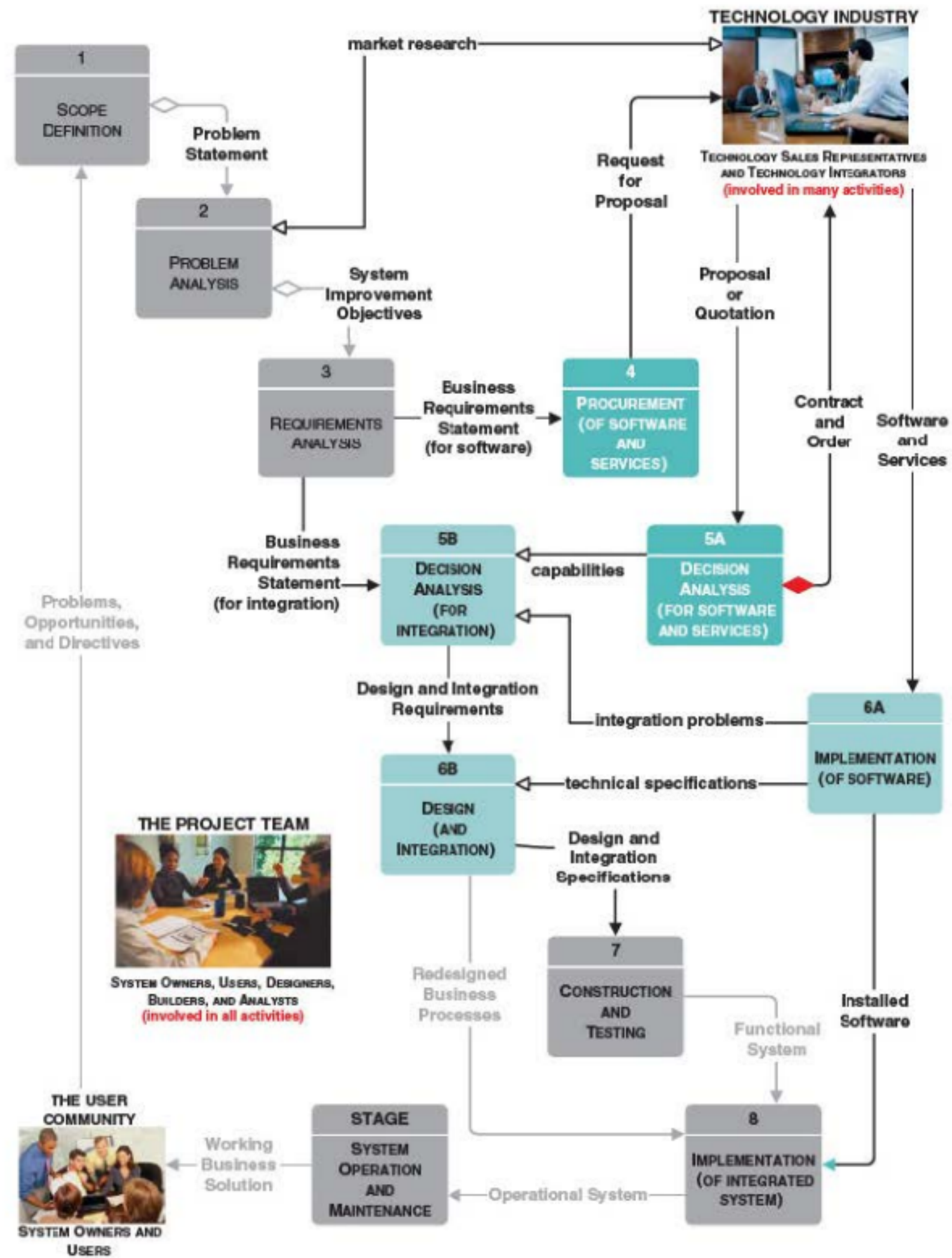


System Design for Integrating Commercial Software– The ‘Buy’ Solution

Presented By: Bijay Tamang

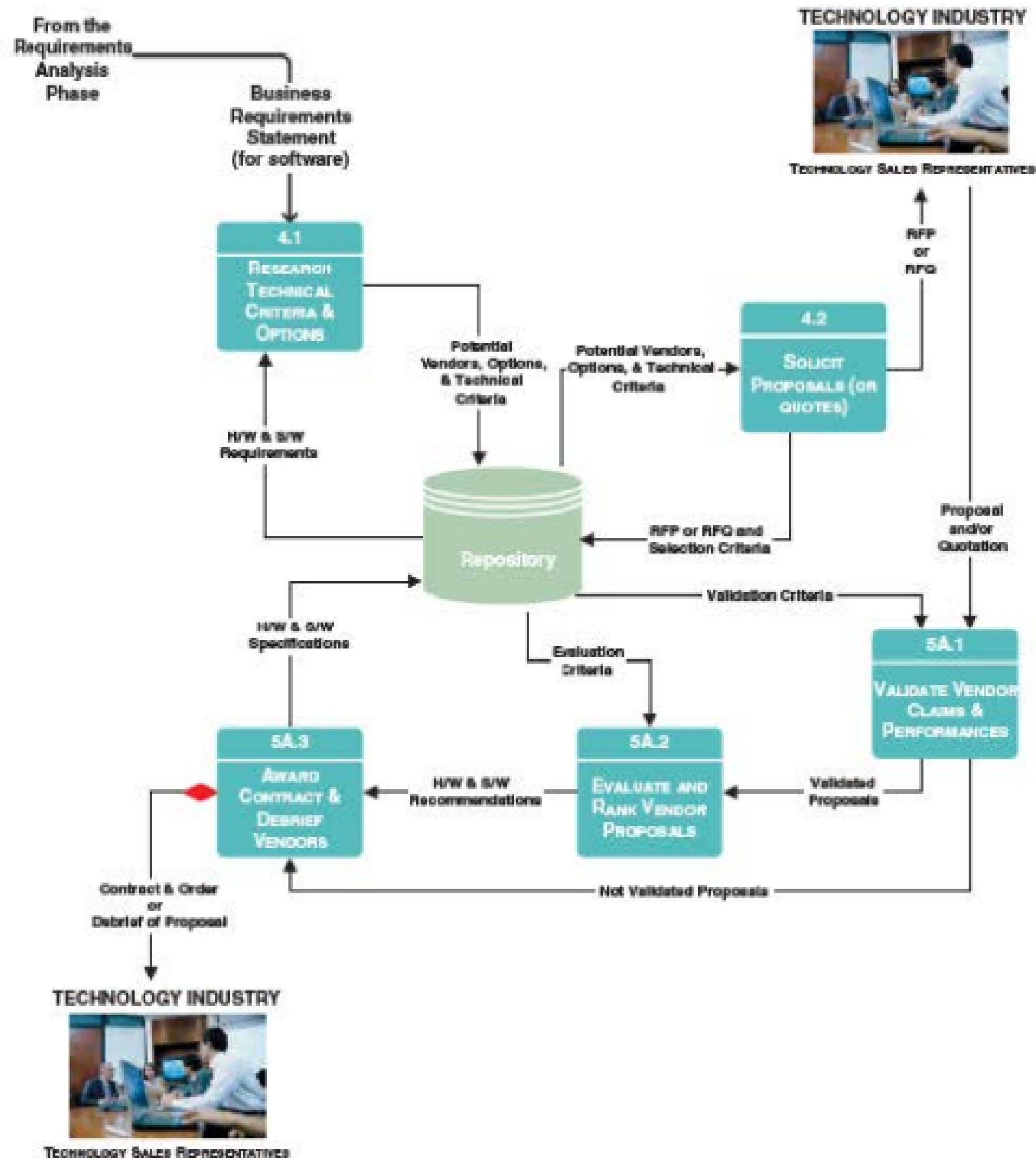
Introduction

- Refers to the option of an existing product or service instead of building one from scratch.
- An organization authorizes someone outside of the organization to build and buy the readymade solution.
- Bought from business and software developing companies.
- Customize the readymade solution and adapt with the own business.



Procurement and Decision Analysis Phase

- Identify and research specific products that could support our recommended solution to the target information system.
- Solicit, evaluate, and rank vendor proposals.
- Select and recommend the best vendor proposal.
- Contract with the awarded vendor to obtain the product.



Tasks Involved in Procurement and Decision Analysis

- Research Technical Criteria and Options
- Solicit Proposals or Quotes from Vendors
- Validate Vendor Claims and Performance
- Evaluate and Rank Vendor Proposals
- Award (or Let) Contract and Debrief Vendors

The first two tasks are procurement phase tasks and the remaining three are the decision analysis–related tasks.

