



Virginia Information Technologies Agency

IT Infrastructure Services Sourcing

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Agency Head Briefing

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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

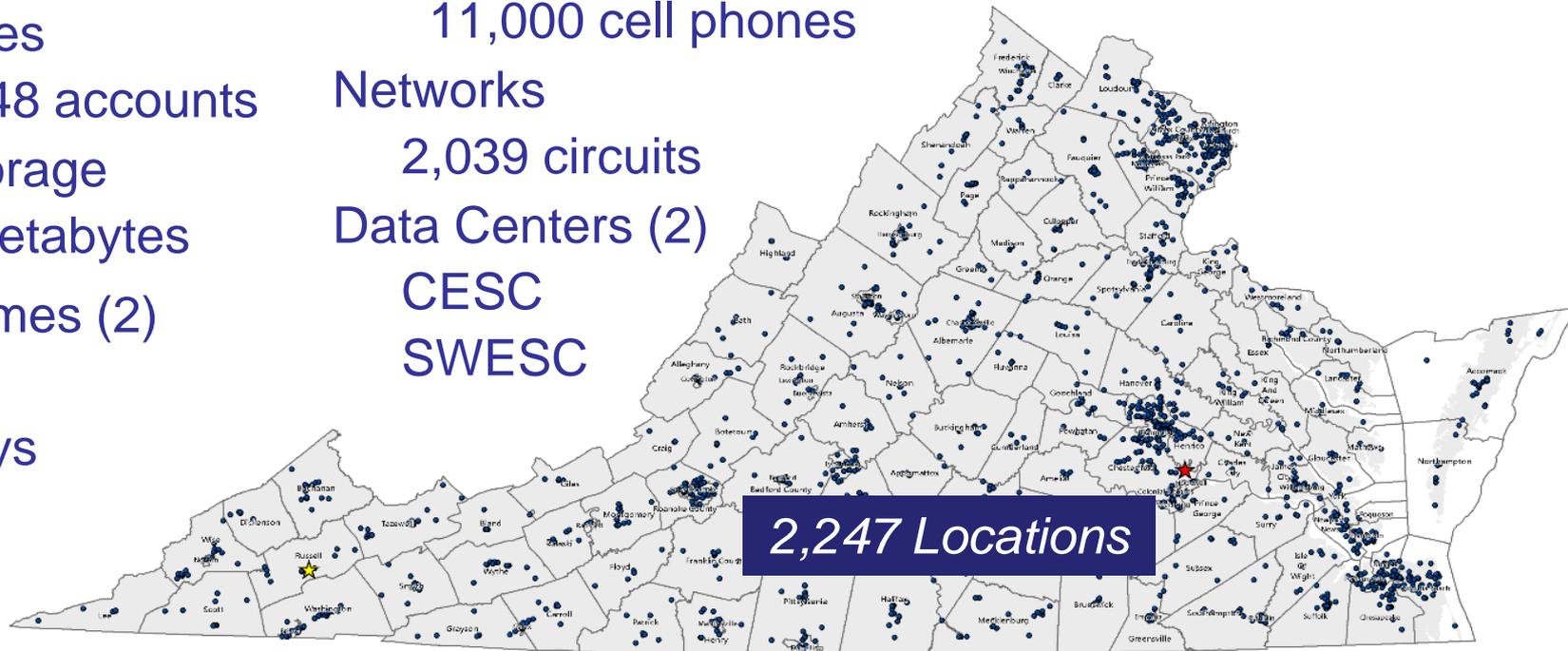
2,039 circuits

Data Centers (2)

CESC
SWESC

Printers

5,311 network
22,000 desktop





NG Contract

- 13-year term expires on July 1, 2019
- Focus since 2005 has been tactical:
 - Finish “transformation” of 89 agencies
 - Improve overall performance
- VITA requires new resources to maintain operations while addressing infrastructure services sourcing & disentanglement
- Feedback from policymakers & customers needed on next steps:
 - In-sourcing, out-sourcing, multi-sourcing

