

Société de l'assurance automobile du Québec (SAAQ)

Line Management Review Presentation - Updated

January 17, 2017

Executive Lead: Nabil Aboutanos
Opportunity Lead: Martine Gagné
Sector Lead: Claude Guay
Québec City Lead: Gratien Côté
Practice Partner: Dave McCann

**Société de l'assurance
automobile**

Québec 



Opportunity Overview

Executive Summary / Proposal Status

- 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 contract - 4 year ERP implementation Program and maintenance services and an additional 6 years of partnership for innovation and maintenance to be defined**
- 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.
- Extremely complex - RFP Response process (>4000 page response)
- Target TCV is CAD: \$186 M (GBS)

Value Proposition/Win Strategy

- IBM offers a one-stop-shop for the SAAQ Project
- IBM has a strong presence in Québec City through the LGS Team
- IBM will position the new Montreal CIC center as an investment
- IBM has over 20 years of experience in delivering successful SAP projects. IBM's ASCEND methodology has been proven. ---Excellent partnership with SAP
- Positioning a strong French leadership team
- IBM can offer a clear differentiator when it comes to overall system's architecture design and provisioning of state of the art hardware solutions
- Will present proposal leveraging the LGS branding with a strong IBM flavour throughout the approach

Opportunity Description

- SAP Implementation including – Planning, Exploring, Realization, Deployment and Post-go-live support
- SAP Configuration and large number of 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, Hybris billing, CRM partner function
- SAP Testing for Functional SIT, Automation, Performance and Application Security testing. Leverage IBM ASCEND, Worksoft and IBM Test Accelerators
- **Revised AIC Support Services in Staff Augmentation model**
- **Up to \$45M for Scope Extension in Revised RFP**

Budget/Price to Win

Current GPE pricing is \$ 167+19 \$ 186 (Million (GBS Only)

IBM Relationship: N/A - Government Contracting Process

Competitive Environment

- Competition includes:
 - SAP – Deloitte/Accenture
- Complex bid evaluation process (6 gates with TCO evaluation)

Current Status and Next Steps

- Finalize response content, finalize reviews, deliver proposal to SAAQ by **January 20, 2016**
- 3.5 hour oral presentation on Jan 26 to review delta elements
- New proposed resources to be interviewed in February
- Contract Award – Early March 2017 (verbal + Negotiation)
- Project Start – April 4, 2017

Client Business Case

Client Opportunity Information

Client Business Problems / Key Challenges

- 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
- Commitment made to Quebec Government to have transformation completed by 2020
- Reduce 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

