



NASCIO 2019 State IT Recognition Awards



Title: Market Test and Rebid:
Next-Gen Brokering of IT Services

Category: State CIO Office Special Recognition

State: Georgia

Contact: Calvin Rhodes, State CIO
Calvin.Rhodes@gta.ga.gov
404.463.2340

Project Initiation Date: March 2015

Project Completion Date: November 2018

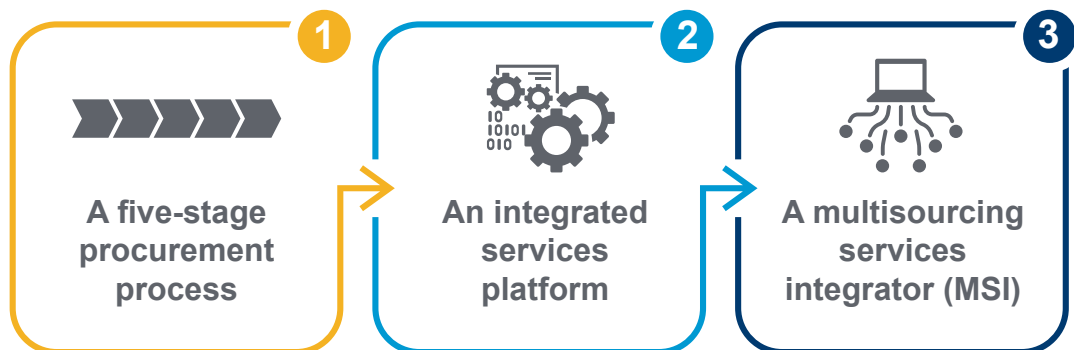
EXECUTIVE SUMMARY

Procurement reform has been a focus of the National Association of State Chief Information Officers (NASCIO) since at least 2016, when it published "[Recommendations for Improved IT Procurement.](#)" NASCIO subsequently published additional papers and partnered with the National Association of State Procurement Officials (NASPO) on a joint roundtable and a joint task force to address various issues related to technology procurement.

Many of the issues that led to these collaborative efforts were confronting Georgia's chief information officer (CIO). The state's CIO leads the Georgia Technology Authority (GTA) and exerts executive oversight for the [Georgia Enterprise Technology Services \(GETS\)](#) program, a public-private partnership for providing technology services to state agencies. Georgia's CIO recognized the need for an improved approach to procurement that would better ensure competitive pricing and market innovation to meet the needs of GTA's customer agencies. This improved approach would have to overcome the limitations of traditional service benchmarking, which tended toward limited remedial adjustments. The CIO wanted to make it easier to regularly rebid services, expand the number of service providers, and efficiently replace service providers when warranted. In other words, the CIO wanted a plug-and-play capability.



The resulting approach, branded within GTA as Market Test and Rebid (MTR), has three primary components:



In addition, the MTR approach relies on a regularly updated services management manual, standardized processes and tools across all service providers, common contract documents, and a governance model focused on engaging customer agencies to identify business needs.

Using MTR's five-stage procurement process, GTA competitively rebid mainframe, print and mailroom/courier, end-user computing, and server services. Facilitated by an integrated services platform that includes an MSI, the re-procurements reduced overall costs by **20 percent** and increased service provider participation in the GETS program by **300 percent**. The cost savings allowed for the procurement of managed security services as an entirely new service line, and the rebidding of existing services resulted in numerous service enhancements. Such services include enhanced voice over internet protocol (VoIP), cloud-hosted server and storage, end-to-end print-to-mail, enhanced mobile device management, and virtual desktop. The process is ongoing, as MTR represents a strategy of continued involvement with the market through incumbent and potential service providers.

Governments at all levels can adopt an MTR-style approach as a model for restructuring their own technology procurements to better align technology to business outcomes and ensure greater benefits across their IT enterprise.



