



*Report on Potential Sourcing Options for the
Virginia Information Technologies Agency – October 2015*

SOURCING OPTIONS REPORT



The Virginia Information Technologies Agency (VITA) provides IT infrastructure services to executive-branch agencies throughout the Commonwealth of Virginia, primarily through a contract with Northrop Grumman. In anticipation of contract expiration in 2019, and with recognition of the complexity of change in such a large shared services environment, VITA is currently evaluating sourcing strategies to better align with current best practices and future customer requirements. Toward that end, VITA has commissioned Integris Applied, an IT sourcing advisory firm with focus on the public sector and next-generation sourcing models, to assess the current environment and develop a long-term strategy.

This report is provided by Integris Applied to VITA, its customers, and the Commonwealth of Virginia at large. It describes a range of sourcing models and evaluates them to determine which models might best meet the goals of both the Agencies and the Enterprise. Sourcing models identified as unable to meet goals will be eliminated from additional review, and models determined to be likely to meet goals will be evaluated in further reports to build a final recommended sourcing approach.



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1. Executive Summary

The Virginia Information Technologies Agency (VITA) has undertaken a comprehensive assessment program to develop recommendations for a next generation sourcing strategy in the Commonwealth of Virginia (COVA). Based on earlier assessments, and the upcoming expiration of the Comprehensive Infrastructure Agreement (CIA) with Northrop Grumman, there is a clear need to change COVA's IT infrastructure service delivery platform. There are many possible future-state operating models to consider, such as re-sourcing with a new full-scope provider, insourcing, or multisourcing. Moving to one (or a combination) of these models must address further questions such as timing and financing.

The ideal sourcing scenario must meet the goals of agencies and the enterprise as a whole. Agencies, who are the end customers of the services, have individual goals that were identified during the Assessment Phase. Agency goals, such as service choice and flexibility, reflect their individual missions and the services they deliver to the citizens they serve. The enterprise as a whole also has goals, including attaining VITA's enterprise oversight responsibilities, securing Commonwealth data, and maintaining cost competitiveness. Although agency and enterprise goals are not necessarily in conflict, they are different.

Scenarios which are unable to meet both sets of goals were eliminated from additional review. The remaining sourcing scenarios, which were determined to be more capable of meeting the goals, will be evaluated as part of the final recommended sourcing approach.

Primary findings of this initial scenario evaluation include:

- The Commonwealth will be best served by leveraging a broad set of market capabilities through an ecosystem consisting of multiple contracts and service providers;
- Implementing the change program in waves (rather than a "big bang" when the term of the CIA expires) will increase the likelihood of success and mitigate transition risk;
- The service integration function should be outsourced rather than built internally; and
- Service towers should be awarded to multiple competitive providers where practicable.

Two scenarios meet the goals of both agencies and the enterprise. First, rebidding in waves for multiple suppliers with an external integrator. There may be more than one supplier in some towers, such as cloud services. Second, rebidding in waves, using an external integrator, but using only one supplier in each tower. This report does not provide a financial assessment of these options. The financial review, coming in a future report, may therefore further affect the preferred scenarios.



2. Identifying Scenarios

2.1 Context: Simplifying a Range of Choices

Integris Applied identified a range of scenarios intended to address the spectrum of options potentially available to the Commonwealth. Although any one could be further divided into many permutations, the seven identified scenarios represent the primary choices such as:

- Insourcing versus outsourcing
- Single-sourcing versus multi-sourcing by towers versus multisourcing within towers
- Timing: build in waves or wait until end of term
- Insourcing versus outsourcing the service integration function

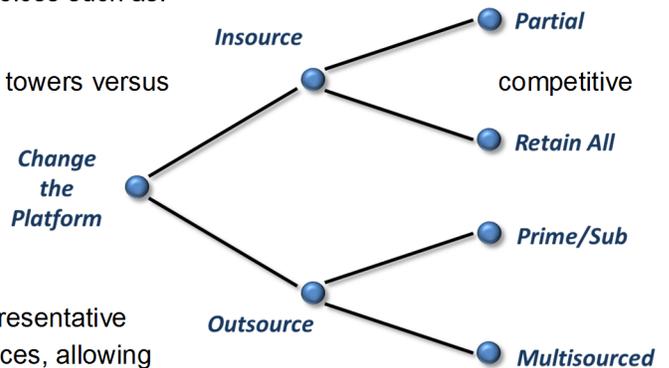


Figure 2-1: Primary Choices

Refining the many permutations down to seven representative scenarios focuses the review on these primary choices, allowing stakeholders to quickly identify options that will not meet the Commonwealth’s goals.

