Corporate Data Center Operations
FY 2013 Business Plan

www.cdco.gov
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Message from the Director

Judy Downing
Acting
Executive Director

To our Customers and Stakeholders,

As Acting CDCO Executive Director, I am pleased to present you this Business Plan. In Fiscal Year (FY) 2011, CDCO brought the Hines, Philadelphia, and Quantico Technology Centers, and the Capital Region Data Center into the franchise fund with the goal of achieving an even more efficient data processing environment, allowing VA to maximize knowledge transfer opportunities. CDCO continues to explore new technologies and update its equipment and services to meet the needs of our customers. CDCO supports VA Secretary Eric Shinseki's 16+4 Major Transformation, which will continue to be a top priority of the organization. These initiatives are part of the Department's goal to transform VA into a 21st Century organization and to ensure we provide timely access to benefits and high quality health care to our nation's Veterans.

CDCO continues to improve its comprehensive service assurance and performance services across all tiers of service delivery. Specifically, in FY 2011, we rolled out new performance assurance/monitoring services in four key areas: Application Performance Management, Infrastructure Management, Network Performance Management, and Service Operations Management.

We continue to expand our technology footprint with virtualization and the introduction of a cloud delivery model. In addition to providing rapid-deployment services through virtualization, CDCO plans to expand Infrastructure-as-a-Service (IaaS) offerings, which provide a greater degree of self-service, cost effectiveness, and less administrative overhead. CDCO also plans to expand continuity of operations options with virtualized environments. The CDCO cloud delivery model leverages many technology components and practices already in existence to deliver functionality in shorter timeframes and support the efforts of VA IT projects to deploy working business functionality in less than six months. The cloud delivery model will support multi-tenancy of government organizations and the shared concerns of the Federal community (e.g., mission, security requirements, policy, and compliance considerations).

Now more than ever, CDCO is committed to becoming a leader in green computing. CDCO's increasing use of virtualized servers translates to fewer physical servers, reducing energy consumption and heat load. We are replacing computer room air conditioning units with chilled water technology, and installing a 17,000 square foot rooftop solar array, capable of generating 125 kilowatts of electricity. CDCO is proud of these, and other green computing efforts, which allow for savings of taxpayer dollars, as well as responsible stewardship of our planet's resources.

As a business partner with our customers, we are committed to keeping our focus on customer service and providing solutions that meet our customer needs at competitive prices to maximize their investments in technology.

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Overview

About Corporate Data Center Operations (CDCO)

Since April 2007, the Austin Information Technology Center (AITC) has been aligned with the Hines Information Technology Center (HITC) and the Philadelphia Information Technology Center (PITC) under Corporate Data Center Operations. On October 1, 2008, the Capital Region Data Center (CRDC) in Falling Waters, West Virginia, joined CDCO, an added benefit being its capability to host systems in coordination with other Federal agencies' Continuity of Operations Plan (COOP) missions, as well as its close proximity to the Washington, DC area. On October 1, 2010, Quantico Information Technology Center (QITC) became CDCO's fifth data center. All five Centers operate as sub-organizations under the CDCO umbrella, reporting to the Office of Information and Technology's (OIT) Deputy Chief Information Officer (DCIO) for Service Delivery and Engineering. CDCO began integrating common functions throughout the five Centers during FY 2009.

In 1996, under Public Law (PL) 103-356, Government Management Reform Act (GMRA) of 1994, AITC was approved as a franchise fund organization with the authority to offer IT products and services to other Federal agencies on a full cost recovery fee-for-service basis. Permanent status was conferred upon the VA franchise fund by PL 109-114 in FY 2006. The other four Centers joined the franchise fund in FY 2011.

CDCO is one of six organizations within the Department that operates as a franchise fund activity, collecting revenue from customers for the services provided to manage CDCO's day-to-day operations. CDCO is also responsible for administrative reporting to the VA Franchise Fund Board of Directors, comprised of representatives from the various VA administrations and staff offices. The Board has management and oversight responsibility for the VA Enterprise Centers' rates, capital investments, budgets, and various franchise fund activities. In addition, CDCO operates VA's Records Center & Vault (RC&V) in Neosho, Missouri; RC&V provides its own Business Plan.

Designed to provide increasing value to its customers, CDCO is a part of VA's transition to VA's IT Management System. The integration and consolidation of CDCO supports development of the VA National Data Processing Strategy, which over time will consolidate a number of data centers within VA. The goal is to more effectively manage IT operations by leveraging core processes identified in the Federated IT Systems model.

Since entering entrepreneurial government, CDCO has grown

significantly by expanding services to our existing customers and by attracting new customers. In addition to VA customers, a sampling of other Federal agency customers includes Government Accountability Office (GAO), Department of Justice (DOJ), National Archives and Records Administration (NARA), General Services Administration (GSA), and others. Refer to Attachment A for a full customer listing.

CDCO considers itself to be a business partner with every customer and strives to sustain excellent customer relationships, thus helping to achieve its goal of customer loyalty. CDCO's success in obtaining this goal is the result of its customer-centric attitude focusing technologies and business improvements on the customer, as well as making sound, fiscally responsible decisions that support the customer.

CDCO is a full-service IT provider, offering a wide variety of products and services to its customers, such as:

- Administers approximately 200 complex IT applications that support VA medical care, financial payments, benefits, record-keeping, and research programs.
- Supports Exhibit 300 programs for multiple VA program offices and projects.
- Manages over 2,000 servers for VA.
- Supports OneVA service to Veterans and their families by delivering results-oriented, secure, highly-available, and cost-effective IT services.
- Supports Mission-critical functions such as payroll, financial management, logistics, medical systems, and eligibility benefits.
- Offers a full complement of technical solutions to accommodate customers' varied IT e-Government initiatives.
- Provides support for benefits delivery in compensation, pension, and education programs which are critical to Veterans Benefits Administration (VBA) to facilitate processing claims and benefits promised to our Veterans.
- Provides a variety of IT support and services to VA, VBA, Veterans, and other stakeholders such as Veterans service organizations and colleges and universities.
- Implements, operates, and maintains information systems that assist VA regional offices (ROs), the Insurance Center, and medical centers in providing benefits and medical care to the nation's Veterans and their families.
- Provides operational support of VA Internet and Intranet Web services and is part of the Optical Region Area Network (ORAN) Circuit which supports Federal mandates for disaster fall back plans from the capital region and is envisioned by VA as a Federal use transport to reduce network costs and provide flexible services to all agencies.
- Ensures all aspects of the burial benefit delivery systems are met with regard to VA and IT operational direction.
- Provides IT oversight for the entire National Cemetery Administration (NCA) and provides the IT operational services and infrastructure to all VA national cemeteries, cemetery administrative offices and the majority of state Veterans' cemeteries (over 180 facilities across seven time zones).
- Operates VA's RC&V in Neosho, Missouri.
- Provides information technology to other government agencies, such as NARA and the Environmental Protection Agency.

Mission, Vision, and Strategic Goals

OIT's goal is to be the leader among Federal IT organizations in providing secure, high quality, and responsive service to supported organizations in meeting business needs, by leveraging state-of-the-art technologies, and building a high-performing workforce dedicated to the success of those they serve. The priorities are to: establish a high-performing IT organization, standardize IT infrastructure and business processes, make VA IT systems more interoperable, and effect better management of VA IT Systems appropriation. The mission, vision and strategic goals of CDCO are as follows:

Mission

The mission of CDCO is to support OneVA world-class service to Veterans and their families by delivering results-oriented, secure, highly available, and cost effective information technology services.

Vision

CDCO will fulfill its mission by being a recognized leader in providing results-oriented information technology services to our customers. We will do this by:

- Maintaining a full partnership with our customers in solving their business problems
- Continuously improving service delivery
- Demonstrating measureable value
- Having a culture that fosters teamwork, pride in jobs, respect for people, innovation, and excellence

Strategic Goals

CDCO will successfully fulfill its mission in a manner consistent with its vision by achieving the following strategic goals:

- Provide results-oriented, highly available, and cost effective information technology services
- Provide a secure environment for customer information and applications
- Leverage our capabilities to the benefit of other government agencies
- Maximize efficiency and effectiveness by providing strong general management and support to our programs

IT Services Portfolio

CDCO supports the VA Secretary's MI 16+4 and OneVA service to Veterans and their families by delivering results-oriented, secure, highly available, and cost-effective IT services. CDCO focuses on continuously improving service delivery, demonstrating measureable value, and providing a culture that fosters teamwork and innovation. As the corporate IT center for VA's nationwide systems, approximately 200 complex applications are supported for VA and other Federal agency customers. Mission-critical functions such as payroll, financial management, logistics, medical systems, and eligibility benefits are supported. CDCO also offers a full complement of technical solutions to accommodate customers' varied IT e-Government initiatives. These solutions include IT systems hosting services, application management, information assurance, IT service continuity management, data conversion and interfacing.

CDCO has a diverse and robust infrastructure that includes over 800 Windows and 600 UNIX physical servers. Most of the UNIX servers support Office of Management and Budget (OMB) Exhibit 300 programs. Over 680 virtual servers are also offered to CDCO customers, which provide customers with flexibility and operating efficiencies. The primary z196 IBM mainframe's 2,000+ million instructions per second (MIPS) powers the Human Resources (HR) processing and pre/post payroll needs for all of VA and supports Financial Management System (FMS) and Decision Support System (DSS) processing. Located in Austin, it provides a highly secure and reliable processing environment. The z196 is augmented by four more IBM mainframe eServers including those processing applications in Hines and Philadelphia. In addition to the diverse server offering, CDCO is a network hub for VA. As the primary gateway for Department of Defense (DOD) traffic, CDCO supports DOD-VA lab and pharmacy efforts.

CDCO personnel have the skills and experience necessary to keep the critical support systems running properly. Professional services offered to CDCO customers include application administration, project management, database administration, architectural support, capacity planning, and availability services. Further, CDCO offers a managed service approach to providing support services, which allows for customers to retain certain responsibilities, such as application support. In these cases, an Operations and Maintenance (O&M) plan is developed and defines roles and responsibilities. This approach easily spans geographically dispersed organizations.

CDCO supports green computing. As a major consumer of electricity, CDCO is proactive in finding solutions to reducing electricity consumption. An example is the aggressive approach to virtualization of servers, which translates to fewer physical servers, thereby reducing energy consumption and heat load. CDCO is converting from three kilowatts per cabinet to seven kilowatts per cabinet and to a chilled water cooling system. Both conversions will improve operating efficiency and allow CDCO to consolidate Federal IT equipment within existing infrastructure. These improvements will extend data center life while minimizing new construction costs. CDCO also works to reduce its carbon footprint through recycling plastics, metal, aluminum, and batteries.

Over the past three years, CDCO has moved to align its operations along ITIL guidelines. ITIL is the most widely recognized set of guidelines for running data operations in the world. By implementing ITIL, CDCO

is following common practices and procedures, as well as using the same vocabulary, as preparation for truly merging operations into one organization, under the umbrella term of CDCO.

Highlights of the FY 2013 Business Plan

CDCO is pleased to present the following highlights of this year's business plan.

FY 2011:

Financial Status Projection

CDCO is well positioned to meet its revenue goal of about $234 million in FY 2011. Expenses will total approximately $227 million resulting in earnings from operations of approximately $7 million.

Rates

An aggressive approach to cost containment combined with growing customer workloads allowed CDCO to reduce all three Central Processing Unit (CPU) product offering prices and both Direct Access Storage Device (DASD) product offering prices in FY 2011. CDCO additionally reduced prices for Tape Mounts, Tape Storage, and labor products Platform Supervisory Management and Computer Operator. CDCO's primary focus has been to identify opportunities to contain costs and focus on the impact of alternative decisions.

Planned Capital Purchases

In FY 2011, CDCO plans to install smart card badge readers, implement Enterprise Backup, expand generator systems; upgrade the Z9 mainframe; implement uninterrupted power supply (UPS) expansion; and upgrade disk storage. Refer to Attachment C for a complete listing of our FY 2011 – FY 2015 planned capital acquisitions.

Customer Changes

CDCO had no customer changes in FY 2011.

Initiatives

CDCO is planning the following ongoing efforts and initiatives to best meet customer business needs:

- Providing systems architecture, capacity planning, and workload projection services.
- Supporting the VA Secretary's Major Initiatives, such as:
    - **Veterans Benefits Management System (VBMS)** –CDCO will support the VBMS pilot environment using a Windows Virtual Machine (VM) farm, with a VM Disaster Recovery (DR) solution. This system will transition from paper-intensive claims processing to a paperless environment through the deployment of technology solutions and migration to electronic claims processing. VBMS will be expanded to support pension, insurance, education, vocational rehabilitation and education, loan guaranty, memorials, and other VA programs. Ultimately, VBMS will facilitate improved access to benefits information across VBA, Veterans Health Administration (VHA), DOD, and other external agencies.

    - **Nationwide Health Information Network (NHI))** –NHI provides a secure, nationwide, interoperable health information infrastructure connecting providers, consumers, and others involved in supporting healthcare. This system enables health information to follow the consumer, be available for clinical decision making, and support appropriate use of healthcare information beyond direct patient care as to improve health. The application provides VA with access to patient health information from other Federal

agencies and from private agencies that are part of the system. It also provides those on the application with access to VA patient data. CDCO has provided multiple environments for this application and will continue providing support for additional environments going into FY 2012.

- **Chapter 33 (C33)** –C33, also known as the post-9/11 GI bill, is a new education program that pays for approved training taken on or after August 1, 2009, for those who served on active duty after September 10, 2001. C33 is a popular VA benefit, which is identified as critical by the VA Secretary and highly publicized in the media. Benefits needed by Veterans to pay for eligible expenses were delayed to the point where an emergency Web site to accelerate payments became necessary. On September 29, 2009, VA executives directed CDCO to set-up a platform to support the VA Advance Payment System, an educational benefits payment request site for Veterans awaiting VA educational benefits. This Internet-facing Web site, which went live on October 2, 2009, utilizes CDCO's Demilitarized Zone (DMZ) VMware platform for the accelerated C33 payments.

- **eBenefits (EBN)** –Part of the Veterans Relationship Management program, EBN is a Web portal that is a joint VA and DOD project allowing service members and veterans to access and retrieve copies of their official military personal records, view VA disability compensation and pension claim status, obtain or submit an application for the home loan certificate of eligibility, and directly access MyHealtheVet accounts. VA had a critical need for assistance in establishing, implementing, integrating and maintaining an identity and access management (IAM) system for the EBN Web Portal. This IAM system must be secure and available to link to EBN sites (DOD, VA, Department of Labor (DOL), Social Security Administration (SSA), etc.) for use by wounded, ill, and injured service members, Veterans and their families. The EBN Web Portal is the benefits Web site of VA and DOD for information on benefit and assistance programs for this user population. CDCO is providing a complete, secure, highly scalable IAM solution that seamlessly manages, audits, protects, and stores identity data for access to the EBN Web Portal and supported sites.

- Increasing support levels for several OMB Exhibit 300 level investment projects, such as:
  - **HealtheVet** –CDCO is continuing enhancement of a consolidated computing infrastructure for existing pre-production and production servers for HealtheVet applications, such as Architecture for Common Services (ACS), Administrative Data Repository (ADR), Enrollment Database (EDB), Enrollment System Redesign (ESR), and Spinal Cord Injury (SCI) as well as other high priority efforts such as the Nationwide Health Information Network and EBN. CDCO will continue enhancement and implementation of a comprehensive end-to-end monitoring system for all applications.

  - **Health Data Repository (HDR)** –Upon the completion of the HDR technical refresh the decommissioning of the Health Data Repository Interim Messaging Solution (HDR-IMS) was completed by April 4, 2011. As of March 2011, the national release of Health Data Repository with Clinical Data Service (HDRII CDS) applications was completed and replaced the HDR-IMS application. The HDRII CDS application provides the foundation to support real-time point-of-care services for the clinicians. A stand-by high availability

solution, a pre-production environment and the implementation of an HDR DR is scheduled to begin implementation in FY 2011.

- **Healthcare Associated Infection and Influenza Surveillance System (HAIISS)** –CDCO rolled out the enterprise deployment of QC PathFinder™, which is an application that facilitates the transmission of Health Level 7 (HL7) messages from various Veterans Health Information Systems & Technology Architecture (VistA) applications (Admission, Discharge, & Transfer (ADT), Laboratory, Clinical (data flows)).

- **Pharmacy Re-Engineering (PRE)** –CDCO is providing hosting for the pre-production and production environments of the Pharmacy Enterprise Customization System (PECS) application.

- **Veterans Services Network (VETSNET)** –CDCO continues to add additional capacity to accommodate growth in VETSNET user base and application functionality by creating separate Tuxedo and Oracle environments. The goal is to streamline processing and eliminate user connection constraints in the shared environment.

- Maintaining industry and professional certifications to equip a well-trained workforce with the necessary skills to meet customer requirements.
- Providing monitoring services on critical and essential support servers, as well as offering tiered monitoring services to customers.
- Providing enhanced continuity of operations for mission critical and essential support applications using electronic vaulting of data.
- Investing in current technology infrastructure such as:
  - **Virtual UNIX server environment** –implement a virtual UNIX server environment for use by CDCO customers. This is a scalable server farm capable of hosting multiple customers who required virtualized UNIX operating systems.
  - **zLINUX** –Continue to expand the zLINUX virtual capacity on the mainframe, which is capable of hosting multiple customers who require virtualized Linux OS instances.
  - **Network Migration** –continue implementing a complete core network redesign to introduce performance gains, high availability, and increased capacity.

FY 2012:

Financial Status Projection

CDCO is well positioned to meet its revenue goal of about $283 million in FY 2012. The increase in revenue from FY 2011 – FY 2012 is primarily the result of costs associated with new requirements.

Rates

An aggressive approach to cost management combined with increasing customer workloads allowed CDCO to reduce prices in several of our product offerings in FY 2012. The primary focus has been to identify opportunities to contain costs and focus on the impact of alternative decisions.

