



*Report on the Comprehensive Infrastructure Agreement  
to the Virginia Information Technologies Agency – April 2015*

## CIA CONTRACT REVIEW



The Virginia Information Technologies Agency (VITA) provides IT infrastructure services to executive-branch agencies throughout the Commonwealth of Virginia, primarily through a contract with Northrop Grumman. In anticipation of contract expiration in 2019, and with recognition of the complexity of change in such a large shared services environment, VITA is currently evaluating sourcing strategies to better align with current best practices and future customer requirements. Toward that end, VITA has commissioned Integris Applied, an IT sourcing advisory firm with focus on the public sector and next-generation sourcing models, to assess the current environment and develop a long-term strategy.

This report is provided by Integris Applied to the Virginia Information Technologies Agency (VITA), its customers, and the Commonwealth of Virginia at large. It is focused on the terms and conditions within the Comprehensive Infrastructure Agreement (CIA), and how those provisions and VITA's working relationship with Northrop Grumman may provide options for the Commonwealth as it considers short- and long-term strategy. Future reports will complement these findings to provide a full assessment of the current situation and specific executable recommendations.



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## 1. Executive Summary

As the Commonwealth of Virginia (COVA) contemplates its next steps for technology and sourcing, it must understand the options within its existing contract and how those options might support or constrain a strategy. Any contract embodies the parties' intent at the time of drafting – a method to document responsibilities to meet each party's goals. A good contract will contemplate changes, protect the interests of both parties, and distribute risk equitably. However any contract is most effective with a strong consumer/supplier relationship that supports changes to the contract as the parties' goals evolve.

This paper provides insight into relevant aspects of the Comprehensive Infrastructure Agreement's (CIA) provisions. It is neither an assessment of contract governance nor a description of specific strategies. It is intended to serve as a foundation for future contract discussions and will create a baseline of understanding across all COVA stakeholders.

The CIA reflects an embodiment of particular priorities of the Commonwealth at the time of contract signing. It protects a significantly large service provider investment while allocating risk to the client as seen in contracts of similar size and scope. While the CIA contains many elements of market standard contracts, it is not optimal on various bases, including the following:

- Lack of alignment with current market standards, applicable statute, and customer requirements
- High exit and resolution fees
- Statements of work and service responsibility incomplete, pushing risk back to COVA
- Quality provisions lacking and inconsistently documented
- High proportion of fixed costs; financial disincentives to accomplish goals
- Governance processes incomplete

This report is the product of Integris Applied's continuing review of the CIA contract documents, with an understanding of current best practices and with a focus on COVA flexibility. This report will support later deliverables, which will take into account current COVA and agency needs to identify a roadmap for change – either leveraging contract provisions or working with the service provider in mutual best interest to evolve the contract.

## 2. The Framework of Typical IT Services Agreements

### 2.1 Core Categories

IT services agreements are often large and unwieldy, containing numerous documents and thousands of pages. The CIA is no exception: there are nearly a hundred documents, many of which have changed over their life via amendments. Despite this complexity, any services agreement can be described in simple parts.

All service contracts, regardless of purpose, should contain three core components:

1. Services to be provided;
2. Quality level to be met, and
3. Fees to be charged and paid.

These core components are typically anchored in certain legal provisions to mitigate and share risk for the parties, such as liability caps, validation requirements, indemnification provisions, and the like. However, long-term IT services contracts are more complicated than most service agreements. They

must add at least one additional component: because the marketplace and customer requirements evolve, the relationship must evolve with it. Therefore the agreement must describe how the relationship and contract will be governed and will allow for change over time.

Finally, because many IT services contracts may be established in reflection of a significant sourcing model change (e.g., moving from fully insourced to fully outsourced), personnel transfer between providers may be covered in human resources documents.

The categories seen in standard IT services contracts are depicted below, and form the basis for our analysis. These categories are interlocked and dependent upon one another.

At the center of these categories is a critical consideration in any complex services agreement – shared risk. A sustainable arrangement requires that the customer is adequately protected and assured of receiving the needed services and operational support, as the customer’s and its end users’ needs evolve, and that the vendor obtain appropriate benefit. When one party bears a disproportionate share of risk compared to the other, the vendor/customer will almost inevitably deteriorate.



## 2.2 Subcomponents

Each of the above encircling categories is an important component in building a written agreement for a long-term service arrangement. The table below describes these categories in further detail.

