



COMMONWEALTH of VIRGINIA

Office of the Governor

P.O. Box 1475
Richmond, Virginia 23218

January 1, 2009

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 October 1, 2008.

Major Activities of the VEAP

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In November, VITA Supply Chain Management posted a Request For Proposals (RFP) for a Performance Budgeting (PB) system. VEAP, in conjunction with DPB, has been reviewing and re-evaluating enterprise budgeting requirements over the past six months. The PB team has provided current state demonstrations and future state requirements to interested vendors and repeated this process at the pre-proposal conference held December 12, 2008. Proposals are due January 23, 2009 with an award expected by the end of the fiscal year. This new capability will replace the thirty year old PROBUD system currently in use by DPB. It will also provide an agency budgeting capability with the expectation that other branches of the government can use the capability.

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The CIO/CAO Operations Plan, approved by the ITIB in April 2008, contained three distinct action plans - data management, application portfolio, and application strategies.

The data management plan has divided the required work into four different tracks; data standardization, policy and procedures, organization and governance, and tools. Data standardization is the largest and most time-consuming track of the four. A "Data Standardization Process" for the Commonwealth has been developed and reviewed among the designated agencies. Additionally, 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. VEAP is collaborating with VITA's Policy, Practices and Architecture division on this effort. To date, 61 of the 70 agencies have responded to the questionnaires. Additionally, VITA has developed a web-based application which allows agencies to update and maintain information pertinent to their applications. This central repository of application data forms the basis for gaining better oversight of our application maintenance and operations spend, and will reduce the number of inquiries agencies must field from various sectors of the IT community, such as security, database, and infrastructure. This repository of applications is central to establishing a roadmap for our applications and achieving a mature portfolio management methodology.

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Secretary of Finance, TAX, and CGI, Inc are cooperating to ensure fair and equitable resources are placed into the Virginia Information Technologies Fund (VITF) as part of a benefits stream for the approved Working Capital Advance (WCA) for VEAP initiatives. As reported last quarter, the CGI/TAX enhanced collections is producing positive returns, but at a level below the assumed baseline for the benefits stream. All agree that CGI, Inc is providing a positive benefit with collections above historical yearly averages. Once TAX has calculated the historical average, the positive benefit provided by CGI, Inc will be determined with a decision made on funds to be placed within the VITF. Department of Accounts, DGS and Department of Medical Assistance Services are all in discussions with the Secretary of Finance to pursue additional benefits streams for the WCA.

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Sincerely,

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Peggy A. Feldmann
Director, Enterprise Applications

Enclosures



COMMONWEALTH of VIRGINIA

Office of the Governor

P.O. Box 1475
Richmond, Virginia 23218

January 1, 2009

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:

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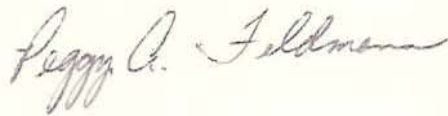
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Enclosures



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Richmond, Virginia 23218

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

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Enclosures

VEAP Budget Status through November 2008

GENERAL FUND

<u>Category</u>	<u>Annual Budget</u>	<u>Actual YTD</u>	<u>Remaining Budget</u>
Personnel	610,000	182,289	427,711
Office Space	20,432	28,518	-8,086
Operational Costs	13,000	4,190	8,810
Other	50,000	14,569	35,432
Contracts	405,764	55,700	350,064
Office Supplies	3,000	1,189	1,811
Travel/Business Meals	2,000	356	1,644
Sub-Total	<u>1,104,196</u>	<u>286,811</u>	<u>817,385</u>
Budget Reduction	-179,708		-179,708
Total	<u>924,488</u>	<u>286,811</u>	<u>637,677</u>

WORKING CAPITAL FUND

<u>Category</u>	<u>Annual Budget</u>	<u>Actual YTD</u>	<u>Remaining Budget</u>
Personnel	2,306,600	202,144	2,104,456
Office Space	30,256	34,381	-4,125
Operational Costs	12,500	0	12,500
Other	0	11,460	-11,460
Contracts	9,330,280	601,570	8,728,710
Office Supplies	2,800	90	2,710
Travel/Business Meals	1,000	0	1,000
Sub-Total	<u>11,683,436</u>	<u>849,645</u>	<u>10,833,791</u>
Unallotment for PB:	-5,469,320		-5,469,320
1/4 of contractor cost	-725,000		-725,000
PB RFP	32,000		32,000
Grand Total	<u>5,521,116</u>	<u>849,645</u>	<u>4,671,471</u>