

Virginia Information Technologies Agency



VITA Quarterly Report

July 1, 2006



expect the best

March 16 – June 15, 2006

In keeping with our commitment to cost savings,
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Comments and recommendations on the Quarterly Report
from all interested parties are welcomed and encouraged.
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About the Cover

VITA is people first, customer-driven and customer-focused, and committed to nurturing its people through ongoing training/re-training throughout their professional careers. In our logo, we highlight individuals in our agency who make VITA a success seven days a week, 365 days a year. We currently are featuring the following outstanding VITA employees: Bill Rice, Media Services Manager, who is a 2006 Agency Star Award winner; Cindy O'Connor, Acting Director of Human Resources, a Certified Senior Professional in Human Resources; Amarish Jain, one of VITA's newest employees, who is a Six Sigma Black Belt in quality processes from GE; and Chris Schurman, Capitol Region Supervisor, VITA Customer Care Center, who is a Certified Help Desk Professional and Manager. Together, they have 58 years of service.



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Information Technology Investment Board (ITIB) Highlights

Virginia's Information Technology Investment Board (ITIB) held its quarterly meeting on Wednesday and Thursday, April 5-6, in Richmond. The meeting was the first conducted following the re-structured format with committee meetings on the first day and the full ITIB meeting the second day.

Commonwealth Strategic Plan for IT

The [Commonwealth Strategic Plan for Information Technology for 2007-11](#) was adopted unanimously by the ITIB at its meeting on April 6.

The plan provides technology direction and guidance for state agencies and institutions, and supplies a foundation upon which to base technology investment decisions supporting Virginia's business direction.

This plan was designed to be incorporated into Virginia's existing strategic planning and budgeting processes, and to be available to state agency decision-makers as guidance on the direction of IT in the Commonwealth as they prepare their strategic plans and budgets.

Virginia citizen and business representatives, technology experts, and Virginia government and IT



leaders all gave generously of their time and expertise to work with this project by outlining and describing what matters most in moving technology forward to support the business of the Commonwealth. Via stakeholder workshops, one-on-one sessions, a two-day retreat, and weekly drafting sessions, more than 150 people supplied ideas and viewpoints that contributed to the strategic plan. The Strategic Plan Workgroup combined input received and provided the draft to the ITIB. The plan specifies the strategic mission, vision, goals and objectives, and establishes measurements and initiatives. Below are highlights of the Commonwealth Strategic Plan for Information Technology for 2007-11.

Mission

The strategic mission of information technology within the Commonwealth is to maximize the use of technology to enable, enhance and sustain the delivery of Commonwealth services.

Vision

The strategic vision for information technology within the Commonwealth is to be a trusted, agile partner in delivering and transforming Commonwealth services that consistently exceed customer expectations.

Goals and Objectives

Goal 1: Increase accessibility to government

Objectives

- Increase electronic interaction with and to government
- Increase information availability and usability
- Foster regional partnership initiatives
- Increase public awareness of services available

Goal 2: Facilitate IT collaboration and partnership

Objectives

- Share data easily across boundaries of government
- Create a knowledge sharing culture
- Promote IT solutions that support common business processes
- Promote innovative partnership programs

Goal 3: Ensure a trusted and reliable technical environment

Objectives

- Ensure consistent, anytime, anywhere service levels
- Protect the assets, credentials and privacy of Commonwealth of Virginia systems and their users
- Promote awareness and understanding of roles and responsibility of providers and users of Commonwealth systems

Goal 4: Create a reputation of performance for technology

Objectives

- Provide technology in an accountable, responsible, open and results-oriented manner
- Ensure continuous improvement for technology
- Facilitate consistent capital funding for technology

Goal 5: Increase workforce productivity through the use of technology

Objectives

- Increase mobile workforce
- Increase teleworking workforce
- Increase workforce knowledge and skills in the use of technology

[Commonwealth Strategic Plan for Information Technology for 2007-11](#) objectives and measures are available online.

During the past quarter, work began on an implementation program identifying how the five strategic goals in the plan will be achieved. The program, which will be discussed at the July 20 ITIB meeting, will define the approach for implementing objectives. The Strategic Planning Workgroup will have ongoing involvement to ensure that the collaborative nature and enterprise perspective of the Commonwealth Strategic Plan for Technology continues. The Workgroup membership has been evolving; however, members who served on the Workgroup to prepare the draft for the ITIB included:

- Dave Burhop, Department of Motor Vehicles
- Leslie Carter, Virginia Information Technologies Agency
- Elaine Carver, Roanoke County
- The Honorable Aneesh Chopra, Secretary of Technology
- Jane Conroy, International Consulting Services, LLC
- Jeff Deason, Virginia Information Technologies Agency
- Debbie Dodson, Virginia Information Technologies Agency
- Paul Dodson, Virginia Information Technologies Agency
- Jan Fatouros, Department of General Services
- Ingram Haley, Department of Planning and Budget
- Janet LaFleur, Department of Environmental Quality
- Loyd Lane, Virginia Information Technologies Agency
- Paul Lubic, Virginia Information Technologies Agency
- Darlene Quackenbush, James Madison University
- Murali Rao, Virginia Department of Transportation
- Chris Saneda, Virginia Information Technologies Agency
- Jerry Simonoff, Virginia Information Technologies Agency
- Lynne Wasz, Virginia Information Technologies Agency
- John Wheatley, International Consulting Services, LLC

