![Washington State Department of Enterprise Services]

REPORT

Information Technology Contracts Report

October 2022

CONTRACTS & PROCUREMENT DIVISION

2022 Legislative Report

Agency Overview

As the central service agency for Washington state, the Department of Enterprise Services (DES) manages many business lines and operational services that state agencies and municipal governments need to deliver public services. These services include contracts and procurement, facility management and planning, lease management, small agency financial and human resources support, risk management, fleet management, parking on the Capitol Campus, state surplus, print and mail services, and campus security.

DES oversees more than 1,500 vendors supplying goods and services through statewide contracts. Statewide contracts were previously known as master contracts. These contracts are available to state, local, and tribal governments.

Contact information

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Accessibility

To request this document in another format, call 360-407-8059. Deaf or hard of hearing customers, please call 711 (Washington Relay Service) or 800-833-6384.

October 31, 2022

The Honorable Christine Rolfes
Washington State Senate
PO Box 40466
Olympia, WA 98504-0466

The Honorable Timm Ormsby
House of Representatives
PO Box 40600
Olympia, WA 98504-0600

Dear Senator Rolfes and Representative Ormsby:

The Department of Enterprise Services (DES) is pleased to forward the Information Technology Contracts Report in accordance with section 148(4) [Supplemental Operating Budget Proviso] of the 2021-23 Operating Budget. The report includes 91% of agencies and institutions of higher education that were required to submit.

This was the first year DES required all reports be turned in by September 1st without any extensions. In the past, DES submitted a second report to the legislature in December that included the agencies that did not meet the initial September 1st deadline. This report is the only and final report for this year.

This report is available on the DES publication and reports website, https://des.wa.gov/about/forms-publications/publications-reports.

If there are any questions, concerns, or additional information we can provide, please contact Jaime Rossman, Assistant Director of Contracts and Procurement at (360) 407-9329 or Jaime.Rossman@des.wa.gov.

Sincerely,

Tara C. Smith
Director

Enclosure

cc: David Schumacher, Director, Office of Financial Management
        Ann Larson, Assistant Director, Policy & Government Relations, Department of Enterprise Services
        Jaime Rossman, Assistant Director, Department of Enterprise Services

Contents

Statutory Directive

The Information Technology (IT) Contracts Report is required by a proviso in section 148(4) of the 2021-23 Operating Budget. The proviso requires the Department of Enterprise Services (DES) to receive, compile and submit a list of IT contracts for all state agencies and institutions of higher education to the legislative fiscal committees by Oct. 31 of each year.

Consolidated Technology Services (CTS) is required by section 150 (12) of the 2021-23 Operating Budget to collaborate on this report with DES and provide data and an analysis by Sept. 1 each year for all agencies.

This is the fourth year DES is submitting this report. It provides a narrative and analysis of the state's overall IT contracts portfolio.

Introduction

Of the 143 agencies required to report their IT contracts to DES, 130 were successful. Thirteen agencies have either not submitted a report or submitted a report with incomplete data.

Consolidated Technology Services provided Apptio data and an IT tower analysis of types of service and cost pools (categories aligned with state general ledger accounts) to include in this report. See details on pages 19 to 23.

Agency Responsiveness

DES required agencies submit their IT contracts reports by Sept.1, 2022. This was the first year DES did not offer an extension period for agencies to submit reports. 91% of agencies completed the reporting requirement by the deadline compared to 60% last year. In 2021, after extending the deadline to November 15, 96% of agencies submitted their reports to DES.

Agencies who did not complete the reporting requirement 2022 are:

Asparagus Commission (ASPAR)
Bates Technical College (BATES)
Big Bend Community College (BBC)
Blueberry Commission (BLUE)
Board for Voluteer Firefighters and Reserve Officers (BVFFRO)
Hanford Area Economic Investment Fund
Housing Finance Commission, Washington State (HFC)
Skagit Valley College (SVC)

Tacoma Community College (TCC)
Tree Fruit Commission (TREE)
Washington Higher Education Facilities Authority (WHEFA)
Washington State Commission on African-American Affairs (CAA)
Washington State Commission on Pesticide Registration

Background

In July 2022, DES held a training for both IT contracts reporting and agency contracts reporting. Approximately 160 people attended the training from agencies and institutions of higher education. This training allowed agencies' contracts specialists to ask questions and DES to clarify expectations. It was communicated to agencies that for their reports to be accepted, the following criteria must be met:

- Fill out ALL required fields. Do not leave any blanks in the required fields.
- Report the DES statewide contract number for all DES statewide contract purchases.
- Fill in the spending amount columns for every year the contract is active. DES will be checking to see if the spending amount columns are filled in for the contract start and end dates entered in the report.
- Only report numerical figures in the spending amount columns. Any notes should be entered into the contract amount explanation field.
- The IT tower fields must be entered as percentages and the total percentage column must equal 100%.
- Reports are due by Sept. 1.

DES provides a template to help agencies reduce rework and accurately report their data. The template calculates the fiscal years based on the contract dates and uses conditional formatting to highlight errors, zeros, or blanks in columns that are required.

Data Integrity

DES required agencies to use the IT statewide contract number for contracts marked as DES statewide contract purchases and to use the contractor names provided in the template workbook. DES does not have access to agency contract databases, so an audit of the report submissions was not possible, but have applied rigor around the acceptance of agency reports:

If required columns in reports were blank, such as missing contract numbers and/or missing total contract spending amounts, DES rejected the agency submission and required resubmission.

DES reviewed each contract, the contract start and end dates, and also required complete information around the fiscal year spending amount columns.

If an agency did not provide amounts or an explanation for missing fiscal year spending amount columns during the active dates of a contract, the report was rejected, and DES required resubmission.

Methodology

Tools

DES provides an IT contract reporting template that includes conditional formatting that highlights errors, zeros, or blanks entered in required fields. The template also included formulas to calculate fiscal years for each contract based on the contract start and end dates entered. Also included in the template workbook, is

- A list of IT statewide contracts and any associated cooperative with those contracts
- A list of the 2022 FY contractor names, the list of agency numbers and names required to complete the report
- Examples of contract amount explanations
- Links to additional resources.