PROJECT CONCEPT

Rapid changes in the technology marketplace and frustration with traditional benchmarking strategies were presenting significant challenges to the state of Georgia. Since 2009, Georgia has provided technology services to state agencies through a public-private partnership called the Georgia Enterprise Technology Services (GETS) program. The GETS program is overseen by the state's chief information officer in his role as head of the Georgia Technology Authority (GTA).

Spending on technology services through the GETS program now tops \$200 million annually. The program provides a full range of IT infrastructure and managed network services for 14 agencies in the executive branch and selected services for many other agencies.

IT infrastructure services include:

- Data center with both mainframe and midrange computers
- Desktop management for 40,000 end users
- Help desk
- Email for 54,000 accounts
- Print, mail, mailroom, and courier
- Cybersecurity
- Incident management
- Disaster recovery

Managed network services include:

- Local area network
- Wide area network
- Voice services

GETS technology services were initially the responsibility of two service providers: one for infrastructure services and another for managed network services. The reliance on two large service providers made sense 10 years ago, but the technology marketplace soon began changing at a dizzying pace. New technology services and delivery mechanisms, such as cloud computing and mobile solutions, were launched. The marketplace became more competitive than ever before. Private-sector companies quickly adopted new technologies that allowed them to operate more efficiently and offer more responsive customer service. Government agencies faced intense pressure to follow suit.

At the same time, GTA was growing increasingly dissatisfied with traditional means of benchmarking service delivery. Although GTA followed industry-standard practices, those benchmarking practices failed to give GTA the confidence that it was meeting its dual objectives of ensuring market pricing and innovation. GTA's exercise of its benchmarking rights often proved challenging and left both GTA and the service provider frustrated by the process and results. Specific challenges included difficulties in identifying similar customer-provider relationships and service provider concerns about proprietary solutions and associated pricing. To compound the dissatisfaction, traditional benchmarking solutions produced only limited remedial adjustments, despite costly efforts, including audits.

GTA needed a new approach that would ensure competitive pricing and technology innovation from service providers while also overcoming the limitations of traditional benchmarking.

In response, GTA drew on the experience of its partner-consultant, [Integrus Applied](#), to devise the Market Test and Rebid (MTR) approach for the GETS program. Underpinning MTR are two premises:

- Frequently rebidding services makes it possible to identify available services and their current market cost in a way traditional benchmarking cannot.
- Getting the best mix of services at the best price in today's market means contracting with multiple providers.