Category	Sub-Components
<b>Legal</b> <i>Risk mitigation, control of destiny</i>	Each party seeks to control its destiny and have some limits on risk, but the relative potential impacts on the parties’ destiny differs markedly for each. The legal provisions in any agreement (typically mostly embodied in a master services agreement) are intended to provide such a foundation for the rest of the contract. A review of these provisions should confirm clarity of contract term, termination rights, ability to re-source services, rights to assets and IP, audit, indemnification, insurance, and exceptions to performance.
<b>Governance and Change</b>	A long-term IT services relationship must anticipate change. Additionally, customers must be able to validate their supplier’s performance. A contract



<i>Relationship management and evolution</i>	should indicate how operational processes will be developed, which party is responsible for creating or approving them, what forums for communication and change exist, and how disputes are resolved. Vendors must work within the customer’s environment, including other external providers
<b>Service and Scope</b> <i>Well-defined scope and delivery obligations</i>	The primary purpose of the agreement is to deliver some set of services. Statements of work (SOWs) are, consequently, usually given significantly more attention than many other components of the contract, as the SOW typically provides the primary description of the services. A good SOW must contain clear description of requirements for vendor delivery, pointers to policy compliance, and pragmatic solution documents and transition plans.
<b>Quality Management</b> <i>Ensuring expectations are met</i>	Customers must have a method to determine whether the services have been delivered have met the quality standards. Therefore, they must receive reports, have consequences for missed performance (ideally focused on corrective action before crediting), and an ability to change and improve services metrics.
<b>Finance and Pricing</b> <i>Cost clarity and control</i>	Fees for services should be predictable, manageable, fair, flexible, and drive the right behavior.
<b>Human Resources</b> <i>Maintaining personnel commitments beyond transition</i>	When transitioned to a new provider, personnel providing the services must be treated with respect and communication must be open. Customer must also have visibility and appropriate protections and input with respect to dedicated and key service provider personnel.

### 3. Assessment of the CIA within the Framework

All IT services contracts are different, and they each reflect the particular needs of the specific business challenge facing the parties. The categories used for this assessment are defined in Section 2 above. The criteria used to assess the categories are drawn from best practices typically seen in agreements of this size and scope.

A contract assessment cannot fully account for the strength or weakness of the relationship between parties. It also cannot account for different interpretations or even levels of understanding of contract clauses, intent, etc. Additionally, as noted earlier, the relationship between the parties has a major impact on how effective a contract is in appropriately managing the services provided to the client.

Category	Assessment Overview
<b>Legal</b> <i>Risk mitigation, control of destiny</i>	<ul style="list-style-type: none"> <li>• Termination options mostly align with the market;</li> <li>• Lacking some specific options for service level failures;</li> <li>• Exit strategies challenged by:                             <ul style="list-style-type: none"> <li>○ Lack of underlying asset value or calculation clarity; and</li> <li>○ High costs (where those costs are articulated)</li> </ul> </li> </ul>



	<ul style="list-style-type: none"> <li>• Audit requirements allow validation of operation and financials, but may not reflect current regulatory and security requirements.</li> <li>• Lengthy contract term is not typical, but reflects vendor initial investments.</li> </ul>
<p><b>Governance and Change</b> <i>Relationship management and evolution</i></p>	<ul style="list-style-type: none"> <li>• Relationship between governance forums unclear.</li> <li>• Required processes and forums light; do not reflect current market standards (e.g., additional oversight functions, delivery framework such as ITIL, etc.)</li> </ul>
<p><b>Service and Scope</b> <i>Well-defined scope and delivery obligations</i></p>	<ul style="list-style-type: none"> <li>• Statements of Work (SOWs) include both vendor and COVA responsibilities, pushing risk back to COVA;</li> <li>• Solution documents exist for most SOWs, providing additional clarity for service provider responsibilities;</li> <li>• Many SOWs reference documents that should have been developed during the Interim Phase, but were not completed – resulting in scope confusion and inconsistent document numbering.</li> </ul>
<p><b>Quality Management</b> <i>Ensuring expectations are met</i></p>	<ul style="list-style-type: none"> <li>• Service level metrics are not included in all SOWs;</li> <li>• Metrics inconsistently documented;</li> <li>• Blanket service level exclusions for legacy environments, increasing COVA risk;</li> <li>• Ability to add and change metrics is limited by time horizons and subject to contract amendment process, reducing COVA flexibility;</li> <li>• Reporting requirements and ability to change stated, but sample reports lists not complete.</li> <li>• Customer satisfaction requirements and metrics are poorly defined.</li> </ul>
<p><b>Finance and Pricing</b> <i>Cost clarity and control</i></p>	<ul style="list-style-type: none"> <li>• Financial structure creating disincentives for service innovation;</li> <li>• Financial responsibilities of each party not clearly articulated;</li> <li>• Differences between fixed and variable cost not appropriately addressed;</li> <li>• High proportions of fixed cost</li> </ul> <p>{For additional discussion see Pricing Analysis document}</p>
<p><b>Human Resources</b> <i>Maintaining personnel commitments beyond transition</i></p>	<ul style="list-style-type: none"> <li>• Focus on employee transition requirements comprehensive</li> </ul>



## 4. Fees

A unique feature of the CIA, compared with other contracts of similar size and scope, is the fee structure used for typical events defined in IT services agreement such as termination, disentanglement, and exit. Fees are standard and are necessary to share risk between provider and consumer. The CIA contract contains higher fees than what the market typically bears. While there is no standard fee amount in the marketplace, the significance of the CIA fees is notable.

