



DEPARTMENT OF MANAGEMENT  
**SERVICES**

## **BUSINESS CASE OF THE EPROCUREMENT SOLUTIONS**

**northhighland®**

HIGHLAND WORLDWIDE

3050 Highland Oaks Terrace Suite 4

Tallahassee, FL 32301

Phone – 850.222.4733

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Name	Role	Date
Scott Rainey	Engagement Manager	7-29-2011
Geir Kjellevoid	Account Executive	8-09-2011
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Scott Rainey	Engagement Manager	8-14-2011



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## SECTION 1 EXECUTIVE SUMMARY

### 1.1 PURPOSE

The Department of Management Services (Department, DMS) plans to undertake a multi-year strategic plan to reduce the cost of eProcurement and increase the long-term value to the State of the enterprise-wide eProcurement solution called MyFloridaMarketPlace (MFMP).

This document concerns specifically one component of the Department's strategy – stabilizing and extending the support services for MFMP operations and maintenance for the next three-to-six years. This activity will establish the foundation for all of the Department's subsequent improvement projects.

The Department's alternatives for obtaining MFMP support services are subject to requirements specified in Florida statutes. The primary purpose of this document is to satisfy those requirements. In so doing, this document provides substantial background information about conditions which influenced the formation of the Department's long-term goals and objectives..

It is important to recognize that the near-term requirement to stabilize and extend support services for MFMP operations is just a part of the Department's long-term goals and objectives and represents only the initial step in our roadmap to the Next Generation eProcurement for the State of Florida.

Details about the Department's strategic vision and plan are provided in separate documents, but this long-range vision has served as the context for and key input to the analysis presented in this document as it relates to the requirements for the near-term solution to support the longer-term vision.



### 1.2 SUMMARY OF RECOMMENDATION

North Highland was contracted to develop this business case in accordance with Chapter 287.0571, Florida Statutes, which addresses contracting with private sector vendors whenever vendors can more effectively and efficiently provide services and reduce the cost of government. The statute further requires business cases be evaluated for feasibility, cost-effectiveness, and efficiency before the state agency proceeds with any outsourcing of services.

The Department is nearing the end of a 10-year period of outsourcing the development, implementation and support of MFMP. Accordingly, this business case examines alternatives for the way forward with MFMP in light of these statutory requirements and evaluates whether to continue to outsource these services, to perform the services with state employees, or pursue a combination of the two.

A detailed examination of the context for this decision revealed the following key findings:



1. An analysis of the eProcurement market concluded that the core application upon which MFMP has been built, Ariba, is still regarded as a leading software solution<sup>1</sup> in the Source-to-Pay category, and is capable of providing a majority of the standard procurement functions needed in Florida. Ariba had one of the highest<sup>2</sup> use case score for ERP and Shared Services implementations. However, in spite of the software solution being best-in-class the State of Florida has not achieved best-in-class results in terms of spend visibility, **usage levels by agencies and other eligible users (OEU)**, strategic sourcing, and standard processes to achieve best value to the State.
2. MFMP technology limitations are primarily based on the requirement to have it interface with an older statewide accounting system and to satisfy additional requirements specific to state and federal procurement rules. This large number of unique modifications has increased the cost of ownership and created functional limitations for the long term needs of the State. **One such limitation is the inability to have an outward facing catalog that can be leveraged by other eligible users (OEU) in the cities and counties which would increase statewide spend visibility<sup>3</sup>.** In addition, there is a potential risk that the current technology solution vendor (Ariba) may “sunset” support for certain versions of their on-premises software solution<sup>4</sup>, and **transitioning to Ariba’s Software-as-a-Service (SaaS or “cloud”) offering would be very difficult, if not impossible, due to the large number of customization in Florida’s implementation of the current software version.**  
3. The effective employment of MFMP capabilities by buyers and vendors, on the other hand, has been hampered by poor project governance, lack of standard procurement processes across state agencies, slow or incomplete adoption, uneven executive sponsorship, and continued dependence on older shadow systems and workarounds.

## RECOMMENDATION

**It is recommended that the Department immediately conduct a competitive procurement (ITN) for a newly structured MFMP support services contract.** This contract would provide visibility and control over fixed and variable support costs and be modularized to provide the freedom to modify or remove service components, e.g., call center, at will – described herein as Option 3.

While not the lowest cost option, the recommendation provides the least amount of risk to the State while allowing competitive market forces to lower total cost of operations.

<sup>1</sup> Forrester, “The Forrester Wave, eProcurement Solutions, Q1 2011” 7 March 2011

<sup>2</sup> Gartner, “Best Practices for Choosing Implementing and Using E-Sourcing Solutions,” 8 June 2009

<sup>3</sup> OEU’s average between 60% to 80% of the current State Term Contract spend.

<sup>4</sup> Gartner “Critical Capabilities for Best-of-Breed E-Procurement Vendors”, 2009: “Ariba ... announced plans to sunset support for early versions of its pioneering, on-premises e-procurement offering, Ariba Buyer. The organizations affected are primarily large ... running highly customized versions of Buyer ....” The State of Florida has an upgraded version of the solution which is not currently affected by this sunset of support, but Ariba has made no commitment to continue support beyond the current version.

Re-competition of this contract will provide continuity of operations while restructuring MFMP services to deliver better value to the State.

Improvements to be addressed in the new MFMP support services contract, in support of the Department's strategic goals, are as follows:

- List support services in a schedule, individually priced, and will allow the Department to modify or eliminate specific services while leaving the rest unaffected
- Restructure performance metrics to address the quality of services delivered and prescribe appropriate financial penalties
- Allow the addition or removal of procurement application components from the contract in support of Department improvement initiatives
- Build-in incentives for the provider that are tied to agency adoption and customer success
- Improve user experience with MFMP catalogs
- Implement outward-facing catalogs available to facilitate purchase by other eligible users (OEU) of MFMP and record their spend data
- Improve spend analysis through improved tools, training and skills, as well as increased spend data quality (ex. consistent industry standard commodity codes) and quantity (ex. capture OEU spend)
- Decouple the Ariba software licenses from the services contract to increase flexibility in incorporating other/additional applications in future technology enhancements.
- Establish a one-on-one relationship with Ariba to advise on leveraging existing functionality to its maximum potential
- Increase Call Center quality metrics reporting and visibility
- Coordinate with the Agency for Enterprise Technology (AEIT) and the Southwood Shared Resource Center (SSRC) on the use of Software-as-a-Service (SaaS or "cloud") solutions to enhance the P2P functionality

This will set the stage and position the State to be able to implement the next generation eProcurement solution, as well as increase visibility and analysis of State spend to ensure common purchases are combined to achieve maximum vendor discounts.

### 1.3 BACKGROUND

The objective of this analysis was to create a comprehensive business case which evaluates the feasibility, cost-effectiveness, and efficiency of a proposed project to rebid the outsourced MyFloridaMarketPlace (MFMP) support services contract, in-source the support services, or a combination of both. Since the resulting outsourcing contract may exceed \$10M per fiscal year, the Business Case must meet the requirements that are rigorously defined by FS 287.0571.

MFMP is the State of Florida's electronic procurement system which provides a web-based medium for state purchasers and vendors to exchange products and services. MFMP allows vendors to register, contracted catalogues of products to be managed and displayed, buyers to find products, place orders, approve purchases, reconcile invoices and approve payment all within one system. Users can create solicitations (RFx) in the Sourcing module and the Analytics module provides spend analysis and reporting. The system serves state, vendor and local government users and has full procurement capability.

#### 1.3.1 OVERVIEW OF SERVICES

*Section 287.0571 (4)(a) A detailed description of the service or activity for which the outsourcing is proposed.*

The MFMP services and activities described are currently outsourced to Accenture. Accenture, with a staff of 60 maintains the hardware, operating system infrastructure and the procurement application modules and components that include:

- Vendor Information Portal (VIP)
  - Vendor Registration
  - Vendor Performance Tracking
  - Billing and Collection of 1% vendor fee
- Ariba Buyer
  - Purchase Order
  - Invoicing
  - Receiving
  - Contract Compliance
  - On-line Catalog
- Ariba Sourcing
- Ariba Analysis

VIP is a custom-developed component of MFMP necessitated by the implementation of non-standard commodity codes used by the State of Florida, unique contract reporting requirements, and the billing and collection of the 1% transaction fee required by law. Ariba is a Commercial



off the Shelf (COTS) package with 303 programming customizations. The majority of these customizations were required to interface with the state's accounting system, Florida Accounting Information Resource (FLAIR); mandated by Legislative statutes and agency rules; and to address the unique requirements of the State that do not inherently exist in any standard procurement solution.

Ariba Customizations			
Source	Description of Customization Source	Customizations	%
FLAIR	A customization required to interface MFMP with FLAIR.	85	28%
Enterprise	A customization that is required to support a standardized business process used by all agencies.	74	24%
Legislative	A customization that is required to meet requirements of Executive Order, Florida Statute, or Federal Rule.	55	18%
MFMP Contract	A customization to meet requirements outlined in the eProcurement contract.	50	17%
DMS Rule	A customization that is required by Chapter 60 of Florida Administrative Code.	29	10%
Audit	A customization made to address specific findings in Auditor General Formal Audits.	10	3%
<b>Total</b>		303 <sup>5</sup>	100%

**Exhibit 1 –Sources of Ariba Customizations**

A full list of customizations can be found in Appendix 5.4 and discussed in Section 2.2.1 MFMP Procure-to-Pay (P2P) process.

The best practice for COTS implementations in general, and eProcurement/P2P implementations specifically, is to minimize customizations to the greatest extent practically feasible. This assumes interoperability with or leveraging Enterprise Resource Planning (ERP) Financial COTS software, as opposed to the custom legacy FLAIR application. It also requires executive sponsorship, will, and governance to standardize business processes to conform to the best-of-breed processes supported by the selected COTS eProcurement/ERP solution. This business process standardization did not occur with the original MFMP eProcurement implementation.

A highly customized eProcurement solution is costly to maintain, makes it very difficult to follow the best-of-breed developments in the marketplace, and limits the ability to capitalize on cost savings associated with current trend towards vendors offering eProcurement solutions in a Software as a Service (SaaS) or "Cloud" deployment model.

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<sup>5</sup> Appendix 5.4 lists 309 customizations of which 6 are listed as deprecated. With the September 2011 upgrade of MFMP those 6 customizations are now incorporated into standard Product release.

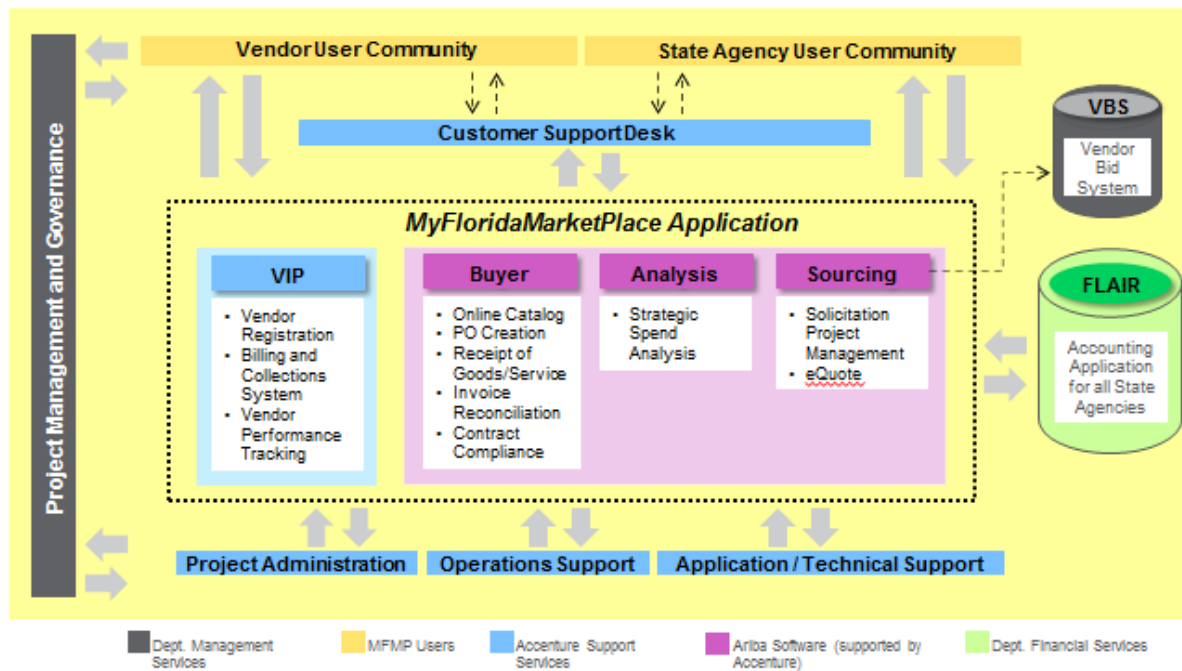
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Accenture also provides the following support services:

- **Project Administration** - Project management tasks, project management report generations and performance monitoring
- **Operations Support** - Manage suppliers through content enablement process, support training materials for suppliers and state purchasing analysts
- **Application / Technical Support** – Focuses on four key activities:
  - Application Support - Supports the applications and interfaces that compose the MFMP program (7 applications and 3 major interfaces), research potential defects, resolve software defects, enhancement development, reconciliation with statewide accounting system, and production of agency benchmarking reports
  - Production Support - Catalog enablement, batch monitoring and exception handling, report generation and administration
  - Ariba Software Upgrade Support - Specialized technical resources to support various application upgrades and administer upgrade efforts in conjunction with daily operations
  - Technical Support - Management of multi-tier, multi-layer architecture, system and network administration, performance testing, local infrastructure support, disaster recovery, and security administration
- **Customer Support Desk** - Tier 1 & 2 resolution and escalation management of an average of approximately 2,300 buyer and vendor inquiries/month, failed order processing, vendor in activations, reluctant vendor management, 1099 name changes, training development, regression testing for code releases, communication activities, Sourcing administration support, billing generation, collections activities, payment reconciliation, compliance monitoring and fee gap analysis

The Department of Management services has six state positions providing oversight, contract management, service level compliance monitoring, communication supports, and reporting.

The Department of Financial Services issues all vendor payments. The interface between MFMP and the FLAIR system provides the information needed to execute these disbursements.



**Exhibit 2 – MFMP Operations**

### 1.3.2 CURRENT SERVICE PERFORMANCE

*Section 287.0571 (4)(b) A description and analysis of the State agency's current performance, based on existing performance metrics if the State agency is currently performing the service or activity.*

The Department of Management Services provides contract management and oversight of Accenture, the current support vendor responsible for MFMP services and activities.

Metrics captured and used to evaluate Accenture performance<sup>6</sup> and MFMP usage consists of:

- 25 Performance Measures
- Annual Customer Surveys
- Procurement Transaction Volumes
- Invoice Transaction Volumes
- Monthly Payment Reconciliation
- Weekly report of System Issues

<sup>6</sup> Department of Management Services, "Accenture contract 20021004.pdf and subsequent modifications 1-7", <<http://www.dms.myflorida.com/>>(1 July 2011)

Leading up to this report, the metrics and performance measures established were consistently being met. Currently, the service provider averages over 95 percent compliance to the metrics. During the creation of this report, two performance measures were not met due to a system outage that occurred on June 24, 2011 and required 36 hours to be resolved. Performance measures over the last 6 months<sup>7</sup> include:

- 94.8 percent of customer calls are answered within 90 seconds
- 99.1 percent of emails from customers are responded to within one business day
- 98.5 voicemails from customers are responded to within one business day
- 99.9 percent of customer help desk tickets are resolved within three business days
- 98.8 percent of time system was available (36 hrs of unplanned downtime in June)

The current performance measures do not conform to industry practices. More quality performance measures need to be captured and reported on in future contract. The current contract does not include the ability for the State to recoup damages caused by the service provider's failure to complete tasks correctly or timely. This contradicts standard service level management practices. However, there is an economic impact to the State Agencies, MFMP buyers and MFMP vendors when delays or system outages occur. The future support services contracts should consider assessing some financial penalty to system outages above an established threshold to be determined by the State prior to new contract start date. Section 3 - Procurement and Contract Management outlines additional performance measures to consider implementing in the next support services contract.

The MFMP call center has responded to over 27,000 customer inquiries in FY2011. A list of customer inquiries by category can be found in Appendix 5.3. The majority of these calls involve vendor registrations issues and billing and collection questions.

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<sup>7</sup> Department of Management Services, "Performance Metrics Report for June 2011.xlsx", <<http://www.dms.myflorida.com/>>(1 July 2011)



MFMP Call Center Calls FY11		
Call Types	Number of Calls	%
Vendor Information Portal <sup>8</sup>	16,928	61.60%
Billing & Collections	4,709	17.14%
Ariba Modules	4,209	15.32%
Vendor Bid System	1,008	3.67%
Integration/Interfaces	470	1.71%
SPURs	142	0.52%
<b>Total</b>	<b>27,480</b>	<b>100%</b>

**Exhibit 3 – MFMP FY2011 Customer Inquires**

According to the latest MFMP customer satisfaction survey, 97 percent of MFMP customers are satisfied overall with the system and its services. The most recent survey is available on the MFMP website.

### 1.3.3 TARGET SERVICE PERFORMANCE

*Section 287.0571 (4)(c) The goals desired to be achieved through the proposed outsourcing and the rationale for such goals.*

The State's primary objectives include identifying a solution that provides the best long-term value to the State, allows for a reduced cost of eProcurement, and is adaptable to future process and law changes. The State also has an objective to meet the needs of the enterprise with a best-in-class eProcurement system that provides for ease of use. The current implementation and program management does not fully utilize the MFMP functions. As a result agencies have built internal shadow systems and processes and some even manual paper-based processes. Section 2.2.3 - Alternate Procurement Systems list several agencies that use shadow systems. The degree to which agencies are using MFMP is widely variable and most agencies still retain portions of shadow systems or continue to use FLAIR as the primary invoice payment vehicle, even when time studies validate that it is faster to process invoices in MFMP than using FLAIR for this process. These inconsistent processes also undermine the overall intent of MFMP serving as an end-to-end "Procure-to-Pay" solution.

The State's long term objective is to establish the following guiding principles:

- Maximize spend visibility
- Maximize usage by both Agencies and OEUs (other eligible users)

<sup>8</sup> The calls classified as "Vendor Information Portal" are inflated by general inquiries by vendors that are not related to procurement. There are also opportunities to work with Agencies to ensure that vendors are not inappropriately directed to the MFMP call center for questions that the Agency should handle. Finally, continued focus on portal ease-of-use will positively impact call volume.

- Bring best value to the State through strategic sourcing, standard contracts, standard processes
- Manage administrative costs through self-service and a shared services delivery model
- Create a flexible technology platform, that is easy to use, easy to maintenance, lower TCO with seamless integration to future enterprise solution

Increased visibility and analysis into statewide spend in order to consolidate common purchases across State entities so that deeper discounts can be negotiated with suppliers and, thus, greater purchasing power and savings can be realized by State agencies and the State as a whole. This will provide catalog availability to and maximize usage by Other Eligible Users (OEU) to increase total spend under management and spend visibility. Currently less than 50% of spend is under management, when industry best practice is to achieve spend under management of more than 80%, which has been achieved by other States.

In order to achieve these long term goals a flexible support services contract must be procured and negotiated to;

- Address the 12/2012 end of the current support contract
- Achieve visibility and control of fixed and variable support costs
- Provide the freedom to modify or remove (e.g., satisfy service with State employees ) support components
- Competitively procure the contract to let the market forces drive the best value
- Maximize functionality usage of current solution suite
- Drive down the current cost (\$14.8 MM per year) which can aid in funding future optimization initiatives

#### 1.3.4 CITATION

*Section 287.0571 (4)(d) A citation to the existing or proposed legal authority for outsourcing the service or activity.*

Section 287.057(22), F.S., authorizes DMS to develop an eProcurement solution. Specifically, this section states, "The department, in consultation with the Agency for Enterprise Information Technology and the Comptroller, shall develop a program for online procurement of commodities and contractual services. To enable the State to promote open competition and to leverage its buying power, agencies shall participate in the online procurement program, and eligible users may participate in the program....." Chapter 287.057(22)(a), F.S., further provides: "[t]he department, in consultation with the agency, may contract for equipment and services necessary to develop and implement online procurement." The statute also permits the use of a transaction fee to fund the cost and operation of the online procurement system.

Based upon this authorization, DMS procured an online procurement program that later became known as MyFloridaMarketPlace (MFMP). DMS executed the Web-based eProcurement contract October 9, 2002. The current contract expiration date is December 8, 2012.

## SECTION 2 COST BENEFIT ANALYSIS

### 2.1 MARKET CONDITIONS AND TRENDS

#### 2.1.1 INDUSTRY AND PUBLIC SECTOR BEST PRACTICES

As buyers consider the various eProcurement functionality and technology features available, there are several functions/features required of any best-in class<sup>9</sup> eProcurement solution. These features include:

- Supply Base Management
- Supplier Portal/Network Access
- Spend Analysis
- Strategic Sourcing
- Contract Lifecycle Management
- Procure-to-Pay (P2P) Availability

**Supply Base Management** is the process of evaluating, monitoring, and classifying suppliers for performance, capability, and risk. It enables the documentation of supplier development efforts and their results leading to an improvement in the organization's ability to maintain highly qualified, high-performing suppliers to meet its needs. Many of the current supply base management solutions available in the market are in the early stages of development and are evolving. Organizations should concentrate their efforts on suppliers that deliver critical goods and services or comprise a substantial share of spend. Conversely, MFMP allows for any potential supplier to register without a registration fee or prequalification mechanism and as such there are twice as many registered suppliers as compared with a State such as California. Additionally vendors can register multiple times causing unnecessary duplications and complicating the ability to do meaningful analysis. Routinely purging inactive vendors would significantly reduce the duplication and complexity in the current registration system.

The **Supplier Portal/Network** is a common platform to share knowledge and information internally and externally. An example of a supplier portal is a vendor registration interface that allows for easier interaction with internal clients and suppliers. Technology solutions that utilize a supplier portal are sometimes bundled with eProcurement suites and are often provided using custom-built web applications. One of the pitfalls of this feature is that when suppliers are numerous, a substantial investment in staff time may be required to manage portal communication and to serve as moderators of its content. To some degree this is the cost of doing business, but can be mitigated by additional improvements in the portal's ease of use. MFMP has access to the Ariba Supplier Network. However, this feature is not fully leveraged and

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<sup>9</sup> Gartner, "Understanding Your Top Procurement Processes," 11 May 2011



may not be ideal for the State due to the cost imposed on the vendors to participate and would create a reliance on a Ariba proprietary service. This along with unique minority certification requirements and other State requirements during registration process required a separate vendor information portal (VIP) to be created to provide this additional functionality not inherent in any standard procurement suite.

eProcurement solutions must have the ability to provide a single, enterprise-wide view of all entity spending which helps identify an organization's opportunities for cost reduction. **Spend Analysis** services and applications are widely available across the landscape of available solutions. However, one of the pitfalls is that often there are minimal details for transaction descriptions and non-standard classification schema. Florida's non-standard commodity codes is a significant issue with the current MFMP system. The inconsistent data capture is difficult for a standard analytics solution to use. Useful and detailed spend analysis is limited and only available for those purchases processed through MFMP. The data that is captured from the States Accounts Payable system is of insufficient procurement line item detail to be useful. With less than 50% of State procurement spend visible and without good spend analytics procurement costs cannot be effectively managed. Agencies use Pcards inconsistently, ranging from 10% to 80% of agency purchases. PCard visibility is not captured if not entered into MFMP. Industry practices suggest that PCards should be used for occasional, low value buys<sup>10</sup> unless the PCard transaction data at the line item level is captured in the P2P solution or ERP system.

**Strategic Sourcing** involves the process of establishing negotiated agreements for long-term, multiple, or high volume purchases. Strategic sourcing reduces costs through negotiation and volume pricing. Best-in-class vendors recognize that strategic sourcing is the primary way that procurement can reduce enterprise costs. There are many mature applications available as stand-alone or bundled solutions. Contracted services can also provide this function. One of the challenges in achieving effective strategic sourcing is that it usually requires considerable professional purchasing knowledge and skill to be effective. Leveraging this process within State Purchasing has been limited with the previous versions of the solution and its implementation. The vendor initially implemented a sourcing module that did not support Florida's unique requirements (due in part to Florida's non-standard commodity codes). This module has subsequently been replaced, but only deployed at DMS<sup>11</sup>. The electronic bidding and bid tabulation features have only been deployed within DMS. As a result of this as well as the lack of complete spend data, strategic sourcing has been limited in its effectiveness. With the significant savings that this can provide to the State, if executed properly, the Department should make a concerted effort to focus on standardizing and implementing processes and increase utilization of the tools and methodology. With the release of the current version of MFMP Sourcing 3.0 there is a significant opportunity for the State to increase the number of sourcing events it conducts.

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<sup>10</sup> Gartner "The Top 21 Questions for Evaluating and Implementing E-Procurement", 2009 – "The procurement card (p-card) is a cost effective way to handle occasional, low-value buys ... P-cardholders should be given clear instructions on when to use the p-card and when to use the e-procurement solution. Spending analysis should be used to identify spending that is regular enough to justify negotiated contract pricing [and] .... handled through the e-procurement solution."

<sup>11</sup> September 2011 Quoting function will be available to all State Agencies.



**Contract Life Cycle Management** involves creating, executing and managing the organization's formal agreements with its suppliers. This capability is critical when the number of contractual obligations is large. Contract Life Cycle Management is often bundled with eProcurement and procure-to-pay suites. Organizations can reduce the number of contracts issued by putting standard terms and conditions into their purchase orders. MFMP has only a Contract Compliance module with limited functionality and as such many agencies have developed their own Contract Management systems to satisfy this function. Ariba, as well as other solution providers, now offer more robust and separate contract management solutions which were not available during the initial deployment of MFMP that could reduce the number of systems developed by individual agencies.

**Procure -to-Pay (P2P) processing** spans from creating the requisition to approving payment of the invoice for received goods and services. This method ensures that purchases are made expeditiously, with proper authorization, funding, sourcing, and in accordance with policy. P2P is most effective when linked to compliance with strategic sourcing agreements. P2P solutions may require more than one application or a solution that can be configured for each production/services category. One of the major pitfalls is the lack of user adoption; mandating usage is usually a challenge to achieve in practice, but optional use results in a significant amount of lost savings. It is therefore suggested that usage be mandated<sup>12</sup> whenever possible. The Buyer feature is the most utilized by State agencies but is only one component of the P2P process and true visibility can only be achieved when the MFMP invoicing component is also utilized. The common belief by some agencies that using MFMP was slower was disproven by timing and process analysis. In fact, timings revealed significant speed improvement using MFMP as compared to the use of FLAIR, with MFMP invoice processing more than four (4) times faster than processing in FLAIR. The electronic bidding and bid tabulation features have only been deployed within DMS. The reasons agencies have not adopted MFMP, or only partially adopted it, appear to be primarily related to motivation (e.g., governance and executive sponsorship) and skill.

### **2.1.2 PROCUREMENT OVERVIEW IN OTHER STATES**

In order to perform a current state analysis of other government procurement technology solutions, eight (8) states and the District of Columbia were directly interviewed and additional research was collected from online sources. Currently states have implemented various types of systems to manage procurement activities. These systems range from having paper-based processes to incorporating some level of systemic eProcurement capability.


Of the nine entities contacted, five (5) have a centralized procurement operating model where all procurement is handled through a single purchasing agency. Even with this centralization, there were still some agencies within those states which were legally exempt from utilizing the centralized purchasing office/division and had the authority to conduct their own purchasing operations. Colorado, Oklahoma and South Dakota utilize home-grown systems to manage procurement and are limited to utilizing their State term contract agreements in list form as a

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<sup>12</sup> Gartner, "Best Practices for Choosing Implementing and Using E-Sourcing Solutions," 7 January 2011

catalog. States with a lower overall spend than Florida such as Colorado, Washington, Oregon and Utah have collectively investigated solutions that will incrementally move them towards eProcurement through the use of online searchable catalogs, requisitioning & purchase modules and receipt-of-goods modules. For these States, implementation of a SaaS solution will dramatically increase the efficiencies to all entities authorized to purchase using member State Price Agreements and will also expand their strategic sourcing functionalities.

For those States that have more recently implemented an eProcurement solution (Georgia, North Carolina, Virginia), they have done so in an “ERP Centric” model by combining an ERP core (Oracle, PeopleSoft, Ariba, etc.) with a hosted product solution or a SaaS version of an eProcurement solution. With the exception of Arizona and the District of Columbia, there were no other States interviewed which utilized the full suite of procurement products from a single vendor (a “Pure Play” solution, as Florida has implemented.)

The State of California was not able to identify a COTS product that would fully meet the State’s needs. With the assistance of a software integrator, California developed a web-hosted application. This eProcurement system is very similar to a cloud solution; however, the State purchasing office considers their current BidSync system an interim solution until a new financial management system is developed. At that time, the State will revisit changes to the procurement system. 

Overall, States are generally in one of three models of e-Procurement:

1. Minimal Procurement Technology
2. Partial SaaS Solution
3. Complete SaaS Solution

Assessment of State eProcurement Characteristics			
Levels of eProcurement Solution	Minimal Procurement Technology	Partial SaaS Solution	Complete SaaS Solution
<b>States</b>	Colorado Oklahoma South Dakota	California Texas Virginia	Arizona District of Columbia Georgia
<b>Key Characteristics</b>	Home –grown solution Electronic Vendor Registration Electronic Vendor Bid Notification	ERP platform (or similar) Modular Software Suite Implementation High-level of Software Customization	ERP platform (or similar) Full Suite Implementation (sometimes add-ons) Mandated Agency Usage Accounting System Integration Lower level of customization
<b>Future eProcurement Focus</b>	eCatalogs and Buyer Functionality	Implementation of Remaining SaaS Modules	Minimization of Operating Costs through A Cloud or Hosted Solution

**Exhibit 4 – Common eProcurement Characteristics among States**

Data such as the type of procurement operating model in use, the software provider, the operating cost of eProcurement systems, system funding models and more was collected and included in Appendix 5.5. Of the three models, States in the Partial SaaS Solution and Complete SaaS Solution categories were closer in resemblance. The distinguishing characteristics that separated these categories included the level of software customization and the requirement for agency-mandated usage of the eProcurement system. The representative from Washington D.C. stated that their agency's ability to fully leverage a SaaS solution lay within their willingness to modify business processes to align with current procurement best practices and minimize the need for customizations that modified the core software product.

**Arizona** – Since 2009, the State of Arizona has worked with Periscope Holdings to implement their statewide e-procurement solution called BuySpeed. BuySpeed is a web-based P2P solution that interfaces directly with Arizona's Financial Information System. Users have access to modules for vendor registration, solicitations, contracts, contract ordering, reporting, requisitions, purchase order, accounting interface, budget validation, reporting and receiving.

**California** – Implemented in early 2009, California's eProcurement system is a web-based application developed by BidSync. The system replaced the previously separate applications that handled vendor registration, purchasing, contract management and supplier diversity certification. The system has full procurement capability including: requisition and solicitation development, State contract advertisement, electronic bid/proposal submission, bid/proposal

evaluation, approval workflows, catalog purchasing and contract management. It also provides small business and disabled veteran business enterprise registration, certification, and reporting functionality.

**Georgia** - The State of Georgia utilizes PeopleSoft procurement modules and an online catalog system by sciQuest. Their system, called Team Georgia Marketplace, includes an ePro module for requisition creation and approval; a PCard Reconciliation module to approve purchases and reconcile PCard statements; a Strategic Sourcing module to solicit and receive bids; a Contract Management module to create and manage contracts; supplier self-service; and online catalogs for use by both agencies and OEU's.

**Mississippi** - The State of Mississippi has implemented an eProcurement system called WebProcure® offers internet technology that handles the complete procure-to-pay life cycle for both buyers and suppliers. Currently all of the solicitations for the items on State Competitive Contracts with the Office of Purchasing, Travel, and Fleet Management (OPTFM) are done through WebProcure. The system includes modules for bid/proposal solicitations, bid/proposal submissions, requisitions, purchase orders, receipt of goods, and contracts management.

**North Carolina** - The State of North Carolina created NC E-Procurement @ Your Service, an enterprise-wide procurement solution, using Ariba software, that serves roughly 6,500 users from approximately 127 government entities. The Internet-based system includes a statewide vendor registration application and marketplace for obtaining informal quotes. State purchasing agents are able to place requisitions and process electronic purchase orders through the Internet. To date, the system has processed orders totaling about \$1.65 billion.



**Texas** – The State of Texas implemented a procurement solution called TXSmartbuy that allows buyers to search and buy from online catalogs against State term contracts. While the Oracle-based system does handle requisitioning and purchase order issuance, it does not include modules for invoicing, contract management or sourcing.

**Virginia** – The State of Virginia has eVA, a web-based purchasing system, using Ariba software, that allows State agencies, colleges, universities and many local municipalities use eVA to announce bid opportunities, invite bidders, receive quotes, and place orders for goods and services. System capabilities include requisition approval workflow and the electronic creation and submission of a purchase order to the vendor.

**Washington** – The State of Washington uses a home grown system called WEBS for vendor registration and vendor email notification and electronic posting to the internet of all solicitations. They still issue paper-based purchase orders and use a home grown financial system for accounts payable. Washington is currently exploring the move to eProcurement via the Western States Contract Alliance contract with sciQuest.

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### 2.1.3 TECHNOLOGY DRIVERS

There are several technology drivers eProcurement buyers consider as they assess the vast array of solutions available on the market today. These technology drivers<sup>13</sup> include:

- **Scalability**
- **Stability**
- **Cost**
- **Ease of Implementation**
- **Ease of Use**

Regarding **scalability**, eProcurement solution buyers expect a system that can adapt to increases or decreases of the agency's needs in terms of the number of users, suppliers, transactions, and data storage requirements. The solution must also be capable of correlated growth without loss of performance or capacity over a specified period of time. There must also be some flexibility to change system coding (requirements) as State laws or policies change. Lastly, decision makers must factor in the level of effort for adapting, modifying, and upgrading the system to adjust to any changes. MFMP has many customizations to meet State laws, DMS rules, agency requests, and to interface properly with a 30 year old enterprise Accounting and Finance system which inhibit scalability.

When assessing the **stability** of the solution options, high system availability is mandatory, minimizing or completely eliminating the disturbance of operations during critical peak periods. MFMP, until just recently (36 hour outage in June), the system had no unplanned availability issues. A longer term risk to the stability of the system in Florida is the potential that Ariba may "sunset" the support for its on-premises offering, and transitioning to Ariba's Software-as-a-Service (SaaS or "cloud") offering would be very difficult, if not impossible, due to the large number of customizations in Florida's implementation of the current software version. Even if Ariba extends support and product roadmap for the on-premise solutions, the state will be faced with a technology issue in five years as the current version becomes classified at end-of-life requiring an upgrade or replace decision. Also, the decision may be driven by a statewide initiative to modernize or replace FLAIR.

With ever-constrained financial resources as well as a low tolerance for risk, buyers are sensitive to the **costs** associated with the initial purchase, cost of implementation, system support needs and ongoing deployment of eProcurement solutions. There is also a rising interest in the availability of flexible pricing models beyond traditional straightforward licensing and high start-up/capitalization charges. eProcurement solutions, including Ariba, are moving toward a transaction based model<sup>14</sup> and moving away from an on-premises deployment to a

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<sup>13</sup> Gartner, "Critical Capabilities for Best-of-Breed E-Procurement Vendors" 8 March 2009

<sup>14</sup> Ariba SaaS Sourcing module, among others, is now offered on a transaction based model. You pay for usage based on the number of sourcing events you execute. Significant savings could have been realized in the past due to the infrequent use of the current module.

SaaS or Cloud solution to reduce infrastructure costs. The highly customized implementation in Florida increases support costs, both in ongoing support, and, in particular, when upgrading to new versions of the COTS software.

Market buyers are more attracted to solutions that allow for ***ease of implementation*** requiring shorter implementation timeline to contain risk and reduce in-house subject matter expert commitments. Reduced implementation complexity would ultimately lead to lower costs overall and a significant decrease in implementation risk.

The final technology driver, ***ease of use***, allows for a decreased learning curve that positively impacts stakeholder adoption rates and customer satisfaction rates. In eProcurement terms, the expectation today is that it is intuitive and requires little to no training. During interviews with the State Agencies about MFMP, ease of use was never stated as a problem. However, many users do not know all the features that are available in a best-in-class P2P solutions, and therefore may not have a good point of comparison to assess the ease of use compared to alternatives. The general principle should be that by focusing on achieving ease of use for both agency users and vendor users, the proper use of MFMP should be the “road of least resistance.”

#### **2.1.4 OTHER TECHNOLOGY CONSIDERATIONS**

A different set of technology drivers exist for the software vendors. These drivers factor into the vendors’ development of software solutions that meet or exceed the needs of market buyers. Vendor technology drivers include:

- **Hardware/Storage/Memory**
- **High-speed Data Search and Retrieval**
- **Virtualization**
- **Integration**
- **Security**

Software vendors recognize that the ***hardware/storage/memory*** characteristics of their solutions must be priced as a commodity due to increasing competition. Vendors are continually looking for ways to provide their products at a lower cost while employing increased computing power.

Vendors must also ensure that their products have ***high speed data search & retrieval*** capabilities that enable products to support functions relying on rapid searches of massive amounts of data.

***Virtualization*** is also a key technology driver because it allows multiple instances of an operating system or application to run on a single server. This capability may also enable next generation systems to automatically raise/lower system capacity in response to real time demands.

Software vendors are also driven by ***integration*** considerations. Products must be capable of easy and reliable data exchange between heterogeneous platforms and legacy systems.



Additionally, vendors understand that new eProcurement systems (or components) must have the flexibility to be replaced with minimal disruption to other systems. Utilizing built in functionality and limiting customizations reduce overall support and maintenance impacts.

Lastly, vendors have found that improvements in **security** effectiveness can make hosted solutions more attractive options for buyers. When deploying other models such as SaaS/ Cloud solutions, special attention must be made to Service Level Agreements with these vendors to insure that security levels are similar or better than those offered by hosted solutions.

