VITA Update

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Agenda

- How we got here
- Expedited transition
- IT sourcing budget
- IT sourcing model
- Procurement update
- Agency participation
- Litigation update

A Brief History of How We Got Here

- 2005: Commonwealth enters contract with Northrop Grumman (NG) for IT infrastructure services

- 2006: Agencies start to transform to enterprise IT infrastructure model

- 2013: Transformation concludes

- 2014: VITA starts planning for IT infrastructure services provision after expiration of NG contract in June 2019

- 2015-2016: Commonwealth adopts an IT sourcing plan to go from one-provider model to multi-provider model
  - Plan includes input from more than 60 agencies

A Brief History of How We Got Here cont.

- 2016: VITA starts executing IT sourcing plan, notifies NG of first services to be terminated

- 2017: NG sues VITA, VITA countersues NG

- 2017: IBM mainframe is first service transitioned from NG to new provider

- April 2018: Messaging (email) is second service transitioned from NG to new provider

- May 2018: VITA announces expedited transition
  - Transition of all remaining services moves up, from December 2018 to August 2018

Expedited Transition

- Terminate remaining NG services effective Aug. 17, 2018
- Science Applications International Corporation (SAIC) assumes current IT infrastructure services for four-month period via walk-in, take-over (WITO)
  - Retain as many current NG personnel as possible
  - NG has stated hand-off to single provider is preferred
  - Commonwealth has master contract with SAIC
    - Expedited transition services provided pursuant to statement of work under multisourcing service integrator (MSI) contract with SAIC
- VITA manages SAIC transition plan
  - SAIC performs transition obligations NG has not fulfilled
  - Remaining service suppliers assume responsibility for services and assets in December as planned

Expedited Transition Benefits

- Reduces operational risks
  - Mitigates currently degrading services and staff flight
  - Mitigates potential impacts to upcoming agency projects/initiatives

- Reduces transition risks
  - VITA gains clear insights into the existing operating environment
  - Supports more effective and efficient knowledge transfer
  - Two recent transitions with NG (messaging and IBM mainframe) demonstrated critical need for cooperative service provider

- Accelerates benefits of new service delivery model
  - Presence of a motivated service provider in fall 2018 will eliminate current barriers to December implementation of new services
  - Enables earlier achievement of service improvements