The chart below depicts two exit scenarios under the terms of the CIA. The costs only represent exit fees required to either change to another supplier or to cancel for convenience. They do not depict the costs of onboarding a new supplier or the costs of any new services arrangements. While other scenarios exist we have chosen two to demonstrate some range of expense that must be considered if the contract were substantially altered prior to expirations.

	<b>Scenario 1:</b> Change in Control in year 12; Continue Lease	<b>Scenario 2:</b> Cancel for Convenience in year 12; Buyout Assets
Resolution Fees	\$42,354,873	\$87,059,135
Exit Fees	\$0	\$4,305,902
<b>Total Termination Fees</b>	<b>\$42,354,873</b>	<b>\$91,365,037</b>

Also notable is the Minimum Revenue Commitment (MRC). While most IT services agreement contracts contain an MRC, the 85% requirement in the CIA is greater than what the market typically bears. The effect of high fees and an 85% MRC is a shift of risk from the supplier to COVA. This shift is, in part, the price paid for supplier investment of capital.

## 5. Conclusion

The CIA was agreed upon at a time when COVA had specific business needs in mind. It represents the interests of the parties at a point in time, and has since been amended to address some evolving requirements for both parties. As COVA considers a second generation sourcing strategy the terms of the CIA, as well as any potential future contract structure must be considered. While any future agreements, including changes to the CIA, will need to be negotiated it is important for COVA stakeholders to understand the current contract structure and the issues that will likely become negotiating items. As written today, the CIA shifts significant risk to COVA and reduces flexibility to make changes in a manner that would benefit the Commonwealth.

## 6. Appendices

### 6.1 Doc List – Organized by Number

As part of our review, we categorized the contract documents in the categories indicated in Section 2.0 above. In the table below, the contract is organized in sequence of document number, but each document is marked with a category and applicably color-coded. Section 4.2 below is the same table, sequenced by category then by document number.

Category	File Name	Description
Legal	Interim Comprehensive Infrastructure Agreement.Mod 60 (Revised)	Master Services Agreement
Service and Scope	Schedule 1.5 (Interim Phase Workplan).Mod 60	Transition
Finance and Pricing	Schedule 2.2 (Contracts).Mod 60	Contract list
Legal	Exhibit 2.2.1 (AssignmentAssumption).Mod 60	Form of Assignment and Assumption Agreements
Finance and Pricing	Schedule 2.4 (Shared Resources).Mod 60	Resources shared between parties
Service and Scope	Schedule 3.2 (Transition Plan).Mod 60	Transition Plan Umbrella
Service and Scope	Appendix 1 to Schedule 3.2 (Transition Plan).Mod 60	Transition Plan doc
Service and Scope	Appendix 2 to Schedule 3.2 (GANTT Chart).Mod 60	Transition Plan GANTT
Service and Scope	Attachment 2 to Sched 3.2 (GANTT).NG.Final	GANTTs in a .zip file
Service and Scope	Schedule 3.3 (Statements of Work).Mod 60	SOW Umbrella
Service and Scope	Appendix 1 to Schedule 3.3 (Cross Functional Services SOW).Mod 101 (Revised)	CF SOW
Service and Scope	Addendum 1 to Cross Funct SOW (Tech Approach).Mod 101	CF Solution
Service and Scope	Addendum 2 to Cross Funct SOW (Disaster Recovery).Mod 101 (Revised)	DR Solution
Service and Scope	Addendum 3 to Cross Funct SOW (DSS Shared Svcs).Mod 104 (Revised)	DSS Solution
Service and Scope	Appendix 2 to Schedule 3.3 (Internal applications SOW).Mod 60 (Revised)	Apps SOW
Service and Scope	Addendum 4 to Internal Apps SOW (Tech Approach).Mod 60	Apps Solution
Quality Management	Addendum 5 to Internal Apps SOW (Sample Reports).Mod 60	Apps Reports
Service and Scope	Appendix 3 to Schedule 3.3 (Security Services SOW).Mod 103 (Revised)	Security SOW
Service and Scope	Addendum 4 to Security SOW (Tech Approach).Mod 60	Security Solution
Service and Scope	Addendum 6 to Security Svcs SOW (VPN Services).Mod 109 (Revised)	VPN SOW
Service and Scope	Appendix 4 to Schedule 3.3 (Helpdesk SOW).Mod 60 (Revised)	Helpdesk SOW
Service and Scope	Addendum 5 to Help Desk SOW (Tech Approach).Mod 60	Helpdesk Solution
Quality Management	Addendum 6 to Help Desk SOW (Sample Reports).Mod 60	Helpdesk Reports
Service and Scope	Appendix 5 to Schedule 3.3 (Desktop SOW).Mod 60 (Revised)	Desktop SOW
Service and Scope	Addendum 5 to Desktop SOW (Tech Approach).Mod 60 (Revised)	Desktop Solution
Quality Management	Addendum 6 to Desktop SOW (Sample Reports).Mod 60	Desktop Reports
Service and Scope	Addendum 7 to Desktop SOW (HDEW).Mod 104 (Revised)	Hard Drive Encryption solution
Service and Scope	Addendum 8 to Desktop SOW (Copier Svcs).Mod 60 (Revised)	Copier Solution

