

# **State of Maine MSP Program IT Staff Augmentation**

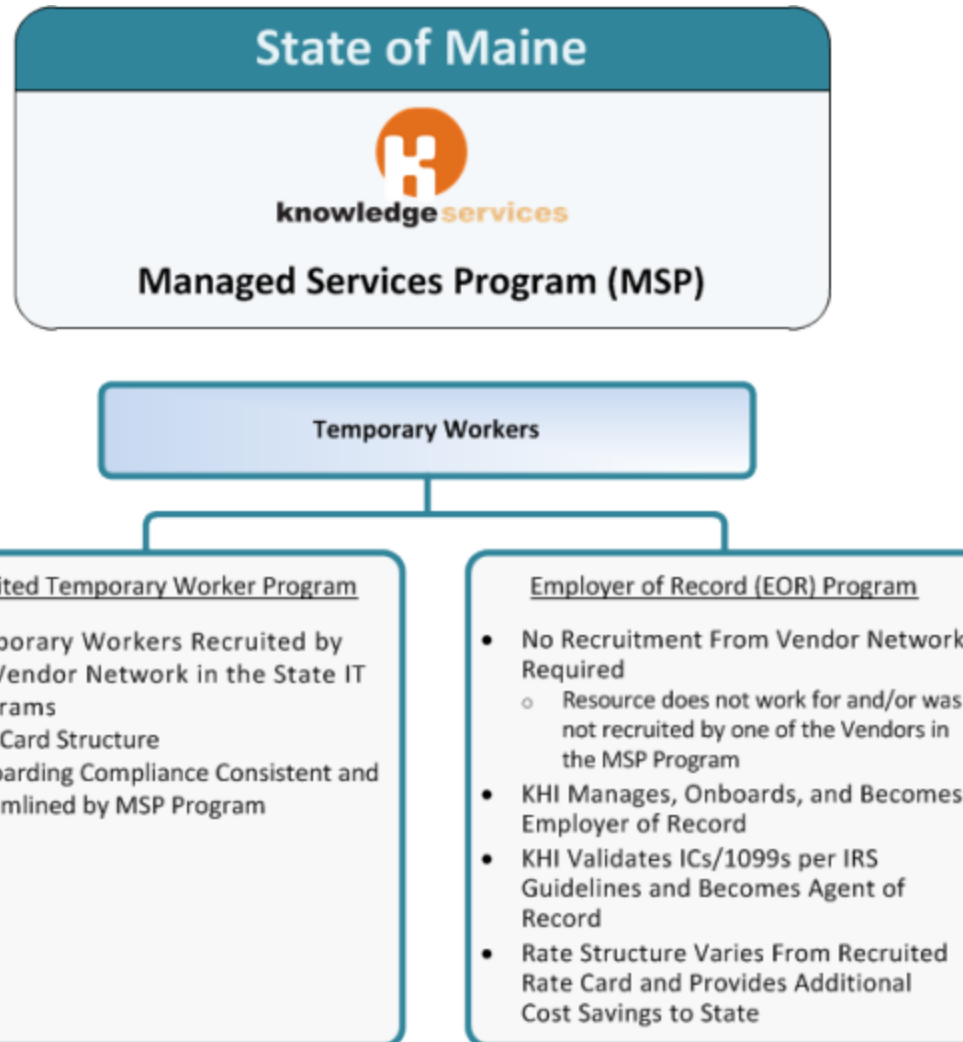
**Maine FY2014 Q3  
Period of January 1, 2014 to March 31, 2014**

Presentation Date

June 6, 2014

# Agenda

- ④ Introductions
- ④ Program Overview, Benefits & Accomplishments
- ④ Strategic Objectives, Enhancements
- ④ Program Initiatives & Activities
- ④ Business Intelligence & Analytics
- ④ Service Level Agreement Overview



# Program to Date Accomplishments

- Successful Implementation Across All Agencies
  - Transitioned without disruption
- MSP Fee Reduced from 7% to 1.87%
  - Decreased Incumbent Bill Rates While Keeping Vendors Whole
  - Allowed vendors to retain quality resources by providing increases
- Developed Requisition Timeline Tracking Report
- Improvement in Throughput Time from Inception
- Program Invoicing Improvements
  - Agency Specific Invoice Configuration
  - Funding Sources including State & Federal by Resource
- Implemented EOR (Employer of Record) Program
  - For Maximized State Savings
- Successful Fiscal Year End PO Transition

# Program to Date Accomplishments

- Mobile App for Time Approval Launched
- Portal Development
  - Intranet-based Manager Portal
  - Internet-based Vendor Portal
- Compiled ME Contractor Residence Data
- Completed High Level Rate Survey
- Assist in Streamlining DO Process
- Developed Requisition Timeline Tracking Report
- Provided Vendors Spend by Title, Manager, Agency Report
- Working to Improve Vendor Performance

# State/Agency Benefits

- Hard Dollar Savings due to Competitive Bidding
  - \$650,515 from Program Inception
- Soft Dollar Savings due to Reduction in Administrative Duties, Compliance and Risk Mitigation
- Risk Mitigation including Co-Employment, Liability, Background Checks, Insurance, IC/1099 Validation, Double Billing, etc.
- Greater Compliance & Pre-Employment Screening Process
- Employment Statutory Costs and Risk Mitigated
- Business Intelligence, Analysis & Industry Best Practice Recommendations
- Dedicated Local Program Manager to Support all Agencies; at No Cost to the State
  - Expansion of Local Team

# State/Agency Benefits, cont'd.

- Program Invoicing Improvements
  - Consolidated Invoicing & Single Accounts Payable Vehicle
  - Agency Specific Invoice Configuration
  - Funding Sources including State & Federal by Resource
- Single Point of Contact for Issue Management and Resolution
- Strategically Enhance the Vendor Pool Combined with Efforts to Reduce Non-Performing Vendors
- Improve Participation & Spend with Maine-Based Vendors
- Job Title & Rate Rationalization
- Web-Based Time Entry, Expense and Milestone Approval
- Single Contract Vehicle

# State Manager Benefits

- Workforce Management Consultation
- Single Point of Contact for All Procurement Lifecycle of Temporary Resources
- Single Point of Contact for Issue Management and Resolution
- Soft Dollar Savings due to Reduction in Administrative Duties, Compliance and Risk Mitigation
- Pre-Employment Screening and Vendor Service Level Agreements (SLAs) compliance managed by Knowledge Services' Program Team
- Business Intelligence, Analysis & Industry Best Practice Recommendations
- Continued Vendor Relationship
- Web-Based Time Entry and Expense Approval
- Streamlined Processes and Efficiencies Resulting in Higher Quality and More Timely Resource/Project Fulfillment
- Low Cost Option for Pre-Identified Resources (EOR)



# State Supplier Benefits

- MSP Fee Reduced from 7% to 1.87%
  - Decreased Incumbent Bill Rates While Keeping Vendors Whole
  - Allowed vendors to retain quality resources by providing increases
- Clearer Requirements and Expectations Identified and Articulated
- Competition; Greater Quantity of Opportunities
- Maintain Relationships with State Managers
- Real Time Procurement
- Cash Flow - AP/AR Status
- Business Intelligence, Analysis & Industry Best Practice Recommendations
- Single Point of Contact for Issue Management and Resolution
- Web-Based Time Entry, Expense and Milestone Approval
- Vendor Roundtables, Weekly Requisition Update Calls and Facilitation of State Manager Meetings
- Opportunity to Expand Business through other Knowledge Services Programs

# Ongoing MSP Program Initiatives & Activities

- ⑧ Statement of Work / Project Bidding through the MSP Program
- ⑧ Additional Savings Opportunities through Employer of Record Program
- ⑧ Develop and Promote Local Vendors and Candidates
- ⑧ Vendor Education and Open Position Status Calls
- ⑧ SOME Program Operations Manual
- ⑧ Develop Reporting Needs per Agency
- ⑧ Weekly In-Person Meeting with High Volume Agencies & Managers

