

11.0 Supporting Information

Instructions to Vendors: Commonwealth expects that Vendor will provide additional information to further clarify its proposal and elucidate the benefits to Commonwealth in selecting Service Vendor as its outsourcing service provider.

Why the Northrop Grumman Team? Transformation is second nature to us—a part of our culture. Change is part of our mission, which is to look to the future, determine what the needs will be, and provide the systems and capabilities that will meet those needs. As VITA's leaders provide the intellectual and strategic framework that shape the Commonwealth's technology capabilities for many years to come, the Northrop Grumman Team is agile enough to respond to the priorities of the Commonwealth.

11.1 Benefits

This section presents the benefits of selecting the Northrop Grumman Team. The details on our technology transformation approach and benefits are addressed in the following subsequent sections:

- 11.3.1 Relationship Management
- 11.3.2 Cross Functional Section
- 11.3.3 Internal Application
- 11.3.4 Details on the Security Service Area
- 11.3.5 Help Desk
- 11.3.6 Desktop Computing Services
- 11.3.7 Messaging Detailed Solution
- 11.3.8 Details on Mainframe and Server
- 11.3.9 Data Network Management Solutions
- 11.3.10 Details on Voice and Video Telecom
- 11.3.11 Human Resources Management
- 11.3.13 Data Center Facilities
- 11.3.14 IT Service Continuity and DR

Although these sections are discussed separately, they all are part of an interdependent, systemic solution with features and benefits that span the people, processes, technologies and infrastructure that are part of this program. **Exhibit 11.1-1** shows how, as the program develops over time, various features of our approach evolve to become the basis for high-level benefits (shown in the arrows).

START-UP	TRANSITION		POST-TRANSITION OPERATIONS
	CURRENT OPERATIONS	TRANSFORMATION	
PEOPLE: Employees <i>Long Term Employment Stability and Growth</i>			
<ul style="list-style-type: none"> Affected employees Redacted from Public Document – Proprietary and Confidential Sign-on bonus Employment guarantee Training programs begin Benefits comparable to or exceeding Commonwealth benefits 	<ul style="list-style-type: none"> New employment opportunities through Northrop Grumman Training and career goals identified Rewards and recognition program 	<ul style="list-style-type: none"> Job rotation Skill advancement Employee mentoring 	
PEOPLE: Customer <i>Greater Transparency in Delivery of Services – "It's There ... It Works"</i>			
<ul style="list-style-type: none"> No impact on or disruption of services Customer outreach programs developed 	<ul style="list-style-type: none"> More enterprise solution offerings Single point-of-contact 24 X 7 X 365 Operations Service level commitments 	<ul style="list-style-type: none"> Integrating services Services catalog Responsive Government 	
PROCESSES <i>Continuous Process Improvement</i>			
<ul style="list-style-type: none"> Dedicated transition team ITSM Training Performance improvement opportunities identified 	<ul style="list-style-type: none"> Centrally managed IT support services Standardization of processes to reduce duplication and rework Measured services Adjust service level metrics Implement redesigned services 	<ul style="list-style-type: none"> Greater process efficiency Increased metrics availability Bench marked services 	
TECHNOLOGY <i>Trusted Technological Environment</i>			
<ul style="list-style-type: none"> Technology effectiveness assessment Temporary Network Operations Center Transition of VITA contracts Monitor and repair diagnostic measures 	<ul style="list-style-type: none"> Standardization of technology resources Implement centralized management operations center Improved monitoring and reporting of IT services More consistent and secure access to Commonwealth resources 	<ul style="list-style-type: none"> Integrated test lab Proactive system monitoring Automated SLA management/reporting Performance-based shared services 	
INFRASTRUCTURE <i>Harmonization of People, Processes, Technologies, and Performance</i>			
<ul style="list-style-type: none"> Operational framework established Vendor and subcontract management 	<ul style="list-style-type: none"> New high availability technology centers Business development programs Customer outreach programs and new enterprise services 	<ul style="list-style-type: none"> Modular growth/expanded capabilities Leveraged facilities Complete business continuity 	

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Exhibit 11.1-1 Providing One Managed Integrated Solution

The benefits from our approach grow as each feature of our solution develops.

