

# Getting Ready for Your COTS Software Project and RFP Procurement

- For Prospective POSSE Clients -

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## Introduction

Computronix is often asked by prospective clients to provide guidelines for the development of an effective Request for Proposal (RFP) document to solicit competitive, comprehensive responses from vendors. This whitepaper attempts to provide prospective POSSE® clients with factual, meaningful information that may be useful in preparing for your COTS software project and for the development of your RFP and subsequent vendor evaluation and selection.

The whitepaper is divided into three sections including the following topics:

### SECTION 1: Getting Ready for Your COTS Project

- How Do Government Software Projects Succeed . . . or Not?
- Assessing Your Agency's Readiness for a Pre-Configured COTS Solution
- Recommended Project Resources, Skills, and Available Training

### SECTION 2: Preparing Your RFP Package

- Understanding Your Fundamental Objective and Goals
- Understanding Your Project Scope
- Understanding Your Preferred Implementation Approach
- Understanding Your Maintenance and Support Requirements
- Determining Project Pricing
- Developing Your Procurement Document
- Developing Evaluation & Selection Criteria

### SECTION 3: Evaluating and Selecting a Vendor

- Look Beyond the Vendor's Proposal and Product Demo
- Proven Tips for Effective Independent Evaluation of a Vendor

At the end of this whitepaper, we have highlighted some of our available Computronix products and professional services, and provided contact information should you desire further information.

## SECTION 1: Getting Ready For Your COTS Project

### How Do Government Software Projects Succeed . . . or Not?

While Computronix has achieved a high level of skill in successful project completion with a client verified 100% project success rate, we appreciate that undertaking a major software project may be a once-in-a-lifetime experience for many of our prospective clients. Getting yourself and your organization ready to achieve a successful software project requires the appropriate time, effort and investment.

The [Standish Group](#), a recognized global research advisory organization focused exclusively on software project performance and success, have tracked the results of over 50,000 software projects world-wide and have subsequently defined project success as “on time, on budget, with a satisfactory result.” A key part of the Group’s analysis over the last 21 years identifies and ranks the critical factors within both client and vendor organizations that work together to make projects more successful. These factors include the following:

- 1. Executive Support:** When an executive (or group of executives) agree to provide both financial and emotional backing. The executive(s) will encourage and assist in the successful completion of the project.
- 2. Emotional Maturity:** The basic behaviors of how people work together. In any group, organization or company, it is both the sum of the skills and the weakest link(s) that determine the level of emotional maturity.
- 3. User Involvement:** This takes place when business users are involved in the project decision-making and information-gathering process, and can also include: user feedback, requirements review, basic research, prototyping, and consensus-building tools.
- 4. Optimization:** A structured means of improving business effectiveness and optimizing a collection of many small projects or major requirements. Optimization starts with managing scope based on relative business value.
- 5. Skilled Staff:** The project teams (both the client’s and the vendor’s team) that understand the business and the technology. “Skilled” project teams will be highly proficient in the execution of the project’s requirements and delivery of the project or product. (A list of recommended project team skills can be found on Page 6).
- 6. Standard Architectures and Methodologies:** A consistent group of understood practices, services and products, for developing, implementing, and operating software applications. This group can include superior knowledge of both the traditional “Waterfall” project methodology as well as the more contemporary “Agile” methodology.
- 7. Modest Execution:** A process with few moving parts, with parts automated and streamlined. Modest execution also means using project management tools sparingly and/or only a very few features.
- 8. Project Management Expertise:** The application of knowledge, skills, and techniques towards project activities in order to meet or exceed stakeholder expectations and produce realized value for the organization.
- 9. Clear Business Objectives:** The understanding of all stakeholders and participants of the business purpose for executing the project. This term can also mean the project is closely aligned to the organization’s goals and strategy.

### The most significant factors that contribute to “challenged” projects or outright project failure are:

- 1. Project size and complexity:** Regardless of other factors, smaller projects (i.e., less than \$3 million) are more likely to be successful. The old adage is true, “The bigger they are, the harder (and more frequently) they fall.”
- 2. Non-participation or lack of project involvement by key business users:** Causes can include either an unintentional or deliberate exclusion from the project by project leaders or sponsors, or non-participation due to project abdication by the business users themselves.
- 3. Poorly defined business requirements, project goals and objectives.** [The Gartner Group](#) adds, “A proven, effective, real-world approach to business requirements analysis is one of the most significant factors in ensuring the success of any system development project.”
- 4. Lack of executive leadership and/or support.**
- 5. Lack of project resources, leadership training and/or project leader incompetency.**



## Assessing Your Agency's Readiness for a Pre-Configured COTS Solution

### Pre-Configured COTS Software Assumptions and Considerations

Pre-configured Commercial Off-The-Shelf (“COTS”) regulatory software solutions, including our [POSSE Land Management System](#)® (“POSSE LMS”) and [POSSE Alcoholic Beverage Control](#)® (“POSSE ABC”) software, have been developed based on a vendor’s experience with – and a “best practices” interpretation of – increasingly commoditized business processes, such as government-oriented licensing, permitting, inspections and enforcement. The increased commonality and uniformity of these regulatory processes from jurisdiction to jurisdiction across the U.S. and Canada have allowed COTS software vendors and their customers to move away from high-risk and expensive one-off “custom build” software projects in favour of pre-configured, productized business systems that already contain significant available functionality.