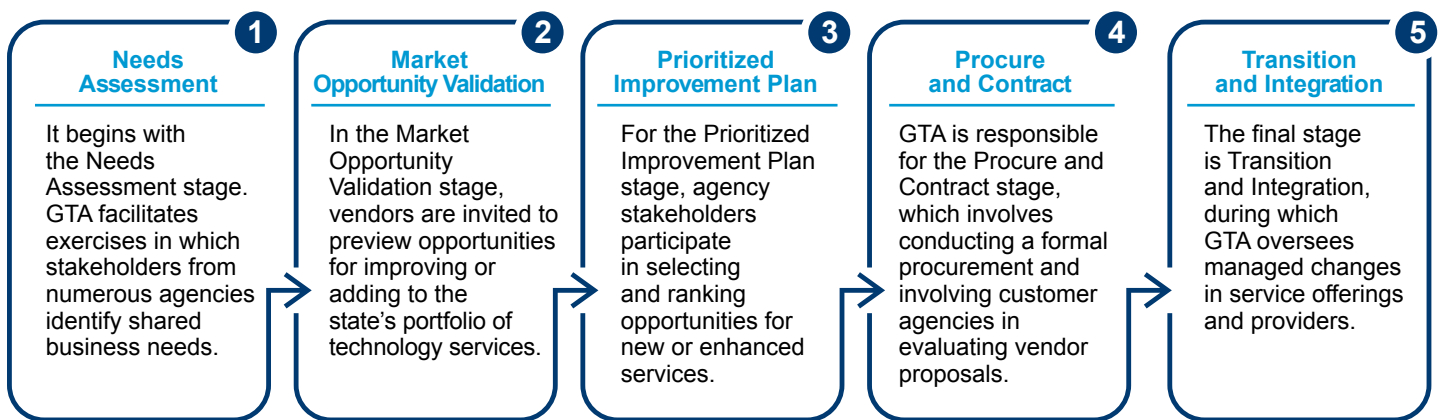


MTR involves strategically bundling services and regularly rebidding them as a contract expires or during the term of a contract by invoking early termination rights. Recognizing that MTR would mean regular changes to the lineup of GETS service providers, GTA also adopted an integrated services platform that includes a multisourcing services integrator (MSI).

The result is a plug-and-play capability in which the replacement and integration of service providers is efficient and straightforward for both GTA and its customer agencies. At the same time, MTR exerts ongoing competitive pressure to reduce service costs and improve service delivery. It means GTA can constantly poll the marketplace for new or enhanced services to better meet agencies' changing business needs.

PROJECT SIGNIFICANCE

MTR marked a new phase in the GETS program beginning in 2017. MTR uses a five-stage process to match the business needs of customer agencies to the best-suited technology services available.



Fully implementing MTR depended on building an integrated services platform, and key to the platform was an MSI. GTA conducted a competitive bid and selected [Capgemini](#) as the GETS program MSI in 2015. Capgemini assumed responsibility for coordinating the delivery of technology services to customer agencies by multiple service providers. It also took over help desk, service catalog, and asset management services from the incumbent provider of IT infrastructure services.

The state CIO, other GTA leaders, and Capgemini worked closely to develop and implement the following MTR components:

- A comprehensive **services management manual** that is regularly reviewed and updated
- **Processes**, including operating level agreements and shared service levels, to ensure cooperation among service providers and the smooth transition and integration of new service providers
- **Service agreements** consistent with the new, standardized processes and tools
- Common **contract documents** that include provisions for flexible contract periods; early termination rights, both full and partial; and the ability to renew or extend contracts
- A **governance model** focused on engaging agencies to determine their future needs

Capgemini implemented 28 enterprise processes and 15 tools for managing service delivery and worked with existing providers to align their services with the new processes and tools. Many MSI functions were designed around the IT Infrastructure Library framework, which helps standardize the selection, planning, delivery, and maintenance of IT services.

With the integrated services platform and the MSI both in place, GTA was ready to begin rebidding technology services for the GETS program.



PROJECT IMPACT

Using MTR’s five-stage process, GTA initiated competitive rebids of mainframe, print and mailroom/ courier, end-user computing, and server services in 2017. The re-procurements resulted in an overall 20 percent reduction in costs, which produced enough savings to allow for an entirely new procurement of managed security services in 2018.

The following chart shows the savings target for each service and the actual savings achieved.

SERVICE	SAVINGS TARGET	ACTUAL SAVINGS
MAINFRAME	20%	36%
PRINT AND MAILROOM/COURIER	20%	22%
END-USER COMPUTING	0-10%	9%
SERVER	10-20%	20%

Along with the adoption of an integrated services platform that includes an MSI, the re-procurements also increased service provider participation in the GETS program by more than 300 percent, with the number of service providers expanding from two to seven.

The procurements reduced overall costs by 20 percent and increased service provider participation by 300 percent.



Strategically bundling and rebidding services made it possible for GTA to offer the following new and enhanced services to GETS customer agencies:

- Enhanced voice over internet protocol (VoIP)
- Cloud-hosted server and storage
- End-to-end print-to-mail
- Enhanced mobile device management
- Virtual desktop

Mainframe services

GTA awarded a contract for mainframe services to [Atos](#) in June 2017. The company assumed responsibility for service delivery following a months-long, carefully coordinated handoff from IBM, the previous service provider. Mainframe processing continues at the state’s North Atlanta Data Center (NADC). Storage and virtual tape systems are also updated at the NADC, and a backup mainframe environment was established at a data center in Austin, Texas.

