Transition of IT Infrastructure Services

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House Appropriations Committee

June 17, 2019

Executive Summary

- VITA has implemented a modern delivery model for infrastructure services
- Updated transition business case projected to reduce Commonwealth costs by $114M over eight-year period
  - Includes supplier transition costs of $218.5M
- Necessary adjustments to the implementation plan resulted in some delays
  - VITA is working with suppliers and customers to address delays
- Modernization continues with new services rollout on July 1

VITA Three-Year Services Roadmap

Transition the Service Model

FY 2019

- ✓ Transition from single supplier to multi-supplier IT services model
- ✓ Establish governance to support model
- ✓ Restructure the agency to support the new IT model

Stabilize and Shift to Cloud

FY 2020

- Fully integrate eight new suppliers and stabilize delivery of services
- Support agency migrations to the cloud
- Modernize key services to meet agency needs
- Pay off transition costs

Realize Platform Value & Savings

FY 2021

- Move the data center out of the CESC in Chester
- Focus on service improvement and customer satisfaction
- Expand/re-compete contracts to add value
- Enhance strategic relationships with agencies

Agency Value Proposition

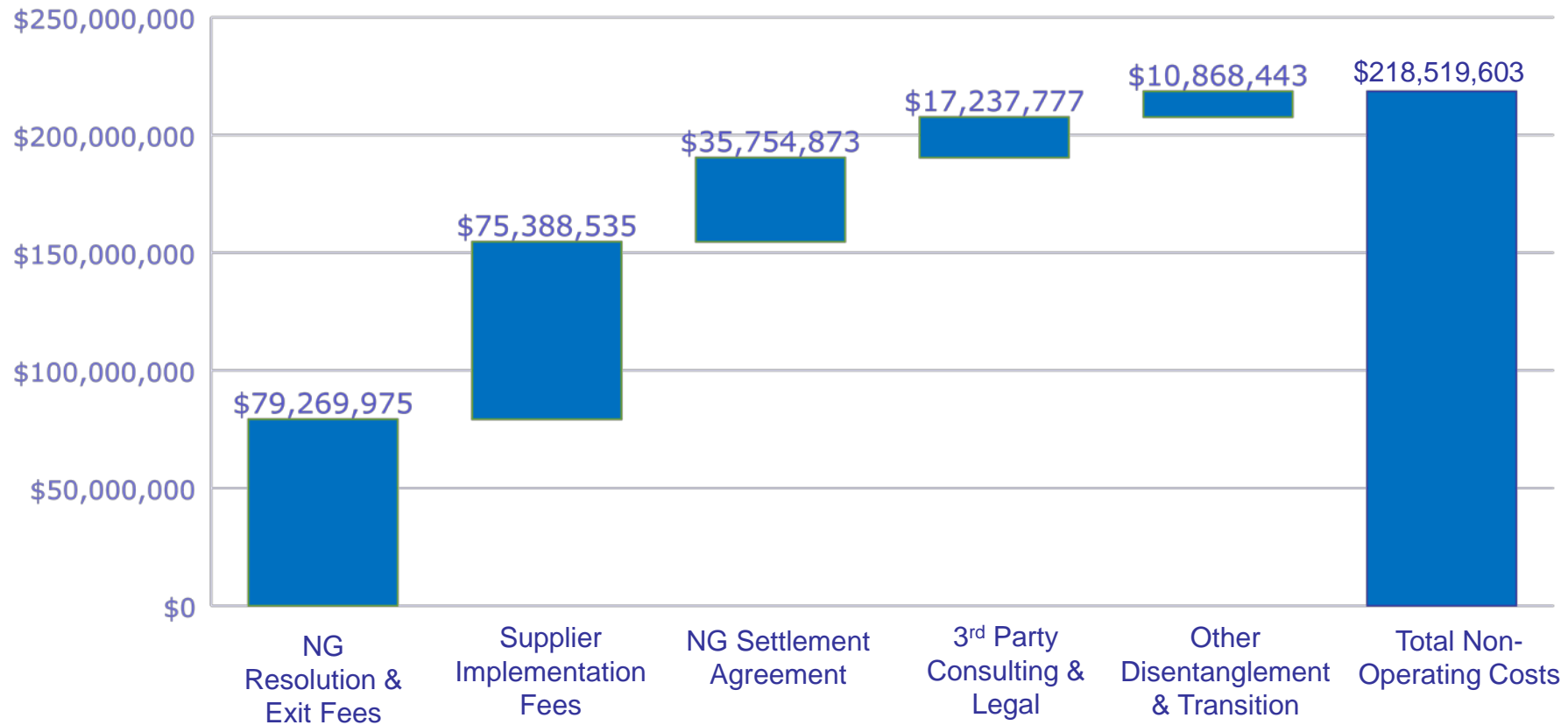|	
Cybersecurity	Protect resources, assets and information from loss, damage, and misuse
IT Infrastructure Services	Ensure the operating environment is adaptable, offers quality delivery, and has right processes in place to serve agencies
Governance	Provide efficient and effective processes to support technology decisions and the ease of doing business

Financial Performance of Transition

- The multi-supplier model delivers value for the Commonwealth
  - Accounting for program delays, scope changes, and the litigation, the final business case is projected to outperform the prior contract model by approx. $114M over eight years
  - Employs a market-based services delivery model
  - Reduced run charges versus Northrop Grumman spend
  - Projected operating savings in FY19 & FY20 necessary for planned Line of Credit repayment by end of FY20

- VITA incurred approximately $218.5M in non-operating expenses which includes:
  - Termination and disentanglement costs associated with the NG contract
  - Implementation and transition costs associated with new supplier contracts
  - 3rd party consulting and legal services to support transition

