



Virginia Information Technologies Agency

November 2004 Rate Request

Lemuel C. Stewart, Jr., CIO of the Commonwealth
Austin Matthews, Chief Financial Officer

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expect the best



Background

- In June 2004 JLARC approved
 - VITA's Direct Bill Methodology for Integration involving agency direct IT cost plus 5.52% administrative fee
 - VITA's migration strategy for the development of rates for shared services
- VITA periodically requests product line rate adjustments



Current JLARC Request

COVANet Rate Adjustment	\$1.0M
Computer Services and Telco Rate Adjustments	\$0.5M
New Services Rates	\$0.1M
Total	\$1.6M

(No change to direct bill 5.52% rate)



COVAnet Rate Adjustment

New contract signed in Fall 2003

- Vendor rates reduced for same services
- Total savings passed on to customers
- VITA revenues to support services decreased

Result

- Under-recovery of \$1M annually for services
- Adjustment necessary to ensure federal compliance



Computer Services and Telco Rate Adjustments

VITA manages over- and under-recoveries at the product level

Four products over- or under-recovering:

- IBM Tape Storage – Under-recovery (\$0.8M)
- IBM Disk Storage – Over-recovery (\$1.3M)
- Router Services – Under-recovery (\$0.4M)
- EBARS Tape Back-Up – Under-recovery (\$0.2M)

Total net change of +\$0.1M



Computer Services and Telco Rate Adjustments (Cont'd)

Three services being provided with no recovery:

- EBARS Tape Storage (\$0.2M)
- Tape Vaulting (\$0.2M)
- ACE Fobs Server (\$0.1M)

Total net change of +\$0.5M



New Services Rates

Server Disk Storage (\$0.01M)

- Creates a dynamic, scalable shared environment
- Minimizes wasted excess capacity

Government to Government Enterprise Services Interface (GESI) (\$0.09M)

- Middleware hosted at VITA
- Facilitates social service worker access to multiple applications, lowers costs and improves citizen services
- Customers – Virginia localities



Customer Impact – Existing Product Lines

- Overall, customers will bear additional costs based on their usage
- Minimal impact compared to IT budgets
- Some customers costs will decrease



Customer Impact – New Services

- Meets agency business demands and improves local citizen services programs
- In keeping with strategy of migrating towards a shared services environment and rate structure
- GIS, licensing, e-mail and other shared services under development



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For More Information on VITA

www.vita.virginia.gov

Lemuel C. Stewart, Jr.

CIO of the Commonwealth

804.343.9002

lem.stewart@vita.virginia.gov

ContactUs@vita.virginia.gov