

Virginia Information Technologies Agency



**COMMONWEALTH OF VIRGINIA**  
**VIRGINIA INFORMATION TECHNOLOGIES AGENCY (VITA)**  
**SUPPLY CHAIN MANAGEMENT DIVISION**  
11751 MEADOWVILLE LANE  
CHESTER, VIRGINIA 23836

**REQUEST FOR INFORMATION (RFI) 2017-14**  
**FOR:**  
**SERVER, DATA CENTER, AND SECURITY SERVICES**

**Issue Date:** September 29, 2016  
**Due Date/Time:** October 21, 2016 @ 3:00 pm Eastern  
**Response Delivery Method:** E-mail attachment to Single Point of Contact  
**Single Point of Contact (SPOC):** Greg Scearce, VITA Supply Chain Management (SCM)  
**Telephone:** (804) 416-6166  
**E-mail Address:** [gregory.scearce@vita.virginia.gov](mailto:gregory.scearce@vita.virginia.gov)

NOTE: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, §2.2-4343.1 or against a Supplier because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

VITA is committed to increasing procurement opportunities for small, women-owned, and minority-owned (SWaM) businesses, strengthening the Commonwealth's overall economic growth through the development of its IT suppliers.

## **TABLE OF CONTENTS**

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1. Introduction.....	3
A. IT Infrastructure Services Program (ITISP) Overview .....	3
B. RFI Purpose.....	3
2. Submission Logistics and Contact Information .....	5
3. Overview of RFI Documents .....	5
4. Respondent Contact Information.....	6
5. Questions.....	7
A. Server/Storage Services.....	7
B. Financial/Server Storage .....	10
C. Managed Security.....	12
D. Financial/Managed Security .....	15
6. Feedback Regarding RFI Documents .....	17

## 1. INTRODUCTION

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The intent of this Request for Information (RFI) is solely to gather information; it is not a formal procurement. Responding to the RFI is not a pre-requisite to submitting a proposal for any subsequent procurement. Respondents should not provide any confidential or proprietary information.

Ownership of all data, materials, and documentation originated and prepared for VITA pursuant to the RFI shall rest exclusively with VITA. All information provided to VITA as part of this RFI will not be publicly disclosed, but shall be subject to public inspection in accordance with the §2.2-4342 of the *Virginia Public Procurement Act* and the *Virginia Freedom of Information Act*.

### A. IT Infrastructure Services Program (ITISP) Overview

This procurement event is a component in VITA's overall strategy to implement a new IT Infrastructure Services Program (ITISP). This program will position VITA to fulfill its vision to "deliver agile technology services at the speed of business" by better balancing the needs of the individual agencies and the enterprise in a multisupplier ecosystem. The ITISP is intended to accomplish the following:

- **Maintain and improve service quality.**
  - Develop the capability to address evolving agency needs and create opportunities to improve service performance without degrading service reliability, security, and quality.
- **Ensure cost competitiveness – both now and in the future.**
  - Structure service offerings so they can be more easily compared to market services at market rates; offer a menu of service options to customers.
- **Create a platform view of service delivery that is highly visible and accountable.**
  - Provide for Enterprise and Agency visibility of consumption, cost, performance, and the responsiveness of suppliers. Establish a governance structure and forums to promote stakeholder engagement and improve the balance of agencies and enterprise needs.

Procurement of new services that will transition the Commonwealth from a single supplier model to an integrated multisupplier model is occurring over three waves. VITA has begun implementing Wave 1 of this transition by awarding a contract for Messaging services in July 2016 and a contract for IBM Mainframe services in September 2016. Wave 2 of this transition begins with this Request for Proposal ("RFP") soliciting proposals for the services of a multisourcing service integrator (MSI). That procurement was released on September 29, 2016 under RFP# 2017-03. The Wave 2 procurements are also intended to include services for Server, Storage, Data Center LAN, Data Center Facilities, and Managed Security Services (abbreviated as "Server, DC, and Security").

