



Office of Information Technology Services

ANDREW M. CUOMO
Governor

December 13, 2019

By First Class Mail

Brian Reilly
Audit Director
Office of the State Comptroller Division of State Accountability
110 State Street, 11th Floor
Albany, NY 12236

Re: 90 Day Response: Oversight of IT Consultants and Contract Staffing Final Report 2018-S-38

Dear Mr. Reilly:

I write to respond to the Office of the State Comptroller ("OSC") Final Audit Report, "Oversight of IT Consultants and Contract Staffing," dated September 16, 2019. Pursuant to Executive Law § 170, the Office of Information Technology Services ("ITS") provides the following confirmatory information concerning its responses to the two recommendations in the Final Audit Report.

OSC Recommendation 1: Strengthen monitoring of all agreements so that there is more consistency across ITS, and ensure that all deliverables are met and received within the required time frame in order to protect the interests of the State.

ITS Response: ITS continues to develop tools to assist program staff to monitor vendor compliance with contracts, including templates and fact sheets for contract management. ITS is standardizing deficiency reports to ensure consistent reporting of contractor issues and providing program managers with checklists to assess ongoing compliance. Additionally, ITS will implement contract monitoring training in early 2020. ITS staff continues to keep up to date on best practices for contract monitoring and compliance.

OSC Recommendation 2: Formally evaluate the IBM Service Desk contract and take necessary steps to ensure that the IBM contract staff are in compliance.

ITS Response: ITS completed a formal evaluation of the IBM Service Desk contract prior to the issuance of the Final Report. ITS conducted payment calculations and determined that ITS saved the State approximately \$450,000 utilizing payment calculations set forth in the Project Change Request (PCR) referenced in the Final Report. However, in light of OSC non-approval of the PCR, ITS has reverted to paying the contractor using calculations provided in the contract and assessing the maximum service level penalties when appropriate.

In addition, ITS has formally discussed contractual Service Level Requirement (SLR) Metrics with IBM and IBM has added all agreed upon requirement metrics in its reporting to ITS. IBM is now providing metrics in reports pursuant to the defined schedule: daily, weekly and monthly. ITS continues to discuss with IBM additional SLRs on a weekly basis.

If you have any questions regarding this report, please do not hesitate to contact Rajni Chawla, ITS Director of Internal Audit, at (518) 457-5465.

Very truly yours,



Erika M. Beardsley
Acting Executive Deputy Chief Information Officer

EB/svb

cc: Governor Andrew M. Cuomo
Lt. Governor Kathleen C. Hochul
Senator Andrea Stewart-Cousins
Senator John J. Flanagan
Senator Liz Krueger
Senator James L. Seward
Assemblyman Carl E. Heastie Assemblywoman Crystal Peoples-Stokes
Assemblyman Brian M. Kolb
Assemblywoman Helene E. Weinstein
Assemblyman William A. Barclay
Budget Division Director Robert Mujica