



TM

# 2023 Cronin Submission Booklet

# The Cronin Club

George Cronin Massachusetts 1947	Charles Sullivan New Jersey 1964	Stanley Hanna Maryland 1981	Dugan Petty Alaska 1998	Dean Stotler Delaware 2013-2014
F. Carl Anderson Pennsylvania 1948	Alan Vessey Minnesota 1965	Hugh Carleton Louisiana 1982	David Gragan Texas July-Sept 1999	Deborah Damore Vermont 2015
Franklyn Adams Rhode Island 1949	Francis Brooks Nevada 1966	James Christiansen Utah 1983	Jan Hamik Wisconsin 2000	Paul Mash Utah Jan-March 2016
P.T. Peterson Minnesota 1950	William Finnegan Connecticut 1967	John Spath New York 1984	Joyce Murphy Missouri Sept 2000-May 2001	Larry Maxwell New Mexico April 2016-2018
Frank Free Vermont 1951	Hugh White South Carolina 1968	Jack Pitzer Iowa 1985	Pat Kohler Washington May-Dec 2001	Michael Jones Alabama 2018
William Stevenson Minnesota 1952	John Ayers Washington 1969	Giulio Mazzone New Jersey 1985-1986	Richard Thompson Maine Jan-Mar 2002	Lisa Eason Georgia 2019
Blaine Yoder Nebraska 1953	Thomas Blanco Illinois 1970	Howard White, Jr. Alabama 1987	Denise Lea Louisiana Mar 2002-Sept 2003	George Schutter District of Columbia 2020
John Bush Ohio 1954	John Short Wisconsin 1971	Thomas M. Bostick Georgia 1988	George Street Tennessee 2003-2004	Rosalyn Ingram Florida 2021
J. Stanley Bien Michigan 1955	Ramon Damerell Oregon 1972	Edward J. Erxleben Arkansas 1989	John Adler Arizona 2004-2005	Delbert H. Singleton South Carolina 2022-2023
C.L. Magnuson Connecticut 1956	Frank Pennoni Michigan 1972-73	Wayne A. Casper Arizona 1990	Ellen Phillips Massachusetts 2005-2006	
Charles Byrley Kentucky 1957	Willis Holding, Jr. North Carolina 1974	Robert J. Link Alaska 1990-1991	Voight Shealy South Carolina 2006-2007	
Ira Baker Oklahoma 1958	Gerald Geer Washington 1975	William S. Warstler Michigan 1992	Jeff Holden South Dakota 2007-2008	
John Dyer Maine 1959	Herman Crystal New Jersey 1976	Paula Moskowitz New York 1993	Vern Jones Alaska 2008-2009	
Lacy Wilkinson Colorado 1960	John Fisher, Jr. Tennessee 1977	N. Kent Rose Alabama 1994	Dianne Lancaster Oregon 2009-2010	
Franklin Pierce Tennessee 1961	John Hittinger Florida 1978	Douglas G. Richins Utah 1995	Greg Smith Nevada 2010-2011	
E. Guy Martin Louisiana 1962	Homer Forester Texas 1979	Richard B. Thompson Maine 1996	Ron Bell Virginia 2011-2012	
Henry Knouft Kansas 1963	E.R. (Bud) Roon Colorado 1980	Donald G. Buffum Mississippi 1997	Carol Wilson Connecticut 2012-2013	

# Past Gold Cronin Winners

2022 - Michigan  
Competitive Proof of Concept: Trying Before You Buy While Complying with Competitive Requirements

2021 - Wisconsin  
Interagency, Data-Driven Collaboration: Wisconsin's Innovative Approach to Specification Development

2020-None Selected

2019 - Michigan  
Circumventing Risk with Contract Management

2018 - Alaska  
Continuous Improvement in Statewide Procurement

2017 - Utah  
ValuePoint Cloud Solutions Procurement

2016 - Tennessee  
Radio Equipment and Services

2015 - Tennessee  
Tourist Development - Marketing and Advertising

2014 - Virginia  
eVA Mobile Apps

2013 - Mississippi  
Driving Efficiency into Business Operations

2012- Oregon  
Direct Dealership Price Agreements

2011 - Oregon  
Nationwide Lodging Services

2010 - Minnesota & Wisconsin  
Partnership Initiative

2009 - Oregon  
Information Technology Managed Service Provider for Hourly and Project-Based Services

2008 - Ohio  
Multi-State Procurement of Unique Services

2007 - Minnesota  
Spend Analysis System

2006 - New York  
Hazardous Incident Response Equipment (HIRE)

2006 - Hawaii (IT)  
Compliance Express Program

2005 - Massachusetts (Classic)  
Envirocalc: Environmental Benefits & Energy Cost Savings Calculator for Purchasers

2005 - Washington (IT)  
WEBS: Washington Electronic Business Solution

2004 - Illinois (Classic)  
Transformation of Procurement Performance

2004 - Arizona (IT)  
SPIRIT: Automated eProcurement System

2003 - Connecticut (Classic)  
Weekly Information Newsletter

2003 - Virginia (IT)  
eVA Electronic Procurement Solution

2002 - Alaska  
Long Distance Learning

2001 - Idaho  
Purchasing Modernization Initiative

2000 - Utah  
Vehicle Purchase Program

1999 - Ohio  
Natural Gas Purchasing Program

1998 - Missouri  
PC Prime Vendor Contract

1997 - Wisconsin  
Advantis Credit Bureau Access Program

1996 - North Carolina  
Micro-Computer & Peripherals Contract as Developed & Managed on the Internet

1995 - 1994  
None Selected

1993 - Minnesota Document Management System

1992 - Oregon  
Vendor Information Program

1991 - Arizona  
Contract for Abatement of Underground Storage Tanks

1990 - New York  
Contract for Electronic Ballasts

1989 - Missouri  
Pharmacy Service Contract for Correctional Facilities

1988 - Kansas  
Freight Management Systems

1987 - West Virginia Natural Gas Contract

1986 - Alaska  
Video - "A Better Way To Buy"

1985 - Missouri Competitive Bidding of Residential Rehabilitation Services

# 2023 GEORGE CRONIN AWARDS FOR PROCUREMENT EXCELLENCE SUBMISSIONS

## **Finalists:**

Arizona— SPO Library Project	<b>6</b>
Florida— Modernized Quarterly Sales Reporting	<b>13</b>
Michigan— Lifecycle Supplier Outreach & Relationship Management	<b>18</b>
Michigan— Professional Development for IT Procurement	<b>23</b>
Utah— Sustainable Procurement Advancements	<b>111</b>

## **Submissions:**

Florida— Agency Alternate Contract Source Smartsheet	<b>115</b>
Florida— Digitization Project	<b>118</b>
Florida— Minnesota Multistate Contracting Alliance for Pharmacy Participating Addendum and Contract Amendment Templates	<b>123</b>
Florida— Seven-Stage Procurement and Contract Management Process	<b>126</b>
Virginia— eVA: An Innovation Model	<b>149</b>



# 2023 GEORGE CRONIN AWARDS FOR PROCUREMENT EXCELLENCE FINALISTS



GEORGE CRONIN

★ awards for ★  
*Procurement  
Excellence*

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## State of Arizona

Department of Administration  
State Procurement Office (SPO)

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# 2023 George Cronin Awards for Procurement Excellence

**SPO Library Project**

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## Executive Summary

The State of Arizona is dedicated to continuous improvement of statewide compliance with the Arizona Procurement Code (APC). As a result, the State Procurement Office (SPO) enlisted a cross-agency team of procurement professionals (the SPO Library Team) to assess and develop a plan to create more consistent responses to determinations made by procurement officers. The result is the [SPO Determinations Library](#).

The SPO Determinations Library is a central repository for documents, forms, and templates for procurement and contract needs. This set of materials is accessible to and available for use by all State of Arizona agencies, boards, and commissions. Anyone from outside the State is also able to download the documents from the SPO website. The SPO Library Team's scope of work was to create determination templates and corresponding standard work that procurement officers may use and issue during their procurement projects. Having the templates and standard work improves the quality of written procurement determinations, enhances procurement officer knowledge of what is required under the APC, and maintains consistency and uniformity across the State. The Team semi-automated the process using Google applications, so that they are available and accessible through a central repository in a way that maintains file integrity when multiple people use and customize the documents.

The SPO Determinations Library went live online on March 22, 2023. To date, these templates and standard work documents cover 97% of the determinations in the entire APC. This is an ongoing project; the Team is set to hit 100% of templates and standard work documents by the State's fiscal year-end (June 30, 2023). SPO Compliance will continue to improve documents as procurement officers across the State provide feedback or changes are made to the APC. Through SPO's website, [Newsletter](#), and training sessions, SPO Compliance has actively sought this feedback via email to [SPOCompliance@azdoa.gov](mailto:SPOCompliance@azdoa.gov) and an online [feedback form](#).

This project has led to a dynamic repository of documents that educate procurement officers, while helping them to make APC-compliant decisions with ease, regardless of where they are working in the State and whether they are working in the office or remotely.

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## Innovation

As much of our state government staff works remotely, and our agencies have different platforms, the centralization of essential templates and standard work documents has the potential to overhaul State of Arizona procurement. The process and [Determinations Library](#) that the SPO Library Team developed will hopefully lead to long-term improvement in Arizona Procurement Code (APC) compliance and procurement officer confidence and expertise.

With assistance from the State of Arizona Office of Continuous Improvement Administrator, the SPO Library Lean Six Sigma Green Belt Project Team (SPO Library Team) developed an A3 (a one-page problem-solving methodology that follows Lean Six Sigma's plan-do-check-act discipline) around the current templates used for determinations under the APC. The SPO Library Team found that the templates were not centralized, did not have consistent standard work documents, and lacked a standard naming convention, all of which was confusing for procurement officers. The SPO Library Team consists of a statewide team of procurement professionals representing the State Procurement Office (including IT procurement), SPO Compliance/Procurement Counsel, General Services Division (construction specialists), and the Departments of Gaming and State Parks and Trails. The SPO Library Team has met weekly for over a year to go through each determination and standard work document and assess it for clarity. One of the points of pride for the SPO Library Team is its dedication to productive, in-depth discussion of each determination and the incorporation of the knowledge gained through these discussions into the standard work documents.

Because SPO Compliance and Procurement Counsel was involved from the start, the SPO Determinations Library also sparked improvements in the forms available to procurement officers and will hopefully lead to a better procurement code. Where an APC determination involved approval from the State Procurement Administrator, the SPO Library Team was able to move these items from determinations to forms created by SPO Compliance. There were also a few places where the APC requirements were unclear. These were noted by SPO Compliance, so that SPO can assess whether to improve administrative procurement rules. As discussed in greater detail below, subject matter experts were also recruited to lead individual training sessions on documents to ensure that procurement officers statewide are trained in both compliance with the APC and best practices.

Though this form of structured review has been done before, SPO believes the innovation comes from our process (which includes continuous improvement through [feedback](#) and review by SPO Compliance) and the lessons we learned along the way. By going through each step with a combination of procurement and legal review, the SPO Library Team is on track to complete documents that cover the entire APC (the current Library covers 97% of the APC, and will be at 100% by July 2023), and everyone involved was engaged and learned along the way. Also, by posting the documents publicly, all agencies can receive training and templates as needed, when needed. Given most of the State is still working remotely for at least a few days of the week, being able to work remotely and receive training and support through a web-based platform is vitally important. For SPO, a modern procurement practice is one that is easy to access and allows state employees to work independently and remotely, while still following the APC.



## Transferability

The approach the SPO Library Team took can be easily replicated in other procurement organizations. The chief ingredients are people willing to dedicate about two hours a week to improving their procurement processes and a basic organizational structure. The steps are broken down as follows:

- A. **Review** the relevant procurement laws and rules to create a list of possible decision points (written determinations required from procurement officers) in a spreadsheet.
- B. Create a **common template** to use for each standard work and template with common conventions for formatting and identification of each template. The SPO Library Team agreed on the use of red text (language to modify) and highlighting (optional language) along with a single font to ensure that the templates are easy to understand.
- C. Divide the **list** of determinations among procurement officers and experts.
- D. Review each determination with the **initial group** of procurement officers for clarity, completeness, and compliance with the relevant law or rule.
- E. Once the initial draft is complete, the **second level of review** by managers is conducted to finalize the document (in our case, through a Templates Review Board).
- F. The document is then sent to the team that manages the **website** to post it for use (in our case, the Compliance team).
- G. **Communicate** with statewide procurement officers through SPO Alerts and [Newsletter](#) and **conduct training** sessions to inform them about how best to use the library of documents.

Our forms and processes would be fairly easy for other states to replicate, as there is a common structure in each template and standard work document:

- Each template has a space for state agencies to put their individual letterhead, references to the name of the determination, legal authority for the determination, space for the details of the solicitation, and a place to add detail.
- The document headers includes a document title and ID that is tied to a specific rule, as well as a revision number and date.
- For determinations that require the procurement officer to explicitly include the rationale behind the determination, there is a space to insert that reasoning. This section also includes language to lead the procurement officer to the type of rationale required, to help the procurement officer meet their obligation under the APC with ease (for example, “describe why this is in the best interest of the State”).
- There is a standard disclaimer on each of these documents, to ensure that the users of the document understand that it is meant to provide guidance and best practices, but does not circumvent or replace the APC.
- Another feature of the standard work document are the sections for background (procurement code authority), a list of stakeholders, and a process map. This is an aid to visual learners. The SPO Library Team also included a segment for legal advice where needed.
- At this point in the standard work, the document is broken into segments that cover each step of the process from the downloading of the template to sending it out and storing it. More complex standard work documents also include best practices and APC-compliant options.

If given the opportunity to present on this, SPO Compliance has developed training materials that break down the common features of these templates and standard work documents.

## Service Improvement

At SPO, we judge our progress by how much it helps procurement officers do their jobs with confidence and ease. Here are a few testimonials from procurement officers on the SPO Determinations Library, which show the service improvements:

*“The SPO Library is an invaluable resource for any state procurement officer, no matter how many years you’ve done procurement with the State! There is always a situation you have not encountered and being able to utilize, at fingertip, the SPO Library, whether for a template or standard work on a process has been a lifesaver! Thank you for your hard work in creating this resource.”*

- Brenda Prevost, Procurement Officer, Water Infrastructure Finance Authority of Arizona

*“The new library is amazing. In my recent protest, it took a lot of the guesswork out of where to start. It gave me guidance on filling out the form without missing the key points of the response. They lay the roadwork, and give you guidance to complete a clear and concise response. ... I have used the IFB determination template too. It was great making sure nothing is missed in the process.”*

- Mark Goss, Procurement Analyst, General Services Division, Arizona Department of Administration

The anecdotal evidence we have received after trainings also shows that procurement officers have found this to be an easy way to receive advice on best practices:

- “Easy to follow templates with breakdowns throughout”;
- “The templates seem straightforward and fairly easy to use”; and
- “In the event I receive a protest, there’s easy to follow information to help me through it.”

Our FY24 goal is to continue to work with our SPO Academy to conduct training sessions on topics covered by the SPO Determinations Library and to continue to integrate these templates and standard work documents into existing training materials. According to SPO website analytics, which captured the number of unique users interacting with the SPO Determinations webpage, in its first month (March 26 to April 24, 2023) 76 unique views, 180 page views, 565 interactions, and 70 downloads. The second month (April 26 to May 23, 2023) showed similar utility with 71 unique views, 141 page views, 442 interactions, and 66 downloads.

As procurement officers learn about the SPO Determinations Library through the SPO Newsletter, SPO Alert emails, and training sessions on high impact sets of determinations and standard work documents, the SPO Library Team hopes to see even more traffic on the SPO Determinations Library webpage. Given the overwhelming response to the SPO Determinations Library has been positive, this should continue to improve a sense among procurement officers that SPO and SPO Compliance is there to support them.

## Cost Reduction

Procurement officers are always on a tight schedule; any improvements in time management are a huge savings. For example, below is the Request for Proposal (RFP) Award Determination and Executive Summary. By using the template, a procurement officer can be confident that all APC requirements are addressed. Additionally, by ensuring compliance with the APC, the risk of sustained protests or other legal liability is decreased, and the procurement officer can focus their valuable time elsewhere. The documentation that is included in the procurement file shows a readily defensible set of decisions were made during the procurement process.

## RFP Award Determination and Executive Summary

<b>PROCUREMENT DETERMINATION</b> Request for Proposal (RFP) Award Determination and Executive Summary		<b>Evaluation Process</b> [MM/DD/YYYY], [M/AM/4:00PM] MST (Arizona Time) Proposals due. Offers were received from the following: <ul style="list-style-type: none"> <li>[Offeror Name]</li> <li>[Offeror Name]</li> <li>[Offeror Name]</li> <li>[Offeror Name]</li> </ul>		[MM/DD/YYYY] [M/AM/4:00PM] MST (Arizona Time) <b>Second Best and Final Offer Received</b>																																	
<b>SOLICITATION</b> No.: [Solicitation Number from eProcurement System] Description: [Solicitation Title from eProcurement System]		[MM/DD/YYYY] Process reviewed with evaluation committee members. PD5 forms (SPO Forms 110, 120, and 130) (signed) updated by evaluation committee members, and offers distributed. Committee members were: <ul style="list-style-type: none"> <li>[Name, Title]</li> <li>[Name, Title]</li> <li>[Name, Title]</li> </ul> Selection advised (non-evaluating) were: <ul style="list-style-type: none"> <li>[Name, Title]</li> <li>[Name, Title]</li> </ul>		[MM/DD/YYYY] <b>Best and Final Offer. Consensus Evaluation conducted, in accordance with A.A.C. R2-7-C316. See table under Second SARO Evaluation Consensus below.</b>																																	
<b>AUTHORITY</b> A.R.S. § 41-2534 Competitive sealed proposal; A.A.C. R2-7-C317 Contract Award		[MM/DD/YYYY] A Determination of Not Suitable for Award was made for OFFEROR NAME, OFFEROR NAME, in accordance with A.A.C. R2-7-C316. These determinations have been placed in the procurement file.		[MM/DD/YYYY] A Determination of Not Suitable for Award was made for OFFEROR NAME, OFFEROR NAME, in accordance with A.A.C. R2-7-C316. These determinations have been placed in the procurement file.																																	
<b>EXECUTIVE SUMMARY</b>		[MM/DD/YYYY] Recommendations of award(s) made by Evaluation Committee is as follows: <ul style="list-style-type: none"> <li>[Offeror Name]</li> <li>[Offeror Name]</li> </ul>		[MM/DD/YYYY]																																	
<table border="1"> <thead> <tr> <th>DATE</th> <th>EVENT AND DESCRIPTION</th> </tr> </thead> <tbody> <tr> <td colspan="2"><b>Pre-Solicitation Activities</b></td> </tr> <tr> <td>[MM/DD/YYYY]</td> <td>A written determination to enter into a multi-ann contract beyond 5 years was approved by the State Procurement Office in accordance with A.R.S. § 41-2546 and A.A.C. R2-7-605.</td> </tr> <tr> <td>[MM/DD/YYYY]</td> <td>A written determination to administer a cooperative agreement was approved by the State Procurement Office in accordance with A.R.S. § 41-2532 and A.A.C. R2-7-1202.</td> </tr> <tr> <td>[MM/DD/YYYY]</td> <td>A written authorization to purchase off-contract was approved by the State Procurement Office in accordance with A.A.C. R2-7-A302(5).</td> </tr> <tr> <td>[MM/DD/YYYY]</td> <td>First Procurement Disclosure Statement (PDS) was signed.</td> </tr> <tr> <td>[MM/DD/YYYY]</td> <td>Notification sent to the state governmental unit's employees and the State Procurement Administrator regarding the date of the first PDS.</td> </tr> <tr> <td colspan="2"><b>Solicitation Process</b></td> </tr> <tr> <td>[MM/DD/YYYY]</td> <td>This solicitation was issued electronically via the State's eProcurement system. An electronic notification was sent to all prospective offerors who were registered in APP. An additional list was also used and an additional list of prospective offeror(s) known to provide the material/service were notified.</td> </tr> <tr> <td>[MM/DD/YYYY]</td> <td>The solicitation was formally advertised in (Legal Advertisement) in accordance with A.R.S. § 41-2534(C) and A.A.C. R2-7-C301(5).</td> </tr> <tr> <td>[MM/DD/YYYY]</td> <td>Pre-offer conference was not held.</td> </tr> <tr> <td>[MM/DD/YYYY]</td> <td>Pre-offer conference was conducted (in person or via teleconference) in accordance with A.A.C. R2-7-C302.</td> </tr> <tr> <td>[MM/DD/YYYY]</td> <td>Solicitation amendment No. 1 was issued to (Provide Explanation)</td> </tr> <tr> <td>[MM/DD/YYYY]</td> <td>Solicitation amendment No. 2 was issued to (Provide Explanation)</td> </tr> <tr> <td>[MM/DD/YYYY]</td> <td>Solicitation amendment No. 3 was issued to (Provide Explanation)</td> </tr> <tr> <td>[MM/DD/YYYY]</td> <td>Solicitation amendment No. 4 was issued to (Provide Explanation)</td> </tr> </tbody> </table>						DATE	EVENT AND DESCRIPTION	<b>Pre-Solicitation Activities</b>		[MM/DD/YYYY]	A written determination to enter into a multi-ann contract beyond 5 years was approved by the State Procurement Office in accordance with A.R.S. § 41-2546 and A.A.C. R2-7-605.	[MM/DD/YYYY]	A written determination to administer a cooperative agreement was approved by the State Procurement Office in accordance with A.R.S. § 41-2532 and A.A.C. R2-7-1202.	[MM/DD/YYYY]	A written authorization to purchase off-contract was approved by the State Procurement Office in accordance with A.A.C. R2-7-A302(5).	[MM/DD/YYYY]	First Procurement Disclosure Statement (PDS) was signed.	[MM/DD/YYYY]	Notification sent to the state governmental unit's employees and the State Procurement Administrator regarding the date of the first PDS.	<b>Solicitation Process</b>		[MM/DD/YYYY]	This solicitation was issued electronically via the State's eProcurement system. An electronic notification was sent to all prospective offerors who were registered in APP. An additional list was also used and an additional list of prospective offeror(s) known to provide the material/service were notified.	[MM/DD/YYYY]	The solicitation was formally advertised in (Legal Advertisement) in accordance with A.R.S. § 41-2534(C) and A.A.C. R2-7-C301(5).	[MM/DD/YYYY]	Pre-offer conference was not held.	[MM/DD/YYYY]	Pre-offer conference was conducted (in person or via teleconference) in accordance with A.A.C. R2-7-C302.	[MM/DD/YYYY]	Solicitation amendment No. 1 was issued to (Provide Explanation)	[MM/DD/YYYY]	Solicitation amendment No. 2 was issued to (Provide Explanation)	[MM/DD/YYYY]	Solicitation amendment No. 3 was issued to (Provide Explanation)	[MM/DD/YYYY]	Solicitation amendment No. 4 was issued to (Provide Explanation)
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[Link to Template](#)

SPO hopes that this process also provides cost savings to smaller Arizona agencies. In Arizona state government, many small to medium-sized agencies often have a fairly lean procurement staff. One of the aims of the SPO Determinations Library is to give those agencies with limited procurement personnel the ability to independently access these training materials on demand. For these agencies, this resource may save them from having to engage in additional training and prevent them from making poor decisions that can be inherently costly and cause them to duplicate their procurement efforts. SPO Compliance has heard from these agencies that they do not believe that they have time to use an APC-compliance process.

By providing agencies with resources and support, the hope is that agencies will learn how to follow the APC with ease. As the APC encourages competition and best value for all state contracts, any additional compliance with the APC should increase the savings under state contracts.

## Conclusion

Thank you for your consideration! Please reach out to SPO with any questions via State Procurement Administrator (SPA) Ed Jimenez at [Ed.Jimenez@azdoa.gov](mailto:Ed.Jimenez@azdoa.gov), or Jessica Klein, Deputy SPA, Deputy AD for Compliance, and Procurement Counsel at [Jessica.Klein@azdoa.gov](mailto:Jessica.Klein@azdoa.gov).

SPO wanted to take a minute to thank everyone who was involved in this project. The SPO Library Team: Abigail Medina Silas (Department of Gaming), Charlie Stevens (State Parks & Trails), and the following Department of Administration procurement members: Crista Clevenger (General Services Division) and SPO members Cyndi Hawk (former), Jennifer Calimag (project lead, Compliance), Jessica Klein (sponsor, Compliance lead, and Procurement Counsel), Jim Atkins (Technology), and Kim Shelley (Compliance). Alan Hirtle provided Lean Coaching support. A Templates Review Board was also established to approve the documents, consisting of Jessica Klein (Compliance) and Jim Atkins (Technology), as well as SPO managers Ken Sanchez (Enterprise Procurement Services), Kerry Wells (Compliance), and Stephen Nettles (Physical Commodities & Professional Services).





GEORGE CRONIN  
★ awards for ★  
*Procurement  
Excellence*

## State of Florida

Department of Management Services  
Division of State Purchasing

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# 2023 George Cronin Awards for Procurement Excellence

**Modernized Quarterly Sales  
Reporting**

## Executive Summary

The Florida Department of Management Services (DMS), Division of State Purchasing's Contract Management team collects Quarterly Sales Reports (QSR) from over 800 state contracted vendors across 65 active statewide contracts. The QSRs track overall contract spend from State of Florida agencies as well as eligible users, such as colleges, universities, local municipalities, etc. Each QSR may contain from one to over 100,000 rows of spend details. To report quarterly sales, state contracted vendors historically input invoice details in an Excel template and emailed the completed QSR template to their contract manager. Upon receipt, contract managers manually verified compliance and notified vendors of non-compliance, as applicable. Contract managers reviewed, validated, analyzed, and created reports from the QSR data collected each quarter.

The QSR submission process was recently modernized by simplifying the submission template and moving the submission point to the MyFloridaMarketPlace (MFMP) Vendor Information Portal (VIP), an MFMP application state contracted vendors already used to submit contractually-required monthly MFMP Transaction Fee Reports and contract managers used to track transaction fee compliance. Additionally, QSR data submitted in VIP is transmitted to the new MFMP reporting and analytics tool, Tableau. The new QSR submission process reduces QSR template errors, improves data accuracy, automates QSR data management and reporting activities, and improves information sharing between state contracted vendors and contract managers. The efficiencies gained from modernizing QSR submission and reporting yields notable time savings and allows both vendors and contract managers more time to focus on value-added contract management activities.

