



Virginia Information Technologies Agency



VITA in Review

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CIO of the Commonwealth

House Appropriations Committee
January 26, 2009



Virginia national recognition in 2008

- Virginia's security program rated #1 in the nation
 - National Association of State CIOs (NASCIO)
- Virginia's infrastructure partnership rated #1 in the nation
 - NASCIO
- Virginia moved from an A- to an A for "Information"
 - Government Performance Project
- Virginia's Web site ranked #1 in the nation
 - Center for Digital Government
- Virginia ranked #3 in the nation for all aspects of technology
 - Center for Digital Government

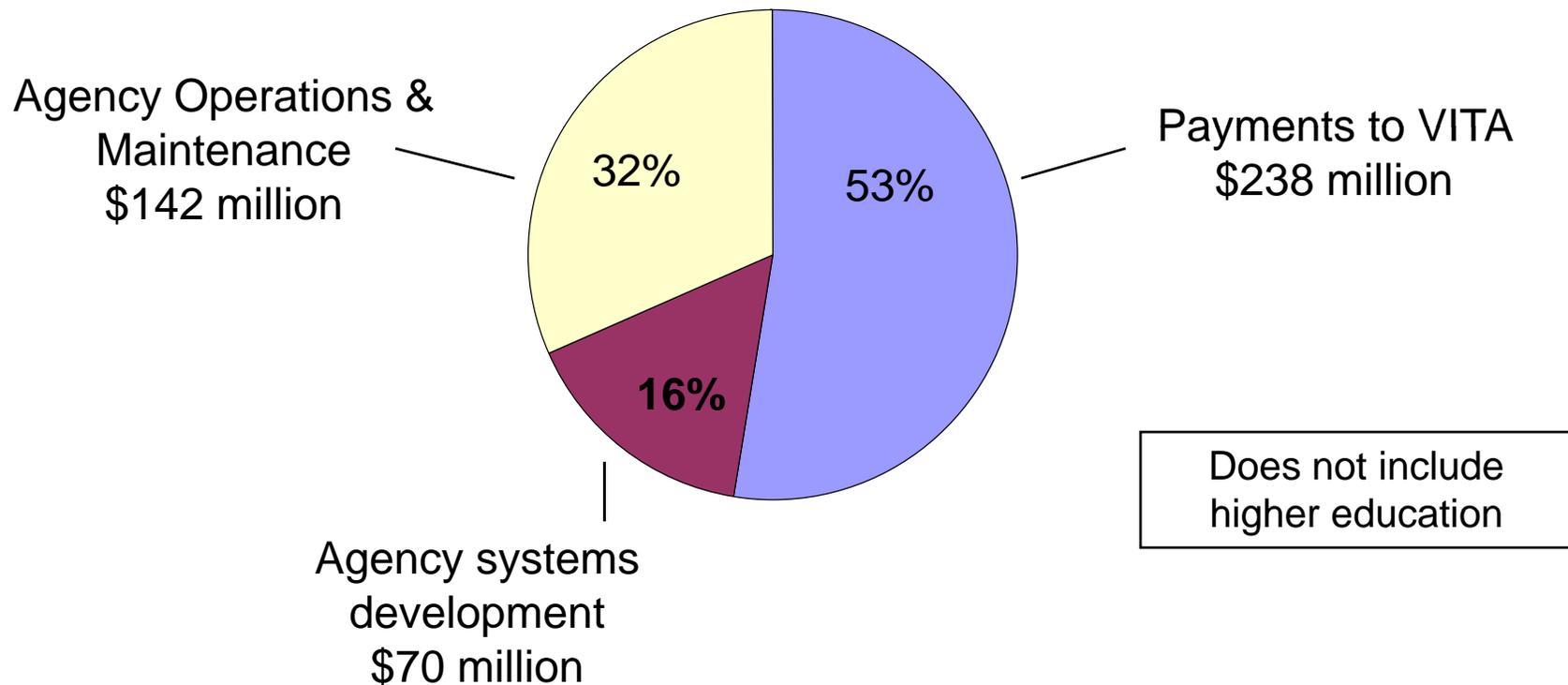




Perception:
VITA is responsible
for all IT in
the Commonwealth



VITA is responsible for about half of Virginia's Executive branch IT spend



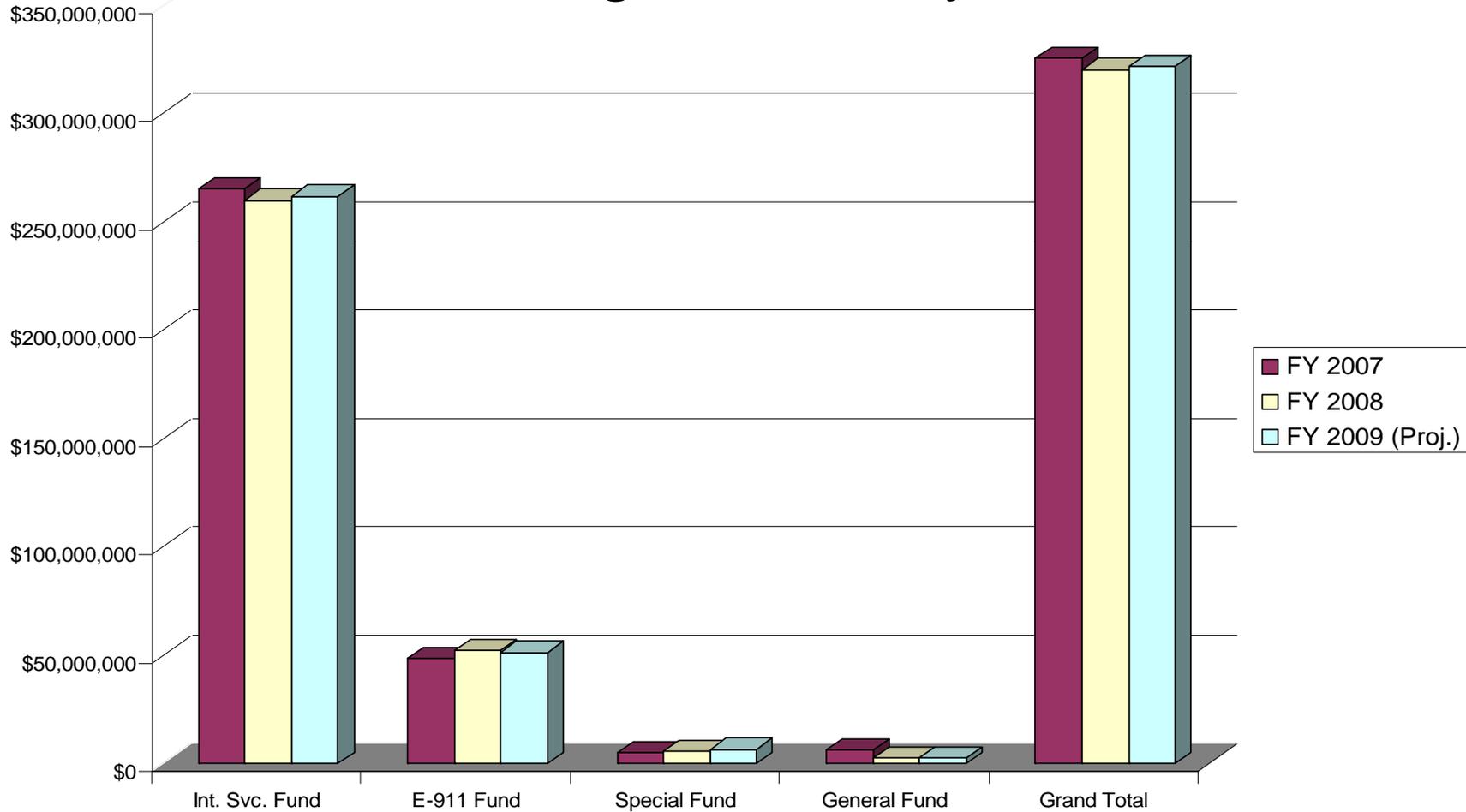
Source: APA, January 2009, *Revised Information Technology Governance*