Client's Business Value Expectation from IBM

- 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

Buyer Behaviour / Relationship Map

LGS Quebec has strong relationship with SAAQ

- 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

Government Contracting – No relationship allowed on this RFP

- 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



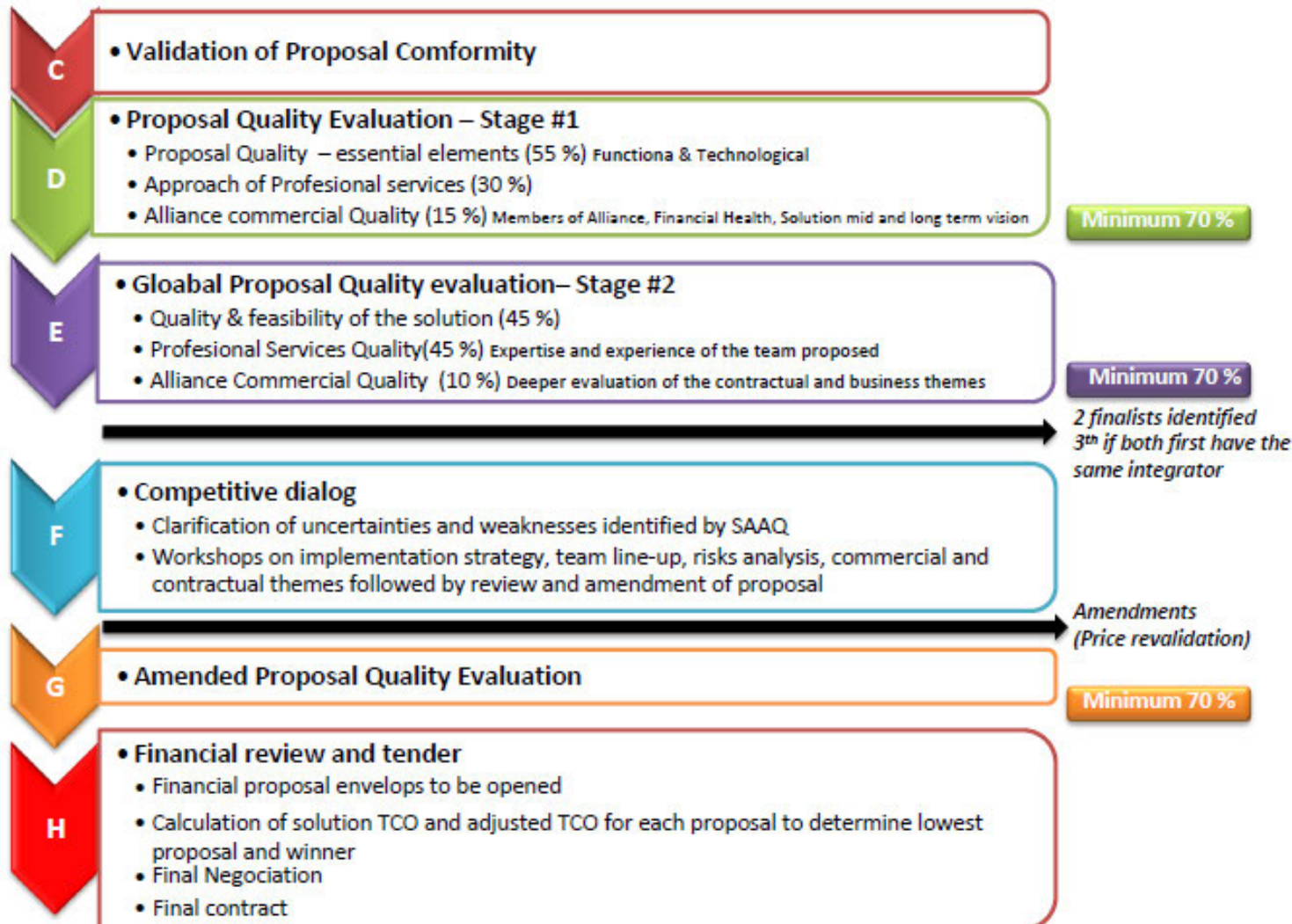
Proposal Overview

BID DETAILS	
Sector / Industry	Public Sector
Segment / Service Line	SAP
Client	SAAQ
Project Name	SAAQ - Projet PGI
Opportunity #	W7-SK81RQ1
Date Due to Client	20 January 2017
Sign Date	Q1 2017
Project Partner	Nabil Aboutanos
GBS Partner	Dave McCann / Claude Guay
AMS Rep	Concetta Sanders
Center of Competence Rep	Stevan Blood / Nitin Agochiya
Pricer, Risk Mgr	André-Stéphane Marleau
Total TCV \$M	> \$ 186 M Cdn
Start and End Dates	April 2017 – Mar 2027
Deal Length (mths)	49 months+ 71 month (Extension)
Type (T&M, FP, Other)	T&M with Risk Sharing Model
GP % (left side)	
GP % (right side)	
PTI % (left side)	
Risk Rating & Cont %	Medium 18% Max - Revised contingencies including (CC % by delivery)
Est B&P Spend \$K	> \$2M
External Consultant	E&Y, Agile Solutions (No cost)
EDM Level of PM	Unknown
PM Experience (H/M/L):	Unknown

T's & C's – if terms are applicable, give details	
Billing / Pay Terms	30 days with 10% Hold back
Inflation / COLA	GBC Inflation rate applied yearly
Currency Terms	CAD
Curr Cont. Med or High	None
Holdbacks? / Milestones?	10 % (5% interim app – 5% - month 60)
LOL	N/A
Travel	Included in blended rate
Gain / Pain Share	Risk Sharing Model
Other Key Terms	Blended rate - Bid and Delivery Bonds
IBM Termination	N/A
FP Re-price Provision	N/A
BTT (1-5)	N/A
Credit Rating (1-7)	TBC
Penalties or SLAs:OEM	N/A
OEM	N/A
Balance Sheet Activity – Amortize Transition?	N/A
Earned value reporting Required Y /N	Not specified
Revenue Apportionment: GBS, GR, AMS, OEM	GBS – 56%
Cross IBM Content (I.e. GTS HW/SW	STG - 11%
Perform Locations	Canada / Québec City