- Final transition costs are $51M over initial estimate
  - $35.7M of this amount is due to NG settlement

Composition of Transition Non-Operating Expenses

Expedited Transition [from 10/15/18]

90-Day Transition
May 25 – Aug. 17

Four-Month Operation
Aug. 18 – Dec. 15

Northrop Grumman Service Delivery

SAIC Service Delivery

Aug. 17 | Aug. 18

Walk-in, take-over

SAIC - MSI

Atos - Security

Iron Bow

Unisys

Perspecta

Verizon

Tempus Nova

Xerox
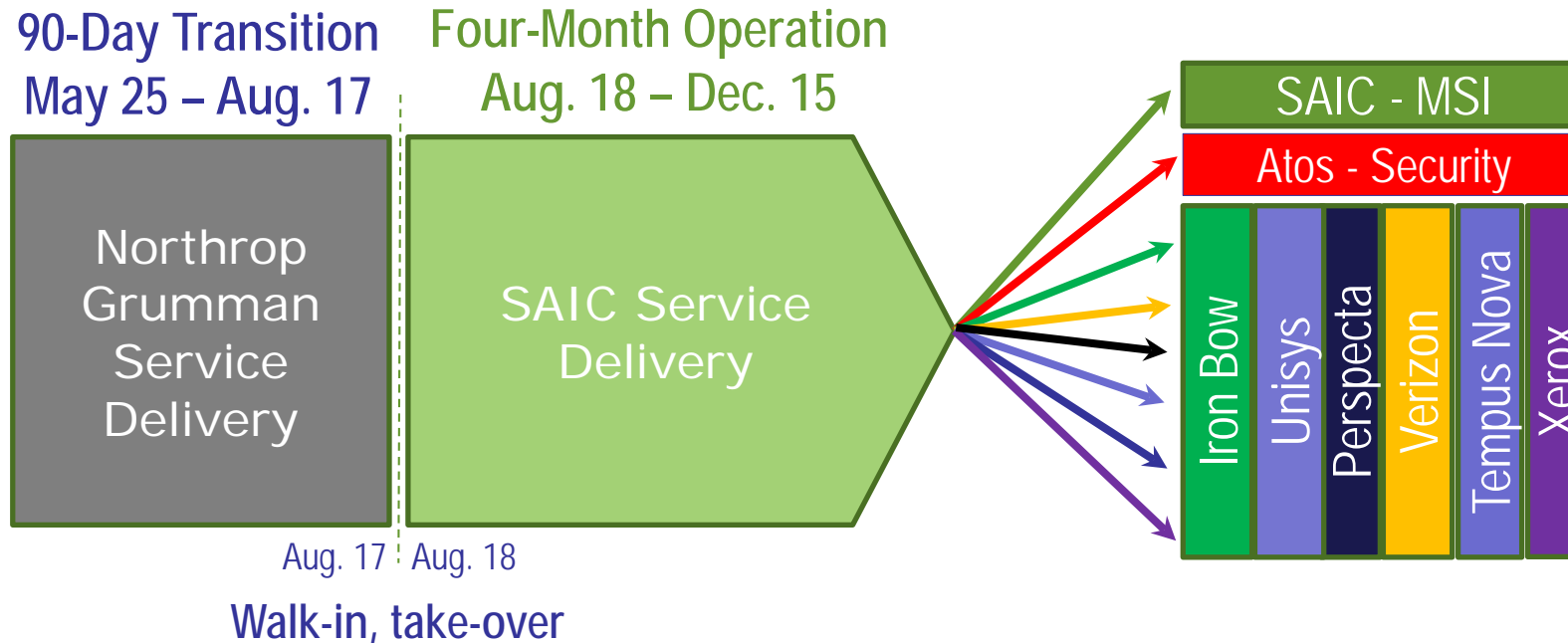
Multi-Supplier Platform Implementation

Tower	Supplier	Services Begin Date
IBM Mainframe	Perspecta	June 2017
Messaging	Tempus Nova	Nov. 2017
Multi-Sourcing Services Integrator	SAIC	Oct. 2018
Managed Security	Atos	Dec. 2018
Voice Data Network	Verizon	Dec. 2018
Server Storage/Data Center	Unisys	Dec. 2018
End User Computing	Iron Bow	Dec. 2018
Managed Print	Xerox	Dec. 2018

Service Challenges

Current Challenges

- Simultaneous service delivery and implementation by suppliers

- Time to process agency request for solutions (RFS)

- Transitioning to a new billing (ITFM) tool

- Network latency at some agencies

Upcoming Challenges

- Support agencies' move to the cloud and other technologies

- Plan for data center move

- Increase transparency
  - Refine new tools and processes
  - Measure and report on service performance, focus on meeting evolving business needs

- Re-compete and expand initial contracts

New Services in FY20

- Beginning July 1, VITA expects to make available more than **40** new/improved IT services over the next year
  - At least twenty-four new/improved services will be available on July 1
- Examples include:
  - Four levels of end user services with twenty-three types of laptops, tablets and desktops
  - Nine new or improved Voice and Data Network services
  - Six new Server/Storage services (e.g., new physical and virtual servers)
  - Eleven new or improved Security services (e.g., privileged account management, data loss prevention, and network access control)
  - Brokerage of cloud services through AWS, Microsoft, Oracle, and Google cloud offerings in early FY20

Summary

- VITA's new multi-supplier model is in place

- The business case for the transition remains positive

- New services are coming online

- VITA is adapting its organization to fit the new model and to mature its supplier management capabilities

Questions?

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