State of Alaska

April 2020

ALVAREZ & MARSAL

Alaska Administrative Productivity and Excellence

Phase 2: Information Technology Improvement Plan

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Executive Summary

Project Approach

The AAPEX project will perform the following phases of analysis, design, recommendations and implementation to improve State of Alaska IT capabilities

Current State Assessment

- Review current state of IT capability and maturity:
  - Operating Model, Org. Structure and Resources
  - Governance & Service Planning
  - Project, Portfolio & Service Management, Build, Deploy & Support
  - IT Utilization & Financial Model
- Compare current state capabilities with relevant leading practices
- Obtain voice of the customer feedback
- Identified observations, gaps and supporting data

Nov – Dec, 2019

Future State Design & Plan Development

- Develop future state design for consolidated IT:
  - Operating Model, Org. Structure and Resources
  - Governance & Service Planning
  - Project, Portfolio & Service Management, Build, Deploy & Support
  - IT Utilization & Financial Model
- Define implementation approach
- Socialize preliminary IT Operating Model design
- Develop business case for IT improvements and consolidation
- Develop recommendations and prioritized roadmap for IT consolidation

Jan – Mar, 2020

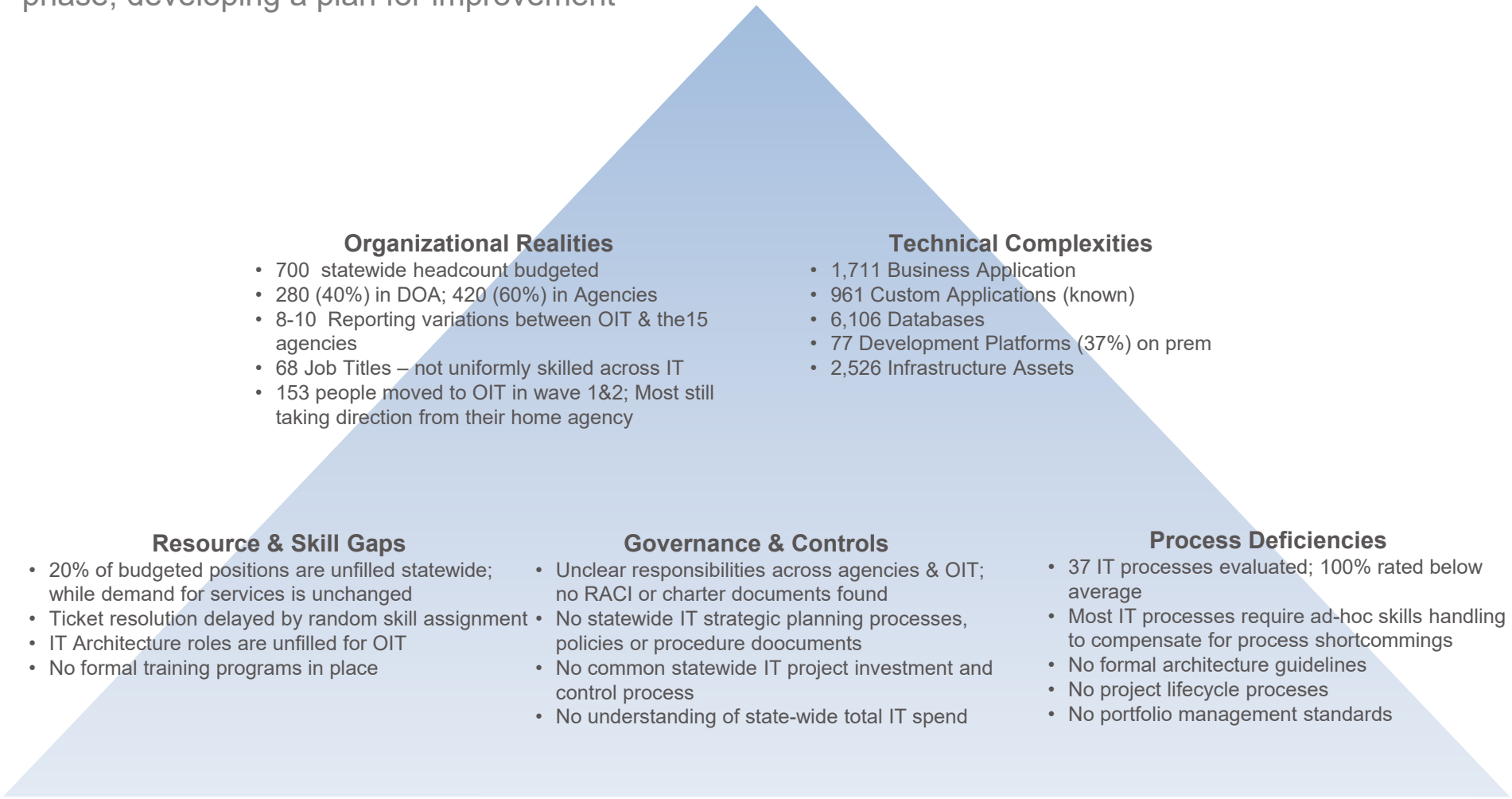
Implement

- Manage the plan execution for IT improvements and consolidation
- Align resources with the consolidation plan
- Align IT Serve Delivery Model and Service Catalogue with the IT consolidation plan
- Manage the transition of IT services
- Manage risks and issues associated with IT improvements and consolidation
- Transition project ownership to DOA resources

April – Oct, 2020

Current State Results
Statewide IT Performance Is Impacted by Multiple Factors

Identifying the factors contributing to substandard IT performance leads to setting priorities for the next phase, developing a plan for improvement



Organizational Realities

- 700 statewide headcount budgeted
- 280 (40%) in DOA; 420 (60%) in Agencies
- 8-10 Reporting variations between OIT & the15 agencies
- 68 Job Titles – not uniformly skilled across IT
- 153 people moved to OIT in wave 1&2; Most still taking direction from their home agency

Technical Complexities

- 1,711 Business Application
- 961 Custom Applications (known)
- 6,106 Databases
- 77 Development Platforms (37%) on prem
- 2,526 Infrastructure Assets

Resource & Skill Gaps

- 20% of budgeted positions are unfilled statewide; while demand for services is unchanged
- Ticket resolution delayed by random skill assignment
- IT Architecture roles are unfilled for OIT
- No formal training programs in place

Governance & Controls

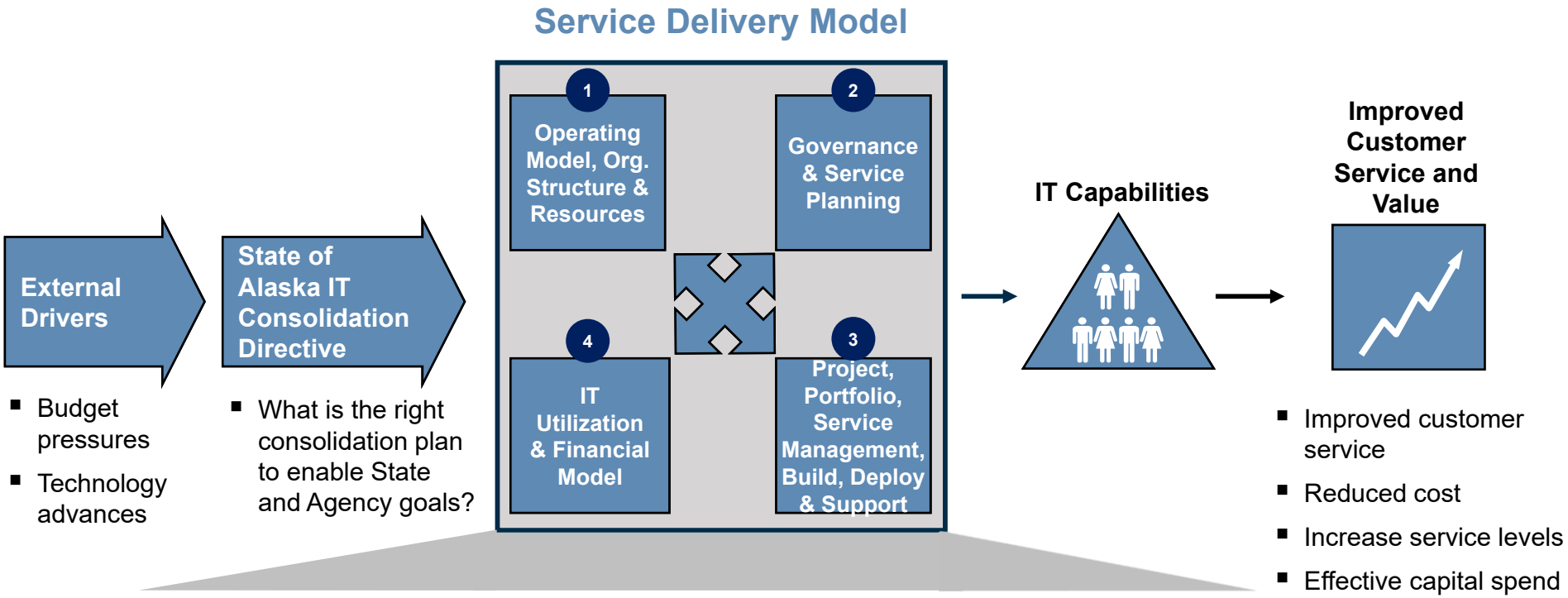
- Unclear responsibilities across agencies & OIT; no RACI or charter documents found
- No statewide IT strategic planning processes, policies or procedure doocuments
- No common statewide IT project investment and control process
- No understanding of state-wide total IT spend

Process Deficiencies

- 37 IT processes evaluated; 100% rated below average
- Most IT processes require ad-hoc skills handling to compensate for process shortcommings
- No formal architecture guidelines
- No project lifecycle proceses
- No portfolio management standards

Service Delivery Model Future State Design

The IT Service Delivery Model assessment framework components were utilized to develop the future state design and develop the implementation approach and roadmap



AAPEX ALVAREZ & MARSAL

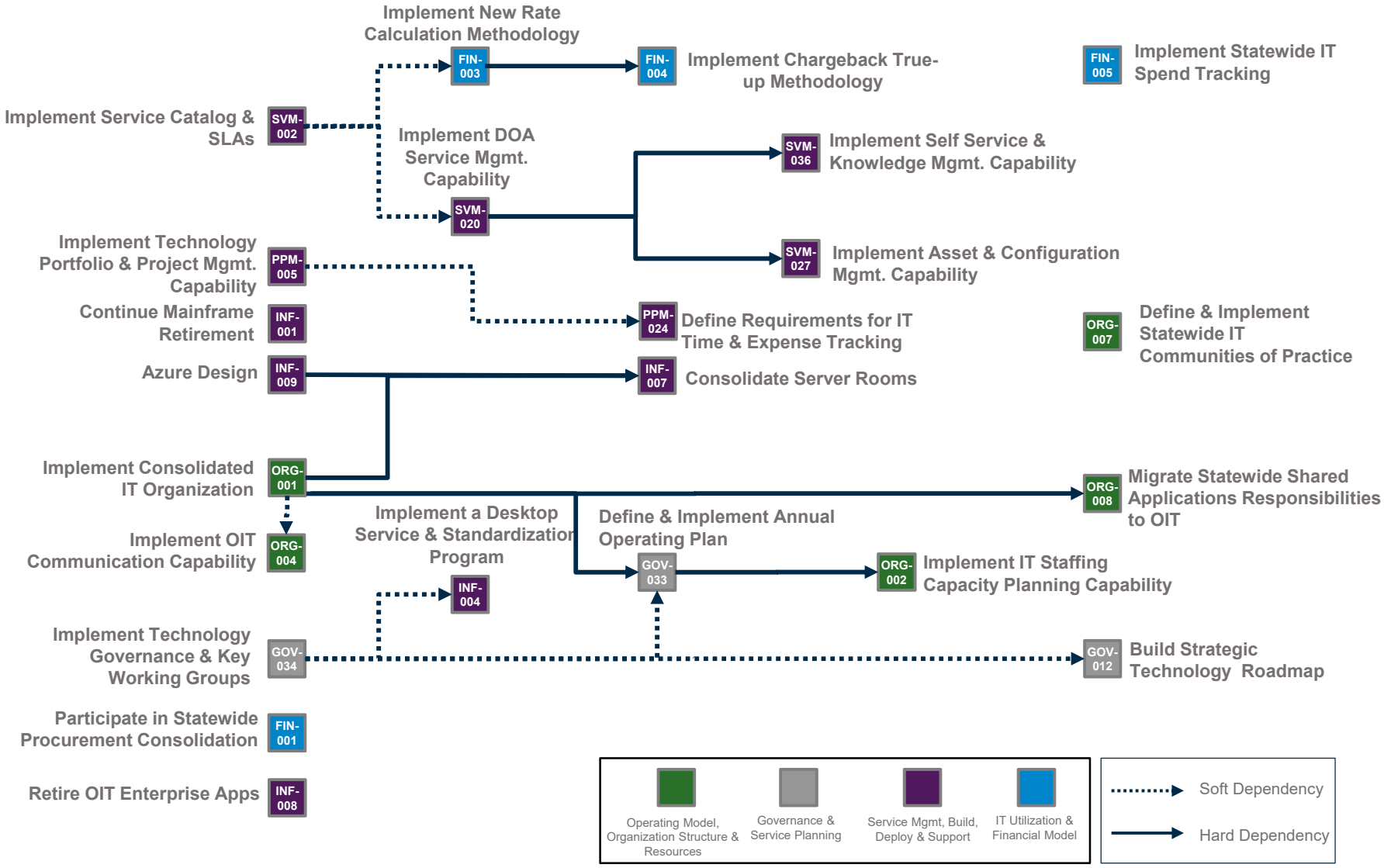
Improve Administrative Productivity Through Implementation of Projects That Enable Standard Process and Data Integration

The development of statewide process standardization and system integration requires a staged approach with incremental improvements to each component of the IT Service Delivery model

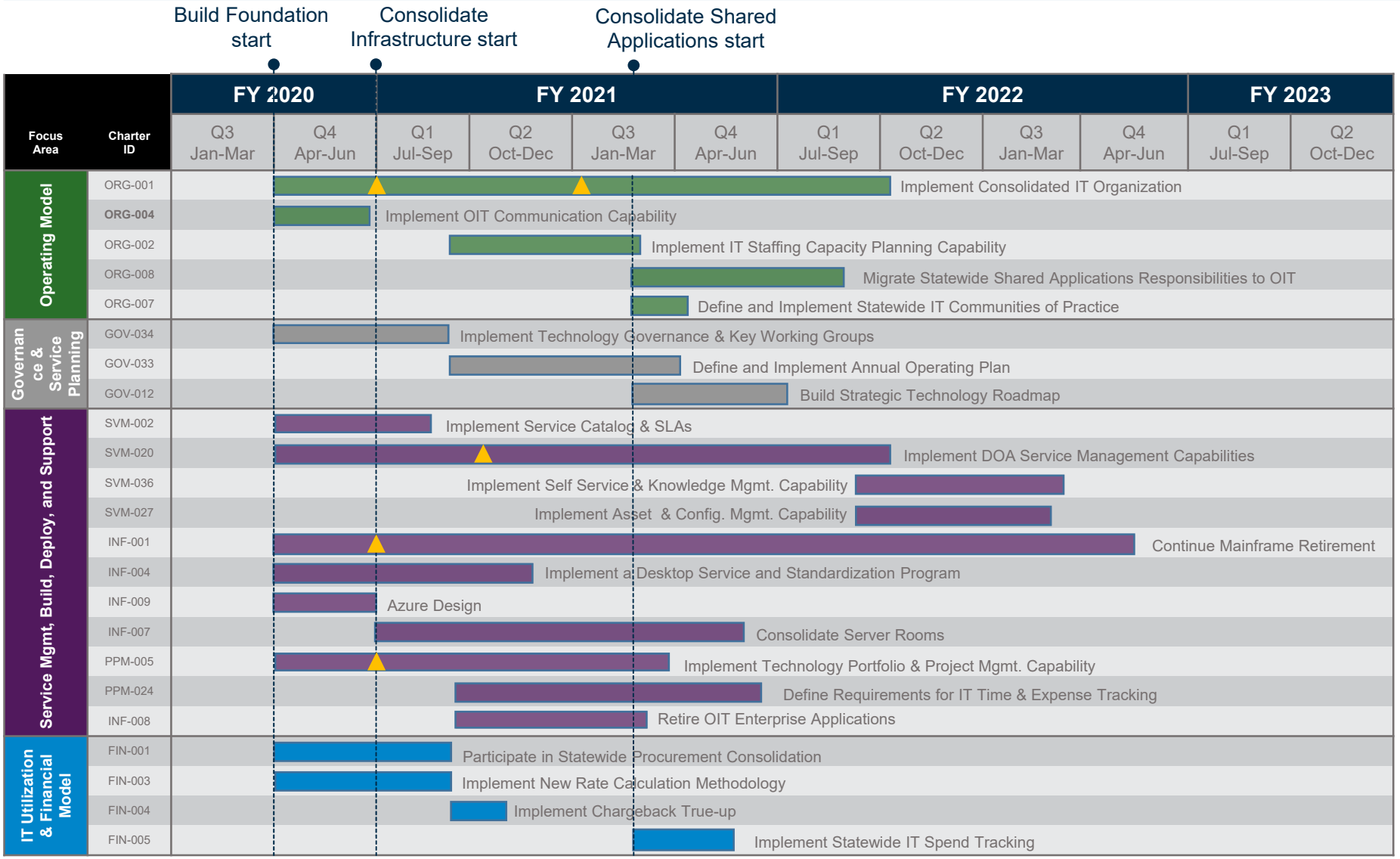
Build the Foundation | **Consolidate Infrastructure** | **Consolidate Shared Applications**

	Implement standard processes for Service Management (Helpdesk) and standardize Desktop	Consolidate Server Room infrastructure to 3 locations or Cloud; implement project management	Implement statewide operating model for applications used by all Agencies (e.g. IRIS)
Objective			
 Operating Model, Org. Structure & Resources	• Implement first stage of Consolidatedd IT organization • Rationalize IT job titles	• Expand infrastructure operation resources in Consolidated organization model	• Expand responsibilities for Enterprise Applications in Consolidated organization model
 Governance & Service Planning	• Govern statewide spend for new capital expenditures • Govern statewide technology standards, policies, and priorities	• Govern operating and capital spend for statewide infrastructure • Implement annual IT Operating Plan, align capacity with demand	• Govern operating and capital spend for shared applications • Build 3 Year Strategic Technology Roadmap
 Service Management, Build, Deploy & Support	• Design Azure migration • Continue mainframe retirement • Implement statewide standard desktop program • Implement DOA Service Management (Helpdesk) • Improve IT project management templates and methods	• Consolidate 23 server rooms and leverage cloud • Implement statewide IT project management method and tool • Define statewide integration architecture and standards	• Expand Service Management to include end user self service and asset management • Implement application lifecycle management practices • Rationalize application portfolio for Shared Application
 IT Utilization & Financial Model	• Consolidate technology purchases • Implement new IT chargeback model	• Implement IT chargeback true-up process	• Implement statewide IT spend tracking • Implement productivity measures

Project Dependencies and Sequence – 23 Identified

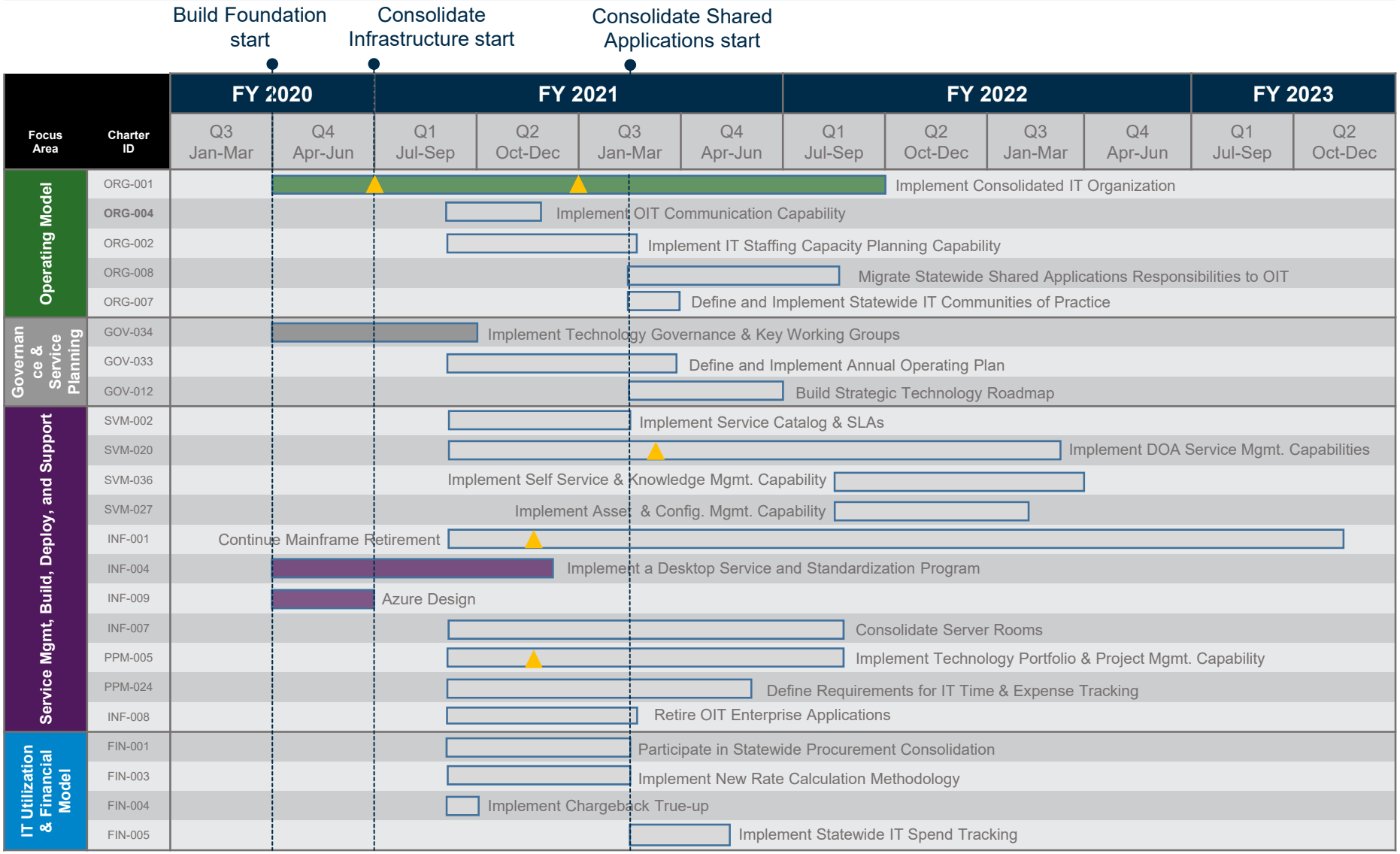


AAPEX Information Technology Program Roadmap (Baseline)



Phase 3 | Outlook

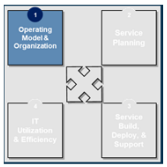
AAPEX Information Technology Program Roadmap – Adjusted Plan



Operating Model, Organization Structure & Resources

- Future State Design
  - Operating Model, Org. Structure & Resources
  - Governance & Service Planning
  - Project, Portfolio, Service Management, Build, Deploy & Support
  - IT Utilization & Financial Model
  - Change Management & Communications

Recommendations for Implementation



Considerations for the Future State IT Organization Design

There are trade-offs between efficiency, operating costs and the ability to mature the State of Alaska IT capabilities. The following considerations were evaluated when determining the future state IT organization structure

Organizational Design Considerations

1. **Lack of IT strategic planning capability** across the state. This capability is underdeveloped, no long-term strategic technology plan limits the ability to govern future spend.

