



# Legislative Update

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**Senate Finance Committee**  
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## Topics for Discussion

- Resolution of August 2010 Outage
- Virginia State Police Email Outage
- VITA Finances
- FY10 Wireless E-911 Services Costs



## Resolution of August 2010 Outage

- August 25, 2010: Initial failure
  - Initial impact: 26 of 89 agencies (13% servers, 30% data)
- Governor McDonnell: “Independent review of information system failure and contractor response...”
  - Collaboration between Governor’s Office and legislative leaders (JLARC)
  - Northrop Grumman (“NG”) paid for review (\$250K)
- February 15, 2011: McDonnell Administration and JLARC released the results of external audit conducted by Agilysys, Inc.
  - Governor asked Secretary of Technology Jim Duffey to immediately begin discussions with senior NG management on compensation and corrective action moving forward
- Current status: Agreement in principal
  - Final details being worked out



## UPDATE: Resolution of August 2010 Outage

- Agreement reached between CoVA and NG
  - Two components of agreement
    - Financial restitution and operational improvements
    - Total value to CoVA is \$4.748 million
  - Financial settlement
    - \$1.91 million paid out over 24 months
  - Operational improvements
    - Represents \$2.09 million in additional expense by NG
    - \$750,000 for “point in time” or “snap/clone” technology to protect the data held by the state
  - Deliverable: Corrective action plan
    - Addresses findings and recommendations from third-party audit report
- Agreement does not diminish CoVA’s rights under the CIA
- Certain actions already have been implemented



## Virginia State Police Email Outage

- Outage began in the early morning on Thursday, April 21
  - Affected nearly all VSP email accounts
  - Partial email service restored mid-afternoon on April 21
  - Users able to send and receive email, but not access historic emails; sluggish system speed
- Full service restored early morning on Thursday, April 27
  - VSP/VITA/NG and vendor resources worked non-stop, 24 hours a day, including the Easter weekend, to restore the environment and return it to production
- The cause of the outage was hardware failure, compounded by human error



## Virginia State Police Email Outage – cont.

- This outage is very different than the August 2010 service outage; due to nature and location of VSP's email system
  - VSP's email system is a legacy system located at VSP headquarters but maintained by NG on behalf of VITA
  - VSP currently does not utilize the VITA/NG enterprise email system, networks or other infrastructure located at CESC and operated by VITA/NG
  - VSP email storage has outgrown the capacity of the old legacy hardware; the large volume of data complicated and lengthened restoration
- Corrective actions will be implemented to avoid a similar outage



## VITA Finances - Background

- VITA – primarily Internal Service Funds agency
  - Less than 1% of budget is direct GF
- Under-recovered \$56 million between FY2007-FY2010.
  - Average \$14 million per year
  - Treasury loan needed to meet obligations
- July 1, 2010 - Significant revision of Commonwealth IT rates
  - Adjusted for re-baselining and revised contract with NG
  - Rate structure aligns with vendors' fees for services
  - Replaced previous rate structure
  - Approved by JLARC, meets state and federal guidelines
  - Subject to federal audit and review



## VITA Finances - Current

- Positive net income for the first time since FY2005
- New rates are working, however, repayment of treasury loan is slower than anticipated
  - Still addressing some structural issues with rates
    - e.g., fluctuating quantities of IT assets
  - Modest rate adjustment will be necessary to compensate for slower repayment of treasury loan; will be much smaller than July 1, 2010 rate change
- Rates will need to be adjusted annually to reflect changes in environment and usage



## FY10 Wireless E-911 Services Costs

- VITA administers E-911 program at the direction of the Wireless E-911 Services Board
  - Board comprised mainly of locality representatives with role in responding to emergency calls
  - Policy and distribution of Public Safety Answering Point (or “PSAP”) grant funds determined by Board
  - VITA staff provide administrative and technical support to Board
- 2005 - Board enters agreement with Verizon, saving PSAPs 30%
  - Agreement covers costs for wireless E-911 services provided by Verizon
- Original 5-year agreement expired June 30, 2009



## FY10 Wireless E-911 Services Costs – cont.

- Several issues, including prolonged negotiations, prevented a new agreement until FY2011
- No payment made for FY2010 since no agreement, but Verizon continued to provide the service
- Verizon agreed to reduce amount due 50%
- April 2011: Verizon submitted invoices directly to each locality for the services
- Last Thursday, the Board adopted a process to pay the FY2010 bills using PSAP grant funds
  - No locality funds will be used to pay for FY2010 services



# Questions?

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# Appendix: Transformation Status

Agency	Month	Desktop	Network	MDS	eSupport 1 and 2	Re-IP	HPOV	Remote Control	Helpdesk	Security
VDOT	JUNE			6/30	6/30	TBD	TBD			TBD
DOC	JULY tentative			July tentative	July tentative					6/09
DMAS	TBD			TBD	TBD			TBD		TBD
DFS	TBD	5/12 313 PCs		TBD	TBD	TBD	TBD	TBD		TBD
VEC	TBD		5/18 HQ	7/29 tentative	7/29 tentative	6/30 tentative	6/30 tentative	TBD		6/30
DOAV	TBD			TBD	TBD	TBD	TBD			TBD
DMV	TBD			TBD	TBD	TBD	TBD			TBD
VDEM	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD		TBD
VSP	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD