



Update: State IT Transition

JLARC oversight of VITA

- Appropriation Act requires JLARC to oversee VITA on a continuing basis
 - IT infrastructure outsourcing contracts
 - IT planning, security, and procurement

2017 Appropriation Act, Chapter 780, Item 33(E).

In this presentation

Overview

Wave 1 update

Wave 2 update

Next steps

State moving to a new central IT services model

- Disentanglement from Northrop Grumman (NG)
 - Currently, all services are provided through one contract with a single provider
- Transition to new providers
 - New model will involve multiple contracts with different providers

Original plan – Wave strategy

- Wave 1 – Target completion 2016
 - IBM mainframe
 - Messaging

- Wave 2 – Target completion 2017-2018
 - Multisourcing Services Integrator (MSI)
 - Managed security
 - Server and storage

- Wave 3 – Target completion June 2019
 - Desktop
 - Data and voice networks

In this presentation

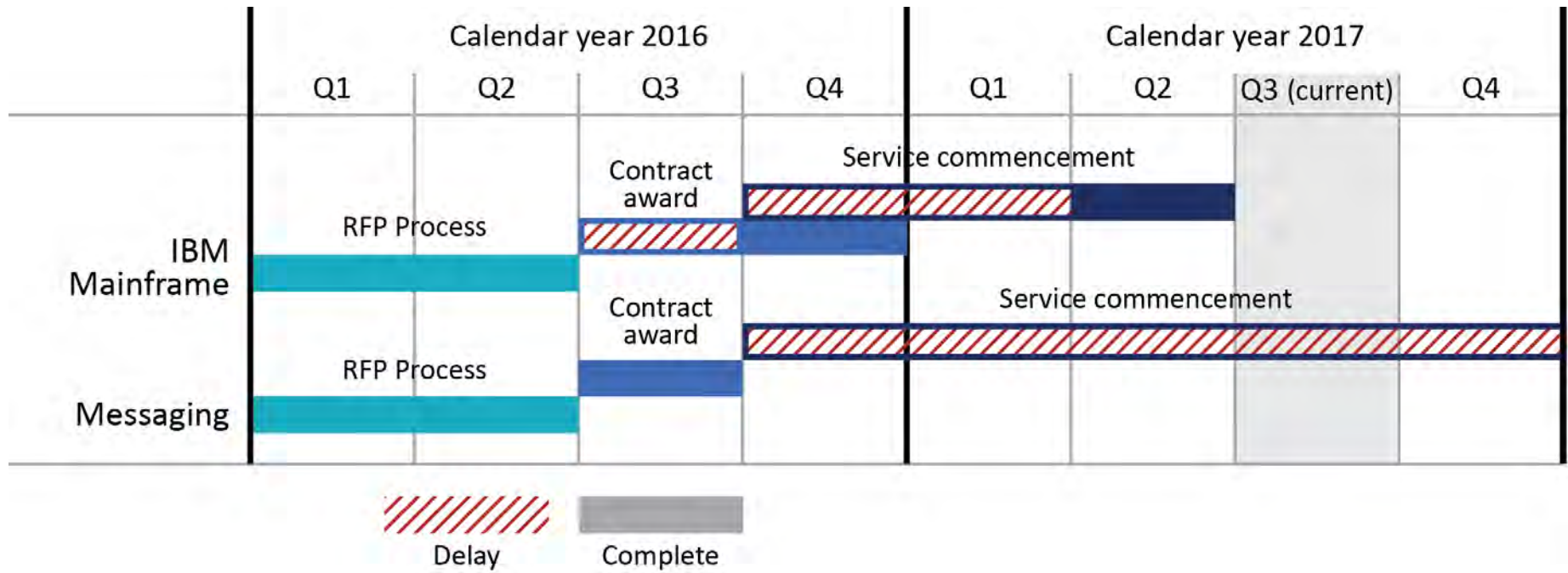
Overview

Wave 1 update

Wave 2 update

Next steps

Wave 1 timeline



- IBM mainframe service commenced with new provider in June 2017
- Messaging project on hold

Wave 1 – Delays with IBM mainframe and messaging

- VITA cites: Inadequate knowledge transfer, NG's refusal to perform necessary transition activities, and payment disputes
- NG cites: Lack of comprehensive disentanglement plan, need for limitation of liability, delays from new provider, and payment disputes

Wave 1 current and potential cost overruns

- IBM mainframe: FY17 payments to date \$1.2M over projected expenses
- Messaging: FY17 payments to date \$1.7M over projected expenses
- Potential for additional state liabilities, subject to outcome of legal dispute (\$9M–\$11M)
 - Withheld monthly messaging payments
 - Disputed transition charges
 - Other withheld payments

Includes costs associated with IBM Mainframe and Messaging services transitions. Does not include other financial disputes that are subject to litigation.