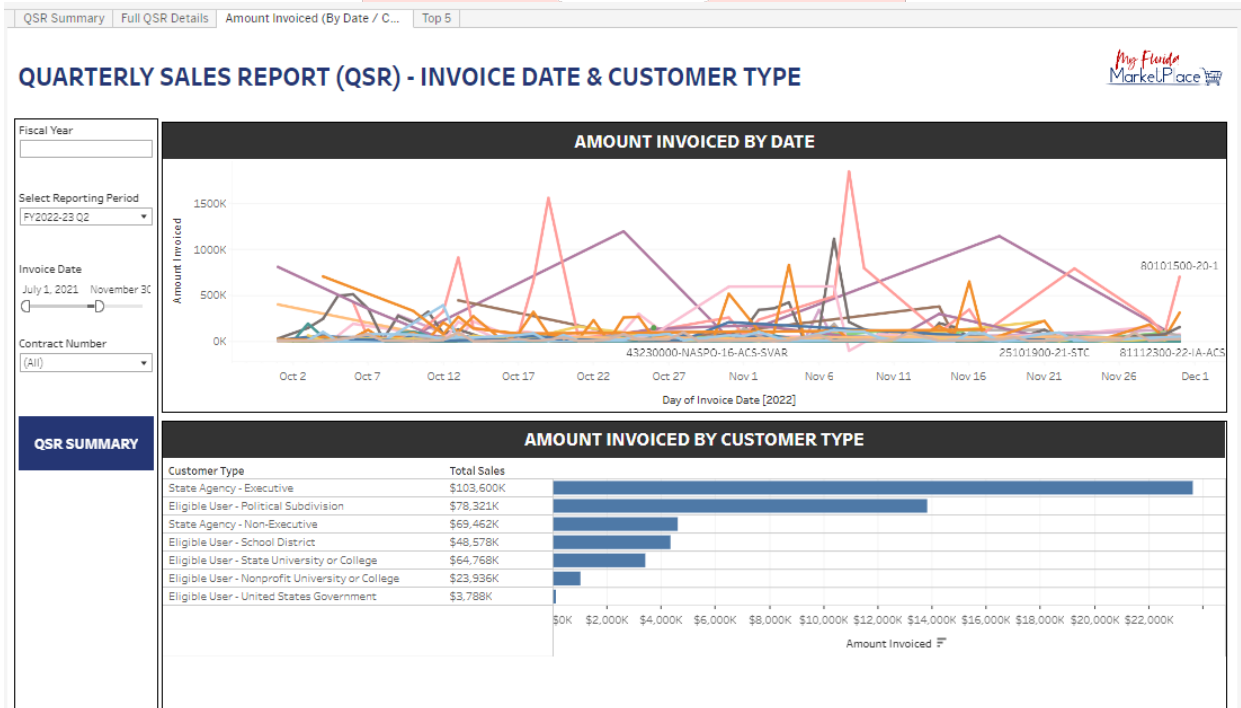
## Innovation

The manual process of submitting QSRs via email was prone to errors and omissions. With a new simplified submission template and the submission point moving from a file sent via email to a secure file upload into VIP, vendors can receive immediate and detailed feedback from VIP upon an attempted submission indicating whether there is missing or invalid information. VIP will not accept a draft submission; therefore, all errors must be addressed before a QSR may be successfully uploaded. The VIP error log provides vendors with the impacted cell number and details of the error such as "Required field not complete" or "Invoice date is not within the reporting period." This validation improves data quality and the vendor experience because vendors can easily address the errors and upload the file while focused on the task.

State contracted vendors who do not have sales in a reporting period can now indicate no sales by clicking the appropriate checkbox in VIP instead of indicating via email that there were no sales for the quarter. When a QSR deadline passes, VIP notifies the corresponding vendor when a report is due or late, and vendors are in control of who receives these notices. Contract managers were responsible for both tasks before this functionality was available. VIP enforces QSR submission deadlines which help contract managers control and maintain oversight on late submissions, access QSR submissions in VIP, submit or replace a QSR on behalf of a vendor (when needed), and view QSR submission history in VIP.

VIP integrates with the state's new reporting tool, Tableau, which streamlines reporting. Previously, when contract managers received the QSR via email, they manually validated data, entered formulas, and created macros to obtain important reporting information for State Purchasing. Now, VIP validates and sends submission information to Tableau, where detailed and summary level QSR data is accessible through four new dashboards: QSR Summary, Full QSR Details, Amount Invoiced by Date and Customer Type, and QSR Top 5. Contract managers reporting efforts reduced from several hours a week to a few clicks with Tableau.

Below is an example of the Amount Invoiced by Date and Customer Type Tableau Dashboard:



Vendors are required to input Customer Name and were previously required to input Customer Type when completing their QSR. This resulted in problems with Customer Name variations (e.g., Dept of Mgt Svcs, Department of Mgt Svcs, DMS, etc.) and incorrect Customer Type associations, which required a large amount of contract manager intervention. Data revealed that some customers had more than 800 name variations. Contract managers were responsible for reviewing name variations and making corrections to vendor QSR submissions. Oftentimes, the contract manager would need to contact the vendor to determine the customer's name or to identify missing information which frequently resulted in multiple calls and delayed reporting.

This was addressed by building a repository of customer name variations and associations to standard (preferred) customer names in VIP and by associating those preferred customer names to the correct Customer Types. The vendor is no longer responsible for assigning the Customer Type on their QSR. If a vendor submits a QSR with a Customer Name that is not already mapped to a preferred Customer Name, contract managers have the ability to update the Customer Name. Via a new business process, contract managers review the list of new names and assign them to an existing preferred name or create a new preferred customer name. The list becomes more comprehensive at each review. In time, the review efforts will be minimal and customer names (regardless of how they are entered) will be automatically mapped correctly to the repository of preferred customer names.

## Transferability

While some aspects of this solution are unique to the State of Florida's capabilities, there are some ways other states can easily benefit from parts of the solution that made it successful.

States that struggle with managing incorrect or missing information on sales reports may consider evaluating the information vendors provide and whether it is easily attainable from another source. In the State of Florida's new QSR submission process, the responsibility to assign the correct Customer Type to a Customer Name shifted from the vendor's submission template to an automated process in VIP. A

repository of preferred customer names in an Excel file is an option to control and validate entries in a sales report. Depending on the type of information collected on a sales report, other states can make similar shifts in information to limit manual data entry.

In the same way, taking a step back to evaluate who is best equipped to manage information could help states reassign reporting responsibilities to create efficiencies. The State of Florida's solution also transferred responsibility of maintaining the public-facing list of contract contacts from the contract managers to the vendors. Vendors were already using VIP to manage other business contacts; therefore, it was a natural place for them to also manage their contract contacts. Previously, contract managers routinely asked for updated contract contacts and then published that information to a public-facing website for visibility. Now, the vendor controls contract contact designations, and the publication process is automated. While this task was important, the vendor, who is the best source of that information, is now empowered to update it, when needed.

States who consider how to help their contract managers focus on higher level and more value-add activities may consider ways they can automate manual processes. With the State of Florida's solution, this meant the collection and most of the data management aspects were automated. For other states, there could be parts of their sales reporting process that may help their contract managers buy back valuable time.

States who consider ways to use existing technology to support their sales reporting process could consider how VIP supported this implementation. Most states likely have an existing online registration point for vendors. In such a case where there is an application with familiarity to the stakeholders, it may be beneficial to explore ways their current system can capture sales report submissions and integrate with other statewide tools (such as those used for contract reporting by the contract managers). The ability for all stakeholders to access the submission point (and source of truth for sales reports) and the elevated permissions of the contract managers (as in the case with VIP) may be an aspect other states consider because of the empowerment it provides to contract managers to submit a sales report on behalf of the vendor, when needed.

States grappling with ways to support business continuity may consider how sales report submissions are saved and managed with this new solution. In the case of the State of Florida's solution, VIP captures and maintains original submissions which enable new contract managers to easily access the information when needed in VIP and through Tableau. This could also be accomplished on a smaller scale by redirecting file storage to a central repository instead of desktops or local storage to support information sharing and business continuity.

## **Service Improvement**

Service delivery was improved through this implementation by automating manual processes and freeing up contract managers to be relationship managers, focusing more on contract oversight than data validation and manipulation. The solution was successful because of the collaborative approach taken by State Purchasing and the MFMP team. Targeted communications, online training materials, and instructor-led training prepared vendors and contract managers for the change and provided resources to support business continuity.

The approach to modernizing the QSR process was designed collaboratively between contract managers and the MFMP team. Contract managers provided valuable insight into the current process, pain points, and deficiencies. They led the efforts to improve the submission template, and then the MFMP team used the revised template to create the mapping which would eventually drive the validation criteria, submission timeframes, and the submission interface in VIP. Finally, Contract managers shared their current reporting experience and future needs which helped the MFMP team design new Tableau dashboards.



Currently, Contract managers in State Purchasing handle 65 statewide contracts. Some contracts have as many as 500 vendors. On average, contract managers spend as much as 50% of their working time on tasks related to QSR submissions. Some of these tasks included receiving the file manually via email attachment, reviewing the file and making corrections or asking the vendor to make corrections, and manipulating the data in Excel for reporting purposes. The new process that automates the QSR submissions, data validation, and entry into the reporting tools frees up approximately 14 hours of working time per contract manager. Contract manager now allocate time to other value-add relationship building activities such as business calls that help the state understand important industry trends, vendor needs and agency visits which help the state better understand the agency experience with their contracts and vendors. Contract managers are empowered to be relationship managers who explore data driven insights to strengthen procurement and relationships in the State of Florida.

The implementation and change management were supported through targeted communications announcing the change and tailored instructor-led training for vendors and contract managers. Contract managers received specialized training and multiple occurrences of live training were provided to vendors before and after going live with the new QSR submission process. Written training materials and recordings of the instructor-led training are available online and on-demand. These materials allow contract managers to spend less time training newly awarded vendors on how to submit their QSR and State Purchasing to spend less time training new contract managers on the QSR process. This approach also encourages information sharing for vendors that may need a refresher from time to time or when they need to train new employees on the process which supports ongoing adoption and business continuity for all stakeholders.

## Cost Reduction

On average, contract managers spent 896 hours per quarter collecting and managing QSR submissions for the contracts they manage. Then, after the files were submitted by email, contract managers spent another 260 hours per quarter working with the files to create the formulas and macros and extract information they needed to report on their contracts.

The new process allows contract managers to reallocate 448 hours per quarter on average to other value-added activities. Such activities include subject matter development, relationship development and business review meetings with vendors, and improvement of contract management, verification, and compliance. Therefore, in addition to the time efficiencies gained, this effort promotes qualitative improvement for the State of Florida. The annual cost savings equate to \$ 41,216 for the State of Florida.

## Conclusion

When the new QSR submission process was introduced, more than 774 QSRs were submitted with more than 500,000 rows of data, all of which would have been received via email and handled manually by contract managers. The new QSR submission process reduces the time spent on manually handling data, improves the quality of information, and makes contract spend reporting easier, saving vendors and Contract Managers valuable time. It allows vendors and contract managers to redirect their efforts from involved data management to relationship development and improvements to the procurement experience in Florida.



## State of Michigan

Department of Technology,  
Management, and Budget  
Central Procurement Services

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# 2023 George Cronin Awards for Procurement Excellence

## Lifecycle Supplier Outreach & Relationship Management

## Executive Summary

Suppliers are often anxious to get their foot in the door when it comes to government contracts, but many potential suppliers do not possess the same level of sophistication that large, established businesses do at navigating what can be a confusing process. Public procurement professionals want a healthy potential supplier community and substantial competition. Additionally, many states strive to diversify their supplier base.

Once a supplier has obtained a contract, managing productive relations can also present a challenge. This does not just refer to dealing with performance issues, but also to building a strong relationship where suppliers bring forth ideas for improvements or savings the state may not have thought about on its own.

Further, Michigan's Central Procurement Services (CPS) and its suppliers have an interest in MiDEAL members (MiDEAL is Michigan's cooperative purchasing program for cities, townships, villages, counties, school districts, universities, colleges and nonprofit hospitals [other states are generally able to utilize these contracts as well.]) Engaging suppliers to help market these contracts not only means more sales for the supplier, and revenue for CPS, but helps to reinforce the mutually beneficial relationship between the two.

To address these issues, Michigan has taken a transparency focused posture that seeks to engage suppliers and potential suppliers throughout the life cycle of the contract.

## Innovation

At the start of the life cycle, attracting potential suppliers and supplier diversity is at the forefront of supplier relations. Michigan has taken several new steps to raise awareness during the pre-solicitation stage.

One of the most well received new ideas has been the development of the *Vendor Opportunity Dashboard* (<https://www.michigan.gov/dtmb/procurement/contractconnect/vendor-opportunity-dashboard>). This dashboard shows any potential supplier (or anyone else with internet access) what projects CPS currently has planned (up to 12-18 months out), along with links to the current (if applicable) contracts and other relevant information. The dashboard has been well received by both potential suppliers and associated interest groups. It was built by CPS's Technology and Reporting Section using Microsoft Power BI.

Michigan also rebuilt from scratch its current contract listing (<https://www.michigan.gov/dtmb/procurement/contractconnect/contract-list>). Previously, a Microsoft Excel worksheet was manually updated and uploaded to CPS website. Now, it is fully searchable and automatically updated. Maybe more important, the format is more intuitive and user friendly. It too was built by CPS's Technology and Reporting Section using Microsoft Power BI.

To make suppliers aware of these changes, CPS maintains its social media presence (<https://twitter.com/miprocurement>) and has recently formed a new outreach team that encompasses traditional outreach efforts (public speaking at different business groups,

“Procurement 101” classes, etc.), supplier diversity efforts (Geographically Disadvantaged Business Enterprise) and the Michigan Supplier Community (<https://www.michigan.gov/dtmb/procurement/contractconnect/programs-and-policies/programs/misc>) programs), as well as Michigan’s MiDEAL Program. CPS also works with supplier interest groups across the state so that they can inform their members of the new tools available to them.

To close the loop with potential suppliers, Michigan is also now posting all of the proposals it receives publicly for a year (<https://www.michigan.gov/dtmb/procurement/contractconnect/bid-proposals>) so that potential suppliers can see other proposals, including the winning proposal(s) without having to send a Freedom of Information Act (FOIA) request. These proposals can be crucial to a potential supplier in figuring out how to improve their proposals for future bids.

After a contract is entered into, supplier outreach is not over. Michigan has increased its efforts to market MiDeal eligible contracts to other public entities. A new way CPS is doing this is through the creation of videos highlighting and explaining these contracts. A marketing video explaining the Michigan’s road salt program ([https://youtu.be/2cG-D\\_Tce7A](https://youtu.be/2cG-D_Tce7A)) and the Cyber Security Assessment program (<https://youtu.be/j9evZewiwKA>) has already been published.

Recently, CPS has decided to leverage its suppliers as partners in the creation of these videos. This has required the creation of video standards around length and format, and to ensure that the videos are not just commercials but focused on giving MiDEAL members a comprehensive understanding of the goods or services available through the contract. CPS is in the process of identifying current suppliers who wish to partner with the state in this way. Once developed, the marketing videos will be posted to the MiDEAL YouTube channel (<https://www.youtube.com/@MiDEAL-Extended-Purchasing>), subject to approval by CPS.

To additionally ensure good relations with its strategic suppliers throughout the life of their contracts CPS has begun conducting Annual Supplier Business Reviews (ASBRs). CPS’s Supplier Relationship Management Section (SRM) is aimed at building and improving the business relationship between the State of Michigan and its strategic suppliers. The ASBR is utilized with suppliers holding contracts with large-spend, generally covering multi-Agency contracts, and that support mission-critical functions of the State of Michigan.

As part of preparation for an ASBR, SRM discusses current issues, pain points and successes with the agencies utilizing the contract. That information is used during the meeting to help point to areas that need improvement and those that deserve recognition. The participating supplier is also encouraged to provide feedback on their working relationship with the state and bring up areas of their concerns. The topics of discussion covered in the meeting ensure reciprocal feedback.

These meetings give CPS a better understanding of the fast-changing trends in different industries by allowing the supplier to provide relevant industry insights. ASBRs provide the supplier an opportunity to discuss accomplishments achieved during that year, highlight areas of strength and improvement, and discuss strategies that can help both the State and the Supplier meet mutually beneficial goals. These improvements can result in better operational efficiencies

for both the state and the strategic supplier, cost-saving opportunities, and other areas of improvement.

## **Transferability**

Each part of Michigan's efforts toward Life Cycle Supplier Outreach was accomplished with tools readily available for free use (such as Twitter and YouTube) or as part of the state's Microsoft licensing package (PowerBi, etc.), and by the talented and dedicated staff of CPS. No one item would be difficult to replicate and differing state laws should be much less likely to impact the feasibility of any of these actions.

The only limit on the ease of replicating Michigan's Life Cycle Supplier Outreach efforts is the need to dedicate resources to accomplish these tasks. This is not always an easy feat, but states that have revenue generating cooperative purchasing programs should be able to justify the increase expense with the expected increase in revenue. State's that cannot use that justification could use supplier diversity, increased competition, and the resulting savings to justify.

## **Service Improvement**

The CPS-built Vendor Opportunities Dashboard and updated contract listing have been warmly received by the potential supplier community. Suppliers now have advanced notice of when a particular solicitation may be released. This means potential suppliers can factor their solicitation response into their own work planning effort. More importantly, it gives the potential supplier time to start preparing to respond to a solicitation when it is issued.

The posting of all solicitation responses CPS receives online means that potential suppliers and the public no longer must take the time and effort to submit a FOIA request, and CPS staff no longer has to spend time responding to those FOIA requests. Giving all potential suppliers access to these solicitation responses also is expected to increase the quality of future solicitation proposals because it gives potential suppliers a chance to learn by example from both winning and non-winning proposals.

The increased marketing of contracts in Michigan's cooperative purchasing program will benefit the state through increased revenue, suppliers from increased sales, and the local units of government through the lower prices and administrative savings of utilizing a cooperative purchasing program.

The ASBR meetings help strengthen the relationship between Michigan is its most important suppliers. The meetings result in better working relationships with these suppliers, as well as the cost saving ideas that often result from a close working relationship.

One of the examples of the success of this format is the recent reevaluation of how the state approaches pricing structures for advertising, which CPS modified after an ASBR meeting with suppliers in that category, who provided feedback on industry standards for pricing. The suppliers had an opportunity to bring up the difficulties they were having while the pricing out new statements of work under their contracts.

In another instance, an MRO Supplier was able to assist Michigan meet its 2023 goal for GDBE spend by analyzing their sub-contractor spend.

## Cost Reduction

Cost reductions and increased revenue are a major driver of Michigan's move to implement Life Cycle Supplier Outreach & Relationship Management. All the pre-solicitation efforts are aimed at creating more high-quality competition for state contracts. More competition generally drives costs lower, as anyone who has taken a basic economics class knows. While it is difficult to measure such a cost reduction, CPS estimates that if this outreach and the resulting competition reduces contract award values by just 0.25%, the value of contracts awarded would be reduced by approximately \$5.5 million per year (based on the yearly average value of the total original award amount of contracts issued in FY 21 and FY 22 at \$2.2 billion).

The posting of received proposals creates a direct administrative cost savings. The reduced number of FOIA requests would save on administrative costs. (If we assumed that a quarter of solicitations result in a FOIA request this would be approximately 22 FOIA requests based on the average number of solicitations completed in the last two fiscal years. Also, if each request costs hours of staff time at their hourly rate, the savings on this work adds up.)

The increased marketing of contracts in Michigan's cooperative purchasing program could generate an estimated extra \$195,650 in revenue per year if it can increase revenues by just 5%. (Estimated revenue for the MiDEAL program is \$3.91 million for FY23).

The strengthening of Michigan's relationships with its strategic suppliers through the use of ASBRs is also expected to result in cost savings through further supplier suggestions.

## Conclusion

By investing time and resources into Life Cycle Supplier Outreach & Relationship Management, Michigan is furthering several of its goals simultaneously: cost savings, better service or outcomes for the state, increased competition, better relations with key suppliers, increased revenue, better outcomes for MiDEAL members, advancing supplier diversity, and increasing transparency to the public.

The costs of these measures have been minimal since they all utilize existing resources within CPS, but Michigan should reap rewards from them for years to come.



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## State of Michigan

Department of Technology,  
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# 2023 George Cronin Awards for Procurement Excellence

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## Professional Development for IT Procurement™

## Executive Summary

Since the Achievement in Michigan Procurement (AMP) certification program's inception, the Central Procurement Services (CPS) Professional Development Section has developed and launched eight additional training curricula with 70+ instructional hours which have impacted over 5,000 state employees.

As the training catalog expands, the Professional Development Section has ventured into the complex world of IT purchasing. This particularly arduous area of procurement sets itself apart from an already-complicated profession. IT has become more sophisticated and integrated into our lives; complexity and integration introduces risks – risks to networks, devices, and information. The integration of IT into everyday products and services means IT procurement is no longer a specialization within public procurement, but a growing element of commodities and services contracts.

With the addition of the AMP1+IT training program, Michigan is preparing its procurement professionals for the inevitable necessity of understanding “IT Procurement.”

## Innovation

Today IT is woven into the fabric of procurement. While once treated as a distinct area of procurement, most purchases now have an IT component. Services, such as health care administration, rely on IT for storage and transmission of large volumes of personal data. Even commodities, such as office supplies, are increasingly incorporating IT components. While the underlying products are not considered IT procurements, purchasing is frequently conducted through IT portals, which transmit sensitive data. Additionally, with the advent of the “internet of things” numerous traditional commodities now contain major IT components.

As our purchasing needs change, so must our procurement professional development programs. Michigan's AMP1+IT Training and Certification program is groundbreaking as we believe it's the first state IT Procurement certification program. What makes this endeavor innovative is the use of multiple and unique approaches, developed at unprecedented speed. An abbreviated timeline was necessary because of the fast-paced development in the IT industry; training must keep pace with the speed of development.

AMP1+IT incorporated a streamlined development process, while including all new content. To achieve this, our training staff performed an unprecedented amount of research and met with multiple technological divisions (cyber-security, chief technology office, etc.) and the Attorney General's office. This was done to determine the best approach and obtain consensus from all stakeholder groups for training content, including an IT glossary and documentation for the AMP1+IT Body of Knowledge (BOK) (attached for reference).



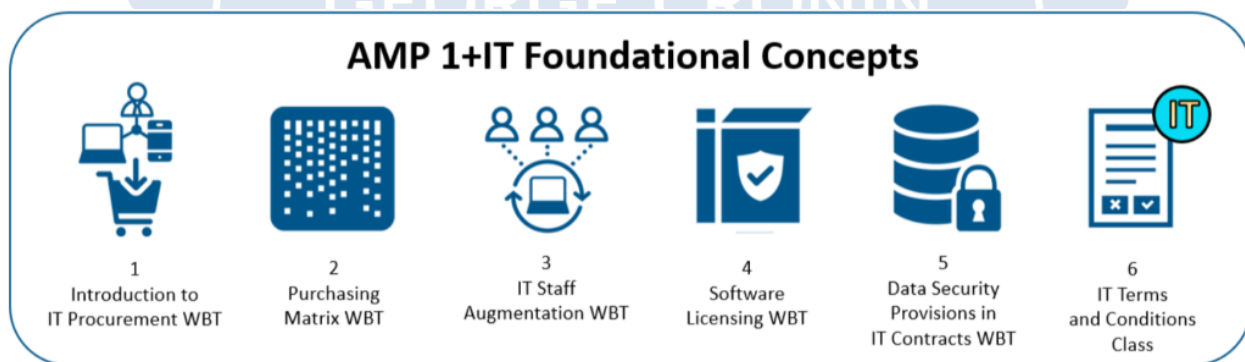
## Transferability

Undertaking the development of a public IT procurement curriculum is challenging. The lack of reference materials, such as other certification programs, was especially challenging.

All state government bodies have unique challenges that require unique solutions. No training program would suit the needs of all state procurement offices. Because of Michigan's efforts, there is now a template for other states looking to institute a similar IT procurement certification or enhance their other certification or professional development programs to include more IT procurement-specific material. Moreover, the aforementioned BOK is a substantial resource that any IT procurement body can utilize to assist in the development of similar training, whether in whole or in part.

While the AMP1+IT certification program is tailored for both Central Procurement and Agency sourcing staff, it also has content that applies to others involved in IT procurements. It consists of six courses with 5.5 hours of instructional content plus reference materials, known as "AMP 1+IT Foundational Concepts." Course lessons are presented in one of two formats – web-based training (WBT) and instructor-led training.

Topics include (brief summaries follow the graphic below):



1. **Introduction to Information Technology procurement:** defines IT, who is involved in procuring IT products, and resources for guidance in procuring IT commodities and services.
2. **The Purchasing Matrix:** this WBT reviews the State's reference tool that identifies necessary stakeholders in the solicitation process and who should handle the procurement when a purchasing need is identified.
3. **IT Staff Augmentation:** this WBT introduces the process of adding outside contracted IT resources (also referred to as Staff Augmentation or Staff Aug) to supplement State-employed IT staff to meet enterprise needs.
4. **Software Licensing:** this WBT covers the basic concepts of an End User License Agreement (EULA), and provides guidance on understanding the contractual agreement between the *Licenser* (the Publisher or Owner) of the software and the *Licensee* (the

party that wants to use the software). It also defines the relative rights between Licensor and Licensee.

5. **Data Security:** this WBT includes information on how to assess the data security requirements of IT products and services *before* they are purchased and introduced into the State IT infrastructure. Additionally, it introduces concepts related to data, data security, and privacy that are important in IT solicitations and contracts.
6. **IT Contract Terms and Conditions:** this instructor-led class reviews the terms and conditions unique to IT purchases and details some of the commonly-used language therein.

Participants must have completed the AMP Level 1 training and certification of 42+ instructional hours before participating in the AMP1+IT curriculum. The WBTs and other related materials are accessible 24-hours a day and can be accessed from personal devices, allowing for study anywhere.

AMP1+IT has been designed using different types of instruction and activities to appeal to multiple learning styles. The training components incorporate both lecture and scenario-based activities designed to reinforce concepts delivered during the class.

In addition to the courses, individual preparation for the certification tests includes access to the published *Body of Knowledge* that includes learning objectives for each topic, related reference guides for study, other tools to reinforce learning, and practice tests. Participants can view these materials and much more on a dedicated intranet site. Upon completion of the required prerequisites, participants who successfully pass the two certification tests, covering the material in the 6 modules, with an 80% score or better will become certified.

## Service Improvement

The pilot *Achievement in Michigan Procurement* certification program launched in November 2018, and AMP IT launched in December 2022. AMP programs, developed in-house by a dedicated procurement training unit, promote accountability for procurement professionals statewide and provide staff with the skills and knowledge needed to perform their jobs in compliance with Michigan law and the Michigan Procurement Policy Manual.

Ultimately, AMP certifications, including AMP1+IT, are meant to identify appropriate skills for job functions and to ensure that the employee acquires those skills. The main goals are to:

- Provide assurance that the state has well-trained and knowledgeable staff who are prepared for the duties of their position.
- Reduce audit findings and increase compliance with required policies and procedures.
- Promote morale and a positive staff culture.
- Allow a process for professional growth.
- Assist with career advancement and corresponding salary determinations.

Above all, service improvement is the most important goal of AMP. The program itself improves the experience of CPS's customers by providing them with well-trained and knowledgeable procurement professionals.

## Cost Reduction

Cost reduction was not the primary motivation for AMP1+IT, however, proficiently trained procurement professionals are less likely to make costly errors, are more efficient, and arguably better at negotiating contracts. Though we cannot put a definitive number on it, most public procurement professionals understand that the costs involved with mishandling IT terms or deliverable acceptance on any one contract can run into the millions. Given the known high rates of failure for IT projects, competency of our procurement professionals is critical. This is even more critical when contemplating the scrutiny that *public* procurement professionals face when project failure wastes taxpayer dollars.

