Summary Minutes of the
Information Systems Advisory Committee Meeting
Tuesday, November 28, 2017

The Information Systems Advisory Committee (ISAC) of Citizens Property Insurance Corporation (Citizens) convened telephonically on Tuesday, November 28, 2017 at 11:00 a.m. (EST).

Roll was called and the following members of the ISAC committee were present telephonically.

> James Holton (Chairman)
> Senator John McKay (Board) [1]
> John Wortman (Board)
> John Vaughan (Advisor)
> Kelly Booten (*staff)*

Call Meeting to Order

Wendy Perry took roll.

1. **Approval of Prior Meeting's Minutes**

Chairman Holton asked if there were any corrections or changes to the prior minutes. There being none, he asked for a motion to approve the minutes from the June 7, 2017 meeting.

John Wortman made a motion to approve the June 7, 2017, Information Systems Advisory Committee (ISAC) Minutes. John Vaughan seconded the motion. The minutes were unanimously approved.

Chairman Holton turned the floor over to Kelly Booten for the Chief, Systems & Operations Update.

2. **Chief, Systems & Operations Update**

Kelly Booten: Good morning. This is Kelly Booten, Chief, Systems and Operations. Today I would like to provide an overview of the Systems and Operations Hurricane Irma response and an introduction to a few key projects and actions that will be voted on today.

In the early stages of Irma response, of course things were intense as the storm path, scope and intensity were uncertain. Many plans were put into place to be ready for the worst-case scenario impacting most of our policyholders and a potential business continuity situation in all three Citizens facilities. Preparation ahead of the event was evident and collaboration between all Citizens business units was amazing. In Systems and Ops there are four departments that

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[1] Senator McKay was not present for roll call, but later joined the teleconference at 11:08 a.m.

contributed to the hurricane response in very significant but different ways, supporting and enabling the business unit to fulfill their duties.

The Vendor Management team, led by Stephen Guth, provided services to all business units that required expedited contract support due to Irma through contract amendments, new contract drafting, contract negotiation and various other vendor management services. It was essential to move fast and negotiate contracts to provide the best value and allow for the delivery in the most timely customer service.

The list of contracts that will be executed under the Emergency Order and Board approved action item in September will be presented at the Claims Committee and the Board of Governors in December. Two contracts that were initiated under the order but extend beyond Hurricane Irma response, the Guidewire® Customer Portal, which will be a contract amendment, and the Disaster Recovery Facility, a new contract, will be presented for approval at today's meeting.

The Project Portfolio Management, Process Excellence and Enterprise Performance Metrics teams, led by Brian Weaver, organized work to complete the OIR Emergency Order and produced various reports and dashboards to track Irma claims and financial metrics. Also, as the catastrophe response unfolded, this team assessed and facilitated the re-prioritization of projects and initiatives, either accelerated or paused as a result of Hurricane Irma.

The Facilities Management team, led by Cherri Linn, provided support for the Everbank facility catastrophe response needs such as supporting the adjuster onboarding process, field vehicle storage in both Jacksonville and Tallahassee, and onsite support for the Catastrophe Response Center (CRC) deployment in South Florida, in addition to security services and CRC on-site essentials.

The Information Technology teams, led by Aditya Gavvala and Robert Sellers, provided catastrophe response and business continuity needs in a number of ways.

- The telecommunications and wireless teams quickly mobilized to provide work from home capabilities for over 115 users providing devices to allow them to provide continuous support from their remote locations.
- Telecom and engineers responded to well over 1,000 requests to set up adjuster telephones, voice mailboxes and call center agents for handling the Irma workload.
- The IT Asset Management group, within hours of being notified, prepared a team with the necessary equipment to stage a Strike Zone in the Florida Keys, installed supporting mobile infrastructure for the Internet in the Key West Strike Zone, and prepared and packaged equipment for use in the Strike Zone.
- Field Services conducted the necessary tasks to prepare for the deployment of the Field Service Vehicles to the designated Catastrophe Response Centers and technical support for the CRCs were provided by various IT support functions.
- The Technical Support Center staff were instrumental in providing the technical support necessary for the Everbank floor setup, the adjuster orientation setup and ongoing operational needs.

