Virginia Information Technologies Agency

Infrastructure Services Sourcing Update

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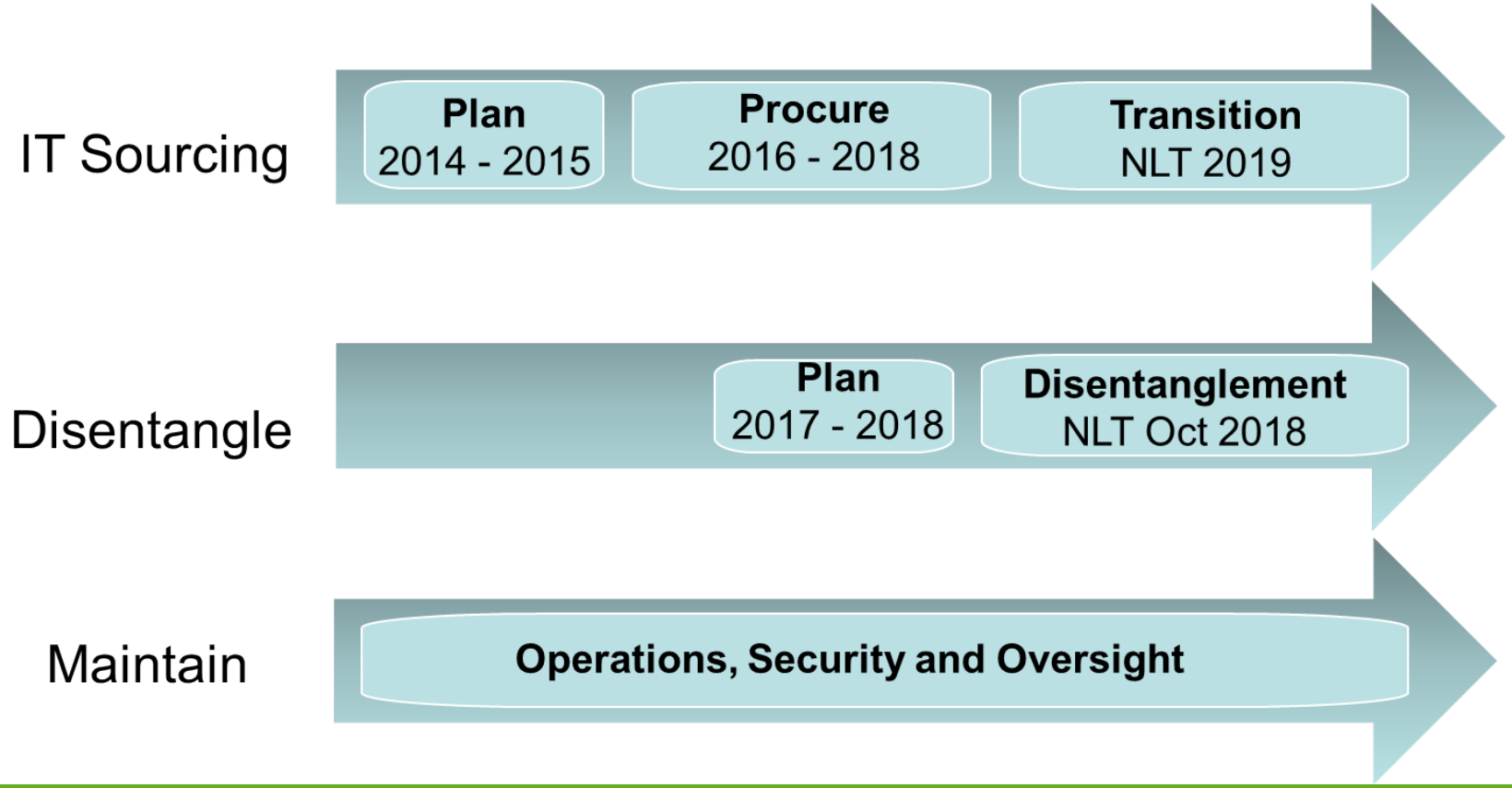
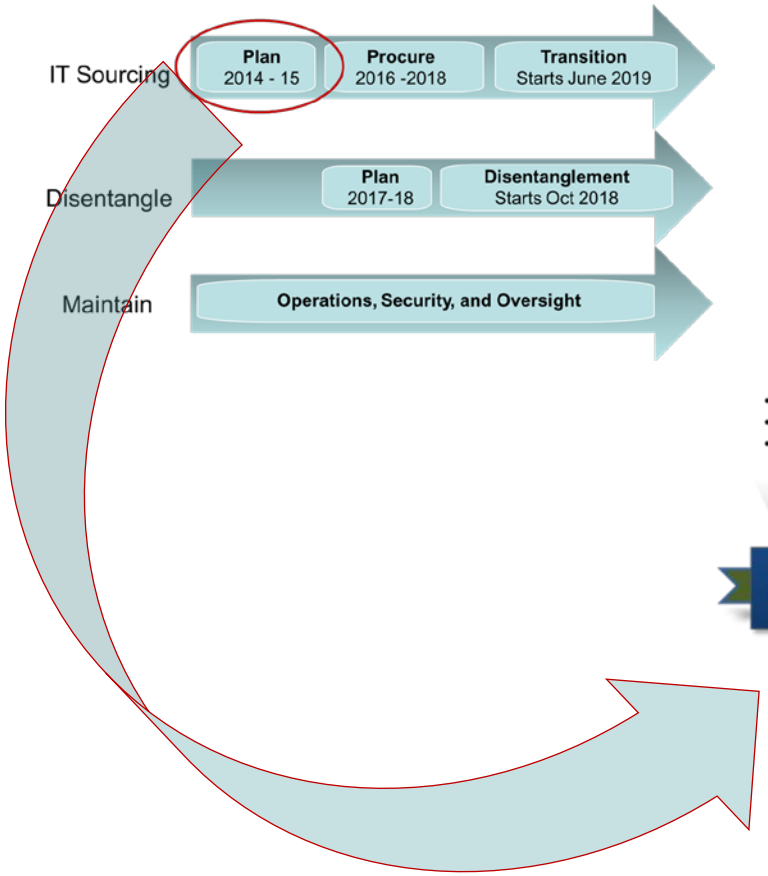
IT Advisory Council
March 14, 2015