ITIB Meetings 2006

July 19-20

August 10 (Special meeting regarding the Recommended Technology Investment Projects (RTIP) Report

October 18-19

ITIB Meetings 2007

January 17-18, 2007

April 18-19, 2007

July 18-19, 2007

October 17-18, 2007

Awards and Recognition

Six entries were submitted to the 2006 National Association of Chief Information Officers (NASCIO) Digital Government Awards program. Entries included:

- Commonwealth's Interoperable Communications, which improved emergency response communications
- Department of Mines, Minerals and Energy's Mine Mapping Application, which is resulting in the digital archiving of all maps of underground coal mines in Virginia
- Department of Mines, Minerals and Energy's Electronic Permitting, which converted to an electronic process
- Department of Social Services' SPIDeR application, which streamlined service to citizens seeking public assistance
- Governor's Office of Substance Abuse Prevention Community Profile Database, which provided an interactive dashboard that supports and promotes sound prevention practice
- VITA-Northrop Grumman IT Infrastructure Partnership, which will transform state government's IT infrastructure

Four entries were submitted to the Center for Digital Government Best of the Web/Digital Government Achievement Awards:

- Department of Mines, Minerals and Energy's Mine Mapping Application, which is resulting in the digital archiving of all maps of underground coal mines in Virginia
- Department of Social Services' SPIDeR application, which streamlined service to citizens seeking public assistance
- Library of Virginia's Web archive project
- Virginia.gov portal



IT Infrastructure Partnership

The Commonwealth of Virginia and Northrop Grumman Corporation formed a partnership in November 2005 to modernize the state's IT infrastructure. The 10-year, \$2 billion contract will result in:

- A reliable and agile infrastructure with consistent, measurable services at predictable prices
- Improved security of Commonwealth data and 24-hour disaster recovery capability
- Excellent opportunities for employees for growth and an enhanced employment package
- New, state-of-the-art facilities in Chesterfield and Russell Counties
- Job creation and economic development, particularly in southwest Virginia

Partnership Accomplishments and Focus

Over the last quarter, VITA and Northrop Grumman continued intensive joint planning efforts to prepare for service commencement date (SCD) on July 1 and transformation. The Interim Comprehensive Infrastructure Agreement became final May 1 with written notice from the CIO of the Commonwealth. Northrop Grumman delivered enhanced job offers to 846 VITA employees, with a nearly 66% acceptance rate within the first 45 days of the 135-day offer period.

The partnership team is closing out interim phase activities and start-up planning activities and preparing to launch the current operations and transformation phases. During these phases, Northrop Grumman will assume technical and operational responsibility for current IT infrastructure services with VITA oversight and will begin transformation activities to modernize the Commonwealth's IT infrastructure over the next 36 months.

Groundbreaking

Northrop Grumman broke ground on the Commonwealth Enterprise Solutions Center (CESC) facility in Chesterfield County on May 23. Scheduled for completion in summer 2007, the 185,000-square-foot facility will house VITA headquarters, a Tier III data center and network operations center, and a back-up enterprise security operations center.

Governor Tim Kaine addressed nearly 200 people attending the groundbreaking ceremony, including state and local officials and Northrop Grumman executives. In addition to the Governor, speakers included Northrop Grumman IT Sector President Jim O'Neill, Virginia ITIB Chair Jim McGuirk, and Chesterfield County Board of Supervisors Chair Dickie King.



Northrop Grumman Commercial, State and Local Group President Hugh Taylor and CIO of the Commonwealth Lem Stewart led the actual groundbreaking.

ITIB Vice Chair Hiram Johnson and numerous dignitaries, including representatives from the General Assembly, attended the groundbreaking.

Construction of the back-up data center and primary enterprise security operations center in southwest Virginia is scheduled to begin in fall 2007.



SCD Readiness

Northrop Grumman and VITA delivered nine SCD “readiness” briefs this quarter to VITA and Northrop Grumman executives, partnership leaders, and program executive sponsors. There are 18 readiness criteria in the areas of human resources, service delivery, finance, procurement and communications, and seven critical actions that must be completed prior to SCD.

At the final SCD readiness briefing held June 9, ITIB Infrastructure Committee Chair Len Pomata, VITA Executive Sponsor Lem Stewart and Northrop Grumman Executive Sponsor Hugh Taylor provided conditional approval for Northrop Grumman to assume responsibility for operations on July 1, pending completion of outstanding action items. The final readiness report and confirmation that the outstanding action items are completed is scheduled June 28.

The partnership focused on four “vital few” activities during the quarter, including:

- **Employee transition** to develop and implement the employee transition plan for continuity of work force during the offer, decision and acceptance period, and to develop and implement the employee on-boarding and off-boarding plans
- **Current operations** to maintain levels of service and support as Northrop Grumman assumes technical and operational responsibility for IT infrastructure services on SCD
- **Critical milestones** to expand the contractual milestones for transformation projects and activities to identify implied milestones, predecessors and interdependencies
- **Financial readiness** to assess and adjust financial activities and processes, create transparency, and prepare systems for billing and invoicing under the partnership

Employee Transition

VITA and Northrop Grumman implemented a highly successful employee transition plan, including a comprehensive communications campaign, delivery of offer letters and individual benefits packages, and deployment of employee transition tools and training. Highlights from the previous quarter include:

