



Virginia Information Technologies Agency



Update and Perspectives on JLARC Review of VITA

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Senate Finance
General Government Subcommittee
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Topics

- Perspectives on JLARC Review of VITA
- Update
 - CIO Council
 - 45-Day assessment
 - Planned activities
 - Major IT projects
 - Financials
 - IT Infrastructure program



Perspectives on JLARC review of VITA

- Analyze JLARC's review of VITA; continue to work with JLARC
 - Comprehensive briefing delivered Oct. 13 (1 of 2)
 - IT Infrastructure Partnership and governance focus
 - Appreciate thoroughness and professionalism of JLARC staff
 - Significant findings to analyze
 - Will be helpful to address top priorities
 - Next briefing in December (2 of 2)
 - Quality and impact of VITA and Northrop Grumman's services
 - Enterprise applications and data standards
 - Oversight of IT projects
 - IT procurement
 - Rates and billing issues
 - IT expenditures



Virginia Information Technologies Agency

Update: CIO Council





CIO Council

- Customer knowledge and experience
- Advise and assist with decision making
- Formed in September, met Oct. 1





CIO Council members

Sam Abbate
Northrop Grumman

Linda Belflower
Virginia Employment Commission

Dave Burhop
Motor Vehicles

Dr. Jim Burns
Health

Bethann Canada
Education

Barry Condrey
Chesterfield County

Prin Cowan
Motor Vehicle Dealer Board

Rick Davis
Corrections

Maurion Edwards
General Services

Wanda Gibson
Fairfax County

Robert Hobbelman
Social Services

Steve Jones
City of Blacksburg

Sharon Kitchens
Taxation

Rick Phillips
Accounts

Murali Rao
Transportation

Todd Richardson
Mines, Minerals and Energy

David Simmons
Game and Inland Fisheries

Val Thomson
Environmental Quality



45-Day assessment

- Tremendous progress made
- Impressive body of talent
- Significant challenges can be overcome
- My top priorities
 1. Enhancing customer service
 2. Getting the IT infrastructure program with Northrop Grumman back on track
 3. Reducing expenses
- All three must move forward in tandem
- Commitment from Northrop Grumman



Organizational changes support priorities

- Improve teamwork – we are in this together
- Empower AND remove obstacles
- Streamline decision making
- Increase responsiveness
- Northrop Grumman is making similar changes to mirror the VITA organization
 - Foster better communication, trust



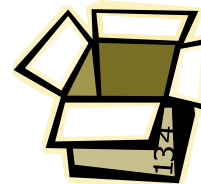
Customer teams = better customer service

- Focus – customer satisfaction
 - Projects
 - Transformation
 - Services
 - Security
- Structure – forming seven integrated customer teams
 - By secretariat
 - Overseen by two Customer Service Managers
 - Seven team leads
 - In place by Nov. 1

Teamwork in action

- Matrix management
 - All areas of VITA and Northrop Grumman
- Empowered to
 - Support customers
 - Get creative
 - Gather resources
 - Make decisions
 - Resolve issues
 - Work together

The first customer team successfully supported the complex server move project at Social Services



- 85+ servers
- 120+ sites
- 50 staff



Actions since August

- Corrective action plan from Northrop Grumman submitted
 - Corrective action plan is NOT a contractual modification; it is a plan to complete contractual obligations, albeit delayed
 - Actively working with agencies on schedule, transformation
- Recommended Technology Investment Projects (RTIP) Report submitted to General Assembly and Governor
 - Funding requests for new Major IT Projects
 - Maintain funding for active projects

Actions since August

- Met with Virginia Local Government IT Executives (VaLGITE) at Commonwealth of Virginia Innovative Technology Symposium (COVITS)
- Ongoing agency meetings
- Re-architecting network, storage
 - Increase reliability
 - Improve cost effectiveness





