



IT Infrastructure Partnership

April 5-6, 2006

Agenda

- Partnership Organization & Governance
 - *Approval Required:* Charter
 - The Vital Few: Near-term Focus Areas

- ITP Status
 - Status and Reporting Process
 - Q1 Status

Executive Summary

- During the first quarter, both VITA and Northrop Grumman have been actively engaging one another as a partnership and program for start-up, planning and implementation of the Comprehensive Infrastructure Services Agreement (CIA)
- Over 100 direct and matrix resources have mobilized focusing on Employee Transition, Current Operations, Critical Milestones and Financial Readiness as the near-term, Vital Few areas
- Program interactions and governance have evolved
 - *Formal approval is requested for the Charter*
- Currently, the IT Infrastructure program (ITP) regards itself as Yellow in light of development of and progress against work plans, staffing and current risks and issues – the most pertinent concern is the potential impact and adjustments required if General Assembly approval goes beyond April 29

Organization & Governance

The IT future just got a little brighter in Virginia.
Here's to our new partnership.



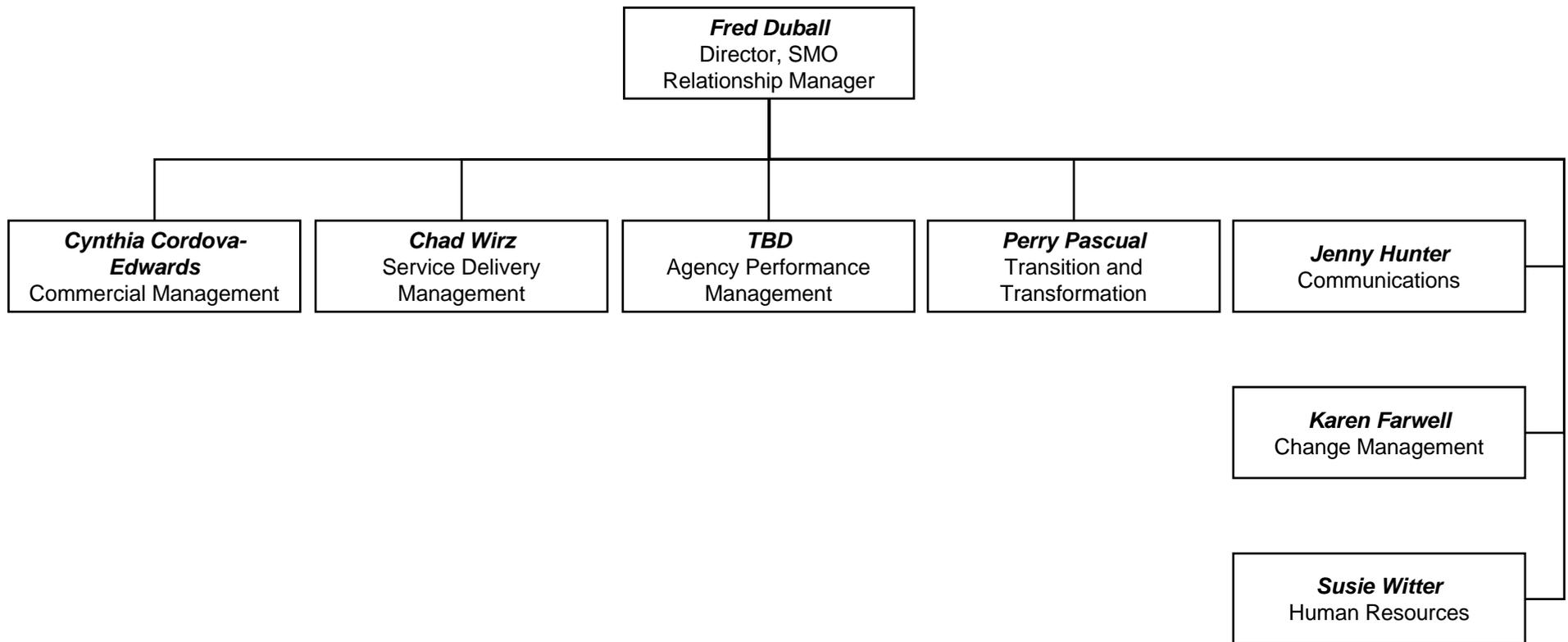
State bird.

State flower.

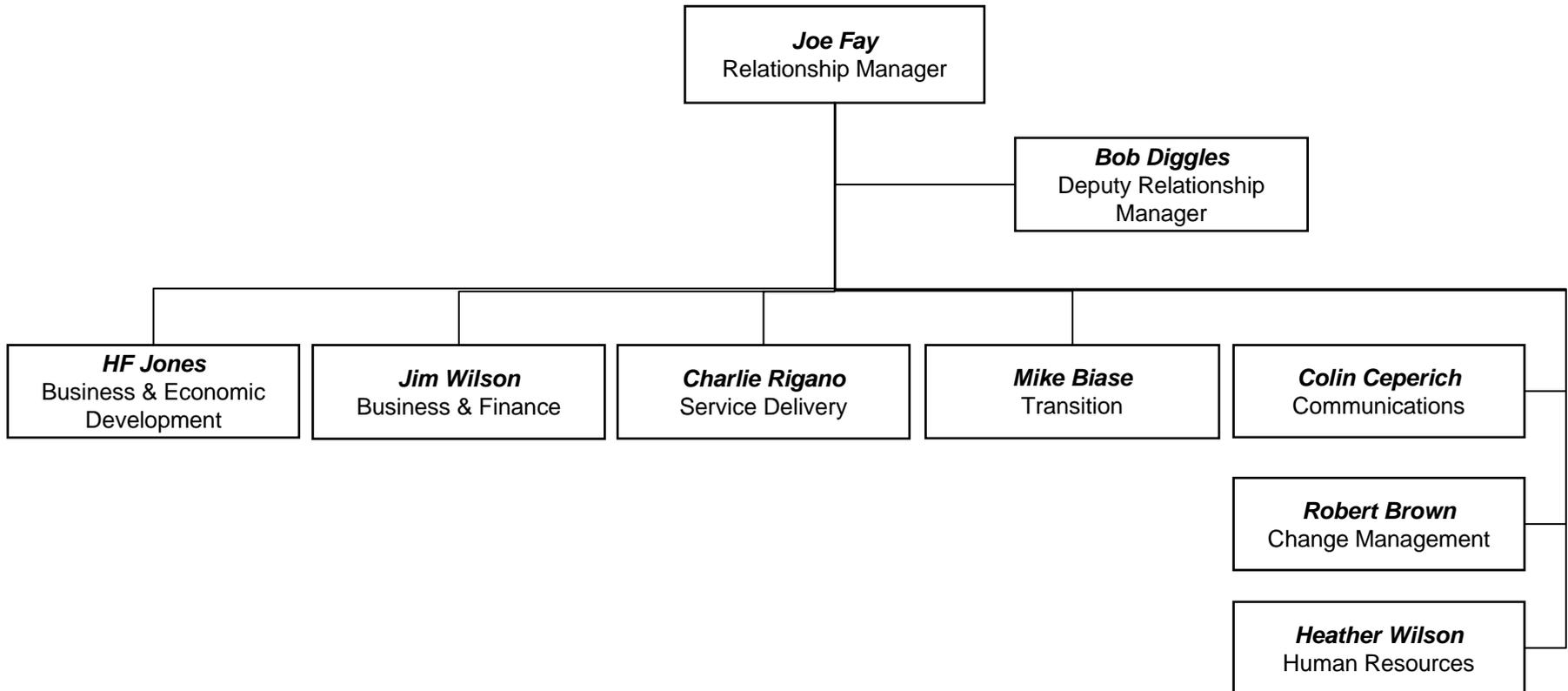
State IT partner.