To achieve a successful COTS system implementation, your organization will need to be prepared to collaborate on several important tasks, including:

- **Fit Assessment:** In this phase, the client participates in a “Fit/Gap Analysis” led by the vendor to understand where the vendor’s product offers a “fit” with the business and technical requirements specified in the client’s RFP.  
*Note: Requirements in the COTS solution may be met in a different way than your existing system.*
- **Change Management:** In this process, the client will work with internal business leaders and staff members (ideally, under the guidance of an appropriate Change Management or Human Resources resource) to retrofit “As Is” or “Future State” business processes and requirements to align with the COTS software functionality. Outcomes of this exercise may include re-engineering of current business practices and processes or even some corporate, department, or business unit re-design.
- **Gap Closure:** Within the “Fit/Gap Analysis” process, the client helps the vendor’s Business Analyst(s) and System Architect(s) understand the remaining “Gap” items (typically, the remaining 20 per cent of highly site specific requirements) that must be configured within the system for a total solution.



As you explore a typical COTS system implementation, even in your project’s infancy, the process should lead to careful evaluation of these underlying factors in your organization:

- **Interest in Maintaining the Status Quo:** Reflected in the following statement, “Our organization’s leadership, staff, and culture don’t want to change how we do business. We just need to update our aging legacy technology. Our current technology is being discontinued.” Your organization may still need to complete a “custom-build” versus “find-a-COTS” evaluation and explore if there is any vision internally (especially at the leadership/sponsor level) for achieving “transformation. *Further pre-RFP investigation is recommended.*
- **Feasibility of using a COTS solution for “As Is” Processes:** Reflected in the following statement, “Our organization’s business processes and requirements are so radically different than most other agencies of our type. We need a system that works our way.” Your organization may still need to complete a “custom-build” versus “find-a-COTS” evaluation. The POSSE solution is flexible enough to meet those requirements, but bear in mind that any departure from the baseline, pre-configured “out of the box” solution brings with it additional configuration costs. *Further pre-RFP investigation is recommended.*
- **Feasibility of using a COTS solution for “Future State” Processes:** Reflected in the following statement, “We have just spent X months (or years) re-engineering and documenting our new ‘future state’ processes. We are not prepared to alter those processes to fit a pre-configured COTS product.” Your organization may still need to complete a “custom-build” versus “find-a-COTS” evaluation. A COTS departure solution might still be your more affordable and less risky option. *Further pre-RFP investigation is recommended.*
- **A Commitment to Transformation:** Reflected in the following statement, “Our organization’s leadership, staff, and culture agree that we need to change how we do things. We need to streamline and expand our services, better use available technology, and realize new efficiencies. We are prepared to participate in changing or restructuring our business to achieve these goals.” *A positive sign that your organization understands that a COTS solution is your best option and that you are ready for your project!*

As these statements make clear, an executive sponsor-driven objective to streamline, improve business, leverage new technologies, and realize improved efficiencies (as well as an organizational willingness to change how you do business in order to achieve these goals) are fundamental pre-requisites for a successful COTS project.



## Organizational Change Management

Implementing a new COTS software system, with its own best-practice-oriented functionality for common regulatory activities, will likely require a willingness by your organization to change some of your current operating procedures. This implementation may even require a modest organizational re-design of some business units in order to better align with industry-leading best practices as facilitated by the chosen COTS solution.

Let's face it, change can be uncomfortable and stressful for some. In our experience, the best way to manage this discomfort and stress is to skillfully control how you navigate the changes.

Organizational Change Management (OCM) is a framework for managing the effect of new or altered business processes within your enterprise, or changes in organizational structure or cultural changes, as a result of implementing your pre-configured COTS software. Simply put, OCM addresses the “people side” of change management.

Computronix encourages our prospective customers to consider appropriate resourcing and planning for structured OCM activities as an integral part of your COTS project. The outcomes of a successful OCM and/or organization re-design experience will include the following:

- User involvement as the project unfolds to understand as early as possible how the business will be impacted and re-aligned. (*Reduced stress and confusion*)
- A culture of committed, enthusiastic, and engaged employees as the new system goes into production. (*User buy-in to transformation, achieving the new vision*)
- Reduced software re-configuration costs and efforts made to accommodate site-specific “legacy” thinking and business practices. i.e., “But we’ve always done it this way.” (*Reduced software system development costs*)
- The ability to more easily accommodate new COTS software upgrades and improvements because your re-engineered business already fits “inside the box.” (*Easier roadmap to system and process optimization over time*)

## Recommended Project Resources, Skills and Available Training

### Assembling and Building Your Project Team Skills

Your project team will be successful with individuals who have training and experience in the following disciplines:

- **Project Management:** This senior position will play a pivotal role in your project. A full-time allocation is strongly recommended for the duration of the project. The internationally recognized [Project Management Professional \(PMP\)](#) designation has been offered by the [Project Management Institute](#) for several years. The PMI's PMBOK Framework offers a solid methodology for project management processes and understanding.
- **IT Technical Leadership:** This senior technical position will also play an important role in your project. Such an individual inevitably becomes the System Manager/System Architect for your COTS system once it is fully implemented. A solid background and formal training in Information Technology is the primary pre-requisite.
- **Change Management:** This individual (or group) will lead the organization through the required business and behavioral changes required as a result of the Fit/Gap exercise. [Change Management Professional \(CMP\)](#) is now recognized as a formal vocation (a three-day CMP course is offered by Prosci.) Other CM organizations offer further training, tool and templates.
- **Business Analysis:** These individuals will play a key role in pre-RFP requirements gathering, and translating them into functional and technical requirements within your RFP. Post-RFP, the Business Analyst role will participate in requirements validation and traceability during the actual project.
- **Quality Assurance:** These individuals will lead the development of Acceptance Test Plans and test Business Scenarios, Test Scripts and User Acceptance Test execution. QA training, templates and materials are available at PMI.

