GTA Board of Directors
September 4, 2014

Our Strategic Vision

- A transparent, integrated enterprise where technology decisions are made with the citizen in mind

Our Mission

- To provide technology leadership to the state of Georgia for sound IT enterprise management

Georgia™

Agenda

- **Welcome**

- **Executive Director's Report**

  – **Financial Update**

  – **Subcommittee Report**

  – **IT Transformation Update**

  – **Services Integration Initiative**

  – **IT Outsourcing Governance Assessment**

  – **Georgia Digital Government Summit**

- **Closing and Adjournment**

Financial Update

Joe Webb

GTA Deputy Executive Director

Financial Performance FY2014

- **State revenues continue to improve**

  - 5.5% higher for July 2014 than July 2013

- **Data Sales revenues continue moderate growth and stability**

  - FY14 actual revenues were up 1.2% - $33.7M

- **Continued focus & success of improving invoice collections:**

  - FY14 Year Ending Accounts Receivable Turnover : **45.1 days (Target is 45)**

- **FY14 GTA Operating Fund Balance and Net Assets: $25.5M**

- **FY04 – FY09 federal liability**

  - Currently under negotiation with the U.S. Department of Health and Human Services Division of Cost Allocation

  - Review of federal determination of liability extended through September 31, 2014

GTA Financial Performance – FY2014

REVENUES:	Budget	Variance	Actual
State Appropriated Funds			
GTA Administrative Fees	$15,206,962	$106,075	$15,313,037
GETS Revenues	$202,533,497	($4,464,339)	$198,069,158
Data and Retained Services Revenues	$43,828,620	$3,177,550	$47,006,170
TOTAL REVENUES:	**$261,569,079**	**($1,180,714)**	**$260,388,365**
EXPENSES:			
Personal Services	$24,568,088	($1,285,879)	$23,282,209
GTA Operations	$28,636,850	$9,892,382	$38,529,232
GETS Contracts	$202,533,497	($7,107,712)	$195,425,785
TOTAL EXPENSES:	**$255,738,435**	**$1,498,791**	**$257,237,226**
Budget Basis Surplus/(Deficit)	**$5,830,644**	**($2,679,505)**	**$3,151,139**
Non-Budgeted Transfers	$0	$0	$0
Net Income/(Loss)	**$5,830,644**	**($2,679,505)**	**$3,151,139**
Authorized Positions	**181**		**181**

GTA Budget Summary –
FY2014 Actuals - FY2015 Budget

REVENUES:		FY14 Actuals	FY15 Budget
	State Appropriated Funds	$0	$0
	GTA Administrative Fees	$15,313,037	$15,865,202
	IBM Infrastructure Revenues	$130,244,850	$145,227,311
	AT&T MNS Revenues	$67,824,308	$59,776,272
	Revenue from Sales of Data	$33,724,119	$32,300,000
	Revenues From Retained Services	$13,282,051	$10,146,574
TOTAL REVENUES:		**$260,388,365**	**$263,315,359**
EXPENSES:			
	Personal Services	$23,282,209	$25,080,846
	Regular Operating Expense	$932,308	$1,860,103
	IT Supplies & Software Expense	$14,093,119	$15,528,206
	Rent	$1,759,397	$1,703,415
	Telecommunications	$4,236,864	$2,928,568
	Contracts	$194,784,844	$206,721,484
	Transfers	$2,058,730	$2,100,000
TOTAL EXPENSES:		**$241,147,471**	**$255,922,622**
Operating Budget Basis Surplus/(Deficit)		**$19,240,894**	**$7,392,737**
Non-Budgeted Transfers		$0	$0
Non-Operating one-time expenses		**$16,089,755**	**$6,958,800**
Net Income/(Loss)		**$3,151,139**	**$433,937**

Subcommittee Report

Don Hallacy

Dan Murphy

Joe Surber

IT Transformation and Performance Update

Dean Johnson

GTA Chief Operating Officer

Transformation - Overall Program Status

Program	May Status	July Status	August Status
– Exchange AD	**Complete**	**Complete**	**Complete**
– Exchange E-mail	**Complete**	**Complete**	**Complete**
– Malware Server	**Complete**	**Complete**	**Complete**
– Desktop Antivirus	**Complete**	**Complete**	**Complete**
– Print Services	**Complete**	**Complete**	**Complete**
– Novell AD /e-Mail	46.0%/92.0%	58.0%/**Complete**	63.0%/**Complete**
– SCON	26.5%	28.0%*	28.0%*
– File Services	45.0%	64.0%	75.0%
– Win7	61.0%	97.0%	103.0%

Cutovers for GBI and DBHDD add 10.7% in September, for total of 38.7%

Milestones Achieved to Date

✓ Successfully completed SCON Phase 1 production cutover for GBI (Georgia Bureau of Investigation). Green at all check points; finished three hours ahead of schedule. Only 9 post-production issues. August 7-10.

✓ Successfully completed SCON Phase 1 production cutover for DBHDD (Behavioral Health). Green at all check points; finished six hours ahead of schedule. Only 7 post-production issues. August 22-23.

✓ Successfully accelerated SCON Phase II execution with implementation of SharePoint solution for GTA on June 28.

✓ Received End-to-End Plan for SCON Phase II from IBM on June 30, containing input from agencies. Formal sign-off from agencies is pending, but initial execution work has begun.

