2006 IT Contracting Symposium

Best Practices in Large IT Procurements

New York State Comptroller’s Office
FOCAS Project

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Session Outline

• Procurement Background
• Techniques Utilized
• Best Practices
Background of Procurements

• Replace current Central Accounting System with new ERP software
  – Three Large Procurements
    • Software & Software Consulting Services
    • Quality Assurance Consulting Services
    • Integrator/Developer Consulting Services
  – 10 Backdrop Procurements and 173 PO’s
    • Staffing Resources
    • Business Analysis
    • Hardware/Software (other than ERP)
Techniques Utilized

- Electronic Request for Proposal
  - New and innovative approach
  - Word documents
    - Contractual language
    - Response forms
- MS Access Database
  - Functional, Technical and Contractual Requirements
  - Deliverables
  - Minimum qualifying requirements
The Contractor must complete Attachment C.2 (Minimum Qualifying ERP Experience - Transactions) which provides details of their commercial off-the-shelf (COTS) financial package implementation, that has been in operation for a full fiscal year, at a large governmental entity. The detail must indicate that the software is capable of processing more than 15,000 payments daily, 40,000 contracts and amendments annually, 10 million accounting transactions annually, and supports 2500-3000 users.
Best Practices

• Request for Proposal
  – Release a Draft version for feedback
  – Conduct a Vendor Roundtable
  – Review by independent consultant
  – Hold one-on-one meetings with Vendors
    • Impact on Procurement Integrity for the future
Techniques Utilized

• Electronic Evaluation of Responses
  – MS Access Database
    • Control the evaluation and distribution of the responses
  – Effort
    • Over 99 evaluators/advisors – OSC, Agencies, DOB, OFT
    • Multiple Teams – Management, Functional, Technical, Cost, Administrative/Deliverable
New York State Office of the State Comptroller
Central Accounting System Project
Software RFP 05-03 Evaluation / Assessment Database

Category: FOCAS - Deliverable - Installation

Requirement: The Contractor must deliver the most current version of the software, including primary Contractor's software, all bundled software that is required to run the Contractor's software and any other tools and utilities recommended by the Contractor and accepted for installation by OSC on State hardware. The Contractor must provide trained staff who will be on-site during installation and configuration periods and will provide mentoring and one-on-one learning opportunities for technical staff and will work in cooperation with OSC, QA, and other consulting staff.

Requirement Id: 6
Type: D - Deliverable
Priority: M - Mandatory

Oracle

1) Level of Compliance: Y - Meets Requirement

OSC Override:

Priority Code and Level of Compliance Definitions
Best Practices – Things to Consider

• COTS Package – Commercial Off-the-Shelf
  – One size fits all

• Established Business Models
  – New York – procurements in a global market

• Pricing Models
  – Difficult to compare and evaluate
Best Practices – Things to Consider

• Market Instability
  – Language for merger, acquisition, divestiture
• Uncertainty
  – Continued support of purchased product
  – Additional fees
Best Practices - Negotiations

• Protracted Negotiations
  – Document decisions
  – Capture all discussions through minutes
  – Revise and share draft contract

• Decision makers from all areas
  – Business
  – Legal
  – Finance
  – Auditor
Best Practices

• Deliverables
  – Clear Understanding by Contractor and Team

• Contractor Independence Issue
  – Prime Auditor
  – GOA Standards
  – Audit Oversight Board
Best Practices

• Contract Refinement - It’s all in the language:
  – Ambiguous terms need to be fully defined
  – Roles and responsibilities of both parties need to be clearly defined and documented
Best Practices

• Multiple Procurements
  – Strategic Bidding
    • Award of procurement could preclude a vendor from bidding on other related procurements
      – Violation of State Finance Law Section 163 or 163-A
      – Participation in spec writing
      – Unequal playing field
      – Conflict of Interest
Best Practices

- **Project Management**
  - Savvy approach to procurements
  - Procurement Lobbying Law
  - Early involvement of Executive Leadership, Legal, and Finance
  - Understand all nuances of contract – must be able to enforce it
  - Involved in whole process
Questions