2.2 Scenarios Defined

The seven scenarios are defined as follows and further described in Figure 2-2. The initial number (1, 2 or 3) indicates which of three timing options is under review. The second digit (a, b, or c) identifies the type of scenario.

1. Timing: wait until contract expiration
 - a. Ecosystem: all services outsourced to a prime contractor with its own subcontracts
 - b. Ecosystem: outsourced to multiple providers with service integration built internally
 - c. Ecosystem: outsourced to multiple providers with service integration sourced externally
2. Timing: iterative build; start before contract expiration
 - a. Ecosystem: outsourced to multiple providers with service integration sourced externally; each service tower awarded to a single provider
 - b. Ecosystem: outsourced to multiple providers with service integration sourced externally; some towers awarded to several capable providers (i.e., competitive within towers)
3. Timing: iterative build; start before contract expiration
 - a. Ecosystem: fully insourced; service integration function built internally
 - b. Ecosystem: partially insourced; service integration function built internally but some towers selectively outsourced



Scenarios →	1a	1b	1c	2a	2b	3a	3b
Component Factors ↓	Rebid full scope at term to single prime with subcontracts	Rebid full scope at term; multisourced with internal SI	Rebid full scope at term; multisourced with external SI	Rebid in waves; multisourced with external SI	Rebid in waves; multisourced with competitive towers and external SI	Full insource in waves	Partial insource in waves; selectively outsource towers
Timing	All at End of Term	All at End of Term	All at End of Term	Iterative Build	Iterative Build	Iterative Build	Iterative Build
Ecosystem / Contracts	Prime contractor with subcontracts	Multisourcing	Multisourcing	Multisourcing	Multisourcing	Fully Insourced	Mixed
Service Integration	External Function (held by Prime)	Internal Function	External Function	External Function	External Function	Internal Function	Internal Function
Towers	Under subcontract to Prime	Individual contracts held by VITA - traditional full towers	Individual contracts held by VITA - traditional full towers	Individual contracts held by VITA - traditional full towers	Individual contracts held by VITA - competition within towers	Insourced	Individual contracts held by VITA - traditional full towers
Insource vs. Outsource	Fully Outsourced	Primarily outsourced, but mix possible	Primarily outsourced, but mix possible	Primarily outsourced, but mix possible	Primarily outsourced, but mix possible	Fully Insourced	Mixed
Characteristics →	All services outsourced to a single prime contractor with its own subcontracts. Change occurs entirely at expiration date.	All towers outsourced to multiple suppliers, but service integration built internally. Change occurs entirely at expiration date.	All services (including service integration) outsourced to multiple suppliers. Change occurs entirely at expiration date.	All services (including service integration) outsourced to multiple suppliers. Change program occurs over time.	All services (including service integration) outsourced to multiple suppliers. Towers may be sourced as multiple competitive contracts. Change program occurs over time.	All services insourced. Change program occurs over time.	Many services insourced, including service integration. Optionally outsource some towers. Change program occurs over time.

Figure 2-2: Scenario Definition Matrix

2.3 Common Questions

This matrix of scenarios was reviewed with the VITA Core Team and the IT Sourcing Steering Committee to confirm that they represent the range of primary choices. Common questions at this definition stage typically address the minor permutations within and between scenarios (e.g. “could we use “1c” and insource a tower?” or “could we start now with one tower and do everything else at the end?”) or assessments and decisions that will be made in other steps of the strategy development process (e.g., “what does scenario 2a cost?” or “which towers will make most sense to source first under 2a?”). The purpose of this review is to identify primary choices on the decision tree to be eliminated now.

Although neither the Core Team nor the Steering Committee have advocated this choice, members

Extending the contract with the current provider is not a viable consideration.

The Assessment Phase found a near universal agreement that the current partnership is not meeting the basic service delivery needs of the enterprise and does not provide a platform that will support the future goals of the Commonwealth.

Additionally, VITA has exercised all contract extension options and must competitively bid a future contract or contracts.



recognize that some stakeholders may wonder why VITA should not simply renegotiate and extend the existing CIA, or else establish a new sole-source arrangement with the incumbent service provider. This option is not considered viable for two reasons. First, the Assessment Phase found a near universal agreement that the current partnership is not meeting the basic service delivery needs of the enterprise and does not provide a platform that will support the future goals of the Commonwealth. Additionally, VITA has exercised all contract extension options and must competitively bid a future contract or contracts.

3. Evaluation Approach

3.1 Context: The Need to Recognize Each Party’s Goals

Key to success of a future-state operating model is the model’s ability to meet the goals of the Commonwealth. There has long been a recognition that the current partnership was oriented more around the enterprise goals, and the Assessment Phase confirmed that understanding. However, as a key part of its second-generation sourcing strategy, VITA recognizes the need to focus on the goals of agencies and improve the balance between the agency and the enterprise.

