

## ITAC Comments on the ITSM Procurement process: SSC Solicitation No. 30190

ITAC members are deeply committed to continue working collaboratively with TBS, particularly TBS CIOB, SSC and PSPC to modernize and innovate procurement to achieve optimal enterprise infrastructure products, solutions and services. Our members appreciate the work being done to modernize procurement to focus on outcomes, to simplify contracts and digitize public sector service delivery and move to services in various types of cloud services.

Federal procurement is a powerful instrument of public policy – both economic and social. With the federal government being one of the largest single clients of the Canadian IT industry, its procurements impact the overall prosperity, productivity and investment decisions in our industry.

We appreciate the opportunity to engage with TBS, SSC, PSPC and other federal stakeholders. Our members have been actively and diligently working, through ITAC, as one voice for our members, to support procurement modernization over the past years and providing feedback in support of obtaining high performance products, services and solutions to support the GC enterprise.

ITAC takes procurement challenges brought to us by members very seriously. Issues documents or discussions are held with the originating department when member-wide issues are found.

The SSC ITSM procurement has been a long year journey as SSC determined its needs. There were attempts at previous procurements (files No. 15-31240-0/A), which were cancelled while SSC determined the overall approach to be taken.

ITAC members have identified five major concerns with the ITSM RFP. Please accept these comments as a continuation of our feedback in support of open, fair and transparent procurements.

### **Current RFP Status**

ITAC members have been working diligently on preparing bids in response to this RFP. With the release of the responses on February 28, 2019, to the 253 questions raised during the first round of questions, it has now become known to our members that many of the concerns have not been addressed.

Moreover, as our industry members have delved even deeper into this RFP, new issues are surfacing. As a result, ITAC has prepared a comprehensive issues document.

## ITAC Member Issues

### #1 Absence of Formal Industry Engagement on the Final SSC ITSM Approach, RFP

SSC, once it decided on the final approach, moved directly to an RFP without a LOI or draft RFP. Accordingly, suppliers did not have a chance to input into the RFP design. While the RFP included a Q&A period, serious industry issues impacting marketplace competition have not been addressed through the responses to the 253 first round of questions.

### #2 The Procurement is not aligned to the GC Digital Strategy

Large institutions have successfully adopted a full suite of enterprise IT service management tools and processes as they move to digital services. This RFP is limited to basic operational processes for IT services and as such will only provide a limited picture of the financials for IT services. It is providing the same functionalities that SSC has now and has not been designed for the GC's future needs. It is an on premises solution. With a potential 11 year time span and given there is an opportunity to have an expanded set of IT service management processes such as demand management, improved financial management, and IT portfolio and project management that would help catapult the GC to IT enterprise infrastructure management. This is a major concern.

Reference: ITQ Questions (Q) 47, 48 & 116 with Answers(A) 47 & 48; Q 134 and A 133; Q 136 & A 136

### #3 Procurement is not in accordance with the GC Cloud First Strategy

There is an opportunity for SSC to implement a cloud first approach right out of the gate through this procurement whereas SSC is pursuing an on premise solution. It is understood from the "Government Cloud Adoption Strategy 2018 Update" that GC Enterprise Architecture Review Board has a role in making decisions about cloud. This is a practice that ITAC members fully support and our members are wondering if SSC had discussed their decision not to seek a cloud solution (in effect a cloud exemption for ITSM) and if so, was there a solid rationale to proceed with an on premise solution)?

SSC in responding to Q 136 references a cloud brokering service procurement which has yet to be procured, pushing out further the opportunity to move to cloud ITSM services for SSC or its partner organizations.

Reference: Q 136 & answer

### #4 Definition of a Bidder

The definition of bidder, and its tie back to the experience that bidders can bring forward in response to evaluation criteria is a serious concern. This is a problem that ITAC members have repeatedly identified to both SSC and PSPC. A number of our members and their partners have very large ITSM projects successfully completed in our jurisdictions. They have reach back capabilities to bring this experience, expertise and their solutions to their Canadian operations; however, the definition of bidder and the inability to put this experience forward as corporate project experience severely impacts the ability of the Canadian operations to bid. It also affects bidder's partners, some of which are large systems integrators. This makes the misalignment of evaluation criteria and scoring concern, identified as issue 5 below even more acute.

