



IT Infrastructure Partnership Program

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Program Directors

April 17, 2008
ITIB Infrastructure Committee



NORTHROP GRUMMAN



- **Service Delivery**
- **Transformation**
- **Transition to Managed Services**
- **Financials**
- **APA Findings & Actions**

Service Delivery



Accomplishments

- In coordination with the Department of Corrections (DOC) and Virginia State Police (VSP), the ITP staff implemented pilot installation of Inmate Biometric Scanning system at St. Bride facility.
- ITP implemented Warranty and Post Warranty repair parts process servicing field customers leveraging Northrop Grumman Logistics capabilities to deliver parts availability within 24 hours.

Central

	Jan	Feb	Mar	Comments
B	54%	54%	54%	- Central Metrics – January, February and March metrics continue to exceed targets by 10% or greater.
G	46%	46%	46%	- Central Metrics – All agencies using the mainframe WebSphere Application Server (WAS) experienced a 7-hour outage Sunday, March 30 during non-business hours when all four logical machines were restarted to clear an application issue.
Y	0%	0%	0%	
R	0%	0%	0%	

Field

	Jan	Feb	Mar	Comments
B	69%	56%	xx%	- Field Metrics - January and February metrics continue to exceed targets by 10% or greater.
G	31%	44%	xx%	- Field Metrics - Metrics for March are not available until April 15
Y	0%	0%	x%	
R	0%	0%	x%	

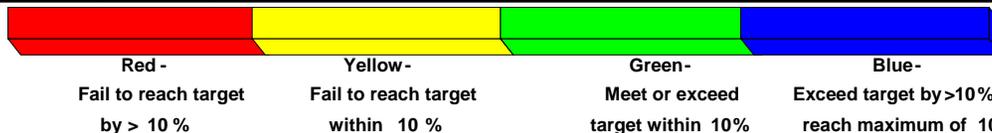


Central Operations Metrics

Domain	Measure	SLO/SLA	A	M	J	J	A	S	O	N	D	J	F	M
End User	Average Speed to Answer	60 sec*	47	28	18	13	11	36	59	120	46	13	12	8
	Call Abandon Rate	< 5%	3.3%	3.7%	2.5%	2.1%	1.5%	3.4%	4.41%	5.29%	3.36%	1.04%	0.62%	0.35%
	Email Response	90% in 60 min*	22	28	46	92%	91%	97.8%	92.7%	94.6%	98.46%	98.43%	98.80%	98.39%
	Voicemail Response	90% in 30 min*	22	28	28	100%	91%	92.9%	92.5%	65.2%	92.86%	90.70%	100%	N/A
	First Call Resolution	>70%	83%	86%	83%	76.5%	73.3%	70.5%	83.34%	83.51%	84.21%	83.49%	89.49%	86.86%
	VITA Messaging System Availability	>99.0%	100%	100%	99.9%	99.9%	100%	99.8%	99.97%	99.5%	99.25%	100%	99.99%	100%
	Shared Messaging System Availability	>99.0%	100%	100%	99.5%	100%	100%	99.9%	99.99%	100%	99.83%	99.99%	99.99%	100%
Data Center	IBM Mainframe Availability	>99.8%	99.9%	99.9%	98.6%	99.9%	99.9%	100%	100%	100%	100%	100%	100%	99.80%
	Unisys Mainframe Availability	>99.9%	100%	100%	99.9%	99.9%	100%	100%	100%	100%	100%	100%	100%	99.94%
	UNIX Server Availability	>99%	99.9%	99.9%	99.9%	99.6%	99.6%	99.9%	99.92%	99.98%	99.62%	99.96%	99.99%	99.96%
	Windows Server Availability	>99%	99.9%	99.9%	99.9%	99.9%	99.6%	99.8%	99.59%	99.7%	99.27%	99.90%	99.70%	99.92%
Network	Circuits Availability (616 MPLS nodes)	99.95%	NA	NA	99.54%	99.95%	99.34%	99.53%						
	Circuits Availability (2459 COVANET circuits)	99.2%	99.6%	99.6%	99.3%	99.2%	98.9	99.5%	99.3%	99.7%	99.5%	99.66%	99.56%	* Pending
Security	ACF2 Logon Requests	95%	100%	100%	100%	100%	100%	100%	100%	100%	98.75%	100%	100%	100%
	Security Incident Reporting	95%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Jul 07 = SLA Reporting

