

AGENDA

FREE MARKET PROTECTION AND PRIVATIZATION BOARD

Thursday, November 14, 2013, 2:00 PM
Room 20 House Building
State Capitol Complex
Salt Lake City, Utah

1. Call to Order
2. Board Business/Minutes
 - a. Minutes from October 10, 2013 – *for consideration*
 - b. Request for Proposals – *for consideration*
3. Commercial Activities Inventory
 - a. Public Service Commission – *presentation*
 - b. Department of Technology Services – *presentation*
4. Review Privatization of an Activity
5. Review Issues Concerning Agency Competition with the Private Sector
 - a. Nathan Andelin – Petition - *presentation*
 - b. Utah State Office of Education – student information systems - *presentation*
6. Other/Adjourn

Next meeting: December 12, 2013

Minutes of the
Free Market Protection and Privatization Board
Thursday, October 10, 2013 - 2:00 p.m.
Room 20, House Building
State Capitol Complex

Members present:

Kimberley Jones (Chair), Brian Gough (Vice Chair), Senator Karen Mayne, Representative Johnny Anderson, Representative Lynn Hemingway, Thomas Bielen, Commissioner Sherrie Hayashi, Randy Simmons, Manuel Torres, Councillor Steve Fairbanks, and Commissioner Louenda Downs

Members absent:

Senator Howard Stephenson, Kerry Casaday, Al Manbeian, Katina Curtis, and LeGrand Bitter

Staff present:

Cliff Strachan, Governor's Office of Management and Budget

Note: Additional information including related materials and an audio recording of the meeting can be found at <http://gomb.utah.gov/operational-excellence/privatization-board/> and the Utah Public Meeting Notice Website (<http://www.utah.gov/pmn>).

1. Welcome and Introductions

Kimberley Jones chaired the meeting. Al Manbeian and LeGrand Bitter were excused from the meeting.

To accommodate presenters from Departments of Environmental Quality and Transportation, reports on the Commercial Activities Inventory were heard before Board Business/Minutes.

2. Board Business/Minutes

a. Minutes from September 12, 2013

Added Bob Myrick to list of attendees.

Motion: Rep. Anderson moved to amend and approve the minutes of the September 12, 2013 meeting.
CARRIED

b. Request for Information Responses

Staff reported on the responses to the request for information concerning board processes and accounting methodology. The board discussed next steps. The board's consensus was to prepare an request for proposals (RFP) and to provide drafts (for comment) to the board prior to the next meeting and to bring the matter to the next meeting. Staff should also meet with Purchasing to go over RFP options and to invite someone from Purchasing to attend the next meeting to answer questions.

c. Strategic Planning

Mr. Strachan reported that he and the chairs met with Rep. Kay Christofferson last week. In that meeting it was suggested that the board do some strategic planning to determine its goals, performance measures, and other relevant matters. A draft work plan was handed out as a starter.

From the discussion, board members:

- like agencies coming in to talk about what they do but follow up is important,
- noted privatization reviews can be accomplished by staff, by the agency, by the board and by subcommittees of the board,
- considered objectives and outcome and want clarity as to what the board wants to accomplish,
- are open to private sector entities coming to the board to present,
- are reminded to consider the free market protection aspect of the board's duties, including addressing complaints of unfair competition by government with the private sector,
- noted there are multiple aspects to privatization and free market protection,
- want to know how to quantify unfair competition,
- want clarity around the rule making authority,
- want to know what happens with the board's recommendations, including how privatization gets implemented,
- need to figure out how to sift through many possible reviews and complaints, and
- noted that the process will get clearer after the RFP process is concluded, which effort includes developing the accounting method.

The board will continue the dialogue.

3. Commercial Activities Inventory

a. Department of Environmental Quality (DEQ)

Mr. Strachan noted the areas currently undergoing Operational Excellence reviews by the Governor's Office of Management and Budget. An updated summary for the Commercial Activities Inventory was provided with the comment that five of six divisions have completed their reviews. The intent is to accept the inventory updates and post them to the web as each agency updates its section of the inventory.

Brad Johnson, Deputy Director, gave an overview of the work done by DEQ calling it a regulatory agency involved in rule development, and the implementation of federal and state environmental rules and regulations. Also responsible for enforcement in the state. Bryce Bird from the Division of Air Quality (DAQ) also appeared with him.

All divisions' work falls into five basic categories:

- write rules and develop laws/statutes necessary to implement programs,
- conduct plan reviews to ensure plans and applications submitted meet certain standards,
- write permits - an entity submits applications and the agency checks that it meets requirements,
- conduct inspections and maintain oversight - some rules don't require permits but compliance to standards is still required, and

- enforcement - general philosophy that compliance is preferred over enforcement but sometimes agency must take necessary actions.

He noted that there is some legal work that is outsourced, an example is the work done by administrative law judges which work is infrequent and specialized. Agency also relies on private sector for certification training but retains responsibility for rules and regulations training and testing.

Much of DEQ responsibilities are delegated by the federal Environmental Protection Agency (EPA).

On the subject of retaining the private sector to write permits as has been suggested, DAQ has looked at it in the past and concluded that it would not save money. Noted that if contractors wrote the permits, DAQ would still need in-house expertise to review.

During questioning, board members heard in response that:

- it is rare for EPA standards to be less stringent than Utah's,
- environmental impact statements are federal responsibility but DEQ has some involvement,
- the effort to contract out permitting 15-20 years ago was based on eliminating a backlog and making use of expertise that had gone into private practice,
- to contract out some permitting, DEQ would have to look at the limitations and requirements of agreements with the EPA,
- agency hasn't identified other areas to privatize but general ethic is to let stuff that can be contracted out be contracted out,
- backlog is more likely to drive need for outside help but agency doesn't generally look outside due to being "cheap and poor" meaning being frugal and low on budgeted resources,
- environmental cleanup is already done by private sector with DEQ retaining oversight,
- federal requirements are prescriptive on DEQ as well as cities and counties, and
- Division of Drinking Water's review will not change substantially from the 2010 submission.

During questioning, the agency was asked to report back as to what percentage of its work is contracted out.

b. Department of Transportation (UDOT)

Mr. Strachan noted the areas currently undergoing Operational Excellence reviews by the Governor's Office of Management and Budget. UDOT presented its best practices last month. An updated summary for the Commercial Activities Inventory was provided with the comment that some of the divisions have yet to complete their reviews. The inventories submitted indicated UDOT is taking a look at its safety programs and asset management for outsourcing potential.

As senior staffers are in Moab attending meetings of the Transportation Commission, Jason Davis, Director of Operations, and Tim Rodriguez, representing Risk Management, attended to answer questions. They commented that UDOT never stops looking for opportunities to privatize or outsource its work, particularly as road miles and number of structures increase. Risk managers are assigned to all parts of the state and agency. UDOT is looking outside for behavior based safety programs to see how to improve safety. Currently finalizing its RFP.

During questioning, board members heard in response that:

- behavior based programs question employees about management promotes safety and how employees can buy in,
- that profiling of employees is not in the mix for safety issues,
- has reached out to private sector and Workers' Compensation Fund for safety training options and noted that training could include a "training the trainers" approach,
- UDOT has a safety award program and is looking at incentive programs but is limited by ability to financially incentivise employees,
- UDOT is a member of the Utah Safety Council,
- approximately 75 percent of engineering activities are privately provided as the agency manages for peaks and valleys,
- snow plowing was cited as an area where outsourcing was not practical due to the unpredictability of weather, the capital outlay for snow plowing is expensive,
- asset management is identifying the condition of structures and roads, and
- UDOT recently awarded its first road striping performance specifications for maintenance.

The agency was asked to report back as to what percentage of its work is contracted out and to report back on its safety programs request for proposals, and progress on the asset management review.

4. Other Business/Adjourn

a. Privatization Studies

Mr. Simmons wants to look at golf courses.

b. Adjourn

Motion: Rep. Anderson moved to adjourn. CARRIED

Next meeting: Thursday, November 14, 2013 at 2 pm in 20 House Building

Meetings are scheduled for second Thursdays of each month through January 9, 2014.

State of Utah
Division of Purchasing

DRAFT

Request for Proposal

Privatization Review Process

Solicitation No. DRAFT

**REQUEST FOR PROPOSAL
PRIVATIZATION REVIEW PROCESS
Solicitation #DRAFT**

PURPOSE OF REQUEST FOR PROPOSAL (RFP)

The purpose of this Request for Proposal is to enter into a contract with a qualified firm to **Design and Implement a Privatization Review Process.**

It is anticipated that this RFP may result in an award to a single contractor. However, the state reserves the right to award to multiple contractors if it is determined to be in the best interest of the State.

The information provided within this RFP is intended to provide interested offerors with sufficient basic information to assist in submitting proposals meeting minimum requirements, but is not intended to limit a proposal's content or exclude any relevant or essential data. Offerors are encouraged to expand upon the specifications to give additional evidence of their ability to provide the services requested in this RFP. However, award of any additional items will not be automatic but will be clearly identified in the award notice if it is deemed appropriate by the evaluation committee and falls in line with the initial RFP Scope of Work.

BACKGROUND

Utah's *Free Market Protection and Privatization Board Act* directs the Free Market Protection and Privatization Board ("the board") to "determine whether an activity provided by [a state agency or local government entity] could be privatized to provide the same types and quality of a good or service that would result in cost savings" and goes on to list the factors implicit in such a determination. Similarly, the board may review a complaint of unfair competition with the private sector.

The board is also required to establish an accounting method, similar to generally accepted accounting principles, that provides for determining the actual cost of engaging in a commercial activity; actual as in how a private enterprise identifies the cost. This method will be developed into a rule to be adopted pursuant to the *Utah Administrative Rulemaking Act*.

The board seeks assistance designing and implementing a privatization review process, particularly with creating the required accounting method, as part of an analytical framework that includes quantitative and qualitative factors. The process requires definition, structure, rigor, and oversight/control.

The Governor's Office of Management and Budget ("GOMB") staffs the board and that staffer will be the board's contact for the services or work to be performed.

Information on the board and its mission can be found at: <http://gomb.utah.gov/operational->

[excellence/privatization-board/](#). State laws can be searched at <http://le.utah.gov/>.

CANCELLATION OF PROCUREMENT

The State reserves the right to cancel this solicitation at any time and not award a contract if such action is determined in writing to be in the best interest of the State.(ref. §63G-6a-709 UCA).

ISSUING PROCUREMENT UNIT AND RFP REFERENCE NUMBER

The State of Utah Division of Purchasing is the issuing procurement unit for this document and all subsequent addenda relating to it, on behalf of the Governor's Office of Management and Budget for the board. The reference number for the transaction is Solicitation **#DRAFT**. This number must be referred to on all proposals, correspondence, and any other documentation relating to this RFP.

SUBMITTING A PROPOSAL

NOTICE: By submitting a proposal in response to this RFP, the offeror acknowledges and agrees that the requirements, scope of work, and the evaluation process outlined in the RFP are understood, fair, equitable, and not unduly restrictive.

Notification to the State of any ambiguity, inconsistency, excessively restrictive requirements, errors in the solicitation documents, solicitation questions, or exceptions to the scope/content of the RFP MUST be submitted as a question through BidSync during the solicitation process and prior to the closing date of time for questions.

Exceptions to scope/content of the RFP that have not been previously addressed within the Q&A period of the procurement will be disallowed.

Proposals must be received by the posted due date and time. Proposals received after the deadline will be late and ineligible for consideration.

Hard copy submission instructions: The preferred method of submitting your proposal is electronically through BidSync. However, if you choose to submit your response in hard copy form, **one (1) original and five (5) identical copies of your Technical Proposal** must be received prior to the Due Date and Time at the following address:

State of Utah Division of Purchasing
3150 State Office Building, Capitol Hill
P.O. Box 141061
Salt Lake City, Utah 84114-1061.

Additionally, **one (1) original Cost Proposal** form (see Attachment D Cost Proposal Form) must be submitted in a separately sealed envelope delivered at the same time as the

Technical Proposal. The outside cover of the package containing the Technical Proposal shall be clearly marked "**Solicitation #DRAFT – Technical Proposal** and include the Due Date and Time" The outside cover of the Cost Proposal shall be clearly marked "**Solicitation #DRAFT – Cost Proposal** and include the Due Date and Time" Refer to the Request for Proposal – Instructions and General Provisions for further information on proposal submissions.

Please allow sufficient time for delivery of hardcopy responses. Responses sent overnight, but not received by the closing date and time will not be accepted.

When submitting a proposal electronically through BidSync, please allow sufficient time to complete the online forms and to upload your proposal documents. The solicitation will end at the closing time posted in BidSync. If you are in the middle of uploading your proposal when the deadline arrives, the system will stop the upload process and your proposal will **not be accepted** by BidSync, and your attempted submission will be considered as non-responsive.

Electronic proposals may require uploading of electronic attachments. BidSync's site will accept a wide variety of document types as attachments. However, the State of Utah is unable to view certain documents. Therefore, **DO NOT submit** documents that are **embedded (zip files), movies, wmp, encrypted, and mp3 files**. All documents must be uploaded in BidSync as separate files.

Cost will be evaluated independently from the technical proposal, and as such MUST be submitted separate from the technical proposal. Failure to submit cost or pricing data separately may result in your proposal being judged as non-responsive

Costs incurred in the preparation and submission of a proposal is the responsibility of the Offeror and will not be reimbursed.

LENGTH OF CONTRACT

The Contract resulting from this bid will be for a period of **six (6) months**.

The contract may be extended beyond the original contract period for up to **three (3) additional months** at the State's discretion and by mutual agreement.

There is no guarantee that contract(s) will be awarded, or that any future contract extensions will be awarded.

Pursuant to Utah Code Annotated **§63G-6a-1204** any contract resulting from this RFP may not exceed a period of five years.

The State of Utah reserves the right to review contract(s) on a regular basis regarding performance and cost analysis and may negotiate price and service elements during the term of the contract.

PRICE GUARANTEE PERIOD

All pricing must be guaranteed for **the entire term of the contract**.

STANDARD CONTRACT TERMS AND CONDITIONS

Any contract resulting from this RFP will include, but not be limited to the following:

- **The State's Standard Terms and Conditions (see Attachment A).**
- **Any addendums to the solicitation as issued through BidSync.**

Exceptions and additions to the Standard Terms and Conditions ***must*** be submitted with the proposal response. Exceptions, additions, service level agreements, etc. submitted after the date and time for receipt of proposals will not be considered. Website URLs, or information on website URLs must not be requested in the RFP document and must not be submitted with a proposal. URLs provided with a proposal may result in that proposal being rejected as non-responsive. URLs are also prohibited from any language included in the final contract document.

Required acceptance of a Contractor's or Supplier's special terms and conditions may result in your proposal being determined to be non-responsive.

The State retains the right to refuse to negotiate on exceptions should the exceptions be excessive, not in the best interest of the State, negotiations could result in excessive costs to the state, or could adversely impact existing time constraints.

In a multiple award, the State reserves the right to negotiate exceptions to terms and conditions based on the offeror with the least to the most exceptions taken. Contracts may become effective as negotiations are completed.

If negotiations are required, contractor must provide all documents in WORD format for redline editing. Contractor must provide the name, contact information, and access to the person(s) that will be directly involved in legal negotiations.

NOTE: Wherever the term bid, bidder, bidding or quote appears in this solicitation or reference is made to a bid, bidder, bidding, or quote, it shall be interpreted to mean offeror, as defined in 63G-6a-103(30), RFP, or Request for Proposals, as defined in 63G-6a-103(38) and the procurement shall be conducted subject to the provisions of 63G-6a-701-711.

QUESTIONS

All questions ***MUST*** be submitted through BIDS SYNC (www.bidsync.com). Questions submitted through any other channel will not be answered. Only answers disseminated by the State through the BidSync system or through an authorized and properly issued addendum shall serve as the official and binding position of the State.

ADDENDA

Offerors should periodically check BidSync for posted questions, answers and addenda.

