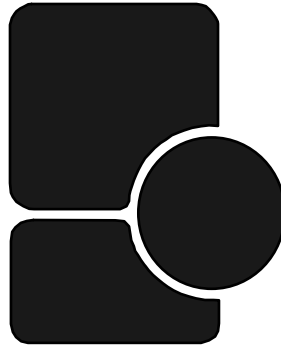


**Joint Legislative Audit and Review Commission
of the Virginia General Assembly**



**Status Report:
VITA Implementation Review**

**Staff Briefing
September 12, 2005**

Background

- In December 2002, JLARC completed a comprehensive review of systems development in State government

- Governor's initiative to consolidate IT was combined with the JLARC recommendations* to create the Virginia Information Technologies Agency (VITA) in 2003 Session:
 - Information Technology Investment Board (ITIB)*
 - Chief Information Officer (CIO)*
 - Consolidation of IT functions and selected IT staff
 - Centralized procurement for IT
 - Centralized approach for development and deployment of systems by agencies*
 - Phased implementation between July 2003 and January 2005

Background

- **At the July 2003 meeting, the Commission directed staff to monitor the implementation of VITA:**
 - **Organization of ITIB, CIO, and VITA**
 - **Operating and other management plans**
 - **VITA service agreements with State agencies (MOAs)**
 - **Consolidation of staff and IT assets**
 - **Systems development planning and project management**
 - **IT procurement**
 - **Costs and savings**

Current Status of IT Reform

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- **IT reform in State government is being implemented in two phases: integration and transformation**
- **Integration phase was completed by the January 2005 deadline:**
 - **Creation of ITIB, CIO, VITA, PMD**
 - **Consolidation of IT functions from 90 agencies into VITA**
 - **Transfer of IT staff from agencies to VITA (698 positions)**
 - **Transfer of IT assets from agencies to VITA (59,000 PCs and 2,900 servers)**
- **Transformation phase just beginning**
 - **Focus on enterprise solutions**
 - **Process and service redesign – realignment of staff and assets**
 - **Outsourcing through PPEA contracts**

JLARC Staff Monitoring of VITA Implementation

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- JLARC staff have monitored the integration phase by:
 - Interviewing VITA and other agency staff
 - Attending meetings of the ITIB and its subcommittees
 - Reviewing VITA quarterly reports and financial statements
 - Reviewing other VITA reports and documents
 - Receiving status reports on PPEA projects
 - Surveying VITA's customer agencies
- Several status reports have been made to the Commission, Senate Finance Committee, and the Joint Commission on Technology and Science
- This status report focuses on the survey of customer agencies

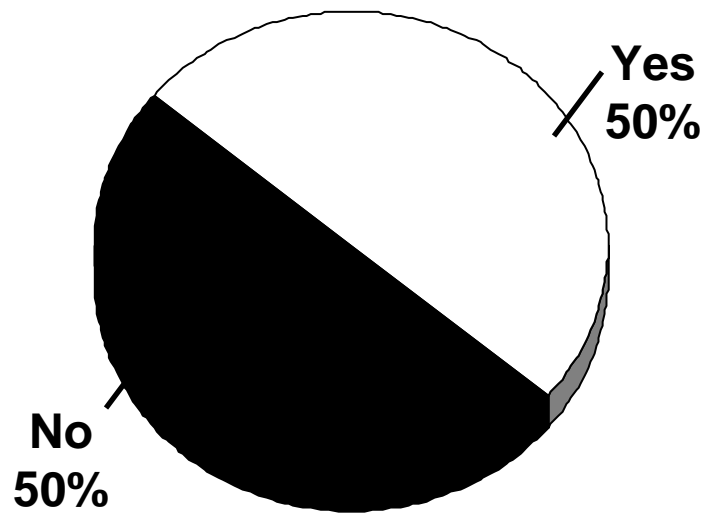
Survey of VITA Customer Agencies

6

- Implemented as a web-based survey
- Purpose was to assess agency perceptions of process and the results to date; does not measure VITA performance
- 50 questions related to: the implementation process, the staff transfers, IT savings, quality of services, costs of services, and project management
- 84 agencies invited to participate; 60 agencies responded (71% response rate)

