eGovernment Workgroup

RE-PROCUREMENT STATUS

JUNE 2018

Agenda

➢Guiding Principles

➢Current Model
  ◦ Timeline
  ◦ Contract and procurement
  ◦ Funding

➢Pros and Cons

➢Recommended Model
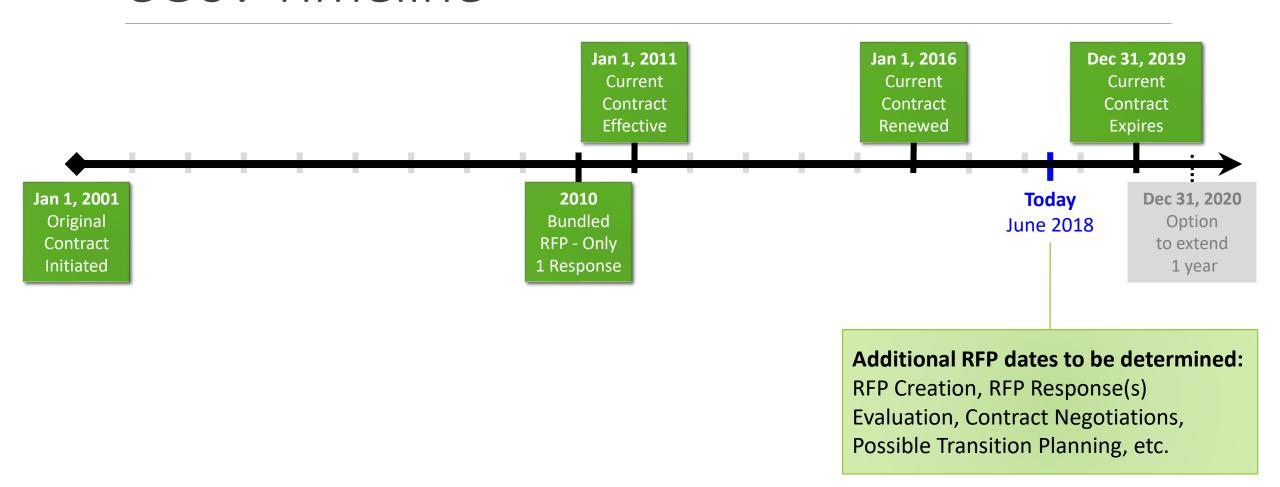 ◦ Contract and procurement
  ◦ Funding

➢Next Steps

Many thanks to all of the following organizations who contributed to our analysis:
  ◦ Broadwater County
  ◦ Department of Administration (DOA)
  ◦ Department of Commerce (DOC)
  ◦ Department of Health and Human Services (DPHHS)
  ◦ Department of Justice (DOJ)
  ◦ Department of Labor and Industry (DLI)
  ◦ Department of Revenue (DOR)
  ◦ Lewis and Clark County (L&C)
  ◦ Montana Association of Counties (MACO)
  ◦ Montana Department of Transportation (MDT)
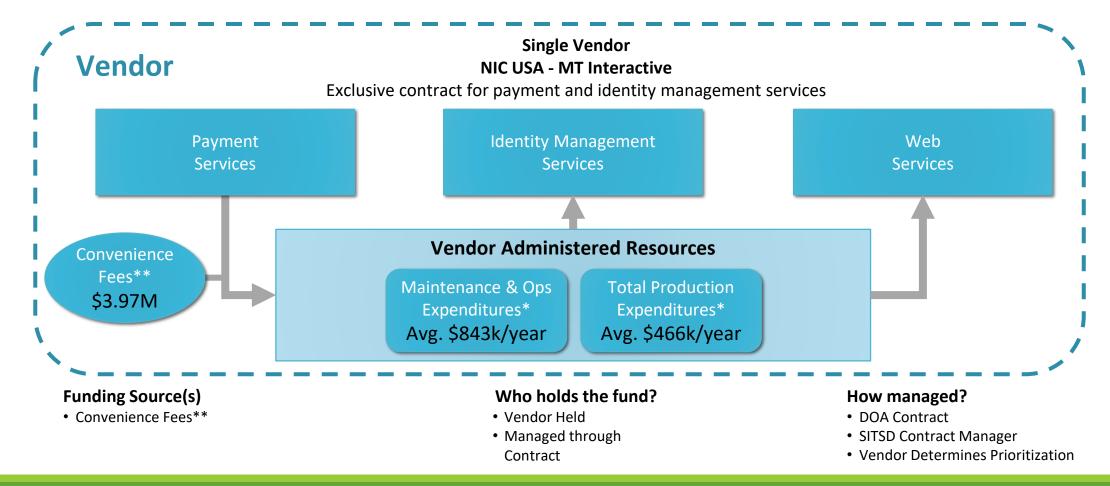 ◦ University of Montana (UM)

eGov Re-Procurement Guiding Principles

➢Obtain contracted eGovernment services for the state. The intent is to go out for RFP.

