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BSSO Procurement Advisory Report No. 14C-6005

EXECUTIVE SUMMARY

The Business Systems Support Office (BSSO) in the Florida Department of Transportation's (department) Office of Information Systems manages the enterprise computer applications and data that support the department's critical business functions. BSSO management requested the Office of Inspector General (OIG) perform a review of its Request for Quotes (RFQ) procurement process for outsourced Information Technology (IT) projects. Specifically, the OIG was asked to focus on the procurement of IT services for Project Area 2, Development and Integration.¹ With a move toward more deliverable-based contracts, BSSO is outsourcing the majority of its new projects in order to leverage the private-sector knowledge base, to reduce costs and to free up internal resources. BSSO began using RFQs to procure IT services in February 2013. The purpose of this consulting engagement is to provide management with a reasonable level of assurance that BSSO's RFQ process is:

- in full compliance with all applicable laws, regulations and department policies and procedures;
- fair, transparent and unbiased, and does not limit competition; and
- as efficient and effective as possible, integrating industry best practices.

We reviewed BSSO's RFQ process from RFQ creation and development to vendor award. We determined BSSO is in compliance with all applicable statutory, regulatory and department requirements. BSSO has instituted effective and efficient procurement practices and incorporated appropriate safeguards to ensure a fair and transparent environment. We identified no process deficiencies and determined BSSO has surpassed department expectations in all areas we reviewed. We offer three recommendations for management consideration for future outsourced IT projects to help further BSSO's efforts to foster openness and transparency in its procurement process.

¹ Project Area 2 includes the management of systems integration, system and software development, modernization of legacy systems to web-enabled applications, customization of commercial-off-the-shelf software packages and migration to modular applications.

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BACKGROUND AND INTRODUCTION

The Department of Management Services (DMS) established State Term Contract² (STC) No. 973-561-10-1 for IT Consulting Services competitively through Request for Proposal (RFP) No. 2-973-561-K. The RFP was executed on September 15, 2009 and expired on August 31, 2012, with the most recent renewal effective September 1, 2013 and expiring August 31, 2014. DMS issued the RFP to provide a broad range of IT consulting and staff augmentation services in the following four project areas:

Project Area	Description
1	Analysis & Design
2	Development & Integration
3	Operational & Support
4	Staff Augmentation

In accordance with Subsection 287.056(2), Florida Statutes (F.S.), and Rule 60A-1.043(2), Florida Administrative Code (F.A.C.), in the event an STC has multiple contractors, an agency may issue an RFQ³ to the STC contractors in order to seek additional competition or to determine whether a price, term or condition more favorable to the agency is available. The rule also states agencies should solicit at least two quotes unless the state contract contains other RFQ requirements. The STC for IT Consulting Services requires the agency solicit a minimum of three quotes among the contract vendors of its choice for projects that fall within \$15,000 and \$2,000,000 (Attachment A: Quotation Requirements for Projects). According to the department's Procurement Office, services not exceeding \$10,000,000 must be acquired from the STC utilizing the RFQ process as outlined in the contract. DMS lists a total of 324 different vendors on the STC for Project Areas 1 through 4. Of that total, 213 are approved vendors who qualify under STC in Project Area 2. This pool of 213 Project Area 2 vendors was vetted by the Chief Information Officer or department managers and narrowed to a list of 22 vendors (22 of 213, or 10.33%). The BSSO Contract Manager requests quotes from the same 22 vendors for each newly outsourced project (Attachment B: STC Vendors and Staff Augmentation Data).



² An STC is a competitively procured, indefinite quantity contract to furnish commodities or contractual services during a defined term that is the result of a competitive solicitation conducted by DMS's Division of State Purchasing.

³ An RFQ is an oral or written request for written pricing or services information from an STC vendor for commodities or contractual services available on an STC from that vendor.

To date, BSSO has awarded three contracts using the RFQ process to procure IT services as detailed below:

Project Area 2 Vendors Awarded Contracts Since Inception of BSSO's RFQ Process				
Request for Quote	RFQ Release Date	Project Description	Awarded Vendor	Project Amount
1. Technology Request System (TRS)	2/1/2013	Rewrite of existing Information Resource Request system	Computer Training and Consulting	\$115,000
2. Single Audit Application (SAA)	3/4/2013	Rewrite to replace existing application	Alltech Consulting, Inc. (Alltech)	\$80,000
3. Approved Product List (APL)	8/9/2013	Consolidation of two similar programs into one (Qualified Products List and Approved Product List)	Alltech Consulting, Inc. (Alltech)	\$160,000 *In process of development with implementation date of 4/1/2014

RESULTS OF REVIEW

The purpose of this engagement was to review BSSO's process of using RFQs to procure outsourced IT services for Project Area 2. The objectives were **to determine whether BSSO's procurement practices are:**

