



Virginia Information Technologies Agency

VITA Update

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Joint Legislative Audit and Review
Commission
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expect the best



Presentation Topics

- IT Partnership
- VITA Organization
- Financial Update
- Information Technology Investment Board
- Agency IT Financial Management
- Challenges



IT Partnership - Highlights

- The Commonwealth will get a reliable and agile 21st century IT infrastructure for what it's paying to maintain a 1980s IT infrastructure
- The agreement is valued at \$1.98 billion over 10 years, with one 3-year extension
- \$272 million total capital investment
 - New, state-of-the-art facilities in Chesterfield and Russell Counties
 - Self-funded model (savings & cost avoidances)
- Consistent and proactive technology refresh
- Significant job creation
- Commonwealth employees treated well



IT Partnership - Employees

- Choice made by many VITA employees to join Northrop Grumman represents an early success for the IT Partnership
 - Number of VITA employees accepting job offers was the first significant success for the IT Partnership
 - 846 VITA employees received offer letters
 - 66.9% (566) accepted
 - Those declining the offer will remain VITA “managed employees,” receiving technical direction from Northrop Grumman



IT Partnership – Service Commencement Date

- As planned, operational and technical responsibility for information technology infrastructure was successfully assumed by Northrop Grumman on July 1
- The goal of current operations --to ensure a smooth transition with no degradation of customer service-- was achieved
- July 1 marked the start of transformation activities to modernize the Commonwealth's IT infrastructure over the next 36 months



IT Partnership - Facilities

- Ground breaking for the Commonwealth Enterprise Solutions Center (CESC) facility in Chesterfield County on May 23
 - Scheduled for completion in summer 2007, the 192,000-square-foot facility will house VITA headquarters in a high-security data center and network operations center
- Ground breaking for back-up data center in southwest Virginia (Russell County) is October 27, with completion anticipated in fall 2007



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CESC Progress





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CESC





IT Partnership – Transformation Milestones

Milestone	Target Date
Begin desktop refresh	2007
Move into new Commonwealth Enterprise Solutions Center in Chesterfield	2007
Establish single, statewide, help desk	2007
Establish computer security incident response center	2007
Move into new Southwest Data Center in Russell	2007-2008
Complete initial desktop refresh	2009
Complete single enterprise e-mail	2009
Complete server consolidation	2009



What Does Transformation Mean...

- **For State Agencies**
 - Improved 21st century IT services at today's cost
 - Improved security of state assets
 - Improved disaster recovery
 - Consistent technology innovation
 - Lower reoccurring costs at the end of the project
- **For Local Governments**
 - Leveraged state services at lower costs
 - Backup and security services, previously unaffordable
 - Expanded broadband access
 - Enhanced emergency communications



What Does Transformation Mean...