Any modification to this procurement will be made by addendum issued by the State Division of Purchasing. Only authorized and properly issued addenda shall constitute the official and binding position of the State.

Any response to this solicitation which has as its basis any communications or information received from sources other than this RFQ or related official addenda could be considered non-responsive and be rejected at the sole discretion of the State.

RESTRICTIONS ON COMMUNICATIONS

From the issue date of this solicitation until a contractor is selected and the selection is announced, offerors are prohibited from communications regarding this procurement with agency staff, evaluation committee members, or other associated individuals EXCEPT the procurement officer overseeing this procurement. Failure to comply with this requirement may result in disqualification.

PROTECTED INFORMATION

The Government Records Access and Management Act (GRAMA), Utah Code Ann., Subsection 63G-2-305, provides in part that:

the following records are protected if properly classified by a government entity:

- (1) trade secrets as defined in Section 13-24-2 if the person submitting the trade secret has provided the governmental entity with the information specified in Section 63G-2-309 (Business Confidentiality Claims);*
- (2) commercial information or non-individual financial information obtained from a person if:*
 - (a) disclosure of the information could reasonably be expected to result in unfair competitive injury to the person submitting the information or would impair the ability of the governmental entity to obtain necessary information in the future;*
 - (b) the person submitting the information has a greater interest in prohibiting access than the public in obtaining access; and*
 - (c) the person submitting the information has provided the governmental entity with the information specified in Section 63G-2-309;*

** * * * **

- (6) records the disclosure of which would impair governmental procurement proceedings or give an unfair advantage to any person proposing to enter into a contract or agreement with a governmental entity, except that this*

Subsection (6) does not restrict the right of a person to see bids submitted to or by a governmental entity after bidding has closed;

GRAMA provides that trade secrets, commercial information or non-individual financial information may be protected by submitting a Claim of Business Confidentiality.

To protect information under a Claim of Business Confidentiality, the offeror ***must***:

1. provide a **written Claim of Business Confidentiality** at the time the information (proposal) is provided to the state, and
2. include a **concise statement of reasons** supporting the claim of business confidentiality (Subsection 63G-2-309(1)).
3. submit an electronic **“redacted” (excluding protected information) copy** of your proposal response. Copy must clearly be marked “Redacted Version.”

A Claim of Business Confidentiality may be appropriate for information such as client lists and non-public financial statements. **Pricing and service elements may not be protected.** The claim of business confidentiality must be submitted with your proposal on the form which may be accessed at:

<http://www.purchasing.utah.gov/contract/documents/confidentialityclaimform.doc>

An entire proposal cannot be identified as “PROTECTED”, “CONFIDENTIAL” or “PROPRIETARY” and may be considered non-responsive if marked as such.

To ensure the information is protected, the Division of Purchasing asks the offeror to clearly identify in the Executive Summary and in the body of the proposal any specific information for which an offeror claims business confidentiality protection as "PROTECTED".

All materials submitted become the property of the state of Utah. Materials may be evaluated by anyone designated by the state as part of the proposal evaluation committee. Materials submitted may be returned only at the State's option.

WORK FOR HIRE

Consultant agrees to transfer and assign, and hereby transfers and assigns, to State of Utah, without further compensation, the entire right, title and interest throughout the world in and to:

- (a) all Technical Information first produced by Consultant in the performance of this Agreement;
- (b) all Intellectual Property resulting from Consultant's activities under this Agreement;
- (c) all Intellectual Property relating to any Deliverables under this Agreement; and
- (d) creations and inventions that are otherwise made through the use of State of Utah or its affiliates' equipment, supplies, facilities, materials and/or Proprietary Information. All such Technical Information and Intellectual Property that are protectable by copyright will be considered work(s) made by Consultant for hire for State of Utah (as “works made for hire” is defined in the United States Copyright Act, 17 U.S.C. § 101) and will

belong exclusively to the State of Utah. If by operation of law any of such Technical Information or Intellectual Property is not owned in its entirety by the State of Utah automatically upon creation, Consultant agrees to transfer and assign, and hereby transfers and assigns, same as stated in the first sentence of this Section

TRAVEL TIME AND EXPENSES

Travel time/expenses/mileage, meals, car rental, and/or stipends expenses will not be reimbursed unless specifically noted.

Travel expenses for authorized trips will be reimbursed at then-current State of Utah per diem rates. The State will not pay for travel time.

Invoices for permissible non-per diem travel related expenses must include applicable receipts.

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DETAILED SCOPE OF WORK

The scope of work is based on the board's duties and requirements as outlined in the *Free Market Protection and Privatization Board Act* (UCA 63I-4a) which can be accessed at <http://le.utah.gov/UtahCode/section.jsp?code=63I-4a>. The *Utah Administrative Rulemaking Act* (UCA 63G-3) can be accessed at <http://le.utah.gov/UtahCode/section.jsp?code=63G-3>.

A. Services or work to be performed

1. *Design and implement a privatization review process*

Design and implement a privatization review process that:

- a. outlines ways and means to identify potential opportunities and to value them quantitatively;
- b. identifies and assesses qualitative factors to be considered;
- c. is streamlined, transparent, sustainable, structured but flexible, rigorous, and manages risk; and
- d. can be managed with the board's limited resources, including the Governor's Office of Management and Budget ("GOMB").

This process will be used to evaluate potential opportunities, review complaints of unfair government competition, or drill down on activities listed in the inventory required by UCA 63I-3a-402.

2. *Design and implement an accounting method*

Design and implement an accounting method as required by UCA 63I-4a-205. The accounting method should also provide for income analysis to determine feasibility and viability.

3. *Draft privatization standards, procedures and requirements*

Draft privatization standards, procedures and requirements, per UCA 63I-4a-203(1)(e), to be used in privatizing government services; include analytical tools, evaluation methodologies, approval processes, and controls.

4. *Draft an administrative rule*

Draft an administrative rule, consistent with the rule making procedure outlined in UCA 63G-3-301, to:

- a. implement the accounting method as required by UCA 63I-4a-205; and
- b. establish privatization standards, procedures, and requirements per UCA 63I-4a-203(1)(e).

(GOMB will file the proposed rule and conduct it through the state's administrative rule process.)

5. *Test and evaluate the process* (State option)

Test and evaluate the process designed above by preparing a case study of an activity selected by the board from opportunities identified by the process.

B. Timeline for completion of service or work

The timeline for completion of service or work shall commence with the signing of the contract and the work shall be completed within the number of days indicated in parentheses below:

1. *Design and implement a privatization review process* (60 days)
2. *Design and implement an accounting method* (60 days)
3. *Draft privatization standards, procedures and requirements* (90 days)
4. *Draft an administrative rule* (120 days)
5. *Test and evaluate the process* (180 days)

Presentation(s) to the board of the completed work product should be no later than the next board meeting (usually the second Thursday of each month) following the end of each of the timelines above.

C. How or where services or work is to be performed

Generally, the work is to be performed at the contractor's usual place of business and work product may be transmitted electronically to GOMB. To avoid unnecessary travel, time and expense, meetings requiring face time with board staff or other state employees may be accomplished via video conference.

The State does not wish to incur unnecessary costs for travel by the contractor. Therefore, non-local travel should be limited to presentation(s) before the board or as approved by GOMB.

PROPOSAL RESPONSE REQUIREMENTS

All offerors must submit proposals that detail their experience and qualifications as follows:

1) Demonstrated Technical Capability in multiple disciplines

Bidder must describe its experience and knowledge:

- of the public sector, preferably at the state and local government levels;
- of the private sector, particularly with respect to audit, consulting, and financial services;
- of the different forms of privatization, including its experience successfully developing and implementing privatization projects or processes in the United States;

2) Qualification and Expertise of staff proposed for this project

- Offeror must identify and list the Project Manager and Key Personnel who will be working on this project (offeror must include resumes for each).
- Offeror must define the reporting relationships and any specific responsibilities pertaining to the scope of work.

3) Proposed Plan of Action

- Offeror must provide a Comprehensive Plan of Action- Assuming a start date of January 15, 2014, provide a comprehensive plan of action accompanied by a timeline describing the approach and schedule to accomplish the tasks identified in the Scope of Work, and benchmarks to be achieved.

4) Demonstrated Financial Stability

- Offeror must provide include an income statement and balance sheet.

5) References

- Offeror must provide references from at least three privatization or policy development and implementation projects.

6) Approach

- Offeror must describe the approach and methodology bidder will recommend to the State to complete the project.
- Offeror must identify and describe analytical tools, pro forma applications, methodologies, or other items that the bidder believes will be useful to the process.

PROPOSAL RESPONSE FORMAT

All proposals must be organized and titled for the following headings:

1. **RFP Form.** The State's Request for Proposal form completed and signed. The information listed should list the Name, E-mail Address, Mailing Address, Telephone Number, and Facsimile number of the person the State should contact regarding the proposal.
2. **Section Title: Executive Summary.** The one or two page executive summary is to briefly describe the offeror's proposal. This summary should highlight the major features of the proposal. The reader should be able to determine the essence of the proposal by reading the executive summary.
3. **Section Title: Detailed Response.** This section should constitute the major portion of the proposal and must contain at least the following information:
 - A. A complete narrative of the offeror's assessment of the work to be performed, the offeror's ability and approach, and the resources necessary to fulfill the requirements. This should demonstrate the offeror's understanding of the desired overall performance expectations. Clearly indicate any options or alternatives proposed.
 - B. ***A specific point-by-point response***, in the order listed, to the **Technical Response Requirement** sections:
 1. **Demonstrated Technical Capability in multiple disciplines**
 2. **Qualification and Expertise of staff proposed for this project**
 3. **Proposed Plan of Action**
 4. **Demonstrated Financial Stability**

5. References

6. Approach

In any case wherein the offeror cannot comply with a provision outlined under the "Detailed Scope of Services and Requirements," such inability must be stated in response to the applicable requirement(s).

- C. Potential Conflicts of Interest - Identify any conflict, or potential conflict of interest, that might arise during the course of the project. If no conflicts are expected, include a statement to that effect in the Proposal.

4. **Section Title: Protected Information. All protected/proprietary information must be included in this section of proposal response.** Do not incorporate protected information throughout the proposal. Rather, provide a reference in the proposal response directing reader to the specific area of this Protected Information section.
5. **Section Title: Cost Proposal.** Cost will be evaluated independently from the Technical proposal. Please enumerate all costs on the attached **Attachment C - Cost Proposal Form**.

Cost is to be submitted as a separate document. Inclusion of any cost or pricing data within the technical proposal may result in your proposal being judged as non-responsive.

PROPOSAL EVALUATION

All proposals received in response to this RFP will be evaluated by an Evaluation Committee in a manner consistent with the Utah Procurement code, rules, policies, and evaluation criteria established in this RFP.

Each Offeror bears sole responsibility for the items included or not included within the response submitted by the Offeror.

This is a Multiple Stage solicitation.

Stage 1: Determination of Responsiveness

In Stage One of the process, the evaluation committee will review all proposals timely received to determine their responsiveness to the RFP. Non-responsive proposals (proposals that fail to conform to all material respects of this RFP) will be disqualified from further consideration and will not move on to stage two.

The State reserves the right to disqualify any proposal for:

- (a) a violation of the Utah Procurement Code;
- (b) a violation of a requirement of this RFP, including significant deviations or exceptions;
- (c) unlawful or unethical conduct; or
- (d) a change in circumstances that, had the change been known at the time the proposal was submitted, would have caused the proposal to be disqualified or not have the highest score.

Proposals determined to be non-responsive (those not conforming to RFP requirements) will be eliminated.

Stage 2: Detailed Technical Evaluation

Stage Two will consist of a detailed evaluation of the proposals that have not been disqualified in Stage One. A committee will evaluate proposals against the weighted **Technical Criteria** identified on the "RFP EVALUATION SCORESHEET (see **Attachment B- Proposal Evaluation Score Sheet**)."

TECHNICAL EVALUATION CRITERIA (700 Points Possible)

- 1) Demonstrated Technical Capability in multiple disciplines (110 points possible)
- 2) Qualification and Expertise of staff proposed for this project (105 points possible)
- 3) Proposed Plan of Action (100 points possible)
- 4) Demonstrated Financial Stability (35 points possible)
- 5) References (70 points possible)
- 6) Approach (280 points possible)

- *Total Technical Evaluation: 70% of the available TOTAL points (Includes all evaluation criteria except cost)*

Each area of the evaluation criteria **MUST** be addressed in detail in the proposal.

Only those Proposals that achieve 70% of the possible Total Technical score (490 points) will proceed on to Stage 3: Cost Proposal Evaluation. Proposals with a score of less than the minimum required technical score will be deemed unacceptable and ineligible for further consideration.

If only one proposal receives the minimum score of 70%, the State reserves the right to reduce the minimum score requirement at its discretion. If the State chooses to reduce the minimum score requirement it shall be done in 5% increments until such time as the procurement officer determines in writing that no further reductions in the minimum score will

be conducted. The determination shall include a justification for the reduction and the reason for the cessation of further reductions.

Stage 3: Cost Proposal Evaluation

Proposals successful in the Technical Evaluation will advance to Stage 3 Cost Proposal Evaluation as follows:

COST EVALUATION CRITERIA (300 Points Possible)

- *Cost Evaluation* *30 % of the available TOTAL points*

Evaluation of Cost Proposals: The offeror with the lowest cost will receive the maximum available Cost points. All other offerors will receive points as determined by the ratio* of their cost to the lowest offered cost. Final price scores will be calculated based on the following:

**Ratio Calculation: Points assigned to each offeror's cost proposal will be based on the Lowest Offered Cost. The offeror with the lowest offered cost will receive 100% of the cost points. All other offerors will receive a portion of the total cost points based on what percentage higher their offered cost is than the Lowest Offered Cost. An Offeror whose offered cost is more than double (200%) the Lowest Offered Cost will receive no points. The formula to compute the points is: $\text{Cost Points} \times (2 - \frac{\text{offered cost}}{\text{Lowest Offered Cost}})$.*

DISCUSSIONS WITH OFFERORS (OPTIONAL)

After proposals are received and opened and Stage One has been completed, the procurement officer may conduct discussions with the offerors and allow the offerors to make best and final offers after discussions.

If discussions are held, the procurement officer will:

- a) ensure that each offeror receives fair and equal treatment with respect to the other offerors;
- b) establish a schedule and procedures for conducting discussions;
- c) ensure that information in each proposal and information gathered during discussions is not shared with other offerors until the contract is awarded;
- d) ensure auction tactics are not used in the discussion process, including discussing and comparing the costs and features of other proposals; and
- e) if necessary, set a common date and time for the submission of best and final offers.

If an offeror chooses not to participate in a discussion or does not make a timely best and final

offer, the offer submitted by the offeror before the conduct of discussions shall be treated as the offeror's best and final offer.

ORAL PRESENTATIONS (OPTIONAL)

If, after completing Stage Two Detailed Technical Evaluation, it is determined by the procurement officer that oral presentations are necessary to assist the Evaluation Committee in finalizing the scoring of proposals, they will be scheduled by the procurement officer.

The offeror's original proposal cannot be changed in any aspect at the oral presentation. The oral presentation will provide offerors the opportunity to bring to the attention of the Evaluation Committee any aspects of their offer that may contribute to the selection of their response. It is an opportunity for offerors to sell the merits of their submission.

Offerors are advised that the Evaluation Committee will be afforded the opportunity to revise their detailed technical evaluation scores based upon the oral presentation.

The procurement officer shall establish a date and time for the oral presentations and will notify eligible offerors of the protocols, procedures, and structure of the oral presentations. Oral presentations will be made at the offeror's expense.

INTERVIEWS (OPTIONAL)

The purpose of the interview is to allow the offeror to present its qualifications, past performance, management plan, schedule, and general plan for accomplishing the scope of work. It will also provide an opportunity for the Evaluation Committee to seek any needed clarifications from the offeror. The procurement officer will notify eligible offerors of the date and time of the interview and who should be in attendance. Unless otherwise noted, the attendance of sub-consultants is at the discretion of the offeror. The method of presentation is at the discretion of the offeror.