There are, of course, other important roles that will participate in the project. These include business Subject Matter Experts (SMEs), trainers, and various IT specialists (for data conversions, system interfaces, web content management). Executives/sponsors should plan to participate at a Project Steering Committee level of oversight.

### Further Resources:

- Project Management Institute ([www.pmi.org](http://www.pmi.org))
- Prosci Change Management Professional Training ([www.prosci.com](http://www.prosci.com))
- Association of Change Management Professionals ([www.acmpglobal.org](http://www.acmpglobal.org))
- International Institute of Business Analysts ([www.iiba.org](http://www.iiba.org))

(Note: Computronix has no affiliation whatsoever with any of the above organizations.)

## SECTION 2: Preparing Your RFP Package

Each sub-section of Section 2 describes the information we believe is important to be included in an RFP to assist in the preparation of a clear, binding, and informative proposal that can be effectively and accurately evaluated by your organization.

### Understanding Your Fundamental Objective and Goals

First, it's beneficial to clearly define your fundamental project objective and procurement goals, for subsequent provision to vendor(s):

- How has your organization determined it will achieve its business transformation using information technology?
- How big is the scope of your project?
- What are your project timelines?
- Has your organization surveyed the available software solutions, **Commercial Off-The-Shelf (COTS) vs. Custom Application Development**, and made a commitment to the COTS type of software solution and the related implementation approach required? How will the system be supported once it is in production?

### Understanding Your Project Scope

#### Your Current or Envisioned Business Scenarios

To start, provide an understanding of all in-scope, start-to-finish business workflows (the “As Is” or “Future State” business processes to be supported by your new software solution) and assess to what extent current or re-engineered processes have been documented. Provide any documentation that lists process descriptions and business rules or, in the event this is unknown, describe your organization’s anticipated process to define these important system design and configuration elements.

Whether your organization chooses to undertake a business process re-engineering (BPR) exercise as part of its business transformation or stays the course with business “as is,” process and business rule documentation can be presented in the form of data models, object models, process workflow charts, or step-by-step grids or tables. A listing of all the distinct and unique workflows to be implemented (including the names of the different business processes, process types and/or workflows) is recommended to facilitate accurate costing.

“Use Case methodology” is a recognized process definition and documentation best practice that lends itself especially well to a regulatory environment. Use Case development results in documentation that can be readily interpreted by COTS and/or Custom Application Development software vendors as they seek to understand system requirements described in a subsequent RFP for software. The Use Case approach is primarily workflow-centric and, therefore, valuable to regulatory agencies undergoing transformation. Ultimately, up-to-date documentation of your Use Cases will allow software vendors to understand your capability-oriented system requirements in the context of the in-scope business processes that will remain “as is” and those that have been improved through re-engineering.



## Other Desired Information about Your Business Scenarios

- Provide a description of your organization’s internal and external user groups summarizing how they are involved in the completion of the envisioned business scenarios or workflows. Include the number of business users by category (e.g., management, inspectors, cashiers, front desk clerks, plans or document examiners, contractors, external agencies that participate in your review and approval processes, etc.), as well as specifications for the tools used in the completion of their respective responsibilities (software, hardware, methodologies, computer literacy levels, familiarity with certain products, etc.). This may include organizational charts, especially if there has been a recent change to, or amalgamation of, business units or the organizational structure. Planned growth or downsizing rates may be applicable to account for system scalability.
- Provide a description of the existing corporate Information Technology standards for operating systems, database platforms, technical architecture, software, protocols, major operating policies, including:
  - o rules that will not change and reasons why they must be adhered to.
  - o rules that are expected to change, and if the changes will occur at once or staggered over some time frame.

## Your Reasons for Software System Change

To best assist vendors in understanding the “pain” factors that exist in your organization and how they are drivers for finding a new software solution, provide a summary of your reasons for software system change. Business and organizational pain is often growth-driven. In such cases, a forecast of growth rates or a description of anticipated system scalability is valuable. Pain may also be driven by the need to replace outdated or unsupported technology. In such cases, vendors have a need to understand any critical timelines or dates for crossover to the new system as well as the expected lifespan of the new software solution.