- **For Taxpayers**

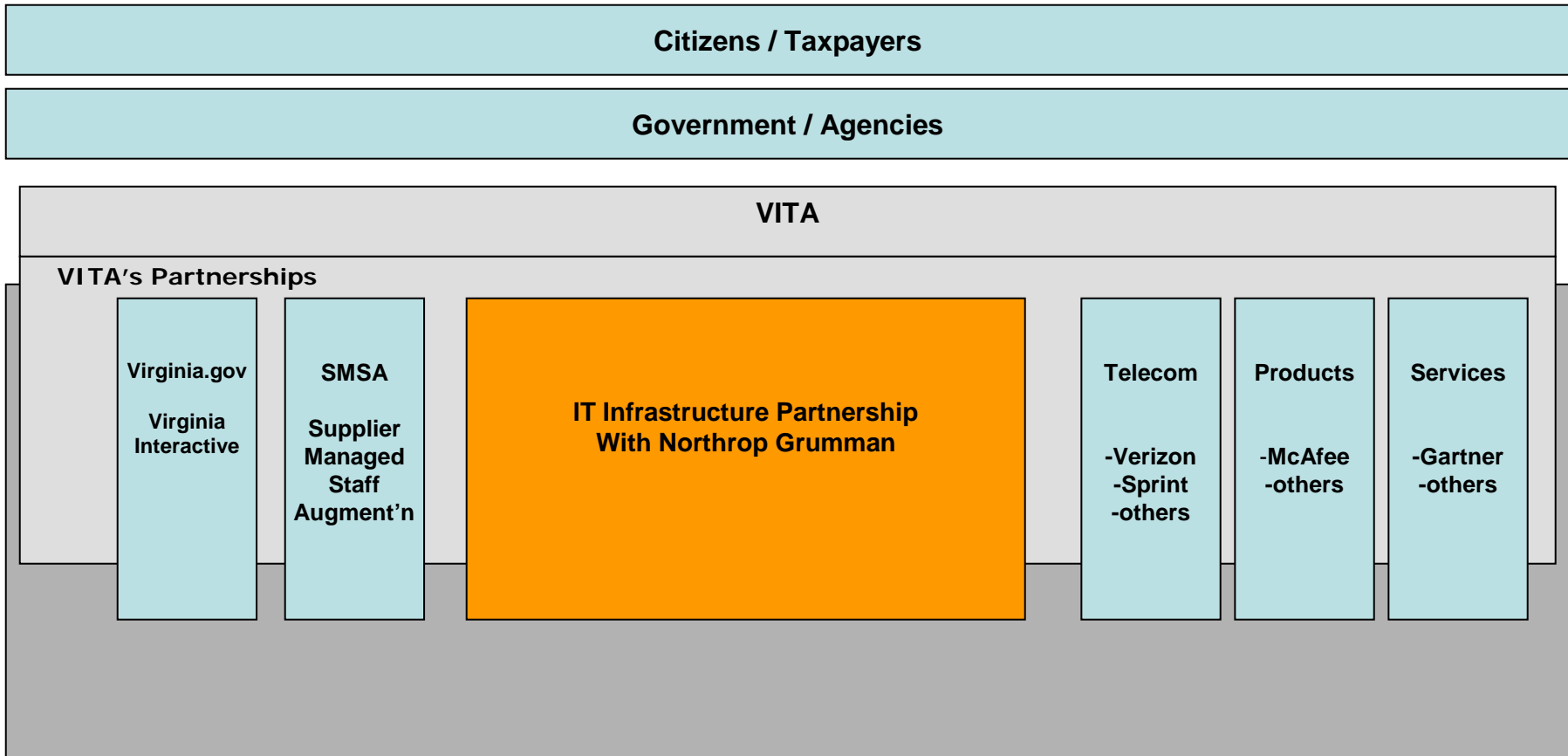
- Improved security of information
- Expanded, improved and simpler government services
- No additional taxpayer dollars
- Economic development and new jobs