- Completed 13 regional meetings hosted by Northrop Grumman to provide employees detailed information, a technical overview of transformation projects, and an opportunity to meet Northrop Grumman staff in a smaller group setting. Approximately 93% of in-scope employees attended.
- Northrop Grumman delivered offer letters to 846 in-scope VITA employees with a 4% salary increase, enhanced benefits, and up to 6% signing bonus on May 1. As of June 15, nearly 66% had accepted the job offers and will become Northrop Grumman employees on July 1. Approximately 12% have declined the offer and will remain VITA “managed employees,” receiving technical direction from Northrop Grumman. Employees have until September 12 to accept the job offers.
- Completed 232 one-on-one benefits sessions (27% of in-scope employees), where employees and their families could discuss individual benefits questions with a Northrop Grumman benefits specialist. Northrop Grumman provided 600 appointment times in multiple locations in the Commonwealth during the month of May.
- Established a process for employees who accept Northrop Grumman job offers to transfer their annual leave balances, up to the maximum payout amount, from the Commonwealth to Northrop Grumman’s Pooled Time Off (PTO) system. Employees can elect to transfer their entire annual leave balance or receive a payout for their leave balance.
- Responded to more than 620 employee questions, primarily in the areas of retirement, benefits, and leave, with 96% of questions answered within three business days. The Northrop Grumman Benefits Center hotline — a permanent, dedicated employee resource — responded to more than 150 calls.
- Created the “AskNGHR” mailbox — a dedicated employee e-mail address for asking Northrop Grumman HR-related questions, seeking assistance, and receiving HR updates.
- Launched the Northrop Grumman time reporting application on June 16 and provided training to all in-scope employees.
- Delivered new hire welcome packets, including all forms required, to transition employees from VITA to Northrop Grumman employment. Commenced open enrollment for benefits.
- Developed manager and employee toolkits and orientation sessions to provide guidance for operating in a matrix management environment. The toolkits describe 22 processes, such as requesting leave and escalating workplace issues, and the roles of work delivery supervisors (technical managers) and administrative managers. The manager toolkit was released June 15 and the employee toolkit is scheduled for release June 26.
- Participated in VITA Employee Dialogues, all-hands-on-deck meetings involving employees across the Commonwealth, on May 1 and June 12.

Planned employee transition activities for the next quarter include:

- Publishing the partnership organizational chart, with assignment of administrative managers and work delivery managers. The charts will be updated with each wave of transitioning employees.
- Launching a new portal for Northrop Grumman employees called “MyNGC” to access Northrop Grumman policies, procedures and handbooks.
- Continuing communications with the 185 employees who are deciding about their offers to provide them the information they need to make the best decision for them, their families and their careers.
- Transitioning employees to Northrop Grumman in future waves, beginning July 7. The 6% signing bonus period expired June 14. The 4% signing bonus period began June 15 and concludes July 14. The 2% signing bonus period is July 15 to August 13, and the final decision period (no signing bonus) is August 14 to September 12. The final start date for transitioning employees is September 18.
- Rolling out orientation and new hire activities at the end of the employee transition period and into the fall, to avoid disruption of services to customers.

Current Operations

In preparation for service commencement, VITA and Northrop Grumman are planning to transition current IT infrastructure service delivery to Northrop Grumman. Activities in preparation for SCD on July 1 include:

- **Understanding the existing organization** — Northrop Grumman conducted a detailed review of the existing VITA organization, including central operations and regional operations. Northrop Grumman and VITA are working together to support regionalization of support functions and centralization of enterprise functions.
- **Understanding customer agencies and their missions** — Northrop Grumman and VITA gathered nearly 2,805 data points and information from all in-scope Executive Branch agencies and built a data repository for each agency. Partnership teams completed 18 site visits to meet with VITA staff and interested agency staff.
- **Understanding how the existing organization supports its customers** — Partnership staff reviewed and analyzed Memoranda of Understanding (MOU) documentation and requirements, the 2005 customer survey, VITA escalation procedures, the VITA Customer Care Center central help desk, data center procedures, and the VITA Incident Notification System.
- **Identifying and implementing organizational changes** — VITA and Northrop Grumman conducted a detailed review of the existing organization to ensure all functions and staff were designated “in-scope” or “out-of-scope.”
- **Folding the VITA organization and processes into Northrop Grumman** — Following the detailed review of the existing organization, Northrop Grumman defined the post-SCD organization and established the current service delivery organization within the Northrop Grumman organization. At SCD, service delivery will be handled by a mixture of new Northrop Grumman employees and VITA managed employees, with little change to the organization chart. Work direction flow will remain unchanged.

- **Establishing metrics for performance measurement** — VITA and Northrop Grumman collected existing metrics at VITA and customer agencies and evaluated the metrics contained with agency MOUs. Staff also collected regional data and defined go-forward metrics.
- **Evaluating disposition of current projects** — Northrop Grumman reviewed 81 existing projects with potential infrastructure impacts to ensure continuity and alignment with transformation plans. As of June 9, 12 projects were completed, 58 will be continued, 8 were closed and 3 are open. The open projects will be resolved by July 1.

The goal of current operations is to ensure a smooth transition, with no degradation of customer service at service commencement and throughout the transformation process. All activities are on schedule for SCD to occur July 1, as planned.

