

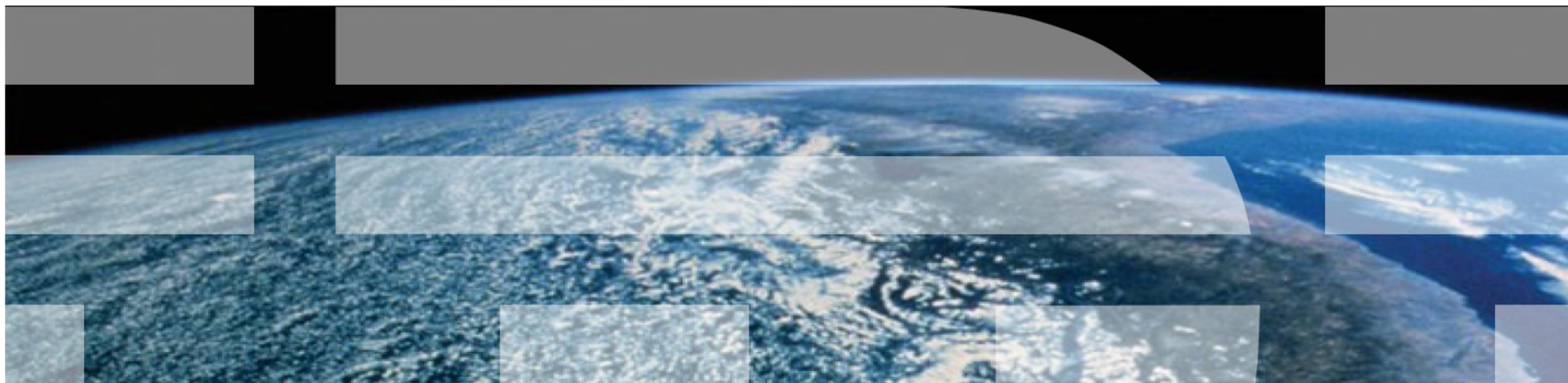


Solution Baseline Document

Société d'assurance automobile du Québec (SAAQ) – ERP Project

Opportunity No: 2-39MLGK3

Template – 2015 Edition Version 1.0





Version Change Control

File Version	Date	Description of Changes	Change in Slide #	Owner
0.1	17-Feb-2016	Created template document	All	Martine Gagne
0.2	22-Feb-2016	Revised document	All	Jonathan Pye
0.3	24-Feb-2016	Added testing program content. See new slides. 37, 38. 39.. And red text on various other slides.	Several. Marked in red for team review	Elaine Doucette
0.4	25-Feb-2016	Updates on Org Charts for Reviews		J. Pye
0.5	26-Feb-2016	Updates on various slides to update delivery road map, risk analysis, org charts, GSSM File	Several slides	M. Gagné



Deal Profile Summary

Client	SAAQ	Contract Type	Outcomes
Deal Name	Société d'assurance automobile du Québec (SAAQ)	Duration	60 months
Deal Type		FOAK?	No
IOT/IMT/Country	Canada	Subcons?	Yes
Sector/Industry	Quebec	Rate Card?	No
Sales Connection No.	2-39MLGK3 GW-5P5J08T (test)	Assets?	No
Core/Invest?	< Y/N >	S/W products	No
Win Price / Odds	\$250m / 33%	Offer Stage	Binding
		Lead LoB	GBS

Brand	TCV (\$)
GBS Only	
GBS SubK	
GTS	
SWG	
STG	
IGF	
Total	

GBS S/L	TCV (\$)
BA&S	
EA-SAP	
EA-Oracle	
EA- MS	
IXM	
ADI-Cloud	
ADI-CSI	
ADI-ADM	
GPS	
Total	

GBS Partner	Dave McCann
OO	Martine Gagné Maurizio Mancini (Test Delivery CIC Lead – LGS Montreal)
Industry Leader	Claude Guay
Deal Coach (Required >20M)	
Lead SA	Test - Surojit Mookherjee
Other SA	
Lead SM	Jonathan Pye / Daniel Lacroix/ Charles Wardlaw
Other SM	Test – Sumit Gosh1, Clifford Ang
Delivery Lead	Test - Cornel Pulbere/Romania/IBM



Client Background and Pain Points

Client Background

The Société de l'assurance automobile du Québec or SAAQ is a crown corporation responsible for licensing drivers and vehicles for the province of Québec. 100% of Quebecers are insured by SAAQ. It is a 10 year ERP Program with 5 years of implementation and 5 years of maintenance. The transformation project is covering 9 key business processes impacting 3500 users and 250 partners located in various areas of the province. The project scope includes professional implementation services, infrastructure set up and maintenance, hardware, software and maintenance services. As part of this RFP response, the SAAQ will select an ERP solution and an Integrator to work in an Alliance model for the duration of the Program. IBM is partnered with SAP for this opportunity.

Capture the Big Idea

- Deliver a strategic transformation project to position the SAAQ to deliver the desired service improvements to the population of Québec while reducing the costs of the services offered
- Reduce of legacy systems (More that 280 systems will be sunset as part of the initiative)
- Modernize the overall SAAQ architecture and position the SAAQ for an optimization of their key processes and IT operations
- Establish a “win/win” partnership with an Alliance who will accompany the SAAQ on their transformation journey

Illustrate the Major Forces At Play

Major Forces At Play	Why is this a compelling reason to act NOW?	Summarize the Impact
Rationalization of key business processes – Consolidation of SAAQ Integrated Business Model	▪ Need to harmonize processes and consolidate over 53 business process into 9 key processes ▪ Need to increase agility of organization ▪ Need to better manage risks ▪ Harmonize with other similar North-American organizations	▪ Simplification and automation of key processus will increase operational efficiency ▪ Better decision data will improve agility and management of risks ▪ Optimized processes will be harmonized with how orther organizations manage similar processes
Simplification and optimization of IT Architecture Landscape	▪ More than 310 legacy systems are currently maintained by the SAAQ (280 systems out of 310 will be replaced) ▪ Existing architecture is very expensive to maintain and prevents the SAAQ from following latest technological trends	▪ IT operational costs will be drastically reduced ▪ SAAQ will be able to leverage new technologies ▪ New landscape will enable future transformations
Increased efficiency and reduction of costs	▪ Need to increase the delivery of electronic services to client base ▪ Need to achieve a single global view of the client file ▪ Need to reduce cost of services offered	▪ •SAAQ will be closer to their client base ▪ Client information will be readily available and standardized ▪ SAAQ will benefit from a business context favorable to continuous improvement



What Is SAAQ?

- The Société de l'assurance automobile du Québec or SAAQ is a Quebec crown corporation responsible for licensing drivers and vehicles in the province and providing public auto insurance which insures all drivers, passengers, pedestrians, bicyclists and motorcyclists involved in road collisions whether or not they are at fault. Coverage, however, is limited to personal injuries — damage to property is covered by private insurers.
- The SAAQ also administers Quebec's driver's licenses and vehicle licence plates (analogous to the DMVs of many U.S. States), and seeks to prevent road accidents, particularly through advertising campaigns in the media and in schools.
- 100% of Quebecers are insured by SAAQ



High Level Overview of SAAQ Opportunity

- It is a 10 Year Program:
 - 5 Years of implementation / 5 Years of maintenance and support
- It includes:
 - Implementation & installation services (SAP Core)
 - Implementation Testing Services (AD&I Testing)
 - Maintenance Services (AMS)
 - Hardware Infrastructure (STG)
 - Software licenses (SAP + [REDACTED] IBM Tool Sets)
- Deal is estimated between \$200M and \$250M
- Alliance must be created between the ERP Company & Integrator for delivery. Bidding Teams are :
 - SAP + IBM
 - SAP + Deloitte/Accenture
 - Oracle + CGI
- SAAQ Total budget for deal is \$ 350M (Including internal costs)
- High level of complexity and risk
- RFP Response format is extremely complex
- Type of Contract is: Time and Material with ceiling
- Due: 31 March, 2016
- Contract Award Target Date: July/Aug 2016 for a project start in Sep 2016



SAAQ – A Strategic Opportunity for IBM/LGS

- Stepping stone to build SAP practice in Québec City Market (Government and private sector)
- Stepping stone to build a Testing Practice in Quebec (Test Delivery Leader has been hired already)
- Continuation of long term successful relationship between LGS (IBM subsidiary) and SAAQ
- SAAQ has a perceived soft spot for SAP solution
- Long term partnership project
- New RFP process build to ensure project success
- SAAQ maintains ownership of success factors
- RFP evaluation based on quality of solution not only on price
- Project delivery organised by business functionality “work Packages” (Agile Approach)
- Shared benefits/risks strategy for a win/win partnership



The SAAQ in Numbers

Premiums paid:

- 1.2MM\$ received from the 5 million of license holders and the 6 million of registered vehicles
- 1MM\$ from indemnities and benefits paid

An annual business volume of:

- 22 million transactions + 2 % / yr
- 88,000 casualties of claims
- 95,000 interventions
- 3500 employees and over 250 representatives for license and registration and for mechanical inspection
- 417 M\$ in administration fees
- 9 M\$ of Investments in prevention
- 10 MM\$ of assets



IBM Value Proposition

Describe what's required to succeed

An IBM/SAPAlliance will provide the SAAQ with the best possible win/win partnership available on the market to support their transformation journey. IBM provides a "one stop shop" for all implementation and maintenance services including the design of the architecture and the provisioning of the hardware. The exclusive 20 year partnership between IBM and SAP supported by the extensive knowledge of the SAAQ environment provided by the LGS Team in Québec City will provide the best team possible to deliver on the vision of the SAAQ.

Clearly Differentiating IBM

Outline Our Solution	IBM Differentiators	Benefits to Client (Address Pain Points)	Demonstrated References
Implementation of a strong ERP Solution such as SAP to enable the transformation strategy	-SAP is a strong and versatile ERP solution that can be adapted to support the SAAQ requirements	- A single business solution - Reduced IT Operation costs - Standardized processes - Enhanced relationship with clients	SAP is consistently identified on the Gartner's Group top ERP Solution providers for various service industry sectors
Select a strong Integrator with successful track record delivering projects on the selected ERP solution	-IBM has over 20 years of experience in delivering successful SAP projects. IBM's methodology has been proven. --- Excellent partnership with SAP -Strong SAP Testing capability & partnership with (#1 automation tool for SAP). Ability to resell licenses. -IBM Test Accelerators for Test Case Optimization (CTD) and Defect Analysis (DAS) using patented technology not offered by competition	- Leverage a proven implementation methodology - Implementation of standardized IT processes - Improved quality and reduced cost of testing - Easier transition of key roles to the SAAQ	Numerous SAP partnership prizes awarded to IBM including the recent award on partner of the year for integrator
Ensure a good integration of the proposed business solution with a solid architecture design and hardware solution	IBM can offer a clear differentiator when it comes to overall system's architecture design and provisioning of state of the art hardware solutions	- Simplified architecture - Consolidated high performing environments	IBM Hardware solution including Power Servers are well position to support complex SAP environments like the one of the SAAQ

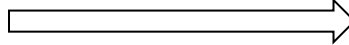
Solution Approach

- Implementation of an SAP solution to support 9 key business processes over a delivery road map of 6 production releases spread over a 5 year period
- High Level Project Scope:
 - All phases of project – Planning, Exploring, Realization, Deployment and Post-go-live support
 - SAP Configuration, WRICEFs, Change Management, Communication and Training support
 - Architecture design and infrastructure implementation including set up and operation
 - Complex data conversion and replacement of over 280 systems
 - SAP CDP development required to support medical records, sanctions and demerit points requirements
 - Usage of highly specialized SAP Functionality including BRF+, FS-CD, billing, CRM partner function
 - SAP Testing for Functional SIT, Automation, Performance and Application Security testing. Leverage IBM and IBM Test Accelerators



Competition and Relationship History

SAAQ Selection Process in 3 steps:

- 2014 – Selection of ERP Solution = SAP and Oracle
- 2015 – Qualification of Integrators 
- 2016 – Selection of Alliance (ERP + Integrator)

Results of 2015 Integrator Qualification Process

Integrator	ERP Qualified
LGS/IBM	SAP and/or Oracle
Deloitte	SAP and/or Oracle
Accenture	SAP
CGI	Oracle (SAP proposal did not qualify)

Competition (Top Three Competitors)

Name (Current Incumbent? Y/N)	Client's perception	By how much% can they underprice IBM?	Is there anything they can do that IBM can't?	Win Rank
CGI & Oracle	Cheaper solution	Could be up to 30% underprice	More local resources	• 1
Deloitte/ Accenture & SAP	Client seems to prefer SAP	Equivalent to IBM in pricing	No	• 2

Past Projects (Top Three Relevant Ones for this Proposal²)

Project	Past/ Current	Planned Rev & GP%	Actual Rev & GP%
N/A			

Key Client Stakeholder / Decision Maker Relationship Assessment

Key Client Stakeholders					Key IBM Relationship Owner		Action Summary (Activities, Who is Responsible, When)
Decision Making Role	Name	Title	Current Perception Towards IBM	Required Perception Towards IBM	Name	Relationship Status	
Internal Selection Committee	No contact possible with any of the SAAQ members of the evaluation team – Government Contracting Process						
SAAQ SMEs							
SAAQ Buyers							
External Agency							



