

**EXHIBIT B-1 STATEMENT OF WORK (SOW)  
BETWEEN VITA AND INTEGRIS APPLIED**

**ISSUED UNDER**

**CONTRACT NUMBER VA-141219-IA  
BETWEEN  
VIRGINIA INFORMATION TECHNOLOGIES AGENCY  
AND  
INTEGRIS APPLIED**

Exhibit B-1, between Virginia Information Technologies Agency (VITA) and Sourcing Advisory Services, LLC d/b/a Integris Applied ("Supplier") is hereby incorporated into and made an integral part of Contract Number VA-141219-IA ("Contract") between the Virginia Information Technologies Agency ("VITA") on behalf of the Commonwealth of Virginia and Supplier.

In the event of any discrepancy between this Exhibit B-1 and the Contract, the provisions of the Contract shall control.

**STATEMENT OF WORK**

This Statement of Work (SOW) is issued by the Virginia Information Technologies Agency, hereinafter referred to as "Authorized User" or "VITA" under the provisions of the Contract. The objective of the project described in this SOW is for the Supplier to provide the Authorized User with Services to provide an Assessment and Recommendation relative to the sourcing of IT infrastructure services.

**1. PERIOD OF PERFORMANCE**

The work authorized in this SOW will occur within 11 months of execution of this Statement of Work. This includes the services necessary to develop and provide the assessment and recommendation deliverables.

**2. PLACE OF PERFORMANCE**

Tasks associated with this project will be performed primarily at locations in the Richmond, VA area, or other locations as required by the effort. Some work will be performed remotely with VITA consent.

**3. PROJECT DEFINITIONS**

All definitions of the Contract shall apply to and take precedence over this SOW.

"Assessment" and "Recommendation" refer to phases in the project schedule, as further described in Section 7 below.

**4. PROJECT SCOPE**

**A. General Description of the Project Scope**

The Supplier will provide services to assist VITA with assessment, research and recommendations related to options for the future provision of those IT infrastructure services currently under contract with Northrop Grumman through the Comprehensive IT Infrastructure Services Agreement. The Supplier will provide specialized consulting and sourcing advisory services from experts who have specific experience and knowledge of current best practices in sourcing of IT infrastructure services in the state and local sectors. The supplier will provide assistance in the development of a sourcing strategy and associated recommendations, to

include an assessment of the Commonwealth's current and future IT infrastructure service needs; an evaluation of available and anticipated service options and models for managing and delivering those services, including the disentanglement and transition of services from an incumbent vendor; and an analysis of the relative cost and benefits of proposed service options and models, including the effect on customer agencies of insourcing, outsourcing, or multi-sourcing

**B. Project Boundaries**

This SOW addresses assessment and recommendations only. It does not address assisting VITA in developing a request for proposals package, review and scoring of proposals received, or negotiation of any resulting contract. If desired, these work efforts will be handled with a modification to this SOW, or with a separate order.

**5. AUTHORIZED USER'S SPECIFIC REQUIREMENTS**

Reserved

**6. CURRENT SITUATION**

The Virginia Information Technologies Agency (VITA) provides centrally managed shared services for statewide IT infrastructure through the Comprehensive Infrastructure Services Agreement (CIA) with Northrop Grumman Services Corporation. The services include data center, server and mainframe, data and voice network, desktop computing and software, enterprise email and office productivity solutions, help desk, security and monitoring, as well as disaster recovery. These services are provided to 60+ state agencies spanning over 2200 locations statewide, 59,000 PCs, 3300 servers, 2000 circuits, 1.5 petabytes of storage, 2 mainframes and 2 data centers. State agencies comprise diverse government services including public safety, transportation, health and social services, employment, revenue, administration, natural resources and education. The term of the CIA expires on July 1, 2019.

**7. PRODUCTS AND SERVICES TO SUPPORT THE PROJECT REQUIREMENTS**

**A. Required Products (or Solution Components)**

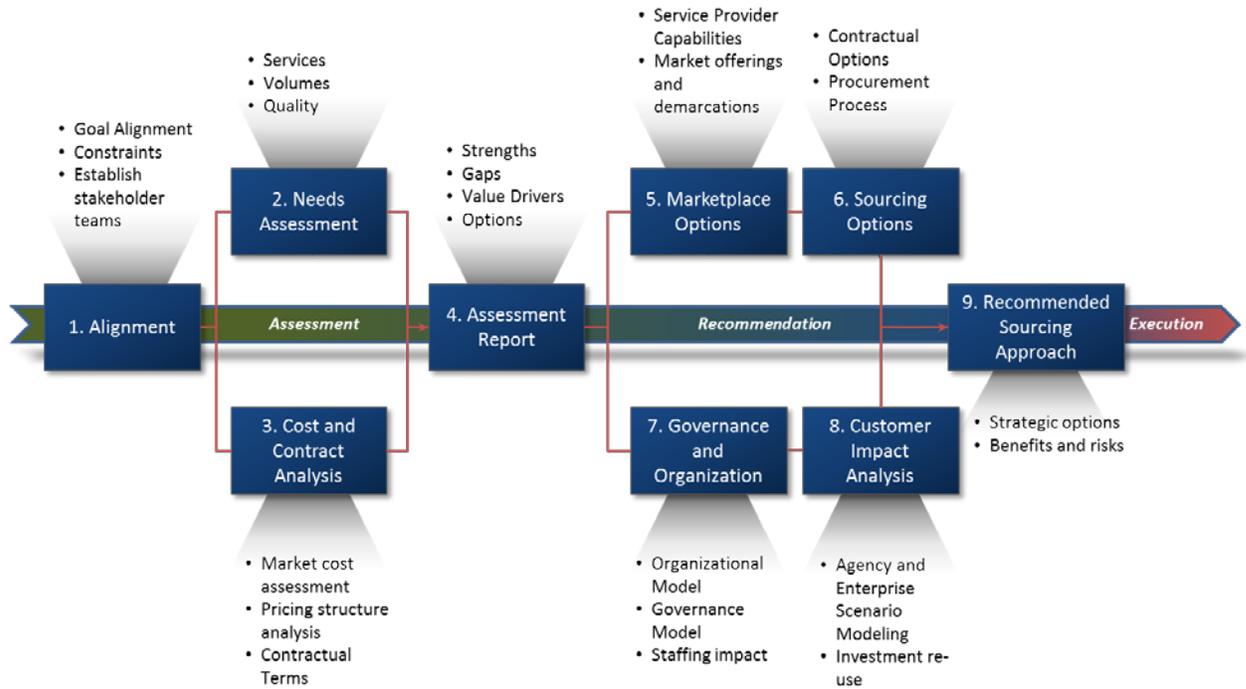
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**B. Required Services**