The Assessment Phase identified goals to be achieved for each party. There is often an expectation that any agency goal (e.g., service choice or flexibility) might inherently oppose an enterprise goal (e.g., standardization or security). However, it is typically the case that many goals are in alignment and even the apparently-competing goals can both be achieved in some scenarios.

3.2 Goals Defined

The Assessment Phase identified the following goals for the Agencies and for the Enterprise.

Agencies		Enterprise	
Service delivery quality	<i>Performance expectations met and measured</i>	Maintain cost competitiveness	<i>Ability to maintain market pricing and ensure cost competitiveness to stakeholders on an ongoing basis</i>
Ease of doing business	<i>Service delivery platform does what we (Customer Agencies) ask in a timely manner</i>	Management control	<i>Discretion over service provider action; enforcement mechanisms</i>
Service flexibility	<i>Additional and new services, changes to services, capacity flexibility</i>	Flexibility to evolve	<i>Adding new services; replacing service providers/personnel</i>
Evolution and innovation	<i>Control over evolution and access to innovations</i>	Supports oversight functions	<i>E.g., investment management, project management, IT planning</i>
Agency choice	<i>Diversity of services; choices of tiers of service</i>	Standardization	<i>Efficient use of enterprise scale; driving architecture, security, etc. standards</i>
Service transparency	<i>Clarity of services: reporting, quality</i>	Securing Commonwealth data	<i>Managed application of security services across enterprise</i>
Spend transparency	<i>Clarity of spending: what comprises a billing unit; reporting clarity</i>	Procurement and transition	<i>High likelihood of transition success; team capacity to handle procurement activities; lower adverse effects</i>

Figure 3-1: Balance of Agency and Enterprise Goals



3.3 Rating Approach

In order to determine which of the scenarios would be likely or unlikely to meet goals, each scenario was rated against each agency and enterprise goal, using the following five-point scale:

Rating Scale <i>Likelihood of Meeting Goals</i>
1 – Will not meet goals
2 – Unlikely to meet goals
3 – Neutral
4 – Likely to meet goals
5 – Will meet goals

Ideal future-state operating models should meet the goals of the future – that is, they should achieve scores above a three on average for each the agencies and the enterprise. Pursuing anything below a three should be done cautiously and with mitigation, and any individual scores of a one should be avoided altogether.

For purposes of this evaluation, there is no weighting of one goal over another because individual stakeholders would have different perspectives on which of the goals is most important. Also, the agency and enterprise scores were not combined for this evaluation, since each party’s goals must be met for the operating model to be successful.



4. Evaluation Results

4.1 Evaluation Matrix

The table in Figure 4-1 displays the results of the evaluation. A more detailed description of each individual factor score is included in the Appendix.

	1a: Rebid full scope at term; Prime with sub-contractor; service integration handled within prime	1b: Rebid full scope at term; multi-tower with service integration internal	1c: Rebid full scope at term; multi-tower with service integration external	2a: Rebid in waves; multi-tower with service integration external	2b: Rebid in waves; multi-tower with some competitive towers; service integration external	3a: Full insource in waves; all towers including service integration insourced	3b: Partial insource in waves; towers a mix of internal or external; service integration internal
Agency Goal Alignment							
Service delivery quality	4	4	5	5	5	3	3
Ease of doing business	3	3	4	4	4	3	4
Service flexibility	1	3	4	4	5	2	3
Evolution and innovation	2	3	4	4	5	1	2
Agency choice	3	4	4	4	5	3	3
Service transparency	2	3	5	5	5	3	3
Spend transparency	2	3	4	4	4	2	2
Summary	2.4	3.3	4.3	4.3	4.7	2.4	2.9
Enterprise Goal Alignment							
Maintain cost competitiveness	2	4	4	4	5	2	2
Management control	2	3	4	4	5	4	4
Flexibility to evolve	2	3	4	4	5	2	3
Supports VITA oversight functions	3	3	3	3	3	3	3
Standardization	5	4	4	4	3	2	2
Securing the Commonwealth's data	3	4	4	4	4	3	3
Procurement and Transition	4	1	1	4	4	1	1
Summary	3.0	3.1	3.4	3.9	4.1	2.4	2.6

Figure 4-1: Summary Score Matrix



4.2 Explaining the Results

A summary evaluation of each scenario is described below in Figure 4-2. A full review of the reasoning behind each factor score is also available in the Appendix (Section 6).