11.1.1 General Vendor Benefits to the Commonwealth

11.1.1.1 Benefits of Selecting the Northrop Grumman Team

As a global systems integrator, Northrop Grumman has the first-hand experience, proven management methodologies and industry experience to support large-scale, complex programs such as the transformation of VITA. We are one of only two companies with demonstrated experience in statewide infrastructure consolidation. In partnership with the Texas Department of Information Resources, Northrop Grumman is providing information and computer services (mainframe and midtier), disaster recovery services, and application development and programming services to the State of Texas governmental entities.

The Team’s power comes from the talented people who embody our solution. By cooperating and seamlessly sharing our knowledge across organizations, we provide a framework of strength and stability that will enable VITA’s transformation. Transformation is only the beginning of what can be accomplished, and the Northrop Grumman Team will see it through to the ultimate benefit. **Exhibit 11.1-2** shows how our comprehensive approach to processes, people, technology, and infrastructure will ensure VITA’s success.

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Exhibit 11.1-2 Positioning VITA with a New Foundation for IT Performance Leadership

Transformation technology will be necessary, but our comprehensive approach to processes, people, technology and infrastructure ensures VITA’s success.

The Current State – “Now”

VITA has much to be proud of in terms of how it has significantly changed the way the Commonwealth conducts its IT business. By creating a new organization that successfully completed the assimilation of the personnel and infrastructure assets, VITA provides the Commonwealth with improved governance and oversight of IT investments, centralized procurement, service improvements, and value-added to citizens, customers and localities. However, there is room for improvement. During joint due diligence, the Northrop Grumman Team uncovered many challenges that create confusion and redundancy in the way IT is implemented and managed currently. For example, disparate systems and a lack of common processes hamper VITA’s vision to be a model service organization.

The Transformation Process – “How”

Using the professional expertise of the Northrop Grumman Team and key suppliers, this public-private partnership will transform the Commonwealth’s IT infrastructure through technology and support facilities modernization and re-engineering of business processes. To gain best-practice efficiencies necessary to achieve the Governor’s “One Virginia” operations vision, a strategy led jointly by VITA and the Northrop Grumman Team will be implemented using advanced systems management technologies for improved business agility, security, reliability and disaster recovery capabilities. This strategy will enable reductions in facilities, hardware and software infrastructure, and recurring cost and complexity. VITA will achieve these reductions through proven consolidation enablers and maturing emerging technologies, fundamentally transitioning computing acquisition from a traditional acquire-and-integrate technology components methodology to a true services model.

The Future State – “Wow”

After transformation, VITA will provide a new foundation for performance leadership and will be established as an enabler of services to citizens and businesses. By focusing on the strategic redesign of business processes, VITA will achieve operational excellence in delivery of solutions and services to meet customer requirements with focused statements of work and business-appropriate service levels. A safe computing environment will protect the information assets of the Commonwealth, its employees, customers and partners. VITA will deliver business value, ensure improved agency and citizen services, increase financial accountability and lower costs, and provide career enrichment for employees. Reducing complexity through active management of the Commonwealth’s IT portfolio will allow VITA to consume better technology solutions for agile and responsive service delivery.

Meeting VITA’s Challenge

Transformational change includes many challenges. The investments required to execute transformation are significant and providing resources for these investments must be balanced with the higher priorities of government—health, safety, transportation and education. The relative importance of these items compared to significant technology investments is an easy choice for the General Assembly. Leveraging the PPEA legislation and developing a partnership with industry is an ideal way to receive these needed financial investments to support transformation.