### 2.1.5 EMERGING IMPLEMENTATION MODELS

Activity in the market suggests that there is less emphasis on customized implementations and that organization are moving toward **Cloud<sup>15</sup> deployment**. Recognizing the importance and value of eProcurement functions, **ERP** vendors are enhancing their solutions to incorporate eProcurement functionality<sup>16</sup>. Niche vendors are also offering specialty functionality as add-ons to existing implementations. Along with these implementation models the industry considers the Shared Services<sup>17</sup> delivery model is a cost effective and efficient model for providing end services.

### CLOUD DEPLOYMENT

Cloud computing is a model for enabling on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services). The concept of cloud computing fills a perpetual need: a way to increase capacity or add capabilities on the fly without investing in new infrastructure, training new personnel, or licensing new software. Cloud computing encompasses any subscription-based or pay-per-use service over the Internet and extends existing capabilities.<sup>18</sup>

There are several reasons why cloud solutions are increasingly attractive to organizations looking for a cutting edge options which minimize costs and offer flexibility<sup>19</sup> in their eProcurement operations. Some of these reasons include:

- Innovative purchase options are available – organizations pay only for the services used
- Fixed costs are converted into variable costs
- Reduced capitalization expenses – possibly to zero
- Sharply reduced operating expenses – 25 percent to 50 percent reductions are common<sup>20</sup>

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<sup>15</sup> Gartner, "Cloud Computing - The Next Generation of Outsourcing" 1 November 2010

<sup>16</sup> Forrester, "The Forrester Wave, eProcurement Solutions, Q1 2011" 7 March 2011

<sup>17</sup> Gartner, "Critical Capabilities for Best-of-Breed E-Procurement Vendors" 8 June 2009

<sup>18</sup> Wikipedia, "Cloud Computing Definition", <[http://en.wikipedia.org/wiki/Cloud\\_computing/](http://en.wikipedia.org/wiki/Cloud_computing/)>(1 July 2011)

<sup>19</sup> US CIO Vivek Kundra, "Federal Cloud Computing Strategy" 8 February 2011

<sup>20</sup> The Brookings Institution, Governance Studies, "Saving Money Through Cloud Computing " 7 April 2010

- Increased speed of deployment into the Cloud
- Elastic infrastructure capacity – automatically managed as limits are approached
- Hardware and software upgrades can be provisioned automatically
- In-house IT staff can be assigned to higher value activities
- Software-as-a-Service (SaaS) offerings can be rapidly implemented – days/weeks instead of months/years

Cloud SaaS installations are only for those customers willing to closely align their business processes to those already supported by the application. Customization can quickly reverse the cost and advantages of buying a packaged solution. Adopting the business processes delivered in a SaaS installation will likely require an investment in organizational change management to ensure that stakeholders and users can efficiently and effectively utilize the solution.

Although Cloud security remains a concern – even as industry intensifies its efforts to address it - the growing interest in this deployment model makes it highly likely that security issues will ultimately decrease over time as cloud solutions become further developed and optimized for performance. In order to utilize a cloud solution, organizations must become comfortable with their data being stored off-premises. With regard to pricing, newer pricing options must be understood and considered such as the benefits of a per Transaction based options version annual subscription fee.

### **ERP INTEGRATION**

Enterprise Resource Planning (ERP) solutions are beginning to live up to expectations and software providers are strengthening their core P2P functionality and components. ERP vendors are trying to catch up to the pure-play eProcurement vendors and these ERP vendors are coming on strong with new offerings. ERPs tend to focus on what is happening and what has happened while eProcurement systems are designed to also look at what is possible. Most ERP solutions require augmented functionality from partners or 3rd parties to achieve full source-to-pay functionality by adding best-in-class catalog, sourcing and contract management functionality.

### **NICHE VENDORS**

Niche vendors are also offering specialty functionality as add-ons to existing implementations. MFMP should continue to analyze and optimization its usefulness. Looking toward best-in-class niche vendors that can improve OEU usage by supplying external facing Catalog functions is one of many cost effective ways to increase revenue with minimal cost.

## **2.2 ASSESSMENT OF EXISTING OPERATIONS**

*Section 287.0571 (4)(i) A description of differences among current State agency policies and processes and, as appropriate, a discussion of options for or a plan to standardize, consolidate, or revise current policies and processes, if any, to reduce the customization of any proposed solution that would otherwise be required.*



MyFloridaMarketPlace (MFMP) automates the State's order, approval, invoicing and payment approval process, making the procurement cycle more cost effective and time efficient rather than a traditional paper based system. Key system features include online vendor registration, certification of minority business enterprise, online quoting and sourcing, online catalog shopping, electronic requisitioning, commodity receiving, and enterprise reporting.

MFMP has been the State of Florida's online exchange for buyers and vendors for the past seven years with some exceptions (e.g., Agriculture, DCF). The system has transformed how the State of Florida purchases goods and services but has yet realized the benefits of an electronic procure-to-pay solution. For example, it is estimated that only 47% of the State's available procurements are placed using MFMP. This is due in a large part to the way MFMP was implemented and the lack of adoptions and standardized procedures across agencies.

At the outset of the MFMP implementation, Florida did not attempt to standardize business processes across all State agencies or to minimize customization of the Ariba software. Many of the customizations created processes that were either too new or cumbersome for agencies to easily adopt, or created processes that did not support existing agency operations. Change management activities were undertaken very late in the implementation; only after many agencies had already developed a reluctance to adopt the system. Lack of enforcement made the full adoption of MFMP appear to be optional and, as a result, many agencies have chosen partial adoption.

There have been two upgrades to the software or hardware and a third, full upgrade will be completed in September of 2011. MFMP now supports a majority of agency procurement needs with some agencies driving up to 100% of their spend activity through MFMP (For example: DEP and APD). Currently 32 agencies use MFMP.

However, there is opportunity to conduct fit-gap analysis in order to develop and implement standardized procurement practices across all State agencies to increase agency usage of the system's entire suite of capabilities. The system is most fully utilized by agencies to create purchase orders yet many agencies still process invoice payments directly in FLAIR which is inefficient and also decreases the data available for analysis and making strategic purchasing decisions. With the implementation of standardized procurement practices and agency specific training to support the implementation, more agencies would gain a better understanding of the system's capabilities and how to leverage the system to execute full procure-to-pay functionality in MFMP eliminating the need to process invoices in FLAIR.

As part of the future operations of MFMP the Department will work to optimize the use of the full system functionality. This can only be done by:

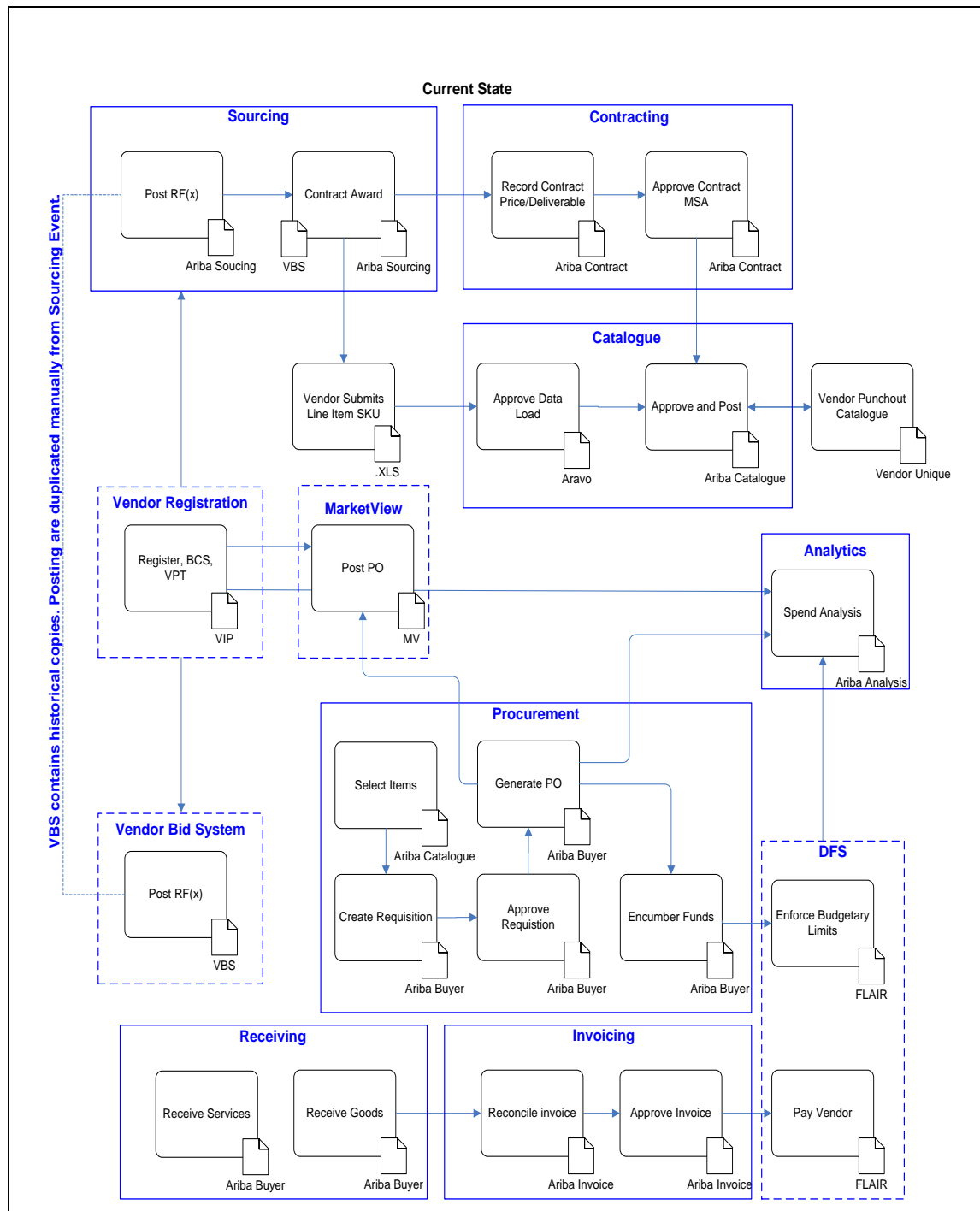
- Obtaining additional executive and legislative support to make full use of the MFMP functionality mandatory
- Conducting agency by agency business process analysis and business process change to adopt full MFMP functionality
- Providing agency coaching to help users adapt to the new and more effective business processes offered in MFMP



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- Obtaining executive and legislative support for decommissioning of agency shadow systems and discontinuation of wasteful procurement practices
  - Obtaining legislative and policy reform regarding PCard usage and entry of PCard data into MFMP
  - Enhancing the catalog shopping experience for MFMP users
  - Developing external facing catalogs that are enticing to Other Eligible Users and creating mechanisms to capture their spend against State of Florida Contracts
  - Obtaining increased visibility of spend data to support strategic sourcing
  - Working in tandem with the Department of Financial Services to minimize the need for the specific functions provided by the Vendor Information Portal

### 2.2.1 MFMP PROCURE-TO-PAY PROCESS

The diagram below outlines the components of the MFMP Procure-to-Pay process.



## Exhibit 5 – MFMP Processing Model

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### *Vendor Registration*

Vendors are able to register their business with MFMP via the Vendor Information Portal (VIP). VIP interfaces with other State systems including the Office of Supplier Diversity's certification system, MarketView and the Department of Financial Services W-9 Verification system needed to comply with IRS regulations for a three percent withholding. VIP has not only streamlined the vendor registration process, but it has also made it easier for vendors to ensure that they are in compliance with multiple State and federal requirements. Vendors interviewed commented that the registration process was straight forward and easy to use, but over 60% of calls to the call center are categorized as questions related to the registration process not use of the system. Several issues are duplicate registration, outdated registrations and inability of FLAIR to automatically collect 1% fee. A customized module is not the best practice but, due to unique Florida Commodity Codes and specific legislative mandates, a COTS solution is not readily available. Best practices suggest leveraging the COTS registration component and MFMP has access to the Ariba Supplier Network. However, this feature is not fully leveraged and may not be ideal for the State due to cost imposed on the vendors to participate and would create a reliance on an Ariba proprietary service.

### *Analytics*

The Analysis Module enables the State to analyze spend data. The Analysis Module uses transactional data supplied by Florida Accounting and Information Resource Subsystem (FLAIR), vendor data in VIP and purchase order information in MFMP. The Analysis 3.0 upgrade includes the addition of FLAIR encumbrance and payment data, improved contract data, improved invoice data, improved visibility to "Green" spend, additional VIP vendor data in analysis, updated dashboard and report scheduling, and enhanced system reports.

### *Sourcing*

Using the Sourcing Module, DMS can post RF(x) for vendors to review and respond to solicitations. Within the Ariba 3.0 upgrade, Sourcing 3.0 rolls out scheduled for September 2011. The tool will enable agency users to create sourcing projects pre-populated with State Purchasing standard business processes, enable vendors to make informed bid decisions by previewing event information to determine if they want to bid or "join" the bidding event and provide easier access for the public with the enhanced "Public Access" view – without a username or password, ability to manage and control versions of documents with a Sourcing and Content Library and the ability to launch "Quick Projects" or quotes by submitting electronic requests and accepting vendor information electronically. MFMP also streamlines the quotation process by sending electronic notification of solicitations to qualified vendors and enabling vendors to respond electronically with their quotes directly into MFMP. There are currently over 79,000 vendors who are able to receive these e-notifications. Leading up to this upgrade this module was only leveraged by the Department due to performance issues caused when several agencies attempted to use the older version of this module. This update has the potential to increase the benefits associated with increased automated sourcing event and could eventually eliminate the need for a Vendor Bid System (VBS) which currently stores all previous contracts awards for historical purposes. The continued use of the standalone VBS applications necessitates the double entry of data and is not best practice for a fully integrated P2P solution.

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### *Contracting*

After award of a contract, the Master Agreement is placed into contracts compliance module of Ariba Buyer. Many agencies have developed standalone contracts management applications. Enterprise benefits could be realized through a reduction of individual agency contract management systems if a more robust Enterprise Contract Management solution<sup>21</sup> were provided to the State.

### *Procurement and Catalog*

Within the Buyer module, purchasers are able to initiate a requisition, manage workflow through a predefined approval flow, and issue the purchase order directly to the vendor and document receipt of goods. For commonly used commodities, purchasers can use the State term catalogs. As more catalogs are established, greater efficiencies can be realized from spend under management. Some agencies value MFMP because it brings a higher level of standardization to the purchasing process. Also, the system enables agencies to insert quality reviews through the approval flows ensuring that purchasers properly adhere to State purchasing statutes. Due to the customizations to the suite products to adhere to legislative and FLAIR requirements the ability view catalogs is limited to internal State Agencies that are tied to FLAIR payment processing. For OEU's to participate and use State catalog's an external facing catalog application must be implemented. This is important because between 60% and 80% of average spend on State Term Contracts are through OEUs and we can increase spend visibility as well as efficiency by implementing outward-facing catalogs. Usage and other data from external catalog would then have to be appended to data captured in MFMP to get a comprehensive view of overall spend under management.

### *Invoicing*

Using the Invoicing module, vendors who have also registered in the Ariba Supplier Network (ASN) are able to efficiently turn Direct Orders (DO's) into electronic invoices, thereby reducing the amount of effort involved to produce invoices and increasing the accuracy of the invoices. Once the electronic invoice or paper invoice (for those not a member of ASN) is received by the agencies it is reconciled and approved for payment. Currently 10% of invoices processed in MFMP are electronic invoices. A reduction in processing time and labor costs can be realized if more users leveraged electronic invoicing. Many Agencies still process their invoices directly into FLAIR instead of MFMP which limits the time saving benefits and usefulness of MFMP data because it's incomplete.

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<sup>21</sup> Gartner, "Enterprise Contract Management Solutions Vendor Guide" 10 May 2010

The following exhibit is a crosswalk diagram mapping industry best practices across MFMP functionality and modules.

<i>Industry Best Practice</i>	<i>System Functionality</i>	<i>MFMP Module</i>
Supply Base Management	Vendor Registration Vendor Performance Tracking Billing and Collection of 1% Fee	Vendor Information Portal (VIP)
Spend Analysis	Analytics	Ariba Analysis
Strategic Sourcing	Sourcing	Ariba Sourcing
Contract Lifecycle Management	Contracting	Ariba Buyer: Contract Compliance
Procure to Pay (P2P)	Catalogs & Procurement	Ariba Buyer: On-line Catalog Aravo Ariba Buyer: Purchase Order
	Invoicing	Ariba Buyer: Receiving Ariba Buyer: Invoicing

**Exhibit 6 – MFMP Crosswalk with Best Practices**

The following is a summary of customizations to the core products.

<b>MFMP Customizations</b>								
<b>Module</b>	<b>Audit<sup>22</sup></b>	<b>DMS Rule<sup>23</sup></b>	<b>Enterprise<sup>24</sup></b>	<b>FLAIR<sup>25</sup></b>	<b>Legislative<sup>26</sup></b>	<b>MFMP Contract<sup>27</sup></b>	<b>Grand Total</b>	<b>%</b>
VIP			3	1	6	5	15	4.95
Analysis		1	3	2	6		12	3.96
Sourcing	1	2	6		4	2	15	4.95
Buyer	5	18	35	28	29	23	138	45.54
Contracting		5	6	2	6	5	24	7.92
Invoicing	4	3	21	52	4	15	99	32.67
<b>Total</b>	<b>10</b>	<b>29</b>	<b>74</b>	<b>85</b>	<b>55</b>	<b>50</b>	<b>303</b>	<b>100</b>

**Exhibit 7 – MFMP Customization by Module and Requirement**

<sup>22</sup> Customization to address specific findings in Auditor General Formal Audits.

<sup>23</sup> Required by Chapter 60 of Florida Administrative Code.

<sup>24</sup> Required to support a business process used by all agencies.

<sup>25</sup> Customization required to interface MFMP with FLAIR.

<sup>26</sup> Customization required to meet requirements of Executive Order, Florida Statute, or Federal Rule.

<sup>27</sup> Required by Chapter 60 of Florida Administrative Code.

A full list of customizations can be found in Appendix 5.4. Several examples are listed below;

- Analysis Module change for FLAIR - Custom data load for FLAIR encumbrance data
- Buyer Module change - Add scoping to searches for executive branch so that they cannot access Legislative data but can access all transactions outside Legislative entity
- Contract Module change to meet F.S. 287.042(1)(h) - Designate contractor or distributor to pay transaction fee on Contract
- Invoicing Module change to meet original MFMP contract terms - Add specific editable encumbrance fields for DOT; default values from purchase order if they exist
- Sourcing Module Change to meet F.S. 287.042(3) - Add unique State of Florida commodity codes (based on National Institute of Governmental Purchasing (NIGP) Commodity/Services Codes)
- VIP is fully customized but additional customizations to the Ariba Suite were required to meet - Display errors on integration transactions that fail due to vendor's invalid W-9 status

Currently, 32 State cabinet and executive agencies use MFMP. However, there is opportunity to implement standardized procurement practices across all State agencies to increase agency usage of the system's entire suite of capabilities. The system is fully utilized by most agencies to create purchase orders yet many agencies still process invoice payments directly in FLAIR. With the implementation of standardized procurement practices and agency specific training to support the implementation, more agencies would gain a better understanding of the system's capabilities and how to leverage the system to execute full procure-to-pay functionality in MFMP eliminating the need to process invoices in FLAIR.

### **2.2.2 STRENGTHS, WEAKNESSES, AND OPPORTUNITIES OF MFMP**

Interviews were conducted with various State agency users to identify observed strengths, weaknesses and improvement opportunities for MFMP's modules. Following is a summary of those findings categorized by module and sub-module.

#### **Vendor Information Portal: Registration**

Doing business in Florida requires you to register with both FLAIR and MFMP. Some vendors registered in FLAIR (Foster Parents) to receive payments that don't need MFMP Registration while a vendor can register with MFMP, but never need payment from FLAIR. The existence of these multiple sites creates complexity for businesses trying to work with the State and creates unneeded redundancy and expense of maintaining multiple systems owned by the State.

One of these vendor registration sites is the MFMP Vendor Information Portal (VIP). The VIP is not an Ariba product, but an Accenture-built module that will transfer to the State as part of the MFMP system at the end of the Accenture contract in 2012. This module is required to support the unique needs of Florida that cannot be supported by Ariba or other Commercial, Off-the-Shelf products.

Florida specific requirements addressed by the VIP include unique minority vendor registration requirements for Florida's Office of Supplier Diversity. (See FS 287.09451, and FL DMS Rule



60A-9.0021 and 60A-9.003) and the requirement that businesses enter Florida designed commodity codes to delineate what products, goods and services vendor offers. These unique Florida requirements add both cost and complexity to the MFMP application and prevent the use of non-customized software.

Florida's MFMP vendor registration processes have no procedures for pre-qualifying vendors to do business with the State. The State makes no attempt to consolidate the number of vendors to a qualified set of vendors with which the State could obtain more competitive pricing. For example, the MFMP Vendor file has 143,000 registered vendors – far more registered vendors than many other States. (By comparison California has 65,000 registered vendors.) Vendor data bases need to be current and accurate for data integrity purposes because it is a primary data source for vendor and spend management reports, searches, and analysis. Registered vendors that have been inactive for 18 months should be purged from this system to match FLAIR 18 month purge policy but this would require manually purging individual registrations.

At the most basic level the, the VIP allows vendors to register to do business with the State via MFMP.

Vendor Information Portal: Registration		
Strengths	Weaknesses	Opportunities
<p>Easy to complete the registration process</p> <p>Vendors maintain their own accounts</p> <p>Integrated with the statewide Vendor File in FLAIR</p> <p>Initiates a vendor request for minority certification</p>	<p>No vendor registration restrictions</p> <p>Vendors can register multiple times which creates needless and costly duplications</p> <p>For a vendor to receive solicitation notifications, a vendor must be registered</p> <p>Vendor accounts are not inactivated for inactivity which creates old stagnated data to manage</p> <p>Custom developed application is difficult to transition</p>	<p>The longer term opportunity exists to have DFS take over this function in a potential future ERP implementation to replace FLAIR</p> <p>Opportunity exists to establish a vendor qualification program</p> <p>Opportunities exist to consolidate suppliers to those qualified to do business with the State and purge other vendors.</p> <p>Routinely purging inactive vendors would significantly reduce the duplication and complexity in current registration system.</p>

**Exhibit 8 – Vendor Information Portal: Registration**

### **Vendor Information Portal: Billing and Collections System**

The Billing and Collections functionality of the VIP module bills vendors monthly for the 1 percent transaction fee and allows State Term Contract Vendors to self-report transaction fees.

### **Vendor Information Portal: Billing and Collections System**





Strengths	Weaknesses	Opportunities
Easy to use	<p>Not optimal to collect fees</p> <p>Completely customized</p> <p>Cannot easily tie a payment from a vendor to a PO</p> <p>Only bills vendors based on MFMP transactions not payments made thorough FLAIR creating increased support costs</p> <p>Requires a service contract with the Application Service Provider to complete this function.</p> <p>Visibility into the true cost of this function is minimal, but approximately \$500,000 annually could be reduced from MFMP operating expenses if this function was not necessary.</p>	<p>Opportunity exists to limit<sup>28</sup> this function when DFS is able to automatically deduct the transaction fee (Note: DFS has agreed to implement the 1% deduction in FLAIR after it has implemented a Federally required 3% tax withholding. Estimated completion of the Federal modification is not until Spring of 2013.</p> <p>Alternative funding models (those that would eliminate a transaction fee collected from vendors) would eliminate the need for functionality</p>

#### Exhibit 9 – Vendor Information Portal: Billing and Collections System

#### Vendor Information Portal: Vendor Performance Tracking

The Vendor Performance Tracking (VPT) functionality allows agencies to report vendor performance. This feedback is recorded in the vendor's account and is visible to agency buyers.

Four criteria are scored:

- "Performance to Specifications", meaning conformance of the commodities/service to the requirements of the order;
- "Delivery", comparing commodity delivery or service performance dates to the order schedule;
- "Invoicing", meaning comparing the pricing or budget, and invoice accuracy and detail, to order requirements; and
- "Customer Service", rating the vendor's service, in areas such as communication and problem solving, to the customer's expectations.

This feature (initiated automatically by the system each time an invoice is paid) is optional and therefore infrequently is used by the agencies. This functionality was a requirement of the initial MFMP contract with Accenture and should be examined during the period of the next service

<sup>28</sup> The billing and collections function cannot be fully eliminated because it is required to manage other eligible user (OEU) spend and payments.

contract. Vendor performance management is valuable to the State, so implementing a more efficient and less customized approach to capturing and managing this information is required.

Vendor Information Portal: Vendor Performance Tracking		
Strengths	Weaknesses	Opportunities
<p>System generated survey automatically sent to an agency.</p> <p>Feedback is visible to agency buyers before creating a PO</p>	<p>VPT surveys are initiated when an MFMP invoice is paid</p> <p>Agency completion of this function is optional and therefore often ignored.</p> <p>Provides very little value to the State because so few vendor performance evaluations are completed.</p> <p>Thousands of evaluations are sent to agencies only a few hundred are ever returned.</p>	<p>Customizations in Buyer could be eliminated if this functionality is eliminated</p> <p>This feature could be enhanced to collect more meaningful data.</p> <p>This feature could be made a requirement instead of optional agency activity.</p>

**Exhibit 10 – Vendor Information Portal: Vendor Performance Tracking**

### Analysis Module: Procurement Analysis

The Ariba Analysis Module enables custom analytical report generation to identify data trends and various spend analysis. The upgraded analysis module provides for examination of:

- FLAIR Encumbrance and Payment Data
- Contract Data
- Invoice Data
- Visibility of “Green” Spend
- Vendor Information Portal (VIP) Vendor Data
- PO Spend Data
- Cycle time for PO Creation and Invoice Approval

Additionally, the upgraded module will allow custom reports to be scheduled and will allow data to be exported into other system software for additional user analysis. Currently, every agency has a log on and approximately 188 people use this functionality. However, without sufficient spend under management, and without a group of expert trained resources that can focus on enterprise level spend analysis, this function will remain underutilized.

Analysis Module: Procurement Analysis		
Strengths	Weaknesses	Opportunities
<p>Agencies that have learned the Analysis tool frequently use it to create ad hoc reporting</p> <p>Recent upgrades to MFMP provide access to more pre-defined, standardized reports</p>	<p>Requires a trained user to generate reports, specifically requires the knowledge of how to use pivot tables in Excel</p> <p>Users feel that the data in FLAIR is more reliable for report generation than the data in MFMP, consequently, users frequently resort to running reports from FLAIR</p> <p>Searching for analysis reports is difficult</p> <p>There is a row limitation in how big a report can be. (10,000 rows)</p> <p>Data is only captured at a useful analysis level for purchases that have been invoiced through MFMP. Invoices paid through FLAIR and PCard purchases do not provide data suitable for strategic analysis.</p> <p>No mechanisms to validate OEU spend. State must rely on supplier reports to capture OEU spend against State contracts.</p>	<p>Higher rate of use can be obtained with coaching</p> <p>Higher rate of use of the PO and Invoicing functionality will provide greater opportunity for strategic spend analysis</p> <p>Policy to enforce the entry of PCard data into the PO functionality will increase visibility of spend for analysis</p> <p>Linkage of OEU spend into the data available for analysis would produce greater strategic sourcing opportunities</p> <p>Creation of a Analytics Team at DMS (as a Center of Excellence function provided in a Shared Services operating model) would allow for more sophisticated analysis and support both strategic sourcing and spend under management reporting.</p>

**Exhibit 11 – Analysis Module: Strategic Spend Analysis**

### **Sourcing Module: Solicitation Project Management and eQuote**

Accenture deployed the original MFMP sourcing module in 2005. However, because Florida's commodity code data are inconsistent<sup>29</sup> with the data needed to support limited/targeted sourcing invitations, sourcing invitations ended up being sent to thousands of vendors instead of to a smaller, targeted list. This caused the system to overload and shutdown. This module was retracted from production.

Until now, the Sourcing Module has only been used by DMS for State Term Contract sourcing activities. However, in October of 2011, the Department plans to make a new module available to all agencies and promote its use to help standardize sourcing business processes. Initially, the module will roll out to agencies with the eQuote function that will facilitate simple three quote

<sup>29</sup> The best practice is to utilize National Institute of Governmental Purchasing (NIGP) Commodity/Services Codes ([www.nigp.com](http://www.nigp.com)), an industry standard coding structure for standardizing purchasing that brings order and consistency for efficiency and economy. Although Florida's current commodity codes are "based on NIGP", they are, in fact, customized for Florida and do not consistently follow the standard coding structure. Suppliers are allowed to pick all commodity codes instead of those codes that best reflect what they sell. A complete clean-up and standardization to NIGP codes will be required to optimize spend management.

bids. The remainder of the module (providing RFx functionality) will become available to agencies in the new calendar year. The full module will not only support the “three quote” functionality but will also support an agency customizable workflow feature that will help add structure and consistency to the overall solicitation process. The Sourcing module licensing cost is not bundled in the Buyer Module. The licensing cost for this module is \$160,000.

Currently sourcing is completed in many different ways in each agency. Most sourcing documents are produced as paper documents that are unique to each sourcing event. To realize the benefits provided by the new sourcing module, the use of the module must be made mandatory.

Specifically the Sourcing Module will:

- Provide current and consistent templates for solicitation development of RFx and Invitation to Negotiate (ITN)
- Provide a customizable content library
- Provide transparency to the approval history for a solicitation and the submission of related documents
- Provide a dashboard of current project status
- Display pending approval required and overdue items
- Allow preview capability to vendors who may wish to join a Sourcing event
- Make available a customizable, seven-step process for formal solicitations to help agencies source their products and manage their sourcing events in a consistent manner
- Increase transparency to solicitation activity
- Provide a centralized location of solicitation documents
- Shorten solicitation cycle time to increase efficiency and timeliness of sourcing events

Sourcing Module: Solicitation Project Management and eQuote		
Strengths	Weaknesses	Opportunities
<p>Highly configurable for agency use without the need to modify the Ariba Application</p> <p>Automates paper processes</p> <p>Provides a standardized methodology for sourcing processes.</p> <p>Streamlines and expedites the RFx</p>	<p>As with other modules of MFMP, use of the sourcing module is optional.</p>	<p>Enforce the use of the Sourcing Module to standardize business processes<sup>30</sup> and provide consistency to the State’s procurement practices</p> <p>Response times for RFx completion can be reduced</p> <p>Opportunity to shorten the quote to contract time.</p>

<sup>30</sup> Gartner, “Best Practices for Choosing, Implementing and Using E-Sourcing Solutions”, January 7, 2011.

Sourcing Module: Solicitation Project Management and eQuote		
Strengths	Weaknesses	Opportunities
<p>process</p> <p>Assist State agencies in constructing better procurements and in creating contracts with appropriate language required to reduce liability and to protect the State</p> <p>Tracks all vendor and employee activity for audit purposes. Provides data that minimizes the risk of vendor protest activity</p> <p>Has the ability to automatically evaluate the RFx response within the tool. This will reduce quote to contract cycle time.</p>		<p>Suppliers will provide improved responses to State requests as the quoting/sourcing processes become similar across all State agencies</p> <p>Module will provide transparency and audit capability to sourcing activities.</p> <p>Agency coaching will promote the use of this tool to produce consistent procurement vehicles</p> <p>DMS must use the sourcing tool to a much greater extent to strategically source good and services.</p>

**Exhibit 12 – Sourcing Module: Solicitation Project Management and eQuote**

### Buyer Module: Contract Compliance

This component presents basic information about a goods or services contract and automatically loads the agency term contract as a catalog. Currently this functionality is utilized by 18 agencies.

Buyer Module: Contract Compliance		
Strengths	Weaknesses	Opportunities
<p>Few strengths associated with this module for contract management functions</p> <p>Contract spend visibility on agency awarded contracts at the enterprise level</p> <p>Captures data for buying and spend analysis</p> <p>Is configurable to allow buyers to see only those contracts for which they have permission</p>	<p>Primarily functions as a limited document repository with limited functionality to agencies</p> <p>Files size limitation is problematic</p> <p>MFMP is not considered the system of record</p> <p>More robust Contract Management features exist in an Ariba module Florida does not own</p>	<p>The opportunity may exist to retire this module with the creation of the DFS Contract Transparency System; full deployment of this system is planned in the next 3 years</p> <p>This Ariba module is bundled with the Buyer Module and therefore there is no cost saving in discontinuing use of this function</p> <p>It is not certain that this module can be fully discontinued because there is an inherent feature of this module that is required to auto load catalogs</p>

**Exhibit 13 – Buyer Module: Contract Compliance**

### Buyer Module: On-line Catalog

This function provides a view of all State Term contracts (converted to catalogs by vendors and

Accenture). State Term Contracts are either “hosted”, “punch out” or “informational” (ex. Office Depot is a “punch out”) and have Florida negotiated pricing views. State Purchasing staff are required to review and approve the contracts for loading into MFMP. Accenture is responsible for loading these catalogs. The On-line catalog is used by 32 agencies.

Buyer Module: On-line Catalog		
Strengths	Weaknesses	Opportunities
<p>Catalog information automatically populates the PO</p> <p>Enables customers to easily shop from the mandatory State Term Contract (STC) contracts</p> <p>The new features of MFMP 3.0 (Ariba 9r1) will bring state of the art catalogs – item comparison, item pictures, left navigation bar (similar to an Amazon .com shopping experience)</p> <p>Enforces State term contract pricing</p>	<p>Agencies report purchasing is easier by visiting vendor websites and using PCard to purchase goods</p> <p>Agencies desire more robust State Term Contract catalog features and functionality</p>	<p>User friendly and robust Catalogs can be created without further enhancement to MFMP</p> <p>The current “unappealing state” of MFMP catalogs is not a technology limitation; it is a policy limitation for how catalogs are created and posted</p> <p>Ariba is capable of an “Amazon.com” shopping experience, but catalogs must be loaded properly by DMS Contracting staff</p> <p>Enhance catalog functionality by providing outward facing catalogs for use OEU. Capture spend data to increase strategic sourcing opportunities.</p>

**Exhibit 14 – Buyer Module: On-line Catalog**

### Buyer Module: Purchase Order Creation

The purpose of the PO Creation sub-module is to create requisitions, manage approval workflow and issue purchase order’s (PO’s). This sub-component of the Buyer module is designed to distribute PO’s electronically. There is a capability to capture PCard data if the requisition and purchase order is created in MFMP. With the exception of the Department of Agriculture, all of Florida’s State agencies utilize this module.

Buyer Module: Purchase Order Creation		
Strengths	Weaknesses	Opportunities
<p>Automates paper processes</p> <p>Enforces workflow management</p> <p>Enforces standardized business processes</p> <p>Captures data for buying and spend analysis</p> <p>Electronic transmission of purchase order to vendor</p> <p>Audit trail is maintained on the</p>	<p>Insufficient user proficiency promotes perceptions that the system is limited in its capability</p> <p>There is a perception that entering PO information for PCard purchases is extra work</p> <p>There is a perception that it is difficult to make changes to approval workflow</p> <p>Difficult to see what changes have</p>	<p>Conduct individualized coaching by agency to promote greater use of the function ease of use</p> <p>Seek Legislative and Executive Branch support for policy and rule creation to strengthen PCard purchasing processes</p> <p>Seek Legislative and Executive Branch support for policy and rule creation to enforce the use of</p>



Buyer Module: Purchase Order Creation		
Strengths	Weaknesses	Opportunities
<p>requisition (history file)</p> <p>Internet based application which enables work to be completed away from the office</p> <p>A recent time and motion study showed that it is quicker to process a PO through MFMP than through an agency's shadow system</p>	<p>been made on a purchase order as it has traveled through workflow</p> <p>There is no single view of all attachments associated with a requisition</p> <p>Agency ability to avoid using MFMP to pay invoices creates opportunity for encumbrances to become out of sync with FLAIR</p> <p>Poor/inconsistent Agency business practices around PO creation can lead to problems in the subsequent business process of Invoicing and Receiving</p> <p>Approximately 45% of the Ariba customizations are associated with this function</p>	<p>MFMP to record all PCard purchases over specified thresholds</p> <p>Seek Legislative and Executive Branch support for policy and rule creation to enforce the "full" use of MFMP</p> <p>Eliminate the agency business practice of printing and mailing PO's</p> <p>Opportunities exist to bring in additional users such as the Public Service Commission, Judicial Administrative Commission and State Board of Administration</p> <p>Eliminate agency shadow systems that support procurement outside of the MFMP systems</p>

**Exhibit 15 – Buyer Module: Purchase Order Creation**

### Buyer Module: Receiving

The Receiving module records the receipt of goods and the approval for the receipt of services. There are currently 29 agencies are using this function.

Buyer Module: Receiving		
Strengths	Weaknesses	Opportunities
<p>Receipt of goods is a streamlined process</p> <p>Simple one-step process</p> <p>Automatically associated to the PO and invoice</p>	<p>Requires additional workflow to approve services rather than receive services (FS.215.422)</p> <p>Customers record the date the receipt is completed as the date received rather than the actual receipt date</p>	<p>Users would like to see a form created for receipt of services that is similar to the form created for receipt of goods</p>

**Exhibit 16 – Buyer Module: Receiving**

### Buyer Module: Invoicing

The Invoicing sub-module is used for review and approval of invoices. The module is integrated with FLAIR and it enables automated disbursement transaction recording. Invoicing allows



vendors that belong to the Ariba Supplier Network (ASN) to electronically return a purchase order or “PO flip” to an agency as an invoice. The module records data from a paper invoice as an eForm. There are 28 agencies currently using the Invoicing functionality to varying degrees.

