

Use of Oregon Statewide IT QA Services Price Agreements

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Scope of Procurement: Overview

- **Full spectrum of Quality Management Services related to IT project work**
 - Quality Management Planning
 - Quality Control
 - Quality Assurance
 - Independent Verification and Validation
 - Risk Assessment
- **Statewide procurement effort to produce multiple price agreements**
 - 11 Vendors selected for Price and Services Agreement (“PSA”) awards
- **State Contract Administrator**
 - Laura Barna, DAS SPS, (503) 378-2468, laura.barna@state.or.us
- **CIO ITIP Web site –**
http://www.oregon.gov/DAS/CIO/ITIP/Pages/IT_Investment_Oversight.aspx

Scope of Procurement: IT QA Services Contractors

1. Case Associates, Inc.
2. Chicago Systems Group (“CSG”), Inc.
3. Cognosante, Inc.
4. Gartner, Inc.
5. Hittner and Associates, Inc.
6. KPMG LLP
7. Maximus, Inc.
8. MTG Management Consultants
9. Public Knowledge LLC
10. SLI Global Solutions, Inc.
11. Technisource
(DBA name of Spherion, Inc.)

Scope of Procurement: Major IT Projects

- **Agencies undertake Major IT Projects for a variety of business reasons:**
 - Improvement of service or quality of service to the public;
 - Streamlining of business operations;
 - Improvement of staff productivity;
 - Cost reduction; and
 - Compliance with legislations, rules, or polices.
- **Nature of Major IT Projects varies widely, but they include a broad range of activities for which oversight by Independent QA Contractors may be required:**
 - feasibility studies;

Scope of Procurement: Major IT Projects

- planning;
 - procurement;
 - design, development, and implementation;
 - testing;
 - maintenance and support operations; and
 - training.
- **In addition, these activities may also include:**
- information security,
 - management consulting,
 - business process re-engineering, and
 - business transition.

Scope of Procurement: Independent QA Contractors

- **QA Contractors for Major IT Projects should be “independent”**
- **The term “Independent QA Contractor” excludes:**
 - the Authorized Purchaser and its staff undertaking the IT project in question;
 - the outsourced consultants (including prime contractors and their subcontractors) and their staff that are retained by the Authorized Purchaser for planning, procurement, execution, and post-implementation support of the subject IT project or its work products; and
 - other Oregon state government entities, including the State’s public universities and community colleges.

Scope of Procurement: Independent QA Contractors

- **Independent QA Contractor core characteristics:**
 - Independent of any actual and apparent company-level and team member-level conflicts of interest; and
 - Exhibit expert-level knowledge and skills in the following and any related areas:
 - Project management including quality and risk management (as defined by the current edition of the Project Management Body of Knowledge (“PMBOK”), or whichever edition of the PMBOK an Authorized Purchaser may specify in a particular engagement);

Scope of Procurement: Independent QA Contractors

- **Independent QA Contractor core characteristics:**
 - Information technology (including the relevant software and hardware technology employed by a specific Major IT Project, software engineering processes, and the relevant system development lifecycle (“SDLC”) models);
 - Subject matter knowledge (including relevant domain and business knowledge of a specific Major IT Project);
 - Principles of general management; and
 - Organizational change and change management principles and methods.

Scope of Procurement: Independent QA Contractors

- An Independent QA Contractor may be considered qualified in some Major IT Projects, but not in others. Moreover an otherwise qualified Independent QA Contractor may be deemed ineligible for a specific project due to actual or apparent conflicts of interest.
- The general and specific scope of work for Independent QA Contractors will be defined in the individual Work Order Contracts (WOC) executed under each price agreement.

Scope of Procurement: Independent QA Contractors

- The personal and professional independence of an independent QA contractor is of utmost importance to its ability to perform work fairly and impartially.
- This independence is evident only in the absence of any economic, political, and other actual or apparent conflicts of interest between the company and the agencies undertaking the subject IT Project.
- For each engagement, this required independence must be inherent at both the company level and individual team-member level.