- IT production support was provided for adjuster orientation and training environment setup and maintenance.
- The Enterprise Resiliency Organization, or Business Continuity, worked very closely with our partners in HR to broadcast messages using the Citizens' Emergency Notification System.
- IT leadership engaged with DSM to explore options and execute a contingency plan for minimal disaster recovery footprint in the DSM facility in the event that the Tampa DR location was significantly damaged.
- Enterprise Architecture partnered with the Claims department to pilot and roll out the Claims Xperience tool which allows video recording of claim damage by an adjuster or policyholder.
- IT also provided application support such as auto assignment of claims in bulk, enabling auto correspondence capability, storm surge tracking and expedited methods to set up First Notice of Loss (FNOL) call center access. A "war room" was established to provide immediate access to IT resources.
- In addition, we expedited the analysis and selection of the customer portal for improved customer access to claim information.
- Excellent coordination was provided by our IT CAT coordinator, Robert Mayfield, and teams worked very collaboratively in a very effective response.

Any questions on Hurricane Irma before I transition into a brief overview of the projects?

Chairman Holton: Any questions for Kelly? Go ahead.

Kelly Booten: The projects in today's agenda are high priority initiatives that have begun in 2017, and will be implemented in 2018, or in the case of Centerpoint, continue to be implemented in 2018. The implementation of many of these projects are precursors or foundational to the implementation of our cloud strategy which we plan to present in a future meeting.

Aditya Gavvala will cover the Guidewire® Customer Portal, Guidewire® Version 9 (V9) Upgrade and the Storage Platform Refresh.

The Guidewire® Customer Portal includes claim inquiry, the ability to submit a first notice of loss, policy account management and agent account management capability to directly benefit response and recovery efforts while creating long term benefit for policyholders. We expedited this purchase in response to Hurricane Irma's claim FNOL increase and consumer claim inquiries about claims that had been submitted. This requires additional approval today because it can be used beyond Hurricane Irma response for daily claims and for hurricane events in the future. There is $700,000 in the 2018 year budget for this, $2.1M for the total contract, which is included in the consent item for approval today, and the 2017 costs were included in the Irma Emergency Action Item.

The Guidewire® software is used to support our core insurance business functions at Citizens for policy, billing and claims transactions. The current platform version that we are on is 7.0, which is what we initially implemented. The 7.0 version is now five years old. The upgrade is necessary to

stay current with support from Guidewire® and take advantage of improved performance and features. The first delivery of V9 will be ClaimCenter® and ContactManager® in 2018, and then PolicyCenter® and BillingCenter® in 2019. The version nine software is Cloud ready, which will afford us to go into the Cloud in the future.

The Storage Platform Refresh is a key project as we are in the process of implementing a refresh of our data storage platform. We will replace several current storage devices with a single device that will provide better performance, higher level of agility and significant cost savings.

Robert Sellers will provide an update on our Disaster Recovery Facility and the corresponding action item for approval today. Barry provided information via email last week to the Board of Governors regarding the Tampa facility where the Citizens' leased space expires October 31st, 2019, which afforded an opportunity to consider reducing Tampa's footprint by transitioning out of our space of 60,000 square feet to a smaller space of just under 5,000 square feet, thereby reducing costs.

The disaster recovery data center operations, which are currently located in that Tampa facility, will be decoupled from the Tampa office space per the approved Long Term Data Center Strategy which we paused during 2017 and restarted this quarter. The decision for procurement of the disaster recovery services will be presented today by Robert. In addition, to address more robust business continuity needs for Jacksonville and Tallahassee because Tampa was our business continuity site, staff is now engaged in the solicitation for Workspace and Technology Services as an alternative to the Tampa facility strategy. That recommendation will be brought to the Board in the March/April timeframe.