➢Identify the current and future needs of the state of Montana and its political subdivisions.

➢Goal is to re-examine eGovernment business and funding models.

➢Encourage competition, incentivize innovation.

➢Allow consideration for proposals/contracts with services that are not necessarily bundled or mutually exclusive.

➢Minimize interruption of current services and provide a seamless transition.

➢Don't lose any existing services.

eGov Timeline

Jan 1, 2001
Original
Contract
Initiated

2010
Bundled
RFP - Only
1 Response

Jan 1, 2011
Current
Contract
Effective

Jan 1, 2016
Current
Contract
Renewed

Today
June 2018

Dec 31, 2019
Current
Contract
Expires

Dec 31, 2020
Option
to extend
1 year

Additional RFP dates to be determined:
RFP Creation, RFP Response(s)
Evaluation, Contract Negotiations,
Possible Transition Planning, etc.

eGov Current Model
Bundled Funding, Single RFP

Vendor

Single Vendor
NIC USA - MT Interactive
Exclusive contract for payment and identity management services

| Payment Services | Identity Management Services | Web Services |

Convenience Fees** $3.97M

Vendor Administered Resources

Maintenance & Ops Expenditures*
Avg. $843k/year

Total Production Expenditures*
Avg. $466k/year

Funding Source(s)
• Convenience Fees**

Who holds the fund?
• Vendor Held
• Managed through Contract

How managed?
• DOA Contract
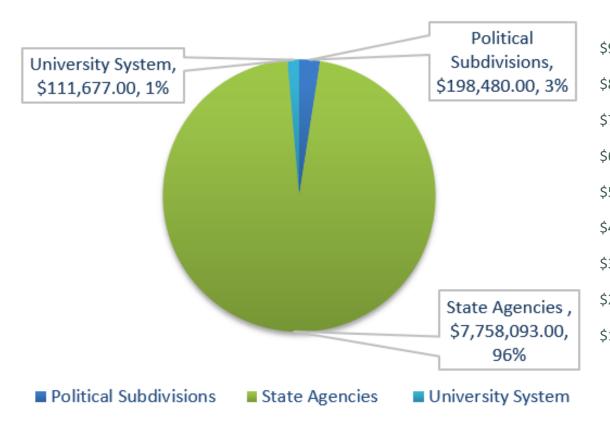• SITSD Contract Manager
• Vendor Determines Prioritization

*Data from MT Interactive Annual GM Reports: 3-year average 2015, 2016, 2017.
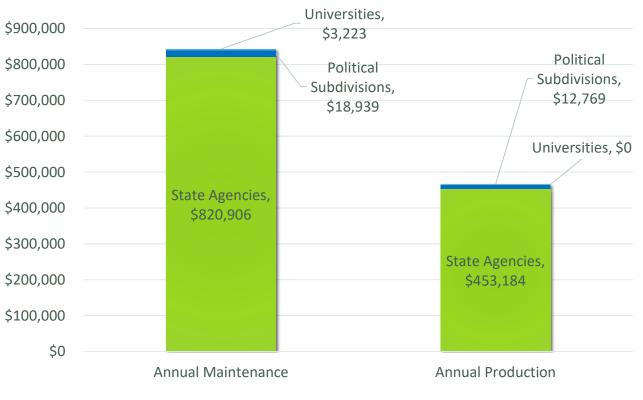**Data from MT Interactive Convenience Fee Report provided May 24, 2018.

How the funds are allocated today…

Total Production Costs since 2001

University System, $111,677.00, 1%

Political Subdivisions, $198,480.00, 3%

State Agencies, $7,758,093.00, 96%

■ Political Subdivisions ■ State Agencies ■ University System

Annual Maintenance & Production Cost
(Based on 3-year average: 2015, 2016, 2017)

