e-Procurement
Project Development
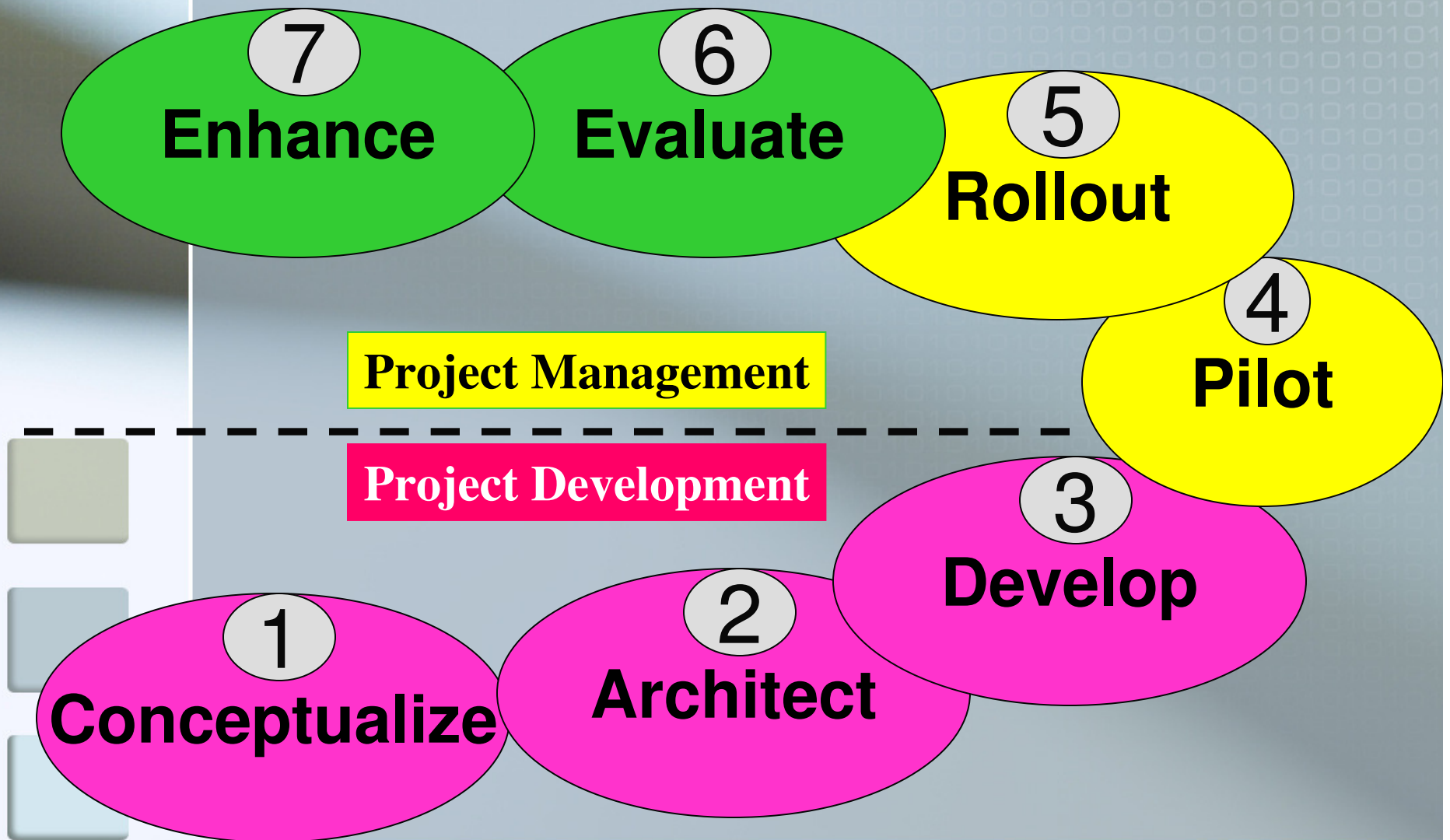
J Satyanarayana

Agenda

- Implementation Dynamics

- e-GP Project Development

- Process Reforms for e-GP

- Business Models

- SLAs

Success & Failure Rate

- 35 % of eGov projects ar[...]
  - Initiatives not implement[...]
  - Initiatives abandoned in[...]