CenterPoint, which is an implementation of our back office functions such as Financials, Human Capital Management, Procurement and Vendor Management, is ongoing and Sarah will provide an update on that today as she has been doing over the last year.

Then we have our consent items.

The larger one, which is the 2018 Technology Infrastructure, Software, Professional Services and Staff Augmentation, is annually submitted and it corresponds to the budget.

The second consent item is for the Co-location Data Center Maintenance Services. That one is a six month contract extension while we go out with competitive procurement for those services. And that concludes my report.

Chairman Holton: Thank you, Kelly. Any questions for Kelly on her report? Okay. None being heard I will move on to item three. The Chair recognizes Aditya Gavvala to provide an update on Claims Portal and Guidewire®.

3. Claims Portal/Guidewire® Version 9 Upgrade

Aditya Gavvala: Good morning, my name is Aditya Gavvala, Vice President, IT Services and Delivery. Today, I would like to provide an update on three, high priority initiatives that have been begun in 2017 and will continue to be implemented in 2018. The first update is on tab three, Citizens' Customer Portal.

On September 6, 2017, Citizens' Board of Governors approved the action item titled CAT Response Hurricane Irma. This action item authorized Citizens' staff to amend the existing contracts as needed for the policyholder support and communication initiatives.

To ensure adequate response to anticipated spikes in first notice of loss and claim inquiry transactions, and also to take advantage of the latest technological advances, a decision has been made to expedite the implementation of customer self-service capabilities.

This project will provide online and mobile access to policy and claim information and transaction inquiries for the policyholders and agents. Some of the key benefits of the project are reduction in call volumes and inbound inquiries. This project will also allow Citizens to keep pace with industry trends with respect to customer self-service.

Based on the RFI issued in mid-2017, Citizens identified the expansion of the existing Guidewire® platform as the best portal site. Some of the key benefits of using the platform are lower development costs, faster time to market, and many of the out-of-box self-serve capabilities, and also enhanced user experience and support for multiple devices.

We are targeting to go-live with the claim portal functionality in the first quarter of 2018. We will continue to enhance the self-serve capability for our policyholders through subsequent releases. The project costs are shown on the bottom left corner of the slide. The total cost of the project through the year 2021 is $2.33 million. A major chunk of it is for the software.

I will pause here and take any questions on this project.

Chairman Holton: Okay, questions? Proceed.

Aditya Gavvala: Moving on to the next update which is for the Guidewire® Version 9 project. The Guidewire® software is used to support core insurance business functions at Citizens for policy, billing and claims. The version of the software implemented at Citizens is Version 7.0. The Version 7.0 is over five years old. The upgrade is necessary to stay current with the support from Guidewire® and also take advantage of the improved functional and technical capabilities.

Some of the key benefits of the update are an enhanced user experience with simpler navigation, workflow and usability, support for multiple browsers, many functional enhancements of the products and also enhanced reporting capability.

The total cost of the project is $4.1 million from 2017 through 2019. Through a competitive solicitation we have contracted with the Guidewire® implementation partner for guidance and

assistance for this complex upgrade. We target to have ClaimCenter upgrade, along with ContactManager upgrade, completed before the CAT season in 2018. PolicyCenter and BillingCenter upgrades are targeted to go live in 2019.

I will take any questions at this time on this project.

Chairman Holton: Any questions? Okay. We will go on to item four then, and you still have the floor to provide an update on storage platform refresh.

4.   Storage Platform Refresh

Aditya Gavvala: Over the last few years we have been using EMC storage products to satisfy our data processing requirements. Given our current and future performance, scalability and agility needs we needed to assess alternative options. Backed by thorough due diligence, and with the support from IT Steering Committee, Citizens has selected Infinidat storage platform to replace the EMC storage platform.