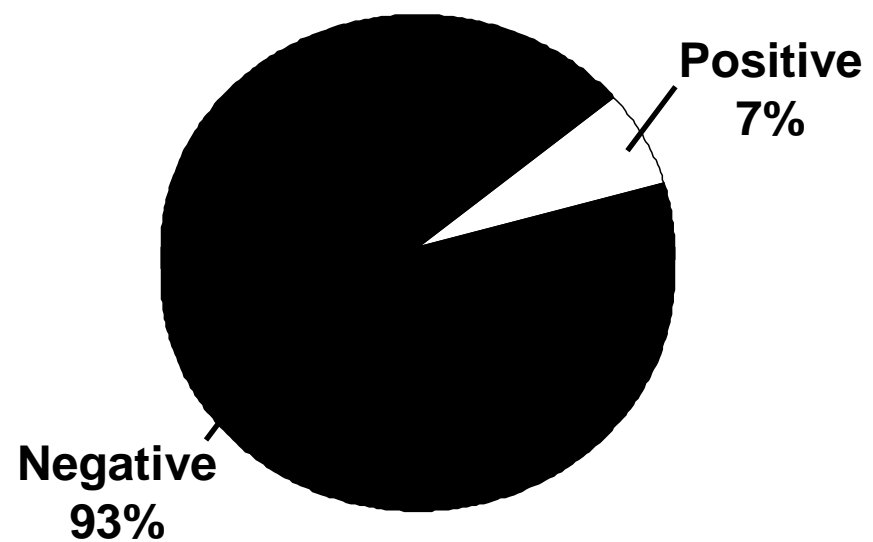
Agency Survey: Staff Transfers

Were staff transfers from your agency to VITA appropriate?



N = 32

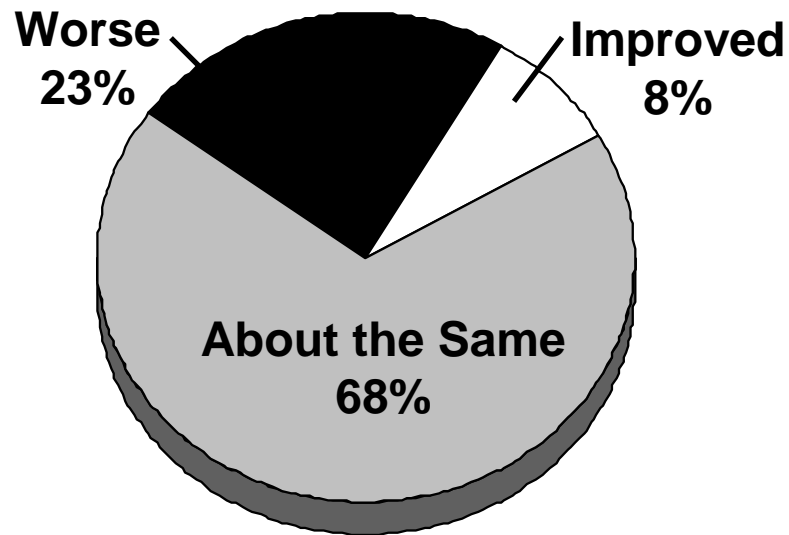
Have staff transfers to VITA had a positive or negative impact on your agency?



N = 30

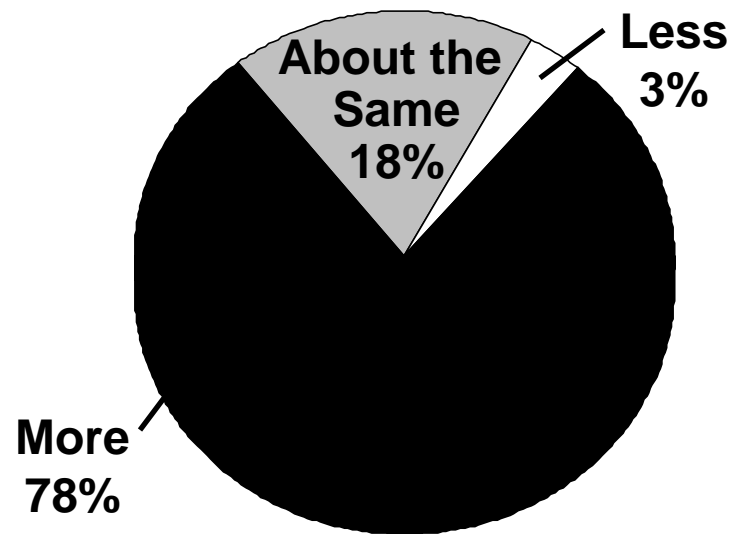
Agency Survey: Implementation Results

As a result of consolidation,
the quality of IT services is:



N = 60

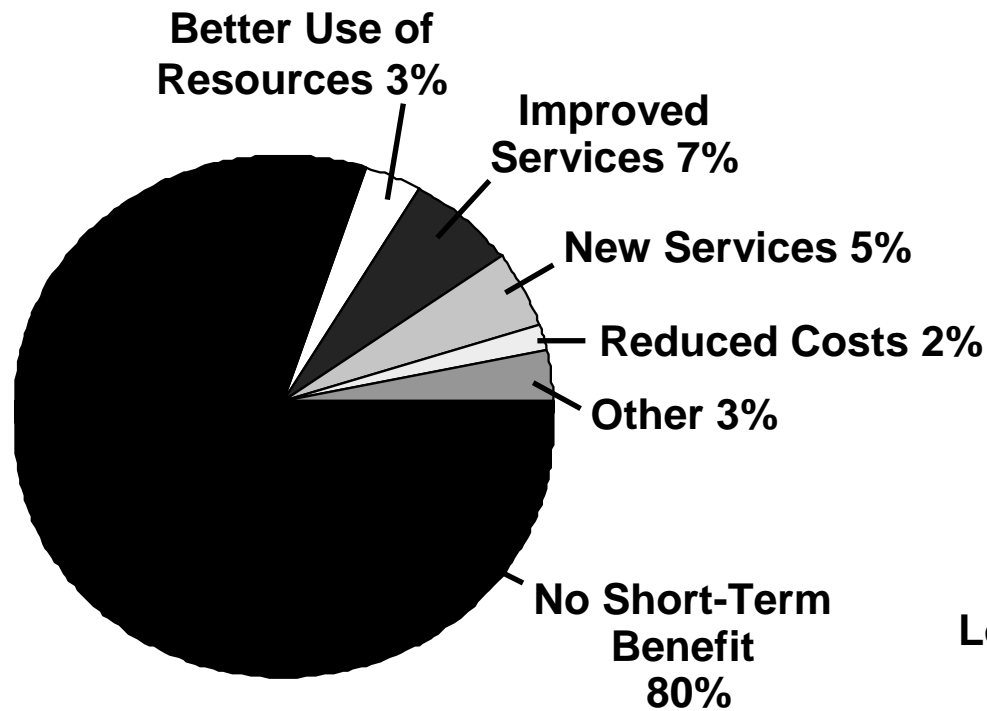
As a result of consolidation,
IT services now cost:



N = 60

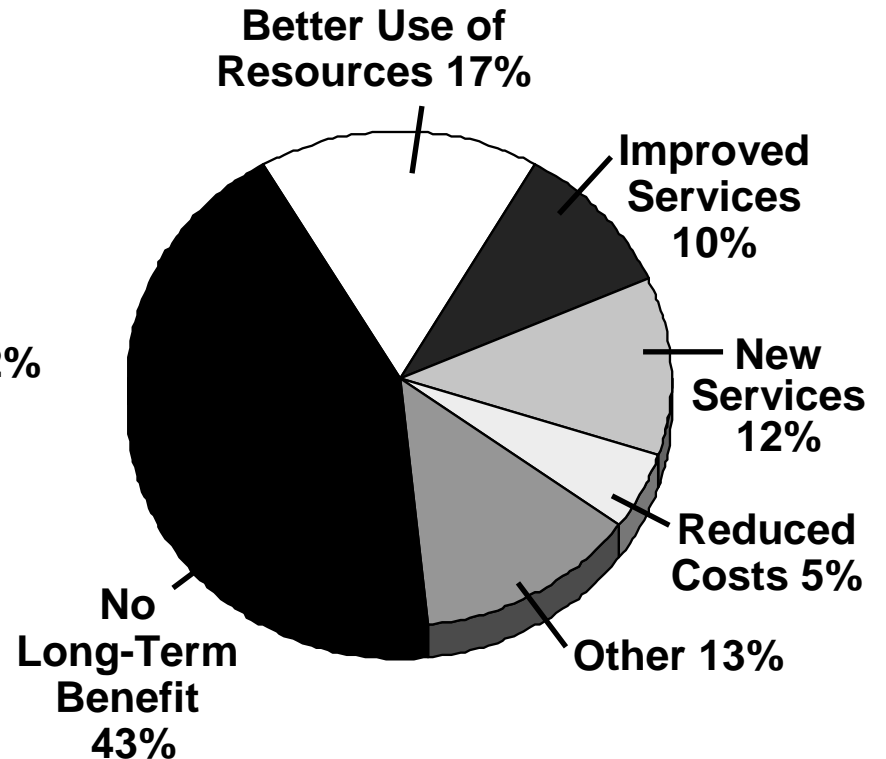
Agency Survey: Benefits for Agencies

What are the current primary benefits to your agency?



