

# STATE OF COLORADO

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**OFFICE OF INFORMATION TECHNOLOGY (OIT)**  
**Office of the Governor**

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Bill Ritter, Jr.  
Governor

Michael Locatis  
State Chief Information Officer

**To Whom It May Concern:**

The Office of Information Technology (OIT) is working toward improving the state of technology for all of Colorado and its citizens. Information Technology (IT) is the infrastructure (backbone) that enables the delivery of many of our business functions and services. From law enforcement to tax collection, IT is the mechanism that processes warrants, receipts, licenses, and everything in between. As our citizens place further demand on government for increased efficiency, reduced spending, and accountability, the role for IT continues to evolve.

Historically, IT in Colorado has grown alongside departmental business functions and has been appropriately considered a key mechanism for completing those functions. However, the increased use and statewide abundance of IT operations has resulted in technology redundancies and functional duplication across state agencies. Telecommunications, desktop services, and call centers are all areas that use common technology; however, are not currently leveraged from an enterprise shared services model. This has left the State in a position where it is not receiving the greatest benefit from IT investments.

OIT continues to conduct assessments at various levels within the IT community. One of the studies, conducted in concert with the change in administration, was an evaluation of the overall state of IT in Colorado. The findings uncovered areas where improvements could be implemented and others where additional data was required prior to finalizing recommendations.

The attached document is a breakdown and analysis of Executive Order D 016 07 and outlines its key components. We hope that it addresses any concerns or questions pertaining to the Executive Order and highlights the benefits we hope to realize.

As the number of visitors and residents in Colorado increases, our IT infrastructure will need to be maintained, improved, and expanded. We hope that everyone within State government will assist our OIT team to find ways to leverage our strengths and diminish our weaknesses. OIT looks forward to working with you all in the future.

Sincerely,

John D. Conley  
Deputy State CIO  
Office of Information Technology

# STATE OF COLORADO

## OFFICE OF THE GOVERNOR

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Bill Ritter, Jr.  
Governor

**D 016 07**

## EXECUTIVE ORDER

### IMPROVING STATE INFORMATION TECHNOLOGY MANAGEMENT

Pursuant to the authority vested in the Office of the Governor of the State of Colorado, I, Bill Ritter, Jr. Governor of the State of Colorado, hereby issue this Executive Order setting forth the authorities granted to the Office of Information Technology.

#### **1. Background and Purpose**

Information technology ("IT") is a critical tool for state government. Colorado's decentralized information technology structure creates inefficiencies that increase government costs and put mission-critical systems at risk.

For years, the state of Colorado has used an uncoordinated, non-uniform approach to infrastructure, purchasing, project planning and delivery, asset management, and strategic leadership. This approach has led to redundant purchases and failed or under-performing IT applications. In addition, Colorado's state government misses the opportunity to pool purchases of IT goods and services and faces greater risks related to security, system architecture, and project performance. These failures have prevented Colorado from being a leader in the provision of efficient government services to its citizens.

This Executive Order is a first step toward addressing these issues. This Order strengthens the State Chief Information Officer and the Governor's Office of Information Technology ("OIT") ability to oversee IT budgeting statewide, formulate policies on state-wide contract agreements, develop a single state-wide strategic plan, prioritize initiatives and projects across state agencies, assist state agencies in large-scale projects deemed at risk, and participate in strategic decisions related to IT initiatives, projects, and programs. These actions will provide state government with the oversight and coordination necessary to enable state departments and agencies to focus on their core mission operations, to ensure IT projects are managed strategically and with adequate funding and support, and to leverage the state's current and future IT investments in a shared service model, reducing costs, increasing efficiencies, and creating centers of excellence.

## **2. Applicability**

This Executive Order shall apply to the following executive departments, as well as all agencies and divisions within such executive departments: Department of Education; Department of Higher Education; Department of Revenue; Department of Public Health and Environment; Department of Labor and Employment; Department of Regulatory Agencies; Department of Agriculture; Department of Natural Resources; Department of Local Affairs; Department of Military and Veterans Affairs; Department of Personnel and Administration; Department of Corrections; Department of Public Safety; Department of Transportation; Department of Human Services; Department of Health Care Policy and Financing. These executive departments are referred to herein as "departments," and the agencies and divisions within those departments are referred to as "agencies." The head of each of the departments are referred to collectively as "executive directors," regardless of whether the department head holds the title of executive director or commissioner.

