February 5, 2008

Gary R. VanLandingham, Director
Office of Program Policy Analysis
And Government Accountability
Claude Pepper Building, Room 312
111 West Madison Street
Tallahassee, Florida 32399-1475

Dear Mr. VanLandingham:

I am writing in response to your letter of December 28, 2007, requesting that the Department of Management Services respond to recommendations made to the Department in OPPAGA Report No. 06-35, *Steps Have Been Taken to Enhance State Acquisition Management, But Further Improvement Is Needed*. It should be noted that the subject report contained several recommendations to the Legislature; however, the report contained no recommendations to the Department.

In your letter, you also posed additional questions on a number of subjects relating to the recommendations made to the Legislature and contained in the original report. The following information is provided on each recommendation in the order as they appear in your letter:

**Recommendation #1**

We recommend that the Legislature direct the Department of Management Services to assess the current statutory exemptions and identify strategies to increase the volume of state purchases made through competitive processes.

**Question 1:** Did such direction take place? If so, please describe the specific directives and how the Department addressed them. If no direction took place, please describe any strategies the Department has identified or new processes that are in place to increase the volume of state purchases made through competitive processes.

**Response:** The Legislature did not provide such direction.
As we stated in our response to OPPAGA’s report, we agree that increased competition can help drive better value for state agencies. Legislative intent states that fair and open competition is a basic tenet of public procurement. A review of the continued public purpose for exemptions and purchasing preferences contained in Chapter 287, Florida Statutes, is in keeping with this precept. We agree that any exemptions that are no longer consistent with this policy should be modified accordingly. Some existing exemptions may be outdated due to operational efficiencies in agency procurement, changes in agency service delivery mechanisms and changing market conditions. However, these changes are the purview of the Legislature. Changes in solicitation processes, such as the Invitation to Negotiate, permit agencies to obtain the best value to the state based upon both price and quality of services. The Department will continue to encourage agencies to competitively solicit goods and services as appropriate to individual purchases.

Section 287.057, Florida Statutes, specifies that all purchases of commodities or contractual services costing $25,000 or more must be competitively solicited unless specifically exempted from competitive solicitation requirements. However, the law does not prohibit agencies from seeking competition for exempt services or commodities. For example, the Department of Management Services routinely invites governmental entities such as state universities to compete for management consulting, survey and other projects. We advise and anticipate that other agencies also determine when it is in their best interest to competitively solicit the purchase of goods and services that are otherwise exempt from competition.

While the Department of Management Services can encourage agencies to use best purchasing practices, we cannot unilaterally establish processes to increase the volume of competitive purchases that are currently exempt. We are especially hesitant to do so in light of the agencies’ apparent reliance on exemptions in Section 287.057(5)(f), Florida Statutes, for services related to the provision of health care services and disability assistance. We note that for certain of the exempt services, such as prevention services, the law directs agencies, in acquiring such services, to consider the ability of the vendor, the vendor’s past performance, willingness to meet time requirements, and price.

The report implies that competition does not exist for purchases costing less than $25,000. We believe that any analysis would show agencies actively use good purchasing practices. These practices include the receipt of written quotations, or the maintenance of written records of telephone quotations for purchases with a value below $2,500. For purchases exceeding that amount, but costing less than or equal to $25,000, rule provides that purchases may be made using written quotations, written records of telephone quotations, or informal bids.

The Department will continue to encourage agencies to competitively solicit goods and services as appropriate to individual purchases. In light of the increased number of vendors in some markets as well as changes in service delivery mechanisms, we agree that a review of the continuation of existing exemptions is in
order. However, until such time as the Legislature eliminates these exemptions we will not establish processes that contravene existing law.

**Question 2:** Please provide documentation on changes in the proportion of competitively bid projects since March 2006.

**Response:** We are unable to provide a direct response to this question. In its report, OPPAGA based its analysis of agency procurement on the results of a survey it conducted of purchasing practices within 28 agencies. The survey asked agencies to identify the purchasing methods used for procurements that exceeded $1 million in Fiscal Year 2004-05. As this survey was performed by OPPAGA and the resulting numbers derived by an OPPAGA analysis we are unable to provide comparable data.

