



Outsourcing Information Technology
Concepts and Case Study
Carrollton, TX

ICMA 2011
97th Annual Conference

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- Trend Data
- Carrollton Experience
- How To's
- Q&A

Trend Data

Terminology

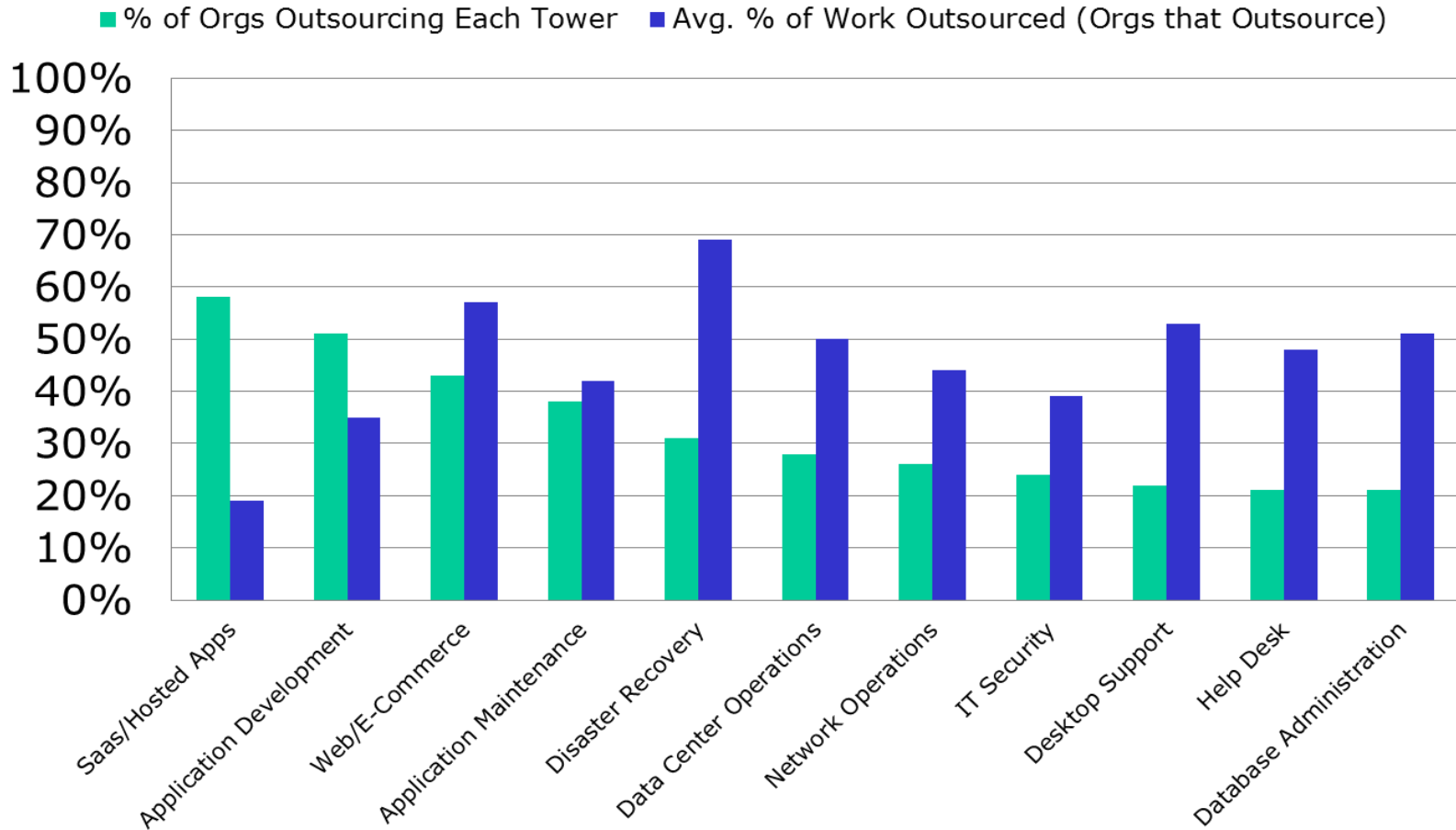
Privatization:

The organization delegates the production of goods/services to a private party.