# Strategic Objectives & Initiatives

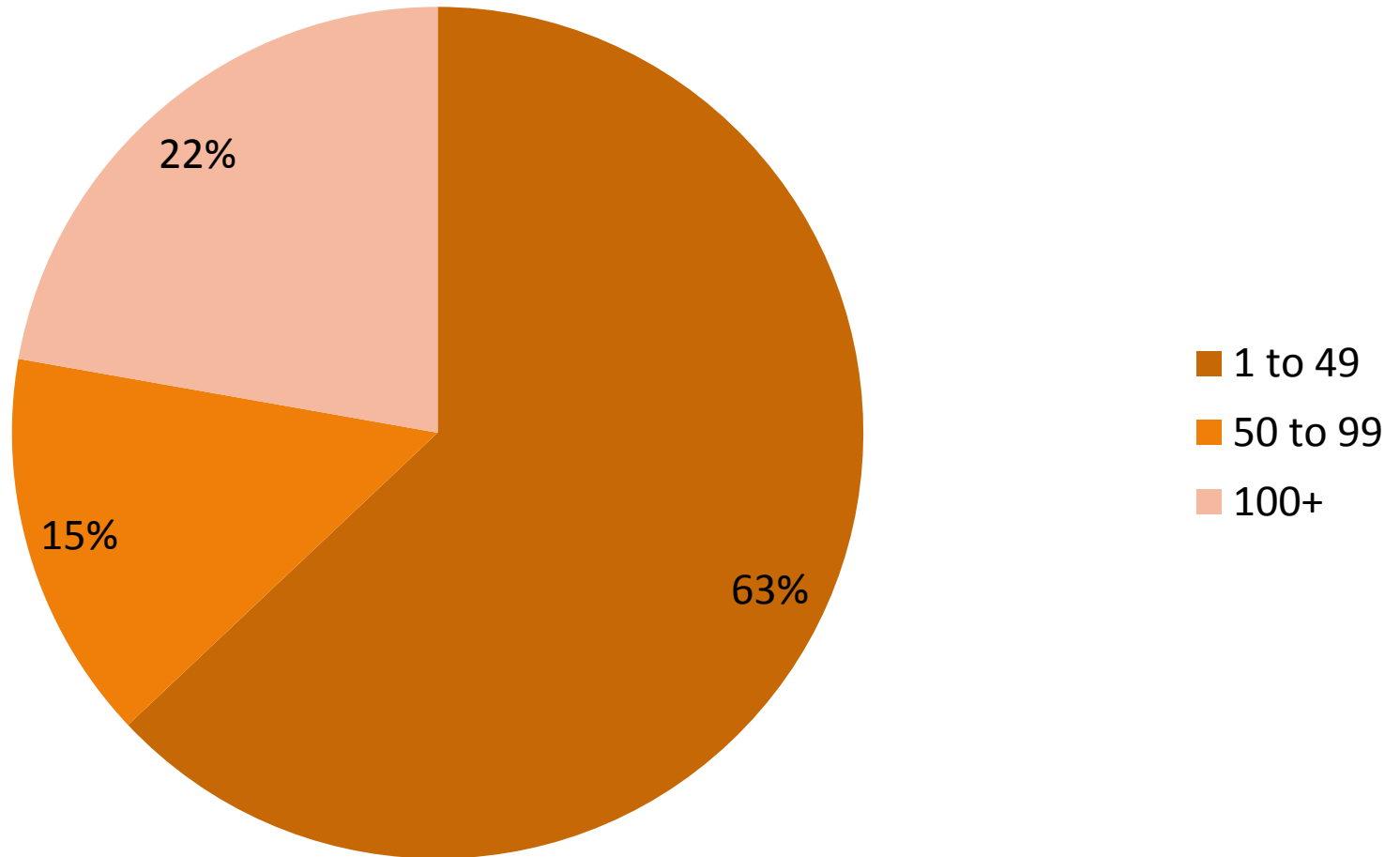


Strategic Objectives & Initiatives	2013	2014	Benefit
Vendor Optimization	N/A	September 2014	Better vendor buy in, greater distribution of spend, better quality candidates
Statement of Work Request for Services	N/A	In Process	Offer additional purchasing vehicle for State agencies
Market Rate Survey & Analysis	N/A	Phase 1 Completed Phase 2 September 2014	
Strategic Supplier Forums	N/A	Planning	Vendor buy in, higher quality resources, State forecasted staffing needs, ensures vendor awareness
W2/IC 1099 Validation	Initiated	On-going	Compliance & Risk Mitigation
Employee Services Agreements	Initiated	September	Compliance & Co-Employment Risk Mitigation
IC/1099 Analysis and Review & Supplier Business Compliance	N/A	TBD	IC Misclassification Risk Mitigation & Penalty Prevention
Agency Roadshows	N/A	On-going	Program Awareness & Expansion
PPACA Vendor Survey	N/A	Complete	Potential impact to State
Manager Roundtable	N/A	July/August	Re-education and overview of program

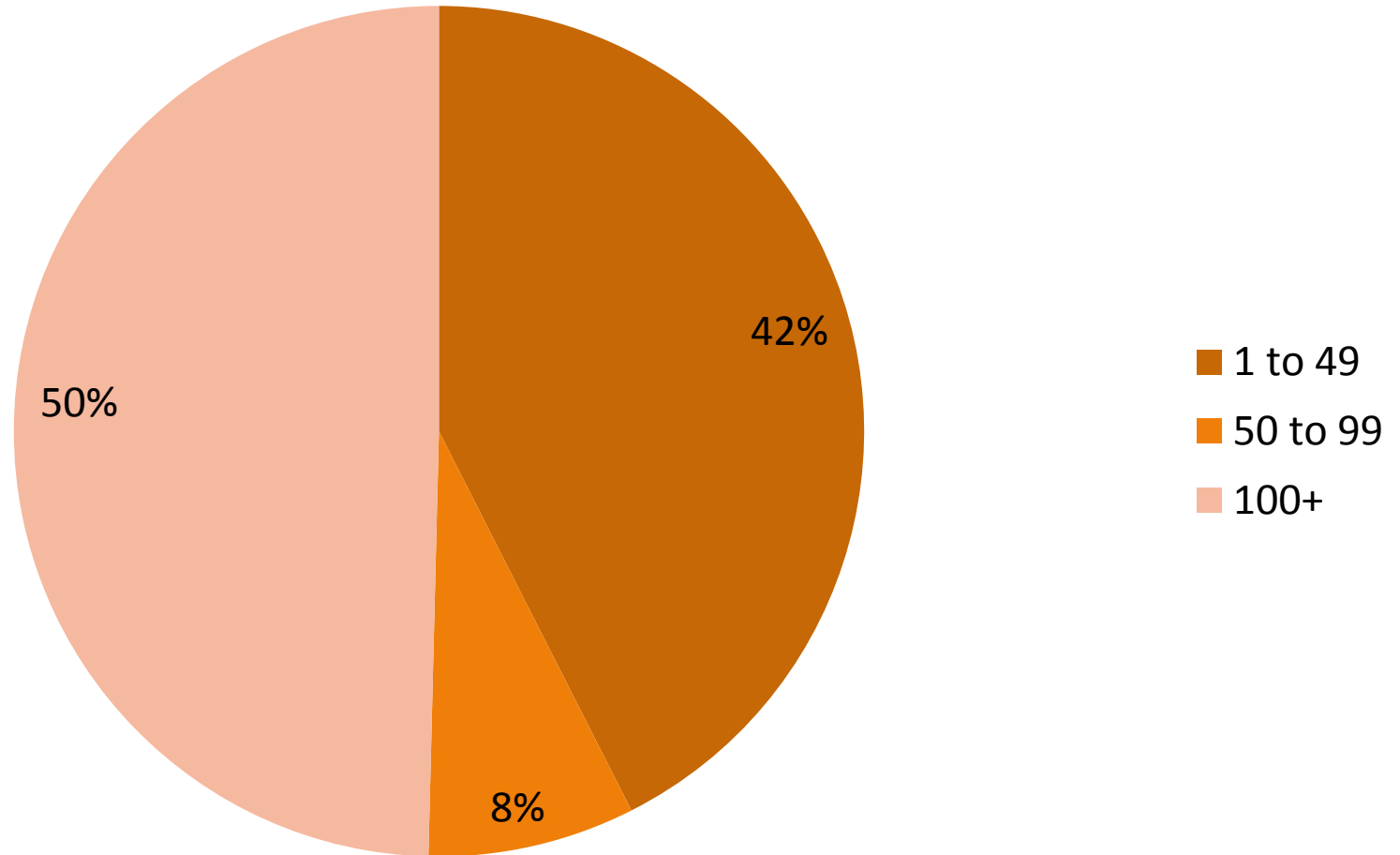
# PPACA Vendor Survey Overview

- Vendors' Employee Headcount broken out by:
  - IC/1099
  - Temporary/Contingent
  - Full Time
- Does the Vendor's current benefits meet PPACA guidelines?
- What are the Vendor's plan for the Employer Mandate?
  - If unknown, when is a decision scheduled to be made?

