

Virginia Information Technologies Agency



# VITA Quarterly Report

October 2, 2006



*expect the best*

*June 16 – September 15, 2006*

In keeping with our commitment to cost savings, this report was produced in limited quantities, in-house, utilizing an existing color printer and binding equipment.

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Comments and recommendations on the Quarterly Report from all interested parties are welcomed and encouraged.

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## About the Cover

VITA is people first, customer-driven and customer-focused, and committed to nurturing its people through ongoing training/re-training throughout their professional careers. In our logo, we highlight individuals in our agency who make VITA a success seven days a week, 365 days a year. We currently are featuring the following team members: Diane Horvath, Legal and Legislative Services, who has been with VITA for four years and has 10 years of state service; Anne Wingfield, Customer Account Management, who has been with VITA for two years, has 28 years of state service and was a 2005 VITA Agency Star Nominee; Ralph S. Henderson, Computer Operations, who has four years of service with VITA and 30 years of state service, is a recipient of the VITA Eagle Service Award and recently joined Northrop Grumman and is working on the IT Infrastructure Partnership; and James F. McGuirk II, Chair of the Information Technology Investment Board, who has served three years on the ITIB and recently was appointed by Governor Tim Kaine to the Council on Virginia's Future.



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## ITIB Highlights

### RTIP approved, sent to Governor, General Assembly

The *Recommended Technology Investment Projects (RTIP) Report* was approved by the ITIB at a special meeting on August 10, 2006, and submitted to the Governor and General Assembly on September 1, 2006. This year's report places increased emphasis on IT projects offering enterprise solutions and opportunities for collaboration.

The RTIP recommends 49 IT investment projects. Twenty of those currently are active, with an estimated total project cost of \$491 million, and are recommended for continued funding. All active projects are fully funded with an estimated expenditure of \$200 million in the current budget biennium. Twenty-nine new projects with a total investment of \$312 million are recommended for funding. If fully funded, approximately \$80 million of the estimated investment will be required in the current budget biennium. All new projects have Chief Information Officer (CIO) planning approval.

### Jim McGuirk appointed to Council

ITIB Chair James F. McGuirk II has been appointed by Governor Tim Kaine to serve on the Council on Virginia's Future. McGuirk has served three years on the ITIB. He formed and operates AKLM Consulting, which focuses on market research, market positioning, market strategy and partner alliance programs in the government technology marketplace. McGuirk previously was Vice President of Worldwide Government for Siebel Systems Inc. and President of Unisys Federal Systems. He holds a bachelor's degree in mathematics from Duquesne University.



### Bert Reese named to ITIB



Bertram "Bert" S. Reese has been appointed to the Information Technology Investment Board (ITIB) by Governor Tim Kaine. Reese is Vice President of Corporate Services and Chief Information Officer of Sentara Healthcare in Norfolk. Prior to joining Sentara, he worked at Temple University Hospital and the Albert Einstein Medical Center, both in Philadelphia.

Reese has a master's in business administration from the University of Utah and a bachelor's in business administration from Norwich University.

## ITIB forms Customer Advisory Council

ITIB Chair McGuirk announced the formation of an ITIB Customer Advisory Council (ITIB CAC). The new council will provide real time input that will be valuable in enhancing the ITIB's understanding of the needs of all customers served by the Virginia Information Technologies Agency (VITA). Secretary of Technology Aneesh Chopra will serve as chair and ITIB Vice Chair Hiram Johnson will serve as vice chair. They will select various customers of VITA, including representatives of state agencies, local governments and educational institutions, to serve on the council, and will begin scheduling meetings as soon as practicable.



## Enterprise applications expenditure okayed

The ITIB, at its July meeting, approved funds for the start up of the Enterprise Applications Project Office. The office will direct the Commonwealth's efforts to modernize central administrative systems through the Enterprise Applications Public-Private Partnership. The ITIB reviews and approves implementation strategies with milestones, deliverables and funding for the Enterprise Applications Project Office.

