



Computer Consultants International, Inc. Customer Solution Case Study



REPLATFORM decision reduces TCO for the Washington, Department of Licensing

State of Washington a national leader with innovative technology chooses Replatforming as a sound business solution.

Overview

Country or Region: USA

Industry: State Government

Customer Profile

Based in Olympia, Department of Licensing at the State of Washington is a leader in Technology solutions. Vehicle Services Division currently supports 690 workstations.

Business Situation

DOL needed to replace its HP 3000 and heterogeneous IT infrastructure with a cost-effective, integrated operating environment.

“HP announced end of Life for HP 3000 and no support after December 2006. Our vision and our strategic plan aligned with Replatforming.”

William S. Kehoe – CIO - Department of Licensing, State of Washington.

The state of Washington’s Department of Licensing (DOL) has five divisions; Driver Services, Vehicle Services, Business and Professional Services, Informational Services and Management Services. The Vehicle Services Division has three areas; title and registration, dealer services, and prorates and fuel tax. The Vehicle/vessel titling and registration area provides services for 39 county auditors, 142 subagents in 186 field offices and two Department of Licensing offices. The Vehicle Field System (VFS) performs over 7 million vehicle/vessel titling and registering transactions annually, supports many agency applications involving Internet commerce (vehicle tab renewals via the Internet) and collects and distributes over \$1 billion in revenue per biennium.



Without Replatforming - Risk to the State

Disruption of statewide vehicle title and registration issuance activity and the uninterrupted collection of \$1 billion in biennial revenue.

"We have cut down the cost of IT administration. We are able to complete critical projects within time and maintain government spending costs by Replatforming "

John Hadden, CTO, Department of Licensing,
State of Washington

Solution

Microsoft® Windows Server TM 2003,
Microsoft Systems Management Server
2003, Microsoft Exchange Server 2003,
Microsoft Office Standard Edition 2003,
and Microsoft Office Share Point® Portal
Server 2003

Prompting Event

The state of Washington DOL was required to look at a different platform for its VFS when Hewlett-Packard (HP) announced the 'end of life' for the HP3000 mid frame series computers. HP also announced it would no longer maintain the hardware, the operating system software and the proprietary language, Transact, for this system. The effective date for this announcement is December 2006.

Department of Licensing – Goals

Washington State leaders decided to revolutionize how government does business

One of the first steps towards these goals is the HP 3000 replatform project.

In order to complete the replatform project on time and within budget DOL made a critical decision to do POC and complete other parts of the project first and then attempt to do the middle tier and other peripherals later.

The Department of Licensing's primary concern was continuing motor vehicle services, collecting state revenue, mitigating risk, planning for the completion in one biennium, aligning with the Governor's Priorities of Government (POG) and staying consistent with the DOL balanced scorecard emphasis on moving to newer technologies to support the business needs.

To accomplish these goals, DOL plans to move to the agency's internal IT environment and increase its network capacity in one biennium. The increased network capacity will support the new architecture, provide prompt inter-office communications, provide prompt circulation of new legislative rules and information and enhance security.

Options

The WA State DOL, Vehicle Services Division explored the following options; do nothing, third party maintenance, replatform, or complete redevelopment.

The '*Do nothing*' option would eventually leave the State without a system to support its customers. Analysis showed, over a six year period, the costs of moving off the HP platform are roughly equal to the costs of staying on the platform. By staying on the HP platform, the agency would be subject to considerable security risks, a technology skill set shortage, fiscal irresponsibility, and none of the secondary benefits would be achieved.

The '*third party maintenance*' option was considered unacceptable due to negative impact for service and the states economy. It would just delay a conversion to another platform.

The '*replatform*' option could be completed in a single biennium and the cost would be one fifth of redevelopment. Changing to single platform and moving to industry standards would reduce integration costs. The new server based technology will ensure the ability to replace and update its technology skill sets.

