



Virginia Information Technologies Agency

Comprehensive Infrastructure Services Agreement

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IT Advisory Council
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CIA Administration

- Publicly available electronic copy:
<http://www.vita.virginia.gov/itpartnership/default.aspx?id=451>
- Commonwealth's Relationship Manager
 - Mr. Sam Nixon, CIO of the Commonwealth
- Commonwealth's Commercial and Contract Manager
 - Ms. Francine Barnes, VITA Supply Chain Management



Commonwealth's Objectives (sect 1)

- (i) Integrate and manage the IT infrastructure of executive branch agencies;
- (ii) Implement a secure Intranet encompassing in-scope agencies;
- (iii) Establish a state-of-the-art data center and back-up facility;
- (iv) Consolidate agency servers in their most cost-effective locations;
- (v) Implement a desktop management program for all in-scope agencies;
- (vi) Establish a unified statewide electronic mail services;
- (vii) Provide a statewide customer care center;
- (viii) Employ innovative procurements, supplier partnerships, and financing arrangements to fund, expedite, and ensure the performance of future initiatives;
- (ix) Introduce innovative technology solutions supporting redefined, improved agency mission-critical citizen service programs;
- (x) Improve major IT project success rates to best-in-class levels; and
- (xi) Achieve significant annual return on investments.



Term and Termination (sect 14)

- Term
 - 13 years from Service Commencement (SCD) or July 1, 2019 [amendment 60]
 - Or Termination Date
- Termination
 - By Commonwealth
 - Convenience
 - Vendor Default
 - Incurred Liability
 - Lack of Funds
 - Force Majeure, Change in Control, Failure to Implement Improvements
 - By Northrop Grumman
 - \$100MM in unpaid, undisputed amounts; 60 day cure



Term and Termination (cont)

- Exit and Resolution Fees pursuant to Termination
 - No Exit or Resolution Fees for Default, Lack of Funds, Incurred Liability
 - Resolution Fees for Change in Control
 - Exit and Resolution Fees for Force Majeure, Failure to Implement Improvements, Convenience



Exit and Resolution Fees (sect 10)

- Exit Fees
 - Lesser of calculated or specified (schedule)
 - Severance and outplacement, 3rd party contract termination, legal, travel, miscellaneous
 - NTE amounts
- Resolution Fees
 - Unpaid Transition, Infrastructure lease (60 mo), and facilities occupancy costs
 - Infrastructure early buy-out (transfer title)



Disentanglement (sect 15)

- In connection with any expiration or termination of the Agreement, or with termination of Vendor's performance of the Services, or any portion thereof (e.g., a Tower or subcomponent), then being provided hereunder, Vendor shall take all necessary and appropriate actions to accomplish a complete, timely, and seamless transition from Vendor to the Commonwealth, or to any third-party service-providers designated by the Commonwealth, of the Services being terminated or expiring, without material interruption or material adverse impact on the Services, the Service Levels, or any other services provided to the Commonwealth by third parties (all such actions, collectively, a "Disentanglement").



Disentanglement (cont)

- Up to 24 months – provision for extension up to 180 days
- Begins on
 - Termination Date specified in notice
 - 9 months prior to expiration of Term – currently Oct 1, 2018
- Develop a Disentanglement Transition Plan
- Preparations
 - Up-to-date documentation
 - Maintenance of assets
 - Advance consents
 - Preparation for successor



Disentanglement (cont)

- Specific obligations
 - Extension – 180 days
 - Cooperation and information
 - License to proprietary technology
 - Data and documentation
 - No interruptions or adverse impact
 - Transfer of assets
 - End of term - conveyance
 - Upon termination – commonwealth may select; direct and indirect cost plus administrative burdens defined in Section 10
 - Transfer of leases, licenses and contracts
 - Hiring of employees



Disentanglement Fees (sect 10)

- Upon termination where Resolution Fees do not apply
 - Infrastructure Lease Fees – 60 month lease or early buyout specified in schedule
 - Facility Occupancy Fees – sublease from NG up to it's 15 year lease – specified fees plus utilities and operating expenses
- Other disentanglement fees



Wrap up

- Only reviewed Term and Termination, Disentanglement and related financial terms
- Electronic copy posted - <http://www.vita.virginia.gov/itpartnership/default.aspx?id=451>
- Administered by VITA Supply Chain Management