Scenario	Agency	Enterprise	Notes
1a: Rebid full scope at term; Prime with sub-contractor; service integration handled within prime	2.4	3.0	<i>A prime-sub arrangement is most similar to current-state. Although some improvements to the contract terms are likely in a new agreement, the model will not meet the flexibility, competitiveness, transparency, and innovation goals of the future.</i>
1b: Rebid full scope at term; multi-tower with service integration internal	3.3	3.1	<i>Simultaneously rebidding multiple towers creates operational and negotiating risk. Building internal service integration function requires hiring and investment in internal capabilities and tools.</i>
1c: Rebid full scope at term; multi-tower with service integration external	4.3	3.4	<i>Although future operating model is likely to meet needs, simultaneously rebidding multiple towers creates operational and negotiating risk.</i>
2a: Rebid in waves; multi-tower with service integration external	4.3	3.9	<i>This operating model is likely to meet needs, but limits flexibility because it lacks competitive towers. Complexity of change exists, but is mitigated by staggered procurements.</i>
2b: Rebid in waves; multi-tower with some competitive towers; service integration external	4.7	4.1	<i>This operating model is likely to meet needs, and would provide agency flexibility through competitive towers. Complexity of change exists, but is mitigated by staggered procurements.</i>
3a: Full insource in waves; all towers including service integration insourced	2.4	2.4	<i>Full insourcing would require COVA to invest in internal capabilities. Capital outlay would be required to buy equipment. This scenario will not meet the flexibility, competitiveness, transparency, and innovation goals of the future.</i>
3b: Partial insource in waves; towers a mix of internal or external; service integration internal	2.9	2.6	<i>Building internal service integration function requires hiring and investment in internal capabilities and tools. Outsourcing towers selectively could provide some flexibility. Sustained integration capability and innovation will require continuous investment.</i>

Figure 4-2: Summary Score Explanation



4.3 Triage

In summary form, the results indicate that there are four scenarios that score above neutral for each party. However, only two of those scenarios are likely to meet all of the goals (detail evaluation notes are shown in the appendix). This allows us to triage the scenarios for future analysis: focusing on some for additional analysis and eliminating others, as indicated in Figure 4-3.