In Virginia, innovation and transformation are very much part of the picture. We at Northrop Grumman commend the Commonwealth for its forward-thinking views regarding the management of the State's IT infrastructure needs. By having a big picture perspective, Virginia is bringing innovation and efficiency in State IT processes to the fore. A crucial point of view, we think, because that's exactly how Northrop Grumman has approached every project we've been involved with during our long-standing relationships with both state and local governments. And now, with our selection as the Commonwealth's IT infrastructure partner, we're honored to be offered this new opportunity to work with Virginia toward building a better, more effective IT infrastructure.

VITA's Service Management Organization (SMO)



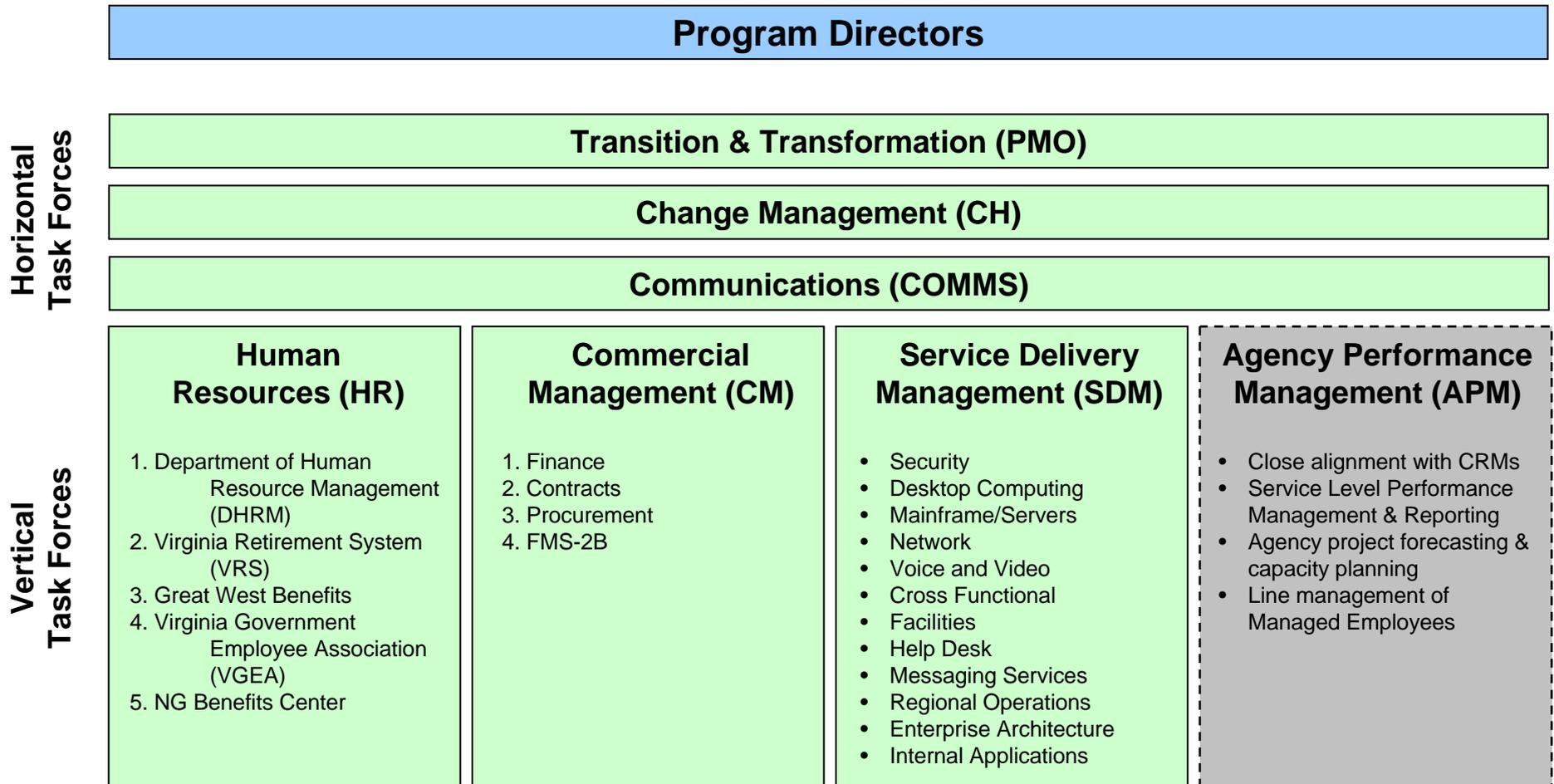
Northrop Grumman's Commonwealth Team



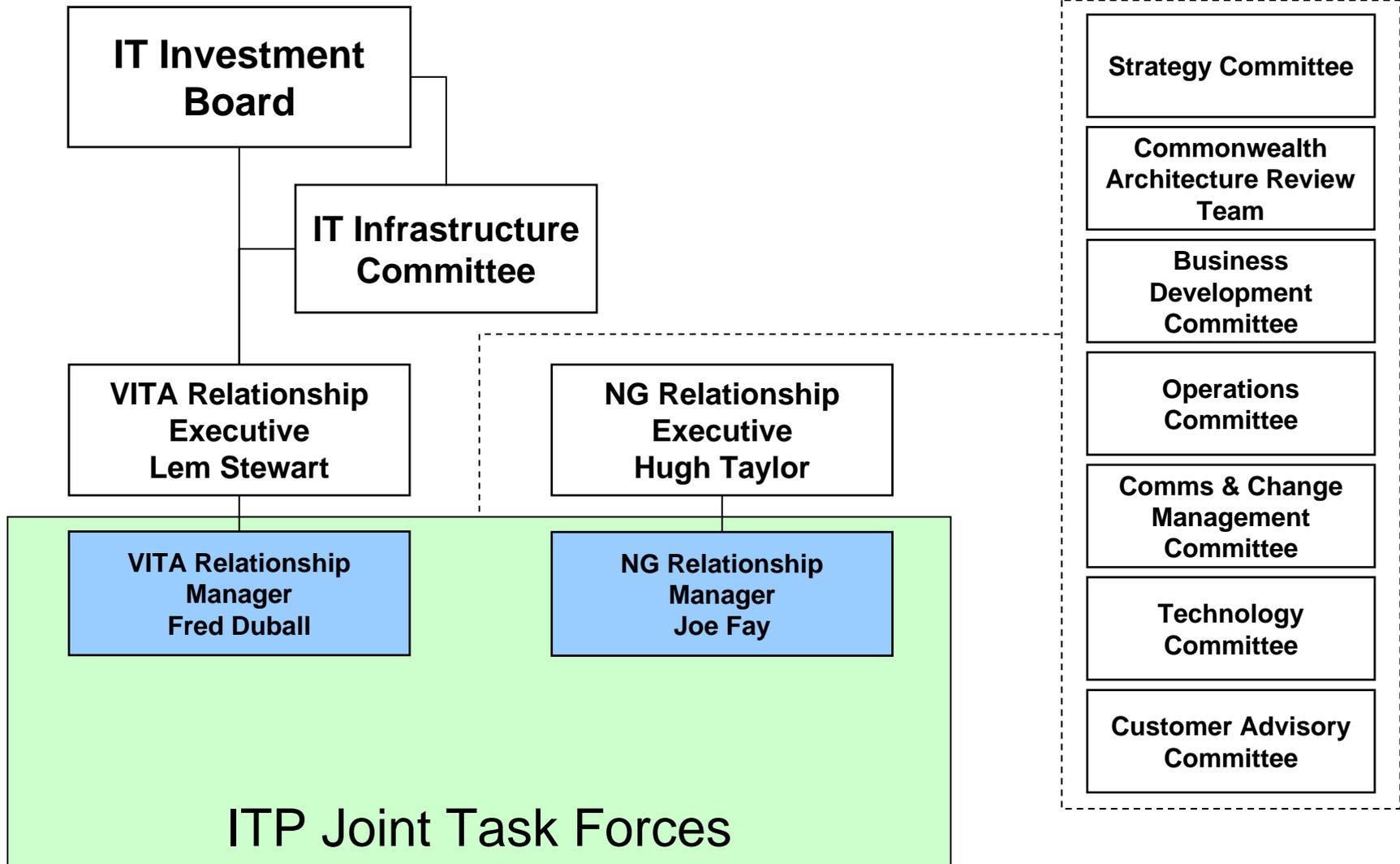
Aligning as a Partnership Program

- To realize the partnership between VITA and Northrop Grumman to transition and transform the delivery of IT infrastructure services on behalf of the Commonwealth and its citizens
- Scope includes:
 - Establishment of SMO
 - Development & execution of plans for the CIA
- Spans 4 phases:
 - Interim – Start-up activities, operations transition planning and other limited activities related to transition of service delivery employees designated as in-scope to the CIA
 - Transition – Transfer of infrastructure services operational responsibility to NG and completion of employee transition activities
