

ORPIN 2.0

Close Report

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Date: May 30, 2013

**Review and Approval**

Reviewed by:

***Name Title/Position/Role Date***

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# Project Overview

## Purpose

The purpose of the close-out report is to summarize work achieved by the project, note project areas of concern, and document lessons learned.

## Charter

**Purpose and Expected Results**

The Oregon Department of Administrative Services, State Procurement Office (DAS/SPO) develops, establishes and administers agency specific contracts and Price Agreement contracts for goods and services on behalf of state agencies under their authority (ORS 279). In managing this work, DAS/SPO has used electronic procurement technology tools since the mid-1990’s. The primary technology in use is the Oregon Procurement Information Network, or ORPIN.

At the time the ORPIN 2.0 project was launched, the current ORPIN system was experiencing serious performance issues resulting in slow response times for users. While the performance issues users were experiencing at the time was a factor in the decision to implement a new system, the need for the State Procurement Office to gather and analyze accurate and detailed spend data to support planned strategic sourcing and planning decisions was the deciding factor. This has been a desire of the State Procurement Office since the initial implementation of ORPIN in 2005. At that time, the technology was not mature and the financial investment to implement a full procure-to-pay system was cost prohibitive. Today, thanks to IT support, the original performance issues with ORPIN have been resolved, but the system limitations related to capturing and reporting data needed for strategic sourcing, strategic planning, and contract price evaluation still remain.

Project Initiation

DAS submitted a POP in the 11-13 budget asking for $3.9 million to replace ORPIN by acquiring and implementing a procure-to-pay solution. The POP was approved via a limitation increase for DAS of $3.9 million.

Partnership With WSCA

In 2009, DAS State Procurement Office joined the Western States Contracting Alliance [WSCA] sourcing team to solicit for an e-Procurement system that would be available for any state or local government to install. Through contracted research and a previously issued RFI, WSCA determined a Software-as-a-Service [SaaS] format was the best platform to meet the needs of not only WSCA, but individual state governments.

The State of Oregon participated in the development of an RFP, led by the State of Colorado, and participated in the evaluation of proposals along with three other states; Washington, Nevada and Utah. A three day requirements gathering session was conducted in each core state and the aggregated requirements of these states were included in the RFP released in 2010. Ten proposals were received, and at the conclusion of the RFP Evaluation process, the contract was awarded to SciQuest. In June of 2011 WSCA (represented by the Lead State Colorado) signed a Master Agreement with SciQuest making the SciQuest solution available to state governments through the WSCA negotiated price agreement. In September 2011, DAS Procurement Services signed Oregon’s Participating Agreement with SciQuest.

At the time of the contract award, Colorado was scheduled to be the first state to implement, followed by Oregon. The remaining states were beginning to build their respective business cases and conducting other preliminary work. A project manager group consisting of the designated individual state project managers was formed to share documentation, issues, resolutions and challenges. It was also anticipated that the combined influence of multiple state agencies could leverage quicker movement on system issues with the vendor. Colorado signed their contract in June 2011 and started their project shortly thereafter. In early 2012, executives in Colorado changed their long-term strategies and the scope of the Colorado project was narrowed. To date, none of the other states have moved forward with a full implementation of the SciQuest system.

The SciQuest solution is a SaaS “hosted application“ with an annual subscription fee. The solution provides an on-line supplier marketplace comprised of agency specific contracts with the state’s price agreements featured and the supplier catalogs enabled in the marketplace. The solution is a compilation of modules that can be subscribed to together or separately.

Oregon’s Implementation

In September of 2011, Oregon’s project team met with SciQuest to identify which modules would be required to support the project scope contained in the approved business case. As part of this evaluation, it was determined that the modules necessary for invoice processing would be acquired at a later date. In October 2011, the project team met with the Executive Steering Committee (ESC) to explain the list of modules and associated annual subscription fees. The ESC approved the list of modules to provide functionality for Supplier Registration, Sourcing, and Purchasing functionality. The first year’s subscription fees were paid at the first of December, 2011. Project execution began in January 2012.

