Administrative and Supporting Services
110 - M2 - WT - Telecommunication Sys Modernization

Agency Submittal: 11-2017-19-YR Agency Req **Budget Period: 2017-19**

SUMMARY

The Department of Social and Health Services (DSHS) requests $1,737,000 ($1,209,000 GF-State) to procure and implement shared telephony systems in order to replace or upgrade failing legacy telephony systems that provide voice and data services to seven of 67 DSHS leased facility sites. Of this amount, it is requested that $173,000 ($142,000 GF-State) is appropriated to the Economic Services Administration. By funding this request, clients will have more consistent access to telephone services, and the department will be more efficient and effective in its use of shared data and voice networks, reducing operational costs and extended outages while retaining the ability to effectively budget for this service.

PROBLEM STATEMENT

DSHS has a variety of dissimilar systems used to deliver telephone services to agency staff. The systems range from large Private Branch exchange (PBX) telephone systems owned and operated by Washington Technology Solutions (WaTech), to small hybrid telephone systems owned by the local DSHS office or administration. There is no overall governance for acquisition, operation, or maintenance for these various systems. Many of the small hybrid systems have reached the end of their useful or supportable life, and have no maintenance contracts or replacement plans in place, resulting in emergency corrective maintenance being the norm. This impacts not only agency staff but the department's business partners, clients, and the public when contacting the agency for services when the system is down. At some point in the near future, DSHS expects that a failed telephony system will not be repairable, resulting in a catastrophic failure and extended telephony outage until another system can be ordered and installed.

As a result of DSHS administrations "owning" their telephony systems, many systems have reached end of life or end of support without lifecycle replacement strategies. The consequence is that many of these systems are no longer sustainable. End of life telephony equipment is inefficient due to costly repairs and staff downtime. Many end of life systems are no longer supported by vendors or providers and are extremely difficult (and costly) to find technicians who know how to repair an outdated system.

PROPOSED SOLUTION

The proposed solution is to upgrade or repair outdated telephony systems by contracting with WaTech. The funding will provide the ability to implement several efficiencies, including expanded local dialing (minimal long distance charges between offices); shared data and voice networks (reducing circuit and equipment costs); consistent system maintenance (decreasing repair costs); standardized systems throughout the agency; and consistent security updates. This proposed solution will reduce ongoing operational costs for repairs and hardware/software upgrades.

The decision package will fund 1.0 FTE to coordinate and organize the seven upgrades needed throughout the agency. This FTE will help create agency enterprise governance for these systems to ensure future proactive support. The FTE is

needed to implement the upgrade and for on-going service management (for WaTech and DSHS-managed telephony systems). Working with WaTech and other contractors, the upgrades will be designed, procured, and implemented throughout the 2017-19 biennium.

The Services and Enterprise Support Administration's (SESA) goal is to establish a new model of telephony management. SESA and/or WaTech would own and manage the telephony systems and procure new systems as existing systems enter end of life or end of support. This promotes standardization, consolidation, and maintenance agreements, which avoids future problems and unexpected costs.

EXPECTED RESULTS

By funding this request, DSHS will improve telephony services for seven critical DSHS leased facilities that are experiencing increased service outages, and will gain current telephony technologies that allow clients and staff telephony access with improved reliability and increased efficiency.

The specific benefits of this request are:

Security: The telecommunication systems modernization improves security by upgrading and standardizing end-of-support and failing telephony systems. End-of-support systems may no longer provide security updates. Upgrading these systems will allow security updates to be implemented on a regular, proactive basis reducing vulnerabilities and protecting unauthorized access to DSHS systems.

Modernization of State Government: This investment upgrades legacy, failing, and end-of-life telecommunication systems with standard, networked systems that WaTech implements and manages. The DSHS leased facilities will then be in a shared data and voice environment and will be able to take advantage of upgraded networked systems. This makes the voice mail systems, Interactive Voice Response systems, and the respective software and hardware more efficient and effective.

Mobility: The telecommunication systems upgrade provides the infrastructure to be ready for mobility by implementing a shared data and voice environment with modern infrastructure to better support mobility and new technologies. Clients will have better access to automated Interactive Voice Response (IVR) systems.

Cost Reduction: The telecommunications systems upgrades and modernization provides the ability to implement several efficiencies, including expanded local dialing (minimal long distance charges between offices); shared data and voice networks (saving money with circuit and equipment costs); system maintenance (decreasing repair costs); standardized systems throughout the agency; consistent security updates, etc. This proposed solution reduces ongoing, unscheduled and unplanned operational costs for repairs and hardware and software upgrades and allows DSHS' community facilities to budget actual telephony expenses.

