



Virginia Information Technologies Agency

# CIO Status Report

**George F. Coulter**

CIO of the Commonwealth

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Information Technology Investment Board

October 15, 2009





## Topics

- CIO Council
- 45-Day assessment
- Planned Activities
- Major IT projects
- Finance and Audit
- IT Infrastructure Partnership
- Enterprise Applications

# CIO Council

- Customer knowledge and experience
- Advise and assist with decision making
- Formed in September, met Oct. 1





## CIO Council members

Sam Abbate  
*Northrop Grumman*

Linda Belflower  
*Virginia Employment Commission*

Dave Burhop  
*Motor Vehicles*

Dr. Jim Burns  
*Health*

Bethann Canada  
*Education*

Barry Condrey  
*Chesterfield County*

Prin Cowan  
*Motor Vehicle Dealer Board*

Rick Davis  
*Corrections*

Maurion Edwards  
*General Services*

Wanda Gibson  
*Fairfax County*

Robert Hobbelman  
*Social Services*

Steve Jones  
*City of Blacksburg*

Sharon Kitchens  
*Taxation*

Rick Phillips  
*Accounts*

Murali Rao  
*Transportation*

Todd Richardson  
*Mines, Minerals and Energy*

David Simmons  
*Game and Inland Fisheries*

Val Thomson  
*Environmental Quality*



## 45-Day assessment

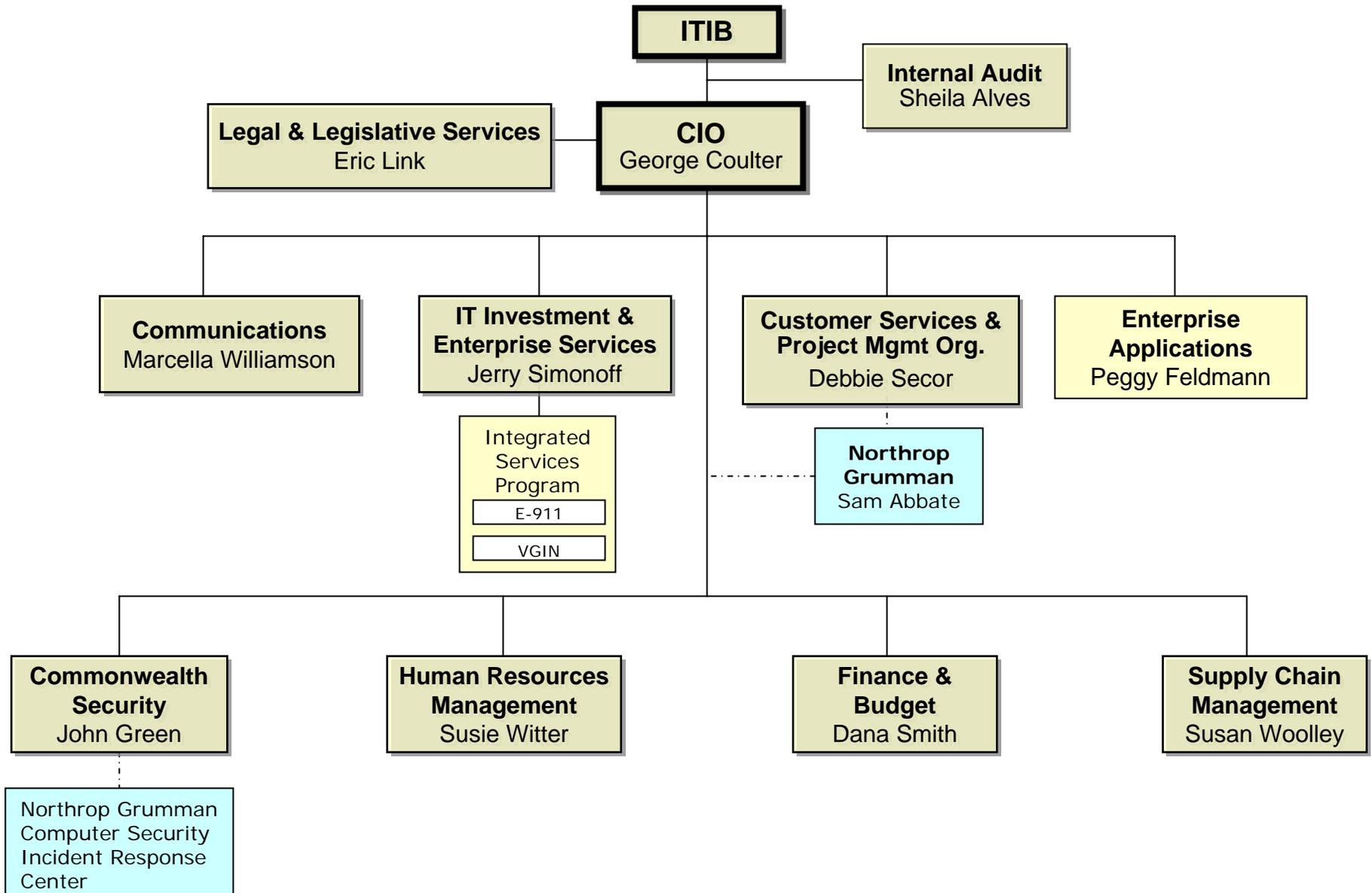
- Tremendous progress made
- Impressive body of talent
- Significant challenges can be overcome
- My top priorities
  1. Enhancing customer service
  2. Getting the IT infrastructure program with Northrop Grumman back on track
  3. Reducing expenses
- All three must move forward in tandem
- Commitment from Northrop Grumman