- **For Businesses**

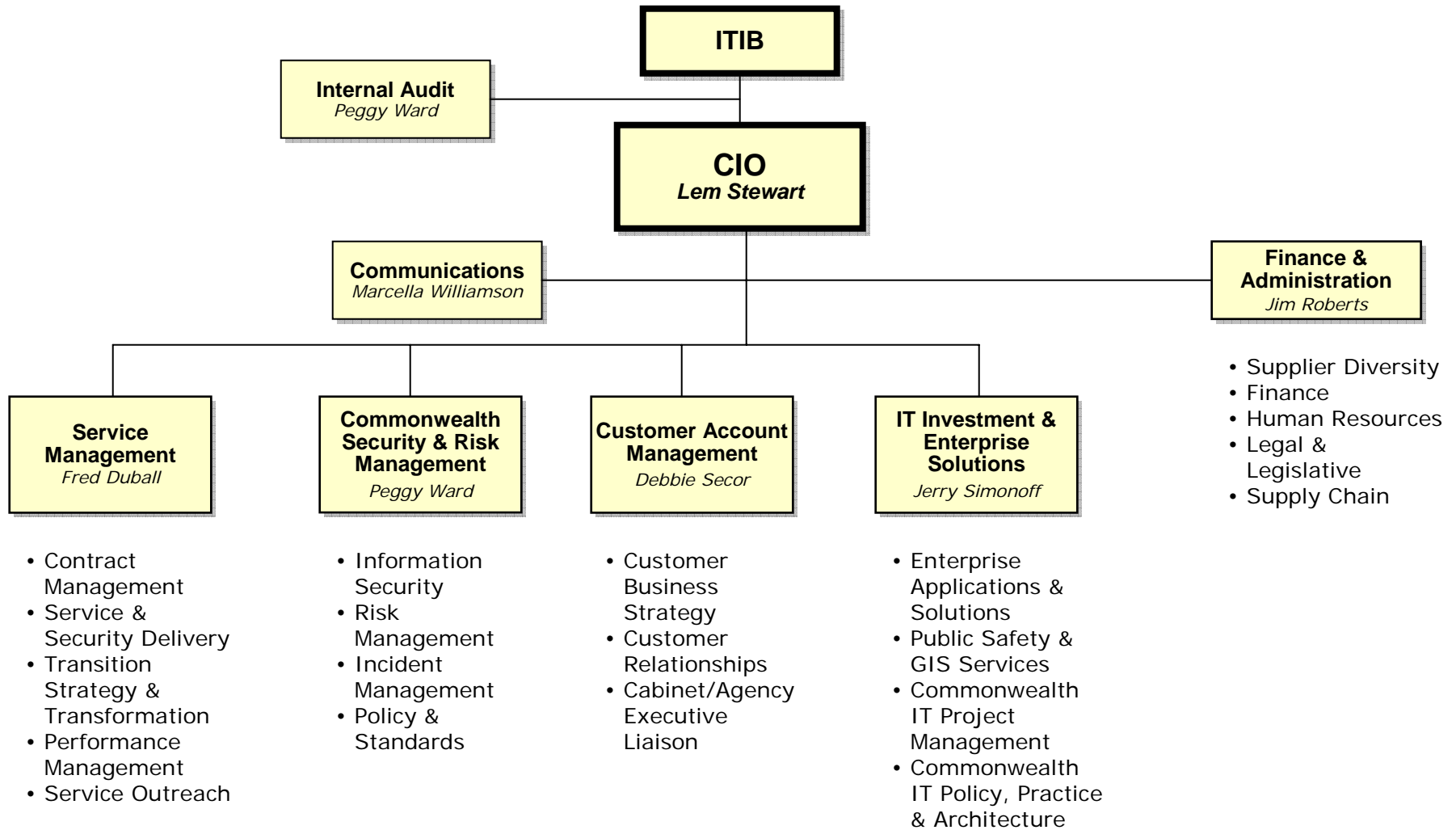
- Continued opportunity to compete for state business
- Strong focus on small, women-, & minority-owned (SWAM) business opportunities
- Collaborative projects and services



IT Partnership in Context



VITA Functional Organization





VITA Indirect Costs FY03-FY07

	FY03	FY04	FY05	FY06	FY07
% Indirect	15.6%	17.1%	12.1%	10.3%	9.5%
% Direct	84.4%	82.9%	87.9%	89.7%	90.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%



