

## Applying the RFP Process to Application Service Providers

*Due to an ASP's ability to invest resources in functionality that is common across many customers, there are benefits you can reap with an ASP that you might not be able to get on your own. These include advanced functionality in 1) application-specific expertise, 2) security, 3) data storage, 4) network peering, 5) power backup, 6) system monitoring, and 7) scaling. A well-crafted RFP should identify these areas and measure their impact with respect to your present and future needs.*

### PURPOSE

If done carefully, an RFP can be an effective tool for comparing vendors' capabilities and relative strengths. A solid RFP should be drafted in such a way as to elicit responses that facilitate making a selection. A well-conceived RFP asks the right questions in a way that the vendor can highlight its relative strengths concisely and expeditiously. The following template is a guide for the kinds of issues prospective ASP or Web hosting customers should be pondering when evaluating the myriad of vendors.

### BACKGROUND INFORMATION

Perhaps a logical starting point for an RFP is a discussion about your business. This includes an examination of your company's business objectives, your timeframe for achieving those goals, your current systems architecture, and the size and expertise of your in-house IT staff. By gaining a better understanding of your goals and capabilities, an ASP can better craft an RFP response suited to your needs. It also gives the vendor an opportunity to determine whether it has the capability to deliver on your requirements. It is also helpful to volunteer some information on the future plans of your company, in terms of applications you might migrate to down the line. In this way, the ASP will have a better sense of how fast you are growing and what your software needs will be in x years. The following are some issues that you should consider going into detail with the vendor before an RFP response is put together:

- *Motivation for outsourcing*
- *Your business goals*
- *Description of your existing software systems, e.g., Web server, database, application server, network operating system, messaging, monitoring, network management, etc.*

- *Description of your network capabilities, e.g., number of data centers, locations of data centers, bandwidth throughput, etc.*
- *Description of in-house IT staff, including their areas of expertise, be it networking, systems management, development, etc.*
- *Discussion of which applications your company may migrate to as it grows*

## **I. SERVICE LEVEL AGREEMENT (SLA) & SUPPORT**

An SLA sets the performance standard by which an ASP is measured. In most cases, SLAs are also part of the pricing process in that penalties may be assessed for those periods when an ASP does not measure up to a pre-agreed SLA. The ASP must grapple with the same concerns as if you were deploying the application in-house. Consequently, you should view SLAs as one of the most important criteria when selecting an ASP. If the network goes down, the ASP must be prepared to remedy the problem with its own in-house staff. The SLA defines the timeframe and procedures regarding how the ASP will respond to these outages in terms that relate to overall network availability. This is one of the key benefits of the ASP model and also a source of differentiation between them.

The ASP must also be prepared to tackle problems with the application itself. Some ASPs oftentimes have developers on staff or do not make their developers readily accessible to customers. These developers may have functional expertise in classes of applications, such as human resources, financials, CRM, messaging, procurement, etc. However, a top-notch ASP will have dedicated personnel for each application, be it a PeopleSoft, Microsoft, Siebel, or Oracle. In this way, you will receive the highest levels of support when the application fails. This is a major distinction among the ASPs because not all ASPs have staff dedicated to specific applications.

Even for those applications where the ASP does not have designated experts, the ASP can still host the application in question via managed application services. This includes providing a best-of-breed infrastructure, management services, and high availability. In essence, the ASP assumes full responsibility for ensuring that your application is hosted within a top-notch network and systems architecture. Thus, the ASP can still provide much value in the absence of application-specific expertise.

Response times are another critical component of an SLA. You will want easy access to an ASP's customer support personnel when things go awry. This means 24x7x365 access to customer support as well as having the right technical staff at the ready to field the call. You should not have to wade through several layers of customer support bureaucracy to find the right person to speak with. It can be quite frustrating for you to deal with customer support representatives who are unable to help you with your problem or steer you to the appropriate person.

- *What is the average response time for network and systems problems?*
- *Who does your technical staff call when problems are experienced?*
- *Will the ASP provide 24x7x365 monitoring of the entire solution, including the application layer?*
  - *If this does not include the application layer, what type of support is available, e.g., network monitoring, data center monitoring, etc?*
- *If there's a problem, what escalation procedures does the ASP have? Are there tiered layers? What happens at each stage?*
- *What do you consider a crisis?*
- *How does the ASP calculate network availability?*
- *What is the ASP's disaster recovery plan?*
- *Does the ASP have documented change management procedures in place?*

## **II. DATA CENTERS**

Whether outsourcing or not, the role of data centers is critical, especially so for ASPs. How the data center is configured will affect the performance and security of your applications. Many ASPs do not dedicate a separate database server for each customer (due to scalability concerns), in which case the ASP will partition clients' data via application code but keep the data within a shared physical server. Although this notion of a separate logical database may seem unsettling to a customer, the security of such an approach is solid.