Objective

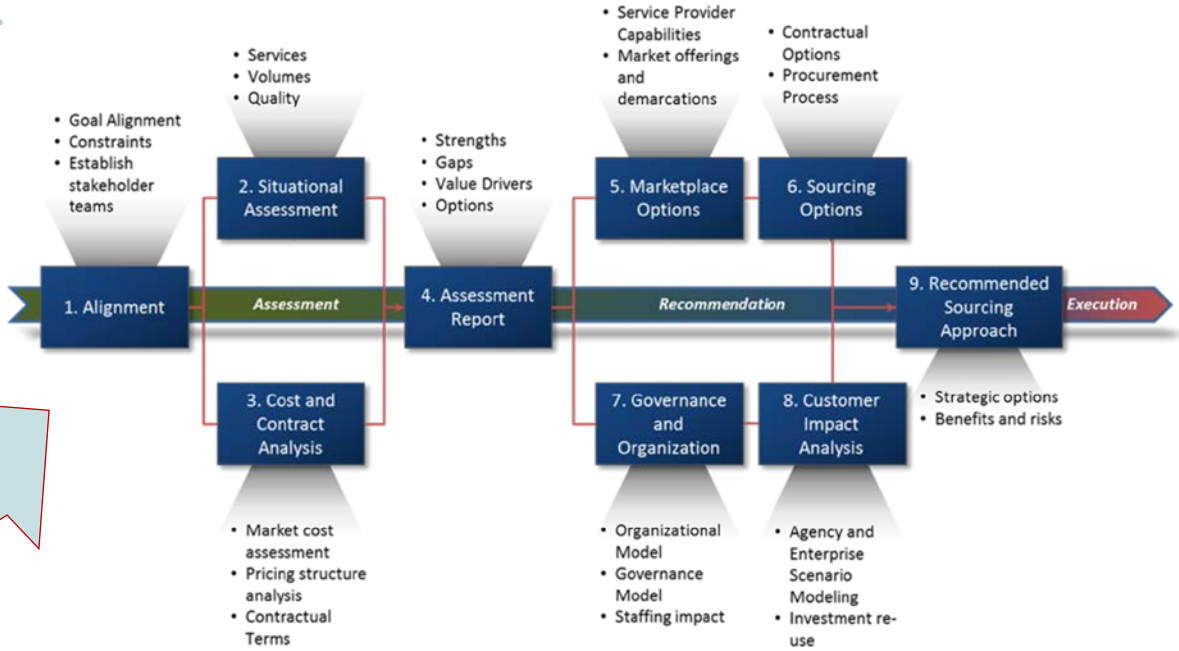
Prepare for the end of the Northrop Grumman contract



