



Virginia Information Technologies Agency

# Joint Commission on Technology and Science

**Sam A. Nixon Jr.**  
Chief Information Officer of the Commonwealth

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December 6, 2010





## Topics for Discussion

- Vision, mission
- Year in review
- Commonwealth IT environment
- Transformation update
- Operational Improvement Initiatives
- VITA rates
- Opportunities for improvement
- Agilysys update



Virginia Information Technologies Agency



## VITA – Vision

Uniform, consistent, business-like approach  
to the management of IT services across  
the enterprise of state government

*“We enable the business of government.”*



## VITA – Statutory Mission

- Infrastructure services
- Project oversight
- Information security
- Supply chain management
- Standards & best practices
- Enterprise applications
- Wireless E-9.1.1, VGIN, VI, contingent labor



## 2010 – Year of Transition, Challenges

- SB-236/HB-1034 enacted March 11, 2010
  - Governance changes, CIO, ITIB, ITAC
- Major modifications to CIA
  - Operational Improvement Initiatives
  - Re-baseline, new services
- Organization re-alignment
  - Consolidations, staff/budget reductions
  - HR & SCM to FIN, EAD & ITIES to ES&G
  - Service offering approach
- IT finances
- Major IT projects
  - Complexity model



# IT Infrastructure for Executive Branch

## PCs and Servers

54,573 computers

3,627+ servers

## Disk storage

1.3 petabytes

## Mainframe

4,850 MIPS

2.24 terabytes

## E-mail

57,991 mailboxes

## Network

64,118 ports

## Printers

5,911 network printers

22,000+ desktop printers

## Communications

~55,000 desk phones

~3,600 handhelds (PDAs)

~11,000 wireless devices  
(cell phones)

Locations: 2,200



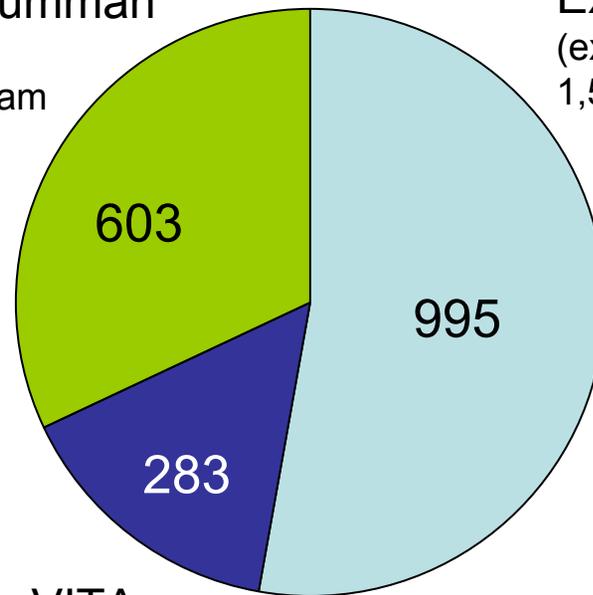
Source: IT Asset Inventory, Spring 2010



# CoVA IT Workforce

Northrop Grumman  
83 SWESC  
520 VITA program

Executive Branch  
(excl. higher education's  
1,500 employees)