**The Plan for VITA**

**1. Overview**

The activities under this Statement of Work will be divided into two primary phases: Assessment and Recommendation. These primary phases are separated into subphases, each with its own set of deliverables. A chart describing the phases is indicated below as Figure 1



**Figure 1: Project Phases**

The Assessment and Recommendation phases are critical for both the recommendations they will produce and for the tone they will set with the agencies and other stakeholders. VITA's initiative is much more than a second generation sourcing event. It is a significant change management program in a political environment. The highly collaborative approach outlined in this statement of work is designed for a public sector enterprise of the Commonwealth's size and scope. Recommendations and outcomes must have buy-in from stakeholders, must recognize the needs of agencies in serving their customers, and must consider trade-offs between the enterprise and agencies. Only an iterative engagement model that solicits feedback and engages participation at each step will produce the right outcomes for the Commonwealth. The approach below sets that tone early and maintains it throughout the program.

Activities we will perform to develop a second generation sourcing strategy include:

- Build stakeholder teams: VITA, Commonwealth Agencies, the incumbent provider, policymakers, etc.;
- Interview and survey agencies;
- Perform cost analysis;
- Perform needs assessment;
- Validate findings iteratively and with stakeholder teams;
- Review contractual rights;
- Provide strategic recommendations.

In the early days and weeks of the engagement, we will implement a communications plan to set perceptions and establish trust with stakeholders including VITA leadership and staff, agency customers, legislators, the incumbent service provider, and policy makers. With VITA we will help set a tone that allows stakeholders to see that outcomes brought by changes to this program will be positive.

**a) Assessment Detail**

Assessments performed to develop a second generation outsourcing strategy will include the following:

1. **Alignment.** Upon arrival, Supplier will meet with VITA leadership to identify key stakeholders (e.g., establish stakeholder teams from VITA, agencies, incumbent provider, policymakers), schedule and establish regular project team meetings, refine and finalize the assessment plan, and build communication to stakeholders. Throughout the assessment, Supplier will conduct summary reviews with stakeholder teams. The purpose of these reviews is two-fold: (1) provide additional perspective or qualitative insight on what might be a quantitative finding from another source; and (2) include stakeholders in the whole journey, starting with the assessment, to set a tone of inclusion and participation. The deliverables that will be produced during this phase are:
  - A. Project Kick-off Meeting
    - Purpose: Align enterprise stakeholders; describe program objectives; set participation needs
    - Deliverable: 1.5 hour meeting with all agency stakeholders; Q&A
  - B. Needs Assessment Project Plan
    - Purpose: Communicate agency interview schedule to all stakeholders
    - Deliverable: Detailed project plan for agency interviews; questionnaire framework
  - C. Communications plan (and program executive communication)
    - Purpose: Provide long term communications strategy for the entire program
    - Deliverable: Week by week plan for stakeholder management; message map aligned with stakeholder communities, critical meetings and program events. Note – Communications plan execution will be on-going
  - D. Project management plan (including risk management process)
    - Purpose: Provide long term management plan for the entire program
    - Deliverable: Day to day plan for program activities; includes dependencies on VITA and VA stakeholders
  - E. Stakeholder and executive team status and update reports (to include risk matrix updates)
    - Purpose: Ongoing communications with program stakeholders; reporting of program status; recurring request of stakeholders to help communicate program objectives and status
    - Deliverable: Recurring management and stakeholder meetings
  
2. **Cost and Contract Analysis.** Supplier will compare VITA current state pricing to the market using the Supplier's pricing database. This includes data from transactions Supplier has executed and assessments Supplier has performed, as well as open record discoverable pricing and price assessments. This is more than a raw cost review. The cost analysis includes the specific structure of services covered by the costs and identifies content and environmental differences between the environments being compared. This is possible because the few relevant comparisons to VITA will include public entities with open records, and because Supplier has provided direct end-to-end support for those comparable enterprises and their second generation sourcing strategies. This experience and direct support with the comparative entities allows Supplier to add qualitative insight to the data and its relation to the VITA environment.

Every pricing structure drives a set of incentives, which have an accompanying set of behaviors. Both the pricing structure that the supplier presents to VITA, as well as the pricing

structure which VITA presents to end customers, have a direct effect on customer satisfaction, service delivery, consumption choices, and costs. This pricing structure analysis reviews the structure of the resource units and chargeback methodology to ensure that the right incentives are in place for both service delivery and consumption. This analysis will produce short term recommendations that will improve buying behaviors and will shape long term recommendations for a future state delivery model. It will also outline tradeoffs that will likely exist between agency and enterprise needs. These tradeoffs are important considerations for any future state delivery model, and will influence recommendations made by this program. The deliverables produced during this phase are:

A. Pricing Structure Analysis

- Purpose: Analyze current pricing structure; present findings where pricing structure may be improved to support buying behaviors and align incentives in VA's best interest
- Deliverable: Detailed analysis of current resource unit (RU) structure; comparison of current RUs within pricing structure to identify anomalies, both between RUs and against market; and potential short term recommendations to improve buying strategies

B. Contractual Ts&Cs Review

- Purpose: Review contractual Terms deal structure to assess options, leverage points, and potential negotiations positions.
- Deliverable: Analysis of terms and conditions, including financial and operational terms, compliance with contract.

C. Base Case

- Purpose: Assess Total Cost of Ownership for enterprise IT expenditures, servers as a basis of for market comparison, and a foundation for the sourcing strategy development
- Deliverable: Financial model describing all components of cost for Commonwealth IT services current state

D. Market Comparison Report

- Purpose: Compare VA's current contract costs with the costs of other similar enterprises
- Deliverable: Financial analysis of VA's current unit costs; comparison of similarly situated enterprises;

E. Financial Assessment Report

- Purpose: Final assessment of VA's current cost structure, TCO, terms & conditions, and market comparison; present a complete view of VA's opportunities for cost improvements in a future state as it considers implementing a new services delivery model platform.
- Deliverable: Report providing final observations and recommendations regarding VA's current cost structure

Note: reference examples from similar assessments have been provided as Attachment B-1.1 to this Statement of Work.

