

OVERVIEW

An Introduction to the New IT Contract Suites

July 9, 2014



Andrew M. Cuomo
Governor
New York State



RoAnn M. Destito
Commissioner
Office of General Services



Sergio Paneque
Chief Procurement Officer
New York State Procurement

Event Summary

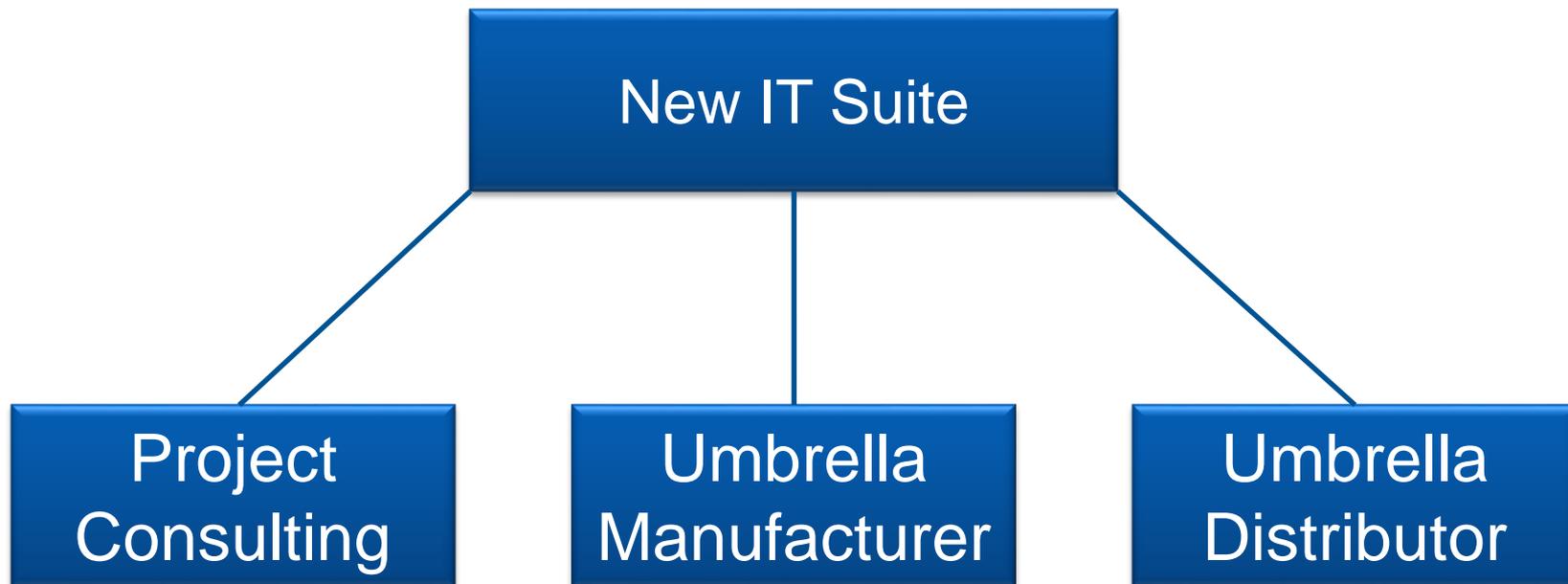
- Introduction
 - RoAnn M. Destito, Commissioner, Office of General Services
 - Sergio Paneque, Chief Procurement Officer, New York State Procurement
- Overview of new contracts
 - David Burmaster, New York State Procurement
 - Marc Kleinhenz, New York State Procurement
- M/WBE Utilization
 - Brian Ansari, Business Development, Division of Minority & Women’s Business Development
- Networking session



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New IT Contract Suites

The IT Technology Vendor Outreach introduced three new IT contract suites



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Project Consulting Contract

What is in scope for Project Consulting?

