Software development, procurement, & management fundamentals

Agile Contracting

Part 5 of 5

**Presented by 18F for:
Office of Childcare, HHS**

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Software development, procurement, & management fundamentals series

1 Agile management

2 Product ownership

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4 Software development practices

5 Agile Contracting

What is 18F?

18F is a technology and design consultancy for the U.S. Government, inside the government.

We share the same motivations as you: delivering great service to the public.
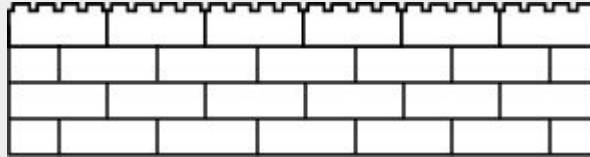
Agile contracting

Buying teams that support modern development practices

18F

The traditional way of approaching 'big bang' procurements

FROM

Years

It's risky and makes juicy headlines

California junks $179 million Medicaid IT modernization project with Xerox

New Hampshire's Medicaid Billing Computer System Still Having Glitches

The system has cost more than $117 million since the first contract was approved in 2005 for about $60 million, with the most recent amendment adding $6.8 million to the price tag.

Oregon Health Authority director Lynne Saxton, whose agency was in charge of the $166.7 million Medicaid enrollment system, defends the finished product.

Maryland fires firm upgrading Medicaid technology, may seek money back

That's how it was supposed to work, anyway. What happened instead was a case of **epic mismanagement that threatens to leave Texas taxpayers on the hook for more than $130 million.**

N.J. ends $118M contract designed to ease enrollment in Medicaid and other welfare programs

R.I. Gov. Raimondo wants payment-for-performance contract with computer contractor

NEWS
Maine's Medicaid Mistakes

Audit: Xerox's Montana Medicaid project could be 6 years late

I want to tell you about two different contracts. The **first** lets you know why we wanted to do things a different way, the **second** is how we did do it a different way.

Census contract

I worked on the Field Data Collection Automation (FDCA) contract for the 2010 Census, intended to "automate field operations" for the 500,000 Census takers going door to door collecting addresses and information on people that didn't respond to the mailed survey.

Census contract

- Budgeted in 2001
- Requirements gathering begun in 2002
- RFP issued in 2004
- Contract awarded in 2006

Requirements gathering, RFP, and responses

2008: "The requirements have changed"

Response to change

- The contractor correctly recognized that "circumstances had changed"
- They proposed a change request that would cost $1.3 BILLION
- Negotiation, not collaboration

A big, traditional acq approach

- Thousands of pages, many binders full of documentation
- "Requirements" that couldn't change without great expense
- Measurements that don't measure useful things
- SIX HUNDRED MILLION DOLLARS for an unfinished project

But in the end, we salvaged what we could through in-house effort and a few contracts to handle the pieces of the work that were needed to deliver.

How can you avoid that risk and deliver better?

Courts contract

The U.S. Tax Courts wanted to build a new case management system to handle its roughly 25,000 annual cases and transition the roughly 957,000 case files held by its legacy vendor. This system was to be entirely open-source and web-based.

Courts contract

- RFQ issued on August 2, 2018
- Contract awarded on September 27, 2018

Requirements gathering, RFQ, and proposals

- There was no requirements gathering—there was a Statement of Objectives in the RFP
- RFQ was 20 pages
- Proposals were about 10 pages

A leaner contract open to change

- Vastly less documentation
- Bought a team and approach, rather than a set of "requirements"
- Real measures of quality
- Adaptability when circumstances change
- $2 million per year

Let's talk about **how** we did it, and how you can do it too.

Thanks!

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