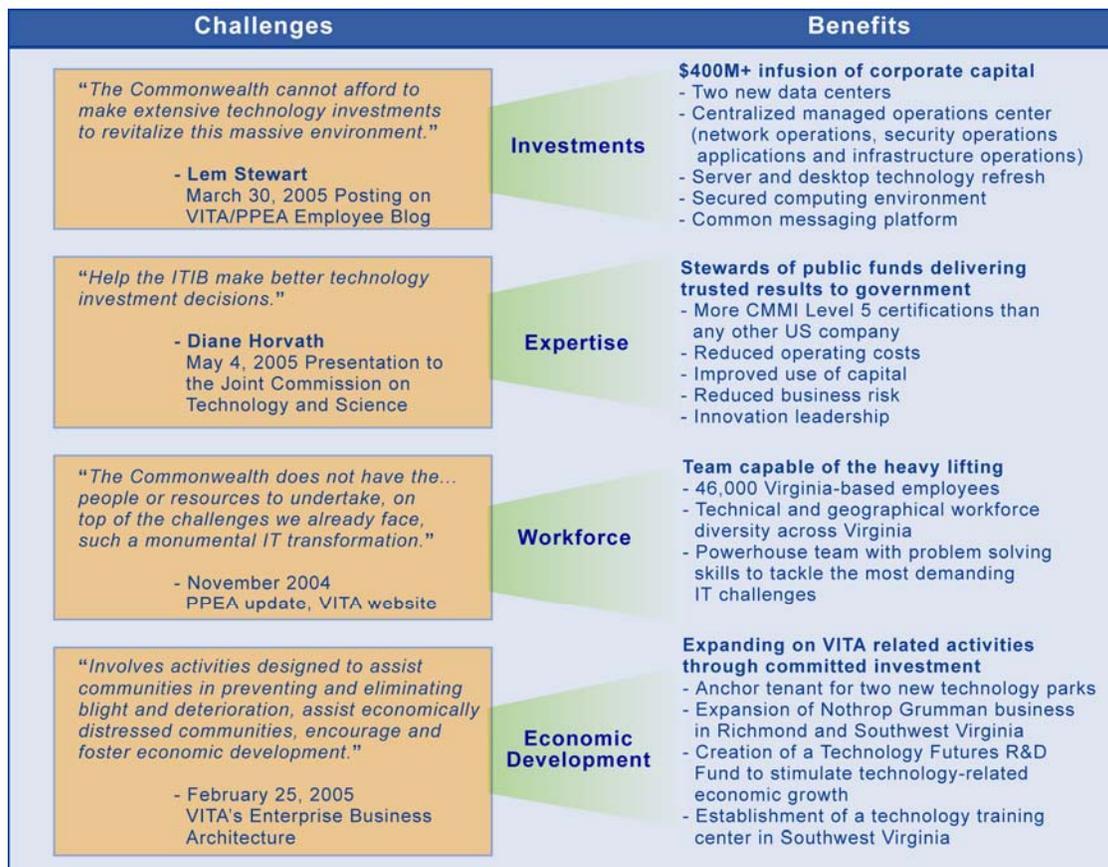
Along with providing the proper investments, partnering with the Northrop Grumman Team provides VITA expertise and resources local to Virginia that cannot be offered by others. Our

team includes the Commonwealth’s current provider of data network services (MCI), the largest and most stable Virginia-based strategy and technology consulting firm (Booz Allen Hamilton), a leading inventor of technology that invests nearly \$4B annually in technology research and development (Hewlett Packard), and the largest technology systems integrator and second largest employer in Virginia (Northrop Grumman). Along with our other technology, infrastructure and financing partners, the Northrop Grumman Team provides an unrivaled level of expertise ready to support the heavy lifting of VITA’s transformation.

VITA is also challenged with spurring technology-based economic advancements in rural areas of Virginia through transformational activities. This partnership ensures VITA’s success in driving economic development, and actually expands beyond VITA’s role

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As shown in **Exhibit 11.1-3**, partnering with the Northrop Grumman Team provides multiple unique economic benefits described later in this section.