## Organizational changes support priorities

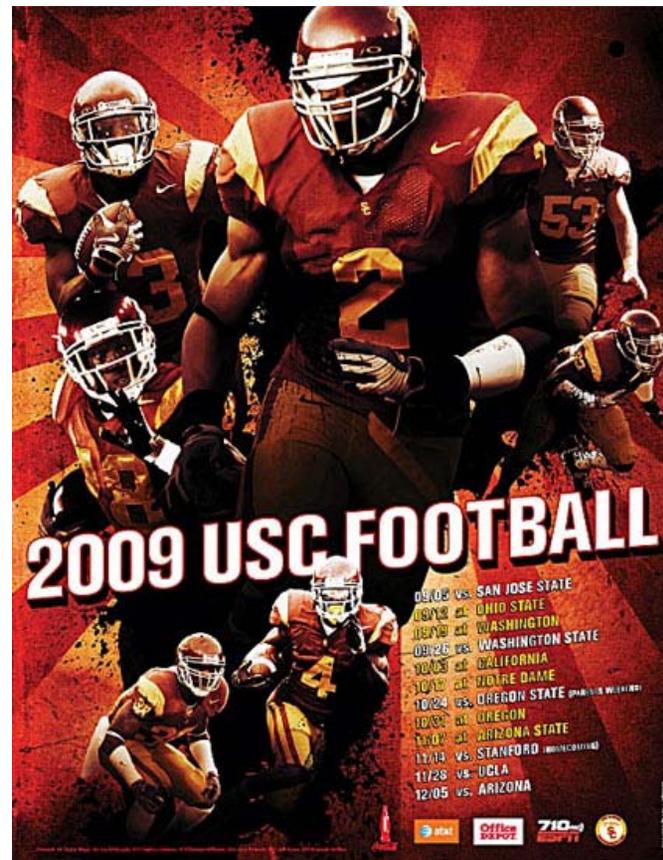
- Improve teamwork – we are in this together
- Empower AND remove obstacles
- Streamline decision making
- Increase responsiveness
- Northrop Grumman is making similar changes to mirror the VITA organization

# VITA Organization



# We must work as a team

- Results
- Service
- Cooperation





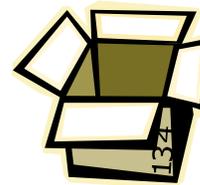
## Customer teams = better customer service

- Focus – customer satisfaction
  - Projects
  - Transformation
  - Services
  - Security
- Structure – forming seven integrated customer teams
  - By secretariat
  - Overseen by two Customer Service Managers
  - Seven team leads
  - In place by Nov. 1