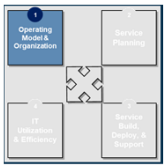
2. **Lack of process integration between OIT and State Agency IT teams**. Gaps in defining roles and responsibilities for Service Owners.

3. Lack of application, infrastructure and integration **architecture skills**, capabilities and resources. The architecture capability gap limits the State of Alaska's ability to define technology standards that lead to common platforms and lower long-term operating costs.

4. **Ineffective governance practices** that result in misalignment between statewide priorities and IT resource assignment.

5. **Consolidate OIT operating model is only partially implemented**. Some Department Technology Officers (DTO's) still manage Agency IT teams while others serve a business relationship manager role resulting in a complex and difficult to manage organization.

Target IT Organization Structure



Implement Consolidated IT Organization

Description of Recommendation

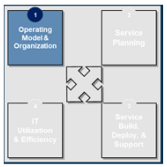
- To restructure the OIT organization (in 3 stages) to absorb increasing levels of responsibilities while building capabilities
- Starting with Stage 1 Build the Foundation - defining the integration for foundational IT services (Service Catalogue) between OIT and Agency IT Teams
  - Define Service Owners for each service in the Service Catalogue. Define roles and responsibilities between the vertical service delivery organizations such as Service Desk and the horizontal Service Owners. Define communication and protocol for working in a matrixed organization
- Progressing through Stage 2 Consolidate Infrastructure & Stage 3 Consolidate Shared Applications – develop internal capabilities to absorb increasing levels of responsibilities
  - Define requirements for Statewide Applications, Shared Applications and Aligning staffing based on statewide demand

Implementation Details

Overview		Activities		Duration[(1)]
ID#	ORG-001 & ORG-006	Stage 1	1. Conduct requirements analysis for all Foundational Technology applications & services	18 Months
Classification	Foundational		2. Align skills & staffing based on Foundational Technology requirements and statewide demand	
Complexity	Very High	Stage 2	3. Conduct requirements analysis for all statewide technology platforms & services	
Special Skills	Organizational Design		4. Align skills & staffing based on statewide technology requirements and statewide demand	
Owner	Bill Smith	Stage 3	5. Conduct requirements analysis for all Shared applications & services	
Status	Under Review		6. Align skills & staffing based on Shared Applications requirements and statewide demand	

Benefits

- To eliminate variations in job titles and actual skills of statewide IT employees
- To eliminate variations in work handling, complexity in communications and inefficiencies inherent in the current organization reporting structure
- To enable more accurate placement and movement of current IT employees to fill open slots
- To improve overall demand loading, work handling, communications and throughput
- To enable clearly define lines of communication and engagement between OIT and agencies

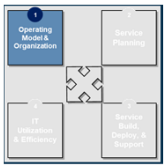


Building the New IT Organization
Transitioning Responsibility & Staffing to Consolidate Organization in 3 Stages

Movement of IT staff from the Agencies to OIT will follow the organizational capability development stages outlined below. Staff will transfer into OIT on an incremental basis as OIT takes on more responsibility

	Build the Foundation	**Consolidate Infrastructure**	**Consolidate Shared Applications**
Objective	Implement statewide standard processes for Service Management (Helpdesk) and standardize Desktop	Consolidate Server Room infrastructure to 3 locations or Cloud, Implement Project Management	Implement statewide operating model for applications used by all Agencies (e.g. IRIS)
Operating Model, Org. Structure & Resources	• Implement first stage of consolidated IT organization • Rationalize IT job titles	• Expand infrastructure operation resources in Consolidate organization model	• Expand responsibilities for Enterprise Applications in Consolidate orga ization model
Governance & Service Planning	• Govern statewide spend for new •	• Govern operating and capital	• Govern operating capital ions ology
Service Management, Build, Deploy & Support	desktop program • Implement statewide Service Management (Helpdesk) • Improve IT project management templates and methods	management method and tool • Enhance end user self service capabilities	ment • Rationalize appli portfolio for systems used by Agencies • Define statewide integration architecture and standards
IT Utilization & Financial Model	• Consolidate technology purchases • Implement new IT chargeback model	• Implement IT chargeback true-up process	• Implement statewide IT spend tracking • Implement productivity measures

Transferring Responsibilities and Capabilities from the Agencies to OIT



Building the New IT Organization
Align IT Job Titles, Resources & Skills and Transfer Staff by Stage

Building the new IT organization requires refinement, alignment and creation of job titles to meet current and future IT capabilities. The intent is to eliminate variations in job titles and actual skills of statewide IT employees and to enable and orderly transition of agency IT staff to OIT

Stages 1-3

- Align Job Titles for Stage 1 – 3 with agency IT staff transfers into OIT
- Factor Resource Capacity Planning with Job Title Alignment
- Implement & Assign Job Titles
- Transfer IT Staff from agencies to OIT by stage

IT Resource Consolidation Process

1 Review SOA Priorities

Review active current statewide IT Job Titles

Assess demand for IT skills & resources across the state

2 Determine Skills Needed

Update requirements and skills needed for each job title

Consult with CTOs & DTOs

3 Build a Skills Inventory Database

Conduct a statewide IT skills inventory (survey) for all employees

4 Align Job Qualifications by Role

Audit job titles by individuals to ensure qualification to perform roles

Consult CTOs & DTOs

5 Assess & Test

Conduct skills assessment testing as necessary (including certification if needed)

6 Make Adjustments & Provide Training

Identify potential changes to job titles by individual as appropriate and conduct training as needed

7 Assign Updated Job Titles & Transfer to OIT

Assign new job titles to individuals as appropriate and transfer IT staff from agencies to OIT

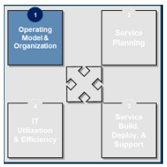
Stage 1

Job Title Alignment and OIT Staffing by Stage

Stage 2

Stage 3

▲ Key Communication Milestone



Building the New IT Organization
Aligning IT Resources and Skills with Statewide Job Titles

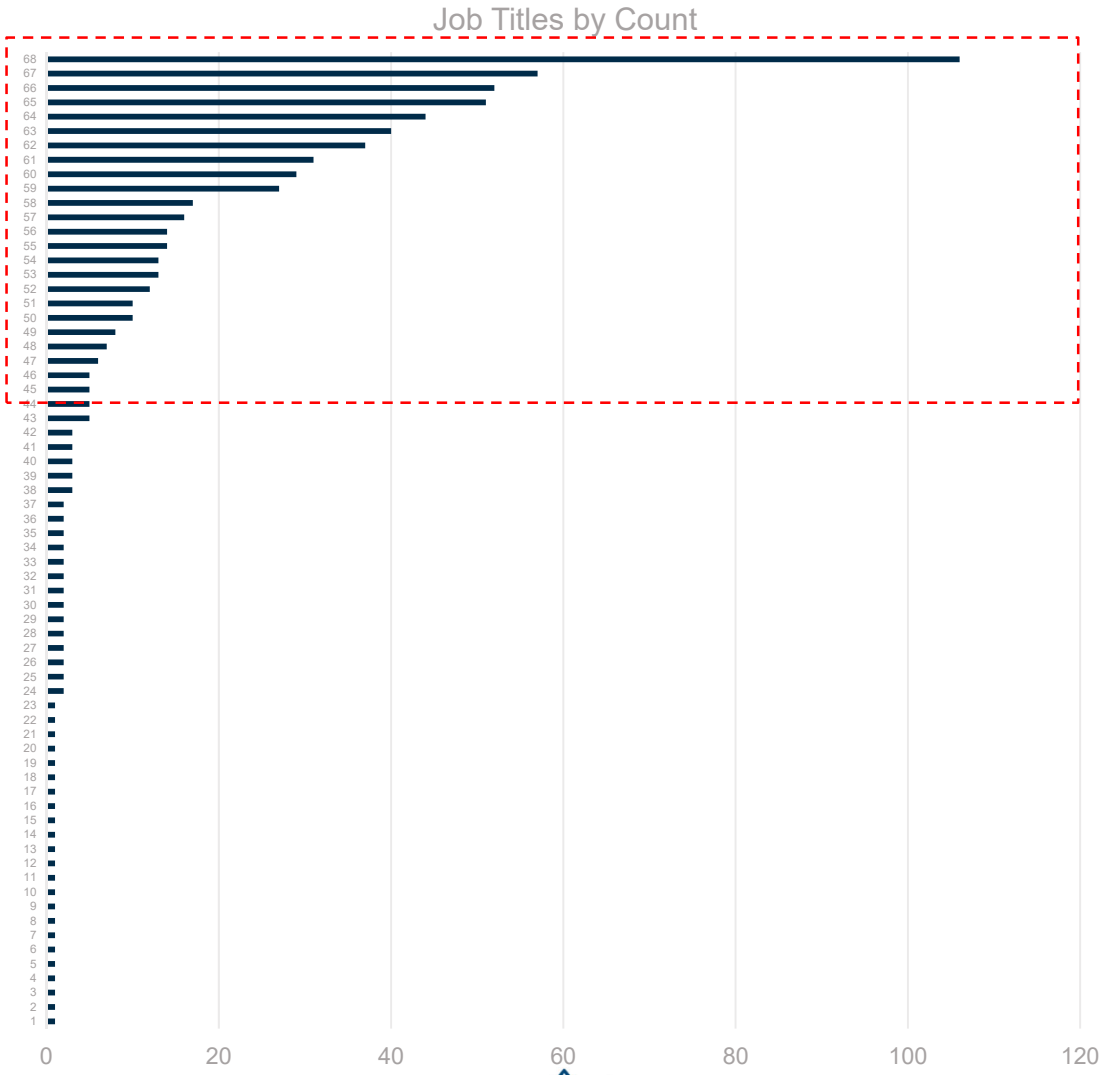
A review of the top 90% (25) job titles are recommended. In addition certain Job roles need to be created, updated and filled to close immediate capability gaps

The following Job Roles need to be created:

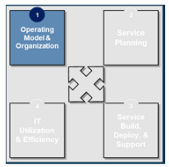
- Architects (Systems, Infrastructure, Network & Integration)
- Data Management

The following Job Roles need to be updated:

- Chief Technology Officer
- Department Technology Officer
- Data Processing Manager
- Project Manager
- Business Analyst



= 90% of all job titles



Implement IT Staffing Capacity Planning Capability

Description of Recommendation

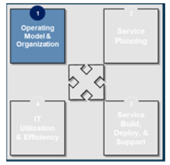
- There are no defined resource optimization processes in place. There is no standard way to match, or forecast resource capacity with demand, and there are no service definitions to meter demand placed on statewide IT. Resource capacity constraints are limiting the ability to develop long-term plans; Daily / hourly demands on statewide IT resources limit the time spent on planning
- The intent of this recommendations is to build statewide demand forecasting capabilities to accurately match IT capacity to meet state requirements. This includes developing sourcing strategies to fill skill gaps and address seasonal demand changes (up and down)
- Key dependency with GOV-033 Implement the Annual Technology Plan

Implementation Details

Overview		Activities	Duration[1]
ID#	ORG-002	1. Review IT Annual Technology plan for demand forecasting	6 Months
Classification	Foundational	2. Develop historical (seasonal) view of service demand	
Complexity	Very High	3. Develop forecast models of demand based on historical views	
Special Skills	OD, HR & Labor Specialists	4. Develop historical (seasonal) view of project demand	
Owner	Bill Smith	5. Develop forecast models of project demand based on historical views	
Status	Under Review	6. Develop annual tactical plan including capacity forecasts	
		7. Adjust staffing as necessary (rebalance statewide) to match demand	
		8.Track actual demand to forecast and adjust on a quarterly basis	

Benefits

- To build statewide demand forecasting and management capabilities, which do not exist today
- To build statewide resource capacity planning and management capabilities, which do not exist today
- To build statewide resource sourcing capabilities to address seasonal demand requirements
- To improve overall demand loading, work handling, communications and throughput



IT Resource Capacity Planning

This process aggregates SOA priorities, with demand forecasts for projects and services, and aligns that demand with resource capacity planning

Annual Plan

- Develop Service Demand vs. Resource Capacity
- Develop Project Demand vs. Resource Capacity
- Monitor Resource Plan Forecasts to Actual Demand and Adjust as Necessary
- Develop and Maintain Resource Sourcing Plan

Resource Capacity Planning

1 Review SOA Priorities

Review IT Annual Technology plan for demand forecasting

Engage agencies for requirements

2 Create Service Demand Forecast

Develop historical (seasonal) view of service demand

Review Service portfolio for changes

3 Create Service Resource Capacity Plan

Develop forecast models of demand based on historical views

Update resources requirements to match service portfolio forecasts

4 Create Project Demand Forecast

Develop historical (seasonal) view of project demand

Review project outlook

5 Create Project Resource Capacity Plan

Develop forecast models of project demand based on historical views

Update resources requirements to match project portfolio forecasts

6 Develop Resource Sourcing Plan

Adjust staffing as necessary (rebalance statewide) to match demand

Determine sourcing strategy (SOA, contractors, consultants)

7 Monitor Resource Plan to Actual Demand

Track actual demand to forecast and adjust on a quarterly basis

Resource Capacity Planning Cycle: Q1 → Q1 → Q2 → Q4

▲ Key Communication Milestone

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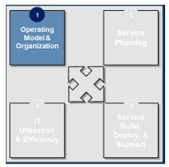
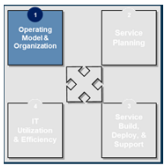


Operating Model & Organization Design Change Management Summary

ID	Title	CM Activity Type	Audience	Description	Purpose	Format	Frequency
ORG-001	Implement Consolidated IT Organization	Communications	Statewide IT	Distributed online communication documents, guidelines, timing, online portal for FAQ, questions, comments, support	Leverage ORG-004 to provide updates and on-going communications support	Website / SharePoint	Monthly
		Stakeholder Engagement	Statewide IT	Small group workshops to align understandings of new org structure design and implementation approach by Stage (1,2 & 3)	Align understanding and address issues	Workshop	Monthly
		Stakeholder Engagement	Individuals	Provide on-on-one coaching with individuals impacted by job changes or change in supervisor or both	Guide individuals impacted through the organizational changes	One-on-one Meeting	Weekly
ORG-002	Implement IT Staffing Capacity Planning Capability	Training	OIT (Internal)	OIT staff responsible for HR, annual planning, resource sourcing and capacity planning	Train OIT staff on capacity planning processes, methods & tools	Guided practice	Monthly
		Measurement	OIT (Internal)	Monitor forecasted demand to actual	Measure effectiveness of resource capacity planning	Other	Monthly
ORG-004	Implement OIT Communication Capability	Communications	OIT (Internal)	Guidelines, Channels, Point People, Timing, etc.	Ensure OIT is aware of the expectations surrounding the comms, the channels available to communicate through, and the resources available to help craft and propagate targeted comms	Townhall / Roadshow	Monthly
		Stakeholder Engagement	OIT (Internal)	Small Group Workshop (in person) to illustrate communication process, build interpersonal connection, identify cultural barriers to comms, and discuss mitigation strategies	Ensure OIT is aware of the expectations surrounding the comms, the channels available to communicate through, and the resources available to help craft and propagate targeted comms	Workshop	One-Time
		Measurement	Statewide IT	Awareness and understanding survey	Measure effectiveness of OIT communications, collect feedback and inform additional communication needs	Pulse survey	Monthly
		Training	OIT (Internal)	Document follow up about the communication model, communication channels, and OIT resources to help leverage those channels	Reinforce comms channels and communication process (how people exchange and digest information) and the processes within OIT to leverage or obtain assistance in using the established communication channels and process	Guide / Manual	One-Time
		Communications	OIT (Internal)	Reminder email of training and internal OIT communication resource assistance	Additional exposure to related information	Email / Memo	Monthly
ORG-007	Define and Implement Statewide IT Communities of Practice	Training	Statewide IT	Group facilitation and training	Train COP leaders on facilitating working sessions	Train-the-Trainer	Monthly
		Stakeholder Engagement	Statewide IT	COP documentation of best practices, purpose, vision, mission statement	Documenting leading practices and submitting to working groups for standards consideration	Workshop	Monthly
		Measurement	Statewide IT	Awareness and understanding survey	Inform additional training and communications needs / feedback vehicle, measure effectiveness of COP	Pulse survey	Quarterly
ORG-008	Migrate Statewide Shared Applications Responsibilities to OIT	Communications	Statewide IT	Notification of change of responsibilities for Statewide shared applications	Provide online one-stop shop for service catalog updates and issues	Website / SharePoint	Monthly
		Stakeholder Engagement	DOA IT	Identification of applications for OIT responsibility assumption	To identify and engage DOA IT staff targeted for transfer to OIT as part of the applications responsibility transfer	Workshop	Weekly
		Training	OIT (Internal)	Documentation of new protocols	Referenceable documented guidelines	Guided practice	Monthly
		Training	OIT (Internal)	Small group workshops	Develop/train staff on new app lifecycle management protocols	Classroom Training	Monthly



Change Management: Impact Analysis

Summary of functional areas impacted by changes to the operating model and organizational changes

Functional Areas or Groups	Change Characteristics
OIT Leadership	▪ Will be absorbing more responsibilities over time ▪ Must manage organizational change by stage ▪ Implementing new tools (ITSM, Time Tracking, etc.) & platforms (Azure. Etc.) ▪ Managing the AAPEX portfolio of recommendations
Department Technology Officers	▪ Will be absorbing more responsibilities over time ▪ Must manage engagement relationships through the transitions ▪ Will be on-boarding / off-boarding Agency IT staff
Agency IT	▪ Potential job and title changes ▪ Potential reporting relationship changes ▪ Potential requirement & skills changes
Departments	▪ Less reliance on departmental IT and more on OIT over time

Impact of Change

- High Impact
- Medium Impact
- Low Impact

Impact of Change includes assessment of changes to processes, systems, tools, job roles, critical behaviors, mindsets, reporting structure, performance, and location

Governance & Service Planning

- Future State Design
  - Operating Model, Org. Structure & Resources
  - Governance & Service Planning
  - Project, Portfolio, Service Management, Build, Deploy & Support
  - IT Utilization & Financial Model
  - Change Management & Communications

Recommendations for Implementation

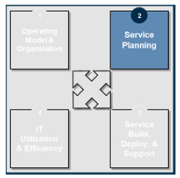
Implement a Statewide IT Operating Model

Improve Governance & Service Planning

- Build Strategic Technology Roadmap
- Define & Implement Annual Operating Plan
- Implement Technology Governance & Key Working Groups

Improve IT Spend Management & Chargeback Transparency

Improve Project, Portfolio & Service Management



Implement Technology Governance & Key Working Groups

Description of Recommendation

Develop and implement statewide governance process, including:

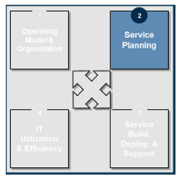
- Define the governance bodies that make up the overall technology governance
- Define the responsibilities / activities of the governance bodies
- Define which governance bodies include agency / department resources
- Standup the Alaska Technology Governance board and Technology Steering Committee
- Standup the following Working Groups: Chargeback, Architecture & Infrastructure and Security, Privacy, Records Management

Implementation Details

Overview		Activities	Duration[(1)]
ID#	GOV-034 (GOV-28,32,FIN-002)	1. Define governance model and templates	6 Months
Classification	Foundational	2. Define and prioritize key standards, process and policies	
Complexity	Medium	3. Identify members, define goals, standup the Alaska Technology Governance Board	
Special Skills	Process / Communications SME	4. Identify members, define goals and standup Technology Steering Committee	
Owner	Niel Smith	5. Identify members, define goals and standup Chargeback Working Group	
Status	Under Review	6. Identify members, define goals and standup Architecture & infrastructure Working Group	
		7. Identify members, define goals and standup Security, Privacy, Records Management Working Group	

Benefits

- Ensure thought is given to who should be involved in the governance process
- Deliver a framework to ensure key standards, process and policies are defined and refined
- Reduce the learning curve for individuals who serve on more than one governance process
- Foster an environment of inclusion, drive alignment across all departments
- Architecture & Infrastructure will ensure all new and consolidate systems can be managed appropriately
- Security & Privacy will ensure that regulations can be managed from a statewide perspective
- Chargeback will drive alignment on the best way to execute chargeback and the timing will support the budget cycle



IT Governance and Responsibilities (Baseline)

Working Groups make recommendations to the Technology Steering Committee for review and approval, the Alaska Technology Governance Board provides strategic planning

Inputs

- State of Alaska Priorities
- AAPEX program Technology Steering Committee Recommendations

- Agency Perspective on Technology Initiatives
- AAPEX Azure project Working Group Recommendations

Alaska Administrative Governance Council

Chair: DOA Commissioner

Members: Department Commissioners, OMB, CIO

Technology Steering Committee

Chair: CIO

Members: Department Commissioners Designee

Key Activities

- Approve statewide operational efficiency priorities
- Act as escalation point to resolve conflict between and within teams
- Approve Emerging Alaska Strategic Technology Plan

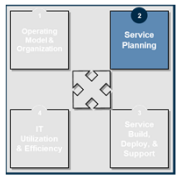
- Approve statewide technology projects
- Monitor statewide project portfolio
- Approve technology requirements, standards and roadmaps produced by work groups
- Ensure standards are met by all applications
- Approve Emerging Annual IT Operating Plan

Key Statewide Technology Working Groups

Cloud / Azure	Portfolio Management	Service Management	Project Management Standards & Tools	Architecture & Infrastructure
Other	Chargeback Model	Data Management	Security, Privacy, Records Management	End User Device

