

GUIDELINES FOR THIRD-PARTY CONTRACTING FOR IT SYSTEM DEVELOPMENT / IMPLEMENTATION

This document provides a structured approach to engaging and administering information technology contracts belonging to the Mona Campus.

Sections 1 to 6 contain text boxes intended to illustrate the guidelines discussed in the specific section.

It is expected that these contracts and their conduct will be carried out in accordance with standard project management practices, and the knowledge area as postulated by the Project Management Institute, is heavily relied on.

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GUIDELINES FOR THIRD-PARTY CONTRACTING FOR IT SYSTEM DEVELOPMENT OR IMPLEMENTATION

Abstract

IT Contracts should be performance based, having a work statement to serve as the basis for the engagement. Contracts based on length of time could easily result in the organisation paying more for inefficiency. The work statement must contain clearly defined objectives, quality standards, description of responsibility, definition of output, remuneration details and conditions. The contract must aim at clarity for the vendor and for the Institution in order to ensure that both parties have the same understanding of the requirements of the relationship. It must provide clear answers to :

- What ...
- When ...
- Where ...
- How many ..
- How well ...

This guideline identifies the main items to be included in the Work Statement and gives a description with illustrations for further explanation where necessary. Templates are also included for uniformity and ease of execution but their use is not to be taken as being mandatory. The particular situation may dictate a more appropriate format. It is however mandatory that all agreements and transactions are documented and located together in a project document repository.

.....Areas to be included in the Work Statement.....

{Note: The illustration text boxes dispersed through the document are placed there for clarification by offering examples on the topic.}

1. COVER PAGE

This serves only as entrance to the document but containing important information relating to contact, custodianship, responsibility. *See template appended*

2. INTRODUCTION, OVERVIEW AND / OR BACKGROUND

This section gives a brief narrative of the Institution, pertinent to the conduct of the project; a description of the Work Statement its purpose and its sections; a background to the contract including the reasons for contracting, the purpose of the project, the problem or issue being addressed. It may include general things to be avoided or to be aware of as well as historical references. A good overview will set the tone for project expectation.

Note: The contract is for training of academic staff over a period of 1 year....

Introduction and Overview:

The Mona Campus is embarking on a 12-month project to upgrade the technology skills of the academic staff. As the tools and techniques of teaching become more technology based - (software, multimedia, the Internet to name a few) - our academic staff require more support in creating and delivering their courses. Training is intended to deliver skills in the use the desktop applications we support, basic multimedia techniques, using the Internet effectively, using course tools for WEB activities. The training programme is targeted at developing skills to the intermediary level not to the advanced and certification level.

Illustration

3. OBJECTIVES

Project Goals or objectives are S-M-A-R-T

Specific

Measurable

Accurate (describing precisely what is required)

Realistic and tangible

Time-bound

Goals describe what it is you are trying to produce or accomplish.

Goals / Objectives the terms are here used interchangeably

A project is successful if it meets or exceeds stakeholders' expectations. Consequently they must be stated in terms which are specific and measurable. Achievability must be within reason. For example is not realistic for your objective to require 1200 hours of multimedia training within a month if the facilities could not cope.

The objectives section will include the principal project constraints (e.g. time, cost, quality) bearing on the project. For instance if the project must be completed for the start of the academic year this must be stated clearly as a condition, if the training programme must be "certification quality" this must be stated.

The objectives should imply or indicate stakeholder expectation.

Note: The contract is for training of academic staff over a period of 1 year....

Objectives:

- Lift the level of skill of academic staff in the use of the desktop applications for word processing, spreadsheet creation, presentation to intermediary
- Academic staff to be able to use multimedia effectively (i.e. without

<p>setup and monitoring assistance) for course creation and delivery</p> <ul style="list-style-type: none"> • Academic staff to be able to manipulate all the technology installed in the multimedia lecture theatres for lecture delivery <p>Conditions: The contract must be completed by end June because most academic staff are not available for the summer; this training is required for the start of the academic year.</p>

Illustration

4. SCOPE

The Scope specification is a documented basis for making project decisions and for confirming and /or developing common understanding of the project. It includes :

- Project justification (i.e. the business need) - This might have already been outlined in the Overview. The details (*if there is more*) should be included here
- Project product – a description of what is to be produced
- Project deliverables – a list of the summary level deliverables whose full and satisfactory delivery makes for completion of the project. What is not stated is not included in the project scope. In fact related deliverables which may be controversial and which are not included should be noted as being outside of the scope
- Performance criteria – quantifiable criteria that must be met for successful completion

Note that the Scope specification (with the Objectives) is expected to be used to determine if the project is successful or not, so it must be clear and precise.

