



TABLE OF CONTENTS

- 1. PURPOSE..... 2
- 2. BACKGROUND..... 2
- 3. PROBLEM STATEMENT..... 2
- 4. APPROACH 3
- 5. METHOD 3
- 6. OBJECTIVES 4
- 7. SCOPE..... 4
- 8. DELIVERABLES 4
- 9. SCHEDULE..... 5
- 10. APPENDIX-1 Introductory Document Sent Prior to Agency Interview..... 7
 - Introduction to the Needs Assessment Interview..... 7
 - Overview..... 7
 - Your Participation in this Program..... 7
 - The Interviews 8
 - ITS Interview Questions 8

1. PURPOSE

This document defines the Needs Assessment Plan for the Assessment and Recommendation phases of the VITA IT Infrastructure Services Sourcing (ITS) Project. The objective of this plan is to obtain input from key stakeholders and develop an understanding of Commonwealth Agencies' future business needs, and the needs of the enterprise as a whole. This input will guide the development and evaluation of recommendations for the Commonwealth's next generation sourcing strategy.

2. BACKGROUND

VITA is the Commonwealth's consolidated, centralized information technology organization. Established by the 2003 General Assembly, VITA's responsibilities fall into three primary categories:

- i). Operation of the IT infrastructure, including all related personnel, for the executive branch agencies declared by the legislature to be "in-scope" to VITA;
- ii). Governance of IT investments in support of the duties and responsibilities of the Secretary of Technology and the Chief Information Officer of the Commonwealth;
- iii). Procurement of information technology for VITA and on behalf of other state agencies and institutions of higher education.

VITA is developing a sourcing strategy and associated recommendations, to include an assessment of the Commonwealth's current and future IT infrastructure service needs; an evaluation of available and anticipated service options and models for managing and delivering those services, including the disentanglement and transition of services from an incumbent vendor; and an analysis of the relative cost and benefits of proposed service options and models, including the effect on customer agencies of insourcing, outsourcing, or multi-sourcing. The term of the Comprehensive Infrastructure Agreement (CIA) ends on June 30, 2019. Disentanglement associated with the end of the contract term begins on October 1, 2018.

3. PROBLEM STATEMENT

VITA sits at the center of the Commonwealth's strategy to improve service delivery to citizens. As the agency responsible for providing the information technology and services that enable government to serve the citizens of the Commonwealth, VITA must keep pace with new technologies and how Virginians are using those technologies in their daily lives. VITA's partnerships with the marketplace must provide transparency, flexibility and innovation, while meeting the needs of the agencies that sit on the front lines with citizens every day.

The current relationship with Northrop Grumman provided a significant step forward in providing consistent standards and security as well as modernizing the IT infrastructure. Technology has evolved and citizens needs have changed significantly. Information technology requirements are already beyond the requirements that could have been imagined when the existing contract was conceived. It is time to reassess that partnership.

VITA must develop a sourcing strategy that balances the needs of Commonwealth Agencies and the Commonwealth as a whole. This strategy must be developed in partnership with Agencies and policy makers, incorporate marketplace capabilities and innovation, and consider short term and long term costs. The importance of any new strategy for all stakeholders necessitates inclusivity, transparency and an "all hands on deck" approach to understanding challenges and potential tradeoffs. Only an iterative engagement model that solicits feedback and engages participation at each step will produce the right outcomes for the Commonwealth.

4. APPROACH

The Assessment phase, which includes the needs assessment, is critical not only for shaping the recommendations in the second half of the ITS project but also for the tone it will set with Agencies and other stakeholders. VITA's initiative is much more than a second generation sourcing event. It is a significant change management program. The highly collaborative approach of the ITS project is designed for a public sector enterprise of the Commonwealth's size and scope.

The Integris Applied approach will:

- Collaborate with Agencies and Policy Makers
- Recognize agency business requirements and customer service needs
- Create buy in for options and the need for change
- Balance agency needs with enterprise requirements
- Develop forums for ongoing dialogue and feedback

The Needs Assessment will rely on stakeholder interviews and the analysis of those interviews. The VITA team, including Integris Applied, will implement a communications plan aligned with the Needs Assessment. The communication plan will set perceptions and establish trust with stakeholders including VITA leadership and staff, agency customers, legislators, the incumbent service provider, and policy makers. Open communications, inclusion and transparency will be themes throughout this project.

At key points along the course of this project, the VITA core team and Integris Applied will conduct summary reviews of observations and findings with stakeholder teams. The purpose of these reviews is two-fold:

1. Provide additional perspective or qualitative insight on what might be a quantitative finding from another source; and
2. Include stakeholders in the whole journey, starting with the assessment, to set a tone of inclusion and participation.

