



Update on State's 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

2018 Appropriation Act Item 31(E).

In this presentation

IT infrastructure transition to date

Near-term IT infrastructure transition considerations

IT infrastructure costs

Upcoming VITA oversight topics

State has adopted a new central IT services model

- Prior model: All services were provided through one contract with a single supplier (Northrop Grumman)
 - All services terminated with Northrop Grumman on 8/18/18
- New model: Individual service areas provided through contracts with different suppliers

Transition of IT services to new suppliers is scheduled to be completed in December

Service area	Transition status	
Mainframe	Perspecta: service commenced June 2017	
Messaging	Tempus Nova: service commenced March 2018	
Multi-Source Services Integrator (MSI)	SAIC: temporarily began service provision in August 2018	SAIC October 2018
Security		Atos November 2018
Server Storage & Data Center		Unisys December 2018
Voice & Data Network		Verizon December 2018
End User Services		Procurement ongoing Transition Dec. 2018

IBM mainframe transition Perspecta (June 2017)

- Transition of services from Northrop Grumman to Perspecta delayed several times
- Perspecta's transfer of services to new equipment delayed for over a year
- Agencies report that service levels have improved and stabilized compared to time period immediately following the transition

IBM mainframe: equipment and staff that conduct processes such as state employee payroll, child support payments, and several DMV processes; 12 state agencies currently use IBM mainframe services.

Messaging transition Tempus Nova (March 2018)

- Delayed for 12 months beyond initial target due to contractual disputes with Northrop Grumman
- Occurred after court granted injunctive relief requiring messaging transfer by March 2018

Messaging: email and related services such as secure messaging, archiving, and calendar.

VITA and state agencies dissatisfied with messaging services provided by Tempus Nova

- Lack of 24/7 customer support
- Slow or unable to resolve problems: \approx 2000 outstanding requests
- Lack of functionality and lack of additional features, such as Google Drive

VITA is attempting to address problems with messaging service

- Temporarily allocated additional resources for customer support and resolution of technical issues
- Contemplating next steps for contract enforcement
- VITA has ability to replace Tempus Nova if issues are not resolved

Remaining service areas are temporarily supplied by SAIC under Transition Assistance Program (TAP)

- Takeover of IT infrastructure services by SAIC (August–December 2018)
- SAIC using existing equipment and retained a majority of NG operations staff
- Shift in strategy; deemed necessary due to delays, lack of knowledge transfer, and other issues
- Transition of five service areas to SAIC was successful

SAIC – Science Applications International Corporation, a private technology company. Service areas included in TAP: Multi-source Services Integrator; Security; Server Storage & Data Center; Voice & Data Network; End User Services

SAIC expected to supply service; plan, prepare, and facilitate transition to new suppliers

- Stabilizing current IT services (first 30 days)
- Conducting inventory and documentation (ongoing)
- Supply services and plan for transition to new providers (final 90 days)
- Will facilitate transition of remaining service areas (scheduled from October to December 2018)

In this presentation

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Backlog of work requests and new equipment orders at conclusion of NG contract

- 200 unfinished work requests
 - Varying levels of impact to agency operations
 - VITA and SAIC are prioritizing work requests
- 248 backlogged eVA orders for new equipment
 - More urgent backlogged orders, such as providing equipment for new staff, will be filled by SAIC
 - Routine equipment upgrades will not be done during TAP
- Status of 640 additional eVA orders was unclear

New suppliers will require time to assess and improve services

- New suppliers will have to
 - Stabilize current systems and document processes
 - Address backlog of work requests and eVA orders
 - Migrate services to new equipment and facilities
- Agencies are unlikely to immediately experience much of the anticipated service improvements

In this presentation

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IT infrastructure transition costs to date

- Northrop Grumman contract required resolution and exit fees upon conclusion; approximately \$76 million* total
- Including resolution and exit fees, over \$100 million of transition-related costs have been placed on the VITA line of credit to date
- VITA plans to pay off through rates charged to customer agencies

*Approximately \$65 million in resolution fees were for the five service areas included in TAP, \$10 million in resolution fees were for Mainframe and Messaging, and \$1 million were exit fees.

Unanticipated IT infrastructure transition costs

- \$29 million in withheld payments to Northrop Grumman for disputed charges
 - For disentanglement services, software, and hardware
 - Charges are subject of litigation
- Delays in IBM Mainframe and Messaging services transitions resulted in delays to savings

Uncertain when agencies will experience lower IT infrastructure costs

- Recovery of transition costs likely to impact agency costs through at least FY20
- Most new suppliers have not yet commenced services; End User Services procurement is not complete
 - Potential for future delays and complications that could impact costs

In this presentation

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JLARC staff will monitor several VITA activities; conduct further evaluation where warranted

- Multi-source IT infrastructure model
 - VITA's overall role in the new model
 - Contract management
 - Migration of data from current servers to new locations
 - Agency representative structure and communications
- VITA procurement and planning
- VITA security services, enterprise cloud services, and other service areas

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