Earned national recognition

- 2009 NASCIO Recognition Awards - Finalists



Most recognition of any state in the nation

- University IT Internship Partnership (Mines, Minerals and Energy)
- Virginia Performs (Council on Virginia's Future)
- Virginia.gov Portal Widgets (VITA)
- Virginia Technology Portfolio 2.0 (VITA)

- 2009 Digital Government Achievement Award



- Stimulus reporting Web site (Governor, Accounts and Planning and Budget, VITA)



Planned Activities





Contract modifications

- Although CIO is statutorily responsible for amending the contract, many decision-makers must be consulted and significant factors must be considered
 - Analysis of JLARC findings and VITA's detailed review of impacts to Commonwealth, customers
 - Only pursue contract modifications that benefit the Commonwealth
 - Rely on Office of the Attorney General review to ensure modifications preserve Virginia's rights
 - The IT Infrastructure Committee of the Information Technology Investment Board is reviewing proposed contract modifications
- Commit to thorough review before executing contract modifications
 - Follow the process set forth by the Governor's Office with the Governor's working group
 - Provide detailed briefings to General Assembly members and staff



Proposed modifications are cost neutral

- Three cost-neutral contract modifications under ITIB review
 - Two engineering change proposals for new services
 - Re-baseline effort for usage-based billing
- Changes are needed to bring the contract up to date
 - Services being provided, billed today
 - Provide payment mechanism
 - Compliance with federal funding mandates
- No plans to change the cap or extend the contract in FY 10



Meeting federal funding requirements

Managed services billing

- *October* – Re-baselining activities
 - Adjusted quantities (Q) x price (P) = < \$236 million
 - Prerequisite to moving to managed services billing
- *November* – Pending re-baselining and reviews, Northrop Grumman delivers managed services invoice to VITA using the adjusted baselines
- *December* – Usage is introduced to the managed services invoice
 - Quantities above or below the adjusted baselines



Planned Activities

- Represent Virginia at National Association of State CIOs (NASCIO) conference
 - 2009 NASCIO Recognition Awards
- Host CIO Council meeting Nov. 4
- Continue executive meetings with agency heads
- Host Commonwealth Information Security Conference
- Visit Southwest Enterprise Solutions Center
- Provide IT infrastructure support to new administration



Major IT Projects





Commonwealth Major IT Project Status Report

Major Projects

| CIO Assessment | Number | Dollar Value |
|------------------|--------|---------------|
| Active – Red | 0 | \$0 |
| Active – Yellow* | 5 | \$426,226,438 |
| Active – Green | 22 | \$241,457,831 |
| Suspended | 0 | \$0 |
| Total | 27 | \$667,684,269 |

*\$357 million attributed to STARS project



Financials





FY2009 closed better than expected

| Actual (July 08 – June 09) | FY 2009 Budget | Actual revenue as % of budget |
|----------------------------|----------------|-------------------------------|
|----------------------------|----------------|-------------------------------|

| | <u>Revenue</u> | <u>Expense</u> | <u>Net</u> | | |
|------------------------------|----------------|----------------|------------|----------|--------|
| Fee for Service (ISF) | \$ 269.5 | \$ 270.9 | \$ (1.4) | \$ 261.8 | 102.9% |
| E-911 (Enterprise) | \$ 51.5 | \$ 60.3 | \$ (8.8) | \$ 51.1 | 100.8% |
| General Fund | \$ 1.9 | \$ 1.9 | \$ - | \$ 1.9 | 100.0% |
| Special Revenue (IFA & VGIN) | \$ 8.3 | \$ 8.6 | \$ (0.3) | \$ 6.5 | 127.7% |
| Federal Grants | \$ - | \$ - | \$ - | \$ - | 0.0% |
| Total | \$ 331.2 | \$ 341.7 | \$ (10.5) | \$ 321.3 | 103.1% |



