



Virginia Information Technologies Agency



# VITA Reorganization and Transition of IT Infrastructure Services

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**Senate Finance Committee**

June 25, 2019



## Executive Summary

- VITA has implemented a modern delivery model for infrastructure services and has reorganized internally
- Updated transition business case projected to reduce Commonwealth costs by \$114M over eight-year period
- Necessary adjustments to the implementation plan resulted in some delays
  - VITA is working with suppliers and customers to address delays
- Modernization continues with new services rollout on July 1



# VITA Three-Year Services Roadmap

**FY 2019**

## Transition the Service Model

- ✓ Transition from single supplier to multi-supplier IT services model
- ✓ Establish governance to support model
- ✓ Restructure the agency to support the new IT model

**FY 2020**

## Stabilize and Shift to Cloud

- Fully integrate eight new suppliers and stabilize delivery of services
- Support agency migrations to the cloud
- Modernize key services to meet agency needs
- Pay off transition costs

**FY 2021**

## Realize Platform Value & Savings

- Move the data center out of the CESC in Chester
- Focus on service improvement and customer satisfaction
- Expand/re-compete contracts to add value
- Enhance strategic relationships with agencies

### Agency Value Proposition

#### Cybersecurity

Protect resources, assets and information from loss, damage, and misuse

#### IT Infrastructure Services

Ensure the operating environment is adaptable, offers quality delivery, and has right processes in place to serve agencies

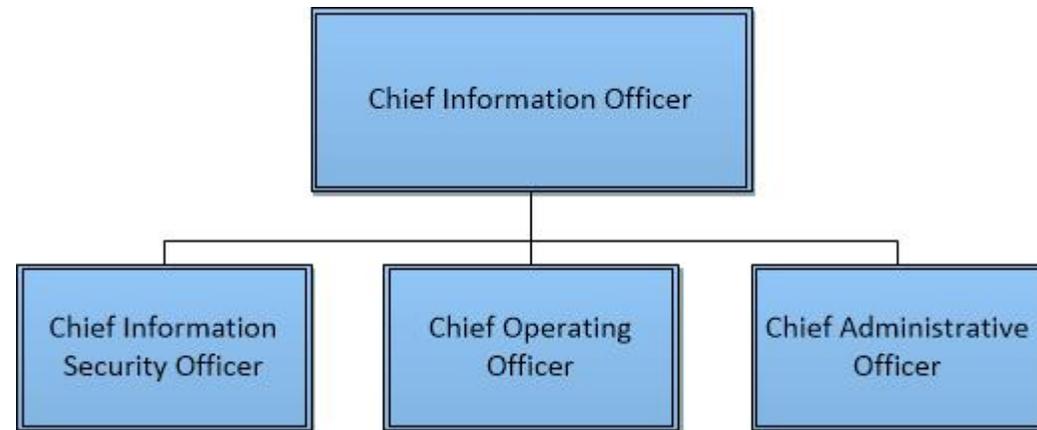
#### Governance

Provide efficient and effective processes to support technology decisions and the ease of doing business



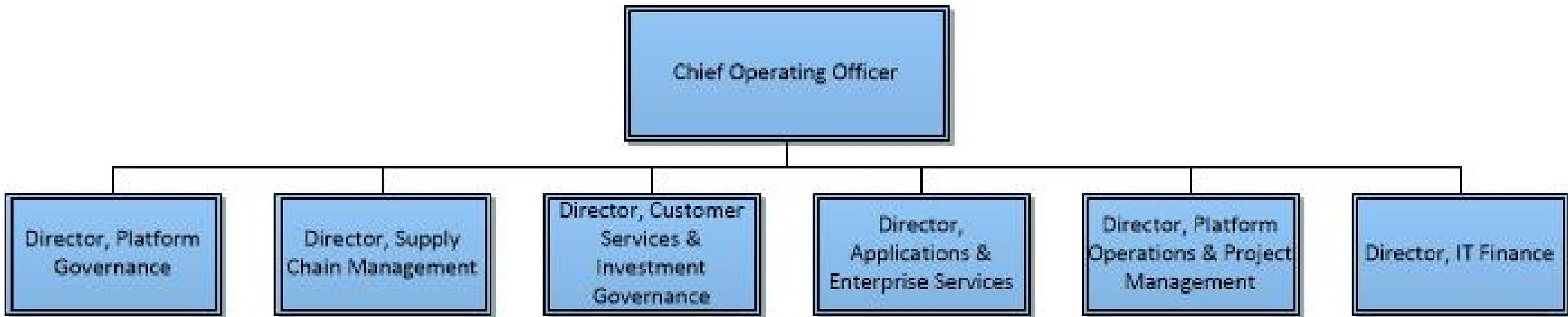
# VITA Reorganization

- Functionally aligns to the IT multi-supplier model
- Focuses on customer service, governance, and accountability
- Strategic and impactful
- Achieves delayering of authority levels
- Cost neutral
- Developed in partnership with DHRM



