



## IT Infrastructure Committee

### Minutes

Thursday, January 17, 2008

Chesterfield Enterprise Solutions Center (CESC)

11751 Meadowville Lane

Chester, Virginia 23836

## Attendance

### Members Present:

Leonard M. Pomata, Chair  
Mary Guy Miller, Ph.D.

Hiram R. Johnson  
James F. McGuirk II

### Members Absent:

Mr. Scott Pattison

### Others Present:

Lemuel C. Stewart Jr., CIO of the  
Commonwealth  
Fred Duball, VITA  
Mr. Kenneth S. Johnson Sr., ITIB Member  
Walter Kucharski, Auditor of Public  
Accounts

Doug McVicar, Northrop Grumman  
Corporation  
Perry Pascual, VITA  
Jerry Simonoff, VITA  
John Westrick, Counsel, Office of the  
Attorney General

## Welcome and Call to Order

IT Infrastructure Committee Chairman Len Pomata called the meeting to order at 10:30 a.m. At the request of the Chairman, Mr. Fred Duball called the roll and confirmed the presence of a quorum.

## Approval of the Minutes

Mr. Pomata introduced the draft minutes from the July 18, 2007, meeting. He then asked for a motion to approve the minutes as presented.

*Dr. Mary Guy Miller made a motion to approve the minutes as presented; Mr. Jim McGuirk seconded the motion. The motion passed unanimously.*

## IT Infrastructure Partnership Briefing

Mr. Pomata extended a warm welcome to Mr. Doug McVicar who joined the IT Infrastructure Partnership as Program Director for Northrop Grumman. Mr. McVicar said he was happy to be here. He brings 25-years of experience and leadership in the delivery of information

technology solutions and services. He has managed several large-scale IT enterprise programs, including modernizing the technology systems for the National Weather Service. Most recently he was director of business development for Northrop Grumman Corporation's IT Defense group. Mr. McVicar is a native Virginian and said he is thrilled to contribute to a program of this nature.

Mr. Pomata asked Mr. Duball and Mr. McVicar to provide an update on the IT Infrastructure Partnership. The update covered the areas of service delivery, transformation, financials and program maturity assessments.

Mr. Duball reported that the summary for 2007 and 2008 gives both a rear view mirror look at what the program did and a forward glimpse of what the program still has to do. From the transformation side he noted significant successes. In 2007, the partnership opened two new facilities, moved data center services, refreshed more than 17,000 computers, transitioned more than 50 percent of agencies to the help desk tool, launched network migration, began implementation of IT best practices and migrated 57,000 users to a global address list.

In 2008, Mr. Duball said the partnership will continue transformation and shift to a managed services environment beginning July 2008. Transformation initiatives include standing up a single, statewide help desk, launching the online service catalog and implementing disaster recovery.

## Service Delivery

Mr. McVicar presented the service delivery dashboard. All central service targets were met or exceeded in October and December. The dip in the November metrics was due to high call volume to the help desk following a network outage impacting several agencies and messaging problems at Virginia Department of Health. Field service targets were met or exceeded in October. The dip in the November and December metrics was due to a 350 percent increase in help desk call volume at Department of Taxation and a lag in hiring additional staff due to the holidays. In response to a question from Mr. Walter Kucharski, Mr. McVicar said he would find out why call volumes increased at Tax.

Mr. McVicar said a SAS 70 audit was completed, resulting in 493 issues, 193 of which were related to documentation, record-keeping and management review and oversight. Remediation plans were created for all, with 60 percent completed. The partnership continues to take corrective action to reach compliance.

Mr. Duball shared the consistent and strongly positive results of the customer satisfaction surveys for help desk and desktop support. When a help desk ticket is closed, a survey is sent to the customer. The response rate for desktop support increased to 10.6 percent.

Mr. Duball reported on service request fulfillment. Requests for new services outside existing infrastructure has grown to more than \$12 million. In response to questions from Mr. Pomata and Mr. Kucharski, Mr. Duball said the partnership is working to improve response time and generate proposals more quickly. Mr. McVicar said the number of requests that were cancelled are not reflected in the slide.

In response to questions from Dr. Miller and Mr. McGuirk, Mr. Duball said VITA's Customer Account Managers work with each agency to qualify whether the agency needs the work and has the budget. Without a rough order of magnitude, agencies will not know if they have the budget. Mr. McGuirk suggested looking at the type of work the partnership is taking on. Mr. Pomata noted the customer satisfaction survey results reflect customers are getting responses in a timely manner.

Mr. Duball reported the partnership delivered 99 percent of standard products within 20 days of ordering in November, exceeding the goal of 90 percent. In response to a question from Dr. Miller, Mr. McVicar said the timeframe measures order to delivery, not installation. The partnership met the target of delivering 90 percent of non-standard products from vendors within 20 days of cutting the purchase order.

Mr. McVicar reported that the service catalog will be a Web-based system that will improve the ordering process. Each agency will be able to go online to place orders, following their business rules and approval flows. He said the pilot is scheduled for February and will include user training. The team will make changes based on the results of the pilot, as necessary.