Strategy Development in 2015



- Multistep program
- Significant agency engagement
- Steering committee included enterprise leadership



Summary Recommendations

1. The Commonwealth should **start now** to disentangle services from the CIA.
2. The Commonwealth should adopt a **multisupplier model** with a **services integrator** through a **competitive bid.**
3. VITA should create a **platform relationship office** to manage the new services delivery model.
4. VITA should lead the implementation of a new governance model that **increases agency involvement.**

Goals for new sourcing model

Agencies

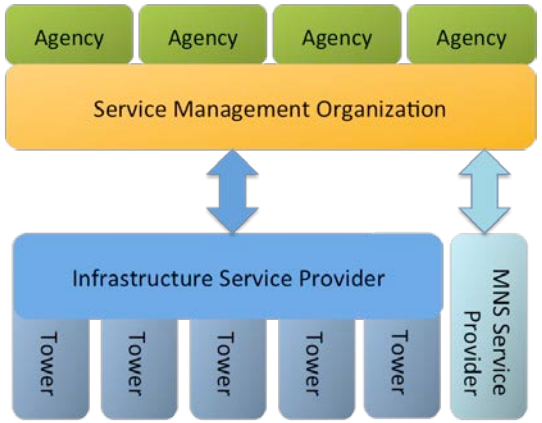
- Service delivery quality
- Ease of doing business
- Service flexibility
- Innovation and evolution
- Agency choice
- Service transparency
- Spend transparency

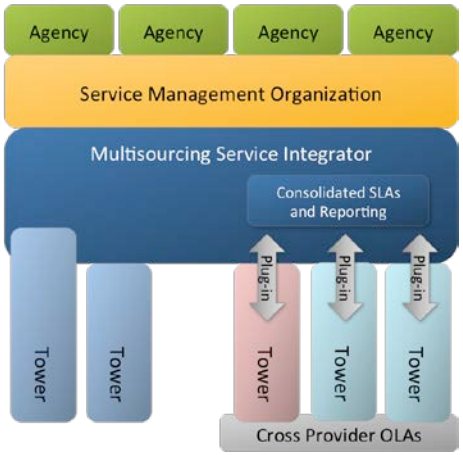
Enterprise

- Maintain cost competitiveness
- Management control
- Flexibility to evolve
- Supports VITA oversight functions
- Standardization
- Security
- Procurement and Transition

Enterprise Contracting

Integrated Services Platform: Iterative Build





Program of Parallel Procurements

Transition

- Incumbent Realignment
- SMO maturation

Shared Platform

- Plug & play capability
- Process improvement

Today

Transition

Future Flexible State

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Summary Timeline

Define high-level scope, initiate MSI and selected tactical procurements, begin NG negotiations, sign contracts first wave of contracts.

Transition to new service providers, implement new service levels and reporting, establish updated service catalog, interim governance model.

Refine and evolve the platform – identify new services, re-procure remaining infrastructure towers, finalize governance model.