 - Transformation – Planning and work streams associated with the technology domain transformations
 - Operational (Steady-state) – Day-to-day infrastructure services operations fully delivered by NG with incremental domain transformations incorporated as completed

ITP Structure features functional Task Forces



Commonwealth Governance



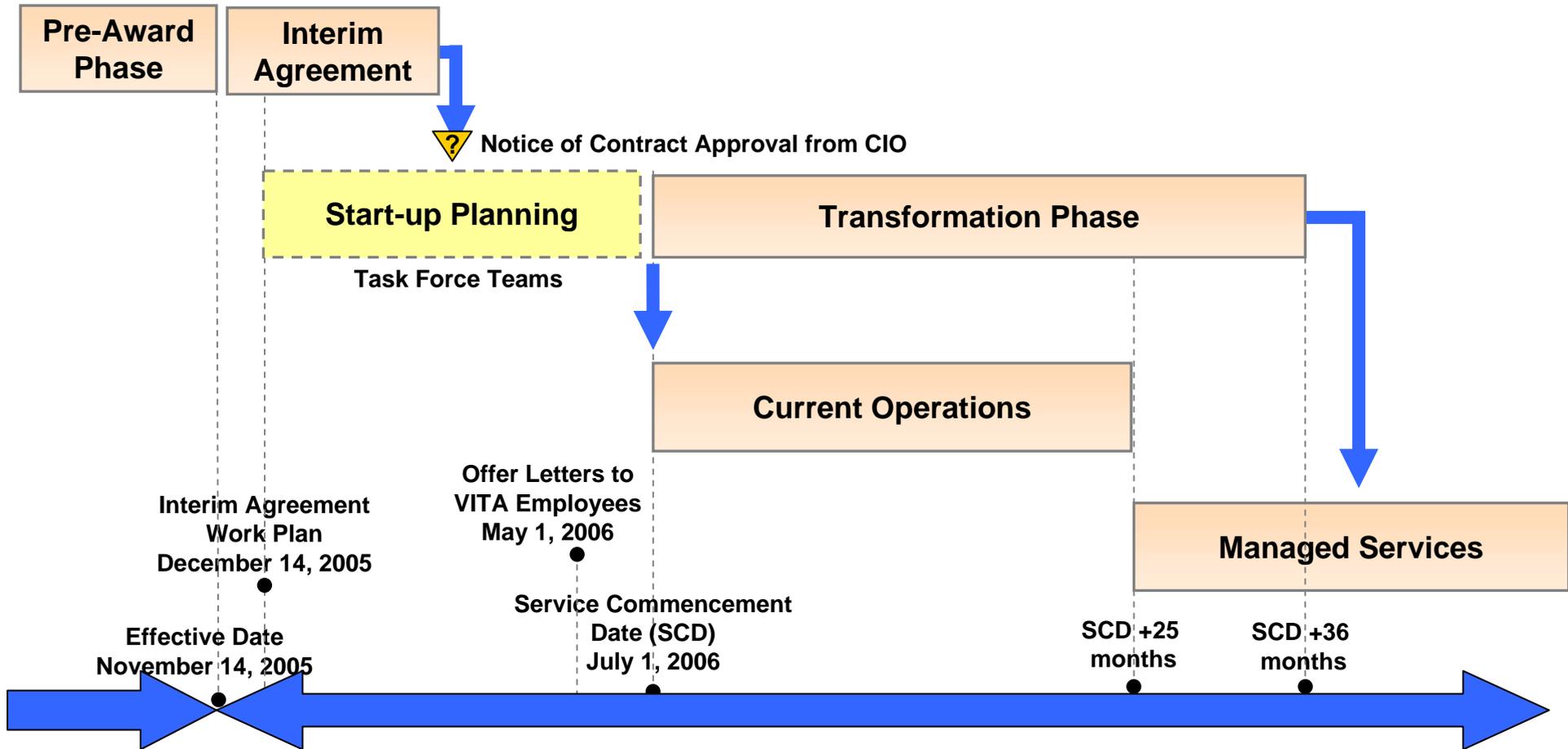
Northrop Grumman Governance

- Major programs are formally reviewed monthly at both the NG IT Sector and Commercial State & Local Group (CSL) levels
 - Program Review Authority (PRA)
- Major programs are reviewed on a quarterly basis as follows:
 - CSL (H. Taylor – Group President)
 - Sector (J. O’Neill – Sector President)
 - Corporate (R. Sugar – CEO; W. Bush – CFO)
- Earned Value Management System (EVMS)
 - Technical and financial performance and tracking for transformational projects

Independent Verification and Validation (IV&V)

- IV&V will be implemented using VITA PMD Guidance and Procedures with consultation from VITA PMD and APA
- Primary focus will be along the “horizontal” or program level spanning the completeness and interdependencies among the numerous work streams and task forces
- Initial, detailed IV&V review planned for May
- Quarterly reviews in month prior to ITIB IT Infrastructure Committee meetings will assess responses to recommendations, changes, root causes and appropriate disposition/resolution
- Draft IV&V report to VITA and NG relationship managers; formal report delivery to CIO and ITIB

