



Virginia Information Technologies Agency

VITA Report

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Technology Oversight and Government
Activities Subcommittee
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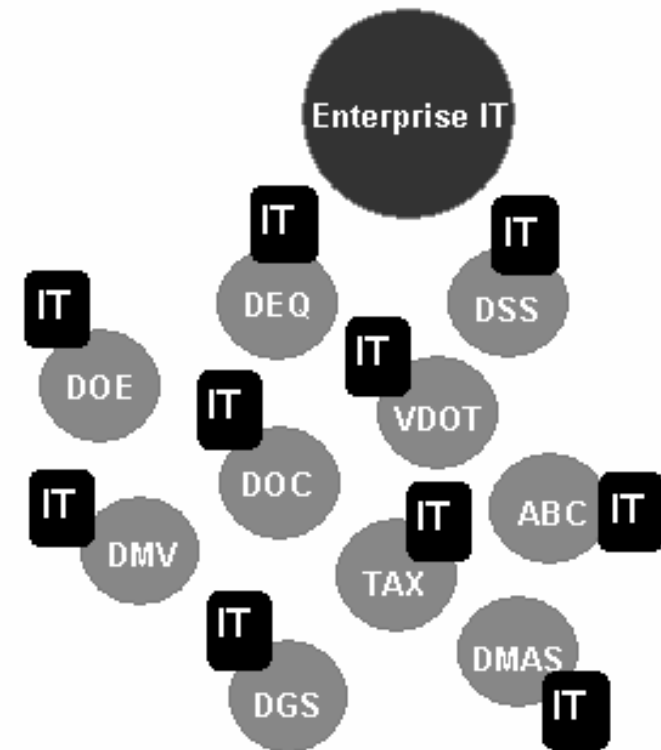
Presentation Topics

- Brief History of IT Reform
- State of the Commonwealth's IT Infrastructure
 - Commonwealth/Northrop Grumman IT Partnership
- Governor's Recommended 2008 Budget and Policy Actions



Call to Action: State of Technology in 2002

- 90+ independent, autonomous IT shops
- Independent, duplicative systems
- Millions \$ in failed IT projects
- Inadequate protection of sensitive information and equipment
- Inability to leverage buying power or manage investments
- Obstacles to sharing information across agencies
- Few metrics on performance and service delivery





Governor and General Assembly Took Action in 2003

- Created Information Technology Investment Board (ITIB)
 - 10-member supervisory board
 - 8 citizen members, 4 appointed by legislature, 4 by Governor
 - Responsible for IT oversight and investment
- Chief Information Officer (CIO)
 - Hired by ITIB to a 5-year contract
 - ITIB's agent as Agency Head





ITIB/VITA - Statutory Roles

- Statewide information technology services for government entities
- Central technology procurement, policy and procedures
- Enhanced-911 (E-911) support services for 137 local governments
- Statewide Geographical Information System (GIS) for state agencies and local governments
- Security policy and standards for Executive, Judicial and Legislative branches
- Project management oversight for all IT projects of more than \$100,000
- IT infrastructure modernization via public private partnership.



Enterprise IT Governance Accomplishments

From

- Lack of oversight
- Independent, autonomous decision-making
- \$565 million spent on duplicative, stand-alone systems
- Millions \$ in failed major IT projects

To

- Strong investment management program for new IT projects
- Strategic IT investment decisions promoting enterprise solutions
- No major IT project failures since 2003



Centralized IT Procurement Accomplishments

From

- Buying power not leveraged
- Lack of standards
- Multiple, inconsistent procurement processes
- Low spend with small, women- and minority-owned (SWaM) companies

To

- Leveraged buying power
- Decreased costs and improved service
- Implemented consistent procurement processes and practices
- Increased annual SWaM spend from \$4M to \$43M



E-911 and VGIN Accomplishments

From

- Lack of leverage and inefficient local government support
- Duplicative GIS data in multiple locations
- Independent E-911, GIS and radio engineering services
- Two support organizations for VA Geographic Information Network (VGIN) and E-911 Boards

To

- A nationally recognized among the best public safety support programs
- Leveraged state and local government resources
- Statewide enterprise geographic information program
- One support organization for VA Geographic Information Network (VGIN) and E-911 Boards



State of the IT Infrastructure (Pre-VITA)

- Aging, inefficient infrastructure
 - 1980s technology environment
 - 60% of equipment 8 to 10 years old
 - No maintenance on thousands of devices
- The Commonwealth at risk
 - 80% of agencies vulnerable to data breaches, hacking
 - Virginia's data center building rated a security risk
 - Inadequate ability to resume operations after a disaster
 - Copyright software license violations (legal liability)
 - 90% of agency web sites inaccessible to disabled citizens