In December 2011, DAS signed a Statement of Work with SLI Global Solutions to provide independent QA services for the project. SLI was acquired through the talent rotation process contract managed by the Enterprise Information Strategy and Policy Division, (EISPD). SLI is located in Denver, Colorado. The project budget for Independent QA was $50,000 and did not cover the vendor’s travel. Deliverables included a Quality Management Plan, Risk Assessment Report, Bi-monthly Project Quality Status Reports and Quarterly Status and Improvement Reports. The project team and SLI determined at the start of the contract, that because the product was a SaaS solution and would have minimal customization, that the QA services could be provided remotely. There were no objections to this plan from the ESC or EISPD. Therefore, all of SLI’s QA work took place remotely. Monthly meetings took place via telephone between the co-project managers and SLI.

In January of 2012, the project team began working with SciQuest to design the configuration of the system to the Oregon “look and feel”. As a SaaS Solution, it was understood that customization options were limited although this proved to be a challenge for stakeholders and users who were used to a more flexible implementation model.

Just prior to the WSCA RFP SciQuest had acquired a company called AEC Soft to supplement their existing system with a sourcing module. It was apparent to the project team, and admitted by the SciQuest project team, that their knowledge of the sourcing application was very limited. A solution consultant was assigned to the project to provide expertise on the sourcing module and the SciQuest project manager obtained training on the sourcing functionality to assist with the project. Since the Sourcing module was not a long-term asset which had a strong integration history with the rest of the SciQuest system, there were major differences in the look and feel and system administration activities resulting in many inconsistencies and learning challenges. There was very limited integration between the Sourcing module and the Purchasing module which required duplication of manual entries into both modules. The issues related to the Sourcing module will be further described in Section 2.6 - Issues.

Project Team

The project team consisted of three full time employees from the State Services Division and State Procurement Office (now called Enterprise Goods and Services (EGS)). Two of these members acted as co-project managers. One of the co-project managers acted as the overall project manager and liason between the project team, ESC and other State executives. The other co-project manager acted as the day-to-day project manager and was the point of contact with SciQuest coordinating the activities related to system configuration, planning and implementation. The third full time team member acted as the Business Process Manager responsible for activities related to current and future business processes and also for contract enablement within EGS. The rest of the team was made up of part time team members from EGS who performed project work on top of their regular work assignments. The POP included two permanent full time (OPA4) positions to support the ORPIN project. These two positions were filled in the fall of 2012 but neither position supported the project even though the project team had requested a full-time professional IT project manager and more full-time dedicated project team members from the beginning of the project.

The project team began working sessions twice a week with SciQuest to validate system requirements, identify business process gaps, and to identify early configuration needs. In addition to these working sessions, system administration working sessions and two focus groups were held to conduct similar activities with internal users. As the result of this early work, and prior to the second focus group, it was determined that the implementation of the Settlement portion of the system needed to be added to the project scope rather than in the next phase of the project as originally expected. At the same time, it was decided that an Operational Steering Committee (OSC) needed to be established to act as a representative group from the enterprise. The initial members were the Designated Procurement Officers from various agencies. The OSC was valuable in making enterprise configuration decisions and designing a Universal Work Flow that would be used by all agencies. Through the initial requirements validation work performed by the project team, several critical system functionality issues in the Sourcing module were identified. These items were brought forward to the OSC for review and validation. The OSC confirmed the project team’s concerns and made an official recommendation to the ESC to postpone implementation of the Sourcing Module until the issues were resolved, but to continue to work toward implementation of the shopping/settlement functionality.

The project team also recognized that because of the level of effort to set up an agency and train their users, the implementation plan had to be changed to roll out shopping/settlement to a few agencies at a time rather than doing a big bang implementation which was originally planned. The Sourcing module, however, would still need to be implemented as a big bang so suppliers would not have to check for opportunities in two different places (ORPIN1.0 and ORPIN2.0).

Issues Arise

The project was originally initiated by the State Procurement Office and was considered predominantly a procurement project. The project team quickly realized that the solution had more to do with purchasing and payment, rather than procurement. Members from the accounts payable community were identified for the OSC, but it was a struggle getting the right people on the committee and getting enough involvement and commitment from their executive leaders. Accounts payable and financial people were slow to get engaged with the project and as a result, issues with the shopping/settlement side of the application were identified later than desirable in order to keep to the project schedule. Issues with the shopping/settlement side of the application are further explained in section 2.6 Issues.