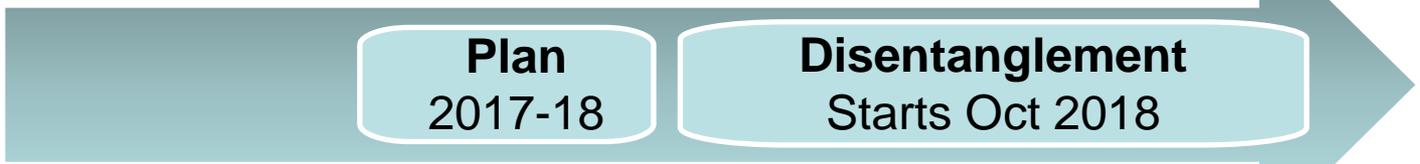


Prospective Timelines

IT Sourcing



Disentangle



Maintain





Guiding Principles

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



Key Decisions Needed by End of CY 2015

- Prerequisite activities must be completed during McAuliffe Administration
 - Direction needed from policymakers by end of CY 2015
- Options will also be affected by changes in provision & management of IT
 - Mobile computing, new contractual models, etc



Policy Decision: State Data Center?

- Will Commonwealth want a dedicated state data center, located in Virginia?
 - Other states use multi-tenant and/or out-of-state data centers, potentially lowering costs
 - Use of in-state center ensures Virginia laws apply & supports economic development
- Use of public “cloud” services may lower costs, but may add complexity & hinder security of data
 - NG already provides private cloud to CoVA



Policy Decision: Funding to Buy Assets?

- Outsourcing chosen in 2005 because state lacked capital
 - NG provided capital, which state is repaying
 - Cost to end contract early reflects this (\$318M in FY 2014)
- Will funding exist to buy Chester data center & other IT assets?
 - 2013 assessed value of Chester facility is \$38M
 - Contract stipulates *at least* \$47M cost for certain assets (mainframes, servers, PCs)



Policy Decision: IT Staff Rehiring?

- More than 550 state IT staff became NG employees in 2006
 - NG now has 580 staff & contractors
- State may offer to hire NG staff & subcontractors
 - Offers must be made from Oct 2018 - Sept 2019
- In-sourcing will require substantial hiring
 - *At least* \$48M plus benefits



Disentangling with NG

- Disentanglement associated with end of term begins 9 months prior (Oct 1, 2018) & length may vary
 - NG activities “to accomplish a complete, timely, and seamless transition”
 - Assumed a single, transition event
 - May take up to two years (March 2021)
 - Contract continues until disentanglement is complete
- Non-exclusivity and sourcing strategy may suggest introducing alternate service models and providers in a staggered transition



Immediate Next Step: Industry Expertise

- RFP for advisory services
 - IT infrastructure services sourcing strategy & options
- RFP issued September 5
- Evaluation and negotiation September - November
- Planned award December
- Begin advisory engagement in January