## Transformation

Mr. Duball highlighted transformation accomplishments from the last quarter of 2007. The partnership transferred mainframe data center operations from the Richmond Plaza Building (RPB) to the Commonwealth Enterprise Solutions Center (CESC), successfully moved more than 600 from RPB to CESC, and completed the Southwest Enterprise Solutions Center (SWESC) facility in Russell County, holding the grand opening in December. In response to questions from Dr. Miller, Mr. Duball said the central help desk is housed at RPB as well as residual equipment. Mr. Lem Stewart said VITA will vacate RPB in February. Mr. McVicar said some Northrop Grumman staff will remain at RPB due to space constraints at CESC.

Mr. Duball presented the transformation dashboard. He said partnership staff is concerned about the diminishing "slack" and is monitoring the schedule continuously. In response to questions from Mr. Pomata, Mr. Duball said the goal is to get towers rated red or yellow back on track. Due to the schedule getting tighter, the partnership may need to prioritize activities and shift the timing.

Mr. McVicar shared the program milestones through 2009. He noted future milestones shaded in yellow are at risk of falling behind. He said the partnership has heightened management attention to get these in a green status. In response to questions from Mr. McGuirk and Mr. Pomata, Mr. McVicar said the milestone he thinks will be the toughest is disaster recovery testing at SWESC by May 1, 2008. He said the program is at a point where all of the slack time in the schedule has been eaten up. Northrop Grumman needs to establish SWESC as the back up, run the test and recover back afterwards and then decommission the SunGard service. Northrop Grumman has added more people and servers to develop processes and get this on track. Mr. Stewart said we would have to continue the SunGard service for disaster recovery readiness if the milestone is missed. Mr. McVicar confirmed that Northrop Grumman is bringing in a team to assess the milestone and work quickly to get disaster recovery readiness back on track.

Mr. Duball provided information on Information Technology Infrastructure Library (ITIL), the globally recognized standard for IT service management. ITIL is a series of reference books based on industry best practices. It provides a framework to develop methodologies and procedures. ISO 20000 and COBIT are complementary to ITIL. In response to a question from Mr. Pomata, Mr. Duball said the partnership expects to complete the procedures manual by June 2008 for field staff, with ISO 20000 certification to follow.

## Partnership Financials

Mr. Duball reported the partnership budget is on target to stay within the guidelines that have been established. The forecasted spend is \$230.5 million because of credit and contract changes and carrying forward milestone payments. In response to a question from Mr. McGuirk, Mr. Pomata said the partnership budget and forecast does not include the \$12 million in request for services (new work). The budget shows that VITA is fulfilling its

promise to not spend more than what was committed. Mr. McGuirk said the program is planning to spend \$242 million. The Board needs to see the total expenditures so the Commonwealth has a view of actual spend and new growth. Mr. Kucharski said that when the agency signs on the dotted line for new work that they are increasing that lease payment. This is part of their base budget. This is a discretionary expense. This needs to show in the budget and you need to show that it is for new services.

In response to a question from Mr. McGuirk, Mr. McVicar said the partnership will use an SLA process. Mr. McGuirk noted that there is a monthly billing that is showing what is being spent. With new infrastructure requests, there could be one-time expenditures and recurring service costs that need to be added to the base budget. The program does not want the agencies to think that new infrastructure requests over and above what was contracted for will not result in added costs.

Mr. Kucharski requested a presentation from Mr. Duball and Mr. McVicar on capital cost and service cost for agencies to understand what they are getting. Mr. Duball and Mr. McVicar were in agreement with this request. Mr. Stewart assured the committee that he would address these issues with the billing side of VITA.

## Independent Program Maturity Assessments

Mr. Duball said the last independent program maturity assessment periodic review was completed in December. The final report will be shared with committee members who would like to see it. The program will continue to mature all the focus areas, using the findings from CACI who conducted the review and the SAS70 audit.

The program directors concluded their report. Mr. Pomata requested the committee see more detail on ITIL process.

In response to questions from Mr. Pomata, Mr. McVicar said Northrop Grumman will be spending the next two weeks bringing in new resources and will need another two weeks to evaluate the effectiveness of the new resources to determine whether projects rated yellow will turn green or red. Mr. Pomata requested the program directors provide the Board with an update in mid-February. Mr. McGuirk recommended the program directors provide the committee chairman the status so Mr. Pomata can determine whether a committee meeting should be called.

In response to questions from Mr. Ken Johnson, Mr. Duball said the partnership follows Department of General Services (DGS) policies and procedures for surplus computer equipment resulting from desktop refresh. Mr. Stewart said some equipment goes to DGS's warehouse where it can be resold or reused.

## Other Business

Due to inclement weather and the presence of a quorum of the IT Investment Board, and noting the relevance to the committee's earlier discussions of new service requests, Mr. Stewart asked that Mr. Jerry Simonoff, VITA's IT Investment and Enterprise Solutions director, be allowed to share status and recommendations from the IT Investment Management (ITIM) Customer Council scheduled for the afternoon. Mr. Pomata conferred with Counsel, then invited Mr. Simonoff to proceed.