VITA  
181 VITA organization  
102 NG Managed

Sources: DHRM, Aug 25, 2010  
Northrop Grumman HR  
VITA HR



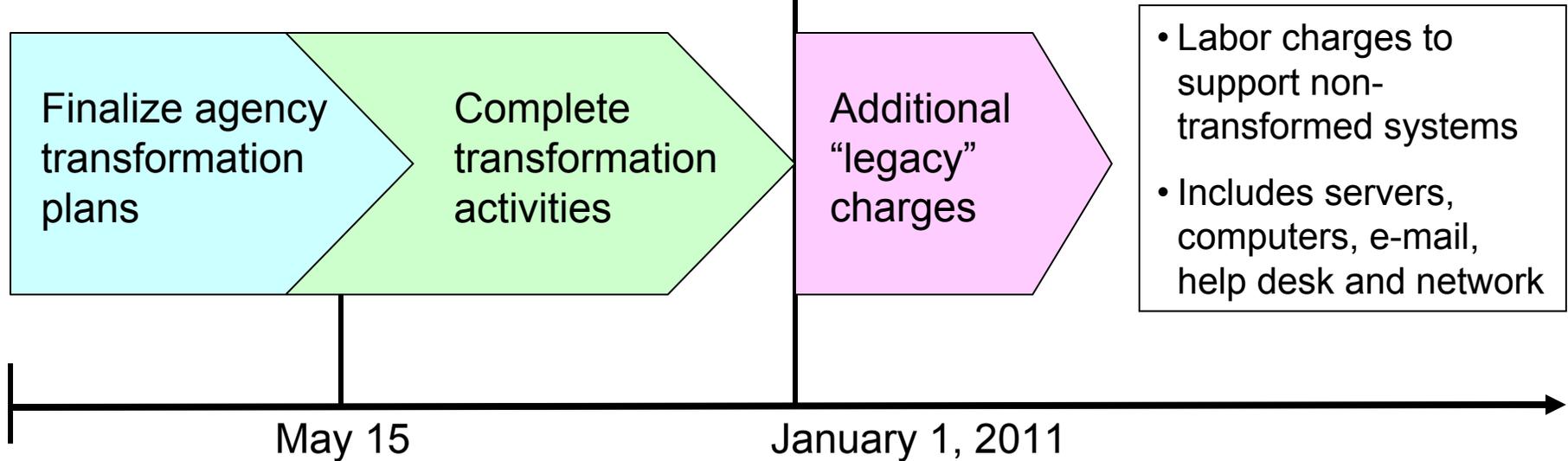
## Transformation – What Is It?

- Centralized monitoring, management and support of infrastructure for Executive branch agencies
- Transformation scope includes:
  - Desktop computers, e-mail, help desk, storage, network, servers and maintenance as a packaged service
  - Regional support model
  - Hardware refresh
  - Security and network monitoring
    - 24 x 7 x 365
  - Standard IT support processes
  - Standard toolsets installed on computers/servers



# Transformation - Contractual Deadlines

December 31 – deadline  
for transformation\*



\* Transformation activities for DMAS, VSP, VDEM, DFS and VEC to be completed as soon as practicable



## Transformation – Current Status

Overall status as of 12/3/2010	
Total	89
Complete	71
Remaining	18
Scheduled, signed	14
Scheduled, not signed est. CY2011	*4
*DMAS, VDEM, VEC, VSP	



## Contract Revisions – March 2010

Revisions to CIA set the tone for a more productive working relationship

### Performance improvements

- Expedites service and response
- Provides agencies greater flexibility over administrative tasks
- Improves speed and quality of procurement and service requests
- Overhauls help desk services
- Adds new services and pricing options
- Moves desktop upgrades forward

### Accountability & operational efficiencies

- Consolidates and strengthens Service Level Agreements (SLAs)
  - SLAs available online
- Increases SLA penalties by 15%
- Creates a clear, faster dispute resolution process
- Establishes three-month review period to ensure performance

### Financial

- Extends contract three years
- Allows billing from a re-baselined inventory
- Provides for more detailed billing



# Operational Improvement Initiatives – Current Status

Overall Status			
Initiative	Implementation Status	In Service	Presentation
Rapid Response Team	Blue	Y	22-Sep
Inventory/Billing Disputes	Blue	Y	22-Sep
Laptop/Desktop Depot Service	Blue	Y	30-Sep
Expedited Shipping for Replacement Laptop/Desktop	Blue	*	27-Oct
Work Request Process & Tech Architecture/ Solutioning Re-Design	Blue	Y	27-Oct
Agency Tech Lead Empowerment	Green	Y	17-Nov
Help Desk Re-Design	Blue	Y	10-Nov
Storage Management	Green	Y	22-Dec
Inventory Errors	Yellow		January
Work Request and Procurement Processing Times	Yellow		January

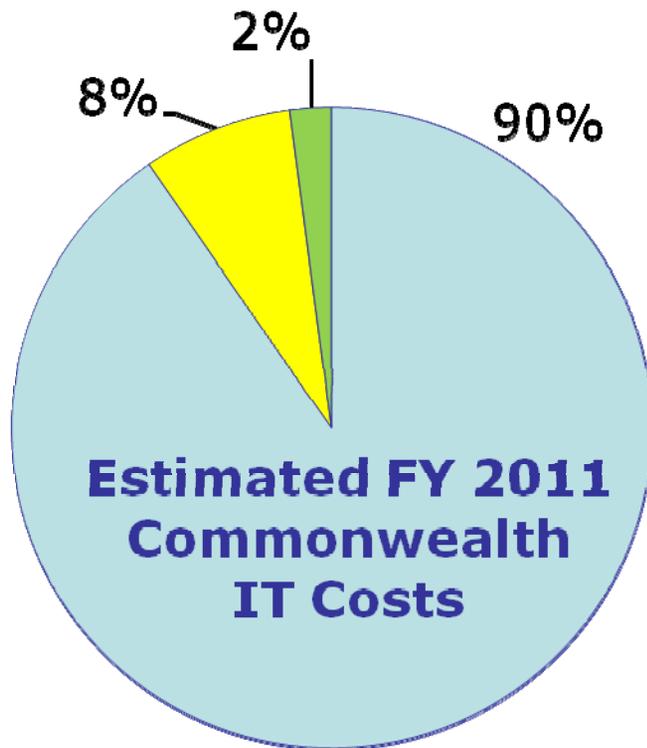


## Rates for IT Services

- VITA – primarily Internal Service Funds (ISF) agency
  - Less than 1% of budget is direct GF
- Under-recovered \$56M between FY07-FY10
  - Average \$14M per year
- New inventory baseline enabled VITA to structure rates to recover all costs
  - Baseline was delayed two years
- Agency bills now reflect their total consumption of IT services.
  - 90% of VITA rates is for vendor cost recovery
  - 15% avg increase
  - Impact not reflected in agency FY11 budgets



# VITA Cost Recovery vs. Overhead



■ Vendor Expenses (per unit & fixed fees)

■ VITA Services

■ VITA Debt Recovery (Annual share)



## VITA – Roadmap for Success

- Initiatives to improve agency productivity, manage IT consumption, reduce costs
  - Agency re-alignment, service offerings
  - Contract labor spend management (\$3.5M savings)
  - Collaboration solutions, enterprise electronic content management, e-mail archiving
  - Operational efficiency improvement initiatives
  - Service catalog, business readiness
  - VoIP initiative
  - Telephone expense management
  - Enterprise applications
    - Sustainability of M&O expenses?



## Third-Party Audit of Outage

- Initial failure occurred on Wednesday, August 25
- Initial impact: 26 of 89 agencies (13% servers, 30% data)
  - Significant business impact to DMV, TAX, DSS, DEQ, SBE, DJJ, GOV, VITA, and VITA shared services
- Other services *unaffected*: network infrastructure, security monitoring, mainframes, email service, phones or desktops
- Governor McDonnell “Independent review of information system failure and contractor response...”
  - Collaboration between Governor’s Office and legislative leaders (JLARC)
  - Paid for by NG (\$250K)
- Agilysys, Inc.
  - November 8 - Project kick-off
  - Final report due in January