On page 3 we have an update on the current status of the project. The procurement was completed in August 2017. We set up the platform in our data centers and migrated all our non-production and production data to the new platform in October. We are currently in the process of performing disaster recovery tests. This project is expected to save $4 million over the next five years in the storage costs.

That concludes my update on the project. I will take any questions at this time.

Chairman Holton: Thank you so much. Any questions? All right, moving on, agenda item number five. The chair recognizes Robert Sellers to provide an update on disaster recovery.

5.   Disaster Recovery Facility Update

Robert Sellers: Good among, Governors. I will be working from the slide deck that was provided in your package starting on slide two.

As a quick reminder and review of the overall program, we are executing to a Data Center Strategic Plan. The first part of that plan was the relocation and hosting of our primary data centers here to a purpose built facility which is now located in the CSX co-location center here in Jacksonville.

Part two of this plan was to relocate the existing disaster recovery facility for Citizens that is located in our Tampa facility today and move that to a purpose built facility, and that is the part that we are bringing forward today -- the execution of that and the request for approval of funding.

The major purposes of this here in the 2017/2018 period is to do the decoupling of the data center operations and to reduce any facilities risk by removing ourselves from that facility in the first half of 2018.

While the Tampa facility lease is scheduled to begin in 2019, we need to provide our Facilities organization with substantial time to get the space ready for whatever purposes they choose to go forward with. So we are working against a relatively short window here in the first half of 2018.

The second thing is that we anticipate, during this project as well, that we will be continuing to have legacy projects within our production environments go through the implementation, new projects initiated as well, and the goal is to get in there as quickly as possible to provide for capability to assist those projects and programs with the technology they need for disaster recovery purposes.

On page 3, the data center procurement activity is just a quick review of what has been done around the facility, itself. In 2016, we actually went through a RFI looking at different vendors that were available to provide disaster recovery space. We identified those and went down a short list of interviews and discussions with those vendors. We worked our way through until the start of 2017 as we went through our budgeting activity for 2017. We did put this project on pause, as Kelly indicated earlier, to allow time for other activities to take place prior to this particular program. We did restart this in the third quarter of 2017, and are now prepared to make a recommendation to the Board for the cost associated with this.

The infrastructure design work and the procurement activity has taken place, and over on page 4, you can see the overall large scale activities and the timelines.

The third and fourth quarters of 2017 go through the procurement activities, which were well under way at this point, we do our build activities in quarter one and quarter two of 2018 and complete execution by early third quarter of 2018, with disposal activity taking place the latter half of the year.

The front-end cycles, the drivers for this project, have been equipment and services. We do have a substantial amount of equipment that is in our existing facility that have reached end of life. In 2006, when we went into that facility as part of the transitions in Tampa with the total activity, we acquired equipment. It has reached end of life and needs replacement. So we are cycling through that at the same time as this particular initiative to get the best benefit of the transition and the effort being expended on this.

Our strategy, which is listed at bottom of page 4, is a pick up and move strategy.   Again, in order to shorten the windows we will take the existing technology that is viable for the new environment, pick that up, using authorized shippers, packaging, et cetera, and move that to the new facility.

Page 5 and 6, I won't take you down through each one of these, but we do have the active steps on what has been completed and the associated timelines. And John, I think as you have run other transitions like this, you can recognize it is a fairly short window within the technology space for movement of a center.

On page 7 we get to the heart of the matter. We have the brick building, so to speak, down in Winter Haven, Florida. The IT Disaster Recovery Services Program is making a recommendation to

move the disaster recovery center from Tampa to Winter Haven, Florida. We have examined the facilities there. We have worked with the vendor, DSM, who is providing the space there. This facility is a purpose built facility for technology. It was, prior to this use, a central office for the telecommunications organizations in Central Florida and has a significant amount of re-enforcement in the facility. Those windows that you see in the picture are actually not windows. Within an inch behind, they are basically brick at that point. That is for esthetics only.

