

**2008 Innovations Awards Program**  
**APPLICATION**

CSG reserves the right to use or publish in other CSG products and services the information provided in this Innovations Awards Program Application. If your agency objects to this policy, please advise us in a separate attachment to your program's application.

ID # (assigned by CSG): 08-S-16FL

**Please provide the following information, adding space as necessary:**

State:   FL  

- **Assign Program Category (applicant):**   Business/Commerce   (Use list at end of application)
  
- 1. Program Name** – MyFloridaMarketPlace
  
- 2. Administering Agency** – Florida Department of Management Services
  
- 3. Contact Person (Name and Title)** – Mr. Walter L. Bikowitz, Jr., Chief of State Purchasing Operations
  
- 4. Address** - 4050 Esplanade Way, Tallahassee, FL 32399
  
- 5. Telephone Number** - (850) 488-7809 or (850) 274-1370 (Blackberry)
  
- 6. FAX Number** - (850) 414-6122
  
- 7. E-mail Address** - [walt.bikowitz@dms.myflorida.com](mailto:walt.bikowitz@dms.myflorida.com)
  
- 8. Web site Address** – <http://MyFloridaMarketPlace.com>
  
- 9. Please provide a two-sentence description of the program.**

MyFloridaMarketPlace, a partnership between the Florida Department of Management Services (DMS) and Accenture, is the most sophisticated and far-reaching State e-procurement program in the nation. MyFloridaMarketPlace is transforming how the State of Florida purchases goods and services annually.

- 10. How long has this program been operational (month and year)? Note: the program must be between 9 months and 5 years old on March 1, 2008 to be considered. –**

Vendors started registering in March 2003 and in July 2003 MyFloridaMarketPlace opened to state buyers.

- 11. Why was the program created? What problem[s] or issue[s] was it designed to address?**

Prior to the creation of MyFloridaMarketPlace, State agencies used a mix of electronic and manual paper purchasing processes for day-to-day purchases, bidding of contracts and

payments. Purchase orders were done through an antiquated State PURchasing System (SPURS). While SPURS enabled the electronic creation of purchase orders and posting of bids on an electronic bulleting board, it did not do the following:

- Enable electronic requisitioning
- Enable electronic workflow and approval processing
- Enable electronic purchase order notification to vendors
- Enable the requisition and purchase order processes to automatically encumber funds at the same time. With SPURS, agencies had to do duplicative data entry for purchase orders and the same data entry into the Florida Accounting Information Resource Subsystem (FLAIR) to enable encumbrance of funds for payment
- Enable vendors to invoice electronically
- Enable electronic payments to vendors

Similarly, for bidding of contracts, vendors had to print out bids and respond manually. The MyFloridaMarketPlace sourcing tool enables a complete electronic solicitation process and further enables electronic tabulation and ranking of bids based upon pre-programmed formulas. For example, a complex bid with several hundred line items might take upwards of four weeks to manually tabulate and rank the bids. The sourcing tool, with perhaps a day or two invested in creating the ranking formula, would enable the bids to be opened electronically at a specified date and time and would proceed to tabulate and rank all bids within a matter of minutes of the bid opening.

Finally, prior to MyFloridaMarketPlace, the manual processes did not permit the state to fully understand its spend. Spend data was available in FLAIR only at a transactional level with very limited reporting functionality.

MyFloridaMarketPlace fully automated all of the above mentioned processes and many more. An example of an added functionality MFMP provides not already mentioned included punching out from a contract to a contract catalog that, based upon a simple method of procurement code, entirely pre-populates the requisition and purchase order data.

