



Virginia: Pioneering a New Method of State IT Services Delivery

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Nomination submitted by

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Executive Summary

Since Dec. 2018, the Virginia Information Technologies Agency's (VITA) multi-supplier model of IT service delivery has transformed the Commonwealth's digital business. As one of only three multi-supplier models in the country, Virginia pioneers new methods of service brokerage, providing unique flexibility, partnerships, competition, new technologies and critical business connections to 65 customer agencies, over 55,000 direct state employee users, and 8.6 million Virginia residents.

In 2007, when it was introduced, Virginia's first enterprise IT service delivery model was groundbreaking. At the time, it offered a consolidated email system, improved security and modernized server environments. While the model brought benefits, as the contract approached expiration, delivery of services was deteriorating and the marketplace was rapidly evolving.

VITA, its sister state agencies, executive leaders and elected legislators aimed to find the best solutions for strategic, efficient and best practice replacement. An IT Infrastructure Services Program (ITISP), which launched in 2015, was developed to examine the struggling model, determine what factors had contributed to the lagging service delivery, and provide recommendations for improvements.

The program's efforts found that the previous delivery platform could not support the Commonwealth's needs sufficiently. VITA and its customers faced end-of-life software, hardware and platforms with no flexibility for new technology. Obsolete infrastructure, increasing risks to the provision of vital services, prohibitive costs and disintegrating business capabilities emerged as immediate needs for change.

The program identified several actions; the Commonwealth should disentangle services with its previous supplier and adopt a multi-supplier model, complete with a services integrator and governance model that would include VITA's customer agencies to best collaborate on enterprise-level needs. The agency began its multi-supplier integration model in December 2018.

Following disentanglement, VITA faced immediate needs for environment stabilization and reconciling a growing backlog of IT requests left behind. Now, in 2020, Virginia has completely disentangled from its previous supplier with no gap in service delivery. Once disentanglement began, VITA immediately procured multiple new contracts, evolved and reorganized its own structure in alignment with the new model, all while planning, organizing and executing a customer-centric re-engineering of IT service delivery in Virginia.

The nation's most complex state-level multi-supplier service integrator (MSI) is now fully operational. Extensive service delivery metrics guide VITA supplier management. Embedded, centralized cybersecurity and Information Technology Infrastructure Library (ITIL) best practices benefit agencies and Virginians. Eight new suppliers replaced one. Customer agencies now access a diverse and flexible set of services via a new customer portal and service catalog of 101 IT services for all 65 executive branch agency customers.

Virginia's switch to the MSI service delivery model rewards competitive supplier pricing, measurably decreases service costs and markedly improves service capabilities. While continuing to fine-tune and innovate in the new model, the Commonwealth again looks to share its experience with its sister states.

Project Concept

Expiration of Virginia's 2007 IT services contract was a known and significant risk to the enterprise of state government. A decade later, service delivery under the single provider model had deteriorated to the point where the incumbent declined to participate in any future Commonwealth IT engagement. Change was necessary and inevitable, but proper and successful change management was uncertain. Two governors, the Virginia General Assembly and agencies shared the chief information officer (CIO) and VITA's goals to best address the risk.

A first step was the completion of a legislatively-funded study in 2015; impartial experts recommended the MSI approach. Greater agility, transparency, innovation and customer focus became anticipated deliverables.

To centralize and formalize the activities of service delivery transformation, Virginia CIO Nelson Moe and stakeholders began planning the MSI Project in 2017. Its scope included:

- Transition of service management practices, strategy, and design
- Implementation of program management and service transition
- Planning for continual service improvement
- Transition and implementation of the security plan
- Continual visibility of available offerings from the market
- Support of the Commonwealth's future technology needs

All IT services provided by VITA through the previous single provider contract required review, then retirement or replacement. Knowledge transfer and human resources transition of incumbent staff were key activities. Procurements were complex and required significant time commitments by VITA and customer agency teams to enact. Each of seven major procurements were chartered as standalone projects due to cost and complexity.

