



1. Why is the centralization of information technology resources necessary?

The State of Colorado spends over \$270 million a year maintaining and operating the information technology infrastructure currently deployed throughout the State. It has been determined through research, studies, and analysis that these funds are not efficiently managed and that our IT professionals are not aligned for optimal effectiveness. Historically, the departments have worked independent of one another in regards to information technology, which has left an array of systems that cannot “communicate” with one another. These systems follow varying standards, have no refresh cycle in place, and in some cases are mission-critical but are no longer supported by staff.

With this in mind, the centralization of information technology resources is necessary to create an IT organization that is streamlined, efficient, and optimized to deliver the critical tools that are necessary to fulfill the missions of each department and to ensure the services and information those departments provide are able reach to the citizens of Colorado. This centralization should allow Colorado to position itself as a leader in information technology, increase the use of information technology to support the business operations of the State, save money by leveraging the State’s buying power and economies of scale, avoid future costs through a centralized management and distributed execution model, and create a career path for State-employed IT professionals.

2. How was the decision to centralize information technology in the State of Colorado made?

The Governor’s transition team issued a report in late 2006 that noted several areas for improvement within the State’s information technology organization. Building on these findings, the State CIO, Michael Locatis, was tasked by the Governor to gather more information and create a plan to improve the IT organization and deliver on the Colorado Promise.

The State CIO began by meeting with the IT leaders around the State to learn more about the difficulties they faced and their accomplishments despite the organizational challenges. Additionally, the Office of Information Technology contracted with a third-party to further explore the issues identified in the transition document. The final report corroborated the initial assessment and expressed concerns with the structure of IT in Colorado, specifically:

- Funds were being wasted by purchasing duplicate systems or under-utilizing existing system.
- Staff were not able to operate efficiently.
- There was little enterprise service delivery.
- The status quo would not facilitate improvements.

These findings provided a foundation for further discussion and exploration on how to optimize the delivery of IT in Colorado. OIT has held retreats with departmental CIO’s to gather their input and direction, met with over 900 IT professionals, consulted with other states that have centralized some or all of their IT operations, and gained information from other reputable sources to build a plan that will move the delivery of information technology forward.

For more information regarding the data points of the plan, please visit the OIT website and review the Colorado Consolidation Plan document.



3. Who has been involved with the planning?

OIT has met with the following groups:

- Over 900 Colorado IT professionals (OIT met face-to-face with these individuals, and their thoughts and comments were incorporated into the final consolidation legislation.)
- Executive Directors of all the departments
- The Governor's Senior Staff
- Departmental CIO's
- Departmental Budget Officers
- Business Process Owners
- Third-Party Consultants
- CIO's of other states (Michigan, Utah, Virginia, Missouri, etc.)
- Employee organizations
- Private sector stakeholders

4. What is the bill number of the IT Centralization Legislation?

The bill number is SB08-155. It was introduced in the Senate on February 11, 2008 and assigned to the Senate State, Veterans, and Military Affairs Committee. It passed unanimously out of this committee on February 20, 2008 and passed the Senate 3rd reading on February 26, 2008. It was introduced in the House of Representatives on February 27, 2008. On March 18, 2008 it was passed out of the House State, Veterans, and Military Affairs Committee. On April 17, 2008, the bill passed 3rd reading in the House. On May 15, 2008, the bill was signed by the President of the Senate, the Speaker of the House and sent to the Governor. The Governor signed the bill on May 22, 2008.

5. Who are the sponsors of the legislation?

The primary sponsors of the bill are Senator Bill Cadman and Representative Andy Kerr.

6. How many co-sponsors does the legislation have?

There are 73 co-sponsors; 30 Senators and 43 Representatives. For a complete list of the co-sponsors, please visit the Colorado General Assembly website at www.leg.state.co.us

7. How will the funding model be handled especially for those agencies with significant cash and/or federal funding?

OIT has taken great care to understand the intricacies of federal and cash funding. Currently, OIT is working with OSPB and the departments to ensure we maintain proper accounting of these funds. OIT believes the best avenue is to leave the funding within the departments and have them billed for the IT services they are receiving.