Some of the problems solved and accomplishments made through MyFloridaMarketPlace include but are not limited to:

- Saved over \$76M from November 2004 through December 2007 on six renegotiated statewide contracts (Office Supplies, Material Repair Operational Supplies, Police Officer Equipment, Medical & Dental Supplies, Lawn Services, Police Officer Uniforms)
- Improved accountability for the expenditure of State funds (online history of approvals for every purchase order and invoice)
- Better insight into the State's purchasing patterns overall, providing a foundation for decision-makers to fully leverage the State's buying power and negotiate better contracts for goods and services
- Supported the 2007 Governor's Executive Order (EO 07-126) to encourage the purchase of Environmentally Preferred Products by adopting "green" product standards, identifying 480 "green" products, and updating MFMP to flag these products in the online catalogs to encourage agency "green" purchasing

- Vendor Performance Tracking (VPT) is a monitoring tool to rate vendor performance on a per transaction level. A VPT survey is automatically generated and electronically distributed after completed transactions. The results are shared with vendors, state agencies, and the public.
- The adoption of the quarterly Agency Benchmarking Activity (ABA) enables agency-to-agency productivity comparisons to support focused program activities and identify processes for improvement.
- Improved reports to assist in the maintenance of user accounts, shipping and billing addresses, tracking orders, and reconciling invoices received for purchase orders. The data contained within these reports are updated daily, weekly, bimonthly and monthly.

## **12 Describe the specific activities and operations of the program in chronological order.**

The eProcurement program was divided into four major phases:

1. Mobilization Phase
  - Organization of state and service provider teams
  - Establishment of Project Management Office and operating procedures
2. Development Phase
  - Launching of vendor registration and state procurement portal
3. Deployment Phase
  - Onboarding of pilot users
  - Onboarding of remaining initial users
4. Operations Phase - ongoing for remainder of contract

## **13 Why is the program a new and creative approach or method?**

The creative and efficiency-enhancing way MyFloridaMarketPlace automates and simplifies government purchasing is evident with the reformed contracting process.

MyFloridaMarketPlace consolidates existing cross-agency state term contracts into a single centralized database that uses a fast and comprehensive search engine into which buyers can enter a keyword search term to locate the needed product. Search results include vendor information, a link to the actual contract and pricing.

MyFloridaMarketPlace follows a structured approach to developing state term contracts that result in lower total costs for Florida. The MyFloridaMarketPlace program allows reverse auctions for companies to bid and re-bid with lower and lower offers. The first reverse auction included 11 vendors who submitted 232 bids during a two-hour period, resulting in a 32% savings for Florida from the previous Office Consumables state term contract. That contract has saved the State of Florida \$76M from November 2004 through December 2007 on six renegotiated statewide contracts (Office Supplies, Material Repair Operational Supplies, Police Officer Equipment, Medical and Dental Supplies, Lawn Services, and Police Officer Uniforms)

The program reduces costs of goods and services because it provides the state opportunities to leverage its significant buying power by enabling Florida to act as a single entity during contract and purchasing negotiations. It also reduces overhead and process costs by helping to eliminate overhead costs on such items as paper, printing, supplies, postage, mail, and delivery services.

In addition, MyFloridaMarketPlace reduced average requisition-to-purchase order cycle time by approximately 33 percent since project inception and reduced average invoice-to-check cycle time by approximately eight percent since project inception

MyFloridaMarketPlace also helps State agencies meet legislated contracting goals by flagging and reporting on green products, recycled goods, and certified minority vendors. Using these indicators, the state's buyers can ensure they are offering opportunities to environmentally friendly and historically underutilized businesses.

As a buyer, the program is a one-stop shop for accessing on-line catalogs and information about vendors who provide goods and services to the state. With MyFloridaMarketPlace, agencies have a central database for all purchasing data. This helps enable quicker, more thorough responses to inquiries, provide data for analytical purposes and future negotiations, and information for generating agency-wide reporting. Additional benefits include:

- **More Choice:** MyFloridaMarketPlace provides online access to registered vendors and their products/services. Additionally, agencies have online access to procurement vehicles such as State Term Contracts, quoting, and sourcing.
- **Reduction in paperwork:** Online requisitions, purchase orders, and quoting/sourcing capability are just a few tools buyers have access to complete procurement activities. Additionally, MyFloridaMarketPlace provides automated workflow and online approvals for streamlined processing.
- **Faster order processing time:** By automating the transactions, contracts, approvals, etc., the time from requisition-to-payment is reduced.
- **Reduction in the cost of goods and services:** MyFloridaMarketPlace provides the state the opportunity to leverage its significant buying power by enabling Florida to act as a single entity during contract and purchasing negotiations.
- **Reduced overhead and processing costs:** In addition to more accurate orders, automated workflow, and speed to fulfillment, MFMP helps eliminate overhead costs on such items as paper, printing, supplies, postage, mail and delivery services.