- *Does the ASP have its own data center or does it subcontract out this functionality? If the ASP uses partners for some of its services, a customer must ensure that the SLA is one that the ASP partner can meet.*

- *Are the ASP's servers shared or dedicated?*
- *How does the ASP prevent Customer A from gaining access to Customer B's data? What is the ASP's client data isolation scheme?*
- *Are the data centers audited and/or certified?*
- *How redundant is power to the ASP's facility?*
- *Does the ASP provide remote operations for its data centers?*
- *What backup and recovery procedures are in place?*

#### II.A. HIGH AVAILABILITY

Closely related to the data center is high availability. In the event of a primary data center failure, procedures must be in place for a secondary data center to step in and pick up the slack, in effect, becoming a geographic failover center. In this way, the ASP will be able to provide application access at all times despite breakdowns in the network with respect to one data center. Not having any high availability systems in place may lead to increased likelihood of worker paralysis and lost productivity in the event of a data center meltdown. However, high availability is not always necessary and, if opted for, normally entails separate fees, thus, making it more costly for you.

- *Can the ASP provide high availability systems? What is considered high availability?*
- *How is load balancing performed for all of the ASP's customers within each data center as well as between the primary and secondary data center, if applicable?*
- *Can the ASP provide disaster recovery solutions?*

#### II.B. BACKUP/STORAGE

In order to guard against lost data in the event of a network failure, storage is a minimum requirement that must be present in any ASP's offering. The proliferation of storage area networks (SANs) has impelled many ASPs to offer SANs as a standard feature. Storage is an attractive feature of ASPs, for adding storage as customer needs grow is relatively painless and easy. Good ASPs will have created SANs so that their customers can have storage on demand, without having to pay for the reserve and without

having to purchase and deploy new hardware. To do the same on one's own is a very expensive proposition.

ASPs may differ in the frequency of their backups, but in general, the ASP vendors differ little in their storage offerings. However, people call just about anything a SAN nowadays. A little digging will reveal that not all SANs are created equal. ASPs can vary in the storage vendor partner as well as the storage size. With this in mind, here are some pertinent questions to ask:

- *Does the ASP have a SAN?*
- *From what vendor does the ASP buy its SAN?*
- *What is the storage capacity of the ASP's SAN?*
- *How often does the ASP backup?*
- *Are the tapes stored offsite in a secure facility?*

#### II.C. POWER REDUNDANCY

A workmanlike feature of ASPs is the steps taken to protect against blackouts, earthquakes, storms, and other unforeseen events. Protective measures means installing sufficient batteries, generators, and fuel to sustain the network in the event of a catastrophic event and frequently testing the automatic cutover. The amount of standby power, as measured in continuous operational hours, an ASP has directly correlates with the importance it places on power redundancy and its SLAs. An ASP does not want to end up in a situation where a single point of failure brings down the entire network, thus, preventing the customer from accessing its application. A reputable ASP will design its network in a "n+1" architecture, meaning that there will always be a backup in the event of a failure. Thus, good questions to ask here are the following:

- *What types of power redundancy does the ASP have?*
- *How many operational hours can the ASP run on standby power?*
- *Has the ASP had any major power failures?*

#### II.D. HARDWARE

With respect to hardware, ASPs typically have forged multi-vendor partnerships. However, many ASPs do not want to maintain a multi-vendor environment for good reasons. For instance, you may prefer running off an IBM box, but this does not necessarily mean the ASP must follow suit. If the ASP can show that performance is at least the equal of an IBM box with its Sun box, then, in the name of continuity and efficiency, it may make sense for you to go with the ASP's recommended hardware platform. Thus, it behooves the customer to find out with which hardware vendors an ASP has relationships and to keep in mind that it is not necessarily a bad thing if an ASP does not support a particular hardware vendor.

- *Does the ASP support NT, UNIX, or both?*
- *With which vendors does the ASP have relationships with respect to server hardware?*
- *What kinds of load balancing options does the ASP provide?*
- *Are there any hardware components that are shared across all the ASP's customers?*

#### II.E. STANDARDS CERTIFICATIONS

In addition to partner certifications, standards certifications also loom large. Like partner certifications, standards certifications are critical for each component of an ASP's performance scorecard. For example, the data center is audited by the large accounting firms; the network may or may not be "Cisco certified"; and even the software vendors themselves offer their own certifications. Securing these certifications enhances the credibility of an ASP while alleviating many of the concerns felt by prospective customers. The International Standards Organization (ISO) is perhaps the most influential body dealing with setting international standards. With respect to an ASP, getting its data centers ISO-9001 certified is essential and is a main point of differentiation between the competing ASPs. This particular standard stipulates that the processes to manage a data center have been deemed fine. To add further credibility to the data center, an ASP can seek out a third-party auditor, such as Ernst & Young or PricewaterhouseCoopers, to audit and certify its data centers.

