

Integrated Government Advisory Committee
Wednesday, June 30, 2004, 10:00 a.m.
General Assembly Building, House Room D
Richmond, Virginia

The Integrated Government Advisory Committee, charged with exploring the issues created or enhanced by the transformation of government in the electronic age, met for the first time on Tuesday, August 17, 2004. During this meeting, the Committee received briefings on the Virginia Information Technology Agency's (VITA) project management division and public-private partnership proposals submitted to VITA.

Virginia Information Technologies Agency
Project Management Division

Lem Stewart, Chief Information Officer of the Commonwealth, and Jerry Simonoff, VITA's Director of Strategic Management Services, briefed the Committee on VITA's Project Management Division. Prior to VITA's implementation, projects were not reviewed until they reached the procurement phase. By then, VITA's predecessor agencies had the opportunity to review the project, but their ability to make any adjustments was limited. Now, VITA is instituting project management both because it is a requirement and a best practice.

Commonwealth Project Management (CPM) is the application of knowledge, skills, tools, and techniques, to meet or exceed stakeholder needs and expectations from a Commonwealth Project. The objective of CPM is to define a structured, disciplined approach for project management in order to deliver anticipated benefits from business-driven IT investments. It focuses on the scope, costs, schedule, performance and risk of the project and encompasses the entire life cycle of the project from selection to closeout review.

The CPM project life cycle for major IT projects (based on costs and impact to the Commonwealth) involves the proponent agency, that agency's Secretariat, VITA's Project Management Division, the CIO and the ITIB. Each group plays a role as the agency seeks approval for project selection, initiation, planning, and implementation approval, as well as project closeout. Throughout the process, agencies must create an IT strategic plan, propose and justify projects, establish their purpose, develop detailed project plans, draft status reports and evaluations and conduct post implementation reviews. The Secretariat reviews the agency's work and resolves issues that may arise. VITA's Project Management Division also reviews the agency's work and assists and supports the agency throughout the process. The CIO approves the agency's strategic plan, recommends project initiation to the ITIB, resolves issues as needed, monitors the project and has the authority to modify, suspend or recommend termination of the project. Finally, the ITIB has the authority to approve the project initiation, and to terminate the project at any stage.

The CPM ensures that the process is value and outcomes driven, customer service focused, and transparent. The process also ensures stakeholder involvement and best practices. VITA guides the process through the development of project management policies, standards and guidelines. Project planning approval criteria includes the degree to which the project is consistent with the

Commonwealth's overall strategic plan; the technical feasibility of the project; the benefits to the Commonwealth of the project, including customer service improvements; the risks associated with the project; continued funding requirements; and past performance by the agency on other projects. All major IT projects require independent verification and validation (IV&V) of project fulfillment is required during planning and execution. The IV&V strategy must be approved as part of the project development approval. The Project Management Division will implement a comprehensive IV&V program as a VITA service offering using VITA-qualified IV&V vendors. IV&V reports will supplement and validate dashboard reporting. VITA also requires a project closeout report, which measures outcomes, identifies lessons learned and identifies best practices.

Cabinet Secretaries, the CIO and the ITIB oversee project execution and control through "Dashboard Status Reporting." The Dashboard is a Web-based status reporting system that provides concise and timely summary status of major IT projects. It establishes a consistent, common framework for agencies, Secretariats, and the CIO to update project activity, monitor progress, and assess risks. It also enhances their ability to respond to project changes in a timely manner, increases accountability, improves project management capabilities and provides a public view on the VITA website.

As part of the process, VITA has established a project manager training and selection process. This process establishes a common minimum baseline of knowledge standards, and emphasizes the balance of training, experience, and knowledge. It is the first step in establishing a Commonwealth IT Project Management Community. This cost-effective program ensures an improved project management capability.

When asked how they avoid over managing a management, Mr. Simonoff responded that VITA drafted a matrix based on the difficulty and complexity of the project to determine project management components necessary for a given project. VITA is attempting to relate the project management phases to other processes, such as IT resource and portfolio management. The agency is also implementing a "FedEx"-style tracking system for IT project approvals. It has also integrated the project management process with the PPEA process. The agency is developing a stakeholder-driven process focusing on specific projects and processes, while the ITIB is taking a broader look at the entire landscape of projects and future direction of the Commonwealth.

Public Private Partnerships

Lem Stewart, Chief Information Officer of the Commonwealth, and Dan Ziomek, VITA's Associate Director of the Project Management Division, briefed the Committee on proposals received under the Public-Private Education and Infrastructures Act (PPEA).

The Commonwealth does not have \$200 - \$400 million to invest in infrastructure and facilities. Nor does it have the people, time, or resources to implement large-scale projects. Potential partners bring much to the table such as innovative ideas for solving business problems, access to state-of-the-art capabilities and technologies, expertise and ability to bring major projects to completion, and the ability to bring resources to bear for the benefit of citizens and customers.

