

PROCUREMENT - A SUPPLIERS PERSPECTIVE

- OCIO Design Thinking Workshop
- Experience from Telstra Perspective
- AIIA – an Industry view

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THE WRONG HEADLINE



The screenshot shows a ZDNet article page. At the top left is the ZDNet logo. A navigation bar contains links for Home, Hot Topics, Newsletters, Reviews, Downloads, and White Papers. Below this is a secondary navigation bar with categories: AU Edition, Storage, Security, Cloud, IT Jobs, Small Business, and Virtualization. The main content area features a yellow banner with the text "MUST READ With build 10122, Windows 10 finally starts com". Below the banner, the article topic is "Enterprise Software" and there is a "Follow via:" link with an RSS icon. The main headline reads "Queensland govt bought wrong IBM product for Health IT: Bligh". A summary follows: "Former Queensland Premier Anna Bligh has acknowledged that when the state government partnered with IBM to roll out its new health payroll system in 2010, it bought the wrong one." At the bottom, the author is identified as Aimee Chanthadavong, dated May 19, 2015. There is a social media link to @achanthadavong and a button to "Get the ZDNet Must Read News Alerts - AU newsletter now".

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Topic: Enterprise Software Follow via: 

Queensland govt bought wrong IBM product for Health IT: Bligh

Summary: Former Queensland Premier Anna Bligh has acknowledged that when the state government partnered with IBM to roll out its new health payroll system in 2010, it bought the wrong one.

By Aimee Chanthadavong | May 19, 2015 -- 02:05 GMT (12:05 AEST)

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OCIO 'DESIGN THINKING' WORKSHOP

Sought Ideas to improve Strategic ICT procurement.

- Managing tension between offering fair market opportunities for all businesses and delivering robust, resilient, secure across-government ICT services.

Aspiration:

- An ICT sourcing and procurement process that is fair, timely, innovative, delivers value for money for South Australia, and accommodates a broad range of suppliers.

Mapped the current process and identified 'Pain Points'

FIVE THEMES DEVELOPED

1. Streamlined **Approvals Process**
2. **Simplified Process** for low-risk procurements
3. Improved Agency **Engagement**
4. Improved Industry **Engagement**
5. Improved Citizen **Engagement**

Simplified Procurement Process

Improved Industry Engagement

Complex Process

High risk / High value

Lite Process

Low risk / Low value

GOVERNANCE

Procurement Type

- Complex, customised services

Planning

- Comprehensive Agency engagement
- Extensive Market Research
- Procurement Strategy
- Acquisition Plan

Complex Market Approach

- Industry engagement
- Complex, detailed specifications
- Typically involves EOJ or RFP

Evaluation

- Significant evaluation processes
- Extensive use of Specialist Advisors

Negotiation

- Complex contracts with significant Schedule 5 specifications

Transition

- Transition team
- Significant coordination between Incumbent, new Supplier and Agencies

GOVERNANCE

Procurement Type

- Product based, highly commoditised

Planning

- Minimal Agency engagement
- Minimal Market Research
- Acquisition Strategy

Simple Market Approach

- Simplified specifications
- Typically involves RFT

Evaluation

- Simplified and streamlined evaluation (e.g. weighted scoring)

Negotiation

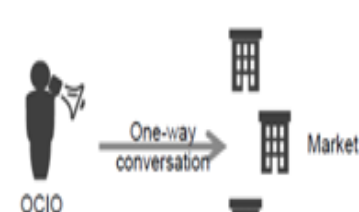
- Standard contracts with clear, pre-defined Schedule 5 specifications

Transition

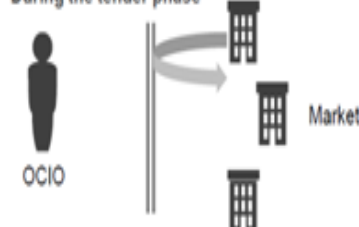
- Minimal coordination (Lite-touch) between Incumbent, new Supplier and Agencies

