

NCCSD State Lessons Learned Webinar Series
Notes from Procurement 10/15/2021 organized by presenter
Order of States Presenting: Oregon, Nevada, Indiana, Arizona

Introduction

Carla West, co-chair of the NCCSD committee sponsoring the webinars gave a brief background:

- The committee spent multiple meetings coming up with the most important areas related to systems modernization projects, and then specific tasks or questions in each of those areas.
- The areas were Pre-Planning, Planning, Procurement, Design/Development/Implementation (DDI) and Certification.
- The IV-D Directors were then asked to prioritize which specific questions in which areas they would like their state colleagues to focus on.
- Because the large number of questions would have resulted in too many webinars, only the top-rated questions were then distilled into the five sessions: Pre-Planning and Planning, Procurement, Certification, and two different sessions on DDI.

The specific topics and questions for the Procurement webinar today are shown in the graphic below:

Procurement	<p>PROCUREMENT - Procurement Approach for Each Vendor:</p> <p>How did you procure each type of vendor that you determined was needed in earlier planning stages (e.g., use the State's Pre-Approved Vendor list, do a Request for Information ("RFI") or go straight to a Request for Proposals ("RFP"), separate RFPs for each phase/module or a single integrator RFP, etc.)? Vendors include, but are not limited to:</p> <ul style="list-style-type: none">Project Management Office ("PMO")Quality Assurance ("QA")Independent Verification and Validation ("IV&V")Design, Development, and Implementation ("DDI")TrainingOrganizational Change Management ("OCM")Staff Augmentation
	<p>PROCUREMENT - Procurement Document Development and Evaluation of Responses/Proposals; Best and Final Offer (BAFO) Strategy:</p> <p>When and how did you familiarize yourself with your state's procurement rules regarding document format, proposal evaluation and the BAFO process? Was it early enough? Whose responsibility was this?</p> <p>Doing the writing: resources, review process, scoring rubrics, etc. When, how and by whom was this done?</p> <p>How did you determine what your Cost Proposal would look like and how the vendors were to propose costs (e.g., Time & Materials, Firm Fixed Price, combination, etc.)?</p> <p>Were there rules around whether your development vendor staff could work off-site? Off-Shore? If so, who is required to be on-site and for what periods of time?</p> <p>What reference documents did you need the respondents to complete (and how did you conduct and evaluate the reference checks)?</p> <p>Did you require demonstrations from finalists? Why or why not?</p> <p>Did you use a vendor to assist in the procurement process also? Why or why not?</p>
	<p>PROCUREMENT - Contract Development and Negotiation:</p> <p>When and how did you familiarize yourself with your state's procurement rules regarding contract negotiations? Whose responsibility was this?</p> <p>When and how did you identify your resources and establish great communication among them for this effort (legal, finance, IT oversight, subject matter experts ("SMEs"), and other contract signatories and/or approvers, etc.)? Whose responsibility was this?</p> <p>What were the key components to make sure to include in the contract (e.g., OCSE, IRS, and state standard language; whether or not to include penalties in the contract, etc.)?</p> <p>Who managed these contracts once done and what skill sets are needed to do so?</p>
	<p>PROCUREMENT - OCSE Approval of RFPs, Contracts, etc.:</p> <p>When and how did you plan for the OCSE approval requirements and time frames (pages I-12 and I-13 in the 2010 State Systems APD Guide)?</p> <p>What was your strategy for involving OCSE early and often?</p> <p>Were there any surprises?</p>

Oregon

The first presenter was Karen Coleman from Oregon:

Karen Coleman, Business & Technical Services Chief; Oregon Department of Justice, Division of Child Support

Karen.Coleman@doj.state.or.us

Karen's slides and her presenter notes follow:

Oregon Child Support Program

- Oregon Department of Justice Division of Child Support
- State administered and state operated program
 - 22 of the 36 counties contract with DOJ to provide some services
- Current caseload – approximately 160,000
- Oregon's history with large technology project prompted new processes and requirements
 - Independent Quality Assurance
 - Stage Gate Process
 - Oversight by Enterprise Information Services (office of the State CIO) and Legislative Fiscal Office

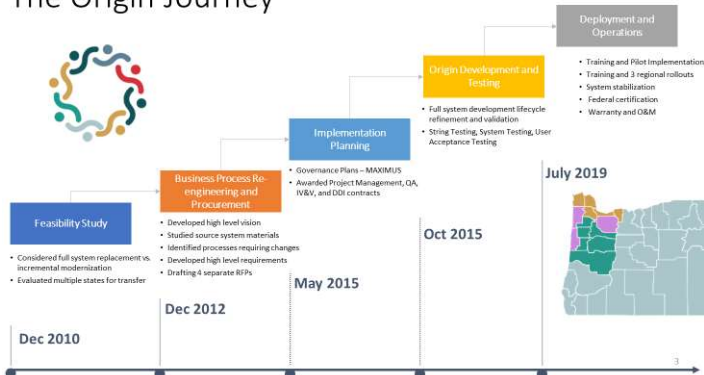
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For those of you that attended last Friday's webinar, the next two slides will be familiar to you. For others and to provide context, the Oregon Child Support Program is state administered by the Oregon Department of Justice Division of Child Support. The program is state operated and 22 of the 36 counties in Oregon contract with the department to provide some child support services. The application is managed within the Department of Justice with a Division of Child Support team dedicated to supporting the new system.

The current caseload in Oregon is approximately 160,000. In preparation for and during the system modernization project, we engaged in case closure and case clean up efforts, bringing our caseload numbers down to the current level.

The State of Oregon has an unfortunate history of troubled large-scale technology projects. That history has prompted both new requirements and processes, such as the requirement for independent quality assurance (we will talk more about that); projects over \$1 million must engage in the state's Stage Gate process and receive oversight from Enterprise Information Services, which is the office of the State Chief Information Officer, and the Legislative Fiscal Office.

The Origin Journey



(See the Full PowerPoint for a better view of the slide)

To recap the project timeline, Oregon conducted a full Feasibility Study with the guidance and assistance of Maximus starting in 2010. Ultimately Oregon decided to implement a hybrid solution, transferring the base system from California, and building modules that mirrored those seen in Michigan and New Jersey. Those modules included document generation, business intelligence, and reporting. Following the Feasibility Study, the Implementation Advance Planning Document was submitted and approved by OCSE.

In 2012, the program engaged in a Business Process Reengineering project to develop “To-Be” processes to leverage the automation in the new system. During that same time period, our procurement workgroup began drafting four separate RFPs – for project management services, independent quality assurance, DDI services, and independent verification and validation.

Oregon hired Maximus to provide project management, organizational change management, and staff augmentation services for additional business analysts; CSG Government Solutions to provide independent quality assurance services; SLI Government Solutions to provide federal IV&V services, and finally by late 2015 Deloitte Consulting to provide DDI services.

During 2014 and into early 2015, the project team worked with Maximus to develop all the project management and governance plans. All plans required review by the independent quality assurance vendor.

Oregon had the official implementation project kickoff in October 2015, and it was full steam ahead with design, development, and testing. By July 2019, Oregon had conducted a three-month pilot, then rolled out the new system, Origin statewide in three geographical phases, and was welcoming OCSE for the onsite federal certification demonstration. And finally, in December 2019, Origin was federally certified and sailing into operations and maintenance.

Procurement Approach

• How did you procure for each type of vendor identified as needed?

