

for March 2025

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

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

<i>Number</i>	<i>Date</i>	<i>Description</i>	<i>Fiscal Impact</i>
24	3/6/2025	Annual Economic Change Adjustment (ECA), which the contract provides shall be applied to identified 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 section 10.	This ECA is for contract year 4. The financial impact is \$236,046 per year. These amounts are already budgeted for recovery in IT services rates.
25	3/25/2025	Implementation of an optional enhanced User Backup Service that will offer a mission critical level of data retention and protection that exceeds the default level of retention and protection in Microsoft 365.	The new services are optional, and to the extent agencies use such services, they will incur the charges set forth in the amendment for such services. The per-user cost depends on the total number of users subscribed. There is a one-time implementation charge of \$82,000, and VITA currently projects usage charges of ~\$70,000 in FY25 and ~\$140,000 in FY26. VITA intends to recover the one-time implementation cost in the rates charged to subscribed users.

[Managed Public Cloud Services – Azure contract with NTT Data](#) (VA-240920-NTT)

<i>Number</i>	<i>Date</i>	<i>Description</i>	<i>Fiscal Impact</i>
4	3/13/2025	This amendment revised due dates for milestones under the contract.	None. The changes in milestone timing do not increase the amount owed.