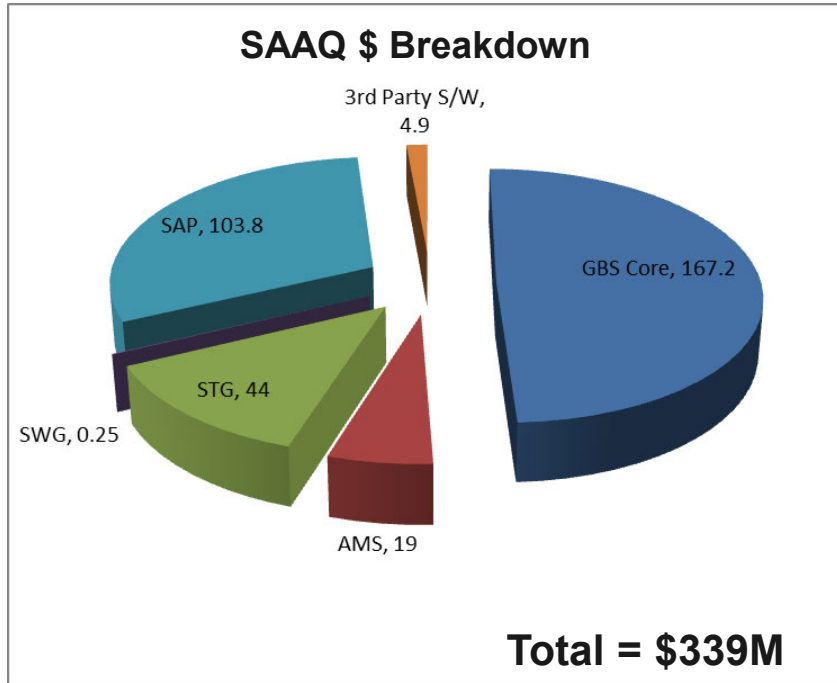
Bid Evaluation Process

RFP « C » Business Solution & Professional Services

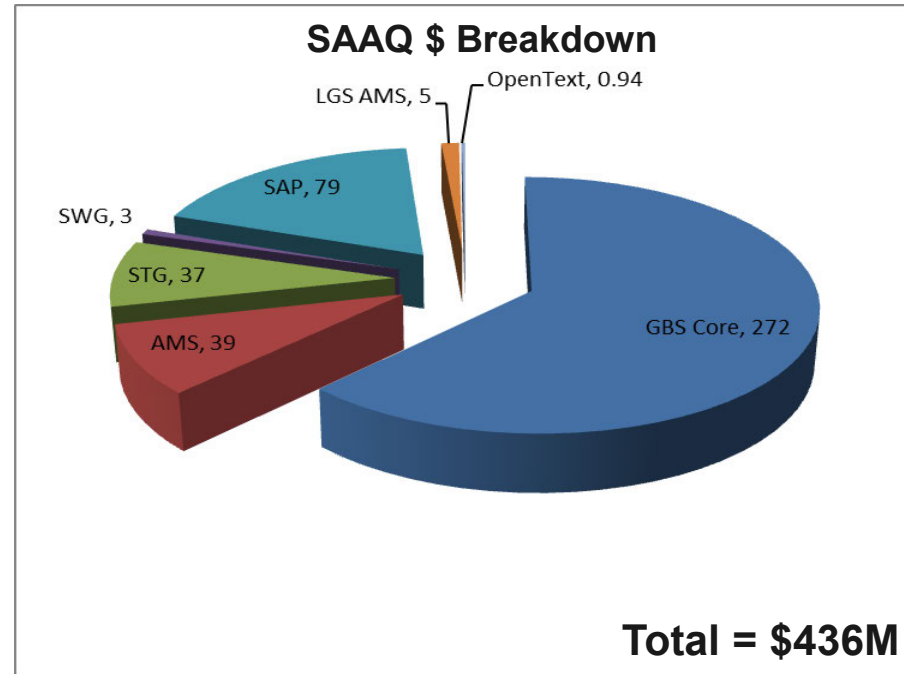


Anticipated SAAQ Estimates Breakdown

GBS Core financials as of Jan 17, 2017



March 2016



Total = \$339 M (From initial \$436 M in March)

Estimate Completion %

- GBS SAP Core = 100% - (Reduced from \$272 M to \$167M – Will go up to reflect new SAAQ support model)
- GBS SAP AIC = 100% - (Revised approach based on Staff Aug for Month 1-49 only)
- [REDACTED] = 100%
- STG = 100%
- SAP = 100%
- SWG = 100%

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



New Support Model Documented in Revised SAAQ RFP

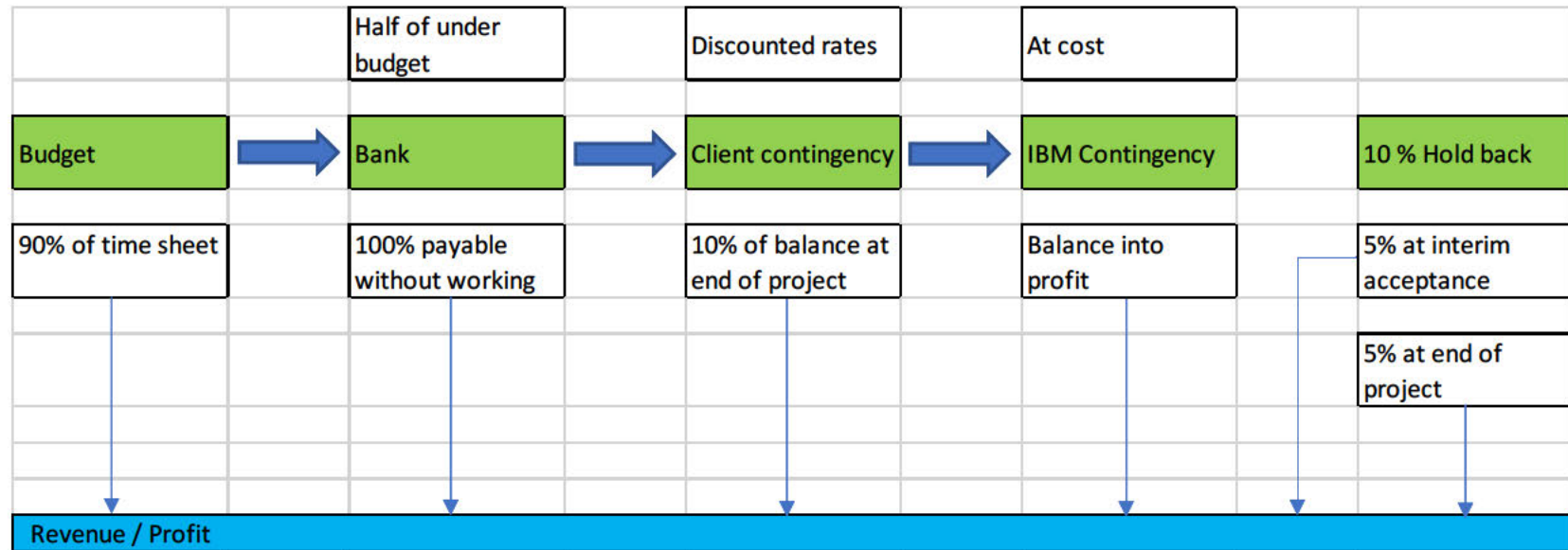
- Staff Augmentation Model for Month 1 to 49:
 - Transition of project resources to support team
 - Support from Montreal and India CICs
- Support Model for month 50 to 120:
 - Level of Effort with Rate Card
 - Expertise to be used at the discretion of SAAQ
 - Expertise to be only billed if used
 - For maintenance and new project work (\$45M Innovation Fund)
 - Bank of hours estimated by Alliance not be included in the final TCO calculation

Contingency determination

- Paper delivery Low Risk (6+8)
- Release one Finance and Corporate at Low (6+8)
- Release 2 combined medium and high (12+8; 22+8)
- Release IR Medium (12+8)
- Cost provision of \$250K

