



## COMMONWEALTH of VIRGINIA

*Joint Legislative Audit and Review Commission  
Suite 1100, General Assembly Building, Capitol Square  
Richmond, Virginia 23219*


*Philip A. Leone  
Director*

*(804) 786-1258*

June 3, 2003

### MEMORANDUM

TO: Philip Leone

FROM: Glen Tittermary 

SUBJECT: Initial VITA Rates

During the 2003 Session, the General Assembly created the Virginia Information Technologies Agency (VITA), consolidating information technology services in a single entity. The Department of Information Technology (DIT) was one of the agencies merged into VITA. As a result of the merger, the existing internal service funds administered by DIT were repealed, and new internal service funds created in VITA. The new funds are direct replacements for the old funds, and balances will transfer on July 1, 2003.

On April 15, 2003, Secretary of Technology George Newstrom notified JLARC that the existing rates for DIT would be used for VITA. Subsequently, Ms. Cheryl Clark, Chief Transition Officer at VITA, requested that the Commission approve the existing rate structure at DIT for use by VITA. The correspondence from Secretary Newstrom and Ms. Clark are attached for your reference. The rate schedule is also attached.

The rates would apply to the services carried over from DIT to VITA, and would not include any new

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services which might be provided as a result of the consolidation. The rates or charges for any new services which VITA may provide to agencies as a result of the negotiated memoranda of agreement would need to be approved by the Commission in future meetings. VITA staff have indicated that they expect to develop such new services and rates throughout FY 2004.

**The rates requested for VITA are exactly the same as those currently in use by DIT, so I recommend approval. I also recommend that the Commission request that VITA provide updates on new services and rates in September and December 2003.**

gst