Program Evaluation and Justification Review

Information Technology Program Administered by the Department of Management Services

February 1999

Office of Program Policy Analysis and Government Accountability

Report No. 98-62

OPPAGA Mission Statement

This office provides objective, independent, professional analyses of state policies and services to assist the Florida Legislature in decision-making, to ensure government accountability, and to recommend the best use of public resources.

This review was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021 or 800/531-2477), by FAX (850/487-3804), in person (Claude Pepper Building, Room 312, 111 W. Madison St.), or by mail (OPPAGA Report Production, P.O. Box 1735, Tallahassee, FL 32302).

The Florida Monitor: http://www.oppaga.state.fl.us/

The Florida Legislature

OFFICE OF PROGRAM POLICY ANALYSIS AND GOVERNMENT ACCOUNTABILITY

John W. Turcotte, Director

February 1999

The President of the Senate,
the Speaker of the House of Representatives,
and the Joint Legislative Auditing Committee

I have directed that a program evaluation and justification review be made of the Information Technology Program administered by the Department of Management Services. The results of this review are presented to you in this report. This review was made as a part of a series of justification reviews to be conducted by OPPAGA under the Government Performance and Accountability Act of 1994. This review was conducted by Dan Schultz, Lyndon Rodgers, and Darwin Gamble under the supervision of Tom Roth.

We wish to express our appreciation to the staff of the Department of Management Services for their assistance.

Sincerely

John W. Turcotte
Director

Post Office Box 1735 ■ Tallahassee, Florida 32302
111 West Madison Street ■ Room 312 ■ Claude Pepper Building ■ Tallahassee, Florida 32301
850/488-0021 SUNCOM 278-0021 FAX 850/487-3804

Contents

Executive Summary

Report No. 98-62

Information Technology Program Administered by the Department of Management Services

Scope

OPPAGA is required to complete a Program Evaluation and Justification Review of each state agency program that is operating under a performance-based program budget. This report analyzes the services provided by the Information Technology Program and identifies options for improving these services.

Background

The Department of Management Services' Information Technology Program provides state and local government agencies with engineering and technical support for using, sharing, and managing information systems, radio (wireless) communications, and advanced telecommunications technologies. The program provides a variety of communications, engineering, consulting, development, and computing services. The program's mission is to help government work more effectively through the use of the tools of high performance technology. The goal is to provide cost-effective information services for state government. The program has three primary service areas: Wireless Communications Services, Advanced Telecommunications Services, and Information Systems Services.

For Fiscal Year 1998-99, the program was appropriated $134.6 million and had 283 positions. It was allocated $35 million for program administration.

Conclusions

The Information Technology Program is not an essential program. If the program were discontinued, state agencies would still be able to obtain needed information technology services from private vendors or from other government entities. However, discontinuing the program would place an additional cost burden on state and local agencies for certain services. The program is providing economical services to state and local agencies. It provided telecommunication services at a price discount ranging from 36% to 68% below the retail prices charged by private companies and wireless engineering services at a price discount of 49%. Consequently, we concluded that the program should be continued.

Several of the Information Technology Program's services are already privatized, but it may be feasible to privatize or outsource more services. State governments are increasingly privatizing their information technology services. Potential benefits from privatization include increased flexibility in staffing, more timely adoption of new technologies, and better access to state-of-the-art expertise.

Privatization also increases competition which can improve efficiency and reduce costs.

The program already uses private vendors to provide some of its major services. Its telecommunications network (SUNCOM) uses private telephone companies to provide telecommunication equipment and other services to state agencies and local governments.

However, it may be feasible to privatize or outsource more program services such as data processing and transmission services. The department and the State Council on Competitive Government should pursue contracting to privatize the program's information system services.

The program's efficiency and effectiveness could be improved in several areas.

Statewide Law Enforcement Radio System. The Statewide Law Enforcement Radio System's future status is uncertain because of limited funding and projected cost overruns. The project's funding source is scheduled to terminate on December 31, 2003. Further, this source will not provide sufficient funds to complete, operate, and maintain the radio system.

OPPAGA identified three options the Legislature may want to consider for the system:

- stop development and upgrade existing radio systems in parts of the state not covered by the new system;
- complete the new system with mobile only coverage in Phases 3, 4, and 5, with provisions for adding portable coverage in the future;
- complete the new system with portable coverage as currently planned.

Based on consideration of the need for an adequate communications system for state law enforcement agencies, past cost overruns, and projected completion costs, we concluded that the second option would be the most feasible. Accordingly, we recommend that the Legislature authorize the completion of a mobile-only radio system for law enforcement agencies. This option fulfills the statutory goal of implementing a statewide communications system for state law enforcement agencies. It would also be $31.7 million less costly to complete than the system as currently designed. It would also discourage the Federal Communications Commission from reassigning radio channels presently designated for the system to other entities.

Regardless of which option the Legislature selects, the Department of Management Services should explore and implement ways to reduce

the costs of operating and maintaining the radio system without jeopardizing the quality of communications.

Wireless Engineering Services. The program's performance-based program budgeting measures indicate that its cost for providing wireless engineering services to state agencies and local governments during Fiscal Year 1997-98 was significantly lower than private sector costs, with a price discount of 49%.[1] OPPAGA recommends that the Department of Management Services add a measure to provide information on customer satisfaction with the program's wireless services. Customer satisfaction information would help the Legislature assess the quality of services provided. The department plans to include a customer satisfaction measure in its Legislative Budget Request for Fiscal Year 2000-2001.

Advanced Telecommunications Services (ATS). Most Advanced Telecommunications Services, with the exception of dial-up service, operate efficiently. Dial-up service allows state and local agency staff to access the Internet, the Florida Intranet, and e-mail from remote locations such as an employee's home. The ATS dial-up service operated at a deficit of $764,000 for Fiscal Year 1997-98.

To resolve the deficit, we recommend that the Department of Management Services take two actions.

- The department should direct customers to use a 1(800) telephone number to access the Florida Intranet and Internet. This could reduce the program's annual deficit to $198,000.

- The department should raise its rates or attract at least 800 new state and local government agencies and non-profit organizations to use the service at current rates to cover the program's operational costs.

- **Information Systems Services.** The program has met its performance standards for providing user agencies with data processing services and system utilization. However, the program does not report its performance in providing information services at an economical cost. The program is in the process of completing a cost/price model, which could be used to identify the costs of information services it provides to customers. However, the model presently does not fully identify the costs for all of the program's services.

It is also important to consider customer satisfaction when evaluating the performance of a service-oriented program. The program surveyed its customers in Fiscal Years 1995-96 and 1996-97, but used different methodologies to select samples of customers to survey each year. As a result of the program using different sampling methodologies, the surveys could not be used to assess whether

[1] The private sector figure is based on billing information from six companies.

customer satisfaction increased or decreased during this time. For Fiscal Year 1997-98, the program addressed this problem by adopting the practice of surveying all of its customers. For that year, customer satisfaction with the program services did not meet the established standard (7.2 on a 10-point scale compared to a standard of 9).

The Program Has Made Progress in Addressing Potential Year 2000 Problems for Major Applications, but Needs to Complete Testing Advanced Telecommunication Services Functions

We reviewed the status of the program's efforts to ensure its systems would continue to operate correctly in the Year 2000 and beyond. In the past, computerized systems and applications typically represented dates by two digits rather than four as a means to conserve space and reduce costs. With such systems, the Year 2000 would be represented by the same numbers as the year 1900 (00). Unless corrected, this situation could cause systems that use dates in their calculations to cease working or produce erroneous results after the year 1999.

The program is engaged in various projects to ensure that all of its services continue to operate after January 1, 2000, including voice, video and data transport systems, mainframe, LAN, and computer software. The program is also providing similar software development services for customer applications.

The program has made progress in addressing potential Year 2000 problems for its major computer applications. Program reports indicate that 52 of 53 priority applications supported by its Technology Resource Center were Year 2000 compliant as of December 1998, including COPES and SPURS.[2] The one remaining application not Year 2000 compliant is a Department of Business and Professional Regulation pari-mutuel wagering system.

However, nine Advanced Telecommunications Services functions are currently not Year 2000 compliant. The department plans to bring five services (router transport, dial-up, the Florida Intranet, the metropolitan area network [MAN], and the system network architecture [SNA]) into Year 2000 compliance by February 15, 1999. The other four services (local phone, long-distance phone, dedicated data, and video teleconferences) are scheduled to be brought into compliance by July 1, 1999. Accordingly, we recommend that the department complete testing and fixing these functions as soon as possible to prevent disruption of program services. Disruption of these services would severely affect state agencies' ability to perform key responsibilities.

[2] An application is deemed Year 2000 compliant if it is capable of processing data beyond the year 1999. The Cooperative Personnel Employment Subsystem (COPES) is an automated database that provides agencies with statewide personnel data such as employee salaries, vacancies, and turnovers. The Statewide Purchasing Subsystem (SPURS) provides purchasing information for decision making by customers, management, and legislators. SPURS also provides operational systems for effective and efficient purchasing operations by state agencies.

Recommendations

Table 1
Recommendations for Changes to Improve the Information Technology Program's Performance

Options	Recommendations
Complete the Law Enforcement Radio System with mobile only coverage in Phases 3, 4, and 5	• The Department of Management Services should complete the radio system with mobile only coverage in Phases 3, 4, and 5 with provisions for adding portable coverage in the future. This recommendation would fulfill the statutory goal of implementing a statewide communications system for state law enforcement agencies. It would also be $31.7 million less costly to complete than the system as currently designed. The department should explore and implement ways to reduce operation and maintenance costs.
Develop customer satisfaction measures	• The Department of Management Services should add performance measures to provide information on customer satisfaction with the program's wireless services. Customer satisfaction information would help the Legislature assess the quality of service provided. Program staff are presently surveying customers and plan to use the results of these surveys to develop program performance measures to include in the department's Legislative Budget Request for Fiscal Year 2000-2001.
Eliminate the operating deficit for dial-up service	• The Department of Management Services should take two actions to eliminate the $764,000 deficit for dial-up service.[1] First, the department should direct customers to use the 1(800) telephone number to access the Florida Intranet and Internet. This could reduce the program's annual deficit to $198,000. The department should raise rates charged to customers to cover operational costs or attract sufficient new state and local government agencies, and non-profit organizations (at least 800) to generate enough fees at current rates to allow the program to cover its operational costs.
Develop a system that can accurately identify program costs	• The Department of Management Services should refine its cost/price model to accurately identify the costs of each information system service it provides to customers. The department should use this cost data and relevant performance information to develop unit cost measures. These measures will allow the department to validly compare its costs to other state and private sector data centers' costs for providing comparable services.
Pursue contracting to privatize the program's information system services	• The Department of Management Services and the State Council on Competitive Government should pursue contracting to privatize the program's information system's services. The Council on Competitive Government is responsible for overseeing competitive bidding for state government services. The council should solicit bids to privatize or outsource the program's information system services and consult with the department in developing technical specifications for the bid proposals. The bid process for providing these services should be open to the department and any other state agency that could provide the services. If more services were privatized, the department would need to closely monitor private vendor performance and costs.
Complete testing all major applications and telecommunication functions to ensure they are Year 2000 compliant by July 1999.	• The Department of Management Services should complete testing its applications and telecommunication systems to ensure they are Year 2000 compliant and fix any identified problems before its planned deadline of July 1, 1999. Disruption of these services would severely affect state agencies' ability to perform key responsibilities.

[1]The deficit was covered by moneys from various sources including retained earnings and interest earnings from the Communications Working Capital Trust Fund.

Source: Office of Program Policy Analysis and Government Accountability

Agency Response

The Secretary of the Department of Management Services and the Executive Director of the Department of Highway Safety and Motor Vehicles provided written responses to our preliminary and tentative findings and recommendations. (See Appendix C, page 53, for their responses.)

Chapter 1: Introduction

Purpose

This is the second of two reports presenting the results of OPPAGA's Program Evaluation and Justification Review of the Information Technology Program administered by the Department of Management Services. The Government Performance and Accountability Act of 1994 directs OPPAGA to complete a justification review for each state program after its first year of operation under a performance-based program budget. OPPAGA is to review each program's performance and identify alternatives for improving services.

This report analyzes the services provided by the Information Technology Program and identifies options for improving these services.[1] Appendix A summarizes our conclusions regarding the nine issue areas the law requires to be considered in a program evaluation and justification review.

Background

The Goal of the Information Technology Program Is to Provide Cost-Effective Information Services to State Government

The Department of Management Services' Information Technology Program provides state and local government agencies with engineering and technical support for using, sharing, and managing information systems, radio (wireless) communications, and advanced telecommunications technologies. The program provides a variety of communications, engineering, consulting, development, and computing services. The program's mission is to help government work more effectively through the use of the tools of high performance technology. The goal is to provide cost-effective information services for state government. The program has three primary service areas: Wireless Communications Services, Advanced Telecommunications Services, and Information Systems Services.

Wireless Communications Services includes the Statewide Law Enforcement Radio System and Wireless Engineering Services.

[1] Our first report, *Review of the Information Technology Program's Performance-Based Program Budgeting Measures and Standards*, OPPAGA Report No. 97-65, March 1998 (contained in Appendix B), addressed the program's performance based on its performance-based program budgeting measures and standards and makes recommendations for improvements of these measures. Together, these two reports address the areas the law requires in a justification review.

The program provides technical support to the Joint Task Force on State Agency Law Enforcement Communications in building a statewide 800 MHz radio system to provide various state law enforcement units with a modern, unified communications system and local law enforcement units with a mutual aid channel.