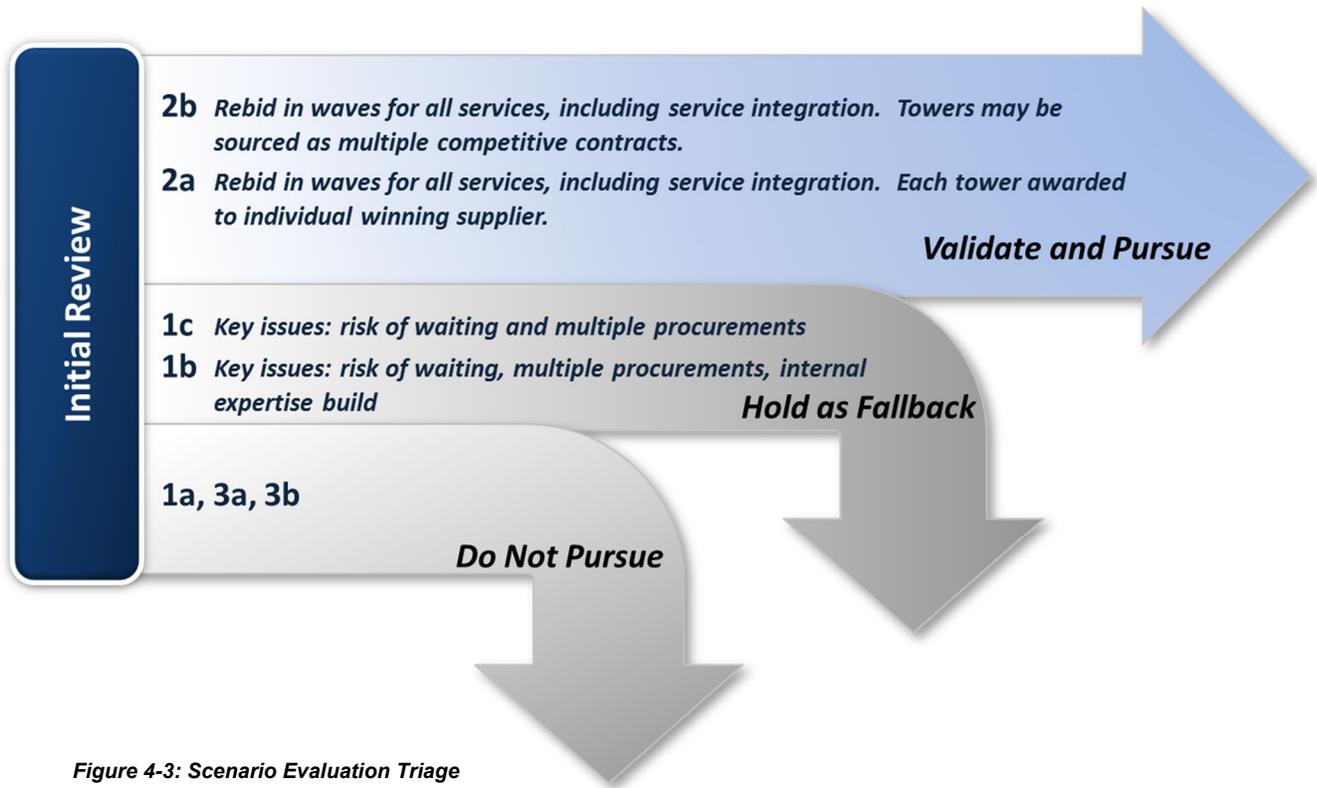


Figure 4-3: Scenario Evaluation Triage



5. Conclusion and Next Steps

The purpose of this report is to identify primary sourcing scenario alternatives and evaluate them against the goals identified as key to the success of the agencies and the enterprise. The ideal scenario must meet the goals of both the agencies as individual customers, as well as the enterprise as a whole. Scenarios identified as unable to meet both sets of goals were eliminated from additional review.

Primary findings of this scenario evaluation include:

- The Commonwealth will be best served by leveraging a broad set of market capabilities through an ecosystem consisting of multiple contracts and service providers;
- Implementing the change program in waves (rather than a “big bang” when the term of the CIA expires) will increase the likelihood of success and mitigate transition risk;
- The service integration function should be out sourced rather than built internally; and
- Service towers should be awarded to multiple competitive providers where practicable.

Two scenarios meet the goals of both agencies and the enterprise. First, rebidding in waves for multiple suppliers with an external integrator. There may be more than one supplier in some towers, such as cloud services. The second, rebidding in waves, with an external integrator, but using only one supplier in each tower.

In conclusion, this report recommends that VITA continue to develop these two scenarios, retain some options as fallback, and put aside other alternatives. The financial impact, value, and permutations of the scenarios identified in this report will be further refined and tested to build a final recommendation.