- 50% of eGov projects a[...] failures
  - Main stated goals not achieved[...]
  - Initial success but failure after an year
  - Success for one group but failure for others

- 15% of eGov projects are successes
 - All stakeholders benefited
  - No adverse results

Most Failures are rooted in improper Project Development & Project Management

7 Steps in Implementation

7 **Enhance**

6 **Evaluate**

5 **Rollout**

4 **Pilot**

Project Management

Project Development

3 **Develop**

2 **Architect**

1 **Conceptualize**

Complexities in Procuring e-GP Solution

- e-Govt is not an off-the-shelf commodity
- Complexity of the scope of e-GP requirements
  - Combination of several techno-commercial-managerial-legal requirements
- Possibility of wide range of solutions
- Requirement to adopt conventional procedures to achieve unconventional outcomes
- Fast-changing technologies
- Lack of in-house expertise
  - To structure the project
  - To design the RFP
  - To evaluate the bids
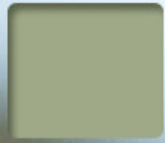
Anatomy of RFP

... the 3 volume approach

Volume I – Functional & Technical Specs

- **Vision, Mission, Objectives, Outcomes**
- **National/ International Best Practices**
- **Service Definition**
- **Functional Architecture**
- **Technology Architecture**
  - Including Security Management Requirements
- **Process Architecture**
  - Outcome of GPR
- **People Architecture**

Vol II- Commercial & Bid Specifications

- Prequalification Criteria

- Technical Bid Formats

- Commercial Bid Formats

- Evaluation Criteria

- Bidding Terms & Conditions

Vol III – Legal Specs & SLA

- Roles & Responsibilities of parties
- Scope of Work of Partner
- Service Level Agreement
- Consequences of Breach
- Terms of Payment
- Governance Structure
- Exit Management

Process Reform & GPR

A Definition of GPR

GPR is the

Fundamental rethinking and
Radical redesign of

Government Processes

to achieve **Dramatic** improvements in
critical measures of **performance**
.. such as Cost, Quality, Service and Speed.

Problem statement...

- All processes are simple & efficient when originally designed
  - User-friendly
  - Deploying contemporary tools & techniques

- Processes become complex & inefficient with passage of time
  - with addition of sub-processes to handle exceptions
  - with changes in environment
  - with increase in customer expectations
  - with increase in volumes

We need to **Reinvent** the processes

5 Symptoms of Poor Processes

1. Extensive information exchange, data redundancy and re-keying

2. Huge inventory, buffers and other assets

3. Too many Controls and Checks

4. Rework, Iteration & Duplication of work

5. Complexity, Exceptions & Special cases

Root Causes of Poor Service Delivery

Legislative Intent → Process Problems → Delivery Channel Problems → Delivery Problems

BPR is an important part of the Solution

A 4-Pronged Approach to Transformation

Transforming Process

- Eliminate
- Simplify
- Automate
- Base on Trust
- Integrate
- Join Up
- Legislate

Using Technology

- Enterprise Architecture
- Standards
- Unified Databases
- Unified Networks
- SOA
- Portals

Transformation

Transforming Channels

- Multiple Channels
- 24x7
- Access
- Common Service Centres
- Mobile
- Self-Service
- Licensed Intermediaries

Transforming People

- Training
- Change Management
- CRM skills
- Consultation
- Empowerment
- Education
- Awareness

Some useful approaches to GPR

1. Identify & Eliminate unnecessary steps
   - Non-value-adds (NVA)
   - Redesign the Forms to be simple
2. Borrow the Best Process
   - International Best Practice Survey
3. Integrate Processes from citizen's point of view
   - Think of Government as ONE – not as 42 agencies
4. Design new process on the basis of Trust
   - Make Inspections & Audit on the basis of Risk Assessment and NOT universal
   - Replace Certifications with Self-Declarations
5. Prioritize the Processes for Re-engineering
   - Adopt a Framework for Prioritization

