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**TexasOnline**  
**Re-Procurement Planning**  
**Vision Document 1.1**



Texas Department of Information Resources  
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## Version History

Release Date	Description
11-July-2008	Version 1.1 released. "[A]ll non-revenue-generating operations" added to items to be supported by the new contract.  "Estimated Timeline for Re-Procurement" updated and units changed from quarters to months.
5-Jun-2008	Version 1.0 released.

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## Executive Summary

The current contract to manage TexasOnline, the state's official e-government web portal, expires December 31, 2009. The Department of Information Resources (DIR) is undertaking a competitive procurement process to establish the next generation statewide web portal.

This document is designed to provide insight into the objectives DIR has associated with its e-government initiative and state web portal strategy, and the Vision that will form the foundation of the TexasOnline Re-Procurement.

DIR envisions that the new TexasOnline will:

1. Create toolsets that make TexasOnline the first choice for government web applications.
2. Incorporate appropriate web tools to drive e-government transformation, enhance the user experience, and improve usability, accessibility, and searchability.
3. Expand platform infrastructure and capacity to allow for rapid and simple deployment of new applications.
4. Expand capacity for financial transactions and create a cost model for those transactions.
5. Enhance business models and plans to support the new Vision.

This Vision suggests how the existing service delivery model could be enhanced to expand government-to-citizen and government-to-business portals and create government-to-government and government-to-employee portals.

In addition to describing the Vision for the next generation of TexasOnline, this document presents a timeline for the re-procurement and instructions for responding with input. Additionally, a Supplemental Program Reference and a Supplemental Technical Reference are provided to describe TexasOnline's background, an overview of the current contract and business model, and other pertinent information.

DIR anticipates that interested customers and vendors will offer valuable input and/or feedback with regard to the TexasOnline Vision. While a response is not mandatory, **stakeholders are encouraged to respond by 5pm CDT on June 12, 2008**, in writing, with feedback, ideas, or concerns that DIR may consider as it works to solidify its Vision and subsequent procurement requirements. See the Instructions for Response section for additional details.

### DISCLAIMER

The information contained in this document is solely for the planning purposes of the Department of Information Resources and should not be relied upon by any third party as complete or final. DIR makes no representations regarding the accuracy or completeness of the information contained in this document. DIR reserves the right to change the contents of all planning documents at any time for any reason. Official procurement documents will be posted at the [Electronic State Business Daily](#) in accordance with applicable law.



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## Vision

This section describes the new Vision for TexasOnline. The Vision will serve as the foundation for the procurement of the next generation of TexasOnline. DIR is open to innovative ideas and designs that will accommodate future enhancements to TexasOnline. Later this year vendors and subcontractors will be asked to provide solutions for TexasOnline in response to the Request for Offer (RFO).

DIR envisions that the main objectives of the new TexasOnline will:

1. **Create toolsets** that make TexasOnline the first choice for government web applications.
2. **Incorporate appropriate web tools** to drive e-government transformation, enhance the user experience, and improve usability, accessibility, and searchability.
3. **Expand platform infrastructure and capacity** to allow for rapid and simple deployment of new applications.
4. **Expand capacity for financial transactions** and create a cost model for those transactions.
5. **Enhance business models and plans** to support the new Vision.

## Portal Perspectives

This section describes how the above objectives might be delivered through one or more of the following portal perspectives:

- Government to Citizen (G2C)
- Government to Business (G2B)
- Government to Employee (G2E)
- Government to Government (G2G)

For the purposes of this report, the terms *government* and *government entity* are used inclusively to represent all state and local publicly funded entities, including education agencies and institutions.

## G2C and G2B Portals

Serving Texas citizens and businesses will remain TexasOnline's number one priority. The next generation of TexasOnline will provide citizens with easier access to more efficient and effective services. It could leverage advanced web technologies through customization, collaboration tools, geographic information systems (GIS) and popular web features such as news feeds, weather, and email. It could make doing business with government easier and more secure by implementing a federated identity management solution to provide individual user accounts for citizens and businesses.

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The idea of customized pages for user accounts is a growing trend in the overall web experience today. Many proprietary sites like Google and Yahoo! provide dashboards and web widgets, and it is not in TexasOnline's best interest to compete with these outside businesses. What differentiates TexasOnline is its direct connection with government entities, offering a platform for these entities to build and offer web widgets for users to incorporate. TexasOnline content could also be packaged as individual services and pushed to popular portal sites to ensure that the data is where the customer chooses to consume it.

DIR expects that a growing number of revenue-generating applications will be built and served through TexasOnline. The infrastructure for providing transaction-based applications and services already exists to support this growing area.

### **G2E Intranet Infrastructure**

TexasOnline could provide the basic tools and infrastructure for deploying a secure intranet portal to any government entity for internal employee communication and collaboration. Many government entities have underutilized and outdated intranet systems that display static information like organization charts and benefit summaries. TexasOnline sees the opportunity to leverage new technologies and web tools to increase functionality and improve government business processes.

This offering should include many of the tools discussed elsewhere in this document, such as federated identity management (for employees), content management, personalization, and collaboration tools. The infrastructure, based on service-oriented architecture, could allow government entities to customize their intranet with the applications that are necessary and useful to their organization such as contract monitoring, project management, report monitoring, and document collaboration. By providing these tools and infrastructure, small- and mid-size organizations could redirect resources toward content and providing mission-critical services and information to its constituents.

### **G2G Portals**

Since Texas government is decentralized by design, there are barriers to resources and communications between publicly funded entities. Varying program goals, strategic plans, mission statements, implementation methods, and disparate legacy systems make communication and collaboration a very difficult challenge both vertically through different levels of government and horizontally across, for instance, state agencies. Despite such difficulties, TexasOnline can offer applications and services to transcend barriers and combine resources effectively and efficiently.

#### ***Application Marketplace***

The application marketplace is a Vision of a community for developers and users to share ideas and applications. Many of the applications developed by government entities could benefit others and the marketplace could be a central repository where developers and users can collaborate and share best practices and applications. This marketplace could leverage the power of a common portal infrastructure, built upon service-oriented architectural principles, to extend benefits of existing solutions and allow government entities to focus on their mission rather than their technology infrastructure. Government entities could

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also use this space to discuss different topics in forums, pose questions, and even enhance each other's applications.

DIR envisions that the Texas Online model for the application marketplace will offer customers a choice among multiple vendors from whom to choose to develop their applications. This model will depend on the prime vendor developing and publishing application integration specifications or a portal integration toolkit.

Once the application marketplace is developed, DIR envisions releasing a subsequent procurement, through the Information and Communications Technology (ICT) Contracts Program, to pre-qualify vendors to participate in developing future applications offerings. (ICT Contracts are master contracts with vendors, established by DIR, to provide commodities—including hardware, technology services, and software—to government entities at competitive prices.)