✓ Received email sign-off for project completion from DBHDD (Behavioral Health), DPH (Public Health) and GDC (Georgia Department of Corrections).
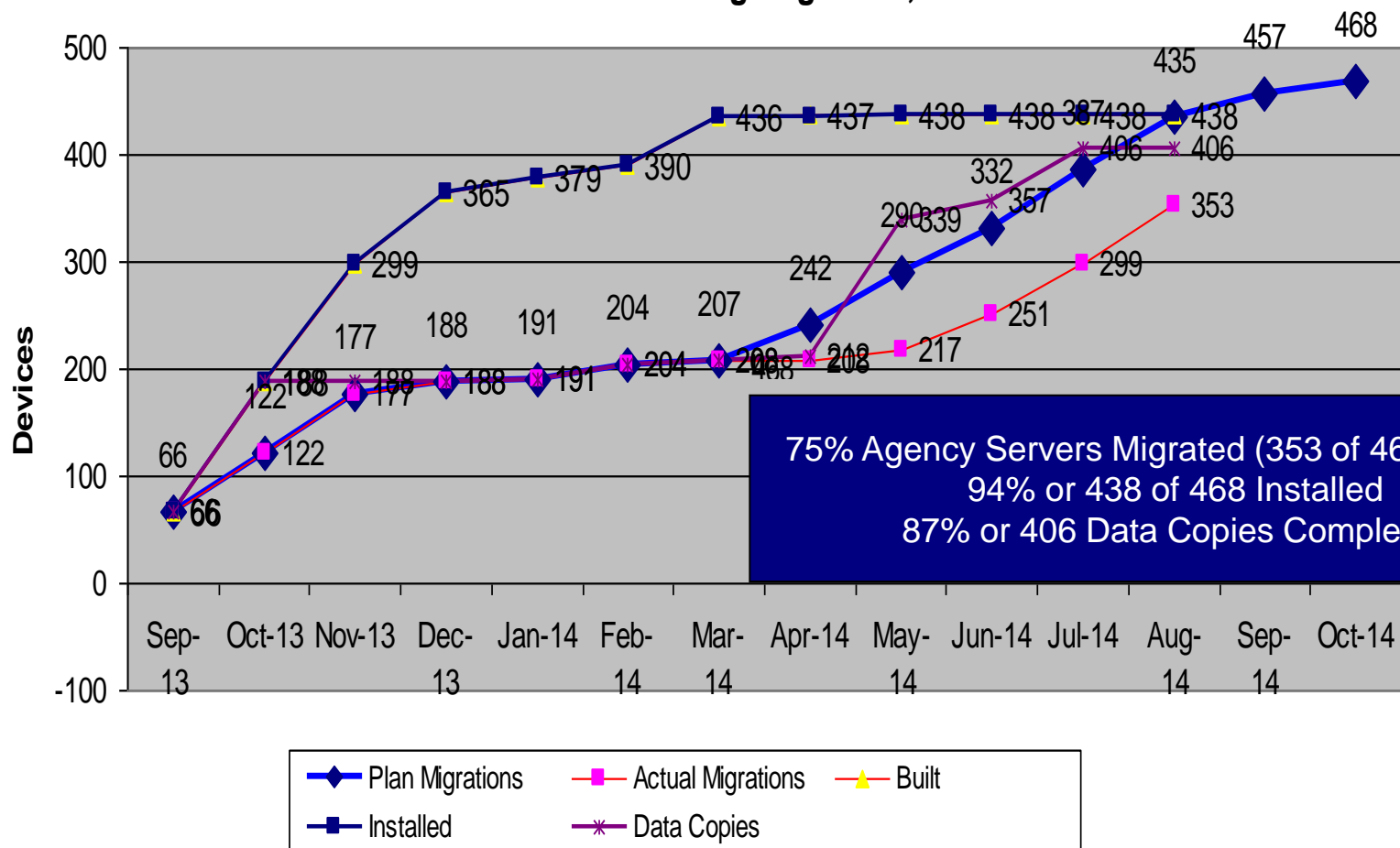
Milestones Achieved to Date

✓ "Technically" completed the Win7 program – At 103% of plan, with DBHDD (Behavioral Health), DNR (Natural Resources) and GDC (Corrections) in final Win7 migration and close-out events. Ahead of the end of August schedule.

✓ AT&T successfully implemented new data center and headquarters data architecture at the five largest locations, DOR (Revenue), DDS (Driver Services), GTA, SAO (State Accounting Office), and the core network at DHS (Human Services).

✓ Successfully closed voice transformation program for the replacement of PBX, Key Systems, and Centrex systems. The program encompassed the replacement/refresh of 591 Key Systems, 34 PBXs, and 52,420 Centrex phone sets.

✓ Completed LAN/WAN transformation for the Governor at the State Capitol, August 15-17 and at the Governor's Mansion, August 21.

Milestones Achieved to Date

✓ Delivered 104 servers, of the approximately 130, scheduled for August through September 2, to the SCON Phase II agencies, specifically for DHS and DPH according to plan, on August 4 and August 15.

✓ Received agency acceptance of the Phase II servers delivered in July from DOAS (Administrative Services) (23 of 26), DPH (Public Health), and GDC (Corrections).

✓ Documented, reviewed and received initial agency concurrence on approach for the UAT plan and processes for GDC (Corrections) and DPH (Public Health) – August 14 and August 15, respectively.

✓ Completed the application installations for DPH (Public Health) Group 1 on August 21 and Group 1A on August 22. Note: two application decisions pending.

✓ On track to meet and exceed the monthly goal per the File Services plan with 353 of 468 filers migrated.

File Services Enterprise – Plan vs. Actual

File Services -Enterprise Plan & Actual
Built/Installed/Data Copies/Migrations
Week Ending August 22, 2014

75% Agency Servers Migrated (353 of 468 Servers)
94% or 438 of 468 Installed
87% or 406 Data Copies Completed

Legend:
- Plan Migrations
- Actual Migrations
- Built
- Installed
- Data Copies

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File Services – Plan vs. Actual