6. Appendix

6.1 Detailed Evaluation Results: Agency Goal Alignment

	1a: Rebid full scope at term; Prime with sub-contractor; service integration handled within	1b: Rebid full scope at term; multi-tower with service integration internal	1c: Rebid full scope at term; multi-tower with service integration external	2a: Rebid in waves; multi-tower with service integration external	2b: Rebid in waves; multi-tower with some competitive towers; service integration external	3a: Full insource in waves; all towers including service integration insourced	3b: Partial insource in waves; towers a mix of internal or external; service integration internal
Agency Goal Alignment							
Service delivery quality	4 --Contract contains best-of-breed T&Cs, SOW, SLA, financial definitions. --Tightly managed supplier will meet contract obligations. --Supplier/sub bureaucracy prevents excellent performance.	4 --Contract has best-of-breed T&Cs, SOW, SLA, financial definitions. --Service integration group focused on contract obligations. --Internal integration team lacks performance pressure from VITA.	5 --Contract has best-of-breed T&Cs, SOW, SLA, financial definitions. --MSI focused on contract obligations. --External integrator performance visible to agencies and VITA.	5 --Contract has best-of-breed T&Cs, SOW, SLA, financial definitions. --MSI focused on contract obligations. --External integrator performance visible to agencies and VITA.	5 --Contract has best-of-breed T&Cs, SOW, SLA, financial definitions. --MSI focused on contract obligations. --External MSI performance visible to agencies and VITA. --Pressure on tower providers who compete for work from agencies.	3 --No contractual obligations to meet. --Service integration group responsiveness based on internal pressures and bureaucracy. --Internal integration team has less access to competitive market practices and investment in best tools	3 --No contractual obligations to meet. --Service integration group responsiveness based on internal pressures and bureaucracy. --Internal integration team has less access to competitive market practices and investment in best tools
Ease of doing business	3 --Supplier/sub bureaucracy in place. --Lack competitive pressure to adapt to develop better responsiveness.	3 --Internal integration team has less performance pressure from VITA. --Tower provider responsiveness has some competitive pressure, but not on-going competition to get work from agencies.	4 --MSI has external performance pressure from VITA and agencies. --Tower provider responsiveness has some competitive pressure, but not on-going competition to get work from agencies.	4 --MSI has external performance pressure from VITA and agencies. --Tower provider responsiveness has some competitive pressure, but not on-going competition to get work from agencies.	4 --MSI has external performance pressure from VITA and agencies. --Pressure on tower providers who compete for work from agencies.	3 --Service integration group responsiveness based on internal pressures and bureaucracy. --Internal tower teams do not have competitive pressure to make processes easy for agencies.	4 --Service integration group responsiveness based on internal pressures and bureaucracy. --Tower providers work to serve VITA priorities, less focus on responsiveness to agencies.
Service flexibility	1 --Supplier/sub bureaucracy manages service. --Lack competitive pressure to adapt. --Strong incentive to protect contracted revenue and margin of prime and subcontractors.	3 --Internal VITA integration team has limited pressure to adapt to agency needs. --Tower providers are more aligned to VITA priorities, but offer some flexibility for agencies.	4 --MSI has flexibility pressure from both VITA and agencies. --Tower provider responsiveness has some competitive pressure, but not on-going competition to get work from agencies.	4 --MSI has flexibility pressure from both VITA and agencies. --Tower provider responsiveness has some competitive pressure, but not on-going competition to get work from agencies.	5 --MSI has external performance pressure from both VITA and agencies. --Pressure on tower providers who compete for work from agencies.	2 --Service integration group responsiveness based on internal pressures and bureaucracy. --Internal tower teams do not have competitive pressure to adapt to agency needs.	3 --Service integration group responsiveness based on internal pressures and bureaucracy. --Tower providers work to serve VITA priorities, less focus on responsiveness to agencies.
Evolution and innovation	2 --Supplier/sub bureaucracy focus on meeting service levels and profit margins. --Little incentive to find new services. --Dis-incentive to replace existing services. --Delivery organizations are not exposed to new market offerings.	3 --Innovation comes from competition (pre-bidding research and active bidding), not from delivery organizations serving VITA. Thus, constant renewal of towers brings innovation. -- Internal MSI is not "arms length" and somewhat less responsive to agencies.	4 --Innovation comes from competition (pre-bidding research and active bidding), not from delivery organizations serving VITA. Thus, constant renewal of towers brings innovation.	4 --Innovation comes from competition (pre-bidding research and active bidding), not from delivery organizations serving VITA. Thus, constant renewal of towers brings innovation.	5 --Higher exposure to innovation since many tower providers are adapting to varied requirements while competing for agency business. --Innovation comes from competition (pre-bidding research and active bidding), not from delivery organizations serving VITA. Thus, constant renewal of towers brings innovation.	1 --In-house teams focus on delivering service. --Little exposure to potential alternative services. --In-house reluctance to replace staff/processes/technologies.	2 --In-house teams and existing tower providers focus on delivering service. --Externally sourced towers have some exposure to potential alternative services. --In-house teams and incumbent tower provider reluctance to replace their current services.
Agency choice	3 --Many choices will be added during initial outsourcing but there is limited incentive to offer additional choices later.	4 --Multiple suppliers have some incentive to add choices to extend/re-win existing contracts.	4 --Multiple suppliers have some incentive to add choices to extend/re-win existing contracts.	4 --Multiple suppliers have some incentive to add choices to extend/re-win existing contracts.	5 --Multiple suppliers competing to offer alternatives to agencies have strong incentive to offer choices.	3 --In-house teams work for VITA and have limited pressure to create alternative choices to agencies.	3 --In-house teams work for VITA and have limited pressure to create alternative choices to agencies.
Service transparency	2 --Supplier/sub bureaucracy focus on meeting service levels with limited incentive to provide transparency to service information. --Dis-incentive to prime to allow visibility that opens themselves up to criticism or interference.	3 --Internal integration team is less likely to produce a high level of reporting on internal processes or tower activities.	5 --By contract, the external MSI produces reporting on the processes it manages as well as reports statistics from tower activities.	5 --By contract, the external MSI produces reporting on the processes it manages as well as reports statistics from tower activities.	5 --By contract, the external MSI produces reporting on the processes it manages as well as reports statistics from tower activities.	3 --Although internal integration team has a high level of access to service delivery environment, it is less likely to produce a high level of reporting to agencies on internal processes or activities of internal towers.	3 --Although internal integration team has a high level of access to service delivery environment, it is less likely to produce a high level of reporting to agencies on internal processes or activities of internal towers. --Outsourced towers should have better data available for reporting.
Spend transparency	2 --Supplier/sub bureaucracy focus on meeting profit goals while providing contracted price/volume data. --Dis-incentive to prime to allow any additional visibility that might make profit margins visible.	3 --Internal integration team should competently report volume/pricing data.	4 --By contract, the external MSI produces volume/pricing data. --Each tower provider contractually obliged to provide volume/pricing data. --Towers providers have incentive to cooperate to improve chances of extension or winning during re-bid.	4 --By contract, the external MSI produces volume/pricing data. --Each tower provider contractually obliged to provide volume/pricing data. --Towers providers have incentive to cooperate to improve chances of extension or winning during re-bid.	4 --By contract, the external MSI produces volume/pricing data. --Each tower provider contractually obliged to provide volume/pricing data. --Towers providers have incentive to cooperate to improve chances of extension or winning during re-bid.	2 --Internal integration team should competently report volume/pricing data. --Internal tower teams are unlikely to have complete cost data like commercial tower P&Ls.	2 --Internal integration team should competently report volume/pricing data. --External tower providers should produce volume/price reporting. --Internal tower teams are unlikely to have complete cost data like commercial tower P&Ls.
Summary	2.4	3.3	4.3	4.3	4.7	2.4	2.9

