VITA Update

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Joint Legislative Audit and Review Commission
Sept. 10, 2018
Agenda

• Expedited Transition
• Procurement Update
• Service Issues: Messaging (Email)
• Service Issues: Work Requests/eVA Orders
• IT Sourcing Budget
• Remaining Northrop Grumman Matters
• Takeaways
Expedited Transition

- Science Applications International Corporation (SAIC) assumed current IT infrastructure services from Northrop Grumman on Aug. 18
  - “Walk-in, take-over” was a success; SAIC took over at 12:00 a.m. on Aug. 18; four main tasks completed
    - Relocation of disaster recovery data center from Lebanon (Russell County) to Manassas
    - Relocation of help desk services from Lebanon to Clintwood, VA
    - Transfer of control of Commonwealth Enterprise Solutions Center (Chester) from Northrop Grumman to SAIC
    - SAIC assumed services previously provided by Northrop Grumman
- No significant service interruptions
- Executive branch has a new IT infrastructure services provider for first time since 2005
Expedited Transition

- Northrop Grumman employee retention: SAIC reports 90 percent of SAIC offers accepted; 78 percent of estimated Northrop Grumman employee population

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Incumbents Transferred</th>
<th>Rejected</th>
<th>Retained</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Mgmt and Admin</td>
<td>35</td>
<td>10</td>
<td>78%</td>
</tr>
<tr>
<td>Data Center and Messaging</td>
<td>103</td>
<td>13</td>
<td>89%</td>
</tr>
<tr>
<td>Desktop</td>
<td>111</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>Data Network</td>
<td>32</td>
<td>2</td>
<td>94%</td>
</tr>
<tr>
<td>Voice Network</td>
<td>17</td>
<td>1</td>
<td>94%</td>
</tr>
<tr>
<td>Security</td>
<td>27</td>
<td>5</td>
<td>84%</td>
</tr>
<tr>
<td>Help Desk</td>
<td>45</td>
<td>10</td>
<td>82%</td>
</tr>
<tr>
<td>Internal Apps/Chargeback</td>
<td>7</td>
<td>2</td>
<td>78%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>377</strong></td>
<td><strong>43</strong></td>
<td><strong>90%</strong></td>
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</tbody>
</table>
Expedited Transition

- Expedited transition will last four months
  - Still in 30-day stabilization period; 90-day maintenance period precedes Dec. 15 commencement of multisupplier model
- VITA and SAIC working with agencies to ensure critical projects/initiatives remain on track during 30-day stabilization period
- Help desk improvement already delivered
  - Prior to Aug. 18, average speed to answer (ASA) help desk calls analogously reported to be 30+ minutes
  - SAIC ASA week of Aug. 20 = 6:30 minutes
  - SAIC ASA week of Aug. 27 = 0:35 minutes
- Commonwealth successfully addressed top risk to successful transition to multisupplier model: uncooperative incumbent
Expedited Transition

90-Day Transition
May 25 – Aug. 17
Northrop Grumman Service Delivery

Four-Month Operation
Aug. 18 – Dec. 15
SAIC Service Delivery

Aug. 17
Aug. 18
Walk-in, take-over

SAIC MSI
ATOS MSS
EUS
VDN
MF
SSDC
MSG
Print
# Procurement Update

<table>
<thead>
<tr>
<th>Service</th>
<th>Contract Execution</th>
<th>Service Commencement</th>
<th>Supplier</th>
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<tbody>
<tr>
<td>Messaging (email)</td>
<td>July 20, 2016</td>
<td>March 26, 2018</td>
<td>Tempus Nova</td>
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<tr>
<td>IBM mainframe</td>
<td>Sept. 26, 2016</td>
<td>June 5, 2017</td>
<td>Perspecta</td>
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<tr>
<td>Security</td>
<td>Feb. 20, 2018</td>
<td>Nov. 5, 2018</td>
<td>Atos</td>
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<tr>
<td>Expedited transition</td>
<td>May 18, 2018</td>
<td>Aug. 18, 2018</td>
<td>SAIC</td>
</tr>
<tr>
<td>Server/storage and data center</td>
<td>Aug. 8, 2018</td>
<td>Dec. 15, 2018</td>
<td>Unisys</td>
</tr>
<tr>
<td>Voice and data network</td>
<td>Aug. 20, 2018</td>
<td>Dec. 15, 2018</td>
<td>Verizon</td>
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<tr>
<td>End-user services</td>
<td>~September 2018</td>
<td>Dec. 15, 2018</td>
<td>TBD</td>
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</table>
Service Issues: Messaging (Email)

• Issue: Backlog of email service tickets
• Cause: Insufficient service request, end-user support by Tempus Nova, Northrop Grumman
• Resolution:
  – Introduce new IT service provider as part of expedited transition – started Aug. 18
  – Addition of 4.5 FTEs by Tempus Nova to focus on email support and backlog of tickets – started Aug. 20
  – Train 10 SAIC resources to focus on email support and backlog of tickets – started Aug. 21
  – Add one VITA contractor to focus on backlog of tickets – started Aug. 24
  – Continue working with Tempus Nova to address performance

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Service Issues: Work Requests/eVA Orders

• Issue: Backlog of work requests and eVA orders
• Cause: Slow down in delivery of these services by Northrop Grumman prior to Aug. 17
• Resolution:
  – Work requests - VITA and SAIC prioritizing work requests, devoting resources to eliminate backlog
  – eVA orders - VITA investigating orders if status is unclear, eliminating orders not being filled during expedited transition, and SAIC will process the rest
IT Sourcing Budget

- IT sourcing budget currently is projected to be cost neutral compared to previous costs incurred with Northrop Grumman
- Significant variability exists due to unknown outcome of litigation with Northrop Grumman
- VITA’s line of credit increased from $75M to $165M in next biennium
  - Increase necessitated by impact of expedited transition on commonwealth’s obligation to make one-time payment to Northrop Grumman for assets
  - VITA anticipates line of credit will be $75M or less by FY20
Remaining Northrop Grumman Matters

- **Disentanglement services**
  - Winding down long-term contractual relationship; details such as transfer of documents, disposition of assets and final billing for services

- **Commonwealth Enterprise Solutions Center (CESC) lease**
  - VITA became primary leaseholder at CESC Aug. 18
    - VITA and Northrop Grumman executed partial assumption of lease; VITA took on all lease rights and financial obligations
    - VITA could not assume some lease provisions due to legal prohibitions
    - Lease expires June 30, 2022; VITA is planning to migrate all agency data out of CESC data center by January 2022

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Remaining Northrop Grumman Matters

• Litigation
  – Northrop Grumman filed suit May 26, 2017
  – VITA filed counter-suit June 21, 2017
  – Claims bifurcated, preliminary trial dates set
    • 2017 failed mediation – June 2019
    • All remaining claims – October 2019

• Litigation did not prevent VITA from successfully undertaking expedited transition
  – Likewise, it will not prevent Dec. 15 commencement of multisupplier model
Takeaways

• Transition to new IT infrastructure services provider completed without any significant service interruptions

• VITA and SAIC working with agencies to ensure critical projects/initiatives remain on track during 30-day stabilization period

• Commonwealth continues to adapt its plan to the situation

• VITA’s goal is maintaining operational stability to support agencies’ ongoing delivery of services to Virginia’s citizens
Questions?

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