

Proposal for Advisory and Benchmarking Consulting Services

TECHNICAL PACKAGE: *Sourcing Advisory*

Integris Applied response to RFP 98000-000000-4597

Integris Applied is a management consulting firm focused on CIOs and their organizations. We guide clients through the changes required to implement sustainable technology-led strategies. We shape IT organizations and environments with an approach that unifies vision, action and the people who influence both. We have walked in your shoes as buyers, sellers and advisors ... and will walk with you now, on your journey.

We have delivered for you in the past. With our deep bench of industry expertise, we stand ready to continue evolving and supporting GTA.

We thank you for considering Integris Applied to serve you on the next stretch of your journey.

Table of Contents

1.	Technical Proposal – Advisory Services	3
1.1	Mandatory Requirements	3
1.2	Sourcing Advisory Project Narratives (Appendix G1)	4
1.2.1.	Project 1: Georgia Technology Authority (GTA) Hybrid Cloud Server Procurement	4
1.2.2.	Project 2: Georgia Technology Authority End User Compute & VDI Procurement	6
1.2.3.	Project 3: Virginia Information Technology Agency Disentanglement and Sourcing Program	7

1. Technical Proposal – Advisory Services

1.1 Mandatory Requirements

DESCRIPTION	YES or NO
<p>On-shore</p> <p>The State requires all State Government data to be stored only on servers within the United States in order to reduce the jurisdictional and security concerns that attend offshore data storage.</p>	YES
<p>Availability of staff</p> <p>Offeror must agree to provide a working team that is available to work during the State of Georgia’s regular business hours, from 9am-5pm Eastern Standard Time, Monday through Friday</p>	YES
<p>Data Protection</p> <p>Offeror must agree to provide secure engagement file storage and transfer capabilities for all engagement documents whereby 100% of all engagement data stays exclusively within the legal jurisdiction of the United States.</p>	YES
<p>Description of Services</p> <p>Offeror must agree to provide and keep current the submitted rate card aligning with the referenced service categories and an Account Representative or Point of Contact. Selected Offerors must meet this requirement within thirty (30) days of award.</p>	YES
<p>Objective Third Party</p> <p>Offeror must not be a current service provider to GTA for operational or integration services. Service providers currently under contract with GTA, including but not limited to the Georgia Enterprise Technology Services (GETS) program or GTA Direct program, will not be considered. Additionally, Offeror must disclose any business relationships or financial arrangements with existing GTA suppliers, both at the time of this bid and when submitting proposals for work after this RFP is awarded.</p>	YES

1.2 Sourcing Advisory Project Narratives (Appendix G1)

1.2.1. Project 1: Georgia Technology Authority (GTA) Hybrid Cloud Server Procurement

Client: Georgia Technology Authority (GTA); **Dates:** 2018

Sector: Public Sector – State Government; **Project Value:** \$30M/year, \$150M TCV; **Staffing:** 1.5

Challenge: GTA needed to replace a contract that had become burdened with fixed price add-ons (RFSs) and pricing constructs with a modern consumption-based contract that provided choice and flexibility and that enabled the Agencies to control their own costs based upon their own choices and behaviors. GTA also wanted to modernize service offerings by providing cloud broker services and integrate server services into GTA’s MSI construct.

Impact: The procurement yielded a 20% cost reduction compared with the previous supplier through the consumption of standard server configurations and automated provisioning via a self-service portal. Agencies can now use options for local file storage, can access cloud-based services, and tiers of support services.

Full Story: With the hiring of an MSI in 2015 GTA established an integrated multi-supplier model that would improve service delivery, enable the rapid addition of services, provide increased transparency to operations and costs, and increase innovation. After the MSI implementation GTA required a comprehensive strategy to rebid the remaining service towers held by its incumbent for integration with the MSI. This strategy had to produce service improvements and cost benefits for GTA’s customers. Integris Applied supported GTA in its re-procurement of these towers (aggregate service tower TCV of \$531M) through a Market Test and Rebid (MTR) program.