Cybersecurity, accessibility and transparency requirements were considered and included in each new contract. Agency customer staff participated in business requirements development for procurements. VITA's supply chain management team ensured legal compliance and outreach to the potential supplier community, including Virginia- and Small, Women and Minority (SWaM)-owned businesses.

VITA conducted seven competitive procurement activities in roughly two years, resulting in eight awards to the IT service areas. These procurement teams included VITA employees and representatives from VITA's customer agencies and the Virginia Office of the Attorney General. The most critical of these procurements led to the selection of an MSI provider, Science Applications International Corporation (SAIC).

Robust and continuous stakeholder engagement provided foundational structure to project reception. VITA implemented multiple communications channels to engage with its customers – both for the initial build of the program, and today, for its ongoing administration. In-person stakeholder interviews and online surveys captured granular sentiment from state employee staff at every level as the MSI concept took form. Peer and other group meetings provided actionable feedback.

The CIO of the Commonwealth stood up and engaged multiple stakeholder forums, including an active monthly Customer Advisory Council (CAC), which includes executive agency leaders and focuses on overall IT strategy. The IT Steering Committee (ITSC) included stakeholders from the executive and legislative branches and guided ITISP strategy throughout the MSI Project. The Relationship Management Committee (RMC), an essential element of formal platform governance, was established in 2018 to focus on supplier management and solutions to known customer risks and issues. Six RMC subgroups, each led by a CIO, collected focused feedback. Information security officers and agency IT resources distributed a steady flow of information from VITA and new suppliers to agency staff.



Workshops offer discussion-based, personal engagement on projects and upcoming priorities

To assist with greater collaboration opportunities and a smoother transition, VITA implemented a Transition Assist Program (TAP) in Aug. 2018, led by MSI-awardee SAIC. Following a four-month transitional period, in Dec. 2018, VITA directed SAIC to assume “as is” services from the incumbent. Though some programs, such as an agency PC refresh, were delayed, all customer and citizen-facing business activity continued. This walk-in takeover quietly and successfully concluded the incumbent’s service to the Commonwealth. It also marked the beginning of Virginia’s transformation to a modern, flexible, agile and innovative IT infrastructure.

Significance

- Virginia’s implementation of the MSI sourcing model connects stakeholders including community members, employees and managers, agencies, executives and the legislature to critical government services and benefits.
- The new MSI model embeds agility, innovation and transparency into the state’s delivery of IT services.
- Transformation incorporates software, hardware, and platforms, and includes significant modernization of what had become an aging infrastructure.
- This service delivery method aligns with stated priorities of users, the CIO, the chief information security officer (CISO), Virginia’s governor, and the National Association of State Chief Information Officers (NASCIO), among other organizations.
- Cybersecurity of the state’s IT infrastructure is a basic pillar, and drives every step of IT infrastructure development. It now is standardized and institutionalized in IT service delivery - from the outset, not as an afterthought.
- Virginia and VITA’s strategic IT budgeting and planning processes are improved.
 - This strategy provided governance and effective project management of this key activity of transformation.
- Private sector competition and innovation were enabled through multiple contract awards.
- Customer agencies now are more able to access market pricing for a responsive, innovative and continuously updated suite of products.
- The versatility of the MSI model positions Virginia to easily and efficiently respond to crises and address rapidly changing business needs.
- Consolidated service portal and customer-customizable dashboard services offer dynamic analytics and transparency in procurement, project statuses and data-related needs.

- Cost control is transparent and fiscal management is more responsive thanks to new online customer portals. Agencies more easily research, forecast and budget costs.
- Rich performance data is generated through centralization, for analysis by the MSI, VITA and customers.