Category	File Name	Description
Legal	Interim Comprehensive Infrastructure Agreement.Mod 60 (Revised)	Master Services Agreement
Service and Scope	Schedule 1.5 (Interim Phase Workplan).Mod 60	Transition
Service and Scope	Addendum 9 to Desktop SOW (COVA Components).Mod 73	List of items pushed to VITA procurement
Service and Scope	Appendix 6 to Schedule 3.3 (Messaging SOW).Mod 107 (Revised)	Messaging SOW
Service and Scope	Addendum 5 to Messaging SOW (Tech Approach).Mod 60	Messaging Solution
Service and Scope	Addendum 6 to Messaging SOW (Hosted Mail Archiving Service) Mod 71	Hosted Mail Archiving Solution
Service and Scope	Addendum 7 to Messaging SOW (Enterprise Handheld Service) Mod 84	Enterprise Handheld Solution
Service and Scope	Addendum 8 to Messaging SOW (Enterprise SharePoint Service) Mod 107	SharePoint Solution
Service and Scope	Appendix 7 to Sched 3.3 (Mainframe and Server SOW).Mod 99 (Revised)	Mainframe and Server SOW
Service and Scope	Addendum 6 to Mainframe Server SOW (Tech Approach).Mod 75	Mainframe and Server Solution
Quality Management	Addendum 7 to Mainframe Server SOW (Sample Reports).Mod 60	Mainframe and Server Reports
Service and Scope	Appendix 8 to Schedule 3.3 (Data Network Svcs SOW) Mod 92 (Revised)	Network SOW
Service and Scope	Addendum 7 to Data Network SOW (Tech Approach).Mod 60	Data Network Solution
Quality Management	Addendum 8 to Data Network SOW (Sample Reports).Mod 60	Data Network Reports
Service and Scope	Addendum 9 to Data Network SOW (Managed Network Svcs).Mod 60 (Revised)	Managed Network Solution
Service and Scope	Addendum 10 to Data Network SOW (Internet Access Site List).Mod 60 (Revised)	List of eligible sites
Service and Scope	Addendum 12 to Data Network SOW (Secure Wireless Services).Mod 60 (Revised)	Secure Wireless Solution
Service and Scope	Addendum 13 to Appendix 8 (Enterprise Remote Connection Service Tech Approach) Mod 74	Enterprise Remote Connect Solution
Service and Scope	Appendix 9 to Schedule 3.3 (Voice and Video SOW).Mod 60 (Revised)	Voice and Video SOW
Service and Scope	Addendum 6 to Voice and Video SOW (Tech Approach).Mod 60 (Revised)	Voice and Video Solution
Service and Scope	Addendum 7 to Voice Video SOW (Tech Approach).Mod 60	Audio and Data Conferencing Solution
Service and Scope	Appendix 10 to Schedule 3.3 (Comm and Org Change Mgmt).Mod 60	Change Mgmt (Transition) Plan
Legal	Appendix 11 to Schedule 3.3 (SOW Definitions).Mod 60 (Revised)	Glossary of terms in SOW
Service and Scope	Appendix 12 to Schedule 3.3 (Legacy Operations Framework).Mod 60 (Revised)	Addresses plan for apps not to be transformed by 6/30/2010
Service and Scope	Appendix 13 to Schedule 3.3 (Other Services SOW).Mod 105(Revised)	SOW for misc services - perhaps added during term
Service and Scope	Addendum 1 to Other Services SOW (Tech Approach).Mod 105	Solution for misc services - perhaps added during term
Governance and Change	Schedule 3.8 (Procedures Manual).Mod 60	PPM Outline
Service and Scope	Schedule 3.9 (DR Plan Guidelines).Mod 60	DR plan requirements, overview