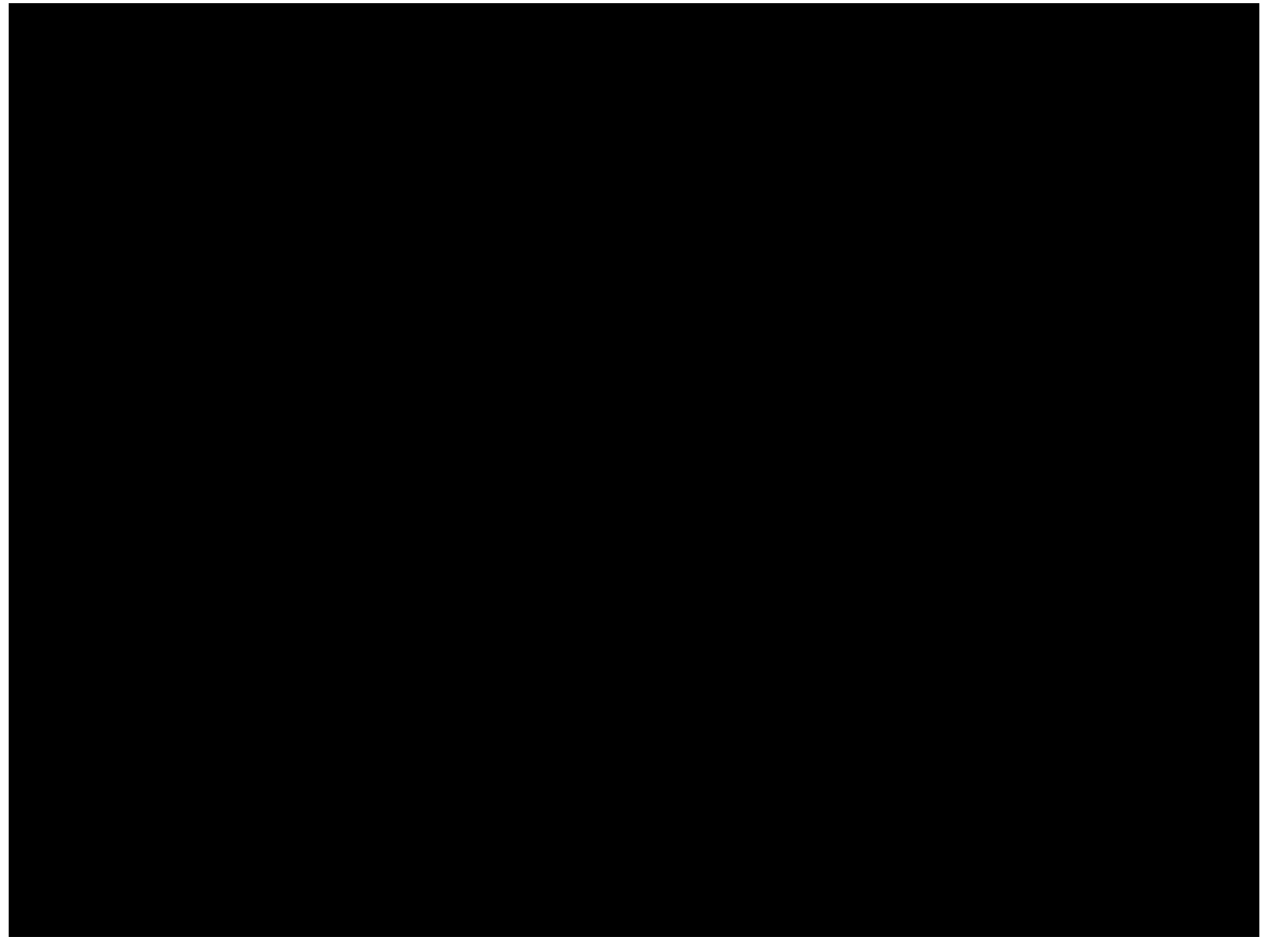
Livraison	Lot	Nom	Risk Level	Hours	TCV	Bas Cost (estimated)	Risk Level	Financial Contengency	Client Contingency	Total Contingency
0	0	Formation initiale au projet	Low	676	158,860 \$	123,911 \$	Low	7,435 \$	\$12,709	\$20,143
0	1	Planification du projet	Low	9,938	2,335,430 \$	1,821,635 \$	Low	109,298 \$	\$186,834	\$296,133
0	2	Conception de la solution	Low	58,685	13,790,975 \$	10,756,961 \$	Low	645,418 \$	\$1,103,278	\$1,748,696
0	3	Conception du modèle d'organisation du Centre d'expertise	Low	3,078	723,330 \$	564,197 \$	Low	33,852 \$	\$57,866	\$91,718
1	4	Réalisation	Low	117,164	14,222,020 \$	11,093,176 \$	Low	665,591 \$	\$1,137,762	\$1,803,352
1	5	Réalisation	Low	124,893	14,764,794 \$	11,516,539 \$	Low	690,992 \$	\$1,181,184	\$1,872,176
1	6	Préparation de la mise en production (Déploiement)	Low	34,412	4,145,770 \$	3,233,701 \$	Low	194,022 \$	\$331,662	\$525,684
1	7	Mise en production et support postimplantation (3 mois)	Low	44,267	5,717,736 \$	4,459,834 \$	Medium	535,180 \$	\$457,419	\$992,599
2	8	Conception	Low	72,412	9,123,457 \$	7,116,296 \$	Low	426,978 \$	\$729,877	\$1,156,854
2	9	Réalisation	Low	102,974	12,416,781 \$	9,685,089 \$	Medium	1,162,211 \$	\$993,342	\$2,155,553
2	10	Réalisation	Low	134,970	16,603,286 \$	12,950,563 \$	Medium	1,554,068 \$	\$1,328,263	\$2,882,330
2	11	Réalisation	Low	138,797	17,382,239 \$	13,558,146 \$	High	2,982,792 \$	\$1,390,579	\$4,373,371
2	12	Préparation de la mise en production (Déploiement)	Low	41,350	4,989,210 \$	3,891,584 \$	Medium	466,990 \$	\$399,137	\$866,127
2	13	Mise en production et support postimplantation (3 mois)	Low	45,016	5,431,013 \$	4,236,190 \$	Low	254,171 \$	\$434,481	\$688,652
IR	14	Planification et vision	Low	15,910	1,982,098 \$	1,546,036 \$	Medium	185,524 \$	\$158,568	\$344,092
IR	15	Conception	Low	35,992	4,263,072 \$	3,325,196 \$	Low	199,512 \$	\$341,046	\$540,558
IR	16	Réalisation	Low	106,585	13,225,974 \$	10,316,260 \$	Medium	1,237,951 \$	\$1,058,078	\$2,296,029
IR	17	Préparation de la mise en production (Déploiement)	Low	30,512	3,796,743 \$	2,961,460 \$	Low	177,688 \$	\$303,739	\$481,427
IR	18	Mise en production et support postimplantation (3 mois)	Low	35,493	4,829,419 \$	3,766,947 \$	Medium	452,034 \$	\$386,354	\$838,387
				1,153,124	149,902,207 \$	116,923,721 \$		11,981,706 \$	\$11,992,177	\$23,973,882
								10%	8%	18%