Applications that are developed to marketplace specifications, meet published standards and guidelines, and pass pre-defined and published quality assurance tests may be sold or distributed for free through the marketplace to all appropriate portal users.

## **Potential Features**

Certain technical and architectural components are a key part of the delivery of each of the portal components described above. These components should be developed as an initial investment by the prime vendor under the new contract and provide the basic infrastructure for the solutions outlined in this Vision document.

### **Create Toolsets**

TexasOnline would like to create toolsets available to government entities that make TexasOnline the first choice for portal deployment. These toolsets include content management systems and web tools for both intranet and internet portal deployment.

#### ***Content Management System***

The next generation of TexasOnline could allow government entities to redesign or deploy e-services and applications more rapidly. Currently, entities contact TexasOnline's web services approximately one thousand times a month to update content—anything from fixing a misspelled word to adding new pages. If TexasOnline can provide a content management system and a rapid application deployment environment, then government entities would be empowered to create and maintain content without dealing with markup and architecture.

#### ***Intranet Toolsets***

The next generation of TexasOnline could provide a toolset for agency intranet pages. Examples of offerings include instant messaging, project management tools, document control, test modules, virtual meetings, integrated event calendars, issue tracking, and brainstorm sessions. Providing these tools could improve productivity and lessen the burden of over-relying on email as the only source of electronic communication.

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TexasOnline could provide a user-friendly template for government entities to download and implement, offering a basic set of default applications. If there are more advanced needs, DIR can establish ICT Contracts with approved vendors to build the applications and services needed.

### **Incorporate Appropriate Web Tools**

A key component to drive e-government transformation is the integration of Web 2.0 applications. There are a multitude of Web 2.0 sites and features, with many more entrants developing every day. As government, it is a great and challenging responsibility to make sure what is developed is not just “technology for technology’s sake,” but a long-lasting added value to better serve citizens, businesses, and publicly funded entities in the state of Texas.

Examples of key Web 2.0 components that could be considered for customization are mashups, web widgets, and RSS feeds. Since the state serves so many customers from a wide array of interests and industries, it is a great benefit for users to be able to customize the content to focus on information and services that are most important to them. One of the greatest challenges in designing a state web portal is the navigation—outlining the information in a way that is easy for users to find the information they need. With the ability to customize content, TexasOnline customers will have the ability to personalize the portal to ensure predictable, easy navigation.

A mashup is a web application that combines content from multiple data sources into a whole that is greater than its parts. For example, a web application might combine tabular crime data published on a city’s website with data layers such as municipal boundaries and roads to produce a map that is valuable for both the city’s police department and its citizens.

Web widgets, also known as gadgets and portlets, will be the main way users can personalize content on TexasOnline. Web widgets are pluggable user interface components displayed in a personalized dashboard. Content from multiple sources is streamed onto one location, where the user can get a snapshot of all interested information and services in a single view. Common web widgets include email, news feeds, discussion forums, and weather reports. By creating web widgets, participating government entities will have an opportunity to push out information to subscribers in a rich way. Since TexasOnline is an official government portal, a well-designed governance structure will be in place to ensure only properly approved content is allowed onto TexasOnline.

An RSS (“rich site summary” or “real simple syndication”) feed is another common Web 2.0 feature used by government entities. It is the current method for content to be pushed out to users according to their preferences. There are numerous methods of receiving these feeds, some of the most popular are embedding the feed into a browser, subscribing via email, or using a reader service. Since TexasOnline does not generate its own content, the success of having RSS feeds depends on the participating entities.

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## **Expand Platform Infrastructure and Capacity**

Expanding the portal platform's infrastructure and capacity could provide a necessary foundation for many of the components of this Vision. Some specific ideas around this expansion are described below. Some of these elements will be minimum requirements of the procurement, while others will be optional and provide opportunities for vendors to include innovative ideas to differentiate themselves from other respondents.

### ***Federated Identity Management***

TexasOnline could offer federated identity management for government employees, and for citizens and businesses that engage with their government online. Federated identity management is the management of user identities across applications and organizational boundaries, using trusted relationships between entities to provide appropriate, secure, and seamless authentication of users.

A federated identity management solution for TexasOnline should be “protocol agnostic” so that protocols can be processed to accommodate all current and future solutions.

Federated identity management and its potential benefits are described in more detail in the Supplemental Technical Reference section.

### ***Geospatial Infrastructure and Applications***

Geospatial technologies can be used to efficiently coordinate management within and between government entities and to share information with the public. Geospatial technologies are particularly valuable in emergency response management.

In this Vision, TexasOnline is interested in opportunities to extend a core geospatial web services infrastructure for the delivery of online geographic maps, data, and services, while adding advanced web services for dynamic applications and geospatial mashups. A GIS mashup is a web service application that combines content from multiple data sources at least a portion of which is geographic information that is conveyed as a map overlaid on top of a base map layer typically of aerial imagery, topography, or roads.

TexasOnline could also host a number of support services for customers to develop new geospatial web services. Core geospatial services could include:

- Application integration specification for connecting server-based GIS to TexasOnline web services
- Centralized data storage for geospatial web services
- Code repository
- Data development and integration services
- Data security/data rights management
- Mapping engine(s) for GIS mashups
- Portal account management
- Programming services
- Subscription-based commercial geospatial web applications and data sets

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### ***Extendable Portal Architecture***

The Vision for TexasOnline is an architecture that is based on a foundation of service-oriented architecture (SOA) and enterprise application integration (EAI) principles utilizing a state-of-the-art extensible messaging tier for transactional data and business process management, in a shared application server and presentation environment that facilitates rapidly deployed solutions. The preferred solution includes a messaging tier that is “protocol, platform and database agnostic” and is capable of abstracting data from both non-web- and web-based systems as well as multi-protocol web-based systems. This solution encompasses both loosely and tightly coupled applications and security requirements that range from simple- to multi-tiered. Any proposed solution should address a wide range of agency participation with a need for secured connectivity to both hosted and non-hosted applications.

A related approach envisions deploying Software-as-a-Service (SaaS) architecture. SaaS is a model where an application is hosted as a service provided to customers across the internet. By eliminating the need to install and run the application on the customer’s own computer, SaaS alleviates the customer’s burden of software maintenance, ongoing operation, and support.

### **Expand and Improve Capacity for Financial Transactions**

TexasOnline currently processes all electronic payments through a common electronic payment service, which is a proprietary service owned and managed by the current prime vendor.