Research Technical Criteria and Options

- Research technical alternatives, identify hardware and software specifications to be selected focusing on the requirements established.
- Requirements specify functionality, features and critical parameters for new software/hardware.
- Analysts read magazines, articles, journals and search internet to identify technical and business issues and specification that will become important to the selected decision.
- The research should also identify potential vendors that supply products to be considered.
- A key input to this task is the business requirements statements established in requirements analysis phase.
- This step may be optional if the company has a commitment or contract to acquire certain products from a particular source.

Solicit Proposals or Quotes from Vendors

- If your company is committed to buy from a single source, this task is informal.
- The solicitation task requires the preparation of one of the two documents: **request for quotations (RFQ)** or **request for proposals (RFP)**.
- RFQ is used when you have already decided on specific product and is sent to a single vendor that has been determined as being able to supply that application package and services.
- RFP is used when several different vendors and/or products are candidates and you want to solicit competitive proposals and quotes.
- The Key input to this task is the potential vendors, options, and technical criteria that resulted from previous research.

Request for Proposals (RFP)

- I. Introduction
 - A. Background
 - B. Brief summary of needs
 - C. Explanation of RFP document
 - D. Call for action on part of vendor
- II. Standards and instructions
 - A. Schedule of events leading to contract
 - B. Ground rules that will govern selection decision
 - 1. Who may talk with whom and when
 - 2. Who pays for what
 - 3. Required format for a proposal
 - 4. Demonstration expectations
 - 5. Contractual expectations
 - 6. References expected
 - 7. Documentation expectations
- III. Requirements and features
 - A. Hardware
 - 1. Mandatory requirements, features, and criteria
 - 2. Essential requirements, features, and criteria
 - 3. Desirable requirements, features, and criteria
 - B. Software
 - 1. Mandatory requirements, features, and criteria
 - 2. Essential requirements, features, and criteria
 - 3. Desirable requirements, features, and criteria
 - C. Service
 - 1. Mandatory requirements
 - 2. Essential requirements
 - 3. Desirable requirements
- IV. Technical questionnaires
- V. Conclusion

Validate Vendor Claims and Performance

- This task is performed independently for each proposals; proposals are not compared with one another.
- The purpose of this task is to validate requests for proposals and/or quotations received from vendors.
- The key output of this task are those vendor proposals that proved to be validated proposals or claims and others whose claims were not validated.
- Claims about mandatory, extremely important and desirable requirements and features can be validated by completing questionnaires and checklists with vendor-supplied references to user and technical manual.
- Finally, performance is best validated by a demonstration, which allows you to obtain test results and findings that confirm capabilities, features, and ease of use.

Evaluate and Rank Vendor Proposals

- The evaluation and ranking is another cost-benefit analysis performed during systems development.
- The evaluation criteria and scoring should be established before the actual evaluation occurs.
- The inputs to this task include validated proposals and the evaluation criteria to be used to rank the proposals.
- The ability to perform feasibility assessment is an extremely important skill requirements for completing this task.
- Some methods suggest that requirements be weighted on a point scale. Better approaches use dollars and cents.
- One such technique is to evaluate the proposals on the basis of 'hard' and 'soft' dollars.
- Hard dollars are the costs you will have to pay to the selected vendor for the equipment or software.
- Soft dollar costs are additional costs you will incur if you select a particular vendor (for instance, if you select vendor A, you may incur additional expenses to vendor B to overcome a shortcoming of vendor A's proposal).
- This approach awards the contract to the vendor who offers lowest total hard-dollar cost plus soft-dollar penalties for desired features not provided.

Award (or Let) Contract and Debrief Vendors

- The purpose of this activity is to negotiate a contract with the vendor who supplied the winning proposal and to debrief the vendors that submitted losing proposals.
- The key inputs include the hardware and software recommendation and the non validated proposals from the previous evaluation tasks.
- Certain special conditions and terms may have to be written into the standard contract and order. Ideally, no computer contract should be signed without the advice of a lawyer.
- The analyst must be careful to read and clarify all the licensing agreements. No final decision should be taken without the consent of a qualified accountant or management.
- The purpose of submitting debrief to the losing vendors is not to allow them a second chance to be awarded the contract, rather to inform them the precise weakness in their proposal and/or products.

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Thank you