Issues in Statewide IT Procurement & The Legal Review Process

Introductions:

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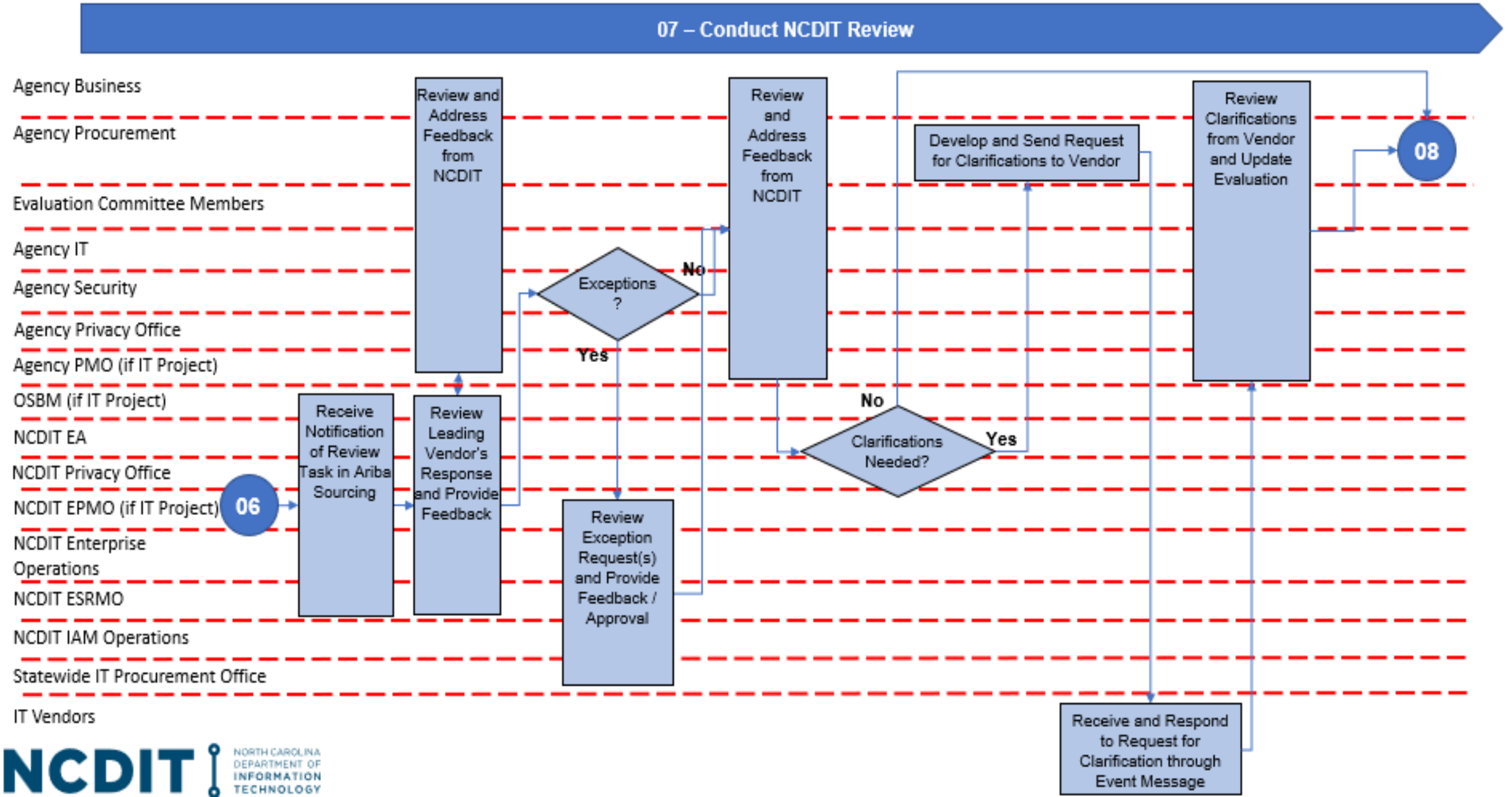
Streamlining IT Procurement Process Project Approach and Timeline

NCDIT collaborated with state agencies to re-imagine the IT procurement process and is currently conducting a pilot of the streamlined IT procurement process with five state agencies.

