

E-X-A-M-P-L-E

**STATEMENT OF WORK (SOW)
FOR
DELIVERABLES-BASED INFORMATION
TECHNOLOGY SERVICES**

***Regulatory and Administrative
Transformation Project
IT Assessments and Planning***

***Texas Commission on
Regulatory Affairs***

E-X-A-M-P-L-E

July 14, 2014

Table of Contents

1.	Introduction.....	1
2.	Background.....	1
3.	Scope of Work	2
4.	Deliverables	2
5.	Reports and Meetings.....	5
6.	Roles and Responsibilities	5
7.	Period of Performance	8
8.	Performance and Service Level Expectations	8
9.	Invoices	9
10.	Customer/Vendor-Furnished Equipment and Work Space.....	10
11.	Additional Customer Terms and Conditions	10
12.	Pricing.....	10
13.	Response Submission Requirements	11
14.	SOW Schedule of Events.....	12
15.	SOW Response Evaluation and Award.....	13

E-X-A-M-P-L-E
Statement of Work (SOW)
for Deliverables-Based Information Technology Services (DBITS) Contract
Regulatory and Administrative Transformation Project
Information Technology Assessments and Planning
Texas Commission on Regulatory Affairs

1. Introduction

The Texas Commission on Regulatory Affairs (the Commission or TCRA) protects the health, safety, economic interests and quality of life of Texas residents, businesses, and visitors by ensuring code compliance and regulating business.

The Commission is seeking to optimize its technology assets to improve alignment with agency lines of business, reduce costs, and position the agency to adapt a business model that is more responsive to internal and external customer needs. This agency-wide initiative, the Regulatory and Administrative Transformation (RAAT) Project, completed the first phase of its transformation by developing a strategy to strengthen its technology infrastructure through use of the state's shared service solutions and prioritize the migration of its legacy systems to web-enabled and cloud solutions, as appropriate.

To further the agency's transformation goals, the Information Technology Services Division (ITSD) of the Commission has initiated the next phase of the RAAT project, which will encompass a review of the central and distributed technology services provided by ITSD. The objective of the assessment is to identify cost saving opportunities, strengthen processes, and provide a structure that supports the agency's IT vision and objectives.

2. Background

In 2013, the Texas Commission on Regulatory Affairs initiated an independent assessment of its application portfolio and technology infrastructure to determine where system vulnerabilities exist and evaluate opportunities to strengthen and improve resource utilization and operational efficiencies, and align the agency's strategic planning for technology with the state's IT direction. This assessment, limited to the agency's *technology infrastructure*, was the first phase of the RAAT project. The results have been documented and are published on the agency's website at <http://tcra.texas.gov/raat>.

Based on the recommendations of Phase 1, the Commission has identified IT modernization as a priority in its strategic plan, and will submit a business case for implementing the project with the agency's 2016-2017 appropriations request in September 2014. Phase 2 of the RAAT project will seek to facilitate the agency's IT transformation and achieve full alignment with the agency's lines of business by addressing the *people* and *processes* engaged in IT service delivery.

The Commission is seeking an independent assessment of the IT organization's workforce and business processes to

- establish a diverse, agile, results-oriented organization of knowledge workers committed to enabling the agency's mission and continuously expanding their capabilities to shape the agency's future, and

E-X-A-M-P-L-E
Statement of Work (SOW)
for Deliverables-Based Information Technology Services (DBITS) Contract
Regulatory and Administrative Transformation Project
Information Technology Assessments and Planning
Texas Commission on Regulatory Affairs

- implement effective, efficient, strategically aligned business processes that integrate and capitalize on the agency's human capital and technology resources.

3. Scope of Work

The goal of this SOW is to conduct an independent assessment of the technology workforce and businesses processes within the Texas Commission on Regulatory Affairs and provide recommendations on how to improve alignment of the agency's IT organization with the agency's lines of business and its IT transformation initiative.