Wireless Communication Services also provides engineering consulting services to assist state and local government agencies in developing radio, voice, and data transmission systems. Program engineers plan and design new communications systems; solicit and evaluate bids from private vendors for purchasing communication equipment; analyze and solve problems with existing systems; and assist in preparing radio frequency and license applications to the Federal Communications Commission.

Advanced Telecommunications Services (ATS) includes the program's telecommunications network (commonly referred to as SUNCOM) and provides telecommunication services to state agencies, municipalities, political subdivisions, and nonprofit corporations. ATS offers local and long distance telephone services, data services, and video conferencing services to 773 state agencies, local governments, and nonprofit entities. ATS personnel negotiate, administer, and monitor contracts with private telephone companies to provide telecommunication equipment and other services. In Fiscal Year 1997-98, 93% of ATS's primary funding source was used to pay private vendors.

Information Systems Services is responsible for operating the program's data center, the Technology Resource Center (TRC). The TRC, located in Tallahassee, assists state and local government agencies by providing engineering and technical support for personal computer, local area network, and mainframe information system technologies. The TRC supports over 160 applications for 32 state agencies. TRC staff provide data processing support and other information technology-related services, such as research, consulting, and project development for other department programs and state and local government agencies.

Program services are provided by five bureaus.

- **The Bureau of Customer Service** invoices customers for SUNCOM, local service, and data processing services, and provides customer and directory assistance (help desk).

- **The Bureau of Strategic Technologies** researches advanced technologies; plans new information technology resources; provides data network engineering and development services;

develops new applications and services; and prepares and reviews strategic plans.

- **The Bureau of Hardware and Infrastructure** coordinates and oversees the SUNCOM Network, facility wiring, and video teleconferencing. It also operates the Technology Resource Center.

- **The Bureau of Applications Development** maintains COPES and SPURS and develops customer applications, including Internet applications and web page development.[2,3]

- **The Bureau of Wireless Communications** coordinates and manages the Statewide Joint Task Force Law Enforcement Radio System (including having responsibility for the 800 megahertz and microwave radio design and system facilities and site acquisition) and provides engineering consulting services on local and state government radio systems.

For Fiscal Year 1998-99, the program was appropriated $134.6 million and had 283 positions. Exhibit 1 shows that Advanced Telecommunications Services was allotted 78.1% of the program's total funding, but that the majority of staff were assigned to Information Systems Services. The program was funded from general revenue and various trust funds. Of the $12,658,473 allotted for Wireless Services, $11,666,085 came from the Law Enforcement Radio System Trust Fund and $173,520 from the Communications Working Capital Trust Fund. The Communications Working Capital Trust Fund receives funding from charges paid by state agencies for using the state communications system. General revenue furnished the remaining $818,868. The source of funds for the Law Enforcement Radio System Trust Fund is a $1 surcharge on motor vehicle and boat registrations.

---

[2] The Cooperative Personnel Employment Subsystem (COPES) is an automated database that provides agencies with statewide personnel data such as employee salaries, vacancies, and turnovers. The Statewide Purchasing Subsystem (SPURS) provides purchasing information for decision making by customers, management, and legislators. SPURS also provides operational systems for effective and efficient purchasing operations by state agencies.

[3] See *Review of the Performance of the Department of Management Services' Workforce Program,* OPPAGA Report No. 97-45, February 1998, for OPPAGA's comments related to COPES. See *Review of the Department of Management Services' Support Program's Performance-Based Program Budgeting Measures and Standards,* OPPAGA Report No. 97-55, March 1998, for OPPAGA's comments related to SPURS.

Exhibit 1
Most of the Program's Funds Were Allotted to Advanced Telecommunications Services in Fiscal Year 1998-99

Program Services	Total Allotment		Number of Staff (FTE)
Wireless Services	$ 12,658,473	9.4%	42
Advanced Telecommunications Services	105,150,576	78.1%	97
Information Systems Services	16,840,934	12.5%	144
Total	**$134,649,983**	**100.0%**	**283**

Source: DMS Budget Office

The program's administrative costs for Fiscal Year 1998-99 totaled an estimated $35 million. See Exhibit 2.

Exhibit 2
The Program Was Allotted $35 Million for Program Administration in Fiscal Year 1998-99

	General Revenue	Trust Fund	Total
Salaries and Benefits	$2,184,544	$11,541,579	$13,726,123
Expenses	1,335,866	16,407,776	17,743,642
OPS	140,000	1,050,345	1,190,345
OCO	98,000	2,215,000	2,313,000
Special Categories	0	50,000	50,000
Total	**$3,758,410**	**$31,264,700**	**$35,023,110**

Source: Department of Management Services

Chapter 2: General Conclusions

Program Necessity

The Program Is Not Essential, But Discontinuing It Would Place an Additional Cost Burden on Agencies

The Information Technology Program is not an essential state program. If the program were discontinued, state agencies would still be able to obtain needed information technology services from private vendors or from other government entities. However, discontinuing the program would place an additional cost burden on state and local agencies for certain services. The program is providing economical services to state and local agencies. It provided telecommunication services at a price discount ranging from 36% to 68% below the retail prices charged by private companies and wireless engineering services at a price discount of 49%. Consequently, we concluded that the program should be continued.

Privatization

Privatizing or Outsourcing More Program Services May Be Feasible

State governments are increasingly privatizing their information technology services. Potential benefits from privatization include increased flexibility in staffing, more timely adoption of new technologies, and better access to state-of-the-art expertise. Privatization also increases competition which can improve efficiency and reduce costs.

The program already uses private vendors to provide some of its major services. Its telecommunications network (SUNCOM) uses private telephone companies to provide telecommunication equipment and other services to state agencies and local governments.

However, it may be feasible to privatize or outsource more program services, such as data processing and transmission services. The department and the State Council on Competitive Government should pursue contracting to privatize these services. Pursuant to s. 14.203, F.S., the Council on Competitive Government is responsible for overseeing competitive bidding for state government services. The council should solicit bids to privatize or outsource the program's data services and consult with the department in developing technical specifications for the bid proposals. The bid process for providing these services should be open to the department and any other state agency that could

provide the services. If these services were privatized, the department would need to closely monitor private vendor performance and costs.[4]

Program Performance and Options for Improvement

Program Services Are Economical and Save Money for Customers

Program services are economical and save money for customers. However, as noted below, several program service areas could improve their efficiency and effectiveness.

Statewide Law Enforcement Radio System

The Statewide Law Enforcement Radio System's future status is uncertain because of limited funding and projected cost overruns. The project's funding source is scheduled to terminate on December 31, 2003, and it will not provide sufficient funding to complete the system or operate and maintain it.

OPPAGA identified three options the Legislature may want to consider for the system:

- stop development and upgrade existing radio systems in parts of the state not covered by the new system;
- complete the new system with mobile only coverage in Phases 3, 4 and 5, with provisions for adding portable coverage in the future; or
- complete the new system with portable coverage as currently planned.

Based on consideration of the need for an adequate communications system for state law enforcement agencies, past cost overruns, and projected completion costs, we concluded that the second option would be the most feasible. Accordingly, we recommend that the Legislature authorize the completion of a mobile-only radio system for law enforcement agencies. This option fulfills the statutory goal of implementing a statewide communications system for state law enforcement agencies. It would also be $31.7 million less costly to complete than the system as currently designed. It would also discourage the Federal

[4] OPPAGA has issued several reports addressing the privatization of Department of Management Services programs and functions. See *Program Evaluation and Justification Review of the Department of Management Services' Facilities Program*, OPPAGA Report No. 96-88, June 1997; *Review of State Vehicle Fleet Purchasing*, OPPAGA Report No. 96-84, May 1997; *Review of State Vehicle Maintenance*, OPPAGA Report No. 96-08, September 1996; *Review of the Equipment Management Information System*, OPPAGA Report No. 96-02, July 1996; *Review of the State Aircraft Pool*, OPPAGA Report No. 95-05, September 1995, *Review of the Impact of the Creation of the Department of Management Services*, OPPAGA Report No. 94-30, February 1995.

Communications Commission from reassigning radio channels presently designated for the system to other entities.

Regardless of which option the Legislature selects, the Department of Management Services should explore and implement ways to reduce the costs of operating and maintaining the radio system without jeopardizing the quality of communications.

Wireless Engineering Services

The Program Provides Services at a Significant Discount from Private Sector Costs

The program provides wireless engineering services to state agencies and local governments. The program's estimated cost for providing services during Fiscal Year 1997-98 was significantly lower than private sector costs, or a price discount of 49%.[5]

The Program Is Developing Customer Satisfaction Measures

The program does not currently measure customer satisfaction with its wireless services. It is important to consider customer satisfaction when evaluating the performance of a service-oriented program. We recommend that the Department of Management Services add a measure to provide information on customer satisfaction of the program's wireless services. Program staff are presently surveying customers and plan to use the results of these surveys in developing program performance measures to include in the department's Legislative Budget Request for Fiscal Year 2000-2001.

Advanced Telecommunications Services (ATS)

Dial-Up Service Is Operating at a Deficit

Most Advanced Telecommunications Services, with the exception of dial-up service, operate efficiently. Dial-up service allows state and local agency staff to access the Internet, the Florida Intranet, and e-mail from remote locations such as an employee's home. The ATS dial-up service operated at a deficit of $764,000 for Fiscal Year 1997-98.

To resolve the deficit, we recommend that the Department of Management Services take two actions.

- The department should direct customers to use a 1(800) telephone number to access the Florida Intranet and Internet. This could reduce the program's deficit to $198,000.

- The department should raise rates to cover operational costs or attract sufficient new state, local government, and non-profit organizations (at least 800) to use its dial-up services needed to

[5] The program's private sector cost figure is based on billing information from six companies.

generate sufficient fees at current rates to allow the program to cover its operational costs.

Information Systems Services

The Program Needs to Refine Its Costs Allocation Model

The program has met its performance standards for providing user agencies with data processing services. However, the program has not developed a system that can accurately identify the costs of all information services provided to its customers. Accurate, valid cost data is needed to develop measures for assessing the program's unit costs for providing services. Unit cost information can be used to determine whether the program is efficiently using its resources to provide services. It is also needed to validly compare the program's costs to the costs of alternative approaches, such as privatizing or outsourcing specific services.

The program is in the process of completing a cost/price model, which could be used to identify the costs of information services it provides to customers. However, the model presently does not fully identify the costs for all of the program's services.

We also recommend that the department and the State Council on Competitive Government pursue contracting to privatize the program's information systems services. The Council on Competitive Government is responsible for overseeing competitive bidding for state government services. The council should solicit bids to privatize or outsource the program's information systems services and consult with the department in developing technical specifications for the bid proposals. The bid process for providing these services should be open to the department and any other state agency that could provide the services.

The Program Has Made Progress in Addressing Potential Year 2000 Problems for Major Applications, but Needs to Complete Testing Advanced Telecommunication Services Functions

We reviewed the status of the program's efforts to ensure its systems would continue to operate correctly in the Year 2000 and beyond. In the past, computerized systems and applications typically represented dates by two digits rather than four as a means to conserve space and reduce costs. With such systems, the Year 2000 would be represented by the same numbers as the year 1900 (00). Unless corrected, this situation could cause systems that use dates in their calculations to cease working or produce erroneous results after the year 1999.

The program is engaged in various projects to ensure that all of its services continue to operate after January 1, 2000, including voice, video and data transport systems, mainframe, LAN, and computer software. The program is also providing similar software development services for customer applications.

The program has made progress in addressing potential Year 2000 problems for its major computer applications. Program reports indicate that 52 of 53 priority applications supported by its Technology Resource Center were Year 2000 compliant as of December 1998, including COPES and SPURS.[6] The only application not Year 2000 compliant is a Department of Business and Professional Regulation pari-mutuel wagering system.

However, nine Advanced Telecommunications Services functions are currently not Year 2000 compliant. The department plans to bring five services (router transport, dial-up, the Florida Intranet, the metropolitan area network [MAN], and the system network architecture [SNA]) into Year 2000 compliance by February 15, 1999. The other four services (local phone, long-distance phone, dedicated data, and video teleconferences) are scheduled to be brought into compliance by July 1, 1999. Accordingly, we recommend that the department complete testing and fixing these functions as soon as possible to prevent disruption of program services. Disruption of these services would severely affect state agencies' ability to perform key responsibilities.

We recommend that the Department of Management Services complete testing its applications and telecommunication systems to ensure they are Year 2000 compliant as and fix any identified problems before its planned deadline of July 1, 1999. Disruption of these services would make it difficult for state agencies to perform key responsibilities.

[6] An application is deemed Year 2000 compliant if it is capable of processing data beyond the year 1999.

This page intentionally left blank.

Chapter 3: Statewide Law Enforcement Radio System

Introduction

The Wireless Service area provides technical support to the Joint Task Force on State Agency Law Enforcement Communications in building a statewide radio system.[7] This system is to provide various state law enforcement units with a modern, unified communications system and local law enforcement units with a mutual aid channel.[8] The Joint Task Force cites replacing worn-out equipment, solving radio frequency congestion, and providing effective interagency communications as benefits of the system.

The system was initially designed in 1988 to provide statewide mobile coverage (radios installed in vehicles) through 113 fixed tower sites at an estimated cost of $162 million. The scheduled completion date was July 1, 2003. Funding for the system is provided by a $1 surcharge on motor vehicle and vessel registrations.