Legend



* Metrics for March are not available until April 15th

** Network MPLS DCD has not been approved, therefore 'no color' or percentage goal.

Field Operations Metrics

Domain	SLO	# Agencies	SLO/ SLA	A	M	J	J	A	S	O	N	D	J	F	M
End User	Average Speed to Answer (DMV - TAX)	2	60 Sec	16	22	22	30	33	33	45	51	48	38	26	*
	Call Abandonment Rate (DMV and TAX)	2	5.0%	5.3%	4.3%	6.4%	4.2%	4.3%	3.7%	4.9%	6.0%	8%	4.2%	4.1%	*
	First Call Resolution	7	70.0%	88.0 %	92.8 %	91.9 %	95.2 %	93.8 %	90.5 %	90.2 %	91.9 %	93%	93.1%	91.8%	*
	Average Time On-hold	1	90 Sec	3	3	3	10.5	2	3	6.5	1.5	14	9	10	*
	Help Desk Password Resets	13	90.0%	96.8 %	97.5 %	97.4 %	98.6 %	99.0 %	94.3 %	97.8 %	97.7 %	98%	96.7%	97.5	*
	Service via Incident Ticket	9	78.0%	85.9 %	90.0 %	85.4 %	89.5 %	87.8 %	89.6 %	93.3 %	90.0 %	82.7 %	85.3%	83.7	*
	Service via Service Request	12	80.0%	94.2 %	95.3 %	96%	93.9 %	96.4 %	94.0 %	91.8 %	94.2 %	96.6 %	93.5%	94.5	*
	Incident Repair	11	80.0%	91.0 %	92.0 %	92.1 %	89.6 %	92.3 %	91.9 %	93.3 %	89.7 %	89.2 %	88.7%	85.5	*
	Messaging Service	23	99.0%	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %	99.6 %	99.9 %	99.9 %	99.9 %	99.9%	99.9	*
Data Center	Windows Mission Critical Servers	35	99.0%	99.9 %	99.8 %	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %	99.9%	99.9	*
	RISC/Unix Mission Critical Servers	11	99.0%	99.9 %	99.8 %	100%	99.9 %	99.9 %	99.4%	99.9 %	99.8 %	100%	100%	99.9	*
	Windows Other Server	26	90.0%	100%	100%	100%	100%	100%	100%	100%	100%	99.9 %	99.9%	99.9	*
	RISC/Unix Other Servers	8	90.0%	100%	100%	100%	100%	99.9 %	100%	100%	100%	99.9 %	99.9%	99.9	*
	QA/Test Systems and Servers	7	90.0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	99.9%	99.9	*
	Development Servers	17	90.0%	100%	100%	100%	100%	99.9 %	100%	100%	100%	100%	99.8%	99.9	*
Network	Internet Access	12	99.8%	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %	99.9 %	99.8 %	99.9 %	99.9%	99.9	*

Jul 07 = SLA Reporting

Legend



Red -
Fail to reach target
by > 10 %

Yellow -
Fail to reach target
within 10 %

Green -
Meet or exceed
target within 10 %

Blue -
Exceed target by >10% or
reach maximum of 100 %

* Metrics for March are not available until April 15th



Department of Taxation (TAX) Incident # IM223792

- Occurred January 29, duration 12 hours
- Employees were unable to access the following applications: Lifework, Image Retrieval, Image Viewer.
- Root cause due to a failed circuit that led to Domain Name System (DNS) errors. A 6-step action plan was developed with the Customer to recover and prevent recurrence.

Department of Conservation and Recreation (DCR) Incident # IM239593

- Occurred March 12, duration 5 days
- Call center experienced a loss in statistics for their call center system due to faulty software package update resulting in the loss of application access for 15 people.
- Root cause due to improper Daylight Savings Time (DST) update prior to March 9. Carrier partner made the necessary changes to the software for resolution.

Virginia Information Technologies Agency (VITA) Incident #IM245833

- Occurred March 28, duration 2 hours
- The following Transformed Agencies: MPLS ABC, DEQ, DJJ, VDOT, VDH, and VEC lost Multi Protocol Label Switching (MPLS) network connectivity.
- Root cause due to a failed Ethernet card connecting to a router. The card was replaced and service was restored. A 4-step action plan was implemented to prevent this type of incident from recurring.

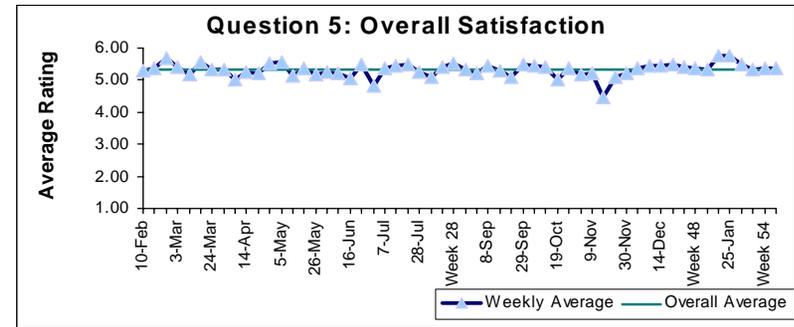
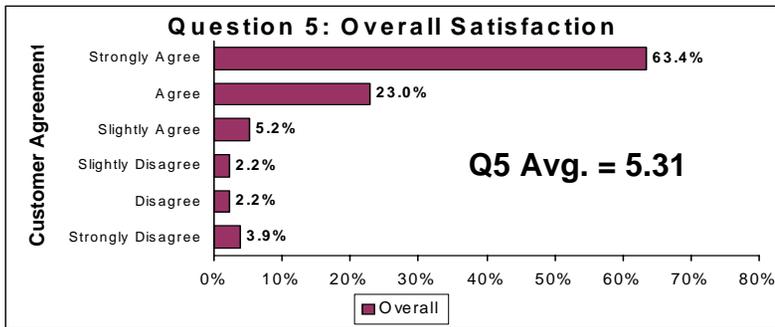
RFS is new work, incremental to the contract, driven by Agency requests.

