



## 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

<b>Contract Number</b>	<b>VA-051114-NG</b>
<b>Amendment Number</b>	<b>68</b>
<b>Section(s) of CIA Referenced – Identify section(s) of CIA modified, including Attachments and Schedules</b>	Schedule 10.1, Fees  Attachments 10.1.3A, 10.1.4A, 10.1.5A, 10.1.7, 10.1.8, and new Attachment 10.1.15  Schedule 10.1, Attachment 10.1.13, under Voice and Video Telecom Assumptions.



**Description of Approved Contract Change –**  
Provide a brief description of contract change

For purposes of satisfying the obligation set forth in Section 2.2 of Schedule 10.1, Fees, and pursuant to the mutual agreement of the Parties, the Agreement is modified as follows:

A. Schedule 10.1, Fees is modified as follows, changes and additions are hereby incorporated in full text:

1. Preamble, Adds reference to Attachment 10.1.15 of Schedule 10.1 (Fees)
2. Section 5.1.7 Adjustment of Baselines, adds paragraph (iii) describing Attachment 10.1.15 of Schedule 10.1 (Fees)
3. Language is added at the end of Section 5.3.2 (Additional Resource Charges (ARCs)), referring to Section 5.3.9 regarding adjustments between Tiers
4. Language is added at the end of Section 5.3.5 (Reduced Resource Credits (RRC)), referring to Sections 5.3.9 & 5.3.10 regarding adjustments between Tiers and volume based credits for DR and Managed Router, respectively
5. Two Sections are added: 5.3.9 Adjustments for Changes between Tiers of a Tiered Resource Unit, and 5.3.10 Volume-Based Credit for Disaster Recovery and Managed Router Services

B. In Schedule 10.1, Attachment 10.1.13 (Pricing Assumptions), language is added under the Voice and Video Telecom Assumptions, which is incorporated into this Amendment Request in full text below.

C. Attachments 10.1.3A, 10.1.4A, 10.1.5A, 10.1.7, and 10.1.8 are deleted in their entirety and replaced with the attached Exhibit A, which is incorporated into this Amendment Request by this reference. Attachments 10.1.1, 10.1.2, 10.1.3, 10.1.4, 10.1.4B, 10.1.5, 10.1.6 and 10.1.9, 10.1.10, 10.1.11, 10.1.12 and 10.1.14 are not changed.

D. Exhibit A also includes Attachment 10.1.15, which lists servers excluded from baseline.

In accordance with Section 27.5 Amendments, and pursuant to the mutual agreement of the Parties, this Agreement is modified as follows, and as per Exhibit A.

The effective date of this Amendment is May 1, 2011.

This Amendment applies to invoices for May, 2011 Service quantities and amounts and subsequent invoices and will not be applied retroactively otherwise.

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

A) CIA Schedule 10.1 (Fees) is hereby changed as follows:

1. The preamble to Schedule 10.1 is changed as follows:

**Schedule 10.1**

**Fee Schedule**

This is Schedule 10.1 to the Comprehensive Infrastructure Agreement between the Commonwealth and Vendor (the "Agreement"). Unless otherwise expressly defined herein, the capitalized terms used herein shall have the meaning assigned to them in the Agreement.

In addition to the provisions set forth below, this Schedule 10.1 includes the following attachments, which are incorporated herein by reference:

**List of Attachments**

<u>Attachment</u>	<u>Title</u>
10.1.1	Estimated Retained Costs
10.1.2	Transition Phase Fees and Corresponding Milestones and Expected Completion Dates
10.1.3	Definition of Resource Units for Contract Years One, Two, Three and Contract Year Four Truncated
10.1.3-A	Definition of Resource Units for Contract Year Four Stub and All Subsequent Contract Years
10.1.4	Initial Baselines for Contract Years One, Two, Three and Contract Year Four Truncated
10.1.4-A	Adjusted Baselines for Contract Year Four Stub and All Subsequent Contract Years
10.1.4-B	Additional Resource Unit Baselines for Contract Year Four Stub and All Subsequent Contract Years
10.1.5	Post-Transition Phase Fees - Fixed Recurring Fees and Resource Unit Rates by Service Tower for Contract Years One, Two, Three and Contract Year Four Truncated
10.1.5-A	Post-Transition Phase Fees - Fixed Recurring Fees and Resource Unit Rates by Service Tower for Contract Year Four Stub and All Subsequent Contract Years
10.1.6	Facilities Fees - One-Time and Fixed Recurring
10.1.7	Post-Transition Phase Fees – Additional Resource Charge (ARC) Rates by Service Tower
10.1.8	Post-Transition Phase Fees – Reduced Resource Credit (RRC) Rates by Service Tower
10.1.9	Hourly Rates
10.1.10	Exit Fees
10.1.11	Resolution Fees
10.1.12	Disentanglement Fees
10.1.13	Pricing Assumptions
10.1.14	Relocation and Upgrade Matrix
10.1.15	Servers Excluded from Baseline and Subject to 5.1.7 (iii)

A) CIA Schedule 10.1 (Fees) is hereby changed as follows (continued):

2. Section 5.1.7 to Schedule 10.1 is changed as follows, (iii is added):

### **5.1.7 Adjustment of Baselines**

(i) The Parties have validated and adjusted the Initial Baselines using the results of the inventory described above (such adjusted Baselines, the "Adjusted Baselines"). The Adjusted Baseline for each Resource Unit is equal to (a) the Initial Baseline for such Resource Unit, plus or minus (b) any resulting variance between the volumes of that Resource Unit identified during the inventory described above and the Initial Baseline for such Resource Unit. The Adjusted Baselines are set forth in Attachment 10.1.4-A and Attachment 10.1.4-B.

(ii) If the Commonwealth's actual consumption of any individual Resource Unit changes by 20% from the applicable Adjusted Baseline for at least six consecutive months, the parties will discuss such changes and may mutually agree to implement adjustments to the Attachments to Schedule 10.1.

(iii) The servers identified in Attachment 10.1.15 are not included in the baseline quantity of individual server Resource Units set forth in Attachment 10.1.4-A and these servers are not subject to the Fixed Rate, Volume Based Fees described in Section 5.3 below. During Contract Year Six, the Parties intend to reduce the need for the servers specified in Attachment 10.1.15. At no additional cost to the Commonwealth, Vendor shall collaborate with each impacted Eligible Customer to provide a comprehensive, realistic plan to accomplish this server reduction goal by June 1, 2012. Vendor may require information from Eligible Customers in obtaining plan inputs in the development of the plan. The parties intend for a plan to be delivered by Vendor to each Eligible Customer on or before September 30, 2011, subject to Commonwealth availability. The delivered plans will include Vendor cost estimates, if applicable, and clearly delineate which activities carry additional Fees. Eligible Customer will have 30 days to approve Vendor's plan. For each plan approved by the impacted Eligible Customer, the Eligible Customer shall perform the tasks specifically assigned to it and Vendor shall perform all tasks specifically assigned to Vendor. Unapproved plans will be escalated to the Chief Information Officer of the Commonwealth for assistance in obtaining agency acceptance of a plan after the 30 days has tolled. Depending on the effectiveness of the Parties' server reduction efforts, the Parties may agree to readjust the server baseline quantities in Attachment 10.1.4-A and the amount of the Fixed Price Adjustment in Attachment 10.1.5-A beginning on or after July 1, 2012.

3. The following is added to the end of Section 5.3.2 Additional Resource Charges (ARCs):

(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.

A) CIA Schedule 10.1 (Fees) is hereby changed as follows (continued):

4. The following is added to the end of Section 5.3.5 Reduced Resource Credits (RRCs):

(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.