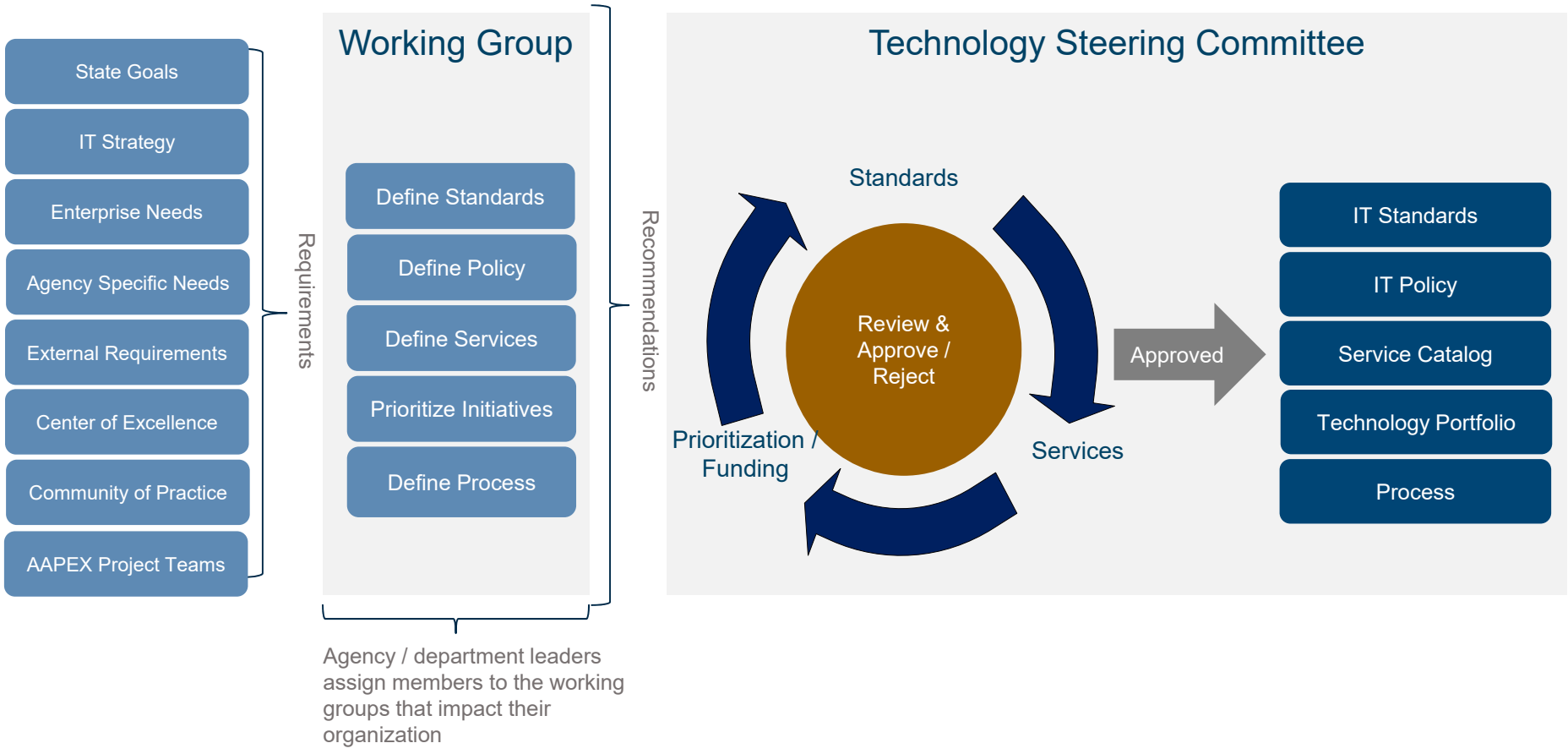
Agency / Department Working Groups

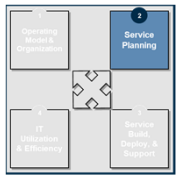
Line-of-business Management



IT Governance Model

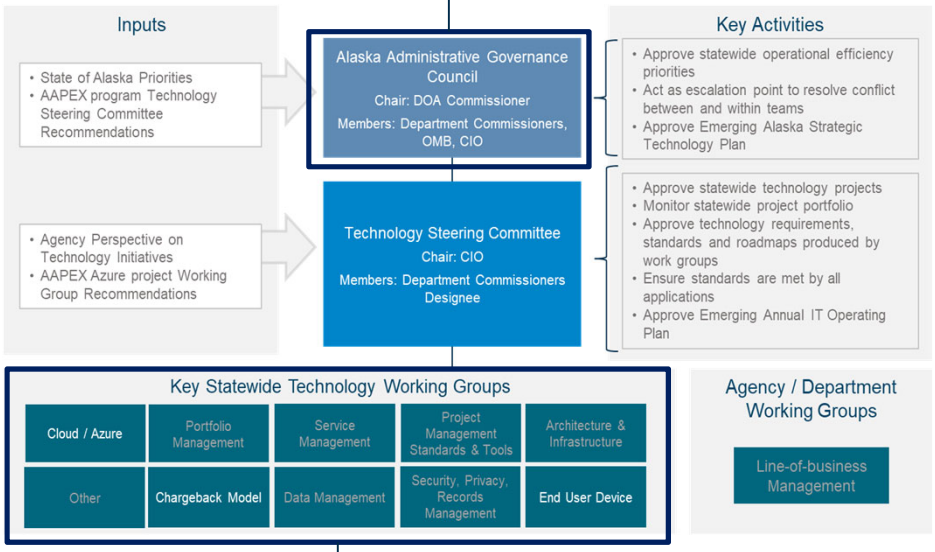
Working Groups consume strategy, internal and external requirements and define standards, processes, policies, prioritization and processes for review and approval by the Technology Steering Committee





IT Governance and Responsibilities – Adjusted Plan

Standup the Technology Steering Committee when the Alaska Administrative Governance Council and key Working Groups are in place



Initial 2020 Priorities

Alaska Administrative Governance

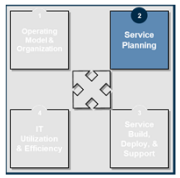
Align with Agency / Department Commissioners on the following:

- AAPEX project priorities & roadmap
- Resources required for technology steering committee and the key working groups
- Statewide technology processes, standards and policies
- Statewide operational efficiency priorities

Key Working Groups

- Define scope for standards, processes, policies, priorities and recommendations
- Standup working groups
- Define roles and responsibilities and execute

AAPEX ALVAREZ & MARSAL

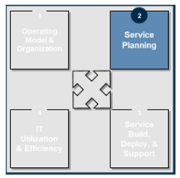


Future State Working Groups – 1 of 3

The initial 9 working groups may expand as 2020 focus areas are defined and executed

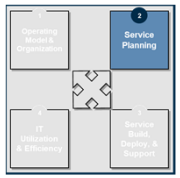
Working Group	Members	Key Responsibilities
Portfolio Governance	Working Group Lead(1) Members Portfolio Director, Key Agency / Department Commissioners Designee, CTO's, DTO's	▪ Sequence and prioritize enterprise and common application projects ▪ Ensure line-of-business applications meet all standards and policies ▪ Solicit feedback on priorities from subject matter experts, Centers of Excellence and Project Steering Committees ▪ Act as escalation point for individual projects ▪ Provide analysis, evaluation and recommendations for system and application spend
Security, Privacy, Records Management	Working Group Lead(1) Members CISO, CTO's, DTO's, Key Agency / Department SME	▪ Define the security architecture, standards and policies ▪ Drive security risk management and compliance practices statewide including data and physical assets ▪ Define records management strategy, standards and policies ▪ Review emerging security threats and potential solutions ▪ Interpret legislative and federal regulations and define policies to address ▪ Advocate for stakeholder privacy needs and concerns ▪ Consult on implementation of security protocols ▪ Make recommendations on statewide risk and compliance mechanism ▪ Oversee the implementation of policies and procedures
Service Management	Working Group Lead(1) Members Services CTO, Key Agency / Department SME's	▪ Define all components of services in the OIT service catalog ▪ Review key measures and metrics of service usage and SLA's ▪ Make recommendations on new services

(1) CIO appoints Agency / Department IT leaders as the working group lead



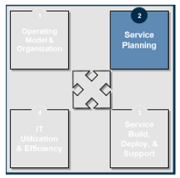
Future State Working Groups – 2 of 3

Working Group	Members	Key Responsibilities
Data Management	Working Group Lead[(1)] Members CTO's, DTO's, Key Agency / Department SME's	▪ Identify key statewide data elements and promote data quality and sharing ▪ Identify integration opportunities between applications ▪ Identify statewide analytic opportunities ▪ Review and approve public disclosure processes
Architecture & Infrastructure Governance	Working Group Lead[(1)] Members CTO's, DTO's, Key Agency / Department SME's	▪ Define all components of the reference architecture, including monitoring, microservices, standard development platforms, custom development guidelines, middleware, integrations, data lake ▪ Define on-premises and cloud infrastructure designs ▪ Define all architecture and infrastructure standards, processes and policies ▪ Promote adoption and usage of the reference architecture ▪ Strategy for retire, retain and replace ▪ Maintain inventory of all applications and infrastructure managed at a statewide level
Project Management Standards & Tools Governance	Working Group Lead[(1)] Members Project Management Director, Key Agency / Department SME's	▪ Define all components of the portfolio and project management process ▪ Define requirements of the portfolio and project management application ▪ Promote adoption and usage of the statewide portfolio and project management tools



Future State Working Groups – 3 of 3

Working Group	Members	Key Responsibilities
Chargeback	Working Group Lead[(1)] Members OMB, Finance, Key Agency / Department SME's	▪ Define and maintain the chargeback calendar synchronized with the budget cycle ▪ Define and maintain the chargeback model ▪ Define processes and reporting required to perform chargeback
End User Device	Working Group Lead[(1)] Members End User Device CTO, Key Agency / Department SME's	▪ Identify the statewide approved personal computers, tablets, mobile phones ▪ Define and maintain the configuration for each approved device ▪ Deliver approved configuration to purchasing
Line-of-Business Management	Working Group Lead[(1)] Members Agency / Department Commissioner, DTO, Department SME's	▪ Ensure Agency / Department business roadmaps connect to state strategy / goals ▪ Ensure Agency / Department technology roadmap connect to Agency / Department roadmap ▪ Sequence and prioritize Agency / Department level projects ▪ Review status of line-of-business projects ▪ Act as escalation point for line-of-business projects ▪ Provide analysis, evaluation and recommendations for system and application spend



Governance & Planning Change Management Summary

ID	Title	CM Activity Type	Audience	Description	Purpose	Format	Frequency
GOV-012	Build Strategic Technology Roadmap	Communications	Statewide IT	Communication of the timing and purpose of the three year technology roadmap	Provide background on why IT is creating a three year technology roadmap	Email / Memo	One-Time
		Training	Select Statewide IT	How to populate the three year technology roadmap	Using OIT examples as a guide, provide the tools so each department can create their three year roadmap for line of business applications	Guided practice	One-Time
GOV-033	Define and Implement Annual Operating Plan	Communications	Select OIT Resources	Communication of the purpose, cadence and timing for creation of the Annual Operation Plan	Provide background on why IT is creating an Annual Operating Plan	Email / Memo	One-Time
		Stakeholder Engagement	Select OIT Resources	Kickoff meeting for the creation of the Annual Operating Plan	Align on the goals, scope, roles and responsibilities, cadence and timing of the creation of the Annual Operating Plan	Meeting / Briefing	One-Time
GOV-034	Implement Technology Governance & Key Working Groups	Communications	Statewide IT	Communication of the purpose and high level components and processes of governance	Provide background on why IT is standing up governance boards and working groups	Email / Memo	One-Time
		Communications	Agency / Department Leadership	Communication of the purpose and cadence / timing of the Alaska Technology Governance Board	Provide background on why the governance board is being formed	Email / Memo	One-Time
		Communications	Agency / Department Leadership	Communication of the purpose and cadence / timing of the Technology Steering Committee	Provide background on why the steering committee is being formed	Email / Memo	One-Time
		Stakeholder Engagement	Select Agency / Department Leadership	Kickoff meeting for Chargeback Management Working Group	Align on the goals, scope, roles and responsibilities, cadence and timing of the Working Group	Meeting / Briefing	One-Time
		Stakeholder Engagement	Select Agency / Department Leadership	Kickoff meeting for Architecture & Infrastructure Working Group	Align on the goals, scope, roles and responsibilities, cadence and timing of the Working Group	Meeting / Briefing	One-Time
		Stakeholder Engagement	Select Agency / Department Leadership	Kickoff meeting for Security, Privacy, Records Management Working Group	Align on the goals, scope, roles and responsibilities, cadence and timing of the Working Group	Meeting / Briefing	One-Time

Change Management: Impact Analysis

Defining standards, processes, policies and priorities from a *statewide* perspective will be the biggest change

Functional Areas or Groups	Change Characteristics
OIT / DOA Leadership	▪ New responsibilities for managing the Alaska Technology Governance and Technology Steering Committee ▪ New processes for reviewing and approving roadmaps, priorities, standards, policies and processes
OIT Working Group Members	▪ New responsibilities for leading and managing the working groups ▪ New responsibilities and processes for creating the statewide policies, standards, processes and priorities as part of the working groups
Agency IT Working Group Members	▪ New responsibilities and processes for creating the statewide policies, standards, processes and priorities as part of the working groups
State Archives	▪ New responsibilities and processes for creating the statewide policies, standards, processes and priorities as part of the working groups

Impact of Change

- High Impact
- Medium Impact
- Low Impact

Impact of Change includes assessment of changes to processes, systems, tools, job roles, critical behaviors, mindsets, reporting structure, performance, and location

Project Portfolio, Service Management, Build, Deploy & Support

- Future State Design
  - Operating Model, Org. Structure & Resources
  - Governance & Service Planning
  - Project, Portfolio, Service Management, Build, Deploy & Support
  - IT Utilization & Financial Model
  - Change Management & Communications

Recommendations for implementation

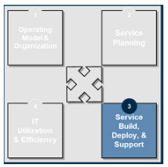
Implement a Statewide IT Operating Model

Improve Governance & Service Planning

Improve IT Spend Management & Chargeback Transparency

Improve Project, Portfolio & Service Management

- Continue Mainframe Retirement
- Implement a Desktop Service & Standardization Program
- Consolidate Server Rooms
- Implement DOA Service Management Capability
- Implement Technology Portfolio & Project Management Capability
- Define Requirements for IT Time & Expense Tracking
- Retire OIT Enterprise Applications
- Implement Self Service & Knowledge Management Capability
- Implement Service Catalog & SLAs
- Implement Asset & Configuration Management Capability



Implement a Desktop Service and Standardization Program

Description of Recommendation

Develop statewide desktop device service program to leverage procurement and volume purchasing, establish standards for vendors & devices, and develop a costing model for new / replacement devices. This program includes:

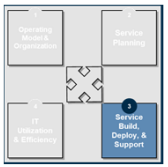
- Defining desktop hardware and software technical standards & support strategy for in office and remote users
- Developing statewide contract for leveraging volume pricing to lower costs
- Leveraging Statewide Procurement to achieve Software and Hardware purchasing volume savings
- Implementing a OIT Consolidate Desktop managed services model where all hardware is managed by OIT
- Implementing a direct charge by central procurement for new provisioned devices and a monthly charge for device replacement

Implementation Details

Overview		Activities	Duration
ID#	INF-004	1. Define and establish technical standards and strategy for in-office and remote users (Maint., Imaging & Deployment, Procurement & Support)	8 Months
Classification	Cost Reduction	2. Create detailed business, technical & support requirements as part of vendor selection process	
Complexity	Very High	3. Procurement and IT to Develop Statewide contract with Agencies defining existing future costs	
Special Skills	Service delivery manager	4. Select managed service vendor and with Procurement	
Owner	TBD	5. Prototype program in OIT/DOA,DOR, and DNR	
Status	To Be Scheduled	6. Implement Desktop Standards & Managed services policy with new & replacement guidelines	

Benefits

- Reduce h/w and s/w support complexity (full lifecycle from imaging, recovery, safety, and versioning)
- Improve SLA for break fix with off the shelf replacement
- Provide for self service and automation opportunities like User Self Service Store (simple peripherals and applications)
- Improve Endpoint service agility and Reduce provisioning time



Participate in Statewide Procurement Consolidation

Description of Recommendation

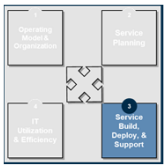
- Participate in the statewide procurement consolidation effort led by Procurement
  - Physical / organizational consolidation of resources
  - Category-specific purchasing groups
- Provide subject matter expertise on IT procurement strategy that aligns with statewide technology goals

Implementation Details

Overview		Activities	Duration[1]
ID#	FIN-001	1. Develop category strategy with Statewide Technology Working Groups (baseline pricing / volumes, service level / requirements)	5 months
Classification	Performance Improvement	2. Identify and qualify suppliers (supplier reviews, identify alternative specs)	
Complexity	Very High	3. Conduct competitive bidding (distribution of RFPs, collaborate with incumbent suppliers)	
Special Skills	Procurement	4. Scorecard suppliers, conduct diligence (evaluation of proposals)	
Owner	TBD	5. Negotiate and execute supplier term sheets	
Status	Under Review		

Benefits

- Realize savings through bulk purchasing and contract consolidation
- Increased oversight of IT vendor spend (visibility to Alaska Technology Governance)
- Consolidate accountability for IT spend coding in IRIS



Azure Design

Description of Recommendation

Establish a Cloud First framework of standards and methods for migration of servers and workloads to public, private (multi-tenant) or on-premise platforms

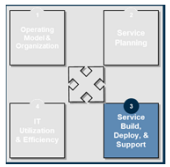
- Implement Azure Public cloud with assistance of MS consulting to setup public platform in an 11 month plan
- Concurrently consolidate workloads from data rooms to the two OIT on premise cloud like data centers
- Develop comprehensive roadmap for where workloads will move too and the approach / timing
- Current Cost Savings and Cost to Achieve to be determined and will be defined once the MS contract is completed

Implementation Details

Overview		Activities	Duration[1]
ID#	INF-009	1. Assess and inventory server room workloads	11 Months
Classification	Process Improvement	2. Initiate Azure Cloud project and begin platform design and implementation	
Complexity	Very High	3. Modernize Azure networking	
Special Skills	Project Manager	4. Identify landing points for workloads	
Owner	Niel Smith	5. Lift and Shift or Optimize workloads onto Azure platform	
Status	To Be Scheduled		

Benefits

- Reduce administration burden and consolidate staff
- Under economy of scale decrease the cost of a unit of output and reduction in marginal costs
- A multi tiered environment will increase agility and allow for the ability to host internally or move workloads back and forth
- Consolidation of workloads on a common infrastructure or cloud solution potentially leads to lower support complexity & hardware costs



Project, Portfolio & Service Management Change Management Summary

Charter ID	Charter Title	CM Activity Type	Audience	Description	Purpose	Format	Frequency
INF-001	Continue Mainframe Retirement	Training	Statewide IT	Targeted sessions with individuals impacted	Train people on new tools and models	Train-the-Trainer	One-Time
INF-004	Implement a Desktop Service and Standardization Program	Training	OIT (Internal)	Targeted sessions with individuals impacted	Train people on new tools and models	Train-the-Trainer	One-Time
INF-007	Consolidate Server Rooms	Training	Statewide IT	Targeted sessions with individuals impacted	Train people on new tools and models	Train-the-Trainer	One-Time
INF-008	Retire OIT Enterprise Applications	Stakeholder Engagement	Statewide IT	Small group workshops to align understandings migration project	Ensure OIT is aware of the expectations surrounding the comms, the channels available to communicate through, and the resources available to help craft and propagate targeted comms	Workshop	Bi-Weekly
INF-009	Azure Design	Training	Statewide IT	Targeted sessions with individuals impacted	Train people on new tools and models	Train-the-Trainer	One-Time
PPM-005	Implement Technology Portfolio & Project Management Capability	Communications	OIT Leadership	Communication of the purpose and high level components and processes of Project Management for OIT	Provide background on why OIT is implementing new Project Management processes and templates	Email / Memo	One-Time
		Training	Project Managers	Training on the new tools and templates	Ensure all OIT Project Managers know how to use the tools and templates	Classroom Training	One-Time
		Communications	Statewide IT	Overview of the new Portfolio & project Management (PPM) application, roles and responsibilities and processes	Provide background on why IT is implementing a PPM application	Email / Memo	One-Time
		Training	Project & Portfolio Managers	Training on the new PPM application	Ensure all project and portfolio managers understand their responsibilities and how to perform all required activities	Classroom Training	One-Time
SVM-002	Implement Service Catalog and SLAs	Communications	Statewide IT	Outbound email with change updates	Update staff on catalog and SLA changes	Email / Memo	Quarterly
SVM-020	Implement DOA Service Management Capability	Stakeholder Engagement	Statewide IT	Targeted sessions with individuals impacted	Counsel impacted resources and mediate concerns	One-on-one Meeting	Monthly
		Communications	Statewide IT	Service Management Tool and Services Deployed	Provide Targeted Services for consumption ITSM	Website / SharePoint	One-Time
		Training	OIT (Internal)	Documentation of new tools and procedures	Referenceable documented guidelines	Guide / Manual	Quarterly
		Communications	Statewide IT	Service Management Tool and Services Deployed	Provide Targeted Services for consumption ITSM	Website / SharePoint	One-Time
		Training	OIT (Internal)	Documentation of new tools and procedures	Referenceable documented guidelines	Guide / Manual	Quarterly
		Training	OIT (Internal)	Documentation of new tools and procedures	Referenceable documented guidelines	Guide / Manual	Quarterly
SVM-027	Implement Asset & Configuration Management Capability	Stakeholder Engagement	Statewide IT	Targeted sessions with individuals impacted	Counsel impacted resources and mediate concerns	One-on-one Meeting	Monthly
SVM-036	Implement Self Service and Knowledge Management Capability	Stakeholder Engagement	Statewide IT	Targeted sessions with individuals impacted	Counsel impacted resources and mediate concerns	One-on-one Meeting	Monthly
		Communications	Statewide IT	Service Management Tool and Services Deployed	Provide Targeted Services for consumption ITSM	Website / SharePoint	One-Time

Change Management: Impact Analysis

Defining standards, processes, policies and priorities from a *statewide* perspective will be the biggest change