File Services - Plan vs. Actual
Week Ending August 22, 2014

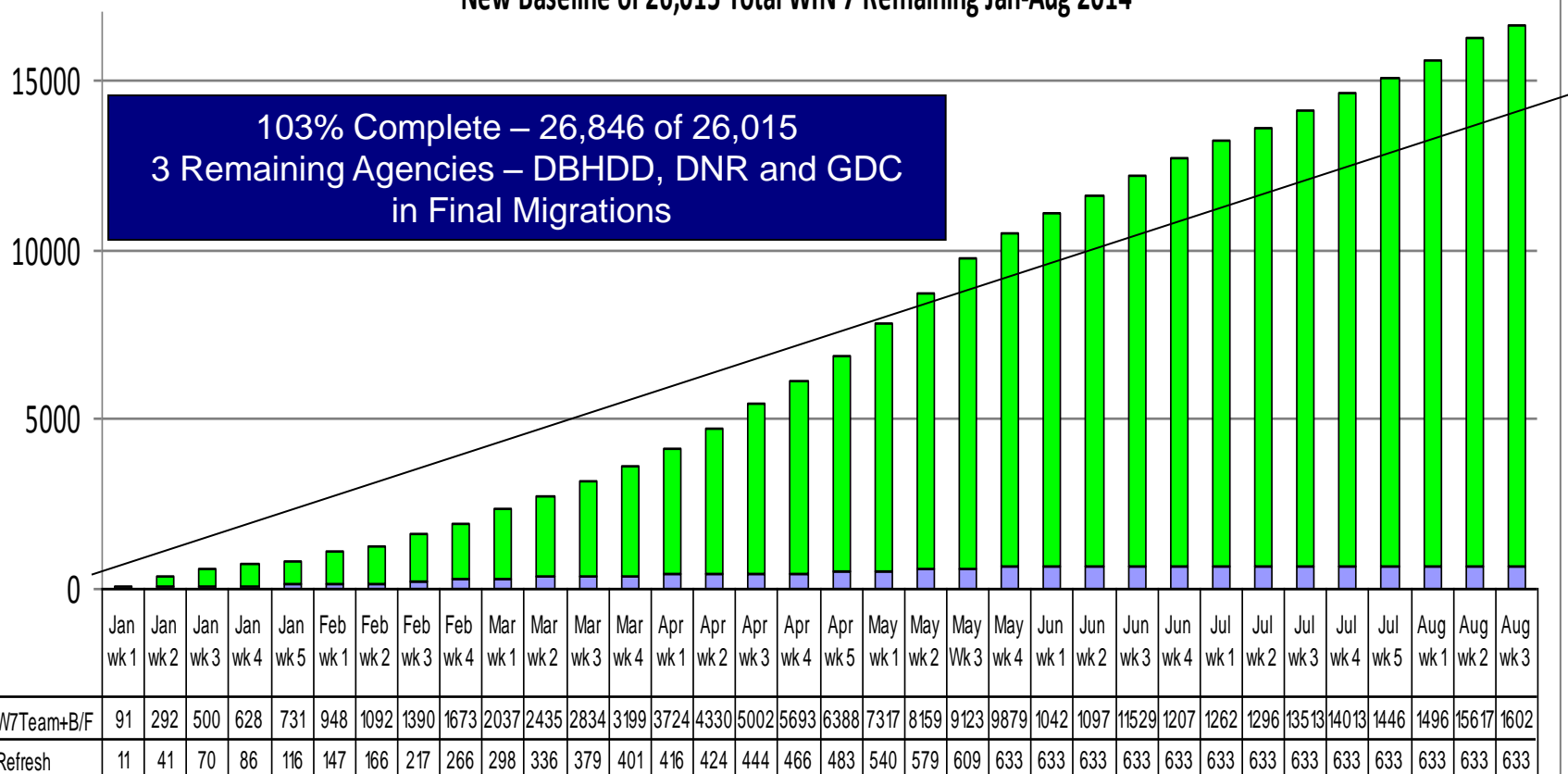75% Complete – 353 of 468
115 (25%) Remaining
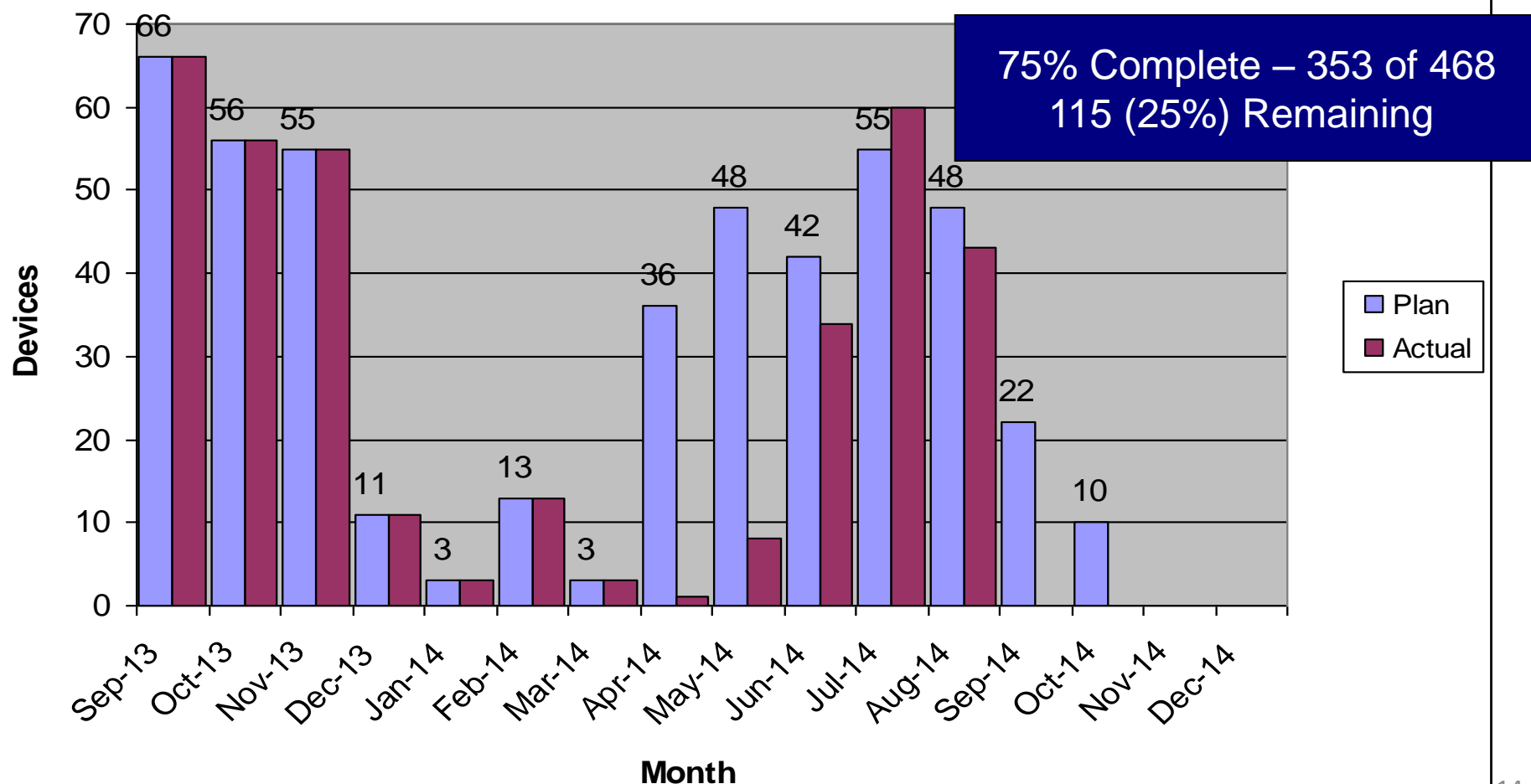
Windows 7 Rollout