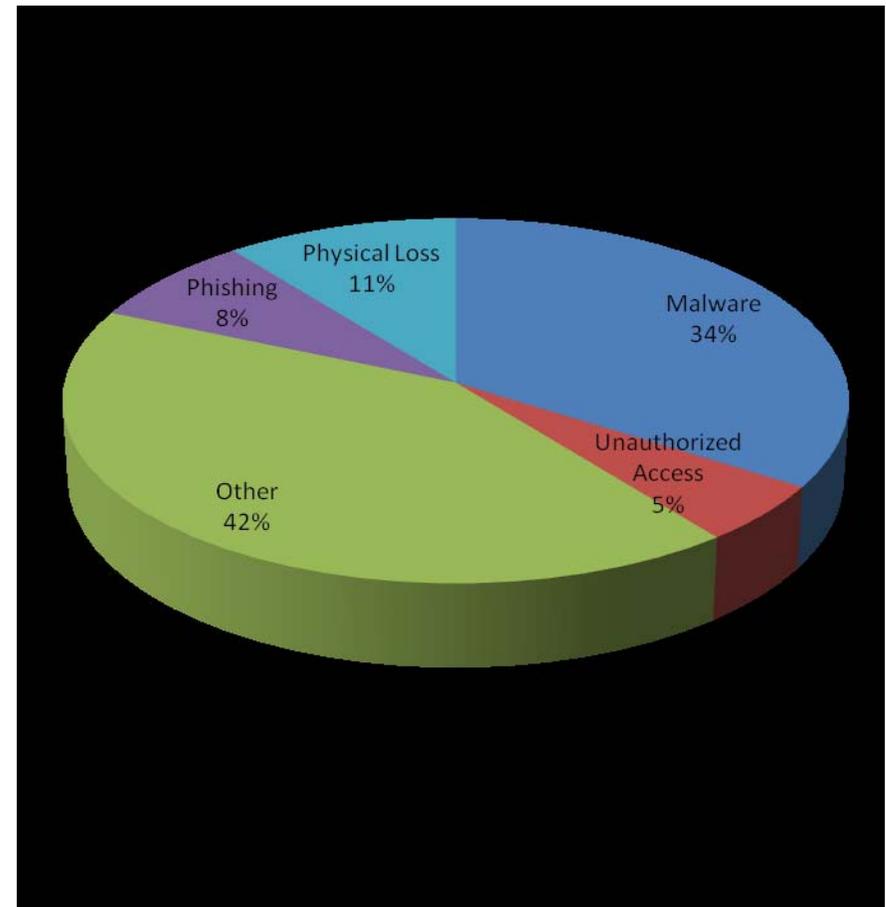
# Questions

- Questions?  
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## Security - High-Level Metrics

- 123,657,149 attacks to-date as of 11/28
- 92 – 93% of all email is SPAM
  - 120 million blocked messages/month
- Attacks are complex and vary each month
- Malware is top threat





## New services, more choices and stronger metrics

- Provides needed services to meet business needs
  - Wireless
  - Data encryption
  - Managed firewall
  - Enterprise Virtual Private Network
  - Voice over Internet Protocol (VoIP) telephony
- Provides tiered solution options with different price points to meet budget and business needs
  - Storage
  - Servers
  - Printers
  - Copiers
  - Disaster recovery (DR)