In coordination with Atos and Capgemini, GTA performed a GETS mainframe upgrade during 2018. The new central processing unit aligned mainframe capacity with agencies’ needs and improved mainframe processing. To help ensure a smooth transition, agencies participated in mainframe application testing in conjunction with the upgrade.



Print and mailroom/courier services



GTA awarded a contract for mail and mailroom/courier services to [Xerox](#) in January 2018. Xerox has provided print services since the beginning of the GETS program in 2009, and now with a new contract, the company is stretching its reach to serve even more customers. The new contract delivers not only enhanced print services but also mailroom and courier services from the Capitol Hill Mailroom in Atlanta's Twin Towers building. The expanded service allows customers to print, package, and mail, all through a single provider.

End-user computing (EUC) services



GTA awarded a contract for EUC services to [NTT Data](#) in January 2018. These services center on the computer on state workers' desks and the technicians who help if there's a problem with their computers. They encompass tools like anti-virus and encryption software that protect computers, network printers, and refreshing laptop and desktop computers and network printers on a regular schedule.

Automated refresh notifications, self-service scheduling of refresh appointments, automated reminders, and refresh completion acknowledgements are being introduced along with an enhanced EUC hardware depot. The enhanced depot enables the delivery of most standard EUC catalog items within five days.

NTT Data is providing more complete information about software license management to GETS customer agencies, helping agencies ensure licensing compliance. In addition, NTT Data envisions something entirely new to the GETS program – a kind of micro EUC support center. Called a tech bar, it can be ordered and situated right on the premises of an agency's office space.

Server services



GTA awarded a contract for server services to [Unisys](#) in June 2018. Unisys began providing services on January 1, 2019, as responsibility transferred from IBM, the provider of server services since 2009, following the expiration of its contract. Server services encompass server hardware, whether hosted in the NADC or elsewhere, along with identity and directory management, disaster recovery, and storage services. Cloud broker services are being introduced to help guide choices that may involve cloud computing services.

Other network services



In addition to the major IT infrastructure services renegotiated in 2018, wireless WAN backup and VoIP services were added to the GETS program's portfolio of network services.

Managed security services



GTA awarded a contract for managed security services to Atos in November 2018, and services are scheduled to be available to GETS customer agencies on July 1, 2019. Managed security services are an important addition to the GETS program that was made possible by the considerable savings identified through the re-procurement of IT infrastructure services. The goal is to enhance the security services already provided to GETS customer agencies by adding access to specialized resources, advanced technology, and dedicated support. More specifically, GTA is establishing a centralized security operations center; a governance, risk management, and compliance capability; and a security incident and event management function.

The remaining three service providers for the GETS program are Microsoft for cloud-based email services, AT&T for managed network services, and Capgemini for MSI services.



Transitioning from one service provider to another



Of course, the transition from one GETS service provider to another doesn't happen with the flip of a switch. It takes careful coordination among all participants, including state agencies, GETS program managers, and incoming and outgoing service providers. For example, the transition team for mainframe services made knowledge transfer a high priority and met regularly with representatives from state agencies to keep them fully informed about the transition's progress.

Ongoing commitment



GTA's MTR approach represents an innovative step forward in sourcing technology services of all kinds. It offers a procurement model that governments at all levels can adapt to their particular circumstances and needs. MTR is designed to provide a plug-and-play capability that ensures access to the best-suited technology services at the most competitive pricing possible.

MTR is a continuing practice. A foundational aspect of GTA's procurement strategy is maintaining strong connections to the market through active engagement with incumbent and potential service providers.

MTR enables GTA to establish and sustain those connections and to achieve substantial benefits for our customer agencies. Through the ongoing use of MTR, GTA fully expects to realize equally impressive benefits in the years ahead.

