



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

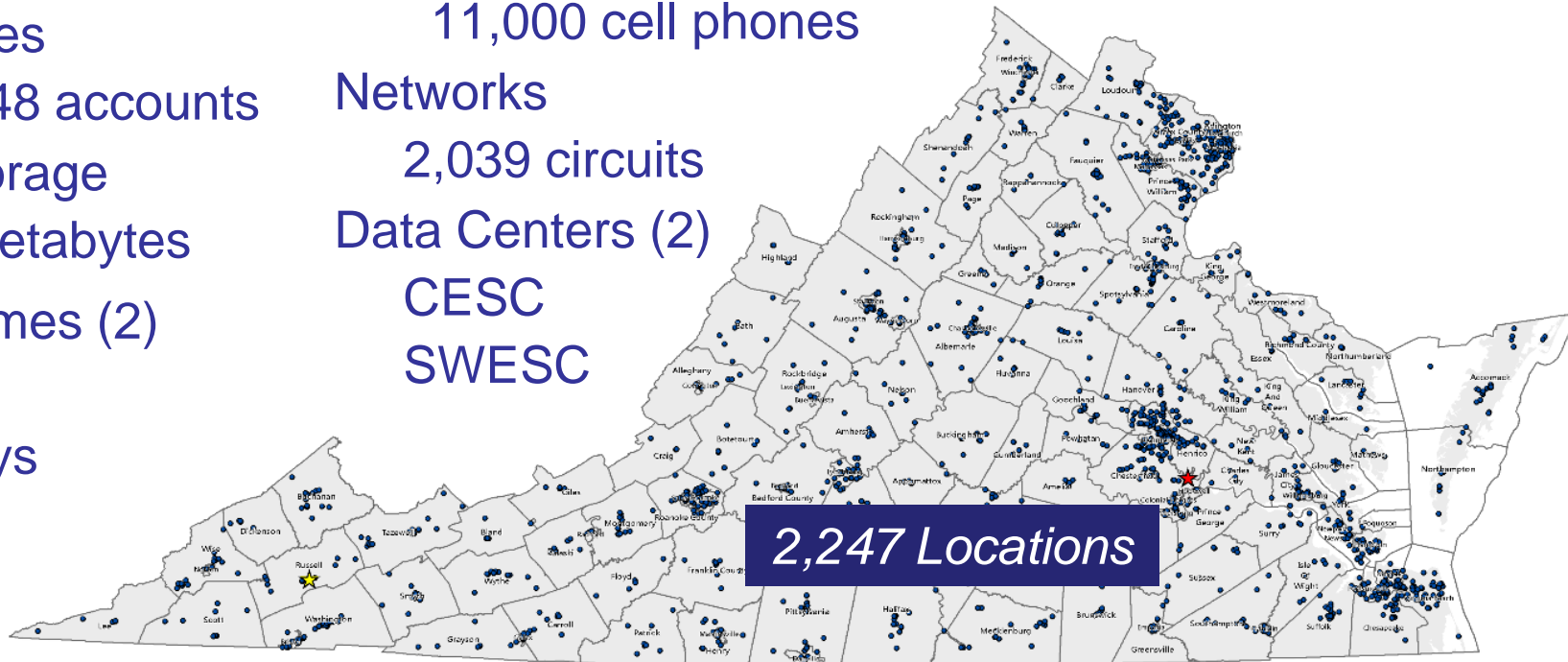
55,000 desk phones
6,100 handhelds (PDAs)
11,000 cell phones

