Hosted Mainframe

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Agenda

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

Problem Statement:

Due to hardware replacement and aging facility ADOA ASET desire not 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: *ADOA ASET seeks 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 optimizing service delivery and removing the physical facility risks and capacity planning issues.

Benefits to State to transition to Provider

- ✓ Move a critical system out of an aging building

- ✓ Moving IT costs from capital expenditures (CAPEX) to Operational expenditures (OPEX)

- ✓ Provides a more robust Business Continuity Plan

- ✓ Improve monitoring and management with applicable Service Level Agreements

- ✓ Faster time to value

- ✓ Being able to increase & decrease capacity and stay up with demand without CAPEX

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. *May 2017- Submit for ITAC Approval*

3. *June 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 :

COST CATEGORY	ASET IN-HOUSE	IBM
MF Operations	$ 125,042,320	$ 132,757,000
Overhead & Indirect Cost Remainting with ASET[†]	$ 49,945,643	$ 50,369,643
10-Year Total MF Costs	$ 174,987,963	$ 183,126,643

† - These costs remain with ASET regardless <u>whether or not</u> the MF operations are outsourced.

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