

NASCIO 2017 Cross Boundary Collaboration and Partnerships

1. **Title: Innovating Cloud Solutions with Cooperative Purchasing**

2. **Category: Cross Boundary Collaboration and Partnerships**

3. **Project initiation and completion date**

Dec 2015 - Sept 2016

Project Website: <http://www.naspovaluepoint.org/#/contract-details/71/overview/general>

4. **Organization and primary point of contact**

Organization(s): Utah Department of Administrative Service

Contact: Solomon Kingston, skingston@utah.gov

The screenshot displays the NASPO ValuePoint interface. At the top is a navigation bar with the ValuePoint logo and icons for Current Contract Portfolios, NASPO ValuePoint FAQ's, Solicitations & Vendor Info, eMarket Center Info, Media Library, and Questions? Contact Us. Below the navigation bar is a breadcrumb link: < RETURN TO SEARCH. The main heading is 'Cloud Solutions 2016-2026'. To the left, contract details are listed: CURRENT EXPIRATION: September 15, 2026; INCEPTION DATE: September 02, 2016; * TOTAL TERMS EXPIRATION: September 15, 2026. The central area features three cards: '30 Contractors', '11 Participating Addenda', and 'Utah' (Lead State). The Utah card includes contact information for Solomon Kingston: skingston@utah.gov and 801-538-3228. A 'HIDE PORTFOLIO DETAILS' button is located below the cards. At the bottom, a horizontal menu shows 'Overview', 'Contractors', 'Participating Addenda', and 'Related Portfolios' (marked as 'New!').

Executive Summary

The objective of the NASPO ValuePoint – Utah Cloud Solutions multi-state cooperative Master Agreement is to provide states (and the participating entities) with a contract vehicle that provides access to qualified contractors that may meet the needs of their organization when considering Software as a Service (SaaS), Infrastructure as a Service (IaaS), and Platform as a Service (PaaS) solutions.

In December 2015, the Utah Department of Administrative Services Division of Purchasing, in collaboration with the National Association of State Procurement Officers (NASPO) ValuePoint (formerly WSCA-NASPO), led a joint cloud services request for proposal (RFP) involving 35 states. With 58 proposals received through BidSync, the RFP resulted in 38 contractors being awarded a contract and identified as able to provide the best value to State and Local government.

Although the RFP was led by the State of Utah, the NASPO ValuePoint Cloud Solutions multi-state cooperative contract was a collaborative effort in every sense of the word. The effort was a combination of 11 states (California, Colorado, Missouri, Montana, New York, Oregon, Tennessee, Utah, Vermont, Washington and Wisconsin), which made up two advisory bodies. First, a Sourcing Team which comprised of experts from 9 State CIO and CPO offices, and secondly, an Information Communications Technology Advisory Council (ICTAC), which was made up of 10 State CIO Office representatives, 4 State Chief Procurement Officers with IT procurement experience, and a representative of the National Association of State Chief Information Officers (NASCIO). The Sourcing Team and the ICTAC were responsible for creating and reviewing criteria, rating and scoring the responses, and selecting the successful contractors to be awarded a contract.

All 50 states and The District of Columbia have executed a cooperative memorandum of agreement (MOA), allowing them to be eligible to use any NASPO ValuePoint cooperative Master Agreement.