Respondents to this RFI are encouraged to review the publicly available RFP# 2017-03 documents for additional context. Note also that there will be a Pre-Proposal Web Conference for the MSI RFP, scheduled for Tuesday, October 4<sup>th</sup> at 2 pm. Information to register for the conference is indicated in the RFP Instructions for RFP# 2017-03.

### B. RFI Purpose

VITA has decided to accelerate its MSI implementation, such that the contract for RFP# 2017-03 is awarded while the other Wave 2 procurements are still underway. The initial focus on the MSI RFP allows additional time at the front-end of the timeline to gather further market research for Server, DC, and Security via this RFI. This RFI will allow VITA to improve the quality of the resultant RFP or RFPs to be released around the end of 2016.

Currently, VITA's Wave 2 internal RFP teams are structured around two separate potential RFPs: 1.) Server, Storage and Data Center Services and 2.) Managed Security Services. However, VITA is interested in identifying the most efficient demarcation or bundling of these services between RFPs. For example, perhaps it would be more efficient to separate the Data Center facilities from the other Server services; or perhaps it would be better to include some or all of the Security services with the Server RFP. VITA anticipates resolving these decisions, and other questions as detailed in the Section 5 (Questions) below, in part by considering feedback obtained from marketplace participants via this RFI.

The Commonwealth has the following goals for the procurements:

#### **Server, Storage, and Data Center Services**

- Assume all existing Services for Server, Storage, Data Center LAN, and Centralized Data Center facility currently provided to the Commonwealth via the Comprehensive Infrastructure Agreement (CIA) with Northrop Grumman.
- Transition to the next generation of delivery for Server, Storage, and Data Center services to VITA and Customers, taking advantage of the ever-changing technology landscape while decreasing costs to VITA and Customers.
- Provide compute, storage, and Data Center LAN services that are flexible, rapidly provisioned, cost effective, transparent, and elastic to meet VITA and Customer needs while preserving enterprise requirements such as security and compliance management.

#### **Managed Security Services**

- Replace the existing security services included within the Comprehensive Infrastructure Agreement (CIA) with Northrop Grumman.
- Support VITA's Commonwealth Security and Risk Management (CSRМ) directorate by acting as its operational "hands and feet":
  - Advising on risks and standards development
  - Assessing vulnerabilities and compliance (suppliers and agencies)
  - Provide security monitoring and integration tools across the environment
  - Respond to and address security risks and incidents
  - Provide tools and technologies to protect the environment from compromise
  - Provide security services that are adjustable to meet compliance needs of the Customer and adaptable to advancements in both security and technology industries
  - Establish, implement and maintain a secure enterprise information technology environment ensuring the confidentiality, integrity and availability of critical Commonwealth information and systems

- Provide VITA and its Customers with access to their data and metadata, in real-time

## 2. SUBMISSION LOGISTICS AND CONTACT INFORMATION

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<b>Issue Date:</b>	September 29, 2016
<b>Due Date / Time:</b>	October 21, 2016 at 3:00 pm EST
<b>Response Delivery Method:</b>	E-mail attachment or CD sent to Single Point of Contact. Note: e-mail must be received by the due date and time; CD must be post-marked by the due date, but can be received later. E-mail attachments must be limited to 10 MB.
<b>Single Point of Contact (SPOC):</b>	Greg Searce
<b>Telephone:</b>	(804) 416-6166
<b>E-mail Address:</b>	<a href="mailto:gregory.searce@vita.virginia.gov">gregory.searce@vita.virginia.gov</a>
<b>Mailing Address:</b>	11751 Meadowville Lane, Chester, VA 23836
<b>Pricing:</b>	No pricing information should be submitted
<b>Document Format:</b>	Return this document, having populated Section 4 (Respondent Contact Information), Section 5 (Questions) below, and Section 6 (Feedback Regarding RFI Documents)
<b>RFI Questions and Answers:</b>	Suppliers may submit questions regarding this RFI at any time via e-mail to the SPOC.