SAAQ – Selection process steps A-C

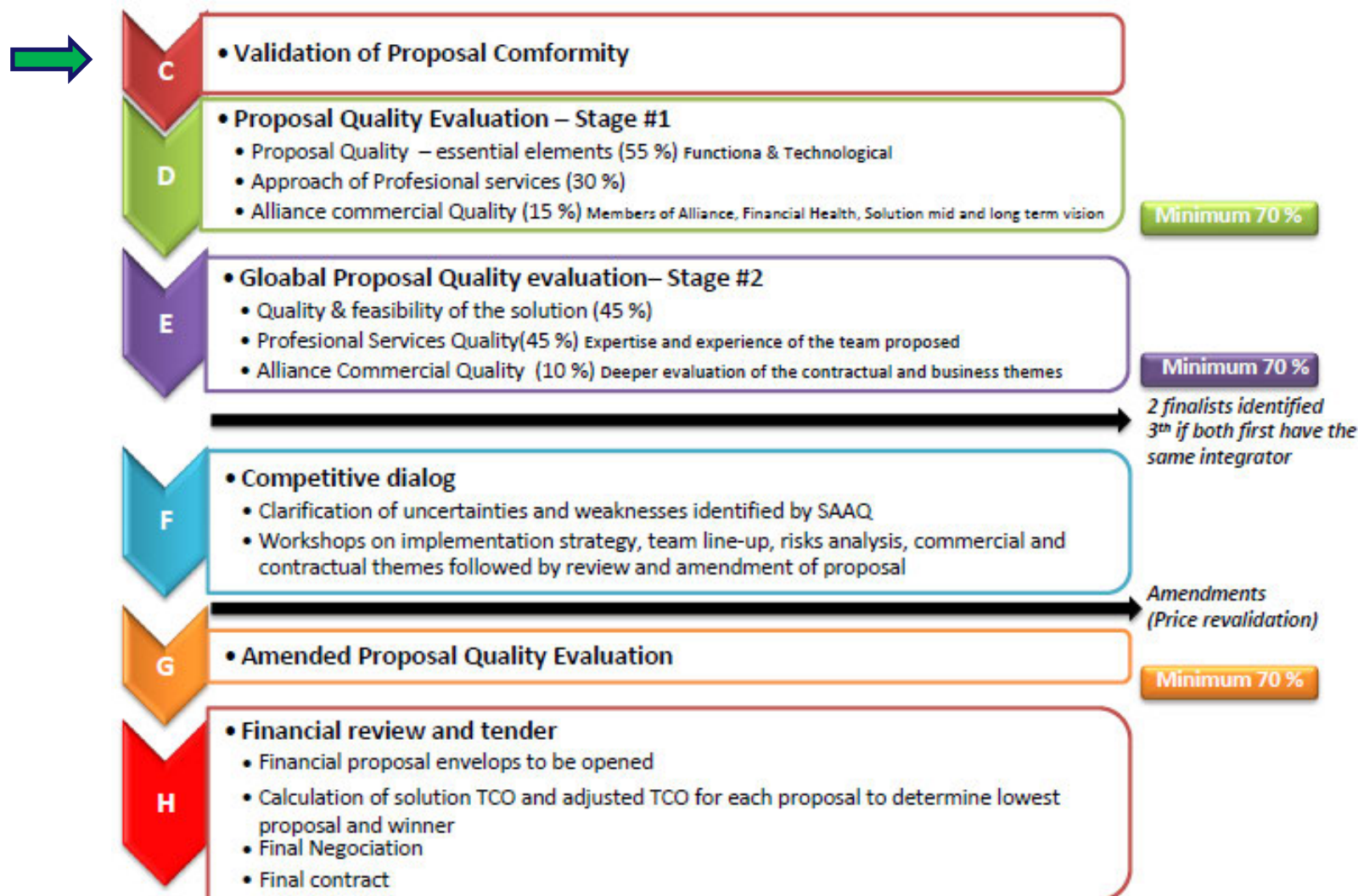
- SAAQ initiated a market scan in 2014 to replace financial applications by a ERP
- Step A : Qualification of ERP solutions
 - RFQ issued on May 5th
 - No \$ considerations, focus on Functional requirements & Customer references
 - Only SW vendors can respond
 - RESULTS: Only SAP and Oracle qualified
- Step B : Qualification of Service integrators
 - RFQ issued June 23rd, answered on August 14th
 - Each Integrator could qualify on Oracle and/or SAP
 - No \$ considerations, focus on vendor's proven capacity to implement the selected RFP

Integrator	ERP Qualified
LGS/IBM	SAP/Oracle
Deloitte	SAP/Oracle
Accenture	SAP
CGI	Oracle (SAP proposal did not qualify)

- Step C : RFP to select a priced proposal to provide ERP licences, Integration services, Technological infrastructure
 - Open only to Qualified ERP Vendors and Service Integrators selected in steps A & B

SAAQ – Selection process steps C-H

RFP « C » Business Solution & Professional Services





Discussion Points on Competition

▪ Competition

- CGI: local in Quebec City, will leverage local resources to provide better rates
 - CGI has a strong knowledge pricing behaviors in Quebec Govt.
 - Has Oracle resources in Montreal, very few Oracle EBS resource on staff
 - Easy access to the QC contractor market
- Deloitte: remote from Montréal will need to include T&L – Has SAP resources in Montreal, Oracle resource in Ontario
- Accenture: remote from Montréal will need to include T&L – Has SAP resources in Montreal
 - Deloitte or Accenture most likely to team with Fujitsu for local presence
 - Fujitsu does not have Oracle EBS functional resource on staff – Easy access to the QC contractor market

▪ Technological infrastructure

- Oracle most likely to push Oracle HW into packaged bundle to integrators
- LGS/IBM would prefer to provide IBM HW or Cloud services to customer
 - Option : SAP Cloud hosted in IBM Data centers or CMS4Oracle GTS cloud option

▪ Customer Preference

- VP IT of SAAQ, Karl Malenfant, has a strong background in SAP
 - Led SAP project at Hydro-Quebec
 - Program Advisor on SAP project at RioTinto



Deal Qualification Outcome

Guidance : Please fill the relevant sections to your deal/ Opportunity

Deal Qualification Approval Status		Deal Qualification Approval Date	
#	Deal Qualification Summary (Key Actions and Recommendations)	Owner	Status
1			
2			
3			

Key Milestones / Activity To Close Deal	Responsible	Help required from Global Solutioning	Date
Client Relationship			
Value Proposition			
Solution Baseline			
Staffing Plan			
Proposal			
Client Presentation (Orals)			
SOW			
Commercials			
Contract			



Solution Overview			
Opportunity Profile	SAP Implementation for Business Transformation Program in a Public Sector Organization		
Reference Clients	SAP Solution implemented in a similar organization – Medibank Project		
Solution Type	Design, Build, Test and Manage		
Solution Differentiators	Agile project leveraging IBM [REDACTED] methodology and IBM Test Accelerators DAS,CTD and [REDACTED]		
FOAK	No	<If Yes, describe what makes it unique>	
Complex Project	Yes	Complex solution in a complex landscape and large scale data conversion requirements	
Standard Estimation	Yes	Bottom up estimating approach using standard IBM estimating tools. Top down estimation for Testing @ 30% of Functional Effort for each release with SAAQ resp for >= 50% of testing	
Multiple LOB Involvement	Yes	GBS SAP, AMS, STG, LGS Group, IBM SWG (2 tool sets), ADI Testing	
Third Party Involvement	Yes	SAP, [REDACTED] Ernst & Young	
Aggressive Transition	Yes	5 year implementation cycle, 6 deliveries, 5 year of maintenance – SAP CDP involved	
Standard SLA	Yes	For AMS period as per RFP documentation	
Aggressive Duration	Yes	Start Date	15/09/2016 5 years implementation, 3 months warranty on each delivery cycle , 5 years AMS
Committed Deliverables	Yes	As per proposed methodology – IBM [REDACTED] / Agile	

Resourcing		
Required capabilities	Yes	Test – SAP functional SIT skills, [REDACTED] Automation, SAP performance & HP tooling
Key resources identified	Yes	Key senior resources identified – 63 resumes required for RFP Response
Multiple CICs	Yes	Halifax, India, Romania and new Quebec CIC
Aggressive Ramp-Up/Down	Yes	Need to ramp up to 80-90 resources in the first 6 months of project
Staffability	Yes	Staffing the required French speaking resources will be a challenge throughout the program

Commercial		
TCV (USD)		
PTI		
GP		
Pricing	Indicative to be resubmitted	
Contract	T&M with ceiling	
Risk/ Reward	Yes	<i>Risk sharing model</i>
Penalty	Yes	<i>Rate reduction imposed if contingency is used</i>
Specific T&Cs	Yes	<i>Bid and Delivery Bonds</i>
Special payment terms	Yes	<i>10% Holdback</i>
Reviews		
TDA		
ITR		
PBA		
SDA		
SRA		
CIC Delivery Input		
GFC		

Key Dependencies			
Key Dependency	Impact (H/M/L)	Mitigation	Owner
Availability of key SAP [REDACTED] functionality when required	High	Work with SAP in tandem to explore alternate routes as required	Delivery Executive
Delivery of SAP CDP development by delivery #4	High	Complete Exploration phase early in the program to support CDP	Delivery Executive
Availability of SAAQ SMEs at critical stages of the implementation	Medium	Identify clearly in proposal the SAAQ resource required for success	RFP Response Lead
Dependency on SAAQ for Master Data Clean Up in preparation for conversion	Medium	Discuss data conversion approach and dead line early in project	Delivery Executive



Scope Matrix and Differentiator

Guidance: Please keep the information brief to fit in this template



In Scope

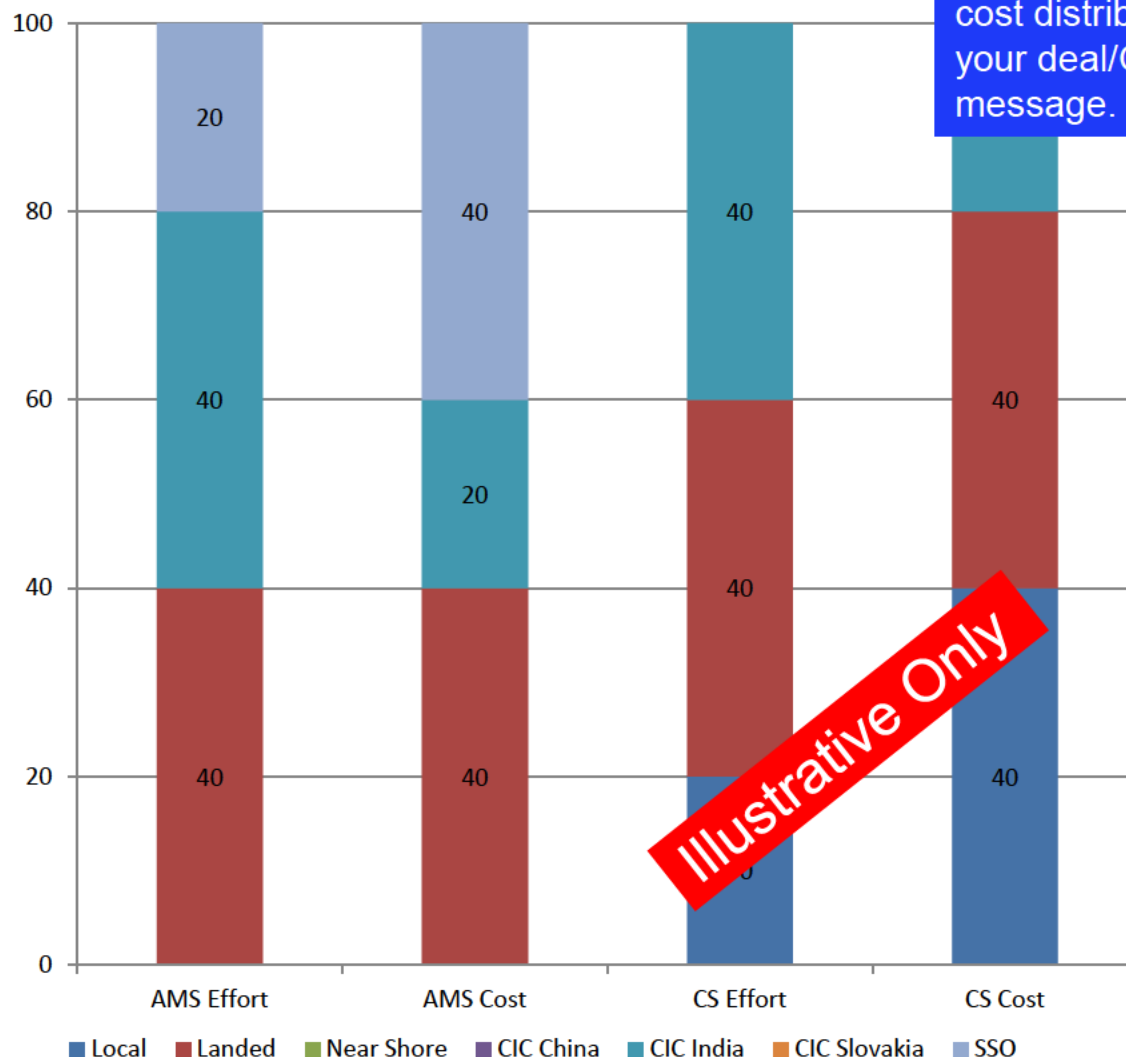
LOB	Scope Area	In-Scope Components	Differentiators	In-Scope Area		
				Design	Build	Manage
GBS	Application A (SAP)					
GBS	Application B ()					
GBS	Test COE	Test Pgm Start-up, Test &/Defect Management, SIT, Automation w () Regression, Performance, App Security Testing	-SAP Testing TAC Capability/Assets -IBM () (shift left for testing) - () partner -IBM Test Accelerators – Defect Analysis(DAS, CTD(Ttest case optimization)			
GBS	Help Desk					
GBS	Incident Management					
GPS						
GPS						
GTS						
GTS						
GTS						
GTS						

Work Category	Service Description	Support Location & Hrs	FTE count
SAP Testing	This is a SAP based implementation project where the SAP team would be working jointly with their functional team counterparts and also with client provided resources to carry out end to end Integration testing, performance testing and automation and execution of test scripts.	Romania CIC (working general work hours) & Halifax in Canada.	Refer to staffing slide.



Overall Solution Dashboard-Effort and Cost Distribution

Overall Cost and Effort Distribution



Guidance: Please use embedded excel to populate the information for effort and cost distribution. You may customize it for your deal/Opportunity to keep the same message.

		Off-Shore	Landed	Near-Shore
CS	Band Mix			
	Productivity			
	Governance			
	BA&S	%		
		Band Mix		
	EA-Oracle	%		
		Band Mix		
	EA-SAP	%		
		Band Mix		
	AD&I	%		
		Band Mix		
	IXM	%		
		Band Mix		
	Productivity			
	Governance			
Remark (If Non Compliant) : -				

Microsoft Office
Excel Worksheet



Solution Overview

- Solution Scope
- Global Solution Architecture
- Project Timeline
- Project Governance and PMO
- Estimation Details

*Return to the main
dashboard*

Solution Scope



SAP BOM



SAAQ Business Processes

GRU

Gestion Relation User
Customer Relation Management

SPS

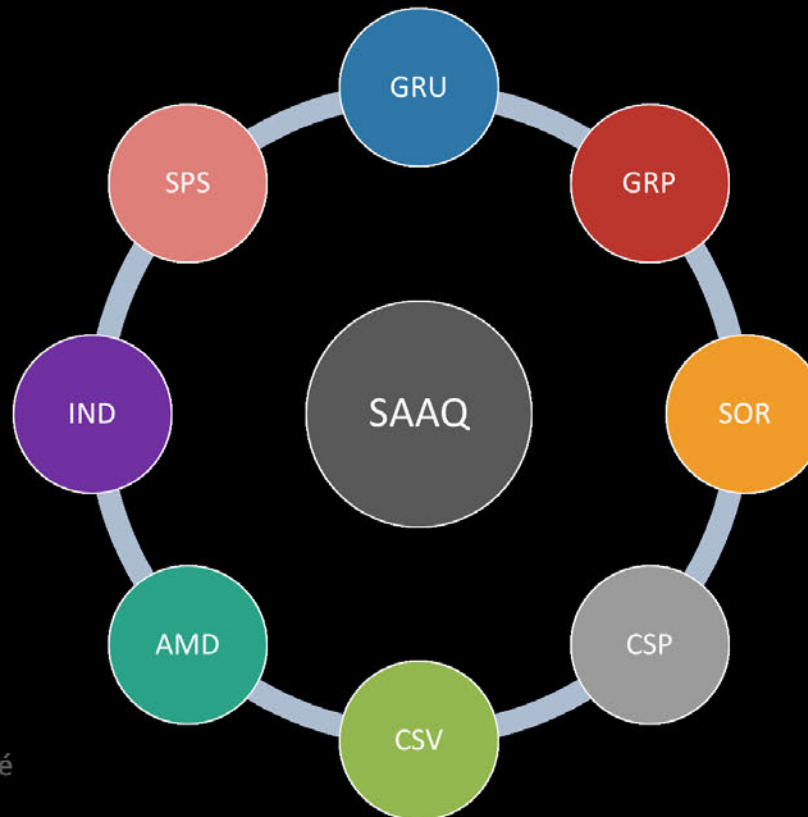
Soutien à la prestation de services
Support Delivery Service

IND

Indemniser et réadapter les personnes
Accidentées accidentés de la route
Compensate and rehabilitate individuals

AMD

Réaliser les autres mandats confiés à la Société
Other mandates entrusted to the Société



GRP

Gestion relation partenaire
Partner relationship management

SOR

Gestion du soutien de l'organisation
Support to the organisation

CSP

Contrôler et surveiller les personnes
Control and monitor individuals

CSV

Contrôler et surveiller les véhicules
Control and monitor vehicles



Business Architecture – How does SAAQ manages its service delivery?

