Pursuant to the third enactment clause of Chapter 601 of the *2019 Virginia Acts of Assembly* (HB 1668), the Department of General Services ("Department" or "DGS") is required to submit a report to the House Committee on Appropriations and the Senate Committee on Finance by November 1, 2019. The purpose of the report is to recommend any improvements to the Department's central electronic procurement system, ("eVA"), that are necessary to allow it to effectively collect quantifiable and objective information related to the performance of high-risk contracts. The material presented below is submitted in satisfaction of the aforementioned reporting requirement.

Introduction
This document contains the recommendations and estimated costs for improvements and enhancements to the eVA eProcurement Programs Sourcing and Contracting module.

Background and Objectives
House Bill 1668 was enacted during the 2019 General Assembly Session. The new statute requires eVA to serve as the centralized resource for all state public bodies to report on information related to the performance of high-risk contracts. All state public bodies are required to use eVA to submit quantifiable and objective information related to the performance of high-risk contracts. This information includes scheduled contract performance dates and actual contract completion dates, contract award value and actual contract expenditures, and information on vendor performance, including any cure letters, formal complaints, and end-of-contract evaluations.

Approach
State public body end users will utilize the eVA Sourcing and Contracting module to enter and record high-risk contract information. Once entered in eVA, high-risk contract data is automatically stored in a manner, via the eVA data warehouse, that will allow for detailed reporting and analysis.

Solicitation
The electronic sourcing component of the module encompasses the formal procurement process for goods and services of requisition initiation, solicitation development, bidder lists, sealed/unsealed bidding, reverse auctions, bid/RFP evaluation, and award. End users may specify terms and conditions, contract specifications, and any other information pertinent to the procurement. Estimated contract value is captured and calculated during solicitation creation.

Solicitation Response
Vendors respond by securely keying their response into an online eVA response form and may include any number or type of attachments. Functionality within the tool "seals" the response via electronic lock-box for opening at a specified date and time setup during solicitation creation.

Contract Award
End users review and evaluate responses online, capturing any negotiation details and make the appropriate award in the system. The awarded contract value is captured and calculated during this process.

For term contracts, the contract number is loaded into the eVA eMall to allow end users to place purchase orders against the contract. Actual contract value is calculated over time as purchase orders are placed against the contract during the contract term.

Contract Administration
The Contract Management module provides access to all information required to manage a given contract helping users by maintaining complete, electronic versions, of contracts. Other features include notification capabilities for renewals, ability to track and view contract spend, and storage of all contract documentation (e.g. cure letters, formal complaints).

Subcontractor Payment Collection
The eVA Vendor Portal provides prime vendors the ability to enter and report payments to subcontractors.

Vendor Performance Evaluation
The Sourcing and Contracting module provides end users the ability to record vendor performance metrics and end-of-contract evaluations at renewal and termination of the contract.

Date Warehouse
The eVA data warehouse captures all solicitation, vendor bid/proposal response, buyer evaluation, award and vendor data (including SWaM profile) for reporting and analysis. This access across all aspects of the procurement process allows for reporting/analysis beyond any traditional spend management initiative. This enterprise view on all contract data provides a deep-dive capability for broad economic analysis, SWaM analysis, compliance monitoring, workload analysis, commodity analysis, contract spend analysis, trends, and more. This tool also accepts data from external systems, including agency finance systems (Department of Accounts, Department of Small Business and Supplier Diversity, etc.), providing the potential for data analysis across the entire procure-to-pay process.

Recommendations
The eVA Sourcing and Contracting module, as detailed in the approach section above, is architected in a manner to collect quantifiable and objective information related to the performance of high-risk contracts. To best administer high-risk contracts, and meet the intent of the law, the following recommendations for improvements to the eVA Sourcing and Contracting modules are detailed below.

Solicitation
Provide the ability to designate and record a procurement as high-risk on the solicitation.

Solicitation Response
Provide the ability for vendors to submit a subcontractor/SWaM plan as part of the solicitation response process.

Contract Award
Provide the ability to record contract performance dates and milestones as part of the contract award process. Also, provide the ability to manage or designate a contract as high risk. Additionally, provide the ability to record the subcontractor/SWaM plan as part of the negotiation and award process.

Contract Administration
Provide the ability to record contract expenditures manually through entry directly into the eVA Contract Management module or via automated data interface with external financial systems. Additionally provide the ability to manage contract performance dates and milestones and the ability to record contract and milestone completion dates.

Subcontractor Payment Collection
No improvements recommended.

Vendor Performance Evaluation
No improvements recommended.

Date Warehouse
Capture and record updates as detailed in this recommendation section for analysis and reporting.

Budget Estimate
The budget estimate, for the full implementation into eVA of the above recommendations, is $250,000.