Solution: Build a 21st Century Infrastructure

- Established nation's largest state government public-private partnership
 - Innovative partnership created November 2005 with Northrop Grumman Corporation
 - Valued at \$1.9 billion over 10 years
 - Commonwealth's IT costs frozen at 2005 spending levels
 - Includes \$270 million up-front capital investment, job creation and modernization initiatives
 - The Commonwealth gets a reliable and agile 21st century infrastructure for what it was paying to maintain a 1980s infrastructure



IT Infrastructure Accomplishments

- Significantly improved information security
- Corrected software copyright licensing violations
- Constructed two data center facilities (Chesterfield & Russell)
- Created over 400 high-tech jobs in southwest Virginia
- Replaced 1/3 of infrastructure with new, standard equipment
- Implemented standard, consistent processes and metrics to support nearly 2,000 agency sites
- Establishment of predictable, consistent prices that are planned for and budgeted



Virginia Information Technologies Agency



Commonwealth Enterprise Solutions Center



Chesterfield
County
(Meadowville
Industrial park)

Photo: Whiting-Turner



Southwest Enterprise Solutions Center



Town of Lebanon,
Russell County





If Not for Actions Taken in 2003...

Virginia could have...

- Spent more than \$120 million on failed major IT projects
- Spent \$200 million more over the next decade supporting an aging IT infrastructure
- Spent an additional \$120 million on energy consumption over the next decade
- Paid \$45 million more for IT products and services without central IT procurement management



Governor's 2008 Budget

- Redistribution of agency IT funds
- Transfer IT procurement authority to Department of General Services (DGS)
- Transfer E-911 program to Department of Emergency Management (VDEM)
- Savings rebates to customer agencies



Item 473: Redistribution of Agency IT Funds

- Authorizes DPB to transfer \$9.5 million in general fund (\$4.5 million net) among agencies impacted by IT cost variations

Context

- JLARC-approved VITA service rates and the Commonwealth/Northrop Grumman partnership contract spending cap set in FY06 have not increased
- Why are agencies experiencing cost variations?
 - New FY07 federal cost allocation mandate
 - Consumption of IT services is growing
 - General Assembly transitioned some general fund programs to fee-for-service (i.e. security, PMD, GIS)
 - Historical practices of under-funding IT programs



Item 473: Redistribution of Agency IT Funds

- Under-funded IT programs
 - Software license copyright violations on thousands of PCs
 - 60% of PCs and servers eight years old and older
 - 50% of hardware with no maintenance contract
 - 22 agencies with no technical staff to support thousands of computer devices
 - 80% of agencies with inadequate IT security
- Correcting these irregularities cost an additional \$10 million annually
 - Governor and General Assembly adjusted agency budgets in FY07

Impact

- Alleviates agency IT budget issues in FY08-10
- Consistent with actions adopted by General Assembly and Governor last year



Item 432: Transfer IT Procurement Authority

- Directs VITA to relinquish authority and responsibility for procurement of IT goods and services to DGS

Impact

- Conflicts with statutory responsibilities of the ITIB/CIO for oversight of IT investments
- Will recreate the IT procurement “silos” – a problem VITA was created to eliminate
- Will result in a more complex and inefficient procurement process for agencies and businesses
- Runs counter to the APA’s December 2007 report recommending more central IT investment management and oversight



Item 421: Transfer Enhanced-911 Program

- Directs the transfer of E-911 program from VITA to VDEM

Impact

- Dismantles Virginia's nationally recognized program
- Disrupts the gains in effectiveness and continuity of service to local governments by segregating E-911, VGIN and radio engineering
- Increases the cost of the total program by approximately \$200,000/year



Items 434 & 437: Rebates to Customer Agencies

- Directs VITA to continue to rebate savings to agencies via reduction in telecommunications/overhead costs (accomplished per JLARC action Dec. '07)

Savings in context

- Achieved cost savings and avoidances of \$16.7 million in FY04 and \$43 million in FY05
- Governor and General Assembly approved the Commonwealth/Northrop Grumman partnership contract in FY06
- Savings are invested/committed to repayment of Northrop Grumman's up-front \$270 million capital investment
- Savings of approximately \$30 million/year will be returned to the state agencies beginning at contract end

There are no “uncommitted savings” during the term of the partnership contract



Summary

- Changes instituted by the Governor and General Assembly are benefiting Virginia citizens and taxpayers
 - Spending tax dollars wisely
 - Ensuring sensitive information is secure
 - Improving quality and reliability of government services
 - Spurring economic development in local communities
- VITA and Northrop Grumman are on track in modernizing and correcting deficiencies in the Commonwealth's IT infrastructure
- ITIB and VITA are fulfilling our statutory requirements which were the General Assembly's intentions



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For More Information

www.vita.virginia.gov

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