To capture fully the drivers that are demanding that your organization spend time & money on a new system, consider the following sources:

- Any needs assessment or feasibility studies that may have taken place to help identify root cause problems your organization may be experiencing. Supply proposed problem solution strategies and identify the internal staff teams or external consultants who may have led these exercises.
- Provide any specific requirements to accomplish business process re-engineering and/or organizational change management/organization re-design that may be part of the project.
- **Buy vs. Build:** The overwhelming majority of RFPs issued in the market today indicate a clear preference for flexible and configurable COTS solutions like POSSE for a variety of reasons including lower costs, quicker deployment time-frames, pre-configured domain-specific templates, ease of self-management, enhancements and product upgrades over time, documentation, training, ongoing support, etc. If your RFP will accept a Custom Application Development as a solution option, it’s important to understand what reasons are driving this choice. If your RFP invites both COTS and custom-build applications, clearly state your organization’s preference for one or the other.
- Are there any mandated timelines or other implementation-related drivers for achieving “go-live” of the new system, resolving existing problems, or meeting promised commitments made by your organization? Are there political and/or budget cycle motivators that impact implementation of the system?
- If possible, provide the budget or the budget range for the project. Vendors use this information to determine potential fit between client expectations and historical costs of delivering a solution based on their product set. It is also helpful to know whether budget approval has been provided and/or whether funds have been secured. Also helpful are any plans to spread system acquisition and implementation costs over multiple years or in several phases, in order for a vendor to best align with budget commitments and constraints.
- Are your organization’s expectations realistic when functional scope, budget, and timelines are all considered?



## Your Critical Success Factors

Definition of your critical success factors provides vendors with a sense of what the priorities are in your organization, how your organization is likely to evaluate proposed software solutions, and how your organization could determine its own level of readiness for a POSSE implementation. It is important to understand how your organization will define project “success” so that deliverables can be properly measured to ensure the project team maintains full accountability to the project plan.

In our experience, an average-sized regulatory software system can be implemented within 12-to-18 months. Larger implementations may be phased into two or three smaller projects of similar duration. Please indicate any mandatory or drop-dead timelines for project start, system “go live” and project conclusion.

## Your Business Requirements

Different groups of users may require different user interface presentations (e.g., browser-based desktop applications, or standalone occasionally-connected mobile applications, or native smartphone-oriented computing) to complete a workflow (i.e., a business process). POSSE technology offers product modules that support these various presentations. Please indicate your end user interface platform preferences for your primary users groups.

A POSSE end user application usually incorporates “operational reports” such as receipts, letters, permit and license documents, inspection summaries, and certificates that may be printed and given to the customer at some point in the workflow. Reports to track performance, collect statistical information, and observe trends are typically required. Through vendor-provided training, these types of reports can be generated by in-house staff. If the requirement is for the vendor to provide these reports however, then properly identifying the quantity and complexity (low, medium, high) along with provision of appropriate samples (where available) will assist vendors to accurately estimate development costs.



A list of current or desired business processes (preferably documented as Use Cases) and samples of current input and output forms such as application forms, permits, licenses, receipts, etc., are extremely useful for estimating the required effort and scope of the client’s POSSE system configuration.

Specific business requirements are often described in a table format in an RFP as “Functional Requirements.” For best results, assign a priority for each requirement (Mandatory, Desirable) using such verbiage as “The proposed System will include…” rather than “The proposed software is capable of …” to indicate your clear expectation that the related cost should be included with the vendor’s price quote.

### Your Data Conversion Requirements

In order to keep project costs down, Computronix recommends sharing the data conversion responsibility. Based on our extensive experience, we recommend that the client’s IT staff hold responsibility for the following conversion tasks:

- Map legacy data back to legacy objects and screens, if required, in order to help us understand how to translate data into the POSSE object model.
- Extract legacy data into a flat file format in preparation for loading.
- Review, “scrub,” and/or reload any non-conforming data.

In our experience, it makes the most sense for the vendor to provide the following services:

- Provide data conversion training and mentoring.
- Create and test load scripts.
- Design and map data to the proposed object model.
- Load data.

As pre-requisites for assessing data conversion requirements, it’s important to understand where legacy data resides, the extent to which client resources will be provided to assist with the conversion, and the client’s timelines for decommissioning legacy systems.

## Your System Interface Requirements

Usually addressed in an RFP Appendix table or grid structure, system interface requirements may include the following:

- Standards, extent of use of web services and/or messaging hubs; overview of enterprise architecture and SOA vision.
- Description of each interface and performance required. Is the interface one-way or two-way, real-time, read-write, or batch overnight?
- Platforms and specifications of external systems.
- Any existing interfacing tools, such as gateways, and any specialized backend and/or third-party performance tools that may be available for use.

## Your Technical Requirements

Usually addressed in an RFP Appendix table or grid structure, requirements may include the following:

- Current workstation and server platforms and specifications and any planned or anticipated upgrades. Any mandatory requirements?
- Current database preferences platforms and specifications. Any mandatory requirements?
- Current infrastructure, networking, and protocols used. Any mandatory requirements?
- Current Internet (and/or corporate website) architecture, security, and standards; content management systems and approaches?
- Is there VPN or remote database access availability for the selected vendor?
- What are the anticipated or required system features for each group of business users? What features do inspectors need? Front counter staff? Cashiers? Plans examiners? Notification clerks? Management? External Internet-based users? Is each feature mandatory or desirable? What are the common functions required? Which GUI presentation is desired for each group of users (browser, mobile/smartphone)?
- Individual, specific technical requirements are often described in a table format in an RFP as “Technical Requirements.” Please assign a priority weighting to each requirement (Mandatory, Desirable) and use such verbiage as “The proposed System will include...” rather than “The proposed software is capable of ...” to indicate your expectation that the related cost should be included with the vendor’s price quote.