Nonetheless, we do believe that for the purpose of this submission, we are able to quantify some tangible cost savings for the development of the AMP1+IT program itself. AMP1+IT was funded in such a way that work project funds from a prior fiscal year were used to pay for its development. CPS was able to set aside these funds for the development of this training, thus avoiding \$350,000. in operating expenses over the course of the next three to four years.

## Conclusion

Michigan prides itself on being on the forefront of public IT purchasing. Similarly, it has been an innovator in terms of comprehensive professional development for procurement professionals. Within the past five years, CPS has taken numerous initiatives to ensure that all State employees with a procurement role have sufficient training and resources to fulfill their complex roles.

The criticality of professional development in the realm of IT procurement cannot be overstated. IT projects are amongst the most complex, time consuming, and expensive in all of procurement, whether public or not. Simple misunderstandings can result in massive complications and even project failure. As we adjust to a permanent hybrid work environment, this shifting landscape will continue to require substantial flexibility from our training personnel, whose obligations remain the same regardless of where learners are physically located. The AMP1+IT program was developed with this new reality in mind. It allows effective training to be delivered to more individuals, on demand, and in a variety of formats.



ACHIEVEMENT IN MICHIGAN PROCUREMENT

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**AMP1+**  **INFORMATION  
TECHNOLOGY**  
**BODY OF KNOWLEDGE**

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# Table of Contents



## Introduction

[A Message from the Chief Procurement Officer](#)

[Instructions for AMP1+IT Training and Certification Program](#)

## Glossary

[AMP1+IT Glossary of Terms](#)

## AMP1+IT Foundational Concepts

[Introduction to IT Procurement Learning Objectives](#)

[AMP1+IT: FC-1 Introduction to IT Procurement Reference Guide](#)

[Purchasing Matrix Learning Objectives](#)

[Purchasing Matrix](#)

[AMP1+IT: FC-2 Purchasing Matrix Reference Guide](#)

[IT Staff Augmentation Learning Objectives](#)

[AMP1+IT: FC-3 IT Staff Augmentation](#)

[Software Licensing Learning Objectives](#)

[AMP1+IT: FC-4 Software Licensing Reference Guide](#)

[Data Security Provisions in IT Contracts Learning Objectives](#)

[AMP1+IT: FC-5 Data Security Provisions in IT Contracts Reference Guide](#)

[IT Terms and Conditions Learning Objectives](#)

[AMP1+IT: FC-6 IT Terms and Conditions Reference Guide](#)

## Additional Resource

[Determine if a Solicitation has an IT Component Learning Objectives](#)

[AMP1A Lesson: Analyze the Need \(AN\)- 2 Determine if a Solicitation has an IT Component and How to Proceed Reference Guide](#)

# A Message from the Chief Procurement Officer

## Spring 2023

Hi, I am Jared Ambrosier, Chief Procurement Officer for the State of Michigan.

Central Procurement Services' goal to provide IT Procurement training to support the work of both Central Procurement Services and Financial Services Purchasing Professionals is in development now.

AMP1+IT promotes accountability for IT Purchasing Professionals and also reduces risk introduced by the purchase of IT products and services.

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***The AMP1+IT Training and Certification Program is required for Financial Services Sourcing Staff and Central Procurement Services Category Analysts and Specialists.<sup>1</sup>***

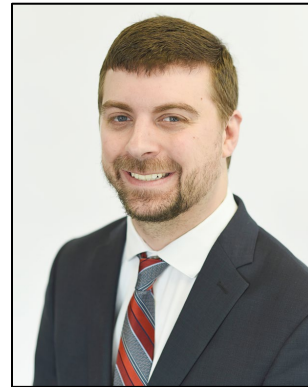
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Other Achievement in Michigan Procurement (AMP) programs include:

- ***AMP Level 1 (1A and 1B)*** – for Purchasing Professionals who issue contracts for up to \$500,000
- ***AMP Procurement Card Training and Certification Program*** – for any State of Michigan staff member who makes Procurement Card purchases for their agency
- ***AMP Program Manager Training*** – for both Purchasing Professionals and any State of Michigan staff member who oversees and evaluates state contracts

The AMP1+IT content includes Foundational Concepts and key IT Procurement topics as they fit throughout the Procurement Six – building on the AMP Level 1 certification, *which is a required pre-requisite.*

AMP1+IT is presented as a series of Web-Based Trainings, instructor-led courses, and accompanying support documents and activities that focus on IT-related procurement concepts.



*Jared Ambrosier is the Chief Procurement Officer for the State of Michigan.*

Many, but not all, of the AMP1+IT topics will be available as Web-Based Trainings in the State of Michigan Learning Center for other audiences as well, by searching for **AMP1+IT**.

We'll send out emails to announce the availability of these AMP1+IT trainings through our GovDelivery listserv. Contact [ledesmaw@michigan.gov](mailto:ledesmaw@michigan.gov) to be added to our "Big List" so you don't miss any Central Procurement announcements!

I hope that you will actively participate in AMP training and certification!

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<sup>1</sup> The AMP1+IT certification is only available to this audience, unless otherwise approved through the Procurement Policy and Training Director.



*Look for the AMP1+IT logo on training products and materials*

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## INSTRUCTIONS FOR AMP1+IT TRAINING AND CERTIFICATION PROGRAM

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This document provides an overview and registration information for the AMP1+IT Training and Certification Program.

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### Overview

AMP1+IT consists of a series of Web-Based Trainings, Instructor-Led Courses, and accompanying support documents and activities that focus on IT-related procurement concepts.

Content includes IT Foundational Concepts and key IT topics as they fit throughout the Procurement Six – building on the AMP Level 1 (1A and 1B) certification, which is a required pre-requisite.

**Required Audience:** Central Procurement Services (CPS) and Financial Services (FS) Purchasing Professionals. The AMP1+IT certification is only available to this audience, unless otherwise approved through the Central Procurement Training Manager. Email [DTMB-ProcurementTraining@michigan.gov](mailto:DTMB-ProcurementTraining@michigan.gov) to provide justification for your request.

AMP1+IT certification tests are presented at key points during the curriculum, rather than one large test at the end.

Individual Web-Based Trainings (WBT) and the Instructor-Led course are available through the State of Michigan Learning Center. The AMP1+IT Body of Knowledge and individual reference guides for each topic are found on the Central Procurement Services intranet site.

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### Pre-Requisites for AMP1+IT

The AMP1+IT certification requires the completion of the AMP Level 1 (1A and 1B) Certification program and its pre-requisites.

To determine if you have completed the pre-requisites, log in to the State of Michigan Learning Center (SOM-LC) to review your transcript for the *Achievement in Michigan Procurement (AMP) Certification Level 1 Curriculum*.



- Click the **Open Curriculum** drop-down
- Select **View Training Details**
- Review the **Status** field to identify lessons which are **In Progress** or **Registered** – these are the ones you need to complete

Here is a sample of what that might look like:

TITLE (CLICK ON TO SEE COURSE DESCRIPTION)	TYPE	DUE DATE	EXCUSED	STATUS	OPTIONS	DETAILS
<b>Part 1: AMP 1A (Min. required: 9)</b>						
AMP Online! 1A - Required Preparation for Class Web-Based Training	Section	None	No	Registered	Launch	
AMP 1A Web-Based Training (WBTs) (AMP 1A Pre-work) (Min. required: 9)	Section					
Foundational Concepts FC-1 State of Michigan Procurement Process Overview	Online Class	None	No	Registered	Launch	
Foundational Concepts FC-2 Procurement Policy and Law	Online Class	None	No	In Progress	Launch	
Foundational Concepts FC-3 Ethics	Online Class	None	No	Completed	Launch	
Foundational Concepts FC-4 Vendor Fundamentals	Online Class	None	No	Registered	Launch	
Foundational Concepts FC-5 Records Retention	Online Class	None	No	Completed (Equivalent)	Launch   Register	

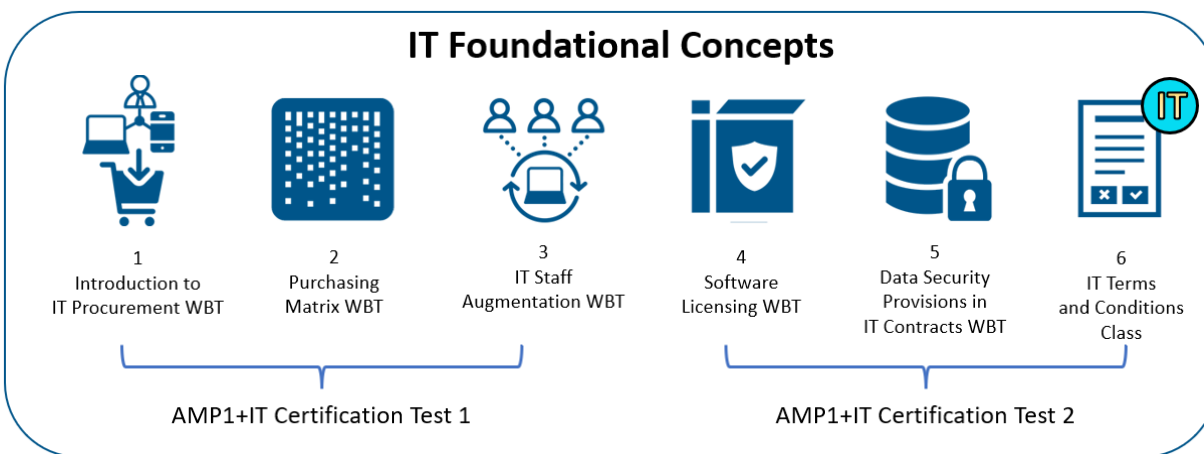
You do not have to complete the *AMP Online! 1A or 1B – Required Preparation for Class WBTs*.

## AMP1+IT Curriculum

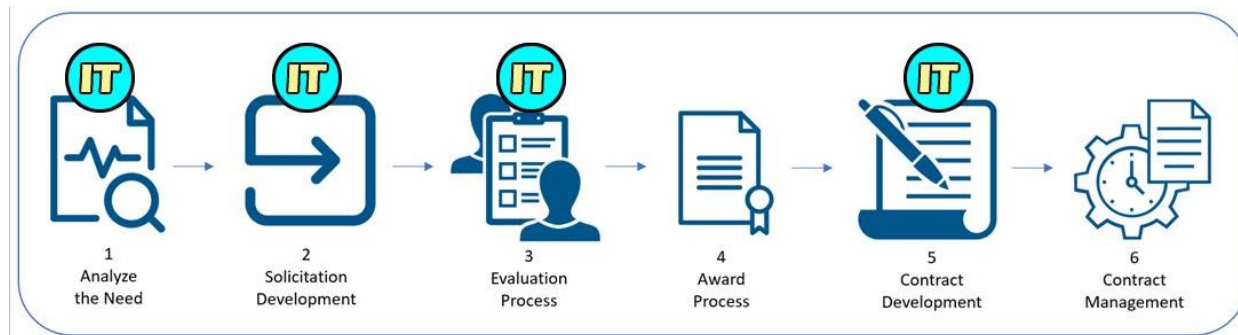
The AMP1+IT Training and Certification program currently includes IT Foundational Concepts. Planned modules for the sub-topics within the Procurement 6 are on hold until a future date.

### IT Foundational Concepts

**NOTE:** Registration for the *IT Terms and Conditions* class is now available in the SOM- LC.



### Procurement 6 Steps with IT Content (this project is on hold)



*Procurement 6 steps with specific IT processes have an IT symbol displayed*



## AMP1+IT GLOSSARY OF TERMS

This document lists the key terms found in the *AMP1+IT Curriculum* and their definitions. Terms are listed in alphabetical order, their associated definition, and the training in which they are found.

**NOTE:** This document is a living document that will continue to be updated and grow based on new content that is added to the *AMP1+IT Curriculum*. If there are definitions that you'd like to have included, please share them with us at [DTMB-ProcurementTraining@michigan.gov](mailto:DTMB-ProcurementTraining@michigan.gov).

For more information about the *AMP1+IT Curriculum*, refer to the [AMP1+IT Body of Knowledge](#).

**NOTE:** Updates since the last publication of this document are highlighted in **yellow**.

### Glossary

Term	Definition	Training
<b>ADA Committee</b>	The ADA Committee reviews and approves or denies content changes requested by bidders in contract negotiations which impact the Americans with Disabilities Act (ADA) requirements and conformance with SOM Policy 1650 for websites, software, and services which include electronic communications.	Introduction to IT Procurement WBT
<b>Agency Services</b>	Agency Services is a specialized division of DTMB which partners with State of Michigan agencies to provide full life-cycle support of technology goods and services. It is their goal to make sure that technology purchases leverage enterprise solutions, use shared platforms, and assist the agency with the Readiness process.	Introduction to IT Procurement WBT
<b>Attorney General (AG)</b>	The Attorney General's office works closely with procurement. They provide legal advice regarding the legal terms that accompany solicitations and contracts for the State of Michigan.	Introduction to IT Procurement WBT

Term	Definition	Training
<b>Central Procurement Services (CPS)</b>	DTMB's Central Procurement Services (CPS) is the main player in large IT purchases. Any new IT solicitation that is over \$500,000 will be handled by CPS. This estimate is the contract value over the entire term of the contract, not including option years.	Introduction to IT Procurement WBT
<b>Certification</b>	Within the context of IT Terms and Conditions, a written certification is the method through which the State offers publishers documented proof that the State has deployed the licensed software in compliance with the usage terms of the contract.	IT Terms and Conditions RG
<b>COTS</b>	COTS is short for Commercial Off-The-Shelf Software. This is a software application that is commercially available and fully functional right out of the box. It may be installed, hosted internally, or hosted externally by a third party. This type of solution requires a license to be purchased for each user. Examples include TechSmith Snagit, Adobe Acrobat Reader.	Introduction to IT Procurement WBT, Purchasing Matrix WBT
<b>Criminal Justice Information Services (CJIS)</b>	National crime information systems used by the public safety community for both criminal and civil purposes. CJIS data that is included on these systems consists of sensitive information gathered by local, state, and federal law enforcement agencies. This data could include criminal background information, fingerprints, copies of private documents, or other personal data that could be considered sensitive.	Data Security Provisions
<b>Custom Application Development</b>	A software application that is designed and developed to fulfill a custom solution. It can be written from scratch or be an existing application (COTS or SaaS) that is customizable to fit a	Introduction to IT Procurement WBT, Purchasing Matrix WBT

Term	Definition	Training
	company's needs. Examples include Bridges and iBilling.	
<b>Data</b>	Any information, such as facts and numbers used to analyze situations and make decisions. It also includes any information derived from these decisions and can be written or digital.	Data Security Provisions
<b>Data Classification</b>	Part of the data assessment involves classifying the data to assess the risk it poses to our organization, and to establish the level of security needed to protect it in order to reduce impact or consequences.	Data Security Provisions
<b>Data Sanitization</b>	Data sanitization is the IT term for the vendor "deep cleaning" their systems to make sure when the contract ends, and this process is over, that the vendor is not in possession of any State Data, nor can they otherwise replicate or reassemble it.	IT Terms and Conditions RG
<b>eMichigan</b>	eMichigan is involved in reviewing State websites and software for compliance with the ADA and Policy 1650 for both new software and enhancements to existing systems.	Introduction to IT Procurement WBT
<b>End User License Agreement (EULA)</b>	The End User License Agreement is another term for a software license agreement.	Software Licensing WBT
<b>End User Standards Committee (EUSC)</b>	The DTMB EUSC sets the technical standards for end user hardware and software used within all agencies. The EUSC reviews, and approves or denies, all Non-Standard information technology end-user requests.	Introduction to IT Procurement WBT
<b>Enterprise Architecture (EA)</b>	As part of the Office of the CTO, Enterprise Architecture supports and prepares Agency Services for success	Introduction to IT Procurement WBT

Term	Definition	Training
	in IT Readiness and DTMB processes before the State makes new IT purchases. This helps reduce risk.	
<b>Enterprise Portfolio Management Office (EPMO)</b>	The EPMO oversees the State of Michigan IT Portfolio. The EPMO is involved early in a proposed IT procurement project, which specific roles, responsibilities, and time frames around security and technical requirements.	Introduction to IT Procurement WBT
<b>Expressed Warranties</b>	A warranty that is described in writing.	Software Licensing WBT
<b>Family and Educational Records Privacy Act (FERPA)</b>	Federal law enacted in 1974 that protects the privacy of student education records by prohibiting educational institutions from disclosing PII in education records without written consent of the student or parent. FERPA data are education records protected by the Act.	Data Security Provisions
<b>Federal Tax information (FTI)</b>	Any tax return information received from the IRS or any secondary source which is protected by the confidentiality provisions of the Internal Revenue Code section 6103. This includes names of dependents, location of a business, the taxpayer's name, address, and identification number.	Data Security Provisions
<b>Financial Services</b>	<p>DTMB Financial Services not only offers accounting and accounts payable processing for the State of Michigan, but also departmental procurement for DTMB, as well as other agencies.</p> <p>Financial Services develops and administers IT bid solicitations and execution of contracts under \$500,000 for agencies.</p>	Introduction to IT Procurement WBT

Term	Definition	Training
<b>Fitness for a Particular Purpose</b>	In the context of software licensing, this warranty implies that when a buyer reasonably relies on an item to perform in a specific way, it should actually perform in that specific way.	Software Licensing WBT
<b>Hardware</b>	The physical parts of a computer, server, or related devices, including the case, motherboard, hard drive, central processing unit (CPU), mouse, keyboard, graphics and sound cards, and monitor.	Introduction to IT Procurement WBT, Purchasing Matrix WBT
<b>Health Insurance Portability and Accountability Act (HIPAA)</b>	A federal privacy rule (Health Insurance Portability and Accountability Act of 1996) that requires appropriate safeguards to protect the privacy of protected health information and sets limits and conditions on the uses and disclosures that may be made of such information without an individual's authorization.	Data Security Provisions
<b>IaaS</b>	IaaS is short for Infrastructure-as-a-Service. It is an online, high-level application programming interface (API) that serves to connect the computer-to-computer programs, provide data partitioning, security, backup, and other services. Examples include Oracle VM and OpenStack.	
<b>Implementation</b>	The Contractor's process of installing the software (in the State's environment) or giving the State access to the software (in the Contractor's environment).	IT Terms and Conditions RG
<b>Implied Warranties</b>	A warranty that is inferred and not in writing.	Software Licensing WBT
<b>Indemnification</b>	Indemnification refers to an agreement to compensate another for harm or loss that has not but could occur in the future. Do not agree to any	Software Licensing WBT, IT Terms and Conditions RG

Term	Definition	Training
	indemnification by the State of Michigan.	
<b>Infringement Claim</b>	A lawsuit where the rightful owner/creator of a piece of intellectual property sues another party for unlawful use of that IP.	IT Terms and Conditions RG
<b>Infringement Remedies</b>	Contract wording specifically for protection of the State against an infringement claim.	IT Terms and Conditions RG
<b>Integration</b>	The process of making a piece of software work with software already in the State's environment.	IT Terms and Conditions RG
<b>Internet of Things</b>	Internet of Things are objects with electronic components that include processing and network capabilities designed to enhance the functionality of an object. They network with or send communications over the internet. Examples include smart thermostats, software-enabled lab equipment, ADT security systems.	Introduction to IT Procurement WBT, Purchasing Matrix WBT
<b>IT Staff Augmentation</b>	The purchase of IT contractor services, often referred to as "staff aug." IT staff augmentation is purchased through DMTB Financial Services from a pre-qualified vendor.	Introduction to IT Procurement WBT, Purchasing Matrix WBT, IT Staff Augmentation WBT
<b>Knowledge Services</b>	Knowledge Services is a third-party supplier to the State of Michigan that provides IT staffing solutions.	IT Staff Augmentation
<b>Licensee</b>	The Licensee is the user of a software product that has purchased the right to use that software from the Publisher through a software license.	Software Licensing WBT, IT Terms and Conditions RG
<b>Licensor</b>	The Publisher or Owner of a software product.	Software Licensing WBT, IT Terms and Conditions RG

Term	Definition	Training
<b>Merchantability</b>	In the context of software licensing, the warranty of merchantability implies that the goods must reasonably conform to an ordinary buyer's expectations; in other words, they are what they say they are.	Software Licensing WBT
<b>Michigan Cyber Security (MCS)</b>	MCS provides cyber security services and systems protections for State of Michigan agencies. It is often referred to as "Cyber."	Introduction to IT Procurement WBT
<b>Michigan Department of Civil Rights (MDCR)</b>	The MDCR participates with the ADA Committee by providing legal guidance for the ADA and Policy 1650.	Introduction to IT Procurement WBT
<b>Mobile Application</b>	A mobile application is a web-based application that is designed to work on a phone, tablet, or other mobile device. Examples include MI COVID Alert, MDOC Wellness.	Introduction to IT Procurement WBT, Purchasing Matrix WBT
<b>National Institute for Standards and Technology (NIST)</b>	A federal entity that establishes regulations that all federal agencies must follow for technology to ensure the protection of data.	Data Security Provisions
<b>Network</b>	A network is two or more computers, servers, and/or systems that are linked together, either physically or wirelessly, to share resources, exchange files, or allow electronic communications. Because of their linked nature, networks are subject to higher security risks and require security measures to protect against attacks. The words, "networking" and "interfacing" are often used synonymously.	Introduction to IT Procurement WBT, Purchasing Matrix WBT
<b>PaaS</b>	PaaS is short for Platform-as-a-Service. This is a cloud-based environment for developers and companies to create, host, and deploy applications. Examples include Google App Engine, Salesforce.	

Term	Definition	Training
<b>Payment Card Industry (PCI)</b>	Payment data security standards designed to ensure that all companies that accept, process, store, or transmit credit card information maintain a secure environment.	Data Security Provisions
<b>Peripherals</b>	Peripherals are hardware items that connect directly to computer information systems. Examples include printers, scanners, monitors.	Introduction to IT Procurement WBT, Purchasing Matrix WBT
<b>Perpetual License</b>	A perpetual license allows the Licensee to use the current version of licensed software for an open-ended amount of time. In theory, it is possible that the software could be used forever once a perpetual license has been purchased.	Software Licensing WBT, IT Terms and Conditions RG
<b>Personal Health Information or Protected Health Information (PHI)</b>	Any information in the medical record or designated record set that can be used to identify an individual and that was created, used, or disclosed in the course of providing a health care service such as diagnosis or treatment.	Data Security Provisions
<b>Personal Identifying Information (PII)</b>	A name, number, or other information that is used for the purpose of identifying a specific person or providing access to a person's financial accounts.	Data Security Provisions
<b>Purchasing Matrix</b>	The Purchasing Matrix Reference Tool is a large spreadsheet that indicates which stakeholders need to be involved in the solicitation process, and who should handle the procurement when a purchasing need is identified.	Purchasing Matrix WBT
<b>Readiness</b>	A process performed by DTMB Agency Services in conjunction with the agency that determines the preparedness of the agency and DTMB to successfully support implementation and ongoing maintenance of an IT investment prior to initiating the project.	Purchasing Matrix WBT



Term	Definition	Training
<b>SaaS</b>	SaaS is short for Software-as-a-Service. This is a cloud-based software application that is completely hosted and maintained by the vendor. Access is granted through a browser or other type of installed component ("thin client"). Examples include Adobe Creative Cloud, Zoom.	Introduction to IT Procurement WBT, Purchasing Matrix WBT
<b>Site Preparation</b>	The process of a vendor completing all necessary steps in order to allow the State access to contractor-hosted software.	IT Terms and Conditions RG
<b>Software Implementation</b>	The process of delivering, installing, configuring, and integrating software purchased by the State.	IT Terms and Conditions RG
<b>Software License</b>	A contractual agreement between the Licensor (the Publisher or Owner) of the software and the Licensee (the party that wants to use the software). It defines the relative rights between Licensor and Licensee. A software license gives a Licensee the legal right to use a given software application; it documents the formal granting of permission to use, clearly describing the rights and restrictions on use.	Software Licensing WBT
<b>Staff Augmentation</b>	IT Staff Augmentation, also known as Staff Augmentation, or simply Staff Aug, is the process of adding outside contracted IT resources to supplement existing State of Michigan (SOM) staff to meet enterprise needs.	IT Staff Augmentation
<b>State Data</b>	In the context of data security, information that a contractor receives from the State or derives from the information it receives.	Data Security Provisions

Term	Definition	Training
<b>State Tax Information (STI)</b>	Any State tax return information collected by the State of Michigan Department of Treasury (or a different state) including names of dependents, location of a business, and other taxpayer PII.	Data Security Provisions
<b>Subscription License</b>	A subscription license allows the Licensee to use the software for a specific period of time, in accordance with the license terms. The Licensee's continued right to use is often based on continued payment of a subscription fee.	Software Licensing WBT
<b>Title II of the ADA</b>	Language that sets forth the State process of reviewing applicable IT purchases and requires the Contractor to provide a minimum level of accessibility.	IT Terms and Conditions RG
<b>User Data</b>	All data, information and other content of any type and in any format, medium or form, whether audio, visual, digital, screen, GUI (Graphic User Interface) or other, that is input, uploaded to, placed into or collected, stored, processed, generated our output by any device, system or network by or on behalf of the State.	Data Security Provisions
<b>Warranty Disclaimer</b>	A written statement declaring that the licensor makes no warranties – expressed or implied – other than those listed in the software license.	Software Licensing WBT
<b>Work Product</b>	Any product that a vendor creates specifically for the State under contract, which is therefore owned by the State.	IT Terms and Conditions RG

# ● Introduction to IT Procurement

## **Learning Objectives**

By the end of this training module, you will be able to:

- Define what IT means to the State of Michigan (SOM)
- State the two locations to find SOM IT procurement policy
- Explain how IT purchases are divided between agencies, DTMB Central Procurement Services and DTMB Financial Services
- Define Standard and Non-Standard IT software and hardware items
- Define Readiness and explain the role of the process for an IT purchase
- Describe the role of DTMB Agency Services when there is an IT purchase
- Identify some of the other stakeholders involved in the IT procurement process
- Recognize the permissions and approvals that may be needed in procurement processing for IT

## IT-FC-1 INTRODUCTION TO IT PROCUREMENT REFERENCE GUIDE

This document is a companion to the [Introduction to IT Procurement Web-Based Training](#)<sup>1</sup>, the first training module for the *Achievement in Michigan Procurement (AMP)1+IT Training and Certification* program. It provides an introduction to Information Technology (IT) procurement, including what is IT, who is involved in procuring IT products for the State of Michigan, and resources for guidance in procuring IT commodities and services.

