INVESTMENT AND GOVERNANCE DIVISION
ACQUISITION MANAGEMENT

OFFICE OF INFORMATION TECHNOLOGY
PROCUREMENT OUTREACH

IDENTIFYING AGENCY REQUIREMENTS

March 2007

TRAINING GOALS

- **Review the Request for Proposal procurement process**
- **Discuss what an Agency should do <u>before</u> contacting Acquisition Management**
- **Identify Agency requirements**
  - **“What to bring to the table”**

REQUEST FOR PROPOSAL PROCUREMENT PROCESS OVERVIEW

PROCUREMENT METHODS

- State Term Schedule
- Master Maintenance Agreement
- Request for Quote
- Invitation for Proposal
- Invitation to Bid
- Request for Proposal
- Enterprise License Agreement
- Enterprise Purchase Agreement

			← *Procurement Authorities* →				
Procurement Method	**Amount**	**Procurement Deliverable**	**Direct**	**Controlling Board**	**State Term Schedule (STS)*** **	**Competitive Selection Process (CSP)**	**Notes**
Blanket Purchase*	**Up to $25K**	**IT Products or Services**	**X**		**X**	**X**	**STS = STS Contract Number Blanket = Blanket R&P Number Limited to $50K/vendor/year**
Direct Purchase*	**Up to $50K**	**IT Products or Services**	**X**				**Purchases between $25K and $50K require 3 bids; Limited to $50K/vendor/year**
Controlling Board	**Greater than $50K**	**IT Products or Services**		**X**			****(See Next Page) Aggregate greater than $50K Can be multiple P.O.'s**
Master Maintenance Agreement	**Negotiated with Vendor**	**Maintenance on Hardware & Software**		**X**			**OIT negotiates Terms & Conditions; agency negotiates pricing**
State Term Schedule	**Less than $1MM**	**IT Products or Services**			**X**		
Request for Quote (RFQ)	**Between $25K and approximately $500K**	**IT Products or Services**			**X**		**Three bids required; typically low bid selected**
Invitation for Proposal (IFP)	**Between $500K and $1.5MM**	**IT Products or Services**			**X**		**Publicly posted. Limited to STS vendors. No extensions, no change orders. – 3 bids.**

			← *Procurement Authorities* →				
Procurement Method	**Amount**	**Procurement Deliverable**	**Direct**	**Controlling Board**	**State Term Schedule (STS)*** **	**Competitive Selection Process (CSP)**	**Notes**
Invitation to Bid (ITB)	**Any Amount**	**Commodity: PC's, Printers, Servers**				**X**	**May be agency specific or enterprise. Publicly posted.**
Request for Proposal (RFP)	**Greater than $500K**	**IT Products or Services**				**X**	**Publicly posted. No limitations.**
Enterprise License Agreement (ELA)	**Not defined**	**Software licenses**		**X**	**X**	**X**	**Unlimited licenses for the enterprise; negotiated by OIT.**
Enterprise Purchase Agreement (EPA)	**Not defined**	**IT Products or Services**		**X**	**X**	**X**	**OIT negotiates prices; agency makes purchase.**

***Direct Purchases are authorized by OIT – Blanket purchase amounts are established by OIT for each agency on an FY basis. Only purchases under $25,000 apply to the FY blanket. <u>These require the Blanket Release and Permit Number</u>. <u>All</u> other purchases require a <u>Release and Permit Number approved by OIT</u>.**

****OIT has the authority to issue a Release and Permit for an agency to take their request to the Controlling Board for single source procurements or procurements which do not conform to OIT governance standards.**

*****STS Authority is granted by the Controlling Board. Controlling Board approval is required for non-competitive purchases that exceed $50K per vendor per year. A Release and Permit number (either Blanket # or regular Release & Permit # is required for all Information Technology purchases.**

****** These are the typical methods; exceptions can occur. ******

NOTE: Please direct questions regarding Information Technology procurements to your Acquisition Supervisor.

REQUEST FOR PROPOSAL PROCUREMENT PROCESS

IDENTIFY

PREPARE

DEVELOP

RELEASE

EVALUATE

AWARD

POST-AWARD

PROJECT IDENTIFICATION

- **Agency submitted *Agency Procurement Request***
- **Pre-Acquisition Meeting completed**
- **OIT Acquisition Management accepted the project, identified the RFP process as the appropriate procurement method and notified the Agency of decision**

PREPARE

- **Agency provides draft Scope of Work and Deliverables**
- **RFP Development Team formed**
  - **Includes Agency and Acquisition Team members assigned to the project**
  - **Agency team members include business, procurement and information technology staff**

