

# Temporary Information Technology Staffing



Presented by:  
Tetchjan Simpson

# AGENDA



✓ Overview  
❖ Where We Are  
□ Where We Are Going  
➤ How We Get There

## ✓ OVERVIEW



Provide Centralized Information Technology (IT) Staffing Services through a Managed Service Provider (MSP) and a fully integrated Vendor Management System (VMS).

- Register & Manage IT Staffing Suppliers
- Post Agency IT staffing requirements
- Analyze resumes & rate quality of candidates
- Manage interviews, background checks, drug testing, etc.
- Process Contractor timesheets
- Administer Supplier invoices
- Manage staffing data



# WHERE WE ARE



## ❖ Current Contract

- Began in 2007 as a 5yr mandatory statewide contract
- 6<sup>th</sup> extension scheduled to end June 30, 2018
- Single MSP with VMS at a combined 0.8% fee
- FY17 Spend: \$72.7M (5yr Average \$66.8M)
- 1% DOAS Administrative fee

Fiscal Year	HISTORICAL SPEND
2012	\$49,987,429
2013	\$53,246,690
2014	\$61,965,065
2015	\$69,879,503
2016	\$76,310,532
2017	\$72,669,590
<b>TOTAL:</b>	<b>\$384,058,809</b>

PERCENT SPEND BY AUTHORIZED USER CLASSIFICATION	
State Government	98.3%
University System	1.5%
Local Government	0.2%

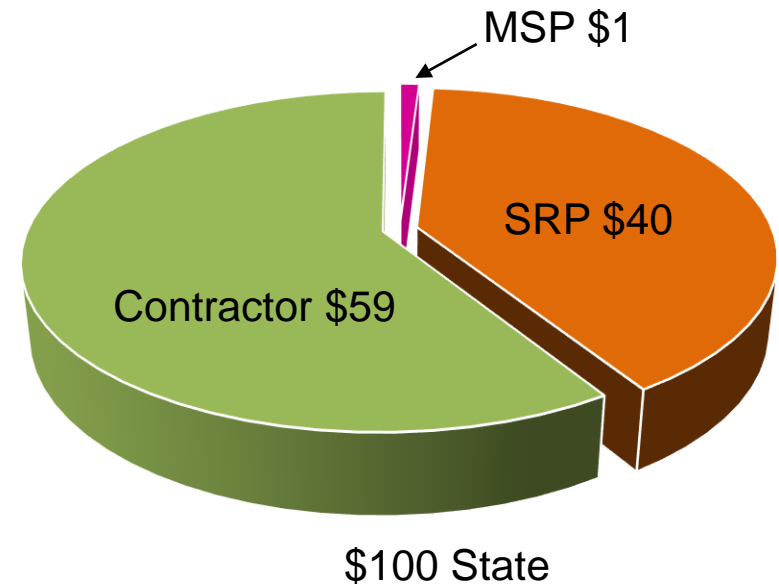
TOP 10 SPEND BY AUTHORIZED USER ENTITY			
Dept. of Transportation	16.1%	Dept. of Revenue	7.3%
Dept. of Education	14.2%	Dept. of Public Health	5.3%
Dept. of Human Services	13.8%	Dept. of Juvenile Justice	3.7%
Dept. of Community Health	9.2%	Dept. of Corrections	3.5%
Dept. of Labor	7.8%	Dept. of Drivers Services	3.2%

# WHERE WE ARE

## ❖ Current Contract Details



- 2006: 650 contractors = \$40M in Spend
- 2017: 767 contractors = \$72.7M in Spend
- Supplier Network
  - 365 Staffing Resource Providers (SRPs)
  - 168 SRPs (46%) have Active Service Orders
  - Average Mark-up Rate of 40.2% (weighted)  
Ranges from 0% to 200%



# WHERE WE ARE GOING

## □ Model Comparison

What industry experts are saying...

A 2013 study published by Aberdeen and Bartech Group found:

- MSP yields 20% higher contingent workforce quality ranking
- MSPs: model best practices, mitigate risks, provide better analytics, more agile

### In-House Management

- + Direct Control of Suppliers/Services for implementation of changes and addressing issues
- Time and Cost Prohibitive

*Estimated* < Hiring, Training and VMS Acquisition = \$400K  
Enterprise Expense = \$2.5M

### Multiple MSP

- + Expands Customer's Service Options
- + Contingency/Option for Poor Performance
- Split/Unspecified Volumes Increase Risk in Supplier Price Consideration (Higher Price)
- Disparate Reporting
  - Potential Supplier Network Conflicts
  - ✓ Contract Mgmt.- Increased Administrative Burden

### Single MSP

- + Higher/Specified Volumes Reduce Risk in Supplier Price Consideration (Best Price)
- + Standard / Consolidated Reporting
  - Consistent Customer Interface
  - Contract Mgmt.- Reduced Administrative Burden
- + Consolidated Billing & Payments
- No Contingency/Option for Poor Performance



# WHERE WE ARE GOING



## □ Solicitation Goals

- Improve quality of candidates
- Establish minimum background check criteria
- Reduction of sub-supplier layering
- Control mark up rates
- Standardize service delivery across the State
- Define procedure for transitioning contractors to direct hires
- Indemnification for Affordable Care Act requirements
- Enhanced metrics across the enterprise
  - State job codes
  - Market pay rates
  - Average pay rates
  - Supplier performance ratings



# HOW WE GET THERE



## ➤ Solicitation Development Resources

### **BENCHMARKING:**

Researched other RFPs and interviewed similar states:  
Arkansas, Ohio, Tennessee and Virginia

### **ADVISORY GROUP:**

Met with customers and received feedback on requirements  
DOL, DOT, DBHDD, GTA, DCH, SAO, SOS, DOE, DPS, DCS, CJCC, DNR, DDS,  
DECAL, DOR, USG

### **POTENTIAL EVALUATORS:**

Top 4 agency spends: DOT, DOE, DHS, DCH + GTA & DOAS



# HOW WE GET THERE



## ➤ Sourcing Strategy

### SOLICITATION

- eRFP Points - 650 Technical / 350 Cost
- Single Award Mandatory SWC
- Contract Term – 2yrs with 3 one year renewal options
- 2% Administrative Fee
  - Tier 1 Contract Management (SPD)
  - Program Management Office (HRA)

### TECHNICAL FACTORS

- |                               |                               |
|-------------------------------|-------------------------------|
| ■ Experience and Capabilities | ■ Candidate Selection         |
| ■ System Capabilities         | ■ Contract Administration     |
| ■ Implementation & Transition | ■ Supplier Network Management |

### PRICING

- Standard and Specialized Pay Rates
  - Fixed MSP Markup Rate
  - Not-To-Exceed SRP Markup Rate
- Non-Standard Services = Fixed Price/Occurrence
- ACA Fees = Fixed Price/Month/Employee

# HOW WE GET THERE



## ➤ Event Schedule

**SCRC Date: August 24, 2017**

**OPB Date: August 2017**

**eRFP Post Date: August 31, 2017**

**Offeror's Conference: September 19, 2017**

**eRFP Close Date: October 17, 2017**