Scope of Procurement: Other IT Quality Assurance Services

- Authorized Purchasers may use the IT QA PSAs for QA-related work related to efforts, initiatives and needs other than Major IT Projects.
- The IT QA PSAs are mandatory use agreements for State Agencies that are required to follow DAS rules or policies concerning compulsory QA Services for "Major IT Projects" (DAS Agencies), or separate legislative mandates for such services.
- All other Authorized Purchasers will have the option to use the resulting Price Agreements to acquire QA Services for their Major IT Projects.
- All Authorized Purchasers will have the option to use the resulting Price Agreements to acquire QA Services for any other needs that are addressed within the scope of Price Agreement and Work Order Contract terms and conditions.

Scope of Procurement: Standard Statement of Work

- **Full spectrum of Quality Management Services related to IT projects**
 - Standard Statement of Work (“SOW”) based on five (5) tasks
 - These tasks refer to interface with DAS CIO, including DAS CIO Reporting Templates, Methods, Quality Standards.

For additional details on the role of DAS CIO in IT Oversight, see http://www.oregon.gov/DAS/CIO/ITIP/Pages/IT_Investment_Oversight.aspx

Scope of Procurement: Standard Statement of Work

- **Standard SOW contains five (5) basic tasks**
 - Task 1. Quality Management Planning
 - Task 2. Quality Control (QC) - review of work products
 - Task 3. Quality Assurance (QA) - review of processes
 - Task 4. Independent Validation and Verification - testing
 - Task 5. Risk Assessment

- **DAS provides SOW template with supporting appendices and instructions.**

- **DAS works with purchasing agency to tailor SOW to suit project-specific requirements.**

Scope of Procurement:

Task 1 (Quality Management Planning)

- **Quality Management Planning deliverables include**
 - Quality standards (for use with QA task)
 - Quality checklists (for use with QC task)
 - Quality management plan
 - Project plan
 - Special requests
 - Lessons-learned reports
- **Quality management plan, standards, and checklists are the main tool for**
 - aligning quality and risk management methodology with project specifics
 - documenting roles & responsibilities, for quality and risk management, among stakeholders (especially development contractors, agency management, and independent QA).
- **QA project plan is expected to be synchronized with**
 - Agency's integrated project plan
 - Development contractors' project plans.

Scope of Procurement: Tasks 2 and 3 (Quality Control / Quality Assurance)

- **Quality Control (QC)** is the review of project work products, based on pre-approved checklists and details in the quality management plan. Deliverables are:
 - Project plans review & reports
 - Major work products review & reports
 - Information security review & reports
 - Project status reports

- **Quality Assurance (QA)** is the review of project processes, based on pre-approved quality standards and details in the quality management plan. Deliverables are:
 - Quarterly QA status & improvement reports

Scope of Procurement: Tasks 4 and 5 (IV&V and Risk Assessment)

- **Independent Validation and Verification (IV&V)** is the testing of work products to determine if business and technical requirements are met. Deliverables are:
 - IV&V master test plan
 - Test execution and status reports

- **Risk Assessment** supports the project's overall risk management activities. Deliverables are:
 - Initial risk assessment report
 - On-going risk notifications reports

Scope of Procurement: PSA Duration and Scope of Use

■ 11 Statewide Price Agreements

- Executed March 13, 2009 for initial 5-year term
- 10-year Maximum Duration
- Agreements available to all state and local government organizations
 - ▶ Oregon Cooperative Purchasing Program (ORCPP)

■ Mandatory

- For State Agency Major IT Projects

■ Convenience

- For all other IT QA-related purposes

■ Scalable

- Individual phased projects and multiple projects within agency portfolios and programs

Contract Administration: **IRSYS and BVC Processes**

- Authorized Purchasers may select a QA Services Contractor for a single IT project, phased IT project or portfolio of IT projects either through:
 - an **intelligent rotation system (“IRSYS”)** process for State Agency Major IT Projects, or
 - a **“best value” competitive (“BVC”)** process within the pool of Price and Services Agreement (“PSA”) holders for all other engagements.

