

Information Technology Board (ITB)

Meeting

June 7, 2018

10:00 a.m. to 12:00 p.m.

Capitol Building Room 172

Members Present

John Lewis, DOA – Chair	Susan Fox, LEG	Joe Frohlich, SITSD
Kenneth Bailey, OPI	Sheila Hogan, DPHHS	Jennie Stapp, MSL
Cece Harris, Private Sector Representative	Gene Walborn, DOR	John Tubbs, DNRC
Natalie Smitham, DLI	Butch Huseby, DOJ	Matt Van Syckle, SITSD
Sean Higginbotham, Local Government Representative	Amy Sassano, OBPP	John Thunstrom, University System Representative

Welcome

- (00:00:12) Recording Announcement, CIO Support Staff
- (00:01:16) John Lewis, Chair
 - (00:02:00) Introductions
 - (00:02:53) Review and Approve March 8, 2018 Minutes
 - **(00:03:00) Motion:** The board approved the minutes by consensus
- (00:03:13) State Chief Information Officer (CIO) Report, Matt Van Syckle

Business

- (00:04:32) SITSD Rate Review, Matt Van Syckle
- (00:07:30) eGov, Sky Schaefer.
 - (00:09:43) Guiding principles: Focus on the good of all for Montana, political subdivisions, Universities, and all agencies large and small. Intent to have multiple RFP's, to cover the current and future needs of the State of Montana including the Political Subdivisions. Re-examine business and funding models, encourage competition, and allow for consideration for proposals that would not necessarily be funded under mutually exclusives. Minimize election of current services and revisit the current services we have today.
 - (00:10:38) Current Model: Our time line goes back to 2001 when Montana Interactive contracted with the State of Montana. eGov in the government sector was new at this time. As Technology has improved and matured there are more solutions and vendors available. In 2010 we went out for another RFP and had one vendor response, which was Montana Interactive and contracted with them in 2011. Contract renewal was in place for 2016 and current contract expires in September 2019. We have to do another RFP in June 2018 to negotiate and possible transition planning before September 2019 deadline. There is a potential one-year extension that the state has if chooses. Our current model which has bundled with one single RFP. One vendor providing an exclusive contract for payment and identity management services. They also provide web services which is not mutually exclusive. Service is funded by conveniences based upon the numbers Montana Interactive has provided. Approximately 3.9 million used to pay for maintenance, operations, and total mutual assistance for them that year. Averages, expenditures were shown on the spreadsheet during presentation.
Note: We converted the GMC report into an excel spreadsheet and found a 10% discrepancy which is being investigated.
 - (00:14:00) Allocation of Funds: Funds are allocated today for total production costs sense 2001, approximately 96% of the funds are allocated to state agencies. 3% for Political Subdivisions and 1% for the University system. Annual maintenance and production cost for the last three years (taken from the GMC report for 2015 -2017) is the breakdown shown on the spreadsheet during the presentation.
 - (00:15:10) Pros/Cons, Single vs Multiple RFP's: The group spent a lot of time going over the recommendations. Majority of the group supported the recommendations, and a few did not. Recommendation was made for the state to administer the resources for better transparency.
 - (00:16:45) Bundled Funding, Multiple RFP's Recommendations: One vendor for Payment Services,

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Microsoft Azure for Identity Management Services, and multiple Vendors for Web Services. This will provide better options for the state agencies and subdivisions.

- (00:17:25) Jerry Marks gave an overview on what functions the “Identity Management Services” provides.

Q. Would this replace ePass? Jerry Marks, it would replace the Identity Management part of ePass.

Web Services will cover other services that do not fall under Payments and Identity Management. Group is looking at recommending a “eGov Review Board” for stake holders having a seat at the table, representing political subdivisions and other agencies for additional transparency and allocations.

(00:23:05) Realizing our Guiding Principles: Recommendation is to go out for multiply RFP’s. Provide maintenance and operations, new services for state agencies and political subdivisions. Reaching out to other jurisdictions and vendors for feedback.

(00:23:58) Next Steps: Getting ITMC and ITB’s input on direction.

Q. If a vendor has their own payment system, would they have to use our payment system? Sky Schaefer, depending on the situation, an exception may be granted. Linda Kirkland gave a more in-depth understanding of the Payment Services process.

Q. Asked why there isn’t a standard set for all transactions and vendor payments to go through a secure state accounting system? Linda Kirkland gave an overview on the complications in setting a vendor standard through the state for multiply transactions.

Joe Frohlich gave an overview on why the Information Security Bureau favors a single vendor payment service due to PCI compliance.

John Tubbs agrees with a single vendor approach and expanded on possible issues of going with multiple vendors.

(00:39:50) Service Level agreement: A service level agreement can be managed with contract privileges. A draft is in process adding additional auditing for security.

The majority services that contribute to the funding are commented that funds should remain in a pot for maintenance and operations for new development. At a high level focusing on not adding new services and just transitioning.

(00:41:30) Action Item: Transitioning, No feedback at this time. Will address at next meeting. Sky Schaefer

Q. Do we do an RFI to look at what is available, are we confident keeping the level of service we have, do vendors we really want this? Sky Schaefer, we did an RFI asking vendors for input on what the state should do. Gave them some high-level information based on our partnership with MI. We gave them 60 Days to respond and had 4 responses.

One focused 99% on “Identity Management”.

One wanted to stay the same.

One stay the same, interpreted as subbing out to experts in specific areas.

One keeping everything as is and they would handle the new payment services.