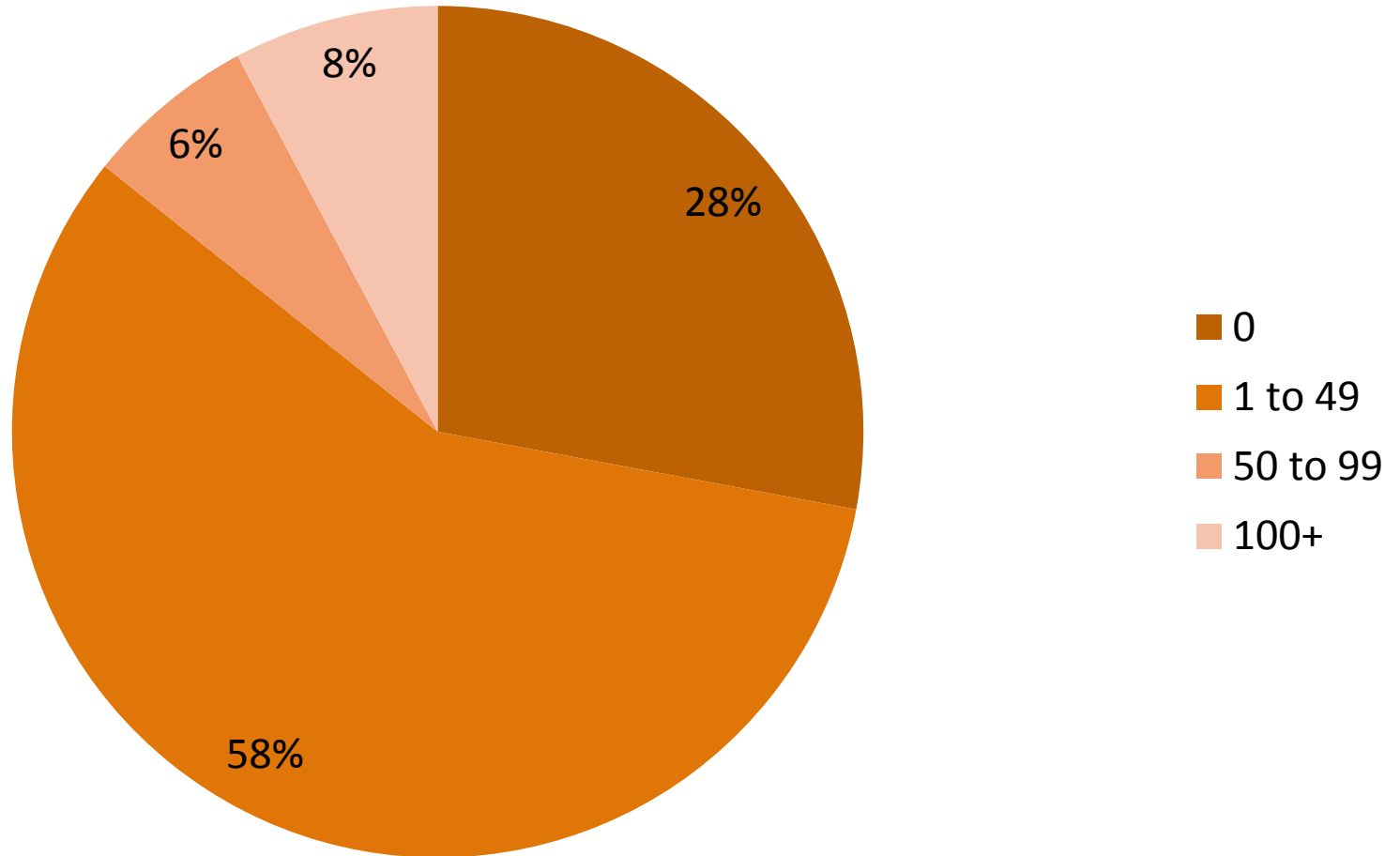
# Corporate Employee Breakout



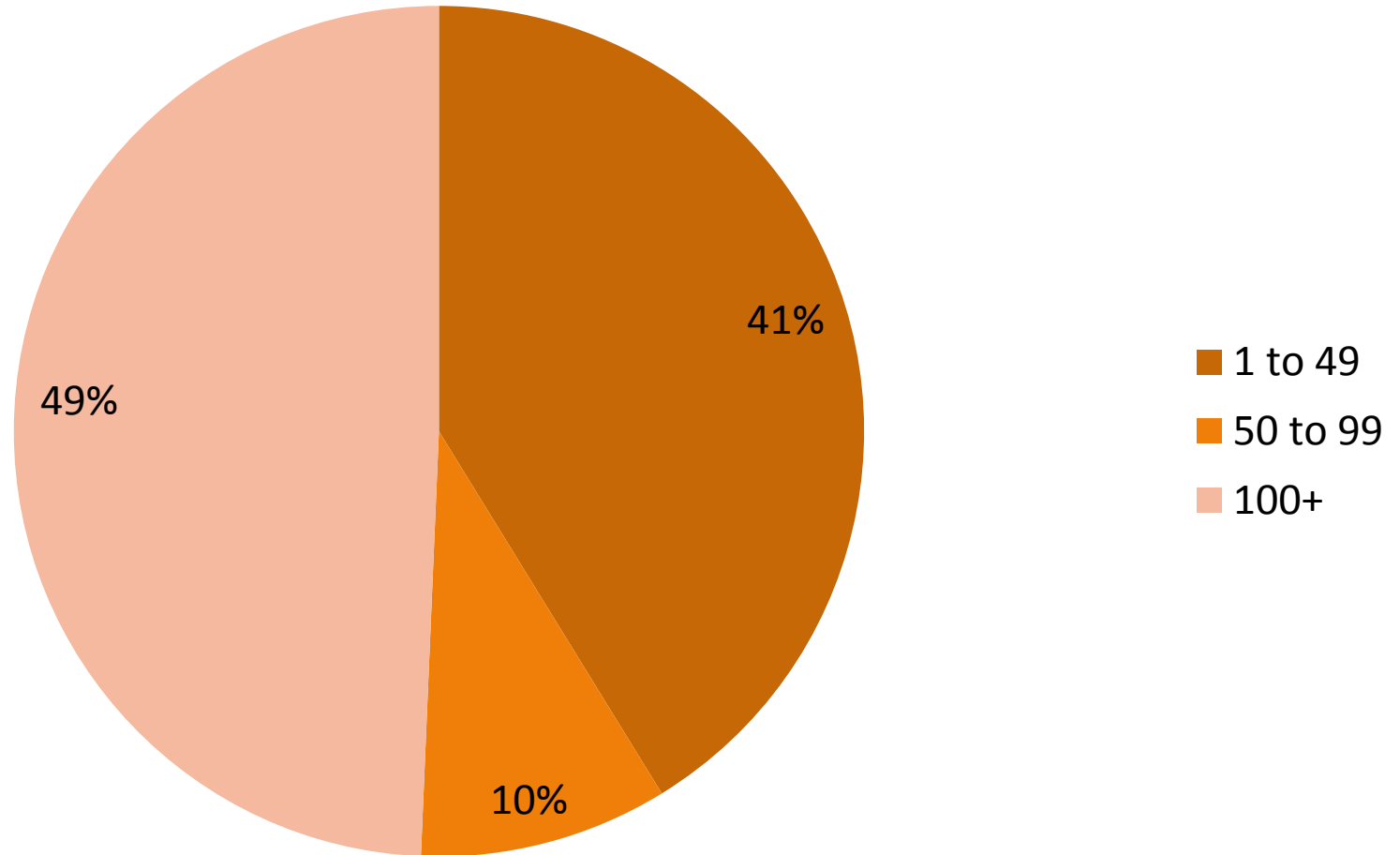
# Temporary/Contingent Employee Breakout



