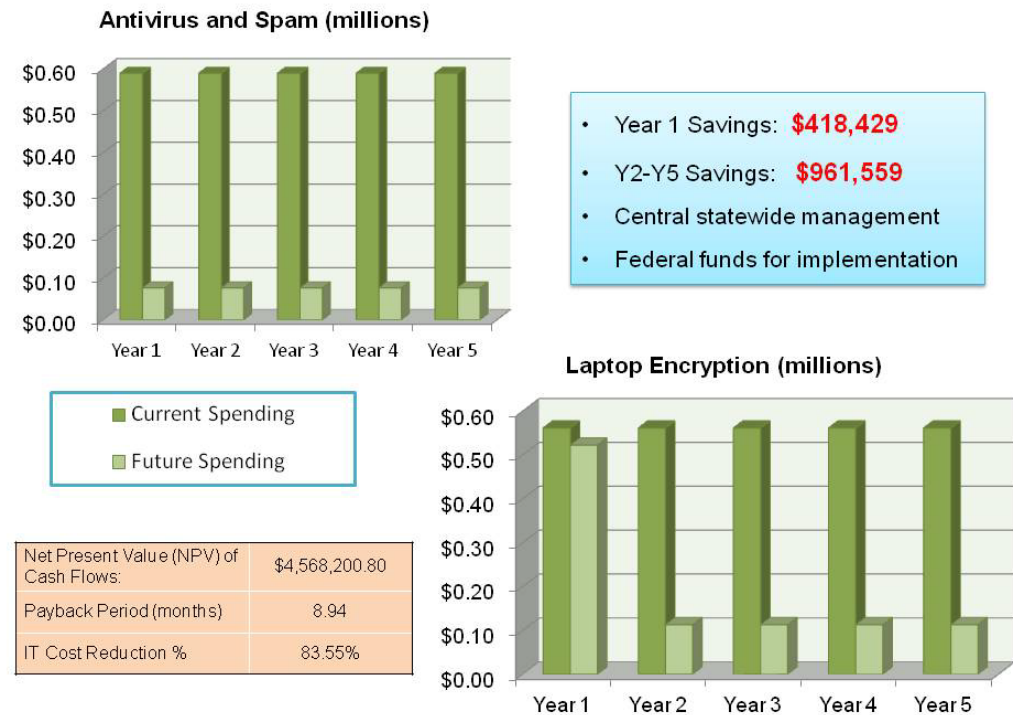
Current State

Figure 38



Future State

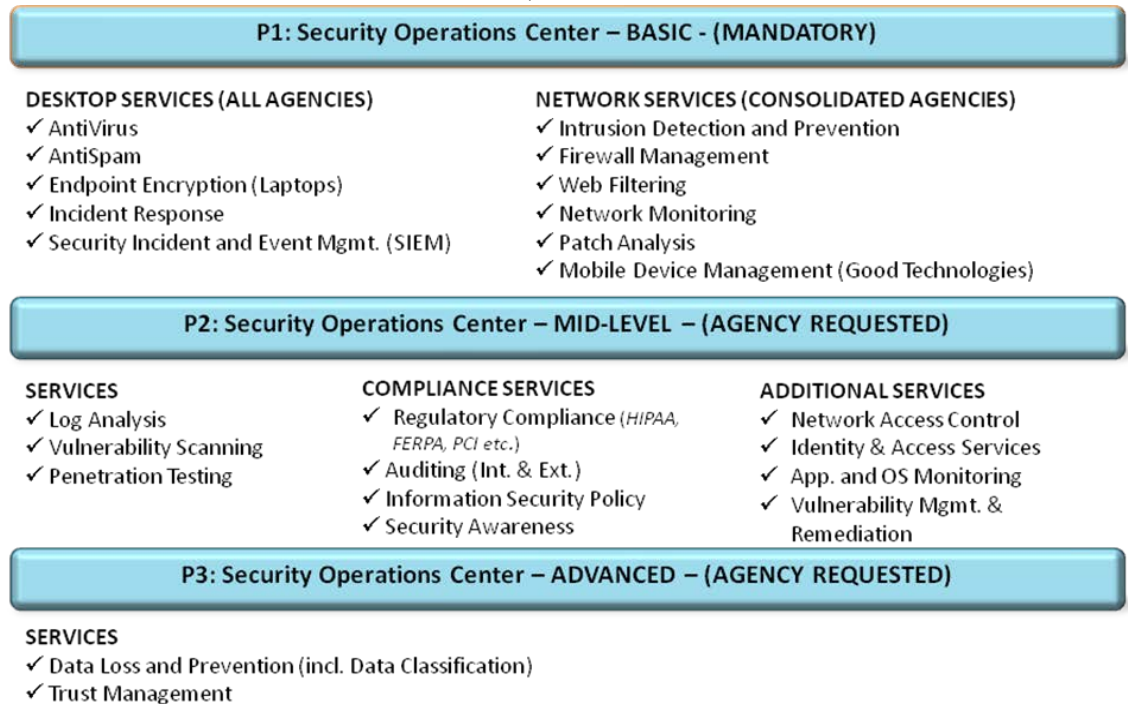
Figure 39



Our plans are to consolidate all IT security personnel into a single division and establishing a statewide security operations center, thereby enabling OMES to

offer security as a service. Figure 40 depicts the roadmap for the security operations center, with basic security services enumerated in phase 1 which were discussed earlier in this section. Depending upon the needs of the agency, mid-level services (including compliance with HIPAA, FERPA, PCI, or other security or regulatory compliance requirements) and advanced services (data loss prevention and data classification and management of trusted partners) will be offered in the near future.

Roadmap for a Security Operations Center (SOC) Figure 40



In the end, the goal is to monitor activity without disruption, detect unusual or suspicious activity, analyze threats and questionable traffic, and prevent a breach or the disclosure of sensitive or private information to an unauthorized party.

On our current track, basic level security services should be largely completed by June of 2013. It is expected mid-level services will be available and implemented to the agencies which require them by December of 2013, and advanced security services available and implemented by April of 2014. One-time funding will be needed from the US Department of Homeland Security, with recurring costs collected through monthly billings to each agency. Differentiated service rates will be provided for basic, mid-level and advanced security offerings, with every agency getting basic security services at a minimum.

Aggressive though this timeline is the rollout of security services needs to be accelerated. The consolidation of security services statewide will reduce costs, increase transparency and improve the security posture of the entire state.

Dedicated staff, hardware and specialized software must be provisioned to address this need, as discussed in this section.