A thorough analysis of the level of effort to implement a full e-procurement system at the enterprise level was not conducted prior to project launch. To further compound this situation, neither the State project team nor the vendor project team included expertise to develop an enterprise-wide implementation plan that included the detailed tasks required by each agency and the project team to successfully implement. The vendor did not provide any assistance to the State in the area of implementation. WSCA employed the services of IBM to assist with project activities such as implementation planning for their e-procurement project with SciQuest. Oregon did not hire an implementer to assist them.

A thorough analysis of the level of effort to map agency business processes and a determination of the impact of change management to users should have been completed prior to project launch. The project team did not include someone with change management expertise that could help each agency document their processes and plan for the process changes they would encounter. The work required by each agency to prepare for the new system was underestimated by both the State and the vendor project teams and ended up adversely affecting the schedule.

An Operational Plan for administering and managing the system after go-live was not developed. A thorough analysis of the number of resources necessary to provide technical and user support, as well as the knowledge, skills and abilities of those staff should have been completed prior to project launch. It was assumed at the beginning of the project that the current 2 FTE site administrators and the agency administrators that manage the current ORPIN system would be the administrators of the ORPIN2.0 system. However, it was later discovered that the administration duties of the SciQuest system were more complex than the current ORPIN system, so this assumption was not supported. For example, the project team learned that the system doesn’t segregate business units so all agencies’ accounting and work flow approval data is kept in the same place and is viewable and changeable by any agency administrator. This was deemed a security risk that the State could not accept. Since the system could not accommodate the segregation of each agency’s data, an attempt to mitigate the security risk was made by giving the agency administrators a different level of access than the site administrators. Agency administrators could assign new users to existing roles but all the configuration of adding new accounting codes and approvers to workflow would need to be done by the site administrators. It became apparent that it would be difficult for the existing 2 FTE ORPIN system administrators to manage that workload and agencies were concerned about the ability for the site administrators to provide an adequate service level. Additional FTE would be needed to adequately maintain site administrator workload.

In the summer and fall of 2012, a reorganization of the State Procurement Office (SPO) took place and leadership changed. This prompted new executives to evaluate the project before renewing the annual subscription. DAS Executives came to an agreement with SciQuest to initiate a 90-day Assessment Period where no work would be done on the project and DAS could assess the health of the project. In January, DAS Strategic Initiatives hired a full time IT project manager for the project through a 1 year job rotation with another agency. The Project Manager would be responsible for helping EGS and DAS Executives assess the project and determine next steps. In April 2013, DAS Executives notified SciQuest that they were exercising their option to terminate the Service Order and thereby cancelling the project. Approximately half of the original $3.9 million budget was spent on the first year annual subscription, SOW Deliverables, and project staff. Negotiations are currently taking place between DAS and SciQuest to reach an agreement on final charges associated with the SOW.

# Project Performance

## Percentage of Financial Objectives Achieved[[1]](#footnote-1)

The project’s Business Case stated an objective of $3 million of spend savings per year the first five years after the system is implemented. This would be achieved through strategic sourcing initiatives which would result in the reduced cost of goods and services used by state agencies and local governments once DAS had access to detailed spend data via the ORPIN 2.0 System.

The business case was based on a wide adoption of the system across the enterprise because its use would be mandatory for those agencies under DAS authority. This proved to not be true. After the business case was approved, the project team learned that use of the system would be optional. This decision would negatively impact DAS EGS’s ability to realize the $3 million dollar savings because of the potential for limited data in the system due to the reduced transactions processed in the system. It is crucial to have detailed, representative spend data in order to make strategic sourcing decisions that will result in effective cost savings.

The Business Case was also based on system implementation across the entire enterprise at one time in big bang fashion. As the project team learned the complexities of this option, the implementation plan was changed to a rolling implementation of a few agencies at a time over an extended period of time. This methodology would lengthen the time period to achieve the $3 million dollar savings because of the reduced transactions through the system. Savings opportunity would not be achieved until a majority of agencies had implemented the system so that sufficient data could be obtained to support strategic sourcing initiatives.

Since the project was cancelled before implementation, no financial objectives were achieved.

## Percentage of Project Success Measures Achieved[[2]](#footnote-2)

Expected benefits of this project included the following:

* Better access to information and greater opportunities for businesses, especially small business;
* More efficient purchasing within government agencies;
* Automated compliance with purchasing codes and statutes;
* Increased ability to assist service providers and industry to better meet government procurement needs;
* Improved financial management;
* Lower prices for goods and services offered to government agencies;
* Innovation in procurement (e.g. reverse auctions); and
* Greater access for regional and small business.