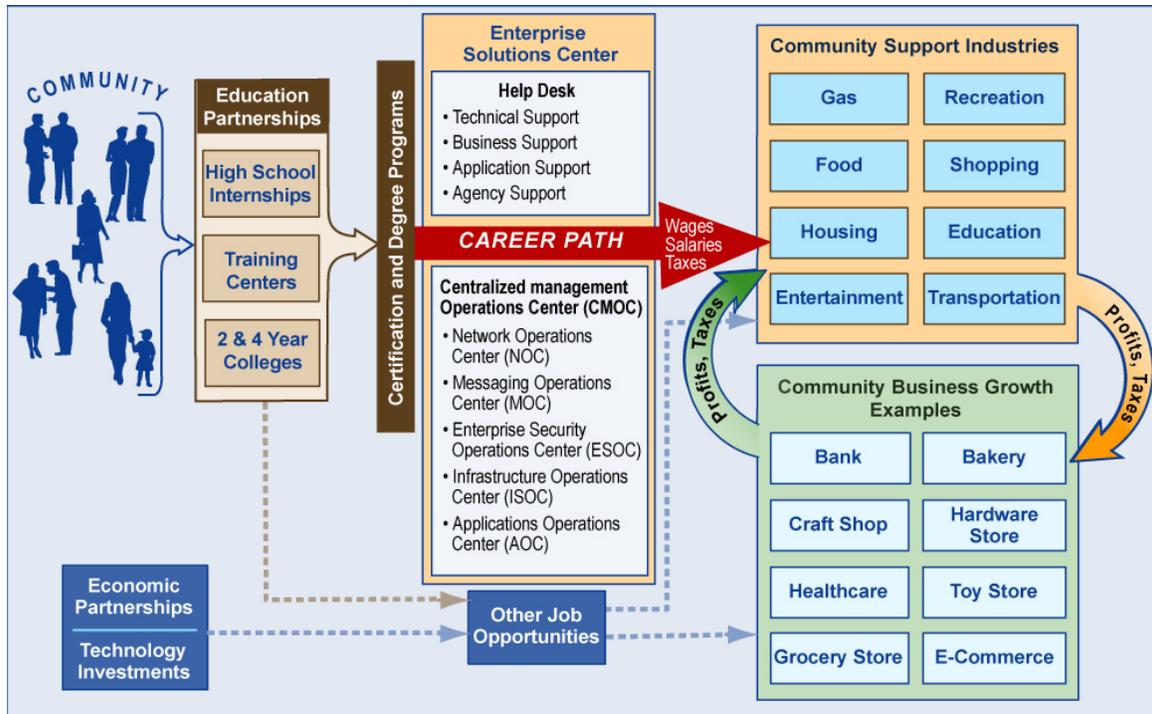
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Exhibit 11.1-3 A Partnership to Meet the Challenges of VITA
The Northrop Grumman Team’s unique relationship with the Commonwealth ensures we complete VITA’s mission.

11.1.1.2 General Economic Benefits of Northrop Grumman in Virginia

We believe in a systemic approach to economic benefits that recognizes the interdependent growth of the individual and the community. As represented in **Exhibit 11.1-4**, this approach

incorporates partnerships involving commitments to employees, workforce development, community growth, and investments in education and technology. Using this approach, long-term economic benefits are achieved and economic stability will become less disparate across the various regions of the Commonwealth.



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Exhibit 11.1-4 Stimulating Economic Development through Partnerships

Our approach involves more than just creating jobs...it supports a better quality of life for all Virginians.

Our commitment to economic benefits is tangibly demonstrated by two indicators: 1) The program we have developed and proposed, and 2) the major investment we are prepared to make to ensure that the Commonwealth’s vision becomes a reality in the near future.

The economic impact of the Northrop Grumman Team is significant. The combined workforce in the state is in excess of 46,000. The information below only highlights Northrop Grumman contributions.

We do not take our economic role lightly. To better understand the significance of our involvement in the Commonwealth’s economy, and to better prepare Northrop Grumman in its continuous effort to expand operations to rural areas of Virginia, we contracted Chmura Economics & Analytics (CEA) to provide a study evaluating the economic impact of Northrop Grumman on Virginia’s economy. We have included a full copy of the CEA Report, *The Economic Impact of Northrop Grumman Corporation on the Commonwealth of Virginia*, in **Appendix 11-1**.

A snapshot view of CEA’s analysis reveals that all seven sectors of Northrop Grumman Corporation have a presence in Virginia. Based on 2004 third-quarter employment figures, Northrop Grumman is the second largest private employer in Virginia, second only to Wal-Mart (refer to **Exhibit 11.1-5**). However, because Northrop Grumman’s wages are much higher than Wal-Mart’s, we arguably rank number one in terms of economic impact.