COST-BENEFIT ANALYSIS

The Utah Procurement Code §63G-6a-708, requires a cost-benefit analysis to be completed by the State if the highest score awarded by the Evaluation Committee, including the score for cost, is awarded to a proposal other than the lowest cost proposal, and the difference between the cost of the highest scored proposal and the lowest cost proposal exceeds the greater of \$10,000 or 5% of the lowest cost proposal. The statute outlines the procedures and processes to be used by the State prior to making a final award.

AWARD OF CONTRACT

After the evaluation and final scoring of proposals is completed, the procurement officer shall award the contract as soon as practicable to the eligible responsive and responsible offeror with the highest score.

**REQUEST FOR PROPOSAL
PRIVATIZATION REVIEW PROCESS
Solicitation #DRAFT**

Attachment C- Proposal Evaluation Score Sheet

Firm Name: _____

Evaluator: _____

Date: _____

Score will be assigned as follows:

0 = Failure- no response

1 = Poor, inadequate, fails to meet requirement

2 = Fair, only partially responsive

3 = Average, meets minimum requirement

4 = Above average, exceeds minimum requirement

5 = Superior

Any final fractional scores will be rounded up or down, with .5 rounding up.

EVALUATION CRITERIA	Points Possible	Score (0 - 5)	Weight	Points
Technical Evaluation Criteria (70% of Total Possible Points)				
1. Demonstrated Technical Capability in multiple disciplines (110 points)				
<ul style="list-style-type: none"> How well aligned with the project is the offeror's experience in the Public sector, preferably at the state and local government levels? 	40 points		X8	
<ul style="list-style-type: none"> How well aligned with the project is the offeror's experience in the Private sector, particularly with respect to audit, consulting, and financial services? 	30 points		X6	
<ul style="list-style-type: none"> How well aligned with the project is the offeror's experience with the Different forms of privatization, including its experience to successfully develop and implement privatization projects or processes in the United States? 	40 points		X8	
2. Qualification and Expertise of staff proposed for this project (105 points)				
<ul style="list-style-type: none"> How well aligned with the project is the offeror's Project Manager? 	50 points		X10	
<ul style="list-style-type: none"> How well aligned with the project is the offeror's Key staff? 	40 points		X8	
<ul style="list-style-type: none"> How well aligned with the project is the offeror's staff reporting relationships and specific responsibilities pertaining to the scope of work? 	15 points		X3	
3. Proposed Plan of Action (100 points)				
<ul style="list-style-type: none"> How well aligned with the project is the offeror's Ability to meet Project Schedule? Offeror must provide a Project Schedule - Assuming a start date of January 15, 2014, provide a comprehensive plan of action 	100 points		X20	

4. Demonstrated financial stability (35 points)				
• How financial stable is the offeror?	35 points		X7	
5. References (70 points)				
• How well aligned with the project is the offeror's References (at least one from each type)?	70 points		X14	
6. Approach (280 points)				
• How well aligned with the project is the offeror's approach and methodology recommended to the State to complete the project?	140 points		X28	
• How well aligned with the project is the offeror's proposed tools, applications, methodologies?	140 points		X28	
Cost Evaluation Criteria (30% of Total Possible Points)				
7. Cost (300 points)				*Inserted by Purchasing
TOTAL EVALUATION POINTS				

* Purchasing will use the following cost formula: The points assigned to each offeror's cost proposal will be based on the lowest proposal price. The offeror with the lowest Proposed Price will receive 100% of the price points. All other offerors will receive a portion of the total cost points based on what percentage higher their Proposed Price is than the Lowest Proposed Price. An offeror whose Proposed Price is more than double (200%) the Lowest Proposed Price will receive no points. The formula to compute the points is: $\text{Cost Points} \times (2 - \frac{\text{Proposed Price}}{\text{Lowest Proposed Price}})$.

**REQUEST FOR PROPOSAL
PRIVATIZATION REVIEW PROCESS
Solicitation #DRAFT**

Attachment B- Cost Proposal Form

To be submitted separately from response document

Submitted by: _____

Cost is to be submitted based on the following:
(Any deviation from this format may result in disqualification of proposal.)

I. Provide a “not to exceed” price bid for each of the project elements:

- | | |
|--|-----------------|
| 1. <i>Design and implement a privatization review process</i> | \$ _____ |
| 2. <i>Design and implement an accounting method</i> | \$ _____ |
| 3. <i>Draft privatization standards, procedures and requirements</i> | \$ _____ |
| 4. <i>Draft an administrative rule</i> | \$ _____ |
| 5. <i>Test and evaluate the process (State option)</i> | \$ _____ |
| Total Cost for Project | \$ _____ |

Note: The Total Cost for Project will be used as the basis for assigning Cost Points in the RFP evaluation.

Purchasing will use the following cost formula: The points assigned to each offerors cost proposal will be based on the lowest proposal price. The offeror with the lowest Proposed Price will receive 100% of the price points. All other offerors will receive a portion of the total cost points based on what percentage higher their Proposed Price is than the Lowest Proposed Price. An offeror whose Proposed Price is more than double (200%) the Lowest Proposed Price will receive no points. The formula to compute the points is: $\text{Cost Points} \times (2 - \text{Proposed Price} / \text{Lowest Proposed Price})$.

II. Provide the anticipated budget for hours and rates:

1. Design and implement a privatization review process

	Rate	Hours	Rate * Hours
Project Manager			
Project Staff			
Project Staff			
Project Staff			
Other			
Total			

2. Design and implement an accounting method

	Rate	Hours	Rate * Hours
Project Manager			
Project Staff			
Project Staff			
Project Staff			
Other			
Total			

3. Draft privatization standards, procedures and requirements

	Rate	Hours	Rate * Hours
Project Manager			
Project Staff			
Project Staff			
Project Staff			
Other			
Total			

4. Draft an administrative rule

	Rate	Hours	Rate * Hours
Project Manager			
Project Staff			
Project Staff			
Project Staff			
Other			
Total			

5. Test and evaluate the process (State option)

	Rate	Hours	Rate * Hours
Project Manager			
Project Staff			
Project Staff			
Project Staff			
Other			
Total			

III. Provide the anticipated budget for travel and other expenses:

- 1. *Design and implement a privatization review process* \$ _____
- 2. *Design and implement an accounting method* \$ _____
- 3. *Draft privatization standards, procedures and requirements* \$ _____
- 4. *Draft an administrative rule* \$ _____
- 5. *Test and evaluate the process (State option)* \$ _____

*Costs of travel will be reimbursed at the then-current per diem rate set by the State of Utah Travel Policy, as found at:

<http://www.rules.utah.gov/publicat/code/r025/r025-007.htm>

Conflict of Interest – Confidentiality Statement

Agency: _____ Solicitation Number: _____
 Project Title: _____

I, _____, hereby affirm that as a member of the selection committee for the above-mentioned project, I will discharge my responsibility without bias towards any party.

I hereby affirm that, to the best of my knowledge, no conflict of interest exists as to any matter which will be entrusted in my participation as a selection committee member.

I hereby affirm that, to the best of my knowledge, I do not have any private interest that will be enhanced as a result of my participation as a selection committee member. I have no interest in any entity or firm that may benefit from my participation as a selection committee member. "Interest" means ownership by myself or any spouse or minor child of any of the following: outstanding capital stock of a corporation, interest, agency or employee relationship with any corporation or other business entity.

I hereby affirm that, to the best of my knowledge, I have no relative that will be appointed or selected as part of any firm or entity as a result of my participation as a selection committee member. "Relative" means a father, mother, husband, wife, son, daughter, sister, brother, uncle, aunt, nephew, niece, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, first cousin, member of my household or anyone anticipated to be any of the above stated.

I hereby affirm that there will be no unlawful discrimination involved in my participation as a selection committee member.

I hereby affirm that neither I nor any of my close relatives have a financial interest in the project and that I have not been contacted by any firm or any person representing a firm that is vying for this project in an attempt to influence my vote.

I understand that all information contained in the proposals and information regarding the evaluation process is protected and as such cannot be released or discussed in any manner with other offerors or individuals not involved in the proposal evaluation process. I agree that I will not discuss or share any information provided in the submittals or interviews with anyone other than the selection committee members and State Purchasing prior to the completion of the selection process and I will not discuss or disseminate the deliberations of the selection committee, the basis for the selection, or any information identified as protected.

Signature: _____

Date: _____

Print Name: _____

Agency: _____

(If an evaluator has any relationship or bias toward any offeror, or any relationship or bias that may create the perception of bias, the prospective committee member shall immediately make a written disclosure to the purchasing agent, and a determination will be made by the Division of Purchasing of the appropriateness of the prospective committee member sitting on the evaluation committee).

Proposals to be evaluated:

Commercial Services Inventory					
Services highlighted in grey are those that have been determined to be "Commercial" in nature.					
Services marked both as "Commercial" and "Inherently Governmental" have aspects that are considered to fall into both categories (i.e., - commercial activities that private industry doesn't provide, etc.).					
Services marked "Further Study Required" are currently being assessed for their privatization capabilities.					
Note that services marked as commercial do not necessitate a designation of "privatizable". Some services should not be privatized due to cost benefit analysis - or structural considerations.					
Public Service Commission					
<i>Services</i>	<i>Commercial</i>	<i>Inherently governmental</i>	<i>Already Privatized</i>	<i>Further Study Required</i>	<i>Privatization Study Recommended</i>
Utility Services					
Oversight & Hearing		X			
Adjudicatory Orders		X			
Audit & Adjudicatory Proceedings		X			
Energy Efficiency & Conservation		X			

Public Service Commission		
Board reviews 11/14/2013		
Utility Services		
Oversight and Administrative Hearings: Ensures safe, reliable, adequate, and reasonably priced utility services.		
1. Private Industry Competition? Y/N	N	
2. In Yellow Pages? Y/N	N	
3. More than one competitor? Y/N	N	
Analyst Recommends Further Review	N	
Adjudicatory Orders: Ensures that all adjudicatory orders are thorough, understandable and comply with statutory requirements.		
1. Private Industry Competition? Y/N	N	
2. In Yellow Pages? Y/N	N	
3. More than one competitor? Y/N	N	
Analyst Recommends Further Review	N	
Audit and Adjudicatory Proceedings: Ensures that all information filed by regulated utilities, including financial information, is accurate.		
1. Private Industry Competition? Y/N	N	
2. In Yellow Pages? Y/N	N	
3. More than one competitor? Y/N	N	
Analyst Recommends Further Review	N	
Utah's Goals for Energy Efficiency and conservation: Promote Utah's goals for energy efficiency and conservation. Conduct investigative dockets, public hearings, participate in legislative interim committees and adopt appropriate rules.		
1. Private Industry Competition? Y/N	N	
2. In Yellow Pages? Y/N	N	
3. More than one competitor? Y/N	N	
Analyst Recommends Further Review	N	

PRIVATIZATION POLICY BOARD SURVEY: PUBLIC SERVICE COMMISSION

Please provide written summaries for A, B, and C questions and Circle either Yes/No for D, E, and F for each of the major services/functions performed by the Public Service Commission:

Service/Function #1 (Oversight and Administrative Hearings)

- A. Please describe the service/function so there is a clear understanding of the service and how it operates. **The primary responsibility of the Commission is to ensure safe, reliable, adequate, and reasonably priced utility service.**
- B. What process does the division use to determine which services /functions will be provided? **The Commission conducts hearings and investigations of utility company operations in order to determine just and reasonable rates for service.**
- C. Which services have been evaluated in the past 5 years, to determine if the service/function can be provided by commercial/private companies? Please provide information regarding the evaluation conclusion. **This is an inherently governmental function.**
- D. Is the service/function available in the Private sector? **Y/N No**
- E. Is the service/function advertised in the Yellow Pages or on the Internet? **Y/N No**
- F. If the service/function is available in the Private Sector, is there more than one competitor within the Private Sector? **Y/N No**

Service/Function #2 (Adjudicatory Orders)

- A. Please describe the service/function so there is a clear understanding of the service and how it operates. **Insure that adjudicatory orders are through, understandable and comply with statutory requirements.**
- B. What process does the division use to determine which services /functions will be provided? **Legal review, public posting of orders and feedback from interested parties.**
- C. Which services have been evaluated in the past 5 years, to determine if the service/function can be provided by commercial/private companies? Please provide information regarding the evaluation conclusion. **This is an inherently governmental function. Final orders can only be reviewed by the Utah Supreme Court.**
- D. Is the service/function available in the Private sector? **Y/N No**
- E. Is the service/function advertised in the Yellow Pages or on the Internet? **Y/N No**
- F. If the service/function is available in the Private Sector, is there more than one competitor within the Private Sector? **Y/N No**

Service/Function #3 (Audit and Adjudicatory Proceedings)

- A. Please describe the service/function so there is a clear understanding of the service and how it operates. **Insure that information filed by regulated utilities, including financial information, is accurate.**
- B. What process does the division use to determine which services /functions will be provided? **Periodic audits and adjudicatory proceedings.**

- C. Which services have been evaluated in the past 5 years, to determine if the service/function can be provided by commercial/private companies? **This is an inherently governmental function.**
- D. Is the service/function available in the Private sector? **Y/N No**
- E. Is the service/function advertised in the Yellow Pages or on the Internet? **Y/N No**
- F. If the service/function is available in the Private Sector, is there more than one competitor within the Private Sector? **Y/N No**

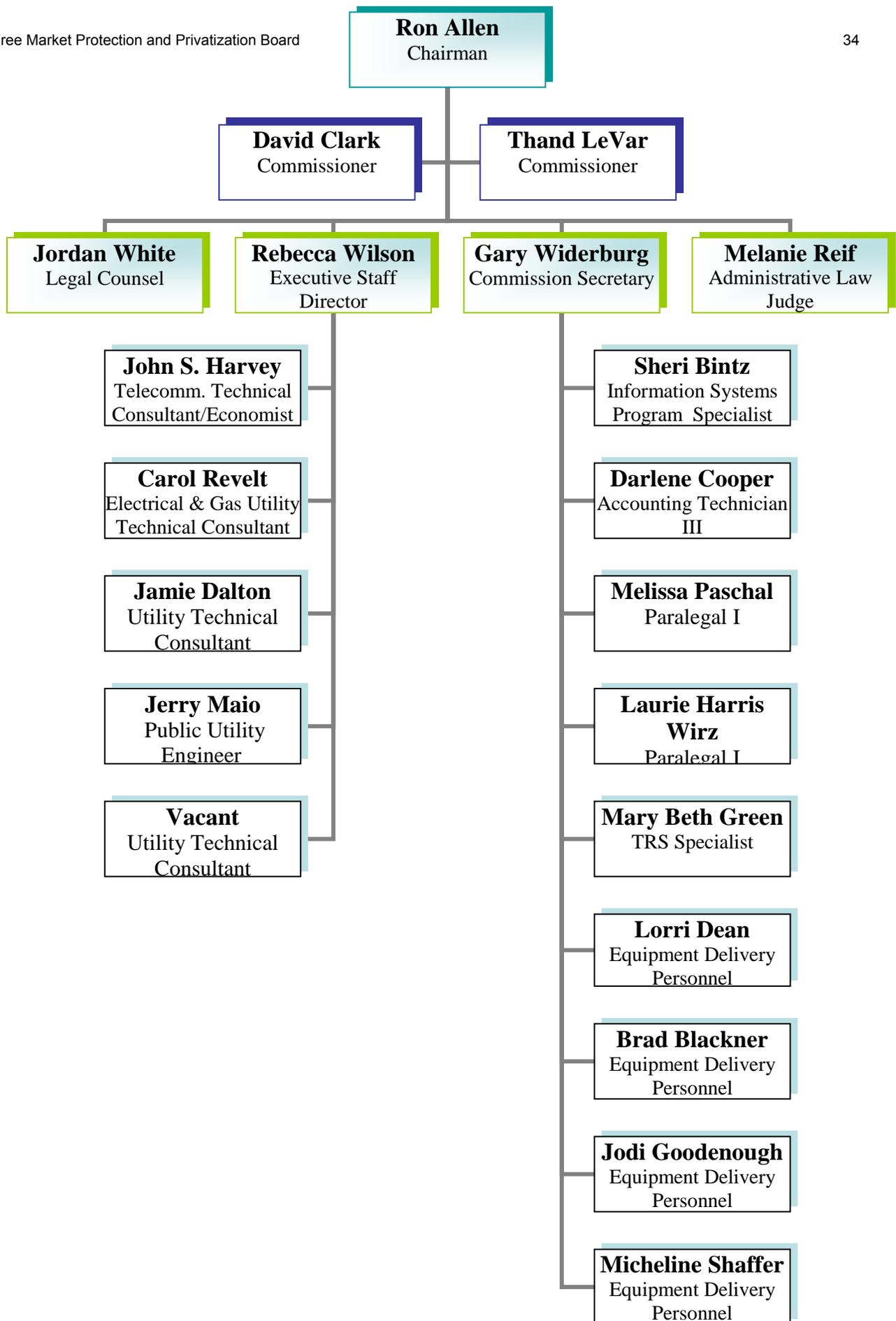
Service/function #4 (Utah's Goals for Energy Efficiency and Conservation)