Category	File Name	Description
Finance and Pricing	Schedule 3.11 Tech Refresh Plan.Mod 60	Initial refresh goals
Quality Management	Schedule 3.12 (SLA Methodology) Mod 60	SLA Methodology
Finance and Pricing	Schedule 3.21 (Economic Development).Mod 60	Economic development goals
Legal	Schedule 4A (Lease Prohibitions).Mod 60	Ts and Cs related to leases
Service and Scope	Schedule 4 (Data Center Facilities).Mod 60	Data center requirements
Service and Scope	Addendum 1 to Sched 4 (Facilities).Mod 60	Description of facilities
Governance and Change	Schedule 6.3 (Relationship Mgmt).Mod 60	Governance requirements
Service and Scope	Schedule 6.6 (Critical Milestones).Mod 60	Critical Transition / Transformation Milestones
HR	Schedule 8.1 (HR Requirements).Mod 60 (Revised)	HR Requirements
HR	Appendix 2 to Sched 8.1 (Summary of Benefits).Mod 60	List of employee benefits
HR	Appendix 3 to Sched 8.1 (Transition).Mod 60	HR transition plan
HR	Appendix 4 to Sched 8.1 (Sample Offer Letter).Mod 60	Sample offer letter for applicable employees
HR	Schedule 8.2 (Key Personnel).Mod 60	Key Personnel List (titles only)
Finance and Pricing	Schedule 10.1 (Fees) Mod 109 (Revised)	Pricing Ts and Cs
Finance and Pricing	Attachments 10.1.1 - 10.1.17 (Fee Schedule Tables) Mod 108 (Revised)	Pricing and Volumes
Finance and Pricing	Attachment 10.1.13 (Pricing Assumptions) Mod 74 (Revised)	Pricing Assumptions
Finance and Pricing	Attachment 10.1.14 (Relocation and Upgrade Matrix) Mod 74 (Revised)	Financial responsibility and timing for IMACs
Finance and Pricing	Exhibit 10.3 (Form of Invoice).Mod 60	Form of Invoice
Finance and Pricing	Schedule 10.8 (Benchmarking Firms).Mod 106	List of approved benchmarkers
Service and Scope	Schedule 13 (CoVA Policies).Mod 60	Links to various CoVA policies, standards, guidelines
Quality Management	Schedule 17.1 (Reports).Mod 60	Reporting umbrella doc
Quality Management	Attachment 1 to Schedule 17.1 (Weekly SWAM Report).Mod 60	Format for weekly SWAM report
Quality Management	Attachment 2 to Schedule 17.1 (Reports).Mod 60	Initial report list
Legal	Schedule 20.1.1 (CJIS Security Addendum)	CJIS-specific provisions
Legal	Schedule 20.1.2 (FTI)	FTI-specific provisions
Legal	Schedule 24 (Enhanced Dispute Resolution Procedures).Mod 60 (Revised)	Dispute Resolution Procedures
Legal	Schedule 25.4 (Approved Subcontractors).Mod 60	Approved subcontractor list
Finance and Pricing	Schedule 28.14 (CoV IT Base Case).Mod 60	Financial base case
Finance and Pricing	Schedule 28.17 (CoVA SW).Mod 91	List of COVA software
Service and Scope	Schedule 28.29 (Current Projects).Mod 60	Current project list
Legal	Schedule 28.68 (Initial Eligible Customers and Locations).Mod 60	Eligible agency customer list
Finance and Pricing	Schedule 28.118 (3d-Party SW).Mod 60	Known third party software
Legal	Schedule 28.124 (Vendor Competitors).Mod 60	List of Vendor Competitors
Finance and Pricing	Schedule 28.126 (Vendor SW).Mod 60	List of Vendor Software (one item)



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Legal	Schedule 4A (Lease Prohibitions).Mod 60	Ts and Cs related to leases
Legal	Schedule 20.1.1 (CJIS Security Addendum)	CJIS-specific provisions
Legal	Schedule 20.1.2 (FTI)	FTI-specific provisions
Legal	Schedule 24 (Enhanced Dispute Resolution Procedures).Mod 60 (Revised)	Dispute Resolution Procedures
Legal	Schedule 25.4 (Approved Subcontractors).Mod 60	Approved subcontractor list
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Governance and Change	Schedule 3.8 (Procedures Manual).Mod 60	PPM Outline
Governance and Change	Schedule 6.3 (Relationship Mgmt).Mod 60	Governance requirements

