

for August 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 81\(D\)](#) of the 2024 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 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

[End User Services-Computing \(EUS\) contract with Iron Bow](#) (VA-180915-IBTL)

| <i>Number</i> | <i>Date</i> | <i>Description</i> | <i>Fiscal Impact</i> |
|---------------|-------------|--|--|
| 20 | 8/6/2024 | The modification clarifies the contract concerning devices (computers, workstations, and laptops) that are provided by the Supplier but not returned by the Customer on or before the Refresh Eligible Date, due to Customer action or inaction. From May 1, 2024 onward, new resource units (RUs) will apply to such agency retained devices where agencies are preventing the Supplier from performing refresh as scheduled. | The total fiscal impact depends on whether agencies choose to refresh their devices as intended under the contract. Based on information to date related to agency device retention, VITA estimates charges of ~\$1.39 million in FY25. Iron Bow may submit contract claims for prior years. |

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

| <i>Number</i> | <i>Date</i> | <i>Description</i> | <i>Fiscal Impact</i> |
|---------------|-------------|--|--|
| 12 | 8/13/2024 | As of June 30, VITA terminated the Managed Print service Tower for convenience. The services' scope does not fully leverage economies of scale. Many agencies prefer and already transitioned to VITA's statewide print devices and services convenience contract , also with Xerox. To assist agencies not yet ready to transition, VITA is offering managed print services, adding management and support to the convenience contract. | Transitioning to the convenience print contract can save ~40%, which could be up to ~\$2.59 million annually. Additionally, VITA negotiated limited termination fees, which avoided ~\$2.2 million in costs. |

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

| <i>Number</i> | <i>Date</i> | <i>Description</i> | <i>Fiscal Impact</i> |
|---------------|-------------|--|----------------------|
| 2 | 8/22/24 | Administrative updates, including adjusting the due date for a milestone and correcting language related to invoicing processes. | None |

Other Contract Changes¹

[Multisourcing Service Integrator \(MSI\) contract with SAIC \(VA-170822-SAIC\)](#)

| <i>Date</i> | <i>Description</i> | <i>Fiscal Impact</i> |
|-------------|--|----------------------|
| 8/12/2024 | Updates the list of the software products currently being used by the Commonwealth and or SAIC in the provision of MSI services. | None |

¹ 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.