Perception:
VITA's costs
are too high



VITA's charges virtually are flat





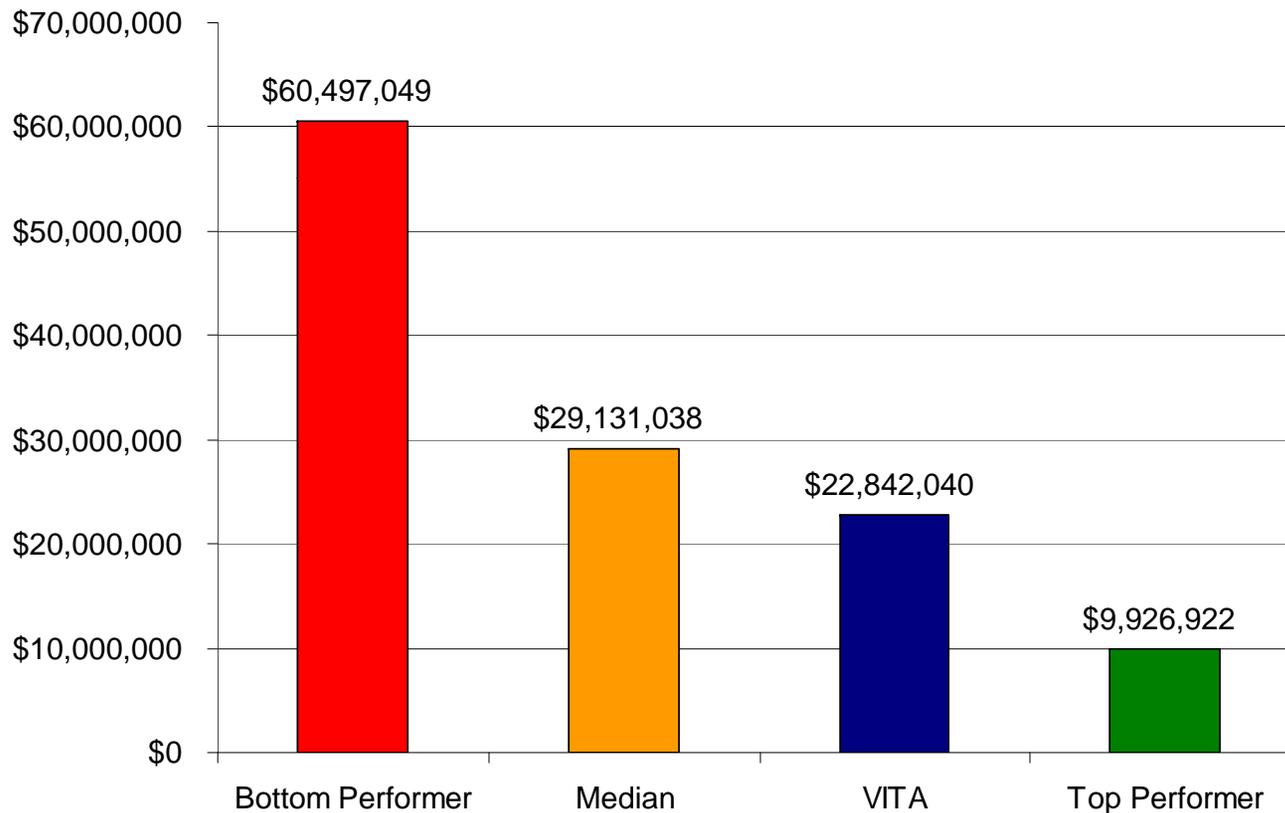
VITA's overhead costs have decreased steadily since 2004

	FY04	FY05	FY06	FY07	FY08
% Overhead	17.1%	12.1%	10.3%	9.3%	9.0%

How does that compare to our peers?