However, MyFloridaMarketPlace data shows that the 29 agencies that use MyFloridaMarketPlace spent $1,551,490,731 during the 18-month period from July 1, 2006 through December 31, 2007 for non-construction-related goods and services. Over one-half of this spending (see Exhibit 1) occurred through the use of state term contracts, state purchasing agreements and alternate source contracts which are, themselves, competitively solicited.

### Agency Spending by Method of Procurement
(July 1, 2006 through December 31, 2007)

<table>
<thead>
<tr>
<th>Method of Procurement</th>
<th>Amount</th>
<th>Percent of Total Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Term Contracts; State Purchasing Agreements; Alternate Source Contracts; Pride; Respect¹</td>
<td>$796,887,127</td>
<td>51.4%</td>
</tr>
<tr>
<td>Agency Competitively Solicited Contracts [ITB, RFP, ITN]</td>
<td>$258,958,441</td>
<td>16.7%</td>
</tr>
<tr>
<td>Under bid threshold</td>
<td>$211,113,872</td>
<td>13.6%</td>
</tr>
<tr>
<td>Exempt Purchases per 287.057(5)(f) F.S.</td>
<td>$196,843,363</td>
<td>12.7%</td>
</tr>
<tr>
<td>Single Source Purchases (Over Category 2)</td>
<td>$66,769,669</td>
<td>4.3%</td>
</tr>
<tr>
<td>Other Exempt Purchases</td>
<td>$14,149,506</td>
<td>0.9%</td>
</tr>
<tr>
<td>Emergency Purchases</td>
<td>$6,768,653</td>
<td>0.4%</td>
</tr>
<tr>
<td>Total</td>
<td>$1,551,490,731</td>
<td>100%</td>
</tr>
</tbody>
</table>

¹Vendor transaction fee reports show that other eligible users such as local governments and universities purchased an additional $1.4 billion in goods and services in this category.

**Exhibit 1**

Use of these contracts promotes economies in the cost of goods and services and efficiencies in state procurement operations. Further, Section 287.056, Florida Statutes, requires agencies to purchase commodities and contractual services from these contracts and agreements.
The data also showed that relatively little spending was associated with exempt purchases. Only 12.7% of spending was for purchases of goods and services not subject to competitive solicitation requirements under Section 287.057(5)(f), Florida Statutes. Of the amount expended pursuant to this section, nearly $94 million (47.6%) was for purchases from other governmental agencies and over $89 million (45.3%) was expended for health services exempt under Section 287.057(5)(f)(6), Florida Statutes.

Question 3: Please describe the current role and status of the Council for Efficient Government regarding state agency acquisition management.

Response: The Council for Efficient Government was created within the Department of Management Services as a result of the Florida Efficient Government Act (Act) effective June 15, 2006. This Act addresses, at least in part, OPPAGA’s recommendation to “require agencies to develop more complete business cases for major complex acquisitions by mandating analyses of associated procurement and contract management requirements.” The Act requires the Council to review, evaluate, and issue advisory reports on business cases to outsource that are submitted in accordance with the Act’s requirements (see Attachment A). The Act does not give the Council a direct role in state agency acquisition management. Rather, the Council acts in an advisory and assistive capacity.

For example, for business cases to outsource having a projected cost exceeding $10 million in any fiscal year, Section 267.0574, Florida Statutes, requires the Council to evaluate the business case at least 60 days before the agency issues the solicitation. The Council is required to evaluate the business case and to submit an advisory report to the Governor, the Legislature and the agency containing the Council’s assessment of the outsourcing proposal at least 30 days before the agency issues the solicitation. The Council also reviews the final business case submitted by the agency at least 30 days prior to execution of a contract and may issue an advisory report if staff deems appropriate.