Tactical Timeline Transition-In
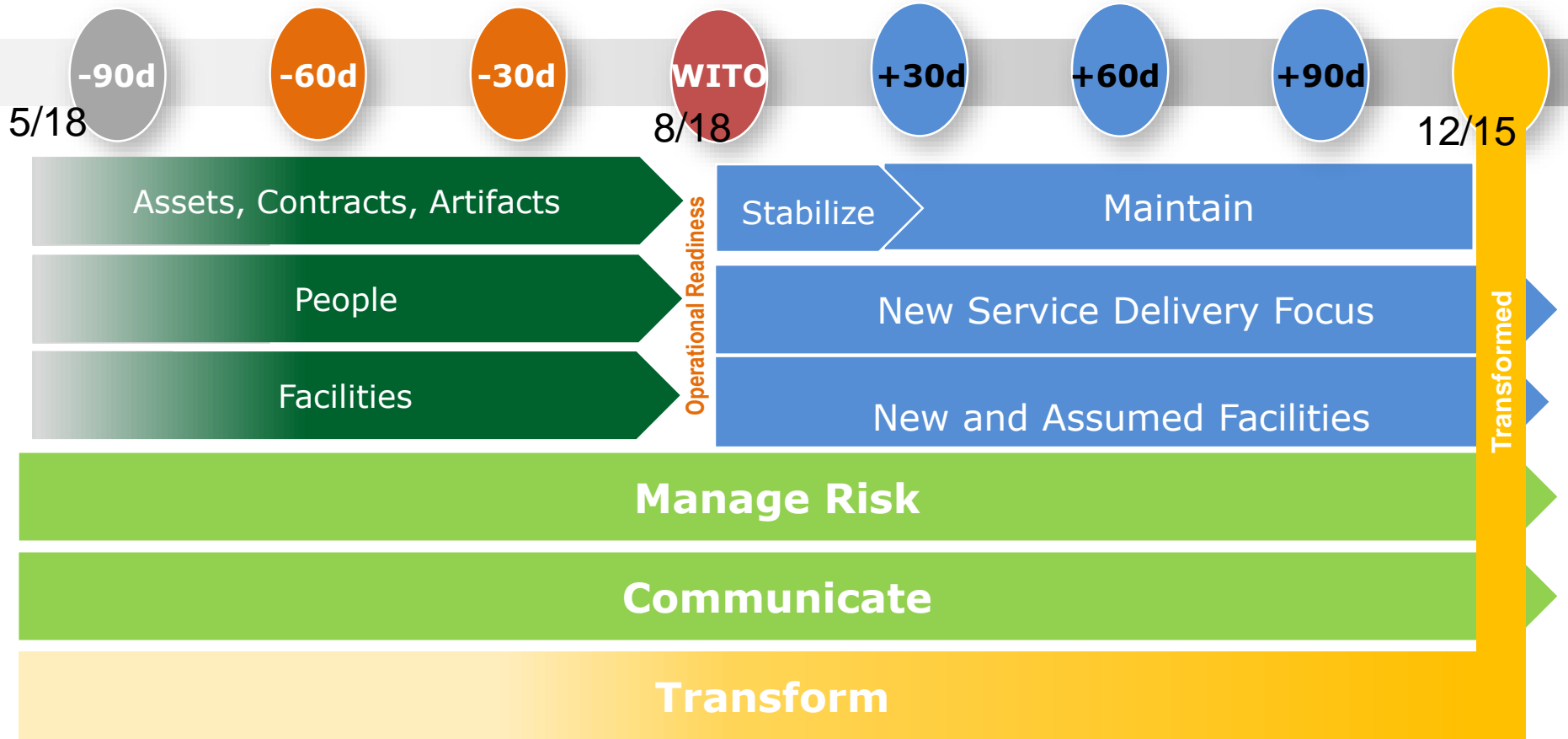
IT Sourcing Budget

- IT sourcing budget currently is projected to be cost neutral compared to previous costs incurred with NG

