

for June 2022

To: The Honorable Glenn Youngkin, Governor of Virginia
The Honorable Barry D. Knight, Chair, House Appropriations Committee
The Honorable Janet D. Howell, Chair, Senate Finance and Appropriations Committee

From: Virginia Information Technologies Agency (VITA)

BACKGROUND / INTRODUCTION

VITA, on behalf of the Chief Information Officer of the Commonwealth, Robert Osmond, and the Secretary of Administration, Lyn McDermid, respectfully submits this report pursuant to [Item 93\(D\)](#) of the 2022 Appropriation Act, which provides:

“The Chief Information Officer and the Secretary of Administration shall provide the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees with a report detailing any amendments or modifications to the information technology infrastructure services contracts. The report shall include statements describing the fiscal impact of such amendments or modifications and shall be submitted within 30 days following the signing of any amended agreement.”

In addition to this report, VITA continues to report in detail on the IT infrastructure services contracts and platform through other legislative and executive reporting and through the committees’ staff and Joint Legislative Audit and Review Commission (JLARC) staff.

REPORT

Copies of amendments (and other contract documents) are made available as soon as practicable on VITA’s public contracts portal at <https://vita.cobblestonesystems.com/public/>. The links below go directly to each contract on that portal.

Amendments/Modifications

[Messaging Services contract with NTT Data \(VA-210517-NTT\)](#)

<i>Number</i>	<i>Date</i>	<i>Description</i>	<i>Fiscal Impact</i>
6	6/3/22	Modified Exhibits 3.1 & 3.2 (Service Level Matrix and Definitions and Measurements) to align NTTs SLAs with those of the other STSs, taking into account the delay of commencement until May 1, 2022.	None

[Mainframe contract with Peraton \(f.k.a. Perspecta\)¹ \(VA-160926-HPEN\)](#)

<i>Number</i>	<i>Date</i>	<i>Description</i>	<i>Fiscal Impact</i>
14	6/24/22	<p>Multiple changes:</p> <ul style="list-style-type: none"> • Annual Economic Change Adjustment (ECA), which the contract provides shall be applied to inflation sensitive billing items based on the U.S. Department of Labor's unadjusted Consumer Price Index for All Urban Consumers (the CPI-U), as described in Exhibit 4.0 § 9 and Exhibit 4.1. • Removes unneeded software (IBM Base Classic Fed), with a resulting credit of approximately \$20,000. • Renews necessary BMC software for two years. • Renews engagement of Peraton to evaluate and manage access tickets for CY6. • Other administrative updates, including changing physical addresses in the MSA, removing references to VITA's old facilities, correcting references in Exhibit 3.0, and removing the on-site/off-site column of Exhibit 5.1. 	<p>The total fiscal impact is \$2,017,000.00.</p> <p>The fiscal impact of the ECA for contract year 6 is approximately \$274,000. These amounts are already budgeted for recovery in IT service rates.</p> <p>The cost of the BMC software renewal through Peraton is \$945,670.42 per year for two years, which reflects an increase of approximately \$677,000 per year but a cost that remains less than pricing directly from BMC. These amounts will be incorporated into FY24 rates.</p> <p>The CY6 access tickets cost is \$263,356, a 10.2% increase over CY5.</p>

¹ The Peraton contract uses the terminology of "change orders" rather than "amendments" or "modifications."