

Virginia Information Technologies Agency



Apex Computer Systems Inc. Response to:

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 Searce, VITA Supply Chain Management (SCM)
Telephone:	(804) 416-6166
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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.

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1. INTRODUCTION

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 4th 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

Issue Date:	September 29, 2016
Due Date / Time:	October 21, 2016 at 3:00 pm EST
Response Delivery Method:	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.
Single Point of Contact (SPOC):	Greg Searce
Telephone:	(804) 416-6166
E-mail Address:	gregory.searce@vita.virginia.gov
Mailing Address:	11751 Meadowville Lane, Chester, VA 23836
Pricing:	No pricing information should be submitted
Document Format:	Return this document, having populated Section 4 (Respondent Contact Information), Section 5 (Questions) below, and Section 6 (Feedback Regarding RFI Documents)
RFI Questions and Answers:	Suppliers may submit questions regarding this RFI at any time via e-mail to the SPOC.

3. OVERVIEW OF RFI DOCUMENTS

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

Please provide your contact information in the box below.

Contact Information	Enter your response here, enlarging the box as needed
Company Name	Apex Computer Systems Inc.
Company Mailing Address	13875 Cerritos Corporate Dr Unit A Cerritos, CA 90703
Company Website Address	WWW.ACSI2000.COM
Name of Contact Person	Ira Klein
Contact Person E-mail Address	IKlein@ACSI2000.com
Contact Person Telephone #	562.645.7335

5. QUESTIONS

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

Ref#	Category	Question	Supplier Response
A. Server/Storage Services			
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?	Provisioning for non-centralized network, server and related devices should be performed from the Central Data Center resources. Deployment will be coordinated with the "business owner", local hands-on resources and the applicable governance/maintenance windows.
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.	We recommend a 5-7 year term. This permits us to enable an adequate upgrade, refresh and implementation plan reflecting the same duration and "Enterprise CI Lifecycles".
Q3.	Data Center	What do you recommend for the length of the contract for the Data Center Facility for this type of environment?	We recommend the same 5-7 year term, it will consolidate focus to the collective effort of all teams involved. Additionally it will provide common "Mission" and set of objectives.
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?	We recommend the refresh rate be in accordance with the OEM lifecycle for the respective network elements and devices. Out-of-warranty devices cause issues with the OS, maintenance and firmware levels.
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?	We agree that the "separate hardware charge" with respect with the server RUs. As an example this will permit allocation to Enterprise resources such as Oracle/SQL farms as a service for the business and their apps. Another instance would be the capital expenditures for projects and related efforts, be tagged to the business owner.
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?	Tiered services are widely practiced across the industry. It takes advantage of logically grouped resources and their respective "economies of scale". We would suggest a review of the individual "Tier" parameters to be in accord with the changes/trends of the business need.
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?	We would review the composition of the items in the "simple" RU set, then make recommendations to add and/or remove the potentially beneficial "Sub-RUs" periodically.

Ref#	Category	Question	Supplier Response
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?	We would need the functional and technical requirements for each service level. Establish this as an "SLO" (Service Level Objective) during transition. We would then promote the SLOs to SLAs (Service Level Agreements) upon mutual agreement and satisfaction
Q9.	Server/Storage	Do you see a better way to bundle or spilt the services we are 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?	We view the provided structure to be acceptable and effective to achieve the objectives of the RFI/RFP.
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?	New offerings should be considered for value-add and if appropriate moved forward to a "Proof of Concept". Variables such as the above mentioned "Tiered" services should also be a factor. The offering/charges would be based on the TB levels requested and CAPEX by the customers
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?	We would need to make an assessment of existing environment, customer expectations/demands/SLAs and establish mutually agreed upon metrics.
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.	Private clouds or Servers on Demand would exist as a virtual server repository, with automated provisioning/decommissioning activities for Windows and Linux OS'. Ultimately this platform exists on x86 boxes. We would have essentially two levels of Customers. The application owners of the VM and platform administrators. This dual customer focus would provide the most efficiencies.
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)?	Establishing Oracle/SQL forms can foster an improved delivery time for platform, application and other requests for DB services. Enhanced services should be assessed by LOE (Level of Effort) yield then the resources required. Rates would be established, using the example of an hourly rate for a Development DBA and project administration.

Ref#	Category	Question	Supplier Response
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?	We see decreased deployment turnaround times, timely equipment refresh rates, firmware and related updates. Additionally well structured "preventative maintenance" schedules. Lastly appropriate freeze windows and change management
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?	We would first discover the requirements of the state and where it would reside (Cloud, Storage, Database) in order to develop a central, efficient, and secure location that store cryptographic keys and policies—across the key management lifecycle and throughout the enterprise, across heterogeneous encryption platforms, following the Key Management Interoperability Protocol (KMIP) standard.
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?	We would need to identify the target platform we would be migrating to, then develop our efforts to transfer the client/user data to the new system.
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?	Cross-functional teams so operate to the need of the business. It is the foremost priority to support the "Customer" in delivering to their respective end-users. An understanding of the business drivers of projects and similar efforts will contribute to a harmonious performance by all involved.
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)?	We believe the NOC operations work better when separated from the facility provider. It removes any conflicts of interest
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?	MSI should play a key role in helping the client develop a strategy. At that point the DC Server provider may assist with the initial Proof of Concept