The largest of the towers was the Hybrid Cloud Server environment. In 2018 GTA signed a five-year contract (with three one-year renewal options) with Unisys for server and storage services. The contract supports 1,200 application servers, 1100 infrastructure servers and a 2.5 petabyte storage environment. The services are available in NADC, Ashburn, VA and two public clouds. It includes automated provisioning of standard servers, consolidating active directory, and an innovative cyber-security insurance requirement. The TCV is \$150M and yielded a 20% cost reduction compared with the previous supplier. It met the goals stated in GTA’s RFP instructions to:

- Provide Safe, Secure, Reliable and Timely delivery;
- Increase GETS Value and Grow Market Share;
- Ensure Market Competitive Pricing
- Improve the Customer Experience

Integris Applied was selected by GTA to support them in all aspects of this procurement process including:

- RFP Development and Procurement Services
- Bid Analysis Services
- Contract Negotiation Services

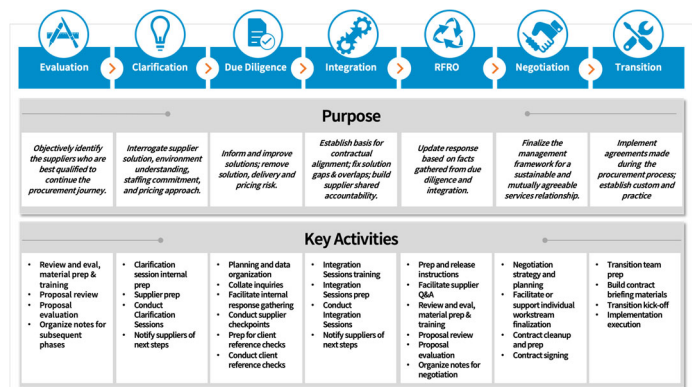


Exhibit 1: Integris Applied Procurement Approach

At the core of our approach to each of these steps is the market and client engagement that establishes early in the procurement process the expectations and outcomes for all parties. Our approach facilitates adaptation based on client needs. GTA’s Hybrid Cloud Server procurement offers a case study in adaptability.

GTA’s Market Test and Rebid program called for a series of sequenced procurements all of which required dependencies across towers and with the MSI. GTA was not purchasing a point solution – they were purchasing a set of services from multiple suppliers that were to be integrated and managed by another supplier. As a “next generation” sourcing organization GTA understood its MSI provider’s capabilities, processes and technologies. Guiding the market towards those requirements called for an approach that sent the right signals to stakeholders as early in the process as possible.

Integrus Applied typically recommends an RFQC to define the suppliers who most likely will meet a client’s needs. Considering the integration capabilities required from all suppliers in GTA’s MTR program one RFQC was issued for all potential tower suppliers. This unique approach allowed GTA to communicate one message to the entire market and enabled a review of all potential tower suppliers early in the process.

The Hybrid Cloud Server procurement has deeper context which speaks to Integrus Applied’s understanding of, and experience in, the State of

Georgia’s technology landscape. GTA’s entire MTR program produced substantial benefits for its customers. Exhibit 2, taken from the March 14, 2019 GTA Board Meeting presentation, depicts the savings targets identified in the early stages of the MTR program (a market assessment facilitated by Integrus Applied) and the outcomes achieved upon procurement completion. More important, these procurements firmly established GTA’s strategy to implement an integrated delivery platform that allows true “plug and play” of new services and new suppliers.

Service Component	Progress	Savings Target	Total Business Case Save	New Contract Duration
Mainframe	Completed	20%	36%	3 Years, 7 Months
Print-to-Mail		20%	22%	3 Years, 1 Month
EUC		0% - 10%	9%	5 Years
Server		10% - 20%	20%	5 Years, 6 Months

Exhibit 2: MTR Savings

For this work GTA received the Global Excellence in Outsourcing Award from IAOP. Calvin Rhodes said of Integrus Applied’s contributions to GTA’s progress and recognition “GTA values its partnership with Integrus Applied. Their insight and ingenuity have helped our organization move beyond traditional approaches to sourcing and embrace methods that bring us the value we are looking for. They have served us well and are an important contributor to the success we have had over the years.”

If selected for service, Integrus Applied will continue to support GTA with an integrated team that understands all aspects of successful sourcing strategies, supplier management and sourcing governance. We understand how to develop, maintain and improve supplier relationships and how organizations meet business outcomes through effective sourcing strategies.

1.2.2. Project 2: Georgia Technology Authority End User Compute & VDI Procurement

Client: Georgia Technology Authority (GTA); **Dates:** 2018

Sector: Public Sector – State Government; **Project Value:** \$22M/year, \$110M TCV; **Staffing:** 1.5

Challenge: GTA required a comprehensive strategy to rebid the remaining service towers held by its incumbent for integration with the MSI. This strategy had to produce service improvements and cost benefits for GTA's customers.

