WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS

2005-06
(session year)

Joint
(Assembly, Senate or Joint)

Committee on Audit...

COMMITTEE NOTICES ...

➤ Committee Reports ... **CR**

➤ Executive Sessions ... **ES**

➤ Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE <u>FOR</u> AND <u>AGAINST</u> PROPOSAL

➤ Appointments ... **Appt** (w/Record of Comm. Proceedings)

➤ Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)

➤ Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
    (**ab** = Assembly Bill)   (**ar** = Assembly Resolution)   (**ajr** = Assembly Joint Resolution)
    (**sb** = Senate Bill)   (**sr** = Senate Resolution)   (**sjr** = Senate Joint Resolution)

➤ Miscellaneous ... **Misc**

M.M. - DOA - E. Mail

1/2/06

How made?

- General Team to come up w/ recommendation

- 1st reaction - Oracle suggested
  - "What drugs are you on?" "Are you kidding me"
  - My explanation 95% penetration w/ Microsoft why so diff. dn
  - not pushing decision off on gang

- Good decision

• Principles - wou det w/ see?
  - made in alignment w/ those

- Timing?
  - Diff in functions of system standard
  • Believe in a radically de-coupled IT structure

- can't run it be out of agility
  - DOA migration - ? - OCS -106?
  - not portable in Microsoft

• In favor of open standards, not cloud
  - need to be in control & not have
    e. have a proprietary one
  - i.e. breakthrough vs. long down
  - change power dynamic between customer & vendor

• Robustness & recoverability
  - OCS structured word RAC? tech
  - not avail "out of box" from Microsoft

• Records retention / work flow
  - part of OCS

• Last budget - share documents
  - no simple way - just e-mail to share document

↳ orig. OCS bid - $2.7M

• The firm group was making decisions
  was changing budget deliberations
  → personally wanted to avoid
  ↳ what OCS was trying to
  leave HR positions, positions to keep
  to minimum
  ... not filling position
  ↳ 6M in acquisitions savings
  ... moving
  ↳ savings often conflation
  w/agencies wants but would occur
  w/agencies as well
  $1M operationally/a/yr as well

⇒ Changes not easy
⇒ req substantial changes
  ↳ comes w/challenge
— 16 min - no questions

↳ OCS - file system utilizing a
  web-based system gives to every
  agency at sometime - one example
  of what OCS has "out-of-box"
  ↳ 1M -
  ↳ didn't way this as part of
  consideration - above
  ↳ just e-mail functionality
  from integrated wheret
  of system

• OCS also integrates directly w/our
  # TIM/TAM system (legacy)

• Cost consideration were costs
  ⇒ significant factor in solution
  ⇒ shadow - and of savings by
  moving to this due
— orig Microsoft bid $13-15M
  over 5 yr period
  ✳

TO Green
Maj. Leaders #
Gus #
    ↳ contact in Gov. office
Zunis #

← Tech College
    ↳ new way to set-up?
        — ask Diane for ......
    ? Paul Pederson?
        ↳ guitar player

3/10/06

Matt
- Large scale server consolidation
- DoJ, DVR?, Legis, SWIB - not part of
    '300 Desktops

Sue - GOAL
    ↳ see bottom right - corner of SIS weekly update

—   Savings
    ↳ 1/6 from technology
    ↳ 5/6 from
        109 FTE reductions
            ↳ 35 to 1 = 35 servers to 1 person

Matt   DOC - Good example
    ↳ if a GPR agency will underfund IT infrastructure
    ↳ in a FED funded agency - better infrastructure

• Department of IT.
    Tommy's Idea
    ↳ started by McCallum   — Rebecca Heidi....
        ↳ Matt was Doyle's app   ↳ DHL   —)
            ↳ responsibilities the same just now
        Through DOA —

• Diff between OCS & others
    ↳ how they were licensed
        ↳ underlying system
        ↳ e-mail system   ⟍   Microsoft
            ↳ multiple levels of license   ⟋
            ↳ OCS only one license per user

- fiscal conservative too
- says Oracle does use its own product (e-mail)
- Budget — main appro.* 168M
  ↳ Justice Info system separate
  ↳ Dist. Atty - System except Menomonee City.
- Justice systems & court systems typically underfunded/ antiquated accross the U.S.
- UW not part of SIS
  ↳ they don't have "position authority" constraints
-

System Development & Ownership stays in Depts.
  ↳ DET

??? IT Mgmt Board — not staffed? — unappointed — 1 or 2 staff needed
  ↳ modeled after Bldg. Comm.
      ↳ Gov. chair
      ↳ Legis
      ↳ Cabinet Sec.
      ↳ 2 private members?

