



COMMONWEALTH of VIRGINIA

Office of the Governor

P.O. Box 1475
Richmond, Virginia 23218

October 1, 2008

The Honorable Timothy M. Kaine
Governor of Virginia
Patrick Henry Building, Third Floor
Richmond, Virginia 23219

Dear Governor Kaine:

Item 54.10, Chapter 3, 2006 Acts of Assembly, Special Session I (Appropriation Act), established the Enterprise Applications Public-Private Partnership Project Office (EAPPPPO) effective July 1, 2006, for the purpose of modernizing central administrative systems through an Enterprise Applications Public-Private Partnership. The appropriation act language requires the project office director to provide you with reports on the status of the project as well as funding needs, areas of risk, and any major problems.

The following is an outline of activities that have taken place since the last Virginia Enterprise Applications Program (VEAP) status report dated July 1, 2008.

Major Activities of the VEAP

1. The VDOT/VEAP Financial Management System Request For Proposal was posted in July and the vendor proposals came in on September 15, 2008. The evaluation team is currently reviewing the proposals. An award is expected by the end of the fiscal year.
2. VITA Supply Chain Management awarded the Business Intelligence procurement to a small business, Northern Virginia company, LogiXML. The ten year, server-based contract, with 10% yearly maintenance fees, is revolutionary for this area of business. Comparable instances showed LogiXML costing three times less than the closest competitor, with half the yearly maintenance fee of the other competitors. One competitor has stated they will match the LogiXML terms, undercutting their current contracts with the state by over 50%. The Virginia LogiXML contract is open to all public bodies within the United States.
3. CIO/CAO Operations Plan, approved by the ITIB in April 2008 has three distinct action plans - data management, application portfolio, and application strategies.

The data management plan has divided the required work into four different tracks, with data standardization being the largest and most time-consuming track. Data stewards have been designated and are working on determining and modeling the data entities required for the new VDOT/VEAP Financial Management system.

VEAP continues to gather information on the applications run by agencies, which are in the operations and maintenance (O&M) phase of their life cycle. The current Commonwealth portfolio tool (ProSight) contains only new systems being built or proposed by the agencies. The addition of the O&M systems will provide a much broader view of the total Commonwealth application portfolio. Life cycle application costs are a necessary requirement for a populated, actionable portfolio. VEAP is taking a phased approach to gathering the costs, since agencies do not currently budget by application. Agencies have been asked to provide Human Resource system costs first.

VEAP, along with agencies and the IT Investment Management Customer Council, is producing a "To-Be" vision and strategy and for enterprise governance, enterprise applications and shared services. Currently the Commonwealth does not have a strategy for these areas. A draft document will be available in December 2008.

4. VEAP continues to manage numerous solutions which support the enterprise through shared services and environments. Both the Business Intelligence Competency Center and the Enterprise Content Management Center of Excellence have made progress toward providing capabilities within their respective areas. VEAP is currently pursuing an E-forms shared service to help agencies produce consumer-friendly electronic forms and migrate away from inefficient paper-based forms.
5. VEAP continues to support Business-One-Stop (BOS) and is collaborating with the Department of Business Assistance, Department of Taxation, Department of General Services, and Department of Minority Business Enterprise to implement Phase II of the BOS project. This new phase will incorporate common edits, data, and processes across numerous citizen-facing agencies. The goal of Phase II is to increase the functionality and commonality of BOS, and decrease the number of overlapping vendor portals facing the citizens. BOS Phase I, initiated in May 2008, has been used by more than 1,500 applicants to register new businesses in the Commonwealth.
6. As reported last quarter, the Information Technology Investment Board approved VEAP's Working Capital Advance (WCA) budget. VEAP has a benefits stream associated with the repayment of the WCA. CGI, Inc and the Department of Taxation have an agreement involving enhanced tax collections to provide a benefits stream. The mutually agreed upon annual timeframe for the enhanced collections is from the beginning of April to the end of March. Only after the year has been completed will the enhanced collections above the TAX baseline be available as a benefits stream. During the first five months, the CGI/TAX enhanced collections produced positive returns, but at a level below the baseline for the benefits stream. This was not due to any failure in the CGI collections; which have been greater than 200% of the initial assumption. It was due to the amount of new account placements which have been approximately one third of what was originally projected. In August, new account placements went up by more than 250%. If CGI can maintain the current high rate of liquidation on the increased placements, this will greatly increase the likelihood of a successful benefits stream in April 2009.
7. In supporting the Secretary of the Board of Elections, VEAP has initiated longer system and help desk hours for the election registration system, VERIS. The VERIS Program Office is working diligently to provide the General Registrars with a capable system for voter registration. Due to personnel losses, and a lack of qualified applicants, VEAP is pursuing contractual options for technical database support.