Financial Readiness

VITA and Northrop Grumman are working together to prepare the financial aspects of the partnership, including billing and invoicing, chargeback, budgeting and forecasting, contract management, and financial reporting. Financial readiness also includes process and systems development or modification for processing procurements, invoices, billing and accounting. Financial readiness highlights for the quarter are:

- Finalized the content and format of the Northrop Grumman invoice to VITA, including electronic files, and conducted successful systems tests. The invoice reconciliation and payment process was approved. Final invoice testing is scheduled for July.
- Northrop Grumman set up Lawson as the financial management system and established Altiris as the interim asset management system. Asset inventory policy and procedures documentation submitted for review and approval.
- Finalized and communicated to agencies changes to the procurement process, known as procure-to-pay (P2P). Most changes are back-end coding changes within eVA, the Commonwealth's central purchasing portal, to capture in-scope infrastructure orders and expenditures. Both partners will have visibility into the process, with little or no impact to agencies. The P2P process was vetted and approved by the Customer Advisory Council, a customer stakeholder group, which made recommendations that were adopted and integrated into the P2P solution. Training for agency procurement officers began in late June.
- Developed "grand crosswalk" coding structure for both partners to use for billing and accounting purposes.
- Created process to enter new Northrop Grumman employees into financial systems, and for time reporting for all service delivery employees, including VITA managed employees.
- Finalized financial reporting requirements, with financial reporting implementation underway.
- Identified financial applications system changes in support of post-SCD processing.
- VITA launched the second phase of establishing memoranda of agreement with in-scope agencies. The first phase captured labor-related expenditures; the second phase is the non-labor expenditure portion. VITA is seeking federal approval for its cost allocation model for the agencies that receive federal funding. Meetings with U.S. Department of Health and Human Services are ongoing.

- The focus of contract management with existing suppliers is ensuring service continuity at SCD and beyond. Contractor personnel supporting VITA and its agencies were successfully transitioned to Northrop Grumman.
- VITA and Northrop Grumman co-hosted a Vendor Outreach Summit by teleconference on June 14 with nearly 200 businesses that currently have contracts with VITA. The Summit provided suppliers with information about business opportunities, contract management activities to support continuity of operations, and the opportunity to ask questions.
- The Commercial Management Team identified and evaluated nearly 570 existing infrastructure contracts and determined disposition for the partnership. Statewide contracts and other mission-critical contracts (about 223 in total) will be retained by VITA, and VITA is working to secure usage rights to some of those contracts by Northrop Grumman. Approximately 346 contracts will be assumed by Northrop Grumman. Negotiations are currently underway, with expected completion date of August 31.

In the next quarter, VITA and Northrop Grumman will focus on completing the transition of existing contracts, finalizing systems and process changes, commencing financial reporting and implementing the financial and contractual aspects of the partnership for SCD.

Critical Milestones

Exhibit A (next page) illustrates the critical milestones for the program in the areas of human resources, facilities, and each of the technical domains. Because of potential revenue adjustments, these dates are subject to change. During this quarter, the technical teams expanded the milestones and identified predecessors, interdependencies and implied milestones. Northrop Grumman is launching an Earned Value Management System (EVMS) to more effectively manage resources, costs and scheduling.

The first critical milestone — employee offer letters, as described in “Employee Transition” — was completed one month early, on May 1. The next critical milestone is completion of the operational procedures manual by October 1. The manual will detail operational policies, procedures, guidelines, and templates for the partnership.

Independent Verification and Validation

With the concurrence of the ITIB IT Infrastructure Committee, VITA engaged CACI International Inc. to conduct program-level independent verification and validation (IV&V). IV&V is a recognized best practice to ensure the success of major projects by verifying and validating approach, practices and risk identification and mitigation. Expected results are increased quality, improved timeliness and reliability of project deliverables, risk mitigation recommendations, and reduced re-work cost.