- 3. Needs Assessment.** In order to identify issues in the current environment and opportunities to improve the future environment, Supplier will perform a needs assessment, resulting in a SWOT analysis. This review is grounded in interviews with key stakeholders, including policy makers. Supplier also will survey agencies to provide an additional, quantitative review.

Supplier understands the concerns voiced regarding agency engagement during the Commonwealth's initial decision to privatize its technology function. Applying lessons learned from that previous experience will help the Commonwealth deliver the best outcome possible.

The focus of the customer reviews will be current performance, relationship, expectations, participation level, and longer-term goals. The critical question is "looking to the future, what do the agencies need to serve their customers?" In addition, Supplier will interview internal VITA experts and incumbent service provider personnel. The topics will include many of the same factors as the customer review, but also add a focus on governance processes, service level management, and change control. The needs assessment will produce short term recommendations for service improvement, and will shape final recommendations for a future state delivery model. Like the cost analysis, the needs assessment will also outline tradeoffs that will likely exist between agency and enterprise needs. These tradeoffs will influence recommendations for a future state delivery model. The deliverables that will be produced during this phase are:

- A. Interview schedule and interview guide (with agency profiles)
  - Purpose: Provide visibility and receive validation for agency interviews
  - Deliverable: Interview framework document to be used during interviews.
- B. Agency, key stakeholder and policymaker interviews
  - Purpose: Critical component of overall program; used to determine future technology needs of VA agencies for service delivery to citizens; and to build consensus
  - Deliverable: Multiple interviews with VA agency leadership; interviews with policy makers; approximately 130 interviews
- C. Interim agency and stakeholder assessment reports
  - Purpose: Present initial findings from agency and stakeholder interviews; to facilitate validation of findings
  - Deliverable: Reports with initial findings; assessment of trends observed during initial interviews (all stakeholders/agencies)
- D. Final agency and stakeholder assessment reports
  - Purpose: Present final and validated findings from agency interviews, and initial recommendations.
  - Deliverable: Reports with final findings; assessment of needs across the agency; completed after 2nd and potentially 3rd rounds of interviews with target agencies (i.e., for extra outreach/validation)
- E. Final enterprise report
  - Purpose: Present findings of enterprise needs; develop understanding of potential tradeoffs between agencies and enterprise in a future state
  - Deliverable: Report with final findings of enterprise needs in a future state
- F. Needs assessment report (bringing together agency and enterprise reports)
  - Purpose: Present needs of both enterprise and agencies in a future state; potential tradeoffs between agencies and enterprise in a future state; identify lessons learned; bring agencies along on the journey to develop a future state platform for service delivery
  - Deliverable: Final validation review of all needs assessment activity; describes future state needs, potential risks and agency/enterprise tradeoffs. Identify initial recommendations for short and long term opportunities.

**4. Final Assessment Report.** Understanding of this assessment across the stakeholder community will allow us to turn our eyes toward building a strategic recommendation. This activity will include full documentation in the form of a capstone report, as well as a presentation suitable for broader stakeholder communities.

A. Assessment Report:

- Purpose: To document work performed to assess the Commonwealth's full environment; provide short term recommendations for service improvement; support communications activities with agencies and policy makers.
- Deliverable: Written capstone report, incorporating detailed and validated findings from the assessment with SWOT analysis; reflects the interplay of agency perspectives, needs and financial analysis; identifies lessons learned

B. Assessment Presentation:

- Purpose: To share the findings of the assessment with VITA and VITA stakeholders; communications tool for VITA.
- Deliverable: Presentation for use in whole or in parts for VITA stakeholders

**b) Recommendation Detail**

Following approval of the assessment report, we will begin building the recommendation. The Recommendation Phase will include the activity described below:

**5. Marketplace Option Evaluation.** As we consider specific options, which may include re-procuring services from the competitive marketplace in the short or long term, we will conduct a market review. This review will include a report of potential competitors and qualifications for the scope under consideration, and a marketplace engagement through a Request for Information (RFI) or similar event.

The RFI process engages stakeholders, provides visibility and direct understanding of marketplace offerings and service provider capabilities. The RFI also allows the Commonwealth to ask the market place for solutions specific to its own challenges. For a change program of this scale and complexity it is critical that stakeholders have a direct understanding of what the market can and cannot do. It is also important for the market to hear directly from the Commonwealth what options it might be considering. This mutual understanding aligns stakeholders during the journey, influences recommendations, and prepares the marketplace for potential sourcing events. The deliverables produced during this phase are:

A. Market Testing Plan

- Purpose: Provide end to end view of RFI process and agency engagement during that process; designed to engage stakeholders and help the enterprise see marketplace opportunities
- Deliverable: Plan describing how to engage with service providers across all 9 VA towers; plan to engage agency stakeholders in the development of RFIs and participation in service provider meetings

B. Interim Marketplace Options Findings Report

- Purpose: Communicate options available in the market today; provide visibility to agencies that did not participate in RFI meetings; and outlining market capabilities in direct response to VITA's specific future state needs/options, via direct communication with the marketplace and agency stakeholders.

- Deliverable: Report produced after RFI processes outlining market capabilities.

C. Final Marketplace Options Findings Report

- Purpose: Final report outlining RFI findings and potential options; used to shape sourcing recommendations in final deliverable
- Deliverable: Report assessing market options, agency observations and aligned against agency needs and VA policy priorities

- 6. Sourcing Options.** Supplier will identify and assess potential sourcing options. It is important to note that a change program may not need to be drastic – such as termination or a complete insourcing. It could be a progressive set of changes, with new controls added or scope changed in the existing contract prior to expiration. We will spend time with the relevant procurement experts to understand their requirements and confirm our plan.