- Project Management Services Contract – RFP
 - Included Organizational Change Management and staff augmentation
- Quality Assurance Contract – RFP using State’s pre-approved vendor list
- Independent Verification and Validation Contract – RFP
- Design, Development, and Implementation Contract – RFP
 - Included Training – user training and onsite support during implementation, and technical training and knowledge transfer for technology staff

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Oregon identified the need to procure four separate vendors –

First-Project Management Services – We did not have large-scale technology project experience and knew we needed the support of an experienced project management vendor in order to be successful. We used the full RFP process and required vendors to have direct child support system modernization experience. Ultimately, Oregon hired Maximus who was no stranger to the Oregon Child Support Program having partnered with us on the feasibility study and business process reengineering projects. Our contract with Maximus also included organizational change management and staff augmentation for additional business analysts.

Second-Quality Assurance – Because Oregon experienced a troubled past with large technology projects, it is required that technology projects over \$1 million have independent quality management services and receive oversight from both the Oregon Legislative Fiscal Office and Enterprise Information Services (the state’s enterprise-level CIO). Because of this requirement, the procurement office has established a list of pre-approved qualified vendors. We procured the services of CSG Government Solutions, whose quality assurance team was onsite daily.

Third-OCSE prescribed a semi-annual onsite IV&V review for Oregon’s modernization project. There was some initial confusion about the differences between QA and IV&V services. Because of the QA requirements in Oregon, Enterprise Information Services had created a robust quality management program which includes an IV&V component. Enterprise Information Services argued their IV&V component should satisfy OCSE’s requirements for IV&V services. After a meeting with OCSE representatives it was determined that a separate vendor and contract was needed to satisfy the federal IV&V requirements. We used the full RFP process and required vendors to have IV&V experience related to child support modernization projects. We procured the services of SLI Government Solutions to perform the semi-annual IV&V reviews.

Our fourth and final procurement was the DDI vendor. We used the full RFP process and required vendors to have direct child support system modernization experience. This procurement took the longest to draft, review, receive approval to post, evaluate responses, and negotiate the contract. We procured the services of Deloitte Consulting to design, develop, and implement the hybrid transfer solution. Our contract with Deloitte also included training and onsite support for all child support professionals during implementation, technical training and knowledge transfer for our technology staff, and two years of support in operations and maintenance. That contract was recently amended to receive support for another year.

Procurement – Document Development & Evaluation

- State procurement rules – format, evaluation, and Best and Final Offer (BAFO) strategy
 - Who, When, How?
- Document development – Resources
 - Drafting
 - Review
 - Scoring



Document development and evaluation – let’s review the who, when, and how. In Oregon, procurement is handled by the Oregon Department of Administrative Services Procurement Services and all contracts are reviewed by the Oregon Department of Justice Business Transactions attorneys.

Because this was the largest project the Department of Justice had ever embarked upon and because the Department is responsible for reviewing, approving, and representing state agencies with contract disputes, all eyes were on us to see how DOJ would structure and administer its contracts.

I was lucky enough to be surrounded by a highly skilled team of procurement experts working with our Attorney in Charge of Business Transactions and one of our talented attorneys with extensive experience in contracting related to information technology projects. You may recall me mentioning Oregon’s troubled past with technology projects – although that is unfortunate, it does provide a truck load of lessons learned and hindsight into improved contract terms and conditions. Rounding out the team was a procurement analyst with over 20 years of experience, my project manager with years of project experience including IT projects, our Chief Information Officer, contracts officer, and subject matter experts as needed from both the business and technical sides of the program.

For contract negotiations, we added a couple of senior managers and our chief security officer to the team.

Procurement – Document Development & Evaluation - continued

- What rules were applied in Oregon?
 - Cost proposals – Firm fixed priced
 - No off-shore work permitted – All staff onsite
- Respondent reference documents – Procurement Services office
- Vendor demonstrations – Yes, for finalists
- Vendor assistance with procurement process – Yes, in part

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Most contracts in Oregon are firm fixed priced and that was a must for this project. In general, firm fixed priced contracts are a good approach and can assist with project budget predictability. I have since learned from DDI vendors that because the fixed prices are attached to deliverables, it can be difficult to manage cash flow over a five-year project. As you know, deliverables aren’t equally spread across the project. This is also something to consider if you later decide a deliverable isn’t needed. The fixed price in the contract may not be the amount attributed to the change order to remove that particular deliverable from scope.

For the Department of Justice, and generally in Oregon, off-shore work is not permitted. Because we didn’t have adequate space in any of our existing facilities, our DDI RFP and resulting contract required the DDI vendor to stand up a project facility in Salem, Oregon. All project staff – my DOJ team, the project management vendor, the QA vendor, and the DDI vendor were all in the same facility with an open floor plan throughout the project. And IV&V joined us at the project facility for each of their onsite reviews.

Reference documents – The reference documents used in the RFP responses are standard reference documents provided by the Procurement Services office. When we brought finalists in for orals, we were able to ask additional, non-prescriptive questions about their prior experience. For my team, there was no question whether we wanted to see demonstrations from each of the finalists in all four of our procurements. We found the demonstrations helpful to gain insight into the processes used by each vendor, to meet their proposed key personnel – to observe how team members interacted, and to get a feel for whether they are a good fit for the state and our organization.

Vendor assistance with procurement – Yes, we did have some vendor assistance during the procurement process. It is now a requirement in Oregon to onboard the QA vendor first so they are available to review your subsequent RFP documentation and in some cases, assist with the review of proposal responses. Our project management vendor was first to onboard and participated as subject matter experts in review of some proposal responses and sat in during the vendor demonstrations. We found their input invaluable.

Procurement – Contract Development and Negotiations

- Rules for contract negotiations

- When and how to get up to speed on rules? – As early as possible. It helps to be directly involved to increase knowledge and understanding
- Who's responsible for process? – Oregon Department of Administrative Services (DAS), Procurement Services and the Oregon Department of Justice

- Who needs to be involved and informed?

- DAS Procurement Services
- Oregon Department of Justice, Business Transactions Section
- Oregon Child Support Program
- DAS Enterprise Information Services
- Oregon Legislative Fiscal Office

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Rules for negotiations – when and how to get up to speed - I became familiar with Oregon's procurement rules during the development of the RFP for the feasibility study project. As I described earlier, I was surrounded by a team of experts that were willing to share their knowledge and expertise. If you do not have direct experience with contract negotiations, you'll want to seek assistance. I learned a great deal over the past 10+ years being involved in seven different procurements – each one is a little different.

The Oregon Department of Administrative Services Procurement Services is directly responsible for the procurement process including contract negotiations. For each procurement we worked together to identify the negotiations team and communication is paramount to a successful process. As I mentioned earlier the DDI contract was the largest and took the longest to negotiate. The negotiations team included our procurement analyst, the assigned assistant attorney general, myself, DOJ's chief information officer and chief security officer, and senior managers from the program's field services and technical services sections. We also consulted with the Deputy Attorney General and our IV-D Director, who also served as the project sponsor.

I've listed here on the slide who all needs to be involved or informed. Again, Procurement Services, the department's Business Transaction attorneys, Child Support Program leadership, any oversight partners – for us that's Enterprise information Services and the Oregon Legislative Fiscal Office.

Procurement – Contract Development and Negotiations - continued

- Key components included in contracts
 - Oregon’s contract template
 - Definitions
 - Compensation
 - Ownership and License in Deliverables
 - Confidentiality and Non-Disclosure
 - Contractor’s Responsibilities
 - Limitation of Liability
 - Indemnities
 - Events and Remedies for Default
 - Termination and Transition Services
 - Independent Contractor Taxes and Withholding
 - Dispute Resolution
 - Insurance Requirements
 - Federal Terms and Conditions

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Key components of a contract – As discussed earlier, Oregon has a truckload of lessons learned and has used those to strengthen contract terms and conditions. That coupled with DOJ attorneys’ experience in defending Oregon agencies in court surrounding vendor contract disputes has also assisted in building stronger contracts.

Listed here are some of the general terms and conditions.