6.2 Detailed Evaluation Results: Enterprise Goal Alignment

	1a: Rebid full scope at term; Prime with sub-contractor; service integration handled within	1b: Rebid full scope at term; multi-tower with service integration internal	1c: Rebid full scope at term; multi-tower with service integration external	2a: Rebid in waves; multi-tower with service integration external	2b: Rebid in waves; multi-tower with some competitive towers; service integration external	3a: Full inhouse in waves; all towers including service integration inhouse	3b: Partial inhouse in waves; towers a mix of internal or external; service integration internal
Enterprise Goal Alignment							
Maintain cost competitiveness	2 --Initial contract will contain best-practice pricing structure, terms and competitive prices. --Tightly managed supplier will meet contract obligations. --Supplier/sub bureaucracy will protect contracted pricing. --Lack competitive pressure to reduce prices.	4 --Initial contract will contain best-practice pricing structure, terms and competitive prices. --Tower providers more open to staying competitive in order to win extensions. --Regular re-bidding keeps all prices close to market.	4 --Initial contract will contain best-practice pricing structure, terms and competitive prices. --Tower providers more open to staying competitive in order to win extensions. --Regular re-bidding keeps all prices close to market.	4 --Initial contract will contain best-practice pricing structure, terms and competitive prices. --Tower providers more open to staying competitive in order to win extensions. --Regular re-bidding keeps all prices close to market.	5 --Initial contract will contain best-practice pricing structure, terms and competitive prices. --Many towers have constant pressure in order to win agency business. --Regular re-bidding keeps all prices close to market.	2 --Internal operations rarely have internal cost data that aligns to market pricing, thus making visibility difficult. --Budgetary pressure but not competitive pressure to keep costs low. --Difficulty obtaining investment money to upgrade cost effective service delivery.	2 --Internal operations rarely have internal cost data that aligns to market pricing, thus making visibility difficult. --Budgetary pressure but not competitive pressure to keep costs low. --Difficulty obtaining investment money to upgrade cost effective service delivery.
Management control	2 --Supplier/sub bureaucracy focus on delivering contracted service limited incentive to allow more control than formally provided in the contract. --Disincentive to prime to allow visibility that sets precedence to allowing VITA influence of service delivery.	3 --Each tower has direct contract with VITA allowing a high degree of control. --Individual towers have incentive to cooperate with VITA to remain competitive and to avoid being replaced. --VITA can replace individual towers. --Internal integration less likely to execute hard negotiations than third party MSI.	4 --Each tower has direct contract with VITA allowing a high degree of control. --Individual towers have incentive to cooperate with VITA to remain competitive and to avoid being replaced. --VITA can replace individual towers. --MSI will support hard negotiations on behalf of VITA.	4 --Each tower has direct contract with VITA allowing a high degree of control. --Individual towers have incentive to cooperate with VITA to remain competitive and to avoid being replaced. --VITA can replace individual towers. --MSI will support hard negotiations on behalf of VITA.	5 --Each tower has direct contract with VITA allowing a high degree of control. --Individual towers under constant competitive pressure to avoid losing business to alternative supplier already in place. --VITA can replace individual towers. --MSI will support hard negotiations on behalf of VITA.	4 --Each tower and the integration team are internal VITA staff managed by VITA. --VITA does not have the same freedom for compensation and management as private industry.	4 --Each tower and the integration team are internal VITA staff managed by VITA. --VITA does not have the same freedom for compensation and management as private industry.
Flexibility to evolve	2 --Supplier/sub bureaucracy focus on meeting service levels and profit margins. --Prime has risk of losing contracted business if evolve services. --Dis-incentive to replace existing services. --Delivery organizations will not evolve unless obliged to change.	3 --Individual towers have incentive to cooperate with VITA but not to bring innovation that might impact their existing contract. --Internal integration team focused on managing service delivery.	4 --Each tower has direct contract with VITA allowing specific agreements with each. --Individual towers have incentive to cooperate with VITA to avoid being replaced. --VITA can replace individual towers. --MSI will support hard discussions on behalf of VITA.	4 --Each tower has direct contract with VITA allowing specific agreements with each. --Individual towers have incentive to cooperate with VITA to avoid being replaced. --VITA can replace individual towers. --MSI will support hard discussions on behalf of VITA.	5 --Each tower has direct contract with VITA allowing specific agreements with each. --Individual towers have ongoing competitive pressure so will be open to adapting services. --MSI will support hard discussions on behalf of VITA.	2 --Internal teams are focused on service delivery and generally resistant to change. --Service delivery teams have little exposure to alternatives available in the marketplace. --Internal teams have more difficulty getting investment dollars to change tools or get training.	3 --Internal teams are focused on service delivery and generally resistant to change. --External towers can evolve more easily. --Internal teams have little exposure to alternatives available in the marketplace. --Internal teams have more difficulty getting investment dollars to change tools or get training.