Mr. Simonoff said the ITIM Customer Council is made up of 14 individuals who are primarily at the deputy director level at their respective agencies. Mr. Simonoff said while IT governance in the Commonwealth is essentially focused on both protecting against

downside risks and on optimizing upside returns, the emphasis to-date has been on the former. As a result, there have been no major project failures since 2003.

He said the challenge now is how to optimize upside returns at the program and portfolio level while encouraging further improvements at the project level. The ITIM Customer Council has developed two proposals to address that challenge: refine the current balanced scorecard to better identify and track project benefits and return on investment; and apply a maturity model concept to ITIM to increase project management capabilities while offering incentives to agencies to do so.

The current balanced scorecard is a good tool for determining whether a project should be approved for development. The ITIM Customer Council recommended updating the questions and organizing them differently and conducting an initial validation of the revised scorecard and writer's guide. These tasks are in the VITA Project Management Division's (PMD) work plan.

Regarding the maturity model concept, Mr. Simonoff said the Council looked at several sources for guidance. In July 2007, Gartner published an IT portfolio framework for projects, programs and portfolios based on Software Engineering Institute's Capability Maturity Model Integration (CMMI). While the Gartner model can be used to assess an agency's capability at all three levels, the Council recommended focusing initially on the project level. In response to a question from Mr. Pomata, Mr. Simonoff said while the proposed model uses various attributes and best practices from sources such as the National Association of State Chief Information Officers and the Project Management Institute, they are all fitted within Gartner's overall framework.

Mr. Simonoff provided examples of attributes and best practices for projects and presented the proposed model for the Commonwealth. He said the Council members each designated a qualified project manager to participate in a day-long session to work out the details of the model. Based on results from that session, the Council proposed aligning four levels of project maturity to corresponding levels of IT governance and oversight. Where a level of maturity might free up an agency from some existing oversight requirements, implementation would require requesting changes to the *Code of Virginia* to give the ITIB the authority to do so.

In response to a question from Dr. Miller, Mr. Simonoff said some projects may cost less than \$1 million and still be considered a major project. To minimize additional costs and efforts, the Council recommended using existing Commonwealth documents and reports as much as possible in assessing agency capability. To reduce potential risks in granting capable agencies relief from some major project IT governance and oversight, Mr. Simonoff said the Council recommended several mitigation approaches: (i) Projects with a high dollar value, risk or complexity would still get full oversight. (ii) Agencies must have key components of portfolio management in place. (iii) PMD analysts will continue to sit in on agency investment board and project status meetings.

Mr. Simonoff said the benefits of the proposed approach are agencies will be encouraged to become more mature in managing investments, additional emphasis will be placed on agencies with the largest IT investments, critical deficiencies will be spotlighted and agencies will be rewarded for improving while still providing an adequate safety net.

Mr. Simonoff said the Council is refining the Gartner model to assess project program and portfolio management capability and apply it to the Commonwealth. The recommendations were reviewed by Secretary of Technology Aneesh Chopra and Board member Bert Reese, and both were positive about the recommendations. The Council recommends validating

the model through a pilot during calendar year 2008, and seeks appropriate Board representatives to move forward.

Mr. Simonoff asked for feedback from Board members. Mr. Kucharski said his office issued a report on IT governance. The recommendations presented here are going in the opposite direction of what the APA intended. He expressed concerns that he does not see IT investment management; he sees IT project management. He said he would like to see the technology management portion of this process.

Mr. McGuirk likened this discussion to the earlier discussion on request for services. He said instead of looking at the investment we are making, we are talking about giving agencies more authority if they do a good job. He said his concern is that the reason the infrastructure was set up was to have a common framework. He said if we understand where agencies are going and what they want to spend then he does not have a problem with this process.

Mr. Simonoff said this framework provides a degree of freedom to agencies but does not relinquish the authority and responsibility of the Board, CIO and VITA. He said Board approval is needed to proceed.

Mr. Hiram Johnson said he agreed with Mr. Kucharski. He said the maturity model will threaten the legislation that established the Board. Mr. Kucharski said his concern is that the risk to VITA is in new projects creating new infrastructure needs suddenly. Mr. Simonoff said the Council is not suggesting total freedom to choose investments. The agency will still need to show what they intend to do. Mr. Kucharski said he does not see the level of investment management needed to drive the system in the agencies. He asked to see how agencies are managing their portfolios.

Mr. Simonoff thanked the members for their feedback. He said he would take this back to the Council and work to get an answer for Mr. Kucharski.

Mr. Pomata asked if there was any other business new/old for discussion. There was none.

## Public Comment

Mr. Pomata asked if there was any public comment. There was none.

## Adjourn

Mr. Pomata asked for a motion to adjourn.

*Mr. Johnson made a motion to adjourn the meeting; Dr. Miller seconded the motion. The motion passed unanimously. The meeting adjourned at 12:20 p.m.*