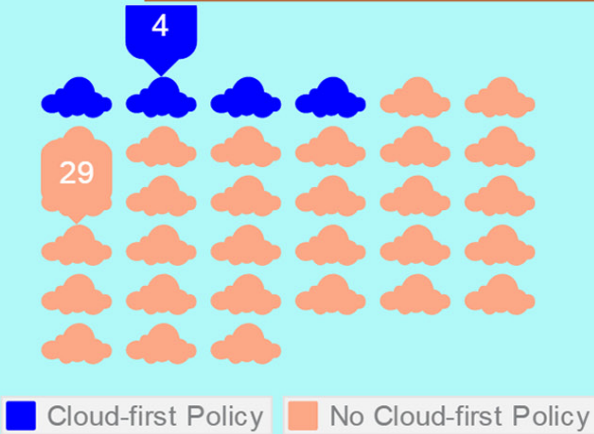


State Government Practices for Cloud Implementation

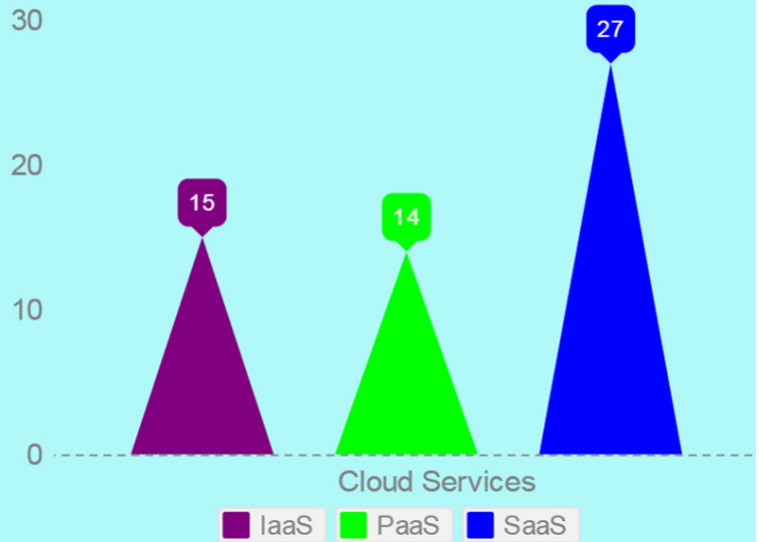
Has State Government Moved to the Cloud?

Currently, there are several cloud initiatives across the nation. This summary reflects input from state central procurement offices and their stakeholders in 34 states.

EXISTING STATE CLOUD POLICIES AND SERVICE MODELS



Only a small percentage of the responding states have adopted a cloud-first policy; some states have cloud strategies and plans with cloud components or are in the process of working to formalize policies, standards for cloud services.



Most states use Software as a Service (SaaS) cloud computing services.

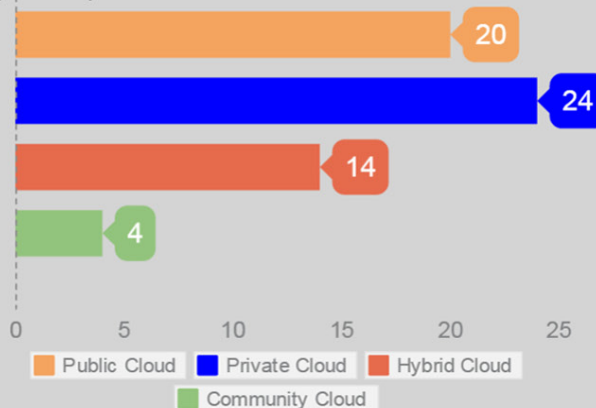
CLOUD SERVICES CONTRACTING MODELS

Cloud Services Contracting



- Eleven states use cloud contracting templates
- Central procurement office responsible for drafting special provisions for cloud contracting in 12 states
- Thirteen states allow customization of cloud provisions to include vendor-specific provisions

Deployment Models



Pricing Models



Most states use a subscription-based pricing model for their cloud service needs.

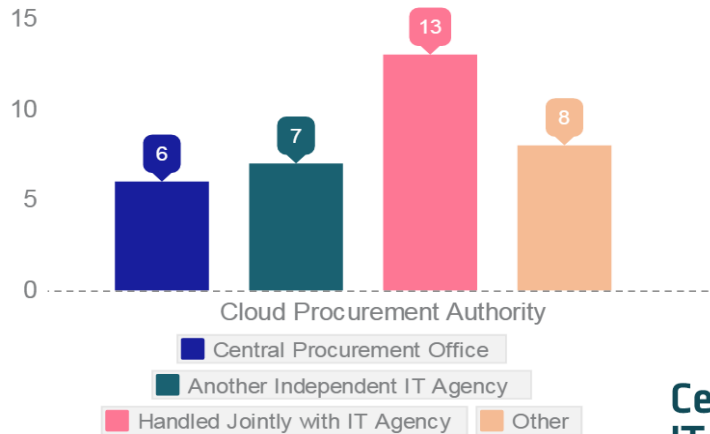
CLOUD PROCUREMENT AUTHORITY

Centralized Authority

Sole Responsibility for cloud procurement and contracting held by Central Procurement Office in 6 responding states.

Joint Authority

Responsibility for cloud procurement and contracting is handled jointly by the Central Procurement Office and IT agency in 13 responding states.



Other Models

- Agencies can procure cloud services on their own with a review by the technology division
- Cloud contracts for statewide use are administered centrally by the central procurement office and agencies can contract directly for their specific needs
- Centralized IT agency determines specifications for needed services, with legal statutory responsibility by centralized procurement office
- IT agency writes requirements, solicitations, reviews and recommends awards, central procurement office has signatory authority

Centralized IT Agency

IT agency independent from the Central Procurement Office handles procurement and contracting in 7 responding states.

- Ensuring security requirements are met by the various providers
- Service level agreement, credits, pricing, licensing
- Identity management and integration
- Total cost of ownership variances from project start to completion
- Negotiating Terms & Conditions and reaching mutually agreeable terms
- Protecting state's interest concerning long-term options
- Lack of standards and policies at the state level
- Mapping vendor security controls to the multitude of federal requirements
- Staff's understanding of cloud terms and condition
- Data security, particularly the right to audit and obtain information during or about breaches, and disclosures

CHALLENGES TO CLOUD IMPLEMENTATION



SOLUTIONS, LESSONS LEARNED

Preparation and planning are key to successful implementation

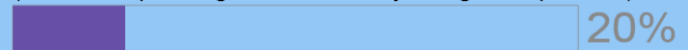
Devote appropriate time and resources to meet cloud challenges

Ensure cloud provider is compliant with security, privacy and accessibility requirements for protected information

Get buy-in from agencies to use a cloud offering to store sensitive data

Use pre-qualified vendors

(6 of 30 responding states currently using such process)



Involve legal counsel in the process

State Cloud Provisions: Survey Highlights

- IT Professional Liability limits range between \$1 to \$2 mil and higher, depending on the risk. Other limits noted include 2-3 times the value of the contract.
- Cyber Liability Limits noted included unlimited liability, \$1mil, and 3 times the value of the contract.
- All data collected or generated is owned by the state and protected accordingly.
- Credits are required for service levels that drop below contractual agreements.
- Primes hold responsibility for terms and conditions and flow them down to subcontractors.
- All provisions related to security, disaster recovery, privacy, encryption, data ownership, breach notification should be flowed down to subcontractors by primes.

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Source: NASPO Cloud Services Survey

Contact Elena Moreland at emoreland@naspo.org if you have any questions.