As a vendor, the program provides a centralized source of procurement information for the Florida business community, and the ability to communicate to a broader buying audience. Key benefits for vendors include:

- **Single point of registration:** Vendors register once, and their information is then available to all buyers using MFMP.
- **State of the art tools:** Electronic, Internet-based transactions provide a consistent and more efficient way of doing business with the State - less paperwork and manual steps.
- **Increased access to buying entities:** Registering with MyFloridaMarketPlace will provide vendors with access to all buyers using MFMP.
- **Enhanced economic development opportunities for small business and for Certified Minority Business Enterprises (CMBE):** MyFloridaMarketPlace will enhance economic development opportunities for small business by increasing their access to the State marketplace. In addition, the program provides enhanced

identifications for CMBEs doing business with the state and facilitates agencies meeting CMBE participation goals.

**Electronic Invoicing:** Vendors can electronically generate invoices instead of mailing them via traditional mail. This is done via the Ariba Supplier Network, which is integrated with the MFMP program. Lower volume vendors look up their purchase orders online and “flip” these into invoices. They can change the necessary information and electronically submit it to the state, which then processes the invoice without any manual data entry. Larger volume suppliers generate invoices directly from their order fulfillment systems and send these for electronic upload into MFMP.

**Innovative Sourcing Tools:** For bids under \$25,000, MFMP has an informal quote system called eQuote. eQuote allows buyers to reach vendors more efficiently through the electronic quote request process, saving valuable time. Because multiple vendors receive quotes simultaneously, eQuote provides vendors an incentive to offer competitive prices and respond in a timely fashion. Buyers can review and compare several quotes at once and make important price-based decisions, achieving significant cost savings.

For formal bids over \$25,000, MFMP uses a customized version of the Ariba Sourcing module so buyers can conduct electronic bidding and reverse auctions. Buyers submit a template of information that indicates the type of goods or services the state is seeking and information required for vendors to complete. These templates dramatically reduce the amount of paperwork required by vendors to be submitted during a solicitation.

**Improved Communication:** Because the central state purchasing division is responsible for establishing contracts for the state’s most commonly purchased goods and services, the state uses various venues to communicate with MyFloridaMarketPlace users. These include, Customer Roundtable Meetings, electronic communications, website updates, and periodic surveys. Communication also increased between the state and its vendors because of the outreach to inform vendors about the program. All vendors doing business with the State were invited to a series of ‘MFMP Information Sessions’ to help them understand the transition.

MyFloridaMarketPlace makes government purchasing more efficient, freeing state agencies to direct limited resources toward their core, citizen-centered missions.

**14. What were the program’s start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)**

The MyFloridaMarketPlace eProcurement program was fully funded by an already imposed one percent transaction fee paid by state term contract vendors. There was no state appropriation and the program remains self-funded by this fee.

To fully fund the MFMP program, the state extended the application of the fee. This was an adjustment requiring additional education concerning the benefits for the vendor community. Although there were initial questions, the State has managed this well.

The state instituted the one percent transaction fee for all procurement transactions, unless exempted by rule. The state applies the fee to all eligible transactions to provide vendors

with electronic access to state buyers and to provide vendor support. There is no initial registration or ongoing subscription fee charged to vendors. The transaction fee is due after actual payments from the State are received by vendors.

The fee paid for the acquisition, development and implementation, which included the services required to effectively implement an initiative of this size and developed and executed training required for both buyers and vendors.

