Acquisition Plan

Instructions

Version 1.9 ● 31 DEC 2012

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REVIEW GATE

TEXAS PROJECT DELIVERY
FRAMEWORK

Acquisition Plan Version History

Current Framework tools are available on the Framework Web site.

Release Date	Description
21-Dec-2012	Version 1.9 released. Revised Instructions and Template to reflect changes recommended by the Framework Change Advisory Board (CAB) and approved by DIR (Change request 68).
21-Dec-2010	Version 1.8 released. Revised Instructions to reflect changes recommended by the Framework Change Advisory Board (CAB) and approved by DIR (Change request 56).
30-Jun-2010	Version 1.7 released. Revised Instructions and Template to reflect changes recommended by the Framework Change Advisory Board (CAB) and approved by DIR (Change request 56).
23-Dec-2009	Version 1.6 released. Revised Instructions and Template to reflect changes recommended by the Framework Change Advisory Board (CAB) and approved by DIR (Change request 38).
30-May-2008	Version 1.5 released. Revised Instructions to reflect an emergency change approved by DIR (Change request 40) and changes recommended by the Framework Change Advisory Board (CAB) and approved by DIR (Change request 38).
28-Sep-2007	Version 1.4 released. Revised Instructions to reflect an emergency change approved by DIR (Change request 39).
1-Sep-2007	Version 1.3 released. Revised Instructions and Template to reflect changes recommended by the Framework Change Advisory Board (CAB) and approved by DIR (Change requests 7, 34, and 37).
13-Mar-2007	Released Version 1.2. Replaced references to Performance Plan with Performance Management Plan in Instructions.
14-Apr-2006	Released Version 1.1. Modified section 5.6 for clarity in Instructions.
14-Oct-2005	Version 1.0 Instructions and Template released.

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Contents

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Introduction

Many of the major projects initiated within state government involve acquisition of technology-related goods and/or services through management of solicitations and contracts. Limited resources are continually being utilized for technology procurement projects that fail to provide the expected business outcomes. Procurement efforts are unsuccessful for numerous reasons such as poor requirements and outcome definitions, ineffective change management, unclear definition of project asset ownership (e.g., intellectual property, leasing), and ineffective definition of vendor performance measurements.

The Texas Project Delivery Framework (Framework) includes an Acquisition Plan to establish a consistent method to plan and ultimately manage technology procurement projects. The Acquisition Plan identifies how to solve the business problem by procuring goods and/or services outside of the project organization through management of solicitations and contracts. Procurement strategies, the scope of the goods and/or services, and responsibilities for the procurement life cycle are also defined in the Acquisition Plan.

The Acquisition Plan outlines a critical foundation for collaboration among all stakeholders involved in the procurement project, especially since technology procurement efforts typically involve individuals with diverse and specialized skills. By formally documenting and planning the procurement steps, the purchasing and contracting staff, Project Manager, management, and entire project team obtain clear guidance on how the procurement effort will be planned and managed. The Acquisition Plan, at a minimum, describes:

- Scope of work
- Strategies
- Roles
- Performance and service standards
- Change management
- Management commitments

Use of the Acquisition Plan

Overview

Within the Framework, the Acquisition Plan is a key deliverable of the Solicitation and Contracting review gate. The Comptroller of Public Accounts (CPA) Contract Management Guide and the Project Planning review gate should both be referenced while developing the Acquisition Plan. The Contract Management Guide provides contract guidance for all types of projects, including an addendum for technology projects. The Acquisition Plan provides guidance for developing procurement plans involving management of solicitations and contracts, and is intended to support the agencies' internal procurement practices. Use of the Acquisition Plan presumes a sourcing decision has already been made as part of project planning activities.

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The Acquisition Plan should be developed with consideration of the Project Plan content and the other project planning deliverables used to manage the project such as issues tracking. The Acquisition Plan should be developed with extensive collaboration among all stakeholders, including the customer, technology, purchasing, contract management, and legal staff responsible for project success. As a collaborative effort, there are many different ways to handle the communication, interaction, and execution of the procurement steps. Thus, a critical aspect of the Acquisition Plan for technology projects is joint definition of how these staff areas will work together to procure the desired goods and/or services over the life of the project. The project team should clearly define in the Project Plan who is responsible for each of the procurement activities as detailed in the Acquisition Plan.

The Acquisition Plan should be referenced throughout the life of the procurement effort as it provides an overview of why goods and/or services are being procured, who is involved and in what capacity, and the general approach and timeline for accomplishing the procurement goals.