In this presentation

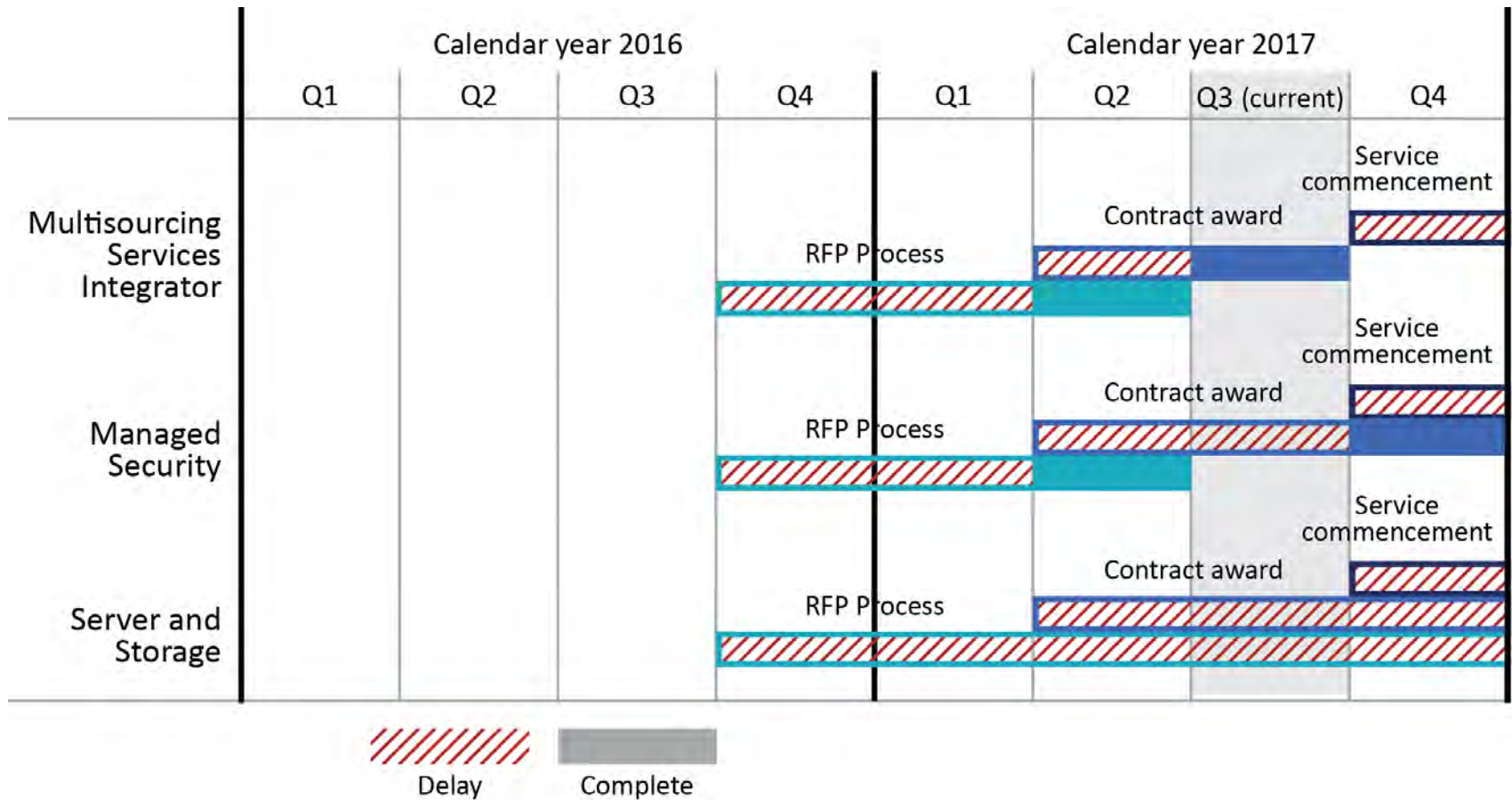
Overview

Wave 1 update

Wave 2 update

Next steps

Wave 2 timeline



Wave 2 progress

- Multisourcing Services Integrator (MSI)
 - Contract awarded, transition planning underway
 - Service commencement in summer 2018
- Managed security
 - RFP issued, contract to be awarded in late 2017
 - Service commencement schedule not set
- Server and storage moved to Wave 3

In this presentation

Overview

Wave 1 update

Wave 2 update

Next steps

Litigation

- NG filed suit against VITA in May
- VITA filed a countersuit in June
- Lawsuits are in early phases and timeline for resolution is not clear; likely 2018 or beyond
- Transition will continue

VITA revising strategy

- VITA is finalizing a revised plan for transition to new service providers by the expiration of the NG contract (June 2019)
- VITA plans to announce revised plan soon
- Initial stages of Wave 3 activities are beginning now

State agency concerns

- Service decline and disruption
- Communication from VITA
- Timeline of transition
- Costs to agencies

JLARC staff for this presentation

Kimberly Sarte, Associate Director

Joe McMahon, Principal Legislative Analyst