## Strategic Plan for IT Implementation Program approved

The ITIB approved the Implementation Program for the *Commonwealth Strategic Plan for IT*. The plan helps tie together the Commonwealth's long-term objectives and IT strategic plan, secretariat and agency strategic plans as they relate to IT, the budgeting process, and the RTIP Report. The Implementation Program establishes mechanisms for achieving the goals set forth in the plan.

## IT Security policy, standards adopted

The *Information Technology Security Policy* was approved by the ITIB. This policy is applicable to all state agencies and institutions of higher education that manage, develop, purchase and use information technology resources in the Commonwealth. The purpose of the policy is to protect the Commonwealth information technology assets and the information processed by defining the minimum information technology security program requirements. There are two related standards: the *Information Technology Security Standard* and the *Information Technology Security Audit Standard*. VITA will provide additional guidance to assist agencies with implementation in the coming months.

## Enterprise architecture policy, standard approved

The ITIB has approved the *Enterprise Architecture Policy*, which establishes the Enterprise Technical Architecture as the primary source of IT direction and technical requirements for

Executive Branch agencies. It also establishes a change/exception process for enhancing and controlling changes to the Enterprise Technical Architecture. The CIO approved the *Enterprise Technical Architecture Standard*, which is the consolidation of all standards and standard product tables identified in the completed seven Enterprise Technical Architecture domain reports.

## Additional ITIB actions highlighted

The ITIB met in regular session on July 19-20. The ITIB:

- Called for enhanced collaboration on major projects that might cross over boundaries of state agencies, and tied recommendations for funding to collaboration in the RTIP report
- Adopted a *Corrective Action Plan* in response to the Auditor of Public Accounts recommendations
- Honored outgoing ITIB member James W. "Jimmy" Hazel for his service on the ITIB
- Honored retiring Deputy Chief Information Officer Cheryl Clark for her service to the state, the ITIB and VITA

## ITIB meetings set for 2007

January 17-18, 2007

April 18-19, 2007

July 18-19, 2007

October 17-18, 2007



## IT Infrastructure Partnership

Northrop Grumman assumed responsibility for service delivery, with VITA oversight, of the Commonwealth's IT infrastructure. Service commencement by Northrop Grumman began July 1, 2006, marking the start of transformation of state government's IT infrastructure in a 10-year, \$2 billion public-private partnership believed to be the largest ever in the country. Included in the transformation will be desktop refreshes with compatible platforms and scheduled replacements; network and server modernization and consolidation; enhancement of information security; and common messaging and help desk services. Also on July 1, 566 VITA employees, or 67 percent of those offered positions, transitioned to Northrop Grumman employment. Those who decided to stay with the state became managed by Northrop Grumman.

### IT Partnership reports accomplishments

The IT Infrastructure Partnership moved from getting ready for service commencement to preparing to deliver on critical milestones.

Recent accomplishments include:

- Construction of the high-security data and network operations center facility in Chesterfield County well under way
- Four state agencies selected to test, or "pilot," transformation before changes are rolled out
- A Web-based system developed to manage incidents that occur
- Initial Independent Verification and Validation (IV&V) completed to determine if the partnership project is on track
- Employee transition of those who selected to join Northrop Grumman finalized
- Request for special services process developed
- Process developed to determine root causes of challenges or issues that develop to prevent similar occurrences
- Preparations under way to test the new help desk service
- Workshops began to establish "best practices" for partnership employees

Near-term milestones include:

- Pilot transformation activities
- Testing of new incident management system
- Interim security incident tracking management system
- Interim infrastructure operations center
- Temporary network operating center
- Performance management metrics for agencies

- Knowledge management system
- Procedures manual
- Follow-up IV&V review

## Work under way on CESC; dedication set for SESC

Progress continues on two new facilities being built to house the IT Infrastructure Partnership, VITA and additional Northrop Grumman operations. The Commonwealth Enterprise Solutions Center (CESC) facility in Chesterfield County was 35 percent complete at the end of September. The building is expected to be completed in the summer of 2007. The 185,000-square-foot facility will house VITA, a Tier III data center, a network operations center, a back-up security operations center and other Northrop Grumman activities.

[Click here to visit the live Web cam of CESC construction](http://clark.videonext.com/sarch/images/cam/live/10.jpg)

Or go to: <http://clark.videonext.com/sarch/images/cam/live/10.jpg>

Groundbreaking is scheduled October 27, 2006, for the Southwest Enterprise Solutions Center (SESC) in Russell County. The 130,000 square foot SESC will house a help desk and backup data center facility for the IT partnership and other Northrop Grumman activities and will result in the creation of 433 new jobs.

## COVITS features IT partnership

Technology Secretary Aneesh Chopra joined VITA's Fred Duball and Northrop Grumman's Joe Fay on a panel discussion about the 10-year, \$2 billion IT Infrastructure Partnership. Panelists also included representatives from various local and state governments, including, Commonwealth Preparedness Special Assistant to the Governor Constance McGeorge, Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services Information Technology Systems Manager Sanford Hostetter, City of Norfolk Information Technology Director Pam Staggs, Franklin County Information Technology Director Sandie



Terry, James Madison University Academic Affairs for Research and Public Service Associate Vice President John Noftsinger Jr., Roanoke County Infrastructure Services Manager Bill Hunter and Town of Blacksburg Director of Technology Steve Jones.

## AITRs communication meetings begin

CIO Lem Stewart and VITA hosted the first of what will be monthly meetings for at least the next six months with Agency Information Technology Resources (AITRs). Stewart said his intent is to focus the meetings around topics and issues of interest to AITRs and to answer their questions.



The meetings are designed to:

- Ensure that state agencies have a complete understanding of transformation plans, strategies and activities related to the IT Infrastructure Partnership
- Gather agencies' full input, participation and support of partnership initiatives and other activities as a supplement to the current VITA Customer Advisory Council, which interacts directly with VITA monthly
- Help VITA better understand agencies' business needs and challenges
- Interact on other topics, such as security, policies, project management, finances, Geographic Information Systems, E-911, etc.

More than 75 representatives of agencies, VITA and Northrop Grumman attended the first meeting last month.

## VITA CAC representing state agencies

An active VITA Customer Advisory Council (VITA CAC) promotes the interests of state agencies served by VITA. Members of the council are:

- Betty Bowman, Department of Charitable Gaming
- Dr. Jim Burns, Department of Health
- Lan Neugent, Department of Education
- Rick Phillips, Department of Accounts
- Murali Rao, Department of Transportation
- Harry Sutton, Department of Social Services
- John Taylor, Department of Corrections
- Johnny Thomas, Virginia Employment Commission
- Valerie Thomson, Department of Environmental Quality

## Security group learns more about COOP

Continuity of operations (COOP), preparedness and disaster recovery planning involving information technology were discussed at the meeting of state agencies' Information Security



Officers Advisory Group last month.

Curtis Brown of the Office of Commonwealth Preparedness discussed the increased focus on statewide efforts. Brittany Schaal presented the Virginia Department of Emergency Management's COOP process. The session was hosted by the Commonwealth Chief Information Security Officer Peggy Ward and VITA.



## Cyber security e-newsletter offers tips

The Virginia Office of Commonwealth Preparedness and VITA have partnered with federal officials to provide a monthly newsletter featuring cyber security information. *Cyber Security Tips* is of interest to a wide variety of computer users, from state employees to individual citizens. The newsletter provides information related to specific security standards for state employees and general information that home computer users will find valuable in protecting against cyber attacks. It is posted on the VITA Web site.

## State garners two national awards

The Virginia Department of Social Services ([VDSS](#)) and [Virginia.gov](#) were honored in the 2006 Digital Government Achievement awards program sponsored by the Center for Digital Government. The national program recognizes Web sites and applications that enhance information interactions, transactions and services.