In-Scope

- Services that may not be acquired directly from the Hourly-Based IT Services Contract
- Fixed-Price and/or Deliverable-Based Contracts

Out of Scope Work

- Products and services offered under the “Umbrella” Manufacturer and Distributor based contracts



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Project Consulting Contract

Contract Highlights Include the Following

- Four year statewide contract, plus optional two year renewal
- Periodic recruitment at year three
- All statewide contracts expire on the same date, regardless of start date
- Vendors will agree to the same terms and conditions
- Bidders must meet minimum qualifications
- Statewide contracts will establish minimum requirements Tier 2 solicitations for Authorized User



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Project Consulting Contract

Tier 1 Contract Awards

Statewide contracts will be awarded in three lots, based on experience and specific requirements for each lot

Lot	Project Cost Threshold	Minimum Years Continuous Operation	Minimum Years Prime IT Project Contractor
1*	< \$200K	3 Years	3 Years
2	\$200K - \$5M	10 Years	10 Years
3	\$5M - \$25M	15 Years	15 Years

*Lot 1 is limited to MBE's, WBE's, SBE's and Service-Disabled Veterans (SFL 163(6) entities)



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Project Consulting Contract

Tier 2 Contract Awards

The Authorized User will conduct the Tier 2 Solicitation utilizing a Statement of Work (SOW)

- Authorized User will develop the SOW
- The authorized user will define job titles, minimum qualifications, and solicit hourly rates
- NYSPRO Base Terms and Conditions will be included
- Recommended 70 Technical / 30 Financial evaluation split
- Authorized Users may add terms and conditions
- Tentative awards must be made no later than one year after SOW issue date
- Three year maximum SOW length



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Project Consulting Contract

Best Value and Reasonable of Price

Authorized users will be required to demonstrate best value and reasonable of price

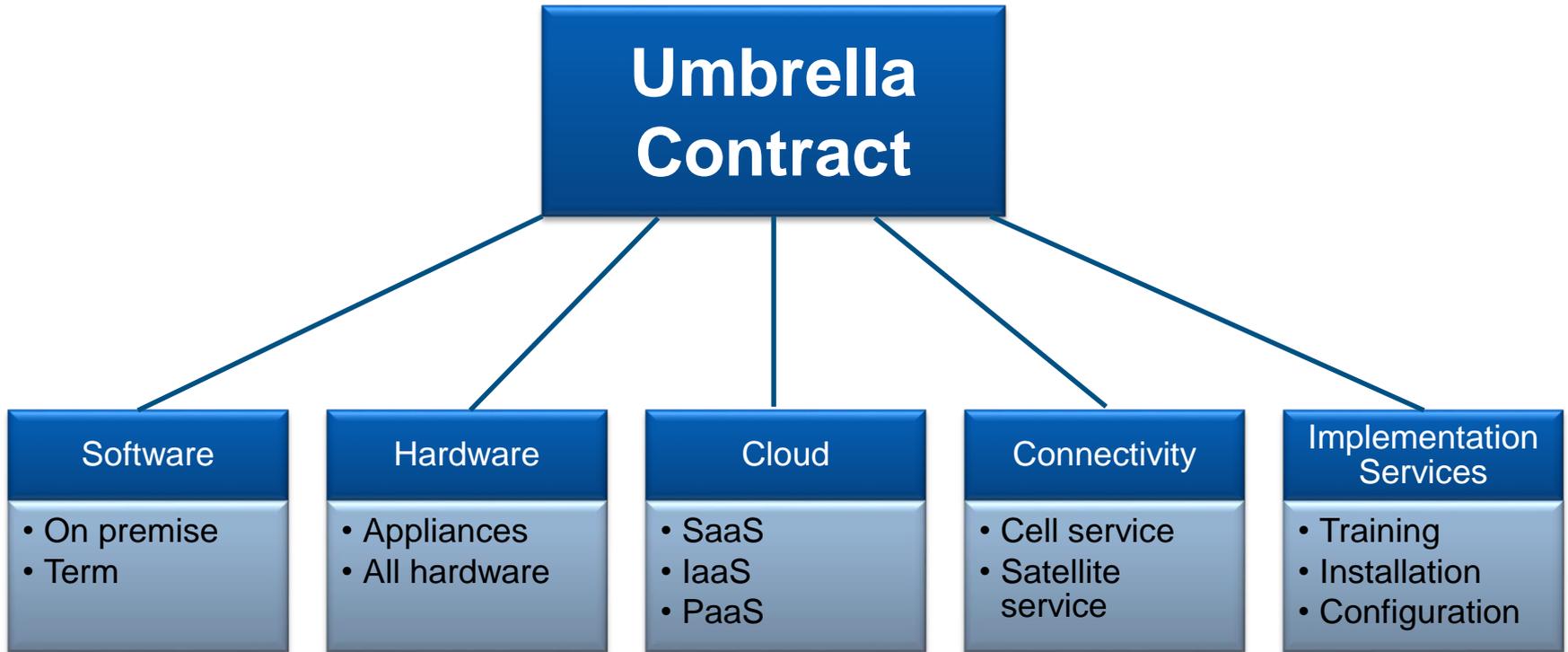
- Total contract value cannot exceed lot project cost threshold amount
- Job Titles may not exceed \$250 per hour
- Maximum 2% yearly price escalation for hourly billing may not exceed \$250 per hour
- Most favored agency pricing - pricing must be consistent across all state agencies