An Acquisition Plan must be approved at the agency level and submitted to the Quality Assurance Team (QAT) before a vendor solicitation can be posted by an agency or CPA. Note the Project Plan also has the same submission requirements in terms of a vendor solicitation. Refer to the Framework Core Principles regarding evolution of project delivery information over the life of the project. For more information regarding the Acquisition Plan submission process (e.g., contact names, delivery method), refer to the Framework Web information.

Applicability

An Acquisition Plan must be developed for any project classified as a major information resources project that involves procurement of goods and/or services through management of solicitations and contracts, and for certain major contracts. Refer to the CPA Contract Management Guide for guidance on which major contracts are required to use the Framework.

Development of an Acquisition Plan is not applicable, for example, to procurement activities involving the purchase of goods or services for staff augmentation, commodity software and hardware, and existing statewide contracts not involving competitive negotiation. In scenarios where cost, scope of work, and other variables are competitively negotiated (e.g., Request for Offers), development of an Acquisition Plan does apply. For example, the Acquisition Plan is applicable to procurement of deliverables-based technology services that involve a Statement of Work (i.e., binding contract) through competitive negotiation.

Governance and Scope

The agency must identify who has ultimate responsibility for ensuring the Acquisition Plan is developed and approved. Agencies, and even organizations within agencies, may choose different functional areas or even a vendor to be responsible for development of the Acquisition Plan.

Individual(s) responsible for the Acquisition Plan should collaborate closely with the Executive Sponsor and Technology Sponsor to ensure a common understanding of the project background,

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project scope, project deliverables, and/or other stipulations that impact the successful delivery of the product and/or service. The Executive Sponsor must identify a Technology Sponsor. The Technology Sponsor is typically the Information Resources Manager (IRM), or the IRM may choose to designate another technology expert within the agency.

Individual(s) responsible for the Acquisition Plan must ensure the Acquisition Plan is developed in conjunction with the Project Plan. A key responsibility is to ensure the Acquisition Plan is integrated into the overall planning as outlined by the Project Plan.

The Executive Sponsor and Technology Sponsor provide support for and approval of the Acquisition Plan. At a minimum, the agency head, Technology Sponsor, Project Manager, and Information Security Officer or designated security staff must approve the Acquisition Plan.

Section 1. Procurement Overview

The Procurement Overview section outlines the highlights of the procurement effort, provides background procurement information, defines the boundaries, and describes the assumptions, constraints, and relevant historical information.

1.1 Description

Describe the approach for how the procured goods and/or services will be used to address the business problem. These goods and/or services are those obtained through development and management of solicitations and contracts. Provide a high-level summary of the goods and/or services that will be procured as part of the project, including technology features and requirements as deemed relevant. For example, for a software-related procurement effort, state whether the project requires Commercial-Off-The-Shelf (COTS), Modified-Off-The-Shelf (MOTS), and/or custom software development.

The description should summarize key procurement information, including how the procured goods and/or services will deliver the expected business outcomes and objectives. The focus of the procurement description is on the procurement aspects of the project within the context of addressing the business problem.

1.2 Background

Provide additional information that supports and defines the overall procurement process. The procurement background should summarize key information that was identified during the business case analysis, project initiation, and preliminary project planning. Identify information such as the estimated total contract amount, duration of need, and projected life of the project.

Include information that may be useful for communicating specific project conditions or circumstances that may impact the procurement planning effort. Indicate whether the contract will involve a master contract for use by multiple entities. Include pre-determined conditions such as who can enter into the master contract. Include whether the procurement involves re-procurement of existing outsourced services.

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1.3   Scope

Describe the procurement scope in relation to the project. The scope defines procurement limits in terms of the goods and/or services that will be delivered and/or provided. Summarize the procured goods and/or services. For example, for a telecommunications-related procurement effort, identify whether the procurement scope includes hardware, software, maintenance, installation documentation, troubleshooting documentation, etc. For a software-related procurement effort, Independent Verification and Validation (IV&V), software requirements definition, and software design may be included. Further define the good and/or service in terms of what is expected as part of the procurement effort. If the procured goods and/or services will be provided by multiple sources and/or in multiple ways, identify each source and estimate the percentage of each good and/or service for each source.

In cases where the project involves multiple phases, indicate the procurement scope for each phase. Include relevant information that further defines the scope such as timeline and/or resource conditions that must be satisfied in order for the scope of the procured good and/or service to be supplied.

The scope should indicate goods and/or services that are outside of the procurement scope. Describe goods and/or services that are critical to the project success but will be provided by a different source (e.g., another agency, federal entity) other than through this procurement effort.