VDSS received a first place award in the Government to Government category for its unique data-sharing application known as SPiDER, or Systems Partnering in a Demographic Repository. The program allows seamless data sharing between local, state and federal agencies. It has dramatically improved citizen service and worker productivity. VDSS authored the program and has provided it free to localities in the Commonwealth.

Virginia.gov, the state's Web portal, was ranked fourth in the Center's Best of the Web category, in large part because of a significant redesign reflecting the 400th anniversary of Jamestown. The new version is designed to provide more intuitive access to information. VITA manages the state's Web portal and e-government applications through a public-private partnership.

## Governor's Technology Awards winners announced

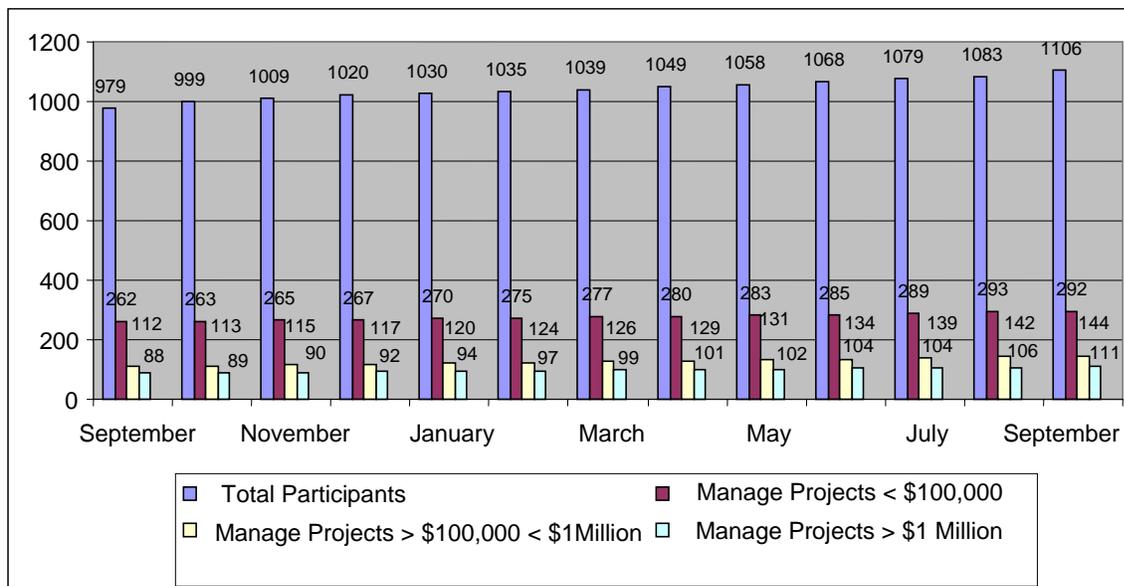
Winners of this year's Governor's Technology Awards announced at COVITS included the Supreme Court of Virginia, the Library of Virginia, CentraHealth, Virginia Department of Social Services, George Mason University, Virginia Department for Mines, Minerals and Energy, City of Danville, Prince William County, City of Chesapeake, The Online Academy, Virginia Beach City Schools, Blue Ridge Community College, and the Institute for Advanced Learning and Research. The Online Academy is a joint initiative of Frederick County, Loudoun County and Stafford County Public Schools and George Mason University's College of Education.



## Project manager program qualifies 292

Interest and participation in the Commonwealth Project Manager Development Program (PMDP) has continued at a steady pace. Results to date, including the total number of PMDP participants and identification of those meeting qualification requirements for various project categories, are shown in Exhibit A. As of September, there were 1,106 participants in the program, including 292 who have met the qualification requirements for managing projects in the Commonwealth. Between September of 2005 and September of 2006, the number of participants qualified to manage major IT projects grew by 26 percent. Program participation and the number of qualified major IT project managers exceeded the expected growth rate of 12 percent.