# Rate example

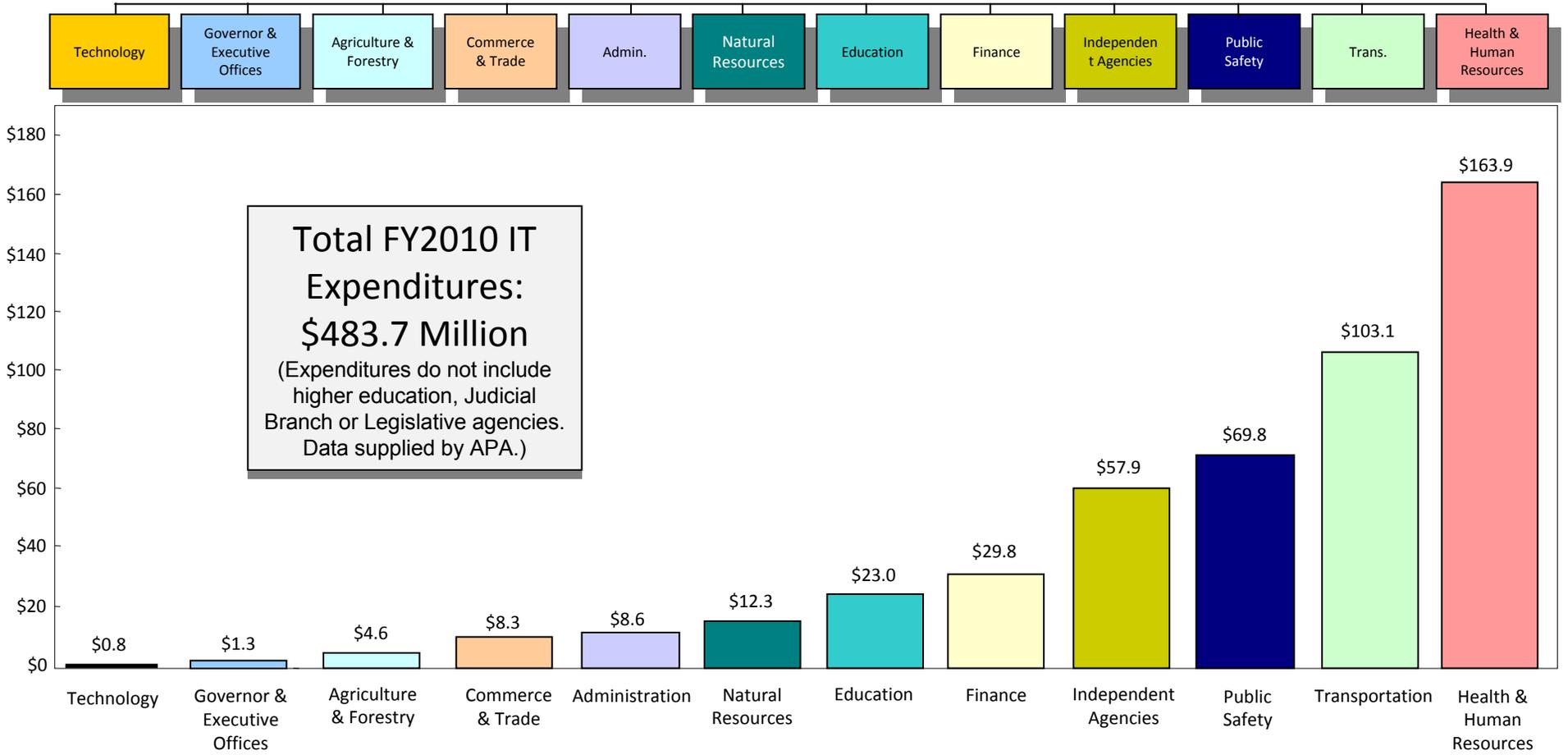
## Bundled service: Laptop computers

<u>Laptop Rate:</u> Service Components	Vendor Per Unit Charge	Allocation of Vendor Fixed Fees	VITA Services	VITA Debt Recovery (Short Term)	Total
Hardware & Software	\$35.75	\$18.27	\$4.67	\$1.25	\$59.94
E-mail - Messaging	\$10.38	\$2.86	\$1.15	\$0.30	\$14.69
Technical Support	\$21.14	\$5.83	\$2.33	\$0.62	\$29.92
Help Desk	\$9.48	\$2.62	\$1.05	\$0.28	\$13.43
<b>Total Laptop</b>	<b>\$76.75</b>	<b>\$29.58</b>	<b>\$9.20</b>	<b>\$2.45</b>	<b>\$117.98</b>
<b>% of Total</b>	65.1%	25.0%	7.8%	2.1%	100.0%
Vendor 90.1%			VITA 9.9%		