- Significant variability exists due to unknown outcome of litigation with NG

- 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 NG for assets
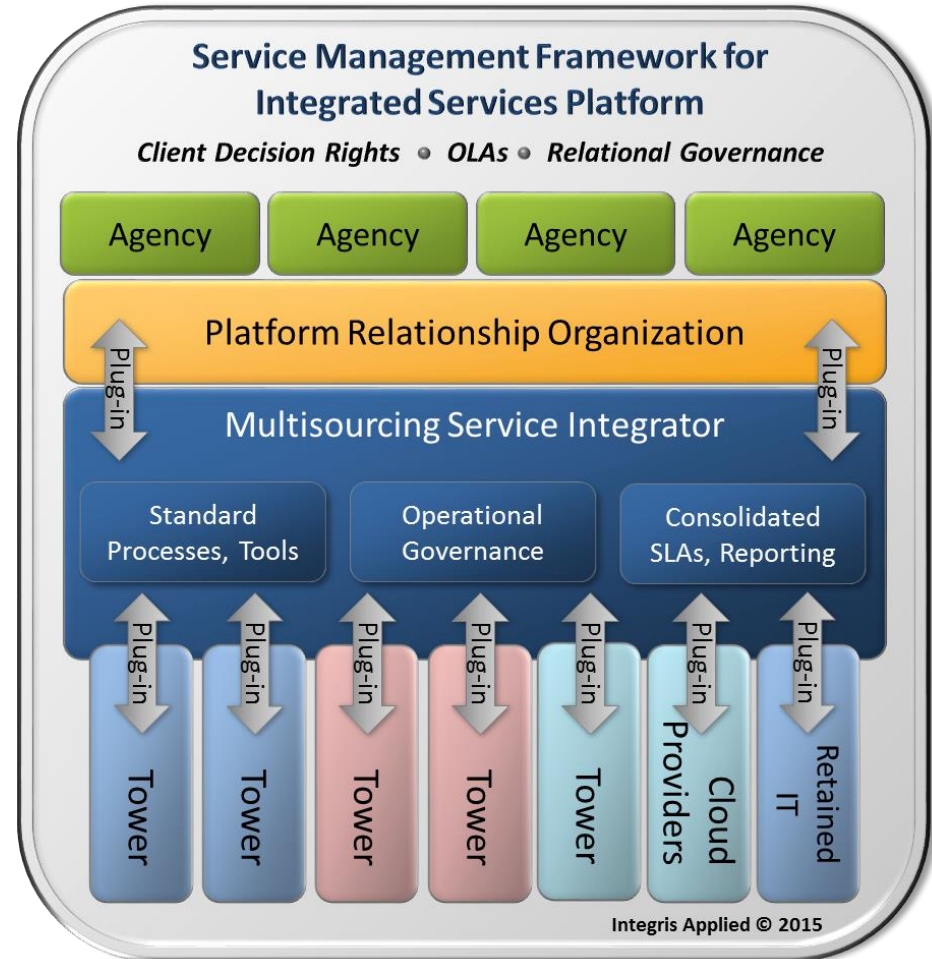 - VITA anticipates line of credit will be $75M or less by FY20

IT Sourcing Multi-Supplier Model

- Adopted in 2016

- Separate contracts for:
  - Multisourcing service integrator, and

  Towers:
  - Messaging (email)
  - IBM mainframe
  - Security
  - Server/storage & data center
  - End user services
  - Voice & data network

Service Management Framework for Integrated Services Platform

Client Decision Rights ● *OLAs* ● *Relational Governance*

Agency | Agency | Agency | Agency

Platform Relationship Organization

Plug-in

Multisourcing Service Integrator

Standard Processes, Tools | Operational Governance | Consolidated SLAs, Reporting

Plug-in

Tower | Tower | Tower | Tower | Tower | Cloud Providers | Retained IT

Integris Applied © 2015

Procurement Update

Service	Contract Execution	Service Commencement	Supplier
Messaging (email)	7/20/16	3/26/18	Tempus Nova
IBM mainframe	9/26/16	6/5/17	Perspecta
Multisourcing service integrator (MSI)	8/31/17	10/1/18	SAIC
Security	2/20/18	11/5/18	Atos
Expedited Transition	5/18/18	8/18/18	SAIC
Server/storage & data center	~7/18	12/15/18	TBD
End user services	~7/18	12/15/18	TBD
Voice & data network	~7/18	12/15/18	TBD

Agency Participation in IT Sourcing

- Staff from many agencies have played a substantial role in the IT sourcing process
  - Steering committee (eight)
  - Extended core team (three)
  - RFP Teams (42+)
  - Customer Advisory Council (15)
  - Commonwealth IT Infrastructure Management and Governance (six)
- Agency staff also will be needed for application testing and new vendor governance model

Litigation Update

- NG filed suit on May 26, 2017
- VITA filed counter-suit on June 21, 2017
- Discovery is underway
- There is currently no set timetable for litigation; parties could settle disputes or litigate at a future date
- Litigation has, and will, impact VITA in different ways, but it is separate from operations, and will influence, but not dictate, transition

Takeaways

- Commonwealth is adapting its plan to the situation

- VITA's goal is maintaining operational stability to support agencies' ongoing delivery of services to Virginia's citizens

- VITA and SAIC will work with agencies to ensure critical projects/initiatives remain on track immediately after August 18 WITO

  – SAIC will have 30-day stabilization period with a two-week soft change freeze

Questions?

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