Supplier will conduct an analysis of the contractual clauses to catalog VITA's rights and obligations as they relate to potential options, as well as the associated costs. Data collection will be executed to further inform this analysis, including asset lists, software lists, and third party contracts. These components, combined with an analysis of the prospective bidder preferences (e.g. pre-existing tools vs. bringing their own), will influence the development of change program cost estimates and options, and will drive final recommendations. The deliverables produced during this phase are:

A. Possible Scenarios

- Purpose: Present future state delivery models incorporating findings from work completed to date, including needs assessment, cost analysis and marketplace options assessments
- Deliverable: Report presenting future state delivery models; aligned with policy priorities and contractual requirements; used to drive operational impacts assessment and sourcing options model

B. Operational Impacts

- Purpose: Describe risks and impacts to VA in future state delivery models
- Deliverable: Report focused on future states impacts, and mitigations for those impacts; used to drive sourcing options model

C. Sourcing Options Model

- Purpose: Fundamental deliverable for the program, address question of what delivery models would best address VA's needs
- Deliverable: Report presenting pros, cons, risks and mitigations for all sourcing options across all nine towers; potential costs will be analyzed

- 7. Sourcing Governance and Organization.** As part of the sourcing governance and organization assessment, Supplier will review the current process maturity and staffing. This includes a review of processes against industry standards and effectiveness of their implementation. Supplier will then provide a framework approach for transitional sourcing governance (during any disentanglement or re-sourcing effort) and future state (under a new operating model). Sourcing governance recommendations will focus on processes and decision making rights needed to sustain a flexible delivery platform long into the future. Deliverables produced during this phase include:

A. Sourcing Governance Practices Maturity Assessment

- Purpose: Assess decision making processes within current state delivery model
  - Deliverable: Gap analysis against industry best practices
  - B. Interim/transitional Sourcing Governance Model
    - Purpose: Resource focus will be different during a transitional change program from the current or future state; the interim model will need to address this aspect.
    - Deliverable: Report including options and recommendations for committees, resource involvement, etc.
  - C. Potential End-state Sourcing Governance Model
    - Purpose: The future sourcing governance and staff model will need to be aligned with the future-state operating environment. This can be initially projected prior to transition, but will be informed by the marketplace and transition process itself.
    - Deliverable Report including options and recommendations for committees, staffing model, sourcing governance processes, etc.
  - D. Retained Organization Impact Assessment
    - Purpose: New delivery models will impact the current organization; assessment will identify potential changes in the retained organization
    - Deliverable: Analysis describing retained organization options based on sourcing model options
  - E. Agency Interface Model
    - Purpose: Develop long term engagement model that achieves and preserves outcomes in a future state delivery model, built to facilitate well-managed change.
    - Deliverable: Framework for sustained decision making incorporating governance needs and leadership requirements.
- 8. Customer Impact Analysis.** Supplier will review the current contract financial terms and conditions (including inflation, new services, hardware refresh, asset ownership, etc.) for alignment with the market, as well as suitability for the client environment. We will also perform an analysis of historical invoices to verify that the existing charging methodology aligns with contracted financial structures. The customer impact analysis will address both the enterprise and agency views, and the tradeoffs that will likely exist with the implementation of a future state delivery platform. The deliverables produced during this phase include:
- A. Scenario Model: Cost Component Identification
    - Purpose: Agency level financial analysis used to support final recommendations that will be made to VITA; focuses on investments and contractual obligations
    - Deliverable: Identification and initial ROM of subcomponents of financial scenario model
  - B. Scenario Model: Draft Delivery
    - Purpose: Financial views of impacts that future state delivery model might produce for agencies and the enterprise; draft model will help confirm with

finance and operational stakeholders that the components are included and potential reports are relevant.

- Deliverable: Draft of financial model to evaluate potential sourcing scenarios; used to address enterprise and agency tradeoffs, to develop mitigations for those tradeoffs, and to refine final recommendations.

C. Customer Impact Analysis

- Purpose: Assess agency and enterprise views of impacts that future state delivery model might produce; provides visibility to stakeholders regarding opportunities, risks and tradeoffs
- Deliverable: Report developed later in the program leveraging all work completed; used to address enterprise and agency tradeoffs, to develop mitigations for those tradeoffs, and to refine final recommendations.

**9. Final Recommended Sourcing Approach Report.** The recommended sourcing approach will combine the results of the other reviews to propose ideal options, including associated operational risks, contractual terms, potential costs, impacts to agencies, impacts to staffing, etc. Supplier will provide VITA will options and a clearly stated recommendation for a future state delivery model. VITA will also receive a roadmap for implementation of the recommendation.

A. Recommended Sourcing Approach Report:

- Purpose: A written report is a significant and tangible artifact, documenting the options and recommendations available to the Commonwealth.
- Deliverable: Written capstone report, incorporating results of the Recommendations phase workstreams; identifies the feasibility of the options, benefits, and risks; impact analysis includes enterprise and agency balance; VITA will also receive a roadmap and high level timeframe for implementation

B. Recommended Sourcing Approach Presentation:

- Purpose: A presentation allows VITA to share the findings of the recommendation with its stakeholders
- Deliverable: PowerPoint presentation for use in whole are parts for VITA stakeholders

**C. Training Requirements**

*Reserved*

**D. Support and Maintenance Requirements**

*Reserved*

**E. Personnel Requirements**

The named individuals in this Section 7.E are the Key Personnel for this Statement of Work. Any changes to Key Personnel require prior written agreement from VITA. Such agreement will not be unreasonably withheld.

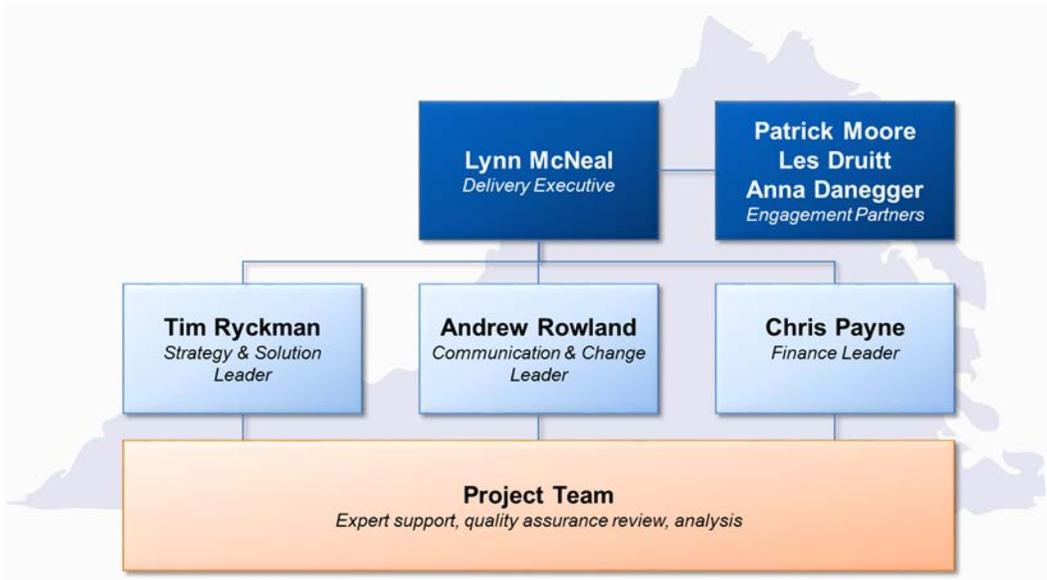
**1. Team Overview and Proposed Personnel**

Integrus Applied is partnering with North Highland, a global consulting firm with a presence in Richmond, and Set Consulting, a small business. This partnership combines decades of leadership

and sourcing experience in the state government market, with the deep management consulting capabilities of North Highland. Together these firms can scale to meet current and future needs of the VITA engagement.