The Honorable Timothy M. Kaine
October 1, 2008
Page 4

I will continue to advise you on the progress made on these projects. In addition, I will be glad to update you on the program at anytime. Please let me know if you have any questions or concerns.

Sincerely,

A handwritten signature in cursive script that reads "Peggy A. Feldmann". The signature is written in black ink and is positioned above the printed name and title.

Peggy A. Feldmann
Director, Enterprise Applications

Enclosures



COMMONWEALTH of VIRGINIA

Office of the Governor

P.O. Box 1475
Richmond, Virginia 23218

October 1, 2008

The Honorable Charles J. Colgan
Chairman, Senate Finance Committee
Virginia General Assembly
10677 Aviation Lane
Manassas, VA 20110-2701

The Honorable Lacey E. Putney
Chairman, House Appropriations Committee
Virginia General Assembly
P.O. Box 127
Bedford, VA 24523

Dear Gentlemen:

Item 54.10, Chapter 3, 2006 Acts of Assembly, Special Session I (Appropriation Act), established the Enterprise Applications Public-Private Partnership Project Office (EAPPPPO) effective July 1, 2006, for the purpose of modernizing central administrative systems through an Enterprise Applications Public-Private Partnership. The appropriation act language requires the project office director to provide you with reports on the status of the project as well as funding needs, areas of risk, and any major problems.

The following is an outline of activities that have taken place since the last Virginia Enterprise Applications Program (VEAP) status report dated July 1, 2008.

Major Activities of the VEAP

1. The VDOT/VEAP Financial Management System Request For Proposal was posted in July and the vendor proposals came in on September 15, 2008. The evaluation team is currently reviewing the proposals. An award is expected by the end of the fiscal year.
2. VITA Supply Chain Management awarded the Business Intelligence procurement to a small business, Northern Virginia company, LogiXML. The ten year, server-based contract, with 10% yearly maintenance fees, is revolutionary for this area of business. Comparable instances showed LogiXML costing three times less than the closest competitor, with half the yearly maintenance fee of the other competitors. One competitor has stated they will match the LogiXML terms, undercutting their current contracts with the state by over 50%. The Virginia LogiXML contract is open to all public bodies within the United States.
3. CIO/CAO Operations Plan, approved by the ITIB in April 2008 has three distinct action plans - data management, application portfolio, and application strategies.

The data management plan has divided the required work into four different tracks, with data standardization being the largest and most time-consuming track. Data stewards have been designated and are working on determining and modeling the data entities required for the new VDOT/VEAP Financial Management system.

VEAP continues to gather information on the applications run by agencies, which are in the operations and maintenance (O&M) phase of their life cycle. The current Commonwealth portfolio tool (ProSight) contains only new systems being built or proposed by the agencies. The addition of the O&M systems will provide a much broader view of the total Commonwealth application portfolio. Life cycle application costs are a necessary requirement for a populated, actionable portfolio. VEAP is taking a phased approach to gathering the costs, since agencies do not currently budget by application. Agencies have been asked to provide Human Resource system costs first.


VEAP, along with agencies and the IT Investment Management Customer Council, is producing a "To-Be" vision and strategy and for enterprise governance, enterprise applications and shared services. Currently the Commonwealth does not have a strategy for these areas. A draft document will be available in December 2008.