Agencies are also required to submit an initial business case to outsource to the Council for any project with a projected cost of from $1 million to $10 million in any fiscal year at least 30 days prior to issuing a solicitation and a final business case at least 30 days prior to execution of a contract. An advisory report may be issued if

---

1 Exempt services are 1) artistic services; 2) academic program reviews; 3) lectures by individuals; 4) auditing services; 5) legal services, including attorney, paralegal, expert witness, appraisal, or mediator services; 6) health services, involving examination, diagnosis, treatment, prevention, medical consultation, or administration; 7) services provided to persons with mental or physical disabilities; 8) Medicaid services, with certain restrictions; 9) family placement services, 10) prevention services related to mental health, including drug abuse prevention programs, child abuse prevention programs, and shelters for runaways, operated by not-for-profit corporations; 11) training and education services provided to injured employees pursuant to s. 440.491(6), F.S.; 12) contracts entered into pursuant to s. 337.11, F.S.; and 13) services or commodities provided by governmental agencies

2 Pursuant to Section 287.0571(4)(a)-(d), Florida Statutes, business cases for certain procurements are exempt from Council review, including those for the procurement of commodities or contractual services which do not constitute an outsourcing of services or activities.
staff deems appropriate. For projects costing less than $1 million in any fiscal year, agencies are required to submit to the Council a final business case after the conclusion of any negotiations but at least 30 days before execution of a contract.

The Act requires the Council to recommend standards, processes, and guidelines for use by state agencies in developing business cases to outsource and to employ a standard process for reviewing business cases. As part of the standard review process, Council staff assesses the extent to which the business case outlines the scope of the proposed project, describes the rationale for contracting out, demonstrates the feasibility of the project and outlines the strategy for procuring, managing and implementing the project.

Specific to agency acquisition management, staff evaluate how well the business case identifies and documents the recommended procurement method, proposed evaluation method and the reasonableness of the anticipated timeline for contract negotiation and award, especially in light of any statutory or budget cycle lead times. Staff also evaluate whether the agency has assessed project management, procurement and contract management resources required to manage and oversee project operations, the adequacy of existing resources and whether team experience level is sufficient to achieve success.

The Act also directs the Council to develop standards and best-practice procedures for use by state agencies in evaluating business cases to outsource and to recommend standards, processes, and guidelines for use by state agencies in developing business cases to outsource. The law further directs the Council to incorporate any lessons learned from outsourcing services and activities into Council standards, procedures, and guidelines, and to identify and disseminate to agencies information regarding best practices in outsourcing efforts.

Accordingly, the Council has developed a set of resources for agencies to use in developing business cases to outsource. These resources, including guidelines, instructions and forms are posted on the Council's web site. In addition, Council staff is available to assist agencies at any stage of an outsourcing project. Staff routinely provides agency staff with training on the elements of a sound business case, state guidelines and requirements, and best practices in procurement and project management.

**Recommendation #2**

We recommend that the Legislature direct the functional owners of the FMIS subsystems to evaluate the feasibility of recording state agency purchase information in the state's financial management information system (FMIS).

**Question 1:** Did such direction take place? If so, please describe the specific directives.
Response: The Legislature did not provide such direction.

Question 2: Please provide documentation of:

- The most recent feasibility assessments completed on this issue
- Steps taken to coordinate information on purchasing among the systems

Response: Subsequent to publication of the OPPAGA report, Project ASPIRE was suspended. This project was intended to bring disparate purchasing information together. Plans to continue with this or a similar project are currently on hold. However, MyFloridaMarketPlace, in its role as the e-Procurement tool for state agencies continues to provide detailed data on agency purchasing.

MyFloridaMarketPlace currently hosts approximately 13,244 users across 29 state agencies. The method of procurement (MOP) used for each purchase is recorded within MyFloridaMarketPlace. The MOP identifies whether the procurement was competitive. For example, MOP codes indicate whether the agency obtained requests for quotes under terms of a state term contract or issued an Invitation to Negotiate per the competitive solicitation requirements of Section 287.057(3), Florida Statutes. Other codes indicate whether a discretionary purchase was made under $2,500 or an informal quote obtained for a purchase not exceeding $25,000.