RFS Challenges

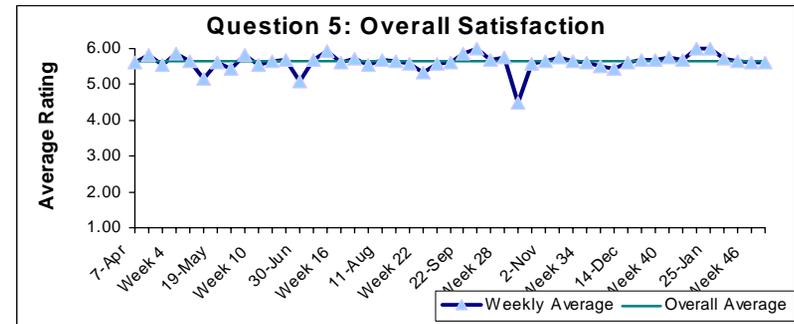
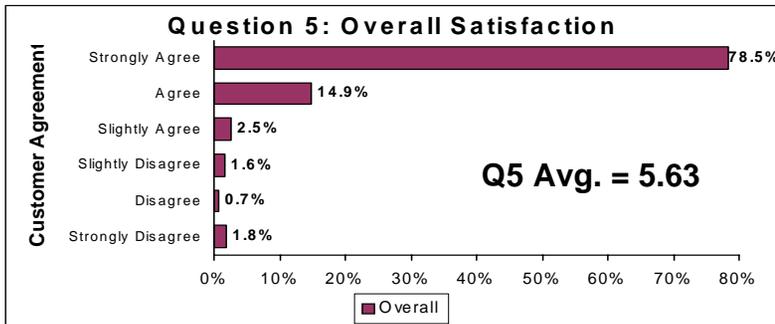
- Educate customers on RFS proposal and delivery process cycle times
 - Customer Relationship Management (CRM) training is being provided to CAM, APM and ITM, 2 of 3 classes have been conducted
 - Customer Integrated Product Team (IPT) established and will address customer education goals related to CIA services
 - Planning early engagement and project forecasting with customers to improve front end of process
- Clarify roles and responsibilities throughout RFS process
 - Briefing/training was held on April 8 to define clear roles and responsibilities for accountability and ownership of each project phase. RFS Manager will now monitor and report to ensure compliance
- Transitioning proposal pricing methodologies: NG and VITA are shifting from Cost Plus to Resource Unit (RU) and Time & Materials (T&M) pricing model methodologies. Not all services requested on an RFS have corresponding Resource Unit (RU) defined in the CIA
 - The new methodologies have been incorporated into the proposal process
 - A joint team has been created to address the creation of missing RUs. This effort will continue through July 1
- Sufficient resources to support customer request volume
 - RFS Capture Manager – position filled on March 25
 - Network/Voice/Security Tower – 1 voice position has been filled and have conducted 5 interviews for network position, hope to make selection shortly
 - Contracts – Subcontracts Manager position filled as of March 31

Customer satisfaction surveys are consistently, strongly positive

Help Desk Support 4.7% Response



Desktop Support 12.1% Response



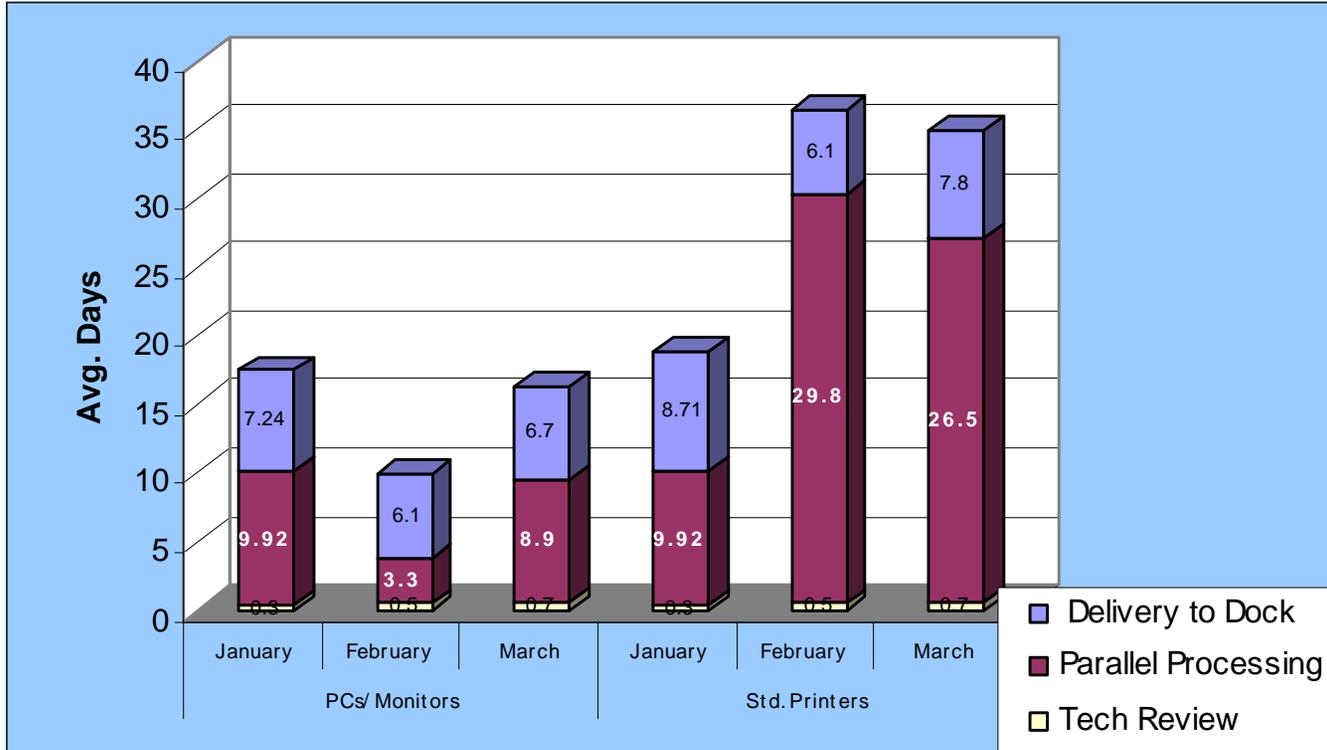
P2P Challenges

- Northrop Grumman Information Technology (NGIT) transitioned to a new ERP system January 08 presenting workflow, licensing, vendor registration and invoicing issues
- NGIT anticipates return to normal operations for SAP systems mid-April
- Local systems and processes are targeted for recovery mid-May



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eVA Request to Delivery - Standard Products

