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

WHAT WE FOUND

VITA completed full implementation of its multi-supplier model after several delays

VITA completed full implementation of its multi-supplier in April 2020. Implementation was completed after delays in 2018 and 2019 that occurred largely because VITA's integrator was behind schedule. Full implementation gives VITA tools and processes that allow it to better manage the model. VITA completed implementation while also providing critical assistance to state agencies during the COVID-19 pandemic, including helping thousands of state employees work remotely from home.

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

VITA has improved its contract management and is now enforcing contractual requirements designed to encourage supplier performance. Over the past year, VITA substantially increased the percentage of supplier performance requirements it is enforcing from 30 to 97 percent. During that time, VITA assessed $5.5 million in financial penalties for missed performance requirements and required improvement plans in some instances. VITA is also now consistently tracking contractual deliverables and obligations and addressing those that are late or rejected.

VITA made staffing and policy changes intended to improve the issue resolution platform VITA uses to address complicated or widespread service issues, including those that require coordination among multiple suppliers to resolve. These changes have not been in effect long enough to fully assess whether they will improve the timeliness in resolving issues, but if they do not, VITA should consider additional changes.

VITA made organizational changes over the past year that helped improve management of the multi-supplier model. Most notably, a chief operating officer position was created and filled with an individual experienced in managing multi-supplier IT models. VITA has implemented a five-year planning process that will evaluate whether it

has the appropriate types of staff positions and skills. However, VITA has not completed a comprehensive assessment of its organizational structure or staffing to determine whether changes are warranted, as the 2019 JLARC report recommended.

VITA should increase its focus on meeting customer needs

Now that the model is fully implemented and suppliers are more frequently meeting their contractual requirements, VITA should increase its focus on meeting customer needs. Customer agencies are generally more satisfied with VITA's IT infrastructure services than they were in 2019. Approximately 40 percent of agencies responding to a JLARC survey said they were satisfied overall with VITA's services compared with 27 percent in 2019. However, fewer than half of these agencies said that VITA's infrastructure services are of sufficient quality and reliability. Agencies remain dissatisfied with VITA's services even as suppliers are meeting the majority of their performance requirements.

Agencies are highly dependent on VITA's network services to carry out day-to-day operations. However, agencies continue to experience network connectivity problems, with 31 percent of agencies reporting being dissatisfied with network services. Agencies report not having insight into whether network problems are related to VITA's centralized network or agencies' portion of the network, which agencies are responsible for maintaining. This prevents agencies from knowing how to address network problems.

Suppliers still take too long to fix some service incidents, with only 19 percent of agencies reporting that incidents are resolved in a timely manner. This is likely because some incidents take 30 or more days to be resolved, have to be reopened because suppliers close them before they are resolved, or are rerouted to multiple suppliers.

The majority of agencies do not agree that VITA is sufficiently focused on customer needs, with less than a quarter of agencies agreeing that VITA takes a customer-focused approach to providing infrastructure services. Existing performance requirements in supplier contracts may not adequately ensure agency satisfaction with VITA's infrastructure services. In addition, VITA should more proactively monitor customer satisfaction and use this information to ensure it is meeting agencies' needs.

WHAT WE RECOMMEND

Legislative action

- Require VITA to report annually on the adequacy of the network infrastructure to meet customer agency needs.

Executive action

- Assess performance of the issue resolution platform and make further modifications if necessary.

- Assess whether financial penalties and supplier improvement plans are needed to decrease the number of service incidents that take 30 or more days to resolve or have to be reopened.

- Conduct customer satisfaction surveys at least annually regarding (1) VITA's infrastructure services overall and (2) services provided by each infrastructure supplier.

- Implement a process to use customer satisfaction survey results to (1) develop plans for addressing sources of customer dissatisfaction, (2) proactively identify problems occurring at the enterprise level, and (3) identify the need for new performance requirements or revisions to existing performance requirements.

The complete list of recommendations is available on page v.