DES maintained and updated the FAQ and training documents for agencies to reference as they were compiling their reports. It also supplied agencies with a list of IT statewide contracts and the vendor-reported spend so they could more easily and accurately report their use of statewide contracts.

This year, DES created and provided a document that contained training on frequently used Excel skills to complete the report. All documents referenced may be found on the [IT Contracts Reporting Webpage](#).

Challenges

There were two main challenges agencies faced when meeting report requirements:

1. DES performs a rigous review of each report, including requiring agencies to use a list of provided contractor names and using the DES statewide contract number for all contracts marked as a statewide contract purchase. While these efforts improved the time to scrub the data and complete the analysis, it did result in more reports being returned to agencies for corrections.
2. Agency submissions were not always able to meet the requirements due to individual agency systems not holding historical data.

Findings/Results

Data From 2022 Agency IT Contracts Report

The Total Contract Amounts reported by agencies and institutions of higher education in the **2022** IT Contracts Report is **$6 billion** for all fiscal years since FY 2000**.** Below are a series of tables that display the top 10 vendors when the data is sorted by key fields. The data included in the following summary tables exclude the agencies that have not turned in completed reports.

Top 10 Vendors with the Highest Total Contract Value for All Fiscal Years and Number of Agency Users

*Data includes future amounts

Vendor	All FY Spend	# of Contracts	# of Agencies
CNSI	$ 722,930,862	3	1
Microsoft	$ 397,882,488	72	51
Workday Inc	$ 232,477,228	4	4
Fast Enterprises LLC	$ 228,477,632	6	3
Dell	$ 226,686,427	96	60
SHI	$ 203,576,976	163	77
CDW Government, Inc.	$ 183,661,452	76	50
Cerner Corporation	$ 145,557,121	3	2
Epic Systems Corp	$ 95,357,672	3	2
Deloitte Consulting, LLP	$ 93,401,409	11	7

Top 10 Vendors with the Most Contracts for All Fiscal Years

*Data includes future amounts

Vendor	All FY Spend	# of Contracts
SHI	$ 203,576,976	163
Dell	$ 226,686,427	96
CDW Government, Inc.	$ 183,661,452	76
Verizon Wireless Services LLC.	$ 78,964,906	74
Microsoft	$ 397,882,488	72
Carahsoft Technology Corporation	$ 62,868,618	55
Hewlett-Packard Enterprise Company	$ 51,526,559	50
South Puget Sound Comm College	$ 14,736,130	45
Centurylink Inc.	$ 56,936,246	40
CTS - Cabling & Technology Services	$ 105,606	38

Agencies reported $895 million in IT contract spend in FY 22, $764 million in FY21, $584 million in FY20, $478 million for FY19 and $591 million projected for FY23. The following tables display the top 10 IT Vendors spend reported for FY22.

Top 10 IT Vendors by FY2022 Spend for Statewide Contracts and Non-Statewide Contracts Reports

Vendor	FY 22 IT Contract Report Spend	
CNSI	$	116,742,399
SHI	$	51,571,039
Dell	$	39,322,080
CDW Government, Inc.	$	32,466,518
Insight Public Sector	$	31,361,898
Deloitte Consulting, LLP	$	25,692,024
Carahsoft Technology Corporation	$	25,526,325
Workday Inc.	$	24,044,841
Epic Systems Corp	$	20,363,230
Fast Enterprises LLC	$	15,964,233

Top 10 IT Vendors by FY2022 Spend for Statewide Contracts Only

Vendor	FY 22 IT Contract Report Spend	
SHI	$	49,134,537
Dell	$	32,883,975
Insight Public Sector	$	31,151,750
Carahsoft Technology Corporation	$	21,965,782
Verizon Wireless Services LLC.	$	13,570,447
Cisco Systems, Inc.	$	11,014,701
CDW Government, Inc.	$	9,077,888
Workday Inc.	$	8,481,212
Oracle	$	7,386,423
Liberum	$	6,262,734

Top 10 IT Vendors by FY22 Spend for Non-Statewide Contracts

Vendor	FY 22 IT Contract Report Spend
CNSI	$ 116,742,399
Deloitte Consulting, LLP	$ 25,692,024
CDW Government, Inc.	$ 23,388,630
Epic Systems Corp	$ 20,363,230
Fast Enterprises LLC	$ 15,964,233
Workday Inc.	$ 15,563,629
Department of Health	$ 12,782,380
Accenture	$ 11,156,020
Microsoft	$ 10,404,924
Comtech	$ 9,887,440

When comparing the previous tables to the FY21 dataset, there are a few vendors this year that were not included in the top vendors reported last year. These vendors are newly awarded vendors on statewide contracts or agency contracts.