Functional Areas or Groups	Change Characteristics
OIT Leadership	▪ Support the implementation of new tools (Service Management & Monitoring) & platforms (Azure Cloud) with OIT resources ▪ Support the introduction of new Standards and Processes such as Desktop consolidation program ▪ Support the implementation of new processes and tools for managing the project portfolio
Department Technology Officers	▪ Manage agency engagement relationships through consolidation of Mainframe applications and server rooms into OIT Datacenters ▪ Assist in enlisting Agency service broker support for Standardizing common processes across OIT and the Agency ▪ Support adoption of the new processes and tools for managing the project portfolio
OIT Resources	▪ Participate in the implementation of new tools (Service Management & Monitoring) & platforms (Azure Cloud) ▪ Participate in the introduction of new Standards and Processes such as Desktop consolidation program ▪ Adopt the new processes and tools for managing the project portfolio
Agency IT	▪ Fully adopt and buy into the vision that a Consolidate IT Service Management function will deliver operational improvements ▪ Participate in Standardizing common processes across OIT and the Agency ▪ Adoption of new direct charge and charge back models for standardization of desktop purchases ▪ Participate in the gathering of requirements and testing of a new service management offering ▪ Adopt the new processes and tools for managing the project portfolio

Impact of Change

- High Impact
- Medium Impact
- Low Impact

Impact of Change includes assessment of changes to processes, systems, tools, job roles, critical behaviors, mindsets, reporting structure, performance, and location

Change Management: Impact Analysis

Defining standards, processes, policies and priorities from a *statewide* perspective will be the biggest change

Functional Areas or Groups	Change Characteristics
End User	▪ Provide input and requirements for Service Self Service & Knowledge Management processes ▪ Assist in Testing on new tools for FAQ and other new Features
Procurement	▪ Support the introduction of new Standards and Processes such as Desktop consolidation program

Impact of Change

- High Impact
- Medium Impact
- Low Impact

Impact of Change includes assessment of changes to processes, systems, tools, job roles, critical behaviors, mindsets, reporting structure, performance, and location

IT Utilization & Financial Model

- Future State Design
  - Operating Model, Org. Structure & Resources
  - Governance & Service Planning
  - Project, Portfolio, Service Management, Build, Deploy & Support
  - IT Utilization & Financial Model
  - Change Management & Communications

Recommendations for Implementation

Implement a Statewide IT Operating Model

Improve Governance & Service Planning

Improve IT Spend Management & Chargeback Transparency

- Participate in Statewide Procurement Consolidation
- Implement New Rate Calculation Methodology
- Implement Chargeback True-up
- Implement Statewide IT Spend Tracking

Improve Project, Portfolio & Service Management

Consolidation of IT Procurement

A&M was not provided sufficient data to complete a detailed IT sourcing analysis by PO. However, based on a high level review of vendor spend and knowledge of the State's sourcing processes, we believe savings could be in the range of $6M - $14M. In addition, we reduced our estimates by 25% based on expected reduction in future HW/SW spend related to cloud migration, data room consolidations and mainframe retirement

Category	Spend Avg. (FY18/19)	Addressable Spend
Computer Software	$25,370,236	$20,296,188
IT Support and Maintenance	$19,988,218	$15,990,574
Other IT Hardware	$10,227,833	$8,182,266
Consulting	$18,261,722	$9,130,861
Data Services	$8,191,384	$6,553,107
Computer Hardware	$10,626,298	$8,501,038
Telecom - Wireline	$9,117,094	$7,293,675
Telecom Hardware	$1,551,790	$1,241,432
Telecom - Wireless	$1,191,377	$953,102
Communications Equipment	$1,223,772	$979,018
Computer Peripherals / IT Supplies	$1,049,697	$839,757
IT Services	$256,272	$205,018
Enterprise Software[1]	$1,116,056	$0
Less: Desktop Standardization Savings [2]		
Total	**$108,171,745**	**$80,166,035**

Example: in FY19 SoA spend $11.8M with SHI International across 17 groups

Example: in FY19 SoA spend ~$860K with Chicago Dell Marketing across 5 groups

Assumptions

- Statewide coordination on vendor /category requirements is a prerequisite to successfully launch Consolidate IT Procurement
- OIT will take a leadership role in:
  1. Coordinating with Agencies to define vendor requirements
  2. Validate / Refresh categories of IT Vendor spend
  3. The vendor selection & qualification process
  4. Contracting and service level expectations and agreements

(1) Medicaid software does not represent a sourcing opportunity.
(2) $1M in desktop standardization savings have already been captured in the desktop standardization charter.

IT Utilization & Finance Change Management Summary

Charter ID	Charter Title	CM Activity Type	Audience	Description	Purpose	Format	Frequency
FIN-001	Participate in Statewide Procurement Consolidation	Stakeholder Engagement	Statewide IT	Targeted sessions with individuals impacted	Define IT vendor requirements	Meeting / Briefing	Weekly
FIN-002	Implement Chargeback Governance Team and Calendar	Stakeholder Engagement	Statewide IT	Kickoff with Chargeback Executive, Leadership and Working groups	Discuss roles / responsibilities in the new governance structure	Meeting / Briefing	One-Time
FIN-003	Implement New Rate Calculation Methodology	Communications	Statewide IT	Communicate new rate methodology to all agency stakeholders (share policy document)	Provide transparency in the rates and give an opportunity for stakeholders to clarify any questions	Email / Memo	One-Time
		Training	Statewide IT	Train Procurement and Finance Managers "activities" associated with object codes	Align on a consistent use of object codes	Guided practice	One-Time
FIN-004	Implement Chargeback True-up	Communications	Statewide IT	Communicate new true-up methodology to all agency stakeholders (share policy document)	Provide transparency in the rates and give an opportunity for stakeholders to clarify any questions	Email / Memo	One-Time
FIN-005	Implement Statewide IT Spend Tracking	Communications	Statewide IT	Kickoff communication with ASDs on spend tracking goals	Align on statewide IT spend tracking goals	Meeting / Briefing	One-Time

Change Management: Impact Analysis

Functional Areas or Groups	Change Characteristics
IT Leadership	▪ Participation in new statewide IT governance, including technology and spend reviews ▪ Signoff responsibility on chargeback model
OIT Finance	▪ Member of the new Chargeback Leadership Team ▪ New responsibility to drive statewide IT spend reporting
Administrative Service Directors	▪ Member of the new Chargeback Working Group ▪ Will no longer be voting on chargeback rates
Department Technology Officers	▪ Member of the new Chargeback Working Group
OMB	▪ Member of the new Chargeback Leadership and Executive teams ▪ Signoff responsibility on chargeback model ▪ Key stakeholder in IT statewide spend reporting
Statewide Finance & Accounting	▪ Training required for consistent use of object codes in IRIS

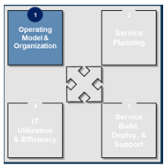
Impact of Change

- High Impact
- Medium Impact
- Low Impact

Impact of Change includes assessment of changes to processes, systems, tools, job roles, critical behaviors, mindsets, reporting structure, performance, and location

Appendix

Additional Project Charters | Operating Model, Organization Structure & Resources



Implement OIT Communications Capability

Description of Recommendation

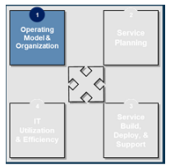
- Communication channels are not clear and there is difficulty connecting to the appropriate IT resource. IT has not done a good job of communication on the consolidation process, timeline and cost required to successfully implement state wide capabilities. Further, poor communication about IT priorities, upcoming milestones, and plans for consolidation has eroded confidence that the State can deliver successfully on the promise of consolidation and improved performance.
- The intent of this recommendations is to:
  - Establish a statewide IT communications & internal marketing capability
  - Internally market IT services, capabilities, and achievements throughout the state
  - Foster trust among the agencies and the IT community through a structured, targeted, and transparent communications plan

Implementation Details

Overview		Activities	Duration[1]
ID#	ORG-004	1. Define statewide IT products and services	3 Months
Classification	Process Improvement	2. Segment the IT customer base	
Complexity	High	3. Identify best practices within the agencies for statewide promotion	
Special Skills	Demand Mgt. & Workforce	4. Develop targeted marketing campaigns and messages	
Owner	Karen Lechner	5. Develop a structured communications plan	
Status	Under Review	6. Implement communications & marketing plans	
		7. Establish "go forward" sustainable structure, cadence, roles & responsibilities, etc.	

Benefits

- Elimination of current communication barriers
- To provide a single view of all IT capabilities & services
- To provide internal marketing and promotion of IT services, successes and capabilities
- To establish a formal outbound communications function within OIT



Define and Implement Statewide IT Communities of Practice

Description of Recommendation

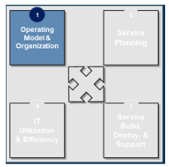
- To identify and establish statewide communities of practice around common areas of interest
- To eliminate systemic cultural barriers across all departments; unify the SOA IT community along user groups and best practice sharing; improve engagement among the various IT organizations; drive collaboration and innovation
- To unify state wide IT professionals under a common vision, mission and set of core values. The expectation is to encourage collaboration, best practice sharing, and the emergence of statewide standards.
- Potential COPs include: 1. Reporting & Analytics, 2. Collaboration Tools, 3. Developer Tools, 4. Knowledge Sharing, 5. Data Base Management Practices.

Implementation Details

Overview		Activities	Duration[1]
ID#	ORG-007	1. Identify the initial set of communities of practice (COP) based on interest and need	
Classification	Process Improvement	2. Establish a common vision, mission & charter for each COP	
Complexity	Low	3. Formally launch the COPs and provide facilitation and guidelines for the initial sessions	
Special Skills	Facilitation	4. Challenge the COP to solve for real world issues and encourage best practice sharing	2 Months
Owner	Bill Smith	5. Raise best practice discoveries to working groups for standards consideration and adoption	
Status	Under Review		

Benefits

- To unify statewide IT professionals under a common vision, mission and set of core values centred on common interests
- To encourage collaboration, best practice sharing, and the emergence of statewide standards.
- To break down cultural barriers by enabling cross departmental (including OIT) collaboration in a natural and organic manner.



Migrate Statewide Shared Applications Responsibilities to OIT

Description of Recommendation

- To consolidate all Statewide shared applications responsibilities from the agencies to OIT
- To move application lifecycle responsibilities for IRIS, ALDER, AKSAS, ALPAY, ABS, ARIES, MyAlaska.gov from the individual agencies to OIT
- To develop / adopt / unify application lifecycle processes and standards
- To manage all common applications under one set of lifecycle processes and controls
- Key dependencies include: ORG-001 Implement the New IT Organization Structure; GOV-032 Implement Technology Governance; SVM-020 Implement DOA Service Management Processes & Tool; SVM-002 Implement Service Catalog and SLAs; PPM-005 Implement Statewide Technology Portfolio & Project Management Capability

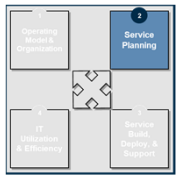
Implementation Details

Overview		Activities	Duration[1]
ID#	ORG-008	1. Identify all statewide common application for migration	6 Months
Classification	Foundational	2. Identify all associated resources in the agencies that support these applications	
Complexity	Very High	3. Establish the supporting org / department within OIT and management structure	
Special Skills	SOA Common App SMEs	4. Transfer the support staff from the agencies to OIT	
Owner	Bill Smith	5. Develop / adopt / unify standard lifecycle management protocols for application maintenance and train the staff	
Status	Under Review	6. Define the service management requirements, SLAs and pricing for inclusion in the OIT Service Catalog	
		7. Bring forward any in-flight projects for inclusion in the OIT project management framework	
		8. Publish the updated Service Catalog	

Benefits

- Standardize the formal lifecycle management of these applications for the state
- Reduced cycle time for patch management, upgrades, incident & problem handling and unified requirements management
- Subsumed under standard architectural, project management and service management processes and control

Additional Project Charters | Governance & Service Planning



Build Strategic Technology Roadmap

Description of Recommendation

Develop the annual OIT strategy and roadmap goals, including:

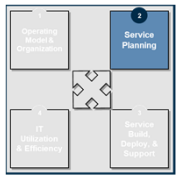
- Define the three year OIT strategy
  - Identify forward looking technology components of the statewide operational efficiency goals
  - Identify forward looking technology and resource components required to improve the effectiveness and efficiency of IT's services
- Define the three year technology roadmap (OIT and agency / department combined roadmap)
  - Year 1 - Projects defined with business cases, continuing projects from current year
  - Year 2 - Continuing projects from prior years, projects identified to start in year 2, business case not required
  - Year 3 - Continuing projects from prior years, high priority projects and/or capabilities remaining in the portfolio

Implementation Details

Overview		Activities	Duration[(1)]
ID#	GOV-012	1. Define owners for the templates and the OIT technology roadmap	5 Months
Classification	Foundational	2. Gather examples of current technology roadmaps and best practices	
Complexity	Medium	3. Define the templates that will be used for the pilot	
Special Skills	Technology Planner	4. Build out the OIT roadmap (may not be complete without all agency / department roadmaps)	
Owner	Bill Smith	5. Refine the templates, review templates with the agency / departments	
Status	Under Review	6. Agency / departments draft technology and roadmaps	
		7. Alaska Technology Governance Board reviews the roadmap and makes recommendations	

Benefits

- Enable identification of common needs, enterprise capabilities, staffing and services
- Provide context for capital expenditures that are one component in a roadmap
- Improve the overall ability to plan and execute high value initiatives
- Tie technology initiatives to state goals
- Inform budgets and annual planning



Strategic Technology Planning Process

Define statewide and Agency / Department priorities for operational improvement and government efficiency. Document the potential projects and three year strategic technology plan required to achieve vision

3 Year Strategic Technology Plan

1 Review Prior Year Spend by Technology Component

Review operating and capital expenditures by technology component

2 Determine Technology Priorities for Each Technology Component

Discuss emerging Agency / Department initiatives

Discuss statewide technology priorities for government efficiency and cost management

3 Map Technology Priorities to Platforms and Technology

Determine the business process areas associated with each technology priority

Components of Technology Planning & Governance

Q1 Department Applications

Shared Applications

Statewide Applications

Foundational Technology

Q2

Q3

4 Elaborate Projects Based on Priority and Sequence

Develop a list of potential projects necessary to achieve the desired technology priorities and operating improvements

Determine preliminary project sequence

7 Review & Approve 3 Year Plan

State of Alaska Technology Governance Committee reviews and adopts 3 Year Strategic Technology Plan

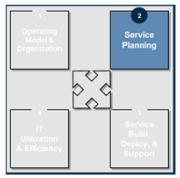
6 Socialize 3 Year Technology Roadmap

Conduct meetings with Department Leadership to socialize the proposed 3 Year Strategic Technology Plan

5 Draft 3 Year Technology Roadmap Based on Priorities

Develop discussion draft 3 Year Strategic Technology Plan for the State of Alaska

Key Communication Milestone



Define and Implement Annual Operating Plan

Description of Recommendation

Develop an annual OIT process to plan the next fiscal year, including:

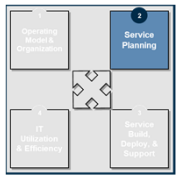
- Drive alignment and a common understanding of statewide technology strategic goals
- Drive alignment on prioritization of statewide technology initiatives
- Definition of the operating and capital budgets required to implement the annual plan
- Definition of the resources and/or organizational changes required to implement the annual plan

Implementation Details

Overview		Activities	Duration[1]
ID#	GOV-033	1. Define Annual service plan development process (must consider budget planning cycle) and related roles/respons bilities, including Department engagement process (Service Strategy and initial Design)	7 Months
Classification	Foundational	2. Define process for onboarding of new platforms/services and offboarding of legacy services (Service Design, Build, Implementation, and Monitor/Support), including Stage Gates and Templates	
Complexity	Medium	3. Socialize and initiate processes	
Special Skills	ITIL Service Management SME		
Owner	Rebekah Matrosova		
Status	Under Review		

Benefits

- Ensure that key initiatives on the three year roadmap are included in the annual plan
- Identify resource gaps that can be addressed before they cause delays to technology initiatives
- Ensure the annual plan is in alignment with all Agency / Departments
- Ensure plans for new services, projects and other initiatives are in alignment with the budget and resources plans
- Identify new roles, activities and roles and responsibilities



Annual Technology Planning Process

Understand State and Agency / Department priorities, emerging initiatives and develop an annual operating plan and budget

Key Process Inputs

Prior Year Annual Plan

Analyze, review and report progress against the prior year plan

3 Year Strategic Technology Plan

Annual Planning

1 Confirm Annual Strategic Technology Goals

Confirm state priorities with the Alaska Technology Governance Board

2 Prioritize Business Needs

Evaluate the project portfolio and emerging Agency / Department initiatives

3 Interdependency Mapping

Identify functional and architectural synergies and dependencies across Agency / Department applications and services

4 Stakeholder Reviews

Agency / Department leadership reviews technology roadmap and proposed annual plan

Technology Strategy & Planning Process

Q1 → Q1 → Q2 → Q4 → Q1

5 Evaluate Resource Requirements

Identify new roles, subject matter expertise and all required changes to the OIT organizational structure and staffing

6 Revise Enterprise Architecture & Infrastructure

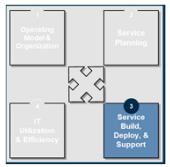
Technology stack updated based on statewide priorities

7 Develop Annual Capital Budget and Department Operating Plan

Annual Plan and budget approved by Alaska Technology Governance Board, OMB

▲ Key Communication Milestone

Additional Project Charters | Project Portfolio & Service Management



Continue Mainframe Retirement

Description of Recommendation

Develop a Mainframe component migration strategy to ensure critical mainframe functionality is migrated to a supported platform including:

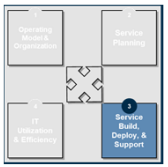
- Work with each Agency to come up with a migration plan and estimated costs to migrate
- Developing a detailed plan for deprecating or migrating services off the mainframe
- Reducing software costs by optimizing Mainframe components or negotiating license renewals down
- CAVEAT – USED EXISTING CSSD BENCHMARKS for the Business case because the remaining agencies are still developing a migration strategy and estimates for migration

Implementation Details

Overview		Activities	Duration
ID#	INF-001	1. Develop and Release a Preliminary MF Vendor RFI for remaining Agencies to develop strategy and estimates to migrate	27 Months
Classification	Cost Reduction	2. Identify & Develop Migration plan for the services (Retire, Re-platform or Rehost)	
Complexity	Very High	3. Establish a priority criteria for migration (software savings, processor savings, availability of resources)	
Special Skills	Enterprise architect, Infrastructure lead	4. Resize the scale and costs of the mainframe as applications and services are deprecated	
Owner	Russell Kun be	5. Track and measure actions taken to accomplish workplan	
Status	To Be Scheduled	6. Migrate Agency workloads to new landing target point	
		7. Repeat the process of migration and vendor management for remaining agencies	

Benefits

- Ensure critical mainframe functionality that needs to remain in Alaska is migrated to a supported platform
- Reduce IBM software costs as the DOR CSSD application migrates to a Linux platform
- Reduce size of the mainframe to match lower workloads and reduce software costs
- Identify and capitalize on Process optimization opportunities as refactor and reengineer off Mainframe



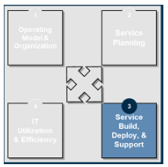
Retire Mainframe Applications Suggested Approach

Mainframe application migration efforts can be complex and often fail. A structured approach for each department coordinated with the assistance of OIT offers a lower risk and a higher chance of success. Currently, some departments are further along than others in the journey to migrate.

Once CSSD migrates off the Mainframe, **92% of the usage will be centered between the two most complex applications and least planned for migration maturity agencies which are DPS and DHSS.**

	DPS	DHSS	DNR	OIT & Other	DOR CSSD
CURRENT STAGE	▼	▼	▼	▼	▼
ACTIVITIES	▪ Outline requirements & target architecture ▪ Define requirements, & tech.	▪ Evaluate possible options ▪ Define target solution ▪ Develop Scope	▪ Validate target solution and confirm budget and planning ▪ Select solution, & vendor	▪ Deliver modernization solution and support transition ▪ Plan for Production & DR	
	Discovery	**Assessment**	**Application POC**	**Production Pilot or Full Migration**	
	Mainframe Migration Insight	**Statement of Work**	**POC or Pilot Project**	**Project Deliverables**	
			▲ At this point will know the total costs from a project point of view and potential cost savings for other agencies		
STEPS	▪ Gather mainframe plans from departments ▪ Plan for each department based on department requirements	▪ Solicit vendor community for options / solutions ▪ Refine solution based on RFI and publish RFP	▪ Select vendor and run POC ▪ Evaluate solution based on department requirements ▪ Develop Migration plans	▪ Testing and go-live ▪ Migration with the vendor help ▪ Post Production Support	

▲ Recommendation: OIT will initiate a Request for Information to assist Agencies with strategy, plans and estimates. This is one of the first milestones in the Charter.



Consolidate Server Rooms

Description of Recommendation

Establish a Cloud First framework of standards and methods for migration of servers and workloads to public, private (multi-tenant) or on-premise platforms thru:

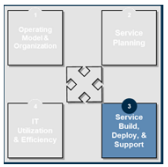
- Consolidating workloads from Server rooms to OIT multi-tenant, on premise data centers or leverage public cloud
- Developing a comprehensive roadmap for workload migration, reduction in licenses and retirement of legacy hardware
- Implementing a new monitoring tool for workload performance and show back capability across OIT and commercial cloud

Implementation Details

Overview		Activities	Duration
ID#	INF-007	1. Assess and rationalize workloads for consolidation	12 Months
Classification	Process Improvement	2. Refactor or customize workloads for preparation to migrate	
Complexity	Very High	3. Manage workload migrate	
Special Skills	Enterprise & Infrastructure Architect, Project Management	4. Retire unused licenses and hardware	
Owner	Russell Kunibe	5. Gather monitoring requirements and select new tool (cloud & service centric)	
Status	To Be Scheduled	6. Implement new monitoring tool concurrently with workload migrations effort	

Benefits

- Reduce administration burden and consolidate staff
- Through the economy of scale approach, decrease the cost of a unit of output and reduction in marginal costs
- Using a multi-tiered environment like Cloud or Multi-tenant environments will increase agility and allow for the ability to host internally or move workloads back and forth
- Consolidation of workloads on a common infrastructure or cloud leads to lower support complexity & hardware costs



Consolidate Agency Workloads to OIT Data Centers in Juneau or Anchorage

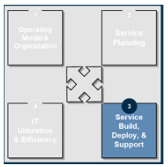
Overall 92 Server rooms identified and 62 of these have more than 1 rack. Twenty three server rooms have potential addressable applications or workloads. Target a consolidation of 111 host servers from 11 Server Rooms in the next 12 months.