# Independent Contractor Breakout

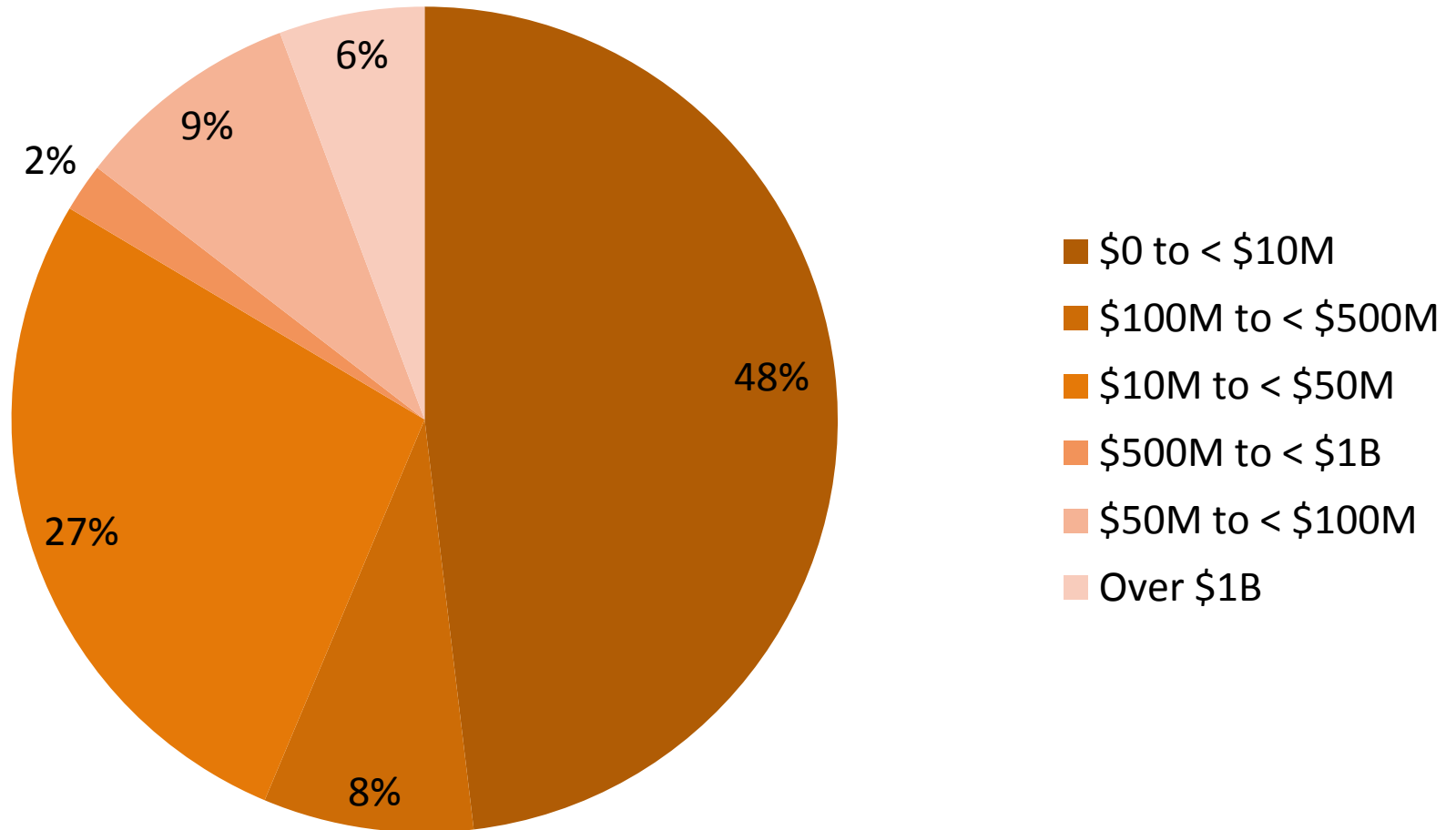


# Full-Time Equivalent Employee Breakout



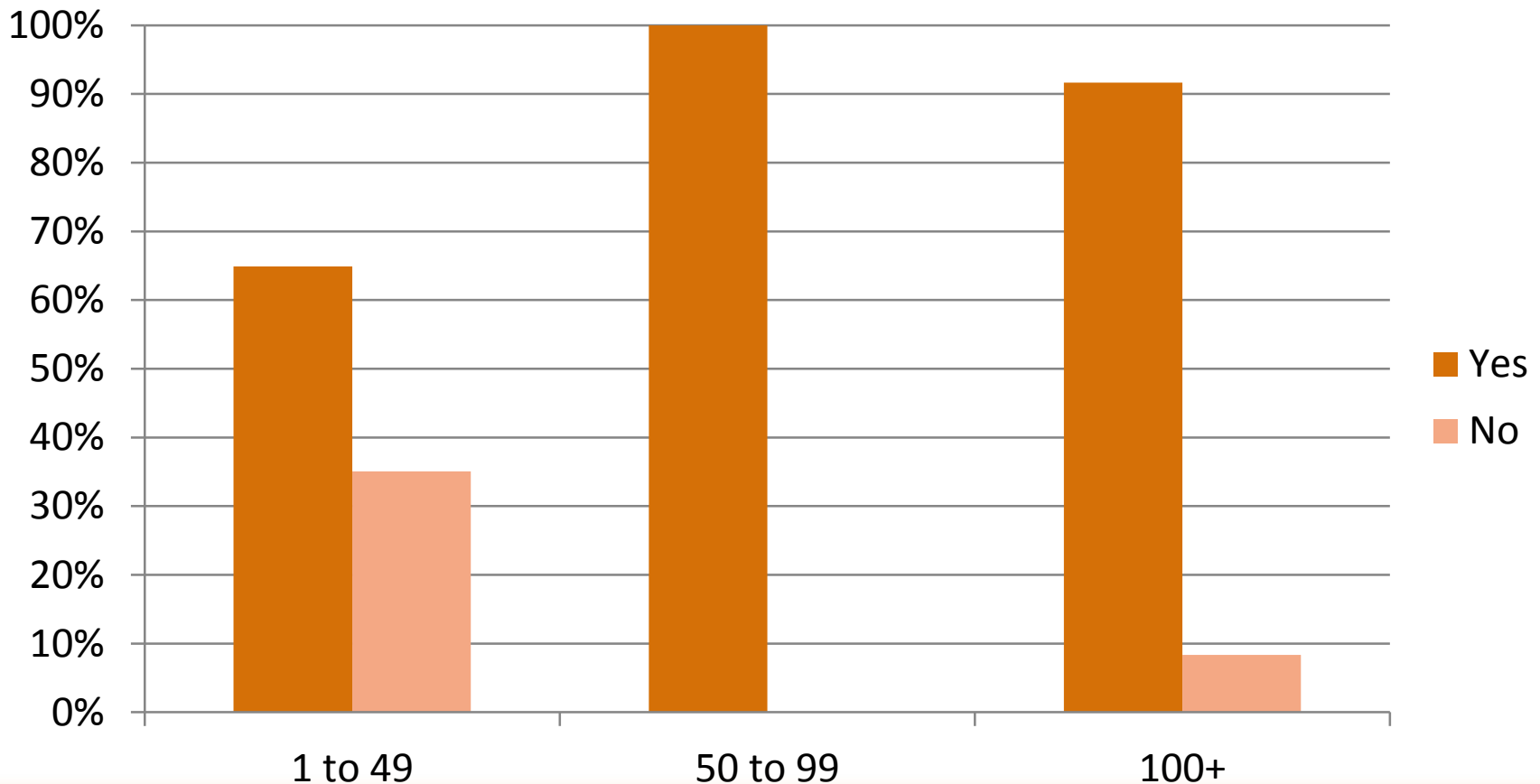


# Organizational Revenue



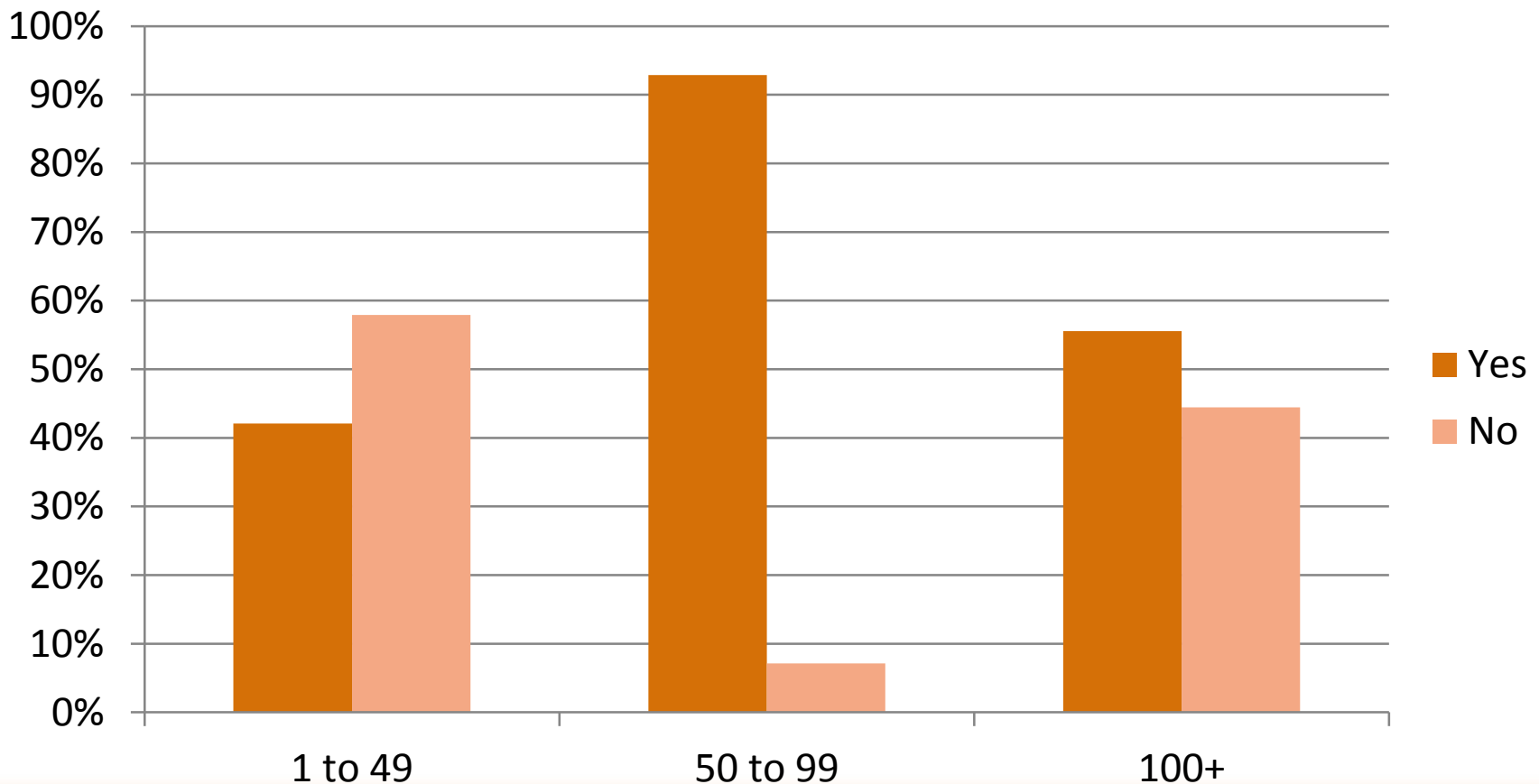
# Current Health Plan – Corporate Resources

**Does your organization currently provide employer-funded health insurance coverage that you believe meets the minimum essential coverage, affordability and minimum value requirements under PPACA to its corporate employees?**



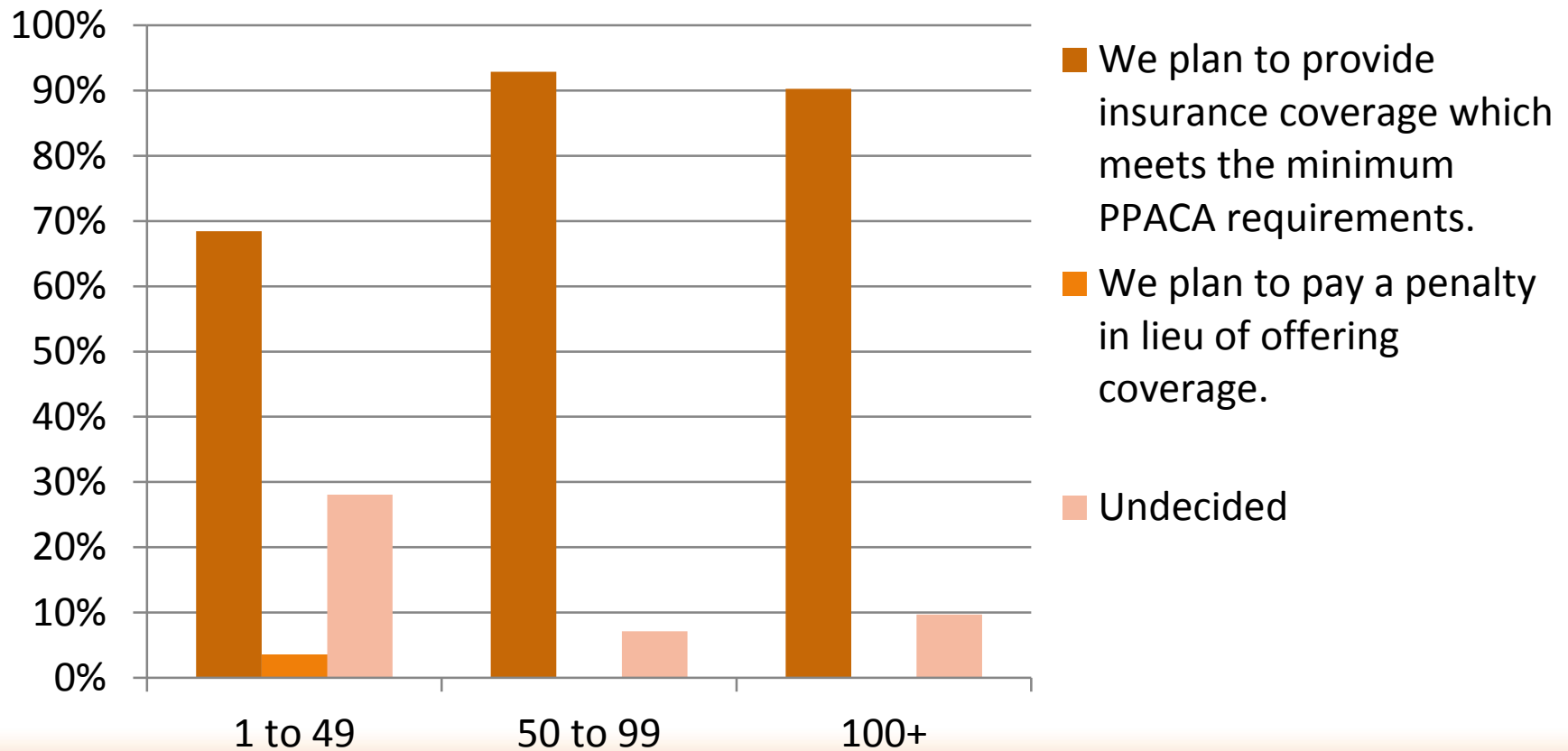
# Current Health Plan – Temporary Resources

**Does your organization currently provide employer-funded health insurance coverage that you believe meets the minimum essential coverage, affordability and minimum value requirements under PPACA to its temporary/contingent employees?**



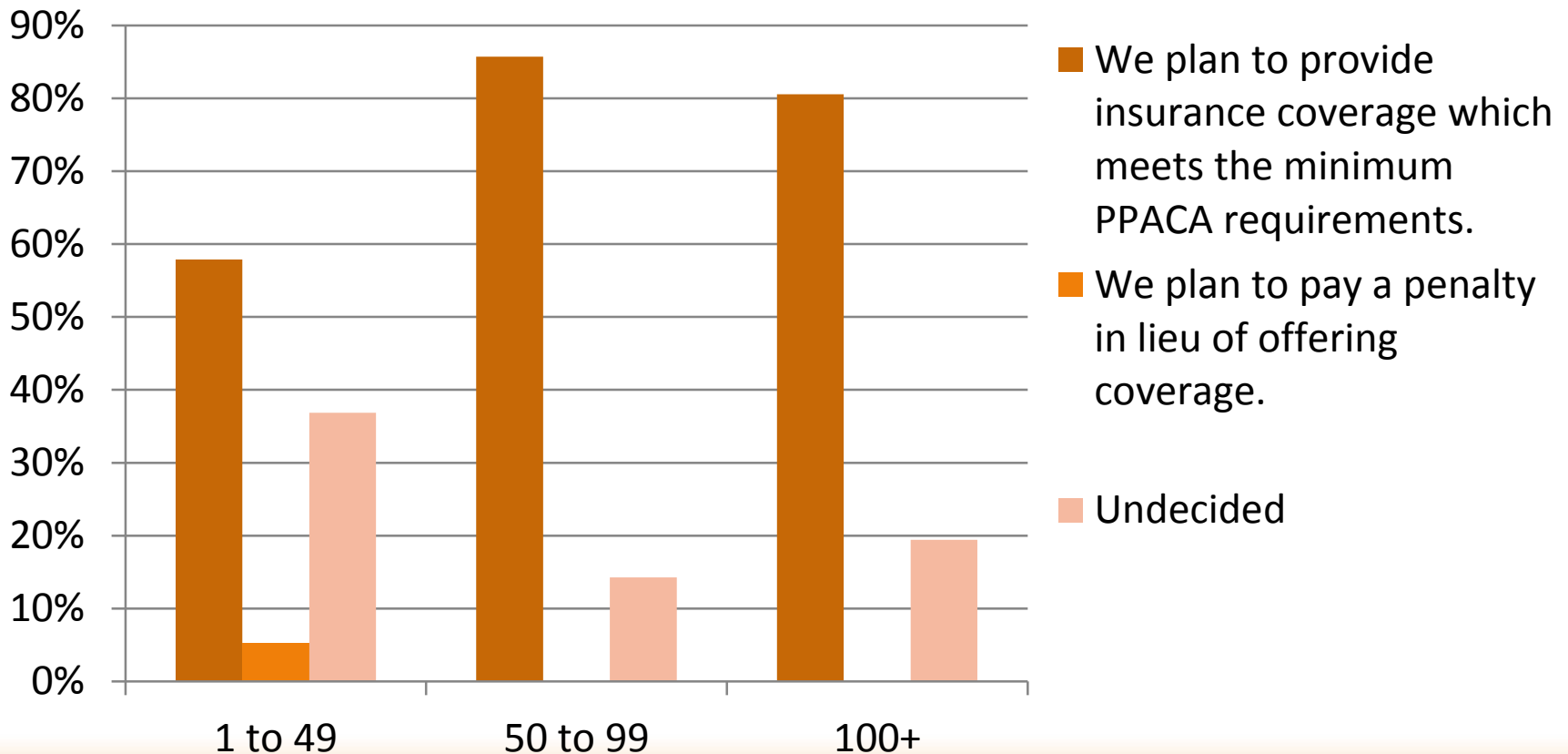
# Future Health Plans – Corporate Resources