DEVELOP

- **Kick-Off meeting takes place**
  - **Draft Project Schedule presented**
  - **Review and discuss any known issues/risks, historical issues/risks and assumptions**
- **Project Schedule accepted by Agency representative and Acquisition Management: <u>Official procurement project start</u>**

DEVELOP

- **Work sessions may be scheduled with RFP development team to refine the Scope of Work and Deliverables**
  - **Sessions often last four to six hours**
  - **May need additional agency decision makers for critical decisions**
- **Acquisition Analyst initiates creation of procurement document using Scope of Work and Deliverables.**

DEVELOP

- **The complete document will have**
  - **Purpose & Background**
  - **Scope of Work**
  - **Deliverables**
  - **Evaluation Scoring & Weights**
  - **Proposal Requirements**
  - **Business & Technical Requirements**
  - **Terms & conditions, supplements and attachments**

RELEASE

- **Agency document review and request for release**
  - **Evaluation Team and Project Manager confirmed**
- **OIT Internal document review and final approval**
- **Acquisition Analyst posts RFP document to the State Procurement website**

RELEASE

- **Inquiry Period**
  - **Analyst receives inquiries and forwards to Agency for response as appropriate**
  - **Analyst may prepare an amendment to the RFP document and obtain approval**
- **Pre-Proposal Conference**
- **Competitive Sealed Proposal Opening**
  - **Open sealed proposals on specified date**
  - **Late proposals are not accepted**
  - **Public does not attend**

EVALUATE

- **Evaluation Team reviews the proposals**
- **Evaluation is based on pre-determined criteria**
- **Clarifications and corrections may be issued**
- **Evaluation Team comments are collected to document the results of the evaluation process**