Today the fee pays for all State Purchasing and the Office of Supplier Diversity costs; the operations of the MFMP program; ongoing maintenance and services needed to sustain the program's success; and the state's business partner, Accenture, with the MFMP program.

**15 What are the program's annual operational costs?**

MyFloridaMarketPlace was designed, developed, implemented and is maintained at no cost to Florida through a one percent fee paid by vendors selling to Florida, which was in place before the project began. In exchange, vendors receive cutting edge tools such as electronic invoicing, eQuote, reverse auctions and regular enhancements.

**16 How is the program funded?**

MyFloridaMarketPlace is self-funded with a 1% fee paid by vendors selling to Florida, which was in place before the project began. These fees fund the Division of State Purchasing's operations, the Office of Supplier Diversity's operations and the MyFloridaMarketPlace project (including all payments to Accenture.) The creative use of information technology makes selling to Florida much more accessible and easier for vendors, generates savings in tax dollars, increases the efficiency and productivity of state agencies, and frees these agencies to focus on their core missions.

**17 Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.**

The creation of a web-based procurement program falls under Chapter 287, Florida Statutes ([http://www.flsenate.gov/Statutes/index.cfm?App\\_mode=Display\\_Statute&URL=Ch0287/ch0287.htm](http://www.flsenate.gov/Statutes/index.cfm?App_mode=Display_Statute&URL=Ch0287/ch0287.htm))

**18 What equipment, technology and software are used to operate and administer this program?**

The MFMP program provides the ability to procure via web-based technology. MyFloridaMarketPlace is based on the full suite of Ariba products (Buyer, Sourcing and Contract Management), a leading provider in business-to-business and business-to-government technology. This suite of tools is providing the state with the full life cycle of purchasing. In addition, using commercial off the shelf software provides the State to continually take advantage of technology improvements and advances through periodic upgrades.

Ariba automates the procurement process and allows Florida to better manage its spend thus reducing costs. In addition to the core Ariba functionality that includes features such as purchasing, invoicing, paying, creating requisitions, approvals, catalogs, p-cards, contracts,

bidding, solicitations and reverse auctions, the Ariba modules, especially the vendor registration module, were customized and expanded to meet specific State of Florida procurement needs.

MyFloridaMarketPlace is also integrated with the Florida Accounting Information Resource Subsystem (FLAIR), which is the primary accounting system for Florida.

Leveraging best of breed technology was and is essential to help ensure:

- A comprehensive search engine
- Web-based capability for vendor registration
- Web-based functionality for agency buyers that modeled their procurement process
- Increased visibility for small and minority businesses via the online catalogs implemented
- Enhanced reporting and spend data via the online reporting modules
- Quicker purchase-to-payment cycle due to online approval and automated e-mail reminders
- Improved accountability for the expenditure of state funds
- Better human performance management by highlighting the production of opportunities within the overall transaction workflow.

**19 To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.**

Yes, MyFloridaMarketPlace originated in Florida through the Florida Department of Management Services (<http://MyFloridaMarketPlace.com>)

**20 Are you aware of similar programs in other states? If YES, which ones and how does this program differ?**

While it is common for states to have online programs that announce solicitations, Florida implemented an end- to-end procurement solution. Two states Florida heavily researched for the MyFloridaMarketPlace program were Virginia and North Carolina. Virginia's program is called eVa (electronic Virginia) and charges 1 percent with a cap of \$500 per order. This funds the program's maintenance. North Carolina's program, called NC E-Procurement @ Your Service, charges 1.75 percent to the entity that receives the purchase order. Both Virginia and North Carolina had no start-up costs because the fees paid funded the programs start-ups and future maintenance.

The MyFloridaMarketPlace program is unique because it is a comprehensive eProcurement program, including modules for contracts, requisitioning and invoicing, as opposed to other public sector solutions that are not an end-to-end Procurement solution.

MyFloridaMarketPlace continues to help the State of Florida realize government efficiency, cost savings, inclusion in the contracting process, and environmentally sound contracting.

