COMMONWEALTH of VIRGINIA

Virginia Information Technologies Agency

June 30, 2010

The Honorable Robert F. McDonnell
Governor of Virginia
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, Virginia 23219

The Honorable James D. Duffey, Jr.
Secretary of Technology
Patrick Henry Building, 4th Floor
1111 East Broad Street
Richmond, Virginia 23219

The Honorable Charles J. Colgan
Chairman, Senate Finance Committee
Chairman, Joint Legislative Audit
  and Review Commission
10660 Aviation Lane
Manassas, Virginia 20110

Mr. Daniel Timberlake
Director
Department of Planning and Budget
Patrick Henry Building, 5th Floor
1111 East Broad Street
Richmond, Virginia 23219

The Honorable Lacey E. Putney
Chairman, House Appropriations Committee
Post Office Box 127
Bedford, Virginia 24523

Gentleman:

In accordance with Section J of Item 434 of Chapter 874 of the Acts of Assembly of 2010, I am pleased to present this report on *The VITA Organization*. I look forward to providing you future updates on VITA. Until then, please contact me if you have any questions about this report or any aspect of our organization.

Sincerely,

Samuel A. Nixon, Jr.

c: The Honorable Kathy J. Byron
      Chairman, House Science and Technology Committee
    The Honorable Mamie E. Locke
      Chairman, Senate General Laws and Technology Committee
    The Honorable Joe T. May
      Chairman, Joint Commission on Technology and Science
    The Honorable Yvonne B. Miller
      Chairman, Senate Finance General Government/Technology Sub-Committee
    Ms. Lisa Wallmeyer, Esq.
      Executive Director, Joint Commission on Technology and Science

The VITA Organization

CENTRALIZED MANAGEMENT AND OPERATIONS CENTER

Virginia Information Technologies Agency

VITA

June 30, 2010

Samuel A. Nixon Jr.

Chief Information Officer

of the Commonwealth

Section J of Item 434 of Chapter 874 of the 2010 Acts of Assembly

J. *[…] An annual assessment of the VITA organization will be provided to the Governor, the Secretary of Technology, and Chairmen of the House Appropriations and Senate Finance Committees by June 30 of each year.*

The VITA Organization

The Virginia Information Technologies Agency (VITA) is the Commonwealth's consolidated information technology (IT) organization. VITA's responsibilities fall into the following broad categories:

- Governance
- IT investments
- Project management
- IT security
- IT infrastructure
- Enterprise applications
- Enterprise programs
- Technology procurement

Current Staffing

The Virginia Information Technologies Agency (VITA) currently has 182 employees in its retained organization and 104 managed employees. These employees work at the Commonwealth Enterprise Solutions Center (CESC) in Chester and at agency sites across the Commonwealth. (A description of managed employees is provided later in this document.)

Retained organization

VITA employees perform a variety of functions. The organization is flat -- the Chief Information Officer (CIO) has 10 direct reports after several executive director positions were eliminated last fall increasing the number of direct reports but, in some cases, eliminating one layer of reporting. VITA does not have a deputy CIO or a chief of staff.
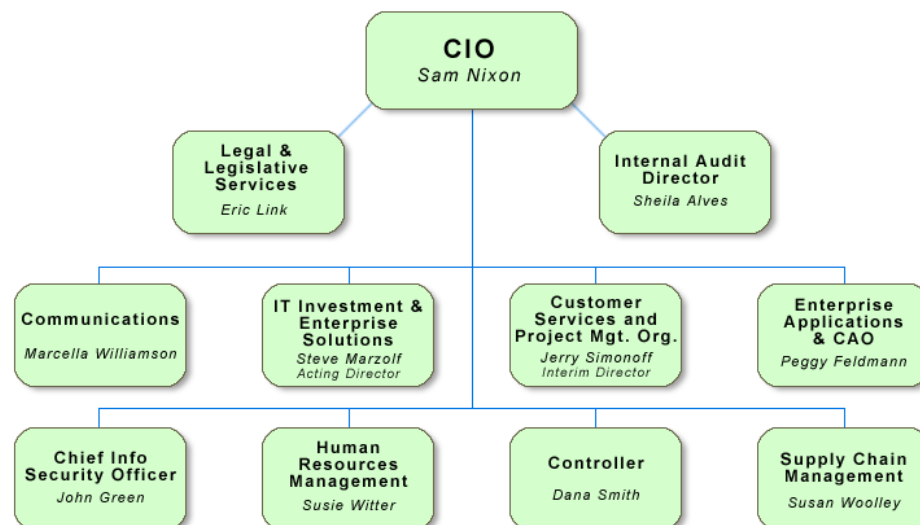
Among the most visible customer-facing functions are:

- Customer Services and Project Management
  - Customer relationship management
  - Customer support
  - Customer satisfaction
  - Work requests
  - Dispute resolution
  - Project Management
- Commonwealth Security and Risk Management
  - Commonwealth IT security policies, standards and guidelines
  - Infrastructure protection, incident management and service continuity
  - Information security architecture
  - Information security awareness and training
- Enterprise Applications Division
  - Enterprise initiatives
  - Agency process improvement
  - Strategy and governance
- IT Investment and Enterprise Solutions
  - Policy, practice and architecture
  - IT investment management
  - Virginia Geographic Information Network (VGIN)
  - Public safety communications (E-911)

The number of VITA employees decreased during the current fiscal year. The previous CIO flattened the organization, eliminating three executive director positions and four leadership positions early in FY10. Attrition has contributed further to the decrease in the number of employees. Finally, VITA eliminated 16.5 positions – resulting in the layoff 17 employees in June of 2010 as part of the statewide mandate to reduce spending. VITA has cut $3.7 million in the next fiscal year by eliminating the 23.5 positions in FY10 and through attrition and other non-personnel reductions.

VITA staff members are, on the whole, talented and hard-working public servants who strive to excel at service to the Commonwealth. The agency is understaffed to perform the current workload and meet the IT needs of its customers. The workload and pressure on staff has been intense. In addition, like most of the state work force, the VITA workforce has key personnel who are near retirement age. It will be challenging in the coming years to recruit and maintain knowledgeable, dedicated staff.

Managed employees

Managed employees are state employees who work on the IT infrastructure and are managed by Northrop Grumman. VITA provides a state paycheck and benefits to the managed employees. Northrop Grumman credits the state for their salaries and benefits. The number of managed employees has dropped from 254 on July 1, 2006, to the current 104.

The managed employee status was developed when VITA employees were offered the option of joining Northrop Grumman or staying with the state when the company took over operation of the IT infrastructure on July 1, 2006. For various reasons, particularly related to years of service and retirement, the 254 employees elected to remain state employees and be managed by Northrop Grumman. More than 500 employees left state service and joined Northrop Grumman at that time. The plan has been and continues to be to have all employees working on the IT infrastructure become Northrop Grumman employees. There is no timetable set for this to occur. As managed employees move to other positions, leave state service or retire, that state position is

not filled. If Northrop Grumman fills that position, it is filled by a Northrop Grumman employee. Ultimately, there will be no managed employees.

Change Impacting the VITA Organization

The VITA organization has faced constant change since it was established in 2003. The major changes were incorporating more than 700 IT employees from other agencies into the VITA organization and then having the majority of those employees join Northrop Grumman as VITA contracted out the IT infrastructure responsibilities and workload.

This past year, however, has seen change that has been more significant and impactful. There have been four CIOs, reorganization, layoffs, change of administration, change of governance, budget cuts, change in the Northrop Grumman leadership and modifications to the IT infrastructure contract with Northrop Grumman. Yet, VITA staff members have remained flexible and continue the focus on completing the mission handed down by the General Assembly and three administrations: consolidating and transforming the IT infrastructure for 89 Executive Branch agencies while performing its other responsibilities. In addition to those 89 agency customers, VITA staff members also support other branches of state government and towns, cities and counties by providing IT-related services.

Looking Forward

The current CIO is examining the VITA organization for alignment to meet current and future needs of customers. Several issues must be considered:
- How to best satisfy the 2010-2012 budget requirements that direct the CIO to "develop and implement a plan to improve the productivity, efficiency, and effectiveness of VITA. As part of this review, the Chief Information Officer shall assess the feasibility of reducing or eliminating the Enterprise Application Division by June 30, 2011" [Section J of Item 434 of Chapter 874 of the 2010 Acts of Assembly].
- How to best satisfy the 2010-2012 budget requirement that directs the CIO to restructure VITA [Section J of Item 434 of Chapter 874 of the 2010 Acts of the Assembly].
- How will VITA look after infrastructure transformation is complete?
- How will minimal staffing at VITA impact future support of IT needs of agencies and other customers?
- What IT services are required to meet the business needs of agencies and other customers beyond the infrastructure, and how will the VITA organization function to meet those needs?
- Who will assume the risk to provide agencies with the additional IT services they are requesting?
- What is VITA's business development role?
- How can we organize to work with agencies and other customers to determine the future of IT in the Commonwealth?

Conclusion

The CIO and the VITA Executive Team will continue to evaluate the VITA organization. While the infrastructure transformation continues and the significant changes impacting the VITA organization are implemented, it is prudent to maintain a steady state and not make unnecessary changes that might negatively impact service delivery. The next step is to monitor the organization and develop a well-thought-out and measured approach to shaping the VITA organization to meet the future IT needs of the Commonwealth.