- Conducted detailed assessment of as-is IT procurement process
- Conducted Design Thinking Workshop with State Agency, Local Government, and Higher Education representatives to confirm as-is IT procurement process and identify pain points / barriers

Streamlined IT Procurement Process (Step 07)

Preliminary



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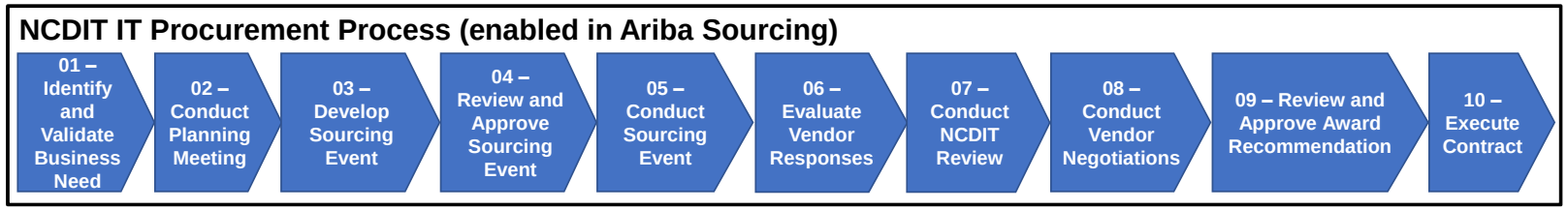
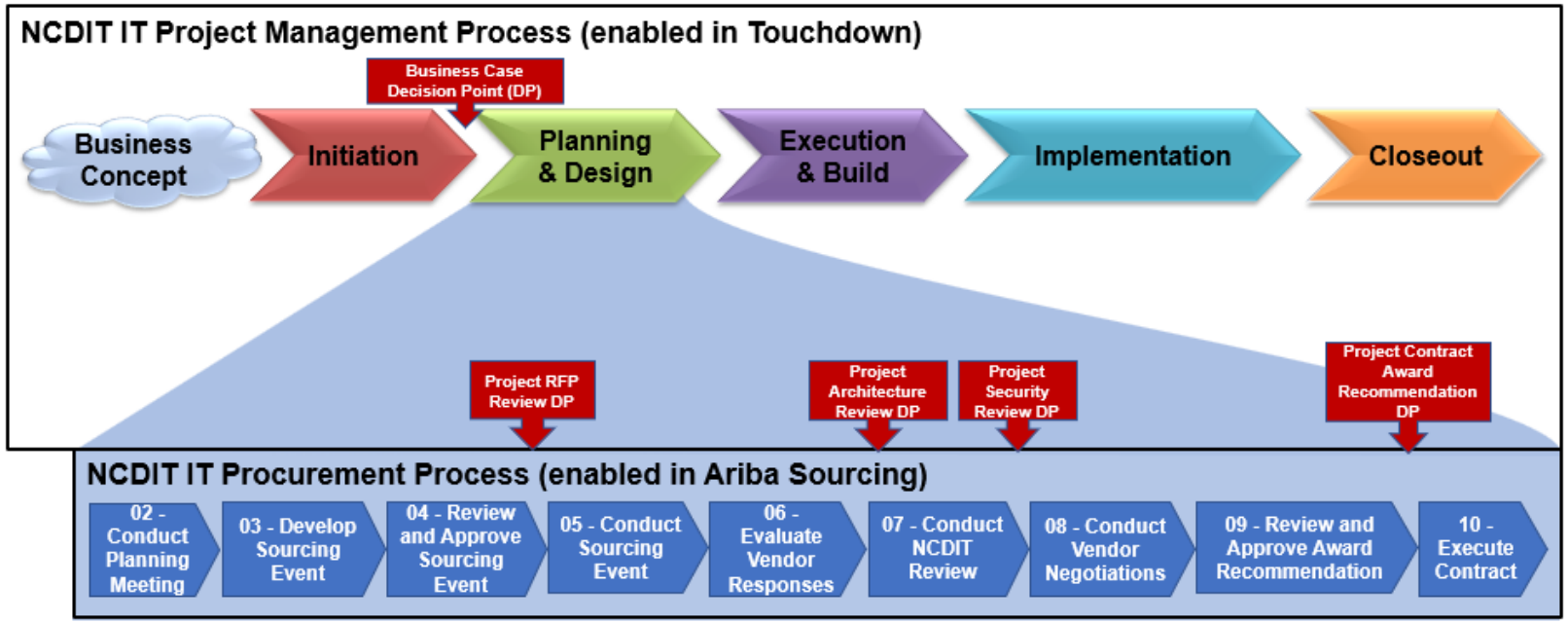
The Workflow Process in Ariba Sourcing