**21 Has the program been fully implemented? If NO, what actions remain to be taken? – Yes**

**22 Briefly evaluate (pro and con) the program’s effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.**

- **Need for a comprehensive web-based procurement tool:** MyFloridaMarketPlace addresses the need for the State of Florida’s intent of implementing a web-based procurement tool. With its broad set of functionality, it provides a comprehensive procure-to-pay solution for the State of Florida. Additionally, it provides an aggregate view of purchase order spend across the enterprise. This provides for better summary data for purposes of understanding state purchasing patterns and negotiating better pricing for state contracts.
- **Efficiencies in state procurement:** In addition, MyFloridaMarketPlace streamlines the requisition-to-purchase order and invoice-to-check cycles. The MFMP program reduced average requisition-to-purchase order cycle time by approximately 33 percent since program inception and reduced average invoice-to-check cycle time by approximately eight percent since project inception. These streamlined cycles remain constant today.
- **Improved visibility to minority vendors:** MyFloridaMarketPlace helps State agencies focus on One Florida goals by flagging certified minority vendors. The One Florida initiative aims to increase opportunity and diversity in the state's contracting without using policies that discriminate. Using minority vendor indicators, the state’s buyers can ensure they are offering opportunities to historically underutilized businesses.
- **Environmentally Sound Contracting:** The MFMP program and state purchasing teams worked together to identify and flag qualifying green products in MFMP. The ‘green’ products are accessible to all MFMP purchasers and are flagged with a ‘globe’ icon. This initiative was part of the Department of Management Services’ involvement with maintaining a Florida Climate Friendly Products List as part of Governor’s Crist’s Executive Order (EO 07-126). There are approximately 480 “green” products listed in MFMP. Recycled products are also flagged to ensure buyers make environmentally conscious decisions when purchasing. This allows the agencies the option of giving priority to these products in contracting decisions.
- **Customer satisfaction and operational excellence:** MyFloridaMarketPlace achieved 91 percent overall customer satisfaction in the 2007 User Survey, with a 95% confidence level. MyFloridaMarketPlace also consistently achieves operational excellence with over 99% compliance on comprehensive system operation and customer support performance metrics in performance year 06 and performance year 07. This level of satisfaction across such a broad base of users is truly unique.

**23 How has the program grown and/or changed since its inception?**

The MyFloridaMarketPlace program use was implemented in phases. The Department of Transportation, Department of Management Services and the State Technology Office were pilot agencies that started using MFMP in April 2003. Agency onboarding continued in a phased approach through 2005. The MFMP program was upgraded April 2007. More than 2,000 roles were condensed and standardized into 32 groups in the upgrade – this means less administrative work for all.

Today there are 31 agencies/entities and 13,000 regular users. Overall usage grew from 38,000 transactions in Fiscal Year 04 to more than 524,000 transactions in Fiscal Year 07. Adoption by the vendor community is visible as well, with over 95,000 vendors registered. These statistics highlight the projects growth:

<b>Current Key Operational Statistics as of January 31, 2008 (cumulative to date)</b>	
Purchase Orders Created	>524,000
Invoices Created	>753,000
Registered Vendors	>95,000
Minority (MBE) Vendors	>31,000 (approx. 33%)
Total Spend Through System	>\$4.5 billion
Total State Users	>13,600
Catalogs Loaded	>860
Customer Inquiries fielded (via help desk- July 2003 to present)	>220,000
Strategic Sourcing Identified Price Reductions	Over \$76 million to date

**24 What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?**

MyFloridaMarketPlace was a significant step in implementing a comprehensive, public sector eProcurement solution. Other states can look to Florida for guidance on how a similar implementation can be considered for their procurement needs. In addition to considering specific customizations (for a new user base), there is also the general aversion to change that is typical of moving from a mainframe system to web-based technology. Change Management and user adoption activities should be a key focus area for any entities looking to adopt an eProcurement solution. Training, effective completion of onboarding tasks and ongoing communication are crucial to the continued success of such an initiative.