Procurement – Contract Development and Negotiations - continued

- Key components included in contracts
 - DDI Contract – components
 - Define Defect Levels
 - Service Level Agreements – Performance Standards – Liquidated Damages
 - Federal Tax Information (FTI) Security
 - Testing requirements
 - Production Pilot requirements
 - System Stabilization Period
 - Final Acceptance Criteria
 - Warranty Services
- Who managed the contracts? – Project Executive

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Some more specific terms and conditions included in our DDI contract included:

-Defining defect levels, as specific as possible, will help minimize downstream arguments about the difference between defect levels and the timeframes for remediation.

-Service Level Agreements or SLAs – Consider using SLAs with specific metrics and liquidated damages if service levels are not met. Keep in mind however that SLAs also drive behavior – that doesn’t mean you shouldn’t have them – just be aware of how they may affect the give and take in the relationship. Let me share an example – our DDI contract includes technical training and knowledge transfer for Deloitte to train our technology team to manage the new system. Post implementation we needed to complete that training to ensure the DOJ team could take over operations and maintenance of the system in the next year. The contract also contained SLAs indicating all Level 2 defects must be resolved within 5 business days. Because of the SLA surrounding Level 2 defect remediation, technical training often took a back seat. Another lesson learned here – make sure your vendor has adequate resources to address all provisions of the contract and statement of work in the various project phases.

-Make certain to include FTI and OCSE security requirements.

-Specifically describe and outline the requirements you expect to see for testing, implementation and rollout, and the system stabilization period before your certification demonstration.

-Also include well defined final acceptance criteria – often contracts include a holdback from monthly invoices – In Oregon that was 10% of the price of the deliverable. The holdback is used as an

incentive for the vendor to continue to focus on quality and timely deliverables throughout the project. Most vendors will want to negotiate when they can collect their holdback, either in part or in whole at certain times during the project. Final acceptance criteria is another way to ensure solid performance throughout the project life cycle.

-And finally, warranty services – what is the term of the warranty and what do warranty services include. – Over the past few year, Oregon has been asked by other states to share our contract template. If that is something you are interested in, please reach out to me.

Who managed the various contracts? In Oregon that was me. If your state offers training, I'd recommend attending all the training available. You'll also need a strong partnership with your contract's office or officer and the state's attorneys. Contract management is important and if not done correctly and consistently could cost your program and state money, jeopardize the success of your project, and set precedence in future contract engagements.

Procurement – OCSE Review and Approval

- Plan for OCSE review and approval
 - Review State Systems APD Guide – Available on OCSE website
 - Consistently allowed 60 days
- Strategy for involving OCSE
 - Provided regular updates
 - Notification prior to submitting documents for review/approval
- Were there any surprises? – Fortunately, no



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And finally, OCSE Review and Approval – Due to the cost estimates in Oregon's feasibility study, the vendor support deemed necessary, and as outlined in the IAPD, all of Oregon's RFPs and contracts and amendments required OCSE review and approval. Because we were aware of this, we factored the 60-day review process into our procurement planning schedule.

Strategy for involving OCSE – I joke about this often by saying I didn't know better then to pick up the phone and call our OCSE analyst when I had general questions. Yes, there is comprehensive information on the OCSE website, but I wanted to talk about it. Because of that practice I had formed a strong partnership with OCSE by involving them early and often. I provided regular updates and shared proposed timelines, so they could be prepared for when documents were headed their way. Although we allowed 60 days, we often received their feedback and approval sooner. And if necessary, we'd jump on a call to answer questions.

Surprises – I understand now that Oregon was fortunate to have OCSE analysts with many years of state systems experience. Dave Tabler was assigned until he retired, and John Cheng is currently assigned to Oregon. In fact, John worked with Oregon when our legacy system was certified. So, in closing, Oregon has not had any surprises working with OCSE.

Nevada

The second presenter was Julie Green from Nevada:

Project Director, NVKIDS; Nevada Department of Health and Human Services, Division of Welfare and Supportive Services

jxgreen@dwss.nv.gov

Julie's slides and the note takers' information (that is in addition to the information on the slides) follow:

<h3 style="text-align: center;">Nevada</h3> <ul style="list-style-type: none">• The Nevada Child Support Program is a state administered program, with state and county operations. There are three (3) state field offices, and nine (9) county field offices. Nevada currently has a caseload of 79,605.• The Division of Welfare and Supportive Services (DWSS) IT Department mandated that whenever possible, the implementation vendor was to use existing enterprise software, as well as a waterfall SDLC approach. Challenges for IT Projects in Nevada• The implementation of Nevada's legacy system was 6 years and \$75 million over budget. It was deemed by a lawmaker as "the poster child for how not to implement a system."• Our current system implementation began on the heels of a very public Department of Motor Vehicles system implementation failure, which cost the State \$27.2 million prior to being scrapped.	<ul style="list-style-type: none">• Nevada has 17 counties.• IT Dept. mandated that the vendor use Nevada's existing enterprise software, but lesson learned for your RFP: There is an expectation of vendor familiarity with the software. This needs to be clearly identified when RFP is developed, especially if your own staff aren't that familiar with your software, and you are expecting the vendor's support on your software. If your staff aren't familiar, it may be better to use what the vendor recommends and knows.• IT Dept. also mandated waterfall SDLC approach. Waterfall approach can be helpful but can cause delays in approving deliverables. NV ended up using a hybrid approach.• Vendor of failed DMV system was sub-contractor of CS system and had to be removed
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<h3 style="text-align: center;">Procurement Approach</h3> <ul style="list-style-type: none">• Nevada approached procurement via RFPs for the following vendors:<ul style="list-style-type: none">• Project Management Office (PMO)• Quality Assurance (QA)• Independent Verification and Validation (IV&V)• Design, Development, and Implementation (DDI)• Staff augmentation was done through a State Pre-Approved Vendor list• IV&V Contract Management entity was secured through a Sub-Grant <p style="text-align: center; font-size: small;">NCCSD Systems Modernization Committee "State Systems Lessons Learned" Webinars – For State Staff Use Only</p>	<p>NV has similar vendors as Oregon, but in different roles. PMO = CSG (they also do OCM) QA = Maximus IV&V = SLI DDI = Protech Lessons Learned:</p> <ul style="list-style-type: none">• When you are planning for OCM, ensure they are not just looking at field staff but also looking at technical side. There can be a lot of resistance there, and you need to look at that side early.• Staff augmentation clause was added to the QA contract, but other Staff Aug was done through a pre-approved state vendor list.• State resources will always be short. Always ask for more than what your Feasibility Study identifies.• NV is severely lacking in business analysts (have 5, need 15) and this causes a lot of problems when you get into DDI.
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- IV&V was done through a sub-grant as they could not find another agency that would manage the contract.

Document Development

- The DWSS PMO office wrote the RFP but had to withdraw it due to funding concerns. Prior to rescinding the RFP, vendors responded with clarifying questions which led to addition and subtraction of items in each RFP when resubmitted.
- Don't reinvent the wheel, but when asking a colleague for a RFP, ask for the lessons learned on the RFP. What worked well, what caused problems during their project, what was missed? When you need to cite this document to hold a vendor accountable, does it provide the structure to do so? What would they do differently?
- Carefully consider review time frames identified in your RFP. 10 days may seem as if it is ample time to review a document but identify the volume of deliverables and set time frames accordingly for large deliverables (i.e., Requirements Traceability Matrix, Design Documents, Training Materials, etc.).
- The review process and scoring rubrics were administered via the Nevada State Purchasing Division, and included state and county child support resources, DWSS IT resources, and an outside agency resource.