### Table of Contents

Overview .....	2
Reducing Risk .....	2
IT Concepts and Terms.....	2
What is IT? .....	2
Other IT Policy and Process Sources.....	2
Common Types of IT Items and Services .....	3
Networks and Interfaces .....	4
Readiness .....	4
Who’s Who in IT Purchasing .....	5
DTMB Agency Services .....	5
DTMB Central Procurement Services .....	5
DTMB Financial Services.....	6
State Agencies .....	6
Other IT Procurement Stakeholders.....	6
When to Involve IT Stakeholders .....	9
Resources .....	11
IT Topic Searches.....	11
Specific Policy for IT Procurement.....	12
Reference Guides and Reference Tools.....	12
IT Procurement Stakeholders .....	12

<sup>1</sup> This direct link will navigate to the State of Michigan Learning Center.

## Overview

IT purchases can be complex, because IT itself has become more sophisticated and integrated into our lives. That complexity and integration introduces risks – risks to networks, devices, and information.

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## Reducing Risk

In order to reduce risks that might be introduced by purchasing and using IT, the State of Michigan has implemented the following:

1. Strict, detailed, and frequently updated policies and processes concerning IT use and IT procurement for all State agencies.
2. Specialized offices and groups of individuals (stakeholders) who are experts in their IT field to make informed decisions about IT purchasing, development, implementation, and maintenance.
3. Restrictions on who can make IT purchases.

*Even free software carries risk and potential costs to the State and cannot be acquired and installed without the proper approvals.*

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## IT Concepts and Terms

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### What is IT?

The definition for IT can be found in the State Administrative Guide ([Policy 1305.00 Enterprise Information Technology \(IT\) Policy](#)), and in [Chapter 6 \(6.4.5.3\)](#) of the Michigan Procurement Policy Manual. While you are not required to memorize the definition for AMP1+IT Certification, you must have a familiarity with the overall content of the definition.

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### Other IT Policy and Process Sources

The [Delegated IT Memo](#), which is issued by the DTMB End User Standards Committee (EUSC) explains the difference between Standard and Non-Standard IT purchases and the processes for purchasing each type.

- **Standard** IT hardware and software items have already been approved and vetted by the EUSC
  - Agencies can purchase standard IT hardware and software items directly from the SIGMA SHOP page; they do not need to go through Agency Services or Financial Services to initiate the purchase
- **Non-Standard** IT hardware and software items require approval from the EUSC and potentially from Enterprise Architecture before they can be purchased

- Non-Standard items may require a **Standard Exception Request (SXR) approval** and/or a **DTMB-3564 Enterprise Architecture Solution Assessment (EASA)**

Due to frequent changes in IT policies and procedures, usage of SXR and EASA is subject to change.

### Common Types of IT Items and Services

Name or Acronym	Description
<b>COTS</b>	COTS is short for Commercial Off-The-Shelf Software. This is a software application that is commercially available and fully functional right out of the box. It may be installed, hosted internally, or hosted externally by a third party. This type of solution requires a license to be purchased for each user. Examples include TechSmith Snagit, Adobe Acrobat Reader.
<b>SaaS</b>	SaaS is short for Software-as-a-Service. This is a cloud-based software application that is completely hosted and maintained by the bidder. Access is granted through a browser or other type of installed component ("thin client"). Examples include Adobe Creative Cloud, Zoom.
<b>Custom Application Development</b>	A software application that is designed and developed to fulfill a custom solution. It can be written from scratch or be an existing application (COTS or SaaS) that is customizable to fit a company's needs. Examples include Bridges and iBilling.
<b>Mobile application</b>	A mobile application is a web-based application that is designed to work on a phone, tablet, or other mobile device. Examples include MI COVID Alert, MDOC Wellness.
<b>Internet of Things</b>	Internet of Things are objects with electronic components that include processing and network capabilities designed to enhance the functionality of an object. They network with or send communications over the internet. Examples include smart thermostats, software-enabled lab equipment, ADT security systems.
<b>Peripherals</b>	Peripherals are hardware items that connect directly to computer information systems. Examples include printers, scanners, monitors.

Name or Acronym	Description
<b>IT Staff Augmentation</b>	The purchase of IT contractor services, often referred to as "staff aug." IT staff augmentation is purchased through DMTB Financial Services from a pre-qualified bidder.
<b>Network</b>	A network is two or more computers, servers, and/or systems that are linked together, either physically or wirelessly, to share resources, exchange files, or allow electronic communications. Because of their linked nature, networks are subject to higher security risks and require security measures to protect against attacks. The words, "networking" and "interfacing" are often used synonymously.
<b>Hardware</b>	The physical parts of a computer, server, or related devices, including the case, motherboard, hard drive, central processing unit (CPU), mouse, keyboard, graphics and sound cards, and monitor.

### Networks and Interfaces

IT items that interface with SOM systems introduce security risks beyond an individual computer. Because of this, only DTMB Central Procurement Services or DTMB Financial Services can make IT purchases that interface.

### Readiness

The **Readiness** process begins once an agency engages Agency Services to inquire about an IT need or idea. Agency Services assists the agency with completing Readiness activities to determine if they:

- Have the funds and resources to invest in an IT idea
- Can effectively maintain and secure the product or service over time
- Should buy, build, or leverage (improve) and existing IT product or service

The Readiness process collects and analyzes the following types of information:

- High-level system requirements
- Data definition and use of data
- Technical environment for a new system
- Market research on a system (both internal and external)
- Benefits realization

- Total cost of ownership

Depending on the IT purchase, the extent and timeframe of Readiness can vary.

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## Who's Who in IT Purchasing

### DTMB Agency Services

Agency Services is a specialized division of DTMB which partners with State of Michigan agencies to provide full life-cycle support of all technology goods and services. It is their goal to make sure that technology purchases leverage enterprise solutions, use shared platforms, and are made with fiscal responsibility in mind.

When an agency believes it may have an IT need or a product with an IT component, the agency should contact their assigned Agency Services representative. Agency Services will always be involved in an IT purchase<sup>2</sup>, whether it is a small or large purchase, however, *Agency Services does not do the actual purchasing*.

They work with the agency to assess the need and perform market research, and then the purchase will be moved to either DTMB Financial Services or DTMB Central Procurement Services. The purchase may also remain with the agency, depending on what is purchased, the price, and percentage of IT. You'll learn more about calculating the percentage of IT in the *Purchasing Matrix Web-Based Training* (pending publication).

Find Agency Services contacts on the [DTMB Divisions](#) intranet page, Agency Services section (click dropdown arrow), and scroll to see the organizational charts – or reach out to your internal IT section (if one exists).

### DTMB Central Procurement Services

DTMB's Central Procurement Services (CPS) is the main player in large IT purchases. Any new IT solicitation that is **over \$500,000** will be handled by CPS. This estimate is the contract value over the entire term of the contract.

CPS has two divisions that can potentially purchase IT:

- **IT Division** - The IT Division at CPS is comprised of two buying units with Purchasing Professionals who specialize in making purchases where over 50% of the product or service is an IT solution, or the product/service interfaces with State of Michigan applications or networks.  
Exceptions: The IT Division does not purchase cellular services and devices, security cameras, and radios.
- **Commodities and Services Division** - The Commodities and Services Division at CPS is comprised of Purchasing Professionals who specialize in making purchases where greater than 50% of the purchase is a commodity or service.

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<sup>2</sup> When the IT purchase request is originating from DTMB Chief Technology Office, Michigan Cyber Security, or Center for Shared Solutions, they may choose not to engage Agency Services.



- In addition to non-IT commodity procurements, the Commodities section is responsible for large hardware purchases, cellular services and devices, security cameras, data storage, radios, and most of the purchases that qualify as "Internet of Things."
- In addition to non-IT services procurements, the Services section handles contracts that have an administrative service (healthcare, consulting, procurement cards) that includes a SaaS component to assist the contractor in completing their contract deliverables.

### DTMB Financial Services

DTMB Financial Services not only offers accounting and accounts payable processing for the State of Michigan, but also departmental purchasing for DTMB, as well as other agencies.

Financial Services develops and administers bid solicitations and execution of contracts under \$500,000 for agencies. They also process:

- Orders off existing state contracts, such as the Michigan Master Computing Program (MMCP)
- IT Staff Augmentation Services
- Annual maintenance and license renewals
- All standard IT orders

### State Agencies

Agencies do have some IT purchasing power, but it's very limited. IT purchases made by an agency:

- Are under \$500,000
- Must be a product or service with an IT component where less than 50% of the purchase is an IT solution
- Have no interfacing/networking with SOM systems
- Must not be made with a PCard, even if under \$5,000 – see [PCard IT-Related Purchases Reference Tool](#) for a list of IT-related items that can be purchased with a PCard

Always consult the [Purchasing Matrix Reference Tool](#) when inquiring about an IT purchase. More information about the Purchasing Matrix can be found in the *Purchasing Matrix Web-Based Training* (pending publication).

### Other IT Procurement Stakeholders

There are many other players potentially involved in an IT purchase, depending on the size, type, and complexity of the project. Central Procurement Services or Financial

Services will assist with bringing these other procurement stakeholders into the IT purchasing project, as needed.

Stakeholder	Description
<p><b>Attorney General’s Office</b></p>	<p>The Attorney General’s Office has close ties to procurement; they are the owners of the legal terms that accompany every solicitation and contract for the State of Michigan.</p> <p>There are several versions of contract terms. Which template is used is based on the content of the contract. They include:</p> <ul style="list-style-type: none"> <li>• Standard Contract Terms</li> <li>• Standard Contract Terms Short Form</li> <li>• IT Contract Terms</li> <li>• Hybrid Contract Terms (used when there is a commodity or service with an IT component)</li> </ul> <p>The AG must review any IT solicitations prior to posting and must be involved in negotiations of terms with a bidder (redlining).</p> <p>They must also review any contracts with software licenses, security terms, and end user licensing agreements (EULAs) prior to the contract being signed.</p>
<p><b>End User Standards Committee</b></p>	<p>DTMB End User Standards Committee (EUSC) sets the technical standards for end-user hardware and software used within all agencies. The EUSC reviews, and approves or denies, all Non-Standard information technology end-user requests.</p> <p>Standard Exception Requests (SXR) are required for proposed Non-Standard IT purchases. There are lists of Standard IT hardware and software available and no special permissions are required for these purchases.</p>
<p><b>eMichigan</b></p>	<p>eMichigan provides web hosting services for the Michigan.gov websites as part of the eMichigan Website Hosting Contract and oversees all content on State of Michigan websites.</p> <p>eMichigan is also involved in reviewing State websites and software for compliance with the Americans with Disabilities Act (ADA), both new content and through annual reviews.</p> <p>eMichigan staff oversee the ADA Committee, which reviews and approves or denies content change requests by bidders</p>

Stakeholder	Description
	<p>in contract negotiations (called <i>redlining</i>) which impact ADA requirements for websites and software.</p> <p>Redlining could remove a bidder from consideration if negotiation of redlined items fails.</p> <p>The ADA Committee is lead by the director of eMichigan and includes stakeholders from Civil Rights, Procurement, and the AG.</p>
<p><b>Enterprise Architecture (EA)</b></p>	<p>As part of the Office of the CTO, Enterprise Architecture supports and prepares Agency Services for success in IT Readiness and DTMB processes before the State makes new IT purchases. This helps reduce risk.</p> <p>EA provides guidance for IT acquisitions pre-commitment to help the State make informed decisions which will improve the development and management of SOM technology.</p> <p>To accomplish this, EA maintains and manages the Enterprise Architecture Solution Assessment process (EASA – pronounced “EE-sah”).</p>
<p><b>Enterprise Portfolio Management Office</b></p>	<p>The Enterprise Portfolio Management Office (EPMO) oversees the State of Michigan IT Portfolio. The EPMO is involved early in a proposed IT procurement project, with specific roles, responsibilities, and timeframes around security and technical requirements.</p> <p>The main goal of the EPMO is to have a good handoff between the Purchasing Professional and the project manager with a well-defined scope.</p> <p>Complex IT procurement projects with 200 or more combined EPMO and Agency Services time may be required to have a project manager to ensure correct personnel involved,</p> <p>The project manager works with the Financial Services IT Purchasing Professional for projects under \$500k, or CPS IT Purchasing Professional for over \$500k.</p> <p>EPMO bills for their time. Costs must be included in the agency budget estimate.</p>
<p><b>Michigan Cyber Security</b></p>	<p>Michigan Cyber Security (MCS) provides cyber security services and system protections for State of Michigan. It is often just referred to as “Cyber.”</p>

Stakeholder	Description
	<ul style="list-style-type: none"> <li>• Cyber is involved as part of the Solicitation Team when there is a non-standard IT purchase request</li> <li>• Is present at the initial stakeholders meeting</li> <li>• Reviews the entire Statement of Work</li> <li>• Reviews the IT Contract Terms or Hybrid Terms as it relates to the security schedule</li> <li>• Is always involved in the negotiation of terms when the discussion involves something cyber-specific, along with the Attorney General’s office when the bidder wants changes to the IT Contract Terms and Conditions</li> <li>• Signs off on IT contracts</li> </ul>

## When to Involve IT Stakeholders

Stakeholder	Description
<p><b>DTMB Agency Services</b></p>	<p>Agency Services is at the top of the list, because anytime you have an IT purchase - regardless of the price - they need to be involved. Engage Agency Services as soon as you have identified the IT purchasing need.</p> <p>Your agency's Purchasing Office should have a list of Agency Services contacts or reach out to your internal IT section (if one exists). You can also visit the <a href="#">Agency Services intranet site</a> and view the organizational charts to see the Business Manager and Business Analysts assigned to your agency.</p>
<p><b>DTMB Financial Services</b></p>	<p>DTMB Financial Services is involved when the procurement:</p> <ul style="list-style-type: none"> <li>• Is IT or has an IT component that is over 50% of the purchase</li> <li>• Interfaces with SOM networks or systems</li> <li>• AND the total contract value is <b>under</b> \$500,000</li> </ul> <p>Financial Services is also involved when purchasing from existing IT Staff Augmentation contracts for any amount, and when purchasing off Michigan Master Computing Program (MMCP) contracts. Agency Services will connect the</p>

Stakeholder	Description
	requesting party with the appropriate Financial Services Purchasing Professional once these factors are determined.
<b>DTMB Central Procurement Services</b>	DTMB Central Procurement Services is involved when the procurement: <ul style="list-style-type: none"> <li>• Is IT or has an IT component that is over 50% of the purchase</li> <li>• Interfaces with SOM networks or systems</li> <li>• AND the total contract value is <b>over</b> \$500,000</li> </ul> Agency Services will connect the requesting party with the appropriate CPS Purchasing Professional once these factors are determined.
<b>Enterprise Architecture (EA)</b>	<b>EA is an invited stakeholder in all IT procurements. EA may provide input and guidance on current State infrastructure and how the new solution will interact.</b>
<b>DTMB End User Standards Committee (EUSC)</b>	If it is determined that the purchase is a non-standard software product that will be loaded on State personal computers, laptops, or tablets, a <b>Standard Exception Request (SXR)</b> must be submitted and approved by the EUSC.  Submission of the SXR usually takes place early in the procurement process, during the Analyze the Need step.
<b>Michigan Cyber Security (MCS)</b>	Michigan Cyber Security becomes involved in the solicitation process once it is determined that the purchase is a non-standard IT product. A representative from Cyber Security will serve on the solicitation committee throughout the solicitation process and signs off on the contract.
<b>Enterprise Portfolio Management Office (EPMO)</b>	EPMO becomes involved in an IT procurement once the total number of project hours goes over 200. When there is a large or complex IT procurement, EPMO is sometimes involved at the beginning of the project or is brought in by Agency Services during the Readiness process.
<b>eMichigan</b>	eMichigan's Americans with Disabilities Act (ADA) Committee becomes involved in a website IT procurement or when there

Stakeholder	Description
	are contract negotiations where the bidder wants to change ADA terms.
<b>Attorney General</b>	<p>The AG has an important role in minimizing risk for the state.</p> <ul style="list-style-type: none"> <li>• Financial Services involves the AG's Office when they have a new IT solicitation, and they need to get the appropriate IT Terms</li> <li>• The AG stays involved in the solicitation process and reviews completed IT solicitations from both Financial Services and Central Procurement Services prior to posting</li> <li>• The AG is also present in any negotiations where contract terms are redlined for negotiation by the bidder - IT or standard</li> </ul> <p>Before contacting the AG – check with your manager for the proper contact method:</p> <ul style="list-style-type: none"> <li>• Agencies: Discuss with your manager to determine if AG review is required. If so, contact Genevieve Hayes, Central Procurement Services Policy and Training Director at <a href="mailto:hayes2@michigan.gov">hayes2@michigan.gov</a></li> <li>• Central Procurement Services and Financial Services: Engage the AG’s office in the method identified by your manager or director</li> </ul>

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## Resources

This section contains a comprehensive list of IT procurement resources. Because document links change frequently, the links provided in this section will focus on page links where you can then search for the specific reference.

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## IT Topic Searches

Use the [Topic Search](#) functionality on the Central Procurement Services intranet site to locate all IT-related resources on the site. There are two main IT topics:

- IT Purchases
- IT Readiness

## Specific Policy for IT Procurement

- [Michigan Procurement Policy Manual Chapter 6, Section 6.4.5.3](#)
  - [State Administrative Guide 1305.00 Enterprise Information Technology \(IT\) Policy](#)
  - [Delegated IT Memo](#) (June 2022 update)
- 

## Reference Guides and Reference Tools

- [Introduction to IT Procurement Reference Guide](#)
  - [Purchasing Matrix Reference Tool](#)
- 

## IT Procurement Stakeholders

The following links navigate to the home pages of different stakeholders that may be involved in an IT procurement. Explore their intranet sites for further links.

- [Central Procurement Services](#) intranet site
  - [IT Purchases](#) page
- The following can be found on the [DTMB Divisions](#) page:
  - Agency Services
  - Enterprise Portfolio Management (under Center for Shared Solutions)
  - Michigan Cyber Security and Infrastructure
  - Financial Services

# ● Purchasing Matrix

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## **Learning Objectives**

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By the end of this training module, you will be able to:

- Identify the purpose of the Purchasing Matrix
- Define what IT means to the State of Michigan
- Locate the Purchasing Matrix on the Central Procurement Services intranet site
- Navigate the Purchasing Matrix to define who handles contracts for the different types of non-IT and IT purchases
- Explain how IT procurements are divided among agencies, DTMB Central Procurement Services, and DTMB Financial Services, based on the Purchasing Matrix
- Recognize when a purchase request is either strictly IT or has an IT component
- Explain the role of Agency Services when there is an IT procurement



**IT-FC-2 PURCHASING MATRIX REFERENCE GUIDE**

This document is a companion to the Purchasing Matrix Web-Based Training, which is part of the *Achievement in Michigan Procurement (AMP)1+IT Training and Certification* program. It provides detailed information on the terminology and stakeholders mentioned in the Purchasing Matrix Reference Tool as well as a video walkthrough, instructing you how to use the Purchasing Matrix when you have a non-IT or IT purchase.



**Table of Contents**

AMP1+IT Foundational Concepts ..... 2

Purchasing Matrix Reference Tool ..... 2

    Reducing Risk ..... 2

IT Concepts and Terms ..... 2

    What is IT? ..... 2

        Common Types of IT Items and Services ..... 3

        IT Versus IT Component ..... 4

        Networks and Interfaces ..... 4

        Readiness ..... 4

Who is Involved in Making an IT Purchase? ..... 5

    DTMB Agency Services ..... 5

    DTMB Central Procurement Services ..... 5

    DTMB Financial Services ..... 5

    State Agencies ..... 6

    Other IT Procurement Stakeholders ..... 6

Purchasing Matrix Walkthrough Key Points ..... 6

Resources ..... 7

    Reference Guides and Reference Tools ..... 7

    IT Topic Searches ..... 7

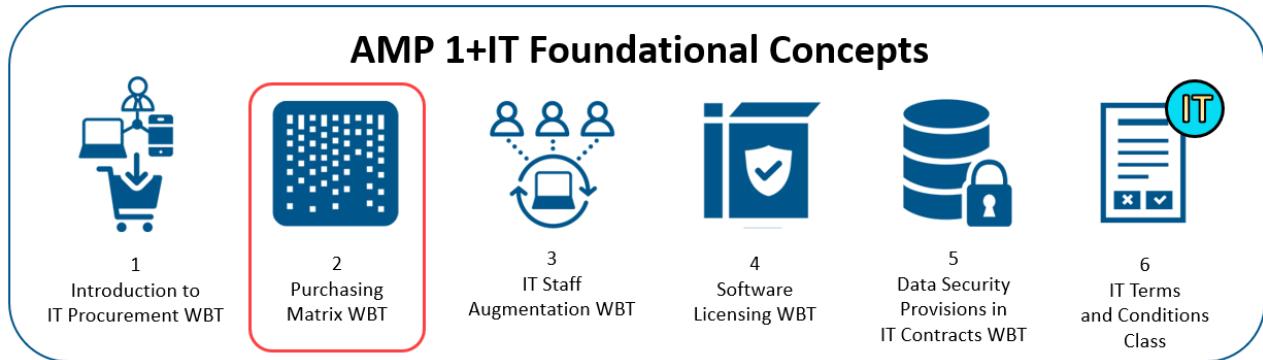
    Specific Policy for IT Procurement ..... 7

    Other ..... 7

## AMP1+IT Foundational Concepts

Purchasing Matrix is the second Foundational Concept in the AMP1+IT training and certification curriculum found in the State of Michigan Learning Center.

This concept builds on the knowledge gained from the previous IT Foundational Concept, as well as the information covered in AMP Level 1.



## Purchasing Matrix Reference Tool

The [Purchasing Matrix Reference Tool](#) is a large spreadsheet that indicates which stakeholders need to be involved in the solicitation process, and who should handle the procurement when a purchasing need is identified.

Per the [Michigan Procurement Policy Manual](#) (MPPM) [section 2.4.4.1](#), all purchases with or without an IT component must be processed according to the Purchasing Matrix.

## Reducing Risk

Using the Purchasing Matrix to decide who must be involved and who will handle the procurement will ensure that purchases for the State of Michigan are processed properly - according to policy - to help reduce risk.

## IT Concepts and Terms

### What is IT?

The definition for IT can be found in the State Administrative Guide ([Policy 1305.00 Enterprise Information Technology \(IT\) Policy](#)), and in [Chapter 6 \(6.4.5.3\)](#) of the Michigan Procurement Policy Manual.

*IT is defined as software, hardware, networking, Internet of Things, and telecommunication products and services that the State uses to store, manage, access, communicate, send and receive information. IT also refers to data, voice and video technologies. The determination of whether something is considered IT is not*

*dependent on cost (i.e., could be a free service) or whether the product or service is hosted on state systems.*

The types of IT listed on lines 3 through 13 of the Purchasing Matrix are based on the definition of IT.

**Common Types of IT Items and Services**

Name or Acronym	Description
<b>COTS</b>	COTS is short for Commercial Off-The-Shelf Software. This is a software application that is commercially available and fully functional right out of the box. It may be installed, hosted internally, or hosted externally by a third party. This type of solution requires a license to be purchased for each user. Examples include TechSmith Snagit, Adobe Acrobat Reader.
<b>SaaS</b>	SaaS is short for Software-as-a-Service. This is a cloud-based software application that is completely hosted and maintained by the bidder. Access is granted through a browser or other type of installed component ("thin client"). Examples include Adobe Creative Cloud, Zoom.
<b>Custom Application Development</b>	A software application that is designed and developed to fulfill a custom solution. It can be written from scratch or be an existing application (COTS or SaaS) that is customizable to fit a company's needs. Examples include Bridges and iBilling.
<b>Mobile application</b>	A mobile application is a web-based application that is designed to work on a phone, tablet, or other mobile device. Examples include MI COVID Alert, MDOC Wellness.
<b>Internet of Things</b>	Internet of Things are objects with electronic components that include processing and network capabilities designed to enhance the functionality of an object. They network with or send communications over the internet. Examples include smart thermostats, software-enabled lab equipment, ADT security systems.
<b>Peripherals</b>	Peripherals are hardware items that connect directly to computer information systems. Examples include printers, scanners, monitors.
<b>IT Staff Augmentation</b>	The purchase of IT contractor services, often referred to as "staff aug." IT staff augmentation is purchased through DMTB Financial Services from a pre-qualified bidder.

Name or Acronym	Description
<b>Network</b>	A network is two or more computers, servers, and/or systems that are linked together, either physically or wirelessly, to share resources, exchange files, or allow electronic communications. Because of their linked nature, networks are subject to higher security risks and require security measures to protect against attacks. The words, "networking" and "interfacing" are often used synonymously.
<b>Hardware</b>	The physical parts of a computer, server, or related devices, including the case, motherboard, hard drive, central processing unit (CPU), mouse, keyboard, graphics and sound cards, and monitor.

### IT Versus IT Component

IT procurements range from being a full IT solution (such as a stand-alone software application) to being part IT. We refer to procurements that are partially IT as **having an IT component**.

Both commodities and services can have IT components:

- Internet of Things items are examples of **commodities with an IT component** (frequently mobile applications or SaaS solutions to help control or monitor them)
- Banking or credit card services are examples of **services with an IT component** (the primary purchase is the banking service, the online portal or website is the IT component)

Contracts for commodities or services with IT components are often referred to as **hybrid contracts**. They may use a hybrid template and specific set of hybrid terms in the *Statement of Work*.

### Networks and Interfaces

IT items that interface with SOM systems introduce security risks beyond an individual computer. Because of this, only DTMB Central Procurement Services or DTMB Financial Services can make IT purchases that interface.

### Readiness

The **Readiness** process begins once an agency engages Agency Services to inquire about an IT need or idea. Agency Services assists the agency with completing Readiness activities to determine if they:

- Have the funds and resources to invest in an IT idea

- Can effectively maintain and secure the product or service over time
- Should buy, build, or leverage (improve) and existing IT product or service

The Readiness process collects and analyzes the following types of information:

- High-level system requirements
- Data definition and use of data
- Technical environment for a new system
- Market research on a system (both internal and external)
- Benefits realization
- Total cost of ownership

Depending on the IT purchase, the extent and timeframe of Readiness can vary.

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## Who is Involved in Making an IT Purchase?

### DTMB Agency Services

One of the first things you'll see on the Purchasing Matrix covering all IT purchase types is the directive to "Engage Agency Services."

Agency Services is a highly specialized division of DTMB which partners with agencies to provide full life-cycle support of all technology goods and services for the State of Michigan. It is their goal to make sure that technology purchases leverage enterprise solutions, use shared platforms, and are made with fiscal responsibility in mind. Each agency has an assigned General Manager (GM) and Business Relationship Manager (BRM) from Agency Services that supports them.

### DTMB Central Procurement Services

DTMB's Central Procurement Services (CPS) handles all new contracts over \$500,000. This is the anticipated value of the contract over the entire term of the contract, not including option years.

CPS has an Information Technology Division, as well as a Services and Commodities Division. The Services and Commodities Division also handles contracts with an IT component when the primary purchase is either a service or commodity.

### DTMB Financial Services

DTMB Financial Services not only offers accounting and accounts payable processing for the State of Michigan, but also departmental purchasing for DTMB, as well as other agencies.