The Commonwealth sets the parameters by defining what is and is not acceptable in proposals. The ultimate goal of the process is to selectively seek investment in those public-private partnerships that best serve the business-driven technology needs of the Commonwealth, and support the agency mission, vision, and objectives established in the VITA Business Plan.

Proposals can only be submitted for "qualifying projects," as defined in §56-575.1 of the Code of Virginia. Included among those projects are technology infrastructure projects. The proposal must serve a public need and purpose; the estimate cost must be reasonable in relation to similar projects; and the private partner's plans must result in the timely acquisition, design, and implementation of the project.

From November 2003 to March 2004, VITA received initial PPEA proposals. Then, the agency researched the PPEA legislation and model procedures, drafted the initial process model, and established an enterprise projects office. Finally, in April 2004, VITA established its "Internal VITA PPEA Proposal Review Committee." The Committee conducted an initial review of the proposals, drafted the "Attributes for VITA PPEA Proposals," and established a contract for a high level sourcing consultant. After that review and before VITA posted the proposals, "Attributes" and invitation for competing proposals, VITA met with proposal teams and allowed them to update their proposals.

The review committee makes its recommendation to the CIO who determines whether the proposal is worth pursuing under the PPEA and makes recommendations to the Information Technology Investment Board (ITIB). If the project is accepted, the ITIB, with input from the Cabinet, will prioritize the project and include it in the annual report to the Governor and General Assembly. After the initial review, the Committee conducts a conceptual review by posting for competing proposals and evaluating all submitted proposals. The CIO accepts or rejects the proposals and makes a recommendation to the ITIB. If the ITIB approves the project, the Committee conducts a detailed review. If the CIO approves the project and proposal, he will recommend that the ITIB grant development approval. The last step is negotiating a comprehensive agreement, which the Attorney General reviews, the General Assembly decides whether to fund and the Governor decides whether to approve.

Five groups have proposed projects to VITA. Northrop-Grumman, Virginia Commonwealth Partners (headed by IBM), Virginia Business Modernization Initiative (headed by CGI-AMS) and Virginia First (headed Kroll and EDS) proposed data center construction and consolidation to provide enterprise-wide system support and back up. Gateway proposed a desktop modernization program to replace all desktop hardware and provide e-government development tools and training. All proposals, except the Gateway proposal were accepted. The CIO rejected the Desktop Modernization proposal because of its narrow scope and existing sourcing options. Parts of the proposals that VITA initially received were on target, but none had the scope or balance that VITA anticipated. VITA made a concerted effort to publish its Business Plan to frame the planned transformation and published Attributes to broaden the scope of existing and future proposals. Mr. Ziomek highlighted that PPEA is not new, but an extension of the partnerships that already exist with Departments like TAX and Transportation. It is not business as usual.

PPEA proposals must be open to the entire Commonwealth and must include enterprise integration. Some proposals naturally lend themselves to local government involvement. When that happens, the proposal is subject to a local government review to determine the impact to local government. VITA is using PPEA and technology to "better the business."

Attributes for VITA PPEA Proposals

VITA is posting unsolicited proposals for competitive response. These proposals offer comprehensive solutions for the delivery of innovative technology and infrastructure projects through the establishment of partnerships under the provisions of the Virginia Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA), as amended by the General Assembly in 2003. The focus of the PPEA is to establish a true partnership, where each partner shares its assets, strengths and capabilities, as well as the risks and rewards of the undertaking. VITA and its customer agencies are focused on making significant improvements in Commonwealth technology management that will deliver measurable business value and service to the citizens of Virginia and the customers of state government. It is considering PPEA partners to do the "heavy lifting" associated with major Commonwealth business and technology transformation. Prospective partners must possess the demonstrated capability to manage and serve the technology needs of an organization the size and scope of the Commonwealth of Virginia. Companies interested in potential partnerships should consider the following guidance when preparing PPEA proposals. It is anticipated that proposals would provide comprehensive business and process solutions that address the majority of the "major reengineering initiatives" presently under consideration - (i) State-of-the-Art Data Center(s) with Disaster Backup, (ii) Enterprise Desktop Management, (iii) Enterprise Messaging/E-mail System, (iv) Enterprise Customer Care Center, (v) Electronic Government and Associated Business Transformation, (vi) Comprehensive Statewide Network Services, (vii) Enterprise Application Level Access Management (single sign on), (viii) End-to-end Systems and Process Management (organization, technology, process, facilities, and security), (ix) Continuous Evaluation and Planned Implementation of Emerging Technology (planned technology refreshment), (x) Change Management Processes, both Organizational and Technical, that Operationalize Technology, and (xi) Integrated Management of Distinct Transformation Projects and Activities (with separation of infrastructure and enterprise application initiatives, including separate cost justification). VITA remains free to select any or none of the proposals submitted.