Past Performance

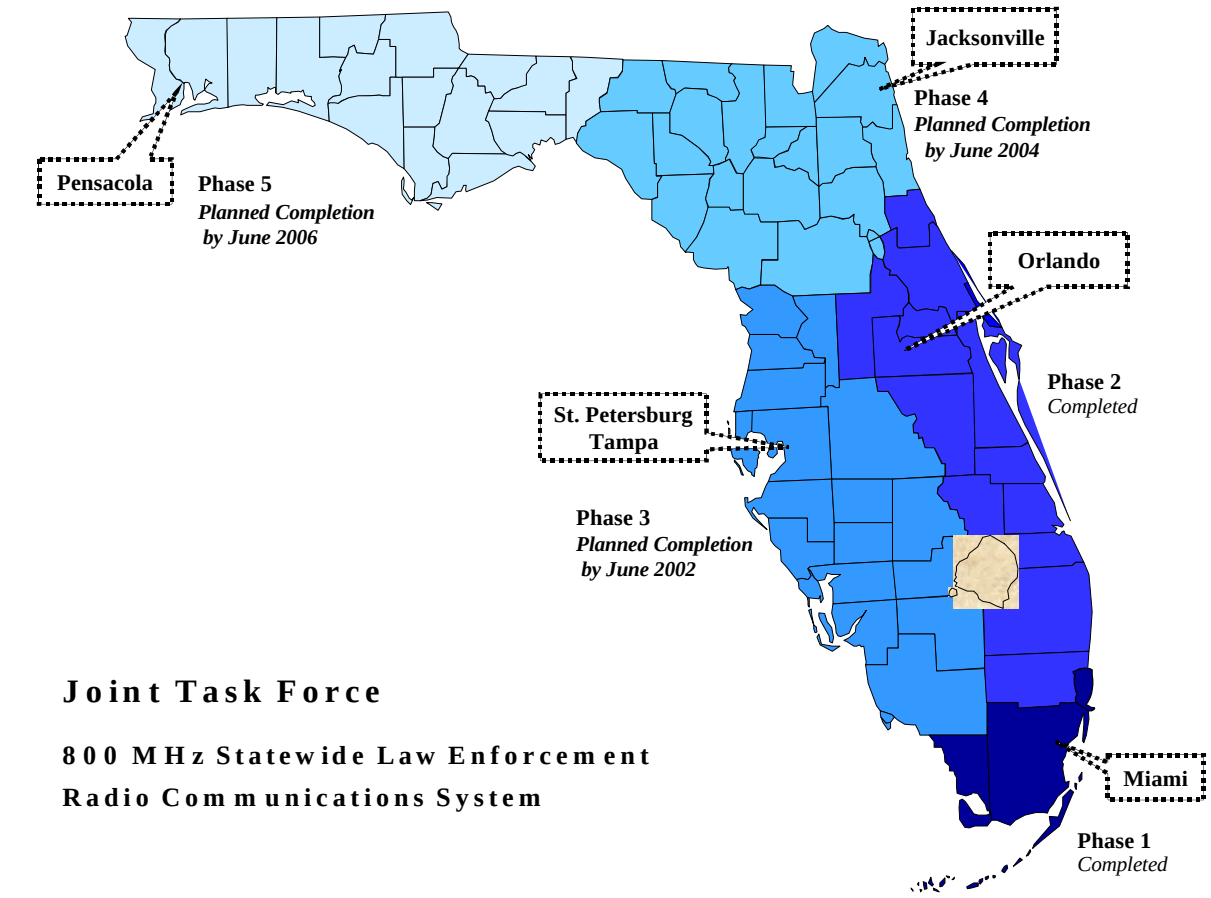
The Radio System Has Experienced Delays and Cost Overruns

The radio system has experienced delays and cost overruns. Phase 1, the pilot project, was completed two years behind schedule and $4 million over budget, while Phase 2 was completed one year behind schedule. (See Exhibit 3 for a map of the phases.) Although some delays and cost overruns were caused by tower siting problems, most were caused by Joint Task Force decisions to change the system's design, such as adding portable coverage (hand held radios) in many locations. These changes increased the number of fixed tower sites from 113 to 173. Design changes have increased the estimated cost to establish the system from an initial estimate of $162 million to $350 million. (See Exhibit 4.)

[7] The Joint Task Force consists of representatives of the Division of Alcoholic Beverages and Tobacco of the Department of Business and Professional Regulation; Florida Highway Patrol; Department of Law Enforcement; Game and Fresh Water Fish Commission; Division of Law Enforcement of the Department of Environmental Protection; Department of Corrections; Division of State Fire Marshal of the Department of Insurance; Department of Transportation; and the Criminal and Juvenile Justice Information Systems Council.

[8] The design is an 800 MHz trunked radio system that integrates multiple channels into a single system and reduces the waiting time for an open channel. A mutual aid channel is a channel that enables different agencies to communicate with each other.

Exhibit 3
Statewide Law Enforcement Radio System Is a Five-Phase Project



Source: Department of Management Services

Exhibit 4
Design Changes Have Increased Significantly
Costs of the Statewide Law Enforcement Radio System

Year	1988	1998
Cost Estimate	$162 million	$350 million
System Design	• 113 fixed sites[1] • Mobile coverage statewide • 90% contour design[2]	• 173 fixed sites • Mobile coverage statewide • 95% contour design • Statewide portable coverage for Florida Highway Patrol, designated coastal areas for Florida Marine Patrol, and urban areas for FDLE

[1] A fixed site includes a tower, generator, lighting system, 800 MHz equipment, a microwave, telephone equipment, and a shelter.

[2] This provides for reliable communications at 90% of the locations within a given number of miles radius from a fixed radio station, 90% of the time.

Source: Joint Task Force on State Agency Law Enforcement Communication

The Project's Funding Source Will Not Provide Sufficient Funding to Complete the System

The five-phase project is now scheduled for completion during Fiscal Year 2005-2006, which is three years later than the planned completion date. Exhibit 1 shows the anticipated completion dates for Phases 3, 4, and 5 of the project. The project's future status is uncertain because of funding limitations and projected cost overruns. The project's funding source, which is scheduled to terminate on December 31, 2003, will not provide sufficient funding to complete the system. For example, the funding source will provide enough money to complete only Phase 3 and a portion of Phase 4 of the system as currently designed. Department staff estimated that funding source revenues would fall at least $139.7 million short of the amount needed to complete all five phases by the scheduled completion date of June 2006. Further, the funding source will not provide enough money to operate and maintain the system.

Options for the Radio System

In consultation with Senate Budget Committee and House Fiscal Responsibility Council staff, we assessed three policy options the Legislature may want to consider for the Statewide Law Enforcement Radio System. These options are to

- stop development and upgrade existing radio systems in parts of the state not covered by the new system;
- complete the new system with mobile only coverage in Phases 3, 4, and 5, with provisions for adding portable coverage in the future; or
- complete the new system with portable coverage as currently planned.

Authorize Completion of a Mobile Only System

Based on consideration of the need for an adequate communications system for state law enforcement agencies, past cost overruns, and projected completion costs, we concluded that the best option is for the Legislature is to authorize the completion of a mobile only system. It should be noted that all three options require additional funding beyond that provided by the current project funding source. The advantages and disadvantages of each option are discussed below.

Option 1: Stop development and upgrade existing radio systems in parts of the state not covered by the new system. Thus, the 800 megahertz system would cover only the eastern and southern parts of the state (Phases 1 and 2), and law enforcement agencies in the rest of the state would continue to use other radio systems.

Program staff estimate that maintaining system coverage at this level (Phases 1 and 2) would incur operating costs of an estimated $8 million a year. Capital outlays for upgrading existing radio systems in the remainder of the state currently not covered by the system would cost an estimated $101.3 million during the period from Fiscal Year 1999-2000 through Fiscal Year 2005-2006. See Exhibit 5 for a presentation of the estimated costs by fiscal year.

However, if this option were selected, the Legislature would need to either extend the trust fund or authorize a different revenue source for funding the upgrade of existing systems in areas of the state not covered by the new system. The State Agency Law Enforcement Radio System Trust Fund is authorized only through December 31, 2003. Department staff estimate there will be a $53.4 million cumulative funding shortfall for implementing this option through Fiscal Year 2005-2006 when the existing systems upgrade is scheduled for completion.

Program staff noted that under this option, equipment replacement costs will also increase since agencies eventually will need to replace aging equipment even if they are not on the 800 megahertz system. A nationwide study of state and local law enforcement agencies by the U.S. Justice Department's National Institute of Justice found an average equipment life cycle of 8 to 15 years. In 1998, program staff surveyed Joint Task Force agencies concerning equipment currently used in Phases 3, 4, and 5, and found that most agencies' infrastructure equipment was 15 to 20 years old, while most agencies' mobile radio equipment was 7 to 20 years old.

Exhibit 5 shows the estimated costs for this option.

Exhibit 5
Maintaining the Statewide Law Enforcement Radio System in Phases 1 and 2 and Upgrading Current Radio Systems in Phases 3, 4, and 5 Would Require $263.7 Million through Fiscal Year 2005-06

Fiscal Year	Completed Phases	Capital Outlay *(in millions)*	Operating Expenditures (Estimated Annually) *(in millions)*	Total Cost Since Fiscal Year 1988-89 *(in millions)*
1997-98	1 and 2	$20.2	$12.4[1]	$ 83.3
1998-99	1 and 2	19.2	7.9	110.4
1999-00	1 and 2	32.5	6.8	149.7
2000-01	1 and 2	1.0	7.0	157.7
2001-02	1 and 2	24.1	7.3	189.1
2002-03	1 and 2	8.7	7.5	205.3
2003-04	1 and 2	8.0	7.6	220.9
2004-05	1 and 2	26.0	7.8	254.7
2005-06	1 and 2	1.0	8.0	263.7

[1] Includes $6.85 million for agency purchased radios and maintenance and Departmental Administrative Assessment Fee

Source: Joint Task Force, Information Technology Program, Department of Management Services

This option's primary advantage is that is the least expensive option, with accumulated costs $54.6 million lower than Option 2 and $86.3 million lower than Option 3. However, it has several disadvantages.

- It does not achieve the statutory goal of implementing a statewide radio communications system to serve state agency law enforcement units and local law enforcement agencies statewide through a mutual aid channel.

- It does not relieve radio channel congestion or providing routine, daily communication among agencies not on the radio system.

- It does not demonstrate sufficient progress toward completing the system, thereby increasing the chance that the FCC might reassign 800 MHz channels already allocated to the Joint Task Force for system Phases 3, 4, and 5.

Option 2: Complete a Mobile Only System

This option would provide for design flexibility and is less costly than building a system with portable coverage. In effect, this option would reverse a previous design change that substantially increased project costs. In March 1996, the Joint Task Force

changed the radio system's design to provide for mobile coverage with the capability to move to portable coverage by building fixed tower sites in the future to fill gaps in areas where portable coverage is not available. However, in November 1996, the Joint Task Force abandoned this design in favor of one that would provide portable coverage statewide for the Florida Highway Patrol, coastal area coverage for the Florida Marine Patrol, and urban area coverage for the Florida Department of Law Enforcement. The Joint Task Force adopted this design because it believed portable coverage was necessary for officer safety. Nonetheless, the change substantially increased project costs.

Under this option, the remaining three phases would be completed, but would provide only mobile radio coverage at the 95% radio contour coverage level.[9] Portable coverage would be available, although not at the 95% level in all locations. The program's experience with Phase 2 indicates that a 95% mobile coverage design can also provide good portable coverage. In the case of Phase 2, no additional fixed tower sites were required to achieve planned portable coverage. Under this option portable radio coverage at the 95% level would remain in the existing parts of the system (Phases 1 and 2). Exhibit 6 shows the estimated costs for this option.

Exhibit 6
Completing the Statewide Law Enforcement Radio System with Mobile Only Coverage in Phases 3, 4, and 5 Would Cost $318.3 Million through Fiscal Year 2005-06

Fiscal Year	Completed Phases	Capital Outlay *(in millions)*	Operating Expenditures (Estimated Annually) *(in millions)*	Total Cost Since Fiscal Year 1988-89 *(in millions)*
1997-98	1 and 2	$20.2	$12.4 [1]	$ 83.3
1998-99	1 and 2	19.2	7.9	110.4
1999-00	1 and 2	19.6	7.3	137.3
2000-01	1 and 2	19.9	7.5	164.7
2001-02	1, 2, and 3	16.3	9.4	190.4
2002-03	1, 2, and 3	8.5	11.0	209.9
2003-04	1, 2, 3, and 4	32.3	13.3	255.5
2004-05	1, 2, 3, and 4	29.4	15.1	300.0
2005-06	All 5 phases	1.0	17.3	318.3

[1] Includes $6.85 million for agency purchased radios and maintenance and Departmental Administrative Assessment Fee
Source: Joint Task Force, Information Technology Program, Department of Management Services

[9] This provides for reliable communications at 95% of the locations along the defined coverage contour 95% of the time.

This option has several advantages.

- It fulfills the statutory goal to implement a statewide radio communications system to serve law enforcement units of state agencies and to serve local law enforcement agencies statewide through a mutual aid channel.

- It would cost a total of $31.7 million less than a portable coverage system (Option 3) though Fiscal Year 2005-06.

- Portable coverage could be added to the system in the future.

- It would demonstrate to the FCC that the state is meeting its licensing requirements. As a result, the FCC should allow the state retain its statewide 800 MHz channels. However, the state could lose some channels assigned to additional sites required for portable coverage.

However, this option also has two disadvantages.

- The current revenue source will not provide sufficient funds to pay for project completion, operations, and maintenance, with a funding shortfall of at least $108.1 million by Fiscal Year 2005-06.

