Management Committee Update:
CCIO August 11th Presentation

August 3, 2016

Agenda

1. Current Status

2. Key Deliverables of Planning

3. Observations, Conclusions and Risks

4. Operating Model Framework

5. Implementation Approach

6. Key Risks

7. Approval / Support

8. Next Steps

Current Status

CloudBC

- Management change at CloudBC

- ITSO posted on July 15th

- Planning for operationalization underway

- Meetings with CCIO members

- Held a number of team planning workshops

- Constructive discussions resulting in proposed approach

- Budget

- s.17

Budget Update

	Budget	YTD Actual (April-July)*	Remaining Forecast	Actual + Remaining Forecast	Forecasted Annual Variance
	$ 1,800,000	$ 722,291	$ 1,050,308	$ 1,772,599	$ 27,401

* Reflects estimates for July

Page 005

Withheld pursuant to/removed as

s.17

Key Deliverables of Planning

A. Definition and Scope of CloudBC

B. Operating Model Framework (document)

C. Implementation Plan (document)

D. Demand forecast and needs assessment (ongoing)

E. Resource and budget model

Observations and Conclusions

- Limited committed demand for consumption of IaaS and PaaS (ITSO issued for Iaas/Paas).

- Committing to fixed funding with expectation of reducing contribution to zero over 3 years (2 years remain).

- Limited planning completed to build a marketplace and lack of clarity as to what this should be.

- s.17

- Members needs for IaaS appear to focus on cloud adoption support.

- **Conclusion**: Clearly define the CloudBC scope and operating model.

- **Conclusion**: Adopt a phased implementation approach that is better aligned with member needs and consumption demand.

CloudBC Planning and Operating Considerations

- Differentiate implementation (now) from operations (steady-state).

- Adopt a phased implementation, aligned with member needs and consumer demand.

- **Proposed Approach**:

  - Initial IaaS implementation to serve immediate needs (WorkSafeBC).

  - Create an initial IaaS marketplace (short-list of 3 negotiated CFAs), one of which, WorkSafeBC will contract with.

  - Amendments to ITSO need to be issued, imminently.

- Build into CloudBC business operations, the ability to expand and evolve the marketplace over time.

- Grow the business through investment driven by real demand – opportunistically.

CloudBC Value Chain – Introduction
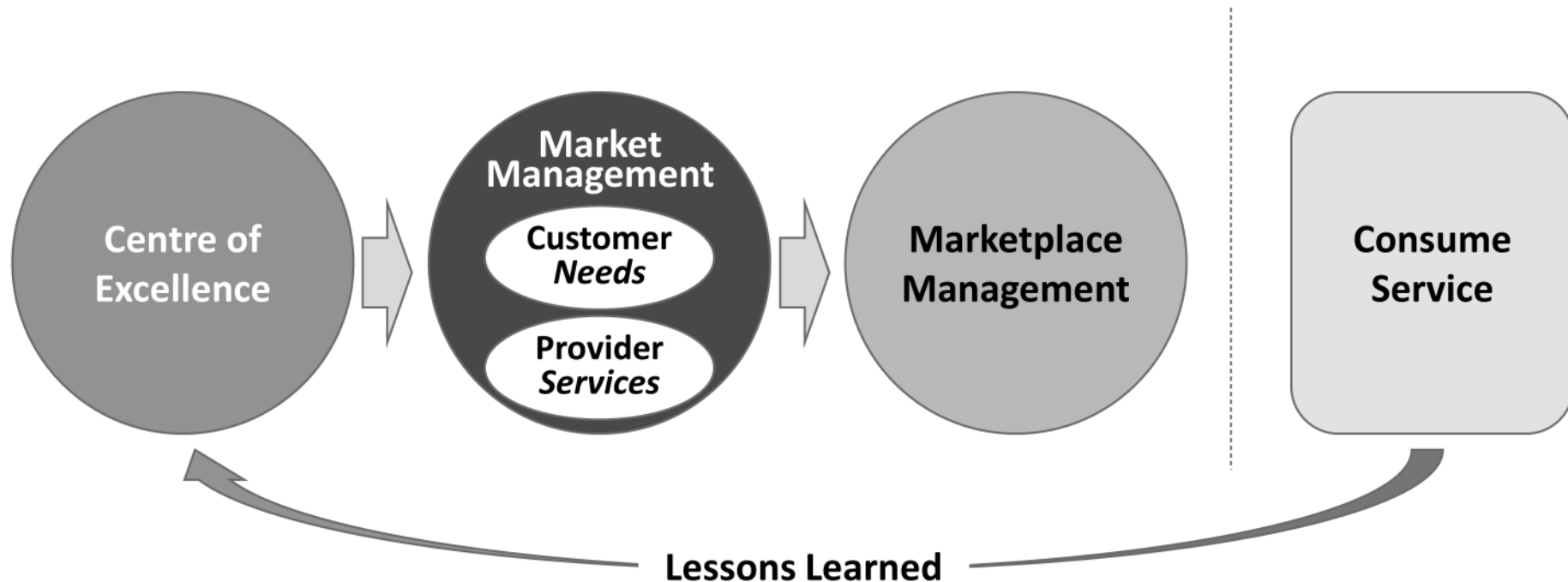
CloudBC Value Chain – High Level Scope Def'n

Centre of Excellence

- Guidelines & Best Practices Management
- Lessons Learned
- Knowledge Sharing
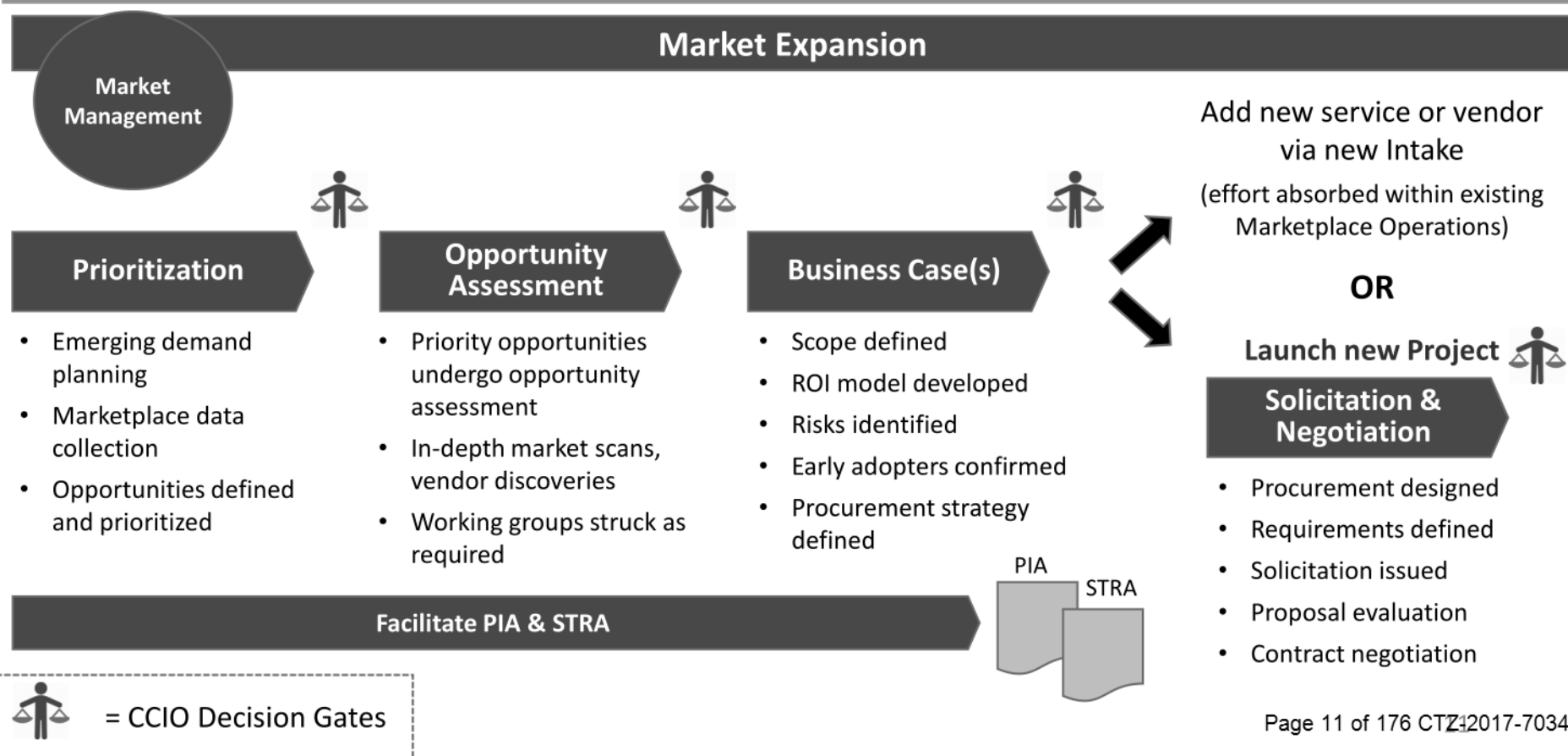- Transition Planning Support

Market Management

- Customer Management
- Vendor Management
- Requirements, Standards & Qualification Management
- Facilitate PIA & STRA
- Solicitation Management (Evaluation & Negotiation)
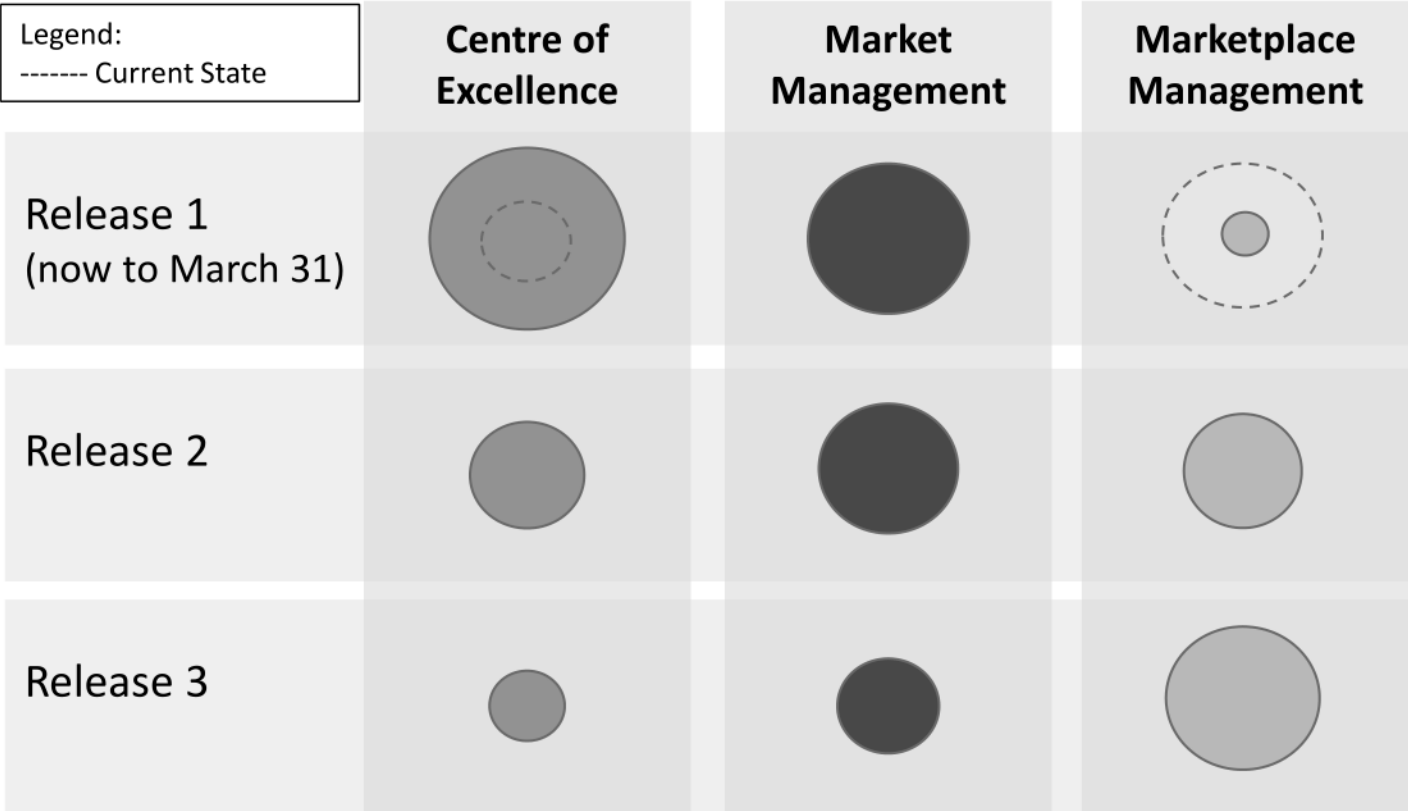
Marketplace Management

- Contract Management
- Change Orders
- Admin Fee Collection
- Technology Platform Management

Work is underway to define the Implementation approach
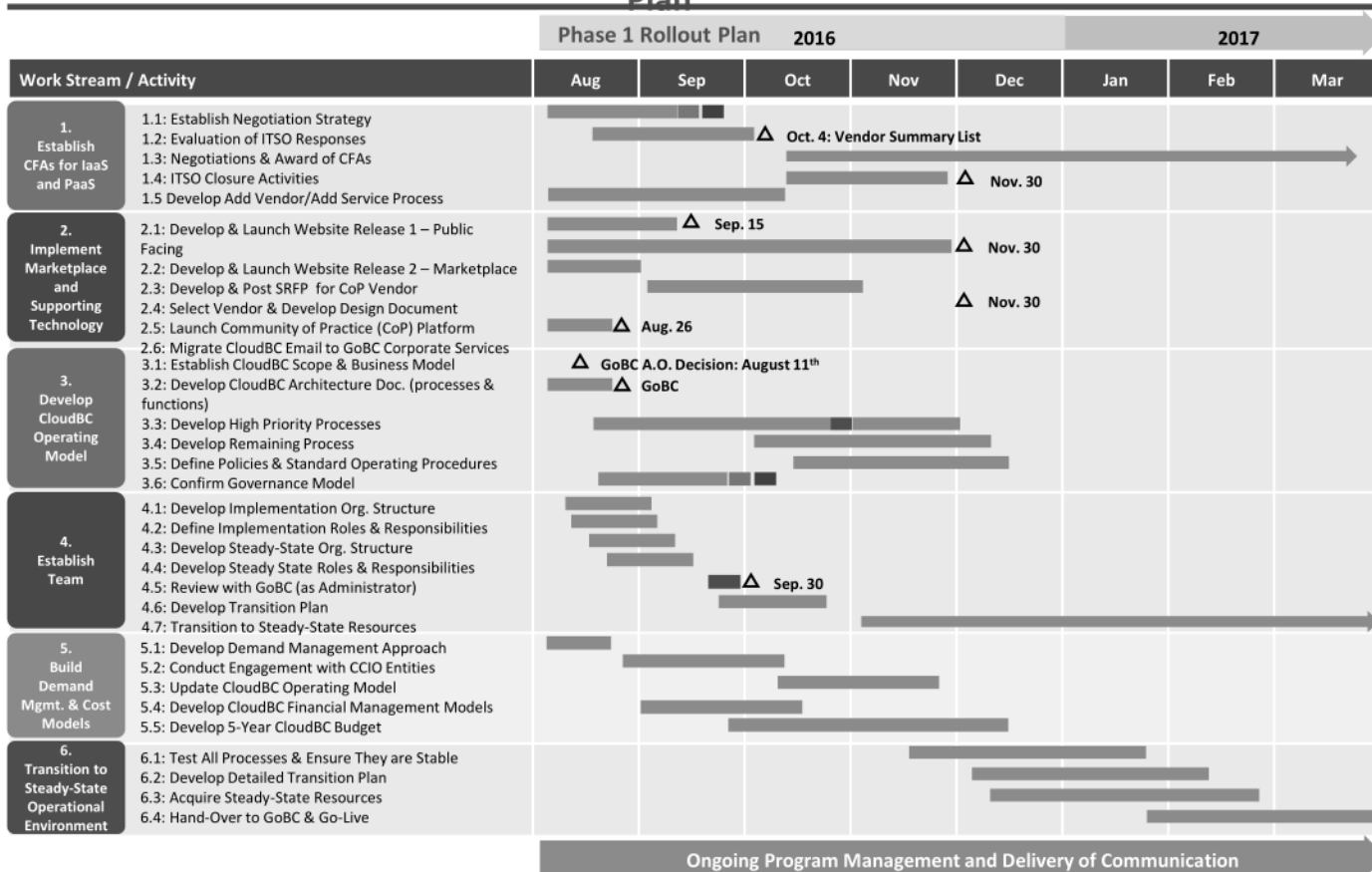
Marketplace Expansion – Process & Governance

CloudBC

Market Expansion

Market Management

Prioritization

- Emerging demand planning
- Marketplace data collection
- Opportunities defined and prioritized

Opportunity Assessment

- Priority opportunities undergo opportunity assessment
- In-depth market scans, vendor discoveries
- Working groups struck as required

Business Case(s)

- Scope defined
- ROI model developed
- Risks identified
- Early adopters confirmed
- Procurement strategy defined

Add new service or vendor via new Intake

(effort absorbed within existing Marketplace Operations)

OR

Launch new Project

Solicitation & Negotiation

- Procurement designed
- Requirements defined
- Solicitation issued
- Proposal evaluation
- Contract negotiation

Facilitate PIA & STRA

PIA
STRA

= CCIO Decision Gates

Adjusting Investment Priorities

CloudBC

Legend:
------- Current State

	Centre of Excellence	Market Management	Marketplace Management	Priorities
Release 1 (now to March 31)				• s.17 Invest in readiness activities (e.g. CoP) as budget allows. Limit number of IaaS/PaaS CFAs.
Release 2				• Develop robust marketplace expansion strategy, expand marketplace based on approved business cases and demand.
Release 3				• CloudBC fully operational. Contracts in place for all priority cloud services and vendors. Entities have clear adoption / transition plans defined.

Cloud BC Implementation Plan

CloudBC

Phase 1 Rollout Plan — 2016 | 2017

Work Stream / Activity	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
1. Establish CFAs for IaaS and PaaS								
1.1: Establish Negotiation Strategy								
1.2: Evaluation of ITSO Responses			△ Oct. 4: Vendor Summary List					
1.3: Negotiations & Award of CFAs								
1.4: ITSO Closure Activities				△ Nov. 30				
1.5 Develop Add Vendor/Add Service Process								
2. Implement Marketplace and Supporting Technology								
2.1: Develop & Launch Website Release 1 – Public Facing		△ Sep. 15		△ Nov. 30				
2.2: Develop & Launch Website Release 2 – Marketplace								
2.3: Develop & Post SRFP for CoP Vendor				△ Nov. 30				
2.4: Select Vendor & Develop Design Document								
2.5: Launch Community of Practice (CoP) Platform	△ Aug. 26							
2.6: Migrate CloudBC Email to GoBC Corporate Services								
3. Develop CloudBC Operating Model								
3.1: Establish CloudBC Scope & Business Model	△ GoBC A.O. Decision: August 11th							
3.2: Develop CloudBC Architecture Doc. (processes & functions)	△ GoBC							
3.3: Develop High Priority Processes								
3.4: Develop Remaining Process								
3.5: Define Policies & Standard Operating Procedures								
3.6: Confirm Governance Model								
4. Establish Team								
4.1: Develop Implementation Org. Structure								
4.2: Define Implementation Roles & Responsibilities								
4.3: Develop Steady-State Org. Structure								
4.4: Develop Steady State Roles & Responsibilities								
4.5: Review with GoBC (as Administrator)		△ Sep. 30						
4.6: Develop Transition Plan								
4.7: Transition to Steady-State Resources								
5. Build Demand Mgmt. & Cost Models								
5.1: Develop Demand Management Approach								
5.2: Conduct Engagement with CCIO Entities								
5.3: Update CloudBC Operating Model								
5.4: Develop CloudBC Financial Management Models								
5.5: Develop 5-Year CloudBC Budget								
6. Transition to Steady-State Operational Environment								
6.1: Test All Processes & Ensure They are Stable								
6.2: Develop Detailed Transition Plan								
6.3: Acquire Steady-State Resources								
6.4: Hand-Over to GoBC & Go-Live								

Ongoing Program Management and Delivery of Communication

LEGEND: Color coded by ownership of the task
- CloudBC Activity
- Review with Key Stakeholders
- Mgmt. Sub-Committee Decision
- CCIO Decision
- △ Project Milestones

Key Risks

- Proposed changes to ITSO at this stage undermines both vendor relationship and trust.

- CloudBC integrity in the industry is undermined by a late shift in strategy.

- Consumption demand does not materialize for the other two vendors, in the MarketPlace, resulting in deteriorating relationships.

- Urgent demand by Entity materializes for services or from a vendor not initially taken into MarketPlace.

- Even the focused implementation plan may require further prioritization to meet budget constraints.

- Entity contribution cannot be brought down to zero over next two years. Ongoing contribution is required beyond the next two years.

Support / Approvals

- Support for overall phased implementation approach

- Support for scope of CloudBC and high level definition of operating framework

- Support for alignment of ITSO with WorkSafeBC first project; *amendment to ITSO*

- Planning will be driven from key assumptions:

    - Phased implementation

    - CloudBC remains with Gov as Administrator

    - CloudBC operations will be resourced to manage steady state only; market growth may require CCIO approval for projects

    - Growth will be aligned with demand

    - Contributions may not be brought to zero over ensuing two years

Next Steps

- Key stakeholders must be consulted (PSB and LSB) for amendments to the ITSO.

- Issue amendments to ITSO issued by mid-August.

- Alignment with WorkSafeBC project must be established – requirements definition and resource assignment.

- Vendor relationships need to be managed.

- CloudBC integrity must be managed.

- Complete planning process.

CloudBC

STRATEGY DISCUSSION

September 8, 2016

CCIO

Agenda

1. Purpose of this Session

2. Observations and Conclusions (Re-iterated from Aug. 3 meeting)

3. Review Prior Procurement Strategy

4. Review Revised Procurement Strategy

5. Trade Agreement and Legal Constraints

6. Draft ITSO Amendment Changes

7. Key Risks of Modified ITSO Approach

8. Questions from Market/Industry

9. Support/Approvals

10. CloudBC High-Level Status Update

11. Budget Update

12. Next Steps

13. Additional Slides – WorkSafeBC Requirements & Timeline

Purpose of this Session

- This session is designed to be a strategy session

  – Understand changes required to ITSO resulting from the changed CloudBC business strategy approved at August CCIO meeting

  – Understand legal constraints imposed by trade agreements and tendering law.

  – Review and Approval of procurement objectives and changes proposed to ITSO

  – Understand and discuss the impact of the changes on the CloudBC business model and the market.

Observations and Conclusions

(Reiterated from August 3rd Meeting)

- Limited committed demand for consumption of IaaS and PaaS (ITSO issued for Iaas/Paas).

- Committing to fixed funding with expectation of reducing contribution to zero over 3 years (2 years remain).

- Limited planning completed to build a marketplace and lack of clarity as to what this should be.

- s.17

- Members needs for IaaS appear to focus on cloud adoption support.

- **Conclusion:** Clearly define the CloudBC scope and operating model.

- **Conclusion:** Adopt a phased implementation approach that is better aligned with member needs and consumption demand.

