



STATE OF MARYLAND
DEPARTMENT OF INFORMATION TECHNOLOGY

Industry Partnership Panel Workshop

October 8, 2014



| Time | Activity | Speaker |
|-------------|--|---|
| 1:00 – 1:20 | Introductory Remarks, IT Procurement Reform Overview | Greg Urban |
| 1:20 – 1:30 | Workshop Administration, Ts & Cs Approach and results | Michael Mallinoff |
| 1:30 – 1:50 | Draft IT Standard Contract Overview | Douglas Carrey-Beaver |
| 1:50 – 2:00 | Attendee demographic questions | Michael Mallinoff |
| 2:00 – 2:15 | Break | |
| 2:15 – 3:15 | Draft IT Standard Contract Questions, Discussion Topics | Michael Mallinoff, Douglas Carrey-Beaver |
| 3:15 – 3:30 | Break | |
| 3:30 – 3:50 | Wrap-up & Going forward | Michael Mallinoff |
| 3:50 – 4:20 | Questions & Closing comments | Greg Urban |



Time: 1:00 – 1:20

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IT Procurement Reform Goals

- Short-term: update terms and conditions of particular issue for business partners
- Intermediate: Improve speed to market and establish standard procurement templates that are largely complete
- Long-term: support public/private partnerships, for example California's CalCloud model
- Award additional master contracts to ease the procurement burden for agencies and DoIT



Time: 1:20 – 1:30

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Terms and Conditions Reform

Objectives/Goals

- **Doing business with the State**
- **Promote innovative technology solutions to State’s needs**
- **Increase Minority Business Enterprise (MBE), Small Business Enterprise (SBE), Veteran Small Business Enterprise (VSBE) access to State procurements**
- **Expedite procurement process (“speed to market”)**
- **Standardize contract language**
- **Remove the “one size fits all” approach to IT contracts**



Time: 1:20 – 1:30

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Today's Goals

- **Identify primary industry comments and industry-proposed updates to the draft IT Standard Contract**
- **Establish priority list of Terms & Conditions to discuss in work groups starting next year**

We are incorporating feedback and changing based on industry needs

Initial Preparation

- Fall internal workgroup kickoff
- White papers and studies (incl. TechAmerica, NIGP)
- Solicit other states
- Solicit NASCIO

Solicit agency, AAG input

Solicit industry input

Ongoing Process

Publish revised contract(s)

Assess contract negotiations, Q&As



Time: 1:20 – 1:30

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Risk vs. Reward





Time: 1:20 – 1:30

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Draft IT Standard Contract Feedback

| | 0 | 5 | 10 | 15 | 20 | 25 | 30 | 35 |
|---|---|---|----|----|----|----|----|----|
| 5. Patents, Copyrights, Intellectual Property | | | | | | | | 30 |
| 4. Consideration and Payment | | | | | | | | 22 |
| 7. Limitations of Liability | | | | | | | | 15 |
| 2. Scope of Contract | | | | | | | | 12 |
| 3. Period of Performance | | | | | | | | 12 |
| 6. Indemnification | | | | | | | | 11 |
| 10. Source Code Escrow | | | | | | | | 6 |
| 14.6 Termination for Default | | | | | | | | 6 |
| 14.17 Security Requirements and Incident Response | | | | | | | | 6 |
| 14.14 Minority Business Enterprise Participation | | | | | | | | 5 |
| 14.18 Suspension of Work | | | | | | | | 5 |

Feedback with 4 or fewer comments spans 20 additional topics



Time: 1:30 – 1:50

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Draft IT Standard Contract Overview

- **Overview Changes in Draft Contract**
- **Standard Mandatory Clauses**
- **Process of Public Negotiation**
- **How many IT contract types should we have?**



Time: 1:50 – 2:00

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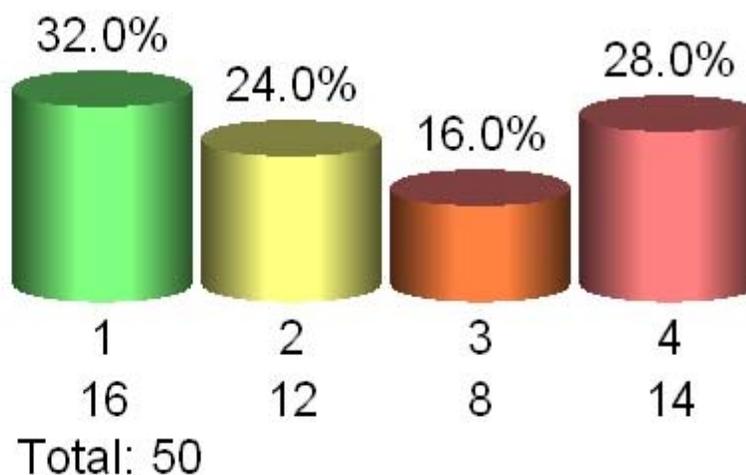
Attendee Questions



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What type of IT does your company primarily provide?

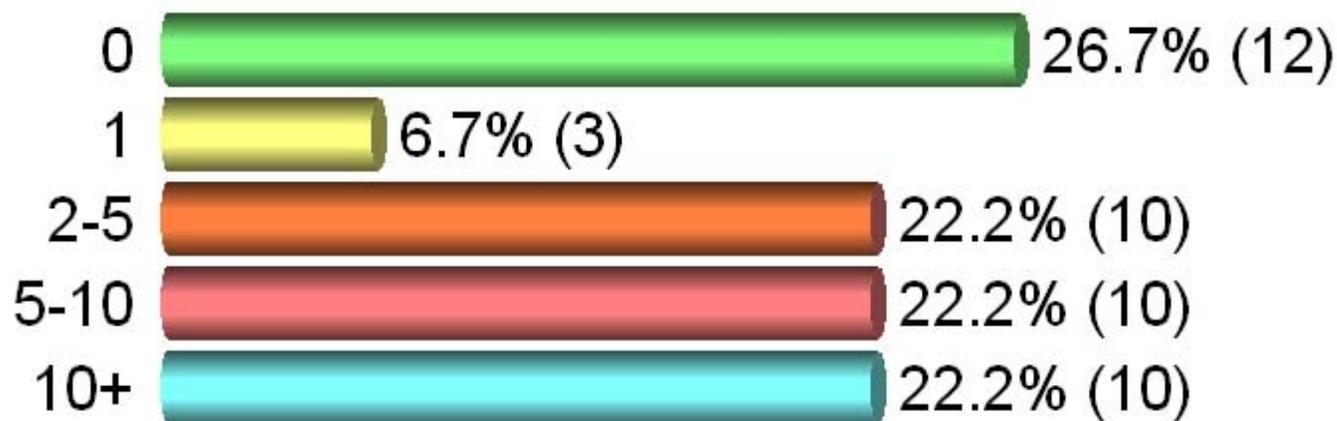
- 1) Software, hardware
- 2) Integration services
- 3) Custom development services
- 4) Other services





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How many IT services/products contracts has your company provided to the State of MD?

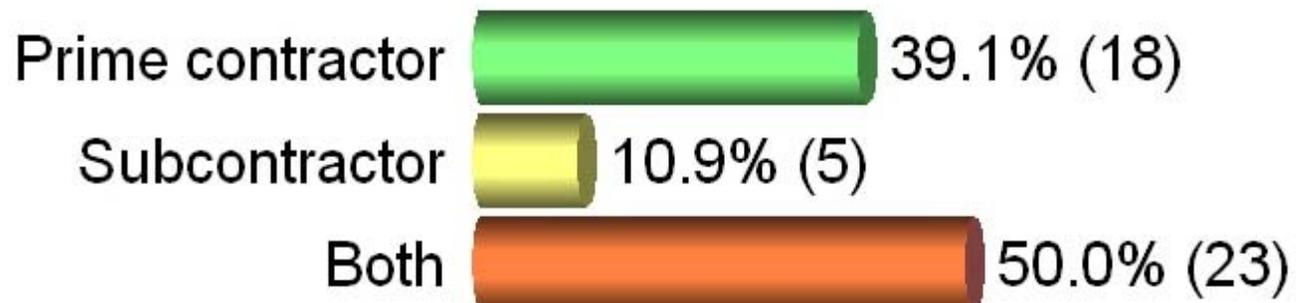


Total: 45



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Has your company been a:



Total: 46



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Is your company a small or disadvantaged business (SBE, VSBE, MBE)?