#### ***Provide a Common Transaction Processing Toolset for Online and In-Person Transactions***

The opportunity exists to extend the TexasOnline payment processing framework as part of a common toolset for government entities to process not only online transactions, but to support in-person financial transactions and provide for cross payment stream reconciliation. This improves the tools available to government entities, improves the citizen experience with government, improves the auditability and timeliness of funds receipt, and as such, is a key service area for TexasOnline. Several drivers are moving the state in this direction to create savings and efficiencies in the processing of state financial transactions.

#### ***Payment Methods Available to Customers***

To be an effective toolset, additional payment methods need to be explored in an effort to provide customers a broad set of payment options. TexasOnline is primarily oriented to online credit card or automated check handling (ACH) payments, with pilot efforts to incorporate in-person transactions.

#### ***TexasOnline Payment Processing System***

While there are some legacy applications that are tightly coupled to the existing electronic payment service, there are opportunities for the prospective prime vendor and its partners to provide an innovative and cost-effective solution to streamline payment processing system(s) that integrates loosely yet efficiently with transaction-based applications.

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All payment processing solutions must interface with the Comptroller's Treasury systems and agency accounting systems, providing each the necessary information to properly process and reconcile transactions.

## **Enhance Business Models and Plans**

The new Vision of TexasOnline may include certain enhancements to business models and plans. Respondents are encouraged to propose a creative approach to the funding model and outreach plan as described below. DIR will also need to define a governance model and an infrastructure plan that are effective for the new Vision of TexasOnline.

### ***Funding Model***

The current financial model has proven to be sound and sustainable. It is critical to continue support of this model. The model provides incentives for our private partner and contributes revenue to the state without placing the financial risk on the state.

Under the current contract, the self-funded model has contributed toward a greater focus on transaction-based applications that generate revenue. Many important non-revenue generating services have been delayed or disapproved because the applications do not provide the revenue stream to recoup the cost of building and maintaining them. A challenge with the current contract is to ensure that non-revenue-generating services are prioritized along with the revenue-generating projects.

The TexasOnline Re-Procurement RFO requires the prime vendor to maintain the current self-funding financial model. The RFO challenges the prime vendor to provide a creative and financially responsible method of making an initial investment to take TexasOnline into the next stage of e-government as well as periodic investments in important non-revenue generating applications and infrastructure.

### ***Governance Model***

It is vitally important that the financial transaction processing, contact center, all revenue-generating operations, and all non-revenue-generating operations of TexasOnline are fully supported within the new contract and that any transition to the new contract is seamless. There will be both operational and technical governance to ensure service level agreements (SLAs) are transferred properly, back-end systems are uninterrupted, infrastructure is functioning properly, and current applications are still supported.

TexasOnline's project governance will facilitate application and content certification processes and assist in the development and enforcement of SLAs. These SLAs will be established between DIR and government-entity users of TexasOnline and between DIR and the vendors.

The goal of the TexasOnline's project governance is to achieve an environment of innovation, value, and flexibility for all involved. Toward this goal, DIR is committed to clearly defining the scope of the content and level of service and communicating effectively to all stakeholders. The prime vendor will be

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responsible for managing TexasOnline through effective and efficient governance.

### ***Outreach Plan***

Even though TexasOnline is available to service and integrate local and county governments in Texas, the customer base has been predominantly state agencies. There are various reasons why cities and counties choose not to participate on TexasOnline, but there could be added value to all stakeholders if different levels of Texas government could work together synergistically to enhance the e-government user experience.

DIR expects to see more participation from other levels of government in the next generation of TexasOnline. The prime vendor will be highly encouraged to develop an outreach plan to establish more relationships between TexasOnline and other government entities.

Key objectives of the plan might include:

- Collaborating with government entities to understand their needs and to promote the benefits of e-government initiatives to citizens.
- Marketing specific services to targeted constituencies.
- Delivering compelling incentives for government entities, businesses, and citizens to use the site.
- Building trust through the promotion of the benefits, ease of use, security and privacy that are integral features of the site
- Creating an engaging online experience.
- Establishing an ongoing feedback, response, and resolution process

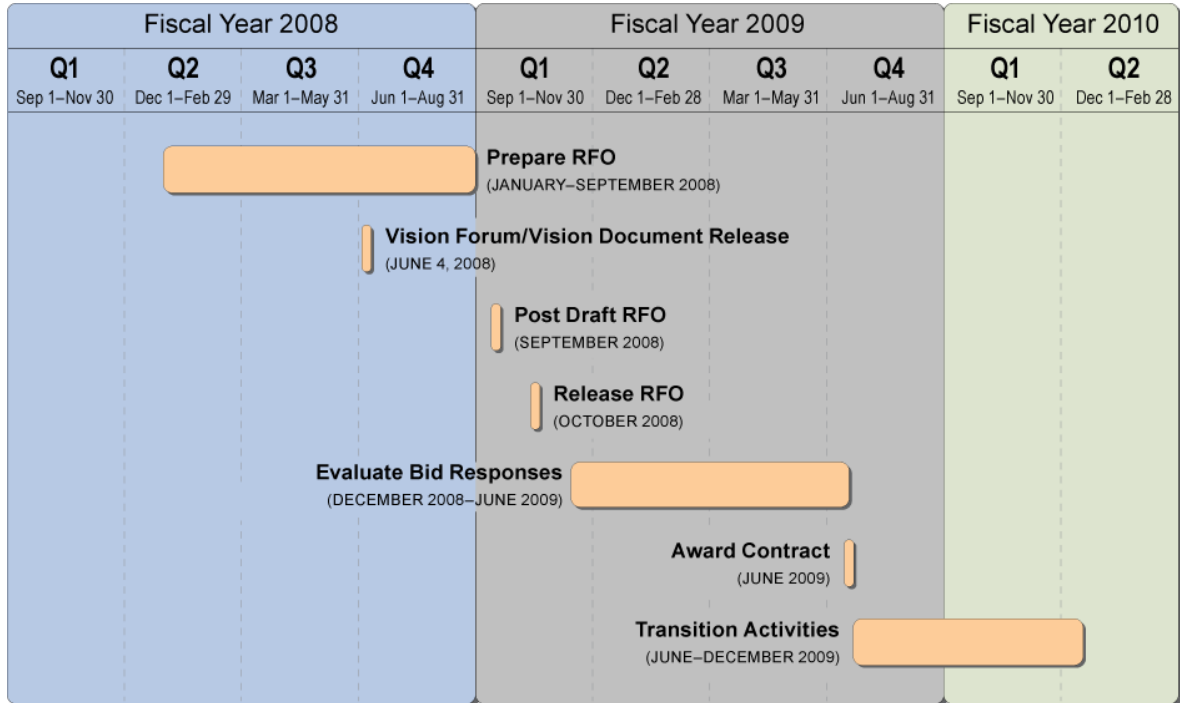
### ***Infrastructure Plan***

Currently under evaluation is the transition of TexasOnline infrastructure management into the Data Center Services project managed by IBM and the Team for Texas. Upon transition, TexasOnline will begin to receive all of the services as outlined in the Data Center Services (DCS) Master Agreement (see the Supplemental Technical Reference section). It is expected that this transition will be complete prior to the end of the current contract, December 31, 2009.