Another standard certification is the Statement of Accounting Services 70 (SAS 70), which deals with the integrity and security of customer information. In particular, it was designed with the financial and healthcare industries in mind. An ASP with this certification is an indication that it places the utmost importance in safeguarding its customers' data.

- *Is the ASP's data center ISO-9001 certified?*
- *Is the ASP SAS-70 certified?*
- *Is the ASP's data center independently audited by third parties?*

### **III. NETWORK CAPABILITIES**

A major component of an ASP's success and performance derives from its network. Since the Internet is the primary means for a customer to link with its ASP, network configuration takes center stage. Connectivity issues such as WAN and LAN configuration give insights to the throughput capabilities of an ASP. Also, because the Internet is susceptible to bottlenecks at public exchange points, the existence or absence of priority peering agreements sheds light on whether an ASP can fulfill its SLAs. In these priority peering agreements, an ASP will buy dedicated bandwidth from major backbone providers. By doing so, an ASP can bypass the many exchange points in the public Internet that is often the source of dropped packets and, hence, lousier performance. Thus, an ASP can deliver performance gains orders of magnitude faster to its customers with priority peering agreements with multiple providers in place. In essence, performance will be faster with peering relationships. Load balancing is another critical function. Some customers might be partial to ASPs that have relationships with particular load balancing partners.

- *What kind of backbone peering relationships does the ASP have?*
- *From how many backbone providers does the ASP buy bandwidth?*
- *How much of a performance gain does the ASP have with peering agreements in place?*
- *Does the ASP provide VPNs?*
- *Are there single points of failure in the network? What has the ASP put in place to prevent a single point of failure from bringing down an application?*
- *Is there a limit to the amount of data that can be transferred from your company to the hosted servers each month?*
- *What network access methods are employed?*
- *Can the ASP describe the physical circuit diversity with respect to how the circuits enter each data center?*
- *Can the ASP specify the speed of each circuit entering each data center?*

#### IV. SECURITY

Foremost in most, if not all, of customers' minds with respect to outsourcing is security. Traversing the Internet to access corporate applications is disconcerting to many and is the source of much angst among IT managers evaluating ASP vendors. ASPs have an inherent advantage in augmenting your security due to their ability to invest more heavily in their security infrastructure. This infrastructure includes encryption and authentication methods, intrusion detection mechanisms, and even the physical security of the data center. Each of these security measures is designed to limit unauthorized access to the network and to prevent data from being compromised.

##### IV.A. DATA CENTER SECURITY

The data center is where your most important applications will be housed, thus, it is imperative the ASP has sufficient security measures in place to ensure the safety of your data. This might include locked cages to prevent unauthorized entry to the servers and other hardware; key cards, surveillance cameras, or other biometric devices to authenticate a user's identity before granting access to the data center; and even fire suppression systems. Without these precautions, it would be relatively easy to compromise the security of your data.

- *Does the ASP require its staff to use key cards for entry to the caged areas?*
- *Are there biometric scanners, e.g., retinal scans or fingerprint scanners, at the entry?*
- *Are there surveillance cameras at the entrance to the ASP's facility?*
- *Does the ASP have security guards on duty at all times?*
- *Does the ASP provide locked cages, cabinets, and racks?*
- *Is redundant power supplied to the cabinets? By how many generators?*
- *Are there fire suppression systems in place?*
- *Does the ASP allow customers on the data center floor?*

##### IV.B. NETWORK SECURITY

Just as important as data center security is that of network security. While the former may focus on the physical facilities, network security revolves around critical technologies that are designed to keep the data and applications safe from hackers. For instance, a firewall is an accepted method of keeping unwanted users from accessing the network. Intrusion detection systems represent another layer of defense to ward off unauthorized users. One point to keep in mind is that you should be wary of ASPs sharing the same firewalls and security devices across many customers for the sake of saving money. Such a tactic has the effect of hosting and managing customers under less-than-optimal security conditions.