Customers



Citizen



Enterprise



Ministry and organismes

Services

Information

Right to use roads

Right to drive

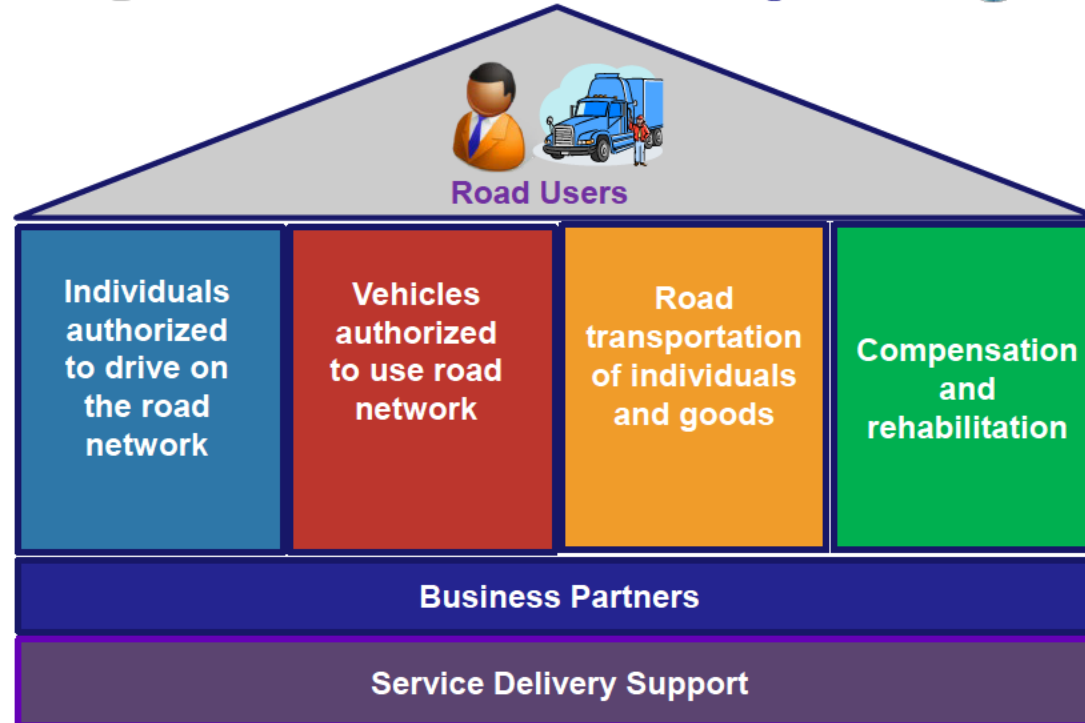
Other services
offered to clients

Supervision of road network usage

Distribution Channel



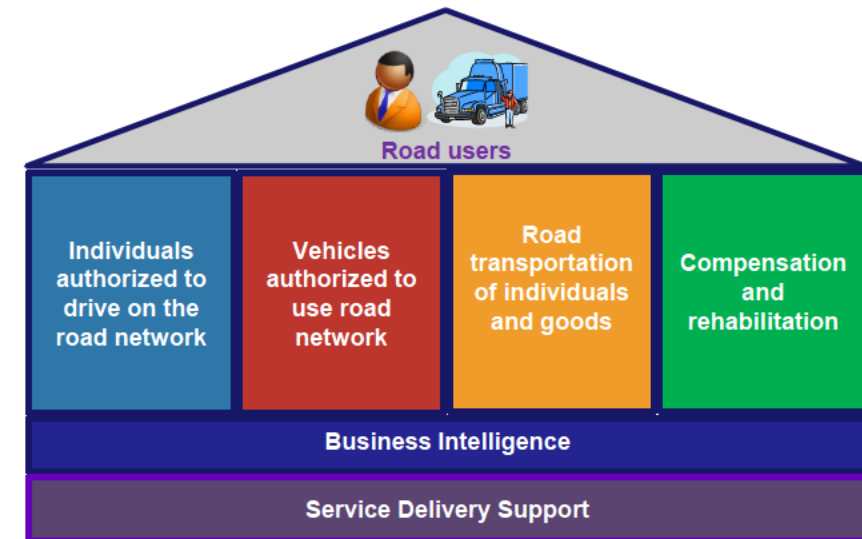
Business
Architecture



Employees, Authorized
service provider and
partners

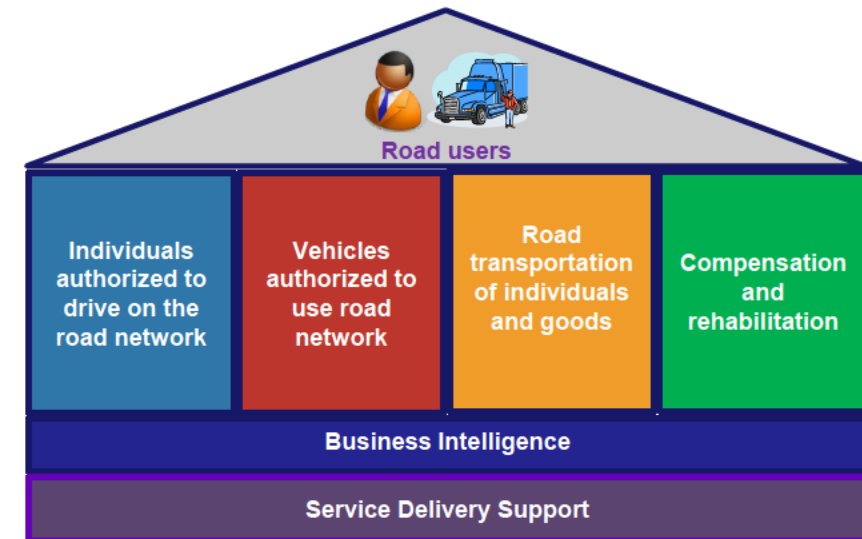
Project Summary – Scope

- **Relationship with users**
 - Front office
 - Exchanges and communications
 - Management of complaints
 - Mon dossier SAAQ (My SAAQ Record)
 - Challenge of decisions
- **Individuals authorized to drive on the road network**
 - Administer driving tests
 - Delivery of driving privilege
 - Enforcement of conditions related to the privilege to drive based on:
 - Medical record
 - Driver's behaviour
- **Vehicle authorized to use road network in Quebec**
 - Vehicle registrations
 - Delivery of privilege to use the roads
 - Monitor vehicle fleet
 - Management of seized vehicles
 - Enforcement of conditions related to the privilege to use road network based on:
 - Vehicle Compliance
 - Owner's behaviour



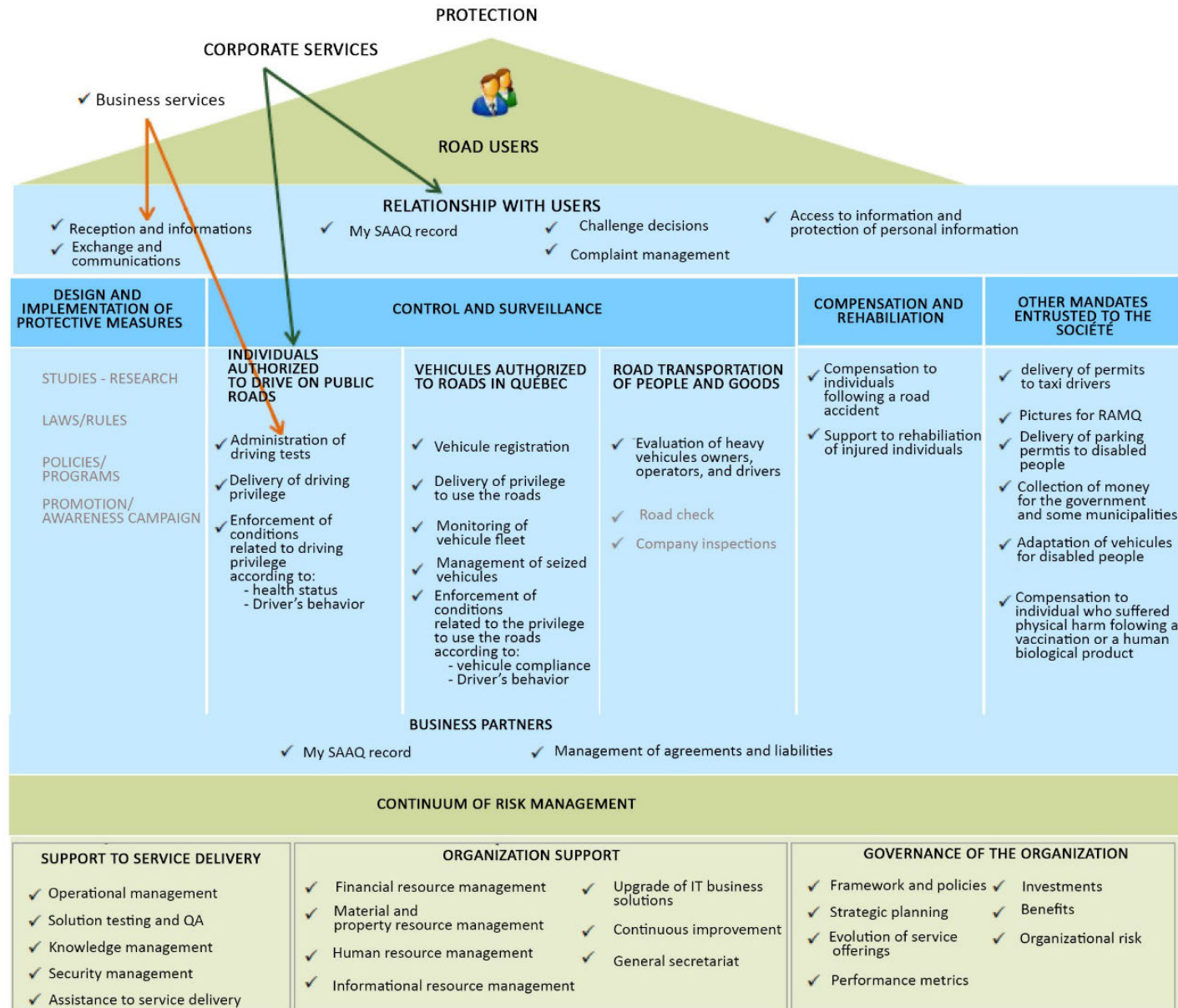
Project Summary – Scope

- Road transportation of individuals and goods
 - Evaluation of owners, operators and drivers of heavy vehicles
- Compensation and rehabilitation
 - Compensate individuals following a road accident
 - Support for re-integration of victims of accidents
- Business Intelligence
 - Mon dossier SAAQ (My SAAQ Record)
 - Management of agreements and obligations
- Support to service delivery and organization
 - Management of resources, informational environment,
- Design and implementation of protective measures (Out of scope)