The location, as I indicated, is in Winter Haven. The sea level component height is 168 feet above sea level. Right now, even global warming doesn't get us to that level, but it is also 160 miles from our primary data center here in Jacksonville, Florida. And, as you will see on a further slide, we are outside of the wind-blown debris zone, as well.

The connectivity, which is another significant, important point to data centers, is a significant benefit. This particular facility has already been connected to the State of Florida network, which will provide us with a significant financial benefit in using this facility.

The power grid in this area is also on the central city power grid of Winter Haven, and there are many other benefits with this particular facility. The data center, itself, is on the third and fourth floor of this particular facility. So this is our recommended facility for the purpose.

On page 8, DSM has worked heavily with the State of Florida over the last 20+ years and I have provided a list of the different agencies that are taking advantage of the facilities there in Winter Haven. The only one on this list that is not in the Winter Haven facility, itself, is Department of Emergency Management. Their facility is actually right outside of Jacksonville, but DSM was involved in the design and development of their activity, as well.

They are on the State pre-negotiated contracts list and have made a very transparent list of their costs for all of the different services they offer, and it is a significant list of services crossing Enterprise resiliency, disaster recovery and business continuity for different organizations.

In addition to serving the State agencies, they also have a significant number of city and county and School Board type activities, as well.

Page 9 shows the wind-born debris region and a graph showing the location of Polk County. It sits down in the middle part of the state. It is actually on a ridge that runs down through the state of Florida, which is at the highest elevations of Florida. We are significantly inland. We are approximately 60 to 65 miles inland from the west coast of Florida, and similarly, 60 to 65 miles inland from the east coast of Florida, as well.

On page 10, again, the benefits of the facility, itself, and the geographical risk issues. There have been some questions, previously, on the nature of risk there in the Central Florida region. Irma did pass right over the top of this particular facility. It had no damage, had no impact; communications, power, and services being offered by the facility stayed at 100 percent operational during that event. As you see on page 10, a significant difference in distance between Jacksonville and Winter Haven, which meets the test of the geographical based risk elements associated with staying within site situations.

On page 11, we've got the ongoing costs underneath the State of Florida's disaster recovery contract. Our rent and power on a monthly basis is approximately $40,000 a month for this facility. We have some one-time expenses going into the build-out and location, and then ongoing activity going forward of approximately $480,000 a year for our leased rental space and the power utilization.

And then at the bottom of the page we have our end-of-life hardware replacements that I described at the beginning that need to be replaced prior to any event, whether we were staying in our existing facility or moving to a new office.

Chairman, I would like to ask whether or not it would be appropriate at this time to cover the action item for the Disaster Recovery Co-Location Data Center and Services -- to go ahead and get your review on that and approval to move this forward to the Board of Governors' meetings scheduled in December.

Chairman Holton: Yes, why don't we just go ahead to that item. And I had one question first on your report. The redundant generators, I assume those are for the full facility and not just the data center or are there separate generators, or is that a facilities question?

Robert Sellers: Yes, those are for the full facility. However, the primary use of power in that facility is the data center, itself. The remainder is predominantly lights and air-conditioning for what I would call non-technical equipment which is relatively light compared to what the data center, itself, takes.

Chairman Holton: Yes, I was concerned mostly about the air-conditioning and the lighting and whether it is adequate for a long sustainability in the event of a major CAT. So you are comfortable that that level is achieved?

Robert Sellers: Yes, sir. We had actually gone down to the facility, walked the facility, talked with the operations managers down there, looked at their plans for, not only what their equipment provides on day one of an event, but also what operational plans they have in place for resupply of their generator fuel, as well as quarters for individuals to basically camp out in during an event at that facility, if necessary.

Chairman Holton: Okay. Any other questions for Robert before he moves to the action item?

John Wortman: This is John. Just one quick question, Robert, and I think you probably did this. It looks like a safe place, but a lot of people would say, you ought to move your back up out of any hurricane exposure like to, you know, Tennessee or someplace like that. Did you look out of state at all?