Business Models

Transferring Risk Thru Business Models
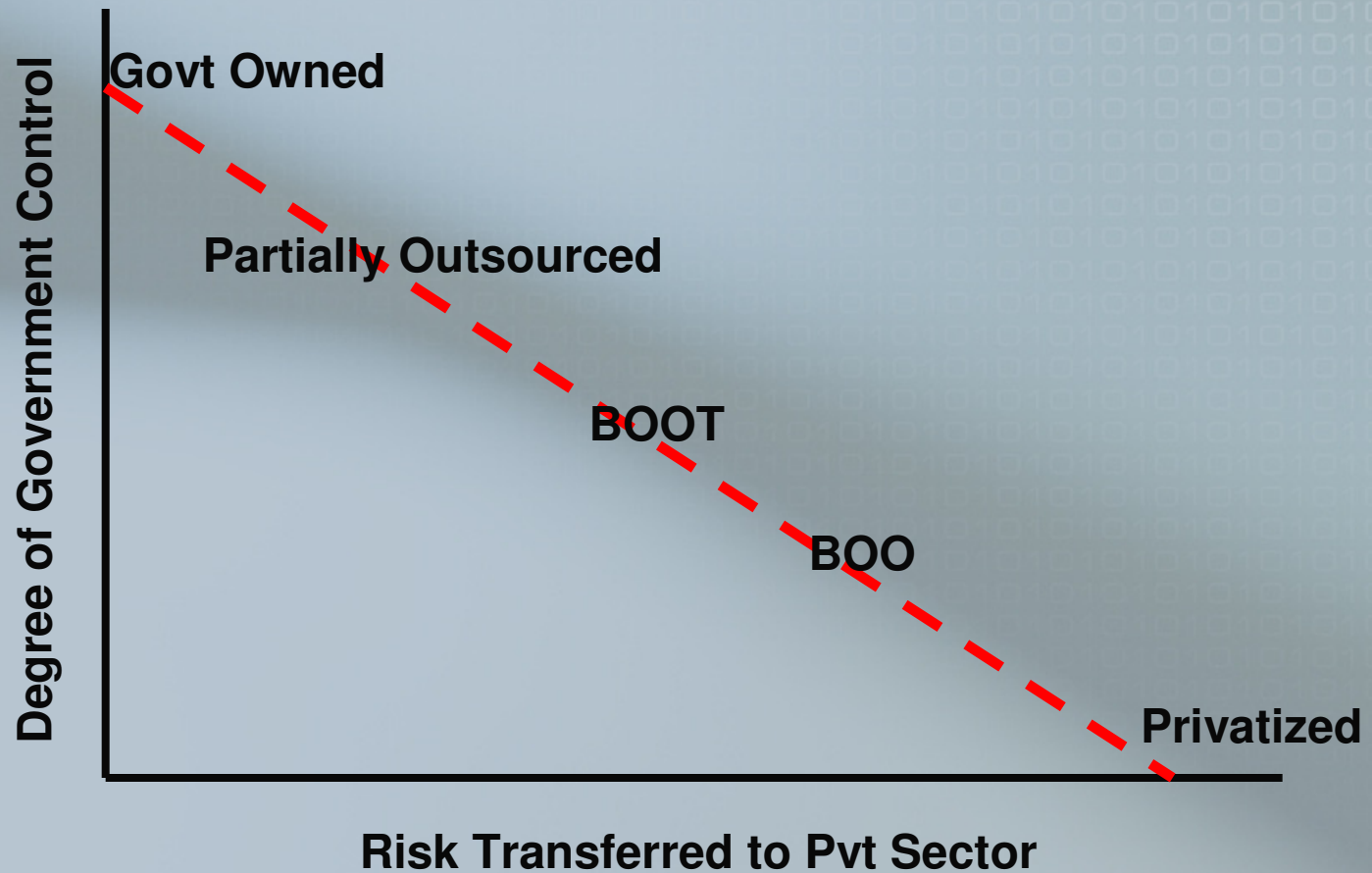