- 1. in compliance with all applicable laws, regulations and department policies and procedures;**
- 2. fair, transparent and unbiased, and do not limit competition; and**
- 3. efficient and effective, integrating industry best practices.**

1. Compliance with Laws and Regulations

We determined **BSSO is in full compliance with all applicable laws, regulations and department policies and procedures in the execution of its RFQ process.** The authority for the purchase of goods and services is delegated to state agencies by DMS providing agencies comply with Chapter 287, F.S. Subsection 287.057(3) (b), F.S., and Rule 60A-1.002, F.A.C., require state agencies to acquire commodities and contractual services in excess of Category Two⁴ by competitive sealed bids, request for proposals or competitive negotiations, unless specifically exempted. Purchases⁵ exempted from competitive solicitation requirements include emergency (legislatively mandated), RESPECT⁶, PRIDE⁷ or STC purchases. Agencies are statutorily mandated to purchase commodities and contractual services from an STC if the procurement need cannot be met with an emergency, RESPECT or PRIDE contract. If multiple vendors are on the STC, the agency may issue RFQs to select the contractor providing the best value. Procurement Office management informed us there are no compulsory statutory requirements associated with the RFQ process. The RFQ process is referenced in Section 287.056(2), F.S., as follows:

Agencies and eligible users may use a request for quote to obtain written pricing or services information from a state term contract vendor for commodities or contractual services available on state term contract from that vendor. 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).

Furthermore, Rule 60A-1.043(2), F.A.C. states "If at least two vendors are on the term contract and can provide the commodities or contractual services the agency seeks, the

⁴ Threshold amount for Category Two: \$35,000

⁵ Mandatory exceptional purchases

⁶ Rehabilitative Enterprises, Services and Products Program for the blind and severely handicapped

⁷ Prison Rehabilitative Industries and Diversified Enterprises correctional work program

agency should solicit at least two (2) quotes, unless (i) the purchase is less than Category One, or (ii) the term contract specifically contains other RFQ requirements.” The STC for IT Consulting Services does require the agency to solicit a minimum of three quotes among contract vendors of its choice for purchases between \$15,000 and \$2,000,000. The rule adds the agency should base its contract decision on the vendor that offers the best value.

Procurement Office guidance does not obligate the department to follow a formal, prescribed quotes process. The department’s RFQ process is described as an informal and unstandardized activity that can be executed over the phone or electronically. Procurement does not require the use of an established RFQ format and customization is left to the discretion of the contracting entity. Department procedure defines processes which supplement law and rule that must be followed by departmental units when contracting for commodities and/or contractual services. According to the *Commodities and Contractual Services Procurement Manual No. 375-040-020*⁸:

Requesters may use a Request for Quotes (RFQ) with the DMS state term contract vendor(s) to obtain written pricing or services information for commodities or contractual services available on DMS state term contract...For DMS state term contracts that have multiple vendors, the RFQ is a tool to provide a current, competitive price and at least two (2) quotes should be solicited unless the term contract specifically contains other RFQ requirements. If less than two (2) quotes are solicited, the requester shall include justification to document the procurement file accordingly.

BSSO has taken actions that are above and beyond what is required by law, rule and departmental procedure. For example, BSSO solicits 22 STC vendors for each new RFQ, far surpassing the minimum three vendors as required in the state contract.

2. Fairness and Transparency

We determined **BSSO has established a fair and transparent RFQ process through their design of appropriate controls to safeguard against potential conflicts of interest.** According to Deloitte Consulting, one red flag indicator of pre-procurement fraud involving conflicts of interest is the use of statements of work or specifications developed by, or in consultation with, a vendor who will be permitted to bid.⁹ BSSO has a large proportion of staff augmentation employees who work for vendors who bid on projects. Of the 81 persons working in BSSO, 59.3% are staff augmentation employees.¹⁰ BSSO precludes staff augmentation employees who work for vendors

⁸ Chapter 5.5.3

⁹ Article: *Procurement Fraud and Corruption, A Multi-faceted Challenge*, June 2012.

¹⁰ The remaining 40.7% of BSSO employees are either Career Service, Select Exempt Service or Volunteer/Student Intern personnel.

who bid on projects from participating in the creation, development and evaluation of RFQs. Having appropriate controls in place helps ensure staff augmentation personnel do not have the opportunity to influence vendor selection and impact the integrity of BSSO's procurement process.