Security Operations Center Accelerated Timeline

Figure 41

Phase	Description	Timeline
1	Basic Security Services	April 2012 – June 2013
2	Mid-Level Security Services <i>(Consolidated agencies only)</i>	August 2012 – December 2013
3	Advanced Security Services <i>(Consolidated agencies only)</i>	October 2013 – April 2014

Item	Estimated Cost
One-time cost	\$4.1MM
Recurring cost	\$1.5MM

5 Conclusion

Often IT employees are considered to be difficult to coach and teach, often even to just communicate and understand. In the State of Oklahoma, our salvation comes in how quickly we in IT recognize our mistakes and devise and apply the means to correct them. I am very proud of our efforts and energies to do exactly this. We view ourselves as the stewards of our profession, not the keepers of a trade guild whose priority is to take care of our own needs first. It is this difference which is the hallmark of our consolidation efforts: that no one is left behind. Not any of our IT staff, not any or our customers. We have and will continue to make mistakes, but we will quickly recognize them and find the way to make up for it in the way which is the most equitable to all parties. We are not in the business of transferring the risk from us to the agency, and our responsibilities do not end with the delivery of the solution, but with the acceptance and sustainment of the solution as we move forward together to the future. Identifying the behaviors that employees and others can perform to help us achieve the governing objectives will transform the culture of OMES to that of the steward, where there is seamless integration of the IT and agency personnel, with performance metrics articulated into cause-and-effect theories which directly support the outcomes the agencies desire.

This concludes the fourth quarterly report of progress on HB 1304 and IT consolidation. Please direct any questions to Alex Pettit, Chief Information Officer and Cabinet Secretary of Information Technology and Telecommunications, State of Oklahoma, at alex.pettit@omes.ok.gov. Our next quarterly report will be posted for the period ending January 31, 2013.

6 Appendix A: Chart Text Descriptions

Figure 1: Federal Model of the Enterprise with Associated Performance Metrics

Governance

- Scope - All Executive Branch Agencies
- Demand - Unknown
- Measures - Projects on Time and On Budget

Overall Operations

- Scope - See below
- Demand - See below
- Measures - Speed to answer; First Call Resolution; Customer Surveys

Agency Services

- Agency Specific Services
- Scope - 45 of 129 Agencies Consolidated
- Demand – 1,190 Helpdesk Cases a Month / Unknown number of Projects a Year
- Measures - Incident Respond and Resolve by Priority; Service Request Respond and Resolve; Projects On Time and On Budget; Customer Surveys

Shared Business Services

- Assets and Inventory
 - Procure to Pay
 - Transparency
 - Accounting
 - Human Capital Management
 - OK.GOV
-
- Scope -12 of 37 Functions Fully Implemented; 19 of 37 Functions Partially Implemented; 6 of 37 Functions Owned Not Implemented.
 - Demand - 2,240 Helpdesk Cases a Month; 44 projects a year; 256 Enhancement Service Requests.
 - Measures - Incident respond and Resolve by Priority; Service Request Respond and Resolve; Projects On Time and On Budget; Enhancement Service Request On Time; Number of Decommissioned Systems; Customer Surveys.

Technology Services

- Security
- Application Development
- Consulting
- Operations
- Helpdesk
- Desktop Computing
- Content Management
- Data Center and Servers

- Voice and Data
- Scope - 45 of 129 Agencies Consolidated
- Demand - 10570 Helpdesk Cases a Month; 40 Projects a Year
- Measures - Incident Respond and Resolve by Priority; Service Request Respond and Resolve; Projects On Time and On Budget; Customer Surveys

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Figure 2: Revised Payroll Less Capital Projects

	FY-2009	FY-2010	FY-2011	FY-2012	Percent of Change
Adjusted Reported	\$264,968,416	\$249,193,573	\$231,072,919	\$230,142,576	13.143%
Major Capital Projects	\$897,265	\$10,411,480	\$10,426,486	\$10,306,852	
Less Major Capital Projects	\$264,071,151	\$238,782,093	\$220,646,533	\$219,835,724	16.751%

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Figure 3: IT Costs Including Personnel Costs

Total IT Cost

IT Cost without Major Capital Projects

- FY 2009 - \$264,071,151
- FY 2010 - \$238,782,093
- FY 2011 - \$220,646,533
- FY 2012 - 219,835,724

IT Cost

- FY 2009 - \$264,968,416
- FY 2010 - \$249,193,573
- FY 2011 - \$231,072,919
- FY 2012 - \$230,142,576

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Figure 4: Reduction in IT Positions

IT Positions

- FY 2009 - 1,215
- FY 2010 - 1,149
- FY 2011 - 1,101
- FY 2012 - 974

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Figure 5: Infrastructure & Business Application Service Number of Cases

- January 2010 - 4,207
- February 2010 - 3,820
- March 2010 - 4,691
- April 2010 - 4,910
- May 2010 - 4,825
- June 2010 - 4,897
- July 2010 - 7,574
- August 2010 - 6716
- September 2010 - 5,923
- October 2010 - 6,124
- November 2010 - 5,641
- December 2001 -5,733
- January 2011 - 7,903
- February 2011 - 5916
- March 2011 - 6,814
- April 2011 - 6,563
- May 2011 - 5,832
- June 2011 - 6,853
- July 2011 - 5,706
- August 2011 - 7,917
- September 2011 - 7,527
- October 2011 - 9,126
- November 2011 - 7,160
- December 2011 - 6,509
- January 2012 - 8,187
- February 2012 - 7,705
- March 2012 - 7,655
- April 2012 - 10,158
- May 2012 - 10,699
- June 2012 - 11,395

- July 2012 - 12,353
- August 2012 - 14,070

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Figure 6: Operations Service Level Dashboard - Customer

In order to view the current information, in an accessible format, please go to:
<https://okreporting.ok.gov/analytics/saw.dll?Dashboard>

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Figure 7: Increase Accountability (Quality of Service) Employee View

Part of the employee specific performance chart kept track each employee are:

- Contact First Call Resolve Target 62%
- Password Reset Response Target 90%
- Password Reset Resolve target 90%
- High Incident Response Target 90%
- High Incident Resolve Target 90%
- Medium Incident Response Target 85%
- Medium Incident Resolve Target 85%
- Low Incident Response Target 85%

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Figure 8: Consolidated Project Savings