Role → Proactive mgmt role →
  ↳ is this proj. working.
  ↳ what is it costing?
  ↳ is it on budget?
  ↳ if not why?

* Project Mgmt — Need one accross agencies etd.
  → 2 diff paradigms in state — 4 dominant accepted meths out there
      ↳ DOD very ridgid
      ↳ DOT doesn't have that < RATS in dust for 30 yrs.
          ↳ DOA — hybrid
          ↳ DOR — has the right methodology → not executing it !

4/19/06

Bob Butler   257-2622 (Mediation/Arb.   (Sunni Kraun?)
      rwb@wasb.org

Realities of the process — arbitrators record does
   play

+ track all of the arbitrators — since creation of law
    — how ruled —
━ process set-up before the QEO law

① Restrictions on ability to raise revenue
② Local economic conditions
③ Cost of other settlements in area — comparisons

4.3 — statewide avg in 2005 (3.8 — QEO)
      ↳ majority above 3.8

4/19/06

ACE Initiative

- Gina Frank - Reese   5/8 @ 1:00
- Dave

Gov
"in — suggest moratorium until audit   9
   — audit one year?
         — create citizen group — suggest they elem-t need in k
             — assign 2 people from DOA
                    — early 2007

? Agency — i.e. lose 3.5 people   Agency by agency
       ↳ lose budget for 3.5 people   lapse — # of IT
             ↳ DOA charging for serv.   positions
       but no money?

Admin. since
3/2005

5-30-06   Lynne Judd & Anna Biermeier

RATS

- 10-12 diff
- $35M cost is to replace "entire" DOT/DMV systems
  ↳ RATS portion is $23M - w/ customer merge
  ↳ included many new fed. & state laws - implementation
  ↳ new system is friendly to adaptation of new
    technology.
- 9.4M products have been issued since system - Nov '04
- meetings goals
  ↳ Hwy patrol - ability to review records
  ↳ meeting workload of previous years & the
    increased enhancements

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Retirement of DOT/DMV Legacy Systems
Timeline of Projects

The following timeline provides an overview of projects already completed in the process of retiring the DOT/DMV legacy systems.

The timeline does not indicate size of projects. The foundation systems and the 2004 merge of the vehicle and driver customer databases were very large, complex projects.

By the end of 2005, forty-six projects will have been completed. All of the large projects are completed with 99.9% of the data moved from Filehandler to DB2 tables.

Four projects remain. The fourth is "Retire Filehandler."

Year	Redesign Activity
1987	1. Presented issue paper to the Secretary of the Department of Transportation, recommending the replacement of the Division of Motor Vehicle legacy system
1988	2. Completed initial project planning for moving from legacy system to more flexible relational database with the ability to use new technologies
1990	3. Implemented document imaging and workflow
1991	Implemented shared foundation systems, designed to reduce data redundancy and increase flexibility in changing: 4. Customer Management 5. Financial Management 6. Agent Management Implemented driver systems: 7. License and Permit Issuance 8. License Renewal 9. Skill and Knowledge Test Management
1992	10. Implemented shared foundation system: Incident Framework 11. Implemented Accident System
1994	12. Implemented shared Correspondence system 13. Implemented online Driver Safety Plan System (alcohol/drug assessment information) replacing paper files
1996	14. Implemented Citation Processing System

Year	Redesign Activity
1997	15. Implemented Insurance Processing system, including electronic transfer of data to DMV and computerized business rules for automatically updating the driver record
1999	16. Enhanced Citation Processing System by creating Violation Management System, implementation included receipt of electronic data from courts.
2000	Implemented vehicle systems: 17. New Vehicle Titles 18. Used Vehicle Titles 19. Plate Issuance 20. Out-of-State Transfers
2001	21. Implemented driver license withdrawal system, including electronic transfer of data to DMV and computerized business rules for automatically updating the driver record and generating correspondence (revocation and suspension orders) to the driver
2002	22. Implemented Occupational License issuance, including the ability for customers to check their eligibility through an Interactive Voice Response (phone) inquiry. 23. Implemented Disabled ID Card Issuance.
2003	24. Implemented a web application for municipal courts to key data or transfer files that automatically update the driver record or are posted to an online resolve system.
2004	25. Added driver license Cancels and Surrenders to the Withdrawal Management system.
2004	26. Merged the driver and vehicle customer databases (9+ million records) into a single relational database. 27. Re-worked the Financial Management System to accommodate vehicle-related application issues. Completed vehicle systems: 28. Title/Registration Issuance 29. Plate Inventory 30. Connection to National Motor Vehicle Title Information System (NMVTIS) 31. Lien Management 32. Vehicle Renewal with daily expiration 33. Parking Violation 34. Vehicle Inspection Maintenance

