Breaking the Mold

A case for moving away from firm, fixed-price and not-to-exceed contract models.
Introduction

Who am I and why I am presenting to you.
Session Objectives

• Discuss the shortcomings of Firm, Fixed Price and Not To Exceed models

• Describe alternative models for solicitations, contracts and contract management

• When to use alternative models

• How to sell alternative models to customers
Have you ever looked back at your project and thought “What was I thinking?”

Three case overviews of success and spectacular failure

- Maricopa County Jail Management System
- Maricopa County Assessor’s Computer Aided Mass Appraisal System
- Superior Court Electronic Courtroom Recording Solution
Why do we use FFP and NTE contracts?
Why these models may not in your best interest.

• Rigidity – What happens when your customer changes their mind?

• Assumptions – You know what happens when you assume.

• Unforeseen conditions – What you don’t know can and will hurt you.

• Ever changing marketplace – Is your vendor looking towards the future or stuck in the past?

• Technology advancements – Can your tech withstand the test of time?
What are some alternatives?

• Non-capped commodity/service contracts

• Agile contracting
How to build and maintain a new model

1. The solicitation
2. The negotiations
3. The contract
4. The maintenance
How to sell the concept to customers and vendors

• Focus on the benefits
  • Flexibility
• Partnerships instead of relationships
Questions and further discussions

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