# FY 2010 IT Expenditures by Secretariat

(Millions of U.S. Dollars) – In-scope Executive Branch Agencies and Independent Agencies





# VITA Budget by Fund

## VITA BUDGET COMPONENTS BY FUND -- FY 2011

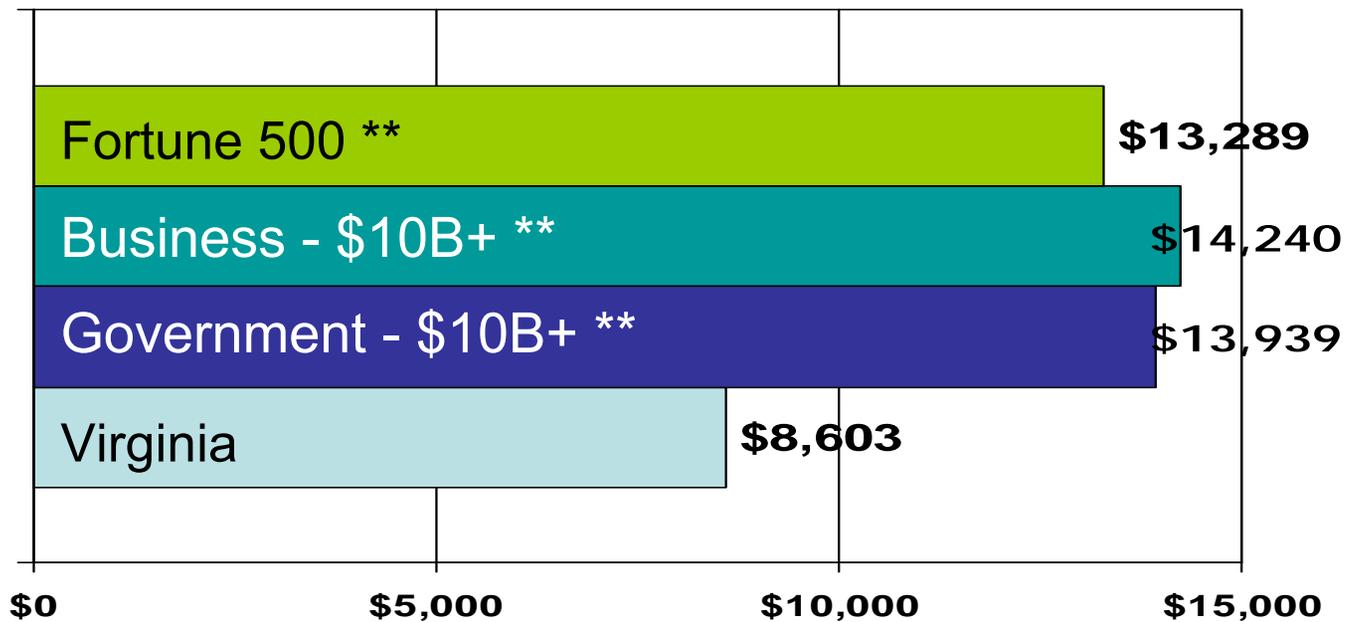
	<u>Internal Service Funds</u>	<u>E-911 Special Revenue Funds</u>	<u>Acquisition Services Special Funds (IFA)</u>	<u>Other Special Revenue Funds</u>	<u>General Funds</u>	<u>Federal Funds</u>
<b>Amount:</b>	\$288,034,885	\$39,466,528	\$4,678,539	\$13,022,779	\$2,300,901	
<b>Share:</b>	82.89%	11.36%	1.35%	3.75%	0.66%	
<b>Sources:</b>	<ul style="list-style-type: none"> <li>■ Charges for:</li> <li>■ Computer svcs</li> <li>■ Telco svcs</li> <li>■ Decentralized</li> <li>■ MOUs, misc.</li> <li>■ RFS, P2P</li> <li>■ PM consultation</li> </ul>	Cellular phone service providers	IT contracts	<ul style="list-style-type: none"> <li>Sale of GIS products</li> <li>WCA-funded EA proj</li> <li>Charges for small-scale EA projects</li> </ul>	General Assembly	<ul style="list-style-type: none"> <li>Grants to VITA</li> <li>Subgrants from agencies</li> </ul>
<b>Charge Method:</b>	<ul style="list-style-type: none"> <li>JLARC approved rates</li> <li>MOUs, RFS, contracts</li> </ul>	Surcharge to cellular consumers	Surcharge on IT vendors	<ul style="list-style-type: none"> <li>JLARC approved rates (GIS)</li> <li>MOUs (EA, process improvement projects)</li> </ul>	Access state appropriations	Request reimbursement
<b>Uses:</b>	<ul style="list-style-type: none"> <li>Paying NG for services</li> <li>VITA retained org (operations, OH)</li> </ul>	<ul style="list-style-type: none"> <li>Grants to localities, E-911 svc providers</li> <li>E-911 program management</li> </ul>	<ul style="list-style-type: none"> <li>Paying federally unallowed costs</li> <li>Procurement &amp; contract operations</li> </ul>	<ul style="list-style-type: none"> <li>Paying for VGIN program</li> <li>Major, minor enterprise apps projects</li> </ul>	<ul style="list-style-type: none"> <li>Governance and oversight</li> <li>Enterprise applications operations</li> </ul>	As stated in grant provisions

