

Mobile Communication Device Contract Consolidation for State Agencies



Report to the Joint Legislative Oversight Committee on Information Technology

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November 2013



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Legislative Request

The 2013-2014 budget adopted by the General Assembly included a number of provisions dealing with the use of mobile communications devices in state agencies. One provision directed the State Chief Information Officer (State CIO) to review any contracts for mobile communication devices, develop a plan to consolidate those contracts and report on progress by October 1, 2013. This report is in response to that requirement.

The full text of Section 7.18 of Session Law 2013-360 can be found in the Appendix.

Report Focus

Mobile communications devices are not defined in the budget bill. For the purpose of this report, they include traditional cell phones, smartphones and tablets (e.g. iPads, Galaxy, Surface).

This report focuses on current usage, future demand, current purchasing methods and a recommendation for contract consolidation.

Introduction

Today's society is increasingly mobile, and the lines between work and private life are becoming blurred in state government as well as the private sector.

These societal changes are the result of evolving technology. In just a few years, mobile communication devices have evolved from pagers and cell phones to personal digital assistants (PDAs), to smartphones and tablets.

As a result of this rapidly-changing technology, today's workforce expects to use a single device for work and personal tasks. In many cases, they want to use their personal devices. This presents significant challenges for government in security and records retention -- issues that are being explored in the development of a "bring your own device" (BYOD) policy for state government.

New technology and worker expectations will also lead to changes in the mix of devices used in state government and how they are acquired. The changing marketplace, and how the state can achieve efficiencies, is the focus of this report.

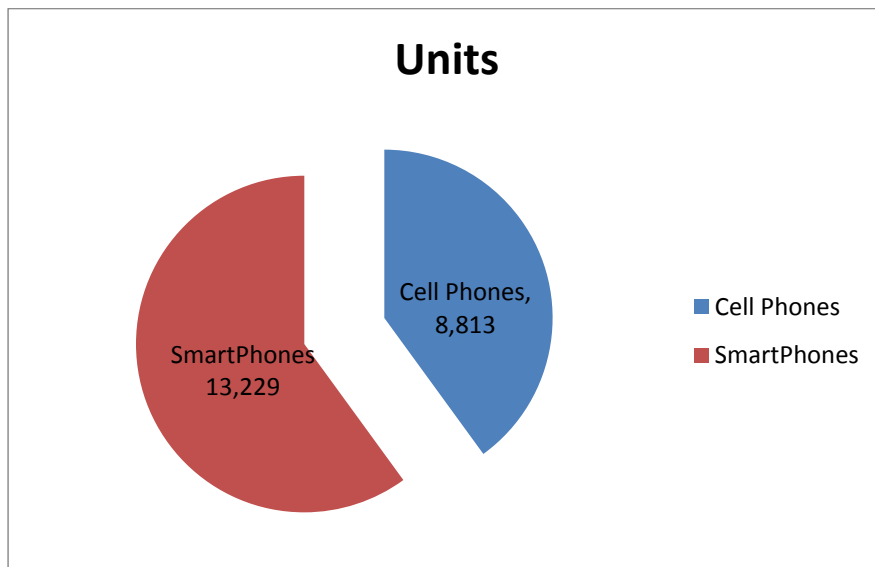


Current State – Cellphones and Smartphones

Usage

Currently, the Office of Information Technology Services (ITS) negotiates a statewide contract for cellphones and smartphones. Executive Branch agencies, which are required to utilize the state contract, represent about 80 percent of the total contract use. Other users include local government, universities, courts and the Judicial Branch. By law, they are not required to use ITS services, but may do so.

Smartphones already outnumber cellphones in total usage, as shown by the chart below.



Contract highlights

Here are some of the major provisions of the contract.

- Cellular Services and Equipment, ITS-005001
 - Contract term 06/11 – 05/14
 - Annual spend – Approximately \$10m
 - Multiple carriers (AT&T, Verizon, Sprint, US Cellular)
 - Discounts
 - Service/Plans – 20% to 25%
 - Equipment – 33% to 99%
 - Accessories 20% to 30%
 - Annual Open Enrollment clause, which spurs innovation and competition between carriers