The Business Case didn’t identify how these successes would be measured. Since the project was cancelled, none of these success measures were achieved.

## Implementation timelines met based on percentage of total project time[[3]](#footnote-3)

The Project’s base line schedule had a big bang enterprise-wide implementation date of August 2012. The implementation date was later moved to November 2012 due to the expanded scope of including the SciQuest Settlement module and therefore a fourth Focus Group. This scope increase was approved by the OSC and the ESC.

The third Focus Group was scheduled to occur in late September 2012 and was contemplated to be the kick off of User Acceptance Testing. Prerequisites for this Focus Group were that all system configurations and settings were complete; pilot agency questionnaires were complete and the data was in system; and all the Statewide Price Agreements were entered and validated.

In early 2012, several items were identified as required functionality in order for the state to deploy the Sourcing module. Over the next several months, the project team worked with SciQuest and the OSC to resolve these issues either through work-arounds, business process changes, or programming and continued to work with the pilot agencies to complete the implementation questionnaire necessary to set their agency up in the System. The ESC, based on the recommendations of the OSC, notified SciQuest in October of 2012, that Oregon would not deploy Sourcing until the identified feature requests were resolved.

In late summer 2012, it became apparent that the level of effort for agencies to document their accounting processes was larger than anticipated and would negatively impact the planned launch date. Also the work associated with system readiness and contract entry by Procurement Services also was not going to be completed in time for the scheduled launch.

Focus Group 3 was tentatively moved to December 2013 with go-live being moved to January 2014. In November DAS Executives declared a 90-day assessment period where no work would be done on the project and DAS could assess the health of the project. A decision was made in April 2013 not to move forward with the implementation.

**Milestones completed**

Project Kickoff – System Demo to stakeholders November 2011

Initial Build of test environment for SIMS (Sourcing), SelectSite and PCard Marketplace – February 2012

Focus Group 1 – February 2012

Initial Build of test environment for addition of Settlement – June 2012

Intial build of test environment for the addition of 2nd Tier reporting – July 2012

Focus Group 2 – July 2012

Conducted Initial Agency Readiness Assessment – July 2012

Initial Test Plan completed October 2012

Training Plan Complete – October 2012

Training Snippets Accepted – December 2012

## Participants / Team

**Executive Steering Committee**

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| **Name (Last, First)** | **Organization** |
| Jan Dean | EGS (formerly SSD) |
| George Naughton | DAS CFO |
| Dianne Lancaster | EGS (formerly SPO) |

**Project Team**

|  |  |  |
| --- | --- | --- |
| **Name (Last, First)** | **Organization** | **Role** |
| Jan Dean  | EGS (formerly SSD) | Project Sponsor |
| Tim Raschulte | EGS (formerly SSD | Co-Project Manager |
| Jacquie Spenner | EGS (formerly SPO) | Co-Project Manager |
| Nicole LaFleur | EGS (formerly SPO) | Communications Lead/System Administrator/OSC Co-chair |
| Vicky Narkon | EGS (formerly SPO) | Training Lead/Trainer |
| Christie Jungling | DAS - SFMS | RSTARS Integration  |
| Sarah Roth | Secretary of State’s Office | Operational Steering Committee Chair |

## Documentation

All project documentation is stored at PS\Projects\ORPIN\_Replacement where it will reside according to our records retention schedule. For contracts or agreements and specific communications related to them, we are directed to destroy records 6 years after termination. If there is litigation related to the contract, we are directed to keep records for 5 years after the case is closed, then destroy. All ORPIN2.0 project documentation will be kept for 6 years unless litigation occurs at which point we will keep the project documentation for 5 years after the case is closed and then destroy it.

## Issues

*List any major issues encountered during the course of the project, what was done to overcome the issues, and the end effect to the project as a result of each issue. Issues are risks which have been realized. All risks were identified at the beginning of the project with a strategy to mitigate determined.*

1. ***See Risk Log attached as Appendix A.***
2. **Issues with Sourcing Module**

Since SciQuest’s acquisition of AEC Soft was relatively recent, the SciQuest implementation team had limited knowledge of functionality of the sourcing module and its integration to the rest of the system. During the course of the project, three different Solution Consultants were assigned to the ORPIN2.0 project, and one of these three was absent from the project for six weeks. It was very difficult to gain any momentum with these changes and absences.