<i>Note: The contract is for training of academic staff over a period of 1 year....</i>
<p>Scope Statement:</p> <p>The training programme must be resourced to accommodate up to 500 lecturers and must target all academic departments and in particular staff members who are scheduled to use the multimedia lecture theatres for lecture delivery ; who plan to incorporate the use of multimedia and other electronic components / facilities in lecture delivery ; who plan to use the course tools to enhance and expand class interactions and to manage anytime/anywhere learning.</p> <p>Deliverables:</p> <ul style="list-style-type: none"> • Training plan to address the training needs and the deliverables below • Face to face, hands on training in Word, PowerPoint, Excel to accommodate up to 500 • Lab training in multimedia facilities to provide skills in a) media capture b) editing c) digitising • Online (self paced) training software for re-enforced learning in all the above areas • Course material for all the training areas included

Performance measures:

Participants will be canvassed for their evaluation of the course with regard to the objectives by the use of questionnaires designed with the support of the contractor. Additionally an evaluation to determine skills attained will be done for each group trained, two weeks after the training is complete.

Evaluation system is to be designed and discussed with the contractor before its implementation.

The University expects a) a reduction in demand (on support staff) for basic multimedia services –capture – edit - digitise b) increased use of the multimedia lecture theatres by about 50% over semester 1 c)increased use of electronic resources for tutorials, distribution of course material , lecture / student interaction in every department by at least 25%

Illustration

5. REQUIREMENTS SPECIFICATION

This is a statement describing the required product or service in terms of the nature and specifics of its output. Requirements are the characteristics of the deliverables. For instance where, say, an entrance door is a specific delivery in a high security room the requirements will specify the type of material, possibly colour for camouflage, thickness, and so on. It is a good idea to list your requirements clearly and state whether each is mandatory or desirable. You may even include another category called “nice to have” or optional.

Note: The contract is for training of academic staff over a period of 1 year....

Requirements Specification

Classroom training to be hands-on intensive for most intensive practical experience.

Academics must a)become self-sufficient in the use of the multimedia facilities in the lab b)be able to teach with multimedia without requiring the assistance of technicians for setup and operation

Training must create competence in the use of Campus Pipeline for course management so that the trainee becomes self-supporting.

Online training must be accessible (onsite / offsite) via the WWW

Illustration

(See attachments)

6. QUALITY REQUIREMENTS

The Quality Requirements define the standards and regulations which must apply to the process in order to produce a quality product ; and must also underlie the quality of the product. This is needed to ensure that the University receives an appropriate quality of services as stated under the contract, and pays only for the acceptable level of services received. If a general quality policy does not exist one should be created for the project.

Standards are generally defined at a national or international level, and may not necessarily be mandatory, but regulations are (largely) local to the organisation and are usually mandatory.

The project will determine what standards are to be observed and identify the regulations which apply.

Adage - Quality is planned in not inspected in. Prevention is better than cure.

Note: The contract is for training of academic staff over a period of 1 year....	
Quality Requirements	
i.	Each participant to have at least 15 hours of instructor time per course
ii.	Hands on training to be in one to one ratio of computer to participant
iii.	Course to be introduced with clearly defined objectives in order to allow the participant to assess whether the learning objectives have been met
iv.	Product delivered to draw on relevant university illustrations in order for practical appreciation
v.	Desktop skills training content to be compatible with intermediary skills level. Specifications are attached.
vi.	Online training to be mixed mode (voice/ text/ graphics) for learning enhancement ; to contain learning objectives, learning summary, and exercises to reinforce each chapter. Material to be controllable by the user – re-wind, skip over.

Illustration

7. CONTRACT TYPE

UWI Mona should select a contract type which is in our best interest and which is reasonable given the particular constraints, needs and availability. *(See below for description of the types).* Our best interest also implies that the contractor will be motivated to produce. As far as

possible, we should encourage fixed-price contracts, with incentives if it is necessary to encourage extra-ordinary performance levels in relation to time.

A contract is a binding agreement (a compulsory agreement) between buyer and seller where one party gives something up in exchange for something to be had from the other party. It is therefore important that the agreement is sufficiently comfortable to both parties in order to avoid related disputes later on. The entire Work Statement is to become the contract for service.