4

Prior Procurement Strategy

CloudBC

ITSO Stream

ITSO → Many Vendor Responses (estimate 50+) → Evaluation of all Responses

Pass → Many Vendors Qualify (become "ECPs") → Linear Negotiations with Multiple Qualified Vendors → **Launch Marketplace when 3+ CFAs signed for IaaS/PaaS** → Remaining ECPs added to Marketplace as negotiations Complete

Fail → Vendors Do Not Qualify

Marketplace Stream

Marketplace

Build Catalogue → Enhance Catalogue

Qualified Suppliers

Discrete Contract(s)

- Procurement requirements, entity specifics
- Could be a P.O. if commodity service

Access

CCIO Entities

Revised Procurement Strategy

Objectives / Design Points:

- Align with revised CloudBC business strategy approved August 2016

- Address Worksafe BC Requirements and timeline

- Ensure compliance with applicable trade agreements and tendering law

- Limit the size and scope of CloudBC to align with demand for services and resource constraints

  - Capacity to negotiate with qualified bidders in reasonable time

  - Capacity to develop and mange the MarketPlace / Catalogue

Revised Procurement Strategy

CloudBC

ITSO Stream

| Round 1 | | Learn | Round 2 |

Modified ITSO

◆ Distinct cut-off point + Pass/Fail

▢ Re-vamped criteria (Amendment)

Fewer Vendor Responses → Evaluation of all Responses

Pass → **Negotiations w/ Eligible Vendors (target <=3)** → **Finalize CFAs with Eligible IaaS/PaaS Vendors**

Fail → Negotiations Fall-Through

Fail → Vendor Does Not Qualify

Learn
1. How Negotiable is CFA?
2. Value-nature of catalogue
3. Vendor tolerance for CloudBC processes
4. Confirmation of CloudBC value proposition

Round 2

Modified Procurement

Marketplace Stream

Build Catalogue > Limited Catalogue > Enhance Catalogue

Qualified Suppliers

Access

Discrete Contract(s)

- Procurement requirements, entity specifics
- Could be a P.O. if commodity service

7

CCIO Entities

Revised Procurement Strategy

- For the first round of implementation, modify ITSO to reduce:

    - functional scope (remove services)

    - number of vendors responding and qualifying in first round

    - legal risk, cut off vs score threshold, professional services prime and no agreement with direct cloud provider

    - time and investment required to put first agreements in place

- Modify Marketplace / Catalogue:

    - Reduce initial size, scope and investment

    - Scale as demand and utilization increases

Trade Agreement and Legal Constraints

- The ITSO procurement process and substance is subject to the general constraints of Canadian procurement law, Province and Entity policy and the obligations of the Province under trade agreements.

- Trade agreements include the Agreement on Internal Trade (AIT) and the WTO Agreement on Government Procurement.

- The WTO Agreement in particular, to which Canada and the Province are recent signatories, includes a number of specific constraints that pertain to "multi-use" lists:

  - We cannot expressly limit the number of Respondents who can qualify – if they meet the stated criteria, they must be qualified. A demanding (but reasonable) criteria and a cut-off score are acceptable tools to restrict the number of qualified vendors.

  - We cannot "close" the list to future Respondents, and we must deal with future submissions in a "reasonable period".

  - Using more restrictive value thresholds than formerly, we must provide Qualified Vendors with the opportunity to respond to requirements as they arise.

- Based on these constraints, the specific changes proposed in the following slide are designed to have the effect of limiting the qualified respondents to the most qualified using processes and criteria that are in compliance.

Draft ITSO Amendment Changes

CloudBC

Draft Change to ITSO	Rationale
Modify Section E-6 (Step 4: Screening Based on Corporate Capacity) to establish a firm minimum score that Respondents must meet.	The effect of the minimum score will be to reduce the number of Respondents who are selected and eligible for negotiations for a CFA.
Restrict vendor responses to direct cloud service providers only.	This reduction in scope will significantly reduce the number of Respondents. Ensure that drafting is clear that the direct cloud services providers will be able to supply both cloud services and cloud related professional services, if they offer them.
Remove professional services as a mandatory requirement for a response.	Entities will still be able to obtain cloud related professional services via other procurement vehicles as well as from any direct cloud services suppliers that offer them.
Focus first on vendors that either currently meet privacy requirements or can clearly demonstrate that they will meet the requirements (specifically Canadian data residency) within 12 months.	This is another reduction in scope that will materially reduce the number of Respondents. From an IT Operations standpoint, entities are likely to select a single vendor that can support both PII and non-PII requirements if consuming IaaS at scale.
Change the order in which negotiations will be undertaken to negotiate first with those Respondents with the highest score.	Designed to ensure that the most preferred Respondent completes negotiations in a timely fashion and is available for Entities to access services.
Fine tune some ITSO language to ensure we have sufficient flexibility to achieve agreements with successful Respondents	Some elements of the business model, including some terms of the CFA and the 2% admin fee, may act as a barrier to some vendors.

Key Risks of Modified ITSO Approach

CloudBC

Risk	Mitigation
Market leading direct cloud providers may not respond due to CFA or business model issues	• Existing language contemplates negotiation of the CFA • Examining other changes to language to permit negotiation on additional aspects of business model
Contemplated changes do not result in a significant reduction in the number of Respondents	• In the event that a substantial number of Respondents qualify, will re-assess approach to negotiations
Negative feedback from vendors or industry groups	• Proactive communication strategy will be developed
Negotiation delays impact schedule	• Assessing options to focus discussions on specific Ts &Cs

- Ultimately, no procurement process can either guarantee a particular business outcome or be made entirely risk-free. Vendors will, of course, make their own choices concerning if and how they will respond.

Questions from Market/Industry

Potential Question	Response Options
When will other vendors (e.g. resellers, system integrators, SaaS providers) be invited to apply to become an Eligible Cloud Provider?	• To mitigate negative feedback, could provide a schedule of future intakes • To minimize risk, could state that will align with demand
Does the revised approach impact use of the CloudBC Framework Agreements by non-CCIO Entities? Were these organizations consulted about the changes?	• "The CFAs can still be used by the same target group of BPS entities. We expect to gather feedback from these organizations once the Marketplace is launched."
We have heard that the CCIO Entities need access to cloud-focused professional services. How does the revised approach support this need?	• Could state that CloudBC will run a dedicated solicitation if there is sufficient CCIO committed demand • Could state that the CCIO Entities did a review and found they already had contract vehicles in place

Questions from Market/Industry

Potential Question	Response Options
When will demand forecast be completed and will they be shared with vendors?	• Team is preparing for a round of detailed needs and demand analysis. After the first analysis is completed it will be updated annually. This will likely not be shared with vendors
As demand grows how quickly can CloudBC introduce new desired vendors into the marketplace and what is the process?	• The ITSO will remain open and new intakes will be initiated based on demand forecast. It is important the demand and needs analysis is accurate and timely.
How often will new intakes be undertaken	• This will be based on demand
Will vendors not in the marketplace be 'allowed' to sell to entities?	• The entities have signed a participation agreement that implies a commitment to procure cloud services through CloudBC marketplace

Support / Approvals

- **Approval**: Revised Procurement Strategy - Business Objectives and Design Points

- **Approval**: Proposed Changes to ITSO

CloudBC High-Level Status Update

s.17

Key Deliverables of Planning

A. Definition & Scope of CloudBC	• To be incorporated in the CloudBC Operating Model Framework
B. Operating Model Framework	• Draft currently under development – completion target date of Sep. 30th
C. Implementation Plan	• Draft currently under development – completion target date of Sep. 30th
D. Demand Forecast & Needs Assessment	• Strategy and approach under development
E. Resource & Budget Model	• Draft currently under development – completion target date of Sep. 30th
Marketplace & Supporting Technology	• Technology requirements are being further defined and development activities are being expedited to coincide with the CloudBC over-arching program plan timelines

Budget Update

Budget	YTD Actual (April-July)*	Remaining Forecast	Actual + Remaining Forecast	Forecasted Annual Variance
$ 1,800,000	$ 722,291	$ 1,050,308	$ 1,772,599	$ 27,401

- Numbers represent actuals + forecast as of end of July 2016
- Currently preparing detailed, updated forecasts based on new implementation and operating plans
  - There are likely to be significant cost pressures and/or risks (e.g., ITSO negotiations and legal costs)
  - Working through detail to ensure alignment to approved budget

Next Steps

- Implement changes to the ITSO documents

- Finalize legal review

- Summary changes to CCIO vs. Review of all Documents?

- Re-issue ITSO

17

Additional Slides – Worksafe BC Requirements

WorkSafe BC Requirements

- Focus is on hyperscale cloud vendors because require broad range of services and mature integration options

- Expected workloads:

  - Start with IaaS integration test environment using masked data

  - Small production app with no/limited integration points

  - Training & data warehouse environments

- IaaS migration strategy may change once the first integration test migration is complete which may expedite the migration of more sensitive production workloads.

- PaaS strategy still being refined, but will have production applications with sensitive data by end of 2017

- Selected IaaS vendor will need to meet privacy requirements, specifically Canadian data residency, within 12 months

WorkSafeBC's 18-month IaaS and PaaS OOM estimates

2017				2018	
Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**

IaaS Workload Migration

Integration Test

Estimated Servers & Storage:
- 16 Servers
- 23 TBs

Small applications with no or limited integration

Estimated Servers & Storage:
- 20 Servers
- 2 TBs

- **Training Environments**
- **Data Warehouse/BI**

Estimated Servers & Storage:
- 35 Servers
- 54 TBs

PaaS App Development

- **2 mid-sized customer interaction apps**
- **Several (est. 10-20) smaller customer interaction apps**

CloudBC Management Committee Meeting Minutes

CloudBC Management Committee Meeting Minutes	Date: September 8 2016
	Start Time: 2:15 pm
	Teleconference

Attendees: Pierre Vorster, CloudBC COO (Chair)
Bette-Jo Hughes, OCIO
Marecek, BC Pension

CloudBC: Scott Wilkinson
Anthony Roy

Regrets: Erwin Martinez, BC Ferries Dave

Meeting called to order at 2:15 pm

AGENDA

Call to order and review of Agenda

1. Purpose of this Session
2. Observations and Conclusions (Re-iterated from Aug. 3 meeting)
3. Review Prior Procurement Strategy
4. Review Revised Procurement Strategy
5. Trade Agreement and Legal Constraints
6. Draft ITSO Amendment Changes
7. Key Risks of Modified ITSO Approach
8. Questions from Market/Industry
9. Support/Approvals
10. CloudBC High-Level Status Update
11. Budget Update
12. Next Steps
13. Additional Slides – WorkSafeBC Requirements & Timeline

ACTION ITEMS

	Action	Owner(s)	Due	Status
a.	Review Participation agreement to determine the extent the entities need to be consulted on proposed changes to the ITSO	Pierre	September	Open
b.	Formulate agenda and items for discussion at October 3rd CCIO workshop.	Pierre	September	Open

	Action	Owner(s)	Due	Status
c.	For October CCIO meeting – provide an outline of all CloudBC achievements and an explanation of the value that entities have received for their investment to date.	Pierre V.	October	Open
d.	For October CCIO meeting – review the initial commitment to CloudBC funding over the 3-year period that outlines how entities contributions would decrease over time.	Pierre V.	October	Open
e.	Develop consolidated Risk Register for CloudBC	Pierre V.	End of September	Open

DECISION/APPROVALS

APPROVAL: The Management Committee approved the proposed procurement objectives, procurement strategy and changes to the ITSO.

CloudBC

UPDATE

OCTOBER 3, 2016

Agenda

CloudBC

1. **Planning Context**

2. ITSO and Procurement Strategy

3. Operating Model Framework Overview

4. Implementation Plan Overview

5. CloudBC Resource and Cost Model / Trade-offs
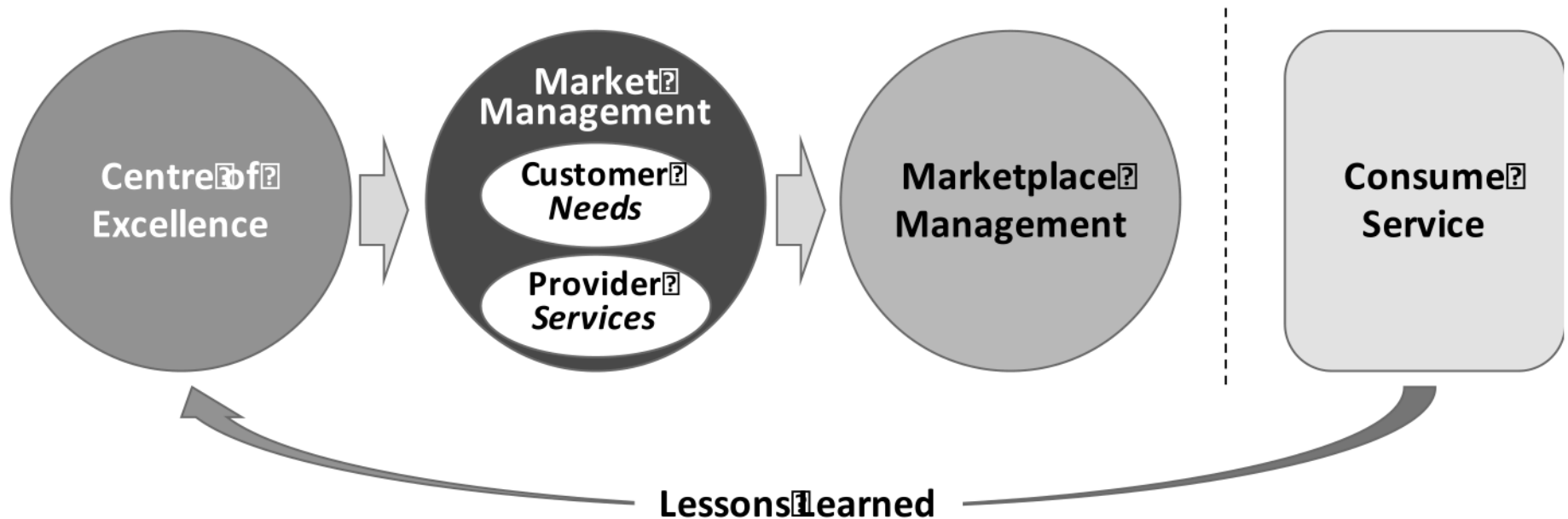
Appendix: Mission-Critical Processes

Planning Context

Vision & Mission: reflects language in Participation Agreement

- *Vision*: To help facilitate the successful adoption of cloud services in the BC public sector.

- *Mission*: Establish common services that are driven by customer priorities and reflect industry best practices. Through CloudBC, participating organizations achieve certain benefits not otherwise available through independent action, including:

  - Lower costs through common procurement and contracting frameworks;

  - Reduced administrative costs;

  - Reduced risks associated with cloud services adoption; and

  - Faster rates of adoption and quicker harvesting of benefits from cloud.
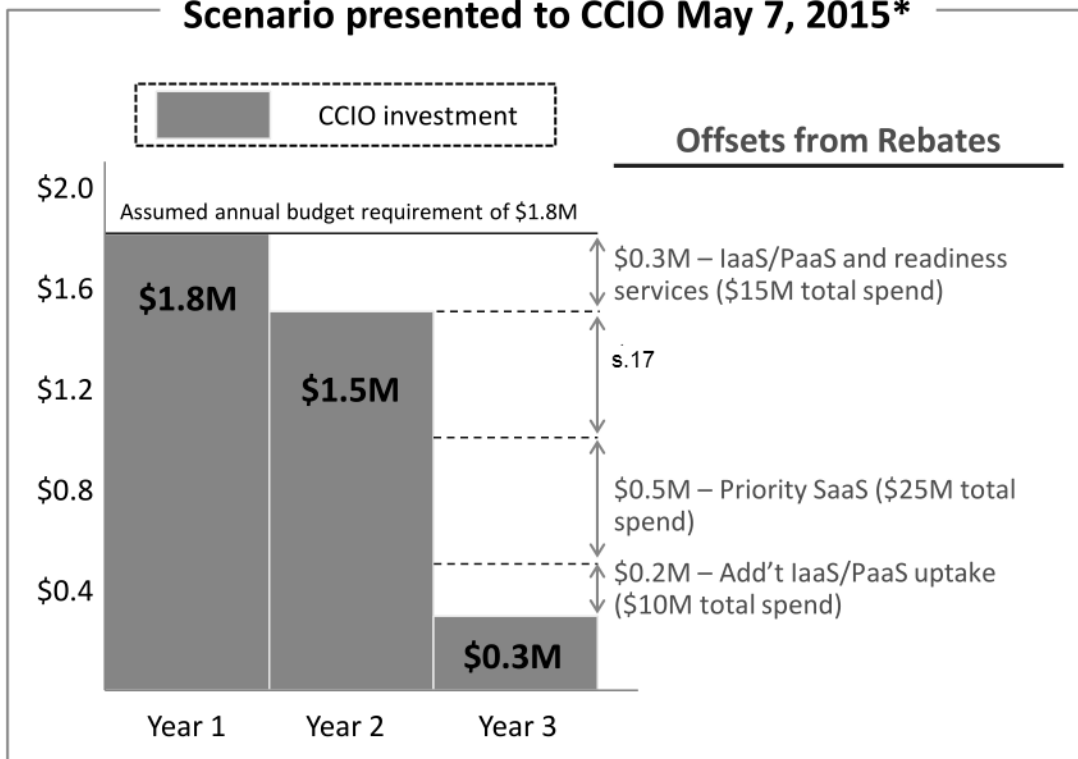
Planning Context

CloudBC Value Chain: ratified by CCIO on Aug 11

CloudBC

Centre of Excellence → Market Management (Customer Needs / Provider Services) → Marketplace Management → Consume Service

Lessons Learned

Planning Context

Business Model: CCIO funds CloudBC through allocations offset by Admin Fees collected on their expenditures through the Marketplace

Scenario presented to CCIO May 7, 2015*

CCIO investment

Offsets from Rebates

Assumed annual budget requirement of $1.8M

- $2.0
- $1.6 — $1.8M
- $1.2 — $1.5M
- $0.8
- $0.4 — $0.3M

Year 1 | Year 2 | Year 3

$0.3M – IaaS/PaaS and readiness services ($15M total spend)

s.17

$0.5M – Priority SaaS ($25M total spend)

$0.2M – Add't IaaS/PaaS uptake ($10M total spend)

*Assumptions / Considerations:

- **Budget** – annual budget of $1.8M

- **2% rebate model** – applies to all contract frameworks in the Marketplace

- **Breakeven** – assuming no revenues from BPS, a $0.1M contribution requires $5.0M in expenditures through the Marketplace

Velocity of offsets depends on CCIO readiness to adopt and consumption of services

CloudBC

Planning Context

CloudBC

Successes to Date: laying the foundation for implementing the Value Chain and supporting successful adoption

- A formal commitment by all CCIO entities (as identified through the Partnership Agreement) to support the achievement of 'cloud'.

- The development of a legal framework for contracts to be made available to CCIO and BPS entities (i.e. CFAs for IaaS and PaaS).

- The development of procurement process (ITSO) which is now in flight.

- s.17

- Networks developed with key industry partners to support thought leadership (such as Gartner, Cloud Security Alliance, Open Data Center Alliance, other Canadian jurisdictions, National Association of State Procurement Officials US General Services Administration, etc.)

- s.17

- The development of key working groups to support the achievement of program objectives and timelines (i.e. Technical Working Group, Legal Working Group, Finance Working Group, Procurement Working Group).

- Vendor input and guidance throughout numerous consultations to support the development of plans and strategies (i.e. Amazon, Microsoft, Google, etc.).

- Completed the operations model and implementation plan to achieve 'steady-state' for CloudBC moving forward.

Planning Context

CloudBC high-level status update

s.17

Key Deliverables of Planning

A.	Definition & Scope of CloudBC	• Incorporated in the CloudBC Operating Model Framework
B.	Operating Model Framework	• First full draft developed for CCIO review
C.	Implementation Plan	• First full draft developed for CCIO review
D.	Demand Forecast & Needs Assessment	• Initial touchpoint completed, full assessment underway
E.	Resource & Budget Model	• First full draft developed for CCIO review
Marketplace & Supporting Technology		• Technology requirements are being further defined and development activities are being expedited to coincide with the CloudBC over-arching program plan timelines

Agenda

1. Planning Context

2. **ITSO and Procurement Strategy**

3. Operating Model Framework Overview

4. Implementation Plan Overview

5. CloudBC Resource and Cost Model / Trade-offs

Appendix: Mission-Critical Processes

Agenda

1. Discussion Objectives

2. Observations and Conclusions (reiterated from Aug. 3 meeting)

3. Review Prior Procurement Strategy

4. Review Revised Procurement Strategy

5. Trade Agreement and Legal Constraints

6. Overview of the Legal Framework (i.e. CloudBC Contract Framework)

7. Draft ITSO Amendment Changes

8. Key Risks of Modified ITSO Approach

9. Questions from Market/Industry

10. Approvals & Next Steps

Discussion Objectives

- Objectives of this part of the update:

    - Understand changes required to ITSO resulting from the changed CloudBC business strategy approved at August CCIO meeting

    - Understand legal constraints imposed by trade agreements and tendering law.

    - Understand legal obligations between the parties under a CloudBC Contract Framework

    - Review and Approval of procurement objectives and changes proposed to ITSO

    - Understand and discuss the impact of the changes on the CloudBC business model and the market.
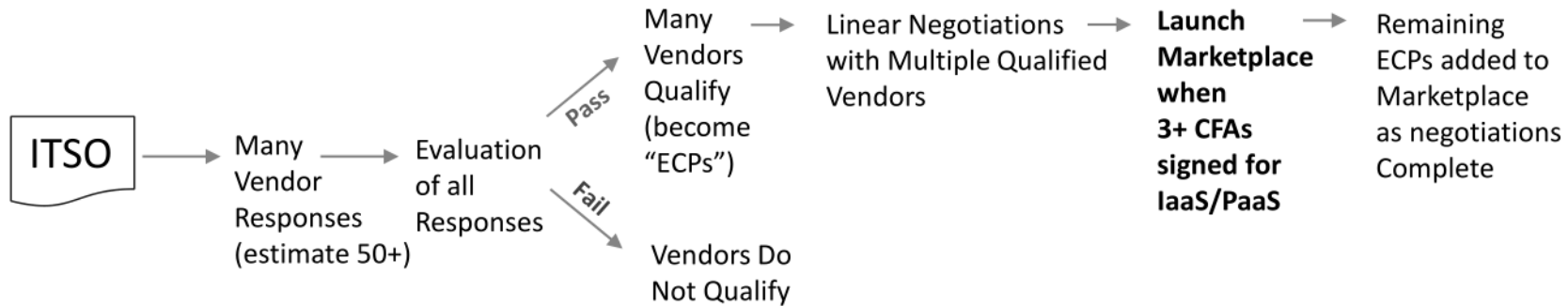
Observations and Conclusions

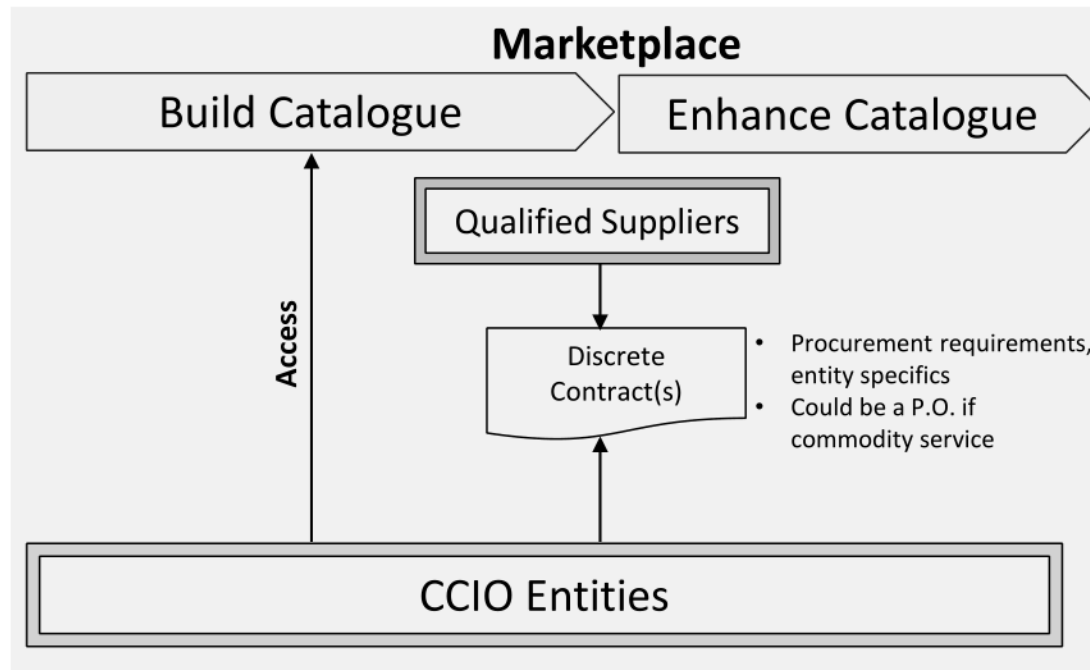(Reiterated from August 3rd Meeting)

- Limited committed demand for consumption of IaaS and PaaS (ITSO issued for Iaas/Paas).