**Exhibit A**  
**Participation in the Project Manager Development Program**



## Status of major projects monitored, reported

The CIO provides his assessment of the status of major IT projects at each meeting of the ITIB. His assessment is drawn from reports submitted through the Commonwealth Major IT Project Status Report Dashboard, proponent Secretariat evaluations, and Project Management Division (PMD) Analysis.

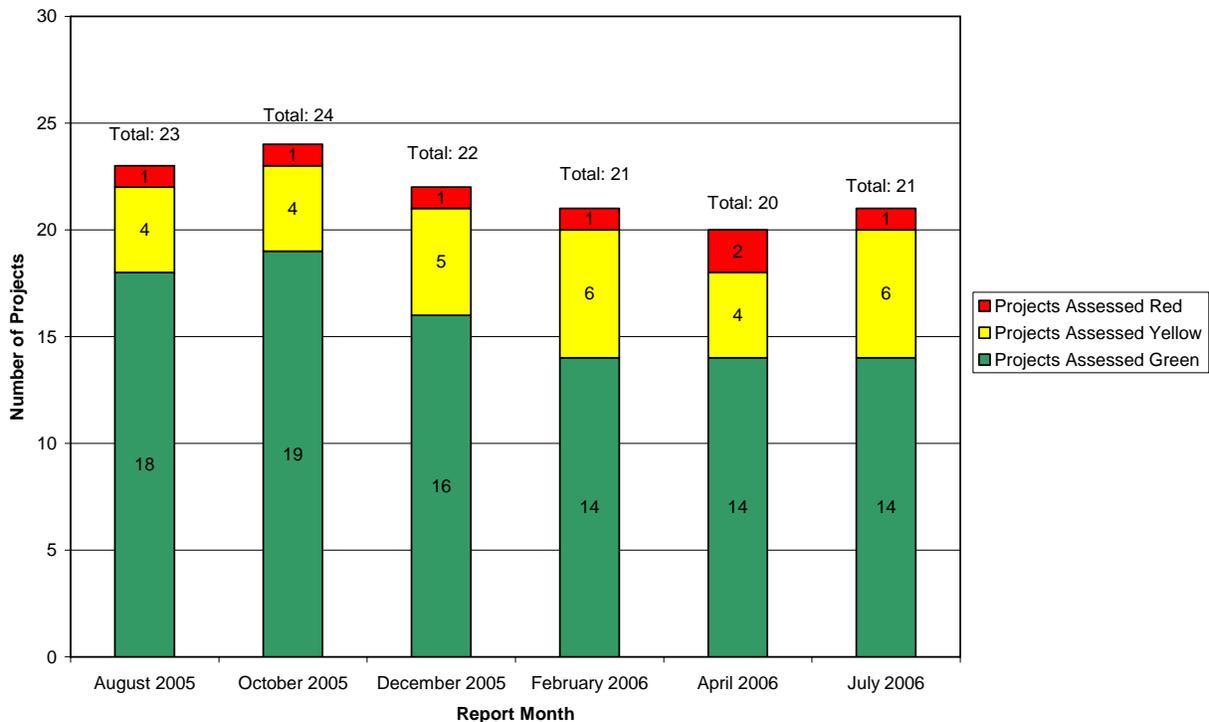
Each project is assessed either:

- Green: ■ On Track
- Yellow: ■ Warning — Consider corrective action or monitor previous corrective action
- Red: ■ Problem — Immediate corrective action required

Exhibit B summarizes the CIO assessments for the past 12 months, as presented at the July 2006 ITIB meeting. On average, 73 percent of the projects were assessed as green, 22 percent as yellow and five percent as red. The number of active projects has remained relatively constant.