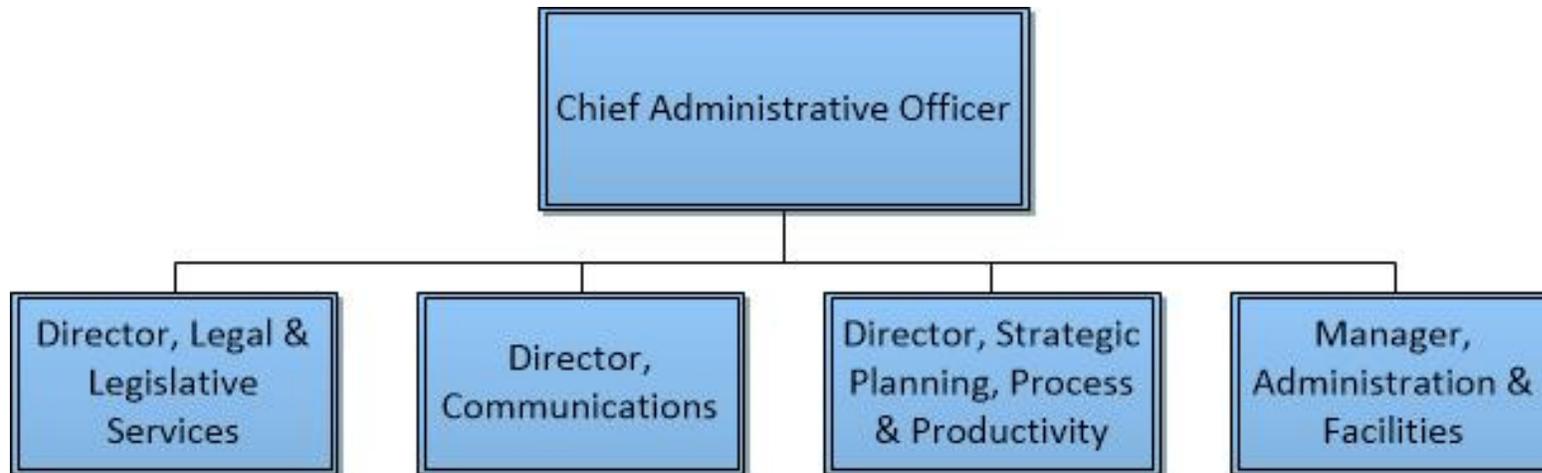
## Chief Operating Officer (COO)

- Primary focus is on the Commonwealth's IT enterprise
- Oversees enterprise operations, governance, contracts, supplier management, finance, customer service, IT management, and governance



## Chief Administrative Officer (CAO)

- Primary focus is on agency strategy and operations
- Oversees agency-specific functions, including strategy and planning, external stakeholder management, legal, internal finance/budget, and agency operations
- Develops measurable accountability criteria for staff development with a focus on supplier management and customer service





# Financial Performance of Transition

- The multi-supplier model delivers value for the Commonwealth
  - Accounting for program delays, scope changes, and the litigation, the final business case is projected to outperform the prior contract model by approx. \$114M over eight years
  - Employs a market-based services delivery model
  - Reduced run charges versus Northrop Grumman spend
  - Projected operating savings in FY19 & FY20 necessary for planned Line of Credit repayment by end of FY20
- VITA incurred approximately \$218.5M in non-operating expenses which includes:
  - Termination and disentanglement costs associated with the NG contract
  - Implementation and transition costs associated with new supplier contracts
  - 3<sup>rd</sup> party consulting and legal services to support transition
- Final transition costs are \$51M over initial estimate
  - \$35.7M of this amount is due to NG settlement