- Committing to fixed funding with expectation of reducing contribution to zero over 3 years (2 years remain).

- Limited planning completed to build a marketplace and lack of clarity as to what this should be.

- s.17

- Members needs for IaaS appear to focus on cloud adoption support.

- **Conclusion:** Clearly define the CloudBC scope and operating model.

- **Conclusion:** Adopt a phased implementation approach that is better aligned with member needs and consumption demand.

Prior Procurement Strategy

CloudBC

ITSO Stream

ITSO → Many Vendor Responses (estimate 50+) → Evaluation of all Responses

Pass → Many Vendors Qualify (become "ECPs") → Linear Negotiations with Multiple Qualified Vendors → **Launch Marketplace when 3+ CFAs signed for IaaS/PaaS** → Remaining ECPs added to Marketplace as negotiations Complete

Fail → Vendors Do Not Qualify

Marketplace Stream

Marketplace

Build Catalogue → Enhance Catalogue

Qualified Suppliers

↓

Discrete Contract(s)

- Procurement requirements, entity specifics
- Could be a P.O. if commodity service
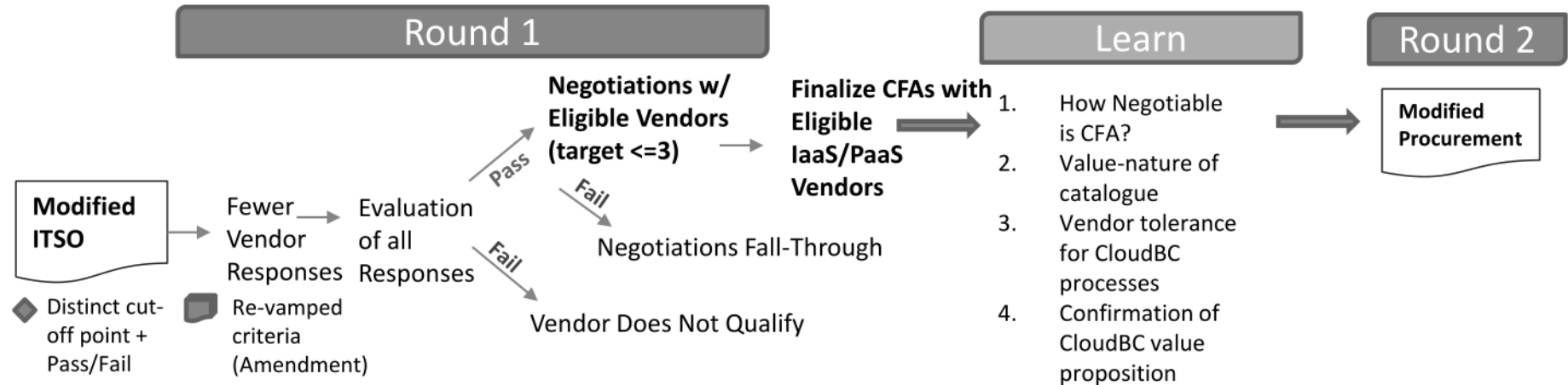
Access ↑

CCIO Entities

Revised Procurement Strategy
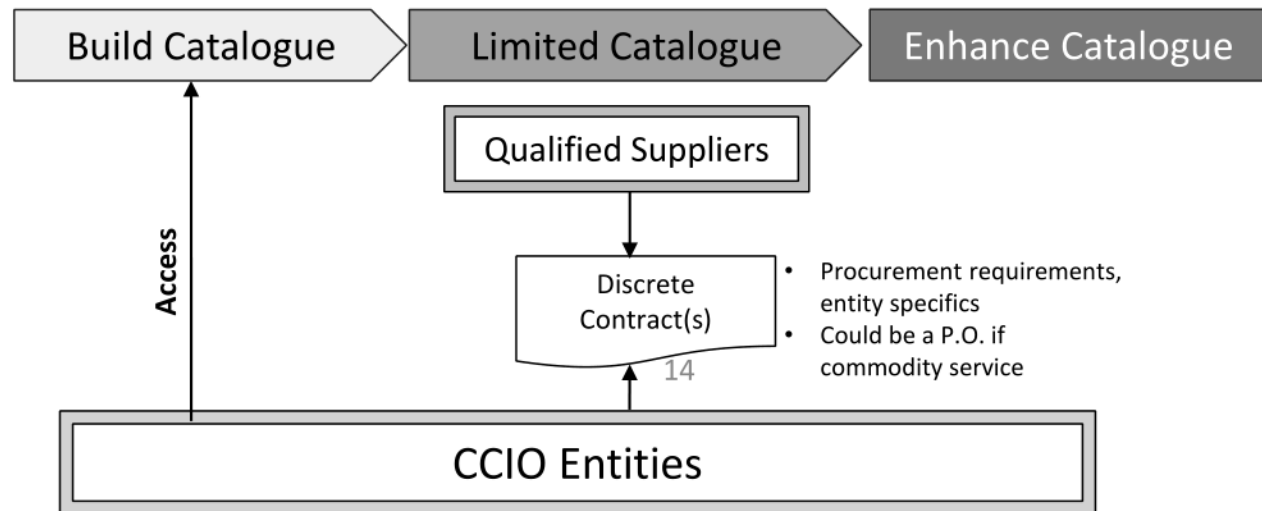
Objectives / Design Points:

- Align with revised CloudBC business strategy approved August 2016

- Address Worksafe BC Requirements and timeline

- Ensure compliance with applicable trade agreements and tendering law

- Limit the size and scope of CloudBC to align with demand for services and resource constraints

  - Capacity to negotiate with qualified bidders in reasonable time

  - Capacity to develop and mange the Marketplace / Catalogue

Revised Procurement Strategy

CloudBC

ITSO Stream

| Round 1 | | Learn | Round 2 |

Negotiations w/ Eligible Vendors (target <=3)

Finalize CFAs with Eligible IaaS/PaaS Vendors

1. How Negotiable is CFA?
2. Value-nature of catalogue
3. Vendor tolerance for CloudBC processes
4. Confirmation of CloudBC value proposition

Modified Procurement

Modified ITSO

◆ Distinct cut-off point + Pass/Fail

▭ Re-vamped criteria (Amendment)

Fewer Vendor Responses → Evaluation of all Responses

Pass → Negotiations w/ Eligible Vendors

Fail → Negotiations Fall-Through

Fail → Vendor Does Not Qualify

Marketplace Stream

| Build Catalogue | Limited Catalogue | Enhance Catalogue |

Qualified Suppliers

Access

Discrete Contract(s)

14

- Procurement requirements, entity specifics
- Could be a P.O. if commodity service

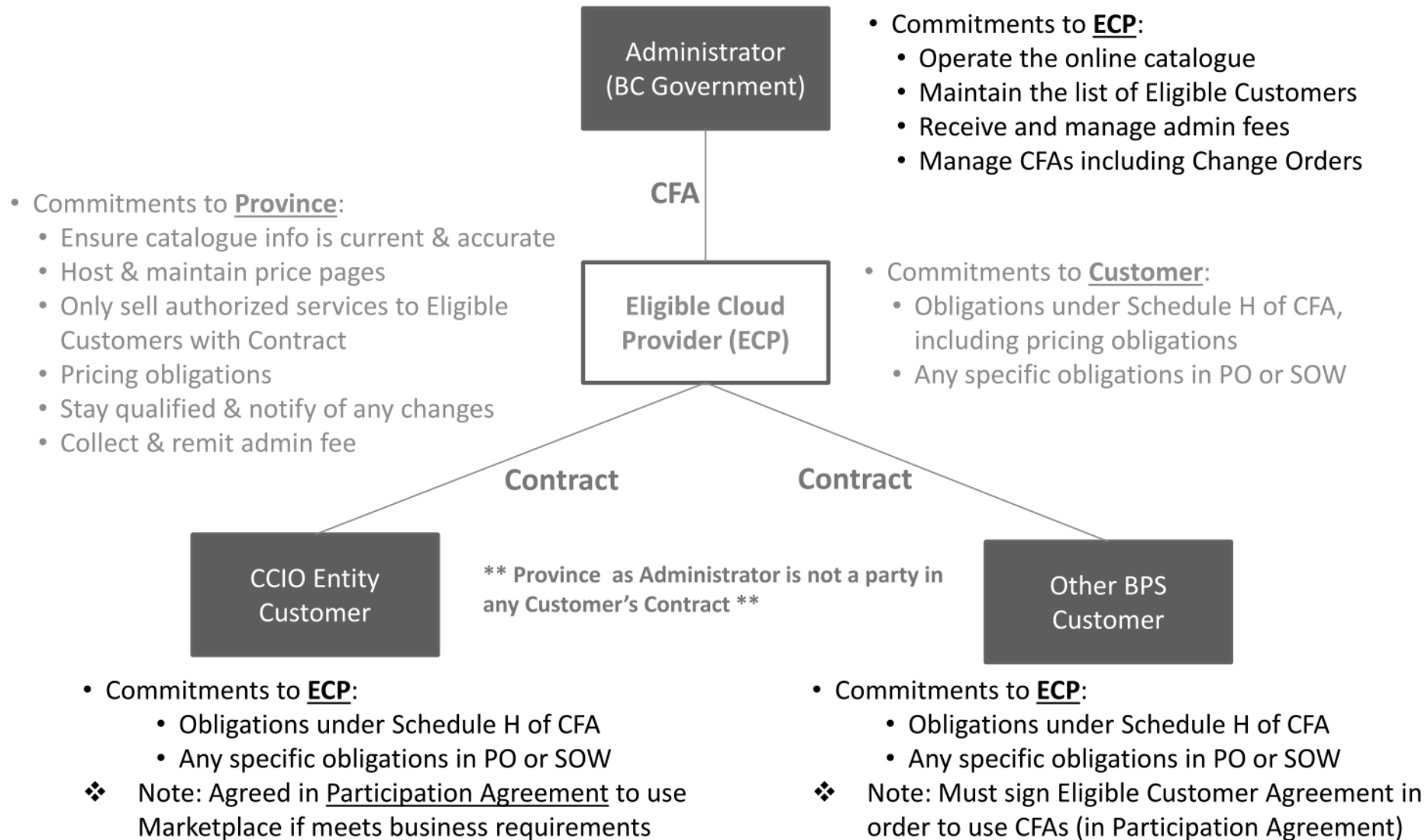## CCIO Entities

Revised Procurement Strategy

- For the first round of implementation, modify ITSO to reduce:
  - Removal of mandatory requirements to provide cloud professional services
  - Number of vendors responding and qualifying in first round
  - Legal risk by requiring direct cloud provider to prime or via a preferred partner with stricter contractual relationship with direct cloud provider
  - Time and investment required to put first agreements in place
- Modify Marketplace / Catalogue:
  - Reduce initial size, scope and investment
  - Scale as demand and utilization increases

Trade Agreement and Legal Constraints

- The ITSO procurement process and substance is subject to the general constraints of Canadian procurement law, Province and Entity policy and the obligations of the Province under trade agreements.

- Trade agreements include the Agreement on Internal Trade (AIT) and the WTO Agreement on Government Procurement.

- The WTO Agreement in particular, to which Canada and the Province are recent signatories, includes a number of specific constraints that pertain to "multi-use" lists:

  - We cannot expressly limit the number of Respondents who can qualify – if they meet the stated criteria, they must be qualified. A demanding (but reasonable) criteria and a cut-off score are acceptable tools to restrict the number of qualified vendors.

  - We cannot "close" the list to future Respondents, and we must deal with future submissions in a "reasonable period".

  - Using more restrictive value thresholds than formerly, we must provide Qualified Vendors with the opportunity to respond to requirements as they arise.

- Based on these constraints, the specific changes proposed in the following slide are designed to have the effect of limiting the qualified respondents to the most qualified using processes and criteria that are in compliance.

16

Legal Framework

Summary of obligations between the parties

Administrator (BC Government)

- Commitments to **ECP**:
  - Operate the online catalogue
  - Maintain the list of Eligible Customers
  - Receive and manage admin fees
  - Manage CFAs including Change Orders

CFA

Eligible Cloud Provider (ECP)

- Commitments to **Province**:
  - Ensure catalogue info is current & accurate
  - Host & maintain price pages
  - Only sell authorized services to Eligible Customers with Contract
  - Pricing obligations
  - Stay qualified & notify of any changes
  - Collect & remit admin fee

- Commitments to **Customer**:
  - Obligations under Schedule H of CFA, including pricing obligations
  - Any specific obligations in PO or SOW

Contract

Contract

CCIO Entity Customer

** Province as Administrator is not a party in any Customer's Contract **

Other BPS Customer

- Commitments to **ECP**:
  - Obligations under Schedule H of CFA
  - Any specific obligations in PO or SOW
- ❖ Note: Agreed in <u>Participation Agreement</u> to use Marketplace if meets business requirements

- Commitments to **ECP**:
  - Obligations under Schedule H of CFA
  - Any specific obligations in PO or SOW
- ❖ Note: Must sign Eligible Customer Agreement in order to use CFAs (in Participation Agreement)

Legal Framework

Summary of relationship between CFA and customer Contract

- Schedule H – Contract – General Terms of the CFA outlines the Ts and Cs that apply to Contracts leveraging the CFA

  - Covers wide range of terms – e.g. security, privacy, confidentiality, insurance, audit, pricing, relationship management, dispute resolution, service levels & credits, etc.

  - Entities can negotiate other entity-specific Ts & Cs in their Contract

- Schedule H survives early termination of the CFA and includes protections such as:

  - Notice of changes to any contracted service if potential negative Customer impact;

  - Credits for Service Level misses, if any, based on Service Level Package selected from Schedule D of the CFA.

- Per the Participation Agreement, commitment to use the Marketplace, whenever possible / commercially viable

Legal Framework

Design principles and expected benefits

- Due diligence and negotiation done upfront on a comprehensive set of requirements based on extensive internal and external consultation

- Security requirements focus specifically on cloud services and leverage industry standards (CSA, ISO/IEC) – instead of developing custom BC-only framework

- Privacy requirements adapted to allow use of leading cloud providers:
  - Removed requirement for Canadian directors and Canadian Corporation
  - Accepts vendor's privacy training, if equivalent
  - Allows for remote support from outside of Canada (under written direction approved by Customer)
  - Recognizes that backup network links run outside of Canada

- CFA supports different approaches for cloud and CCIO:
  - Dynamic pricing in lieu of fixed schedule
  - Broad definition of services to allow for changes with fewer Change Orders
  - Vendors with signed CFA can add Privacy and Data Residency services through a Change Order, as long as they meet criteria
  - Common Ts and Cs but also supports Entity-specific clauses (Schedule I)

- ITSO supports incremental additions of SaaS to the Marketplace
  - Procurement and contract design, and requirements, can be leveraged for SaaS

- Provides access to both cloud services (IaaS and PaaS) and professional services should the Respondent provide professional services

Draft ITSO Amendment Changes

Section #	Nature of Change to ITSO	Business Impact of Change
B-1 Definitions	Addition of "Primary Category" and "Secondary Category" of services.	Simplification of service categories for Respondents. These two terms are now used throughout the ITSO.
B-1 Definitions	"Service Partner" definition updated.	Greater clarity for Respondents.
C-3 Who Should Respond	Mandatory requirement for provision of cloud related professional services removed.	Narrows the respondents to direct cloud service providers and their direct agents and will reduce the number of Respondents. Professional services continue to be in scope, if a direct cloud service provider offers them. Entities are also free to acquire professional services independently.
C-4 Categories of In-scope Services	Re-draft using new terms, as per change to B-1 above.	Simplification of service categories and alignment of service definitions to reflect that Cloud Professional Services are no longer mandatory.
D-3 Cloud Framework Agreement, Administration Fee	Addition of a clarifying statement to make it clear that sub-contractors or Service Partners can be used to perform administrative functions.	Intended to make it easier for direct cloud providers to respond by providing them with alternatives for organizing their service provision.
D-4 Solicitations and Purchases using the CloudBC Marketplace, Limited Tendering	Clearer language that sets out the circumstances when an Entity may "direct award" to a qualified provider.	Improvement in legal drafting to ensure that direct award options are clearly reserved for Entities.

Draft ITSO Amendment Changes Cont'd CloudBC

Section #	Nature of Change to ITSO	Business Impact of Change
E-3 Who May Respond	New language to align with the removal of the mandatory requirement for services. Restriction of responses to direct cloud service providers themselves or to a single Respondent on behalf of a direct cloud service provider with a direct contractual relationship with that direct cloud service provider.	Narrows the type of Respondent permitted and thereby reduces the number of respondents.
F-1, Step 2.2 Authorization if not the direct cloud provider of the Services	Expansion of the language setting out requirements if the Respondent is not a direct cloud service provider.	Provides greater clarity and makes it clear that, if they wish, the direct cloud service provider may respond through a single agent as the Respondent.
Step 4: Screening based on Corporate Capacity	Change to evaluation of corporate capacity to remove professional services (to align with removal of professional services as a mandatory requirement) and to revise weightings and change minimum score to a "global" minimum.	Aligns evaluation with remainder of document. Change to global minimum score allows Respondents with a mix of strengths and weaknesses to score competitively.
Step 5: Prioritization for Negotiations	Deletion of prior language, reservation of Province's discretion to prioritize negotiations based on immediate demand for services and/or based on rank order of scoring for corporate capacity.	Provides the Province with additional tools to manage the workload of negotiations, depending upon the number of qualified Respondents and resources available.

Key Risks of Modified ITSO Approach

Risk	Mitigation
Market leading direct cloud providers may not respond due to CFA or business model issues	• Existing language contemplates negotiation of the CFA • Examining other changes to language to permit negotiation on additional aspects of business model
Contemplated changes do not result in a significant reduction in the number of Respondents	• In the event that a substantial number of Respondents qualify, will re-assess approach to negotiations
Negative feedback from vendors or industry groups	• Proactive communication strategy will be developed
Negotiation delays impact schedule	• Assessing options to focus discussions on specific Ts &Cs

- Ultimately, no procurement process can either guarantee a particular business outcome or be made entirely risk-free. Vendors will, of course, make their own choices concerning if and how they will respond.

Questions from Market/Industry

Potential Question	Response Options
When will other vendors (e.g. resellers, system integrators, SaaS providers) be invited to apply to become an Eligible Cloud Provider?	• To mitigate negative feedback, could provide a schedule of future intakes • To minimize risk, could state that will align with demand
Does the revised approach impact use of the CloudBC Framework Agreements by non-CCIO Entities? Were these organizations consulted about the changes?	• "The CFAs can still be used by the same target group of BPS entities. We expect to gather feedback from these organizations once the Marketplace is launched."
We have heard that the CCIO Entities need access to cloud-focused professional services. How does the revised approach support this need?	• Could state that CloudBC will run a dedicated solicitation if there is sufficient CCIO committed demand • Could state that the CCIO Entities did a review and found they already had contract vehicles in place

Questions from Market/Industry

Potential Question	Response Options
When will demand forecast be completed and will they be shared with vendors?	• Team is preparing for a round of detailed needs and demand analysis. After the first analysis is completed it will be updated annually. This will likely not be shared with vendors
As demand grows how quickly can CloudBC introduce new desired vendors into the marketplace and what is the process?	• The ITSO will remain open and new intakes will be initiated based on demand forecast. It is important the demand and needs analysis is accurate and timely.
How often will new intakes be undertaken	• This will be based on demand
Will vendors not in the marketplace be 'allowed' to sell to entities?	• The entities have signed a participation agreement that implies a commitment to procure cloud services through CloudBC marketplace

Approvals & Next Steps

- **Approval**: Revised Procurement Strategy - Business Objectives and Design Points

- **Approval**: issue addendum to ITSO

- **Next steps** for ITSO:
    - Finalize changes to the ITSO documents
    - Send Summary of Changes to CCIO
    - Re-issue ITSO pending no showstopper issues raised by CCIO based on Summary of Changes document

25

Agenda

1. Planning Context

2. ITSO and Procurement Strategy

3. **Operating Model Framework Overview**

4. Implementation Plan Overview

5. CloudBC Resource and Cost Model / Trade-offs

Appendix: Mission-Critical Processes

Operating Model Framework

Purpose: define future state operating model

Key Components:

- Scope of CloudBC (i.e. "Release 1 scope")

- Process model (processes to be documented in the Operations Manual)

- Governance model

- Organizational model

- Transition plan (Mission Critical processes)

Operating Model Framework

CloudBC

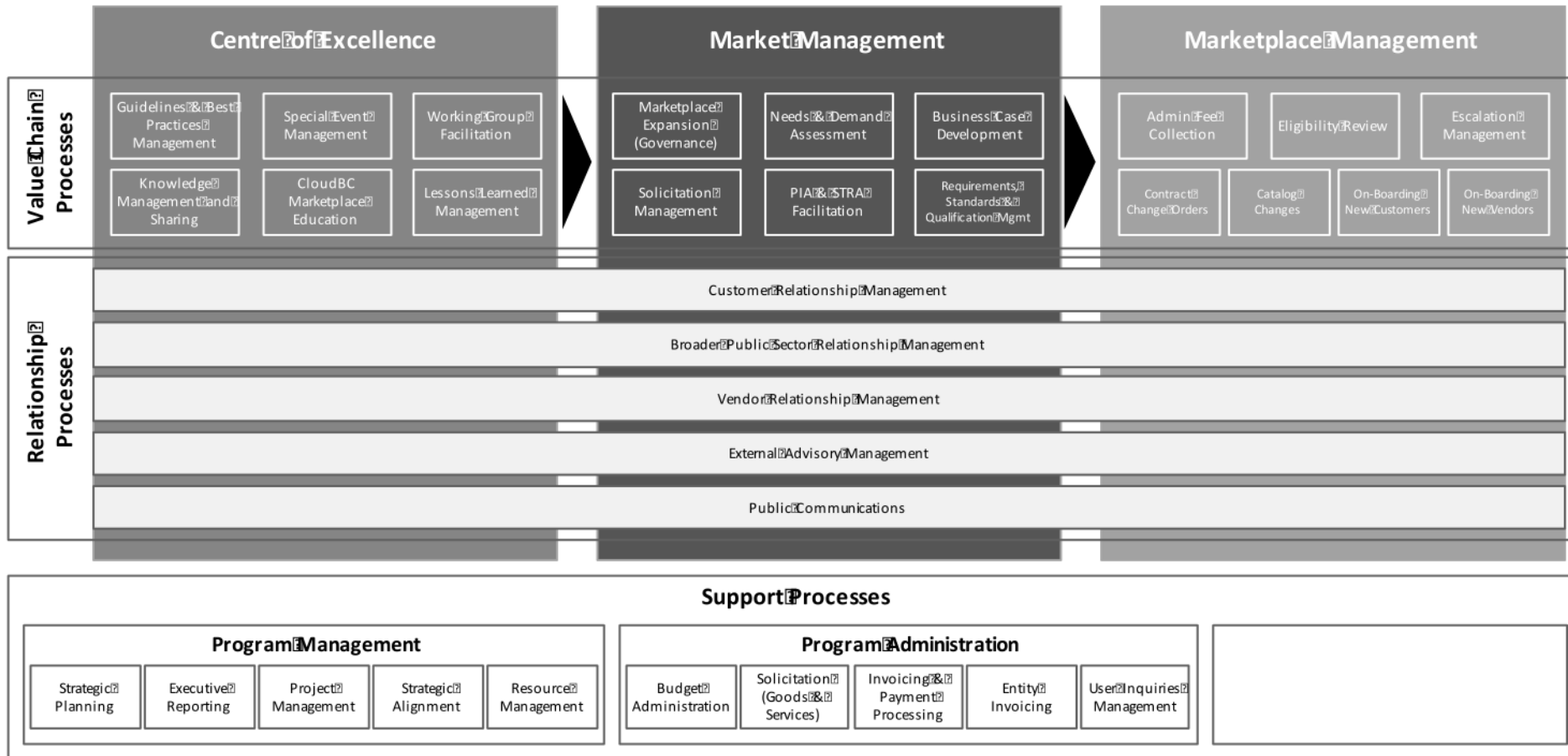Scope Definition: basis for alignment between Operating Model, Implementation Plan, Resourcing & Budget Model