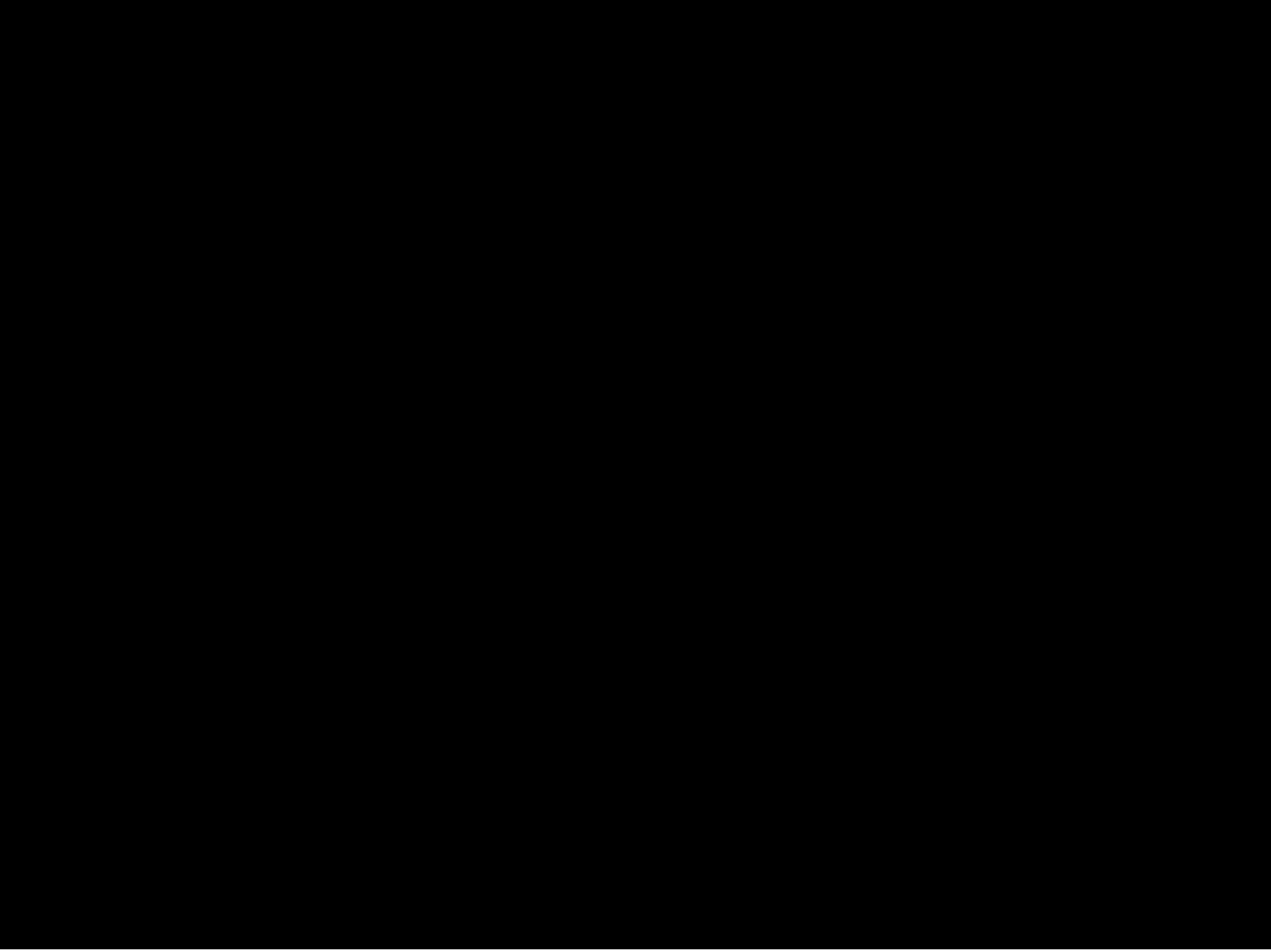
Payment terms



KEY GBS Core Financial Data

- Large Reduction of GBS Core Estimates:
 - Reduced efforts from 1.56 M hours to 1.16M hours
 - Rationalization of delivery plan from 5 years to 4 years
 - Rationalization of testing efforts and training
 - Reduction of average utilization to 92%
 - Removal of 10% risk sharing effort
 - Adjusted bid matrix to reduce cost and average rate
- [REDACTED]
- Contingencies:
 - Total contingency of 18%:
 - IBM Contingency (10%) = \$11.3M
 - Client Contingency (8%) = \$12.4M
 - Total contingency = \$23.7M
- TVM = \$3.6M
- Inflation = \$4M