Build | **Stabilize** | **Platform Extension**

2016 | 2017 | 2018 | 2019

Calendar Years

MSI Procurement

Tactical procurements

NG Negotiation

Contract Transitions

Process Improvement

Remaining Tower Procurements

Tower Transitions

Note: Contract disentanglement phase starts in October 2018 and runs through June 2021

Contract Disentanglement *(through Jun 2021)*

Recommended plan is to begin disentanglement early and have new operating model established in July 2019

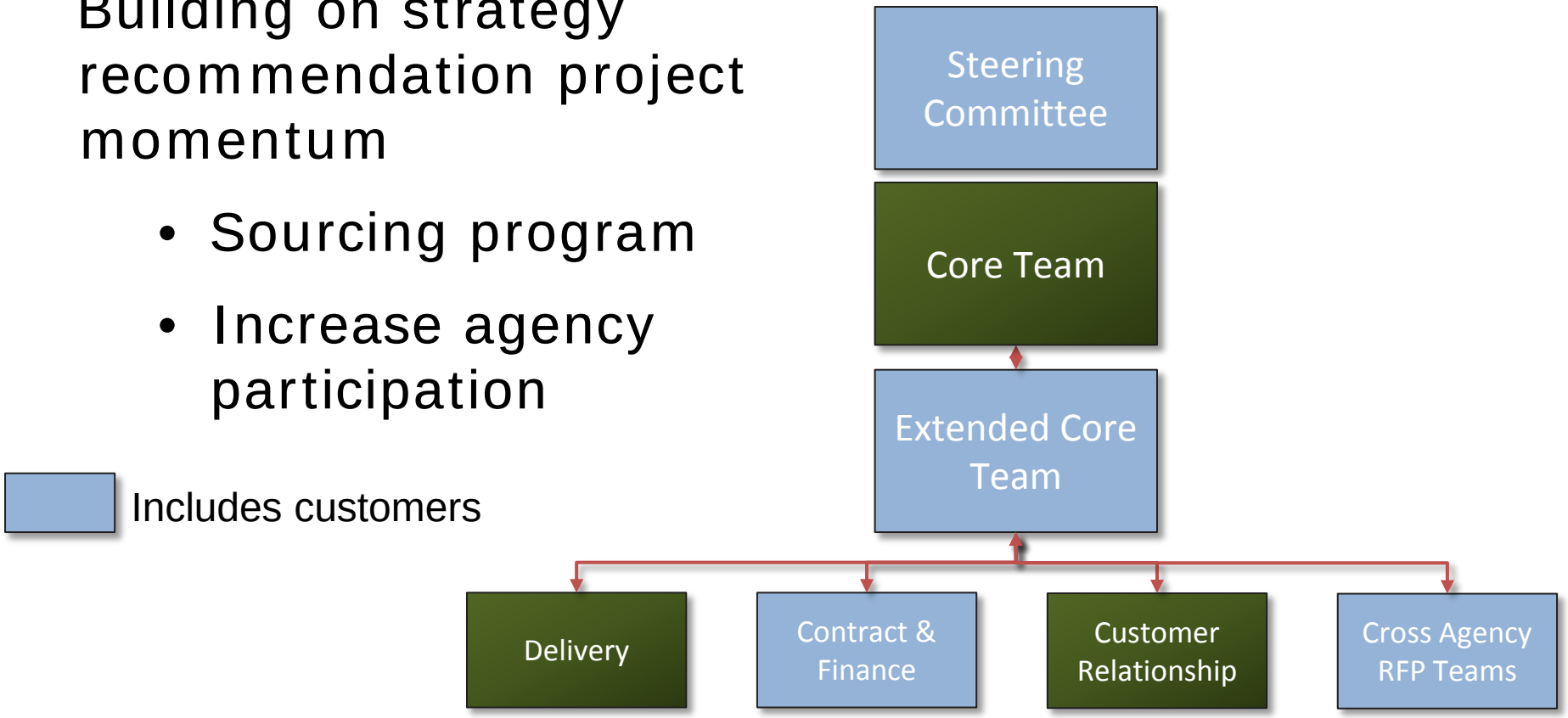
Recommended Disentanglement *(start early and end by Jun 2019)*

