

Revenue Share / Development Credit

November 28, 2018

Overview

In 2018, HIC and the State Procurement Office (SPO) started on a "Development Credit" pilot program based on the revenue generated by the SPO application HlePRO. The high-level overview of this pilot program was discussed in September 2018 at the quarterly Access Hawaii Committee (AHC) meeting. AHC asked for more detail about the pilot program with SPO and also for a broader set of possible ideas from HIC.

The SPO Credit

1. HIEPRO revenue is tracked and an annual base number was agreed upon.
2. The credit is based on an established calculation which includes a gradual increasing scale for future years.
3. An annual "development credit" is calculated based on the HIEPRO revenue for future SPO use.
4. SPO has 2 years to apply the " credit" to any IT work for the agency.
5. Potential projects are estimated and an SOW is created with an agreed upon "level of effort" that translates into the use of the credits.
6. Projects are assigned a priority status and closely tracked.

Key Points

1. The agreement formally outlines a level of promised future effort by HIC to a large self-funded partner.
2. The agreement is in writing to ensure all parties agree and understand how calculations are made and to be used.
3. This would be negotiated as a part of the new contract.