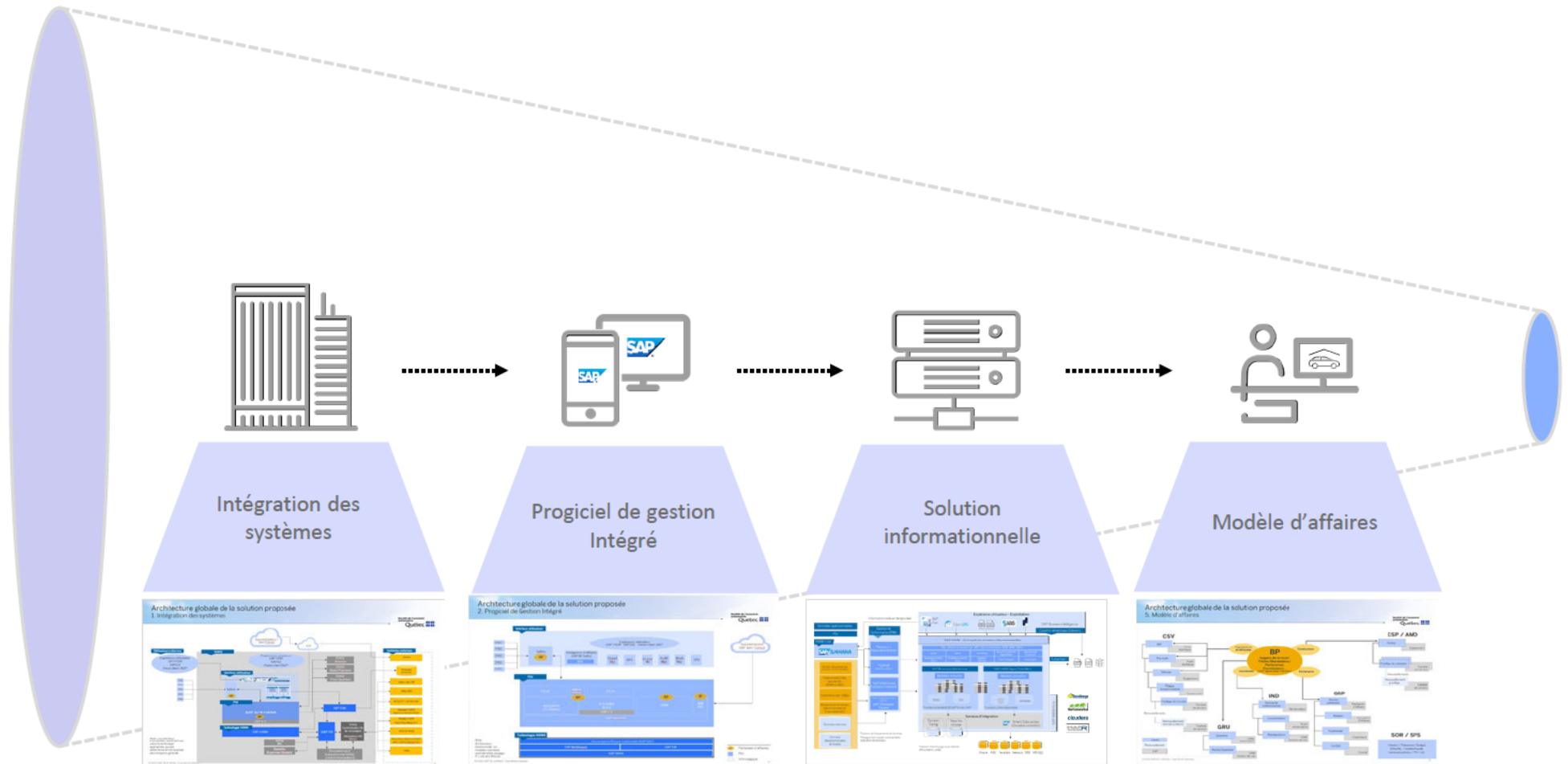




SAAQ – Enterprises and Business Services

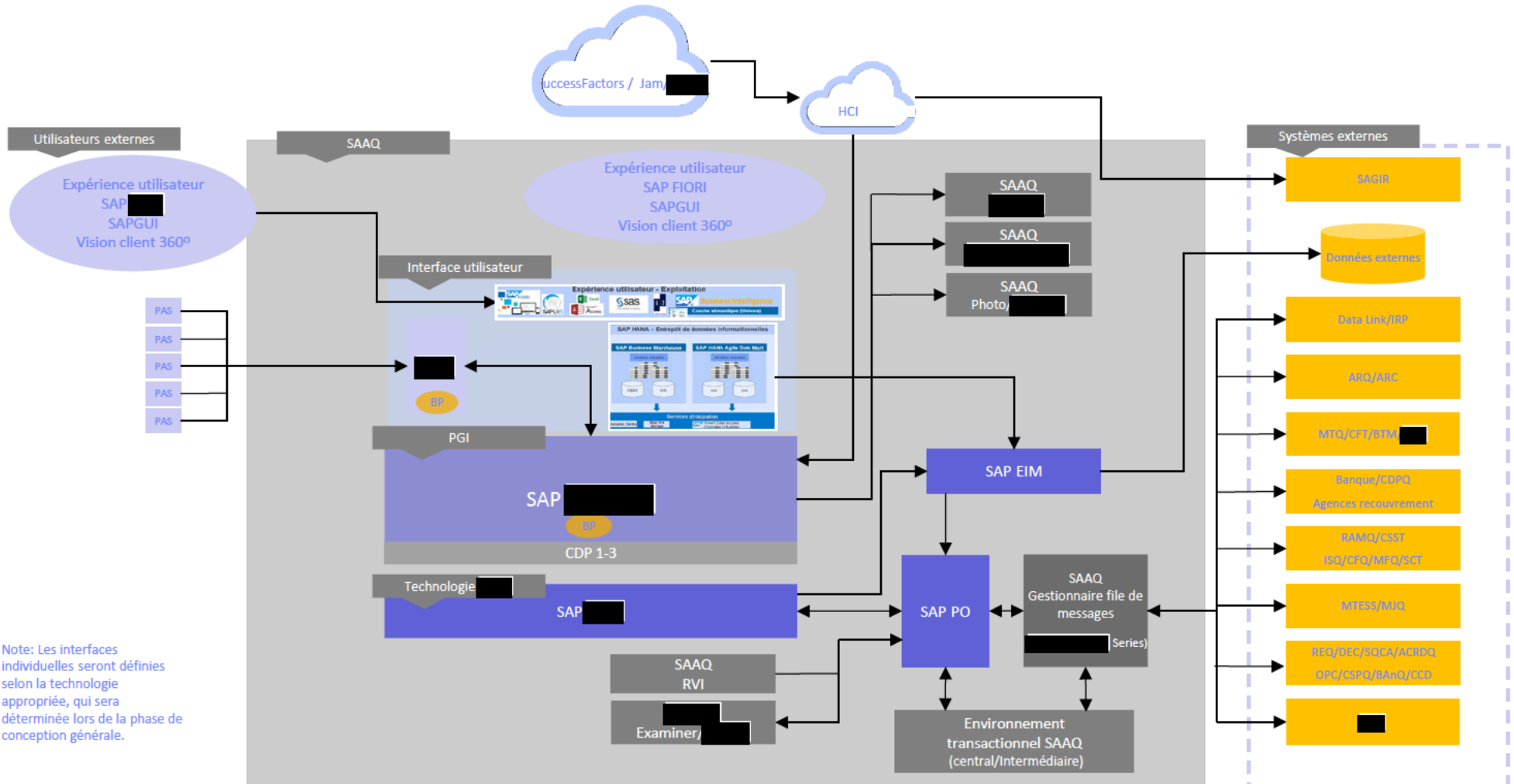


Global Solution Architecture – Overall View

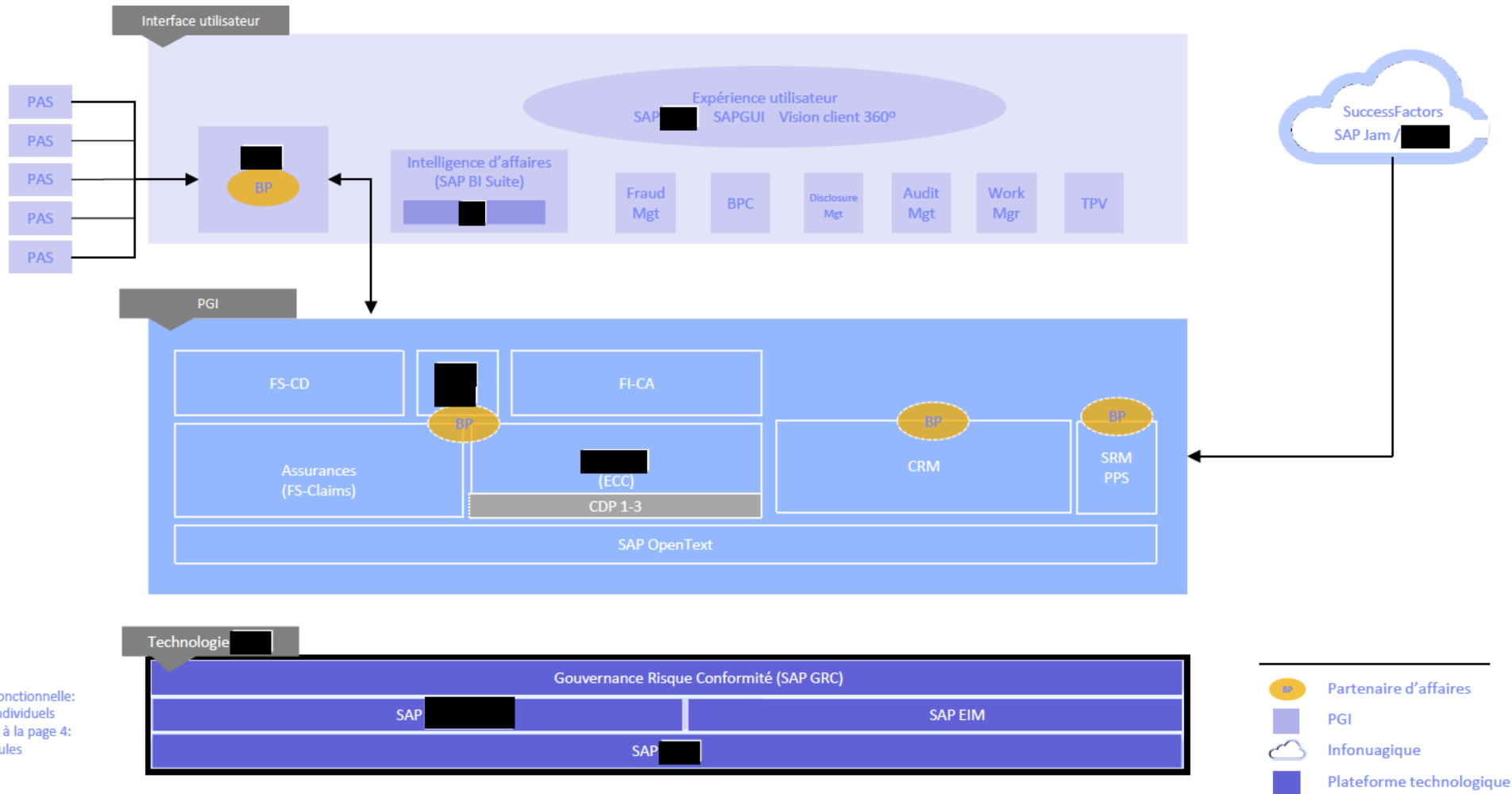




Global Solution Architecture – System Integration



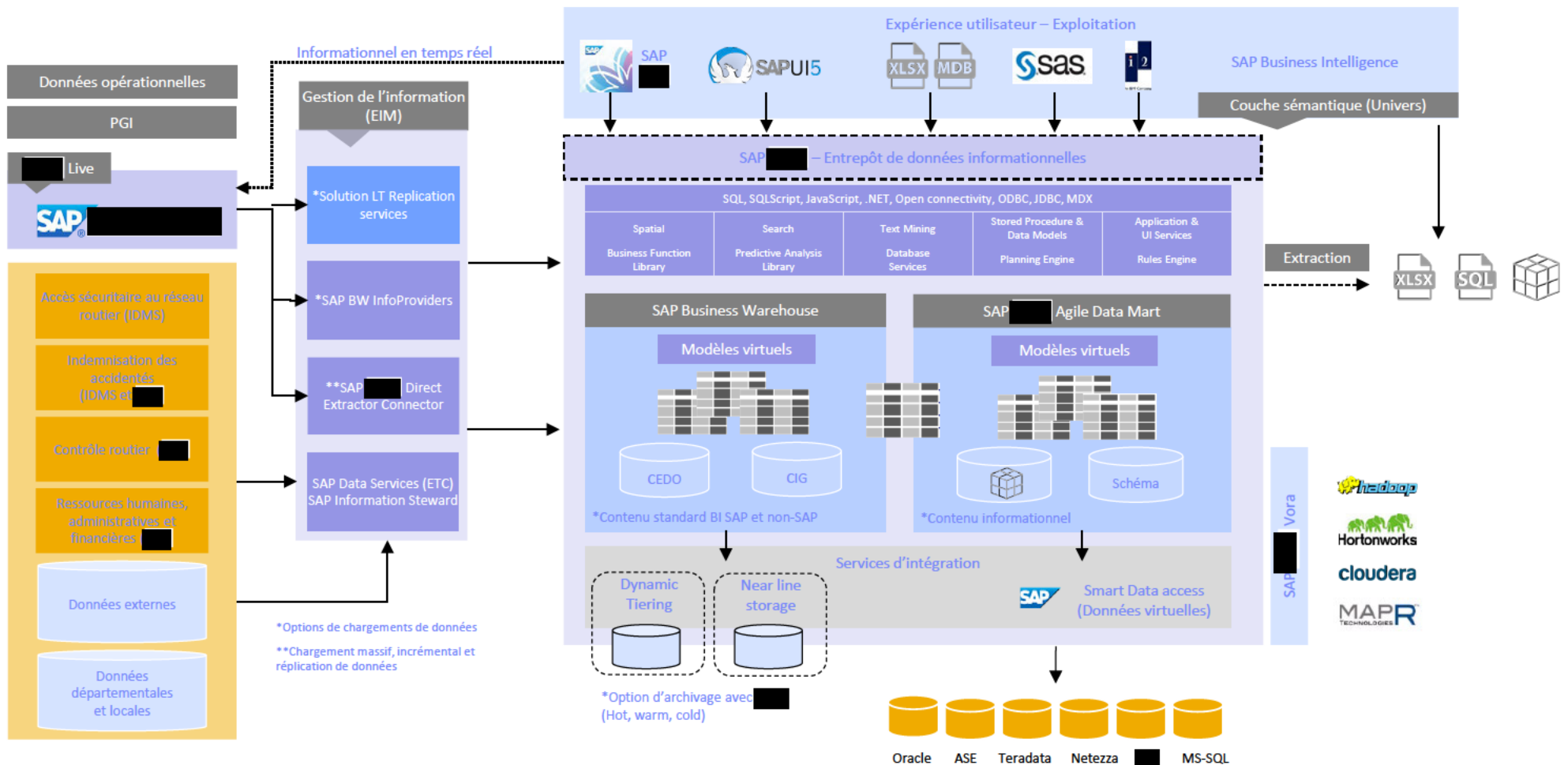
Global Solution Architecture – Integrated Applications View



Note:

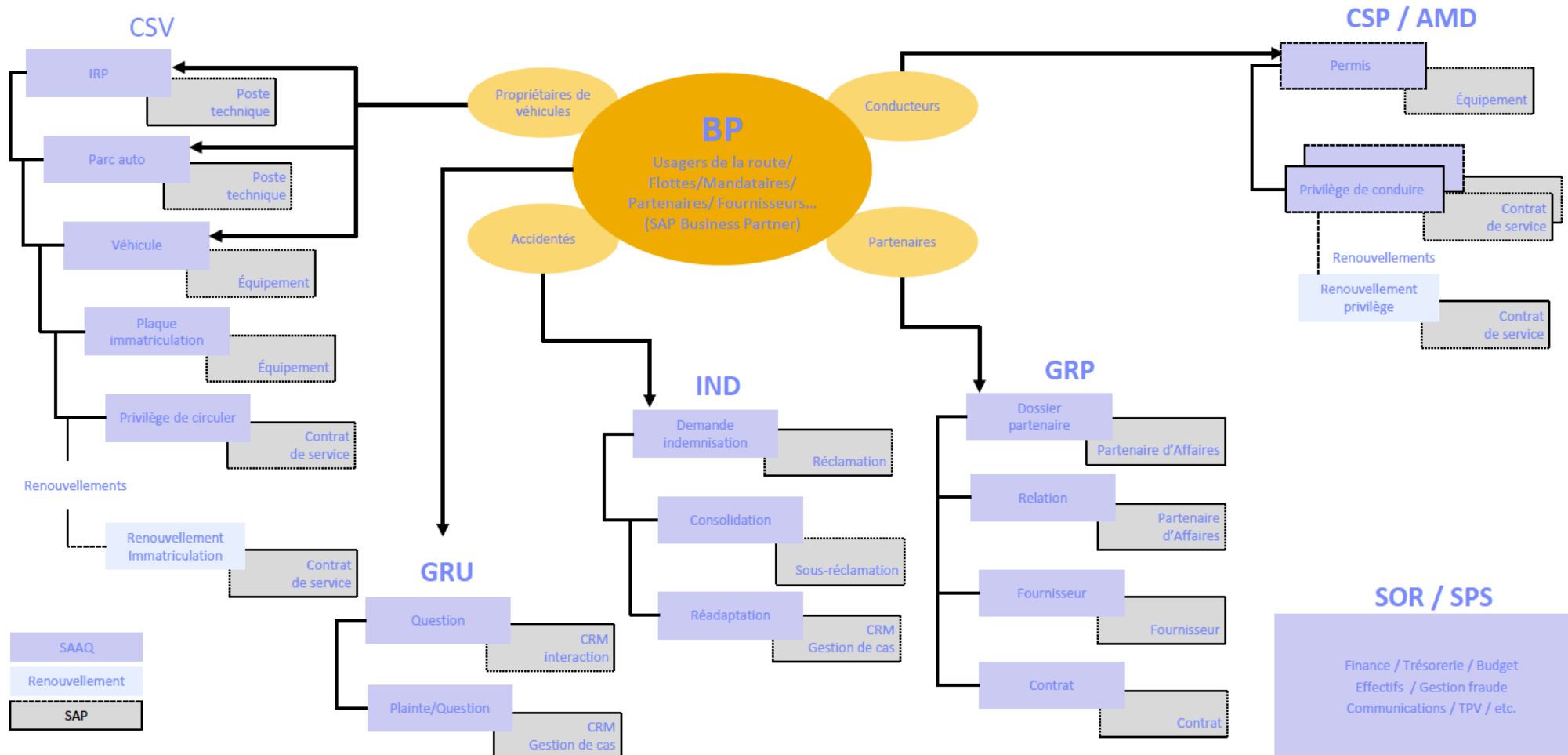
Architecture fonctionnelle:
Les modules individuels
sont identifiés à la page 4:
Liste des Modules