The system provides reliable information on how and what agencies purchase and allows agencies to better manage their purchasing. The data provided by MyFloridaMarketPlace has enabled the Department to adopt new procurement strategies to attain greater savings in state procurement. Since 2004, the Department has used MyFloridaMarketPlace data to support the renegotiation of six state term contracts with savings of over $74 million. One such contract (office supplies) was accomplished by way of a reverse online auction. In December 2007 the Department completed a reverse online auction for IT Hardware which is expected to generate significant savings over the current contract. We have attached an overview that describes some of the benefits of MyFloridaMarketPlace as well as data on system usage (Attachment B).

The Department continues to improve MyFloridaMarketPlace. Some of these improvements enhance the use of the system for existing state agency customers and have also permitted further migration to MyFloridaMarketPlace by new customer agencies. For example, the Department recently completed system enhancements that permitted two of the last three entities remaining on the State Purchasing Subsystem (SPURS) to migrate to MyFloridaMarketPlace during the first quarter of 2008. The Florida School for the Deaf and Blind (FSDB) went live February 4, 2008 and the Division of Administrative Hearings (DOAH) is scheduled to go live February 18, 2008. The third entity still using SPURS is the Florida Legislature. The complete sunset of SPURS would result in one less purchasing subsystem. A system enhancement commonly referred to as "Level 2 Integration" now permits FSDB and DOAH to do its own encumbrances. It further allows any sub-entity of a
larger entity to be self sufficient in establishing encumbrances. While such capability already existed in FLAIR, it did not exist in MyFloridaMarketPlace prior to this enhancement.

In a related activity, MyFloridaMarketPlace was recently invited to be a member of the Department of Financial Services' (DFS) FLAIR Enhancement subcommittee. Membership on this subcommittee will further strengthen the relationship between our department and DFS by providing for better coordination between FLAIR and MyFloridaMarketPlace as both agencies move forward to achieve common goals.

Finally, the SPURS Helpdesk was moved to the MyFloridaMarketPlace Customer Service Desk on February 4, 2008. This move, coordinated with the migration of the remaining agencies on SPURS to MyFloridaMarketPlace will enable the sunset of SPURS by the end of the current fiscal year. These activities are actively being implemented with our customers through discussions with them at the Purchasing Directors meeting (1/17/08), the Florida Association of State Agency Administrative Services Directors (1/25/08), the MyFloridaMarketPlace Change Review Board meeting (1/31/08) and the MyFloridaMarketPlace Customer roundtable meeting (2/20/08).

All of these activities will serve to increase the number of agencies using MyFloridaMarketPlace and strengthen the recording of state agency purchase information in the state's financial management information system.

We also note that Governor Crist's recommended budget for Fiscal Year 2008-09 includes funding for the Agency for Enterprise Information Technology (AEIT) to facilitate development of the business requirements and schedule necessary to integrate state accounting, human resources, procurement and contract management business processes. The Governor's recommended budget directs that the business requirements and recommended implementation schedule represent a consensus proposal of the AEIT, the Executive Office of the Governor, DFS and DMS with input from the Senate and the House of Representatives. The consensus product is to be submitted for consideration of the Governor and Cabinet by February 1, 2009.

**Recommendation #3**

We recommend that the Legislature amend the legislative budget request instructions to require agencies to include in their business case assessment of the procurement and contract management expertise and staffing requirements of the planned procurement, their current resources, and what additional expertise would be needed from resources such as DMS.

The business plan instructions do not contain direction for such an assessment. In addition, Section 216.023, F.S., specifies no such amendment to budget instructions. In
addition, Section 287.0574, F.S., which describes the business case requirements, includes no direction for procurement staffing expertise.

**Question 1:** Please confirm or clarify: has such a directive been included in the business case?

**Response:** Section 287.0574, Florida Statutes, does not itself specifically address procurement staffing expertise. However, legislation enacted in 2006 established requirements regarding the use of certified negotiators and Project Management Professionals.

Pursuant to Section 287.057(17)(b), Florida Statutes, agency heads are required to appoint at least three persons to conduct negotiations during a competitive sealed reply procurement who collectively have experience and knowledge in negotiating contracts, contract procurement, and the program areas and service requirements for which commodities or contractual services are sought.