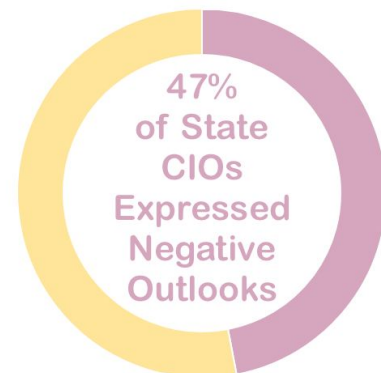
Concept

In a survey conducted in 2015 by the National Association of State Chief Information Officers (NASCIO), 47% of state CIOs said they were dissatisfied with the current system of IT procurement. Due to Utah's knowledgeable staff in both procurement and information technology, Utah researched extensively and developed an affinity for cloud law, cloud controls, requirements, and evaluation factors. In furtherance of the NASPO ValuePoint Cooperative Purchasing Program, background and experience cloud technologies, the State of Utah's Division of Purchasing led the cloud solutions multi-state cooperative RFP. The purpose of the RFP is to establish Master Agreements with qualified Offerors to provide services related to cloud solutions for all Participating Entities. The objective of the RFP was to lower the cost of the procurement process for both government entities and Offerors through a "write and review once/use many" procedure to in turn obtain best value, and achieve more favorable pricing than is obtainable by an individual state or local government entity because of the collective volume of potential purchases by numerous state and local government entities. The Master Agreement(s) resulting from this procurement shall be extended to state governments (including departments, agencies, institutions), institutions of higher education, political subdivisions (i.e., colleges, school districts, counties, cities, etc.), the District of Columbia, territories of the United States, and other eligible entities.

Significance

Business need

Over the years, there have been many challenges in the procurement processes for State and Local Government. These legacy processes and lingering challenges have created many pain points for government CIO's nationwide and have left state CIO's with a negative outlook on IT procurement. According to the [NASCIO report](#) "Call To Action: Recommendations for Improved State IT Procurement", "In the 2015 state CIO survey, The Value Equation, roughly one-half (47%) of state CIOs expressed negative outlooks on IT procurement processes.", which makes it evident that a drastic change was needed. Utah led that change in partnership with NASPO ValuePoint via the NASPO ValuePoint Cloud Solutions multi-state cooperative contract.



Each state, territory, and participating entity is unique in how they currently employ cloud solutions; some are utilizing cloud solutions to augment services that their technology departments provide to end users, and some have not entered the realm of outsourcing technical solutions to cloud solutions providers. The public sector has been longing for ways to lower costs associated with Information Technology and Communications (ITC) purchases and the amount of time and money it takes to:

- Individually create a request for proposal (RFP)
- Open for proposal, make corrections to or provide clarifications of the proposal
- Evaluate the proposals
- Request best and final offers
- Prepare a written justification statement/cost-benefit analysis
- Award contract/cancel or reject proposal
- Publicize award and scores
- Procure from the Offeror's proposal.

The current process for ITC procurement is a lengthy process that has to be followed each time a government entity wants to procure ITC services. Private sector ITC partners have also been craving a change. The cost of doing business with government is high, therefore, changes in process and procedure are welcomed. To make such a change, there had to be a major shift in the procurement process. That shift had to be made on a large scale and had to be collaborative and cooperative in nature. With a desire for ITC procurement change being made evident from both the nation's public and private sectors, it was essential for the collaborative cloud procurement contract to establish best practices, guiding principles, and come to a common ground on contracting terms and conditions.

When NASPO solicited state participation for comment and involvement, 70% of states expressed their intent to participate in this RFP. With 35 states announcing their intent to participate, it became the largest number of state participants on an initial cooperative RFP in the 25-year NASPO history.

Business solution description

The Utah led NASPO ValuePoint Cloud Solutions multi-state cooperative contract provides states, territories, and their authorized political subdivisions with high quality cloud based service providers that have the ability to provide a menu of cloud solutions offerings. This will ultimately increase the technology department's overall efficiency, reduce costs, improve operational scalability, provide business continuity, increase collaboration efficiencies, and allow for expanded flexibility in work practices and system improvements.

NASPO ValuePoint Cloud Solutions multi-state cooperative contract has fundamentally changed the way the public sector acquires cloud based solutions and services (SaaS, PaaS and IaaS). By leveraging the power of a cooperative contract, 10 states had the opportunity to review and meticulously score/rate the RFP responses submitted for bid. The RFP requirements contained detailed instructions and guidelines for an Offeror to adhere to, with the intent to make this advantageous opportunity accessible to all eligible cloud solution providers.

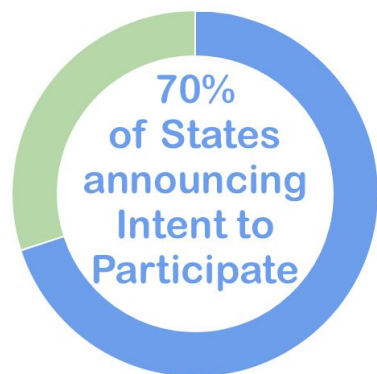
The NASPO ValuePoint Cloud Solutions multi-state cooperative contract was designed to conform to the multiple contract award methodology, where all offerors that meet/exceed the technical minimum scoring thresholds and all solicitation minimum requirements, will be eligible for award - subject to successful terms and conditions negotiations. By utilizing a multiple contract award methodology, a Participating Entity may make their selection from the cloud solutions offering menu based on their review of the information and qualifications submitted in the offeror's proposal, relevant to their determination of best value.