Financial Services develops and administers bid solicitations and execution of contracts under \$500,000 for agencies. They also process:

- Orders off existing state contracts, such as the Michigan Master Computing Program (MMCP)
- IT Staff Augmentation Services
- Annual maintenance and license renewals
- All standard IT orders

### State Agencies

State of Michigan agencies have limited delegated authority for purchasing IT and must always work with DTMB Agency Services. They may purchase Information Services when the solution is not collecting or storing State data, and can purchase some items in the Internet of Things.

- For all other IT purchases, agencies must work with either DTMB Financial Services or DTMB Central Procurement Services.
- Must not be made with a PCard, even if under \$5,000 – see [PCard IT-Related Purchases Reference Tool](#) for a list of IT-related items that can be purchased with a PCard

### Other IT Procurement Stakeholders

See the [Introduction to Procurement](#) Web-Based Training for a full list of other stakeholders who potentially can take part in an IT procurement.

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## Purchasing Matrix Walkthrough Key Points

- Locate the Purchasing Matrix Reference Tool on the Central Procurement Services intranet site using either the top search field or searching on the Reference Library > Reference Guides page
  - Use the zoom tools on the top of the PDF to assist with readability
- Use the Purchasing Matrix either when a new contract is needed or when a change notice is needed to add an IT component to an existing contract
  - The Purchasing Matrix still applies to MMCP and IT Staff Augmentation contracts
- The types of IT purchases listed on lines 3 through 13 of the Purchasing Matrix are based on the definition of IT.
- All IT purchases require that you engage Agency Services
  - Exception: Michigan Cyber Security (MCS), Chief Technology Office (CTO) and Center for Shared Solutions (CSS) are not required to engage Agency Services but may opt to do so
- Readiness is required for most IT purchases
  - Any exceptions to the Readiness process will be determined by Agency Services

## Resources

This section contains a comprehensive list of IT procurement resources. Because document links change frequently, the links provided in this section will focus on page links where you can then search for the specific reference.

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### Reference Guides and Reference Tools

The following references can be found on the [Central Procurement Services > Reference Library > Reference Guides](#) page.

- Purchasing Matrix Reference Tool
  - Introduction to IT Procurement Reference Guide
  - AMP1+IT Body of Knowledge
- 

### IT Topic Searches

Use the Topic Search functionality on the Central Procurement Services intranet site to locate all IT-related resources on the site. There are two main IT topics:

- [IT Purchases](#)
  - [IT Readiness](#)
- 

### Specific Policy for IT Procurement

- [Michigan Procurement Policy Manual Chapter 6](#), Section [6.4.5.3](#)
  - [State Administrative Guide 1305.00 Enterprise Information Technology \(IT\) Policy](#)
  - [Delegated IT Memo](#) (August 2021 update)
- 

### Other

- [State of Michigan Learning Center](#)
  - Purchasing Matrix Web-Based Training
  - Introduction to IT Procurement

# ● Purchasing Matrix

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## **Learning Objectives**

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By the end of this training module, you will be able to:

- Identify the purpose of the Purchasing Matrix
- Define what IT means to the State of Michigan
- Locate the Purchasing Matrix on the Central Procurement Services intranet site
- Navigate the Purchasing Matrix to define who handles contracts for the different types of non-IT and IT purchases
- Explain how IT procurements are divided between agencies, DTMB Central Procurement Services, and DTMB Financial Services, based on the Purchasing Matrix
- Recognize when a purchase request is either strictly IT or has an IT component
- Explain the role of Agency Services when there is a new IT procurement



## Purchasing Matrix

For State of Michigan Purchases When an Existing Contract is Not Available

	Description (rows 3 - 13 from the IT Definition)	Readiness Needed?	Department of Technology, Management and Budget (DTMB) Procurement				Agency Procurement Office, including FS acting as an Agency Procurement Office for DTMB	
			Central Procurement Services Purchases > \$500,000			Purchases ≤ \$500,000	Purchases ≤ \$500,000	
			Information Technology	Services	Commodities	Financial Services (FS)		
<b>PURCHASES WITHOUT AN IT COMPONENT</b>								
1	Commodities	No			Process Purchase		Process Purchase	
2	Services			Process Purchase				
<b>PURCHASES IN LINES 3 - 13 ARE EITHER IT OR HAVE AN IT COMPONENT. AGENCY SERVICES MUST BE ENGAGED.**</b> If you are unsure where your purchase falls within this matrix, contact Central Procurement Services at 517-284-7000 and ask for assistance with an IT purchase.								
<b>ENGAGE AGENCY SERVICES**</b>	3	COTS or Software-as-a-Service (SaaS) software applications and data is stored on a vendor's system; or COTS stored on state systems and data on vendor's system  [For example: DocuSign, Salesforce License, Survey Monkey, etc. or any other situation where we are sharing data with the vendor; online ordering systems used for Maintenance, Repair, and Operations (MRO)]	Yes	Process when the need is an <b>IT solution</b> , OR the IT solution <b>interfaces</b> with other government or vendor applications.  [For example: Docusign, Salesforce License, Adobe Acrobat, Microsoft.]	Process when the need is a <b>service</b> and related IT component <b>does not interface</b> with other government or vendor applications.  [For example: a contractor provides a service to SOM and they compile data on a software platform used to generate reports needed in performing the services.]	Process when the need is a <b>commodity</b> and the related IT component <b>does not interface</b> with other government or vendor applications.  [For example: when the contractor providing the commodities uses a web-based ordering system for MRO or office supplies.]	Process when the need is an <b>IT solution</b> , OR the related IT solution <b>interfaces</b> with other government or vendor applications.	
	4	Custom developed software applications, web development, implementation and/or maintenance; this is a system built to the state's requirements.  [For example: MDARD Licensing and Inspection system, CHAMPS, Bridges]	Yes	Process for custom software development.	Process when the need is a service and the IT component is for custom web development.		Process for custom software development through the state's IT Staff Augmentation program.	
	5	Information Services - State and/or citizen access to public information provided by a vendor.  [For example: Online newspapers, periodicals, scholarly journals, magazines, publications, statistics, subscriptions]	Yes, unless the purchase is for online newspaper services, then no Readiness is required.	Process when the need is for Information Services and the solution is collecting or storing state data.	Process when the need is for Information Services and the solution is not collecting or storing state data.		Process when the need is for Information Services and the solution is collecting or storing state data.	Process when the need is for Information Services and the solution is not collecting or storing state data (login information is allowed to be collected).
	6	Development of a new mobile app (unless there is an existing pre-qual contract).	Yes	Process when the need is to <i>develop</i> a mobile application.	Process when the need is a <b>service</b> and the mobile application is a component the contract.	Process when the need is a <b>commodity</b> and the mobile application is a component of the contract.  [For example: lottery tickets with a digital bar code, cigarette carton stamps with mobile app for law enforcement]	Process when the need is to develop a mobile application through the state's pre-qualified mobile app program.	
	7	Server hardware and software used to support applications such as database, application/web servers, storage systems, and other hosting services (including data storage)  [For example: Dell EMC PowerEdge Blade server]	Yes	Process			Process	

**ENGAGE AGENCY SERVICES\*\***

**NOTE:** Contracts for purchases with licensing, security terms, or end-user agreements (EULA) must be reviewed by the Attorney General.

## Purchasing Matrix

*For State of Michigan Purchases When an Existing Contract is Not Available*

Description (rows 3 - 13 from the IT Definition)	Readiness Needed?	Department of Technology, Management and Budget (DTMB) Procurement					Agency Procurement Office, including FS acting as an Agency Procurement Office for DTMB
		Central Procurement Services Purchases > \$500,000			Purchases ≤ \$500,000		Purchases ≤ \$500,000
		Information Technology	Services	Commodities	Financial Services (FS)		
8 Hardware devices [For example: laptops, tablets, smartphones, equipment that captures information (data, pictures, video) that will be used by an agency]	Yes, unless exception granted by Agency Services	Process for all <b>except</b> cellular services and devices.		Process for cellular services and devices.	Process for all <b>except</b> cellular services and devices.		
9 Managing land data and voice networks including communications equipment and software [For example: Cisco routers, switches, landline phones]	No Readiness needed, but engage Telecom	Process when the need is for <b>software</b> . The hardware is a component of the purchase.		Process when the need is hardware. The software is a component of the purchase. [For example: Communication towers and maintenance, P25 and non-P25 2-way radios]	Process		
10 Video networks and associated communications equipment and software. [For example: Security cameras with data storage]	Yes, unless exception granted by Agency Services			Process	Process		
11 Peripherals directly connected to computer information systems [For example: Ricoh scan printers, printers]	Yes, unless exception granted by Agency Services			Process	Process	Please refer to the Delegated IT Memo <sup>^</sup>	
12 Internet of Things (IOT): Objects with electronic components that include processing and networking capabilities designed to enhance the functionality of the object by leveraging communications over the internet [For example: Smart thermostat, software-enabled lab equipment, refrigerator with an LCD screen, drone.]	Yes, unless exception granted by Agency Services			Process	Process	Please refer to the Delegated IT Memo <sup>^</sup>	
13 Contracted staff (contractors) for software application, web, database, installation, configuration, development and maintenance, including staff augmentation arrangements [For example: contractors assisting with maintenance and support of the SIGMA system, Salesforce Development]	No	Establishes new contracts for IT Staff Augmentation			Process Tier 2 solicitation(s) through the pre-qual IT Staff Augmentation program		

ENGAGE AGENCY SERVICES\*\*

ENGAGE AGENCY SERVICES\*\*

\*\*Michigan Cyber Security (MCS), Chief Technology Office (CTO), and Center for Shared Solutions (CSS) are not required to engage Agency Services, but may opt to do so.

<sup>^</sup> Find the *Delegated IT Memo* on the Procurement intranet site's PCard page: <https://stateofmichigan.sharepoint.com/sites/SOM-SPC-Procurement/SitePages/PCard.aspx>

Another resource on the Procurement Intranet site is the *PCard IT-Related Purchases Reference Tool* in the Reference Library: <https://stateofmichigan.sharepoint.com/sites/SOM-SPC-Procurement/SitePages/Reference-Guides.aspx>

**IT-FC-2 PURCHASING MATRIX REFERENCE GUIDE**

This document is a companion to the Purchasing Matrix Web-Based Training, which is part of the *Achievement in Michigan Procurement (AMP)1+IT Training and Certification* program. It provides detailed information on the terminology and stakeholders mentioned in the Purchasing Matrix Reference Tool as well as a video walkthrough, instructing you how to use the Purchasing Matrix when you have a non-IT or IT purchase.



**Table of Contents**

AMP1+IT Foundational Concepts ..... 2

Purchasing Matrix Reference Tool ..... 2

    Reducing Risk ..... 2

IT Concepts and Terms..... 2

    What is IT? ..... 2

        Common Types of IT Items and Services ..... 3

        IT Versus IT Component..... 4

        Networks and Interfaces ..... 4

        Readiness ..... 4

Who is Involved in Making an IT Purchase? ..... 5

    DTMB Agency Services ..... 5

    DTMB Central Procurement Services ..... 5

    DTMB Financial Services..... 5

    State Agencies ..... 6

    Other IT Procurement Stakeholders..... 6

Purchasing Matrix Walkthrough Key Points ..... 6

Resources ..... 7

    Reference Guides and Reference Tools..... 7

    IT Topic Searches..... 7

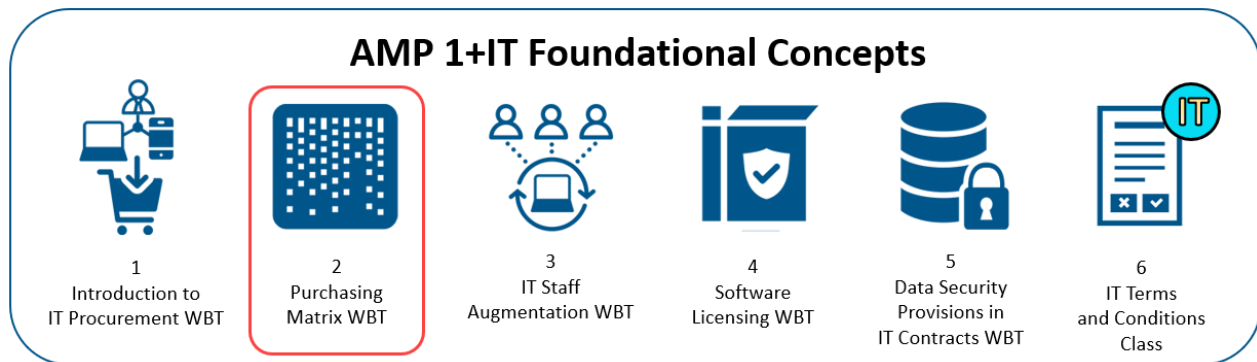
    Specific Policy for IT Procurement..... 7

    Other..... 7

## AMP1+IT Foundational Concepts

Purchasing Matrix is the second Foundational Concept in the AMP1+IT training and certification curriculum found in the State of Michigan Learning Center.

This concept builds on the knowledge gained from the previous IT Foundational Concept, as well as the information covered in AMP Level 1.



## Purchasing Matrix Reference Tool

The [Purchasing Matrix](#) reference tool is a large spreadsheet that indicates which stakeholders need to be involved in the solicitation process, and who should handle the procurement when a purchasing need is identified.

Per the [Michigan Procurement Policy Manual](#) (MPPM) section 2.4.4.1, all purchases with or without an IT component must be processed according to the Purchasing Matrix.

## Reducing Risk

Using the Purchasing Matrix to decide who must be involved and who will handle the procurement will ensure that purchases for the State of Michigan are processed properly - according to policy - to help reduce risk.

## IT Concepts and Terms

### What is IT?

The definition for IT can be found in the State Administrative Guide ([Policy 1305.00 Enterprise Information Technology \(IT\) Policy](#)), and in ([Chapter 6 \(6.4.5.3\)](#)) of the Michigan Procurement Policy Manual.

*IT is defined as software, hardware, networking, Internet of Things, and telecommunication products and services that the State uses to store, manage, access, communicate, send and receive information. IT also refers to data, voice and video technologies. The determination of whether something is considered IT is not*

*dependent on cost (i.e., could be a free service) or whether the product or service is hosted on state systems.*

The types of IT listed on lines 3 through 13 of the Purchasing Matrix are based on the definition of IT.

### Common Types of IT Items and Services

Name or Acronym	Description
<b>COTS</b>	COTS is short for Commercial Off-The-Shelf Software. This is a software application that is commercially available and fully functional right out of the box. It may be installed, hosted internally, or hosted externally by a third party. This type of solution requires a license to be purchased for each user. Examples include TechSmith Snagit, Adobe Acrobat Reader.
<b>SaaS</b>	SaaS is short for Software-as-a-Service. This is a cloud-based software application that is completely hosted and maintained by the bidder. Access is granted through a browser or other type of installed component ("thin client"). Examples include Adobe Creative Cloud, Zoom.
<b>Custom Application Development</b>	A software application that is designed and developed to fulfill a custom solution. It can be written from scratch or be an existing application (COTS or SaaS) that is customizable to fit a company's needs. Examples include Bridges and iBilling.
<b>Mobile application</b>	A mobile application is a web-based application that is designed to work on a phone, tablet, or other mobile device. Examples include MI COVID Alert, MDOC Wellness.
<b>Internet of Things</b>	Internet of Things are objects with electronic components that include processing and network capabilities designed to enhance the functionality of an object. They network with or send communications over the internet. Examples include smart thermostats, software-enabled lab equipment, ADT security systems.
<b>Peripherals</b>	Peripherals are hardware items that connect directly to computer information systems. Examples include printers, scanners, monitors.
<b>IT Staff Augmentation</b>	The purchase of IT contractor services, often referred to as "staff aug." IT staff augmentation is purchased through DMTB Financial Services from a pre-qualified bidder.

Name or Acronym	Description
<b>Network</b>	A network is two or more computers, servers, and/or systems that are linked together, either physically or wirelessly, to share resources, exchange files, or allow electronic communications. Because of their linked nature, networks are subject to higher security risks and require security measures to protect against attacks. The words, "networking" and "interfacing" are often used synonymously.
<b>Hardware</b>	The physical parts of a computer, server, or related devices, including the case, motherboard, hard drive, central processing unit (CPU), mouse, keyboard, graphics and sound cards, and monitor.

### IT Versus IT Component

IT procurements range from being a full IT solution (such as a stand-alone software application) to being part IT. We refer to procurements that are partially IT as **having an IT component**.

Both commodities and services can have IT components:

- Internet of Things items are examples of **commodities with an IT component** (frequently mobile applications or SaaS solutions to help control or monitor them)
- Banking or credit card services are examples of **services with an IT component** (the primary purchase is the banking service, the online portal or website is the IT component)

Contracts for commodities or services with IT components are often referred to as **hybrid contracts**. They may use a hybrid template and specific set of hybrid terms in the *Statement of Work*.

### Networks and Interfaces

IT items that interface with SOM systems introduce security risks beyond an individual computer. Because of this, only DTMB Central Procurement Services or DTMB Financial Services can make IT purchases that interface.

### Readiness

The **Readiness** process begins once an agency engages Agency Services to inquire about an IT need or idea. Agency Services assists the agency with completing Readiness activities to determine if they:

- Have the funds and resources to invest in an IT idea

- Can effectively maintain and secure the product or service over time
- Should buy, build, or leverage (improve) and existing IT product or service

The Readiness process collects and analyzes the following types of information:

- High-level system requirements
- Data definition and use of data
- Technical environment for a new system
- Market research on a system (both internal and external)
- Benefits realization
- Total cost of ownership

Depending on the IT purchase, the extent and timeframe of Readiness can vary.

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## Who is Involved in Making an IT Purchase?

### DTMB Agency Services

One of the first things you'll see on the Purchasing Matrix covering all IT purchase types is the directive to "Engage Agency Services."

Agency Services is a highly specialized division of DTMB which partners with agencies to provide full life-cycle support of all technology goods and services for the State of Michigan. It is their goal to make sure that technology purchases leverage enterprise solutions, use shared platforms, and are made with fiscal responsibility in mind. Each agency has an assigned General Manager (GM) and Business Relationship Manager (BRM) from Agency Services that supports them.

### DTMB Central Procurement Services

DTMB's Central Procurement Services (CPS) handles all new contracts over \$500,000. This is the anticipated value of the contract over the entire term of the contract, not including option years.

CPS has an Information Technology Division, as well as a Services and Commodities Division. The Services and Commodities Division also handles contracts with an IT component when the primary purchase is either a service or commodity.

### DTMB Financial Services

DTMB Financial Services not only offers accounting and accounts payable processing for the State of Michigan, but also departmental purchasing for DTMB, as well as other agencies.

Financial Services develops and administers bid solicitations and execution of contracts under \$500,000 for agencies. They also process:

- Orders off existing state contracts, such as the Michigan Master Computing Program (MMCP)
- IT Staff Augmentation Services
- Annual maintenance and license renewals
- All standard IT orders

### State Agencies

State of Michigan agencies have limited delegated authority for purchasing IT and must always work with DTMB Agency Services. They may purchase Information Services when the solution is not collecting or storing State data, and can purchase some items in the Internet of Things.

- For all other IT purchases, agencies must work with either DTMB Financial Services or DTMB Central Procurement Services.
- Must not be made with a PCard, even if under \$5,000 – see [PCard IT-Related Purchases Reference Tool](#) for a list of IT-related items that can be purchased with a PCard

### Other IT Procurement Stakeholders

See the [Introduction to Procurement](#) Web-Based Training for a full list of other stakeholders who potentially can take part in an IT procurement.

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## Purchasing Matrix Walkthrough Key Points

- Locate the Purchasing Matrix Reference Tool on the Central Procurement Services intranet site using either the top search field or searching on the Reference Library > Reference Guides page
  - Use the zoom tools on the top of the PDF to assist with readability
- Use the Purchasing Matrix either when a new contract is needed or when a change notice is needed to add an IT component to an existing contract
  - The Purchasing Matrix still applies to MMCP and IT Staff Augmentation contracts
- The types of IT purchases listed on lines 3 through 13 of the Purchasing Matrix are based on the definition of IT.
- All IT purchases require that you engage Agency Services
  - Exception: Michigan Cyber Security (MCS), Chief Technology Office (CTO) and Center for Shared Solutions (CSS) are not required to engage Agency Services but may opt to do so
- Readiness is required for most IT purchases
  - Any exceptions to the Readiness process will be determined by Agency Services



## Resources

This section contains a comprehensive list of IT procurement resources. Because document links change frequently, the links provided in this section will focus on page links where you can then search for the specific reference.

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### Reference Guides and Reference Tools

The following references can be found on the [Central Procurement Services](#) > Reference Library > Reference Guides page.

- Purchasing Matrix Reference Tool
  - Introduction to IT Procurement Reference Guide
  - AMP1+IT Body of Knowledge
- 

### IT Topic Searches

Use the [Topic Search](#) functionality on the Central Procurement Services intranet site to locate all IT-related resources on the site. There are two main IT topics:

- IT Purchases
  - IT Readiness
- 

### Specific Policy for IT Procurement

- [Michigan Procurement Policy Manual Chapter 6](#), Section [6.4.5.3](#)
  - [State Administrative Guide 1305.00 Enterprise Information Technology \(IT\) Policy](#)
  - [Delegated IT Memo](#) (August 2021 update)
- 

### Other

- [State of Michigan Learning Center](#)
    - Purchasing Matrix Web-Based Training
    - Introduction to IT Procurement
-

# ● IT Staff Augmentation

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## **Learning Objectives**

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By the end of this training module, you will be able to:

- Define IT Staff Augmentation
- Name the staffing contractor for IT Staff Augmentation
- Name types of IT Staff Augmentation that are milestone or deliverable-based
- Identify parties involved in IT Staff Augmentation
- Describe the initial step required to interact with Knowledge Services
- Identify which DTMB office makes IT Staff Augmentation purchases

## IT-FC-3: IT STAFF AUGMENTATION

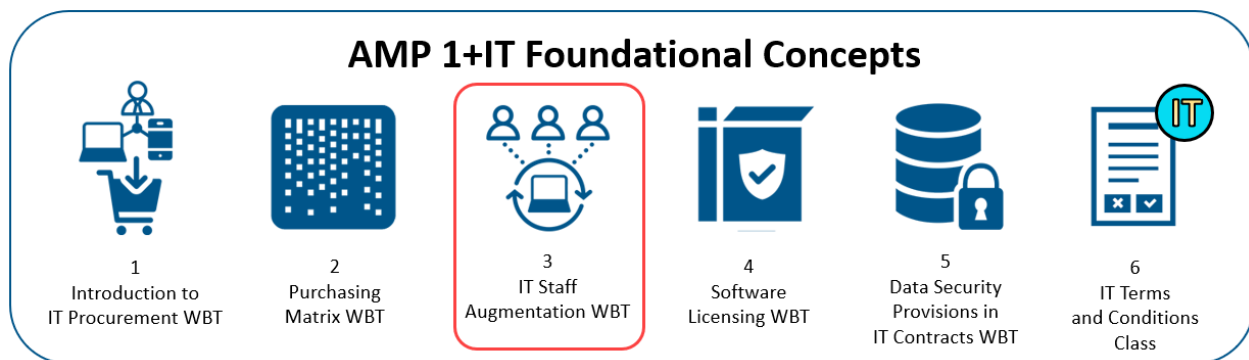
This document is a companion to the [IT Staff Augmentation Web-Based Training](#), which is part of the *Achievement in Michigan Procurement (AMP)1+IT Training and Certification* program. It provides a definition of the IT Staff Augmentation process, what is required to procure additional IT staffing. Updates since the last published date are highlighted in **yellow**.



### AMP1+IT Foundational Concepts

IT Staff Augmentation is the third Foundational Concept in the AMP1+IT training and certification curriculum found in the State of Michigan Learning Center.

This concept builds on the knowledge gained from the previous two IT Foundational Concepts, as well as the information covered in AMP Level 1.



### What is IT Staff Augmentation?

IT Staff Augmentation, also known as Staff Augmentation or simply *Staff Aug*, is the process of adding outside contracted IT resources to supplement employed IT staff to meet enterprise needs.

#### IT Staff Augmentation vs Hiring a Contractor

You may want to use outside contracted help to deal with a temporary need in your office. Civil Service may typically need to approve spending for contracted staff through the use of the CS-138 (add official title) transaction in SIGMA.

Think of the CS-138 process as requesting Civil Service to approve the justification of services outside the classified service (State of Michigan staff). See the [CS-138 Process](#) reference tool for more information.

But what if the need is for specialized, **information technology** (IT) personnel?

The State of Michigan has an enterprise-level contract for IT Staff Augmentation with a staffing contractor called Knowledge Services. There are multiple pre-authorized CS-138s in place that cover IT Staff Aug contractors.

## Staff Augmentation – What Do You Need?

### Consult the Purchasing Matrix

The [Purchasing Matrix](#), which contains a line specifically describing IT Staff Augmentation procurements, must be consulted.

Like other IT procurements, Agency Services must be engaged, and they will work with the agency and Financial Services to obtain the IT services they need.

### Using Knowledge Services

Knowledge Services has a subcontracted pool of vendors which provide a variety of IT resources. SOM requestors interact with Knowledge Services through their *dotStaff* system in which the requestor creates the requisition for Staff Aug services.

The [DTMB-3615 Knowledge Services dotStaff Access Request](#) form must be completed to have access to the *dotStaff* vendor management system, unless an account already exists. This is typically completed by Agency Services.

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## Types of IT Staff Augmentation Requests

Service Requisitions are used when there is a need for multiple hourly resources from the same supplier.

SOWs are used when there is a need for deliverable/milestone-based projects rather than hourly time and materials. Form DTMB-3580 Knowledge Services Service Requisition/SOW Request must be completed prior to starting the process to ensure the correct procurement vehicle is being utilized. These services are not allowed under the SOW program:

- Ongoing maintenance and support longer than an 18-month engagement
- Vendor Hosting
- Software/licensing

The following criteria will assist in determining if the need is a KS Service Requisition, KS SOW, or State of Michigan issued Request for Proposal (RFP):

### Traditional Staff Aug

- Resources may come from more than one vendor
- Work is assigned and overseen by the Hiring Manager
- Resource is paid hourly
- Individual performance will be evaluated
- **EXAMPLE:** System maintenance and support, upgrade existing system

### Single Vendor Required

- Multiple resources are needed from the same vendor for large-scale Staff Augmentation
- Work is assigned and overseen by the Hiring Manager
- Resources are paid hourly
- **Individual performance will be evaluated**
- Skill set and work responsibilities are clearly identifiable
- Assignments can be terminated immediately
- **EXAMPLE:** Help Desk

### Statement of Work

- Typically for a short-term need
- Agency Services will assist with completing the required [DTMB-3580 Knowledge Services Service Requisition/SOW Request](#)
- SOW/RFS will state the project specifics and expected outcomes
- Work is directed by the vendor
- Work is overseen by DTMB Hiring Manager
- **Project performance will be evaluated**
- *Payment is based on clearly defined deliverables and milestones with fixed price*
- **EXAMPLE:** Provide assessment of existing IT systems, install servers

### Request for Proposal (RFP)

- Work overseen by Vendor
- Payment based on defined deliverables and milestones with fixed price
- Company's performance will be evaluated
- Deliverables and milestones clearly identifiable
- Damages may be assessed if work not completed by deliverable or milestone
- Typically, long term need

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## Who is Involved in Staff Aug and What DO They DO?

