



VITA Update

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House Appropriations Committee



Agenda

- Introduction / CIO's background
 - U.S. Navy
 - Private sector
 - U.S. House of Representatives
- CIO's focus and vision
 - Transformational
 - Build to adapt with control, transparency and cost-effectiveness
- IT sourcing
 - VITA is progressing with a methodical plan



IT infrastructure footprint

Computers

59,374 PCs
3,356 servers

Mailboxes

58,948 accounts

Data storage

1.5 petabytes

Mainframes (2)

IBM
Unisys

Communications

55,000 desk phones
6,100 handhelds (PDAs)
11,000 cell phones

Networks

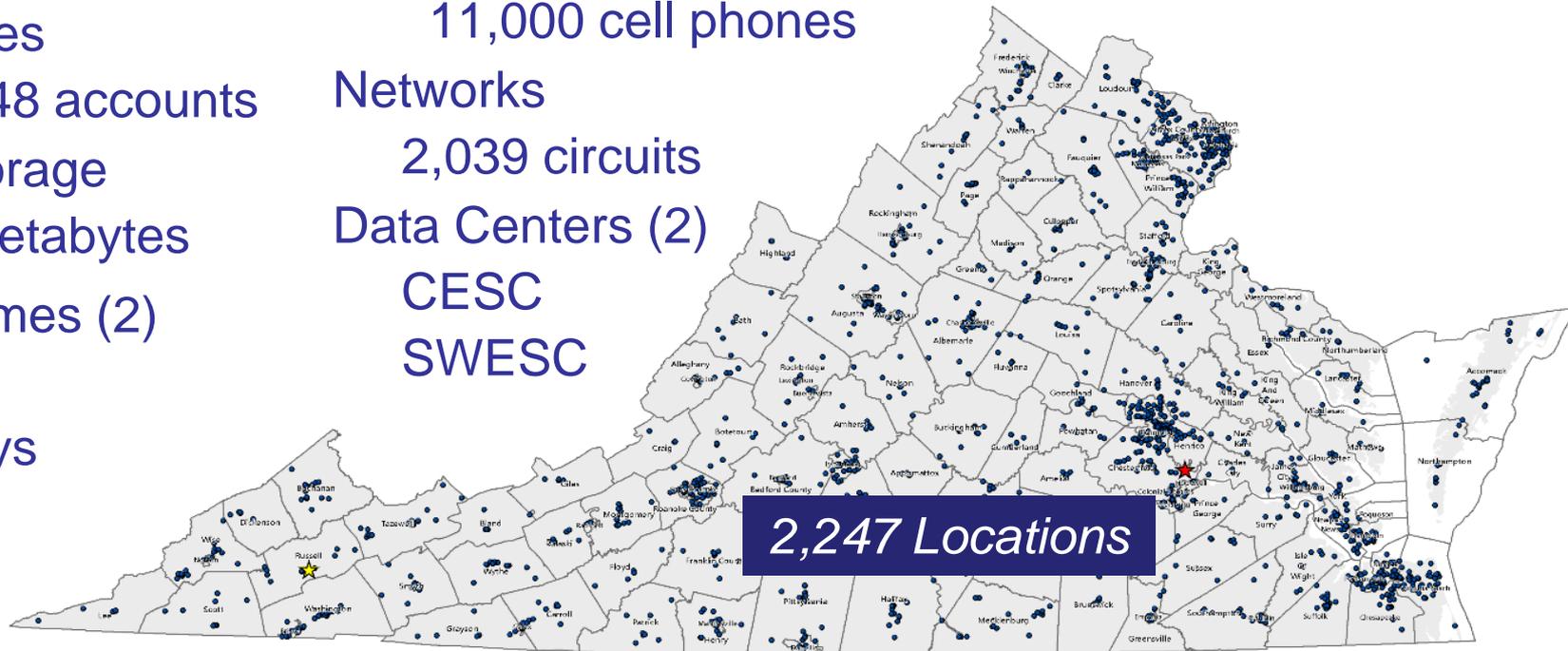
2,039 circuits

Data Centers (2)