Universities, $3,223

Political Subdivisions, $18,939

Political Subdivisions, $12,769

Universities, $0

State Agencies, $820,906

State Agencies, $453,184

$900,000
$800,000
$700,000
$600,000
$500,000
$400,000
$300,000
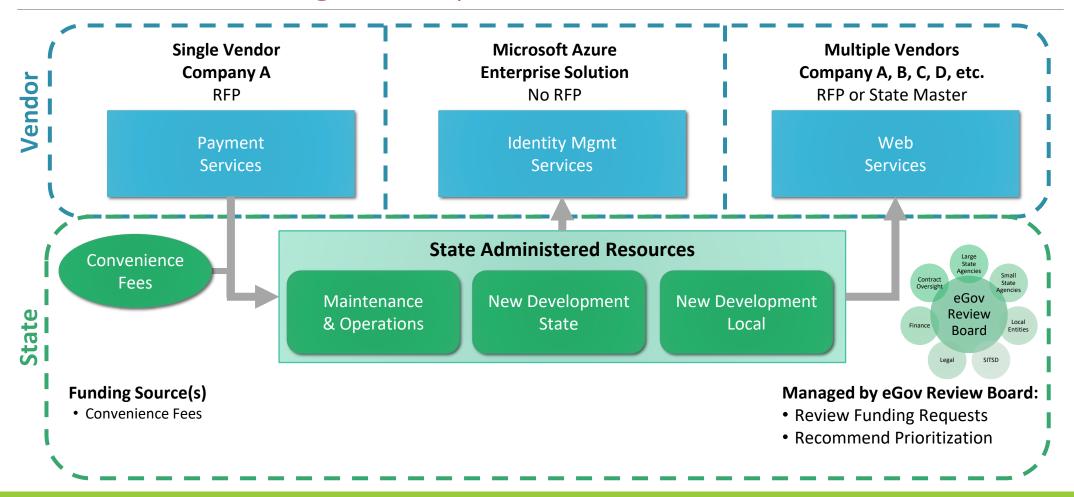$200,000
$100,000
$0

Annual Maintenance   Annual Production

Pros/Cons: Single vs. Multiple RFPs

Options	Pros	Cons
Multiple RFPs (Recommended)	• Allows for one or more vendors • Encourages competition • Vendors can compete on both RFPs • Allows for "best in class" selection • Allows for significant cost savings on Identity Management Services (MS Azure B2C) • Potential cost savings and faster implementation timelines	• Potential for multiple vendors and contracts to manage • Potential additional state portfolio management needed • More challenging to manage standardization
Single RFP (Today)	• Only one vendor to manage • Easier to manage standardization • Centralized Help Desk	• Lack of competition • Limits specialized vendor expertise • No opportunity to drive down cost or negotiate

Pros/Cons: Who administers the resources?

Options	Pros	Cons
State Administered Resources (Recommended)	• Greater transparency to agencies and public • Alignment of mandates, goals and current priorities for online services • Priorities are decided by self-governing process • Resources allocated by stakeholder demand • Potential for more than one vendor resulting in faster implementation timelines	• Added layers to decision making process • Potential for additional state resources needed
Vendor Administered Resources (Today)	• Single decision maker	• Limited transparency • Limited influence on priorities

eGov Recommendation
Bundled Funding, Multiple RFPs

Vendor

Single Vendor
Company A
RFP

Payment Services

Microsoft Azure
Enterprise Solution
No RFP

Identity Mgmt Services

Multiple Vendors
Company A, B, C, D, etc.
RFP or State Master

Web Services

State

Convenience Fees

State Administered Resources

Maintenance & Operations

New Development State

New Development Local

eGov Review Board

Large State Agencies
Small State Agencies
Contract Oversight
Local Entities
Finance
Legal
SITSD

Funding Source(s)
• Convenience Fees

Managed by eGov Review Board:
• Review Funding Requests
• Recommend Prioritization

Realizing our Guiding Principles...

Guiding Principles	How Realized
Obtain contracted eGovernment services for the state. The intent is to go out for RFP.	✓ The recommendation is to go out for multiple RFPs.
Identify the current and future needs of the state of Montana and its political subdivisions.	✓ The recommendation will provide for maintenance and operations, new services for state agencies, and new services for political subdivisions.
Goal is to re-examine eGovernment business and funding models.	✓ The team reached out and evaluated survey and RFI responses from other jurisdictions and vendors.
Encourage competition, incentivize innovation.	✓ The recommendation will allow for one or more vendors and "best in class" selection.
Allow consideration for proposals/contracts with services that are not necessarily bundled or mutually exclusive.	✓ The recommendation is to go out for multiple RFPs.
Minimize interruption of current services and provide a seamless transition.	✓ Should a transition become necessary, transition planning will take place at a later time.
Don't lose any existing services.	✓ The recommended model would cover all existing maintenance & operations costs, and allow additional funds for new development.

Next Steps

➢ ITMC and ITB input on direction:
- State Administered Resources
- Multiple RFPs:
  - Payment Services
  - Web Services
- Microsoft Azure B2C for Identity Management Services