Since TexasOnline will be participating in the DCS project as fully managed, the infrastructure will be managed by Team for Texas. In addition, TexasOnline will have other service providers delivering other services, such as wide area network, application development, and support, logical database design and support, application security, and level one helpdesk support. Providers of all of the services received by TexasOnline must be coordinated, managed, and held accountable.

## Estimated Timeline for Re-Procurement

The expected milestones of the re-procurement are described below in fiscal quarters. More precise dates will be posted on the TexasOnline Re-Procurement website by the end of June.



Preparation for RFO	January–September 2008
Vision Forum/Vision Document	June 4, 2008
Post Draft RFO	September 2008
Release of RFO	October 2008
Evaluate Bid Responses	December 2008–June 2009
Award Contract	June 2009
Transition Activities	June–December 2009



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## Instructions for Response

It is the expectation of DIR that by articulating a Vision for the e-government web portal, interested customers and vendors will offer DIR valuable input and/or feedback with regard to the approach contemplated. While a response is not mandatory, stakeholders are encouraged to respond, in writing, with relevant feedback, other innovative ideas, or expressed concerns that DIR may consider as it works to solidify its Vision and subsequent procurement requirements.

DIR reserves the right to seek clarification and/or additional information from responding stakeholders that submit information in writing.

**The deadline for responding to this Vision document is  
June 12, 2008, by 5:00 PM Central Daylight Time.**

Responses should take the form of correspondence on company or agency letterhead, be no longer than five pages in length, and be addressed to:

Carrie Cooper, Purchaser  
Department of Information Resources  
300 West 15th Street, Suite 1300  
Austin, TX 78701

Responses should be clearly marked "Response to TexasOnline Re-Procurement Vision Document."

Responses may be mailed or submitted electronically via email to Carrie Cooper at [carrie.cooper@dir.state.tx.us](mailto:carrie.cooper@dir.state.tx.us). Included in the email should be a scanned version of the cover letter signed by a company official. As DIR is currently only in the planning stages of the TexasOnline Re-Procurement, responses to this Vision document are public documents upon receipt by DIR.

**DIR does not seek to receive confidential information in vendor responses and urges vendors not to provide, proprietary or confidential information in their responses.** Further, DIR requests that responses not be marked as proprietary or confidential if such information is not contained therein.



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## Supplemental Program Reference

For those who are not familiar with the program, these supplemental reference materials are provided:

- [Mission](#)
- [Background](#)
- [TexasOnline Re-Procurement Goals](#)
- [Overview of the Current Contract](#)
- [Eligible Customers](#)
- [Customer Needs](#)
- [Overview of Current Business Model](#)

### Mission

The mission of TexasOnline is to provide a single point of access to Texas government information and services that is private, secure, convenient, efficient, service oriented, and accessible to people of all abilities and disabilities. TexasOnline has goals of simplifying citizen, government, education, and business access to services and information, and as well as deploying innovative technology use that improves the state's business.

### Background

TexasOnline is the one-stop-shop for Texas government information and services on the internet. It is constructed and operated as a self-supporting public-private partnership.

TexasOnline provides a secure technical and service infrastructure that can be used by all government entities. By sharing the processes and systems of TexasOnline, government entities are able to reduce redundancy of effort and leverage economies of scale.

As of April, 2008, TexasOnline has processed more than \$6 billion in state and local revenue and more than 80 million financial transactions. It currently has 827 services offered via 150 applications. Since its inception, TexasOnline has received more than 125 million visits.

TexasOnline provides the following features and functions:

- Information technology security that covers the full range of network and application security
- 24 x 7 x 365 availability
- A multilingual website that offers Spanish, French, Italian, Korean, and Chinese translations of the website content
- Section 508 of the federal Rehabilitation Act compliance
- Call center services for help desk support
- Web application development services—where feasible, TexasOnline develops templates and reusable code libraries
- Outreach marketing to customers

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- Project and product management services for development projects
  - Tracking of project assets, financial transactions, and project reporting
  - Operational and financial audit support

TexasOnline provides online services and applications, including:

- Government to Citizen (G2C) Services
  - Driver license renewals and driver records
  - Vehicle registration and renewal
  - Vital records (birth and death certificates)
  - Voter registration
  - Property and sales tax payment
  - Utility bill and citation payment
  - Texas Tomorrow Fund (prepaid tuition)
- Government to Business (G2B) Services
  - Application of renewal of licenses, permits, and registrations
  - Motor Vehicle inspection System Reporting Tool
  - Electronic filing of court documents
  - Electronic steps to starting a business
- Government to Government (G2G) Services
  - Common payment system
  - Common online authentication system
  - Electronic grants directory (state grants)
  - Common portal infrastructure that all can leverage equally
  - TexasOnline Emergency Portal
- Central Repository for Information
  - Central location to promote programs to citizens
  - Common forum for multiple levels of government
  - Repository for common information
  - Community of interest portals: emergency preparedness, business, consumer, government, veterans, natural resources portals

## TexasOnline Re-Procurement Goals

Strategic goals for the TexasOnline Re-Procurement can be found in the [2008–2012 State Strategic Plan for Information Resources Management](#).

The following goals serve as inspiration for this Vision document.

- **Drive e-government transformation**  
E-government transformation is the number one re-procurement program goal as well as a strategic goal. Currently, TexasOnline is in the Transaction Stage of e-government where it has excelled from 2000-2007. The new direction in e-government is transformation through e-governance, and going to the people in real time with interactive and collaborative applications.
- **Promote technical innovation**  
Promoting technical innovation could be considered an aspect of e-government, however it is stated as a separate goal in order to emphasize its importance to

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the new Vision for TexasOnline. A critique of the current business model is the lack of incentive to fund new innovative applications, especially those that are non-revenue generating. This will require an infrastructure investment, contractual agreements, a funding model, and operational governance to support continuous innovation.

The next generation of TexasOnline should include building pillars into the new TexasOnline portal platform for using Web 2.0 channels and wikis. Some of the existing Web 2.0 channels can be deployed at no or very low cost. The Web 2.0 applications could be used for everything from legislators holding virtual town hall meetings to drivers' education to citizen feedback.