The following parties are involved in acquiring Staff Aug services. It is important to understand that there is a period of back-and-forth between the parties during the hiring process, not a linear progression of responsibility from one party to the next.

## Agency Requesting Staff Aug

The Agency determines the need for IT staff resources and engages Agency Services. Agency obtains internal budget approval to proceed.

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## Agency Services

The Agency Services specialist works with the requesting agency to review their Staff Aug need and determine if the need can be supported by current SOM IT staff. If not, Agency Services seeks supplemental outside support by creating a requisition in *dotStaff*.

Agency Services selects from the [Knowledge Services job categories \(in Schedule B\)](#) with corresponding cost and assists with completion and submission of the DTMB-3580 Service Requisition form, as needed.

Resources obtained through Knowledge Services must be managed by a DTMB manager, called the Hiring Manager, usually from Agency Services. The following DTMB technology branches typically provide their own Hiring Manager, rather than engaging Agency Services:

- Chief Technology Officer (CTO)
  - Center for Shared Solutions (CSS)
  - Michigan Cyber Security (MCS)
- 

## Knowledge Services

Knowledge Services posts the requisition from Agency Services to its vendor pool. After the posting closes, Knowledge Services then presents potential candidates to the Hiring Manager who coordinates interviews with the agency, receives notice of candidate choice, and contacts Financial Services when a candidate is selected.

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## Financial Services

Financial Services interacts with Knowledge Services and creates the requisition (called an RQNIT1) in SIGMA. After SIGMA requests are approved by the Agency and Agency Services, Financial Services sends a purchase order (PO) to Knowledge Services.

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## DTMB Hiring Manager

The Hiring Manager must be a DTMB manager (typically from Agency Services). The Hiring Manager oversees the work of contracted IT resources, approves time, performs reviews, and requests any extensions.

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## Staff Aug Resource

The contracted IT resource has time approved by the Hiring Manager and submits it to Knowledge Services through *dotStaff*.

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## Staff Aug Procedure for Agencies

So that's WHO is involved. For what they DO, complete and detailed procedure steps can be found in the [IT Staff Augmentation policy](#).

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## Staff Aug Procedure for DTMB

Same as Staff Aug procedure steps for an Agency without the step of engaging Agency Services for the following DTMB areas:

- Chief Technology Officer
- Center for Shared Solutions
- Michigan Cyber Security

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## Renewal or Replacement of Resources

See [IT Staff Augmentation Policy](#) for *Renewal, Evaluation, Replacement of Resources*.

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## Resources

### Forms

- [DTMB Forms](#):
  - DTMB-3615 Knowledge Services *dotStaff* Access Request
  - DTMB-3580 Knowledge Services Service Requisition/SOW Request
  - DTMB-3596B Knowledge Services Staff Augmentation Renewal Request
  - TMB-0012C Remote Work Guidelines and Agreement For DTMB Contractors
  - DTMB-3634 IT Staff Augmentation Rate Change Request
- [Job Classifications and Rate Ranges from Knowledge Services contract, Schedule B](#)

### Contacts

- Financial Services for Staff Aug: [DTMB-KS-Procurement@michigan.gov](mailto:DTMB-KS-Procurement@michigan.gov)
- Knowledge Services: [MIMSP@knowledgeservices.com](mailto:MIMSP@knowledgeservices.com)

### Policy, Reference Guides and Tools

- DTMB Administrative Policy: [600.16 Procurement of IT Staff Augmentation](#)
- [AMP1+IT Body of Knowledge \(BOK\)](#)
- [Purchasing Matrix Reference Tool](#)
- [Purchasing Matrix Reference Guide](#)
- [CS-138 Process – Impacts on Solicitation Development Timeline](#)

# ● Software Licensing

## **Learning Objectives**

By the end of this training module, you will be able to:

- State the definition of a software license
- Define the difference between purchasing a software license and purchasing the software itself
- Define the role that the software license plays between the licensee and the licensor
- Define Intellectual Property
- Name two types of warranties commonly found in software license agreements
- Name the four considerations that must be understood in detail in order to best ensure the success of the license purchase
- Identify, from a list, three potential “red flags” within a License Agreement
- Describe the best way to take the appropriate next steps if you have concerns about a software license when purchasing a software product



## IT-FC-4: SOFTWARE LICENSING

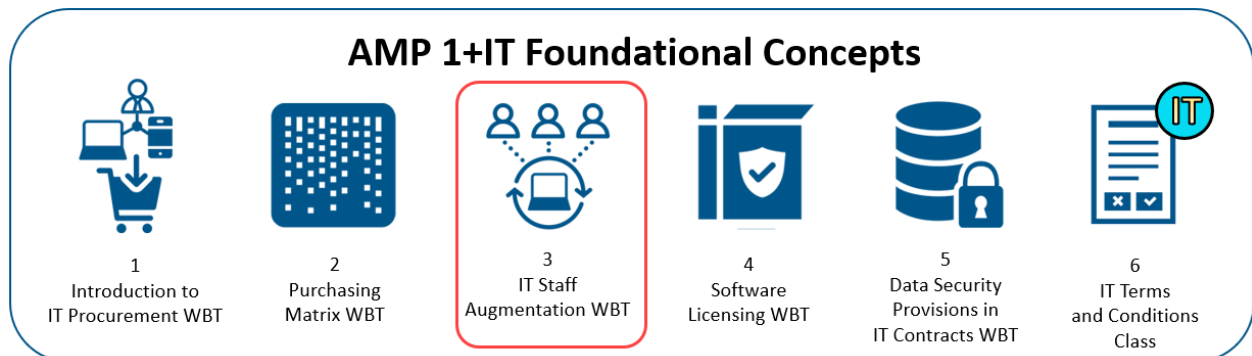
This document is a companion to the [Software Licensing Web-Based Training](#), which is part of the *Achievement in Michigan Procurement (AMP)1+IT Training and Certification* program. It defines what a software license is, how a software license works, and common terms you can find in a software license. This training also reviews some key considerations and risks involving software licenses and how to identify “red flags” often found in license terms.



### AMP1+IT Foundational Concepts

Software Licensing is the fourth Foundational Concept in the AMP1+IT training and certification curriculum found in the [State of Michigan Learning Center](#).

This concept builds on the knowledge gained from the previous three IT Foundational Concepts, as well as the information covered in AMP Level 1.



## What is a Software License?

A Software License is a **contractual agreement** between the *Licensor* (the Publisher or Owner) of the software and the *Licensee* (the party that wants to use the software). It defines the relative rights between Licensor and Licensee.

In general, a software license gives the Licensee the legal right to use a given software application – it documents the formal granting of permission to use, clearly describing rights and restrictions on use.

Another name for a software license is **EULA – End User License Agreement**.

### The Role of a License as a Contract

**The details matter.** Any concept that is important should be covered by the software license with **no assumptions**.

A good software license clearly defines (in writing) the complete understanding between parties. It can resolve any issues that may arise using only the terms contained in the document.

- 1) Any understanding of the parties that is not expressly included in the contract usually will not be taken into consideration by the court.
- 2) Unless the license is integrated into and made part of a larger contractual agreement, the license will control the entire relationship between the Licensor and Licensee, with respect to the use of the software.

A good license clearly delineates the Licensor's rights retained in the software from any right that a Licensee may obtain to use that same software. Always make sure all agreed upon elements are represented in the license language.

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## Intellectual Property

**Intellectual property (IP)** is an intangible form of legal property which is the creative product of the creator's mind. Intellectual Property law includes the laws of copyright and patent.

- The software subject to a software license agreement is the Intellectual Property of the owner – the value of that software is in the intangible ideas underlying the software
- Although intangible, Intellectual Property is **still property**, and ownership of it can be transferred
  - Using a software license agreement, instead of a purchase agreement, allows a Licensor to provide a Licensee with certain rights of use, with respect to their Intellectual Property (the software), without giving up their actual legal title to and ownership of the Intellectual Property

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## What Does a Software License Do?

When we talk about a software license, we are referring to purchasing the right to *use* the software, not ownership of the software itself.

A software license establishes the rights and obligations related to the Licensee's use of the software, *without transferring actual title to the software* to the Licensee.

The license also states what the Licensee **may** do and **may not** do with the software. Because a license is a contract, we refer to these statements as *terms*.

Terms that a software license might include:

- **Length of Time** – how long the software may be used
- **Number of Users** – how much or how many people can use the software (also referred to as volume of use)

- **Restrictions on Use** – any prohibitions, including preventing the Licensee from reselling use of the software to others, or reverse engineering
- **Warranties** – expressed or implied warranties and how the Licensee might be protected if issues arise from using the software

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## Warranties Within License Agreements

Each license agreement may have **expressed** (written) or **implied** (not in writing) warranties. It is important to review the terms of the warranty within each license to ensure that the State is being protected.

### Expressed Warranties

**Expressed** warranties written in the license agreement become a written promise and can include promises about functionality or satisfaction of use. They may also include expressed warranties from the Licensee regarding how they may or may not use the software.

- A common expressed warranty from the Licensee would be a promise not to resell the software to another party
- A common expressed warranty from the Licensor relates to a period of time over which the State may be eligible for a replacement of the software

### Implied Warranties

An **implied** warranty is a legal concept to account for the reasonable expectations of the average person. This includes **merchantability** and **fitness for a particular purpose**.

- **Merchantability:** A warranty that the goods must reasonably conform to an ordinary buyer's expectations; in other words, they are what they say they are
  - **Example:** Animation software that states it will create and save animations freezes each time you try to save. It doesn't meet the implied warranty of merchantability because it doesn't do what it says it will do.
- **Fitness for a Particular Purpose:** This warranty implies that when a buyer reasonably relies on an item to perform in a specific way, it should actually perform in that specific way
  - **Example:** You purchase software stating to be compatible with Windows 7, and upon installing it to a computer running Windows 7, it fails to install, returning an error that it requires Windows 10

### Warranty Disclaimers

A warranty disclaimer is a written statement declaring that the Licensor makes no warranties – expressed or implied – other than those listed in the software license.

Frequently, a software license will disclaim any implied warranty and may disclaim any warranty whatsoever.

- Warranty disclaimers often use “AS IS” language, meaning that they are disclaiming any and all warranties PERIOD, unless otherwise expressed

**NOTE:** If disclaimed, the State may still have recourse through an indemnification clause. Arrange to contact the Attorney General’s Office if you have concerns.

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## Types of Software Licenses

Licenses are often described by how long they are used. Two common types are **perpetual licenses** and **subscription licenses**.

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### Perpetual License

A perpetual license allows the Licensee to use the current version of licensed software for an open-ended amount of time. This was a common practice in the past when software products were intended to be one-time installations on individual machines.

In theory, it’s possible that the software could be used forever once a perpetual license has been purchased, however there may be limitations:

- 1) A Licensor may reserve the right to revoke a perpetual license if a Licensee breaks an expressed warranty.
- 2) Perpetually licensed software may become functionally irrelevant or out-of-date if not updated.
- 3) A Licensor could decide to discontinue support or maintenance for the product or announce its end-of-life.

### Subscription License

A subscription license allows the Licensee to use the software for a specific period of time, in accordance with the license terms. This is often based on the continued payment of a subscription fee and commonly in the form of Software-as-a-Service.

Consider:

- 1) The total combined cost of the repeating payments over the life of the contract.
- 2) Fees may not include the cost of maintenance and support.

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## Different Ways Software is Installed and Used

<b>Concurrent Usage</b>	Allows installation on multiple machines but specifies a limit to the number of computers/users running the software at the same time.
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<b>Workstation (Desktop)</b>	Allows the installation of the software on a single computer.
<b>Site License</b>	Allows the use of the software on any computer, but only at a single specified location.
<b>Seat (Machine)</b>	Each client computer or device that accesses the software must be individually licensed to access the services, where a number of individual devices are licensed to simultaneously access and use the software, which is installed on a single server.
<b>Volume License</b>	A certain amount of usage is purchased, and Licensee may use only the amount purchased, regardless of how quickly the purchased volume is used.

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## Software License Considerations and Risks

1. **How Many:** How many licenses are needed to fulfill the business need – in other words, are enough licenses being purchased?
  - a. It is important to *always ensure* that you are purchasing enough licenses for the given business need, as over-deployment can end up being costly for the State.
2. **How Long:** This is referred to as the *term or duration* of the license, or the length of time for which the software can be legally used.
  - a) If the State has a short-term need for a certain piece of software, a limited term of use may provide a much more economical option than the procurement of a perpetual license.
  - b) If the term is not clear, it could cause issues which result in increased cost to the State.
  - c) Future costs should be considered if the ability to obtain future versions of the software is tied to the purchase of maintenance and support.
- 2) **What Purpose:** A license specifies in what ways and for what purpose the software may or may not be used.
  - a) Under the terms of the license agreement, the State may have a right to use the software for internal governmental purposes, but not to allow the public to access and use the software through the State's website.
- 3) **What If:** What happens if the State is, or is suspected of, overusing the software?
  - a) Licenses often include audit terms which allow the Licensor to audit the Licensee to determine if they are using it in excess of the terms of the license.

- b) How such an audit is conducted could have serious security concerns for the State.
- c) It's best to identify any potential risks and manage it before a license is executed.
- d) As a State, Michigan has certain privileges and immunities that are legally advantageous. However, many of those advantages can be waived or otherwise nullified by written agreement. The preference is to preserve as many legal privileges and immunities as possible.

**NOTE:** Low or no cost doesn't mean low risk! Typically, the opposite is true. Licensors offering low or no-cost software are often not willing to take on much, if any, contractual responsibility or liability associated with the Licensee's use of that software.

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### Red Flags Within License Agreements

When reviewing license agreements, watch out for “red flags” or language that strips Licensee rights, conceals added costs, or compromises State of Michigan security, or our ability to do business. Here are some of the more common red flags you may run into.

<p><b>Hyperlinks</b></p>	<p>Beware of hyperlinks to agreements that are published only on the Licensor's website and subject to change at the sole discretion of the Licensor.</p> <p>These are concerning because they may link to documentation that the State has no control over and may be modified by the Licensor at a later date, without the consent of the State.</p>
<p><b>Location of Governing Law and/or Venue</b></p>	<p>Governing law means the laws that that will be enacted to decide a dispute. Venue means the place where the legal action occurs. Ensure that this not set in a state other than Michigan.</p> <p>Software is created all over the globe. The SOM wants the venue in the State of Michigan, with Michigan law controlling.</p>
<p><b>Data Ownership and Use</b></p>	<p>The State of Michigan prefers not to share State Data. Beware of clauses that give a Licensor the right to collect or use data processed by the software. This could put sensitive State data at risk.</p>
<p><b>Revocation Rights of the Licensor</b></p>	<p>Be aware of software licenses that give the right to revoke. The revocation of a license is effectively the same as termination of a contract. If the license is crucial for</p>

	operations, the ability of the Licensor to unilaterally revoke the license can stop use of the software and interfere with State business.
<b>Indemnification by Licensee</b>	<p>Many software license agreements include a provision under which the Licensee must indemnify the Licensor. Indemnification refers to an agreement to compensate another for harm or loss that has not but could occur in the future.</p> <p><b>Do not agree to any indemnification by the State of Michigan.</b></p> <p>Any clause that would require the State to “Indemnify,” “Hold the Licensor Harmless,” or “Reimburse” the Licensor needs to be scrutinized. This also applies to clauses mentioning Intellectual Property indemnification.</p>
<b>Audit Rights of Licensors</b>	<p>Audit rights in software licenses normally refer to the Licensor's right to audit the Licensee's actual usage of the software - to ensure that the Licensee is not overusing or "over-deploying" the software. There may even be a provision for penalties!</p> <p>Beware of broad auditing provisions that allow unrestricted auditing by the Licensor, either remotely or onsite, with or without notice. This is a <b>RED FLAG</b> because it has the potential to compromise State security.</p>
<b>Entire Agreement</b>	<p>The <i>Entire Agreement Clause</i>, (which is sometimes called a Merger Clause) is a provision within a license that states that only what is contained within the license is considered part of the binding agreement.</p> <p>Beware that there are no hyperlinked terms or any language to "click through," to places outside the written license. Such inclusions have the potential to alter the terms of the license without your notice or agreement.</p>

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## Taking Action on Software Licenses

Remember that each license is different and needs to be given the appropriate scrutiny.

- Pay attention to each provision within the license
- Make no assumptions!
- Get help if you have any questions or concerns about the terms in the license agreement

- Always resolve any unclear language before entering into the software license agreement

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## Next Steps if You Have Questions

Follow local office procedures for contacting management or other designees in your office to resolve questions. Always go through the proper channels to seek assistance from the Attorney General's Office.

- For Central Procurement Services: work with your manager or division director
- For Financial Services: work with your manager or division director
- For an agency: contact the Central Procurement Services Policy and Training Division Director, Genevieve Hayes at [hayesg2@michigan.gov](mailto:hayesg2@michigan.gov), to obtain a referral to an agency's AG representative

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## Resources

### Reference Guides and Tools

Find these and other related documents on the [Central Procurement Services intranet site](#):

- [AMP1+IT Body of Knowledge \(BOK\)](#)
- *Purchasing Matrix Reference Tool*

### Web-Based Training

Related Reference Guides are linked in each Web-Based Training, and also available on the Procurement intranet site.

- Found on the [State of Michigan Learning Center \(SOM LC\)](#):
  - *Introduction to IT Procurement Web-Based Training*
  - *Purchasing Matrix Web-Based Training*
  - *Software Licensing Web-Based Training*



# • Data Security Provisions in IT Contracts

## **Learning Objectives**

By the end of this training module, you will be able to:

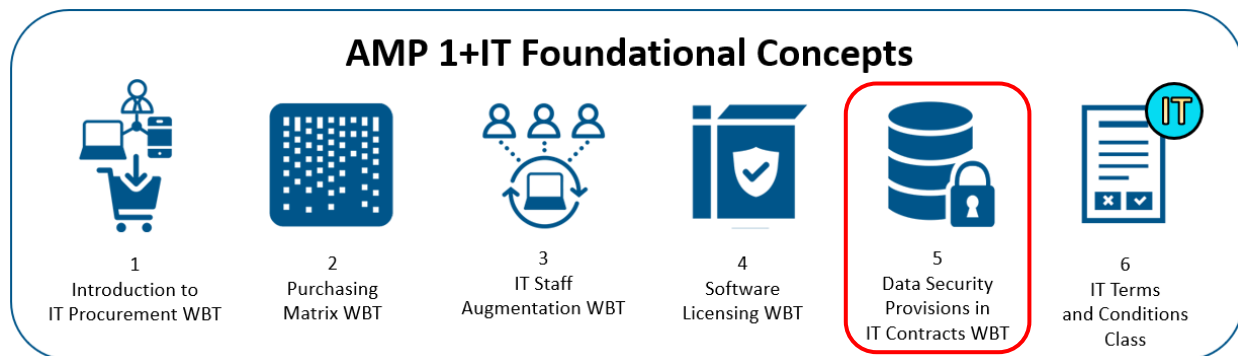
- Define State Data
- Identify the data types that could potentially be used in a State contract
- Identify who is responsible for classifying data involved in an IT purchase
- Define the difference between data security and data privacy
- Define the function of the National Institute for Standards and Technology (NIST) in relation to data security
- Describe why data security is important, regardless of initial purchase cost
- Identify which SOM office may make or agree to changes to the Data Security Schedule

## FC-5: DATA SECURITY PROVISIONS IN IT CONTRACTS

This document is a companion to the [AMP1+IT: FC-5 IT Data Security Provisions in IT Contracts Web-Based Training](#) located in the State of Michigan Learning Center.



### AMP1+IT Foundational Concepts



*Data Security Provisions in IT Contracts* is the fifth Foundational Concept in the AMP1+IT Training and Certification curriculum. This concept builds on the knowledge gained from the previous IT Foundational Concepts, as well as the information covered in AMP Level 1 (1A and 1B).

### Disclaimer

Please note that this training is primarily for IT Purchasing Professionals and is not a substitute for any cybersecurity training that is required for State of Michigan employees.

This training is not legal advice. If you have any concerns about data security that requires the direction of an Assistant Attorney General (AAG), please contact your agency's AAG representative through the proper channels.

### Introduction

Thousands of attacks on State of Michigan systems occur *each day* but are successfully defended using security controls and safe IT practices. In the context of IT procurement, that includes assessing the data security requirements of IT products and services *before* they are purchased and introduced into the State IT infrastructure.

The related Web-Based Training introduces you to concepts related to data, data security, and privacy that are important in IT solicitations and contracts. This includes types of data, how data security and data privacy differ, where data security and privacy clauses appear in IT solicitations and contracts, and consequences for not following good data security practices.

## Data

At the highest level, **data** is defined as any information, such as facts and numbers used to analyze situations and make decisions. It also includes any information derived from these decisions. Most of the time we think of “data” as something digital, but it can also exist in written form.

When data is stored electronically, there is added risk due to the computer systems involved. Printed data (such as a printed report) is still data, even if it's no longer on a computer.

IT terms in State contracts further define data into User Data and State Data.

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### User Data

In the IT terms templates, **User Data** is defined as “all data, information and other content of any type and in any format, medium or form, whether audio, visual, digital, screen, GUI (Graphic User Interface) or other, that is input, uploaded to, placed into or collected, stored, processed, generated our output by any device, system or network by or on behalf of the State.”

The definition goes on to include any information or content, works, inventions and a few others that are generated automatically by the software without additional user input. This is a much more inclusive definition of data than the basic definition of “data”, which is necessary to make sure our contracts have adequate risk protection.

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### State Data

In the context of data security provisions in State contracts, **State Data** is information that the contractor receives from the State or derives from the information it receives. It also includes User Data. In policy, as well as in contracts, the SOM does not distinguish “data” from “information.”

Example:

A contractor is building a new system for the Department of Health and Human Services to replace a legacy system. In order to migrate the data to the new system, it has to go through a conversion process.

All the data used or generated by the conversion process is considered State Data. The legacy data from the old system, any data created in the different processing steps, the new resulting data, and any documents or reports generated in the process.

**NOTE:** State Data may also be a record, and proper records retention and disposal is essential.

Regardless of what format data is in, State Data is property owned by the State of Michigan ([MCL 750.491](#)). We need to make absolutely sure we protect it and control how it is used.

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## Types of State Data

State Data can be broken down into more specific data types that require special legal requirements or clauses. It's important to become familiar with the acronyms for these data types, as they frequently appear in contracts. The definitions for these data types are taken from the [NIST Glossary](#) and other state and federal sources.

- **Personal Identifying Information (PII):** A name, number, or other information that is used for the purpose of identifying a specific person or providing access to a person's financial accounts, including, but not limited to, a person's name, address, telephone number, driver license or state personal identification card number, social security number, place of employment, employee identification number, employer or taxpayer identification number, government passport number, health insurance identification number, mother's maiden name, demand deposit account number, savings account number, financial transaction device account number or the person's account password, any other account password in combination with sufficient information to identify and access the account, automated or electronic signature, biometrics, stock or other security certificate or account number, credit card number, vital record, or medical records or information. ([MCL 445.63\(q\)](#))
- **Personal Health Information or Protected Health Information (PHI):** Any information in the medical record or designated record set that can be used to identify an individual and that was created, used, or disclosed in the course of providing a health care service such as diagnosis or treatment.
- **Health Insurance Portability and Accountability Act (HIPAA):** A federal privacy rule (Health Insurance Portability and Accountability Act of 1996) that requires appropriate safeguards to protect the privacy of protected health information and sets limits and conditions on the uses and disclosures that may be made of such information without an individual's authorization.

The Rule also gives individuals rights over their protected health information, including rights to examine and obtain a copy of their health records, to direct a covered entity to transmit to a third party an electronic copy of their protected health information in an electronic health record, and to request corrections.

HIPAA data refers to any data protected by the Act.

- **Payment Card Industry (PCI):** Payment data security standards designed to ensure that all companies that accept, process, store, or transmit credit card information maintain a secure environment.

PCI data refers to any payment card information protected by these standards.

- **Federal Tax information (FTI):** Any tax return information received from the IRS or any secondary source which is protected by the confidentiality provisions of the Internal Revenue Code section 6103. This includes names of dependents, location of a business, the taxpayer's name, address, and identification number.
- **State Tax Information (STI):** Any State tax return information collected by the State of Michigan Department of Treasury (or a different state) including names of dependents, location of a business, and other taxpayer PII.

- **Family and Educational Records Privacy Act (FERPA):** Federal law enacted in 1974 that protects the privacy of student education records by prohibiting educational institutions from disclosing PII in education records without written consent of the student or parent. FERPA data are education records protected by the Act.
- **Criminal Justice Information Services (CJIS):** National crime information systems used by the public safety community for both criminal and civil purposes. CJIS data that is included on these systems consists of sensitive information gathered by local, state, and federal law enforcement agencies. This data could include criminal background information, fingerprints, copies of private documents, or other personal data that could be considered sensitive.

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## Data Considerations

The State may make an IT purchase so we can access another entity's data, obtain new data, process data we already have, store data, and secure data. There may be different requirements with respect to data we are accessing from others.

Whenever we are considering an IT purchase that involves data, we need to consider:

1. Whose data is it?
2. What type of data will the product or service process, transmit, or store?
3. What is the data classification of that data?
4. Why are we collecting it?
5. Do we already have this data?
6. How are we going to use the data?
7. Where are we going to store the data?
8. Once we have the data, how do we protect it?
9. Are there any special or specific legal requirements for the data?

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## Data Security

**Data security** involves putting specific policies, regulations, processes, and controls in place to protect data from a number of risks. By "controls," we mean both electronic and physical safeguards to prevent access.

- Electronic controls include computer programs like password security, firewalls, and anti-virus software
- Physical controls include key passes and security gates, or even something as simple as a locked file drawer

Some controls are inherent (mandatorily implemented in the background) while others are self-implemented and reinforced with policy. All have the same goal - to limit access and protect data from unauthorized use.

## Data Privacy

**Data privacy** relates to citizen control over their data - how they want it collected, used, and shared. When possible, it's also important to gain **citizen consent** so they not only approve what data the State is collecting, but also understand how we are going to use it.

There are federal privacy-related controls that impact how the State protects data. These are based on the **NIST Privacy Framework**, specifically NIST 800-53 revision 5 (opens in a new tab) (the current revision applies as appropriate). NIST is the National Institute of Standards and Technology. Other privacy regulations outline controls for specific data types. These include:

- [Health Insurance Portability and Accountability Act of 1996](#) (HIPAA)
- [Family Educational Rights and Privacy Act of 1974](#) (FERPA)
- [Centers for Medicare and Medicaid Services Minimum Acceptable Risk Standards for Exchanges](#) (CMS MARS-E)
- [IRS Publication 1075, Tax Information Security Guidelines](#)
- [Criminal Justice Information Services \(CJIS\) Security Policy](#)

One aspect of privacy is asking the question: do we need the data at all? During the needs analysis for the IT purchase, it should be analyzed if specific data is truly needed. Otherwise, the State may end up paying to secure and provide access to data that wasn't necessary.