How do pvt partners get paid?
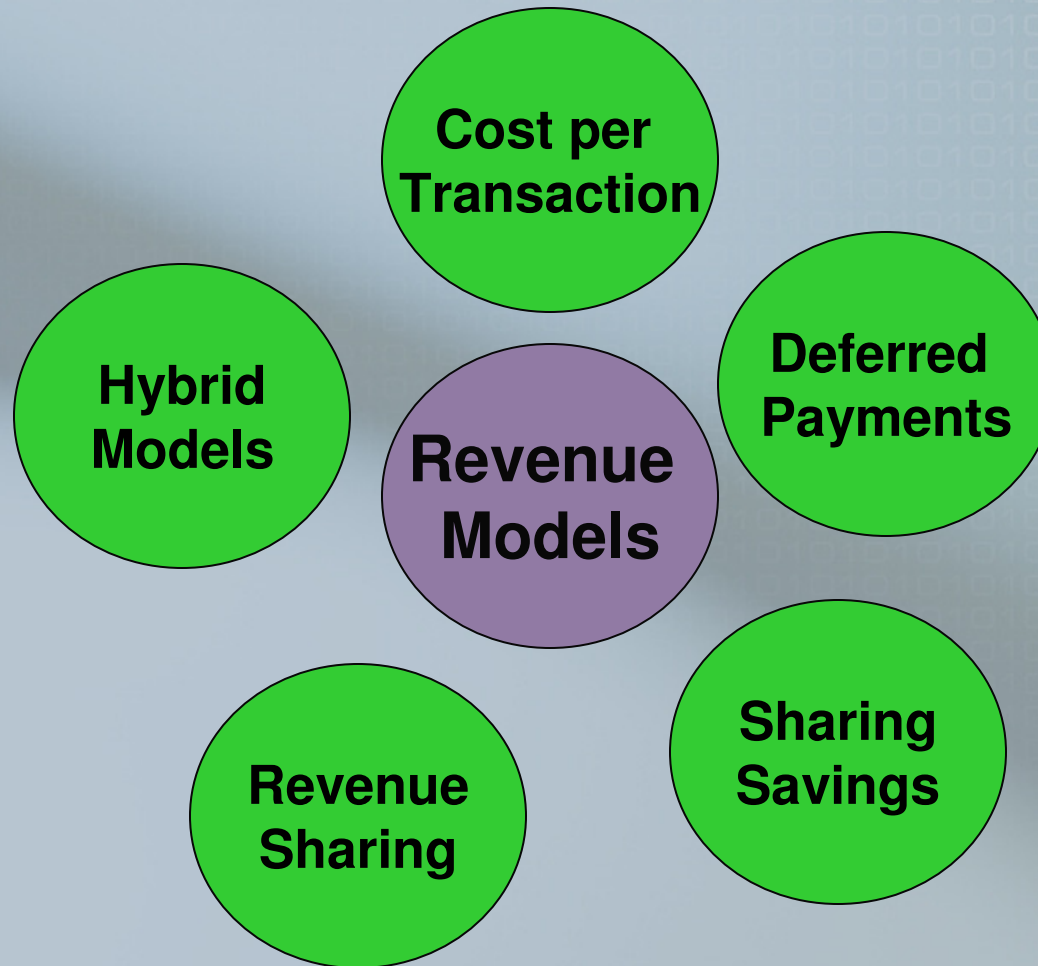
Illustrative Business Model for e-GP

