Strategic Transformation and Mainframe Services Project

Transparency Report

Period Ending March 31, 2010

1. Initiative Overview

The Ministry of Citizens' Services provides the computing infrastructure necessary to run the majority of business applications for core government. The scope of this initiative covers the mainframe server, midrange (Windows, UNIX and OpenVMS) servers, the storage devices supporting the servers, the processes necessary to deliver these services (notably security and service management), and the data centres.

The Ministry's server and storage infrastructure is aging and requires continual and significant capital investment to remain current and reliable. Data centre facilities are near capacity, require significant upgrades to maintain reliability, and are situated on historical flood plains and earthquake fault lines. Additional key challenges include:

- ongoing problems with attracting and retaining skilled technical resources,
- insufficient resource capacity/expertise to transform the service delivery model; e.g., design and implement a full disaster recovery service for non-mainframe,
- significant capital required to ensure server architecture is kept current,
- lack of flexibility in supporting temporary or peak increases in system workload, storage and backup functions,
- difficulty in supporting extended-hours support and coverage,
- ongoing issues with keeping software and hardware at supported versions, and
- time lags due to procurement processes (four weeks or more per server)

The Ministry initiated the Strategic Transformation and Mainframe Services (STMS) project to proactively mitigate these risks while transforming and improving existing service delivery. A Joint Solution Request for Proposal (JSRFP) was released in June 2007 and as a result of the JSRFP process, the Province selected EDS Canada Inc. (EDS Canada) to provide the services, through its subsidiary, EDS Advanced Solutions Inc. (the Service Provider). Subsequently, Hewlett-Packard Company acquired Electronic Data Systems and, as a result, EDS Canada amalgamated with Hewlett-Packard (Canada) Co. The Service Provider changed its name to HP Advanced Solutions Inc. and is now corporately controlled by Hewlett-Packard (Canada) Co.

The Province and the Service Provider entered into a Master Services Agreement (the Agreement) dated March 30, 2009. The Service Provider was selected for managed hosting and data centre services because their proposed solutions demonstrated the ability to deliver and achieve the following:

- established service levels at or above industry standard,
- transform legacy managed hosting and data centre services to leading edge solutions through innovative designs,
- transfer of financial and operational risk from government to service provider,
- enable greater access to technical resources and expertise,
- unit price reductions over the contract term driven by increasing efficiencies and streamlining how the services are delivered,
- economies of scale savings with the involvement of the Broader Public Sector (BPS),

- reduced risk associated with aging data centres located near major earthquake fault lines or flood plains,
- enhanced disaster recovery services,
- reduce energy consumption through virtualization, and
- protect the security and privacy of personal information.

For a more detailed description of the STMS project, please refer to the Project Summary found at ASD Project Summaries: http://www.lcs.gov.bc.ca/asd/alliance/summaries.asp.

2. Status Update – First Year Highlights

As part of the initial implementation, the Agreement included a six-month transition period where processes would be refined, along with roles and responsibilities to ensure a seamless service delivery.

As the transformation of services was not anticipated to begin until late into the first contract year, and acknowledging that this is a five-year transformation plan, it is predicted that a larger number of transformational activity completions will be seen within years two to five.

Transition of Services
- Successfully transitioned the Province's Hosting Services employees to the Service Provider and enabled a strong transference of knowledge to maintain comprehensive and seamless hosting services delivery.

Operations
- Creation of several critical environments in time for the 2010 Olympic and Paralympics Winter Games, including EMS (Event Management Systems) and EMIS (Emergency Management Information System).
- Provided a seamless and stable operating environment throughout the 2010 Winter Games.

Transformation
- Launched the Virtualization and Migration transformation project to migrate Province applications from existing Province servers to servers located in data centres in Calgary, Alberta and the interior of British Columbia. Virtualization will enhance the operational model by moving away from the constraints and limitations of physical infrastructures to better utilize resources thereby improving operational performance, ensuring business continuity while saving physical space, energy and money.
- Data Centres
  - Opened the STMS Calgary Data Centre in November 2009 to provide highly reliable and physically secure Tier 3 equivalent data centre facilities for the Province's information storage and permits for a comprehensive data recovery plan.
  - Land for the interior STMS Data Centre was acquired by the Service Provider in the Kamloops area and initial site preparation has started. This data centre is scheduled to open in 2011.

Growth and Marketing

- On March 30, 2009, ICBC signed a long term agreement for data centre services.
- Hosting Solutions BC brand was created by the Ministry of Citizens' Services to market managed hosting and data centre services.
- In June 2009, an increase of 1,200,000 VAs for the STMS Interior Data Centre was signed.
- Finalized and approved the Annual Joint Marketing Plan focusing on future growth.