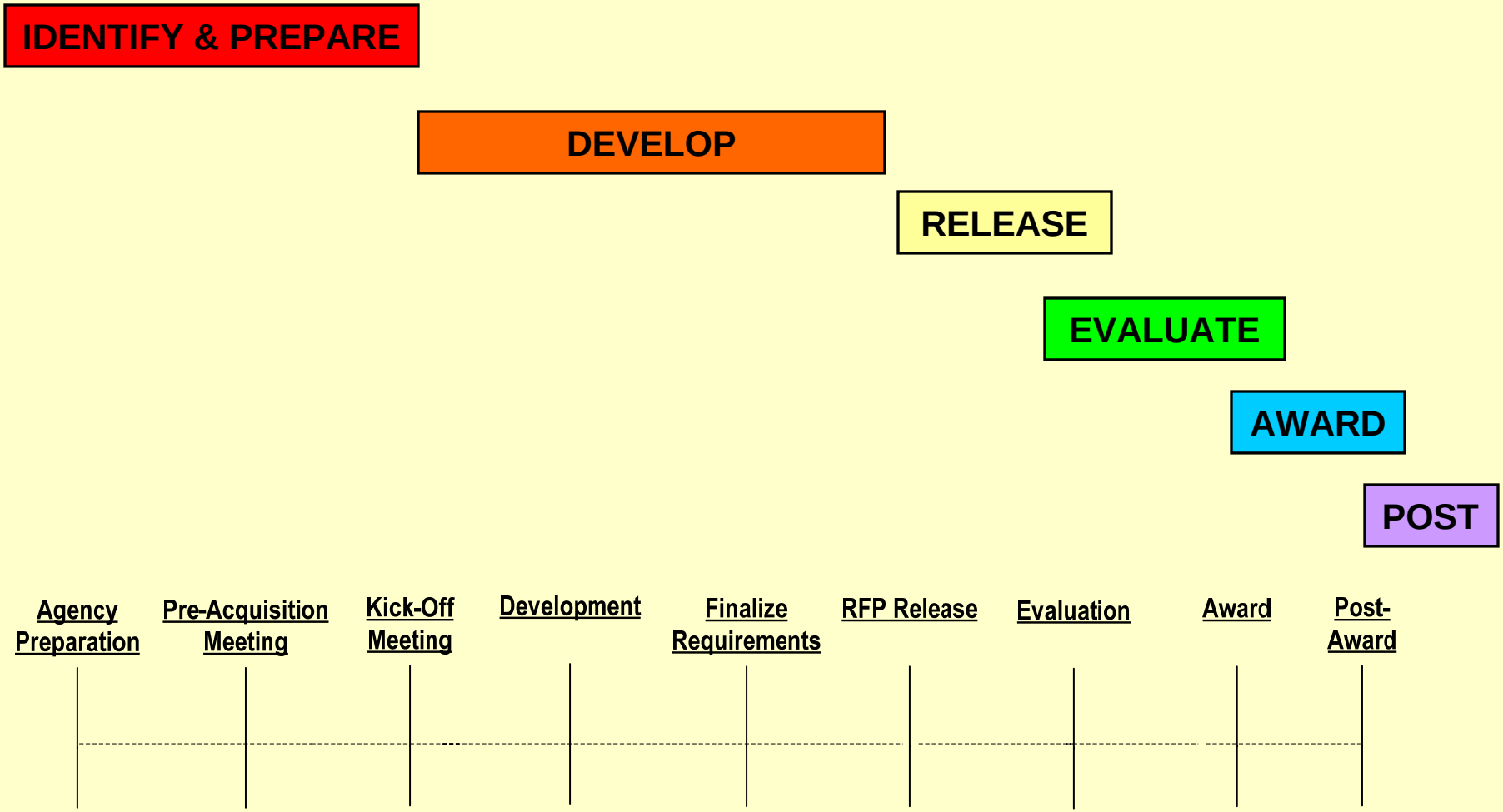
AWARD

- Evaluation Team recommends Award
- Agency recommends Award
- Analyst prepares award package
- OIT review and recommendation
- Contractor signs contract
- Award letter and contract signed by OIT Director/State Chief Information Officer

POST-AWARD

- Public Records Requests
- Project Inquiries & Protests
- Contract Dispute Resolution
- Project File
- Lessons Learned
- Release & Permits
- Amendments, Extensions and Renewals
  - Handled by Contract Management

RFP PROCUREMENT PHASES



RFP PROCUREMENT PHASES

IDENTIFY & PREPARE

Agency Preparation

Pre-Acquisition Meeting

Kick-Off Meeting

RFP PROCUREMENT PHASES

DEVELOP

Kick-Off Meeting | **Development** | **Finalize Requirements** | **RFP Release**

RFP PROCUREMENT PHASES

RELEASE

EVALUATE

AWARD

POST

RFP Release | Evaluation | Award | Post-Award

RFP DEVELOPMENT WORK EFFORT

*Project Schedule Signed = Official Procurement Project Start

OIT EFFORT IN YELLOW

SCOPE OF WORK IS…

GENERAL ⇨ REFINED ⇨ DETAILED

AGENCY EFFORT IN BLUE

AGENCY REQUIREMENTS

AGENCY REQUIREMENTS

- **Agency Procurement Request**
- **Purpose & Background**
- **Scope of Work**
- **Proposal Requirements**
- **Evaluation Scoring & Weights**
- **Miscellaneous Items**

AGENCY PROCUREMENT REQUEST

- **Before completing the Request, OIT recommends**
  - **Presenting a project justification to Agency Senior Management**
  - **Researching the marketplace**
  - **Determining Estimated Project Schedule**
  - **Establishing Budgets**
  - **Gaining Senior Management approval to move forward**

AGENCY PROCUREMENT REQUEST

- **Identify Agency contacts**
- **Project Description**
- **Project Benefits**
- **Estimated Project Cost**
- **Timeline Estimates**
  - **Procurement timeframe**
  - **Project timeframe**
- **Special Notes & Conditions**

See Agency Requirements handout Example A1 on Page 13

1.0 PROJECT IDENTIFICATION

Agency/Division Name:

Project Name:

I.T. Plan #:
(NOTE: This project must be added to the Agency I.T. Plan if not included currently)

Requesting Agency Contacts:

MAIN CONTACT*			
NAME	TITLE	PHONE	EMAIL
EVALUATION TEAM LEAD			
NAME	TITLE	PHONE	EMAIL
PROGRAM (BUSINESS) AREA CONTACT			
NAME	TITLE	PHONE	EMAIL
PROCUREMENT CONTACT			
NAME	TITLE	PHONE	EMAIL
INFORMATION TECHNOLOGY CONTACT			
NAME	TITLE	PHONE	EMAIL

*Identifying the Main Contact is mandatory.
Provide Evaluation Team Lead plus Program (Business) area, Procurement and Information Technology contacts if known.

2.0 PROJECT DESCRIPTION

Business Opportunity/Business Need:

Project Objectives:

Critical Dependencies:

3.0 PROJECT BENEFITS

Tangible Benefits:

Tangible Benefit	"Who" will benefit?	"How" project will provide benefit

Intangible Benefits:

Intangible Benefit	"Who" will benefit?	"How" project will provide benefit

4.0 PROJECT COSTS

Total Estimated Cost:
Estimated Cost of Hardware only:
Estimated Cost of Software only:
Estimated Cost of Services only:

Total Budgeted Cost:

Fiscal Year:

Funding Source (Federal, State):

5.0 TIMELINE ESTIMATES:

Project Timeline

Anticipated Contractor Work Start Date: Month {Select Month} Year {Select Year}

Procurement Process Timeline

Estimated Procurement Timeframe:
Requested Start Date: Month {Select Month} Year {Select Year}
Requested Award Date: Month {Select Month} Year {Select Year}

6.0 NOTES AND SPECIAL CONDITIONS (Information regarding related, dependent or previous project work such as assessment studies, requirement definition, etc.)