It was not long after the project team started working with SciQuest on configuration of the Sourcing module that serious limitations with the software were identified. For instance, not all of the procurement events in which the State engages were included in the event selection table. Adding these procurement events to the table would require system customization (feature request) that would need to be prioritized with all other SciQuest customers’ feature requests. Other types of procurement events in which the State does not engage were included in the event selection table allowing users in Oregon to issue procurement events that are not allowed in Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OARs). The project team requested that these events be hidden from users. SciQuest indicated this was another feature request but one that could be accommodated fairly soon.

The product also didn’t support the publishing of award information and it didn’t allow for designating when a document was issued by one agency on behalf of another agency (“issued by/issued for)”. This is a critical designation for accounting and reporting purposes. Both of these feature requests were provided by SciQuest and implemented in the system during the project. However, the ‘issued by/issued for’ fields were not available for reporting so this feature request was only partially met.

E-bidding was functionality in the Sourcing Module but Oregon Cooperative Procurement Program (ORCPP) members were prohibited from its use based on the terms of the Service Order. Oregon required that SciQuest implement a technical method to prevent the use of e-bidding by ORCPP members to support the Service Order limitation. SciQuest’s response was a workaround that was cumbersome, not intuitive for users and confusing to the vendor community. Oregon told SciQuest the manual workaround was unacceptable and a different solution would need to be found. This issue was never resolved.

The current ORPIN system receives an interface file from Business Oregon containing certification data of Oregon Minority, Women and Emerging Small Businesses. This information is applied to the supplier record in the current ORPIN supplier database. Using this data, State agencies report contract activities with these firms to the Office of Economic Equity. This information continues to be required in the new system however SciQuest would not accommodate the interface. They wanted Business Oregon to buy the SciQuest Certification software which would provide this information directly in the ORPIN 2.0 System. This issue was never resolved.

1. **Issues with Shopping/Settlement**

SciQuest’s e-procurement product wasn’t built to accommodate a large enterprise made up of very distinct and independent entities such as Oregon state government. It doesn’t segregate each entity’s data (i.e., account codes, work flow and approvers). Users with administrator rights that make configuration changes, such as attaching approvers to accounting codes and modifying work flow, will have access to every agency’s data. SciQuest has a configuration called Multi-Business Units which separates purchasing by entity but the administration is still handled centrally because every entity’s data is stored in the same area of the system. This system limitation was one of the main reasons it was determined this product should not be implemented at an enterprise level in Oregon.

Another aspect of the Oregon enterprise that proved challenging for the SciQuest system to accommodate was the lack of understanding of the variances and complexities in the accounting process. For instance, there is very little standardization of accounting codes and processes throughout the state. The SciQuest system is based on standard workflows and codes. For the system to accommodate every agency’s needs, all account code types were made available in the system. Each agency would then choose their specific accounting codes and select N/A for the account code types their agency doesn’t use.

Each agency’s configuration set up in the system is quite extensive and once an agency is set up, there isn’t a way to pull a single report on all of the agency’s information. If an auditor asked to see all the account codes and approvers for one agency, the data would need to be extracted from multiple areas within the system and then combined manually using Excel, etc.

1. **Issues with Enterprise Adoption**

The approved Business Case was based on the expectation that the new e-procurement system would be used by the entire enterprise, as is traditional with state systems of the past. Spend data must be representative of the whole State enterprise in order to conduct comprehensive spend analysis to drive strategic sourcing decisions. This was one of the major objectives of the enterprise e-procurement system. It wasn’t until the first part of 2013 that the project team learned that DAS Executives would not require any state agency to use the system. This revelation coupled with the fact that the rate model for the new system had still not been determined made some agencies reluctant to commit to using the system.

In addition, Department of Human Services and the Oregon Health Authority (DHS/OHA), pilot agencies, decided they were not going to implement the system after all since they were trying to end the use of Purchase Orders and do as much purchasing as possible with P-cards. They were reluctant to change their P-card purchasing process. This decision may have been the result of in incomplete understanding of the capabilities of the system or scope of the project, but because the project ended, this was never fully resolved.