VITA's overhead costs are lower than average among public and private sector organizations



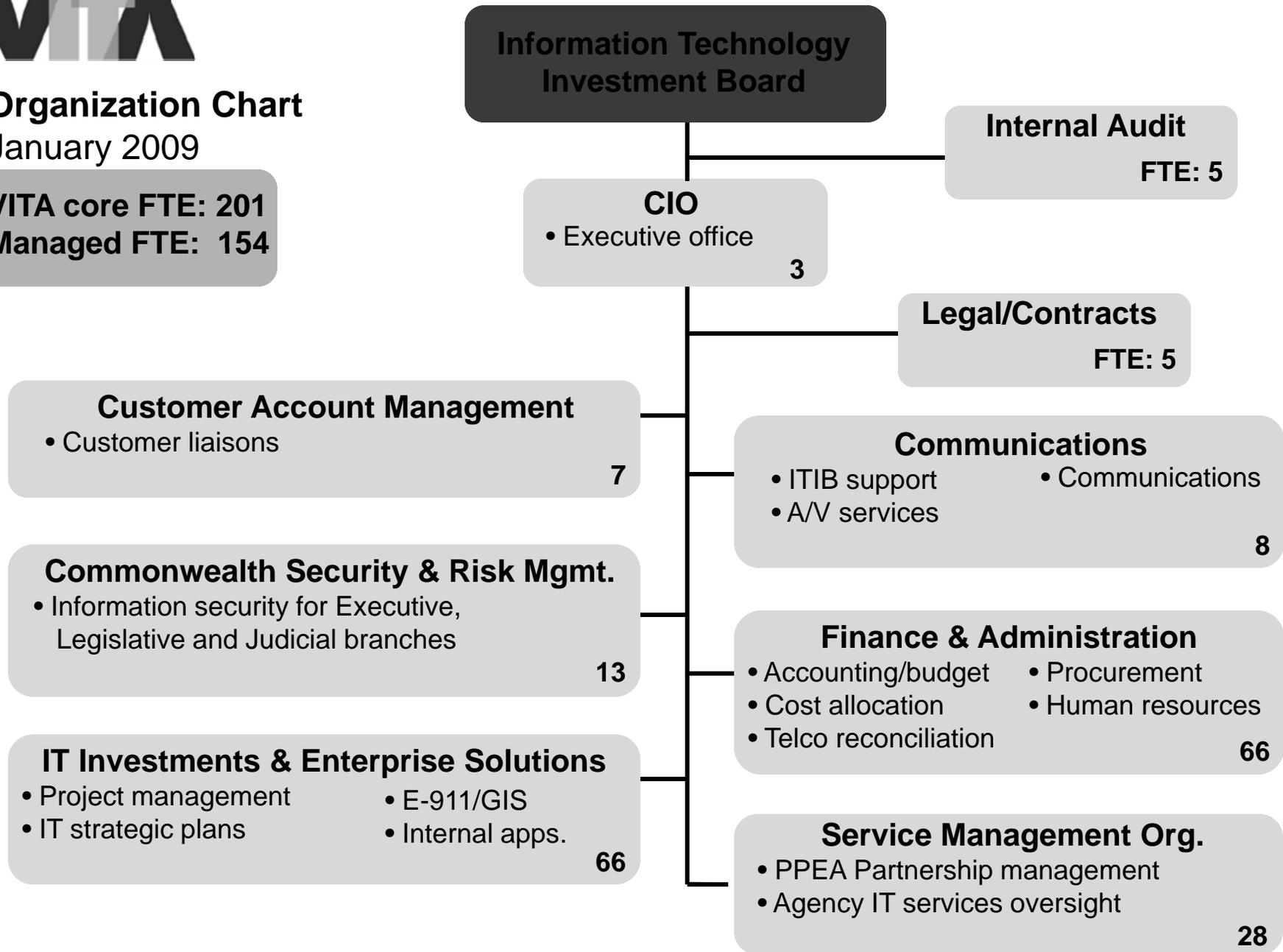
Source: Gartner, January 2008, General and Administrative (G & A) Cost Analysis and Comparison



