

Services Committee

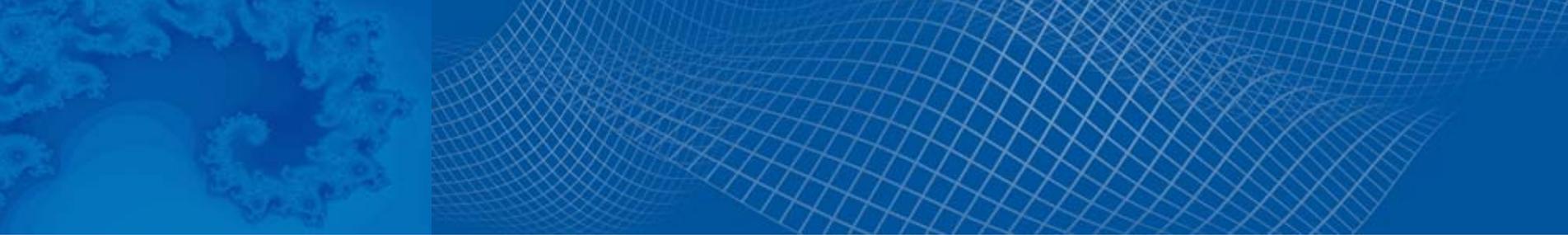


Portal eServices Concept Exploration Document
April 27, 2007



Portal eServices

- On March 21, 2007, Technology Services Board (TSB) directed Department of Technology Services (DTS) to develop Portal eServices Concept Exploration Document for Services Committee.
- Document contains:
 - History
 - Current problems
 - Objectives
 - Proposed solution



Department of Technology Services



Portal Redesign Project – Long Term Solutions

**Technology Services Board
Services Committee**
April 27, 2007

The Problem Being Addressed

■ Competency

- In general, the State lacks the experience and capabilities across most departments to effectively deliver web-based services to the public.
 - Abilities do exist in pockets within the State, especially in larger departments.
- Contracting for these resources on a one-off basis is time-consuming and a resource drain on departments.

■ Infrastructure

- The existing State shared service portal infrastructure is outdated and ineffective.
- Departments have a variety of sophistication and capability in the web infrastructure currently deployed – the common denominator is low.

The proposed solution lowers the barrier of entry by providing departments a shared infrastructure (reducing cost and risk) and the skilled resources (increasing time to market and quality) required to execute web-based services for the public.

Alternatives Considered

	Description	Advantage	Disadvantage
1	Fully In-house Solution	<ul style="list-style-type: none"> Maximize DTS and agency control Opportunity to build DTS skills and capabilities 	<ul style="list-style-type: none"> Skills / Headcount gaps at DTS and Agencies Application Development / Maintenance not a DTS core competency Lack of Agency confidence High risk of delay / cost overruns
2	Leverage Vendors for Implementation <ul style="list-style-type: none"> Initial Design/Build Agency Design/Build In-house Support and Management	<ul style="list-style-type: none"> Faster to market with better solutions Leverage external skills, resources and capabilities Competitive intensity – leverage multiple vendors 	<ul style="list-style-type: none"> DTS does not have the skills/headcount to maintain and evolve solution/portal apps. Requires tight management of vendor deliverables Requires DTS to take full responsibility for driving adoption
3	Leverage Vendor for Implementation & Ongoing Portal Management <ul style="list-style-type: none"> Initial Design/Build Agency Design/Build Ongoing portal support Promote adoption 	<ul style="list-style-type: none"> Faster to market with better solutions Leverage external skills, resources and capabilities Leverage DTS core competency: hosting Vendor is a partner in promoting adoption 	<ul style="list-style-type: none"> Difficult to construct a scalable contracting vehicle / business model Potential for finger-pointing Potential for vendor lock-in
4	Outsourced Portal <ul style="list-style-type: none"> Vendor responsible for all aspects of the solution (incl. hosting & infra.) 	<ul style="list-style-type: none"> Vendor fully accountable for all aspects of portal implementation and operation Less finger-pointing 	<ul style="list-style-type: none"> Inconsistent with DTS's mission Lack of control Did not work well in the past

Proposed Solution Overview

Key Attributes	Rationale
Commercially available software – standards based	<ul style="list-style-type: none"> ▪ Avoid vendor lock-in ▪ Able to be supported by other vendors and / or brought in-house
Single vendor managed solution	<ul style="list-style-type: none"> ▪ Lack of DTS competency / capabilities ▪ Reduces delivery complexity / risk ▪ Vendor commitment to drive adoption ▪ Potential for vendor to subsidize up-front cost
Hosted by DTS	<ul style="list-style-type: none"> ▪ Leverage existing State people and infrastructure
Fixed fee for initial deployment and operations of base platform	<ul style="list-style-type: none"> ▪ Transfer risk to vendor
Usage / rate based fees for subsequent deployments	<ul style="list-style-type: none"> ▪ Competitively established rates ▪ Pay only as services are required and customers are signed up
Agencies have option to self-develop or contract for development	<ul style="list-style-type: none"> ▪ Agency flexibility ▪ No vendor monopoly

Portal eServices - Concept Exploration Document
Response to Services Committee Member Question

During the individual Services Committee member briefings, the Department of Technology Services (DTS) received two questions that require an additional DTS response. We would like to share these questions and our response, as described below, with the other committee members and the public.

- ***When examining the proposals from the competing vendors, how will DTS know which vendor provides the best “rates” in its proposal for application development services?***

The procurement would have a conceptual phase in which we would solicit innovative approaches from the bidders on business/charging models. We propose to design the procurement in this manner in order to identify the best way to ensure competitive market rates for services of an unknown quantity and unknown duration

Regardless of the final business model that is selected, vendors would be evaluated on the competitiveness of their proposed model or rate structure. Essentially, the vendors would propose a rate schedule for a variety of services and that schedule would be compared with other bidders.

- ***How will DTS ensure that the vendor rate schedules continues to be market competitive?***

There are two primary mechanisms that could be put in place to ensure market competitiveness.

First, there is no guarantee to the vendor that they will be the only choice for providing these services. If the vendor's rates are not priced competitively, departments would maintain the option of procuring resources outside of this contract. While it may be more time consuming for departments to do this, there would still be a degree of market pressure to ensure rates are competitive.

Second, vendor oversight will be provided by the Portal Steering Committee and the eServices Office. This would include a full accounting of the services they have provided and the rates and fees collected on a periodic basis. Depending on the business model selected through the conceptual phase of the RFP, the specifics for this process would be further defined. Regardless of the final details, this mechanism would act as a regulating force to ensure the vendor acts similar to a regulated utility in terms of pricing services.



Recommendation

- Recommend that the Services Committee approve the Portal Services Concept Exploration Document.
- After the approval, next steps would be:
 - Receive Department of Finance's approval to release the Request for Proposal.
 - Conduct the procurement.
 - Issue the Intent to Award.
 - Submit Portal eServices Business Plan to Technology Services Board.