Top 20 Private Employers in Virginia Third Quarter 2004	
Employment Rank	Company Name
1	Wal-Mart Associates Inc.
2	Northrop Grumman Corporation
3	Food Lion
4	Williamsburg Family Practice
5	INOVA Health System
6	Science Applications Intl. Corp.
7	Capital One Bank
8	Booz Allen Hamilton, Inc.
9	Target
10	Bank of America, NA
11	Lowes Home Centers, Inc.
12	Southland Corporation
13	First Union of Virginia
14	The Home Depot
15	Riverside Regional Medical Center
16	Giant Food Stores
17	VA Electric & Power Co. Inc.
18	Philip Morris Inc.
19	UPS
20	Carilion Health System

Source: CEA and Virginia Employment Commission.

Exhibit 11.1-5 Northrop Grumman is the #2 Private Employer in Virginia

We arguably provide a larger economic impact on Virginia than any other private employer based on employee wage rates.

To accurately assess the impact of our Virginia presence, CEA used the IMPLAN model. Northrop Grumman’s Virginia operations employs 32,071 workers. All businesses that support Northrop Grumman’s Virginia operation (e.g., suppliers to our shipbuilding plants, developers to lease office spaces, and staffing companies providing temporary contractors or office workers) indirectly impact our effect on Virginia’s economy. Those businesses employ about 13,492 workers. Without Northrop Grumman, those businesses would see reduced revenues. CEA estimates those indirect impacts at \$1.7B. Northrop Grumman also has an induced impact on the economy through consumer purchases made by Northrop Grumman employees. The beneficiaries are mostly restaurants, doctor’s offices and retail establishments. Since the overall mean wage of a Northrop Grumman employee is 50 percent higher than the state average, the induced impact of Northrop Grumman is significant. The number of jobs created due to induced impact amounts to 28,189 with associated sales of \$2.6B. The total economic impact of Northrop Grumman’s Virginia operation totals \$10.8B annually and supports 73,753 workers, directly and indirectly. **Exhibit 11.1-6** summarizes the economic impact of Northrop Grumman in Virginia.

Redacted

Source: IMPLAN 2002

Exhibit 11.1-6 Total Economic Impact of Northrop Grumman in Virginia

The economics of our activities in Virginia produces a trusted relationship with the Commonwealth.

Northrop Grumman is one of the largest contributors to the Commonwealth's economy. In 2003, the estimated gross state product (GSP) of Virginia was \$304.4B¹. Based on that number, the total revenue of Northrop Grumman is around 2 percent of Virginia GSP.

11.1.1.3 Near-Term Benefits Generated by Northrop Grumman and Our Proposed Partnership with VITA

With over 46,000 Northrop Grumman Team member employees in Virginia, we have a vested interest in making a positive, beneficial impact on the citizens of Virginia. We are not an organization that will support this contract from locations outside of Virginia—we are local and we are here to stay.

The Northrop Grumman Team has developed a near-term strategy that provides significant benefits throughout multiple regions of the Commonwealth. At the highest level, these benefits can be grouped into five categories:

- Education Growth
- Employment and Workforce Growth
- Infrastructure Growth
- New Business Growth
- Technology Futures

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11.1.1.4 Other Current Benefits Provided to the Commonwealth

Northrop Grumman Team members already have an established track record in providing benefits and supporting economic development within Virginia. We have worked extensively with local communities and Commonwealth organizations to help develop and maintain a stable prosperous economy where benefits are realized at all levels, beginning with each citizen. Each of the Northrop Grumman Team partners are involved in efforts that contribute to an area's overall economic health. These efforts have spanned the economic bridge by providing employment in several industries, developing the workforce through education and training, supporting the community, and developing area small businesses.

- *Employment Stability*—As the second largest private employer in Virginia, Northrop Grumman has a demonstrated commitment to economic development in the Commonwealth by directly providing more than 32,000 jobs. When this number is added to the number of jobs provided by the rest of the Northrop Grumman Team, we collectively have 46,000 employees working for us throughout the Commonwealth. By serving the interests of Virginia, we serve the interests of our employees who are Virginia citizens.