## 3. OVERVIEW OF RFI DOCUMENTS

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Within this RFI, VITA has chosen to release the following documents, which are drafts of some key documents anticipated for release in a final RFP or RFPs.

- Exhibit 2.1-a: Server, Storage, Data Center LAN Services
- Exhibit 2.1-b: Data Center Facilities Services
- Exhibit 2.1-c: Managed Security Services
- Exhibit 2.2: Cross-Functional Services
- Exhibit 3.1-a: Server, Storage, Data Center LAN, and Data Center Facilities SLA Matrix
- Exhibit 3.1-b: Managed Security SLA Matrix

- Exhibit 3.2-a: Server, Storage, Data Center LAN, and Data Center Facilities SLA Descriptions
- Exhibit 3.2-b: Managed Security SLA Descriptions
- Exhibit 4: Pricing and Financial Provisions
- Exhibit 4.1-a: Server, Storage, Data Center LAN, and Data Center Facilities Pricing and Volumes Matrix
- Exhibit 4.1-b: Managed Security Pricing and Volumes Matrix
- Exhibit 4.2-a: Server, Storage, Data Center LAN, and Data Center Facilities RU Definitions
- Exhibit 4.2-b: Managed Security RU Definitions
- Exhibit 4.4: Form of Invoice

#### 4. RESPONDENT CONTACT INFORMATION

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Please provide your contact information in the box below.

Contact Information	Enter your response here, enlarging the box as needed
Company Name	Impact Makers
Company Mailing Address	1707 Summit Ave, Suite 201 Richmond, VA 23230
Company Website Address	<a href="http://www.impactmakers.com">www.impactmakers.com</a>
Name of Contact Person	Rodney Willett
Contact Person E-mail Address	<a href="mailto:rwillett@impactmakers.com">rwillett@impactmakers.com</a>
Contact Person Telephone #	804.363.1534

## 5. QUESTIONS

Please use the table to respond to the Commonwealth's questions.

Ref#	Category	Question	Supplier Response
<b>A. Server/Storage Services</b>			
Q1.	Server/Storage	The Commonwealth has upwards of 10 non-centralized Data Centers in Agency-operated buildings, primarily in the metro Richmond area. What are examples of Suppliers' best practices in managing the Servers, Storage, Firewalls, and Data Center LANs in non-centralized (Agency) facilities?	
Q2.	Server/Storage	What does the Supplier recommend for the length of the contract for Server, Storage, and Data Center Services? Please describe benefits and trade-offs.	
Q3.	Data Center	What do you recommend for the length of the contract for the Data Center Facility for this type of environment?	
Q4.	Server/Storage	What does the Supplier recommend for technology refresh rate for the different types of Devices in VITA's environment? Is there an impact on the length of the services contract?	
Q5.	Server/Storage	The Commonwealth is interested in a separate hardware charge in the Server RUs to account for the initial capital outlay for physical servers. Is there a better way to represent the cost differences and hardware refresh cycle in the Server RU structure?	
Q6.	Server/Storage	The Commonwealth is proposing tiering of services for Server and Storage in an attempt to align costs with availability and performance. Based on your experience, do these tiers of service have any challenges in developing a solution? Do you have experience with these service tiering model? Do you have any recommendations or enhancements for the Commonwealth to consider?	
Q7.	Server/Storage	The Commonwealth currently spreads costs across a very simple RU model. Do you have an enhanced RU model that could offer a larger variety of services while minimizing the RUs and their complexity?	
Q8.	Server/Storage	The Commonwealth is including Bronze thru Platinum service levels for Server as examples of service categories. What would be required to implement this model in the Commonwealth?	
Q9.	Server/Storage	Do you see a better way to bundle or spilt the services we are	

