

2007 Annual Update
on Government Contracts

HOW TO SUCCESSFULLY DO BUSINESS WITH THE STATE OF FLORIDA

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November 2007



Understand The Process -To Be Successful



- The Department of Management Services (DMS) is the lead state agency
 - DMS primary functions
 - Develop State Term Contracts
 - Develop rules, policy and procedure for purchasing
 - DMS delegates most purchases to other state agencies
 - Every year these agencies purchase *over \$1,200,000,000* worth of goods, services, and capital equipment. Approximately 33% of these purchases are procured through the use of the State Term Contracts

Understand The Process -To Be Successful



- Who is Buying and Where
 - State agency purchasing offices are located throughout the state. For example, the district offices of the Department of Transportation; Department of Corrections; and the institutions and administrative offices of the Department of Children and Family Services; the Department of Health, the Department of Environmental Protection; the Department of Veterans' Affairs and the ten Florida university campuses, among others, all make purchases.

Understand The Process

- Get Connected!!

- MyFloridaMarketPlace (MFMP) is the state's online purchasing system. You must register!
 - 1% transaction fee! Be aware!
 - Automated notifications!
- Vendor Bid System
 - For searching advertisements and notifications
- Consult with a government procurement expert

Understand The Process

- Contract Vehicles



■ *State Term Contracts*

- DMS develops contracts for goods and services that are common to several agencies—aggregate purchasing
- Use of State Term Contracts is mandatory for state agencies (s. [287.056](#) Fla. Stat.). Exceptions to mandatory usage are set forth in 60A-1.044, FAC. Other eligible users include those local government entities identified in Rule 60A-1.005, FAC.
- From the State’s perspective the **purpose** of the State Term Contract:
 - to leverage buying power
 - reduce redundant processes

Understand The Process

- Contract Vehicles



■ *State Term Contracts*

- The **advantage** for the vendor:
 - You are a preferred contractor!
 - It's easy to do business with you!
 - Contract maintained by DMS for easy use
 - Purchasing agency only issues a purchase order to make a purchase!

Understand The Process

- Contract Vehicles



- ***State Term Contracts (Cont'd.)***
 - **Avoid** competitive bid process!!!
 - (competitive requirement satisfied once you are on the contract)
 - Some contracts have a RFQ process
 - **No risk** of bid protest!
 - These contracts are **available for use by county, municipality or other government entities!!!**

Understand The Process

- Contract Vehicles

- ***State Purchasing Agreements (SPA)***
 - Price schedules for commodities and services **not available on a State Term Contract** can be awarded and are optional for use by agencies or other eligible users.
 - To be considered for a SPA, vendor **must register** on MyFloridaMarketPlace and sign up for eQuotes.
 - Requests for SPA can be made by State agencies or political subdivisions, but **not by vendors.**

Understand The Process - Contract Vehicles



■ *State Purchasing Agreements (SPA)*

- After receiving a request, DMS solicits quotations from multiple vendors using the eQuote process. The award is made to the vendor with the lowest price meeting the specifications of the eQuote solicitation.

Understand The Process

- Contract Vehicles



■ *State Purchasing Agreements (SPA)*

- SPAs provide an **opportunity** to evaluate the volume of commodities and contractual services purchased to **determine if a State Term Contract is warranted.**
- They also serve as an **"incubation" environment** that permits introduction of commodities and services not currently on State Term Contracts, as well as providing **new vendors with initial access to Florida's economic growth opportunities.**

Understand The Process

- Contract Vehicles

■ *State Purchasing Agreements (SPA)*

- SPAs streamlines the purchasing process by capturing vendor name, ordering instructions, commodities and/or services offered, and establishing a set price schedule.
- Any single SPA purchase **shall not exceed \$25,000.**

Understand The Process

- Contract Vehicles



- When a purchase **exceeds \$25,000** and is not available on a State Term Contract, agencies must issue a competitive solicitation for these purchases (ITB, RFP, or ITN)
- Purchases **less than \$25,000** can be made from SPA agreements or by soliciting informal quotations.
- **Alternate Contract Source** (piggyback—s. 287.042(16)).
 - GSA, WSCA, US Communities
- **Sole Source** (only 1 vendor available).
- **Emergency Purchase** (approval by Secretary).

Understand The Process

- State Procurement Methods



- Invitation to Bid (ITB)
 - Awarded to lowest price bidder
 - Best used for a commodity purchase
- Request for Proposal (RFP)
 - Awarded to highest ranked proposer
 - Better suited for services
 - Criteria other than price
 - Limited flexibility to negotiate

Understand The Process

- State Procurement Methods



- Invitation to Negotiate (ITN)
 - Awarded to response offering best value
 - Negotiations exempt from public meetings laws
- Request for Quote (RFQ)
 - Awarded to best value quote
 - Only awarded to State Term Contract vendors

Understand The Process

- To Be Effective



- State buyers are generally overwhelmed with lots to do and limited resources
 - Build relationships
 - Make things easy for them
- Incumbents always have the edge
 - Educate the buyers
 - Understand the market and take advantage of errors made by the incumbent
- Know agency and procurement personnel
- Understand and know the political environment and political decision makers...educate, educate, educate!

Understand The Process

- To Be Effective



- Engage early!
 - Projects and their competitive solicitations are driven by the decision makers.
 - You better be involved early or you may find it difficult to satisfy the bid specifications!
- Have a proactive strategy!
 - You should be communicating with agency management at all levels, agency secretaries, executive and cabinet leadership, and members of the legislature and their staff.

Understand The Process

- To Be Effective



- Bring innovation to the State
 - Many projects to improve state operations are pursued due to private sector vendor marketing
 - But be prepared to bring your army to get it pushed to implementation
 - Innovation is stymied by antiquated and difficult procurement laws and processes
 - You will need to engage higher level senior management to drive projects to completion