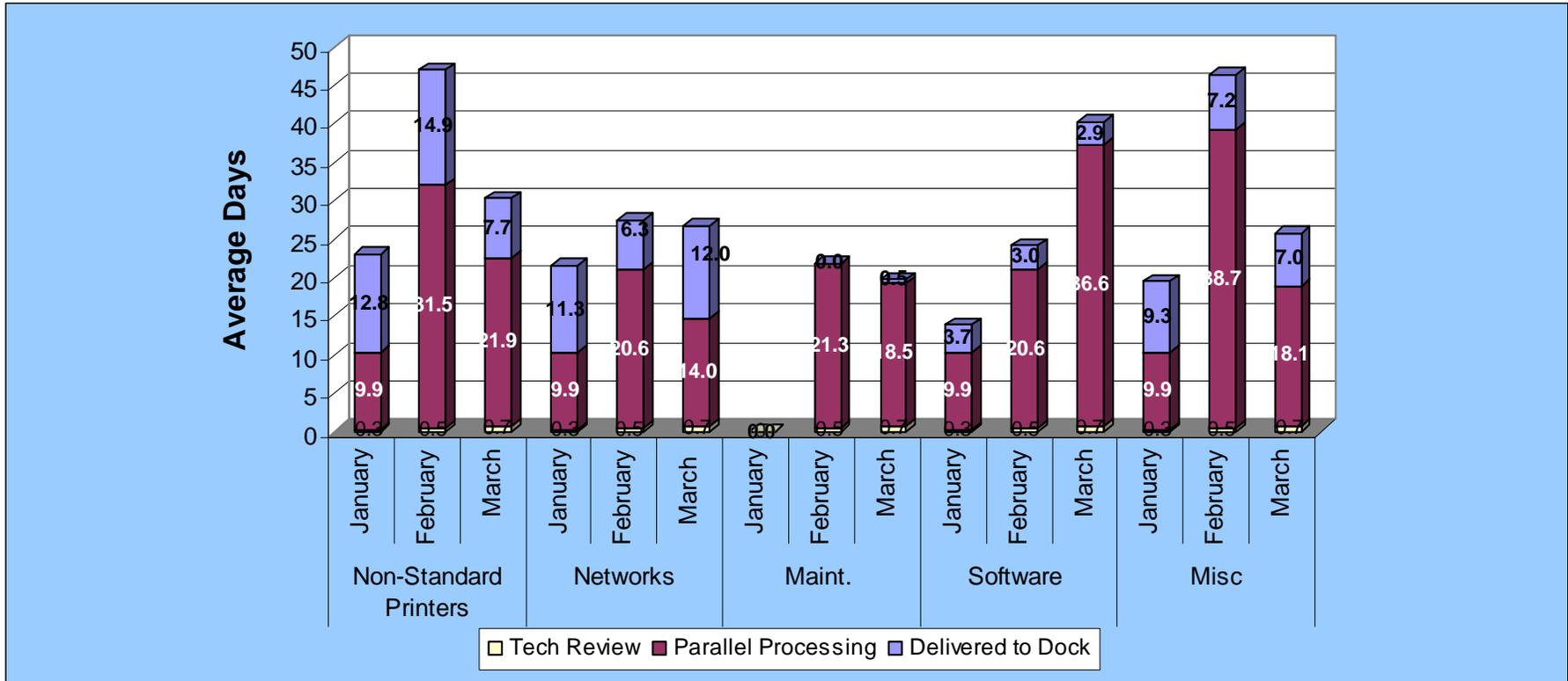


Total Number of Line Items		
Product.	Feb.	Mar.
PCs/Monitors	233	92
Printers	28	22

Total Number of Items Procured		
Product	Feb.	Mar.
PCs/Monitors	681	236
Printers	42	44

Delivery time is based upon proof of delivery from the carrier. Days shown are calendar days.

eVA Request to Delivery - Non-Standard Products



Total Number of Line Items

Total Number of Items Procured

Product.	Feb.	Mar.
NS Printers	7	10
Network	13	5
Software	9	18
Maintenance	3	3
Misc.	58	96

Product	Feb.	Mar.
NS Printers	19	25
Network	23	5
Software	26	57
Maintenance	3	3
Misc.	192	245

Delivery time is based upon proof of delivery from the carrier Days shown are calendar days

Transformation



- **Desktop Refresh**

- ✓ (37) Agencies Completed Desktop Refresh; a total of 21,340 devices transformed
- ✓ (48) Agencies In Progress of Desktop Refresh per 'Consolidated Schedule'

- **Incident Management (Peregrine)**

- ✓ DSS Associates trained (34 total)
- ✓ Migrated VDOT Central to new telephony system.
- ✓ Producing metrics in accordance with 5 SLA Data Collection Documents (DCDs)

- **Messaging**

- ✓ Resumed Virginia Department of Health (VDH) Messaging migrations with positive feedback

- **Service Catalog**

- ✓ Demo to CAMs and APMs January 24
- ✓ Due diligence continues

- **Network Refresh**

- ✓ Converted 675 total sites to MPLS
- ✓ Completed Milestone 39A deliverables

- **Facilities**

- ✓ Completed move of IT equipment from RPB Floors G-4
- ✓ Milestone 69 (SWESC Certificate of Occupancy) accepted and closed

- **Server and MF**

- ✓ Mainframes installed and functional in SWESC
- ✓ Server installation 95% complete in SWESC
- ✓ Completed preliminary mock DR test February 25
- ✓ Annual DR Test on schedule for April 11-13

- **Security**

- ✓ 4 of 11 transformed / crossed agencies using the Internet Secure Gateway (ISG)

Management Team – Northrop Grumman (NG) made significant changes to its management team. After the transition of the new Program Manager in November new or replacement managers have been assigned for Transformation, Program Management Office, Contracts, Cross-Functional Services, Disaster Recovery, Asset Management, Security, and Human Resources.