Another network security issue is that of router configuration. Control of the edge router is key to filtering out unwanted data. In essence, an ASP uses the edge router to look at where data is coming from. If an ASP cannot control the edge router, the ASP cannot program to block out ports and stop undesirable IP addresses and other hack attempts. Thus, it is imperative to keep in mind router configuration when evaluating the comprehensiveness of an ASP's security infrastructure. Some other important issues to think about with respect to security include the following:

- *Does the ASP control the configuration of the edge router?*
- *Are firewalls shared across several customers or does each customer have its own firewall? How do you prevent Customer A from accessing Customer B's data?*
- *What intrusion detection programs are in place?*
- *What mechanisms are in place to provide real-time alerts for intrusion detection?*
- *What mechanisms are in place to protect against denial of service attacks?*

#### IV.C. CUSTOMER SUPPORT SECURITY

When you turn over an application to an ASP, you necessarily give the ASP root access to your hosted applications. Because the ASP will have access to your most sensitive data, procedures must be in place to regulate who has access to the application and under what circumstances. Authentication is one of those methods used to determine who gains access and who does not. Another issue to consider is that of shared systems, i.e., several customers may share the same authentication system, and how the ASP ensures that customers' information are not commingled or accessible by everyone.

- *Who within the ASP has access to customer accounts and what does it do with that access?*

- *Has someone ever comprised the integrity of the ASP's network? If so, what happened and what was the response?*
- *What type and level of encryption is supported?*

## **V. APPLICATIONS EXPERTISE**

Important are the applications themselves. The bevy of ASPs plying their services often leads to confusion for those customers searching for a specific application. There are horizontal ASPs that host a wide swath of applications, and there are vertical-specific ASPs that host only one application, such as CRM software. In each case, careful attention must be paid to the level of training and expertise an ASP has with a particular application. You should look for certifications to ensure that the ASP has undergone the training necessary to tackle the problems that may surface with the software. Oftentimes ASPs will have to integrate an application with a customer's existing applications. It would be beneficial to know if the ASP has the capability to handle complex integration projects or has systems integration partners that can do the job or is able to work with your selected integration team. With the aforementioned in mind, here are some questions that should be asked in an RFP:

- *How will the ASP integrate the hosted application with your in-house application(s)?*
- *Does the ASP have partnerships with systems integrators?*
- *What is the ASP's breadth of product offerings? HR? Financials? CRM? Messaging? Others?*
- *What is a typical deployment time for a small/medium/large-sized project?*
- *How many persons does the ASP have trained or certified on the application you intend to deploy?*
- *Can the ASP provide a breakout of its IT staff, i.e., developers vs. integrators vs. QA vs. DBAs?*

### **V.A. MONITORING CAPABILITIES/SYSTEMS MANAGEMENT**

Hosting and managing an application entails several responsibilities, one of which is monitoring. When a network administrator has to deal with firewalls, Web servers, app servers, databases, routers, switches, and the applications themselves, monitoring can become quite complex. However, reputable ASPs will undertake the necessary steps to ensure that monitoring is done proactively. Rather than sit back and wait for problems to happen, some ASPs follow proactive policies in monitoring the network and the

application. For instance, simulating a user and testing the application is an example of application-level monitoring that many ASPs do not do. Having wireless and remote monitoring capabilities are also areas worth exploration. Hence, with these thoughts in mind, the following questions are appropriate in an RFP:

- *Does the ASP do application-level monitoring?*
- *Does the ASP have remote monitoring capabilities?*
- *Does the ASP have wireless monitoring capabilities?*
- *Does the ASP have processes in place to monitor CPU usage, file system usage, memory usage, and network performance?*
- *What proactive monitoring tools does the ASP have?*

#### V.B. PARTNER CERTIFICATIONS

As alluded to earlier, an ASP's partners are instrumental in any SLA. In fact, certifications impact all four of the major sections of this paper: the data center, the network, security, and application services. These partners hail from the software, data center, or system integration worlds. With respect to the software partners, you can look for certifications and reference accounts to see how past deployments have fared. Also, the amount of in-house staff at an ASP trained in a specific software application often bolsters the credibility of an SLA. Benefits of holding a certification from a software vendor include faster access to patches and bug fixes. Regarding data center partners, many ASPs run their hosted applications from third-party vendors such as Exodus or Qwest. Large vendors such as these offer the security and reliable bandwidth connections essential to any ASP's business. Finally, systems integration partners can be ideal for those situations where the ASP does not have the resources or the expertise to handle an integration with existing in-house applications.

