

# Follow-up to Questions About Potential IT Related Savings

**Cost savings are provided after each recommendation in blue.**

**Note:** The potential savings described for each recommendation are only estimates.

**Expand centralized printing operations** - Currently, the Franklin County print shop operates within the General Services agency. In the last 5 years, there have been efforts to consolidate bulk printing within the Print Shop. Examples are enumerated below.

- Printing ballots on demand for the Board of Elections instead of using contracted printing services
- Printing the service packets for the Clerk of Courts, instead of the Data Center
- Taking over bulk printing operations for Children Services

In the examples above, savings were realized in the General Fund. In the case of providing printing services for Children Services, revenue was generated for the General Fund. By further centralizing bulk printing operations, the county will be able to reduce the number of capital leases for large copiers and gain efficiencies in staff time.

### *Potential Savings (\$120,000 per year)*

By expanding the printing operations to cover those within the Data Center and other agencies, the General Fund will realize a potential savings of \$90,000 per year for hardware leases and staff savings. Revenues from non-general funds are estimated to be \$30,000 a year for a total of \$120,000 per year of savings when fully implemented.

### *Possible Barriers*

The savings from capital leases may not be realized until the end of the lease term for various printing equipment.

**Consolidate network (LAN), server, storage, and internet services for county agencies** – Currently, Franklin County is a hybrid of a centralized Data Center and separate IT departments for various county entities. The Data Center has approximately 2/5 of the total county IT staff. This structure has enabled redundancy in network operations, servers, data storage, and internet services. By consolidating the physical infrastructure for various county entities, savings will be realized.

Some county entities maintain a separate local area network and internet service provider, which means that twice as many routers must be purchased during refresh cycles, twice as many firewalls must be purchased, multiple internet service provider contracts must be managed, and two sets of hardware must be maintained.

Many county entities maintain their own servers (including data storage). The Data Center has implemented a virtual server environment and a centralized Storage Area Network (SAN) solution. This allows for more virtual servers to operate to fewer physical servers. The SAN allows for a concentration of storage space, which can be made available to any number of servers. Many county entities have already begun to take advantage of these two technologies, which has resulted in the purchase of fewer servers and electricity savings.

**Note:** Due to the variety of entities within Franklin County, consolidating network, server, storage, or internet service operations may not be feasible or practical. For example, the network for the Franklin County Child Support Enforcement Agency is entirely supported by the Ohio Department of Job and Family Services (technically and monetarily). Also, stakeholders would need assurances that they would

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receive the same level of service, availability, and be able to be involved in decision making processes. This may require a structural examination or the Data Center.

### *Potential Savings (\$125,000 per year)*

If agencies begin to consolidate resources expected hardware and internet service provider savings would be around \$50,000 per year and staff savings is estimated at \$75,000 per year.

### *Possible Barriers*

See note above. Realizing the maximum savings would require the agreement of all potential entities, especially those who have been maintaining their own environment for a number of years.

**Refine, educate staff, and enforce records retention policies** – A significant cost to Franklin County and most organizations lay in the amount of paper and data that is generated and stored. For both formats, this problem is one and the same. Due to the need to keep public records, many employees choose to save all records. Paper is printed, files are generated, storage costs are incurred, and the sheer volume of information makes searching for records difficult. The same is true with electronic records, though the capability to search through files is more robust. Unfortunately, data storage is taken for granted and unmanaged data continues to grow and grow. This costs server resources and takes up SAN space. Since high speed hard drives only last around 5 years and since maintenance agreements for SAN storage are usually for a period of 5 years, capital replacement costs for new storage appliances continue to rise.

Section 149.38 of the Ohio Revised Code has provided a framework for the disposal of public records according to a defined retention schedule. If all records were disposed according to predefined record retention policies, the amount of email, file server, and paper file storage would be reduced significantly. Additionally, maximum data storage would be able to be defined, and capital purchases could be planned for proactively. There would be savings in paper file storage, offsite paper file pulls, electronic storage, and disaster recovery storage. By managing less information, efficiencies would be gained for day to day operations as well as for public records requests.

### *Potential Savings (\$85,000 annually, \$387,664 from 2014 - 2018)*

Currently within the General Fund, Franklin County spends about \$90,000 per year on services related to file storage. The Data Center has estimated that the SAN storage is growing at a rate of about 30% per year. Considering that the Data Center is maintaining 71 terabytes (Tb) of usable SAN space, the growth alone costs around \$50,000 (\$2,300 per Tb) per year. Every five years, the county will need to refresh the storage pool as well.