Department	Division	DC	City	Rack Count	Physical server count
DMVA	DMVA	CD49000	ANC	3	10
DMVA	DMVA	CC57024	ANC	2	6
DOTPS	ISSD	Anchorage Aviation Building	ANC	7	6
DOTPS	ISSD	JDC Client Space	JUN	3	23
DOTPS	ISSD	DOT&PF Juneau HQ	JUN	7	23
DOTPS	ISSD	MSCVE	ANC	3	6
DOTPS	ISSD	DOT&PF Peger Rd Fairbanks	FBKS	4	14
DFG	DAS	DFG Region 2 HQ	ANC	6	4
DFG	DAS	DFG Region 3 HQ	FBKS	4	6
DFG	DAS	DFG Juneau HQ	JUN	3	6
DOC	Admin Services	JSOB	JUN	3	25
DNR	All	Anchorage Atwood	ANC	4	10
DNR	DGGS	GMC IDF	ANC	5	11
DNR	DGGS\SPCS	GMC IDF	ANC	5	20
DNR	All	Fairbanks DNR	FBKS	5	52
DNR	DGGS	3355 College Road	FBKS	7	45
DNR	All	Willoughby DNR	JUN	2	3
DOL	ASD	Midtown Office	ANC	2	6
DOL	ASD	Customer Space 5th Floor SOB	JUN	4	10
HSS	Financial Management Services	Alaska Psychiatric Insitute / Department of Behavior Health	ANC	3	4
HSS	Financial Management Services	Anchorage Laboratory / Department of Public Health	ANC	6	2
HSS	Financial Management Services	Fairbanks Laboratory / Department of Public Health	FBKS	2	2
HSS	Financial Management Services	Juneau Datacenter / Financial Management Services	JUN	12	32
Totals				102	326

Excluded Sites due to State or Federal Restrictions or Small Site Size:

1. DOT PS Airport systems
2. Sites associated with DOD
3. Sites with small footprint of 1 Computer Rack

Server Rooms in blue are potential sites for workload and server consolidation in Year 1



Retire OIT Enterprise Applications

Description of Recommendation

Identify and then retire redundant OIT enterprise applications:

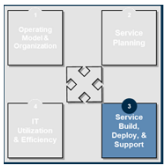
- Replacing or retiring applications that are being phased out (LANDesk endpoint, Skype with Teams, Webex with Teams, Vidcon, GCI Audio Bridge, Polycom and ProofPoint secure mail encryption with TLS encryption; and Unity & Genesys Virtual call center)
- Reducing vacancy licenses
- Retiring unused physical assets
- Cost Savings will be developed as the project prioritizes which applications to retire

Implementation Details

Overview		Activities	Duration
ID#	INF-008	1. Identify & assess target applications	6 Months
Classification	Cost Reduction	2. Identify current business requirements, map new features to requirements and analyze gaps	
Complexity	Medium	3. True-up of target applications & develop "straggler program"	
Special Skills		4. Validate complete onboarding of Departments to new services as needed	
Owner	Rebekah Matrosova	5. Establish data conversion or data archive plan for legacy data exist	
Status	To Be Scheduled	6. Communicate the decision and implement "straggler" program to provide user instructions	
		7. Establish offboarding check list (Security, Infrastructure, Support teams)	
		8. Migrate the legacy data	
		9. Retire the application and stop license renewal	

Benefits

- Reduce cost of license and support for redundant applications
- Increase license volume and pricing leverage for remaining application
- Reduced end-user complexity



Implement Service Catalog and SLAs

Description of Recommendation

Define services offered to support OIT enterprise applications and infrastructure, performance commitments, compliance commitments, and OIT/Department roles relating to service delivery and compliance

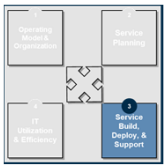
Dependency -ORG-007 Define and Implement Statewide IT Communities of Practice to Grow Competencies in Areas of Interest

Implementation Details

Overview		Activities	Duration[1]
ID#	SVM-002	1. Release high-level performance commitment SLAs (per service line) a. Quarterly cadence to seek and integrate feedback on accuracy and level of detail	5 Months
Classification	Process Improvement	2. Publish interim service catalog to OIT website a. Quarterly cadence to seek and integrate feedback on accuracy and level of detail	
Complexity	Very High	3. Develop SLAs specific to compliance issues (FTI, CJIS, HIPAA) – signed agreements w/Departments a. Dependency: Need to update internal processes to be compliant	
Special Skills	Service Management SME	4. Establish accessible dashboard for reporting on performance commitments in SLAs (per service line	
Owner	Rebekah Matrosova	5. Define customer service needs and establish segmentation to add different service levels as appropriate	
Status	In Process		

Benefits

- Define and Maintain a service catalogue
- Remediate some of the issues observed during the assessment phase by improving communication, transparency, and role clarity,
- Support the ongoing service management model



Implement DOA Service Management Capability

Description of Recommendation

Implement an OIT Administered DOA Service Management service and tool

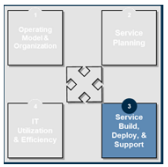
- Gather requirements and select a tool for service management
- Develop, configure and deploy the top 20 to 25 most common and high demand services for incident, problem, and request management
- Implement common standard process across the enterprise to unlock capacity and reduce inefficiencies
- Replace UTS ticketing tool

Implementation Details

Overview		Activities	Duration[(1)]
ID#	SVM-020	1. DOA Requirements Gathering, and design of process flows including high level CMDB	18 Months
Classification	Process Improvement	2. Tool and Vendor selection, and Implementation planning	
Complexity	Very High	3. Process configuration and tool implementation	
Special Skills	BA's; Developers; Service Broker	a. Develop and implement service offerings (20 to 25)	
Owner	Andy Dietrich	b. Design and implement incident, problem and request management	
Status	Under Review	c. Design and implement change management	
		4. Implement Shared Services Workflows and Documentation	

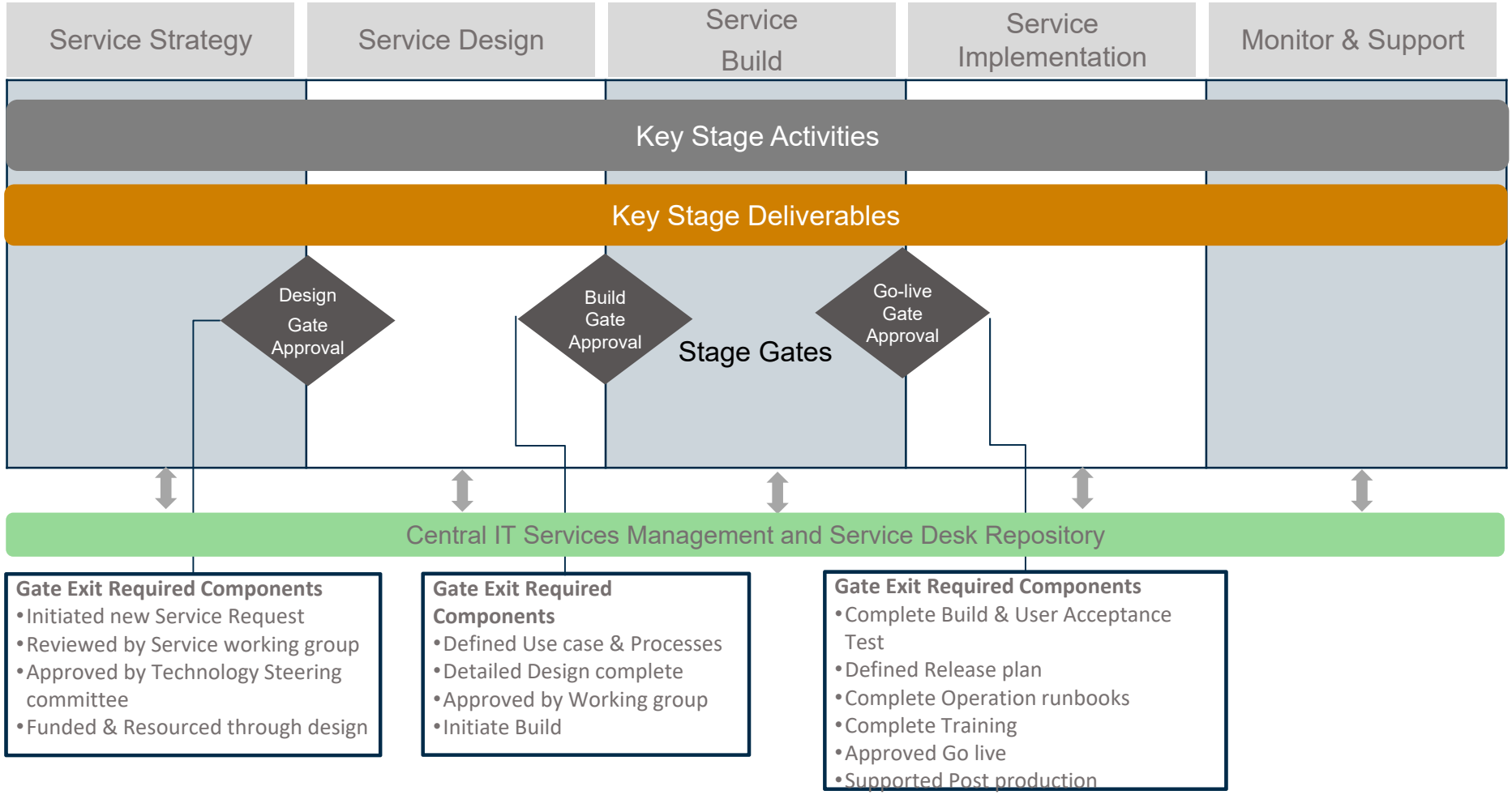
Benefits

- Establish an enterprise service management model, services and standards
- Establish a service governance process for service definition, maintenance and approval
- Centralize services within an enterprise grade platform and tool for improved reporting and control

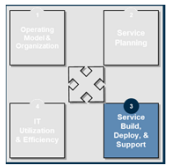


Implement Statewide Full Service Lifecycle Management for Service Management and Help Desk Functions

This Service Lifecycle Management model is used for designing, building and deploying IT services in a structured way to ensure business alignment and adoption



PPM-032 Implement a Statewide Change Control Policy
SVM-027 Establish a Statewide Asset & Service Configuration Policy



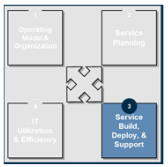
Service Management Lifecycle End to End Design and Delivery of Service Outcomes

Implement Service lifecycle stages with clear activities and outcomes to ensure roles and responsibilities are fully understood

Service Strategy	Service Design	Service Build	Service Implementation	Monitor & Support
Activities • Define Service strategy • Define service	**Activities** • Develop User Cases • Develop Use Case Process flows • Develop Detailed design & requirements	**Activities** • Finalize work schedule & resources • Configure service solution • Define dependencies, change impact • System Testing	**Activities** • Communicate service change • Deploy & implement service • Train users & Operate service	**Activities** • Alert & monitor • Add to desktop support • Track benefits realization • Add to Knowledge base • ID Enhancement Opportunities
Outcomes • Service description • Service consumers • Inputs to service • Triggers to service • Service offerings • Service Roles • Service Metrics • Tools • Cost to deliver service	**Outcomes** • Define high level design • Define use cases • Define process flows with roles • Detail requirements & integrations • Define Chargeback method	**Outcomes** • Defined work schedule & resources • Build service and integrations • Conduct sys. & user acceptance testing • Capture Test Results (defects & status) • Document Deployment plan • Define Training plan	**Outcomes** • .Detailed user communication • Detailed deployment plan & runbooks • Updated process maps • Detailed operations procedure sand processes • Train and Go live	**Outcomes** • .Support & operations manual/ runbooks • Add to monitoring & alerting configuration • Update benefits realized thru metrics

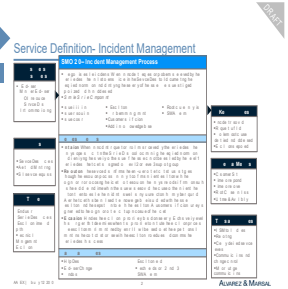
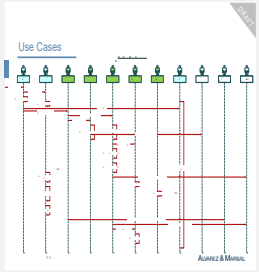
Assign Tasks to Resources

Manage Schedule, Risks, Actions Items, Decisions and Status Reports



Service Offerings and Services are Defined in the Service Catalog

The Service catalog provides a list of offerings at a detailed level to make services clear to the business what is being provided and at what level of performance the business can expect

Service Catalog	Hi Level Offering Description	Detailed Offering Description	Service Operations
 			 Service request fulfillment - Provision h/w - Provision s/w - Update s/w versions - Reset password - Move users - Provision storage - Fulfil non-standard requests

Flow — Course High Level → Fine Detailed Level

Ownership Activities

Service Manager	Service Owner	Service Operations
Responsibility - Define the service catalog - Maintain catalog - Publish & support catalog	**Responsibility** - Define services & components - Own end to end service - Monitor SLA & Resolve issues	**Responsibility** - Define action steps - Perform actions - Resolve requests

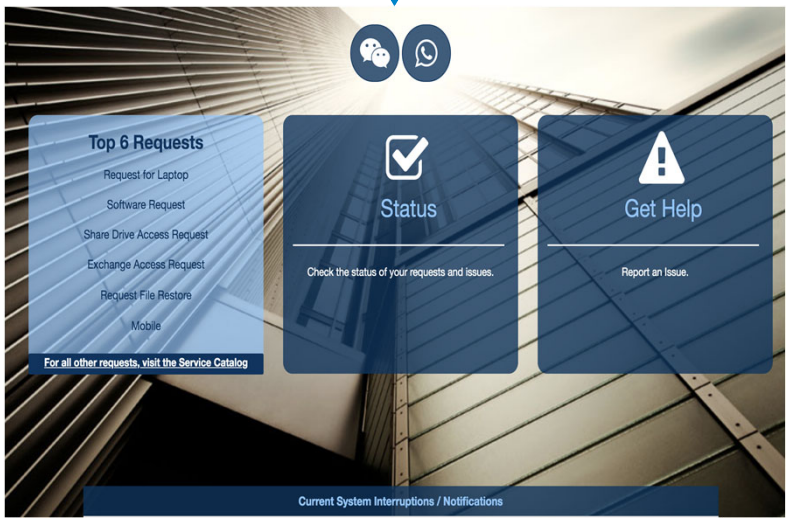
Outcomes

Service Manager	Service Owner	Service Operations
Outcome - Catalog Maintained - Communicated across the enterprise	**Outcome** - Measure performance to SLA & Refine - Arbitrate conflicts and exceptions	**Outcome** - Operate to SLA - Resolve issues

The Service Catalog Should be Simple to Understand and Accessible with One Click Access

The example shows how the service management tool can provide single click access to the service catalog of offerings through a simple user interface which can also include store like capabilities for enhancing the business user experience

Typical "Single Pane" Service Portal for all internal and external clients



Top 6 Requests

- Request for Laptop
- Software Request
- Share Drive Access Request
- Exchange Access Request
- Request File Restore
- Mobile

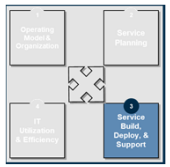
For all other requests, visit the Service Catalog

Security and Access

- Exchange Access Request
- Firewall Port Request
- Onboarding Request
- Request File Restore
- Share Drive Access Request

Can We Help You?

- Ask a Question
- Change Password
- Create a New Demand
- Non-Standard Request
- Password Reset Enrollment

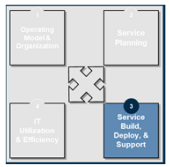


Service Management Offerings and Services are Defined by Major Functionality

It is important to distinguish between offerings and services. The offering is typically a set of services broken out by functional area with a Service Owner that has end to end OIT responsibility of the service offering across the enterprise. The unit of measure on service offering is usually a ticket

Here are typical service offering examples by functional area composed of services from the SOA OIT catalog

	Incident & Problem Management Service Offerings	Change Management Service Offerings	Service Fulfillment Management Service Offerings
Common OIT service offerings owned by OIT Department Leads	▪ Initiate Issue & Problem Analysis ▪ Escalate, Resolve and Close issues ▪ Manage Problems ▪ Measure and Respond to Customer Satisfaction ▪ Curate Knowledge Base ▪ Provide Root Cause Analysis ▪ Deploy Problem SWAT Team ▪ Troubleshoot Networks	▪ Interpret Requirements ▪ Determine Objectives / Features / Functions ▪ Initiate Change Requests, Impact Assessment, and Backout Plan ▪ Validate & Change Format and Completeness ▪ Perform Changes and Tasks ▪ Provide Integration Testing in Dev and Sandbox ▪ Integrate Incident, Problem, Release and Configuration Management ▪ Access Architectural Impact	▪ Reset Password ▪ Complete Software Request ▪ Complete Request for Laptop ▪ Update Computer Software ▪ Administrate Tools (Webex) ▪ Setup Printers ▪ Fulfill Non-Standard Requests ▪ Provision Hardware ▪ Install Servers ▪ Install Phones ▪ Provision Bandwidth ▪ Provide Network Engineering Service ▪ Provide VPN Connectivity ▪ Complete Move Requests ▪ Deploy Network



Services and Offerings Are Defined with and Linked to Service Level Agreement

The service definition calls out the service level agreement or contract between OIT and the business

Consumers / Subscribers

- End-user
- End-user Manager
- OIT resource
- Service Desk
- Alert from Monitoring

Inputs

- Service Desk Tickets
- Alert and Monitoring
- Self Service Requests

Trigger

- End User
- Service Desk Tickets
- Escalation Time & Path
- Technical Management Escalation

Incident Management Process- Sample

- The goal is to resolve incidents. When an incident, request or problem is received by the service desk, the analyst opens a ticket in the Service Desk tool documenting the required information and identifying the severity of the issue. The issue is triaged, prioritized and then addressed.
- *Sample Service Components:*

- Issue initiation
- Issue resolution
- Issue closer
- Escalation
- Problem management
- Customer satisfaction
- Addition to knowledge base
- Root cause analysis
- SWAT team

Request Offerings

- **Initiation**: When an incident, request or problem is received by the service desk, the analyst opens a ticket in the Service Desk tool documenting the required information and identifying the severity of the issue. If the issue cannot be resolved by the Level 1 service desk, the ticket is assigned to a Level 2 or Level 3 support group.
- **Resolution:** The service desk informs the end-user of the ticket status as it goes through the resolution process. An analyst confirms incident resolution with the originator prior to closing the ticket. Post resolution, the analyst records information such as the end date and time when the issue was resolved, the cause of the incident, the action taken to resolve the incident, as well as any future action that may be required. After the ticket has been closed, the knowledge base is updated with the issue, resolution, and the steps taken to reach the resolution. A customer satisfaction survey is generated to the originator of the ticket upon closure of the ticket.
- **Escalation:** Handles the escalation appropriately based on severity. Each severity level has a "trigger" that determines when it is appropriate to institute the escalation process. The escalation matrix maintained by central IT will be used to set the expectations. IT maintains the contact list for use with the escalation procedures and confirms the service desk has access.

Participating Roles

- Help Desk
- End-user Change
- Vendors
- Escalation lead
- Tech Leads for T2 and T3
- SWAT team

Key Outcomes

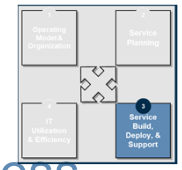
- Incident Resolved
- Request Fulfilled
- Problem Root Cause Identified and Addressed
- Escalations Reported

Potential Metrics

- Customer Sat
- Time to Respond
- Time to Resolve
- Root Cause Analysis
- Uptime & Availability

Tools and Policies

- ITSM Tool and Desk
- Reporting
- Clearly Defined Service Levels
- Communications & Change Control
- Major Outage Communications



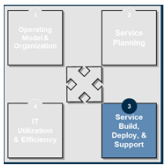
Standardize Common Services Across the Enterprise in the Service Process Design Stage with Increased Agency Coordination and Integration

A Key enabler of the IT consolidation is to stand up a Service Management function. A major point of this will be to increase standard common processes.

However, consolidating “standard services” in a highly deConsolidate IT and agency structure will require designing and integrating common service processes across DOA and the Enterprise Agencies. An example of the need to integrate service processes is Webex password reset. Although Webex is a enterprise application, the process for password reset varies by owner and procedure across the agencies.

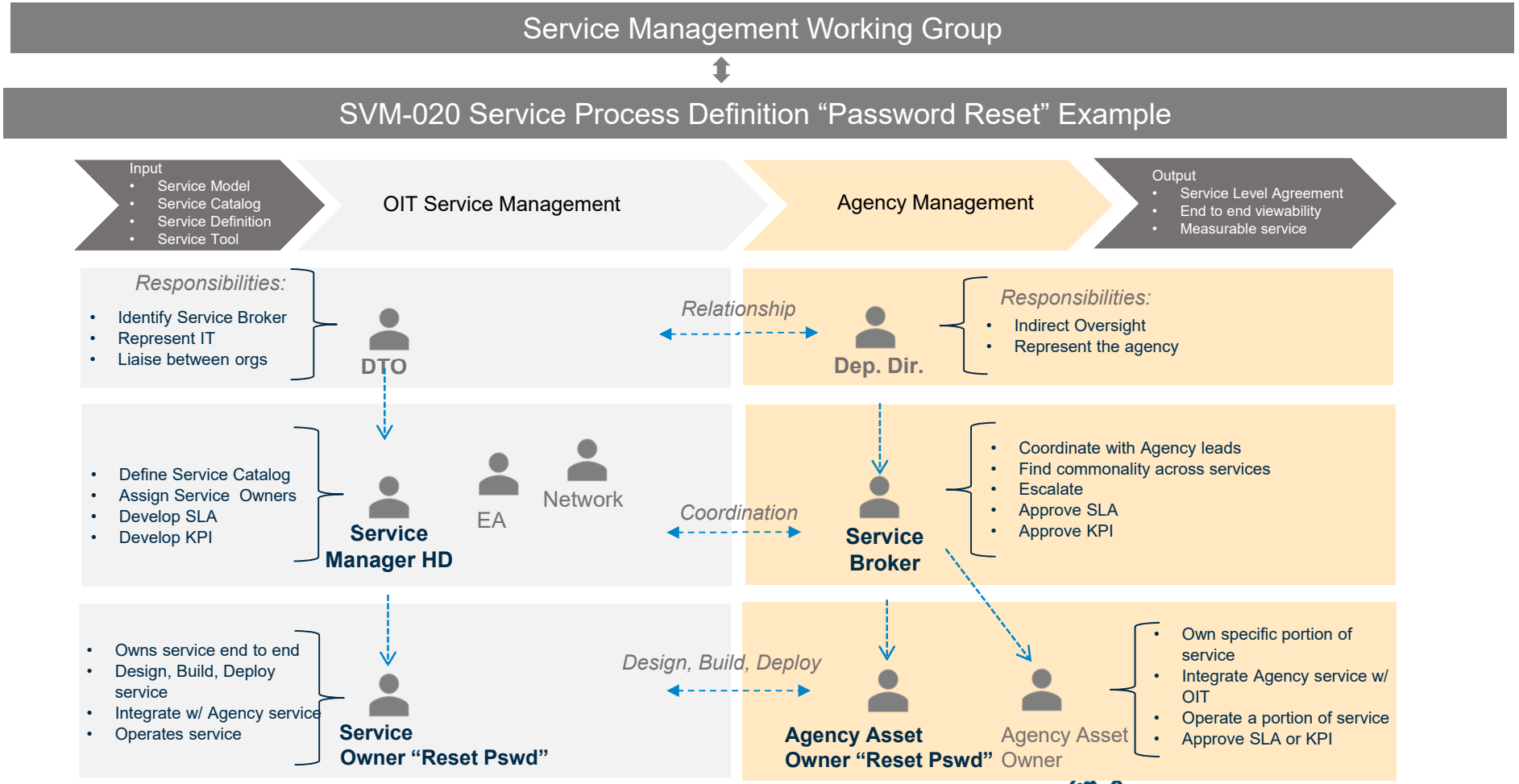
Recommendations:

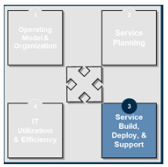
1. Enlist the support of the Agency services owners to design common service processes with integration across the agencies and optimize using workflow in the service tool. This approach may require agency coordination in the form of a broker to identify the owners of agency service owners.
2. Implement a set of best practices or enablers to ensure success:
    - Implement a OIT administered tool to standardize, document, integrate, and automate enterprise wide common service processes for managing end to end service performance levels
    - Identify and Assign Common Agency service process owners to assist in integrating common services
    - Define and documented common service processes across both OIT and the Agency



Integrate Standard Common Services Through Agency

Integrating Standard Common service processes into a common service management tool across both OIT and the Agencies may require “agency assistance” because of the number of possible service variations. Here is an example of how “password reset” service might be designed as part of the SVM-020 Service Management process with oversight of the ongoing working group.