New Offerings & Discontinued Products

There are nine new product offerings and eight discontinued products in FY 2012:

- New Offerings
  - **Mail –** a product encompassing Outgoing (Machine and Hand Paced) and Incoming Mail processing for CDCO Operations.
  - **Monitoring – Agent Based –** a product used to monitor customer applications hosted in the CDCO computer rooms.
  - **Monitoring – Server Based –** a product used to monitor infrastructure supporting customer applications hosted in the CDCO computer rooms.
  - **Security Support to NCA –** an information security service provided by CDCO to the NCA.
  - **NCA Customer Support** – a product that provides Help Desk support to NCA computer users.
  - **Security Monitoring/Scanning –** In FY 2012 and FY 2013 CDCO was able to unbundle the cost activities associated with application security and monitoring. Unbundling these costs resulted in a reduced rate on products such as CPU, Telecommunications Service Support and Desktop Support. Four new Security Monitoring/Scanning products were created to more accurately assign monitoring/scanning costs to the end user:
    - **Major 1st Year**
    - **Major Maintenance**
    - **Minor 1st Year**
    - **Minor Maintenance**

- Discontinued Products
  - **Incoming Mail, Outgoing Mail (Machine), Outgoing Mail (Hand Paced)** – consolidated into one new Mail Product
  - **Monitoring Agent** – expanded into two new products, Monitoring – Agent Based, and Monitoring – Server Based.
  - **WEB Operations Support, Platform Supervisory Management, Platform Management, Computer Operator** – merged into existing labor products

Planned Capital Purchases

In FY 2012, CDCO plans to replace the the Sunfire (SF) 25000 servers; implement technology refresh, upgrade autonomy search and disk storage and replace network and load balancing hardware for Web Operations; install a UPS at Culpeper; implement a test network; upgrade disk storage; replace UPS battery strings; purchase Magstar tape unit replacements; enhance database performance monitoring and purchase monitoring hardware; migrate to an Hitachi San Environment and a secure file transfer protocol (FTP) process; and expand UPS capacity.

Refer to Attachment C for a listing of our FY 2011 – FY 2015 planned capital acquisitions and the Financial Highlights section of this plan for a detailed description of these projects.

Customer Changes

The VA National Service Desk (NSD) will be a new CDCO customer in FY 2012.

Initiatives

CDCO is planning the following ongoing efforts and initiatives to best meet customer business needs:

- Increasing support levels for OMB Exhibit 300 level investment projects, such as:
  - **Veterans Benefits Management System (VBMS)** –continued ongoing support for the VA Secretary's MI #2. CDCO anticipates VBMS will continue deployment from Development through Production throughout FY 2012. CDCO will continue to support the VBA Benefits Enterprise Platform (BEP) interfaces used by VBMS and the rollout of VBMS to the ROs as necessary.

  - **NHI –**Support for MI #4 will include continued implementation and support for the multiple environments established for this system in FY 2011. This application is expected to be one of the larger applications supported by CDCO.

  - **Chapter 33 (C33)** –CDCO will continue ongoing support for MI #3. C33 currently operates from a data center outside VA. CDCO anticipates C33 will continue to enhance and deploy to the application throughout FY 2012. CDCO will continue to support the VBA Benefits Delivery Network payment system and VBA Benefits Enterprise Platform BEP interfaces used by C33, and the rollout of C33 to the ROs as necessary.

  - **eBenefits (EBN)** –CDCO will continue support of EBN in FY 2012.

  - **Veterans' Homelessness (H13)** –In support of MI #1, CDCO will begin support of two programs: Homeless Management Information System (HMIS) and Housing and Urban Development – VA Supported Housing (HUD-VASH). HMIS will be a comprehensive Registry of Homeless Veterans. The Registry will include data from programs that do not enter data directly into the VA's HOMES system. These programs enter client data into local Homeless Management Information Systems, which receive funding from the Department of Housing and Urban Development but are operated by independent Continuums of Care (CoCs). HUD-VASH is a housing initiative that targets homeless veterans by providing permanent housing with case management and supportive services. HUD-VASH will facilitate the transition to permanent supportive housing by providing access to both general and program-specific information to providers and eventually to veterans.
- Investing in current technology infrastructure, such as:
  - **Virtual UNIX server environment –**continue implementing a virtual UNIX server environment for use by CDCO customers. These will be Enterprise servers that will allow application hosting by multiple customers requiring a UNIX operating system.
  - **zLINUX –**continue implementing the zLINUX environment on the mainframe that will allow customers to install virtual Linux servers.
  - **Investment in Enterprise Backup infrastructure –**deploy and integrate an enterprise backup solution across CDCO by investing heavily in enterprise-class backup systems. Requirements for data storage are growing at an exponential rate and maintaining data availability, protection, and DR capabilities of our storage are critical to accomplishing our mission.
  - **Network Migration –**continue implementing a complete core network redesign to introduce performance gains, high availability, and increased capacity.
  - **High Availability (HA) –**continue to create highly available systems having minimal downtime, whether planned or unplanned, for mission-critical applications. HA systems will have no "single point of failure;" no "single point of repair;" and use standards such

as clustering, fault tolerance, Error Correcting Code, N+1, and fast recovery systems to achieve this goal.

- **Cloud Computing –**expand CDCO's technology footprint with virtualization and cloud computing. CDCO customers are asking for the ability to obtain virtual platforms within a matter of hours with custom levels of managed services. Cloud computing is the path to meeting this requirement, enabling customers to select from a menu of support options such as response time and back-up frequency. In addition to providing rapid-deployment services through virtualization, CDCO plans on expanding IaaS offerings that provide a greater degree of self-service, cost effectiveness, and less administrative overhead. CDCO also plans on expanding continuity of operations options with virtualized environments.

- Achieving industry certifications to equip a well-trained workforce with the necessary skills to meet customer requirements.

FY 2013:

Financial Status Projection

CDCO is well positioned to meet its revenue goal of about $284 million in FY 2013.

Rates

Due to an FY2012 pay freeze, CDCO anticipates little to no increases in FY 2013 rates.

New Offerings & Discontinued Products

CDCO is not anticipating any new offerings or discontinued Products in FY 2013.

Planned Capital Purchases

In FY 2013, CDCO plans to purchase an internet protocol (IP) camera system; upgrade the IBM TS3500; purchase CD Viewer Plus; expand generator systems; network a terminal/mobility unit; purchase a new global positioning satellite (GPS) groundskeeping tracking system; purchase a motion detection sensor system; upgrade building access control; upgrade disk storage; implement an IBM DASD technology refresh; replace UPS battery strings; install a security monitoring system and perimeter lighting; and upgrade the Z10 mainframe.

Customer Changes

CDCO does not anticipate losing any IT customers and expects new customer initiatives through expansion of increased IT requirements from our existing customer base. In addition, CDCO expects to provide IT support to new customers through its marketing efforts that began in FY 2009 and will continue through FY 2013.

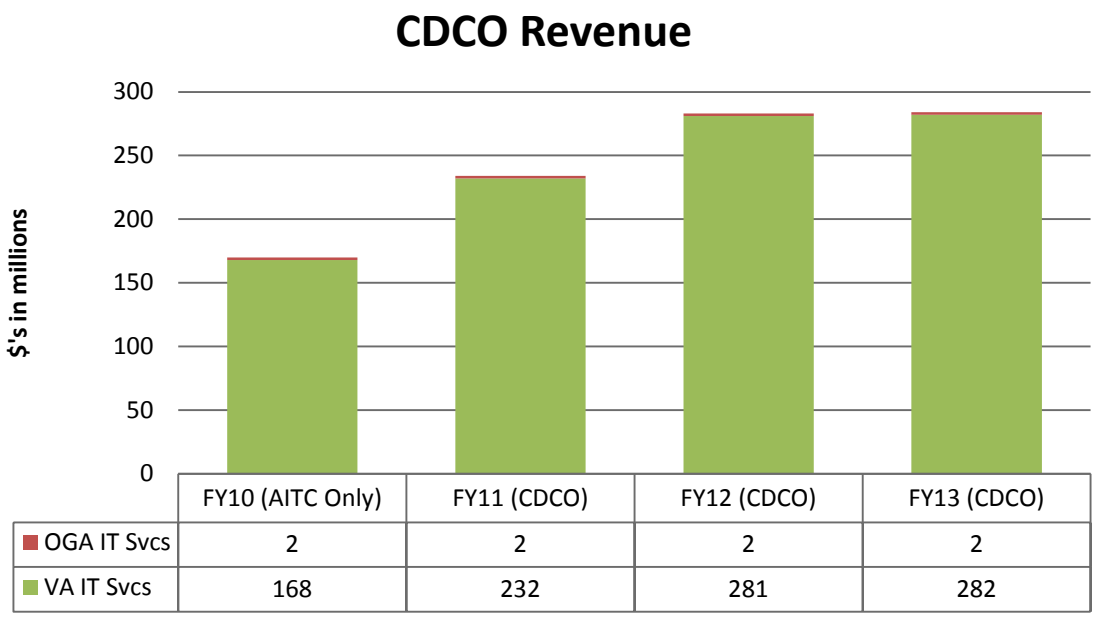
Initiatives

CDCO is planning the following ongoing efforts and initiatives to best meet customer business needs:

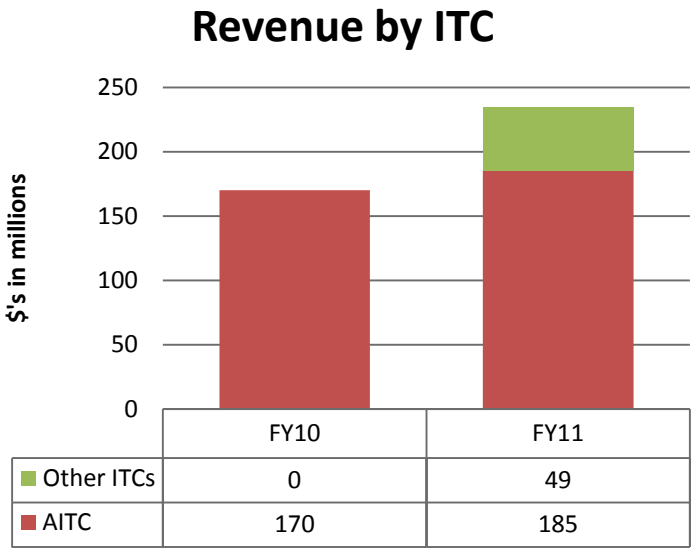
- Provide support to the VA Secretary's MIs.
- Providing services to several OMB Exhibit 300 level investment projects.
- Achieving industry certifications to equip a well-trained workforce with the necessary skills to meet customer requirements.
- Providing enhanced COOP for mission critical and essential support applications using electronic vaulting of data.

Customers

The chart below represents CDCO's revenue for FY 2010 – FY 2013. Most VA customers pay via the IT Systems appropriation.



AITC ended FY 2010 with $170 million in total net revenue. CDCO FY 2011 revenue is projected at $234 million and CDCO is well positioned to meet its FY 2012 – FY 2013 revenue goals of $283 million and $284 million, respectively. The increase in revenue between FY 2010 and FY 2011 is the result of including all of CDCO in the Franchise Fund. Overall revenue, minus the impact of the integration and pass-through and large one-time hardware and software acquisitions by customers, remains relatively constant. Actual FY 2010 and FY 2011 - FY 2013 projected VA and Other Government Agency (OGA) customer billings are outlined in Attachment A.



Rates

In FY 1993, CDCO first developed rates for the majority of its services. These rates have been revised at least annually in subsequent years as part of formal business planning and rate setting processes. The primary goal of our business planning process is to provide our customers services in a timely and cost effective manner with the highest quality information products and services possible. CDCO's basic charging system consists of two operational subsystems (rate-setting and billing) that are cyclic and interdependent. Rates are adjusted at least annually based on the cost data received from the billing subsystem. At the same time, the billing subsystem uses the established rates during the year to produce reports and customer invoices. The charging system is based on straightforward financial concepts in use throughout the business community, i.e., customers are charged for their consumption of services based on rates that recover expenditures and build operating reserves. To establish rates and bill customers accordingly, CDCO tracks system usage, monitors operational costs, establishes service rates, and bills customers. The charging system has been modified many times over the course of the past 10 years to accommodate billing for new technologies (e.g. virtual environments, and distributed and open systems platforms) and faster, more efficient mainframe processors. CDCO is engaged in aggressively identifying opportunities for further rate reductions and will continue to offer additional savings to our customers as cost savings, technology innovations, and economies of scale materialize. Refer to Attachment F for product rates.

Rate Setting

CDCO continues to align its rate setting process with standard private sector IT cost accounting and pricing practices. CDCO's approach builds upon its historical rate setting tools and experience that allows for better cost comparisons and benchmarks with other IT providers. The model includes the use of service centers to identify and allocate indirect costs in ways more attributable to their end cost objectives. It allows CDCO to unbundle some of its rates for those instances where a customer may want to have less than full data center services. The model enables CDCO to better address the pricing complexities of the managed services model becoming increasingly prevalent with new open systems and virtual environments being implemented with customers.

Billing Holiday

In early FY 2004, CDCO returned $9.8 million to VA customers in the form of a billing holiday. Again, in FY 2005, CDCO evaluated revenue projections, as well as reserve positions, and provided customers a $6 million billing holiday. In FY 2008, AITC reduced its capital reserve amount from $40 million to $20 million, and provided a $27.3 million billing holiday. Increasing workloads have allowed CDCO to continually reduce CPU and DASD rates, a trend which continues through FY 2011. CDCO continues to aggressively explore opportunities to offer additional savings to its customers.

Cost Containment Strategies

CDCO's primary cost containment effort is the continued use of server virtualization. As more and more applications migrate to CDCO, the first consideration for hosting is on virtualized servers. Virtualization has proven to reduce costs in several areas. These include:

- **Physical Servers:** Virtualization saves by cutting the need to invest in physical server hardware by a ratio of 10:1.
- **Labor:** By reducing the number of physical servers, less labor is needed to rack and cable physical servers, provision virtual guest servers, and manage computer resources.

- **Energy Consumption:** By reducing the number of physical servers, less energy is required to power servers and cool CDCO computer rooms.
- **Space:** Investment in capital expenditures in computer room space is reduced due to the elimination of physical server sprawl. Savings in server racks and labor to rack and stack physical servers is also a reduced.
- **Resource Flexibility:** Computer resources (i.e.: CPU, memory, IO network and disk, disk space) can easily be changed (added or deleted) in the guest virtual environments; as well as guests environments can be migrated from one physical server to another.

CDCO is also helping contain costs by continuing to standardize on Enterprise Storage. Recently CDCO completed a technical refresh of its Enterprise Storage with Hitachi. This new technology has several features that are helping to contain costs, including less investment in storage hardware and software management tools. These storage tools also lead to reduced labor costs because management of the Enterprise Storage farm can be accomplished with fewer administrators. Further, by standardizing on Hitachi, the need for labor expertise for multiple vendors' storage technology is reduced. Finally, the newer technology allows for storage virtualization by enabling CDCO to manage other storage technologies with Hitachi tools. This keeps Hitachi competitive in future storage procurements because CDCO is not restricted to solely using Hitachi technology.

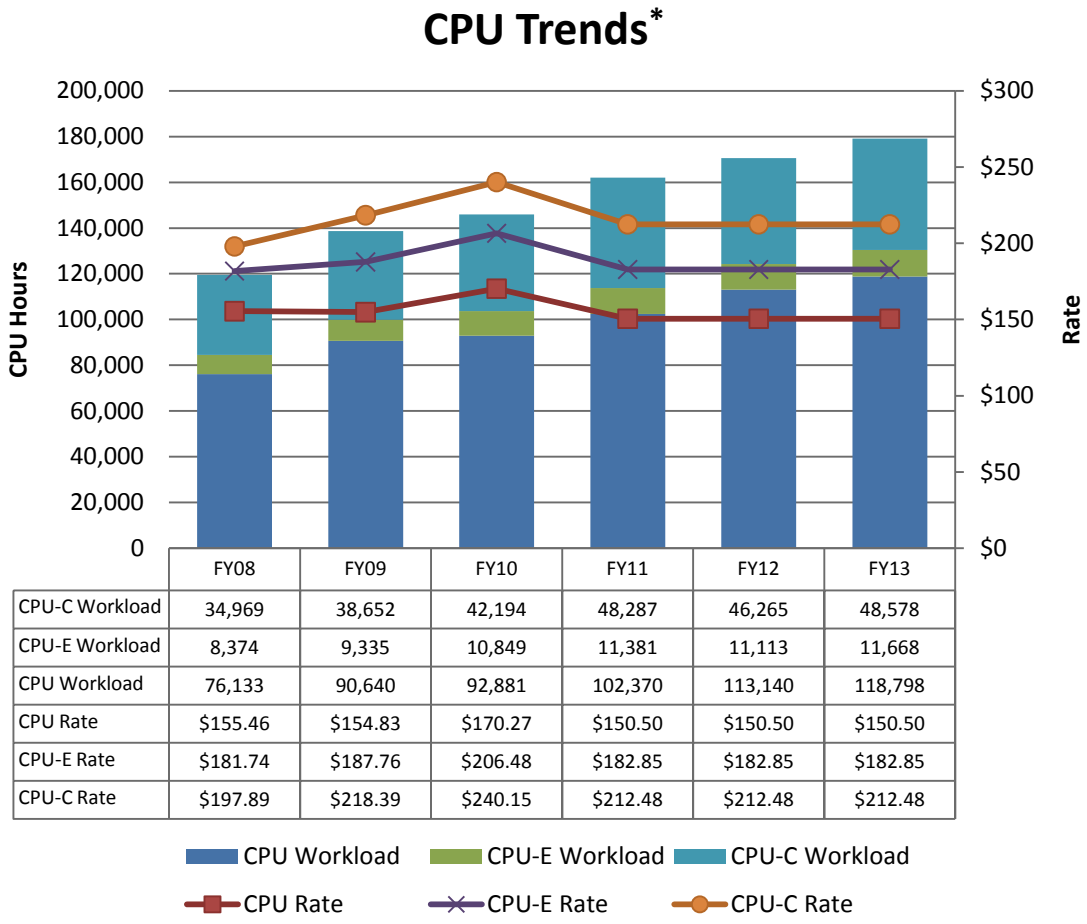
Continuity of Operations Rate Structure

CDCO has a tiered rate structure in place to meet customer DR requirements. For legacy mainframe applications, incremental CPU charges are incurred for essential support and mission critical applications. For open systems, charges are based upon the specific platform requirements at the alternate data center. Disk storage requirements are billed based upon having data electronically vaulted to another VA data center.

Recovery time objective (RTO) represents the processing time lost, and recovery point objective (RPO) represents the data lost to an outage. Applications identified as routine support will be recovered within 30 days with the data recovered from the time of the application's last back-up. Applications identified as essential support will have their processes recovered within 72 hours with the data recovered from the time of the application's last back-up. Applications identified as mission critical will have their processes recovered within 12 hours with a data loss of 2 hours or less.

Central Processing Unit (CPU)

Rate trends are illustrated in the CPU chart below. With workloads relatively stable between FY 2008 and FY 2010, AITC was able to reduce the CPU rate in FY 2009 with a moderate increase in FY 2010. Increases in estimated FY 2011, FY 2012 and FY 2013 workloads will result in notable decreases in the CPU rates in FY 2011, FY 2012, and FY 2013.