Global Solution Architecture – Data View





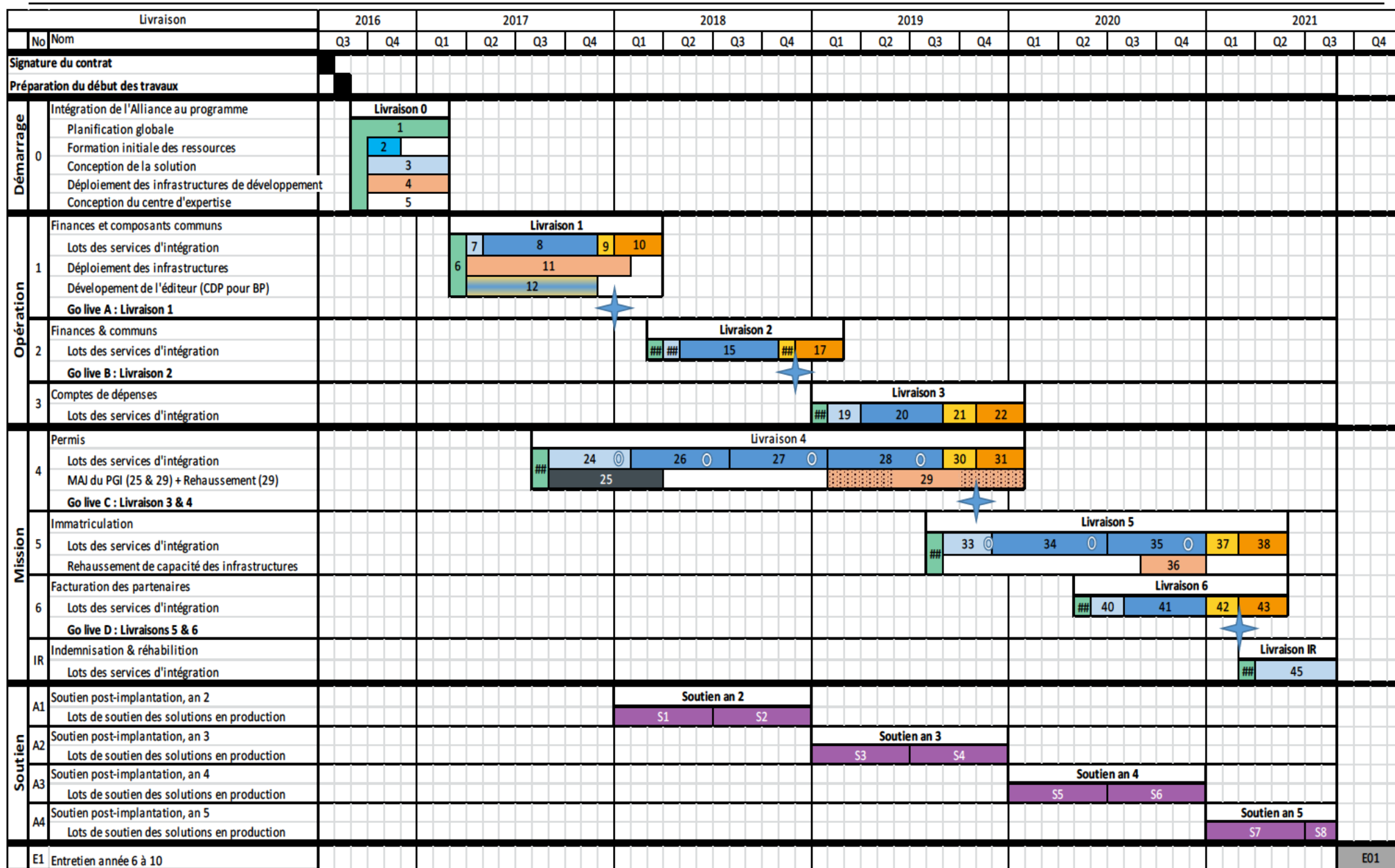
Global Solution Architecture – SAAQ Business Process View





Delivery Model

- Program to be divided in 'Deliveries' (Livraisons)
- Each Delivery to be divided in 'Work Packages'
- Each Work Package to :
 - be agreed and authorized by SAAQ
 - have a duration of +/- 6 months
 - be accepted individually
 - be invoiced individually
- Risk Sharing model for Deliveries and Lots





Project Governance and PMO – Control Points

The alliance is proposing a multi-faceted approach to the program quality assurance and control comprising of specific in-project reviews from IBM, ongoing quality assurance processes from SAP and project reviews from our EY.

IBM Stage Gate Reviews

- Gate reviews are planned throughout the program and will form the basis of the quality management plan. The objectives are to:
- Assess project progress and potential business risks as a project moves through stages of a project lifecycle
- Identify a discrete set of exit criteria for each gate to facilitate measurement of progress and provide input for fact-based decision making at key Go/No-Go milestones
- Improve overall quality, speed and predictability of solution through formal communications and collaboration
- They will be conducted at the juncture of each phase in the project lifecycle and will consist of three steps:



Project Governance and PMO – Control Points

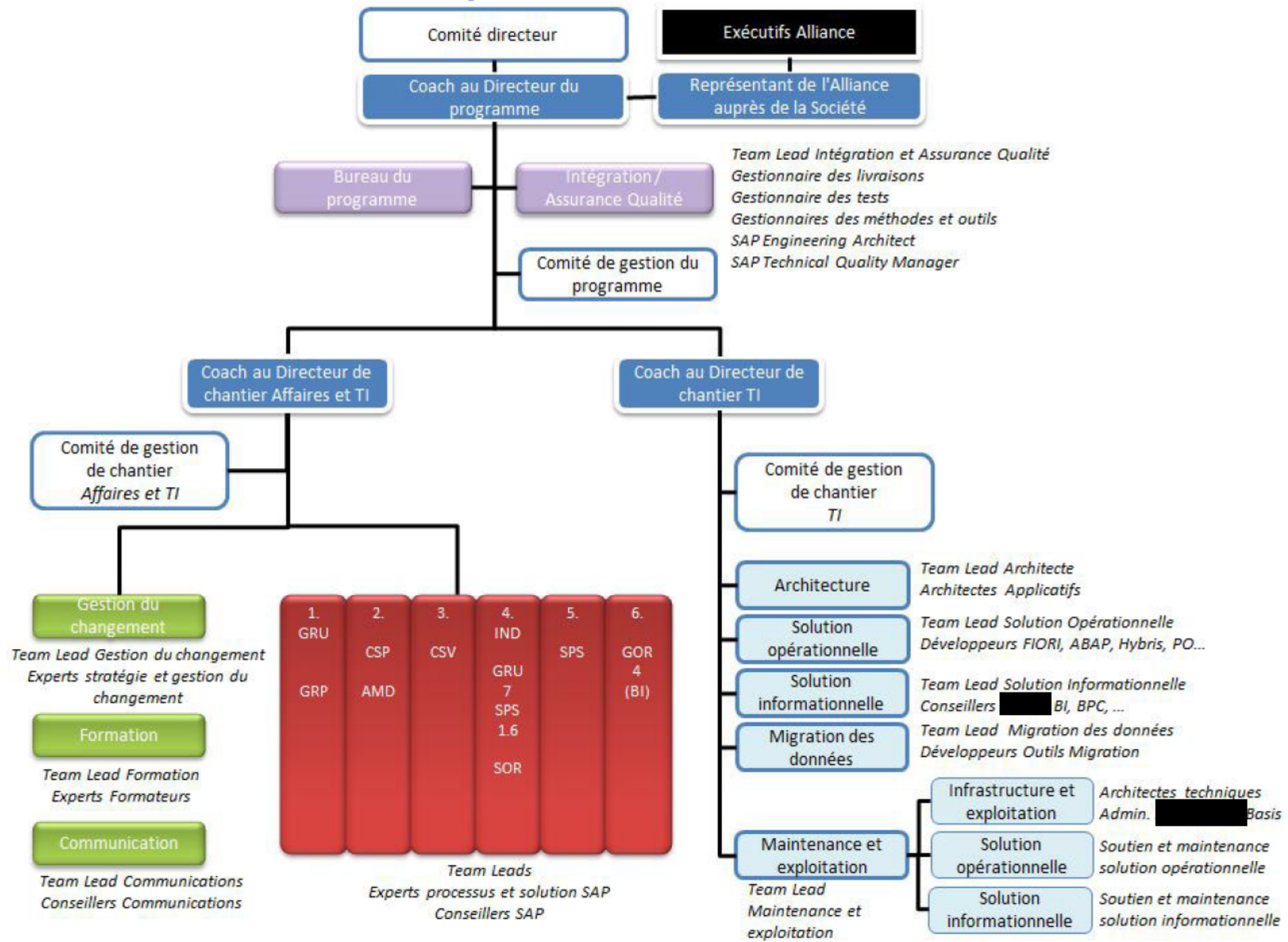
SAP Quality Assurance

- La Société demande à l'Alliance de s'assurer de la qualité de la prestation de services, des biens livrables, ainsi que de la qualité de la solution et de sa performance.
- L'Alliance prévoit mettre en place un programme de gestion de la qualité et du risque, qui sera livré par l'éditeur du PGI. Cette approche permettra d'avoir une équipe indépendante de celle dédiée à l'implantation du PGI, qui sera responsable des revues de qualité. Le programme de gestion de la qualité et du risque s'arrimera ainsi aux activités d'implantation de la solution.

EY Project Reviews

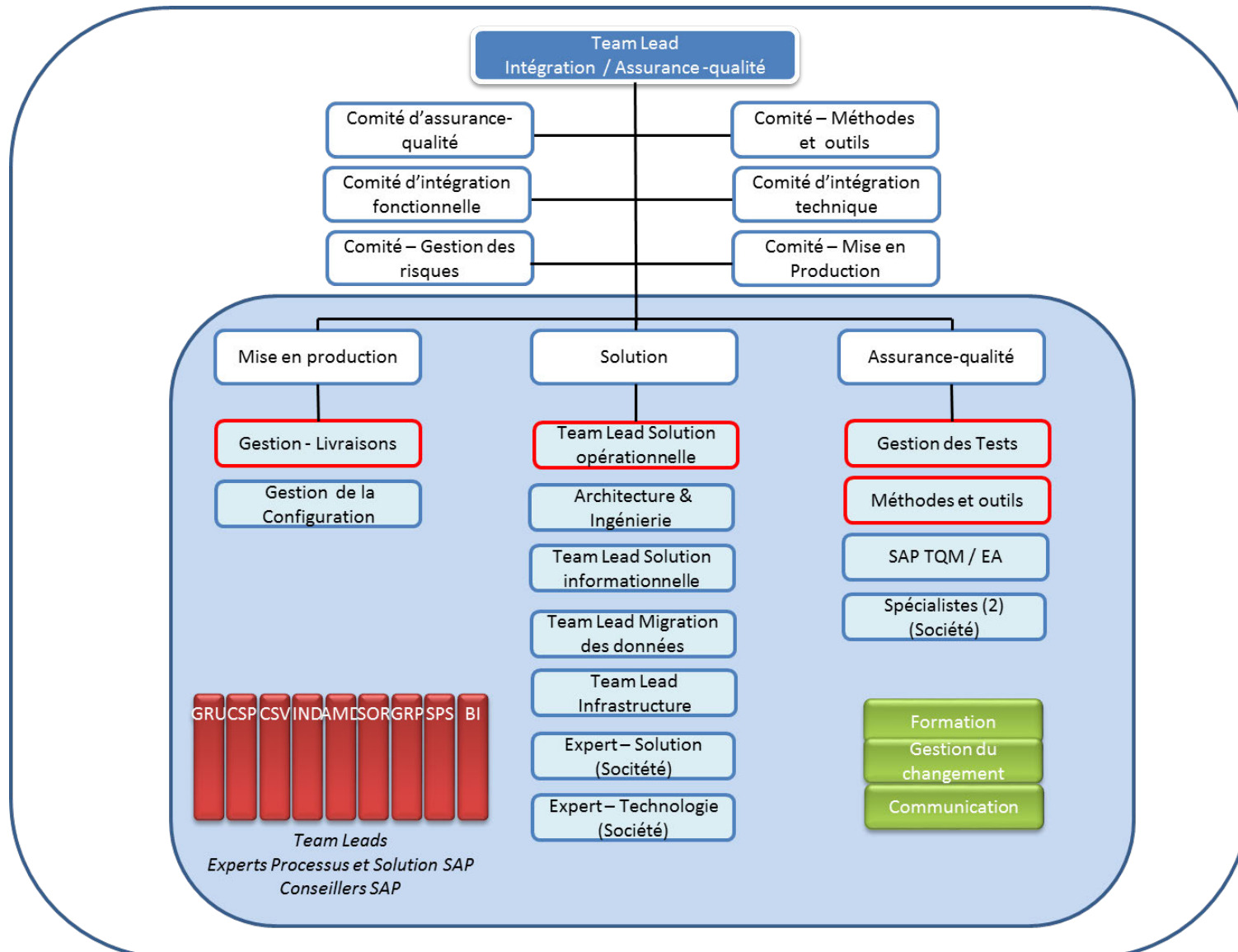
- l'Alliance entend faire appel aux services d'une firme indépendante afin de compléter des revues de programme aux jalons critiques du projet.
- L'Alliance fera appel aux services de revue offerts par Ernst & Young (EY) suite à des phases critiques du projet telle que la phase d'exploration et la mise en production de certaines livraisons majeures.

Project Team Structure – Project Governance and PMO





Project Team Structure – Integration and Quality Assurance





Estimation Details

- Main delivery drivers

- IT: Oriented on a structural dependency model based on the legacy solution
- Business: Driven by business process
- SAP: Driven by component selected for the solution
- Data: Oriented on the capacity to eliminate data sources from the legacy systems
- Financial benefits: Driven by the benefits allocated to specific business process

- Assumptions:

- The relative scope of major business services to put in place (what is bigger than what)
 - Permits > Plates
 - Plates > Other billing services (actual SAP implementation)
- Permits and Plates share the same customer file but not the Other billing neither is Claim (3 different main customer files are actually in place)
- All 3 billing services are managed the same logical way in regards of how the payments are collected and integrated to D&B accounting system



Testing Program - Estimation Details

1. Scope: Functional SIT, Automation, Regression, Performance Application Security and UAT Support
2. Estimated separately from the SAP CORE Implementation efforts, then integrated into master GSSM. Based on GSSM V23.5
3. Overall testing is estimated @ 30% of Functional program effort for each release
4. SAAQ will provide 50% testing for L1-4 and 70% testing for L5&6
5. IBM SAP Functional Analysts will provide 40% of the IBM's portion of the testing effort for releases 1-3 and the IBM Testing Team will provide 60%.
6. IBM SAP Functional Analysts will provide 25% of the IBM portion of the testing effort for release 4-6 and the IBM Testing team will provide 75%
7. FTE's below are complemented by the addition of **1 Overall Test Program Manager(onsite)** and **1 Test Manager(offsite)**
8. ONSHORE / OFFSHORE MIX: ~ 15/85 for Year 1-4 and 10-90 for year 5
9. Bandmix: average remote 6.3-6.5, Local/HFX/LGS = 7. Mgmt = 8.5 and Perf = 7

The testing estimates represent the IBM Test Team only IBM Test Team staffing FTE's shown below

	IBM FTE		SAAQ FTE	Total Test FTE
Release	Func Team	Test Team	Func Team	
L1	7.1	11.4	18	37.0
L2	4.3	6.1	10	20.9
L3	2.2	5.8	8	16.1
L4	21.4	32.1	53	107.0
L5	10.1	15.1	59	83.8
L6	1.8	5.2	12	18.5

IBM Automation and Performance FTE Count below
note: these represent the max staffing. FTE's actually fluctuate throughout the program depending on the phase

Release	Automation	Performance
L1	4.0	0.0
L2	2.0	2.0
L3	2.0	2.0
L4	5.0	2.0
L5	5.0	3.0
L6	3.0	1.0