- *Who are the ASP's software partners?*
- *Does the ASP have any application-level certifications, such as the Microsoft Trifold Certification or the BroadVision Certification?*
- *Who are the ASP's data center partner(s), if applicable? If so, what kind of SLA does it or they have with the ASP?*
- *What kinds of certification(s) does the ASP have for its data center? How are the audits conducted?*

- *Is the ASP's network certified by one of the major network equipment providers, e.g., Cisco?*
- *Are the ASP's storage capabilities certified?*

#### V.C. DATA OWNERSHIP

Because the ASP concept necessitates a loss of control to a certain extent, the issue of data ownership assumes a role of heightened importance. Ideally, you would like more control and more security than you already have. By turning over a mission-critical application over to an ASP, you are in effect entrusting valuable data to the ASP. Provisions must be spelled out from the outset regarding storage, handover, and format of the data. The top ASPs will not commingle your data for any reason whatsoever.

- *Who owns the data?*
- *What is the ASP's return policy, e.g., if it does not meet its SLA?*
- *Does the ASP provide an exit strategy?*

#### V.D. SOLUTIONS MANAGEMENT

Complex applications take time to implement, whether done in-house or via outsourcing. Although you can be up and running more quickly with an ASP, the ASP will still need several weeks or a few months to do the implementation, especially if the application is being integrated with existing in-house applications. Other issues to consider when doing an implementation is the delineation of responsibilities between you and the ASP and whether the ASP has worked with your system integrator (SI) in the past. Some ASPs have their own in-house team of integrators that can handle the most complex of integrations. However, this does not mean they do not have the flexibility to work with a SI of your choosing. A good ASP will be able to partner with your SI, taking new code revisions from the SI and implementing them seamlessly. The ASP should also be able to help you out on issues such as configuration management, change management, and general maintenance of the solution. Be it an upgrade from 1.0 to 2.0 or making a scripting change to the server, the ASP should be able to handle those tasks easily.

- *Does the ASP have integration partners? If so, who are they and how long has it worked with them?*

- *Does the ASP have any experience working with your specific system integrator?*
- *What is the implementation schedule and what are the tasks to be done?*
- *What is the timeframe for completion?*
- *How does the ASP deal with in-house-developed applications and with your in-house IT staff?*
- *Does the ASP have experience with change management and configuration management procedures?*

#### V.E. WARRANTY

One of the benefits of outsourcing with an ASP is that the ASP is in charge of running and maintaining the software. However, when there are problems, the ASP should hold itself responsible for ensuring that the application is configured properly for your needs. This includes software updates to reflect new features in the application that could be of benefit to you. Also, patches or minor upgrades to the operating system software are worth examining.

- *What is covered in the ASP's warranty?*
- *Does the ASP offer software updates, including new releases and versions?*
- *Does the ASP provide operating system patch installations or minor upgrades?*
- *Does the ASP provide proactive software patches?*
- *Does the ASP offer user manual revisions and updates?*

#### VI. BUSINESS FACTORS

In addition to technical factors, there are a number of business considerations you must take into account before selecting an ASP. The ASP space is relatively new and business models and major players are still jostling for position. Thus, it is critical for you to do your homework and assess the financial implications of going with a particular ASP.

##### VI.A. PROJECT/PROGRAM MANAGEMENT

Any software deployment, be it in-house or through an ASP, is a tremendous undertaking that requires careful planning to complete. A good ASP will provide a comprehensive program management schedule that includes gathering requirements, developing an implementation plan, and, finally, going live.

You should be aware that the ASP will undergo a discovery process by which it will gain an intimate understanding of your system architecture and the requirements necessary to get the hosted application up and running. It will also be the ASP's responsibility to prepare and write the application monitoring scripts, define the security requirements, outline the implementation schedule, and ensure the network and systems configurations are correct.

- *Does the ASP plan to create a program management plan to guide the implementation?*
- *Will there be a program manager assigned to your implementation?*

#### VI.B. PRICING

Another factor to consider when choosing an ASP is pricing. Pricing schemes can vary widely, depending on what the ASP has included in the initial price quote. The three most common approaches to pricing are (1) a flat monthly fee, (2) a per-transaction fee, or (3) a per-user fee. Typically, these fees are designed to cover software licensing, network costs, support services, and security features; in essence, they are supposed to cover all the basic costs associated with running an application. Other costs that come into play are those for implementation, connectivity, training, and integration (in the event the hosted application will be integrated with your existing in-house applications). Keep in mind that doing an "apples-to-apples" comparison of ASPs based solely on price may lead to a less-than-optimal choice of an ASP. In order to be able to compare pricing, it is important to have a usage forecast estimating the number of users and the data loading needs. Also, it might even be helpful to propose a scenario to a set of ASPs, letting the latter suggest how they would solve the problem. This will make it easier for you to compare several ASPs, on the basis of deployment schedule, pricing, and unique capabilities, within the context of the same hypothetical scenario. Remember, the lowest-cost ASP is not necessarily your best choice: an ASP that initially seems pricey may in fact be less expensive when all the line item costs are taken into account.