## Teamwork in action

- Matrix management
  - All areas of VITA and Northrop Grumman
- Empowered to
  - Support customers
  - Get creative
  - Gather resources
  - Make decisions
  - Resolve issues
  - Work together

The first customer team successfully supported the complex server move project at Social Services



- 85+ servers
- 120+ sites
- 50 staff



## Actions since last meeting

- Corrective action plan from Northrop Grumman submitted
  - Corrective action plan is NOT a contractual modification; it is a plan to complete contractual obligations, albeit delayed
  - Actively working with agencies on schedule, transformation
- RTIP Report submitted to Governor and General Assembly
  - Funding requests for new Major IT Projects
  - Maintain funding for active projects

## Actions since last meeting

- Attended Commonwealth of Virginia Innovative Technology Symposium (COVITS)
  - Met with Virginia Local Government IT Executives (VaLGITE)
- Ongoing agency meetings
- Re-architecting network, storage
  - Increase reliability
  - Improve cost effectiveness





## Earned national recognition

- 2009 NASCIO Recognition Awards - Finalists  
Most recognition of any state in the nation
  - Cross-Boundary Collaboration/Partnerships: University IT Internship Partnership (Mines, Minerals & Energy)
  - Data, Information & Knowledge Management: Virginia Performs (Council on Virginia's Future)
  - Government to Citizen: Virginia.gov Portal Widgets (VITA)
  - IT Project & Portfolio Management: Virginia Technology Portfolio 2.0 (VITA)
- 2009 Digital Government Achievement Award
  - Government-to-Citizen: Stimulus reporting Web site (Governor, Accounts, Planning & Budget, VITA)





## Planned activities

- Analyze JLARC's review of VITA; continue to work with JLARC
  - Comprehensive briefing delivered Oct. 13 (1 of 2)
    - IT Infrastructure Partnership and governance focus
    - Appreciate thoroughness and professionalism of JLARC staff
    - Significant findings to analyze
    - Will be helpful to address top priorities
  - Next briefing in December (2 of 2)
    - Quality and impact of VITA and Northrop Grumman's services
    - Enterprise applications and data standards
    - Oversight of IT projects
    - IT procurement
    - Rates and billing issues
    - IT expenditures



## Contract modifications

- Proposed contract changes are on hold, pending analysis of JLARC findings and VITA's detailed review of impacts to Commonwealth, customers
  - The CIO anticipates establishing a contract review workgroup to advise on any proposed contract modifications
    - Planning ITIB representation
  - Only pursue contract modifications that benefit the Commonwealth
  - Rely on Office of the Attorney General review to ensure modifications preserve Virginia's rights
  - Before executing contract modifications
    - Follow the process set forth by the Governor's Office with the ITIB and Governor's Office
    - Provide detailed briefings to General Assembly members and staff



## Planned Activities

- Provide IT infrastructure support to new administration
- Host CIO Council meeting Nov. 4
- Continue executive meetings with agency heads
- Host Commonwealth Information Security Conference
- Visit Southwest Enterprise Solutions Center
- Represent Virginia at National Association of State CIOs (NASCIO) conference
  - 2009 NASCIO Recognition Awards



# Commonwealth Major IT Project Status Report

## Major Projects

CIO Assessment	Number	Dollar Value
Active – Red	0	\$0
Active – Yellow*	5	\$426,226,438
Active – Green	22	\$241,457,831
Suspended	0	\$0
Total	27	\$667,684,269

\*\$357 million attributed to STARS project



## Current IT Portfolio Snapshot – Major Projects

July 1, 2009

### Total Major Portfolio

49 projects

Value of \$716,525,325

- **Approved for Development**  
24 projects - Value of \$566,577,912
- **Approved for Planning**  
18 projects - Value of \$120,365,628
- **Identified for Preliminary Planning**  
7 projects - Value of \$29,581,785

October 1, 2009

### Total Major Portfolio

52 projects

Value of \$758,892,048

- **Approved for Development**  
27 projects - Value of \$667,684,269
- **Approved for Planning**  
15 projects - Value of \$55,007,994
- **Identified for Preliminary Planning**  
10 projects - Value of \$36,199,785