1Q08

Continued IT Infrastructure Transformation and transition to Managed Services

- Milestone 13 – Tape Automation complete
- Milestone 24 – Quarter 4 Desktop Refresh
- Milestone 41 – 21% Local Area Network (LAN) migration complete
- Milestone 56 – Enterprise Vulnerability Assessment Program (VAP) operational
- Milestone 57 – Computer Security Incident Response Center (CSIRC) complete
- Milestone 60 – SWESC Staffed and Trained
- Milestone 63 – Transition Help Desk Services to SWESC
- Milestone 68 – Richmond Plaza Building Migration complete

Pending

- Milestone 11 – Move mainframe/server workload from Richmond Plaza Building (RPB) to CESC
- Milestone 12 – Move infrastructure for Disaster Recovery (DR) to SWESC back-up data center

2Q08

Continue Infrastructure Transformation and shift to Managed Services

- Milestone 6 – Disaster Recovery (DR) Test at SWESC
- Milestone 14 – Mainframe Print Consolidation
- Milestone 39B –Enterprise Network Operations Center (NOC)
- Milestone 42 – 36% Local Area Network (LAN) migration complete
- Milestone 25 – Quarter 5 Desktop Refresh
- Milestone 55 – Enterprise Security Operations Center (ESOC)
- Milestone 7 – ITIL Process Optimization
- Shift to managed services environment July 1, 2008
 - Service Level Agreements (SLAs)
 - Resource unit (RU) billing

**As we near Transformation completion,
diminishing slack may introduce additional risk**

Transformation Dashboard

Area	Tower	Q4	Q1	Issues and Action Plans
EUS	Helpdesk	Y	Y	<ul style="list-style-type: none"> Issue – Helpdesk is behind advertised rollout rate and completions of Helpdesk migrations to SWESC in planned baseline at risk. Action Plan to address – Peregrine tool rollout accelerated, 48 Agencies to date
	Desktop	G	G	
	Messaging	Y	Y	<ul style="list-style-type: none"> Issue – Messaging migrations at VDH in 4Q07 developed operational incidents as a result of the migration Action Plan – Messaging migration resumed at VDH, first 3 districts completed without incident.
DCS	Facilities	Y	G	<ul style="list-style-type: none"> Resolved physical security requirements for CESC and SWESC; implement physical security plan – July 2008 Southwest Enterprise Solution Center (SWESC) Tier 2 build completion scheduled for May 08
	Server	Y	Y	<ul style="list-style-type: none"> Issue – Monitoring of legacy and transformed infrastructure utilizing HP Openview. Action Plan – stood-up Tiger Team to address HP Openview cross-program dependencies and monitoring
	Mainframe	Y	G	<ul style="list-style-type: none"> Issue – Move mainframe/server workload from Richmond Plaza Building to CESC (MS 11) ATP accepted, and collaborating delivery.
NWS	Data Network	Y	Y	<ul style="list-style-type: none"> Issue – LAN migration milestone #42 delayed due to agreement on port-count delivery Action Plan – Collaborating with SMO to define port count measurement methodology, April 2008
	Voice Network	G	G	
	Security	G	G	
GEN	Internal Apps	Y	Y	<ul style="list-style-type: none"> Issue – Transformation deliverables complete. Outstanding are non milestone related deliverables Action Plan – Applying focus to document non 10.1.2 Test Plan to validate completion of project deliverables
	Cross-Functional	R	R	<ul style="list-style-type: none"> Issue – Complex coordination between ITIL processes, Procedures Manual and preparation for Managed Services phase of CIA Action Plan – New Project manager and team of experts added and started in March to re-plan and complete project



- **Contract Type Change effective July 1, 2008**
 - Fixed price services
 - Fixed level of effort services
 - Variable SLA-based services carry performance penalties and earn-back credits
 - Transformation milestones no longer carry payments
- **Central infrastructure in place**
 - Primary and backup facilities
 - Core network and network operations center
 - Security operations center
 - Disaster recovery capability
 - Call center/help desk
- **Services must be defined and staffed**
 - Tools and procedures
 - Performance measurement systems
 - Trained staff
- **Management systems in place**
 - Asset inventory and management system
 - Complete resource unit (RU) pricing

Transition to Managed Services



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- **Mainframe**
 - Completed move to Commonwealth Enterprise Solutions Center (CESC)
 - Complete procedure review and approvals, estimated completion date (ECD): April 08
- **Server**
 - 2,198 of 2,500 server assessments completed (approx. 88%)
 - Estimated 600 servers consolidated as of July 08
- **Integrated disk storage solution**
 - Enterprise and secondary Storage Area Network (SAN) systems online
 - Production data replication for DR will be validated during April 08 DR test
- **Expanded advanced tape robotics to improve performance and reduce floor space**
 - Automated Tape Library (ATL) system operational in CESC since December 07
 - Production data replication for DR will be validated during April 08 DR test
- **Disaster Recovery (DR)**
 - Commonwealth DR test planned April 11-13; additional test for Tax planned June 08
 - IT Service Continuity Management (ITSCM) offering, ECD July 08
 - Developing SunGard Transition check-list
- **All Facilities requirements will be met by July 08**
 - **CESC Tier 3** - Physical Security modifications planned completion July 08
 - **Southwest Enterprise Solutions Center (SWESC) Tier 2** build, ECD May 08
 - Physical Security modifications planned completion July 08

		Q1 2008			Q2 2008			Q3 2008		
Major Activity/Milestone		J	F	M	A	M	J	J	A	S
Data Center Services										
11	Mainframe move to CESC		■							
13	Tape Automation Complete			■						
12	DR Infrastructure to SWESC			■						
6	DR Test at SWESC				■					
14	Mainframe Print Consolidation						■			
	SLA				■	■		■		
	Procedures					■				