## 2. Project Organizational Structure

The Integris Team will bring to VITA a senior team with significant and relevant experience. The individuals presented in the project organization chart, Figure 2, and discussed below will be the core of our team under this Statement of Work.



**Figure 2: Project Organizational Chart**

## 3. Key Team Member Bios

Supplier's team provides the breadth of experience to support VITA through the many phases of solicitation preparation work that will precede a resolicitation of services. Supplier's team brings IT outsourcing and acquisition support expertise – from the government and commercial sectors, expertise in needs assessments, marketplace evaluations, deal design and negotiation, disentanglement and transition planning, cost analysis, customer impact analysis, communications and stakeholder outreach, and project and program management. The expertise of the team Supplier has assembled appear in Figure 3. Supplier has the ability to complement this team with other expertise from our respective organizations as necessary and appropriate.

	IT Outsourcing	Needs Assessment	Marketplace Evaluation	Deal Design and Negotiation	Disentanglement and Transition Planning	Cost Analysis	Customer Impact Analysis	Communications and Stakeholder Outreach	Project and Program Management	Commonwealth of Virginia
<b>Lynn McNeal</b> <i>Delivery Executive</i>	●	●	●	●	●		●	●	●	
<b>Les Druitt</b> <i>Engagement Partner</i>	●	●	●	●	●	●	●	●	●	
<b>Patrick Moore</b> <i>Engagement Partner</i>	●	●	●	●	●	●	●	●	●	
<b>Anna Danegger</b> <i>Engagement Partner</i>	●	●	●	●		●	●	●	●	●
<b>Tim Ryckman</b> <i>Strategy and Solution Leader</i>	●	●	●	●	●	●	●	●	●	
<b>Chris Payne</b> <i>Finance Leader</i>	●	●	●	●	●	●	●			
<b>Andrew Rowland</b> <i>Communication and Change Leader</i>	●	●	●				●	●	●	●

**Figure 3: Proposed Staff Skills and Expertise**

Our core team includes the following individuals; their bios are listed below, with detailed resumes in the appendix.

**a) Lynn McNeal, VITA Project Executive**



**Name:** Lynn McNeal  
**Role:** Project Executive  
**Responsibilities:** Maintaining project schedule and quality; keeping VITA leadership updated; marshalling resources to get the job done.

Mr. McNeal is an accomplished IT professional with thirty years of domestic and international outsourcing experience. Lynn advises clients on all aspects of sourcing including assessments, deal structuring, negotiations, sourcing management, organization alignment and relationship repair with special attention to improving the management of outsourcing

services in multi-sourcing environments.

Lynn worked as a partner for TPI (now Information Services Group) a major outsourcing advisory for 10 years. He assisted major corporations structure, negotiate, manage or re-negotiate sourced services. He led TPI's expansion into the Latin American market with contracts in Mexico, Colombia and Chile. As an advisor he worked on dozens of engagements on behalf of clients from the manufacturing, chemical, food, financial and transportation sectors.

Prior to his consulting career, Lynn had twenty years of experience delivering outsourcing services with Electronic Data Systems (EDS). He held multiple senior management positions with EDS in the US and Europe. His responsibilities included client relationships, service delivery, operations, sales support and large variety of projects.

**b) Chris Payne, VITA Finance Lead**

Mr. Payne provides expert support in the strategic business analysis and financial aspects of IT assessments and sourcing transactions, especially for geographically diverse, multi-functional projects. His areas of expertise include financial modeling, analysis,



**Name:** Chris Payne  
**Role:** Finance Lead  
**Responsibilities:** Lead the development of cost analysis and resulting recommendations, including financial terms review, base case creation, rate analysis and marketplace assessments.

and terms and conditions negotiations. He has a rare blend of in-depth technical knowledge and financial expertise.

His advisory roles have included assessment, design, development, evaluation, and negotiation of IT contracts. In addition to Public Sector, he has worked on significant global and domestic commercial engagements in the Manufacturing, Telecommunications, and Financial Services industries.

Chris is an extremely strong financial modeler, and excels at the development of models with large or complex data sets. He has developed a number of models that have become the standard across the enterprise.

Prior to his consulting career Chris held a number of financial and information technology positions in the automotive industry. In these roles, his responsibilities included the pricing of proposals, design and implementation of an enterprise cost accounting system, network management and security, and server, database, and AS/400 administration.

**c) Tim Ryckman, VITA Solution and Strategy Lead**



**Name:** Tim Ryckman  
**Role:** Solution and Strategy Lead  
**Responsibilities:** Lead the development of project governance, agency engagement model and overall strategy. Leads project communications with VITA and agencies.

Mr. Ryckman is an accomplished IT leader and advisor with a unique blend of expertise in both IT operations and finance. Over the last fifteen years, he has worked as an IT service delivery manager and financial analyst, and he led sourcing transactions as both a client and an advisor. He has also consulted with business leaders regarding sourcing strategy and

conducted assessments of financial performance, service level agreements, and supplier proposals. Prior to joining Integris Applied, Tim worked for TPI, where he advised clients in a variety of sectors including Automotive, Financial Services, and Public Sector.

Tim has both hands-on and management experience in large, complex IT initiatives. Prior to his advisory career, Tim worked at Delphi Corporation, where he was the finance lead for a global IT data and voice managed network services transaction. As an IT service delivery manager, he led an IT infrastructure team to develop a hosting and connectivity solution for BPO transactions, managed network security for a significant business divestiture, and developed supplier due diligence processes. Tim also owned Ryckman Information Technology Solutions, consulting with small businesses and organizations on IT needs and solutions.

An effective communicator, Tim is able to synthesize and translate complex technology concepts for a non-technical audience. He has developed materials and provided training for business leaders regarding technology, sourcing, and contract negotiation.

**d) Andrew Rowland, VITA Communications and Change Leader**



**Name:** Andrew Rowland  
**Role:** Communications and Change Lead  
**Responsibilities:** Stakeholder outreach, communications and messaging, change management planning and execution.

