**Project Charter**

**Title**

Shared Services End-To-End eProcurement Software Acquisition Project

**Sponsors**

Lead administrative executives from each Collaborating Agency (See attached Appendix 1 – *List of Project Committee Members)*

**Project Manager and Business Leads**

Project Manager

CFOs, CPOs, CIOs from each collaborating agency (See attached Appendix 1 – *List of Project Committee Members*)

**Problem Statement**

Procurement software in many agencies is outdated and much of the entire process — from purchase request to vendor payment — is not automated. The result is that agencies rely on inconsistent manual, paper-based processes that are time consuming, error prone, difficult to track and measure, and not easy to integrate with other systems. As a consequence shadow systems have been developed to fill in the gaps and duplicate data entry has become common. (For example, one agency enters the same information eight times.)

Reports are produced manually, are not consistent, and are often inaccurate. Management data is not easily available within state agencies and statewide. Availability of information about vendor performance is spotty at best. In addition, the state cannot easily leverage its buying power to obtain favorable terms of service and quantity discounts.

**Project Purpose**

The purpose of this project is to obtain an end-to-end eProcurement software product that includes best practices in procurement, that can be used to meet agency procurement needs, and that will alleviate many, if not all, of the problems and risks described in the “Problem Statement” above. A group of state agencies will collaborate to define common needs and acquire a Commercial Off-The-Shelf Software (COTS) product so that agencies can change their business processes to comply with best practices in procurement rather that automating their current inefficient practices. This COTS will be available to the agencies as a shared service with Software-as-a-Service (SaaS) as a delivery option.

The collaborating agencies will work together on documenting each agency’s procurement business processes, defining common requirements for a new system, undertaking a solicitation to the vendor community, evaluating and scoring proposal received, selecting a product, and negotiating a contract for its purchase. The longer-term vision is that the software may someday be adopted as an Enterprise solution. It is also envisioned that the agencies will form a user group to work with the vendor implementation on service issues and to influence future enhancements of the product to meet the state’s evolving needs.

**Definition of End-To-End eProcurement Solution**

In simplest terms, an end-to-end eProcurement solution is the automation of all procurement processes using web-based applications. It is the technology-enabled solution that allows the agency to procure goods and services at the best value. The goal of procurement is to obtain the right product or service, at the right place, at the right time, at the right price, and the right quantity in the most efficient manner possible.

The Procurement cycle can consist of many steps, depending on the value and complexity of the purchase as well as policies and procedures for various agencies. At a minimum, it starts with needs identification (a requisition/request), proceeds with obtaining one or more approvals, then on to the creation and issuance of a purchase order or P-card purchase. This requires multi-way matching and reconciliation of the order, goods receipt, and invoice; and then on to eventual payment.

For high dollar or more complex purchases, the process will usually include solicitation creation, additional approvals (DAS, DOJ, CIO, etc.), advertisement of the solicitation, solicitation addendum issuance, receiving responses, evaluation of responses, notification of award, contract issuance, and contract administration (record keeping, invoice processing, contract amendments, and contract close out).

An eProcurement solution would also include:

* Standardized and ad hoc reporting capability (i.e., spend analysis, critical goods and services turnaround times, cyclical purchase data, etc.)
* Statewide price agreement repository
* Vendor registration

**Scope**

**The scope of this project includes:**

* Bringing together a group of state agencies (the collaborating agencies) to work together to acquire end-to-end eProcurement software that could be used by those agencies and all other state agencies, if desired
* Collaborating to develop common requirements for the new software
* A solicitation process to acquire the new software
* A selection process to obtain the software which best meets the needs of the collaborating agencies
* Negotiating a contract for the software

**The scope does not include** **implementation** of the software in individual agencies. The project ends when the contract for new software is signed. The scope also does not include unique applications that some agencies may need in addition to the software acquired by this project. Those agencies could work with the vendor on interfacing third-party products or building additional modules to suit those unique needs. Specific examples of scope not included in this project are:

* Asset management functionality
* Accounting system functionality (although financial information may be passed between the statewide financial system and the eProcurement solution, it should be noted that end-to-end eProcurement is not an accounting system)

**Project Approach and Duration**

The project team will include subject matter experts in procurement, finance, and information technology from across the collaborating agencies. They will work together to identify and obtain a procurement product that meets collaborating agency needs.