Implement Self Service and Knowledge Management Capability

Description of Recommendation

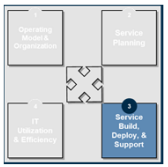
- There are no statewide standards or process for identifying, curating, hosting rules based sharing of key learnings. There are multiple sources of FAQ Forms, websites, and data sets that are spread across agencies that are currently not Consolidate, leveraged or shared.
- The intent of this recommendation is to establish statewide Knowledge Management standards and process and to enable current & relevant knowledge sharing
- Self Service and Knowledge Management is a key part of the Implement SOA Service Management Capabilities SVM-020 Project
- Key Dependency – SVM-020 Implement DOA Service Management Capability

Implementation Details

Overview		Activities	Duration[1]
ID#	SVM-036	1. Identify and inventory sources of shared knowledge or learnings (requires Department engagement)	8 Months
Classification	Process Improvement	2. Gather requirements and define: 1) standards and processes for identifying, capturing, and maintaining shared learning, policies, and procedures; 2) user roles and responsibilities; 3) shared knowledge lifecycle	
Complexity	Very High	3. Establish an organization method for shared learning, policies, and procedures (requires Department engagement)	
Special Skills	Librarian (Curator)	4. Develop marketing and socialization plan for new Knowledge Management process – 10 days (can run simultaneous with 3 and 5)	
Owner	Rebekah Matrosova	5. Create a data conversion and source integration strategy, including process for vetting existing shared learning, policies, and procedures (requires Department engagement)	
Status	Under Review	6. Utilize existing tool as part of Service management tool selection	
		7. Configure the tool for managing shared learnings	
		8. Execute data conversion and source integration strategy (including vetting process)	
		9. Deploy tool and execute marketing and socialization plan	

Benefits

- To establish Knowledge Management standards and processes across the state
- To enable better service handling of IT issues across the state
- Reduce duplications efforts, and share knowledge and best practices



Implement Asset & Service Management Capability

Description of Recommendation

Establish a Asset and Configuration management standard and tool for centralizing data using a CMDB tool to identify current and future infrastructure, applications, or services problems including:

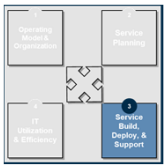
- Increasing utilization and life of existing assets
- Coordinate with procurement of device assets process to optimize costs
- Reducing costs from vacancy licenses
- Asset & Configuration Management is a key part of the SMV-020 Implement DOA Service Management Capabilities

Implementation Details

Overview		Activities	Duration
ID#	SVM-027	1. Gather requirements and define a standard for Asset and Configuration lifecycle management (as what to capture)	6 Months
Classification	Process Improvement	2. Capture assets and configuration data across agencies	
Complexity	Very High	3. Design Detailed CMDB & configure tool	
Special Skills	OIT Infrastructure Lead	4. Convert existing data to central CMDB (Excel and Service desk manager)	
Owner	Andy Deitrich	5. Establish process for adding new assets, configuring and deprecating assets	
Status	To Be Scheduled		

Benefits

- Cost savings on inactive assets and reducing vacancy licenses
- Cost avoidance by reusing assets
- Cost avoidance on unused resources that can be deprovisioned
- Integrate to services catalog and to chargeback mechanism for better control over service cost controls and delivery



Implement Technology Portfolio & Project Management Capability

Description of Recommendation

Develop and implement statewide technology portfolio management capability, including:

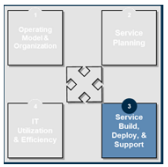
- Define the deliverables for each stage
- Define the roles and responsibilities for each deliverable
- Define the stage transition processes and technology required to manage the portfolio from a statewide perspective
- Stage 1 - Define portfolio management stages, critical deliverable, activities and implement in OIT with a low tech solution
- Stage 2 - Considering the statewide requirements for portfolio management, select and implement a portfolio and project management (PPM) application

Implementation Details

Overview		Activities	Duration[1]
ID#	PPM-005	Stage 1 1. Gather current project and portfolio artifacts in use across the state	12 Months
		2. Define stages, critical deliverables, data elements and activities; implement in OIT with low tech solutions (e.g., SharePoint, Excel)	
Classification	Foundational	Stage 2 3. Define the portfolio management processes, deliverable templates, responsibilities, reports and dashboards and review with key stakeholders	
Complexity	Medium	4. Evaluate, select and implement a minimum viable product	
Special Skills	Portfolio / project Mgmt SME	5. Populate the portfolio with all projects and resources in OIT, validate the processes and all data elements being maintained	
Owner	Niel Smith	6. Use all project management templates on an OIT project, refine templates as necessary	
Status	Under Review	7. Create training and materials that will help each agency / department adopt in the portfolio management process, onboard agency / departments	

Benefits

- Visibility into statewide IT spend and benefits of the states technology solutions
- Improved planning will ensure resources are available when needed
- A statewide portfolio will ensure the projects with the highest priority are resourced first
- Statewide alignment on the order of project execution
- Visibility into resource utilization between "keep the lights on" and innovation
- Align business needs with technology solutions
- Improved quality and benefit realization
- Reduced learning curve on what is required for a project and how the project will be managed
- Improved alignment and approval of key deliverables (e.g., Business Requirements, Project Charter, Business Case)
- Improved communication and understanding of the status, risks and issues of all projects
- Ability to continuously improve the process which leads to reduced implementation time and improved quality
- Improved ability to collaborate on software initiatives that span agency / departments



Define Requirements for IT Time & Expense Tracking

Description of Recommendation

Develop and implement time and expense tracking process, including:

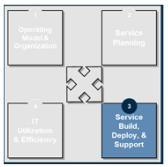
- Define the IT projects and activities requirements for labor transactions
- Define the IT projects and expense types requirements for non-labor transactions
- Define changes to the chart of accounts to support project based labor and expense transactions
- Identify current applications that may be able to support the requirements
- Identify in-flight or new projects that will support these requirements

Implementation Details

Overview		Activities	Duration[(1)]
ID#	PPM-024	Labor	9 Months
Classification	Foundational	1. Define, review and approve labor recording requirements including project activities and non-project expense types	
Complexity	High	2. Deliver the labor recording requirements to the statewide Electronic Timekeeping project and ensure the requirements can be included in the scope	
Special Skills	Finance SME	Non-labor	
Owner	Dan DeBartolo	3. Define requirements for recording non-labor transactions	
Status	Under Review	4. Identify best solution for recording non-labor transactions	

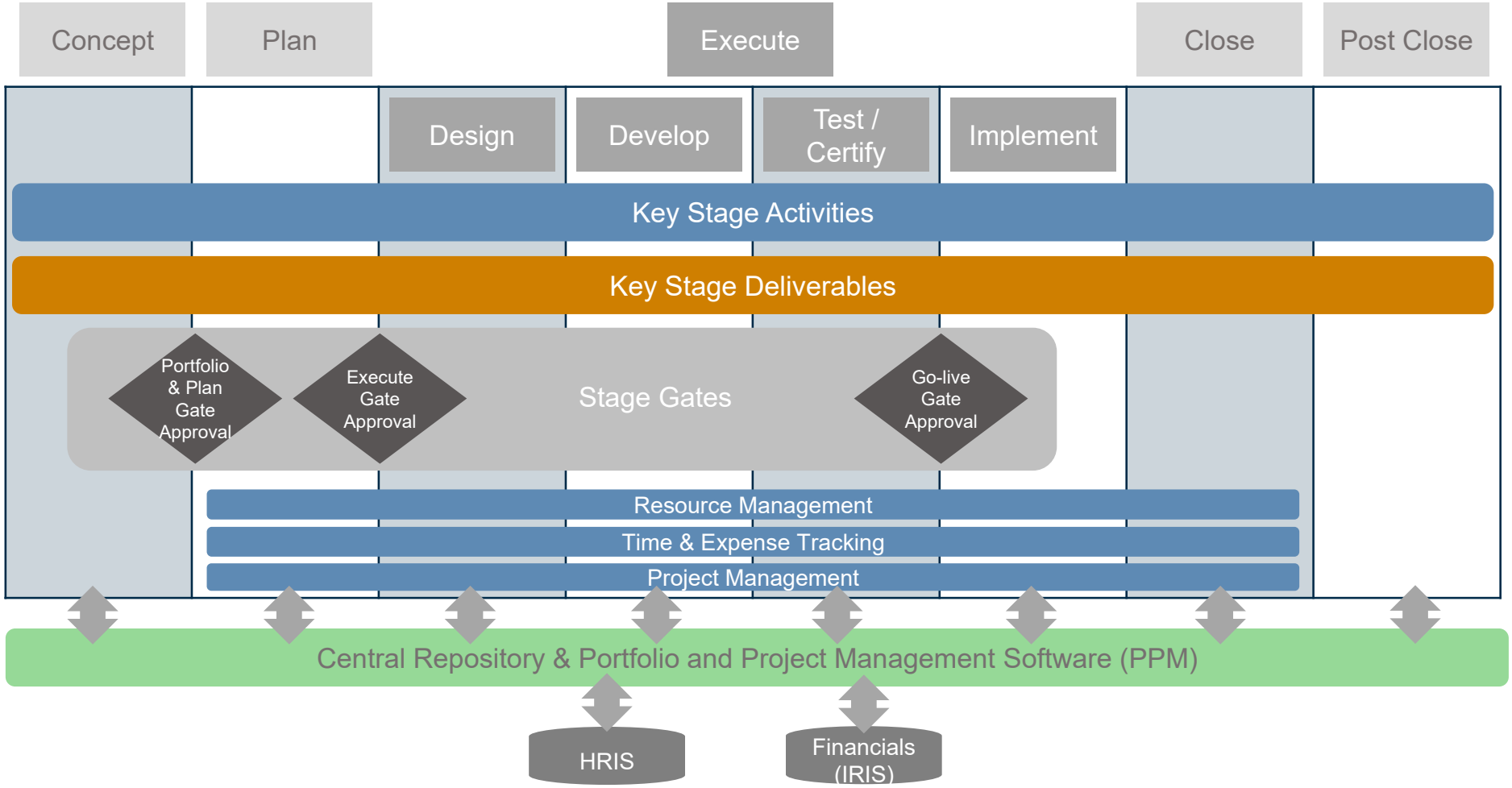
Benefits

- Gain visibility to the actual costs of a project and how the costs compare to the budget
- Gain visibility into what % of the overall IT spend is focused on projects vs keep the lights on
- Drive improved accuracy in defining operational and project budgets
- Expose inefficient and/or ineffective keep the lights on activities and/or applications
- Improve visibility into expenses and how they impact the chargeback model

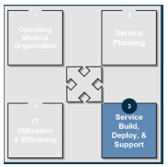


Portfolio & Project Management Processes – Long Term Vision

This framework will be used for capital and operational projects that require a full lifecycle. Technology investments that do not require a full lifecycle will use a simplified process



PPM-005 Implement Statewide Technology Portfolio & Project Management
PPM-024 Implement IT Time & Expense Tracking



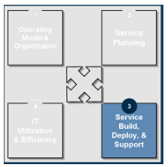
Portfolio & Project Management – Activities and Deliverables

Standard activities and deliverables reduces risk, raises the likelihood benefits will be realized and drives visibility into the stage and status of statewide technology investments

Concept	Plan	Design	Develop	Test / Certify	Implement	Close	Post Close
Activities • Define goals, scope, objectives, costs and benefit • Estimate Plan stage activities • Finalize Plan stage funding • Identify Sponsor • Identify Plan resources	**Activities** • Develop requirements • Develop high level design • Finalize schedule and resources • Finalize business case • Define dependencies, change impact • Finalize Execution Funding • Kickoff Meeting	**Activities** • Finalize design • Develop change strategy	**Activities** • Develop processes • Develop / configure solution • Develop change& training materials	**Activities** • Define test plan and use cases • Conduct system testing • Conduct user acceptance testing • Manage defects	**Activities** • Conduct training • Implement solution • Transition to operations	**Activities** • Finalize documentation • Capture / review lessons learned • Close project	**Activities** • Track benefits realization
Deliverables • Project Charter • Plan stage workplan • Initial Business Case	**Deliverables** • Business Requirements • Final Project Charter • Full workplan • Final Business Case	**Deliverables** • Detailed design • Change Management Plan	**Deliverables** • Process maps • Working solution • Change management materials • Training materials	**Deliverables** • Test Plan • Test results • Defect list and status • Run Book • Support plan		**Deliverables** • Updated lessons learned • Final documentation	**Deliverables** • Realized benefits updated

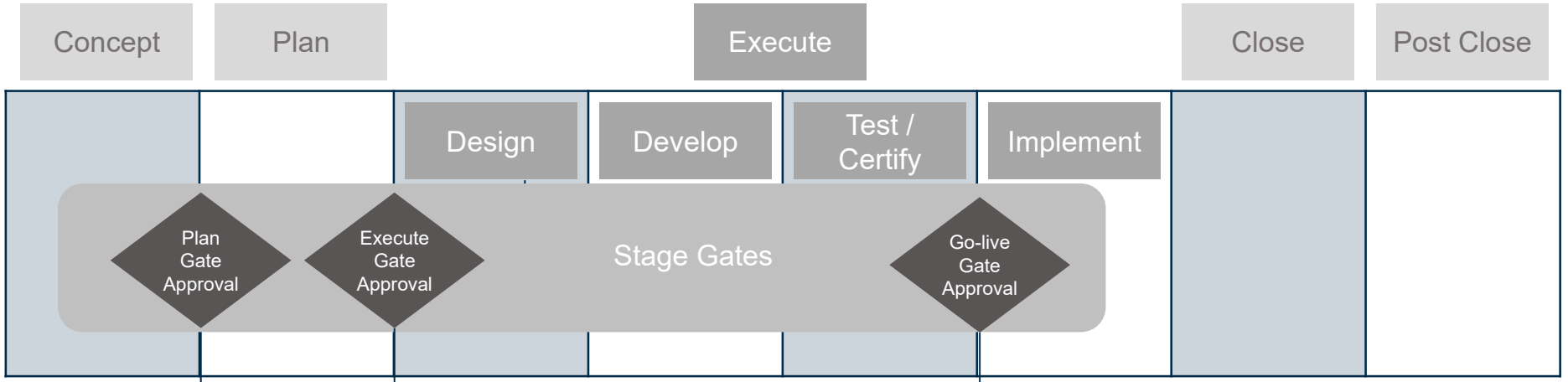
Assign Tasks to Resources

Manage Schedule, Risks, Actions Items, Decisions and Status Reports



Portfolio & Project Management Process – Stage Gate Approval

Stage gates ensure all key activities and deliverables are complete before the project moves into the next stage



Gate Exit Required Components

- Alignment on initiative type (Enterprise, common, line-of-business)
- Technology Steering Committee approval and/or recommendation
- Finance review and approval of business case
- Sponsor approval to move to Plan
- Funding for Plan stage

Gate Exit Required Components

- Business requirements approval
- Architecture review & approval
- Finance review and approval of business case
- Resources secured for Execute stage
- Full project funding
- Technology Steering Committee approval and/or recommendation

Gate Exit Required Components

- Testing complete
- Solution accepted by sponsor
- Run Book complete
- Business & IT support plan complete

Additional Project Charters | IT Utilization & Financial Model

OIT Rate Recovery Governance Model

OIT rate recovery governance structure will allow for a streamlined rate approval process, and include Agency stakeholders

Governance Structure	Roles & Responsibilities
Chargeback Executive Team OMB Leader, OIT CIO	• Set chargeback guiding principles • Drive issue resolution and make key decisions – including Agency pricing disputes • Final signoff on rates
Chargeback Leadership Team OMB Deputy Director, OIT Finance Leader	• Lead rate calculation exercise • Mobilize and coordinate DTOs and ASDs • Monitor and enforce compliance with guiding principles and deadlines
Chargeback Working Group	
DTO: All Agency DTOs	• Agency-specific expertise • Provide IT project forecast for direct bill services • Provide expected OIT consumption for Agency
ASD: All Agency ASDs	• Agency-specific expertise • Provide expected OIT consumption for Agency • Ensure final rates are incorporated into Agency budget

Annual OIT Rate Recovery Process

OIT Rates will be based on Budget Estimates and approved for inclusion in the summer development of State Agency Budgets

Key: Annual Timeline | Year One Adjusted Timing | ★ = Rate Signoff

Shared Service Revenue Recovery Process Tasks and Steps	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Annual Budget Development												
Develop and approve OIT Rate Recovery Guidelines with Chargeback Executive Team	■			■								
Review Rate Recovery Guidelines with Chargeback Working Group		■			■							
Develop "snapshot" census counts for future year Cost Allocation Plan		■			■							
Document proposed assumptions and units of measure for future year budget; distribute data request list			■			■						
Develop OIT budget estimates for future year budget incorporating Agency data				■	■							
Review proposed budget and Cost Allocation Plan with Chargeback Executive Team **– rate signoff**						★						
Review finalized budget assumptions with Alaska Technology Governance							■					
Finalize proposed budget estimates with OMB and Departments								■				
OIT budget included in Governor's Proposed Budget												■
Annual True Up Process												
Develop and approve OIT Rate Recovery True-up Guidelines				■						■		
Update units of measure based on most recent fiscal year utilization	■											
Validate actual expenditures for OIT cost recovery rate pools	■	■										
Review annual true-up model results with Governance Committee			■									
Review annual true-up model results with Chargeback Working Group				■								
Departments include true-up estimates into the proposed budget year forecasts					■							

Implement New Rate Calculation Methodology

Description of Recommendation

- Redefine the chargeback model to improve transparency and allocation accuracy
- Break the Core rate into components that align with the service catalog
- Define equitable units of measure, by service, to allocate OIT costs

Implementation Details

Overview		Activities	Duration[(1)]
ID#	FIN-003	1. Validate the OIT service catalog is a comprehensive list of services and that cost pools and units of measure can be tracked and forecasted	
Classification	Process Improvement	2. Chargeback Leadership Team to present services and units of measure to Chargeback Executive Team	
Complexity	Medium	3. Create OIT chargeback policy document detailing OIT services, units of measure, data sources and calculation methodology	
Special Skills	OIT Finance, OMB, IRIS, ABS	4. Create cost pool estimates, by service, based on historical data	5 months
Owner	Dan DeBartolo	5. Quantify staff support required to maintain chargeback model and where the work resides	
Status	Under Review	6. Create data request list that will be sent to Agencies to compute rates (i.e. expected use of OIT services)	
		7. Create IRIS activity codes to track cost pools, by service	
		8. Phase 1 launch: Conduct cost study to allocate OIT personnel time to services	
		9. Phase 2 launch: Incorporate chargeback services into time tracking to streamline cost tracking	

Benefits

- OIT costs will be allocated more equitably through definition of services and units of measure
- New allocations will give Agencies more visibility over their IT spend

Rate Calculation Methodology – Allocation Strategy

Determine goals of allocation prior to developing and approving cost allocation methodology to drive Statewide allocation alignment

We are here

Identify Goals of Internal Service Pricing	Develop Allocation Strategy	Define Levels of Costing Detail	Determine Cost of Service	Decide Basis of Allocation	Consider Potential Drawbacks
Consider the following goals: ▪ Govern demand for a service ▪ Develop enterprise rate models ▪ Promote discussion about the value of service provided ▪ Examine value of a shared service model ▪ Promote competition in service delivery ▪ Customize service levels for different customers	**Differentiate between services:** ▪ Market services are where Departments play the role of the consumer ▪ Policy services are used to establish organization-wide policies or ensure compliance (e.g., budgeting, auditors, chief executives)	**Consider priorities for cost details:** ▪ Low levels of detail may define internal services at Department level or have limited goals ▪ High levels of detail define services at programs or subunits (e.g., governing demands for a service)	**Which costs are considered:** ▪ Direct Costs include service personnel, materials, supplies, and contractors ▪ Interest costs from internal loans that may take loans from other parts of the government ▪ Services from other support services that incorporate indirect costs into direct costing at varying levels of complexity	**Decide basis of allocation:** ▪ Cause and effect relationships based on actual usage or casual factors ▪ Benefits received based on perceived benefits by Department ▪ Fairness to charge equitably by use ▪ Legal constraints based on State laws	**Be aware of the drawbacks:** ▪ Diminished trust between providers based on lack of understanding for how charges are developed ▪ Subversion of processes based on perception of charges being too high ▪ Debate over the charge system that could waste State resources ▪ Unmet expectations if unit costs rise

Rate Calculation Methodology – Degrees of Allocation

Cost related price allocations will allow Departments to control costs and provide the highest visibility and understanding of costs of service

	No Charge	Allocation	Cost Related Price (Direct)
Overview	▪ Cost of providing service is included as a component of overhead and costs are allocated ▪ No allocations are made to business units	▪ Cost of service is allocated to customers based on a driver that approximates usage (e.g., headcount, number of transactions) ▪ Allocations are made from flat rates to budgeted with penalties	▪ Customers are charged based on transaction or actual consumptions ▪ Allocations are made from activity based costing to market based
Pros	▪ Easy to communicate with customers ▪ Easily administered and processed	▪ Greater visibility into costs of service ▪ Some ability for customers to drive and influence their own costs	▪ Highest visibility and understanding of costs of service ▪ Greatest ability to control chargeback costs based on Department budget restrictions
Cons	▪ Difficult to associate value with cost of service ▪ Customers may not agree with charges ▪ Budgets may not be flexible to change ▪ Inability for customers to drive behavior and minimize costs ▪ Legislature will need to appropriate General Fund budget authority	▪ Difficult to predict total chargeback amounts throughout the year ▪ Methods of allocation can result in perceived unfairness	▪ More time and resources may be required to administer (depending on system configuration) ▪ Requires high quality, up to date data

Current State Summary

Today, ~70% of OIT costs are bundled into the Core rate and allocated based on PCN counts

OIT Service	Core Rate	Unit of Measure
Communications & Connectivity		
Audio and Video Collaboration	√	
Email	√	
Call Center Platform	√	Plus add-ons
Telephone		Per device
Fax	√	Core and per device
Internet	√	
Remote (VPN) Connectivity	√	
LAN & WAN	√	
Public Safety Radio		Time & materials
Enterprise Applications		
Office Productivity Applications	√	Plus add-ons
Shared Applications Support	√	
Programming Interface	√	
Developer Tools	√	
State of Alaska Public Websites	√	
IT Support Services		
OIT Service Desk	√	
Accounts and Access	√	
Device Deployment	√	Core and per device
Print Management Support	√	
Production Printing		Per print unit
IT Relocations	√	
Int'l Travel Device Support	√	

OIT Service	Core Rate	Unit of Measure
Policy and Governance		
Investment Review Board	√	
Recruitment Spprt. and Review	√	
OIT Service Portfolio	√	
Information Security		
Security Operations	√	
Security Training & Governance	√	
Security Engineering	√	
Security Incident Responses	√	
Hosting and Storage		
Server Hosting and Support		Per server
Remote Office Srvr Host. & Spprt.		Per server
Managed Database Services		Varies
Oracle Database PaaS		# of processes and services
Mainframe Application Hosting		Per CPU, peak/non peak
Consulting and Customized Svcs		Varies

Considerations for Future State IT Cost Allocation Method

Design and implementation of an IT Cost Recovery Plan based on units of measure and cost pools aligned with IT services will improve transparency into the chargeback cost drivers and associated service delivery.