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SPECIFIC CAPABILITIES

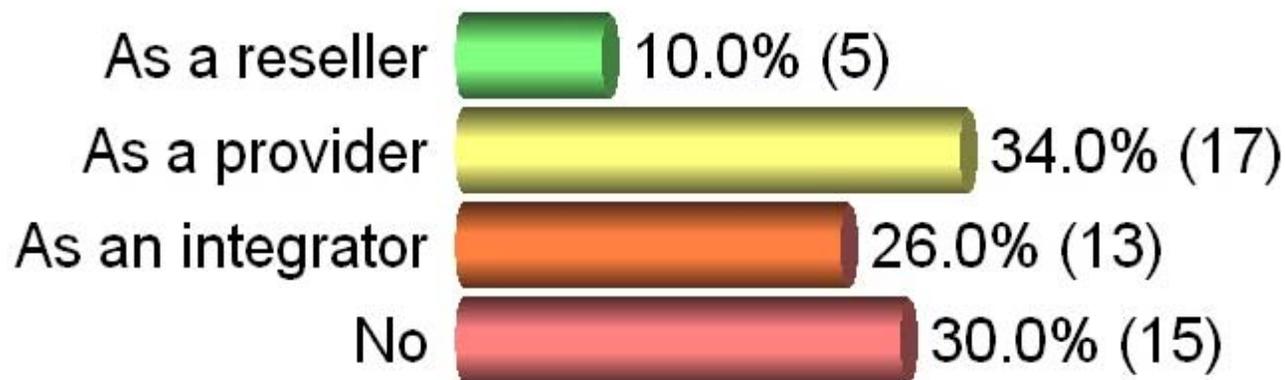
| | | |
|--------------------------------|---|------------|
| Training |  | 47.9% (23) |
| Website Development & Hosting |  | 39.6% (19) |
| Testing |  | 50.0% (24) |
| Software Development |  | 43.8% (21) |
| Security |  | 43.8% (21) |
| Infrastructure Support |  | 60.4% (29) |
| Program/Acquisition Management |  | 35.4% (17) |
| Hardware |  | 33.3% (16) |
| Other |  | 45.8% (22) |

Total: 48



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Does your company (or will offer within 12 months)
a cloud-based service (including SaaS)?



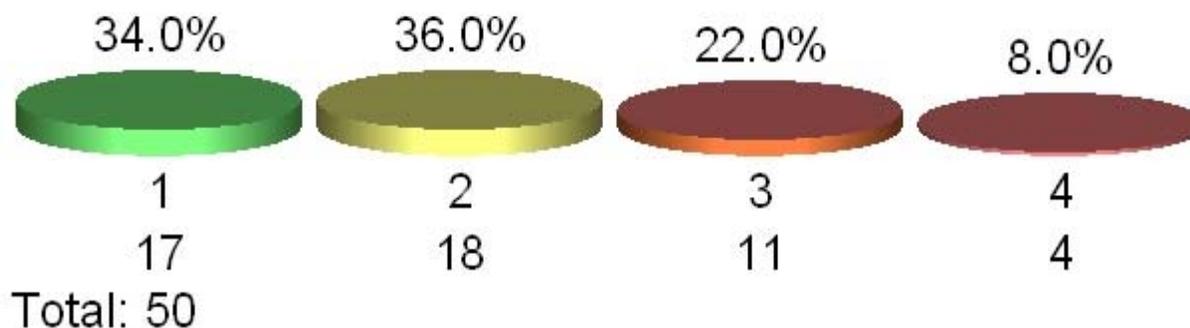
Total: 50



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The State has started using request for information (RFI) as a means of gathering information in advance of writing a solicitation. Does your company:

- 1) Strongly favor this approach
- 2) Generally favor this approach
- 3) Generally do not favor this approach
- 4) Strongly do not favor this approach

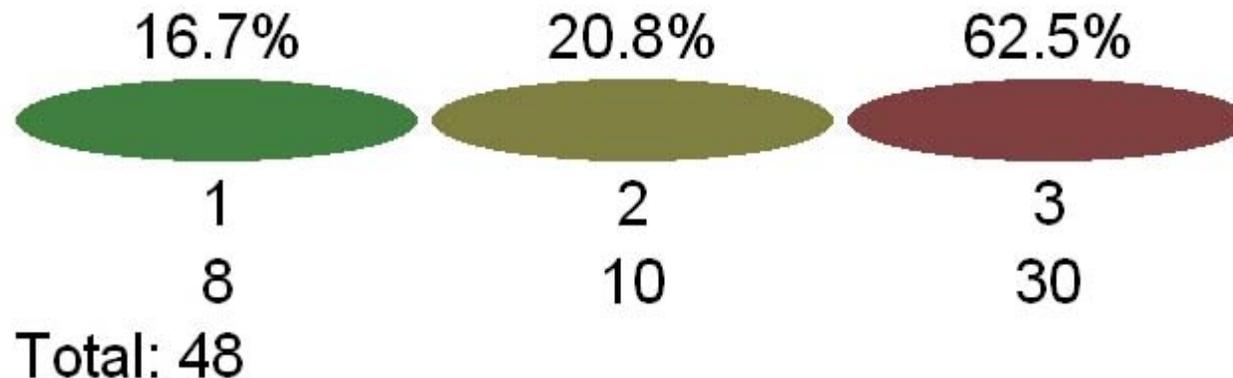




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What is your company's opinion regarding the levels of insurance typically required by IT contracts?

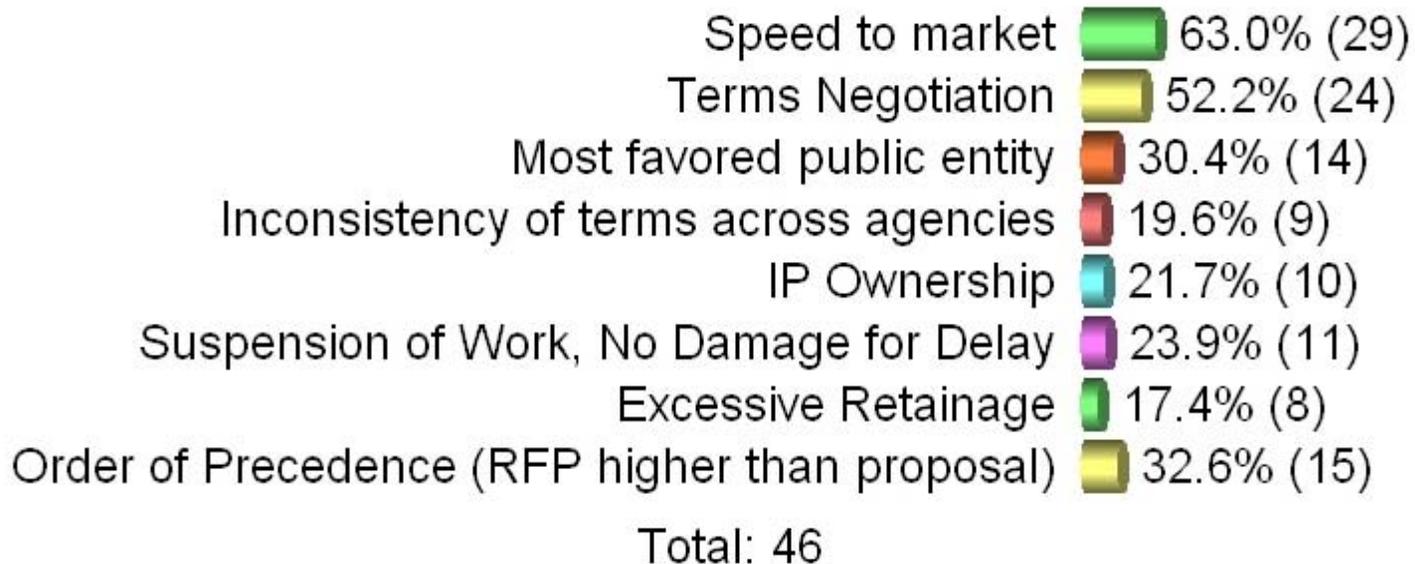
- 1) Insurance levels inhibit my ability to bid
- 2) Insurance levels inhibit my willingness to bid
- 3) Insurance levels do not impact my interest to bid