Due to the breadth of cloud solution offerings and the potential sensitive nature of data stored within this vast landscape, the NASPO ValuePoint Cloud Solutions multi-state cooperative RFP focused heavily on conforming to national data security standards. With data security being an essential component of government and cloud solutions, the RFP required each offeror to complete the Cloud Security Alliance's (CSA) Consensus Assessment Initiative Questionnaire (CAIQ) and used its Cloud Controls Matrix and Security Trust and Assurance Registry. This helps government entities assess security and data controls in cloud applications, and gives them the ability to verify whether their security needs are met and data controls are sufficient for their critical workload.

Impact

Benefit to government

The new NASPO ValuePoint Cloud Solutions multi-state cooperative RFP procurement process has already had significant impact among states across the country. With 70% of states announcing their intent to participate, and all 50 states and The District of Columbia having executed a Cooperative MOA, the benefits to state and local government are far reaching.



The fundamental change in the solicitation process in the procurement of cloud services has excited all government entities that have been involved with its inception. The best gauge of value and impact felt by this fundamental change can be heard by Government leaders and partners who are directly affected by the legacy process:

Michael Hussey, Chief Information Officer for the State of Utah, said, "The NASPO ValuePoint Cloud Solutions contract gives us a glimpse into the future of cooperative agreements. This new procurement paradigm will allow states to quickly respond to the demand for cloud solutions knowing the offerings are secure, cost effective, and meet the high standards expected by the states. We appreciate the hard work of so many skilled individuals in Utah that will benefit many throughout the country".

Nelson Moe, Chief Information Officer for the Commonwealth of Virginia (multi-state procurement participant), said, "These contracts developed by the State of Utah and NASPO ValuePoint will help governments become more agile in their deployment of technology solutions to reduce costs and improve services for our taxpayers; and, because the cloud providers will be refreshed every two years, the cloud solutions will remain up-to-date."

Michael DeAngelo, Washington State Deputy Chief Information Officer (CIO advisors to procurement), said, "This new cloud solutions marketplace represents a major leap forward in enabling governments to partner with cloud providers to more effectively deliver services to citizens."

Elayne Starkey, Delaware Chief Information Security Officer, said, "Sending sensitive government data to the cloud can be a scary proposition. These contracts meet a critical need within the government sector by providing a mechanism for state and local governments to leverage cloud solutions and ensure that potential cloud vendors meet data security and protection requirements."

Daniele Catteddu, Chief Technology Officer for the Cloud Security Alliance (CSA), described, "We believe that the State of Utah is adopting a very effective way to ensure that the appropriate security controls are in place for the needs of the states who will use the contracts."

Douglas Richins, NASPO ValuePoint's Chief Executive Officer said, "The success of this groundbreaking procurement is in large measure due to the excellent leadership by the State of Utah, the dedication of a very talented group of state procurement and IT professionals on the sourcing team, and collaboration with state CIOs."

Variety of awards

The array of proposals received numbered up to 58, with 38 of those being awarded contracts, which covered a myriad of cloud solutions provided by offerors. With services ranging from Software as a Service (SaaS), Platform as a Service (PaaS), and Infrastructure as a Service (IaaS), as defined by “The NIST Definition of Cloud Computing”.

The Assistant Director of Utah’s Division of Purchasing (Chris Hughes) identified that the variety of awards provide “a very broad range of services from cloud-based phone systems, unified communications, enterprise resource planning (ERP) modules, desktop as a service, programs to combat fraud, waste and abuse, data analytics, a full range of GIS services, health claims and management, and security as a service; to application development in PaaS and cloud hosting services, combining IaaS with a range of managed services and system integration to deliver secure and reliable computing and storage infrastructure”.



The greatest benefits from this multi-state cooperative are realized through the Cloud Security Alliance’s CAIQ’s, efficiencies gained in the procurement process, costs saved through economies of scale, the creation of the cloud marketplace, all the hard work completed, relationships created and partnerships formed through the cross boundary collaboration had during the proceedings of the project.