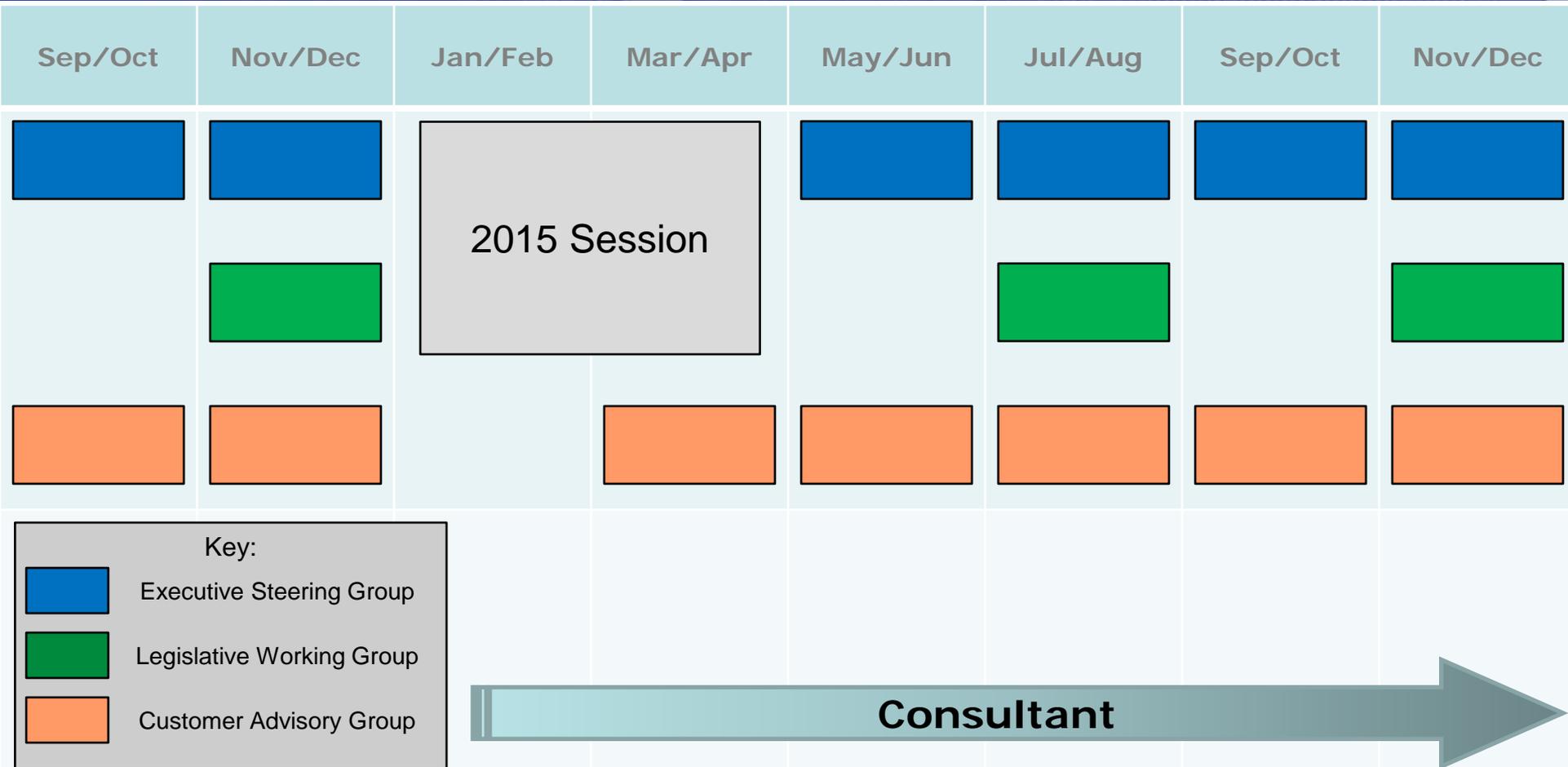


Current Trends in IT Sourcing

- Shorter terms
- Shift from single vendor to best-in-breed vendor(s)
 - Use of multi-sourcing integrator (MSI) to support “plug-n-play”
- Staggered procurements vs. “big-bang”
- Cloud computing (no magic bullet)



Proposed Schedule: Stakeholder Engagement





2005 Effort Involved Dedicated Staff



Infrastructure PPEA—Participation

- Highly collaborative review
 - 60 individuals representing 14 agencies
 - 1 cabinet Secretary and 2 deputies
 - 2 IT Investment Board members and the CIO
 - Council on Technology Services Workgroup
 - Chaired by Dave Burhop of DMV
 - 9 members representing 7 agencies, including Judicial and Legislative branches, local government, and higher education
 - Independent review
 - Gartner
 - Gordon & Glickson
 - PA Consulting



Questions?

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