IT Procurement Process for non-IT Projects



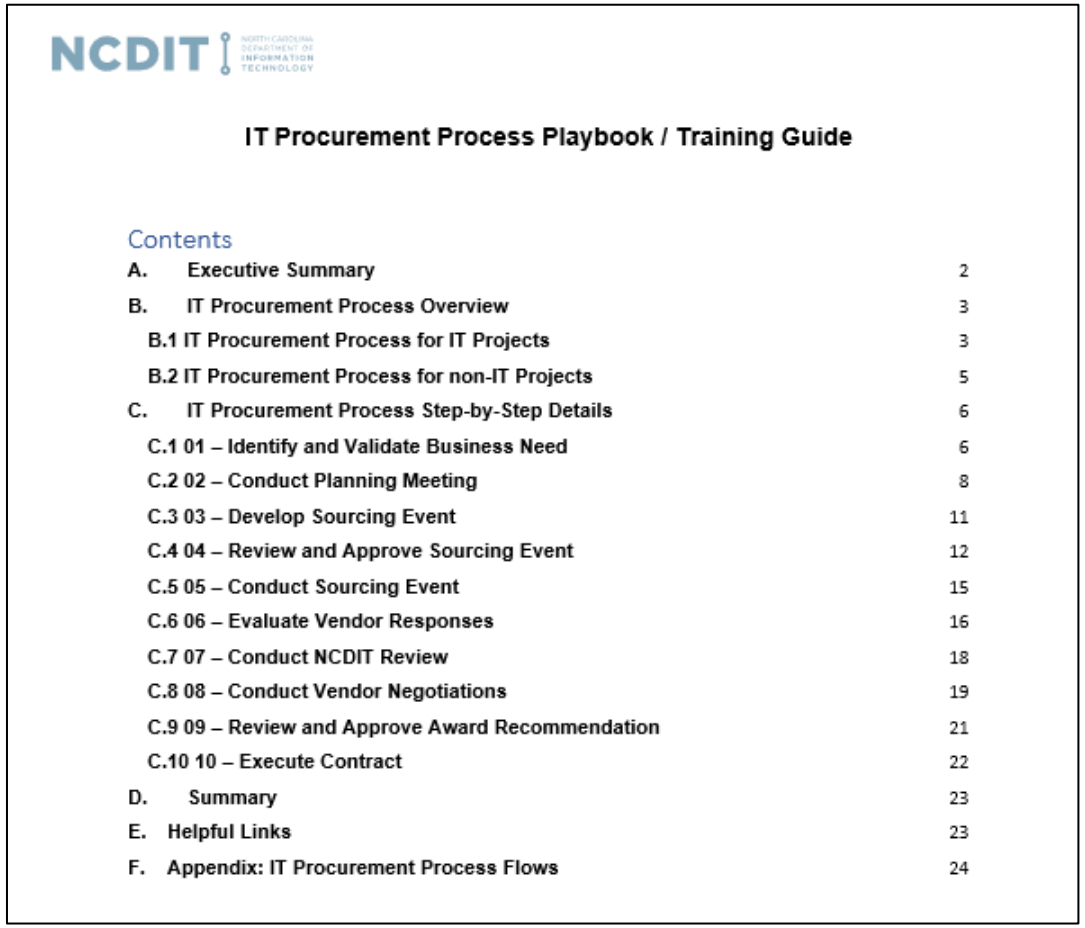
IT Procurement Process for IT Projects



Support Resources: Playbook / Training Guide

A comprehensive Playbook / Training Guide was developed to provide pilot State Agency staff and NCDIT Reviewers details on the streamlined IT procurement process.

Playbook / Training Guide Table of Contents



NCDIT

IT Procurement Process Playbook / Training Guide

Contents

A. Executive Summary 2
B. IT Procurement Process Overview 3
B.1 IT Procurement Process for IT Projects 3
B.2 IT Procurement Process for non-IT Projects 5
C. IT Procurement Process Step-by-Step Details 6
C.1 01 – Identify and Validate Business Need 6
C.2 02 – Conduct Planning Meeting 8
C.3 03 – Develop Sourcing Event 11
C.4 04 – Review and Approve Sourcing Event 12
C.5 05 – Conduct Sourcing Event 15
C.6 06 – Evaluate Vendor Responses 16
C.7 07 – Conduct NCDIT Review 18
C.8 08 – Conduct Vendor Negotiations 19
C.9 09 – Review and Approve Award Recommendation 21
C.10 10 – Execute Contract 22
D. Summary 23
E. Helpful Links 23
F. Appendix: IT Procurement Process Flows 24

Procurement Improvement Committee

NCDIT has established a Procurement Improvement Committee (PIC) that is managing a portfolio of identified Improvement Opportunities to deliver continuous improvements to the IT procurement process.