Ref#	Category	Question	Supplier Response
		requesting, in order to more effectively integrate with other towers (including MSI), and obtain more flexibility in the Commonwealth's IT environment while maintaining appropriate Governance and security?	
Q10.	Server/Storage	Are their new Storage offerings, like Object Based Storage or predictive storage, that the Commonwealth should include in storage or enhanced services? How do you offer and charge for virtual storage?	
Q11.	Server/Storage	The Commonwealth is interested in ensuring it provides optimal storage performance and availability for VITA and VITA's Customers. How do you propose to provide and measure this performance?	
Q12.	Server/Storage	The Commonwealth has traditional x86 virtual servers, but it is also interested in the capabilities of a private cloud. Could they be combined or left separate? Please describe how this could be accomplished most effectively.	
Q13.	Server/Storage	How does Database as a Service make sense for an Enterprise like the Commonwealth? Do you have any recommendations for how to charge for enhanced Database services (i.e., Development DBA)?	
Q14.	Server/Storage	The Commonwealth wants to provide cost effective solutions to VITA and the Agencies. What do you describe as the key cost and value drivers that would help the Commonwealth offer services that are not cost prohibitive to deliver? Do you see any requirements in the description of services in this RFI that would cost more to meet than the business value they provide?	
Q15.	Security	The Commonwealth is interested in an Enterprise Key Management System for compliance and security. How do you propose the Commonwealth request Key Management services?	
Q16.	MSI	Identity and Access Management (IAM) services and the systems supporting those functions are currently split between multiple providers. How do you propose bringing these services together to provide a single integrated service?	
Q17.	MSI	The Commonwealth has defined the cross-functional requirements in Exhibit 2.2. Do you have any comments in the structure and handoffs identified in this document? Do you have any prior experience working with MSIs? Do you have any recommendations regarding the approach for how the MSI should interact with the other suppliers?	

Ref#	Category	Question	Supplier Response
Q18.	MSI	Do you see any benefits or challenges in requiring the Data Center facility provider to also be responsible for providing common operating monitoring groups in the same solution (e.g., CMOC, ITOC, SOC, NOC)?	
Q19.	MSI	The Commonwealth currently has a single traditional DR solution that requires the entire backup Data Center to be failed over. There is a desire to move to a more flexible solution that allows single Agencies or even applications to be failed over individually. This process requires design, development, operations, testing, and coordination. What role should VITA's MSI should play in this effort in relation with the Server Services provider?	
Q20.	Data Center	The Commonwealth is interested in Multi-site High Availability and Disaster Recovery Services. At a high-level, what do you recommend on the number and locations of centralized Data Centers the Commonwealth should utilize for that purpose? Any tradeoffs?	
Q21.	Migration	Suppliers will be required to provide an implantation plan to specify how they will take over responsibility for the existing environment. The Commonwealth is also interested in recommendations with regard to how the Commonwealth could migrate or transform to new Service offerings. What do you recommend for this migration plan?	
Q22.	Enhanced Services	The Commonwealth is interested in receiving proposals to include new enhanced services, (e.g., Cloud, Analytics, Managed File Transfer) Can you recommend any other such enhanced services the Commonwealth should also consider including at the moment? How would you recommend these services be delivered?	
Q23.	Enhanced Services	As the technology landscape changes in the Commonwealth's environment, could you describe other enhanced services that VITA and VITA Customers should consider in the future?	
Q24.	Enhanced Services	What would you propose as a good business case for virtualizing the desktop (offering VDI)?	
Q25.	Data Center LAN	What do you recommend as the best demarcation point between the Data Center LAN and the Network or WAN? The Commonwealth wants to make the cleanest scope separation for a future WAN Network RFP.	
Q26.	Data Center	In the current RFI, the Commonwealth has bundled Data Center LAN	