### **Data Center Projected Storage Growth**

| <b>SAN Storage</b>                     | <b>2013</b> | <b>2014</b>     | <b>2015</b>     | <b>2016</b>     | <b>2017</b>     | <b>2018</b>      |
|--|-------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Storage Capacity 71 Tb (30% Growth)    | 0           | 21              | 28              | 36              | 40              | 44               |
| Cost Per Terabyte (20% Annual Decline) | 2,300       | 1,840           | 1,472           | 1,178           | 942             | 754              |
| <i>SAN Growth Total</i>                | <i>0</i>    | <i>39,192</i>   | <i>40,760</i>   | <i>42,390</i>   | <i>38,066</i>   | <i>33,328</i>    |
| SAN Replacement Costs (30% Growth)     |             |                 |                 |                 |                 | 193,929          |
| <b>Total</b>                           |             | <b>\$39,192</b> | <b>\$40,760</b> | <b>\$42,390</b> | <b>\$38,066</b> | <b>\$227,256</b> |

Storage estimates for agencies and servers outside of the Data Center SAN are about double the amount, and many of those servers will be moved into the Data Center SAN and virtual server environments, when they are replaced. So the impact above would double for each year. If half of the

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storage is reduced by the initiative above then the storage savings would mirror the table above growth (\$45,000 paper file storage + \$40,000 SAN savings).

### *Possible Barriers*

Extensive commitment will be required from the various county agencies, boards, and courts.

**Review the MSELA license structure and potential cease the MSELA agreement** – Currently, Franklin County pays about \$590,000 (\$324,000 General Fund) annually for the Microsoft Enterprise License Agreement (MSELA). This agreement gives Franklin County the ability to upgrade the Windows operating system and Microsoft (MS) Office to the latest version for any machine covered under the agreement. One reason behind this annual agreement is to assure that Franklin County is in compliance with legal software licensing for Microsoft. The ability to upgrade to the latest version of MS Office or operating system does not usually translate into the actual upgrade on the workstation. For example, many computers in the county network still use Windows XP and MS Office 2007.

If Franklin County invests in robust software auditing software packages, compliance can be assured, and licenses for upgrades to Microsoft software can be purchased on an as needed basis.

### *Potential Savings (\$250,000 per year)*

The estimated cost for auditing software is around \$40,000. Once the auditing software is in place, Microsoft Office software can be purchased only as needed.

### *Possible Barriers*

This recommendation cannot be implemented until the current MSELA contract expires at the end of 2014.

**Centralize licensing for enterprise-wide software** - The disparate structure of Franklin County IT has enabled the purchases of enterprise wide licenses for a single entity. In some cases an enterprise license was purchased by multiple entities, where one license would have sufficed. County-wide coordination of license purchases will allow savings related to economies of scale and also reduce redundant license purchases.

### *Potential Savings (\$50,000 per year)*

Currently, multiple agencies are looking at procuring a timekeeping/human resource system. In this example if all agencies were to pull together and implement at the same time, there would be a savings of at least \$50,000.

### *Possible Barriers*

There may be funding restrictions that prohibit some agencies pooling together for license purchases.

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**Replace the Franklin County Justice System (FCJS) and all applications on the iSeries Platform -** Currently, the Franklin County Justice System and many in-house applications reside on the iSeries platform from IBM. The hardware, software, and maintenance fees are significantly more expensive than with other platforms. Also, the primary programming language (COBOL) on that platform is outdated, and COBOL programming services are difficult to find, and will become more difficult as time goes on. However, there would be a significant upfront capital investment required to replace the FCJS system.

*Potential Savings (\$868,303 per year **once initial investment is paid off**)*

As discussed previously, potential savings from this initiative may not be realized until 5 years after implementation.

The initial estimate for this project is between \$10 million and \$15 million. The replacement will take around 4 years (1 year to develop the RFP and select a vendor, 3 years for implementation). General Fund contributions are expected to be about 45%-50% (\$4.5 million - \$7.5 million) of the amount above. The County may choose to finance the project long term through the issuance of bonds. The balance of the estimated project costs is expected to come from the various computerization funds for the courts involved and Clerk of Courts' office. Additionally, grant funding will be explored to support this initiative.

Below are the annualized costs in maintaining FCJS and the iSeries

\$331,758      3.5 FTEs (1 at Clerk of Courts, 2.5 at the Data Center) \* \$94,788 annual programmer (Salary + Benefits) cost for FCJS related COBOL programming.

\$97,369      Average 5 year cost for licenses and software maintenance for iSeries.

\$230,429      5 year average iSeries related hardware expenditures (\$1,152,143 from 2009-2013).

\$65,853      Average 5 year cost for 3<sup>rd</sup> Party FCJS maintenance.

\$725,409      *Total savings if FCJS and the iSeries were replaced.*

\$342,894      *Expected savings (1.0%) based on efficiencies gained for all staff from the Court of Common Pleas General Division, Court of Common Pleas Domestic and Juvenile Division, Probate Court, and Clerk of Courts staff (non-auto title staff) within the General Fund.*

-\$200,000      *Expected annual maintenance costs related to supporting the new system.*

### *Possible Barriers*

A project of this size is inherently risky, but the availability of off-the-shelf solutions significantly lessens the risk. Fortunately, the successful implementation of the e-Filing project has provided a model of success. Also, due to the lack of COBOL programmers in the marketplace, it is projected that the cost for maintaining and modifying the system will continue to increase.