



{In Archive} Contract Comparison for IBM

james.brown to: bill.doak

Cc: "TURBIT Robyn", philip.hood, john.beeston, Sally.OCarroll

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1 attachment



Contract Comparison for IBM.xls

Bill,

Attached below is a summary of CorpTech's understanding of the current contractual financial position including IBM's 4 November proposal. While we have reviewed these numbers on several occasions and have agreed their accuracy CorpTech wishes to ensure that you have the opportunity to review them again prior to meeting with the Director-General.

I am happy to make CorpTech staff available to work with IBM staff in order to provide context and explain the format in need.

I would appreciate if you could confirm, after your review, whether IBM has any issues with what is to be presented.

Cheers

James

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(See attached file: Contract Comparison for IBM.xls)

		Contract SOW / SOS \$'000	Agreed Variation \$'000	Estimate to complete \$'000	Total Estimated spend \$'000	Variance \$'000
IBM Costs						
Schedule 15						
SOW1 - Transition		350	350	-	350	-
SOW3 - Shadow Management		498	498	-	498	-
SOW4 - Forward Planning		6,618	7,186	-	7,186	568
SOW5 - Priority Core Development		5,946	5,514	-	5,514	(431)
SOW7 - Lattice - Planning and Scoping		560	560	-	560	-
Schedule 15		13,972	14,108	-	14,108	137
Schedule 16						
Statement of Scope 1 - Lattice Replacement	Original Completion dates as per SOS2 1 July 2008	6,126	9,948	-	9,948	3,822
SOS2 - Phase 1 Priority Implementations						
Release 6						
DETA HR	1 October 2008	1,863	8,555	3,625	12,180	10,317
QH Remaining HR/Payroll	1 October 2008	1,557		-	-	(1,557)
QCS HR	1 April 2009	1,062		1,874	1,874	812
DES HR	1 January 2009	1,448		2,875	2,875	1,427
Housing re-implementation	1 October 2008					
Subtotal Release 6 HR		5,930	8,555	8,374	16,929	10,999
Release 7						
Old Treasury HR and Finance	1 October 2008 - self funded	2,305		-	-	
Old Health Finance	1 October 2009	3,018		-	-	
DES Finance	1 January 2009	931		3,320	3,320	2,389
DPW Finance	1 July 2009 - self funded	3,518		-	-	
OSF - Dept of Education, Training and The Arts	1 October 2008	602		-	-	
Subtotal Release 7 Finance and OSF		10,373		3,320	3,320	(7,053)
Other costs						
Remaining Phase 1 Rostering		3,682	4,078	-	4,078	396
Remaining P1 HR	Does not include SABA or RASP	4,998		30,850	30,850	25,852
Remaining P1 Finance		3,822				(3,822)
Test Script development		1,478				(1,478)
Other Costs		13,980	4,078	30,850	34,928	20,948
Total SOS2 (Schedule 16)		30,283	12,633	42,544	55,177	24,895
Schedule 21						
Travel		6,000	4,621	1,400	6,021	21
Staff Augmentation			1,821		1,821	1,821
An estimate was provided in ITO of \$7.807m for remaining Phase 1 PDO. An additional amount was estimated for Phase 2.						
SOW 2 / Program Delivery Office		4,651	6,451	12,250	18,701	14,050
Connectivity		1,038	1,038		1,038	-
Data Migration Scoping				460	460	460
Solution Delivery (Technology)				4,680	4,680	4,680
		11,689	13,931	18,790	32,721	21,032
Out of Scope						
DETA Finance upgrade ECC5 to ERP6			788	-	788	788
				2,500	2,500	2,500
Total IBM Costs		62,070	51,409	63,834	115,243	53,173

Table 1 - Original Contract costs Phase 1

Schedule 15	13,972
Schedule 16	
Statement of Scope 1 - Lattice	6,126
Statement of Scope 2 - Phase 1 Priority	30,283
SOW2 Program Delivery Office (has been removed from Schedule 15)	4,651
Original Contract	55,032

Table 2 - Current IBM commitments and Actuals to 31 October 2008

Schedule 15	14,108	IBM stated \$47,800 a difference of \$2,570	
Schedule 16			
Statement of Scope 1 - Lattice	9,948	SOW6 had been omitted	527
Statement of Scope 2 - Phase 1 Priority	12,633	Travel difference (4621-2640)	1981
SOW2 Program Delivery Office (has been removed from Schedule 15)	6,451		2508
Travel	4,621		
Staff Augmentation	1,821	CorpTech has established a provision based on Contract whereas	
Out of Scope	788	whereas IBM are showing actuals	
IBM Actuals and Known Commitments (31 October 2008)	50,371		

Table 4 - IBM Estimate to Complete

IBM Estimate to Complete - proposal 31 October 2008	96,859
Less 4 November 2008 changes	43,750
	53,109
Estimate to Complete:	
Release 6 HR - Agency implementations and AS	8,374
Release 7 Finance - DES implementation	3,320
Other Costs	30,850
PDO (Operation and Solution Management portion)	5,500
Data Migration Scoping	460
Solution Delivery (Technology)	4,680
	53,184