**Beginning January 1, 2015, does your organization plan to either provide employer-funded health insurance coverage which meets the minimum essential coverage, affordability and minimum value requirements under PPACA to its corporate employees or pay a penalty in lieu of offering coverage?**



# Future Health Plans – Temporary Resources

**Beginning January 1, 2015, does your organization plan to either provide employer-funded health insurance coverage which meets the minimum essential coverage, affordability and minimum value requirements under PPACA to its temporary/contingent employees or pay a penalty in lieu of offering coverage?**



- 🏠 November 2013, the Labor Market had More Temporary Workers than any Month since April 2000 – Trend Expected to Continue
- 🏠 Temporary Staffing Utilization up over 8% in 2013
- 🏠 Monthly Job Creation Numbers will Continue to be Above 200k in 2014
- 🏠 200k Expected to Retire per Month
- 🏠 Technical Fields Continue to Show Strong Demand
- 🏠 Includes fields such as IT, Engineering, Acct. / Finance and Sciences
- 🏠 Overall, Businesses Expected to Modestly Increase FTE Hiring in 2014
- 🏠 Utilization of Temporary Workers will Continue to Rise as the Business Strategy behind using a Contingent Workforce Continues to have a Higher Adoption Rate

# Industry Best Practices & Recommendations

- ④ Comprehensive PPACA Analysis
- ④ Comprehensive IC / 1099 Analysis and Validation
- ④ Analysis of non-MSP contingent workforce
  - Visibility
  - Governance and Transparency
  - Risk Reduction
- ④ Analysis of non-MSP vendors
  - Visibility
  - Governance and Transparency
  - Risk Reduction

# Program Overview



<b>Spend</b>	<b>FY2013 Q4</b>	<b>FY2014 Q1</b>	<b>FY2014 Q2</b>	<b>FY2014 Q3</b>	<b>TOTAL</b>
FY 2013	\$2,342,070				\$2,342,070
FY 2014		\$2,964,128	\$2,993,103	\$3,135,591	\$9,092,822

<b>General</b>	<b>FY2013 Q4</b>	<b>FY2014 Q1</b>	<b>FY2014 Q2</b>	<b>FY2014 Q3</b>	<b>TOTAL</b>
Hours Entered	31,403	40,058	40,362	41,800	153,623
HC Entering time	86	108	111	108	

<b>Sourcing</b>	<b>FY2013 Q4</b>	<b>FY2014 Q1</b>	<b>FY2014 Q2</b>	<b>FY2014 Q3</b>	<b>TOTAL</b>
Positions Filled	19	30	7	14	70
Submissions	347	263	121	191	922
Submissions / Position	12	8	9	8	

<b>Suppliers</b>	<b>FY2013 Q4</b>	<b>FY2014 Q1</b>	<b>FY2014 Q2</b>	<b>FY2014 Q3</b>
Total Suppliers	50	51	52	56
Active Suppliers	42	43	46	49
New Suppliers	0	1	1	4
Diverse Suppliers	14	15	16	16



# Summary of Savings by Quarter



Total Savings for IT Program	New Savings	Onboard Savings	Total Savings
FY2014 Q3	\$68,409	\$86,056	\$154,465
FY2014 Q2	\$90,109	\$92,377	\$182,486
FY2014 Q1	\$69,599	\$109,294	\$178,892
FY2013 Q4	\$1,949	\$132,723	\$134,672
<b>Total Savings</b>	<b>\$230,065</b>	<b>\$420,450</b>	<b>\$650,515</b>

## Savings Calculations

- **EOR and Newly Recruited Resources:**  $(\text{Market Rate} - \text{Bill Rate}) * \text{Duration} = \text{Savings}$
- **Onboard Savings Calculations:**  $(\text{CAI Rate} - \text{Bill Rate}) * \text{Duration} = \text{Savings}$

# Summary of Savings from Program Inception



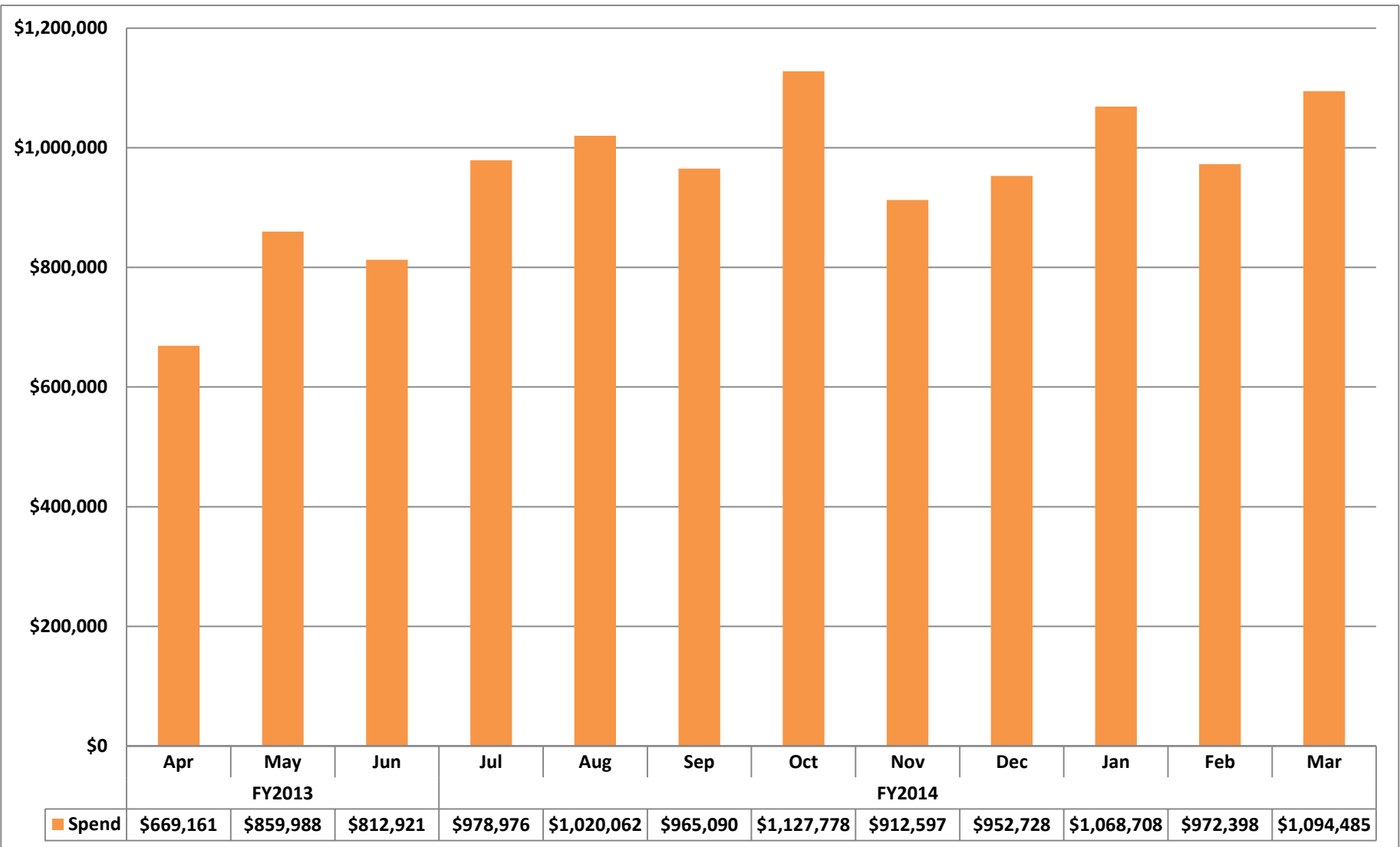
Hard Dollar Savings Realized Total	Description of Savings Mechanism
\$230,065	Competitive Bidding with Best and Final Offer (BAFO) for New Positions, Savings from Standard Rate Card
\$420,450	Onboarded Bill Rate vs. Current Program Bill Rate multiplied by Hours Worked
<b>\$650,515</b>	<b>Total Program Savings</b>