Oregon Department of Transportation (ODOT) and Department of Corrections (DOC) have their own financial systems they use instead of RSTARS. They interface summary data only to RSTARS and keep all their detailed accounting data in their own financial systems. In order for these agencies to use the new e-procurement system SciQuest would need to interface with their individual financial systems. These interfaces were not in the scope or Statement of Work contracted with SciQuest. Either ODOT and DOC would not use the SciQuest system or a contract amendment covering the additional integration work would need to be executed. This issue was not contemplated or included in the approved Business Case.

## Charter Change Requests

*List any Charter Change Requests approved during the project and the reason for them.*

There were no changes made to the charter.

# Lessons Learned

## What went right with the project?

* Concept of Focus Groups – Two of four planned Focus Groups were held where functionality of the system was reviewed in detail and issues were documented. The focus groups had high attendance and participants were excited and engaged.
* Major effort was put into planning activities such as developing a business case, communication plan, training plan, etc.
* The project staff were dedicated and worked very hard.
* Creation of an Operation Steering Committee that represented the enterprise and made enterprise wide decisions was very beneficial.
* The concept of a rolling implementation with pilot agencies was a good idea.
* OSC collaborated and developed a “Universal Work Flow” for the whole enterprise to use.
* There was good identification of stakeholders/groups for communication.
* Recognition of “Enterprise” need was pivotal and the fact that this wasn’t going to meet all of the needs of the diverse enterprise.
* It was good that everyone was willing to make a tough decision and end the project for the good of the State.
* OSC had people willing to have tough conversations and be cooperative.
* Conducted a “Lessons Learned” brainstorming meeting with the OSC.
* Regular project presentations at the Designated Procurement Officers’ meetings were useful in keeping people informed.

## What were the project challenges?

The ORPIN2.0 project team was faced with many challenges. The first and foremost was the fact that this was an enterprise wide project but an analysis of the enterprise wasn’t done before the project started so no one anticipated the amount of diversity there was between agencies. There was no thought to standardizing accounting codes across the enterprise prior to the implementation of this system so the configuration work load to maintain all the different types of account codes was significant. There was no thought given to how ODOT and DOC would use the system when they interface with different financial systems other than RSTARS. An analysis of business processes enterprise-wide prior to the project start up would have given the project team some idea of the level of process change that would have to occur. Scheduling would have been more realistic and the project could have been resourced more appropriately.

Another challenge was making this product meet the needs of the enterprise when the WSCA RFP had generic, aggregated requirements that didn’t adequately reflect the detailed business needs of Oregon. Combining that with the customization limits of a SaaS product made the challenge even greater. Although the limitations of a SaaS product were understood by the project team and stakeholders, it was anticipated that with the influence of WSCA, the participating states could leverage this influence to expedite customization needs. Since no other state fully implemented an e-procurement system from the WSCA contract, this leverage never materialized. In addition, state agencies had a higher expectation that the software would have to change to accommodate the enterprise than could be accomplished. Without change management resources assigned to the project, it was not possible to manage or address this expectation through business process changes.

Key enterprise decisions were not made prior to project kick-off resulting in confusion among project stakeholders. The project was billed as an enterprise application so project goals and objectives were created based on the understanding that all agencies would be using the new system. When it was learned that all agencies were not going to be required to use it, the goals were no longer realistic. A year into the project there still wasn’t a decision about how users would be charged for use of the system. There was no communication going out to the enterprise from an executive manager that could give the project credibility and the sense that this was a priority for the enterprise.

The project was understaffed. All full time core project team members came from the DAS State Procurement Office. Since this was an enterprise solution, the project team should have been staffed by representatives of the enterprise from both the procurement and financial areas. Roles, responsibilities, and oversight of all project resources were not clearly documented and agreed upon prior to project launch which sometimes caused confusion especially since the project was being co-managed. The co-managers were not always clear on their roles and area of oversight. They sometimes gave conflicting direction to project team members. Also, there wasn’t a professional IT project manager leading the project and the services of a professional implementer and a change-management expert were not obtained.

Even with these challenges, the project team did a very good job with their limited resources and followed standard project management methodologies, but clearly defined roles and responsibilities, a strong governance structure and having the project adequately staffed would have reduced some of the challenges.