N = 60

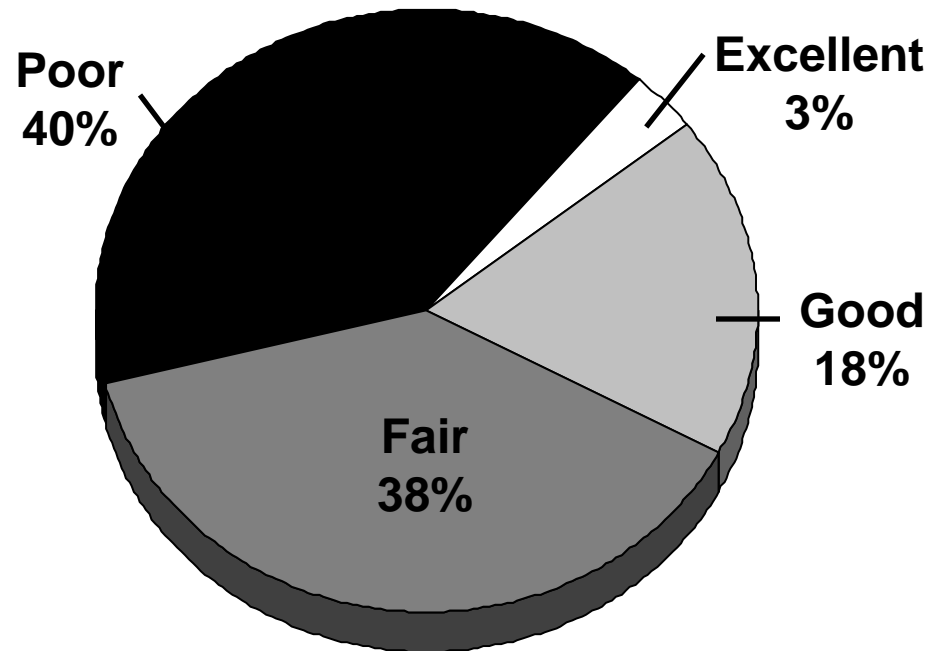
What are the future or long-term benefits to your agency?



N = 60

Agency Survey: Value of VITA Services

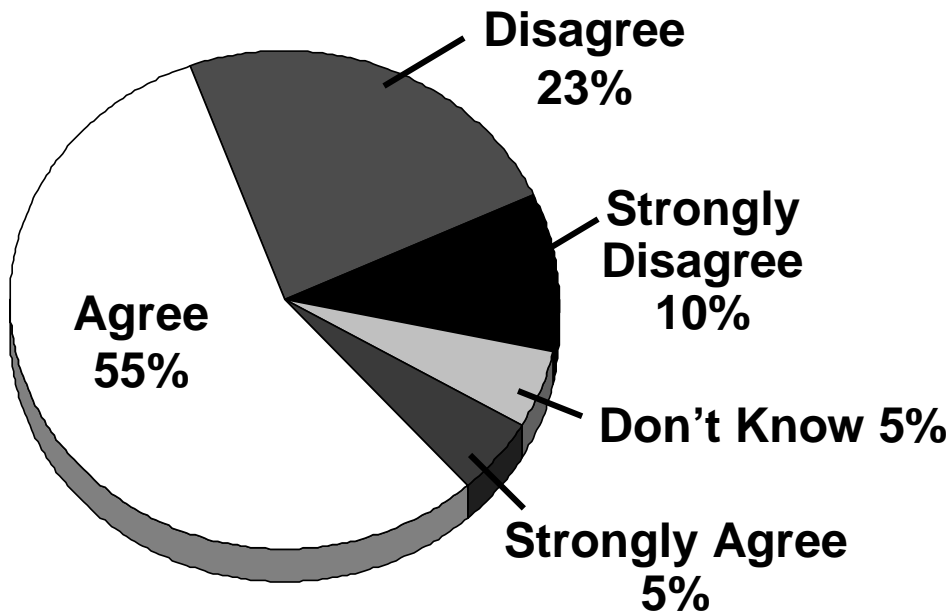
Considering both costs and quality, how would you rate the value of VITA services?