Current Pre-tender phase

Consultation meetings between OCIO and industry, but procurement strategy has already been set

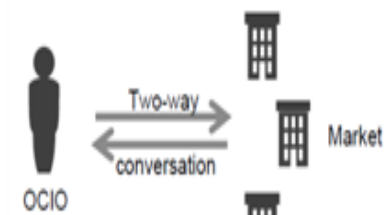


During the tender phase



Future Pre-tender phase

Consultation meetings between OCIO and industry, with procurement strategy based on informed decisions



During the tender phase



TELSTRA PROCUREMENTS

- ❖ Tranche 2 RFTs and RFQs
 - ❖ Voice & Data (TSP)
 - ❖ Mobiles (MCS)
 - ❖ SAGEMS
 - ❖ Active Devices
 - ❖ Managed Network Services
 - ❖ Government Radio Network
 - ❖ Operations and Maintenance
 - ❖ EOI for Digital Upgrade
 - ❖ Marine Radio Network
 - ❖ SA Health Bedside Computing
 - ❖ DECD Learn link
 - ❖ Fire Alarm Lines PAPL Replacements
 - ❖ SAFECOM Alert SA / Emergency Alert
 - ❖ Hosting Services Panel
- ❖ Tranche 3
 - ❖ EOI
 - ❖ RFT for NMS
 - ❖ RFT for Network Devices
 - ❖ RFT for Network Internet
 - ❖ RFT For MBCS
 - ❖ RFT for Network Carriage
 - ❖ RFQs for Network Carriage
 - ❖ SAFECOM Alert SA
 - ❖ Hosting Services Panel
 - ❖ And Numerous other smaller RFQ's

WHAT WE DO WHEN WE GET A RFT

- ❖ Sales Opportunity Management Process
- ❖ CRM system – reporting, forecasting
- ❖ Bid Resource Allocation – product, price, legal, commercial, risk, quality, bid manager
- ❖ Solution design, costing
- ❖ Solution review
- ❖ Authority to Submit - Governance

DISCUSSION POINTS

- ❖ Pre Engagement Process
- ❖ Timeframes and extension requests
- ❖ Multiple RFQ's in market impact on resources
- ❖ Who is the Decision Maker for this Deal...?
- ❖ EOI, RFT, BAFO, RFQ – Resource cost
- ❖ Repeat Information: Staff, HSE, Annual Reports
- ❖ Re-negotiating Clauses across Agreements
- ❖ Why we don't agree to some terms...& others do

DISCUSSION POINTS (CONT)

- ❖ RFT's for small procurements (under \$100k)
- ❖ Fragmenting suppliers / industry capability
- ❖ Linking Procurements
- ❖ Procurement Progress reporting
- ❖ Unsolicited Proposals

AIIA

AIIA believes that **efficient and effective procurement of ICT by governments:**

- ❖ **Delivers transformative opportunities for government in the delivery of services to citizens;**
- ❖ **facilitates industry development for the ICT sector and underpins the development of non ICT sectors; and**
- ❖ **ensures accountability and transparency for all stakeholders.**

CONCEPT VIABILITY / EARLY ENGAGEMENT

Early involvement of suppliers can:

- ✘ **eliminate waste and potential project failure**
- ✘ **allow suppliers to show how the market can, or cannot, meet the need**
- ✘ **provide early visibility of key risks and issues**
- ✘ **give suppliers the opportunity to manage expectations of what they can and cannot contribute to the proposed program**

AIIA AND SA GOVERNMENT

- ✘ Connected SA
- ✘ Cloud Services Policy
- ✘ Digital SA
- ✘ Industry Liaison Group
- ✘ E Projects – Low Value / Low Risk ICT
- ✘ Digital Marketplace
- ✘ ‘Design Thinking’ Workshop
- ✘ iAwards
- ✘ Office of the Industry Advocate