Hosted Mainframe

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Agenda

➢ *Problem Statement, Scope and Goal*
➢ *Benefits to State*
➢ *Timelines*
➢ *Results- Key Metrics*
➢ *Breakthrough Project*

Problem Statement:

ADOA does not want to own, maintain, and manage the hardware and aging facility associated with operating its current mainframe while still retaining ownership and control of the State's applications and data.

Scope:

Seek 3rd-party hosting, managed service or outsourcing options that ensure a stable environment and on-demand growth for processing and/or storage needs.

Goal:

Achieve "Best in Class" service for mainframe customers at or below the current annual cost while removing the physical facility risks and capacity planning issues.

Benefits to State to transition to Provider

- ✓ *Moving a critical system out of an aging building*
- ✓ *Moving IT costs from capital expenditures (CAPEX) to an Operational expenditures (OPEX)*
- ✓ *Being able to increase & decrease capacity and stay up with demand without CAPEX*
- ✓ *Improve monitoring, management with applicable Service Level Agreements*
- ✓ *Faster time to value*

Timeline

1. *Jan 1-April 30 2017 :Complete the requirement and in partnership with State Procurement to select a Hosted Mainframe contract as part of Enterprise Computing Contract*
2. *April 2017- Submit for ITAC Approval*
3. *May 2017- Issue contract to the provider and finalize staffing transition plan*
4. *June 2017- November 2017 - Transition work*
5. *December 2017- Start Day 2 Support by the provider*

Financial Data :	ASET In-House	IBM	CGI
Provided Services	5yr Total	5yr Total	5yr Total
Mainframe Services	$ 83,788,909	$ 73,465,332	$ 111,769,945
Pass-through Charges (third-party provided products, services and/or project expenses)	$ -	$ 6,318,000	
One-time transition/Startup Costs	$ 5,000,000		$ 9,375,000
	$ 88,788,909	$ 83,985,406	$ 121,144,945
ASET-MF operations, Vendor management, overhead, and Personal (remaining in ASET)	$ 25,811,870	$ 26,235,870	$ 30,002,836
	$ 114,600,779	$ 110,221,276	$ 151,147,781

Financial Data :

ASET In-House

Provided Services	Total	Year 1 Price Per Month	Year 2 Price Per Month	Year 3 Price Per Month	Year 4 Price Per Month	Year 5 Price Per Month
Mainframe Services	$ 83,788,909	$ 16,757,782	$16,757,782	$16,757,782	$ 16,757,782	$ 16,757,782
	$ -					
One-time transition/ Professional Services	$ 5,000,000	$ 5,000,000				
	$ 88,788,909	$ 21,757,782	$16,757,782	$16,757,782	$ 16,757,782	$ 16,757,782
ASET-MF operations, Vendor management, overhead, and Personnel (remaining in ASET)	$ 25,811,870	$ 5,162,374	$ 5,162,374	$ 5,162,374	$ 5,162,374	$ 5,162,374
	$114,600,779	$ 26,920,156	$21,920,156	$21,920,156	$ 21,920,156	$ 21,920,156

Financial Data :

IBM

Provided Services	Total	Year 1 Price Per Month	Year 2 Price Per Month	Year 3 Price Per Month	Year 4 Price Per Month	Year 5 Price Per Month
Mainframe Services	$ 73,465,332	$ 17,646,192	$15,527,832	$13,430,436	$ 13,430,436	$ 13,430,436
Pass-through Charges (third-party provided products, services and/or project expenses)	$ 6,318,000	$ 1,517,568	$ 1,335,396	$ 1,155,012	$ 1,155,012	$ 1,155,012
One-time transition/Startup Costs		$ 4,202,074				
	$ 83,985,406	$ 23,365,834	$16,863,228	$14,585,448	$ 14,585,448	$ 14,585,448
ASET-MF operations, Vendor management, overhead, and Personal (remaining in ASET)	$ 26,235,870	$ 5,247,174	$ 5,247,174	$ 5,247,174	$ 5,247,174	$ 5,247,174
	$110,221,276	$ 28,613,008	$22,110,402	$19,832,622	$ 19,832,622	$ 19,832,622

Financial Data :

CGI

Provided Services	Total	Year 1 Price Per Month	Year 2 Price Per Month	Year 3 Price Per Month	Year 4 Price Per Month	Year 5 Price Per Month
Mainframe Services	$111,769,945	$ 22,353,989	$22,353,989	$22,353,989	$ 22,353,989	$ 22,353,989
One-time transition/Startup Costs	$ 9,375,000	$ 9,375,000				
	$121,144,945	$ 31,728,989	$22,353,989	$22,353,989	$ 22,353,989	$ 22,353,989
ASET-MF operations, Vendor management, overhead, and Print Services (remaining in ASET)	$ 30,002,836	$ 6,000,567	$ 6,000,567	$ 6,000,567	$ 6,000,567	$ 6,000,567
	$151,147,781	$ 37,729,556	$28,354,556	$28,354,556	$ 28,354,556	$ 28,354,556

Results- Key Metrics

1. Increase uptime from 99.9% to 99.99% in first year –
   - ✓ 99.9% = 8 hours and 45 minutes non-availability
   - ✓ 99.99%= 52 minutes 56 seconds non-availability

   Note: Today our availability is 99.8%- 17 hours and 52 minutes non availability

2. Maintain cost within 5% of current level for year 1 of the contract
3. Reduce cost by 3% Year 2-5 of contract