- A. Please describe the service/function so there is a clear understanding of the service and how it operates. **Promote Utah's goals for energy efficiency and conservation.**
- B. What process does the division use to determine which services /functions will be provided? **Conduct investigative dockets, public hearings, participate in legislative interim committees and adopt appropriate rules.**
- C. Which services have been evaluated in the past 5 years, to determine if the service/function can be provided by commercial/private companies? Please provide information regarding the evaluation conclusion. **This is an inherently governmental function.**
- D. Is the service/function available in the Private sector? **Y/N No**
- E. Is the service/function advertised in the Yellow Pages or on the Internet? **Y/N No**
- F. If the service/function is available in the Private Sector, is there more than one competitor within the Private Sector? **Y/N No**

Public Service Commission Personnel

Oct 21, 2013

<i>Chairman</i>	.	.	.	.	.	.	.	.	.	<i>Ron Allen</i>
<i>Commissioner</i>	.	.	.	.	.	.	.	.	.	<i>David Clark</i>
<i>Commissioner</i>	.	.	.	.	.	.	.	.	.	<i>Thad LeVar</i>
<i>Commission Secretary</i>	.	.	.	.	.	.	.	.	.	<i>Gary Widerburg</i>
<i>Executive Staff Director</i>	.	.	.	.	.	.	.	.	.	<i>Rebecca Wilson</i>
<i>Legal Counsel</i>	.	.	.	.	.	.	.	.	.	<i>Jordan White</i>
<i>Administrative Law Judge</i>	.	.	.	.	.	.	.	.	.	<i>Melanie Reif</i>
<i>Telecommunications Technical Consultant/Economist</i>	.	.								<i>John Harvey</i>
<i>Utility Technical Consultant</i>	.	.	.	.	.	.	.	.	.	<i>Jamie Dalton</i>
<i>Electric and Gas Utility Technical Consultant</i>	.	.	.							<i>Carol Revelt</i>
<i>Public Utility Engineer</i>	.	.	.	.	.	.	.	.	.	<i>Jerry Maio</i>
<i>Information Systems Program Support Specialist.</i>	.	.	.	.	.	.	.	.	.	<i>Sheri Bintz</i>
<i>Accounting Technician</i>	.	.	.	.	.	.	.	.	.	<i>Darlene Cooper</i>
<i>Paralegal</i>	.	.	.	.	.	.	.	.	.	<i>Laurie Harris Wirz</i>
<i>Paralegal</i>	.	.	.	.	.	.	.	.	.	<i>Melissa Paschal</i>
<i>TRS Specialist</i>	.	.	.	.	.	.	.	.	.	<i>Mary Beth Green</i>
<i>Equipment Delivery Personnel</i>	.	.	.	.	.	.	.	.	.	<i>Lorri Dean</i>
<i>Equipment Delivery Personnel</i>	.	.	.	.	.	.	.	.	.	<i>Brad Blackner</i>
<i>Equipment Delivery Personnel</i>	.	.	.	.	.	.	.	.	.	<i>Jodi Goodenough</i>
<i>Equipment Delivery Personnel</i>	.	.	.	.	.	.	.	.	.	<i>Micheline Shaffer</i>



Commercial Services Inventory					
Services highlighted in grey are those that have been determined to be "Commercial" in nature.					
Services marked both as "Commercial" and "Inherently Governmental" have aspects that are considered to fall into both categories (i.e., - commercial activities that private industry doesn't provide, etc.).					
Services marked "Further Study Required" are currently being assessed for their privatization capabilities.					
Note that services marked as commercial do not necessitate a designation of "privatizable". Some services should not be privatized due to cost benefit analysis - or structural considerations.					
Department of Technology Services					
<i>Services</i>	<i>Commercial</i>	<i>Inherently governmental</i>	<i>Already Privatized</i>	<i>Further Study Required</i>	<i>Privatization Study Recommended</i>
Infrastructure					
Hosting Services	X	X		Y	
Network Services	X	X		Y	
Telecommunication Services	X	X	X	Y	
Desktop Services		X	X		
Application Development					
Development Services	X	X	X	Y	

Department of Technology Services		
Board reviews 11/14/2013		
Infrastructure		
Hosting Services: Manage servers, storage, and backup/restore services for executive branch agencies.		
1. Private Industry Competition? Y/N	Y	
2. In Yellow Pages? Y/N	Y	
3. More than one competitor? Y/N	Y	
Analyst Recommends Further Review	Y	Ask for rate study mentioned in survey.
Network Services: Operates network services for executive branch agencies.		
1. Private Industry Competition? Y/N	Y	
2. In Yellow Pages? Y/N	Y	
3. More than one competitor? Y/N	Y	
Analyst Recommends Further Review	Y	
Telecommunication Services: Provides all telephony services for executive branch agencies.		
1. Private Industry Competition? Y/N	Y	
2. In Yellow Pages? Y/N	Y	
3. More than one competitor? Y/N	Y	
Analyst Recommends Further Review	Y	Video conferencing, voice and data are outsourced. Ask for rate study mentioned in survey.
Desktop Services: Provides desktop services for all government-owned desktop devices.		
1. Private Industry Competition? Y/N	Y	
2. In Yellow Pages? Y/N	Y	
3. More than one competitor? Y/N	Y	
Analyst Recommends Further Review	Y	Email is outsourced. Ask for rate study mentioned in survey.
Application Development		
Development Services: Provides database design, application programming, integration with existing systems, and data conversions and transmissions.		
1. Private Industry Competition? Y/N	Y	
2. In Yellow Pages? Y/N	Y	
3. More than one competitor? Y/N	Y	
Analyst Recommends Further Review	Y	Considerable outsourcing currently. Ask for rate study mentioned in survey.

PRIVATIZATION POLICY BOARD SURVEY: DEPARTMENT OF TECHNOLOGY SERVICES

Infrastructure – Hosting Services

- A. Please describe the service/function so there is a clear understanding of the service and how it operates.

The Department of Technology Services (DTS), Hosting Services product involves the management of servers, storage, and backup/restore services for executive branch agencies within the State. It includes installation, deployment, maintenance and support of the operating system (OS), web server, and application server software. The customer is responsible for the costs of securing proprietary software, application server software, database software, and for software maintenance. DTS Infrastructure will be responsible for the funding of hardware, and hardware maintenance related to the server environment. Security revisions, version upgrades, as well as data storage, data backup/restoration and other services required for maintaining the stability, safety, and peak functionality of the server are performed by system administrators within the Infrastructure Hosting group. DTS maintains 2 data centers within the State for all servers.

A complete product description listing can be viewed at <http://dts.utah.gov/get-a-product-service/dts-enterprise-hosting-services.php>

- B. What process does the division use to determine which services /functions will be provided?

The Department of Technology Services determines which services will be provided based on customer agency business requirements. Each Executive Branch Agency signs a Service Level Agreement with DTS on an annual basis, which defines and clarifies the major information technology products and services provided by DTS in support of the business objectives of the customer agency. Service Level Agreements can be viewed at <http://dts.utah.gov/service-level-agreements/index.php>

- C. Which services have been evaluated in the past 5 years, to determine if the service/function can be provided by commercial/private companies? Please provide information regarding the evaluation conclusion.

DTS reviewed the possibility of outsourcing the Mainframe, as the number of users is decreasing and the system is becoming more expensive to maintain. Results of the study indicated that it is cheaper and more efficient for DTS to support the Mainframe; however, DTS is continually looking for options to outsource the Mainframe services. DTS has commissioned an annual independent study of rates to compare against 20 other states, various private internal service providers, and local competition to determine if rates are within market benchmarks.

- D. Is the service/function available in the Private sector? **Yes; however, there are security issues and potential risks that must be taken into consideration with the use of Private sector Hosting services.**
- E. Is the service/function advertised in the Yellow Pages or on the Internet? **Yes**

- F. If the service/function is available in the Private Sector, is there more than one competitor within the Private Sector? **Yes**

Infrastructure – Network Services

- A. Please describe the service/function so there is a clear understanding of the service and how it operates.

The Department of Technology Services (DTS) operates a State Wide Area Network (WAN) as well as the State Local Area Networks (LAN) for all State of Utah Executive Branch agencies. DTS also provides WAN services for State and other government agencies with enterprise-wide, intra-state network services.

The State WAN provides gateway services to the public Internet and functions as a private fault tolerant network, connecting facilities in geographic locations statewide.

In FY2009, WAN and LAN services merged into Network Services, delivering jack-to-jack connectivity to agency customers, using a single rate.

Network Services include IP addressing, Domain Name System (DNS), primary domain e-mail service, Internet access, web content filtering, security products such as firewalls, VPN termination and intrusion prevention systems (IPS), wireless connectivity and the necessary tools and staff to support these services.

A complete product description listing can be viewed at <http://dts.utah.gov/get-a-product-service/network-services.php>

- B. What processes does the division use to determine which services/functions will be provided?

The Department of Technology Services determines which services will be provided based on customer agency business requirements. Each Executive Branch Agency signs a Service Level Agreement with DTS on an annual basis, which defines and clarifies the major information technology products and services provided by DTS in support of the business objectives of the customer agency. Service Level Agreements can be viewed at <http://dts.utah.gov/service-level-agreements/index.php>

- C. Which services have been evaluated in the past 5 years, to determine if the service/function can be provided by commercial/private companies? Please provide information regarding the evaluation conclusion.

Network connectivity services are contracted through outside vendors. DTS does not own any fiber network lines. DTS only provides the administration and security of the network. DTS has commissioned an annual independent study of rates to compare against 20 other states, various private internal service providers, and local competition to determine if rates are within market benchmarks.

- D. Is the service/function available in the Private sector? **Yes, and is currently mostly outsourced through contracted vendors.**
- E. Is the service/function advertised in the Yellow Pages or on the Internet? **Yes**

- F. If the service/function is available in the Private Sector, is there more than one competitor within the Private Sector? **Yes**

Infrastructure – Telecommunication Services

- A.** Please describe the service/function so there is a clear understanding of the service and how it operates.

DTS provides all telephony services for Executive Branch Agencies. This includes all Voice Services, Phone Tech Labor, Communication sites, Microwave services, State Radio System, Radio Labor and installation. DTS also provides Phone Tech Labor which includes installation, maintenance, and repair of a variety of telecommunication and network services including, voice system hardware, connectivity, routers, switches and PBXs, fiber connectivity and other associated communication equipment and services.

A complete product description listing can be viewed at <http://dts.utah.gov/get-a-product-service/index.php#>

- B.** What process does the division use to determine which services /functions will be provided?

The Department of Technology Services determines which services will be provided based on customer agency business requirements. Each Executive Branch Agency signs a Service Level Agreement with DTS on an annual basis, which defines and clarifies the major information technology products and services provided by DTS in support of the business objectives of the customer agency. Service Level Agreements can be viewed at <http://dts.utah.gov/service-level-agreements/index.php>

- C.** Which services have been evaluated in the past 5 years, to determine if the service/function can be provided by commercial/private companies? Please provide information regarding the evaluation conclusion.

DTS evaluated Video conferencing and determined it is cheaper and more efficient to outsource services through a contracted vendor. DTS recently evaluated Phone Tech Labor services and determined that it is cheaper and in the best interest of the State to continue to provide these services internally. DTS is currently working to migrate the Radio and Microwave services to UCAN. The Government Communications Task Force, a Legislative committee, is currently reviewing the possibility of the migration. DTS has also recently awarded a contract for a Unified Communications project. An RFP was solicited for a hosted, managed, or on premise Unified Communications solution. Of all responses received, one hosted response was submitted and it was deemed to be cost prohibitive. DTS selected an on premise solution, as it was the most cost effective. DTS has commissioned an annual independent study of rates to compare against 20 other states, various private internal service providers, and local competition to determine if rates are within market benchmarks.

All voice circuits, data circuits, and some labor is contracted through outside vendors.

- D. Is the service/function available in the Private sector? **Yes, and is currently mostly outsourced through contracted vendors. Radio and microwave services are performed internally due to security risks (public safety information).**
- E. Is the service/function advertised in the Yellow Pages or on the Internet? **Yes**
- F. If the service/function is available in the Private Sector, is there more than one competitor within the Private Sector? **Yes**

Infrastructure – Desktop Services

- A. Please describe the service/function so there is a clear understanding of the service and how it operates.

DTS provides desktop services for government-owned desktop devices that reside in the customer environment and access the State's business systems. Equipment such as notebook PCs, desktop PCs, monitors, docking stations, external media drives, system printers etc. are included. DTS ensures access to applications accessed from the desktop. This includes:

- Initial setup, configuration and installation of desktop computer hardware and peripherals. May also include cabling from the wiring closet to the jack where desktop is installed, and cable wiring from the jack to the actual desktop equipment depending on location. Some wiring and network connectivity will be coordinated with DTS network support personnel.
- Installation, configuration, and troubleshooting on desktop equipment of a business required set of software applications used on the desktop.
- Customer support for operational issues, questions, and concerns.
- Operating system support and maintenance, including troubleshooting and installation of software patches or updates.
- Operating system upgrades.
- Email administration

A complete product description listing can be viewed at <http://dts.utah.gov/get-a-product-service/desktop-services.php>

- B. What process does the division use to determine which services /functions will be provided?

The Department of Technology Services determines which services will be provided based on customer agency business requirements. Each Executive Branch Agency signs a Service Level Agreement with DTS on an annual basis, which defines and clarifies the major information technology products and services provided by DTS in support of the business objectives of the customer agency. Service Level Agreements can be viewed at <http://dts.utah.gov/service-level-agreements/index.php>

- C. Which services have been evaluated in the past 5 years, to determine if the service/function can be provided by commercial/private companies? Please provide information regarding the evaluation conclusion.

DTS has recently outsourced email to Google. DTS has commissioned an annual independent study of rates to compare against 20 other states, various private internal service providers, and local competition to determine if rates are within market benchmarks.

- D. Is the service/function available in the Private sector? **Yes**
- E. Is the service/function advertised in the Yellow Pages or on the Internet? **Yes**

- F. If the service/function is available in the Private Sector, is there more than one competitor within the Private Sector? **Yes**

Application Development Services

- A. Please describe the service/function so there is a clear understanding of the service and how it operates.

This product encompasses the full range of application development activities, including database design, internal design, application programming, integration with existing systems, and data conversions and transmissions. Web-based, stand-alone, and mobile applications can be designed and built using a variety of technologies, including Java, .NET, PHP, and PowerBuilder. Application support after deployment is also available to provide application problem resolution and ensure compatibility with upgraded hosting environments.

A complete product description listing can be viewed at <http://dts.utah.gov/get-a-product-service/application-development-and-support.php>

- B. What process does the division use to determine which services /functions will be provided?