Details of the project that support this approach are described below.

5. METHOD

The needs assessment is grounded in interviews with key stakeholders. The purpose of these interviews is to understand Agency and Commonwealth future business needs and the barriers that are preventing them from obtaining those needs. The question that frames our methodology is "looking to the future, what do the agencies need to serve their customers?" In addition, Integris Applied will interview internal VITA experts and incumbent service provider personnel. The needs assessment will produce short term recommendations for service improvement, and will shape final recommendations for a future state delivery model. The needs assessment will also outline tradeoffs that will likely exist between agency and enterprise needs. These tradeoffs will influence recommendations for a future state delivery model.

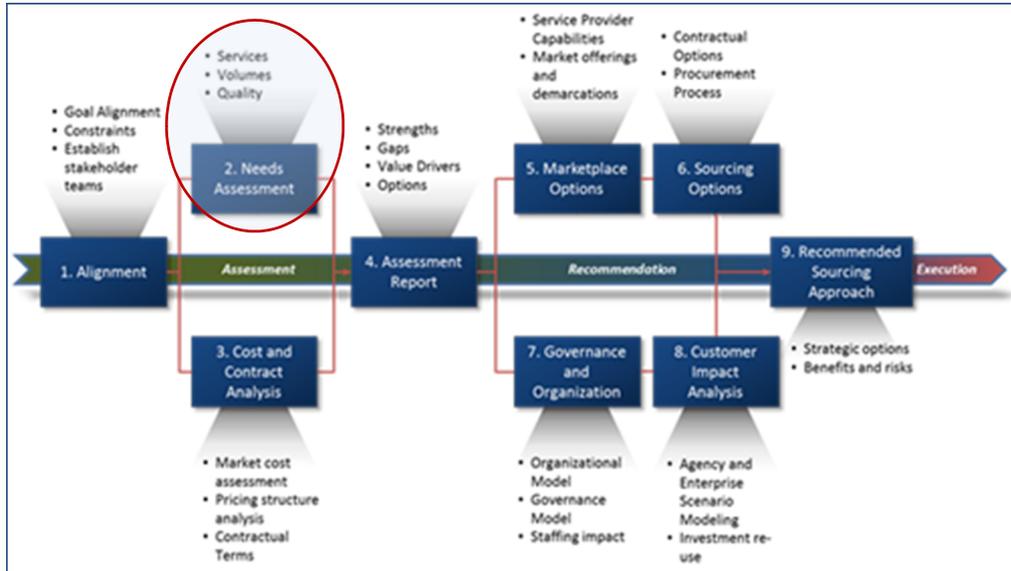
Prior to conducting interviews, Integris will collect existing data about VITA services to agencies and about agencies themselves to create a database that will be used to identify groupings of agencies that may have specific needs. The groupings of agencies will be used to ensure that interviews include agencies from each population. Probable grouping criteria include size, types of services, high/low complexity, high regulatory environments, public visibility and high security requirements.

Interviews will be preceded by an informational message, shown in Appendix-1 below, which introduces the purpose of the assessment, the process and the questions that will be posed in order to allow agency interviewees to prepare their responses in advance. Each interview will be conducted by two experienced consultants who will document each session with interview notes. During the course of the interviews, the notes and ranking responses will be compiled to uncover trends and priorities of the agencies and other stakeholders. The resulting analysis will form the basis for the final report.

6. OBJECTIVES

In order to identify issues and opportunities in the current environment that will influence the evaluation of potential business model for VITA, Integris Applied will survey the future business needs of the agencies that rely on VITA for infrastructure services.

The needs interviews are one of the primary building blocks in the overall IT Infrastructure Sourcing project as shown in the illustration below.



The agency interviews will focus in four areas.

1. Understanding of Agency Mission and Business Objectives
2. Ability of IT Service Model to Meet Agency Business Needs
3. Understand how service delivery and management support meets business needs
4. Program Management and Agency Participation

7. SCOPE

Integris Applied will:

- Conduct ~60 interviews with Agency business and technology leadership;
- Conduct ~20 follow up interviews to validate findings and deepen understanding;
- Conduct ~10 interviews with policy makers
- Interview Northrop Grumman leadership
- VITA leadership

Interviews will be conducted over a seven week period at which point an interim findings report will be delivered. Follow up interviews will be conducted in the three week period after this interim report. A final report will be deliverable during the week of May 18, 2015.