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Umbrella Contract – Manufacturer Based

The Umbrella Contract contains the following lots



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Umbrella Contract – Manufacturer Based

Advantages

- Standardized terms and conditions
- Crosses multiple IT product and service categories
- Creates more vendor business opportunities
- Less product restrictions
- Increased competition between vendors
- Includes implementation services
- Greater speed to market

“Umbrella” Contract is an over-arching contract which allows authorized users to procure under individual lots or across lots



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Umbrella Contract – Manufacturer Based

Highlights

- Open to Original Equipment Manufacturers (OEM) only
- Resellers will **not** be granted independent contracts
- Resellers will serve under manufacturer contracts
- Manufacturers are encouraged to include MBE's, WBE's, SBE's, and Service-Disabled Veterans as resellers
- Utilization goals could be required on specific lots
- Purchase Orders will be accepted directly by resellers



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Umbrella Contract – Manufacturer Based

Critical Components

- Price Competition
- Resellers will compete for lowest price
- This vehicle will provide a rich source of transactions on which Agencies can strive to meet MBE, WBE and SBE utilization goals
- Speed to market is a cornerstone of this contract, so it is imperative manufacturers build relationships with their resellers prior to responding to requests for quotations



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Umbrella Contract – Manufacturer Based

Benefits

- Clear procurement instructions, templates and training for authorized users and the manufacturer and reseller community
- State agencies will be required to document form, function, and utility in their procurement record
- All offerings will be in a standard format, making it easier for authorized users to find and procure products
- Single transactions can cross multiple product and service categories
- Total cost of ownership (TCO), including installation, maintenance, and support



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Umbrella Contract – Manufacturer Based

Procurement Methods

- Low Cost
 - Product Only
 - Product Packages including installation, maintenance and support
- Best Value
 - Transactions that may include a technical benefit to MBW/WBE vendors
- Total Cost of Ownership
 - Low Cost or Best Value
 - Full product packages including implementation



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Umbrella Contract – Manufacturer Based

Vendor Qualifications

- Requirements will vary by individual lot
- Minimum sales thresholds per lot
- Standard attestations for workers compensation, insurance, vendor responsibility, etc. will apply



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Umbrella Contract – Manufacturer Based

Software Lot

- On Premise Only
- Server
- Desktop
- Enterprise
- Prepackaged maintenance, installation, and support
- **Does not include hourly based services**



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Umbrella Contract – Manufacturer Based

Hardware Lot

- On Premise Only
- Servers
- Desktop
- Storage
- Network
- Prepackaged maintenance, installation, and support
- **Does not include hourly based services**



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Umbrella Contract – Manufacturer Based

Cloud Computing Lot

Remote services outlined in service packages that are specifically used to monitor network or system performance are **NOT** considered cloud if they do not access any State or authorized user data.