The '*complete redevelopment*' option was rejected because it would take more than one biennium to complete at an estimated cost of \$14 to \$16 million to replace the current system and \$6-\$8 million for associated costs. The risks were higher because of the long time frame, high cost and much larger scope.



The Department of Licensing is leading the nation in 'one stop' shopping for business and citizens.

Benefits

- Single Platform – common staff skill set
- Continued Operation of Vehicle Field System (Title and Registration)
- Reduced IT administration cost
- Improved architecture
- Improved security, reliability and performance
- Increase customer Service Delivery Channel
- Reduce time and cost in response to business, legislative and federal mandates.
- Enable the sharing of data and systems between state, local and federal government.

Decision and Solution

The decision had to meet the following requirements: project completion in short time frame (under two years) with easily completed sections, sound fiscal management of public funds, minimal risk, and alignment with the Governor's POG (Priority of Government).

Replatforming and moving to the Washington State Information Technology standards and protocol directions (MS Windows 2003 Server and SQL 2000 server) was the option chosen (FY 2005-2007).

The Department of Licensing decided to wait until the headquarters move from Unisys to the agency's internal server environment was complete (FY03-05) before commencing with this project. This project has fewer lines of code than Unisys but the language change from TRANSACT to VB.NET is more complex.

During the first quarter of 2003, the department obtained outside expertise to assist in preparing a definitive Requirements Statement. The Vehicle Services Division issued a Request for Information (RFI) for vendors to estimate prices for various implementation options and platforms. The Department of Licensing used this RFI for the budget request.

In the second quarter of 2003, the DOL received cost quotes for network capacity upgrades from DIS to use for the replatform budget request.

Benefits

The primary benefit is continued operation of Vehicle Field System, which is titling and registration services for vessels and vehicles and collection of state and local revenue. The following secondary benefits are: improved

information access, faster and more flexible development environment, improved data security, increased recruitment and retention of employees, increased access to "off the shelf" products, increased ease of systems integration, and shortened response time to legislative and business changes.

Access to information is improved with real time updates. The benefits of the real time updates for the Agency are more accurate and timely information for law enforcement and outside entities and eliminating potential system fraud by employees. The old system 'batched' information and shipped it to the host master data base one to three days later. The real time entry of data will eliminate the time consuming tasks of calling to headquarters for the most current information. Information to outside entities, i.e. insurance companies, lending institutions, attorneys, parking ticket enforcement and government agencies, currently has the disclaimer "data may be up to 2 days old". Increased customer service, increased efficiency and decreased inaccuracies during registering and titling vehicles/vessels are the results when county auditors and subagent offices have real time information.

Faster and more flexible development will increase productivity by approximately 20% thus freeing about 1,870 staff hours to be used for development instead of maintenance. Freeing up valuable staff time will allow the agency to further improve its aging applications and lessen its dependency on outside contractors. Conversion to the agency's preferred architecture (Windows) will allow field systems to be more easily and economically changed to address new legislation. With the windows architecture, it will be much easier to add follow-on functionality such as offering more services to the public over the Internet. It is estimated that it would have been 1.2 million dollar



Other RePlatform Projects

Prior to HP Replatform the DOL has undertaken the Unisys Replatform Project. The Unisys Replatform work was completed on schedule and under budget (approximately \$150,000 of the \$6.49 million budget was returned to the State Treasurer)...**William S. Kehoe, CIO, DOL.**

UNISYS PROJECT ACTUAL COST BENEFITS

Cost Savings (starting July 2005)

- Eliminate \$1.2 million / year in DIS Charges for network services and use of the Unisys.
- Eliminate \$ 71,700 / year for "Info Select" (Unisys terminal emulation software) [\$100/user/year x 717 users (499 Drivers, 201 Vehicles, 17 Admin)]

Cost Avoidance:

Avoid \$4.32 million if DOL stayed on the Unisys from:

- Mandated Security improvements (\$1.84 million) [Provided via the UAR project]
- Conversion of all Unisys data to ASCII (\$2.48 million) [Provided via the UAR project]

Avoid cost increases from loss of Computer Support. During the Feasibility Study that preceded the UAR (Unisys Application Replatform) project, the Gartner group cautioned DOL about staying on the Unisys 2200 platform beyond 2005.