Agency Name	Status	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
AIICM	Completed	\$34,311	\$48,511	\$41,411	\$41,411	\$41,411	\$41,411
Board of Nursing	Completed	(\$15,543)	(\$9,745)	(\$15,245)	(\$15,245)	(\$15,245)	(\$15,245)
Dept of Corrections HCM	Completed	(\$132,472)	\$93,753	\$234,892	\$234,892	\$234,892	\$234,892
Disaster Recovery Services	Completed	\$247,344	\$419,245	\$203,524	\$203,524	\$203,524	\$203,524
Office of Personnel Management	Completed	\$70,596	\$77,933	\$77,046	\$70,746	\$70,746	\$70,746
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
Banking Dept	Completed	\$7,251	\$7,251	\$7,251	\$7,251	\$7,251	\$7,251
Capitol Improvement Authority	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 Education	Completed	\$1,098,231	\$1,054,231	\$933,231	\$960,731	\$1,054,231	\$1,435,231
Employee Benefits Council	Completed	\$150,115	\$214,084	\$208,584	\$214,084	\$208,584	\$214,084
Fiber – First National	Completed	\$11,895	\$49,115	\$49,115	\$49,115	\$49,115	\$49,115

Agency Name	Status	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Bldg							
Dept of Tourism	Completed	\$93,607	\$94,407	\$93,727	\$93,727	\$93,727	\$93,727
People Move 2012	Completed	\$2,336,741	\$2,336,741	\$2,336,741	\$2,336,741	\$2,336,741	\$2,336,741
CareerTech Position Consolidation	Completed		\$98,150	\$98,150	\$98,150	\$98,150	\$98,150
Fiber – Prof Engineers & Land Surveyors	Completed		(\$29,922)	\$4,164	\$4,164	\$4,164	\$4,164
Fiber – LandMark Tower	Completed		(\$49,514)	\$14,821	\$14,821	\$14,821	\$14,821
Fiber – Classen Buildings	Completed		(\$33,336)	\$14,592	\$14,592	\$14,592	\$14,592
CareerTech Independent Contractor Consolidation	Completed		\$39,960	\$39,960	\$39,960	\$39,960	\$39,960
Dept of Education – Printer Consolidation Phase 2	Completed		\$84,247	\$5,247	\$5,247	\$5,247	\$5,247
Attorney General Helpdesk Transition	Completed		\$3,086	\$3,241	\$3,403	\$3,573	\$3,751
COMIT Telemanagement Billing Module	Completed		\$60,675	\$123,925	\$123,925	\$123,925	\$123,925
Private Vocational Schools	Completed		(\$1,155)	(\$605)	(\$605)	(\$605)	(\$605)
Labor Department	Completed		\$86,293	\$83,814	\$86,925	\$95,629	\$93,429
State Employee & Education Group Insurance Board	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
Dept of Education – HUPP Contract Consolidation	Execution		\$85,942	\$92,056	\$89,249	\$86,357	\$83,379
Consolidation of Health Dept Network	Execution		\$1,822,538	\$1,437,628	\$1,437,628	\$1,437,628	\$1,437,628
AntiVirus, Spam & Encryption	Planning		\$418,429	\$961,559	\$961,559	\$961,559	\$961,559
Dept of Education – Decommission HP NonStop (Mainframe)	Planning		\$191,242	\$385,939	\$393,566	\$401,422	\$409,513
Fiber – 38th Terrace	Planning		(\$18,680)	(\$3,180)	(\$3,180)	(\$3,180)	(\$3,180)
CareerTech Helpdesk Transition	Planning		\$13,000	\$13,650	\$13,650	\$13,650	\$13,650
Agriculture Dept Consolidation	Planning		\$129,371	\$138,621	\$133,121	\$138,621	\$138,621
TOTAL ANNUAL SAVINGS		\$4,403,598	\$8,417,272	\$8,844,316	\$8,868,110	\$8,975,450	\$9,359,542
Savings Over 6 Years ¹ \$43,923,027							
OTES: ¹ FY12 plus NPV of savings achieved in FY13 – FY17							

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Figure 9: Reduced Spending

Project Name	Status	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY016	FY017
2010 Savings Achieved	Completed	\$15,774,843	\$15,774,843	\$15,774,843	\$15,774,843	\$15,774,843	\$15,774,843	\$15,774,843	\$15,774,843
2011 Savings Achieved	Completed		\$18,120,654	\$18,120,654	\$18,120,654	\$18,120,654	\$18,120,654	\$18,120,654	\$18,120,654
2012 Savings Achieved	Completed			\$930,343	\$930,343	\$930,343	\$930,343	\$930,343	\$930,343
Total Savings Achieved		\$15,774,843	\$33,895,497	\$34,825,840	\$34,825,840	\$34,825,840	\$34,825,840	\$34,825,840	\$34,825,840
REDUCED SPEND FY REDUCED SPEND FY10 – FY17¹ \$239,534,632									
Notes: ¹ Actual savings to date plus NPV of savings FY13 – FY17									

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Figure 10: Consolidation Project Cost Avoidance

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)
Health Network Consolidation	Execution		\$1,822,538	\$1,437,628	\$1,437,628	\$1,437,628	\$1,437,628
Microsoft EES Statewide Contract	Execution		\$1,139,031	\$1,139,031	\$1,139,031	\$1,139,031	\$1,139,031
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							

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Figure 12: Consolidation Portfolio

Project Name	Project Phase	Risk Rating	NPV	Payback Months	Year 1 Incremental Cost	Comment
Agency By Agency						
OSEEGIB Consolidation	Execution	28	\$3,107,091	2	\$222,615	All low-risk activities have been completed.
Agriculture, Food & Forest Consolidation	Initiation	20	\$708,539	19	\$25,965	Secretary Reese gave his approval to move forward on Sept. 20
Health Department Consolidation	Initiation				\$0	
Wheat Commission Consolidation	Initiation					
Pardon & Parole Board	Initiation					
Children & Youth Commission Consolidation	Initiation					
Project Name	Project Phase	Risk Rating	NPV	Payback Months	Year 1 Incremental Cost	Comment
Agency By Agency						
Statewide Portfolio & Project Management	Planning	22			\$435,840	Kickoff meetings for 7 agencies are complete; 4 are scheduled, 7 are left to be scheduled. Design sessions complete for 5 agencies, scheduled for 5 agencies and 11 remaining to be scheduled. Two training sessions in November scheduled for 5 agencies, 2 have already had training.
Statewide Mainframe Consolidation	Planning	38	\$14,700,083	12	\$11,893,434	The macro Design (AS-IS) activities have been completed. The Micro Design (Steady State) activities are underway. Collecting Position Assessment information for each of the mainframe focus areas. The Mainframe Service Rate activities will begin on Nov. 1.
Antivirus, SPAM and Desktop Support Services Consolidation – Statewide Rollout	Planning	30	\$4,518,383	10	\$732,431	Reviewing Final SOW and costs from Intuitive for rollout.
Telecom Expense Management (TEM)	Initiation	24	\$14,534,636	5	\$1,120,000	The TEM Discovery meeting results will be reviewed with the participating agencies and Business Segment Directors on Thursday, Sept. 27. The next step is to assemble the team that will create the RFP.
¹ Microsoft EES Statewide Contract	Initiation	16	\$5,970,957	63	\$6,293,847	
IT Asset Management	Initiation	36	\$12,780,845	8	\$1,769,000	The next step on this project would be to complete a detail Business Value Analysis for 5 Or 6 agencies with BMC.
Enterprise Email Consolidation	Concept	38	\$8,464,762	20	\$2,807,000	On Hold (Proposal Review)
ASA400 Consolidation	Concept	30	(\$1,442,308)		\$1,500,000	On Hold (Proposal Review)
Note: ¹ Cost Avoidance Business Case						