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- Getting copies of other states' RFPs is a good starting point but use with caution. NV used portions of OR's RFP, but some deliverables ended up not making sense for NV, were too large, and had to be split apart. If using another state's RFP, be sure to ask them for their lessons learned to update the document.
- Deliverable review timeframes put into RFP were too short. You will be reviewing thousands of pages of documents. Complex deliverables needed way more than 10 days (see examples on slide). Identify the volume of documents for review, take into consideration how many reviewers you will have, and how much back and forth you expect.
- For RFP reviews – get views from various colleagues including outside child support. NV made sure to have their largest county as well as small counties review.

Document Development

- RFP reviewers should have all the information necessary to make informed decisions (e.g., Feasibility Study and supporting appendices), and time should be taken with functional subject matter experts to provide information on what to expect and how to approach the task if they have never participated in a large-scale RFP review.
- Nevada did not use a vendor to assist in the procurement process. If that is available to you, I highly recommend it. A third party can be beneficial in filling knowledge gaps.
- The pandemic has reiterated what those on projects already knew, work can be done from anywhere with the proper tools. Recruiting resources can be difficult if a project site is not easily accessible or desirable. It is important to think about what resources must be on site, and which resources could work remotely. Off-shore resources are usually critical to the DDI vendor, but the limitations of access need to be considered when including off-shore resources.

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- Similar to OR, NV was not used to large scale projects. Your functional child support reviewers probably have not done proposal reviews.
- Make sure all of your reviewers have all the information necessary to make decision. Feasibility studies, appendices, SME's, help them to move forward.
- If you use any Offshore resources, OCSE must be advised.
- NV didn't use a vendor to assist in their procurement but think that would be beneficial.
- Vendor timing:
 - PMO vendor started 10/2017
 - QA vendor started 02/2018
 - DDI RFP responses started in September 2017, contract negotiations ended in April 2018, and the DDI vendor started May 2018

Contract Development and Negotiations

- Negotiations will take more time than anticipated.
- Projects historically have issues around forms and interfaces. Clearly define the expectations on both sides for responsibilities and approach.
- Assumptions should not be ignored. Flag erroneous assumptions in vendor responses and ensure that all parties are on the same page in negotiations.
- Include verbiage that includes any changes made during the project by the OCSE or IRS is within the scope of the project.
- Include holdbacks (withholding a percentage of the deliverable amount) until end of the project.
- Consider identifying penalties for failure to meet quality or schedule criteria.

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- Make sure you give yourself ample time for negotiations especially on your DDI contract. Do not rush this.
- Be sure the information is clearly defined. There was an expectation on the state side that the vendor would come in and tell them what needed to be done, but the vendor thought all the preparation work was completed and everything was ready to go when they came on board.
- NV has a 'no assumptions allowed' approach to RFP's. If something is put in the RFP that is an assumption and is wrong, it should be flagged and discussed during the contract negotiations.
- NV holdback is 15% until project final deliverable. Vendor will want to negotiate getting holdback over time instead, make sure to get what you need first, and be firm in your negotiations.
- Penalty teeth are important for quality and schedule, all NV can do is reject deliverables.

OCSE Approval of RFPs, Contracts, etc.

- Communication with your OCSE Specialist is critical, and building a strong relationship early is beneficial to your project.
- OCSE has a 60-day review cycle, which can be restarted if additional items are requested or recommendations are made.
- Understand the constraints of the need for OCSE and state or legislative approval and ensure that you plan accordingly. Nevada signed the contract March 1st but needed to have OCSE and Board of Examiners approval by April 10th, far short of the OCSE review cycle.

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- NV had Dave Tabler, but he retired in the middle of the contract negotiations. They had another OCSE analyst, but then went to John Cheng, who is wonderful.
- Have the conversations with OCSE, whether the subject is good, bad, or ugly. You don't want to tell them everything is good and must go back and tell them you are not meeting your deadlines. OCSE wants you to succeed.
- Important to remember that OCSE's 60-day notice of approval starts over if additional information is needed during OCSE review.

Setting Realistic Timeframes for All of the Procurements

- Consider the time and personnel needed to manage and review multiple RFPs.
- While each vendor and RFP is separate, identifying the expectations and needs from the Division staff on the project can be beneficial.
- Take perspective into account. Each reviewer will be focused on what is important to them. Technical staff will generally have little understanding of the functional needs, while the functional staff will have little to no understanding of the technical requirements. Try to balance these sides out as best you can.

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- NV was juggling 4 RFPs at a time and some of those reviewers were on more than one. That is not unusual; make sure to take this into account when estimating time to review proposals.
- Each reviewer will be reviewing the information based on their experience.
- Make it clear to the reviewers what is expected of each type of vendor.

Setting Realistic Timeframes for All of the Procurements

- Nevada's schedule was set up by our internal DWSS PMO and State of Nevada Purchasing.
- The original timeline allotted 46 weeks for all activities related to the DDI vendor (review, negotiations, submission for approval, and contract start date) but this was shortened, removing almost 29 weeks from the process.
- Factor in enough time for RFP review training, vendor proposal and gap analysis review, and contract discussion approach. Each of these were done in a one-hour meeting which was an unrealistic time frame to address these critical approaches.

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- They needed the 29 weeks that was removed, don't shorten your timeframes too much.
- Figure out the dates you need to hit and work backwards from there.
- Reviewing the DDI responses takes the most time.
- If you are looking at a response to an RFP and trying to identify gap analysis – it cannot be done in an hour. It takes weeks. Be prepared to go into contract negotiations with any of those gaps.

Indiana

The third presenter was Dawn McNeal from Indiana:
Dawn McNeal, Interim CIO (over child support and child welfare systems)
Indiana Dept. of Child Services, Child Support Bureau
Dawn.mcneal@dcs.in.gov

Dawn's slides and the note takers' information (that is in addition to the information on the slides) follow:

<h3>Indiana – INvest Project</h3> <ul style="list-style-type: none">• <u>IV-D Caseload</u> – 230K+, State administered/County operated• <u>Infrastructure</u> – Managed by Indiana Office of Technology (IOT)• <u>Applications</u> – Managed by Agency – Dept of Child Services (DCS), CIO directed move to COTS solution (Salesforce)• <u>Project</u> – managed by DCS IT Team with some dedicated Child Support Bureau (CSB) staff• <u>Agency requested</u> an agile approach in RFP – Scrum was proposed in winning bid• <u>Vendors</u>:<ul style="list-style-type: none">• Design, Development, Implementation (DDI) – Deloitte• Project Mgmt Office (PMO) – netlogx• Quality Assurance (QA) – CSG• IVV – KPMG• <u>Timeline</u>: June 2020 start – November 2023 implementation <p><small>NCCSD Systems Modernization Committee's Systems Modernization States Lessons Learned Webinars – For State Staff Use Only 2</small></p>	<ul style="list-style-type: none">• Indiana is currently going through two modernization projects. Child Welfare and Child Support• Prior CIO mandated a standardized approach for the two projects<ul style="list-style-type: none">• COTS- Salesforce• Agile SDLC• 4 vendors – see slide <p>June 2020 DDI vendor started; everyone worked virtually.</p> <p>June 2021: Governor mandated all state employee staff back to the office with no flexibility for virtual work, there was a loss in staff. Vendors, including Managed Service Provider staff (who augment state staff), are still virtual. 80 State and MSP staff on the project.</p>
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<h3>Procurement</h3> <p>IN Procurement approach for each vendor:</p> <ul style="list-style-type: none">• DCS wrote Procurement Plan and shared with OCSE• 3 of 4 RFP through IDOA, IVV through Managed Service Provider <p>Order of onboard:</p> <ul style="list-style-type: none">• QA – proactive, governance (PM/SDLC), monthly QA report• PMO – decided to outsource, cost/schedule/quality, traceability, risks and issues, change control, project metrics• DDI – required Salesforce, asked for agile, required ALM tool• IV&V – reactive, OCSE semi-annual, IOT required monthly reports <p><small>NCCSD Systems Modernization Committee "State Systems Lessons Learned" Webinars – For State Staff Use Only 3</small></p>	<ul style="list-style-type: none">• The Procurement Plan included the IN Dept of Administration (IDOA, agency that handles all procurements for state agencies) timelines and identified roles and responsibilities.• QA, PMO and DDI procurements were normal RFPs. IDOA/IOT have a managed service provider list of 14 qualified IV&V vendors; KPMG selected via that vehicle.• Originally planned to do PMO in-house but changed to outsourcing because in-house not enough experience in agile SDLC or projects this big. Important to understand your team's skills and how much risk you are willing to shoulder when deciding about in-house or not.• Important to be clear about PMO duties vs. QA duties• Met with IDOA regularly during all procurements so they were aware of any issues.
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Procurement