8. Are OIT and affected departments/divisions working with the Federal government on how this centralization may affect federal funding?

Yes, we have spent a significant amount of time with the State Controller's Office, specifically with the Indirect Cost Allocation Unit, to discuss the various aspects of current and future funding issues for all revenue streams (i.e. federal, cash, general fund). We have had preliminary conversations with the Federal Division of Cost Allocation and will continue discussions with that office. We have worked with the federal government on rate structures in past years and have



expertise in the provisions of OMB Circular A-87. We are discussing similar issues with other states and are working to compile a white paper on federal, cash, general fund funding issues.

9.  Does this centralization present an opportunity for cost savings?

Yes, the opportunities for cost savings and cost avoidance is present, but we must work together in order to achieve them. Currently, we procure the same commodity/service in independent ways many departments. We are not taking advantage of the buying power we have as a State which spends \$250 million annually on Executive Branch IT functions. By grouping our purchasing power wisely we can show real cost savings. In addition, we can show cost avoidance by creating enterprise level license agreements, contract terms and conditions, and increasing the use of the existing enterprise level procurement vehicles which exist in the State.

10. Will there be any cost-savings achieved through consolidation?

The Office of Information Technology believes cost-savings can be achieved through this initiative. Leveraging our buying power and economies of scale could potentially save the State a considerable amount of money. It is difficult to quantify those savings at this time because we have little centralized data on the State's current IT spend. While Colorado cannot place a dollar figure on the potential savings, other states have saved millions through successful centralization.

The initiative will also result in cost avoidance. With IT centrally managed, the State will be able to deliver certain functions at the same or higher level with less funding. One example is information security. Through research and analysis it is determined that Colorado under the current decentralized operating structure would need to spend \$43 million to fill the information security gaps. When the operations are managed through a central body, the State can avoid \$19 million in costs, but still fill the gaps.

11. How will our high service levels be maintained if employees are removed from the department or division that they serve?

It is important to note that this transformation does not remove employees from the divisions they serve. Initially, the employees will physically stay in their current location and continue to support the department or division they are in today.

High service levels are a common goal across the state and there is a plan in place to keep them high. The legislation is one piece of the plan. An accompanying document referred to as The Colorado Consolidation Plan (or C²P) further defines the steps Colorado is taking to transform the IT operations.

12. What is the Colorado Consolidation Plan?

The Colorado Consolidation Plan (or C²P) is the change management plan for the legislation that has been introduced. It details the steps that will be taken through Phase 1 of the consolidation and shares with everyone the research and survey work that laid the foundation for the plan.

This document discusses challenges other states have encountered in both their IT operations and centralization initiatives and discusses options these states have taken to increase the effectiveness and efficiency of the IT organization.

Most importantly this document is a body of knowledge that shares with the employees and citizens of Colorado the thought, planning, and processes that have and will go into the IT centralization. OIT believes in communicating with all invested and interested stakeholders the direction it is taking and this document serves as a communication vehicle.



13. How and when will the C²P be updated?

The Office of Information Technology will update the plan periodically as new information becomes available, as the body of knowledge grows and steps of the plan have been executed, or if there is a refinement in direction from the plan that has been laid out. OIT is working on a revision to the plan based on new information being received. If you notice factual inconsistencies, clarifications, or other changes that should be made to the document, please email oit@state.co.us. New documents will be created with additional detail for each subsequent phase of the plan.

14. Where can I find the latest copy of the C²P?

The latest version of the C²P can be found on the OIT website at www.colorado.gov/oit under the "What's New" section.

15. What is being done with vacant IT positions?

There are approximately 1,100 IT positions within the Executive Branch departments and the last snapshot shows over 100 vacant positions. The reorganization will move these vacant positions under the authority of OIT. Once this occurs a fraction of the vacant positions will be used to optimize the delivery of Information Technology across the enterprise.

16. What is being done to improve career paths for IT employees? Are new roles and responsibilities complete for consolidated IT operations?