Buyer Module: Invoicing		
Strengths	Weaknesses	Opportunities
<p>Use of the e-Invoicing functionality expedites invoicing and eliminates the need for paper invoices</p> <p>Enforces invoice approval workflow and improves accountability and reporting</p> <p>Captures data for buying and spend analysis</p> <p>Audit trail is maintained on the requisition (history file)</p> <p>Payment cycle times are improved</p> <p>Reduction of mailing costs as transactions are electronically routed to Department of Financial Services (DFS) for approval</p> <p>MFMP removes human keying errors since MFMP records the transactions in FLAIR</p> <p>Reduces agency FLAIR reconciliation efforts</p> <p>A recent agency time and motion study shows that it is quicker to process an invoice through MFMP than through the agency’s shadow system</p>	<p>There is an Agency perception that it takes more time for DFS to issue a warrant when invoice data has been entered into MFMP rather than when it has been entered directly into FLAIR, consequently, some agencies bypass MFMP and enter invoice data directly into FLAIR</p> <p>Some agencies are only processing e-Invoices through MFMP and process all other invoices as a paper process via FLAIR</p> <p>Several agencies are afraid to rely upon MFMP as the “system of record” for audit purposes and consequently, print and keep duplicate paper records of all procurement documents</p> <p>There is a minimal cost to belong to the Ariba Supplier Network, consequently, many vendors elect to not participate and continue to send the State paper invoices</p> <p>Agency ability to avoid using MFMP to pay invoices creates opportunity for encumbrances to become out of sync with FLAIR</p> <p>Florida has more “Charts of Accounts” than can be supported by Ariba.</p> <p>Some agencies still print &amp; mail invoice payment confirmation</p> <p>Approximately 34% of Ariba customizations are associated with this functionality</p>	<p>Seek Legislative, Executive Branch, CFO/Cabinet Level Support for policy and rule to enforce the use of the invoicing module in MFMP</p> <p>Eliminate the agency business practice of printing and mailing invoice payment confirmation</p> <p>Clarify the confusion regarding “system of record” and the need for agencies to retain paper documentation for audit purposes</p>

**Exhibit 17 – Buyer Module: Invoicing**



### **2.2.3 ALTERNATE PROCUREMENT SYSTEMS**

While use of MFMP has been mandated by the State of Florida, MFMP is not fully utilized by agencies. Many agencies use the buyer component but bypass the invoicing function to go directly into FLAIR to process invoices. Only one agency (Department of Agriculture and Consumer Services<sup>31</sup>) is exempt from using MFMP. However, two other State agencies (Department of Children and Families and Department of Corrections) continue usage of their own alternate procurement systems.

#### **2.2.3.1 ADMINISTRATIVE AND IMAGE MANAGEMENT SYSTEM (AIMS) – DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES**

The Florida Department of Agriculture and Consumer Services (DACS) uses the Administrative and Image Management System (AIMS), a comprehensive procurement system, as an alternative to MFMP. Developed in 2001, this system handles the primary procurement processes including purchasing, bid notifications and invoicing. This system is an effective document management system too. Additionally, DACS has two separate applications outside of AIMS that they use to administer contract management and travel.

DACS's purchasing process is initiated when a requestor creates a requisition in AIMS. The requisition is routed to the purchasing office which reviews the requisition for accuracy and legal compliance. AIMS workflow is managed with predetermined approval flows that are defined by the requestor's position and department. Purchase orders are then created for approved requisitions.

#### **2.2.3.2 PURCHASE REQUISITION SYSTEM (PRS) – DEPARTMENT OF CORRECTIONS**

The Florida Department of Corrections (DC) has a customized application called the Purchase Requisition System (PRS) to initiate requisitions. This system acts as a precursor to the formal creation of a purchase requisition within MFMP. DC utilizes the system as a quality control checkpoint limiting the direct access that field staff has to MFMP. The system also allows DC to capture information that is specific to their agency needs but that may not be accommodated for in the MFMP system.

Department of Correction's purchasing process begins when a staff member identifies a product or service to be purchased. They input a request to purchase the item into the PRS system. The request is sent to the DC purchasing office where it is reviewed for appropriateness, accuracy and legal compliance. Once the request is approved by the purchasing office, they then create an actual requisition in MFMP which then becomes a direct order. Although electronic

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<sup>31</sup> Exempt from using MFMP by F.S. 570.07(41)

transmission of the purchase order is possible via electronic mail, DC has a standard process of printing all purchase orders and using traditional mail services.

Invoicing for all DO's is handled through MFMP. It is only in unique situations that invoices are generated directly through FLAIR. DC does not utilize MFMP for contract management, nor do they have a standalone system. Instead, the agency handles all contracts manually in a paper-based system.

PRS is not a true "shadow system" because it does not attempt to substitute any of the MFMP procurement functions such as buying, receiving or invoicing. Approximately 70% of the agency's purchases are made through MFMP and approximately 30% of their purchases are made using PCards. The Purchasing Division believes that PRS is a value-added system because it provides them the opportunity to ensure that all orders are necessary expenditures thereby allowing the agency to be effective stewards of their funding which could also be accomplished by using MFMP.

### ***2.2.3.3 AUTOMATED REQUISITION TRACKING SYSTEM (ARTS)***

#### ***Department of Children and Families (DCF)***

DCF uses the Automated Requisition Tracking System (ARTS) to initiate requisitions from users in the field. ARTS is operated by DCF's purchasing department and serves as an approval checkpoint prior to the creation of a purchase order in MFMP. The primary functions of ARTS include requisitioning, travel notification and PCard approval.

DCF's purchasing process begins when a requestor creates a requisition in ARTS. There is a pre-defined supervisory approval flow that the requisition must undergo and then it is routed to DCF's purchasing office. The purchasing office either approves or denies the request. From this point, the purchasing staff has the option to either issue the purchase order in ARTS or in MFMP. Depending upon which system is used to issue the Direct Order, the goods will be received using the same system.

DCF recently decided to sunset ARTS and transition to full usage of MFMP. The agency is currently in the process of defining the transition work effort that will be required to execute these activities.

#### ***Agency for Persons with Disabilities (APD)***

APD previously utilized DCF's Automated Requisition Tracking System (ARTS). Over the last 5 months APD has successfully migrated off ARTS and fully adopted the use of MFMP. The Agency has implemented a policy that also requires PCards spend details be entered into MFMP. This allows APD to have full spend visibility for their agency.

## 2.3 DESCRIPTIONS OF AVAILABLE OPTIONS

*Section 287.0571 (4)(e) A description of available options for achieving the goals. If State employees are currently performing the service or activity, at least one option involving maintaining State provision of the service or activity shall be included.*

This document concerns only one component of the Department's strategy – stabilizing and extending the support services for MFMP operations and maintenance for the next three-to-five years. This activity will establish the foundation for all of the Department's subsequent improvement projects.

The Department's alternatives for obtaining MFMP support services are subject to requirements specified in Florida statutes. The primary purpose of this document is to satisfy those requirements. In so doing, this document also provides substantial background information about conditions which influenced the formation of the Department's long-term goals and objectives. Details about the Department's strategic vision and plans, however, are provided in separate documents.

In the context of the longer term vision, this business case examines four options specifically for the scope of supporting the operations and maintenance of MyFloridaMarketPlace (MFMP) following the expiration of the current services contract with Accenture in December 2012.

These options were chosen because they directly address the issue of outsourcing as required by Chapter 287.0571, F.S. and because they reflect the most common solutions for State agencies have employed under similar circumstances.

We also included as a context for the analysis the longer range guiding principles for moving to the "next generation" of Florida's eProcurement/Procure-to-Pay (P2P).

### 2.3.1 TERMS USED IN THIS ANALYSIS

For clarity a number of terms used in this analysis are defined in this section.

**Best Value:** Selecting the preferred course of action from a number of options involves tradeoffs between cost, performance, schedule, quality and risk. The conclusion of this process is termed "best value."

**Feasible:** Capable of being accomplished or brought about; possible. An option is considered feasible if, under all foreseeable circumstances, it is likely that the Department would be successful if it chose that option. Feasibility does not imply certainty, however. While more than one option may be feasible, only the option offering the best value to the State has been recommended.

**Interim Services:** In accordance with Modification 6 to the contract between Accenture and the Department, and in order to enable smooth a transition of services, Accenture "...will continue providing some or all of the Services (as requested by the Department), for up to twelve (12)

months after the Termination Date.” All of the options evaluated (except Option 1) will require from 3 to 12 months of interim services for the purpose of providing transition assistance to a new provider, to State employees, or to both. Interim services will be provided for the current negotiated price of \$1,233,333.33 per month for all services. If the Department requests less than all of the contracted services during the interim services period, the pay will be apportioned to the services requested.

**Purchasing Oversight Account:** This account is the component of the Department’s Operating Trust Fund where the 1% vendor fees for State purchases, totaling approximately \$25 million per year, are accumulated. The Department’s annual legislative budget request (LBR) is paid from this account (approximately \$6 million annually). From the remaining funds up to \$14.8 million is paid to Accenture for each year of their current contract to support MFMP. Beyond that, any remaining funds are dispersed according to State law. Under the current contract, the billing and collection of the 1% vendor fees is the responsibility of Accenture.

**Risk:** An uncertain event or condition that, if it occurs, has a positive or negative impact on project objectives. Planning is conducted to exploit positive impacts, or mitigate negative impacts, if an identified event or condition occurs. This analysis focuses on identifying risks which may have a negative impact.

**Single-Source:** Under certain conditions it may be justified to forego the normal process of contracting through competitive acquisition and award a “no-bid” contract to a particular vendor. Generally accepted justifications for a single-source contract are: 1) the vendor is the only capable provider of the goods or services, or 2) time constraints preclude using the normal selection process, or 3) a single vendor possesses unique qualifications.

**Termination Assistance Services; Transition Assistance:** The contract between Accenture and the Department provides for these services in order to “...enable a smooth transfer of the System and the Services to the Department or to any service provider designated by the Department...” Transition Assistance rendered before the Termination Date (December 8, 2012) shall be provided by Accenture without additional compensation. After the Termination Date, Transition Assistance shall be provided at a price to be determined as prescribed in Modification 6 to the contract. Options 2, 3, and 4 will all require between 3 and 12 months of interim services in order to complete a necessary period of transition assistance. Accenture’s price for termination services that may be delivered after the termination date of the contract has not yet been determined.

### **2.3.2 SUMMARY OF THE FOUR OPTIONS CONSIDERED IN THIS BUSINESS CASE**

Support services for Florida’s procurement solution, MyFloridaMarketPlace, have been outsourced to Accenture since the project’s inception in 2002. None of the options considered in this business case contemplate that any services or activities currently being performed by State employees will be outsourced to a provider vendor. On the contrary, options 2 and 4 involve replacing contractor services with State employees.

The four available options are:

1. Execute a single-source contract with Accenture to deliver a reduced/redefined set of support services to MFMP.
2. Insource all MFMP services to an internal DMS division staffed entirely by State employees filling newly-established FTE positions.
3. Conduct a competitive procurement (ITN) from qualified vendors, including Accenture, for a new 3-year contract for MFMP support services.
4. Support MFMP through a mixture of insourced and outsourced services; a combination of options 2 and 3.

Further details of the four options and the results of analyzing each one are provided in the sections that follow.

Each of these four options has been evaluated with regard to the following attributes:

- The schedule and sequence of key activities or events
- Estimated or measured direct and indirect costs for labor, hardware, and software; supported by applicable records and reports
- The qualitative/quantitative benefits and advantages
- The risks and disadvantages
- Assumptions and constraints

Each of these attributes is identified and thoroughly described in each option.

It is important to recognize that the near-term requirement to stabilize and extend support services for MFMP operations is just a part of the Department's long-term goals and objectives and represents only the initial step in our roadmap to the Next Generation eProcurement for the State of Florida.

Details about the Department's strategic vision and plan are provided in separate documents, but this long-range vision has served as the context for and key input to the analysis presented in this document as it relates to the requirements for the near-term solution to support the longer-term vision.

## 2.4 ANALYSIS OF AVAILABLE OPTIONS

*Section 287.0571 (4)(f) An analysis of the advantages and disadvantages of each option, including, at a minimum, potential performance improvements and risks.*

### 2.4.1 SUMMARY COMPARISON OF THE FOUR OPTIONS

A summary of the duration and total estimated cost of the four MFMP support options is depicted in the exhibit below. Option 1 can begin as soon as single-source justification has been formally submitted and approved. The three remaining options cannot begin until the proposed solution has been approved and the required funds have been authorized in the General Appropriation Act for FY2012-13. Appropriated funds generally become available in July at the start of the fiscal year.

MFMP Support Option	Estimated Cost Annually (after transition)	Findings
1. Single Source to Accenture <sup>32</sup>	\$12.7M	Not best value Not subject to market forces
2. Insource All to State <sup>33</sup>	\$5.3M	High risk Difficult to attract and retain sufficient staff Requires new State FTE positions
<b>3. Conduct a Competitive Procurement (ITN) for Outsourced Services<sup>34</sup></b>	<b>\$11.2M</b>	<b>Best value Lowest risk Market forces creates competitive pricing</b>
4. In/Outsource Mix <sup>35</sup>	\$9.3M	Highest risk and highest execution complexity in the near term <sup>36</sup> Requires new State FTE positions

**Exhibit 18 – Annual Cost Comparison of the Four MFMP Support Options**

The approach and basis for these schedule and cost estimates is explained in detail in later sections of this business case.

Each option is described using declarative statements to make clear what has been considered in the analysis. This is necessary in order to constrain variables to reasonable and credible values so that estimated costs may be calculated. Nothing in the descriptions of these options implies a commitment to a particular course of action or pre-empt Department latitude in future negotiations with service providers.

## RECOMMENDATION

<sup>32</sup> Option 1: No transition cost because Accenture is the incumbent. Cost estimate for FY2012/13 is \$13.8M

<sup>33</sup> Option 2: A onetime transition cost will occur. Cost estimate for FY2012/13 is \$18.6M and FY2013/2014 is \$12.7M

<sup>34</sup> Option 3: A onetime transition cost will occur. Cost estimate for FY2012/13 is \$19.0M

<sup>35</sup> Option 4: A onetime transition cost will occur. Cost estimate for FY2012/13 is \$21.8M

<sup>36</sup> In the longer run, given the increased visibility to fixed and variable costs resulting from the competitively procured contract, the Department should strongly consider moving towards Option 4 (In/Outsourced Mix). However, the lack of visibility to the true support costs, and flexibility to shift the support by component, makes this option a higher risk and higher complexity option in the near term.





It is recommended that the Department immediately conduct a competitive procurement (ITN) for a newly structured MFMP support services contract. This contract would provide visibility and control over fixed and variable support costs and be modularized to provide the freedom to modify or remove service components, e.g., call center, at will – described herein as Option 3.

While not the lowest cost option, the recommendation provides the least amount of risk to the State while allowing competitive market forces to lower total cost of operations.

Re-competition of this contract will provide continuity of operations while restructuring MFMP services to deliver better value to the State.

Improvements to be addressed in the new MFMP support services contract, in the furtherance of the Department's strategic goals, are as follows:

- List support services in a schedule, individually priced, and will allow the Department to modify or eliminate specific services while leaving the rest unaffected
- Restructure performance metrics to address the quality of services delivered and prescribe appropriate financial penalties
- Allow the addition or removal of procurement application components from the contract in support of Department improvement initiatives
- Build in incentives for the provider that are tied to agency adoption and customer success
- Improve user experience with MFMP
- Implement outward-facing catalogs available to facilitate purchase by other eligible users (OEU) of MFMP and record their spend data
- Improve spend analysis through improved tools, training and skills, as well as increased spend data quality (ex. use of consistent industry standard commodity codes) and quantity (ex. capture OEU spend)
- Decouple the Ariba software licenses from the services contract to increase flexibility in incorporating other/additional applications in future technology enhancements.
- Establish a one-on-one relationship with Ariba to advise on leveraging existing functionality to its maximum potential
- Increase Call Center quality metrics reporting and visibility
- Coordinate with the Agency for Enterprise Technology (AEIT) and the Southwood Shared Resource Center (SSRC) on the use of Software-as-a-Service (SaaS or "cloud") solutions to enhance the P2P functionality

This will set the stage and position the State to be able to implement the next generation eProcurement solution, as well as increase visibility and analysis of State spend to ensure common purchases are combined to achieve maximum vendor discounts. The new contract will provide the insight and flexibility to optimize and enhance P2P functionality with improved products and services with new hardware and software modifications as needed.



## 2.5 COST – BENEFIT ANALYSIS AND ESTIMATED SCHEDULE FOR THE MFMP SUPPORT OPTIONS

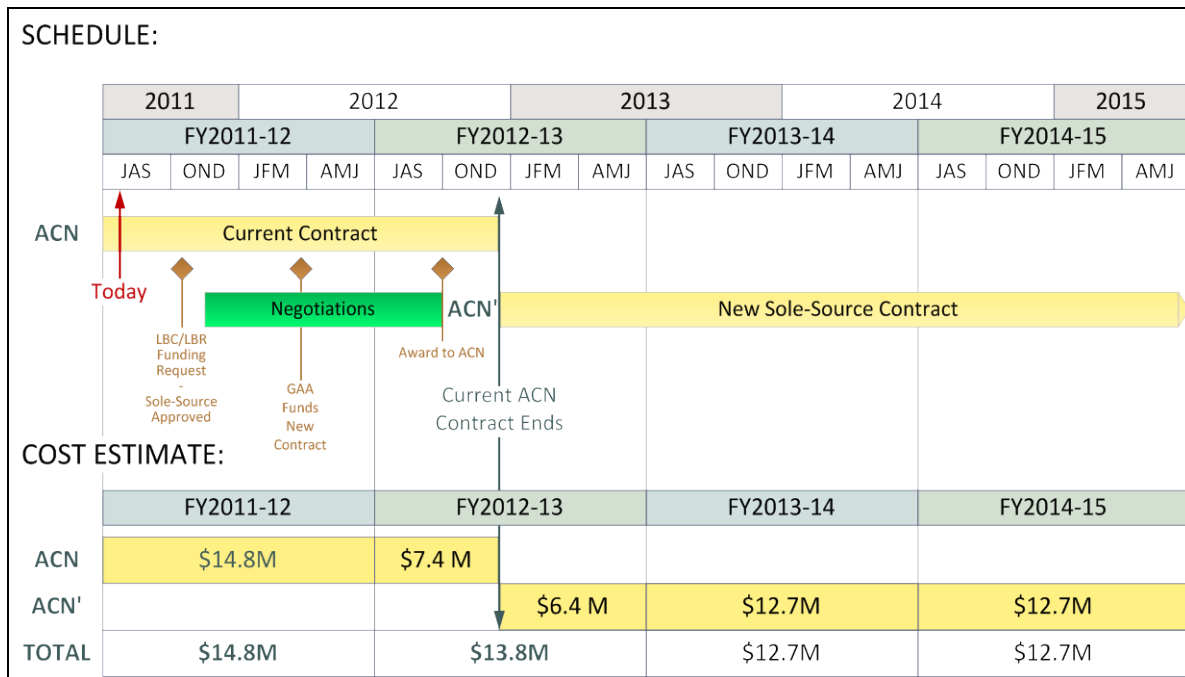
*Section 287.0571 (4)(h) A cost-benefit analysis documenting the direct and indirect specific baseline costs, savings, and qualitative and quantitative benefits involved in or resulting from the implementation of the recommended option or options. Such analysis must specify the schedule that, at a minimum, must be adhered to in order to achieve the estimated savings. All elements of cost must be clearly identified in the cost-benefit analysis, described in the business case, and supported by applicable records and reports. The State agency head shall attest that, based on the data and information underlying the business case, to the best of his or her knowledge, all projected costs, savings, and benefits are valid and achievable. As used in this section, the term “cost” means the reasonable, relevant, and verifiable cost, which may include, but is not limited to, elements such as personnel, materials and supplies, services, equipment, capital depreciation, rent, maintenance and repairs, utilities, insurance, personnel travel, overhead, and interim and final payments. The appropriate elements shall depend on the nature of the specific initiative. As used in this paragraph, the term “savings” means the difference between the direct and indirect actual annual baseline costs compared to the projected annual cost for the contracted functions or responsibilities in any succeeding State fiscal year during the term of the contract.*

### 2.5.1 OPTION 1 – SINGLE-SOURCE CONTRACT WITH ACCENTURE

**Description:** For this option, the Department will justify, and obtain approval for, a single-source multi-year contract with Accenture to continue providing support services to MFMP.

The new single-source contract with Accenture will specify restructured/reduced services and will be concluded in time to support an uninterrupted transition on, or before, December 8, 2012. As with the current contract, this single-source contract will be funded from the Purchasing Oversight Account.

**Schedule and Estimated Cost by Fiscal Year:** The following figure depicts the schedule and sequence of key events for this option along with the estimated incremental and total costs for each fiscal year. “ACN” refers to the current contract with Accenture and “ACN” refers to the new single-source contract with Accenture.



**Exhibit 19 - Option 1 – Single-Source Contract to Accenture (ACN) – Schedule & Cost**

**Benefits:** The following benefits and advantages may be realized from this option:

- The new contract can be in place well before the current contract expires.
- Accenture's expertise and experience will be retained in service to MFMP.
- The time and expense of termination/transition services (estimated to be \$4-9M, depending on the option) will be unnecessary.
- The new contract will allow performance measures and related penalties to be renegotiated.

**Risks:** The following risks and disadvantages may be realized from this option

- The primary risk is that the Department will not gain approval for single-sourcing this contract and – due to time constraints - cannot afford to remain committed to this option past November 1, 2011 if approval has not been obtained.
- No-bid contracts are generally contrary to the objective of obtaining best value for the State through competitive sourcing and acquisition.
- Removing competition from other vendors may relieve Accenture from price pressure while negotiating the new contract.
- The Department's success in justifying Accenture's unique situation of incumbency for such a length of time may hinder the Department's future decisions regarding MFMP support.

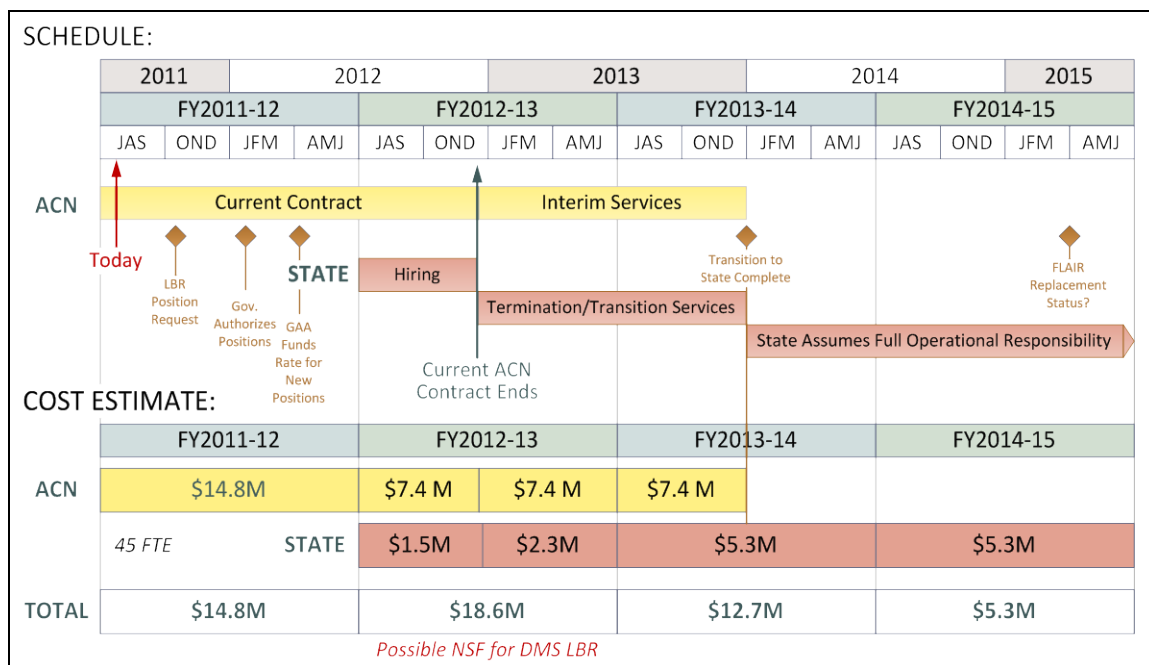
**Assumptions & Constraints** The following assumptions and constraints apply to this option:

- Justification for a single-source contract can be evaluated and affirmed by the Department.
- A cost-reasonableness study will be required before concluding a single-source contract – similar to when only a single vendor responds to a high-value solicitation.
- The decision to approve/deny a single-source contract must be obtained before November 1, 2011 – in order to allow sufficient time for the Department to pursue a different option, if necessary.
- The new contract with Accenture will eliminate the hardware/software upgrade services from their price – saving an estimated \$1.8M per fiscal year.
- Accenture will retain responsibility for all the other services that it currently provides.

### 2.5.2 OPTION 2 – RETURN ALL MFMP SERVICES TO STATE FTEs

**Description:** The Department will request the establishment and funding for approximately 45 State full-time equivalent (FTE) positions. Upon approval, the Department will establish an internal MFMP support services organization composed of these full-time State employees. These positions will be incorporated into the Department's LBR that is funded each year from the Purchasing Oversight Account.

**Schedule and Estimated Cost by Fiscal Year:** The figure on the next page depicts the schedule and sequence of key events for this event, along with the estimated incremental and total costs for each fiscal year. ACN refers to Accenture and State refers to State FTEs.



**Exhibit 20 - Option 2 – Return All MFMP Services to State FTEs**

**Benefits:** The following benefits and advantages may be realized from this option:

- Significantly lower annual labor costs for MFMP support services by \$9.5 million by FY2014-15.
- Opportunity to build MFMP operations and support experience in State employees.
- Lower Department dependency on support contractors.

**Risks:** The following risks and disadvantages may be realized from this option

- MyFloridaMarketPlace provides an essential eProcurement function to 33 agencies. An interruption in its operations for even a short period could adversely impact State business and erode user confidence.
- The public sector may have difficulty recruiting and retaining employees who have attained significant skill and experience in employing technology like MFMP to carry out its business processes.
- Occasionally, Accenture has supported MFMP through the temporary employment of persons with extraordinary expertise. Often these services are delivered by independent contractors at short-term labor rates of \$200-300 per hour. It would be challenging to attempt to establish such expertise in a State employee and would require the State to contract similar services at similar rates.
- According to Modification 6 to the MFMP support services contract, the price for the transition assistance that will be provided by Accenture after the termination date of their current contract has not yet been negotiated, and may exceed the zero cost assumed in this analysis. That is: the analysis assumes that Accenture will provide transition assistance to the new State FTEs during the interim services period for no additional compensation beyond the cost of continued operations. The risk is that Accenture may require additional compensation and not cover the transition assistance as part of interim services.
- Transition to a new provider of services, if not carefully planned and executed, could create significant risk to seamless uninterrupted services currently being provided.
- The combined cost of MFMP support services and transition services during FY2012-13 may result in insufficient funds remaining in the Purchasing Oversight Account in the DMS Operating Trust Fund to fund both this option and the Department's LBR during that year. It is also possible that the cost could be less, resulting in additional fund balances. The actual cost/savings will only be known after the selected option has been solicited and a plan is put into place that recognizes all the necessary components.
- The financial incentives for billing and collections, and the attainment of operational performance measures, inherent in the contract with Accenture have to be replaced with other incentives when State employees assume these duties.
- The Department will experience an increase in its management workload associated with the supervision and support of as many as 45 additional staff.



- The increase in the number of State employees required by this option may be difficult for the Legislature to approve in light of tight annual budgets and the long-term commitment of State general revenue inherent in the creation of full-time State employee positions.

**Assumptions & Constraints:** The following assumptions and constraints apply to this option:

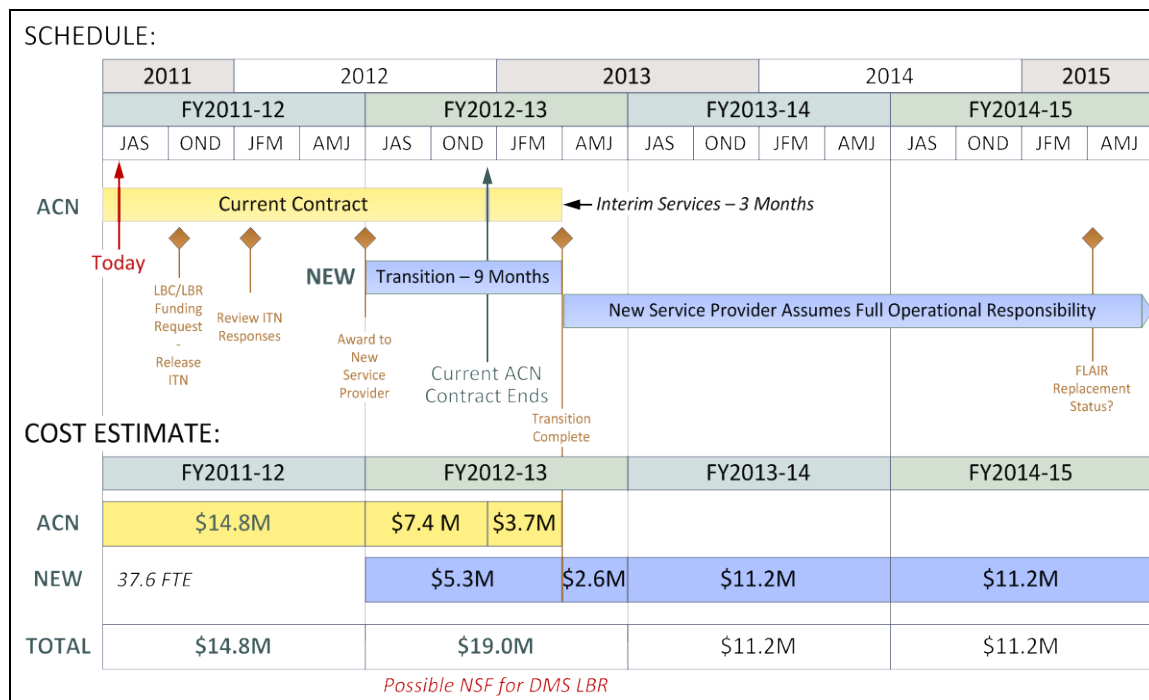
- The Governor and the Legislature will both approve the hiring or transfer of a large number of people into the Department's new FTE positions.
- Hiring will begin on July 1, 2012, after the new positions have been approved in the General Appropriations Act for FY2012-13, and will be completed in approximately 6 months.
- Due to the timing of this option, the Department will request that Accenture deliver interim services for one year, in accordance with the current contract, while the new State employees complete transition activities.
- Accenture will provide transition assistance to the new State FTEs during the interim services period for no additional compensation beyond the cost of continued operations.
- The newly-hired Department staff will receive termination/transition services from Accenture – at full pay – for 12 months before assuming full operational responsibility for MFMP.
- In the event that special expertise in the Ariba application is needed, the Department will contract for these services on a case-by-case basis.
- The current service provider's entire compensation is dependent on running a successful billing and collections operation for recovering the 1% vendor fee for State purchases. Further, the provider's claim against those funds is subordinate to the Department's annual operating costs for State Purchasing and related activities. Consequently, the service provider has strong financial incentives for high performance in providing billing and collections support services. Other services performed by the service provider may be subject to penalties for failure to deliver required service levels. This option to insource those services assumes that the Department will be able to sustain satisfactory operational performance of MFMP without the benefit of specific financial incentives or penalties; and without the service of persons with extraordinary expertise in Ariba or e-procurement.
- The Department's MFMP support organization will be designed to tolerate an estimated 10% chronic vacancy and 10% annual turnover by increasing the number of staff by 20% above an equivalent organization staffed by contractors. This adjustment is important because a contractor can assign a new qualified staff member much more rapidly than the State can post a vacant position, interview respondents and hire a new State employee.

### 2.5.3 OPTION 3 – CONDUCT COMPETITIVE PROCUREMENT (ITN) FOR MFMP SERVICES

**Description:** The Department will release an ITN to qualified vendors and negotiate a new contract for MFMP support services. Accenture will have the opportunity to compete for this contract.

If Accenture is selected as the preferred provider, the schedule and cost estimate will resemble Option 1 because a period of termination/transition services will not be necessary. Specifically, the cost in Exhibit 21 on the line item “ACN” would go to zero for FY 2012-13 and the total cost for FY 2012-13 would be the same as for FY 2013-14.

**Schedule and Estimated Cost by Fiscal Year:** The following figure depicts the schedule and sequence of key events for this event, along with the estimated incremental and total costs for each fiscal year. ACN refers to Accenture and NEW refers to the new provider.



**Exhibit 21 - Option 3 – Conduct Competitive Procurement (ITN) for MFMP Services**

**Benefits:** The following benefits and advantages may be realized from this option:

- Competition should exert pressure to lower price or increase services offered by qualified bidders.
- An opportunity to position the State to achieve best-in-class results from a best-in-class solution for the next 10 years.
- The opportunity to improve service levels, make adjustments to performance measurements, and establish new incentives and penalties.
- Lower State resource requirements than identified in options 2 and 4.



- The opportunity to seek innovative solutions to current MFMP challenges; such as augmenting current services with non-Ariba software applications.
- The opportunity to move toward an unbundled support contract to provide flexibility to how services will be provided in the future.

**Risks:** The following risks and disadvantages may be realized from this option

- In addition to the typical advantages Accenture has gained through 10+ years of incumbency, the cost of paying a new provider to be onsite for 9 months of transition services (at 2/3 their negotiated annual price – prorated) could have an effect on the solicitation that is somewhat difficult to calculate. The possibility of avoiding this additional cost is a factor in Accenture’s favor.
- If the start of the awarded contract to the new service provider occurs later than July 1, 2012, interim services from Accenture will be extended beyond 3 months – thus increasing the cost of this option.
- According to Modification 6 to the MFMP support services contract, the price for the transition assistance that will be provided by Accenture after the termination date of their current contract has not yet been negotiated and may exceed the zero cost assumed in this analysis. That is: the analysis assumes that Accenture will provide transition assistance to the new State FTEs during the interim services period for no additional compensation beyond the cost of continued operations. The risk is that Accenture may require additional compensation and not cover the transition assistance as part of interim services.
- Transition to a new provider of services, if not carefully planned and executed, could create significant risk to seamless uninterrupted services currently being provided.
- The combined cost of MFMP support services and transition services during FY2012-13 may result in insufficient funds remaining in the Purchasing Oversight Account in the DMS Operating Trust Fund to fund both this option and the Department’s LBR for that year.
- The transition to a new provider may degrade or disrupt e-procurement services.
- A new provider may be less familiar with the political, economic, cultural and technical dimensions of MFMP and, therefore, may have difficulty in delivering the required level of service.
- A new provider will be untested and may overstate or overestimate its capabilities.



**Assumptions & Constraints:** The following assumptions and constraints apply to this option:

- The schedule and cost estimates shown in Exhibit 4 depict the result of selecting a new provider other than Accenture. The new provider organization is estimated to be staffed by approximately 38 FTE<sup>37</sup>.
- The new provider will require 9 months of termination/transition services from Accenture before assuming responsibilities for MFMP. The new provider's compensation is estimated to be at 2/3 their negotiated annual price – prorated. Details for this estimate are provided in Section 2.7.
- Accenture will provide transition assistance to the new provider during the interim services period for no additional compensation.
- Due to the timing of this option, the Department will request that Accenture deliver interim services for a minimum of 3 months, in accordance with the current contract, while the new provider completes transition activities.
- Annual hardware/software license costs of \$700,000 (\$0.7M) will be included in Accenture's cost for FY2012-13 and in the new provider's costs thereafter.

#### **2.5.4 OPTION 4 – BALANCE INSOURCING AND OUTSOURCING**

**Description:** The Department will concurrently solicit a new service provider and create a new internal organization staffed by full-time State employees. Responsibility for MFMP support will be divided between the two.

For the purposes of analyzing this option, the division of responsibility between the new service provider and the new full-time State employees is as follows:

Both the State and the new provider will have program manager and admin support. The Department will take responsibility for vendor billing/collections, help desk, buyer support and vendor support. Carrying out these roles will require an estimated 30 State FTEs.

The new provider will support existing MFMP hardware and software and incremental changes to each, if any. Carrying out these roles will require an estimated 20 new provider FTEs. In the future, requirements to support MFMP hardware may change due to an expected increase in the hardware support services provided by the SSRC.

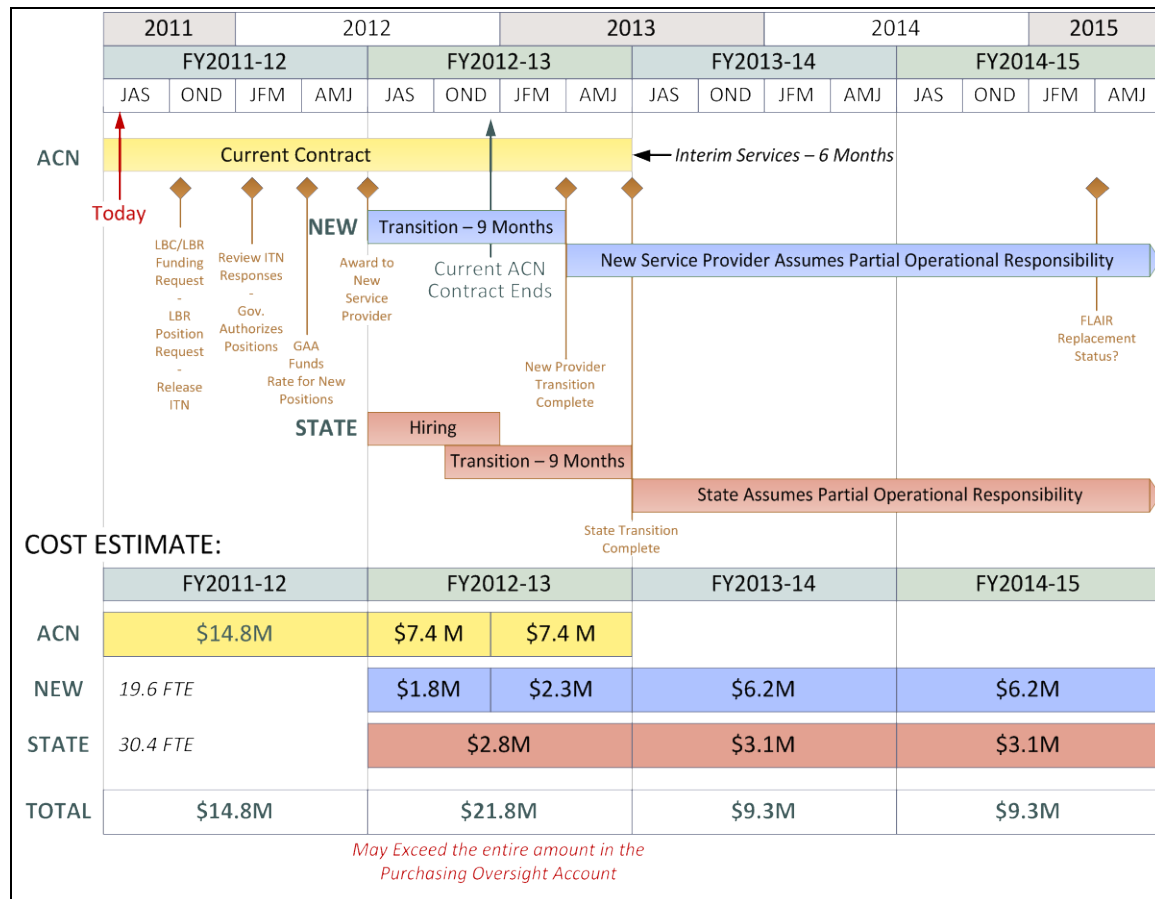
This assumed division of services represents only one possible option. It is based on the expectation that State employees would be most capable at directing and supporting the business aspects of the State's eProcurement activities, and the new provider would be the most capable at providing technical support for MFMP hardware and software.