- Portable coverage would be delayed, which could raise concerns for officer safety.

Option 3: Complete system as planned with mobile and portable coverage

This option would complete the system as currently planned and provide law enforcement agencies with portable radio coverage at the 95% level in many locations as described in Exhibit 4. Exhibit 7 shows the estimated costs for this option.

Exhibit 7
Completing the Statewide Law Enforcement Radio System with Portable Coverage in Phases 3, 4, and 5 Would Cost $350.0 Million through Fiscal Year 2005-06

Fiscal Year	Completed Phases	Capital Outlay *(in millions)*	Operating Expenditures (Estimated Annually) *(in millions)*	Total Cost Since Fiscal Year 1988-89 *(in millions)*
1997-98	1 and 2	$20.2	$12.4[1]	$83.3
1998-99	1 and 2	19.2	7.9	110.4
1999-00	1 and 2	26.2	7.3	143.9
2000-01	1, 2, and 3	21.8	7.5	173.2
2001-02	1, 2, and 3	8.1	9.8	191.1
2002-03	1, 2, and 3	7.1	11.9	210.1
2003-04	1, 2, 3, and 4	54.4	14.4	278.9
2004-05	1, 2, 3, and 4	35.0	16.3	330.2
2005-06	All 5 phases	1.0	18.8	350.0

[1] Includes $6.85 million for agency purchased radios and maintenance and Departmental Administrative Assessment Fee

Source: Joint Task Force, Information Technology Program, Department of Management Services

This option has several advantages.

- It fulfills the statutory goal to implement a statewide radio communications system to serve law enforcement units of state agencies and to serve local law enforcement agencies statewide through a mutual aid channel.

- It addresses officer safety concerns by providing portable coverage earlier than Option 2.

- It would demonstrate to the FCC that the state is meeting its licensing requirements.

This option's major disadvantage is that it is more expensive than the other two options. It would create a funding shortfall of $139.7 million by Fiscal Year 2005-06.

New Strategy Raises Funding and Security Concerns

In October 1998, the Joint Task Force developed a new strategy to fund the cost of completing the Statewide Law Enforcement Radio System with portable coverage. It issued an Invitation to Negotiate (ITN) to explore the feasibility of selling state-owned radio towers in Phases 1 and 2 to a private firm. Moneys from the sale would then be used to fund completion of Phases 3, 4, and 5 of the radio system. The state would then lease tower space from the firm.

The proposal also seeks a private vendor to provide operations and maintenance service for the radio system. The objective is to complete the radio system without incurring additional cost to the state. Joint Task Force staff reported that they could not estimate how much money the state would receive from such an agreement until after proposals are submitted in February 1999.

Law enforcement officials have expressed concern over the security of their antennas if they were located on privately owned towers. However, program staff indicated that the strategy would be implemented only if a vendor could provide adequate security. This approach could also be problematic if the costs of leasing tower space increased dramatically. Based on these considerations, we believe that this strategy should be approached with extreme caution.

Other Approaches for Providing Law Enforcement Communication Services

Satellite Technology Is Not Appropriate for Law Enforcement Communications

In addition to the above options, OPPAGA sought to determine whether emerging technologies could replace the 800 MHz radio technology for law enforcement communications, thereby rendering the Statewide Law Enforcement Communications System obsolete. We identified governmental units in other states that had explored and rejected using satellite technology for this purpose. While satellite technology is developing rapidly in the field of personal service communications (cellular telephones), it is not considered appropriate for law enforcement communications. Satellite technology requires line-of-sight between transmitters and receivers. As a result, buildings, highway overpasses, and even trees may interfere with a satellite's signals. Experts believe it will take at least five years before such technology can be adapted for use in public safety communications.

Conclusions and Recommendations

The Statewide Law Enforcement Radio System's future status is uncertain because of limited funding and projected cost overruns. The project's funding source is scheduled to terminate on December 31, 2003, and it will not provide sufficient funding to complete the system or operate and maintain it.

OPPAGA identified three options the Legislature may want to consider for the system:

- stop development and upgrade existing radio systems in parts of the state not covered by the new system;
- complete the new system with mobile only coverage in Phases 3, 4, and 5, with provisions for adding portable coverage in the future;
- complete the new system with portable coverage as currently planned.

Based on consideration of the need for an adequate communications system for state law enforcement agencies, past cost overruns, and projected completion costs, we concluded that the second option would be the most feasible. Accordingly, we recommend that the Legislature authorize the completion of a mobile-only radio system for law enforcement agencies. This option fulfills the statutory goal of implementing a statewide communications system for state law enforcement agencies. It would also be $31.7 million less costly to complete than the system as currently designed. It would also discourage the Federal Communications Commission from reassigning radio channels presently designated for the system to other entities.

Regardless of which option the Legislature selects, the Department of Management Services should explore and implement ways to reduce the costs of operating and maintaining the radio system without jeopardizing the quality of communications. Program staff projected the need for 29 full-time employees after the radio system is completed, including 12 positions for field operations in the system's five phases and 17 in the central office. After the system is completed, the primary vendor will maintain the radio system, while program staff will perform monitoring activities and serve as liaisons between the vendor and law enforcement agencies. These staff will also assist in long range planning and participate in decisions relating to system upgrades. Staff currently performing some activities such as land acquisition, tower siting, and radio system design will likely be reassigned to activities

related to the completed radio system. The program should periodically assess its staffing needs and keep only enough staff positions necessary to perform activities associated with the completed radio system. The program also should explore ways to reduce system maintenance costs by periodically assessing the primary vendor's costs of performing these activities against what the costs would be if performed by another vendor or program staff. Finally, program staff should monitor system operation and maintenance services to ensure that they are being provided in a cost-effective manner.

This page intentionally left blank.

Chapter 4: Wireless Engineering Services

Introduction

In this service area, the program provides wireless engineering services for state agencies and local governments. These services include review and approval of equipment purchases, radio system design and planning, FCC licensing assistance, and consulting engineering services. Florida law directs the program to implement statewide systems of law enforcement and emergency medical service communications. The program carries out these duties by maintaining and revising law enforcement and emergency medical services communications plans. It also provides communications assistance to other states during natural disasters and other emergencies. For Fiscal Year 1998-99, Wireless Engineering Services was allotted $992,000 and 16 full-time equivalent positions. This includes $819,000 in general revenue and $173,000 from the Communications Working Capital Trust Fund.

Program Performance

The Program Provides Services at a Significant Discount from Private Sector Costs

The program's performance-based program budgeting measures indicate that Wireless Engineering Services is providing cost-effective services to state agencies and local governments. The program reported that its estimated cost for providing wireless engineering services during Fiscal Year 1997-98 was significantly lower than private sector costs, with a price discount of 49%. The program based its private sector costs on data from six companies.[10]

The Program Needs to Report Customer Satisfaction Measures

It is important to consider customer satisfaction when evaluating the performance of a service-oriented program. As noted in our prior report on the program's performance measures, the program assessed customer satisfaction with its wireless services in Fiscal Year 1994-95, but not in Fiscal Years 1995-96 and 1996-97.[11]

Survey results in Fiscal Year 1994-95 indicated that customers were generally satisfied with services. (All rankings averaged

[10] The six companies were Omnicom, Inc., RCC Consultants, Inc., Kessler & Gehman Associates, Inc., Spectrum Resources, Inc. (SRI), Trott Communications, Inc., and Hays Seay Mattern & Mattern (HSSM), Inc.

[11] *Review of the Information Technology Program's Performance-Based Program Budgeting Measures and Standards*, OPPAGA Report No. 97-65, March 1998, p.5.

above 7 on a 10-point scale.) We interviewed four customers who received program services in Fiscal Year 1996-97 and found them to be generally satisfied with the services they received. Based on OPPAGA's recommendation, program staff are presently surveying customers and plan to use the results of these surveys in developing program performance measures for the department's Legislative Budget Request for Fiscal Year 2000-2001.

Conclusions and Recommendations

The program's performance-based program budgeting measures indicate that Wireless Engineering Services is providing cost-effective services to state agencies and local governments. However, it did not assess customer satisfaction with program services in Fiscal Year 1996-97. Customer satisfaction information would help the Legislature assess the quality of services provided. Program staff are presently surveying customers and plan to use the results of these surveys in developing program performance measures for the department's Legislative Budget Request for Fiscal Year 2000-2001.

Chapter 5: Advanced Telecommunications

Introduction

Through this service area, the program provides local and long distance telephone, data communications, video conferencing, and Internet access services to 773 state agencies, local governments, and nonprofit entities. Program staff provide customer assistance, directory assistance, engineering, and consulting services. The program contracts with private telephone companies to provide telecommunication equipment and other services. In Fiscal Year 1998-99, Advanced Telecommunications Services was allotted $105.1 million and 97 full-time equivalent positions.

Program Performance

The Program Has Been Effective in Providing Telecommunications Services

Advanced Telecommunications Services has been effective in providing telecommunication services to state agencies, municipalities, political subdivisions, and nonprofit organizations. The service met its performance standards and operates most of its services in a cost-efficient manner. As shown in Exhibit 8, the program achieved larger than expected price discounts for data and long distance services.

However, growth in state and local government use of the program's voice local and data communication services was significantly lower than the program expected. The reason that voice local services did not meet its standard was because of other priorities in the department. The reason data services did not meet its standard is that the department did not have enough additional requests for data services.

Exhibit 8
Advanced Telecommunications Services
Met Half of Its Standards for Fiscal Year 1997-98

Performance Measure and Standard	Standard	Fiscal Year 1997-98 Performance
Percent Discount from Commercial Tariff Rates		
Data service	25.00%	36.00%
Voice local service	50.00%	42.21%
Voice long distance service	40.00%	68.10%
Percent Service Growth		
Data services	9.00%	7.70%
Voice local service	17.00%	10.13%
Voice long distance service	3.00%	20.13%

Source: Department of Management Services, Legislative Budget Request for Fiscal Year 1999-2000

Potential Improvements

Most of the program's Advance Technology Services, with the exception of dial-up service, operate efficiently. Dial-up service allows state and local agency staff to access the Internet, the Florida Intranet, and e-mail from remote locations such as an employee's home.[12]

Dial-Up Service Operates at a Deficit

Dial-up service was intended to be financially self-supporting, but has operated at a deficit. The deficit was covered by moneys from various sources including retained earnings and interest earnings from the Communications Working Capital Trust Fund. During Fiscal Year 1997-98, dial-up service's operating costs were $1,242,000 while the service produced revenue of only $477,000. A major reason for this deficit is that many customers were not billed for services. Program management reported that during Fiscal Year 1997-98, the program billed only 1,887 of 2,557 users. We estimated this resulted in an estimated $161,000 revenue loss based on the program's billing rates.

This problem was caused by program administrators failing to establish effective controls over the distribution of devices used to allow access to dial-up services and the billing for services. Program staff did not maintain complete records of agencies or individuals provided the devices. As a result, many individuals

[12]The cost of the program's dial-up service cannot be compared to similar commercial service because commercial prices do not include access to the Florida Intranet.

receiving the devices were not charged. The program has corrected this problem and currently does not have any unbilled customers. However, there is still a deficit of $764,000.

Program staff are considering a plan to reduce the operating deficit by directing customers to call a 1(800) telephone number to access services, which they estimate would reduce the deficit to $198,000. To fully eliminate the deficit the program would need to either raise rates or attract sufficient new state, local government, and non-profit organizations (at least 800) needed to generate enough sufficient fees at current rates to allow the program to cover its operational costs.

Conclusions and Recommendations

Most Advanced Telecommunications Services, with the exception of dial-up service, operate efficiently. Dial-up service allows agency staff to access the Internet, the Florida Intranet, and e-mail from remote locations such as an employee's home. The ATS dial-up service operated at a deficit of $764,000 for Fiscal Year 1997-98.

To resolve the deficit, we recommend that the Department of Management Services take two actions.

- The department should direct customers to use a 1(800) telephone number to access the Florida Intranet and Internet. This could reduce the program's deficit to $198,000.

- The department should either raise rates to cover operational costs or attract sufficient new state, local government, and non-profit organizations (at least 800) needed to generate enough fees at current rates to allow the program to cover its operational costs.

This page intentionally left blank.

Chapter 6: Information Systems Services

Introduction

Through this service area, the program operates a data center, the Technology Resource Center, which provides support to state agencies in using personal computer, local area network, and mainframe computer technologies. Program staff maintain over 160 applications (including COPES and SPURS) for 32 agencies and develop Internet applications and web pages. Program staff provide data processing support and other information technology-related services, such as research, consulting, and project development for other department programs and state and local government agencies. For Fiscal Year 1998-99, Information Systems Services was allotted $16.8 million and 144 full-time equivalent positions.

Program Performance

Information Systems Services met its performance standards for providing user agencies with data processing services in Fiscal Year 1997-98. As shown in Exhibit 9, the use rate for the program's IBM and Unisys mainframe computers exceeded standards.

Exhibit 9
Performance Outcome Standards Were Met for Providing User Agencies With Data Processing Services

	Fiscal Year 1997-98		
Outcome Measures	**Standards**	**Actual**	**Standards Met?**
Percent of Utilization:			
Unisys	88.0%	96.3%	Yes
IBM	23.5%	44.8%	Yes

Source: *Review of the Information Technology Program's Performance-Based Program Budgeting Measures and Standards*, OPPAGA Report No. 97-65, March 1998

The Program Needs to Refine Its Cost Allocation Model

While system utilization is an important component of performance, providing information services economical cost is also important. Accurate, valid cost data is needed to develop measures for assessing the program's unit costs for providing services. Unit cost information can be used to determine whether the program is efficiently using its resources to provide services. It is also needed to validly compare the program's costs to the costs of alternative approaches, such as privatizing or outsourcing specific services.