Ref#	Category	Question	Supplier Response
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?	We would look at two options. The first option involves a "Production" or primary Datacenter and a "Lower" environments separate facility. The second would be the "Prod" DC along with two separate secondary Datacenters one for essential services and the other for lower priority services.
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?	A high-level set of objectives and the abstract of the end deliverable (the "what and where" of the items to be moved) is established. We would then submit our "Transition" plan with a detailed MS Project schedule, with a focus on KT (Knowledge Transfer) and resource mobilization.
Q22.	Enhanced Services	The Commonwealth is interested in receiving proposals to include new enhanced services, (e.g., Cloud, Analytics, and 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?	We view Cloud Services and Business Intelligence platforms are areas which deserve substantial consideration. Existing process would need to be reviewed and assessed where these technologies would create efficiencies. A strategy and PMP based Implementation plan would be developed for deployment.
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?	Our approach is to build a true partnership with our customers. We establish standing QBR's in which we leverage our real world, day to day discoveries based on feedback from the techs and suggest an emerging technology that can improve the issue. Case in point, it would be prudent to look at the potential in alternative/Bio authentication.
Q24.	Enhanced Services	What would you propose as a good business case for virtualizing the desktop (offering VDI)?	A VDI project provides cost reductions savings by optimizing the IT resources needed for upgrades, repairs and general management processes. VDI environments typically provide a 52% reduction in IT operational expense as well as improving end-user downtime.
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.	In our opinion it should be at the "Distribution" switches for the Network group's responsibility. The DC LAN team would be responsible for, including but not limited to, all cabling and fiber runs, device and cabinet placement, along with provisioning, decommissioning and port shut/no shuts.

Ref#	Category	Question	Supplier Response
Q26.	Data Center LAN	In the current RFI, the Commonwealth has bundled Data Center 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?	Our experience is in a very similar group/bundle of services contained in this RFI. Our focus is on developing efficiencies in this environment and enterprise.
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?	Yes, we believe this is the correct approach.
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?	There is a distinct demarcation of expertise as the provider of the facility and its environmental/power resources and those of the provider of DC Ops. This is the most efficient approach for the Commonwealth as it would not have the added cost of administration of one provider by another.
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?	We see the non-centralized DCs should be integrated into the Centralized DC using a model that would improve efficiencies and reduce replication of the same services.
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?	The Data Center LAN, Server and Storage 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?	We would assess the refresh efforts. These would be the first to be deployed in the new location after the appropriate infrastructure is established. We would address the needs of each business unit and the limits the established deadlines present. As the scheduled is developed a series of "Dry-run" events will proceed the "Go-Live" migrations will be used to test then deploy the new environment. The equipment moves will then be associated with the needs required by the migration schedule along with the various circuit providers.

Ref#	Category	Question	Supplier Response
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?	These services should be placed in their own environment, such as an "Extranet". We can then establish our policy for communication in our distributed and other environments.
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?	We would view that as a decision for the Agency. We are open to the defined approach.
Q34.	Cloud Services	When the Commonwealth buys cloud services offerings how do you propose to identify where the data and services are located?	We would need to discuss with the "Provider".
B. Financial/Server Storage			
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"> Predictable: 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. Manageable: 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. Fair: 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. Incentives: 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. Flexible: 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 providers to re-deploy investments. 	<p>Apex has worked under a variety of pricing schema, and generally prefers a simpler structure where appropriate: machine type, discrete activity, and basic availability with ARC/RRC floor/ceiling. Apex finds the pricing structures in Exhibits 4.1 and 4.2 to be acceptable.</p> <ol style="list-style-type: none"> Apex agrees that pricing should be predictable against forecast, based on agreed rates and metrics. Apex agrees that a simpler pricing mechanism is preferable, and that volumes should be verifiable. Apex agrees that pricing should be fair, as described. Apex agrees that pricing should incent efficiencies, but notes that support costs within the Data Center are only a fraction of overall IT and other costs; there may be rational tradeoffs for higher Data Center cost that provide reduced security, liability, efficiency and/or effectiveness in other areas. Apex agrees that pricing should adjust according to consumption, and that transitions from old to new should be planned and managed where possible. Apex agrees that pricing should adjust according to consumption, and that transitions from old to new should be planned and managed where possible.