─── **Release 1 Scope** ───

	Mar 2016	**Aug 2017**
	Release 1a	**Release 1b** 'Transition to Steady State + Expand Technology Platform'

Release 1a

s.17

- Mission Critical processes to support successfully negotiated CFAs are in place

- Online presence and Marketplace established with static content & functionality only

- Training and education on Marketplace, CFAs completed in line with entities' needs

- s.17

- Consolidated needs & demand assessment to inform future planning completed

- Communications and engagement with priority stakeholders as required

Release 1b

- Collaboration platform to support knowledge-sharing implemented

- Approach to expand Marketplace functionality developed

- Remaining non-Mission Critical processes in place

- Initiate next SaaS project

- Transition to steady state resources, facilities, enabling services via CloudBC Administrator complete/on track
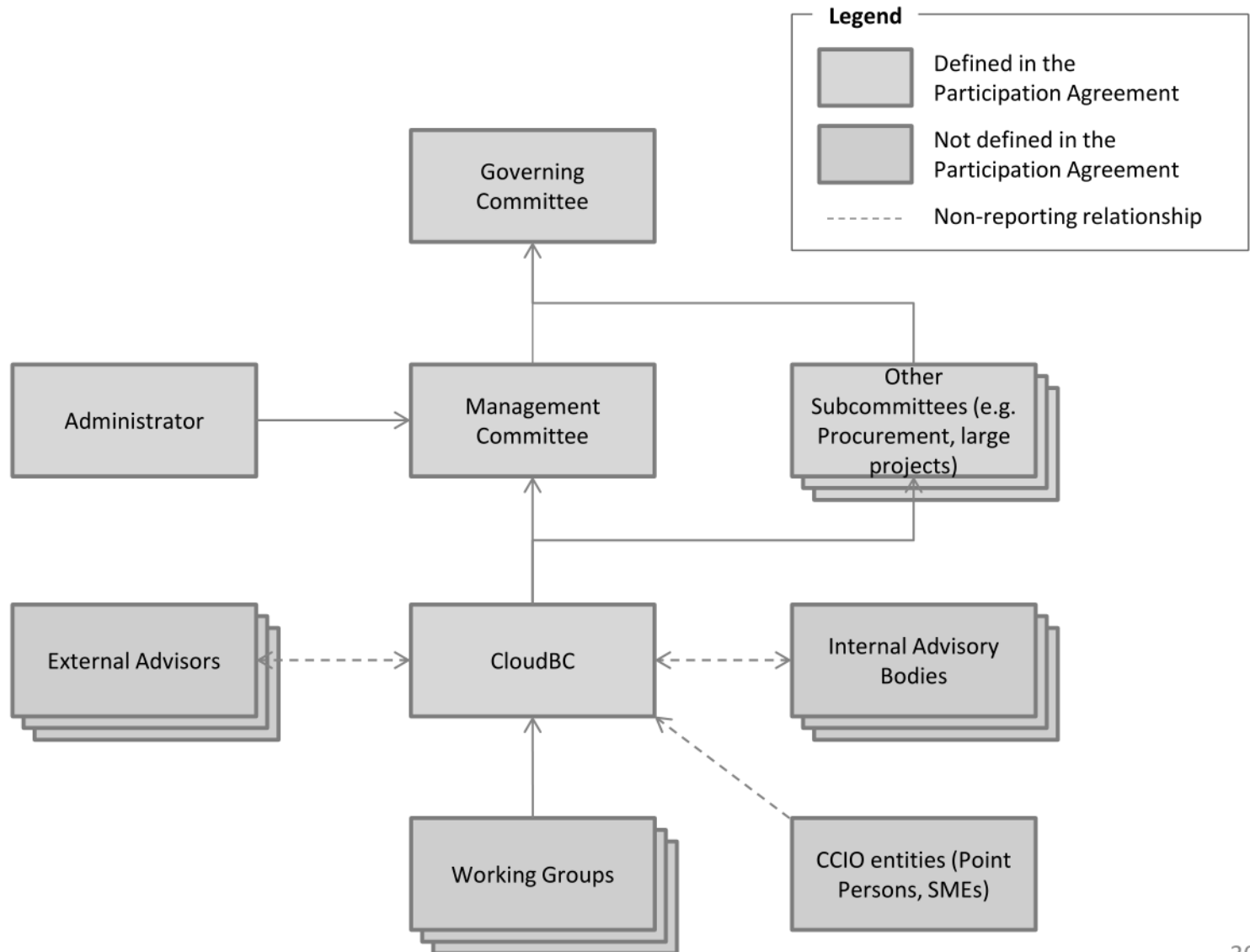
28

Operating Model Framework

Process Model: 37 processes defined to support steady state

CloudBC

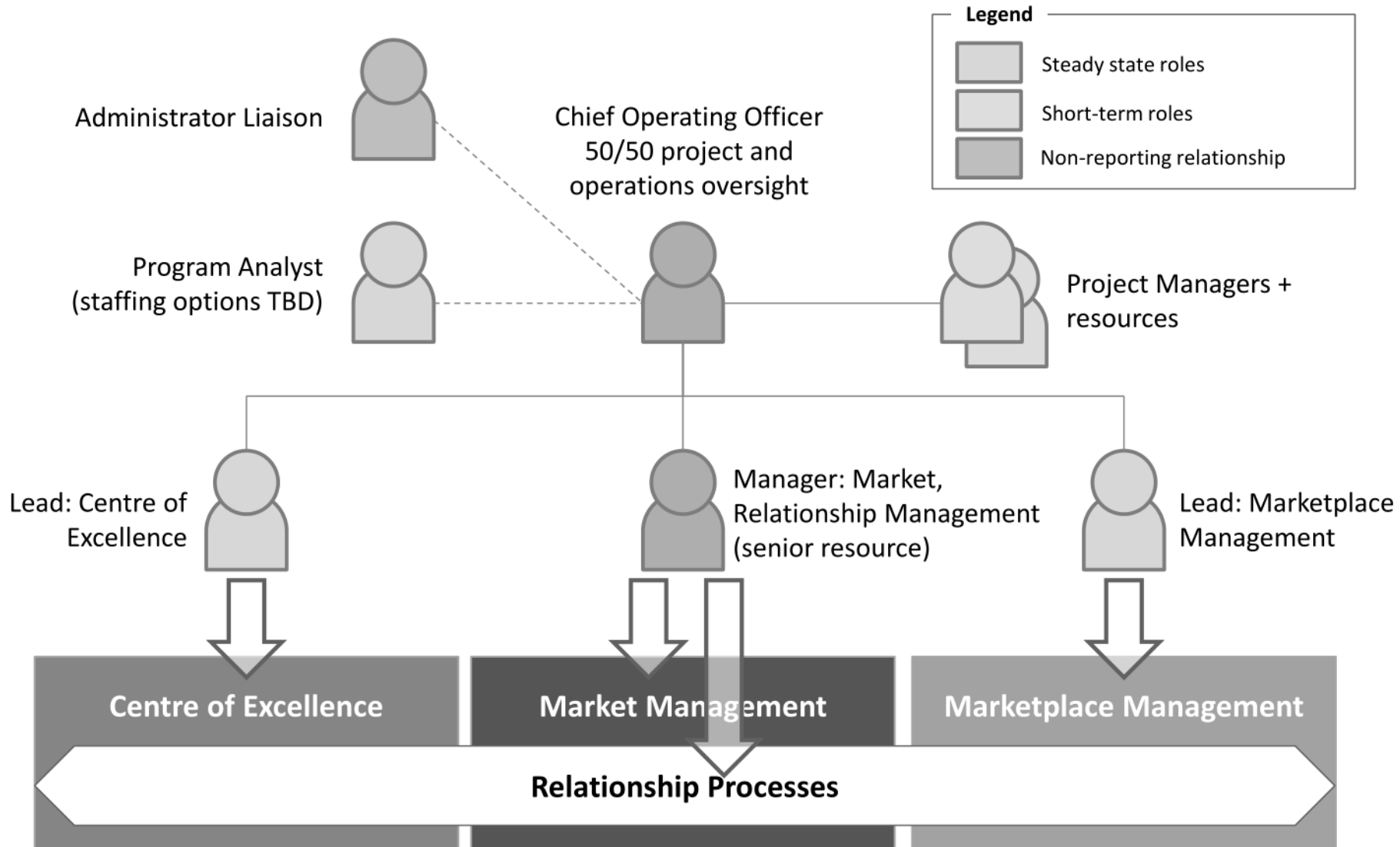| Centre of Excellence	Market Management	Marketplace Management

Value Chain Processes

Centre of Excellence			Market Management			Marketplace Management			
Guidelines & Best Practices Management	Special Event Management	Working Group Facilitation	Marketplace Expansion (Governance)	Needs & Demand Assessment	Business Case Development	Admin Fee Collection	Eligibility Review		Escalation Management
Knowledge Management and Sharing	CloudBC Marketplace Education	Lessons Learned Management	Solicitation Management	PIA & STRA Facilitation	Requirements, Standards & Qualification Mgmt	Contract Change Orders	Catalog Changes	On-Boarding New Customers	On-Boarding New Vendors

Relationship Processes

Customer Relationship Management

Broader Public Sector Relationship Management

Vendor Relationship Management

External Advisory Management

Public Communications

Support Processes

Program Management					Program Administration				
Strategic Planning	Executive Reporting	Project Management	Strategic Alignment	Resource Management	Budget Administration	Solicitation (Goods & Services)	Invoicing & Payment Processing	Entity Invoicing	User Inquiries Management

29

Operating Model Framework

Governance Model: reflects Participation Agreement

CloudBC

Legend

☐	Defined in the Participation Agreement
☐	Not defined in the Participation Agreement
--------	Non-reporting relationship

Governing Committee

Administrator → Management Committee

Other Subcommittees (e.g. Procurement, large projects)

External Advisors ⇠ ⇢ CloudBC ⇠ ⇢ Internal Advisory Bodies

Working Groups

CCIO entities (Point Persons, SMEs)

Operating Model Framework

Organizational Model: up to 5 resources required at steady state

Legend

- Steady state roles
- Short-term roles
- Non-reporting relationship

Administrator Liaison

Chief Operating Officer
50/50 project and
operations oversight

Program Analyst
(staffing options TBD)

Project Managers +
resources

Lead: Centre of
Excellence

Manager: Market,
Relationship Management
(senior resource)

Lead: Marketplace
Management

Centre of Excellence

Market Management

Marketplace Management

Relationship Processes

Operating Model Framework

Transition Plan: targeting MC/CCIO sign-off of Critical Path processes by Feb 15

Critical Path Processes & Timeline

- **Administrator Alignment & Processes** – includes all processes under Marketplace Management + 6 other processes

- **Customer Engagement & Strategy** – includes 'Marketplace Expansion (Gating)' + 5 other processes

Oct 1	Nov 1	Dec 1	Jan 1	Feb 1	Mar 1	Apr 1

Oct 12 – Nov 15
Initial customer needs
assessment interviews

Nov-Dec
Administrator
workshops

Dec 23
First drafts of
Critical processes
complete

Jan15
Processes
validated,
aggregated

Feb 15
MC/CCIO Sign-Off

Mar 23
Processes tested
Marketplace tested
Go-Live
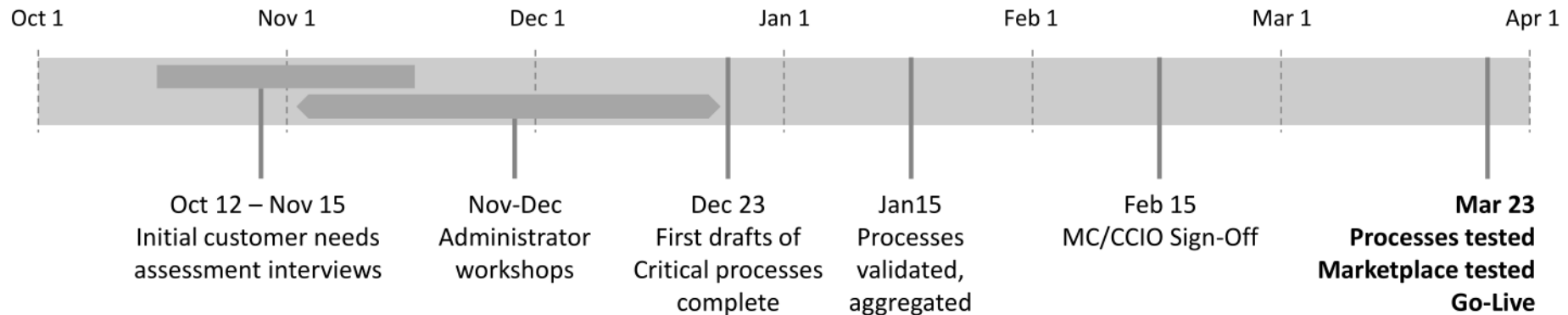
Considerations

- Remaining processes will be documented in parallel or subsequently as resources allows; initial prioritization of remaining processes is defined in the operating model. See appendix for list of Mission (1a) vs Non-Mission Critical (1b) processes.

- Begin onboarding / transitioning to steady state resources as early as March 2017.

- Current expectation is for the operations manual will be complete in by August 2017.

Operating Model Framework

- **For approval**: implement the proposed Operating Model Framework given core components discussed today:

  - Release 1 scope definition

  - Process model (processes to be documented in the Operations Manual)

  - Governance model

  - Organizational model

  - Transition plan (Mission Critical processes & timeline)

Agenda

1. Planning Context

2. ITSO and Procurement Strategy

3. Operating Model Framework Overview

4. **Implementation Plan Overview**

5. CloudBC Resource and Cost Model / Trade-offs

Appendix: Mission-Critical Processes

CloudBC Implementation Plan ToC

1. Executive Summary
2. Purpose of This Document
3. Alignment with Other CloudBC Deliverables
4. Overview of the CloudBC Target Operating Model Framework – Release 1
   1. CloudBC Value Chain
   2. CloudBC Process Model
5. Assumptions
6. Dependencies
7. Scope for Release
   1. In Scope
   2. Out of Scope
8. Approach
   1. Work Streams
9. Risks and Mitigation Strategies
10. Success Criteria
11. Stakeholder Benefits
12. Governance
13. Key Milestones and Deliverables
14. Roll-out Delivery Team and Budget

35

Purpose of Implementation Plan

Document Purpose:

- The CloudBC Implementation Plan is a tactical execution plan identifying the necessary activities required to realize Release 1 (R1) operational state for CloudBC.

- There are several key 'streams' of activity required to achieve CloudBC's goal of realizing a fully operational state (referred to throughout this document as 'steady-state') for the organization and it is critical that this document be read in conjunction with CloudBC's Operating Model Framework.

- The purpose of the CloudBC Implementation Plan is to enable and maintain operational continuity of CloudBC.

Scope for Release 1

It is important to clearly denote what Release 1 is and what it isn't. The following table outlines the Scope for Release 1.

In Scope	Out of Scope
1. The development and implementation of a needs analysis amongst CCIO entities. 2. The establishment of CloudBC Framework Agreements (CFAs) with IaaS and/or PaaS vendors. 3. The development and implementation of a CloudBC Marketplace (a static webpage). 4. The development and implementation of the CloudBC Operating Model Framework. 5. Training and education to CCIO entities for Release 1 components. 6. Transitioning CloudBC from its current state to a steady-state operational environment. 7. Developing and delivering communication to key stakeholders throughout Release 1. 8. s.17	1. The development and implementation of a CloudBC collaboration tool. 2. An interactive Marketplace with high-end features and tools. 3. s.17

Implementation Approach (Streams)*

Cloud BC Implementation Plan
Release 1 Rollout Plan

s.17
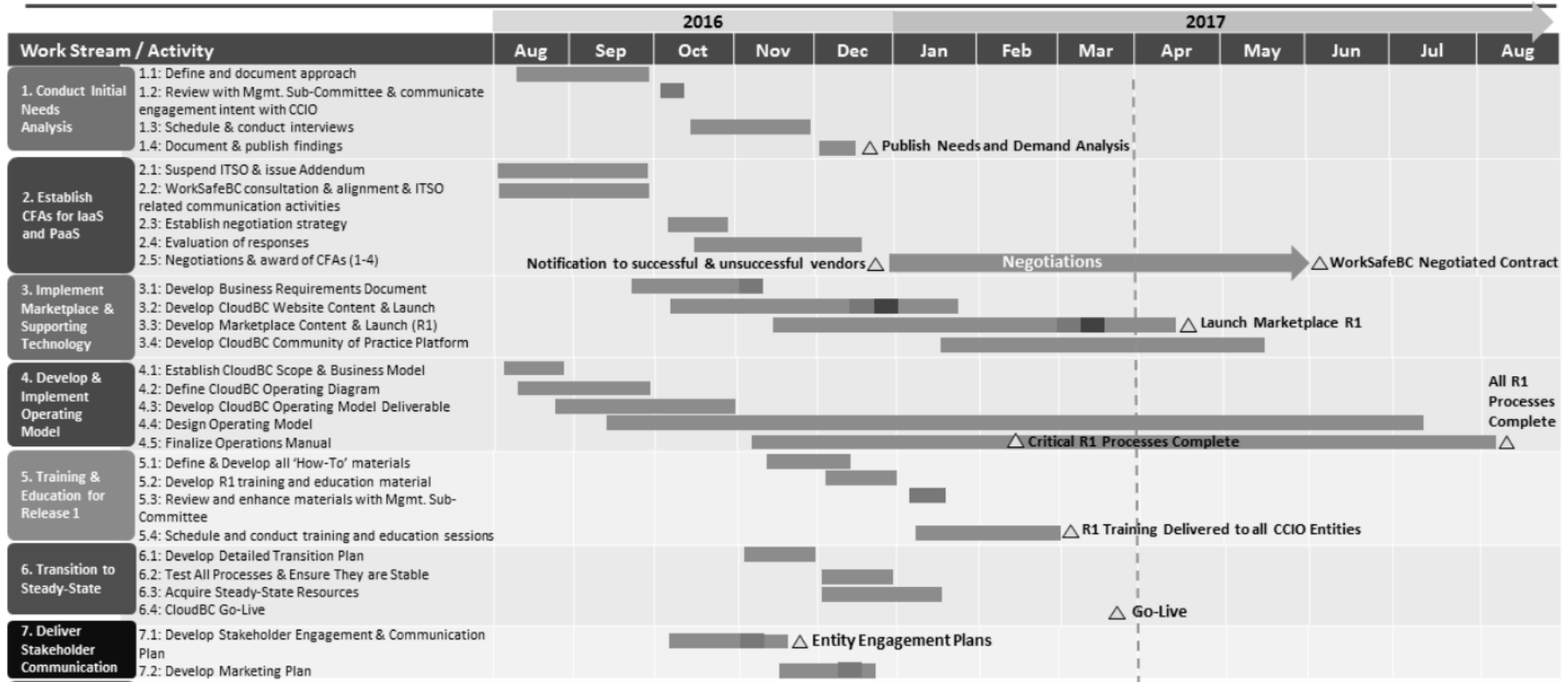
LEGEND: Color coded by ownership of the task — ■ CloudBC Activity ■ Mgmt. Sub-Committee Decision/Review ┊ Cut-off Point between Release 1A & 1B △ Project Milestones ■ CCIO Decision

*The Implementation Plan further describes, in detail, the activities, timelines and key deliverables/milestones identified in this diagram.

Assumptions & Dependencies

A number of key assumptions were used to develop the plan, along with a couple of key dependencies, as highlighted in the table below.

Assumptions*	Dependencies
The following assumptions were used in developing the CloudBC Implementation Plan: • The current governance structure will be in place throughout the implementation phase; • All major deliverables will be reviewed with Management Sub-Committee and, where appropriate, CCIO prior to implementation; • Government continues to be the administrator for CloudBC; • The CloudBC steady-state will be primarily resourced by full-time employees but may require consultant resources, where appropriate; • CloudBC projects and initiatives will be funded outside of the steady-state funding model; • Appropriate resources will continue to be in place to execute the Implementation Plan; • Existing funding levels for CloudBC will remain intact for 2016/17 and funding levels for subsequent years will be identified in the 3-Year business plan; and, • Cloud computing remains a strategic business objective and CCIO members continue to support the development of CloudBC.	The success of the implementation objectives is based on the following key dependencies: • There is approval to proceed with the CloudBC Release 1 Target Operating Model, as defined in the CloudBC Operating Model Framework; and, • There is a phased approach to grow CloudBC based on entity projects (demand and evolution of consumption of services through the CloudBC marketplace).

*A detailed list of assumptions are outlined in the Implementation Plan.

Implementation Risks and Mitigations

All implementations of this nature and complexity will inherently pose a degree of risk. To be adequately prepared it is crucial to lessen, reduce, or eliminate the adverse impacts of known or perceived risks. The following table identifies the top risks for this project along with strategies to mitigate the risks.