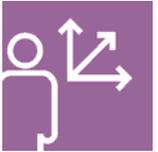
Implementation Timeline



Vital Few: ITP's Near-Term Focus



Employee Transition – ensuring continuity of work force during the offer, decision and transition period



Current Operations – maintaining current levels of service and support as NG assumes operational responsibility



Critical Milestones – expanding and managing the implied milestones, predecessors and interdependencies from the contracted milestones



Financial Readiness – assessing and adjusting financial activities to maintain sound financial processes and outcomes in light of the partnership

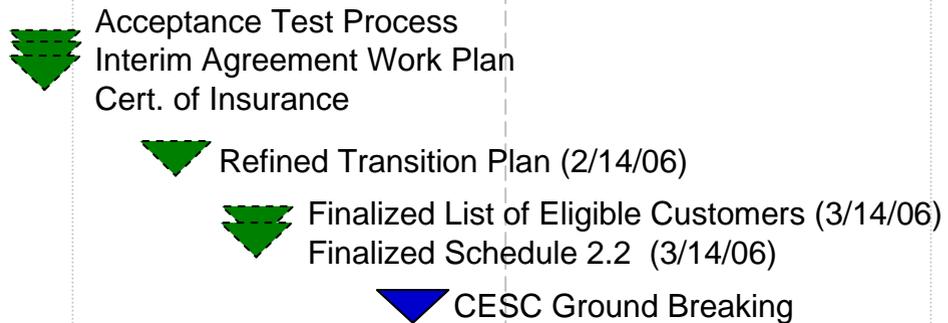
05 **2006**

N D J F M A M J J A S O N D

Effective Date 11/14/05 Service Commencement Date 7/1/06



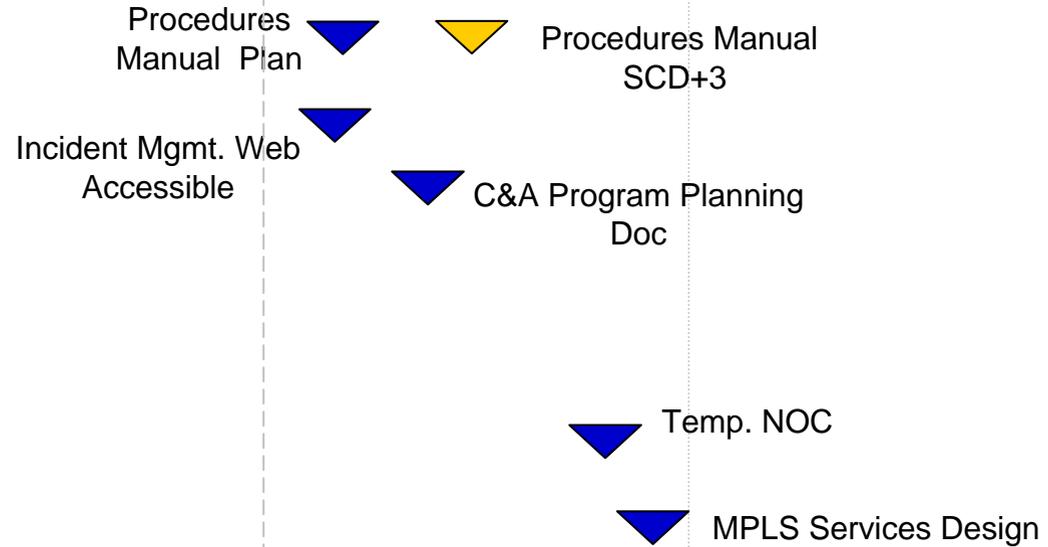
General



HR



Service Delivery Management



▼ Interim Phase Completed Deliverables ▼ Critical Milestone ▼ Transition Milestone

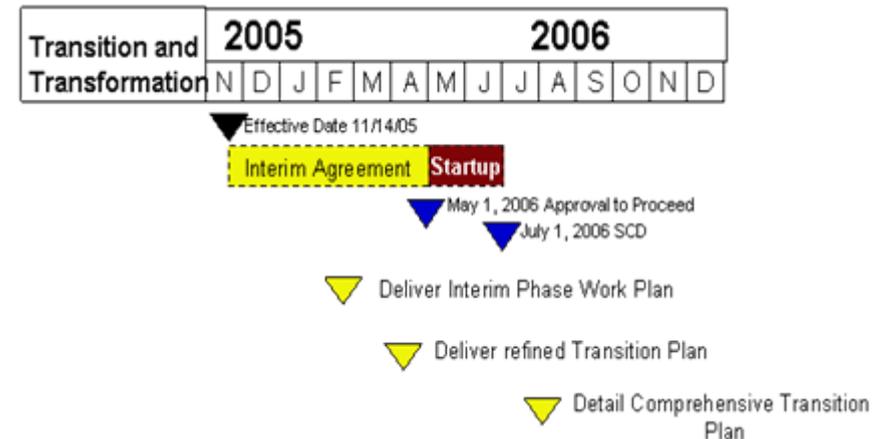
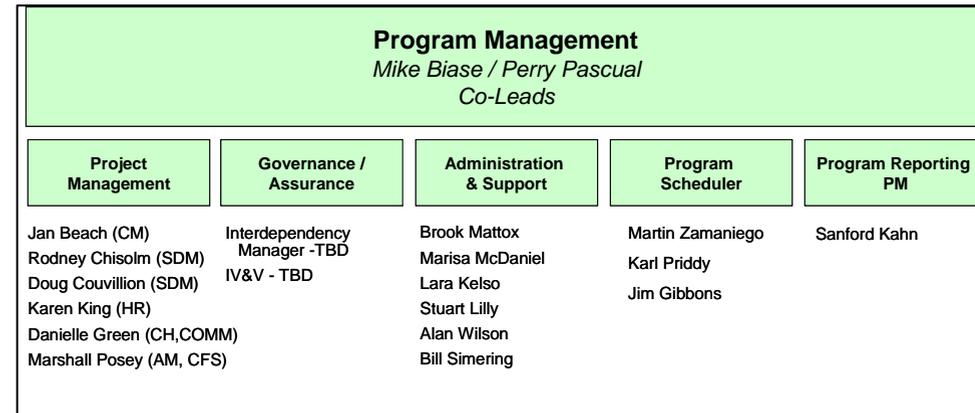
IT Partnership Guiding Principles

- Priority #1 is **People**
 - Our employees, who deliver services
 - Our customers, who receive them
- **Transparency** Builds Insight → Internal and External
- Keep **Commitments** to Build Confidence
- Seamless **Delivery** while Transforming
- Focus on **Partnership** Identity, Accountability and Goals
- Keep a **Program** Mindset → Think Horizontally

Building Our Culture by How We Work

Transition & Transformation (PMO)