FY22 Analysis Challenges

With the final phase 2 fiscal year close in early September and the vendor-reported statewide contract sales due on July 31, agencies must prioritize the IT contract report over other work to meet the Sept. 1 deadline.
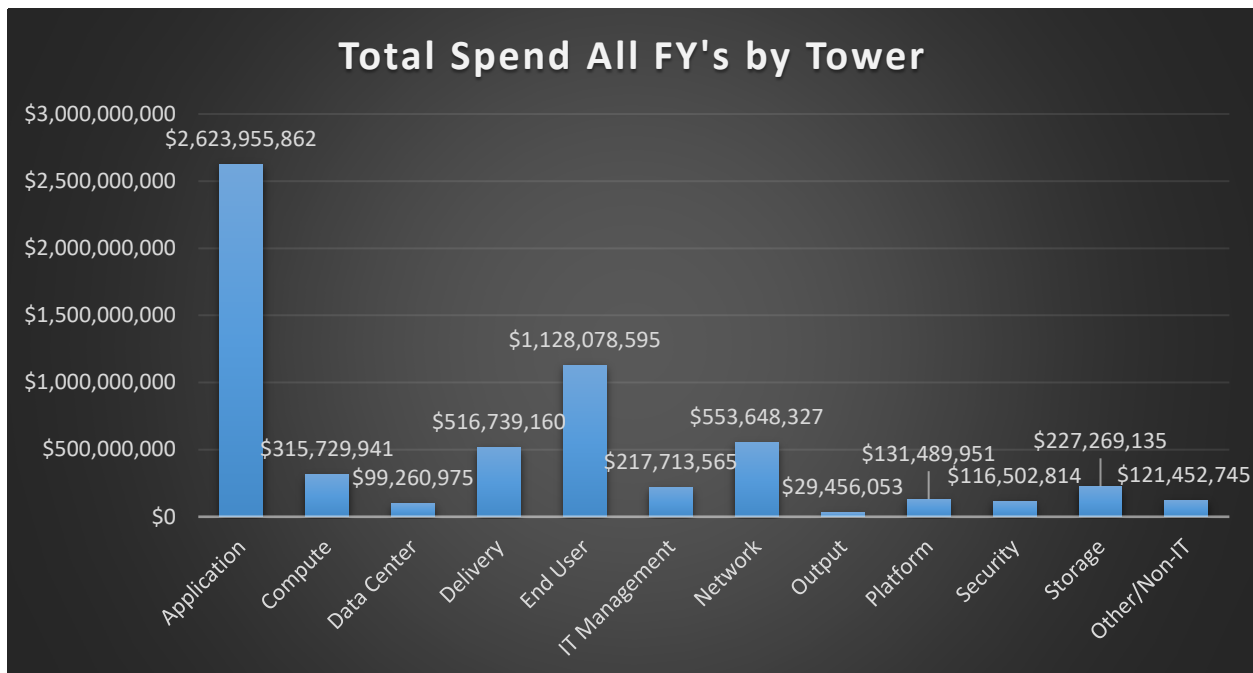
Long Term and No End Date Contracts

A handful of contracts end on 02/01/2099. After analysis, most of these contracts fall under the DES statewide contract 08215 "Information Technology Professional Services." This contract functions more as a "program" than a typical statewide contract with the first tier creating a vendor pool. Agencies and institutions of higher education must then perform a second-tier solicitation and execute their contracts with vendors accepted as a part of this program. End dates for those contracts are most likely shorter-term agreements but agencies were instructed to report their agreements under the statewide contract, using the Contract Start and Contract Max Term dates as start and end dates.

No End Date contracts are represented by showing 99/99/9999 in the Contract End Date column. There are 110 agencies that have contracts with no end dates and 81 contract records were reported as having no end date. Most of the contracts with no end date fall in the "Applications" IT Tower. Included in the report is a "Contract Date Explanation" column where agencies were asked to explain why a contract does not have an end date.
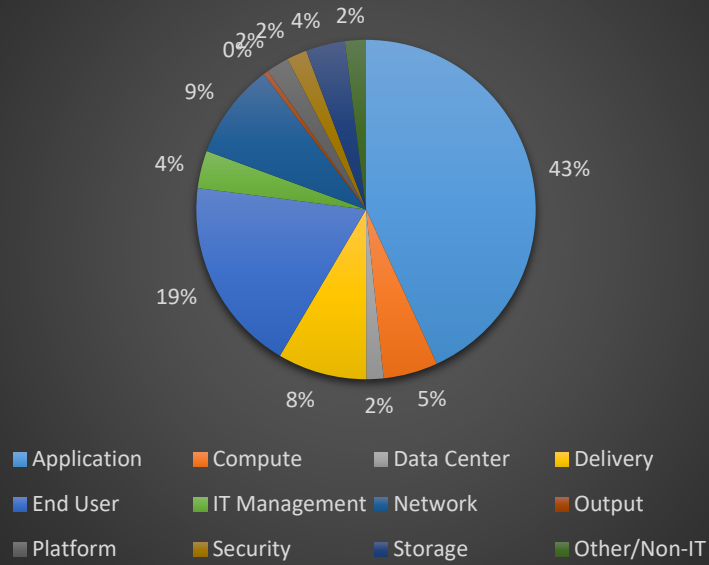
IT Tower Analysis and Tables

The following tables, graphs and charts examine the contract information reported by IT Tower. The types of services are defined by Technology Business Management IT Towers and include Application, Compute, Data Center, Delivery, End User, IT Management, Network, Output, Platform, Security, Storage, and an option for Non-IT/Other for agencies to utilize. Like the previous tables, these charts and tables are missing data for those agencies that have not yet reported for 2022.
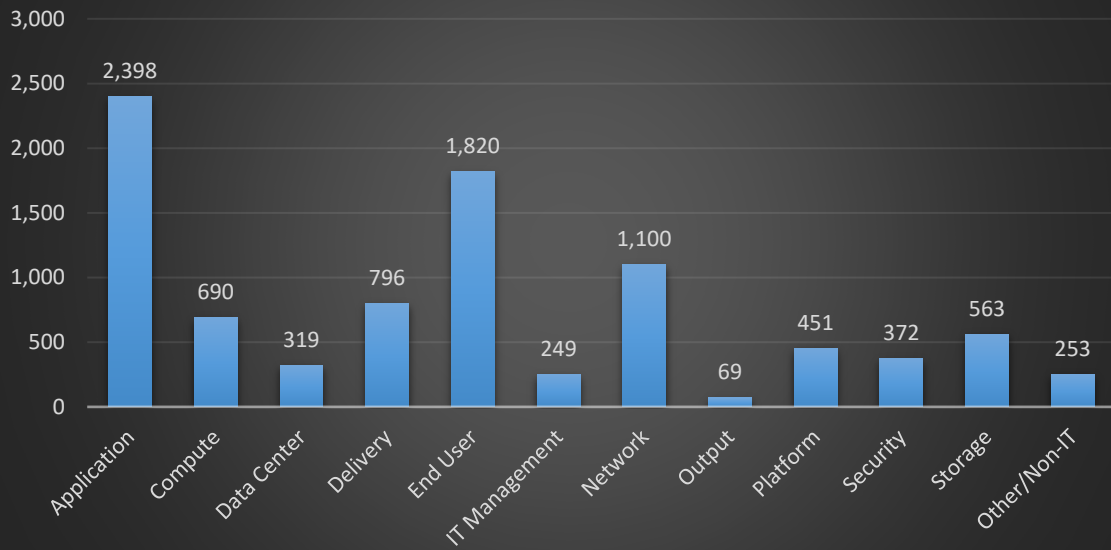
IT Tower	Total Spend All FY's	% of Spend All FY's	Total Contracts	% of Contracts
Application	$ 2,623,955,862	43%	2,398	26%
Compute	$ 315,729,941	5%	690	8%
Data Center	$ 99,260,975	2%	319	4%
Delivery	$ 516,739,160	8%	796	9%
End User	$ 1,128,078,595	19%	1,820	20%
IT Management	$ 217,713,565	4%	249	3%
Network	$ 553,648,327	9%	1,100	12%
Output	$ 29,456,053	0%	69	1%
Platform	$ 131,489,951	2%	451	5%
Security	$ 116,502,814	2%	372	4%
Storage	$ 227,269,135	4%	563	6%
Other/Non-IT	$ 121,452,745	2%	253	3%
Total	**$ 6,081,297,123**	**100%**	**9,080**	**100%**