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<sup>37</sup> Additional detail on the labor calculation model provided in Section 2.7.2.2.



**Schedule and Estimated Cost by Fiscal Year:** The following figure depicts the schedule and sequence of key events for this event, along with the estimated incremental and total costs for each fiscal year. ACN refers to Accenture, NEW refers to the new provider, and State refers to State FTEs.



**Exhibit 22 - Option 4 - Split Insourcing and Outsourcing**

**Benefits:** The following benefits and advantages may be realized from this option:

- Following the transition, this option will result in a substantial reduction in total cost of support services.
- This option provides the advantages of both insourcing (Option 2) and outsourcing (Options 1 or 3).

**Risks:** The following risks and disadvantages may be realized from this option:

- This option creates a substantial management challenge for the Department. Each activity is complicated in its own right and both the procurement of the new service provider and the hiring of State employees must be completed successfully and on time.
- This option also provides a combination of the disadvantages of both insourcing (Option 2) and outsourcing (Options 1 or 3).



- The current service provider has strong financial incentives performance measures in the area of billing and collections, which is the source of funding for their entire compensation. Insourcing vendor billing/collections will remove the profit motive that currently exists for delivering these services.
- According to Modification 6 to the MFMP support services contract, the price for the transition assistance that will be provided by Accenture after the termination date of their current contract has not yet been negotiated and may exceed the zero cost assumed in this analysis. That is: the analysis assumes that Accenture will provide transition assistance to the new State FTEs during the interim services period for no additional compensation beyond the cost of continued operations. The risk is that Accenture may require additional compensation and not cover the transition assistance as part of interim services.
- Transition to a new provider of services, if not carefully planned and executed, could create significant risk to seamless uninterrupted services currently being provided.
- Simultaneously paying for termination/transition services for two organizations lengthens the Accenture interim services period. For this option, the total estimated cost during FY2012-13 may exceed the entire amount in the Purchasing Oversight Account.

### **Assumptions & Constraints**

The following assumptions and constraints apply to this option:

- This analysis – and the resulting schedule and cost estimate depicted in Exhibit 21 – assumes that the portion of MFMP services that will remain outsourced will be delivered by a new provider (not Accenture).
- If Accenture is awarded the reduced provider services contract described in this option the transition will be somewhat simpler and less costly.
- The annual estimated hardware and software costs of \$0.7 million will be included in the cost of the new provider services.
- The Department will require approximately six months to hire the new State FTEs, beginning on July 1, 2012.
- The Department expects to start the awarded contract for the new provider on or before July 1, 2012
- Due to the timing of this option, it is assumed that the Department will request that Accenture deliver interim services for a minimum of 9 months, in accordance with the current contract, while the new State employees and the new provider complete transition activities.
- The new provider will require 9 months of termination/transition services from Accenture before assuming responsibilities for MFMP. The new provider's compensation is estimated to be at 2/3 their negotiated annual price – prorated. Details for this estimate are provided in Section 2.7.
- The new State FTEs will receive 9 months of termination/transition services from Accenture at full pay.

- Accenture will provide a minimum of 6 months interim services at the agreed upon price while providing transition services for no additional compensation.

## 2.6 CURRENT MARKET

*Section 287.0571 (4)(g) A description of the current market for the contractual services that are under consideration for outsourcing.*

There is an adequate number of consulting and IT contractors to fulfill the outsourcing needs for the presented options.

## 2.7 APPROACH AND BASIS FOR THE COST ESTIMATES

This section describes the rationale for the schedule and cost estimates presented in this business case. Actual dates and prices, where known, are used directly.

### 2.7.1 ESTIMATED DATES FOR KEY EVENTS

The following considerations were factors in developing the estimated schedule:

- Most dates used in the estimated schedule were derived from Florida's legislative calendar and annual fiscal year cycle.
- Agency can issue the notice of Intent to Award and award the contract early if needed and state in the ITN language that the contract start date is contingent on budget approval.
- The service provider procurement schedule used in this analysis was estimated and provided by the Department. The draft schedule was evaluated as consistent with actual timelines from similar solicitations.
- Dates pertaining to Accenture were taken from the current MFMP contract including the seven modifications made to it since 2002.
- Accenture has developed a transition assistance plan that assumes that 9-to-12 months of these services will be required. Services will continue until the Department is satisfied that the new provider, or the newly-formed State employee group, or blend, will be ready to assume full responsibility for delivering the required levels of service to MFMP. Except where noted, transition services are estimated to last 9 months. This period may be shorter, or longer, once the final plan has been developed and the contract with the new service provider has been negotiated.

### 2.7.2 ESTIMATED COSTS

Since actual costs are available for system hardware and software, only labor costs were estimated for this analysis. The principle estimating method employed was a "bottom-up" approach. This approach involved building a representative MFMP service organization composed of known labor categories and labor rates. The total labor cost was then estimated by summing the individual component costs.

Labor categories and labor rates for vendor providers were taken from terms established in the IT Services State Term Contract (number 973-561-10-1) on September 2009. Appropriate job codes were selected based upon the skills and activities described in the IT Job Classification Manual upon which the State term contract is based. The labor rate for each of the selected job codes was estimated by computing the average of the nearly 400 pre-negotiated vendor labor rates listed in the State term contract pricing tables.

Labor categories and labor rates for State FTEs were taken from an insource staffing study conducted by the Department and were evaluated as consistent with salaries and benefits of existing State employees serving in comparable positions.

Cost estimates have been conservatively – rather than optimistically – calculated. While it is recognized that lower prices may result from particularly effective contract negotiations, this has not been assumed. This approach prevents such uncertainties in the analysis from hindering the Department's execution of a preferred option because the required funding was underestimated.

#### **2.7.2.1 COST ELEMENT DESCRIPTIONS**

This analysis considers the following cost elements:

- Labor
- Hardware
- Software

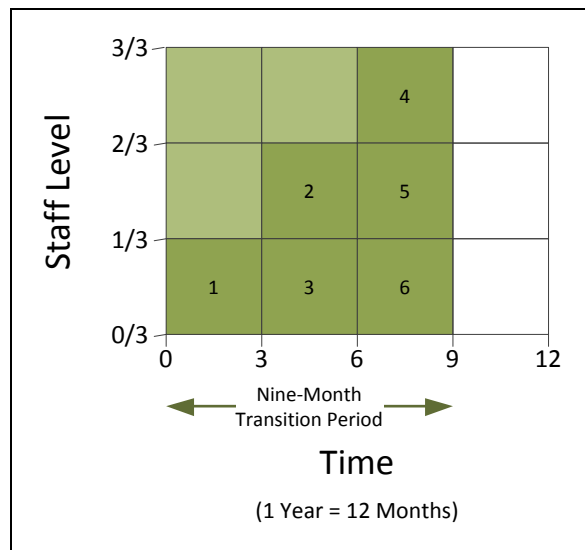
**Labor:** The “bottom-up” labor estimates used in this analysis were calculated for 1) Accenture, 2) an unidentified new vendor provider, and 3) State employees; according to the specifics of the option being analyzed. The details of these estimates are presented in a later section.

Labor costs for a new provider while receiving transition services<sup>38</sup> from Accenture are assumed to be at 2/3 the negotiated annual price, prorated for the partial year accordingly (e.g. 9 months). Actual labor costs and payment terms are subject to contract negotiations, but this analysis assumes they will accrue for payment during the fiscal year in which they occur.

The derivation of the 2/3 ratio used to estimate the transition costs new provider labor before assuming responsibility for MFMP is depicted in the following exhibit:

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<sup>38</sup> Appendix 5.8 details Accenture transition plan



**Exhibit 23 – Derivation of New Provider Labor Costs during Transition**

For all options -- except for Option 1 -- transition costs are included in estimates. Instead of assuming that the entire staff of the new provider is on-site for the entire transition period – at substantially greater cost – a progressive build-up of staff is assumed during the nine-month transition period. As shown in the exhibit, one third of the full staff will be on-site for the first three months, two thirds for the next three months, and the full team will be present for the final three months.

The result is staffing at 6/9<sup>ths</sup> or 2/3<sup>rds</sup> equivalent staffing level for the transition period. This ratio is used in this analysis to compute new provider labor costs by multiplying the annual contracted labor cost by 2/3<sup>rds</sup>, prorated for nine months of the year.

In the event that State employees receive transition services it is assumed that they will do so while receiving full pay and benefits, since precise management of a progressive build-up of State staff is not practicable.

**Hardware:** A major upgrade to both the hardware and software of MFMP is nearing completion. As a result, the investment in a refresh of system hardware may be deferred until 2015. As a result, a total of \$75,000 per year<sup>39</sup> has been estimated to cover annual support of existing equipment.

The MFMP system is already hosted in a State run primary data center and none of the four options involve a change to that arrangement. The Department's cost for hosting MFMP in the Shared Resource Center is cost-neutral to all four options and, therefore, has been excluded from this analysis.

<sup>39</sup> Reduced service contract savings may be used to conduct optimization efforts.

**Software:** Licenses for Ariba software were purchased on the State's behalf by Accenture in 2002. Actual annual renewal cost for these licenses is \$500,000. The licenses are transferrable to the Department upon termination of Accenture's current contract. While it is possible that the Department could negotiate with Ariba for a more favorable annual renewal cost, this analysis has conservatively estimated that the cost will remain the same. Similarly, the current annual renewal cost for operating system licenses, database software licenses, and other software applications and tools licenses is approximately \$125,000 and has been included in this analysis.

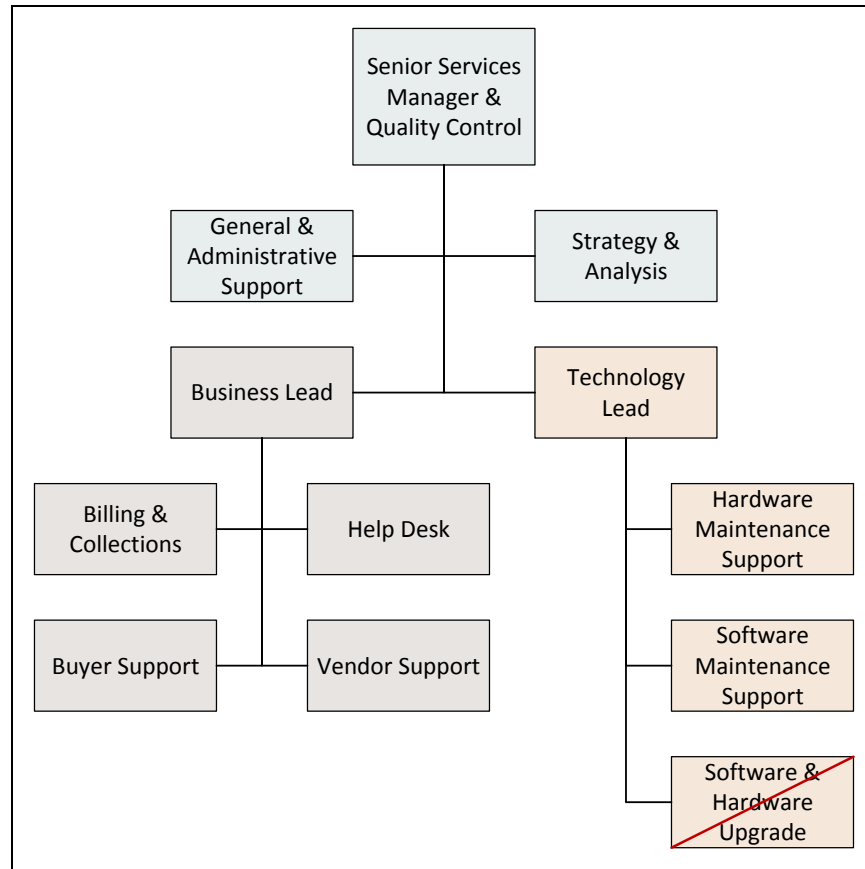
The total estimated cost for MFMP hardware and software is \$700,000 annually. This amount is currently included in Accenture's fixed price contract.

The total cost for each option is derived from adding \$700,000 to the estimated labor cost for that option. This analysis holds the current state constant and does not include any potential optimization DMS may elect to perform on its own or as options in the negotiated contract, which would affect hardware and software costs, but would be cost-neutral for the options analysis, since such enhancements would affect all options equally.

#### **2.7.2.2 LABOR COST ESTIMATES**

**MFMP Support Organization:** Labor costs were estimated by performing a bottom up analysis and by creating a representative MFMP support organization composed of known job categories and labor rates. Except where noted, this representative organization approximates Accenture's MFMP support organization chart prepared in June 2011. This organization is depicted in Exhibit 19 on the next page.





**Exhibit 24 - Representative MFMP Support Organization Structure**

In order to properly “staff” the representative MFMP support organization, the following roles and responsibilities were identified for each component in the org chart:

Support Component	Summary of Roles and Responsibilities
Senior Services Manager & Quality Control	Experienced on-site leader of the entire support organization. Part-time quality control staff to perform periodic performance review and trouble-shooting
General & Administrative Support	Administrative reporting, HR and logistics support for the members of the organization, document control, communications and correspondence
Strategy & Analysis	Spend analysis and strategic sourcing expertise, performance reporting and corrective action, special reports for the Department and external stakeholders
Business Lead	Senior on-site leader of the business support group, leadership and resource management, responsible for the results of the business functional groups
Billing & Collections	Complete responsibility for recoupment of the 1% vendor fee from all non-exempt State purchases, vendor billing, follow-up correspondence, phone contacts, collection actions and referral for delinquency enforcement action by State authorities



Support Component	Summary of Roles and Responsibilities
Help Desk	Multi-tier response to user request for assistance in MFMP system operations, policies and procedures, system or module outages, etc.
Buyer Support	CRM for State agency staff and other authorized users, training development and training delivery, workgroups, gathering change requests, analyzing impact on the system of changes in law, rule or policy, system adoption support, catalog enablement, marketing and promotion, and on-site assistance
Vendor Support	CRM for vendors, recruiting and qualifying vendors, registration assistance, MBWE and supplier diversity support, response to vendor inquiries, identifying system improvements to the VIP applications
Technology Lead	Senior on-site leader of the technology support group, leadership and resource management, responsible for the results of the technology functional groups
Hardware Maintenance Support	System hardware and network administration, routine and repair functions, responsible for load balancing, up-time, security, disaster recovery, and performance measures related to system capacity and availability
Software Maintenance Support	Maintenance of COTS and custom code, design – coding – testing of required system enhancements and adaptations, maintenance and proper functioning of data exchange interfaces with FLAIR and other systems, processing of approved system change requests
Software & Hardware Upgrade [to be eliminated] <sup>40</sup>	Responsible for conducting the hardware and Ariba software upgrade to the latest version; upon completion of that effort in the fall of 2011 this component will no longer be necessary

#### Exhibit 25 - Representative MFMP Support Organization Roles & Responsibilities

**Accenture Labor Rates:** The Department has a fixed price contract with Accenture for \$14.8 million per year. Consequently the Department does not have visibility into Accenture's labor rates or labor hours. However, an average Accenture labor rate can be estimated using their support team organization chart and some simplifying assumptions.

The Accenture organization chart shows 44 staff located in Florida and 15 staff located out of State. If we assume that Florida staff members are utilized at 90% for MFMP, and out of State staff are utilized at 25%, then Accenture's FTE for MFMP can be estimated as follows:

$$(45 \text{ staff} \times 90\% \text{ utilization}) + (15 \text{ staff} \times 25\% \text{ utilization}) = (40.5) + (3.75) = 44.25 \text{ FTE (estimated)}$$

A common rule of thumb for calculating FTE hours per year is:

$$1 \text{ FTE} = 1960 \text{ labor hours per year}$$

The total number of labor hours provided by Accenture can be estimated as follows:

<sup>40</sup> Accenture has installed all new hardware and Ariba software is on the latest version with no additional upgrades required till at least 2016. As of Dec 2012 hardware residing in the PDC will be supported and maintained by the SSRC. This analysis holds the current state constant and does not include any potential optimization DMS may elect to perform on its own or as options in the negotiated contract, which would effect hardware and software costs, but would be cost-neutral for the options analysis, since such enhancements would affect all options equally.

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$$44.25 \text{ FTE} \times 1960 \text{ labor hours/FTE/year} = 86,730 \text{ estimated labor hours per year}$$

The total cost for Accenture's labor per year can be estimated by subtracting the estimated cost for system software and hardware (\$700,000) from the \$14.8 million fixed price per year, as follows:

$$\text{Accenture annual labor cost: } \$14,800,000 - \$700,000 = \$14,100,000$$

The average labor rate for Accenture's support for MFMP can now be estimated by dividing the estimated annual labor cost by the estimated labor hours per year, as follows:

$$\text{Accenture average labor rate}^{41}: \$14,100,000 \text{ per year labor} / 86,730 \text{ hours per year} = \$162.57/\text{hr.}$$

Next, the reduction in cost due to elimination of the MFMP hardware and software upgrade staff will be estimated as follows:

The Accenture organization chart shows 6 upgrade staff located in Florida and 5 upgrade staff located out of State. If we assume that Florida staff members are utilized at 90% for MFMP, and out of State staff are utilized at 25%, then Accenture's FTE for MFMP can be estimated as follows:

$$(6 \text{ staff} \times 90\% \text{ utilization}) + (5 \text{ staff} \times 25\% \text{ utilization}) = (5.4) + (1.25) = 6.65 \text{ FTE (estimated)}$$

Using the same thumb rule of 1,960 hours per FTE per year, the total number of labor hours for MFMP hardware and software upgrades provided by Accenture can be estimated as follows:

$$6.65 \text{ FTE} \times 1960 \text{ labor hours/FTE/year} = 13,034 \text{ estimated labor hours per year}$$

Using the average estimated labor rate for Accenture's support, calculated above, the estimated reduction in cost attained by eliminating this service category is computed, as follows:

$$(13,034 \text{ estimated labor hours per year}) \times (\$162.57/\text{hr. labor rate}) = \$2.12 \text{ million}$$

If all other services in the MFMP support contract remain the same, the estimated labor cost for a single-source contract with Accenture is estimated as follows:

$$\$14.1 \text{ million per year (labor only)} - (\$2.12 \text{ million reduction}) = \sim \$12 \text{ million (labor only)}$$

Adding the \$0.7 million annual estimated hardware and software support costs to this amount yields and estimated \$12.7 million total annual compensation for a single-source MFMP support services contract with Accenture.

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<sup>41</sup> Blended rates incorporating all labor categories were used to derive this estimate.

**New Provider:** In collaboration with Department, staff job codes for the estimated 37.6 FTE were selected from the IT Services State Term Contract for use in building a staff structure to populate the Representative MFMP Support Organization. The labor rate for each of the selected job codes was estimated by computing the arithmetic average of the nearly 400 pre-negotiated vendor labor rates listed in the State term contract pricing tables. The result was the following table:

IT Services State Term Contract Labor Rates		
Index	Position	Rate (Average)
1	1030 - Operating Unit IT Executive-No Variance	\$252.92
2	1030 - Operating Unit IT Executive-No Variance	\$252.92
3	8235 - Project Management Specialist-No Variance	\$89.50
4	8235 - Project Management Specialist-No Variance	\$89.50
5	8235 - Project Management Specialist-No Variance	\$89.50
6	8235 - Project Management Specialist-No Variance	\$89.50
7	3420 - Business Intelligence Analyst-No Variance	\$145.94
8	3420 - Business Intelligence Analyst-No Variance	\$145.94
9	3430 - Data Warehouse Analyst- D. Expert	\$125.50
10	3430 - Data Warehouse Analyst- D. Expert	\$125.50
11	1040 - Departmental IT Executive-No Variance	\$213.48
12	5000 - Manager, Vendor Relationships- 3. Sr. Manager	\$161.05
13	5040 - Finance/Administration Specialist- C. Advanced	\$119.17
14	5040 - Finance/Administration Specialist- C. Advanced	\$119.17
15	5040 - Finance/Administration Specialist- C. Advanced	\$119.17
16	2200 - Mgmt. Customer Support- 3. Sr. Manager	\$136.87
17	2200 - Mgmt. Customer Support- 3. Sr. Manager	\$136.87
18	8600 - Manager, Technical Product Support- 3. Sr. Manager	\$108.54
19	8600 - Manager, Technical Product Support- 3. Sr. Manager	\$108.54
20	7700 - Director, Business Relationships-No Variance	\$205.63
21	2200 - Mgmt. Customer Support- 3. Sr. Manager	\$136.87
22	2200 - Mgmt. Customer Support- 3. Sr. Manager	\$136.87
23	6600 - Manager, Technical Training- 3. Sr. Manager	\$141.41
24	6610 - Technical Trainer- D. Expert	\$93.55
25	6610 - Technical Trainer- D. Expert	\$93.55
26	4800 - Chief Sourcing Officer-No Variance	\$196.25
27	5010 - Manager, Outsourcing Contracts-No Variance	\$133.84
28	5010 - Manager, Outsourcing Contracts-No Variance	\$133.84
29	2200 - Mgmt. Customer Support- 3. Sr. Manager	\$136.87
30	2200 - Mgmt. Customer Support- 3. Sr. Manager	\$136.87
31	1040 - Departmental IT Executive-No Variance	\$213.48
32	2800 - Director, Data Center Operations-No Variance	\$167.50
33	2810 - Manager, Computer Operations- 3. Sr. Manager	\$157.71



IT Services State Term Contract Labor Rates		
Index	Position	Rate (Average)
34	2850 - Manager, Production Support- 2. Manager	\$129.92
35	6830 - Network Security Specialist-No Variance	\$130.72
36	7400 - Manager, Systems Software- 3. Sr. Manager	\$178.88
37	7400 - Manager, Systems Software- 3. Sr. Manager	\$178.88
38	7400 - Manager, Systems Software- 3. Sr. Manager	\$178.88
39	7620 - Business Process Consultant- D. Expert	\$141.19
40	7620 - Business Process Consultant- D. Expert	\$141.19
41	7450 - UNIX System Administrator-No Variance	\$115.86
42	8230 - Project Leader- D. Expert	\$128.07
43	8230 - Project Leader- D. Expert	\$128.07
44	8230 - Project Leader- D. Expert	\$128.07
<b>Average Labor Rate:</b>		<b>\$143.04</b>

**Exhibit 26 - IT Services State Term Contract Labor Rates**

Using this bottom up approach, in collaboration with the Department staff, a 44 member staff was crafted from the State term contract with an average labor rate of \$143.04. The total annual cost for this organization can be estimated as follows:

$$(37.6 \text{ FTE}) \times (1,960 \text{ labor hours per year per FTE}) \times (\$143.04/\text{hr.}) = \$10.5 \text{ million [labor cost only]}$$

When the estimated hardware and software cost of \$0.7 million is added to this amount the total cost for outsourcing the MFMP support services to a new provider is estimated to be \$11.2 million per year.

**State Full-time Equivalent (FTE) Employees:** In the same way, the Department evaluated a number of State FTE job positions, with typical salary estimates, for constructing an insourced MFMP support organization. Hourly labor rates were calculated based upon the following:

$$(\text{Base Salary}) \times (1.35 \text{ Benefits Multiplier}) / (1,960 \text{ hours/year/FTE})$$

The result of the foregoing analysis is presented in the following table:

Labor Rates for State Full-time Equivalent (FTE) Employees	
Position	\$/Hr.
Program Sponsor	\$68.88
Program Director	\$61.99
Program Manager	\$58.55
Operations/PM Management	\$48.21
Operations/PM Reporting	\$48.21
Financial Administration	\$44.77
Legislative Coordination	\$51.66



<b>Labor Rates for State Full-time Equivalent (FTE) Employees</b>	
<b>Position</b>	<b>\$/Hr.</b>
Application Support Team Manager	\$58.55
Application Operations Lead	\$55.10
Ariba Technical Architect	\$68.88
Application Release Lead	\$51.66
Ariba Buyer Support (including Contracts & Invoicing	\$61.99
Ariba Sourcing Support	\$61.99
Ariba Analysis Support	\$61.99
Ad hoc Reporting Support	\$44.77
Integration Support / DFS Coordination	\$51.66
Interface Support	\$48.21
Vendor Registration Support (incl. Vendor Performance Management)	\$48.21
Vendor Fee Billing System Support	\$44.77
e-Quote Support	\$44.77
Catalog Enablement Support	\$41.33
e-Invoicing Support	\$41.33
Application Testing	\$48.21
Technical Support Team Manager	\$58.55
Environment Configuration Management / SRC Coordination	\$51.66
Ariba Configuration Management	\$58.55
Database Administrator	\$55.10
System Administrator	\$51.66
Security/Network Administrator	\$51.66
Performance/Load Testing	\$51.66
Buyer Stakeholder Team Manager	\$55.10
CSD Operations Lead	\$48.21
CSD Administration/QA	\$44.77
CSD Level 2 Agents for Buyer and Vendor Inquiries	\$41.33
Vendor Stakeholder Team Manager	\$55.10
Billing & Collections Lead	\$51.66
Billing & Collections Operations	\$44.77
Legal/Policy Billing Support	\$44.77
Strategic Sourcing Support	\$48.21
<b>Average labor rate:</b>	<b>\$52.01</b>

**Exhibit 27 - Labor Rates for State Full-time Equivalent (FTE) Employees**

An additional factor to consider when insourcing MFMP services to State employees is that the State will generally respond more slowly to staff vacancies and turnover than vendor service provider. It is not uncommon for a State agency to experience chronic vacancies of up to 10% of its total positions. In addition, a 10% turnover of staff per year is common – especially when State employees possess skills or acquire experience in high demand in the private sector.

To mitigate the impact of chronic vacancy and high turnover, the Department can increase the number of staff by 20%. For example:

$$37.6 \text{ vendor staff is equivalent to: } (37.6 \text{ State FTE}) \times (1.2) = 45.1 \text{ State FTE}$$

We now have all the terms necessary to estimate the annual cost of the MFMP support organization equivalent in capacity (theoretically) to the new provider organization described in the previous analysis; as follows:

$$(45.1 \text{ State FTE}) \times (\$52.01/\text{hr. labor rate}) \times (1,960 \text{ labor hrs. per yr.}) = \$4.6 \text{ million/yr. [labor only]}$$

When the estimated hardware and software cost of \$0.7 million is added to this amount the total cost for insourcing the MFMP support services to a new provider is estimated to be \$5.3 million per year.

**Mix of Insourcing and Outsourcing:** For Option 4, the division of responsibility between the new service provider and the new full-time State employees has been assumed as follows:

Both the State and the new provider will have program manager and admin support. The Department will take responsibility for vendor billing/collections, help desk, buyer support and vendor support. Carrying out these roles will require an estimated 30.4 State FTEs.

The new provider will support existing MFMP hardware and software and incremental changes to each, if any. Carrying out these roles will require an estimated 19.6 new provider FTEs.

This assumed division of services represents only one possible option. It is based on the expectation that State employees would be most capable at directing and supporting the business aspects of the State's eProcurement activities, and the new provider would be the most capable at providing technical support for MFMP hardware and software.

$$(19.6 \text{ Provider FTE}) \times (\$143.04/\text{hr.}) \times (1,960 \text{ labor hours per year}) = \$5.5 \text{ million/year [labor only]}$$

When the \$0.7 million/year hardware and software cost is added the new provider total is \$6.2 million per year.

For State FTE, the estimate is calculated as follows:

$$(30.4 \text{ State FTE}) \times (\$52.01/\text{hr.}) \times (1,960 \text{ labor hours per year}) = \$3.1 \text{ million/year [labor only]}$$



## SECTION 3 PROCUREMENT AND CONTRACT MANAGEMENT

*The Procurement and Contract Management chapter shall meet the requirements outlined in sections 287.0571(4)(j) – 287.057(4)(m) and 287.057(4)(o), F.S.*

### 3.1 PROCUREMENT OF SERVICES

It is important to recognize that the near-term requirement to stabilize and extend support services for MFMP operations is just a part of the Department's long-term goals and objectives and represents only the initial step in our roadmap to the Next Generation eProcurement for the State of Florida.

Details about the Department's strategic vision and plan are provided in separate documents, but this long-range vision has served as the context for and key input to the analysis presented in this document as it relates to the requirements for the near-term solution to support the longer-term vision.

The Department of Management Services should assess the service provider options outlined in Section 2.0 of this document and determine the best approach for the State. Based on the option selected, the Department will issue an Invitation to Negotiate (ITN). The Department of Management Services should also define:

- List support services in a schedule, individually priced, and will allow the Department to modify or eliminate specific services while leaving the rest unaffected
- Restructure performance metrics to address the quality of services delivered and prescribe appropriate financial penalties
- Allow the contract to make additions or removals of COTS procurement applications / components in support of Department improvement initiatives
- Build in incentives for the provider that are tied to agency adoption and customer success
- Improve user experience with catalogs
- Implement outward-facing catalogs available to facilitate purchase by other eligible users (OEU) of MFMP and record their spend data
- Improve spend analysis
- Decouple the Ariba software licenses from the services contract to increase flexibility in incorporating other/additional applications in future technology enhancements.
- Establish a one-on-one relationship with Ariba to advise on leveraging existing functionality to its maximum potential
- Increase Call Center quality metrics reporting and visibility
- Coordinate with AEIT and SSRC the use of cloud solutions to enhance the P2P functionality

Understanding system requirements and the implementation timeframe will allow the Department to better assess which vendor will meet the needs of the State's eProcurement vision.

### **3.1.1 CONFIRM SYSTEM REQUIREMENTS**

The Department may consider identifying and documenting the key requirements for the system including customizations currently implemented. The Department of Management Services should review the current system requirements and confirm if they are still needed to support operations. The Department should review in detail the customizations that have been implemented to support operations and determine if the customizations are still valid or if they should be removed and/or replaced with new value add enhancements. Based on their review of the system, the Department should create, at a minimum, a checklist of key requirements that the service provider's system must satisfy. This list of requirements should be included in the ITN.

### **3.1.2 ISSUE THE INVITATION TO NEGOTIATE (ITN)**

A group of resources should be selected by the Department to manage the Invitation to Negotiate (ITN) process. The group should consist of Department employees as well as stakeholders from other State agencies. The group would be responsible for drafting the ITN, distributing the ITN, and assessing the responses received and negotiating with selected vendors. The group would also be involved with developing the terms and conditions of the new contract with the selected service provider.

### **3.1.3 COST STRUCTURE**

The funding for the support contract will be secured through the procurement Transaction Fee as defined in Chapter 287 of the Florida Statutes. Any remaining funds collected via the Transaction Fee after the service provider has been paid should be placed in a contingency bucket to cover the cost of system enhancements and interface customizations required in the future.

The new contract, similar to the existing contract, should include provisions that upon any termination or expiration, the titles and perpetual software licenses required for continual operation of the eProcurement system will be transferred or be perpetually licensed to the Department.

### **3.1.4 CONTRACT TIMELINE**

*Section 287.0571 (4)(k) The projected timeframe for key events from the beginning of the procurement process through the expiration of a contract.*

The procurement to contract expiration timeline should elapse over a maximum eight year period which would allow for sufficient time to make significant optimizations and also prepare for the potential next generation Enterprise Accounts Payable System. It is estimated that once the Invitation to Negotiate (ITN) responses are received, the Department will need nine months for completion of the ITN documents, response evaluation, negotiations, and contract execution.

In addition to nine months for completion of the procurement process, the timeline includes an additional nine months for transition, if necessary, to a new service provider. The contract should be a four year deal with four optional one year contract extensions.

## 3.2 EXECUTION OF CONTRACT

Effective management and accountability are critical to the successful execution of the contract and developing a strong partnership with the service provider. Key elements that must be considered include:

- Contract Governance
- Performance Standards
- Public Records Policy
- Contractor Non-performance Contingency Plan
- Persons with Disabilities Compliance

### 3.2.1 CONTRACT GOVERNANCE

The Department has a team of resources who manage the effectiveness of the current MyFloridaMarketPlace contract. This team of resources will continue to manage the new contract to ensure a seamless approach to the administration of MyFloridaMarketPlace. The team is responsible for managing the contract on a daily basis and verifying that the service provider is adhering to the terms and conditions outlined in the contract. This team has had a staffing reduction of 25% over the last few years. A key finding of this report is that there has been insufficient training and change management to achieve the adoption and consistent usage of the MFMP solution across State agencies. DMS should examine whether the staffing level and skills are sufficient to overcome these historical issues going forward.

The team has implemented a governance structure that includes regularly scheduled system performance reviews, system change control board reviews, and issue escalation resolution. As a result of this governance structure the team has experienced significant improvement in system performance.

### 3.2.2 PERFORMANCE STANDARDS

<i>Section 287.0571 (4) (j) A description of the specific performance standards that must, at a minimum, be met to ensure adequate performance.</i>
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The current contract contains 25 Performance Metrics which are divided among the following areas: system availability, system response time, business function performance, software issue resolution, customer service, and reporting. These metrics should be maintained in the new contract. Additional metrics to assess the quality of the service delivered should also be implemented with the new contract.

As outlined in the table below, the new contract should also classify the metrics as critical, key, or general service levels. Critical service levels may be assessed a penalty with the first default. Key service levels may be assessed a penalty with three consecutive defaults. General service levels may not be assessed a penalty.



Seq. #	Service Area	Service Measure	Success Criteria
<b>Critical Service Levels</b>			
1	Software Application Availability	General Availability	>= 99percent (= NA /TRA *100)
2	Software Application Availability	Severity Level 1 – System Outage response time during Business Hours	>= 99percent within 30 min
3	Software Application Availability	Severity Level 1 – System Outage resolution time	>= 95percent within 4 hours (240 minutes) 100percent within 8 hours (480 minutes)
4	Software Application Services Support	Category 1 – Critical system issues resolution time	100percent within 7 Business Days
5	Software Application Services Support	Category 2 – High system issue resolution time	>= 50percent within 1 month 100percent within 2 months
6	Business Function Performance	Purchase Order Issuance	>= 95percent within 1 Business Day
<b>Key Service Levels</b>			
7	Software Application Availability	Severity Level 2 – System Outage response time during Business Hours	>= 99percent within 90 minutes
8	Software Application Availability	Severity Level 2 – System Outage resolution time	>=75percent within 1 Business Day (1,440 minutes)
9	Software Application Average Response Time	Average response time during Business Hours	100percent
		Create Requisition Script	<= 60 seconds
		Invoice Reconciliation Script	<=54 seconds
10	Business Function Performance	Invoices matched	>=95percent within 3 Business Days
11	Business Function Performance	FLAIR encumbrance and payment transactions	>= 90percent within 48 hours
12	Business Function Performance	Payment Posting from FLAIR	>= 95percent within 24 hours 100percent within 5 Business Days
13	Software Application Services Support	Category 3 – Medium system issue resolution time	>=50percent within 2 months 100percent within 4 months
14	Software Application Services Support	Category 5 – Operational data updates	100percent
		Monthly	>=80percent @ month end 100percent by 10th of next month
		Quarterly	>=80percent @ quarter end 100percent by 10th of next month
15	Customer Service	Call to answer time	>=90percent within in 90 seconds
16	Customer Service	E-mail response time	>= 95percent within 1 Business Day
17	Customer Service	Voice mail response time	>=95percent within 1 Business Day



Seq. #	Service Area	Service Measure	Success Criteria
18	Customer Service	Customer service desk ticket resolution	>= 99percent within 3 Business Days
19	Customer Service	Catalog enablement	100percent within 5 Business Days
20	Customer Service	Catalog refresh	100percent within 5 Business Days
21	Reporting	Reporting	100percent of up to 8 reports/month
<b>General Service Levels</b>			
22	Customer Service	Catalog satisfaction survey (Quarterly)	>= 80percent Satisfactory or Highly Satisfactory
23	Customer Service	Enhancement Delivery (As Applicable)	>= 80percent scored on returned surveys
		Distribution Date Compliance	>=15 and < 30 calendar days after implementation
25	Compliance	Performance Measurements Report Delivered	100percent delivered by 15th day of next month

**Exhibit 28 – Service Level Metrics**

### 3.2.3 PUBLIC RECORDS POLICY

*Section 287.0571 (4) (l) A plan to ensure compliance with the public records law.*

The contract should state that any and all records produced are subject to Ch. 119, Florida Statutes. The service provider shall allow the Department access to all documents, papers, letters, or other material subject to Ch. 119, Florida Statutes for which public record requests are made or received by the Department.

### 3.3 CONTRACTOR NONPERFORMANCE CONTINGENCY PLAN

*Section 287.0571 (4) (m) A specific and feasible contingency plan addressing contractor nonperformance and a description of the tasks involved in and costs required for its implementation.*

Appropriate contract language will be drafted in consultation with DMS legal counsel and DMS procurement staff. The contract should outline a plan, subject to negotiation process, to address contractor non-performance. In the MFMP Business Case submitted by DMS in November 2010, the Department defined the Plan to address the risk. The text of the Plan served as the starting point for the recommendations in this report, but should be viewed as guidance to the negotiation process and not as firm requirements.

The contract should maintain provisions to address the termination for cause in the event of non-performance by the Contractor. In addition to remedies in the Contract, a default remedy for non-performance by a Contractor is also available in rule 60A-1.006, F.A.C.

Additionally, the Department should include provisions in the new contract for liquidated damages in the event the service provider does not meet measured expectations. The provisions should provide incentive for a Contractor to cure any problems with performance before an event of default occurs.