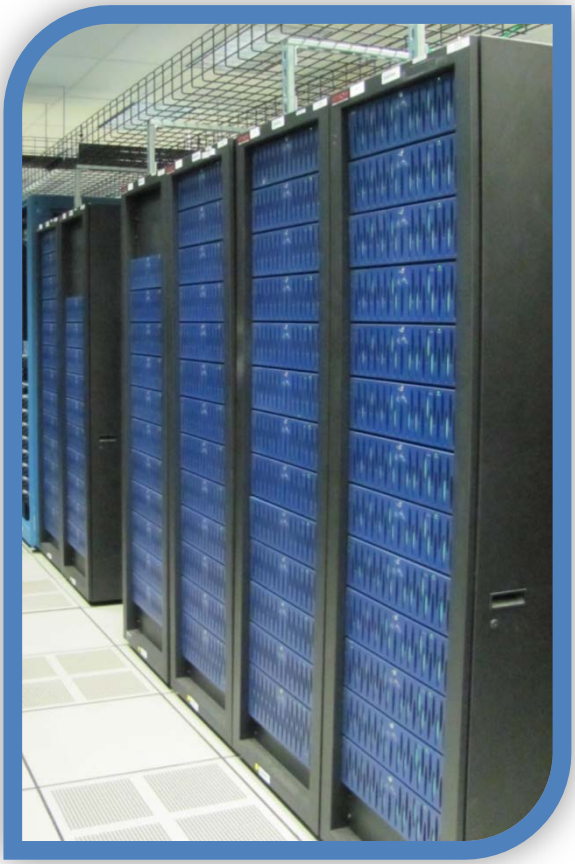


	FY08	FY09	FY10	FY11	FY12	FY13
CPU-C Workload	34,969	38,652	42,194	48,287	46,265	48,578
CPU-E Workload	8,374	9,335	10,849	11,381	11,113	11,668
CPU Workload	76,133	90,640	92,881	102,370	113,140	118,798
CPU Rate	$155.46	$154.83	$170.27	$150.50	$150.50	$150.50
CPU-E Rate	$181.74	$187.76	$206.48	$182.85	$182.85	$182.85
CPU-C Rate	$197.89	$218.39	$240.15	$212.48	$212.48	$212.48

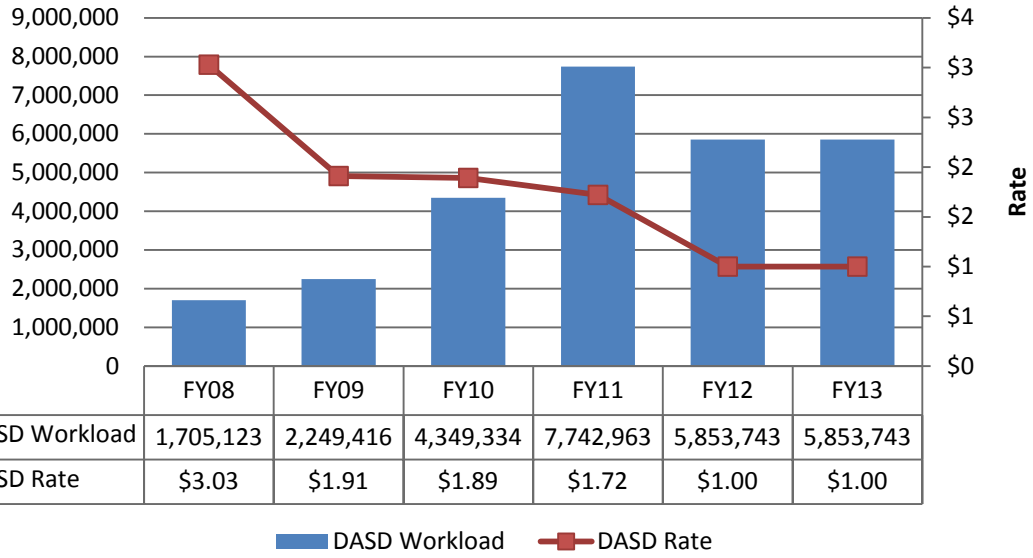
*CPU-E and CPU-C denote CPU processing that can resume application processing within 72 hours and 12 hours respectively of a declared disaster on a mainframe computer.

Direct Access Storage Device (DASD)

CDCO has an established enterprise DASD environment that meets mainframe and open systems storage performance and data volume requirements, protects data against hardware failure, creates data snapshots, and replicates data to remote sites for contingency planning and DR. Industry-wide decreases in hardware costs per unit and the use of best practices have resulted in a continued decline in DASD rates. In FY 2011, CDCO implemented Hitachi hardware and software installations at the CDCO data centers in Austin, Hines and Philadelphia. This DASD infrastructure supports routine, mission essential and mission critical servers with highly available, fault tolerant storage at the three data centers. Under this new infrastructure, failover can be accomplished to either of the other two DR sites. This new solution includes two additional petabytes of usable storage and incorporates and interoperates with the existing investment in EMC Corporation storage subsystems, software, and infrastructure. All disk storage systems will be incorporated into this replacement solution as the environments' current hardware components reach end of life cycle. The depreciation expense associated with this capital expenditure is included in the FY 2011, FY 2012 and FY 2013 rates. As a result of increased workloads in FY 2011, the DASD mirrored rate is being reduced to $1.72. Further reductions due to increased workloads are projected for FY 2012 and FY 2013. Based on current workload projections, the DASD mirrored rate will be $1.00 in both FY 2012 and FY 2013. CDCO anticipates additional DASD workload from new initiatives coming on in FY 2011 and FY 2012 such as the National Health Information Network (NwHIN), Veterans Benefits Management System (VBMS), and Virtual VA. In addition, several legacy applications are expecting increases in DASD workload. The applications include Loan Guaranty (LGY), VBA Corporate (CRP), ESSENCE (ESE), and ADR.

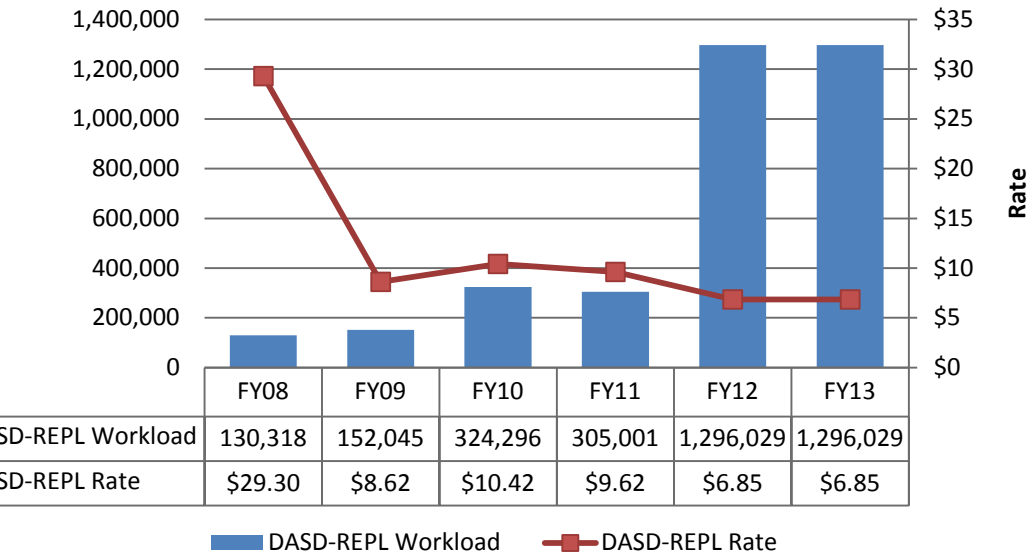


DASD Trends



	FY08	FY09	FY10	FY11	FY12	FY13
DASD Workload	1,705,123	2,249,416	4,349,334	7,742,963	5,853,743	5,853,743
DASD Rate	$3.03	$1.91	$1.89	$1.72	$1.00	$1.00

DASD-REPL Trends*



	FY08	FY09	FY10	FY11	FY12	FY13
DASD-REPL Workload	130,318	152,045	324,296	305,001	1,296,029	1,296,029
DASD-REPL Rate	$29.30	$8.62	$10.42	$9.62	$6.85	$6.85

*DASD-REPL denotes data storage that is electronically vaulted to a remote data center for application data recovery in the event of a disaster.

OMB Exhibit 300 Project Support

CDCO provides support to the following OMB Exhibit 300 level investment projects:

- **Decision Support Legacy application** – enables hospitals to compute their costs for treating individual patients and providing specific services, view corporate date for management and quality improvement purposes, and conduct clinical studies.
- **Financial Management System** – is a standardized, integrated VA-wide system that interfaces externally with the Department of the Treasury, GSA, the Internal Revenue Service, the Defense Logistics Agency, and various commercial vendors and banks for electronic billing and payment purposes. This system supports the collection, processing, and dissemination of several billion dollars of financial information and transactions each fiscal year.
- **VETSNET** – provides a system that will support claims processing from establishment, development, and rating, to award and payment. VETSNET will provide for more streamlined, accurate processing of claims and availability to Veteran data, including claims history. This translates into better, timelier service to veterans through the improved access to Veteran and claim data, on-time updates, and immediate status on pay.
- **VistA Foundations Modernization applications** – include Dental Encounter System, Debt Management System, Lab Sharing and Interoperability, VHA Data Translation, Environmental Agents Systems, Environmental Epidemiology Service, Emerging Pathogens Initiative, Essence, Functional Status and Outcomes Database, Home Based Primary Care, Hospital Laboratory, Lockbox, Medical SAS files, Mailserver Mumps Farm, Master Patient Index, National Item File, National Patient Care Database, Non-Veteran Hospital System, Patient Assessment File, Program Cost Reporting, Prisoner of War, Residential Home Care, Spinal Cord Injury, Treasury Offset Program, Veterans Canteen Application, Vitria/VistA Interface Engines, VHA Work Measurement, and Workers Compensation Information System.
- **Enrollment applications** – include Enrollment Database, Enrollment System Redesign, Health Eligibility Center, Eligibility Phase II Priority Letters, Operation Enduring Freedom, and Social Security Confirmation.
- **VA Computing Infrastructure and Operations applications** – include Customer User Provisioning System, Delegation of Authority, Electronic Data Interchange, Freedom of Information Act Reporting, Information Collection Budget, and Remote Customer System Use.
- **Payroll/HR Systems applications** – include Personnel and Accounting Integrated Data (PAID) System)
- **Health Data Repository** – is a clinical data repository of clinical information that resides on one or more independent platforms and is used by clinicians and other personnel to facilitate longitudinal patient-centric care. The data in HDR will be retrieved from existing VistA files and organized in a format that supports the delivery of care, regardless of the patient's location or where the patient has been treated in the past.
- **Loan Guaranty Maintenance and Operations** – include applications Lockbox Funding Fee, Loan Guaranty Processing, Mortgage Loan Accounting Center, and Customer Owned Assets.
- **Compensation and Pension Maintenance and Operations** – include the Beneficiary Identification & Records Locator System/Veterans Assistance Discharge System (BIRLS/VADS), Benefits Delivery Network Maintenance and Operations, Insurance System Maintenance and Operations, Burial Operations Support System, Automated Monument Application System, VA Enterprise Architecture, Capital Asset Management System, and Program Integrity/Data Management.

- **Other applications** – include Allocation Resource Center, FEE Basis Treatment/Central Fee (FEE), Pharmacy Re-Engineering, VA Learning Management System, HealtheVet-Vista, and MyHealtheVet.

Marketing Plan

Research and Analysis

Customers

VA customers represent 99 percent of CDCO's revenue. Long-term relationships have been developed with many of these customers over the past 35 years, based on a mutual understanding of business and operational goals, and in support of VA's mission to serve Veterans. CDCO primarily supports Veterans' medical and benefits services.

Approximately one percent of CDCO's revenue comes from OGAs. Many of these customers are the result of successful outreach efforts. These agencies are a diverse group including DOJ, GAO, and NARA, as well as others.

For a listing of CDCO's customers, please see Attachment A. Due to the centralization of IT funding within the Department, most VA IT revenue is collected from OIT.

Competitors

CDCO recognizes that there are many competitors in the vast Federal IT services arena. Our major competitors continue to be private sector companies who specialize in full-service data processing and applications design, development, and maintenance. Other competitors for Federal IT services are other Federal Data Centers that are fee for service organizations. These include the Department of Interior's National Business Center and United States Department of Agriculture's National Information Technology Center.

Opportunities

CDCO's primary business opportunities focus on supporting VA customers. Our high availability and COOP capability provide CDCO with enhanced opportunities for e-Government business. Beginning in FY 2009, CDCO began an effort to increase IT business to OGAs. Because Federal deficits are growing and budgets are becoming tighter, CDCO anticipates that over the next several years OGAs will be seeking ways to leverage their IT budgets by outsourcing IT requirements that can be done by organizations like CDCO. In February, 2010, OMB issued a Memorandum for Chief Information Officers titled, Federal Data Center Consolidation Initiative. The focus of the memo is to drive data center consolidation plans within the Federal government. The initiative calls for Federal agencies to submit final data center Consolidation plans by end of December, 2010, that must be approved by OMB. This memo confirms Federal agencies must begin looking to data centers like CDCO to provide data center support services.

Benchmark Studies

For a decade, CDCO contracted with Gartner to conduct an Information Technology Customer Satisfaction survey of its customers. During that time period, CDCO consistently scored in the top 15 percent of organizations, both public and private, in Gartner's database. OIT is now conducting a centralized customer satisfaction survey covering all IT services, eliminating the need for CDCO to conduct its own survey.

Marketing Plan

CDCO is well positioned as a recognized IT service provider in the Federal government arena. Key success indicators for any IT service provider include customer loyalty, continued business with existing customers, and expanded business with new customers. CDCO receives high marks in these categories. Therefore, CDCO feels that it has a competitive advantage with its VA customers. CDCO will focus on retaining business with existing customers and seeking opportunities for expanding business within its current client base in the time period covered by this plan.

In 2009 CDCO established a goal to increase OGA business. The core IT services CDCO is marketing are security (including Certification & Accreditation), server hosting, virtualization, cloud computing services, mainframe services, and data storage and backups, as well as continuity of operations. CDCO's marketing efforts emphasize how OGAs can utilize CDCO IT expertise so that the agencies can remain focused on their core mission while CDCO manages the agencies' IT needs. CDCO is prepared to provide full IT support to the agency, or will work under the managed services approach to provide the agency with their desired level of IT support. Using the managed services approach, the customer lets CDCO worry about remaining current with IT while enjoying the benefits of cost efficiencies of newer technology.

Marketing Strategy

Marketing Activities

Our Marketing efforts include:

- Creating and updating corporate literature and Internet Web sites.
- Promoting CDCO's virtualization and cloud delivery model platforms.
- Seeking industry recognition for technical and business awards.
- Interacting with existing and potential customers for business growth.
- Working with vendors to achieve technology certifications.
- Attending IT conferences that are frequented by Federal agencies to promote CDCO services, especially those frequented by Department or Agency Chief Information Officers.
- Periodically reviewing contracting acquisition Web sites like FedBizOps for Federal agencies' announcements, such as Requests for Information and Requests for Proposal (RFP) when seeking information or pricing for IT services and respond to these announcements.
- Developing an internal network of VA contacts that have contacts at OGAs, and using these contacts to open dialogues on possible cross-servicing opportunities.
- Partnering with vendors on business development opportunities with OGAs that might be interested in outsourcing their IT needs.

Personal References

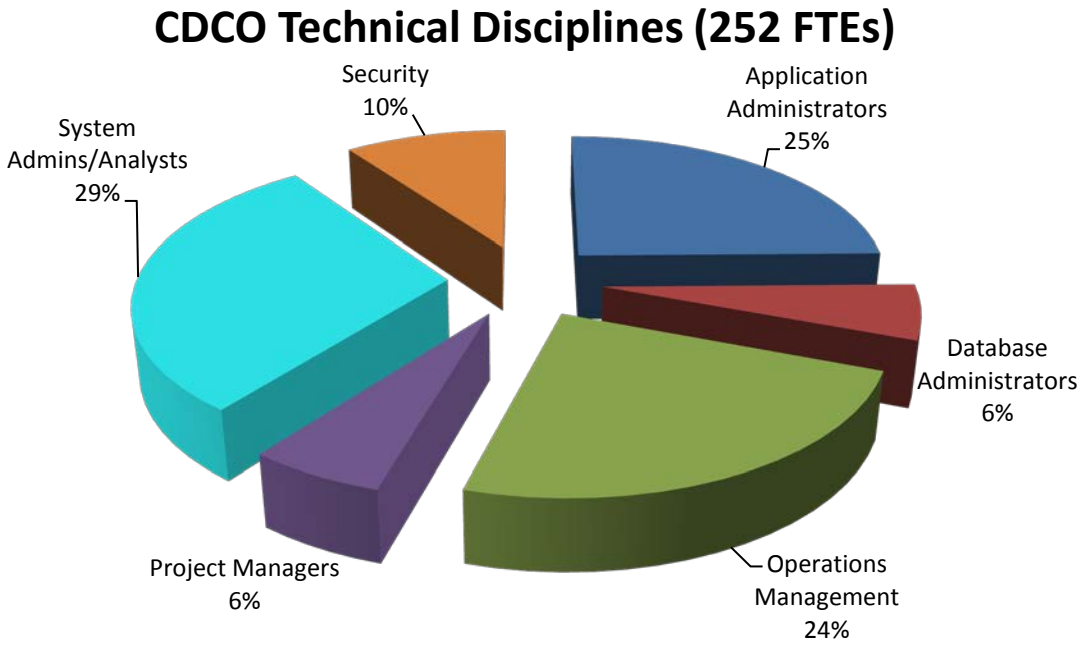
Word-of-mouth references from existing customers are always welcome, and CDCO has benefitted from the positive relationships that exist with its customers.

Operations Plan

Staffing is a major component in the successful management of CDCO. CDCO employs skilled IT professionals (as depicted in the section and chart below) to facilitate day-to-day operations.

Staffing

A trained staff of IT professionals handles CDCO's daily operations. IT staff represent the following technical disciplines at CDCO.



In FY 2012, CDCO's full time equivalent (FTE) level is projected to be 599.53 with personnel expenses totaling approximately $72 million. CDCO is committed to having the appropriate staff available to meet customers' IT needs through participation in training certification programs, workforce-planning initiatives, and fostering an active student recruitment and career program.