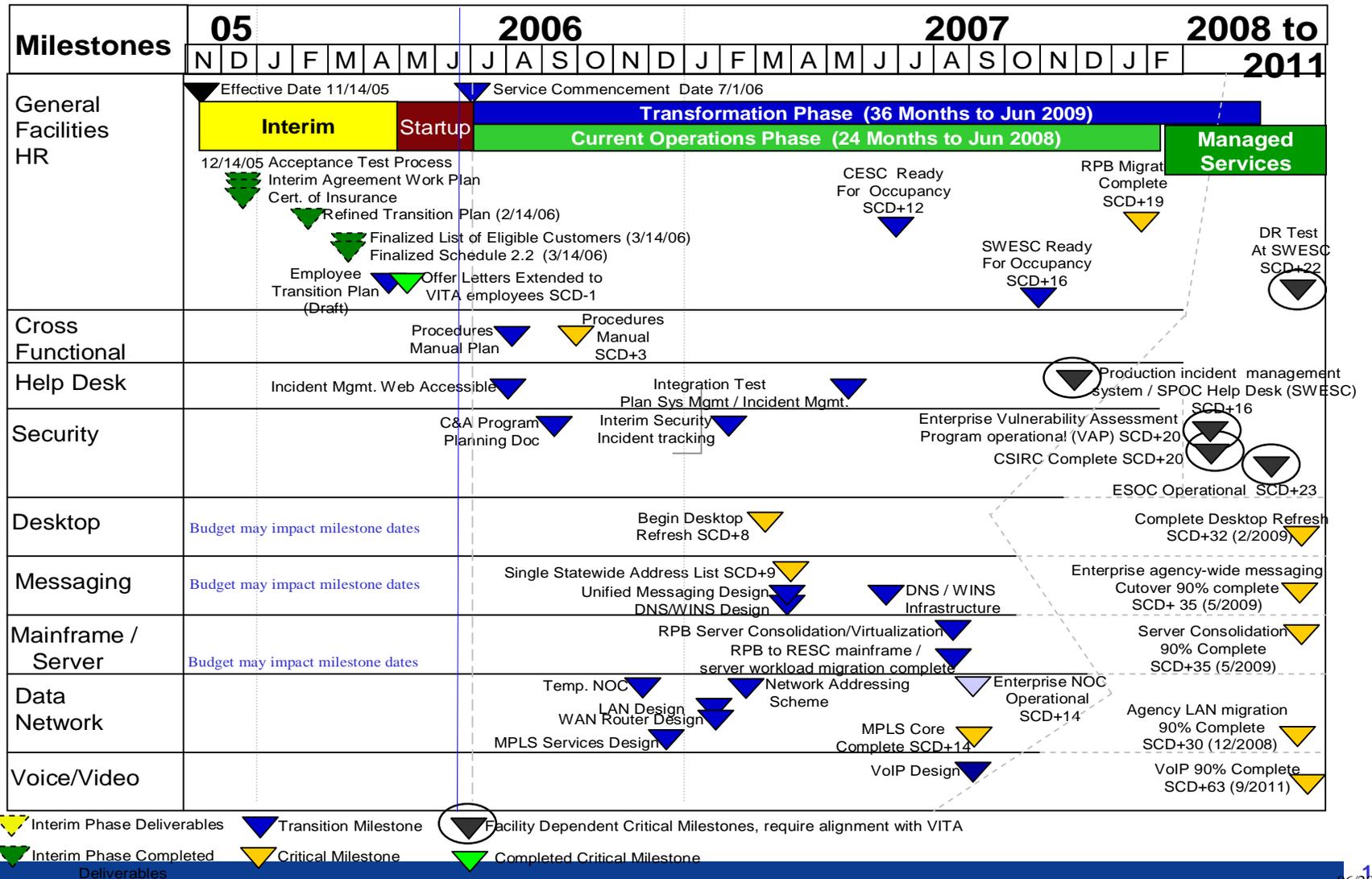
The first six-week review began June 19, and will focus on program-level standards, processes and practices for managing a program of this size and complexity. The first follow-up review, scheduled for September, will focus on improvements to measurement, monitoring, control and practices.

CACI will provide draft findings and recommendations to the ITIB IT Infrastructure Committee on July 19, with the final report and recommendations due July 28. The IV&V team is scheduled to return for follow-up reviews on a quarterly basis in September and December 2006 and March 2007.



High Level Schedule

NORTHROP GRUMMAN



06/20/06

The ITIB and VITA focus significant attention on identifying and supporting multi-agency and intergovernmental collaboration initiatives.

State's Web Portal Redesign

Virginia.gov, the Commonwealth's Web portal, has been redesigned to provide easier access to information and services. The historic look of the site coincides with Jamestown's 400th anniversary. There are links to topics of importance to the Commonwealth and its citizens, and also to people and businesses across the country and world interested in learning more about Virginia. Among the enhancements:

- Intuitive navigation and improved topic organization
- Meaningful icons that serve as visual cues about content and portal categories
- Expert content delivery through partnerships with state agencies
- New and enhanced features, such as an "I Want To" search, improved delivery of weather and regional traffic information
- Text and image-based community map service that provides locality information
- Everyday activities, such as a "Fact of the Week" and citizen photography

VITA partners with Virginia Interactive to develop and maintain the state's Web presence, which averages 477,002 visitors per month, a 61 percent increase from the previous year.

Integrated Services Program (ISP)

VITA has established the Integrated Services Program (ISP) to bring together Public Safety Communications (E-911), Virginia Geographic Information Network (VGIN) and Telecommunications under one service delivery umbrella. The goal is to streamline and improve the delivery of existing and future services to small to mid-size state agencies and local governments.

ISP expects to expand existing services by leveraging the strengths of both programs and eliminating duplication of efforts to be more responsive to the changing needs of the localities and, more broadly, public safety. For example, the E-911 program currently provides staff support to the Wireless E-911 Services Board, which provides funding to localities for wireless E-911 costs including geospatial data development and maintenance. Leveraging the geospatial expertise of VGIN will ensure that this



funding, which is currently a minimum of \$10,000 per E-911 center, is used efficiently and supports the statewide, enterprise geographic information system (GIS).

In addition to the collaboration with VGIN through the creation of the ISP, the E-911 program staff continues to collaborate with the localities on the deployment of E-911 (both wireless and line). At present, more than 99% of Virginia's population is served by line E-911 and more than 95% is served by wireless E-911. To support the remaining deployments by December 31 and the continued provision of these life-saving services, E-911 field offices have been established in the four regions of the Commonwealth (Southwest, Central, North and Southeast). Each office is staffed by a public safety communications professional who will support the E-911 needs of the locality and act as a local liaison for other VITA services, such as VGIN or telecommunications.

The VGIN program staff continues to work with local government partners on moving to statewide standards for digital road centerlines (RCL) and ongoing updates of this data by local governments. The RCL, which supports a number of enterprise applications such as the Virginia Department of Transportation's Road Network System (RNS) and the Commonwealth's Voter Election and Registration Information System (VERIS), must receive updates from VDOT for interstate highways and primary roadways and from each locality for all secondary roadways. The process for the receiving these updates currently is being implemented.

VGIN continues to test a state-of-the-art enterprise GIS technology platform at VITA. VGIN has initiated a study of security and performance issues related to installing independent business applications on a single enterprise technology platform. Starting next quarter, the platform will begin to support comprehensive enterprise services, including the Virginia metadata clearinghouse, the Virginia geospatial data library/archive and exchange services, Internet map services, system support services, and production services

IT Accessibility Workshop

An IT Accessibility Workshop on April 19 attracted 167 state agency personnel.