\* All amounts per JLARC-approved ISF revisions and VITA operating plan



# How does Virginia's IT spend compare?

FY09 IT spend as annual cost per employee \*



\* Executive branch agencies "in scope" to VITA

Sources: Dept. of Planning and Budget Web site  
JLARC 2009 IT spend analysis, *Review of VITA*

\*\* Gartner IT Key Metrics Data 2009  
Dept. of Accounts FY09 IT payroll data



## Current IT Portfolio Snapshot – Major Projects

July 1, 2010

### Total Major Portfolio

54 projects

Value of \$800,522,055

- **Approved for Development (Includes Suspended)**  
26 projects - Value of \$648,180,615
- **Approved for Planning**  
18 projects - Value of \$103,167,790
- **Identified for Preliminary Planning**  
10 projects - Value of \$49,173,650

October 1, 2010

### Total Major Portfolio

50 projects

Value of \$738,000,427

- **Approved for Development (Includes Suspended)**  
23 projects - Value of \$640,020,304
- **Approved for Planning**  
17 projects - Value of \$52,913,873
- **Identified for Preliminary Planning**  
10 projects - Value of \$45,066,250



# Current IT Portfolio Snapshot – Non-Major Projects

July 1, 2010

**Total Non-Major Portfolio**

**130 projects**

**Value of \$ 49,979,889**

- **Approved for Development**  
37 projects - Value of \$13,555,841
- **Approved for Planning**  
45 projects - Value of \$16,713,318
- **Identified for Preliminary Planning**  
48 projects - Value of \$19,710,730

October 1, 2010

**Total Non-Major Portfolio**

**131 projects**

**Value of \$ 50,316,088**

- **Approved for Development**  
37 projects - Value of \$13,385,040
- **Approved for Planning**  
45 projects - Value of \$16,970,318
- **Identified for Preliminary Planning**  
49 projects - Value of \$19,960,730



## Top Seven Largest Projects as of 11/12/2010

1. Statewide Agencies Radio System	\$357,244,677
2. DMV CSI Systems Redesign Project	\$ 69,954,521
3. Unemployment Insurance Modernization	\$ 58,831,331
4. Cardinal Project	\$ 58,337,353
5. Automated Child Care Subsidy System	\$ 20,364,802
6. Phase 2 and 3 Virginia Correctional Information System (CORIS)	\$ 19,862,965
7. State Longitudinal Data System (SLDS)	\$ 17,500,000