BSSO has incorporated the following important safeguards to help ensure its RFQ process is fair, transparent and invulnerable to any actual or perceived conflicts of interest:

- The BSSO Rules (Attachment C) are disseminated to any vendors who have staff augmentation personnel working at BSSO and who qualify under Project Area 2. These rules outline the obligations and responsibilities of consultant firms representing the department and underscore the importance that firms be free of conflicting professional or personal interests that could make it difficult to discharge their contractual obligations impartially.
- Vendors who have staff augmentation employees who are directly involved in the creation of the RFQ package¹¹ and are core to RFQ development are not invited by BSSO to bid on the project.
- For future outsourced IT projects, if a vendor has a staff augmentation employee working for BSSO who is assigned to write an RFQ, BSSO will exclude that vendor from receiving an RFQ and bidding on the project. The employee most involved in RFQ development is the RFQ writer. BSSO did not assign a staff augmentation employee to author its first three RFQs; the early RFQs were authored by either Select Exempt Service or Career Service employees.
- BSSO provides full disclosure of the evaluation and scoring criteria in the solicitation documents provided to qualifying vendors.
- Staff augmentation personnel employed by one of the 22 vendors solicited are not permitted to participate in the scoring process or any other aspect of vendor selection.
- The BSSO Contract Manager assigns a team of approximately five BSSO employees or subject matter experts to evaluate the proposals submitted by the vendor(s). Each reviewer rates each vendor on areas including cost, schedule, project plan and deliverables. The scores of the evaluation team are locked down to prevent altering of the vendor scores from anyone, including the Contract Manager. For the first three RFQs, the BSSO Contract Manager was part of the evaluation team; however, he has since removed himself from

¹¹ The RFQ Package includes Initial PEG (Project Estimating Group) Estimate, Project Charter, Project Plan, System Requirements, Software Requirements Specifications, Conceptual Data Model, Requirements Traceability Matrix and Initial Integration Plan (from BSSO Rules).

participation in the evaluation process due to his frequent communication with vendors.

- Final vendor selection is limited to the BSSO Manager and the BSSO Contract Manager.
- Per the “BSSO Rules,” even after a project has been awarded, BSSO will not assign a resource to participate in a project that will create a conflict of interest.
- Following the release of an RFQ to vendors, the BSSO Contract Manager publicizes responses to questions to all solicited vendors, regardless of whether they submitted inquiries or not.
- The BSSO Outsourcing SharePoint site established for outsourced projects is locked down only to authorized individuals until vendor selection is known. The RFQs are accessible only by the employees assigned to their development.

To test BSSO’s controls, we assessed whether any staff augmentation personnel had any significant involvement in the design of an RFQ that was ultimately awarded to their vendor. We reviewed the names, job titles, job classification (Staff Augmentation or Select Exempt Service/Career Service) as well as the roles of all BSSO employees who were involved in developing the first three RFQs issued to date (TRS, SAA and APL).

A total of 17 BSSO employees had roles in developing the first three RFQs. Ten of these employees were Career Service or Select Exempt Service personnel. The remaining seven employees were staff augmentation employees from three different vendors among the 22 solicited from Project Area 2. Five of the seven staff augmentation employees were from Alltech, one from Montalbano & Associates, Inc. and one from Computer Training & Consulting (Attachment D: Staff Augmentation Personnel and Roles in RFQ Development). However, all seven staff augmentation employees were members of BSSO’s Technical Architecture Team, also known as the FDOT Enterprise Library, or FEL Team.¹² The FEL Team is involved in developing reusable application components, and ensuring application development efforts will work within BSSO’s environment. These architects integrate projects technically into the department and have no direct involvement in developing RFQs. According to BSSO management no architect is ever assigned to write any part of an RFQ; these employees serve strictly in an advisory capacity, providing technical direction only.

While the two most recent quotes were awarded to Alltech, we determined no staff augmentation personnel from Alltech participated in the development of the RFQ in any way that could afford Alltech an unfair advantage. **BSSO has instituted appropriate measures to mitigate against the risk that any one vendor has an unfair advantage in the award of a quote, and the risk that staff augmentation employees who work for BSSO can unduly influence vendor selection.**

¹² The FEL Team consists primarily of staff augmentation employees.

3. Efficiency and Effectiveness

We determined **BSSO's procurement practices are efficient and effective, enabling them to obtain high quality services for the best value.** To assess the efficiency of BSSO's procurement process for IT services in Project Area 2, we mapped BSSO's RFQ process to provide a graphical representation of the work processes (Attachment E: RFQ Process Map). The timeline for the most recent APL RFQ was about four weeks from RFQ issuance to the announcement of the selected vendor. Our mapping identified no process inefficiencies or duplication of effort. We determined only properly authorized individuals were assigned to different functions of RFQ development.

We determined **BSSO has established sound procurement practices and incorporated industry best practices to ensure only the most qualified vendors are chosen to deliver IT services.** In addition to the best practices DMS has already built into the STC for IT Consulting Services, BSSO has integrated additional industry best practices to enhance the efficiency and effectiveness of its RFQ process.