IN Procurement Plan - Responses, Proposals & BAFO:

- DCS wrote all four vendor procurement documents based on needs and pre-procurement discussions with other states, vendors, software companies
- Resources - IDOA/Ikaso facilitated procurement discussions, State and County staff on procurement both as advisors and evaluators
- Procurement Rules – IDOA/Ikaso ensured rule adherence, 50 points for mgmt. assessment and 25 points for cost
- All procurements had between 3-6 proposals, Orals, BAFO

- Lessons – have PM review schedule and share feedback, in orals have them show system/framework, get clear picture of agile process

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- State agency staff wrote all of the RFPs.
- DDI RFP: originally mandated IBM products for ALM, but changed mind to go to Atlassian, Jira, Confluence. Important to have state staff who understand the tools – if you don't put the onus on the vendor to set them up and train you on them.
- For DDI RFP writing, lots of discussion in-house, with county partners, with other states. Invited vendors and software companies to come in and discuss how they would do the project and share what they saw currently in the HHS arena.
- Document quite long, lots of detail in the requirements, important to "tell your story" so that potential vendors understand your needs.
- DDI Evaluation:
 - Indiana Office of Technology (overall state IT) rep included
 - 16 evaluators (who scored), 57 advisors (who gave input)
 - Important to have county partners as both, showed that the state was not bullying, helped with acceptance of selection
 - Used company called Ikaso to facilitate, very valuable given size and diversity of evaluation group
- IDOA allowed change to cost points: normal 30 down to 25, important that cost not the main reason for choice. (Management/technical points were 50, others were minority/women owned business points).
- Number of proposals rec'd: DDI – 6, QA – 5, PMO – 5, IV&V – 3
- Orals and BAFO – 2-3 vendors in Orals, BAFO for all
- Orals very important – make sure vendors have all key resources present, give a management overview, show the system or at least key parts, give a technical overview, explain their SDLC methodology
- Be aware that vendors will often well-known, high-level staff as "advisors" in their proposals, but in reality they don't often show up.

Procurement

IN Procurement Contract Development:

- Contracts – Ikaso helped facilitate DDI/PMO contract discussions, averaged about 4 - 6 months to finalize
- Contract Management – Directors manage contracts but have backup, have weekly mtgs, address issues, sign invoices, amendments, most weekly mtgs include vendor sponsor
- Lessons – get majority of software decisions clear prior to contract finalization, understand where your agency will do some work and plan for that work

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- DDI contract is fixed price, deliverable-based, with SLA (but haven't had to use yet)
- Important that your attorneys helping write/review contracts understand your timelines
- Timeline 4-6 months from award letter to fully executed contract (includes OCSE review time)
- Contract Management – one state staff person for each contract and an overall manager for all contracts to have a consistent thread seeing things from an overall perspective. State contract managers determine if amendments needed, etc.
- Weekly meetings with all vendor PMs and usually the vendors' high-level sponsors. These meetings are important when issues come up as the vendor management doesn't get surprised. E.g. PMO manager not working out, when state asked for a replacement, vendor understood why.
-

Procurement

OCSE Approval of RFPs, Contracts:

- Strategy – Ensure using federal key clauses, had OCSE provide letter for IDOA to remove geographical preference
- Meetings – Communication key, provided status updates, follow up
- Timeline – provided a high-level graphic of RFP/Contract estimates, as get closer communicate your start date

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- Greg Jordan is federal analyst, very helpful. State had monthly meetings with over the last ten years, now down to quarterly per his suggestion. Gave him a high-level graphic timeline on everything which we kept updated.
- Very important to make sure all of the federal requirements and clauses are in your RFP, contracts.
- Indiana has "geographic preference" in its normal procurement evaluation points, which is prohibited by federal regulation. Greg helpful in obtaining OCSE letter to give to IDOA to make sure this was deleted from the INvest RFP.
- Important to pick up the phone and call with questions or issues, be clear on where you are, so OCSE is not caught off guard.
- Questions were sent to OCSE during contract negotiations. They may not be able to answer right away, but it documents that you submitted a question.
- Vendors started prior to OCSE contract approval, at their own risk.
- Because of Salesforce solution, ownership clause language in contract was key to getting OCSE approval.

Arizona

The fourth presenters were Heather Noble and Tammy Fogle from Arizona.

Heather Noble, IVD Director, HNoble@azdes.gov

Tammy Fogle, Systems Administrator TFogle@azdes.gov

Note: The AZ slides have extensive detail in them, so while they are presented here for context, they are hard to read in this size. It is recommended to look at the full PP slides in conjunction with the notes.

The Arizona IV-D Program

- Under the Health and Human Services Umbrella Agency- Department of Economic Security
- DCSS is State Administered / State Operated within all 15 counties
- Judicial State, limited administrative process
- Collaboration with the Arizona Attorney General's Office and Clerks of Court
 - Navajo Nation operates their own IV-D Program
- Caseload: 141,592 (Rural 22% / Urban 77%) - As of 8/31/21 / Staffing: 525 FTE



Project Details, Assumptions and Constraints

- Feasibility Study (2017-2019) - Delaware Transfer
- Pre-Planning / Planning: 2018 - 2021
- Project Kick-off / Implementation - January 2021 - Present
- Pilot ~ Fall of 2022 / Statewide Roll Out - Spring of 2023
- State IT mandated an "updated" technology platform
 - This occurred post feasibility
- Other prior system projects in AZ have not been successful, requirements added / additional oversight
- Project was required to use an agile approach
- No GF or Automation Project Funds (APF)- Internally Funded
- DDI - Awarded to Deloitte / QA Awarded to Maximus / IV&V Awarded Public Consulting Group / PMO and OCM = Contractors
- What solution are we getting? Hybrid
 - Custom built front end processing w/ Delaware transfer for backend processing



- ✓ Functional Efficiency & Technical Scalability
- ✓ Time to Implement
- ✓ Risk Avoidance
- ✓ Cost Effectiveness

AZ is about six months behind IN.

Feasibility Study from 5 years ago indicated Delaware transfer, BUT post FS, there was a state enterprise technology mandate. Delaware from 2010 was too old. This became important for procurement.

Ended up with hybrid – custom built front end with Delaware backend. Deloitte using Salesforce.