Year	Redesign Activity
	35. Redesigned interface with 3rd Party Vendors
	36. Web Record Inquiry
2005	37. Completed the ARREST system: five driver and state patrol systems related to Operating while Intoxicated Arrests – includes most Division of State Patrol Filehandler functions
	38. Completed the re-work of the driver licensing system to implement the Patriot Act and connect with the social security administration systems online.
	39. Implement an electronic web application (MV1) for Titling Vehicles
	40. Implement web applications for checks for occupational eligibility, insurance status, and points.
	41. Implement electronic transfer of data from assessment agencies and technical colleges
	42. Implemented electronic transfer of data from Wisconsin State Lab of Hygiene
	43. Implemented Wisconsin TraCS suite (e-crash forms, e-citation, e-warning, alcohol report forms, and municipal citation) plus electronic transfer of data from law enforcement agencies to DMV databases
	44. Implement web application for ordering citation books or e-citation numbers and providing reports to law enforcement for citation tracking (uses data from DB2 tables/turns off FH procedures)
	45. Implement web application to provide reports to the public on drivers, convictions, and withdrawals (data from a data warehouse)
	46. Capture additional data on driver status history, correcting problems and positioning department to automate certifications
2006	47. Implement Reinstatement Processing System, including an eligibility check module and web application for customer self-service. Automate the setup of withdrawal cases for points.
2006	48. Implement a web application for customer and employee inquiry which includes an electronic certification of records.
2007	49. Eliminate the remaining unnecessary Filehandler functions/procedures and convert the miscellaneous remaining Filehandler procedures that continue to be necessary as batch processes or for reporting.
2007	50. Retire Filehandler

Retiring DMV Legacy System: Background

Goals
The Department of Transportation began the redesign of legacy computer systems with the Division of Motor Vehicles in 1988.   One of the primary goals of redesign was to replace old technology with new technologies that reduce DMV's cost of doing business.

DOT developed the DMV legacy systems in the early 1970s when computer hardware, software, and operating costs were expensive and labor was relatively cheap. By the late 1980s, computers were becoming less expensive and offering more opportunities while staff costs were increasing rapidly.

The bottom line for redesign and other business re-engineering efforts has been controlling costs while offering more services with fewer staff.

The first redesigned systems were implemented in 1991.

In the period 1991 through 2004, has DMV held to the bottom line?

Reduced Staff and Maintained Service
- ❏ In 1991, DMV produced 9,462,736 products in 1,735,944 staff hours. **5.45** products per staff hour.
- ❏ In 2004, DMV produced 11,998,585 products in 1,375,697 staff hours. **8.72** products per staff hours.

At the beginning of 1991, **980.441 FTEs** were allocated to DMV work. By the beginning of 2005, DMV was operating with an allocation of **854.604 FTEs**.

If DMV had not dramatically increased productivity – through redesign and re-engineering -- DMV would have needed, 476 additional staff to handle the increase in products between 1991 and 2004. The 476 additional staff would cost a minimum of $17,136,000 annually in salary and fringe benefits. (This cost estimate is based on the salary and benefits provided to a Transportation Customer Service Representative 2.)

Held Down Overall Costs
The 1991 DOT/DMV expenditures were $59,139,400. The 2004 DOT/DMV expenditures (appropriation 563 and 596) totaled $59,358,931, calculated in 1991 dollars -- more products, fewer staff, essentially the same operating budget.

Operated Efficiently

In 1991, for every state dollar spent on the operation of the DMV (appropriation 563 and 596), the Transportation Fund received a return of $3.53 in revenues. In 2004, for every state dollar spent on the operation of DMV, the Transportation Fund received a return of $5.57 in revenues.

What have the Costs been to Replace DMV Legacy Systems?

It is difficult to assess the actual costs of replacing the legacy systems, because, in many cases, the Department chose to redesign the legacy system in order to implement federal or state legislation. Even without the cost of replacing the legacy system, the Department would, for example, have had the cost of:

- creating the federally mandated Commercial Driver Licensing System in the early 1990s
- implementing Act 84 of the Wisconsin Laws of 1997, overhauling state laws on revocations and suspensions
- implementing the Patriot Act in 2005

DOT chose to implement those mandates in the new environment in order to be able to automate business processes and build in the additional capability of using more efficient technologies.

As of April 2, 2005, DOT had spent **$35.6 million dollars** on developing new databases and applications to replace the legacy, File handler system. (This total also covered the implementation of some major pieces of federal/state legislation and the addition of new technologies.)