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Rank the items below as the biggest issues with MD State procurement terms: (Pick your top 3)





Time: 2:00 – 2:15

S T A T E O F M A R Y L A N D
D E P A R T M E N T O F I N F O R M A T I O N T E C H N O L O G Y

BREAK



Time: 2:15 – 2:25

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Draft IT Standard Contract Questions, Discussion Topics



Time: 2:15 – 2:25

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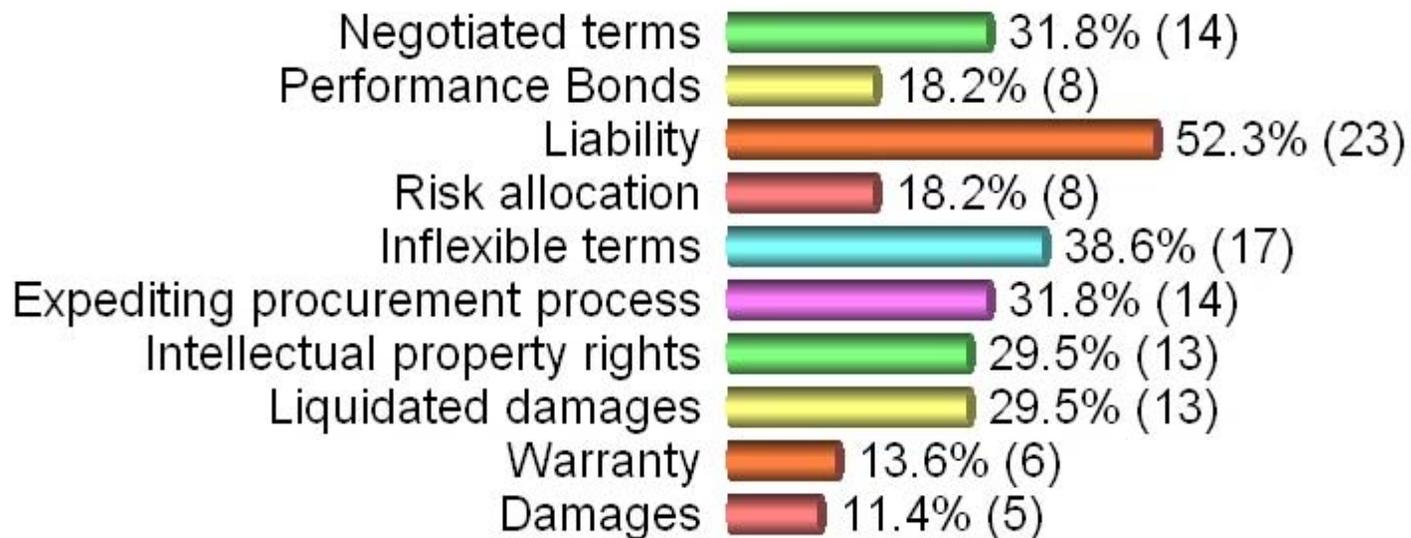
Issues from white papers and research

- Negotiated terms
- Performance Bonds
- Liability
- Risk allocation
- Inflexible terms
- Expediting procurement process
- Intellectual property rights
- Liquidated damages
- Warranty
- Damages



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The information below represents top issues from white papers and research. (Pick the top 3)