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**Suggested Remedies for Default and Obligations upon Termination for the State of Florida:**

1. Terminate this Contract by providing the service provider with and appropriate written notice of the effective date of termination.
2. Seek Equitable Relief and/or Institute legal proceedings against the service provider to collect payment of any money owed including, but not limited to re-procurement costs, system replacement costs, and liquidated damages. Will also initiate proceedings to have Service Provider placed on the Suspended Vendor list.
3. Once placed on the Suspended Vendor list, State agencies will be advised not to do business with the Service Provider without written approval from State Purchasing until the State receives reimbursement for all re-procurement costs.
4. Upon prior notice to the Service Provider, after the expiration of any cure periods, perform any term, condition, or covenant that has been breached by the Service Provider at the reasonable expense of the Service Provider.

**General Suggested Termination Rights**

1. All right, title and interest in MFMP will be transferred to the State.
2. Transfer all licenses obtained from subcontractors and suppliers for all intellectual property, technology, and software developed, acquired, or utilized for the system to the State.
3. The Service Provider will license to the State the non-exclusive perpetual use of all intellectual property, technology, and software developed, acquired, or utilized for the system.
4. The Service Provider will transfer all right, title, and interest in the hardware, equipment leases, and real property leases used for MFMP and are necessary for the State to continue to operate and maintain the system.
5. All rights, titles, interests and licenses transferred to the State must be used for the exclusive benefit of the State of Florida.
6. The ability to terminate individual service areas to allow the Agency to insource components when they are able to perform those duties.
7. Service Provider must provide termination assistance services, detailed below.

**Recommended Termination Assistance Services**

The Service Provider is responsible for providing the below termination assistance services for up to twelve (12) months following the termination of the contract:

1. Service Provider must cooperate fully with the State of Florida and any new service provider.
2. All processes and procedures performed by the Service Provider to operate the system must be explained.
3. Provide a list of equipment, proprietary software and software licenses used to operate the system and provide services.

4. Return all State-owned materials being used by the Service Provider.
5. Transfer all property referred to in the General Termination Rights and the documentation to use the equipment.
6. Answer questions related to the migration and transition of services and the system.
7. Termination Assistance Services rendered prior to the termination date of the contract will be at no additional cost to the State. Services rendered after termination of the contract will be at a reasonable rate, established in writing and paid solely from the 1 percent transaction fee.

**Liquidated Damages Suggestion:**

Liquidated damage language including damage amounts should be included in the ITN and awarded contract. This language should be developed in consultation with DMS legal counsel and DMS Purchasing staff.

Two specific areas to address;

- Should the service provider fail to achieve Initial Operational Acceptance by the transition timeframe prescribed in the contract, as a result of factors directly within the service provider's control, then the service provider shall pay an appropriate amount for each calendar day after such date until Initial Operational Acceptance is achieved.
- Should the Service Provider fail to achieve the Performance Metrics prescribed in the contract, as a result of factors directly within Service Provider's control, then the Service Provider shall pay DMS liquidated damages for each Performance Metric not met.

**3.4 PERSONS WITH DISABILITIES COMPLIANCE**

*Section 287.0571 (4) (o) A plan for ensuring access by persons with disabilities in compliance with applicable State and federal law.*

The Americans with Disabilities Act (ADA) prohibits discrimination on the basis of disability in employment, State and local government, public accommodations, commercial facilities, transportation, and telecommunications. To ensure that the service provider is compliant with State and Federal ADA laws, the contract should request that the service provider outline a plan to identify and address any ADA concerns.



## SECTION 4 TRANSITION PLAN

*Section 287.0571(n) A State agency's transition plan for addressing changes in the number of agency personnel, affected business processes, employee transition issues, and communication with affected stakeholders, such as agency clients and the public. The transition plan must contain a reemployment and retraining assistance plan for employees who are not retained by the State agency or employed by the contractor.*

### 4.1 TRANSITION PLAN

The intent of statute 287.0571(n) is to address the issues that may arise when work effort is transferred from State employees to a service provider. In the case of MyFloridaMarketPlace this is not a concern since Accenture, as the single-service provider of application support and maintenance for the system, has developed a Transition Plan in anticipation of transfer of services. At the completion of the current contract with Accenture, if the Department decides to transfer ownership of services to an alternate service provider, the Accenture Transition Plan will be implemented.

#### 4.1.1 ACCENTURE'S TRANSITION PLAN

If the State of Florida enters into a contract with a new service provider(s) for all or part of the eProcurement services; a Transition Plan will be implemented to transfer ownership of services from Accenture to the new service provider assuming that the "stay with Ariba" is the selected option. Accenture has documented a Transition Plan that outlines the scope and summary of activities that they will execute during the Transition period. The Department of Management Services included Accenture's Transition Plan in the MyFloridaMarketPlace Business Case Submission November 2010. The document is attached as Appendix 5.8. Refer to that document to review the Accenture Transition Plan.

#### 4.1.2 NEW SERVICE PROVIDER'S MOBILIZATION PLAN

To ensure a complete and successful ramp up of a team that can provide support services for MyFloridaMarketPlace, the new service provider will document a Mobilization Plan. The Mobilization Plan outlines key activities that must be completed while working with the Department and Accenture during the Transition Period. These key activities include:

- On-Boarding of Resources
- Participate in Knowledge Transfer
- Technology and Work Environment Set-Up

##### 4.1.2.1 ON-BOARDING OF RESOURCES

The service provider will confirm the resources needed to provide the support services. On-boarding of resources is the hiring of those resources and getting them engaged with the project team. The new service provider should be committed to identifying the best set of resources to

staff the project team and should work with the Department to define a Staffing Plan that outlines (per resource role) the required skill set and desired on-boarding date. The Staffing Plan will be documented.

The on-boarding date for the resources will correspond with the needs of the Knowledge Transfer activities to ensure that resources are on-boarded to fully participate in the activities with the Accenture team members.

#### **4.1.2.2 KNOWLEDGE TRANSFER (TRAINING)**

Well executed Knowledge Transfer activities are critical to the success of training the new service provider resources. Knowledge Transfer will consist of three major components: Job Shadow, Reverse Job Shadow, and Policy/Procedure Training. Accenture will provide resources to lead the Knowledge Transfer work activities. The new service provider will be responsible only for participation and monitoring progress. During the Knowledge Transfer work effort, Accenture will still be the sole party responsible for support and maintenance of the MyFloridaMarketPlace system.

The activities to be completed for each component will be documented in Knowledge Transfer Plans. The service provider will monitor the Knowledge Transfer Plans on a weekly basis to confirm that resources are completing their Knowledge Transfer activities in a timely manner.

#### **4.1.2.3 TECHNOLOGY AND WORK ENVIRONMENT SET UP**

The new service provider is responsible for confirming a work location space as well as ensuring that their resources are equipped with the proper hardware and software to perform the activities necessary to provide the support and maintenance of the MyFloridaMarketPlace system.

#### **4.1.3 DMS MANAGEMENT OF TRANSITION WORK EFFORT**

The Department will play an integral role during the Transition period. The Department will monitor the status of completion of transition activities as well as provide approval of the transition milestone deliverables.

### **4.2 COMMUNICATION PLAN**

The Department of Management Services along with both Accenture and the new service provider will implement a Communication Plan that identifies and addresses the concerns of all key stakeholders during the Transition period and the life of the contract. The Communication Plan outlines the following:

- Communication Event
- Communication Vehicle
- Stakeholders Impacted
- Communication Start Date



- Communication End Date
- Frequency of Communication
- Owner of the Communication

The purpose of the Communication Plan is to document identified communication needs and the structured process that will be used to address those needs. The overall goal of the communication effort is to provide all stakeholders, both internal and external to the project, with the information they need in a timely, effective manner. The communications objectives are to:

- Identify key stakeholder audiences
- Provide communications in ways, and on a schedule that will meet each audience's unique needs
- Provide feedback mechanisms, with measures where possible, to determine the effectiveness of the communications delivered to each audience
- Adjust the communication plan and strategies to better meet stakeholder needs, based on feedback

The table below is a snap shot of the Communication Plan that may be implemented.

Communication Event	Communication Vehicle	Stakeholders Impacted	Start Date	End Date	Frequency of Communication	Owner
Contract Kickoff	Meeting	DMS and Service Provider	TBD	TBD	One-Time Event	Service Provider Communication Lead
Project Team Status Update	Meeting and/or report	DMS and Service Provider	TBD	TBD	Weekly	Service Provider Communication Lead
Formal Project Status Updates	Meeting and/or report	Governor's Office, Legislature, DMS Leadership	TBD	TBD	As requested	DMS Communication Lead
System Updates	eMail and/or Broadcast Message in MFMP Tool	State Agencies and/or Vendors	TBD	TBD	As needed	Service Provider Communication Lead
System Training	Meetings and/or Postings to MFMP website	State Agencies and/or Vendors	TBD	TBD	As needed	Service Provider Communication Lead

**Exhibit 29 – Communication Plan**

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#### **4.2.1 STAKEHOLDERS**

Key stakeholders include Department of Management Services, State Agencies, the State Legislature, the Governor's Office, and Vendors as well the service provider team members.

#### **4.2.2 COMMUNICATION EVENTS**

Communication events are topics that the Department, Accenture, and/or the new service provider would like to address in order to provide information to the stakeholders. A communication event can be a onetime occurrence or a regularly scheduled event. The frequency of the communication is dependent upon the topic, audience that is being addressed, and the vehicle of communication.

#### **4.2.3 VEHICLES OF COMMUNICATION**

Several communication vehicles will be utilized including: formal presentations, meetings, brown bag lunches, and email. Dependent upon the communication event, the appropriate communication vehicle will be determined and implemented.

#### **4.2.4 MANAGEMENT OF COMMUNICATIONS**

To ensure effective communication, the Department, Accenture, and the new service provider should identify communication leads. The Communication leads are responsible for creating communication templates and reviewing/approving all communications prior to distribution.

The communication leads should also understand that disseminating knowledge about the project is essential to the project's success. Project sponsors, core project team members and key stakeholders are participants in the project and must be kept informed of the project status and how changes will affect them. Stakeholder participation is increased and sustained when they are kept informed and frequently receive a consistent message about the progress, goals and benefits of the project.

## SECTION 5 APPENDIX

### Appendix Table of Contents

Sec.	Title	Description
5.1	FY 2011 Spend Assessment Report	Analysis of Spend for FY 2010-2011
5.2	MFMP Performance Metrics Report	Summary of contractual performance metric results
5.3	MFMP Operational Metrics Report	Summary of operational metric results
5.4	MFMP List of Ariba Customizations	Defines the customizations that were made to the Ariba software to meet the requirements of MFMP
5.5	Other States' eProcurement Data	Analysis of the findings of how other states operate eProcurement
5.6	Business Case Bibliography	Outlines the source materials that were referenced when developing the Business Case document
5.7	Business Case Interview List	Identifies the Florida State Agencies and Other States that were interviewed when developing the Business Case document
5.8	Accenture Transition Plan	DMS and Accenture signed Contract Modification No. 6 on July 15, 2009, which requires the vendor, Accenture, to deliver a transition plan



## 5.1 FY 2011 SPEND ANALYSIS REPORT

### FY11 Spend Assessment

	A	B	C	D = A minus B minus C	E	F	G = E minus F	H = G divided by D	I = F divided by E
Major Category	FY11 State Agency Total Vendor Payments	FY11 State Agency Payments to Non-Profit and Government Entities	FY11 Estimated Highway Construction Spend	FY11 Estimated Addressable Spend	FY11 Statewide Agreement Vendor Reported Sales	FY11 Estimated State Agency Statewide Agreement PO \$	FY11 Estimated Non-State Agency Statewide Agreement Spend	State Agency Statewide Agreement % of Total Estimated Addressable Spend (column D)	State Agency % of Statewide Agreement Vendor Reported Sales
Professional Services	\$ 4,170,772,313	\$ 1,893,348,517	\$ 658,175,776	\$ 1,619,248,019	\$ 235,816,811	\$ 84,753,891	\$ 151,062,920	5%	36%
Construction	\$ 2,246,617,208	\$ 170,526,974	\$ 1,767,799,026	\$ 308,291,209	\$ -	\$ -	\$ -	0%	N/A
Medical (Services and Supplies)	\$ 572,198,932	\$ 141,168,564	\$ -	\$ 431,030,369	\$ 241,672,861	\$ 412,708,163	\$ (171,035,302)	96%	171%
Facilities Management	\$ 571,689,376	\$ 71,088,426	\$ -	\$ 500,600,950	\$ 74,475,729	\$ 57,521,224	\$ 16,954,505	11%	77%
IT and Telecom	\$ 525,998,900	\$ 22,034,867	\$ -	\$ 503,964,032	\$ 352,422,020	\$ 358,778,753	\$ (6,356,732)	71%	102%
Food (Products and Services)	\$ 410,159,090	\$ 333,850,749	\$ -	\$ 76,308,341	\$ 58,632,695	\$ 6,887,910	\$ 51,744,785	9%	12%
Utilities and Fuel	\$ 228,682,672	\$ 73,178,351	\$ -	\$ 155,504,321	\$ 34,142,275	\$ 40,595,723	\$ (6,453,448)	28%	119%
Office Equipment & Services	\$ 200,778,696	\$ 24,047,006	\$ -	\$ 176,731,689	\$ 194,548,485	\$ 139,994,422	\$ 54,554,062	79%	72%
Vehicles & Equipment Rental	\$ 40,044,860	\$ 2,673,606	\$ -	\$ 37,371,254	\$ 73,087,154	\$ 19,108,781	\$ 53,978,372	51%	26%
Travel	\$ 20,044,387	\$ 11,750,008	\$ -	\$ 8,294,379	\$ 311,126	\$ 113,285	\$ 197,841	1%	36%
<b>Grand Total</b>	<b>\$ 8,986,986,434</b>	<b>\$ 2,743,667,069</b>	<b>\$ 2,425,974,802</b>	<b>\$ 3,817,344,563</b>	<b>\$ 1,265,109,156</b>	<b>\$ 1,120,462,152</b>	<b>\$ 144,647,004</b>	<b>29%</b>	<b>89%</b>
Source of Data	FLAIR Vendor Payments	FLAIR Vendor Payments and MFMP VIP (for business designations)	FLAIR Vendor Payments	N/A	MFMP Vendor Agreements Report	MFMP Analysis			

#### Comments

Column A is based on *FLAIR payments* in object codes that were selected by DMS as addressable through strategic sourcing (see worksheet labeled Master Object Code Table for details). Includes categories that fall under F.S. 287, 255, and 337. Figures include payments to government entities and non-profit entities that may not be strategically sourceable. Assumes agency assignment for FLAIR object codes on payments is consistent and accurate. All state agencies using FLAIR are included, including the Legislature. See worksheet labeled FY11 FLAIR Vendor Payments for more details.

Column B is calculated by pulling in the vendor business designation for each FEIN in column A where possible from MFMP vendor registration file. The payments in column B were made to entities with business designations of not-for-profit or government. Since MFMP vendor registration data around business designation is maintained by the vendors, the figures in this column are as accurate as the vendor provided data. Approximately \$150 million in payments to vendors in FLAIR that were not found in MFMP vendor registration file (and therefore could not have business designation determined) were included in this column to be conservative in estimating addressable spend in column D. See worksheet labeled Spend by Business Designation for more details.

Column C includes FY11 FLAIR payments made by the Department of Transportation in the following two object codes: 563000 Other Structures and Improvements and 131500 Engineering. These two object codes were assumed to contain highway related construction payments that fall under F.S. 337. See worksheets labeled Removed DOT Highway Spend and Removed DOT Engineering Spend for more details of spend that was removed.

Column D is the estimated addressable spend in object codes that DMS has direct authority over. It is calculated by subtracting columns B and C from column A.

Column E is based on statewide agreement vendor reported transaction fees for sales to all eligible users of statewide agreements. Reported transaction fees were divided by 1% to estimate total sales. PRIDE and RESPECT sales to state agencies are not included since they are exempt from paying transaction fees based on actual sales. Sales on certain statewide agreements (e.g., fuel card, energy savings) that are also exempt from transaction fees are not reflected in these figures. Assumes vendors are accurate, timely, and complete in reporting of transaction fees for statewide agreements. See worksheet labeled Vendor Agreement Report for more details. Due to the lag in vendors reporting transaction fees, the first 10 months of FY11 vendor reported transactions fees on statewide agreements were prorated to estimate the annual transaction fees paid by statewide agreement vendors for FY11.

Column F is based on FY11 Purchase Order \$ in MFMP that had method of procurements of state term contract, alternate contract source, or state purchasing agreement. State agency purchases on statewide agreements made outside of MFMP are not included in these figures since FLAIR does not have field to indicate contract number for payments. Purchase orders with PRIDE and REPECT method of procurements are also not included in these figures since they are not in column E figures. Mapped Construction major category PO \$ under Facilities (e.g., floor covering) to align with column E. Use of PO \$ versus actual vendor payments is due to agencies not consistently completing invoice payment information in MFMP for all transactions. Only state agencies using MFMP are included; the Legislature is not included. Column F may include purchase orders created by the agencies for FY11 that were not used and removed from MFMP.



## 5.2 MFMP PERFORMANCE METRICS REPORT

PM#	Performance Measure	Month Of:												Total Failed
		Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	June 2011	July 2011	Aug 2011	Sept 2011	Oct 2011	
Software Application Availability														
1	General availability	★	★	★	★	★	★	★	⊘					1
2	Severity Level 1 - System Outage response time during Business Hours	★	★	★	★	★	★	★	★					0
	Severity Level 1 - System Outage response time during Non-Business Hours	★	★	★	★	★	★	★	⊘					1
3	Severity Level 1 - System Outage resolution time	★	★	★	★	★	★	★	★					0
4	Severity Level 2 - System Outage response time during Business Hours	★	★	★	★	★	★	★	★					0
5	Severity Level 2 - System Outage resolution time	★	★	★	★	★	★	★	★					0
Software Application Average Response Time														
6	Average response time during Business Hours	★	★	★	★	★	★	★	★					0
Business Function Performance														
7	Purchase order issuance	★	★	★	★	★	★	★	★					0
8	Invoices matched	★	★	★	★	★	★	★	★					0
9	FLAIR encumbrance and payment transactions	★	★	★	★	★	★	★	★					0
10	Payment posting from FLAIR	★	★	★	★	★	★	★	★					0
Software Application Services Support														
11	Category 1 - Critical system issues resolution time	★	★	★	★	★	★	★	★					0
12	Category 2 - High system issue resolution time	★	★	★	★	★	★	★	★					0
13	Category 3 - Medium system issue resolution time	★	★	★	★	★	★	★	★					0
14	Category 4 - Low system issue resolution time	★	★	★	★	★	★	★	★					0
15	Operational data updates	★	★	★	★	★	★	★	★					0
Customer Service														
16	Call answer time on Customer Service Desk	★	★	★	★	★	★	★	★					0
17	Response time for customer e-mail messages	★	★	★	★	★	★	★	★					0
18	Response time for customer voice mail messages	★	★	★	★	★	★	★	★					0
19	Customer Service Desk ticket resolution	★	★	★	★	★	★	★	★					0
20	Catalog enablement	★	★	★	★	★	★	★	★					0
21	Catalog refresh	★	★	★	★	★	★	★	★					0
22	Catalog enablement satisfaction survey	★	★	★	★	★	★	★	★					0
23	Enhancement delivery	★	★	★	★	★	★	★	★					0
Reporting														
24	New report turnaround time	★	★	★	★	★	★	★	★					0
Compliance														
25	Performance Metrics Summary Report delivery	★	★	★	★	★	★	★	★					0
Total Failed:		0	0	0	0	0	0	0	2					2
Legend:								Target Compliance		Maximum Allowed	Actual To Date			
★	Successful							Total Failed PM's:		17	2			
⊘	Failed							Individual Failed PM:		2	1			
								Consecutive Failed PM:		2	1			





## 5.3 MFMP OPERATIONAL METRICS REPORT

Operational Metrics Summary Report									
For: Fiscal Year 2011									
Users	FY2011 YTD Total	FY2010 Total	FY2009 Total	FY2008 Total	FY2007 Total	FY2006 Total	FY2005 Total	FY2004 Total	Grand Total
<b>Vendors</b>									
Registered Vendors	9,524	15,437	16,075	14,161	14,001	14,288	16,438	43,042	142,966
Sourcing Registered Vendors	7,382	9,715	10,094	8,434	8,091	7,542	8,494	19,125	78,877
eQuote Registered Vendors	6,565	9,103	9,336	7,652	7,282	6,790	7,837	21,222	75,787
ASN Registered Vendors	(1)	29	27	14	19	21	54	267	430
Registered MBEs	4,893	7,280	6,720	5,607	4,913	4,497	4,914	13,741	52,565
Registered CMBEs (Subset of Registered MBEs)	808	101	167	(2,129)	594	64	1,029	4,785	5,419
Registered SDVBes (Subset of Registered MBEs)	528	604	367	N/A	N/A	N/A	N/A	N/A	1,499
Registered Certified SDVBes (Subset of Registered SDVBes)	38	77	72	N/A	N/A	N/A	N/A	N/A	187
<b>Users</b>									
Cumulative Users Loaded at End of Month	15,642	15,092	14,470	13,862	13,244	12,950	12,076	8,161	N/A
Total Active Users Within Last 30 Days	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Peak Number of Active Concurrent Users	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average Number of Active Concurrent Users	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Overall System Utilization									
	FY2011 YTD Total	FY2010 Total	FY2009 Total	FY2008 Total	FY2007 Total	FY2006 Total	FY2005 Total	FY2004 Total	Grand Total
<i>All statistics represented are cumulative for the current fiscal year</i>									
<b>Purchases and Payments</b>									
Number of POs Issued *	152,149	163,196	153,250	153,367	162,696	162,430	84,405	24,791	1,056,284
Dollar Value of POs Issued *	\$1,671,342,657	\$1,659,581,668	\$1,569,100,730	\$1,472,234,536	\$1,375,418,935	\$1,371,458,894	\$585,438,955	\$196,294,915	\$9,900,871,290
Contract Spend	\$721,481,438	\$700,092,451	\$732,379,928	\$624,789,235	\$607,360,057	\$643,595,948	\$255,748,712	\$3,664,249	\$4,289,112,018
eQuote Spend	\$117,684	\$139,922	\$94,238	\$275,999	\$301,508	\$1,125,542	\$1,603,095	\$1,008,872	\$4,666,860
Number of Invoices Paid *	310,929	313,934	299,596	276,428	239,924	253,246	95,326	13,679	1,803,062
Dollar Value of Invoices Paid *	\$747,834,868	\$786,973,727	\$762,223,811	\$751,920,036	\$628,100,097	\$996,026,177	\$522,008,871	\$69,763,870	\$5,264,851,457
<b>Contracts/Master Agreements</b>									
Total Contracts/Master Agreements Approved	970	1,551	1,250	1,496	3,430	5,248	4,248	2,398	20,591
State Term Contracts (Including Distributor MAs)	310	584	359	282	1,927	1,917	2,487	2,020	9,886
Agency Contracts	660	967	891	1,214	1,503	3,331	1,761	378	10,705
<b>Catalogs</b>									
Catalogs Loaded	(2)	(307)	5	60	215	(235)	106	745	587
SKUs Loaded	21,481	22,142	265,572	8,832	(7,601)	(46,250)	8,519	66,919	339,614
Punch-out Catalogs	2	4	4	3	0	(1)	2	3	17
<b>Sourcing Events</b>									
Sourcing Events Created as of Month-end	18	40	44	62	78	75	102	116	535
Sourcing Events Closed as of Month-end	19	26	33	42	124	51	98	86	479

\* The most recently reported month will contain cumulative information, which may reflect adjustments made by users during the current month to prior month transactions.

Individual Agency Utilization									
	FY2011 YTD Total	FY2010 Total	FY2009 Total	FY2008 Total	FY2007 Total	FY2006 Total	FY2005 Total	FY2004 Total	Grand Total
<i>All statistics represented are cumulative for the current fiscal year</i>									
<b>Dollar Value of POs Issued*</b>									
Agency for Health Care Administration	\$7,970,632	\$9,050,280	\$10,699,620	\$9,101,909	\$8,165,924	\$6,568,069	\$6,608,670	\$1,944,689	\$60,109,792
Agency for Persons with Disabilities	\$13,439,093	\$11,374,442	\$9,453,173	\$12,709,486	\$13,359,287	\$10,520,944	\$0	\$0	\$70,856,425
Agency for Workforce Innovation	\$73,162,489	\$67,061,769	\$35,397,646	\$17,224,125	\$11,766,672	\$16,553,875	\$6,818,095	\$0	\$227,984,671
Attorney General	\$3,898,102	\$4,189,194	\$3,697,913	\$2,913,078	\$3,563,842	\$4,090,511	\$371,333	\$0	\$22,723,973
Department of Business and Professional Regulation	\$8,961,828	\$7,578,533	\$9,807,219	\$10,001,924	\$10,527,839	\$6,692,635	\$2,629,360	\$0	\$56,199,338
Department of Children and Families	\$86,978,719	\$109,260,380	\$96,337,058	\$83,170,410	\$110,506,389	\$109,686,587	\$20,092,190	\$17,610	\$616,049,343
Department of Citrus	\$1,026,650	\$913,888	\$891,073	\$1,119,383	\$906,296	\$965,331	\$1,134,811	\$1,535,907	\$8,493,339
Department of Community Affairs	\$12,566,306	\$10,976,346	\$16,116,517	\$28,956,098	\$37,837,039	\$77,854,763	\$1,514,188	\$0	\$185,821,257
Department of Corrections	\$380,857,728	\$354,361,615	\$399,090,877	\$283,489,299	\$209,468,354	\$186,722,186	\$17,456,961	\$0	\$1,831,447,020
Department of Education	\$22,447,982	\$21,151,091	\$23,012,615	\$28,846,134	\$24,564,785	\$18,358,778	\$13,621,723	\$16,392	\$152,019,499
Department of Elder Affairs	\$1,563,779	\$1,826,386	\$1,614,975	\$2,361,003	\$2,415,851	\$3,158,264	\$1,583,497	\$0	\$14,523,754
Department of Environmental Protection	\$32,301,762	\$35,215,320	\$46,097,210	\$70,284,833	\$67,065,651	\$60,457,240	\$15,294,256	\$7,212	\$326,723,485
Department of Financial Services	\$46,291,150	\$56,233,509	\$49,852,417	\$38,817,577	\$50,414,053	\$34,310,430	\$9,786,201	\$0	\$285,685,337
Department of Health	\$381,726,643	\$396,373,221	\$319,450,552	\$341,743,007	\$320,511,583	\$291,849,706	\$139,998,962	\$36,243,145	\$2,217,896,820
Department of Highway Safety and Motor Vehicles	\$134,420,956	\$74,486,707	\$68,442,960	\$54,209,830	\$72,382,552	\$112,757,369	\$32,101,038	\$0	\$548,801,512
Department of Juvenile Justice	\$36,007,607	\$34,044,950	\$24,672,297	\$36,953,237	\$39,039,564	\$39,701,708	\$35,539,881	\$13,330,179	\$259,289,421
Department of Law Enforcement	\$27,210,317	\$23,936,637	\$17,148,780	\$25,288,889	\$21,076,819	\$17,216,832	\$7,046,410	\$0	\$138,924,784
Department of Management Services**	\$56,088,198	\$111,342,160	\$98,211,187	\$75,425,532	\$42,274,754	\$54,157,209	\$51,244,083	\$66,233,600	\$554,956,723
Department of Military Affairs	\$3,726,573	\$3,812,632	\$4,569,327	\$4,871,800	\$3,535,313	\$5,462,333	\$1,459,122	\$0	\$27,437,100
Department of Revenue	\$25,107,070	\$25,646,874	\$19,562,013	\$29,159,212	\$25,015,425	\$28,611,535	\$16,189,912	\$0	\$169,292,041
Department of State	\$7,449,537	\$6,651,424	\$6,747,830	\$6,734,888	\$7,655,466	\$14,741,125	\$11,460,223	\$0	\$61,440,493
Department of the Lottery	\$3,980,273	\$4,686,465	\$4,481,135	\$4,248,652	\$6,829,096	\$7,026,036	\$3,195,753	\$0	\$34,447,409
Department of Transportation	\$187,121,836	\$171,981,413	\$198,327,895	\$222,301,997	\$206,273,073	\$197,434,016	\$156,338,498	\$73,094,017	\$1,412,872,745
Department of Veterans Affairs	\$25,000,029	\$29,621,387	\$26,273,001	\$32,305,319	\$35,267,290	\$25,220,868	\$20,925,539	\$3,853,383	\$198,466,817
Division of Administrative Hearings	\$2,281,355	\$2,966,728	\$3,485,078	\$3,267,111	\$0	\$43,993	\$30,943	\$1,567	\$9,136,374
Executive Office of the Governor	\$5,530,124	\$5,703,452	\$4,082,809	\$4,051,696	\$2,671,260	\$2,484,036	\$568,737	\$17,216	\$25,109,329
Fish & Wildlife Conservation Commission	\$60,680,717	\$71,798,725	\$58,805,438	\$40,939,734	\$38,603,506	\$34,250,140	\$9,270,378	\$0	\$314,348,639
Florida School for the Deaf and Blind	\$4,495,317	\$6,521,581	\$4,411,998	\$1,513,751	\$0	\$0	\$1,442	\$0	\$16,944,089
Office of Legislative Services	\$4,994,914	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,994,914
Parole Commission	\$168,154	\$145,619	\$195,996	\$173,718	\$426,972	\$338,359	\$20,706	\$0	\$1,469,523
Public Service Commission	\$0	\$0	\$0	\$5,032	\$7,565	\$1,169,802	\$448,314	\$0	\$1,630,713
State Courts	\$7,589,020	\$10,668,942	\$8,164,120	\$2,986,172	\$3,286,715	\$3,054,115	\$2,707,731	\$0	\$38,456,815
Southwood Shared Resource Center	\$6,317,796	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,317,796

\* The most recently reported month will contain cumulative information, which may reflect adjustments made by users during the current month to prior month transactions.

\*\* Includes State Technology Office (STO).



#### Individual Agency Utilization

	FY2011 YTD Total	FY2010 Total	FY2009 Total	FY2008 Total	FY2007 Total	FY2006 Total	FY2005 Total	FY2004 Total	Grand Total
<i>All statistics represented are cumulative for the current fiscal year</i>									
<b>Dollar Value of Invoices Paid*</b>									
Agency for Health Care Administration	\$346,850	\$579,759	\$459,086	\$440,824	\$459,264	\$4,214,832	\$5,337,876	\$1,121,806	\$12,960,297
Agency for Persons with Disabilities	\$3,737,839	\$729,866	\$1,114,089	\$1,121,186	\$1,138,375	\$382,012	\$0	\$0	\$8,223,368
Agency for Workforce Innovation	\$54,067,479	\$40,693,411	\$18,741,111	\$9,327,804	\$6,260,682	\$12,863,888	\$7,090,552	\$0	\$149,044,926
Attorney General	\$0	\$0	\$860	\$39,380	\$176,291	\$893,614	\$42,839	\$0	\$1,152,984
Department of Business and Professional Regulation	\$4,196,856	\$6,830,408	\$8,926,533	\$7,991,795	\$8,614,305	\$4,786,023	\$1,097,991	\$0	\$42,443,910
Department of Children and Families	\$260,718	\$3,012,553	\$1,406,952	\$1,878,330	\$162,703	\$1,176,421	\$94,327	\$453	\$7,992,456
Department of Citrus	\$0	\$39,245	\$4,612	\$0	\$42,209	\$17,048	\$110,961	\$0	\$214,076
Department of Community Affairs	\$9,845,178	\$13,105,645	\$13,755,621	\$25,323,983	\$16,643,284	\$50,697,821	\$679,641	\$0	\$130,051,173
Department of Corrections	\$109,747,968	\$117,733,924	\$152,364,712	\$144,500,131	\$118,744,683	\$69,686,509	\$6,358,697	\$0	\$719,136,625
Department of Education	\$20,955,459	\$17,832,867	\$20,866,202	\$23,778,127	\$20,898,249	\$14,758,857	\$9,963,215	\$0	\$129,052,977
Department of Elder Affairs	\$991,607	\$972,429	\$1,094,699	\$1,083,277	\$1,008,930	\$2,337,571	\$878,410	\$0	\$8,366,922
Department of Environmental Protection	\$27,301,335	\$30,969,493	\$41,881,041	\$60,477,873	\$55,533,329	\$53,603,001	\$8,708,578	\$7,165	\$278,481,814
Department of Financial Services	\$36,536,164	\$36,219,029	\$38,440,717	\$34,245,922	\$23,523,157	\$30,598,126	\$3,431,459	\$0	\$202,994,574
Department of Health	\$104,093,228	\$114,594,507	\$89,941,027	\$71,069,889	\$29,163,044	\$340,443,300	\$296,718,816	\$16,391,946	\$1,061,415,757
Department of Highway Safety and Motor Vehicles	\$80,334,735	\$49,386,602	\$44,940,591	\$50,382,286	\$61,212,839	\$69,157,797	\$7,315,150	\$0	\$342,730,100
Department of Juvenile Justice	\$11,464,741	\$8,972,566	\$9,104,257	\$8,429,245	\$13,447,087	\$10,331,756	\$9,205,817	\$250	\$68,855,718
Department of Law Enforcement	\$160,393	\$194,442	\$134,484	\$2,700,721	\$44,500	\$12,285,405	\$2,882,398	\$0	\$18,082,343
Department of Management Services**	\$54,618,087	\$97,955,539	\$79,988,056	\$35,615,691	\$30,130,381	\$51,705,806	\$28,262,771	\$16,636,827	\$395,093,157
Department of Military Affairs	\$3,070,331	\$4,328,554	\$3,496,435	\$3,829,866	\$3,857,059	\$3,481,616	\$232,346	\$0	\$22,296,208
Department of Revenue	\$0	\$36,677	\$278,397	\$1,412,157	\$552,451	\$19,373,723	\$9,553,811	\$0	\$31,207,216
Department of State	\$5,961,330	\$4,939,130	\$5,707,820	\$6,056,164	\$7,370,860	\$14,726,046	\$8,751,151	\$0	\$53,512,501
Department of the Lottery	\$3,621,337	\$4,590,921	\$4,045,509	\$3,536,885	\$7,941,662	\$5,948,872	\$2,633,182	\$0	\$32,318,368
Department of Transportation	\$142,257,588	\$148,999,392	\$149,315,814	\$192,209,964	\$162,411,244	\$172,091,667	\$96,604,628	\$34,214,693	\$1,098,104,991
Department of Veterans Affairs	\$16,543,462	\$18,060,200	\$16,304,732	\$24,181,010	\$20,852,213	\$16,028,697	\$11,035,995	\$1,388,592	\$124,394,902
Division of Administrative Hearings	\$0	\$0	\$0	\$11,919	\$0	\$43,625	\$24,666	\$0	\$80,210
Executive Office of the Governor	\$5,267,382	\$3,412,802	\$2,600,037	\$2,433,829	\$2,370,639	\$1,812,715	\$447,541	\$2,137	\$18,347,082
Fish & Wildlife Conservation Commission	\$50,866,768	\$48,799,553	\$50,904,708	\$36,468,778	\$32,406,675	\$28,540,162	\$3,802,654	\$0	\$251,789,298
Florida School for the Deaf and Blind	\$5,540,957	\$4,244,064	\$3,747,052	\$479,162	\$0	\$0	\$0	\$0	\$14,011,245
Office of Legislative Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parole Commission	\$76,466	\$0	\$0	\$9,415	\$283,818	\$316,957	\$0	\$0	\$686,655
Public Service Commission	\$0	\$0	\$0	\$0	\$7,562	\$1,014,264	\$282,491	\$0	\$1,304,317
State Courts	\$10,821,172	\$9,740,148	\$4,678,656	\$2,684,424	\$2,842,503	\$2,728,048	\$1,760,909	\$0	\$35,255,860
Southwood Shared Resource Center	\$5,149,428	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,149,428

\* The most recently reported month will contain cumulative information, which may reflect adjustments made by users during the current month to prior month transactions.

\*\* Includes State Technology Office (STO).