5. The following Sections 5.3.9 and 5.3.10 are added to Schedule 10.1 (Fees):

**5.3.9 Adjustments for Changes between Tiers of a Tiered Resource Unit**

ARCs apply when resource utilization increases and RRCs apply when resource utilization decreases relative to the Baseline and dead band thresholds. Amendment 60 added a tiered rate structure to several Resource Units (Tiered Resource Units). A change of a Resource Unit from one tier of a Tiered Resource Unit to another tier within the same Tiered 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 except in the case defined by subsection (c) below .

The Tiered Resource Units to which the following adjustments apply are listed in Table 7 below and any tiers added in the future shall be added to Table 7 by mutual agreement in accordance with Agreement Section 27.5 (Amendments), and subject to the same treatment as those identified in Table 7. For all changes in Services that result in a decrease in one tier of a Tiered Resource Unit and a commensurate increase in another tier of the same Tiered Resource Unit, the following process shall apply:

- (a) The Parties shall determine the date when the primary asset underlying the Resource Unit being decreased was installed in the Commonwealth environment. If that installation date is at least 48 months prior to the effective date of the proposed change, then the terms of subsection (b) below shall apply. If that installation date is less than 48 months prior to the effective date of the proposed change, then the terms of subsection (c) below shall apply.
- (b) The decrease in the Commonwealth's actual consumption of the tier from which the consumption is being decreased 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. Concomitantly, the increase in the Commonwealth's actual consumption of the tier to which the consumption is being increased shall be charged at the Resource Unit Rate and not counted toward determining when the Deadband Threshold is surpassed for purposes of performing the standard ARC calculation for that Resource Unit.
- (c) There shall be no changes to the standard ARC and RRC calculations until the 48 month anniversary of the installation date has passed at which point the terms in subsection (b) shall apply. Until such installation anniversary has passed, Vendor will exercise reasonable care to ensure that any affected assets shall be redeployed to the extent permitted by Section 3.6 of the Agreement in order to minimize deviations from the Baseline caused by changes between tiers of a Tiered Resource Unit.

A) CIA Schedule 10.1 (Fees) is hereby changed as follows (continued):

5. The following Sections 5.3.9 and 5.3.10 are added to Schedule 10.1 (Fees)  
(Continued):

Vendor shall update all applicable operational processes to collect and maintain the information necessary to implement the adjustments required by this section. No later than 90 days after Amendment 68 becomes effective, Vendor shall submit for the Commonwealth's review any necessary changes to the Procedures Manual and shall provide a non-binding estimate of all assets potentially subject to the terms of subsection (c) above.

The Parties agree that consideration of the installation date of particular assets shall only be relevant to calculating the adjustments outlined in this Section 5.3.9 and shall not be relevant to the satisfaction or interpretation of any other provisions of the Agreement including but not limited to Vendor's obligations under Sections 3.5, 3.6, and 3.11 of the Agreement.

The adjustments required by this Section 5.3.9 shall apply only to requested changes to Services submitted after June 30, 2011 and shall not be applied retroactively to account for requests which may have been implemented or submitted prior to this date.

A) CIA Schedule 10.1 (Fees) is hereby changed as follows (continued):