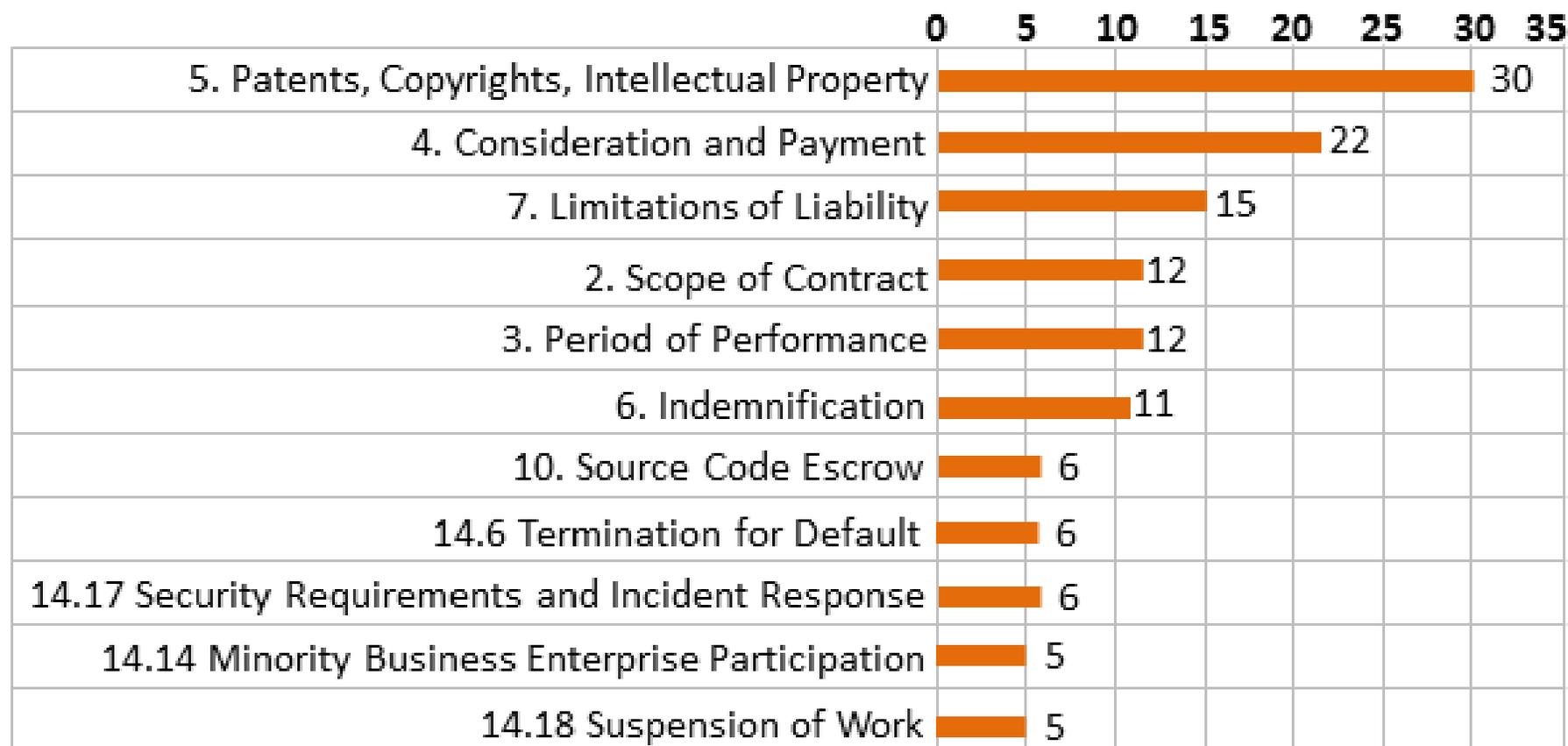
Total: 44



Time: 2:15 – 2:25

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Draft IT Standard Contract Feedback