Management Commitment: Proposals should demonstrate the credibility of the supplier's commitment to provide the proposed services. Proposals should define the management and organizational structure for effective ongoing conduct of the partnership with VITA, within the context of existing Commonwealth governance processes.

Understanding of Commonwealth Issues: Proposals should demonstrate the supplier's ability and willingness to: (i) propose terms that are appropriate to the environment in which VITA and its customer agencies operate; and (ii) provide maximum flexibility in terms of the services provided and the fees charged while adjusting to changes in the business requirements of the Commonwealth over the term of the agreement, and changes in technology. A Commonwealth priority is the support for community development and associated technology job growth in rural

and economically depressed areas within the Commonwealth. Partnering with firms that have a strong presence in the Commonwealth, financially and numerically, is important.

Impact on Employees: Employees are our most valuable assets and the key to the success of any partnership. Proposals must take into consideration the importance of professional development, career advancement, challenging opportunities and minimize the impact on employees throughout the transformation process. .

Work Approach: VITA seeks a service level based approach that is customer and citizen-centric and clearly demonstrates the willingness to satisfy or exceed service level requirements. The quality of management, the technical approach used to assure consistently high quality service, and the willingness to advance concrete proposals on all pertinent matters, rather than deferring issues or deliverables to later stages or post-closing presentations or negotiations, must be demonstrated in the proposal.

Implementation/Transition: Commonwealth agencies would experience no loss of service or decrease in productivity throughout the transformation process. A phased project implementation plan is essential, characteristic of a self-funded model. Suppliers must demonstrate commitment to a smooth partnership exit strategy in the event of program termination, including the provision of transition assistance.

Supplier Viability: Supplier's size, financial stability, industry track record, and capacity to provide the managerial, technical, and physical resources to deliver the proposed services over the required period must be demonstrated.

Experience in Providing Comparable Services: Supplier's specific experience and ability in providing the proposed services to entities on a scale and/or complexity comparable to the Commonwealth. Proposals should further demonstrate the professional qualifications and experience of assigned personnel including the assigned personnel's ability to perform the work as reflected by technical training and education, general experience and specific experience in providing the proposed services.

Financial Considerations: Detail the terms and fees for all proposed services, the degree of growth and inflation protection included in the baseline prices, the mechanism for adjusting pricing due to increased or decreased levels of proposed service, and transition, migration and termination considerations. Suppliers should provide an ongoing comparison of price to a theoretical Commonwealth managed effort to provide similar services (same resource costs and timelines), establishing the baseline against which the partnership will be evaluated.

Corporate Policies: Proposals must demonstrate the level, relevancy, and quality of participation by Small, Woman-owned and Minority-owned Businesses (SWAM). Proposals also should provide a corporate ethics policy and demonstrated practice of the policy.

Communication Plan: Proposals should define a Comprehensive Communications Plan to support proactive communications with all stakeholders.

Asset Retention/Ownership: A plan for, and supplier's expectations regarding, the ownership, retention, and use of assets (including intellectual property) used or developed in connection with the partnership, including from inception of such a partnership to dissolution, must be presented.

PowerPoint Presentation: Proposals should include an executive level PowerPoint presentation of the proposal.

Evaluation of Competing Proposals: Using the information from other proposals posted on the Commonwealth Web site for competition, suppliers should include a white paper analyzing and evaluating the strategy, advantages, disadvantages, value to the Commonwealth and its citizens, approach, etc. of its competitive submission, as compared to posted proposals.

Representative Transactions: All proposals should provide a documented reference library of successful (in terms of value and effectiveness) implementations conducted by the supplier in relation to US public-private partnerships providing services to citizenry

Compliance with VA Code: Suppliers must describe, in detail, how their proposals conform to the definition of a "Technology Infrastructure Project" as presented in §56-575.1 of the Code of Virginia and how it serves the public purpose described in §56-575.4(C) of the Code. Suppliers are reminded that their proposals must conform to the provisions of § 2.2-2012 A of the Code of Virginia relating to the information technology accessibility standards contained in the Federal Rehabilitation Act of 1973, as amended, which will take effect July 1, 2004 as provided in House Bill 1360 of the 2004 General Assembly session.

Further Considerations: Suppliers should understand that: (i) VITA shall conduct the process for selecting a supplier and negotiating an agreement in such a manner as it, in its sole discretion, shall deem appropriate or desirable (including, for example, negotiating with any prospective supplier and entering into definitive agreements without prior notice to any other suppliers); (ii) any procedures relating to such a transaction may be changed at any time without notice, (iii) VITA shall have the right to reject or accept any proposal or offer, for any reason whatsoever, in its sole discretion; and (iv) suppliers shall not have any claims whatsoever against VITA or any of its respective members, affiliates, agents, or employees arising out of or relating to this request for competitive response or these procedures (other than those arising under a definitive agreement with a supplier in accordance with the terms thereof).