Our policies and procedures also reflect our commitment toward employment stability. One particular policy helps provide assurance to the families of National Guard or Reservist employees who have been called to active duty. We sustain the income levels of these employees, paying the differential between their military pay and their normal earnings. This policy has earned Northrop Grumman the Five Star Recognition Award from the Virginia

Employer Support of the Guard and Reserve (ESGR). We are the first company in Virginia to receive Five Star Recognition.

- *Workforce Development and Diversity*—The many industries that the Northrop Grumman Team represents are continually growing, creating ongoing employment and career growth opportunities within the Commonwealth. In fact, Northrop Grumman regularly has 1,000–2,000 available job openings across all regions of the Commonwealth. In addition to providing tuition reimbursement and having established training budgets for our employees, we have several outreach programs that promote diversity and help ensure that a skilled workforce is readily available.

Northrop Grumman is proud of its diversity and works hard to attract and retain a diverse workforce. Two of our larger diversity programs include DiscoverE and INROADS.

- The DiscoverE program provides grants to stimulate engineering and technology programs to middle schools and high schools to attract under-represented groups to the science, math and technology fields.
- INROADS is an internship program that develops and places talented minority youth in business and industry and prepares them for corporate and community leadership. This year we have placed 34 interns in four of Northrop Grumman's business sectors. Employing these students over several summers acclimates them to the Northrop Grumman culture, making them prime candidates for full-time employment following graduation.
- *Education and Training*—To develop skills that can be applied across many trade occupations, we are especially proud of our Northrop Grumman Apprentice School at Newport News. The Apprentice School has been serving the Commonwealth since 1919 producing workers skilled in all aspects of shipbuilding. The Apprentice School works with the VCCS to grant associate degrees as part of its advanced programs and is accredited by the Commission of the Council on Occupational Education.

For ongoing training needs, Northrop Grumman and New Horizons Computer Learning Centers have entered into an agreement to provide employees with computer training on the latest software programs and hardware requirements. This training is available via an integrated solution consisting of instructor-led classroom training, or over the Internet with New Horizons Online LIVE synchronous and Online Anytime asynchronous training. Much of this training can be conducted on-site in the state-of-the art training facilities that will be part of our Enterprise Solutions Centers.

Certification programs provide a standard by which we can verify our employees' achievements. We offer our employees a wide range of technical certification opportunities. We also offer Project Management Institute training and assistance in the Project Management Professional certification process. Our partner, Hewlett Packard, offers three levels of certification in the Information Technology Infrastructure Library.

- *Community Support*—Northrop Grumman makes community involvement a priority. As we continue to grow and evolve in Virginia, the responsibility we feel to serve our communities and help those in need grows with us. We are committed to issues that affect the communities in which we operate and those in which we live. We maintain a strong commitment to programs that enrich education and culture, improve human services and promote diversity.

We work with dozens of nonprofit organizations to help them fulfill their mission. This work includes providing financial resources, strategy and technology expertise. Each of the larger team members has established internal functions that are dedicated to community outreach programs. Through all of our corporate programs and the individual efforts of our employees, this support has assisted numerous charities and community development efforts by contributing our time and millions of dollars in cash and in-kind contributions annually. Some of the charities and programs that have benefited from these efforts include:

- United Way
 - Habitat for Humanity
 - The Neediest Kids Campaign
 - The Virginia Living Museum
 - Christopher Newport University's arts center
 - Head Start
 - Children's Hospital
- *Small Business Development*—Each Northrop Grumman Team partner has organizations that are dedicated to maximizing small business participation across their various industries. This commitment serves two purposes: First, it helps the small business grow. Second, it makes good business sense. Small business participation has proved to be vital to our competitive position within the industry, particularly in meeting special customer needs.

As a prime contractor, Northrop Grumman seeks qualified subcontractors through its outreach program and is committed to offering maximum practicable opportunity to all socio-economic business concerns for awards competition where there is subcontracting potential. To support small business development, Northrop Grumman has 44 small business liaison officers throughout the corporation. Fourteen of these officers are located in Virginia. These officers are focused on increasing the number of small, women-owned and minority-owned (SWAM) businesses participating in our procurement program.

11.1.2 Benefits to Commonwealth (Commonwealth Economic Impact Template)

Please refer to **Appendix 11.1-2 (Redacted from Public Document – Proprietary and Confidential)** for the completed Commonwealth Economic Impact Template.