The Scope of Work includes

- Mapping current business process to outcomes, outputs, products, and services
- Surveying internal and external customers, stakeholders, and constituents
- Conducting an inventory of the IT division's workforce competencies and skills and identifying gaps in performing service delivery
- Benchmarking peer state and industry IT service delivery organizations
- Reporting on findings and gaps
- Reviewing existing administrative rule and agency policy to evaluate impact on potential recommendations to future state
- Reviewing and validating the agency strategic plan and business case for the Regulatory and Administrative Transformation project
- Identifying any gaps or inconsistencies in the deliverables
- Reporting on recommendations for future state and providing a roadmap to implement improvements

The Scope of Work does not include an assessment of the agency's application portfolio or technology infrastructure. The Vendor, however, is expected to utilize all products and deliverables from the 2013 independent assessment to inform its recommendations.

The Phase 2 project deliverables, and the expectation and criteria for their acceptance, are described in Section 4, Deliverables.

4. Deliverables

4.1 General Provisions

- All written deliverables must be phrased in terms and language that can be easily understood by non-technical personnel.
- All document deliverables must be in formats (hard copy and electronic) as specified by the Commission. At a minimum, the formats must be in industry-accepted standards (e.g., MS Word, MS PowerPoint MS Project).
- Deliverables must be provided on the dates specified in the approved Project

E-X-A-M-P-L-E
Statement of Work (SOW)
for Deliverables-Based Information Technology Services (DBITS) Contract
Regulatory and Administrative Transformation Project
Information Technology Assessments and Planning
Texas Commission on Regulatory Affairs

Work Plan. Any changes to the delivery date must have prior approval (in writing) by the Commission's IT Transformation Manager or designee.

- If the deliverable cannot be provided within the scheduled time frame, the Vendor is required to contact the Commission's IT Transformation Manager in writing with a reason for the delay and the proposed revised schedule. The request for a revised schedule must include the impact on related tasks and the overall project.
- The Commission will complete a review of each submitted deliverable within five (5) working days from the date of receipt.
- Each deliverable will be complete when the Commission's IT Transformation Manager has signed-off, in writing that the deliverable meets the acceptance criteria specified for that deliverable.

4.2 Acceptance Criteria

The Vendor is responsible for submitting a Project Work Plan that describes the Vendor's technical approach for conducting an assessment and making recommendations to improve the alignment of the Commission's technology workforce and business processes, and submitting a binding schedule and cost.

No.	Deliverable Name	SOW Para	Due Date	Acceptance Criteria
1	Project Work Plan	4.1.1	1 Week after Project Start Date	At the task level, break down consistently; (i.e., everything must roll up to a subtask or task); and manageable size (no more than 40 work hours per task or must break in to smaller tasks). Tasks will include: <ul style="list-style-type: none"> • Duration • Dependencies • Start/Finish • Deliverables • Deliverable Dates • Schedule • Milestones • Critical Path
2	Phase 1: Current State Assessment	4.1.2	Within 6 Weeks of Project Start Date, but no later than November 1, 2014	Current State Assessment report providing an overview of the current organization, assessment of competencies, capabilities, processes, and policies supporting ITS Division's functions.

E-X-A-M-P-L-E
Statement of Work (SOW)
for Deliverables-Based Information Technology Services (DBITS) Contract
Regulatory and Administrative Transformation Project
Information Technology Assessments and Planning
Texas Commission on Regulatory Affairs

No.	Deliverable Name	SOW Para	Due Date	Acceptance Criteria
				<p>The deliverable shall be provided in a Microsoft Power Point document and will be presented to the project executive team as a draft prior to final delivery to the State as a completed deliverable.</p>
3	Phase 2: Peer State Assessment & Target Future State Identification	4.1.3	Within 8 Weeks of Acceptance of 4.1.2, but no later than January 12, 2015	<p>Peer State Assessment report providing an overview of a recommended future state model for the ITSD functions including recommendations for changes to the organizational structure, workforce development, internal business practices and processes, and legislative/rule changes.</p> <p>The deliverable shall be provided in a Microsoft Power Point document and will be presented to the project executive team as a draft prior to final delivery to the State as a completed deliverable.</p>
4	Phase 3: Gap Analysis & Transformation Plan	4.1.4	Within 8 Weeks of Acceptance of 4.1.3, but no later than March 20, 2015	<p>Target Future State Transformation Plan providing a prioritized matrix of initiatives and discrete projects to be implemented by the state to transition to the identified Target Future State model.</p> <p>The deliverable shall be provided in a Microsoft Power Point document and will be presented to the project executive team as a draft prior to final delivery to the State as a completed deliverable.</p>

