



Virginia Information Technologies Agency

# VITA Update

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Joint Legislative Audit and Review Commission  
November 9, 2015



# Agenda

- Introduction / CIO's background
  - U.S. Navy
  - Private sector
  - U.S. House of Representatives
- CIO's focus and vision
  - Transformational
  - Build to adapt with control, transparency and cost-effectiveness
- IT sourcing
  - VITA is progressing with a methodical plan



# 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

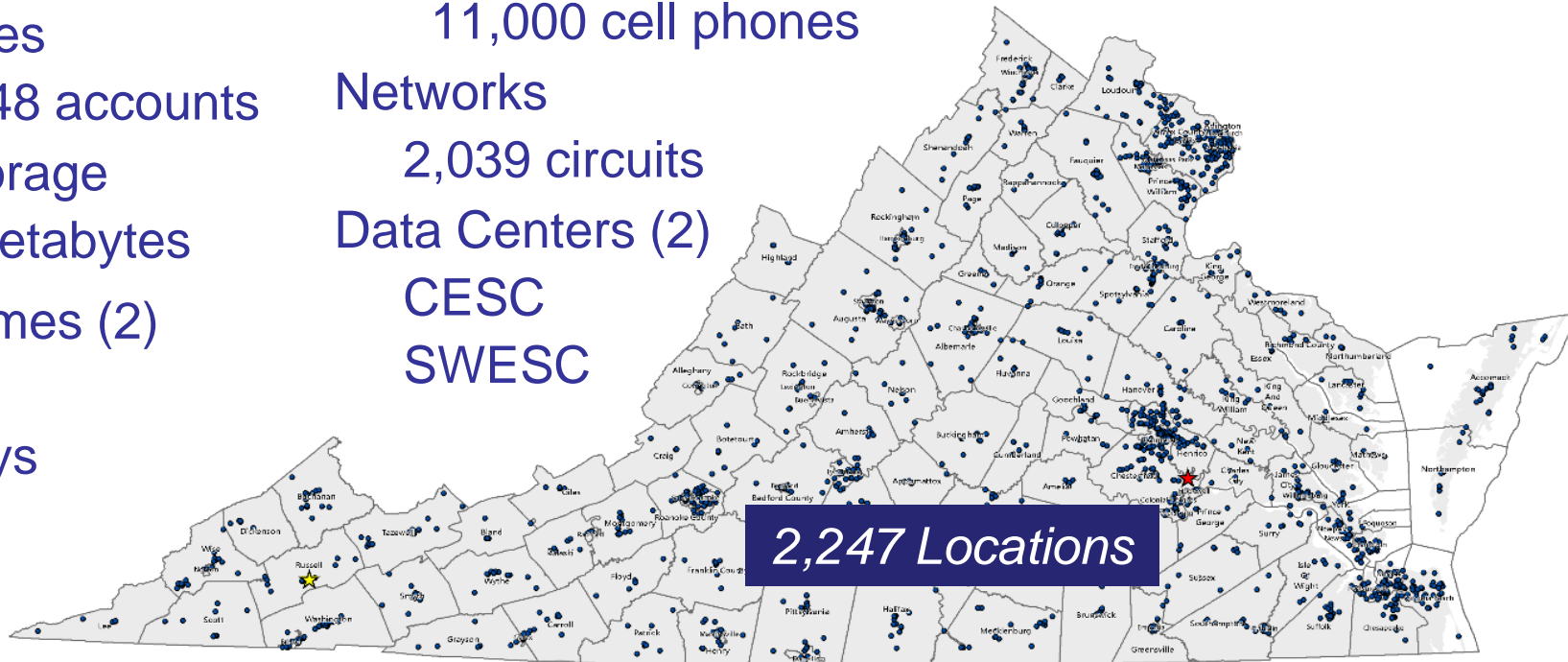
2,039 circuits

## Data Centers (2)

CESC  
SWESC

## Printers

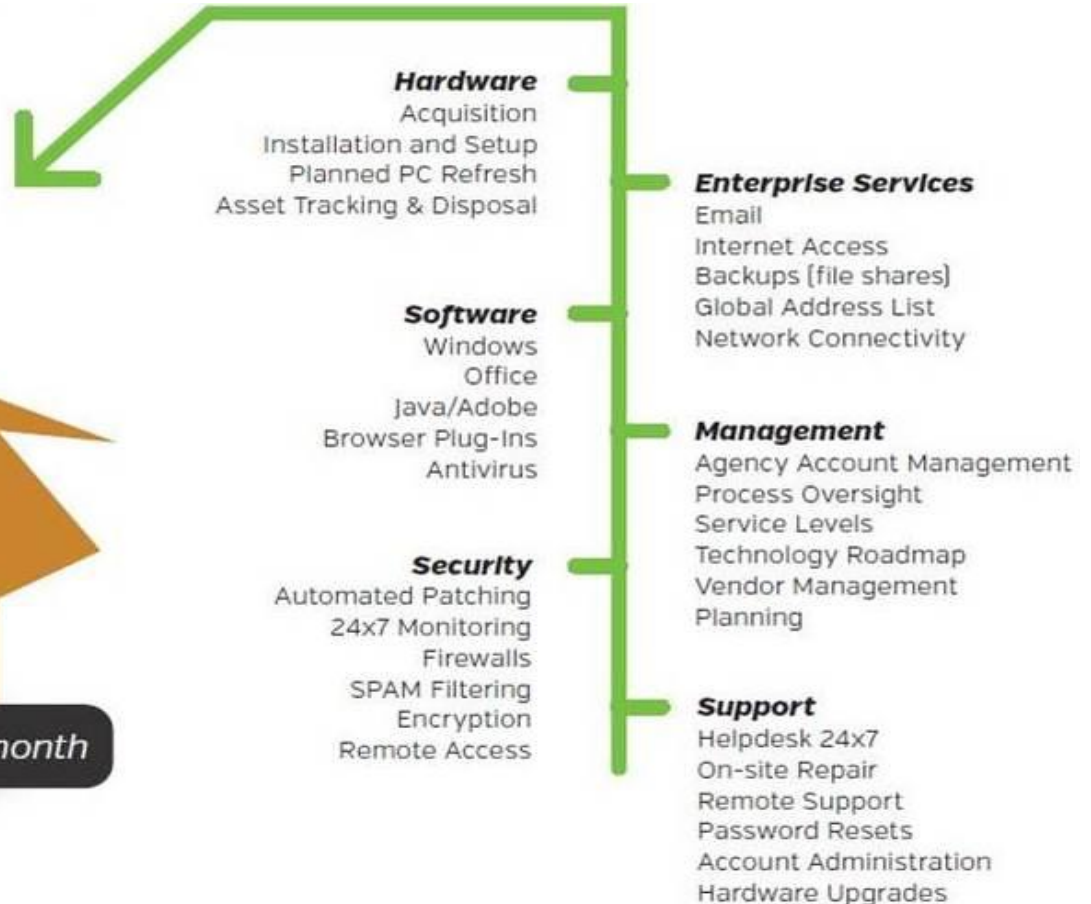
5,311 network  
22,000 desktop





# IT infrastructure as a Shared Service

People, Process,  
Technology and Leadership





## Northrop Grumman contract and next steps

- 13-year term expires on July 1, 2019
- Focus since 2005 has been tactical
  - Finish transformation of 89 agencies
  - Improve overall performance
  - Evolve current services
- Feedback from policymakers and customers needed on next steps
  - Insourcing, outsourcing, multisourcing
- VITA has redeployed resources to maintain operations while addressing IT sourcing and disentanglement





# Current timelines

IT Sourcing



Disentangle



Maintain





## IT sourcing consultant

- Sourcing consultant contract awarded to Integris Applied
  - Competitive procurement; 11-month statement of work
    - Contract and pricing structure analysis
    - Analysis of current spending for market comparison
    - Marketplace research via request for information (RFI)
    - Final report due November
- Brings extensive experience in Texas and Georgia
- Iterative and collaborative “journey” that includes stakeholders



