



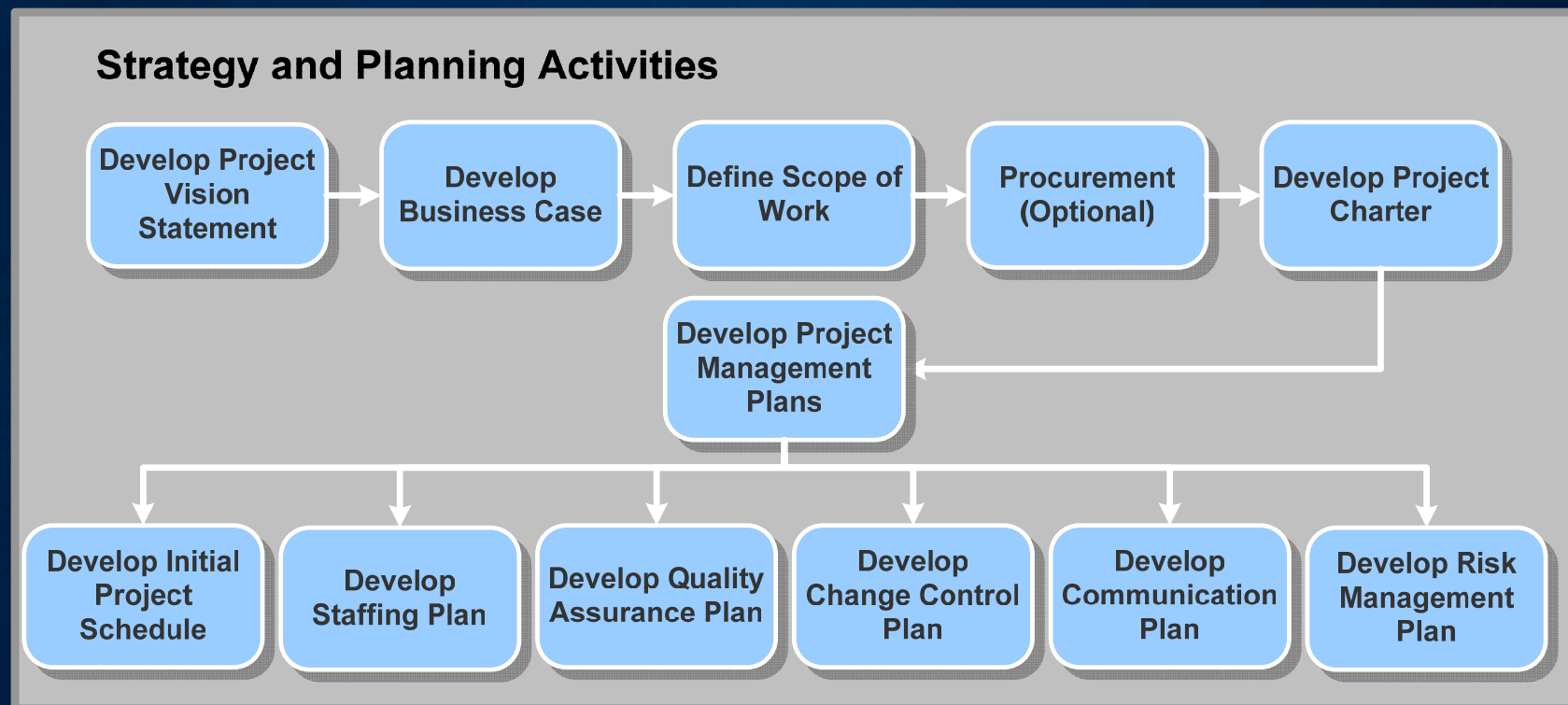
Strategy and Planning Activities Implementation Planning

*Presented by
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Strategy & Planning Activities

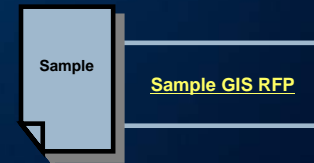
Strategy & Planning	Analysis & Design	Development	Deployment	Operations & Maintenance
<ul style="list-style-type: none"> • Visioning & Strategic Planning • Business Case Development • Implementation Planning • Organizational Planning • Risk Management 	<ul style="list-style-type: none"> • Business Process Analysis • Requirements Analysis • Use Case Analysis • Database Design • System Architecture Design • Application Design 	<ul style="list-style-type: none"> • Database Development • Application Development • Systems / Enterprise Integration • Quality Assurance Testing • Configuration Management 	<ul style="list-style-type: none"> • Deployment Planning • System Installation • Acceptance Testing • Performance Validation, Testing & Tuning • User Training 	<ul style="list-style-type: none"> • User Support • Performance Monitoring • Systems Maintenance • Software Maintenance