E-X-A-M-P-L-E
Statement of Work (SOW)
for Deliverables-Based Information Technology Services (DBITS) Contract
Regulatory and Administrative Transformation Project
Information Technology Assessments and Planning
Texas Commission on Regulatory Affairs

5. Reports and Meetings

- The Vendor will be responsible for providing weekly status reports for the Regulatory and Administrative Transformation Project by e-mail. These are due to the Commission's IT Transformation Manager by noon on Friday each reporting week throughout the life of the project.
- The status reports shall cover all work performed and completed during the period for which the status report is provided and shall present the work to be performed during the subsequent period. The status report template shall be provided by the Commission's IT Transformation Manager upon execution of this SOW. Reports shall include the following information at a minimum:
 - Status of Engagement Milestones
 - Status of Outstanding Action Items
 - Status of Engagement Deliverables
 - Risk Summary
 - Risk Mitigation Strategies
 - Security Issues
- The status report shall identify any problems encountered or still outstanding with an explanation of the cause and resolution of the problem or how the problem will be resolved.
- Status meetings will be scheduled through the Project Work Plan.
- Vendor will be responsible for conducting meetings with the Commission Key Personnel and other staff to gather requirements and other activities. The Commission's IT Transformation Manager will assist with meeting coordination.
- Vendor will be responsible for scheduling and conducting deliverables review meetings with the Commission's IT Transformation Manager and other applicable the Commission staff to ensure understanding of recommendations and specific deliverable details.

6. Roles and Responsibilities

The Commission will be responsible for

- Project management oversight and contract management of the work described in this SOW. The Commission's IT Transformation Manager will be the point of contact for all project related communications and coordination. The Commission's IT Transformation Manager will act as the single point of contact and have the authority to make project related decisions.

The Vendor shall conduct the project under TCRA leadership and will be responsible for

E-X-A-M-P-L-E
Statement of Work (SOW)
for Deliverables-Based Information Technology Services (DBITS) Contract
Regulatory and Administrative Transformation Project
Information Technology Assessments and Planning
Texas Commission on Regulatory Affairs

- Planning and scheduling activities to accomplish work as needed to complete the work described in this SOW. The Vendor shall create, maintain weekly at minimum, and update a work plan that describes activities throughout the life of the Project.
- Providing project artifacts and deliverables in the formats approved by the Texas Commission on Regulatory Affairs IT Transformation Manager.
- Providing personnel who have identifiable work experience and education to perform their assigned work. Detailed experience and qualifications for the Vendor's staff members will be provided to the Texas Commission on Regulatory Affairs prior to the staff commencing any work.
- Coordinating activities of the Regulatory and Administrative Transformation project with other third-party vendors that may continue to perform Work specified in the Technology Transformation component (WBS 1.3).
- Identifying points of contact for resolving any key questions or issues that may arise. The Vendor Project Manager shall be responsible for making those individuals available to respond to issues in a timely manner.
- Providing deliverables on the dates in the agreed upon project schedule. Any changes to the delivery date(s) must have prior written approval by the Texas Commission on Regulatory Affairs IT Transformation Manager. The Vendor shall update the project schedule to reflect any such changes.
- Using the designated Texas Commission on Regulatory Affairs repository for document version control and shall perform version control compliance with the Texas Commission on Regulatory Affairs IT standards.

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Roles and Responsibilities	Vendor	TCRA
Project Management		
1. Review the Statement of Work and the requirements, and roles and responsibilities of both parties with the Commission IT Transformation Manager	X	
2. Review all Phase I, Technology Transformation (WBS 1.3) project artifacts	X	
3. Prepare and maintain a Project Work Plan that describes the Vendor's approach and identifies and assigns tasks, major milestones for the efforts of the project team, the estimated dates on which they occur, dependencies, and indications of critical path	X	
4. Review and accept the Vendor Project Work Plan and other plans		X
5. Incorporate Vendor Project Work Plan in IT Transformation Master Project Management Plan		X
6. Coordinate the establishment of the project	X	

E-X-A-M-P-L-E
Statement of Work (SOW)
for Deliverables-Based Information Technology Services (DBITS) Contract
Regulatory and Administrative Transformation Project
Information Technology Assessments and Planning
Texas Commission on Regulatory Affairs

