



COMMONWEALTH of VIRGINIA

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VIRGINIA INFORMATION TECHNOLOGIES AGENCY
11751 Meadowville Ln
Chester, Virginia 23836

June 30, 2009

MEMORANDUM

TO: Doug McVicar
Vice President, VITA Partnership - NGC

James Dietz
Senior Contract Manager - NGC

FROM: Fred Duball 
Director, Service Management Organization (SMO)

SUBJECT: Notification of Failure to Complete Transition

According to the schedule set forth in the detailed Transition Plan that Northrop Grumman provided the Commonwealth in June 2006, all Transition Phase activities under the Comprehensive Infrastructure Agreement were to be completed within three years of the Service Commencement Date, i.e. by June 30, 2009. The Detailed Transition Plan Status and Progress Report submitted by Northrop Grumman on June 12, 2009 indicates that Northrop Grumman will not complete its Transition Phase activities on the schedule that Northrop Grumman originally proposed and to which it contractually committed. The June 12 Status Report identifies more than twenty discrete Deliverables that are past due, at least eight of which are more than two years overdue. Included among these delinquent Deliverables are Critical Milestones core to the Services that the Commonwealth should be receiving from Northrop Grumman, such as enterprise messaging system cutover and LAN migration, and cross-functional activities fundamental to Northrop Grumman's ability to fully satisfy any of its contractual obligations, such as ITIL Process Optimization, enterprise asset management and maintenance of the Procedures Manual. Northrop Grumman's failure to complete transformation in a timely manner means not only that the Commonwealth is deprived of the benefit of those services and may incur other damages to compensate for Northrop Grumman's deficiencies, but also that Northrop Grumman has failed to fulfill its predictive analysis obligations under §3.13.4 of the Agreement.

The June 12 Status Report also includes significant narrative descriptions of issues that may impact Northrop Grumman's progress toward completing its Transition Phase activities. These descriptions reflect Northrop Grumman's consistent failure to coordinate its activities with the agencies affected as required by §3.2.2 of the Agreement. Accordingly, VITA hereby renews its prior requests that

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Northrop Grumman submit, for VITA's review and approval, a detailed explanation of how Northrop Grumman plans to correct its departure from the Transition Plan and complete transformation. This corrective plan must be provided no later than 60 days from the date of this letter and specify the details called for in §3.2.3 of the Agreement, particularly the tasks to be performed by each customer agency and Northrop Grumman's approach for managing those tasks.

By notifying Northrop Grumman of its failure to fulfill its contractual obligations and requesting a corrective plan, the Commonwealth is not waiving any contractual rights or remedies available to it, nor is it excusing Northrop Grumman's breach.

cc:

Leonard M. Pomata, Secretary of Technology

John McDonald, Deputy Secretary of Technology

James F. McGuirk, II, ITIB Chairman

Cynthia Cordova-Edwards, VITA