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Service and Scope	Schedule 3.2 (Transition Plan).Mod 60	Transition Plan Umbrella
Service and Scope	Appendix 1 to Schedule 3.2 (Transition Plan).Mod 60	Transition Plan doc
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Service and Scope	Addendum 1 to Cross Funct SOW (Tech Approach).Mod 101	CF Solution
Service and Scope	Addendum 2 to Cross Funct SOW (Disaster Recovery).Mod 101 (Revised)	DR Solution
Service and Scope	Addendum 3 to Cross Funct SOW (DSS Shared Svcs).Mod 104 (Revised)	DSS Solution
Service and Scope	Appendix 2 to Schedule 3.3 (Internal applications SOW).Mod 60 (Revised)	Apps SOW
Service and Scope	Addendum 4 to Internal Apps SOW (Tech Approach).Mod 60	Apps Solution
Service and Scope	Appendix 3 to Schedule 3.3 (Security Services SOW).Mod 103 (Revised)	Security SOW
Service and Scope	Addendum 4 to Security SOW (Tech Approach).Mod 60	Security Solution
Service and Scope	Addendum 6 to Security Svcs SOW (VPN Services).Mod 109 (Revised)	VPN SOW
Service and Scope	Appendix 4 to Schedule 3.3 (Helpdesk SOW).Mod 60 (Revised)	Helpdesk SOW
Service and Scope	Addendum 5 to Help Desk SOW (Tech Approach).Mod 60	Helpdesk Solution
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Service and Scope	Addendum 6 to Mainframe Server SOW (Tech Approach).Mod 75	Mainframe and Server Solution
Service and Scope	Appendix 8 to Schedule 3.3 (Data Network Svcs SOW) Mod 92 (Revised)	Network SOW
Service and Scope	Addendum 7 to Data Network SOW (Tech Approach).Mod 60	Data Network Solution
Service and Scope	Addendum 9 to Data Network SOW (Managed Network Svcs).Mod 60 (Revised)	Managed Network Solution
Service and Scope	Addendum 10 to Data Network SOW (Internet Access Site List).Mod 60 (Revised)	List of eligible sites
Service and Scope	Addendum 12 to Data Network SOW (Secure Wireless Services).Mod 60 (Revised)	Secure Wireless Solution
Service and Scope	Addendum 13 to Appendix 8 (Enterprise Remote Connection Service Tech Approach) Mod 74	Enterprise Remote Connect Solution
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Service and Scope	Addendum 6 to Voice and Video SOW (Tech Approach).Mod 60 (Revised)	Voice and Video Solution
Service and Scope	Addendum 7 to Voice Video SOW (Tech Approach).Mod 60	Audio and Data Conferencing Solution
Service and Scope	Appendix 10 to Schedule 3.3 (Comm and Org Change Mgmt).Mod 60	Change Mgmt (Transition) Plan
Service and Scope	Appendix 12 to Schedule 3.3 (Legacy Operations Framework).Mod 60 (Revised)	Addresses plan for apps not to be transformed by 6/30/2010
Service and Scope	Appendix 13 to Schedule 3.3 (Other Services SOW).Mod 105(Revised)	SOW for misc services - perhaps added during term
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Service and Scope	Schedule 4 (Data Center Facilities).Mod 60	Data center requirements
Service and Scope	Addendum 1 to Sched 4 (Facilities).Mod 60	Description of facilities
Service and Scope	Schedule 6.6 (Critical Milestones).Mod 60	Critical Transition / Transformation Milestones
Service and Scope	Schedule 13 (CoVA Policies).Mod 60	Links to various CoVA policies, standards, guidelines
Service and Scope	Schedule 28.29 (Current Projects).Mod 60	Current project list



Category	File Name	Description
Quality Management	Addendum 5 to Internal Apps SOW (Sample Reports).Mod 60	Apps Reports
Quality Management	Addendum 6 to Help Desk SOW (Sample Reports).Mod 60	Helpdesk Reports
Quality Management	Addendum 6 to Desktop SOW (Sample Reports).Mod 60	Desktop Reports
Quality Management	Addendum 7 to Mainframe Server SOW (Sample Reports).Mod 60	Mainframe and Server Reports
Quality Management	Addendum 8 to Data Network SOW (Sample Reports).Mod 60	Data Network Reports
Quality Management	Schedule 3.12 (SLA Methodology) Mod 60	SLA Methodology
Quality Management	Schedule 17.1 (Reports).Mod 60	Reporting umbrella doc
Quality Management	Attachment 1 to Schedule 17.1 (Weekly SWAM Report).Mod 60	Format for weekly SWAM report
Quality Management	Attachment 2 to Schedule 17.1 (Reports).Mod 60	Initial report list

Category	File Name	Description
Finance and Pricing	Schedule 2.2 (Contracts).Mod 60	Contract list
Finance and Pricing	Schedule 2.4 (Shared Resources).Mod 60	Resources shared between parties
Finance and Pricing	Schedule 3.11 Tech Refresh Plan.Mod 60	Initial refresh goals
Finance and Pricing	Schedule 3.21 (Economic Development).Mod 60	Economic development goals
Finance and Pricing	Schedule 10.1 (Fees) Mod 109 (Revised)	Pricing Ts and Cs
Finance and Pricing	Attachments 10.1.1 - 10.1.17 (Fee Schedule Tables) Mod 108 (Revised)	Pricing and Volumes
Finance and Pricing	Attachment 10.1.13 (Pricing Assumptions) Mod 74 (Revised)	Pricing Assumptions
Finance and Pricing	Attachment 10.1.14 (Relocation and Upgrade Matrix) Mod 74 (Revised)	Financial responsibility and timing for IMACs
Finance and Pricing	Exhibit 10.3 (Form of Invoice).Mod 60	Form of Invoice
Finance and Pricing	Schedule 10.8 (Benchmarking Firms).Mod 106	List of approved benchmarkers
Finance and Pricing	Schedule 28.14 (CoV IT Base Case).Mod 60	Financial base case
Finance and Pricing	Schedule 28.17 (CoVA SW).Mod 91	List of COVA software
Finance and Pricing	Schedule 28.118 (3d-Party SW).Mod 60	Known third party software
Finance and Pricing	Schedule 28.126 (Vendor SW).Mod 60	List of Vendor Software (one item)