First Wave | *Second Wave* | *Third Wave*

Planning and Preparation

Building on strategy recommendation project momentum

- Sourcing program
- Increase agency participation



Steering Committee

- Dave Burhop, DMV chief information officer
- Sharon Kitchens, TAX chief technology officer
- Brian Logwood, DPB, associate director of general government
- Skip Maupai, HAC
- Neil Miller, Finance, deputy secretary
- Jason Powell, SFC legislative fiscal analyst
- David Reynolds, HAC legislative fiscal analyst
- Dana Smith, VITA executive director of administration and finance
- Ernie Steidle, DARS chief operating officer
- Dr. Jeffrey Stern, VDEM agency head
- Adam Thiel, Public Safety and Homeland Security deputy secretary
- Chad Wirz (Chair), VITA executive director of service management and delivery

Wave 1 Activities Have Begun

- New statement of work (SOW) with Integris Applied
- Sourcing task force/program team launched
- 7 work streams
  - 2 active procurements
  - 2 in-source activities
  - VITA organizational adjustments
  - Agency Interface Model to the integrated services platform
  - Disentanglement and transition planning with NG

Overall Program Sequence

Wave	Annual Spend	Service	Future Key Issues	Launch Date	NG Termination, New Services Commence
1	15%	chargeback applications	VITA staffing levels (MEL)	Jan 16	TBD
		IBM mainframe	declining volumes	Jan 16	NLT end FY17
		messaging	agency migration speed	Jan 16	NLT end FY17
		Microsoft licensing	pricing transparency	Jan 16	TBD
2	85%	data / voice networks	align telco strategies	TBD	
		desktop	asset ownership		
		facilities	location / ownership		
		security	transition sequencing		
3		server / storage	asset ownership		
		service integration / service desk	transition sequencing / cost extraction		

Agency Roles

As Strategic Advisors	As Recipient Users	As Delivery Participants
• Will participate in governance forums – both relational and operational • Will provide input and advise the chief information officer (CIO) and platform relationship office on goals, concerns and support issue resolution	• Improved reporting transparency and performance focus • Clearer service commitments • Simplified service catalog • Training materials • Self-service options	• Components of operating level agreements (OLA), comparable to those between the integrated service providers, to participate in the delivery stream • Documenting operating handoffs and metrics improves service delivery • Participation is voluntary but encouraged

The agency interface model (AIM) describes the way agencies interact with service management