Best Practices

Use of a State Term Contract

One such best practice is that **BSSO personnel have taken advantage of efficiencies and capabilities resulting from their use of the STC.** BSSO requests quotes only from vendors listed on the STC for IT Consulting Services in which contractors have been pre-qualified through a rigorous competitive solicitation process. BSSO's use of a state contract streamlines the procurement process, saving time and reducing their administrative burden because the process of competitive solicitation and contract management has already been performed by DMS.¹³ Moreover, BSSO's use of an RFQ allows for even greater refinement and competition on price and service. In an article published by the National Association of State Procurement Officials, "Every government procurement practice must therefore have two co-equal objectives: seizing the power of free markets to generate the best prices, and ensuring the fairness and impartiality of the procurement process."¹⁴ BSSO's competitive environment helps ensure the department can obtain higher quality services at lower prices than in the absence of competition.

Detailed Requirement Specification Documents

Another industry best practice is **the establishment of a clearly written STC and RFQ. BSSO has developed detailed requirement specification documents.** Well-

¹³ Florida DMS State Purchasing Guidebook to Public Procurement, Version 2013.2, p. 32

¹⁴ Article: *The Importance of Competition to the Public Procurement Process*

developed requirement specification documents with a high level of detail help ensure the contracting entity secures the best possible responses from vendors. The Institute of Internal Auditors highlights a report on outsourcing issued by the Basel Committee¹⁵ which states, “Outsourcing arrangements should be governed by a clearly written contract...A written contract is an important management tool and appropriate contractual provisions can reduce the risk of non-performance or disagreements regarding the scope, nature and quality of the service to be provided.” Furthermore, an article in the Global Technology Audit Guide titled *Information Technology Outsourcing*¹⁶ states the absence of a well-drafted agreement could lead to situations in which the client might be unable to fall back on a legally binding document to ensure compliance by the vendor to intended contractual terms.

Although BSSO’s core RFQ template continues to evolve with experience gained from each new project, **BSSO has developed a very comprehensive RFQ that provides considerable detail regarding all aspects of the outsourcing arrangement, including the expectations and responsibilities of all parties.** According to Procurement’s Commodities and Contractual Services Administrator, “BSSO has the most formalized RFQ process in the agency [with RFQs that] are very detailed and more defensible than most.” Each RFQ includes the Project Background, Scope of Work, Technical Requirements, General Requirements, Deliverables and Milestones, Vendor Qualifications, RFQ Timeline, Quote Submittal and Quote Evaluation Criteria.

Disclosure of Quote Evaluation Criteria with the RFQ

By extension, a third industry best practice observed by BSSO is **the disclosure of detailed quote evaluation criteria to vendors upon issuance of the RFQ.** For the first three RFQs, BSSO did not release the scoring sheet to vendors with the RFQ; however, BSSO has since decided to send out the scoring criteria so vendors know how they will be rated up front. According to the World Information Technology and Services Alliance in an article titled *Best Practices in Government IT Procurement*¹⁷:

The importance of detailed evaluation criteria cannot be over-emphasized. It is through this mechanism that [customers] can insure they can select the ‘best-value’ bidder rather than the ‘low cost’ bidder... [Failure to publish detailed criteria] may lead to the selection of a bidder that was simply better at guessing rather than the one with the best solution...Publishing detailed evaluation criteria, following it meticulously and debriefing bidders thoroughly after award is perhaps the most effective means of avoiding protests. When bidders understand why they lost (and hence why the successful bidder won), and believe the decision

¹⁵ Basel Committee on Banking Supervision, *Outsourcing in Financial Services*, p. 22

¹⁶ Global Technology Audit Guide, *Information Technology Outsourcing*, p. 6

¹⁷ World Information Technology and Services Alliance, *Best Practices in Government IT Procurement*, p. 19

was made fairly in accordance with the evaluation criteria, the principle reasons for protest are neutralized.

Well-developed Scoring Mechanism

Finally, BSSO appears to have **an effective scoring system in place to evaluate vendor proposals**. The BSSO Contract Manager reviews all submitted quotes to ensure minimum standards are met, and quotes that do not pass are immediately disqualified from further consideration. Following this preliminary review, the Contract Manager develops a scoring spreadsheet used by approximately five reviewers to independently evaluate and score each quote. The BSSO Manager and Contract Manager are not involved in the scoring process. The scores are calculated using formulas, and the decision on who is awarded the quote is based primarily on the aggregate of those scores as determined by the evaluation team. However, should a narrow margin result, the competing finalists may be asked to give a presentation to the evaluation team. Final vendor selection is limited to the BSSO Manager and Contract Manager.

BSSO's RFQ scoring system is comprised of seven evaluation criteria of various weights that include price quote/cost, deliverables, project plan, quote presentation, project schedule, warranty and value added. Currently, the weights for price quote/cost and deliverables are 25.7% and 22.8% of the total score, respectively. According to Procurement, BSSO's scoring measures closely mirror the department's evaluation and scoring criteria for more formal competitive bid processes which place equal importance on the financial and technical components of a proposal. Procurement added there is no problem with BSSO's established weights and the relative importance of the criteria established through weighting is a "judgment call"; ultimately, the department is seeking the best value.