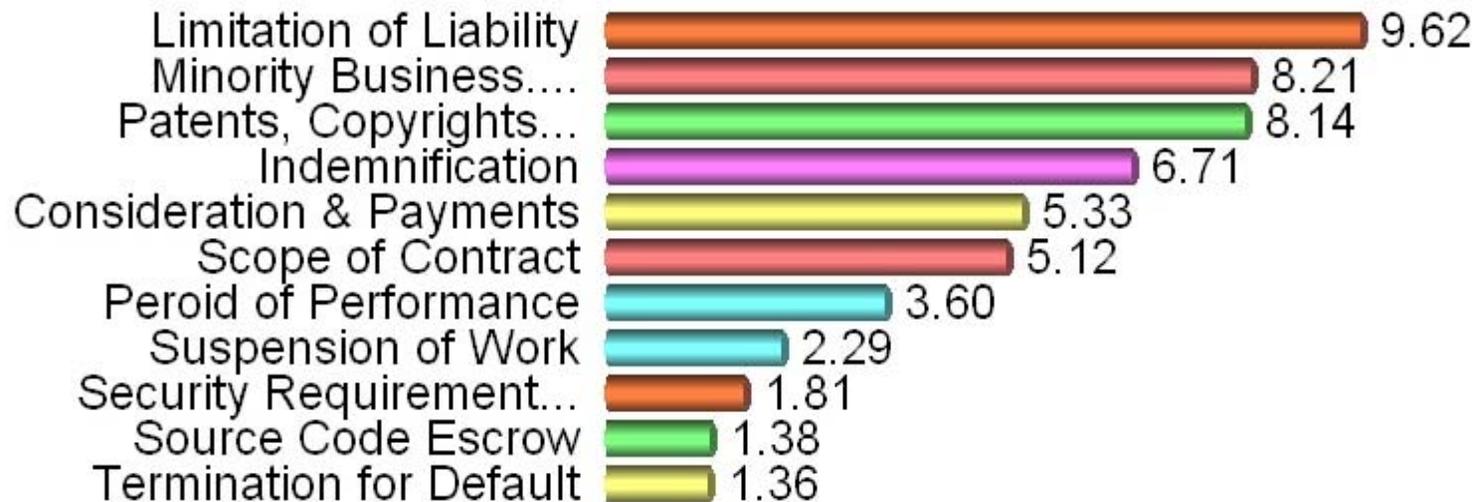


Feedback with 4 or fewer comments spans 20 additional topics



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The information below represents the sections of the proposed Standard Contract that received comment during the recent review. Please rank each section in priority order based on relative importance.





Time: 2:25 – 3:15

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Discussion Topics

- **Intellectual Property (10 minutes)**
- **Limitation of Liability (10 minutes)**
- **Damages (10 minutes)**
- **Security (10 minutes)**
- **Insurance (10 minutes)**



Time: 3:15 – 3:30

S T A T E O F M A R Y L A N D
D E P A R T M E N T O F I N F O R M A T I O N T E C H N O L O G Y

BREAK



Time: 3:30 - 3:50

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Actions

- **Draft and implement first standard IT contract - Q2-Q4 2014**
Standardize Statewide IT Ts & Cs
 - Reduce negotiation time by identifying non-negotiable Ts & Cs
- **Recommend initial regulatory/statutory amendments - Q4 2014**
 - Recommend updates to COMAR, possible legislation to create IT-specific terms and conditions
- **Publish IT Templates - Q3 2014 (complete on 9/30/14)**
 - Publish DoIT RFP and IFB templates, updated CATS+ TORFP template
- **Begin review and revision of standard IT contract with SaaS Ts & Cs - Q2 2015**
 - Incrementally analyze targeted terms for best value to State and vendor community



Time: 3:30 - 3:50

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Wrap Up & Going Forward

Meeting Closing

- DoIT's plan of action for further exploring and resolving identified issues
- Details of this and future meetings to be posted on the DoIT Industry web pages
- Review Parking Lot items

Future Activities

- Follow-on focus group meetings to review individual terms and foster vendor community participation
- Identify candidates for COMAR and legislative updates/amendments
- Create an "As a Service" Standard IT Contract model for cloud-specific procurements



Time: 3:50 - 4:20

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Questions and Closing Comments

Additional questions or ideas for improvement can be submitted to the DoIT.Industry@maryland.gov mailbox



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Please leave voting device on your seat