CESC
SWESC

Printers

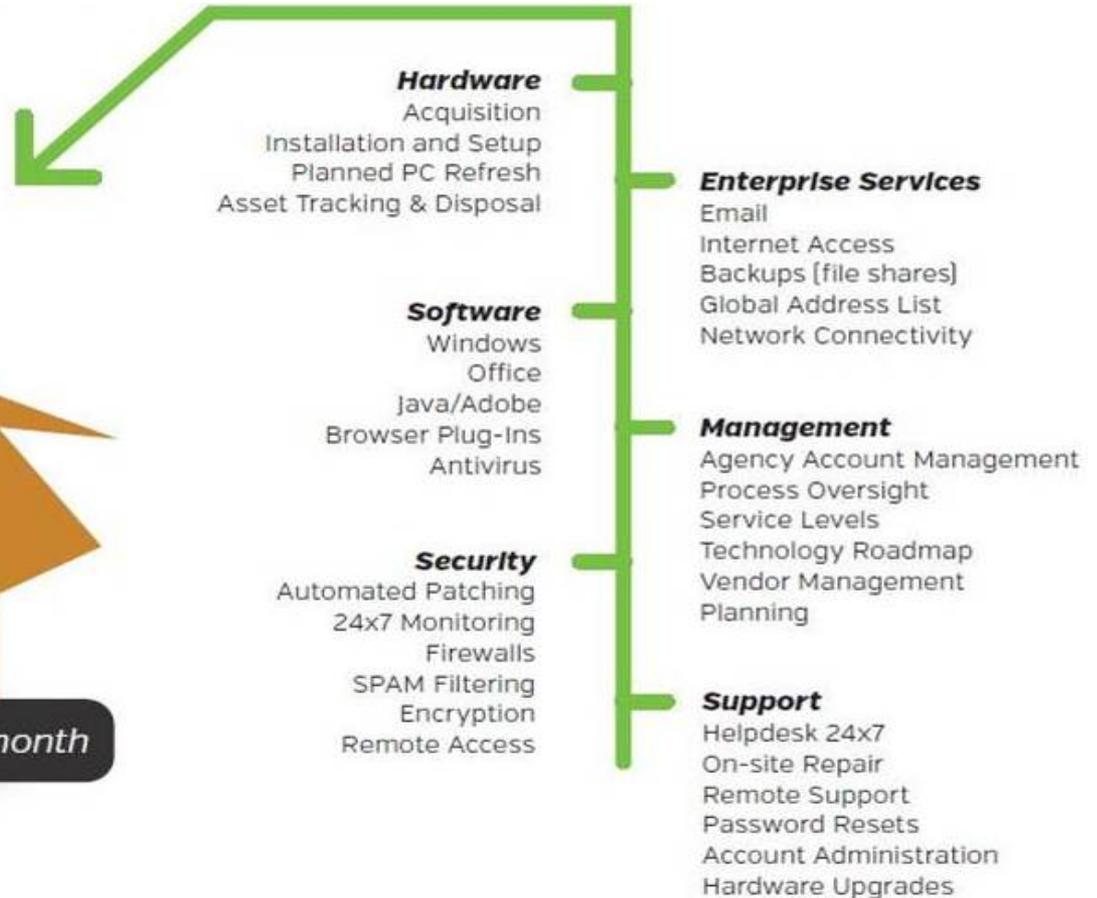
5,311 network
22,000 desktop





IT infrastructure as a Shared Service

People, Process,
Technology and Leadership





Northrop Grumman contract and next steps

- 13-year term expires on July 1, 2019
- Focus since 2005 has been tactical
 - Finish transformation of 89 agencies
 - Improve overall performance
 - Evolve current services
- Feedback from policymakers and customers needed on next steps
 - Insourcing, outsourcing, multisourcing
- VITA has redeployed resources to maintain operations while addressing IT sourcing and disentanglement



