



COMMONWEALTH of VIRGINIA

Office of the Governor

Jody M. Wagner
Secretary of Finance

P. O. Box 1475
Richmond, Virginia 23218

May 17, 2007

The Honorable Timothy M. Kaine
Governor of Virginia
Patrick Henry Building, Third Floor
Richmond, Virginia 23219

Dear Governor Kaine:

Item 54.10, Chapter 847, 2007 Acts of Assembly (the appropriation act), established the Enterprise Applications Public-Private Partnership Project Office (EAPPPO) effective July 1, 2006, for the purpose of modernizing central administrative systems through an Enterprise Applications Public-Private Partnership. The appropriation act language requires the project office director to provide you with reports on the status of the project as well as funding needs, areas of risk, and any major problems.

The following is an outline of activities that have taken place since the last EAPPPO status report dated February 5, 2007.

Project Office Director

The appropriation act language provides for the establishment of a project office and creates the position of Project Office Director to oversee the activities of the project. I am pleased to report that we have selected a permanent project director, Ms. Peggy Feldmann. Ms. Feldmann's resume is attached.

The search process began with retention of Korn/Ferry International as the firm to conduct a national search for the Project Director. Korn/Ferry's efforts provided us with several very qualified candidates for the position. When the interview process was completed, the Commonwealth's team of interviewers unanimously concluded that Peggy A. Feldmann was the candidate with the best overall set of skills, qualifications, experience, and personal character traits for this position.

The Commonwealth's primary team of interviewers included: the Secretary of Finance, the Secretary of Technology, the Director of the Department of Planning and Budget, the State Comptroller, the Director of the Department of Human Resource Management, and both Deputy Secretaries of Finance. Before final selection, the top two candidates were brought back for a final round of interviews with an expanded group that added the Directors of the Department of General Services and the Virginia Information Technologies Agency as well as senior staff from the Department of Planning and Budget, the Department of Accounts, and the Department of Transportation.

As required by the appropriation act, the Information Technology Investment Board (ITIB) must review and approve the qualifications of the potential project director prior to the final appointment of that individual by the Governor. The Governor submitted Ms. Feldmann to the ITIB and requested its review and approval of her qualifications on April 10, 2007. On April 19, 2007, the ITIB approved her qualifications. Since her selection, Ms. Feldmann has met with Ms. Betsy Daley, Senate Finance Staff Director, and Mr. Robert Vaughn, House Appropriations Staff Director, to begin developing an understanding of the legislative stakeholder perspective of the project.

Other Major Activities of the EAPPPO

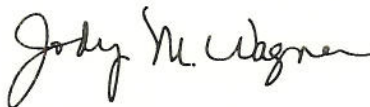
1. As I outlined in my last update, the primary focus of the activities in Phase I of the Virginia Enterprise Applications Project (VEAP) will be to develop an enterprise financial management system.
2. Since the middle of January, over 30 state employees from selected agencies, and CGI Technologies and Solutions, Inc. have worked to develop detailed project planning. State employees involved in this effort are one of two types. The first type of employee is the "core" team member, which means that the employee is essentially devoted entirely to this project for the length of the project. Agencies are reimbursed for these type employees. The second type of employee is the "subject matter expert (SME)" and is an employee that is loaned on a part-time basis for the purpose of dealing with a specific topic or issue in which they have significant experience and expertise. Agencies are not reimbursed for the time spent on this project by subject matter experts.
3. Eight Future State Business Process documents, outlining the Future State processes for financial governance and implementation, recently have been updated and expanded by the core team. To ensure Future State business requirements and candidates for business process improvements have been fully vetted, the next step will be to reach out to a broader set of the agencies included in the Phase I project scope. This will be completed by July, and will include briefings to all Phase I agencies, including the Chief Financial Officers of those agencies.