Q. Funds that are allocated, are we tracking by account or do we have a system that currently subsidizes between small users and large users? Sky Schaefer, our chart shows how production costs were broken down not funded. A small number of applications provided through MI services fund 12%. The rest is put into a pot to fund the other 88%.

Q. Majority Support-Multiple Vendors: How was it broken down by, did local state and governments agree? Sky Schaefer, fundamentally it broke down. MACO doesn’t agree with multiply vendors.

Q. Under the new model is the state going to take over the maintenance and operations system? Sky Schaefer, no, ultimately the state administrative resources is the fund of the convenience fee. The support for one payment solution would come from that payment vendor.

Q. The application whose transaction fees support the remaining applications: Is there any kind of correlation between the production costs for those applications and the transaction fees that they generate? Sky Schaefer, we have not looked at that yet.

(00:48:40) Action Item: Sky Schaefer will look at the correlation for the production costs between the applications and the transactions fees generated for support.

Q. Practical nature of how the web services prioritization would accrue under a multivendor model with conveniences, provisioning for pooling, funding. Would applications be accepted for development? Sky Schaefer, not finalized but it would be similar to the state project management formulation and prioritization calculations.

Q. How will this interact with FWP hunting licenses? Sky Schaefer, they have an exception for payment options currently. Linda Kirkland gave an overview on how FWP licenses are processed.

Q. Contract renewals: Do we have to put in an RFP to procurement? Linda Kirkland, yes, we would need to put an RFP in for the year 2020. We are limited by law to a 10-year contract. We do have a 12-month transitioning period with our current contract.

- The June 2018 presentation link below:

https://sitsd.mt.gov/Portals/165/docs/ITB/2018/2018.06.07/eGov%20Workgroup%20Status_20180607_final.pdf?ver=2018-06-05-152412-357

Standing Reports

- (01:32:55) Project Dashboard Report, Matt Van Syckle
- (01:34:38) Procurement and Inventory Log Review, Matt Van Syckle
- (01:36:14) Chief Technology Officer (CTO) Report, Matt Van Syckle
- (01:40:18) Chief Information Security Officer (CISO) Report, Joe Frohlich
 - (01:41:50) Montana Information Security Advisory Council (MT-ISAC) Report, Joe Frohlich
- (01:46:45) Information Technology Managers Council (ITMC) Report, Kreh Germaine
- (01:54:37) eGov – Montana Interactive (MI) Update, Becki Kolenberg

Discussion (02:05:38)

- (00:00:00) Member Forum/Suggestions-None
 - (00:00:00) IT Legislation-None Reported
 - (00:00:00) IT Recommendations-None Reported
 - (00:00:00) IT Policy-None Reported
- (00:53:20) Public Comment-
 - (00:53:29) Chantel Siaperas, Communications director for Montana Division of Counties: We do not agree with the direction eGov is going. The county supports the current approach of one vendor bundled, one contract, user fee funded enterprise model. Gave an overview on their stance.
 - (00:59:49) Sarah Garcia, (Motor Vehicle Division Administrator) Is in favor of multiple vendors. Gave an overview on their stance.
 - (01:04:42) Tim Burton, Executive Director for Montana League of Cities and Towns: Agree with the Montana Association of Counties Organization on their stance for one vendor bundled.
 - (01:05:22) Leslie Doely, Department of Livestock: Gave an overview on their concerns in transitioning. Wanting to make sure smaller agencies concerns and needs are addressed also.
 - (01:07:44) Becki Kolenberg, General Manager Montana Interactive: Gave an overview on some verification points, transparency, and lack of transparency. Encouraged the board to review the monthly and quarterly eGov reports that are available.

Q. Would an RFP need to go out to every vendor? Sky Schaefer, no, only to new vendors. How things are funded today stay the same. The money makers are still going to be adding to the pot. Gave an overview on new and existing services with multiple vendors maintenance, funding, and support.

Q. Would Department of Administration maintain and support vendor services? Linda Kirkland, gave an overview on how the process would work.

Q. Is there an estimate on how much the transition costs would be? Linda Kirkland, not at this point. New environments could impose different rates.

Q. Any discussion on where the transition costs would come from? Becki Kolenberg, we have to go out for an RFP. Transitioning would be given. Fee's collected are distributed between the

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general fund and the vendor. Goal is there would be no added burden to anyone, having a solution that would benefit everyone.

Q. What is ITB's role in this? John Lewis, ITB is an advisory board which is attached to the Information Technology Managers Council. Matt Van Syckle, gave an overview on the process ITB plays in the scheme of things.

Q. The revenue generated, costs and the differences according to the pie chart, what do they represent in allocations? Becki Kolenberg, we weren't involved with the interpretation of the data that was presented.

- **(01:20:00) Action Item:** Becki Kolenberg will review the pie charts to evaluate the findings and discrepancies found and report back to the board.
- **(01:26:59) Way in:** The proposed model looks like a necessary move in the right direction. Recommend that we work with MACO to address their concerns. Other's agreed that we should move forward. Some need more time to comprehend and understand all the ramifications. Some believe that we should have more transparency and Multiple RFPs may be the answer to support everyone's needs.
 - Sky Schafer gave an overview on why vendors are not connected to the States Master Contracts.

- **(00:00:00) Future Agenda Topics-None Reported**

Adjournment (02:06:02)

- Next Meeting
September 6, 2018
10:00 a.m. to 12:00 p.m.
Capitol Building Room 152