Current timelines

IT Sourcing



Disentangle



Maintain

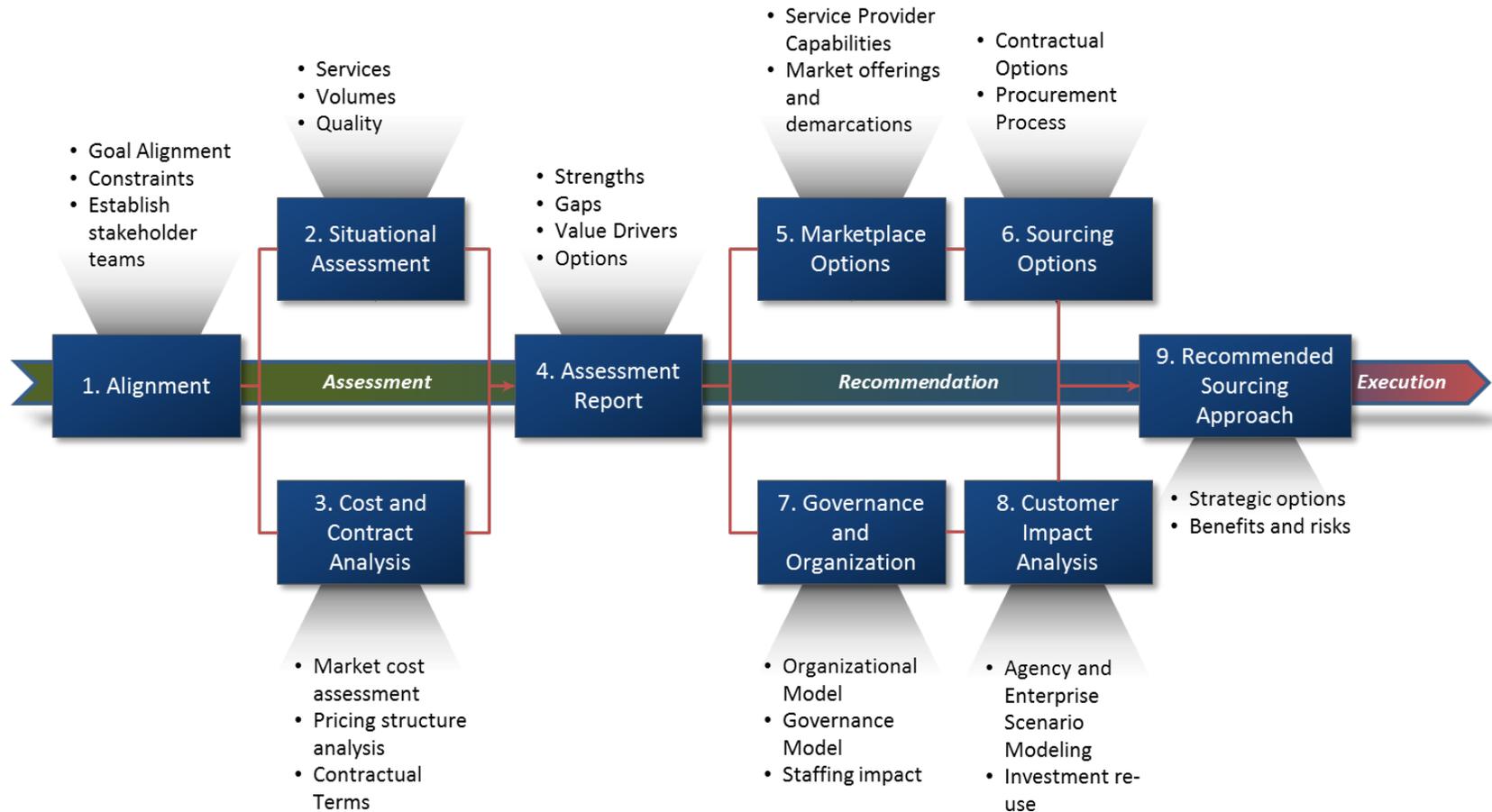




IT sourcing consultant

- Sourcing consultant contract awarded to Integris Applied
 - Competitive procurement; 11-month statement of work
 - Contract and pricing structure analysis
 - Analysis of current spending for market comparison
 - Marketplace research via request for information (RFI)
 - Final report due November
- Brings extensive experience in Texas and Georgia
- Iterative and collaborative “journey” that includes stakeholders