Procurement Approach for Each Vendor

Project Management Office ("PMO") - Hired as contractors via a Statewide Contract / Task Order - Organizational Assessment, Consulting and Deployment Services Grant Thornton LLP

- Project Director - knows child support very well / knows systems modernization - majority of career is working with states modernizing child support systems
- Project Scheduler / Controller
- Project Administrator - hired through Knowledge Services

Organizational Change Management ("OCM")

- AZ did not go with a vendor for OCM nor did we have OCM under the DDI Vendors scope. Hired as a contractor, Statewide Contract / Task Order - Grant Thornton LLP
- OCM is part of state established PMO team and work collaboratively with the Implementation Team and the Training Team

Quality Assurance ("QA") - Straight to a Request for Proposals ("RFP")

Independent Verification and Validation ("IV&V") - Utilized the state's Pre-Approved Vendor List

- The State Procurement Office (SPO) was in process of awarding a new Statewide contract through a request for proposal / Required a Competition Impracticable

Design, Development, and Implementation ("DDI")

- Request for Information ("RFI") was conducted - Although AZ selected a transfer system, wanted to ensure we were getting the latest/greatest advancements in technology and if there should be any added requirements for the project above what the transfer solution would provide. Followed by Request for Proposals ("RFP")

Training - IM Vendor Responsible

- "Just In Time" training approach. Vendor will train staff within 20 days of system implementation using the ADDIE Training approach
- IM vendor partnering with AZDES Office of Professional Development / Training Department (~10 resources)

Staff Augmentation (to date) - Leveraged State Contracts - Lesson Learned: understanding who is retiring in the next 5 years / knowledge transfer / contingency planning

- Senior Business Analysts (3) - Include prior CSE modernization experience (South Carolina - System Certification and WV) - All hired through ANB Services Inc.
- Technical Manager - FTE hired within umbrella IT - Oversees all internal IT teams (some fully dedicated / partially dedicated)
- Mainframe Programming Resources - Continuity / Contingency planning - Primary resource is retiring at the time of conversion / pilot - 1 additional FTE & onboarding 2 Knowledge Services contractors to assist in supporting data conversion, keeping lights on, and knowledge transfer legacy mainframe programming

- Approach:
 - PMO – Statewide contract, Grant Thornton LLP
 - Organizational Change Manager (works collaboratively with Deloitte) – Grant Thornton LLP
 - QA – RFP, Maximus
 - IV&V – state's preapproved list, Public Consulting Group
 - DDI – RFP, Deloitte
 - Training – DDI Vendor Responsible
 - Staff Augmentation – leveraged state contracts
- PMO office was onboarded first right after Feasibility Study using statewide contract. This timing was good. Their Project Director's experience has been invaluable.
- QA was the cleanest RFP completed of the 4.
- For DDI, first did an RFI, then an RFP.
- Staff augmentation – from a Business Analyst perspective, you really can't have enough. AZ brought on 3 senior business analysts. Permanent state staff for IT Tech was brought on.
 - Hint: Knowing who is retiring in the next 5 years will help identify staff augmentation resources you may need.
 - Everyone is fighting for MF resources, and after 10 months they are still trying to procure these resources to keep the lights on.

Procurement Management Plan:

Q: Who needed to be involved (OCSE, State project, budget, IT, etc. staff, other State stakeholders)?

- Monthly meetings with OCSE (DCSS Business Administrator, DCSS IT Administrator, Budget staff, APD Analyst, Project Director)
- **System Replacement Stakeholders Leadership Meeting** - Met for 2 years from Feasibility Study to Project Kick-Off
 - **Included:** Project Director and Project Coordinator, Project Executive (IV-D-Director), Project Sponsor (IT Administrator), Business Administrator, Procurement Manager, Procurement Lead, APD Analyst, Financial Services Administrator and Sr. Managing Analyst, State IT-ASET Manager and Coordinator, Chief Technology Officer, Chief Security Officer and Chief Information Officer
- **Frequency:** Weekly internal meetings / Recurring bi-weekly w/ stakeholder leadership team to keep apprised project progress
- **Objectives:** Review and provide status on: APDs, budget (state and federal) processes, procurement acquisition activities, planning and project timelines, preparation for statewide governing boards / bodies, review risks, issues, and actions
 - IT Authorization Committee (ITAC) through the AZ Strategic Enterprise Technology (ASET)
 - Do you have an equivalent? State IT / AZ Strategic Enterprise Technology (ASET) - Within the AZ Department of Administration, very instrumental and a beneficial state stakeholder (We wished they were involved at the Feasibility Study Phase)
 - Advisor of the state's process, experience with other state IT projects, what to watch out for/keep in mind, and to help prepare the team and navigate through the submittal of state's requirements to state required governing bodies IT Authorization Committee (ITAC) and Joint Legislative Budget Committee(JLBC)

Lessons Learned:

- Post implementation contract monitoring is a significant lift (weekly/biweekly conversations/discussions)
 - Reviewing requirements for clarification, possible scope changes, and Change Requests (CR)
- Knowing who on the project team needs to be intimately aware of the SOW, Appendix, Vendor Responses.
 - This is critical when you get to the Change Request processes and knowing what is in scope and is not in scope.
- Planning, timeframe, resources for amendment changes and procurement of tools and software after vendors are onboarded
 - Knowing what is needed up front is critical. Having back-ups for these tools may be necessary and will help with planning if a tool does not pass security reviews, legal issues with the terms or conditions, or insurance requirements
 - Understanding the procurement team and security teams roles if the State is responsible for the procurement of licences or tools the amount of resources, time, security reviews, negotiations can be significant
- New Project Executives or Stakeholders - critical that they understand what is in the contract / vendor's response - orientation each time there is a change in executive leadership

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- Spent two years with stakeholder meetings working through all of the procurements. Internal team met weekly. Leadership met bi-weekly.
- Multiple leadership changes during this time period – 4 IV-D Directors, 4 department IT CIOs, 2 state CIOs. Lots of time spent orienting, but critical to do so. Make sure you have a plan to do this when needed.
- AZ had a great advisor who knew other state's procurement experiences.
- Contract monitoring is going to be significant – clarifications, scope changes, changes requests, etc. After kickoff this is really heavy so staff augmentation may be needed depending on size of team.
- Procurement of tools and software is enormous lift if it is a state responsibility. Know what is needed on the front end.

Procurement Document Development & Evaluation of Responses/Proposals; Best & Final Offer (BAFO) Strategy:

Q: When and how did we familiarize ourselves with the state's procurement rules re: document format, proposal evaluation the BAFO process? Was it early enough? Whose responsibility was this?

- This process is fully standardized and used with other procurements in Child Support and our umbrella agency
- Standard templates exist for all procurement documents
- The team met to come up with an appropriate and agreed upon timeline in accordance with the overall project schedule
- In the midst of our project, our Procurement Portal system was modernized and we lost our list of suppliers - Procurements team's ability to pull list of commodities and supplier names together for the a few of the RFP / ensure they received the proper notification
 - Lesson Learned - Know what is going on in your Department that could indirectly impact your procurements

Q: Doing the writing: resources, review process, scoring rubrics, etc. When, how and by whom was this done?

- This is also standardized - but the scoring rubric needed collaboration and discussion to ensure there was agreement with the weighting criteria

Q: How did we determine what our Cost Proposal would look like and how the vendors were to propose costs (e.g., Time & Materials, Firm Fixed Price, combination, etc.)?

- Firm Fixed Price / Deliverable based - fixed price with price adjustment contract.

Q: Were there rules around whether the development vendor staff could work off-site? Off-Shore? If so, who is required to be on-site and for what periods of time?

- The RFP was created pre-pandemic - originally the On-Site vs. Off-Site work was laid out in the RFP, however we have been flexible
- Due to the pandemic the full project team is working virtually. No one is working offshore and must be located in the United States.
- Clause in the contract - Offshore Performance of Work Prohibited. "Any services that are described in the specifications or scope of work that directly serve the State of AZ or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States... does not apply to indirect or 'overhead' services, redundant backup services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers."

Q: What reference documents did you need the respondents to complete (and how did you conduct and evaluate the reference checks)?

- Estimated costs of projects, begin dates and end dates, project overview
- The Procurement Officer reaches out to the references directly with a form to have completed. The form contains questions that the Program identifies

Q: Did you require demonstrations from finalists? Why or why not?

- No demonstrations were not part of the process / AZ did require a 2nd BAFO - additional questions required of each vendor on the technical details

Q: Did you use a vendor to assist in the procurement process also? Why or why not?