Category	File Name	Description
HR	Schedule 8.1 (HR Requirements).Mod 60 (Revised)	HR Requirements
HR	Appendix 2 to Sched 8.1 (Summary of Benefits).Mod 60	List of employee benefits
HR	Appendix 3 to Sched 8.1 (Transition).Mod 60	HR transition plan
HR	Appendix 4 to Sched 8.1 (Sample Offer Letter).Mod 60	Sample offer letter for applicable employees
HR	Schedule 8.2 (Key Personnel).Mod 60	Key Personnel List (titles only)

### 6.3 Statements of Work (SOW) Overview

The statements of work in the CIA were originally organized with an “Appendix” for each tower. Each appendix was to have several addenda, describing the solution, hardware or software in scope, and sample reports. After the inception of the CIA, some of those addenda were not completed, and other appendices and addenda were created. The result is inconsistent content across towers and varying numbering conventions. The table below describes each Appendix (across the top) and its applicable addenda (along the left). The rows marked green at the bottom contain additional commentary regarding the SOWs.

	Cross-Functional (Appendix 1)	Internal Apps (Appendix 2)	Security Services (Appendix 3)	Helpdesk (Appendix 4)	Desktop (Appendix 5)	Messaging (Appendix 6)	Mainframe / Server (Appendix 7)	Data Network (Appendix 8)	Voice and Video (Appendix 9)	Comm and Org Change Mgmt (Appendix 10)	Legacy Operations Framework (Appendix 12)	Other Services (Appendix 13)
Addendum 1	Tech Approach											Tech Approach
Addendum 2	Disaster Recovery											
Addendum 3	DSS Shared Services											
Addendum 4		Tech Approach	Tech Approach	Tech Approach	Tech Approach							
Addendum 5		Sample Reports				Tech Approach						
Addendum 6			VPN Services (SOW)	Sample Reports	Sample Reports	Hosted Mail Archiving	Tech Approach		Tech Approach (Voice and Video)			
Addendum 7					HDEW	Enterprise Handheld Services	Sample Reports	Tech Approach	Tech Approach (Audio and Data)			
Addendum 8					Copier Services	Enterprise SharePoint		Sample Reports				
Addendum 9					COVA Components (procure resp.)			Managed Network Services				
Addendum 10								Internet Access Site List				
Addendum 11												
Addendum 12								Secure Wireless Services				
Addendum 13								Enterprise Remote Connection				
Contains SL Metrics	Yes - focused on asset tracking	No	Yes - patching, firewall traffic, IDS availability	Yes - typical help desk metrics	Yes - break fix, IMAC, software install	Yes - only messaging service availability	Yes - availability	Yes - availability, performance	Yes - jitter	No	No	No
Other Commentary		Addenda 1, 2, 3 should have been developed during Interim Phase	Addenda 1, 2, 3 should have been developed during Interim Phase	Addenda 1, 2, 3, 4 (facilities) should have been developed during Interim Phase	Addenda 1, 2, 3, 4 (facilities) should have been developed during Interim Phase. COVA Components doc (Add 9) is really a list of exclusions.	Addenda 1, 2, 3, 4 should have been developed during Interim Phase	Addenda 1, 2, 3, 4, 5 should have been developed during Interim Phase	Addenda 1, 2, 3, 4, 5, 6 should have been developed during Interim Phase	Addenda 1, 2, 3, 4, 5 should have been developed during Interim Phase	Really a statement of solution related to transition	Describes how to address legacy environments as of Mod 60	SOW requirements for misc services added; may have been more appropriate to add to other SOWs