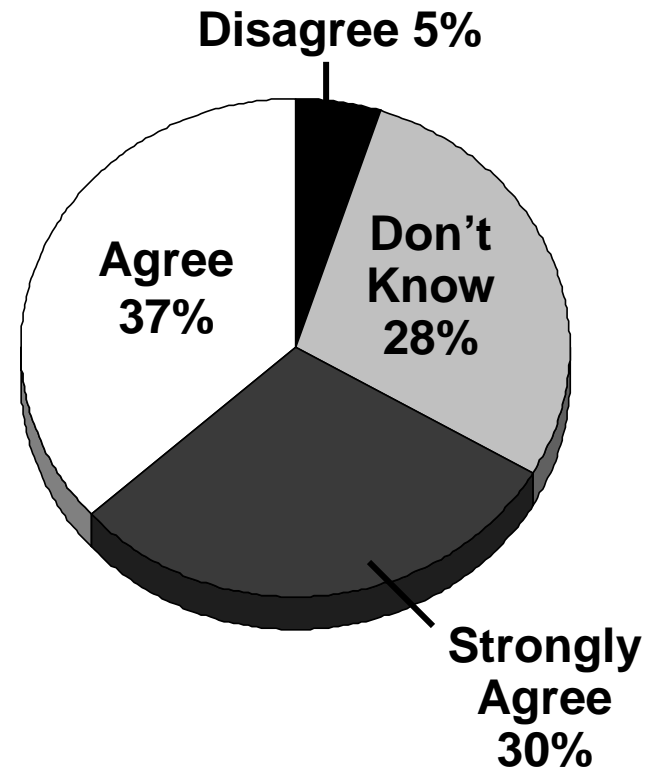
N = 59

Agency Survey: Adequacy of VITA Services

VITA provides the services my agency needs.

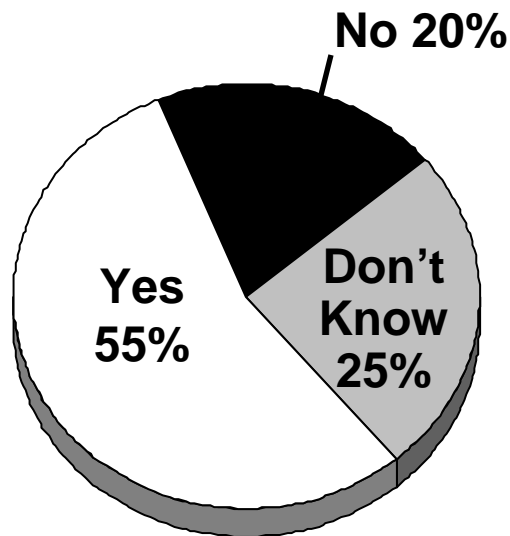


My agency would prefer to purchase some services from private vendors instead of VITA.



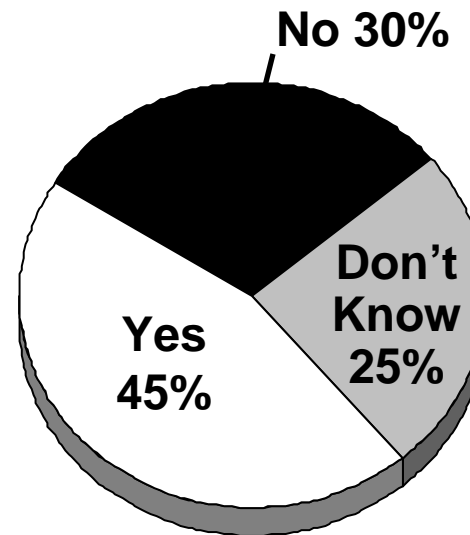
Agency Survey: Project Oversight by VITA's Project Management Division

Has the review of documentation for your agency's projects by VITA been beneficial?



N = 20

Does VITA provide adequate oversight of projects under development by your agency?



N = 20

Agency Survey: Conclusions

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- **Survey results are not by themselves an indicator of VITA's actual performance, except with regard to its management of customer relationships**

- **The survey results are an indicator of the perceptions of VITA's customers:**
 - **Many agencies do not see much change in the quality of services**
 - **Agencies are now paying more for services rather than less**
 - **Many agencies do not see any long-term benefit to the effort**
 - **So, some agencies may not be supportive of the integration and transformation effort**

- **The largely negative response to many questions points to the need for VITA to evaluate its own performance and to spend more time managing its relationships with customer agencies**

Agency Survey: Conclusions

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- **It will be difficult for transformation to succeed without the full support and cooperation of the customer agencies**
- **The perceptions of agencies should be a warning sign for implementation of the PPEA contract to outsource some VITA services – a failure to bring customer agencies along in the process could cause implementation of the PPEA contract for IT infrastructure to fail**