- AZ had support in writing the IM RFP from the feasibility study vendor (CSG); no other vendors supported the procurements
- The project director that we hired supported all procurements - had the technical skill and experience

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RFP was written with help of CSG, who did the Feasibility Study.

Procurement training is really important, standardized training for anyone involved. AZ was going through a modernization of their procurement portal which was an additional challenge.

No demos from vendors were done.

Original thought was vendors on-site, but now off-site because of pandemic. (No offshore.)

IM 2nd BAFO-- Q: Were there changes required to the state's infrastructure to support your new system or did the selected solution have to fit within the State's IT roadmap/plans?

- The AZ solution needed to fit within the enterprise IT roadmap
- Feasibility Study did not give the decision making executives or enterprise IT confidence in the transfer solutions technical architecture
- Original RFP did not solicit enough of the technical detail needed to make a decision after the BAFO
- AZ sought clarification from DDI vendors during the RFP process - through a 2nd BAFO:
 1. Elaborate on how the proposed solution would allow for ease of configurability within the platform
 2. Describe the capability of the proposed solution to allow for mobile accessibility and usability by the customer
 - AZ solution has a mobile first approach
 3. Describe how the proposed platform would provide the most cost effective method from a hardware/software perspective
 4. Provide the level of effort from technical staff and dependency post implementation for the ongoing maintenance of the proposed architecture solution
 - Two year O&M phase, an integrated team supports training and knowledge transfer to the AZ IT personnel in year 1 and then shadows, observes, supports in year 2
 5. Describe how the proposed architecture could leverage the SaaS, PaaS, or IaaS solutions
 - Our solution leverages all three elements
 6. Describe how the solution would interface with disparate other systems in the agency, that are built or to be build on various new technology using SaaS or PaaS solutions.
 - Solution is built with MuleSoft which is providing this integration
 7. Explain how the architecture would satisfy the defined Response Time Performance Standards as AZ defined
 - The time it takes for a user interacting with the system and the time the system takes to respond to the request.
- After all of these clarifications, AZ was able to make the best decision and was in alignment with the states enterprise IT strategy
- Due to length of time from feasibility study and the date of the solution we selected (DE), we also did an RFI to learn about new features, enhancements, and upcoming technology advancements to ensure our solution would be relevant and modern. Although we were doing a transfer system, we still wanted to ensure we were getting the latest/greatest advancements in technology and to see if there should be any added requirements for the project above what the transfer solution would provide.

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- Had to do a second BAFO because original RFP did not ask for enough tech detail. Going this route meant more confidence in the solution meeting the enterprise roadmap.
- 3 potential vendors at this time.
- Provided a lot of clarity even though it delayed decision.
- Leaving enough room in your procurement schedule for unexpected issues (like a second BAFO) is important.

Contract Development and Negotiation:

Q: When and how did we familiarize ourselves with the state's procurement rules regarding contract negotiations? Whose responsibility was this?

- Umbrella Department Procurement Team - Imbedded into the project planning team (2-3 resources)
- Experts on State Procurement requirements that might impact the projects acquisition activities and support that would need to be leveraged for the Competition Impracticable (Chief Procurement Officer and State Procurement Team were brought in to support at times)
- For the evaluation team, we had a technical expert, a business analysis manager, and executive leader
 - This team had a strong IT, systems, and modernization background, including skills in working on large complex solicitations, experience with vendor contracts and management; with SMEs available to support the evaluation

Q: When and how did we identify our resources and establish great communication among them for this effort (legal, finance, IT oversight, SMEs, and other contract signatories and/or approvers, etc.)? Whose responsibility was this?

- This group of procurement, program leaders, and IT evaluators went into what we like to call "lock down" for about 120 days - 100% dedicated focus
- Started with the Pre-Offer meeting, training (going through the evaluation tool), initial independent evaluations, consensus evaluations, negotiations, and BAFO.
- With this project we did s 2nd BAFO - technical clarifications needed to determine the right solution and alignment to the enterprise IT strategy.

Q: What were the key components to make sure to include in the contract (e.g., OCSE, IRS, and state standard language; whether or not to include penalties in the contract.)?

- Due to the project cost and complexity, OCSE highly recommends holdback clause with a significant amount withheld to protect the federal and state investment and ensure that the vendor delivers as promised
 - "Ninety (90) percent of Milestone/Deliverable Payments shall be billable upon Deliverable completion and written acceptance by AZ. The remaining ten (10) percent of Milestone/Deliverable Payments shall be billable upon OCSE certification." / Pricing sheet includes a column with the projected ten percent (10%) holdback costs for each deliverable/task
- Service Level Agreements to ensure State standards are adhered to
- Contingency Clauses - Added theses to all solicitations materials / governing bodies outcomes and timing of procurements that needed to be done in advance

Q: Who managed these contracts once done and what skill sets are needed to do so?

- DCSS Business Administrator and Contracts Manager
- Project Director and IT Administrator are intimately aware - along with the Technical Delivery Manager and the Business Analysis Manager
- Project Executives - imperative that the CIO, CTO, CISCO along with Child Support Executives know what is in the SOW and vendors response(s) / Those on the Change Control Board / for change requests, need to be aware and have access to these documents
- **Skills:** attention to detail, time management, understanding the full scope of all of the contracts and how these work/fit together

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- Procurement team was embedded in project team.
- Evaluation team had strong IT and program backgrounds, plus senior management, and people familiar with large procurements
- They went into a 120 day "lockdown" where working on the procurement was all they did.
- Hold back is recommended by OCSE, AZ has a 10% holdback.
- Attention to detail and time management are key skills for contract management
- Keep in mind that procurement conversations will continue through the project. Even when the project kicked off in January, they are still having procurement conversations.

OCSE Approval of RFPs, Contracts, etc.:

Q: When and how did we plan for the OCSE approval requirements and time frames (pages I-12 and I-13 in the 2010 State Systems APD Guide)?

- Having someone knowledgeable and experienced in understanding the requirements
- Be prepared for questions and to submit clarifications
 - Planning time to ensure the right people are pulled in to answer these timely and get them resubmitted, as the clock starts over, although we found that the full 60 days did not occur in all instances.
 - Scheduling meetings to review concerns (OCSEs or the state) were also helpful and ensured clear understanding
- Understanding the tie-in of other Department APDs and DHHS/ACF reviews in addition to OCSEs

Q: What was your strategy for involving OCSE early and often?

- Monthly meetings were already a standard occurrence since the feasibility study.
- Involvement of the Project Executive and Project Director in these meetings was helpful to the Business Administrator that was typically responsible for the meetings
- Providing status - building confidence in where the project was at
- Working collaboratively on new concepts like Agile Federal Certification Approach - demonstrations throughout the design/development process (in progress/no results)

Q: Were there any surprises?

- Sit down with your APD Analyst to understand processes, timelines, review process
 - Our Dept. has one APD analyst - this project requires many APDs, but that person's role and responsibilities in working with budget and procurement to review and have all the needed parts to every contract/RFP is extensive.
 - Coordinated all of the questions & answers from OCSE, and updates to the RFPs during the review process with our procurement team
 - Exec. level sign off & routing adds weeks to the project schedule ea. time - Need to review the full project schedule in detail to ensure their process is accounted for

Key Groups / Stakeholders Requirements

- Navajo Nation's IVD Program - AZ took advantage of OCSE's offer of technical assistance to help prepare for their APD, process, and advice to help them succeed in joining the AZ system modernization - supported the addition of new requirements in the IGA - to ensure OCSE and AZ expectations were met.
 - Helped clarify what options were available to the tribes to ensure they were making the best business decision for their team (NN IVD program uses NM and AZ systems and geographically located in UT, AZ, NM)
 - Set clear expectations about what needed to be done to participate - NN had to review of all Functional Requirements of the system and perform a gap analysis - NN sought additional OCSE technical assistance from their regional rep.
 - Understanding their core business processes and indicate would they would need to adopt, change, or elect not to use.

