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## What is VITA?

The Virginia Information Technologies Agency (VITA) is the commonwealth's consolidated information technology (IT) organization. VITA's responsibilities fall into two primary categories:

- Governance of the commonwealth's IT investments and information security programs in support of the responsibilities of the chief information officer of the commonwealth
  - Operation and procurement of the IT infrastructure for the executive branch agencies declared by the legislature to be "in-scope" to VITA
- VITA was created in 2003 by House Bill 1926 and Senate Bill 1247. VITA's responsibilities can be found in the Code of Virginia.

## What is Northrop Grumman and what services does it provide to the commonwealth?

Northrop Grumman ([www.northropgrumman.com](http://www.northropgrumman.com)) is a Virginia-based, multi-national defense contractor and systems integrator. After a competitive procurement, Northrop Grumman was selected in 2005 to provide the following services to commonwealth under the auspices of VITA:

- Data center
- Back-up data center
- Servers
- Network
- Security
- Desktop
- Help desk
- Messaging
- Video and voice

## What is a sourcing strategy?

Organizations such as state agencies consume technology from a variety of sources. Some functions are provided in-house. Other functions can be provided more efficiently by a third party and are outsourced. A sourcing strategy defines how services will be consumed. For large organizations, such as the commonwealth that need to balance statewide (enterprise) requirements with the needs of individual agencies, a clear strategy is required. This strategy must consider enterprise requirements, the business needs of agencies and market capabilities.

## **Why does VITA need a sourcing strategy?**

In 2006, a long-term contract with Northrop Grumman was signed for the company to provide IT infrastructure services. This sometimes is called the IT infrastructure partnership. The commonwealth's needs have changed and marketplace capabilities have evolved since that time. To determine how the commonwealth should best purchase and manage its technology needs after this contract expires, a sourcing strategy is required.

## **What is VITA trying to accomplish with its sourcing strategy program?**

This program will develop recommendations for the governor and General Assembly for a next generation sourcing strategy. VITA will request input from agencies and the marketplace to help the commonwealth understand what options exist today and how those options might be implemented. This process will emphasize transparency and inclusion. VITA will engage all stakeholders in a manner that will foster an understanding of how services can improve while controlling costs and securing the enterprise.

## **What are the objectives of the IT sourcing strategy?**

VITA has defined the following principles to guide our work on this project:

- Maintain existing resiliency, reliability, and use of industry best practices
- Maintain vigilance while continuously improving security
- Leverage market and technology trends to promote agility in delivery and diversity in choices
- Ensure price competitiveness and financial flexibility

## **Why is VITA starting now? The term of the contract with Northrop Grumman does not expire until July 1, 2019.**

The commonwealth must start this process now. The need to engage with agencies and the General Assembly, a desire to find intermediate improvements, the variability of state funding and statutory procurement timelines are all part of a complex process that necessitates the need to define options well in advance of contract expiration.

## **What options does the Commonwealth have for providing IT services?**

Many options are available to the commonwealth, ranging from outsourcing the scope of services currently provided by Northrop Grumman, in-sourcing, multi-sourcing (multiple providers offering services) or a mix of these approaches.

Neither VITA nor its consulting partners have a preconceived view of the final recommendation. All options will have costs, risks and tradeoffs. By implementing the right process, engaging customer agencies and the

commonwealth's leadership, and analyzing the facts, VITA is confident that the right recommendation for the commonwealth will be made.

### **Why doesn't VITA just extend the contract with Northrop Grumman?**

VITA has exercised all contract extensions with Northrop Grumman that are available to the commonwealth. Going to market will encourage competitive bidding and provide other benefits, such as leveraging new capabilities.

### **Why doesn't VITA just let the contract with Northrop Grumman expire and bring services in-house?**

Although bringing services in-house will be considered during development of the sourcing strategy, it is essential that the commonwealth consider and assess all options to ensure decisions about IT services are based upon facts and executable goals.

### **Why doesn't VITA just cancel the Northrop contract before 2019?**

Simply canceling the contract would not be in the commonwealth's best interest. The contract would require the commonwealth to incur substantial costs for early termination and to purchase IT equipment and hire IT staff. In addition, cancellation would create a substantial risk of disruption to IT services.

### **Where is VITA in the process?**

VITA has engaged a consultant and is developing a sourcing strategy, which will help VITA assess options and recommend an approach. Near-term activities include interviews of customer agencies' and executive leaders regarding their business requirements and IT service needs. An analysis of the current arrangement with Northrop Grumman, an understanding of market conditions and capabilities, a view of commonwealth needs, and a review of constraints, complications and tradeoffs also will help determine our options and prepare for next steps well in advance of contract expiration.

### **How do we know any recommendations will be implemented?**

Starting now gives the commonwealth time to examine its options and what those options entail. While the outcome is not predetermined, it is clear that doing nothing is not an option. The future provision and performance of IT services should responsibly and securely support the commonwealth's ability to serve its citizens – IT infrastructure services are the foundational technologies upon which agencies and citizens interact with each other.

### **What is Integris Applied?**

Integrus Applied ([www.integrusapplied.com](http://www.integrusapplied.com)) is a technology strategy and sourcing advisory firm with decades of experience assisting clients with their sourcing needs. Having recently implemented innovative and complex sourcing and delivery solutions for the states of Texas and Georgia, Integrus Applied has the most relevant experience in the industry for the types of challenges the commonwealth will face in resetting its technology strategy.

**Why does VITA need to hire consultants to develop this strategy?**

VITA recognizes the need to look at the commonwealth's sourcing strategy with fresh perspectives. Working with the right consultants will help the commonwealth develop a sustainable strategy that will meet our needs. Bringing in skill sets and experience that do not exist in the commonwealth will help agencies and stakeholders assess options that might not have been considered otherwise.