Aggregate Win 7 Plan and Forecast

Week Ending August 22, 2014

(10,818 Completed as of 01/01/2014

New Baseline of 26,015 Total WIN 7 Remaining Jan-Aug 2014

103% Complete – 26,846 of 26,015
3 Remaining Agencies – DBHDD, DNR and GDC
in Final Migrations

	Jan wk 1	Jan wk 2	Jan wk 3	Jan wk 4	Jan wk 5	Feb wk 1	Feb wk 2	Feb wk 3	Feb wk 4	Mar wk 1	Mar wk 2	Mar wk 3	Mar wk 4	Apr wk 1	Apr wk 2	Apr wk 3	Apr wk 4	Apr wk 5	May wk 1	May wk 2	May Wk 3	May wk 4	Jun wk 1	Jun wk 2	Jun wk 3	Jun wk 4	Jul wk 1	Jul wk 2	Jul wk 3	Jul wk 4	Jul wk 5	Aug wk 1	Aug wk 2	Aug wk 3
W7Team+B/F	91	292	500	628	731	948	1092	1390	1673	2037	2435	2834	3199	3724	4330	5002	5693	6388	7317	8159	9123	9879	1042	1097	11529	1207	1262	1296	13513	14013	1446	1496	15617	1602
Refresh	11	41	70	86	116	147	166	217	266	298	336	379	401	416	424	444	466	483	540	579	609	633	633	633	633	633	633	633	633	633	633	633	633	633

Governance Changes
Organizational Readiness

- A review of the initial agencies in the Phase II effort, specifically, DHS (Human Services), DPH (Public Health), and GDC (Corrections) has been performed in the following four key areas:

  - Resources

  - Processes

  - Planning

  - Authority and Commitment

- The next step is to share these results with senior management of each agency, asking for feedback and concurrence about suggested mitigation approaches, as well as highlighting their additional risks and concerns.

- These findings will be formally documented to the agency from the GTA CIO's office as a function of the Critical Panel review.

Governance Changes
SCON Phase II Guiding Principles

In addition, it is imperative that everyone have the same understanding about the overall "mission" and its criticality. For that reason, the following guiding principles have been developed:

– The plan that we currently have in hand is the plan that we will use as the starting point for Phase II, knowing that there will be updates and modifications along the way.

– GTA is looking to IBM to be the integrator who will drive all aspects of program execution, including those activities assigned to the agency.

– GTA is tasked with performing the role of expeditor or enabler, the one to remove roadblocks and obstacles to successful project completion.

– Currently, IBM has demonstrated that they can achieve on their stated milestones and deliverables. In Phase II, collectively, we are looking to beat the deadline for all tasks, deliverables, and milestones.

– The overall mantra for the project team: "Get it Done NOW."

Governance Changes
Guiding Principles - GTA as Expeditor

Because time is even more critical in Phase II, GTA must act as Expeditor, removing roadblocks and obstacles to reach "end of job".

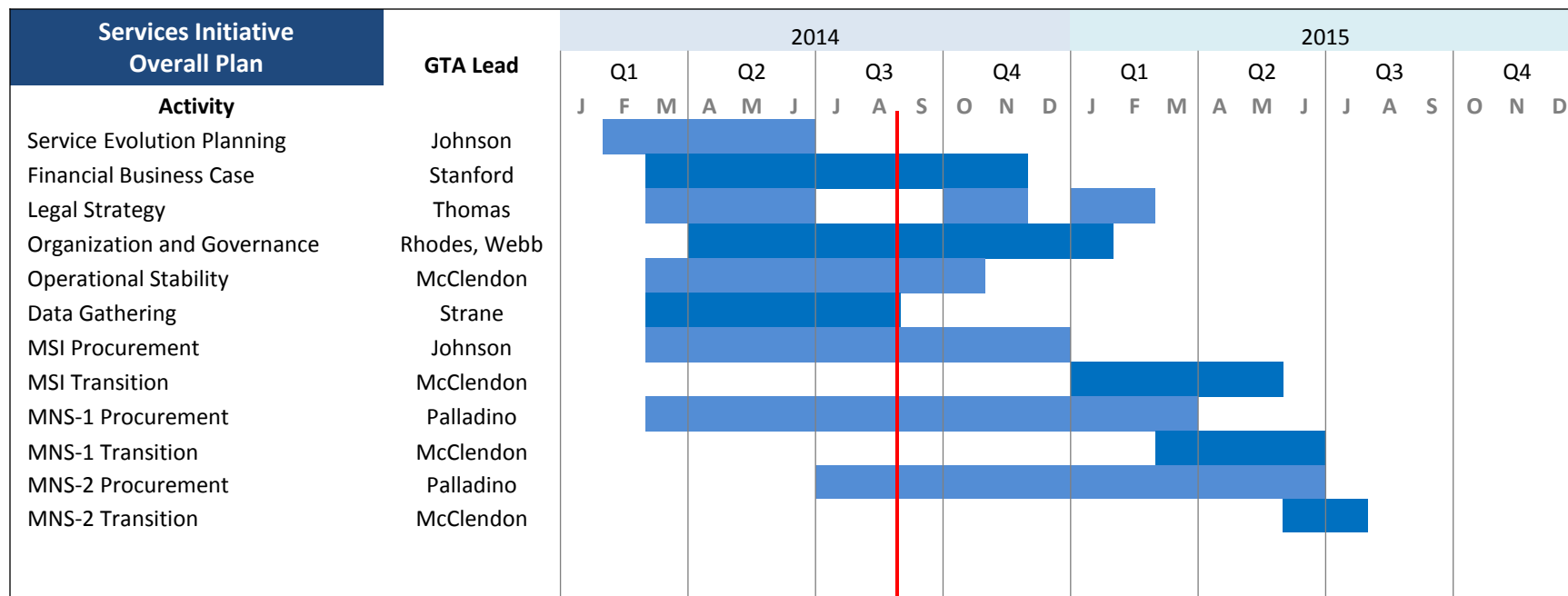Here are a couple of examples of recent action taken:

- Serving as mediator with both DHS (Human Services) and the application vendor, Accenture, to accelerate the SCON migration of SHINES, an application with serious performance issues, to aim to shorten the cycle by 3-4 months.

