



April 13, 2005

James P. Mayer, Executive Director
Little Hoover Commission
925 L Street, Suite 805
Sacramento, CA 95814

Dear Mr. Mayer:

Thank you for the opportunity to testify at the public hearing regarding the Governor's Reorganization Plan to create a Department of Technology Services (DTS). We are excited about the opportunity for the State of California to enhance its business technology systems, and therefore, to enhance the services delivered to its citizens. The following represents our responses to the questions outlined in your memorandum dated April 5, 2005.

Question 1:

Will the Telecommunications Division of the Department of General Services continue to exist after the reorganization? If so, what functions will it perform? Are any DGS functions outside the Telecommunications Division being transferred as part of this reorganization?

The Telecommunications Division of the Department of General Services will continue to exist after the reorganization. The current Office of Network Services (ONS) will be transferred intact to the new Department of Technology Services. The two remaining offices – Public Safety Radio and California 9-1-1 Emergency Communications – will continue to perform their existing functions within DGS. The Office of Public Safety Radio Services is responsible for all aspects of public safety communications in California. The functions include engineering, installation and repair of radios, operation of the State's Public Safety microwave radio network, and strategic planning for all of these functions. The 9-1-1 Office administers the local assistance fund (9-1-1), which provides funding for the State's 500+ Public Safety Answering Points, communications costs, and database maintenance. The office is also leading the project for implementation of enhanced (wireless) 9-1-1 services throughout the State. The office also establishes broad policy in the 9-1-1 arena. No DGS functions outside of the ONS are being transferred.

Question 2:

Who are the customers of the DGS Telecommunications Division and what services are provided to these customers?

The customers of DGS Telecommunications are, in the case of Network Services, the State departments and over 2000 local government agencies in California that use CALNET business telecommunications and network services. The Public Safety Radio's customers are the State departments that provide law enforcement, fire, emergency medical services, etc., as well as local and federal government public safety agencies. The 9-1-1 office's customers are the approximately 500+ Public Safety Answering Points in the State, which includes federal, state, and local government locations. The services are varied and diverse – ranging from using sno-

cats to repair transmitters in the winter to consulting with a variety of California departments on cost-effective use of public safety communications services.

Question 3:

What specific benefits from this consolidation will these customers obtain that otherwise could not be captured?

The benefits, from a Network Services perspective, are to closely align business telecommunications and network services with other business technology activities. There is a clear synergy in ONS and the data centers being in the same department. The Public Safety Radio and 9-1-1 functions that will remain in the DGS are both related to statewide Public Safety Communications. These are distinct functions that must maintain their focus, integrity and autonomy to help ensure that the public safety communications needs of all public safety agencies are met to protect California's citizens. The 9-1-1 functions, while technology related, are not technology driven and therefore provide no synergy to relocate to a technology department. Public Safety Radio is not aligned with business technologies, and also has little or no synergy to relocate due to its public safety nature. There is no overlap with CALNET statewide telecommunications or network backbone, or with data center functions. The requirements and use of the Public Safety Radio Network are unique and different, and focused on emergency communications and homeland security.

Question 4:

What risks or adverse outcomes have you identified for specific customers and what steps will be taken to mitigate these risks and outcomes?

The consolidation of the State's two existing data centers and the transfer of DGS ONS into a single organization is a complex effort. One of the goals is to provide seamless, continued services to all customers. To ensure decision making during the effort takes into consideration these primary stakeholders and their requirements, the following Consolidation Principles, as stated in the "Consolidation Approach" document, will be adhered to:

- Do no harm during or as a result of the consolidation - All services to clients of both data centers remain at contractual service levels or better. ONS will continue its customer service levels as well.
- Execute the consolidation with absolute integrity and appropriate transparency.
- Maintain open two-way communications with all stakeholders.
- Newly designed processes will be based on industry best practices.
- Consider risk and quality when deciding to consolidate similar systems.

Additional safeguards against potential risks will be provided by the establishment of the Consolidation Management Office. As defined in the "Consolidation Approach," this group will provide a coordinated, independent and objective approach to manage the data center consolidation project and the establishment of the DTS. The ONS has also completed a Project Charter with the Consolidation Team that addresses its unique issues to help ensure a smooth transition to the DTS.

Question 5:

How will existing staffing at DGS be impacted by this consolidation?

The initial establishment of the DTS encompasses the merging of the HHSDC, Teale, and the DGS ONS into one department, with full integration to occur on a gradual basis. The impact to existing DGS staffing will be minimal as the ONS provides little or no direct services to DGS

(ONS has statewide responsibility and oversight, and will maintain that role). The ONS itself will be transferred intact to the new department, maintaining its present location, staff and assignments as outlined in the ONS Project Charter.

As the new DTS organization takes on greater workload and more ambitious projects, this will in turn provide greater opportunities to individual employees. Also, as the new organization embraces new technologies, the need for cross-training increases and new career paths will emerge.

Question 6:

DGS is conducting major telecommunications procurement (CALNET). What risks to this procurement does this reorganization pose to the success of that procurement and what steps are being taken to mitigate those risks?

The responsible Agency for ONS and CALNET is not changing – it will still be the State and Consumer Services Agency, so the over-all direction will remain consistent. Also, while the ONS becomes a part of the new department, it will maintain its focus on the CALNET II procurement by minimizing major changes until after the CALNET II transition is complete. This includes maintaining the same physical location and keeping the same team assigned to the procurement.

Question 7:

When will the transition of all telecommunications customers to the new department be completed?

The transition of all customers is envisioned to be immediate and transparent upon establishment of the new department.

Thank you for the opportunity to discuss the new structure and direction of technology services in California.

Sincerely,



For
BARRY R. HEMPHILL
Deputy Director for Telecommunications

BRH:SB:pcr

cc: Ron Joseph, Director, Department of General Services
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