## Your Hardware/Infrastructure Requirements

Usually addressed in a RFP Appendix table or grid structure, the details that need to be examined include the following:

- Workstation specifications, both minimum and recommended.
- Acceptable database, operating system, web server, and browser platforms.
- Database and file server specifications.
- Specifications for existing mobile/remote devices such as tablets, and smartphones.
- Network architecture details.
- Any data encryption requirements for remote computing and/or hosting.
- Corporate standards for hosted or software-as-a-service (SaaS) solutions.
- Any other mandatory corporate IT standards not previously identified.

## Your Training and System Documentation Requirements

Please indicate your system documentation needs, and training needs/expectations for internal end users (staff), for internal super users (project team members, Subject Matter Experts, designated User Acceptance Testing team members, security administrators, system support and network administrators), as well as for external Internet users (customers, citizens).

Historically, a Train-the-Trainer approach offers the best balance of cost-effective knowledge transfer, i.e., training a small number of designated trainers in your organization (up to 8 people) in POSSE usage as configured for your organization. This site-specific usage training is supplemented with our standard System Administration and Support training and optional Dashboard and Ad-Hoc Report writing training.

The development of site-specific training materials and delivery of end user training based on the business applications configured for your organization can be provided by your end user trainers in order to control costs. If the preference is to have the vendor complete this work, it should be identified in the RFP, and proposals should be checked to ensure that the vendor deploys qualified and dedicated trainers who work with the project team in the preparation of tailored training materials. Computronix provides certified POSSE trainers from our Education Services division. Ask the vendor to identify training options (example: role-based training for super users, report writers, configuration technicians, developers) to choose from that can increase the organization's ability to self-manage the application.

### Understanding Your Preferred Implementation Approach

#### Your Implementation Preferences

In developing the overall delivery approach, it's beneficial for vendors to understand your organization's preferences for your implementation, as well as the size and make-up of your project team and anticipated system sustainment team.

#### Your Implementation Best Practices

If applicable, please provide any information about your organization's IT project best practices, such as:

- System development methodology and life cycle documentation
- Project management and review practices, such as adherence to the Project Management Institute's PMBOK processes
- Vendor requirements for corporate quality assurance certifications (such as ISO and/or ITIL)





## Some Implementation Lessons Learned

Based on numerous POSSE implementations completed over the last 20 years, Computronix offers the following “lessons learned:”

- Phased projects, with multiple go-live events, will allow for a quicker initial system go-live, reduce overall staff stress, and allow for corrective/continuous improvement actions and changes in scope as the project unfolds. Single “big bang” implementations are stressful for everyone involved and may create a very long time period between project kick-off and the actual go-live event.
- Business process and business rule analysis (i.e., Fit/Gap Analysis), dialogue with the client, and the development of Gap Closure documentation may (depending on the vendor technology selected) represent the lion’s share of the system configuration time and effort. For example, physically keying in the final POSSE LMS or POSSE ABC system configuration adjustments using POSSE’s point-and-click enterprise application development tool is a straight-forward exercise that can be completed in a timely fashion once the client’s business processes and rules are well- understood and user interface designs are confirmed.
- For larger projects, an initial proof-of-concept or limited production release exercise may be a safer, lower-cost way to further evaluate POSSE technology. Such a prototype can even begin with a small services-only contract (no license purchase required) with a very limited system configuration scope, a short evaluation period, and options to continue or discontinue with POSSE based on the outcome of the prototype evaluation.
- It may be beneficial for larger projects to break the Analysis out as a separate, preliminary “Requirements Finalization” services-only contract. In several projects, we have completed the system requirements Analysis concurrent with writing a project Statement of Work. This stepping-stone approach reduces risk and associated contingency costing, firmly identifies true project deliverables and schedules, and eliminates any downstream surprises that would have to be addressed within a fixed project budget.
- With the advent of reliable, high-resolution video conferencing services, vendor travel and on-site expenses can be reduced significantly through the use of such virtual face-to-face services. We encourage clients to investigate such services provided by such companies as [GoToMeeting](#) or [LifeSize Clearsea](#). Computronix itself uses the LifeSize Clearsea video conferencing service and can provide compatible client-side LifeSize video conferencing gear for a modest monthly fee as part of the project.

## Understanding Your Maintenance and Support Requirements

Most customers desire to understand how their new system will be supported and resourced once it has been put into production. There are often vendor and client costs associated with maintaining and supporting a system due to the need for end user help desk services and ongoing system administration and support, including software product upgrades and bug fixes, staff retraining, and required changes to system configurations brought about by new legislation, policy and fee changes.

Please indicate any specific requirements for product and system support. In your Pricing section, please indicate the time period (in years) that support services are to be provided. Also indicate whether your agency desires an on-site system support by your own IT staff, a vendor-hosted option, and/or additional enhanced Service Level Agreement services (e.g., monthly help desk performance reporting, 24 x 7 help desk coverage, extended hours on-call support, remote Oracle DBA services, etc.)