Chapter 2006-224, Laws of Florida strengthened this requirement by requiring that for contracts costing in excess of $1 million in any fiscal year, at least one of the persons conducting negotiations must be a certified negotiator based upon rules adopted by the Department of Management Services to ensure that certified contract negotiators are knowledgeable about effective negotiation strategies, capable of successfully implementing these strategies, and involved appropriately in the procurement process. The law further provided that if the value of a contract is in excess of $10 million in any fiscal year, at least one of the persons conducting negotiations must be a Project Management Professional, as certified by the Project Management Institute.

While procurement staffing expertise is not specifically addressed in Section 287.0574, Florida Statutes, a sound business case should demonstrate that the agency is capable of procuring, implementing and managing the project and should identify the project and contract management team, including members' qualifications, roles and responsibilities. Team member qualifications should comply with any statutory requirements, such as those identified in Section 287.057, Florida Statutes.

The Council advises that business cases should outline the proposed procurement strategy and identify the procurement evaluation team. The Council recommends that the evaluation team consist of numerous operational and subject matter experts, to include a business expert who has a complete understanding of the business case and is responsible for ensuring that the procurement results in a contract that complies with the business model. The Council also recommends that the procurement evaluation team include a person with expertise in state procurement laws and rules and agency purchasing practices as well as a person with the legal skills necessary to advise the team in administrative and contract law matters.
As noted earlier, the Council's evaluation of outsourcing proposals includes an assessment of whether the agency has addressed the level of project management, procurement and contract management resources required to manage and oversee project operations. Business cases should address the adequacy of existing resources and whether the team's experience level is sufficient to achieve success.

Question 2: Please describe: since 2006, what new steps has the department taken to ensure that appropriate procurement expertise and oversight is in place for complex procurements by state agencies?

Response: In accordance with provisions of Chapter 2006-224, Laws of Florida, the Department revised Section 60A-1.041, Florida Administrative Code, regarding requirements for the certification and recertification of contract negotiators and Project Management Professionals. The rule requires that regardless of the value of the contract, if an agency elects to use the Invitation to Negotiate (ITN) method to solicit competitive sealed replies, negotiation team members shall collectively have knowledge and experience in negotiating contracts, contract procurement, and the program areas and service requirements for which commodities or contractual services are sought. If the value of the prospective contract will exceed $1 million in any fiscal year, at least one member of the negotiation team must be a Department-certified contract negotiator. The rule also requires that to the extent practicable, the agency shall involve the certified negotiator in the development of the ITN. The rule further provides that if the prospective contract will exceed $10 million in any fiscal year, at least one member of the negotiation team shall be a Project Management Professional, as certified by the Project Management Institute.

Chapter 2006-224, Laws of Florida also authorized the Department of Management Services to implement a program to train state agency employees who are involved in managing outsourcings as Project Management Professionals as certified by the Project Management Institute. The law provided funding to the Department to remit payment for this training on behalf of participating personnel.

To effect the changes in statute and rule, the Department has enhanced its Florida Public Purchasing Training and Certification Program. As part of this initiative, the Department established a state term contract for Training for Public Purchasing Professionals for use by the State of Florida and other state members of the National Association of State Procurement Officials (NASPO). Through the state term contract, agency staff can access training in the following three areas:

(1) Fundamentals of Public Purchasing, consistent with the Model Procurement Code for State and Local Governments, 2000 edition, published by the American Bar Association, and leading to nationally recognized professional certification;

(2) Contract Negotiation, including pre-negotiation business research and goal-setting, use of negotiation teams, strategies for successful negotiations, negotiation
tactics which may be encountered, negotiation meetings and materials, and concluding the negotiation process; and

(3) Project Management, leading to certification as a Project Management Professional (PMP) by the Project Management Institute.

In accordance with provisions of the state term contract, participants in contract negotiation training should finish with an understanding of effective negotiation strategies; be capable of successfully implementing those strategies during contract negotiations conducted pursuant to Section 287.057, Florida Statutes and other Florida Statutes (e.g. Section 287.055, Florida Statutes); and be familiar with what is required of them in their role in the procurement process as a contract negotiator. To achieve certification, the Department also established more stringent experience qualifications.