The types of contracts we should examine, depending on the situation, are:

Fixed Price or Lump Sum contract Here a fixed sum is agreed for the goods or services to be received. UWI Mona, the buyer, and the contractor, the seller, agree on well-defined deliverables for a set price. Price variations are the seller's responsibility. Fixed price contracts are usually used for high value projects which take a long time to complete.

Fixed Price Plus incentive is a variation of the above in which an incentive (usually a money incentive) is offered for results above the agreed requirements. Thus for instance the buyer may wish to have a project completed 30-days earlier than the seller is willing to agree to under normal circumstances. An incentive may be offered (accepted) if this objective is met. In this case the conditions of the incentive must be very well defined.

Cost Reimbursable contracts In reimbursable contracts the costs are charged back to the buyer. All the costs the seller takes on which are associated with the project are charged back to the buyer. These are the riskiest contracts for the buyer because the costs are unknown. These contracts are used when there is a great deal of uncertainty involving the project, and also in high risk situations. In addition to amount reimbursed there is a fee associated. The fee is usually a firmly agreed amount but the cost is variable. The seller has no incentive to control cost.

Time and Material Contracts *Material prices are reimbursed; often cost for time is done on an agreed hourly basis but not necessarily.*

8. CONTRACT ADMINISTRATION

In this section the UWI Mona parties with oversight responsibility should be named and a statement written outlining their responsibilities.

Good contract administration is essential to guaranteeing a successful outcome. In a third party IT contract UWI Mona must ensure that an internal project manager is assigned to liaise with the contractor, with a view to ensuring that quality is maintained in accordance with quality standards established, that the project is progressing as planned, that the contractor is paid as agreed, and that the contractor is facilitated appropriately.

A large part of the responsibility of the project manager is ensuring that the contractor's performance meets project requirements. Therefore there must be a communication system which facilitates regular project reviews, performance reporting and status update. The internal

(i.e. UWI Mona) project manager must ensure that the appropriate communication takes place with the primary stakeholders to keep them abreast of the status of the projects and to facilitate decision making and change management.

It is important that an appropriate testing plan is in place for each deliverable and for the overall system. Evidence that the test plan has been adequately executed is fundamental to the decision as to whether an outcome (or deliverable) is acceptable or not.

The Project Manager must:

- i. Ensure that all the appropriate documents are delivered to the contractor
- ii. Ensure that an agreement (contract) is signed which binds the contractor to the Statement of Work (or contract) ; and binds both to payment on delivery
- iii. Ensure that a project schedule is received with clearly defined deliverables and to bring to notice any gaps or questionable issues which are evident
- iv. Ensure that there is a process to manage change requests whether they arise from the contractor or from the primary stakeholders
- v. Manage the interface between the contractor and UWI Mona
- vi. Maintain ALL documentation related to the project in an easily retrievable filing system
- vii. Ensure that all agreed deliverables and documentation are received by the time of Contract Closure

Possibly the first deliverable to be expected from the contractor is a project plan. All changes to the plan must be approved by the project manager or the Project Management Committee if a significant scope change is proposed or a significant change to any of the primary constraints (time or cost).

System Access to Contractor

Contractors are not expected to be given access to the Production Systems. However access to a comparable database (Development or Test as appropriate) must be allowed where the contractor is working on an existing (i.e. in-use) Application, after all data deemed to be sensitive is appropriately protected from discovery or permission is received from the custodian of the data to allow visibility. The security procedures for access will apply to the contractor on the assigned database, as for any other developer in the system, except that he/she will be confined to those areas of the system which are relevant to the contract scope and description. Request for access is the responsibility of the Department with data custodianship, or of the internal Project Manager in cases where MITS is undertaking the contracting of the third party on behalf of the user Department.

Change control

Change Control is concerned with a) influencing the change factors to ensure that the change is beneficial b) determining / recognising that a change has occurred c) managing the actual change. There must always be proper approval and proper recording of changes.

Change occurs all the time and for many reasons. Change requests may arise from a variety of sources - within the project team where team members discover better ways of doing things; from the customer or stakeholders, as a result of changes in regulations, and so on. Requests for change must be communicated to the project by way of “written change requests”. Not all requests for change will be accommodated. Even where changes are clearly beneficial, they must be evaluated before being adopted.