Recommendations

BSSO has established practices for procuring IT consulting services that meet and exceed Procurement expectations. Moreover, BSSO has also conducted a "lessons learned" exercise to document possible improvements to the RFQ process going forward. To further enhance BSSO's RFQ process, we offer a few recommendations for management consideration. These recommendations apply to future projects since BSSO has only fully implemented two RFQs to date. We recommend BSSO:

- Review the list of solicited vendors on an annual basis to determine if the pool should be expanded or reduced. Currently, only 22 of the 213 (or 10.33%) Project Area 2 vendors are solicited for each new RFQ. When we questioned the BSSO Contract Manager regarding how often the list is reviewed, he responded "outsourcing has only experienced three RFQs to date [which] do not give enough history to justify modifying or analyzing the performance of the vendors on the list yet."

- Rotate qualified vendors for forthcoming projects. Although many government agencies prefer to deal with incumbent contractors because they represent known quantities with whom they have established good relationships, periodic changes in vendors can be beneficial, limiting opportunities for employees to enter into collusive agreements with regular suppliers.¹⁸

- Debrief unsuccessful bidders to avoid potential disputes and protests. Although RFQs are not subject to protest pursuant to Section 287.056(2), F.S., debriefing is an important activity that can result in several favorable outcomes. According to Sara Cullen, author of *The Contract Scorecard: Successful Outsourcing by Design*, “Debriefing bidders...is often treated as an optional process, and one to be avoided because it often uncomfortable. However, done well with the right intent, it is a valuable exercise for all bidders (unsuccessful and successful), and can create support for your future opportunities. All bidders spend what are often considerable amounts in both money and opportunity cost, so losing a bid can generate a certain amount of negativity towards your organization.” Efforts to communicate with unsuccessful bidders, inform them of their strengths and weaknesses and why their bid was not deemed the most attractive, serve to educate vendors on how their quotes may be improved for future projects. Most importantly, debriefings demonstrate to vendors that the outsourcing process is fair, open and transparent.¹⁹

¹⁸ Congressional Research Service, *Competition in Federal Contracting*, p. 6

¹⁹ Article: *Notification to Unsuccessful Bidders* by Soheila Lunney, Lunney Advisory Group

APPENDIX A – Purpose, Scope and Methodology

The **purpose** of this engagement was to review BSSO's RFQ process for the procurement of IT consulting services in Project Area 2. Our objectives were **to determine whether BSSO's quotes process is in full compliance with all applicable laws, regulations and department policies and procedures; fair, transparent and unbiased, and does not limit competition; and is as efficient and effective as possible.**

The **scope** of the advisory included a review of BSSO's entire quotes process from RFQ creation and development to final acceptance and implementation for Project Area 2. Specifically, we reviewed the process for all RFQs issued since inception in February 2013.

The **methodology** included the following:

- Identification and interview of key managers directly involved in the RFQ process;
- Interview and communication with management in the department's Procurement Office, as well as key staff at DMS;
- Development of a process map used to diagram the workflow of the RFQ process;
- Analysis of employee data related to roles and responsibilities in developing RFQs; and
- Survey of industry best practices to identify benchmarks and ways to enhance BSSO's existing RFQ process.

APPENDIX B – BSSO Management Response

The following response was received from April Blackburn, Manager, Business Systems Support Office on April 17, 2014: “Thank you so much for your team’s work on this effort. We really appreciate the feedback and report.”

ATTACHMENT A – Quotation Requirements

Quotation Requirements for Projects	
\$0 - \$14,999	Agency adheres to internal policies and procedures.
\$15,000 - \$2,000,000	Agency <u>solicits</u> at least 3 quotes among Contract Vendors of its choice.
\$2,000,001 - \$5,000,000	Agency selects BEST RESPONSE to Statement of Work issued to at least 10 Contract Vendors of its choice.
\$5,000,001 - \$10,000,000	Agency selects BEST PROPOSAL submitted upon notification of ALL Contract Vendors within the appropriate Project Area(s).
Over \$10,000,000	RFP or ITN to Open Market not via this State Term Contract.