If this request is not adopted, this will compromise the department's ability to support and provide client services. DSHS will not be able to retire existing end-of-life telephony systems which are now at high risk of catastrophic failure and will prevent the department from transforming its service delivery model to a new model that can improve its service capabilities without continued increases in the cost of providing those telephony services. The result will be compromises and heightened risk to client safety and well-being and a potential long term disruption of telephony service in programs to clients.

Staff that rely on these services, are working with some of the most vulnerable citizens in our society. By funding this request, the state is meeting its statutory and societal commitment to care for the elderly and vulnerable.

STAKEHOLDER IMPACT

Upgrades or replacement of telephony systems are managed to minimize the impact on stakeholders by performing the work during non-business hours, or through planned outages coordinated with the business owners. Stakeholders will benefit from consistent, more reliable, maintainable telephony systems and the benefits it will create to assist clients more efficiently.

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Program Contact: Carlyle Ludwig, (360) 902-7615

OTHER CONNECTIONS

Performance Outcomes/Important Connections

1. **Does this DP provide essential support to one or more of the Governor's Results Washington priorities?**

   Goal 5: Efficient, Effective & Accountable Government - Customer Satisfaction and Confidence - 1.1 Increase customer services.

This request supports the Results Washington goal to provide effective, efficient, and accountable government:

- By reducing future ongoing costs while improving Telephony services.
- Provides the agency with updated, consistent, reliable, and easier telephone system.
- By supporting a more productive workforce.
- By keeping the telephony service an efficient, nimble, and frugal resource.
- By improving Telephony service and providing increased options to partners and clients.
- WaTech manages all of the DSHS Call Center applications.

2. **The decision package meets the following DSHS' strategic objectives:**

   ET/TSD 5.14 Pursue excellence in the technology services we offer.

3. **Identify other important connections or impacts below.** (Indicate 'Yes' or 'No'. If 'Yes' identify the connections or impacts related to the proposal.)

a) Regional/County impacts? No

b) Other local government impacts? No

c) Tribal government impacts? No

d) Other state agency impacts? No

e) Responds to specific task force, report, mandate or executive order? No

f) Does request contain a compensation change or require changes to a Collective Bargaining Agreement? No

g) Facility/workplace needs or impacts? Yes, this directly results in a more stable and modernized Telephony system for DSHS and it's clients.

h) Capital budget impacts? No

i) Is change required to existing statutes, rules or contracts? No

j) Is the request related to litigation? No

k) Is the request related to Puget Sound recovery? No

l) Other important connections? No

4. Please provide a detailed discussion of connections/impacts identified above.
This directly results in a more stable and modernized telephony system for DSHS and its clients. There is a similar request in the capital budget for upgrades to telephony systems in the state-owned hospitals, residential habilitation centers and other institutions.

Alternatives/Consequences/Other

5. What alternatives were explored by the agency, and why was this alternative chosen?
DSHS looked at contracting out with other Telco companies, but no companies covered all DSHS leased facilities. WaTech was the only solution that could network all sites together to expand local dialing (minimal long distance charges between offices), and reduce telephony charges.

6. How has or can the agency address the issue or need within its current appropriation level?
Currently, DSHS Administrations "own" their telephony systems. Due to the high cost of upgrades or replacements of telephony systems, many systems have not been upgraded and have reached end of life or end of support without lifecycle replacement strategies. The consequence is that many of these systems are no longer sustainable. End of life telephony equipment is inefficient due to costly repairs, emergency corrective maintenance, and staff downtime. With the already-limited funds to care for their clients, telephony systems are not upgraded or replaced in a timely manner.

7. Does this decision package include funding for any IT-related costs (hardware, software, services, cloud-based services, contracts or IT staff)?

☐ **No**

☒ **Yes (Include an IT Addendum)**

Fiscal Detail

110 - M2 - WT - Telecommunication Sys Modernization

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
001-1 General Fund-State	78,000	64,000	42,000	42,000
001-2 General Fund-Federal	17,000	14,000	9,000	9,000
Total Cost	**95,000**	**78,000**	**51,000**	**51,000**

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0.0	0.0	0.0	0.0

Performance Measure Detail

Activity:		Incremental Changes FY 2018	FY 2019	FY 2020	FY 2021
Program: 110					
K001	Administration and Supporting Services	0	0	0	0

No measures submitted for package

Object Detail

		FY 2018	FY 2019	FY 2020	FY 2021
E	Goods and Other Services	95,000	78,000	51,000	51,000
	Total Objects	**95,000**	**78,000**	**51,000**	**51,000**