The program is in the process of completing a cost/price model, which could be used to identify the billable units of information services it provides to customers. However, the model presently does not fully identify the billable units for all of the program's services. Currently, the cost/price model cannot identify the actual billable utilization for UNIX processing (the actual cost of service for this processing was $996,805 last year).

The Program Should Improve Customer Satisfaction With Its Information Systems Services

It is also important to consider customer satisfaction when evaluating the performance of a service-oriented program. The program surveyed its customers in Fiscal Years 1995-96 and 1996-97 but used different methodologies to select samples of customer to survey in each year. As a result of the program using different sampling methodologies the surveys could not be used to determine whether to assess whether customer satisfaction increased or decreased during this time. For Fiscal Year 1997-98, the program addressed this problem by adopting the practice of surveying all of its customers. For that year, customer satisfaction with the program services did not meet the established standard (7.2 on a 10-point scale compared to a standard of 9).

Cost Savings Options

State governments are increasingly privatizing their information systems services, including data center operations and software development, as a means potentially reducing operating costs. There are several potential advantages to outsourcing data services: agencies would only pay for the services they use; operating systems and hardware could be upgraded more quickly; and the number of program staff could be reduced. Potential disadvantages include loss of in-house expertise and less government control over applications and information.

Before the Program Can Identify Services to Outsource, It Needs to Develop Better Cost Information

We concluded that program managers should continue to examine whether more information services could be performed by the private sector at lower cost. During the last three years, program administrators have explored the possibility of outsourcing the Technology Resource Center's (TRC) operations. For example, the program issued a Request for Proposal (RFP) in 1996 requesting that qualified vendors submit proposals for providing data center services. Based on responses to the RFP, program administrators concluded that the vendors could not provide services at significantly lower cost than the TRC.

However, the program cannot make sound decisions regarding privatization in the absence of accurate information on its costs in providing services. As noted previously, the program is in the process of developing a system that can accurately identify all the costs of information services provided to its customers. Program staff need to continue to develop and refine the cost/price model for the TRC. Once the model is completed, the program should develop unit cost program measures and standards for all services. These measures will allow it to validly compare its costs to other state and private sector data centers.

Conclusions and Recommendations

Information System Services met its performance standards for providing user agencies with data processing services. However, the program has not identified the costs for all information services provided to its customers.

We recommend that the Department of Management Services develop a system that accurately identifies the costs of each information systems service it provides to customers. The department should use this cost data and relevant performance information to develop unit cost measures. These measures will allow the department to validly compare its costs to other state and private sector data centers' costs for providing comparable services.

We also recommend that the department and the State Council on Competitive Government pursue contracting to privatize the program's information system services. Pursuant to s. 14.203, F.S., the Council on Competitive Government is responsible for overseeing competitive bidding for state government services. The council should solicit bids to privatize or outsource the program's information systems services and consult with the department in developing technical specifications for the bid proposals. The bid process for providing these services should be open to the department and any other state agency that could provide the

services. If more services were privatized, the department would need to closely monitor private vendor performance and costs.

Appendices

This page intentionally left blank.

Appendix A
Statutory Requirements for Program Evaluation and Justification Reviews

Section 11.513(3), F.S., provides that OPPAGA Program Evaluation and Justification Reviews shall address nine issue areas. Conclusions on these issues as they relate to the Information Technology Program are summarized in Table A-1. As appropriate, Table A-1 makes references to pages in this report and our earlier performance report (OPPAGA Report No. 97-65, March 1998).

Table A-1
Summary of the Program Evaluation and Justification Review of the Information Technology Program

Issue	OPPAGA Conclusions
The identifiable cost of the program	For Fiscal Year 1998-99, the Information Technology Program was appropriated $134.6 million. The program's administrative costs totaled an estimated $35 million, with the remaining funds primarily being used for purchasing telecommunications services. (See pages 3 and 4.)
The specific purpose of the program, as well as the specific public benefit derived therefrom	The program's purpose is to provide state and local government agencies with cost-effective engineering and technical support for using, sharing, and managing information systems, radio (wireless), and advanced telecommunications technologies. The program benefits the public by helping agencies to deliver services in an effective and efficient manner. The program also benefits the public by providing economical services and saving money for customers. (See pages 1 and 2.)
Progress towards achieving the outputs and outcomes associated with the program	The program met performance standards for most of its outcome and output measures and is providing economical services to state and local agencies. The program provided telecommunication services at a price discount ranging from 36% to 68% below the retail prices charged by private companies and wireless engineering services at a price discount of 49%. (See pages 23-26, and 29-30.)
An explanation of circumstances contributing to the state agency's ability to achieve, not achieve, or exceed its projected outputs and outcomes, as defined in s. 216.011, F.S., associated with the program	The program's measures show that the program is providing economical services to state and local agencies. However, it needs to assess customer satisfaction with all of its services. Program staff are currently assessing customer satisfaction with its wireless services, and plan to include satisfaction measures in the department's Legislative Budget Request for Fiscal Year 2000-2001. Customer satisfaction information is needed to help assess the quality of services provided. (See pages 23 and 24.)
Alternative courses of action that would result in administering the program more efficiently or effectively	The efficiency and effectiveness of the Information Technology Program could be improved by: • completing the Statewide Law Enforcement Radio System with mobile only coverage (see pages 20-21); • developing customer satisfaction measures for wireless services (see pages 23 and 24);

Issue	OPPAGA Conclusions
	• directing ATS dial-up service customers to use a 1(800) telephone number to request assistance (see pages 26-27); • raising rates to cover operational costs or attracting sufficient new state, local government, and non-profit organizations (at least 800) to generate enough fees at current rates to allow the program to cover its operational costs (see pages 26-27); • refining a system to accurately identify the costs of its information systems services (see page 30); • developing unit cost measures that will allow it to validly compare its costs to other data centers' costs (see page 30); and • identifying specific information service areas that could be privatized or outsourced (see pages 30-32).
The consequences of discontinuing the program	If the Information Technology Program were discontinued, state agencies would be able to obtain information technology services from other entities, including private vendors. However, discontinuing the program would likely increase state and local government agencies' costs for advanced telecommunications services and would limit smaller agencies and local governments use of new or advanced technologies. The program provided telecommunication services at a price discount ranging from 36% to 68% below the retail prices charged by private companies and wireless engineering services at a price discount of 49% (see page 5 and 6.)
Determination as to public policy, which may include recommendations as to whether it would be sound public policy to continue or discontinue funding the program, either in whole or in part, in the existing manner	The program's funding method ensures that state agencies that benefit from the program's services make payments to help cover the program's costs. State agencies are billed for their use of program telecommunications and computing services. However, the program needs to refine its system to accurately identify all the costs of each information systems service it provides to customers. This cost data and relevant performance information should be used to develop unit cost measures. (See pages 26-27, and 30-32.)
Whether the information reported pursuant to s. 216. 031(5), F.S., has relevance and utility for evaluation of the program	The program has been collecting reasonably reliable data for its performance measures. However, the program still needs to follow through with developing customer satisfaction measures for all three service areas and unit cost measures for all three service areas. (See pages 24 and 31.)
Whether state agency management has established control systems sufficient to ensure that performance data are maintained and supported by state agency records and accurately presented in state agency performance reports	The Department of Management Services has established sufficient control systems. The department's inspector general has reviewed the reliability and validity of program outcome measures and expects to complete assessing its output measures during Fiscal Year 1998-99. OPPAGA reviewed the inspector general's records and methods, and concluded the program's performance data was supported by agency records and accurately presented.

Source: Developed by OPPAGA

Appendix B
Review of the Information Technology Program's Performance-Based Program Budgeting Measures and Standards OPPAGA Report No. 97-65, March 1998

Abstract

- **The program's performance varied among its three major services (Advanced Telecommunications, Information Systems, and Wireless). The program's Fiscal Year 1996-97 measures show that some program services are less costly for state agencies than if the services were obtained from the private sector. However, the program's measures do not provide needed information on the unit cost of program services. The program also needs to include performance measures to assess customer satisfaction with all of its major services. There are several measures the program maintains that should be deleted.**

- **The department has generally requested reasonable standards for its proposed Fiscal Year 1998-99 performance measures. However, OPPAGA identified several standards that need to be modified.**

Purpose

Chapter 94-249, Laws of Florida, directs state agencies to prepare performance-based program budgeting measures in consultation with the Governor's Office of Planning and Budgeting, staff from the appropriate legislative committees, and the Office of Program Policy Analysis and Government Accountability (OPPAGA). State agencies are required to submit performance-based program budget requests, with performance measures and standards, to the Legislature for approval. The Legislature includes the approved performance measures and standards in the annual General Appropriations Act.

State agencies must report annually on their performance against these standards to the Governor and the Legislature in their Legislative Budget Requests. The Legislature considers this information in making funding decisions and may award incentives and disincentives for program performance that exceeds or fails to meet the established standards.

Section 11.513, F.S., directs OPPAGA to complete a program evaluation and justification review of each state agency program that is operating under a performance-based program budget. The Information Technology Program began operating under a performance-based program budget in Fiscal Year 1996-97.

This is the first of two reports presenting the results of OPPAGA's Program Evaluation and Justification Review of the Department of Management Service's Information Technology Program. In this review, OPPAGA examined the program's performance compared to the approved standards for Fiscal Year 1996-97 and options for improving the program's measures and standards for Fiscal Year 1998-99. OPPAGA's second report, which will be issued by July 1, 1998, will address the program's necessity and alternative means for providing program services.

Background

The Department of Management Service's Information Technology Program provides state and local government agencies with the engineering and technical support for using, sharing and managing information systems, radio (wireless), and advanced telecommunications technologies. The program provides three primary services:

- **Advanced Telecommunications services**. This service includes the program's SUNCOM Network and provides state agencies and local governments with local and long distance telephone communications, Internet access and data transmission, and teleconferencing services. The program contracts with private telephone companies to provide advanced telecommunication services.

- **Information Systems services**. This service is responsible for operating the program's Technology Resource Center (TRC). The TRC located in Tallahassee assists state and local government agencies by providing engineering and technical support for personal computer, local area network (LAN), and mainframe information system technologies. The TRC supports 75 information systems for 19 state agencies. TRC staff provide data processing support and other information/technology-related services, such as research, consulting, and project development for other department programs and state and local government agencies.

- **Wireless (radio) services**. This service provides engineering consulting services to assist state and local government agencies in developing radio, voice, and data transmission systems. Program engineers plan and design new communications systems; solicit and evaluate bids from private vendors for purchasing communication equipment; analyze and solve problems with existing systems; test equipment; and assist in the preparation of radio frequency and license applications to the Federal Communications Commission. The program's largest project is the Joint Task Force Statewide Law Enforcement Radio Network.

The Legislature appropriated $153.8 million and 274 full-time equivalent positions (FTEs) to the program in Fiscal Year 1997-98, with 68% of the funding allocated to advanced telecommunications services. However, the majority of staff was allocated to information systems services. (See Exhibit 1.)

Exhibit 1
Most of the Program's Funds Were Allocated to Providing Advanced Telecommunications Services in Fiscal Year 1997-98

	Total Allotment		Number of Staff
Program Services	**Amount**	**Percent**	**(FTE)**
Advanced Telecommunications Services	$104,369,120	68%	90
Information Systems Services	15,801,601	10%	142
Wireless Services	33,671,565	22%	42
Total	**$153,842,286**	**100%**	**274**

Source: Department of Management Services, Budget Office

The Legislature authorized the Information Technology Program to operate under a performance-based program budget in Fiscal Year 1996-97 and specified 16 outcome and 10 output measures for the program in the General Appropriations Act. (See Appendix A)

The Information Technology Program has proposed 16 outcome measures and 9 output measures in its Legislative Budget Request for Fiscal Year 1998-99. All but one of the proposed measures are continued from Fiscal Year 1997-98. The program is proposing to delete one output measure, the number of joint task force radios operated and maintained: mobile equipment.

Findings

Using the program's performance-based program budgeting measures, what can be concluded about its performance in Fiscal Year 1996-97?

The program's performance measures essentially assess the level of use and cost of program services, and customer satisfaction with these services. The measures and standards are listed in Appendix B OPPAGA's analysis of the program's measures concluded that:

- The program did not meet its performance standards for growth in state and local government use of the SUNCOM Network's local and long distance voice communication services for Fiscal Year 1996-97, but the standard for data services was met.
- The SUNCOM Network's price discounts for voice and data services were above the standard

indicating SUNCOM achieved greater savings than anticipated (commercial tariff rates).

- The use of the program's Unisys and IBM mainframe computers was higher than and worse than their respective standards, which may result in degraded service in the future. Nothing can be concluded about customer satisfaction.

- The percentage of the state covered by the Law Enforcement Radio Network was lower than and did not meet the standard, indicating that the project is behind schedule.

- The program's hourly cost for providing communication-engineering services was slightly higher than the standard, but was significantly lower than the hourly cost for private sector companies.