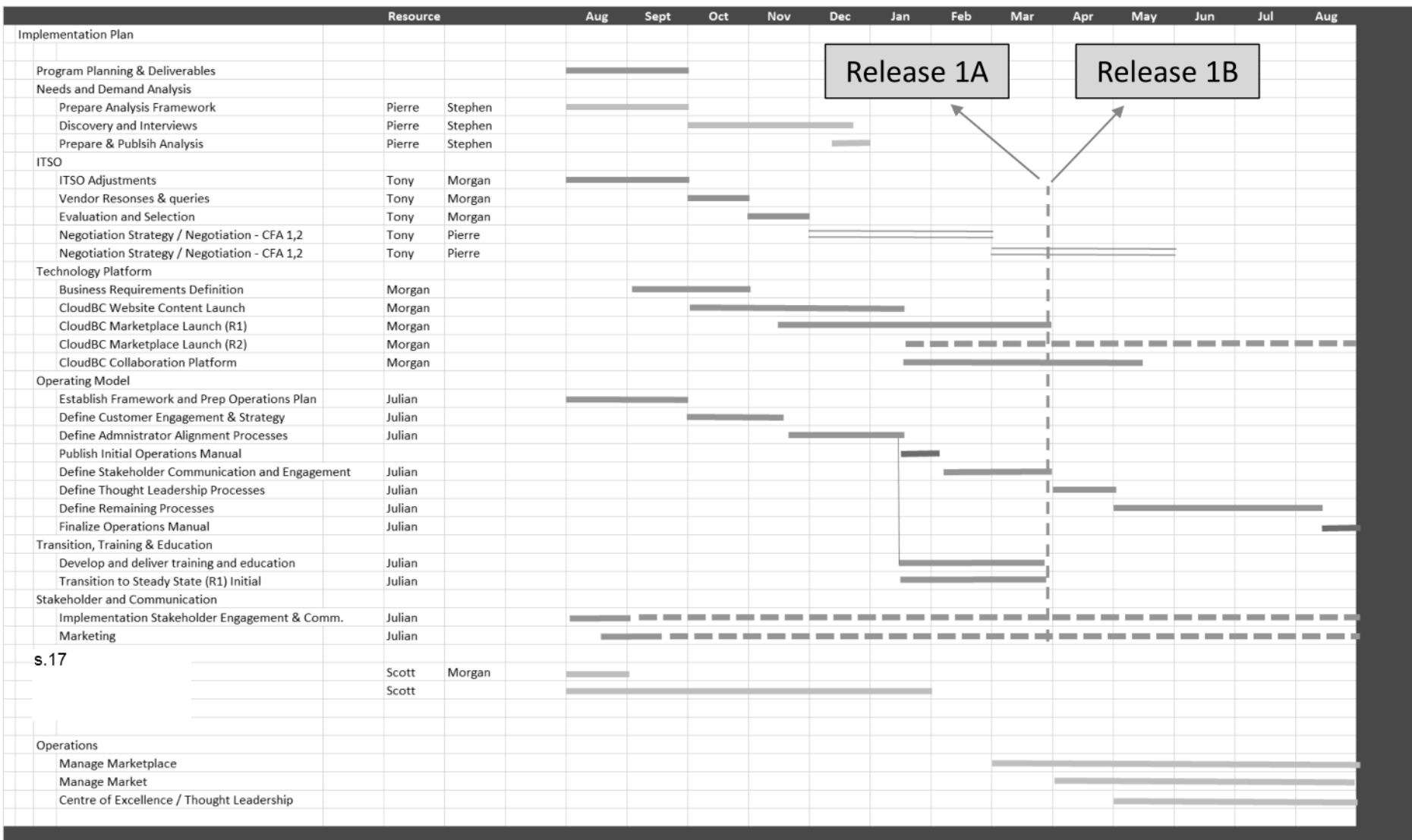| Risks	Mitigation	Probability	Impact
1. The organization lacks the necessary resources/funds to deliver the Implementation Plan within a reasonable timeline	• Ensure appropriate prioritization of key work streams are determined should budget pressures exist • Follow best practice project management process	High	High
2. Lack of CCIO readiness to consume cloud products and services	• Executive management and commitment to moving to the cloud communicated throughout all CCIO entities • Minimize CloudBC operational costs and scale to align to demand	High	High
3. CFA Negotiation results in varied compromises across different vendors	• Ensure sound negotiation strategy is developed • Continually assess risk of changes to any CFA	High	High
4. Cost overruns and delays, particularly due to unanticipated/hidden costs	• Follow best practice project management process • Re-align funding for scope changes (projects/initiatives) • The prioritization of the key work streams provides flexibility to prioritize tasks based on budget constraints	Medium	High
5. Turnover of CloudBC resources during the implementation phase could result in extended timelines and delayed deliverables	• As best as able, ensure continuity within the CloudBC team in order to deliver the Implementation Plan within the desired timelines	Medium	High

Risks and Mitigation Strategies Cont'd

Risks	Mitigation	Probability	Impact
6. CCIO strategic direction made by new members/leaders may impact the scope and timelines	• Continue to utilize a formalized decision-making framework continues • As best as able, ensure continuity within the CCIO • Ensure implementation is aligned with demand	Medium	High
7. CloudBC business model is a constraint on getting access to services and/or best practices	• Ensure CloudBC design streamlines procurement in order to generate administrative savings for CCIO entities • Actively engage early adopters and aggregate demand to gain customer buy-in during business case stage	Medium	High
8. Vendors do not agree to CloudBC contract terms and conditions or do not deliver as per agreement terms in the contract(s)	• Clear negotiation processes should be in place and negotiated with vendors prior to contract signing • Penalty and performance clauses must be included in contracts	Low	High
9. Failure in managing the implementation process	• Ensure appropriate CloudBC resources possess the required skills and experiences to manage the implementation process	Low	High
10. CloudBC governance ownership and control of the implementation plan is not clear	• Clear ownership of roles, responsibilities and tasks for the roll-out of the Implementation Plan is defined at the onset of the process	Low	High
11. Limited or lack of executive support for the Implementation Plan approach and process	• Implementation Plan to be communicated to all affected stakeholders • Roll-out incrementally to demonstrate value at regular intervals • Ongoing and regular engagement with CIOs	Low	High

Stakeholder Benefits

CloudBC Stakeholders will realize significant benefits upon realization of R1. The following table identifies, by key stakeholder category, the benefits that are anticipated through R1.

Stakeholder Group	Benefits
CCIO Entities	• Ability to procure/purchase IaaS/PaaS services from pre-qualified eligible vendor(s) that have agreed to CFA terms and conditions with Province • s.17 • Re-use of key artifacts (e.g. PIA & STRA) • Reduced effort by leveraging common work products and sharing of lessons learned • Lesson learned, best practice, thought leadership
Vendor Community	• Qualified IaaS and PaaS vendors can sell their products and/or services to CCIO entities with reduced marketing effort and cost • A single point of contact for certain elements of the public sector cloud strategy
Non-CCIO Public Sector Entities	• Where applicable, will be able to leverage any CloudBC business deal • Understand how to participate in CloudBC services, including the Centre of Excellence
Other Canadian Jurisdictions	• Receive learnings and insight from B.C. as an early adopter of cloud services • Understand BC's strategy, where there is alignment and, where applicable, there are opportunities for collaboration

42

Roll-Out Resourcing & Timeline

	Resource		Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Implementation Plan															
Program Planning & Deliverables															
Needs and Demand Analysis															
Prepare Analysis Framework	Pierre	Stephen													
Discovery and Interviews	Pierre	Stephen													
Prepare & Publsih Analysis	Pierre	Stephen													
ITSO															
ITSO Adjustments	Tony	Morgan													
Vendor Resonses & queries	Tony	Morgan													
Evaluation and Selection	Tony	Morgan													
Negotiation Strategy / Negotiation - CFA 1,2	Tony	Pierre													
Negotiation Strategy / Negotiation - CFA 1,2	Tony	Pierre													
Technology Platform															
Business Requirements Definition	Morgan														
CloudBC Website Content Launch	Morgan														
CloudBC Marketplace Launch (R1)	Morgan														
CloudBC Marketplace Launch (R2)	Morgan														
CloudBC Collaboration Platform	Morgan														
Operating Model															
Establish Framework and Prep Operations Plan	Julian														
Define Customer Engagement & Strategy	Julian														
Define Administrator Alignment Processes	Julian														
Publish Initial Operations Manual															
Define Stakeholder Communication and Engagement	Julian														
Define Thought Leadership Processes	Julian														
Define Remaining Processes	Julian														
Finalize Operations Manual	Julian														
Transition, Training & Education															
Develop and deliver training and education	Julian														
Transition to Steady State (R1) Initial	Julian														
Stakeholder and Communication															
Implementation Stakeholder Engagement & Comm.	Julian														
Marketing	Julian														
s.17															
	Scott	Morgan													
	Scott														
Operations															
Manage Marketplace															
Manage Market															
Centre of Excellence / Thought Leadership															

Release 1A

Release 1B

CloudBC Implementation Plan

For discussion & approval: Approval of Release 1 Implementation Plan, given core components discussed today:

- Scope

- Deliverables

- Timeline

- Resourcing

- Costs

Agenda

CloudBC

1. Planning Context

2. ITSO and Procurement Strategy

3. Operating Model Framework Overview

4. Implementation Plan Overview

5. **CloudBC Resource and Cost Model / Trade-offs**

Appendix: Mission-Critical Processes

Resource Model - Implementation

Assumptions and Principles

- Budget is fixed, resource limited. All existing resource are needed to deliver R1(a) and R1(b)

- Developed work breakdown structure with effort and duration estimates

- Plan drives what can and cannot be done with fixed resource

- Plan aligned and resourced along eight key streams (previous slide)

- Prioritization:
  - ITSO, already on the street
  - Subsequent assessment of bids and Negotiations
  - Planning deliverables
  - Operational processes required for running the MarketPlace
  - Technology necessary to meet CFA obligations (static website with links)
  - Training and Education
  - Transition to steady-state
  - Needs and demand analysis

Resource Model – Operating Model

Approach and Assumptions

- Described Operations Model Framework

- Identified and described all processes

- Bottom-Up: Performed a high level assessment of effort required for each process, frequency and volumes

- Top Down: analysis of operating model and a reasonable assessment of an org model

- Both bottom-up and top-down methods landed at approximately 5 persons

- Some overlap of project resource and operations resource assumed through transition

- Assumed costs of contractor for one role at all times

47

Resource and Cost Model

The following Resource and Cost Models are Preliminary and subject to change as we finalize the implementation plan, priorities and budget allocation.

48

Key Budget Assumptions

- Added Steady State resource in March thus year, First CFA Negotiated

- There is a transition to Operations Resource

- Assume one contractor in steady-state. CoE costs at contractor rates.

- COO time assigned 50% to operations and 50% to new projects but all funded out of steady state operations to avoid shortfall when no projects

- Left lease costs in. Take out once sublet occurs

- Limited technology platform - static website for R1

- Collaboration tools and some Marketplace functionality in R1(b)

- Full technology platform based on learnings delivered in R2

- Operating costs lower than current budget through contributions – balance should be used to fund research and initiation of new projects

- Projects and new initiatives will be funded and resourced outside steady-state operations on approval by CCIO

CloudBC Resource Model

Preliminary

Based on detailed WBS and Plan, and Operating Model Framework ~40 processes

	Org	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total
IMPLEMENTATION RESOURCE		157.5	150	157.5	150	157.5	142.5	172.5													
COO, Stakeholder Engagement	CloudBC Lead	1	1	1	1	1	1	1	0.50	0.50											0.08
Procurement & Negotiations Lead	ITSO	0.25	0.25	0.5	0.5	0.5	0.5	0.5	0.50	0.50											0.08
Project Manager	CloudBC Proj Mgt.	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25								0.10
Cloud BC ITSO Lead	ITSO	0.75	0.5	0.5	0.5	0.5	0.75	0.75	0.00	0.00	0.00	0.00	0.00								0.00
Cloud BC ITSO Lead	ITSO	0.5																			0.00
Operations Model Lead	Operations Model	1	1	1	1	1	1	1	1.00	1.00	1.00	1.00	1.00								0.42
CloudBC Administration	CloudBC Admin	1	1	1	1	1	1	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Procurement Lead	ITSO																				0.00
Tech Working Group Lead	Tech Working Group								0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Gov MITS (Hema)	Gov MITS																				
TOTAL IMPLEMENTATION RESOURCE		4.75	4	4.25	4.25	4.25	4.5	4.5	2.40	2.40	1.40	1.40	1.40	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.84
PROJECT RESOURCE																					
Procurement & Negotiations Lead s.17		0.75	0.75	1	0.75	0.5	0	0													0.00
Project Analyst		0	0.25	0.25	0.25	0.25	0	0													0.00
Project Analyst		0	0.5	0.6	0.5	0.25	0	0													0.00
Financial Analyst		0.1	0.25	0.25	0.15	0	0	0													0.00
TOTAL PROJECTS RESOURCE		0.85	1.75	2.1	1.65	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
OPERATIONS RESOURCE																					
COO								1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Marketplace Management Lead								0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Market Management Manager								1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
CoE Lead								0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.58
Administration								1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
TOTAL OPERATIONS RESOURCE		0.00	0.00	0.00	0.00	0.00	0.00	3.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.58

Resource Cost Model

Preliminary

Based on Resource Model

	Org	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total
IMPLEMENTATION RESOURCE																					
COO, Stakeholder Engagement	CloudBC	23,250	23,250	23,250	23,250	23,250	23,250	23,250	11,625	11,625	0	0	0	0	0	0	0	0	0	0	23,250
Procurement & Negotiations Lead	ITSO	6,200	6,200	12,400	12,400	12,400	12,400	12,400	12,400	12,400	0	0	0	0	0	0	0	0	0	0	24,800
Project Manager	CloudBC	6,006	6,006	6,006	6,006	6,006	6,006	6,006	6,006	6,006	6,006	6,006	6,006	0	0	0	0	0	0	0	30,031
Cloud BC ITSO Lead	ITSO	18,019	12,013	12,013	12,013	12,013	18,019	18,019	0	0	0	0	0	0	0	0	0	0	0	0	0
Cloud BC ITSO Lead	ITSO	8,990	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operations Model Lead	Operations Model	20,150	20,150	20,150	20,150	20,150	20,150	20,150	20,150	20,150	20,150	20,150	20,150	0	0	0	0	0	0	0	100,750
CloudBC Administration	Admin	6,975	6,975	6,975	6,975	6,975	6,975	6,975	0	0	0	0	0	0	0	0	0	0	0	0	0
Procurement Lead	ITSO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tech Working Group Lead	Tech Working Group	0	0	0	0	0	0	0	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	20,832
Gov MITS (Hema)	Gov MITS																					
AL IMPLEMENTATION RESOURCE COSTS		89,590	74,594	80,794	80,794	80,794	86,800	86,800	$51,917	$51,917	$27,892	$27,892	$27,892	$1,736	$1,736	$1,736	$1,736	$1,736	$1,736	$1,736	$199,663
PROJECTS RESOURCE																					
Procurement & Negotiations Lead s.17		20,344	20,344	27,125	20,344	13,563	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Project Analyst		0	6,006	6,006	6,006	6,006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Project Analyst		0	9,300	11,160	9,300	4,650	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financial Analyst		1,860	4,650	4,650	2,790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROJECTS COSTS AND EXPENSES		$22,204	$40,300	$48,941	$38,440	$24,219	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
AL IMPLEMENTATION / PROJECTS RESOURCE COSTS		$111,794	$114,894	$129,735	$119,234	$105,013	$86,800	$86,800	$51,917	$51,917	$27,892	$27,892	$27,892	$1,736	$1,736	$1,736	$1,736	$1,736	$1,736	$1,736	$199,663
OPERATIONS RESOURCE																					
COO	tbd	0	0	0	0	0	0	12,400	12,400	12,400	12,400	12,400	12,400	12,400	12,400	12,400	12,400	12,400	12,400	12,400	148,800
Marketplace Management Lead	tbd	0	0	0	0	0	0	0	9,920	9,920	9,920	9,920	9,920	9,920	9,920	9,920	9,920	9,920	9,920	9,920	119,040
Market Management Manager	tbd	0	0	0	0	0	0	11,573	11,573	11,573	11,573	11,573	11,573	11,573	11,573	11,573	11,573	11,573	11,573	11,573	138,880
CoE Lead	tbd	0	0	0	0	0	0	0	0	0	0	0	0	21,700	21,700	21,700	21,700	21,700	21,700	21,700	151,900
Administration	tbd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL OPERATING RESOURCE COSTS		$0	$0	$0	$0	$0	$0	$23,973	$33,893	$33,893	$33,893	$33,893	$33,893	$55,593	$55,593	$55,593	$55,593	$55,593	$55,593	$55,593	$558,620
TOTAL CLOUDBC RESOURCE COSTS		$111,794	$114,894	$129,735	$119,234	$105,013	$86,800	$110,773	$85,811	$85,811	$61,786	$61,786	$61,786	$57,329	$57,329	$57,329	$57,329	$57,329	$57,329	$57,329	$269,805

Total Costs 2016/17

SUMMARY	Actuals Now	Sept	Oct	Nov	Dec	Jan	Feb	Mar	and Forecast	Budget	Variance
TOTAL NUMBER OPERATING RESOURCE		0.00	0.00	0.00	0.00	0.00	0.00	3.00			
TOTAL OPERATING RESOURCE COST		$0	$0	$0	$0	$0	$0	$23,973	$23,973	$0	-$23,973
TOTAL OPERATING EXPENSES		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL OPERATING COSTS and EXPENSES		$0	$0	$0	$0	$0	$0	$23,973	$23,973	$0	-$23,973
TOTAL IMPLEMENTATION RESOURCE		4.75	4	4.25	4.25	4.25	4.5	4.5	4.36		
TOTAL PROJECT RESOURCE		0.85	1.75	2.1	1.65	1	0	0	1.05		
TOTAL IMPLEMENTATION RESOUR	$338,342	$89,590	$74,594	$80,794	$80,794	$80,794	$86,800	$86,800	$918,507	$869,978	-$48,529
TOTAL PROJECT RESOURCE COSTS	$242,814	$22,204	$40,300	$48,941	$38,440	$24,219	$0	$0	$416,918	$461,025	$44,107
TOTAL IMPLEMENTATION EXPENS	$219,410	$25,460	$15,485	$15,485	$25,460	$25,460	$25,460	$75,460	$427,680	$376,560	-$51,120
TOTAL PROJECT EXPENSES	$57,798	$0	$5,500	$36,000	$24,000	$12,000	$0	$0	$135,298	$92,438	-$42,860
TOTAL IMPLEMENTATION COSTS a	$858,364	$137,254	$135,879	$181,220	$168,694	$142,473	$112,260	$162,260	$1,898,403	$1,800,001	**-$98,402**
TOTAL CLOUDBC COSTS and EXPDE	$858,364	$137,254	$135,879	$181,220	$168,694	$142,473	$112,260	$186,233	$1,922,376	$1,800,001	**-$122,375**

(Preliminary) Total Costs 2017/18

SUMMARY	2017												Total
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
TOTAL NUMBER OPERATING RESOURCE	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	55.00
TOTAL OPERATING RESOURCE COST	$33,893	$33,893	$33,893	$33,893	$33,893	$55,593	$55,593	$55,593	$55,593	$55,593	$55,593	$55,593	$558,620
TOTAL OPERATING EXPENSES	$6,350	$6,350	$6,350	$6,350	$6,350	$51,850	$46,850	$36,850	$67,350	$53,850	$53,850	$38,850	$381,200
TOTAL OPERATING COSTS and EXPENSES	$40,243	$40,243	$40,243	$40,243	$40,243	$107,443	$102,443	$92,443	$122,943	$109,443	$109,443	$94,443	$939,820
TOTAL IMPLEMENTATION RESOURCE	2.4	2.4	1.4	1.4	1.4	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.84
TOTAL PROJECT RESOURCE	0	0	0	0	0	0	0	0	0	0	0	0	0.00
TOTAL IMPLEMENTATION RESOURCE COSTS	$51,917	$51,917	$27,892	$27,892	$27,892	$1,736	$1,736	$1,736	$1,736	$1,736	$1,736	$1,736	$199,663
TOTAL PROJECT RESOURCE COSTS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL IMPLEMENTATION EXPENSES	$80,961	$70,961	$65,961	$25,961	$25,961	$0	$0	$0	$0	$0	$0	$0	$269,805
TOTAL PROJECT EXPENSES	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL IMPLEMENTATION COSTS and EXPENSES	$132,878	$122,878	$93,853	$53,853	$53,853	$1,736	$1,736	$1,736	$1,736	$1,736	$1,736	$1,736	$469,468
TOTAL CLOUDBC COSTS and EXPDENSES	$173,122	$163,122	$134,097	$94,097	$94,097	$109,179	$104,179	$94,179	$124,679	$111,179	$111,179	$96,179	$1,409,288

Key Budget Risks and Mitigation

- Variance for 2016/17 is Negative $122,375
  - s.17

- No Contingency in forecast – the above will relieve current budget pressure by approximately $150,000

- Legal Costs forecast may not be enough ($85,000). Actuals $106,900. Still have a couple CFAs to negotiate with Goliath and his brothers. Need to build contingency and may need manage negotiations into 2016/17 budgets

- Unsure of the number of bids we will receive. Compelled to negotiate in a reasonable time with all proponents that meet criteria.

Summary of Key Trade-offs

- Split Phase 1 into (a) and (b). Ensure mission critical processes are ready for first negotiated CFA. Must keep timeline aligned with first marketplace adopter.

- Little investment of time and budget through 2016/17 financial year toward a key requirement – Centre of Excellence and Thought Leadership.

- Limited technology platform: Static website for Marketplace (with some links to vendor pages)

- No collaboration or knowledge ware platform until 2017/18 budget

- s.17

Agenda

1. Planning Context

2. ITSO and Procurement Strategy

3. Operating Model Framework Overview

4. Implementation Plan Overview

5. CloudBC Resource and Cost Model / Trade-offs

Appendix: Mission-Critical Processes

56

Appendix

Release 1a (Mission Critical) vs 1b processes

	Value Chain Processes			Relationship Processes	Support Processes		
	Centre of Excellence	**Market Management**	**Marketplace Management**		**Program Management**	**Program Administration**	**Technology Management**
Mission Critical Processes (1a)	• CloudBC Marketplace Education & Training Content Management	• Marketplace Expansion (Gating Process) • Requirements, Standards & Qualification Management • PIA and STRA Facilitation	• Collection of Admin Fees • Eligibility Review • Escalation Management • Contract Change Orders • Catalog Changes • On-Boarding New Vendors • On-Boarding Customers	• Customer Relationship Management • Needs & Demand Assessment • Public Communications	• Executive Reporting • Strategic Alignment • Strategic Planning • Project Management	• Solicitation (Goods & Services)	
Remaining Processes (1b)	• Guidelines & Best Practices Management • Knowledge Management & Sharing • Lessons Learned Management • Special Event Management • Working Group Facilitation	• Business Case Development • Solicitation Management		• Broader Public Sector Engagement • Vendor Relationship Management • External Advisory Engagement		• Resource Management • Budget Administration* • Invoicing & Payment* Processing • Entity Invoicing* • User Inquiries Management	• Enhancement Management • Provider Management • Content Management & Configuration

* Processes are currently operational

CloudBC Expenses 2016/17 (Actuals & Forevast)

	Actuals Now	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total Actuals and Forecast	Remainin Forecast	Budget	Variance
IMPLEMENTATION EXPENSES												
Travel Costs	$7,777								$7,777	$0	$49,000	$41,223
Expenses									$0	$0	$0	$0
Membership Fees	$0	$500	$500	$500	$500	$500	$500	$500	$3,500	$3,500	$6,000	$2,500
Training	$0	$500	$500	$500	$500	$500	$500	$500	$3,500	$3,500	$6,000	$2,500
Supplies	$100	$85	$85	$85	$85	$85	$85	$85	$695	$595	$1,185	$490
Telecom	$885	$250	$250	$250	$250	$250	$250	$250	$2,635	$1,750	$0	-$2,635
SSBC	$15,625	$3,125	$3,125	$3,125	$3,125	$3,125	$3,125	$3,125	$37,500	$21,875	$48,000	$10,500
WSBC Backcharge (resource Costs)	$33,340								$33,340	$0	$0	-$33,340
Lease	$27,500	$5,500	$5,500	$5,500	$5,500	$5,500	$5,500	$5,500	$66,000	$38,500	$66,000	$0
Property Taxes	$5,452								$5,452	$0	$0	-$5,452
External Legal Council (CloudBC)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
General Legal Services	$151	$0	$0	$0	$0	$0	$0	$0	$151	$0	$10,500	$10,349
Legal Services Branch	$106,900	$14,875	$4,900	$4,900	$14,875	$14,875	$14,875	$14,875	$191,075	$84,175	$39,375	-$151,700
Procurement Services Branch	$13,180	$625	$625	$625	$625	$625	$625	$625	$17,555	$4,375	$45,000	$27,445
Technology - GCPE									$0	$0		$0
Website	$8,500						$0	$50,000	$58,500	$50,000	$100,000	$41,500
Marketplace R1												$0
Marketplace R2												$0
Hosting											$5,500	$5,500
Technology SI												$0
Collaboration Tool												$0
CONTINGENCY												
TOTAL	$219,410	$25,460	$15,485	$15,485	$25,460	$25,460	$25,460	$75,460	$427,680	$208,270	$376,560	-$51,120
PROJECT EXPENSES												
Travel Costs s.17	$3,039								$3,039	$0	$0	-$3,039
External Legal Council	$39,487	$0	$0	$0	$0	$0	$0	$0	$39,487	$0	$0	-$39,487
Legal Services Bracnch	$0	$0	$3,500	$21,000	$14,000	$7,000	$0	$0	$45,500	$45,500	$84,000	$38,500
Procurement Services Branch	$15,272	$0	$2,000	$15,000	$10,000	$5,000	$0	$0	$47,272	$32,000	$8,438	-$38,834
TOTAL	$57,798	$0	$5,500	$36,000	$24,000	$12,000	$0	$0	$135,298	$77,500	$92,438	-$42,860
TOTAL IMPLEMENTATION EXPENS									$562,978		$468,998	-$93,980
TOTAL PROGRAM IMPLEMEN									$1,898,403			

Operating Expenses 2016/17

No Operating Expenses During 2016/17

OPERATIONS EXPENSES	Actuals Now	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total Actuals and Forecast	Current Forecast	Budget	Variance
Travel Costs												
Expenses												
Membership Fees												
Training												
Supplies												
Telecom												
SSBC												
WSBC Backcharge (resource Costs)												
Lease												
Property Taxes												
External Legal Council (CloudBC)												
General Legal Services												
Legal Services Branch												
Procurement Services Branch												
Technology - GCPE												
Website												
Marketplace R1												
Marketplace R2												
Technology SI												
Collaboration Tool												
CONTINGENCY												
TOTAL OPERATING EXPENSES	$0	$0	$0	$0	$0	$0	$0	$0				