8. DELIVERABLES

The deliverables that will be produced during the needs assessment are:

- A. Interview schedule and interview guide (with agency profiles)
 - Purpose: Provide visibility and receive validation for agency interviews
 - Deliverable: Interview framework document to be used during interviews.

B. Agency, key stakeholder and policymaker interviews

- Purpose: Critical component of overall program; used to determine future technology needs of VA agencies for service delivery to citizens; and to build consensus
- Deliverable: Multiple interviews with VA agency leadership; interviews with policy makers; approximately 130 interviews

C. Interim agency and stakeholder assessment reports

- Purpose: Present initial findings from agency and stakeholder interviews; to facilitate validation of findings
- Deliverable: Reports with initial findings; assessment of trends observed during initial interviews (all stakeholders/agencies)

D. Final agency and stakeholder assessment reports

- Purpose: Present final and validated findings from agency interviews, and initial recommendations.
- Deliverable: Reports with final findings; assessment of needs across the agency; completed after 2nd and potentially 3rd rounds of interviews with target agencies (i.e., for extra outreach/validation)

E. Final enterprise report

- Purpose: Present findings of enterprise needs; develop understanding of potential tradeoffs between agencies and enterprise in a future state
- Deliverable: Report with final findings of enterprise needs in a future state

F. Needs assessment report (bringing together agency and enterprise reports)

- Purpose: Present needs of both enterprise and agencies in a future state; potential tradeoffs between agencies and enterprise in a future state; identify lessons learned; bring agencies along on the journey to develop a future state platform for service delivery
- Deliverable: Final validation review of all needs assessment activity; describes future state needs, potential risks and agency/enterprise tradeoffs. Identify initial recommendations for short and long term opportunities.

Integris Applied deliverable dates for the needs assessment are shown in the chart below.

Needs assessment project plan	February 20th
Interview schedule and interview guide	February 27 th
Interim agency and stakeholder assessment report	April 24 th
Final agency and stakeholder assessment report	May 22 nd
Final Enterprise report	June 19 th

9. SCHEDULE

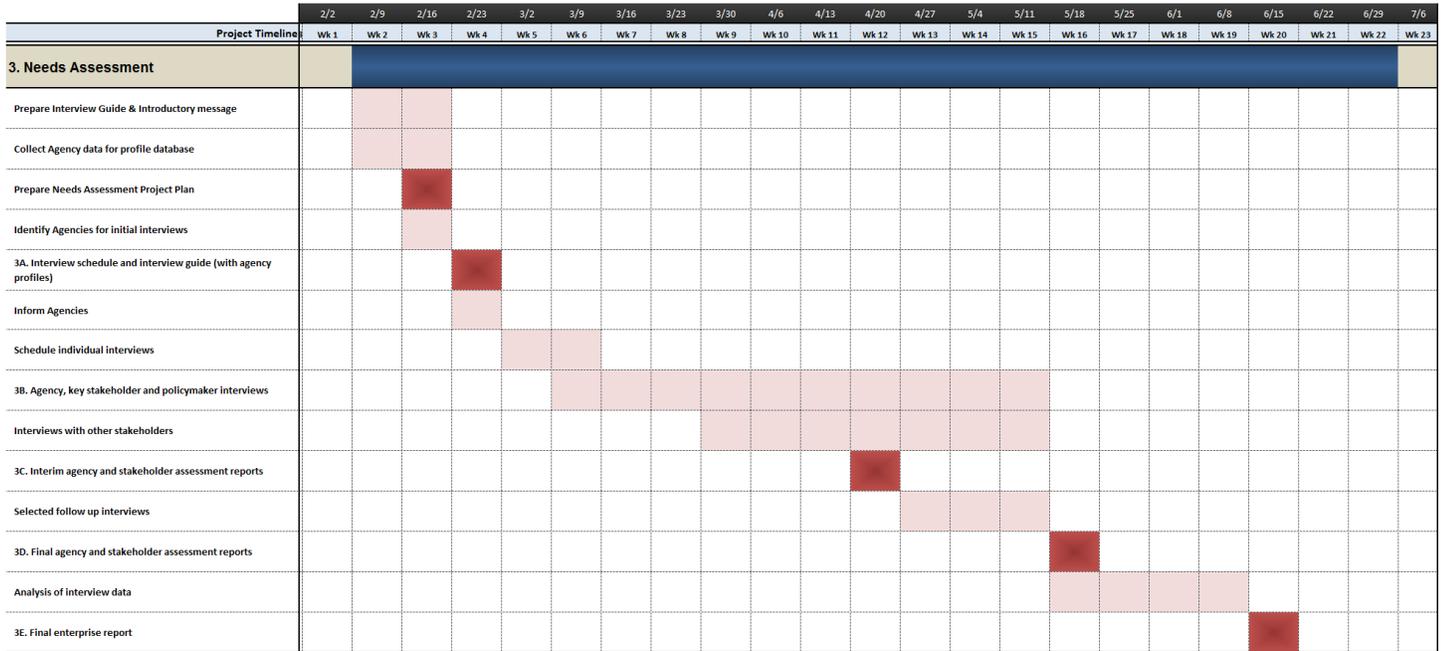
With the assistance of VITA, Integris will schedule interviews with three agencies during week 4 (week of February 23rd) in order to test the interview process and questions. The pilot agencies are the Virginia Department of Motor Vehicles, Virginia Department of Taxation and the Virginia Department of Elections.