- Positioning to staff the identified resource needs from the Organizational Readiness review that are needed to meet the schedule. Lack of the right resources will not be the reason for a delay in the schedule for any agency.

- Setting the tone of not accepting routine discussions about movement "to the right", extension of the timelines, without exhausting all possible measures to correct the situation.

Questions about Transformation

Services Integration Initiative (SII) Update

- **SII Summary Project Plan**

- **Milestones**

- **Procurement Update**

  - **Multisourcing Service Integrator**

  - **Managed Network Services**

  - **Hosted Contact Center**

Summary Project Plan

Services Initiative Overall Plan	GTA Lead	2014				2015			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Activity		J F M	A M J	J A S	O N D	J F M	A M J	J A S	O N D
Service Evolution Planning	Johnson								
Financial Business Case	Stanford								
Legal Strategy	Thomas								
Organization and Governance	Rhodes, Webb								
Operational Stability	McClendon								
Data Gathering	Strane								
MSI Procurement	Johnson								
MSI Transition	McClendon								
MNS-1 Procurement	Palladino								
MNS-1 Transition	McClendon								
MNS-2 Procurement	Palladino								
MNS-2 Transition	McClendon								

1. MSI RFP response evaluation

2. MSI Clarification Sessions conducted

3. Incumbent Service Provider MSI Training and Education Sessions conducted

4. HCC NOA published

5. MNS – 1 Final RFP Publication

6. Governance Organization Design Draft

Completed Key Milestones

✓ MSI RFP Response Submission (August 6)

✓ MNS Final RFP Publication (August 18)

✓ Incumbent Service Provider MSI Training and Education (August 18-19)

✓ Hosted Contact Center Notice of Award (August 22)

Upcoming Milestones

❑ MNS Final RFP Q&A (August 22 – September 23)

❑ MSI Clarification Sessions (August 26 – 28)

❑ MSI Down Select (September 19)

❑ MSI Integration Sessions (September 22 – October 10)

MSI
Milestones

Milestone	Target Date	Status
RFP Response Due	8/6	Completed
Incumbent Participation Kickoff	8/18	Completed
Clarification Sessions	8/26 – 8/28	Target
Clarification Response Due	9/8 – 9/9	Target
Down select	9/19	Target
Integration Sessions	9/22 – 10/10	Target

MNS 1
Milestones

Milestone	Target Date	Status
RFP Release	8/18	Completed
RFP Bidder Conference	8/20	
Provider Conference - Integrator - Tower	8/21	
Final RFP Q&A Period	8/22 – 9/23	Target
Provider RFP Response Training	9/2 – 9/5	
Final RFP Response Due	10/3	

HCC
Milestones

Milestone	Target Date	Status
Negotiation Scheduling and Progress-NOIA announced	7/28-8/1	
Negotiation Scheduling and Progress-NOIA announced	8/4-8/8	
Negotiation Scheduling and Progress-NOIA announced	8/11-8/15	

Notice of Award
    AT&T
    Interactive Intelligence
    Mitel
    NexxPhase
    Platform 28
    Verizon (pending)
	8/22	Completed

Outsourcing Governance Milestones

Milestone	Target Date	Status
Profile and Near Term Plan for 'Governance Program Advisor' role	8/8	Delivered on schedule
Structure and Initial Plans for 'Executive Account Management Program'	8/8	Delivered on schedule
Joint Committees Design – DRAFT Joint Committees – Current to Future State Mapping Outsourcing Governance Training Materials	8/15	Delivered on schedule
Governance Organization Design – DRAFT Outsourcing Governance Decision Rights – DRAFT	8/22	On schedule
Governance of Outsourcing Training - Session 1: GTA - Session 2: Agencies	8/28	Tentative dates being identified
Future State Design Report – Initial Draft	9/5	
Future State Design Report – with GTA and Agency Input	9/12	

Questions

Outsourcing Governance Report on Phases I and II

Liz Evans

Managing Director, KPMG

Governance of Outsourcing Agreements

The structures, capabilities, and processes that enable the decisions and actions that are in alignment with the desired outcomes of the relationship.

Outsourcing Governance IS:

- Oversight and validation of service performance
- Escalation and resolution of programmatic or systemic issues
- Determining & executing scope / contractual changes needed
- Oversight of all aspects of the service provider agreement
- Financial & contractual accountability for service provider's services
- Establish a cadence of outsourcing governance meetings

Outsourcing Governance is NOT:

- Daily operational interactions with service provider
- Operational management of IT processes and activities in scope
- Resolution of operational IT issues (e.g. overdue Incident response or resolution)
- Identifying and raising issues or changes to the operating model