ATTACHMENT B – STC Vendors and Staff Augmentation Data

PROJECT AREA 4: Vendors Under STC for Project Area 4 To Whom BSSD Currently Submits RFDs	PROJECT AREA 2: Vendors Under STC for Project Area 2 To Whom BSSD Currently Submits RFDs for Outsourced IT Projects	NON-PARTICIPATING VENDORS-- Either Not Under State Contract in Project Area 2 or Requested Exclusion for RFDs for this Work	VENDORS WITH STAFF AUG PERSONNEL EMPLOYED BY BSSD *12 Total Vendors with 65 Staff Aug Employees at BSSD
*31 Total	*22 Total	*9 Total	
3K Technologies	3K Technologies		AllTech
AllTech	AllTech		ArrArmy, Inc.
ArrArmy, Inc.	ArrArmy, Inc.		
Brandt Information Services, Inc.	Brandt Information Services, Inc.		
Business Information Technology Solutions.com, Inc. d/b/a ABTSolutions		Business Information Technology Solutions.com, Inc. d/b/a ABTSolutions	
CNC Consulting	CNC Consulting		
Computer Aid, (CAI)	Computer Aid, (CAI)		Computer Aid, (CAI)
Computer Training and Consulting (CTC)	Computer Training and Consulting (CTC)		Computer Training and Consulting (CTC)
Coolsoft Technology	Coolsoft Technology		
Five Points	Five Points		Five Points
Focused HR Solutions		Focused HR Solutions	
Global Information Services	Global Information Services		
IBM	IBM		
ICS	ICS		
Integrated Computer Solutions, Inc	Integrated Computer Solutions, Inc		
Imager Software, Inc GDISC	Imager Software, Inc GDISC		Imager Software, Inc GDISC
Integrsource		Integrsource	Integrsource
ISF - Information Systems of Florida, Inc.	ISF - Information Systems of Florida, Inc.		
KYRA InfoTech	KYRA InfoTech		
Modis (MPS Group) - ADD Staffing	Modis (MPS Group) - ADD Staffing		Modis (MPS Group) - ADD Staffing
Montalbano and Associates		Montalbano and Associates	Montalbano and Associates
SANROSE Information Services, Inc	SANROSE Information Services, Inc		
Seva Technologies	Seva Technologies		
SGS Technologies LLC	SGS Technologies LLC		
SMK Technologies		SMK Technologies	
Sogel, USA	Sogel, USA		
TAL Search Group	TAL Search Group		TAL Search Group
Technisource/ Randstad Technologies	Technisource/ Randstad Technologies		
Threshold Placement		Threshold Placement	
Vcarve		Vcarve	
Visium Resources, Inc		Visium Resources, Inc	Visium Resources, Inc
Wlaver and Associates		Wlaver and Associates	Wlaver and Associates

ATTACHMENT C – BSSO Rules

The content on the following two pages was provided by BSSO and outlines the responsibilities of vendors and their obligation to be free of conflicts of interest.

BSSO Rules

It is the intent of the Business Systems Support Office (BSSO) within the Office of Information Systems (OIS) at the Florida Department of Transportation (FDOT) to procure contracts in a fair, open, and competitive manner.

- BSSO plans to pursue Requests for Quotes from Project Area 2 Development and Integration of the State Contract for projects covering: Design-Construction-Implementation, Maintenance, Enhancements, Hosted Applications, Hosted Services, etc.
- BSSO plans to continue to resource internally (Project Area 4 – Staff Augmentation and Career Service) projects and activities covering: Initialization-Planning-Requirements, Studies, Enterprise architecture, Enterprise infrastructure, Enterprise data, Portfolio Management, the review of all project deliverables and milestones, contract management, policies, and standards.

Consultant firms representing the FDOT must be free of conflicting professional or personal interests. Such competing interests could potentially make it difficult for consultant firms to discharge their contractual obligations impartially. A conflict of interest can create the appearance of impropriety, even where none exists, that can undermine confidence in the BSSO's contracting program. In order to prevent potential conflicts, the following will be adhered to when contracting for professional services for FDOT. It is the responsibility of the consultant firm to recuse itself from submitting quotes for a project if a conflict of interest exists. Subconsultants are responsible for disclosing potential conflicts of interest to the prime consultant firm, and recusing themselves accordingly where conflicts exist. An undisclosed, later discovered conflict of interest may cause a quote to be considered non-responsive.

Security and Confidentiality (IT Consulting state term contract 973-561-10-1)

The Contractor shall comply fully with all security procedures of the United States, State of Florida and Customer in performance of the Contract. The Contractor shall not divulge to third parties any confidential information obtained by the Contractor or its agents, distributors, resellers, subcontractors, officers or employees in the course of performing Contract work, including, but not limited to, security procedures, business operations information, or commercial proprietary information in the possession of the State or Customer. The Contractor shall not be required to keep confidential information or material that is publicly available through no fault of the Contractor, material that the Contractor developed independently without relying on the State's or Customer's confidential information, or material that is otherwise obtainable under State law as a public record. To insure confidentiality, the Contractor shall take appropriate steps as to its personnel, agents, and subcontractors. The warranties of this paragraph shall survive the Contract.