Reference: ITQ Qs 8 and 20 and answers

## **#5 Evaluation Criteria and Scoring Misaligned to Market Place Realities**

This misalignment has resulted in overly restrictive criteria which combined with issue #4, if not addressed, will severely limit competition and prevent SSC from procuring leading ITSM solutions (tools and services) that will take them through their potential 11 year ITSM project. Appendix A provides the details in this regard. Of particular concern is the misalignment of those attributes such as the number of employees which are being used as proxies for the complexity of an ITSM solution implementation.

### **ITAC Request**

While it is appreciated there will be a second round of questions, currently closing at 23:59 on March 5, 2019, respectfully ITAC requests, that in view of the many issues identified herein, that this period be extended by 14 days (2 weeks) to allow adequate engagement between ITAC members and SSC to resolve the identified issues.

The RFP currently closing on March 26, 2019 would then also need to be extended by an additional 2 weeks to April 9, 2019.

### **Closing Comments**

ITAC members look forward to continuing to work with SSC to resolve these issues so that SSC can benefit from maximum competition and achieve a formidable ITSM solution, capable of meeting its future needs.

## Appendix A – Elaboration of Issues with Evaluation Criteria and Scoring Mandatory Criteria

Criteria	Area of Concern	Reason Why Issue	Requested Change
M-2 Corporate Experience	i) Bidder's two mandatory reference contracts must have been delivered by the same core team being proposed to lead the delivery of the ITSM Tool implementation and integration services for SSC	This is viewed as overly restrictive. It is the nature of IT resources that they move around; key resources are often already committed to other projects; they are not sitting on the bench waiting for other ITSM projects. What is key is that the bidder has a core ITSM competency in this field and draw on experienced people.	Delete the requirement that projects must have been delivered by same team proposed for SSC.  It should be enough that the bidder has the corporate experience.
M-2	ii) SSC has already changed the minimum value of the project from \$5 to \$6 M	However, there remains a concern that typical ITSM projects implemented by bidders generally are for a lower total dollar value.	If the definition of bidder allowed for bidders to bring in references from their parent companies or partners from other jurisdictions, the dollar value of the reference would not be a such a significant issue.
M-3	One of the project references was:  i) deployed to support a large scale organization with a minimum of 100,000 employees (although not all employees will have a need to use the ITSM software)	There are very few organizations in Canada that are of this size. For this reason this benchmark is viewed as highly restrictive as it is not reflective of the marketplace of the bidders.  The definition of bidder for SSC and PSPC procurements does not allow the Canadian entities of companies to bring their international experience and corporate expertise to the fore to demonstration such experience in their global markets where there are implementations for organizations of this size.  Additionally, using the number of employees who do not even touch the ITSM as a desirable project attribute has little bearing on the success of an ITSM implementation project.	The organization size in terms of the number of people needs to respect the average size of Canadian companies (in terms of their number of employees) that are implementing enterprise ITSM in Canada.