- Each Active Continuous Improvement Opportunity has an assigned NCDIT Owner that is accountable for planning and delivering the Improvement Opportunity
- During bi-weekly meetings, the PIC discusses status of Active Continuous Improvement Opportunities and identifies / discusses new Improvement Opportunities for consideration

	Project Status				
Targeted Benefit	**Completed**	**In Process**	**Not Started**	**Parking Lot**	**Grand Total**
Streamline NCDIT Review Process	2	11	1	11	25
Improve Communications	1	4		6	11
Improve Capabilities and Skills	2	6		2	10
Manage Business Risks		3		4	7
Improve User Experience	3	3			6
Improve Statewide IT Term Contracts		4			4
Grand Total	**8**	**31**	**1**	**23**	**63**

Completed Continuous Improvement Opportunity

A recently completed Improvement Opportunity added the Abnormal Quantity Threshold dollar amount to Statewide IT Procurement Office's website to help Eligible Users quickly understand if they need to get approval for a purchase against a Statewide IT Term Contract.

Contract Name	Contract Number	Start Date	End Date	Abnormal Quantity Threshold
Apple Computer Equipment, Peripherals & Services	204N	Dec. 8, 2015	Feb. 28, 2023	None
Cellular Telephone Service & Equipment	915A	June 1, 2011	May 31, 2025	None
Citrix Products & Services	208X	May 15, 2015	May 14, 2023	None
Commercially Off-the-Shelf Software & Related Services	208S	Aug. 1, 2018	July 31, 2023	$150,000
eLearning Products & Related Services	920A	March 2, 2016	March 1, 2023	None

Source: Statewide IT Procurement Office website: Statewide IT Contracts | NCDIT

Center for Procurement Excellence – We are working on creating a Center for Procurement Excellence that will have 6 main pillars.

1)Continuous Improvement
2)Stakeholder Engagement
3)Statutory and Policy Modifications
4)Continuing Education
5)Strategic Purchasing
6)Metrics

Role of Agencies and Statewide Procurement

Agencies –

Initiate the purchase

Obtaining funding

Conduct solicitation and/or negotiations

Makes the purchase

Statewide IT Procurement

Reviews items over agency's delegation ($25,000)

Coordinates Reviews

Works with Legal to complete final contracts

Reviews the purchase

Types of Solicitations Resulting in a Contract

Request for Quotes (RFQ)
Generally used for seeking quotes from a single vendor or a small group of vendors when a waiver of competition has been approved.

Invitation for Bids (IFB)
Used for easily defined goods and services where the price offer is the only consideration for award assuming vendor meets the requirements.

Request for Proposals (RFP)
For more complicated goods and/or services where other factors, in addition to price, are considered for award.

Instructions:

(From state RFP template)

PURPOSE OF RFP

INTRODUCTION

The purpose of this RFP is to solicit Offers for XXXX.

Insert the Summary description of the Goods, Services, work, etc. to be performed. The Agency should state the nature of the problem and succinct objectives of the procurement. This introductory information should only be a paragraph. Examples of this are in the RFP Instructions.

In Practice:

INTRODUCTION

The purpose of this RFP is to purchase items to fully utilize the department's budget.

Key Question: Does this give the vendor, procurement and The Legal Office enough information?

Requirements and Specifications:

(From state RFP template)

BUSINESS AND TECHNICAL REQUIREMENTS

(Please add the requirements of the RFP here. Separately identify any Requirements (i.e. "pass/fail" or "yes/no" requirements, such as a platform, database or operating system limitations) that the solution must have. For example, if the vendor solution does not have this requirement, then the Agency CANNOT use it.*)*

BUSINESS AND TECHNICAL SPECIFICATIONS

(Please add the technical specifications of the RFP here. Avoid using "must", "shall" or "should" statements in this section. Instead, prompt the Vendor to describe how its proposed solution will accomplish your specification. Specifications are Agency needs or wants and typically include functional, performance, interface and design, development standards, maintenance standards, or similar items.)

What is the difference between Requirements and Specifications?

Best and Final Offer (BAFO):

(From state RFP template)

BEST AND FINAL OFFERS (BAFO)

The State may establish a competitive range based upon evaluations of offers, and request BAFOs from the Vendor(s) within this range; e.g. “Finalist Vendor(s)”. If negotiations or subsequent offers are solicited, the Vendor(s) shall provide BAFO(s) in response. Failure to deliver a BAFO when requested shall disqualify the non-responsive Vendor from further consideration. The State will evaluate BAFO(s), oral presentations, and product demonstrations as part of the Vendors’ respective offers to determine the final rankings.

What is the role and purpose of a BAFO and what are some issues that can occur?

Reseller Issues:

It is common for IT services, software and commodities to be purchased from a reseller.

What type of legal issues does this present?

Software:

What is the difference between buying software or software as a service (SaaS)?

Technology Trends (Moving to the Cloud):

What are the issues when the vendor changes the architecture of their software (ie from on-premises to the Cloud)?

- *Changes in Terms and Conditions*
- *Licensing issues*
- *Impact on vendor agreement*

Thank You

Questions???

Thank you for the opportunity to speak today.