Robert Sellers: We did, and one of the advantages of DSM as a vendor being on State contract is that they do offer alternative facilities both in-state and out. They have four different facilities here in the state of Florida, and they also have a facility in Atlanta and one in Dallas, Texas. They were what I would call equitable in terms of capability for the facility, itself, with structure, the built to purpose, as well as redundancy and equipment, like generators and so forth.

We made a decision a number of years ago to align with the State of Florida's MyFlorida Network. MyFlorida Network is a series of communications circuits scattered across the state, formerly in place by AT&T and, just recently the Harris organization won the bid to provide these services. They are in the process of transitioning from AT&T to Harris. The cost of that service, the cost of our circuits here in the state of Florida for this particular center will be approximately $33,000 a month for our storage network, as well as other communication capability we need in there. To go out of state and supply similar type circuits will run closer to $70,000 a month. So we more than double our overall cost in the communications area, and looking at that over a five year period, we are talking about an over $2 million cost differential for just the communications area. And when we looked at that, and looked at the risk associated with the facility in Winter Haven, it provided a good business case versus the risk exposure associated with it.

Kelly Booten: And this is Kelly Booten. The other thing that I think we should add to this is, as we start to implement more and more Cloud enabled software, this contract provides the ability to move there for our disaster recovery services as well, and will change the amount of hard footprint that we have in this site and continues to impact our costs. So this was another strategic reason for being okay, too, with it being in the state of Florida as we transition away from hardened facilities.

Robert Sellers: Kelly, thank you. Governors, just to outline what is in our disaster recovery strategy as a whole, it would just be phase one, our immediate needs are being met by this particular migration.

Phase two of this starts to migrate our infrastructure to a cloud provider facility as Kelly indicated, achieving infrastructure as a service benefit. And then phase three, which is a little further down the road, more closely aligns our disaster recovery with Cloud based production designs. In that situation, in that phase we will then have access to previously unavailable disaster recovery enhancements and cost reductions.

The goal is to continue to drive down costs of disaster recovery. It is one of those things you never want to have to use, therefore, you don't want to pay a lot of money for it on an ongoing basis. But on the day that you need it, it becomes your production center, and that is just the risk that you run there, that you want to make sure that you are taking advantage of. Are there any other questions?

John Wortman: This is John, again. You have convinced me and I would make a motion that the systems committee recommend approval of this action item to the Board.

Chairman Holton: Let's let him present the action item and then we can make the motion.

John Wortman: Okay.

Robert Sellers: The action item being presented is the Disaster Recovery Co-location Data Center and Services. We are requesting contracting approval in the amount of $3,180,000 for the technology data center space, infrastructure, software and associated services that are available under the State term contracts and alternative contracts sources that have been approved by the

State of Florida Department of Management Services which includes the State of Florida Disaster Recovery Contract, itself.

The primary vendor that we have identified to provide these services at this time is DSM Technology Consultants, which is based in Central Florida. The funding is included in the budget for this year. We have $1.1 million included in the overall budget, and we anticipate that this will be a minimum of five years, a three-year base term with two additional one year renewals for a total of $3.18 million over that time frame, and the break out is there in the action item, itself, over each year.

The purpose is to provide for the survivability and sustainability of our Citizens' technology and our critical business operations through a prolonged outage.

The staff is requesting that the Citizens Information Services Advisory Committee approve and recommend to the Citizens Board of Governors the approval of the Disaster Recovery Co-Location Data Center and Services State of Florida Disaster Recovery Contract, in the amount of $3.18 million and authorize our staff to take any appropriate and necessary actions consistent with the action item. Thank you.

John Wortman made a motion to approve the Disaster Recovery Co-Location Data Center and Services Action Item. John Vaughan seconded the motion. All were in favor. Motion carried.

Chairman Holton: Thanks, Robert. We will loop back now to Sarah Harrell for an update on CenterPoint.