- Strategic Control & Ownership retained with Govt.
- Design, Development & Operations are given to Pvt Partner
- Govt can invest in core infrastructure
- Partner invests in the rest
- Partner compensated on a per-transaction basis.
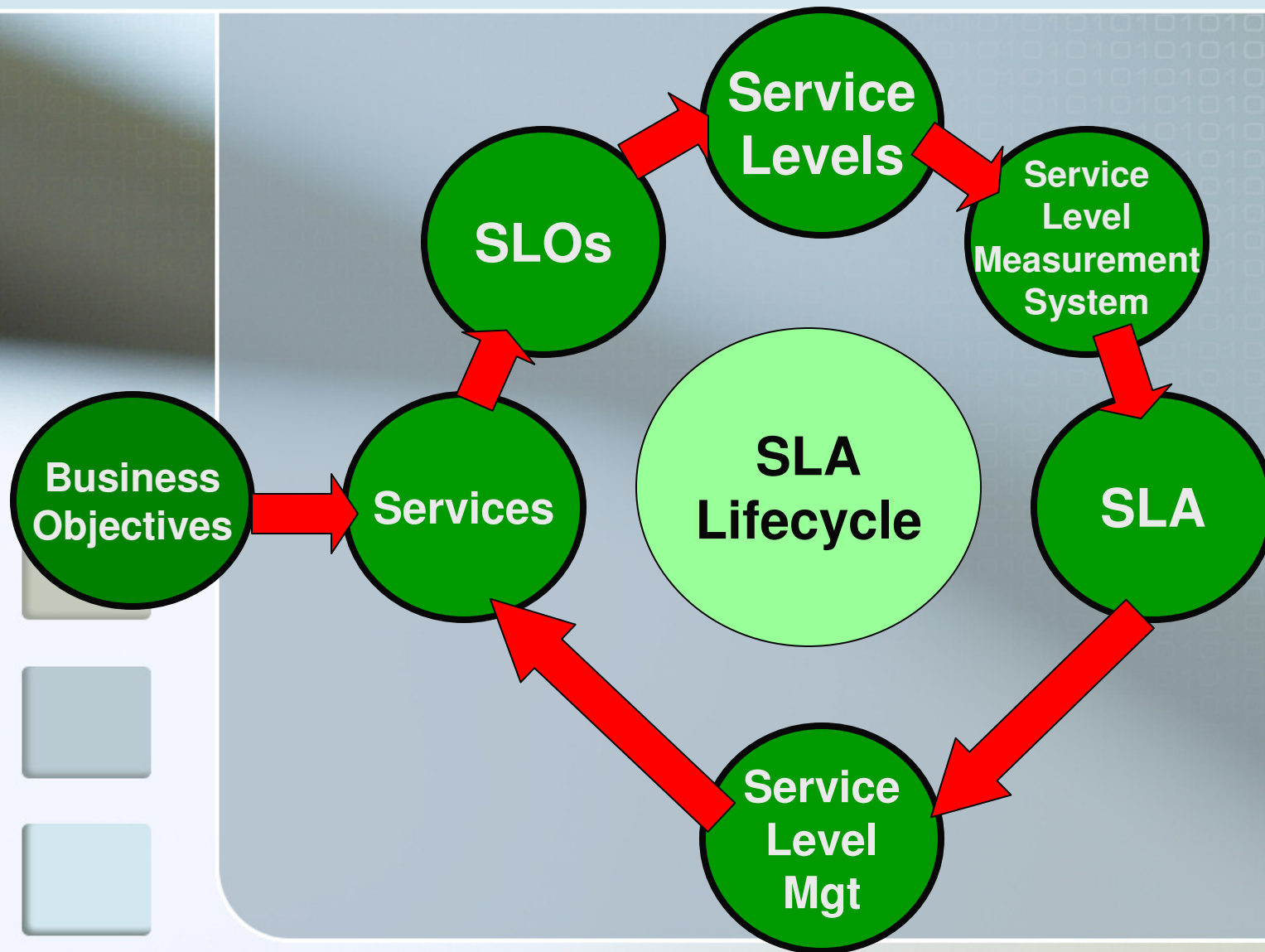- Performance of e-GP managed thru SLA.
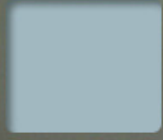
About SLAs