Rate Card

RATE CONTROL TABLE FOR BILLING	INFLATION ON RATES:	1.30%			
RATE CARD	Année 1	Année 2	Année 3	Année 4	Année 5
Functional - Total Team Lead	272	276	280	284	288
Functional - Total Other Resources	150	152	154	156	158
Technical - Total Team Lead	272	276	280	284	288
Technical - Total Other Resources	82	83	84	85	86
Change Management - Total Team Lead	272	276	280	284	288
Change Management - Total Other Resources	140	142	144	146	148
Communication - Team Lead					
Communication - Total Other Resources	140	142	144	146	148
Training - Team Lead					
Training - Total Other Resources	140	142	144	146	148
Management, Integration & QA - Total Coach	367	372	377	382	387
Management, Integration & QA - Total Team Lead	272	276	280	284	288
Management, Integration & QA - Total Other Resources	115	116	118	120	122
Management, Integration & QA - Total Special	350	355	360	365	370

Requested Approvals

- Support a combined contingency at 18% (10%+8%)
- Support High Utes rate for Canadian resources
- Remove India broker fee of \$3/Hr
- Support price case for submission

Approvals and Closure of Action Items

- Completed LMR approval from Canada – Jan 9
- Completed Final TDAs / ITR approval – Jan 12
- Completed NA LMR approval – Jan 16
- Submit Proposal Response to SAAQ – Jan 20

Additional Information

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
- Time & Material with Risk Sharing Model – Improved model
- 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) – 10% if delivered in insurance.
- Bid is valid until July 19, 2017

Revised delivery plan

Original delivery plan

From: "Plan de Livraison v0.98r.xlsx"

Core Bid Metrics

January 05, 2017

Opportunity & Solution Scope			Enterprise Applications - SAP Solution Metrics									
Opp No	2-39MLGK3		GD Leverage	Overall	Local		CIC Onsite		CIC Offshore		Nearshore	
Client	SAAQ				Target (<=)	Actual	Target (<=)	Actual	Target (>=)	Actual	Target (>=)	Actual
Opportunity	ERP Selection				n/a	41.9%	n/a	1.4%	n/a	44.1%	n/a	12.6%
Lead Partner	G. Steinberg		Band Mix	Overall	CIC Offshore + CIC Nearshore Remote + Non CIC Nearshore		CIC Offshore + CIC Onsite		CIC Offshore + CIC Onsite + Nearshore			
IOT	NA IOT				Target (>=)	Actual	Target (>=)	Actual	Target (>=)	Actual		
IMT	Canada				15.0%	56.7%	n/a	45.5%	20.0%	58.1%		
Country	Canada				Local		CIC Onsite		CIC Offshore			
Total Hours	1,141,329.3				n/a	8.03	n/a	7.00	n/a	6.70		
Proj. Duration (months)	49				Graduate Hire Mix				Total Hours			
Total FTEs	146.08				Target (>=)	Actual			1,141,329.3			
Project Type	Large Project		Subcontractors %	Overall	Subcontractors							
Business Language	Non English / Regulated				Target (<=)	Actual						
CIC Nearshore Center	Halifax											
Meet complex staffing reqs?	No											
Meets Integrated Client Service Guidance?	No											
Solutioning Team Comments												
Solution Metrics calculated on:		5-Jan-2017										
Bid Metrics Version:		2016.2.4										
Solution meets the Bid Metrics												

Core GSSM Band Mix Analysis (SAP Implementation)

Work Location	Company	Band Level	Sum of Hour	% of Hours	Sum of Fees
Onsite	IBM	Exec - D	6,219.60	0.53%	2,736,232.60 CAD
		10	13,976.80	1.18%	5,288,879.19 CAD
		9	118,569.00	10.02%	35,547,324.13 CAD
		8	97,867.20	8.27%	23,335,155.15 CAD
		7	32,550.00	2.75%	6,887,201.39 CAD
		5	7,184.00	0.61%	- CAD
	IBM - LGS	10	3,160.00	0.27%	1,347,857.69 CAD
		9	23,937.00	2.02%	2,345,025.90 CAD
		8	68,335.00	5.78%	6,362,339.52 CAD
		7	88,559.00	7.48%	6,131,657.28 CAD
		6	18,170.00	1.54%	1,101,450.73 CAD
	Sub-Contractor	8	4,833.20	0.41%	973,371.56 CAD
	BRF+	8	8,428.00	0.71%	2,265,532.41 CAD
	SAP	8	10,946.80	0.93%	2,230,009.73 CAD
	OpenText	9	8,170.00	0.69%	2,196,827.28 CAD
E&Y	9	774.00	0.07%	263,220.13 CAD	
	10	774.00	0.07%	315,864.16 CAD	
Onsite Total			512,453.60	43.31%	99,327,948.87 CAD
Onshore	IBM	7	15,652.00	1.32%	1,736,259.46 CAD
Onshore Total			15,652.00	1.32%	1,736,259.46 CAD
Nearshore	IBM	8	41,855.30	3.54%	5,283,688.55 CAD
		7	80,562.10	6.81%	9,719,846.98 CAD
		6	21,156.00	1.79%	1,822,340.05 CAD
Nearshore Total			143,573.40	12.13%	16,825,875.58 CAD
Offshore	IBM	8	45,114.75	3.81%	3,606,552.57 CAD
		6A	70,692.00	5.97%	2,648,266.90 CAD
		6B	147,883.50	12.50%	7,019,723.19 CAD
		6G	70,176.00	5.93%	2,630,214.57 CAD
		7A	62,178.00	5.25%	2,995,628.17 CAD
		7B	107,532.08	9.09%	8,573,607.00 CAD
	BRF+	8	7,998.00	0.68%	1,536,911.73 CAD
Offshore Total			511,574.33	43.23%	29,010,904.15 CAD
Grand Total			1,183,253.33	100.00%	146,900,988.05 CAD