Roles and Responsibilities	Vendor	TCRA
environment; establish and administer project management procedures		
7. Measure, track and evaluate progress against the Project Work Plan	X	
Phase 1: Current State Assessment		
1. Conduct interviews with key ITSD staff and stakeholders regarding the ITSD functions	X	
2. Evaluate current policies, procedures, process documentation and statute related to all ITSD functions	X	
3. Identify any strategic direction established for the state that affects IT lifecycle processes, including state strategic plans, enterprise architecture and governance, and identified initiatives	X	
4. Evaluate the current organizational structure for the ITSD functions	X	
5. Identify current technology supporting the ITSD functions		
6. Identify, collect, and review additional key documents related to the ITSD functions		
Phase 2: Peer State Assessment & Target Future State Identification		
1. Conduct additional interviews as necessary with key ITSD staff and stakeholders to assess stakeholder vision for future state of the ITSD functions	X	
2. Compare and contrast the ITSD functions of the state to peer states (up to five additional states) identified by the client as relevant for review	X	
3. Identify relevant government best practices for ITSD operations	X	
4. Identify applicable ITSD organization models and process frameworks	X	
5. Develop recommendations for a future state model for the ITSD functions based on industry best practices and the peer review	X	
Phase 3: Gap Analysis & Transformation Plan		

E-X-A-M-P-L-E
Statement of Work (SOW)
for Deliverables-Based Information Technology Services (DBITS) Contract
Regulatory and Administrative Transformation Project
Information Technology Assessments and Planning
Texas Commission on Regulatory Affairs

Roles and Responsibilities	Vendor	TCRA
1. Compare the current state assessment findings against the future state requirements and model, and identify gaps related to the ITSD functions	X	
2. Develop recommendations that seek to address the identified gaps	X	
3. Develop an implementation timeline that prioritizes and sequences recommendations to ensure success in moving the state to the future model	X	
4. Identify any dependencies that may affect the ability to implement recommendations	X	
5. Provide policy guidance identifying short term options implementable through existing enabling statute, and long term options that may require legislative change	X	
6. Identify expected operational efficiencies and improvements of service capacity likely to result from identified activities	X	

7. Period of Performance

All services under this Statement of Work shall be performed at an acceptable service level and in a manner consistent with the acceptable Project Management Institute (PMI) standards and software delivery artifacts identified within the DIR Project Delivery Framework extensions and other referenced standards. The period of performance in which the Vendor shall conduct and complete the work associated with this SOW are as follows:

- The Project Start Date shall commence no later than the five (5) business days after award of the Statement of Work and issuance of the Purchase Order.
- Deliverable 4.1.1, Project Work Plan, is due one week (5 business days) after the Project Start Date.
- The period within which the Vendor will execute the Work shall be based on the Project Work Plan and in accordance with the due dates specified under Section 4.2, Acceptance Criteria. The project shall not extend beyond March 31, 2015.

8. Performance and Service Level Expectations

The Texas Commission on Regulatory Affairs contracts for results. A successful result may be defined as the generation of discrete, defined, measurable, and beneficial outcomes that support the Commission's Statement of Work goals, service delivery agreements, and product specifications.

E-X-A-M-P-L-E
Statement of Work (SOW)
for Deliverables-Based Information Technology Services (DBITS) Contract
Regulatory and Administrative Transformation Project
Information Technology Assessments and Planning
Texas Commission on Regulatory Affairs

The Texas Commission on Regulatory Affairs will monitor Vendor performance under this Statement of Work. All services and deliverables must be provided at an acceptable quality level and in a manner consistent with acceptable industry standard, custom, and practice.

Conformance to deliverable submission dates as agreed to with the Commission will be monitored. The Vendor must meet dates on deliverables unless the Texas Commission on Regulatory Affairs agrees in writing that a delay is acceptable.

Liquidated damages for not meeting Service Level Agreements (SLA's) are specified in the table below.

SLA	SLA Name	Performance Evaluated	Non-conformance	Frequency of Measurement
SLA1	Deliverables Timeliness	All deliverables must be submitted by the date specified in the Project Work Plan and not to exceed dates specified in Section 4.2, Acceptance Criteria.	Liquidated Damages in the amount of \$500 for each occurrence, not to exceed \$2,000 in any given month.	Monthly

9. Invoices

Upon completion of a deliverable and acceptance by the Commission, the Vendor will submit an invoice to the Commission setting forth amounts due to the Vendor in accordance with DIR-SDD-XXXX requirements.