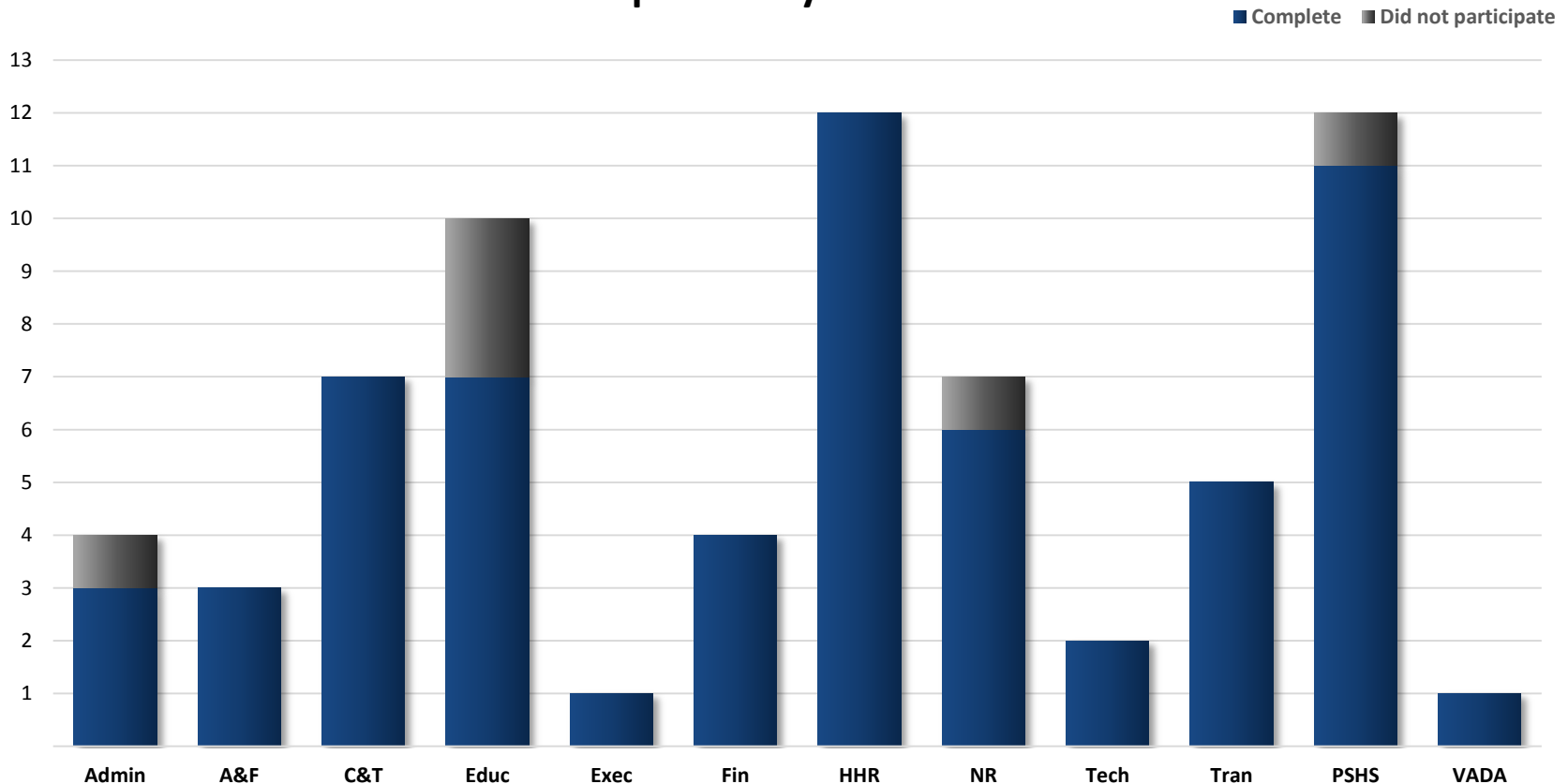
## Steering committee

- Jason Powell, SFC Legislative Fiscal Analyst
- David Reynolds, HAC Legislative Fiscal Analyst
- Neil Miller, Deputy Secretary of Finance
- Brian Logwood, DPB Assoc Dir, General Government
- Ernie Steidle, DARS COO
- Dave Burhop, DMV CIO
- Sharon Kitchens, TAX CTO
- Dr. Jeffrey Stern, VDEM agency head
- Dana Smith, VITA Exec Dir, Administration & Finance
- Chad Wirz (Chair), VITA Exec Dir, Service Management & Delivery