Outsourcing Governance Model
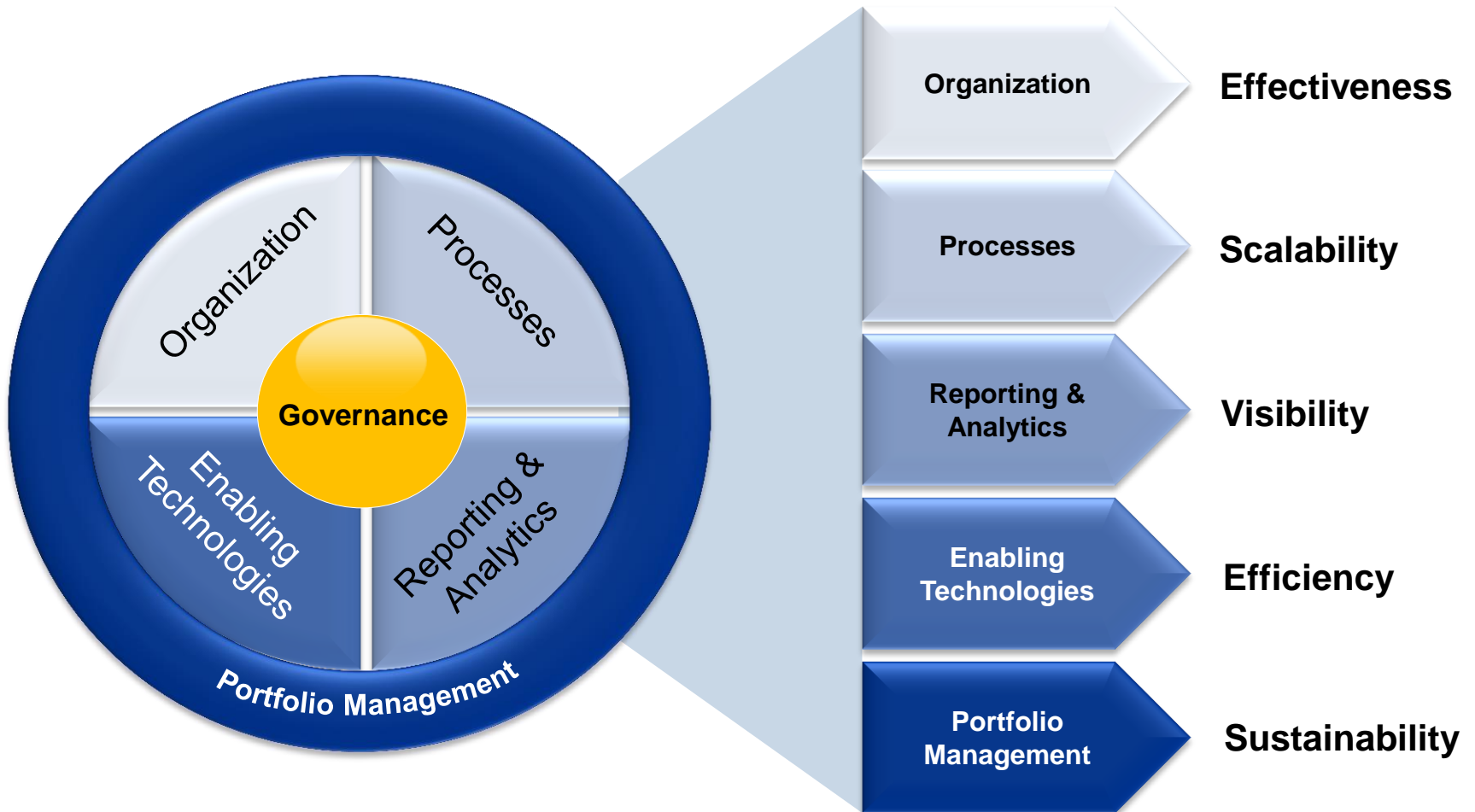
Common Pitfalls of Outsourcing

- **Lack of shared understanding of expectations and / or not in alignment with the agreement**

- **Customer and service provider roles, responsibilities and authority not clearly defined**

- **Insufficient or inconsistent sharing of information – among customer stakeholders**

- **Governance processes not deployed effectively**

- **Lack of organizational change management**

- **Assuming the governance mechanisms do not need to change or adapt over the lifetime of the agreement**

Project Scope of the KPMG Support

Area	Key Elements
Governance of Outsourcing	• Joint GTA and service provider committees and meetings • Decision rights / authority across all applicable stakeholders • Governance of outsourcing organizations, roles and responsibilities • Governance of outsourcing processes • Governance of outsourcing program reporting • Use of technology to enable effective and efficient governance of outsourcing
Customer Engagement	• Methods and practices employed for customer engagement • Definition of customer and provider relationships • Definition of key customer engagement roles and responsibilities • Use of formal and informal 'agreements' or methods of understanding relative to services provided to Agency partners

NOTE: Scope will include all key elements which touch or relate to the governance of the outsourced services – including the anticipated use of a Managed Service Integration (MSI) provider

Overall Project Approach

- **Conduct project in two phases:**
  - **Current State Review**
  - **Future State Design**
- **Key considerations:**
  - **Leverage pertinent observations and recommendations from KPMG's 2011 GETS Contract Assessment project**
  - **Include perspectives from key stakeholders/contributors: GTA, Service Providers, Integris Applied and Agencies**

Phase	Objectives and Approach
1. Current State Review	• Establish a shared understanding of current frameworks, methods, processes and practices • Ensure all applicable perspectives are included • Compare current state to leading practices • Identify what is working well – and what needs improvement • <u>Basic Approach</u>: review documentation, conduct interviews, test conclusions with key stakeholders
2. Future State Design	• Define future state design • Identify recommended changes – and practices to continue • Develop high-level, prioritized implementation plan • <u>Basic Approach</u>: Develop proposed design, review and refine with GTA input

What Will be Different

- **Objective: Ensure a comprehensive, sustainable and scalable outsourcing governance program is employed and continuously refined**

- **Agency feedback mechanisms established, beyond the traditional customer satisfaction feedback**

- **Greater emphasis on the roles and accountabilities for all parties involved in the future GETS program**

- **Agency centric focus and engagement through contracting to ongoing governance**

- **The GETS outsourcing governance model will be proactively reviewed to maintain effectiveness and drive value**

Next Steps

Phase 2

- **Complete Future State Design – Final Version due Sept. 12**
- **Review and refine Future State Design with GTA input**

Phase 3

- **Refine Future State Design based upon final MSI scope**
- **Review organizational skills sets to ensure alignment**
- **Develop implementation plan**

Georgia Digital Government Summit

- **September 18-19, 2014**

- **Westin Buckhead Hotel**

- **Opportunity for agency IT and business leaders to learn and share information about new technologies and trends and their implications for government**