#### Overall Customer Support

	FY2011 YTD Total	FY2010 Total	FY2009 Total	FY2008 Total	FY2007 Total	FY2006 Total	FY2005 Total	FY2004 Total	Grand Total
<b>Number of Customer Inquiries By Category</b>									
Buyer	2,232	2,453	2,913	4,542	5,389	N/A	N/A	N/A	N/A
Invoicing	491	464	578	1,002	1,514	N/A	N/A	N/A	N/A
Integration/Interfaces	470	286	120	119	362	N/A	N/A	N/A	N/A
Contracts	129	223	170	129	190	N/A	N/A	N/A	N/A
Reporting	133	70	70	96	117	N/A	N/A	N/A	N/A
eQuote	279	360	486	634	800	N/A	N/A	N/A	N/A
Ariba Supplier Network (ASN)	69	79	68	49	96	N/A	N/A	N/A	N/A
Security	79	8	17	10	65	N/A	N/A	N/A	N/A
Payment	32	25	18	13	5	N/A	N/A	N/A	N/A
eInvoicing	17	35	15	22	22	N/A	N/A	N/A	N/A
SPURSView	138	199	144	56	0	N/A	N/A	N/A	N/A
SPURS	4	23	1,486	679	0	N/A	N/A	N/A	N/A
Vendor Bid System	1,008	2,080	1,554	248	0	N/A	N/A	N/A	N/A
Sourcing	684	2,296	1,794	2,058	3,171	N/A	N/A	N/A	N/A
Catalogs	64	31	18	12	21	N/A	N/A	N/A	N/A
Vendor Registration	16,928	20,050	22,145	18,777	18,642	N/A	N/A	N/A	N/A
Other/General Info	6	0	2	1	6	N/A	N/A	N/A	N/A
Billing & Collections	4,709	5,539	6,657	8,237	6,674	N/A	N/A	N/A	N/A
FLAIR Gap Analysis	8	7	1	17	0	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>27,480</b>	<b>34,228</b>	<b>38,256</b>	<b>36,701</b>	<b>37,074</b>	<b>46,007</b>	<b>49,013</b>	<b>69,347</b>	<b>338,106</b>

#### IT Utilization Summary

	FY2011 YTD Total	FY2010 Total	FY2009 Total	FY2008 Total	FY2007 Total	FY2006 Total	FY2005 Total	FY2004 Total	Grand Total
<b>CPU Utilization</b>									
Application Server									
Peak	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Database Server									
Peak	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Disk Storage Availability (for Buyer Attachments)</b>									
% Free	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Database Utilization</b>									
% Disk Storage Free	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Network Utilization</b>									
Peak (Mbps)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average (Mbps)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



#### 5.4 MFMP LIST OF Ariba CUSTOMIZATIONS

#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
1	Analysis	Custom data load for FLAIR encumbrance data	Enterprise Request	N/A	N/A	N/A	N/A
2	Analysis	Custom data load for FLAIR payment data	Enterprise Request	N/A	N/A	N/A	N/A
3	Analysis	Custom data load for VIP vendor data	DMS Rule	N/A	N/A	60A-1.030	N/A
4	Analysis	Customize Contract Data to Analysis to include FL data	Legislative	F.S. 287.042(10)	N/A	N/A	69I-40.040
5	Analysis	Customize data to Analysis for Purchase Orders and Invoice Reconciliations to add FL Accounting Details	Legislative	F.S. 287.042(10)	N/A	60A-1.001	69I-40.040
6	Analysis	Customize data to Analysis for Purchase Orders and Invoice Reconciliations to add FL contract ID	Legislative	F.S. 287.042(10)	N/A	60A-1.001	69I-40.040
7	Analysis	Invoice Data Customizations for FL specific fields	Legislative	F.S. 287.042(10)	N/A	N/A	N/A
8	Analysis	PO Data Customizations for FL specific fields	Legislative	F.S. 287.042(10)	N/A	60A-1.001	69I-40.040
9	Analysis	Send data to Analysis to enable User Queue Report for Invoice Reconciliations	Enterprise Request	N/A	N/A	N/A	N/A
10	Analysis	Send data to Analysis to enable User Queue Report for Contract Requests	Enterprise Request	N/A	N/A	N/A	N/A
11	Analysis	Send data to Analysis to enable User Queue Report for Requisitions	Enterprise Request	N/A	N/A	N/A	N/A
12	Analysis	Update all data loads to exclude Legislative data	OLS Request	N/A	N/A	N/A	N/A
13	Application Extension	Add functionality to load and display a vendor's performance rating (calculated by surveys completed)	MFMP Contract	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		by buyers)					
14	Application Extension	Add link with embedded security to vendor performance tracking module for buyers to rate vendor experience	MFMP Contract	N/A	N/A	N/A	N/A
15	Application Extension	Add new fields to display a vendor's State of Florida minority business enterprise, woman-owned and/or service-disabled veteran business status (both code and description)	Legislative	F.S. 287.09451(4)(o)1	Florida House Bill 687 - 2008; 287.09451(1)(o)1	N/A	N/A
16	Application Extension	Create custom tasks to import vendor data with Florida attributes	Legislative	F.S. 287.042(1)(a)	N/A	60A-1.030	N/A
17	Application Extension	Create nightly extract of paid invoices for loading into vendor performance tracking module	MFMP Contract	N/A	N/A	N/A	N/A
18	Application Extension	Create nightly extracts of paid or cancelled invoices (with relevant transaction fee indicators) for loading into Billing system	Legislative	F.S. 287.042(1)(h)	N/A	60A-1.031	N/A
19	Application Extension	Extend core and custom Ariba objects (approvals, system searches, eForms, sessions, integration channels, etc) to enable performance monitoring tools	MFMP Contract	N/A	N/A	N/A	N/A
20	Attachments	Add checkbox and explanatory text to require verification of attachments for policies (for all header and line	DMS Rule	N/A	N/A	60A-1.033	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		item comments)					
21	Attachments	Add file attachment guidelines referencing policies and procedures	DMS Rule	N/A	N/A	60A-1.033	N/A
22	Attachments	Display error when user attempts to upload attachment larger than 4MB	DMS Rule	N/A	N/A	60A-1.033	N/A
23	Attachments	Provide functionality to Ariba system administrators to purge attachments that have been uploaded to the system with confidential data	DMS Rule	N/A	N/A	60A-1.033	N/A
24	Contracting	Add ability to designate encumbrance at contract level	MFMP Contract	N/A	N/A	N/A	N/A
25	Contracting	Add available amount to Contract	MFMP Contract	N/A	N/A	N/A	N/A
26	Contracting	Add chooser to header of Contract to identify state contract ID	Legislative	F.S. 287.042(2)	N/A	N/A	69I-40.040
27	Contracting	Add functionality to define a contract's use: state term, agency term, interagency contract or alternate contract source	Legislative	F.S. 287.042(10)	N/A	60A-1.047	69I-40.040
28	Contracting	Allow agencies to mark Contracts and Requisitions to accommodate Blanket Purchase Orders	DMS Rule	N/A	N/A	60A-1.001(2)(b)	N/A
29	Contracting	Commodity level contract encumbrance number fields copy down to the item/split accounting levels	DFS Rule	N/A	N/A	N/A	69I-40.002(16)
30	Contracting	Customize notifications sent for Contract	Enterprise Request	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		Requests					
31	Contracting	Default form of contract is populated as "Agency Term"	Legislative	F.S. 287.042(2)(a)	N/A	N/A	N/A
32	Contracting	Designate contractor or distributor to pay transaction fee on Contract	Legislative	F.S. 287.042(1)(h)	N/A	60A-1.031	N/A
33	Application Extension	Disable out-of-the-box contract milestone tracking, PCard, travel & expense functionality within MFMP	Enterprise Request	N/A	N/A	N/A	N/A
34	Contracting	Encumbrance fields have been added to the line item level on Contracts	MFMP Contract	N/A	N/A	N/A	N/A
35	Contracting	Field validation on contract encumbrance number and encumbrance line number fields	MFMP Contract	N/A	N/A	N/A	N/A
36	Contracting	Limit access to creating "state term" contracts to members of Florida's State Purchasing unit (as well as Ariba administrators)	Legislative	F.S. 287.042(2)(a)	N/A	N/A	N/A
37	Contracting	Contract accounting fields will be editable	MFMP Contract	N/A	N/A	N/A	N/A
38	Contracting	Contract is updated to select a Supplier Location of the Contracted Vendor, if a distributor relationship exists	Enterprise Request	N/A	N/A	N/A	N/A
39	Contracting	Maximum commitment customization to Contracts to disallow negative values	Enterprise Request	N/A	N/A	N/A	N/A
40	Contracting	Method of Procurement added as field on Contracts	Legislative	F.S. 287.042(10)	N/A	N/A	69I-40.040



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
41	Contracting	State Term Contract customization to accommodate split accounting	DFS Rule	N/A	N/A	N/A	69I-40.002(16)
42	eForms	Add ability to capture canceled warrant information via eForm	DFS Rule	N/A	N/A	N/A	69I-10.080
43	eForms	Add ability to select Prior Period Indicator for Release Encumbrance process	FLAIR Requirement	N/A	N/A	N/A	N/A
44	eForms	Add functionality for agency system administrator to create bill-to/ship-to addresses (scoping applied to agency but system wide access available to Ariba system administrator) on the Address Change eForm	Enterprise Request	N/A	N/A	N/A	N/A
45	eForms	Add functionality to restore monies to contract balances	Enterprise Request	N/A	N/A	N/A	N/A
46	eForms	Add functionality to restore PO balance via eForm (to correct erroneously applied payments)	Enterprise Request	N/A	N/A	N/A	N/A
47	eForms	Customize address eForm to validate format of data entered	Enterprise Request	N/A	N/A	N/A	N/A
48	eForms	Address eForm to capture Florida Address IDs	Enterprise Request	N/A	N/A	N/A	N/A
49	eForms	Address eForm updated to enforce current USPS standards	Enterprise Request	N/A	N/A	N/A	N/A
50	eForms	Allow end users to initiate and create Contract Exemptions	DMS Rule	N/A	N/A	60A-1.032	N/A
51	eForms	Allow release encumbrance on	FLAIR Requirement	N/A	N/A	N/A	N/A





#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		previously canceled requisitions	nt				
52	eForms	Password Change eForm should force password reset	Audit Finding	N/A	N/A	N/A	N/A
53	eForms	Payee name recorded for IRS levies on payment Update eForm	MFMP Contract	N/A	N/A	N/A	N/A
54	eForms	Provide Payment Update eForm to record FLAIR payment information that updates associated IR	MFMP Contract	N/A	N/A	N/A	N/A
55	eForms	Provide User eForm for agency system administration	MFMP Contract	N/A	N/A	N/A	N/A
56	eForms	Release Encumbrance eForm updated to maintain encumbrance line numbers for historical reference	MFMP Contract	N/A	N/A	N/A	N/A
57	eForms	Warning message displayed on User eForm for circular supervisors	Enterprise Request	N/A	N/A	N/A	N/A
58	Integration	Accommodate entry of and changes to FLAIR system password entry to support agency requisition and Invoice integration	MFMP Contract	N/A	N/A	N/A	N/A
59	Integration	Accounting information validation added to Invoice Reconciliation process before sending to FLAIR	MFMP Contract	N/A	N/A	N/A	N/A
60	Integration	Add a task that runs multiple times daily to re-process interface transactions (both encumbrance and disbursement) that failed to process through FLAIR and update in Buyer	MFMP Contract	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
61	Integration	Add functionality for agencies to release encumbrance requests (by associating to a requisition) and submitting request to FLAIR to release funds (scoping applied to agency but system wide access available to Ariba system administrator)	MFMP Contract	N/A	N/A	N/A	N/A
62	Integration	Add functionality for agencies to request previously recorded disbursements be deleted in FLAIR (scoping applied to agency but system wide access available to Ariba system administrator)	MFMP Contract	N/A	N/A	N/A	N/A
63	Integration	Add functionality to maintain the (current) FLAIR encumbrance balance associated to each split accounting	MFMP Contract	N/A	N/A	N/A	N/A
64	Integration	Add functionality to send disbursements requests to FLAIR for invoice reconciliations for three types: encumbered disbursements, disbursements against payables and unencumbered disbursements (scoping applied to agency)	MFMP Contract	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
65	Integration	Add functionality to send requests to validate accounting to FLAIR for invoice reconciliations for three types: encumbered disbursements, disbursements against payables and unencumbered disbursements (scoping applied to agency)	MFMP Contract	N/A	N/A	N/A	N/A
66	Integration	Add functionality to store and maintain username/password for MFMP integration RACF access to FLAIR for production and testing	MFMP Contract	N/A	N/A	N/A	N/A
67	Integration	Add logic to batch interface to prevent payment information being overwritten if FLAIR already has payment information	MFMP Contract	N/A	N/A	N/A	N/A
68	Integration	Add middleware component to process Buyer messages that are published for encumbrance and disbursement transactions; send related information to FLAIR and retrieve response; response is published back to Buyer for updates to transactions	MFMP Contract	N/A	N/A	N/A	N/A
69	Integration	Add specific messages regarding workflow impacts from FLAIR integration	MFMP Contract	N/A	N/A	N/A	N/A
70	Integration	Continue to process transactions to FLAIR after	Enterprise Request	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		receiving warning for 5 days of password expiration					
71	Integration	Create batch tasks to load payment information provided by FLAIR and post to associated invoice reconciliation transaction; once payment information is received for all line items/split accountings the IR will be updated to paid status	MFMP Contract	N/A	N/A	N/A	N/A
72	Integration	Customize integration receiving messages back into Buyer from middleware component (iWay) for Buyer node architecture	MFMP Contract	N/A	N/A	N/A	N/A
73	Integration	Customize integration to publish messages sent from Buyer to middleware component (iWay) for Buyer node architecture	MFMP Contract	N/A	N/A	N/A	N/A
74	Integration	Customize node architecture for batch tasks	Enterprise Request	N/A	N/A	N/A	N/A
75	Integration	Display errors on integration transactions that fail due to vendor's invalid W-9 status	Legislative	N/A	Federal Withholding Tax Relief Act	N/A	N/A
76	Integration	Enable creation of change orders on partially paid purchase orders, keeping encumbrances reconciled	DFS Rule	N/A	N/A	N/A	69I-40.040
77	Integration	Enable online asynchronous Encumbrance Interface processing at FLAIR Security	FLAIR Requirement	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		Level 2					
78	Integration	Encumbrance rollback performed for all lines on a requisition if one line item fails encumbrance processing with FLAIR	MFMP Contract	N/A	N/A	N/A	N/A
79	Integration	Establish security levels associated with transactions so they are consistent with FLAIR authority for Invoice Managers	MFMP Contract	N/A	N/A	N/A	N/A
80	Integration	FLAIR password requirements	MFMP Contract	N/A	N/A	N/A	N/A
81	Integration	Implement batch interface to retrieve updated accounting information from FLAIR for loading into Buyer	MFMP Contract	N/A	N/A	N/A	N/A
82	Integration	Integration enforcing rules about pre-existence of valid transaction types in FLAIR before allowing entry of data in Payable Number and Payable Line Number fields in MFMP	MFMP Contract	N/A	N/A	N/A	N/A
83	Integration	Online asynchronous FLAIR Disbursements interface initiated by agency approval within Buyer	MFMP Contract	N/A	N/A	N/A	N/A
84	Integration	Online asynchronous FLAIR Encumbrance interface initiated by agency approval within Buyer	MFMP Contract	N/A	N/A	N/A	N/A
85	Integration	Provide warrant type on payment from FLAIR	MFMP Contract	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
86	Integration	Record MFMP CFO Received Date on disbursement transactions in FLAIR	Legislative	N/A	F.S. 215.422	N/A	69I-24.005
87	Integration	Requisitions denied by FLAIR can be resent back to FLAIR for encumbrance updates	MFMP Contract	N/A	N/A	N/A	N/A
88	Integration	Send all PO information to SPURSView for historical reporting	Legislative	F.S. 287.132	N/A	N/A	N/A
89	Invoicing	Add a checkbox to release any remaining encumbrance balance in FLAIR as part of a disbursement request	MFMP Contract	N/A	N/A	N/A	N/A
90	Invoicing	Add agency voucher number to invoice reconciliation split accounting	MFMP Contract	N/A	N/A	N/A	69I-24.002(16)
91	Invoicing	Add checkbox on invoice reconciliation to indicate an invoice was paid directly in FLAIR	DFS Rule	N/A	N/A	N/A	CFO Memo # 3, 2003-2004
92	Invoicing	Add checkbox to include an available balance override on disbursement requests sent to FLAIR	MFMP Contract	N/A	N/A	N/A	N/A
93	Invoicing	Add checkbox to indicate disbursement is not against encumbrance or payable (will be sent to FLAIR as unencumbered disbursement)	MFMP Contract	N/A	N/A	N/A	N/A
94	Invoicing	Add checkbox within approval queue to support workload management for approvers with same permissions	Agency Request	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
95	Invoicing	Add chooser to identify reason for auditing rejection on header of invoice reconciliation	MFMP Contract	N/A	N/A	N/A	N/A
96	Invoicing	Add exception to all invoice reconciliation split accountings	MFMP Contract	N/A	N/A	N/A	N/A
97	Invoicing	Add fields to identify payable on invoice reconciliation line items (will be sent to FLAIR as disbursement against payable)	MFMP Contract	N/A	N/A	N/A	N/A
98	Invoicing	Add functionality to add DFS audit approval to the end of approval flow of all invoice reconciliations >= \$10,000	DFS Rule	N/A	N/A	N/A	69I-40.020(22) & 69I-40.050(1) & 69I-40.120(2)
99	Invoicing	Add functionality to add DFS audit approval to the end of approval flow of invoice reconciliations < \$10,000 that meet a sampling criteria provided by DFS	DFS Rule	N/A	N/A	N/A	69I-40.020(22) & 69I-40.050(1) & 69I-40.120(2)
100	Invoicing	Add functionality to default a transaction as exempt from a transaction fee (this status is default's from a vendor)	DMS Rule	N/A	N/A	60A-1.032	N/A
101	Invoicing	Add functionality to designate a transaction is exempt from a transaction fee (the update of this status requires specific permission)	DMS Rule	N/A	N/A	60A-1.032	N/A
102	Invoicing	Add functionality to display invoice received date on invoice and invoice reconciliation	DFS Rule	N/A	N/A	N/A	69I-24.003(1)(a)





#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
103	Invoicing	Add new field to header of IR for PUI; value is defaulted from value of PO or requester creating invoice against contract	MFMP Contract	N/A	N/A	N/A	N/A
104	Invoicing	Add new header level exception to invoice reconciliations that are created from electronic invoices with the same combination of OLO, vendor and 9-digit invoice number	Audit Finding	N/A	N/A	N/A	N/A
105	Invoicing	Add specific editable encumbrance fields for DOT; default values from purchase order if they exist	MFMP Contract	N/A	N/A	N/A	N/A
106	Invoicing	Add statewide document number (SWDN) to invoice reconciliation split accounting	MFMP Contract	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
107	Invoicing	Add the following Florida accounting fields (at the split level) for all agencies: Account Code (populated by 8 subsequent fields), Organization Code (chooser scoped by agency and Organization Level associated to profile), Expansion Option (chooser scoped by agency), Option Version (scoped by agency and Expansion Option), Object Code (defaulted from commodity code), Prior Period Indicator (chooser), Budget Entity (chooser scoped by agency), Internal Budget Indicator (chooser by agency), GAAFR fund (populated by other accounting fields), External Fund (populated by other accounting fields), State Fund (populated by other accounting fields), Fund Identifier (populated by other accounting fields), Category (chooser by agency), Category Year (chooser associated to Category), State Program Standard (chooser	Legislative	F.S. 287.042(10)	N/A	N/A	69I-40.002(3) & 69I-40.040



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		by agency), External Program (chooser by agency), Grant (chooser by agency), Grant Year (chooser associated to Grant), Other Cost Accumulator (chooser by agency), Revolving Fund (populated by other accounting fields), Contract (chooser by agency), Contract Year (chooser associated to Contract), Agency Unique (chooser by agency), Project ID (chooser by agency), External Category (chooser by agency), General Ledger (chooser by agency), Encumbrance General Ledger (chooser by agency), External General Ledger (chooser by agency), Encumbrance External General Ledger (chooser by agency), Product ID (chooser by agency), External Object (chooser by agency), Other Document Number (assigned uniquely by system), Grouping Character (optional),					



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		Bookkeeping Indicator (optional), Certified Forward Indicator, Batch character (optional), Description, Accounting Quantity (optional), Accounting Count (optional), Sub-Vendor (optional)					
108	Invoicing	Add validation on Service Dates in invoice processing	Audit Finding	N/A	N/A	N/A	N/A
109	Invoicing	Add validation to prevent an invoice reconciliation from being submitted to FLAIR for different transaction types (encumbered, unencumbered, payable)	MFMP Contract	N/A	N/A	N/A	N/A
110	Invoicing	Add validation to prevent new invoices from being created with the same combination of OLO, vendor and	Audit Finding	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		9-digit invoice number					
111	Invoicing	Add voucher number/SDN to payment update eForm	DFS Rule	N/A	N/A	N/A	69I-24.002(16)
112	Invoicing	Add warrant issue date to invoice reconciliation split accounting	MFMP Contract	N/A	N/A	N/A	69I-24.003(3)
113	Invoicing	Add warrant number to invoice reconciliation split accounting	MFMP Contract	N/A	N/A	N/A	69I-24.002(16)
114	Invoicing	Agencies are restricted to creating invoices with their own entity	Enterprise Request	N/A	N/A	N/A	N/A
115	Invoicing	Allow invoicing against an expired contract	Enterprise Request	N/A	N/A	N/A	N/A
116	Invoicing	Append IR and invoice transactions with the sequence number that has been optimized for performance	MFMP Contract	N/A	N/A	N/A	N/A
117	Invoicing	Create new field to maintain 9-digit invoice number for disbursement requests sent to FLAIR	MFMP Contract	N/A	N/A	N/A	N/A
118	Invoicing	Customization to invoice eForm to prevent alphanumeric characters in the Transaction Amount field	Deprecate d in 9r1	N/A	N/A	N/A	N/A
119	Invoicing	Customize available options for viewing invoice reconciliation exceptions	Enterprise Request	N/A	N/A	N/A	N/A
120	Invoicing	Default accounting information on IR generated against Commodity Level Contract	Deprecate d in 9r1	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
121	Invoicing	Default and display transaction date that FLAIR uses for prompt payment measurement to auditors	Legislative	N/A	F.S. 215.422	N/A	69I-24.005
122	Invoicing	Default encumbrance fields to split accounting when invoice reconciliation is created against encumbered purchase order	MFMP Contract	N/A	N/A	N/A	N/A
123	Invoicing	Default site code for ASN initiated Invoice Reconciliations from associated purchase orders	MFMP Contract	N/A	N/A	N/A	N/A
124	Invoicing	Disable notification for Invoice eForm Approval	Deprecate d in 9r1	N/A	N/A	N/A	N/A
125	Invoicing	Disable re-reconciliation of IRs when subsequent receipts are created	Enterprise Request	N/A	N/A	N/A	N/A
126	Invoicing	Calculate and display CFO Received Date on IRs	Legislative	N/A	F.S. 215.422	N/A	69I-24.005
127	Invoicing	Errors with FLAIR username/password are sent to Invoice Manager's approval queue to be addressed	MFMP Contract	N/A	N/A	N/A	N/A
128	Invoicing	Implement custom security on components of the FLAIR accounting fields	MFMP Contract	N/A	N/A	N/A	N/A
129	Invoicing	Implement special edit rules on invoice reconciliations for DFS Auditors	Agency Request	N/A	N/A	N/A	N/A
130	Invoicing	Implement unique tracking number (Other Document Number) for corresponding accounting splits between FLAIR and MFMP	MFMP Contract	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
131	Invoicing	Improve process for creating new invoices	Enterprise Request	N/A	N/A	N/A	N/A
132	Invoicing	Include additional validation to split accounting fields for several criteria provided by FLAIR: (1) expansion option (2) expansion set (3) organization level/GAAFR/state fund/fund identifier/budget entity/internal budget indicator/category (4) correlation type A (5) correlation type C (6) correlation type E (7) correlation type F (8) correlation type G (9) correlation type H	DFS Rule	N/A	N/A	N/A	69I-40.002(16)
133	Invoicing	Integration customization to provide specific FLAIR failure notification on the Invoice Reconciliation comment	MFMP Contract	N/A	N/A	N/A	N/A
134	Invoicing	Invoice eForm customization to search by Total Ordered field	Deprecate d in 9r1	N/A	N/A	N/A	N/A
135	Invoicing	Invoice eForm link is dynamically added when Invoice Reconciliations are automatically rejected via matching	Deprecate d in 9r1	N/A	N/A	N/A	N/A
136	Invoicing	Invoice Reconciliations that have been sent back to agency from auditors have FLAIR approver	MFMP Contract	N/A	N/A	N/A	N/A





#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		added back to the approval flow					
137	Invoicing	Invoices against encumbered contracts will default encumbrance information for integration with FLAIR	MFMP Contract	N/A	N/A	N/A	N/A
138	Invoicing	IR Mass Edit specific accounting fields without changing all accounting on subsequent lines	Enterprise Request	N/A	N/A	N/A	N/A
139	Invoicing	Last approving invoice manager will be reactivated if disbursement fails pre-validation	MFMP Contract	N/A	N/A	N/A	N/A
140	Invoicing	Make PO or MA reference required for invoice submission	Enterprise Request	N/A	N/A	N/A	N/A
141	Invoicing	Manipulated rounding logic for amounts on Invoice Reconciliation	MFMP Contract	N/A	N/A	N/A	N/A
142	Invoicing	Record source of the invoice (paper or electronic) within the invoice reconciliation	Agency Request	N/A	N/A	N/A	N/A
143	Invoicing	Remove all Accounting Validation for Rejected IRs	Enterprise Request	N/A	N/A	N/A	N/A
144	Invoicing	Send custom notifications to prompt FLAIR password changes	MFMP Contract	N/A	N/A	N/A	N/A
145	Invoicing	Status of an Invoice Reconciliation is checked before transaction can be submitted to DFS	Agency Request	N/A	N/A	N/A	N/A
146	Invoicing	Supplier is required before searching for Purchase order during invoice creation	MFMP Contract	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
147	Invoicing	Transaction Date on an IR is defaulted to either the Invoice Received Date on an Invoice or the Approved Date of an associated Receipt	DFS Rule	N/A	N/A	N/A	69I-24.005
148	Purchase Orders	Add ability to include Buyer messages on purchase order transmitted to vendor	Enterprise Request	N/A	N/A	N/A	N/A
149	Purchase Orders	Add functionality to send properly formatted email to 3rd party provider when vendor selects "fax" as preferred ordering method	MFMP Contract	N/A	N/A	N/A	N/A
150	Purchase Orders	Add Ship to Name and Bill To Name on Printed PO	MFMP Contract	N/A	N/A	N/A	N/A
151	Purchase Orders	Add table to display payment transactions associated to a PO; future versions of a PO will display payment information for all versions	Enterprise Request	N/A	N/A	N/A	N/A
152	Purchase Orders	Allow requisition lines with different ship-to addresses to be aggregated on the same order	Enterprise Request	N/A	N/A	N/A	N/A
153	Purchase Orders	Bill to/Ship Codes sent to ASN Vendors	MFMP Contract	N/A	N/A	N/A	N/A
154	Purchase Orders	Buyer contact information (phone number) has been added to purchase order	Enterprise Request	N/A	N/A	N/A	N/A
155	Purchase Orders	Calculate and display amount remaining on purchase orders based on invoices processed against it	Enterprise Request	N/A	N/A	N/A	N/A
156	Purchase Orders	Custom logo on purchase orders	Enterprise Request	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		issued to vendors					
157	Purchase Orders	New field for Buyer Codes added to Purchase Order	MFMP Contract	N/A	N/A	N/A	N/A
158	Purchase Orders	PCard number hidden when requisition or purchase order is printed	Audit Finding	N/A	N/A	N/A	N/A
159	Purchase Orders	Prevent change orders from being created when an associated disbursement is pending FLAIR approval	MFMP Contract	N/A	N/A	N/A	N/A
160	Purchase Orders	Purchase Order print view customization for Florida fields	DMS Rule	N/A	N/A	60A-1.001(2)(a)	N/A
161	Purchase Orders	Update references from direct order (DO) to purchase order (PO)	Enterprise Request	N/A	N/A	N/A	N/A
162	Receiving	Add the ability to receive more items than were ordered	DMS Rule	N/A	N/A	60A-1.007(2)	N/A
163	Receiving	Disable the 'accept all' functionality on the receipt	DMS Rule	N/A	N/A	60A-1.007(2)	N/A
164	Receiving	Provide ability to correct receiving report (allow negative receipts)	DMS Rule	N/A	N/A	60A-1.007(2)	N/A
165	Receiving	Provide ability to receive fractional quantities	DMS Rule	N/A	N/A	60A-1.007(2)	N/A
166	Reporting	Create automated daily data extracts that email to agency users	DFS Rule	N/A	N/A	N/A	69I-40.040
167	Reporting	Create automated daily, weekly, monthly and quarterly data extracts that post to agency folders on DMS FTP site	Legislative	F.S. 287.042(10)	N/A	N/A	N/A
168	Reporting	Disable standard reporting functionality within Buyer	MFMP Contract	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
169	Purchase Requisition	Ability to edit Location information on requisitions and invoice reconciliations	Enterprise Request	N/A	N/A	N/A	N/A
170	Purchase Requisition	Add "Do Not Send Purchase Order To Vendor?" checkbox so that PO will not be sent to vendor (default as unchecked)	MFMP Contract	N/A	N/A	N/A	N/A
171	Purchase Requisition	Add agency specific method of procurement codes	Legislative	F.S. 287.042(10)	N/A	N/A	69I-40.040
172	Purchase Requisition	Add catalog search filter for "green" items, including certification type	Legislative	N/A	Executive Order 07-126	N/A	N/A
173	Purchase Requisition	Add catalog search filter for Florida state term contract ID (either by number or Contract number)	Legislative	F.S. 287.042(10) & F.S. 287.042(2)(a)	N/A	N/A	69I-40.040
174	Purchase Requisition	Add checkbox and default to check for 'include comment/attachment(s) on purchase orders' checkbox for comments and attachments	DFS Rule	N/A	N/A	N/A	69I-40.002(11) & 69I-40.002(14) & 69I-40.002(17) & 69I-40.002(20) & 69I-40.002(23) & 69I-40.120
175	Purchase Requisition	Add checkbox at the header to identify whether requisition should encumber funds	MFMP Contract	N/A	N/A	N/A	N/A
176	Purchase Requisition	Add chooser to header of requisition to indicate associated Florida fiscal year (defaulting to current year but is editable)	Legislative	N/A	F.S. 215.01	N/A	N/A
177	Purchase Requisition	Add chooser to non-catalog line item to identify Florida state term contract	Legislative	F.S. 287.042(10) & F.S. 287.042(2)(a)	N/A	N/A	69I-40.040



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
178	Purchase Requisition	Add counter to create unique six-digit alphanumeric encumbrance numbers for integration with FLAIR that do not get reused	MFMP Contract	N/A	N/A	N/A	N/A
179	Purchase Requisition	Add custom field/chooser to identify buyer code on requisition line item	MFMP Contract	N/A	N/A	N/A	N/A
180	Purchase Requisition	Add custom link to header (including print) of both requisition and PO to external site used to maintain state of Florida's terms and conditions	DMS Rule	N/A	N/A	60A-1.001(2)(a) & 60A-1.033	N/A
181	Purchase Requisition	Add date fields to header of requisition for PO start and end dates	DMS Rule	N/A	N/A	60A-1.001	N/A
182	Purchase Requisition	Add field and display site code on header of the requisition	DMS Rule	N/A	N/A	60A-1.001	N/A
183	Purchase Requisition	Add field to display encumbrance line number once request has successfully processed through FLAIR	MFMP Contract	N/A	N/A	N/A	N/A
184	Purchase Requisition	Add functionality to allow agencies to select Contracts designated as agency term contract for blanket purchase order to override the association of a Contract for the state term contract associated to the catalog item	Legislative	F.S. 287.042(10)	N/A	60A-1.001(2)(b) & 60A-1.047	N/A
185	Purchase Requisition	Add functionality to associate a Contract designated as a state term contract when a catalog is	Legislative	F.S. 287.042(10) & F.S. 287.042(2)(a)	N/A	N/A	69I-40.040



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		added to the shopping cart					
186	Purchase Requisition	Add functionality to default a transaction as exempt from a transaction fee (this status is populated when a vendor's default status is exempt)	DMS Rule	N/A	N/A	60A-1.032	N/A
187	Purchase Requisition	Add functionality to default a transaction as exempt from a transaction fee (when the transaction is created against a Contract that was designated as exempt from the transaction fee)	DMS Rule	N/A	N/A	60A-1.032	N/A
188	Purchase Requisition	Add functionality to designate a transaction is exempt from a transaction fee (the update of this status requires specific permission)	DMS Rule	N/A	N/A	60A-1.032	N/A
189	Purchase Requisition	Add functionality to identify "green" items	Legislative	N/A	F.S. 255.257	N/A	N/A
190	Purchase Requisition	Add functionality to identify certification type for "green" items	Legislative	N/A	F.S. 255.257	N/A	N/A
191	Purchase Requisition	Add Method of Procurement field for every requisition line item	Legislative	F.S. 287.042(10)	N/A	60A-1.001	69I-40.040
192	Purchase Requisition	Add new field to header of requisition for PUI and scope to PUIs within each agency	MFMP Contract	N/A	N/A	N/A	N/A
193	Purchase Requisition	Add new field vendor's Tax ID to Ariba's supplier object	DMS Rule	N/A	N/A	60A-1.030	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
194	Purchase Requisition	Add specific editable encumbrance fields for DOT	MFMP Contract	N/A	N/A	N/A	N/A
195	Purchase Requisition	Add task to populate Certified Forward flag on requisitions, POs and Contracts	MFMP Contract	N/A	N/A	N/A	N/A
196	Purchase Requisition	Add the following Florida accounting fields (at the split level) for all agencies: Account Code (populated by 8 subsequent fields), Organization Code (chooser scoped by agency and Organization Level associated to profile), Expansion Option (chooser scoped by agency), Option Version (scoped by agency and Expansion Option), Object Code (defaulted from commodity code), Prior Period Indicator (chooser), Budget Entity (chooser scoped by agency), Internal Budget Indicator (chooser by agency), GAAFR fund (populated by other accounting fields), External Fund (populated by other accounting fields), State Fund (populated by other accounting fields), Fund Identifier (populated by	Legislative	F.S. 287.042(10)	N/A	N/A	69I-40.002(3) & 69I-40.040





#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		other accounting fields), Category (chooser by agency), Category Year (chooser associated to Category), State Program Standard (chooser by agency), External Program (chooser by agency), Grant (chooser by agency), Grant Year (chooser associated to Grant), Other Cost Accumulator (chooser by agency), Revolving Fund (populated by other accounting fields), Contract (chooser by agency), Contract Year (chooser associated to Contract), Agency Unique (chooser by agency), Project ID (chooser by agency), External Category (chooser by agency), General Ledger (chooser by agency), Encumbrance General Ledger (chooser by agency), External General Ledger (chooser by agency), Encumbrance External General Ledger (chooser by agency), Product ID (chooser by agency),					



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		External Object (chooser by agency), Other Document Number (assigned uniquely by system), Grouping Character (optional), Bookkeeping Indicator (optional), Certified Forward Indicator, Batch character (optional), Description, Accounting Quantity (optional), Accounting Count (optional), Sub-Vendor (optional)					
197	Purchase Requisition	Add unique State of Florida commodity codes (based in NIGP)	Legislative	F.S. 287.042(1)(d)	N/A	N/A	69I-40.002(3)
198	Purchase Requisition	Add Vendor Addresses for Locations in the supplier chooser	Enterprise Request	N/A	N/A	N/A	N/A
199	Purchase Requisition	Add 'Vendor Designation' column to display on vendor search when creating a non-catalog item	Legislative	F.S. 287.09451(4)(o)1	N/A	N/A	N/A
200	Purchase Requisition	Allow agencies to designate defaults for 'Encumber	Legislative	N/A	F.S. 339.135(6)(a)	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		Funds'					
201	Purchase Requisition	Allow each PUI to designate if 'On Behalf Of' user's approval is required on a requisition	Enterprise Request	N/A	N/A	N/A	N/A
202	Purchase Requisition	Allow multiple suppliers for an unencumbered requisition	Enterprise Request	N/A	N/A	N/A	N/A
203	Purchase Requisition	Allow partially received line items to be edited on a Change Order	Enterprise Request	N/A	N/A	N/A	N/A
204	Purchase Requisition	Catalog customization for distributor fields, also requiring selection of manufacturer	Enterprise Request	N/A	N/A	N/A	N/A
205	Purchase Requisition	Change orders not permitted for inactivated vendors	Legislative	F.S. 287.042(1)(b)	N/A	60A-1.030	N/A
206	Purchase Requisition	Changing Ship to address on new version of Requisition creates a second version of PO (not a new Purchase Order)	Enterprise Request	N/A	N/A	N/A	N/A
207	Purchase Requisition	Commodity Code Description field expanded on selection screen	Legislative	F.S. 287.042(1)(d)	N/A	N/A	69I-40.002(3)
208	Purchase Requisition	Create batch tasks to process transactions that were established with a delayed purchase date that need to be sent to FLAIR for encumbrance processing prior to PO generation/distribution to vendor	MFMP Contract	N/A	N/A	N/A	N/A
209	Purchase Requisition	Create new button to punch-out to e-Quote and include functionality to bring eQuote items back into the Ariba cart once vendors	Deprecate d in 9r1	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		have responded and bid was awarded					
210	Purchase Requisition	Custom accounting validation to prevent requisitions from having duplicate accounting code splits	DFS Rule	N/A	N/A	N/A	69I-40.002(16)
211	Purchase Requisition	Customization to allow zero price on shipping line	Enterprise Request	N/A	N/A	N/A	N/A
212	Purchase Requisition	Default State Contract ID field for catalog items	Legislative	F.S. 287.042(10) & F.S. 287.042(2)(a)	N/A	N/A	69I-40.040
213	Purchase Requisition	Display error message to user to change profile if Bill-to and Ship-to addresses tied to it are deleted	Enterprise Request	N/A	N/A	N/A	N/A
214	Purchase Requisition	Distributor suppliers available as supplier locations for selection on requisition	Enterprise Request	N/A	N/A	N/A	N/A
215	Purchase Requisition	Enable ability to edit requisitions with a future delay purchase until date	Enterprise Request	N/A	N/A	N/A	N/A
216	Purchase Requisition	Encumbered change orders must calculate and transmit the revised totals to FLAIR	MFMP Contract	N/A	N/A	N/A	N/A
217	Purchase Requisition	Encumbered Requisitions will show the Encumbrance Number and Encumbrance Line Numbers	MFMP Contract	N/A	N/A	N/A	N/A
218	Purchase Requisition	Encumbrance Date field remains constant in FLAIR even if change order is created	MFMP Contract	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
219	Purchase Requisition	Enhanced Recycled/Green Reporting	Legislative	N/A	F.S. 286.29(1), F.S. 403.7032(4)(a)	N/A	N/A
220	Purchase Requisition	Extend line item mass edit functionality to Purchasing Code and Method of Procurement on requisition line item	Enterprise Request	N/A	N/A	N/A	N/A
221	Purchase Requisition	General Ledger chooser populated based on user entity vs. statewide entity characteristics	FLAIR Requirement	N/A	N/A	N/A	N/A
222	Purchase Requisition	Identification of PCard and ASN Vendors displays on the Supplier Location Search Results	MFMP Contract	N/A	N/A	N/A	N/A
223	Purchase Requisition	Implement logic to determine and note exemption from fee of requisition line items	DMS Rule	N/A	N/A	60A-1.032	N/A
224	Purchase Requisition	Implement URL references to contract data on DMS websites for each catalog item	Legislative	F.S. 287.042(1)(e)	N/A	N/A	N/A
225	Purchase Requisition	Include additional validation to split accounting fields for several criteria provided by FLAIR: (1) expansion option (2) expansion set (3) organization level/GAAFR/state fund/fund identifier/budget entity/internal budget indicator/category (4) correlation type A (5) correlation type C (6) correlation type E	DFS Rule	N/A	N/A	N/A	69I-40.002(16)