Mr. Rowland has supported over ten Commonwealth of Virginia (COV) agencies in assessing, designing, and implementing business and IT solutions. He has led and supported numerous COV procurement and sourcing efforts that included the definition of the procurement strategy and requirements, preparing procurement documents, and evaluating and selecting solution providers. He also has significant

experience helping COV agencies, non-profit organizations, and other clients improve business processes and operations.

Prior to joining North Highland, Mr. Rowland worked as a full-time VDOT employee where he led the development and implementation of the VDOT-wide Personnel Security Program. During this time, he also advised and assisted other COV agencies – including VITA and DMV – in implementing similar programs.

**e) Patrick Moore, VITA Engagement Partner**



**Name:** Patrick Moore  
**Role:** Engagement Partner  
**Responsibilities:** Relationship management, executive project oversight, quality assurance, and strategic direction.

Patrick is the founder and managing partner of Set Consulting, an advisory firm that works with both private and public sector enterprises to unlock the value technology can create for taxpayers. Prior to founding Set, Patrick served as a sales executive for Hewlett Packard, the world's largest technology company. In this role, Patrick was responsible for business

development, bid strategy and bid development for a multi-state region. During his tenure Patrick played a leading role in HP's response to some of the largest strategic technology procurements in state government in the last four years, totaling over \$1B in contract value. His experiences leading large cross functional teams, developing bid and negotiations strategies, and working closely with his potential clients, have given him a view of how the technology industry and governments can improve their communications and create outcomes that benefit the nation's taxpayers.

Prior to joining HP Patrick served as the state of Georgia's CIO under Governor Sonny Perdue, where he earned a reputation as a hands on leader. Governor Perdue set a goal of making Georgia one of the best managed states in the nation. With this as a vision, Patrick led the successful turnaround of the Georgia Technology Authority through a transformational consolidation strategy that resulted in the modernization and outsourcing of the state's infrastructure and network. Patrick also was responsible for governance and oversight over the state's \$250 million project portfolio and played a leading role in the successful implementation of significant state of Georgia IT projects, including a new child welfare solution, a new drivers licensing system and a new Managed Medicaid Information System.

Patrick is a Senior Fellow at the Center for Digital Government, a national research and advisory institute on information technology policies and best practices in state and local government

**f) Anna Danegger, Engagement Partner**

Ms. Danegger is a Principal with North Highland, working within its State and Local Government group. She has significant experience in government entities through business and technology strategy and reform. Anna has managed deal structure and preparation efforts as a consultant and structured and negotiated an outsourcing program from inside government.



**Name:** Anna Danegger  
**Role:** Engagement Partner  
**Responsibilities:** Relationship management, executive project oversight, quality assurance, and strategic direction.

Anna has demonstrated the ability to lead the development and implementation of complex management reforms that transform organizations by, for instance, implementing innovative technological solutions, focusing organizational structures and responsibilities on well-defined core services, and developing and using effective performance management systems. Anna has significant program management expertise and holds her Project Management Professional (PMP) certification.

**g) Les Druitt, Engagement Partner**

Mr. Druitt is a Founding Principal of Integris Applied. An accomplished IT professional with over twenty years of international and government-related experience, Les advises clients on all aspects of business process and IT sourcing strategies including assessments, procurement planning, deal structuring and negotiations.



**Name:** Les Druitt  
**Role:** Engagement Partner  
**Responsibilities:** Relationship management, executive project oversight, quality assurance, and strategic direction.

Les has worked as a client managing sourced IT services, as a supplier delivering outsourced services and for the last fifteen years as an advisor, helping to structure, negotiate, manage or re-negotiate sourced services. As an advisor Les has worked on over forty engagements on behalf of thirty clients.

Prior to consulting, Les held several senior management positions with EDS, the Government of New South Wales, and OTC International (Telstra). While at EDS, Les was responsible for sales support and post contract transition support. In his role at the Government of New South Wales, Les was responsible for contract and relationship management of the government’s outsourced telecommunications services and the deployment of the government’s radio network. At Telstra, Les was accountable for the planning, pricing and negotiation of inter-party provisioning for Telstra’s international private leased line services.

**F. Transition Phase-In/Phase-Out Requirements**

*Reserved*

**8. TOTAL PROJECT PRICE**

The total Fixed Price for this Project shall not exceed USD \$1,292,655.

Estimated travel is \$186,000. Actual travel expenses are not included in the fixed price of the Services, and therefore such expenses shall be reimbursed in accordance with Commonwealth of Virginia travel policies as published by the Virginia Department of Accounts (<http://www.doa.virginia.gov>). In order to be reimbursed for travel expenses, Supplier must submit an estimate of such expenses to Authorized User for approval prior to incurring such expenses.

**9. PROJECT DELIVERABLES**

*Reserved* – Project Deliverables are indicated in Section 7.B. and Section 10.

**10. MILESTONES, DELIVERABLES, PAYMENT SCHEDULE, AND HOLDBACKS**

The following table identifies milestone events and deliverables, the associated schedule, and any associated pricing. Milestone delivery dates are indicated in weeks relative to project commencement, abbreviated as “PC”. The deliverables below will be considered Work Product.

The prices aligned with each deliverable will not be paid individually, but instead accumulated for billing on the subsequent invoice, as indicated by the “Invoice Amount” below.

	<b>Deliverable name</b>	<b>Expected delivery date*</b> <small>*See also Attachment B-1.2</small>	<b>Price</b>
<b>Paypoint 1</b>			
1a	Project kick-off meeting (and supporting communications collateral)	PC + 1 week	\$20,000
1b	Needs assessment project plan	PC + 3 weeks	\$40,000
1c	Communications plan (and program executive communication)  <i>*Note – Communications plan execution will be on-going</i>	PC + 3 weeks	\$40,000
3a	Interview schedule and interview guide (with agency profiles)	PC + 4 weeks	\$25,000
1e	Stakeholder and executive team status and update	On-going	\$0