Workforce Planning

CDCO's workforce planning efforts allow for assessing of current employee skill sets against the long-term business needs of VA, promoting professional growth of employees, retaining skilled employees, and providing incentives to aid in recruiting employees with the necessary skills. CDCO is involved in several efforts to achieve employee certifications as part of our career development program. The certifications ensure CDCO has well-trained experts to meet customers' business needs.

Operating Expenses

In FY 2011, CDCO's operating expenses are projected to be $227 million. Also included in FY 2011 operating expenses are salary, travel, training, and non-IT supplies for QITC. The remaining FY 2011 QITC budget was funded from the IT Systems appropriation. The expense levels for HITC, PITC, and CRDC were held to FY 2010 current services.

Dollars in Millions	FY 2010	FY 2011
HITC/PITC/CRDC	$41.8	$41.1
Release Mgmt (transferred to Region 5 in FY 2011)	$3.5	$0.0
QITC (new in FY 2011)	$0.0	$2.6

Where applicable, expenses were incorporated into existing franchise fund products and the remaining expenses were categorized as new offerings.

In FY 2012, operating expenses are projected to be $280 million. The increase in expenses from FY 2011 is driven by a number of factors. QITC's portion of the budget that was funded from the IT Systems appropriation in FY 11 is included in FY 2012. In addition projected workload increases in CPU and disk storage result in increased expenses to upgrade the capacity of the systems supporting these products. Existing applications are projecting increased requirements, specifically in the contractor labor and hardware and software replacement and upgrade purchases. Examples of technology upgrades include a Web Operations technology upgrade; SF25000 replacements; additional Oracle software; and capacity expansion in VBA's WBT, CRP, and PA&I systems.

Overall CDCO operating expenses are stable from FY 2012 to FY 2013.

Value Added Services Provided to our Customers

IT Asset Management

IT Asset Management provides services that unite financial, contractual, and inventory functions to support life cycle management and strategic decision-making for the IT environment. Assets include software licenses and hardware systems, along with the contractual services required to support them. Services also extend to our customers in the form of large print contracts, allowing for printing and mailing of VA's Earnings & Leave Statements, W-2s, and various other large mailings daily, weekly, monthly, and annually.

Property Management

Property Management accounts for all IT equipment and non-expendable property, such as vehicles and operating equipment. It provides logistical and warehouse support, acquires and maintains stock levels, and distributes supplies.

Service Delivery Management

Service Delivery Management is primarily responsible for Capacity Management, Availability Management, Service Continuity, and Service Level Management. Capacity Management assists customers in obtaining optimum and cost effective provisioning of IT services by matching CDCO IT resources to business demands. Availability Management focuses on monitoring and reporting on CDCO's ability to maintain system availability at agreed levels over a period of time. IT Service Continuity assists customers in Risk Analysis, Contingency Plan Management, Contingency Plan Testing, and Risk Management to help ensure the availability and rapid restoration of IT services in the event of a disaster. Service Level Management provides for continual identification, monitoring, and review of the levels of IT services specified in CDCO business documents, such as Contracts and Operations & Management. It ensures that arrangements are in place with internal IT support providers and external suppliers in the form underpinning contracts or maintenance agreements. The process involves assessing the impact of change upon service quality and contracts.

Monitoring/Automated Operations

Automated Operations uses Unicenter Network and Systems Management (NSM) and CA's Service Assurance Suite, which provides the functionality to monitor and manage all enterprise operations. It offers a single point of control for administering critical resources, including heterogeneous systems, networks, packaged applications, databases, Web servers, and more. CDCO is able to monitor CPU utilization, disk utilization, memory utilization, and task/service status. Automated operations alert and notify individuals as needed when any predetermined thresholds have been exceeded. To improve CDCO's monitoring and event alert capacity, Automated Operations implemented an open systems monitoring project. This project enables proactive monitoring, as defined through threshold and alert configuration, so that CDCO can address potential problems before customers are impacted. Performance tuning and fault isolation are supported for both UNIX and Windows environments. It also supports capacity planning from both the trend analysis and new business modeling perspectives. End-to-end response time is tracked for Web transactions and drill-down capabilities are provided to isolate problems. All incidents and changes applied enterprise-wide are logged and recorded, which also allows CDCO to monitor and manage any incident at any given time. Business Objects Enterprise is used as the primary tool for gathering and creating reports, providing the ability to publish any report created to the Web on a secured platform for management and customer review. These metrics are provided for management and business decisions nationwide.

National Service Desk

CDCO National Service Desk has been realigned under OIT Service Delivery and Engineering and will become the VA National Service Desk (see approved organization chart in Appendix D). With this realignment, the Value Added Services that will no longer be provided by CDCO and are not included in this business plan are Service Desk and Incident, Problem, Configuration, and Change Management.

Professional Certification Programs

CDCO is continually striving to improve customer service and system reliability. CDCO has implemented a program to achieve both vendor and professional employee best practices certifications. CDCO has completed Sun Microsystems Open Systems, Oracle, and Microsoft certifications, in addition to Project Management Professional (PMP) and Network Security. Additionally, through our competitive contracts, CDCO works with the vendors to offer our customers a full spectrum of IT services (see Appendix E for a list of employee certifications).

Management

Relationship of CDCO to OIT and the Franchise Fund

CDCO's parent organization is OIT. All VA Enterprise Centers, including CDCO, report to the Franchise Fund Board of Directors. Board membership includes members who have a significant stake in the operations of the Enterprise Centers from either a line management or customer perspective. The Board takes an active role in providing oversight to the Enterprise Centers. Significant Board responsibilities

include the review and approval of additions and/or deletions of Enterprise Centers, annual budget and rates, capital projections, and revisions to the charter. Refer to Appendix E for OIT Organizational Chart.

Management Team and Responsibilities

CDCO Executive Director ensures that CDCO provides an efficient, available, and secure IT environment in addition to extended coverage for critical IT operations.

CDCO Deputy Executive Director ensures that CDCO provides applications software and services support, uninterrupted computing platform availability, data conversion and interfacing services, and business office and facility support to data center customers.

CDCO Web Operations, Network, and Benefits Applications Service provides operational support of VA Internet and Intranet Web Services and supports implementation, operation, and maintenance of information systems that assist VA ROs, the Insurance Center, and Medical Centers. It also provides for the coordination, command, and control of all CDCO Network initiatives and provides DR services to Austin and Hines.

CDCO Benefits Delivery and Hines Facility Management Service supports benefits delivery in compensation, pension, and education programs for VBA. It also provides DR services to Austin and Philadelphia.

CDCO Technical Infrastructure Service ensures the availability of the various computing platforms for customer processing 24 hours a day, 7 days a week, 365 days a year. The staff provides IT systems hosting services, data conversion, and data interfacing services.

CDCO Capital Region Data Center is the hosting facility for VA applications and VA Web Operations. VA Web Operations manages internal and external Web sites and Web applications across the entire Enterprise. In addition, many VACO program offices host their applications at this facility including VACO Exchange. CRDC staff provide all facility related services for these hosted applications.

CDCO Memorial Benefits and IT Operations Service provides IT data center, help desk, and desktop support to all NCA sites.

CDCO Applications Management Service manages and delivers solutions that maximize customers' investments in technology, such as transforming legacy systems to e-government. The professional staff maintains customer application software and services including software design, enhancement, and maintenance; project consulting; project management; and cost estimation.

CDCO Business Service manages CDCO's franchise fund activities, IT asset management, business development, budget, and accounting responsibilities. Additionally, the staff manages AITC's facilities, physical security, property management, and health and safety programs.

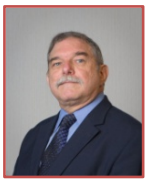
Offices that support CDCO include:

The **Chief Technology Officer** is responsible for IT strategic planning, the incorporation of technology in CDCO business processes, and in defining CDCO architecture.

The **Systems Security Office** administers the technical and information security programs for all campuses.

The Organizational Chart is displayed on the following page.

CDCO Organizational Chart



John Rucker
NDCP Program Manager
(Acting)

Judy Downing
CDCO Executive Director
(Acting)

David Kubacki
CDCO Deputy Executive Director
(Acting)

Carol Winter
Director, CDCO Web Operations, Network, & Benefits Applications Service

Carol Kirkwood
Director, CDCO Benefits Delivery & Hines Facility Management Service

Steven Johs
Director, CDCO Technical Infrastructure Service

Carol Winter
Director, CDCO Capital Region Data Center
(Acting)

Ron Reuschling
Director, Memorial Benefits & IT Operations Service
(Acting)

Brandon Storms
Director, CDCO Applications Management Service
(Acting)

Rosie Karrer
Director, CDCO Business Service
(Acting)

James Yaple
Chief Technology Officer

Steven Gosewehr
Chief, Systems Security Office
(Acting)

Critical Risks

Several factors are perceived to have a potential impact on the plans and activities of CDCO and are being tracked. Should changes occur, we will adjust our business strategies for the changing environment. The factors include:

Future customer funding in VA IT Systems appropriation. The majority of CDCO's VA customer base is funded through VA's IT System appropriation. CDCO will work with customer project managers to prepare OMB Exhibit 300s to ensure that project funding requirements are adequately and properly identified. As in past years, CDCO's ability to succeed as a VA Enterprise Center is highly dependent upon the funding of current and future IT initiatives.

Scenario	*Result*
Best Case – Future customer funding does not result in a negative impact on CDCO.	CDCO continues current operations.
Middle Case – Future customer funding has some negative impact on CDCO.	CDCO must cut back some of current operations based upon VA funding levels.
Worst Case – Future customer funding for CDCO initiatives is stopped.	CDCO's current operations cease and CDCO shuts down.

Major application changes. CDCO's projected revenue is based on customer estimates of resource requirements. Schedule slippage or changes in scope of major applications can have potential impact on revenue and personnel usage. When these changes are known, CDCO can implement contingency plans to avoid revenue and personnel impact and to manage the risks. These plans include shifting civil service labor resources to other applications and using contractor labor for the short term projects and delaying pending upgrades to major systems.

Scenario	*Result*
Best Case – All current major application changes remain on schedule and within original scope.	CDCO continues current operations.
Middle Case – Schedule slippage or changes occur that have minimal impact on CDCO.	CDCO makes personnel adjustments needed to accommodate the slippages or changes and/or face revenue loss.
Worst Case – Schedule slippage or changes occur with major impact to CDCO.	CDCO must discontinue contractor services or conduct a reduction in force (RIF) of government personnel to accommodate the slippages/changes and experience revenue loss. Likewise expansion of major systems will not occur.

Imposed constraints. CDCO's plans and activities are subject to the directives of VA OIT and other VA entities, such as the Franchise Fund Board of Directors. While CDCO has constructed its plan in view of known goals and objectives, changes in plans or priorities and changes in the direction of the Franchise Fund Program could necessitate changes in CDCO's plans.

Scenario	*Result*
Best Case – Direction changes have no impact on CDCO.	CDCO continues current operations.
Middle Case – Direction changes have minimal impact on CDCO.	CDCO makes personnel and workload changes to accommodate direction changes.
Worst Case – Direction changes have major impact on CDCO.	CDCO must discontinue contractor services or conduct a RIF of government personnel to accommodate the direction changes and experience revenue loss.

Legislative initiatives. CDCO's plans and activities to expand data center management and systems development services are subservient to legislative initiatives. Specific legislative initiatives with emphasis on freedom from government competition could affect CDCO's ability to expand services.

Scenario	*Result*
Best Case – Legislative changes have no impact on expansion of CDCO's services.	CDCO continues current operations.
Middle Case – Legislative changes have some impact on expansion of CDCO services.	CDCO revenue grows more slowly than current rate.
Worst Case – Legislative changes prevent all future expansion of CDCO services.	CDCO revenue growth stops or revenue decreases from current levels.

Ever-changing security vulnerabilities. CDCO continues to see new security vulnerabilities identified and exploited in the commercial products currently available and in use at CDCO. These vulnerabilities, when not identified, increase the risk of improper disclosure of data, unauthorized modification of data, or disruption of services. Not only is the number of known vulnerabilities increasing, but the speed at which exploits are released has also increased, necessitating more automated methods for vulnerability identification and remediation. CDCO's highly automated security controls provide our customers with a high level of assurance that the next major computer virus will have little effect on our operations. CDCO works closely with the field security office to ensure our efforts are synchronized with VA's overall security program, and we maintain all current security standards and patches. In addition, CDCO works closely with industry to identify and mitigate or remove newly identified vulnerabilities.

Scenario	*Result*
Best Case – Future security vulnerabilities have no negative impact on CDCO.	CDCO continues current operations with no data compromised.
Middle Case – Future security vulnerabilities have some negative impact on CDCO.	Some CDCO data is compromised with varying results to customers.
Worst Case – Future security vulnerabilities destroy CDCO's operations.	CDCO facility or data integrity is completely compromised.

Ever-changing technical environment. The IT world is evolving at a tremendous rate of speed. An IT organization must constantly evolve and remain current with it to remain competitive in that world. CDCO strives to keep personnel trained in the latest technology and to maintain a technical infrastructure with current business trends. Examples of CDCO incorporating new technology include implementation of virtual machine technology.

Scenario	*Result*
Best Case – CDCO continues to keep pace with ever-changing technical environment.	CDCO continues current operations.
Middle Case – CDCO falls somewhat behind the pace of the ever-changing technical environment.	CDCO's current operations are somewhat curtailed. CDCO may experience some customer loss.
Worst Case – CDCO does not keep pace with any new developments in the ever-changing technical environment.	CDCO's operations are completely curtailed and CDCO loses majority of customers and revenue.

Milestones

Promoting Efficiencies in the Delivery of Common Administrative Support Services			
Fiscal Year	**Milestone**	**Brief Description**	**Target Completion Date**
FY 2011	Badge Readers (AITC)	Replacement of office assets	3rd quarter
	Enterprise Backup (CDCO)	To support mission critical and mission essential VA systems	3rd quarter
	Generator Expansion (AITC)	Replacement of office assets	3rd quarter
	Z9 Upgrade (AITC, PITC)	Technology upgrade	3rd quarter
	UPS Expansion (AITC)	Replacement of office assets	3rd quarter
	Badge Readers (HITC)	Replacement of office assets	3rd quarter
	Web Operations Disk Storage Upgrade (CRDC)	Storage Upgrade	4th quarter
FY 2012	SF25K Server Replacement (AITC)	Technology upgrade	1st quarter
	Web Operations Technology Refresh (CRDC)	Technology upgrade	1st quarter
	Web Operations Autonomy Search Upgrade (CRDC)	Technology upgrade	1st quarter
	Web Operations Disk Storage Upgrade (CRDC)	Technology upgrade	1st quarter
	Web Operations Network Upgrade (CRDC)	Technology upgrade	1st quarter
	Web Operations Load Balancing (CRDC)	Technology upgrade	1st quarter
	UPS Installation (QITC)	Replacement of office assets	1st quarter
	Test Network (CDCO)	To support mission critical and mission essential VA systems	2nd quarter
	Enterprise Disk Storage System (CDCO)	To support mission critical and mission essential VA systems	2nd quarter
	UPS Battery Strings (AITC)	Replacement of office assets	2nd quarter
	IBM Magstar Replacement (HITC)	Technology upgrade	2nd quarter
	Performance Monitoring (HITC, PITC)	Technology upgrade	2nd quarter
	Hitachi Sun Environment (HITC)	Technology upgrade	2nd quarter
	BULL Secure FTP Software (HITC)	Technology upgrade	2nd quarter
	UPS Expansion (AITC) (PITC)	Replacement of office assets	3rd quarter
	Replace UPS A Batteries (PITC)	Replacement of office assets	4th quarter
FY 2013	IP Camera System (HITC)	Replacement of office assets	1st quarter
	Upgrade IBM TS3500 (HITC)	Technology upgrade	1st quarter
	Micrographic software (CD Viewer Plus) (HITC)	Technology upgrade	1st quarter
	Generator Expansion (CRDC)	Replacement of office assets	1st quarter
	Aperture Terminal/Mobility Unit (QITC)	Technology upgrade	1st quarter
	GPS Cemetery Groundskeeping Tracking System (QITC)	Replacement of office assets	1st quarter
	Security Roof Intrusion (AITC)	Replacement of office assets	2nd quarter
	Building Access Control (AITC)	Replacement of office assets	2nd quarter
	Enterprise Disk Storage Upgrade (AITC)	Storage Upgrade	2nd quarter
	IBM DASD Technology Refresh (PITC)	DASD Upgrade	2nd quarter
	UPS Battery Strings (AITC)	Replacement of office assets	3rd quarter
	Hardening Building Perimeter (AITC)	Replacement of office assets	3rd quarter
	Upgrade Z10 mainframe (AITC)	Technology upgrade	3rd quarter
	Replace UPS B Batteries (PITC)	Replacement of office assets	4th quarter

Maintaining Customer Satisfaction			
Fiscal Year	**Milestone**	**Brief Description**	**Target Completion Date**
FY 2011	Support OMB Exhibit 300 level VA IT investment projects	Customer directed initiatives on specific projects	Ongoing
FY 2012	Support OMB Exhibit 300 level VA IT investment projects	Customer directed initiatives on specific projects	Ongoing
FY 2013	Support OMB Exhibit 300 level VA IT investment projects	Customer directed initiatives on specific projects	Ongoing

Recovering Full Cost			
Fiscal Year	**Milestone**	**Brief Description**	**Target Completion Date**
FY 2011	Business Plan for CDCO	FY 2013 Business Plan is approved	4th quarter
	Include all five data centers in the franchise fund	Develop budget operating plans and include all Centers in rates	Ongoing
FY 2012	Consistent CDCO accounting and finance procedures	Implement accounting and finance procedures across the five centers	1st quarter
FY 2013	Reassess financial policies, processes, and procedures upon implementation of total integration of CDCO	Ensure compliant expenditure of funds	1st quarter

Fostering Competition			
Fiscal Year	**Milestone**	**Brief Description**	**Target Completion Date**
FY 2011	Keep current with latest IT Technology	Ensuring CDCO maintains its IT advantage by keeping current with the latest technology	Ongoing
	Exhibit at IT Conferences	Promoting CDCO name recognition	2nd quarter
FY 2012	Keep current with latest IT Technology	Ensuring CDCO maintains its IT advantage by keeping current with the latest technology	Ongoing
	Exhibit at IT Conferences	Promoting CDCO name recognition	Ongoing
	Monitor Competition	Stay current with activities other fee for service data centers are doing	Ongoing
FY 2013	Keep current with latest IT Technology	Ensuring CDCO maintains its IT advantage by keeping current with the latest technology	Ongoing
	Exhibit at IT Conferences	Promoting CDCO name recognition	Ongoing
	Monitor Competition	Stay current with activities other fee for service data centers are doing	Ongoing

Implementing Improved Financial Management and Best Practices			
Fiscal Year	**Milestone**	**Brief Description**	**Target Completion Date**
FY 2011	Coordinate budget processes	Budget	4th quarter
	Develop an asset management and inventory control process	Common or consistent asset management and inventory control process for CDCO	4th quarter
FY 2012	Implement a common or consistent use of change orders (COs) and service requests	Workflow Management	1st quarter

	Implement a common or consistent use of incident management and problem resolution procedures	Incident management and problem resolution procedures	1st quarter
	Define and implement General Support System (GSS) boundary	GSS boundary definition	4th quarter
FY 2013	Reassess financial policies, processes, and procedures upon implementation of total integration of CDCO	Common or consistent processes among the four Centers	1st quarter

Financial Highlights

Financial Overview

CDCO is well positioned to meet the revenue goals identified in this plan. Overall revenue trends, when adjusted for one-time hardware and software purchases and new requirements remain relatively constant. The rates necessary to achieve the revenue goals are outlined in Attachment F. If customer requirements change, customer invoices will reflect the cost of actual workload performed and the customer contracts will be amended. Specific financial information is contained in Attachments A - G.

