



## Update on VITA's Implementation of a Multi-Supplier Service Model

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# Study updates 2019 JLARC report on VITA's multi-supplier service model

- 2019 report: *VITA's Transition to a Multi-Supplier Service Model*
- Current study focused on 4 topics
  - Implementation status of model
  - VITA's management of model and supplier contracts
  - Quality of VITA's infrastructure services
  - VITA's implementation of JLARC recommendations

2019 JLARC report presented to Commission on October 7, 2019.

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## In brief

VITA completed implementation of the multi-supplier service model and improved its management of the model and supplier contracts.

Agency satisfaction with VITA's infrastructure services has improved, but agencies remain dissatisfied with network connectivity and the resolution of service incidents.

The majority of agencies do not agree that VITA is sufficiently focused on customer needs, and VITA should more proactively address agency concerns with services.

# VITA has fully or partially implemented all recommendations from 2019 JLARC report

2019 recommendations (number of recommendations)	Status
Address deficiencies in supplier contracts and procurement process (2)	●
Improve management of supplier contracts (5)	●
Improve operation of issue resolution platform (2)	●
Improve budgeting and rate development process (2)	●
Conduct comprehensive assessment of organization and staffing (1)	●

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# In this presentation

## **Background**

Status of model

Management of model and contracts

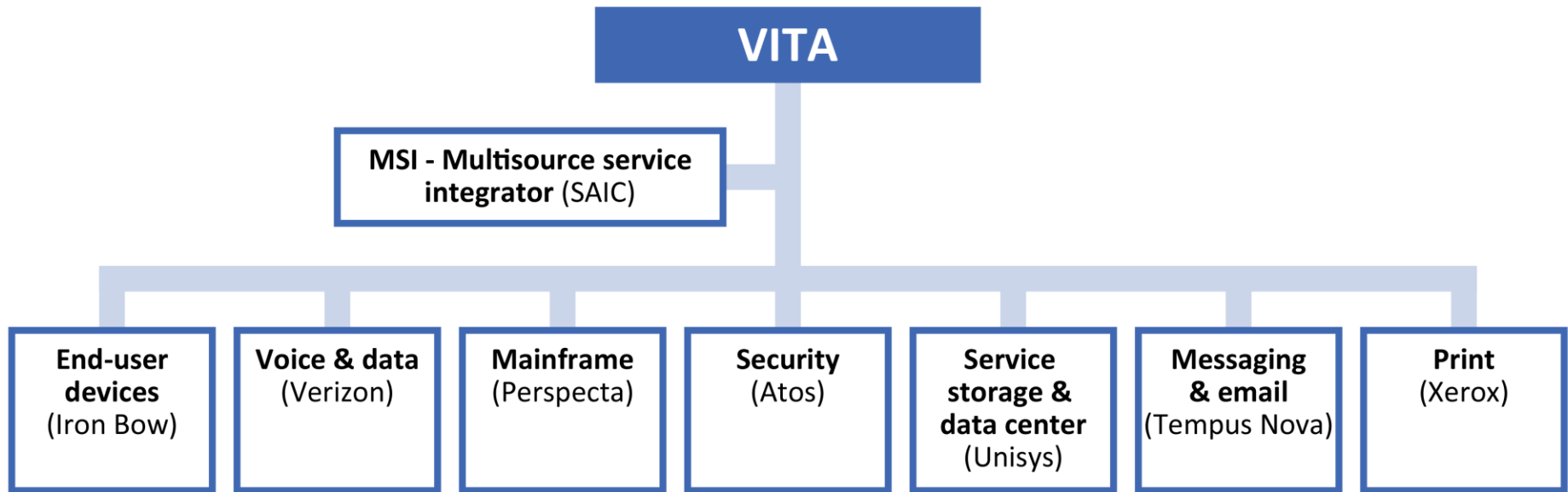
Quality of infrastructure services

## VITA provides infrastructure services to 65 executive branch agencies

- Infrastructure services include PCs and laptops, internet, phone, email, security
- Agencies are generally required to use VITA services
- VITA's infrastructure costs total \$312M, with more than 40 percent concentrated in 3 agencies
  - VDOT = 16% (\$47M)
  - DSS = 13% (\$38M)
  - DOC = 13% (\$37M)

\*Total projected IT infrastructure costs for FY21.

