

for May 2024

To: The Honorable Glenn Youngkin, Governor of Virginia
The Honorable Luke E. Torian, Chair, House Appropriations Committee
The Honorable L. Louise Lucas, Chair, Senate Finance & 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, as amended in 2023 & 2024, 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 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

[Server, Storage, and Data Center Services \(SSDC\) contract with Unisys \(VA-180815-UC\)](#)

<i>Number</i>	<i>Date</i>	<i>Description</i>	<i>Fiscal Impact</i>
26	5/20/2024	Matures Amazon Web Services (AWS) cloud services from standard RU-based charges to the Managed Cloud Services (MCS) consumption-based model. The current charges approach is not an industry standard for cloud services; it is similar to traditional datacenters and would, if not changed, result in significant additional expense as use of datacenter space and resources grows, which is expected to occur as agencies modernize and use more cloud applications and storage. The current charges approach also has not proven advantageous or workable for implementing and realizing all of the benefits of cloud services. The new consumption-based approach is geared toward cloud services and will better prevent over-provisioning, deliver the scalability and efficiency of cloud services, and manage cloud use and spend.	The estimated increased costs are \$452,160 in FY24 and \$1,399,200 in FY25.

[Voice and Data Network \(VDN\) contract with Verizon \(VA-151028-MCI5\)](#)

<i>Number</i>	<i>Date</i>	<i>Description</i>	<i>Fiscal Impact</i>
50	5/15/2024	Reduced (after negotiations) the price of Internet Access, Internet Port, and Private Internet Port (PIP) monthly recurring cost line items. Exercised first of two renewal options, for two years, such that the contract term now ends on 6/14/2026.	The estimated cost reduction over the remaining term of the contract is \$5 million.

[Managed Print Services \(MPS\) contract with Xerox \(VA-180915-XERX\)](#)

<i>Number</i>	<i>Date</i>	<i>Description</i>	<i>Fiscal Impact</i>
11	5/3/2024	Retire and replace printer models at current rates.	None

[Expiring 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>
CO19	5/8/2024	This modification updates the contract end date to 5/31/24 in the MSA, Exh. 2.6, and Exh. 4.7.	None

[New mainframe contract with Peraton](#) (VA-240322-PSLI)

<i>Number</i>	<i>Date</i>	<i>Description</i>	<i>Fiscal Impact</i>
1	5/8/2024	This modification sets the commencement date as 6/1/2024 in Exh 4.1 and Exh 4.8 and therefore updates the contract end date in the MSA to 5/31/2027. Lastly, it finalizes the due dates in Exh 2.4.1.	None

Other Contract Changes²

[Managed Print Services \(MPS\) contract with Xerox](#) (VA-180915-XERX)

<i>Date</i>	<i>Description</i>	<i>Fiscal Impact</i>
5/30/24	60-day notice to Terminate for Convenience, effective 7/31/24 (in accordance with MSA § 12.2). At this time, VITA does not plan to recompete or reestablish a managed print services Tower.	By agreement, there will be no termination for convenience charges because customers who have not already moved will be moved to either the Xerox convenience print contract or a transitional, VITA-managed version of print services that still uses Xerox.

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

² The infrastructure contracts permit certain changes to the contract documents, such as updated designations of key personnel or certain changes to service levels, to occur through notices rather than through the formal contract amendment process. Such changes are included in this report to be as thorough and transparent as practicable.