D - Development Complete I - Interim Reporting P - Performance Reporting

■ = Complete ■ = On Target ■ = Delayed or projected potentially late ■ = At Risk

- **Provide a reliable, scalable and secure Network infrastructure to the Commonwealth**
 - 657 site conversions to date
 - Estimated 900 of 1,980 sites will be complete by July 08
 - Internet connectivity available from both CESC and SWESC February 08
- **Operate efficient and effective consolidated Network infrastructure with simplified Network management**
 - Established Network Operations Center (NOC) at CESC December 07
 - Open View Performance Indicator monitoring, ECD April 08
 - Generated initial Service Level Agreement (SLA) reporting March 08

		Q1 2008			Q2 2008			Q3 2008		
Major Activity/Milestone		J	F	M	A	M	J	J	A	S
Network										
41	21% LAN Migration	■								
39B	Enterprize NOC				■					
42	36% LAN Migration				■					
43	52% LAN Migration							■		
	SLA			■						
	Procedures					■				

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- **Desktop hardware refresh started for all in-scope agencies**
 - Hardware refresh completed for 21 of 85 agencies
- **Altiris Reporting Agent Installation**
 - Servers – Server agent deployment being scheduled
 - Desktop – 63,000 of 67,000 desktops and laptops

Major Activity/Milestone		Q1 2008			Q2 2008			Q3 2008		
		J	F	M	A	M	J	J	A	S
Desktop										
24	Quarter 4 Refresh									
25	Quarter 5 Refresh									
26	Quarter 6 Refresh									
	SLA				D	I		P		
	Procedures									

 = Complete
 = On Target
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 = At Risk

D - Development Complete
 I - Interim Reporting
 P - Performance Reporting



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- **62 agencies scheduled for completion by 7/01/08**
 - Peregrine rollout completed at 48 agencies
 - Avaya telephony conversion completed at 39 agencies
 - 10 agencies in progress

- **QTR by QTR forecast (Note: Large Help Desks highlighted)**
 - **2Q08:** (Transportation, Comprehensive Services for At-Risk Youth & Families, Chippokes Plantation Farm Foundation, Education, Labor & Industry, Mines Minerals & Energy, **Social Services**, Military Affairs, Human Resources Management, Marine Resources Commission, Virginia Center for Behavioral Rehabilitation, Conservation & Recreation)
 - **3Q08:** (Correctional Education, **Corrections**, **Environmental Quality**, Treasury, Science Museum of Virginia)
 - **4Q08:** (Taxation, Employment Commission, Jamestown-Yorktown Foundation, **Motor Vehicles**, Housing & Community Development)

- **Peregrine backup system in SWESC by June 08 – with data replication between CESC & SWESC**

Major Activity/Milestone		Q1 2008			Q2 2008			Q3 2008		
		J	F	M	A	M	J	J	A	S
Help Desk										
63	Transition services to Southwest Enterprise Solutions Center									
64	Production Incident Management System/ SPOC									
	SLA				D		I	P		
	Procedures									

 = Complete
 = On Target
 = Delayed or projected potentially late
 = At Risk

D - Development Complete
 I - Interim Reporting
 P - Performance Reporting

- **Agencies complete by July 08**
 - BTRO, VDA
 - VDH 53% complete
- **QTR by QTR forecast**
 - **3Q08** – 7,128 (11% of total environment)
 - **4Q08** – 11,645 (18% of total environment)
 - **4Q09** – 60,596 (93% of total environment) **Forecast 6 months behind schedule*
- **Messaging Failover test planned for May 08**
 - Transformation provides high-availability Messaging Services
- **SLA reporting will begin 2009**
 - Interim SLA reporting beginning on July 1, 2008

Major Activity/Milestone		Q1 2008			Q2 2008			Q3 2008		
		J	F	M	A	M	J	J	A	S
Messaging										
	SLA (begin 2009)									
	Procedures									

D - Development Complete I - Interim Reporting P - Performance Reporting
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- **Maintain security of legacy VITA network**
- **Transition Security Operations Center (TSOC) – Delivered & Accepted**
- **Computer Security Incident Response Center (CSIRC) – Delivered & Accepted**
- **Vulnerability Assessment Program (VAP) – Delivered & Accepted**
- **Internet Secure Gateway (ISG) at CESC & SWESC**
 - CESC - Delivered & Accepted
 - SWESC - Failover testing ECD TBD
- **Security Dashboard, enhances manual process – in development**
- **Enterprise Security Operations Center (ESOC) – ECD May 08**
- **Tools, all forecast to be ready except Proventia**
 - Accelerating to align with desktop refresh
 - Plan remainder with software update

		Q1 2008			Q2 2008			Q3 2008		
Major Activity/Milestone		J	F	M	A	M	J	J	A	S
Security										
56	Enterprise Vulnerability Assessment Program (VAP)									
57	Computer Security Incident Response Center (CSIRC)									
55	Enterprise Security Operation Center (ESOC)									
	Security Dashboard									
	SLA				D	I		P		
	Procedures									

D - Development Complete

I - Interim Reporting

P - Performance Reporting

 = Complete

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 = At Risk

- The purpose is to make sure all infrastructure assets are accounted for and make adjustments where there are discrepancies
- Inventory accuracy is critical for billing and meeting service needs
- The reconciliation process is difficult and it is taking longer than expected. The original completion date was April 2008; the new target is December 2008
- DMV and Dept. of Health Professions stepped forward to pilot the reconciliation process
- We now have a better understanding of the complexity and have revised the schedule
- While we need to move forward quickly, it is important we take the necessary time with each agency to do this once and to do this right
- We are putting processes in place to keep the inventory up-to-date as assets are installed, moved, added or changed (IMAC) and to conduct quality control checks

