

**CNIC Governing Board
Meeting Minutes**

July 12, 2004 Revised

Attendees:

Agency:	Board Representative:	CIO or Representative:
DAS	Laurie Warner	Don Fleming
DCBS	Greg Malkasian	Dan Adelman
Corrections		John Koreski
Education	Vickie Fleming	Doug Kosty
Employment	Deb Lincoln	Curt Amo
Forestry	Clark Seely	
Housing & Community Services	Bob Repine	Bill Carpenter
Human Services	Gary Weeks	Bill Crowell
State Police	Ron Ruecker	David Yandell
Revenue	Elizabeth Harchenko	Stan McClain
ODOT	Bruce Warner	David White
Veterans' Affairs	Paula Brown	Herb Riley

Project Staff: Mike Freese, Keith Kohan, Mark Matson.

Others: Mike Beard, Bill Fink, Bob Reitmajer, Raelynn Henson, Cheryl Knottingham, Theresa Masse, Sean McSpaden, Cora Parker, Dallas Weyand, Sue Wilson.

1. Opening Comments

In Theresa McHugh's absence, Gary Weeks and Elizabeth Harchenko served as meeting co-chairs. Gary and Elizabeth prefaced the meeting purpose to be reviewing the report and recommendation of the joint Technology and Finance Committees. Elizabeth affirmed that these groups have undergone a thorough review process to trace and verify data contained in Accenture's preliminary business case.

Motion

Bruce Warner made a motion to approve the July 6, 2004 meeting minutes; Ron Ruecker seconded the motion; the motion passed unanimously.

2. Program Manager's Report

Mike Freese reported that the staffing numbers issue has been resolved for the purpose of the business case. These numbers were given to the Finance/Technology Committee for inclusion in their final report to the Board.

3. Human Resource Update

Sue Wilson stated that labor and management will have their next meeting on July 22. Until then there is nothing new to report.

4. Facility Committee Update

Bob Reitmajer reported that the design/build RFP is out and a pre-proposal conference is scheduled for July 22. If a decision on location is not made by that date, the conference will be postponed.

The Facility Committee will meet again on July 28. Bob highlighted the Facility Solutions document that was e-mailed to the Board and took questions.

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Elizabeth Harchenko commended the members of the Facilities Division staff for their help and participation with the CNIC project. She also noted that the financial information related to facilities in the Finance Committee's report is very conservative.

5. Communications Committee Update

Mike Beard reported the communication team is finalizing "going forward" messages. The PowerPoint presentation that Mike Freese will share later in the meeting will give the Board a good sense of the contents of these messages.

6. Finance/ Technology Committee Presentation

Bill Fink and Stan McClain presented to the governing board their joint report. The goal of the work of joint committee was broken down into three key points.

- Validate all numbers presented in the business case
- Always take the conservative view when dealing with numbers and financial information
- Focus on what is best for the state as a whole – an enterprise approach rather than an agency-centric approach.

Before review of the report, Stan shared that by moving forward with CNIC the state positions itself to be prepared for the future, addresses accountability in a more comprehensive way and establishes a framework from which performance can be measured.

There was discussion about the Board's original criteria for judging the business case to be "compelling." Elizabeth Harchenko pointed out that these adopted criteria include "savings of 15 percent or more" and the preliminary business case delivers slightly more than this amount. She also commented that maintaining the status quo is not acceptable; without CNIC it is unlikely that the state will be able to correct its current deficiencies. Also, moving forward will enable the state to plan strategically for the future. Enterprise solutions have been a long-term state goal; the savings achieved through CNIC is "extra."

Gary Weeks stated his belief that the legislature would like to see more enterprise solutions even if there is no savings.

Gary Malkasian asked for clarification on the cost of additional service enhancements. Bill Fink noted that this type of cost was purposely left out of the comparison and is not reflected in the committee's analysis. The rationale is that this type of cost is not part of the current agency environment. Mike Freese further explained that CNIC positions the state to save money on future IT enhancements (e.g. the cost for one entity is less than the cost for 12 separate agencies).

There was further discussion about the ways CNIC frames the state for enterprise solutions, providing a foundation from which strategic initiatives could be launched.

Debbie Lincoln sought clarification that Accenture would redo the business case based on the numbers validated by the joint committee. Mike Freese and Bill Fink confirmed this.

Bruce Warner stated that from the joint committee's report it is clear there is a compelling business case to move forward. He suggested that the joint committee

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explain why not meeting criterion #2 (relating to the cost recovery time period) is acceptable. He also asked that work related to formal service level agreements begin early in the implementation planning process.

It was noted that the \$1.7M cost for Phase 1 includes the detailed implementation planning period. Phase 2 of CNIC is implementation (consolidating agency data centers).

Bob Repine noted the need for Quality Assurance for Phase 2.

There was discussion about the timeframe for developing the detailed implementation plan. Curt Amo and Dave White stated that adequate time must be allowed to develop a solid implementation plan and not be driven by Accenture's deliverable schedule. Don Fleming noted how critical it is to develop a schedule based on industry standards so the project maintains structure; if extensions are needed they can be negotiated at the appropriate time.

Bill Fink said a meeting to assess "lessons learned" thus far in the project would be set up soon. This meeting will include Accenture.

Gary Weeks stated that hearing no objections, there is consensus to recommend to the governor to move forward to detailed implementation planning; the meeting with the governor will proceed as scheduled.

Next Meeting

Monday, July 19, 2004

3:00 – 4:30 p.m.

DAS West ~ Conference Room A

Submitted by: Cheryl Knottingham, DAS IRMD Administration.