Update: State IT Transition
JLARC oversight of VITA

- Appropriation Act requires JLARC to oversee VITA on a continuing basis
  - IT infrastructure outsourcing contracts
  - IT planning, security, and procurement

2017 Appropriation Act, Chapter 780, Item 33(E).
In this presentation

Overview
Wave 1 update
Wave 2 update
Next steps
State moving to a new central IT services model

- Disentanglement from Northrop Grumman (NG)
  - Currently, all services are provided through one contract with a single provider

- Transition to new providers
  - New model will involve multiple contracts with different providers
Original plan – Wave strategy

- Wave 1 – Target completion 2016
  - IBM mainframe
  - Messaging

- Wave 2 – Target completion 2017-2018
  - Multisourcing Services Integrator (MSI)
  - Managed security
  - Server and storage

- Wave 3 – Target completion June 2019
  - Desktop
  - Data and voice networks
In this presentation

Overview
Wave 1 update
Wave 2 update
Next steps
- IBM mainframe service commenced with new provider in June 2017
- Messaging project on hold
Wave 1 – Delays with IBM mainframe and messaging

- VITA cites: Inadequate knowledge transfer, NG’s refusal to perform necessary transition activities, and payment disputes
- NG cites: Lack of comprehensive disentanglement plan, need for limitation of liability, delays from new provider, and payment disputes
Wave 1 current and potential cost overruns

- IBM mainframe: FY17 payments to date $1.2M over projected expenses
- Messaging: FY17 payments to date $1.7M over projected expenses
- Potential for additional state liabilities, subject to outcome of legal dispute ($9M–$11M)
  - Withheld monthly messaging payments
  - Disputed transition charges
  - Other withheld payments

Includes costs associated with IBM Mainframe and Messaging services transitions. Does not include other financial disputes that are subject to litigation.
In this presentation

Overview
Wave 1 update
Wave 2 update
Next steps
Wave 2 timeline

<table>
<thead>
<tr>
<th>Multisourcing Services Integrator</th>
<th>Calendar year 2016</th>
<th>Calendar year 2017</th>
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<td>Q1</td>
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<td>Q2</td>
<td>RFP Process</td>
<td>Service commencement</td>
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<td>Q3</td>
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<td>Service commencement</td>
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<td>Q4</td>
<td>RFP Process</td>
<td>Service commencement</td>
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<th>Managed Security</th>
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<td>RFP Process</td>
<td>Contract award</td>
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<td>Q2</td>
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<td>Service commencement</td>
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<td>Q3</td>
<td>RFP Process</td>
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<th>Server and Storage</th>
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- **Delay**
- **Complete**
Wave 2 progress

- Multisourcing Services Integrator (MSI)
  - Contract awarded, transition planning underway
  - Service commencement in summer 2018

- Managed security
  - RFP issued, contract to be awarded in late 2017
  - Service commencement schedule not set

- Server and storage moved to Wave 3
In this presentation

Overview
Wave 1 update
Wave 2 update
Next steps
Litigation

- NG filed suit against VITA in May
- VITA filed a countersuit in June
- Lawsuits are in early phases and timeline for resolution is not clear; likely 2018 or beyond
- Transition will continue
VITA revising strategy

- VITA is finalizing a revised plan for transition to new service providers by the expiration of the NG contract (June 2019)
- VITA plans to announce revised plan soon
- Initial stages of Wave 3 activities are beginning now
State agency concerns

- Service decline and disruption
- Communication from VITA
- Timeline of transition
- Costs to agencies
JLARC staff for this presentation

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