	reports (to include risk matrix updates)		
<b>Invoice Amount</b>			<b>\$125,000</b>
<b>Paypoint 2</b>			
1d	Project management plan (including risk management process)	PC + 4 weeks	\$75,000
2a	Pricing structure analysis	PC + 8 weeks	\$75,000
3b	Agency, key stakeholder and policymaker interviews	On-going	\$0
<b>Invoice Amount</b>			<b>\$150,000</b>
<b>Paypoint 3</b>			
2b	Contractual Ts&Cs review	PC + 11 weeks	\$50,000
3c	Interim agency and stakeholder assessment report	PC + 12 weeks	\$75,000
5a	Market testing plan	PC + 10 weeks	\$50,000
3b	Agency, key stakeholder and policymaker interviews	On-going	\$0
<b>Invoice Amount</b>			<b>\$175,000</b>
<b>Paypoint 4</b>			
3d	Final agency and stakeholder assessment report	PC + 16 weeks	\$132,655
3b	Agency, key stakeholder and policymaker interviews	On-going	\$0
<b>Invoice Amount</b>			<b>\$132,655</b>
<b>Paypoint 5</b>			
2c	Base case	PC + 17 weeks	\$40,000
2d	Market comparison report	PC + 19 weeks	\$40,000
3e	Final Enterprise report	PC + 20 weeks	\$60,000
<b>Invoice Amount</b>			<b>\$140,000</b>
<b>Paypoint 6</b>			
2e	Financial assessment report	PC + 22 weeks	\$20,000
5b	Interim marketplace options findings report	PC + 22 weeks	\$20,000
4a	Assessment report	PC + 24 weeks	\$80,000
<b>Invoice Amount</b>			<b>\$120,000</b>
<b>Paypoint 7</b>			
4b	Assessment presentation	PC + 25 weeks	\$40,000
6a	Possible sourcing scenarios	PC + 28 weeks	\$40,000
<b>Invoice Amount</b>			<b>\$80,000</b>
<b>Paypoint 8</b>			
8a	Scenario model: cost component identification	PC + 29 weeks	\$20,000
7a	Sourcing governance practices maturity assessment	PC + 31 weeks	\$40,000
8b	Scenario model draft	PC + 33 weeks	\$40,000
<b>Invoice Amount</b>			<b>\$100,000</b>
<b>Paypoint 9</b>			
7b	Interim/transitional sourcing governance model	PC + 33 weeks	\$20,000
6b	Operational impacts of possible sourcing scenarios	PC + 34 weeks	\$15,000
5c	Final marketplace options findings report	PC + 36 weeks	\$40,000
6c	Sourcing options model	PC + 36 weeks	\$35,000
7c	Potential end-state sourcing governance model	PC + 36 weeks	\$10,000

7d	Retained organization impact assessment	PC + 36 weeks	\$10,000
7e	Agency interface model	PC + 36 weeks	\$10,000
<b>Invoice Amount</b>			<b>\$140,000</b>
<b>Paypoint 10</b>			
8c	Customer impact analysis	PC + 37 weeks	\$50,000
9a	Final recommendation report	PC + 38 weeks	\$50,000
9b	Final recommendation presentation	PC + 38 weeks	\$10,000
<b>Invoice Amount</b>			<b>\$110,000</b>
<b>Paypoint 11</b>			
9c	Executive support for communications and stakeholder management	PC +41 weeks	\$20,000
<b>Invoice Amount</b>			<b>\$20,000</b>
<b>TOTAL PAYMENTS</b>			<b>\$1,292,655</b>

**11. EVENTS AND TASKS FOR EACH MILESTONE**

Reserved – Project Deliverables are indicated in Section 7.B. and Section 10.

**12. ACCEPTANCE CRITERIA**

Each deliverable created under this Statement of Work will be delivered to the Authorized User with a Deliverable Acceptance Receipt. This receipt will describe the deliverable and provide the Authorized User’s Project Manager with space to indicate if the deliverable is accepted, rejected, or conditionally accepted. Conditionally Accepted deliverables will contain a list of deficiencies that need to be corrected in order for the deliverable to be accepted by the Project Manager.

**13. PROJECT ASSUMPTIONS AND PROJECT ROLES AND RESPONSIBILITIES**

**Personnel Resources**

Program success is dependent upon frequent and consistent interaction with Commonwealth stakeholders. The following tables describe potential project committees and minimum anticipated effort for resources within the Commonwealth, including VITA, agencies, incumbent provider, and other stakeholders. These are suggestions and may change upon further discussion with VITA. Anticipated effort will be further defined during the first two weeks of the program and communicated during kick off meetings.

Meeting	Purpose	Time	Frequency
<b>VITA Executive Team</b>	Program Strategy	1 Hour	Every Two Weeks
<b>Program Working Team</b>	Day to Day program direction	1 Hour	Weekly
	Review risk logs		

	Approve and assist with mitigation plans		
<b>Steering Committee</b> <ul style="list-style-type: none"> <li>• Program Working Team</li> <li>• 5 Agency Representatives</li> </ul>	Agency engagement  Communications	1.5 Hours	Monthly
<b>Stakeholder Community</b> <ul style="list-style-type: none"> <li>• VITA Chair</li> <li>• 5 Large Agencies</li> <li>• 5 Medium Agencies</li> <li>• 5 Small Agencies</li> </ul>	Agency engagement  Communications  Core participants for future activities	1.5 Hours	Monthly
<b>RFI Participation Team</b> <ul style="list-style-type: none"> <li>• VITA Procurement</li> <li>• 2 VITA SMES</li> <li>• 2 Agency Participants</li> </ul>	Draft and approve RFIs  Participate in vendor meetings	Minimum of 30 hours	TBD
<b>Northrop Grumman Executives</b>	Service provider engagement	1 hours	Every two weeks

<b>Personnel</b>	<b>Purpose</b>	<b>Hours per Month</b>
<b>Program Working Team</b>	Day to day program direction  Assistance with agency engagement  Follow up from weekly meetings	32 per person
<b>VITA Finance Team</b>	Support for Integris Applied data collection, validation and analysis	36 per person
<b>Administrative Support (one person)</b>	Assistance scheduling meetings with stakeholders	20
<b>Agency Interview Participants</b>	Interviews for needs assessments	Minimum of 1.5 per participant  Up to 4.5 for targeted agencies

Commitment ends  
after needs  
assessment is  
complete

**G. Project Assumptions**

The following assumptions are specific to this project:

Supplier will have the access to stakeholders for interviews defined in this SOW;

Stakeholders will participate in the forums defined in this SOW

**14. COMMONWEALTH AND SUPPLIER-FURNISHED MATERIALS, EQUIPMENT, FACILITIES AND PROPERTY**

**A. PROVIDED BY THE COMMONWEALTH**

**Logistics, Equipment Support, etc.**

Integrus Applied requires minimal logistical support for this engagement. Minimum requirements are:

- Team room
- Network / internet access
- Printer access
- Badges with after-hours access

**B. PROVIDED BY THE SUPPLIER**

Supplier will provide access (at no additional charge) to a hosted SharePoint solution for use of the project team throughout the duration of the Statement of Work. VITA will identify users (anticipated at approximately 12 individuals) and work with Supplier to determine folder structure.