Impact: GTA's End User Compute & VDI Procurement produced cost reductions of 9%. It removed hardware ownership requirements and moved GTA's offering to a fully refreshed service option. It provided new support service tiers giving customers more choice and cost management flexibility. The solution included a VDI offering and the business case support to help customers make decisions on VDI and end user compute devices.

The Full Story: GTA's End User Computing tower procurement was completed in 2018. GTA signed a 5-year contract with NTT Data. The contract defines end user support services for 40,000 state of Georgia users. The TCV is \$110M and yielded a 9% cost reduction from the previous supplier. The contract includes three one-year renewal options.

As with all procurements in GTA's MTR program, Integris Applied supported all aspects of the EUC sourcing process including:

- RFP Development and Procurement Services
- Bid Analysis Services
- Contract Negotiation Services

Integris Applied assisted GTA to identify and negotiate key customer-focused changes in the EUC services contract. These included:

End User Asset Charges: Previously GTA had funded the pre-purchase of hardware and break fix hardware to support their clients. The new contract moved all hardware to a standard service fee, making refresh cycles easier to manage and reducing maintenance costs.

End User Service Charges: To improve end users' experience, levels of service were implemented independent of devices. These levels of support services were defined by "time to respond," allowing the customer and their clients to select what level of service they were comfortable with by individual and device. This allowed customers to reduce costs by migrating groups of devices that did not need a high touch level of support. Clients were able to make quarterly adjustments to their support models creating greater efficiency.

Virtual Desktop Infrastructure (VDI): The new contract included VDI service options that could be leveraged in multiple ways. Each customer's client was given business case analysis support to help identify the most efficient way to leverage the VDI services to either retire, replace, augment, or secure the need for end user compute services.

GTA’s EUC procurement is an element of its broader MTR story described in the first narrative above. These series of procurements all speak to Integris Applied’s “completeness of vision” when working with clients on strategic sourcing engagements. GTA has sought to improve services to customer agencies, keep pace with a changing technology market and to do so in the most transparent and cost-effective manner possible.

Sourcing and supplier management have become core competencies for GTA and the functions needed to support both – finance, contracts, governance – have matured accordingly. We appreciate GTA’s drive for continuous improvement and bring that perspective to our work.

Integris Applied’s delivery framework accounts for the components of a successful managed services organization. Exhibit 3 describes the relationship between our approach and the elements of an organization’s maturity.

Whether we are supporting an individual procurement or a strategic program such as GTA’s MTR, we will always look beyond transactions to our client’s broader goals and objectives.



Exhibit 3: Delivery Framework

1.2.3. Project 3: Virginia Information Technology Agency Disentanglement and Sourcing Program

Client: Virginia Information Technologies Agency (VITA); **Dates:** 2016-2019

Sector: Public Sector – State Government; **Project Value:** \$197M/year; \$1.05B TCv; **Staffing:** 5

Challenge: In 2015 the Commonwealth of Virginia hired Integris Applied to conduct a comprehensive assessment of the Virginia Information Technology Agency’s (VITA) delivery model, contract structure, financial model, and governance approach. The scope of this assessment included a \$250M/year IT infrastructure spend for services provided to over 70 executive branch agencies. The deliverables from this assessment included recommendations to move the Commonwealth to a multi-supplier delivery model and to recomplete the scope provided by its incumbent.

Impact: VITA’s program enabled a transition away from its incumbent and laid the foundation for the Commonwealth’s modernized integrated services delivery model. The series of procurements were elements of a business case that would yield the Commonwealth \$154.6M (6.9%) in cost reductions across all IT infrastructure services, over a period of 7 years.

The Full Story: The Commonwealth conducted its 2015 assessment because it did not believe it was receiving from its incumbent the transparency, value or service evolution required for its Agency customers. In 2016, Integris Applied began implementation of the initiatives recommended in its assessment. Included in

our scope of services was the re-procurement of all incumbent services in a three-wave purchasing and integration strategy. Integrus Applied supported all aspects of the procurement process including:

- RFP Development and Procurement Services
- Bid Analysis Services
- Contract Negotiation Services

From July 2016 through September 2018 VITA signed 8 IT services contracts with a TCV of \$1.05B. The procurements stated goals to:

- Maintain and improve service quality;
- Ensure cost competitiveness – both now and in the future;
- Create a platform view of service delivery that is highly visible and accountable.