Managed Competition:

Managed competition uses the market to drive improvements in service delivery and price by allowing both public and private entities to compete.

Industry Trends



Source: Computer Economics, Inc. October 2010

Cost Savings

Likelihood of Realizing Cost Savings

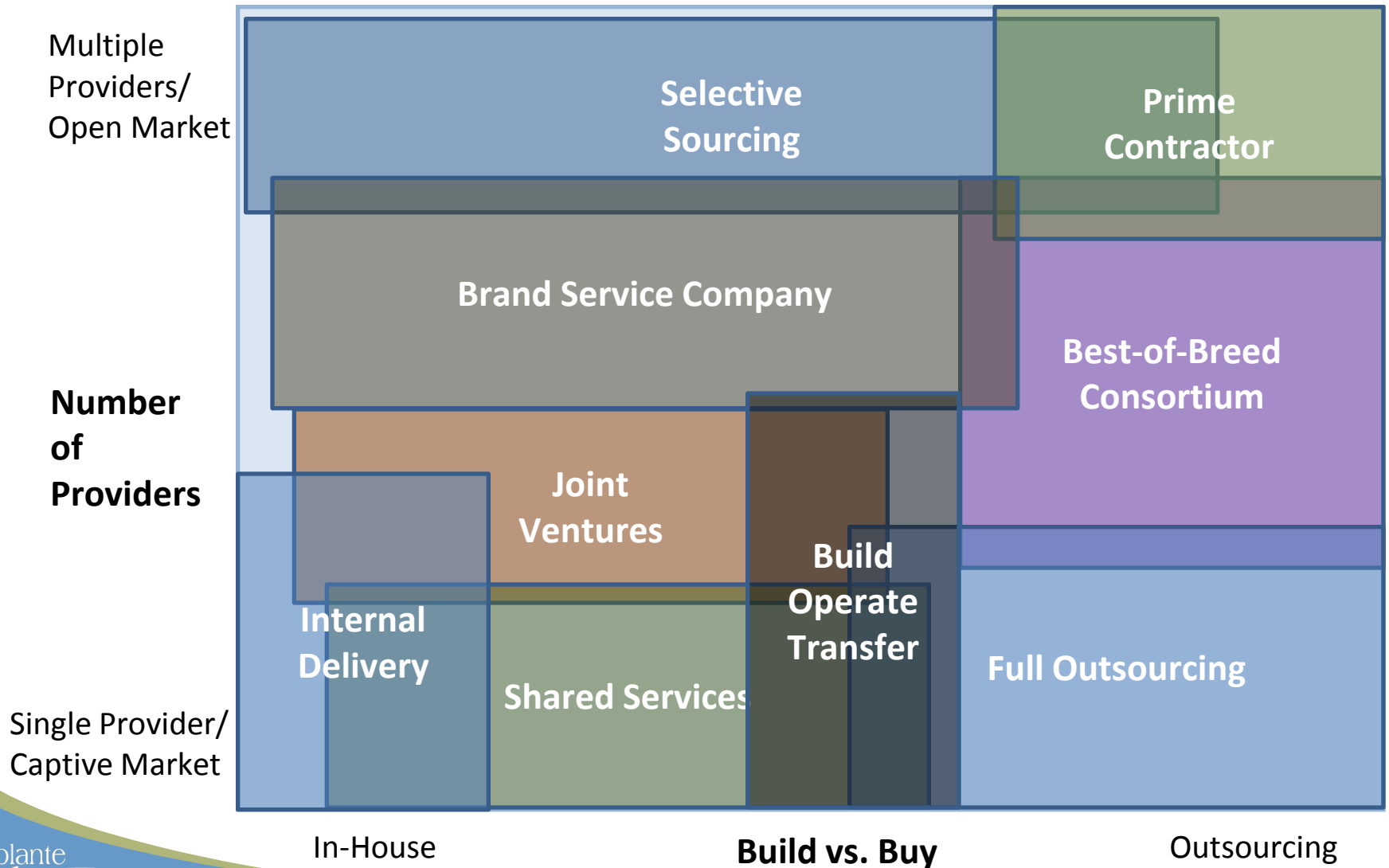
Higher	Medium	Lower
<ul style="list-style-type: none">■ Help Desk■ Desktop Support■ Database Administration■ Disaster Recovery	<ul style="list-style-type: none">■ Network Operations■ Data Center Operations■ SaaS/Hosted Applications	<ul style="list-style-type: none">■ Web/E-Commerce■ Applications Development■ Application Maintenance■ IT Security