Total Spend All FY's by Tower

% of Spend All FY's by Tower

43% Application
19% End User
9% Network
8% Delivery
5% Compute
4% IT Management
4% Storage
2% Data Center
2% Platform
2% Security
2% Other/Non-IT
0% Output

Legend: Application, Compute, Data Center, Delivery, End User, IT Management, Network, Output, Platform, Security, Storage, Other/Non-IT

Total Contracts by Tower

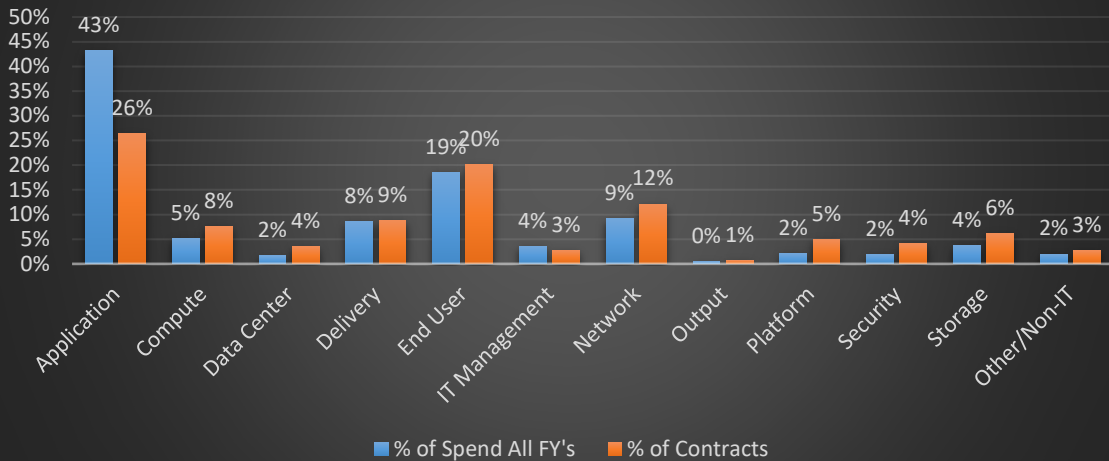| Tower	Contracts
Application	2,398
Compute	690
Data Center	319
Delivery	796
End User	1,820
IT Management	249
Network	1,100
Output	69
Platform	451
Security	372
Storage	563
Other/Non-IT	253

% of Contracts by Tower

IT Tower Total Spend compared to the number of Contracts by Tower

More tables regarding spend can be found in Appendix A, worksheets in the Excel workbook accompanying this report. Tables included:

- Fiscal Year Totals by Tower
- Fiscal Year Totals by Tower and Agency
- Number of Contracts by IT Tower
- Number of Contracts by IT Tower and Agency
- Vendors by Tower by Contracts

- Vendors by Tower by Spend
- Apptio Fiscal Year 2021 and 2022 Comparison
- Apptio Fiscal Year 2021
- Apptio Fiscal Year 2022

The report template has a field for agencies and institutions of higher education to indicate if a contract is a statewide contract. The tables below compare the vendor spend reported by agencies and institutions of higher education to what was reported by statewide contract vendors.

DES IT Statewide Contracts Portfolio Summary

Report	FY22 Spend
IT Statewide Contract's Spend	$ 336,004,314
IT Contract Statewide Contract's Total Spend	$ 305,330,573
Difference	**$ 32,735,766**

DES has a portfolio of statewide contracts with 800 IT vendors that covers about 25 different IT commodities. The total Fiscal Year (FY) 2022 IT statewide contracts spend by all state agencies, institutions of higher education, political subdivisions, and qualified non-profit organizations was approximately $782 million, an increase of approximately $180 million from the prior fiscal year. State agencies and institutions of higher education are responsible for approximately 45% of this annual fiscal contract spend. The tables below have been included to give a total picture of all DES customer spend as well as tables breaking down the information into the categories of "State Agencies and Higher Education" and "Political Subdivisions and Qualified Non-Profits."