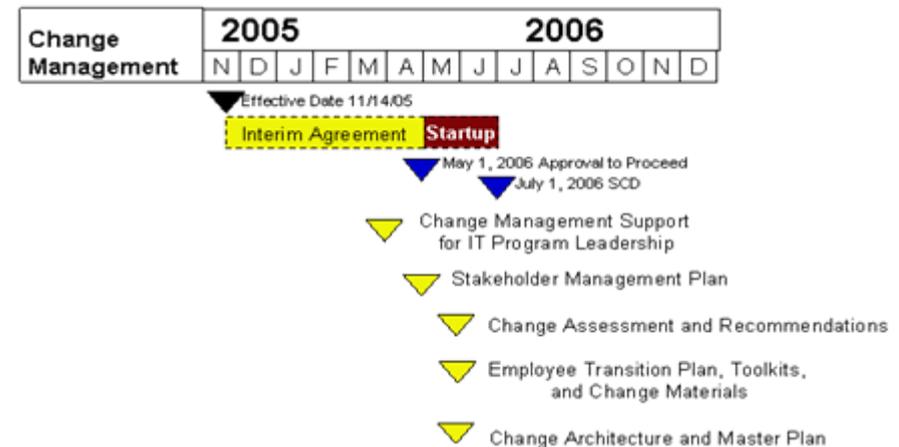
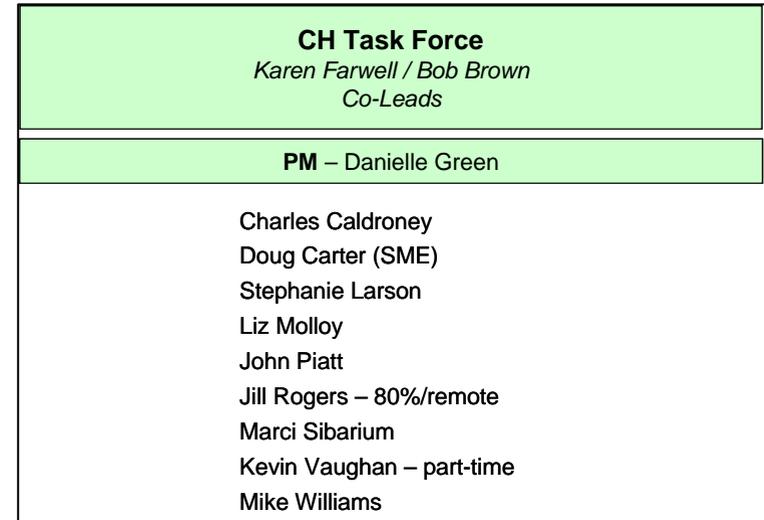
- Establish and maintain a single view of program demand, resource allocation, progress and related risks and issues
- Coordinate delivery of major projects within the program
- Provide project support and governance
- Understand and communicate program plans, priorities and overall delivery performance
- Ensure overall program team effectiveness through coaching and performance management of staff
- Champion the partnership guiding principles



Ensure successful management of program activities

Change Management (CH)

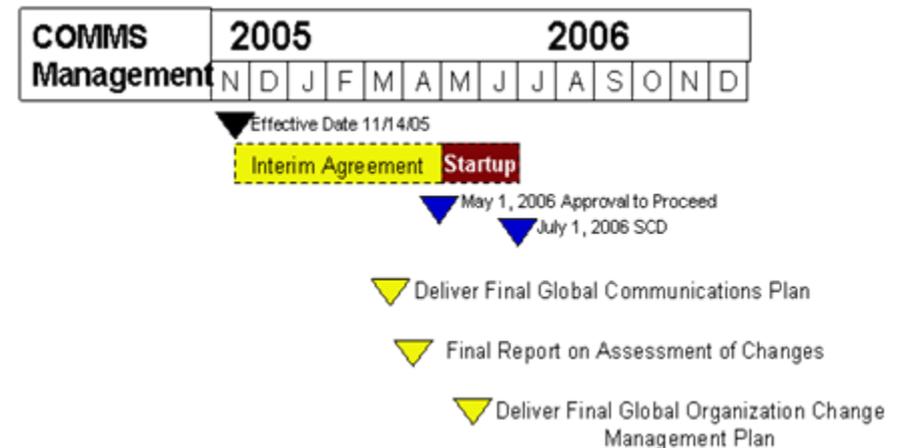
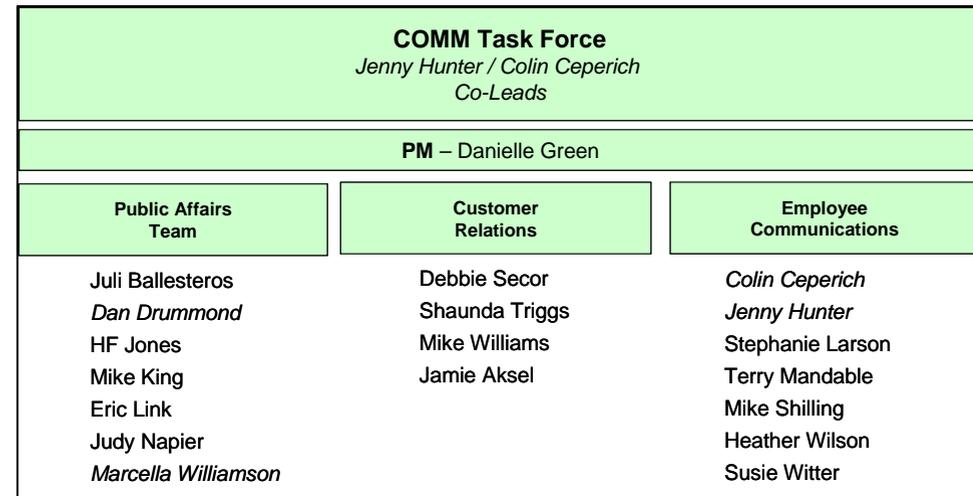
- Enable employees to transition smoothly
- Enable managers to operate successfully in the new matrix environment
- Help align leadership and build ownership
- Align people and organizations to the needs of the partnership
- Align change management efforts of the partnership to other transformations within VITA
- Help agency customers experience the partnership's value proposition
- Build change plan, actions, metrics to ensure that all stakeholders of the partnership are treated appropriately



Help employees experience a smooth transition

Communications (COMMS)