The Department of Technology Services determines which services will be provided based on customer agency business requirements. Each Executive Branch Agency signs a Service Level Agreement with DTS on an annual basis, which defines and clarifies the major information technology products and services provided by DTS in support of the business objectives of the customer agency. Service Level Agreements can be viewed at <http://dts.utah.gov/service-level-agreements/index.php>

- C. Which services have been evaluated in the past 5 years, to determine if the service/function can be provided by commercial/private companies? Please provide information regarding the evaluation conclusion.

DTS currently employs many contractors to help with additional application development skills as needed. DTS has also purchased many software applications from outside vendors such as Enwisen, GenTax, Service Now, TUAM, and ChangePoint. DTS has commissioned an annual independent study of rates to compare against 20 other states, various private internal service providers, and local competition to determine if rates are within market benchmarks.

- D. Is the service/function available in the Private sector? **Yes; however, there is a risk of knowledge transfer issues with the maintenance of over 1,000 business applications throughout the state.**
- E. Is the service/function advertised in the Yellow Pages or on the Internet? **Yes**
- F. If the service/function is available in the Private Sector, is there more than one competitor within the Private Sector? **Yes**

FY2014 DTS Rate Analysis

Prepared for:
State of Utah
Department of Technology Services

Prepared by:

SAIC[®]

8/1/13

Study Objectives

- Analyze DTS rates in support/fulfillment of legislative mandates:
 - Chief Information Officer (CIO) and Executive Director of the Department of Technology Services (DTS) is required to---
 - provide information technology (IT) and telecom services to all Executive Branch Agencies and other customers at the lowest practical cost,
 - prescribe a schedule of fees for all services rendered,
 - ensure all fees are equitable,
 - base rates on a zero-based full cost accounting of activities,
 - establish cost-based service rates and fees, and
 - “conduct a market analysis...periodically thereafter...of proposed rates and fees, and the analysis shall include a comparison of the Department’s (DTS) rates with the fees of other public or private sector providers where comparable services and rates are reasonably available.”

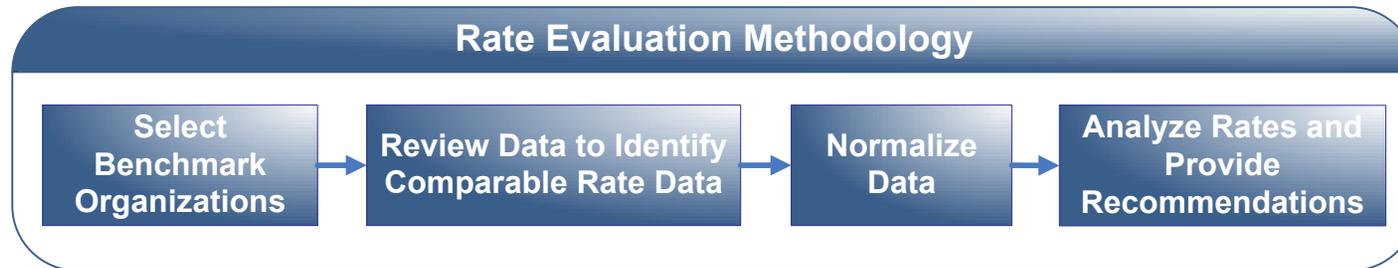
Study Objectives cont' d

- Evaluate DTS FY2014 rates against:
 - Rate data from 21 state government technology organizations
 - Commercial rate data:
 - Internal* service center IT rate data from private organizations in the west, mid-west, southwest, southeast and Atlantic coast regions representative:
 - Various mid-sized, Fortune 500 North American Companies;
 - Large multi-industry geographically dispersed North America Corporations; and,
 - North American geographically dispersed [multi-state] utility/oil and gas companies.
 - External** rate data from private sector DTS direct “competitor” organizations as designated by Utah’s MC1015, private industry General Services Administration (GSA) schedules (i.e., GSA IT Schedule 70 132-51 IT Services), a private sector Fortune 500 North American state and local provider, and a third party, nation-wide benchmarking service
- Comment on DTS’ rate and service description changes since the FY2013 study and provide any relevant recommendations

* Internal = rates charged by IT service delivery organizations who provide support to their company’s various business units (similar to how DTS supports the Agencies); these companies are similar to Utah relative to size, complexity, disaster recovery, security, etc.

** External = hourly rates proposed by vendors for services or individuals to external customers.

Study Approach



- 1. Selected benchmark organizations with approval of DTS based on:**
 - reasonable availability of rate data,
 - organizational similarities to DTS,
 - specific DTS requests
- 2. Reviewed benchmark data to identify comparable services.** Normalized benchmark rates, where necessary (e.g., when benchmark data was provided in more finite units than DTS rates, benchmark rates were averaged to allow a closer comparison).
- 3. Analyzed DTS rates using benchmark data.** DTS service was benchmarked if at least two other comparable rates were identified.
- 4. Categorized relative position of the DTS rates versus benchmark rates.**

Study Approach cont' d

5. **Assigned “value” (Note: Value assessment is not a statement regarding the quality of services delivered).**
 - Assessed value definitions:
 -  **Best Value** – considering the services offered, Utah’s rate is significantly lower than the majority of benchmarked rates.
 -  **Very Reasonable Value** – considering the services offered, Utah’s rate is slightly lower than most benchmarked rates.
 -  **Reasonable Value** – considering the services offered, Utah’s rate is comparable to most benchmarked rates.
 -  **Less Reasonable Value** - considering the services offered, Utah’s rate is higher than most benchmarked rates and the cost basis should be analyzed to see if a reduction is possible.
 - Assessed values basis:
 - DTS ranking among comparable rates,
 - number and breadth of services included in the rate description/explanation, and
 - quartile for where the DTS rate fell (i.e., lowest, average, highest) among the other comparable rates.
6. **Compared assigned “values” against FY2008, FY2009, FY2010, FY2011, FY2012, and FY2013 “values”.**
7. **Developed observations and recommendations.**

Benchmark Organizations

Twenty-one state IT organizations [representing all geographic regions of the nation, multiple population levels & geographic dispersion patterns (i.e., rural versus urban-based on population:square mile ratio)] and multiple private IT service providers.

Benchmark States							
Utah point of comparison		State employee count: 24,219*		Pop: 2,855,287		Sq. miles: 84,898.83	
North				South			
State	Employee Count*	Population	Square miles	State	Employee Count	Population	Square Miles
Alaska	16,341	731,449	663,267.26	Kentucky	36,678	4,380,415	40,409.02
Wisconsin	29,460	5,726,398	65,497.82	Florida	105,301	19,317,568	65,754.59
North Dakota	8,711	699,628	70,699.79	Arkansas	34,576	2,949,131	53,178.62
South Dakota	7,999	833,354	77,116.49	Alabama	44,973	4,822,023	52,419.02
Kansas	20,904	2,885,905	82,276.84	Missouri	53,054	6,021,988	69704.31
Michigan	67,193	9,883,360	96,716.11				
East				West			
State	Employee Count	Population	Square Miles	State	Employee Count	Population	Square Miles
Virginia	62,964	8,185,867	42,774.20	Montana	12,426	1,005,141	147,042.40
West Virginia	23,496	1,855,413	24,229.76	Colorado	28,759	5,187,582	104093.57
North Carolina	79,371	9,752,073	53,818.51	Arizona	33,457	6,553,255	113998.3
Maine	13,087	1,329,192	35,384.65	Oregon	38,306	3,899,353	98,386
Indiana	29,203	6,537,334	36,417.73	Washington	62,519	6,897,021	71299.64
Commercial Benchmark Data – Internal IT Rates							
Company AA – North American Geographically Dispersed (multi-state) Utility/Oil and Gas Companies							
Company BB – Large Geographically Dispersed North America Corporation – Multi-Industry							
Company CC – Various mid-sized, Fortune 500 North American Companies							
Commercial Benchmark Data – Service Provider Rates							
Private Industry GSA Labor Rate and IT Service Schedules				External rate data from a private sector North American state and local IT provider			
State of Utah MC 1015 Labor Rate Schedules				Rate data from a third party, nation-wide benchmarking service			

* State employee census data from <http://www.census.gov/govs/apcs/>. Judicial/Legal/Education counts excluded.



Benchmark Services by Category

Benchmark Services*					
Service Category ⁽¹⁾	Specific Service Element	Service Category	Specific Service Element	Service Category	Specific Service Element
Network and Desktop Computing	Enterprise Network Services	Telephony	Basic Phone (per line)	Printing	File and Print (server/month)
	Desktop Management		Credit Card Calling (per minute)	Labor	Laser (per image)
	WAN Rate		Voice Mail		Wiring Design and Consulting
	WAN/Desktop/LAN Packaged		800 Service (per minute)		Phone Tech Labor Telephony
	Email (mailbox/mth)		Audio Conferencing		Database Consulting
	Virtual Private Network (VPN)		Long Distance		Application Development/Maintenance
	WAN Remote Access (Dial-up)		System Administration		Project Management
	WAN Remote Access (DSL)		Processing (CPU core per mth)		DTS Consulting Charge
	Wireless (PC/Laptop) (per access point)		Data Center Rack Space – Full Rack (month)		Web Development and Graphic Design
	T1 Data Circuit Installation		Data Center Rack Space – Rack Unit (month)		GIT Professional Labor
Storage	SAN (MB/mth) (Open System)	Hosting	Web Hosting – Static (month)		
	Backup & Restore Services		Shared SQL per GB mth		
	Mainframe Disk (MB/month)		Application Hosting – Shared (server/month)		
	Mainframe Tape (MB/month)		Enterprise Hosting Services		
Mainframe	Mainframe Services (per second)		Shared Oracle Hosting (Linux) per GB mth		

* Defined with a focus on industry best practice categories for service elements. Services highlighted in gray were similar to services included in the FY08, FY09, FY10, FY11, FY12, FY13 rate analyses. These services were used to develop the year-to-year comparisons on slides 21 and 22.

Synopsis of Results

DTS labor rates were analyzed against 21 peer State organizations and against internal IT rates for multiple private organizations.

Service Category	Service	Low Rate	High Rate	Median	Average All Rates	DTS FY2014 Rate	DTS Change FY13 – FY14	DTS Position*	Assessed Value of DTS Rate
Network and Desktop Computing	Enterprise Network Services	39.27	43.00	42.32	41.53	42.32	↑.0075%	2/3	Reasonable
	Desktop Management	30.00	93.34	51.25	54.04	62.85	↓.0024%	7/10	Reasonable
	Email (mailbox/month)**	3.60	14.66	4.57	5.71	4.25	N/A	6/14	Very Reasonable
	WAN Rate	12.05	77.03	43.56	41.72	N/A	N/A	N/A	N/A
	WAN/Desktop/LAN Packaged	45.00	273.00	123.21	133.32	123.21	↑4%	4/7	Reasonable
	Virtual Private Network (VPN)	2.28	27.50	16.00	13.42	N/A	N/A	Included in WAN/Desktop/LAN Packaged rate	N/A
	WAN Remote Access (Dial-up)	2.28	47.00	15.00	18.35	N/A	N/A	N/A	N/A
	WAN Remote Access (DSL)***	93.33	109.00	100.00	101.17	104.50	↑14%	4/5	Reasonable
	Wireless (PC/Laptop) (per access point per month)	12.65	64.80	40.50	38.89	N/A	N/A	N/A	N/A
	T1 Data Circuit Installation	352.00	1500.00	723.74	824.87	947.48	Same	3/4	Reasonable
	T1 Data Circuit	182.00	1500.00	833.75	831.02	N/A	N/A	N/A	N/A
Mainframe	Mainframe Services (per second)	0.017	3.190	0.495	0.647	.08	↓10%	5/16	Very Reasonable

Value Legend							
	Best Value		Very Reasonable Value		Reasonable Value		Less Reasonable Value

*DTS Position ranking moves from lowest rate (i.e., “1”) to the highest rate benchmarked.

**While email services are positioned as 6 of 14 among benchmark rates, it is considered a Very Reasonable value given that it includes a wide breadth of services (e.g., includes PDA synchronization, etc.; Alabama for example charges a separate rate for PDA synchronization).

***While DTS’ DSL rate is positioned at 4 of 5 among the benchmark rates, DTS’ rate is only slightly higher than the average rate and thus is rated a ‘Reasonable’ value.

Synopsis of Results (cont' d)

DTS labor rates were analyzed against 21 peer State organizations and against internal IT rates for multiple private organizations.

Service Category	Service	Low Rate	High Rate	Median	Average All Rates	DTS FY2014 Rate	DTS Change FY13 – FY14	DTS Position*	Assessed Value of DTS Rate
Telephony	Basic Phone (per line)	6.73	39.50	22.00	21.23	28.00	Same	17/23	Reasonable
	Voice Mail	1.00	6.60	4.35	4.22	3.50	Same	5/12	Very Reasonable
	Credit Card Calling (per minute)	0.03	0.42	0.12	.15	N/A	N/A		N/A
	Long Distance (per minute)	0.03	0.12	0.05	.06	.05	Same	8/18	Reasonable
	800 Service (per minute)	0.03	4.96	0.05	0.35	.04	Same	7/16	Very Reasonable
	Audio Conferencing	0.01	0.37	0.05	0.07	.02	Same	2/15	Best Value
Storage	SAN (GB/mth) (Open System)	0.2048	8.8064	0.7168	1.4967	.2446	↘50%	1/12	Best Value
	Backup & Restore Services (GB/mth)	0.1024	2.97	0.9216	1.0269	.2446	↘50%	2/16	Best Value
	Mainframe Disk (MB/mth)	0.0001	0.3460	0.0038	0.0342	.0060	↗17%	12/17	Very Reasonable
	Mainframe Tape (MB/mth)	0.0001	3.1000	0.0009	0.2081	.0009	↗11%	8/15	Reasonable

Value Legend							
	Best Value		Very Reasonable Value		Reasonable Value		Less Reasonable Value

*DTS Position ranking moves from lowest rate (i.e., “1”) to the highest rate benchmarked.

Synopsis of Results (cont' d)

DTS labor rates were analyzed against 21 peer State organizations and against internal IT rates for multiple private organizations.

Service Category	Service	Low Rate	High Rate	Median	Average All Rates	DTS FY2014 Rate	DTS Change FY13 – FY14	DTS Position*	Assessed Value of DTS Rate
Hosting	System Administration	97.70	856.00	371.61	343.15	371.61	N/A	5/9	Reasonable
	Processing (CPU core per mth)	35.00	198.09	92.56	119.70	78.00	N/A	2/7	Very Reasonable
	Data Center Rack Space – Full Rack (mth)	420.00	1800.00	891.97	970.54	440.00	↑.048%	1/8	Best Value
	Data Center Rack Space – Rack Unit (mth)	14.67	50.00	29.18	31.59	14.67	↑.0764%	1/6	Best Value
	Web Hosting – Static (mth)	10.00	225.00	41.00	92.80	41.00	↑156%	5/9	Very Reasonable
	Shared Oracle Hosting (Linux) GB mth	72.00	327.16	267.46	222.21	72.00	N/A	1/3	Best Value
	Shared SQL GB mth	16.50	50.00	34.00	32.34	34.00	N/A	3/5	Reasonable
	Application Hosting – Shared (server/month)	92.00	450.00	170.00	224.89	92.00	↑54%	1/5	Best Value
	Enterprise Hosting Services	150.00	1,012.50	465.00	443.22	N/A	N/A	N/A	N/A
Printing	File and Print (server/month)	391.93	475.00	433.47	433.47	N/A	N/A	Included in Enterprise Hosting	
	Laser (per image)	0.01	0.10	0.04	.05	.03	Same	3/10	Best Value

Value Legend			
	Best Value		Very Reasonable Value
	Reasonable Value		Less Reasonable Value

* DTS Position ranking moves from lowest rate (i.e., “1”) to the highest rate benchmarked.

