



COMMONWEALTH *of* VIRGINIA

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MEMORANDUM

To: Governor's Cabinet and Agency Heads

From: Lemuel C. Stewart, Chief Information Officer of the Commonwealth

Subject: Public Posting of Qualified PPEA Proposals for IT Transformation

On June 1 the Virginia Information Technologies Agency (VITA) will post to its Web site qualified proposals received via the Public Private Educational Facilities and Infrastructure Act of 2002 (PPEA) for competitive response. The PPEA is one vehicle for forging innovative partnerships, and is primarily geared toward large-scale projects, like constructing school buildings and prisons. Establishing such innovative public/private partnerships is a major component of our overall IT Transformation strategy for the actual consolidation of facilities and equipment, realignment of IT staff, and implementation of substantial cost-savings initiatives.

I write to share highlights of the proposals under review, provide an overview of the PPEA process, and seek your assistance in communicating with your employees to foster greater awareness and understanding. In addition to creative thinking and innovative financing options, the PPEA proposals represent great potential for dramatic change to how we use technology to improve our services to our citizens in alignment with our goal to establish Virginia as the best-managed state.

PPEA Proposals and Potential Partners

The PPEA proposals are focused on significant improvements to the Commonwealth's information technology infrastructure and management in areas such as data center consolidation, enterprise systems, disaster recovery and backup, and customer service and support. The proposals present a wide array of options and ideas for efficiencies and cost-savings, including the construction of new data centers within and outside of Richmond and the outsourcing of some technology functions.

We are focused on establishing a true partnership, where each partner shares its assets, strengths and capabilities, as well as the risks and rewards of the undertaking. Our potential partners have world-class expertise, state-of-the-art technologies, and financial resources required to transform information technology for the benefit of our customers and citizens.

PPEA Review Process Highlights

The PPEA process calls for broad participation in the review, evaluation and selection of any PPEA supplier arrangement. The review teams for PPEA proposals received by VITA will include customer agency representatives, cabinet representatives, members of the Information Technology Investment Board, and VITA staff. The review team will use a set of criteria, or desired attributes, against which to evaluate proposals in areas such as finances, approach, experience, and viability. The reviews will occur in two phases over the next seven months or so—the conceptual review phase and the detailed review phase.

In addition to the PPEA review team, the process calls for the Board, the Cabinet, the Office of the Attorney General, the General Assembly, the Governor, and me to evaluate proposals and ensure solutions fully support the Commonwealth's business needs and commitments. The Commonwealth has the option at any time during the review process to reject proposals in whole or in part and to pick and choose the elements that best serve the interests of Virginia and its citizens. Information about the status of PPEA proposals and the attributes will be available on the VITA Web site after June 1 at <http://www.vita.virginia.gov/procurement/ppea/ppea.cfm>.

Communicating with Employees

Given the magnitude of the proposals under consideration, it is critically important that we work together to share information with employees. I would appreciate greatly your conveying the following important points to your employees. Beginning immediately, VITA will be in contact directly with state IT employees to provide general information and updates throughout the review process.

- **Minimize impact on employees.** You will likely hear rumors that VITA is planning to turn all infrastructure and operations over to the private sector. Nothing could be further from the truth. We are seeking partners who are willing to make investments in the Commonwealth, work with us to transform our business processes to improve citizen services, help us reengineer the IT infrastructure, and ensure minimal impact on our most important assets—our employees. It is very important to communicate to your employees that the Commonwealth is not looking to completely outsource technology; that outsourcing will be considered in areas where the private sector can support better services to citizens than we can afford to provide or build on our own.
- **We've only just begun.** Nothing is set in stone—there is much negotiating and direction-setting left to be done. The purpose now is to gather a wide range of creative and innovative thinking and ideas from the private sector and use them as a starting point for developing next steps.
- **Minimize impact on agency operations.** The PPEA process should enhance agency productivity and delivery of services, not harm it or be implemented in such a fashion as to cause business disruptions. Be assured that the Commonwealth will not relinquish the governance, management, and monitoring of any partnership that may result from the PPEA review process.
- **The Commonwealth is in the driver's seat.** The Commonwealth is not required to accept or implement proposals it receives; it can, at any time, reject proposals or terminate negotiations. The Commonwealth defines acceptable parameters.

I am confident that the Commonwealth is poised to make a grand difference through the transformation of technology and our business processes in the interest of our employees and citizens. Please feel free to contact me if you have any questions or concerns with our approach or plans to be ***the*** best-managed state in the nation.

cc: Information Technology Investment Board Members