An example of an open, customizable dashboard for an agency information technology resource

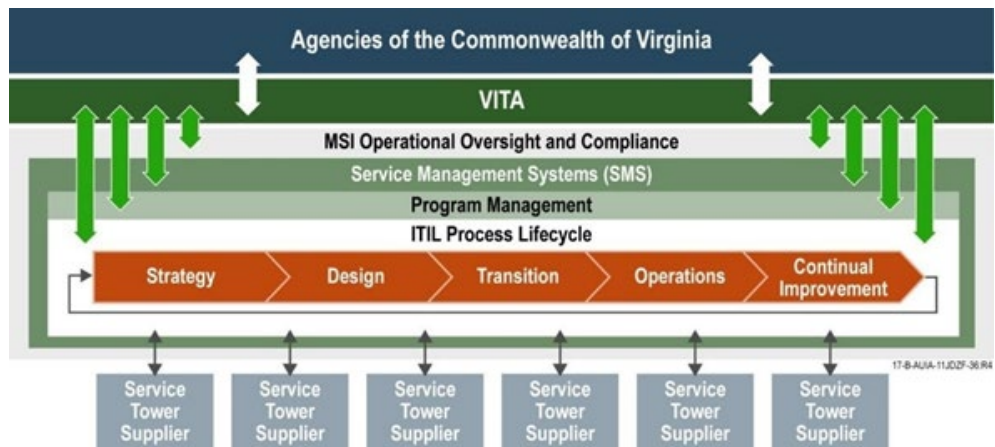
Impact

Financial returns for customers and Virginians: VITA is on track to realize a significant savings of approximately \$114 million over eight years, compared to the cost of similar services provided by the single source provider.

Just recently, VITA repaid the final amounts of its \$165 million line of credit used to completely disentangle from the former single-source provider. With additional funds freed and more expected from compounding MSI savings, Virginia is ready and able to reinvest in innovative products and services for customers in the Commonwealth.

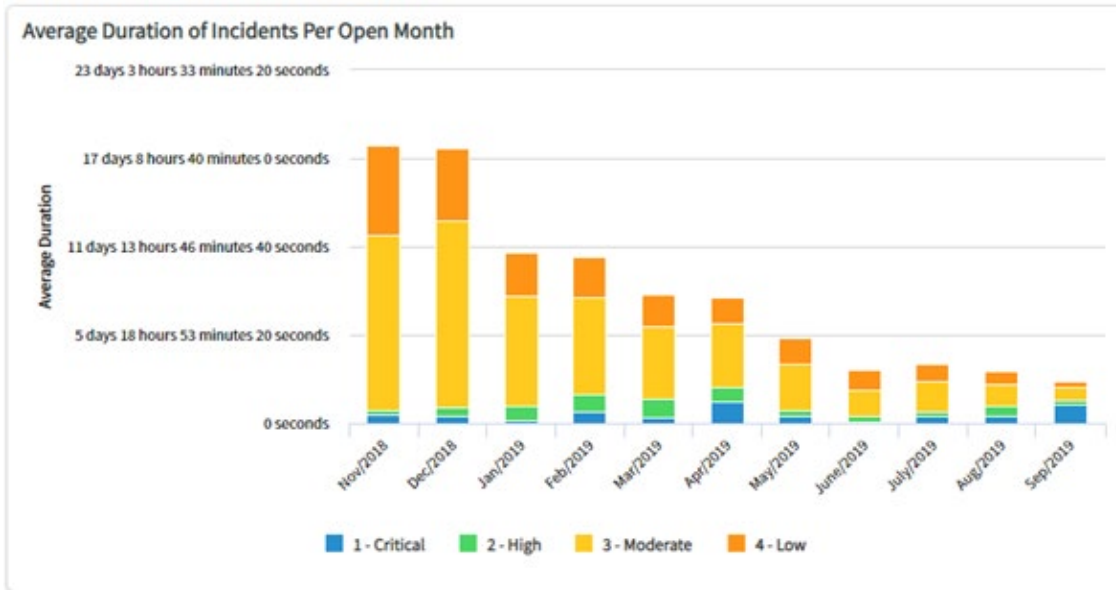
Cohesion and alignment:

Implementation of the integrated IT Infrastructure Platform has created a cohesive, aligned IT program across the enterprise of Virginia state government. It incorporates best practices and the ITIL lifecycle into Commonwealth IT processes.