Considerations for Improving OIT Cost Allocation Method

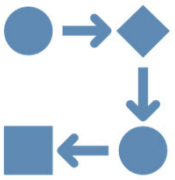
1. **Existing Core Rate Approach Lacks Transparency,** Agencies consistently communicated that they do not understand what IT services are included with the core rate and how rate are calculated.

2. **No Documented Cost Allocation Plan for IT Chargeback,** the current process does not include the basic components of an IT cost allocation plan including IT service descriptions, units of measure and cost pools for allocation back to State Agencies.

3. **Customers want IT Chargeback Based on Utilization of Services**, break the existing core rate into components that align with IT services, units of measure and consumption.

4. **Operational Considerations for Chargeback Administration**, the new IT chargebacks recommendation assumes a streamlined approach to accounting for Reimbursable Service Agreements (RSA's). Annual OIT chargeback will be determined during the budgeting process. Monthly chargebacks should not require internal approvals and manual accounting allocations to Agency divisions and funds. The new chargeback process requires OIT to collect annual actuals and forecasted IT units of measure while OMB will have responsibility for forecasting the individual cost pools based on budget and performing the cost allocation calculations for each Agency.

Future State OIT Chargeback Process



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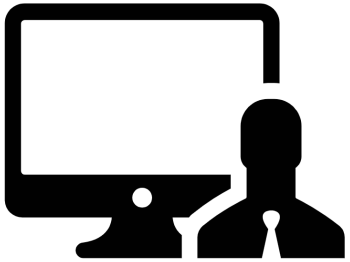
Future State IT Chargeback For “Core” OIT Services

Future state reimbursable services agreement for core OIT services performed for all state agencies. Annual IT chargeback amount is developed based on OIT budget and provided to State Agencies in July/August of each year for the upcoming budget cycle.

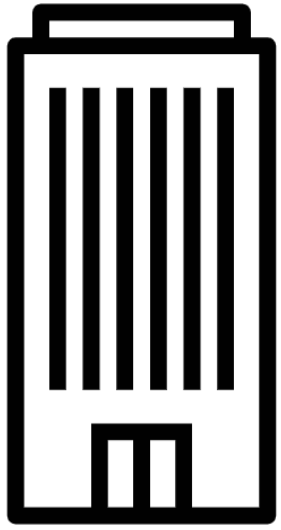
Office of Information Technology



Annual Amount

- OIT develops single annual chargeback amount per Agency for core rate services
- Annual OIT core rate based on six cost pools and IT units of measure

State Agency



- Recurring journal entry set-up for cost recovery of reimbursable services agreement

Recurring Journal Entry

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Annual OIT Rate Recovery Process

OIT Rates will be based on Budget Estimates and approved for inclusion in the summer development of State Agency Budgets

Key:
Annual Timeline | Year One Adjusted Timing | ★ = Rate Signoff

Shared Service Revenue Recovery Process Tasks and Steps	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Annual Budget Development												
Develop and approve OIT Rate Recovery Guidelines with Chargeback Executive Team	■			■								
Review Rate Recovery Guidelines with Chargeback Working Group		■			■							
Develop “snapshot” census counts for future year Cost Allocation Plan		■			■							
Document proposed assumptions and units of measure for future year budget; distribute data request list			■			■						
Develop OIT budget estimates for future year budget incorporating Agency data				■	■							
Review proposed budget and Cost Allocation Plan with Chargeback Executive Team **– rate signoff**						★						
Review finalized budget assumptions with Alaska Technology Governance							■					
Finalize proposed budget estimates with OMB and Departments								■				
OIT budget included in Governor’s Proposed Budget												■
Annual True Up Process												
Develop and approve OIT Rate Recovery True-up Guidelines				■						■		
Update units of measure based on most recent fiscal year utilization	■											
Validate actual expenditures for OIT cost recovery rate pools	■	■										
Review annual true-up model results with Governance Committee			■									
Review annual true-up model results with Chargeback Working Group				■								
Departments include true-up estimates into the proposed budget year forecasts					■							

Proposed: Future State IT Cost Allocation Rate Factors

Connectivity & Communications is charged back to Agencies based on an annual device forecast. Enterprise Applications is also charged back based on an annual PCN forecast per Agency with an annual true-up.

Component of Existing Core Rate	Service	Cost Category	Unit of Measure	Recovery Method(1)	Description of Service
✓	**Connectivity & Communication**	**Internet, Audio, Video Collab Software, Video Conferencing (Polycom), Remote (VPN) Connectivity**	Per PCN	Allocation	**Connectivity:** Internet, LAN & WAN, VPN to SOA network **Video:** Polycom, WebEx, Teams, MS Skype
✓	**Enterprise Applications**	**Office Productivity Applications (Incl. Email)** **Shared Apps. Support / SOA** **Public Websites** **Programming Interface / Dev. Tool**	Per PCN	Allocation	**Productivity:** O365, OneDrive, Acrobat Pro, DocuSign **Shared Applications:** Main Alaska website, myAlaska, Online Public Notice, Notary Directory, Zendto **Developer Tools:** Various programming applications, JIRA, GIT, Apache Subversion

(1) Monthly

Proposed: Future State IT Cost Allocation Rate Factors

IT Support services is charged back based on annual ticket volume forecast by Agency with an annual true-up. Device Management is charged back based on the device count forecast with an annual true-up.

Component of Existing Core Rate	Service	Cost Category	Unit of Measure	Recovery Method(1)	Description of Service
✓	**Service Desk**	**OIT Service Desk / Accounts & Access**	Per Ticket	Allocation	Unified Ticketing Service, new accounts, resets, recovery, removal
✓	**Device Lifecycle Management**	**Device Deployment, Device Support, Relocations, Print Management Support** **(2) Potential New Cost Categories: Device Purchase, Device Imaging and Updates, Device Retirement**	Per Device (PC: Desktop or Laptop)	Allocation	Consolidated procurement for all desktop devices. Device deployment, installation, imaging, config, data migration, maintenance, internal loaner devices. Equipment transfer/setup, configuration of network connectivity. Cloud printer management services (self-service portal, central print driver). Includes allocation for internal service fund to replace desktop/PC per replacement policy to be finalized during the Desktop Standardization Project.

(1) Monthly
(2) Cost categories will be defined during the Desktop Standardization Project

Proposed: Future State IT Cost Allocation Rate Factors

Security, Administration, Policy and Governance is charged back to Agencies based on annual PCN forecasts and budget.

Component of Existing Core Rate	Service	Cost Category	Unit of Measure	Recovery Method(1)	Description of Service
✓	**Security**	**Information Security**	Per PCN	Allocation	Security Ops, training & governance, engineering, incident response
✓	**Administration & Governance**	**Executive Administration Services, Policy and Governance**	Per PCN	Allocation	**Administration:** OIT Administration, Program Management, Finance and HR functions; internal SoA costs incurred by OIT **Governance:** Alaska Technology Governance, recruitment review, develop and optimize a portfolio of IT products

(1) Monthly

Discretionary Chargebacks Based on Usage

The following IT services result in an Agency chargeback based on utilization. The consumption of these services is discretionary and IT cost allocation and chargeback is dependent on utilization.

Component of Existing Core Rate	Service	Cost Category	Unit of Measure	Recovery Method(1)	Description of Service
	**Project Delivery**	**Capital Projects**	Varies by project	Direct	Special projects undertaken by OIT on behalf of State Agencies
	**Call Center**	**Call Center Platform**	Per Call	Direct (2)	Call center platform through Unified Contact Center Express, up to 400 agents
	**Mainframe Printing**	**Production Printing**	Per Sheet	Direct	Cut Sheet and Laser printing
	**Desk Phone**	**Telephone / Fax**	Per Line	Allocation	Telecom: Phone network / desktop phones, traditional / virtual fax
	**OIT Consulting**	**Consulting & Customized Services**	Per Hour + Materials	Direct	Consulting service is determined by the specific Agency or Department need
	**Hosting**	**Server Hosting & Support**	Per VM	Allocation	Virtual / on-premise hosting in the secure data centers in Juneau and Anchorage

(1) Monthly
(2) Direct Chargeback to DOT and Retirement and Benefits

Discretionary Chargebacks Based on Usage

The following IT services result in an Agency chargeback based on utilization. The consumption of these services is discretionary and IT cost allocation and chargeback is dependent on utilization.

Component of Existing Core Rate	Service	Cost Category	Unit of Measure	Recovery Method(1)	Description of Service
	**Remote Server**	**Remote Office (Edge) Server Hosting and Support**	Per Physical Server	Allocation	Server installations for remote offices or where requirements prevent migration to a cloud
	**Database Management**	**Managed Database Services**	Percent License Consumption	Allocation	Database platforms include MS SQL Server and some custom support
	**Mainframe Hosting**	**Mainframe Application Hosting**	Per Batch and Compute	Allocation	Mainframe Batch, Base, ADABAS, CICS, disk Storage, tape storage, and output management
	**Database as a Service**	**Oracle Database Platform as a Service (Paas)**	Number of Processors	Allocation	Shared multitenant Oracle Database Platform on a subscription-based licensing model

(1) Monthly

Capital Projects & Future Services Rate Calculation Methodology

Future services include cloud services; each charge back should be determined based on the appropriate IT unit of measure.

Future OIT Services – Not Yet Offered			
	Proposed		
Cost Category	**Unit of Measure**	**Recovery Method(1)**	**Description of Service**
Cloud Storage	Per Gigabyte	Allocation	Cloud storage space
Cloud Infrastructure as a Service	Per CPU	Allocation	Government and Commercial cloud infrastructure
Cloud Platform as a Service	Per Gigabyte | TBD based on platform selection	Allocation	Cloud platform
Connectivity	TBD based on circuit choice	Allocation	Data circuits

(1) Monthly
Note: New device purchasing will be led by Consolidate Procurement.

Rate Development Reporting

Create annual cost allocation plan and rate change reporting to help Departments understand how rates are calculated

Cost Allocation Plan

Purpose

- Demonstrate how service costs are allocated Statewide

Benefits

- Increase Department understanding prior to year end
- Provide units of measure transparency

Units of Measure Summary Report

Purpose

- Visualize units of measure for all service areas and annual consumption trends by Department

Benefits

- Provide transparency to Departments about consumption trends
- Allow Departments to minimize their own consumption and reduce costs to promote Statewide savings

Rate Change Report

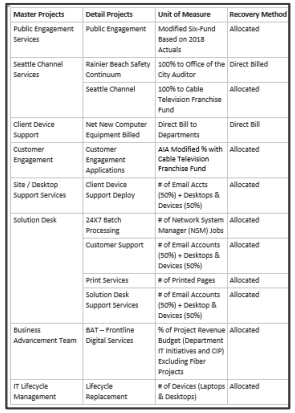
Purpose

- Define how costs are allocated by Department currently and shows how changes will impact each Department

Benefits

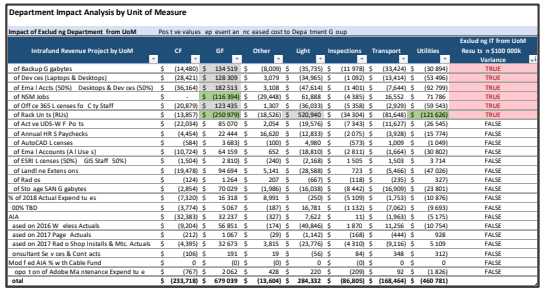
- Facilitate discussion between impacted Departments
- Ensure equitable cost allocation and minimizes large impacts on single Departments

Examples



Master Projects	Detail Projects	Unit of Measure	Recovery Method
Public Engagement Services	Public Engagement	Modified Six-Fund Based on 2018 Actuals	Allocated
Seattle Channel Services	Rainier Beach Safety Continuum	100% to Office of the City Auditor	Direct Billed
	Seattle Channel	100% to Cable Television Franchise Fund	Allocated
Client Device Support	Net New Computer Equipment Billed	Direct Bill to Departments	Direct Bill
Customer Engagement	Customer Engagement Applications	AIA Modified % with Cable Television Franchise Fund	Allocated
Site / Desktop Support Services	Client Device Support Deploy	# of Email Accts (50%) + Desktops & Devices (50%)	Allocated
Solution Desk	24X7 Batch Processing	# of Network System Manager (NSM) Jobs	Allocated
	Customer Support	# of Email Accounts (50%) + Desktops & Devices (50%)	Allocated
	Print Services	# of Printed Pages	Allocated
	Solution Desk Support Services	# of Email Accounts (50%) + Desktop & Devices (50%)	Allocated
Business Advancement Team	BAT – Frontline Digital Services	% of Project Revenue Budget (Department IT Initiatives and CIP) Excluding Fiber Projects	Allocated
IT Lifecycle Management	Lifecycle Replacement	# of Devices (Laptops & Desktops)	Allocated

Service Area	Units of Measure	2018	2019	2020	Analysis / Comments
Payroll Processing	Number of Employees	#	#	#	
	Number of Checks	#	#	#	
Office Space / Rent	Sq. Ft. Space Occupied	#	#	#	
	Number of Leases	#	#	#	
	Dollars in Leases	#	#	#	
Procurement Services	Number of POs Issued	#	#	#	
	Dollars in POs Issued	#	#	#	
	Direct Labor	#	#	#	



Department Impact Analysis by Unit of Measure

Impact of Exclud ng Department from UoM — Pos t ve values ep esent an nc eased cost to Depa tment G oup

Intrafund Revenue Project by UoM	CF	GF	Other	Light	Inspections	Transport	Utilities	Exclud ng IT from UoM Resu ts > $100 000s Variance
of Backup G gabytes	$ (14,480)	$ 134 519	$ (8,009)	$ (35,735)	$ (11 978)	$ (33,424)	$ (30 894)	TRUE
of Dev ces (Laptops & Desktops)	$ (28,421)	$ 128 309	$ 3,079	$ (34,965)	$ (1 092)	$ (13,414)	$ (53 496)	TRUE
of Ema l Accts (50%) Desktops & Dev ces (50%)	$ (36,164)	$ 182 513	$ 3,108	$ (47,614)	$ (1 401)	$ (7,644)	$ (92 799)	TRUE
of NSM Jobs	$ -	$ (116 394)	$ (29,448)	$ 61,888	$ (4 385)	$ 16,552	$ 71 786	TRUE
of Off ce 365 L censes fo C ty Staff	$ (20,879)	$ 123 435	$ 1,307	$ (36,033)	$ (5 358)	$ (2,929)	$ (59 543)	TRUE
of Rack Un ts (RUs)	$ (13,857)	$ (250 979)	$ (18,526)	$ 520,940	$ (34 304)	$ (81,648)	$ (121 626)	TRUE
of Act ve UDS-W F Po ts	$ (22,034)	$ 85 070	$ 2,054	$ (19,576)	$ (7 343)	$ (11,627)	$ (26 545)	FALSE
of Annual HR S Paychecks	$ (4,454)	$ 22 444	$ 16,620	$ (12,813)	$ (2 075)	$ (3,928)	$ (15 774)	FALSE
of AutoCAD L censes	$ (584)	$ 3 683	$ (100)	$ 4,980	$ (573)	$ 1,009	$ (1 049)	FALSE
of Ema l Accounts (A l Use s)	$ (10,724)	$ 64 159	$ 652	$ (18,810)	$ (2 811)	$ (1,664)	$ (30 802)	FALSE
of ESRI L censes (50%) GIS Staff 50%)	$ (1,504)	$ 2 810	$ (240)	$ (2,168)	$ 1 505	$ 1,503	$ 3 714	FALSE
of Landl ne Extens ons	$ (19,478)	$ 94 694	$ 5,141	$ (28,588)	$ 723	$ (5,466)	$ (47 026)	FALSE
of Rad os	$ (124)	$ 1 264	$ 207	$ (667)	$ (118)	$ (235)	$ 327	FALSE
of Sto age SAN G gabytes	$ (2,854)	$ 70 029	$ (1,986)	$ (16,038)	$ (8 442)	$ (6,909)	$ (23 801)	FALSE
% of 2018 Actual Expend tu es	$ (7,320)	$ 16 318	$ 8,991	$ (250)	$ (5 109)	$ (1,753)	$ (10 876)	FALSE
00% TBD	$ (3,774)	$ 5 067	$ (187)	$ 16,781	$ (1 132)	$ (7,062)	$ (9 693)	FALSE
AIA	$ (32,383)	$ 32 237	$ (327)	$ 7,622	$ 131	$ (1,963)	$ (5 175)	FALSE
ased on 2016 W eless Actuals	$ (9,204)	$ 56 851	$ (174)	$ (49,846)	$ 1 870	$ 11,256	$ (10 754)	FALSE
ased on 2017 Page Actuals	$ (212)	$ 1 067	$ (29)	$ (1,142)	$ (168)	$ (444)	$ 928	FALSE
ased on 2017 Rad o Shop Installs & Mtc. Actuals	$ (4,935)	$ 32 673	$ 3,815	$ (23,776)	$ (4 310)	$ (9,116)	$ 5 109	FALSE
onsultant Se v ces & Cont acts	$ (106)	$ 191	$ 19	$ (56)	$ 84	$ 348	$ 312	FALSE
Mod f ed AIA % w th Cable Fund	$ 0	$ (0)	$ (0)	$ 0	$ (0)	$ 0	$ 0	FALSE
opo t on of Adobe Ma ntenance Expend tu e	$ (767)	$ 2,062	$ 428	$ 220	$ (209)	$ 92	$ (1,826)	FALSE
otal	$ (233,718)	$ 679 039	$ (13,604)	$ 284,332	$ (86,805)	$ (168,464)	$ (460 781)	

Implement Chargeback True-up Methodology

Description of Recommendation

- Implement OIT chargeback true-up mechanism to adjust for over/under billing based on actual consumption
- True-up should occur on a yearly basis

Implementation Details

Overview			Duration[1]
ID#	FIN-004	1. Identify OIT services that merit a true-up (based on data availability and level of impact)	1 month
Classification	Process Improvement	2. Chargeback Leadership Team to create true-up policy document detailing procedures, data sources and timeline for the true-up	
Complexity	Medium	3. Chargeback Leadership to present true-up calculation methodology with Chargeback Executive Team	
Special Skills	OIT Finance, OMB	4. Chargeback Leadership Team to finalize and publish true-up calculation methodology	
Owner	Dan DeBartolo		
Status	Under Review		

Benefits

- Agency billings will be adjusted to reflect true consumption of OIT services

Facilitate True-Up Adjustments

OIT should create annual customer-facing reports on detailed budget to actuals and spending trends to increase transparency with Departments

Annual True-Up Report	▪ Create report showing the variance between operating budget and operating actual expense associated with shared services projects ▪ Identify variances in budget to actual expenses based on updated or current unit of measure counts
Benefits	▪ Provide visibility for Departments to track consumption versus budgeted to reduce costs ▪ Monitor misaligned rates and assess need to modify rate methodology

Example: Annual True Up Report

Department 20XX Annual Allocation True Up	
Total Fund Revenues Available for OIT (Operating budget and revenue adjustments)	$A
Total Use of Funds (Actual expenditures and encumbrances based on cost allocation plan units of measure)	$B
Future Year Commitments and Reserves	$C
Total Over / Under Spend	**$(A-B-C) = $D**
$D will be added to / subtracted from 20XX OIT	

Implement Statewide IT Spend Tracking

Description of Recommendation

- Implement financial reporting to track statewide IT spend
- Document go-forward spend tracking process, data sources and frequency of analysis
- Communicate statewide IT spend performance with Alaska Technology Governance