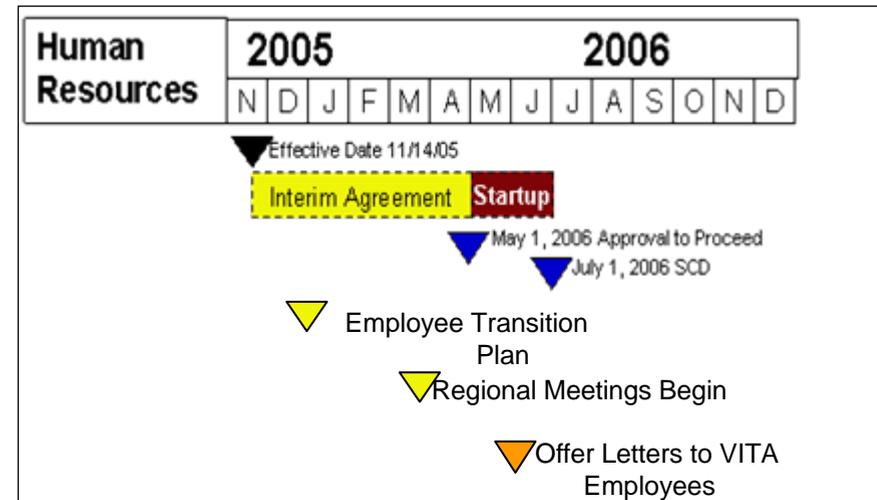
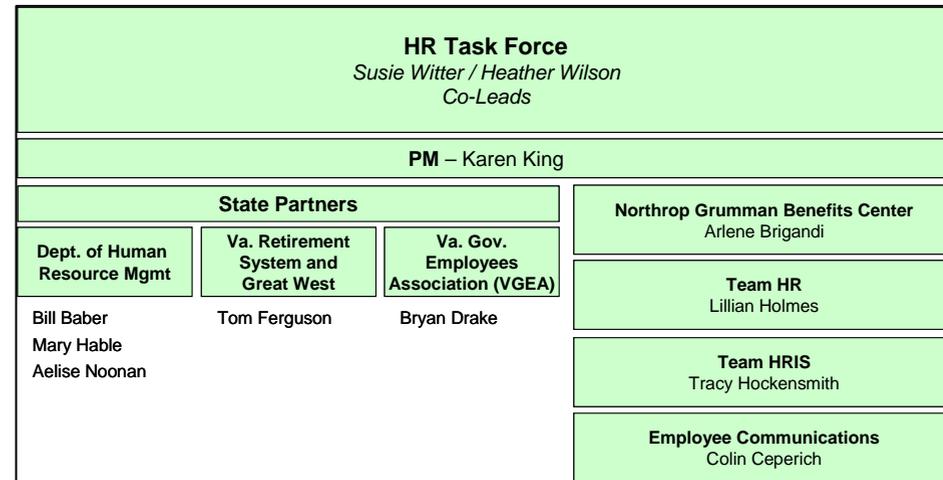
- Align program communications to the vision and strategy for the partnership
- Help create awareness, buy-in and ownership throughout the partnership's stakeholders through effective communications
- Develop communications strategy, plan and tools to support the communications needs of the program task forces and leadership
- Manage communication risk and align communicators around consistent, accurate messaging
- Coordinate communications across the program



Ensure stakeholders are well-informed of program efforts

Human Resources (HR)

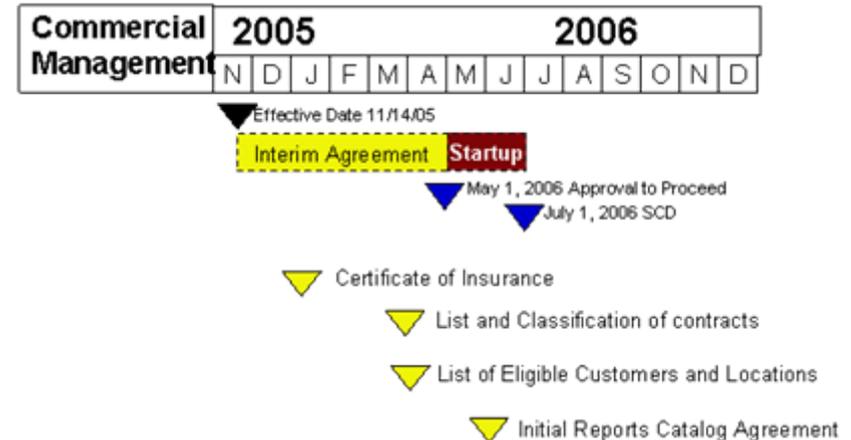
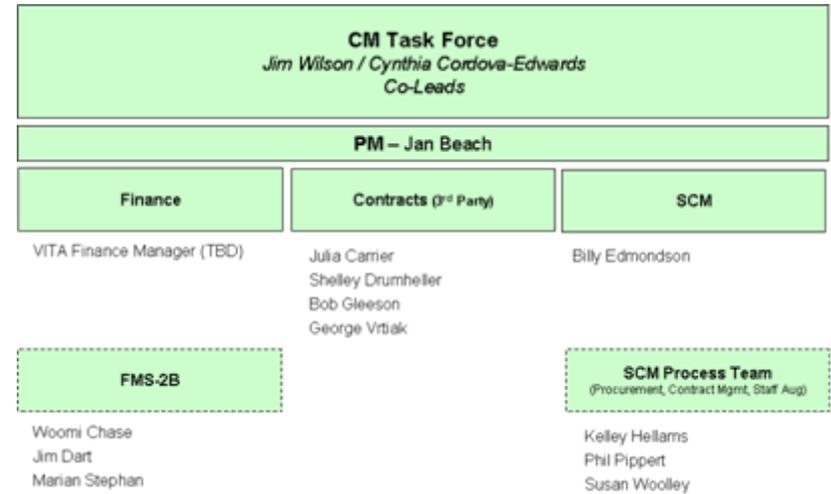
- Ensure all in-scope employees have the information they need to make their own, best-informed decisions about employment.
- Oversee transition planning activities within the Human Resources (HR) domain and synchronize within the Service Management Organization (SMO) and across VITA and NG.
- Engage all relevant and available state resources to help employees understand their options (e.g., VRS, DHRM, VGEA).
- Ensure successful onboarding of new NG employees on or after SCD.
- Contribute to the development of tools and materials to enable managers and employees to operate successfully on/after SCD and successfully onboard employees



Dedicated HR Team from both sides of the partnership

Commercial Management (CM)

- Manage partnership finances
- Oversee Comprehensive Infrastructure Agreement (CIA) compliance
- Manage supplier communication program
- Manage infrastructure services dependent 3rd Party Contracts
- Refine procurement process



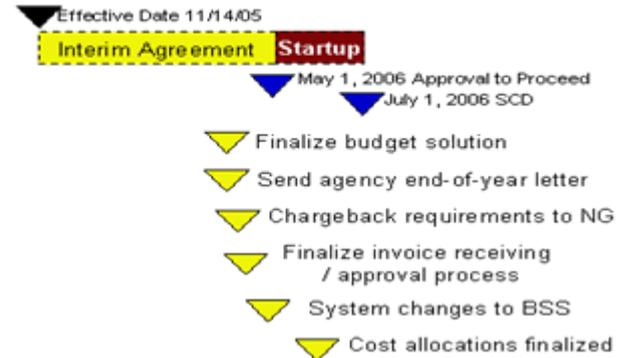
Handle financial and contractual activities of the partnership

Financial Management Services (FMS-2B)

- Identify FMS-related system and process changes
- Design, test and implement changes for Service Commencement Date
- Build an effective and collaborative working relationship between SMO and FMS
- Support other VITA units in their transition efforts
- Facilitate operations in the “to be” transformation environment

FMS – 2B Transition Task Force Scott Klopffleisch						
Integration & Overview Scott Klopffleisch, Cynthia Cordova-Edwards, Tom Moody, Barb Rudolph, John Sheldon, Dana Smith, Jim Wilson						
PM – John Sheldon						
Communications	Measurement & Audit	Budget & MEL	Chargeback & Billing	Accounting & Reporting	Invoicing & Payroll	Asset Mgmt.
Suzanne Piland	Lynne Wasz	Mike Lane	David Boykin	Katherine Townsend	Tom Byrne	Tom Moody
David Boykin	Cynthia Cordova-Edwards	Carla Brown	Cynthia Cordova-Edwards	Tom Byrne	Woomi Chase	Billy Edmondson
John Sheldon	Shelley Drumheller	Cynthia Cordova-Edwards	Jim Dart	Cynthia Cordova-Edwards	Cynthia Cordova-Edwards	Cynthia Cordova-Edwards
Lynne Wasz	Suzanne Piland	Charlie Johnson	Jim Donahue	Bill Murphy	Tom Moody	Technical Tools/Systems/Data Requirements
	John Sheldon	Tom Moody	Charlie Johnson	Suzanne Piland	Barbara Orr	Linda Sours
	Marian Stephan	Cindy O'Conner	Mike Lane	John Sheldon	Marian Simms	John Sheldon
	Peggy Ward	Marian Stephan	Tom Moody	Marian Stephan	Dana Smith	John Sheldon
		Joyce Washington	Suzanne Piland	Joyce Washington	Marian Stephan	BSS rep (TBD)
		Jim Wilson	Marvin Simms	George Vitak		
			Dana Smith	Jim Wilson		
			Jim Wilson			