- SaaS - all software as a service offerings
- PaaS – all platform as a service offerings
- IaaS – all infrastructure as a service offerings
- XaaS – any other as a service offering that fits the requirements of this category

Cloud Computing includes SaaS, PaaS, IaaS, or any other as a service offering in which State or authorized users data is communicated, acted upon or stored outside their systems.



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Umbrella Contract – Manufacturer Based

The Cloud Computing Lot Includes

- This lot is strictly limited to **LOW** risk data only, including:
 - SaaS
 - PaaS
 - IaaS
 - Prepackaged maintenance, installation, and support
- Future lots may include other offerings
- **Does not include hourly based services**



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Umbrella Contract – Manufacturer Based

Cloud Computing Lot

We need your help

- Cloud offerings are difficult for customers to understand so we depend on our business partners to share their knowledge about these offerings
- Knowledge gained will be used to assess the risks and mitigation methods necessary to protect public data
- Bidders knowing and understanding NYS Information Services policies will be key to ensuring that vendor offerings meet the security needs of the State and it's Authorized Users

<http://www.its.ny.gov/tables/technologypolicyindex.htm>



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Umbrella Contract – Manufacturer Based

Connectivity Lot

- Includes all forms of internet provisions, or communication service
- Fiber, copper, wireless (including cell phones), and satellite
- Prepackaged maintenance, installation, and support
- **Does not include hourly based services**



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Umbrella Contract – Manufacturer Based

Implementation Lot

What do you need to know?

- Only open to manufactures and their resellers represented in other lots
- No independent implementers will be allowed
- No specific limit (80/20 rule)
- Entire package must be bid and quoted on a deliverable-based total project
- Minor customization limited to 5% will be allowed
- All services must be linked to products from other lots



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Umbrella Contract – Manufacturer Based

Implementation Lot

Transactional Procurement Methods

- A specific manufacturer if they have more than five resellers appointed or cross manufacturer
- Manufacturer agents cannot be used to show price justification and are not allowed under this contract
- Recommend procurement thresholds for use of contract will be used:
 - Under \$50,000, competition recommended
 - Over \$50,000, solicitation required



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Umbrella Contract – Distributor Based

Highlights of the Umbrella Distributor Based Contract

- Distributor based contracts will allow manufacturers that would not otherwise be able to meet Umbrella thresholds a vehicle to sell to the authorized users
- Categories to include Implementation Services, limited by the 20% Rule
- A contract vehicle for products from manufacturers unable to meet the thresholds established for the umbrella contract

20% Rule

Some OGS Information Technology product contracts contain a 20% rule. This means that if an agency is buying product and also needs to buy ancillary services (e.g.: consulting and training) under the same contract for the purposes of customizing the product, or product roll-out and implementation, the agency may be able to purchase those services up to 20% of the value of the product and first year's maintenance.



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Umbrella Contract – Distributor Based

Umbrella Distributor-Based Contract

- The contract will provide clear procurement instructions, templates, and training for authorized users
- Products will not be offered across multiple contracts. For example, if you're on a manufacturer based contract, you cannot be offered under a distributor based contract
- This contract will be procured via solicitation (IFB/RFP)
- Multiple lots are projected: starting with hardware
- Each lot will have three awards to resellers - these resellers will provide access to manufacturers not contracting directly
- Standard Procurement thresholds will be used:
 - Purchases under \$50,000 will be discretionary procurements (recommend competition)
 - Purchases over \$50,000 procurements must be bid out (RFQ)



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Request for Comments

The following Request for Comments (RFC) have been issued to solicit commentary from vendors on specific sections of a draft Solicitation for the Initiative described within this summary. Vendors interested in participating in any possible future opportunities are encouraged to respond to this RFC. RFC are available at the following links:

RFC 22772 - Project Based Consulting (Statewide)

<http://www.ogs.ny.gov/purchase/biddocument/22772rfc.asp>

RFC 22802 Information Technology Umbrella – Manufacture Based (Statewide)

<http://www.ogs.ny.gov/purchase/biddocument/22822BID.ASP>

Comments are due by August 6, 11:00 am, EST



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