Following these initial interviews, Integris will conduct interviews with approximately sixty agencies and other stakeholders during the following ten weeks. Interviews may be conducted with both business and IT leaders, and in some cases, follow up interviews will be scheduled.

The majority of interviews will be completed prior to submission of an interim assessment report during week 12 (week of April 20th). The final assessment report will be delivered during week 16 (week of May 18th).

followed by a final enterprise report that will contain interpretation of the impact of the assessment findings on potential future business models during week 20 (week of June 15th).

The figure below shows a high level representation of the schedule.



10. APPENDIX-1 Introductory Document Sent Prior to Agency Interview

Introduction to the Needs Assessment Interview

Overview

Since 2006, the Commonwealth has had a partnership with Northrop Grumman for the modernization, standardization and consolidation of Virginia's technology. The objectives of this partnership were to improve management of a sprawling technology enterprise, improve security for the Commonwealth, and to allow Agencies to focus on their business rather than commodity technology services. The partnership has produced numerous benefits for the Commonwealth, including improved security, a common email system, and standardization of basic technology equipment. The partnership has also given the Commonwealth greater transparency into its technology expenditures.

The Comprehensive Infrastructure Agreement with Northrop Grumman is set to expire on July 1, 2019. After what will be a 13 year partnership, it is time for the Commonwealth to develop a new technology strategy. Citizen expectations of, and interactions with, technology have changed dramatically in recent years. The Commonwealth must improve its ability to take advantage of advances in technology.

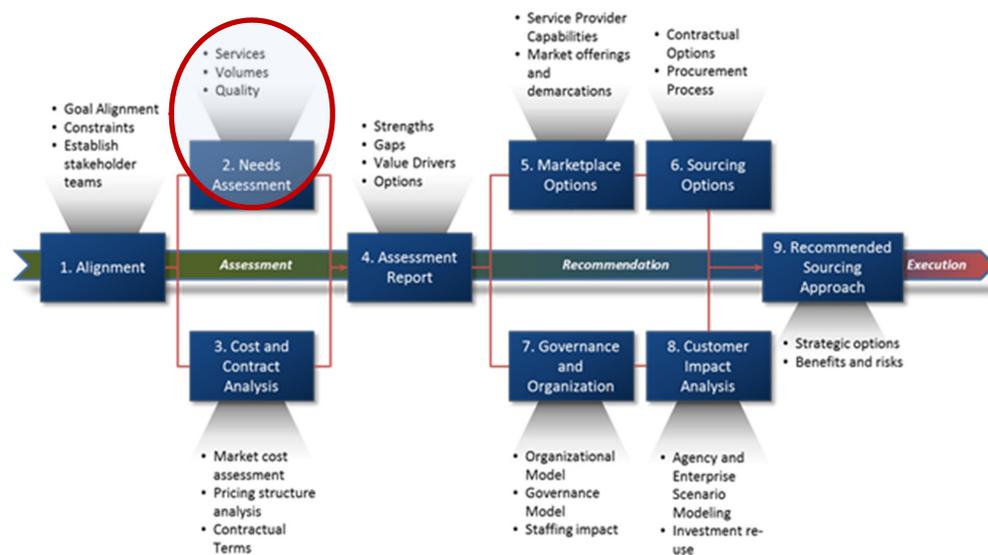
The IT Infrastructure Sourcing Project is the first phase in a multi-year journey to develop and implement a new strategy for the Commonwealth.

Your Participation in this Program

In order for VITA to develop recommendations that are in the Commonwealth's best interest, Agency participation is crucial. We must consider how your business is evolving, what your future needs may be, and what your customers demand from you. To do this we will conduct a Needs Assessment - the first step in our journey to develop a new sourcing strategy.