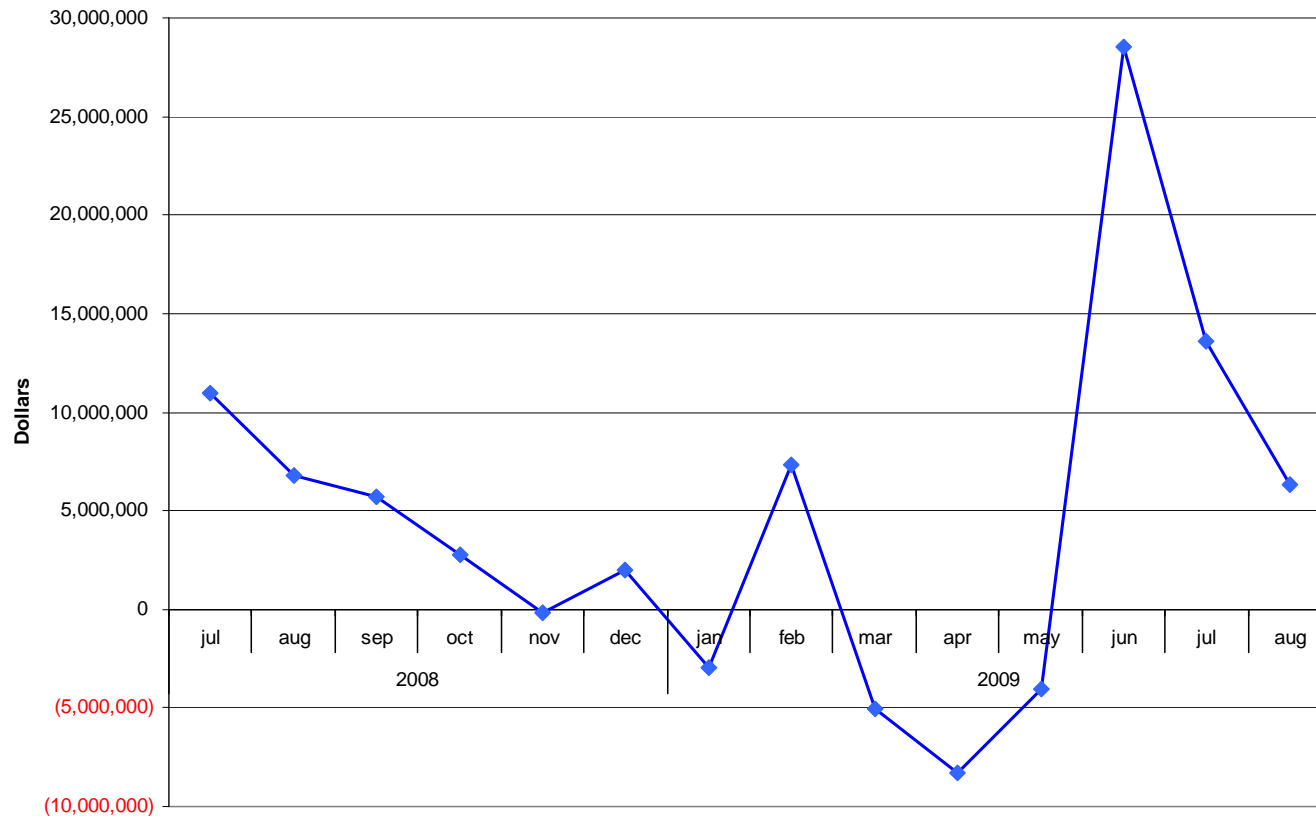
FY 2010 YTD financial results (Aug. 31)

| | Actual (July 09 – August 09) | | | FY 2010 Budget | Actual revenue as % of budget |
|-----------------------------------|------------------------------|----------------|------------|----------------|-------------------------------|
| | <u>Revenue</u> | <u>Expense</u> | <u>Net</u> | | |
| Fee for Service (ISF) | \$ 41.5 | \$ 41.8 | \$ (0.3) | \$ 274.7 | 15.1% |
| E-911 (Enterprise) | \$ 8.8 | \$ 11.9 | \$ (3.1) | \$ 42.1 | 20.9% |
| General Fund | \$ 2.8 | \$ 0.4 | \$ 2.4 | \$ 2.9 | 96.6% |
| Special Revenue (IFA, VGIN & EAD) | \$ 1.2 | \$ 1.4 | \$ (0.2) | \$ 8.1 | 14.8% |
| Technology Infrastructure Fund | \$ - | \$ 0.5 | \$ (0.5) | \$ 9.0 | 0.0% |
| Federal Grants | \$ - | \$ - | \$ - | \$ - | 0.0% |
| Total | \$ 54.3 | \$ 56.0 | \$ (1.7) | \$ 336.8 | 16.1% |