## Rated Criteria

Criteria	Area of Concern	Reason Why Issue	Requested Change
R-1.1 (Contract reference #1) & R-1.7 (Contract reference #2)	Point rating scoring for total \$ value of the customer reference contracts for the professional services associated with the implementation of the ITSM professional services (Customer Reference contracts #1 & 2)  10 points – over \$12,000k 8 points – \$9,000k to \$11,999K 5 points – \$5,000k to \$8,999K	The dollar values associated with the point allocations are out of sync with the realities of Canadian ITSM implementations. Companies may have these sizes of implementations in other jurisdictions; however, due to the definition of bidder issue, such implementations cannot be used.  The dollar value for this element of a contract is also influenced by the time period that ITSM contracts are put in place which is outside the control of ITSM suppliers.	Realign the scoring with realities of bidder's experience.  A suggested grid is:  10 points – over \$5,000 K 8 points – over \$3,000 K to \$5,000 5 points – \$1,000 K to \$3,000 K
R- 1.2 (Contract reference #1) & R-1.8 (Contract reference #2)	The bidder should demonstrate that the solution was implemented under the customer reference contracts was to support a complex environment, measured in terms of:  a) The number of employees the solution supports:  10 points – over 100,000 employees 8 points – 50,000 to 99, 999 employees 5 points – 5,000 to 49,000 employees; or 1 point – 3,000 to 5,000 employees	Same comments as M3 for 100,000.  This rating scale in terms of points and number of employees is not aligned to the size of organizations in the Canadian marketplace.  Accordingly, it is seen to be overly restrictive.  Moreover this same scale is used repeatedly setting up an impossibility for suppliers with experience in the marketplace to be successful.	A suggested change is:  10 points – over 10,000 employees 8 points – over 8,000 to 10,000 employees 5 points – over 5,000 employees to 8,000 employees; or 1 point – below 5,000 employees  It is suggested that SSC undertake an evaluation of the size of businesses in Canada (in terms of the number of employees) if there is a need to validate the above numbers.

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Criteria	Area of Concern	Reason Why Issue	Requested Change
R-2.3 (Contract reference #1) & R-2.7 (Contract reference #2)	The customer project was deployed in excess of 3,00 employees  10 points – over 100,000 employees 8 points – 50,000 to 99, 999 employees 5 points – 5,000 to 49,000 employees; or 1 point – 3,000 to 5,000 employees	Same comments as R-1.2 and R-1.8	A suggested change is:  10 points – over 10,000 employees 8 points – over 8,000 to 10,000 employees 5 points – over 5,000 employees to 8,000 employees; or 1 point – below 5,000 employees  It is suggested that SSC undertake an evaluation of the size of businesses in Canada (in terms of the number of employees) if there is a need to validate the above numbers.
R-2.4 (Contract reference #1) & R-2.8 (Contract reference #2)	A bilingual implementation was deployed under the customer reference project  10 points- Bilingual implementation (Canadian French and Canadian English); or 5 points - Bilingual implementation (any two languages)	There are common challenges associated with implementing a solution in multiple languages and suppliers who have met these challenges regardless of what the bilingual profile is, should be recognized. The difference between a 10 point score and a 5 point score represents a 100% differential in this scoring which is considered excessive.	Revised scoring for R-2.4 and R-2.8  10 points- Bilingual implementation (Canadian French and Canadian English); or 8 points - Bilingual implementation (any two languages)
R-2.11 (Contract reference #3)	The customer project was deployed in excess of 3,00 employees  10 points – over 100,000 employees 8 points – 50,000 to 99, 999 employees 5 points – 5,000 to 49,000 employees; or	Same comments as R-1.2 and R-1.8	Same change as proposed for R-2.3 and R-2.7

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Criteria	Area of Concern	Reason Why Issue	Requested Change
	1 point – 3,000 to 5,000 employees		
R-2.12 (Contract reference #3)	A bilingual implementation was deployed under the customer reference project  10 points- Bilingual implementation (Canadian French and Canadian English); or	See 2.4 comments	See 2.4
R-3	The bidder should demonstrate that the ITSM Tool Software Publisher has local implementation and support partners in Canada  10 points per partner for a maximum of 50 points	Given the group of issues identified by ITAC, respondents, respondents are having challenge identifying partners.  Unless the issues #4 and #5 are resolved, it is unlikely that sufficient partners will be able to be put forward by our ITAC members with ITSM solutions and services.	
R-8.1.4	Experience of Proposed Project Manager (PM) Project experience of PM on a project implementing the proposed ITSM tool  a) The number of employees the solution supports  10 points – over 100,000 employees 8 points – 50,000 to 99, 999 employees 5 points – 5,000 to 49,000 employees; or 1 point – 3,000 to 5,000 employees	Same comments as R-1.2 and R-1.8	Same grid as proposed for R-1.2 and R-1.8