Summary 2016/17

SUMMARY	Actuals Now	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total Actuals and Forecast	Current Forecast	Budget	Variance
TOTAL NUMBER OPERATING RESOURCE		0.00	0.00	0.00	0.00	0.00	0.00	3.00				
TOTAL OPERATING RESOURCE COST		$0	$0	$0	$0	$0	$0	$23,973	$23,973		$0	-$23,973
TOTAL OPERATING EXPENSES		$0	$0	$0	$0	$0	$0	$0	$0		$0	$0
TOTAL OPERATING COSTS and EXPENSES		$0	$0	$0	$0	$0	$0	$23,973	$23,973		$0	-$23,973
TOTAL IMPLEMENTATION RESOURCE		4.75	4	4.25	4.25	4.25	4.5	4.5	4.36			
TOTAL PROJECT RESOURCE		0.85	1.75	2.1	1.65	1	0	0	1.05			
TOTAL IMPLEMENTATION RESOUR	$338,342	$89,590	$74,594	$80,794	$80,794	$80,794	$86,800	$86,800	$918,507		$869,978	-$48,529
TOTAL PROJECT RESOURCE COSTS	$242,814	$22,204	$40,300	$48,941	$38,440	$24,219	$0	$0	$416,918		$461,025	$44,107
TOTAL IMPLEMENTATION EXPENS	$219,410	$25,460	$15,485	$15,485	$25,460	$25,460	$25,460	$75,460	$427,680		$376,560	-$51,120
TOTAL PROJECT EXPENSES	$57,798	$0	$5,500	$36,000	$24,000	$12,000	$0	$0	$135,298		$92,438	-$42,860
TOTAL IMPLEMENTATION COSTS a	$858,364	$137,254	$135,879	$181,220	$168,694	$142,473	$112,260	$162,260	$1,898,403		$1,800,001	-$98,402
TOTAL CLOUDBC COSTS and EXPDI	$858,364	$137,254	$135,879	$181,220	$168,694	$142,473	$112,260	$186,233	$1,922,376		$1,800,001	-$122,375

Implementation Costs 2017/18

Preliminary

2017	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total
IMPLEMENTATION EXPENSES	2017												
Travel Costs	$1,000	$1,000	$1,000	$1,000	$1,000								$5,000
Expenses													$0
Membership Fees	$500	$500	$500	$500	$500								$2,500
Training	$500	$500	$500	$500	$500								$2,500
Supplies	$85	$85	$85	$85	$85								$425
Telecom	$250	$250	$250	$250	$250								$1,250
SSBC	$3,126	$3,126	$3,126	$3,126	$3,126								$15,630
WSBC Backcharge (resource Costs)													$0
Lease	$0	$0	$0	$0	$0								$0
Property Taxes													$0
External Legal Council (CloudBC)	$0	$0	$0	$0	$0								$0
General Legal Services	$10,000	$0	$0	$0	$0								$10,000
Legal Services Branch	$10,000	$10,000	$10,000	$10,000	$10,000								$50,000
Procurement Services Branch	$500	$500	$500	$500	$500								$2,500
Technology - GCPE													$0
Website	$5,000	$5,000											$10,000
Marketplace R1	$20,000	$20,000	$20,000										$60,000
Marketplace R2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Hosting													$0
Technology SI													$0
Collaboration Tool	$20,000	$20,000	$20,000										$60,000
CONTINGENCY	$10,000	$10,000	$10,000	$10,000	$10,000								$50,000
TOTAL	$80,961	$70,961	$65,961	$25,961	$25,961	$0	$0	$0	$0	$0	$0	$0	$269,805
PROJECT EXPENSES													
Travel Costs s.17													$0
External Legal Council													$0
Legal Services Bracnch													$0
Procurement Services Branch													$0
TOTAL	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Preliminary Operating Costs 2017/18

OPERATIONS EXPENSES	2017												
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total
Travel Costs	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$12,000
Expenses													$0
Membership Fees	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$6,000
Training	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$500	$6,000
Supplies	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$1,200
Telecom	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$3,000
SSBC	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$4,000	$48,000
WSBC Backcharge (resource Costs)													$0
Lease	$0	$0	$0	$0	$0	$5,500	$5,500	$5,500	$5,500	$5,500	$5,500	$5,500	$38,500
Property Taxes										$5,500			$5,500
External Legal Council (CloudBC)							$10,000		$10,000		$10,000		$30,000
General Legal Services						$10,000							$10,000
Legal Services Branch						$5,000	$5,000	$5,000	$5,000	$10,000	$10,000	$10,000	$50,000
Procurement Services Branch										$2,000	$2,000	$2,000	$6,000
Technology - GCPE													$0
Website						$5,000			$5,000			$5,000	$15,000
Marketplace R1													$0
Marketplace R2						$10,000	$10,000	$10,000	$10,000	$10,000			$50,000
													$0
Technology SI													$0
Collaboration Tool									$10,000	$10,000	$10,000		$30,000
CONTINGENCY						$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$70,000
TOTAL OPERATING EXPENSES	$6,350	$6,350	$6,350	$6,350	$6,350	$51,850	$46,850	$36,850	$67,350	$53,850	$53,850	$38,850	$381,200
OPERATIONS RESOURCE													
COO	$12,400	$12,400	$12,400	$12,400	$12,400	$12,400	$12,400	$12,400	$12,400	$12,400	$12,400	$12,400	$148,800
Marketplace Management Lead	$9,920	$9,920	$9,920	$9,920	$9,920	$9,920	$9,920	$9,920	$9,920	$9,920	$9,920	$9,920	$119,040
Market Management Manager	$11,573	$11,573	$11,573	$11,573	$11,573	$11,573	$11,573	$11,573	$11,573	$11,573	$11,573	$11,573	$138,880
CoE Lead	$0	$0	$0	$0	$0	$21,700	$21,700	$21,700	$21,700	$21,700	$21,700	$21,700	$151,900
Administration	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL OPERATING RESOURCE COSTS	$33,893	$33,893	$33,893	$33,893	$33,893	$55,593	$55,593	$55,593	$55,593	$55,593	$55,593	$55,593	$558,620

SUMMARY	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total
TOTAL NUMBER OPERATING RESOU	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	55.00
TOTAL OPERATING RESOURCE COST	$33,893	$33,893	$33,893	$33,893	$33,893	$55,593	$55,593	$55,593	$55,593	$55,593	$55,593	$55,593	$558,620
TOTAL OPERATING EXPENSES	$6,350	$6,350	$6,350	$6,350	$6,350	$51,850	$46,850	$36,850	$67,350	$53,850	$53,850	$38,850	$381,200
TOTAL OPERATING COSTS and EXPEI	$40,243	$40,243	$40,243	$40,243	$40,243	$107,443	$102,443	$92,443	$122,943	$109,443	$109,443	$94,443	$939,820

CloudBC Management Committee Meeting Minutes

CloudBC Management Committee Meeting Minutes	Date: September 29, 2016
	Start Time: 1:00 pm
	Teleconference

Attendees: Pierre Vorster, CloudBC COO (Chair)
Bette-Jo Hughes, OCIO
Dave Marecek, BC Pension
Guy Weeks

CloudBC: Anthony Roy

Regrets: Erwin Martinez, BC Ferries
Scott Wilkinson

Meeting called to order at 1:00 pm

AGENDA

Call to order and review of Agenda

1. Review presentation for Oct. 3 CCIO Meeting

High levels items were:

1. 1 Planning Context
2. ITSO
3. Procurement Strategy
4. Operations Model Framework
5. Implement plan
6. Resource and cost model with trade-offs

- s.17
- May require separate projects for Government and Healthcare
- Scott and Pierre to work on details

ACTION ITEMS

Action	Owner(s)	Due	Status
a. Change the cost model to reflect all consulting resource	Pierre	October	Open
b. s.17	Pierre	October	Open

	Action	Owner(s)	Due	Status
c.	Review CCIO presentation to reduce the content	Pierre	October 3	Closed
d.	s.17			
e.	Review Participation agreement to determine the extent the entities need to be consulted on proposed changes to the ITSO	Pierre	September	Closed
f.	Formulate agenda and items for discussion at October 3rd CCIO workshop.	Pierre	September	Closed
g.	For October CCIO meeting – provide an outline of all CloudBC achievements and an explanation of the value that entities have received for their investment to date.	Pierre	October	Closed
h.	For October CCIO meeting – review the initial commitment to CloudBC funding over the 3-year period that outlines how entities contributions would decrease over time.	Pierre	October	Closed
i.	Develop consolidated Risk Register for CloudBC	Pierre	End of September	Closed

DECISION/APPROVALS

CloudBC

MANAGEMENT COMMITTEE UPDATE

OCTOBER 24th, 2016

Agenda

1. Status Report (pre-meeting review)

2. ITSO Status

3. Demand and Readiness Assessment

4. s.17

5. Thought Leadership Topics and Focus Points

6. Gartner

CloudBC

Monthly Status Report

September 2016

CloudBC Monthly Progress Dashboard – September 2016

Work Stream	September 2016 Planned Activities	October 2016 Planned Activities	Status*
1. **Program Management**	Develop key Program Management Deliverables: ✓ CloudBC Project Plan ✓ Draft CloudBC Operating Model Framework ✓ Draft CloudBC Implementation Plan ✓ Draft CloudBC Resource Model & Budget	Develop key Program Management Deliverables, incorporating feedback from CCIO: • Finalize CloudBC Operating Model Framework • Finalize CloudBC Implementation Plan • Initiate 3-Year Business Plan • Enhance CloudBC Risk Register & Issues Log • Develop Monthly Status Report & Newsletter Format(s)	●
2. **Initial Needs Analysis**	• Develop Needs Analysis Approach and Schedule (50%)	• Develop Needs Analysis Approach and Schedule	●
3. **Establish CFAs for IaaS & PaaS (ITSO)**	✓ Develop ITSO ammendment content	✓ Approval & issuance of ITSO ammendment • Respond to vendor questions • Development of ITSO Negotiation Strategy	●
4. **Implement Marketplace & Technology Platform**		• Develop CloudBC Technology Platform Business Requirements Document (BRD) • Prepare CloudBC Website content	●
5. **Design Detailed CloudBC Operating Model**	✓ Design CloudBC Operating Model ✓ Develop Steady-State Resource & Cost Model	• Define, document Customer Engagement & Strategy & Support Services Processes, Policies & Procedures (PPP)	●
6. **Training & Education for R1**			Not currently underway
7. **Transition to Steady-State Operations**			Not currently underway
8. **Deliver Stakeholder Communications**		• Develop Stakeholder Engagement & Communications Strategy	●
9. s.17			●

CloudBC Monthly Progress Financial Overview – September 2016

			Budget	Forecast tabled at CCIO (Oct. 3) (Sept - Mar)	YTD Actual	Remaining Forecast	Actual + Forecast	Last Month Annual Variance	CurrentAnnual Variance
Implementation									
	Resources		$ 869,978	$918,507	$480,124	$490,575	$970,699	-$ 48,529	-$100,721
	Expenses	**Legal**	$ 49,875	$191,226	$121,926	$69,300	$191,226	-$ 141,351	-$141,351
		Procurement	$ 45,000	$17,555	$13,805	$3,750	$17,555	$ 27,445	$27,445
		Other	$ 281,685	$218,899	$108,974	$109,760	$218,734	$ 62,786	$62,951
Total Implementation Costs			**$1,246,538**	**$1,346,187**	**$724,829**	**$673,385**	**$1,398,214**	**-$99,649**	**-$151,676**
Projects									
	Resources		$ 461,025	$416,918	$260,885	$27,125	$288,010	$ 44,107	$173,015
	Expense	**Legal**	$ 84,000	$100,259	$54,759	$45,500	$100,259	-$ 16,259	-$16,259
		Procurement	$ 8,438	$32,000	$0	$0	$0	-$ 23,562	$8,438
		Other	$ -	$3,039	$4,039	$0	$4,039	-$ 3,039	-$4,039
Total Projects Costs			**$553,463**	**$552,216**	**$319,683**	**$72,625**	**$392,308**	**$1,247**	**$161,155**
Total CloudBC Costs and Expenses			**$1,800,001**	**$1,898,403**	**$1,044,512**	**$746,010**	**$1,790,522**	**-$98,402**	**$9,479**

NOTE

- Adjusted based on Oct 3rd CCIO directives
- Assumes :
  - s.17
  -
- LSB numbers for August and September are estimates (Actuals not received yet)

CloudBC Monthly Progress Key Issues Overview – September 2016

#	Issue Description	Impact on Objectives	Owner	Actions	Status	Target Close Date
1	CloudBC budget for 2016/17 is extremely tight and compromises required	• Required prioritization of Release 1 activities and close monitoring of scope • Not all elements expected in Release 1 will be delivered in 2016/17 • s.17	• Pierre Vorster	• Manage CloudBC Budget • s.17	• Budget is understood and is being closely managed • s.17 • CCIO approvals for Release 1A & 1B complete	• To be monitored throughout the 2016/17 fiscal year
2	ITSO key resources away at the same time (PSB & LSB)	• Minimal impact on the PSB side as the project team should be adequately prepared to handle vendor responses • Still determining the impact of LSB resource absence	• Tony Roy	• Determine LSB replacement while Allison is away (until mid-November)	• Back-up PSB resource has been identified • Currently searching for a back-up LSB resource while Allison is away	• October 28, 2016

CloudBC Monthly Progress Key Risks* Overview – September 2016

Risk ID	Description of the Risk	Description of the Potential Impact(s)	Owner	Mitigation Strategy	Status Update	Risk Rating after Mitigation			
						Risk Likelihood (1-5)	Risk Impact (1-5)	Score	Risk Rating
	What is it that you are working to avoid or reduce the likelihood or impact of occurring? Risks are future events that could interfere with achievement of objectives.	*If this Risk Event did occur, how would it impact objectives? What are the longer-term or cumulative consequences?*	*Person(s) responsible for management of the mitigation strategy*	*What is the agreed strategy to mitigate the risk*	*Update status on the mitigation strategy, and summary & jusitification for changes to the Risk Rating and/or Mitigation Strategy*	*How Likely?*	*How Severe?*	*Combined Score*	*See Risk Ratings Tables*
1	Fixed budget for 2016/17 continues to be challenged by unanticipated costs and/or SaaS project scope clarity infringes on CloudBC funding	* CloudBC budget exceeded through unanticipated costs such as; 1. Legal costs s.17	Pierre Vorster	* Closely monitor budget, request earlier budget inputs from LSB and PSB (timesheets) s.17	* Efforts underway with H.A.s to initiate pilot * Efforts underway with GoBC to develop a plan	4	4	16	2HIGH
2	Sheer number of bids received and CloudBC capacity to negotiate with all bids that meet qualifications (initial intake and ongoing)	* schedule delays, inability to meet early adopter timelines * Legal costs could significantly exceed budget * Discruntled qualified vendors	Tony Roy	* Manage qualification criteria in ITSO * Prioritize negotiation schedule	* Amendment #5 adjusted ITSO criteria * Developing the negotiation strategy and updating the evaluation workbook	4	4	16	2HIGH
3	Admin fee from cloud service consumption take-up does not meet CloudBC budget requirements (specifically early stages)	* Entities withdraw funding for CloudBC * Early benefits of knowledge transfer through CloudBC CoE is lost Value from early procurement work (PIA, STRA, etc.) lost	Pierre Vorster	Consider and alternate funding model - hybrid membership fee and admin fee from consumption	* Early stages of considering alternate funding models	3	5	15	2HIGH
4	CloudBC marketplace implementation not aligned with realistic CCIO entity demand	* Marketplace developed and entities do not consume services * Discruntled vendors that manage their place in the marketplace but do not subsequent sales	Pierre Vorster	* Complete a readiness and demand assessment * Build a realistic demand forecast * Manage the procurement and development of the marketplace in alignment with demand * Through the Knowledge Centre, make cloud adoption planning methodologies available to key resources in each entity * Engage non-CCIO entities for consumption of cloud services through the marketplace	* Developed Initial Needs and * Demand Analysis with engagement to occur throughout the fall of 2016 to gain a fulsome understanding of CCIO entity demand	3	4	12	2HIGH

*Risks stated from a CloudBC Program perspective.

CloudBC Monthly Progress Key Risks* Overview Cont'd – September 2016

Risk ID	Description of the Risk	Description of the Potential Impact(s)	Owner	Mitigation Strategy	Status Update	Risk Rating after Mitigation			
						Risk Likelihood (1-5)	Risk Impact (1-5)	Score	Risk Rating
	What is it that you are working to avoid or reduce the likelihood or impact of occurring? Risks are future events that could interfere with achievement of objectives.	*If this Risk Event did occur, how would it impact objectives? What are the longer-term or cumulative consequences?*	*Person(s) responsible for management of the mitigation strategy*	*What is the agreed strategy to mitigate the risk*	*Update status on the mitigation strategy, and summary & jusitification for changes to the Risk Rating and/or Mitigation Strategy*	*How Likely?*	*How Severe?*	*Combined Score*	*See Risk Ratings Tables*
5	Point Person model may not be sufficient to effectively engage on behalf of Health sector and BC Govt given their size and complexity.	- Entity does not derive an acceptable return on its investment in participating in CloudBC - CloudBC is not successful in supporting adoption and/or leveraging expertise from these organizations	Julian Whike	Develop role description for the Point Person and get sign off by Management Committee, develop entity engagement plans (aka account plan on a page) with each Point Person and get sign off by both the Point Person and their CIO on the plan.	Work with Bette-Jo (Govt) and Dave Parker (Health) to help engagement plans vis-à-vis CloudBC and Gov/Health	3	4	12	2HIGH
6	Negotiation delays impact schedule	Should negotiation with vendor(s) take longer than originally anticipated (60 days), it may impact early adopter abilities to contract with IaaS and PaaS vendors. This could result in early adopter(s) being frustrated with the time it takes to put CFAs in place.	Tony Roy	* Assessing options to focus discussions on specific Ts & Cs	A negotiation strategy is to be developed and negotiations are to be led by senior resources who will effectively manage the process	3	4	12	2HIGH
7	s.17								2HIGH
8	Perceived value and necessity for CloudBC dissipates over time or as membership of CCIO changes	* CloudBC no longer operational * Benefits of best practice and duplicated effort are lost	Pierre Vorster	* Ongoing engagement with CIOs 1:1 * Develop relationship with ED-layer in each entitiy (enterprise architect, directors) * Develop CloudBC promotional and marketing material * Implement CloudBC website	Engagement actitivites underway to ensure CloudBC effort is allocated appropriately and value is realized by CCIO entities	3	4	12	2HIGH

Appendix

- CloudBC High-Level Project Plan (as presented to CCIO on October 3rd, 2016)
- CloudBC Status Dashboard Legend

CloudBC High-Level Project Plan (as presented to CCIO on Oct. 3rd, 2016)

Task	Resource		Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Implementation Plan															
Program Planning & Deliverables															
Needs and Demand Analysis															
Prepare Analysis Framework	Pierre	Stephen													
Discovery and Interviews	Pierre	Stephen													
Prepare & Publsih Analysis	Pierre	Stephen													
ITSO															
ITSO Adjustments	Tony	Morgan													
Vendor Resonses & queries	Tony	Morgan													
Evaluation and Selection	Tony	Morgan													
Negotiation Strategy / Negotiation - CFA 1,2	Tony	Pierre													
Negotiation Strategy / Negotiation - CFA 1,2	Tony	Pierre													
Technology Platform															
Business Requirements Definition	Morgan														
CloudBC Website Content Launch	Morgan														
CloudBC Marketplace Launch (R1)	Morgan														
CloudBC Marketplace Launch (R2)	Morgan														
CloudBC Collaboration Platform	Morgan														
Operating Model															
Establish Framework and Prep Operations Plan	Julian														
Define Customer Engagement & Strategy	Julian														
Define Admnistrator Alignment Processes	Julian														
Publish Initial Operations Manual															
Define Stakeholder Communication and Engagement	Julian														
Define Thought Leadership Processes	Julian														
Define Remaining Processes	Julian														
Finalize Operations Manual	Julian														
Transition, Training & Education															
Develop and deliver training and education	Julian														
Transition to Steady State (R1) Initial	Julian														
Stakeholder and Communication															
Implementation Stakeholder Engagement & Comm.	Julian														
Marketing	Julian														
s.17															
Operations															
Manage Marketplace															
Manage Market															
Centre of Excellence / Thought Leadership															

CloudBC Monthly Progress Dashboard – Legend

- The purpose of this slide is to provide added context and clarity to support the interpretation of the CloudBC Project Dashboard presented on slide 2, as it relates to the overall CloudBC Project Plan, which is presented on slide 6.

Status	Status Definition
●	• On budget or recoverable within the next 2 week period. • On schedule or recoverable within the next 2 week period. • Within scope and stakeholder expectations.
●	• Over budget by <5% or $10,000 and recoverable within the next 6 week period. • Behind schedule by < 2 weeks and recoverable within the next 6 week period. • Expanded scope pressures – recoverable and able to stay within scope and budget.
●	• Over budget by >5% or $10,000 and not recoverable within current budget. Will require increase in budget. • Behind schedule by > 2 weeks and not recoverable. Will require extension to date, more resources or decreased scope to meet timelines. • Expanded scope required. Not recoverable, will require extension to date, more resources, reduced scope, and/or increase in budget.

End Status Report

ITSO Status Update

- ITSO Amendment #5 was re-issued to BC Bid on October 5th, 2016.

- Many vendor questions have been received requesting an extension to the Initial Intake Closing Time (which is before 2:00PM on October 31, 2016).

- The CloudBC Team analyzed the requests and determined a moderate extension was reasonable and still accommodates the overall schedule.

- ITSO Amendment #6 was issued to BC Bid on October 20th, 2016 amending the Initial Intake Closing Time to November 14th, 2016.
  - Would like to accept bids by email to allow vendors more time.

- Preparation with evaluation team members has begun. Evaluation of the Initial Intake proposals starts November 14th. Aim to complete evaluation by early-mid December (subject to number of bids received).

ITSO Status Update

- Questions Received From (as of October 20th):
    s.17

Process Definition and Approval

- Process definition underway for:
  - Customer Engagement and Strategy
  - Administrator Alignment
- Deliverable includes:
  - Process description
  - Process map
  - Process dependencies
  - Effort estimates
  - Policies
- Approvals
  - Involvement of third parties (AO) for processes that require
  - CloudBC team internals review
  - AO review all CloudBC processes and procedures for third part perspective?

Demand and Readiness Assessment

- Objective is two fold:
  - Develop a cloud adoption roadmap to align CloudBC Marketplace growth
  - CloudBC promotion, provide best practice for assessing readiness across 25 domains, helping organizations realize potential effort

- Approach
  - Use ODCA (Open Data Centre Alliance) readiness methodology
  - One or two questions for each of 25 domains
  - Half day with each entity – Meet with CIO, Enterprise Architect, Directors

- Deliverable to each Entity
  - Readiness assessment report including spider diagram
  - Demand forecast / cloud adoption roadmap

- Deliverable to CCIO
  - Aggregated readiness assessment report with aggregated spider diagram
  - Aggregated demand forecast / cloud readiness roadmap

Discussion / Decisions

- Started 2016/17 assuming budget would fund CloudBC implementation and

  s.17

- s.17

- August CCIO – adjusted CloudBC strategy

  – Observations and Findings

  – Steady State Operations Model

  – ITSO procurement strategy

  – Initiated development of Resource and Cost Model

- October CCIO recognized two deviations from original assumptions:

  – CloudBC budget challenged by unforeseen costs (legal)

  – s.17

- s.17

Thought Leadership Focus Areas

Focus Point	Description	Status
Cloud service procurement	Safe, efficient and reliable procurement of cloud services.	• Developed ITSO, CFA, Contract, qualification criteria. • Will enable a marketplace of pre-qualified, eligible cloud service providers that have agree to offer and deliver their services under a well designed set of terms and conditions,.
Readiness assessment and Cloud adoption planning.	Methodology and best practice for cloud adoption planning, ODCA as a basis, twenty five readiness / assessment domains using CMM. Will include a Cloud demand forecast – encourage development of cloud roadmaps.	• Preparing to conduct Demand Forecast and Readiness Assessment with each entity. • Methodology and approach defined.
Dev/Ops in a hybrid cloud environment	Understanding the role and function of Dev/Ops in a hybrid cloud environment. Includes understanding agile and bi-modal IT.	• To be determined
Integration in a hybrid cloud environment	Understand how to integrate applications, storage and infrastructure across platforms across multiple clouds and hosted in-house. Includes identifying best practice and best of breed integration tools/vendors.	• To be determined
Organizational Change Management	Understand the impact on the IMIT organization, the IMIT structure, IMIT roles, union impact to other organizational functions (finance, procurement). Best practice change management approaches.	• WorksafeBC have developed plans • Research to be determined

Gartner

Discussion: options for securing Gartner services

- **CloudBC has leveraged Gartner services regularly over the past 18 months**
  - Interviews with Analysts on a range of topics, extensive use of online research to ensure plans & priorities align to best practice

- **Recent meetings with Paul Stokes, Executive Partner**
  - Executive Partner position serves as a trusted advisor to CIOs
  - CIO experience with U Vic, former board member of BC Net
  - Opportunity to provide quality oversight on CloudBC operations model and other CloudBC deliverables

- **On a go-forward basis, we recommend that CloudBC has equivalent to a Executive Partner license with Gartner**
  - Required Services = Executive Partner + access to Gartner Analysts + online research
  - Total annual value of ~60k
  - Current approach to access these services is ad hoc

- **For discussion**: opportunity to transition an underutilized Gartner seat from one of the entities to CloudBC? Other options to secure these services?