FY22 Top 10 IT Statewide Contracts by Spend

All Customer Summary

Contract Title	Number of Vendors	FY22 Statewide Contract Spend
Computer Equipment	14	$ 253,774,884
NASPO ValuePoint Software Resellers	3	$ 128,433,282
NASPO ValuePoint Wireless Data, Voice, and Accessories	5	$ 114,472,700
Cloud Solutions	16	$ 90,105,873
Data Communications (NASPO)	5	$ 44,612,071
Information Technology Professional Services	89	$ 43,464,821
Copiers and Managed Print Services	7	$ 22,734,208
Fleet Card Services	1	$ 13,381,228
Illumination, Traffic Signal & Intelligent Transportation Systems Equipment	23	$ 10,006,675
Security Alarm Technology Services	7	$ 9,510,334

State Agency and Higher Education Summary

Contract Title	Number of Vendors	FY22 Statewide Contract Spend
Computer Equipment	14	$ 74,574,838
NASPO ValuePoint Software Resellers	3	$ 64,874,067
Cloud Solutions	13	$ 58,520,892
Information Technology Professional Services	80	$ 38,590,024
NASPO ValuePoint Wireless Data, Voice, and Accessories	5	$ 24,839,541
Data Communications (NASPO)	5	$ 21,539,993
Fleet Card Services	1	$ 10,286,026
Copiers and Managed Print Services	7	$ 7,958,735
Office Supplies	3	$ 5,720,905
Security Alarm Technology Services	5	$ 4,654,015

Political Subdivisions and Qualified Non-Profits Summary

Contract Title	Number of Vendors	FY22 Statewide Contract Spend
Computer Equipment	14	$ 179,200,046
NASPO ValuePoint Wireless Data, Voice, and Accessories	5	$ 89,633,159
NASPO ValuePoint Software Resellers	3	$ 63,559,215
Cloud Solutions	10	$ 31,584,981
Data Communications (NASPO)	5	$ 23,072,078
Copiers and Managed Print Services	7	$ 14,775,473
Illumination, Traffic Signal & Intelligent Transportation Systems Equipment	15	$ 6,923,788
IT Cabling	12	$ 5,381,549
Information Technology Professional Services	22	$ 4,874,797
Security Alarm Technology Services	7	$ 4,856,319

Notes:
- The above tables were compiled using the FY 2022 vendor reported sales for DES IT statewide contracts.
- NASPO ValuePoint contracts are nationwide contracts that Washington state participates in through a statutorily authorized cooperative agreement.

FY22 Top 10 Customers by IT Statewide Contracts Spend

All Customer Summary

Customer Name	FY22 Statewide Contract Spend
Consolidated Technology Services	$ 41,891,876
King County	$ 40,843,120
Department of Enterprise Services	$ 37,776,393
Department of Social and Health Services	$ 27,346,365
Department of Transportation	$ 26,792,048
City of Seattle	$ 25,756,190
Department of Employment Security	$ 20,053,884
Department of Health	$ 20,006,298
Kent School District 415	$ 19,390,571
Seattle School District 1	$ 14,548,828

State Agency and Higher Education Summary

Customer Name	FY22 Statewide Contract Spend
Consolidated Technology Services	$ 41,891,876
Department of Enterprise Services	$ 37,776,393
Department of Social and Health Services	$ 27,346,365
Department of Transportation	$ 26,792,048
Department of Employment Security	$ 20,053,884
Department of Health	$ 20,006,298
Children Youth and Families	$ 13,673,806
Department of Corrections	$ 13,344,579
University of Washington	$ 11,261,137
Washington State Patrol	$ 9,594,179

Political Subdivisions and Qualified Non-Profits Summary

Customer Name	FY22 Statewide Contract Spend
King County	$ 40,843,120
City of Seattle	$ 25,756,190
Kent School District 415	$ 19,390,571
Seattle School District 1	$ 14,548,828
WA State Nursery & Landscape Assn.	$ 12,046,516
Everett School District 2	$ 11,857,365
Spokane School District 81	$ 10,257,609
Sound Transit-Seattle	$ 8,328,162
City of Tacoma	$ 7,437,951
Clark County	$ 7,237,344

FY22 Top 10 IT Vendors by Statewide Contract Spend

All Customer Summary

Vendor Name	FY22 Statewide Contract Spend
Dell	$ 124,590,336
Verizon Wireless	$ 84,195,218
SHI	$ 70,536,327
HP Inc.	$ 56,648,322
CDW Government LLC	$ 52,730,189
Carahsoft Technology Corporation	$ 41,788,086
Insight Public Sector, Inc.	$ 41,232,761
Lenovo Corporation	$ 37,646,041
Cisco Systems, Inc.	$ 32,073,614
T-Mobile USA, Inc.	$ 18,130,586

State Agency and Higher Education Summary

Vendor Name	FY22 Statewide Contract Spend
SHI	$ 56,444,508
Dell	$ 53,274,373
Insight Public Sector, Inc.	$ 32,616,681
Verizon Wireless	$ 21,428,508
Carahsoft Technology Corporation	$ 19,970,373
Cisco Systems, Inc.	$ 14,754,234
Wex Bank	$ 10,286,026
HP Inc.	$ 8,182,434
Palo Alto Networks, Inc.	$ 6,016,393
CDW Government LLC	$ 5,881,396

Political Subdivisions and Qualified Non-Profits Summary

Vendor Name	FY22 Statewide Contract Spend
Dell	$ 71,315,963
Verizon Wireless	$ 62,766,710
HP Inc.	$ 48,465,888
CDW Government LLC	$ 46,848,793
Lenovo Corporation	$ 35,917,808
Carahsoft Technology Corporation	$ 21,817,713
T-Mobile USA, Inc.	$ 17,518,627
Cisco Systems, Inc.	$ 17,319,380
Microsoft	$ 15,089,725
SHI	$ 14,091,819

IT Statewide Contract/Non-IT Statewide Contract Comparison

The following tables compare IT statewide contract sales to the non-IT statewide contract sales for fiscal years 20 through 22. Of the total sales in FY22, IT statewide contract sales average about 38% for all customers, 44% for state agencies and higher education, and 35% for political subdivisions and qualified non-profits.