Service Improvements

Likelihood of Experiencing Service Improvements

Higher	Medium	Lower
<ul style="list-style-type: none">■ IT Security■ Disaster Recovery■ Network Operations■ Data Center Operations	<ul style="list-style-type: none">■ Help Desk■ Web/E-Commerce■ SaaS/Hosted Applications■ Database Administration	<ul style="list-style-type: none">■ Desktop Support■ Applications Development■ Application Maintenance

IT Outsourcing Options



City of Carrollton, Texas

Community Profile

- Recognized as one of the best cities in the country by Money and Forbes.
- About 125,000 residents and over 5,000 businesses
- Dallas – Ft. Worth Metropolitan Area
- 17 colleges and universities within 30 minutes.

City Challenge/Need

- **Funding:** City revenues challenged as a result of the economic downturn
- **Technology:** The city's technology environment is very complex servicing both the city and external entities
- **Operations:** The city views its services as candidates for privatization to obtain the best overall value for its citizens
- **Best Practice:** A thorough review of the IT sourcing marketplace had not been performed since 1997

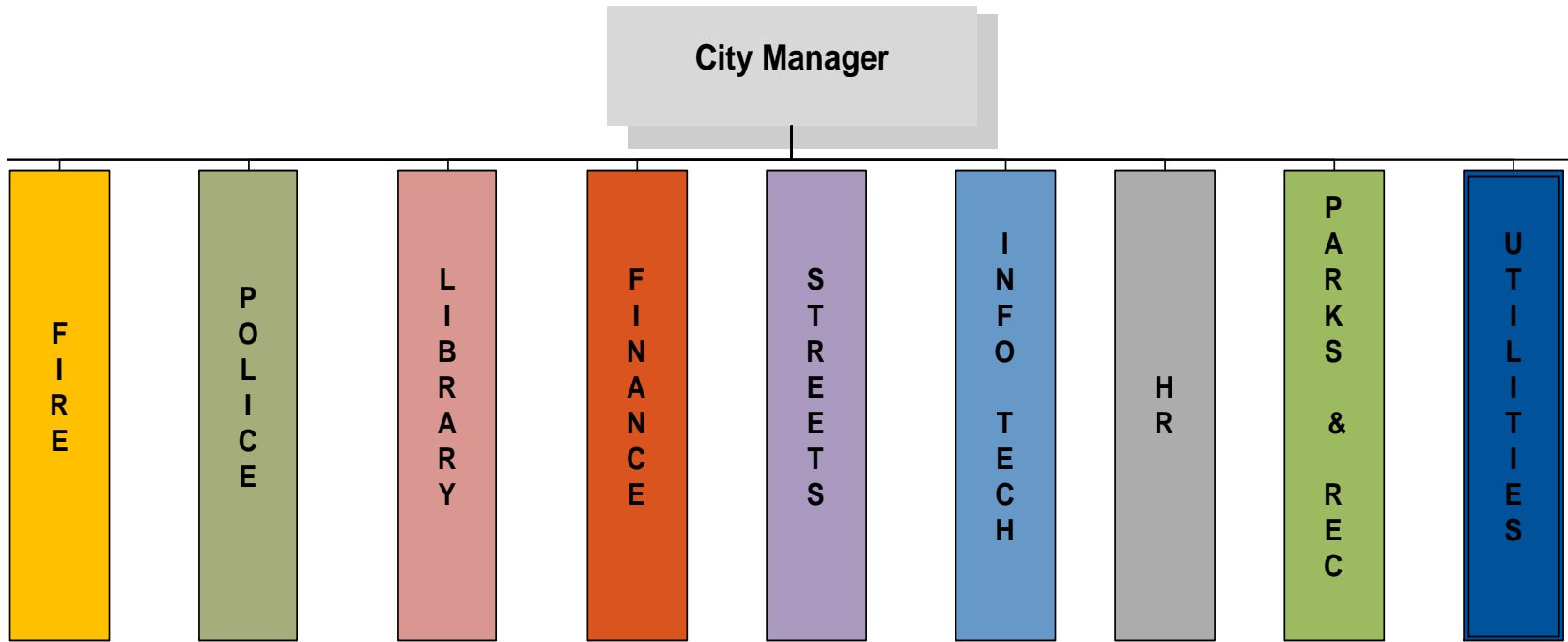
Approach

- Developed an RFP that segmented IT services into nine towers providing greater transparency as to IT services and costs
- Through an RFP process able to obtain a number of qualified bidders for the IT
- Negotiated a very comprehensive statement of work (SOW) and contract with the selected vendor for a term of five years with an optional sixth year