- **Enhance service for customers**

Ultimately, our goal is to provide enhanced services for all our customers, including citizens, businesses and all government entities that use TexasOnline to reach their customers. It is vitally important for TexasOnline to respond quickly and efficiently to customers' needs for new applications, whether they are revenue-generating or not. There needs to be on-going mechanisms in place to solicit customer input and measure customer satisfaction, and a model that allows resources to be dedicated to support these services.

- **Provide accountability**

A well placed governance structure includes metrics that ensure accountability from the vendor to DIR, as well as accountability from DIR to the customers. Performance measures will be used to gauge the status and quality of TexasOnline, using rewards as well as penalties to provide incentives to the vendor.

As far as DIR's accountability to its customers, there needs to be clear policies around security and privacy of customer information. In general, TexasOnline has gained the trust of many of its customers because of its emphasis on security. In order to provide more rich and robust user experiences in the next generation, there may be a need to collect more personal data (personalized content, subscription to alerts, etc.) and the success and legitimacy of these new services will partially depend on a continuation of trust from the customers to TexasOnline.

- **Reduce barriers to entry for service providers**

TexasOnline and its customers will be better served if more vendors are able to assist in providing the required and requested solutions. Allowing more providers to develop applications that could be used on TexasOnline will provide these benefits:

- ability to respond quickly to customer's demand for new applications
- innovation
- ability to deliver applications and services at competitive prices
- high quality solutions

- **Support fiscal sustainability through a self-funded model**

The current financial model has proven to be sound and sustainable. It is critical to continue support of this model that provides incentives for our private partner and contributes revenue to the state, without placing the financial risk on the

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state. The new contract will also focus on the customers of TexasOnline (public and private) and make sure the model is a “win” for them as well. Even though the new Vision for TexasOnline is ambitious and ground-breaking, the model must continue to be self-funded.

- **Support current applications**

There are over 800 applications and services on TexasOnline. It is vitally important that the financial transaction processing, contact center, all revenue-generating operations, and all non-revenue-generating operations of TexasOnline are fully supported within the new contract and any transition to the new contract is seamless. There will be both operational and technical governance to make sure SLAs are transferred properly, back-end systems are uninterrupted, infrastructure is functioning properly, and current applications are still supported.

- **Increase agency and citizen adoption rate**

With so many websites competing for customers’ attention, TexasOnline must be highly focused and rewarding. Visitors to the site must immediately understand what TexasOnline does and how it benefits them. Creating a brand and integrated marketing communications plan will be key to increasing agency and citizen adoption rates.

## **Eligible Customers**

DIR is authorized to serve the following groups:

- Government entities
  - State agencies—which include institutions of higher education, as defined in Chapter 2054, Government Code—unless statutorily exempted, must comply with DIR’s rules regarding use of TexasOnline
  - Local government, which is defined as a county, municipality, special district, school district, community college district, or other political subdivision of the state
- Professionals who are regulated by state agencies or local governments
- People who send or receive documents or make payments to state agencies or local governments.
- People who seek information about Texas government services

In accordance with Chapter 2054, Subchapter K, Government Code, state agencies that issue occupational licenses are specifically required to use TexasOnline. Other state agencies are required to consider using TexasOnline for services that include financial transactions, applications for licenses, permits, registrations and other documents from the public, electronic signatures, authentication, and any application that requires security.

## **Customer Needs**

The broad spectrum of customer needs requires TexasOnline to provide a wide range of services and solutions. Some customer interests include:

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- **Citizen and Business**

- Provide users the capability to perform self-service operations via a variety of access methods for an enhanced e-government experience
- Remove geographic, accessibility and economic barriers by offering a virtual “state field office” that extends services to citizenry and businesses statewide
- Design a more user-friendly interface with an intuitive means of navigation and usability
- Support the business community to fuel economic development in Texas

- **Government**

- Provide payment processing services that are market competitive
- Give tools to provide a “level playing field” for entities of all sizes, especially those with limited funding and/or non-revenue generating services
- Provide catalyst for state leadership to modernize the business processes in Texas

## **Overview of Current Contract**

The 76th Texas Legislature in Senate Bill 974 called for a common internet-based system through which state and local governments can send documents, receive applications, and receive required payments. The legislation also established a governing authority to oversee the system. TexasOnline is the result of that legislation.

The current prime vendor, BearingPoint, Inc., was awarded the master contract through a competitive procurement process in May 2000. The first online service launched in August 2000. Over time, various amendments to the contract were executed to address operational and financial arrangements.

The 79th Texas Legislature abolished the TexasOnline Authority and transferred its duties to DIR. This change in governance structure helps ensure consistency between TexasOnline policy and DIR’s strategic Vision for technology statewide.

Also in response to the 79th Texas Legislature, DIR renegotiated the master contract with the prime vendor in September 2005, with the advice of the Legislative Budget Board (LBB) and the State Auditor’s Office (SAO). The renegotiated contract:

- Required that net revenue be divided 50-50 between the state and the contractor upon full recovery of breakeven of its investment by the prime vendor
- Increased the state’s share of gross receipts net of credit card costs from 10% to 20%, beginning in fiscal 2007
- Set firm contract deadline for project breakeven no later than December 31, 2006
- Required that, at DIR’s discretion, capital asset ownership transfer to the state at breakeven or December 31, 2009, whichever occurs first
- Strengthened terms for transition to awarded vendor at re-bid.

A significant milestone was reached in April 2006, when the project reached “breakeven.” “Breakeven” is defined as the point at which the prime vendor fully recovers its investment costs on all projects begun before September 1, 2005. At breakeven, the portal infrastructure assets are transferable to the State of Texas, at

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DIR's discretion. All operations, maintenance, and refresh costs continue to be funded by convenience, subscription, and service fees.

As TexasOnline continued to grow and stabilize, in 2005 the 79th Texas Legislature abolished the TexasOnline Authority and transferred its duties to DIR. This change in governance structure helps ensure consistency between TexasOnline policy and DIR's strategic Vision for technology statewide.

Effective January 1, 2008, Amendment 10 to the Framework Agreement was entered into by DIR and BearingPoint. This amendment consolidated all "New" Projects as defined under the Second Renewal Agreement and some recent projects under the Amendment 10 Master Work Order for purposes of determining investment costs and revenue for the consolidated projects. The Amendment also set the expiration date for the Master Work Order consolidated projects to August 31, 2012, to be in line with the Second Renewal Agreement. This means that effective December 31, 2009, DIR will either assign the Master Work Order to the new TexasOnline vendor; or buyout, or require the new TexasOnline vendor to buyout BearingPoint's interest and obligations under the Master Work Order.

Additional information concerning the services provided under TexasOnline can be found at <http://www.dir.state.tx.us/egov/>.