Factors Affecting Customers

In FY 2011, approximately 97 percent of our business will be generated from internal VA administrative and staff offices that are consolidated under OIT. These services are paid for with the IT Systems appropriation. Revenue is also projected from Franchise Fund Enterprise Centers, OA&L, OIG, and OGAs. Long-term relationships with our customers reflect our ongoing commitment to listen and to respond to our customers' business needs. The projected billings by customer are available in Attachment A.

Factors Affecting Revenue

The Proforma Income Statement (Attachment B) reflects FY 2010 actuals and projected business for FY 2011 through FY 2013. AITC ended FY 2010 with $170 million in total revenue. FY 2011 revenue is projected at $234 million and we are well positioned to meet our FY 2012 – FY 2013 revenue goals of $283 million and $284 million, respectively. CDCO's top three revenue generators are CPU, disk storage, and labor. The increase in revenue between FY 2010 and FY 2011 is primarily due to the addition of HITC, PITC, CRDC and QITC in the franchise fund. The increased revenue from OIT in FY 2012 is being driven by a number of factors. For example, new applications Identity Access Management (IAM) and Emergency Department Integration Software (EMD) will be hosted at the CDCO in FY 2012. In addition, CDCO will provide services to a new customer, NSD, in FY 2012. Existing applications are projecting increased requirements, specifically in the contractor labor and hardware and software purchases. For example, CDCO estimates the Decision Support System application will require more CPU in FY 2012 versus FY 2011. The Personnel and Accounting Integrated Data (PAID) application uses Report Viewing software that is expected in increase in cost by 25 percent in FY 2012. Detailed cost information for customers and application is available upon request. Trend revenue values are reflected in Attachment E.

Factors Affecting Expenses

In FY 2011, projected CDCO operating expenses will be $227 million. The increase from $163 million in FY 2010 is primarily attributable to contractor support for new customer requirements. CDCO operating expenses are projected to increase to $280 million in FY 2012. The increase is attributable to fluctuating customer contractor services and equipment and software requirements to support customers. Also, the requirements for HITC, PITC, CRDC, and QITC were added to the projected expenses starting in FY 2011. Otherwise, CDCO operating expenses will remain relatively stable from FY 2012 to FY 2013.

Planned Capital Acquisitions

The Planned Capital Acquisitions (Attachment C) identifies projected resources to be acquired in FY 2011 through FY 2015. The description and capitalized value of the resources represents the best-case business environment. The actual amount to be acquired is business case dependent.

In FY 2011, CDCO plans to install smart card badge readers; implement Enterprise Backup; expand generator systems; upgrade the Z9 mainframe; implement UPS expansion; and upgrade disk storage.

- **Badge Readers.** In accordance with Homeland Security Presidential Directive (HSPD) 12 all Federal agencies are required to develop a common identification card (smartcard) that every Federal agency will accept. VA must implement a smartcard for authentication and identification for both information systems and physical access control by the end of FY 2011. The Personal Identity Verification (PIV) compliant system includes badge readers and associated hardware and software necessary to permit access to VA's physical infrastructures nationwide and electronic authentication of employees from other Federal agencies. The required smartcard badge readers will be installed in Austin during third quarter FY 2011 at an estimated cost of $425,000. The badge readers for Hines are planned for installation in the fourth quarter FY 2011 at an estimated cost of $450,000.

- **Enterprise Backup.** The existing mainframe tape infrastructure has reached the end of its useful life and is scheduled for end of service in FY 2011. VA is seeking a highly available, fault tolerant Enterprise Backup and Tape Processing Solution for CDCO. This solution will eventually replace existing capabilities with a uniform architecture solution throughout. This solution shall also have the ability to easily scale as additional sites come online. Implementation will allow CDCO to execute a comprehensive technology refresh and enhancement of the tape backup environment to improve performance by increasing response time in data restores from tape, providing high availability, standardizing across data centers, reducing back up times, complexity and number of tapes generated through new tape technologies, SafeSite storage expenses, and manpower. Implementation will also provide enhanced automation and charge back reporting, satisfy tape encryption requirements, and continue to support CDCO disaster recovery workload. This purchase is planned for third quarter FY 2011 at an estimated cost of $7.5 million.

- **Generator Expansion.** To support IT business growth this year and in subsequent years, several electrical system expansions in Austin will be necessary. To augment the existing system, CDCO will purchase four 2 megawatt emergency diesel generators. The Uptime Institute considers a data center's local generators to be the primary source of power; therefore, all designs and upgrades are targeted to achieve a Tier III rating (Concurrently Maintainable Site Infrastructure) for reliability, redundancy, and maintainability. The Uptime Institute's Tier Classification and Performance Standards define performance-based outcome requirements for different levels of reliability and availability of data centers. This is a four-tier standard with Tier IV being the highest rating. Planned for third quarter FY 2011, the estimated cost is $ $4.5 million.

- **Z9 Technology Refresh.** The Z9 is Austin's large mainframe enterprise server and requires an upgrade in capacity to address the need to support customer requests for more processing power, to accommodate the increased processing demands during end of year cycles, and to continue production processing on a vendor supported platform. Additionally, the disaster recovery mainframe located at Philadelphia will be upgraded to match the Austin production server configuration. This upgrade, planned for third quarter FY 2011, will enhance CDCO's

ability to continue to provide scalable, reliable, and supportable processing environments for its customers. The estimated cost is $7.2 million.

- **Uninterruptible Power Supply (UPS) Expansion.** Power for all IT equipment in Austin is delivered from a UPS which consists of three 675 kilowatt modules and battery strings providing uninterrupted support of electric power. Short, momentary losses of utility power occur frequently and, without a UPS, IT equipment processes would be disrupted. CDCO will soon reach maximum capacity on the existing UPS and expanding this system will be required in the third quarter FY 2011 to keep up with IT growth. The estimated cost for this upgrade is $2.25 million.

- **Web Ops Disk Storage Upgrade.** In the midst of a number of migration efforts, the Web Operations systems in Falling Waters are migrating from Windows 2000 operating systems (OS) to Windows 2008. One third of the servers have already been migrated. The remaining two thirds will require additional storage for the migration to be completed. Recent migrations have revealed that the amount of actual storage needed is double the anticipated amount. In addition to OS migrations, consolidation efforts with Web Operations systems located in Silver Springs require additional storage. This purchase is planned for fourth quarter FY 2011 at an estimated cost of $3.7 million.

In FY 2012, CDCO plans to replace the Sunfire (SF) 25000 servers; implement technology refresh, upgrade autonomy search and disk storage and replace network and load balancing hardware for Web Operations; install a UPS at Culpeper; implement a test network; upgrade disk storage; replace UPS battery strings; purchase Magstar tape unit replacements; enhance database performance monitoring and purchase monitoring hardware; migrate to an Hitachi San Environment and a secure FTP process; and expand UPS capacity.

- **SF25000 Server Replacement.** The VBA Corporate (VetsNet, Share, etc.) and VBA Performance Analysis and Integrity (PA&I) (Data Warehouse) applications currently reside on separate SF25000 servers that were installed in FY 2006 and configured to include the development, pre-production, and production environments. The failover SF25000 server is configured to include the respective disaster recovery and performance environments. In FY 2008, Sun Microsystems announced that key components of the SF25000 would reach end of life (EOL) in FY 2009 and the three to five year EOL support window would begin. CDCO and its VBA customer have proposed a technology refresh of these environments in FY 2012. The server purchase is planned for first quarter FY 2012 at an estimated cost of $7.2 million.

- **Web Operations:**

    - **Technology Refresh.** The current Web Operations environment contains equipment, which is at the end of operational life, is unsupportable, and has no provision for COOP. This equipment consists of F5 load balancers, virtual servers, and racks. Estimated at $1.5 million, this project will utilize a virtual environment with high availability provisioning. This project is scheduled for first quarter FY 2012.

    - **Autonomy Search Upgrade.** VA utilizes Autonomy for its search function. As the search functions advance with the product releases, the need for a more robust search solution grows. Autonomy meets those needs by providing results that match the

requests of users who perform searches on both the internet and intranet. Planned for first quarter of FY 2012, the estimated cost is $500,000.

- **Disk Storage Upgrade.** Web Operations systems require additional capacity to support building redundant systems, which will increase fault tolerance for hosted sites. Additional capacity is also required for natural growth of existing systems. This purchase is planned for the first quarter FY 2012 at an estimated cost of $3.5 million.

- **Network Upgrade.** The network provides the backbone for communication between servers, storage systems, and users. The Web Operations network infrastructure consists of two Cisco 6509 switches with two firewall modules and two content switching modules/load balancers. The network infrastructure is running on older, end-of-sale hardware and the current configuration is not fully redundant. A new infrastructure is needed that can support a dynamic infrastructure with a high density of VMware servers and large backend storage systems, full redundancy, and 10GbE. New Cisco Nexus switches will reduce the complexity of the environment. A unified fabric over 10 Gigabit Ethernet (GbE) for server LAN and SAN traffic enables consolidation of server adapters, cables, and top-of-rack switches by up to 50 percent. A unified fabric is designed to consolidate all data center I/O onto Layer 2 Ethernet and reduce capital and operating costs by reducing the number of server adapters, cables, and upstream switches needed. Planned for first quarter FY 2012, the estimated cost is $1 million.

- **Load Balancing.** The current load balancers that are in use for the internet environment are approaching end of life, and as the need for internet use expands in VA, the equipment will need to be replaced. This purchase will also provide load balancing for the intranet environment. Implementation is planned for first quarter FY 2012 at an estimated cost of $350,000.

- **UPS Installation at Culpeper COOP.** UPS replacement is planned at Quantico's COOP site in Culpeper, Virginia. This will serve to backup systems at that site and ensure uninterrupted services for NCA programs. Planned for first quarter FY 2012, the estimated cost is $130,000.

- **Test Network.** Due to the high visibility and cost of recent network outages and the high risk of testing network changes on production equipment, CDCO requires a Test Network capable of replicating the existing production network environment as well as the future network environments of all CDCO locations. The Test Network will enable CDCO network engineers to test operating system upgrades, software changes, configuration changes, outage and bug fixes, and additional network hardware in an isolated and controlled environment with no impact on production operations. This will allow proposed and planned changes to be fully documented, tested, and validated prior to being implemented in the production network environment. To obtain this test network, an estimated $5 million is needed for the purchase of required hardware (six Cisco 6509-V-E switches plus modules, two Cisco Nexus 7010 switches plus modules, two Cisco Nexus 5000 series switches, and two Cisco Nexus 2000 series switches) and software (operating systems and module software licenses) as well as infrastructure additions such as power, air conditioning, and cabling. This figure could be offset by reducing the possibility of downtime in the production network. These purchases are planned for second quarter FY 2012.

- **Enterprise Disk Storage Upgrade.** To satisfy outstanding storage requests across open systems platforms and the mainframe, allow for natural growth of existing data stores, allow migration from legacy systems in support of a technology refresh, and support the introduction of disk-to-

disk-to-tape in the backup environment, a disk storage upgrade is required at an estimated $17.7 million. As new customers are added to the storage network, additional storage will be procured with the understanding that significant new workload could increase this figure. This estimate will be offset by the amount of maintenance costs currently being expensed on our legacy arrays. This upgrade is planned for second quarter FY 2012.

- **UPS Battery Strings.** A UPS provides filtered electricity to a data center. This system must operate flawlessly in order to protect the operation of IT equipment. During a power outage, batteries provide a bridge from utility to generator operations. Existing batteries are approaching end of life and must be replaced at both Austin and Philadelphia. The Austin purchase is planned for second quarter of FY 2012 at an estimated cost of $150,000. The Philadelphia purchase is planned for fourth quarter FY 2012 at an estimated cost of $400,000.

- **IBM Magstar Replacement.** The IBM Magstar Tape Units at Hines will be replaced with tape units that will meet new security requirements and are compatible with the disaster recovery hardware at Philadelphia. This purchase is planned for second quarter FY 2012 at an estimated cost of $230,000.

- **Performance Monitoring.** CDCO plans additional expansion of standardized CA performance monitoring infrastructure to meet ongoing growth at Hines and Philadelphia. These purchases are planned for second quarter FY 2012 at an estimated cost of $400,000 for Hines and $250,000 for Philadelphia.

- **Hitachi SAN Environment.** The benefits for migrating to a SAN environment at Hines include, but are not limited to, scalability, capacity utilization, manageability, high availability, backup and disaster recovery, and server virtualization. Planned for second quarter of FY 2012, the estimated cost is $260,000.

- **Bull Secure FTP Software.** The Bull mainframe at Hines and the failover system at Philadelphia will migrate to a secure FTP file transfer process to support Personally Identifiable Information (PII) data protection. Bull Secure FTP allows for the secure transfer of data between two or more points and will ensure that the risk of confidential data being compromised is minimized. Bull Secure FTP will also allow VA to meet VA FIPS security requirements. Planned for second quarter FY 2012, the cost is estimated at $300,000.

- **UPS Expansion.** To meet anticipated growth in Austin and replace the existing Exide 31000 UPS installed in Philadelphia in August 1995, CDCO will add additional UPS capacity. This purchase will allow CDCO to take steps to utilize "Greener" and more efficient power supplies. Planned for third quarter FY 2012, the estimated cost for the Austin expansion is $4.4 million and $800,000 for Philadelphia.

In FY 2013, CDCO plans to purchase an IP camera system; upgrade the IBM TS3500; purchase CD Viewer Plus; expand generator systems; network a terminal/mobility unit; purchase a new GPS groundskeeping tracking system; purchase a motion detection sensor system; upgrade building access control; upgrade disk storage; implement an IBM DASD technology refresh; replace UPS battery strings; install a security monitoring system and perimeter lighting; and upgrade the Z10 mainframe.

- **IP Camera System.** In accordance with HSPD-12 and VA PIV Project, all employees and contractors are required to be issued PIV ID cards. In keeping with physical security and protection of the facility assets, VA has mandated that all buildings convert to PIV compliant equipment (card readers, WIU-4 units, etc) for accessing non-secure and secure rooms in the facility. PIV ID cards must be readable on ONLY PIV compliant equipment to gain access. This purchase is planned for Hines in first quarter FY 2013 at an estimated cost of $120,000.

- **Upgrade IBM TS3500.** Upgrading to True Virtual Tape will provide the benefit of unattended operation at Hines. Additional advantages include cost savings, portability and scalability. Planned for first quarter FY 2013, the estimated cost is $500,000.

- **Micrographic software (CD viewer plus).** Micrographics is currently under contract at Hines to load data files on secure encrypted CDs. The CD viewer Plus software is a display tool used and owned by the Micrographics contractor. This software will be used in conjunction with the current Attachmate Reflection for Secure IT Windows Server Software project. This software will eliminate the need for Micrographics to create the secure encrypted CDs and will provide the users with the same look, feel, and search capabilities they currently have when reading the data from the secure encrypted CDs. This purchase is planned for first quarter FY 2013 at an estimated cost of $150,000.

- **Generator Expansion.** To support IT business growth forecasted for this year and in subsequent years several electrical system expansions will be necessary. The current generators at Falling Waters are passed their life expectancy for operability with two 1000 kilo watt generators. This purchase is planned for first quarter FY 2013 at an estimated cost of $975,000.

- **Terminal/Mobility Unit.** The mobility unit is a van-type unit that will be outfitted with satellite communications to allow full access to NCA resources and systems. This will provide Quantico with mobile and remote site operations to schedule burials, process claims, or conduct other business in cases of natural disasters or other public needs. Planned for first quarter FY 2013, the estimated cost is $160,000.

- **GPS Cemetery Groundskeeping Tracking System.** Quantico requires a new GPS grounds keeping tracking system for use in the burial program. This system is expected to increase efficiency of gravesite plotting and advance capabilities in architecture of cemetery expansions to maximize gravesite configuration. Implementation is planned for first quarter FY 2013 at an estimated cost of $125,000.

- **Security Roof Intrusion.** This system will monitor, detect, delay, and deter intrusion in Austin. The system consists of barriers to prevent access. This project will also include the addition of surveillance cameras and lighting. Planned for second quarter FY 2013, the estimated cost is $230,000.

- **Building Access Control.** With mandated introduction of PIV II Smart Card technology existing entrance controls in Austin will not effectively manage visitor access. This project will provide an efficient solution to control building access. This purchase is planned for second quarter FY 2013 at an estimated cost of $300,000.

- **Enterprise Disk Storage Upgrade.** At the current rate of growth and in anticipation of migrating data off of older arrays in support of a technology refresh, an estimated $7.7 million dollar disk storage upgrade is anticipated. As new customers are added to the storage network, additional storage will be procured with the understanding that such new workload could increase this figure, especially if the amount of storage needed is significant. This figure will also be offset by the amount of maintenance costs currently being expensed on our legacy arrays. This purchase is planned for second quarter FY 2013.

- **IMB DASD Tech Refresh.** The current Shark Drive (Model 2105) will be over 15 years old in FY 2013. Replacement of the system will maintain efficient and effective operations between the new IBM mainframe (z10BC) and the new 3500 tape system. In addition, it will be more cost-effective for long-term maintenance and improve overall system performance to replace the existing drives. Planned for second quarter FY 2013, the estimated cost is $500,000.

- **UPS Battery Strings.** Austin and Philadelphia's remaining existing batteries are approaching end of life and must be replaced. Planned for third quarter FY 2013 in Austin, the estimated cost is $150,000 and for fourth quarter in Philadelphia, the estimated cost is $425,000.