Scope	Bound By	Numerical Boundary
Capacity Based Model (Test Program Start-up, Test Management, Test Planning, Defect Management, Metrics Management and Reporting, Test Design, Test Case build, Test executioning) Test Levels = SIT and UAT Support UNIT Testing out of scope (to be done by the Dev/Functional Analysts)	Hours	L1 : 14,912 hours (peak 11.53 FTE) for 8 months. - Romania: 12,160 hrs with 9.5 FTE - Halifax/LGS: 2752 hrs with 2 FTE L2 : 6804 hours (peak 6 FTE) for 7 months with 1 FTE extending 4 more months - Romania: 5600 hrs with 5 FTE - Halifax/LGS: 1204 hrs with 1 FTE L3 : 6,804 hours (peak 6 FTE) for 7 months - Romania: 5,600 hrs with 5 FTE - Halifax/LGS: 1,204 hrs with 1 FTE L4 : 46,512 hours (peak 32 FTE) for 9 months - Romania: 40320 hrs with 28 FTE - Halifax/LGS: 6192 hrs with 4 FTE L5 : 19488 hours (peak 15 FTE) for 8 months - Romania: 15360 hrs with 12 FTE - Halifax/LGS: 4,128 hrs with 3 FTE L6 : 5,824 hours (peak 5.2 FTE) for 7 months - Romania: All resources - Halifax/LGS: None
CTD (Part of SIT test planning and Test Design)	Capacity Test Cases	1,479 hours - 2 FTE x 6 months to deliver 2 CTD Cycles (~ 3 months each) and train additional resources (1 FTE total) Each Cycle will have not more than ~500 Test Cases total
DAS	Defect Count	6 Rounds of Defect Analysis; Per Round = Maximum of 500 defects, one phase from one release of one system or application
CDM/Defect Management consulting		10k USD for a 1 time Defect Manasgement and tool consulting to make recommendations for tool set-up, configuration, proceedures for defect mangement and tracking that is aligned to CDM requirements, in there is a requirement for a full CDM implementation in the future and to help ensure high quality defect data for strong DAS recommendations
Test Automation	Hours	36,320 hours with peak at 7 FTE; 3 FTE will come from SAAQ
Performance Test	Hours Test Cases Batch Processes	8,160 hours with peak at 4 FTE <i>Types: Load, Stress and Volume Testing only</i> L1 Only = No Performance Testing required L2, L3, L6 Only = 5 E2E Test Scripts only per Project Phase with 200 batch processes L4 Only = 10 E2ETest Scripts with 500 batch processes L5 Only = 10 E2E Test Scripts with 300 batch processes 3 Cycles* per Project Phase only *Note: 1 Cycle = 1 load, 1 stress and 1 volume test (3 types x 2 levels x 2 runs = 12 iterations / cycle); Iteration refers to an execution round; Cycle, on the other hand, is a round of testing during 1 week; 2 Cycles would imply the first cycle would be a run against a first version of code, or baseline, and the 2nd round would be executed after the code updates or fixes and deploys. 1 Cycle would include up to 2 levels of runs, 100%, 150% with at least 2 runs each
Security Testing	Out of scope	Out of Scope. Only Functional Application security testing is included in SIT
Mobile Testing	Out of scope	Out of Scope. The IBM Project team responsible for implementing the Mobile compatible web pages will also do the testing. There are no actual Mobile apps in scope

Testing Program – Accelerators and non Labor



Global Solutioning
Powered by Services Integration Hub



- [REDACTED] costs are for perpetual licenses for 20 Named users of CERTIFY and multiple other [REDACTED] products are included. License costs for y6-10 will be included elsewhere in the program pricing. For use by IBM and SAAQ and transferable to SAAQ at the end of the program.
- CTD – Test Case Optimization enablement for R1 and R1 and ongoing tools support costs
- DAS – Defect Manasgement and Defect Analysis services from DAS Experts for R1-6

Training, Tools, Accelerators and Others								
	GPE GROUP	Y1	Y2	Y3	Y4	Y5	Total	
CTD Costs	SIT	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 150,000.00	USD
CTD Startup and Training		\$ 220,074.00	\$ 220,074.00	\$ -	\$ -	\$ -	\$ 440,148.00	CAD
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
DAS Services Costs	SIT	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 40,000.00	\$ 120,000.00	USD
Defect/DAS Consulting	SIT	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00	USD
Worksoft Training for Romania (3)	SIT	\$ 46,000.00	\$ -	\$ -	\$ -	\$ -	\$ 46,000.00	USD
Worksoft Certify Licenses	WS License	\$ 838,506.00	\$ 158,766.00	\$ 166,705.00	\$ 175,040.00	\$ 183,972.00	\$ 1,522,989.00	CAD
Total		\$ 1,164,580.00	\$ 428,840.00	\$ 216,705.00	\$ 225,040.00	\$ 253,972.00	\$ 2,871,680.29	

- Productivity expectations. Not built into the estimates or as cost reduction to the client
- To be implemented as IBM efficiencies or extra throughput and track through KPI's only. (KPI's to be defined during test program start-up. **NOTE** planned %'s are conservative due to the nature of the multiple releases and overlapping work

	Applied on	M14	M26	M37	M36	M52	M53	
	Project Phase	L1	L2	L3	L4	L5	L6	TOTAL
QUALITY	CTD (Combinatorial Test Design)	1.00%	1.00%	1.00%	2.00%	1.50%	1.50%	8.00%
	STAM							0.00%
	Document Analytics							0.00%
	DAS	0.50%	0.50%	0.50%	1.00%	1.00%	0.50%	4.00%
EFFICIENCY	Test Automation (Automation)	0.50%	0.50%	0.50%	1.00%	1.00%	0.50%	4.00%
	Process and Methodologies, Templates	0.50%	0.50%	1.00%	1.00%	1.00%	0.50%	4.50%
	Resource Demand Management	0.50%	0.50%	1.00%	1.00%	1.00%	0.50%	4.50%
	PRODUCTIVITY	3.00%	3.00%	4.00%	6.00%	5.50%	3.50%	25.00%
	Planned FTE Count per Project (Core)	12.00	7.00	6.00	25.00	12.00	5.00	



Project Summary – Items kept in focus

- Avoid throwaway development scenarios
- Limit difficult integration points (live transactions with legacy IDMS solutions)
- Focus on full business process integration (end to end)
- Account for SAP technical module breakdown
- Reduce legacy survival time after implementation
- Reduce data duplication
- Accounts for financial benefits identified by SAAQ (unpaid permits , unpaid plates, interest charges)
- Consider the number of actors impacted (end customers/employees/partners/mandants)
- Mobilized SAAQ's staff on task improvement and to the end result to surpass difficulties
- Account for change management for each delivery
- Incentive for the SI: Service billability is driven by Lots
- Leveling of resource utilization (alliance and SAAQ)
- Global program delivery time line is limited to 60 months
- Delivery overlap must account for solution upgrades (new SAP version)
- Plan for transition measures to move from the legacy solution to the SAP solution
- Communication strategy needs to be put place to present a positive view of the change plan
- SAAQ's desired participation in the testing program with the objective to be self-sufficient at the end of R6



Project Summary – Constraints

- Lots 0, 1, 2 of the delivery 0 need to be completed before we are authorized start delivery 1
 - Lot 0: Initial program/project training
 - Lot 1: Detailed project planning
 - Lot 2: Detailed solution blueprint for the overall program
- Each functional delivery must included a lot for the warranty periods (3 months)
- Every delivery includes multiple concurrent work threads :
 - Core internal business process
 - Business partner integration
 - Electronic document management
 - BI
 - Conversion
 - Point of sale integration
 - External customer services (self service and mobile)



Guidance: Section “Resourcing” shows illustrative list of Sub sections. Please customize these sub sections to make relevant information as needed in this section.

Resourcing

- Staffing Plan
- Key Resources

*Return to the main
dashboard*

Staffing Plan



GSSM_SAAQ_v26.1.zip

Key Resources



SAAQ Resource
Tracking



Guidance: Section “Dependencies” shows illustrative list of Sub sections. Please customize these sub sections to make relevant information as needed in this section.

Dependencies

- Key SAAQ Program Assumptions
- Risks

*Return to the main
dashboard*



Key SAAQ Assumptions

Program

- The SAAQ Program will be managed using a “Two-in-the-box” approach
- The SAAQ will provide the necessary resources to support the proposed delivery plan
- SAP CDP will be delivered on time to support proposed delivery road map
- SAAQ will authorize some work to be completed remotely via delivery centers
- SAAQ will show some flexibility with the involvement of English speaking experts
- There will not be government regulation changes that will impact the delivery schedule
- There will be no work disruption during the implementation project (Strikes)
- It will be possible to discuss key risks and proposed approaches during the bid evaluation “Competitive Dialogue” phase and address high risks
- SAAQ will be able to sustain the proposed delivery tempo
- Ramping up of resources will occur as per established delivery plan
- IBM implementation and testing methodologies will be leveraged and adapted to meet the needs of the SAAQ
- An Agile Approach will be leveraged in every delivery where it makes sense
- The maintenance support team will be integrated incrementally from Delivery 1 through Delivery 7 at which point it will have reached its peak
- There will be some overlap on deliveries where necessary

Solution

- The CDP delivered by SAP will meet the SAAQ requirements
- The CDP functionality will support APIs
- Two SAP upgrades will be sufficient during the implementation phase to deploy required functionality
- SAAQ will complete data conversion clean up activities as per delivery plan
- Forms will be developed via the [REDACTED] tool set
- SAAQ will complete the User Acceptance Testing (UAT) and prepare all test cases
- SAAQ will elect to use [REDACTED] to manage employee’s expense accounts
- SAAQ will provide 50% of Functional testing for L1-4 and 70% for L5&6 and 100% of Post L6 Warranty and beyond.



Key SAAQ Solution Assumptions

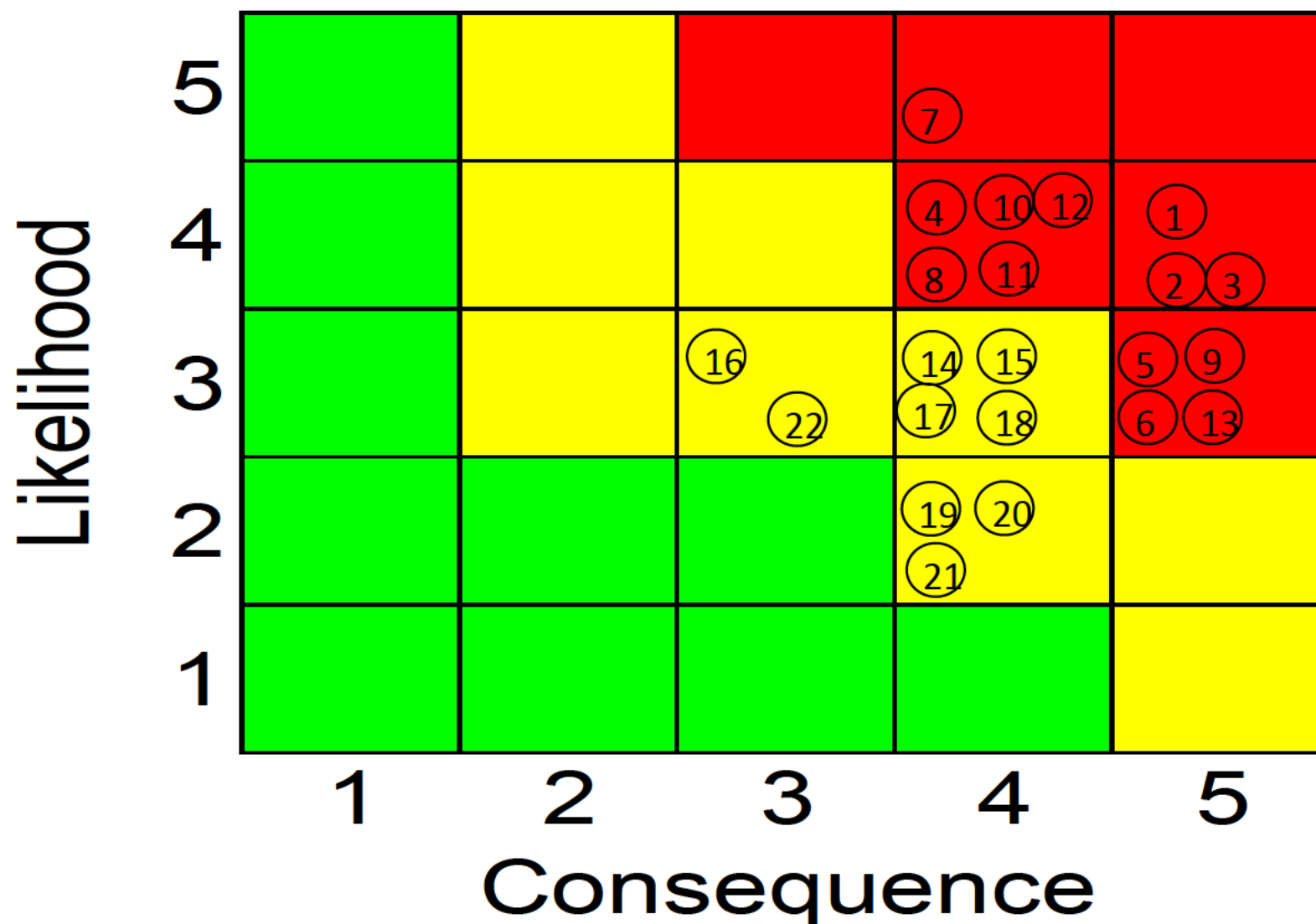
- 8 services are enabled by the IVR and will need to be enabled by SAP (interfaces). 5 of the services will require additional trigger development for specific follow up actions.
- Accounts Receivable design will have to take into consideration the future requirements.
- All SAAQ employees possess a SAAQ email address (for workflow notification purposes).
- Assume hybris Marketing and customer service modules are not used
- Assume those job roles that are identified for a particular scope, but unconfirmed will be included in the scope (e.g. Delivery 1 - Asset Accountant is not confirmed if in scope for this delivery)
- Based on existing site there are 40 high traffic pages. For purposes of estimating UX we have multiplied the number of high traffic pages by 2 (80 pages) - Assume 40 complex pages, 20 medium complex pages and 20 simple pages
- BASIS Solution Mgr Analysts role transitioned to Client role after L4
- Build integrations for both inbound and outbound services
- Canadian dollar and US Dollar
- Content created for the Manager's Learning Path will be leveraged from the content created for the end user (e.g AP Accountant and AP Manager). Leveraging End User content will reduce content development for the Manager by 50%
- Data/Conversion Effort has not been included
- Employees will be loaded to the SAP (ECC, CRM) by HR solution and available to support workflow
- Existing [REDACTED] IVR release level allows for integration with CRM IC
- External access to the SAAQ system will be enabled by Web access via [REDACTED]
- For MDG only two key objects are considered (BP / Equipments) - No FI objects
- Form development will be handled in [REDACTED] i.e. no abap with the exception of the the trigger development.
- FS-CD will integrate with [REDACTED] Simple Finance.
- G6 covered by Standard SAP functionality
- HR org structure in place to support CRM MRS and SRM requirements including workflow requirements. This will need to be accomplished through an interface as the current solution is an external application.
- [REDACTED] Billing effort is estimated to be covered with one resource but additional development might be defined in detailed business blueprint
- If there is < 5 employees per job role, the recommended approach for skills/knowledge transfer will be through local Super User/Champion and not require full blended learning solution.
- "Interfaces between the following system will be needed (PO is the middleware choosing): [REDACTED] and [REDACTED] and POARH and POSAGR and POSAP T&E by Workforce with [REDACTED] with POS4/[REDACTED] with PO"
- Languages French and English
- Line 13 of the SPS grid (Develop a point-based system.) We assume that is a point-based system for the employees performance evaluation process that will be available in the SuccessFactors Performance and Goals module