The Honorable Timothy M. Kaine
May 17, 2007
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4. A key component of the VEAP is modernizing central administrative systems with state of the art technology that will allow us to fully utilize "best practice" business processes. In support of this effort, the Virginia Information Technologies Agency (VITA) released a Request for Proposal (RFP) for Enterprise Resource Planning (ERP) software on March 9, 2007. Vendor proposals were due to the Commonwealth on April 9, 2007. At the present time, an evaluation team is reviewing each proposal. The evaluation team is working to select an ERP vendor. Following the work of the evaluation team, the next critical step in the ERP portion of the planning effort will be the completion of software fit-gap assessments, which are targeted for fall 2007.
5. At its April 19, 2007, meeting, the ITIB approved a portion of the \$5.5 million appropriated in fiscal year 2008 to cover expenses for the month of July 2007, which is the next time the ITIB meets. The EAPPPPO plans to submit a proposal for release of the remaining \$5.5 million appropriated in fiscal year 2008 in conjunction with the ITIB meeting scheduled for July 2007. The release of those funds will allow for completion of the detailed planning tasks as approved by the ITIB.
6. Finally, for your reference, expenditures through March 31, 2007, are attached.

Peggy Feldmann, the new Project Director, or I will continue to advise you on the progress made on this project. In addition, Peggy and I will be glad to update you on the project at anytime. Please let me know if you have any questions or concerns.

Sincerely,



Jody M. Wagner

Enclosures



COMMONWEALTH of VIRGINIA

Office of the Governor

Jody M. Wagner
Secretary of Finance

P. O. Box 1475
Richmond, Virginia 23218

May 17, 2007

The Honorable John H. Chichester
Chairman, Senate Finance Committee
Virginia General Assembly
P.O. Box 904
Fredericksburg, Virginia 22404-0904

The Honorable Vincent F. Callahan, Jr.
Chairman, House Appropriations Committee
Virginia General Assembly
P.O. Box 1173
McLean, Virginia 22101

Dear Gentlemen:

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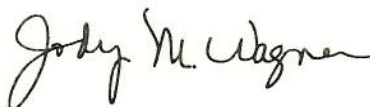
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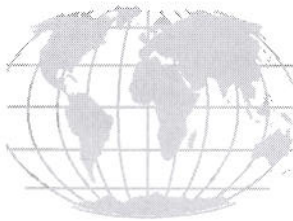
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Sincerely,



Jody M. Wagner

Enclosures



Peggy A. Feldmann

Candidate for

Director, EAPPPO

Commonwealth of Virginia

November 2006

CONFIDENTIAL REPORT

This report has been prepared for the exclusive use of Commonwealth of Virginia in conjunction with a search for a Director, EAPPPO. It is recommended that circulation be limited to designated executives concerned with the candidate selection process. The information contained herein has been voluntarily provided by Peggy A. Feldmann and is subject to verification by Korn/Ferry International.



GENERAL INFORMATION

Address 3909 Monument Ave.
Richmond, VA 23230
Telephone (804) 353-4533 Home
(571) 232-1249 Mobile
Email pafeldm@aol.com

EDUCATION

1986 Naval Postgraduate School
Masters in Acoustical Engineering

1980 U.S. Naval Academy
Bachelor of Science (Oceanography)

COMPENSATION

Base \$140,000
Bonus N/A
Other N/A

PROFESSIONAL CERTIFICATIONS

2001 DoD Program Management Executive
1999 DoD Program Management Level III
1994 DoD Acquisition Professional Community Member
1986 Hard Hat Diving and Salvage Officer



ACCOMPLISHMENTS

- | | |
|-----------------------------------|---|
| Program Management | Supported, and ultimately led, large scale research and development programs, both technical (undersea surveillance) and business (personnel and pay) through the entire systems engineering life cycle. |
| Contract Management | Conducted a government Most Effective Organization strategy and won the competition as part of an A-76, commercial outsourcing activity. |
| Change Management | Transformed a low morale IT organization into an employee satisfied, mission-ready command. Planned and executed the merger of two IT communities in two large organizations (15,000 and 19,000 people) to produce a common "Shared Services" IT organization. |
| Strategic Planning and Governance | Planned and budgeted for the IT management of over 430,000 personnel throughout the Navy human supply chain (recruitment, career management workforce development, and separations). Executed a business portfolio to effectively govern the process by which initiatives and programs are resourced and championed throughout the Chief of Naval Personnel organization. |



CAREER DETAILS

2004 to 2006

Deputy Chief of Naval Operations (Manpower, Personnel, Training and Education)
Washington, DC

CIO/CIO Strategic Planning

Responsible for the yearly (\$390M) and long range (\$1.4B) budget formulation, planning, and execution of the information systems that support the Chief of Naval Personnel. These systems support not only the 15,000 members of Manpower and Personnel organization, but also provide enterprise Human Resource systems to the entire 430,000 member Navy.