Advanced Telecommunications Services

Growth in state and local government use of the program's SUNCOM local and long distance voice communication services was lower than the standard for Fiscal Year 1996-97. Use of these services actually declined over the period covering Fiscal Years 1995-96 and 1996-97. This was likely due to several factors, such as the Legislature's efforts to control growth in the number of government employees, the increased use of electronic mail by government agencies, and local telephone companies expanding their toll free calling areas and making their services more attractive to local governments.[1]

Growth in the use of the program's data services far exceeded the standard during Fiscal Year 1996-97 (166% increase compared to an expected increase of 9%). While the standard was met, the numbers are misleading. Program staff changed the method for calculating this measure. The prior year and the standard are based on locations served. In contrast, the Fiscal Year 1996-97 measure is based on revenues generated. For comparability with the standard, OPPAGA calculated the growth rate based on the number of locations served. Using this methodology, the growth rate is 11% which exceeds the standard of 9%.

The SUNCOM Network's price discounts for voice and data services exceeded the standard. This means SUNCOM users paid significantly less than retail prices for advanced telecommunications services. Further, the size of the discounts increased for both voice and data services over the period covering Fiscal Years 1995-96 and 1996-97.

Information Systems Services

Use rates of the Unisys and IBM mainframe computers were higher than the standards in Fiscal Year 1996-97. Also, the use of these computers increased over the period covering Fiscal Years 1995-96 and 1996-97. Reasons for this increase include the growth of the number of computer applications for major systems like the Cooperative Personnel Employment Subsystem (COPES) and the Statewide Purchasing Subsystem (SPURS); changing and testing computer applications to address the Year 2000 issue; and changing or developing software programs.[2]

Use rates should be reasonably high to demonstrate productive use of these information system resources. However, very high usage levels will over time result in the computers not running efficiently, thereby indirectly increasing the state's costs. The agency in its performance report noted that the manufacturers' recommended guidelines for utilization are 80% for the Unisys and IBM computers. However, the agency has exceeded this rate for Fiscal Year 1996-97.

Customer satisfaction with the program's information systems services was below the standard in Fiscal Year 1996-97. However, the program used different methods to select samples of customers to survey in each fiscal year. As a result, nothing can be concluded about customer satisfaction.

Wireless (Radio) Services

Performance results show the Law Enforcement Radio Network did not achieve the desired level of state coverage (16% versus the expected coverage of 35%). State coverage remained the same in Fiscal Years 1995-96 and 1996-97. The project's completion is behind schedule and agency staff cited several reasons for not meeting the standard including problems with obtaining permits for radio towers; changes in the network's design; and lack of funding.

[1] State agencies are required by law to use the SUNCOM system. Use of the network is optional for local governments.

[2] The Cooperative Personnel Employment Subsystem (COPES) is an automated database that provides agencies with statewide personnel data such as: employee salaries, vacancies and turnovers. The Statewide Purchasing Subsystem (SPURS) is a component of Florida Financial Management Information System (FFMIS). SPURS provides purchasing information for decision making by customers, management and legislators, and provides operational systems for effective and efficient purchasing operations by state agencies.

The department planned to implement the Law Enforcement Radio Network in five phases. When the first phase was completed in June 1994, the network covered approximately 15% of the state. Completion of the network's second phase was expected by the end of June 1997, and would have increased the network's coverage to 34% of the state. However, the project's second phase completion date has been changed to June 1998.[3]

The program's costs for providing engineering services were slightly higher than the standard for Fiscal Year 1996-97, but were significantly lower than the reported private sector costs. However, these results may not be comparable because they came from different types of sources. The program's reported hourly rate is based on all of its wireless engineering projects. The reported private sector rate however, is based on the hourly rate a single contractor charged in Fiscal Year 1995-96 for work done on one project, the Law Enforcement Radio Network. The 1996-97 standard is based on yet a third source, a nationwide survey of a variety of engineering projects reported by a professional journal.[4]

What improvements can be made to the program's performance-based budgeting measures and standards for Fiscal Year 1998-99?

Based on OPPAGA's analysis of the program's measures and data sources, the program should improve its performance measures and standards as discussed below. Appendix C summarizes OPPAGA's recommendations for improving the Fiscal Year 1998-99 measures.

Performance Measures

Advanced Telecommunications Services. The program does not have a good measure for determining cost savings. The program contracts with private sector telephone companies for services. The cost of these services is based on volume. Companies typically offer the state significant discounts because it is such a large consumer of telephone services. These discounts are substantially below the commercial tariff rate. Therefore, comparing program telephone rates to the commercial tariff rate likely overstate cost savings when state agencies receive services from the program. Nevertheless, the commercial tariff rate comparison might be the best measure of savings until a better one becomes available.

The methodology used to gather information on data service growth is not consistent with prior years. The program previously calculated data service growth based on the number of locations served, but in 1996-97 it determined growth based on revenues generated. If the program is going to use revenues generated as the basis for this measure then it should use the same basis for the output measure on data service. The 1998-99 standard for growth rate of data service is based on the revenues generated. Program staff is currently deciding whether to base the measures for data service on locations served or revenues generated.

The program should also include measures to assess how satisfied customers are with its advanced telecommunications services. To determine customer satisfaction program staff began surveying customers in Fiscal Year 1997-98. The results will be available in 1998 and should be included in the program's Fiscal Year 1999-2000 Legislative Budget Request.

Finally, the program should include measures to assess its unit cost for providing services. Unit cost information can be used to determine whether the program is efficiently using its resources to provide services. Program staff report they are in the process of developing unit cost data to more accurately bill customers for services.

Information Systems Services. One of the program's proposed outcome measures for information systems services, percent of utilization, should be reclassified as an output measure. Outcome measures should assess the results or benefits provided by the program, while output measures assess the amount of services provided. Also, the department's inspector general reported that the measure for percent of utilization should include memory utilization along with processor utilization. The department needs to include both memory and processor utilization.

The program should also delete computer system availability from its proposed measures because the measures do not provide sufficient information to determine when a computer needs to be updated or replaced.[5] This measure does not provide enough information to help the Legislature determine whether the system meets the service demand. The program should maintain the measure as an internal measure.

The program should improve its measures on customer satisfaction with services provided by the Technology Resource Center. Program staff used different methodologies in Fiscal Years 1995-96 and 1996-97 to

[3] Limited coverage in Lee County, part of Phase 3, began in late 1997.

[4] Professional Services Management Journal 1994 Design Services Fee Survey

[5] Total available hours are determined by multiplying the days in a month times 24 hours per day, less un-staffed hours, less scheduled down time.

select customers to be surveyed. As a result of the program using different sampling methodologies, it cannot determine whether customer satisfaction has increased or decreased over time.

The program also needs to develop measures to assess its unit costs for providing information systems services. Program staff report they are currently working with private consultants to develop a unit cost measure for their services.

The program should develop a measure that compares its costs to other data centers' (state and private sector) costs for providing comparable services. This measure would help the Legislature in assessing the extent to which the program was less costly than other potential service providers.

Wireless (Radio) Services. The program should modify the two measures for private and state engineering costs. The measure should represent the difference between private and state costs for similar services. This will show the discount the program offers to state agencies and local governments when providing these services. In addition, private costs should be based on rates charged by several firms that perform similar work.

The program should delete two measures for assessing use of the Law Enforcement Radio Network. Information reported for the program's measures presently includes the amount of mobile equipment operated and maintained by law enforcement officers. However, mobile equipment may be purchased, operated, and maintained by agencies without the program staff's knowledge. Staff only has knowledge of the number of mobile and portable units registered on the system, not the number of law enforcement personnel using the equipment. The program wants to delete the measure and proposed a 1998-99 standard of zero. The output measure for mobile units operated and maintained and the outcome measure for percent of personnel using the system should be deleted. These measures do not improve the accountability of the program. The program should maintain these measures as internal measures.

The program should also develop measures for assessing its unit costs for providing wireless services. The program already maintains data that should be used to assess unit costs. For example, program staff compiles data on the hours used to complete each engineering project. Such data should be multiplied by the hourly cost of providing services to estimate the program's unit cost per project. The program should report the percentage of engineering projects that were above and below the average unit cost.

The program also needs to include a measure that assesses customer satisfaction with its wireless services. Program staff initially surveyed customers in Fiscal Year 1994-95. Survey results indicated that customers were generally satisfied with services. (All rankings averaged above 7 on a 10-point scale.) The survey was discontinued for Fiscal Years 1995-96 and 1996-97 because staff did not expect any changes. Program staff resumed surveying customers in Fiscal Year 1997-98 and the results should be included in the program's Fiscal Year 1999-2000 Legislative Budget Request.

Performance Standards

The department has generally requested reasonable standards for the Information Technology Program. However, we identified several standards that need to be modified (see Appendix D).

Advanced Telecommunications Services. The 1998-99 standard for SUNCOM data service growth, which is based on the revenues generated, was proposed before program staff decided if the measure should be based on locations served or revenues generated. The standard for the output and outcome should be the same basis of measure. If staff choose revenues generated, they should also change local and long distance service to revenue based measures.

Information Systems Services. The surveys of customer satisfaction are intended to determine how well the Technology Resource Center's services are meeting customer needs. The program has taken actions to address concerns voiced by the department's inspector general to improve the validity of the survey. Until the program has valid data they should not raise the standard for customer satisfaction surveys.

Wireless (Radio) Services. The 1998-99 private sector cost standard is based on the contract hourly billing of an engineering firm that was engaged to perform work only on the Law Enforcement Radio Network in 1995-96. The hourly rate was increased 3% annually for the three subsequent fiscal years to adjust for inflation. However, the firm did not perform work on the broad range of other state and local government projects completed by program staff. Therefore, the basis for the 1998-99 private sector standard may not accurately represent the cost of work performed by the program. The standard should be based on figures from more engineering firms that provide comparable services.

The 1998-99 standards for the percentage of law enforcement personnel using the Law Enforcement Radio Network and the percentage of the state covered by the network do not indicate any future progress in

implementing the system. While the number of personnel using the system increased, the size of the system itself did not increase, resulting in a lower percentage of law enforcement personnel using the network. Further, the percent coverage does not show growth because the project is only authorized to complete phase II, which is 34% statewide coverage. Phase III is not scheduled for completion until after Fiscal Year 1998-99. Therefore, statewide coverage at the end of Fiscal Year 1998-99 will remain at 34%.

Conclusions and Recommendations

The program's performance varied among its three major services (advanced telecommunications, information systems, and wireless). The program's Fiscal Year 1996-97 measures show that some program services are less costly for state agencies than if the services were obtained from the private sector. However, the program's measures do not provide needed information on the unit cost of program services. The program also needs to include performance measures and standards to assess customer satisfaction with all of its major services.

OPPAGA recommends that the program make the following improvements to its performance measures for Fiscal Year 1999-2000:

- Include a unit cost measure for each of the program's major services. Unit cost measures would enable the Legislature to determine the efficiency with which the department performs its functions.

Furthermore, OPPAGA recommends for specific services:

Advanced Telecommunications Services

- Modify one measure by making percentage growth in the use of SUNCOM Network services consistent among all three services.

- Add a customer satisfaction measure for SUNCOM services. Information on customer satisfaction would help the Legislature assess the quality of services provided.

Information Systems Services

- Establish a standard methodology for sampling customers to assess their satisfaction with the program's information systems services.

- Include information on the use of the UNIX system similar to information provided on the IBM and Unisys systems.

- Change the measure for the utilization of its mainframe computers from an outcome to an output measure.

- Delete the program's measures on the availability of its mainframe computers. The program should internally maintain this measure.

Wireless (Radio) Services

- Modify the standard for private sector costs so that it represents an estimate of private company costs to provide all of the engineering services provided by the program.

- Add a measure to provide information on customer satisfaction with the program's wireless services. Customer satisfaction information would help the Legislature assess the quality of service provided.

- Delete the program's measures on the percentage of statewide joint task force personnel using the joint radio network.

- Delete the program's measures on the operation and maintenance of mobile equipment. The program should internally maintain this measure.

Response from the Department of Management Services

March 20, 1998

Mr. John Turcotte, Director
Office of Program Policy Analysis
and Government Accountability
Claude Pepper Building, Room 312
111 West Madison Street
Tallahassee, Florida 32302

Dear Mr. Turcotte:

Pursuant to Section 11.45(7)(d), Florida Statutes, this is our response to your report, Review of the Information Technology Program's Performance-Based Program Budgeting Measures and Standards.

The Information Technology Program plans to implement the following actions for each of the Program's customer satisfaction measures:

- For SUNCOM Network Services, the Information Technology Program plans to request that the Legislature allow the continuance of the current methodology of using an independent firm to conduct the SUNCOM Network Services customer satisfaction survey for consistency. However, due to cost considerations, a request to perform the survey every other year will be made. This timeframe would give the Information Technology Program the time to implement the feedback that comes from its customers, thus increasing its creditability in the eyes of its customers. The Program will continue internal measures to monitor ongoing customer satisfaction.

- For Information Systems Services, the Information Technology Program plans to enhance the customer satisfaction measure to be included in the FY 1999-2000 Legislative Budget Request.

- For Wireless Communications Services, ten internal customer feedback measures were established in 1995. These ten measures are being reviewed for inclusion in the FY 1999-2000 Legislative Budget Request.

The Information Technology Program agrees with the recommendation to the Legislature that the following measures be dropped from the Legislative Budget Request:

- Percentage of statewide joint task force personnel using the joint radio network

- Operation and maintenance of mobile equipment (ITP will keep this measure for internal use)

- Availability of the mainframe computers (ITP will keep these measures for internal use.)