Key SAAQ Solution Assumptions

- Line 7 of the SPS Grid (Allow to prepare an overall budget related to full-time equivalents required to provide the necessary services.). To do so, we will implement Position Management which is available in [REDACTED]
- MDG is estimated for L4 & L5 (same time lines kept due to complexity)...but there is some scope for optimization
- Only Data conversion efforts for DS/ MDG & IS implementation are considered
- [REDACTED] VIM will be required to support electronic invoice receipt.
- Rapid Data Migration to SAP cloud solution for SAP Data Services can be leveraged for the data conversion efforts
- RICEFW for SOR 6.1 can be with standard Equipment Master Records
- SAAQ business will participate actively in data management activities
- SAAQ have a job-competency model already in place that we can used to feed all [REDACTED] Talent modules (Learning, Performance and Goals, Jam, Workforce Planning ...)
- SAAQ to perform UAT and build all use cases
- SAP CRM Marketing is not in scope for project
- SAP's development effort for CDP does include synchronization with CRM
- Standard BackOffice transactions will not require renaming of standard SAP screen and field names
- [REDACTED] [REDACTED] will become the system of record for all employee files and will provide the organizational structure for other stream to leverage in their Business Process Area
- [REDACTED] will take over the following functionalities that are currently in ARH system:Manage Job ClassificationManage the Organization StructureManage employee file and employee data (actions on employee file and approbation workflows)Manage LearningManage TimeOff"
- [REDACTED] Workforce Analytics cubes are update once a month.
- The HCM data conversion will include all history of active employee for Learning and only the current record for employee files in [REDACTED]
- The scope of Provisioning is limited to applications supported by GRC Access Control workflow
- The scope of risk analysis is limited to applications supported by GRC Access Control ruleset
- There will be [REDACTED] resources available for L1 implementation to ensure that the implementation of expense reimbursement is done in the same time frame. This means that L4 would move to the same time frame as L1 is being done.
- Training verification (before access is granted) assumes existing standard integration between GRC Access Control and Learning Management System
- Travel and Expenses will be pay through [REDACTED] accounts payable
- Two Metric packs will be implemented for WFA - Learning Metric Packs and the Core Workforce and Mobility Metric Packs
- Use B2C Accelerator and B2B Accelerator
- Use ClicSeur for external users (citizens) and use LDAP integration for internal users
- Used Data Hub
- User Interface enhancements will be required to align equipment and service contract/order objects with business use case (licence, permit, etc)

1. IBM ramp up on new SAP solution will impact delivery and could result in higher delivery cost (High)
2. SAP may not deliver the CDPs on time to support the proposed delivery schedule (High)
3. **SAP is in transition with and there is a risk that the proposed solution will not be the final solution implemented at SAAQ, adding an implementation risk to the project. (High)**
4. Upgrades may be required for any SAP components that were not included in the original estimates resulting in delivery disruption and higher cost (High)
5. The demonstration will set unrealistic client expectations on the use interface that will create cost and client acceptance issues (High)
6. **The SAAQ organization is not prepared to support the fast pace delivery project that is expected from the SAAQ RFP (High)**
7. **IBM will not be able to provide enough qualified French speaking resources to support the project on site (high)**
8. IBM will not be able to identify enough French speaking resources to support the SAAQ organization from year 5-10 (High)
9. The SAAQ delivery approach mandating that the full blueprinting phase be completed in Delivery 0 is not aligned with an Agile approach and not realistic given the 5 year delivery project (High)
10. Introduction of new business processes at the SAAQ will create a larger effort for change management than what was estimated resulting in delays and higher costs (High)
11. The high number of WRICEFs objects will result in delivery delays due to the complexities involved (High)
12. **The high number of customer records and the diversity of the source systems will result in low data quality and higher than expected data conversion effort and costs (High)**
13. **IBM cannot identify all relevant processes and WRICEFs objects because the requirements identified in the RFP are not complete. The source of this risk is that there seems to be a gap between the processes as described in the “Devis fonctionnel “ – Annex D document and the Solution grids (High)**
14. Introduction of new technologies within the SAAQ IT Organization will be a challenge that could result in delays in implementation of production environment and consequently in delivery #1 which will impact overall TCO realization (Med)
15. **The evolving solution being proposed will introduce a level of uncertainty during the sizing of the infrastructure resulting in performance issues and the need to add equipment during the implementation phase and higher cost (Med)**
16. The expectation regarding the reporting capabilities will not be met resulting in additional effort later in the project to develop additional reports at additional cost (Med)
17. SAP CDP delivered may not meet the expected functionality (Med)
18. Introduction of SAP rigid processes and standard user interface will resulting in rework of already accepted delivery lots (Med)
19. The requirement for continuous availability might not be achievable on the overall solution resulting in IBM margin erosion (Med)
20. Implementation of new regulations throughout the implementation and AMS phase may require rework at additional cost (Med)
21. Interdependencies with other government departments may result in process adjustments and new development (Med)
22. **Leadership approach proposed by the SAAQ is not clear**





Key SAAQ Program Risks

Risk Description	Risk Mitigations
The SAAQ organization is not prepared to support the fast pace delivery project that is expected from the SAAQ RFP (High)	1. Set up of a change management team from Delivery 0 to identify key resistance factors and organizational challenges 2. Review delivery road map after Delivery 0 to adjust schedule as required 3. Ensure that the SAAQ resources participate in the Exploration workshops during the design phase. 4. Implement Agile approach to show more rapid results to the SAAQ key resources and obtain early buy-in 5. Work with the SAAQ sponsors and leadership team to address change management issues and adjust approach as required during the project to increase chances of success. 6. Follow change management and communication plans and ensure that they are an integral part of the Steering committee meetings
Availability of French SAP resources to support on-site delivery (High)	1. Leverage global IBM/LGS SAP resource pool and establish a knowledge transfer program 2. Establish pro-actively a hiring plan to create a French SAP and Testing local resource pool managed by LGS and in line with the approved bid metrics 3. Establish partnership with Montreal based SAP resource providers and involve them in the RFP response process 4. Establish a hiring and training integrated with the proposed delivery road map 5. Work with the SAAQ management to establish the base for acceptable work alternatives such as remote work and usage of English resources where possible 6. Establish business continuation plans for rare resources



Key SAAQ Program Risks

Risk Description	Risk Mitigations
The SAAQ proposed model of leadership is not clear - SAAQ is planning to keep key leadership positions (Med)	1. Propose a true “two-in-the-box” model in the RFP Response and explain the advantages of this approach based on successful IBM projects 2. Discuss the leadership model during the competitive dialogue phase to explain the clear advantages of a “two-in-the-box” model and insist on clarification of roles for the IBM Executives on the project and the mandated Team Leads 3. Work with the SAAQ during the planning phase of the Program to solidify this concept and establish a solid partnership approach from the project start 4. Work with SAAQ during the planning phase to solidify their involvement in testing at 50% for L1-4 and 70% for L5&6 and ramp up on [REDACTED] automation capability so they can “take over” the testing program at the end of R6



Key SAAQ Technical / Solution Risks

Risk Description	Risk Mitigations
The SAP Solution is in full evolution – [REDACTED] is new and evolving (High)	1. Include upgrade windows in the delivery plan based on SAP planned release dates as part of the RFP Response to inform SAAQ early 2. Discuss impact of [REDACTED] on server sizing with SAAQ during competitive dialogue to agree on acceptable level of responsibility to manage the level of uncertainty 3. Build in adequate contingencies to address the solution and architecture novelty issues 4. Conduct regular meetings with SAP to adjust upgrade plans as required 5. Work with the SAAQ to minimize impacts of upgrades on delivery plan and organization travailler
Complexity of the SAAQ Technological Environment – Legacy Systems and Data Conversion (High)	1. Design a delivery road map that minimizes interim states for legacy systems 2. Validate recommended approach during the competitive dialogue phase and confirm buy in from the SAAQ 3. Complete conversion list during proposal stage and validate during competitive dialogue and again during Delivery 0 4. Review recommended approach during Delivery 0 and make necessary adjustments based on new findings.
Gap in the RFP Proposal Documents – Requirements not clearly identified (High)	1. Complete a detailed list of reports, interfaces, forms and enhancements as part of the RFP response process and validate during the competitive dialogue phase with the SAAQ 2. Review proposed approach during Delivery 0 to validate viability of approach based on new information



Key SAAQ Technical / Solution Risks

Risk Description	Risk Mitigations
SAP CDP is required to support the SAAQ solution (High)	1. Clearly define boundaries of CDP with SAP during RFP stage and ensure coverage of solution by consulting with experts 2. Ensure that a deep solution dive is completed during RFP stage to minimize possibility of solution and estimate gaps 3. Deliver functionality that require CDP later in the program to minimize potential delays in the availability of the custom design 4. Work closely with SAP during Delivery 0 to ensure that requirements are clearly defined and that the SAAQ sign off on the custom development including the proposed delivery schedule.



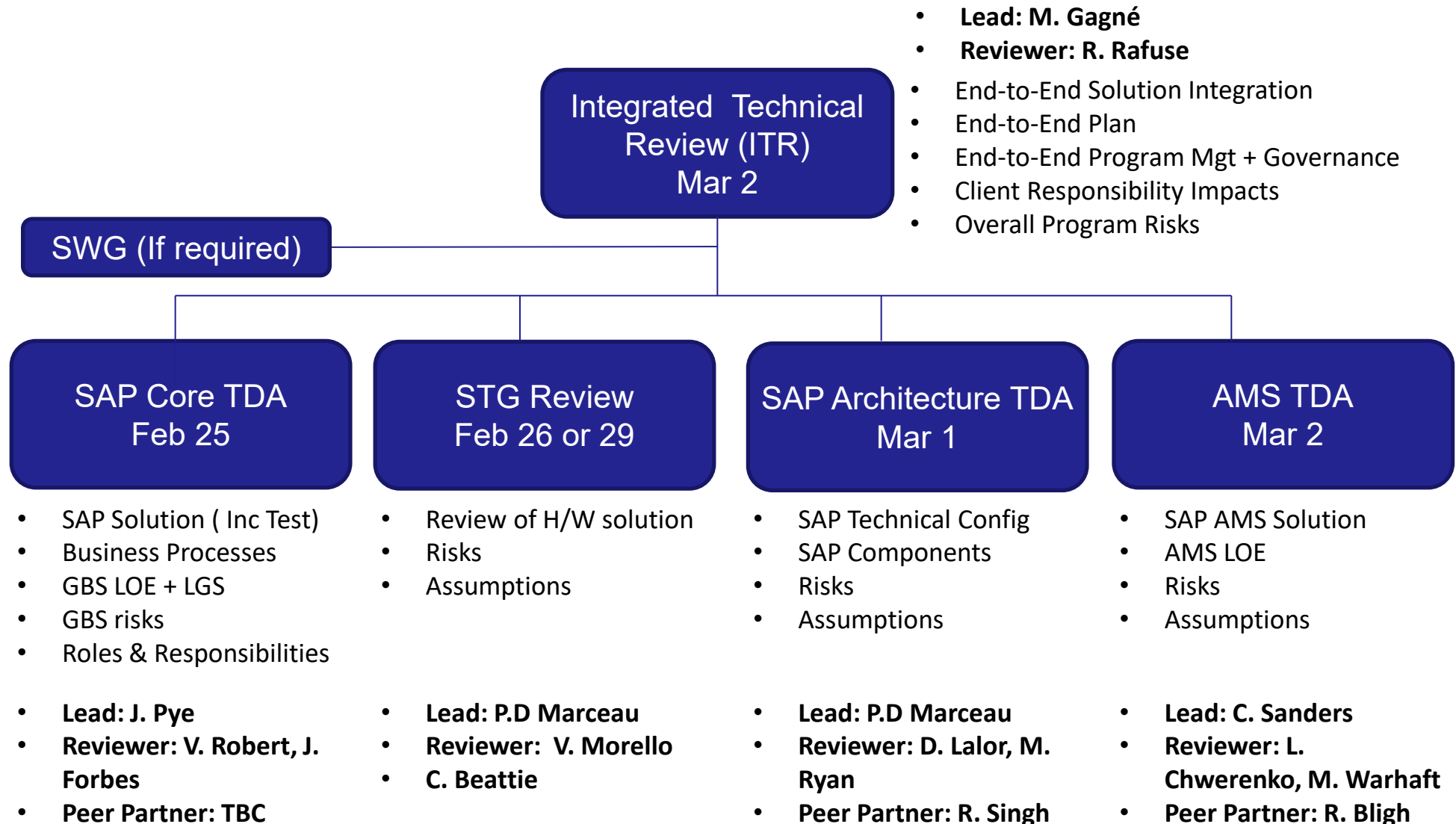
Reviews

- ITR/Review Structure
- Technical Delivery Assessment
- GFC

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dashboard*



SAAQ ITR – TDA Structure





Commercial

- Solution Financials (TCV, PTI, GP, Pricing, Contract Type)
- Risk Sharing Model

*Return to the main
dashboard*

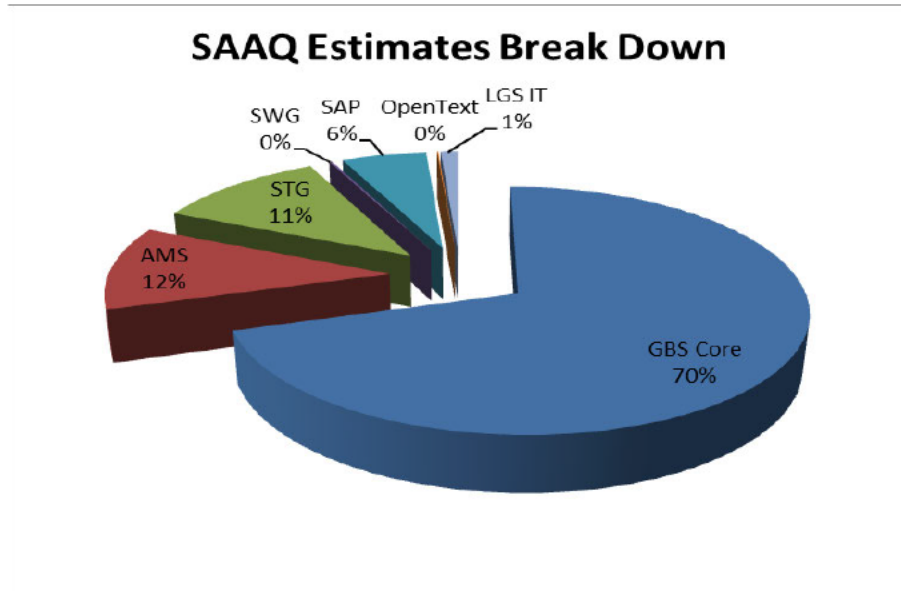


Solution Financials (TCV, PTI, GP, Pricing, Contract Type)

