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Briefing 2009-80091

Government Accountability and Oversight Committee

Update on Information Technology Reorganization

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Realized Benefits of IT Reorganization Calculated April 2009 Based on Current Funding

Original Estimates (Source: Business Case For IT Reorganization June 2006)	2006	2007	2008	2009	2010	2011	2012
Appropriation - Expenditures	\$ 440,000	\$ 900,000	\$ 2,548,666	\$ 1,898,666			
Benefits							
Labor Savings			\$ (444,478)	\$ (1,378,343)	\$ (1,412,802)	\$ (1,448,122)	\$ (1,484,325)
Server Consolidation				\$ (33,564)	\$ (110,346)	\$ (502,840)	\$ (533,040)
Total Benefits	\$ -	\$ -	\$ (444,478)	\$ (1,411,907)	\$ (1,523,148)	\$ (1,950,962)	\$ (2,017,365)
Cumulative Net Benefit	\$ 440,000	\$ 1,340,000	\$ 3,444,188	\$ 3,930,947	\$ 2,407,799	\$ 456,837	\$ (1,560,528)
Actual Results Through 2009							
Appropriation - Expenditures	\$ -	\$ 907,860	\$ -	\$ 940,000			
Benefits (Annualized For 2009)							
Organization Transition (Labor Savings)				\$ (799,236)	\$ (1,412,802)	\$ (1,448,122)	\$ (1,484,325)
Service Delivery Improvements							
Multi-year Contracting				\$ (162,500)	\$ (400,000)	\$ (410,000)	\$ (420,250)
Telecommunications - Cell Phone Plans				\$ (356,000)	\$ (356,000)	\$ (356,000)	\$ (356,000)
Telecommunications - Wireless Disconnections				\$ (13,300)	\$ (13,300)	\$ (13,300)	\$ (13,300)
Telecommunications - Use of 411 Service				\$ (7,200)	\$ (7,200)	\$ (7,200)	\$ (7,200)
Total Service Delivery Improvements	\$ -	\$ -	\$ -	\$ (539,000)	\$ (776,500)	\$ (786,500)	\$ (796,750)
Consolidation DNS Servers - Hardware Savings			\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)
Workstation Standardization							
PC Standardization - Annual Power Savings			\$ (97,000)	\$ (127,000)	\$ (127,000)	\$ (127,000)	\$ (127,000)
Alternate Workstation - Reduced Device Cost			\$ (60,225)	\$ (105,850)	\$ (240,000)	\$ (240,000)	\$ (240,000)
Total Workstation Standardization	\$ -	\$ -	\$ (157,225)	\$ (232,850)	\$ (367,000)	\$ (367,000)	\$ (367,000)
Total Benefits	\$ -	\$ -	\$ (207,225)	\$ (1,621,086)	\$ (2,606,302)	\$ (2,651,622)	\$ (2,698,075)
Cumulative Net Benefit	\$ -	\$ 907,860	\$ 700,635	\$ 19,549	\$ (2,586,753)	\$ (5,238,375)	\$ (7,936,450)
Labor Efficiency Savings (Hours)							
Workstation Operations	8,000	8,000	8,000	8,000			

Note: Additional cost savings and labor efficiency savings from server consolidation and workstation standardization can be achieved with additional investment. See the Benefits Realization Plan, August 2008 for IT Reorganization Program for Executive Branch IT.