1.4   Assumptions

Describe any assumptions that impact and further clarify the procurement scope and overall procurement effort. For planning purposes, assumptions will be considered to be true, real, or certain. Provide a list of assumptions regarding the procured goods and/or services and all other factors that may impact the goods and/or services in relation to the technology project. Specifically include assumptions relevant to factors such as customers, technology, expectations, and staffing. For example, ownership of deliverables and work products may be clarified as assumptions.

1.5   Constraints

Describe the limiting factors, or constraints, that restrict the project team's options regarding procurement scope, staffing, scheduling, contract management, or other factors that may impact the procurement effort. For planning purposes, constraints should be considered based on current knowledge and direct applicability to the procurement effort.

1.6   History

Briefly describe relevant contracting history. Identify similar IT projects that have been initiated to solicit and contract similar goods and/or services within the last four years. Include successful projects and projects that may have failed during project delivery and if possible, reasons for the project failure.

Section 2. Market Research

2.1 Research Approach

Describe the approach used to accomplish market research. Market research should be conducted during or after the project has been initiated and prior to finalization and definition of the procurement strategy (i.e., selection of procurement method and steps). Some level of market research provides useful input to procurement-related decisions, especially in cases where innovative and emerging technology is being considered.

Information from other agencies, marketplace, customary industry practices, or from other sources for similar projects may be analyzed as part of market research. Depending on the scenario, surveys may be conducted to obtain specific types of information. Another approach is to utilize industry experts, such as Forrester and Gartner, to determine baseline costs or industry standards and to use those numbers as a basis to further define requirements and the procurement strategy. Price/cost estimates from interested bidders/sources for the purposes of planning and budgeting may be requested for information purposes only.

The extent of the market research depends on factors such as urgency, estimated contract amount, complexity, and past experience. The description of the approach should include the rationale for why a particular approach was used.

2.2 Research Outcome

Describe the extent and results of the market research. Include any outcomes and information about what was identified in the market that impacted procurement decisions. Explain how the market research may have reshaped the project definition and/or intent of the procurement effort. Identify the effects of the market research in formulating the procurement strategy.

Section 3. Procurement Approach

3.1 Procurement Strategy

Carefully consider the strategy for how the procurement effort will be conducted. The procurement strategy deals with different aspects (e.g., single sourcing, procurement method, procurement steps) of the procurement effort. The procurement strategy seeks to establish agreement, purpose, and intent among stakeholders involved in the technology procurement.

3.1.1   Sourcing Approach and Justification

Identify and justify why the planned sourcing approach (e.g., full outsourcing, partial outsourcing, insourcing, multi-sourcing) is in the best interest of the state and why existing staff cannot provide the desired goods and/or services. Understanding which goods and/or services are being acquired and why will provide a basis for determining the procurement approach. Be clear on whether the agency is acquiring technology, a service, a combination, or whether the emphasis is also on acquiring a relationship by establishing a long-term partnership.

3.1.2   Procurement Method

Describe why the planned procurement method (e.g., leveraged procurement, competitive bid, competitive proposal) is in the best interest of the state. The selection of the procurement method is a critical and major factor in the procurement planning effort. The resultant goods and/or services, the approximate budget, the desired length the contract, skill level and capacity of internal staff, and technology stability are examples of factors that should be considered when selecting the procurement method.

The business needs and the type of procurement method selected for the procurement dictate the required solicitation documents, specifications, and activities. Refer to any applicable statutory requirements which may direct the use of a specific procurement method before finalizing the procurement method.

3.1.3   Competitive Procurement

Describe how sources for competition will be identified, promoted, and sustained until a contract is awarded. If competition is not a consideration or achievable, provide a basis and justification for that decision. Justify why procurement requirements cannot be modified to take advantage of competition.

3.1.4   Procurement Steps

Describe the procurement steps in relation to the procured goods and/or services identified as part of the procurement scope. For example, in some instances technology projects include IV&V, and technology design and/or development, as procured services. Identify how the procurement steps relate to the different procured goods and/or services.

Include why the planned procurement steps are being recommended. For example, a Request for Proposals (RFP) may be used in combination with a Request for Information (RFI).

3.2   Evaluation and Award

Describe the evaluation approach, including evaluation factors and overall use for vendor selection. Identification of evaluation factors is a critical step since it helps to ensure that the vendor is selected on the basis of pre-set criteria and that a single person/group does not influence the procurement decision. The evaluation factors should include criteria such as previous experience with similar projects, quality of work, financial stability, project management capabilities, and technical capabilities.