## Overview of Current Business Model

There are two partners that control the development, operations, infrastructure, and management of TexasOnline. One is the prime contractor of TexasOnline, the private partner, and the other is DIR, the public partner. DIR manages its part through its board of directors, leadership team, E-government & Web Services Division, and the Technology Center Operations.

The DIR board serves as an oversight board and sets the general direction of DIR major initiatives and operations, including TexasOnline. The board must approve all state rules associated with DIR or TexasOnline, fees that may be levied in support of TexasOnline, and some Opportunity Proposals that have fees associated with them. An Opportunity Proposal is a business case that outlines appropriate descriptions of activities, project assumptions, revenue modeling, cost modeling, and return on investment calculations.

### DIR's Role

DIR is responsible for three functional areas: Contract Oversight and Performance Monitoring, Planning and Policy, and Program Management. Within the scope of these areas, DIR assumes the following support roles:

- Sets goals and Vision for the project
- Provides oversight via the DIR board of directors who must approve all state rules associated with TexasOnline; fees that may be levied in support of the project; and opportunities for new services that have fees associated with them
- Approves Opportunity Proposals for all new TexasOnline projects
- Provides project and contract management of the public/private partnership

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- Approves annual budget submitted by the prime vendor, including revenues, expenses, capital, and hourly billing rates
  - Tracks performance against metrics and reports to stakeholders
  - Researches, develops and approves technology policies, standards, and procedures concerning TexasOnline
  - Manages relationships with users of TexasOnline.

### **Prime Contractor's Role**

The prime contractor's role includes the following:

- Financial investment in all development, implementation, and operations costs for TexasOnline, with recoverability of investment through transaction fees
- Portal and application development, testing, maintenance and support
- Project management, overall and for individual development projects
- Management of operations in accordance with SLAs
- Application and infrastructure security
- Network and internet support
- Call center operations that provide technical and instructional support
- Contract management with entities
- Provisioning of a secure electronic payments system
- The budget process and project accounting that includes collecting revenues, tracking expenses, projecting costs, creating financials, and reporting
- Marketing and outreach to the citizens of Texas, other governmental entities, and national and international information technology organizations
- Development of opportunities in cooperation with DIR

### **Financial Model**

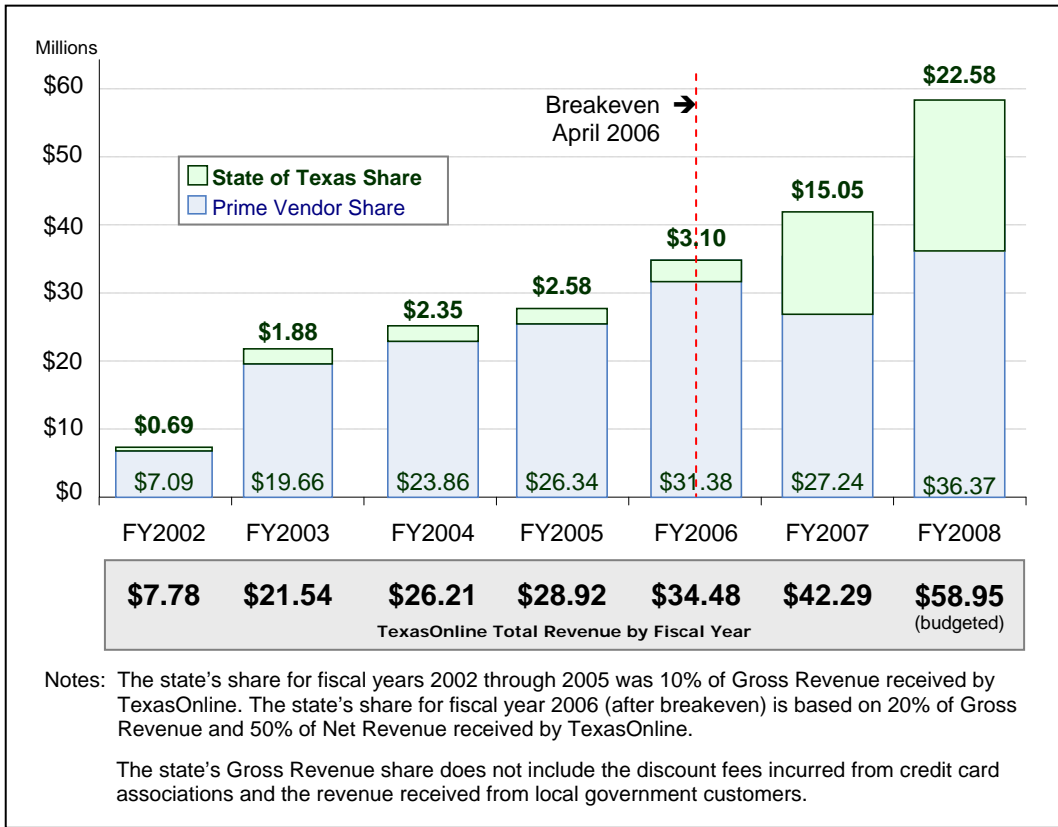
TexasOnline operates as a self-supporting, public/private partnership. The project is operated and funded by DIR's contracted prime vendor. The prime vendor recovers its investments, which include development and ongoing operational costs, through service, subscription, and online convenience fees, or through cost sharing with an agency.

The current financial model also requires the prime vendor to pay to the state twenty percent of the Gross Revenues received by TexasOnline. After operational and other expenses are met, Net Revenues are split 50-50 between the prime vendor and the state.