Ref#	Category	Question	Supplier Response
	LAN	services (e.g., switching, routing, load balancing and firewall) with Server and Storage services. Do you find any challenges, issues, or concerns with this approach and why? Any recommendations?	
Q27.	Data Center LAN	The Commonwealth did not bundle Data Center LAN services (e.g., switching, routing, load balancing and firewall) with the Data Center Facility services (e.g., HVAC, power, raised floor). Do you believe this is the correct approach? Do you have any recommendations?	
Q28.	Data Center LAN	The Commonwealth is considering decoupling the Data Center Facility services from the Server, Storage, and Data Center LAN services. What do you think of this approach? What do you think are the advantages, disadvantages and tradeoffs of splitting the facility services out versus coupling these services with Server, Storage, Data Center LAN?	
Q29.	Data Center LAN	Supplier is expected to provide centralized Data Center LAN services. Should LANs in non-centralized Data Centers be part of the scope for Data Center LAN services or bid as part of Network/WAN in a future procurement? What would be the pros/cons and tradeoffs?	
Q30.	Data Center LAN	If the solution includes new Data Centers, who should provision and manage the network connections between the Data Center locations? Should it be the Network Provider, the Data Center Provider or the Server, Storage, Data Center LAN Provider?	
Q31.	Data Center	How does the Supplier propose to migrate Server, Storage, Data Center LAN services out of the CESC datacenter by June 2019 or earlier? Describe how the Supplier would seamlessly migrate out of CESC like-for-like, transform to new services, or a combination of the two? What are the recommended approaches?	
Q32.	Cloud Services	The Commonwealth is interested in a solution that integrates traditional hosting services with new private, community, and public cloud offerings. How do you propose integrating these services?	
Q33.	Cloud Services	What would be the best practice with regard to Suppliers owning the cloud contracts and potentially transferring that contract to the Commonwealth? Should the Commonwealth own that contract outright? Are there any other alternatives to be considered?	
Q34.	Cloud Services	When the Commonwealth buys cloud services offerings how do you propose to identify where the data and services are located?	
<b>B. Financial/Server Storage</b>			

Ref#	Category	Question	Supplier Response
Q35.	Pricing Structure	<p>The Commonwealth is interested in creating the best possible pricing structure for the Services. In light of that fact, Supplier is invited to both comment on the structure described in Exhibit 4.1 and 4.2, and to propose an alternate pricing structure if they believe that it will better serve the interests of both parties.</p> <p>The Commonwealth will contemplate any proposed pricing structure along five dimensions:</p> <ol style="list-style-type: none"> <li>1. <b>Predictable:</b> To the greatest extent possible, customers should be able to forecast charges ahead of time; changes in pricing that occur over time should not be a surprise.</li> <li>2. <b>Manageable:</b> The pricing should not be so complex that it is needlessly difficult to administer. If quantities of work or equipment in the environment must be measured, then those quantities should be as easy and transparent as possible to measure.</li> <li>3. <b>Fair:</b> The service pricing must be a reasonable proxy for a services provider's underlying costs and should adequately recover those costs. Additionally, to the extent possible, the party that causes any incremental cost should bear that cost.</li> <li>4. <b>Incentives:</b> All pricing structures will incentivize certain behaviors and discourage others. The goals of the sourcing program must be kept in mind when considering the behaviors that might be driven by a pricing structure. For example, a goal to encourage server consolidation might include reduced cost at a centralized data center.</li> <li>5. <b>Flexible:</b> As consumption moves up and down, the charges should also adjust. Technology is an evolving industry, and the ability to turn down an old service to turn up a new service is one of the benefits of an efficient IT sourcing agreement. Such adjustments may include minor volume changes month to month, significant scope additions, reductions, or terminations, and ability of large</li> </ol>	