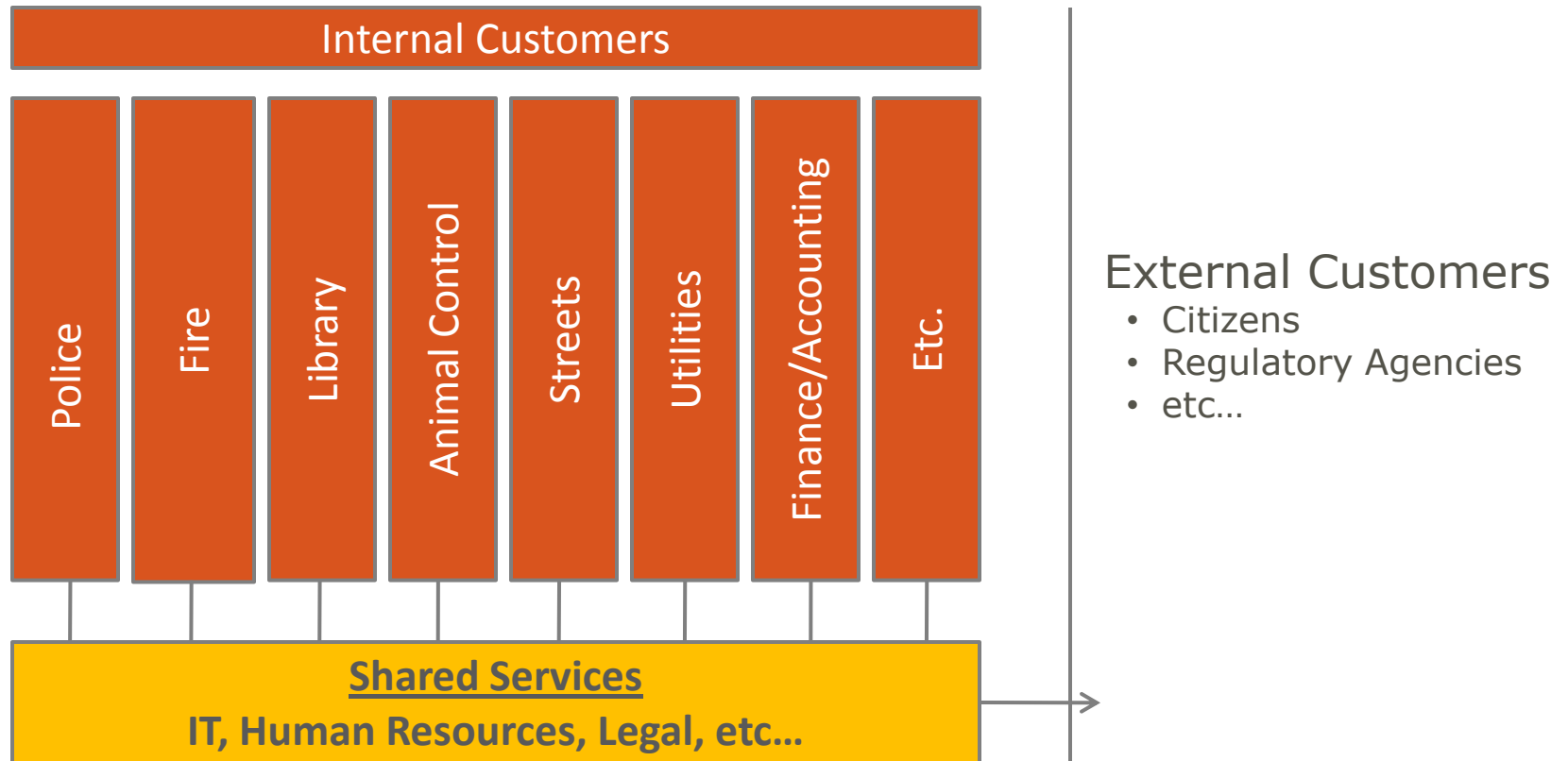
Project Results

- Completed: 2009-2010
- Contract value with selected IT sourcing vendor: \$29M
- Realized savings from previous IT sourcing contract: 5%
- Services:
 - IT sourcing RFP Development
 - IT sourcing selection
 - Contract negotiations
- Results: The city has a significantly enhanced contract for providing IT services to its city staff, other surrounding communities and city constituents.

