



Comprehensive Infrastructure Agreement Amendment Approval Form

Contract Between:

Northrop Grumman Systems Corporation
Meadowville Technology Park
11751 Meadowville Lane
Chester, VA 23836

and

The Commonwealth of Virginia
11751 Meadowville Lane
Chester, VA 23836

Contract Number	VA-051114-NG
Amendment Number	69
Section(s) of CIA Referenced – Identify section(s) of CIA modified, including Attachments and Schedules	-Appendix 6 to Schedule 3.3 -Addendum 7 to Appendix 6 to Schedule 3.3 (new) -Schedule 10.1 -Attachments 10.1.3-A, 10.1.4-A, 10.1.5-A, 10.1.7, 10.1.8, and 10.1.13 to Schedule 10.1
Description of Approved Contract Change – Provide a brief description of contract change	The following change documents the agreement to add Enterprise Handheld Services to the Messaging Services of the Comprehensive Infrastructure Agreement as well as consolidate existing Blackberry Services under the Enterprise Handheld Services.



In accordance with Section 27.5 Amendments, and pursuant to the mutual agreement of the parties, this AGREEMENT is modified as follows:

1.) The following paragraphs of Section 5.3.2 to Schedule 10.1 of the CIA are hereby modified as follows:

5.3.2 Additional Resource Charges (ARCs)

Fees for additional resources are applicable whenever the actual resource utilization rises above the Baseline (volume). Fees for additional resources are equal to (a) Fees for additional resource units below the Additional Resource Charge (ARC) Deadband Threshold and (b) Fees for additional resource units above the ARC Deadband Threshold. Fees for additional resource units below the ARC Deadband Threshold are equal to (c) the additional resource units below the threshold (volume), multiplied by (d) the Resource Unit Rate for such Resource Unit. Fees for additional resource units above the ARC Deadband Threshold are equal to (e) the additional resource units above the threshold (volume), multiplied by (f) the Additional Resource Charge (ARC) rate applicable to the Resource Unit. The ARC rates for each Resource Unit for each Service Tower are set forth in Attachment 10.1.7 (Post-Transition Phase Fees – Additional Resource Charge (ARC) Rates by Service Tower). The ARC Deadband Threshold is equal to (g) the Baseline (volume) for the Resource Unit, multiplied by the sum of 1.00 plus (h) the ARC Deadband Baseline (expressed as a percentage) as set forth in the ARC Deadband Table in Section 5.3.3 below for each Service Tower.

Exceptions to Standard ARC Calculations:

(a) For purposes of performing the above calculations, all increases in the Commonwealth's actual consumption of virtual servers directly caused by the transitioning of or replacement of physical servers with virtual servers shall not count toward determining when the Deadband Threshold is surpassed. All such increases in the Commonwealth's actual consumption of virtual servers shall be charged at the Resource Unit Rate.

(b) If an Eligible Customer seeking to convert the majority of its standard desktop computers to standard laptops as part of a regularly scheduled refresh (i.e., not an early or unscheduled refresh) provides written notice to Vendor reasonably in advance of the scheduled refresh and returns all assets to be replaced to Vendor, Vendor will not treat the laptops as an ARC. Instead, with Commonwealth written consent, Vendor will record the conversion as a decrease to the desktop baseline quantity and an increase to the laptop baseline quantity in Attachment 10.1.4-A.

(c) For the CESC Mainframe Print Resource Units, ARCs shall not be calculated monthly, but rather on a six month basis. The Commonwealth will pay the baseline rate in Attachment 10.1.5-A times quantities in Attachment 10.1.4-A for CESC based Mainframe Print Resource Units and in January and July of each year, the Vendor and Commonwealth will review actual usage and apply the ARC formula to the cumulative quantities over the six month period.

(d) All increases in the Commonwealth's actual consumption of tiered Resource Units shall be calculated pursuant to the provisions of Sections 5.3.9 below.

(e) All increases in the Commonwealth's actual consumption of Enterprise Handheld Services – Blackberry and non-Blackberry Resource Units shall be calculated pursuant to the provisions of Section 5.3.11 below.

2.) The following paragraphs of Section 5.3.5 to Schedule 10.1 of the CIA are hereby modified as follows:

5.3.5 Reduced Resource Credits (RRCs)

Credits for reduced resources are applicable whenever the actual resource utilization falls below the Baseline (volume). Credits for reduced resources are equal to (a) credits for reduced resource units above the Reduced Resource Credit (above the RRC) Deadband Threshold and (b) Credits for reduced resource units below the RRC Deadband Threshold. Credits for reduced resource units above the RRC Deadband Threshold are equal to (c) the reduced resource units above the threshold (volume), multiplied by (d) the Resource Unit Rate for such Resource Unit. Credits for reduced resource units below the RRC Deadband Threshold are equal to (e) the reduced resource units below the threshold (volume), multiplied by (f) the Reduced Resource Credit (RRC) rate applicable to the Resource Unit. The RRC rates for each Resource Unit for each Service Tower are set forth in Attachment 10.1.8 (Post-Transition Phase Fees – Reduced Resource Credits (RRC) Rates by Service Tower). The RRC Deadband Threshold is equal to (g) the Baseline (volume) for the Resource Unit, multiplied by the sum of 1.00 minus (h) the RRC Deadband Baseline (expressed as a percentage) as set forth in the RRC Deadband Table in Section 5.3.6 below for each Service Tower.