Strategy and Planning Activities: Process Overview



Strategy and Planning Activities: Procurement Planning

- Do You Need to Outsource the Work?
- Procurement Strategy Development
 - Sole Source vs. Competitive
 - Fixed Price vs. Cost Reimbursable (T&M)
- RFP Development
 - General Information and Background
 - Technical Specifications (SOW)
 - Contract Terms & Conditions
 - Proposal Specifications
- Vendor Selection



There are two basic categories of contracts. The first of these is the *fixed price* contract, where the buyer pays a predetermined, set price that is not influenced by the cost of performance. If costs are greater than the price, the contractor will suffer a loss. Conversely, the lower the costs, the greater the profits. The second of these is the *cost reimbursable* contract, where the buyer pays all costs of performance, subject to limitations on allowability, allocability, and reasonableness.

Firm, Fixed Price (FFP): The contractor will deliver a clearly defined amount of supplies or services at a predetermined price. This is not subject to renegotiation should the contractor experience an overrun or an underrun. The scope of work must be easily definable without ambiguities.

Fixed Price Level of Effort (FPLOE): The contractor will deliver a specified number of labor hours at a fixed price per hour, by labor category. Usually the fixed hourly rates incorporate all incidental (ODC) expenses. The risk to the contractor is reduced because the fixed price deliverable is labor hours. If the contractor runs out of hours, the work would stop.

Cost Plus Fixed Fee (CPFF): This type of contract requires negotiation of an estimated cost amount along with a fixed fee (profit) amount. The fixed fee amount will remain constant regardless of estimated cost overruns or underruns. In government contracting, the maximum fixed fee levels are 10 percent for non-R&D efforts and 15 percent for R&D work. Risk to the contractor is limited because any allowable cost overruns will be reimbursable, provided proper notification is given to the buyer. Fixed fee on cost overruns is not allowed. The full fixed fee amount is payable to the contractor no matter if estimated costs are underrun or overrun.

Cost Plus Award Fee (CPAF): Similar to the CPFF contract type; however, payment of an increment of the fixed fee amount is contingent upon specific performance evaluation areas such as technical, management, schedule, or cost performance. The fixed portion of the fee amount can be up to 3 percent. The buyer will usually establish an award fee board that unilaterally establishes an award fee rating specifying the fee amount earned. This type of contract provides incentives for a contractor to continue to provide maximum performance.

Time and Materials (T&M): Similar to the FPLOE contract; however, material costs (i.e., supplies, travel, reproduction, and so forth) are reimbursed at cost plus allowable material handling fees. Labor hours are supplied at a fixed price, by labor category, as requested. Since the deliverable is labor hours, the contractor is only required to continue expending labor hours up to the not-to-exceed (NTE) limits specified in the contract.

Sample GIS RFP can be found here:

<http://www.webgis.net/db/downloads/downloads.php?op=details&DownloadID=3>

Strategy and Planning Activities: Key Outputs/Products

- Statement of Work or Request for Proposal (if Outsourced)

Strategy and Planning Activities: Summary of Best Practices

- A Well Defined **Vision** Will Help Avoid Scope Creep at All Stages of the Implementation



Best Practices

Strategy and Planning: Additional Resources

- ESRI Project Center Resources
 - <http://support.esri.com/projectcenter>
- Project Vision Statement Template
 - <http://downloads.esri.com/support/ProjectCenter/Project%20Vision%20Overview.pdf>
- Business Case Resources
 - *Measuring Up* - outlines a number of case studies and general methodology for doing cost benefit analysis
 - *Thinking About GIS* – Roger Tomlinson
 - http://www.esri.com/getting_started/executives/success.html
- Business Case Template
 - <http://www.dir.state.tx.us/pubs/pfr/05-107/buscase.doc>
- Sample GIS RFP
 - <http://www.webgis.net/db/downloads/downloads.php?op=details&DownloadID=3>
- Project Management Body of Knowledge (PMBOK)
 - www.pmi.org



Questions?