Comparison to Other States

In 2003, the Center for Digital Government found in a survey of states that more than 70% of DMVs were running legacy systems. A little over half of all respondents said that they would be migrating their systems away from their current architecture to a more component-based open architecture. Wisconsin has nearly completed what more than half the states are just beginning.

The phased-in approach used by Wisconsin seems to be supported by the results from some of the states that have already been working on migration. When states attempted to migrate their entire legacy system at one time, some resulted in costly failures.

Comparison to Other Wisconsin Projects

The Department's DMV projects also compare well to other Wisconsin projects.

	Costs to Build	# of Programs	MB of Program Code
DMV	$35.6	4,037	201.8
CARES	$35.7 million	688	49.5
KIDS	$51.5 million	1,145	99.0
DOR	$59.4 million (approximately)		

What are the Costs to Run the New Systems?

Staff Savings
Between January 1991 and December 2004, the DMV staff allocation dropped **126 FTE.** This was during a time when products issued increased **27%,** but the workload increases were offset by a **60%** increase in productivity. New systems and process improvements were the cornerstones of the increased productivity.

Computer Operating Costs
Computer Operating Costs increased between FY91 and FY05. FY05 more than doubled FY91 operating costs. The increase in annual computer operating costs are less, however, than the <u>actual</u> savings in FTE.

If the number of FTE that would have been needed to handle the workload increases since 1991 were included in the calculation of staff savings, then staff savings exceed computer operating costs by about 12.6 million dollars.

Object Code	FY91	FY05
2621 Batch/TSO Computer Usage	$958,027	$2,579,253
2622 Database Access	$2,904,169	$317,698
2633 DATA Storage (DASD)	$128,921	$810,543
2636 CICS/DB2 Applications Usage	$296,438	$5,072,055
Total:	**$4,287,555**	**$8,779,549**
In 1991 Dollars:		**$6,150,689**

Why has the Wisconsin DOT been successful where others have failed?

Wisconsin DOT planned for the transition from the legacy system in a different way than other states. Wisconsin chose to make the transition:

- as part of implementing federal or state mandates (whenever possible)
- in a logical succession of small, medium, and large size projects that built on each other
- in a way that realized immediate staff savings
- with careful internal and external oversight

Projects Implemented 1991 through June 2005

CORE Functions
Customer Management (single database of vehicle and driver customers)
Financial Management
Agent Management
Correspondence
Automated Knowledge Test

Driver Functions
License & Permit Issuance
License Renewal
Skill and Knowledge Test Management
Insurance Processing (with Electronic Transfer)
Citations Processing (with Electronic Transfer)
DL Suspension and Revocation (with Electronic Transfer)
Occupational License Issuance
DL Cancels & Surrenders
Alcohol/Drug Arrest System (with Electronic Transfer)
Driver License Issuance Enhancements

Vehicle Functions
Vehicle Titling and Registration Issuance (with 3rd party processing)
Vehicle Registration Renewal
Plate Inventory and Issuance
Out-of-State Transfers
Disabled ID Card Issuance
Vehicle Inquiry
Interface with National Motor Vehicle Title Information System
Lien Management
Reporting and File handler Retirement for Vehicles

Basic Reg. & Titling System

Oversight

Each project listed in the previous section went through a rigorous planning process that included the development of a project proposal, a project plan, and a completion document. Business Area Experts (BAE's) and technical experts developed the projects with input from other internal and external customers. Management in both the business areas and the technical areas reviewed and approved the documents, authorizing plans to proceed.

Projects were also submitted for review and approval to the Department of Administration (DOA) as part of the statewide biennial Information Technology plan. This planning process began in the mid-1990s. The plan identifies both business issues and potential projects.

In addition, because of the size and complexity of the projects, DMV staff made presentation directly to DOA staff periodically to ensure that DOA had an opportunity to question the direction of projects and prepare for the infrastructure needs.

What needs to be completed to retire File handler and what are the benefits of retirement?

99.9%+ of the critical data used by DMV is now stored in DB2 tables. While nearly 100% of the data is stored in the new world, DMV needs to fund File handler because reinstatement data has not been moved to the new environment and, most importantly, because File handler provides the primary inquiry system for driver records, essential to internal staff, law enforcement agencies and businesses, such as insurance companies.