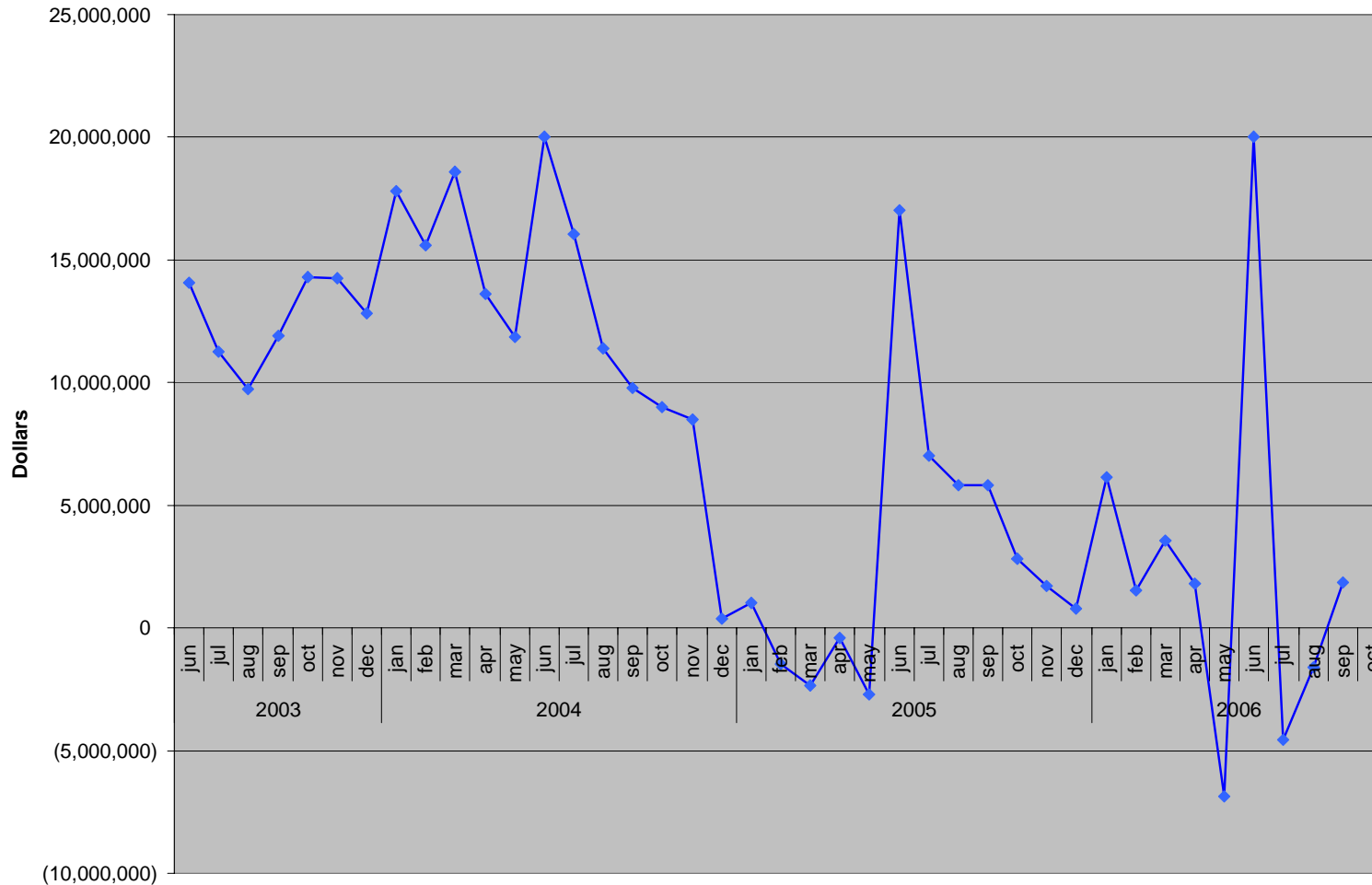
FY 2006 Financial Results

	FY06 Budget	FY06 Actual YTD Results	Actual as % of Budget
Revenues, Including Transfers In	\$296,050,223	\$293,415,446	99%
Expenses, Including Transfers Out	294,043,960	291,386,884	99%
Net Change	2,248,388	2,028,562	
Retained Earnings, July 1	\$54,110,505	56,062,031	

As of June 30, 2006



Internal Service Fund Cash Flow





VITA's Services Charges - Background

- Internal Service Fund agency
 - Budget is the fees VITA collects
 - Rates are approved by ITIB & JLARC
- Security
- Project management
- E-911
- GIS (pending ISF July 2007)
- Direct Bill: charged from its inception in 2003 until July 2006