Identify the evaluation factors. Delineate required and desirable requirements as appropriate, and indicate if the information provided by each bidder will be verified. Indicate whether specific evaluation factors will be subdivided into additional criteria. For example, pricing may be an evaluation factor that can be further evaluated based on different sub-criteria that affect pricing. If weighted scores will be used, describe the weighting structure along with the evaluation factors, preferably providing a table view as shown by the sample Weighted Requirements Table. Include

other tables or columns as needed to convey the appropriate level of information. For example, different sub-criteria or background information about the weighting may be included and described as part of the Weighted Requirements Table.

Sample Weighted Requirements Table

Requirement Number	Requirement Description	Weight

Include additional information that further clarifies the evaluation approach. For example, indicate if an Evaluation Guide will be used and if so, specify the content of the Evaluation Guide. Include whether specific methods to gauge whether the technology will meet the requirements identified in the solicitation documents/specifications will be used. For example, indicate whether a benchmark evaluation is planned and whether training is necessary as part of the benchmark evaluation process.

Tools may be used to accomplish vendor selection instead of manual processes. Identify and describe any tools, including any conditions imposed by the tools such as how the evaluation factors are defined and used.

3.3   Procurement Key Action Dates

Indicate major dates for procurement activities that require an essential action to occur in order to move the procurement forward. These key dates (mm/dd/yy) are a granular subset of the milestones and deliverables as reflected for project delivery as part of project planning. These key activities and dates represent the completion of specific project actions for reviews, tasks, and approvals.

The list should reflect key pre-solicitation and solicitation activities and action dates. Examples of pre-solicitation activities include Acquisition Plan approved, Statement of Work (SOW) completed, and Requirements and Evaluation Factors/Values completed. Examples of solicitation activities include Request for Proposals released, Last Questions Received and Responded, and Contract Awarded. Target dates for pre-solicitation activities, such as approval of the Acquisition Plan and completion of a Statement of Work, should be included. Target dates for solicitation activities such as the solicitation release date and contract award date should also be included.

Comprehensively consider key project activities for the entire procurement effort, including planning, contract management, and contract closeout. The success of these project activities depends on clear and joint definition of roles (e.g., vendor, legal, Contract Manager, Project Manager, procurement staff, technology staff) as identified in the Project Plan. Other example procurement activities are:

- Obtain federal approval of proposal evaluation criteria

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> • Debrief qualified vendors not selected

Section 4. Performance and Service Standards Approach

4.1 Performance Standards and Measurements

Performance standards (based on performance objectives) are used to measure the overall effectiveness of the vendor performance in areas such as quality, productivity, and response, regardless of whether a type of service is involved. Refer to the instructions for the Project Plan Framework tool. The Project Plan describes plans for definition of performance standards and measurements regardless of whether the technology project involves procurement. The Project Plan identifies the performance standards and measurements.

Describe the approach for how performance standards and measurements will be used specifically in terms of the procurement scope, assumptions, constraints, risks, and strategy. Give consideration to use of the Project Plan when describing the approach. Identify key procurement factors that influence the definition of the performance standards and measurements. For example, determine how the performance standards and measurements will tie to compensation to the vendor. The approach may include penalties, payment holdbacks, warranty provisions, and/or liquidated damage provisions based on unacceptable vendor productivity and response.

Identify boundaries or limitations that may exist for the data that will be used for measurements. Include the boundaries or limitations and how they impact the performance standards. By defining and agreeing to a common understanding of the key factors, all standards and measurements are in alignment based on the objectives of the procurement as identified throughout the procurement planning process.

4.2 Service Standards and Measurements

Service standards (based on performance objectives) are used to measure the overall effectiveness of the vendor performance in terms of services provided. Refer to the instructions for the Project Plan Framework tool. The Project Plan describes plans for definition of performance standards and measurements, including service standards and measurements, regardless of whether the technology project involves procurement. The Project Plan identifies both performance/service standards and associated measurements.

Describe the approach for how service standards and measurements will be used specifically in terms of the procurement scope, assumptions, constraints, risks, and strategy. Give consideration to use of the Project Plan when describing the approach. Identify key factors that influence the definition of the service standards and measurements. For example, determine and agree how the service standards fit into the performance standards. Determine an approach for service levels and service credits and how these will be interpreted and addressed. Determine how the service standards and measurements will tie to compensation to the vendor. For example, the

approach may include penalties, payment holdbacks, warranty provisions, and/or liquidated damage provisions based on unacceptable vendor productivity and response.