## Determining Project Pricing

### On-Premise Software Licensing Options:

Computronix provides two POSSE licensing models for On-Premise solutions:

1. **One-time Perpetual Licensing:** Software costs are based on a combination of POSSE core system and optional module licenses, Named User and/or Mobile User licenses, and required add-ons or extensions. The POSSE Annual Support fee is 22 per cent of the above total one-time purchase. The software resides on your in-house servers (or at an in-house data center operated by your government), typically supported by your own IT staff, although Computronix can provide full or partial system support remotely through VPN (or equivalent) access. See further details below.
2. **Annual Subscription Licensing:** An all-inclusive, consolidated annual fee for licensing and annual support, based on a pre-configured POSSE application and a pre-determined number of internal users. The software resides on your servers in-house, typically supported by your own IT staff.
- **Optional Remote System Support/Database Administration Services:** If your organization does not have in-house IT Support for the System, Computronix can provide these services remotely for additional cost.

### POSSE Cloud Services (Managed Hosting) Options:

Computronix offers these contemporary service delivery options:

1. **POSSE Software-as-a-Service:** Computronix offers all-inclusive annual/monthly “cloud” pricing for any of our pre-configured COTS+ business solutions (POSSE Land Management System, POSSE Alcoholic Beverage Control, POSSE Enterprise Licensing System).
2. **POSSE Work Management Platform-as-a-Service:** Our award-winning low-code POSSE Work Management Framework can be offered in a hosted environment for organizations seeking a flexible workflow-centric platform upon which to configure (clicks, not code) integrated site-specific end user applications.
3. **Managed Hosting for One-Time or Annual Subscription Licensing Purchases:** Computronix offers managed hosting services for POSSE One-Time Perpetual and Annual Subscription license owners who wish to transition to a cloud-hosted environment.

### Project Phasing and Implementation Services Costing

We recommend completing “must have” functional requirements, the legacy system data conversions, and common system interfaces in the first phase of the project, and if possible, delaying “desirable” functionality to subsequent budget years, addressed either as separate projects or amendments to the original contract. Please indicate which pricing items are mandatory and which are only optional or desirable.

Please indicate if vendor implementation services must be fixed-cost, or can be “not to exceed” cost or time-and-materials estimates (at a specified hourly rate). To avoid misunderstandings in the volume and nature of work to be performed, and to eliminate the risk of quoting fixed prices on undefined scope, the delivery of fixed-cost services requires a complete and detailed understanding of the scope of work.

### Components of a Request for Proposal (RFP)

Your purchasing department or procurement division likely already have a well-established RFP method that will include the following topics:

- 1. A Statement of Goals:** This section clearly defines the problems that the application of the software being acquired is intended to solve and how it is to operate. A mission statement, a list of objectives, or targeted performance measurements will go a long way toward developing a common understanding among all stakeholders in the system development process.
- 2. A Schedule of Activities:** Recognizing that dates can be subject to change, producing a schedule of the anticipated RFP activities properly prepares both client and vendor in anticipating time, staff resources and potential travel arrangements required in order to meet expectations.
- 3. Definition of Terms:** This section provides vendors with a clear understanding of technical and administrative terms used by your organization and by the information technology industry. Such a section has proven to be invaluable in avoiding misunderstandings that frequently arise when one party or the other has a different meaning for a term contained in the contract. A glossary of terms can establish and help maintain common understandings.
- 4. Current Practices and Expected Change:** As previously described, this section provides the vendor with a description of the current practices of your organization and the exact changes that your organization is seeking as a result of the IT application. Include current and anticipated volumes, total number of internal and external users.
- 5. Technical and Business / Functional Requirements:** As previously discussed, organizations have had successful procurements with either brief or very detailed lists of technical and business/functional requirements in their RFPs. These are often provided in grid/table format.
- 6. Your Project Team Resources and Commitments:** This section provides vendors with a clear understanding of how your Project Team will be structured, and how various team roles will be resourced. Clearly state role allocations, such as “full-time dedicated position” or “XX hours per week for duration of project”.
- 7. Pricing Requirements:** This section provides vendors with clear instructions on how to present costs for vendor software and third-party software licenses, vendor services, hardware, and annual maintenance and support services.
- 8. Administrative and Contracting Requirements:** “Master Agreement” or “Standard Form of Agreement” contract templates are typically provided by your Purchasing Department and/or legal counsel. Please include your boilerplate pro forma contracts, costing, risk management, insurance certification, and other key documents in full for legal review.
- 9. Other Procurement/Project Requirements:** These are typically provided by your Purchasing Department, Equal Employment Opportunity (EEO) Office, and/or legal counsel. Include anticipated procurement, contracting and implementation timelines. Your procurement and/or legal department may require vendors to comply with certain mandatory terms and conditions in contracts and/or organizational legislation or policies addressing privacy protection (FOIP) or Equal Employment Opportunities (such as participation goals for visible minorities or local small business enterprises).

Further to the required Schedule of Activities above, we recommend including the following key dates at minimum:

- Release of RFP
- Deadline for Submitting Questions
- Deadline for Question Response (We recommend a minimum two-week window of time between all questions being answered and the RFP Deadline for Submission due date selected to allow vendors to incorporate answers to questions into their response)
- Contract Award
- RFP Deadline for Submission (We recommend a minimum of four weeks from release of RFP to RFP Deadline for Submission due date. For more complex RFPs, we recommend an allowable response period of six to eight weeks. RFPs with tight turnaround times send the message that a preference has already been established for a particular solution or vendor. Shorter response time frames can compromise quality of the proposal and generate fewer vendor proposals to choose from.)
- Short-Listed Vendors’ Product Demonstrations



Finally, your purchasing department or procurement division likely has a well-established proposal evaluation format and methodology that represents a properly balanced framework aligned with your organization's priorities.