# Agency Approved Rate Exceptions – FY2014 Q3

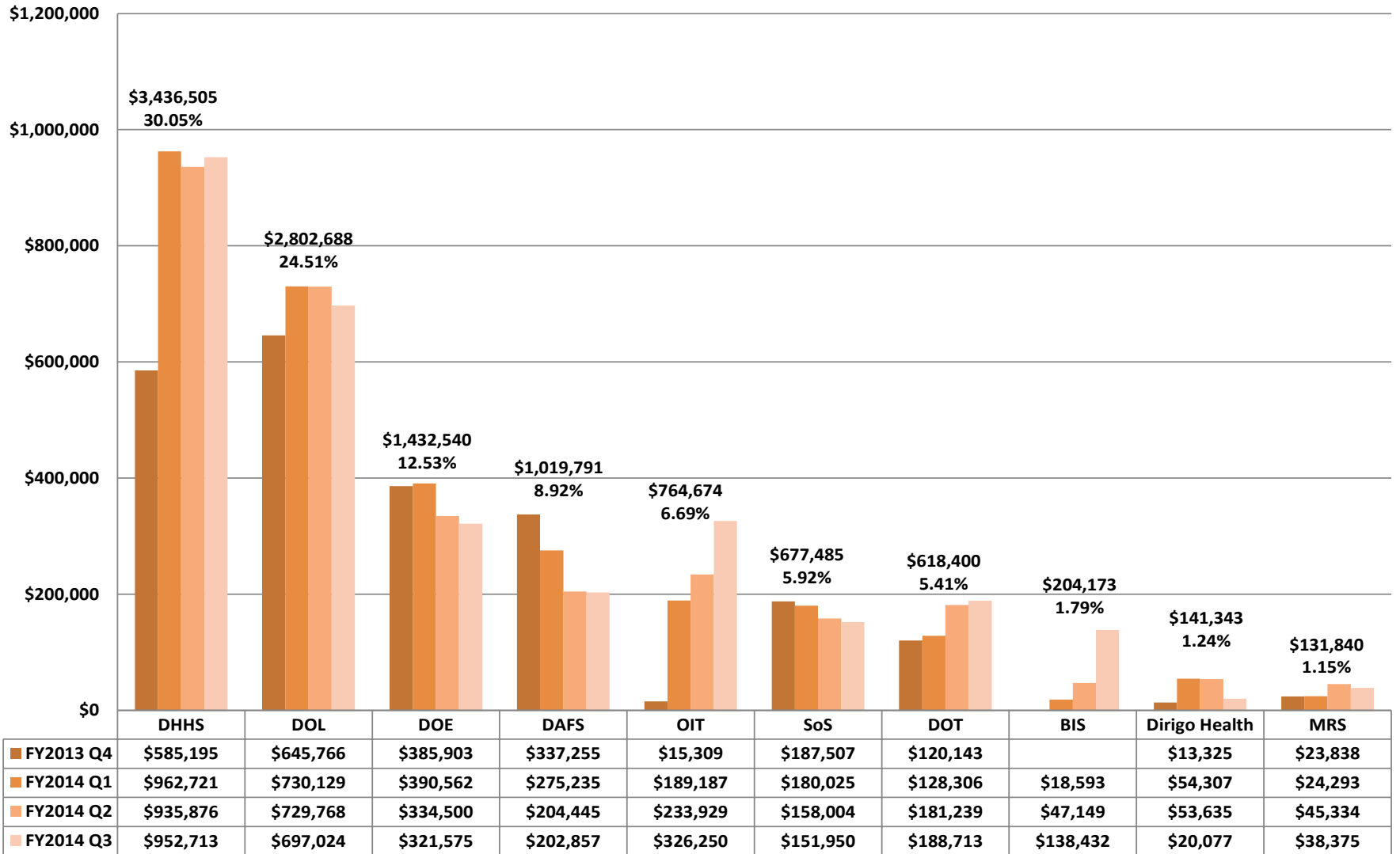


<b>Job Title</b>	<b>Manager</b>	<b>Market Rate</b>	<b>Actual Rate</b>
Architect / Sr.	Averill, Doug	\$115.74	\$130.00
Architect / Sr.	Averill, Doug	\$115.74	\$170.00
Architect / Sr.	Averill, Doug	\$115.74	\$150.00
Architect / Sr.	Averill, Doug	\$115.74	\$175.00
Business Analyst 3	Lazure, Luke	\$58.89	\$86.62
Business Analyst 3	Gordon, Terry	\$58.89	\$75.00
Programmer 4	Robichaud, Shawn	\$75.92	\$82.00
Programmer 5	Robichaud, Shawn	\$89.74	\$91.00
Project Manager 3	Wilkinson, Leigh	\$83.57	\$91.00
Sr. Business SME	Moseson , Marshall	\$107.24	\$136.04
Sr. Project Manager	Giacomazzo, Sal	\$120.49	\$134.47
Tester 4	Moseson , Marshall	\$63.46	\$90.70
Tester 4	Moseson , Marshall	\$63.46	\$104.45
Tester 4	Moseson , Marshall	\$63.46	\$90.70

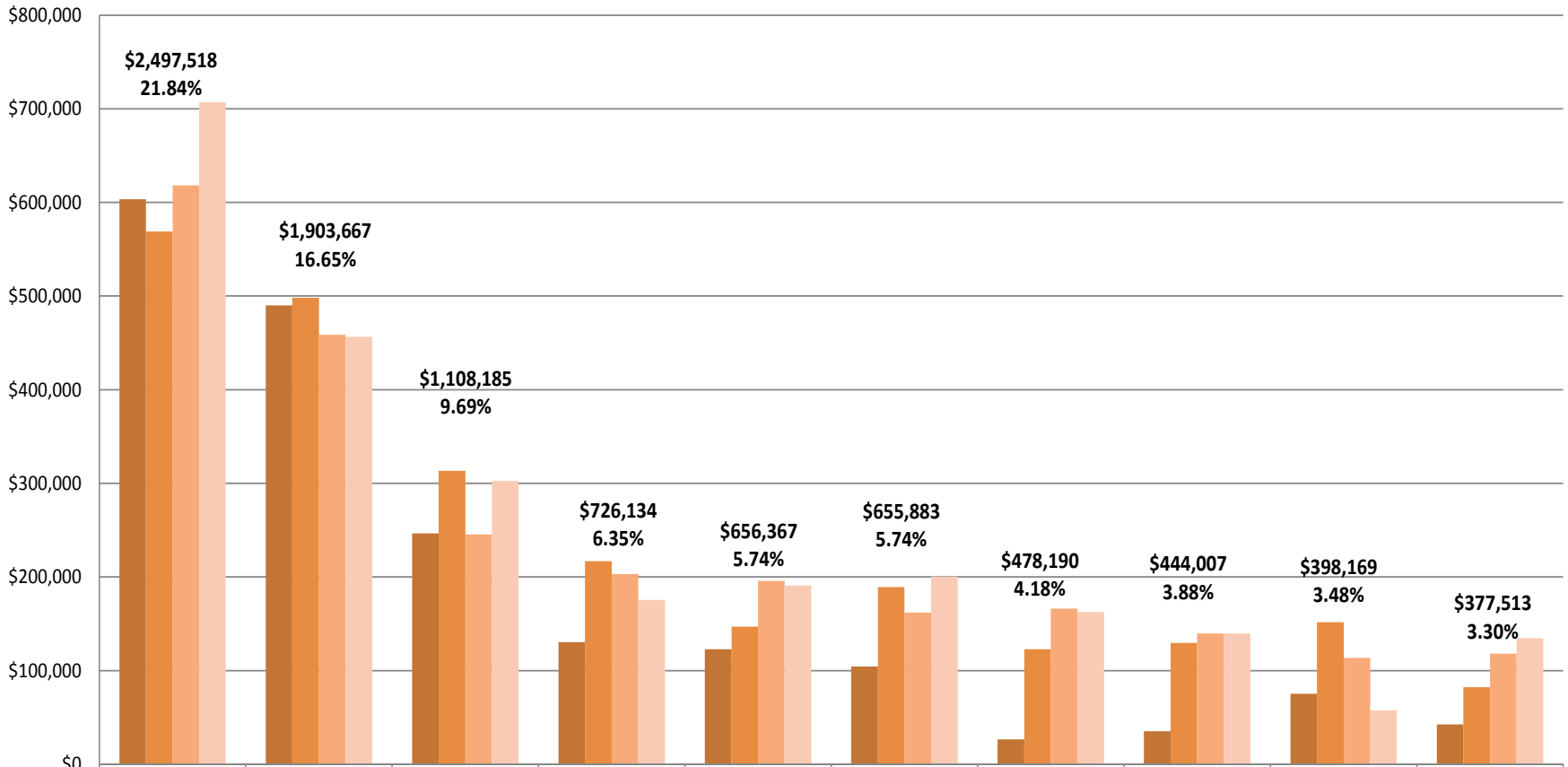
# Monthly Spend



# Spend By Department – Top 10



# Spend by Job Title – Top 10



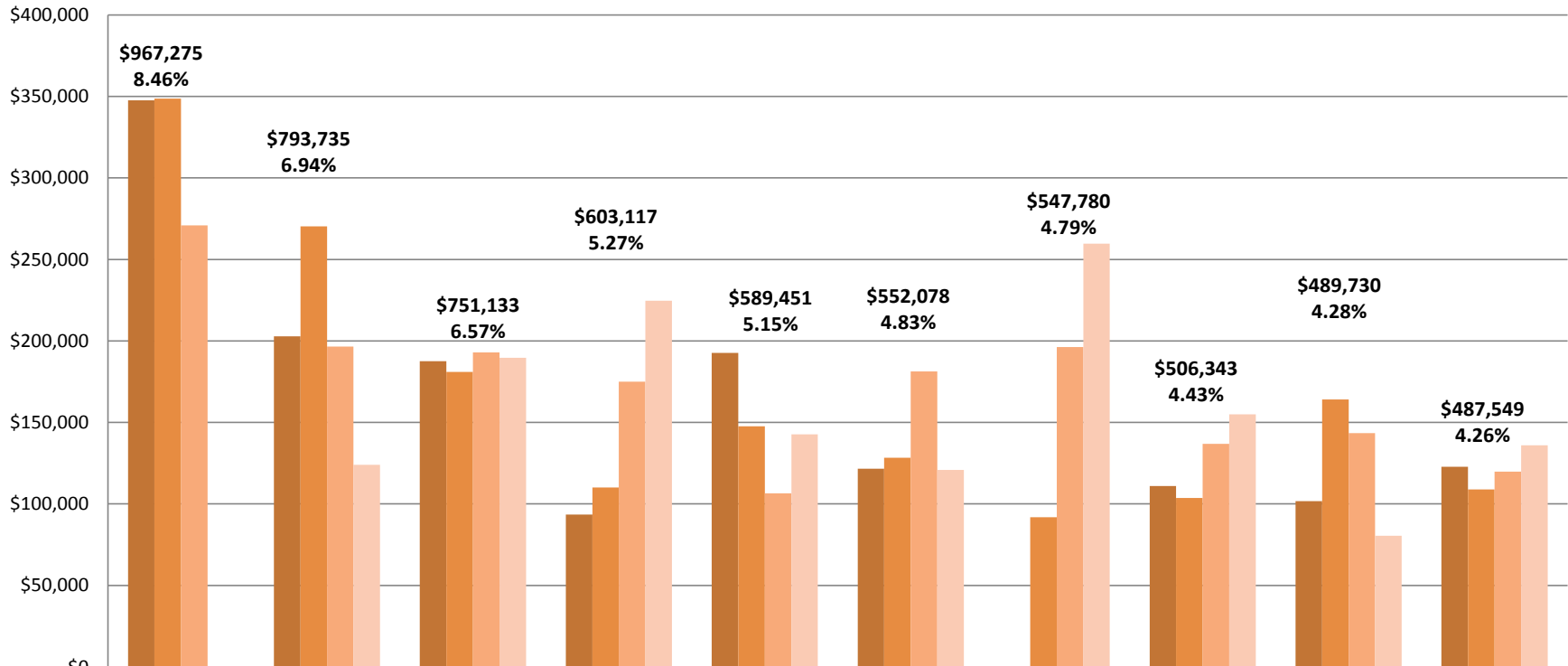
	Programmer 5	Programmer 4	Architect / Sr.	Architect / Jr.	Database Administrator 4	Sr. Project Manager	Tester 4	Sr. Business SME	Business Analyst 3	Project Manager 3
FY2013 Q4	\$603,510	\$489,989	\$246,631	\$130,409	\$122,819	\$104,269	\$26,543	\$35,281	\$75,339	\$42,523
FY2014 Q1	\$568,918	\$498,295	\$313,509	\$216,955	\$146,823	\$189,168	\$122,778	\$129,500	\$151,608	\$82,260
FY2014 Q2	\$618,162	\$458,821	\$245,440	\$203,287	\$195,768	\$162,019	\$166,206	\$139,703	\$113,643	\$118,139
FY2014 Q3	\$706,928	\$456,562	\$302,606	\$175,484	\$190,957	\$200,427	\$162,662	\$139,524	\$57,579	\$134,591