Ref#	Category	Question	Supplier Response
		service providers to re-deploy investments.	
Q36.	Inventory and Volume Collection	The Commonwealth is interested in introducing new Resource Units that do not exist in the current contract; in order to fairly compensate Supplier for service delivered, and support the other goals described in question 36, Supplier is asked to describe their experience and approach to collecting and verifying volumes both before and after contract signing, and the approaches they use to adjusting financials in the event that the initial count is incorrect. For example, today database support is provided by the Supplier, but is not separately billable. The Commonwealth sees an advantage to separating out database support and making it a separate chargeable unit, how would the service provider collect and verify the volumes to support this chargeable unit?	
Q37.	Asset Ownership	The Commonwealth consumes certain services today which are underpinned by a set of assets (servers, firewalls, etc.). The Commonwealth (or their designee) has the right to acquire these assets. The Commonwealth has a desire to consume services; rather than own assets, and envisions Supplier acquiring these assets and using them to provide services back to the commonwealth. Please describe experiences acquiring assets from an incumbent, and also describe your recommend financial treatment of their cost recovery for these assets.	
<b>C. Managed Security</b>			
Q38.	Security	The Commonwealth's Managed Security description of services includes all the required scope bundled for a single experienced Security Supplier. Do you see any challenges or issues with this bundled model?	We do see challenges with this bundled model. First of all, it is not typical for a single company to have expertise in both 'security architecture, engineering, and operations principles,' and 'Governance, Risk, and Compliance methodologies.' There is the risk that bundling these services would prevent best-of-breed suppliers in each area from responding because they cannot provide all the requested services. In addition, there are issues of separation of duties and transparency in a single provider providing both security operations services and governance and compliance of those services. A better solution is

Ref#	Category	Question	Supplier Response
			<p>to divide the services between operations and governance. As a first line of defense, the operations organization would define how it will operationalize each control requirement, create processes and procedures around those requirements, and remediate gaps. The GRC team would independently assess design of those operating controls to assure the intent is being met, monitor the ongoing operation of those controls, and report on control failures to the Commonwealth.</p>
Q39.	Security	<p>Do have any concerns or recommendations regarding how to scale Managed Security Services to organizations of the size and complexity of the Commonwealth?</p>	<p>We have two primary concerns regarding Managed Security Services.</p> <ol style="list-style-type: none"> <li>1. SEC501 and the NIST 800-53 framework both identify separation of duties as a fundamental tenet of a sound security posture. Our recommendation is to separate the security operations and the governance functions. This approach will allow each organization to focus on their core competency and bring resources to bear on that competency.</li> <li>2. In an organization as diverse as the Commonwealth where over 80 agencies can be compared to separate businesses, a key concern to scale is the inability to standardize services. Each exception made to accommodate certain business processes adds complexity. Exceptions made to a standardized approach add both complexity to managing operations and risk to the agency, the Commonwealth, or both. Our recommendation is to provide a standard suite of security services coupled with governance to limit exceptions to the extent possible.</li> </ol>

Ref#	Category	Question	Supplier Response
Q40.	Security	Can you provide examples of comparable environments where you offer security services similar to those required by the Commonwealth?	
Q41.	Security	Have you supported Managed Security services in distributed environments - both physical and virtual including on premise and off premise implementations?	
Q42.	Security	Do you offer solutions supporting geographically diverse locations (e.g., remote location with satellite)?	
Q43.	Security	How have you implemented solutions similar to those in the Commonwealth making use of a centralized federated environment?	
Q44.	Security	What do you consider to be the key challenges and tradeoffs for the implementation of Managed Security Services in an environment similar to the Commonwealth?	<p>The key challenges and tradeoffs are:</p> <ul style="list-style-type: none"> <li>• Lack of standardization in configurations and inconsistently applied security hardening</li> <li>• Lack of visibility across the entire enterprise, both from a monitoring perspective through the inability to see everything across all agency networks, and also between all vendors</li> <li>• Large disparities among agencies in how information security and risk management is viewed, in terms of level of organization, importance given to, and budget amounts</li> </ul> <p>Tradeoffs typically must be made at the expense of security by lowering the baselines to the lowest common denominator that can be achieved by all agencies.</p>
Q45.	Security	What do you propose at a high level to be the key strategies and implementation elements of any typical security services solution migration?	
Q46.	Security	Can you recommend additional Managed Security Services that are	Organizational Change Management (OCM) will be