The career path for employees could be improved from an IT perspective. There are approximately 1,100 IT FTE within the Executive Branch, but they are spread throughout 16 Departments. Some of these departments have as many as 175 FTE while others have fewer than 5. This creates a situation where the growth potential for all of these employees is limited in some form. With all the FTE consolidated into one organization, the State of Colorado will be able to give every employee a chance to climb the professional career ladder and gain experiences they otherwise would be unable to obtain.

Another benefit to IT employees will be the eventual leveling of job responsibilities and compensation. Depending on the department an employee works in today, s/he could have more responsibilities but be receiving less pay than a counterpart in a different department. If all else is equal (years of service, education, skill level, etc.), this is unfair to the employee. With the centralization of staff, management would be able to equalize this over time so employees doing similar work are receiving similar pay (if all other factors are equal).

New roles and responsibilities are not complete at this time. OIT has been meeting with various agencies, state staff, consultants, other states, and private sector leaders to determine what types of roles are needed. While it is clear the new organization will need additional support in IT human resources, purchasing, and contracts, there are positions that are still being vetted.

17. Will people physically move to new locations? If so, when?

Very few employees will physically move to a new location in the short to mid-term. The first 10-18 months will be focused on developing and implementing service level agreements for the enterprise. After this process is completed, a limited number of moves may occur in order to better serve the enterprise. It is difficult to determine at this moment what positions would be affected, but it is likely to be those serving the telephony, and server management functions.



Once the positions and functions have been identified, it will be clearly communicated, and an organizational change management plan will be put into place to ease the transition.

18.  Will position classifications change as a result of the consolidation?

Position classification from the current rights to the state personnel system will not change. In fact, the legislation requires that positions transferred under this initiative retain their rights to the state personnel system.

However, as conveyed in the question regarding career paths, an analysis will be completed to determine if employees are in the proper job classification for the work they are performing. It is our intent to ensure fairness between all employees in relation to their job responsibilities and compensation.

19. How will the human resource responsibilities (hiring, termination, retention) be handled under the centralization?

The Office of Information Technology has been meeting periodically with the departmental HR. OIT has hired a Human Resources Director to support the Office.

Overall, OIT intends to have these services and responsibilities be maintained by the HR personnel where the employee is physically located. This will mitigate the impact on the individual employees as in most cases they will be following the rules and procedures they have always followed. It is important to note that only the department CIOs are directly affected on July 1, 2008 and the other positions will remain employees of their departments until a transition plan is established and communicated.

20.  What happens to employees' seniority if they are transferred under the new OIT from their departments?

As a state classified employee, rights within the state personnel system are retained upon transfer to OIT. The employee's state service date, which reflects total state classified service, will not change as a result of movement to the new organization.

The general concept of seniority can apply to several situations (i.e., state service vs. time in the organization for retention rights, "bid" for shifts and vacations, or career path considerations) and may or may not be related to the state service date. It is not clear whether this question is asking about the application of seniority to these different types of situations, but OIT will communicate in advance how seniority or similar considerations would affect each.

21.  Would OIT support a two-track system for technical versus management IT employees?

Yes, dual-track technical/management or other flexible and innovative career path options could be developed at OIT to the extent allowed within rule and class descriptions. We will consider developing focus groups comprised of employees and managers currently located in various departments to review these types of issues.

22. Who will I report to on July 1, 2008?



On July 1, 2008, if you are a Colorado IT professional or an employee that supports the IT organization of a department you will continue to report to the same person you reported to on June 30, 2008.

Only departmental Chief Information Officers are exempted from this statement. If you fall into this category, you will have a direct reporting relationship to the State Chief Information Officer on July 1, 2008.

23. What is being asked of the IT professionals and those employees that support the IT operations?

The Office of Information Technology is asking the IT professionals and the support professionals to continue doing what they do best -- continue striving for excellence, continue sharing ideas for improvements, and most importantly continue making the departments successful in the delivery of their missions.

OIT also asks that you communicate with your CIO and the OIT executive management team on how to make this transformation a success. Through town halls, emails, telephone calls, and other means, do not hesitate to voice your opinion. Only through a coordinated effort will we achieve the full benefit of this initiative.

24. Has OIT issued any formal statements or policies that could be interpreted by department staff to discontinue IT promotions or reallocations?