### Exhibit B Status of Major IT Projects

CIO Assessment of Major IT Projects,  
as Reported to the IT Investment Board



## FY 2006 financial results consistent with budget

As demonstrated by the very small difference between budgeted and actual amounts, reported in Exhibit C, financial activity in FY 2006 was, overall, quite consistent with the amounts originally budgeted. Within the major sources of funding, the most significant differences were that internal service fund revenues and expenses fell short of projections, while enterprise fund revenues and expenses exceeded projections. Neither outcome was unexpected; in the case of the Internal Service Fund (ISF), at budget development time, the lack of historical data for shared services hindered accurate projections. Additional revenues and expenses in enterprise funds reflected both increases in cell phone usage (the source of funding for Wireless Emergency 911 funds) and growth in public safety communications services.

### EXHIBIT C FY 2006 Financial Results as of June 30, 2006

	<u>Budget</u>	<u>YTD Actual</u>	<u>Percentage</u>
Operating Revenues	\$296,050,223	\$293,415,446	99%
Expenses (including transfers)	\$294,043,960	\$291,386,884	99%
Net Change	\$2,248,388	\$2,028,562	
Retained Earnings, July 1	\$54,110,505	\$56,062,031	

## SWAM outreach successful

VITA's Small, Woman and Minority (SWAM) Owned Outreach Program provides vendors with an opportunity to learn about doing business with VITA, current information regarding policy and procedures that affect SWAM vendors, the certification requirements for the Department of Minority Business Enterprise (DMBE), the registration process with eVA, educational programs, and networking with vendors and state procurement professionals. In the past quarter, VITA SWAM presentations were made at various events, including the Virginia Minority Supplier Development Council, COVITS, DMBE Norfolk office open house, Black Expo, Public Safety Procurement Fair, Asian Chamber of Commerce and more.

The SWAM spend target for FY 2006 was \$13.4, which represented 10 percent of VITA's eligible SWAM spend budget. VITA surpassed its goal in terms of actual SWAM spend and SWAM spend as a percentage of total discretionary IT spend. Actual spend was \$24 million or more than 15 percent. VITA is working closely with its IT infrastructure partner, Northrop Grumman, to enhance opportunities for SWAM businesses.

**EXHIBIT C**  
**VITA SWAM Spending FY 2004 through FY 2006**

	<u>(\$000)</u>		<u>(\$000)</u>		<u>(\$000)</u>		SWAM		%	
	<u>Total</u>	<u>MBE</u>	<u>WBE</u>		<u>SBE</u>		<u>Total</u>		<u>Total</u>	
<b>FY 04 Total</b>	98.5	2.5	2.5%	0.1	0.1%	1.6	1.6%	\$	4.2	4.2%
<b>FY 05 Total</b>	97.4	6.5	6.6%	2.7	2.7%	2.5	2.6%	\$	11.7	12.0%
<b>FY 06 (Prime)</b>										
<b>Total</b>	157.4	11.8	7.5%	0.7	0.5%	5.9	3.8%	\$	18.5	11.8%
<b>FY 06 (Subcontract)</b>										
<b>Total</b>		<u>0.9</u>	0.6%	<u>1.0</u>	0.6%	<u>3.9</u>	2.5%	\$	<u>5.7</u>	3.6%
<b>FY 06 GRAND TOTAL</b>	157.4	12.7	8.1%	1.7	1.1%	9.8	6.2%	\$	24.3	15.4%
<b>Goal FY 06</b>	<b>133.4</b>	<b>8.0</b>	<b>6.0%</b>	<b>3.4</b>	<b>2.5%</b>	<b>2.0</b>	<b>1.5%</b>	<b>\$</b>	<b>13.4</b>	<b>10.0%</b>

## Audit activities advance

The Corrective Action Plan in response to the APA May, 2006 report: *Review of Information Technology Governance and Virginia Information Technologies Agency Operations* has been implemented. Of the 21 recommendations, eight corrective actions are reported as complete and the remaining 13 are in progress.

## Preparations under way for partnership audits

The Comprehensive Infrastructure Agreement with Northrop Grumman provides for five types of audits: SAS 70 Type II Audit, security audits, financial audit, operating audit and right to audit. Planning for the audit is under way.