Exceptions to Standard RRC Calculations:

(a) For the purposes of performing the above calculations, all decreases in the Commonwealth's actual consumption of physical servers directly caused by the transitioning of or replacement of physical servers with virtual servers shall not count toward determining when the Deadband Threshold is surpassed. All such decreases in the Commonwealth's actual consumption of physical servers shall be credited at the Resource Unit Rate.

(b) If an Eligible Customer seeking to convert the majority of its standard desktop computers to standard laptops as part of a regularly scheduled refresh (i.e., not an early or unscheduled refresh) provides written notice to Vendor reasonably in advance of the scheduled refresh and returns all assets to be replaced to Vendor, Vendor will not treat the desktops as a RRC. Instead, with Commonwealth's written consent, Vendor will record the conversion as a decrease to the desktop baseline quantity and an increase to the laptop baseline quantity in Attachment 10.1.4-A, as described in Section 5.3.2 above.

(c) For the CESC Mainframe Print Resource Units, RRCs shall not be calculated monthly, but rather on a six month basis. The Commonwealth will pay the baseline rate in Attachment 10.1.5-A times quantities in Attachment 10.1.4-A for CESC based Mainframe Print Resource Units. In January and July of each year, the Vendor and Commonwealth will review actual usage and apply the RRC formula to the cumulative quantities over the six month period.

(d) All decreases in the Commonwealth's actual consumption of tiered Resource Units shall be calculated pursuant to the provisions of Sections 5.3.9 and 5.3.10 below.

(e) All decreases in the Commonwealth's actual consumption of Enterprise Handheld Services – Blackberry and non-Blackberry Resource Units shall be calculated pursuant to the provisions of Section 5.3.11 below.

3.) The following Section 5.3.11 to Schedule 10.1 of the CIA is hereby added:

5.3.11 Exceptions to Enterprise Handheld Services ARC and RRC Calculations

A change of utilization from an Enterprise Handheld Service –Blackberry Resource Unit to an Enterprise Handheld Service – non-Blackberry Resource Unit is not a utilization increase or decrease, and the application of the standard ARC and RRC methodology to such changes is not appropriate. For all changes in these Services that result in a decrease of an Enterprise Handheld Service – Blackberry Resource Unit and a commensurate increase to an Enterprise Handheld Service – non-Blackberry Resource Unit, the following process shall apply:

- (a) A decrease in the Commonwealth's actual consumption of the Enterprise Handheld Services – Blackberry shall be credited at the Resource Unit Rate and not counted toward determining when the Deadband Threshold is surpassed for purposes of performing the standard RRC calculation for that Resource Unit so long as the Commonwealth's actual combined consumption of Enterprise Handheld Services – Blackberry and non-Blackberry falls within or is above the Deadband Threshold for the Enterprise Handheld Services – Blackberry. Concomitantly, the increase in the Commonwealth's actual consumption of the Enterprise Handheld Services – non-Blackberry shall be charged at the Additional Resource Charge Unit Rate.
- (b) RRC calculation for Enterprise Handheld Services – Blackberry shall be applicable when (1) the actual combined Resource Unit consumption for Enterprise Handheld Services – Blackberry and non-Blackberry fall below the Deadband Threshold for Enterprise Handheld Services – Blackberry and (2) the actual Resource Unit consumption for Enterprise Handheld Services – Blackberry is above 600.
- (c) In the event the Commonwealth's actual consumption of Enterprise Handheld Services – Blackberry Resource Units reaches a quantity of 600 or less, Vendor shall invoice the Commonwealth for a static quantity of 600 units at the Resource Unit Rate with no RRC applicable until and unless actual consumption reaches a quantity of more than 600 units subsequently.
- (d) In the event the Commonwealth decides to terminate the Blackberry component of Enterprise Handheld Services, the Fees associated with Blackberry will terminate upon reasonable notice to Vendor.