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## Data Security and Privacy in Solicitations and Contracts

In an IT contract, it's important to specify that vendors use the same level of regulation and high level of protections regarding citizen data. If the State is required by federal regulations to provide certain safeguards for data, and the contractor is also handling the data, we need to make sure that there are contractual provisions in place and ensure the contractor is compliant in following those provisions.

There are stakeholders as well as subject matter experts in each agency who provide the business, functional, technical, and legal requirements needed to define those provisions in a contract.

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## Data Assessment

The assessment of risk occurs during the Readiness process, which is covered in the [Introduction to IT Procurement WBT](#). As part of Readiness, the agency's security officer works with Agency Services and Michigan Cyber Security to perform a data assessment on the purchase. The extent of the Data Assessment depends on the complexity of the IT idea.

**Cost of the IT purchase is not a factor**, as even free software can have large system impacts.

## Data Classification

Part of the data assessment involves classifying the data to assess the risk it poses to our organization, and to establish the level of security needed to protect it in order to reduce impact or consequences. This process is called **data classification**.

Data classification establishes the type of data, and whether data is:

- Public – Low Risk
- Internal – Medium Risk
- Confidential – High Risk
- Restricted – Critical Risk

Classifying data is important because it assesses the risk to our organization and establishes the level of security needed to protect it in order to reduce impact or consequences.

**NOTE:** The agency (Information Systems Owner) is responsible for classifying all data associated with an IT purchase, based on [State of Michigan Technical Standard 1340.00.150.02 Data Classification Standard](#).

The agency is also responsible for any regulatory requirements associated with that data.

## NIST Risk Management Framework

In order to be consistent with industry standards, the State of Michigan leverages the **NIST Risk Management Framework** to classify data. This comes from the **National Institute for Standards and Technology (NIST)**, a federal entity that establishes regulations that all federal agencies must follow for technology to ensure the protection of data.

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## Data Security Provisions in IT Contracts

Data security and privacy language can be found in many places in an IT contract. The key sections that contain these clauses include:

- Terms
- Statement of Work (SOW)
- Data Security Requirements Schedule

The State strongly encourages strict adherence to the security language in the contract terms and schedules. These terms are derived from regulatory requirements, accepted best practices, and state policies to ensure the safeguarding of State Data. The terms in the Data Security Requirements Schedule are the minimum standards that must be met.

## Provisions in IT Terms

In the IT Terms, **Section 21 State Data** contains provisions for handling State Data, including:

- Ownership
  - Contractor use of State Data
  - Discovery of data
  - Loss or compromise of data
  - Declaration of direct damages for a breach of provisions in section 21
- 

## Provisions in the Statement of Work (SOW)

The Statement of Work (SOW) defines specific objectives, activities, requirements, deliverables, and respective timelines for a specific business need. Because it incorporates the business, functional, and technical requirements put together by the agency, there may be multiple, customized sections that contain data security and data privacy provisions.

Examples of security sections that might be included in a SOW for an IT project:

- A list of SOM IT standards and policies
- Access controls
- Data retention
- Vulnerability integrations
- Data migration
- Hosting
- Request for a Disaster Recovery Plan

Keep in mind that the agency, in coordination with their Agency Services representative, is responsible for providing the key content that should go into a SOW, including data security and data privacy requirements. As an IT buyer, you have the responsibility for making sure these requirements are fully integrated into the solicitation or contract Statement of Work.

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## Provisions in the Data Security Requirements Schedule

All IT solicitations and contracts **are required to have a Data Security Requirements Schedule attached**. It contains further technical definitions and builds on data security concepts mentioned in the IT Terms, including:

- Designation of a contractor security officer
  - Keeping State Data confidential
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- Providing technical and organization safeguards against unauthorized access of confidential State information, including encryption and secure hosting
- Provisions for security audits
- Provisions for remedy in event of a security breach

The Data Security Schedule includes contractual requirements for contractors and subcontractors that reflect State policy and law, as well as federal regulatory requirements, to the extent applicable.

Although the Data Security Schedule may change based on the work being performed and the data involved, **only** Michigan Cyber Security may make or agree to those changes.

**NOTE:** Never use a Data Security Schedule from a previously negotiated contract! Also make sure you are using the latest version, as this schedule is updated frequently.

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## Costs Associated with Data Loss

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### Protecting Citizen Data

Michigan citizens rely on the State of Michigan to protect their information. If a private company fails to protect customer data, those customers may simply decide to shop elsewhere. There is no alternative for Michigan citizens but to use and trust our systems.

If a data breach were to occur, in addition to the erosion of public trust in government, we would have difficulty delivering services. People might not receive needed cash, food, or medical benefits. There could also be identity theft or other types of data misuse.

Failure to protect data received from the Federal government could also result in loss of access to that data, such as IRS or Criminal Justice information that the State uses in the process of running our State government.

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### Economic Impacts of Data Loss

The ramifications of losing State Data goes beyond the loss of public trust and the ability of the State to function. Loss of State Data may have a **profound economic impact** as well.

In 2021, the average cost for businesses to deal with a breach of sensitive data was \$180 per record for PII. Michigan's population is around 10 million people.

Some State systems include PII on each and every Michigan resident. Hypothetically, if that system were breached, that may cost State of Michigan taxpayers \$1.8 billion.

However unlikely a full system breach may be, even a smaller scale breach of 500,000 citizen data records could cost Michigan taxpayers \$90 million.

## Contractual Protections Against Data Loss

The State's template contract terms include language that lay out clear requirements to contractors if they lose State Data. This is particularly important for contracts where the State Data includes the following information:

- Health information
- Social Security Number
- Driver's License number
- Any financial account number

Data loss language requires contractors to pay for remedying data loss. Language related to data loss can be found in the contract terms.

The level of security impacts resources, language (protections!) that go in RFPs and contracts, and ultimately, total cost of an IT project.

**NOTE:** Data loss language in contracts is **critical**. Without those protections, the cost of remedying security breaches falls on the State of Michigan and its taxpayers.

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## Resources

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### Policy

- [State of Michigan Technical Standard 1340.00.150.02 Data Classification Standard](#).
  - [State of Michigan Administrative Guide to State Government Policy 1340.00 Information Technology Information Security](#)
  - [Michigan Penal Code Act 328 of 1931, Section 750.491 Public records](#)
  - [Michigan Identity Theft Protection Act, MCL 445.63\(q\)](#)
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### Reference Guides and Tools

- [AMP1+IT Body of Knowledge \(BOK\)](#)
  - [State of Michigan Learning Center \(SOM-LC\)](#)
  - [Introduction to IT Procurement WBT](#)
- 

### Agency Resources

- [IT Project Readiness intranet site](#)
  - [Michigan Security Accreditation Process \(MiSAP\) Workflow](#)
  - [MiSAP Resources site](#)
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**Federal Resources**

- [U.S. Department of Education Family Educational Rights and Privacy Act \(FERPA\)](#)
- [U.S Department of Health and Human Services Your Rights Under HIPAA](#)
- [NIST Glossary](#)
- [NIST Privacy Framework 800-53 revision 5](#)
- Centers for Medicare and Medicaid Services Minimum Acceptable Risk Standards for Exchanges ([CMS MARS-E](#))
- [IRS Publication 1075, Tax Information Security Guidelines](#)
- [Criminal Justice Information Services \(CJIS\) Security Policy](#)

# IT Terms and Conditions

## Learning Objectives

By the end of this training class, you will be able to:

- Define a Perpetual License
- Define a Subscription License
- Describe in what way the State offers to verify number of users using the Software to the licensor in order to verify compliance to the license.
- Define what is considered a “work product”
- Identify what additional obligation a vendor has to the State during software implementation, other than providing access to use of their product
- Identify what it means if an "infringement claim" is made against the State
- State why the State would want to limit contractor use and access of State Data
- State two reasons why the requirement to keep State data in the continental US is a requirement in IT Terms and Conditions
- Describe how the State should be notified if a vendor experiences loss or compromise of State data
- Identify what it means for a contractor to "sanitize" State data from their systems
- Describe when the State would expect a vendor to sanitize their systems of State data
- Identify under which Title of the ADA the State is required to make sure all the services it provides to the public are accessible

## AMP1+IT: FC-6 IT CONTRACT TERMS AND CONDITIONS

This document is a companion to the *IT Contract Terms and Conditions* Instructor-Led Training, which is part of the *Achievement in Michigan Procurement (AMP)1+IT Training and Certification Program*.



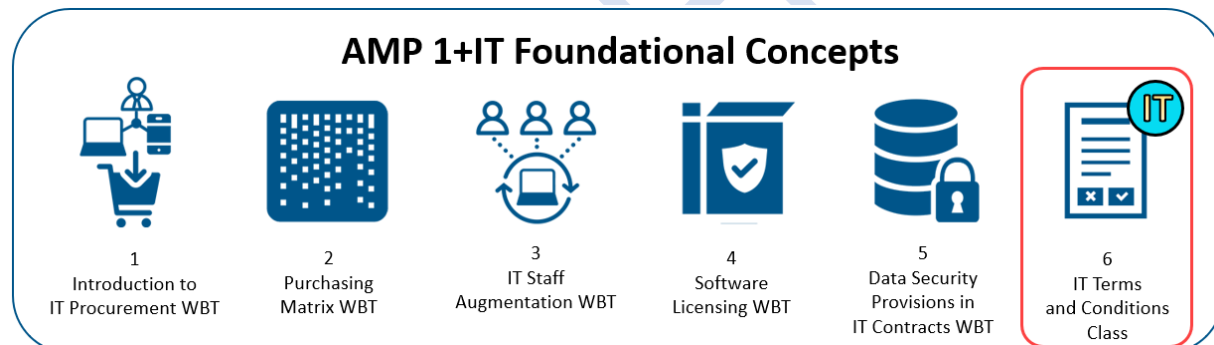
This document only covers the concepts that are specifically required for the second AMP1+IT certification test, which may differ in order of presentation of the terms in the class to assist with comprehension of the content.

Purchasing Professionals are encouraged to participate regularly in the related Instructor Led class for more specific details. Registration is available in the State of Michigan Learning Center.

### DISCLAIMER – PLEASE READ

This document and the information contained within it is **not** intended as legal advice. This is an informational reference tool **only** for the AMP1+IT certification curriculum.

### AMP1+IT Foundational Concepts



IT Contract Terms and Conditions is the sixth Foundational Concept in the AMP1+IT certification curriculum. This concept builds on the knowledge gained from the previous IT Foundational Concepts, as well as the information covered in AMP Level 1.

### Overview

IT Contract Terms and Conditions are used specifically for IT purchases. The content within this reference guide is specifically for AMP1+IT training and the corresponding certification test.

**These terms may not apply to every type of IT contract**, such as software that is custom developed, or if hardware is involved. Terms and Conditions are selected for each individual contract, based on the type of purchase. The information in this guide details some of the commonly-used language for IT purchases.

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## Intellectual Property Rights

One central concept in the IT Terms and Conditions is the protection of Intellectual Property (IP) - both belonging to the State and the Contractor. IP rights define who owns the software or other intellectual property (which may include things like written materials, ideas, and concepts) and the extent of the IP rights granted to an entity that purchases access to, or permission to use that intellectual property (the **Licensee**) from the owner of that IP (the **Licensor**). Please note that in the IT Terms and Conditions, the Contractor is typically the Licensor and the State is typically the Licensee.

Some examples of IP rights gained by purchasing a license would be the right to have a copy of the software installed, or the right to access a version of the software hosted on the vendor's servers (also known as the "contractor-hosted" version of the software). We will talk about licensing models more below.

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## Perpetual vs. Subscription License

As the term would indicate, a **perpetual license** grants the Licensee access to or use of the licensed software indefinitely. The Licensee will be allowed continued use of the software unless a breach of obligation occurs, the details of which are set forth in the contract.

Examples of potential contractual obligations:

- Licensee will not exceed the number of copies purchased
- Licensee will not violate Licensor intellectual property rights by giving the software to a party that the Licensor could have sold it to themselves
- **Keep in mind!** Even when the Licensee has a perpetual license, the Licensee may have to pay to keep the software up to date in order to maintain the most recent version. Often this occurs annually, and any ongoing maintenance and support costs **should be explicitly set forth in the pricing schedule**

It is important to note, that although a perpetual license grants the Licensee *access to and use of* the software indefinitely, the Licensee **does not own the software**.

The purchase of a subscription license means the Licensee has access and use of the software for a set period of time.

The differences in licensing structures may relate to where the software sits, such as on a desktop computer or accessible via the web.

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## Certification

In order to make sure that Licensees are complying with their license requirements, Licensors may put in their license agreements the ability to audit the Licensee's use of the software.

Methods of audit may vary but may include requiring the Licensee to grant access to its physical locations or IT infrastructure. Access to IT infrastructure may come via remote access or physical access.

Audits can pose security risks to the Licensee. For that reason, the IT Terms and Conditions preemptively include licensing provisions that only allow for Licensors to audit use via written **certification**. The IT Terms and Conditions also limit the number of times a Licensors can ask the State to provide a written certification.

A written certification may ask for confirmation of various things found in a license. Examples include making sure the Licensee:

- Purchases enough licenses for the number of users given access to the software – often referred to as a “seat license” or license per user; or
- The Licensee purchased enough licenses to cover the number of times the software has been installed – often referred to a license based on “instance.”

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## Work Product

An important part of the intellectual property section involves wording around what is called a **work product**. In the IT Terms and Conditions, we refer to “work product” as anything created specifically and exclusively for the State.

The concept of work product is important to distinguish what intellectual property is already owned by a Contractor and that it may license to the State, versus what the State owns and is created for the State. Often State ownership of work product is required by federal funding sources, or state policy.

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## Commercial-off-the-Shelf (COTS) vs. Software-as-a-Service (SaaS)

With a type of software called Commercial-off-the Shelf, or COTS, the Licensee acquires the right to a single copy of the licensed software (or more, if they buy more COTS licenses).

COTS software can be:

- A physical copy (disk, thumb drive)
- Delivered electronically to the Licensee to be installed on Licensee’s servers and computers
- Installed in the Licensee’s instance of a cloud-based hosting service

Software-as-a-Service, or SaaS software, is licensed software that is cloud-based. Generally, when a Licensee purchases licenses to access SaaS software, access to the software is through a web browser which requires a log on. Access to SaaS software generally follows a subscription licensing model and when the subscription ends, the Licensee will no longer have access to the software.

The term “Software-as-a-Service” or SaaS is the type of model that subscription license applies to.

- Pay monthly or possibly annual fee, rather than up-front
- Subscription to use the software during the subscription period and as long as fees are paid. When the subscription ends or you stop paying the fees, you no longer have any rights to the software

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## Software Delivery

When the State buys Software, there may be three steps to complete before the State can review the Software to determine if we accept it:

1. Site Preparation
2. Implementation
3. Integration

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### Site Preparation

In order to deliver Software, the Contractor is required to prepare the environment where the Software is installed.

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### Implementation and Integration

When purchasing software, the Contractor’s process of installing the software (in the State’s environment) or giving the State access to the software (in the Contractor’s environment) is called **Implementation**. The process of making the software work with software already in the State’s environment is called **Integration**.

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## Indemnification

When making a IT purchase, there is always a risk of intellectual property infringement. If it turns out that the Contractor does not have the right to license, sell or otherwise make available even pieces of the product, or IP, , any party using the product or IP could be the target of a lawsuit by third parties. This type of lawsuit is called an **infringement claim**.

Should there be an issue with an infringement claim, the IT Terms and Conditions include suggested remedies. These protections are called **infringement remedies**.

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## State Data

Data, including its ownership and protection, is a vital concept in any IT purchase. In the IT Terms and Conditions, we use a concept called State Data. Generally speaking, State Data is any information received by a Contractor by virtue of a contract – that is, but for the contract, the Contractor would not have received that information.



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## Ownership of State Data

At all times during a contract term, the State will own and control State Data. State Data may only be used in a manner that the State requires and may not be used for any other purpose. Misuse of State Data by a Contractor may not only be a breach of contract, but also a violation of state or federal laws, and may also be a crime.

The IT Terms and Conditions include stringent requirements on Contractors to protect any State Data the Contractor may have access to. These requirements are found not only in the body of the IT Terms and Conditions, but also in a separate Data Security Schedule.

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## Loss or Compromise of State Data

The IT Terms and Conditions also include stringent requirements on Contractors if State Data is lost or compromised during the contract term. These provisions may be triggered if there is a possibility that State Data may be or has been misused or accessed by individuals that did not have the authority to do so. There are many other scenarios that may trigger these provisions.

The primary mechanism of this section is that they notify us, and the contract language sets forth:

- What the steps are
- What occurs
- Who does what
- Who pays

In order to ensure compliance with any applicable state and federal legal obligations, and to ensure protection of Michigan citizens, the IT Terms and Conditions impose financial and contractual obligations on Contractors that handle State Data.

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## Non-Disclosure of Confidential Information

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### Surrender of Confidential Information upon Termination

The IT Terms and Conditions requires Contractors to return and destroy State Data in its possession at the end of a contract in a process called data sanitization. In cases where return of State Data is not possible, Contractor must properly destroy State Data in a process called **data sanitization**.

Data sanitization is the IT term for the vendor “deep cleaning” their systems to make sure when the contract ends, and this process is over, that the vendor is not in possession of any State Data, nor can they otherwise replicate or reassemble it.

## Accessibility Requirements

Accessibility is an important issue when you're dealing with IT purchases, especially when the State has software that is public-facing.

The IT Terms and Conditions include provisions to ensure IT purchases comply with State requirements as it pertains to **Title II of the ADA**. The language sets forth the State process of reviewing applicable IT purchases, and requires Contractor to provide a minimum level of accessibility. Accessibility is important with both public facing *and* internally facing software so that everyone who is employed by the State is able to use it.

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## Resources

This reference guide has been produced for Central Procurement Services and Financial Services staff who are required to complete the AMP1+IT certification, as well as others who are taking this class.

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## IT Terms and Conditions Disclaimer

The IT Terms and Conditions may not apply to every type of IT contract and may not be applicable to your specific IT purchase.

This template (SOW, terms, Data Security requirements, and additional addendums) is normally highly customized depending on the IT need. This is one of the reasons this template is not generally available outside of DTMB Central Procurement Services – IT Division.

## Central Procurement IT Contacts

- Jennifer Bronz – [bronzj@michigan.gov](mailto:bronzj@michigan.gov)
- Matt Weiss – [weissm4@michigan.gov](mailto:weissm4@michigan.gov)

# AN – Determine if IT

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## Learning Objectives

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- Identify where to find the definition of IT
- Identify when a solicitation has an IT component(s) using available handouts (matrix/definition)
- Describe what to do when a solicitation has an IT component
- Identify who determines if a product or service meets the definition of IT
- Identify what agency(ies) is responsible to conduct a solicitation that has an IT component using the matrix

**NOTE:** This lesson is part of the AMP 1A curriculum - but is included in this manual for reference.

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## AN-2: DETERMINING IF A SOLICITATION HAS AN IT COMPONENT AND HOW TO PROCEED

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This document is a companion to the *Determining if a Solicitation has an IT Component and How to Proceed* Instructor-Led Training lesson.



**NOTE:** Updates since the last publication of this document are highlighted in **yellow**.

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### The Definition of IT

The definition of IT for the State of Michigan is found in a couple of places:

- State Administrative Guide, [POLICY 1305.00 Enterprise Information Technology \(IT\) Policy](#)
- MPPM – [Chapter 6, Section 4.5.3](#)
- **Definition:**
  - Software, hardware, networking, Internet of Things, and telecommunication products and services that the State uses to store, manage, access, communicate, send and receive information
  - Data, voice and video technologies
- Not dependent on cost (can be free)
- Not dependent on whether the product or service is hosted on state systems

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### FYI: IT Examples

**NOTE:** You are not required to memorize this list for AMP Certification Level 1. The examples below are also provided in the Definition of IT resources identified above.

- On-premises, commercial-off-the-shelf (COTS) software applications installed on state systems (Adobe Acrobat)
- Externally hosted, COTS software applications installed on a vendor's system (DocuSign, Salesforce)
- Custom developed software applications (DHHS' CHAMPS system)
- Software-as-a-Service (SAAS) applications hosted by a vendor (LexisNexis, Survey Monkey)
- Subscription-based information services (Gongwer, Gartner)
- Social media accounts (Twitter, Facebook)
- Mobile Applications (iTunes)

- Server hardware and software used to support applications such as database, application/web servers, storage systems, and other hosting services (Dell EMC PowerEdge Blade server)
- Hardware devices (laptops, tablets, smartphones)
- Data, voice, and video networks and associated communications equipment and software (Cisco routers and switches)
- Peripherals directly connected to computer information systems (Ricoh scan printers, printers)
- Internet of Things (IOT) are objects with electronic components that include processing and networking capabilities designed to enhance the functionality of the object by leveraging communications over the internet (ADT Security, smart thermostat, software-enabled lab equipment, refrigerator with an LCD screen)
- Vendor services for software application, installation, configuration, development and maintenance, including staff augmentation arrangements (CNSI resources assisting with maintenance and support of the DHHS CHAMPS system)

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### What to Do if a Solicitation Has an IT Component

- Contact must be made with the **agency's designated Agency Services General Manager or Business Relationship Manager\*** for consultation on the need for DTMB IT Services (for example Cyber Security, Enterprise Architecture, End User Standards Committee)
- If there is some uncertainty whether the product or service meets the definition of IT, Agency Services will consult the **DTMB IT Steering Committee** to make the decision

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### Who Processes a Solicitation for a Good or Service that Has an IT Component?

- The determination of who processes the solicitation is made by reviewing the [Purchasing Matrix](#)
- The Purchasing Matrix incorporates the definition of IT and directs the user how to process items that the State wants to buy

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### FYI: Classification of IT Purchases

The following information is not required for AMP Level 1 certification. It is included for reference only.

- When the primary purchase is for Information Technology (based on the IT definition) that may or may not be supplemented by a commodity or service
  - This describes an IT purchase processed by either Financial Services or Central Procurement Services IT division

- When the primary purchase is a Service or Commodity that is supplemented with an IT Component
  - This describes a Services or Commodities purchase processed by the department or agency within their delegated authority (up to \$500k) or processed by Central Procurement Services Commodity and Services Division

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## Resources

- \*Agency Services organization chart is found on the [Agency Services](#) page on the DTMB intranet site
- [Purchasing Matrix](#)
- [AN: Analyze the Need](#) Web-Based Training (the link will take you to the State of Michigan Learning Center, and requires sign-in) and [Reference Guide](#)



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## State of Utah

Department of Government Operations  
Division of Purchasing & General Services

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# 2023 George Cronin Awards for Procurement Excellence

## Sustainable Procurement Advancements

## Scoring Methodology

### Executive Summary

For the last two years, the State of Utah Division of Purchasing and General Services (Purchasing) has been developing a sustainable procurement program. This program development was initiated out of meeting the needs of the State's contract users and other customers, and not out of the requirement of legislation. Though still in the earlier stages of development, the State of Utah has made noteworthy achievements in the sustainable procurement space and its continued growth and expansion are a testament to that.

Annually, the State of Utah spends over \$1 billion dollars through statewide price agreements and cooperative contracts. The current State Purchasing leadership has prioritized establishing sustainable procurement practices to meet emerging resource sustainability and customer climate action goals.

In developing an appropriate Sustainable Procurement Program (SPP), State Purchasing has undertaken research to help establish state benchmarks, common best practices across both states and cities, and provide specifics about key factors for successful SPP implementation.

### Innovation

For the last two years, the State of Utah Division of Purchasing and General Services (Purchasing) has been developing a sustainable procurement program. This program development was initiated out of meeting the needs of the State's contract users and other customers, and not out of the requirement of legislation. Though still in the earlier stages of development, the State of Utah has made noteworthy achievements in the sustainable procurement space and its continued growth and expansion are a testament to that.

While there are many facets to the program, one of the most notable is Purchasing's development of its new '[Think Utah, Quote Local](#)' campaign, which is designed to increase local business contracts with the state. A branch of this new program is 'Sustainable Utah' which measures the positive environmental impact accrued by keeping business local. Customers can search local vendors to provide quotes for procurement. Search fields include county, zip code, or industry. By keeping procurement local, local air quality can be fewer impacted due to the decrease in emissions from less transportation being required to get the goods to the end user.



Partnerships are one of the greatest tools that Purchasing has implemented in the development of its Sustainable Purchasing Program. Thanks to one such partnership with [Amazon Business](#), Purchasing can now utilize Amazon's Climate Pledge Friendly<sup>®</sup> and Compact by Design<sup>®</sup> programs. These programs provide third-party sustainability certification and waste-wise product education. By now having a dashboard for Climate Pledge Friendly<sup>®</sup> and Compact by Design<sup>®</sup> purchases, Utah Purchasing can now create meaningful baselines and see the impact of educational efforts over time.

Beginning in Fiscal Year (FY) 2022, Amazon Business implemented a Sustainable Purchasing dashboard for the State of Utah. The dashboard allows Purchasing to drill down into the Amazon purchase data and filter out how many purchases were Climate Pledge Friendly<sup>®</sup>. Climate Pledge Friendly<sup>®</sup> highlights products that are certified by one of the sustainability certifications featured on Amazon's certification



page, or by Amazon's own Compact by Design® certification. For fiscal year 2022 (FY22), 398, or 1% of purchases made, were Climate Pledge Friendly®. Purchasing hopes to increase the number of Climate Pledge Friendly® purchases through education and outreach to users of the State of Utah Amazon Business account. Having a meaningful baseline will allow Purchasing to accurately measure success of its education efforts and ascertain which education messaging is most successful.

In March of 2022, the Coordinator of Resource Stewardship, in partnership with the Utah Division of Purchasing and General Services, hosted the State of Utah's first Sustainable Purchasing Summit as part of Purchasing's Spring Procurement Education Partnership (PEP) with the National Association of State Procurement Officials (NASPO). Speakers at the first Sustainable Purchasing Summit included:

- » Arizona State University
- » Amazon Business
- » Utah Division of Facility Construction and Management (DFCM)
- » Utah Representative Joel Briscoe
- » Utah Sustainable Business Coalition (USBC)

A total of 103 participants attended the Summit in-person and approximately 104 attended online through "Watch Parties" located in Davis County and St. George. In March 2023 after receiving such a positive attendance and feedback from the 2022 Summit, Purchasing hosted its second Sustainable Purchasing Summit. Speakers included:

- » Utah County Commissioner & Member of the Utah Cryptocurrency Task Force, Amelia Powers Gardner
- » University of Utah
- » Utah Department of Environmental Quality (DEQ)
- » Weber State University
- » Utah State University
- » Utah Division of Facility Construction and Management (DFCM)
- » University of Utah Health - Hospitals and Clinics

Attendees at these summits include city and county governments, state agencies, and other local non-profits. This allows for efficient dissemination of new procurement best practices and for procurement professionals to discuss their experiences of applying sustainable procurement. It also allows State Purchasing to gauge interest in sustainable procurement and develop strategies to mitigate challenges that some of our community partners and customers are experiencing in sustainable procurement implementation.