1. If your company has staff augmentation personnel at FDOT who participate in the creation of a project's RFQ package*, your company cannot pursue the contract for that project.
2. If your company has staff augmentation personnel at FDOT who participate in the BSSO Project Estimating Group (PEG) your company cannot pursue any FDOT contract for a project that has gone through the BSSO PEG process.
3. If your company wins a FDOT contract, your company cannot have any staff augmentation personnel serving in a BSSO review role on the Project. These roles may include, but not be limited to: Quality Control, Code Reviewer, SQL Reviewer, and/or Webmaster.
4. You may not, at any time, have BSSO staff augmentation personnel who oversee or manage FDOT contracts that your company has been awarded.

*Project RFQ package will include the following documentation (see RACI chart below):

- Initial PEG – Estimate
- Project Charter
- Project Plan
- System Requirements
- Software Requirements Specifications
- Conceptual Data Model
- Requirements Traceability Matrix
- Initial Integration Plan

Deliverable/Milestone	Project Manager	Business Analyst	Technical Architect	Quality Control	Data Analyst	Developer	DBA	Information Security	Program Manager	Functional Coordinator	Project Sponsor	Portfolio Manager	Executive Sponsor	BSSO App Maintenance Manager
Planning Stage														
Project Charter	R							A	S	S	S			
Project Plan	R							A/S	S	I	I			
Project Plan Review	C		R					A			I			
Project Sharepoint Site	R	C						A	I	I	I	I		
REQUIREMENT PHASE DELIVERABLES														
System Requirements	A	R		C		I		S	S	C	I			
Software Requirements Specifications	A	R		C		I		S	S	C	I			
Conceptual Data Model	C	A		R		I		I	C					
Requirements Traceability Matrix	A	R		I				I	I					
Initial Integration Plan (Requirement Reviews)	A	R		I		I		C						
Requirements Review	C		R	I				A						
Requirements Review Issues Resolved	A	R		C				C	I					
Project Mgmt Deliverables	R	C		C				A	I	I	I			
*Requirements Phase Signoff	R	C		C		I		S	S	I	I	I		
Legend														
R	Responsible	Does the work												
A	Accountable	Ensures the deliverables/milestone is completed and acceptable												
C	Consulted	Used in the process of completing the work or must be notified/consulted about the deliverable/milestone												
I	Informed	Informed about the deliverable/milestone												
S	Signature Sought	Must sign off on deliverable/milestone												
Deliverable/Milestone Titles														
Left Justified CAPS - PHASE OR MILESTONE														
Centered - Deliverable														
Right Justified - Sub Deliverable														
*Centered - Milestone														

BSSO Commitments

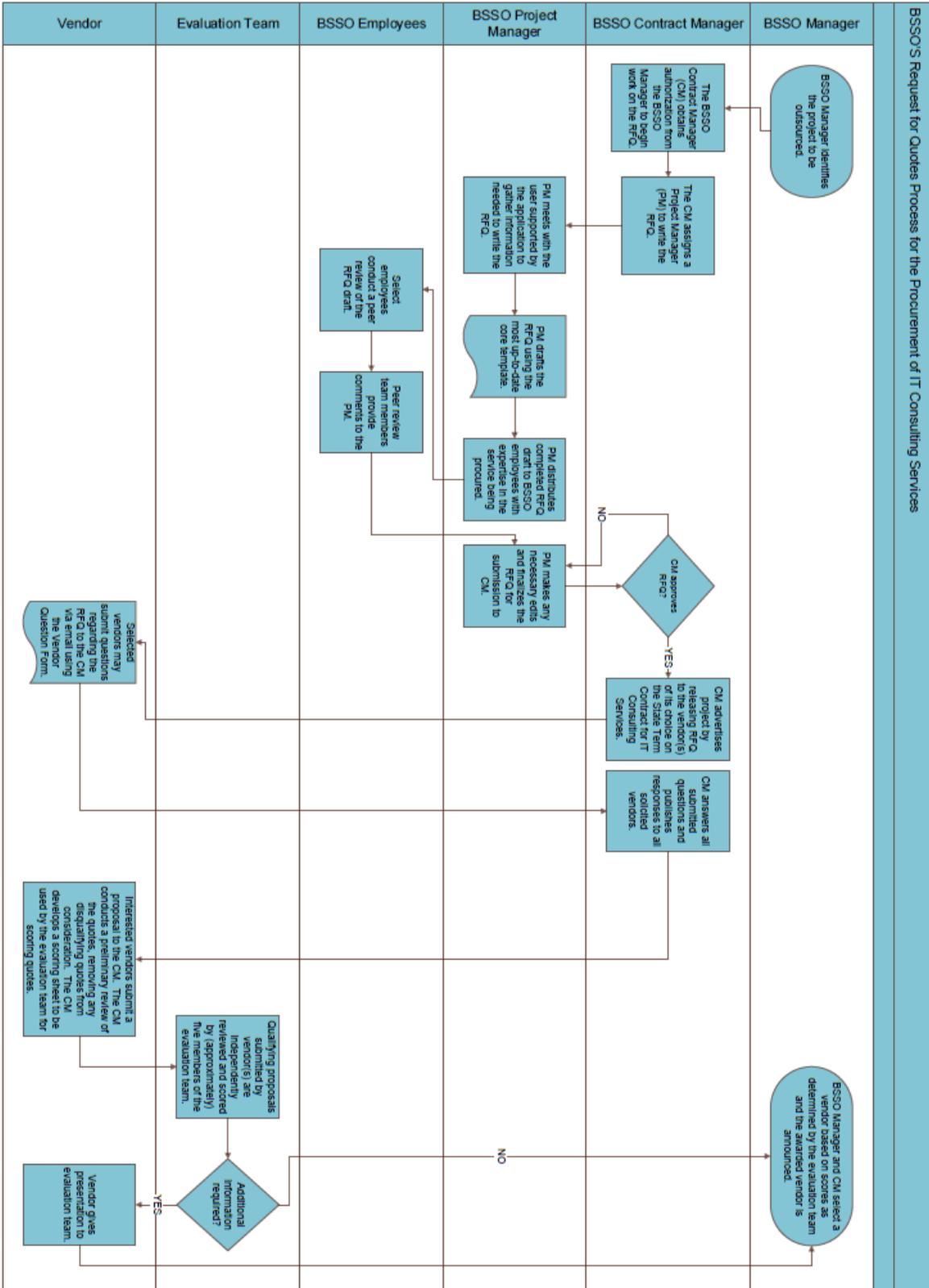
Once a project has been awarded, BSSO will not assign a resource to participate in the project that will create a conflict of interest.