Once the vendor declares a product as no longer supported, it becomes expensive to find replacement parts and obtain support services, now available only from third-party second-market suppliers.

cheaper and 6 months less time consuming to develop the Internet Tab Renewal application in Windows than it was to develop the same application on the HP and Unisys.

Moving to newer technology will increase recruitment and retention of employees. Current DOL staff will retrain for this new technology and will increase the agency internal skill sets. The DOL will see productivity gains for the maintenance staff that support the VFS application with access to new development tools, easier access to data as the added technologies become institutionalized. DOL estimates that by July of 2006, 34 percent of its 134 IT employees will be eligible to retire. The replatform project will provide a larger recruitment pool of skilled workers.

The DOL is asked to do more non-state and non-transportation projects. The changed platform will make it easier and quicker to add and integrate new business functions such as GIS to meet legislative changes. Some of the anticipated projects include collecting voter approved taxes like the Seattle Monorail Project and the Sound Transit/Regional Transit Authority.

Data security is improved with the increase network capacity that is included in the HP3000 replatform project.

Department of Licensing - Project Scope

The project of re-hosting the VFS application to the agency's standard server architecture (Windows Visual Basic .NET language and SQL databases), and upgrading the network capacity to support the new architecture has the following nine elements:

- Change the underlying technology platform to a Window-based server platform,
- Change proprietary HP Transact language to Microsoft Visual Basic.Net

- Replace batch update functions with online real time updates for host Database
- Change the headquarters' Prorate/Fuel tax heating oil application to the agency standard Windows Visual Basic.NET,
- Increase the network capacity of communications links between headquarters and the field offices,
- Outsource the code and database conversions,
- Manage the testing of the new system with the selected conversion vendor,
- Test the new system and train all appropriate personnel,
- Electronic interface integration

The Department of Licensing revised the scope of this project by lessons learned on prior Replatform projects. They removed the online updates and the electronic interface integration from the original RFP. The online updates and the electronic interface integration will be done within the Agency after the replatforming is completed. The decision to remove these steps will reduce the project's replatform risk and complete the project in a timely fashion. This closely parallels with the LOB (Line of Business) Guide published by Microsoft and recommendations provided by Arshia Tayyab, the SME (Subject Matter Expert) for Replatform projects.



The Department of Licensing has proven to be a national leader in cost reduction strategies...

Department of Licensing - Budget

This HP replatform is revenue neutral.

The one platform decision will impact future budgets. Currently DOL has 4.5 FTEs to support the HP platform and now DOL will need only one IT specialist position. By using just single platform-DOL only need one skill set instead of 6, DOL can see a decrease in costs all along the continuum. The use of a single platform will also drive down maintenance cost by 40 to 50%. It has been estimated that 70% of the cost of an application is in maintenance.

Department of Licensing - Future

The Department of Licensing for the state of Washington has revolutionized how they do business. The revolution began in 2000 with the first Web based 'self service' option for the public they serve and continues with over 30 web based services available currently. The DOL plans future technology upgrades that will provide more online services and also provide the enhancements requested by their customers.

The Department of Licensing is leading the nation in 'one stop' shopping for business and citizens. DOL plans on utilizing the newest technology solutions as a standard for its future projects. Some of these plans are as follows: imaging, wireless technology, data warehousing, and business intelligence software.

The Department of Licensing has proven to be a national leader in cost reduction strategies. They have proven that it can be done; lower overhead, increase production and still provide excellent service. Now they are going on to develop integrated revenue management systems and a single integrated licensing system for all licenses that are handled.

For more information on DOL please visit:

<http://www.dol.wa.gov/>



For More Information

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