# Interviews, surveys with over 60 agencies

Completion by Secretariat





## Observations and feedback

- Initial agency feedback
  - Infrastructure program has not demonstrated appreciation of agency business needs
  - Coordination across service areas must be improved
- Initial consultant feedback
  - Contractual model is dated
  - Commonwealth bears disproportionate risk
  - Current pricing structure inhibits new or evolved services and innovation



# Virginia Information Technologies Agency



Cognizant





## Current trends in IT sourcing

- Shorter terms
- Shift from single vendor to best-in-breed vendor(s)
  - Multisourcing integrator (MSI) to support multiple vendors
- Staggered procurements vs. single “big-bang”
- Cloud computing



## RFI indicated marketplace options

- Agencies may have choices that don't exist in current service model
  - Catalogue of approved suppliers and services
  - Choices where to run their applications: cloud, data center, hybrid
  - Multiple levels of service at different prices
- VITA will need to adapt
  - Frequent procurements and transitions
  - Align changes in service delivery model with statutory oversight responsibilities

## Market has several sourcing models

### Prime with subcontracts

- Most similar to current model with NG
- VITA would contract with single provider
- Prime may use various subcontractors

### Multisourced

- VITA would contract with multiple providers
- Service integration function would manage providers
- Operating level agreements ensure service transparency

### Inourced

- VITA would need personnel, skill sets, and tools to manage multi-provider environment
- VITA would need resources to keep skills current

Sourcing models can generate multiple scenarios (strategies), including combinations of models





## Goals for new sourcing model

### Agencies

- Service delivery quality
- Ease of doing business
- Service flexibility
- Innovation and evolution
- Agency choice
- Service transparency
- Spend transparency

### Enterprise

- Maintain cost competitiveness
- Management control
- Flexibility to evolve
- Supports VITA oversight functions
- Standardization
- Security
- Procurement and Transition

Consultant's final recommendations will identify sourcing **scenarios** that best address these goals



## Scenario evaluation approach

- VITA and Integris Applied have engaged agencies and stakeholders to identify goals
- Sourcing models used by consultants to generate several future-state scenarios
  - Scenarios are evaluated for likelihood of meeting agency and enterprise goals
- Extending Northrop Grumman contract is not viable
  - VITA has exercised all contract extensions
  - Acting before contract ends addresses current issues and mitigates risk



# Seven strategic sourcing scenarios

- |  |
|--|
| 1a. Rebid full scope at term, with all services outsourced to prime contractor   |
| 1b. Rebid full scope at term, using multiple suppliers and insourced service integration   |
| 1c. Rebid full scope at term, using multiple suppliers for all services including service integration  |
| 2a. Rebid in waves, using multiple suppliers for all services including service integration  |
| 2b. Rebid in waves, using multiple suppliers for all services including service integration, and multiple competitive contracts for certain services |
| 3a. Full insource in waves, with all services insourced  |
| 3b. Partial insource in waves, with many services insourced including service integration  |



## Illustrative policy decisions

- IT staff rehiring
  - More than 550 state IT staff became Northrop Grumman employees in 2006
- Purchasing assets and data center
  - Likely to cost at least \$87M
- Location of data: within or outside Virginia
  - Other states use cloud or out-of-state providers
- VITA will continue engaging policymakers and market to answer these and other issues



## IT sourcing next steps

- Continuing briefings to legislative committees during and after 2016 session
  - Prerequisite activities initiated before session to maintain pace
  - VITA will continue to engage legislature before RFPs issued or contracts signed
- Sourcing activities must be completed during this administration to reduce risk
  - Next governor takes office January 2018
  - Active procurements and disentanglement may be in progress



## Resources

- Information: Link on right rail of the VITA website

<http://www.vita.virginia.gov/about/Default.aspx?id=6442473400>

- Feedback and questions:  
[infrastructuresourcing@vita.virginia.gov](mailto:infrastructuresourcing@vita.virginia.gov)

Search vita.virginia.gov Search

Topics of Interest	
	COVA Strategic Plan for IT: 2012-2018
	<b>IT Infrastructure Sourcing</b>
	eGov Services
	Information Security Incident Reporting
	Accessibility and Web Standards with Common Banner updates
	Employment Opportunities
	VIM (VITA Identity Manager)





## Questions?

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