A Change Control entity should be established to evaluate change requests for acceptance or rejection decisions. This may be the same as the Management Committee mentioned below in 10 - *Internal Project Management Responsibilities*, or it may be a sub-group of this committee.

Change management must comply with our internal change control rules and guidelines – see file “*Guidelines IT Change Control Methodology*”.

9. INTERNAL PROJECT MANAGEMENT RESPONSIBILITIES

The project should be managed internally by:

- i. A Project Manager with responsibility for coordinating, communicating, integrating the internal tasks and responsibilities with the external project execution.
- ii. A Management Committee with responsibility for decision making, and change evaluation. The committee should comprise:
 - The customer, who is usually the HOD (or appointee) from the department which owns the project
 - Primary stakeholders usually from other departments which will be significantly affected
 - MITS
 - The Project Manager

Responsibility	Responsible person
Defining the requirements and the expected outcome	Functional Department (through the HOD / appointee)
Preparation of the Work Statement	Functional Department with the assistance of MITS as appropriate
Preparation of the contract	Campus Bursary, on the advice of the Functional Department and of MITS concerning the contractor (re goodness of fit as far as can be determined)
Coordinating project activities to ensure that the criteria agreed are met; that UWI Mona is aware of status and progress; that payment schedules are honoured as agreed ; that appropriate information flows between the UWI Mona parties and the contracting parties	Project Manager for UWI Mona

Decision making as it affects a) continuation of the project b) significant changes to the scope and / or deliverables ; c) the contract sum ; d) agreed standards and regulations	Management Committee
Change control management	a) Management Committee or appropriate sub-committee (see Change Control above) b) Project Manager for changes which are not critical to scope or objectives
Request for change	MITS Project Manager Functional Department (through the HOD / appointee) Management Committee <i>Contractor</i>
User testing	Functional Department
Acceptance of deliverables	Functional Department OR Project Manager

10. CONTRACT CLOSURE

As discussed in 9 above, each third party contract is expected to have an internal Project Manager to be responsible for internal coordination and communication between UWIMONA and the contractor. This person will seek to ensure that guidelines for system development / customisations/ add-ons are clearly understood and as far as possible are followed. This person will receive the deliverables including the required items of documentation. It may be necessary for a training session to be organised for the technical team who will be expected to take over support of the system or system change. The project Manager will set a timeframe for this to be done.

Contract Close-Out is a formal exercise. It must be done at the end of the contract. Formal, means that there must be a document signed by both parties attesting to the deliverables; identifying where standards and objectives are met and where not; identifying the changes which have been incorporated. If there are outstanding tasks or deliverables these should be included in the document with reason and proposal for furthering or abandoning. This document must be added to the rest of the contract documents.

Closure should also address the need for evaluation after a reasonable period of time. In fact this should be included in the contract so that it does not become a new payment item. Evaluation

must engage the users for their assessment. It is advisable that an evaluation form be designed to collect the assessment information, to make it easy to collate.

Editable Templates Attached

*To be used as Examples of the type and possibly format of information to
be collected.*

**GUIDELINES FOR THIRD-PARTY CONTRACTING FOR IT SYSTEM
DEVELOPMENT OR IMPLEMENTATION**

Cover Page

Project Title / name	
Brief Description	Brief statement as to what the project is about
Related application	Optional – name the enterprise application or other existing application to which this project relates (e.g. Banner Student). Otherwise it may be labelled 'Stand Alone'
Functional Department	The department having authority for the data or the department requesting the project
Custodian – user department	The person from the user department who has oversight on behalf of the user and who is the contact person (or liaison) for the department
MITS Project Manager/coordinator	See item 9 on the Guidelines
Date drafted	
Date updated	
Reason for update	

Department Name

REQUIREMENTS SPECIFICATIONS TEMPLATE

Project ID Description:	Sample
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Req. No.	Requirements Specification	M = mandatory D = desirable O = optional
1	System must interface with the Financial system and the Benefits system	M
2	User interface to be fully web-based	M
3	The system to distinguish between committed value and final balance	M
4	System to maintain (at a minimum) the following balances: <ul style="list-style-type: none">• Opening balance• Closing balance• Available balance• Actual balance	M
5	Facility for online enquiry on the basis of: <ul style="list-style-type: none">• ID#• Employment date• Department	M
6	Self-service purchase requisition	D
7	Split screen presentation	O

Prepared by:

Date:

(Signature)

NOTES ON COMMUNICATION STRATEGY

The focus of your communication strategy is to address the following:

Who is the communication target?