Ref#	Category	Question	Supplier Response
		not currently included or considered in the scope of described services?	critical to the success of this effort. OCM will be central to the support necessary for an effective transition of services from one vendor to a suite of vendors.
Q47.	Security	Based in your experience, what are the key challenges with regard to the regulatory requirements included in the scope of services? Do you have any recommendations based on your experience?	
Q48.	Security	Do you have any guidelines or best practices regarding whether the various Managed Security Services are better off being remotely hosted or on premise?	
Q49.	Security	Do you think you would be able to provide all the described Managed Security Services yourselves or will you require to subcontract any services to other third parties?	
Q50.	Scope Demarcation	VITA is interested in identifying the most efficient demarcation or bundling of these services between RFPs. For example, perhaps it would be more efficient to separate the Data Center facilities from the other Server services; or perhaps it would be better to include some or all of the Security services with the Server RFP. Please provide any further experience or suggestions regarding scope demarcation between potential RFPs.	<p>We recommend separating the security operations and the governance functions rather than bundling them as a single set of Security Services. This approach will provide the Commonwealth with best of breed solutions by allowing organizations with deep expertise in each of these areas to focus on and propose services to the Commonwealth that utilize their core competencies. The separation of the service delivery will enhance VITA's ability to provide the best quality Security Services across the Security Services spectrum.</p> <p>In addition, patch management is a cross-functional service, patching should be conducted by service provider of each specific service. For example, the server services provider should be responsible for patching servers. Compliance of this activity should be governed under security by the GRC provider.</p>
<b>D. Financial/Managed Security</b>			

Ref#	Category	Question	Supplier Response
Q51.	Pricing Structure	<p>The Commonwealth is interested in creating the best possible pricing structure for the Services. In light of that fact, Supplier is invited to both comment on the structure described in Exhibit 4.1 and 4.2, and to propose an alternate pricing structure if they believe that it will better serve the interests of both parties.</p> <p>The Commonwealth will contemplate any proposed pricing structure along five dimensions:</p> <ol style="list-style-type: none"> <li>1. <b>Predictable:</b> To the greatest extent possible, customers should be able to forecast charges ahead of time; changes in pricing that occur over time should not be a surprise.</li> <li>2. <b>Manageable:</b> The pricing should not be so complex that it is needlessly difficult to administer. If quantities of work or equipment in the environment must be measured, then those quantities should be as easy and transparent as possible to measure.</li> <li>3. <b>Fair:</b> The service pricing must be a reasonable proxy for a services provider's underlying costs and should adequately recover those costs. Additionally, to the extent possible, the party that causes any incremental cost should bear that cost.</li> <li>4. <b>Incentives:</b> All pricing structures will incentivize certain behaviors and discourage others. The goals of the sourcing program must be kept in mind when considering the behaviors that might be driven by a pricing structure. For example, a goal to encourage server consolidation might include reduced cost at a centralized data center.</li> <li>5. <b>Flexible:</b> As consumption moves up and down, the charges should also adjust. Technology is an evolving industry, and the ability to turn down an old service to turn up a new service is one of the benefits of an efficient IT sourcing agreement. Such adjustments may include minor volume changes month to month, significant scope additions, reductions, or terminations, and ability of large service</li> </ol>	