DSHS Source Detail

Overall Funding

Operating Expenditures		FY 2018	FY 2019	FY 2020	FY 2021
Fund 001-1, General Fund-State					
Sources	**Title**				
0011	General Fund State	78,000	64,000	42,000	42,000
	Total for Fund 001-1	**78,000**	**64,000**	**42,000**	**42,000**
Fund 001-2, General Fund-Federal					
Sources	**Title**				
FLIV	Fed Entered as Lidded (various%s)	17,000	14,000	9,000	9,000
	Total for Fund 001-2	**17,000**	**14,000**	**9,000**	**9,000**
	Total Overall Funding	**95,000**	**78,000**	**51,000**	**51,000**

2017-19 Biennial Budget
M2-WT-Telecommunication Sys Modernization

Breakdown by Program Total 2017-19 Requirement

Program	Year		
	FY2018	FY2019	Total
010	$224,000	$184,000	**$408,000**
040	$96,000	$78,000	**$174,000**
050	$96,000	$79,000	**$175,000**
060	$348,000	$286,000	**$634,000**
100	$95,000	$78,000	**$173,000**
110	$95,000	$78,000	**$173,000**
Total	**$954,000**	**$783,000**	**$1,737,000**

Total Requirement for 2017-19 Biennium - GFS

Program	GFS - Year		
	FY2018	FY2019	Total
010	$219,000	$180,000	**$399,000**
040	$49,000	$40,000	**$89,000**
050	$50,000	$41,000	**$91,000**
060	$173,000	$142,000	**$315,000**
100	$95,000	$78,000	**$173,000**
110	$78,000	$64,000	**$142,000**
Total	**$664,000**	**$545,000**	**$1,209,000**

Federal

Program	Federal - Year		
	FY2018	FY2019	Total
010	$5,000	$4,000	**$9,000**
040	$47,000	$38,000	**$85,000**
050	$46,000	$38,000	**$84,000**
060	$175,000	$144,000	**$319,000**
100	$0	$0	**$0**
110	$17,000	$14,000	**$31,000**
Total	**$290,000**	**$238,000**	**$528,000**

Breakdown by Program Total 2019-21 Requirement

Program	Year		
	FY2020	FY2021	Total
010	$120,000	$120,000	**$240,000**
040	$51,000	$51,000	**$102,000**
050	$50,000	$50,000	**$100,000**
060	$187,000	$187,000	**$374,000**
100	$51,000	$51,000	**$102,000**
110	$51,000	$51,000	**$102,000**
Total	**$510,000**	**$510,000**	**$1,020,000**

Total Requirement for 2019-21 Biennium - GFS

Program	GFS - Year		
	FY2020	FY2021	Total
010	$117,000	$117,000	**$234,000**
040	$26,000	$26,000	**$52,000**
050	$26,000	$26,000	**$52,000**
060	$93,000	$93,000	**$186,000**
100	$51,000	$51,000	**$102,000**
110	$42,000	$42,000	**$84,000**
Total	**$355,000**	**$355,000**	**$710,000**

Total Requirement for 2019-21 Biennium
Federal

Program	Federal - Year		
	FY2020	FY2021	Total
010	$3,000	$3,000	**$6,000**
040	$25,000	$25,000	**$50,000**
050	$24,000	$24,000	**$48,000**
060	$94,000	$94,000	**$188,000**
100	$0	$0	**$0**
110	$9,000	$9,000	**$18,000**
Total	**$155,000**	**$155,000**	**$310,000**

Information Technology Addendum

Recsum Code and Title **M2-WT-Telecommunication Sys Modernization**

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation) or IT staff. Be as specific as you can. (See Chapter 12.1 of the OFM Operating Budget Instructions for guidance on what counts as "IT-related costs.")

Information Technology Items in this DP (insert rows as required)	FY 2018	FY 2019	FY 2020	FY 2021
Telephone replacement cost	**$380,000**	**$162,000**	**$0**	**$0**
Cabling Infrastructure upgrade	**$435,000**	**$184,000**	**$0**	**$0**
WaTech Service cost	**$139,000**	**$437,000**	**$510,000**	**$510,000**
Total Cost	**$954,000**	**$783,000**	**$510,000**	**$510,000**

Part 2: Identify IT Projects

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? (Answer Yes or No) No

2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) (Answer Yes or No) No

3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.) (Answer Yes or No) No

If you answered "yes" to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to Chapter 12.2 of the Operating Budget Instructions for more information.