To help ensure that reliable program performance information is provided, the Information Technology Program plans to implement the following actions:

- Modify the percentage growth measure for consistency among each of the SUNCOM Network Services

- Include information on the use of the UNIX system, when available, similar to information provided on the IBM and UNISYS systems (Utilization of the UNIX system commenced in FY 1997-1998)

- Change the measure for the utilization of the mainframe computers from an outcome to an output measure

- Modify the standard for the private sector costs, where available, so that it represents an estimate of private company costs to provide all of the engineering services provided by the program

- Include a unit cost measure for each of the Program's major services, where appropriate (Unit cost measures are not appropriate for all service segments. Therefore, the Department will assess the use of unit cost measures on a case-by-case basis. The Information Technology Program hired multiple independent organizations to establish cost/price models.)

If further information is needed concerning our response, please contact Michelle Block, Office of the Inspector General, at 487-9883.

Sincerely,

/s/ William H. Lindner,
Secretary

WHL/emj

List of Appendices

Appendix A
Information Technology Program
Performance-Based Program Measures for Fiscal Year 1996-97

Outcome Measures	Explanation
Advanced Telecommunications Services	
Percent SUNCOM discount from commercial tariff rates: Voice local service Voice long distance service Data service	This measure compares the price discount offered through the SUNCOM Network to the retail prices charged by private companies for Advanced Telecommunications services.
Percent SUNCOM service growth Voice local service Voice long distance service Data service	This measure assesses the extent to which use of the SUNCOM Network's Advanced Telecommunications services increased over the prior year.
Information Systems Services	
Percent of Utilization: Unisys IBM	This measure is an indicator of the use of the Technology Resource Center's two mainframe computers. It provides an indication of each computer's ability to manage, manipulate and store data.
Percent of Availability: Unisys IBM	This measure is an indicator of the extent to which the Technology Resource Center's mainframe computers are available to meet demand for services. This measure is a critical element in management decisions to update or replace existing computer hardware.
Customer Feedback Ranking (Scale = 1-10) Operations and Maintenance Planning and Development	The measure is an indicator of how satisfied the program's customers (state agencies and local governments) are with the Technology Resource Center's services based on survey responses.
Wireless (Radio) Services	
Cost of Communications Engineering Services (hourly rate) Private State	This measure compares the program's cost for providing engineering services for the Law Enforcement Radio Network to the costs that would be charged by private sector companies.
Percent of the state covered by the Joint Task Force Radio System	This measure shows the percentage of the state covered by the Law Enforcement Radio Network. It provides an indication of the progress in implementing the network.
Percent of Statewide Joint Task Force Law Enforcement Personnel Using the Joint Radio System	This measure shows the growth in the number of registered users on the Law Enforcement Radio Network.

Appendix A (Continued)

Output Measures	Explanation
Advanced Telecommunications Services	
Long Distance- Number of SUNCOM billable minutes	This measure shows the number of minutes of service use billed to the SUNCOM Network's users.
Local Service- Number of SUNCOM local service mainstations (phone lines)	This measure shows the number of telephones lines the SUNCOM Network maintains throughout the state.
Data Service- Number of SUNCOM locations served	This measure shows the number of locations receiving data services through the SUNCOM Network.
Information Systems Services	
Number of TRC Research Projects Completed	This measure shows the number of computer-related projects completed by the Technology Resource Center.
Number of TRC Consulting Projects Completed	This measure shows the number of projects completed in which Technology Resource Center staff provided consulting expertise.
Number of TRC Development Projects Completed	These measure shows the number of projects in which Technology Resource Center staff helped develop and/or implement projects.
Wireless (Radio) Services	
Number of engineering projects and approvals handled for state government.	This measure shows the number of state agency wireless engineering projects completed by program staff.
Number of engineering projects and approvals handled for local government.	This measure shows the number of local government wireless engineering projects completed by program staff.
Number of Joint Task Force Radio systems operated and maintained: Fixed sites[1]	This measure shows the number of towers, equipment shelters, microwave dishes that are purchased and/or registered in the Law Enforcement Radio Network.
Number of Joint Task Force Radio systems operated and maintained: Mobile equipment[2]	This measure shows the number of radios that are purchased and/or registered in the Law Enforcement Radio Network.

[1] A fixed site includes a tower, generator, lighting system, 800 MHz equipment, a microwave, telephone equipment, and a shelter.

[2] A **mobile** is a radio installed in a vehicle and portable radios carried by a law enforcement officer.

Source: OPPAGA

Appendix B
The Information Technology Program Met Some of Its Standards for Fiscal Year 1996-97

Outcome Measures	Fiscal Year 1995-96 Actual	Fiscal Year 1996-97 Standards	Fiscal Year 1996-97 Actual	Fiscal Year 1996-97 Standards Met?	Comments
Advanced Telecommunications Services					
Percent SUNCOM discount from commercial tariff rates:					It was anticipated that commercial tariff rates would be lower for similar SUNCOM services. The actual commercial rates were higher because meaningful competition for local and long distance has not materialized and SUNCOM data service rate increases were lower than expected.
Voice local service	60%	55%	61.43%	Yes	
Voice long distance service	66.1%	50%	69.5%	Yes	
Data service	26%	30%	42%	Yes	
Percent SUNCOM service growth:					Local and long distance telephone use is below anticipated historical trends because of toll free and local area expansion and new emerging technologies. As explained on page 3, data services far exceeded the standard because the number was not correctly calculated. It should have been 11% instead of 166%. (Local service is based on phone lines, long distance is based on billable minutes, and data services is based on revenues.)
Voice local service	23.1%	15%	7.21%	No	
Voice long distance service	-1%	3%	-1%	No	
Data service	15%	9%	166%	Yes	
Outputs:					
Local Service- Number of SUNCOM local service mainstations (phone lines)	1,442,311	1,575,995	1,567,262	No	Same as above (service growth)
Long Distance- Number of SUNCOM billable minutes	213,665,857	223,006,280	212,468,841	No	Same as above (service growth)
Data Service- Number of SUNCOM locations served	7,886	8,130	6,953	No	The performance results reported for Fiscal Year 1996-97 do not include all SUNCOM locations served. The actual locations served should be 8,742 not 6,953.[1]
Information Systems Services					
Outcomes:					
Percent of Utilization:					The Unisys platform is operating above the standard. In contrast, the IBM platform met the standard because of recent upgrades.
Unisys	84%	88%	95.3%	Yes	
IBM	23.5%	79%	81.5%	Yes	
Percent of Availability:					This measure met the standard for both computer systems.
Unisys	99.4%	99.5%	99.5%	Yes	
IBM	99.8%	99.5%	99.5%	Yes	
Customer Feedback Ranking (Scale = 1-10):					Program staff revised the survey instrument measure and methodology to adhere to the findings of a DMS Inspector General's report.
Operations and Maintenance	7.92	8.7	7.1	No	
Planning and Development	7.99	8.2	7.1	No	
Outputs:					
Number of TRC Research Projects Completed	13	20	15	No	Program staff indicate that lack of personnel has affected the TRC's ability to meet the standard.
Number of TRC Consulting Projects Completed	5	6	8	Yes	The program met the standard.
Number of TRC Development Projects Completed	709	883	399	No	Program staff indicate that the measure was modified and this effected the count on the number of projects not the actual work performed.

Appendix B (Continued)

Outcome Measures	Fiscal Year 1995-96 Actual	Fiscal Year 1996-97 Standards	Actual	Standards Met?	Comments
Wireless (Radio) Services					
Outcomes:					
Cost of Communications Engineering Services (hourly rate):					For the private sector costs, the standard was met because the calculation was changed for the measure.
Private	$86.79	$61.05	$89.39	Yes	
State	$39.24	$35.88	$38.01	No	The state standard was not met because program staff under-estimated costs; however, the program's costs are decreasing.
Percent of the state covered by the Joint Task Force Radio System	16%	35%	16%	No	The radio network coverage did not meet the standard or increase over the two-year period, because Phase II of the project was not completed when expected.
Percent of the Statewide Joint Task Force Law Enforcement Personnel Using the Joint Radio System	13.6%	41%	17%	No	While the number of personnel using the system increased, the size of the system itself did not increase, resulting in a lower percentage.
Outputs:					
Number of engineering projects and approvals handled for state government	136	217	95	No	Program staff indicates that lack of personnel has affected their ability to meet the standard.
Number of engineering projects and approvals handled for local government	503	470	602	Yes	The program met the standard.
Number of Joint Task Force Radio operated and maintained:					
Fixed sites	44	93	52	No	Same as above (percent of personnel using the Joint Radio System)
Mobile equipment	1,983	5,902	2,422	No	Same as above (percent of personnel using the Joint Radio System)

[1] Locations for SUNCOM data service were identified via the SUNCOM Integrated Data Accounting and Order Entry System (SIDAOES) and totaled 6,953. In addition, data services must include Frame Relay (1,672) and Internet access (117) for a total of 8,742 locations.

Source: OPPAGA

Appendix C
Several of the Information Technology Program's Fiscal Year 1998-99 Measures Should Be Continued While Other Measures Should Be Improved

1998-99 Measures	Comments	OPPAGA Recommendations
Advanced Telecommunications Services		
Outcomes:		
Percent SUNCOM discount from commercial tariff rates: Voice local service Voice long distance service Data service	This measure overstates the program's performance since the state would likely receive a large discount from the commercial tariff rate from private companies. However, until more reliable data is readily available, this might be the best data available.	**Continue**
Percent SUNCOM service growth Voice local service Voice long distance service Data service	This measure assesses the amount of services provided rather than the benefits resulting from their use.	**Modify:** Measure all three services the same way, either in unit delivery or revenues generated.
OPPAGA Proposed Measure: Customer Feedback Ranking by service	This measure would provide information on the perceived quality of service provided.	**Add**
OPPAGA Proposed Measure: Unit cost by service	This measure would provide information on the program's efficiency in using its resources to provide services.	**Add**
Outputs:		
Long Distance- Number of SUNCOM billable minutes		**Continue**
Local Service- Number of SUNCOM local service mainstations (phone lines)	.	**Continue**
Data Service- Number of SUNCOM locations served	This measure is locations served rather than revenue generated (as the outcome for data service).	**Modify:** This measure should more closely match the outcome measure for data service.
Information Systems Services		
Outcomes:		
Percent of Utilization Unisys IBM	This measure assesses the amount of services provided rather than the benefits resulting from their use.	**Modify:** Change to an output measure
Percent of Availability Unisys IBM	This measure is not useful to the Legislature in assessing the overall performance of the program's Technology Resource Center.	**Delete:** Should be used as an internal measure
Customer Feedback Ranking (Scale = 1-10) Operations and Maintenance Planning and Development	This measure provides information on the perceived quality of service provided.	**Modify**: The program should use consistent methods for sampling customers so results can be assessed over time.
OPPAGA Proposed Measure: Unit Cost for computer systems	This measure would provide information on the program's efficiency in using its resources to provide services.	**Add**
OPPAGA Proposed Measure: Comparison of data center costs: TRC Other Data Centers	This measure would help assess the extent to which the program was more economical than other potential service providers.	**Add**
Outputs:		
Number of TRC Research Projects Completed		**Continue**
Number of TRC Consulting Projects Completed		**Continue**
Number of TRC Development Projects Completed		**Continue**

Appendix C (Continued)

1998-99 Measures	Comments	OPPAGA Recommendations
Information Systems Services (continued)		
Outputs:		
Percent of Utilization (Memory and Processor) Unisys IBM **OPPAGA Proposed Measure:** UNIX	These measures assess the use of computers systems and can be used to determine when upgrades or replacements are needed. By adding a measure for the UNIX system, the program should provide information on all of its systems	**Add/Modify** This measure should include processor and memory utilization. Currently, only processor utilization is reported. The program should add a measure to assess use of the UNIX system.
Wireless (Radio) Services		
Outcomes:		
Cost of Communications Engineering Services (hourly rate) Private State	This measure does not reflect private costs for all types of engineering services or divide the projects by Joint Task Force Radio System projects and by non-Joint Task Force Radio System projects.	**Modify**: The program should survey more private sector engineering firms to identify costs for providing similar services. This measure should represent the difference between public and private engineering costs. The Agency Strategic Plan uses such a measure and sets a goal of 35% below private costs.
Percent of the state covered by the Joint Task Force Radio System	This measure shows the progress made in building the network as each project phase is completed. It does not measure progress toward meeting the schedule for completion of each phase or the deadline for completing the entire network.	**Continue**
Percent of Statewide Joint Task Force Law Enforcement Personnel Using the Joint Radio System	This measure shows only the number of registered users of the network, and not the number of personnel actually using it.	**Delete:** This measure should be maintained internally by the program.
OPPAGA Proposed Measure: Unit Cost for services to: State Government, Local Government, Emergency Medical Services, Law Enforcement, and Joint Task Force Radio System	This measure would show how efficiently the program is using resources on engineering projects.	**Add**
OPPAGA Proposed Measure: Customer Feedback for: State Government, Local Government, Emergency Medical Services, Law Enforcement, and Joint Task Force Radio System	This measure would provide an indication of the quality of services provided.	**Add**
Outputs:		
Number of engineering projects and approvals handled for state government		**Continue**
Number of engineering projects and approvals handled for local government		**Continue**
Number of Joint Task Force Radio operated and maintained: Fixed sites Mobile equipment	 The Legislature now requires various law enforcement agencies to procure their own radio equipment (mobile). This provides the program with no control or assurance of reliable information regarding procurement and no guarantee that they will maintain the equipment.	 **Continue** **Delete.** This measure should be maintained internally by the program.