Ref#	Category	Question	Supplier Response
		providers to re-deploy investments.	
Q52.	Inventory and Volume Collection	The Commonwealth is interested in introducing new Resource Units that do not exist in the current contract; in order to fairly compensate Supplier for service delivered, and support the other goals described in question 36, Supplier is asked to describe their experience and approach to collecting and verifying volumes both before and after contract signing, and the approaches they use to adjusting financials in the event that the initial count is incorrect. For example, today database support is provided by the Supplier, but is not separately billable. The Commonwealth sees an advantage to separating out database support and making it a separate chargeable unit, how would the service provider collect and verify the volumes to support this chargeable unit?	
Q53.	Asset Ownership	The Commonwealth consumes certain services today which are underpinned by a set of assets (servers, firewalls, etc.). The Commonwealth (or their designee) has the right to acquire these assets. The Commonwealth has a desire to consume services; rather than own assets, and envisions Supplier acquiring these assets and using them to provide services back to the commonwealth. Please describe experiences acquiring assets from an incumbent, and also describe your recommend financial treatment of their cost recovery for these assets.	

## 6. FEEDBACK REGARDING RFI DOCUMENTS

Please use the table below to provide commentary regarding specific documents included within this RFI, adding rows as necessary.

Ref#	Document/Section	Supplier Commentary
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Ref#	Document/Section	Supplier Commentary
C1.	Managed Security	<p data-bbox="688 232 1772 264"><i>Business Justification for an Alternative Approach to the VITA Disentanglement Security RFP</i></p> <p data-bbox="688 271 1892 542">The cornerstone of a successful consolidation of IT services rests on protection of data in accordance with the cybersecurity triad of confidentiality, integrity, and availability. We understand from the Virginia Information Technology Agency's (VITA's) Request for Information (RFI) 2017-14 that it plans to issue a fully bundled RFP for a wide array of security services. We believe that, in order to validate compliance with well-established Commonwealth security policies and procedures, VITA should unbundle these services and seek to procure services from one company for security operations and another company for governance and associated compliance assessments. Our reasons for this belief include:</p> <p data-bbox="688 591 947 623"><b>SEPARATION OF DUTIES</b></p> <p data-bbox="688 630 1902 971">The Commonwealth of Virginia Information Technology Resource Management Information Security Standard (SEC501) and the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53 <i>Security and Privacy Controls for Federal Information Systems and Organizations</i> frameworks both identify separation of duties as a fundamental tenet of a sound security posture. In addition to an improved ability to validate compliance, separation of duties alleviates the impression that a potential conflict of interest may exist in the structure of the service delivery model. Separation of duties also provides assurance to key stakeholders that VITA has considered the requirements of transparency in creating the service model. In order to provide this assurance, separate organizations must perform and provide governance for information security services. Providing this transparency requires separating the security services bundle into operations and governance components.</p> <p data-bbox="688 1019 961 1052"><b>BEST OF BREED SERVICES</b></p> <p data-bbox="688 1058 1915 1399">In addition to providing separation of duties and associated transparency, separating the security services bundle into operations and governance components will improve both security operations and governance services across the wide range of organizations across the Commonwealth. Security operations and governance are inherently different activities and require different skillsets; one of the key challenges in administering security across the Commonwealth will be to provide the breadth of services, flexibility, and adequate protection across the broad and diverse client set represented by Commonwealth of Virginia agencies. It is not typical for a single company to have an expertise both in security architecture, engineering, and operations principles and in Governance, Risk, and Compliance methodologies. There is the risk that bundling these services would prevent best-of-breed suppliers in each area from responding because they cannot provide all the bundled services.</p> <p data-bbox="688 1448 1829 1464">The separation of security services into operations and governance components will provide the</p>

Ref#	Document/Section	Supplier Commentary
		separation of duties required to ensure transparency, and will ensure that VITA and Commonwealth of Virginia agencies receive best-of-breed services in both areas. In short, it would serve VITA well both in terms of service delivery and in terms of the perception of this delivery to separate the RFPs for security operations and the associated governance of the security operations.
C2.		
C3.		
C4.		
C5.		
C6.		
C7.		
C8.		
C9.		
C10.		