11.1.3 Specific Benefits in This Transaction

This transaction completes breakthrough initiatives to modernize the Commonwealth's technology infrastructure, and reengineer business processes to take advantage of that infrastructure in providing substantial value-add to Virginians. As described throughout this proposal and summarized in **Exhibit 11.1-8**, the Northrop Grumman Team's solution provides benefits across VITA's stated "pillars of success," and specifically achieves the following objectives expressed by VITA as the reasons for transformation:

- VITA as an Enabler of Service
- Redesign of Government Business Processes
- Organization Agility
- Better Citizen Services
- Cost Savings for Multiple Constituents

VITA's Objective	Specific Program Benefits
VITA as an Enabler of Service	<ul style="list-style-type: none"> ➤ Maximized human capital with the technology, domain expertise and leadership capabilities necessary to achieve VITA's business objectives ➤ Modernized technology infrastructure <ul style="list-style-type: none"> ▪ Enhanced information security ▪ Improved reliability and availability using redundant facilities and infrastructure ▪ Bolstered disaster recovery capabilities via centralizing and mirroring technologies ➤ Proactive protection of customer data and critical information repositories from accidental exposure and malicious exploits ➤ Reduced overall data and system complexity ➤ Shifted resources from infrastructure support to service delivery
Redesign of Government Business Processes	<ul style="list-style-type: none"> ➤ Consistent near term implementation of mature processes ➤ Contractual service levels, productivity commitments and formalized performance measurements ➤ End-to-end process management and service delivery ➤ Services delivered through standard, repeatable processes ➤ Ability for transformations in other common operations ➤ Strategic partnerships with in-scope agencies and other customers, enabling VITA customers to better meet their business objectives
Organization Agility	<ul style="list-style-type: none"> ➤ An adaptive, demand-sensitive technology infrastructure ➤ Simplified sign-on, authentication, authorization and systems access in an enterprise, secured environment ➤ Continual introduction of technology innovations ➤ Interoperability to connect with VITA's geographically dispersed employees, supplier partners and customers ➤ Tighter, more integrated relationships internally, with customers, and supplier partners
Better Citizen Services	<ul style="list-style-type: none"> ➤ An IT infrastructure that works whenever and wherever to meet citizen requirements in a secure and easy-to-use manner ➤ Use of repeatable solutions that enable VITA to reduce risk and cost while increasing implementation speed ➤ Reduction of recurring technology management costs providing increased funding for non-recurring projects ➤ Continuous quality improvement balanced with business case ➤ Continuously reduced service delivery cycle times
Achieving Cost Savings for Multiple Constituents	<ul style="list-style-type: none"> ➤ High-value IT support to the Commonwealth achieved at the lowest cost ➤ Expanded relationships with other state agencies and localities enabling VITA customers to meet their business objectives ➤ Coordinated, effective shared services delivery that increases future savings exponentially ➤ Enhanced usage of VITA services by local government, educational organizations and other public and private entities

Exhibit 11.1-8 VITA Objectives and the Benefits of the Northrop Grumman Team Solution
Our solution meets VITA's Transformation objectives.

11.1.3.1 Specific Economic Development Benefits

While some economic development through new jobs and facilities is inherent to this contract, this will only be part of the solution. A more dynamic, robust approach must be taken to help mature the economy and, to borrow from VITA, help create “One Virginia” in economic growth and quality of life as well as in technology. Working with the Commonwealth, the Northrop

Grumman Team has developed a comprehensive program that is based on four near-term activities:

- Focused delivery of economic benefits and branding VITA services
- Industry creation **Redacted**
- Comprehensive training and educational programs
- New business growth through SWAM mentoring and financial investments

These actions will become interwoven with the other initiatives that are currently being undertaken within the Commonwealth to create a strong and resilient Virginia economy.

Expanding the VITA Brand to Other Qualified Customers

Already, localities provide more than half the revenues generated by VITA's telecommunications contracts². As solutions are implemented and delivered, increased service capabilities and lower product prices will help expand VITA's business to local governments, cities, and towns throughout Virginia. The expansion of services to other governmental entities will generate additional revenue that will be gain-shared with VITA. The new funds provide VITA capabilities to implement additional non-recurring projects or provide more training, education, or innovative technology to the Commonwealth's IT workforce.

