

JAN 26 2009

A BILL FOR AN ACT

RELATING TO GOVERNMENT SHARED SERVICES TECHNOLOGY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to establish the
2 shared services technology special fund, which will permit the
3 State of Hawaii to benefit from substantial cost savings when
4 implementing a statewide, centrally coordinated planning and
5 implementation process for common information technology
6 systems, hardware, and software across its many departments and
7 agencies.

8 Participating state departments and agencies shall
9 contribute to this fund so targeted acquisitions may employ
10 "bulk purchases" and coordinated multi-department and statewide
11 contracts and agreements to generate overall cost reductions
12 from the resulting economies of scale and decreased
13 administrative paperwork and processing time.

14 The department of accounting and general services,
15 information and communication services division, shall expend
16 these funds for the purpose of managing and administering shared
17 services that may include, but are not limited to, information

1 technology contracts, project and procurement management;
2 information technology planning, budget, and project management;
3 computer security administration; voice and data communication
4 services, software, hardware, infrastructure and support;
5 electronic messaging services; and data center and disaster
6 recovery facilities management and services.

7 SECTION 2. Chapter 36, Hawaii Revised Statutes, is amended
8 by adding a new section to be appropriately designated and to
9 read as follows:

10 "§36- Shared services technology special fund. There is
11 established a shared services technology special fund, within
12 the state treasury, into which shall be deposited funds from
13 participating departments and agencies and other sources to
14 permit the State of Hawaii to benefit from cost savings when
15 implementing statewide information technology systems, hardware,
16 and software through a centrally coordinated planning, fund
17 pooling, and multi-department acquisition process. The
18 comptroller shall establish administrative procedures to carry
19 out the purposes of this section and expend the funds. The
20 department of accounting and general services shall submit a
21 report to the legislature, no later than twenty days prior to
22 the convening of each regular session, beginning with the

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1 regular session of 2010, which shall include: the status of the
2 shared services technology special fund; the amount of funds
3 taken in by and expended from the fund; and the purposes for
4 which these amounts were expended."

5 SECTION 3. New statutory material is underscored.

6 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

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BY REQUEST

Report Title:

Shared Services Technology; Special Fund

Description:

Establishes the Shared Services Technology Special Fund to allow departments and agencies to pool resources for common technology systems, hardware, and software.

JUSTIFICATION SHEET

DEPARTMENT: Accounting and General Services

TITLE: A BILL FOR AN ACT RELATING TO GOVERNMENT SHARED SERVICES TECHNOLOGY.

PURPOSE: To provide a funding mechanism to support a State of Hawaii agreement for technology shared to be managed and administered as a centralized service on behalf of state agencies and departments.

MEANS: Add a new section to chapter 36, Hawaii Revised Statutes (HRS).

JUSTIFICATION: This bill establishes a central fund that all departments can contribute to such that no one agency shoulders the entire cost burden for the technology solution. Areas where this type of shared services technology can be applied include online training, memberships, off-site storage, telecommunications, virtual servers, database licenses and hardened facilities. We have observed some success in the past with memberships, legislative tracking, financial data mart and of course our telecommunications network, which is the foundational element for shared services. Consolidating technology solutions and functions shared by multiple agencies will free agencies to focus on their core missions of providing essential services. Many states and private sector entities are pursuing similar tactics. Volume discounts and a reduction in administrative paperwork can result.

Impact on the public: A consolidation of technology solutions will result in reduced costs to the State of Hawaii, which benefits everyone.

Impact on the department and other agencies:
The ability to take part in a Shared Services Technology Special Fund can relieve the participating department or agency of the burden of contracting, paying, configuring, connecting and installing separately. Furthermore the quality and price point for the technology is likely to be more favorable than that achieved by any one department on its own.

Areas where shared services technology could be applied effectively:

Geographical Information Systems (GIS). The ability to share the wealth of information captured in State mapping efforts could be enabled for all. Providing the ability for any department to access maps and not just the handful of departments that can afford the storage, software, hardware and licenses to do so. Multiple instances of GIS systems could be consolidated into a Statewide system with the maps made available to the Web for things like mash ups (similar to Google) to specific locations of incidents or projects.

Software Licenses. Currently some vendors have several different contracts with the State of Hawaii for the same products. By bundling some of those purchases we can meet our needs more cost effectively without diminishing the quality of the products or services obtained.

Financial Planning Systems. Virtually every department has its own Financial Management system to handle their budgets, accounts and purchase orders. These systems range from simple spreadsheets, to complex commercial off the shelf systems or custom written programs.

Personnel Planning Systems. Much like Financial Planning systems, there exist a wide variety of methods for personnel

planning. Managing leave, time recording etc. Many of the processes are handled manually with paper forms being routed amongst departments. This is a back office process ripe for automation but no single agency can address it, and therefore fund it, on its own.

Disaster Recovery. In the absence of a Statewide Disaster Recovery solution, departments use their own available funds to put towards efforts that would serve only their needs. By diverting these one-off Disaster Recovery (DR) implementations into a Shared DR Implementation that can grow over time, we can incrementally develop the ability to meet State of Hawaii needed DR goals.

- Incurring networking connectivity charges once, then increasing shared bandwidth as needed.
- Economies of scale. On its own, a department may need to rent a cabinet as the minimum quantity allowed by the vendor, but really only need part of it. With a statewide contract, that other part can be shared with other agencies on a prorated basis as a managed service.

Services Index

The Shared Services Technology Special Fund could be used to finance:

- Licensed Software Product Hosting
- Custom-Developed Code Hosting
- DBMS and Data Management
- Interactive Transaction Services
- Content Management
- Document Management
- Web and application Servers
- Production Control
- Mainframe Print Services
- E-mail Hub Services
- Directory Services
- Conferencing and Messaging Services

- File Transfer Services
- Network Connectivity
- Network Support Services
- Virtual Private Networks
- Remote Access
- Security Services - Signatures, Intrusion Detections, SSL certificates, Firewall
- Secure Enterprise Messaging
- ICSD Storage Devices
- Storage and Space Management
- Backup, Restore and Recovery
- Distributed Systems and UNIX
- ICSD Voice Services
- Procurement and Contracting Services
- Application Development and Maintenance
- Desktop Computer support and management
- Mainframe computer support and management
- Server support and management
- Local area network support and management
- Information Technology contract, project, and procurement management
- Information technology planning and budget management
- Telecommunications Services software, hardware, infrastructure and support
- Data Center and Disaster Recovery facilities management.

GENERAL FUND: None. Unless departments and agencies re-allocate general funds to the centrally managed Shared Services Technology Special Fund.

OTHER FUNDS: Shared Services Technology Special Fund

PPBS PROGRAM DESIGNATION: AGS-131

OTHER AFFECTED AGENCIES: All other departments that use IT services.

EFFECTIVE DATE: Upon approval.