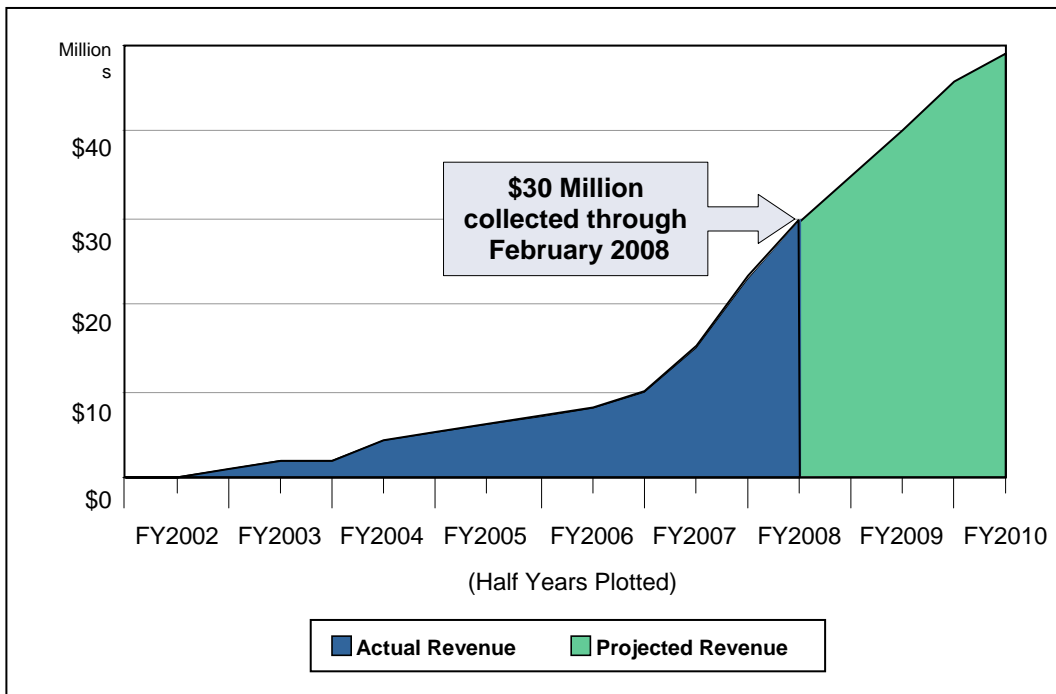
At the top of the next page is a graphical representation of the historical TexasOnline Revenue Share. The first year the state enjoyed a share of TexasOnline revenue was fiscal 2002, when it received approximately \$692,000. The state's share of TexasOnline revenue has increased dramatically since then, with the state's share for fiscal 2008 forecast to reach \$22.58 million.

The second graph on the next page—TexasOnline Cumulative State Revenue Share—reiterates the strong financial performance of TexasOnline. It illustrates that TexasOnline deposited approximately \$30 million into the State Treasury as of February 29, 2008, and shows that TexasOnline is projected to deposit \$50 million into the State Treasury by the end of the contract on December 31, 2009.

### TexasOnline Revenue Share



### TexasOnline Cumulative State Revenue Share



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## Supplemental Technical Reference

The following supplemental technical reference materials are provided in this section:

- [Data Center Services](#)
- [Federated Identity Management](#)
- [Service-Oriented Architecture](#)
- [Enterprise Application Integration](#)
- [Software as a Service](#)

### Data Center Services

View the master service agreement and included services online at <http://www.dir.state.tx.us/datacenter/contract.htm>

#### Servers (Production, Test, Development)

- Server hardware and operating system installation, support, maintenance
- Server software installation, support, maintenance for specified products/categories (Oracle, email, DNS, etc.)
- System administration for all in-scope server software
- Remote server administration
- Server support for mobile access devices (PDA, Blackberry, etc.)

#### Common Services

- Computer operations and monitoring
- Production control (batch scheduling, job scheduling)
- Storage management (disk, tape)
- Disaster recovery backups and offsite tape storage
- Physical database administration (production, test, development)
- Data center print services (printer operations, reports staging for distribution, ordering paper, special forms, etc., inserts and bulk print mailings)
- Facility and environmental support
- Capacity planning
- Disaster recovery planning and testing for all data center services
- Business continuity planning (service provider processes)
- Support center (for in-scope data center services)
- Hardware/software procurement for in-scope services
- Support and maintenance for the LAN environment within the data center facility

#### Security

- Vulnerability/threat/virus support
- Security software installation and maintenance
- Physical security

#### Process Management

- Incident management, problem management, change management, configuration management, release management

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## Federated Identity Management

Federated identity management is management of user identities across application and organizational boundaries. It uses trust relationships between separate security domains (organizations) to provide appropriate and secure seamless authentication for users. Implementation of a combination of policy, process, and technology has the potential to increase user productivity and security while reducing overhead.

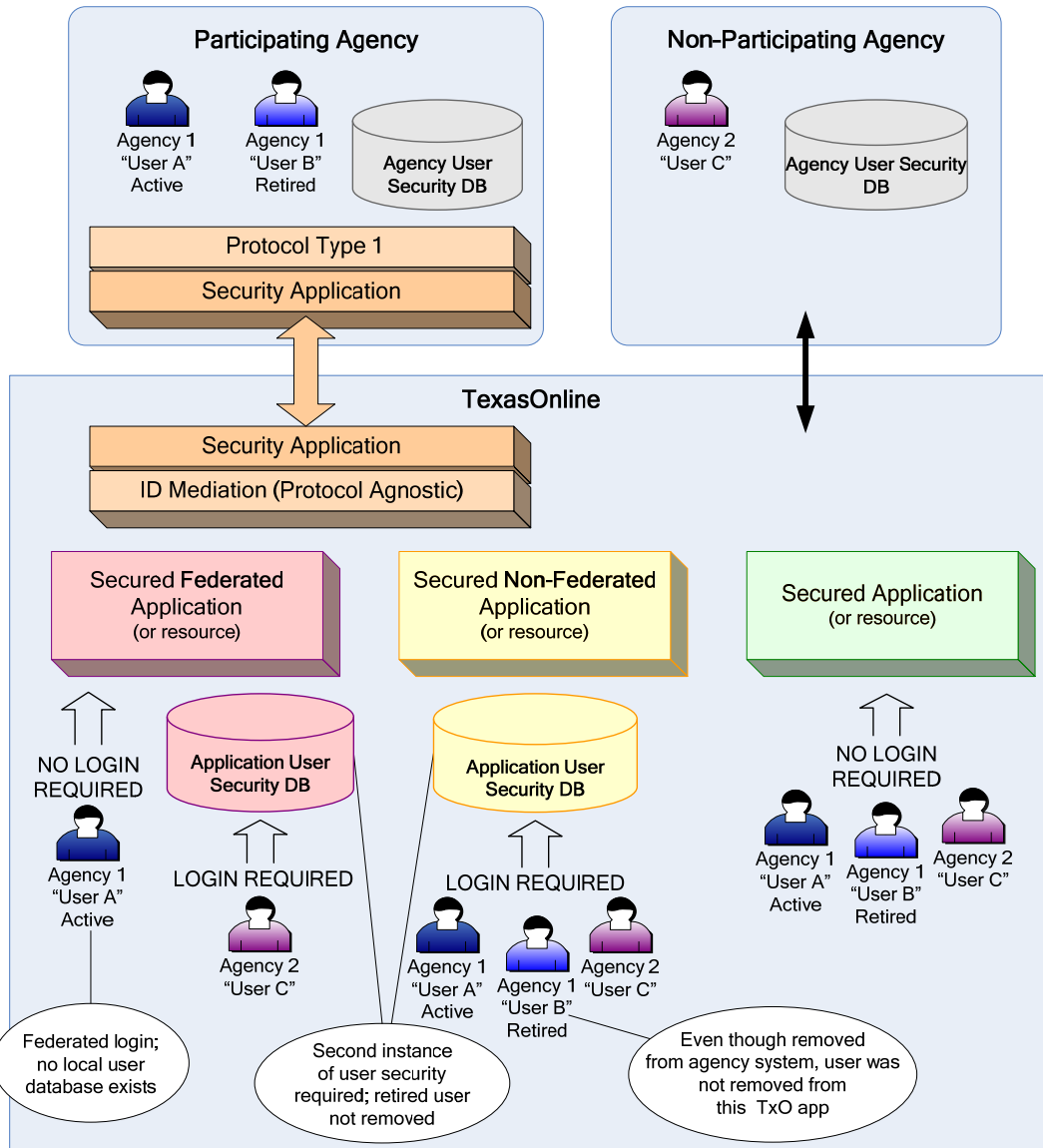
The example below reflects two agencies that use TexasOnline services. Agency 1 participates in the envisioned federation and Agency 2 does not.