Cash Flow (ISF-Fee for Service)

VITA - ISF Cash On-Hand (end of month)





Virginia Information Technologies Agency



IT Infrastructure Program



Current Operations

Service level dashboard

| | June | July | August |
|----------------|------|------|--------|
| SLAs Reporting | 159 | 193 | 193 |
| G | 91% | 94% | 91% |
| Y | 4% | 3% | 4% |
| R | 5% | 3% | 5% |
| SLA Coverage | 58% | 64% | 71% |

Legend



Red--
Fail to reach target
by > 10 %

Yellow --
Fail to reach target
within 10 %

Green--
Met or exceeded
target



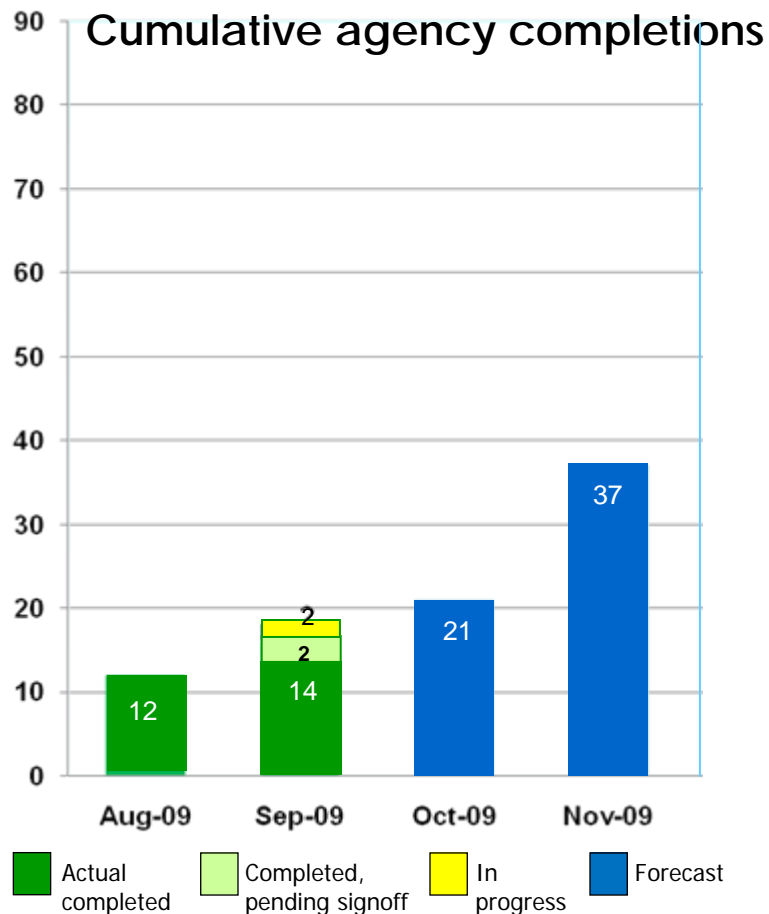
Transformation

Transformation is well underway

- 40% of agencies are 90% (or more) complete
- 69% of all transformation work is completed
- Of 74 milestones, 69 accepted

Schedule to be finalized

- VITA and Northrop Grumman are working with agencies to reach agreement on schedule
- 30% of agencies have agreed to schedule



- The forecasted numbers will change as schedules are finalized at agencies
- Four agencies not scheduled (VSP, VDEM, DFS, DMAS)