The Journey



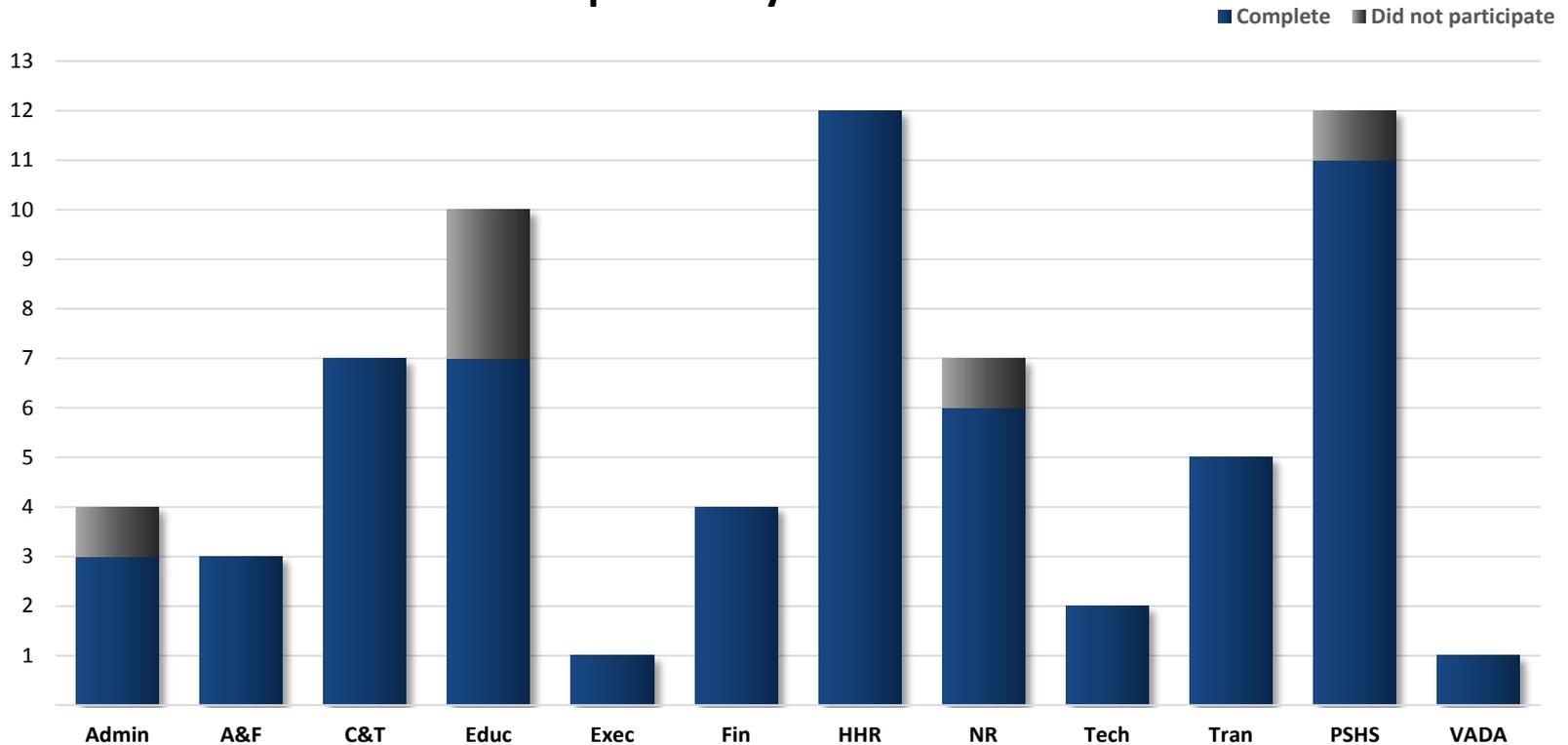


Steering committee

- Jason Powell, SFC Legislative Fiscal Analyst
- David Reynolds, HAC Legislative Fiscal Analyst
- Neil Miller, Deputy Secretary of Finance
- Brian Logwood, DPB Assoc Dir, General Government
- Ernie Steidle, DARS COO
- Dave Burhop, DMV CIO
- Sharon Kitchens, TAX CTO
- Dana Smith, VITA Exec Dir of Administration and Finance
- Chad Wirz (Chair), VITA Exec Dir of Service Management and Delivery

Interviews, surveys with more than 60 agencies

Completion by Secretariat





Consultant's observations and feedback

- Initial agency feedback
 - Infrastructure program has not demonstrated appreciation of agency business needs
 - Coordination across service areas must be improved
- Initial consultant feedback
 - Contractual model is dated
 - Commonwealth bears disproportionate risk
 - Current pricing structure inhibits new or evolved services and innovation



Goals for new sourcing model

Agencies

- Service delivery quality
- Ease of doing business
- Service flexibility
- Innovation and evolution
- Agency choice
- Service transparency
- Spend transparency

Enterprise

- Maintain cost competitiveness
- Management control
- Flexibility to evolve
- Supports VITA oversight functions
- Standardization
- Security
- Procurement and Transition

Consultants' final recommendations will identify sourcing models that best address these goals



Market has several sourcing models

Prime with subcontracts

- Most similar to the current model with Northrop Grumman
- VITA would contract with single provider
- Prime may bring various subcontractors

Multisourced

- VITA would contract with numerous providers
- Service integration function would manage providers
- Operating level agreements ensure service transparency

Inourced

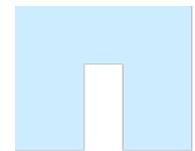