# VITA transitioned to a multi-supplier IT service model in 2018



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Quality of infrastructure services

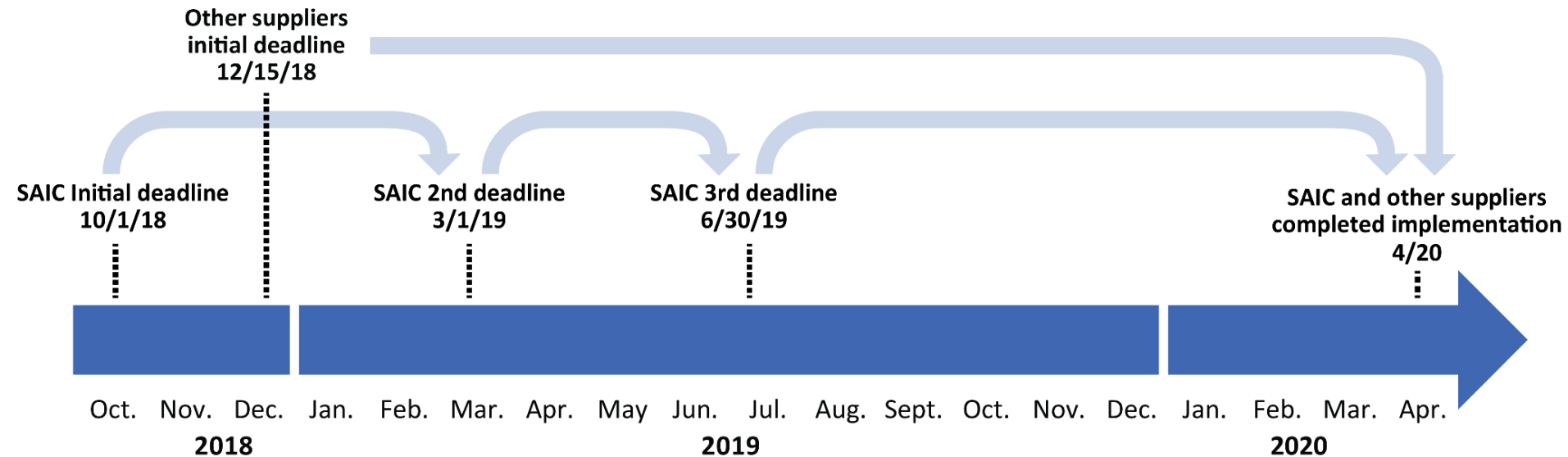


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## Finding

VITA completed implementation of its multi-supplier service model after previous delays, while also providing critical assistance to state agencies during the COVID-19 pandemic.

# VITA completed implementation of the multi-supplier model after repeated delays



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## VITA provided critical assistance to state agencies during COVID-19 pandemic

- More than 75% of agency IT staff are satisfied with VITA assistance during pandemic
- VITA supported agency shift to remote workforce
  - Expanded remote network access for state employees
  - Provided additional 2,700 laptops
  - Increased staffing at service desk

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# In this presentation

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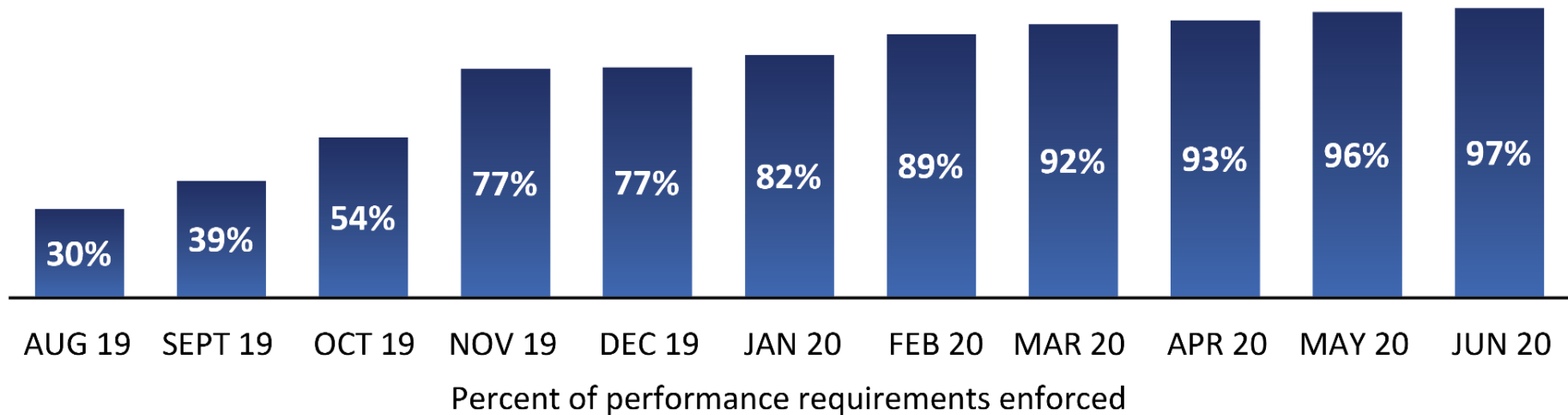
Quality of infrastructure services