All Customer Summary

Contract Type	FY20	FY21	FY22
IT Statewide Contract	$ 574,197,408	$ 602,231,588	$ 782,693,090
Non-IT Statewide Contract	$ 674,205,225	$ 845,538,785	$ 621,721,254
Total	**$ 1,248,402,633**	**$ 1,447,770,374**	**$ 1,404,414,344**

State Agency and Higher Education Summary

Contract Type	FY20	FY21	FY22
IT Statewide Contract	$ 255,773,619	$ 270,145,296	$ 336,004,314
Non-IT Statewide Contract	$ 271,142,622	$ 284,769,205	$ 275,565,031
Total	**$ 526,916,241**	**$ 554,914,501**	**$ 611,569,345**

Political Subdivisions and Qualified Non-Profits Summary

Contract Type	FY20	FY21	FY22
IT Statewide Contract	$ 318,423,789	$ 370,343,645	$ 446,688,776
Non-IT Statewide Contract	$ 403,062,603	$ 560,769,581	$ 346,156,223
Total	**$ 721,486,392**	**$ 931,113,225**	**$ 792,844,999**

Information Technology Investments Captured in the Technology Business Management (TBM) program

TBM terms and data in TBM Program software (Apptio):

Industry terms from the TBM Council taxonomy are used for reporting on statewide technology investments. These standard reporting terms known as 'cost pools' and 'IT Technology Towers with sub-towers' are displayed in the charts below.

Cost Pools	IT Technology Towers
•External Labor	•Application
•Facilities & Power	•Compute
•Hardware	•Data Center
•Internal Labor	•Delivery
•Internal Services	•End User
•Other	•IT Management
•Outside Services	•Network
•Software	•Output
•Telecom	•Platform
	•Security & Compliance
	•Storage

Towers and Sub Towers

Application
- Application Development
- Application Support & Operations
- Business Software

Compute
- Converged Infrastructure
- High Performance Computing
- Mainframe
- Midrange
- Servers
- Unix

Data Center
- Enterprise Data Center
- Other Facilities

Delivery
- IT Service Management
- Operations Center
- Project Management
- Client Management

End User
- Workspace
- Mobile Devices
- End User Software
- Network Printers
- Conferencing & AV
- IT Help Desk
- Deskside Support

IT Management
- IT Management & Strategic Planning
- Enterprise Architecture
- IT Finance
- IT Vendor Management

Network
- LAN/WAN
- Voice
- Transport

Output
- Central Print

Platform
- Database
- Middleware
- Mainframe Database
- Mainframe Middleware
- Container Orchestration
- Big Data

Security
- Security
- Compliance
- Disaster Recovery

Storage
- Online Storage
- Offline Storage
- Mainframe Online Storage
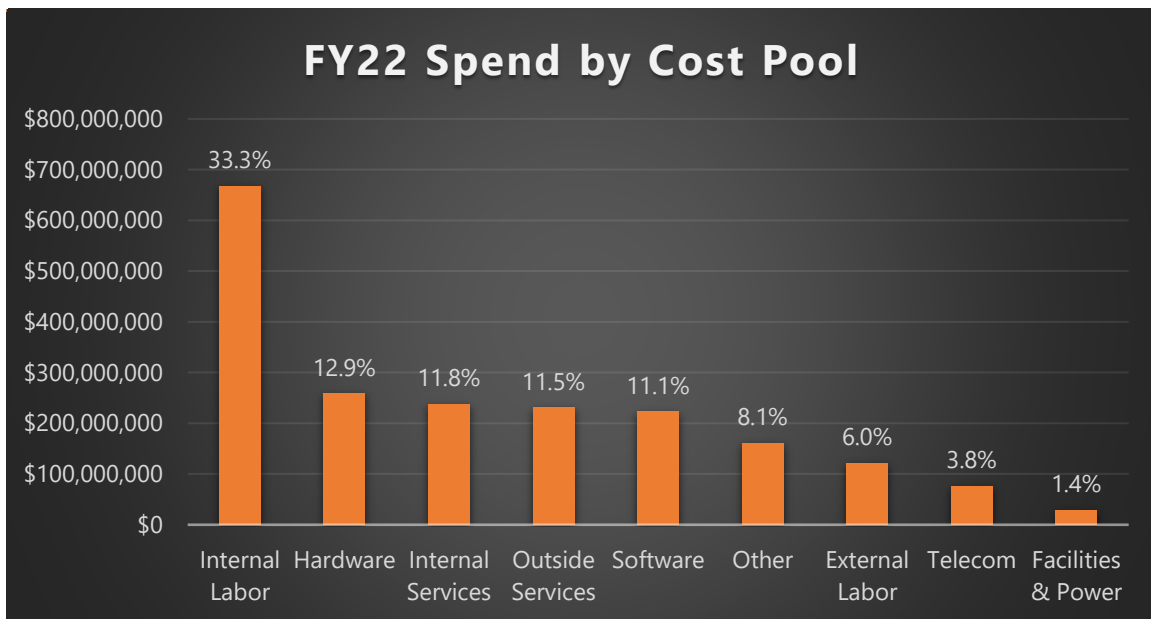- Mainframe Offline Storage

A weekly data feed from the state enterprise Agency Financial Reporting System (AFRS) into the TBM Program software from Apptio provides information on state agencies' technology expenditures.

Using the AFRS data in Apptio, the Office of the Chief Information Officer (OCIO) can report FY22 IT expenditures by cost pools for 105 agencies and the IT Technology Tower expenditures for the 58 agencies in the TBM Program in FY22.