- **Technology Innovation Showcase Awards Presentation**

Closing and Adjournment

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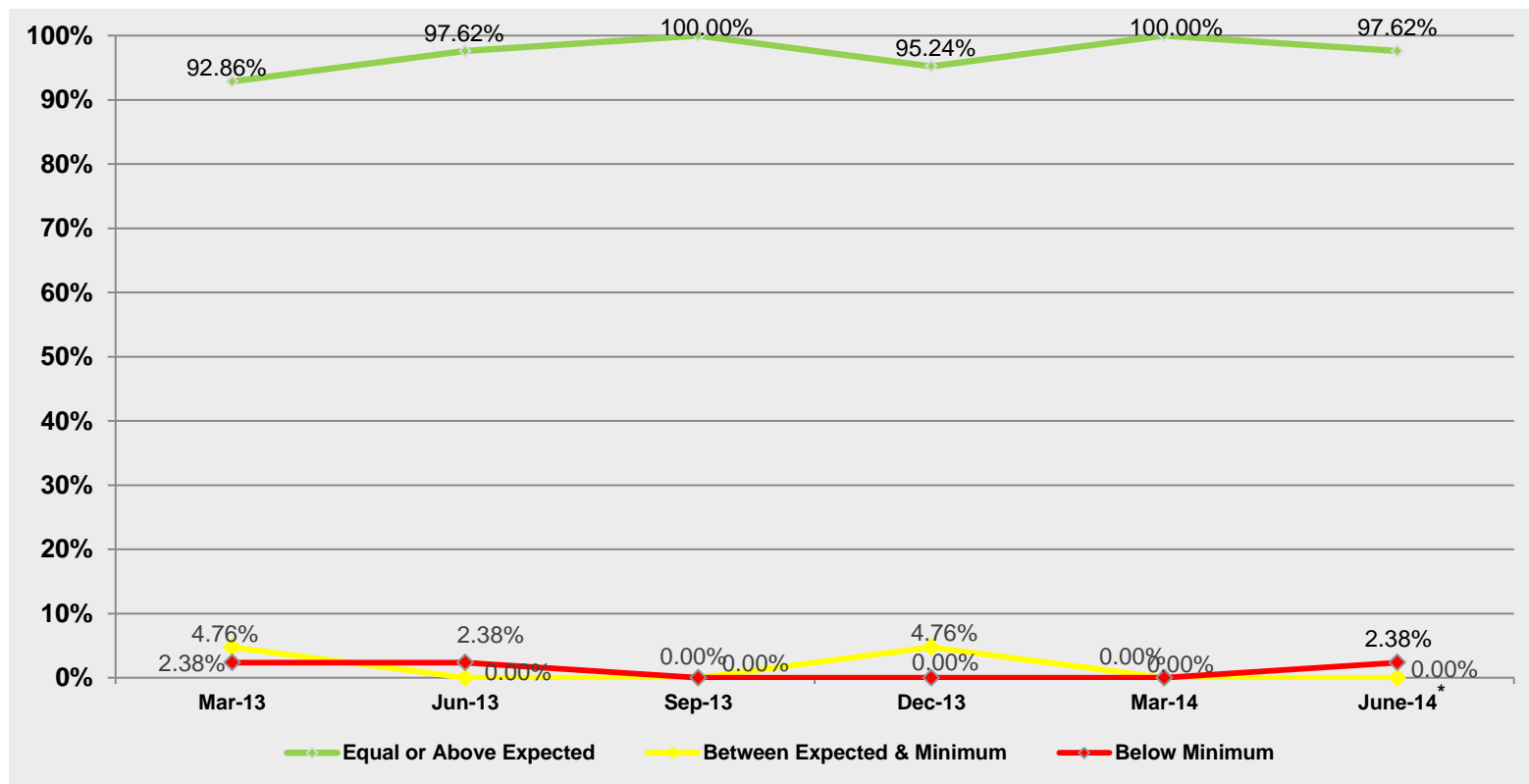
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Appendix

State Revenues: FY 2010 to FY 2015
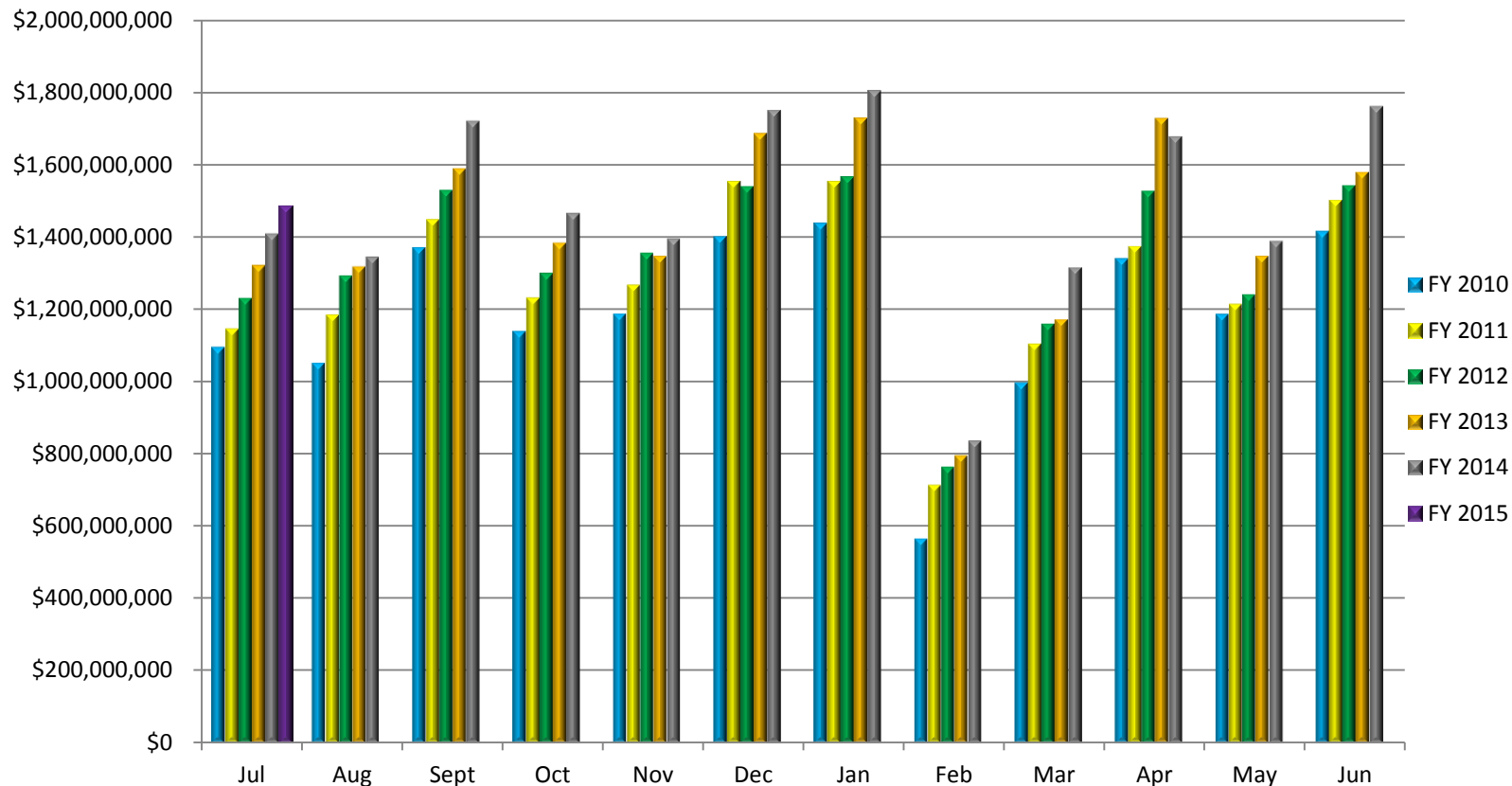
Revenues were 5.5% higher in July 2014 than July 2013