Subject matter experts, including IT accessibility engineers from the U.S. Patent and Trademark Office, addressed assistive technology implementation in non-Web applications and systems. The session delivered the message that IT accessibility is understandable and attainable. Resources available to assist with implementation of agency accessibility plans were identified, including on-site product demonstrations from vendors.

The workshop was held in partnership with the Department of Rehabilitative Services (DRS) at the Greater Richmond Convention Center. The Secretary of Health and Human Resources, Secretary of Technology and the Commissioner of the Department of Rehabilitative Services delivered remarks.



Small, Woman and Minority-Owned (SWAM) Business Seminar

More than 90 Small, Women and Minority-Owned (SWAM) business representatives attended the "Marketing IT Products and Services to the Commonwealth: Keys to Boosting Sales," seminar on April 19 at the Richmond Marriott.

Information was provided on Northrop Grumman's Socio-Economic Business program, SWAM certification, marketing to the state from a small business perspective, and use of the state's procurement system (eVA) to market products and services.

The event was sponsored by VITA, the Department of Minority Business Enterprise and Northrop Grumman. The Secretary of Administration, Secretary of Technology, Director of the Department of Minority Business, and President of Commercial, State and Local Solutions from Northrop Grumman addressed attendees.



Disaster Recovery Test

The annual test of Disaster Recovery Procedures for the VITA Data Center was conducted April 7 – 9, 2006. The 72-hour test period involved 90 VITA employees, 40 of whom traveled to the back-up site in Pennsylvania. Representatives from Northrop Grumman observed the processes and



documentation to make recommendations to their management team for future tests.

Seventy-nine participants from 11 state agencies successfully tested their applications. All agencies were able to successfully test their applications. A follow-up meeting was held with the agencies on April 25, 2006. There were several comments that this year's test provided very good information for the customers to apply to their disaster recovery plans for future tests. The next Disaster Recovery Test will be in April 2007.

The following are some noteworthy accomplishments from the disaster recovery test:

- VITA successfully recovered the Department of Social Services data on all platforms to a common point in time. This was the first time Social Services has been able to test successfully with its Department of Medical Assistance Services application.
- Department of Taxation tested new Windows and UNIX based applications recoveries for the first time with better-than-expected results.
- Agencies with connections to banking facilities were able to test their processes with those financial organizations.

Enhancing Service

VITA has several projects under way to enhance service.

Customer Relationship Management and Business Development have separated into two directorates. CRM will focus on productive business relationships. CRM is providing each Secretariat with additional coverage and attention. In the past quarter, VITA leadership and CRM staff have met with various Secretaries and their Deputies, and attended Secretariats' Agency head meetings. Cabinet Technology Teams (CATT) have been revitalized and are meeting on a regular basis. A Customer Advisory Council (CAC) was created to address, in particular, issues relating to the partnership. Membership includes representatives of the Secretariats, Executive Branch Agencies and VITA. VITA also has established several Community of Interest (CoIN) groups to share best practices, foster communications across agencies, and, ultimately, enhance services. The CoIN environment provides a forum for meaningful technical dialogue among Northrop Grumman and VITA staff. CoINS are active in the areas of voice and video, messaging, servers, network, and desktop.

In addition, a satisfaction survey conducted by the University of Virginia was received by VITA, which is developing an action plan to address customer concerns and needs.

Recommended Technology Investment Projects (RTIP)

In keeping with results from the survey of RTIP stakeholders and ITIB direction, the 2006 RTIP Report has been greatly simplified. The 2006 document will focus on key project funding recommendations, with additional portfolio detail posted to the Web.

At its April 20 meeting, the ITIB approved a 2006 RTIP report outline, RTIP scoring and evaluation criteria, and preliminary business case questions for candidate projects, all consistent with that simplification.

In collaboration with the Department of Planning and Budget (DPB), work continues to strengthen the Agency Strategic Planning Process in the area of IT planning. In May, VITA and DPB joined together to offer a Commonwealth Strategic Planning Workshop for Agency IT Resources (AITRs) and business planners to:

- Review requirements and instructions for completing the IT components of the Agency Strategic Plan
- Provide an overview of the Commonwealth of Virginia strategic planning process
- Identify dependencies between the distinct strategic plans
- Provide a forum for agency questions and concerns



Based on information from this workshop, agencies have been asked to rewrite the IT Summary section of their Agency Strategic Plan and submit changes for CIO review by the end of September. In October, the CIO will review and approve the IT components of the Agency Strategic Plans for FY06-08 in conjunction with the approval process for IT-related budget decision packages. Exhibit B provides the RTIP schedule.