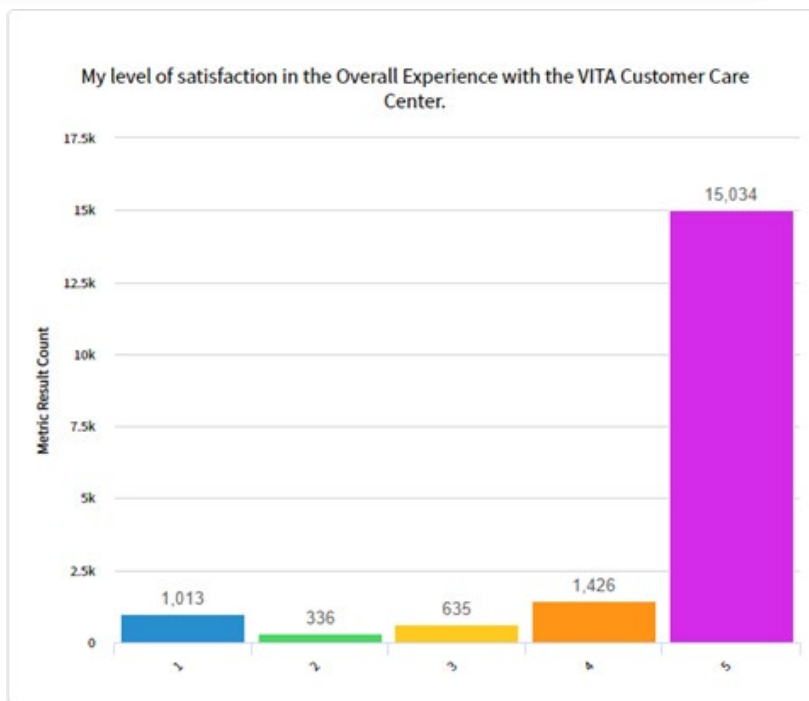
Improved reporting capabilities for tracking performance and accountability: The multi-supplier method offers the flexibility of an agile vendor environment, while also providing for consistent and structured oversight. Since implementing the MSI model, VITA has experienced new visibility and transparency into performance metrics, including in resolving incidents, refreshing obsolete PC systems and improving customer satisfaction. In just 12 months, the model evolved from stabilizing the backlog of needs left behind from the previous service provider with few to no performance metrics, to stabilization, and finally, setting and achieving bold measures for success.

For example, the Average Duration of Incidents have consistently been on a downward trajectory from calendar Q4 2018 through late 2019, indicating internal process improvement, stabilization, and positive movement.



Customer feedback is actively gathered within VITA and also through the VITA Customer Care Center service desk. Satisfaction scores on a six-question survey indicate approximately 90% of respondents had a positive response over the thousands of gathered responses received in the 2019 survey. The numbers continue to steadily climb.

Additionally, VITA is holding suppliers accountable for properly reporting on their performance, meeting contractual service levels, and providing contractual deliverables. Service level agreements (SLAs) provide improved measurement and management of quality.



The October 2019 invoice, measuring the August service period, included \$461,854.70 in credits to the Commonwealth based on the SLAs in the contracts with suppliers. Credits increased in November, with \$696,046.17 in SLA credits and \$226,182.71 in credits for critical deliverables. After an initial spike in credits, VITA expects the credits to wane as suppliers are incentivized to meet contractual and service delivery requirements. This incentivization benefits agency customers directly.

One-stop portal and catalog for services: VITA and SAIC’s consolidation of a help desk and catalog services into one interconnected, unified hub provides streamlined services, convenience and improved customer experience. In a recent eight-month reporting period, the portal fielded approximately 158,000 calls, over 81,000 emails, 14,000 remote access requests, 98,000 catalog item requests, 43,000 password resets and 332 critical incident root cause analyses, all connected for easier reporting, faster response and better forecasting of future needs.

Summary

Together, with the MSI service model's financial, customer service, reporting and accountability benefits compounding since Dec. 2018, Virginia and its state agency customers are well-positioned to continue providing innovative, critical services today while strategically planning for those of tomorrow.