Discover Cost Savings through Effective Competition

Performance-Based Contracting and Competitive Sourcing

IN TEXAS STATE GOVERNMENT



Achieving Citizen Expectations in a Cost-Efficient Manner

March 25, 2004

Omni Austin Hotel Southpark

Draft Statements of Work (SOW) and Statements of Objective (SOO)
Master the tools of the trade for crafting effective, performance-based SOWs and SOOs

Manage and Monitor Contract Performance
Acquire the necessary tools for forming effective PBSC teams, monitoring contract performance and providing vendors with feedback

Implement New Devices for Contractor Performance
Provide financial and non-financial incentives to contractors using Share-in-Savings Models, Award Term Contracts and Milestones

Simplify Selection of Performance Measures
Identify key performance measures for each contract and use industry benchmarks to maximize quality of results

Presented By:

The Performance Institute

Building a Performance-Based Contract

Seven Steps Using the Logic Model

Input	← Activities	← Outputs	← Intermediate Outcome Strategies	← End Outcomes
$ FTE $ FTE				

Primary Measures for SOO

Primary Measures for SOW

Step 1: Establish the Contracting Team
Step 2: Identify the Scope and Anticipated End Outcomes
Step 3: Examine Private-Sector and Public-Sector Solutions
Step 4: Select Performance Measures (Intermediate Outcomes, Outputs and Work Processes)
Step 5: Develop a PWS or SOO
Step 6: Select Contractor
Step 7: Monitor and Manage Performance



Specifically Designed For Texas State:

- Contract Administrators
- Program Managers
- Procurement Officers
- Acquisition Managers
- Policy Makers

Assess How to Deliver Best Services to the Taxpayer!

Performance-Based Contracting and Competitive Sourcing

AGENDA

Thursday, March 25, 2004

8:30 **State Updates in Performance-Based Service Contracting**
Texas has begun a massive effort to promote the benefits of competitive outsourcing and performance-based service contracting (PBSC), particularly in this period of economic uncertainty for state governments countrywide. These concepts have been embraced because they will allow better service delivery for citizens, increased business opportunities for citizens and state employees, higher quality services at reduced cost and the chance to leverage commercial best practices. Attend this session and hear updates from existing projects as well as the future of competitive sourcing and PBSC at the statewide level. Also, learn how to leverage cost information to budget planning for a more comprehensive approach to strategic planning and performance-based contract management.
***Cindy Reed**, Texas Building and Procurement Commission*

9:15 **Best Practices in Competitive Outsourcing**
The cost savings and organizational efficiencies associated with competitive sourcing are far reaching. Listen to an expert from the Performance Institute discuss critical success factors for developing and implementing an effective competitive sourcing process. You will emerge with a methodology for the completion of a streamlined, employee-friendly and performance-based competitive sourcing process that will result in significant cost savings and efficiencies.
***Carl DeMaio**, President and Founder, The Performance Institute*

10:30 **Break**

10:45 **Making the Transition to Performance-Based Contracting**
The State of Texas has made a concerted effort to switch from cost-reimbursement contracts to fixed-price contracts that incorporate performance measures. The next logical step is the transition to a performance-based contracting model, which will actually define what the goals of the contract are, as well as provide for improved accountability and communication among all players in the contracting process. Listen to a representative from The Performance Institute discuss the important next steps for introducing this concept on a statewide level.
***Carl DeMaio**, President and Founder, The Performance Institute*

12:00 **Networking Luncheon**

1:15 **Application Session: Implementing a Framework for Developing and Managing Performance-Based Contracts**
- Develop outcome, intermediate and output performance measures
- Differentiate between a Statement of Work (SOW) and Statement of Objectives (SOO)
- Incorporate the "Seven Steps" Framework for Performance-Based Contracting:
  - Establish an integrated solutions team
  - Describe the problem that needs solving
  - Examine private-sector and public-sector solutions
  - Develop a performance work statement (PWS) or statement of objectives (SOO)
  - Decide how to measure and manage performance
  - Select the right contractor
  - Manage performance

***Felipe Monroig**, Director, External Affairs, The Performance Institute*
***Benjamin Neumann**, Director, State and Local Affairs, The Performance Institute*

4:00 **Adjourn**

March 25, 2004

Develop a Performance-Based Contract by Bringing This Program In-House



The Performance Institute offers customized one-, two-, and three-day education programs to federal and state agencies that wish to train staff members in their own facility. In-house training provides a curriculum tailored specifically to your office, program, or agency in a cost-efficient way. Using the Logic Model and other cutting-edge tools and strategies, our experts will work with you to produce practical, efficient performance measures and performance-based contracts. If you'd like, your current contracts can be analyzed and built upon during the training. Not only will your staff complete the training with a performance measurement system that can be implemented immediately, but with the tools to adapt and evolve, and ultimately create new, highly useful measures on their own. For more information about the in-house training options available to you, please call Geoff Eisenberg at 703-894-0481 or e-mail him at eisenberg@performanceweb.org.

How Do I Register?

Call the Performance Institute at 703-894-0481 or visit us online at www.performanceweb.org.

Venue

Performance-Based Contracting and Competitive Sourcing in Texas State Government will be hosted at the Omni Austin Hotel Southpark.

Omni Austin Hotel Southpark
4140 Governor's Row • Austin, TX 78744 • 512-448-2222

Tuition

The fee to attend *Performance-Based Contracting and Competitive Sourcing in Texas State Government* is $395.

Group Discounts

Reduced tuition rates for delegates who attend in groups of three or more are available by calling Geoff Eisenberg at 703-894-0481 or e-mailing him at *Eisenberg@PerformanceWeb.org*.

Administrative Note: A 10% cancellation fee on registration will be charged for cancellations received less than three weeks from the date of the conference. As speakers are confirmed six months before the event, some speaker changes or topic changes may occur in the program. The Performance Institute is not responsible for speaker changes, but will work to ensure a comparable speaker is located to participate in the program.

About The Performance Institute

The Performance Institute is a private think tank seeking to improve government performance through the principles of competition, accountability, performance and transparency. The Institute serves as the nation's leading authority and repository on performance-based management practices for government. Its mission is to identify and disseminate the leading management innovations pioneered by "best-in-class" organizations.

www.performanceweb.org/contracting

Performance-Based Contracting and Competitive Sourcing

REGISTRATION FORM

To Register:

1. Call 703-894-0481
2. visit www.performanceweb.org
3. or fax this form to 703-894-0482

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