

Opening Comments of Senator Y. Miller July 13, 2009

Welcome to the meeting of the General Government Subcommittee of the Senate Finance Committee.

Last month, we began a series of meetings to look into questions and issues related to the provision of services by the Virginia Information Technologies Agency, and the Commonwealth's contract with its private partner, Northrop Grumman. As I indicated at our first meeting, we will focus our review on the performance of the Virginia Information Technologies Agency and Northrop Grumman.

In that vein, you will find in your notebooks a copy of the memorandum dated June 30, 2009 from Mr. Fred Duball, the Director of the Virginia Information Technology Agency's Service Management Organization to Northrop Grumman. In this letter, Mr. Duball notifies Northrop Grumman that they have failed to complete transformation by the contractual deadline of July 1, 2009. **Also in your notebooks is a copy of the response dated July 7, 2009 from Mr. James L. Dietz, Director of Contracts for Northrop Grumman IT. Not surprisingly, Northrop Grumman sets out a different view..** Much of today's meeting will help us understand how we reached this point.

On today's agenda we have four items. First, our staff will follow-up on questions we posed at our last meeting. Next, we will be briefed on two surveys that look at the level of agency satisfaction with services provided by the Virginia Information Technologies Agency and Northrop Grumman.

The third item on the agenda is a briefing by JLARC staff on an "Interim Overview of Contract Modifications and Financial Penalties." Unlike our previous briefing by JLARC staff, this material is new and represents the fruit of our co-operative efforts. I'd like to

thank the JLARC staff; Phil Leone, JLARC's Director; and Delegate Kirk Cox, the JLARC chairman, for the collaboration that has made this possible.

Finally, we will hear from Mr. James McGuirk, the chairman of the Information Technology Investment Board. Northrop Grumman was invited to send a representative to appear this afternoon, but was unable to do so. We will provide time for them at our next meeting.

If there are no questions from the members of the subcommittee, I'd now like to ask Jason Powell, of our staff to go over the material received in answer to our earlier questions.