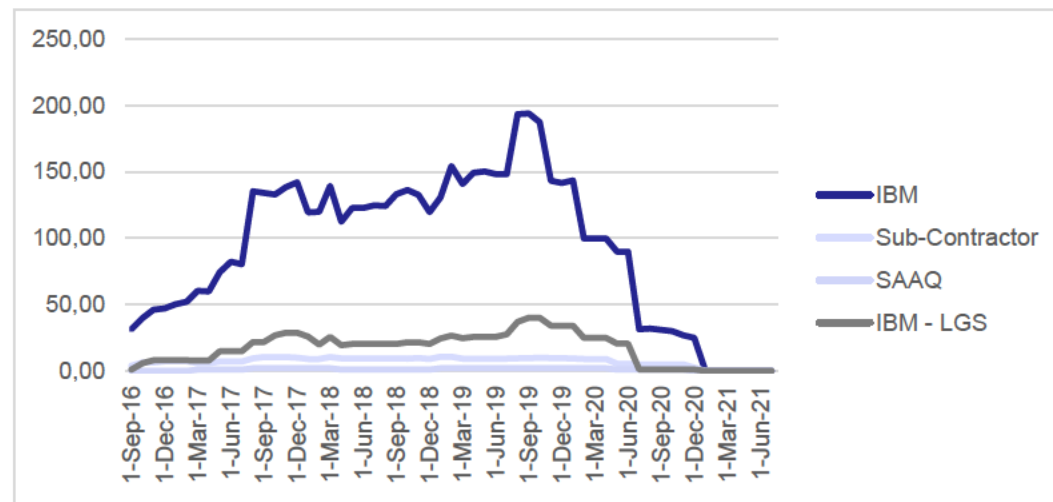
- Detailed GPE data to follow

Anticipated SAAQ Estimates Break Down by Percentages

More financial slides to be added as estimates and pricing evolve in the next weeks



Staffing Chart (Implementation)



Notes: Leveraging: India, Romania, Halifax Delivery Centers and LGS Québec City resources
GBS Core includes professional services from LGS Québec City



Key SAAQ Financial Information

- Holdback on Invoices:
 - 10% holdback on every invoice:
 - 50% holdback paid after interim approval
 - 50% holdback paid at the end of the project (Month 60)
- SAAQ wants a blended rate by segments of delivery
- Risk Sharing Model – (See Delivery Section Model of the presentation)
- Rate reduction penalties to be imposed if contingencies need to be used during project delivery up to 30%
- Billing will be done by lot – Invoices paid in 30 days
- Warranties required:
 - Bid Bond \$5M (Certified warranty letter, draft, money order, certified cheque) - Will not be returned only if IBM decides not to enter into a contract with the SAAQ after an agreement had been negotiated in good faith.
 - Execution Bond = 5% of value of professional services – Reimbursed annually (Letter of credit, draft, money order, certified cheque)
- Bid is valid for 365 days after delivery



Financial Review Details and Tender

- Total Cost Ownership is composed, actualized at a 5.3% rate, of :
 - All cost of the solution acquisition
 - Section A: ERP Licences
 - Section B: Infrastructure HW and SW
 - Section C: Professional Services
 - and financial value of the solution benefits
 - % of benefits to be applied on each delivery costs
 - \$ annual benefits to be added to TCO

- Adjusted TCO
 - Adjustment based on quality results
 - Adjustment factor = $1 + 0.5[(\text{Quality note}-70)/30]$
 - If Initial TCO positive
 - Adjusted TCO = TCO * Adjustment factor
 - If Initial TCO negative (more benefits than costs)
 - Adjusted TCO = TCO / Adjustment factor

- Alliance with lowest adjusted TCO will go in final negotiations with SAAQ for tender



Administrative Requirements

- Proposal to be submitted by an Alliance
 - Members being the ERP Editor (SAP or Oracle) and the Integrator
 - Each member and complementary sub-contractors must :
 - Have ISO 9001:2008 registration (for all contracts over 500 K\$)
 - Quebec's AMF rights to contract registration (for all contracts over 1M\$)
- Decision expected by Summer of 2016
- Contract duration : 10 years
- Proposal must be valid for 1 year
- Bid guarantee : 5 M\$ by the Alliance
- Contract execution guarantee :
 - 5% or 10% of professional services value (Depending on payment method)
 - Valid for 10 years
 - Amount to be reviewed annually based on project progression



Risk Sharing Model

- Schedule is organized by deliveries (Livraisons) and subdivided by Lots
- SAAQ assumes a 10% contingency on each lot within a delivery but the following rules apply:
 - If lot is delivered as per planned budget, 10% contingency is shared 50% / 50% between SAAQ and IBM and banked
 - If lot is delivered under planned budget, the 10% contingency is shared 50% / 50% between SAAQ and IBM and banked and the positive variance is added to the Delivery contingency bank
 - If lot is delivered over planned budget then the cost overrun is split 50% / 50% between the SAAQ and IBM:
 - If the 50% IBM cost overrun share is less than the banked amount, IBM taps into its bank to cover the delta
 - If the 50% IBM cost overrun share is more than the banked amount, IBM uses what is available in its bank and uses the contingency with a rate reduction for the portion of hours that cannot be covered by the banked contingency amount (15%, 20% or 30% based on percentage of gap)
- Budget includes IBM and SAAQ hours and associated costs
- This bank is refreshed at the end of every delivery – The bank does carry balances from delivery to delivery



SAAQ Risk
Sharing Model



Guidance: Section “Appendix” is mandatory section.

Appendix

- Solution Shaping Outcome
- Solution Optimization Outcome
- Delivery Lead(s) Input
- Solution Excellence Outcome
- Staffing Risk Assessment
- Bid Metrics
- PM&T Profile

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main dashboard*



Solution Shaping Outcome

Mandatory

Participants :

Date : YYYY-MM-DD

Sales Connect:

ID	Shaping Action	Impact (H/M/L)
1		
2		
3		

Review Items	Comment
Review the solution approach from Bid Metrics perspective.	
Is the deal a Complex Program ? Link for Complexity Assessment Criteria (Please also look if any IOT specific guidelines are defined for Complex Program.)	
Names and input of participating GIC Delivery Leads (including any additional GIC Delivery Leads identified during Shaping)	Names: Inputs:
Names of non-participating GIC Delivery Leads (including any additional GIC Delivery Leads identified during Shaping)	Names:
Identify any other GIC Delivery Lead participants required (enter GIC Delivery Leads in SSDB) and obtain shaping input	
Staffing input received from R&CM PSPs: (required if there are complex staffing requirements as defined here .)	



Solution Optimization Outcome

Mandatory

Participants :

Date : YYYY-MM-DD

Sales Connect:

Key Findings : < Key Optimisation findings >

ID	Optimisation Finding	Impact (H/M/L)	Action Taken (comments from team post- Optimisation)
1			
2			
3			
4			
5			

Solution Optimization Outcome - GIC Delivery Lead Participation Input

Mandatory

Participants :

Name(s) of participating GIC Delivery Lead(s):

Date : YYYY-MM-DD

Sales Connect:

Related Topic	Input	Mitigation actions defined by Solutioning / Delivery team	Owner	Status



Solution Excellence Outcome

		Review Item	Mandatory	Comment
Solution Strategy	1	Does the proposed solution accurately reflect the Solution Strategy as agreed at the Shaping Activity?		
	2	Does the Solution components and parameters address the client requirements and pain points, the Value Proposition and the Win Themes?		
	3	Has the competitive landscape been understood and has the strategy to win against the competition been incorporated into the solution? Can this be demonstrated?		
	4	Are Offerings, Capabilities and Assets considered and used in the solution documented in the Solution Baseline Document (SBD) and SSDB? Comment on any Assets removed (add page)		
Solution Optimisation	5	Is the quality of the solution excellent? Is the cost model, SBD free from errors and defects? Are asset financials captured correctly in SDM GPE/Costing?		
	6	Has the solution been fully optimised following the Solution Optimisation Activity? If not please comment		
	7	Have the appropriate assumptions, dependencies and risks been fully documented to allow for the most competitive solution to be developed? have identified risks been acted on, accepted or mitigated?		
	8	Are PM&T standards included in deal with required costs? if not please verify this detailed on SBD slide 3.14		
	9	Has Staffing input been received from R&CM PSP and recommendations been acted on/mitigated		
	10	Have identified GIC Delivery Lead reviewed the solution, provided feedback and was this feedback incorporated in the solution. Ensure feedback slide with GIC Delivery Lead(s) input is included in SBD		
	11	In case of low forecast PTI, have profit improvement strategies been identified and documented?		
	12	Has the solution been fully integrated with components from other towers or service lines? Are dependencies clearly stated and agreed. Does a DOU exist where necessary?		
	13	Have all options been explored to bring the solution within the bid metrics parameters?		
	14	If this is a Complex Program has appropriate banded resource been included in the solution and have the costs for all DMS components been included in the solution?		
Process	15	If the solution Bid Metrics is not compliant are required exceptions in place?		
	16	Has the Solutioning Process been followed?		
	17	Are all the solutioning deliverables in place? Has SSDB been updated?		

SIH Solution Excellence Release provided by: <list Name/Notes ID/IBM of SA / SSM>

<Released / Released Not Certified / Not Released>

Release Date:

DD-MMM-YY

Comment:



Staffing Risk Assessment

Guidance: Use this slide to capture the staffing risk assessment/ embed the file as appropriate.



Bid Metrics – Band Mix Analysis

Work Location	Company	Band Level	Sum of Hours	% of Hours	Sum of Fees	Blended Rate
Onsite	IBM	Exec - D	4,681.84	0.36%	1,732,606.91 CAD	370.07 CAD
		10	31,758.08	2.42%	11,737,446.74 CAD	369.59 CAD
		9	147,335.20	11.22%	43,098,476.48 CAD	292.52 CAD
		8	157,717.12	12.01%	38,947,534.09 CAD	246.95 CAD
		7	131,279.00	10.00%	27,608,773.08 CAD	210.31 CAD
		6	4,300.00	0.33%	771,647.48 CAD	179.45 CAD
	IBM Total		477,071.24	36.34%	123,896,484.79 CAD	259.70 CAD
	IBM - LGS	9	21,844.00	1.66%	2,137,101.07 CAD	97.83 CAD
		8	29,068.00	2.21%	2,641,271.73 CAD	90.87 CAD
		7	86,159.96	6.56%	5,854,224.84 CAD	67.95 CAD
	IBM - LGS Total		137,071.96	10.44%	10,632,597.64 CAD	77.57 CAD
	Sub-Contractor	8	15,884.20	1.21%	3,576,184.07 CAD	225.14 CAD
	Sub-Contractor Total		15,884.20	1.21%	3,576,184.07 CAD	225.14 CAD
Onsite Total			630,027.40	47.99%	138,105,266.50 CAD	219.21 CAD
Onshore	IBM	8	11,904.12	0.91%	1,407,562.50 CAD	118.24 CAD
		7B	37,582.00	2.86%	4,431,076.75 CAD	117.90 CAD
		7A	12,040.00	0.92%	1,293,379.37 CAD	107.42 CAD
	IBM Total		61,526.12	4.69%	7,132,018.61 CAD	115.92 CAD
Onshore Total			61,526.12	4.69%	7,132,018.61 CAD	115.92 CAD
Offshore	IBM	8	40,600.60	3.09%	3,333,955.25 CAD	82.12 CAD
		7B	126,678.00	9.65%	9,911,367.89 CAD	78.24 CAD
		7A	64,658.24	4.93%	3,061,015.94 CAD	47.34 CAD
		6B	248,531.40	18.93%	11,879,527.08 CAD	47.80 CAD
		6A	12,212.00	0.93%	478,446.53 CAD	39.18 CAD
	IBM Total		492,680.24	37.53%	28,664,312.70 CAD	58.18 CAD
Offshore Total			492,680.24	37.53%	28,664,312.70 CAD	58.18 CAD
Nearshore	IBM	9	412.80	0.03%	56,099.28 CAD	135.90 CAD
		8	4,128.00	0.31%	506,393.53 CAD	122.67 CAD
		7	40,936.00	3.12%	4,838,114.89 CAD	118.19 CAD
		6	4,128.00	0.31%	345,875.27 CAD	83.79 CAD
		6A	59,193.80	4.51%	4,386,680.47 CAD	74.11 CAD
IBM Total		108,798.60	8.29%	10,133,163.44 CAD	93.14 CAD	
Nearshore Total			108,798.60	8.29%	10,133,163.44 CAD	93.14 CAD
PMA / PMO	IBM	8	8,909.60	0.68%	916,670.15 CAD	102.89 CAD
		5	10,887.60	0.83%	1,008,164.47 CAD	92.60 CAD
	IBM Total		19,797.20	1.51%	1,924,834.62 CAD	97.23 CAD
PMA / PMO Total			19,797.20	1.51%	1,924,834.62 CAD	97.23 CAD
Grand Total			1,312,829.56	100.00%	185,959,595.87 CAD	141.65 CAD

LGS Roles

Mix of Romania
and India



Current Stats

Effort by Delivery

*Distribution by Delivery is proportionately as expected

Rollout	% of Hours	Sum of Hours	Sum of Fees
Livraison 0	4.19%	55,065.80	12,740,519.60 CAD
Livraison 1	11.85%	155,627.32	23,536,292.09 CAD
Livraison 2	5.94%	77,955.56	13,069,826.12 CAD
Livraison 3	4.46%	58,610.72	10,199,538.03 CAD
Livraison 4	38.65%	507,461.92	63,521,213.04 CAD
Livraison 5	26.95%	353,748.96	44,033,263.82 CAD
Livraison 6	6.44%	84,495.00	13,939,762.45 CAD
Livraison IR	1.51%	19,864.28	4,919,180.73 CAD
Grand Total	100.00%	1,312,829.56	185,959,595.87 CAD

Effort by Team

*PMO is contained within "Integration / Solution"

Team	% of Hours	Sum of Hours	Sum of Fees	% of Fees	Blended Rate
Integration / Solution	8.71%	114,373.12	31,016,872.27 CAD	16.68%	271.19 CAD
ERP	17.01%	223,300.72	42,623,575.48 CAD	22.92%	190.88 CAD
CRM	4.38%	57,528.84	9,734,023.04 CAD	5.23%	169.20 CAD
Insurance	0.31%	4,042.00	990,156.95 CAD	0.53%	244.97 CAD
Change Management	1.86%	24,424.00	5,937,208.70 CAD	3.19%	243.09 CAD
Communications	1.50%	19,694.00	4,487,222.96 CAD	2.41%	227.85 CAD
Training	4.94%	64,878.40	6,232,612.29 CAD	3.35%	96.07 CAD
BI	7.32%	96,067.16	11,970,325.43 CAD	6.44%	124.60 CAD
Data - Conversions	8.81%	115,682.04	14,707,156.51 CAD	7.91%	127.13 CAD
Development	34.28%	450,013.92	42,692,468.76 CAD	22.96%	94.87 CAD
Infrastructure	10.88%	142,825.36	15,567,973.47 CAD	8.37%	109.00 CAD
Grand Total	100.00%	1,312,829.56	185,959,595.87 CAD	100.00%	141.65 CAD



Service Line Process, Methods and Tools



PM&T Profile

Service Line	Solution includes Delivery Mgmt System (DMS) required costs			PDF attachment (PM&T Profile tool output)	Additional Comments
	Yes / No	Enhanced Project Launch /Account Initiation Costs	Phase Gate Review (PGR) Costs		
ADI-AMS					
ADI-CS					
EA-Oracle					
EA-SAP	Yes	\$500,000			
EA-Microsoft					
BA&S					
ixM	Yes	As above			