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## Finding

VITA has improved its management of supplier contracts and the multi-supplier model.

# VITA is consistently enforcing contractual performance requirements



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## VITA is effectively managing contractual deliverables and obligations

- Status of deliverables and obligations is consistently tracked
  - Integrator took over tracking in summer 2020
- VITA is more consistently addressing late or rejected deliverables
- VITA is communicating deadlines for supplier deliverables earlier and reviewing deliverables more quickly

## VITA enhanced the issue resolution platform, but platform issues still take too long to address

- Integrator added staff to platform, and VITA implemented new policies
- Unresolved issues decreased by 39% since 2019, but median time to resolve issues is still more than 70 days
  - 20% of unresolved issues at least 1 year old
  - Substantially longer than recommended time frames
- Additional staff and new policies are too recent to assess whether they are adequate



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## Recommendation

VITA should assess at the end of 2020 whether its issue resolution platform is solving issues faster. If not, additional VITA and integrator staff should be allocated to the platform and policies further modified.

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## Finding

VITA made organizational changes that helped improve management of the model, but it has not conducted a comprehensive assessment of its organizational structure and staffing.

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## Creation of COO position improved management of model

- Current COO implemented several initiatives to improve management of model
  - Complete implementation
  - Monitor supplier performance
  - Enforce contract requirements
- Experience managing multi-supplier models is important qualification for COO position

## VITA's five-year planning process only partly addresses need for comprehensive review

- Comprehensive review of VITA's organizational structure and staffing needed
  - Transition to multi-supplier model was a large-scale change
  - Operational improvements must be sustained and continued
- VITA's ongoing 5-year planning process assessing some staffing issues, but not
  - whether VITA has right number of staff in all areas
  - whether changes to organizational structure are needed

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# In this presentation

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**Quality of infrastructure services**

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## Many agencies were dissatisfied with VITA's infrastructure services in 2019

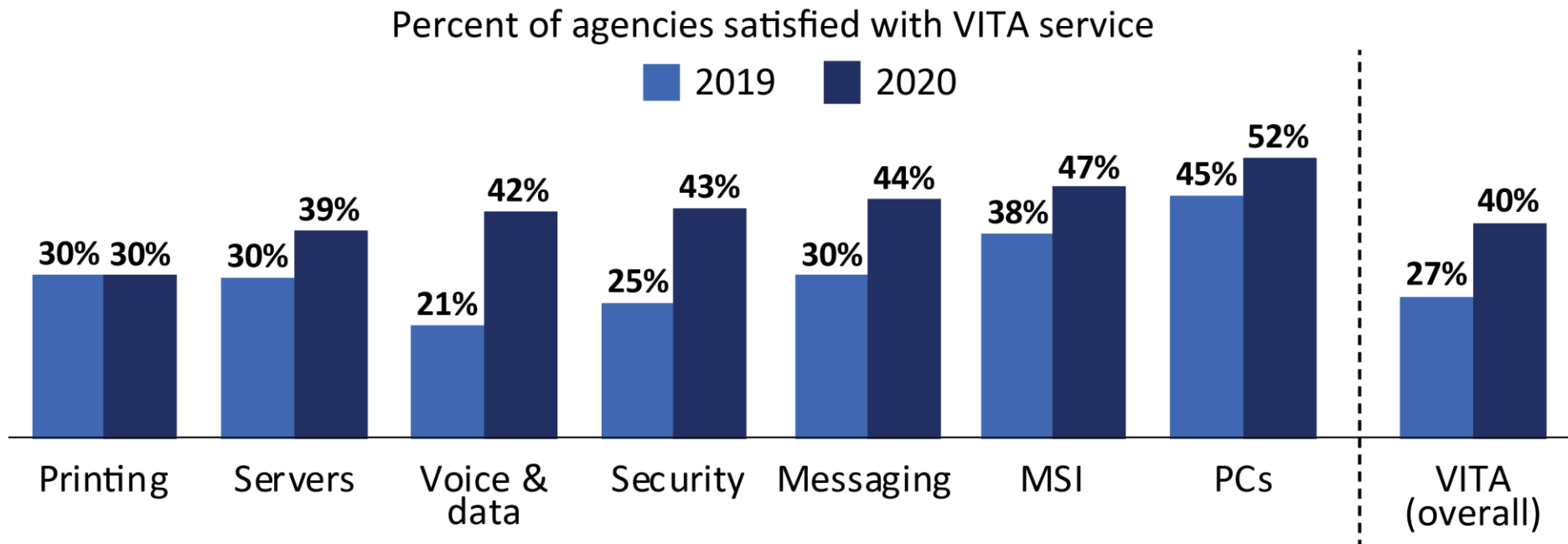
- Nearly 60% of agency heads said shortcomings negatively affected core functions
- 40% of high-level IT staff said services were not sufficiently reliable or of sufficient quality
- Agencies expressed particular concerns with network connectivity and service incident resolution