This Needs Assessment is simple but will take time. Our third party advisors, Integris Applied, will conduct interviews with key members of your team, focused on the business needs of your Agency. These interviews will provide the necessary input to develop the optimal model for obtaining and delivering infrastructure services in the future.

The chart below provides a view of the process that will be used to develop options and recommendations.



The Interviews

Context for the interviews and the questions that will be used are provided below. We ask that you prepare as much as you can in advance of the interviews. We welcome detailed responses and will incorporate data you provide into our findings. We also look forward to receiving feedback about this process and how it might be improved.

Most important, we look forward to hearing from you. The Commonwealth's next steps must be driven by our business needs. And while no recommendation will be perfect, and while tradeoffs are inevitable, transparency and inclusion will be vital.

Objective of interviews: Understand Agency business needs; understand drivers for change.

- Where does current service prevent Agencies from achieving their mission?
- What services will Agencies need in the future?
- Define needs for the Commonwealth's future delivery model.
- Identify enterprise impacts and agency impacts. What are the tradeoffs?

This assessment:

- Focuses on Agency business needs
- Identifies the future operating model needs and wants
- Highlights gaps between Agency needs, Northrop Grumman performance and VITA effectiveness

This assessment is not an analysis of the current state or a technical analysis. It is intended to help the Commonwealth understand what needs a future delivery model must address to improve Commonwealth service delivery to citizens.

Approach in this interview:

- The Agency **runs** its business, delivering services to citizens

VITA provides services that **enable** the Agency's business

What **enablers** does the Agency anticipate needing to run its business in the future?

What does the Agency see as barriers that prevent them from obtaining these **enabler** services?

- We will tell you the objective of each group of questions so that you can be sure we address them in the interview.
- The topics will be:
 1. VITA knowledge of your Agency
 2. Your business needs
 3. The Services you need
 4. Program management and Agency participation
- The interviewer will ask you to rank your responses by importance to you

ITS Interview Questions

1) *Understanding of Agency Mission and Business Objectives*

Objective:

Understand your business and what is important you.

Understand how the Agency serves its customers today and how the Agency anticipates service to customers will change in the future.

Questions:

1. What are the major objectives of your Agency now?
2. What do you think will be your major objectives in the next 3-5 years?
3. What must be understood (by VITA and other stakeholders) about your Agency to ensure IT services meet your unique business needs?

2) Ability of IT Service Model to Meet Agency Business Needs

Objective:

What services must be provided to support the Agency's future (3-5 year) business needs?

We are trying to record where the current model does not support business needs (separate from how competently the current model works)

Questions:

1. On a scale of 1-5 (5 being the best) how effectively does the current IT service model enable you to meet your customers' needs?
2. What specific changes to the service model should VITA make to help you deliver the services your customers will demand in the next 3-5 years?
(eg. Like buying cloud services from Amazon, or supporting mobile phone apps)

3) Service Delivery

Objective:

Understand how service delivery and management support meets business needs.

What characteristics are most important: e.g. reliability, problem response, provide new types of service,...

Questions:

1. In what ways does the current service delivery model hinder your ability to achieve your mission? Please provide 3-5 specific examples.
2. In what ways does the current service delivery model support your ability to achieve your mission? Please provide 3-5 specific examples.
3. What should VITA's future role be in the delivery of enterprise IT infrastructure services?
Fully managed service, buying service, service integrator...
4. How would you describe VITA's current role on a scale of 1-5 (with 5 being the best)
As an oversight organization?
As a service organization?

4) Program Management and Agency Participation

Objective:

We want to understand the effectiveness of the current engagement model for decision making, issue resolution, service evolution and Agency participation.

Questions:

1. On a scale of 1-5 (with 1 being "not at all" and 5 being "heavily engaged") how involved is your agency today in decisions affecting IT infrastructure services your Agency receives?
2. On a scale of 1-5 (with 1 being "not at all" and 5 being "heavily engaged") how involved do you want your agency to be in decisions affecting IT infrastructure services for your Agency?
3. On a scale of 1-5 (with 1 being "not at all effective" and 5 being "very effective") how effective is the VITA decision making process for new services?
4. On a scale of 1-5 (with 1 being "not at all effective" and 5 being "very effective") how effectively does VITA resolve issues and problems:
Involving the IT services it provides?
Involving program governance?
5. What three characteristics of a future delivery model would most help your Agency improve service to your customers? (i.e. speed to new service delivery, flexibility, stability)