Agency 1 reflects two employees: User A and User B. User A is active and authorized to use TexasOnline applications. User B is retired, but was previously authorized to use TexasOnline applications.

When User B retired, all IDs and access was removed at the local agency. As a result of being in the federation, no access maintenance action was required for the federated secured application on TexasOnline because the retired user could not access the agency network; therefore, all federated applications are protected.

However, the retired user still has access to the nonfederated secured application on TexasOnline because the agency did not know the user had access to that application and did not notify the application owner to remove User B permissions. Therefore, User B, even though no longer employed at Agency 1, still has access to a secured application.

In the case of Agency 2, User C must go through the normal permission requests and authorization setups to get logins for the two secured applications and must login into each application because the agency does not participate in the federation.



## Service-Oriented Architecture

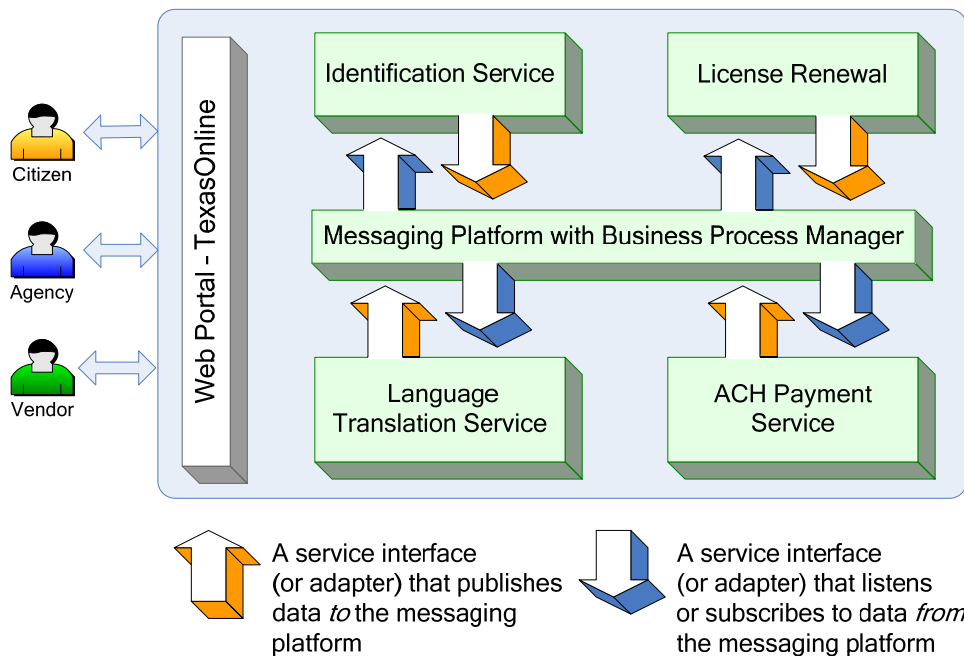
Service-oriented architecture (SOA) is a theory—not a technology, protocol, or specification. It articulates a method for developing standards-based applications on the concept that most applications can be broken down into core functions that can be developed and loosely bound in an environment that allows for the functions to be easily extended to different business needs. Where appropriate, TexasOnline should adopt this architecture.

## Enterprise Application Integration

In the words of the Gartner Group, Enterprise Application Integration (EAI) is the “unrestricted sharing of data and business processes among any connected application or data sources in the enterprise.” One large challenge of EAI is that the various systems that need to be linked together often reside on different operating systems, use different database solutions and different computer languages, and in some cases are legacy systems that are no longer supported by the vendor who originally created them. In some cases, such systems are referred to as "stovepipe systems" because they consist of components that make it very hard to modify them in any way.

In the EAI model, this is all accomplished without explicit programming between these services. Transactional events in one system trigger a push of data into the Messaging platform. Each service also continuously listens, or observes, the Messaging Platform for data requests, or messages, that it must use for its processing. This allows services to be easily added, replaced, or removed because each service only has two interfaces: subscribe and publish.

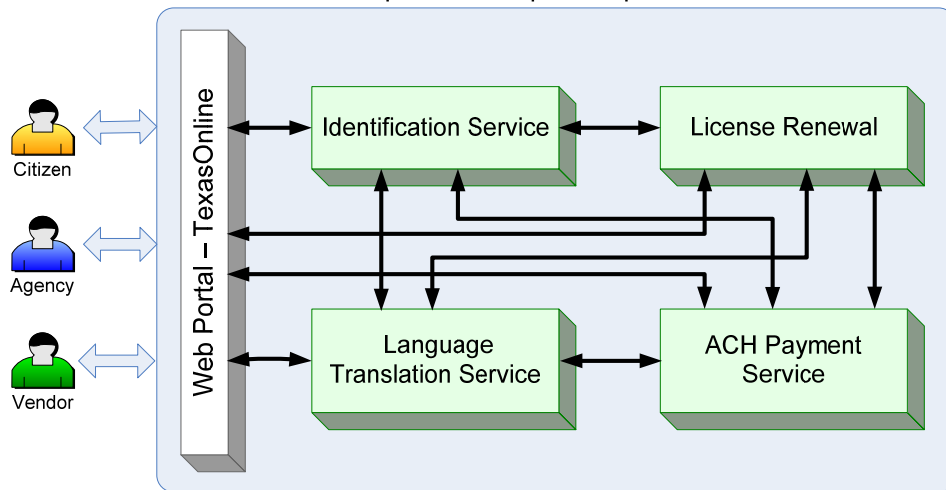
EAI Architecture Example (Simplified)



A legacy architecture of point-to-point interfaces requires infinitely more maintenance, as shown in the diagram below. Each interface has to be programmed uniquely, which adds to testing and deployment time for adding new solutions. It also makes it extremely difficult to replace or remove applications since there are so many more interfaces to consider.

### Non-EAI Architecture Example (Simplified)

A spiderweb of point to point



# Software as a Service

