THE PROCUREMENT AND CONTRACTS OF PROJECTS

PMI LUNCH AND LEARN
OCTOBER 29, 2018
Agenda

- Project Update
- Procurement Activities
- Lessons Learned
PROJECT UPDATE
Florida PALM Project Update

Establishment

- Florida PALM Project was established in 2014 to replace the State’s legacy accounting and cash management systems
  - Florida Accounting Information Resource (FLAIR) provides accounting resources to State agencies
  - Cash Management System (CMS) is used to manage cash funds
- Florida has grown beyond the capabilities of current technology
- Florida PALM will be a single, integrated financial management solution
Florida PALM Project Update

Vision

- Implement a statewide accounting system that enforces standardization, acts as a scalable foundation to evolve as business needs change, and positions Florida for future innovation as it considers true enterprise-wide solution.
Florida PALM Project Update

Goals

1. Reduce the State’s risk exposure by harnessing modern financial management technology built on the premises of scalability, flexibility, and maintainability

Improve state and agency specific decision making by capturing a consistent and an expandable set of data

Improve the State’s financial management capabilities to enable more accurate oversight of budget and cash demands today and in the future

Improve staff productivity, reduce operational complexity and increase internal controls by enabling standardization and automation of business processes within and between DFS and agencies
Florida PALM Project Update

Current State

- Receives $400M from investments each year
- Creates nearly $100B in payment transactions annually
- Disburses $4.5B in Payroll per year
- Conducts business with nearly 155,000 Vendors/Payees
If the State of Florida was a private sector corporation, its $90 billion budget would earn a spot in the “Fortune 25.”

If the State of Florida was a country, its Gross Domestic Product (GDP) would be among the 20 largest in the world.

Florida PALM will enable you to use state-of-the-art tools as you work each day.

Embrace the Journey
Florida PALM Project Update

Accomplishments

- Organized the Governance structure and Project Team
  - Executive Steering Committee (ESC)
  - Four Dimensions: People, Process, Technology, and Project Management
- Created Project standards and procedures
- Held over 100 agency workgroups, to include 500 individuals, to develop a future vision for the State for business processes
- Partnered with other states, universities, local municipalities
- Developed an approach to analyze current-state data, interfaces, and business processes
- Executed procurements for support services
Florida PALM Update
Executed SSI Contract

- July 20, the State executed a contract representing approximately $180M to replace FLAIR and CMS as the result of an Invitation to Negotiate for bundled software and integrator services (SSI)

- Florida PALM Solution will be built on
  - PeopleSoft v9.2
  - Oracle Cloud Infrastructure (OCI)
    - Hosted infrastructure
    - Infrastructure as a Service (IaaS)

- Contract term includes full implementation (which targeted for nine years) with options for renewals
Florida PALM Update

Staffing

- The Project has acquired State staff (FTEs) with significant experience
- Support Services Contractors have also been onboarded for additional subject matter expertise
- Collaboration has been and will continue to be a focus for the Project
- A Change Champion Network will be established with agencies for participation throughout implementation
PROCUREMENT ACTIVITIES
Procurement Activities

Florida Statute (F.S.) 287 References

- “Best value” means the highest overall value to the state based on factors that include, but are not limited to, price, quality, design, and workmanship.
- The purpose of a request for quote is to determine whether a price, term, or condition more favorable to the agency or eligible user than that provided in the state term contract is available. Use of a request for quote does not constitute a decision or intended decision that is subject to protest under s. 120.57(3).
- The invitation to negotiate [ITN] is a solicitation used by an agency which is intended to determine the best method for achieving a specific goal or solving a particular problem and identifies one or more responsive vendors with which the agency may negotiate in order to receive the best value.
Procurement Activities

Seven Stages of Public Procurement

- Stage 1: Need Identification
- Stage 2: Pre-Solicitation
- Stage 3: Solicitation Preparation
- Stage 4: Solicitation
- Stage 5: Response Evaluation
- Stage 6: Contract Award
- Stage 7: Contract Management
Procurement Activities

Legal Standards

- Fair and open competition is required.
- Fair and open competition reduces the appearance and opportunity for favoritism and inspires public confidence that contracts are awarded equitably and economically. (See section 287.001, F.S.)