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Figure 13: Consolidation Portfolio (Continued)

Project Name	Project Phase	Risk Rating	NPV	Payback Months	Year 1 Incremental Cost	Comment
Service By Agency						
¹ Health Department Network Consolidation	Execution	28	\$6,770,169	10	\$1,074,895	All pilot sites have been implemented and are operation. Health Department has signed the SOW and issued a PO to OneNet to purchase the equipment. OneNet is in the process of purchasing the equipment for all remote sites.
HUPP Contract Consolidation	Execution	20	\$452,909	58	\$440,458	
Shepherd Mall Agencies Network Consolidation	Execution	18	\$142,976	14	\$33,137	Business Case approved
Career Tech Help Desk Transition	Execution	10	\$70,930	0	\$0	Approved
Fiber – 38 th Terrace	Planning	16	(\$31,574)		\$23,684	Currently waiting for Letter of No Objection from ONG. Project will require City permit. In the process of cutting Purchase Orders for all vendors.
SDE Mainframe Decommission (NonStop)	Planning	44	\$1,900,546	12	\$377,029	
Eliminate PeopleSoft Maintenance for Unused Modules	Initiation	16	\$607,611	0	\$0	Governance Board wants to review detail functionality of modules recommended for elimination.
Note: ¹ Cost Avoidance Business Case						

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Figure 14: Completed Projects

Project Name	Current Project Phase	Risk #	NPV	Payback Months	Year 1 Incremental Cost
Agency by Agency					
Consolidation - Treasurer	Close	18	\$1,444,629	1	\$31,000
Consolidation – OPM	Close	14	\$382,960	3	\$16,000
Consolidation – Board of Nursing	Close	12	(\$70,770)		\$6,396
Consolidation - AICCM	Close	10	\$216,820	0	\$0
Consolidation – Banking Department	Close	10	\$38,010	79	\$49,857
Consolidation – Capitol Improvement Authority	Close	12	(\$6,043)		\$2,421
Consolidation – Department of Central Services	Close	12	\$75,065	81	\$101,414
Consolidation – Department of Tourism	Close	14	\$491,842	13	\$106,822
Consolidation - EBC	Close	10	\$1,051,337	7	\$131,183
Consolidation – State Department of Education	Close	24	\$5,682,348	6	\$597,857

Project Name	Current Project Phase	Risk #	NPV	Payback Months	Year 1 Incremental Cost
Consolidation – Private Vocational Schools	Close	20	(\$3,700)		\$3,303
Consolidation – Labor Department	Close		\$396,276	38	\$252,760
Consolidation – Judicial Complaints Department	Close				
Consolidation – Merit Protection	Close				
Project Name	Current Project Phase	Risk #	NPV	Payback Months	Year 1 Incremental Cost
Service by Service					
¹ Microsoft Enterprise Agreement	Close	10	\$1,502,548		\$0
AntiVirus, SPAM and Encryption Pilot	Close	30	\$4,518,383	10	\$732,430
COMIT Telemanagement Billing Module	Close	12	\$588,815		\$6,396
Consolidation - AICCM	Close	10	\$216,820	38	\$252,760
Note: ¹ Cost Avoidance Business Case					
Project Name	Current Project Phase	Risk #	NPV	Payback Months	Year 1 Incremental Cost
Service by Agency					
Disaster Recovery Services	Close	14	\$1,113,477	23	\$433,595
Install VoIP for Oklahoma City-County Health Department Main Site	Close	22	\$167,649	27	\$74,422
Department of Corrections HCM	Close	18	\$937,286	29	\$460,030
SDE Print Services	Close		\$221,681	74	\$374,806
CareerTech Position Consolidation	Close	10	\$514,516	156	\$1,339,163
Fiber – 1 st National Building	Close	10	\$231,102	13	\$50,900
Fiber – Professional Engineers & Land Surveyors	Close	20	(\$14,237)		\$34,086
Fiber – Landmark Tower	Close	20	\$15,832	285	\$75,279
Fiber – Classen Buildings	Close	24	\$18,877	59	\$18,500
CareerTech Independent Contractor Consolidation	Close		\$209,476		\$0
SDE Printer Consolidation – Phase II	Close	28	\$99,319	115	\$190,559
Agriculture Department Help Desk Transition	Close	20	\$15,126		\$0

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Figure 15: Agency-by-Agency Consolidation Approach

Transformation

- Leadership Common Vision
 - Department of Mines
- Team Formation
- Project Scope and Plan
 - Water Resources Board
- Business Case
 - Health Department
- Approve
 - Wheat Commission
 - Pardon & Parole
 - Children & Youth
- Detail Plan
 - Agriculture
- Transform
 - Oklahoma State and Education Employees Group Insurance Board (OSEEGIB)

Transition

- Refined Business Case

Steady State

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

Abstractors Board

Accountancy Board

Aeronautics Commission

Anatomical Board*

Arts Council

Banking Department

Building Bonds Commission*

Capital Investment Board

Capitol Improvement Authority

Center for the Advancement of Science & Tech (OCAST)

Central Services – DCS

Construction Industries Board

Consumer Credit Commission

Disability Concerns

Education Department

Employees Benefits Council

Fire Marshal

Governor

Human Rights Commission

Interstate Oil Compact Commission

Judicial Complaints*
Labor Department
Licensed Social Workers Board
Licensed Pet Breeders*
Liquefied Petroleum Gas Board
Long Term Care Administration Board
Marginal Well Commission
Merit Protection Commission*
Motor Vehicle Commission
Multiple Injury Trust Fund*
Native American Cultural & Education Authority
Nursing Board
Optometry Board
Personnel Management, Office of
Physician Manpower Training Commission
Police Pension & Retirement System
Private Vocational Schools Board
Professional Engineers & Land Surveyors Licensure
State Treasurer
Teachers Preparation Commission
Teachers' Retirement System
Tobacco Settlement Endowment Trust
Tourism & Recreation
Uniform Building Code
University Hospitals Auth*

* No IT Services

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Figure 16: Service-by-Service Consolidation Approach Transformation