6. **Centerpoint Update**

Sarah Harrell: Good morning, Governors. Sarah Harrell, Director of Enterprise Programs. I will give you an update on our Enterprise Resource Planning program and its implementation. It is behind tab six and we start with slide two. I included a summary overview slide because I know we have some new members of this committee, so just to give you a level set for those folks of how we got to where we are today.

As Kelly alluded to at the top of the call, ERP Enterprise planning collectively refers to back office system software for accounting, HR, vendor and contract management, purchasing and project management. Citizens branded our software solution as CenterPoint. In 2015, we did a competitive solicitation and selected the Oracle Fusion Cloud service, which is a SaaS solution, to be our ERP solution and AST Corporation was selected as our implementation partner.

The 10-year contract for $13.7 million was approved at the June 26, 2016 Board of Governors' meeting, and then the implementation program kicked off in August of 2016. It is a multi-year implementation, roughly a 24-month implementation and it will be implemented in multiple phases and it will replace ten of our Legacy systems allowing us to retire those systems.

There is a high level timeline. The original timeline that was approved -- we have made some date changes to those timelines, which I will cover with you shortly. But the next two slides, slides three and four, are the phases that we currently have in flight.

Phases 4/4-A - we collectively refer to those as the HCM, or the HR phases. That includes the benefits administration, payroll and compensation, time and labor, and talent acquisition. All of that is on target to go live 12/18 as scheduled, no remarkable issues to report on that.

Slide four is Phase Two, the Advanced Procurement, which is enhanced purchasing functionality. We deployed the accounting and purchasing functionality in April of this year. So this is an enhanced purchasing functionality, as well as the vendor management and contract management functionality. That phase also is on track to go live January 22, 2018. We did have a timeline change. That original go-live date was early November, but because of Irma and the consumption of the vendor management resources for Irma, we had to slide that go-live date out just a wee bit.

The upcoming phases that I have listed there that are currently not active are the Budget phase, Advanced HCM, which is the advanced HR functionality, and then the Projects and Portfolio Management phases.

Slide five is the original projected timeline and the drivers for the timeline revisions that we made back in August. You can see that the phase one is complete. As I mentioned, we completed that in April of last year. Essentially, we had all the remaining phases in flight overlapping at the same time and that was just one step shy of what is often referred to as a big bang implementation approach where you implement everything at one time.

If you look between the yellow dotted lines, we had an eight-month window where we had three phases in flight at all times. And then if you look within the red dotted line boundaries, there was a five-month window where we had four phases in flight.

As we began our planning and preparations for kicking off the multiple phases, it just became increasingly apparent that this big bang approach was just not optimal for several reasons.

The first driver for the timeline revisions was resources. To staff and support four phases in parallel, in addition to just operational business as usual plus normal mandatory annual activities like budget and open enrollment -- we also had an unplanned Oracle upgrade that we had to address -- it just started to create resource constraints.

Secondly, change management saturation. We had two phases in flight when we made these timeline revisions, and one of the phases, phase four, the HR phase, impacts every employee in the company. That is pretty broad change management, and to add on two or three additional phases, we just thought that was just change management saturation and not a very good idea.

And then lastly, risk reduction. The first two items, obviously, if we pursued all of these phases at once the resource constraints and change management saturation introduces additional risks. So

we thought making some changes was the best approach for this highly visible delivery of highly visible functionality that impacts essentially all employees.

So slide six is the revised timeline. What we did essentially, we changed the timeline, but there was no change in the overall contract spend. We consumed some contingency funds to make these changes, but no change in the contract spend.

Phase one, as I indicated is complete. Phases two and four are currently in flight, which I have just updated you on. Phase three, the Budgeting phase and Phase five, the additional HR functionality, were slid out six months. We slid those out to start in early 2018 versus June and July of this year (2017). And then Phase six, we added a new phase, the Project and Portfolio Management phase. We broke that out into a separate phase and that was primarily driven by resource constraints on our implementation partners' part.