Typical Organization



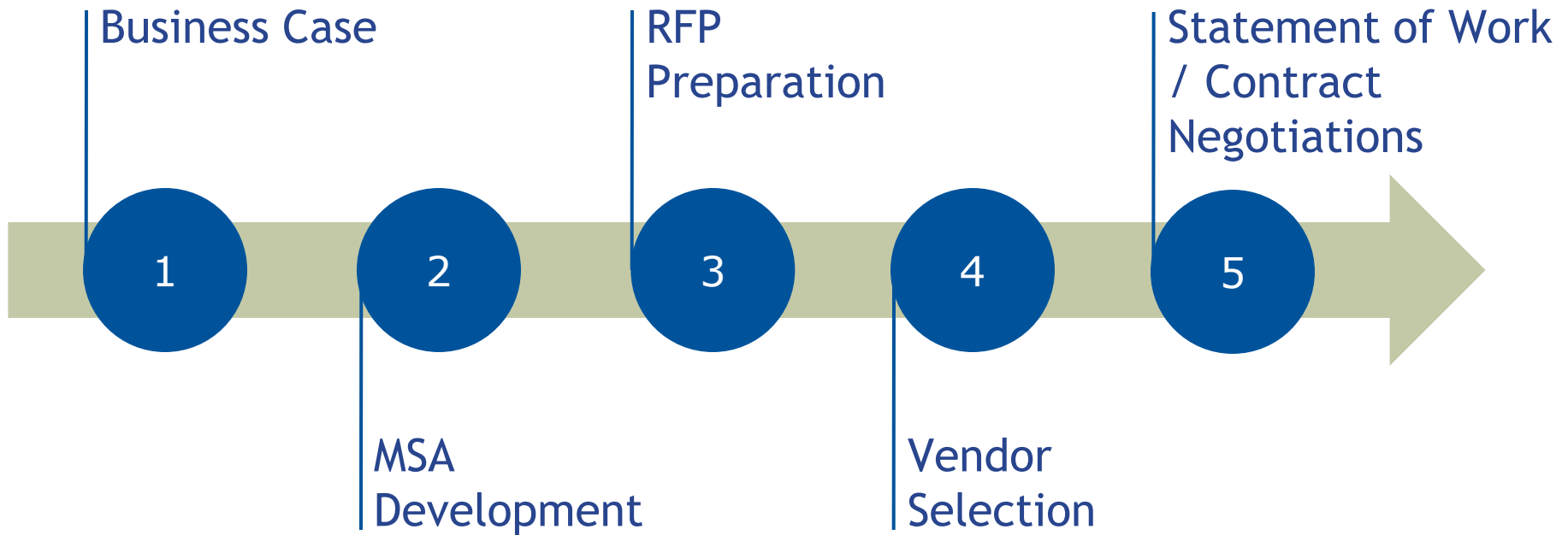
IT's Role in an Organization



IT is a "Service" organization with a responsibility to provide great service and be responsive to the needs of their customers (internal, external, and other shared services departments)

How to....

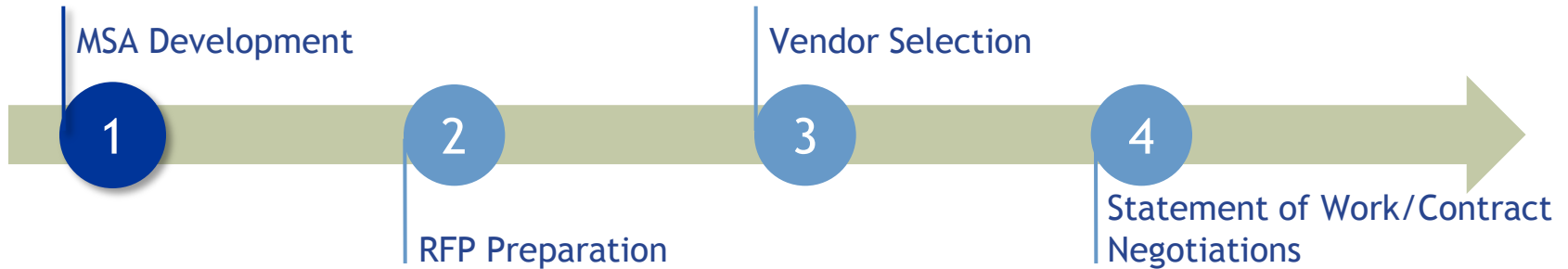
Methodology