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# Finding

Agency satisfaction and supplier performance have improved since 2019, but agencies remain concerned about network connectivity and the resolution of service incidents.

# Agency satisfaction with infrastructure services increased, but agencies remain dissatisfied





## Network supplier improved performance, but connectivity is still a problem

- Network supplier is meeting more performance requirements in 2020
  - 79% in April compared with 43% in January
- Nearly one-third of agency IT staff are dissatisfied with network services
  - Concerns with frequent network outages, slow connectivity, delayed upgrades
- Agencies are highly dependent on network services

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## VITA should regularly provide information on network performance

- VITA is responsible for ensuring that network meets agency needs
- Agencies rely on VITA for information about both the central and agency portion of the network
- VITA has not always provided agencies with critical information about the network
  - Causes of poor network performance
  - Needed upgrades to agency infrastructure

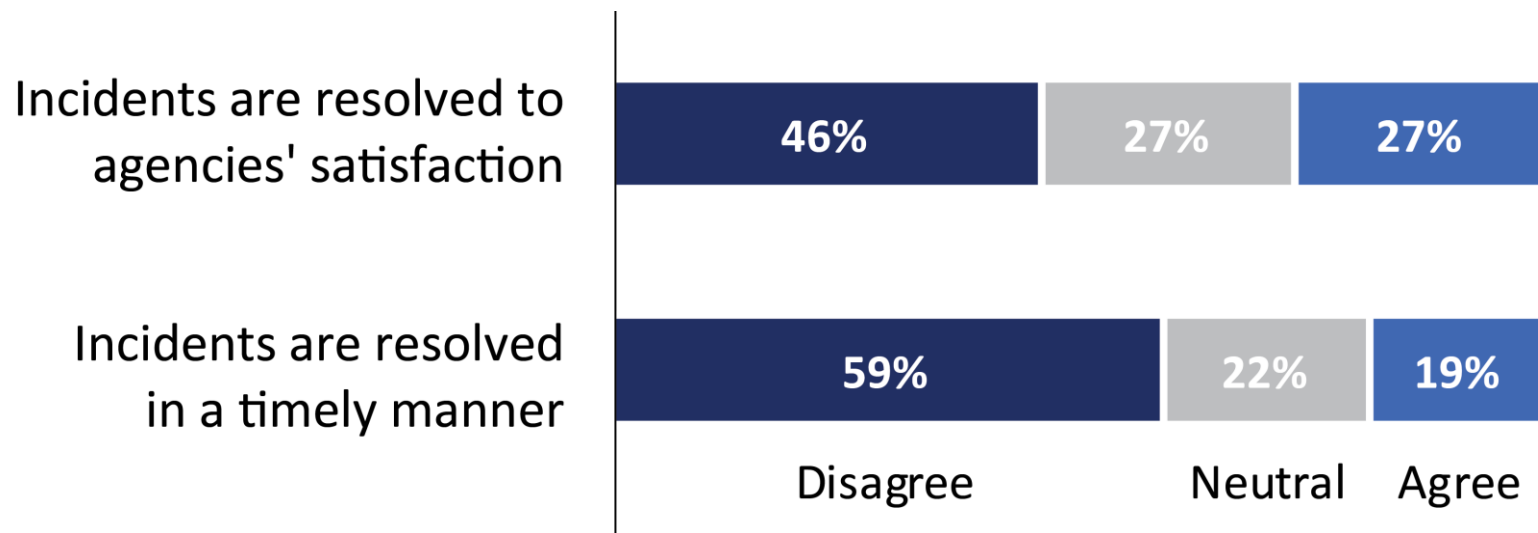
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## Recommendations

VITA should provide quarterly assessments of network performance for each customer agency.