There are three IT projects that need completion to retire File handler (FH): driver reinstatement, driver inquiry, and a project covering miscellaneous procedures. These are projects of medium-size that would result in:

- efficiencies for BDS and BFS staff plus external customers
- reductions in data processing and data storage costs

Vehicle System·Redevelopment Costs
Summary - As of March 31, 2005
(All Vehicle Projects)

	Cost	Completion Date
Vehicle Release 1	$ 3,930,000	August, 1998
Vehicle Release 2	$ 270,000	February, 1999
Vehicle Release 2.5	$ 62,630	March, 2001
RaTS Scoping	$ 237,681	July, 2001
RaTS 1.1	$ 1,028,357	February, 2002
RaTS 1.2	$ 2,287,597	September, 2002
RaTS 1.3	$ 1,715,105	January, 2003
RaTS 1.4 (FY03)	$ 2,615,250	N/A
RaTS 1.4 (FY04)	$ 5,491,769	N/A
RaTS 1.4 (FY05)	$ 3,392,255	(up to Mar. 31 '05)
Miosoft Contract - Initial Conversion Scope	$ 290,000	N/A
Miosoft Contract - additional work required	$ 210,000	N/A
Management of DMV Application Models (shared activity between Vehicles/Drivers)	$ 1,580,905	(to date)
TOTAL (of all Veh Redevelopment efforts)	$ 23,111,548	
TOTAL (just RaTS costs) (includes all Model Mgmt costs, some of which were incurred prior to the start of RaTS)	$ 18,848,918	

IT Audit

LAB   Jan & Kate

Contacted by many state employees and contractors
more of a financial audit than one
    ↳ changes in contracts = evolution of K
CR? Want this to be broad, bullets
     market for customer satisfaction — end result, accountability

     ↳ W/G an important component of audit — case studies
       will get into this in detail — contract provisions
ST? Rationale for projects. . .
     ↳ yes
RC? When will be completed? Concerned about penalties — or
lack of & why? Where is money from overruns or
getting canabolized? Cost-benefit analysis
     — Finder Management Services hired to mg. project?
MM? Reliance on contracts due to legislatures not funding
positions? — using contractors rather than employees?
Looking at successful contracts & see what's different
     ↳ W/B looking at oversight structures — staffing
       of state employees vs contracts —
CR? This may lead to more/additional audits
MM? Looking at how private business let their contracts & at Accenture
S   ↳ ↑ yes
JL Penalties?

DOA   Sean Dilweg & Matt M.

Sean — welcome audit — DOA — hardware — backbone
   — large agencies have a lot of lattitude

Servers consolidation — looking at saving $8M after consolidation — excluds, UWS & Legis

• have Warranty concerns — have in

• knowledge transfer — reduce servers & use consultants short-term

• Trying to bring a business perspective to state gov't

• Should include legis in audit

Matt

• Have an opportunity here. Some systems came under past administrations

• DOA runs the infrastructure (ATC-power lines)

• Don't think mistakes are acceptable

• look at best practices in other states

• 7,000 applications in state — only a few are large

• comparison of what we spend on IT as a % of budget

• change is what we do

• Fan of penalties in contracts — rabid enforcement

CR — Had talked w/ LAB about best practices — even w/ rabid enforcement there is still a cost for our employee involvement

RC — Have you looked at re-bidding any of these prob?
   ↳ difficult to re-bid in middle of contract — easier

RC — Item in budget for legis oversight
   ↳ Makes sense that legis is aware

RC — Jim — legis oversight in other states? Does it work?
   ? would the Gov sign it if legis proposes?

SJ • Sean — DET
↳ Programs drives the programatic changes — we
make sure the support is there — DOA gives
help to agencies — & appeal

SJ ► Any person in DOA that looks at contracts
↳ gives advice at what plan should look like

DK ~~░░~~ ⊗ The buck stops at the top — if the agencies aren't
making good decisions you need to step in — put
people in who will make good decisions
Will appreciate you willingness to work w/ LAB so we
can get our arms around the problems & fix them.

SJ ⅊ Staff reductions — who is left to help agencies

↳ hardware people that were reduced

● Tom Rhatican - DVA

? Agency input? - none? none from DVA
   - DVA tried to work w/ DOA
   - No interest until legs introduced
      - Delay + defer
● Management at DOA - stinks
? Data from DOT shows it will cost more - not less
● DVA asked hard questions & DOA kept looking
   to legal counsel - couldn't answer
   • cost concerns
      ↳ losing trust fund money ($290K/yr)

Sue – told Rep Schnieder she would work w/him on this
issues in a committee, ...