VITA's Service Charge Evolution

- Agency Services: From Direct Bill, VITA began charging in July 2006
 - Consistent vs. discretionary budgeting philosophy
 - Based upon each agencies' historic IT spending
 - Transitional step
- Enterprise Shared Services: 2007-2008
 - Based on service usage
 - Customers choose service levels
 - Consistent service levels at consistent costs



IT Investment Board

- Information Technology Investment Board established pursuant to the same 2003 legislation creating VITA
- Consists of 8 non-legislative citizen members and 2 ex officio members
 - 4 members appointed by the Governor; 4 members appointed by the Joint Rules Committee
 - Ex officio members: Secretary of Technology (full voting privileges) and Auditor of Public Accounts (without voting privileges)
- “Responsible for the planning, budgeting, acquiring, using, disposing, managing, and administering of information technology in the Commonwealth.”
- The Board’s powers and duties include:
 - Appointment of the Chief Information Officer
 - Overseeing the operation of VITA
 - Approval of all major information technology projects
 - Approval of statewide technology policy and standards
 - Submission by September 1 of each year a list of recommended technology investment projects and priorities for funding



ITIB Recommended Technology Investment Projects

Secretariat	Recommended for Continued Funding		Recommended for Funding		Total Recommended Projects		
	No.	Project Cost	No.	Project Cost	No.	Project Cost	Percent of Cost
Administration	1	\$12,000,000	3	\$2,300,000	4	\$14,300,000	1.8
Agriculture & Forestry	1	\$1,075,532	0	\$0	1	\$1,075,532	0.1
Commerce and Trade	2	\$5,999,000	1	\$45,000,000	3	\$50,999,000	6.3
Education	6	\$47,313,709	4	\$18,180,124	10	\$65,493,833	8.2
Finance	0	\$0	1	\$11,000,000	1	\$11,000,000	1.4
Health & Human Resources	1	\$5,200,000	5	\$152,260,787	6	\$157,460,787	19.6
Natural Resources	0	\$0	1	\$2,200,000	1	\$2,200,000	0.3
Public Safety	2	\$382,900,000	9	\$28,850,000	11	\$411,750,000	51.3
Technology	3	\$7,220,599	3	\$15,800,000	6	\$23,020,599	2.9
Transportation	4	\$29,427,201	2	\$36,600,000	6	\$66,027,201	8.2
Totals	20	\$491,136,041	29	\$312,190,911	49	\$803,326,952	100



ITIB Emphasis on IT Project Collaboration

- ITIB sought to identify agency collaboration opportunities for 2006 RTIP report
- Sharing technology across agencies addresses similar agency business needs while saving scarce Commonwealth resources
- ITIB intends to continue giving highest priority to IT projects that involve:
 - Collaboration among agencies
 - Potential for an enterprise solution
- ITIB has directed CIO to work with Cabinet to identify and cultivate future collaboration opportunities



ITIB Role in Enterprise Applications

Infrastructure

Business Owner

IT Investment Board

Program Management

CIO and VITA

Role of IT Investment Board

As business owner, responsible for project oversight, management, Comprehensive Agreement recommendations; approve IT financial investments

Enterprise Applications

Business Owner

Secretary of Finance

Program Management

Enterprise Applications Public-Private Partnership Project Office

Role of IT Investment Board

Review and approval of implementation strategy with milestones, deliverables and funding requirements; approve use of appropriated funds



Challenges

- IT Partnership implementation
- Security
 - Disaster planning – no overall COV COOP priorities
 - Security of heterogeneous environment
 - Telework - mobility of data and people
- Public safety and emergency services solutions
- Project management
 - Characterization of projects (<\$100K) and risk
 - Impact of new rate structure
- Lack of enterprise culture
- Agency relations throughout changes



Virginia Information Technologies Agency



For More Information on VITA

www.vita.virginia.gov

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