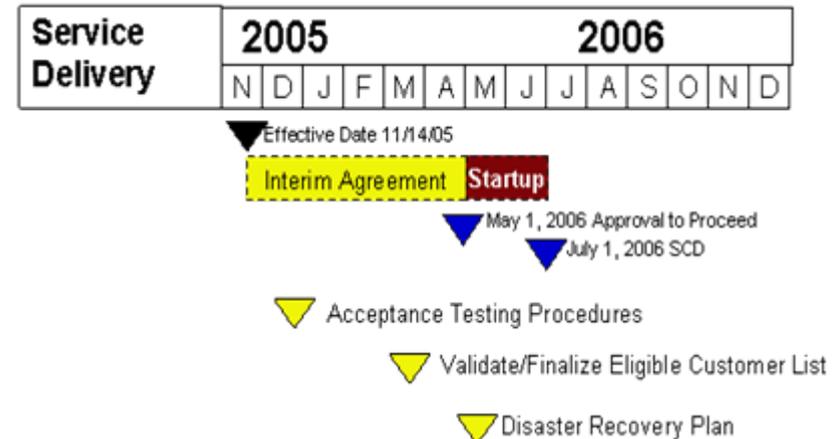
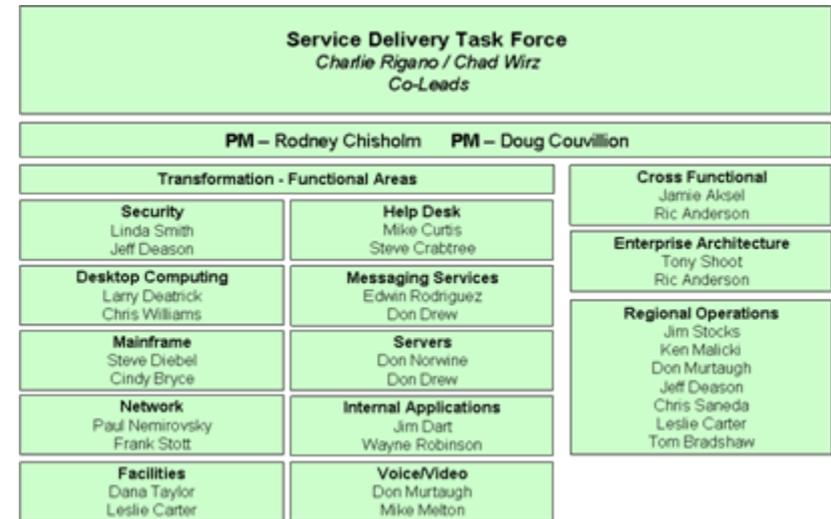
FMS-2B	2005					2006							
	N	D	J	F	M	A	M	J	J	A	S	O	N



Conduct finance-related tasks required to implement the partnership

Service Delivery Management (SDM)

- Foster awareness and understanding of the VITA Infrastructure Transformation objectives and transition activities
- Successfully hand-over current operations from VITA to Northrop Grumman on SCD
- Maintain current (or better) operations and customer service levels while undergoing Transformation
- Transform the Commonwealth IT environment over time, making significant improvements on how systems are operated, supported and maintained



Manage partnership IT infrastructure operations

Agency Performance Management (APM)

- Serve as an interface to customer agencies and work closely with Customer Relationship Managers to translate business needs into IT requirements
- Provide other SMO groups technical advice on how to best leverage value from VITA's infrastructure capabilities
- Assess, monitor and manage the performance of the Infrastructure Provider
- Develop and manage Agency project forecasting and capacity planning oversight

Program and Project Tools

Tools	Description
Project Management Plans	Ensures all activities are broken down into separate work components and represented in a Project Plan format to integrate with "Master" Plan
Risks & Issues Register	Captures and categorizes all risks and issues that impact program outcomes and outputs, in a negative way
Project Progress Reports	Provides weekly project status summary and additional information related to accomplishments, priorities, scheduled tasks, risks /issues, staffing and key decisions required
Program Calendar	An entire program calendar that shows key events, meetings, and milestones
Program Contact List	Provides weekly updated contact information

ITP Status

The IT future just got a little brighter in Virginia.
Here's to our new partnership.



State bird.

State flower:

State IT partner:

In Virginia, innovation and transformation are very much part of the picture. We at Northrop Grumman commend the Commonwealth for its forward-thinking views regarding the management of the State's IT infrastructure needs. By having a big picture perspective, Virginia is bringing innovation and efficiency in State IT processes to the fore. A crucial point of view, we think, because that's exactly how Northrop Grumman has approached every project we've been involved with during our long-standing relationships with both state and local governments. And now, with our selection as the Commonwealth's IT infrastructure partner, we're honored to be offered this new opportunity to work with Virginia toward building a better, more effective IT infrastructure.

Status and Reporting Process

Status by Task Forces

Vital Few:

- Employee Transition
- Current Operations
- Critical Milestones
- Financial Readiness

Future technology domain specific projects

Dimensions of concern:

- Work plan detail
- Status to Schedule
- Risks & Issues
- Staffing

Consolidation for:

- Quality & consistency
- Interdependencies
- Change Management and Communications implications

Overall Status by T&T PMO

Program Directors

Program Executives

Quality and alignment with governance committees

Check for alignment with Organizational objectives

Input from Committees:

Customer Advisory
 Strategy
 Operations
 Technology
 Business Development
 Comms & Change Mgmt
 Commonwealth Architecture Review Team

Overall ITP Status – Week Ending 3/31/06	
Overall Status Explanation	
<p>Intense focus on employee transition activities; resource ramp-up, detail planning activities for SCD and initial planning for transformation activities; <90 days to SCD; <30 days to offer letters</p>	

Task Force	Summary
Human Resources	Regional meetings > 50% complete and successful; data transfer process and on boarding process development in progress; ~600 1:1's scheduled in May
Service Delivery Management	Transition info gathering approach and related measures finalized, in execution along with Readiness Review previews; transformation planning underway
Commercial Management	VITA FMS work plan and dependencies incorporated. Supplier comms and contract portfolio disposition baseline in place - addl 400 agency contracts received; examining contract, purchase-to-pay and related processes
Communications	Primary assistance to Regional meetings and absorbing feedback; facilitating cross-task force agenda for EE transition; 2 of 28 q's beyond 3-day turnaround
Change Management	Task force re-start and collaboration addressed; work plan detailing and review in catch-up; deliverables, risk & issues in catch-up – anticipate Yellow by 4/7