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- AZ's OCSE analyst is Natalie. Lots of Q&A back and forth. Remember that technically OCSE's 60 day time clock starts over with their questions.
- Surprises were not on the OCSE end -- For the state, all the processes are running in parallel. AZ's APD analyst has APDs going simultaneously with other programs in the agency, and has lots of responsibilities on the modernization procurement, so need to make sure your equivalent person understands all of the timeframes.
- AZ accepted OCSE's assistance to prepare Navajo Nation during modernization process.

Setting Realistic Timeframes for All Procurements:

Doing the research and developing milestone timelines to calculate the duration and sequence of each of the various procurements

- DCSS Contracts Manager, Procurement Analyst, and Procurement Manager were imbedded into the Pre-Planning and Procurement Phase of the AZ project
- Mapped all of these acquisition activities with the Project Director, IT Administrator, Business Administrator
 - Understanding of other key and critical procurements in the division or umbrella organization and factoring in capacity to manage the multiple procurements
- Project Journey Map - Mapped procurement against the state and federal processes (go/no go funding decisions, budget, governing bodies)
- Bi-Weekly Stakeholder Meetings - Visually documented the timelines, process steps, owners, timelines of each procurement & approvals

Building in time for the unexpected / Planning for resources where there are overlapping multiple procurements - When, how and by whom was this done?

- Understanding when your governing bodies meet -
 - In AZ, although the project was internally funded, it was being treated as if it was receiving GF or Automation Project Funds (APF) state budget required Joint Legislative Budget Review - This body meets quarterly. Understanding the timing of this effort and backing into the project procurement schedule was critical.
 - Understanding what this body needed - they needed financial / budget information - but we only had projections, as procurements were not finalized.
 - Needed to go before this committee to get the favorable review to be able to start the project
- Contingency Clauses - Added these to all solicitations materials / governing bodies outcomes and timing of procurements that needed to be done in advance
- OCSEs 60 day review timelines, but factoring in time for Q&A that comes from the review or adding contract language, federal citations
- Extensive project management - Project Director and Project Administrator
- Add additional buffer/planning time - reduce stress and overwhelm of the teams
- Resources - Having back-ups in the procurement area was helpful. Ensuring they have the skill, talent, and knowledge to execute and work on procurements of this magnitude, those with IT background is also helpful
- "Surprise" Procurements - ~~in AZ, our Umbrella IT needed to select a Cloud Hosting Contractor~~

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- These projects are years in the making!
- Have contingencies embedded in your overall schedule, make room for the unexpected. For example, AZ is going to the Cloud so there were other technology procurements going on at the same time that took their tech resources away.
- AZ's governing bodies only met quarterly, so understanding their schedule to get on to their agenda and accounting for that in your procurement schedule is important.
- Overall, extensive project management experience is needed.

Question & Answer segment

Q: With the emphasis on finding contractors with CS experience were there many proposals?

A: OR – This ended up being a limitation - they expected 4-6 but ended up with 3.

Q: How are you managing agile in a fixed priced contract?

A: IN – We asked them to tell us in their cost proposal response how/when they wanted to be paid – There was a sheet in the cost proposals where the vendors filled out their plan for how milestones would come in, when, and at what cost, i.e. what would be on their monthly invoices. IN set out their deliverables in the RFP and the vendor scheduled them. When it came down to Contract negotiations there were not a lot of changes. If it is found that they didn't hit a deliverable they move it to the next month. All detailed requirements were included with RFP. However, because the functional requirements were older and OCSE had issued additional requirements, there was a list of about 10 additional things the vendors were supposed to provide a cost.

A: AZ – The way the RFP was written didn't align with Agile. If there is a way to write the RFP so it is aligned, it could help. They had to do an amendment recently, tasks vs sub-task. There wasn't clarification early on when the vendor came onboard so that had to be amended. Keep in mind vendors are dealing with cash flow issues.

Q: Did you list a maximum timeframe of DDI for the RFP?

A: NV – Yes. It is nice to have timeframes, but you need to be realistic. NV has an aggressive schedule that is going to be a challenge to meet. You don't want to put yourself in a position of trying to hit a date that is not reasonable. Important to have conversations with the vendors.

A: OR – Yes. It was derived from their Feasibility Study's function point analysis and a determination of how long it would take to make updates and implement it statewide. It did adjust during Contract negotiations, but it was close.

A: IN – Yes, they put a 3-year timeframe on it. This is where it is critical to have a PM or someone to review the vendor's proposed schedules and validate the information to make sure it is attainable and that there are no huge gaps.

A: AZ - Yes, same. Remember there are budget/cost factors that may influence your schedule (e.g. mainframe cost going up as other programs go off it). AZ knew its schedule was aggressive, but they can't keep the lights on with the mainframe for too long. They are on schedule so far.

Q: Regarding staff augmentation, it appears most is for IT staff. Where did you need staff for SME's, field...?

A: AZ – all staff augmentation has been on IT side. Business Analysts and IT staff – need more dedicated support for procurement and security.

A: IN - all on IT side also.

A: OR – Budget included \$ to backfill state program staff who worked on project. For JADs and UAT – there were NO other projects going on at that time so during heavy lift times, staff in the office were divided – e.g. if SMEs were in JADs, their office staff helped cover.

NV – Agrees with backfill strategy – it was supposed to happen for NV but didn't. You never have enough Business Analysts are never enough. When you look at efforts you really need devoted staff for each; you can't take 5 people and divide them up. There is never a point where you are not busy and have some VERY overwhelmed people and there is nothing you can do to compensate them for that. Need to make sure the support is there. Karen on OR ended up with 15 BAs, NV is running with 5.

Q: How did you determine volume for staff augmentation?

A: AZ – Understand what you need to keep the lights on. Depending on what else is occurring and different projects happening that require changes (you can't assume 100% modernization work and nothing else). These should be factored into your numbers. AZ bringing in 3 new staff for legacy and other work.

Q: NV – was the offshore work outside the state or outside the country and what value did you get?

A: There is both offsite and offshore. They have no access beyond the state firewall. It's good that you basically have teams working 24hr a day for DDI vendors, but you have to make sure it is well-defined what they can touch. They have a remote development environment that is in front of the state firewall and must go through reviews before being brought behind the firewall.

Keep in mind the security clearance processing for adding resources – it can take anyway from 2-5 months to get background checks to get them done. If there is something they can do in the meantime it is very beneficial.

Q: Can each state provide the estimated total cost to go live?

A: OR – They are at about \$140 million including back to FS, through implementation and the 2 years of O & M.

A: NV – \$125 – \$130 million

A: IN – With the 4 vendors to get this project done they are looking at \$65 million, not including software.

A: AZ – about \$60 million. DDI is \$38.5 but they are early in this process. Similar to IN.

Last Comments from Speakers:

OR spoke regarding partnerships and being a resource to another. Other states should know OR is welcome to share with you so you are not re-inventing the wheel and know you have a support system here.

NV mirrors that and recommends states do so before you submit your RFP. You want to make sure you are talking with states who went through the activity you are completing either in parallel or just before you.

AZ – Write questions down along the way. Document lessons learned along the way regardless of your stage. Everything described today will help other states later.

Carla – We often ask for the RFP's, but it sounds like we need contracts, amendments, etc. also to see what lessons learned as well.

Additional Procurement Lesson Learned from Kansas

KS rolled out their main contractor for DDI and did not put in the contract that they had to get their Fingerprints done in a certain amount of time. They have now added specific language into their contracts.

Make sure the expectation for the DDI vendor (which may not be as up on the IRS Requirements) is adding this information into the timeline to ensure they are covered.

The one page document from Kansas will be shared on the NCCSD website Committee page along with the PowerPoints and notes.