# Spend by Job Title - > 1% of Spend – FY2014 Q3



Position Title	# Resources	% of Spend	Total Spend
Programmer 5	20	22.55%	\$706,928
Programmer 4	14	14.56%	\$456,562
Architect / Sr.	9	9.65%	\$302,606
Sr. Project Manager	4	6.39%	\$200,427
Database Administrator 4	5	6.09%	\$190,957
Architect / Jr.	5	5.60%	\$175,484
Tester 4	4	5.19%	\$162,662
Sr. Business SME	3	4.45%	\$139,524
Project Manager 3	4	4.29%	\$134,591
Programmer 3	3	2.39%	\$75,063
Client Technologies Specialist 1	6	2.35%	\$73,592
Project Manager 2	3	1.91%	\$59,757
Business Analyst 3	2	1.84%	\$57,579
Project Manager 1	4	1.82%	\$56,939
Tester 3	2	1.54%	\$48,388
Functional Architect 4	1	1.19%	\$37,268

# Spend by Manager – Top 10



	Ellis, Charlotte DOE	LeBlanc, Rene DOL	Wakefield, Jayne SoS / BMV	Wilkinson, Leigh DOL/DOE/OIT/ DHHS	Daigle, Dana DHHS	Guerrette, Brian DOT/DEP	Moseson, Marshall DHHS	Coffin, Darcy DOL	Vensel, Ray DHHS	Bizier, Paul DAFS / BIS / OIT / DOT
FY2013 Q4	\$347,625	\$202,875	\$187,507	\$93,432	\$192,678	\$121,632		\$110,924	\$101,760	\$122,819
FY2014 Q1	\$348,693	\$270,303	\$181,037	\$110,036	\$147,601	\$128,306	\$91,769	\$103,670	\$164,055	\$108,937
FY2014 Q2	\$270,958	\$196,573	\$192,966	\$174,955	\$106,469	\$181,239	\$196,266	\$136,828	\$143,459	\$119,836
FY2014 Q3		\$123,984	\$189,622	\$224,694	\$142,703	\$120,901	\$259,745	\$154,922	\$80,457	\$135,957



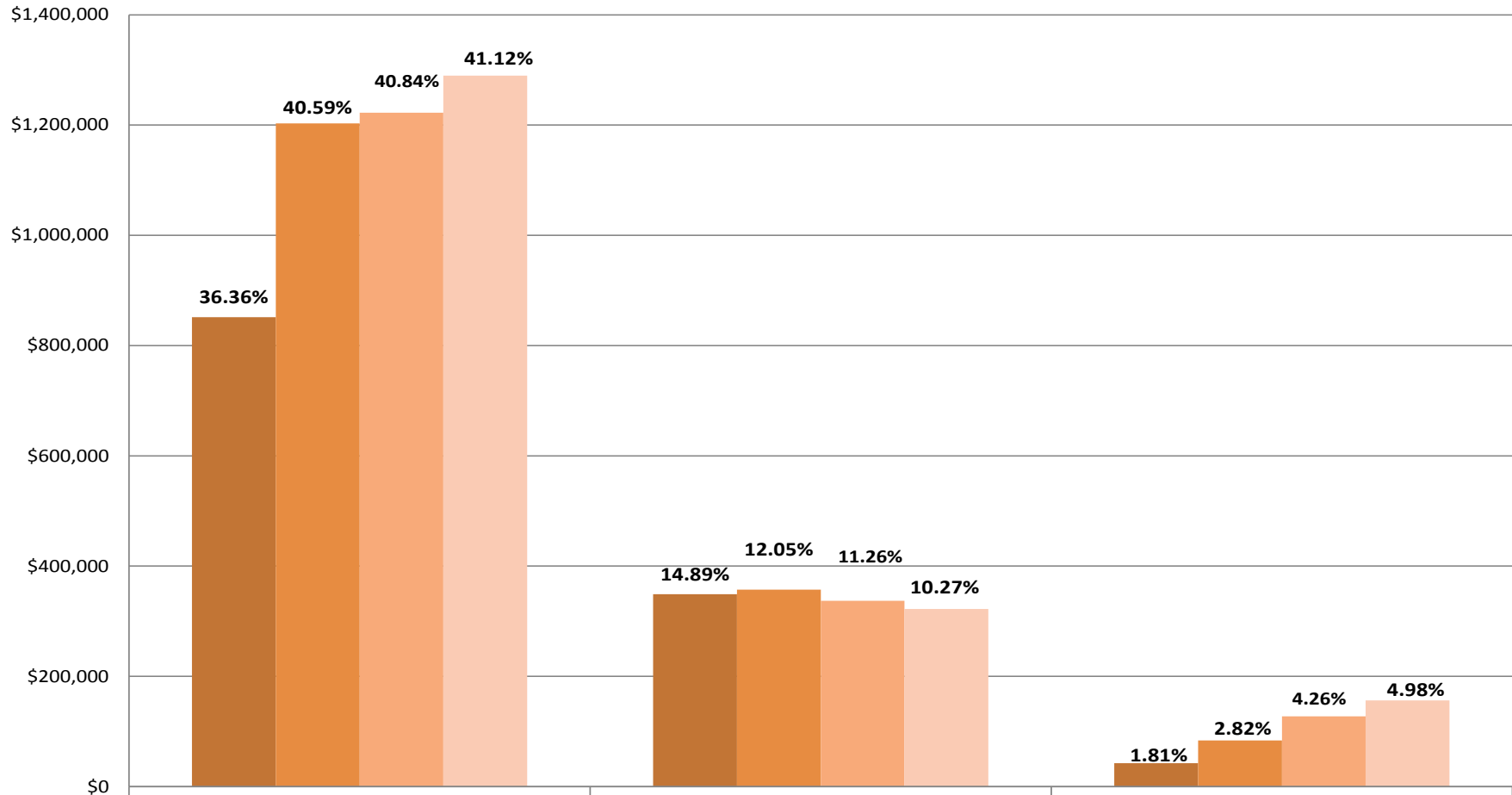
# Spend by Manager - > 1% of Spend – FY2014 Q3



Manager	# Resources	% of Spend	Total Spend
Moseson , Marshall	6	8.28%	\$259,745
Robichaud, Shawn	9	7.41%	\$232,397
Wilkinson, Leigh	5	7.17%	\$224,694
Wakefield, Jayne	5	6.05%	\$189,622
Richmond, April	6	5.57%	\$174,697
Coffin, Darcy	4	4.94%	\$154,922
Daigle, Dana	9	4.55%	\$142,703
Bizier, Paul	4	4.34%	\$135,957
LeBlanc, Rene	5	3.95%	\$123,984
Stevenson, Hazel	4	3.88%	\$121,549
Guerrette, Brian	5	3.86%	\$120,901
Nutakki, Jayadev	4	3.43%	\$107,653
Horne, Sharon	3	2.59%	\$81,252
Vensel, Ray	4	2.57%	\$80,457