OIT has not issued any formal or informal communications regarding IT promotions and/or reallocations. The management of OIT values the employees of Colorado and all of the employees that directly or indirectly support IT functions. At this moment in time, the decision to promote or reallocate positions within the IT class series is one that is made by the departments and must follow the State's Personnel Rules these decisions will remain with the departments until such time as positions are formally transferred to OIT. For more information on these rules, please visit <http://www.colorado.gov/dpa/dhr>.

25. Will IT contractors be replaced by FTE once this legislation passes?

Any large department or state continually grapples with how to appropriately balance the use of contractors and employees. Specific projects may require skills that are not currently available within the ranks of State employees or that are needed for such a short duration that the use of an FTE is not warranted. However, OIT supports challenging the FTE within the State and affording them the opportunity to have a hand in new and exciting tasks and projects.

26.  How will a review of all current employees' skill sets occur in a uniform way across departments?

OIT is working with the Colorado Department of Labor and Employment on this topic. This department has created a tool that allows employees to self assess their skill sets, but also has the capability of including training certificates, supervisor notes, etc. The current thought is to use this tool as we move through the centralization process and then continually update and refresh the information. A self assessment will allow the employees to rate and rank their skills which will allow senior staff to more effectively manage the people and resources available to them for projects.



27.  What will be the process to ensure employees are involved in every step of the process and have input?

There are many avenues for employees to become involved and have input in the process. Some examples include the Project Management Users Group, Mainframe Users Group, Data Governance Working Group, End-User Standards Group, CIGN Users Group, Citrix Users Group, Storage Users Group, VM Users Group, and a Network Users Group. If you are interested in becoming involved with one of these groups please let your CIO know.

As we move through the process there will be workshops, retreats, trainings, Q&A meetings, surveys, and presentations brought to you by OIT. We ask that you be part of the process and stay engaged throughout the weeks and months ahead. Individuals that are involved will have more information and be better prepared for the upcoming changes.

28.  Will certain processes be slowed down (such as approval processes for projects)?

Yes, there will be certain processes that are slowed down as a result of centralization and project approval is one of them.

At any given time Colorado has over 200 information technology projects going on concurrently. These projects range from small to large, but they all place stress on the organization. We need to examine the projects from the beginning to see if we are duplicating efforts, buying products that already exist within the enterprise, or missing opportunities to leverage existing infrastructure. This will slow the overall process down, but in the end we will have a better operation that is more streamlined and has an optimal performance level.

Another process that will appear to be slowed down is the requirements gathering and writing process. The current process is not as exhaustive or intensive as it should be and the results are problematic when releasing and reviewing RFP's, meeting customer expectations, and delivering on the system. A more rigorous front end process will result in a better experience for all involved.

29.  What mechanisms will be put into place to ensure that feedback on quality of services is obtained from employees, clients, and end-users?

To insure our services are meeting current levels for clients and end-users we are expanding and implementing business processes and measurement methodologies in several phases. Initially, we have begun to implement Information Technology Infrastructure Library (ITIL) in our work processes. ITIL is a set of concepts and techniques for managing information technology through industry best practices. ITIL will be an on-going effort throughout the various phases of consolidation.

The Governor's Office of Information Technology is also instituting several new service level metrics in June as a first step to baseline current service levels. We will monitor these metrics to ensure service levels are consistent. Numerous communication options are in place, such as Town Halls, the Office web site, etc. These communication avenues will continue and plans are being formulated to further expand them. For example, the State Chief Information Officer is meeting periodically with the State Agency Director's to discuss progress and solicit their feedback. Other types of feedback will be developed by several of the State Information Technology users groups. For example, a standard methodology will be developed for soliciting feedback on projects; standards will be established for responsiveness to request for support and several new user groups will be instituted. There are currently ten IT User groups

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who will identify ways to ensure their areas of expertise are achieving their respective responsibilities.

As part of the Governor's Office of Information Technology to encourage collaboration the Office's web site currently has features for ideas through the "I have an Idea" and "Ask the CIO". As the consolidation effort progresses, the website will also be expanded. So, if you have an idea of how we can insure we are getting feedback on the quality of services, send us a note.