

\$63.6 Million Down the Drain?...There May Be Hope

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*During 2005, the Oregon State Legislature approved funding for the **Computing and Networking Infrastructure Consolidation (CNIC) project** to consolidate twelve state agency data centers into one facility would save Oregon tax-payers millions. An **audit** of the project by the Secretary of State has not only revealed that the **award-winning data center** was ill-prepared, but some of the state agencies are paying millions a year more for technology services.*

The audit concludes that the data center consolidation objectives have not been achieved. Though the Department of Administrative Services has completed several projects for consolidation which adhere to the recommendations in the audit report, the department has to continue to make improvements in order to see the promised savings.

The following improvements are imperative to the success of the data center:

- Data Consolidation
- Adjusting operation controls to effectively address service level agreements with customers, performance and capacity management, standard operating procedures, configuration management, or software licensing requirements
- Provided a secure computing environment for clients

The Department of Administrative Services has suggested that the recommendations and other enhancements will be completed during the remainder of the seven year consolidation plan.

Oregon is not the first state to pursue an expensive data center consolidation project. The Georgia Technology Authority (GTA), on behalf of the State of Georgia has a requirement for vendor assistance with the \$1.28 billion **Georgia Infrastructure Transformation (GAIT) 2010 Project**. Furthermore, IBM is in the process of providing the Texas Department of Information Resources with the management and support of their \$1.09 billion **State Data Center (SDC)**.

The Oregon data center illustrates the necessity for the government and vendors to have an honest evaluation of the anticipated outcome of a project. The government and vendors have a responsibility to provide the necessary information to ensure that the outcome of the project is in the best interest of the public. While adjustments and amendments can be made to save money in the long run, the amount of money that could have been saved at the onset of this project will never be realized.

The total cost of this project was projected to be approximately \$63.6 million consisting of approximately \$20 million to construct a new data center building and \$43.6 million to equip and configure the consolidated operating environment.