4.) The following paragraphs of Section 5.5.1 to Schedule 10.1 of the CIA are hereby modified as follows:

Administrative Burden Fees

The Commonwealth may request that Vendor purchase goods or services (including assets, training, certificates, and licenses) that are different from or in addition to the Services as described in Section 3.1.1 of the Agreement or the standards described in Schedule 3.3. Vendor's proposals to provide all such commodities and additional services shall quote Resource Unit Rates whenever applicable. Whenever possible, Vendor will work with the Commonwealth to obtain subcontract labor at the rates available to the Commonwealth under its contingent labor contracts. For the provision of such goods and services, in addition to the costs for such goods and services, the following Fees apply: (a) an administrative burden equal to 7% of Vendor's costs, including shipping, for commodities not contained as part of a Resource Unit, and (b) an administrative burden equal to 7%, plus an additional 3% of the reasonable, actually incurred, and documented out-of-pocket costs required in order to provide an Eligible Customer with a Service that it is not already receiving or an increase quantity to an already delivered Service. Such costs include only those Vendor costs in excess of the costs that would be incurred by Vendor to provide the Services as outlined in Section 3 of the Agreement and all associated Schedules, which may include both recurring and non-recurring costs. The Administrative Burden Fee identified in subsection (b) shall only be applied to costs where administrative or engineering activities are required in addition to traditional procurement activities. The Administrative Burden Fees identified in (a) and (b) of the previous sentence will not be applied to sales tax or Resource Unit Rates, including IMACs and Hourly Rates, nor will such Fees count against the applicable Overall Fee Limitation. For purposes of International Audio and Data Conferencing, the reasonable, actually incurred and documented out-of-pocket costs required in order to provide Eligible Customers with this service will be subject to the Administrative Burden Fees identified in subsection (a) only. Where Vendor provides any such non-standard asset that is a "premium" asset to which Vendor's base cost for the "standard" asset can be applied, the Commonwealth will receive a credit for the cost of the standard asset that shall be applied before the Administrative Burden Fee is calculated. Examples of commodities subject to the Administrative Burden Fee are contained in Attachment 10.1.13 to Schedule 10.1. For purposes of Enterprise Handheld Services - non-Blackberry, the reasonable, actually incurred and documented out-of-pocket costs required in order to provide Eligible Customers with Client Access Licenses (CALs) for this service will be subject to the Administrative Burden Fees identified in subsection (a) only, and for this purpose, such CALs shall be treated as being "commodities not contained as part of a Resource Unit".

For the purposes of this Schedule, the term administrative burden reflects a portion of Vendor's direct and indirect expenses documented in accordance with Vendor's established cost accounting standards and accounting practices.

5.) The following paragraphs of the *Messaging Services Assumptions* of Attachment 10.1.13 to Schedule 10.1 of the CIA are hereby modified as follows:

Messaging Services Assumptions

- Vendor has assumed that if migration of an application is not possible as part of the messaging migration project, owners of agency applications will provide the necessary development needed to redesign or recode the application to function properly. Such

applications shall be modified in accordance with a schedule and at a price to be mutually agreed by the parties.

- Vendor has assumed that messaging systems that cannot be retired due to embedded applications will be reduced in servers and left operational only to provide minimum requirements. Servers containing these applications will be properly maintained and administered but will be included in SLA performance measurements to be mutually agreed upon by the Parties.
- Provision of mobile device and associated data usage plan is not included in Enterprise Handheld Services.

6.) Appendix 6 to Schedule 3.3, Messaging Services SOW, is deleted in and replaced with the attached Exhibit A, which is incorporated into this Amendment by this reference.

7.) Addendum 7 to Appendix 6 to Schedule 3.3, Enterprise Handheld Services Statement of Technical Approach, is added as set forth in Exhibit B, which is incorporated into this Amendment by this reference.

8.) Attachments 10.1.3-A, 10.1.4-A, 10.1.5-A, 10.1.7, and 10.1.8 to Schedule 10.1, are deleted in their entirety and replaced with the attached Exhibit C, which is incorporated into this Amendment by this reference. Attachments 10.1.1, 10.1.2, 10.1.3, 10.1.4, 10.1.5, 10.1.6, 10.1.9, 10.1.10, 10.1.11, 10.1.12, 10.1.14 and 10.1.15 remain unchanged.

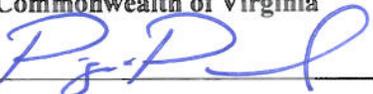
9.) Both Parties understand that the Enterprise Handheld Services for non-Blackberry handheld devices are dependent upon the Good Technology product which is a third-party product owned and licensed by Good Technology. Therefore, notwithstanding anything to the contrary in the Agreement, if the Good Technology product ceases to be commercially available, then Vendor shall no longer be obligated to provide Enterprise Handheld Services for such devices. Vendor shall monitor the availability of necessary Good Technology products and notify the Commonwealth immediately if it has reason to believe such products will no longer be commercially available.

All terms, conditions and provisions of the original Agreement, remain unchanged except as specifically noted herein.

The parties have executed this Agreement on the dates indicated below.

Executed by:

The Commonwealth of Virginia

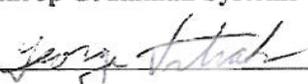
By: 

Name: Perry Pascual

Title: Customer Services, Project Management Organization

Date: 8/16/2011

Northrop Grumman Systems Corporation

By: 

Name: George Vrtiak

Title: Manager, Contracts

Date: 8/15/2011