For the project management training component, the contract provides that participants should be well prepared to participate effectively in negotiations for the acquisition of contracts valued in excess of $10 million and be capable of managing complex projects, from planning through procurement, deployment, implementation, change management and completion. As a result of the training program, the Project Management Institute certified 77 agency employees as Project Management Professionals during the period from June 15, 2006 through September 21, 2007.

The Department consults with other executive branch agencies to identify personnel to participate in this training based on agency need. The Department’s goal is to ensure that each agency has a sufficient number of Project Management Professionals in place. DMS maintains a listing of Florida Certified Negotiators and Project Management Professionals on its web site which may be accessed at http://dms.myflorida.com/business_operations/state_purchasing.

If you have additional questions, please contact my Inspector General, Steve Rumph, at 488-5285.

Sincerely,

[Signature]

Linda H. South
Secretary

SR/sll

Attachments
cc:    Terry L. Shoffstall, Director
       Joint Legislative Auditing Committee

       Ken Granger, Chief of Staff
       Department of Management Services

       Joe Wright, Chief Information Officer
       Department of Management Services

       Charles Covington, Director, Division of State Purchasing
       Department of Management Services

       Walt Bikowitz, Chief of State Purchasing Operations
       Department of Management Services

       Rachael Lieblick, Project Manager, MyFloridaMarketPlace
       Department of Management Services

       Henry Garrigo, Deputy Executive Director
       Office of Efficient Government
       Department of Management Services
Council on Efficient Government

When and How to Submit A Business Case

**Table 1**

<table>
<thead>
<tr>
<th>Business Case Submission &amp; Review Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required Submission of INITIAL Business Case by Agency</td>
</tr>
<tr>
<td>Project Cost</td>
</tr>
<tr>
<td>LEVEL 1 Less than $1 Million (per fiscal year)</td>
</tr>
<tr>
<td>LEVEL 2 $1 Million to $10 Million (per fiscal year)</td>
</tr>
<tr>
<td>LEVELS Greater than $10 Million (per fiscal year)</td>
</tr>
</tbody>
</table>

**General Instructions:**

a. Submit your initial business case to the Council on Efficient Government based on criteria specified in above table.

b. Business cases may be submitted electronically or in hardcopy format. The email address for the office is ceg@dms.myflorida.com.

* Outsourced as defined in Chapter 287.0572(2), F.S.
c. Business cases may be prepared using the LBR Schedule XII form or may be submitted in a report format on agency letterhead. Note: If using the Schedule XII Form for projects over $1 million dollars in value, more information will be required than is listed on form. See CEG document titled "Business Case Development and Submission Process" for details.

d. Business cases will be reviewed by office staff using the criteria specified in above table. For any questions you may have regarding the review process, please contact the Council on Efficient Government at (850) 414-9200 or email us at ceg@dms.myflorida.com.

e. Office staff will review your business case and provide a response back within 30 calendar days for business cases valued at less than $1 million to $10 million dollars per fiscal year.

f. The council will meet and provide an advisory report within 30 calendar days for business cases valued at $10 million dollars or greater per fiscal year.

g. Final business cases will be reviewed upon receipt and an advisory report may be issued if deemed appropriate by staff.

The Council on Efficient Government (CEG) was established through the Florida Efficient Government Act enacted by the 2006 Legislature, creating Sections 287.0571 - 287.0574, Florida Statutes. The legislative mandate of the CEG is to review, evaluate, and issue advisory reports on agency-submitted business cases for outsourced services.

The statutory definition of "outsource" is limited to "the process of contracting with a vendor to provide a service (defined as a unit or function at the lowest level to which funds are specifically appropriated, or budget entity), or an activity (defined as a unit of work that has identifiable starting and ending points, consumes resources, and produces outputs), while a state agency retains the responsibility and accountability for the service or activity and there is a transfer of management responsibility for the delivery of resources and the performance of those resources."

Business cases required for the CEG do not have a dollar threshold. CEG business cases are required for any procured contractual service meeting the above definition of "outsource", regardless of amount. Table 1 provides a summarized reference document to identify when and to whom agency business cases for outsourced services must be submitted, not only for the CEG but for other external reviewers such as the Governor's Office, Speaker of the House, and Senate President. It is important to understand that the CEG is an advisory body and is not empowered to approve or disapprove agency decisions to contract.