- Leadership Common Vision
 - Advisory Services Statewide Contract
 - Adobe Statewide Contract
 - IT Asset Management
 - AS400 Consolidation
 - Statewide E-mail Consolidation
- Team Formation
- Project Scope and Plan
 - Security as a Service
- Business Case
- Approve
 - Telecom Expense Management
- Detail Plan
 - Statewide Mainframe

- Antivirus/SPAM/Encryption Rollout
- Project Portfolio
- Management Portfolio

Transition

- Refined Business Case

Steady State

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

Service-by-Service Completion

- Microsoft Enterprise Agreement
- People Move 2012
- Antivirus / Spam / Encryption Pilot
- COMIT Tele-management Billing Module
- Project Portfolio Management Pilot

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Figure 17: Service-by-Agency Consolidation Approach

Transformation

- Leadership Common Vision
 - Printer Consolidation ODAFF
 - Printer Consolidation Health Department
 - Printer Consolidation Public Safety Department
 - Unused Software Health Segment
 - Unused Software Construction Segment
 - Unused Software Revenue Segment
- Team Formation
- Project Scope and Plan
- Business Case
- Approve
 - Unused PeopleSoft Modules
- Detail Plan
 - Fiber 38th Terrace
 - SDE Mainframe Decommission
- Transform
 - Shepherd Mall Network
 - Health Department Network
 - SDE HUPPP Contract
 - CareerTech Helpdesk Transition

Transition

- Refined Business Case

Steady State

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

Service-by-Agency Consolidation Approach

- Department 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
- SDE Print Services Phase 2
- ODAFF Helpdesk Transition

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Figure 18: Shared Business Applications Current State

Assets & Inventory

- Asset Management, standard function, partially implemented
- Inventory, standard function, partially implemented

Procure to Pay

- Accounts Payable, standard function, added features
- Purchasing, standard function, added features
- Strategic Sourcing, standard function, partially implemented
- eSupplier Connection, standard function, partially implemented
- Expenses, standard function, not implemented
- eBill payment, standard function, not implemented

Transparency

- Openbooks, fully implemented
- DataOK.Gov, standard function, partially implemented
- FormsOK.Gov, standard function, partially implemented
- DocumentsOK.Gov, standard function, partially implemented
- PerformanceOK.gov, standard function, partially implemented
- Financials Analytics, standard function, partially implemented
- Governmental Portal, standard function, not implemented

Accounting

- General Ledger, fully implemented
- Budgeting (being replaced by Hyperion), 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, standard function, added features
- Talent Acquisition (not PeopleSoft - JobApps), fully implemented
- Absence Management, standard function, not implemented
- Enterprise Learning Management, standard function, partially implemented
- Manager Self Service, standard function, partially implemented
- Time and Labor, standard function, partially implemented
- Benefits Administration (PeopleSoft), standard function, not implemented
- Manager Desktop (PeopleSoft), standard function, not implemented

Other

- Licensing, non-standard function, partially implemented
- Grants Provisioning, non-standard function, partially implemented
- Cash Management, fully implemented
- Bottomline, fully implemented

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Figure 19: Shared Services 3-Year Opportunity Map (Updated: Oct. 6, 2012)

Asset & Inventory

- Asset Management Rollout – late Fiscal Year 2012 (Concept)
- Inventory Oklahoma Department of Transportation (ODOT) – late Fiscal Year 2012 (Execution)
- Scanning and Bar Coding – early Fiscal Year 2013 (Planning)
- Asset Management Rollout – mid Fiscal Year 2012 (Concept)
- Inventory Rollout – late Fiscal Year 2013 (Concept)

Procure to Pay

- Electronic Vendor Payment – Fiscal Year 2012 (Close)
- eProcurement IT Pilot – Fiscal Year 2012 (Close)
- Item ID Cleanup – Fiscal Year 2012 (Close)
- Vendor Cleanup – Fiscal Year 2012 (Close)
- eProcurement IT Rollout – late Fiscal Year 2012 (Execution)
- eProcurement Statewide – late Fiscal Year 2012 (Concept)
- Receiving – early Fiscal Year 2013 (Concept)
- Invoice Matching – early Fiscal Year 2013 (Concept)
- Strategic Sourcing – early Fiscal Year 2013 (Concept)
- Voucher Build – mid Fiscal Year 2013 (Planning)

- Central Pay – mid Fiscal Year 2013 (Concept)
- AP Workflow – mid Fiscal Year 2013 (Concept)
- Expense Model – early Fiscal Year 2014 (Planning)
- Catalog management – early Fiscal Year 2014 (Planning)
- Procurement Analytics – early Fiscal Year 2014 (Concept)
- P-Card Module – early Fiscal Year 2014 (Concept)

Transparency

- School District Transparency – Fiscal Year 2012 (Close)
- Expense Report and Revolving Funds – Fiscal Year 2012 (Close)
- Electronic Pay to Vendors – Fiscal Year 2012 (Close)
- Business.OK.gov – late Fiscal Year 2012 (Concept)
- Data.OK.gov – early Fiscal Year 2013 (Planning)
- Forms.OK.gov – early Fiscal Year 2013 (Planning)
- Documents.OK.gov – late Fiscal Year 2013 (Planning)
- Debt Transparency – early Fiscal Year 2014 (Planning)

Enterprise Service Automation

- Health Department GPC Analysis – mid Fiscal Year 2012 (Close)
- Grants/Project/Contracts (GPC) AR/BI Office of State Finance (OSF) – mid Fiscal Year 2012 (Close)
- GPC AR/BI ODOT – late Fiscal Year 2012 (Execution)
- GPC AR/BI Oklahoma State Bureau of Investigation (OSBI) – late Fiscal Year 2012 (Concept)
- GPC AR/BI Health Department – early Fiscal Year 2013 (Execution)
- Health Order Management – early Fiscal Year 2013 (Execution)
- GPC AR/BI Auditor and Inspector – early Fiscal Year 2013 (Concept)
- GPC AR/BI Rollout – mid Fiscal Year 2013 (Concept)
- Project Analysis – late Fiscal Year 2013 (Execution)
- GPC AR/BI rollout – early Fiscal Year 2014 (Concept)

Hire to Retire

- Move Information Services Division (ISD) 2/1/2012 People – mid Fiscal Year 2012 (Close)
- Corrections Human Resources Replacement – mid Fiscal Year 2012 (Close)
- Higher Education Interface – late Fiscal Year 2012 (Execution)
- ODOT Time and Labor (T&L) Manager Self Service (MSS) – late Fiscal Year 2012 (Execution)
- Electronic Personnel Action Form – early Fiscal Year 2013 (Planning)
- Employee Self Service – mid Fiscal Year 2013 (Execution)
- Manager Self Service – late Fiscal Year 2013 (Execution)