_____

UW Info Session

① Don Mash – Pat Brady
  – computer software system
  – RC – rec'd under open records some info from UW admin
  – DM
      – significantly challenged – began 6 yrs ago – not yet
        implemented
      – w/B part of audit – LAB
      – have had a long
      – complexity of this project is significant
      – Early Nov – decided 4-5 mo. design/plan – to get
        accurate cost est & timeline
          ↳ retained Lawson
          ↳ have not pursued – not in best int @ this time
      –   ↳ would want for DOA to make a selection
                ↳ Oracle/PeopleSoft
                   ↳ HR payroll system 3rd phase
                   ↳ UW would do parallel system implementation
                     at that time
      – Dec – Review of current Legacy system
          ↳ lifespan – cost to cost running
RK – Cost already spent? – Abandoning?
          ↳ $26 M spent to date – since 1999
          ↳ not yet determined which direction will go

RK — Has a docum— 12/14/05 —
  ⤷ $1.1 M for plan/design phase
    ⤷ have not pursued request
RK —Was for past spending — not future spend
  ⤷ not registering? not prepared to respond
RK — Jan request —$1M to spend on^Lawson reviewing Lawson?
  DOA response raised conflict of interest issues
    ⤷
Sg. —$26M spent w/ no plan?
  ⤷ no —
  ⤷ we are "in a pause" — not spending more money?
DT — What do we have for $26M. Anything
  ⤷ a thing has
  ⤷ have we learned/mud
    ⤷ if we move forward w/Lawson it ($26M) will
      not be for
    ⤷ if not, we still have learned some thing
DT — Have Regents been aware throughout — approved?
  ⤷ have been briefed — DM — exec oversight only a
    year ago
Nass —Regents again not doing job — we have 6 yrs, $26M
  — how many years & money B4 get it back?
    ⤷ ?
LM Was this competitively bid?
  ⤷ yes

② RK - UWW + UWM merge status
↳ final rpt & recommendation in June 2006
↳ want best economical decision/impact possible
↳ initial report (1/06) did not rule out merger
↳ UWM & UWW both currently stretched & a merger
   could jeopardize both of their missions
RK - No admin savings?
↳ insignificant

③ Discipline Procedures - update
PB - Overview
   - PB said faculty senate would consult w/Provost/Chancellor?
RK - move quickly

④ Seg. Fees
   - Really sent ltr to leadership - overview of all UW
   has done in last year.

   Reporting on funding rec. on Thurs to Regents
   - good news - compliance w/process
   - looked at ways to enhance student involvement
   - Regent oversight

LM   Disagree — do not say after serving time prohibited
     from
        "after pay"

SB 613 - Finance Cowles
P.O. Office
Krista, Gail, Kelly, Nick

● IT Consolidations

- No tracking of staff?

- Where are the big successes in other states
  ↳ failures
- Borrow from other states
? - When state workers "augment" contractor work, it raises
  the question of who is really responsible if/when things
  go wrong.

Where - started
  - at
  - when done
  ↳ how long proj. - need of consultants
- Cost - Benefit analysis

IT Budgets - DOA
  - Base building budgets for agencies
    ↳ how spent - follow the money

- P.O. Office
  ↳ good system

① Matt Miszewski - DET
② Show me the plan - 2 pages
  ↳ Why Oracle

Joyce Gelderman - DOT
Frank Ace - DOJ

- IT Directors Council
  L incl. LAB

- Parking < person, vehicle make
  ↳ cell #

DOC
- Corrections
                service
- 24 hr ^needed
  ↳ DET not 24 hr
       service

- DOA - Satisfaction
    Survey

Sue McKinney

HP Servers — Matt didn't like servers committee picked — made
BLC?   them change to HP

— Tom Radikin — Use S. Fitzgerald
DVR —
↳ SB613 (Cowles) — passed out of JFC

Gov Joe

Diane Haubner, Sen. Roessler, LAB, Sue, Karen, Me
  - RATS
    - UW Benefits - Diana wrote Risk Assessment

- Process is broken
    ↳ Bad testing
    ↳ Requirements unclear
    ↳ unqualified people working on application
    ↳ budget not adequate for scope of project
    ↳ project management - contract mgmt

- UW Benefits
    ➤ Not right project mgmt - composition of team
    ➤ no budget tracking

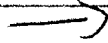   ➤ design, build & rollout — vendor s/b accountable
        ➤ if only a "c"

LAB

Assess & Scope → Inv. Rank → Rate Recommendation

PmP's: Analysis → PmP: Findings & Re → PmP: Recommendations / Deliverable →

Commerce
‾‾‾‾‾‾‾‾‾
DNR, AI Shea

Reimbursement fees

$1.2 Million —

Jones —
$959,900 - high - between
to steal - steal -
DOA says why were
we as this?

2. Await this evolution

— Otherwise not in place? —

($26 Million spent)

$46 million to
estimated to
Complete

---

1. Planning & Design
high level design
phase — $1,000,000

Jones - retain
did test DOA
(required)

2. Await DOA
far this evolution
"
People Mgt -
Payable - Procurement
Life —
Finance —

Oracle —

Legacy — covered
$46 Million —
need to seek approval for
additional $26,000,000

Conflicted Problem

Administrative (rules)
Caused the problem
Not statutes

1. President Week
Appointed Committee
(address)

① He notify the
matter that have
entrusted the Agents to

② What change
Need to be Matter?