- *What are the elements of pricing?*
- *Are there any hidden costs in the ASP's price quote?*
- *What kinds of support do you get for the price?*
- *Are there any up-front set-up costs?*

#### VI.C. FINANCIAL STABILITY OF ASP

The number of ASPs may number in the hundreds, but the ASP space will surely see some consolidation unfolding over the next couple years. Consideration should be given to the financial health of your potential ASP business partner. ASPs short of cash and with few customers may have long-term business difficulties. Those with a large customer base can start to reap the reward of recurring fees, once the initial deployment has been completed. A critical mass can occur in either horizontally- or vertically-focused ASPs. There is no point to signing a contract with an ASP if it will not be around one year down the line. Thus, handy bits of information to know about an ASP are its length of time in business, its renewal rates, and its number of customers. If an ASP can point to a long list of reference accounts, this enhances its chances for viability over the long term.

- *How long has the ASP been in business?*
- *How many customers does the ASP have? How many of them are actually live?*
- *How many deployments is the ASP managing across its live customer base?*
- *What percentage of the ASP's customers renew their contracts?*
- *Can the ASP point you to some reference accounts?*
- *Can the ASP provide any third-party, such as an analyst firm, rankings or information on the ASP landscape?*

#### VI.D. ROI

Much has been written about the ROI benefits of using an ASP. Theoretically, ASPs are supposed to generate cost savings for you by way of obviating the need for you to buy your own software, hire an IT staff, and deal with networking issues. Savings stem from the reduced downtime associated with using an outsourcer and from increased user productivity. To see if you should outsource, you should first conduct a build versus buy analysis. You should compare the costs of running an application in-house, with all of its attendant costs, versus using an outsourcer. The costs associated with an in-house deployment include those for website configuration, servers and software, networking equipment, connectivity, and personnel. There are also some intangible benefits of using an ASP that might not be factored into a build vs. buy

analysis, namely, (1) the hassle of recruiting and maintaining an IT staff is eliminated;(2) the ASP can oftentimes provide greater flexibility for you in terms of adding software or additional features consistent with your growth; (3) the ASP allows you to focus on your core competency; and (4) no ramp -up is necessary on your part since the ASP has done implementations of this variety numerous times.

- *What cost savings are realized through outsourcing?*
- *What does the ASP fee cover?*

#### **VI.E. SITE VISITS**

Hearing and reading about the capabilities of an ASP may mean nothing if in reality the physical facility and people behind the ASP are uninspiring. Since some of your company's most critical applications will reside with the ASP, you should consider making an on site visit to inspect the facilities and meet with the ASP's staff. In essence, you are looking to get a "feel" for the whole atmosphere at the ASP and allay any qualms you might have about the performance capabilities of the ASP.

- *Does the ASP allow on-site visits by prospective customers?*
- *What do you get to see on a site visit, e.g., data centers, etc?*
- *With whom do you get to meet on a site visit?*

### **VII. SUMMARY**

#### **VII.A. EVALUATION CRITERIA**

Ideally, an RFP should provide the evaluation criteria upon which a selection, if at all, of an ASP will be based. In this way, there will be no ambiguity about which factors you will use to render a decision. Disseminating the evaluation criteria also gives the vendors an opportunity to tailor their responses such that their strengths can be emphasized while fitting within the context of the criteria.

Key criteria that you should take into account are the qualifications and experience of the vendors. As stated previously, those with a track record and reference accounts generally instill more confidence in the customers. Another important issue to consider is that of SLAs. Since many ASPs offer the same applications, the main differentiator often comes down to SLAs. This could include product support, training services, or guaranteed uptime. Finally, pricing will play a role.

Once all the evaluation criteria have been established, the creation of a scoring matrix, with weights assigned to the different criteria, will further expedite the selection process. See Appendix for suggested scoring matrix.

#### VII.B. VENDOR RESPONSES TO RFP

An organized RFP response makes it easy for you to evaluate several vendors. In fact, you should provide guidelines on how the RFP responses should be structured. Typically, this means responses follow a specific format, as established by you, so that there is some uniformity to the responses. A deadline should be set as well so that all vendors know by when to submit their responses and that it is clear that no late responses will be accepted. Finally, contact persons for both you and the vendor should be provided in the RFP and response.

### Sample Application Service Provider Score Card

Please indicate whether you provide the services described below in the Yes/No column. In cases where the service is provided please indicate whether this component is a standard offering or is available for an additional fee.