ITP Risks and Issues		
Type	Description	Mitigation
Risk	General Assembly approval beyond 4/30 will impact EE offers and transition, facility groundbreaking and all facility-reliant milestones	VITA and NG proponents continually monitor status and progress through Assembly approval
Issue	Limited SLA documentation describe current operations and ability to assure continuity at SCD	SDM TF gathering formal and informal measures and reports to assess and determine implication/use
Issue	Certain critical business processes (e.g. RFS/SOR) lack clarity to assess needed changes at SCD	Tiger teams formed to document current/ad hoc processes and required, minimal changes



Employee Transition

- Launched ITP website:
 - www.vita.virginia.gov/itpartnership
- Launched NG benefits website:
 - www.benefits.northropgrumman.com/VITA
- Launched mailbox for employee questions:
 - questions@vita.virginia.gov
- Notification Letters delivered to VITA employees 3/7/06

March – April

- Pre-regional employee survey released
- 13 regional employee meetings across VA

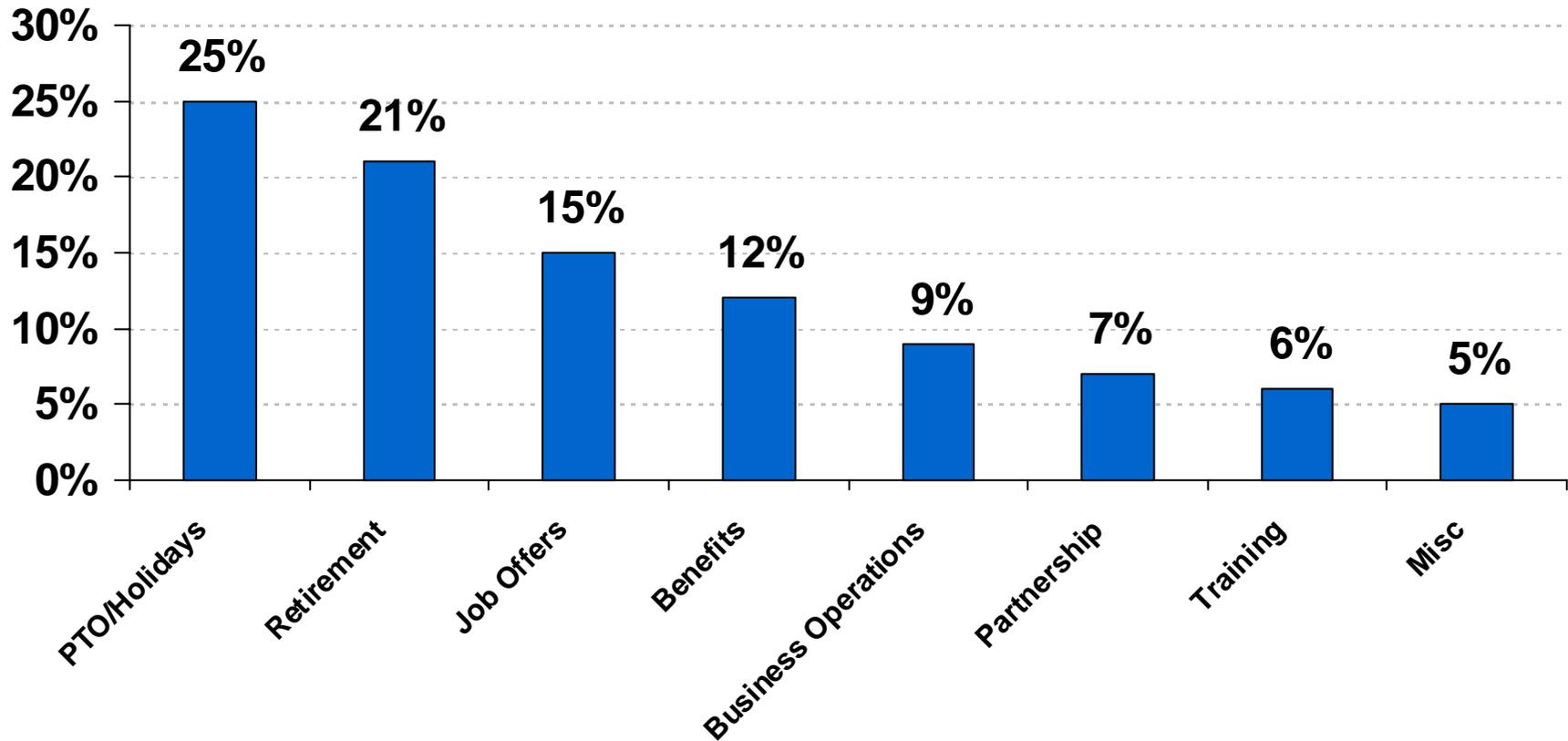
May – June

- Benefit sessions
- Employees receive offers NLT May 1

July - September

- Kick-off event
- Employee on-boarding

Questions Mailbox Activity Update: March 3 – 29



220 questions received during period



Maintaining Current Operations at SCD

- Engage appropriate VITA employees
- Service Commencement Date (SCD)
 - Understand current environment and operations
 - Customer groups and service needs
 - VITA management organization and staff
 - Agency management and services
 - Process and procedures – develop new as required
 - Baseline current performance (SLAs)
 - Assess current and planned projects



Critical Milestones

- All Interim Phase scheduled milestone deliverables met
- Detailed facility design for Chesterfield Enterprise Solution Center (CESC) in-development
- Numerous employee and facility dependent milestones could be impacted if GA approval goes beyond 4/30



Financial Readiness

- Completed review of 700+ contracts to determine transfer to NG or VITA retained
- Developed supplier communication plan, initiated communications to SWAMs
- Partner invoice, billing constructs and accounting in progress
- Customer billing and charge back
- Budgeting and forecast
- 3rd party contracts management
- Financial reporting

Partner Invoice and Customer Billing

- VITA FMS has been working with NG to develop the level of invoice detail necessary to support the chargeback and MOU processes
- Monthly, NG will invoice VITA for actual expenses for current operations plus fees for critical milestones delivered
- Invoice and supporting data will provide detail for VITA to allocate expenses to the appropriate billing elements and support detail requirements of the MOU's
- VITA uses billing elements to record expenses incurred and capture the corresponding revenue for the services delivered
- NG will include the VITA billing element designation in the details that support the total invoiced amounts
- VITA will work with NG to establish allocation guidelines for expenses directly related to specific services and for expenses that are shared across multiple services
- Lastly, NG will provide VITA with the necessary customer usage information to continue VITA's current billing

Program Metrics Strategy

Develop objective, data-based indications of progress, results or issues related to ITP

<u>Possible Measure</u>	<u>How measured</u>	<u>Why measured</u>
Touches per In-scope employee	Emails, session attendance, FAQ's answered per in-scope EE	Demonstrate providing information to EE's to make own best decisions
Count of information components at agency	Inventory of mission, staff and other agency-centric categories of information	Create understanding of the customer agencies' business and operations and how infrastructure services support them
Time to answer questions	Receipt to response	Demonstrate sensitivity and timely response to employee concerns
Distribution of contracts (retained, shared, replaced)	Count and by dollar usage	Size and demonstrate progress on disposition of infrastructure services related contracts

Data is being collected – formal metrics are under development