4. VEAP continues to manage numerous solutions which support the enterprise through shared services and environments. Both the Business Intelligence Competency Center and the Enterprise Content Management Center of Excellence have made progress toward providing capabilities within their respective areas. VEAP is currently pursuing an E-forms shared service to help agencies produce consumer-friendly electronic forms and migrate away from inefficient paper-based forms.
5. VEAP continues to support Business-One-Stop (BOS) and is collaborating with the Department of Business Assistance, Department of Taxation, Department of General Services, and Department of Minority Business Enterprise to implement Phase II of the BOS project. This new phase will incorporate common edits, data, and processes across numerous citizen-facing agencies. The goal of Phase II is to increase the functionality and commonality of BOS, and decrease the number of overlapping vendor portals facing the citizens. BOS Phase I, initiated in May 2008, has been used by more than 1,500 applicants to register new businesses in the Commonwealth.
6. As reported last quarter, the Information Technology Investment Board approved VEAP's Working Capital Advance (WCA) budget. VEAP has a benefits stream associated with the repayment of the WCA. CGI, Inc and the Department of Taxation have an agreement involving enhanced tax collections to provide a benefits stream. The mutually agreed upon annual timeframe for the enhanced collections is from the beginning of April to the end of March. Only after the year has been completed will the enhanced collections above the TAX baseline be available as a benefits stream. During the first five months, the CGI/TAX enhanced collections produced positive returns, but at a level below the baseline for the benefits stream. This was not due to any failure in the CGI collections; which have been greater than 200% of the initial assumption. It was due to the amount of new account placements which have been approximately one third of what was originally projected. In August, new account placements went up by more than 250%. If CGI can maintain the current high rate of liquidation on the increased placements, this will greatly increase the likelihood of a successful benefits stream in April 2009.
7. In supporting the Secretary of the Board of Elections, VEAP has initiated longer system and help desk hours for the election registration system, VERIS. The VERIS Program Office is working diligently to provide the General Registrars with a capable system for voter registration. Due to personnel losses, and a lack of qualified applicants, VEAP is pursuing contractual options for technical database support.

The Honorable Charles J. Colgan
The Honorable Lacey E. Putney
October 1, 2008
Page 4

I will continue to advise you on the progress made on these projects. In addition, I will be glad to update you on the program at anytime. Please let me know if you have any questions or concerns.

Sincerely,

A handwritten signature in cursive script that reads "Peggy A. Feldmann". The signature is written in black ink and is positioned above the printed name and title.

Peggy A. Feldmann
Director, Enterprise Applications

Enclosures



COMMONWEALTH of VIRGINIA

Office of the Governor

P.O. Box 1475
Richmond, Virginia 23218

October 1, 2008

Mr. James F. McGuirk, II
Chair, ITIB
AKLM Consulting Inc.
18341 Buccaneer Terrace
Leesburg, VA 20176

Dear Mr. McGuirk:

Item 54.10, Chapter 3, 2006 Acts of Assembly, Special Session I (Appropriation Act), established the Enterprise Applications Public-Private Partnership Project Office (EAPPPPO) effective July 1, 2006, for the purpose of modernizing central administrative systems through an Enterprise Applications Public-Private Partnership. The appropriation act language requires the project office director to provide you with reports on the status of the project as well as funding needs, areas of risk, and any major problems.

The following is an outline of activities that have taken place since the last Virginia Enterprise Applications Program (VEAP) status report dated July 1, 2008.

Major Activities of the VEAP

1. The VDOT/VEAP Financial Management System Request For Proposal was posted in July and the vendor proposals came in on September 15, 2008. The evaluation team is currently reviewing the proposals. An award is expected by the end of the fiscal year.
2. VITA Supply Chain Management awarded the Business Intelligence procurement to a small business, Northern Virginia company, LogiXML. The ten year, server-based contract, with 10% yearly maintenance fees, is revolutionary for this area of business. Comparable instances showed LogiXML costing three times less than the closest competitor, with half the yearly maintenance fee of the other competitors. One competitor has stated they will match the LogiXML terms, undercutting their current contracts with the state by over 50%. The Virginia LogiXML contract is open to all public bodies within the United States.
3. CIO/CAO Operations Plan, approved by the ITIB in April 2008 has three distinct action plans - data management, application portfolio, and application strategies.