## **3. Directive**

All state departments engaged in activities concerning information technology shall coordinate with OIT on those activities as they relate to major contracting, operational, risk assessment, hiring, and project management decisions. Nothing in this Executive Order shall divest a government officer of powers delegated to them by state or federal law.

The State Chief Information Officer is hereby designated a member of the Governor's Cabinet. The State Chief Information Officer shall regularly meet with the executive directors of each department and their IT leadership to gather information regarding how IT is used in their operation, if it can be leveraged state-wide for greater efficiencies, and to assist them in providing better services to their employees and customers.

For the purposes of this Executive Order, IT spending is defined as spending on communication and information resources, communication and information resource technologies, and data processing.

### **A. Management of State IT Spending and Resources**

#### **1. OIT Budget review process**

- a. To facilitate more efficient and effective review of budget requests for IT spending, departments and agencies shall provide budget requests to OIT no later than August 1 of each year and at least two weeks prior to providing these requests to the Office of State Planning and Budgeting (OSPB). OIT shall have sole responsibility for

coordinating and prioritizing all IT investments. OIT shall prioritize these requests and present them to OSPB for review as a whole. Department and agency requests for funds that do not match OIT priorities for IT investments shall not be approved.

- b. Departments and agencies shall not proceed with IT spending on projects greater than \$10,000 without OIT approval. Projects shall not be artfully divided to avoid this reporting requirement.
2. At the direction of OIT, departments and agencies shall maintain and update a list of IT assets. Departments and agencies shall report such assets to OIT using a format to be developed by OIT.
3. OIT shall work with the Department of Personnel and Administration ("DPA") to evaluate the possibility of revising accounting codes to include a specific section for IT resources to allow for better reporting and monitoring of expenditures.
4. OIT shall work with all departments and agencies to identify and manage the centralization of enterprise IT systems and projects into DPA's Division of Information Technology.
5. OIT shall prepare plans to reorganize information technology management functions that will promote a unified approach to information technology management for departments and agencies.
6. OIT shall work with DPA to establish enterprise contracts for the procurement of IT resources and establish policies to ensure that all departments and agencies are using these contracts.

B. Management of IT Projects

1. Departments and agencies shall cooperate with OIT regarding project management of any major automation system development project ("major project"). Major projects shall be defined as in Colo. Rev. Stat. § 24-37.5-102(3.7). Such cooperation shall include, at a minimum:
  - a. Prior to a department or agency beginning a new major project, the department or agency must obtain agreement from OIT.
  - b. Discussion and agreement between the department or agency and OIT on project milestones.

- c. Reports from the department or agency to OIT at each milestone or date originally associated with a milestone.
  - d. To the extent that such reports indicate that a major project is at risk, the department or agency shall cooperate with OIT to implement plans to mitigate such risks.
  - e. Once OIT deems a project to be at risk, departments and agencies shall cooperate with OIT in the following:
    - i. Departments and agencies shall work cooperatively with OIT to perform an assessment of the project risks, make recommendations about the continued viability of the project, and if the project is deemed viable, suggestions about how to mitigate the risks including a work plan.
    - ii. Departments and agencies shall cooperate with OIT in implementing its recommendations, or shall provide a written description of the reasons for failing to do so. Such a description shall be delivered to the Governor's Chief Information Officer, OSPB, and the department's executive director within 10 days after receipt of OIT's recommendations.
2. OIT shall review large IT projects that are not currently being leveraged through a shared services model, and identify those projects that could more effectively and efficiently be managed using this approach.

C. Maximizing Utilization of IT Staff

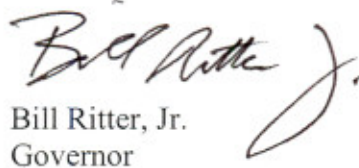
- 1. Departments and agencies shall involve OIT in strategic decisions regarding the hiring and promotion of Chief Information Officers and their deputies.
  - a. Such involvement shall include, at a minimum, review of demand for such IT professionals and the possibility of sharing these IT professionals between departments.
  - b. Such involvement shall include the participation of the Chief Information Officer in the selection, interviewing, and review process of at least the top three candidates presented for hiring.
- 2. OIT may perform a study of state government IT staffing to assess whether available resources could be redeployed in a more efficient and effective manner.