Organization Chart

January 2009

VITA core FTE: 201
Managed FTE: 154





VITA is doing more with less

- VITA has 20% fewer FTEs than in July 2006
- VITA delivered \$1.2 million in rebates to customer agencies in FY07
- There have been no net base service rate increases since VITA was founded in 2003
- VITA's rates are 15 to 55 percent LOWER than federal rates for comparable services



VITA's rates are a good value

Service	VITA rate	HHS rate	% Difference
Desktop PC	\$131	\$293	55.2%
Handheld devices	\$87	\$176	50.7%
Network printer	\$132	\$255	48.3%
Network printer (Color)	\$351	\$640	45.1%
Laptop PC	\$180	\$317	43.3%
Server (Small)	\$1,078	\$1,667	35.3%
Server (Medium)	\$1,559	\$1,916	18.6%
Server (Large)	\$2,297	\$2,716	15.4%

Source: U.S. Dept. of Health & Human Services, Oct. 2008, OS Policy & Procedure for Providing IT Services



So... with these facts:

1. Charges virtually are flat
2. VITA has reduced overhead costs
3. VITA has rebated money to agencies
4. Net base rates have not increased in six years
5. VITA's rates are lower than those of our federal counterparts

Why is there noise about costs?



Because beneath the calm “enterprise” surface, individual Agencies experienced cost increases and decreases

Why Agency costs increase

- Agency-initiated growth
- Under-funded and subsidized IT programs
- Disaster recovery
- General Assembly directed the transition of General Fund services to fee-for-service
- Corrections to asset inventory
- Federal cost allocation methodology

Why Agency costs decrease

- Leveraged buying power
- No more subsidies of “have nots”
- Staff shared across agencies
- Reduction of equipment and services
- Corrections to asset inventory
- Federal cost allocation methodology



Perception:

There haven't been
any financial benefits
to the Commonwealth



Financial value to the Commonwealth

Cost Savings/Avoidance and Investments	Amount
Centralized procurement – contract reductions/discounts (FY04-FY05)	\$59,700,000
Project management – no major IT project failures (FY03-FY08)	\$75,000,000
Investments in Southwest Virginia	\$60,000,000
IT transformation – after \$270M investment is paid back	\$27,000,000
Energy efficiencies – deploying energy-efficient equipment (FY10)	\$11,800,000
Total	\$233,500,000



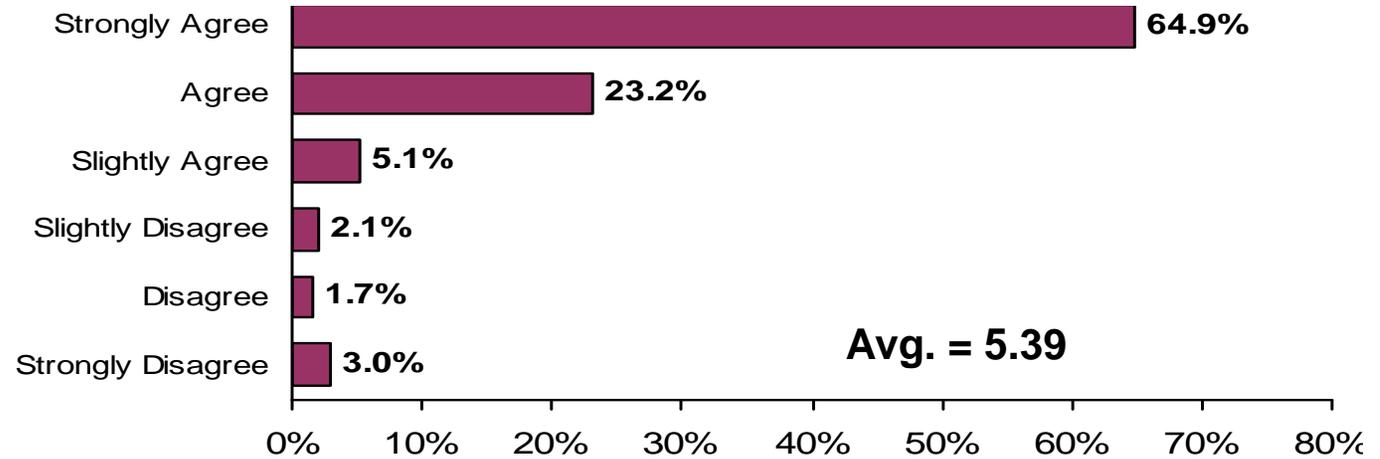
Other significant benefits to the Commonwealth