- **Hardening Building Perimeter.** The existing perimeter barriers in Austin do not meet Federal requirements for a Level IV building. This project is to install a deterrent system to prevent vehicle penetration. This purchase is planned for third quarter FY 2013 at an estimated cost of $100,000.

- **Z10 Technology Refresh.** This mainframe hardware upgrade of the small Z10 production platform will include software license increases due to the upgrade. The upgrade is a technical refresh to maintain vendor supported hardware and continue to provide a cost effective platform for customer use. The Environmental Protection Agency (EPA) is one of the primary customers using the Z10. Planned for third quarter FY 2013, the estimated cost is $3.7 million.

Capital Reserves Analysis

The Capital Reserve Analysis (Attachment D) depicts the reallocation between operating and capital reserves to maintain an ending capital reserve balance of $10 million FY 2011 through FY 2015. In FY 2012, reallocation from operating to capital reserves is projected to be at $29 million to fund all CDCO planned capital acquisitions. We anticipate reallocation from capital to operating reserves of $2 million in FY 2013, $14 million in FY 2014 and $17 million in FY 2015.

Price, Volume, Revenue Comparison

Price, Volume, Revenue Comparison (Attachment E) is a comparison of price, volume, and revenue by product line. The chart on this page shows new and discontinued services, along with rate decreases or increases of 10 percent or more.

New Products	FY 2010	FY 2011	FY 2012	FY 2013
Mail	N/A	N/A	$0.10	$0.10
Monitoring – Agent Based	N/A	N/A	$4,799.50	$4,799.50
Monitoring – Server Based	N/A	N/A	$1,559.45	$1,559.45
Security Support to NCA	N/A	N/A	$231,302.00	$178,891.00
NCA Customer Support	N/A	N/A	$60.25	$60.25
Sec Monitor/Scan – Major 1st Year	N/A	N/A	$31,053.81	$31,053.83
Sec Monitor/Scan – Major Maintenance	N/A	N/A	$15,526.91	$15,526.91
Sec Monitor/Scan – Minor 1st Year	N/A	N/A	$15,526.91	$15,526.91
Sec Monitor/Scan – Minor Maintenance	N/A	N/A	$7,763.45	$7,763.45

Discontinued Products	FY 2010	FY 2011	FY 2012	FY 2013
Incoming Mail	$0.05	$0.05	N/A	N/A
Outgoing Mail – Machine	$0.10	$0.10	N/A	N/A
Outgoing Mail – Hand Paced	$0.07	$0.08	N/A	N/A
Monitoring Agents	$1,332.97	$1,452.94	N/A	N/A
WEB Operations Support	N/A	$12,023,259.00	N/A	N/A
Platform Supervisory Management	N/A	$123.90	N/A	N/A
Platform Management	N/A	$111.56	N/A	N/A
Computer Operator	N/A	$81.39	N/A	N/A
AITC FF Support to HITC/PITC/CRDC	$4,412,143.37	N/A	N/A	N/A

Product Prices (+/- 10 percent)	FY 2010	FY 2011	FY 2012	FY 2013
Disk Storage[1]	$1.89	$1.72	$1.00	$1.00
Disk Storage Replication[1]	$10.42	$9.62	$6.85	$6.85
Enterprise Backup[2]	$0.26	$0.28	$0.66	$0.66
Production Services Support[1]	$112.43	$112.43	$81.39	$81.39
IT Support to NDCP[3]	N/A	$6,574,656.00	$3,620,022.63	$3,620,022.63

[1]Increased workloads are driving the price decrease in these products

[2]Refinement in cost allocation contributed to the product increase

[3]FY 2012 will require less CDCO IT support

Product Lines Unit Prices

Product Lines and Unit Prices (Attachment F) provides a trend of the product line and unit prices.

Business Plan Analysis

Business plan analysis is provided in Attachment G.

	FY 2010 Billings	FY 2011 Billings	FY 2012 Billings	FY 2013 Billings
Austin Information Technology Center				
Board of Contract Appeals				
Board of Veterans' Appeals				
Denver Acquisition Logistics Center				
Debt Management Center	$1,567,147	$1,503,981	$1,534,889	$1,600,727
Employee Education System (EES)				
Financial Services Center	$2,093,745	$1,332,181	$2,413,786	$2,471,674
FLITE				
Franchise & Trust Fund Oversight Office	$21,840	$28,524	$153	$160
HRM Support for EES				
Internal Control Service				
Law Enforcement Training Center	$869,069	$365,170	$625,303	$630,198
Management Quality Assurance Service				
National Cemetery Administration				
Office of Acquisition, Logistics and Construction	$3,302,147	$3,830,753	$4,938,601	$5,145,192
Office of Asset & Enterprise Management				
Office of Budget				
Office of Congressional Legislative Affairs				
Office of Diversity Management and Equal Employment Opportunity				
Office of Finance				
Office of Finance (OFS) - PAID				
Office of Financial Business Operations				
Office of Financial Policy				
Office of General Counsel				
Office of Human Resources and Administration				
Office of Information & Technology	$159,783,657	$224,432,079	$271,230,684	$271,626,648
Office of Management				
Office of Management and Administration				
Office of Policy and Planning				
Office of Public and Intergovernmental Affairs				
Office of Resolution Management				
Office of Operations, Security and Preparedness				
Office of the Inspector General	$687,562	$572,008	$685,505	$701,926
Office of the Secretary				
Payroll/Human Resources Systems Service				
Records Management Center - VBA				
Security & Investigations Center				
Systems Quality Assurance Service				
VA Records Center & Vault	$160,970	$160,370	$243,611	$262,121
Veterans Benefits Administration				
VBA Administration and Loan Accounting Center				
Veterans Canteen Service	$17,900			
Veterans Health Administration (VHA)				
VHA Financial Assistance Office				
VHA Health Eligibility Center - Priority Letters				
VHA National Enrollment Database				
VHA Revenue Office				
VHA Sys Design & Dev Franchise Fund Pgm Office				
VA Billings				
(Billing Holiday)				
Total VA Billings	**$168,504,037**	**$232,225,067**	**$281,672,532**	**$282,438,646**

Other Government Agencies	FY 2010 Billings	FY 2011 Billings	FY 2012 Billings	FY 2013 Billings
Air Education and Training Command Surgeon General				
Department of Agriculture, Farm Service Agency				
Department of Agriculture, Grain Inspection, Packers and Stockyard				
Department of Agriculture, Information Technology Services				
Department of Defense, Charleston Naval Hospital				
Department of Defense, Civilian Personnel Management Service		($39)		
Department of Defense, TRICARE Management				
Department of Justice	$211,978	$175,155	$196,336	$197,556
Department of Treasury, Federal Financing Bank				
Department of Treasury				
Environmental Protection Agency	$576,932	$626,437	$607,045	$621,564
Environmental Protection Agency, Office of Transportation and Air Quality				
General Services Administration	$35,538	$29,426	$59,144	$58,409
General Services Administration - Public Building Services, Greater Southwest Region	$99,615	$102,676		
Government Accountability Office	$32,413	$171,316	$248,993	$258,244
National Aeronautics and Space Administration				
National Archives & Records Administration	$783,249	$739,218	$702,828	$703,713
National Cancer Institute				
National Institute of Drug Abuse				
Pentagon Information Technology Service Center, Army National Guard Bureau, Army Resource Management				
Pentagon Information Technology Service Center, Department of Interior, Bureau of Land Management				
Pentagon Information Technology Service Center, National Guard Bureau				
Pentagon Information Technology Service Center, Secretary of the Air Force, Financial Management and Budget				
United States Air Force Communication Agency				
United States Air Force, 48th Medical Group				
United States Air Force, Advanced Computer Flight Program Management Office, Scott Air Force Base				
United States Air Force, Surgeon General				
United States Army, Manpower and Reserve Affairs				
United States Army, Office of Information Assurance and Compliance				
GITSS Customer Usage Fees from Sales to OGA				
Total OGA Billings	**$1,739,725**	**$1,844,190**	**$1,814,346**	**$1,839,486**
Total VA Billings	**$168,504,037**	**$232,225,067**	**$281,672,532**	**$282,438,646**
Total Billings	**$170,243,762**	**$234,069,257**	**$283,486,878 ***	**$284,278,132**

*The increase in revenue and expenses from FY11 to FY12 is the result of including QITC's portion of the budget that was funded from the IT Systems appropriation in FY11 and increased requirements from customers.

Attachment B: Proforma Income Statement

INCOME		FY 2010	FY 2011	FY 2012 1st Qtr	FY 2012 2nd Qtr	FY 2012 3rd Qtr	FY 2012 4th Qtr	FY 2012 Total	FY 2013
Sales to VA		$168,504,037	$232,225,067	$70,418,133	$70,418,133	$70,418,133	$70,418,133	$281,672,532	$282,438,646
Acquisition Pass-Through Sales to VA									
Total VA Revenue		$168,504,037	$232,225,067	$70,418,133	$70,418,133	$70,418,133	$70,418,133	$281,672,532	$282,438,646
Sales to OGA		$1,739,725	$1,844,229	$453,586	$453,586	$453,587	$453,587	$1,814,346	$1,839,486
Acquisition Pass-Through Sales to OGA			($39)						
Total OGA Revenue		$1,739,725	$1,844,190	$453,586	$453,586	$453,587	$453,587	$1,814,346	$1,839,486
Gross Earnings		$170,243,762	$234,069,257	$70,871,719	$70,871,719	$70,871,720	$70,871,720	$283,486,878	$284,278,132
OPERATING EXPENSES	**BOC**								
Salaries and Benefits	11xx-13xx	$39,715,571	$69,901,256	$17,788,489	$18,979,055	$17,771,871	$17,777,410	$72,316,825	$72,316,825
Travel	21xx	$501,908	$1,719,788	$363,329	$363,329	$363,329	$363,329	$1,453,316	$1,402,654
Transportation of Things	22xx	$22,990	$131,150	$41,999	$41,999	$41,999	$41,999	$167,996	$176,319
Rent, Communication & Utilities	23xx	$38,605,399	$42,147,933	$14,619,603	$14,619,603	$14,619,603	$14,619,603	$58,478,412	$62,892,152
Printing & Reproduction	24xx	$5,104,600	$5,916,802	$1,522,172	$1,522,172	$1,522,172	$1,522,172	$6,088,688	$6,415,098
Contractual Services	25xx except 2599	$58,049,832	$80,639,413	$23,600,600	$23,600,600	$23,600,600	$23,600,600	$94,402,400	$100,919,001
Acquisition Pass-Through	2580		($39)						
Supplies & Materials	26xx	$1,318,939	$3,081,655	$2,179,379	$2,179,379	$2,179,379	$2,179,379	$8,717,516	$8,176,425
Depreciation	2599	$5,460,903	$7,980,746	$3,227,885	$3,873,679	$4,021,568	$3,952,679	$15,075,811	$17,529,921
Expensed Equipment	31xx	$14,931,643	$15,490,647	$5,940,299	$5,940,299	$5,940,299	$5,940,299	$23,761,196	$10,598,673
Expensed Structures	32xx								
Writeoffs	4266	$1							
TOTAL OPERATING EXPENSES		$163,711,786	$227,009,351	$69,283,755	$71,120,115	$70,060,820	$69,997,470	$280,462,160	$280,427,068
EARNINGS FROM OPERATIONS		$6,531,976	$7,059,906	$1,587,964	($248,396)	$810,900	$874,250	$3,024,718	$3,851,064

[1]The increase in revenue and expenses from FY11 to FY12 is the result of including QITC's portion of the budget that was funded from the IT Systems appropriation in FY11 and increased requirements from customers

FY 2011-2014

CDCO

FY	Description	Capitalized Value	Useful Life	Rate Impact	Leasing/Contracting Out
2011					
	Badge Reader • Building Access Control-AITC	$875,000	10 Years	Funded from Capital Reserves	Replacement of office assets procured with non-construction appropriation funds.
	DASD Enhancements and Upgrades • Enterprise Backup	$7,500,000	5 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
	Generator Expanssion • Emergency and Backup Generators (4)	$4,516,500	20 Years	Funded from Capital Reserves	Replacement of office assets procured with non-construction appropriation funds.
	Hardware and Software Upgrades and Enhancements • Z9 Technology Refresh	$7,200,000	4 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
	Uninterruptible Power Supply (UPS) • UPS Module	$2,257,654	15 Years	Funded from Capital Reserves	Replacement of office assets procured with non-construction appropriation funds.
	DASD Enhancements and Upgrades • Web Operations Disk Storage Upgrade	$3,700,000	5 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
Total		**$26,049,154**			
2012					
1st Qtr					
	Hardware and Software Upgrades and Enhancements • SF25000 Server Replacement	$7,200,000	5 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
	Hardware and Software Upgrades and Enhancements • Web Operations Tech Refresh	$1,500,000	5 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
	Hardware and Software Upgrades and Enhancements • Web Operations Autonomy Search Upgrade	$500,000	5 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
	DASD Enhancements and Upgrades • Web Operations Disk Storage Upgrade	$3,500,000	5 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
	Hardware and Software Upgrades and Enhancements •Web Operations Network Upgrade	$1,000,000	5 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
	Hardware and Software Upgrades and Enhancements • Web Operations Network Load Balancing	$350,000	5 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
	Uninterruptible Power Supply (UPS) • UPS Installation	$130,000	8 Years	Funded from Capital Reserves	Replacement of office assets procured with non-construction appropriation funds.
Subtotal:		**$14,180,000**			

2012 **2nd *Qtr***					
	Hardware and Software Upgrades and Enhancements • Test Network	$5,000,000	5 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
	DASD Enhancements and Upgrades • Enterprise Disk Storage Upgrade	$17,700,000	5 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
	UPS Battery • Battery Strings	$150,000	4 Years	Funded from Capital Reserves	Replacement of office assets procured with non-construction appropriation funds.
	Hardware and Software Upgrades and Enhancements • IBM Magstar Replacement	$230,000	5 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
	Hardware and Software Upgrades and Enhancements • Performance Monitoring	$650,000	6 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
	Hardware and Software Upgrades and Enhancements • Hitachi San Environment	$260,000	6 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
	Hardware and Software Upgrades and Enhancements • BULL Secure FTP Software	$300,000	5 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
Subtotal:		**$24,290,000**			
2012 **3rd *Qtr***					
	Uninterruptible Power Supply (UPS) • UPS Expansion	$5,200,000	15 Years	Funded from Capital Reserves	Replacement of office assets procured with non-construction appropriation funds.
Subtotal:		**$5,200,000**			
2012 **4th *Qtr***					
	UPS Battery • Battery Strings	$400,000	10 Years	Funded from Capital Reserves	Replacement of office assets procured with non-construction appropriation funds.
Subtotal:		**$400,000**			
Total		**$44,070,000**			
2013					
	IP Camera System • PIV Compliant System	$120,000	5 Years	Funded from Capital Reserves	Replacement of office assets procured with non-construction appropriation funds.
	Hardware and Software Upgrades and Enhancements • Upgrade IBM TS3500	$500,000	6 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
	Hardware and Software Upgrades and Enhancements • Purchase Micrographic Software (CD Viewer Plus)	$150,000	5 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.

Generator Expansion • Upgrade Generator	$975,000	20 Years	Funded from Capital Reserves	Replacement of office assets procured with non-construction appropriation funds.
Vehicle Purchase • Terminal/Mobility Unit	$160,000	8 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
Global Positioning System (GPS) • Cemetery Groundskeeping Tracking System	$125,000	8 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
Office Assets • Security Roof Intrusion	$230,000	4 Years	Funded from Capital Reserves	Replacement of office assets procured with non-construction appropriation funds.
Building Access Control System • IT Interconnected Turnstyles and Cameras	$300,000	4 Years	Funded from Capital Reserves	Replacement of office assets procured with non-construction appropriation funds.
DASD Enhancements and Upgrades • Enterprise Disk Storage Upgrade	$7,700,000	5 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
DASD Enhancements and Upgrades • IBM DASD Technology Refresh	$500,000	5 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
UPS Battery • Battery Strings	$575,000	4 Years	Funded from Capital Reserves	Replacement of office assets procured with non-construction appropriation funds.
Hardening Building Perimeter • Monitoring and Perimeter Lighting	$100,000	5 Years	Funded from Capital Reserves	Replacement of office assets procured with non-construction appropriation funds.
Hardware and Software Upgrades and Enhancements • Z10 Technology Refresh	$3,700,000	4 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
Total	**$15,135,000**			

2014

DASD Enhancements and Upgrades • Enterprise Disk Storage Upgrade	$2,000,000	5 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
Hardware and Software Upgrades and Enhancements • Data Center Service Management Solution	$1,000,000	5 Years	Funded from Capital Reserves	Augment existing systems to meet technological demands of customers.
PV Solar Panels • Go Green Solutions	$800,000	25 Years	Funded from Capital Reserves	Replacement of office assets procured with non-construction appropriation funds.
Total	**$3,800,000**			

Fiscal Year	Capital Reserve	Dollar Amount
2011		
	Beginning Balance	$10,000,000
	Less: Capital Acquisitions	($26,049,154)
	Less: 1997 Adjustment for Capital Acquisitions	($19,819)
	Plus: Depreciation Expense	$7,980,746
	Plus: Reallocation between Reserves	$18,088,227
	Ending Balance	$10,000,000
2012		
	Beginning Balance	$10,000,000
	Less: Capital Acquisitions	($44,070,000)
	Plus: Depreciation Expense	$15,075,811
	Plus: Reallocation between Reserves	$28,994,189
	Ending Balance	$10,000,000
2013		
	Beginning Balance	$10,000,000
	Less: Capital Acquisitions	($15,135,000)
	Plus: Depreciation Expense	$17,529,921
	Less: Reallocation between Reserves	($2,394,921)
	Ending Balance	$10,000,000
2014		
	Beginning Balance	$10,000,000
	Less: Capital Acquisitions	($3,800,000)
	Plus: Depreciation Expense	$18,041,051
	Less: Reallocation between Reserves	($14,241,051)
	Ending Balance	$10,000,000
2015		
	Beginning Balance	$10,000,000
	Less: Capital Acquisitions	
	Plus: Depreciation Expense	$16,922,462
	Less: Reallocation between Reserves	($16,922,462)
	Ending Balance	$10,000,000