	Yes/No	Standard	Optional	Notes
<b>Application Development and Deployment</b>				
Will the ASP provide a named Project Manager with Experience in Software Development?				
Can the ASP provide application design and development support?				
Can the ASP provide database design and development support?				
Can the ASP provide testing support as a part of its development offering?				
Load testing?				
Performance testing?				
Can the ASP provide content design and development support?				
Can the ASP integrate the hosted application with your in-house application(s)?				
Does the ASP have partnerships with systems integrators?				
Can the ASP estimate a typical deployment time for a small/medium/large-sized project?				
Can the ASP provide an implementation schedule and the tasks to be done?				
Does the ASP have trained or certified on the application you intend to deploy?				
Can the ASP provide a breakout of its IT staff, i.e., developers vs. integrators vs. QA vs. DBAs?				
Does the ASP have software partners?				
Does the ASP have any application-level certifications?				

<b>Sample Application Service Provider Score Card (Continued)</b>				
Please indicate whether you provide the services described below in the Yes/No column. In cases where the service is provided please indicate whether this component is a standard offering or is available for an additional fee.				
	Yes/No	Standard	Optional	Notes
<b>Hosting and Managed Services</b>				
<b>Hosting and Managed Services</b>				
Will the ASP provide a single point of contact from implementation through steady state?				
Can the ASP host and support software applications outside their standard offering?				
Does the ASP have experience working with 3rd Party developers and System Integrators?				
Does the ASP have experience working with your specific System Integrator?				
Does the ASP provide:				
Operating System patch installation?				
Operating System minor upgrades?				
File System management Support?				
Does the ASP provide:				
Software updates, including new releases and versions?				
Proactive software patches?				
User manual revisions and updates?				
For ASP supported databases will the ASP provide:				
Database Software Installation?				
Database Maintenance?				
Performance tuning?				
Does the ASP provide monitoring logs and scaling information?				
Does the ASP provide:				
Hardware/CPU performance and capacity monitoring?				
Network Performance and capacity monitoring?				
Synthetic transaction monitoring?				
Database performance and capacity monitoring?				
Custom application monitoring?				
Does the customer own all data (clicks, user profiles, databases, etc)?				
If the ASP goes bankrupt, will it return the customer's data?				
Does the ASP have data return policies for non-bankruptcy situations?				
Does the ASP have documented change control procedures?				
Are all changes subject to the ASP's Change Control processes?				
Does the ASP have documented code and content migration procedures?				
Does the ASP provide daily backups for the application and database?				
Does the ASP store backups in an offsite storage facility?				
Does the ASP support remote administration?				
Will the ASP take responsibility for root level access of the application?				
Does the ASP have wireless monitoring capabilities?				
Does the ASP have proactive monitoring tools?				

<b>Sample Application Service Provider Score Card (continued)</b>				
Please indicate whether you provide the services described below in the Yes/No column. In cases where the service is provided please indicate whether this component is a standard offering or is available for an additional fee.				
	Yes/No	Standard	Optional	Notes
<b>Customer Support</b>				
Will the ASP provide 24x7x365 support through a:				
Toll free (800) number dedicated to the Customer?				
Secure Web Site for real time status?				
Dedicated, named Customer Support team?				
Will the ASP provide 24x7x365 monitoring of the entire solution, through the Application Level?				
Will the ASP proactively execute on troubleshooting guides and emergency restore procedures?				
Does the ASP provide written escalation procedures?				
Are Application and Database Architects and Engineers part of the Customer Support Team?				
<b>Service Level Agreement</b>				
Does the Provider offer a written Service Level Agreement with economic remedies?				
Can the Customer exit the contract (without penalty) for repeated failure to meet the SLA?				
Will the ASP provide an SLA for the hardware, operating system and application layer?				
Can the ASP provide an SLA for applications developed by 3rd parties?				
What is the minimum SLA offering?				
What is the highest SLA offering?				
Can the ASP provide an average response time for network and systems problems?				
Can the ASP calculate network availability?				
Does the ASP have a disaster recovery plan?				

<b>Sample Application Service Provider Score Card (continued)</b>				
Please indicate whether you provide the services described below in the Yes/No column. In cases where the service is provided please indicate whether this component is a standard offering or is available for an additional fee.				
	Yes/No	Standard	Optional	Notes
<b>Infrastructure</b>				
<b>Data Center</b>				
Are the ASP's Data Center's audited and certified by independent 3rd parties?				
Is the ASP's Data Center ISO 9001 certified?				
Is the ASP SAS-70 certified?				
Are any subcontracted personnel used in the management of the Data Center?				
Are Customers allowed access to the Data Center floor?				
Does the ASP have redundant power to its facilities?				
Does the ASP provide remote operations for its data centers?				
Does the ASP have documented backup and recovery procedures?				
Does the ASP have dedicated servers?				
Does the ASP have its own data center or does it subcontract out this functionality?				
Does the ASP have a client data isolation scheme?				
Can the ASP provide high availability systems?				
Does the ASP provide load balancing within each data center as well as between the primary and secondary data center, if applicable?				
Can the ASP provide disaster recovery solutions?				
Does the ASP have a Storage Area Network (SAN)?				
Does the ASP buy its SANs from major vendors?				
Can the ASP provide the storage capacity of its SAN?				
Are the ASP's storage capabilities certified?				
Can the ASP provide a schedule for its backups?				
Are the tapes stored offsite in a secure facility?				
Can the ASP quantify the number of operational hours it can run on standby power?				
Has the ASP had any major power failures?				
Does the ASP support NT, UNIX, or both?				
Can the ASP provide load balancing options?				