Identify boundaries or limitations that may exist for the data that will be used for measurements. Include the boundaries or limitations and how they impact the service standards. By defining and agreeing to a common understanding of the key factors (both performance and service) prior to contract formation, vendor requirements for product and/or service requirements can be clear.

Section 5. Contract Management Approach

5.1 Vendor Orientation

Describe the approach for vendor orientation once a contract has been awarded. Indicate whether a post award conference will be required. If used, reference the use of a Vendor Handbook which details specific administrative and management procedures such as invoicing, deliverable submission, status reporting, and time reporting. Indicate when the Vendor Handbook will be provided to the vendor and how the vendor will be oriented to the project. Orientation should include information such as background project information, current project status, applicable project processes/standards, and relevant work environment conditions.

5.2 Change Management

Contract management staff play a critical role in managing the contract and work products. Similar to other key business drivers, contracts have their own life cycle: drafting, negotiation, formation, compliance and administration, renewal, and optimization. Contract changes that require a contract amendment include changes to project scope, contract dates, contract costs, or contract terms. Change orders may be used for clarification of changes to tasks and work products already described in the solicitation document.

Refer to the Project Plan Instructions for monitoring and control and to the Contract Amendment and Change Order Approval Instructions, a key deliverable of the Solicitation and Contracting review gate. For contract changes above 10% of the total contract amount or for a significant change in the contract completion date, the Contract Amendment and Change Order Approval must be used to obtain additional funding (if applicable) which requires agency head approval. A Change Control Request tool should be used for approval of all types of change, regardless of funding and/or schedule impacts.

Describe the approach that will be used to manage changes to the contract. Give consideration to use of a Change Control Request and Contract Amendment and Change Order Approval when describing the approach. Include how management of contract changes will be addressed and communicated to the project team. During each phase of the contract life cycle, technology-related decisions, feedback loops, and control mechanisms must be defined and incorporated to ensure intended business objectives are met. The nature and extent of contract management varies considerably depending on the type of relationship established with the vendor (e.g., fee for services versus cost reimbursement). Describe methods used to ensure technical staff is

utilized extensively throughout the change management process by working closely with the Contract Manager.

5.3   Deliverables Management

Describe the approach for tracking and managing all planned and actual contractor deliverables and services, including due dates, actual submission dates, approval/rejection, and other data as needed. Include methods used to ensure technical staff is utilized extensively throughout the deliverables management process. Technical reviews may be used to support the deliverables management process which means the customer, other stakeholders, Project Manager, Contract Manager, and project staff must work together to determine if the deliverables satisfy the contract stipulations and whether specific deliverables should be approved or rejected. Legal counsel should be consulted if there is any question of whether the deliverables meet contract terms.

5.4   Invoice Management

Describe the approach for managing invoices. Include methods for coordination between the appropriate fiscal staff to ensure contractor invoices are paid only if the deliverables and/or services for the invoiced period have been received, approved, and/or satisfy stipulations as specified in the contract. Include how expenditures, financial penalties, and other related data associated with the contract are tracked. Also, include how supporting documentation associated with the invoices for historical and auditing purposes will be tracked, maintained, and managed.

5.5   Dispute Resolution

Describe the approach for handling contractual disputes, including escalation of dispute issues to appropriate agency staff. Dispute resolution and escalation procedures must be included in the contract. Specifically include the dispute resolution and escalation process or refer to its location if a standard approach is used within the organization. At a minimum, the initiation process, who is involved, and how are outcomes closed out should be included.

5.6   Contract Closeout

Describe the approach for contract closeout. When a contract is completed or is terminated, specific steps are used to ensure proper closeout has been completed. Contract closeout involves both verification (confirming all work was completed correctly and satisfactorily) and administrative closeout (updating of records to reflect final results and information archival for future use). Include use of any contractor evaluation and audit processes. For example, the Contract Manager may audit the contract files to ensure all deliverables and services have been received and that all work has been approved prior to authorizing payment for invoices. The contract may prescribe specific procedures for contract closeout. Also, include how these closeout steps tie to any requirements imposed by state contracting processes.

5.7   Tools

Describe any tools used to manage the contract, contractual requirements, and deliverables. For example, Microsoft Project, applications with database(s) and reporting capabilities, and tools to ease maintenance activities based on manual processes may be used.

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Section 6. Glossary

Define all terms and acronyms required to interpret the Acquisition Plan properly.

Section 7. Revision History

Identify changes to the Acquisition Plan.

Section 8. Appendices

Include any relevant appendices.