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		(7) correlation type F (8) correlation type G (9) correlation type H					
226	Purchase Requisition	Labels added to all calendar fields for ADA accessibility	Legislative	N/A	Section 508 of the Federal Rehabilitation Act	N/A	N/A
227	Purchase Requisition	Load and display vendor's W-9 status	Legislative	N/A	Federal Withholding Tax Relief Act	N/A	N/A
228	Purchase Requisition	Mass edit functionality extended to custom PCard fields	Enterprise Request	N/A	N/A	N/A	N/A
229	Purchase Requisition	Contract encumbrance numbers are copied over into the requisition	MFMP Contract	N/A	N/A	N/A	N/A
230	Purchase Requisition	Non-catalog items do not require initial supplier selection for requisition creation	Enterprise Request	N/A	N/A	N/A	N/A
231	Purchase Requisition	Notification sent to specified user when Advanced Payment Indicator field is selected	DFS Rule	N/A	N/A	N/A	69I-40.120
232	Purchase Requisition	Overnight delivery has been added as a shipping method	DMS Rule	N/A	N/A	60A-1.001	N/A
233	Purchase Requisition	Partial quantities allowed for units of measurement	DMS Rule	N/A	N/A	60A-1.001	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
234	Purchase Requisition	PCard information is removed on a requisition that has been resubmitted with the PCard box left unchecked	Audit Finding	N/A	N/A	N/A	N/A
235	Purchase Requisition	PCard payment indicator to flag non-PCard vendors before point of final requisition submission	MFMP Contract	N/A	N/A	N/A	N/A
236	Purchase Requisition	Populate State Program Standard field based on selected expansion option	MFMP Contract	N/A	N/A	N/A	N/A
237	Purchase Requisition	Pre-populate commodity codes on requisitions from punch-out sites	Legislative	F.S. 287.042(1)(d)	N/A	N/A	N/A
238	Purchase Requisition	Prevent catalog item prices from being edited on requisitions	Enterprise Request	N/A	N/A	N/A	N/A
239	Purchase Requisition	Prevent requisitions from being submitted across multiple contracts	DMS Rule	N/A	N/A	60A-1.001	N/A
240	Purchase Requisition	Prevent requisitions from being submitted with items against a contract and items not associated to a contract	DMS Rule	N/A	N/A	60A-1.001	N/A
241	Purchase Requisition	Provide the ability to have a requisition reference both a Blanket Purchase Order Contract and a State Term Contract	DMS Rule, DFS Rule	N/A	N/A	60A-1.001	69I-40.040
242	Purchase Requisition	Remove edit ability for requisitions having 'FLAIR Integration' as the active approver	MFMP Contract	N/A	N/A	N/A	N/A
243	Purchase Requisition	Requestors cannot cancel a requisition without approval if it falls above a	Enterprise Request	N/A	N/A	N/A	N/A





#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		preset threshold					
244	Purchase Requisition	Require ship-to to be populated on requisition	Enterprise Request	N/A	N/A	N/A	N/A
245	Purchase Requisition	Requisitions must be solely encumbered or unencumbered	MFMP Contract	N/A	N/A	N/A	N/A
246	Purchase Requisition	Requisitions must be solely PCard or Non-PCard Items	DMS Rule	N/A	N/A	60A-1.016(1)(b)	N/A
247	Purchase Requisition	Requisitions that have failed encumbrance processing with FLAIR can be edited after being withdrawn	MFMP Contract	N/A	N/A	N/A	N/A
248	Purchase Requisition	Requisitions that have failed encumbrance processing with FLAIR will be updated to a "Denied" status	MFMP Contract	N/A	N/A	N/A	N/A
249	Purchase Requisition	Requisitions will not be encumbered until the 'Delay Purchase Until' date is reached	MFMP Contract	N/A	N/A	N/A	N/A
250	Purchase Requisition	RESPECT and PRIDE vendor logos are added to the catalog screens	Legislative	N/A	F.S. 946.515	N/A	N/A
251	Purchase Requisition	Ship-To Codes added as available search when selecting address on requisition line item	MFMP Contract	N/A	N/A	N/A	N/A
252	Purchase Requisition	Synchronize FLAIR Encumbrance number purchase order number	Enterprise Request	N/A	N/A	N/A	N/A
253	Purchase Requisition	The vendor field on change orders is locked and not editable	Enterprise Request	N/A	N/A	N/A	N/A
254	Purchase Requisition	Times and Units fields added to Chart of Accounts	FLAIR Requirement	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
255	Purchase Requisition	Update line item mass edit functionality to include FL specific accounting fields	Enterprise Request	N/A	N/A	N/A	N/A
256	Purchase Requisition	Update method of procurement codes based on FL legislative changes	Legislative	F.S. 287.042(10)	Senate Bill 2386 - 2010	N/A	69I-40.040
257	Purchase Requisition	Users cannot add approvers when FLAIR Integration is the active approver	MFMP Contract	N/A	N/A	N/A	N/A
258	Purchase Requisition	Validation of PO Start and End Dates	Audit Finding	N/A	N/A	N/A	N/A
259	Security	Add functionality for agency system administrators to reset passwords	MFMP Contract	N/A	N/A	N/A	N/A
260	Security	Buyer Password Reset	Enterprise Request	N/A	N/A	N/A	N/A
261	Security	Disable ASN Link from order status column	Audit Finding	N/A	N/A	N/A	N/A
262	Security	Updates to Buyer Password Complexity	Audit Finding	N/A	N/A	N/A	N/A
263	Sourcing	Bid Submission Validation/Confirmation	Enterprise Request	N/A	N/A	N/A	N/A
264	Sourcing	Configure password complexity for Buyer users	Audit Finding	N/A	N/A	N/A	N/A
265	Sourcing	Configure password reset for Buyer users	Agency Request	N/A	N/A	N/A	N/A
266	Sourcing	Configure Template RFx Information	MFMP Contract	N/A	N/A	N/A	N/A
267	Sourcing	Create custom event messaging notification	Agency Request	N/A	N/A	N/A	N/A
268	Sourcing	Customize Q&A board	Enterprise Request	N/A	N/A	N/A	N/A
269	Sourcing	Customize RFx Type for state of Florida	MFMP Contract	N/A	N/A	N/A	N/A
270	Sourcing	Customize Sourcing project overview fields	Enterprise Request	N/A	N/A	N/A	N/A
271	Sourcing	Customize supplier import to VIP and FL specific data	Legislative	F.S. 287.042(3)(a)	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
272	Sourcing	Enable public user visibility to Sourcing events	Legislative	F.S. 287.042(3)(b) 1	N/A	N/A	N/A
273	Sourcing	Enhance public user access	Legislative	F.S. 287.042(3)(b) 1	N/A	N/A	N/A
274	Sourcing	Extend Sourcing quick projects functionality to meet requirements for eQuote	DMS Rule	N/A	N/A	60A-1.002(4) & 60A-1.011	N/A
275	Sourcing	Add unique State of Florida commodity codes (based in NIGP)	Legislative	F.S. 287.042(3)	N/A	N/A	N/A
276	Sourcing	Prevent import of non-MFMP Suppliers	DMS Rule	N/A	N/A	60A-1.030	N/A
277	Sourcing	RFx Organizer (by Agency)	Enterprise Request	N/A	N/A	N/A	N/A
278	Sourcing	Supplier Opt-in	Enterprise Request	N/A	N/A	N/A	N/A
279	System Search	Add DO# as a payment search criteria	Enterprise Request	N/A	N/A	N/A	N/A
280	System Search	Add Encumbrance # as a System Search Field	Enterprise Request	N/A	N/A	N/A	N/A
281	System Search	Add permission to provide system wide visibility (for a specific set of Ariba administrators) for searches to display executive branch and Legislative data	OLS Request	N/A	N/A	N/A	N/A
282	System Search	Add scoping to searches for executive branch so that they cannot access Legislative data but can access all transactions outside Legislative entity	OLS Request	N/A	N/A	N/A	N/A
283	System Search	Add scoping to searches for Legislative branch so that they cannot access executive-branch data but can access all transactions within	OLS Request	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		Legislative entity					
284	System Search	Adding PUI to Purchase Order Search	Agency Request	N/A	N/A	N/A	N/A
285	System Search	Customization for scoping on User Maintenance eForm search filters	Enterprise Request	N/A	N/A	N/A	N/A
286	System Search	Customization to receipt system search to improve response time	MFMP Contract	N/A	N/A	N/A	N/A
287	System Search	Default value added to IR system search for optimization	MFMP Contract	N/A	N/A	N/A	N/A
288	System Search	Default value added to Contract Requests system search for optimization	Enterprise Request	N/A	N/A	N/A	N/A
289	System Search	Default value added to Contract system search for optimization	Enterprise Request	N/A	N/A	N/A	N/A
290	System Search	Default value added to Purchase Order system search for optimization	Enterprise Request	N/A	N/A	N/A	N/A
291	System Search	Default value added to Receipts system search for optimization	Enterprise Request	N/A	N/A	N/A	N/A
292	System Search	Default value added to Requisition system search for optimization	Enterprise Request	N/A	N/A	N/A	N/A
293	System Search	Display custom Florida fields for payment information on IR transaction searches	Legislative	F.S. 287.042(10)	N/A	N/A	N/A
294	System Search	Display custom Florida fields for payment information on	Legislative	F.S. 287.042(10)	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		payment transaction searches					
295	System Search	Permissions customizations for support staff to view Invoice and Payment information	Enterprise Request	N/A	N/A	N/A	N/A
296	System Search	Provide PUI Filter for all System Searches	MFMP Contract	N/A	N/A	N/A	N/A
297	System Search	Update invoice reconciliation system search to include custom sequence number	MFMP Contract	N/A	N/A	N/A	N/A
298	User Profile	Ability to update default "Ship To" and "Bill To" Address in User Preferences	Enterprise Request	N/A	N/A	N/A	N/A
299	User Profile	Add chooser field for system administrators to designate a user's maximum spend authority identified by the management level by amount and code)	Legislative	F.S. 287.017	N/A	N/A	N/A
300	User Profile	Add filter to prevent Legislative users from being granted access to Analysis application	OLS Request	N/A	N/A	N/A	N/A
301	User Profile	Add functionality to maintain a user's phone number	Enterprise Request	N/A	N/A	N/A	N/A
302	User Profile	Add supporting user permission to allow accounting modifications on change orders without agency approval	Enterprise Request	N/A	N/A	N/A	N/A
303	User Profile	Add supporting user permission to allow changes to the "Do Not Send Purchase Order To Vendor?" checkbox	Enterprise Request	N/A	N/A	N/A	N/A



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
304	User Profile	Add user maintenance functions for agency system administrator to manage accounts within their own agency; the Ariba system administrator will also have access to manage all user accounts (across entire application). Access will include creating, updating or deleting accounts. The following information will be available for updates: Name, Email, Supervisor (chooser), Default Ship-To (chooser), Default Bill-To (chooser), Accounting Organization Code (chooser), Organization Level (chooser), PUI (chooser), Site Code (chooser), Roles (chooser), Groups (chooser)	MFMP Contract	N/A	N/A	N/A	N/A
305	User Profile	The Site Code is not editable on the user's profile	FLAIR Requirement	N/A	N/A	N/A	N/A
306	Workflow	Allow custom workflows based on Florida PUI	MFMP Contract	N/A	N/A	N/A	N/A
307	Workflow	Enable agency-specific approvals based on commodity code, object code and transaction amount	DFS Rule	N/A	N/A	N/A	69I-40.002(22) & 69I-40.050 & 69I-40.120
308	Workflow	Establish system wide approvals based on commodity code and threshold	DFS Rule	N/A	N/A	N/A	69I-40.002(22) & 69I-40.050 & 69I-40.120
309	Workflow	Setup DFS Audit function to enable review, reject and	DFS Rule	N/A	N/A	N/A	69I-40



#	Functional Area	Customization Description	Source	Reference to F.S. 287	Other Legislative Reference	Reference to FL DMS 60A Rules	Reference to FL DFS 69I Rules
		refer actions, but no edits					

## 5.5 OTHER STATES' EPROCUREMENT DATA

	Colorado	Oklahoma	S. Dakota	California	Texas	Virginia	Wash. DC	Arizona	Georgia	North Carolina
<b>State Demographics</b>										
Procurement Operating Model	Centralized	Decentralized	Centralized	Hybrid	Decentralized	Hybrid	Centralized	Hybrid	Centralized	Centralized
Spend Managed/Total Spend	*	\$900 M / \$6.3 B	N/A	*	~\$2B / \$14B	90%	100%	70%	80%	*
Procurement System Operating Budget	\$3 M	*	\$50 K	*	\$4 M	*	\$1.8 M	\$750 K	\$3M	*
<b>System Overview</b>										
SaaS System?	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Name of System	BIDS	N/A	N/A	eProcurement	TxSmartBuy	eVa	DCGov Procurement	ProcureAZ	Team Georgia Marketplace	NC E-Procurement @ Your Service
Software Supplier	In-house	In-house	In-House	BidSync	*	*	Ariba	Periscope	People Soft	Ariba
Cloud (or similar) solution	No	No	No	Yes	No	No	No	No	No	No
Mandated Agency Usage	Yes	No	*	No	*	Yes	Yes	Yes	Yes	Yes
Number of Agency Users	*	50+	*	*	*	30	80	*	24	*
Software Platform	Lotus Notes	Oracle, People Soft	Legacy System	Oracle	Oracle, People Soft	Ariba CGI	3 Systems acting as ERP	*	People Soft	Sun Solaris, Oracle
Software Integrator Vendor	None	None	Mercury Sol.	BidSync	Deloitte	CGI	Ariba (in past Unisys, Accenture)	*	CherryRoad	Accenture
Level of Customization	N/A	N/A	*	Custom Built	High Customization	High Customization	Low	*	COTS Product 70-80 Changes	COTS Product Customized
Accounting System Integration	No	No		No			Yes	Yes	Yes	Yes
Funding Model (Fee Collection)	No	Trans. Fees	Reg. Fees	Trans. Fees	Trans. Fees	Trans. Fees		Trans Fee	No	Trans. Fees
<b>System Capabilities</b>										
e-catalog	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Buyer	No	No	Yes	Yes		Yes	Yes	Yes	Yes	Yes
e-Invoicing	No	No	Yes, not used	Yes; not used	No	No	Yes	Yes	Scquest only	*
Strategic Sourcing	No	No	No	Limited	Yes	Yes	Yes	Yes	Limited	*
Contract Management	No	No	No	Limited	Limited	Yes	Yes	Yes	Yes	*
Spend Analytics	No	Limited	Limited	Limited	N/A	Yes	Yes	Yes	Yes	*
<b>Software Solution</b>										
e-catalog	N/A	N/A	Mercury Sol.	Custom Built	Vinimaya	Ariba	Ariba	BuySpeed	Scquest	*
Buyer /Invoicing	N/A	N/A	Mercury Sol.	Custom Built	In-House	Ariba	Ariba	BuySpeed	People Soft	Ariba
Strategic Sourcing	N/A	N/A	N/A	Custom Built	N/A	CGI	Ariba	BuySpeed	People Soft	Ariba
Contract Management	N/A	N/A	N/A	Custom Built	TxSmartBuy	CGI	Ariba	BuySpeed	People Soft	Ariba
Spend Analytics	N/A	N/A	N/A	Custom Built	N/A	Ariba	Ariba	BuySpeed	In-house	Ariba
<b>Notes:</b>										
1. With the exception of the state of North Carolina, all data was provided by a staff member within each state's procurement office.										
2. "N/A" indicates that the data field did not apply for the state.										
3. " *" indicates that the data was not provided by the state.										



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## 5.6 BUSINESS CASE BIBLIOGRAPHY

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2. "A Foundational Look at the Evolution of Sourcing Technology and Platforms Spend Matters Compass Series 1 (2011): 1-9. <<http://www.spendmatters.com/index.cfm/2011/5/10/New-Research-A-Foundational-Look-at-the-Evolution-of-Sourcing-Technology-and-Platforms>>.Dobbs, Kevin. *Mount Claire Advisors*. 8 Mar. 2011.  
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## 5.7 BUSINESS CASE INTERVIEW LIST

### Florida State Agencies

Agency	Attendees	Date	Time
<b>Florida Department of Law Enforcement (FDLE)</b>	Valerie Gardner – FDLE Sonya Avant – FDLE Beverly Malloy – FDLE Teresa Welch – FDLE Nona McCall – FDLE Chuck Beckett – North Highland Angela Jones – North Highland April Jones – North Highland	July 6, 2011	9:30 – 10:30am
<b>Florida Department of Revenue (DOR)</b>	Beth Sparkman – DOR Kimberly Veldink – DOR Bo Searce – DOR Angela Jones – North Highland April Jones – North Highland	July 6, 2011	3:00 – 4:00pm
<b>Florida Agency for Healthcare Administration (AHCA)</b>	Lisa Baxter – AHCA Angie Booker – AHCA Barbara Vaughn – AHCA Cathy McEachron – AHCA Angela Jones – North Highland April Jones – North Highland	July 11, 2011	11:00 – 12:00pm
<b>Florida Department of Health (DOH)</b>	Jody Bailey – DOH Renee Gregory – DOH Lynn Robinson – DOH Angela Jones – North Highland April Jones – North Highland	July 11, 2011	2:00 – 3:00pm
<b>Florida Department of Financial Services (DFS)</b>	Christina Smith – DFS Stephanie Iliff – DFS David Wright – DFS Angela Jones – North Highland April Jones – North Highland Lori Nolen – North Highland	July 13, 2011	2:00 – 3:00pm
<b>Florida Department of Agriculture and Consumer Services (DACS)</b>	Christie Hutchinson – DACS Angela Jones – North Highland April Jones – North Highland	July 19, 2011	2:00 – 3:00pm
<b>Florida Department of Corrections (DC)</b>	Patti Casey – DC Bob Stanley – DC Doug McCleary – DC Ardell McGavin – DC Michael Deariso – DC Angela Jones – North Highland April Jones – North Highland	July 20, 2011	11:00 – 12:00pm



Other States Agency Information Sources

State	Information Source
Arizona	<p>Contacted Susan Bayer (<b>July 12, 2011</b>)</p> <p>Arizona State Purchasing (<a href="http://spo.az.gov/">spo.az.gov/</a>)</p> <p>Periscope Holdings (<a href="http://www.periscopeholdings.com">www.periscopeholdings.com</a>)</p> <p>"Arizona Touts eProcurement As Part of Core IT Strategy"</p> <p>"Periscope Launches "ProcureAZ" in Less than 100 Days"</p> <p>"Generating Value for the State of Arizona through eProcurement Modernization"</p>
California	<p>California State Procurement Division</p> <p>(<a href="http://www.dgs.ca.gov/pd/Programs/eprocure.aspx">http://www.dgs.ca.gov/pd/Programs/eprocure.aspx</a>)</p>
Colorado	<p>Contacted Tom Spiker</p> <p>Colorado State Purchasing (<a href="http://www.colorado.gov">http://www.colorado.gov</a>)</p> <p>Western States Contracting Alliance (<a href="http://www.aboutwsca.org">http://www.aboutwsca.org</a>)</p>
Georgia	<p>8. <b>Georgia State Purchasing</b> (<a href="http://doas.ga.gov/StateLocal/SPD/Pages/Home.aspx">doas.ga.gov/StateLocal/SPD/Pages/Home.aspx</a>)</p> <p>9. Contacted Alicia La</p> <p>10. <b>Interview Feedback:</b> Kelly Loll</p>
Kansas	11. <b>Contacted Chris Howe</b> (July 7, 2011)
Mississippi	12. <b>Mississippi State Purchasing</b> ( <a href="http://www.dfa.state.ms.us/Purchasing">www.dfa.state.ms.us/Purchasing</a> )
North Carolina	<p>13. <b>Contacted Angie Dunaway, Tim McLamb, Sam Byassee</b> (multiple contacts made via email and telephone)</p> <p>14. <b>North Carolina State Purchasing</b> (<a href="http://www.eprocurement.nc.gov/">www.eprocurement.nc.gov/</a>)</p>
New York	<p>15. <b>Contacted State Purchasing Office</b> (July 12, 2011)</p> <p>16. <b>New York State Purchasing</b> (<a href="http://www.ogs.state.ny.us">http://www.ogs.state.ny.us</a>)</p>
Texas	<p>17. <b>Contacted Manuel Perez</b> (July 12, 2011)</p> <p>18. <b>Contacted Dee Dorsey &amp; Laura Bell</b> (July 12, 2011; directed back to state website)</p> <p>19. <b>Contacted Melissa McIlroy</b></p> <p>20. <b>Texas State Purchasing</b> (<a href="http://www.window.state.tx.us/txsmartbuy/">www.window.state.tx.us/txsmartbuy/</a>)</p> <p>21. <b>TXSmartBuy Overview for Vendors</b></p>
Virginia	<p>22. <b>Virginia State Purchasing</b> (<a href="http://www.eva.state.va.us/">http://www.eva.state.va.us/</a>)</p> <p>23. <b>Interview Feedback:</b> Ron Bell (eVa)</p>
Washington	<p>24. "Electronic Procurement Software as a Service</p> <p>(<a href="http://www.ga.wa.gov/purchase/eProcurement.htm">http://www.ga.wa.gov/purchase/eProcurement.htm</a>)</p>

## 5.8 ACCENTURE MFMP 2010 TRANSITION PLAN

# MyFloridaMarketPlace Transition Plan

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## Fiscal Years 2010 - 2012

Prepared by: Shireen Sackreiter  
Title: Project Manager  
Organization: Accenture



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## 1. Document Change Control

The following is the document control for the revisions to this document:

Version Number	Date of Issue	Author(s)	Brief Description of Change
1.1		Walt Bikowitz	Initial draft of transition plan
1.2		Shireen Sackreiter	Second draft of transition plan
1.3		Shireen Sackreiter Rachael Lieblich	Third draft of transition plan

## 2. Definitions

The following are definitions of terms, abbreviations and acronyms used in this document:

Term	Definition
MFMP	MyFloridaMarketPlace
DMS	Department of Management Services
DFS	Department of Financial Services
SIRS	System Investigative Requests
PM	Performance Metrics
SSRC	State Shared Resource Center



### 3. Overview

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<b>a) Agency Information</b>
<i>Identify the Agency, Sub-Agency, Bureau/Division Name, and Site Location</i>
<p><b><u>Agency Information</u></b> Department of Management Services Division of State Purchasing 4050 Esplanade Way Suite 360 C Tallahassee, FL 32399-0950</p> <p><b><u>Project Site Information</u></b> 2002 Old St. Augustine Blvd Suite E-45 Tallahassee, FL 32301</p>
<b>b) Current Vendor Information</b>
<i>Identify the vendor and the vendor point of contacts</i>
<p><b><u>Accenture</u></b>  Buffie D. Rodri, Director Shireen S. Sackreiter, Program Manager</p>
<b>c) New Vendor Information</b>
<i>Identify the vendor and the vendor point of contacts</i>
<p><b><u>Selected Vendor</u></b>  Points of Contact TBD</p>

#### **d) Transition Plan Objectives and Relevance to MFMP Project Charter**

*Briefly describe the objectives of this plan, e.g., scheduling the transition current vendor to new vendor, identifying staffing and operation and maintenance needs.*

DMS and Accenture signed Contract Modification No. 6 on July 15, 2009, which requires the vendor, Accenture, to deliver a transition plan. The modification states, “In January 2010, the Parties will begin meetings to develop a high-level plan and timeline for the successful transition of the System and the Services upon the termination or expiration of this Contract (the “Transition Plan”). The Parties will work together to document the Transition Plan by July 1, 2010 and to regularly update and refine it thereafter.” The first version of this plan was developed in Spring of 2010 and has continued to evolve as new business needs and priorities are identified or existing ones changed.

This transition plan is in line with the MFMP Project Charter which includes the following Guiding Principles:

1. Provide consistent and effective service to State agency users and vendors through implementation of Performance Measures, which comprehensively address system and customer support.
2. Support increased and consistent utilization of MyFloridaMarketPlace, enabling the State to leverage a complete repository of State agency purchasing patterns for aggregation of demand and streamlining of processing.
3. Support the State as a world class purchasing organization, focusing on optimization of the price paid and quality received from commodities and services procured.

MFMP customers have come to expect consistent operational excellence (attributable to existing service provider maintaining over 99% compliance with the established performance metrics). Change Management will play an important role in helping to manage the transition for agency customers and State vendors, and it is important to provide consistent and effective services to MFMP customers during the transition timeframe. With that in mind, the phases within this plan have been organized so that tasks can be smoothly transitioned to the new service provider in a reasonable timeframe with minimal, if any, negative impact to MFMP’s end customers. The MFMP team will adhere to these Guiding Principles throughout transition, with a focus on transitioning the operational processes that support the existing performance metrics.

The objectives of the transition plan are to define and document processes and approach for transition of operations, applications and hardware, and create a schedule with prioritized order of transfer for each of the transition areas that will result in uninterrupted support for the users of MFMP. The transition will be performed through

a combination of knowledge transfer phases: Shadowing, On-the-Job Transition (OJT), Pre-Acceptance, and Acceptance. Each transition phase will transfer increasing levels of responsibility and ownership of specified resources to the new Service Provider at the completion of the scheduled knowledge transfer modules.

The goal of the transition is to provide a complete and thorough exchange of knowledge required to support and maintain the MFMP applications, including the extensive customizations that have been implemented. The transition to the new Service Provider will involve several knowledge transfer phases in addition to the current production support tasks. These four distinct transition phases will provide a governance model to support the knowledge transfer.

The following will provide details for each transition phase along with the level of knowledge transfer attained by completion of each transition phase.

### **Phase 1: Shadowing**

The new Service Provider Transition Team Members will shadow Accenture personnel to gain insight on daily tasks performed by the Accenture Team. This transition phase will require the new Service Provider Transition Team Members to pair with an Accenture team member and observe the day to day tasks completed by that team member. This will allow for the new Service Provider Transition Team Members to become knowledgeable on live production and support tasks. In addition to observing current tasks of production support, the new Service Provider Transition Team Members will review appropriate documents to enhance their knowledge base (Design Documents, Business Rules, etc.). Accenture will facilitate workshops with the new vendor during this phase to transition knowledge in areas that benefit a deeper understanding prior to transitioning. The workshops will include the following: 1) overviews of existing procedures, processes and tools used to support transition topic; 2) demonstrations of existing applications, tools, etc.; 3) review of existing pertinent documentation related to transition topic. This shadowing phase will also include a comprehensive communication and change management plan to ensure in the operation of MFMP remains consistent and to help guide expectations across the various stakeholder groups.

### **Phase 2: On-the-Job-Transition (OJT)**

The OJT phase of knowledge transfer will ease new Service Provider resources into participating and performing live production support to a specific application or functionality. New Service Provider resources rely on Accenture to continue resolving issues and any decisions that arise during the OJT transition timeframe. The initial stages of OJT (2-4 weeks per application / functionality) will consist of the new Service Provider working with Accenture to further understand an entire issue and all the details supporting the resolution. The second stage of OJT (2-4 weeks per application / functionality) will afford the new Service Provider resources the opportunities to perform daily tasks with the assistance of Accenture support teams.

### Phase 3: Pre-Acceptance

The Pre-Acceptance transition phase shifts production support and quality assurance tasks to the new Service Provider Transition Team Members. New Service Provider personnel will be the primary point of contact for production support tasks. During this phase Accenture support teams will validate execution of tasks, alleviating any issues that could occur with production and quality assurance daily activities. The Accenture support teams will also participate in issue resolution solely in a support role.

### Phase 4: Acceptance

Acceptance is the final knowledge transfer phase. During Acceptance, new Service Provider Transition Team Members will assume full responsibility for all production support tasks. Decision making and issue resolution will be resolved wholly by the State. Accenture support teams will remain in a support role for coaching on an as needed basis.

To support a smooth and successful transition, DMS will identify and provide key personnel to bring new service provider up to speed at the onset of the new contract. This team should also work with Accenture and the new Service Provider to develop the comprehensive communication and change management program to help set stakeholder expectations.

### e) Outstanding Issues

*State any project planning issues or problems relevant to transition planning which are known as of this plan revision.*

At this time there is one potential activity that may occur, which is not within the control of DMS, but will have an impact on operations and any transition activities. DFS has an enterprise initiative that will require system enhancements for MFMP, although the timing of this event is not currently known. DFS is planning to replace it's Statewide Accounting and Information system, known as FLAIR. The integration that exists between FLAIR and MFMP is significant and the most complex enhancement at MFMP. Should that event occur during transition activities it will have impacts to timeline and resources.

In addition, although we do not foresee any of these items impacting project transition activities we actively record and manage risk items per our risk management process, see section 6(c) Problem Resolution for additional information.

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## 4. Transition Team Roles and Responsibilities

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*Identify the roles and responsibilities associated with the transition. Roles to identify include the primary vendor point of contact, Agency Transition Manager, Regional Transition Manager, key technical staff, customer or help desk support, and any others who have been assigned to support the transition.*

When the new vendor identifies resources that will be responsible for these task, DMS and Accenture will collaborate to assign the appropriate resources. Without the exact schedule or available resources from the new provider defining a detailed approach is impossible. This transition work plan will evolve overtime as more of the variables are defined.

Transition Role	Who	Responsibilities
Transition Team Leader	Rachael Lieblick (DMS) Shireen Sackreiter (ACN) TBD (New Service Provider)	Responsible for execution of transition and reporting to senior management
Project Leader	Rachael Lieblick (DMS) Buffie Rodri (ACN) TBD (New Service Provider)	Responsible for overall transition and program delivery
Stakeholder Management	Amy Zeigler (DMS) Eric Swanson (DMS) Anne Rabon (DMS) Kim Koegel (ACN) TBD (New Service Provider)	Training, communication, and agency/vendor liaison coordination
Database Administrator	John Baynon (ACN) TBD (New Service Provider)	Database administration and maintenance
Systems and Networking	Ken Sain (ACN) TBD (New Service Provider)	Networking at all physical locations
Production Support	Brian Cliburn (ACN) TBD (New Service Provider)	Batch, Interface, and Enhancement Development
Desktop Support	Ed Gendusa (ACN) TBD (New Service Provider)	Local desktop maintenance & support applications
Help Desk	Kim Koegel (ACN)	Tier 1 and Tier 2

	Amy Zeigler (DMS) TBD (New Service Provider)	
Platform Support	Ed Fody (ACN) TBD (New Service Provider)	Hardware maintenance and application configuration
Project Development	Mike Jackman (ACN) Rachael Lieblick (DMS) TBD (New Service Provider)	Issue Resolution and New Application Development
Billing & Collections	Ron Leggett (ACN) Eric Swanson (DMS) TBD (New Service Provider)	Revenue compliance

Appropriate personnel will be involved as needed for each activity.

## 5. Systems Support Resources

### a) Facilities

*Describe the facilities where the transition will take place. This description may include office space, wiring closets, computing equipment, safety and security requirements, special power needs, room construction, etc.*

The transition will occur at the existing project facility location, , the disaster recovery center (housed in Atlanta), and any facilities maintained by the new Service Provider. The project facility requires a secure keyfob for entry into the site, which includes a reception area, open floor plan with 5 offices and 2 conference rooms, a central break room, phone closet, and a locked server room. This is the main workspace for the project team.

The disaster recovery center is a secured facility which requires multiple security clearance measures to enter. While this would not be the main point of transition, it would require a walk through and on-site transition of security access. The SSRC houses the production equipment for all the applications and is the site of work performed on the hardware, which requires State of Florida Level 2 Background clearance for entry.

The project facility requires a secure keyfob for entry into the site, which includes a reception area, open floor plan with 3 offices and a conference room, a central break room, phone closet, and a locked server room. This is the main workspace for the project team. The open workspace contains 50 cubed workstations and 5 offices, which may accommodate up to 12 individuals. This space is already equipped with network drops to house 62 people, but may require additional drops for additional resources during the

transition period.

## **b) Hardware**

*Describe the hardware and how the transition will take place. This description may include office space, wiring closets, computing equipment, safety and security requirements, special power needs, room construction, etc.*

### **Office and Hardware Space**

The transition will require adequate space to house the project team. In addition to workspace, the project site will need adequate and properly equipped facilities to house between 10 and 15 servers utilized to support application development hardware, testing hardware, and production hardware related to helpdesk activities. The project site server room will also need to house 15 application development workstations running on uninterruptible power supplies. This space should be adequately cooled, secured from the remaining project space, and have adequate and redundant power to support the required computing hardware.

### **Production Hosting Facility**

The project will require approximately 2 to 4 cabinets (approximately 160 RU's of space) in a dedicated data center facility. The facility should have appropriate security, redundant power, redundant cooling, redundant internet connectivity, staffing, and computing services (such as security and network support services) to support a production application to the State's requirements, as well as to support non-production environments such as the training and production-mirror environments. The facility should provide industry standard support, response times, and 24/7 access needed to support enterprise level applications.

### **Disaster Recovery Hosting Facility**

The project will require approximately 2 to 3 cabinets (approximately 120 RU's of space) in a dedicated data center facility. The facility should have appropriate security, redundant power, redundant cooling, redundant internet connectivity, staffing, and computing services (such as security and network support services) to support a production application to the State's requirements. In addition, the facility should be no less than 250 miles away from the primary facility in order to provide adequate geographic disparity for Disaster Recovery purposes. A bandwidth-appropriate connection must be established between the Production Hosting Facility and the Disaster Recovery Hosting Facility to facilitate the data-syncing processes needed to support the backup procedures.

## **c) Software**

*Describe the software currently used to support the operations with an explanation of how the software transition will occur.*

There are currently over 15 software products used in the operations and support of the MFMP program. These products support 9 applications that comprise the MFMP solution. These products include the primary Ariba software solutions, as well as database, web, application, call center, customer tracking, and issue tracking software programs. Accenture has aligned each of these software products to have a license conclusion or

purchase order end date coinciding with the end of the contract term, December 2012. The new Service Provider will have the flexibility to transition existing licenses and terms or purchase new software applications upon consummation of the contract.

#### **d) Documentation**

*Describe the documentation storage and access processes used to support transition activities.*

Project specific paper documentation is stored locally at the project site in locked cabinets. Key project document materials, such as project deliverables, contract modifications, etc. have been scanned and are available electronically via on-site document storage. Team specific materials, such as SIR/Change Request designs, Unit/System/Regression testing results, job aids, vendor collection materials, etc., are also stored within project servers that are only accessible on-site or via the project site virtual private network.

Project specific procedural documentation from the various MyFloridaMarketPlace teams (PMO, Stakeholder Management, Application Management, and Technical Architecture Management) is stored electronically at the project site location.

#### **e) Budget**

*Provide an overview of the budget that will support maintenance and operations (e.g. dollars per year, budget source, etc.). Identify where budget information related to maintenance and operations activities may be found.*

Currently, MyFloridaMarketPlace is supported by a 1% transaction fee that is paid by vendors doing business with the State of Florida. The transaction fee applies to every purchase and contract for commodities and services unless exempt by rule. The transaction fee first supports the DMS Division of State Purchasing, and the Office of Supplier Diversity. The fee also partially supports purchasing related systems supported by DMS IT Services. These costs are known as the DMS State Purchasing Legislative Budget Request (LBR), which the Legislature annually authorizes. LBR expenses average about \$7.2 to \$8 million annually.

After payment of LBR expenses the fee is used to pay for the Accenture contract, which currently is about \$14.8 million annually. The Legislature also annually authorizes use of the fees to make payments to Accenture.

The Billing and Collection Services (BCS) under the MFMP contract is responsible for collecting the revenue from the fees. Revenue generation has average between \$24 million and \$25 million annually. For fiscal year 2010, it is estimated that revenue will exceed expenses by about \$2.5 to \$3 million. Any excess revenues will remain in the Operating Trust fund until such time as the State Legislature determines what to do with the fees. Currently, projected fees are sufficient to cover all contract costs.

As outlined in Section VI of Contract Modification No. 6, effective 7/1/2009, Accenture will provide reasonable transition assistance services. Transition services rendered before



the end of the contract date by Accenture will be covered without additional compensation. As part of the Transition Assistance and as designated by the Department, Service Provider shall (i) cooperate with the Department and/or the New Provider in connection with the transfer of the System and the Services to the Department or such New Provider, (ii) notify and explain to the Department and/or the New Provider the then current procedures and operations Service Provider follows to provide the Services and operate the System, (iii) provide to the Department and/or the New Provider a list of equipment, proprietary software and software licenses then used to operate the System and provide the Services, (iv) return Department-owned materials being utilized by Service Provider to the Department and/or New Provider, (v) transfer to the Department and/or New Provider all property subject to transfer in Sections 6, and 8.5.3, including any documentation available to use the same, (vi) answer questions related to the transition and migration of the System or the Services on an as-needed basis, and (vii) to the extent reasonable, provide such other services, functions or responsibilities that are inherent or necessary to the transition of services substantially similar to the Services or to the proper performance of the System, provided that such services, functions or responsibilities shall be limited to those that can be delivered with the current Service Provider team staffing (including subcontractors if required). The new Service Provider will be expected to cover transition expenses for their team as well as the establishment of new facilities, infrastructure, hardware hosting sites, etc. The Accenture team will maintain responsibility for current facilities and infrastructure locations until the conclusion of the contract.

## 6. Transition Planning

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### **a) Performance Measures and Reporting**

*Identify key performance measures for maintenance activities and for product or service performance. Include information on how measures will be captured and reported.*

MyFloridaMarketPlace has a comprehensive set of 25 monthly performance measures as defined in Contract Modification No. 4, dated October 18, 2005. These performance measures cover software application availability, application average response time, business function performance, application services support, customer support, reporting and compliance. Performance metric compliance has been over 99% since inception. . The measures are captured and reported in a monthly report and the intention is for the new provider to continue providing the monthly report and maintaining the associated documentation. The new Service Provider will be responsible for producing the monthly Performance Metrics Report during the Pre-Acceptance phase and for achieving the monthly performance metrics during the Acceptance phase.