- Absence Management – early Fiscal Year 2014 (Planning)
- Enterprise Learning Management (ELM) II – mid Fiscal Year 2014 (Planning)
- Human Capital Management (HCM) Upgrade – mid Fiscal Year 2014 (Planning)

Other

- Licensing – Oklahoma Accountancy Board (OAB) – early Fiscal Year 2012 (Close)
- Licensing – Construction Industries Board (CIB) – early Fiscal Year 2012 (Execution)
- Financial Analytics – early Fiscal Year 2012 (Close)
- Grants – Homeland Security – mid Fiscal Year 2012 (Execution)
- Grants – Commerce – late Fiscal Year 2012 (Execution)
- Grants – Tobacco Settlement Endowment Trust (TSET) – late Fiscal Year 2012 (Execution)
- Licensing – Health Department – late Fiscal Year 2012 (Execution)
- Licensing – Long-Term Care – late Fiscal Year 2012 (Close)
- Licensing – Real Estate – early Fiscal Year 2013 (Execution)
- Licensing – Dentistry Board – early Fiscal Year 2013 (Concept)
- Grants – OCAST – early Fiscal Year 2013 (Execution)
- Grants – PeopleSoft Interface – early Fiscal Year 2013 (Execution)
- Budget Upgrade – early Fiscal Year 2013 (Planning)
- Licensing – Agriculture – early Fiscal Year 2013 (Concept)
- Licensing – Department of Consumer Credit – early Fiscal Year 2013 (Planning)
- Licensing – Department of Labor – mid Fiscal Year 2013 (Concept)
- Grants – Office of State Finance (now the Office of Management and Enterprise Services or OMES) – mid Fiscal Year 2013 (Concept)
- Grants – Department of Public Safety – late Fiscal Year 2013 (Concept)
- Licensing – Social Workers Board – late Fiscal Year 2013 (Concept)
- Licensing – Nursing Board – early Fiscal Year 2014 (Concept)
- Licensing – Rollout – early Fiscal Year 2014 (Concept)
- Grants Provisioning Rollout – mid Fiscal Year 2014 (Concept)
- Financials Upgrade – late Fiscal Year 2014 (Planning)

Treasury

- Cash Management – late Fiscal Year 2012 (Execution)
- Bottom Line – late Fiscal Year 2012 (Execution)
- Tax Commission Interface – early Fiscal Year 2013 (Execution)
- Treasury Workstation – early Fiscal Year 2013 (Concept)

Note: Working with HCM to further refine the “Hire to Retire” part of the Roadmap

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Figure 20: Shared Services Future State 3 Years

Assets and Inventory

- Asset Management – Fully implemented
- Inventory – Partially implemented, standard function

Procure to Pay

- Accounts Payable – Fully implemented
- Purchasing – Fully implemented
- Strategic Sourcing – Partially implemented, standard function
- Supplier Connection – Partially implemented, standard function
- Telephone Expense Management – Fully implemented
- Expenses (Implemented or Replaced) – Fully implemented

Transparency and Business Intelligence (BI)

- OpenBooks – Fully implemented
- Data.OK.gov – Partially implemented, standard function
- Forms.OK.gov – Partially implemented, standard function
- Documents.OK.gov – Partially implemented, standard function
- Financial Analytics – Partially implemented, standard function

Accounting

- General Ledger – Fully implemented
- Budgeting (being replaced by Hyperion) – Fully implemented
- Grants – Partially implemented, non-standard function
- Projects – Partially implemented, non-standard function
- Contracts – Partially implemented, non-standard function
- Accounts Receivable – Partially implemented, non-standard function
- Billing – Partially implemented, non-standard function

Human Capital Management

- Payroll – Fully implemented
- Benefits (Not PeopleSoft – Benefits Administration System) – Fully implemented
- Employee Self Service – Fully implemented
- Human Resources – Added features, standard function
- Talent acquisition (Not PeopleSoft – Jobapps) – Fully implemented
- Absence Management – Fully implemented
- Enterprise Learning Management – Partially implemented, standard function
- Manager Self Service – Fully implemented
- Time and Labor – Fully implemented

Other

- Licensing – Partially implemented, non-standard function

- Grants Provisioning – Partially implemented, non-standard function
- Cash Management – Fully implemented
- Bottomline – Fully implemented

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Figure 21: FY2013 CORE Project Schedule

- BI Project Analytics, scheduled November 2012-March 2013
- Children & Youth Services MSS, complete
- Commerce GPC Support, scheduled November 2012 - January 2013
- DCS AR/Billing Conversion To PS, in process July - September 2012; behind October 2012
- Debt Transparency-HB 2857, February - April 2013
- Dept of Rehab Services MSS, complete
- Electronic Vendor Payments, complete
- ePro Statewide For All Purchases, schedule November 2012 - January 2013
- ePro Statewide For IT Purchases, in process July - September 2012; behind October 2012
- Grants Provisioning-Commerce Pilot, complete
- Grants Provisioning-Commerce Rollout, in process July - September 2012; scheduled October - December 2012
- Grants Provisioning-DAC JAG, Complete
- Grants Provisioning-DAC RSAT, in process July - September 2012; scheduled October 2012
- Grants Provisioning-DAC VOCA, complete
- Grants Provisioning-DAC Rollout, in process July - September 2012; scheduled October 2012 - February 2013
- Grants Provisioning-Homeland Sec, in process July - September 2012; scheduled October - November 2012
- Grants Provisioning-OCAST OARS, in process July - September 2012; scheduled October - December 2012
- Grants Provisioning-TSET, in process July - September 2012; scheduled October - November 2012
- Health Department GPC AR/BI, in process July - September 2012; scheduled October 2012 - May 2013
- Health Department Time & Labor, in process July - September 2012; scheduled October 2012 - May 2013
- Higher Education Payroll Interface, complete
- Hyperion Budget System, scheduled December 2012 - June 2013
- Licensing-Construction Industries, in process July - September 2012; scheduled October 2012
- Licensing-Health Department, in process July - September 2012; scheduled October 2012 - February 2013
- Licensing Labor Department, scheduled November 2012 - February 2013
- Licensing-Long Term Care Admin, complete

- Licensing-Real Estate Commission, in process July - September 2012; planned October - December 2012
- ODOT GPC AR/BI, scheduled December 2012 - June 2013
- OESC GPC Support, complete
- Optimize Procure To Pay, scheduled July 2012 - June 2013
- OSF ISD Consolidation, complete
- State Auditor & Inspector GPC AR/BI, scheduled January - June 2013
- State Auditor & Inspector MSS, scheduled January - May 2013
- Treasury ACES Replacement, in process July - September 2012; scheduled October - November 2012; behind December 2012
- Treasury Cash Management, in process July - September 2012; scheduled October - November 2012; behind December 2012