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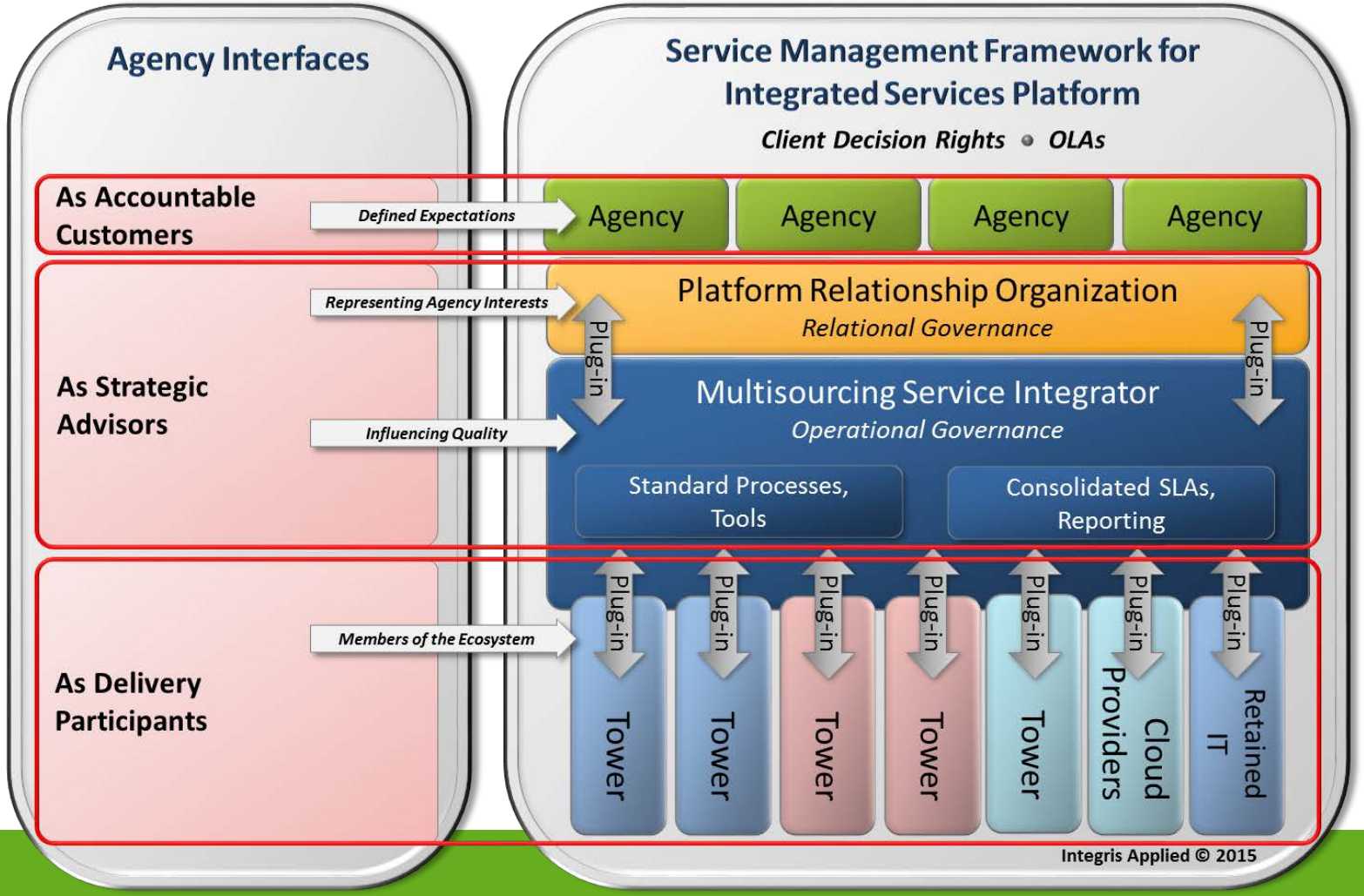
Agency Interface With Governance