The General Assembly may wish to require VITA to report annually on whether network infrastructure is adequate to meet agency needs.

# Agencies are dissatisfied with the resolution of service incidents

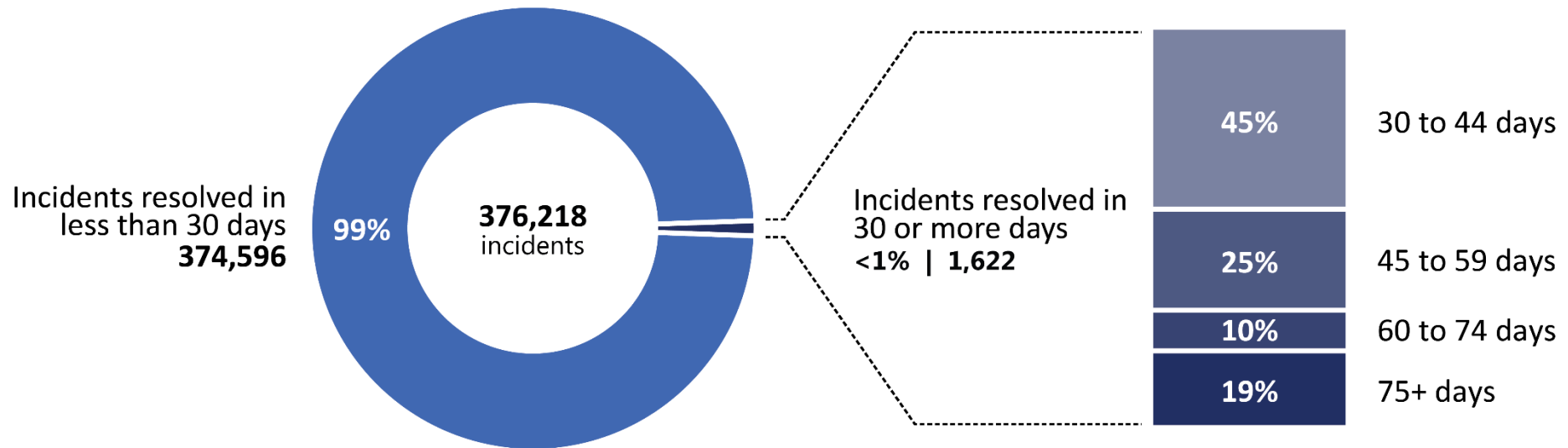


# Suppliers are still missing key performance requirements for resolving incidents

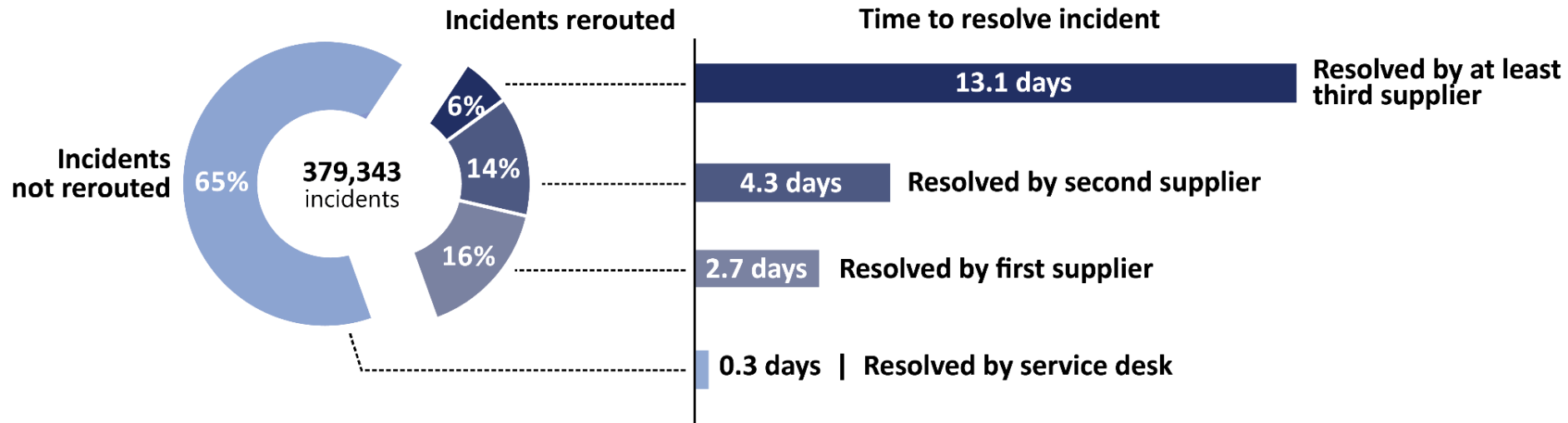
- Suppliers are meeting more performance requirements for resolving incidents within 2 to 72 hours
  - Integrator and network supplier missed most of these performance requirements in 2019
- Suppliers are still consistently missing 2 other performance requirements
  - Service incidents that remain unresolved 30 or more days
  - Incident tickets that have to be reopened