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Figure 22: Enterprise Governance Model

- Governor Mary Fallin
 - State Chief Information Officer Alex Pettit
 - Decision Domain Council
 - IT Governance Advisory Board
 - Portfolio Prioritization and Investment Committee
 - IT Services Portfolio
 - Agency Business Application Services
- Agency Business Services IT Oversight Committees
 - Service Owners
 - Shared Business Application Services
- Shared Business Application Services IT Oversight Committees
 - Service Owners
 - Shared Technical Services
- Shared Technical Services IT Oversight Committees
 - Service Owners
 - Enterprise Architecture Review Board
- Service Owners

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Figure 24: Enterprise Governance Decomposition

Agency portfolios and Cabinet-level portfolios

- Agency Business Application Services
 - Agency Business Services IT Oversight Committees (Own funding)
 - Cabinet-Level IT Oversight Committees
- Shared Business Application Services
 - Shared Business Application Services IT Oversight Committees (OMES funding)
- Shared Technical Services
 - Network Services IT Oversight Committee (OMES funding)
 - Shared Technical Services IT Oversight Committees (OMES funding)

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Figure 25: Cabinet Governance

Agency Business Application Services Governance

- Agriculture & Environment
- Education
- Health & Human Services
- Finance
- Safety & Security
- Construction

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Figure 26: Cabinet Governance – Education Segment

- Anatomical board
- Arts Council
- CareerTech
- Education Department
- Education TV Authority
- Libraries Department
- Private Vocational Schools Board
- School of Science and Math
- Teacher Preparation Committee

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Figure 27: Rollout Schedule

Agency	Kickoff
Tax Commission	September
Rehabilitation Services	October
Agriculture	October
Environmental Quality	October
Libraries	October
Career Tech	October
Water Resources	October
Health Care Authority	October
Public Safety	November
Human Services	November
Juvenile Affairs	November
Corrections	December
Education & Employees Group Insurance Board	December
Veterans Affairs	December
Transportation	December
Mental Health	January
Corporation Commission	January
State Bureau of Investigation	January
Health Department	February
Employment Security	February

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Figure 28: OMES Learned about State Department of Education (SDE)

- Inter-Agency Decisions (as needed)
- SDE Executive Committee (quarterly)
- SDE IT Governance Committee (quarterly)

- SDE Cumulative Project Review (quarterly)
- SDE IT Project Review (bi-weekly)
 - SDE Project Committee (as needed)
 - SDE Project Committee (as needed)
 - SDE Project Committee (as needed)
 - SDE Project Committee (as needed)

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Figure 29: SDE IT Spending

- Fiscal Year-2009
 - SDE IT - 3,376,240
 - Maintenance – 1,027,669
 - Professional Services – 6,730,768
- FY-2010
 - SDE IT – 2,709,834
 - Maintenance – 1,013,509
 - Professional Services – 5,603,311
- FY-2011
 - SDE IT – 2,543,146
 - Maintenance – 1,498,492
 - Professional Services – 5,368,639
- FY-2012
 - SDE IT – 2,398,969
 - OMES Information Services Division (ISD) - 93,708
 - Maintenance – 992,391
 - Professional Services – 4,685,183
 - American Reinvestment and Recovery Act (ARRA) – 2,800,000
- FY-2013
 - OMES Information Services Division (ISD) – 2,387,336
 - Maintenance – 2,820,141
 - Professional Services – 1,864,743

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Figure 30: SDE IT Spending FY-2013

- Service Level Agreement (SLA) Services - \$678,838
- Agency-Specific Staff - \$1,708,498
- Maintenance - \$2,820,141
- Professional Services - \$1,864,743

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Figure 31: SDE Professional Services

- CPSI (SIFV) – WAVE - \$140,000
- CPSI (LDS) – WAVE - \$721,000
- Mike McLaury – Child Nutrition - \$100,000
- Northrup Grumman – Child Nutrition - \$329,590
- My Consulting – Child Nutrition - \$332,800
- Brian Pitts – Special Ed - \$24,500

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Figure 32: SDE Hardware/Software Maintenance

- CAS – Special Ed - \$2,020,000
- EC America – Webex - \$18,361
- Filemaker Pro - \$5,319
- HP Non Stop - \$52,681
- Literacy Systems – Adult Ed - \$139,990
- Listserve - \$2,500
- Lunchbytes – Child Nutrition - \$985
- McGraw Hill – Adult Ed - \$54,000
- Management Services for Ed Data – Migrants - \$43,838
- OK Scoring Service – GED - \$75,000
- OneNet – Video Conferencing - \$15,480
- Scantron - \$140,548
- Simplex Grinnell - \$2,603
- Non Stop Printing - \$6,381
- Wireless Gen – mClass Testing – \$165,725
- Xerox Printers - \$27,996

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Figure 33: Network Governance Structure

- Engineering Team
- Network Oversight Committee

- Technology Services Oversight Committee
 - State Agency Network Projects
- OneNet Projects
- Private Vendor Projects
- Higher Education Projects

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Figure 34: Shared Business Applications Services Governance

Shared Business Application Services

- Shared Business Application Services IT Oversight Committee
 - Portal Services
 - Custom-Built Applications
 - Enterprise Services
 - Payment Services
 - Website Services
 - Business Intelligence
 - Human Resources/Payroll
 - Financial
 - Transparency
- Shared Segment Services IT Oversight Committee

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Figure 35: Biggest Threat to Government

- Employees – 59%
- Administrators – 15%
- Contractors – 9%
- Hackers – 13%
- Other – 5%

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Figure 36: External Threats

Breakdown of external threat origin for United States

- China/Asia – 62%
- Russia/Eastern Europe – 13%
- Other – 25%

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Figure 37: Pre-consolidation Postures for Consolidated Agencies