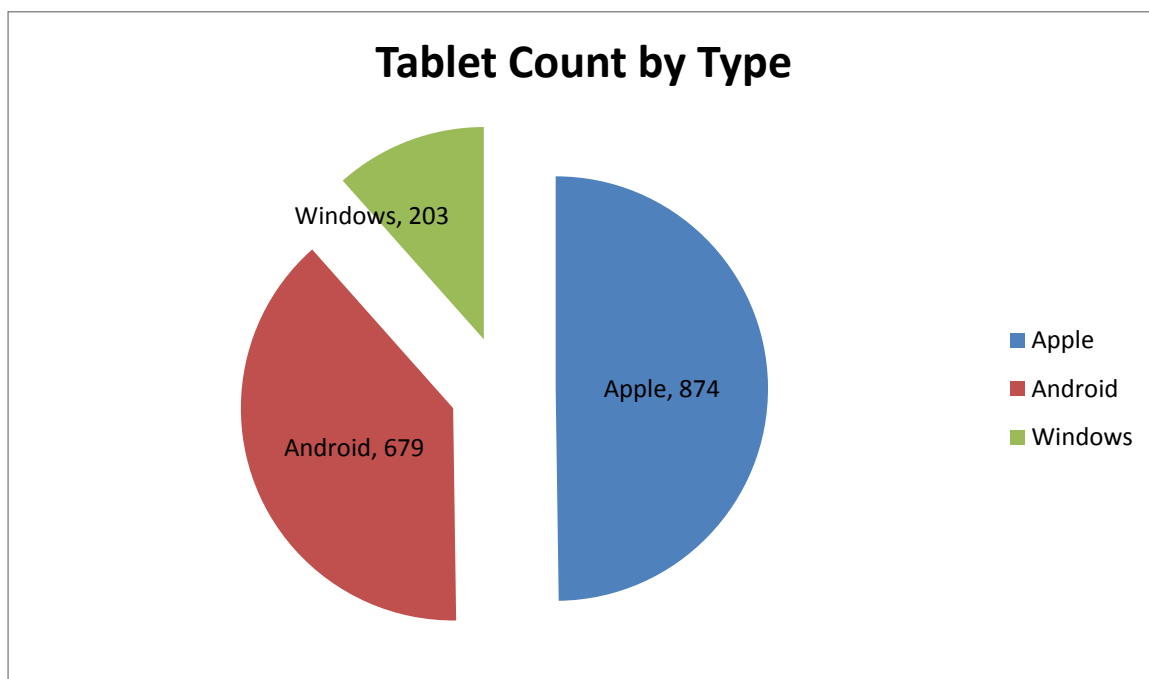


Current State – Tablets

Many agencies are currently using tablets. A recent survey of agencies shows usage ranging from less than 10 to as many as 600 per agency.

The following chart illustrates the estimated count by tablet type (Apple, Android, Windows) across Executive branch and Council of State agencies.

Currently, there is no statewide contract for the purchase of tablets, depriving the state of potential savings from economies of scale. Tablets have been purchased to date from at least 15 different vendors utilizing various purchasing methods.



Recommendations

Cellphones and Smartphones

The Statewide Cellular Services and Equipment contract has served the State well by offering carrier flexibility while maintaining competitive pricing for both equipment and service plans. This has been the sole contract vehicle for purchase of cellphones and service plans by Executive Branch agencies. The “annual open enrollment” clause has continued to drive competition and attractive discounts. The term of the current contract expires in May 2014. ITS intends to release an RFP early next calendar year to establish a new consolidated contract for Cellular Services and equipment.

Tablets

Additional growth and use of tablet computers is expected to increase by at least 50% per year for the next few years. To ensure the best pricing for the state ITS plans to replace Statewide Contract 204A "Microcomputers and Peripherals" with a more limited-scope contract for end user computing devices designed for Microsoft Windows. This includes traditional desktops and laptops, ultra-portables, and touch-screen notebooks. Servers, which are now included in the contract, will be bid separately.

An additional statewide purchasing vehicle will be pursued for non-Windows end user computing devices, such as iPads, other tablets and alternative client computing platforms, such as Chromebooks. Tablet devices on this contract will include "WiFi only" and "unlocked" tablets with 3G/4G radios compatible with our chosen cellular carriers. Smartphones and tablets for use on cellular networks will continue to be provided by the statewide cellular contract vendors.

Bring Your Own Device (BYOD)

In addition to establishing a new contract for cellular services and pursuing statewide purchasing for non-Windows tablets, the Office of Information Technology Services is developing a plan and policies that not only allow, but encourage state employees to use their personal devices for work. Employees would receive reimbursement for using their devices, but the state would not cover the full cost. Several agencies already provide partial reimbursement for use of personal devices.

As discussed in the report entitled *Developing a Policy for Bring Your Own Device*, the State CIO will adopt an interim policy on the use of personal devices in state government by January 1, 2014. By May 1, 2014, the State CIO will complete a broader plan and policies for BYOD for consideration by the Joint Legislative Oversight Committee on Information Technology.

These efforts should include a budget analysis to estimate the possible savings to state government from greater use of personal devices.



Appendix

Text of Section 7.18(c) of Session Law 2013-360

USE OF MOBILE COMMUNICATIONS DEVICES

SECTION 7.18.(a) By October 1, 2013, every State agency shall submit to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division a copy of the agency policy on the use of mobile communications devices. This reporting requirement is continuous such that any time a change is made to an existing policy, the agency shall submit an update immediately.

SECTION 7.18.(b) Beginning October 1, 2013, each State agency shall submit a quarterly report to the Joint Legislative Oversight Committee on Information Technology, the Fiscal Research Division, and the Office of the State Chief Information Officer (CIO) on the use of mobile electronic communications devices within the agency. The report shall include the following information:

- (1) The total number of devices issued by the agency.
- (2) The total cost of mobile devices issued by the agency.
- (3) The number and cost of new devices issued since the last report.
- (4) The contracts used to obtain the devices.

SECTION 7.18.(c) The Office of the State Chief Information Officer shall review current enterprise, and any individual agency mobile electronic communications contracts, to develop a plan to consolidate the contracts. By October 1, 2013, the Office of the State CIO shall submit a report on progress toward consolidating State agency mobile communications device contracts to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division.

SECTION 7.18.(d) The Office of the State CIO shall develop a policy for implementing a "bring your own device" plan for State employees. By September 1, 2013, the State CIO shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on how the plan is to be implemented, as well as on potential issues and costs. Following consultation with the Joint Legislative Oversight Committee on Information Technology, the State CIO may implement the "bring your own device" plan.