Application —

~~~~~

NW — Waukesha —
Meeting Wed WWM —
Preliminary Report a
few weeks ago —
June — final report

May 23 Form ✳

1) University Center ?
2) Stand alone — ?

Audit & Aggregated

Student fees
_____

Review the program
Review process
Review budget
Review allocation
Review allocation
for Capital projects
Currently the Growth
Currently the
In regards to the fee –
Reports to Regents who know.

Committee
Approval — *

1) Continue as proposed
Concurrently? – Yes
2. Suspend did.
Which fee –
New – they are
put in suspension
which pay –
Committee days fee they
Concurrently pay —
Can suspend pay

☆ _STEVE MAHONEY_ – DOT
PROCUREMENT SPECIALIST
261-0124

☆ _Jill Hynum_   DWD
IS Development Services Consult.
261-6988

Gabe Kirchner   AFT-Wisconsin
698 7217 (cell)
662 1444 x 214 (work)

Better Salary
+ Benefits

ARG?

Vendor cost — go to co. pull out invoices — ck.
3 yrs.   monitoring
cut 2/3 auditors
cut purchasing staff.
every day probably saved $100
wkdays   Saturdays .
        should
wk will be done in house vs contract out
  out area — foolishly, financially,
          illegal whatever.
vendors hiring other vendors.
  contractors hiring other contractors.
more contracted out less record open.
can be written in●

[handwritten notes at top: "S2 million Sales & Use tax — 32 of S2m not include any costs that employees — take anyway — generate & — never acted for. Sor."]

⌐ **Read Message**

From: "Hynum, Jill" <Jill.Hynum@dwd.state.wi.us>
  Date: 2006/03/21 Tue AM 12:27:12 GMT
    To: "Foeste, Art" <afoeste@dor.state.wi.us>, <kirchner@aft-wisconsin.org>
Subject: Questions

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Suggested Scope: Any IT contract that costs at least $1 million in a year (or is expected to cost $1 million in a year).

Suggested items to look at:
1. If a vendor is being used, why did the procuring agency choose to use a vendor rather than state employees? (s.16.705 (1))

2. What was the end product expected to be? Did the procuring agency clearly define the measurable deliverables and benchmarks? Was there a point after the contract began when the procuring agency evaluated whether the IT project should continue or not?

3. If there was a vendor involved, was there a bail-out plan if the vendor was deemed unsatisfactory?
4. What was the expected implementation date according to the initial contract? If there was a vendor, what were the vendor payments defined by the initial contract?

5. If the IT system was implemented later than the date in the initial agreement, were there problems caused by the late implementation?

6. If the IT system was not totally successful when implemented, were there clean-up efforts required by the agency? If yes, what was the cost of that clean-up effort?

7. Who was responsible for defining the business requirements for the IT project? *[handwritten: what want system to do.]*
8. Who recommended proceeding with the IT project? What QA methodology was used? If a vendor was involved, who was responsible for monitoring the performance of the vendor?

Minnesota → Voter project successful, (handwritten)

9. If the IT project included buying prepackaged software, what percentage of the agency's needs were expected to be satisfied by the package? *[handwritten note]*

10. How satisfied are the end-users of the IT project after implementation or partial implementation?

11. If a vendor was involved, did the vendor disclose any former agency staff employed by the vendor or any former agency staff that they expected to hire as required by s. 16.705 (5), Wis. Stats. and Admin. Code 10.10 (1) (b)? *[handwritten]*

12. If a vendor was involved, did the procuring agency file an evaluation with DOA of the vendor's performance within 60 days of completion of the contract as required by Admin. 10.12 (3)? Was the work audited as required by s. 16.77? *[handwritten notes]*

13. If a vendor was involved and the performance was unsatisfactory, did the procuring agency file a report of unsatisfactory performance with DOA as required by s.16.705 (6), Wis. Stats.? *[handwritten notes]*

14. If a vendor was involved, was the cost of their work reported in the annual report required under s. 16.705 (8)?
Suggested IT projects to look at: E-mail consolidation (DOA), Enables (DWD), Suites (DWD), SIS (DOA), KIDS (DWD), CARES (DWD), TEAL (DOT), IBIS (DOA), Peoplesoft (UW). *[handwritten notes]*

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Help

[handwritten notes at bottom:]
auditor —
Could we have done something we're crisis ... so much invested in them almost can't
accenture — i.e.
Not off the ground yet 20 yr; 135 million
integrate all 10. m $ software pkage working.
Once you build it you have to maintain it — once build it who maintain.
payroll purchasing budget. hr? fiscal

	Point Value

Changes in Service Cost:

1. Will contracting out result in a private sector monopoly? (0=high to 10=low)   10

2. Does the contract require that the private vendor is responsible for all cost overruns? (0=no or 5=yes)   0

3. How many capable private vendors are interested in providing the service? (0=few to 10=many)   0