- When conducting negotiations and making the best value determination, negotiators are directed to adhere to what is in the ITN, statutes, and relevant rules and policies.
Procurement Activities
Sunshine Laws

- The negotiation team is subject to the Sunshine Law.
- All communications between negotiators about the procurement must take place in a public meeting or in a properly recorded “shaded” meeting.
- Negotiations are shaded meetings. All discussions in negotiations must be recorded.
- Negotiators cannot communicate with other negotiators about the procurement outside of a public or shaded meeting. This includes in person, by phone, by email, text messages, through another person, or by any other means.
Procurement Activities
Sunshine Law Violations

- A violation of the Sunshine Law could result in the contract award being found null and void.
- A Sunshine Law violation may be cured (fixed) by holding a public meeting in which all matters discussed outside of a public meeting are fully discussed in the sunshine.
- A negotiator should escalate immediately if they think they may have inadvertently violated the Sunshine Law so legal counsel can determine whether a violation occurred and whether a meeting should be held to cure any possible violation.
Procurement Activities
Florida PALM ITN Summary

- Complied business requirements with agency support and Executive Steering Committee approval
- Established support contracts for ITN process
  - ERP Procurement Support
  - Procurement Outside Counsel
  - ERP Outside Counsel
- Obtained ESC review and approval of solicitation documents in public meeting prior to November 1, 2016 issuance (required by Proviso)
Procurement Activities
Florida PALM ITN Summary

- Received four responses, appointed evaluators, and began evaluation in early 2017
- Collated evaluation scores to identify three responses within competitive range in summer 2017
- Appointed negotiators and initiated negotiations with eligible respondents within competitive range in fall 2017
- Conducted public meeting of negotiation team for open discussion to make recommendation based on best value in June 2018
- Obtained CFO approval of best value recommendation in June 2018
The agency shall evaluate replies against all evaluation criteria set forth in the invitation to negotiate in order to establish a competitive range of replies reasonably susceptible of award. The agency may select one or more vendors within the competitive range with which to commence negotiations. After negotiations are conducted, the agency shall award the contract to the responsible and responsive vendor that the agency determines will provide the best value to the state, based on the selection criteria. (See F.S. 287.057(1) (c)4)
Procurement Activities
Negotiation Team

- At least three persons to conduct negotiations during a competitive sealed reply procurement who collectively have experience and knowledge in negotiating contracts, contract procurement, and the program areas and service requirements for which commodities or contractual services are sought (See F.S. 287.057(16)(a)2)
Procurement Activities

Negotiation Support

- Legal
- Purchasing Agent
- Procurement Support
- Program Lead
- Subject Matter Experts
## Procurement Activities
### Negotiation Communication Guidelines

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Purchasing Agent</th>
<th>Program Lead</th>
<th>SMEs</th>
<th>Negotiators</th>
<th>Project Director</th>
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<td>YES</td>
<td>NO, except in recorded sessions or public meetings</td>
<td>NO, except in recorded sessions or public meetings</td>
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<tr>
<td>YES</td>
<td>N/A</td>
<td>YES</td>
<td>YES, about admin. matters</td>
<td>YES, about admin. matters</td>
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<tr>
<td>NO, except in recorded sessions or public meetings</td>
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<td>N/A</td>
<td>YES, about admin. matters</td>
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</tr>
<tr>
<td>NO, except in recorded sessions or public meetings</td>
<td>YES, about admin. matters</td>
<td>YES, about admin. matters</td>
<td>YES, but not be a conduit between negotiators</td>
<td>YES, one negotiator at a time</td>
<td>YES</td>
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<td>NO, except in recorded sessions or public meetings</td>
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<td>YES, a negotiator may talk to one or more SMEs</td>
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<td>N/A</td>
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</tbody>
</table>

PMI Lunch and Learn 10/29/2018

Florida PALM
Planning, Accounting, and Ledger Management
Per §287.058 & 215.971, Florida Statutes, the Florida PALM SSI contract has the following:

- Deliverables
- Financial consequences
- Scope of work

Per CFO Memo. No. 2 (2012-2013), the Project will retain documentation to evidence completion of work
LESSONS LEARNED
Lessons Learned
Our Team

- We are all **one** Florida PALM Project Team
- All actions are a reflection on the Project
- Be respectful and honest
Lessons Learned

Expectations

- Project expectations should be clearly defined
  - Meet commitments
  - Do not overcommit
  - Be reasonable
  - Hold team (yourself and others) accountable
  - Recognize success
  - Be positive
  - Focus on fixing the problem, not placing blame
  - Pause/take a step back when overwhelmed
  - Bring perspective
Lessons Learned

Procurement Process

- Investing in stakeholders early and often helps anticipate questions
- A flexible ITN provides maximum opportunities to the negotiation team
- A single point of contact for negotiators helps mitigate sunshine law concerns
- Realistic timelines are important in establishing stakeholder expectations
- When in doubt, referring back to the ITN is the first course of action
- It is important to consider the benefits and risks of sharing information vs. sharing strategy
- There should be a mutual goal of success
CONTACT INFORMATION

CONTACT US

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PROJECT WEBSITE

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