## Summary of Portfolio Changes – Major Projects

### Identified for Preliminary Planning

- VITA Shared Service - Enterprise Content Management
- VITA Shared Service - Business Intelligence
- DOC Electronic Healthcare Medical Records

### Approved for Planning

- VDOT Roadway Centerline (VGIN Merge)
- DMV REAL ID



## Summary of Portfolio Changes – Major Projects

### Approved for Development

- VDOT Highway Performance Monitoring System (HPMS)
- VEC Unemployment Insurance Modernization
- DBA Business One Stop - Phase II
- VCCS Human Resources Management System (HRMS)
- DPB Performance Budgeting Solution

### Completed

- VDOT VATraffic
- DOF Integrated Forest Resources Information System – Forest Protection & Mobile Computing



# FY2009 closed better than expected

Actual (July 08 – June 09)	FY 2009 Budget	Actual revenue as % of budget
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	<u>Revenue</u>	<u>Expense</u>	<u>Net</u>		
Fee for Service (ISF)	\$ 269.5	\$ 270.9	\$ (1.4)	\$ 261.8	102.9%
E-911 (Enterprise)	\$ 51.5	\$ 60.3	\$ (8.8)	\$ 51.1	100.8%
General Fund	\$ 1.9	\$ 1.9	\$ -	\$ 1.9	100.0%
Special Revenue (IFA & VGIN)	\$ 8.3	\$ 8.6	\$ (0.3)	\$ 6.5	127.7%
Federal Grants	\$ -	\$ -	\$ -	\$ -	0.0%
<b>Total</b>	<b>\$ 331.2</b>	<b>\$ 341.7</b>	<b>\$ (10.5)</b>	<b>\$ 321.3</b>	<b>103.1%</b>



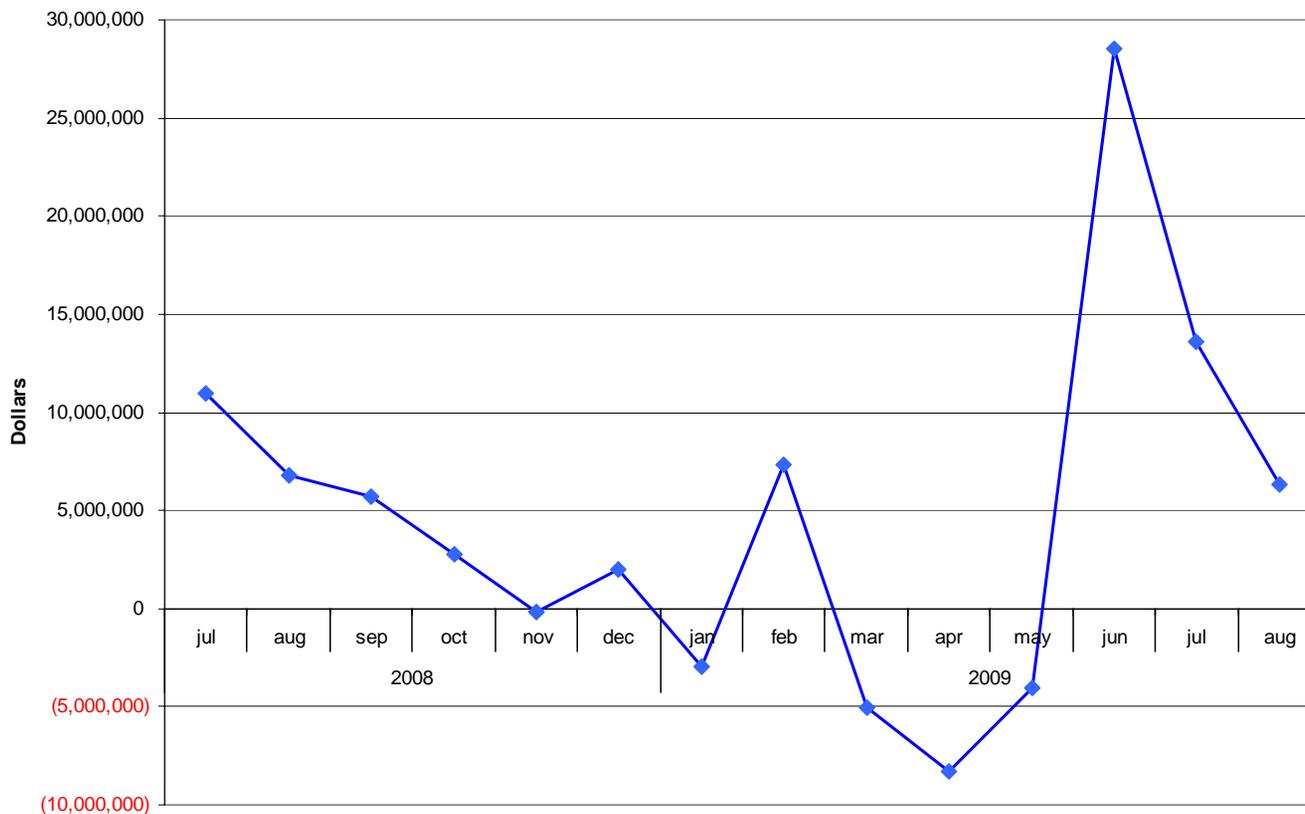
# FY 2010 YTD financial results (Aug. 31)

