

Information Technology Authorization Committee

Project Review

August 27, 2014

Action Item

Agency: Arizona Department of Administration (ADOA)
Project Name: Mainframe Refresh
Project Number: AD15001
ASET Oversight Manager: Jeffrey Crane

The State Data Center (SDC), managed by Arizona Department of Administration (ADOA), currently operates an IBM z10 mainframe computer, which was originally approved in FY10 (PIJ AD10006), and has a processing capacity of 1612 Million Instructions per Second (MIPS). The system provides direct mainframe computing capacity for eight State agencies, including ADOA, Arizona Department of Transportation (ADOT), Arizona Health Care Cost Containment System (AHCCCS), Arizona State University (ASU), Arizona Department of Health Services (ADHS), Pima County, Hawaii Health Care System (HHCS), and indirect processing for Arizona Department of Public Safety (ADPS). System resource utilization rates consistently rises above 90% during business hours with recent peaks at 100%, resulting in slow end-user (client) performance. These delays will continue to increase as demand increases until the system is unable to service client workload.

ADOA proposes to upgrade to the IBM zEC12 mainframe, which has a processing capacity of 2389 MIPS, utilizing a five-year Fair Market Value lease agreement. The lease contract will allow ADOA immediate use of the zEC12 system as well as transition to the next generation platform technology when available. The PIJ is requesting approval for an amount of \$2,878,371 in development funds to initiate the delivery of the mainframe, installation of upgraded software, and first year maintenance costs. Operational costs, which include ongoing mainframe hardware lease payments as well as software maintenance and service fees, will be funded by the Automation Operations Fund. This upgrade is critical to the Agency's daily operations and the ADOA Strategic Plan, including the State's Disaster Recovery (DR) plan, by providing additional capacity, along with IBM's Capacity-on-Demand offering.

Motion Options:

- ITAC Approval:**
- ITAC Conditional Approval:**

The Arizona Strategic Enterprise Technology Office recommends ITAC approval of the technology project with the following Conditions:

1. As a result of further planning, procurement, and implementation efforts, should there be a change in the proposed costs or lease agreement terms of 10% or more, the State data Center (SDC) team within ADOA-ASET must amend the PIJ to reflect the changes and present it to ITAC for review and approval prior to further expenditure of funds.

- ITAC Disapproval:**