

October 12, 2009

Mr. Phillip Leone, Director  
Joint Legislative Audit and Review Commission  
Suite 1100, General Assembly Building  
Capitol Square  
Richmond, Virginia 23219

Dear Mr. Leone:

Thank you for the opportunity to respond to the October 2009 interim report on the JLARC Review of the Virginia Information Technologies Agency. Your staff should be commended for its thorough review and analysis of a very complex issue of great importance to the Commonwealth of Virginia.

The Comprehensive Infrastructure Agreement (CIA) executed with the Commonwealth was written for a “partnership” rather than for a traditional service vendor, with specific responsibilities for success assigned to each partner. The interim report correctly calls out the challenges and risks with partnerships versus traditional contract relationships, so it is appropriate, then, to view the work of all the partners simultaneously. Therefore the criticism of due diligence, planning, missed milestones and overall transformation delays, absent the full context of VITA and agency participation yields an imbalanced view of the shared responsibilities and performance.

The October 2009 briefing presents only a limited aspect of the comprehensive report asked for by the General Assembly in that it covers only Northrop Grumman’s role in the partnership. Northrop Grumman will therefore respectfully reserve its detailed written comments on this study for the December presentation after we have had an opportunity to review the full report. However, we have provided some initial comments in the interest of constructive dialogue.

Much of what is presented in JLARC interim report is a historical review of the challenges and shortcomings previously acknowledged by Northrop Grumman which are being addressed through the Corrective Action Plan (CAP) submitted in late August, 2009 and a variety of other actions. We are confident the CAP puts the Information Technology Infrastructure Partnership (ITIP) on a path to success. Program changes already in place address many of the JLARC’s findings and recommendations:

- A high degree of coordination between VITA, agencies and NG has been established;
- Improvements have been made in critical processes that will promote quick decision making and collaboration;
- Improved direct communication between agencies and Northrop Grumman is facilitated by the recently-added team of Agency Deployment Managers (ADM) and Agency Operations Managers who are empowered to take quick action; and
- A detailed schedule that includes agency dependencies and time for acceptance.

Northrop Grumman’s confidence in the ability of recent program changes to yield improved results is not imagined. There have been significant successes in recent months:

- Seventeen agencies are complete with transformation:
  - 14 have received formal signoff
  - 3 are awaiting final signoff formality
- We remain on plan to complete a total of 36 agencies by month end November
- Transformation activities are 87% complete for the 20 largest agencies
- Transformation activities are 83% complete for all agencies
- 93% of all contract milestones are complete and have been accepted by VITA
- 96% of service level agreement measurements reporting
- Physical asset inventory reconciliation is 100% complete
- Milestone 17, server consolidation, was submitted and approved as complete by VITA
- The procedures manual is 90% complete. 349 of the 384 documents are complete and approved. Collaboration with VITA on the Procedures Manual is scheduled to complete in October with final approvals completed in November.
- We transformed servers at 2 major agencies in September – DSS, with 155 servers and TAX, with 126 servers:
  - Both migrations significantly reduced complexity
  - In both cases it allowed for the agencies to move to their new locations – TAX out of a condemned building
  - The DSS migration significantly reduced the number of disparate connections to individual localities

Many of JLARC's key findings reflect the first-of-its-kind nature of the project. Nothing on the scale of this project exists. There are no models from which to draw experience. Virginia is breaking new ground and should be proud of that fact in spite of the challenges we all acknowledge exist. Other states will follow the lead and draw on the Virginia experience.

Thank you again for this opportunity to comment. Northrop Grumman remains committed to working with our partners under the CIA to implement those recommendations the Virginia General Assembly may choose to accept.

Sincerely,



Tom Shelman  
Vice President and General Manager  
Civil Systems Division  
Northrop Grumman Information Systems