Contract Administration: IRSYS Process for State Agency Major IT Projects

- A state agency seeking to acquire QA services for a Major IT Project will rely upon an intelligent rotation of the QA Contractors to identify the contractor who will have the “right of first offer” (“ROFO”) concerning the planned project.
- DAS SPS, the affected State Agency Authorized Purchaser (“AP”) and any applicable Oversight Agency (“OA”), e.g., DAS CIO for executive branch state agencies, will determine whether the identified contractor and its project offer are acceptable.
- If the ROFO contractor is not deemed acceptable, or declines the opportunity, the State Agency Authorized Purchaser may either resort to the BVC process under this agreement to acquire QA Services for its planned project from one of the other contractors, or decide to independently solicit for such services in compliance with its standard procurement policies and practices.

Contract Administration: BVC Process for All Other Engagements Under the PSAs

- The IRSYS process will neither apply to Major IT Projects conducted by local government Authorized Purchasers, nor to any non-Major IT Projects regardless of the Authorized Purchaser's organizational structure as a state or local entity.
- In these engagements, Authorized Purchasers will source the desired work order contracts through a “best value” competitive process in compliance with their inherent or delegated purchasing authority and applicable procurement laws, rules and policies.
- Refer to Section 21 of the PSA, *Intelligent Rotation System (“IRSYS”) And Best Value Competitive (“BVC”) Processes*, for all process details regarding access to services.

Contract Administration: Engagement-Specific Considerations

■ Contractor Fit

- Experience and skills
 - ▶ technology
 - ▶ business domains
 - ▶ project management (especially quality and risk management)
- Independence
 - ▶ Independence of firm
 - ▶ Independence of individual team members

■ Scope of Work

- Based on a standard SOW
- Tailored to project-specific requirements

Contract Administration: Contractor Vetting Criteria

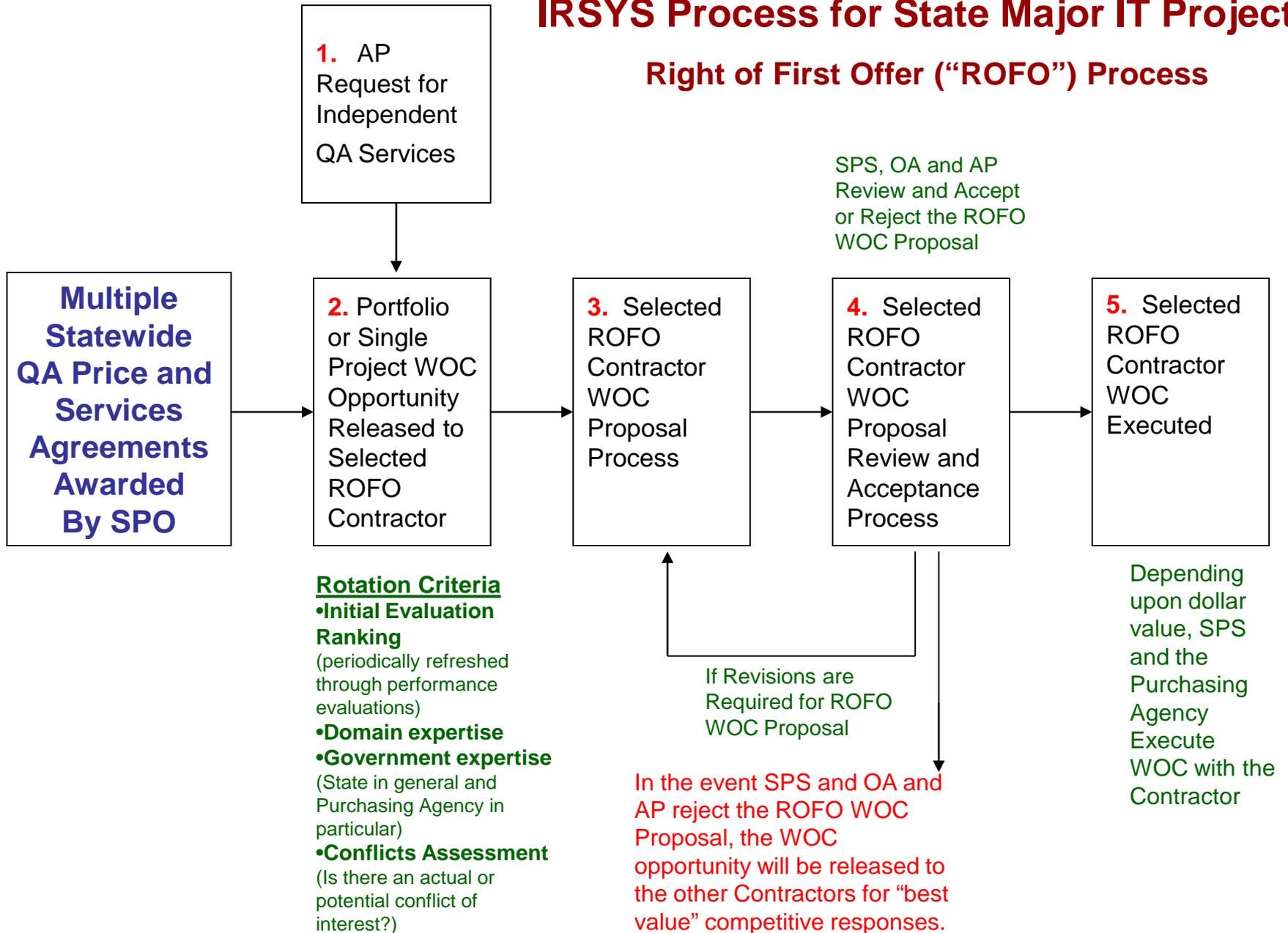
- **Contractor's domain knowledge and expertise;**
- **Contractor's general knowledge and expertise** with government processes and its **particular knowledge and expertise** with the Purchasing Agency; and a
- **Conflicts assessment** to determine the presence of ***actual or potential conflicts of interest***. This assessment includes without limitation consideration of the Contractor's parallel engagements, if any, that may affect the desired work;
- **Offer assessment** to determine the suitability and value of Contractor's offer by evaluating the ***proposed cost***, which may affect the Authorized Purchaser's project budget; the ***approach proposed for the desired work***, which may impact agency resources; the ***Contractor's responsiveness*** to identified requirements; and the Contractor's ***demonstrated capacity to perform well***.