End

CloudBC Management Committee Meeting Minutes

	Date: October 24, 2016
	Start Time: 3:00 pm
	Teleconference

Attendees: Pierre Vorster, CloudBC COO (Chair)
Bette-Jo Hughes, OCIO
Dave Marecek, BC Pension
Erwin Martinez, BC Ferries

CloudBC: Scott Wilkinson

Regrets: Guy Weeks, VIHA

Meeting called to order at 3:00 pm

AGENDA

Call to order and review of Agenda

1. Status Report (pre-meeting review)
2. ITSO Status
3. Demand and Readiness Assessment
4. s.17   Discussion
5. Thought Leadership Topics and Focus Points
6. Gartner

The Management Committee reviewed the Status Report along with the remaining agenda items and action items have been recorded in the table below:

ACTION ITEMS

Action	Owner(s)	Due	Status
a. s.17			Open
b. Add to risk register – Risk of failing to accommodate WSBC	Pierre	October	Open
c. Send to Bette-Jo, vendor questions pertaining to the ITSO, that need legal review	Pierre	October	Open
d. Work with Niki Sedmak re: Gartner services for CloudBC	Pierre	October	Open

	Action	Owner(s)	Due	Status
e.	Establish basis on which legal services costs had been estimated.	Pierre	October	Open
f.	Change the cost model to reflect all consulting resource	Pierre	October	Closed
g.	s.17			

DECISION/APPROVALS

CloudBC

MANAGEMENT COMMITTEE UPDATE

NOVEMBER 29th, 2016

CCIO
Council of Chief Information Officers

Agenda

A.   * CloudBC Program Status and Financial Report

B.   * Formal Business

    1.   Update to Allocation Schedule

    2.   Proposed updates to Management Committee Terms of Reference

C.   Detailed Updates

    1.   * ITSO Update

    2.   s.17

    3.   Technology Update

    4.   Operations Model Update

    5.   Knowledge Centre activities

    6.   Demand and Readiness Assessment - Update

* denotes slides to present at CCIO December 8th 2016

2

CloudBC

Monthly Status Report

October 2016

Status Report

CloudBC Monthly Progress Dashboard – October 2016

		October 2016	November 2016	Status*
Work Stream		**Planned Activities**	**Planned Activities**	
1.	**Program Management**	Develop key Program Management Deliverables, incorporating feedback from CCIO: ✓ Finalize CloudBC Operating Model Framework ✓ Finalize CloudBC Implementation Plan • Initiate 3-Year Business Plan (25%) ✓ Enhance CloudBC Risk Register & Issues Log ✓ Develop Monthly Status Report & Newsletter Format(s)	Develop key Program Management Deliverables: • Continued development of CloudBC 3-Year Business Plan (dependent on Demand and Readiness Assessment)	●
2.	**Initial Needs Analysis**	• Develop Demand and Readiness Assessment Approach and Schedule (75%)	• Complete Needs Analysis Scheduling • Conduct Interiews & Document Findings	●
3.	**Establish CFAs for IaaS & PaaS (ITSO)**	✓ Develop ITSO ammendment content ✓ Respond to vendor questions (all questions responded to by November 7th, 2016)	• ITSO Initial Intake Process Closes (Nov. 14) • Initial Intake Evaluation Process Begins • Develop Negotiation Strategy	●
4.	**Implement Marketplace & Technology Platform**	• Develop CloudBC Technology Platform Business Requirements Document (BRD) (25%) ✓ Prepare CloudBC Website content	• Launch CloudBC Public Facing Website • Develop CloudBC Technology Platform Business Requirements Document (BRD)	●
5.	**Design Detailed CloudBC Operating Model**	✓ Define, document Customer Engagement & Strategy & Support Services Processes, Policies & Procedures (PPP) (50%)	• Define, document Administrator and Marketplace Processes, Policies and Procedures (PPP) (40%)	●
6.	**Training & Education for R1**		• Define all How-To Materials requiring development	●
7.	**Transition to Steady-State Operations**		• Begin drafting job descriptions for steady state resources	Not currently underway
8.	**Deliver Stakeholder Communications**	✓ Develop Stakeholder Engagement & Communications Strategy (25%)	• Develop Stakeholder Engagement & Communications Strategy	●
9.	s.17			●

4

Status Report

CloudBC Monthly Progress Financial Overview – October 2016

		Budget	Forecast tabled at CCIO (Oct. 3) (Sept - Mar)	YTD Actual	Remaining Forecast	Actual + Forecast	CurrentAnnual Variance
Implementation							
	Resources	$ 869,978	$918,507	$568,228	$409,898	$978,126	-$108,148
Expenses	Legal	$ 49,875	$191,226	$149,196	$69,916	$219,112	-$169,237
	Procurement	$ 45,000	$17,555	$28,734	$25,470	$54,204	-$9,204
	Other	$ 281,685	$218,899	$120,071	$100,175	$220,246	$61,439
Total Implementation Costs		**$1,246,538**	**$1,346,187**	**$866,230**	**$605,459**	**$1,471,688**	**-$225,150**
Projects							
	Resources	$ 461,025	$416,918	$274,553	$40,688	$315,241	$145,785
Expense	Legal	$ 84,000	$100,259	$58,259	$42,000	$100,259	-$16,259
	Procurement	$ 8,438	$32,000	$0	$0	$0	$8,438
	Other	$ -	$3,039	$4,839	$0	$4,839	-$4,839
Total Projects Costs		**$553,463**	**$552,216**	**$337,651**	**$82,688**	**$420,339**	**$133,124**
Total CloudBC Costs and Expenses		**$1,800,001**	**$1,898,403**	**$1,203,881**	**$688,146**	**$1,892,027**	**-$92,026**

NOTE
- Assumes:
  - s.17
  - .5% of 1 resource for LSB through to March 2017
  - .35% of 1 resource of PSB through to March 2017
- LSB numbers for October are estimates (Actuals not received yet)

5

Status Report

Oct. 2016 Actual to Budget Variance analysis

<u>Implementation</u>

Built and resourced implementation plan

    Resources ($108,148)

- Added negotiations leads
- Strengthened PM role
- Replaced senior BA role

Legal ($169,237)

- Legal costs for ITSO higher than originally forecasted

<u>Projects</u>

Resources ($145,785)

- s.17

- Specific entity Implementation activity now being funded outside of CloudBC

Status Report

CloudBC Monthly Progress Key Issues Overview – October 2016

#	Issue Description	Impact on Objectives	Owner	Actions	Status	Target Close Date
1	CloudBC budget for 2016/17 is extremely tight and compromises required	• Required prioritization of Release 1 activities and close monitoring of scope • Not all elements expected in Release 1 will be delivered in 2016/17 • s.17	• Pierre Vorster	• Manage CloudBC Budget • s.17 • Prepare decision brief for s.17 contribution	• Budget is understood and is being closely managed • s.17 • CCIO approvals for Release 1A & 1B complete	• To be monitored throughout the 2016/17 fiscal year
2	Losing key PSB resource at critical juncture of the ITSO process (PSB)	• Impact to CloudBC Team as transition efforts within PSB are required	• Tony Roy	• Back-up resource identified and transition is occurring	• Back-up resource identified and transition is occurring	• November 30, 2016
3	A number of vendors submitted their proposals via email after the ITSO Initial Intake Closing Time claiming technical issues and confusion with Amendments	• Two rounds of Evaluation will be required • Vendor relationships may be strained • Additional PSB and LSB costs resulting from additional round of evaluation	• Pierre Vorster	• Schedule second round of evaluations • Schedule meetings with vendors	• Planning underway for second round of evaluations • Meeting being scheduled with vendors	• December 31, 2016
4	Challenges getting support resource actuals in a timely manner to accurately manage CloudBC budget	• Final actuals may exceed budget	• Pierre Vorster	• OCIO emphasize urgency of PSB and LSB timesheet submission	• A.O. advised	• November 30, 2016

Status Report

CloudBC Monthly Progress Key Risks* Overview – October 2016

Risk ID	Description of the Risk	Description of the Potential Impact(s)	Owner	Mitigation Strategy	Status Update	Risk Rating after Mitigation			
						Risk Likelihood (1-5)	Risk Impact (1-5)	Score	Risk Rating
	What is it that you are working to avoid or reduce the likelihood or impact of occurring? Risks are future events that could interfere with achievement of objectives.	If this Risk Event did occur, how would it impact objectives? What are the longer-term or cumulative consequences?	Person(s) responsible for management of the mitigation strategy	What is the agreed strategy to mitigate the risk	Update status on the mitigation strategy, and summary & jusitification for changes to the Risk Rating and/or Mitigation Strategy	How Likely?	How Severe?	Combined Score	See Risk Ratings Tables
1	Fixed budget for 2016/17 continues to be challenged by unanticipated costs and/or s.17 scope clarity infringes on CloudBC funding	* CloudBC budget exceeded through unanticipated costs such as; 1. Legal costs s.17	Pierre Vorster	* Closely monitor budget, request earlier budget inputs from LSB and PSB (timesheets) s.17 * Formalize TransLink contribution. Show as incremental to all other contributions for 2016/17.	* Efforts underway with H.A.s to initiate pilot * Efforts underway with GoBC to develop a plan	4	4	16	2HIGH
2	Sheer number of bids received and CloudBC capacity to negotiate with all bids that meet qualifications (initial intake and ongoing)	* schedule delays, inability to meet early adopter timelines * Legal costs could significantly exceed budget * Disgruntled qualified vendors	Tony Roy	* Manage qualification criteria in ITSO (Done for Initial Intake) * Prioritize negotiation schedule	* Amendment #5 adjusted ITSO criteria * Developing the negotiation strategy and updating the evaluation workbook	4	4	16	2HIGH
3	Consumption of cloud services through the marketplace / admin fee from cloud service consumption take-up, does not materialize as quickly as anticipated.	* Entities withdraw funding for CloudBC * Early benefits of knowledge transfer through CloudBC CoE is lost Value from early procurement work (PIA, STRA, etc.) lost	Pierre Vorster	Consider and alternate funding model - hybrid membership fee and admin fee from consumption	* Early stages of considering alternate funding models	3	5	15	2HIGH
4	Not meeting WorkSafe BC needs/schedule and they choose to go on their own (apart from CloudBC ITSO process)	* CCIO could disband * CloudBC survival could be in jeopardy	Pierre Vorster	* Consistent engagement and communication with WSBC to occur throughout the ITSO process * Any potential issues/challenges to be discussed with WSBC to ensure appropriate strategies can be developed collaboratively	* Communication is occuring on a regular basis with WSBC and the schedule is being managed closely	3	4	12	2HIGH

*Risks stated from a CloudBC Program perspective.

Status Report
CloudBC Monthly Progress Key Risks* Overview – October 2016

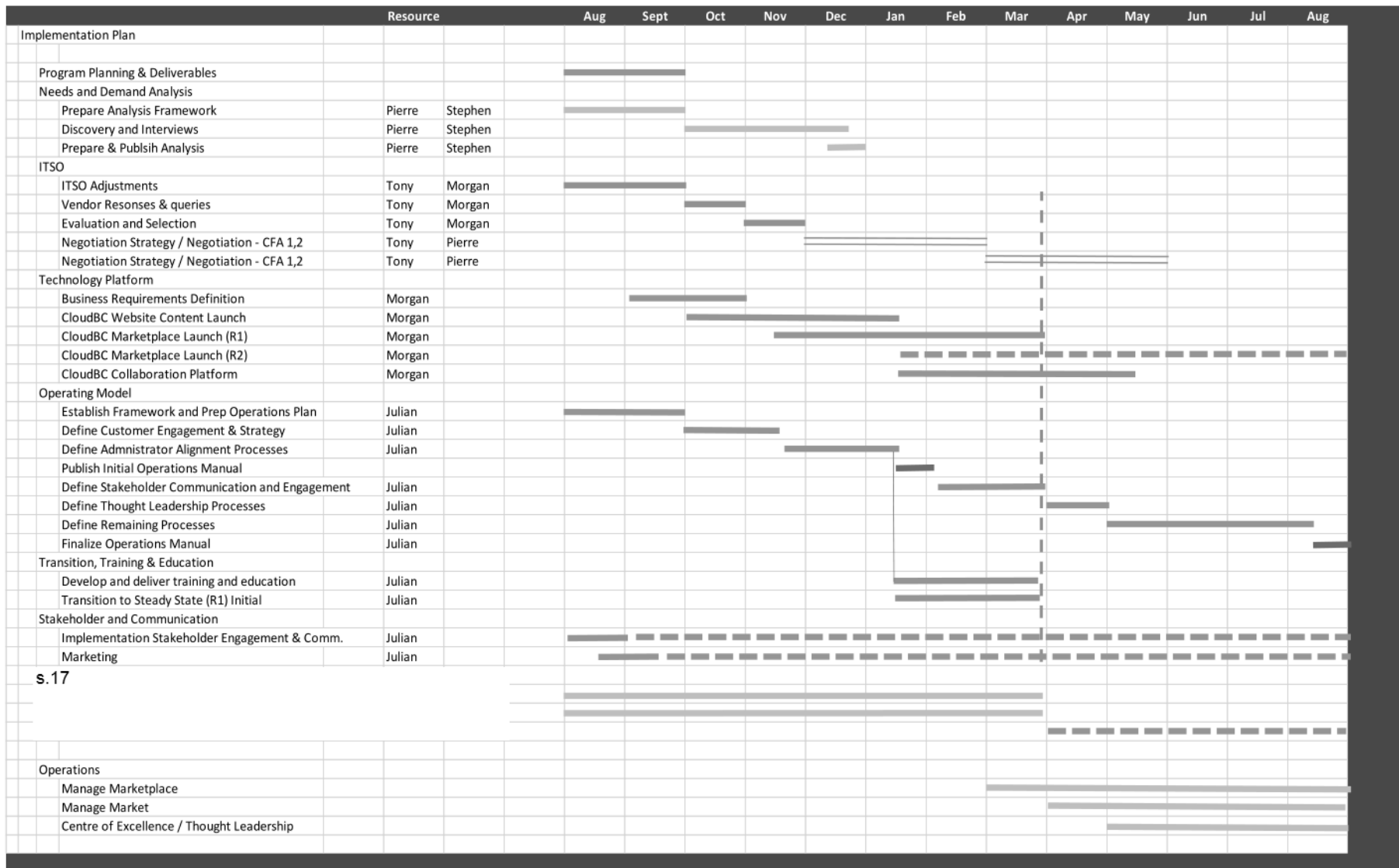| Risk ID	Description of the Risk	Description of the Potential Impact(s)	Owner	Mitigation Strategy	Status Update	Risk Rating after Mitigation			
						Risk Likelihood (1-5)	Risk Impact (1-5)	Score	Risk Rating
	What is it that you are working to avoid or reduce the likelihood or impact of occurring? Risks are future events that could interfere with achievement of objectives.	*If this Risk Event did occur, how would it impact objectives? What are the longer-term or cumulative consequences?*	*Person(s) responsible for management of the mitigation strategy*	*What is the agreed strategy to mitigate the risk*	*Update status on the mitigation strategy, and summary & jusitification for changes to the Risk Rating and/or Mitigation Strategy*	*How Likely?*	*How Severe?*	*Combined Score*	*See Risk Ratings Tables*
5	CloudBC marketplace implementation not aligned with realistic CCIO entity demand	* Marketplace developed and entities do not consume services * Discruntled vendors that manage their place in the marketplace but do not subsequent sales	Pierre Vorster	* Complete a readiness and demand assessment * Build a realistic demand forecast * Manage the procurement and development of the marketplace in alignment with demand * Through the Knowledge Centre, make cloud adoption planning methodologies available to key resources in each entity * Engage non-CCIO entities for consumption of cloud services through the marketplace	* Developed Initial Needs and * Demand Analysis with engagement to occur throughout the fall of 2016 to gain a fulsome understanding of CCIO entity demand	3	4	12	2HIGH
6	Negotiation delays impacts the schedule	Should negotiation with vendor(s) take longer than originally anticipated (60 days), it may impact early adopter abilities to contract with IaaS and PaaS vendors. Marketplace doesn't have vendors that entities need when they are ready to consume cloud services.	Tony Roy	* Assessing options to focus discussions on specific Ts & Cs Attempt to negotiate multiple CFA agreements simultaneously	A negotiation strategy is to be developed and negotiations are to be led by senior resources who will effectively manage the process	3	4	12	2HIGH
7	s.17	- Contract couldn't be signed - Adoption is delayed - Single deal construct available to all entities and broader public sector may not be possible	Scott Wilkinson	s.17	Re-vamped approach(es) being investigated	3	4	12	2HIGH
8	Perceived value and necessity for CloudBC dissipates over time or as membership of CCIO changes	* CloudBC no longer operational * Benefits of best practice and duplicated effort are lost	Pierre Vorster	* Ongoing engagement with CIOs 1:1 * Develop relationship with ED-layer in each entitiy (enterprise architect, directors) * Develop CloudBC promotional and marketing material * Implement CloudBC website	Engagement actitivites underway to ensure CloudBC effort is allocated appropriately and value is realized by CCIO entities	3	4	12	2HIGH

Status Report

Appendix

- CloudBC High-Level Project Plan (as presented to CCIO on October 3rd, 2016)
- CloudBC Status Dashboard Legend

Status Report

CloudBC High-Level Project Plan (as presented to CCIO on Oct. 3rd, 2016)

	Resource		Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Implementation Plan															
Program Planning & Deliverables															
Needs and Demand Analysis															
Prepare Analysis Framework	Pierre	Stephen													
Discovery and Interviews	Pierre	Stephen													
Prepare & Publsih Analysis	Pierre	Stephen													
ITSO															
ITSO Adjustments	Tony	Morgan													
Vendor Resonses & queries	Tony	Morgan													
Evaluation and Selection	Tony	Morgan													
Negotiation Strategy / Negotiation - CFA 1,2	Tony	Pierre													
Negotiation Strategy / Negotiation - CFA 1,2	Tony	Pierre													
Technology Platform															
Business Requirements Definition	Morgan														
CloudBC Website Content Launch	Morgan														
CloudBC Marketplace Launch (R1)	Morgan														
CloudBC Marketplace Launch (R2)	Morgan														
CloudBC Collaboration Platform	Morgan														
Operating Model															
Establish Framework and Prep Operations Plan	Julian														
Define Customer Engagement & Strategy	Julian														
Define Admnistrator Alignment Processes	Julian														
Publish Initial Operations Manual															
Define Stakeholder Communication and Engagement	Julian														
Define Thought Leadership Processes	Julian														
Define Remaining Processes	Julian														
Finalize Operations Manual	Julian														
Transition, Training & Education															
Develop and deliver training and education	Julian														
Transition to Steady State (R1) Initial	Julian														
Stakeholder and Communication															
Implementation Stakeholder Engagement & Comm.	Julian														
Marketing	Julian														
s.17															
Operations															
Manage Marketplace															
Manage Market															
Centre of Excellence / Thought Leadership															

Status Report

CloudBC Monthly Progress Dashboard – Legend

- The purpose of this slide is to provide added context and clarity to support the interpretation of the CloudBC Project Dashboard presented on slide 2, as it relates to the overall CloudBC Project Plan, which is presented on slide 6.

Status	Status Definition
⬤	• On budget or recoverable within the next 2 week period. • On schedule or recoverable within the next 2 week period. • Within scope and stakeholder expectations.
⬤	• Over budget by <5% or $10,000 and recoverable within the next 6 week period. • Behind schedule by < 2 weeks and recoverable within the next 6 week period. • Expanded scope pressures – recoverable and able to stay within scope and budget.
⬤	• Over budget by >5% or $10,000 and not recoverable within current budget. Will require increase in budget. • Behind schedule by > 2 weeks and not recoverable. Will require extension to date, more resources or decreased scope to meet timelines. • Expanded scope required. Not recoverable, will require extension to date, more resources, reduced scope, and/or increase in budget.

12

End Status Report

Formal Business

Decision Request

Management Committee ToR Update

Update to Allocation Schedule

For Decision: approval of proposed updated Schedule B Allocation Principles to the CloudBC Participation Agreement for the current 2016/17 fiscal year.

Background:

- 'Schedule B Allocation Principles' of the CloudBC Participation Agreement defines Entity allocations and is to be updated annually.

- Schedule B has been updated for 2016/17 and is included as an attachment for approval by CCIO as a Foundational Decision. Key details to highlight are:
  - There is an allocation for ˢ·¹⁷
  - As agreed by the other BPS Entities, the ˢ·¹⁷ allocation will have no effect on their contributions.
  - Percentage allocations between Health, BPS and Government remain 33 1/3% for each group; therefore, ˢ·¹⁷ allocation does not impact other Entities' allocations.
  - The net effect is a total available allocation of up to $1,890,000 pending actual CloudBC expenditures incurred

- Mid-year invoices were issued to the Entities, with the exception of ˢ·¹⁷ , by the AO on November 3 for half the Dollar Value amounts in the proposed Schedule B

- An updated Schedule B for 2017/18 will be included as part of CloudBC's proposed operating plan and budget for 2017/18 and updated 3-year business plan to be tabled at CCIO in March 2017

Management Committee ToR Review

Terms of Reference to be Reviewed on a quarterly basis given the fast evolving planning landscape

For Approval: Terms of Reference have been updated to account for change of Chief Operating Officer of CloudBC and membership of the CloudBC Management Committee.

Responsibilities	• Serve as a CIO-level sounding board • Ensure deliverables and commitments are on plan • Provide enhanced support as necessary during start-up phase • Vet updates & changes to business plan, budget, business model prior to tabling at CCIO • Escalate issues to CCIO for decision
Relationship to Other Groups	• Delegated authority by CCIO to make decisions on day to day operational issues • CCIO is responsible for approving the annual budget, annual operating plan, business plan, and approving any material changes to scope and budget
Membership	• Chaired by ~~Mike Larson,~~ Pierre Vorster (Interim) CloudBC Chief Operating Officer • Membership to include representation from all three major groups within CCIO: core government, health, BPS • Members are full-time members of CCIO; any CIO designates are to be approved by CCIO • Named delegates required for each of Crowns, BC Government, Health • Membership as of ~~July 23~~ Nov. 29, 2016: ~~Lynette DuJohn (BCLC)~~, Erwin Martinez (BC Ferries), ~~Dave Parker (PHSA)~~, Guy Weeks (VIHA), Dave Marecek (BC Pensions), Bette-Jo Hughes (OCIO)
Quorum	• Quorum for Management Committee will be 3 of 4 members, including one from Government, Health and Crown
Meetings	• Provide monthly updates, or as required to keep initiative on track • CloudBC to prepare minutes

16

End Formal Business

Detailed Updates

ITSO
s.17

Technology
Operationalization
Thought Leadership
Demand and Readiness Assessment

CCIO
Council of Chief Information Officers

ITSO Status Update

1. Initial Intake Submission Summary
2. Initial Intake Evaluation Approach
3. Initial Intake Evaluation Schedule
4. ITSO Risks
5. ITSO Next Steps

ITSO Status Update – Initial Intake Summary

- The ITSO Initial Intake Process closed on November 14th at 12:00 p.m.