Ref#	Category	Question	Supplier Response
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?	For multiple customers, we perform a monthly "True Up" based on active assets, new and inactive end points. New RUs should be added, and obsolete RUs removed as technology and services evolve over time. For the database support example, the Commonwealth would need to be able to mutually define "database support" in a measureable, verifiable way, tied to systems, storage, services and/or activities. Planning and assessment might be a bi-weekly activity that is priced on a monthly basis. Corrections for capacity might be priced on a per incident basis. Monitoring might be a daily activity priced monthly.
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.	Apex has acquired Customer and/or previous Supplier assets during the transition for various contracts. Apex would typically look to acquire them at the fair market value of the assets in question, based on typical depreciation schedules. Apex would typically prefer to recover this startup cost as part of overall transition charges, but can work with the Commonwealth to amortize a portion of the costs over term with a balloon charge upon contract termination.
C. Managed Security			
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?	In fact, It is recommended to have single provider to provide security consulting and services to the organization
Q39.	Security	Do have any concerns or recommendations regarding how to scale Managed Security Services to organizations of the size and complexity of the Commonwealth?	Our managed security service resource team is scaled based on organization's needs, we identify the risk with the organization, research for suitable solution or product, integrate and implement with the current security standard, and monitor and mitigate the threads
Q40.	Security	Can you provide examples of comparable environments where you offer security services similar to those required by the Commonwealth?	We provide similar services at multiple financial institutions. Actual references will be provide for the RFP.

Ref#	Category	Question	Supplier Response
Q41.	Security	Have you supported Managed Security services in distributed environments - both physical and virtual including on premise and off premise implementations?	Yes, our security services team has supported virtual and physical heterogeneous environments that are both on-premise and off-premise.
Q42.	Security	Do you offer solutions supporting geographically diverse locations (e.g., remote location with satellite)?	Yes, we have supported multiple account bases with diverse locations with state wide and national locations. Key to supporting this environment is network connectivity to SOC
Q43.	Security	How have you implemented solutions similar to those in the Commonwealth making use of a centralized federated environment?	Yes, with our strategic partners.
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?	Due diligence is the most critical component. VITA and the vendor need to truly understand their risk tolerance, the solutions scalability, service levels, and security, governance, compliance, and liability expectations of VITA and service provider.
Q45.	Security	What do propose at a high level to be the key strategies and implementation elements of any typical security services solution migration?	We would first asses the existing solution and vendors, risk assessment to determine and identify the gaps between the what is offered and what is required, analysis and review the existing solution if expandable/scalable to mitigate the gaps, and finally propose and implement either additions or replacement to mitigate the risks.
Q46.	Security	Can you recommend additional Managed Security Services that are not currently included or considered in the scope of described services?	The scope of services describe is very comprehensive. Additional security services can be determined and provided after further discovery discussions.
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?	Due to the fact that our services are all Compliance Driven we do not have any specific challenges with regard to regulatory requirements. Typically before any MSP services are recommended we recommend a full Security Risk Assessment with GAP Analysis, this gives us the perspective "Bird's Eye View" of our client's strengths and weaknesses so we can make a proper analysis and scope a plan for the implementation for our Managed Security Services.
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?	We believe that the service would best be provided remotely for non-physical access, while physical access security should be handled by a dedicated onsite security team.

Ref#	Category	Question	Supplier Response
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?	ACSI will be the single point of contact for escalation, where our outsourced 24x7 SOC will handle the service and support to manage the security
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.	More organizations are breaking down RFP's into more "Tower" centric formats. This allows a more granular approach to Services and SLA's and to allow more flexible, volume sensitive cost structures, breaking out core data center services, PS and Server maintenance costs and Security Services.
D. Financial/Managed Security			
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"> Predictable: 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. Manageable: 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. Fair: 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. Incentives: 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. Flexible: 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 providers to re-deploy investments. 	<p>Apex has worked under a variety of pricing schema, and generally prefers a simpler structure where appropriate: machine type, discrete activity, and basic availability with ARC/RRC floor/ceiling. Apex finds the pricing structures in Exhibits 4.1 and 4.2 to be acceptable.</p> <ol style="list-style-type: none"> Apex agrees that pricing should be predictable against forecast, based on agreed rates and metrics. Apex agrees that a simpler pricing mechanism is preferable, and that volumes should be verifiable. Apex agrees that pricing should be fair, as described. Apex agrees that pricing should incent efficiencies, but notes that support costs within the Data Center are only a fraction of overall IT and other costs; there may be rational tradeoffs for higher Data Center cost that provide reduced security, liability, efficiency and/or effectiveness in other areas. Apex agrees that pricing should adjust according to consumption, and that transitions from old to new should be planned and managed where possible. Apex agrees that pricing should adjust according to consumption, and that transitions from old to new should be planned and managed where possible.

Ref#	Category	Question	Supplier Response
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?	For multiple customers, we perform a monthly "True Up" based on active assets, new and inactive end points. New RUs should be added, and obsolete RUs removed as technology and services evolve over time. For the database support example, the Commonwealth would need to be able to mutually define "database support" in a measureable, verifiable way, tied to systems, storage, services and/or activities. Planning and assessment might be a bi-weekly activity that is priced on a monthly basis. Corrections for capacity might be priced on a per incident basis. Monitoring might be a daily activity priced monthly.
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.	Apex has acquired Customer and/or previous Supplier assets during the transition for various contracts. Apex would typically look to acquire them at the fair market value of the assets in question, based on typical depreciation schedules. Apex would typically prefer to recover this startup cost as part of overall transition charges, but can work with the Commonwealth to amortize a portion of the costs over term with a balloon charge upon contract termination.

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
C1.		
C2.		
C3.		
C4.		
C5.		
C6.		
C7.		
C8.		
C9.		
C10.		