Asset Reconciliation Completion Schedule

April	May	June	July	August	September	October	November	December
DHP - 223	CASC - 957	ABC - 999	CB/SCB - 157	CHR - 170	CSA - 200	DGIF - 403	BOA - 226	GH - 417
DMV - 154	DHCD - 165	DCG - 173	DGS - 194	CPFF - 319	DBVI - 702	DMAS - 602	DBA - 325	CCBR - 794
SBE - 132	DHR - 423	DCR - 199	DOF - 411	DCE - 750	DEQ - 440	DOLI - 181	TAX - 161	DFS - 778
VRC - 405	DHRM - 129	DOC - 701	DPB - 122	DCJS - 140	DMHMRSAS - 720	EDR - 962	VDA - 163	DRS - 262
VWM - 1000	DMBE - 232	DRPT - 505	MVDB - 506	DFP - 960	DOE - 201	VCA - 148	VDDHH - 751	LVA - 202
	DOA - 151	ITA - 934	GOV - 121	DJJ - 777	DVS - 912	VCBR - 606	VSDBH - 219	Tourism-320
	DOAV - 841	MRC - 402	SCT - 192	DMA - 123	SMV - 146	VDACS - 301	VDEM - 127	
	FCMV - 239	SCHEV - 245	SFIN - 190	DMME - 409	VDOT - 501	VSP - 156		
	VDH - 601	TD - 152	SHHR - 188	DPOR - 222	VITA - 136			
	VMFA - 238	VEC - 182	SNR - 183	DSS - 765				
	VMNH - 942	VSDBS - 218	SOA - 180	JYF - 425				
			SOAF - 193					
			SOC - 166					
			SOCTECH - 184					
			SOE - 185					
			SOT - 186					
			SPS - 187					

Front Loaded
Small Agencies
Large Gap
Remaining
Secretariat agencies
Pilot

- **Cross Function Services readiness for 01 July 08:**

- Training completed for the 10 ITIL processes and sub-process areas
- Knowledge Management system implemented and continuously updated
- Test and Evaluation team formed and working with Service Delivery teams

- **Process Maturity**

- ITIL Process maturity lags Service Delivery process implementation.

		Q1 2008			Q2 2008			Q3 2008		
Major Activity/Milestone		J	F	M	A	M	J	J	A	S
Cross Functional Services										
7	ITIL Process Optimization									
	SLA			D		I		P		
	Procedures									
ITIL processes initiation plan										
	Configuration Management									
	Release Management									
	Incident, Problem, & Availability Management									
	Financial Management									
	Capacity & IT Service Continuity Management									
	Change Management (Customer)									
	Service Level Management									
	Security Management									
	Relationship Management									

■ = Complete
 ■ = On Target
 ■ = Delayed or projected potentially late
 ■ = At Risk

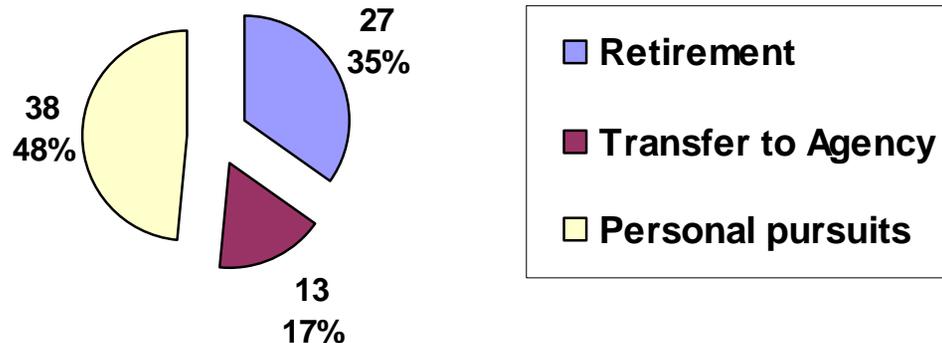
D - Development Complete
 I - Interim Reporting
 P - Performance Reporting



NORTHROP GRUMMAN

- Staffing transition plan targeted for completion April 08
- Workforce transition activities will commence May 08 and continue through July 09
- Since SCD - July 1, 2006
 - 567 Legacy VITA Staff to NG
 - Attrition = 87 since inception (15.3%)
 - 263 VITA Managed Employees
 - Attrition = 78 since inception (29.6%)

VITA Managed Employee Attrition Distribution



Integrated Master Plan – New management team developing plans in conjunction with SMO to re-plan comprehensive master plan, schedule, and some area-specific plans integrating all major program elements to manage completion of Transformation to Managed Services. Incremental value-add should continue with proper transformation sequence.

Split Operational Environment – The operational environment will be split between legacy system support and transformed operations for next 12-18 months potentially driving additional field labor at agency locations. Challenges with an aging legacy environment drive unplanned costs until legacy systems are retired through transformation.