The project team will:

1. Gather information about the eProcurement market place and implementations in other jurisdictions
2. Document procurement business processes in the collaborating agencies to ascertain what is being done currently
3. Come together and collaborate to create common requirements that would be included in a new end-to-end system
4. Rather than require system customization, collaborate on, acknowledge, and accept changes to business processes to comply with best practices contained within the end-to-end eProcurement solution
5. Work together to develop a solicitation for a new system
6. Evaluate proposals and vendor demos to select a system which best meets the needs of the collaborating agencies
7. Negotiate a contract for the new system

After contracting is complete, each collaborating agency may implement and pay for its new system. Even though each agency will implement independently, the other collaborating agencies will provide support to those collaborating agencies implementing later. They will share lessons learned and implementation documents from their own implementation experiences. (Note: The contract will allow ALL state agencies to use the new system.)

The goal is to contract for a software product by September 30, 2016 with one or more agencies implementing by end of the 2015-17 biennium with the rest of the collaborating agencies implementing in 2017-19.

**Expected Outcomes**

The project will allow the collaborating agencies to expand their ability to use best practices in procurement because of increased automation of the procurement process. They will be able to reverse many of the problems and risks inherent in the current way of doing procurement. Each agency will be able to obtain the data needed to effectively manage its procurement function, report to DAS and the Legislature, and improve service to its consumers of procurement services and to its vendors.

**Customer Impact**

End users of procurement will experience improved customer service when they purchase goods and services. On the supplier side, because of improved ease of use and clarity, vendors will be better able to communicate with and serve agencies that are using the new system. Vendor satisfaction may increase and more vendors may participate in procurements.

**Key Stakeholders**

Major stakeholders are:

* Designated Procurement Officer Council (DPO)
* DAS Procurement Services
* DAS Procurement Policy
* Agency buyers and other Staff, CFOs, Controllers, and Budget Officers
* Administrative Business Services Directors (ABSD)
* Department of Justice
* Enterprise IT Governance Steering Team
* Chief Financial Office
* Chief Information Office
* Legislative Fiscal Office
* Vendors
* ORCPP/ORS190

As appropriate, the project will seek input from these stakeholders and keep them informed about project progress.

**Project Governance**

Because of the multi-agency nature of this project, effective governance is especially important in order to assure that all agencies have a voice in decisions, that no one agency dominates, and that a culture of collaboration is created and maintained. The governance structure is designed to:

* Alleviate potential problems
* Make decisions
* Deal with issues like:
  + Major issues including changes in scope, resources, and schedule (Executive Sponsors Committee)
  + Project oversight and control (Steering Committee)
  + Day-to-day administration (Project Manager and Project Management Advisory Team)

**Executive Sponsors Committee**

* **Members**
  + One high-level executive representing each collaborating agency
* **Role**
  + Ultimate responsibility for securing spending authority and resources for the project
  + Vocal and visible champions, legitimize the project’s goals and objectives, keep abreast of major project activities, and as a committee are the ultimate decision-maker for the project
  + Final approval of all scope changes, and approve proceeding to each succeeding project phase
  + Resolve conflicts over project direction and major decisions to ensure that all parties continue to participate in the project and the project continues to move forward
  + Meets when necessary

**Steering Committee**

* **Members**
  + Up to three representatives from each collaborating agency. Limited to one representative from each discipline from each agency.
    - Procurement
    - Finance
    - Information Technology
* **Role**
  + Involved in project oversight and control
  + Speaks with one voice for the agency. Whether each agency has one, two, or three members, each agency will have one vote.
  + Acts individually and collectively as a vocal and visible project champion throughout their own organizations
  + Approve project deliverables, help resolve issues and policy decisions, approve scope changes, provide direction and guidance to the project
  + Members are liaisons to executive sponsors
  + Meets monthly

**Project Management Advisory Team**

* **Members**
  + A small group (5-8 people) who represent each of the three disciplines (procurement, finance, information technology) and the project manager. May include contractor(s).
* **Role**
  + Small group that advises and meets with the project manager weekly or more often to review and comment on documents, operational issues, process issues, and mitigation of risks in order to help move the project forward between Steering Committee meetings. Deals with day-to-day administration, not policy.