PURPOSE & BACKGROUND

- **Term of contract**
- **Background**
- **Existing environment & technologies**
- **Objectives**

SCOPE OF WORK

- Agency's main area of focus
- Most difficult part of the process
- Critical for success of the project
  - Scope of Work becomes part of the contract
  - Helps offerors price the effort

PROJECT REQUIREMENTS INCLUDING SCOPE OF WORK

- **Overview of Project's Scope of Work**
  - **Created after Scope of Work complete**
- **Dates for Project Start, Project End, Pre-determined Milestones**
- **Location of Data**
- **Deliverables**
- **Contractor Responsibilities/State Responsibilities relating to Deliverables or Tasks**
- **Performance Testing Criteria**
- **Work Hours and Conditions**
- **Special Maintenance Conditions**
- **Additional Pertinent Information**
- **Business & Technical Requirements**

PROJECT REQUIREMENTS

- **Location of Data: geographic restrictions regarding where data will be stored**
  - **Must all data remain within State facilities or United States?**
  - **Where will services take place?**

SCOPE OF WORK

- **Contractor Responsibilities**
  - **What will contractor deliver to accomplish project goals (deliverables)?**
  - **What work will contractor perform to meet project requirements?**
  - **What project management tasks are required?**
  - **When should the solution be completed (milestones)?**
  - **Where will work be performed?**
    - **What office, work hours**

PROJECT REQUIREMENTS

- **Performance Testing Criteria**
  - **Indicate if a performance test will be done and describe the performance criteria**
    - **What will be tested?**
    - **Deadlines for completion**
    - **Length of time system must operate successfully and consistently**

SCOPE OF WORK

- **Business requirements**
  - **Determine what must occur to meet Agency business needs**
  - **Assess current practices**
    - **What does the current system provide?**
  - **Detailed description of desired state**
    - **Is the goal to have different and/or additional requirements?**

SCOPE OF WORK

- **Technical requirements**
  - **Describe completely all operational aspects**
  - **Detail the minimum hardware and software specifications**
  - **Describe existing hardware and software interface requirements**
  - **Include conversion requirements**
    - **Record layouts**
    - **Data volumes**
  - **Consider leveraging existing infrastructure**

PROPOSAL REQUIREMENTS

- **Cost Summary**
  - **A format offerors use to identify costs to the State for hardware, software, services and/or deliverables**
  - **May include optional maintenance, support and additional products**

EVALUATION SCORING & WEIGHTS

- **Determining Evaluation Criteria**
  - **Agency should consider the elements of the RFP to score**
  - **All identified evaluation criteria must relate to proposal content requirements**

EVALUATION SCORING & WEIGHTS

- **Mandatory Requirements**
  - **Requirements every proposal must meet to remain under active consideration**
  - **Implies the Agency cannot do without these requirements**
  - **Limit Mandatory Requirements**
    - **Too many mandatory requirements put the procurement at risk**

EVALUATION SCORING & WEIGHTS

- **Scored Criteria**
  - **Non-mandatory requirements**
  - **Each requirement's weight and score are based on the relative importance to the overall project**
    - **Weights are used to establish relative importance**
    - **Ratings are generally "Does Not Meet (0), Meets(5), Exceeds(7) and Greatly Exceeds(9)"**
    - **Score is a product of the weights times the ratings**

MISCELLANEOUS

- Site visits
- Presentations/Interviews/Demonstrations
- Anticipated Contractor Start Work Date
  - This is captured in the Agency Procurement Request
- Contractor's Fee Structure
- Hold Back and Reimbursable Expenses
  - Exceptions to most RFP's
- Bill to Address

AGENCY FOCUS AREAS

- **Expect a large time commitment by Agency staff**
  - **Agency staff includes business, information technology and procurement representatives**
  - **Preparation for Pre-Acquisition and Kick-Off Meetings**
  - **Procurements are time consuming**
  - **Many revisions and reviews**
- **Develop a detailed Scope of Work**
  - **Well defined business and technical requirements help everyone involved in the procurement**

CONCLUSION

- **Thank you for your attendance**
- **Acquisition Management consists of four procurement teams committed to assisting Agencies, Boards and Commissions through the Information Technology procurement process**

QUESTIONS