3. Challenges

1. To ensure available room in the data centres to accommodate potential Broader Public Sector (BPS) buyers in addition to the Province and ICBC.

   Mitigation Strategy: In June 2009, the Province exercised its rights under the Agreement to ensure available space for future BPS buyers.

2. Delays in the first two transformation waves (Waves 1-1 and 1-2). Wave 1-1 was slated to be completed by December 2009. Wave 1-2 was slated to be completed in March 2010.   As of March 31, 2010 neither wave had been completed.

   Mitigation Strategy: The Province has worked with the Service Provider to help them streamline their processes and focus on decommissions to get the project back on its timeline.

3. The Calgary Data Centre was opened on schedule in November; however the Province does not have an ability to deliver services due to delays in building the toolsets and network circuit delays.

   Mitigation Strategy: Managed the Service Provider to the contract and worked with the Service Provider's executive to get back to established timelines.

4. The Service Provider did not launch their reporting portal in the first fiscal year, as per the Agreement.

   Mitigation Strategy: Managed the Service Provider to the contract and worked with transformation team and executive to get back to established timelines.

4. Contract Objectives

The alternative service delivery relationship as defined in the Agreement signed on March 30, 2009, includes a number of objectives, which are summarized as follows:

- transform legacy managed hosting and data centre services to leading edge solutions through innovative designs,
- enhanced disaster recovery services and reduced risk associated with aging data centres located near major earthquake fault lines or flood plains,
- reduction in energy consumption, and
- economies of scale savings with the involvement of the Broader Public Sector.

Collectively, the Province and the Service Provider have demonstrated progress towards the identified objectives (Appendix A). Efforts in support of the business objectives will be ongoing over the duration of the alternative service delivery relationship.

5. Service Commitments

The Province, together with the Service Provider, provide innovative managed hosting services and data centre services to clients across government and the Broader Public Sector.

Service delivery commitments for the Service Provider are defined, measured and reported monthly, providing the ability to track improvements and service enhancements. This is a significant improvement as prior to the transfer, the majority of the service commitments were not previously measured or were reported inconsistently across the province.

There are a total of 22 Service Level Agreements (SLAs) and 17 Service Level Objectives (SLOs) for the Agreement. Reporting of seven SLAs and eight SLOs commenced October 2009. The Province is currently reviewing two single SLAs from two separate months. All other SLAs and SLOs have met the monthly service level targets during the fiscal year.

The remaining 15 SLAs and 9 SLOs will be monitored and reported on when the services that they measure are implemented.

Appendix A – Contract Objectives: Reporting on Results

Objective 1

Transform legacy managed hosting and data centre services to leading edge solutions through innovative designs

Activities (undertaken to achieve objective)	Results (Year-To-Date)
Five year multi-phase transformation plan	• The launch of the Virtualization and Migration transformation project to migrate Province applications from existing Province servers. • Calgary Data Centre readied for delivery of production services: - Finalized the building of the network to connect back to the Province through Span BC - Build out and preparation of the cages - Servers in place for the migration and virtualization waves - Storage and back up infrastructure in place - Preparation of the tool sets for Calgary - Identification of the servers to be included in the initial migration/ virtualization waves

Objective 2

Enhanced disaster recovery services and reduced risk associated with aging data centres located near major earthquake fault lines or flood plains

Activities (undertaken to achieve objective)	Results (Year-To-Date)
Opening of Calgary Data Centre	Completed on schedule
Interior Data Centre	Land acquired in the Kamloops area. Construction in progress with expected completion April 2011.
Business Continuity and Disaster Recovery Plans	Table-top exercises complete. Physical tests completed in some areas. Remaining areas to be completed in 2010.

Objective 3

Reduction in energy consumption

Activities (undertaken to achieve objective)	Results (Year-To-Date)
Energy efficient power and cooling technologies used in the new facilities	Employed in Calgary Data Centre. To be used in Kamloops Data Centre
Reduce energy consumption through virtualization	Launch of the Virtualization and Migration transformation project (part of five year multi-phase transformation plan)

Objective 4

Economies of scale savings and unit price reductions with the involvement of the Broader Public Sector

Activities (undertaken to achieve objective)	Results (Year-To-Date)
ICBC signed a long term agreement for data centre services	March 30, 2009
Hosting Solutions BC brand created to market managed hosting and data centre services	April 2009
Unit Price reductions secured	June 2009
Development of Hosting Solutions BC website and collateral material	Initial phase of website completed June 2009. Collateral material finalized March 2010
Annual Joint Marketing Plan focusing on future growth of the Agreement approved	March 2010