Implementation Details

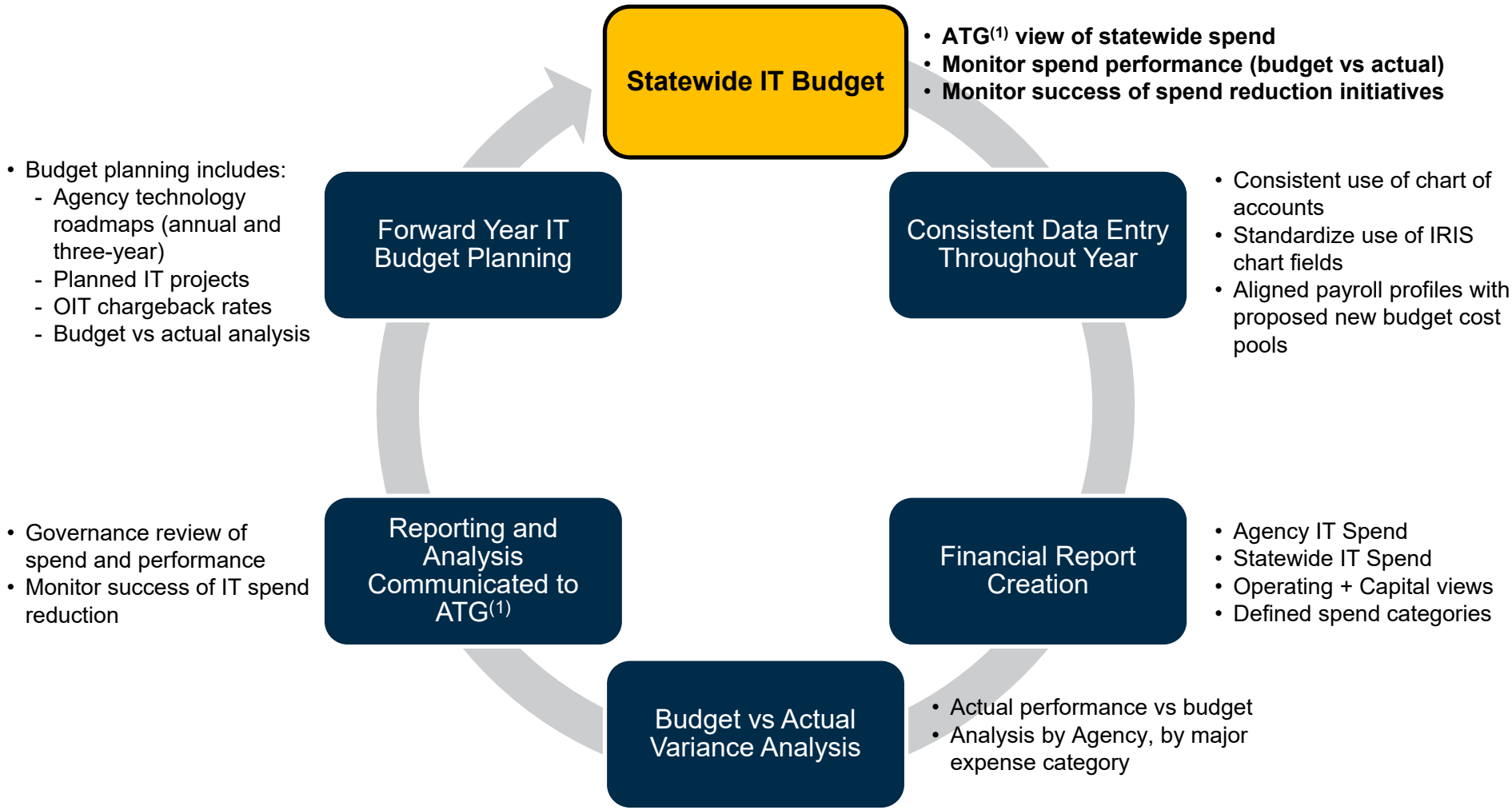
Overview		Activities	Duration[1]
ID#	FIN-005	1. Design statewide IT spend tracking goals, including tracking OIT rates, intra-Agency IT spend and IT projects	3 months
Classification	Foundational	2. Design financial reporting templates that would be used to analyze statewide IT spend	
Complexity	Low	3. Kickoff communication with OMB and ASDs to share IT spend tracking goals	
Special Skills	OIT Finance, OMB	4. Run financial reports on an ongoing basis	
Owner	Dan DeBartolo, OMB	5. Include data from reports (OIT rates, intra-Agency spend IT projects) in budgeting in yearly process	
Status	Under Review		

Benefits

- Alaska Technology Governance will have visibility into statewide IT spend
- Ability to monitor spend performance (budget vs actual)
- Ability to monitor success of IT spend reduction initiatives

Statewide IT Spend Tracking – A Continuous Process

Statewide IT spend tracking is a key component of spend management and allows leaders to monitor the progress of spend reduction initiatives

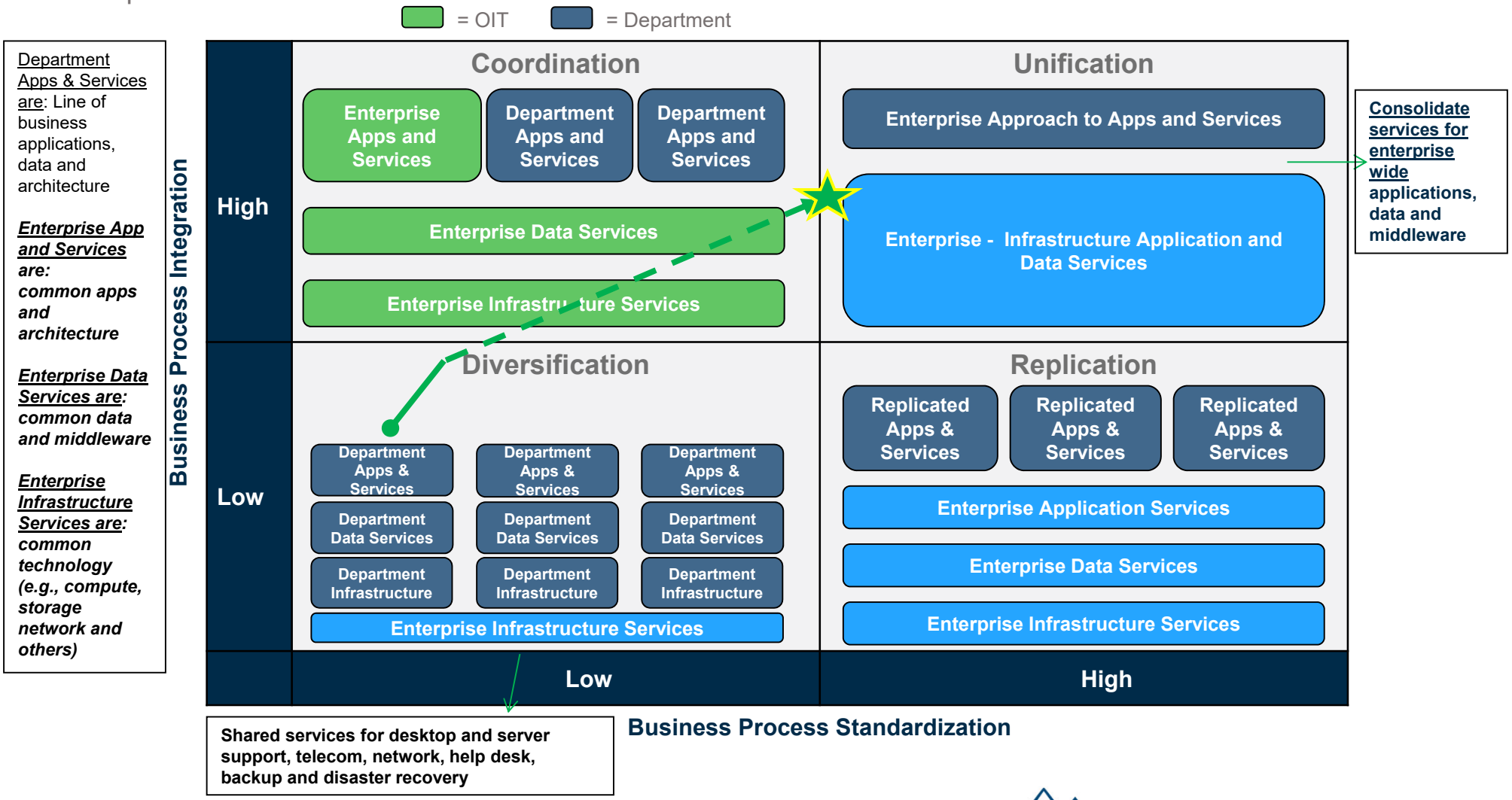


(1) Alaska Technology Governance

The Path from Diversification to Unification

Moving from a Diversification to Coordination Operating Model Requires Increasing Stages of OIT Capabilities

The Coordination operating model will inform how the IT organization structure and service delivery model will be developed



The Path from Diversification to Unification Requires a Multi-Year Staged Approach

1. Build the Foundation
2. Consolidate Infrastructure
3. Consolidate Shared Apps
4. Consolidate Departmental Apps

Objective	1. Build the Foundation	2. Consolidate Infrastructure	3. Consolidate Shared Apps	4. Consolidate Departmental Apps
	Implement standard processes for Service Management (Helpdesk) and standardize Desktop	Consolidate Server Room infrastructure to 3 locations or Cloud; implement project management	Implement statewide operating model for applications used by all Agencies (e.g. IRIS)	Implement a unified data architecture & migrate Department Applications to OIT
	• Implement first stage of consolidated IT organization • Rationalize IT job titles	• Expand infrastructure operation resources in Consolidate organization model	• Expand responsibilities for Enterprise Applications in Consolidate organization model	• Expand responsibilities for targeted Departmental Applications within OIT
	• Govern statewide spend for new capital expenditures • Govern statewide technology standards, policies, and priorities	• Govern operating and capital spend for statewide infrastructure • Implement annual IT Operating Plan, align capacity with demand	• Govern operating and capital spend for shared applications • Build 3 Year Strategic Technology Roadmap	• Govern statewide spend for all operating and capital expenditures • OIT manage product roadmap for all applications
	• Design Azure migration • Continue mainframe retirement • Implement statewide standard desktop program • Implement DOA Service Management (Helpdesk) • Improve IT project management templates and methods	• Consolidate 23 server rooms and leverage cloud • Implement statewide IT project management method and tool • Define statewide integration architecture and standards	• Expand Service Management to include end user self service and asset management • Implement application lifecycle management practices • Rationalize application portfolio for Shared Application	• Implement standard integration and data exchange mechanisms between State Agencies • Transfer Agency IT resources to OIT as needed to support departmental applications • Rationalize department applications • Continue migration of applications to cloud
	• Consolidate technology purchases • Implement new IT chargeback model	• Implement IT chargeback true-up process	• Implement statewide IT spend tracking • Implement productivity measures	• Implement Consolidate management for Statewide IT budgets

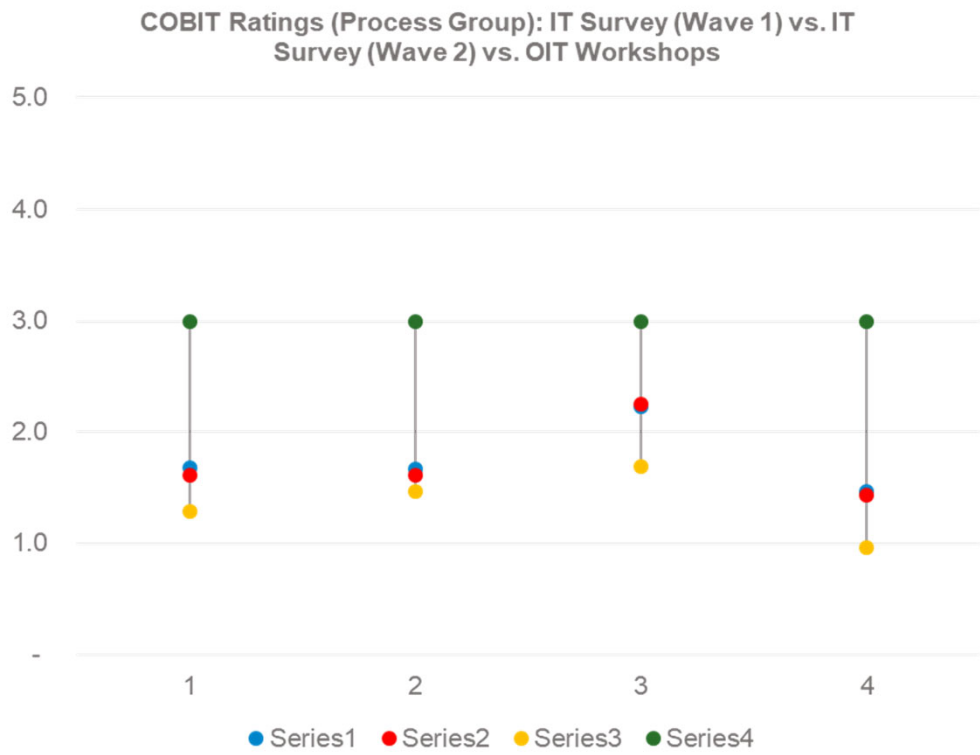
Assessment Phase Survey & Inventory Updates

No Significant Changes in Process Scores Between Wave 1 & Wave 2 Surveys

The Wave 1 survey had 88 respondents and Wave 2 had 90 respondents for a total of 178 IT participants statewide

Summary

- No process group exceeded a 5% variance between the resurvey and initial survey
- Only 6 individual processes exceeded a 10% variance between the resurvey and initial survey (out of 36 total processes)



The Combined Survey Distribution is OIT (44%) and Non-OIT (56%)

Of 178 total responses, 44% came from OIT with the remainder from various other departments

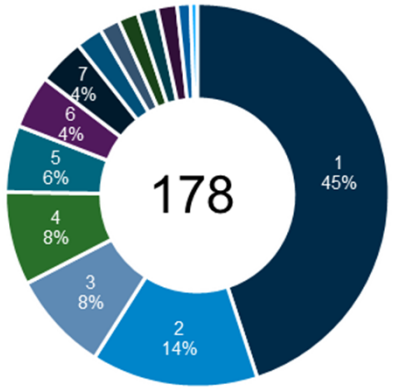
Demographics

Observations

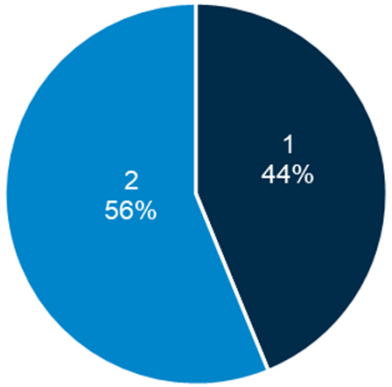
- Of 531 surveys sent, 33.5% responded
- DOA, DHSS, DOT, DFG, and DOR account for 81% of total responses
- There is no correlation between participant's tenure and average maturity rating
- DCCED, DHSS, and DEC scored the highest average maturity rating, while Law, DOT, and DOR scored the lowest
- The top 10 services supported account for 55% of all services supported

Fact Basis

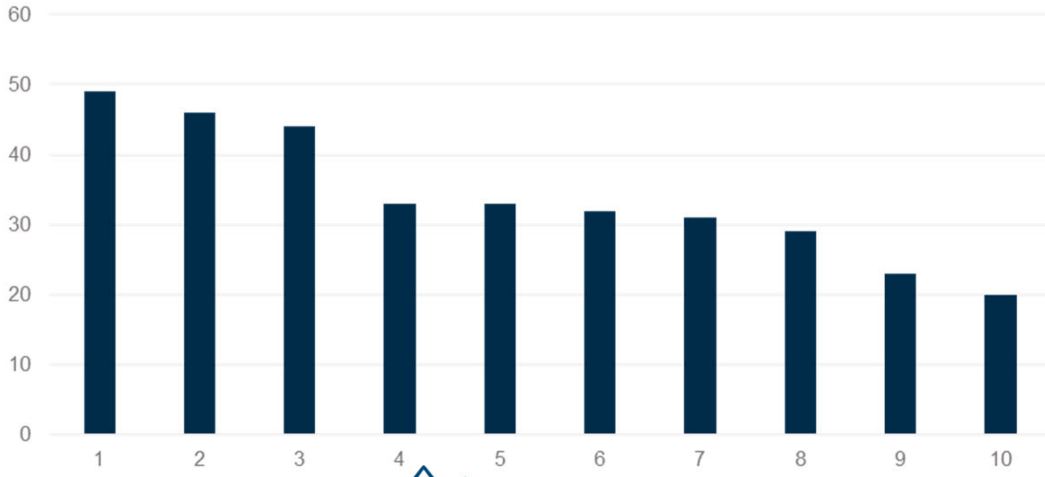
Responses by Department



OIT vs Non-OIT Responses



Top 10 Services Supported by Number of Respondents



PEX

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Majority Surveyed Think AO 284 Has Been Poorly Defined and Communicated; Consolidation Challenges Begin With Agency Adoption

Non-OIT respondents generally find AO284 to have been poorly defined and communicated more so than OIT respondents

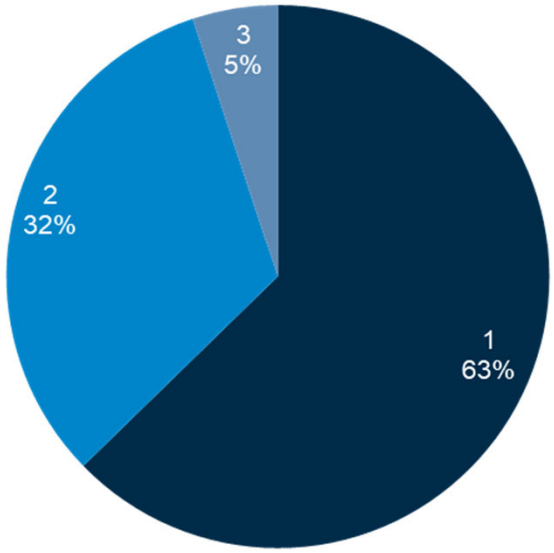
Organization Structure – Resource & Staffing

Observations

- 63% of respondents believe the initiative has not been clearly defined or well communicated
- Respondents cited low agency adoption, resistance to change, lack of resources, poorly defined initiatives, lack of communication, and highly differentiated department needs as the biggest challenges to consolidation

Fact Basis

Has initiative been clearly defined & communicated?



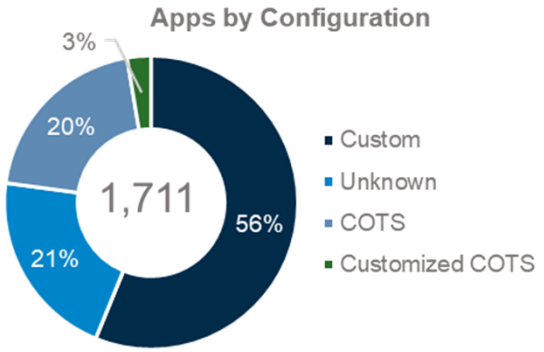
Apps Remain Siloed Across Departments; Distribution of Configuration and Type Remain Similar

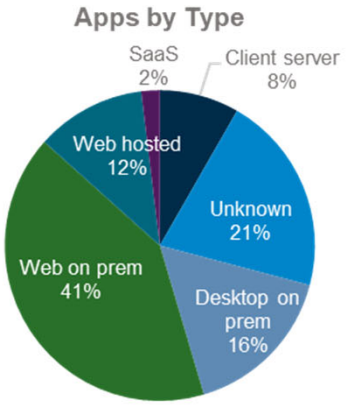
Updated analysis shows at least 961 applications are custom

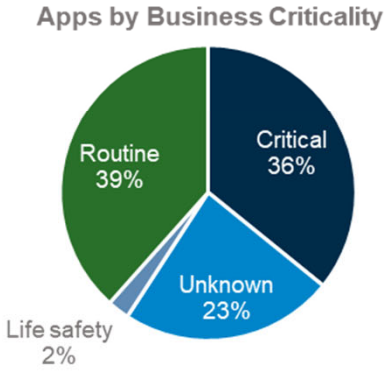
Deliver, Service, and Support

Observations

- One-third of all apps are critical to business operations, one-third of apps are routine, one-quarter are currently unknown, with the remaining considered life safety
- Removing the 97 AIAS (DOT) apps from total inventory reduces number of apps to 1,614







Total Number of Databases Nearly Double Initial Count

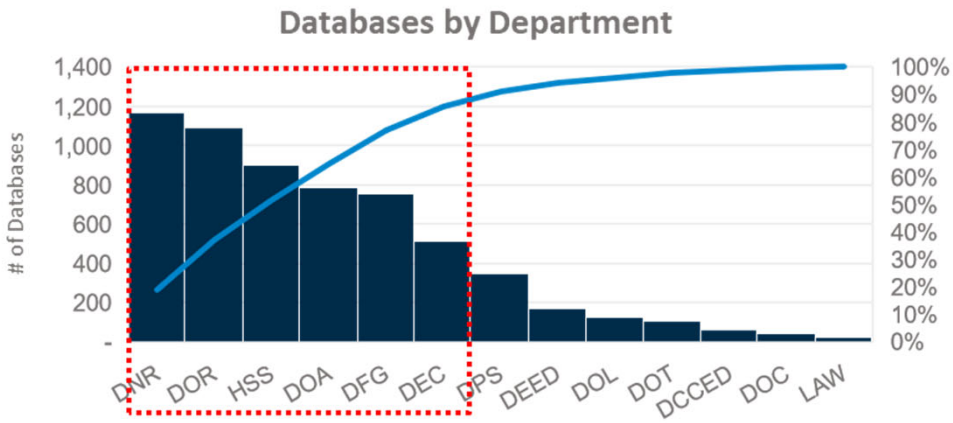
New analysis show a higher proliferation and distribution of databases across agencies

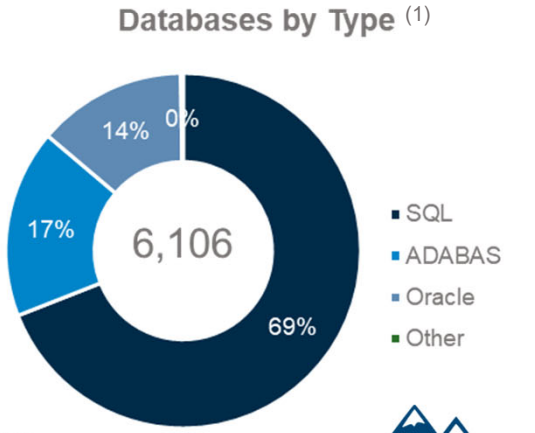
Deliver, Service, and Support

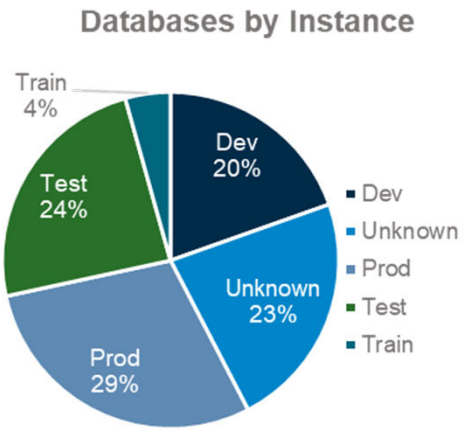
Observations

- 5 out of the 6 top departments by database count remain the same with DFG replacing DPS
- Previous inventory showed significantly more ADABAS databases than Oracle, but updated analysis shows an even split. SQL databases still account for the majority (69%)
- 29% (1,770) are production data bases
- 23% (1,404) are Unknown; not classified as either production, development, test or training databases

Fact Basis







(1) Includes production, test, and development databases