Agency Name	Anti Spam	Anti Virus	Endpoint Encryption	Incident Response	SIEM	IDS/IDP	Firewall Mgmt.	Web Filtering	Network Monitoring	Patch Analysis	MDM
Aeronautics Commission	Yes	Yes	No	No	No	No	Yes	No	Yes	No	Yes
Construction Industries Board	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	No	Yes
Arts Council	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	No	Yes
Physician Manpower	Yes	Yes	No	No	No	No	Yes	Yes	Yes	No	Yes
OCAST	Yes	Yes	No	No	No	No	Yes	Yes	Yes	No	Yes
Teacher's Retirement	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	No	Yes
Disability Concerns	Yes	No	No	No	No	No	Yes	Yes	Yes	No	Yes
Human Rights	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	No	Yes
Ethics Commission	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	No	Yes
TSET	Yes	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No
Interstate Oil	Yes	Yes	No	No	No	No	Yes	No	Yes	No	Yes
Fire Marshall	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	No	Yes
LP Gas	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	No	Yes
Marginal Wells	Yes	Yes	No	No	No	No	Yes	Yes	Yes	No	Yes
Motor Vehicle	Yes	No	No	No	No	No	Yes	Yes	Yes	No	Yes
Long Term Care	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	No	Yes
PELS	Yes	Yes	No	No	No	No	Yes	Yes	Yes	No	Yes
Lic. Social Workers	Yes	No	No	No	No	No	Yes	Yes	Yes	No	Yes
Consumer Credit	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	No	Yes
Abstractors Board	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	No	Yes
Governor's Office	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	No	Yes
Treasurer	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	No	Yes
Education	Yes	Yes	Yes	No	No	No	No	No	No	No	N
Tourism	Yes	No	No	No	No	No	No	No	No	No	No
EBC	Yes	Yes	No	No	No	No	No	No	No	No	No
DCS	Yes	Yes	No	No	No	Yes	No	No	No	No	No
OPM	Yes	Yes	No	No	No	Yes	Yes	No	Yes	No	No
AICCM	Yes	Yes	No	No	No	Yes	No	No	No	No	No
Nursing	Yes	Yes	No	No	No	No	Yes	Yes	Yes	No	No
Banking	Yes	Yes	No	No	No	Yes	Yes	No	Yes	No	No
Capitol Improvement	Yes	No	No	No	No	No	Yes	No	Yes	No	No
Uniform Building Code	Yes	Yes	No	No	No	Yes	Yes	No	Yes	No	No
Teacher's Prep	Yes	Yes	No	No	No	No	Yes	No	Yes	No	No
Municipal Power Authority	Yes	No	No	No	No	No	Yes	No	Yes	No	No
Optometry Board	Yes	Yes	No	No	No	No	Yes	No	Yes	No	Yes
Commercial Pet Breeders	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	No	No
Building Bonds	Yes	No	No	No	No	No	Yes	No	Yes	No	No
Multiple Injury Trust Fund	Yes	No	No	No	No	No	Yes	No	Yes	No	No
Capital Investment Bd	Yes	No	No	No	No	No	Yes	No	Yes	No	No
Anatomical Board	Yes	No	No	No	No	No	Yes	No	Yes	No	No
Private Vocational Schools	Yes	No	No	No	No	Yes	Yes	No	Yes	No	No
Merit Protection	Yes	No	No	No	No	Yes	Yes	Yes	Yes	No	Yes
University Hospital Authority	Yes	No	No	No	No	No	Yes	No	Yes	No	Yes
Labor	Yes	Yes	No	No	No	Yes	Yes	No	Yes	No	No

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Figure 38 Current State

Annual costs: \$1,150,859

Lack of Central Management

Inconsistent Security Posture

Anti-Virus Expenditures

- McAfee - \$297,480.00
- Symantec- \$53,570.00
- ESET- \$21,795.00
- Kaspersky- \$9,984.00
- GFI Vipre- \$6,923.00
- Trend Micro- \$4,043.00
- Microsoft Forefront- \$2,100.00

Encryption Expenditures

- McAfee - \$536,969.00
- Symantec - \$13,000.00
- PGP - \$10,296.00
- SecureDoc - \$844.00

Spam Expenditures

- Cisco Ironport - \$48,817.00
- Proofpoint - \$34,000.00
- Postini - \$33,740.00
- Symantec - \$18,000.00
- Borderware - \$10,000.00
- Sophos - \$9,000.00
- Other - \$40,298.00

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Figure 39: Future State

Year 1 Savings: \$418,429

Y2-Y5 Savings: \$961,559

Central statewide management

Federal funds for implementation

Antivirus and Spam (millions)

- Year 1
 - Current Spending: \$590,000.00
 - Future Spending: \$80,000.00
- Year 2
 - Current Spending: \$590,000.00
 - Future Spending: \$80,000.00
- Year 3
 - Current Spending: \$590,000.00
 - Future Spending: \$80,000.00
- Year 4
 - Current Spending: \$590,000.00
 - Future Spending: \$80,000.00
- Year 5
 - Current Spending: \$590,000.00
 - Future Spending: \$80,000.00

Laptop Encryption (millions)

- Year 1
 - Current Spending: \$560,000.00
 - Future Spending: \$520,000.00

- Year 2
 - Current Spending: \$560,000.00
 - Future Spending: \$110,000
- Year 3
 - Current Spending: \$560,000.00
 - Future Spending: \$110,000
- Year 4
 - Current Spending: \$560,000.00
 - Future Spending: \$110,000
- Year 5
 - Current Spending: \$560,000.00
 - Future Spending: \$110,000

Net Present Value (NPV) of Cash Flows: \$4,568,200.80

Payback Period (months): 8.94

IT Cost reduction %: 83.55%

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Figure 40: Roadmap for a Security Operations Center (SOC)

P1: Security Operations Center – BASIC (Mandatory)

- Desktop Services (All Agencies)
 - Anti-Virus
 - Anti-Spam
 - Endpoint Encryption (Laptops)
 - Incident Response
 - Security Incident and Event Management (SIEM)
- Network Services (Consolidated Agencies)
 - Intrusion Detection and Prevention
 - Firewall Management
 - Web Filtering
 - Network Monitoring
 - Patch Analysis
 - Mobile Device Management (Good Technologies)

P2: Security Operations Center – MID-LEVEL (Agency Requested)

- Services
 - Log Analysis
 - Vulnerability Scanning
 - Penetration Testing
- Compliance Services
 - Regulatory Compliance (HIPAA, FERPA, PCI, etc.)

- Auditing (Internal & External)
- Information Security Policy
- Security Awareness
- Additional Services
 - Network Access Control
 - Identity & Access Services
 - Application & Operating System Monitoring
 - Vulnerability Management & Remediation

P3: Security Operations Center – ADVANCED (Agency Requested)

- Services
 - Data Loss & Prevention (including Data Classification)
 - Trust Management

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Figure 41: Security Operations Center Accelerated Timeline

Phase	Description	Timeline
1	Basic Security Services	April 2012 – June 2013
2	Mid-Level Security Services (Consolidated agencies Only)	August 2012-December 2013
3	Advanced Security Services (Consolidated agencies only)	October 2013 – April 2014

Item	Estimated Cost
One-time cost	\$4.1 million
Recurring cost	\$1.5 million