Supports VITA oversight functions	3 --VITA has roughly the same ability to execute oversight in each service delivery option.	3 --VITA has roughly the same ability to execute oversight in each service delivery option.	3 --VITA has roughly the same ability to execute oversight in each service delivery option.	3 --VITA has roughly the same ability to execute oversight in each service delivery option.	3 --VITA has roughly the same ability to execute oversight in each service delivery option.	3 --VITA has roughly the same ability to execute oversight in each service delivery option.	3 --VITA has roughly the same ability to execute oversight in each service delivery option.
Standardization	5 --Prime/sub are organized to deliver standardized services to all end users.	4 --VITA can contract with each tower provider to deliver standard services. --Multiple suppliers adds complexity, but not roadblocks to delivering standard services.	4 --VITA can contract with each tower provider to deliver standard services. --Multiple suppliers adds complexity, but not roadblocks to delivering standard services.	4 --VITA can contract with each tower provider to deliver standard services. --Multiple suppliers adds complexity, but not roadblocks to delivering standard services.	3 --VITA can contract with each tower provider to deliver standard services. --Multiple suppliers including within the same towers increases complexity, but not roadblocks to delivering standard services.	2 --Without contractual relationships, in-house integrator and towers are more subject to allowing work-arounds and special arrangements.	2 --Without contractual relationships, in-house integrator and towers are more subject to allowing work-arounds and special arrangements.
Securing the Commonwealth's data	3 --Contractual obligations to provide controlled environment. --Integration team and VITA oversight ensure execution of obligations. --With a single prime provider, some decisions may be held by them rather than the Commonwealth; it will also be difficult to slot in new security provider services.	4 --Contractual obligations to provide controlled environment. --MSI and VITA oversight ensure execution of obligations.	4 --Contractual obligations to provide controlled environment. --MSI and VITA oversight ensure execution of obligations.	4 --Contractual obligations to provide controlled environment. --MSI and VITA oversight ensure execution of obligations.	4 --Contractual obligations to provide controlled environment. --MSI and VITA oversight ensure execution of obligations.	3 --Internal integration team and internal towers will be less disciplined than third parties with contractual obligations.	3 --Internal integration team and internal towers will be less disciplined than third parties with contractual obligations.
Procurement and Transition	4 --Single large procurement event and transition to an integrator is feasible during final year of CIA. --Large providers have strong track record of doing large transitions.	1 --Completing 6-10 simultaneous tower procurements followed by multiple concurrent transitions requires large amount of trained resources and extreme coordination. --Building internal integration organization (staff, skills and tools) with an immediate full workload is high risk. --Waiting may restrict options due to impending expiration and parallel workload constraints.	1 --Completing 6-10 simultaneous tower procurements followed by multiple concurrent transitions requires large amount of trained resources and extreme coordination. --Waiting may restrict options due to impending expiration and parallel workload constraints.	4 --Waves of procurements and transitions allows reuse of limited trained resources. --Multiple waves of work allows building of experience and improvement of processes before tackling most difficult towers.	4 --Waves of procurements and transitions allows reuse of limited trained resources. --Multiple waves of work allows building of experience and improvement of processes before tackling most difficult towers.	1 --Building 6-10 technical tower teams (staff, processes and tools) to take over services is unlikely to work smoothly. --In-house teams may have difficulty getting the investment money required for tools and external expert assistance. --Building internal integration organization (staff, skills and tools) with an immediate full workload	1 --Building multiple technical tower teams (staff, processes and tools) to take over services is unlikely to work smoothly. --In-house teams may have difficulty getting the investment money required for tools and external expert assistance. --Simultaneously bidding and transitioning some towers. --Building internal integration organization (staff, skills and tools) with an immediate full workload.
Summary	3.0	3.1	3.4	3.9	4.1	2.4	2.6