Source: OPPAGA

Appendix D
Most of the Program's Requested Standards for Fiscal Year 1998-99 Are Reasonable, But Several Standards Should Be Modified

Measures	Proposed Fiscal Year 1998-99 Standards	OPPAGA Comments
Advanced Telecommunications Services		
Percent SUNCOM discount from commercial tariff rates:		**Continue**
Voice local service	50%	
Voice long distance service	40%	
Data service	25%	
Percent SUNCOM service growth -		**Modify:** These standards should reflect types of service units (number of main stations for local service, billable minutes for long distance, and locations served for data). If one is changed to revenue generated they should all be changed accordingly.
Voice local service	3%	
Voice Long Distance Service	-1%	
Data service	69.63%	
Long distance – Number of SUNCOM billable minutes:	226,535,921	**Continue**
Local service – Number of SUNCOM local service mainstations (phone lines)	1,729,785	
SUNCOM locations served	5,563	
Information Systems Services		
Percent of Utilization - Unisys	100%	**Modify**: This standard is more appropriate as an output.
Percent of Utilization - IBM	56.5%	
Percent of Availability - Unisys	99.5%	**Delete:** The standard has been achieved each year, and does not provide enough relative information to be included in the GAA.
Percent of Availability - IBM	99.5%	
Customer Feedback Ranking (Scale = 1-10)		**Modify:** This is a good standard to strive for, but the previous year's standard was not met. The program should try to meet the previous year's standard before raising the standard for the upcoming year.
Operations and Maintenance (TRC)	9.0	
Planning and Development (TRC)	9.1	
Number of TRC Research Projects Completed	15	**Continue**
Number of TRC Consulting Projects Completed	7	
Number of TRC Development Projects Completed	425	
Wireless (Radio) Services		
Cost of Communications Engineering Services (hourly rate):		**Modify:** These measures should be combined to show the difference between private sector and state costs. Private sector cost estimates should be based on costs obtained from a larger sample of firms.
Private	94.83	
State	40.32	
Percent of the state covered by the Joint Task Force Radio System	34%	**Continue**
Percent of Statewide Joint Task Force Law Enforcement Personnel Using the Joint Radio System	33%	**Delete:** The measure this standard applies to should be maintained as an internal measure.
Number of engineering projects and approvals handled for		**Continue**
State government	110	
Local government	550	
Number of Joint Task Force Radio operated and maintained:		
Fixed sites	81	**Continue**
Mobile equipment	0	**Delete:** The program wants to delete the measure and proposed a 1998-99 standard of zero. OPPAGA believes that the measure should be deleted because it does not improve accountability of the program. The program should maintain this measure internally.

Source: OPPAGA

This page intentionally left blank.

Appendix C
Responses from the Department of Management Services and the Department of Highway Safety and Motor Vehicles

In accordance with the provisions of s. 11.45(7)(d), F.S., a list of preliminary and tentative review findings was submitted to the Secretary of the Department of Management Services and to the Executive Director of the Department of Highway Safety and Motor Vehicles for each to review and respond.

Both departments' written responses are reprinted herein beginning on page 54.

DEPARTMENT OF MANAGEMENT
SERVICES

4050 Esplanade Way · Tallahassee, Florida 32399-0950

1EB BUSH, GOVERNOR TOM MCGIJRK, SECRETARY

OFFICE OF INSPECTOR GENERAL
BUILDING 4050, SUITE 235
(850)488-5285
FAX: (850)921-3066

February 12, 1999

Mr. John W. Turcotte, Director
Office of Program Policy Analysis
and Government Accountability
Claude Pepper Building, Room 312
111 West Madison Street
Tallahassee, Florida 32302

Dear Mr. Turcotte:

Pursuant to Section 11.45(7)(d), Florida Statutes, the following is our response to your report, Program Evaluation and Justification Review of the Information Technology Program Administered by the Department of Management Services. Our response corresponds with the order of your findings and recommendations.

Statewide Law Enforcement Radio System

Recommendation

Option 2: Complete a Mobile Only System

Response

Pursuant to Section 282.1095, Florida Statutes, the Department is responsible for implementation of the Joint Task Force (JTF) Board of Directors' policies. The Department has reviewed the option of completing the system as mobile only and has found that it is not in concert with established JTF Board policies which pertain to portable coverage in defined areas.

Wireless Engineering Services

Recommendation

Customer satisfaction measures should be developed for the Wireless Engineering Services.

Response

The Department concurs with this recommendation and is currently developing customer satisfaction measures for wireless services for the Legislative Budget Request for Fiscal Year 2000-2001.

Advanced Telecommunications Services

Recommendation

We recommend that the Department complete testing of its applications and telecommunication systems to ensure they are Year 2000 compliant and fix any identified problems before its planned deadline of July 1, 1999.

Response

The Department understands the critical nature of this issue and concurs with this recommendation. The Department's applications are 100% Year 2000 compliant, and our outside customers' applications are 88% Year 2000 compliant. The Department is currently working to resolve remaining Year 2000 issues, test all systems, and develop contingency plans for operations by July 1, 1999.

Recommendations

To resolve the deficit (of the dial-up service), we recommend that the Department of Management Services take two actions.

- The Department should direct customers to use a 1(800) telephone number to access the Florida Intranet and Internet. This could reduce the program's deficit to $198,000.

- The Department should either raise rates to cover operational costs or attract sufficient new state, local government, and non-profit organizations (at least 800) needed to generate enough fees at current rates to allow the program to cover its operational costs.

Response

Pursuant to Sections 282.102 and 216.272, Florida Statutes, the SUNCOM Network provides a broad array of services which are funded from the Communications Working Capital Trust Fund. The Communications Working Capital Trust Fund does not operate at a deficit. SUNCOM Network service costs are recovered on a global basis. There is no separate trust fund for the Router Transport Services (RTS) Dial Service. The Department is authorized by statute to contract with customers to provide any combination of services necessary for agencies to fulfill their responsibilities and to serve their users. The Department is required by statute to introduce start-up technologies into the SUNCOM Network services. Once a service is past the experimental stage and proves beneficial to the state, the service is placed into production. As a new service evolves to fulfill a competitive business need, it is common for the service's costs to exceed revenues generated in the short-run. The Department concurs that the RTS dial service will operate as a self-supporting service.

Currently, the RTS dial service utilizes the SUNCOM Network Backbone infrastructure. Local calls are placed by any of our statewide customers and local access is granted via the current SUNCOM Network infrastructure. A certain block of 1(800) telephone numbers are available for use when any of our statewide customers are outside the local calling areas. The Department has conducted a cost benefit analysis of the entire RTS network, and the findings revealed that the 1(800) telephone number option was too simplistic of an approach. We do not agree that this option is a viable process for the RTS network. The Department is reviewing and costing a design that recommends the termination of multiple 1(800) telephone numbers in selected SUNCOM node locations along with other costing configurations.

Information Systems Services

Recommendations

OPPAGA recommends that the Department and the State Council on Competitive Government pursue contracting to privatize the Program's information system services. Pursuant to Section 14.203, Florida Statutes, the Council on Competitive Government is responsible for overseeing competitive bidding for state government services. The council should solicit bids to privatize or outsource the Program's information systems services and consult with the Department in developing technical specifications for the bid proposals.

Response

The Department concurs with outsourcing at the component level whenever possible. In terms of communications/transmission services, 90% of the program is privatized. Additionally, an Invitation to Negotiate (ITN) to outsource the JTF radio system was issued in October, 1998, and is in its final stages. This process will explore the feasibility for outsourcing as well as alternative funding. As stated in the report, the Program is providing economical services to state and local agencies. The Program provided telecommunications and wireless engineering services at rates between 36% to 68% lower than the rates charged by private companies. According to the report, discontinuing the Program would place an additional cost burden on state and local agencies for certain services.

In terms of data center services, the Department concurs that cost savings through component level outsourcing should occur whenever possible. As stated in this report the program has, over the last three years, attempted unsuccessfully to outsource (e.g., Unysis and IBM platforms) data center services.

Cost of operations is not the only factor in outsourcing or privatizing the data center. Long-term costs of outsourcing, remaining useful life of the existing equipment, current installment purchase commitments, bid process costs, and costs of monitoring contract compliance need to be considered. Additionally, the risk of failure to meet contract requirements, the ability to provide the same level of service and flexibility (i.e., accommodating delays in processing requests at no additional costs, subsidizing agency utilization of new services in the first year to allow them time to request an appropriation for the full cost of the services, etc.), and the impact of outsourcing on State employees' careers, job security, and benefits need to be evaluated. Traditionally, private sector product and service prices include profit margins, which vary with

the volatile, competitive environment of information technology. The Program's prices are not profit driven. The Program views itself as a member of the larger Florida government organization and is motivated to serve the ultimate employer, i.e., Florida taxpayers.

The Department embraces the idea of working with the State Council in Competitive Government to pursue greater economies of scale. The Department agrees that other efficiencies can be gained through consolidation, elimination of duplicate services, and through the creation of partnerships.

Recommendation

The Department of Management Services should develop a system that accurately identifies the costs of each information systems service it provides to customers. The Department should use this cost data and relevant performance information to develop unit cost measures.

Response

The Department concurs that the use of units costs is appropriate whenever feasible. The Department utilizes a DMG cost model which identifies costs for all services; however, the model presently does not fully identify the billable units for all the program services. To recover its costs, the Department utilizes a multi-pronged approach, ranging from unit cost billing to subscription and project management services.

Recommendation

The Department should develop data center unit cost measures. These measures will allow the Department to validly compare its costs to other state and private sector data centers' costs for providing comparable services.

Response

Plans are underway to develop integrated data center cost measures that provide the necessary information to appropriately measure the performance of data center services. The Department reviewed the use of unit cost measures on a case-by-case basis (i.e., IBM, UNIX, Unysis) to establish one integrated data center performance measure. Throughout this process, the

Department consulted with various industry experts and found that an integrated data center performance measure could provide useful information as a baseline for Departmental improvement from year to year. These measures would incorporate industry standards, as well as cost performance, for similarly situated services. Since every data center has unique characteristics (size, platform, customer requirements, security, processing power), cost comparisons across data centers could result in generalizations and would not necessarily reflect the true costs of the Department's data center.

If further information is needed concerning our response, please contact Millie Seay, Inspector General, at 488-5285.

Sincerely,

/s/ Thomas D. McGurk
Secretary

TDM/MS/dab/tdr

cc: Derick Daniel, Deputy Secretary
Linda Nelson, Director, Information Technology Program
Mary Dozier, Chief, Bureau of Customer Services
John DiSalvo, Chief, Bureau of Wireless Communications
Gary Gast, Chief, Bureau of Strategic Technologies
Winston Pierce, Chief, Bureau of Hardware and Infrastructure
Jay Young, Chief, Bureau of Applications Development
Brenda Johnson-Smith, Legislative Affairs Director
Dan Schultz, OPPAGA

State of Florida
DEPARTMENT OF
HIGHWAY SAFETY AND MOTOR VEHICLES

FRED O. DICKINSON
Executive Director

JEB BUSH
Governor
KATHERINE HARRIS
Secretary of State
BOB BUTTERWORTH
Attorney General
ROBERT F. MILLIGAN
Comptroller
BILL NELSON
Treasurer and
Insurance Commissioner
BOB CRAWFORD
Commissioner of Agriculture
TOM GALLAGHER
Commissioner of Education

February 9, 1999

Mr. John W. Turcotte, Director
Office of Program Policy Analysis
and Government Accountability
111 West Madison Street
Tallahassee, FL 32301

Dear Mr. Turcotte:

The following is the department's response to OPPAGA's Preliminary Findings and Recommendations of Information Technology Program Administered by the Department of Management Services, Chapter 3: State Law Enforcement Radio System.

While the department understands the current fiscal limitations related to the State Law Enforcement Radio System, we are obligated to point out that the old system has portable coverage in the areas of phases 3 through 5. The new system has portable radio coverage in phases 1 and 2 and is designed to have portable radio coverage statewide. The absence of portable radio coverage in phases 3 through 5 of the new system is an officer safety issue and is a step backwards.

If you need additional information, please contact John R. Davis, Inspector General, at 488-1407.

Sincerely,

/s/ Fred O. Dickinson, III
Executive Director

FOD:gc

The Florida Legislature

Office of Program Policy Analysis and Government Accountability

Visit *The Florida Monitor*, OPPAGA's online service. This site monitors the performance and accountability of Florida government by making OPPAGA's four primary products available online.

- OPPAGA publications and contracted reviews, such as policy analyses and performance reviews, assess the efficiency and effectiveness of state policies and programs and recommend improvements for Florida government.

- Performance-based program budgeting (PB^2) reports and information offer a variety of tools. Program evaluation and justification Reviews assess state programs operating under performance-based program budgeting. Also offered are performance measures information and our assessments of measures.

- Florida Government Accountability Report (FGAR) is an Internet encyclopedia of Florida state government. FGAR offers concise information about state programs, policy issues, and performance. Check out the ratings of the accountability systems of 13 state programs.

- Best Financial Management Practice Reviews for Florida school districts. OPPAGA and the Auditor General jointly conduct reviews to determine if a school district is using best financial management practices to help school districts meet the challenge of educating their students in a cost-efficient manner.

OPPAGA provides objective, independent, professional analyses of state policies and services to assist the Florida Legislature in decision making, to ensure government accountability, and to recommend the best use of public resources. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021 or 800/531-2477), by FAX (850/487-3804), in person (Claude Pepper Building, Room 312, 111 W. Madison St.), or by mail (OPPAGA Report Production, P.O. Box 1735, Tallahassee, FL 32302).

The Florida Monitor: http://www.oppaga.state.fl.us

Project supervised by: Tom Roth (850/488-1024)

Project conducted by: Dan Schultz (850/487-3768), Lyndon Rodgers, Darwin Gamble, and Doug Isabelle