4. How much public risk is incurred if the service is suspended? (0=high to 10=low)   0

5. How difficult would it be to restart if the private vendor quit? (0=hard to 10=easy)   0

6. How much capital equipment will be owned by government? (0=none or 3=most or 5=all)   0

7. How comprehensive is the plan to deal with service interruption? (0=no plan to 10=very comprehensive)   0

8. Is the private vendor required to purchase a performance bond? (0=no or 5=yes)   0

9. Is the private vendor required to purchase a bid bond? (0=no or 5=yes)   0

10. If the privatization is anticipated to be permanent, how long is the contract duration? (Enter in number of years up to 10)   0

==============

40

Changes in Government Liability:

1. To what extent does the service involve patient or client confidentiality? (0=very much to 10= not at all)   0

2. To what extent does the service deal with public safety? (0=very much to 10= not at all)   0

3. What is the likelihood that an error in judgement could result in death? (0=very high to 10= not at all)   5

4. What is the likelihood that an error in judgement could result in substantial property damages? (0=very high to 10= not at all)   0

5. To what extent will the contract indemnify the
   government? (0=not at all to 10=completely)   0

6. Is the service mandated by statute or ordinance?
   (0=yes or 5=no)   0

7. Must statutes or ordinances be changed to permit
   contracting out of the service? (0=yes or 5=no)   20

8. How strong is the political support from citizens and
   interest groups for the service?
   (0=strong to 10=not strong)   0

9. Has the private vendor ever been found guilty of
   violating labor law, occupational safety and health law,
   equal employment law or environmental laws?
   (0=yes or 5=no)   0
                                                            ==============
                                                                  25

Changes in Quality: Input analysis

1. How do the wages of public sector workers compare with
   their private sector replacements?
   (0=much lower to 10=much higher)   0

1. How do the benefits of public sector workers compare
   with their private sector replacements?
   (0=much lower to 10=much higher)   5

3. How does the education and training of public sector
   workers compare with their private sector replacements?
   (0=much lower to 10=much higher)   0

4. How does the experience of public sector workers compare
   with their private sector replacements?
   (0=much lower to 10=much higher)   0

5. Are the number of direct service workers with the private
   vendor greater, less than, or about equal to the number
   of direct service workers in the public agency?
   (0=less than, 5=same, 10=greater than)   10

6. How long has the private vendor been in business?
   (Enter number of years up to 10)   0

7. What is the reputation of the private vendor as a
   provider of products and services?
   (0=poor to 10=excellent)   0

8. To what extent does the core business of the private

vendor match the service targeted for privatization?
(0=poor fit to 10=excellent fit)

9. Can the private vendor access specific expertise that
   the government can not?
   (5=no or 10=yes)

10. Can the private vendor purchase facilities and/or
    equipment that the government can not?
    (5=no or 10=yes)

Changes in Quality: Contract and Monitoring Analysis

1. How easy is it to monitor the quantity and quality of the
   service? (0=difficult to 10=hard)

2. To what extent are the service activities visible to the
   general public? (0=not visable to 10=very visable)

1. Is the private vendor required to provide a warranty
   on the work performed in the form of a surety bond?
   (0=no or 5=yes)

2. Is the private vendor required to repair all damages
   to property caused by their operations?
   (0=no or 5=yes)

4. Are well-defined quality standards
   in the RFP and/or the contract?

5. Do penalties exist for contractors who
   fail to meet the quality standards?

6. Is there a plan in place for monitoring
   the performance of the contractor?

7. Does the plan include random inspections
   of contract compliance?

8. Does the plan include a method of

measuring public approval of
contractor performance?

9. Is the private vendor required to submit
   periodic performance reports?

10. Is the contractor required to purchase
    a performance bond?

11. To what extent is the service integrated
    with other government functions?

12. Are the employees of the private
    contractor protected by
    whistle-blower laws?

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Changes in Service Mix:

1. How close does the mission of the
   private vendor fit the mission
   of the targeted service?

2. How close is the fit between the private
   vendor tasks and objectives and the
   core business of the contractor?

3. How well does the RFP or contract
   specify the service tasks presently
   performed by the public employees
   targeted for replacement?

4. How often does the target service change
   to require new tasks and functions?

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