Business Case

- Options Analysis – baseline IT Assessment, availability of public/private partners?
- Strategic fit – good fit with management, council, community?
- Commercial/Practical Aspects – is the plan affordable, achievable, likely to produce results?

MSA Development - *Yes, Start Here!*



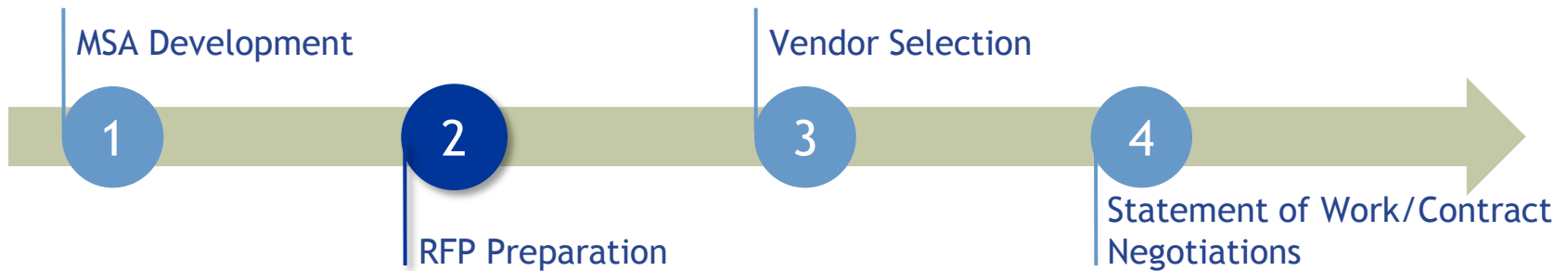
Key Activities:



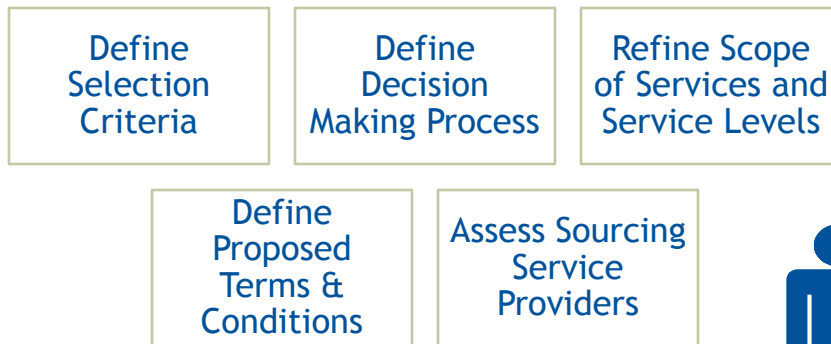
Toolkit:



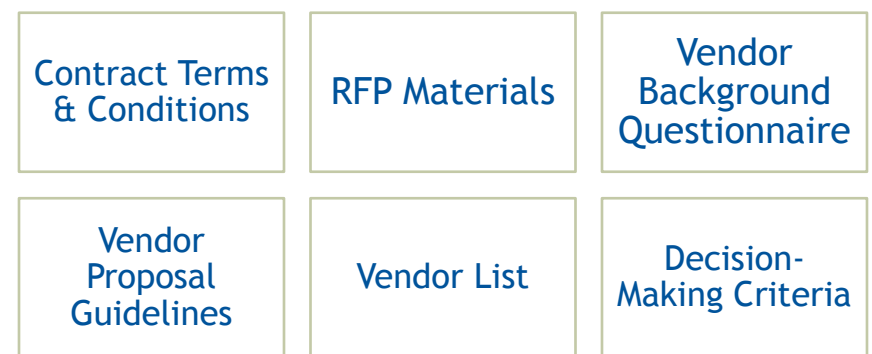
RFP Preparation



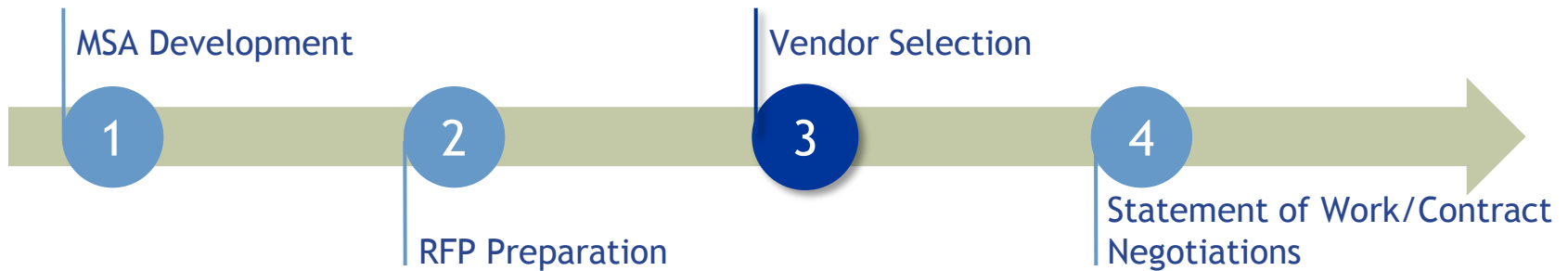
Key Activities:



Toolkit:



Vendor Selection



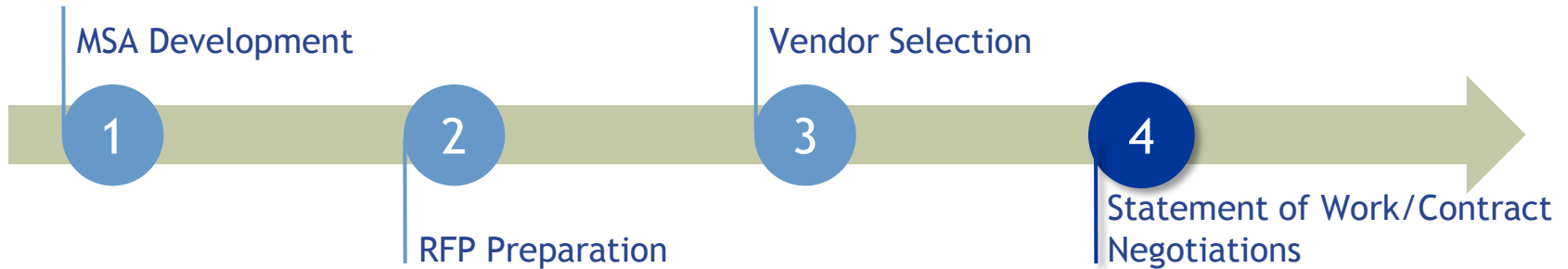
Key Activities:



Toolkit:



Statement of Work/Contract Negotiations



Key Activities:



Toolkit:



Questions?

About Plante & Moran

Stability

- Founded in 1924
- Recognized by Fortune Magazine's "100 Best Companies to Work For" for the last thirteen years
- 12th largest certified public accounting and management consulting firm in the nation

Depth

- Approximately 1,600 staff members, including 200+ partners and directors
- Over 50 technology consulting professionals
- Significant investment in professional education/training

Industry Experience

- Over 50 years of involvement in serving public sector clients
- Over 25 years of local government technology experience

Vendor Independence

- Independent from software and hardware vendors for public sector
- Extensive client acceptance and conflict checking process
- Ongoing ethics and independence training

Master Service Agreement

for

Information Technology Outsourcing

between

City of Carrollton, Texas

and

ACS State & Local Solutions, Inc.

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Exhibits

Exhibit 1, Definitions

Exhibit 2, COC’s Request for Best and Final Offer for Information Technology (IT) Sourcing Request for Proposal #10-002 and Addenda # 1 - 3

Exhibit 3, Vendor’s Best and Final Offer Response dated April 5, 2010

Exhibit 4, COC’s Request for Proposal for Information Technology IT Sourcing RFP #10-002 and Addendum # 4

Exhibit 5, Vendor’s Proposal dated January 19, 2010

Exhibit 6, Statement of Work

Exhibit 7, Service Level Agreements

Exhibit 8, Fees

Exhibit 9, Transition Services

Exhibit 10, Service Locations (COC Sites, Vendor Service Locations, and Vendor Shared Service Locations)

Exhibit 11, Vendor Proprietary Software and Vendor Proprietary Tools

Exhibit 12, Vendor Third Party Software and Vendor Third Party Vendor Pass Through Services

Exhibit 13, COC Licensed Property (COC Proprietary Tools and COC Third Party Software)

Exhibit 14, Vendor Equipment

Exhibit 15, COC Equipment

Exhibit 16, Vendor Key Employees

Exhibit 17, Approved Subcontractors

Exhibit 18, Change Order Form

Exhibit 19, Invoice Sample

Exhibit 20, Business Associate Agreement

Thank You

For More Information:

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