Attachment E: Price, Volume, and Revenue Comparisons

Service Provided	FY 2010 Price	FY 2010 Volume	FY 2010 Revenue	FY 2011 Price	FY 2011 Volume	FY 2011 Revenue	FY 2012 Price	FY 2012 Volume	FY 2012 Revenue	FY 2013 Price	FY 2013 Volume	FY 2013 Revenue
CPU	$170.27	92,881	$15,814,848	$150.50	102,370	$15,406,685	$150.50	113,140	$17,027,570	$150.50	118,798	$17,879,099
CPU-essential support[1,2]	$206.48	10,849	$2,240,102	$182.85	11,381	$2,081,016	$182.85	11,113	$2,032,012	$182.85	11,668	$2,133,494
CPU-mission critical[1,2]	$240.15	42,194	$10,132,889	$212.48	48,287	$10,260,022	$212.48	46,265	$9,830,387	$212.48	48,578	$10,321,853
Disk Storage[2]	$1.89	4,349,334	$8,220,241	$1.72	7,742,963	$13,317,896	$1.00	5,853,743	$5,853,743	$1.00	5,853,743	$5,853,743
Disk Storage-essential and mission critical[2]	$10.42	324,296	$3,379,164	$9.62	305,001	$2,934,110	$6.85	1,296,029	$8,877,799	$6.85	1,296,029	$8,877,799
Print	$0.03	78,349,300	$2,350,479	$0.03	115,039,367	$3,451,181	$0.03	112,013,807	$3,360,414	$0.03	117,614,497	$3,528,435
Tape Mounts[2]	$1.72	1,043,690	$1,795,147	$1.57	1,119,995	$1,758,392	$1.57	1,309,125	$2,055,326	$1.57	1,374,582	$2,158,094
Tape Storage[2]	$2.03	3,502,972	$7,111,033	$1.70	3,995,387	$6,792,158	$1.70	3,689,802	$6,272,663	$1.70	3,874,292	$6,586,296
Incoming Mail	$0.05	636,040	$31,802	$0.05	885,680	$44,284						
Outgoing Mail-Machine	$0.10	37,660,080	$3,766,008	$0.10	53,291,650	$5,329,165						
Outgoing Mail-Hand Paced	$0.07	70,514	$4,936	$0.08	109,525	$8,762						
Mail							$0.10	57,397,417	$5,739,742	$0.10	60,267,603	$6,026,760
Computer Systems Programmer-Wintel/Unix/Linux/Architect	$134.35	38,203	$5,132,573	$127.95	114,833	$14,692,882	$120.58	153,965	$18,565,100	$120.58	153,965	$18,565,100
Computer Systems Analyst-DB	$142.67	15,246	$2,175,147	$135.87	30,056	$4,083,709	$125.22	33,504	$4,195,371	$125.22	33,504	$4,195,371
Production Services Support	$112.43	19,177	$2,156,070	$112.43	13,905	$1,563,339	$81.39	126,643	$10,307,474	$81.39	126,643	$10,307,474
Computer Systems Analyst	$103.27	55,524	$5,733,963	$98.35	50,557	$4,972,281	$96.38	71,155	$6,857,919	$96.38	71,155	$6,857,919
Sr Computer Systems Analyst	$120.93	62,221	$7,524,386	$115.17	68,346	$7,871,409	$112.76	89,790	$10,124,720	$112.76	89,790	$10,124,720
Computer Programmer/Analyst	$75.17	3,576	$268,808	$76.67	101	$7,744						
Project Manager	$123.90	14,738	$1,826,038	$123.90	21,170	$2,622,963	$121.24	23,344	$2,830,227	$121.24	23,344	$2,830,227
Contract Labor Oversight	$17.37	176,388	$3,063,860	$17.37	227,426	$3,950,390	$15.95	319,785	$5,100,571	$15.95	319,785	$5,100,571
National Change of Address Service	$0.002	39,648,000	$79,296	$0.002	53,226,500	$106,453	$0.002109	50,000,000	$105,450	$0.002109	50,000,000	$105,450
Enterprise Backup	$0.260	2,555,723	$664,488	$0.28	2,919,061	$817,337	$0.66	10,562,804	$6,971,451	$0.66	10,562,804	$6,971,451
Monitoring Agents	$1,332.97	1,134	$1,511,588	$1,452.94	762	$1,107,140						
Monitoring - Agent Based							$4,799.50	233	$1,118,284	$4,799.50	233	$1,118,284
Monitoring - Server Based							$1,559.45	1,184	$1,846,389	$1,559.45	1,184	$1,846,389
C&A Services Major First Year	$76,320.00	31.6	$2,411,712	$76,320.00	14.7	$1,121,904	$76,320.00	14	$1,068,480	$76,320.00	14	$1,068,480
C&A Services Major Maintenance Year	$38,160.00	7.1	$270,936	$38,160.00	59.2	$2,259,072	$38,160.00	66	$2,518,560	$38,160.00	66	$2,518,560
C&A Services Minor First Year	$38,160.00	1	$38,160	$38,160.00	2.4	$91,584	$38,160.00	4	$152,640	$38,160.00	4	$152,640
C&A Services Minor Maintenance Year				$19,080.00	1	$19,080	$19,080.00	6	$114,480	$19,080.00	6	$114,480
IT Support to NDCP						$3,017,178			$3,620,023			$3,620,023
Enterprise Communication Support						$1,005,021			$1,135,617			$1,135,617
WEB Operations Support						$6,345,449						
Platform Supervisory Management[2]				$123.90	8,709	$1,079,045						
Platform Management				$111.56	4,802	$535,711						
Computer Operator[2]				$81.39	93,892	$7,641,870						
Security Support to VBA						$1,208,976			$1,195,326			$1,195,326
Security Support to NCA									$231,302			$178,891
AITC FF Support to HITC/PITC/CRDC			$4,412,143									
NCA Customer Support							$60.25	8,400	$506,100	$60.25	8,400	$506,100
Security Monitoring & Scanning Svcs Major 1st Year							$31,053.81	10	$310,538	$31,053.81	10	$310,538
Security Monitoring & Scanning Svcs Major Maint							$15,526.91	49	$760,819	$15,526.91	49	$760,819
Security Monitoring & Scanning Svcs Minor 1st Year							$15,526.91	3	$46,581	$15,526.91	3	$46,581
Security Monitoring & Scanning Svcs Minor Maint							$7,763.45	106	$822,926	$7,763.45	106	$822,926
Resident Services			$5,294,242			$11,835,924			$16,244,421			$16,244,421
Pass Thru Revenue			$52,136,258			$69,562,302			$96,967,747			$94,387,776
Platforms			$20,697,445			$25,166,862			$28,718,706			$29,826,425
Acquisition Services Pass Through						($39)						
SUBTOTAL VA REVENUE			$168,504,037			$232,225,067			$281,672,532			$282,438,646
SUBTOTAL OGA REVENUE			$1,739,725			$1,844,190			$1,814,346			$1,839,486
TOTAL REVENUE			$170,243,762			$234,069,257			$283,486,878			$284,278,132
LESS: EXPENSES			($163,711,786)			($227,009,351)			($280,462,160)			($280,427,068)
EARNINGS FROM OPERATIONS			$6,531,976			$7,059,906			$3,024,718			$3,851,064

[1]Includes base CPU rate plus the surcharge(s) for specific RPO and RTO.

[2]Rate reductions were implemented in FY2010 and FY2011, price reflects final rate.

[3]The increase in revenue and expenses from FY11 to FY12 is the result of including QITC's portion of the budget that was funded from the IT Systems appropriation in FY11 and increased requirements from customers.

Service Provided	Unit Type	FY 2008 Price	FY 2009 Price	FY 2010 Price	FY 2011 Price	FY 2012 Price	FY 2013 Price
CPU [3]	CPU Hour	$155.46	$154.83	$170.27	$150.50	$150.50	$150.50
CPU - Essential support [1,3]	CPU Hour	$181.74	$187.76	$206.48	$182.85	$182.85	$182.85
CPU - Mission critical [1,3]	CPU Hour	$197.89	$218.39	$240.15	$212.48	$212.48	$212.48
Disk Storage [2,3]	GB/Month	$3.03	$1.91	$1.89	$1.72	$1.00	$1.00
Disk Storage -Essential and Mission Critical [3]	GB/Month	$29.30	$8.62	$10.42	$9.62	$6.85	$6.85
Print	Images	$0.03	$0.03	$0.03	$0.03	$0.03	$0.03
Tape Mounts [3]	Mounts	$1.54	$1.48	$1.72	$1.57	$1.57	$1.57
Tape Storage [3]	Reel/Tape/Months	$1.68	$1.73	$2.03	$1.70	$1.70	$1.70
Incoming Mail	Piece	$0.06	$0.05	$0.05	$0.05	N/A	N/A
Outgoing Mail - Machine	Piece	$0.09	$0.09	$0.10	$0.10	N/A	N/A
Outgoing Mail - Hand Paced	Piece	$0.06	$0.07	$0.07	$0.08	N/A	N/A
Mail	Piece	N/A	N/A	N/A	N/A	$0.10	$0.10
Computer Systems Programmer -- Wintel/Unix/Linux/Architect	Hour	$118.16	$122.16	$134.35	$127.95	$120.58	$120.58
Computer Systems Analyst - DB	Hour	$125.91	$129.71	$142.67	$135.87	$125.22	$125.22
Production Services Support	Hour	$99.27	$102.26	$112.43	$112.43	$81.39	$81.39
Computer Systems Analyst	Hour	$90.68	$93.89	$103.27	$98.35	$96.38	$96.38
Sr Computer Systems Analyst	Hour	$106.57	$109.94	$120.93	$115.17	$112.76	$112.76
Computer/Programmer/Analyst	Hour	$66.24	$68.56	$75.17	$76.67	N/A	N/A
Project Manager	Hour	$90.99	$112.69	$123.90	$123.90	$121.24	$121.24
Contract Labor Oversight	Hour	$13.67	$15.04	$17.37	$17.37	$15.95	$15.95
NCOA	Per Address	$0.001140	$0.002000	$0.002000	$0.002000	$0.002109	$0.002109
Enterprise Backup	GB/Month	N/A	N/A	$0.26	$0.28	$0.66	$0.66
Monitoring Agents	Installed CPUs	N/A	N/A	$1,332.97	$1,452.94	N/A	N/A

[1] Includes base CPU rate plus the surcharges(s) for specific RPO and RTO.

[2] Rate reductions were implemented in FY 2008 and 2010, price reflects final rate.

[3] Rate reductions were implemented in FY 2011, price reflects final rate.

Service Provided	Unit Type	FY 2008 Price	FY 2009 Price	FY 2010 Price	FY 2011 Price	FY 2012 Price	FY 2013 Price
Monitoring - Agent Based	Installed CPUs	N/A	N/A	N/A	N/A	$4,799.50	$4,799.50
Monitoring - Server Based	Installed CPUs	N/A	N/A	N/A	N/A	$1,559.45	$1,559.45
C&A Services Major First Year	Flat fee	N/A	N/A	$76,320.00	$76,320.00	$76,320.00	$76,320.00
C&A Services Major Maintenance Year	Flat fee	N/A	N/A	$38,160.00	$38,160.00	$38,160.00	$38,160.00
C&A Services Minor First Year	Flat fee	N/A	N/A	$38,160.00	$38,160.00	$38,160.00	$38,160.00
C&A Services Minor Maintenance Year	Flat fee	N/A	N/A	N/A	$19,080.00	$19,080.00	$19,080.00
IT Support to NDCP	Flat fee	N/A	N/A	N/A	$6,574,656.00	$3,620,022.63	$3,620,022.63
Enterprise Communication Support	Flat fee	N/A	N/A	N/A	$1,135,617.08	$1,135,616.88	$1,135,616.88
WEB Operations Support	Flat fee	N/A	N/A	N/A	$12,023,259.00	N/A	N/A
Platform Supervisory Management [3]	Hour	N/A	N/A	N/A	$123.90	N/A	N/A
Platform Management	Hour	N/A	N/A	N/A	$111.56	N/A	N/A
Computer Operator [3]	Hour	N/A	N/A	N/A	$81.39	N/A	N/A
Security Support to VBA	Flat fee	N/A	N/A	N/A	$1,208,976.03	$1,195,325.92	$1,195,325.92
Security Support to NCA	Flat fee	N/A	N/A	N/A	N/A	$231,302.00	$178,891.00
AITC FF Support to HITC/PITC/CRDC	Flat fee	N/A	N/A	$4,412,143.37	N/A	N/A	N/A
HRM Support	Employee/Yr	$1,372.69	$1,640.29	N/A	N/A	N/A	N/A
OI&T HRM Support	Flat fee	$1,314,132.00	$1,804,314.00	N/A	N/A	N/A	N/A
NCA Customer Support	Tickets	N/A	N/A	N/A	N/A	$60.25	$60.25
Security Monitoring & Scanning Services Major First Year	Flat fee	N/A	N/A	N/A	N/A	$31,053.81	$31,053.81
Security Monitoring & Scanning Services Major Maintenance	Flat fee	N/A	N/A	N/A	N/A	$15,526.91	$15,526.91
Security Monitoring & Scanning Services Minor First Year	Flat fee	N/A	N/A	N/A	N/A	$15,526.91	$15,526.91
Security Monitoring & Scanning Services Minor Maintenance	Flat fee	N/A	N/A	N/A	N/A	$7,763.45	$7,763.45

[1] Includes base CPU rate plus the surcharges(s) for specific RPO and RTO.

[2] Rate reductions were implemented in FY 2008 and 2010, price reflects final rate.

[3] Rate reductions were implemented in FY 2011, price reflects final rate.

	FY 2009 **Actual**	FY 2010 **Actual**	FY 2011 **Proposed**	Variance **FY11 vs FY10**	FY2012 **Planned**	Variance **FY12 vs FY11**	FY2013 **Planned**	Variance **FY13 vs FY12**
VA REVENUE	138,473,273	168,504,037	232,225,067	37.82%	281,672,532	21.29%	282,438,646	0.27%
BILLING HOLIDAY	(169,382)							
OGA REVENUE	1,758,315	1,739,725	1,844,190	6.00%	1,814,346	-1.62%	1,839,486	1.39%
BILLING HOLIDAY	(63,520)							
TOTAL REVENUE	139,998,686	170,243,762	234,069,257	37.49%	283,486,878	21.11%	284,278,132	0.28%
TOTAL OPERATING EXPENSES	143,244,494	163,711,786	227,009,351	38.66%	280,462,160	23.55%	280,427,068	-0.01%
EARNINGS FROM OPERATIONS	(3,245,808)	6,531,976	7,059,906	8.08%	3,024,718	-57.16%	3,851,064	27.32%
FTE	368.2	336.43	567.13	68.57%	599.53	5.71%	599.53	0.00%
OPERATING RESERVES Prior to 9/30	20,000,000	35,735,996	34,413,533		23,785,212		(1,274,259)	
Current Year EARNINGS allocated to Operating Reserves	(3,245,808)	6,531,976	7,059,906		3,024,718		3,851,064	
Reallocation between Reserves	18,581,804	(8,254,439)	(18,088,227)		(28,994,189)		2,394,921	
RCV Loan/Repayment to cover losses	400,000	400,000	400,000		910,000		0	
OPERATING RESERVES after 9/30 earnings	35,735,996	34,413,533	23,785,212		(1,274,259)		4,971,726	
Operating Reserve Target (3 months expenses)	20,000,000	20,000,000	20,000,000		20,000,000		20,000,000	
CAPITAL RESERVES beginning of FY	21,963,995	10,000,000	10,000,000		10,000,000		10,000,000	
Current Year EARNINGS allocated to Capital Reserves								
Depreciation Expense/Disposals	10,621,426	5,460,903	7,980,746		15,075,811		17,529,921	
Capital Acquisitions	(4,003,617)	(13,661,065)	(26,049,154)		(44,070,000)		(15,135,000)	
1997 Adjustment for Capital Acquisitions		(54,280)	(19,819)					
Reallocation between Reserves	(18,581,804)	8,254,442	18,088,227		28,994,189		(2,394,921)	
CAPITAL RESERVES projected at end of FY	10,000,000	10,000,000	10,000,000		10,000,000		10,000,000	
Capital Reserve Target	10,000,000	10,000,000	10,000,000		10,000,000		10,000,000	
TOTAL RESERVES	**45,735,996**	**44,413,533**	**33,785,212**		**8,725,741**		**14,971,726**	

[1]The increase in revenue and expenses from FY11 to FY12 is the result of including QITC's portion of the budget that was funded from the IT Systems appropriation and increased requirements from customers.