**4. Duration**

This Executive Order shall remain in force until further modification or rescission by the Governor.



GIVEN under my hand and  
The Executive Seal of the  
State of Colorado, this 25th  
day of May, 2007.

  
Bill Ritter, Jr.  
Governor



## Understanding the Executive Order: Improving State Information Technology Management

### Background

Information Technology (IT) is a critical tool for state government. The State of Colorado currently has a highly decentralized model for managing information technology investments, systems, and personnel. Decentralization has increased the cost of information technology and put mission-critical systems at risk. Recent internal and independent third party findings have concluded the decentralized approach has resulted in wasteful IT spending, under-performing projects, inadequate service delivery, and increased security risks across the state.

### Purpose

The Executive Order (Executive Order # D 016 07) is the first step in centralizing IT strategy and decisions for the State of Colorado to make IT more effective and efficient. Specifically, the order mandates key changes in the operational role of the Governor's Office of Information Technology (OIT) with the intent to reduce wasteful spending, improve service delivery and security, and implement projects more effectively.

### Summary and Benefits of the Executive Order

The following table outlines the fundamental policy changes along with the intended benefits of the Executive Order:

Executive Order	Description	Benefits
<b>State CIO Designation</b>	The State CIO is designated as a member of the Governor's Cabinet.	<ul style="list-style-type: none"><li>• The state-wide information technology strategy will be represented at the executive level and will improve cooperation and coordination across agencies.</li><li>• The State CIO will be better positioned to collaborate with Department Senior Management to meet business needs through technology.</li></ul>

Executive Order	Description	Benefits
<b>OIT Project Approval</b>	OIT will review all IT project requests on an annual basis. OSBP will not fund an IT	<ul style="list-style-type: none"><li>• Departments will have a better chance of adequately funding higher priority</li></ul>

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	project without OIT approval.	<p>projects that are beneficial to the State.</p> <ul style="list-style-type: none"> <li>• Projects that could serve multiple Departments may be consolidated. This will help to reduce implementation costs across the state.</li> </ul>
<b>OIT Budgetary Approval</b>	OIT approval is required for all IT spending requests greater than \$10,000.	<ul style="list-style-type: none"> <li>• OIT will be able to proactively identify spending requests that do not serve the best interests of the State.</li> <li>• OIT will be able to identify redundant funding requests and services that could be provided by existing entities (such as DoIT).</li> <li>• The state will be able to identify specific needs that can be leveraged across the State, and take advantage of consolidated buying power for software licenses, hardware, and professional services.</li> </ul>
<b>Centralization of Enterprise Services</b>	<p>OIT will work with Departments to centralize enterprise services. Specifically:</p> <ul style="list-style-type: none"> <li>• Departments will assist in identifying services and systems that should be maintained by DoIT.</li> <li>• Departments will identify and maintain a list of IT assets. This list will be provided to OIT.</li> <li>• OIT may assist Departments in optimizing their IT organizations in a consistent manner.</li> </ul>	<ul style="list-style-type: none"> <li>• Centralization of enterprise services will reduce IT spending, help establish architectural standards, and improve service delivery for the Departments.</li> <li>• An accurate list of IT assets will establish the baseline for improving security, reduce risks to the State, and optimize existing assets.</li> <li>• Departments will improve internal IT service delivery by better leveraging their personnel to meet the business needs.</li> </ul>
<b>Procurement Reform</b>	OIT will work with the Department of Personnel and Administration (DPA) to improve IT procurement and contracting.	<ul style="list-style-type: none"> <li>• Improvements in state-wide licensing and contracting will significantly reduce wasteful IT spending by reducing redundancies, managing risk, and taking advantage of the State's consolidated buying power.</li> <li>• Better contract controls will reduce the risk of major project failures.</li> </ul>