# More than 1,600 incidents took 30 or more days to resolve (2019–20)

SERVICE INCIDENTS BY RESOLUTION TIME (DAYS)



# Rerouting incident tickets is delaying resolution



## VITA should work with suppliers to improve the resolution of service incidents

- VITA should implement improvement plans for performance requirements that continue to be missed
  - service incidents that remain unresolved 30 or more days
  - incident tickets that have to be reopened
- Improvement plans would require suppliers to allocate additional resources to resolving incidents
  - VITA could temporarily waive financial penalties in return



# Recommendations

VITA should

- implement performance improvement plans to increase supplier compliance with performance requirements for (1) incidents that take 30 or more days to resolve and (2) incidents that have to be reopened.
- incorporate into these plans requirements that suppliers substantially reduce the number of rerouted incident tickets.

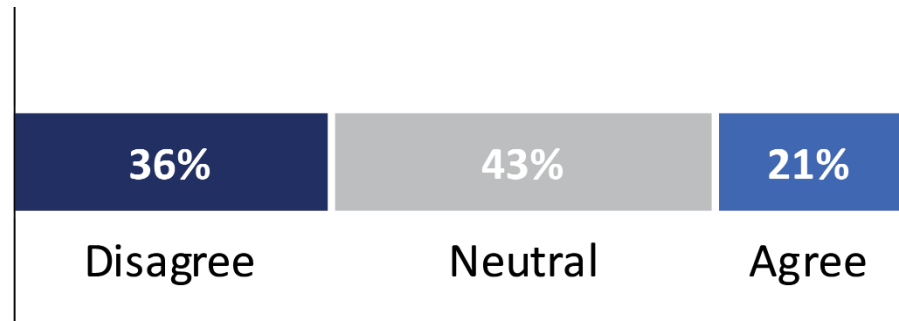
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# Finding

VITA has completed implementation of the multi-supplier model and improved management of the model, but it is not sufficiently focused on meeting customer needs.

## Most agencies do not agree that VITA is sufficiently focused on customer needs

VITA takes a customer-focused approach when providing IT infrastructure services to my agency



# Performance requirements may not adequately ensure agency satisfaction

Service	% of agencies satisfied	Average % of performance requirements met*
Mainframe	69	100
PCs & laptops	52	86
Integration	47	64
Messaging	44	100
Security	43	74
Network	42	85
Servers	39	72
Printing	30	85

\*February–May 2020

## VITA needs to more proactively address agency concerns with services

- Proactively monitoring customer satisfaction is critical to ensuring services meet agency needs
  - 2 other states (GA & TX) with multi-supplier models regularly survey agencies and follow up on noted dissatisfaction
- VITA does not
  - survey agencies about satisfaction with each infrastructure service
  - regularly follow up on concerns expressed by agencies

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# Recommendations

VITA should

- conduct surveys at least annually of agency satisfaction with services overall and each supplier.
- implement a process for using survey results to address agency dissatisfaction and identify needed changes to contractual performance requirements.

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## Key findings

VITA's management of the multi-supplier model and supplier contracts has improved since 2019.

Agency satisfaction with VITA's infrastructure services has improved, but agencies remain concerned about network connectivity and the resolution of service incidents.

VITA should take steps to increase its focus on meeting the customer needs of agencies.

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## JLARC staff for this report

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