In addition to reviewing the business cases submitted to it by agencies and the Governor's Office, the CEG is responsible for developing standards and best practice procedures to assist agencies in preparing business cases, and also must report annually to the Legislature the outsourcing efforts and accomplishments of each agency.
Attachment B
MyFloridaMarketPlace Summary
December 2007

Overview:
MyFloridaMarketPlace is the most sophisticated and far-reaching procurement initiative undertaken by any State government to date. Not only does the size of the system, in terms of both buyers and vendors, make Florida unique, but the scope of functionality that it encompasses surpasses projects undertaken elsewhere. The project is self-funded; a 1% fee paid by vendors selling to the State, that was already in place before the MyFloridaMarketPlace project began, funds State Purchasing operations, the Office of Supplier Diversity operations and the MyFloridaMarketPlace Project (including all payments to Accenture.)

What it does:
MyFloridaMarketPlace automates the State’s order, approval, invoicing and payment process, making the procurement cycle more cost effective and time efficient than a traditional paper based system. Additionally, MyFloridaMarketPlace provides electronic tools to streamline the development and execution of solicitations, as well as the award and management of contracts. Online certification of minority vendors, online catalog shopping, and online quoting are also key features of the system.

Project timeline:
The project began with a contract between DMS and Accenture signed in October 2002. Vendors began registering online in April 2003 and the first State buyers began using the system in July 2003. Today, 29 agencies, over 13,500 State users, and over 94,000 vendors use MyFloridaMarketPlace.

Benefits:
- Saved over $74M from November 2004 through September 2007 on six renegotiated statewide contracts (Office Supplies, Material Repair Operational Supplies, Police Officer Equipment, Medical & Dental Supplies, Lawn Services, Police Officer Uniforms)
- Improved accountability for the expenditure of State funds (online history of approvals for every PO and invoice)
- Better insight into the State’s purchasing patterns overall, providing a foundation for decision-makers to fully leverage the State’s buying power and negotiate better contracts for goods and services
- Reorganization of DMS’s State Purchasing Division resulting in a more streamlined and more capable central procurement organization to serve the State
- Have reduced average requisition to purchase order cycle time by approximately 33% since project inception; have reduced average invoice to check cycle time by approximately 8% since project inception
- Overall system usage has grown from 38K transactions in FY04 to over 402K transactions in FY07
- Project has received several awards including 1) Excellence in IT Leadership Award from IT Florida, 2) Honorable Mention given by the National Institute of Governmental Purchasing, among others, and 3) Achievement for Excellence in Procurement (2004, 2005, 2006)
- Have eliminated the need for paper processing of purchase orders and invoices across State agencies
- Enhanced facilitation of MBE (minority owned) business participation in State purchasing
- Achieved 91% Overall Customer Satisfaction in the 2007 User Survey, with a 95% Confidence Level
- Consistently achieve operational excellence through over 99% compliance on comprehensive system operation and customer support performance metrics in performance year 06 and performance year 07
- Supported the 2007 Governor’s Executive Order to encourage the purchase of Environmentally Preferred Products by adopting “green” product standards, identifying almost 7,000 commonly purchased “green” products, and updating the system to flag those products in the online catalogs to encourage agency “green” purchasing

Key Statistics:

<table>
<thead>
<tr>
<th>Current Key Operational Statistics as of December 31, 2007 (cumulative to date)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Orders Created</td>
</tr>
<tr>
<td>Invoices Created</td>
</tr>
<tr>
<td>Registered Vendors</td>
</tr>
<tr>
<td>Minority (MBE) Vendors</td>
</tr>
<tr>
<td>Total Spend Through System</td>
</tr>
<tr>
<td>Total State Users</td>
</tr>
<tr>
<td>Catalogs Loaded</td>
</tr>
<tr>
<td>Customer Inquiries fielded (via help desk- July 2003 to present)</td>
</tr>
<tr>
<td>Strategic Sourcing Identified Price Reductions</td>
</tr>
</tbody>
</table>