<b>Sample Application Service Provider Score Card (continued)</b>				
Please indicate whether you provide the services described below in the Yes/No column. In cases where the service is provided please indicate whether this component is a standard offering or is available for an additional fee.				
	Yes/No	Standard	Optional	Notes
<b>Network</b>				
Does the ASP have more than 2 peering partners?				
Can the ASP quantify its performance gains due to the peering agreements in place?				
Does the ASP dynamically route traffic?				
Does the ASP offer:				
Software Virtual Private Networks (VPN)?				
Hardware VPN's?				
Dedicated circuits (frame relay, ATM)?				
Are there single points of failure in the network?				
Has the ASP implemented measures to prevent a single point of failure from bringing down an application?				
Is there a limit to the amount of data that can be transferred from your company to the hosted servers each month?				
Can the ASP describe the network access methods?				
Can the ASP describe the physical circuit diversity with respect to how the circuits enter each data center?				
Can the ASP specify the speed of each circuit entering each data center?				
Is the ASP's network certified by one of the major network equipment providers?				
<b>Hardware</b>				
Are any hardware components shared with other customers?				
Does the ASP support NT?				
Does the ASP support UNIX?				
Can the ASP provide high availability systems?				
Can the ASP provide load balanced systems?				
Can the ASP provide disaster recovery solutions?				

<b>Sample Application Service Provider Score Card (continued)</b>				
<b>Please indicate whether you provide the services described below in the Yes/No column. In cases where the service is provided please indicate whether this component is a standard offering or is available for an additional fee.</b>				
	<b>Yes/No</b>	<b>Standard</b>	<b>Optional</b>	<b>Notes</b>
<b>Security</b>				
Will the ASP provide a custom security policy for the customer?				
Does the ASP conduct background checks for support personnel?				
Does the ASP provide Firewall Software patch/updates/version control?				
Can the ASP harden Hardware and Operating Systems?				
Are firewalls shared across various Customers?				
Does the ASP have documented Intrusion Detection procedures?				
Does the ASP undergo external security assessments?				
Does the ASP require its staff to use key cards for entry to the caged areas?				
Are there biometric scanners, e.g., retinal scans or fingerprint scanners, at the entry?				
Are there surveillance cameras in use 24x7?				
Does the ASP provide locked cages, cabinets, and racks?				
Does the ASP control the configuration of the edge router?				
Does the ASP have intrusion detection programs in place?				
Can the ASP describe the mechanisms used to provide real-time alerts for intrusion detection?				
Can the ASP describe the mechanisms used to ward off denial of service attacks?				
Can the ASP describe who within the ASP has access to customer accounts and what s/he does with that access?				
Has someone ever comprised the security of the ASP's network?				
Can the ASP describe the type and level of encryption supported?				

<b>Sample Application Service Provider Score Card (Continued)</b>				
Please indicate whether you provide the services described below in the Yes/No column. In cases where the service is provided please indicate whether this component is a standard offering or is available for an additional fee.				
	Yes/No	Standard	Optional	Notes
<b>Business Factors</b>				
<b>Pricing</b>				
Can the ASP describe the elements of pricing?				
Are there any hidden costs in the ASP's price quote?				
Is the SLA included in the price quote?				
Are there any up-front set-up costs?				
<b>Financial Stability of ASP</b>				
Can the ASP tell you how long it has been in business?				
Can the ASP reveal how many customers it has and how many of them are actually live?				
Can the ASP tell you how many deployments it is managing across its live customer base?				
Can the ASP tell you what percentage of its customers renew their contracts?				
Can the ASP provide you reference accounts?				
<b>ROI</b>				
Can the ASP quantify the cost savings realized through outsourcing?				
<b>Site Visits</b>				
Does the ASP allow on-site visits by prospective customers?				
Do you get to see much on a site visit?				
Do you get to meet many staff members on a site visit?				