Additionally, all right, title and interest in and to any content relating to Authorized User's business shall remain the property of Authorized User, whether or not supplied to Supplier or uploaded into the SharePoint site. Nothing in this Contract shall be construed as conveying any rights or interest in content to Supplier. Upon termination of an order or SOW issued hereunder, Supplier agrees to either provide the content to the applicable Authorized User, or, at such Authorized User's request, certify in writing that said content in all formats, have been destroyed.

Supplier will create and maintain user IDs. No information regarding any Authorized User shall be disclosed, provided, rented or sold to any third party for any reason unless required by law or regulation or by an order of a court of competent jurisdiction. This obligation shall extend beyond the term of the Contract.

Supplier has acquired any and all license rights necessary and appropriate for Supplier to provide the hosted SharePoint access as listed and described in this SOW for all Authorized Users.

The SharePoint site will not be used to host Personally Identifiable Information (PII) or any other sensitive information requiring HIPAA, CJIS or similar security standard compliance; it will contain data and reports related to the project. Commonwealth security policies and standards will apply, including:

- User identification and access controls designed to limit access to content to Authorized Users;
- Encryption techniques which will be used when content is transmitted between the SharePoint site and Authorized Users' computers; and
- Logical and physical security controls designed to prevent unauthorized access to infrastructure and content.

**15. SECURITY REQUIREMENTS**

For any individual Authorized User location, security procedures may include but not be limited to: background checks, records verification, photographing, and fingerprinting of Supplier's employees or agents. Supplier may, at any time, be required to execute and complete, for each individual Supplier employee or agent, additional forms which may include non-disclosure agreements to be signed by Supplier's employees or agents acknowledging that all Authorized User information with which such employees and agents come into contact while at the Authorized User site is confidential and proprietary. Any unauthorized release of proprietary information by the Supplier or an employee or agent of Supplier shall constitute a breach of the Contract.

Supplier shall comply with all requirements in the Security Compliance section of the Contract

**16. REQUIRED STANDARDS, CERTIFICATIONS AND SPECIFICATIONS**

In addition to any standards and specifications included in the Contract, Supplier shall follow the standards and specifications listed below during performance of this effort.

- COV ITRM Policies and Standards: <http://www.vita.virginia.gov/library/default.aspx?id=537>

**17. RISK MANAGEMENT**

**A. Initial Risk Assessment**

The nature of the Services outlined in this SOW is inherently low risk. Primary risks identifiable prior to project start include availability of personnel – both Supplier Key Personnel and Commonwealth stakeholders. The impact of both risks is that the Commonwealth does not receive deliverables and recommendations in time or of the quality necessary to begin execution of those recommendations.

**B. Risk Management Strategy**

Mitigations for these risks and potential impacts are outlined below.

Risk	Impact	Mitigation
<b>Availability of Key Supplier Personnel</b>	Late deliverables	Supplier has additional resources internally and via partnership with North Highland
	Quality of work diminishes	
		Firm Fixed Price contract
		Deliverable payments will be withheld for poor quality or late deliverables
<b>Availability of Commonwealth</b>	Late deliverables	Communication plan to set expectations with

<b>Stakeholders</b>	Quality of work diminishes	stakeholders  Weekly risk log review with Program Working Team  Escalations to Program Working Team when necessary
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**C. Risk Management Plan**

As indicated in Section 7 above, Supplier will perform ongoing risk management throughout the duration of the project. Supplier Project Manager will be responsible for the maintenance of the project risk log and corresponding mitigation plans. The risk log will be reviewed with the VITA Program Working Team on a weekly basis. Notwithstanding recurring weekly meetings between Supplier and VITA Program Working Team, escalations to the Program Working Team will be made on an as needed basis. The VITA Executive Team will serve as a point of escalation if resolution of risks cannot occur within the Program Working Team.

**18. DISASTER RECOVERY**

Given that this project is a development of assessment and recommendation materials, primary risks in the event of a disaster situation include access to the accumulated project data and reports. This data will be stored in a hosted environment with a 1-hour RPO and a 6-hour RTO.

Configuration documentation, such as folder structure, user IDs, groups, and access rights will be stored separately by both VITA and Integrus, to be used by alternate personnel if needed.

**19. PERFORMANCE BOND**

Reserved

**20. OTHER TECHNICAL/FUNCTIONAL REQUIREMENTS**

Reserved

**21. REPORTING**

**A. Weekly Status Update.**

The weekly status report, to be submitted by Supplier to the Authorized User, should include: accomplishments to date as compared to the project plan; any changes in tasks, resources or schedule with new target dates, if necessary; all open issues or questions regarding the project; action plan for addressing open issues or questions and potential impacts on the project; risk management reporting.

**B. Supplier Performance Self-Assessment.**

Reserved

**C. Performance Auditing**

Reserved

**D. Supplier Performance Assessments**

Reserved

**22. CHANGE MANAGEMENT**

All changes to this SOW must comply with the Contract. Price changes must comply with the Code of Virginia, § 2.2-4309. Modification of the contract, found at this link: <http://leg1.state.va.us/cgi-bin/legp504.exe?000+coh+2.2-4309+500825>

All changes to this SOW shall be in written form and fully executed between the Authorized User's and the Supplier's authorized representatives. For administrative changes, the parties agree to use the change template, attached to this SOW. For technical/functional change management requirements, listed below, the parties agree to follow the processes and use the templates provided at this link: <http://www.vita.virginia.gov/oversight/projects/default.aspx?id=567>

**23. POINT OF CONTACT**

For the duration of this project, the following project managers shall serve as the points of contact for day-to-day communication:

Authorized User: Perry Pascual

Supplier: Lynn McNeal

By signing below, both parties agree to the terms of this Exhibit.

Supplier:

Authorized User:

\_\_\_\_\_

\_\_\_\_\_

(Name of Supplier)

(Name of Agency/Institution)

By: \_\_\_\_\_

By: \_\_\_\_\_

(Signature)

(Signature)

Name: \_\_\_\_\_

Name: \_\_\_\_\_

(Print)

(Print)

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_