IT Expenditures by Cost Pool:
Cost Pool categories are aligned with the state general ledger accounts using the sub-object field in AFRS. (See the cost pool Mapping tab in the attached workbook for more detail.)
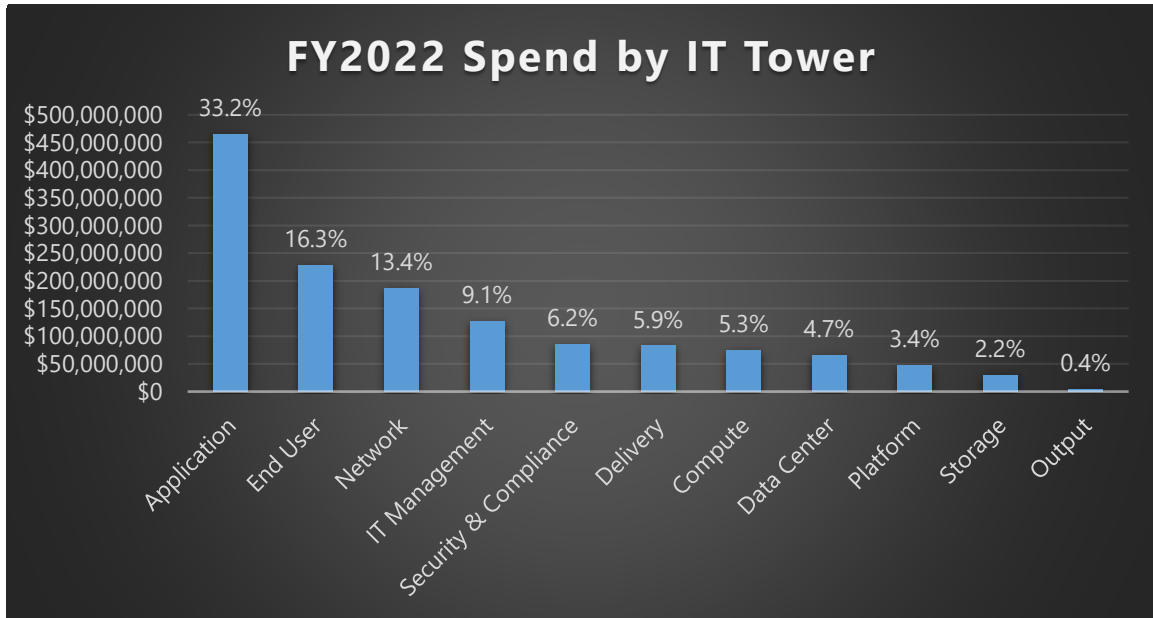
There were 105 agencies with reported technology investments in FY22 and the chart below includes a breakdown by cost pool. Except for internal labor, the remaining cost pools are associated with payments to vendors, contractors and service providers. It should be noted, over $131 million in the Other category are grants payments from the University of Washington to University Hospital and the Department of Commerce to Low Income Home Energy Assistance Program (LIHEAP).

FY22 Spend by Cost Pool

Cost Pool	Percentage
Internal Labor	33.3%
Hardware	12.9%
Internal Services	11.8%
Outside Services	11.5%
Software	11.1%
Other	8.1%
External Labor	6.0%
Telecom	3.8%
Facilities & Power	1.4%

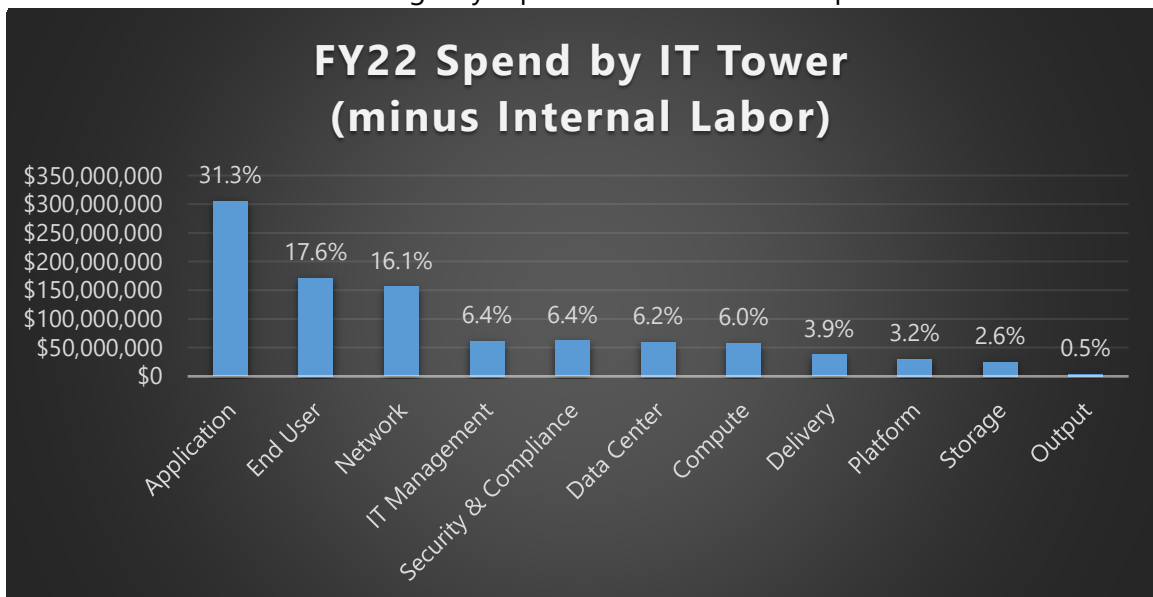Note: Internal Services are expenditures to central service agencies.

IT Expenditures by IT Technology Towers

The 58 agencies in the state TBM Program are required to map their IT expenditures from cost pools to the IT Technology Towers. The chart below shows the investment breakdown of 58 agencies by IT Technology.

FY2022 Spend by IT Tower

Application: 33.2%
End User: 16.3%
Network: 13.4%
IT Management: 9.1%
Security & Compliance: 6.2%
Delivery: 5.9%
Compute: 5.3%
Data Center: 4.7%
Platform: 3.4%
Storage: 2.2%
Output: 0.4%

(Y-axis: $0 to $500,000,000)

IT Expenditures by IT Technology Tower minus Internal Labor

The 58 agencies mapped their internal labor to the IT Technology Tower investment. With the internal labor removed, what remains is the direct expenditures the agencies made for hardware, software, outside services, external labor, facilities, and power. These percentage should align with the contract information the agency reported in their annual report to DES.