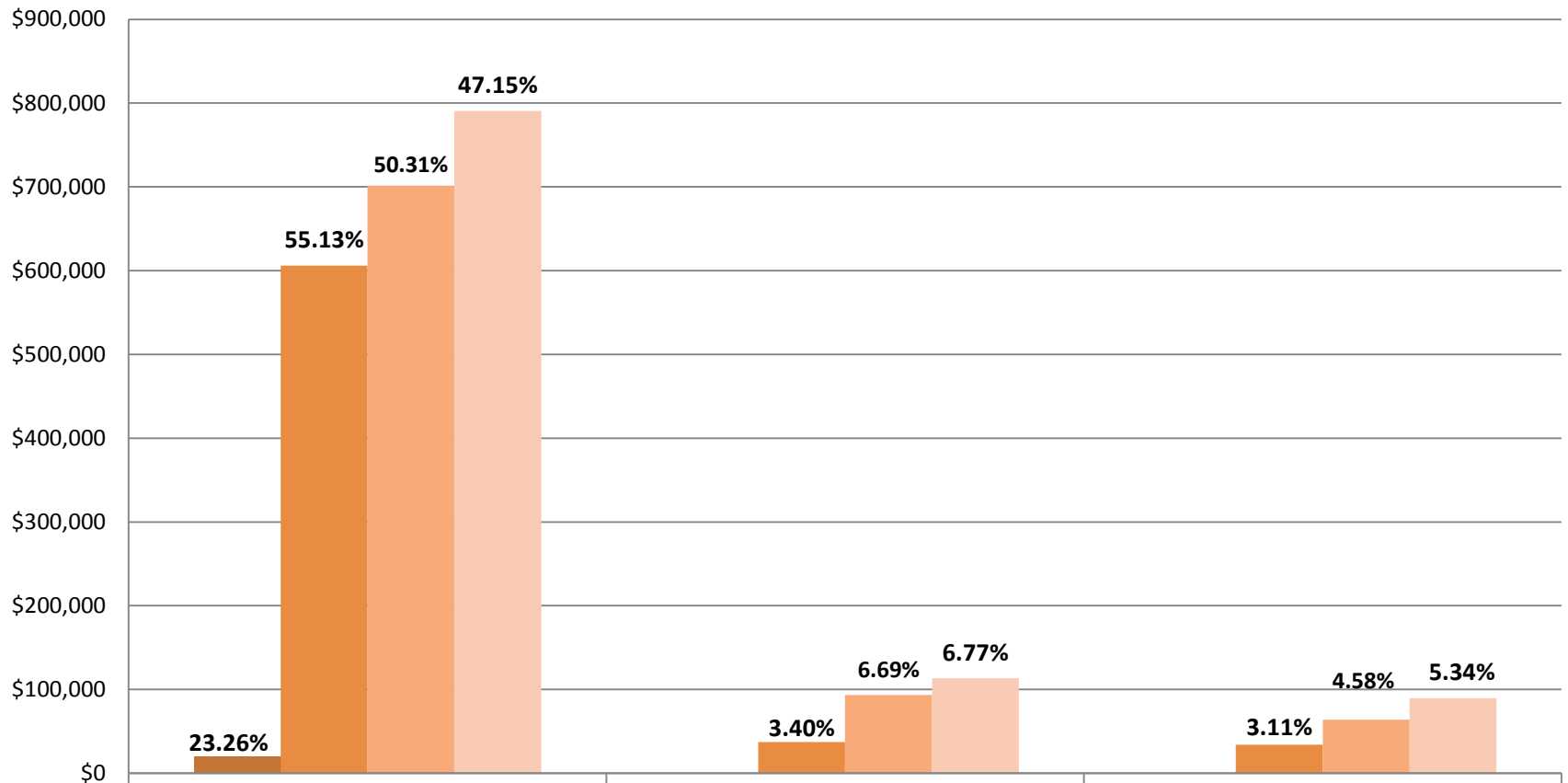
Manager	# Resources	% of Spend	Total Spend
Nadeau, Stefanie	1	2.50%	\$78,347
Lazore, Joy	6	2.35%	\$73,592
Irish, Dale	3	2.19%	\$68,751
Wood, Carl	2	2.16%	\$67,576
Hopkins, Cindy	2	2.13%	\$66,733
Harrison, Cathy	2	1.72%	\$54,050
Curtis, Karen	2	1.61%	\$50,598
Giacomazzo, Sal	1	1.60%	\$50,090
Armington, Scott	1	1.38%	\$43,360
Averill, Doug	2	1.36%	\$42,650
Boudreau, Chris	1	1.35%	\$42,458
Jordan, Jeff	1	1.35%	\$42,407
Lazure, Luke	1	1.24%	\$38,979
Hawkes, John	1	1.15%	\$36,086

# Spend by Vendor Location



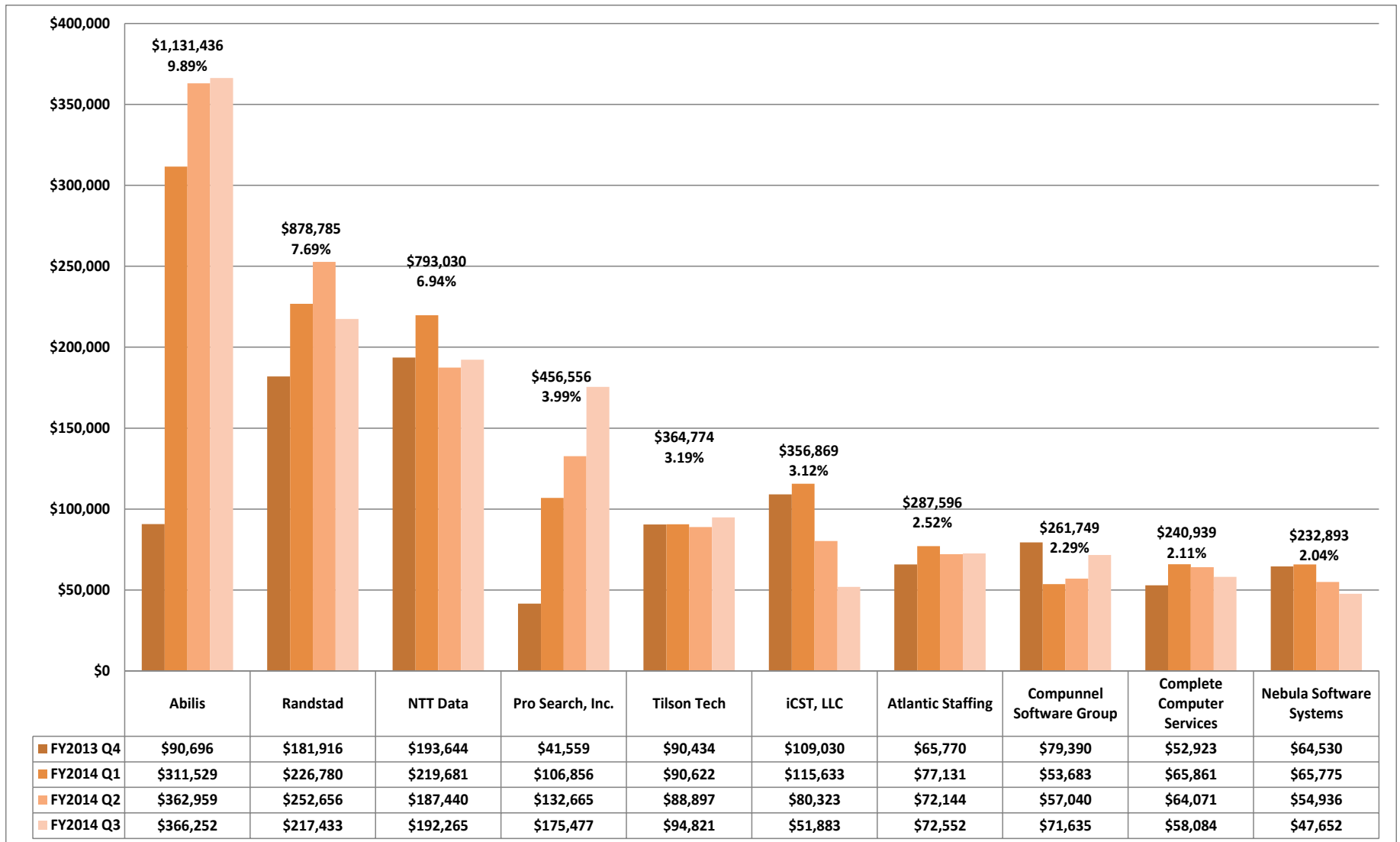
	ME	NE - MA	NE - NH
FY2013 Q4	\$851,544	\$348,770	\$42,299
FY2014 Q1	\$1,203,119	\$357,280	\$83,717
FY2014 Q2	\$1,222,364	\$337,165	\$127,457
FY2014 Q3	\$1,289,510	\$321,968	\$156,111

# New Positions by Vendor Location



	ME	NE - NH	NE - MA
FY2013 Q4	\$19,947		
FY2014 Q1	\$606,029	\$37,406	\$34,225
FY2014 Q2	\$701,460	\$93,331	\$63,843
FY2014 Q3	\$790,745	\$113,565	\$89,621

# Spend by Local/Regional Supplier – Top 10



# Spend by ME/NE Vendor - > 1% of Spend – FY2014 Q3



ME NE Supplier - 56.37% Total Spend	# Resources	% of Spend	Total Spend
Abilis	8	11.68%	\$366,252
Randstad	8	6.93%	\$217,433
NTT Data	6	6.13%	\$192,265
Pro Search, Inc.	5	5.60%	\$175,477
Tilson Tech	2	3.02%	\$94,821
Amplify Systems	2	2.38%	\$74,490
Atlantic Staffing	4	2.31%	\$72,552
Compunnel Software Group	2	2.28%	\$71,635
Complete Computer Services	2	1.85%	\$58,084
iCST, LLC	2	1.65%	\$51,883
Solutions Project Management	1	1.60%	\$50,090
Nebula Software Systems	1	1.52%	\$47,652
MapIT LLC	1	1.40%	\$43,793
Compass Systems & Programming, Inc	1	1.36%	\$42,546
tCognition	1	1.32%	\$41,530
Cape Code Inc	3	1.29%	\$40,522

## 📍 Quasi State Agencies and Cooperatives

- University of Maine Implemented
- Maine Public Employees Retirement System – Discussions underway

## 📍 Workforce Initiatives

- Project/Statement of Work
- Direct Hire
- Employer of Record

# Service Level Agreement Summary

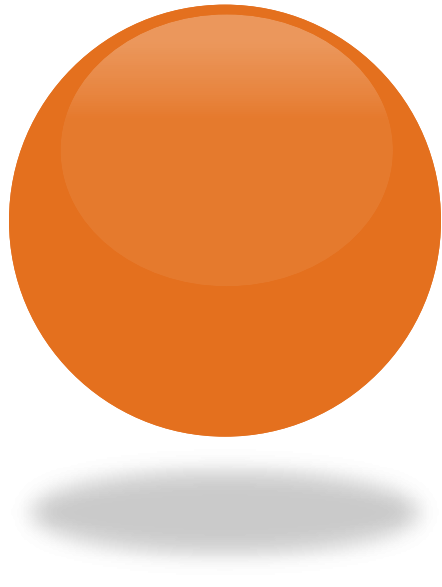
- ✓ KPM 1 : Requisition Confirmation (Goal: 90% or higher)  
100% of Requisitions were confirmed within 4 business hours of receipt
- ✓ KPM 2 : Requisitions Receiving Resumes within 48 Business Hours (Goal: 92% or higher)  
100% of Non-Urgent Requisitions received resumes within 48 business hours
- ✓ KPM 3: Engagements resulting in first round of resumes (Goal 80% or higher)  
88% of engagements were filled with first round of resumes
- ✓ KPM 7 : Unwanted Attrition (Goal: 7% or lower)  
1% Unplanned Attrition
- ✓ KPM 8 : Performance Attrition (Goal: 5% or lower)  
3% Attrition due to Performance
- ✓ KPM 13 : Payments Made Within Contract Terms (Goal: 10 Business Days)  
100% of Vendor Payments Processed on Time

✓ Denotes Service Level Agreement has been Met

# Program Summary

- Hard Dollar Savings due to Competitive Bidding (\$650,515) from Program Inception)
- MSP Fee Reduced from 7% to 1.87%
- Dedicated Local Program Manager to Support all Agencies; at No Cost to the State
  - Expansion of Local Team
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- Implemented EOR (Employer of Record) Program
- Mobile App for Time Approval Launched
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- Assist in Streamlining DO Process
- Improving Vendor Performance





# DISCUSSION AND QUESTIONS