### 6.4 Termination Scenario Analysis

#### Scenario 1

Termination Type? Termination Year? Buyout Assets or Continue Lease?		Change in Control 12 Continue Lease	
	% Applicable	Year 12	Year 13
<b>Resolution Fees</b>			
Account Management & Admin	100%	\$ 2,656,050	\$ -
Data Center (Mainframe/Server)	100%	\$ 8,004,108	\$ 3,588,494
Desktop	100%	\$ 5,788,765	\$ 4,688,392
Messaging	100%	\$ 1,332,001	\$ -
Data Network Management	100%	\$ 5,039,428	\$ 2,979,379
Voice Management	100%	\$ 1,412,632	\$ 56,488
Security Services	100%	\$ -	\$ -
Help Desk Services	100%	\$ 235,872	\$ -
Internal Applications / Chargeback Applications	100%	\$ -	\$ -
Facility Occupancy Costs	100%	\$ 3,286,632	\$ 3,286,632
<b>Total Resolution Fees</b>		<b>\$ 27,755,488</b>	<b>\$ 14,599,385</b>
<b>Exit Fees</b>			
Account Management & Admin	0%	\$ -	\$ -
Data Center (Mainframe/Server)	0%	\$ -	\$ -
Desktop	0%	\$ -	\$ -
Messaging	0%	\$ -	\$ -
Data Network Management	0%	\$ -	\$ -
Voice Management	0%	\$ -	\$ -
Security Services	0%	\$ -	\$ -
Help Desk Services	0%	\$ -	\$ -
Internal Applications / Chargeback Applications	0%	\$ -	\$ -
Facility Occupancy Costs	0%	\$ -	\$ -
<b>Total Exit Fees</b>		<b>\$ -</b>	<b>\$ -</b>
<b>Total Termination Fees</b>			
Account Management & Admin		\$ 2,656,050	\$ -
Data Center (Mainframe/Server)		\$ 8,004,108	\$ 3,588,494
Desktop		\$ 5,788,765	\$ 4,688,392
Messaging		\$ 1,332,001	\$ -
Data Network Management		\$ 5,039,428	\$ 2,979,379
Voice Management		\$ 1,412,632	\$ 56,488
Security Services		\$ -	\$ -
Help Desk Services		\$ 235,872	\$ -
Internal Applications / Chargeback Applications		\$ -	\$ -
Facility Occupancy Costs		\$ 3,286,632	\$ 3,286,632
<b>Total Termination Fees</b>		<b>\$ 27,755,488</b>	<b>\$ 14,599,385</b>
			<b>\$ 42,354,873</b>



Termination Type?	Convenience
Termination Year?	12
Buyout Assets or Continue Lease?	Buyout Assets

	% Applicable	Year 12	Year 13
<b>Resolution Fees</b>			
Account Management & Admin	100%	\$ 7,830,053	\$ -
Data Center (Mainframe/Server)	100%	\$ 26,245,331	\$ -
Desktop	100%	\$ 20,526,474	\$ -
Messaging	100%	\$ 3,926,748	\$ -
Data Network Management	100%	\$ 17,055,762	\$ -
Voice Management	100%	\$ 4,206,152	\$ -
Security Services	100%	\$ -	\$ -
Help Desk Services	100%	\$ 695,351	\$ -
Internal Applications / Chargeback Applications	100%	\$ -	\$ -
Facility Occupancy Costs	100%	\$ 3,286,632	\$ 3,286,632
<b>Total Resolution Fees</b>		<b>\$ 83,772,503</b>	<b>\$ 3,286,632</b>

<b>Exit Fees</b>			
Account Management & Admin	100%	\$ 492,474	\$ -
Data Center (Mainframe/Server)	100%	\$ 700,200	\$ -
Desktop	100%	\$ 1,406,926	\$ -
Messaging	100%	\$ 129,444	\$ -
Data Network Management	100%	\$ 745,708	\$ -
Voice Management	100%	\$ 370,278	\$ -
Security Services	100%	\$ 157,997	\$ -
Help Desk Services	100%	\$ 274,194	\$ -
Internal Applications / Chargeback Applications	100%	\$ 28,682	\$ -
Facility Occupancy Costs	100%	\$ -	\$ -
<b>Total Exit Fees</b>		<b>\$ 4,305,902</b>	<b>\$ -</b>

<b>Total Termination Fees</b>			
Account Management & Admin		\$ 8,322,527	\$ -
Data Center (Mainframe/Server)		\$ 26,945,530	\$ -
Desktop		\$ 21,933,400	\$ -
Messaging		\$ 4,056,192	\$ -
Data Network Management		\$ 17,801,471	\$ -
Voice Management		\$ 4,576,429	\$ -
Security Services		\$ 157,997	\$ -
Help Desk Services		\$ 969,545	\$ -
Internal Applications / Chargeback Applications		\$ 28,682	\$ -
Facility Occupancy Costs		\$ 3,286,632	\$ 3,286,632
<b>Total Termination Fees</b>		<b>\$ 88,078,405</b>	<b>\$ 3,286,632</b>
			<b>\$ 91,365,037</b>



### 6.5 Termination Fee Applicability Table

The table below depicts the applicability of exit and resolution fees to the specific termination activities outlined in the CIA.

Ref	Termination Type	Exit	Resolution
§14.2	Convenience	100%	100%
§14.3	Change in Control	0%	100%
§14.4	Failure to Implement Improvement	100%	100%
§14.5	Default	0%	0%
§14.6	Force Majeure	100%	100%
§14.7	Lack of Funds	0%	0%
§14.8	Incurred Liability	0%	0%
§14.1	End of Term	0%	0%