Acronym	*Definition*
ACD	Automatic Call Distribution
ACS	Architecture for Common Services
ADR	Administrative Data Repository
AEMS/MERS	Automated Engineering Management System/Medical Equipment Reporting System
AITC	Austin Information Technology Center
ATO	Authority To Operate
BEP	Benefits Enterprise Platform
C&A	Certification & Accreditation
C33	Chapter 33
CAI	Center for Acquisition Innovation
CDCO	Corporate Data Center Operations
CMDB	Configuration Management Database
CO	Change Order
COOP	Continuity of Operations Plan
CPU	Central Processing Unit
CRDC	Capital Region Data Center
CSRS	Civil Service Retirement System
DCIO	Deputy Chief Information Officer
DASD	Direct Access Storage Device
DHS	Definitive Hardware Store
DMZ	Demilitarized Zone
DOD	Department of Defense
DOJ	Department of Justice
DOL	Department of Labor
DR	Disaster Recovery
DSS	Decision Support System

Acronym	*Definition*
EBU	Enterprise Backup
EBN	eBenefits
EC	Enterprise Center
EDB	Enrollment Database
EEO	Equal Employment Opportunity
EMC	EMC Corporation
EOL	End of Life
ESCCB	Enterprise Security Change Control Board
ESR	Enrollment System Redesign
FERS	Federal Employees Retirement System
FIPS	Federal Information Processing Standard
FLITE	Financial and Logistics Integrated Technology Enterprise
FMLOB	Financial Management Line of Business
FMS	Financial Management System
FSC	Financial Services Center
FTE	Full Time Employee
FTEE	Full Time Employee Equivalent
FTP	File Transfer Protocol
FY	Fiscal Year
GAO	Government Accountability Office
GIP	Generic Inventory Package
GMRA	Government Management Reform Act
GPS	Global Positioning Satellite
GSA	General Services Administration
GSS	General Support System
HA	High Availability

Acronym	*Definition*
HAIISS	Healthcare Associated Infection and Influenza Surveillance System
HDR	Health Data Repository
HDRII CDS	Health Data Repository with Clinical Data Service
HITC	Hines Information Technology Center
HR	Human Resources
HRM	Human Resources Management
HRMCD	Office of Human Resources Management and Career Development
HSPD	Homeland Security Presidential Directive
IaaS	Information as a Service
IBM	International Business Machines
IFAS	Integrated Financial Accounting System
IFCAP	Integrated Fund Distribution, Control Point Activity, Accounting and Procurement
IP	Internet Protocol
IT	Information Technology
ITAC	IT Acquisition Center
ITC	Information Technology Center
ITCS	Information Technology Customer Satisfaction
ITIL	Information Technology Infrastructure Library
ITSC	Information Technology Support Center
LDAP	Lightweight Directory Access Protocol
LGW	Loan Guaranty Web Processing
LGY	Loan Guaranty
LPARS	Logical Partitions
MCC	Major Customer Code
MI	Major Initiatives
MOSS	Microsoft Office SharePoint Server

Acronym	*Definition*
NARA	National Archives and Records Administration
NASA	National Aeronautics and Space Administration
NCA	National Cemetery Administration
NCVAS	National Center for Veterans Analysis and Statistics
NDCP	National Data Center Program
NHIN	National Health Information Network
NIST	National Institute of Standards and Technology
NSD	National Service Desk
NSM	Network and Systems Management
O&M	Operations and Maintenance
OA&L	Office of Acquisition and Logistics
OED	Office of Enterprise Development
OGA	Other Government Agency
OIT	Office of Information and Technology
OLTP	Online Transaction Processing
OMB	Office of Management and Budget
ORAN	Optical Region Area Network
OS	Operating System
PA&I	Performance Analysis and Integrity
PAID	Personnel and Accounting Integrated Data
PBX	Private Branch Exchange
PIP	Prosthetics Inventory Package
PITC	Philadelphia Information Technology Center
PIV	Personal Identity Verification
PL	Public Law
PMAS	Program Management Accountability System

Acronym	*Definition*
RFCC	Request for Contract Change
RFP	Request for Proposal
RIF	Reduction in Force
RO	VA Regional Offices
RPO	Recovery Point Objective
RTO	Recovery Time Objective
SAM	Strategic Asset Management
SCEP	Student Career Experience Program
SCI	Spinal Cord Injury
SEP	Special Emphasis Program
SF	Sun Fire
SSA	Social Security Administration
TIMS	The Image Management System
UPS	Uninterrupted Power Supply
USD	Unicenter Software Delivery
VA	Department of Veterans Affairs
VBA	Veterans Benefits Administration
VBMS	Veterans Benefits Management System
VETSNET	Veterans Services Network
VHA	Veterans Health Administration
VM	Virtual Machine
VONAPP	Veterans Online Application System

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Carol Kirkwood	Director, CDCO Benefits Delivery & Hines Facility Management Service	708-681-6601	708-450-4187
Steven Johs	Director, CDCO Technical Infrastructure Service	512-326-6153	512-326-6731
Ron Reuschling	Acting Director, Memorial Benefits & IT Operations Service	703-441-3098	703-441-3068
Brandon Storms	Acting Director, CDCO Applications Management Service	512-326-6744	512-326-6738
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Question	*Response*
1. How will CDCO's IT support contracts be structured under the IT reorganization?	Most VA Program offices that had individual FY contracts with CDCO for IT support/services have been consolidated into a single IT support contract under OIT. Exceptions to this consolidation rule are the offices of the Enterprise Centers, The Office of the Inspector General, OA&L, and OGAs.
2. Will my IT application support change under the IT reorganization?	No. CDCO will continue to support all VA applications with the same level of service as prior to the IT reorganization.
3. Will I need to obligate funds for IT support of my application(s)?	Yes – Obligations must to be established to pay for IT services provided by CDCO. If your application is covered under the IT Systems appropriation, you must check with budget officials within the OIT Business Office for direction on obligation of funds for your application.
4. Can I enter in an individual contract for additional IT support/services with CDCO not covered under OIT contract?	Yes. VA Program offices may enter directly into contracts with CDCO for additional support assuming they have funding to pay for the additional IT Support. Customers covered under the IT Systems appropriation must obtain approval from the OIT IT Comptroller to add additional services to the OIT contract.
5. Will I continue to get the monthly invoices for IT support/services provided by CDCO?	CDCO Business Service can provide you with a monthly informational invoice at your request.
6. What is the process if I need additional IT funds for my application during the FY?	CDCO is required to manage IT resources to the FY estimate. If additional funds are needed, CDCO will create a Request for Contract Change (RFCC) that must be approved and funded by the customer. If your application is covered under the IT Systems appropriation, the RFCC approvals/funding will be provided by the application Project Manager and the OIT IT Comptroller.
7. What happens if I need to host a new application at CDCO?	Customers provide CDCO the link to the approved Program Management Accountability System (PMAS)/Propath compliant documentation required for a project to go into the Active State. This documentation includes the acceptance criteria and acquisition plan, contract information, enterprise project structure, the integrated project team charter, an outcome statement, PMAS approval presentation and readiness checklist, product evaluation and decision analysis plan (buy-only), project charter, project management plan, project quad chart, project schedule, requirements specification document, risk log, and System Design Document or Software Design Document. CDCO will architect a solution and an estimate will be developed based on the requirements. The customer must approve the requirements and provide funding. Funding is provided to CDCO via the RFCC process described in question 6 above.
8. Does CDCO provide assistance with system selection and design?	Yes. CDCO has a systems architecture group that provides systems design, performance tuning, and capacity analysis. We encourage customers to involve CDCO early in the process whenever a system is being proposed for enterprise use.

9. Should system consolidation be considered for existing systems?	Yes. Generally, consolidated, standardized systems are less expensive than stand-alone systems. There are three levels of consolidation: • Logical consolidation - Bringing all servers under a central control. • Physical consolidation • Rationalization consolidation - reduction in the number of physical servers using partitioning and/or running multiple applications on one operating system.
10. What factors should be considered when consolidating systems?	The major factors to consider when consolidating systems include the commonality of applications and systems relative to uptime, COOP requirements, desired licensing rights of software products required, scheduled maintenance windows, security controls, and backup strategies. Infrastructure services such as Web servers are generally good candidates for such consolidations.
11. What factors might increase the chances for a successful system consolidation effort?	A dedicated project manager is usually required to ensure that the process is successful since major coordination is needed. Senior management backing is also a key to ensuring success. Finally, good systems architecture, capacity planning, performance monitoring, change control, and security documentation are needed to ensure that systems are consolidated properly, and that the re-hosted systems are documented and continue to perform as expected. It is essential to also maintain and track historical information for existing systems (capacity planning, annual customer interviews, strategic planning) to ensure that consolidation performance expectations are met.
12. What is the standard offering for essential support and mission critical applications? Why is it necessary? Is there a cost associated with it?	To meet customer business recovery requirements, CDCO provides electronic data vaulting and remote application recovery. It came about as a result of the events of 9/11 and the increasing need for more rapid restoration times following emergency situations. As VA moves to more enterprise-wide applications and transitions from batch-oriented to online transaction processing (OLTP) applications, the importance of a reliable and proven DR process cannot be overstated. Unfortunately, effective DR is neither easy to accomplish nor cost-free. CDCO has a rate structure in place that is tiered to meet customer requirements. For mainframe applications, incremental CPU charges are incurred for essential support and mission critical applications. Disk storage requirements are billed based upon having data electronically vaulted to another CDCO data center. For open systems, charges are based upon the specific platform requirements at the alternate data center.
13. What does CDCO currently offer customers for DR?	CDCO currently offers a tape recovery DR, utilizing a subscription service. CDCO has developed a well-documented system of off-site tape storage and retrieval and system recovery procedures. We conduct “real world” DR exercises every year and restore CDCO systems at our remote facility. While effective, using tape restoration for recovery is fairly slow, and for this reason the current guaranteed restoration time for systems protected by the tape DR plan is within 72 hours of a disaster being declared. Subscription DR services involve certain risks, such as hot site availability in the event of a widespread disaster and the reliance on transporting tapes and staff.

14. What does electronic vaulting offer customers?

Electronic vaulting utilizes remote disk storage and data replication over high bandwidth (DS-3 and higher) lines to enhance continuity of operations through the electronic replication of data, thus providing self-sufficiency, improved recovery time objectives (RTO), shortened outages, improved recovery point objectives (RPO), and lessening the amount of data lost. There are three levels of recovery service:

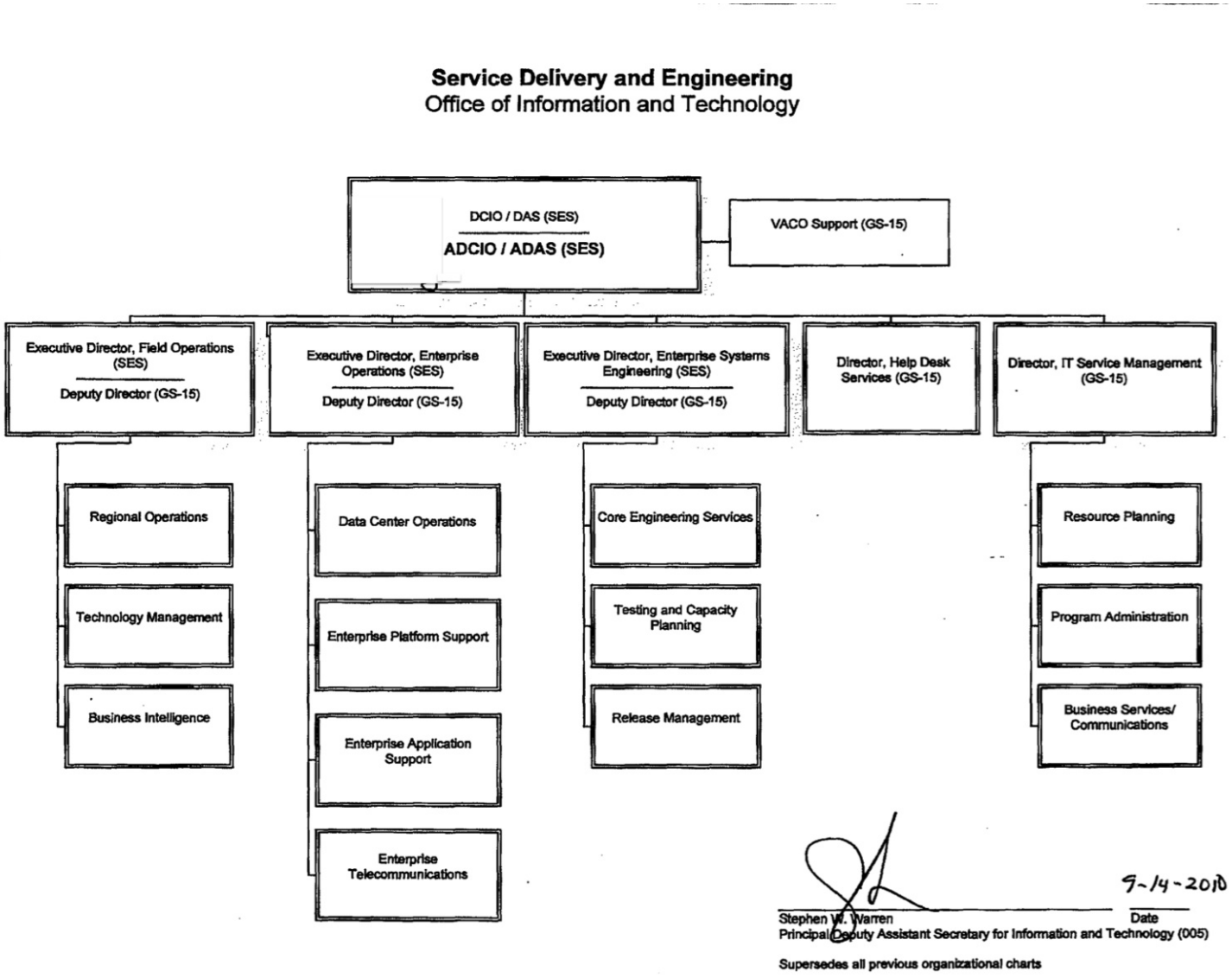
Mission Critical	RTO ≤ 12 hours RPO ≤ 2 hours
Essential	RTO ≤ 72 hours RPO ≤ 24 hours
Routine	RTO ≤ 30 days RPO ≤ 24 hours

15. How does a customer determine into which continuity of operations service category their application(s) should fall?

Business continuity and recovery of an application is based on the impact of the loss of that service or the data it contains to a customer's mission operations. The question of continuity of operation affects both the availability of the system during normal operations as well as the recovery of the system in the event of a catastrophic disaster impacting CDCO data centers. Recovery in normal operations is usually measured in percent of scheduled time available, while in a disaster situation it is measured as the time from event to recovery of operations. However, both are focused on getting the customer's operations restored to a condition of normalcy. CDCO's project managers will be conducting COOP interviews with customers to assist in developing a COOP strategy for specific business applications.

16. What happens when a system monitoring device detects a problem?

When any monitored system, enterprise-wide, encounters any discrepancy or failure, auto notifications are sent to administrators from Unicenter NSM, letting them know of the issue encountered. Notifications can be sent to e-mail, pager, and/or mobile text message. NSM is interfaced directly with Unicenter Service Desk and is capable of auto-logging service requests when issues arise as well. Logging service requests sends a notification to an assigned technician telling them that an issue has arisen. All systems are monitored 24x7. CDCO monitors open system hardware and network connectivity via Unicenter NSM; monitors CA Worldview for status of critical applications; and uses call center PBX with ACD, voice mail, and the next available agent to facilitate customer service.


Service Delivery and Engineering
Office of Information and Technology
DCIO / DAS (SES)
ADCIO / ADAS (SES)
VACO Support (GS-15)
Executive Director, Field Operations (SES)
Deputy Director (GS-15)
Executive Director, Enterprise Operations (SES)
Deputy Director (GS-15)
Executive Director, Enterprise Systems Engineering (SES)
Deputy Director (GS-15)
Director, Help Desk Services (GS-15)
Director, IT Service Management (GS-15)
Regional Operations
Technology Management
Business Intelligence
Data Center Operations
Enterprise Platform Support
Enterprise Application Support
Enterprise Telecommunications
Core Engineering Services
Testing and Capacity Planning
Release Management
Resource Planning
Program Administration
Business Services/ Communications
9-14-2010
Date
Stephen W. Warren
Principal Deputy Assistant Secretary for Information and Technology (005)
Supersedes all previous organizational charts

Professional Employee Certification Programs. CDCO Employees have achieved the following professional certifications based upon their job responsibilities.

- **Professional Security Certifications**
  - Cyber Security Professional
  - Certification & Accreditation Professional
  - Certified Information System Security Professional
  - Certified Information Systems Auditor
  - Certified Information Security Manager
  - INFOSEC Assurance Methodology
  - Certified Wireless Network Administrator
  - Certified Internet Web Security Analyst
  - CompTIA Security+
  - Global Information Assurance Certifications
    - GIAC Security Essentials
    - GIAC Incident Handler
    - GIAC Intrusion Analyst
    - GIAC Windows Security Administrator
- **Business Continuity Certification**
- **Project Manager Professional (PMP) Certifications**
- **Computer Professional Certifications**
  - Oracle Certified Professional
  - Oracle Database Administrator Certified Professional
  - Microsoft Certified Professional
  - Microsoft Certified Systems Engineer
  - Microsoft Certified Systems Administrator
  - Cisco Certified Networking Associate
  - Cisco Certified Networking Professional
  - Citrix Certified Administrator
  - VMWare Certified Professional
  - Sun Certified Systems Administrator
  - Sun Certified Network Administrator
  - Red Hat Certified Technician
  - IBM AIX Certification
  - Sun Cluster Certification
  - Veritas Cluster Certification
  - Process Management Certification
- **ITIL Certifications**
  - Configuration Management
  - Change Management
  - Release Management
  - Operational Support and Analysis Practitioner Certification
- **International Association of IT Asset Managers**
  - IT Asset Management Certification
  - Certified Software Asset Manager
  - Certified Hardware Asset Manager

ID	*CUSTOMER*
B00	VETERANS BENEFITS ADMINISTRATION
B01	DEBT MANAGEMENT CENTER
C00	NATIONAL CEMETERY ADMINISTRATION
D00	OFFICE OF THE SECRETARY
G00	OFFICE OF THE INSPECTOR GENERAL
H00	VETERANS HEALTH ADMINISTRATION
H01	FRANCHISE FUND PROGRAM SUPPORT OFFICE
H04	EMPLOYEE EDUCATION SYSTEM
H05	FINANCIAL ASSISTANCE OFFICE
H06	VHA CHIEF BUSINESS OFFICE
H08	HEALTH ELIGIBILITY CENTER
H09	HEALTH DATA REPOSITORY
H10	VHA HEALTH ENTERPRISE STRATEGY OFFICE
H12	VSSC PROGRAM OFFICE
H13	OFFICE OF ENTERPRISE DEVELOPMENT
H14	OFFICE OF CLINICAL CONSULTATION AND COMPLIANCE
I00	OFFICE OF INFORMATION & TECHNOLOGY
I01	VA RECORDS CENTER & VAULT
I02	NATIONAL SERVICE DESK
K00	OFFICE OF POLICY AND PLANNING
K02	LAW ENFORCEMENT TRAINING CENTER
K03	LAW ENFORCEMENT TRAINING CENTER VAP Web Enhancement
L00	OFFICE OF GENERAL COUNSEL
Q01	FINANCIAL SERVICES CENTER
Q02	BUDGET SERVICE
Q03	OFFICE OF THE ASSISTANT SECRETARY FOR MGT
Q04	OFFICE OF FINANCIAL SERVICES - FISCAL APPLICATIONS
Q05	MANAGEMENT QUALITY ASSURANCE SERVICE
Q06	SYSTEMS QUALITY ASSURANCE SERVICE
Q07	INTERNAL CONTROLS SERVICE
R00	OFFICE OF THE ASSISTANT SECRETARY - OHRA
S00	OFFICE OF ACQUISITION AND MATERIEL MANAGEMENT
T01	FRANCHISE AND TRUST FUND OVERSIGHT OFFICE (FTO) - ENTERPRISE FUND SECTION (EFS)
T03	ADAS FOR FINANCIAL OPERATIONS
T04	ADAS FOR FINANCIAL POLICY
T09	OFFICE OF FINANCIAL SERVICES - PAID
T10	FINANCIAL AND LOGISTIC INTEGRATED TECHNOLOGY ENTERPRISE (FLITE) PROGRAM OFFICE
X02	GENERAL SERVICES ADMINISTRATION
X04	DEPARTMENT OF JUSTICE
X11	NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
X23	GSA - PUBLIC BUILDING SERVICES, GREATER SW REGION
X27	GENERAL ACCOUNTING OFFICE
X48	ENVIRONMENTAL PROTECTION AGENCY