SLA for e-Government projects

- Justification for SLA
  - Govt is buying *services*
  - not hardware, software & networks
- Captures the Roles & Responsibilities

- Specifies quantity & quality of services

- Payments linked to performance

- Contains rewards & penalties

- Drives the partners to better performance

SLA Lifecycle

Converting
Business Objectives to services
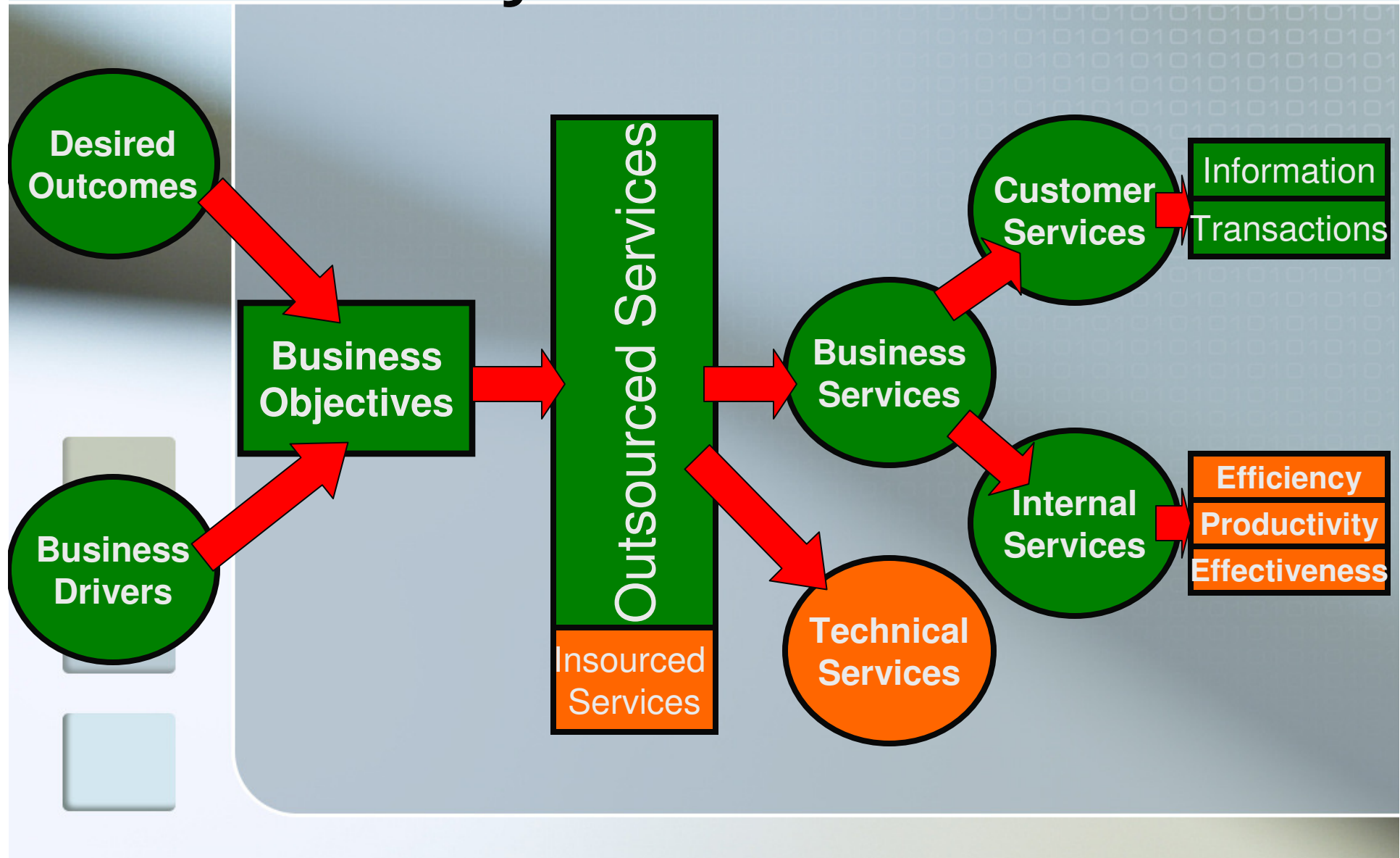
Tasks for the Workgroups

1. Group I (Conceptualization)
   1. Define a Vision for e-GP
   2. Design a Set of Services for e-GP
   3. Define Service Levels
   4. Design a Delivery Strategy
   5. Design a Business Model for e-GP in HP
2. Group II (Process Reform)
   1. Identify 10 bottlenecks/ pain points in the current procurement process
   2. Suggest 5 methods of improving the situation
3. Group III (Capacity Building & Chamge Mgt)
   1. Identify Capacity Requirements at Policy, Managerial & Operational levels
   2. Suggest the appropriate programs for Change Mgt
4. Group IV (Technology)
   1. Identify 5 areas of technology that can pose challenges to e-GP
   2. Suggest innovative approaches to Technology Management