**Funding and Resources**

Costs needed to take the project through contract signing will be shared by the collaborating agencies. These costs include project manager, project business analyst, internal controls contractor, DOJ fees, and other costs. An Interagency Agreement that lays out the arrangement regarding costs and the commitment of agency staff to the project will be entered into by all collaborating agencies.

Implementation costs such as software license fees, training, and other startup costs will be paid by each individual agency.

**Major Project Risks**

* Agencies remain in their “silos,” not willing/able to compromise on common requirements and other issues
* Not enough agencies sign up to achieve economies of scale in startup costs, training costs, and license fees
* Agencies drop out mid-stream and continuation of the collaborative effort is no longer feasible
* Agencies have difficulty collaborating which causes delays in the project and the planned timeline cannot be met
* Best product is too expensive

**Risks of Not Doing the Project**

* The current manual, paper-based approached to procurement will continue to frustrate customers, procurement and finance professionals, and vendors
* Time delays because of inefficient procurement processes will mean missed opportunities to get things done in state government and, perhaps, higher costs
* Vendors will be reluctant to do business in Oregon and may charge more to compensate for their frustration
* Bad data will make it harder for the state and individual agencies to manage their procurement functions and report accurately and timely to DAS, the legislature, and the public

**Approval of Agency Executive Sponsors**

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**Appendix 1. – *List of Project Committee Members***

**Executive Sponsors Committee**

**Jeff Morgan**, Secretary of State, Director, Business Services Division

**David Moon**, Judicial, Director, BIS Services

**Satish Upadhyay**, Forestry, Administrative Services Division Chief

**Shawn Waite**, Revenue, Finance Manager

**Bret West**, DAS, EGS Administrator

**Bill Herber**, Fish and Wildlife, Deputy Director For Admin

**Rick Crager**, Education, Assistant Superintendent of Finance & Administration

**Jean Straight**, DCBS, Deputy Director

**Jeremy Emerson**, DHS/OHA, Deputy COO

**Steering Committee**

**Sarah Roth**, Secretary of State, Chief Procurement Officer

**Fabiola Flores**, Secretary of State, Financial Services Manager

**Jeff Bustos**, Secretary of State, Infrastructure Manager

**Bob Baxter**, Judicial Dept, Procurement Manager

**Susan Taylor**, Judicial Dept, Accounting Manager

**Jim Conlin**, Judicial Dept, Deputy CIO

**Shannon Rand**, Forestry, Procurement Program Director

**Mark Hubbard**, Forestry, Finance Program Director

**Steven Hoffert**, Forestry, IT Program Director, CIO

**Toni Payseno**, Revenue, Contracts and Procurement Manager

**Terrance Woods**, Revenue, ASD Administrator & CIO

**Dan Miller**, Revenue, Interim Deputy CIO

**Nancy Cody**, DCBS, Operations Manager

**Lil Gray**, Education, Director, Procurement Services

**Tomas Flores**, Education, Director, Financial Services

**Erica Kleiner**, Fish and Wildlife, Procurement

**Sandra Fixsen**/Lori LeVeaux, Fish and Wildlife, Accounting

**Doug Juergensen**, Fish and Wildlife, IT

**Chris Bui**, DAS, Accounting

**Nicole Brazeal**, DAS, ORPIN System Administrator

**Kirk Rhoades**, DHS/OHA, Procurement

**Wayne Breach**, DHS/OHA, Finance

**Jim Simpson**, DHS/OHA, IT

**Project Management Advisory Team**

* **Dave Whitbeck**, eProcurement Project Manager
* **Sarah Roth**, Chief Procurement Officer, Secretary of State
* **Mark Hubbard**, Finance Director, Forestry
* **Nicole Brazeal**, ORPIN System Administrator, DAS Procurement Services
* **Steven Hoffert**, CIO, Forestry
* **Ben Tate**, Strategic Technology Officer for Education, OSCIO

**Project Resources**

* **Joanne Barnhart**, Business Analyst
* **John Cuddy**, Consultant
* Facilitator
* Internal Controls Contractor