### Common Proposal/Vendor Evaluation Criteria

Common proposal/vendor evaluation criteria often includes the following:

- Functional fit, end user friendliness of the proposed software
- Fit with your organization's technology standards and requirements
- Strength and appeal of the vendor's proposed implementation approach and methodology
- Proposed maintenance and support services; proposed hosting services
- Strength of the vendor's proposed project team members and team organization
- Client references, client testimonials, client awards
- Vendor's financial stability; financial strength
- Vendor's track record for implementation success, failed projects, pending or historical lawsuits or other legal actions against
- Cost, relative to other vendors' proposals
- Any added value the vendor's solution might provide to your organization

### Common Proposal/Vendor Scoring Criteria

Overall proposal/vendor scoring criteria typically includes a score or evaluation weighting applied to the following:

- Vendor's technical proposal
- Vendor's pricing proposal
- A shortlisted vendor presentation or live demo of the software product
- Client reference checks





## SECTION 3: Evaluating and Selecting a Vendor

### Look Beyond the Vendor's Proposal and Product Demo

It is ironic that the software industry that serves the North American government regulatory sector is, itself, unregulated. Therefore, we strongly encourage our prospective clients to adopt a “buyer beware” mentality as they evaluate vendors and potential software solutions. Further, in this era of diminishing capital budget cycles and shrinking budgets, your chosen technology solution – and, therefore, your relationship with the selected vendor – will likely need to last at least 10 to 15 years. You owe it to yourself and your organization to consider wisely who you are going to forge this relationship with!

Computronix strongly encourages an agency to look beyond a vendor's proposal and product demonstration in order to investigate further. We advise agencies to provide significant weighting to such criteria as the vendor's project track record, client references, and financial stability as these factors tend to be the strongest predictors of project success. Gain as much information as you can about the selected vendor and their technology solution to determine the overall likelihood not only of initial project success, but of a positive and enjoyable, long-term “win-win” relationship with the vendor.

### Proven Tips for Effective Independent Evaluation of a Vendor

There are a number of tools available to you to help you independently assess a vendor, including the following:

- **Internet searches:** Websites such as [Dun & Bradstreet](#) and [Glassdoor](#) can offer valuable insights into a company's overall health. Internet searches can reveal information about legal actions, lawsuits against a vendor. Internet searches can help you to identify users of the vendor's software who were not listed in the Client References section of their proposal.
- **Site visits:** A site visit to a vendor client site (or multiple sites, if you can afford it) is a great way to speak frankly and openly with other customers directly, and see a production version of the vendor's software in action for yourself.
- **Attendance at vendor's annual user conference:** If your RFP procurement is timed such that it coincides with the vendor's annual user conference, you may ask the vendor if you can attend the conference as part of your evaluation process. User conferences offer another great way to meet other customers directly and to get a sense of overall customer satisfaction with the vendor.

In addition to the evaluation criteria and process you plan to use in your RFP package, here are some further considerations, methods and resources for learning as much possible about a preferred or shortlisted vendor:

### Evaluating Vendor Corporate and Financial Stability, Solvency

- **Dun & Bradstreet Reports:** Company financial reports and a DNB-applied solvency rating are published annually at this highly regarded and reputable organization’s website.
- **Altman Z-Score:** The Altman Z-Score is a proven, reliable tool for identifying a vendor’s present level of financial distress and predicting their risk for bankruptcy. This [online Altman Z calculator](#) is also an invaluable resource.
- **Publicly Traded versus Privately Owned:** There are pros and cons to working with each kind of company. Your research should help you determine if the vendor’s project track record suggests that they value customer satisfaction ahead of profit margins and shareholder returns. Does the vendor have a history of exceeding established project budgets with unexpected and excessive change requests to maximize profitability?
- **Mergers and Acquisitions:** High-growth companies with a strong M&A roadmap may be over-extended or be struggling with cash flow or HR-related challenges. Merging company cultures creates staff stress and instability. Are there any present or recent mergers or acquisitions underway at the company?
- **Annual Research and Development Investment:** Profitable, innovative companies commit to an annual research and development investment in order to keep their company and products current, compelling and viable. What is the vendor’s annual commitment to R&D? What has been the annual investment in the past 2-3 years? What new products, innovations, or best practices did that R&D investment produce?

### Evaluating Vendor Performance, Capability

- **Outcomes of Projects with Comparable Size and Complexity:** Does the vendor have a proven and positive track record working successfully with jurisdictions of your size and with projects of your complexity? What have been the outcomes of their comparably-sized projects in the last two to three years, in particular?
- **History of Legal Action, Contract Breaches, Failed or Cancelled Projects:** Prospective clients should ask their preferred vendor whether there has been any history of failed or cancelled projects (including dates and with whom), what the perceived causes were and, even more importantly, if the vendor has any pending lawsuits or in-progress legal action? Some of this information can, and should, be validated independently through your own web search. The prospective vendor should be asked to confirm the nature and outcomes of any lawsuits they have been involved with.