	Actual (July 09 – August 09)			FY 2010 Budget	Actual revenue as % of budget
	<u>Revenue</u>	<u>Expense</u>	<u>Net</u>		
Fee for Service (ISF)	\$ 41.5	\$ 41.8	\$ (0.3)	\$ 274.7	15.1%
E-911 (Enterprise)	\$ 8.8	\$ 11.9	\$ (3.1)	\$ 42.1	20.9%
General Fund	\$ 2.8	\$ 0.4	\$ 2.4	\$ 2.9	96.6%
Special Revenue (IFA, VGIN & EAD)	\$ 1.2	\$ 1.4	\$ (0.2)	\$ 8.1	14.8%
Technology Infrastructure Fund	\$ -	\$ 0.5	\$ (0.5)	\$ 9.0	0.0%
Federal Grants	\$ -	\$ -	\$ -	\$ -	0.0%
<b>Total</b>	<b>\$ 54.3</b>	<b>\$ 56.0</b>	<b>\$ (1.7)</b>	<b>\$ 336.8</b>	<b>16.1%</b>



# Cash Flow (ISF-Fee for Service)

VITA - ISF Cash On-Hand (end of month)





## Managed services billing

- *October* – Re-baselining activities
  - Adjusted quantities (Q) x Price (P) = < \$236 million
  - Prerequisite to moving to managed services billing
- *November* – Pending the timing of contract review workgroup recommendations, Northrop Grumman delivers managed services invoice to VITA using the adjusted baselines
- *December* – Usage is introduced to the managed services invoice
  - Quantities above or below the adjusted baselines



# Audit Corrective Actions Update

ISSUER	# RESULTS
Auditor of Public Accounts	43
<u>VITA Internal Audit</u>	<u>48</u>
Total	91

## Status as of September 2009

Blue	4	Initiatives ( 4.4%)
Green	82	Initiatives ( 90.1%)
Yellow	5	Initiatives ( 5.5%)
Red	0	Initiatives ( 0%)



NORTHROP GRUMMAN

# Current Operations

Service level dashboard

	June	July	August
<b>SLAs Reporting</b>	159	193	193
<b>G</b>	91%	94%	91%
<b>Y</b>	4%	3%	4%
<b>R</b>	5%	3%	5%
<b>SLA Coverage</b>	58%	64%	71%