LGS

Montreal

India

LGS

Montreal

India

Core GSSM Statistics

Effort by Team

Team	Sub Team -1	% of Hours	Sum of Hour	Sum of Fees	Percentage of Totl	Blended Rate	Average Ban
Management, Integration & QA	Integration	0.88%	10,461.80	1,542,868.10 CAD	1%	147.48 CAD	7.91
	QA	5.78%	68,392.40	8,552,427.43 CAD	6%	125.05 CAD	7.21
	Management	3.49%	41,303.20	9,388,863.73 CAD	6%	227.32 CAD	8.54
	Editor Review	0.70%	8,230.00	1,682,347.58 CAD	1%	204.42 CAD	8.00
	External Review	0.13%	1,548.00	579,084.29 CAD	0%	374.09 CAD	8.00
Management, Integration & QA Total		10.98%	129,935.40	21,745,691.13 CAD	15%	167.36 CAD	7.75
Functional	CRM	2.77%	32,784.40	4,478,366.39 CAD	3%	136.60 CAD	7.41
	ERP	17.64%	208,672.00	30,858,220.23 CAD	21%	147.88 CAD	7.84
	Insurance	1.68%	19,871.80	2,926,150.14 CAD	2%	147.25 CAD	7.53
	BI Solution	1.94%	22,994.80	4,784,754.54 CAD	3%	208.08 CAD	8.09
	ECM	1.03%	12,208.00	2,312,395.07 CAD	2%	189.42 CAD	8.20
Functional Total		25.06%	296,531.00	45,359,886.36 CAD	31%	152.97 CAD	7.81
Change Management	Change Management	1.68%	19,849.40	2,906,884.61 CAD	2%	146.45 CAD	7.67
Change Management Total		1.68%	19,849.40	2,906,884.61 CAD	2%	146.45 CAD	7.67
Technical	Conversion	5.25%	62,170.40	7,321,618.56 CAD	5%	117.77 CAD	7.08
	BI Solution	4.26%	50,360.40	4,430,865.74 CAD	3%	87.98 CAD	7.05
	Infrastructure & Maintenance	16.45%	194,620.93	16,193,647.34 CAD	11%	83.21 CAD	6.93
	Architecture	4.72%	55,870.40	9,280,738.29 CAD	6%	166.11 CAD	7.68
	Business Solution	20.90%	247,267.00	17,558,253.85 CAD	12%	71.01 CAD	6.77
Technical Total		51.58%	610,289.13	54,785,123.79 CAD	37%	89.77 CAD	6.96
All Areas	Conversion	0.15%	1,718.80	339,758.00 CAD	0%	197.67 CAD	9.00
	CRM	0.23%	2,676.80	491,276.00 CAD	0%	183.53 CAD	7.69
	ERP	1.72%	20,327.20	3,860,356.00 CAD	3%	189.91 CAD	7.86
	Insurance	0.06%	720.00	205,200.00 CAD	0%	285.00 CAD	9.00
	Integration	0.34%	4,014.00	819,452.00 CAD	1%	204.15 CAD	7.80
	QA	0.20%	2,362.80	536,820.00 CAD	0%	227.20 CAD	8.39
	Change Management	0.09%	1,100.80	346,519.80 CAD	0%	314.79 CAD	9.16
	Training	0.21%	2,436.00	629,050.08 CAD	0%	258.23 CAD	8.00
	Communication	0.08%	960.00	230,400.00 CAD	0%	240.00 CAD	8.00
	BI Solution	0.41%	4,800.60	1,269,019.15 CAD	1%	264.35 CAD	8.42
	Management	0.45%	5,301.40	1,319,673.00 CAD	1%	248.93 CAD	8.86
	Infrastructure & Maintenance	1.30%	15,419.60	1,940,628.62 CAD	1%	125.85 CAD	7.09
	Architecture	0.65%	7,700.80	2,174,222.47 CAD	1%	282.34 CAD	8.85
	ECM	0.07%	860.00	220,590.00 CAD	0%	256.50 CAD	9.00
	Editor Review	0.11%	1,358.00	268,884.00 CAD	0%	198.00 CAD	8.00
	Business Solution	0.22%	2,624.00	367,840.00 CAD	0%	140.18 CAD	8.24
All Areas Total		6.29%	74,380.80	15,019,689.11 CAD	10%	201.93 CAD	8.01
Communication	Communication	0.98%	11,594.00	1,669,238.04 CAD	1%	143.97 CAD	7.41
Communication Total		0.98%	11,594.00	1,669,238.04 CAD	1%	143.97 CAD	7.41
Training	Training	3.44%	40,673.60	5,414,575.00 CAD	4%	133.12 CAD	7.27
Training Total		3.44%	40,673.60	5,414,575.00 CAD	4%	133.12 CAD	7.27
Grand Total		100.00%	1,183,253.33	146,900,988.05 CAD	100%	124.15 CAD	7.35