Synopsis of Results (cont' d)

Six DTS service rates were analyzed against services offered to state/local governments by a Fortune 500 company and against private 'open market' provider data from a third party, nation-wide benchmarking service.*

Service Category	Service	DTS FY2014 Rate	FY2014 External Rate Avg	DTS Position Against All Rates**	DTS Position Against External Rates	Assessed Value of DTS Rate
Hosting	Data Center Rack Space – Full Rack (month)	440.00	761.25	3/12	3/5	Best Value
	Shared Oracle Hosting (Linux) per GB (month)	72.00	531.21	1/8	1/6	Best Value
	Shared SQL per GB (month)	34.00	135.63	3/9	1/5	Best Value
Network and Desktop Computing	Enterprise Network Services	42.32	105.00	2/6	1/5	Best Value
	Desktop Management***	62.85	50.55	13/17	9/11	Reasonable
	Email (mailbox per month)	4.25	7.59	8/20	3/7	Reasonable
Storage	Mainframe Disk (MB/month)	.0050	.0013	19/24	8/8	Reasonable
Mainframe	Mainframe (per CPU second)	.08	.09	5/20	2/5	Very Reasonable

Value Legend							
	Best Value		Very Reasonable Value		Reasonable Value		Less Reasonable Value

*Services were included on this slide if at least two private vendor benchmark rates were identified.

** DTS position against *all* benchmarked rates; DTS Position ranking moves from lowest rate (i.e., "1") to the highest rate benchmarked.

***Due to breadth of services, Desktop Management still positioned as a "Reasonable" value.

Synopsis of Results (cont' d)

Assessed values were assigned against each category of benchmark data for these six service rates and then an **Overall Assessed Value** was assigned considering all benchmark data.

DTS Service Rate Assessment Against All Benchmark Data*							
Service Rate	DTS FY2014 Rate	21 States and Internal Organizations		External Rate Avg		Overall Assessment	
		Avg.	Assessed Value of DTS Rate	Avg.	Assessed Value of DTS Rate	DTS Position	Assessed Value of DTS Rate
Data Center Rack Space – Full Rack (month)	440.00	970.54	Best Value	761.25	Best Value	3/12	Best Value
Shared Oracle Hosting (Linux) per GB (month)	72.00	222.21	Best Value	531.21	Best Value	1/8	Best Value
Shared SQL per GB (month)	34.00	32.34	Reasonable	135.63	Best Value	3/9	Very Reasonable
Enterprise Network Services	42.32	41.53	Reasonable	105.00	Best Value	2/6	Very Reasonable
Desktop Management**	62.85	54.04	Reasonable	50.55	Reasonable	13/17	Reasonable
Email (mailbox per month)	4.25	5.71	Very Reasonable	7.59	Reasonable	8/20	Reasonable
Mainframe Storage (MB/month)	.0060	0.0342	Very Reasonable	.0013	Reasonable	19/24	Reasonable
Mainframe (per CPU second)	.08	0.647	Very Reasonable	.09	Very Reasonable	5/20	Very Reasonable

Value Legend							
	Best Value		Very Reasonable Value		Reasonable Value		Less Reasonable Value

*Services were included on this slide if at least two private vendor benchmark rates were identified.

** While DTS' Desktop Management rate is higher than the average of all benchmarked rates, it is ranked "Reasonable" due to being ranked 13/17 among all benchmarked rates and falling within the middle (50%, average cost) quartile.

Synopsis of Results (cont' d)

DTS labor rates were analyzed against 21 peer State organizations and the internal IT rates for multiple private organizations.

DTS Labor Rates Versus Peer State and Commercial Internal IT Labor Rates									
Service Category	Labor Rate	Low Rate	High Rate	Median	Average All Rates	DTS FY2014 Rate	DTS Change FY13- FY14	DTS Position*	Assessed Value of DTS Rate
Labor	Wiring Design and Consulting	60.00	134.00	77.11	85.27	85.00	Same	6/8	Reasonable
	Phone Tech Labor Telephony	45.00	90.00	65.00	63.77	70.00	Same	9/13	Reasonable
	Database Consulting	60.00	111.84	85.00	84.83	70.90	↑.013%	2/15	Best Value
	Application Development/Maintenance	48.00	105.00	84.10	79.40	70.90	↑.013%	4/15	Very Reasonable
	Project Management	66.45	135.00	92.68	95.50	91.00	Same	7/15	Reasonable
	DTS Consulting Charge	48.00	105.00	75.00	75.77	75.00	Same	7/14	Reasonable
	Web Development and Graphic Design	54.59	105.00	83.50	80.49	70.90	↑.013%	4/13	Best Value
	GIT Professional	49.90	121.94	65.00	74.79	73.00	N/A	4/5	Reasonable

Value Legend							
	Best Value		Very Reasonable Value		Reasonable Value		Less Reasonable Value

* DTS Position ranking moves from lowest rate (i.e., "1") to the highest rate benchmarked.

Synopsis of Results (cont' d)

DTS labor rates were also analyzed against local 'competitors' listed GSA schedules (mainly DTS requested companies). Note: GSA rates are discounted 15% to account for price negotiations typically applied via the competitive procurement process.

Labor Rate	DTS Rates	GSA Avg	Assessed Value of DTS Rate*	American Systems	BAH	Gen. Dyn.	CACI	HP	Deloitte	CSC	Century Link	Verizon
Wiring Design & Consulting	85.00	107.00	Best Value	68.03	96.77	97.62	70.25	84.13	167.43	123.47	85.00	170.27
Phone Tech Labor Telephony	70.00	67.57	Reasonable	58.92	68.03	92.46	---	59.17	---	58.36	67.52	68.54
Database Consulting	70.90	84.07	Best Value	90.00	80.49	79.66	81.25	87.03	113.52	68.04	62.37	94.27
Application Development/Maintenance	70.90	84.18	Best Value	90.00	84.12	87.70	61.65	73.68	113.52	57.67	95.05	94.27
Project Mgmt.	91.00	137.37	Best Value	129.80	119.76	111.05	103.18	110.11	212.42	109.60	136.77	203.67
DTS Consulting	75.00	132.35	Best Value	146.60	110.19	169.69	116.05	103.36	126.62	90.54	144.14	183.98
Web Dev.& Graphic Design	70.90	97.29	Best Value	84.96	89.99	90.02	73.91	---	153.69	90.06	106.67	89.05
GIT Professional	73.00	---	---	---	---	---	---	---	---	---	---	---

Value Legend			
	Best Value		Very Reasonable Value
	Reasonable Value		Less Reasonable Value

Synopsis of Results (cont' d)

Labor rates were benchmarked against local 'competitors' listed on the State of Utah MC1015 schedule, specifically the three companies with labor categories and rates closely corresponding to DTS' (i.e., Software Technology Group, Tek Systems, Experis).

DTS Labor Rates Versus MC1015 Schedule Labor Rates											
Labor Rate	Assessed Value of DTS Rate	DTS Rates	MC1015			Software Technology Group		Tek Systems		Experis	
			Overall Avg.	Inter. Avg.	Expert Avg.	Inter.	Expert	Inter.	Expert	Inter.	Expert
Wiring Design and Consulting	Reasonable	85.00	83.12	66.73	99.51	65.00	115.00	65.00	90.00	70.18	93.52
Phone Tech Labor Telephony	Very Reasonable	70.00	79.64	58.26	101.03	65.00	115.00	40.00	90.00	69.77	98.08
Database Consulting	Best Value	70.90	84.09	63.55	104.63	65.00	115.00	60.00	100.00	65.64	98.89
Application Development/Maintenance	Very Reasonable	70.90	81.11	66.80	95.42	65.00	105.00	65.00	85.00	70.39	96.25
Project Management	Reasonable	91.00	91.16	72.93	109.39	70.00	120.00	70.00	100.00	78.80	108.17
DTS Consulting Charge	Best Value	75.00	92.27	69.90	114.64	65.00	120.00	65.00	110.00	79.69	113.91
Web Development and Graphic Design	Best Value	70.90	82.81	67.60	98.02	65.00	105.00	65.00	90.00	72.79	99.07
GIT Professional	---	73.00	---	---	---	---	---	---	---	---	---

Value Legend			
	Best Value		Very Reasonable Value
	Reasonable Value		Less Reasonable Value

Synopsis of Results (cont' d)

Assessed values were assigned against each category of benchmark data and then an **Overall Assessed Value** was assigned considering all benchmark data.

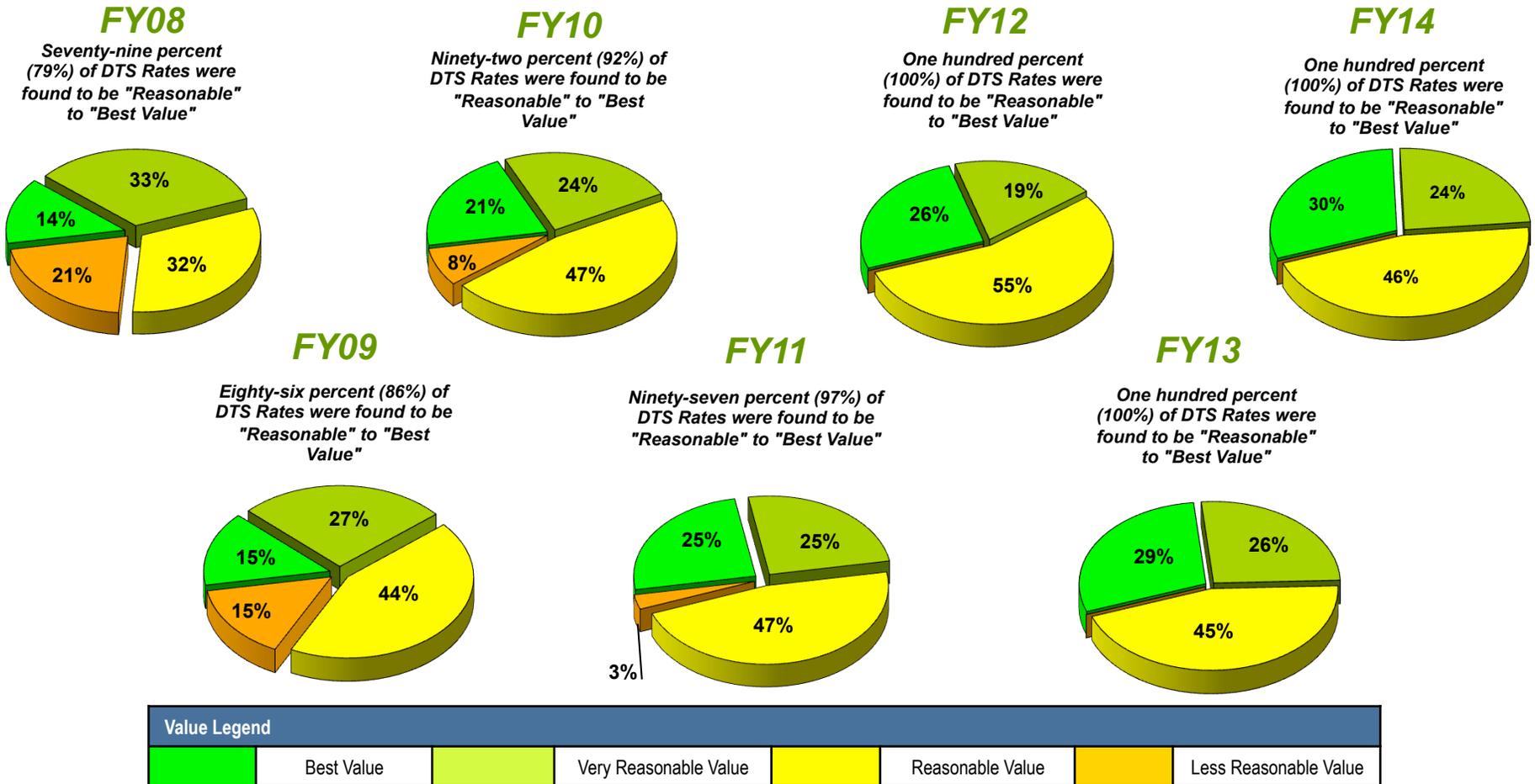
DTS Labor Rate Assessment Against All Benchmark Data										
Labor Rate	DTS Rate	21 States and Internal Organizations			GSA		MC1015		Overall Assessment	
		DTS Position	Avg.	Assessed Value of DTS Rate	Avg.	Assessed Value of DTS Rate	Avg.	Assessed Value of DTS Rate	DTS Position	Assessed Value of DTS Rate
Wiring Design & Consulting	85.00	6/8	85.27	Reasonable	107.00	Best Value	83.12	Reasonable	12/23	Reasonable
Phone Tech Labor Tele	70.00	9/13	63.77	Reasonable	67.57	Reasonable	79.64	Very Reasonable	18/26	Reasonable
Database Consulting	70.90	2/15	84.83	Best Value	84.07	Best Value	84.09	Best Value	8/30	Best Value
Application Development/Maintenance	70.90	4/15	79.40	Very Reasonable	84.18	Best Value	81.11	Very Reasonable	9/31	Very Reasonable
Project Management	91.00	7/15	95.50	Reasonable	137.37	Best Value	91.16	Reasonable	9/30	Very Reasonable
DTS Consulting Charge	75.00	7/14	75.77	Reasonable	132.35	Best Value	92.27	Best Value	9/30	Very Reasonable
Web Development and Graphic Design	70.90	4/13	80.49	Best Value	97.29	Best Value	82.81	Best Value	6/28	Best Value
GIT Professional	73.00	4/5	74.79	Reasonable	---	N/A	---	N/A	4/5	Reasonable

Value Legend							
	Best Value		Very Reasonable Value		Reasonable Value		Less Reasonable Value

No external rate data from a private sector Fortune 500 North American company for state and local contracts/proposals or rate data from a third party, nation-wide benchmarking service was identified for labor rates.

Observations

Changes since FY2008 – The percentage of *all* services that were found to be “Reasonable” to “Best Value”** have increased while the percentage found to be “Less Reasonable” has decreased, reflecting DTS service increase in value and cost stability.

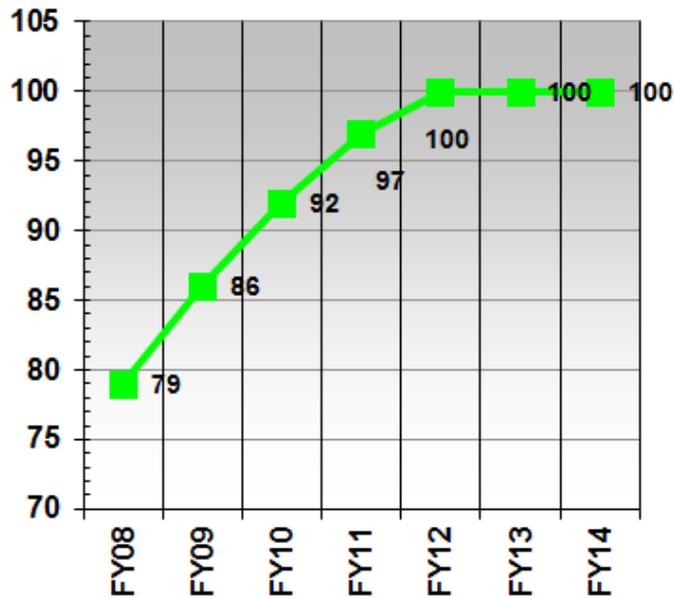


* Assessed values were based upon benchmarked state and commercial internal rates to allow for a year-to-year comparison.