The following is the list of 25 performance measures Accenture is held accountable for achieving and measuring on a monthly basis:

Software Application Availability		Success Criteria
1	General availability	>= 99% (= NA / TRA*100)
2	Severity Level 1 - System Outage response time during Business Hours	>= 99% w/i 30 min
3	Severity Level 1 - System Outage resolution time	>= 95% w/i 4 hours (240 minutes)
		100% w/i 8 hours (480 minutes)
4	Severity Level 2 - System Outage response time during Business Hours	>= 99% w/i 90 min
5	Severity Level 2 - System Outage resolution time	>= 75% w/i 1 BD (1,440 minutes)
Software Application Average Response Time		
6	Average response time during Business Hours	100%
	Create Requisition Script	<= 60 seconds
	Invoice Reconciliation Script	<= 54 seconds
Business Function Performance		
7	Purchase order issuance	>= 95% w/i 1 BD
8	Invoices matched	>= 95% w/i 3 BD
9	FLAIR encumbrance and payment transactions	>= 90% w/i 48 hours
		100% w/i 5 BD
10	Payment posting from FLAIR	>= 95% w/i 24 hours
		100% w/i 5 BD
Software Application Services Support		
11	Category 1 - Critical system issues resolution time	100% w/i 7 BD
12	Category 2 - High system issue resolution time	>= 50% w/i 1 month
		100% w/i 2 months
13	Category 3 - Medium system issue resolution time	>= 50% w/i 2 months
		100% w/i 4 months
14	Category 4 - Low system issue resolution time	>= 50% w/i 3 months
		100% w/i 6 months
15	Category 5 - Operational data updates	100%
	Monthly	>= 80% @ month end 100% by 10th of next month
	Quarterly	>= 80% @ quarter end 100% by 10th of next month
Customer Service		
16	Call to answer time	>= 90% w/i 90 seconds
17	E-mail response time	>= 95% w/i 1 BD
18	Voice mail response time	>= 95% w/i 1 BD
19	Customer service desk ticket resolution	>=99% w/i 3 BD
20	Catalog enablement	100% w/i 5 BD
21	Catalog refresh	100% w/i 5 BD
22	Catalog satisfaction survey (Quarterly)	>=80% Satisfactory or Highly Satisfactory
23	Enhancement Delivery (As applicable)	>=80% scored on returned surveys
	Distribution Date Compliance	>= 15 and < 30 calendar days after implementation
Reporting		
24	Reporting	100% of up to 8 reports/month
Compliance		
25	Performance Measurements Report Delivered	100% delivered by 15th day of next month

### ***b) Governance and Management Approach***

*Identify new or reference existing methodologies for establishing maintenance priorities and other change management strategies.*

The Governance structure is a simple one that consists of internal chain of command reporting and external input from various customer groups (see Appendix A) For DMS, the MFMP program director reports to the Director of State Purchasing who in turn reports directly to the DMS Secretary. The MFMP Program Director and Operations Manager are very experienced and given great latitude and decision making authority in all aspects of the MFMP operation.

In addition to this internal chain of command, MFMP solicits and receives input from new Service Provider Customer Roundtable and from new Service Provider Change Review Board (CRB). The CRB in particular provides guidance to DMS MFMP operations by prioritizing change requests or improvements to the system.

The structure and process has worked very successfully. The CRB has not only been instrumental in defining and prioritizing enhancements it was especially successful during the upgrade of Ariba Buyer to the current Ariba version 8.2.2 (MFMP 2.0). The CRB is being utilized again for the upgrade of Ariba Buyer to Ariba 9R1 (MFMP 3.0).

The CRB membership consists of volunteer liaisons from 13 of the 32 state agencies that use the MFMP system for their day to day purchasing and other related activities. The CRB members do not have a term limit at this time, and currently meet on an as needed basis, usually 2 to 3 times per year. The CRB assists DMS by prioritizing change requests or system enhancements to the MFMP system, reviewing designs and testing and approval of enhancements.

DMS also has enhanced training activities at regular Customer Roundtable meetings, Purchasing Director meetings, Change Review Board meetings, System Administrator meetings and Florida Association of State Agency Administrative Services Directors (FASAASD) meetings. Beginning with the Ariba upgrade in April 2, 2007 and continuing with the retirement of SPURS (June 1, 2009), the launch of the Vendor Information Portal (October 26, 2009) and the planned enhancements to the Vendor Bid System, DMS State Purchasing Operations has had several key successes due to improved goal setting and the employment of strategic planning principles and execution of those principles. A key aspect of these planning activities unlike the initial implementation of the MFMP system is involvement of the customer agencies via various workgroups established for each initiative.

### ***c) Problem Resolution and Risk Management Approach***

*Specify the procedure for identifying, tracking, and resolving problems with the transition. Describe how stakeholder/customers will be involved in or informed about issues that may arise*

*during transition. Describe key stakeholders and methods for communication where known.*

As more fully described below, DMS anticipates using established forums and communication channels for handling problem identification, communication, and resolutions.

MFMP has a comprehensive Risk Management Plan (Appendix C) in place to proactively reduce exposure to events that threaten accomplishment of the program's objectives. The regular review of known and/or potential project risks is done so that the management team can:

- Incorporate approaches into the Project Plan that minimize or avoid identified risks
- Develop proactive, contingent risk response actions
- Rapidly implement risk responses based on timely identification of risk occurrence

The MFMP team currently maintains issues, action items, and project risks in an on-line application known as RISC, which tracks the incident through closure. These items are accessible to key stakeholders for both the Vendor and DMS. Regular reviews of open RISC items are completed and all activities to resolve the item are documented. Risk documentation (in the RISC tool) includes capturing key information such as:

- Type of Risk
- Description of the Risk
- Mitigation Strategy for the Risk
- Project Phase the Risk will affect
- Who the Risk is Assigned to

As part of the transition process, the MFMP team will conduct sessions with the new service provider around any existing documented risks and can provide perspective on key historical risks that have been overcome / mitigated.

#### **d) Documentation Strategies**

*Describe documentation that will be routinely revised or produced such as reports; user, usage, problem and change information; product/service documentation. Include details on where documentation is stored and how it is accessed.*

During the course of the MFMP program, a sharepoint site was established that has joint access for DMS and Accenture personnel. This site is used to store and share information for easy access and retrieval by all authorized team members. During the transition this site will continue to be used for the storage of pertinent documentation, in conjunction with the DMS shared network drive (only accessible to DMS personnel).

There are several documents and reports that are provided as contractual deliverables or operational reports, which will continue to be updated and produced throughout the transition. This includes, but is not limited to, a Disaster Recovery Plan, Environment Configuration Diagrams, Weekly Project Status, Risks, Action Items, Issue Logs, Monthly Operational Metrics, Monthly Performance Metrics, Weekly CSD Survey Results, Annual Customer Satisfaction Survey, MFMP Strategic and Tactical Plan, Operations Plan, Organization Charts, Enhancement Designs, Migration Documentation etc.

#### e) Transition Schedule

*Develop a detailed schedule for transition. Address transition through the implementation, maintenance, and support phases of the transition. Note critical time dependencies for the transition outlined in this document.*

As mentioned earlier a detailed transition schedule will be developed and delivered in accordance with Contract Modification No. 6 by July 1, 2010. The contract provides for a 12 month transition period. The timeline will be based on utilizing the full 12 month allocation. It is estimated that transition services will take a minimum of 9 months:

The new Service Provider will be responsible for providing appropriate resources as outlined in Section 4 of the transition plan in accordance with the timeline above. Each phase will include key tasks as outlined in the following workplan:

Phase / Tasks	Start	Finish
<b>Phase I: Shadowing</b>	1/2/2012	3/30/2012
Identify resource pairing assignments (between Accenture and new Service Provider)	1/2/2012	1/6/2012
Observe day to day tasks / Review existing operational documentation for tasks	1/9/2012	3/30/2012
Facilitate Knowledge Transition workshops & provide supporting documentation	1/16/2012	3/30/2012
Develop Change Management and Communication Plan (Related to Transition Activities)	2/1/2012	2/29/2012
<b>Phase II: On-The-Job Transition</b>	3/1/2012	8/31/2012
Complete team and functional/ technical assignments for new Service Provider resources	4/2/2012	4/6/2012
Shadow tasks and complete daily operational tasks (Accenture as Primary on all tasks)	4/2/2012	6/15/2012
Shadow tasks and complete daily operational tasks (Accenture as Primary, but increasing tasks done by new Service Provider)	6/18/2012	8/31/2012
Shadow key annual processing tasks (i.e. year-end processing), including coordination with DFS and full participation year-end execution	3/1/2012	7/13/2012
<b>Phase III: Pre-Acceptance</b>	9/3/2012	10/31/2012
Complete daily operational tasks (New Service Provider as Primary, Accenture continuing to support and validate)	9/3/2012	10/31/2012
Validate completion of daily operational tasks / Review End of Day Reports to identify concerns	9/3/2012	10/31/2012
Transition property and licenses	9/3/2012	10/31/2012
Conduct regular checkpoints at team lead level to discuss knowledge gaps / lessons learned / suggested improvements	9/3/2012	10/31/2012
<b>Phase IV: Acceptance</b>	11/1/2012	12/7/2012
Return any department owned materials	11/30/2012	11/30/2012
Complete daily operational tasks (New Service Provider as Primary, Accenture available to address questions in a support role)	11/1/2012	12/7/2012
Conduct regular checkpoints at project manager level to discuss any remaining knowledge gaps or need for Accenture support	11/1/2012	12/7/2012

# 1. Training

a) Required Skill Levels			
Estimate the necessary skill levels to support the MyFloridaMarketPlace application, in terms of the following knowledge areas: business, application software and system software.			
Skill:	Level of Expertise:	Availability Required:	Degree of Applicability:
<i>[Description of skill]</i>	<i>[Examples: Trainee, Intern, moderate, expert or explain what is necessary]</i>	<i>[Indicate where the skill must be available: On the transition team; in Information Technology (IT), user area, etc.]</i>	<i>[Rate the applicability of the skill to the project, using a scale of 1-5, with 1=light and 5=heavy]</i>
Ariba Configuration	Expert	IT	5
Java	Expert	IT	5
SpringSource	Expert	IT	5
iWay	Expert	IT	5
Tibco Integration	Expert	IT	5
Crystal Reports	Moderate	IT	3
Unix	Expert	IT	5
Oracle	Expert	IT	5
SQL Server	Expert	IT	4
SQL	Expert	IT	5
WebLogic	Expert	IT	4
Networking	Expert	IT	5
Systems Administration	Expert	IT	5
Verizon WebCenter Management	Expert	CSD	5
Pivotal Ticket Tracking	Expert	Project Wide	5
Microsoft Office Tools	Moderate	Project Wide	4
Ariba Functional	Expert	User	5



Knowledge of Buyer, Sourcing, Analysis			
Content Enablement	Expert	User	4

## 2. Transition Project Deliverables and Associated Tasks

*List the tasks that must be accomplished during the transition process. Some tasks will be repeated for each deliverable—be sure to include each task for each deliverable. This list of tasks can then be given to the project manager to be included in the MS Project schedule. The following table suggests tasks, roles for who is responsible for each task, and a general timeframe for when the task is due. You should replace the role names with actual names, and the general time with a specific due date, and change the text formatting back to regular text. You will probably also have additional tasks to add to the list.*

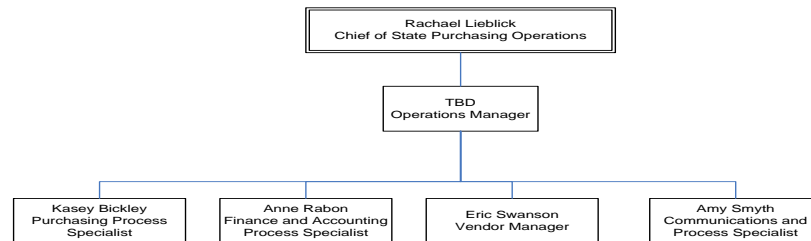
**The transition deliverables and tasks include the following:**

<b>Deliverable:</b>	<b>Task</b>	<b>Who's Responsible?</b>	<b>When Is It Due?</b>
<i>Conduct transition plan meetings</i>	<i>Coordinate transition planning meeting</i>	<i>Technical Project Manager</i>	<i>&lt;Due Date&gt;</i>
Disaster Recovery Plan	Conduct disaster recovery testing and document results	Platform Support, Database Administrator, Systems & Network Administrator, Production Support	Annual
Environment Configuration Diagrams	Document environment diagrams	Platform Support	Annual
Weekly Project Status	Status on completed activities, upcoming goals, action items, issues, reports, odu's, and system availability	Transition Team leader	Weekly
Project Risks	Project risks across all risk areas documented and reviewed at PMO meetings	Transition Team Leader	Bi-weekly
Action Items	Action items across project areas	Transition Team Leader	Bi-weekly
Issue Logs	Identified Project Issues	Transition Team Leader	Bi-weekly
Operational Metrics	Report of key operational	Transition Team Leader	Monthly

	statistics		
Performance Metrics	Report of 25 contractually obligation performance metrics	Transition Team Leader	Monthly
Annual Customer Satisfaction Survey	Survey to customer user base across all functional areas of application	Help Desk	Annual
Operations Plan	Contractual deliverable that contains processes, tools and steps for completing key operational tasks across all project areas.	Transition Team Leader	Annual
Organization Charts	Organizational charts of current team and proposed team structure	Transition Team Leader	Project Planning
Project Management Meetings	Bi-weekly project meetings with project executives	Transition Team Leader, Project Leader	Bi-weekly

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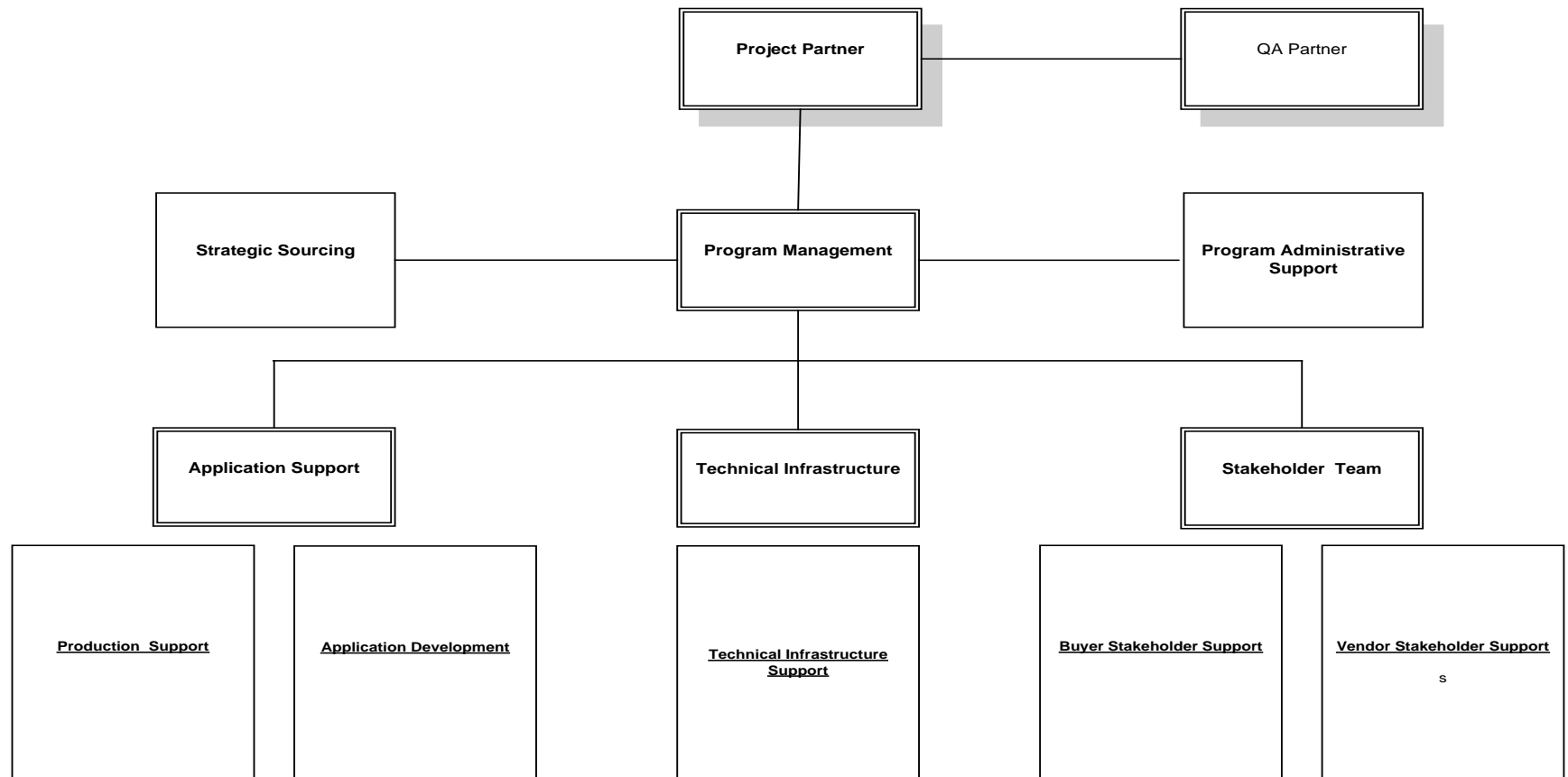
## Appendix A: Organization Charts



Revised 09/01/09



## Accenture MFMP Project Team



*Accenture Proprietary and Confidential*

## Appendix B: Lessons Learned Record

**Project Name:** MyFloridaMarketPlace  
**Organization:** Department of Management Services  
**Department:** State Purchasing  
**Product/Process:** Transition Plan

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PROJECT MANAGEMENT								
Focus Area	Low ----- High					Successes	Shortcomings	Recommended Solutions
	1	2	3	4	5			
Project Planning			X			Strategic and Tactical Plan	Cannot account for unknown enterprise changes	None at this time.
Resource Management				X		Addition of DMS MFMP project staff to focus on training & communication	NA	None at this time.
Risk Management				X		Institution of risk review	NA	None at this time.
Change Control				X		Construction of Change Review Board	NA	None at this time.
Procurement				X		Strategic Sourcing & Additional Training Initiatives, ABA	Shortage of DMS State Purchasing Resources to continue strategic sourcing activities	None at this time.

PROJECT MANAGEMENT								
Focus Area	Low ----- High					Successes	Shortcomings	Recommended Solutions
Budget Management		X				Re-negotiated contract with lower cap and State collecting excess funds	Dependent on legislature; exemption and grandfather contracts with lack of enforcement authority make it incredibly difficult	None at this time.
Quality Control					X	Multiple QA process and controls in place	NA	None at this time.
Project Status Reports					X	Weekly reports and bi-weekly PMO meetings	NA	None at this time.
Vendor Selection					X		NA	None at this time.

TECHNOLOGY MANAGEMENT									
Focus Area	Low ----- High					Successes	Shortcomings	Recommended Solutions	
	1	2	3	4	5				
Business Requirements					X	Multiple hosting center moves successfully	NA	None at this time.	
Design Specifications					X	Designs approved by CRB and/or DMS members	NA	None at this time.	
Test Planning					X	Rigorous testing schedule	NA	None at this time.	
Development					X	All related performance metrics met; no code backouts for several years	NA	None at this time.	
Testing					X	System, regression and performance testing conducted for releases	NA	None at this time.	
Rollout/Implementation					X	Successful upgrade of all applications	NA	None at this time.	
Training				X		Training provided for all major releases	Initial “train the trainer” approach was not sufficient; lack of process standardization makes training	None at this time.	

							significant challenge	
<b>Documentation</b>					X	Key deliverables provided	NA	None at this time.
<b>Vendor Management</b>					X	Vendor met 99% or more of all performance metrics	NA	None at this time.



RESOURCE MANAGEMENT								
Focus Area	Low ----- High					Successes	Shortcomings	Recommended Solutions
	1	2	3	4	5			
Project Communication				X		Multiple communication channels (web, email, meetings, eNewsletter WebEx)	NA	None at this time.
Team Experience					X	Several experienced team members on both vendor and DMS team	NA	None at this time.
Project Sponsor Interactions			X			Regular meetings with sponsors	Historical challenges with frequent changes in leadership and lack of governance structure	None at this time.
Customer Interactions					X	Survey for all resolved issues, meetings, postings, trainings	NA	None at this time.
Management Interactions					X	Regular meetings and "open door" policy	NA	None at this time.
Management Support			X			Current administration support	Enhanced governance by State	None at this time.
Quality of Meetings				X		Overall meetings are productive, some discussions	Need key personnel involved early in any initiative, usually out of	None at this time.

						require multiple meetings	control (lack of governance)	
<b>Vendor Interactions</b>				X		Vendor “Fireside Chats”, training materials, release of new VIP system, increased punchout and eInvoicing adoption	NA	None at this time.

OVERALL PROJECT SUMMARY								
Focus Area	Low ----- High					Successes	Shortcomings	Recommended Solutions
	1	2	3	4	5			
Customer Satisfaction					X	97% customer satisfaction rating	NA	None at this time.
Technical Success					X	Monitoring tools enable proactive technical mgt; multiple data center moves	Deep, niche technical skills required	None at this time.
Quality Product				X		Product is market leader and has enabled benchmarking and data analysis	NA	None at this time.
Product/Service Acceptance				X		FLAIR reconciliation; retirement of SPURS	Lack of governance resulted in unnecessary shadow systems and duplication in FLAIR	None at this time.
Project On Time					X	Vendor has met all major deadlines; performance metrics around timely service delivery	NA	None at this time.
Project Within Budget				X		Project funded by existing 1% transaction fee	Exemptions and dependence on legislature impact State's ability to collect	None at this time.

							excess funding; early on resulted in contractual disputes	
<b>Project Objectives Met</b>					X	Project is viewed as successful by stakeholders	NA	None at this time.
<b>Business Objectives Met</b>					X	32 agencies use MFMP, without mandates (includes legislature)	Enterprise wide system requires governance and mandates for use	None at this time.

## Appendix C: Risk Management Process

### Risk Management

This document identifies the Risk Management process being implemented by the MyFloridaMarketPlace procurement engagement. This process provides the ability to predict, capture, monitor, avoid, manage and resolve risks that may adversely affect the project. Our risk management process provides a systematic approach for identifying and assessing risks; determining cost-effective risk reduction actions; and, monitoring and reporting the progress of risk reducing actions. The risk management process outlined in this document was formulated from the tools and techniques outlined in Accenture's Quality and Process Improvement (QPI) program. This program is based on the software development framework specified in Capability Maturity Model Integration (CMMI) developed by the Software Engineering Institute (SEI) at Carnegie Mellon University.

This deliverable was created using our QPI templates and tailored to fulfill the needs of MyFloridaMarketPlace. *Risk Management* is the recognition, assessment and control of uncertainties that may result in schedule delays, cost overruns, performance problems, adverse environmental impacts or other undesired consequences. *Risk Tracking* is the actual process by which identified risks are captured, monitored and controlled.

#### 1.1 Risk Management Process

The overall goal of the Risk Management process is to reduce the project's exposure to events that threaten the success of the project and its objectives. This can be attained by incorporating approaches that minimize or avoid identified risks, developing proactive, contingent risk actions, and rapidly implementing risk actions based on timely identification of risk occurrence. In order to successfully implement the Risk Management process, it is important to understand the difference between *Risks and Issues*.

#### 1.2 Distinguishing between Risks and Issues

An *Issue* refers to a problem involving a significant choice between two or more alternatives for an event that is happening now. A *Risk* describes a situation that could occur, and that could potentially have a significant impact on the project.

#### 1.3 Risk Management Process

There are five phases are associated with Risk Management:

- **Planning**

Risk management planning involves focusing attention on project risks, and identifying and documenting the major risks which may impact the project in adverse ways.

- **Assessment**  
Risks are documented into characteristic categories (e.g. – technical, operational, etc) and are quantified on a numerical scale according to likelihood, impact, and exposure rating.
- **Analysis**  
Appropriate actions are identified, developed, and documented to minimize the realization of each risk. These actions are also characterized by type (e.g. avoidance, acceptance, transfer, etc).
- **Response**  
Once a risk has been identified within the project, a specific set of procedures will be in place to reduce the overall exposure of the risk. The risk response will identify, record and minimize the overall exposure to risks.
- **Escalation**  
Events may occur which increase the probability a risk will occur or increase the impact of a risk. The risk response procedures include the capability to escalate a risk as appropriate.

## 1.4 Risk Management Planning

Risk management planning involves identifying and documenting project risks. The process focuses on determining the risks most likely to have the most severe consequences and those that produce the greatest benefit in risk reduction. This activity includes a recognition of the sources of project risks as well as the approaches for risk identification and documentation. The risk management process is an iterative cycle that begins during the initial Project Planning phase and continues throughout the lifecycle of the project as new risks are identified.

### 1.4.1 Sources of Risk

- New risks previously missed or unforeseen requirements
- New risks arising from an approved change request, cost, schedule, or scope may be amended, impacting the critical path
- New risks arising from major issues progressed from the team/project levels
- Further risks arising from current risks whose action requires investigation
- Further risks arising from the outcome or consequence of a separate risk occurrence
- Risks identified from the third party monitor during their objective reviews of the project.
- Risks identified from the Client Quality Management Assessment (CQMA). The CQMA is a formal review of a client engagement by an experienced Accenture team who is external and objective to the engagement.

#### 1.4.2 Identification of Risks

Risks will be identified throughout the life cycle of project. Risk identification is the responsibility of all project team members, while the project management team will manage the documented risks. There are several key types of questions that must be asked when identifying and assessing a risk:

##### **Requirements**

- *Are the requirements technically feasible?*
- *Are the requirements subject to significant change based on external development?*
- *Will the requirements meet functionality, performance, maintenance, support, feasibility, mission, needs, and cost constraints of the system or project?*
- *Do the requirements satisfy client needs, expectations, and constraints; and perform as intended in the operational environment?*

##### **Capabilities**

- *Will sufficiently skilled and capable personnel be available?*
- *Are State management and all State resources committed to making the needed resources available?*
- *Are the end user groups willing and able to adapt to change?*
- *Are there external dependencies, including legislative changes, contractor supply and delivery, procurement, etc.*

##### **Reliability**

- *Are the expected techniques and technologies to be used new and untested or “tried and true?”*
- *Is there a track record of similar projects?*
- *Are there functionally complex data models?*
- *Is there functionally complex processing functionality?*

##### **Time Frame**

- *Do the project milestones depend on other internal initiatives?*
- *Do the project milestones depend on outside events?*
- *Are the budget/schedule estimates realistic?*
- *Is delivery on the critical path?*

#### 1.4.3 Documentation of Risks

The risks identified are documented into specifically defined, tangible risk items, for which an action may be well defined and measurable. This ensures that all analyses and reporting of risks maintain an outcome-focus so that progress towards high-level objectives can be compared.

Identifying vague or non-specific risks results in actions that are ambiguous, intangible, unclearly defined, and difficult to implement adequately.

Additionally, it is important not to attempt to document all possible risks and outcomes, as this can often introduce improbable scenarios. Avoid scenarios that:

- Relate to project milestones dependent on outside events
- Create unnecessary concern and confusion
- Shift the focus away from real or probable risks
- Dilute the pool of risks, leading to diminishing returns on effort
- Reduce credibility for the risk management process

Risk documentation is more concerned with identifying the areas where the consequences of the risk are most severe, and where corrective actions will produce the largest benefits in risk reduction.

## 1.5 Risk Assessment

The risk assessment process consists of three independent, but interrelated steps that establish the foundation for the overall risk analysis process. All documented risks will be categorized, assessed and quantified based on where the impact will occur, the perceived level of impact to the project, and the probability that the risk will occur.

The two major variables used in assessing a risk are 1) probability of the risk occurring and 2) the impact or consequence if that risk occurs. These two variables are combined to assess the risk as shown below.

<b>Impact</b>					
5 – Very High					
4 – High					3
3 – Medium			2		
2 – Low	1				
1 – Very Low					
	Very Low	Low	Medium	High	Very High
	0 – 20%	21 – 40%	41 – 60%	61 – 80%	81 – 100%
	<b>Probability</b>				

### 1.5.1 Categorization of Risks

Risks are classified into one of seven different categories. These categories identify the areas of the project from an internal and external perspective. A risk may affect one or more areas of the project. Although a risk spans across multiple areas, it should be categorized where the major impact is likely to



occur. Cost and Schedule risks are generally inter-related to Technological, Operational and External risks. These seven categories are:

### **Cost**

Cost-based risks outline the non-achievement of the business model projections, including the legislative budget request (LBR). Typical cost risks include change in State or Agency level leadership, economic changes, legislative changes, and hardware/software increases.

### **Schedule**

Schedule-based risks focus on the non-achievement of the project's key milestones within the specified time frame. Typical schedule-based risks arise from scope additions or resource unavailability.

### **Technological**

Technology-based risks consider the application specifications and expectations. Typical risks include new/non-standard platform technology, integration problems with existing systems, migrations, performance expectations, environment complexity, conversion of bad data, and system operability.

### **Scope**

Scope-based risks consider the impacts on the project when actions are taken that are not within the realm of the project's scope or that may result in the increase of the project's scope.

### **Sponsorship**

Sponsorship-based risks include loss or change in sponsor goals or support that impact the project. This could include changes in program leadership or legislative support.

### **Operational**

Operational-based risks focus on the organizational and business operational re-engineering changes arising from the systems development. Typical risks consider both the transitional and the long-term effects of the system's introduction, including the organizational and behavioral change required, the human and physical resource planning, and communication required to facilitate a smooth transition.

### **External**

External-based risks consider the external factors largely outside of the control of Project Management, which can directly/indirectly, affect the

successful delivery of the project. Examples of external risks would be the replacement of the State's FLAIR system, and the People First initiative.

#### **1.5.2 *Assessment of Risks***

The assessment process begins once a risk is categorized. This process is used to determine the most appropriate course of action to mitigate the risk. This may be an obvious set of actions that annul or limit the risk from occurring, or alternatively it may be an intuitive 'best guess' of the available actions that may mitigate the risk.

#### **1.5.3 *Quantification of Risks***

The quantification of a risk involves three separate processes that assign a level of impact to the risk, determine the probability that the risk will occur, and identify the relative influence that can be exerted on the probability of the risk occurring. There are five thresholds established for measuring the impact, probability and exposure ratings.

##### **Impact**

This is an estimate of the adverse effect the risk, if realized, will have on the program. Risks should be assessed using the Risk Impact Rating Scale:

Table 1. Risk Impact Rating Scale

Risk Impact Rating Scale		
Value	Rating	Definition
5	Very High	Threatens success of the project
4	High	Significantly disrupts the successful delivery of project objectives, major deliverables, SLAs, releases, and benefits
3	Medium	Significantly disrupts the project schedule, cost, and products over the medium and long terms
2	Low	Progress disrupted with moderate extensions to schedule and cost, across short and medium terms
1	Very Low	Exposure slight

### Probability

This is an assessment of the likelihood that a risk will occur. The assessment is based on a percentage probability of an occurrence of the risk, given the actions identified, and other factors or risks on which it is dependant. Probability should be assessed using the Risk Probability Rating Scale:

Table 2. Risk Probability Rating Scale

Risk Probability Rating Scale	
Value %	Definition
81 — 100	Very High Occurrence
61 — 80	High Occurrence
41 — 60	Medium Occurrence
21 — 40	Low Occurrence
20 — 0	Very Low Occurrence

### Exposure Rating

This indicates the relative influence, which can be exerted on the probability of the risk occurring. The Level of Control introduces a 'modifier' that quantifies the level of control that can be exerted over implementing that action. Exposure should be assessed using the Risk Exposure Rating Scale:

Table 3. Risk Exposure Rating Scale

Risk Exposure Rating Scale	
Value	Definition
5	Very High Exposure

4	High Exposure
3	Medium Exposure
2	Low Exposure
1	Very Low Exposure

## 1.6 Risk Analysis

Risk analysis is the final step in the identification, categorization, and quantification cycle. It is primarily concerned with developing specific, discrete, and measurable actions to mitigate a risk. This is not necessarily limited to the development of only one action per risk; two or more actions may be defined particularly if the action to that risk is contingent on the outcome of a prior event. Additionally, the combination of two or more interdependent risks is evaluated. The quantification or summation of individual risks, which are linked, may produce a different risk profile than the individual risks independently produced, and should be recognized by area management during the quantification process.

### 1.6.1 Analysis of Risk Actions

The initial step in the risk mitigation process is risk analysis. At this stage, we develop specific, discrete, and measurable responses for each identified risk. The first risks we analyze are those that may occur earliest in the system development life cycle, regardless of the probability, and those we identify as “high impact.” This reduces all short-term exposure to risk, in order to alleviate the long-term effect those risks might pose if left for later in the process. Overall, program risk action analysis covers several characteristic actions:

#### **Avoidance**

Avoidance- applying a solution that eliminates the risk before it can occur. Implementing an established technical solution in lieu of an untried, complex technology is an example of risk avoidance. It is important to consider that risk avoidance solutions may limit the ability to achieve high-level project objectives by constraining desirable solutions.

#### **Control**

Control-based actions occur at all points throughout the development lifecycle and are typically the most common action. Actions or products that become part of the Workplan or overall approach will be identified, monitored and reported as part of the regular progress reporting of the project.

#### **Acceptance**

Acceptance-based actions involve factors that may directly affect the success of the project, but are outside of the control of the Project Management and can therefore only be 'accepted'. Acceptance of risks as an action may be based on the cost-ineffectiveness of any available solution. For example, an acceptance action could address a legislative or legal risk, over which minimal control could be leveraged.

### Transfer

Transfer-based actions target the party best placed to analyze and implement the action to mitigate the risk, based on their expertise, experience, and suitability. Typical transfer actions could include sub-contracting to specialist suppliers who are able to reduce the overall risk exposure.

### Investigation

Investigation-based actions are employed when we cannot identify a specific mitigation technique for a given risk, so we launch an investigation. This includes research to more clearly define the risk or risk level.

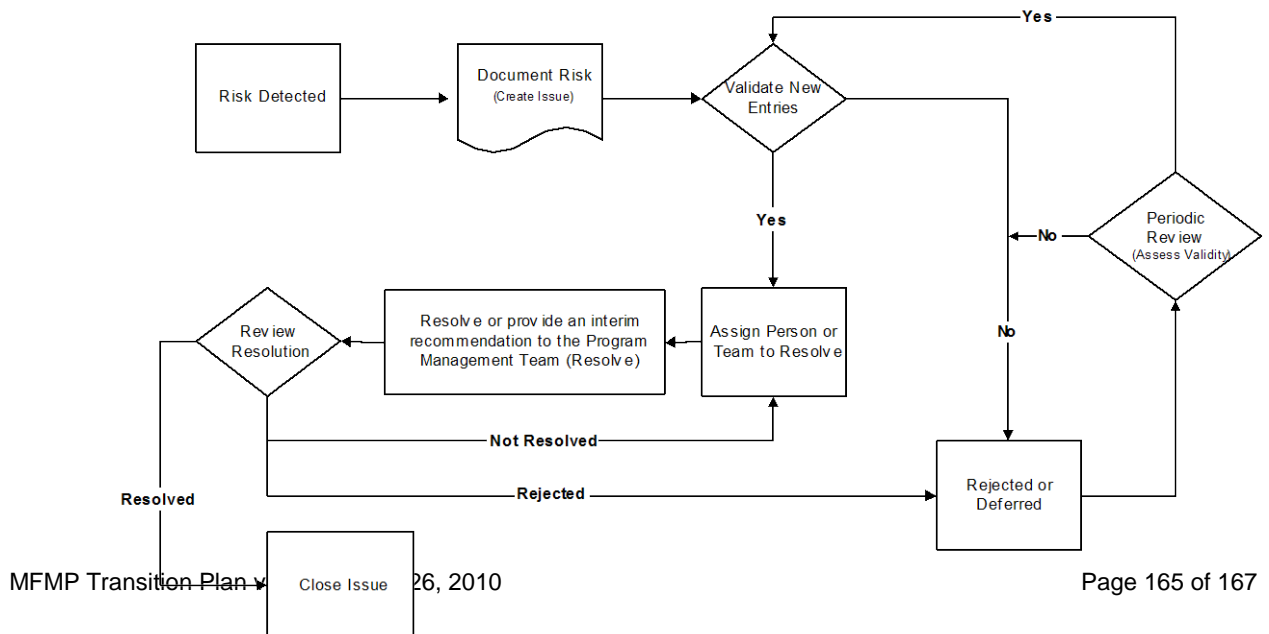
## Risk Response and Escalation

Risk responses may be proposed by one or all of the following areas:

1. Development
2. Testing
3. Service Desk
4. Client, Accenture or Third Party Management

Risk responses and actions will be recorded in the risk tracking tool. Risk responses and actions will be monitored regularly. In the event a risk requires escalation or is realized, the risk status will be changed contingent on project management approval.

If a risk response is approved, appropriate staff will be assigned to implement actions. If disapproved, the identified risk action will be deferred. See the Risk Response flow below:



## Risk Tracking and Reporting

Risk Tracking and Reporting is the actual process by which identified risks are captured, monitored and controlled. All project level risks are documented to provide the MyFloridaMarketPlace management team with visibility to risks and the ongoing progress to mitigate them.

### 1.7 Handling of Risks

All risks are maintained in the Risk Tracking Document with actions that could be taken to avoid or mitigate the risks are recorded. Actions are based on the exposure rating of the risk. The exposure rating is a numerical value described below:

Exposure Rating	Type of Mitigation
4 or 5	Actions that must be immediately incorporated into the appropriate plan.
2 or 3	Actions that must be documented as contingent risk actions to be incorporated in the appropriate plan in the event of risk occurrence.
1	None. By definition, such risks cannot be avoided or mitigated.

#### 1.7.1 Calculating Risk Exposure

Risk exposure attempts to numerically scale each risk according to its overall level of exposure, as shown in the mathematical expression below:

$$\text{Risk Exposure} = \text{Probability} \times \text{Impact}$$

It follows that risks with a high probability and high impact are those risks that indicate a high level of exposure. Similarly, those risks with a low probability and low impact offer the lowest levels of exposure.

Consider five separate and independent risks. These risks are identified in the following table as *Risks A to E*. This table illustrates the calculation process used to determine the overall level of exposure of each risk. The exposure is shown in a decimal format.

Risk	Probability	Impact	Exposure
Risk A	50%	5	2.5

Risk B	40%	2	0.8
Risk C	20%	5	1.0
Risk D	60%	4	2.4
Risk E	20%	3	0.6

Risks B and C have equivalent low levels of risk exposure, as shown in the Exposure column. Risk B has a lower probability of occurring but a significantly higher risk impact. This calculation enables a relative comparison between two risks with similar probability and/or impact. The value in quantifying each risk according to the above formula is that Project Management can focus on those risks with the highest relative exposure.

### **1.7.2 Risk Tracking Tool**

Project risks will be tracked using an automated tracking tool. This document will define the type of risk, capture the status of the risk, the probability of the risk occurring, the impact on the project if the risk occurs, and identified risk actions. The spreadsheet will also calculate the project's exposure rating for each risk identified.