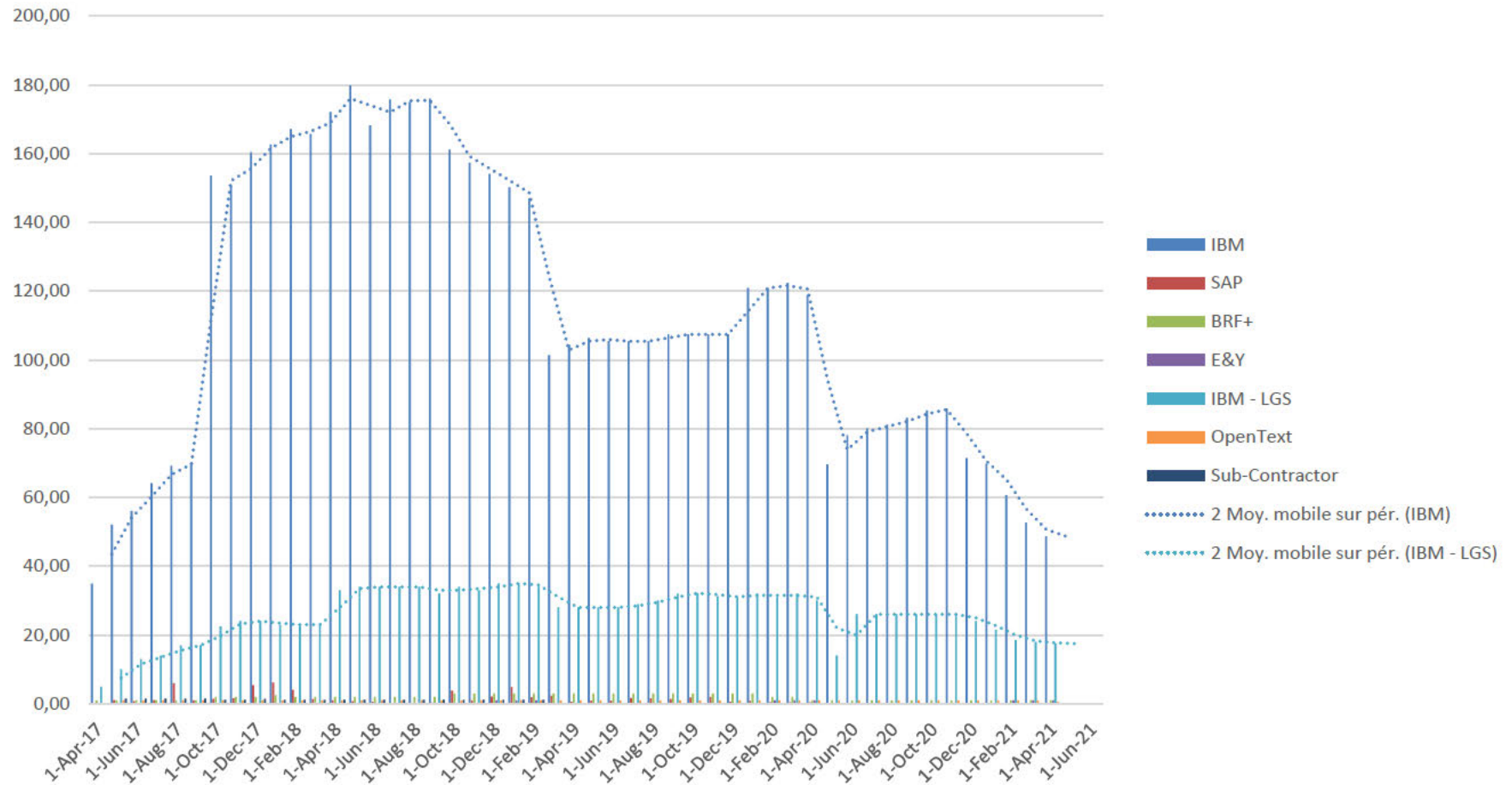
Effort by Delivery

Rollout/Deliever	% of Hours	Sum of Hour	Sum of Fees
Livraison 0	6.29%	74,380.80	15,019,689.11 CAD
Livraison 1	27.46%	324,917.98	38,138,904.59 CAD
Livraison 2	46.40%	549,088.30	63,253,475.12 CAD
Livraison IR	19.85%	234,866.25	30,488,919.22 CAD
Grand Total	100.00%	1,183,253.33	146,900,988.05 CAD



Core GSSM FTE Graph

Alliance Staffing Levels





Proposal Risk Assessment (In progress)

Review Role (name)	Review Status
TDA SAP Core	Complete – AI in progress
TDA SAP Architecture	Complete – AI in progress
TDA AMS #1	Complete – AI in progress
TDA AMS #2	Complete – AI in progress
STG Power TDA	Complete – AI in progress
STG Storage TDA	Complete – AI in progress
ITR – C. Blouin	Complete – AI in progress
Peer Partner Review R. Singh - Architecture	In progress – Waiting for risk assessment
Peer Partner Review – F. Dufresne – SAP	In Progress – Waiting for risk assessment
Peer Partner Review – R. Young - AMS	In Progress – Waiting for risk assessment

Updated Risk Analysis 2016

Risk Rating (1-9)			
Business/ Proposal	Technical (TDA)	AMS Transition	AMS Steady State
8	6	5	N/A

IDI – overall (A/B/C/D)				
A	B	C	D	
			-	

Milestone Payments	N
Holdbacks	Y
Addtl Proj Contingency	Y
Nonstandard T&C	Y
Scope Boundaries	Y
Staffing Risk	Y
FOAK	N
Clear Requirements	Y
DOU/XLOB/XGeo	N

Final Risk Assessment at ITR is High (7)

Risk Description

The SAAQ proposed model of leadership is not clear - SAAQ is planning to keep key leadership positions (Medium)

Risk Mitigations

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



Program Risk Assessment (Cont'd)

Risk Description	Risk Mitigations
The SAAQ organization is not prepared to support the fast pace delivery project that is expected from the SAAQ RFP (Medium)	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 (Medium)	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



Technical 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 Project Dependencies

- 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

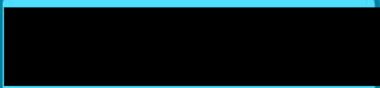


SAAQ Partnership Chart

Alliance Partners



IBM Delivery Partners



High Level SAP Solution