## What lessons can we apply to future projects?

 SCOPE AND REQUIREMENTS

* The business requirements of several states were gathered and synthesized by WSCA. This created a list of business requirements used for the WSCA RFP that were too high-level and did not include detailed Oregon specific requirements.
* The project scope and objectives were not clearly defined and communicated to OSC and others resulting in confusion about which business processes were impacted by the project. This resulted in a delay in having the right people with the right expertise involved early in the project. It also caused confusion about which agencies would be required to use the system and how the system would work for those agencies that currently have separate procurement and accounting systems.
* Efforts to have agencies document their business processes and deeper involvement with key stakeholders as part of the requirements gathering (prior to RFP) would have resulted in a better awareness of the complexities and varying needs of large and small state agencies, recognition of the challenges that the project would face during implementation, and a more thorough evaluation of the proposed products.
* System standards (data, work flow, coding) and enterprise consensus should have been identified prior to project launch.
* The level of functionality to be made available to ORCPP members was not clearly defined in the RFP. This resulted in confusion for all parties (SciQuest, Procurement Services, and ORCPP members) and required additional contract negotiations and work-arounds late in the project.
* A gap analysis comparing the state’s current processes to the system processes should have been performed prior to project launch so contractor had clear understanding of the needs of the state and could demonstrate how the state’s business processes would be met by the system.
* RFP evaluation needs to include heavy weighting to contractors with implementation experience with state agencies of the size and scope of Oregon.

VENDOR PERFORMANCE

* Vendor expertise was specialized based on the system component they were assigned. There didn’t seem to be anyone with a breadth of knowledge of the whole system.
* Vendor’s expertise was in SelectSite (purchasing/settlement). They had very limited knowledge of sourcing and integration between sourcing and Select Site.
* Configuration and implementation tasks were not planned in a clear, sequential order of knowledge building which resulted in customer confusion and a higher learning curve during a critical phase of the project.
* Did not evaluate the vendor’s ability to support implementation and training through existing documentation and other tools causing increased and unexpected workload to the project team.
* Vendor services were task oriented and did not provide any implementation support or tools.

 SCHEDULE

* Project implementation schedule was not realistic for the pilot agencies and the vendor.
* Project schedule didn’t allow time for agencies to document and transition their business processes.

 SPONSORSHIP AND GOVERNANCE

* Roles and responsibilities for the ESC were not well defined resulting in inconsistent support and involvement of project executives.
* Representation on the ESC did not include representatives from all aspects of the system, specifically IT, accounting and financial integration.
* ESC did not provide clear objectives and oversight to the project.
* There was a lack of ownership of the project and of the solution.
* While the ORPIN 2.0 project was defined as an “enterprise solution”, key enterprise decisions were not made and communicated prior to the project – i.e., will all agencies be required to use the system, how will the system be paid for, which agency owns the system and is therefore ultimately responsibility for its implementation and support.
* There was insufficient outreach to agency executives to develop awareness, support and partnerships with other agency executives for an enterprise system particularly in the accounting and financial aspects of the system.
* Project schedule should have included regular meetings between Executive Steering Committee, Contractor, and QA Contractor to build a strong partnership and so all parties were aware of issues, needs, and project concerns.
* There was not a clear understanding of the level of change management within agencies that would be required to implement a full “procure to pay” e-procurement system.
* Enterprise didn’t fully understand the qualities and limitation of a SaaS product during the planning process.

 OPERATIONAL STEERING COMMITTEE (OSC)

* Even with a charter, the OSC did not clearly understand their role, authority, obligation, or level of commitment.
* Not all OSC members had the same authority to speak for their agency and make decisions.
* There was a struggle to keep an ‘Enterprise’ view point while also representing their own agency.
* There was confusion on the role of the project team and the OSC. Not enough transparency between project team, OSC and project sponsors resulting in lack of trust of project decisions.
* The OSC had too many members making it difficult to reach consensus and make decisions.
* The use of sub-committees to work on specific areas of the system was effective and should be continued (i.e., ORS 190 and Work Orders).
* A larger effort should have been made to ensure the members of the OSC included representatives from all aspects of the system. The OSC was primarily made up of procurement staff.
* Some members only work with some specific business areas. (i.e., just Sourcing or Financial). So some meetings discussions didn’t apply to them and they felt uninvolved. Should have structured the OSC to have members focus on different areas such as Sourcing OSC, Financial OSC with a joint participation to manage the collaborative aspects of the two system functions.
* Documentation of decisions was not sufficient to prevent “rediscussing” previously closed topics.