Contract Administration: Standard Administrative Processing

- **Standard Administrative Processing Applies**
 - **Internal Approvals**
 - ▶ IT Unit
 - ▶ Business Unit
 - ▶ Procurement Unit
 - **External Approvals**
 - ▶ Oversight Unit
 - Federal Agencies (as applicable)
 - DAS CIO for Executive Branch Agencies
 - DAS Information Resource Request (IRR) process
 - ▶ Legal Sufficiency Review by DOJ Counsel

IRSYS Process for State Major IT Projects

Right of First Offer (“ROFO”) Process



ROFO Workflow

➔ **Develop Opportunity Documents**

- Opportunity Notice and Submission Deadline
- Experience and Performance requirements and selection criteria
- Statement of Work
- Copy of Work Order Contract (“WOC”)

➔ **Issue the Opportunity, which will Invite only the one (ROFO) Contractor**

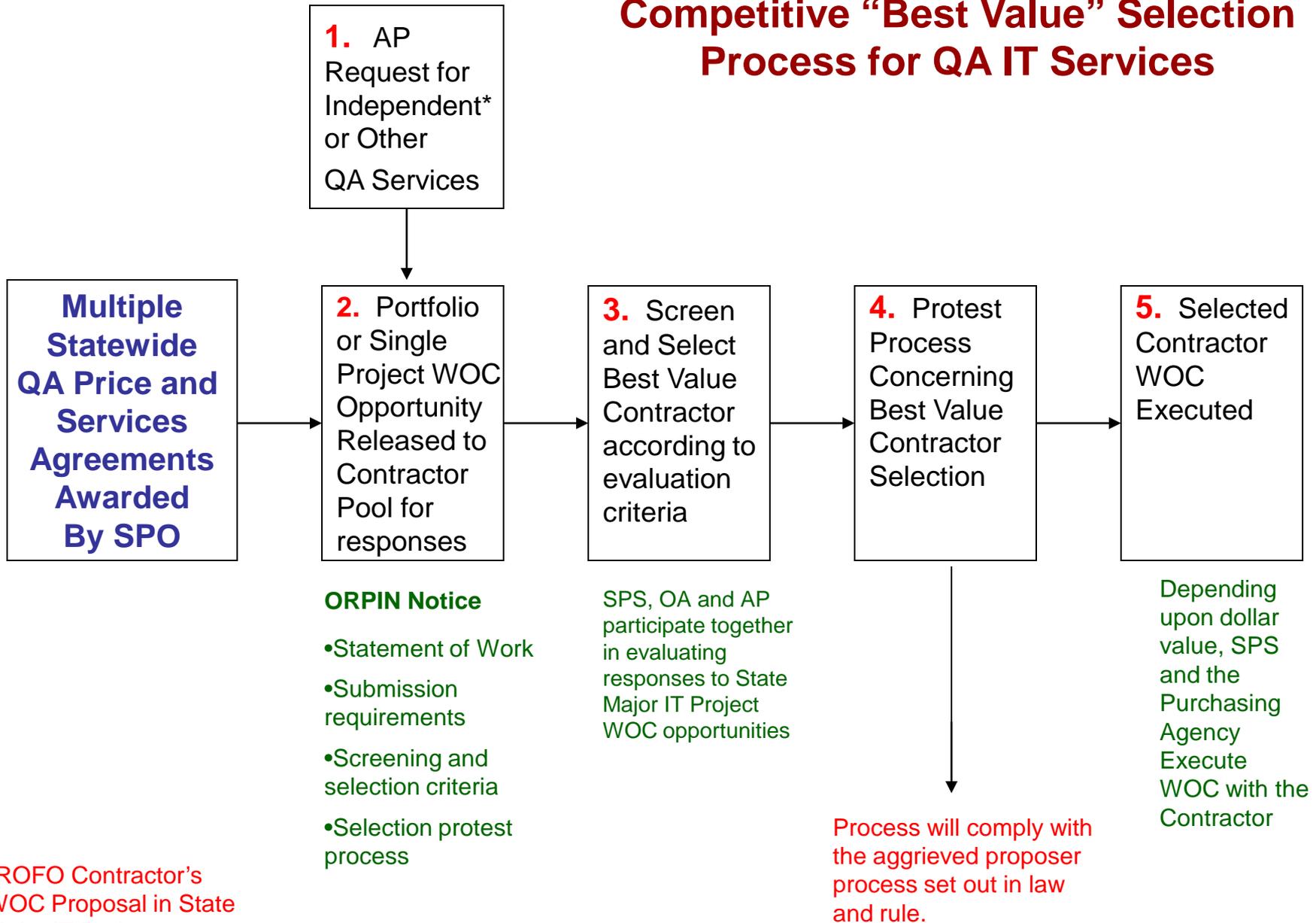
- The other Contractors will not need to see the Opportunity

➔ **Attach All Opportunity Documents**

➔ **Upon offer submission, review the offer to determine acceptance or rejection**

- If accepted, issue the WOC to the ROFO contractor and let CIO or SPS know you have selected the ROFO Contractor.
- If rejected, or if the ROFO Contractor declined the opportunity by explicit refusal or failure to respond by the submission deadline, determine whether to move the opportunity to the other 10 Contractors in a **BVC Opportunity**.

Competitive “Best Value” Selection Process for QA IT Services



*ROFO Contractor's WOC Proposal in State Major IT Project Rejected

BVC Workflow

➔ Develop Opportunity Documents

- Opportunity Notice and Submission Deadline
- Experience and Performance requirements and scoring and selection criteria
- Statement of Work
- Copy of Work Order Contract (“WOC”)
- Re-use ROFO Opportunity Documents as applicable

➔ Issue the Opportunity to all Contractors

- Exempt ROFO Contractor if BVC follows failed ROFO process for the same opportunity

➔ Attach All Opportunity Documents

➔ Upon offer submission, review all responsive offers according to applicable criteria to determine a “best value” selection

- Score responses and document the basis for your selection in contract file

➔ Send “Intent to Award” notice to selected contractor

➔ Allow for protest period

- At least 7 calendar days from “Intent to Award” notice.
- Resolve any protest issues.

➔ Send signed WOC to Contractor

Presentation Conclusion

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