Stated responsibilities/accomplishments include:

- Planned and recommended a totally new CIO structure for the merger of two large organizations (Manpower and Personnel and Training and Education) for a combined workforce of over 34,000 personnel.
- Recommended and coordinated the transition of CIO to a Senior Executive Service billet.
- Recently led an 18 month assessment and provided a recommendation to Navy leadership on the capability of a program using an Enterprise Resource Planning tool to provide accurate Navy personnel and pay data within cost and schedule. In a very controversial move, Navy went forward with the recommendation to pull out of the established joint program, and senior Defense leaders agreed.

2003 to 2004

Space & Naval Warfare Systems Command (SPAWAR), Information Technology Center
New Orleans, Louisiana

Commanding Officer

Stated responsibilities/accomplishments include:

- Led a staff of approximately 1,100 military, civilian and contractor personnel providing IT systems maintenance, development and operations to DoD and Navy customers – yearly budget over \$83M.
- Prior to assuming command, the organization had the lowest recorded scores ever in the government employee assessment standards.
- The organization transformed into the “high satisfaction” employee standards, improving over 35 percentage points in most categories.



2001 to 2003

Navy Standard Integrated Personnel System (NSIPS)
Washington, DC

Program Manager

This large scale ERP program (over \$300M) supports over 430,000 service members to ensure correct personnel data and accurate pay.

Stated responsibilities/accomplishments include:

- Responsible for all aspects of development, testing, deployment, and process improvements for the Navy's single field level Personnel and Pay system.

2000 to 2001

Navy Marine Corps Intranet (NMCI)
Washington, DC

Operations Director

Stated responsibilities/accomplishments include:

- Coordinated Test and Evaluation processes and procedures for NMCI – the largest IT infrastructure outsourcing contract in history.
- As an original member of the NMCI program, worked Service Level Agreement issues, legacy application reduction, testing timelines, and seat roll-out issues.

1997 to 2000

Battle Force Tactical Training, Naval Sea Systems Command
Washington, DC

Technical Director

Stated responsibilities/accomplishments include:

- Planned the migration of advanced technologies into the Navy's onboard training system.
- Detailed systems engineering work incorporating combat systems, simulation, and computer generated synthetic environments provide realistic combat conditions while pier-side and deployed.



1994 to 1997

**Defense Advanced Research Projects Agency
Washington, DC**

Program Manager

Program Manager for the Joint Semi-Automated Forces of the Synthetic Theater of War Technology Demonstration.

Stated responsibilities/accomplishments include:

- Connecting over 500 computers across the United States, DARPA conducted the largest distributed modeling and simulation exercise ever performed.

1980 to 1994

**Integrated Undersea Surveillance Systems
Mississippi, California, Washington, DC**

Environmental Modeling, Technology Insertion, Project Manager

Various positions, of increasing responsibility, in the research, development and deployment of undersea surveillance systems.

Enterprise Applications Public-Private Partnership Project Office

Budget and Expenditures as of March 31, 2007

	Prior to Dec-06	Jan-07	Feb-07	Mar-07
PMO Costs	\$77,561	\$14,162	\$15,143	\$17,857
CGI Costs	\$0	\$0	\$1,385,811	\$786,448
COVA Staffing Costs	\$0	\$0	\$0	\$0
Other Contracts	\$101,663	\$0	\$0	\$0
Actual Costs to Date/Forecast	\$179,224	\$14,162	\$1,400,954	\$804,305
Baseline Budget	\$179,224	\$462,443	\$1,513,435	\$1,278,082
Cumulative Actual Costs to Date/Forecast	\$179,224	\$193,385	\$1,594,340	\$2,398,644
Cumulative Baseline Budget	\$179,224	\$641,666	\$2,155,101	\$3,433,184
Actual Costs to Date (as of 3/31/07)	\$2,398,644			
Planned Costs to Date (as of 3/31/07)	\$3,433,184			
Variance to Date (as of 3/31/07) *	\$1,034,540			
Variance at Project End - estimated	\$99,763			

* Note: Variance to date reflects differences in timing of receipt and payment of bills. Estimates include contingency costs.