 COMMUNCIATION

* Project team could have provided a glossary of terms to help OSC members understand terminology specific to the system.
* Some OSC members felt uncomfortable voting on certain items because they did not have a thorough understanding of the issue in advance.
* A dedicated communication officer was needed to manage the communication plan effectively, manage FAQs and otherwise keep stakeholders informed of the project. As an example, the OSC and attendees of the Focus Groups did not know the outcome of the items entered on the Solution Log during the Focus Groups.
* Need to develop effective communication tool so that information gets to the right people. The project team relied on project stakeholders to “pass down” project communications to appropriate agency staff – this methodology proved ineffective.

 RESOURCE MANAGEMENT

* The project team did not have enough full time, dedicated resources for a project of this size and magnitude.
* Roles, responsibilities, and oversight of all project resources were not clearly documented and agreed upon prior to project launch. Since this is an enterprise solution, the project team should be staffed by representatives of the enterprise.
* Create a list of knowledge, skills, and abilities for the various aspects of the project and share that across the enterprise for project staff assignments. These members must be dedicated to the project 100% unless a lesser level is adequate.
* When using a Matrix resource model where resources are borrowed from other units, its important to ensure their managers are supportive of their project role. You may need to call on them to keep people accountable, plus they will need to be supportive of the employee’s time spent away from regular job duties.
* There was no plan to supplement resource strain on the project (i.e., budget cuts).
* The project team should have included experts in all functionality areas of the system.
* Project team must include a change management expert to assist agency staff with the process changes.

 IMPLEMENTATION

* No strong project kick-off with project executives explaining their expectations and defining the project objectives.
* Working Sessions and other project meetings were not documented resulting in misunderstandings between Vendor and project team. Need to assign a “note” taker to act as the scribe. This needs to be someone who is not actively involved in the discussion.
* Vendor provided a documentation tool, “Basecamp”, but it was not effective for tracking issues and decisions. Solution Log was not maintained effectively to document the decisions. There was no training on how to use “Basecamp” or “ground rules” set for its use and very few people were given access.
* Project planning must require that all configuration settings are completed before data is entered in production.
* Involve staff in system design as much as possible so they understand why data must be entered in a certain way to achieve the desired outcome.
* The project should have included a vendor that was skilled in implementing this type of system across the enterprise.
* Detailed implementation plan wasn’t defined, communicated and agreed upon.

 QA OVERSIGHT

* The QA must be on site and monitor the project regularly.
* The QA must report regularly with the Executive Steering Committee and the OSC sharing their views of the project including their Risk Assessment and other monitoring tools.
* The Executive Steering Committee, not the project team, should identify the work the QA is to perform.

 OPERATIONAL SUPPORT

* The resources to support the implemented system were not accurately defined early in the project resulting in the need for additional FTE to support the system.
* Additional project resources for Site Administrators and Help Desk reps should have been on board at the start of the project to easily transition from project to program.

## What tasks and/or issues remain?

There is still a need for a full enterprise e-procurement system that manages the full procure to pay cycle in one application. This integration between all aspects of the procurement and purchasing cycles results in process efficiencies and accurate data to support strategic spending opportunities, process improvement, and performance measures.

This project will probably not be undertaken until after the Enterprise Human Resource IT system project is completed, potentially five years out or longer. As a result, multiple state agencies will need to implement their own purchasing systems to accommodate their critical business needs further compounding EGS Procurement Services inability to obtain reliable and consistent spend data to support their strategic sourcing and process improvement initiatives.

1. For Leveraging Technology Projects - LT-1 % of financial objectives achieved must be built into the charter and measured at completion of project [↑](#footnote-ref-1)
2. For Leveraging Technology Projects - LT-2 % of project success measures met must be built into the charter and measured at the completion of the project.

For Leveraging Technology Projects - LT-3 Implementation timelines met based on the % of total project time. [↑](#footnote-ref-2)
3. For Leveraging Technology Projects - LT-3 Implementation timelines met based on the % of total project time. [↑](#footnote-ref-3)