So that is the revised timeline. Again, everything progressing as planned. We consumed about $500,000 of our contingency funds to make those timeline changes and, of course, vetted this with the program owners and got approval from our four program sponsors who are ELT members.

Most of you are familiar with slide seven. This is approved action item to spend the 10-year spend that was approved at the 2016 Board of Governors.

And then slide eight is the projected implementation spend across the three calendar years. You also have seen this before. This contract is a fixed price contract. So software and subscription services are on a pretty fixed schedule and proceeding as planned, not much changes there. We did make, obviously, some adjustments to the projections to account for those date changes in the two phases that we slid out. Again, no change in the overall spend, just re-projection of when the spend would occur.

The only real variable that we need to track and manage and be aware of are our contingency funds for this contract. There are two categories - subscriptions and change orders.

We had $2.1 million contingency fund dollars approved, and to-date we have consumed about 54 percent of that, $1.2 million, well within our spending range given where we are in the program. The three timeline changes that I mentioned consumed about 50 percent of the spend that we have already incurred. About 50 percent of that was for the timeline changes.

Slide nine is the projected spend for the remaining seven years of the contract after implementation. Again, it is a fixed priced contract so those will be pretty standard scheduled costs incurred.

That concludes my update. I will be happy to take any questions.

Chairman Holton: Okay, thank you, Sarah. Any questions for Sarah? Thank you so much for that report. The next to final item is item number eight. Aditya, please introduce the two consent items.

7. **Consent Items**

   a. **2018 Technology Infrastructure, Software, Professional Services, and Staff Augmentation**

Aditya Gavvala: Thank you. The first consent item is for the contracting approval for Technology Infrastructure, Software, Professional Services and Staff Augmentation in the amount of $27.17 million under the existing Citizens' contract, and any State term contracts and alternate contract sources approved by the State of Florida Department of Management Services.

Of the $27.17 million, $22 million is included in the 2018 budget. The breakdown of the $27.17million is shown on the second page by category. Of the $27.17 million, $23.5 million is through DMS approved contracts.

If there are no questions at this time, may I go for the recommendation?

Chairman Holton: Yes.

Aditya Gavvala: Staff requests that Citizens Information Services Advisory Committee approve and recommend the Citizens Board of Governors approve the Technology Infrastructure, Software, Professional Services and Staff Augmentation Consent Item of DMS approved contracts totaling $27,175,144, and authorize the staff to take any appropriate or necessary actions consistent with this consent item.

John McKay made a motion to approve the 2018 Technology Infrastructure, Software, Professional Services and Staff Augmentation Consent Item. John Wortman seconded the motion. All were in favor. Motion carried.

Chairman Holton: Next item.

   b. **Co-Location Data Center Maintenance Services**

Aditya Gavvala: Thank you. The next Consent Item is for the Co-Location Data Center Maintenance Services contract extensions for two vendors for the total amount of $150,000. The current contracts with the vendors for electrical and mechanical services are set to expire in January 2018. The contract extensions would allow the continuation of services at the data center while staff pursues contract replacements through competitive solicitation in 2018.

If there are no questions at this time may I go for the recommendation?

Chairman Holton: Yes, please.

Aditya Gavvala: Staff requests that Citizens Information Services Advisory Committee approve and recommend the Citizens Board of Governors approve the Co-Location Data Center Maintenance Services Consent Item and authorize the staff to take any appropriate or necessary actions consistent with this consent item.

John Wortman made a motion to approve the Co-Location Data Center Maintenance Services Consent Item and John McKay seconded the motion. All were in favor. Motion carried.

8. New Business

Chairman Holton: The final order of business is new business. Is there any new business to come before the committee? If not, I will remind everyone that we will teleconference prior to our next Board of Governors meeting in April. Any other comments or concerns? None being heard I will accept a motion to adjourn.

John McKay made the motion to adjourn and John Wortman seconded. Meeting adjourned.