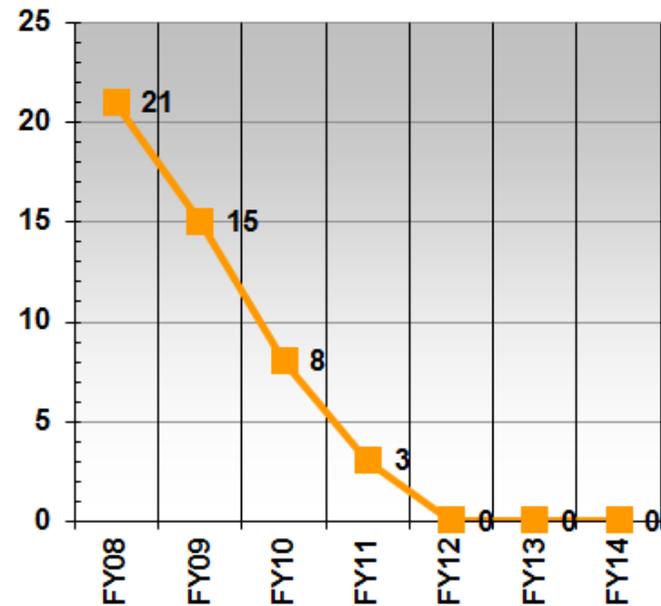
Observations (cont' d)

Changes since FY2008 – The percentage of *all* services that were found to be “Reasonable” to “Best Value”** have increased while the percentage found to be “Less Reasonable” has decreased, reflecting DTS service increase in value and cost stability.

Services found to be "Reasonable" to "Best Value" 100%



Services found to be "Less Reasonable" 0%



** Assessed values were based upon benchmarked state and commercial internal rates to allow for a year-to-year comparison. Assessed values that include GSA and MC1015 analysis (labor rates only) are available on page 19.

Department of Technology Services

2013 Annual Report

October 2013



Department of Technology Services - Overview

The Department of Technology Services (DTS) is the Technology Service Provider for the Executive Branch of the State of Utah, offering State Agencies a wide variety of services. DTS works together with other State Agencies to transform government through the effective use of technology.

DTS, under the State's Chief Information Officer (CIO), has embarked on an unprecedented transition to optimize all IT resources and services for the state of Utah in one department to improve accountability, reduce costs, increase services to taxpayers, and more closely align IT with the business needs of the state of Utah.

Utah.gov boasts more than 1,000 online services. The growing portfolio of technological applications is the result of an evolving strategy designed by Agencies, working in cooperation with DTS, to keep Utah in the forefront by utilizing IT tools to better serve our business customers and the residents of our State.

DTS has developed four cornerstones, which represent the agency's main areas of focus. All activities, statistics, accomplishments, and initiatives directly relate to efforts in achieving these four goals.



Internal Service Fund and Rates

An internal service fund was established through which DTS charges rates to state agencies based on service demands. DTS service rates are reviewed and approved on an annual basis in advance of the fiscal year to assist agencies and GOMB in the annual budget recommendation to the Legislature. Through its prescribed rate process, DTS develops rates that more accurately reflect actual costs.

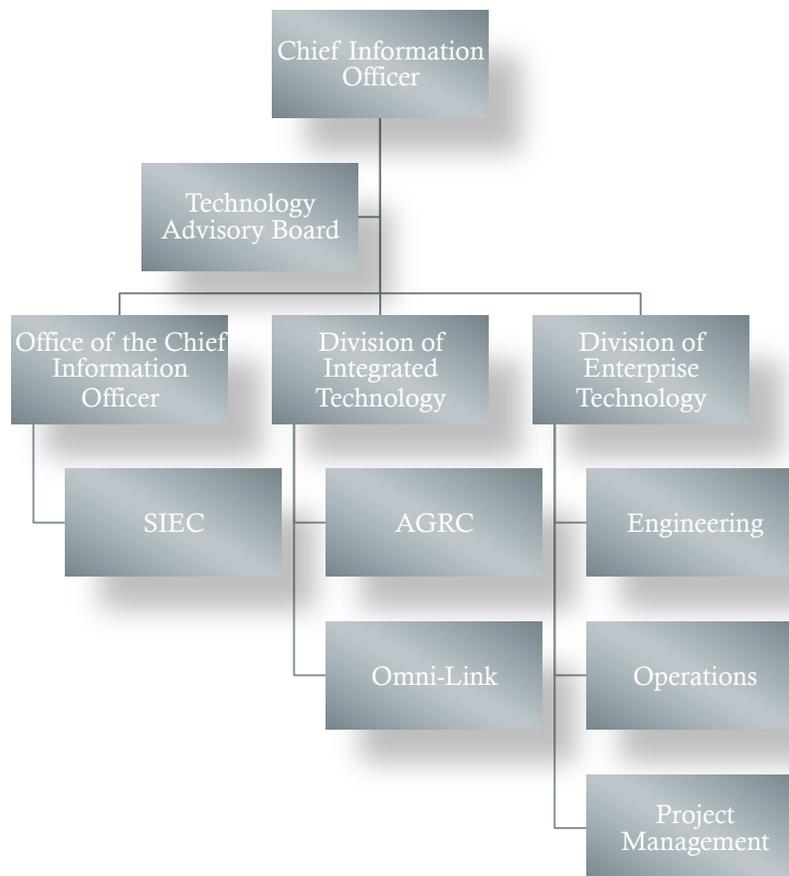
Activities

DTS is engaged in a wide range of IT endeavors and supports the following:

- Over 23,000 network connected devices
- Over 2,000 servers
- More than 20,000 desktops
- More than 1,000 online services for residents
- More than 890 business applications
- Over 250 IT Application Projects
- Over 25,000 telephones
- Over 15,000 IT service requests per month
- 24/7 continuity of operations for state, local and education entities at the Richfield Data Center
- Security against more than 50 million attempted IT intrusions daily
- Over 4,000,000 Visits to Utah.Gov per Month

Organization Structure

The Utah Department of Technology Services is organized to address functions identified in state statute: agency services, integrated technology, and enterprise technology. DTS has incorporated these areas into one organization to provide services to state agencies. During the past year, DTS has re-organized Operations to more effectively support Engineering, Operations, and Project Management.

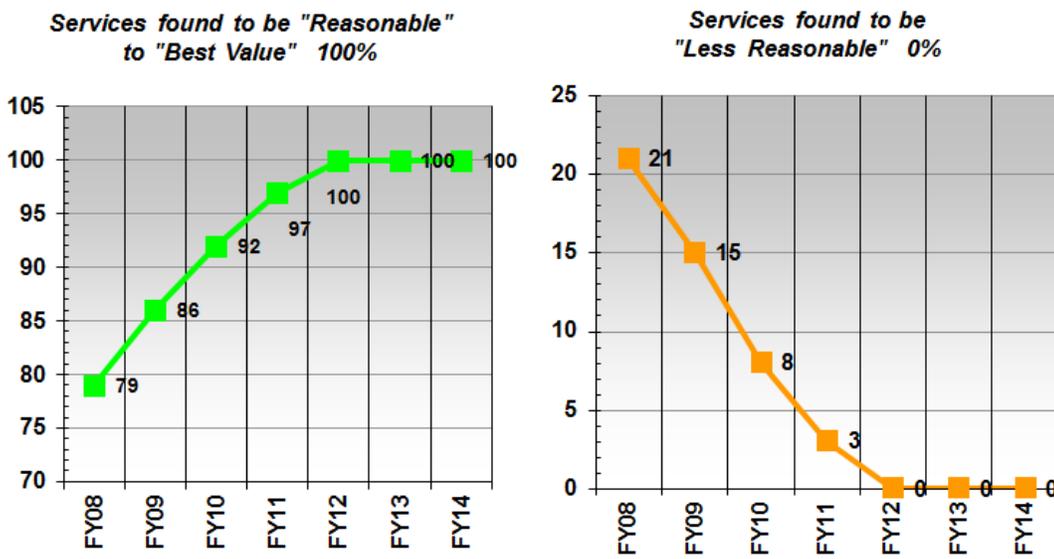


Performance and Statistics

Internal Service Fund Rate Market Comparisons

A comparison study was conducted by SAIC, an outside entity, at the request of DTS to comply with legislative mandates that DTS conduct periodic market analysis of its internal service fund rates. SAIC compared DTS rates for network and desktop computing, storage, database hosting, server management, data center rack space, project management, application development, consulting, web development, and other services. SAIC’s benchmarks include state government technology organizations in 21 other states as well as commercial rate data.

Results of the study indicate that relative to rates charged by other technology organizations, DTS rates are 100% Reasonable to Best Value in FY 2013. Additionally, the percentage of rates found to be Less Reasonable is 0% in FY 2013, as shown in the following charts.



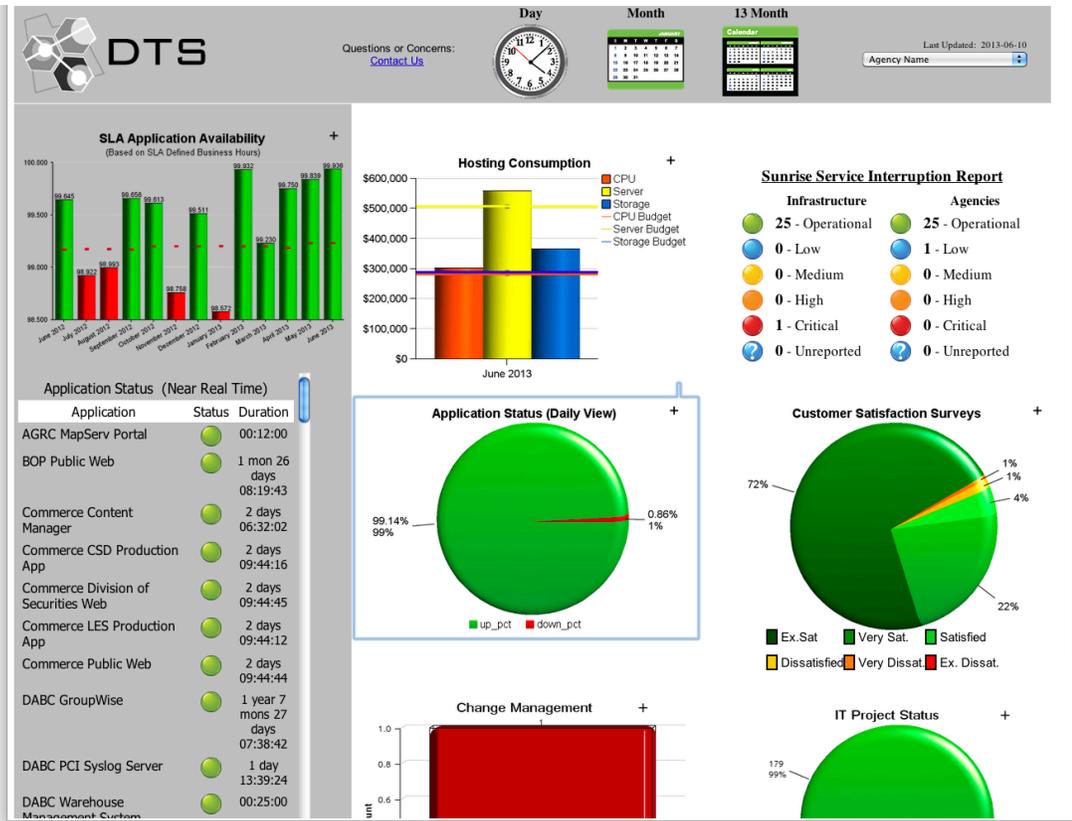
Service Level Agreements

DTS continues to utilize and track Service Level Agreements (SLA), which establish clearly defined and agreed-upon IT services to customers. SLAs ensure that DTS and the customer agency have a common understanding of the levels of service required in the key areas of IT service. SLAs are designed to be easily understood by all parties to ensure ongoing discussion, evaluation, and improvement. These agreements provide a clear relationship between IT costs and services, enabling agencies to make better business decisions and ensuring alignment with service-level priorities.

DTS Dashboard

Information technology strategic goals and initiatives are measurable in terms of results, completion of deliverables, and adherence to cost estimates and project timelines. During the past year, DTS implemented a Dashboard to measure DTS’ success in achieving goals and demonstrate areas where improvement is needed. Stakeholders can review the metrics real time. DTS reviews the status on daily basis through the Sunrise Service Interruption Report, which alerts users to any issues that may arise during the day. DTS also holds monthly customer service meetings with management to discuss any potential issues or

areas for improvement. DTS will continue to develop metrics based on the Strategic Plan that will be useful for the Department, and will enable better business practices and measurements for the success in providing excellent service to customers at a reduced cost.



Financials

DTS provides IT services to state and other governmental institutions and collects revenues by charging rates for service as pursuant to internal service fund (ISF) statute. Since the creation of DTS in April 2006, the FTE count has decreased by 168 FTEs, an 18% reduction.

The following chart shows changes in ISF Net Income from FY2007 to FY2013. The negative Net Income can be attributed to DTS start-up costs and unfunded employee compensation increases. The positive Net Income shows how DTS produced efficiencies even with employee compensation increases. In FY2012, DTS gave a \$2.3 million billing credit to agencies as a result of the efficiencies gained in previous years. DTS has made a conscious effort to use the positive Net Income to fund new projects, capital investments, and to not raise rates for customer agencies.

DTS Internal Service Fund Net Income

FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Net Income	Net Income	Net Income	Net Income	Net Income	Net Income	Net Income
(\$3,232,195)	(\$3,992,692)	\$2,305,941	\$2,914,562	\$1,312,297	(\$2,600,736)	(\$2,508,914)

For six out of the past eight rate cycles, DTS has kept rates the same or decreased rates in total to customer agencies. This is quite an accomplishment considering that there have been increases in compensation and other expenses during this same time frame. The compensation package alone is estimated to be over \$18 million. When analyzing the savings to state agency customers through the rate impact process, there has been an overall decrease in charges for services of over \$5 million.

FY 2013 Accomplishments

The following is a list of accomplishments that DTS achieved in 2013. A complete Accomplishments Reports listed by agency is available on the DTS Web site (dts.utah.gov).

Utah Receives 'A' Grade in Digital States Survey

Utah was one of only two states to receive an "A" grade in the Digital States Survey, which is a comprehensive study that examines best practices, policies and progress made by state governments in their use of digital technologies to better serve their citizens and streamline operations.

Online Services

In 2013, the state of Utah delivered over 31 million online transactions. Over a third of these were financial transactions involving some kind of payment. Utah.gov provides indexing and analysis services to help manage and direct the public to over 1,000 different online services, as well as a 24x7 online support channel to answer users' online questions. Over 60 new online services were added to the Utah.gov domain in 2013.

Data Classification and Risk Assessments Increase Data Security

DTS Security has worked with each of the agencies on a Data Classification and Risk Assessment Project. The Data Classification project identifies and quantifies sensitive information, which allows DTS to implement additional security safeguards where needed. The value in security risk assessments is to document security risks and vulnerabilities for each data set and plan for mitigating activities so that these risks and vulnerabilities are no longer present. DTS Security continually seeks ways to improve security for the State's data.

Migration to New Google Apps System

DTS successfully migrated and transitioned 23,000 State email users to Google Apps. The new system was installed with minimal impact, provides additional features for State users, and increases security of State email.

Cost Savings

DTS Finance and Administration increasingly collaborated with customers both internal as well as external to provide superior customer service, to continue to save the state money, and build on past accomplishments. The finance team saved the state over \$1 million by negotiating with vendors for year-end computer purchases and negotiating with software vendors.

Enterprise Wireless Upgrade

DTS centralized the wireless guest network known as "CapNet," allowing all network traffic to be handled by a dedicated wireless controller in the Salt Lake Data Center. This configuration allows a centralized content filtering of Internet traffic and enhances security by routing guest wireless traffic outside of the State internal network.

FY 2014 Initiatives

The following is a brief sampling of the estimated 200 technology initiatives underway throughout Executive Branch agencies, each supported by DTS. A complete list of initiatives can be viewed in the FY 2014 IT Plan on the DTS Web site (dts.utah.gov).

Unified Communications

DTS will continue with the rollout of the Unified Communications effort including the continued rollout of Voice over IP, as well as SIP Trunking along with other improvements to the communications infrastructure and enhanced functionality.