What is to be communicated to the various persons or groups?

When is it to be communicated?

How is it to be communicated?

Main Persons involved in the Communication

The Customer (i.e. budget holder)

Primary Stakeholders which may be the Management Team from the requesting department, or a Steering /Executive Committee

Project Manager (for UWI)

Contractor

Bursary – Accounts Payable and Purchasing

The main Communication Items are

Statement of Work

Contract document

Performance Report

Project Review - meeting

Status update

Change Request

Decision documentation

Contract Closure report

Payment Submission

Pay request

Cheque Payment

Project Schedule

Deliverables List

The list is not exhaustive. Your contract may have other communication items specific to your particular situation.

COMMUNICATION SYSTEM TEMPLATE

Project ID	
Description:	

Sample

Communication Item	Description & Purpose	Audience	Responsibility (Whose task?)	Frequency	Distribution
Statement of Work Contract Document(s)	These documents describe the project; gives authority for the contract; ...etc	Contractor Customer	Customer	Once – during contract initiation	Written document, hard copy
Project Schedule Deliverables list	Project schedule will indicate completion points for various work elements....	Customer Project Manager Primary Stakeholders	Contractor	Once – shortly after contract agreement. Updates thereafter.	Written document, hard copy
Performance Report	<i>Performance reporting concerns collecting information regarding project progress and accomplishments ...etc</i>	Customer Primary Stakeholders	Project Manager	Appropriate Frequency – Usually monthly	Written document, hard copy
Project Meeting	Forum for interchange	Project Manager Contractor	Project Manager	Appropriate frequency	Meeting
Project Review Meetings	Forum at which the appropriate UWI management / executive personnel are updated ; issues debated and decisions taken	Customer Project Manager Primary Stakeholders Contractor on invitation	Project Manager	monthly	Meeting
Status update report	Status of work – mapping to deliverables and/or task completion	Project Manager	Contractor	Regular Depending on project	Written document, hard copy or electronic
Change Requests	All changes to affect scope, deliverables, objectives, requirements, quality, time, etc.	Customer Project Manager Primary Stakeholders	Project Manager Customer Stakeholders Contractor	As and when	Written document, hard copy

Decisions Documentation	All decisions which relate to the project must be documented and appropriately approved	Customer Primary Stakeholders	Project Manager	As and when	Written document, hard copy
Contract Closure Document	Document signifying formal closure appropriately signed by both parties	Customer Primary Stakeholders	Contractor and / or Project Manager	Once – at end of project	Written document, hard copy
Payment Submission	Documents (including invoice) from the contractor requesting payment	Project Manager	Contractor	As agreed	Written document, hard copy
Request for Pay	Documentation required by Purchasing to authorise payment	Bursary - Purchasing	Project Manager	Related to above	Written document, hard copy and / or electronic
Cheque Payment	Cheque and cheque information		Bursary – Accounts Payable	As agreed	Written document, hard copy

CHANGE CONTROL METHODOLOGY

The change acceptance process should be formal and there should be clear evidence of it.

<i>The Process</i>	<i>The evidence</i>
<p>General: we should regard change requests as falling into two categories.</p> <p><i>Category A comprises those which are at the project management decision level;</i></p> <p><i>Category B requires decision by Management – e.g. the Department Manager or the Management Committee for the project.</i></p>	<p><i>Document clearly, describing the change requested</i></p>
<p><i>The proposal is presented to the project manager who will determine whether it passes to Management or the Committee for decision or whether it is a decision to be taken by the project manager</i></p>	<p><i>Document of the proposal. Where appropriate this should be signed by the proposer unless it emanated from a meeting in which case it is minuted.</i></p> <p><i>Reference number assigned by the project manager</i></p>
<p><i><u>Category A:</u> Decision is taken whether to accept it wholly or in part or to reject</i></p>	<p><i>Statement of the decision (or rejection), signed by the project manager</i></p>
<p><i><u>Category B:</u> Decision taken by the Management Committee or the Department Manager</i></p>	<p><i>Statement of approval / rejection with appropriate signature(s) affixed</i></p>
<p><i>The documents generated are to become official project documentation. Acceptance documents to be copied to contractor</i></p>	<p><i>The documents</i></p>

UWI Mona's Signature: _____ **Date:** _____

References:

The information contained in this document accords with standard Project Management principles as defined by the Project Management Institute.