- In total, 13 bids were received; however, a number were received after the Initial Intake Closing Time or to the Incorrect Closing Location.

#	Respondent	Direct Cloud Provider	Date & Time Received
s.17			

Legend:
◎ Denotes a proposal submitted on time & to the correct Closing Location
◎ Denotes a proposal submitted after the closing time & to the correct Closing Location
◎ Denotes a proposal submitted to the Incorrect Closing Location

20

ITSO Status Update – Evaluation Approach

- Initial Intake Evaluation Activities began on November 15th, 2016.

- All s.17 who submitted a proposal on time and to the correct closing location have passed the initial receipt and screening review.

- The high-level evaluation approach and schedule are outlined below and on the following slide:

:: PROCESS DIAGRAM ON-002797

Assessment Process Steps

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Receipt of Response	Initial Screening PASS / FAIL	Eligibility to Offer and Provide in-Scope the Privacy and Data Residency category PASS / FAIL	Screening Based on Corporate Capacity	Prioritization for Negotiation

Sub-step 2.1	Sub-step 2.2	Sub-step 2.3	Sub-step 2.4
Service Categories	Completed Direct Cloud Provider Form	NIST Essential Characteristics Requirement	Security Requirement *

Security SMEs

Privacy SMEs

May commence concurrently

On-going clarification, at the Province's sole discretion.

- (i) Individual Assessment
- ● Consensus Assessment

* See Tab Sub-step 2.4 Security
for change in minimum requirement prior to and after Dec 31, 2018

Last updated Sept 27, 2016

ITSO Status Update – Evaluation Schedule

	#	Activity	Activity Description	Timeline	Resource(s)
✓	1	Receipt of Responses	Includes the receipt and organization of responses	November 15th – 16th	• Tracey Gabert • Morgan Shields • Bobby Kapoor
✓	2	Initial Screening (Sub-Steps 2.1 & 2.2)	Includes Service Categories review, and Completed Direct Cloud Provider Form review.	November 17th – 21st	• Tracey Gabert • Morgan Shields • Bobby Kapoor
✓	3	Individual Evaluation of NIST & Security (Sub-Steps 2.3 & 2.4)	Review of NIST Essential Characteristics Requirement & Security Requirement for each vendor who passed the Initial Screening.	November 21st – 23rd	• Lucas Malesku • Rob Moonie • Stephen Gordon
✓	4	Consensus* Evaluation of NIST & Security (Sub-Steps 2.3 & 2.4)	The consensus evaluation of the NIST & Security Requirements will occur on/near Thursday November 24th and Monday November 26th (if needed).	November 24th & 26th	• Lucas Malesku • Rob Moonie • Stephen Gordon • Bobby Kapoor (PSB) • Steve Jeffrey (PSB)
Underway	5	Individual Evaluation of Privacy & Data Residency (Step 3)	Review of Privacy and Data Residency Requirements for each vendor who passed the NIST & Security review.	November 23rd – December 5th	• Mike Dale • Scott McDonald • Matt Reed • Mark Sime
Underway	6	Individual Evaluation of Corporate Capacity (Step 4)	Review of Corporate Capacity Requirements for each vendor who passed the NIST & Security review.	November 23rd – December 5th	• Stephen Gordon • Christine Cho • Philip Barker
	7	Consensus* Evaluation of Privacy & Data Residency (Step 3)	The consensus evaluation of the Privacy & Data Residency will occur, on/near Tuesday December 6th to Tuesday December 13th.	December 6th – 13th	• Mike Dale • Scott McDonald • Matt Reed • Mark Sime • Steve Jeffrey (PSB)
	8	Consensus* Evaluation of Corporate Capacity (Step 4)	The consensus evaluation of the Corporate Capacity requirements will occur, on/near Tuesday December 6th to Tuesday December 13th.	December 6th – 13th	• Stephen Gordon • Christine Cho • Philip Barker • Ralph Keenan (PSB) • Jesse Szczepanowski (PSB)
	9	Summarize Final Evaluation Results	The final evaluation summary will be developed on/near Wednesday December 14th to Tuesday December 20th along with the prioritization for negotiations (Step 5)	December 14th – 20th	• Tracey Gabert • Pierre Vorster • Bobby Kapoor

ITSO Status Update – Risks

Risk	Potential Impact(s)	Status Update	Owner	Likelihood	Impact	Risk Rating
Not meeting WorkSafe BC needs/schedule and they choose to go on their own (apart from CloudBC ITSO process)	• CCIO could disband • CloudBC survival could be in jeopardy	• Communication is occurring on a regular basis with WSBC and the schedule is being managed closely	Pierre Vorster	3	4	12 (High)
Negotiation delays impacts the schedule	• Should negotiation with vendor(s) take longer than originally anticipated (60 days), it may impact early adopter abilities to contract with IaaS and PaaS vendors. • Marketplace doesn't have vendors that entities need when they are ready to consume cloud services.	• Amendment #5 adjusted ITSO criteria • Developing the negotiation strategy • Prioritize negotiation schedule	Tony Roy	3	4	12 (High)
Vendor relationships affected due to ITSO Initial Intake submission challenges	• Affected vendors withdraw proposals • Vendors attempt to sell directly to entities; however, entities commitment to participate in marketplace formalized in PA	• Ensuring CloudBC continues to develop strong relationships with all vendors as a business priority • CloudBC to ensure a fair process within the bounds of trade agreement and tendering law • Wherever possible, ensure face-to-face communication	Pierre Vorster	3	2	6 (Medium)
Negative feedback from vendors or industry groups	• Reputational risks to CloudBC brand and possible frustration from the vendor community with possible political/communication implications	• Meetings to be scheduled with affected vendors to discuss feedback and ease concerns	Pierre Vorster	2	2	4 (Low)

*Aligned with CloudBC Risk Register

23

ITSO Status Update – Next Steps

1. Meetings with vendors who submitted proposals after the Initial Intake Closing Time and to the Incorrect Closing Location will be scheduled.

2. The ITSO Evaluation Team will complete its assessment of the Initial Intake proposals by December 13th, 2016.

3. Contract Negotiations will begin with vendors who have passed the Initial Intake process commencing mid December (prioritized schedule).

4. The ITSO Evaluation Team will begin assessing the s.17
following the completion of the Initial Intake review, most likely in late-December 2016 or early January 2017.

s.17

Technology Update

Release 1 of CloudBC.ca

- Outlines the who, what, why, how of CloudBC

- Website launched on Nov 15 and shared with Management Committee

- Feedback points to combination of design and content fixes

- Targeting to have all fixes in place the week of Nov 28 upon which a communication will go out to CCIO and Point Persons announcing CloudBC.ca

- "Soft launch only" – no further formal communications planned

Release 2 of CloudBC.ca

- Will include Marketplace – as specified in the CFA, will include static content about the Eligible Cloud Vendors and their offers and links to Vendor price pages, as well as FAQs and how-to material

- Launch will coincide with completion of CFA negotiations

- Work to be initiated with GCPE to build web page templates

Operations Model Update

- Began outlining an MOU between CloudBC and Administrator to specific Administrator services in line with the PA

  – Looking at an MOU with Gov and Service Agreements with each Division for specific service/s provided

  – Service provisioning should be portable where possible

- Drafted job description for the Province's Relationship Manager per the ITSO/CFA, began drafting associated processes

- Drafted stakeholder engagement and communications strategy

- Began outlining value measurement framework for CloudBC (see separate slides)

27

Thought Leadership Focus Areas

Focus PointO	Description	Status
Cloud service procurement	Safe, efficient and reliable procurement of cloud services.	• Developed ITSO, CFA, Contract, qualification criteria. • Will enable a marketplace of pre-qualified, eligible cloud service providers that have agree to offer and deliver their services under a well designed set of terms and conditions,.
Readiness assessment and Cloud adoption planning.	Methodology and best practice for cloud adoption planning, ODCA as a basis, twenty five readiness / assessment domains using CMM. Will include a Cloud demand forecast – encourage development of cloud roadmaps.	• Preparing to conduct Demand Forecast and Readiness Assessment with each entity. • Methodology and approach defined.
Dev/Ops in a hybrid cloud environment	Understanding the role and function of Dev/Ops in a hybrid cloud environment. Includes understanding agile and bi-modal IT.	• To be determined
Integration in a hybrid cloud environment	Understand how to integrate applications, storage and infrastructure across platforms across multiple clouds and hosted in-house. Includes identifying best practice and best of breed integration tools/vendors.	• Meeting with MuleSoft Expert
Organizational Change Management	Understand the impact on the IMIT organization, the IMIT structure, IMIT roles, union impact to other organizational functions (finance, procurement). Best practice change management approaches.	• WorksafeBC have developed plans • Research to be determined
s.17		

Demand and Readiness Assessment

Meetings scheduled to date:

Entity	Date
ICBC	TBD
Health Sector IMIT	TBD
Ministry of Education	TBD
BC Hydro	TBD
Translink	TBD
Fraser Health	TBD
Island Health	November 28
Worksafe BC	December 1
PHSA/VCH	December 12
BC Lottery Corporation	December 13
Interior Health	December 14
Northern Health	December 15
BC Ferries	December 16
BC Pension Corporation	December 19

29

End

CloudBC Management Committee Meeting Minutes	Date: November 29, 2016
	Start Time: 11:00 am
	Teleconference

Attendees: Pierre Vorster, CloudBC COO (Chair)
Bette-Jo Hughes, OCIO
Dave Marecek, BC Pension
Erwin Martinez, BC Ferries
Guy Weeks, VIHA

CloudBC: Scott Wilkinson

Meeting called to order at 11:00 am

AGENDA

Call to order and review of Agenda

A. CloudBC Program Status and Financial Report
B. Formal Business
 1. Update to Allocation Schedule
 2. Proposed updates to Management Committee Terms of Reference
C. Detailed Updates
 1. * ITSO Update
 2. s.17
 3. Technology Update
 4. Operations Model Update
 5. Knowledge Centre activities
 6. Demand and Readiness Assessment - Update

The Management Committee reviewed the Status Report along with the remaining agenda items and action items and decisions/approvals have been recorded in the tables below:

ACTION ITEMS

Action	Owner(s)	Due	Status
a) Review ITSO Negotiations Strategy/Principles with Management Committee	Pierre	Prior to ITSO Negotiations	Open
b)			

Decision/Approval Request	Decision/Approval Status
a) Support to bring forward to CCIO Dec. 8th, the request for approval of proposed updated Schedule B Allocations Principles to the CloudBC Participation Agreement for the current 2016/2017 Fiscal Year	Management Committee supports bringing forward to CCIO Dec. 8th, the request for approval of proposed updated Schedule B Allocations Principles to the CloudBC Participation Agreement for the current 2016/2017 Fiscal Year
b) Support to bring forward to CCIO Dec. 8th, the request for approval of updated Terms of Reference to account for the change of Chief Operating Officer of CloudBC and membership of the CloudBC Management Committee.	Management Committee supports bringing forward to CCIO Dec. 8th, the request for approval of updated Terms of Reference to account for change of Chief Operating Officer of CloudBC and membership of the CloudBC Management Committee.

CloudBC

MANAGEMENT COMMITTEE UPDATE

DECEMBER 16th, 2016

CCIO
Council of Chief Information Officers

Table of Contents

1. CloudBC Financial Update
2. ITSO Initial Intake Evaluation Summary
3. ITSO Status Update: Late Respondents Feedback Process
4. ITSO CFA Negotiations Approach
5. ITSO Future Considerations

1. CloudBC Financial Update

		Budget	Forecast tabled at CCIO (Oct. 3) (Sept - Mar)	YTD Actual	Remaining Forecast	Actual + Forecast	CurrentAnnual Variance
Implementation							
	Resources	$ 869,978	$918,507	$652,935	$339,150	$992,085	-$122,107
Expenses	**Legal**	$ 49,875	$191,226	$147,916	$65,205	$213,121	-$163,246
	Procurement	$ 45,000	$17,555	$37,534	$21,010	$58,544	-$13,544
	Other	$ 281,685	$218,899	$130,907	$91,690	$222,597	$59,088
Total Implementation Costs		**$1,246,538**	**$1,346,187**	**$969,293**	**$517,055**	**$1,486,348**	**-$239,810**
Projects							
	Resources	$ 461,025	$416,918	$279,541	$27,125	$306,666	$154,360
Expense	**Legal**	$ 84,000	$100,259	$54,759	$45,500	$100,259	-$16,259
	Procurement	$ 8,438	$32,000	$0	$0	$0	$8,438
	Other	$ -	$3,039	$5,839	$0	$5,839	-$5,839
Total Projects Costs		**$553,463**	**$552,216**	**$340,139**	**$72,625**	**$412,764**	**$140,699**
Total CloudBC Costs and Expenses		**$1,800,001**	**$1,898,403**	**$1,309,432**	**$589,680**	**$1,899,112**	**-$99,111**

NOTE

- Assumes
    - .75 of 1 resource for CloudBC ITSO Lead Nov. 2016 and Jan. 2017
- LSB for November are estimates (Actuals not received yet)

Page 160

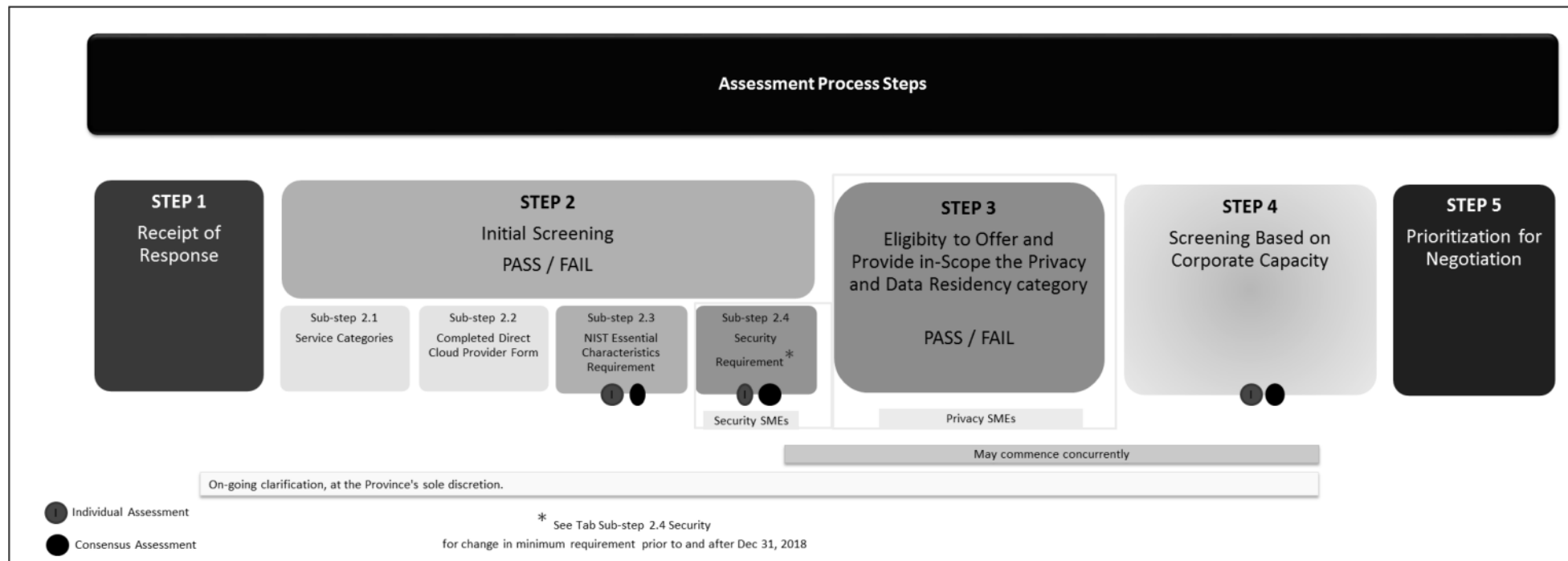Withheld pursuant to/removed as

s.17

ITSO Status Update – Evaluation Approach

This slide was presented to CCIO on December 8th and is displayed here for informational/contextual purposes.

- Initial Intake Evaluation Activities began on November 15th, 2016.

:: PROCESS DIAGRAM ON-002797

Assessment Process Steps

STEP 1 — Receipt of Response

STEP 2 — Initial Screening — PASS / FAIL
- Sub-step 2.1 Service Categories
- Sub-step 2.2 Completed Direct Cloud Provider Form
- Sub-step 2.3 NIST Essential Characteristics Requirement
- Sub-step 2.4 Security Requirement *

Security SMEs

STEP 3 — Eligibity to Offer and Provide in-Scope the Privacy and Data Residency category — PASS / FAIL

Privacy SMEs

STEP 4 — Screening Based on Corporate Capacity

STEP 5 — Prioritization for Negotiation

May commence concurrently

On-going clarification, at the Province's sole discretion.

- (I) Individual Assessment
- (●) Consensus Assessment

* See Tab Sub-step 2.4 Security for change in minimum requirement prior to and after Dec 31, 2018

Last updated Sept 27, 2016

Page 162 to/à Page 167

Withheld pursuant to/removed as

s.17

3. ITSO Status Update – Initial Intake Late Respondents Feedback Process
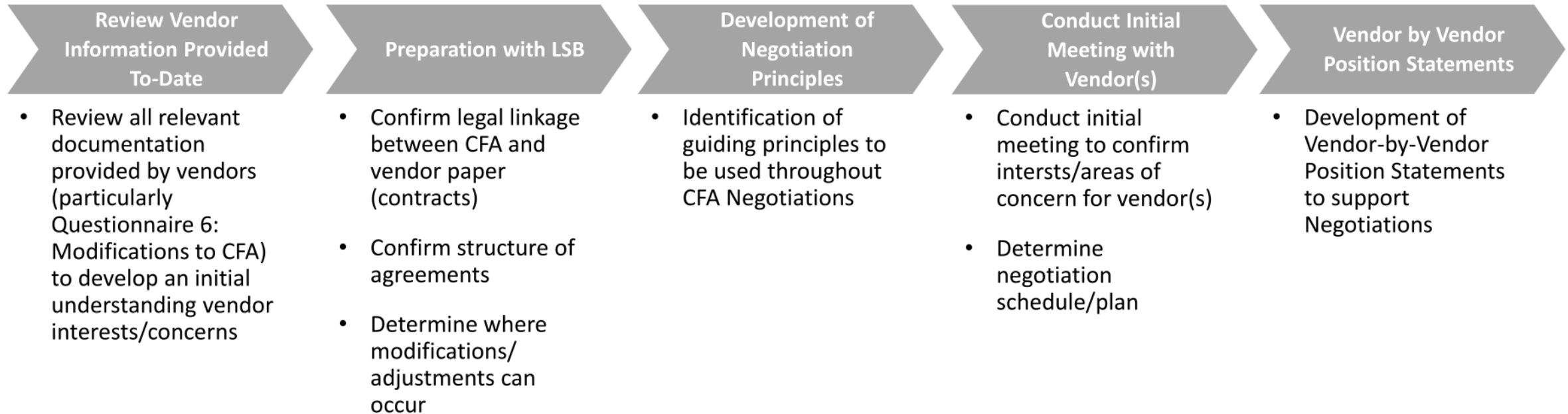
Page 169

Withheld pursuant to/removed as

s.17

4. CFA Negotiations Approach

ITSO CFA Negotiations Approach

The following diagram provides the high-level approach/process that will be used to prepare for CFA Negotiations with successful vendors who have passed Steps 1-4.

| Review Vendor Information Provided To-Date	Preparation with LSB	Development of Negotiation Principles	Conduct Initial Meeting with Vendor(s)	Vendor by Vendor Position Statements
• Review all relevant documentation provided by vendors (particularly Questionnaire 6: Modifications to CFA) to develop an initial understanding vendor interests/concerns	• Confirm legal linkage between CFA and vendor paper (contracts) • Confirm structure of agreements • Determine where modifications/ adjustments can occur	• Identification of guiding principles to be used throughout CFA Negotiations	• Conduct initial meeting to confirm intersts/areas of concern for vendor(s) • Determine negotiation schedule/plan	• Development of Vendor-by-Vendor Position Statements to support Negotiations

CFA Province Negotiation Team

| Cloud Framework Agreement (CFA) Team Role	Assigned Staff
Executive Sponsor and Participant in Joint Escalation Point	Bette-Jo Hughes, Associate DM and CIO, MTICs
Negotiations Lead	Anthony Roy, SPO
Business Owner (Main Table)	Pierre Vorster, CloudBC
Legal Lead (Main Table)	Allison Gracie, Legal Counsel, Justice
Other SMEs as determined throughout the project	

Negotiations Organization
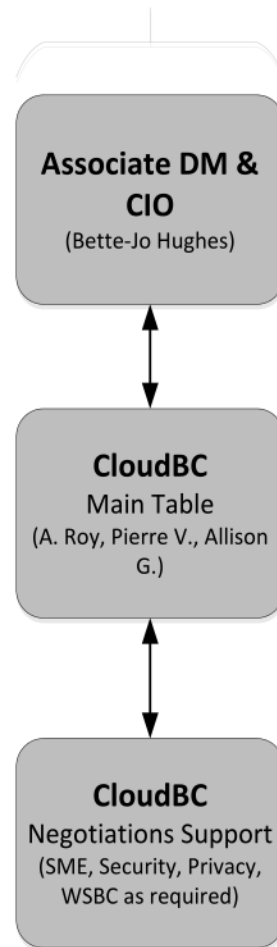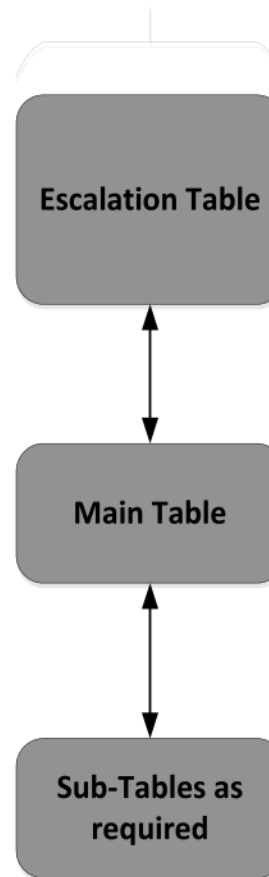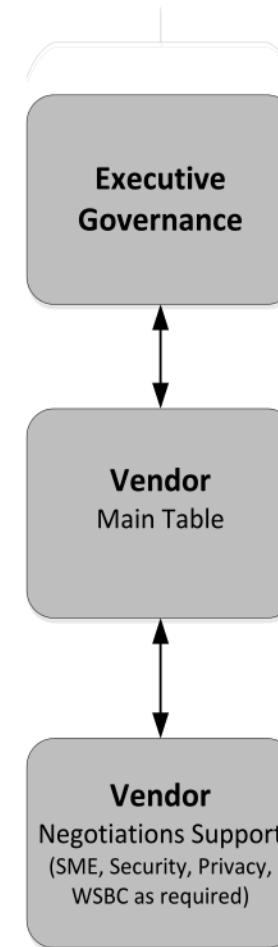
5. ITSO Future Considerations

ITSO Status Update – Future Considerations

- 2nd phase of evaluations,[s.17]   , will commence in January 2017.
  - A target to complete the second phase of evaluations (Steps 1-4) by mid-February 2017 has been established

- Support from CCIO entities to continue to provide evaluators for ongoing evaluation phases

- Consider running a new intake in June 2017 accepting 2 more professional services providers for already qualified Eligible Cloud Providers (ECP)
  - This would mean that there can be up to 3 Service Partners for every Direct Cloud Provider

Other Issues / Discussion

- Making PIA and other knowledge centre assets to non-CCIO organizations.