Virtual Desktop Implementation

DTS will continue the implementation of new Virtual Desktop functionality throughout a variety of agencies, from the model of a single application being delivered across an agency to the model of the entire work environment for an employee being delivered to a thin client.

Automated Geographic Reference Center

LiDAR data Acquisition will be used for planning, preparing, and mitigating flooding hazards; will provide a detailed detection of earthquake faults and related hazard modeling and vulnerability studies; and, will provide delineation of building and structure footprints for general purpose mapping.

The Utah Reference Network (TURN) GPS is a statewide network of 70 survey grade GPS receivers permanently located across Utah. The network is used by 350 paying and partnering subscribers including major utilities, UDOT and its contractors, public and private land surveyors, and heavy machinery (tractors, graders) control users in the construction and agricultural sectors. Maintenance is needed during the next year, and will be completed by AGRC.

Alcoholic Beverage Control

DTS will work with DABC to upgrade the Licensing and Compliance Database. At present this is a custom-written system that is maintained by on-side maintenance programmers, but it in a redundant language (Delphi) and is in need of replacement.

Agriculture and Food

DTS will work with DAF on the field inspections project. This application allows entry of field inspections on a client (laptop) along with recording of any samples collected. It then transfers the inspection and sample information to a Master database in the main office for reports, analysis of data, and sample testing.

Administrative Services

DTS will assist DAS with the Fleet Fuel project. The project deals with the systems that tracks and monitors the measures used by DAS to provide information on how DAS is meeting the needs of state agencies.

Commerce

DTS will work on MLO (My License Office) Processing and Activities, the primary application used in the agency.

Corrections

DTS will work with UDC to implement a new Offender Management System. Each project will implement one or more core modules as defined by the Corrections Technology Association.

Environmental Quality

DEQ is joining with DNR, UDOT and other agencies as they work to address issues in the Uintah Basin. This should identify opportunities for more sharing of data and work processes that will make all of the agencies involved more effective.

Financial Institutions

DTS will work with DFI to improve the agency's website for content submission, presentation and delivery.

Governor's Office

DTS will assist the Governor's Office with the Election Website. The Lieutenant Governor's Office works closely with the County Clerks for counties in the State as it relates to all elections. DTS also works with the counties as appropriate to make sure all IT integration is meeting the needs associated with elections.

Governor's Office of Economic Development

DTS will work with GOED to rebrand the agency's Website.

Health

DTS will work with DOH on improving Medicaid Management Information System (MMIS). The components include HIPAA 5010, Pharmacy Point of Sale (POS), Fraud and Abuse Detection System (FADS), Drug Rebate Management (DRM), Data warehouse, ICD-10, Claims Pre Pay editing system, and the Core MMIS replacement system. Developers will develop, maintain, test, and implement both the new and current components of the system.

Heritage and Arts

In order to provide a better customer experience, the Department of Heritage & Arts is planning several significant upgrades to the Preservation Pro Suite. Through a partnership with the University of Utah's Marriott Library, Preservation Pro is being integrated with the ContentDM data manager. Users will be able to not only browse the structured data elements of archaeological sites, but they will also have access to the maps, photographs, and handwritten notes of the original site survey teams.

Human Resource Management

DTS will work to upgrade the Employee Gateway, which allows employees to have access to all of their employment information and easy access to the retirement office and the Public Employees Health Group.

Human Services

DHS has identified enhancements to help them be more efficient and effective in delivering their services for several systems including ORSIS, SAFE, USDC eChart, USH eChart, and USTEPS.

Insurance

The Utah Insurance Department has requested that DTS develop an Insurance Transparency Database (ITDB). The ITDB project collects health insurance quality measures, solvency data, and rate information.

Labor Commission

DTS will work on FROI (First Report of Injury) Processing and Activities, which includes the ability to process "Large Files"

Natural Resources

DNR is joining with DEQ, UDOT and other agencies as they work to address issues in the Uintah Basin. This should identify opportunities for more sharing of data and work processes that will make all of the agencies involved more effective.

Public Safety

DTS will work on the BCI-UCJIS rewrite. New and updated applications are provided via the Public Safety's web-based service-oriented environment that currently hosts Driver License and UCJIS. Applications for this year include Gun Checks, Concealed Weapons, and Criminal History.

Tax Commission

DTS will work with Tax to implement VADRS, which accounts for all activities associated with selected tax types and other agency programs, such as registration, return filing, payments, audits and collections; includes TAP module for web-based account management, return filing and payments.

Transportation

UDOT and DTS will work on the Roadway Data Integration Project. This will include gathering information about the State's roadways for planning, budgeting, and design purposes is a major effort. UDOT will be collecting roadway asset inventory and condition data by driving a data collection vehicle to video image, and LiDAR scan (Laser Imaging, Detection and Ranging) its roadways. For the first time this LIDAR information is being collected for the purpose of utilizing this data in the Department's roadway design activities.

Workforce Services

The Affordable Care Act will be a main focus for DTS and DWS. This will include the Medical Expansion and connection to the Federal Hub.

Emerging Issues

A DTS Strategic Plan was published for 2011-2014, which includes several emerging issues.

- Privacy and Security – As security becomes increasingly important, DTS will have a security plan for every IT system in the State.
- Accessibility – DTS will ensure applications and Websites are accessible to all.
- E-Government – DTS will focus on advanced networking and web portal skills and solutions to increase the effective use of E-Government.
- Application Development – DTS will implement Application Development standardized processes.
- Desktop Management - There is a need to provide enterprise-wide desktop virtualization that will reduce costs, simplify operations, and increase security through a common tool.
- Network Bandwidth – There is demand for ever-increasing consumption of network bandwidth. DTS will evaluate the network to determine if there is a need to increase bandwidth or monitor usage.
- Voice – There is an increasing lack of support and maintenance for the State's current technology for voice products.
- Wireless Mobility – More users are demanding mobile data access.
- Communications Interoperability – The State Interoperability Executive Committee (SIEC) will continue to coordinate and resolve interoperability and wireless communication issues among Local, State, Federal, and other agencies.
- Data Integration - There are currently over 1,000 databases throughout the State. DTS is exploring options to consolidate data to reduce duplication.
- Collaboration – DTS will continually seek technology solutions that can enhance collaboration throughout the State.
- Business Continuity – DTS will examine the options for an enterprise wide business continuity plan.

The DTS Strategic Plan has contributed to the Enterprise Plan and has been utilized for the IT Plans as developed by agency business requirements. The DTS Planning Model ensures successful coordination of the Agency Business Plans and the DTS Strategic Plan. DTS Operation Plans have been developed in order to ensure successful execution of the strategic goals.

Awards

The state of Utah, in partnership with Utah.Gov, has received the following national awards and recognition for its electronic government services:



Utah.Gov was recognized as **Best Government Website** by the **Web Marketing Association**. The WebAward recognizes outstanding achievement in web development.



Utah.Gov and **myCase** were recognized with a Digital Government Achievement Award sponsored by the Center for Digital Government in the Government-to-Citizen category. **DGAA** recognizes outstanding agency websites.



The **Utah Legislative Bill Watch** application was selected as a finalist for the National Association of State Chief Information Officers IT Recognition Awards in the State Fast Track Solutions category. **NASCIO** recognizes successful information technology initiatives that promote innovation, better government, and engaged citizens.



The **Avenue H: Health Insurance Marketplace** was selected as a finalist for the National Association of State Chief Information Officers IT Recognition Awards in the Digital Government: Government to Business category. **NASCIO** recognizes successful information technology initiatives that promote innovation, better government, and engaged citizens.



Utah's **Open Transportation Data in the Cloud with uGATE and UPlan** was selected as a finalist for the National Association of State Chief Information Officers IT Recognition Awards in the State Open Government Initiatives category. **NASCIO** recognizes successful information technology initiatives that promote innovation, better government, and engaged citizens.



Utah's **myCase: Self-service Account Management for Recipients of Public Assistance** was selected as a finalist for the National Association of State Chief Information Officers IT Recognition Awards in the Digital Government: Government to Citizen category. **NASCIO** recognizes successful information technology initiatives that promote innovation, better government, and engaged citizens.



Utah.Gov was recognized as a second place winner of **Best of the Web** sponsored by the Center for Digital Government. The award recognizes state websites that connect citizens to government through clear communication, design aesthetic, and easy navigation.



Utah.Gov has received the **Vema Award**. The VEMA Award recognizes the outstanding work of innovative, artistic, and creative professionals involved in the multimedia arts.



Utah.Gov was recognized as **Best In Class** of government websites by the Interactive Media Council. The Interactive Media Award recognizes the highest standards of excellence in website design and development.



Utah.Gov was recognized with a [Public Technology Web 2.0 Award](#). This award recognizes the country's outstanding leaders in the innovative application of Web 2.0 technologies and civic/social media tools.



Utah.Gov was recognized with a [Horizon Interactive Bronze Award](#). The [Horizon Interactive Awards](#) honors the most talented developers of interactive media.



Stoel Rives LLP and the Utah Technology Council selected Utah.Gov as an Honorable Mention recipient of the [2013 Utah Innovations Award](#). This award recognizes high-level innovation throughout the state.

WINNER
BEST OF STATE



UTAH 2013

Utah.Gov was recognized as a [2013 Best of State Award](#) winner as the best Web-based Community Resource.



Utah.Gov and [Utah OneStop Business Registration](#) recognized as an [Excellence.Gov Award](#) winner. [Excellence.Gov](#) recognizes outstanding government programs that use information technology in an innovative manner to improve the ability of government to serve citizens more effectively.

Conclusion

The primary activities of DTS in the coming year will focus on securing the State's data assets, and the continued optimization of IT resources across the State, including Desktop Optimization, Unified Communications, Mobility, and Accessibility. IT services continue to evolve, exposing new opportunities for enterprise shared services, improvements in service effectiveness, and accountability to customers. Ongoing efforts are underway to optimize service offerings within the evolving technical architecture and business requirements of State agencies, local governments, and inter-branch collaboration with the Legislative and Judicial Branches. DTS will continue to partner with State Agencies in order to improve services for the residents of Utah.

Privatization Proposal Summary

The Utah State Office of Education (USOE) is engaging in “commercial activity” as defined by Utah Code Title 63I-4a-101 “Free Market Protection and Privatization Board Act” by creating, offering, and delivering education information technology and related services to local school districts and charter schools that can be obtained in whole or in part from private enterprise.

More specifically, USOE develops, enhances, maintains, supports, brands, advertises, promotes, and offers, a comprehensive student information system (SIS) known as SIS2000 and related services to local educational authorities (LEA's) (school districts, charter schools, etc.), in competition against dozens of commercial alternatives offered and provided by private enterprise.

Student information systems of this type are broadly scoped and consist of hundreds of database tables, hundreds of interactive applications and reports, thousands of procedures, which may be accessed by ten of thousands of concurrent users over the Internet, including students and family members.

Each LEA in Utah is a separate legal entity with it's own board of directors.

Utah Code Title 53A-1-706 - “Purchases of educational technology” authorizes and protects LEA's rights to purchase their own educational technology through their own purchasing programs.

Utah Code Title 53A-1-413 - “Student Achievement Backpack -- Utah Student Record Store”, expresses legislative expectation of each LEA having their own student information system.

Many LEA's in Utah desire to run their educational programs without undue control from USOE, but find themselves on unequal footing as USOE pressures them to adopt broadly scoped education information systems which are defined, managed and controlled by USOE.

Most of the larger school districts in Utah (Alpine, Jordan, Canyons, Granite, Davis, Weber, Cache, Salt Lake City, Provo, Park City, etc.) have contracted with private enterprise for their student information systems, or developed their own. However, it appears that the majority of smaller school districts and those in rural areas and charter schools find themselves channeled by USOE into adopting SIS2000 and related USOE service offerings.

USOE engages in “unfair competition” against private enterprise by providing data centers, computer hardware, networks, operating environments, hosted software, documentation, training, and related services to LEA's for free.

USOE raises barriers against private enterprise by forbidding student information system “vendors” from sharing information with LEA's (or even making their affiliations known) at USOE sponsored events, and by other means. Contrast that with charter school conferences which welcome and partner with vendors.

USOE unduly pressures LEA's to use SIS2000 by vaguely alleging in private conversation that their choice of 3rd party alternatives may jeopardize their funding.

USOE asserts exclusive intellectual property rights to SIS2000 as opposed to open-source licensing.

USOE requires that LEA's restrict their choices to USOE "approved student information systems", which puts USOE in a conflict of interest position.

USOE's process for approving new student information systems is so costly for LEA's and providers that it effectively eliminates the possibility of new student information systems from entering the state. See SBOE Administrative Rules [R277-484-5. Official Data Source and Required LEA Compatibility.](#)

USOE's process for approving new student information systems appears to be unlawful with respect to "small business" per Utah Code Title 63G-3-102 - "Definitions" and 63G-3-301 - "Rulemaking procedure".

LEA's and providers of student information systems that wish to be approved by USOE are channeled through procedures, interfaces, and specifications that are absurdly conflicting, unwieldy, and inadequate which USOE refuses to accept responsibility for. Contrast that with commercial student data interchange specifications and clearinghouse facilities which are comparable in scope, yet easy and economical for LEAs to adopt (see: <https://getclever.com/>)

The State of Utah has NOT received good value after pouring millions of dollars into LEA reporting interfaces managed by USOE. However, USOE's frustrations in those endeavors doesn't justify their resistance to supporting 3rd party student information systems and opposition to free enterprise.

USOE covers the cost of SIS2000 student information system and other educational technology offerings through legislature approved budgets, capital outlays, and federal government grant funding which are in the multi-million dollar range (Digital Bridge, Pearson, internal staff, etc).

Residents of school districts which choose not to use SIS2000 still pay for it (unfairly) through taxation.

USOE is currently funding a significant R & D effort to migrate SIS2000 from a Visual Foxpro desktop platform to a Microsoft server / web based platform, which will likely take years to complete.

Private SIS offerings in Utah already provide complete web interfaces for LEA administrators, teachers, and patrons (students and families) and offer other advantages over USOE's offerings.

Many LEA's and local schools, would like to have choices of student information systems, and be in better positions to contract with private enterprise for them.

Many LEA's, especially charter schools would like to be able to adapt their educational programs to specific needs in their respective localities, and be in a better position to contract for computer support for modified educational programs, which may be different from those of other LEA's and other

localities.

LEA's tend to contract for computer services from small local businesses, whereas USOE tends to award multi-million dollar contracts to very large information technology providers.

Over a period of years, the current USOE Information Technology Director and his predecessors have pressured LEA's to adopt a single state-wide student information system.

The USOE Information Technology Department does NOT welcome the prospect of private enterprises providing student information systems to LEA's. They may allege that privatization would be costly and disruptive of LEA's and USOE operations. However, a number of private enterprises in Utah have experience and success at migrating schools off SIS2000 to their student information systems and could readily assist with privatization.

The Free Market Protection and Privatization Board, working in conjunction with the Utah Governor's Office of Management and Budget, the Utah Legislature and the Utah Board of Education could provide relief to LEA's and private enterprise by one or more of the following means:

- Investigate and assess USOE's sources and uses of funds which enable them to engage in these commercial activities, including the full cost of USOE's products and services in comparison to those offered by private enterprise.
- Recommend to USOE, the Governor's Office, and the Utah Legislature that funding for these commercial activities be dropped, or allocated to other USOE endeavors which are more congruent with the proper role of government.
- Provide special funding to LEA's which would like to contract with private enterprise for their student information systems, instead of using SIS2000 (suggest \$6-8 per student per year).
- Establish a level playing field by requiring USOE to support choice, and to recover the costs of USOE's commercial activities by charging LEA's that benefit from them.
- Have USOE implement a privatization program that migrates their commercial activities to private companies which currently offer services in Utah and already have student information systems that are compatible with USOE's reporting interfaces, aggregate data warehouse, and other requirements.
- Improve language in Utah Code Title 53A to clarify legislative intent to protect LEA's rights against undue control by USOE concerning their choices of educational technology, and protect private enterprise from unfair competition by USOE.