Thank You

ceo@nisg.org

1. Conceptualization

- **Develop a Vision**
  - e.g 'Establish a pan-Government e-GP system to enhance Efficiency & Transparency…

- **Define a Mission**
  - A Slogan that motivates

- **Spell-out Objectives**
  - Benefits to ALL Stakeholders
  - Stakeholder consultation

- **Define Services**
  - Attempt Transformation

- **Lay down Specific Outcomes**
  - Measurable Parameters
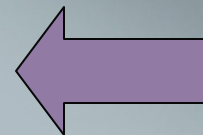
2. Architecture

- **Meets the Objectives**

- **Is Sustainable**

- **Scales to handle future demand**

- **Accommodates future developments**
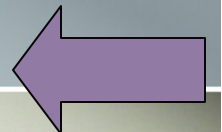
2. Architecture (contd)

- ## Process Architecture
  - Government Process Reengineering

- ## Technology Architecture
  - Consultative Approach – e.g eBiz Architecture

- ## People Architecture
  - Policy Level, e-Gov Champions, CIOs, CTOs Operational Level

- ## Resource Architecture
  - Business Model, Viability, Sustainability, PPP, User Charges, SLA
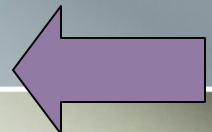
3. Development

- Functional Requirement Specification

- System Requirement Specification

- Coding

- Testing

- Deployment

    - Documentation, Version Management, ALM

Spend Quality Time here
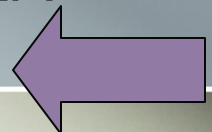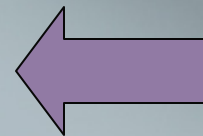
4. Pilot

- **Why Pilot?**
  - A More thorough debugging
  - A more innovative product
  - Early course correction OR 'Go-No-GO' decision
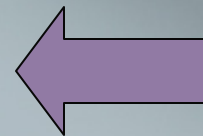 - A more reliable Business Model

- **Scope of the Pilot**
  - Functionality
  - Geographical Coverage

5. Rollout

- Phasing
  - Functionality
  - Geography
- Resource Planning
  - Financial
  - Managerial
  - People
  - PPP
- Stakeholder Consultation
- Project Management

6. Evaluate

- **Service-Orientation**
  - Efficiency
  - User-Convenience
  - Citizen-Centricity

- **Technology**
  - Architecture & Standards
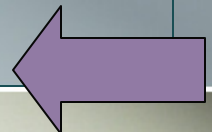 - Security
  - Scalability
  - Reliability

- **Sustainability**
  - Organizational
  - Commercial
  - Legal

- **Cost-effectiveness**

- **Replicability**
  - Functional
  - Technological
  - Commercial

Legislative Intent

- **Old and Antiquated Laws**
    - Registration Act 1905
    - Stamp Act 1899
    - Survey & Boundaries Act 1923
    - Revenue Code 18xx
- **Basis of legal system is Mistrust, not Service**
- **Acts are department-centric, not citizen-centric**
- **Rules are complex and tedious**
    - 10,000 rules, 1 lakh forms!
- **Rulers are not accountable**

Process Problems

- Controls instead of facilitation
- Asking for too much information
    - by every agency, on every occasion
- Burden of proof thrown on Citizen
    - Attachments, Annexures, Attestations
- Too many areas of discretion
- Complexity of rules & regulations
    - Anything to do with money is more complex
- Heavy reliance on manual systems
- No concept of Quality Assurance

Delivery Channel Problems

- Jurisdiction
  - too many 'narrow domestic walls' !
  - too many 'single windows'
- Restricted timings
- Disparate and sub-optimal delivery networks
- No choice of delivery channels
- Process & Delivery Channel often combined
  - resulting in delay, malpractice

Delivery Problems

- Mindset & attitudinal problems
- Delivery Agents unsuitable
    - Unqualified
    - Untrained
    - Unequipped
- Lack of empowerment of front-end people
- Lack of dedicated delivery teams
    - Delivery is handled on a part-time basis
- Lack of service levels, measurement systems