# Projected Transition Timelines [from 1/20/16]

IT Sourcing

**Plan**  
2014 - 2015

**Procure**  
2016 - 2018

**Transition**  
NLT 2019

Disentangle

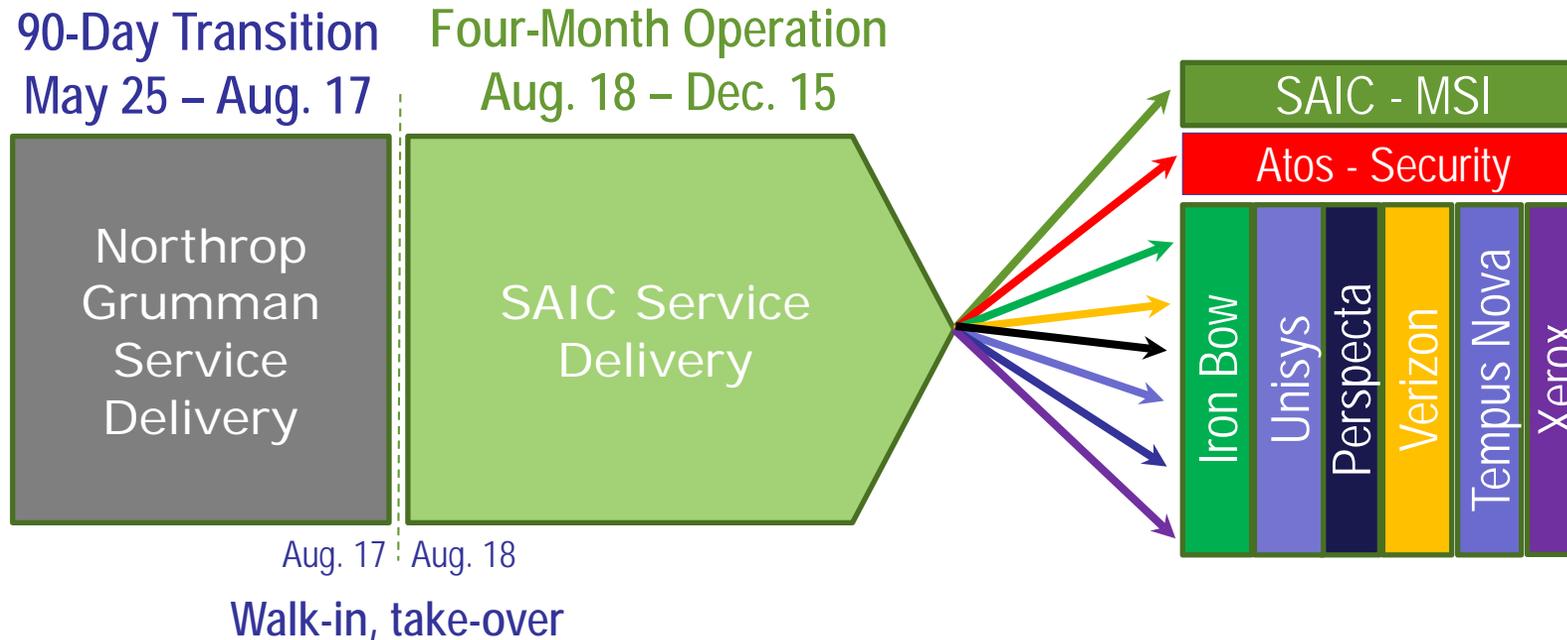
**Plan**  
2017 - 2018

**Disentanglement**  
NLT Oct 2018

Maintain

**Operations, Security and Oversight**

# Expedited Transition [from 10/25/18]





# Multi-Supplier Platform Implementation

Tower	Supplier	Services Begin Date
IBM Mainframe	Perspecta	June 2017
Messaging	Tempus Nova	Nov. 2017
Multi-Sourcing Services Integrator	SAIC	Oct. 2018
Managed Security	Atos	Dec. 2018
Voice Data Network	Verizon	Dec. 2018
Server Storage/Data Center	Unisys	Dec. 2018
End User Computing	Iron Bow	Dec. 2018
Managed Print	Xerox	Dec. 2018

# Service Challenges

## Current Challenges

- Simultaneous service delivery and implementation by suppliers
- Transitioning to a new financial system
- Time to process agency request for solutions
- Network latency at some agencies

## Upcoming Challenges

- Support agencies' move to the cloud and other technologies
- Plan for data center move
- Increase transparency
  - Refine new tools and processes
  - Measure and report on service performance, focus on meeting evolving business needs
- Re-compete and expand initial contracts



## MSI Update

- Oct. 2018: Full implementation originally scheduled
- Oct. 2018: Contract modification signed
- Mar. 2019: Contract modification signed
- Apr. 2019: Remediation and breach notice sent
  - Asset management and invoicing
- June 2019: Pilot program for new financial system
  - Anticipated to go live in July for FY20 agency invoices
  - VITA and SAIC are working together towards full implementation of new financial management system



## New Services in FY20

- Beginning July 1, VITA expects to make available more than **40** new/improved IT services over the next year
  - At least twenty-four new/improved services will be available on July 1
- Examples include:
  - Four levels of end user services with twenty-three types of laptops, tablets and desktops
  - Nine new or improved Voice and Data Network services
  - Six new Server/Storage services (e.g., new physical and virtual servers)
  - Eleven new or improved Security services (e.g., privileged account management, data loss prevention, and network access control)
  - Brokerage of cloud services through AWS, Microsoft, Oracle, and Google cloud offerings in early FY20



## Summary

- VITA's new multi-supplier model is in place
- The business case for the transition remains positive
- New services are coming online
- VITA is adapting its organization to fit the new model and to mature its supplier management capabilities
- VITA is working with its suppliers to achieve full value of its contracted services



## Questions?

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