The data management plan has divided the required work into four different tracks, with data standardization being the largest and most time-consuming track. Data stewards have been designated and are working on determining and modeling the data entities required for the new VDOT/VEAP Financial Management system.

VEAP continues to gather information on the applications run by agencies, which are in the operations and maintenance (O&M) phase of their life cycle. The current Commonwealth portfolio tool (ProSight) contains only new systems being built or proposed by the agencies. The addition of the O&M systems will provide a much broader view of the total Commonwealth application portfolio. Life cycle application costs are a necessary requirement for a populated, actionable portfolio. VEAP is taking a phased approach to gathering the costs, since agencies do not currently budget by application. Agencies have been asked to provide Human Resource system costs first.

VEAP, along with agencies and the IT Investment Management Customer Council, is producing a "To-Be" vision and strategy and for enterprise governance, enterprise applications and shared services. Currently the Commonwealth does not have a strategy for these areas. A draft document will be available in December 2008.

4. VEAP continues to manage numerous solutions which support the enterprise through shared services and environments. Both the Business Intelligence Competency Center and the Enterprise Content Management Center of Excellence have made progress toward providing capabilities within their respective areas. VEAP is currently pursuing an E-forms shared service to help agencies produce consumer-friendly electronic forms and migrate away from inefficient paper-based forms.
5. VEAP continues to support Business-One-Stop (BOS) and is collaborating with the Department of Business Assistance, Department of Taxation, Department of General Services, and Department of Minority Business Enterprise to implement Phase II of the BOS project. This new phase will incorporate common edits, data, and processes across numerous citizen-facing agencies. The goal of Phase II is to increase the functionality and commonality of BOS, and decrease the number of overlapping vendor portals facing the citizens. BOS Phase I, initiated in May 2008, has been used by more than 1,500 applicants to register new businesses in the Commonwealth.
6. As reported last quarter, the Information Technology Investment Board approved VEAP's Working Capital Advance (WCA) budget. VEAP has a benefits stream associated with the repayment of the WCA. CGI, Inc and the Department of Taxation have an agreement involving enhanced tax collections to provide a benefits stream. The mutually agreed upon annual timeframe for the enhanced collections is from the beginning of April to the end of March. Only after the year has been completed will the enhanced collections above the TAX baseline be available as a benefits stream. During the first five months, the CGI/TAX enhanced collections produced positive returns, but at a level below the baseline for the benefits stream. This was not due to any failure in the CGI collections; which have been greater than 200% of the initial assumption. It was due to the amount of new account placements which have been approximately one third of what was originally projected. In August, new account placements went up by more than 250%. If CGI can maintain the current high rate of liquidation on the increased placements, this will greatly increase the likelihood of a successful benefits stream in April 2009.
7. In supporting the Secretary of the Board of Elections, VEAP has initiated longer system and help desk hours for the election registration system, VERIS. The VERIS Program Office is working diligently to provide the General Registrars with a capable system for voter registration. Due to personnel losses, and a lack of qualified applicants, VEAP is pursuing contractual options for technical database support.

Mr. James F. McGuirk, II
October 1, 2008
Page 4

I will continue to advise you on the progress made on these projects. In addition, I will be glad to update you on the program at anytime. Please let me know if you have any questions or concerns.

Sincerely,

A handwritten signature in cursive script that reads "Peggy A. Feldmann". The signature is written in dark ink and is positioned above the printed name and title.

Peggy A. Feldmann
Director, Enterprise Applications

Enclosures

VEAP Budget Status through August 2008

	Budget	Projected Actual (8/31/08)	Remaining Budget
Personnel	2,235,800	59,896	2,175,904
Office Space	50,688	62,899	-12,211
Operational Costs	43,053	63	42,990
Other	87,411	11,648	75,763
Contracts	10,361,880	262,611	10,099,269
<i>Strategic Consultants</i>	6,511,880	262,611	6,249,269
<i>Hardware/Software</i>	3,850,000	0	3,850,000
Office Supplies	5,800	1,049	4,751
Travel/Business Meals	3,000	356	2,644
Total as approved at April meeting	12,787,632	398,522	12,389,110
GF Reduction from DPB in July	16,563		
Revised Total	12,771,069	398,522	12,372,547