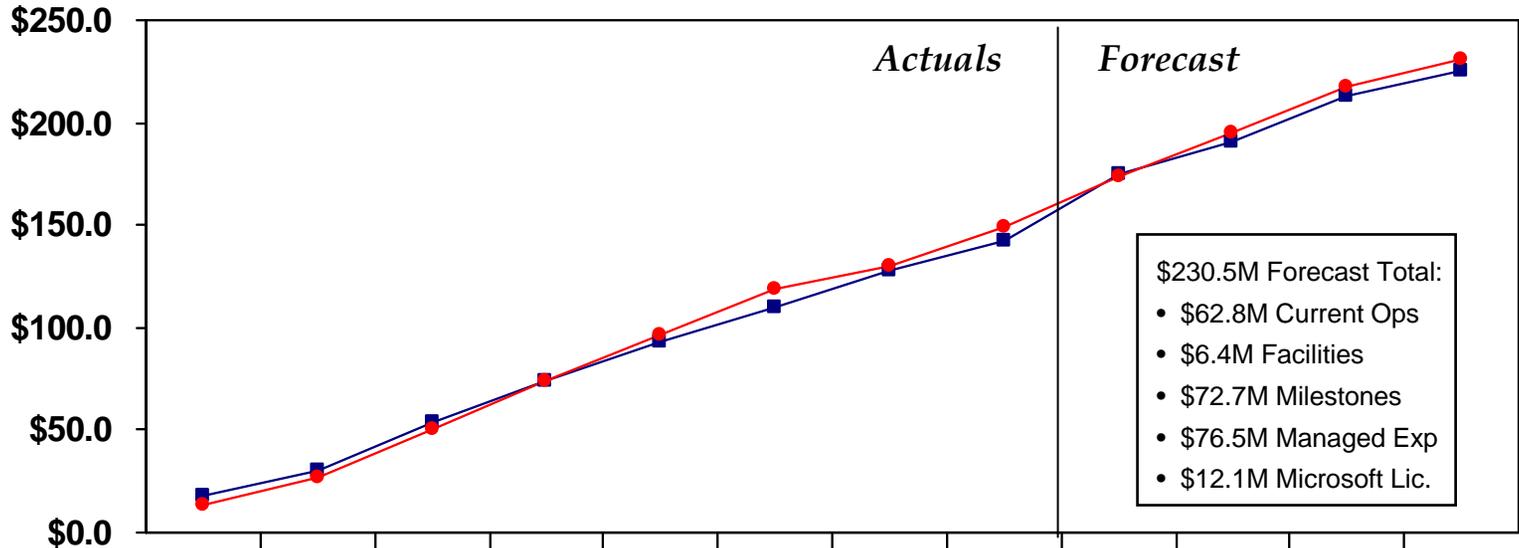
Transformation Completion – Transformation must be substantially complete by the end of contract Year 3 – June 2009. IP readdressing is a significant technical challenge to complete Network, Data Center, and Security transformation; and impacts Messaging transformation due to dependency on Network Services.

Customer Satisfaction – Procure-to-Pay (P2P) and Request for Service (RFS) are challenged by NG internal system stability (OneSource) and resource contention with higher priority transformation activities. Implementing plans to improve processes and add resources to work off backlogs.

Growth Initiatives – Interest emerging with county/city government, higher education, and federal customers. Application hosting opportunities are also in discussion. Holding on serious movement with new customers until a stable environment is provided to current customer set. Expect by August 2008 to entertain serious discussions with new customers.

Financials

Partnership Budget and Forecast – Year 2



\$230.5M Forecast Total:

- \$62.8M Current Ops
- \$6.4M Facilities
- \$72.7M Milestones
- \$76.5M Managed Exp
- \$12.1M Microsoft Lic.

	Jul '07	Aug	Sep	Oct	Nov	Dec	Jan '08	Feb	Mar	Apr	May	Jun
Funded Obligation	\$17.6	\$30.8	\$54.3	\$73.5	\$92.8	\$110.0	\$128.3	\$142.6	\$174.8	\$190.8	\$212.9	\$225.0
Partnership Forecast	\$13.7	\$26.8	\$50.5	\$74.2	\$96.0	\$118.7	\$130.5	\$149.4	\$173.6	\$195.4	\$217.3	\$230.5

- Cumulative expenses through February are tracking slightly over budget; current ops, managed expenses and milestones have come in roughly as expected thus far
- Full year forecast shown will require strict financial management and cost control

APA

Findings & Actions



Finding 1

We recommend that the SMO work with Northrop Grumman to develop a contingency plan in the likely event complete and official policies, procedures, and processes are not agreed-upon before transformation to a managed service environment. Failure to have a solid agreed-upon set of policies, processes, and procedures could create additional operational risks for the Commonwealth.

Action 1

Policies, procedures, and processes - We anticipate having sufficient processes in place to manage the operating environment come July 2008. We will continue to train our central and field staff on the use of the procedures and will make ongoing improvements as needed. Northrop Grumman has engaged additional resources, both internal and external, to ensure that we will achieve this goal. We have project plans and the necessary program management rigor in place to ensure this is achieved.

Finding 2

The Agreement anticipates having fifty-six Data Collection Documents in place on July 1, 2008. Of these documents, Northrop Grumman has not started twenty-six, fourteen are being drafted, twelve are in negotiation, one is ready to begin measurement, and three are approved and in use. With transformation quickly approaching, it is important for the SMO to have these Data Collection Documents in place in order to effectively measure Northrop Grumman's performance in a managed service environment. Delays past June 1, 2008 will have financial consequences for Northrop Grumman and service management repercussions for the Commonwealth.

Action 2

Data Collection Documents - We are committed to completing all necessary DCDs prior to July 2008. We already have improved our position from the time this audit took place. We have many DCDs completed and will finish the remaining DCDs well in advance of July 2008 to ensure we have the appropriate monitoring and reporting in place.

Finding 3

We recommend that VITA management document and communicate with all its customers the responsibilities of the Partnership as well as the responsibilities of the customer. Doing so will help to prevent the placement of unreasonable service delivery expectations on both parties by one-another. Further, we recommend that VITA place accountability for each phase of the service request process with only one responsible party. The clear identification of responsibility will help to identify the root-cause of potential future service delivery failures.

Action 3

Responsibilities of the Partnership as well as the responsibilities of the customer - With the recent formation of our integrated VITA/Northrop Grumman Customer Account Management teams, priority focus on improving the request for services process and expanded communications with agencies to clarify roles and responsibilities, we are confident there will be substantial improvements in this area.

Finding 4

We recommend that VITA management continually perform root-cause analyses for any major service delivery problems, such as the one described above, and report their findings at each Board meeting. These analyses should also include an estimate of resulting Commonwealth costs as a direct result of VITA or Northrop Grumman's failure to handle the request properly or follow a defined process.

Action 4

Major service delivery problem reporting - We will work closely with the Information Technology Investment Board (ITIB) to improve the level of reporting we provide on a regular basis.



IT Infrastructure Partnership Program

Fred Duball and Doug McVicar
Program Directors

April 17, 2008
ITIB Infrastructure Committee



NORTHROP GRUMMAN