Exhibit B
2006 RTIP Report Schedule

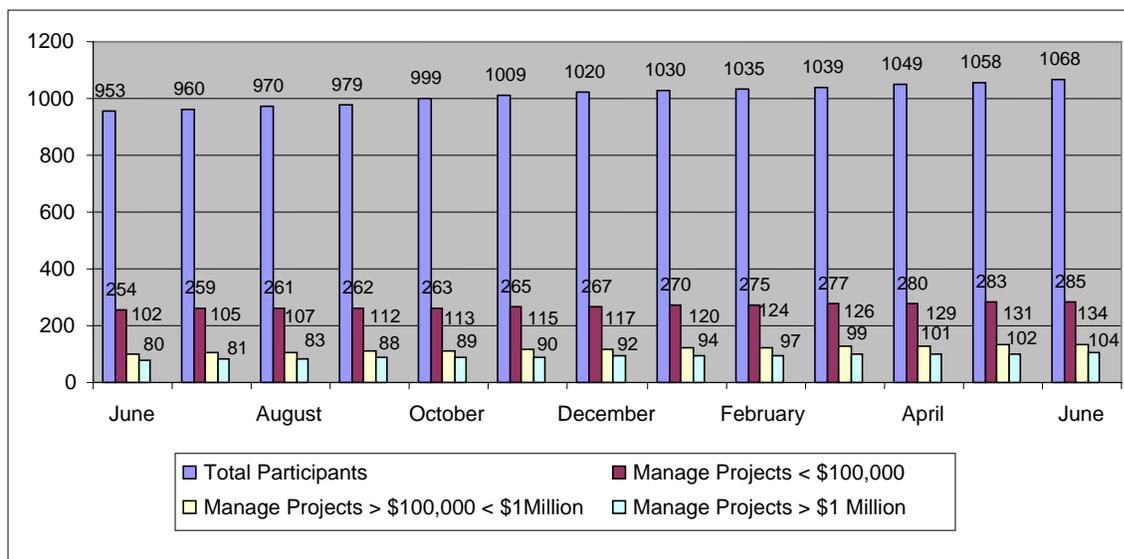
Month	Activity
June	Agencies update major IT project portfolio information for the 2006 RTIP Report
July	Agencies update their Agency Strategic Plan to synchronize with the Appropriation Act VITA develops the initial draft 2006 RTIP Report for review by the ITIB at its July 20, 2006, meeting
August	VITA presents the final draft 2006 RTIP Report to the ITIB for approval at a special meeting on August 10, 2006
September	ITIB 2006 RTIP Report delivered to Governor and General Assembly; Agency updates to the IT Summary Section of the Agency Strategic Plan are due
October	CIO approves the IT component of Agency Strategic Plans for FY06-08 Budget; VITA reviews and approves budget decision packages

Project Manager Development Program (PMDP)

Interest and participation in the Commonwealth PMDP continues. Between June 2005 and June 2006, the number of participants qualified to manage major IT projects grew by 12%. Results to date, including the total number of PMDP participants and identification of those meeting qualification requirements for various project categories, are shown in Exhibit C. As of June, there were 1,068 participants in the program, including 285 who have met the qualification requirements for managing projects in the Commonwealth. Program participation and achievement of project management qualification standards is expected to continue at the current rate.

The VITA customer survey has identified the need to expend additional resources and expand PMDP activities. Plans have been formulated that include a workshop, three IT investment management training sessions, and two executive training sessions over the next two years.

Exhibit C
Participation in the Project Manager Development Program



Additional PMDP Resources

Participants in the Commonwealth IT PMDP now have unlimited access to best practices information, research support, networking, and other services through a VITA/Corporate Executive Board Project Management Office Council partnership. Commonwealth project managers and sponsors may access the [council](#) or the information [clearing house](#). Commonwealth executives, secretaries and agency heads who are not members of the PMDP can be granted special access.

Project Oversight and Reporting

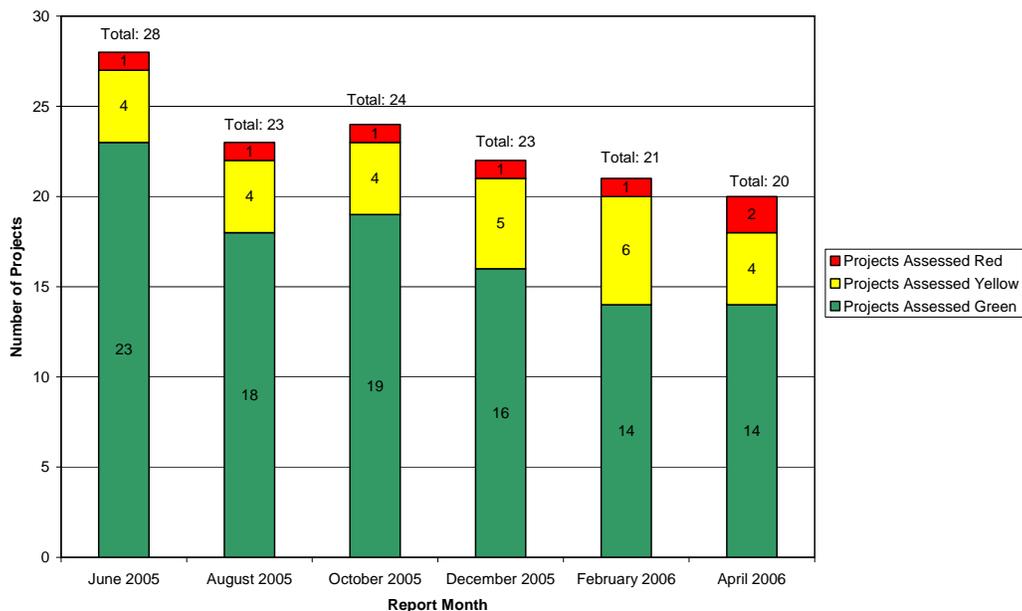
At each meeting of the ITIB, the CIO provides his assessment of the status of Major IT Projects. That assessment is drawn from reports submitted through the Commonwealth Major IT Project Status Report Dashboard, proponent Secretariat evaluations, and Project Management analysis. Each project is assessed either:

- Green: On Track
- Yellow: Warning — Consider corrective action or monitor previous corrective action
- Red: Problem — Immediate corrective action required

Exhibit D summarizes the CIO assessments for the past 12 months, as presented at the April 2006 ITIB meeting. For the past 12 months, on average, 77% of the projects were assessed as green, 20% as yellow, and 3% as red. During this period, the number of active projects has dropped from 28 to 20 as projects were completed at the end of FY05; project approval slowed as a result of review and consideration of the Public-Private Educational Facilities and Infrastructure Act (PPEA) infrastructure and enterprise application proposals; and the conclusion of the 2004-2006 budget biennium. The Major IT Project Status Report [Dashboard](#) is available online.