### Evaluating Vendor’s Customer Satisfaction Track Record

- **Customer Surveys, Third-Party Surveys or Reviews:** To gain a balanced perspective, vendors should be asked whether they conduct customer satisfaction surveys, what type, how frequently, and if those survey results or testimonials are available for your review? According to the popular customer loyalty diagnostic, the “Net Promoter Score” (based on author Fred Richfield’s landmark book, *The Ultimate Question 2.0*, © 2011, ISBN 1422173356) the single most important question in a Customer Satisfaction and Loyalty evaluation is: “On a scale of 1-10 how likely would you be to recommend this vendor to others?”
- **Customer Awards** – Have other customers ever won or received significant awards or industry recognition for their implementation of the vendor’s software?
- **Published Articles and Case Studies** – Have other customers posted or published articles or case studies about their project success and benefits?



## Evaluating Vendor's Proposed Technology

- **Software Product Roadmap:** What is the vendor's governance model for ongoing product development? Can the vendor provide a formalized, document Software Roadmap for your review?
- **Multiple Product Lines:** Some vendors have adopted a high-growth strategy of acquiring other companies or smaller competitors as a means of expanding their client base. Ask the vendor how many different/similar products they are carrying and supporting. Ask if the company has formal Product Managers (request resumes – you may be surprised!) who oversee the planning, prioritization of product enhancements, forecasting and production of the software application. Supporting multiple software code streams, each with multiple versions in maintenance mode, requires separate streams of product management, development, QA and support resources. This can be expensive
- **SOA Compliance / Software Interoperability:** A published standard in your RFP against which software can be judged to be interoperable and “Services Oriented Architecture” (SOA) compatible will be of value to your organization. Define software requirements that will provide full integration with other third-party products/functions to enable the interchange of information and system compatibility across all in-scope business processes, thus providing your organization with full ownership of your data. Meeting this standard will also limit software integration and ongoing re-integration costs.

## Evaluating Vendor Culture Fit and Staff Qualifications

- **Annual Staff Turnover Rates:** The worldwide average for annual staff turnover in the software industry is in excess of 15 per cent. Obviously, having a stable workforce means a vendor can plan for and deliver projects more predictably and with greater efficiency without having to deal with significant project team churn or delay. Some vendors experience high rates of annual staff turnover. Ask for confirmation of the vendor's employee turnover rate and request that an executive of the company sign off on this information. Can the software vendor commit to having trained and competent resources dedicated to your project? Does the vendor offer a project team succession strategy that meets your needs and expectations?
- **Company Reviews by Former Staff Members:** At the well-known global [Glassdoor](#) website, former staff members of companies are free to comment on such aspects as company leadership, working conditions, salaries, company performance, and staff satisfaction.
- **Use of Recognized Standards, Professional Memberships and Affiliations:** Do your organization and the vendor share common ground in your respective use of recognized standards and/or professional memberships, certifications and affiliations?
  - o Well-respected IT benchmarks such as [ISO standards](#) or [Project Management Institute \(PMI\)](#)
  - o Affiliations in business networks/certifications programs such as Microsoft, Oracle and ESRI
  - o Best-practice standards associated with industry-wide organizations such as [American Planning Association \(APA\)](#) and [International Code Council \(ICC\)](#).
- **In-house Regulatory SMEs, Value-Added Expertise:** Does the vendor employ any relevant industry Subject Matter Experts (e.g., former Planners, Plans Checkers, Building Officials, Permit Technicians, Inspectors, or Enforcement Officers, etc.) who can be leveraged into the Business Analysis or Change Management aspects of the project? It helps to have vendor project staff who have obvious industry credibility and who are already up-to-speed on your business processes and needs. Do those in-house SMEs offer industry credentials and a broader, more enhanced perspective?

### The “Computronix Experience” is Our Differentiator

During our 40+ years in business, Computronix has achieved a 100 per cent success rate delivering its software projects. Our goal is to serve our clients, including our prospective customers within a highly ethical, transparent, and relational framework as we make an effort to put into practice our Corporate Mission to **respect, trust and serve**. We enjoy long-term “win-win” relationships with our customers.

POSSE is our flagship software product. For more information about Computronix and our specific POSSE software brands and products, please visit our website at [www.Computronix.com](http://www.Computronix.com)

### How Can Computronix Help at During Your Pre-RFP Stage?

During the pre-RFP stage of your organization’s initiative, our Computronix Business Development team would be pleased to provide the following services:

- A written, prepared response to your organization’s Request for Information (RFI) or market scan document.
- On-site or remote “discovery” sessions to help us to better understand your upcoming needs and requirements and to help pre-qualify if Computronix / POSSE is a viable solution for your organization.
- On-site or remote POSSE software presentation/demonstration to introduce your key team leaders to our company and products’ embedded industry best practices.
- High-level Cost Estimates, based on known and understood project scope and requirements, for your preliminary project budget estimating and capital project/budget cycle planning.

### For Further Information

Should you desire more information about POSSE software, Computronix, or have additional questions related to your upcoming project, please do not hesitate to contact our Computronix Business Development Team:

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White Paper By:

Computronix provides state and local government agencies with transformative enterprise software solutions for land management, alcohol beverage control and enterprise licensing. Powered by POSSE, an award-winning platform cited in the Smithsonian Institute's collection of ground-breaking software, this wholly integrated suite of enterprise products empowers public sector agencies to automate critical processes and streamline business workflows for improved efficiency, accessibility and civic engagement.



Distinctive Software. Exceptional Service.