FY22 Spend by IT Tower (minus Internal Labor)

Application: 31.3%
End User: 17.6%
Network: 16.1%
IT Management: 6.4%
Security & Compliance: 6.4%
Data Center: 6.2%
Compute: 6.0%
Delivery: 3.9%
Platform: 3.2%
Storage: 2.6%
Output: 0.5%

(Y-axis: $0 to $350,000,000)

A comparison of the towers reported in the IT Contracts Report to the AFRS data in Apptio received from CTS was completed for FY21 and FY22. The final comparison showed a total of $398 million difference in what was reported in Apptio verses the IT Contracts Report. The chart below shows the comparison of the towers for both fiscal years combined.
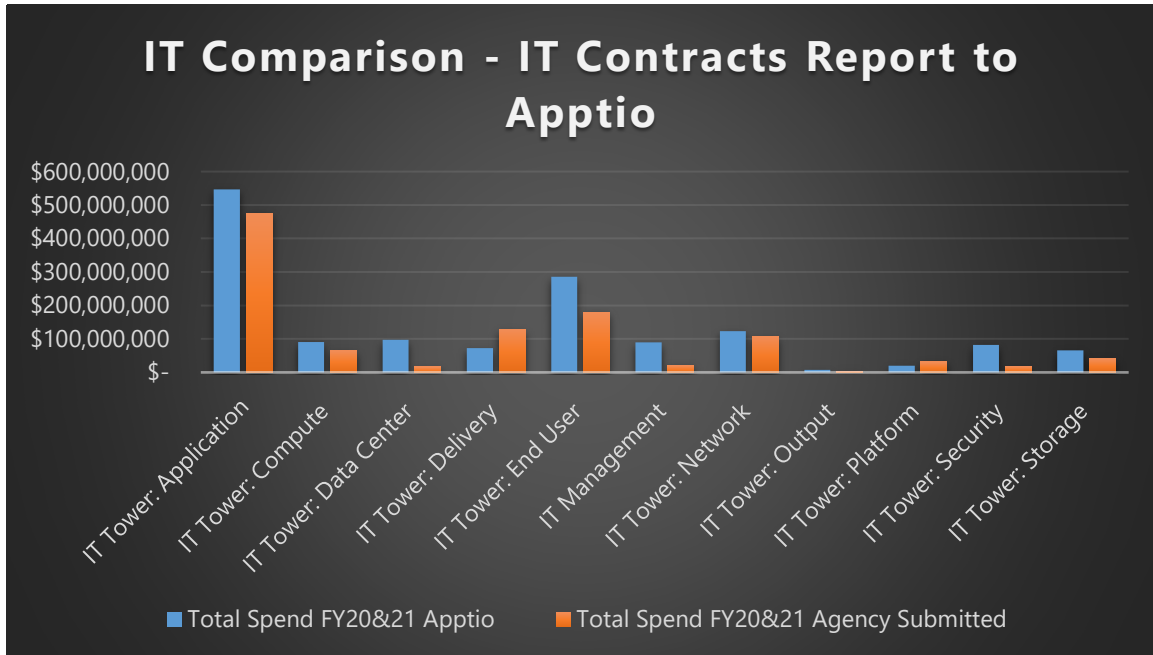
Of the $398 million, about $330 million was in FY21 and $135 million in FY22. Over 50% in spend was reported in the IT Contracts Report under delivery than in Apptio.

Notes:
- The IT Contract Report includes an Other/Non-IT tower that is not included in Apptio data. For the purposes of this comparison, the contract amounts reported under this tower were removed from the data.
- The Apptio data used in this analysis excluded Internal Labor.

Recommendations

Statewide Contract Utilization and Opportunities

The data submitted by agencies shows 5 of the top 10 vendors being utilized are with vendors who are awarded on a Statewide Contract. There is a total of $86 million spend with the 5 vendors that have separate contracts where the vendors are also awarded on Statewide Contacts.

DES recommends conducting research to explore if agencies are appropriately utilizing Statewide Contracts; the assumption is that not all agencies may be fully utilizing Statewide Contracts. DES recommends using this data to conduct outreach and provide training opportunities to agencies who have separate contracts with vendors that are also awarded on a Statewide Contract to reduce costs.

DES regularly collaborates with CTS to prioritize and improve IT Goods and Services. DES conducts feedback sessions with agencies, the following items are opportunities DES is researching and working to implement based on the coordination effort between DES, CTS, and agencies:

- DES provides IT Software Brokering Services for Statistical Analysis System (SAS) software. DES is considering expanding the Software Brokering services where DES pools the purchase orders, pays the vendors, and bills the agencies after. DES receives a larger discount by placing a combined purchase order on behalf of the state.
- DES is considering expanding the Software Enterprise Agreement opportunities with several vendors. These agreements allow the State to gain higher discount tiers as more agencies utilize the certain enterprise agreement. DES has successfully set up a Software Enterprise Agreement with Adobe which provides agencies larger discounts as more users join the agreement.
- DES is in process of awarding the new Statewide Contract for Information Technology Professional Services. Once the contract is awarded, DES will be providing agencies templates and a guide for Statements of Work (SOW) that agencies can utilize to save time when requesting services from vendors. The guide and templates will allow agencies to track performance by capturing scope, milestones, and deliverables.
- DES has identified an opportunity to collaborate with CTS to coordinate IT Hardware upgrades across multiple agencies at the same cadence. This could allow for DES to negotiate larger discounts with IT Hardware manufacturers for the combined state purchase.

Reporting Template Recommendation

DES continuously works to improve the integrity of the data by implementing upgrades to the IT Contract Reporting Template based on feedback from agencies and through the review of

submitted reports. DES recommends making additional changes to the template to automate several fields to improve accuracy and the review time, an example is the Statewide Contract information. DES recommends several fields be upgraded to allow information automatically to be filled out based on if the contract is a Statewide Contract.

DES provides spend information that the vendors report to help agencies report how much the agency spent on each IT Statewide Contract. DES is working to improve information provided to agencies around statewide contract spend.

DES provides trainings each year the report has been required, the training occurs at the same time as the Agency Contract Reporting training. DES recommends separating the training into two sessions to allow dedicated discussion pertaining to IT Contract Reporting. The different sessions will allow DES to dive deeper into questions and provide additional support.

References

Visit the [DES IT Contracts Reporting webpage](#) for directions and resources supplied to agencies, points of contacts, and pertinent information regarding the reporting requirement(s).

Appendices

Appendix A