- Vastly improved information security
- Creating 370 high-tech jobs in Southwest Virginia
- Increased annual SWaM spend from \$4M to \$80M
- Established affordable Internet access for 35 school districts and library systems
- Constructed two modern data center facilities
- Replaced much of the state's outdated infrastructure
- Improved citizen accessibility to agency Web sites and online services
- Earned 24 national awards and honors for Virginia

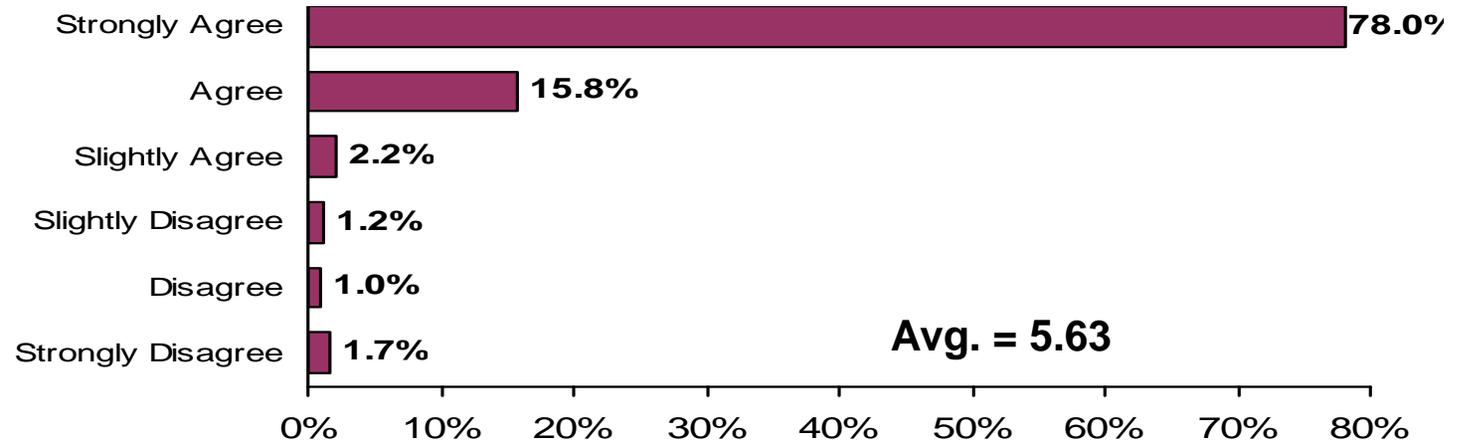


Customer satisfaction surveys are consistently, strongly positive

Help Desk Support Overall Satisfaction



Desktop Support Overall Satisfaction





There are real challenges

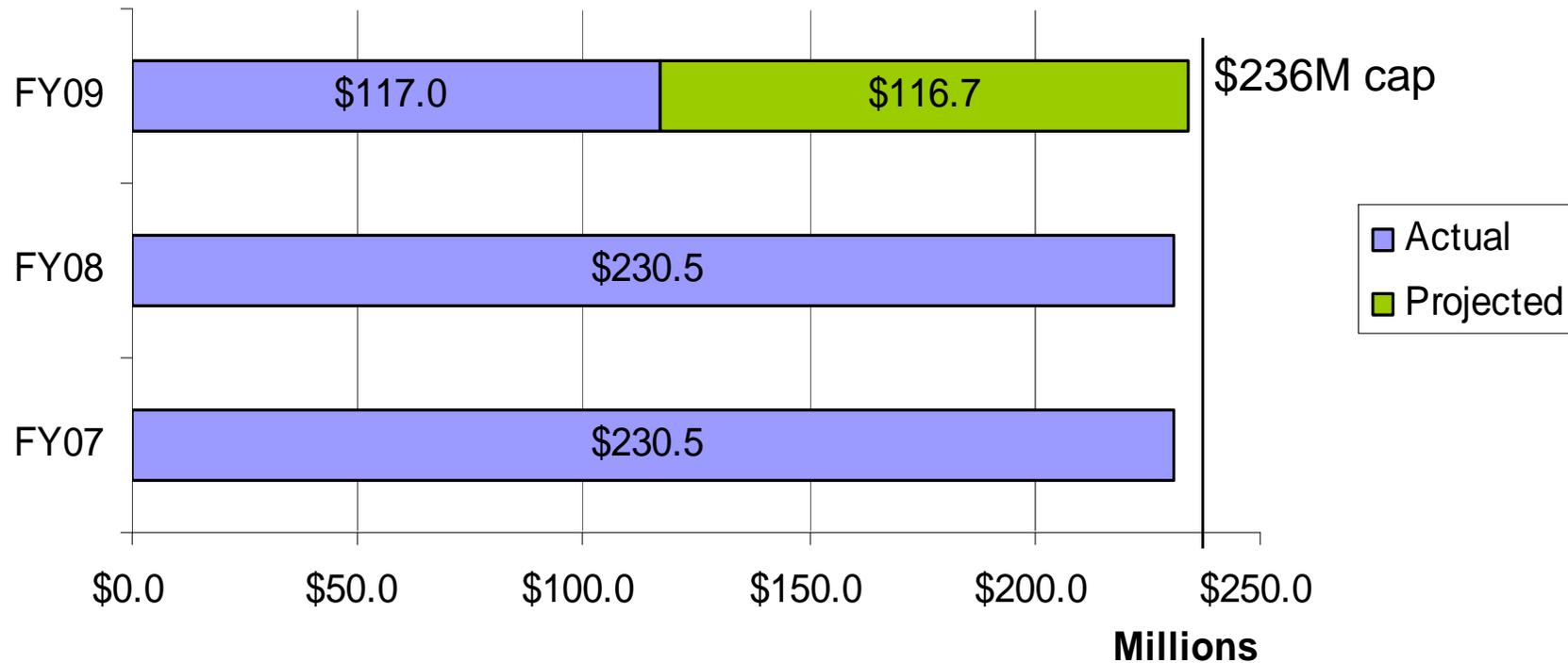
- Cultural resistance to change
- The economy
- Aggressive transformation schedule
- Antiquated applications environment
- Asset inventory



VITA is addressing these challenges

- Collaborating with agencies and Governor's Office to reach transformation goals
- Focusing on most critical transformation priorities
- Working with agencies to improve service delivery
- Added resources to address inventory

Actual payments to Northrop Grumman were below the cap



The cap can exceed \$236M

- Workload growth
- Out-of-scope work
- Cost-of-living adjustment

The cap can drop below \$236M

- Non-appropriations
- Reduction in services (unit driven)
- Government restructuring
- Contract renewal (\$27M)

Questions?

National rankings

- #1 in information security
- #1 in enterprise IT management
- “A” in information, Best Managed State
- #1 in digital government
- #3 in overall technology use





Supporting materials



Energy Consumption Efficiencies

- Consumption efficiencies realized through hardware and best practices (i.e. ENERGY STAR compliant hardware components and configuration settings)
- Servers operate primarily in a 24/7 active mode; consumption efficiencies best gained by consolidation and virtualization
- Approximately 350 servers consolidated through virtualization yielding anticipated energy savings of \$83,000/yr
- Approximately 30,709 PCs have been refreshed with ENERGY STAR rated devices

