



Ongoing Review and Management of Cloud Contracts

Cloud Policy Fact Sheet 7.1

Regularly reviewing the costs and services offered under your cloud contract maintains competitiveness while ensuring that the products and services you consume continue to meet your agency's needs as work priorities and service offerings change. Ongoing review and management will maintain probity and accountability and help identify potential efficiencies. The review should look at capabilities, challenges and deliverables of your organisation as well as that of your service provider. Regular conversations will keep your service provider focused on providing you with their best service offerings.

Objective

Regularly review market offerings and price points and continually assess existing contracts.

Process

Regularly scan the market to maintain oversight of service offerings and price points being offered by cloud vendors

Regular evaluation of the service offerings and prices of cloud services should be regularly performed by your business and supported by the ICT division. The team must understand the provisions of the contract and clearly understand the business outcomes sought from the service offerings. You will need to monitor usage levels and ensure you are not being charged for services that are no longer required. To assist with capacity management practices, products purchased through the GovNext-ICT Common Use Agreement GNICT2015 (CUA) require the prime contractors to provide detailed reports on each service category and service catalogue item for billing purposes. You may set monthly billing thresholds and alerts in order to manage consumption within defined allocations. Prime contractors are required to provide the following information for each of the services offered so that customers can make informed consumption choices:

- Current monthly service costs per user;
- Monthly consumption volumes per service; and
- Historic monthly consumption costs and volumes.

Cloud involves shared responsibility between your agency and vendors. There should be mechanisms in place for you to ensure that responsibilities around data-integrity, backup, security and risk are effectively allocated and managed by both parties. Reporting to your business executive can also be a shared task that develops from regular performance review.

Through purchasing ICT as a service your ICT division can have increased focus on external challenges and risks to the business functions. This will also allow them to evaluate the service offerings and the contractual terms against new threats and challenges. New developments in the global cloud market may offer opportunities with increased efficiencies and productivity than your existing solution. The GovNext-ICT Broker Service Team at the Office of Digital Government (DGov) can work with vendors and your service team to investigate integrating new services into your existing contract through the GovNext-ICT service catalogue.

By government agencies purchasing through the CUA the expectation is for the unit price of any cloud offering to go down as demand increases. GovNext-ICT Service Broker within the DGov continuously monitors price points offered by the vendors to ensure it is a true reflection of the market. Furthermore, new negotiations for service offerings by other agencies may bring down the benchmark price for the entire catalogue, resulting in a unit price reduction for all agencies.

Consider offers from other vendors

As part of your ongoing contract and service monitoring, you should evaluate if a different vendor or product could provide a better service offering to your business needs than your current contract. This evaluation should take into account your contract conditions and the 'exit strategy'.

Providers under GovNext-ICT are required to be interoperable in terms of their data and services, allowing for a relatively easy migration between different providers within the contract.

The GovNext-ICT team will liaise with the agencies and vendors to provide updates on prices and services of different vendors. Your ICT division will be required to regularly review changes to the catalogue to determine if better service offerings have come to market.

Questions to ask:

1. Is the provider meeting the mandatory minimum service level as defined in your service level agreement? What are the effects on business outcomes when this is not being met?
2. Is your ICT division working as effective service brokers in procuring cloud services from the vendor? Does your agency need to do some workforce planning to bring in the right skills?
3. Is the provider meeting other stipulations of the contract such as legislative, privacy and security requirements? Is there capability within your team to evaluate this? Is there a need for external evaluation of the services? Are your business leaders comfortable with your reporting on outcomes from your cloud service providers?
4. Are the business outcomes being met by the service offering? Is there a better alternative to serve the business better? Have you consulted agencies with similar service delivery needs to prevent common pitfalls?
5. Is your agency developing new services that would benefit from new cloud services? Are there new cloud tools and services coming on to the market that could change how your agency delivers services, collects data or interacts with the community?
6. Are risks associated around vendor/technology dependency being effectively managed. If the need arises, will the ICT division have qualified resources to migrate the service to an alternate provider/platform?

Review the lessons learned

Sharing the lessons learned between public sector agencies helps agencies to be aware of risks and opportunities in using cloud services. DGov can work with your agency to share these lessons with other public agencies to increase overall capability and maturity of the sector.

Questions to ask

1. What situations/issues occurred? How did your team deal with it? What worked and what did not?
2. Did the service provider meet your team's expectations? Was there clarity on roles and responsibilities of the service provider and your organisation?
3. Is your cloud strategy meeting/failing your minimum business requirements?
4. What is new that could be great in your agency?

Useful tools

[GovNext-ICT Information Paper](#)

[GovNext-ICT CUA GNICT2015 Mandatory supply of compute, storage, cloud computing, and a unified government communications network for whole of WA Government 20 January 2017 to 19 January 2022](#)

Related Cloud Policy Facts Sheets

- 2.1 Workforce capability gap assessment for cloud transition
- 2.2 Improving workforce capability for cloud transition
- 5.1 Assess offerings from cloud service providers
- 8.2 Western Australian Government case studies in cloud transition