All suppliers were integrated into an MSI. The MSI is required to provide the tools and reporting necessary to support management of all Service Tower Suppliers (STs) including SMM, SLA and OLA management, governance administration and billing and chargeback functionality.

The outcomes of our procurement support with VITA are summarized in Exhibit 4.

Supplier	Tempus Nova	Perspecta	SAIC	Atos	Unisys	Verizon	Iron Bow	Xerox
Tower	<i>MSG</i>	<i>MF</i>	<i>MSI</i>	<i>MSS</i>	<i>SDDC</i>	<i>VDN</i>	<i>EUS</i>	<i>MPS</i>
Signature Date	7/19/2016	9/26/2016	8/31/2017	2/20/2018	8/7/2018	8/20/2018	9/14/2018	9/14/2018
Commencement Date	3/15/2018	6/30/2017	3/1/2019	12/3/2018	12/15/2018	12/15/2018	12/15/2018	12/15/2018
Initial Term Expiration Date	7/19/2021	1/24/2022	6/30/2024	2/20/2023	11/30/2024	6/14/2024	11/30/2023	11/30/2023
Renewal Options	2 x 1-year	2 x 1-year	2 x 2-years	2 x 2-years	2 x 2-years	2 x 2-years	2 x 2-years	2 x 2-years
Authorized Users	All Public Bodies	VITA	VITA	All Public Bodies	VITA	All Public Bodies	VITA	VITA
Total Run Cost (Initial Term)	\$15,000,563	\$34,718,865	\$150,640,844	\$66,220,617	\$233,394,278	\$283,479,844	\$183,105,897	\$29,306,454
Total One-Time Cost	\$5,284,726	\$3,989,351	\$12,721,068	\$2,548,631	\$12,369,374	\$9,520,826	\$4,921,170	\$699,366
Total Contract Value*	\$20,285,289	\$38,708,217	\$163,361,912	\$68,769,248	\$245,763,651	\$293,000,670	\$188,027,067	\$30,005,820
Avg Annual Contract Value*	\$4,057,058	\$7,741,643	\$32,672,382	\$13,753,850	\$40,960,608.58	\$53,272,849	\$37,605,413	\$6,001,164

Exhibit 4: VITA Sourcing Data

This comprehensive enterprise wide program has:

- Modernized the Commonwealth’s IT infrastructure services delivery platform;
- Recompeted all services delivered by a prior incumbent;
- Established a new delivery organization to support the new platform;
- Implemented a new agency-centric governance model.

The outcome of these changes is depicted in Exhibit 5. These changes will keep the Commonwealth current with new technologies, help them adjust to changing customer needs, and ensure sustainable cost competitiveness.

Integris Applied’s work in Virginia demonstrates the “completeness of vision” we bring to our client engagements. Understanding the business needs of our clients, communicating those needs to stakeholders through detailed business cases and customer-centric stakeholder forums, and implementing sourcing strategies that focus on win-win outcomes are attributes that will benefit GTA as it continues to evaluate its customer’s needs amidst a dynamic technology landscape.

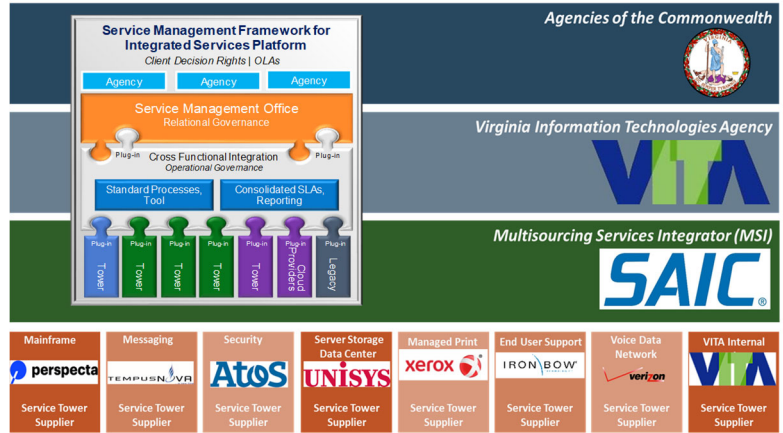


Exhibit 5: VITA Program View



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