Each invoice submitted must include the Purchase Order number and deliverable invoiced. Payment shall be in accordance with the Texas Prompt Payment Act, Texas Govt. Code, Section 2251.

Invoices shall be sent to:

Texas Commission on Regulatory Affairs
 Attn: Invoice-TCRA Accounting
 Texas Commission on Regulatory Affairs
 #8 Regulatory Row
 Austin, Texas 78701
 Phone: 512-463-2200
 Fax: 512-463-2211
 Email: the_commission_AP@tcra.texas.gov

Prior to any payment being made, the Commission must certify that the goods and services being invoiced have been received and approved by the Commission.

E-X-A-M-P-L-E
Statement of Work (SOW)
for Deliverables-Based Information Technology Services (DBITS) Contract
Regulatory and Administrative Transformation Project
Information Technology Assessments and Planning
Texas Commission on Regulatory Affairs

10. Customer/Vendor-Furnished Equipment and Work Space

The Regulatory and Administrative Transformation project will be performed in Austin, Texas. The Commission will provide a facility space for work and meetings for the Vendor team at the Commission’s office; however the Commission will not provide phones, PC desktops nor VPN connection to the agency network. The Commission will provide access to the agency’s Enterprise SharePoint site page limited to the folders designated for the project workspace. This SharePoint site and certain folders will serve as the repository for project management and product development assets and artifacts.

Other access and communications with the Commission’s IT Transformation Manager and Key Personnel will be through electronic mail, conference calls and scheduled meetings and other appointments.

The Vendor requires engagement with business and IT executives, subject matter experts, and internal IT staff. Vendor team members should be available by phone and e-mail during normal working hours. Normal working hours are from 8:00 AM until 5:00 PM Mondays through Fridays, except on holidays determined by the State of Texas.

11. Additional Customer Terms and Conditions

The Texas Department of Information Resources (DIR) Deliverables-Based IT Services (DBITS) terms and conditions are provided on the DIR Website. No additional terms and conditions are specified within this SOW.

12. Pricing

The SOW Response shall provide pricing for the deliverables-based services. Responding Vendors should also provide a summary of any assumptions and exclusions.

Pricing Sheet

SOW Paragraph	Deliverable Name	Price
4.1.1	Project Work Plan	
4.1.2	Phase 1: Current State Assessment	
4.1.3	Phase 2: Peer State Assessment & Target Future State Identification	
4.1.4	Phase 3: Gap Analysis & Transformation Plan	

E-X-A-M-P-L-E
Statement of Work (SOW)
for Deliverables-Based Information Technology Services (DBITS) Contract
Regulatory and Administrative Transformation Project
Information Technology Assessments and Planning
Texas Commission on Regulatory Affairs

13. Response Submission Requirements

The SOW Response must be submitted as described in this section. Submit one (1) paper original, five (5) paper copies and one (1) electronic copy of the SOW Response in Portable Document Format (PDF); and one original Pricing form. Vendor should submit response in the sequence, content and structure, by TAB, described under 13.2.1-13.2.8.

13.2.1. TAB A. Cover Page. Provide a Cover page for the SOW response.

13.2.2. TAB B. Executive Summary. Provide a one (1) – two (2) page summary of the SOW Response.

13.2.3. TAB C. Company Information. Provide Texas Identification Number System (TINS) number, full firm name (formal name and all assumed names used by the business entity) and address of Vendor; structure of business entity (i.e. sole proprietorship, partnership, corporation, etc.); state in which business entity exists (was formed or incorporated); physical address and mailing address; principal place of business; name, title, address, telephone number, facsimile number, e-mail address of Vendor's primary contact; and Vendor's Texas agent for service of process, including name, title address and telephone number.

In addition, provide relevant historical and background information on the organization, primary location of Company and workforce, including how many years has your organization been in the IT business, type of IT work Vendor organization typically performs, identification of Vendor's current DBITS contract with DIR and what category(s) are covered.