Exhibit D Status of Major IT Projects

CIO Assessment of Major IT Projects,
as Reported to the IT Investment Board



IT Security, Audit

A draft IT Security Policy has been prepared and will be reviewed at the July 20 ITIB meeting. A related IT Security Standard defines the minimum requirements for each Agency's IT security program, while a related IT Security Audit Standard establishes requirements for conducting an IT security audit. The policy and standards enhance information security in the Commonwealth by providing an updated framework for agency IT Security Programs. The IT Security Audit Standard has a pending compliance date of February 1, 2007. The IT Security Policy and IT Security Standard have a pending compliance date of July 1, 2007. VITA will work with agencies on compliance once final documents are approved.



FY 2006 Financial Results – Through May 2006

Overall, financial activity through the first 11 months of fiscal year 2006 is in line with expectations as shown in Exhibit E. VITA continues to process a large number of transactions on behalf of transitioned agencies, with nearly 40% of revenue derived from direct billed services. Legacy computer services and telecommunications services revenues remain steady as compared to the same period last year.

Exhibit E FY 2006 Financial Results as of May 31, 2006

	<i>FY 2006 Budget</i>	<i>May-06 YTD Actual</i>	<i>Actual % of Budget</i>
Revenues, including transfers in	\$296,050,223	\$265,987,084	90%
Expenses, including transfers out	<u>294,043,960</u>	<u>255,659,576</u>	87%
Net change	2,006,263	10,318,508	
Retained earnings, July 1	51,427,204	54,110,505	
Ending retained earnings	\$ 53,433,467	\$ 64,429,013	

VITA had a negative internal service fund cash balance at May 31 of nearly \$7 million. This is due in large part to significant increases in vendor payments on behalf of our customers in an effort to expend fiscal year 2006 funds. However, if the remaining portion of the fiscal year tracks to last year, VITA expects to end the fiscal year with a positive cash balance.

Small, Woman and Minority-Owned (SWAM) Business

VITA's SWAM Outreach Program provides vendors with an opportunity to learn about doing business with VITA, current information regarding policy and procedures that affect SWAM vendors, the certification requirements for the Department of Minority Business Enterprise (DMBE), the registration process with eVA, educational programs, and networking with vendors and state procurement professionals. A [SWAM resource page](#) is located online.

The next quarterly SWAM workshop in July will feature:

- Information on changes made by the General Assembly that impact DMBE
- Governor Tim Kaine's new Executive Order for the Commonwealth's SWAM Program

Details of the workshop, including online registration, will be announced as soon as details are finalized.

The SWAM spend target for the FY06 was \$13,400,000, which represents 10% of VITA's eligible SWAM spend budget. DBME has designated certain budget object codes that are considered either discretionary spend or eligible SWAM spend. VITA has surpassed its goal in terms of actual SWAM spend; however, since the SWAM eligible spend has increased, VITA has not yet achieved the 10 percent goal. Exhibit F below shows the SWAM spend from July 1, 2005, through May 31, 2006.

EXHIBIT F
VITA SWAM Spending Through May 31, 2006

VITA's Eligible SWAM Spend	Small	Woman	Minority	Total SWAM
\$ 183,228,170	\$5,473,917	\$682,788	\$9,917,162	\$16,073,867

VITA tracks SWAM spending on a quarterly basis. The spend report is extracted from the Commonwealth Accounting and Reporting System (CARS). DMBE assisted VITA with preparing the specifications for the program that gathers SWAM spend for all agencies within the Commonwealth.

VITA is working closely with its IT Infrastructure partner, Northrop Grumman to enhance opportunities for SWAM businesses.

Rates Approval

JLARC, on June 12, approved service rates for VITA's new "Dashboard." The service is a centrally hosted application that permits customer agencies to track various financial and operational measures for management control and decision making. The service captures and analyzes data from Virginia Excels, the state accounting system, the state procurement system (eVA), and other source to provide standard reports on performance. It also can be used to report agency procurement performance related to Small, Woman and Minority-Owned (SWAM) expenditures. Use of the dashboard by agencies is optional. The rates are \$1,042 for a one-time startup charge, \$75.77 per month for the agency, and \$16.53 per month for each user (individual employee) account. The rates take effect July 1.

Audit Activities

In May 2006, the Auditor of Public Accounts (APA) issued a report containing the results of a review of Information Technology Governance and VITA Operations in the Commonwealth of Virginia as of April 7. The focus of the review was not primarily on compliance, whether the *Code* requirements were met, but on opportunities to go beyond "good enough." To that end, the report contained 21 recommendations for enhancing IT governance and VITA operations. An action plan to address the recommendations was submitted to APA in June. The [APA report](#) is available online.