Legend



**Red--**  
Fail to reach target  
by > 10%

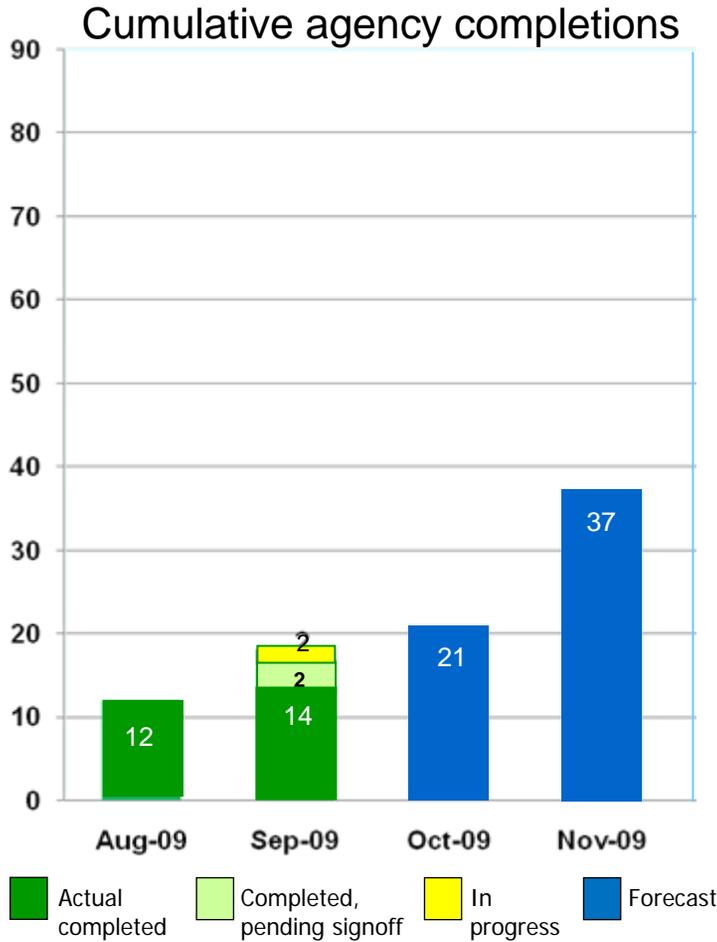
**Yellow --**  
Fail to reach target  
within 10%

**Green--**  
Met or exceeded  
target



NORTHROP GRUMMAN

# Transformation



## Transformation is well underway

- 40% of agencies are 90% (or more) complete
- 69% of all transformation work is completed
- Of 74 milestones, 69 accepted

## Schedule to be finalized

- VITA and Northrop Grumman are working with agencies to reach agreement on schedule
- 30% of agencies have agreed to schedule

- The forecasted numbers will change as schedules are finalized at agencies
- Four agencies not scheduled (VSP, VDEM, DFS, DMAS)



# Enterprise Applications

- Performance Budgeting
  - Statewide contract awarded to Performance Planning Corporation (PPC)
    - Contractors on board
    - Preliminary design session with Planning and Budget complete
    - Agency design sessions this week
- Financial Management
  - Statewide contract awarded to Accenture (Oracle PeopleSoft)
    - Contractors on board
    - Schedules being finalized for detail design
- Both projects will be reviewed quarterly at the ITIB Major Projects and Enterprise Applications committee



## Enterprise Applications Division ~ Status

- Business Intelligence
  - Production server established Aug. 1
  - National award for Virginia Stimulus Web site
- Data Management
  - Continuing development of financial management standards and interfaces
    - Vendor
    - Procure to Pay
    - Chart of Accounts
    - Human Resources
  - Supporting HITSAC and Health Information Exchange stimulus proposal



# Working Capital Advance (WCA)

- Status of repayment of \$30 million WCA
  - Currently, no repayments have been made to the fund
    - Governor's July letter
  - Currently, only benefit streams can repay the WCA
    - VITA has submitted decision package to allow agency use fees
- Enhanced Tax collections revenue
  - Renegotiated the contract because of tax amnesty
    - July to June timeline
    - TAX and CGI confident of \$2-4M/year
- Department of Medical Assistance Services' contribution
  - Phase 1
    - Procurement savings are possible (\$2.5 - \$4M)
  - Phase 2
    - Use Productivity Investment Funds to begin the new procurements
    - Negotiation with DMAS contribution to the fund