- VITA would need personnel, skill sets, and tools to manage multi-provider environment
- VITA would need resources to keep skills current



Virginia Information Technologies Agency



Cognizant





Current trends in IT sourcing

- Shorter terms
- Shift from single vendor to best-in-breed vendor(s)
 - Multisourcing integrator (MSI) to support multiple vendors
- Staggered procurements vs. single “big-bang”
- Cloud computing



RFI indicated marketplace options

- Agencies may have choices that don't exist in current service model
 - Catalogue of approved suppliers and services
 - Choices where to run their applications: cloud, data center, hybrid
 - Multiple levels of service at different prices
- VITA will need to adapt
 - Frequent procurements and transitions
 - Align changes in service delivery model with statutory oversight responsibilities



Illustrative policy decisions

- IT staff rehiring
 - More than 550 state IT staff became Northrop Grumman employees in 2006
- Purchasing assets and data center
 - Likely to cost at least \$87M
- Location of data: within or outside Virginia
 - Other states use cloud or out-of-state providers
- VITA will continue engaging policymakers and market to answer these and other issues



IT sourcing next steps

- Consultant's final recommendations in November
- Briefings at Nov. 9 JLARC, and legislative committees during 2016 session
- Prerequisite sourcing activities must be completed during this administration to reduce risk
 - Next governor takes office January 2018
 - Active procurements and disentanglement may be in progress



Resources

- Information: Link on right rail of the VITA website

<http://www.vita.virginia.gov/about/Default.aspx?id=6442473400>

- Feedback and questions:
infrastructuresourcing@vita.virginia.gov





Questions?

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