13.2.4. TAB D. Experience and Qualifications. Describe services your organization has provided in the past five (5) years that demonstrate your organization's capability to carry out the services proposed in this SOW. Provide examples of three (3) specific projects in the past five (5) years which the Vendor has completed. The Vendor must also explain any variances related to completion time and costs if 5% or greater, positive or negative variance. Include the nature of the organization's experience, services provided, scope of activities, organization's for which the service was provided and experience developing regulatory applications. Also, provide any experience in performing similar services for public entities. Include resumes for all personnel who will be responsible for the management and day-to-day operations of the services solicited in this SOW.

List of all personnel who will fill positions designated as key personnel and provide the following information for each:

- Detailed description of educational qualifications and work experience prior to becoming employed by Vendor.
- Time employed/worked with Vendor.
- Detailed description of work experience, training and dates for each

E-X-A-M-P-L-E
Statement of Work (SOW)
for Deliverables-Based Information Technology Services (DBITS) Contract
Regulatory and Administrative Transformation Project
Information Technology Assessments and Planning
Texas Commission on Regulatory Affairs

position held during employment by Vendor. Vendor must submit a staffing plan for this project. If not all positions are currently filled, the Vendor must submit the qualification requirements for that position. In addition, a project organizational chart with all positions proposed for this project must be submitted. Vendor must briefly state why it believes its proposed services best meet the project's objectives and SOW requirements, and Vendor also must concisely describe any additional features, aspects, or advantages of its product and services in any relevant area not covered elsewhere in its SOW Response.

13.2.5. TAB E. Technical Approach. Describe how the Scope of Work objectives would be achieved, including additional components or services which the Vendor believes the Texas Commission on Regulatory Affairs should require and the proposed methodologies to be used for any such additional component or service.

The objective of the technical portion of Vendor's SOW Response is to demonstrate Vendor's experience, the expertise of its personnel who will provide the requested services, Vendor's demonstration of its ability to plan and complete the project, and Vendor's ability to successfully deliver.

The Texas Commission on Regulatory Affairs expects that a Vendor will be able to provide accurate estimates (schedule and cost) for the entire scope of the project.

The Texas Commission on Regulatory Affairs follows the State of Texas (DIR Project Delivery Framework including Framework Extensions); therefore the SOW Responses for this SOW must consider these requirements.

13.2.6. TAB F. Pricing. Provide pricing information for each deliverable to be performed in response to this SOW, consistent with the format provided under Section 12, Pricing, of this SOW. This information should be inclusive of all activities proposed on the Vendor's technical approach.

13.2.7. TAB G. References. Include a minimum of three (3) references from clients for whom similar services were performed. Include project description, contact names, position, and company name and telephone number for each reference listed. Please ensure these companies are aware they may be contacted for references within 1-3 business days of response submittal.

13.2.8. TAB H. Miscellaneous. Provide any other miscellaneous information that the Vendor considers relevant and important to provide to the Texas Commission on Regulatory Affairs.

14. SOW Schedule of Events

- SOW schedule of events is planned as follows:
 1. Due date for submitting questions – July 24, 2014

E-X-A-M-P-L-E
Statement of Work (SOW)
for Deliverables-Based Information Technology Services (DBITS) Contract
Regulatory and Administrative Transformation Project
Information Technology Assessments and Planning
Texas Commission on Regulatory Affairs

2. Due date for answering questions – July 28, 2014
 3. Due date for SOW Response – August 14, 2014
 4. Expected date of SOW Award – September 3, 2014
- Inquiries must be submitted in writing to the Commission's Point of Contact by 5:00 p.m., Central Daylight Time, July 24, 2014.

Mark Markham
Commission Procurement Services
#8 Regulatory Row
Austin, Texas 78701
512-463-2222
mark.markham@tcra.texas.gov

- Responses to all written email inquiries will be sent to all potential vendors no later than July 28, 2014.
- All SOW responses must be received at the Texas Commission on Regulatory Affairs, #8 Regulatory Row, Suite 120-12, Austin, Texas 78701, no later than 3:00 p.m. C.D.T. on August 14, 2014.

15. SOW Response Evaluation and Award

- The Texas Commission on Regulatory Affairs shall award the Statement of Work to the Vendor whose SOW Response is determined to provide the best value to the State of Texas, as defined by Texas Government Code, Section 2155.074(b), noting Section(s) (b)(5), (b)(9).
- The Texas Commission on Regulatory Affairs may elect to require vendors to provide oral presentations or to respond in writing to inquiries from the evaluation committee related to their SOW Responses.