It is BSSO's intent to use our human resources in the most effective and efficient manner, regardless of whether they are career service or staff augmentation.

ATTACHMENT D – Staff Augmentation Personnel and Roles in RFQ Development

No.	Employee Classification	Vendor (Staff Augmentation Employees)	Role in RFQ Development	RFQ Developed
1	Career Service		RFQ Writer/Analyst, Project Manager, Business Analyst	TRS, APL
2	Select Exempt Service		RFQ Writer/Analyst, BSSO Contract Manager, BSSO Project Manager	TRS, SAA, APL
3	Career Service		BSSO Data Analyst	TRS, SAA
4	Career Service		DBAT *Recently left the department	TRS, SAA
5	Select Exempt Service		Information Security Manager	TRS, SAA, APL
6	Career Service		BSSO Project Manager	APL
7	Career Service		BSSO Data Analyst	APL
8	Career Service		DBAT	APL
9	Career Service		FEL Team - Technical Architect	All
10	Select Exempt Service		FEL Team - Technical Architect	All
11	Staff Augmentation	Montalbano & Associates, Inc.	FEL Team - Technical Architect	TRS
12	Staff Augmentation	Alltech Consulting, Inc.	FEL Team - Technical Architect	All
13	Staff Augmentation	Computer Training & Consulting	FEL Team - Technical Architect	All
14	Staff Augmentation	Alltech Consulting, Inc.	FEL Team - Technical Architect	APL
15	Staff Augmentation	Alltech Consulting, Inc.	FEL Team - Technical Architect	All
16	Staff Augmentation	Alltech Consulting, Inc.	FEL Team - Technical Architect	TRS, APL
17	Staff Augmentation	Alltech Consulting, Inc.	FEL Team - Technical Architect	All

ATTACHMENT E – RFQ Process Map



DISTRIBUTION, PROJECT TEAM AND STATEMENT OF ACCORDANCE

Action Official Distribution:

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Information Distribution:

Ananth Prasad, Secretary, Florida Department of Transportation
Brian Peters, Asst. Secretary, Finance & Administration
April Blackburn, Manager, Business Systems Support Office

Project Team:

Engagement was conducted by Vanessa Spaulding, Auditor
Under the supervision of:

Susan O'Connell, Audit Manager; and
Kristofer B. Sullivan, Director of Audit

Approved by: Robert E. Clift, Inspector General

Statement of Accordance

*The mission of the department is
to provide a safe transportation system that ensures the mobility of people and goods,
enhances economic prosperity, and preserves the quality of our environment and communities.*

*The mission of the Office of Inspector General is
to promote integrity, accountability and process improvement in the Department of
Transportation by providing objective fact-based assessments to the DOT team.*

This work product was prepared pursuant to Section 20.055, Florida Statutes, in accordance with the applicable Principles and Standards for Offices of Inspectors General as published by the Association of Inspectors General and the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors.

This report is intended for the use of the agency to which it was disseminated and may contain information that is exempt from disclosure under applicable law. Do not release without prior coordination with the Office of Inspector General.

Please address inquiries regarding this report to the department's Office of Inspector General at (850) 410-5800.