VITA Update

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Joint Legislative Audit and Review Commission
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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
• 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

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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

-90d  -60d  -30d  WITO  +30d  +60d  +90d
5/18  8/18  12/15

Assets, Contracts, Artifacts
People
Facilities

Operational Readiness

Stabilize
Maintain
New Service Delivery Focus
New and Assumed Facilities

Manage Risk
Communicate
Transform

5/18
8/18
12/15

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• 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
## 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>7/20/16</td>
<td>3/26/18</td>
<td>Tempus Nova</td>
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<tr>
<td>IBM mainframe</td>
<td>9/26/16</td>
<td>6/5/17</td>
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<td>Multisourcing service integrator (MSI)</td>
<td>8/31/17</td>
<td>10/1/18</td>
<td>SAIC</td>
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<td>Security</td>
<td>2/20/18</td>
<td>11/5/18</td>
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<tr>
<td>Expedited Transition</td>
<td>5/18/18</td>
<td>8/18/18</td>
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<td>Server/storage &amp; data center</td>
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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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