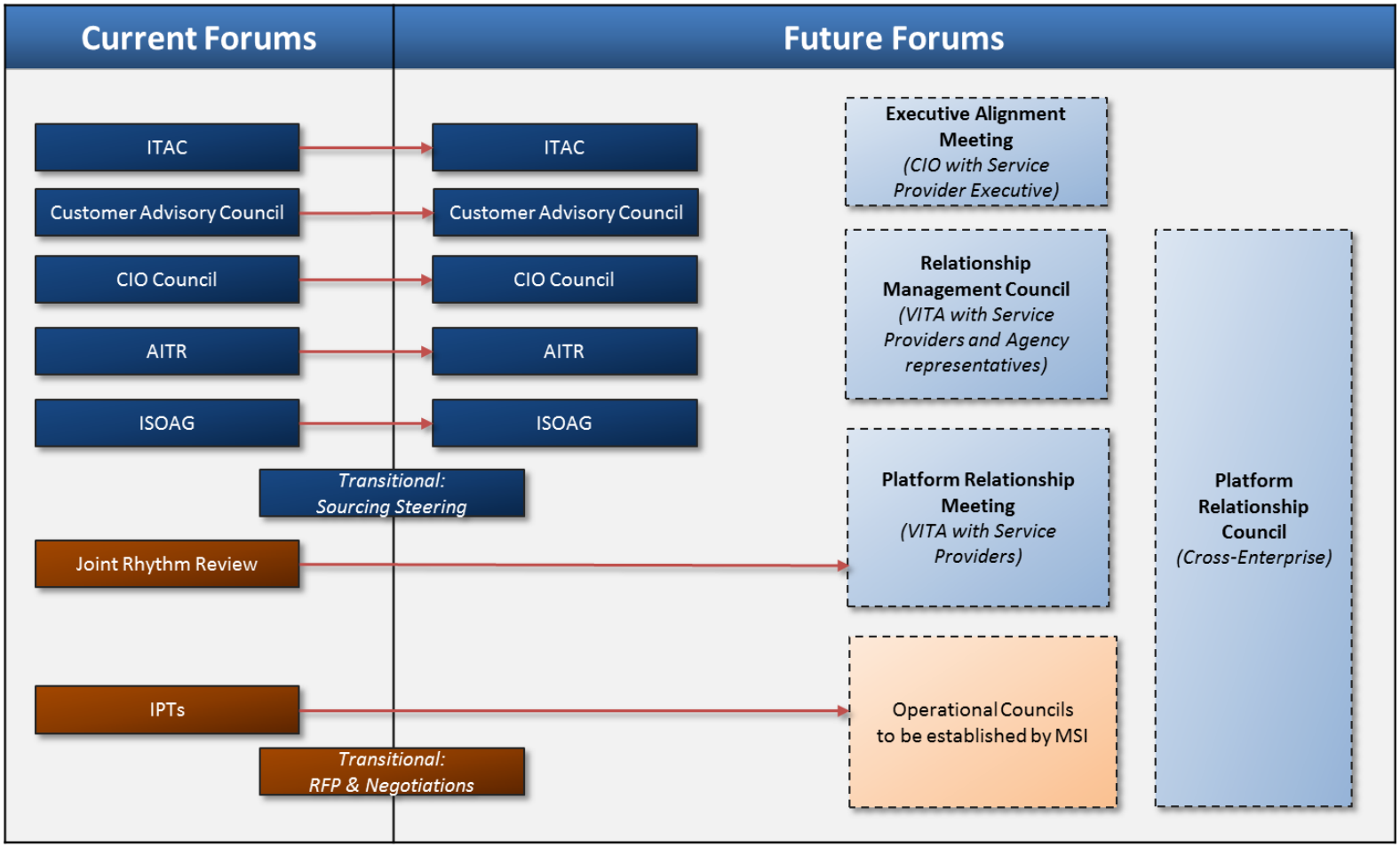


Agency Interface Model

What problem does the model solve?

- From the agency point of view it holds the providers accountable for delivery
  - Provides agencies transparency into delivery processes that are geared towards enterprise solutions
  - Supports the CIO's organization in identifying and resolving systemic platform issues
- From the provider point of view it holds agencies accountable for their participation
  - Creates buy in - business units are invested and compelled to utilize the services instead of seeking alternative services
  - Creates accountability - reduces provider's risk that customers may under-cooperate in service delivery or otherwise undermine successful delivery

Forum Recommendations



Illustrative policy decisions

- IT staff rehiring
  - More than 550 state IT staff became Northrop Grumman employees in 2006
- Purchasing assets and data center
  - Likely to cost at least $87M
- Location of data: within or outside Virginia
  - Other states use cloud or out-of-state providers
- VITA will continue engaging policymakers and market to answer these and other issues

VITA Actions

- Engage stakeholders and listen to feedback
- Engage with executive and legislative branches to avoid lost time
- Make decisions on the recommendations in measured steps
- Prepare all work streams needed to implement recommendations

IT sourcing next steps

- Continuing briefings to administration and legislative stakeholders
  - Prerequisite procurement activities initiated before session to maintain pace
- Continue disentanglement discussions with Northrop Grumman
- Sourcing activities must be completed during this administration to reduce schedule risk and facilitate methodical transition to services under new contracts
  - Next governor takes office January 2018
  - Active procurements and disentanglement may be in progress

Resources

IT Infrastructure Sourcing

- Information

vita.virginia.gov at this icon

http://www.vita.virginia.gov/default.aspx?id=6442473400

- Feedback and questions

infrastructuresourcing@vita.virginia.gov