Redacted.

In anticipation of executing a partnership with VITA, the Northrop Grumman Team has built strong relationships with county governments and economic development organizations to achieve VITA's economic development objectives. New technology support centers will be established that combine activities supporting VITA and external activities of the Northrop Grumman Team. Two of these centers will be Enterprise Solutions Centers. The third center, **Redacted**, will serve as a staging and deployment facility for technology assets used throughout the Commonwealth.

- *Enterprise Solutions Centers*—Northrop Grumman has worked with economic development agencies in **Redacted** to establish centers in these areas. To further contribute to the economic goals and objectives of the Commonwealth, we have teamed with local Virginia companies to address architecture and engineering, general contracting and operations and maintenance of the new facilities. These companies include the Virginia BioTechnology Research Park Authority & Corporation; McKinney and Company, an A&E firm headquartered in Ashland, Virginia; Whiting-Turner, a general contractor located in Richmond, Virginia; and Lee Technologies, headquartered in Fairfax, Virginia. Employment in these centers will require a diversely skilled workforce to support the following:
 - Computer operations
 - Help desk support
 - Tier II and Tier III technical support
 - Computer systems administration
 - Physical and cyber-security analysis and support
 - Systems and applications software support

² VITA Business Plan, April 2004

- Communications and network analysis and administration

Detailed information regarding the construction and infrastructure of these centers can be found in **Section 11.3.13**.

- *Project Service Center*—The Northrop Grumman Team anticipates establishing a project service center **Redacted**, employing approximately 34 people. This center will be a virtual warehouse environment that facilitates an active, scheduled plan for the continual refresh and uplift of the Commonwealth's end-user computing devices. Major services performed within this environment are as follows:
 - Standardized hardware and image configuration(s) (includes asset tagging)
 - Asset staging based on individual agency configurations
 - Asset recovery and classification
 - Management of the inventory management system for recovered legacy assets
 - Creation and population of asset records within the asset management system
 - Dispatch transportation service to deliver workstations to eligible end-user sites
 - Dispatch transportation service to pick up staged legacy assets

Chmura Economics & Analytics evaluated the overall economic impact that the public-private partnership between VITA and Northrop Grumman would have **Redacted**. **Exhibit 11.1-9 (Redacted)** summarizes these impacts based on projections averaged between 2006 and 2010. The full report, which includes a comparison of economic benefits associated with locating in **Redacted**, is included in **Appendix 11.1.1-1**.

Exhibit 11.1-9 Redacted

Long-Term Approach to Economic Development

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11.1.3.2 Economic Development Summary

- **Redacted**

The Commonwealth of Virginia's Strategic Plan for Technology 2002–2006 identified 8 significant initiatives to increase economic growth statewide. These initiatives span 13 agency projects. The Northrop Grumman Team will work with VITA and the Commonwealth to implement these initiatives. These include the last four that specifically address economic development:

- *Initiative 5*—Increase Federal Research and Development Funding
- *Initiative 6*—Increase Commercialization of Intellectual Property
- *Initiative 7*—Increase Statewide Broadband Deployment
- *Initiative 8*—Promote Technology-Based Economic Development

We have a strong understanding of the economic issues that are affecting the different regions in the Commonwealth and the initiatives that are underway to resolve these issues. Our approach is to take both immediate and long-term actions consistent with these initiatives so that comparable economic stability and growth will be seen in every region of Virginia.

We believe that to achieve long-term, widespread, stable economic growth, a comprehensive approach must be taken—an approach that incorporates the various factors that contribute to

economic development—employee commitments, workforce development, community support and investments in education and technology. With a vested interest in the Commonwealth through our existing businesses and large employee-base, the Northrop Grumman Team has a strong desire to ensure that the economy and quality of life is robust and vital throughout Virginia.

Appendix 11.1-1: The Economic Impact of Northrop Grumman Corporation on the Commonwealth of Virginia

Appendix 11.1-2: Commonwealth Economic Impact Template

Redacted from Public Document – Proprietary and Confidential