Executive Order	Description	Benefits
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<p><b>Accounting Code Evaluation</b></p>	<p>OIT will work with DPA to evaluate the need to standardize accounting codes for IT. These standard codes would be used by Departments to capture IT resource costs.</p>	<ul style="list-style-type: none"> <li>• The standardization of accounting codes would allow for consistent evaluation of IT staffing across the enterprise.</li> </ul>
<p><b>IT Project Management</b></p>	<p>OIT will have a larger role in IT projects, specifically:</p> <ul style="list-style-type: none"> <li>• OIT approval is required for all new major projects as they are defined by the certification statute.</li> <li>• OIT and the Departments must agree on the project plan and milestones for major projects.</li> <li>• Departments will have to provide more detailed and timely status reports for major projects.</li> <li>• OIT will have the authority to independently assess project health and direct Departments to provide mitigation strategies to address risks and issues. There is a 10-day turn-around period for Departments to provide a mitigation plan to OIT.</li> <li>• OIT will help identify resources and assets from the enterprise that may be used to support major projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Earlier identification and mitigation of risks and issues will help to reduce the chance of a major project failure.</li> <li>• OIT will partner with the Departments to help them identify strategies for correcting project issues.</li> <li>• Project performance should improve as seasoned IT resources from across the state are identified to assist with major projects.</li> <li>• Improved visibility into the project, with an effort to collaboratively address issues facing projects, will improve the project's chances for success.</li> </ul>
<p><b>Utilization of IT Staff</b></p>	<ul style="list-style-type: none"> <li>• OIT will be more actively involved in the identification and hiring of senior IT personnel within the Departments.</li> <li>• OIT may assess current state government IT staffing to determine alternatives in structuring IT organizations across the enterprise.</li> </ul>	<ul style="list-style-type: none"> <li>• OIT will help to ensure the most qualified candidates are selected for leadership roles, and that the optimal span of control is determined for IT leadership resources.</li> <li>• Completing the assessment would enable OIT to improve how IT staff are deployed to better meet the needs of the State.</li> </ul>



## Frequently Asked Questions

### 1. Who does this Executive Order impact?

*All executive agencies must comply with this Executive Order.*

### 2. When does the Executive Order go into effect?

*The Executive Order is effective as of May 25, 2007.*

### 3. How was this Executive Order implemented?

*Following an analysis of the State's decentralized IT structure, the State CIO identified key foundational issues and risks. Continuing with the status quo was viewed as too risky. A thorough review of statutes was completed to establish the foundation for the Executive Order. The Governor signed the Executive Order on May 25<sup>th</sup> upon recognizing the benefits that could be achieved with these policy changes.*

### 4. How are DoIT and OIT working together?

*OIT and DoIT have agreements in place to help build and improve DoIT's enterprise IT capabilities. OIT will assist DoIT in the identification of enterprise level services within the Departments and will help plan and migrate these services to DoIT. OIT will work closely with Department Executive Directors to ensure critical business functions and services are not compromised.*

### 5. Why does OIT want to review and approve IT spending requests above \$10,000?

*Previously, only IT spending requests at or above \$100,000 required approval; however, this amount was lowered to allow OIT more insight into how the Departments are investing capital. The new budgetary review process will identify unnecessary spending and provide a better understanding of the IT needs within each department.*

### 6. How will OIT manage the process for \$10,000 or above IT budget requests?

*OIT is looking into tools that will enable efficient budget request submissions and will continue to update all parties as more information becomes available. At this time the budget review and approval process will be handled via email. OIT does not want to negatively impact the business operations of any organization so it will continue the practice of passively approving department requests if approval has not been explicitly granted within five (5) days.*

### 7. How will OIT determine if it needs to be involved in managing a specific project?

*Major projects shall be defined as in Section 24-37.5-102(3.7), C.R.S., – this is considered the statutory authority that allows OIT to define and assess if a project should be certified. OIT will update the certification standards that help the Departments and OIT determine which projects are high risk and require active monitoring and support from OIT. These projects will be identified in the project review and prioritization sessions that will occur in late Summer 2007.*



**8. Are there exceptions to the Executive Order?**

*There are no exceptions to the Executive Order at this point. Departments may inquire with the State CIO if they have issues or concerns.*



**9. What services are considered enterprise?**

*Key functions that should be integrated into DoIT over time include the following:*

- *Data center management*
- *Information / Cyber Security*
- *Desktop support*
- *Data and telephone networks*
- *Geographical Information Systems (GIS)*
- *Enterprise architecture and standards*
- *Enterprise applications and services*
- *Storage solutions and architecture (ILM)*
- *Archives and imaging services*