5. The following Sections 5.3.9 and 5.3.10 are added to Schedule 10.1 (Fees)  
 (Continued):

Table 7 - Listing of Tiered Resource Units

Tiered Resource Unit	Resource Units
<b>Virtual Servers</b>	Unix Virtual Small (1-2 CPUs) Unix Virtual Medium (3-4 CPUs) Unix Virtual Large (5-6 CPUs) Unix Virtual Enterprise (over 6 CPUs) NT Win & Other Virtual Small (1-2 CPUs) NT Win & Other Virtual Medium (3-4 CPUs) NT Win & Other Virtual Large (5-6 CPUs) NT Win & Other Virtual Enterprise (over 6 CPUs)
<b>Storage Tier 2</b>	Storage Tier 2 at CESC Storage Tier 2 outside of CESC Storage Tier 2 at CESC no Backup
<b>Storage DASD</b>	Storage DASD (Direct Access Storage Device) Storage DASD no Backup
<b>Network Attached Printer</b>	Network Attached Printer - Category 1 Network Attached Printer - Category 2 Network Attached Printer - Category 3 Network Attached Printer - Category 4
<b>Copier</b>	Copier Category 1 Copier Category 2 Copier Category 3 Copier Category 4 Copier Category 5 Copier Category 6
<b>WAN</b>	WAN - 56Kbps WAN - 128Kbps WAN - 256Kbps WAN - 512Kbps WAN - 768Kbps WAN - 1.024Mbps WAN - 1.536Mbps WAN - 3.072Mbps WAN - 4.608 Mbps WAN - 6.144Mbps WAN - 45Mbps WAN - 50Mbps WAN - 150 Mbps - 155Mbps

A) CIA Schedule 10.1 (Fees) is hereby changed as follows (continued):

5. The following Sections 5.3.9 and 5.3.10 are added to Schedule 10.1 (Fees)  
(Continued):

**5.3.10 Volume-Based Credit for Disaster Recovery and Managed Router Services**

**(a) Disaster Recovery**

For each month on or after the effective date of Amendment 68 in which the total of the Fixed Rate Volume-Based Fees for all tiers of the Disaster Recovery (DR) Server Resource Units equals or exceeds the amount of the Management Fees for Disaster Recovery Server Management Services, Vendor shall credit the Commonwealth the full amount of the Management Fees for Disaster Recovery Server Management Services. For each month in which the total of the Fixed Rate Volume-Based Fees for all tiers of the DR Server Resource Units is less than the amount of the Management Fees for Disaster Recovery Server Management Services, Vendor shall credit the Commonwealth the full amount of the Fixed Rate Volume-Based Fees for all tiers of the DR Server Resource Units.

**(b) Managed Router**

For each month on or after the effective date of Amendment 68 in which the total of the Fixed Rate Volume-Based Fees for all tiers of all Managed Router Resource Units equals or exceeds the amount of the Management Fees for Managed Router Management Services, Vendor shall credit the Commonwealth the full amount of the Management Fees for Managed Router Management Services. For each month on or after the effective date of Amendment 68 in which the total of the Fixed Rate Volume-Based Fees for all tiers of all Managed Router Resource Units is less than the amount of the Management Fees for Managed Router Management Services, Vendor shall credit the Commonwealth the full amount of the Fixed Rate Volume-Based Fees for all tiers of all Managed Router Resource Units.

B) The following is added to Schedule 10.1.13, under Voice and Video Telecom Assumptions as follows:

***Voice and Video Telecom Assumptions***

Vendor will utilize all existing LAN ports and switches when deploying Vendor's VOIP services. If Vendor's VOIP installation requires the deployment of new and incremental switches to support additional LAN ports, Vendor will be eligible to recover certain one-time costs associated with such new and incremental switches and LAN ports. Such one-time costs are the actual costs of the new switch and associated software, maintenance (if applicable), the reasonable and verifiable labor costs actually incurred in installing the new switch, and other direct costs (materials and other direct costs shall be subject to an Administrative Burden Fee as described in Section 5.5.1(b) of Schedule 10.1). Regardless of the number of ports affected, the installation of such switches and ports shall not be treated as use of a Data Network IMAC Resource Unit and no such Resource Unit Rates shall apply. Vendor shall identify in advance all instances where any such costs may be incurred and obtain VITA's approval of the need for new and incremental LAN ports and switches through the work request process. For such requests, there is no minimum of port changes necessary before charges are allowable.

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

Executed by:

The Commonwealth of Virginia

Northrop Grumman Systems Corporation

By: 

By: 

Name: Perry Pascual

Name: for Tim Rigney

Title: Contract Manager

Title: Director, Contracts

Date: 6/25/2011

Date: 6/28/11