Networks

2,039 circuits
Data Centers (2)
CESC
SWESC

Printers

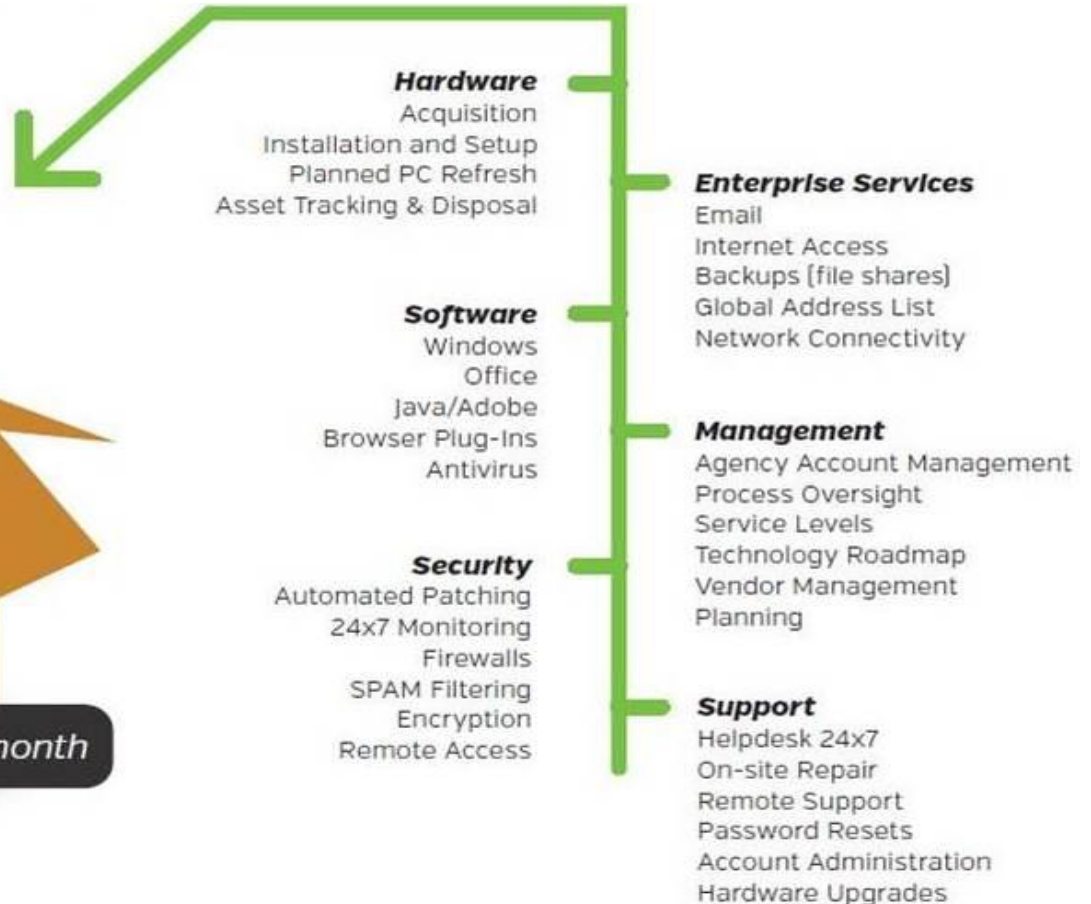
5,311 network
22,000 desktop





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

Plan
2014 - 2015

Procure
2016 - 2018

Transition
NLT 2019

Disentangle

Plan
2017 - 2018

Disentanglement
NLT Oct 2018

Maintain

Operations, Security and Oversight



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

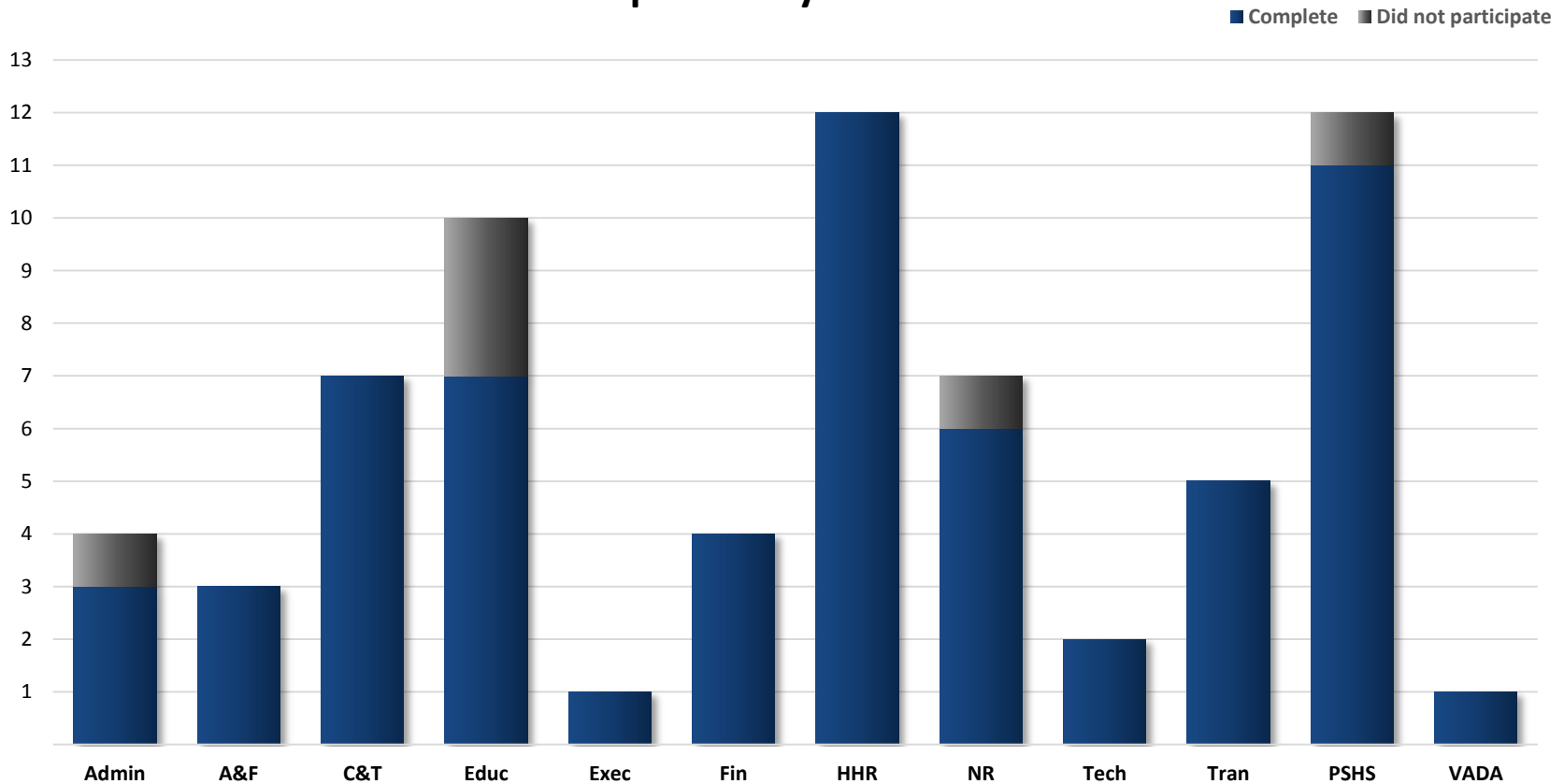


Steering committee

- 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



NetApp





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

Search vita.virginia.gov Search

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



Questions?

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