



Oregon

Kate Brown, Governor

Department of Forestry

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May 24, 2017



"STEWARDSHIP IN FORESTRY"

The Honorable Lew Frederick, Co-Chair
The Honorable Brad Witt, Co-Chair
Joint Committee on Ways and Means / Subcommittee on Natural Resources
Oregon State Capitol
900 Court St., Hearing Room H-174
Salem, OR 97301

RE: *ForestryBuys* – Procurement/Purchase Order System Replacement Project

Dear Co-Chairs:

The Oregon Department of Forestry (ODF) appreciates the opportunity to report on our Procurement/Purchase Order System Replacement Project (*ForestryBuys*), more specifically the background of the project as well as an overview of the steps taken to date and a look at next steps.

Background

The 2016 Legislature approved a General Fund appropriation of \$704,286 and an increase in the Other Funds expenditure limitation of \$813,594 for ODF to implement a procurement and payment system replacement. The *ForestryBuys* system is intended to be an end-to-end solution for the agency, replacing its current ad-hoc system of manual and semi-automated information systems and processes. The Legislature approved the project with the understanding that the funding would be unscheduled until the Legislative Fiscal Office and the Chief Financial Office of the Department of Administrative Services approved rescheduling. The approval was also contingent upon compliance with recommendations made by the Joint Legislative Committee on Information Management Technology (JLCIMT).

Recommendations included direction that the agency proceed through the standard Stage Gate III process, including completing an updated business case and other foundational documents. The agency was to ensure that an independent quality management services contractor conduct an updated risk assessment and perform quality assurance reviews on the documents noted above. The agency reported back to the JLCIMT on the status of the project in September 2016.

Project Status Report

In 2015, ODF joined forces with eight other state agencies with similar needs to identify, procure and contract for a software package that can be used by all collaborating agencies. The other agencies include the Secretary of State, Department of Revenue, Department of Fish and Wildlife, Department of Education, Department of Consumer and Business Services, Judicial Department, Department of Human Services/Oregon Health Authority, and Department of Administrative Services. This is a project to purchase a Commercial-Off-The-Shelf (COTS) product that will be a complete end-to-end procurement system and is known as the *OregonBuys* software solution. The resulting contract is a statewide price agreement that is accessible by all state agencies and the ORCPP (Oregon Cooperative Procurement Program – counties, municipalities and special districts within the state).

Since receiving funding from the Legislature and undertaking this collaborative project, ODF has accomplished the following:

- A project manager and a business analyst have been hired. Subject matter experts have been assigned to the project from both ODF Finance and Procurement. In August 2016, the project was officially chartered and approved by the project executive sponsor.
- ODF and the eight collaborating agencies have worked with the *OregonBuys* project and DAS Procurement Services to produce a Request for Proposals (RFP) executing an open competitive process for obtaining a vendor for the new system. The RFP was released on January 20, 2016 with contract negotiations beginning in late August 2016 and concluding in April 2017. The result of these negotiations was the execution of a statewide price agreement with Periscope Holdings, Inc., which was signed on May 5, 2017.
- ODF has worked with the Office of the State Chief Information Officer (OSCIO) and the Department of Administrative Services (DAS), Enterprise Goods and Services (EGS) to procure the services of MTG, an independent quality assurance vendor, for the project. MTG has conducted an initial risk assessment, and will be performing quality assurance reviews on project deliverables. In addition, they will submit risk status reports, including updates to the initial risk assessment, to the OSCIO.
- ODF, along with all other collaborating agencies, has received Stage Gate II approval from OSCIO.
- ODF is working on Stage Gate III approval and has completed final drafts and all required documentation including a draft work order contract.

Next Steps

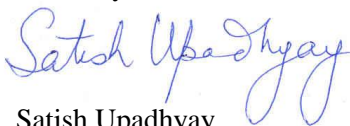
Moving forward, ODF will continue to work on the project with plans to:

- Collaborate with the other eight agencies on a work order contract against the statewide price agreement for the implementation of *Oregon Instance* of the Periscope Holdings, Inc., software solution. The *Oregon Instance* will serve as the backbone for participating agencies to build their implementations on and consists of common naming conventions and high-level workflow processes that apply to all state agencies.
- Finalize the *ForestryBuys* implementation work order contract and gain Stage Gate III approval to move forward with the *ForestryBuys* implementation and configuration of the *OregonBuys* software solution.
- Update the project baseline budget.
- Complete implementation of *ForestryBuys*.

The project is currently estimated to be completed by March 31, 2018.

If you have follow-up questions, please contact me.

Sincerely,



Satish Upadhyay
Administrative Services Division Chief
Oregon Department of Forestry
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cc: Peter Daugherty, State Forester
Jason Miner, Governor's Natural Resources Policy Manager
Lauri Aunan, Governor's Natural Resources Policy Advisor
Matt Stayner, Legislative Analyst, LFO
Cathy Connolly, CFO Analyst, BAM