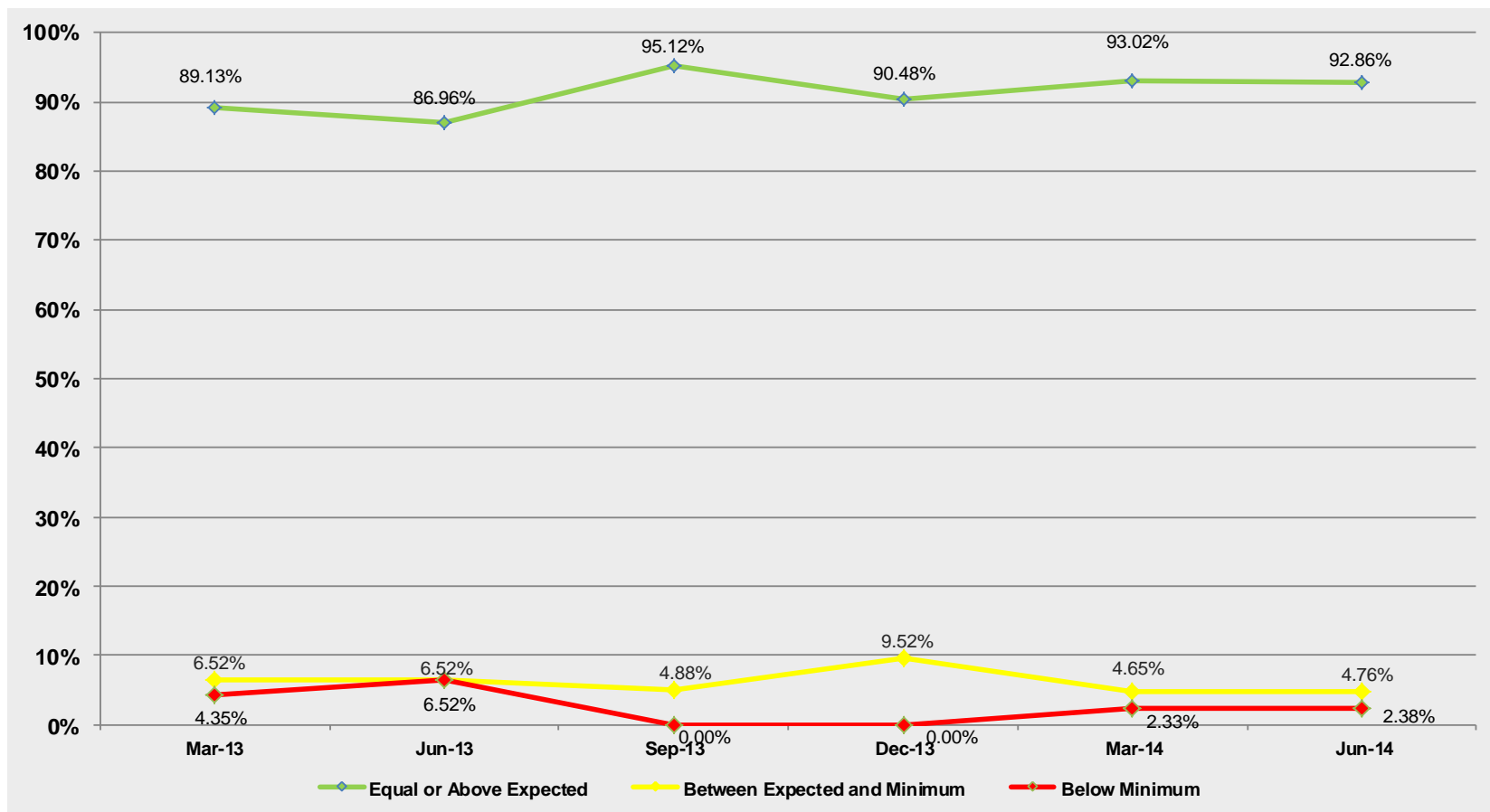# SLAs Quarterly Performance Trend

Managed Network Services

Note: These are quarterly percentages.
* June-14 data has not been validated (08/01/2014)

SLAs Quarterly Performance Trend

IT Infrastructure Services

Note: These are quarterly percentages.

Upcoming Milestones

- Complete server delivery schedule for SCON Phase II as outlined in the End-to-End Plan. The next delivery date is September 2 for 25 servers. Approximately 35 - 75 servers will remain.

- Complete the application installations for DHS (Human Services) Affinity 1 – Group 1 – September 15.

- Complete the application installations for GDC (Corrections) – September 26.

Upcoming Milestones

- Complete application remediation and UAT1 for Group 1 for DPH (Public Health) – September 29.

- Complete the implementation of the SAO (State Accounting Office) Hyperion project – SCON Phase I – September 29.

- Complete application remediation and UAT1 for GDC (Corrections) – October 20.

- Continue File Services migrations, primarily for DHS (Human Services), completing a minimum of 48 per month.

- For AT&T - Complete LAN/WAN transformation for DNR (Natural Resources) - September 6-7.