## Transferability

A noteworthy feature to highlight about Utah's sustainable procurement program is that its development was done voluntarily, outside of policy, executive order, or other legislation. All aspects of Utah's sustainable procurement program can be implemented into any other government, be it state, city, or county, since everything is based on voluntary adoption. The State of Utah's involvement with sustainable procurement stemmed from the needs of our customers and their own clients requesting sustainability information from their products and services. As sustainable procurement continues to expand across the private sector and higher education institutions, the State of Utah would like to create a sustainable procurement program that fits the needs of our users and communities.

The Utah Division of Purchasing and General Services highly utilizes the use of diverse groups of community sustainability experts to assist in the state's RFP process of reviewing new sustainable

technologies and services that are being considered for State contract. These community groups include:

- » University of Utah
- » Weber State University
- » City of Moab
- » Salt Lake City, Inc.
- » Utah Clean Cities
- » Utah Transit Authority (UTA)

## Service Improvement

The State of Utah's Sustainable Purchasing Program is currently in the phase of developing baseline data that can be used to measure success over time. One example of baseline development is the State of Utah Amazon Dashboard. Beginning in Fiscal Year (FY) 2022, Amazon Business implemented a Sustainable Purchasing dashboard for the State of Utah. The dashboard allows Purchasing to drill down into the Amazon purchase data and filter out how many purchases were Climate Pledge Friendly®. Climate Pledge Friendly® highlights products that are certified by one of the sustainability certifications featured on Amazon's certification page, or by Amazon's own Compact by Design® certification. For fiscal year 2022 (FY22), 398, or 1% of purchases made, were Climate Pledge Friendly®. Purchasing hopes to increase the number of Climate Pledge Friendly® purchases through education and outreach to users of the State of Utah Amazon Business account. Having a meaningful baseline will allow Purchasing to accurately measure success of its education efforts and ascertain which education messaging is most successful.

The State of Utah's Coordinator of Resource Stewardship also reports on advancements of the program each year in the CRS Air Quality Best Practices report which is presented to the Utah Legislature through the Natural Resource, Agriculture, and Environmental Quality Interim Committee.

## Cost Reduction

Potential cost savings for the development and implementation of sustainable procurement stem from cost reductions by improving the efficiency of their supply chains, and reducing the use of unnecessary packaging, energy consumption and minimizing waste. These savings will most likely be experienced by the vendors themselves, rather than the Utah Division of Purchasing and General Services who manages the state contracts with such vendors.

Some examples of cost savings have already been experienced. One project completed recently was the recommissioning of the Snow College Humanities Building. The recommissioning study found that the HVAC system was running 24/7 and had excessive cycling between heating and cooling. The project updated the building automation control system, with state contracts already in place luckily, including updating operating sequences and was completed in fall 2017. The project cost \$86,487 but resulted in savings of \$23,800 per year with savings of 184,500 kWh and 10,150 decatherms (dth). This allows payback to be achieved in 3.6 years. By keeping current technologies, including energy efficiency tools, on state contracts, state agencies can quickly implement tools and programs that will help conserve resources.

During Fiscal Year 2020, thanks to state contracts already being in place for the electric vehicle charging stations, State of Utah agencies were able to quickly implement electric vehicle infrastructure when the Volkswagen (VW) settlement funding came to the state, and then again when the Utah legislature awarded state agencies \$2 million to implement workplace charging. If the contracts had not been present, state agencies and their partners would not have made their necessary deadlines, which would have led to funding losses.

Finally, the final potential cost savings of sustainable contracts being in place for state procurement, is that they help state agencies meet Federal standards and prevent the implementation of fines for not meeting those standards.



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## State of Florida

Department of Management Services  
Division of State Purchasing

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# 2023 George Cronin Awards for Procurement Excellence

**Agency Alternate Contract**  
**Source Smartsheet™**

## Executive Summary

Agency alternate contract source requests are submitted when a Florida state agency requests approval to purchase commodities or contractual services from a competitively procured contract by the Federal Government, another state, or a political subdivision. The State of Florida, Division of State Purchasing receives an annual average of 79 requests per year, making the revision of this process significant for the State.

The previous process required customers to navigate to the website and locate the instructions, complete a fillable PDF, and email the completed form and supporting documents to a shared inbox that was managed by two or three designated staff. These emailed applications would then be distributed and assigned to the appropriate purchasing personnel to handle the request. If there were issues with the submitted documentation, email threads would begin to gather updated documentation.

To improve this process, in July of 2022, the State of Florida implemented a Smartsheet process. Doing so has improved the experience of state agencies significantly. This new process embraces the four categories of the Cronin Awards: innovation, transferability, service improvement, and cost reduction.

## Innovation

Smartsheet is a technology platform that helps companies transform their work, promotes collaboration, streamlines workflows, and assists in managing content. By the State of Florida adopting and adapting this modern tool and tailoring it to fit the needs of our operational process, we were able to innovate and overhaul our operational process to be both more efficient for us as well as provide an enhanced customer experience. Furthermore, the innovative and creative application of this tool to current processes has paved the way for similar processes to be analyzed and overhauled by applying this and other similar advanced technologies. The State of Florida is constantly looking for ways to be innovative and provide excellent customer service, and by updating the agency alternate contract source process to a Smartsheet and retiring an outdated system, we have created efficiencies for the customer. Previously, there were frequent emails to the procurement staff member working on a state agency's request, often resulting in confusion from all parties involved. This new process has decreased the back-and-forth communications and provided a refreshing experience for the customer.

## Transferability

The nature of the Smartsheet tool is that it is customizable to any business need. It is a powerful tool that creates an intuitive customer experience when conducting business with internal and external customers. In a world where data is king, it helps enforce data validation as well as allowing the creator to exercise control of data received. Smart use of these Smartsheet system functions create efficiencies throughout the business processes applied to.

Use of the Smartsheet technology is transferable across various organizations through application style processes and a vast array of functionality purposes. Agencies can adopt this process improvement to streamline. Internally, we have already found multiple uses such as nominations for our employee recognition program, collection of quarterly employee information updates, and even potluck signups! The transferability is truly endless.

## Service Improvement

Before implementing this new process, Florida took time to assess current practices, and leverage agency input on how we can better service them. After gathering their feedback, we executed this implementation of the Smartsheet at the start of this past fiscal year to provide our users with a

natural transition to the new process. Accompanying this change, we did send out some communications to agency purchasing partners, as well as brief them verbally at our bimonthly meeting.

The adoption of this new process provided a great service improvement to our agency stakeholders. By providing a direct link online where the form used to live, the change management was extremely smooth and successful. Doing so provided that there be no impact on user experience to navigate to the new tool. Once you click on the link provided, the form itself was no longer a fillable PDF, but rather a fillable webform, which most people are accustomed to this day and age.

Additionally, after navigating to, and completing this form, the process to make updates to document submissions, and application details is much easier and captured in real time on a shared log automatically fed by this form. This has done wonders in keeping data validated and end-users happy. To date, no technical issues have been reported, and positive feedback has been received when agency stakeholders have been asked their thoughts on the new process. .

## Cost Reduction

Over the past fiscal year, to the delight of the State of Florida, we have uncovered substantial cost savings. Based on projections and averages so far, we are on track to produce a cost reduction of approximately \$123,240 annually. This figure will continually grow over the next fiscal year as stakeholders continue to engage in this new process and reduce errors in initial application submissions, in turn making this process even more efficient.

The State of Florida measured the averages of wages, and turnaround time reduction. The average salary of staff who process these requests is \$67,655, making their daily wage approximately \$260. With the new process in place, the State of Florida had an average deficit of 6 processing days. Multiplying \$260 x 6, then multiplying that by 79, which is the 3-year average of total number of applications processed. This gave us the approximated grand total of \$123,240 annually. The State of Florida is proud of the tangible taxpayer dollars saved, and mostly that the new process accomplished its main objective which is to save valuable time.

## Conclusion

In conclusion, it is evident that this process improvement encompasses the four pillars which Cronin highlights: innovation, transferability, service improvement, and cost reduction. The innovation to retire an antiquated form, and adopt a more intuitive, customer friendly tool has been a true win for Florida. This tool is incredibly malleable making it naturally transferable. It has potential to be tailored and implemented across other business processes. This new process has led to a resounding service improvement for customers, boasting simpler forms, data validation, and quicker turnaround times. Lastly, there is a substantial cost reduction. This is a win for the State of Florida and Florida taxpayers.



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## State of Florida

Department of *Management Services*  
Division of State Purchasing

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# 2023 George Cronin Awards for Procurement Excellence

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## Digitization Project

## Executive Summary

A file room within the Division of State Purchasing contained hundreds of thousands of documents including procurement and contract files, training certificates, applications, and certificates of insurance. These files were unorganized, which made it difficult and time-consuming to locate the necessary documents for public records requests, procurement research, and certification and application confirmation. State Purchasing determined it was time to convert these files to digital format to save time and improve efficiency as well as create a space for emergency operations support and collaboration.

In July of 2022, the State of Florida began the digitization project, which included digitizing files, indexing to allow for searching by keyword, and implementing a database. This project encompasses the four categories of the Cronin Awards: Innovation, Transferability, Service Improvement, and Cost Reduction. Innovation was accomplished through the use of Axiom Pro, a software as a service (SaaS) document management application to house files and make them easily accessible through a database. This project is easily transferable due to the availability of the software and applicability to all types of paper files and documents. Service improvement was captured by the ability to access documents quicker and provide them to requesters timelier. The time savings, improved efficiency, and space availability proved this project's success in relation to cost reduction.

## Innovation

The State of Florida needed a way to more easily access paper files that were in a file room within the office. These files were unorganized, and it was almost impossible to find the information needed. We took on a digitization project where we purchased Axiom Pro, a cloud-based document management application that allows access to digital content. This database application enables our staff to easily search through hundreds of thousands of files using keywords and other relevant search criteria. With the collaboration of our contractor, we digitized files from several areas within our division, including procurement and contract files, training files, certificates of insurance, and Office of Supplier Diversity documents, which contain sensitive information.

The use of Optical Character Recognition (OCR) is a definite advantage of the Axiom Pro platform. OCR technology provides the ability to recover embedded text in scanned documents and images. Users can search for key words and easily find that information within the scanned documents and images.

Axiom Pro includes features that can be used to fulfill public records requests more efficiently. These tools include the ability to redact confidential information directly within Axiom Pro as well as send public records requests directly from the application to requesters.

One of the unique approaches to using Axiom Pro is the ability to limit staff user access to only the files related to job responsibilities. For example, the Office of Supplier Diversity files contain highly sensitive information including social security numbers.

With the increase in working from home as well as hybrid situations, this project enables the division to provide access to files whether staff are in the office or working elsewhere. Staff have access to all these files at their fingertips and do not need to make an extra trip to the office to spend time searching through paper files.

Since the room is no longer being used to house files, this has created possibilities for other uses for this space. The Division of State Purchasing is responsible for staffing an Essential Support Function for the State Emergency Operations Center (EOC). The goal of this space is to turn it into an EOC annex, where we can provide a location for staff to better support emergency operations. When the EOC is not activated, the space will be used as an area for collaborative work by those in State Purchasing as well as staff and leadership from other divisions.

## Transferability

The concept of digitizing files is highly transferable. Any state still using paper filing systems would benefit from converting their files to digital format. The State of Florida worked with a contractor to provide the database software, digitization/scanning, and indexing services. The software is easy to use, and staff can quickly log in and access any files without the need to spend an inordinate amount of time searching through paper files in the file room. There are many companies throughout the country that can assist with these same services.

Some examples of documents and files that would be helpful to digitize include procurement documents that contain solicitations, responses, and research; contract files comprised of signed documents, reports, and other pertinent contract information; and additional documents that are frequently reviewed by staff or requested through public records requests. Having these documents easily accessible and available to distribute saves time and allows for more efficient review.

Any state could take on this type of project, and the State of Florida is happy to share with other states how we went about completing this project and any lessons learned. Within our agency, we have expanded the project to other divisions to assist with their digitization needs as well.

## Service Improvement

Before taking on this project, large amounts of time were spent searching through paper files to find needed information for public records requests, procurement documents, contract management files, training certification documentation, and Office of Supplier Diversity applications.

By digitizing over 730,000 files, service has improved in a myriad of ways:

### Public Records Requests

Our division handles close to 100 public records requests each year, and these requests previously involved combing through paper files in the file room to produce the requested information. With the files now digitized, they are easily accessible, organized, and searchable. The Public Records Custodian can quickly search for information using Axiom Pro, redact sensitive information right within the program, and send the documentation to the requester through Axiom Pro. Fulfilling public records requests is now more efficient for internal staff, and the requester receives the information timely.

Along with digitizing the files, Florida completed a clean-out effort to go through all the existing paper files to determine the files that needed to be digitized and those that could be shredded based on record retention schedules. It is important to only keep files that are within the record retention schedule limits because if the files exist, they must be produced. With this clean-out effort, we shredded over 4,000 pounds of old files. We no longer need to sift through these files to locate the requested documents.

### Procurement and Contract Documents

The procurement bureaus within our division consistently reference previous procurement and contract documents for lessons learned and to make improvements for future solicitations. Prior to this digitization effort, the files in the file room were not easily accessed and often not used due to the time spent searching for the correct files. Since these files are now easily accessed with Axiom Pro, purchasing staff within the procurement bureaus can locate the appropriate files and use the information to avoid past issues and improve future procurements.

### Office of Supplier Diversity Applications



The Office of Supplier Diversity (OSD) certifies woman, veteran, and minority owned small businesses. These small businesses submit applications containing sensitive information including social security numbers, military ID numbers, etc. It is important for OSD to keep this sensitive information confidential while still having access when needed to approve, deny, and recertify applicants. With Axiom Pro, OSD can quickly access the applications by searching for the business name and using OCR to find specific information. This is a much-improved method versus rifling through and attempting to organize over 650,000 documents, and it provided great service improvement to both our internal and external stakeholders.

### **Training Certifications**

The Office of Professional Development within State Purchasing manages certifications for state employees. Before these certifications were digitized, staff would spend time looking through paper files in filing cabinets for the appropriate documentation. Using the Axiom Pro database and searching by employee name, internal staff are now able to quickly produce the necessary certification documents.

## **Cost Reduction**

Cost reduction for this project centers around time saved, improved efficiency, and the availability of the file room space. Until these files were in digital format, there was a lot of waste through printing, cost of folders and other supplies, and the time to search through the files that were unorganized. The cost avoidance that is invaluable to our division is the ability to obtain data that we may not have been able to utilize previously due to the lack of organization and not being able to quickly find the necessary information.

The three areas that present the most cost reduction through time saved are public records requests, procurement research, and OSD file organization and clean out. State Purchasing receives an estimated 100 public records requests per year. We estimate a yearly cost savings of up to \$27,200 for completing public records requests due to time saved, if all requests involved searching through paper files. This figure was determined by averaging the hourly rate of the Public Records Custodian and an additional staff member locating the information for the request, which is \$34.00. This is then multiplied by the average number of public records requests per year of 100 and multiplying that by 8 hours (4 hours for each staff member).

The second area of cost reduction is procurement research. We estimate a yearly savings of up to \$1,900 for time saved using the Axiom Pro database to search for procurement files versus searching through paper files. Purchasing staff in the division complete research on 2 contracts per year on average, and there are 17 purchasing staff with an average hourly wage of \$28.00. We estimate a savings of 2 hours of research for each contract. In addition, contract management staff often use these documents for historical reference, and this could take approximately 10 hours a month for the bureau for a yearly cost reduction of \$3,360 (10 hours a month times \$28/hr).

Prior to digitizing the files, OSD dedicated 2-6 hours per week on file clean out. This process involved filing and organizing newly approved vendors and removing files for expired vendors according to the records retention schedule. Since the files are now digital, this weekly task is no longer needed, and we estimate a yearly cost reduction of \$4,368. This amount was determined by multiplying the hourly rate of personnel (\$14.00/hr) times 6 hours a week, times 52 weeks a year.

Another area of cost reduction is the availability of the file room as space to be used for emergency operations support and collaboration. State Purchasing is in need of a space for staff who are activated to provide support to the EOC, and the file room can now be used for that purpose. When staff are not activated to support emergency operations, the space will be used by staff and leadership for

collaborative work. We estimate a yearly cost reduction of \$11,341.20 (520 square feet times the average cost per square foot per year to lease space in Tallahassee, which is \$21.81).

These areas total a yearly cost reduction of \$48,169.20. It is important to note that the Axiom Pro software comes with a yearly subscription cost of \$8,500 to maintain and ensure that all data is housed in one location and can be accessed anytime, anywhere. Taking this into account, the yearly cost reduction would be \$39,669.20.

The time saved from not having to sift through paper files gives time back to staff to work on further research and projects and opens up a space for important support functions and collaboration.

## Conclusion

In conclusion, the digitization project demonstrates each of the four pillars that Cronin emphasizes: innovation, transferability, service improvement, and cost reduction. The innovation of digitizing files and making a much-needed space available has made a big impact within our division. The digitization of files and ease of use of the Axiom Pro database make this project easily transferable for any state still using paper filing systems. The impact of these improvements extends beyond our internal staff to our external customers and vendors by providing more timely research and relevant information. This project has also led to cost reduction in the areas of time saved, improved efficiency, and space availability.





## State of Florida

Department of *Management Services*  
Division of State Purchasing

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# 2023 George Cronin Awards for Procurement Excellence

## Minnesota Multistate Contracting Alliance for Pharmacy Participating Addendum and Contract Amendment Templates



## Executive Summary

The State of Florida Division of State Purchasing established the Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP) Participating Addendum and Amendment Templates to increase productivity and decrease the amount of time spent drafting participating addendums and contract amendments. The templates provide a uniform process, while decreasing the time for internal review and execution of procurement and contract documents.

The State of Florida adopted the Medical Supplies and Dental Supplies contracts and amendments competitively procured and executed by the Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP) for the last five years. Florida state agencies and eligible users are allowed to use the alternate source contracts for their Medical and Dental Supplies needs. Florida is 1 of 47 states who procure commodities from MMCAP. The contracts have high usage among all customers with combined annual contract spend of approximately \$16M.

The innovative templates reduce the drafting and routing process time by approximately two weeks. The templates have been approved by legal counsel ensuring all statutory required terms are incorporated. The uniformity the templates provide expedites the review process as all addendums and amendments are nearly identical.

## Innovation

The State of Florida established the templates to increase productivity; eliminate the probability of errors; reduce the time spent drafting participating addendums and contract amendments; and to expedite the routing process for the procurement and contract management documents. The templates provide a uniform process for the internal review and approval of documents.

State Purchasing executed the templates through a collaborative effort with MMCAP, Florida procurement professionals, and legal counsel. The solution required all parties to negotiate MMCAP, Minnesota, and Florida terms and conditions under the agreements.

## Transferability

The templates can be adapted for use by other states using specific language for various departments, divisions, and state agencies by incorporating their specific terms and conditions into the documents. The templates can be implemented for participating addenda or contract amendments for Medical or Dental Supplies; the templates could also be adapted for other MMCAP contracts.

## Service Improvement

The templates offer an efficient method to adopt a new participating addendum or contract amendment. Ultimately, the uniformity allows each party to quickly review and approve documents for execution.

## Cost Reduction

The State of Florida implemented the templates in February 2023. State Purchasing has used the templates for five new participating addendums and one contract amendment thus far. The

division estimates there will be an annual cost savings between \$4,961.54 and \$7,856.50. This estimate was determined by using an average salary amount multiplied by the estimated number of hours saved per new contract and contract amendment and multiplied by the total estimated number of new contracts and contract amendments.

Lower estimate:  $(\$41.35 \text{ avg. hourly rate}) \times (11 \text{ ACS} + 4 \text{ potential amendments}) \times 8 \text{ hours saved} = \$4,961.54$

Higher estimate:  $(\$41.35 \text{ avg. hourly rate}) \times (11 \text{ ACS} + 8 \text{ potential amendments}) \times 10 \text{ hours saved} = \$7,856.50$

The average salary amount equals the average of the highest and lowest salaries of involved employees. The number of hours saved per contract/amendment was determined by calculating the estimated reduction in the drafting and routing process. This process is comprised of staff preparing the participating addendum or contract amendment, routing the documents to all parties, responding to reviewer comments, and modifying documents accordingly, and preparing the final approved documents for execution.

## Conclusion

The templates have reduced the hours required by staff to successfully execute agreements between the State of Florida, the vendors, and MMCAP. The time and cost savings have increased productivity and the uniformity of the templates has decreased the probability of errors, furthermore saving on time and costs.





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## **State of Florida**

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Division of State Purchasing

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# **2023 George Cronin Awards for Procurement Excellence**

## **Seven-Stage Procurement and Contract Management Process**

## Executive Summary

The State of Florida developed a seven-stage procurement and contract management process for business operations purposes. The seven stages are: need identification, pre-solicitation, solicitation preparation, solicitation, evaluation and negotiation, contract award and renewal, and contract management. The stage process document is continuously refined to provide guidance and accuracy from cradle-to-grave; procurement to contract management. This guide is simple to maintain and easily transferable to other public service organizations. It continues to reduce training-related costs and increases contract development, innovation, and outputs.

## Innovation

The seven-stage process is a uniform guide that was developed to reduce redundancy and employee errors, increase outputs, and ensure consistency across multiple stakeholders and bureaus. The seven-stage process document establishes standards for all procurement and contract management staff by utilizing best practices that provide a uniform knowledge base for the Department and supporting departments.

The seven stage process was established through a collaborative effort by division leadership and procurement and contract management staff. As the Department identifies areas for improvement, the process document is constantly being evaluated and refined. It has over 40 hyperlinks to templates which further support Florida's procurement and contract management teams. Examples of available templates include, but are not limited to: electronic routing procedures, solicitation templates, evaluator and negotiator appointment memorandums, and executive briefs. This is an invaluable job aid that has led to process improvements, standardization, and successful procurement and contract awards.

## Transferability

The seven-stage process can be easily adapted and utilized for use by other states and serve as a desktop guide and best practices for each step of the procurement and contract management stages. The adaptation requires minimal resources and changes in the structure of the document and method of implementation.

## Service Improvement

The State of Florida's business operations has significantly improved from implementation of the seven stage process. These improvements specifically ensure consistent and standardized procurement practices throughout the organization. The process assists State Purchasing in gathering and analyzing essential information about potential vendors, industry trends, and pricing to aid in decision making. As a result, State Purchasing improved best practices producing more competitive solicitations.

It is strategically located on the Department's SharePoint site for use by the procurement team, contract management team, e-Procurement team, executive leadership, and the Office of General Counsel. The seven-stage process provides multiple stakeholders with the appropriate statutes

and rules to conduct market research, develop and administer competitive solicitations, conduct pre-bid conferences, evaluations and negotiations, contract awards, renewals and adoption of other state's contracts.

## **Cost Reduction**

The seven-stage process document continuously reduces questions and errors, aids new and existing employees, and offers a knowledge base for supporting bureaus, leadership, and legal, thus showing a significant improvement in the accuracy, quality, and timeliness of work. This key reference tool saves the state on average \$3,000 per employee on onboarding and training costs. The increased savings can be credited to the document's ability to provide comprehensive information and instructions, thus reducing the need for extensive new employee training, and minimizing the time for new employee contributions to the state.

## **Conclusion**

The seven-stage process is an invaluable job aid for State Purchasing improvements, standardization, and contributes to our success in strategic sourcing, procurement, and contract management. The State of Florida is proud of this innovative document and believe other states can benefit from this approach as well.

The State of Florida included the seven-stage process document for reference.







## STAGES 1-2 – NEED IDENTIFICATION AND PRE-SOLICITATION

- A. Based on the contract expiration date, begin the Market Analysis and Procurement Strategy (MAPS) and MAPS Addendum within the following timeframes (which are considered best practice):
  - 1. Renewal – **12 months** from the contract expiration date (use MAPS Addendum)
  - 2. Alternate Contract Source (ACS) – **12 months** from the contract expiration date
  - 3. Invitation to Bid (ITB) – **14 months** from the contract expiration date
  - 4. Request for Proposals (RFP) – **16 months** from the contract expiration date
  - 5. Invitation to Negotiate (ITN) – **18 months** from the contract expiration date
- B. Follow the instructions shown in the [State Purchasing Electronic Routing Process](#) (Steps 1-3) to create a new folder for the MAPS in OneDrive (e.g. “2022 Motor Vehicles MAPS”).
- C. Schedule an optional and brief meeting with Bureau Chief and Purchasing Analyst Supervisor to discuss history and strategy for MAPS or MAPS Addendum.
- D. Draft a MAPS or MAPS Addendum using [SP-Form-10 Market Analysis and Procurement Strategy \(MAPS\)](#).

\*Steps E-I do not have to be completed sequentially and are tools to gather research.

- E. Conduct historical research and schedule a MAPS Kick-Off meeting with Purchasing Analyst Supervisor, Bureau Chief (optional attendee), and Contract Management to discuss the following **[2-3 days start to finish]**:
  - 1. Current and previous contract and procurement files.
  - 2. Current and previous vendor performance received from the Contract Manager.  
Optional and additional sources of information: Contract Summary Form(s) and MyFloridaMarketPlace (MFMP) Vendor Performance Tracking (VPT) Report using the [VPT Instructions](#).
  - 3. Review MFMP transaction fee status in the Billing and Collections section within the [Vendor Information Portal \(VIP\)](#) to determine if transaction fees are past due.
- F. Conduct Spend Analysis **[3-4 days start to finish]**:
  - 1. Run reports to gather spend data:
    - a. For MFMP spend – refer to historical Analysis reports on G Drive spend (by state agencies, contractors, and commodity codes)
    - b. Tableau spend - TBD

2. Review quarterly sales reports.
  3. Document the contractors and customers with the highest spend (state agencies and eligible users) in a table or narrative. Include two-three full fiscal years of data.
- G. Assess Customer Need – Purchasing Analyst to complete for all MAPS.  
**[1-2 weeks start to finish]:**
1. Schedule an in-person or Teams meeting, email or phone call with the agencies who have the highest spend. Request feedback from Purchasing Analyst Supervisor and Bureau Chief on attendees.
  2. If needed, develop PowerPoint using the [Focus Group Presentation Template](#) and request approval from Purchasing Analyst Supervisor and copy Bureau Chief.
- H. Conduct Market Research  
**[1 week start to finish]:**
1. Analyze similar contracts from purchasing consortia, states of similar size and scope (NY, CA, and TX), southern states (GA, AL, etc.), or states with similar commodities or services.
  2. Gather industry information from ProcurementIQ, GovWin, Google, trade associations, etc. Schedule calls with individual vendors to gain industry information.
  3. Vendor Roundtable (optional, but strongly encouraged)  
**[1-2 weeks start to finish]:**
    - a. Schedule an in-person or Teams meeting, and publish a public meeting notice on the [Florida Administrative Register](#). Check with Purchasing Analyst Supervisor for the shared username and password.
    - b. Develop agenda using the [Vendor Roundtable Presentation Template](#) and request feedback from Purchasing Analyst Supervisor and Bureau Chief.
- I. Conduct Request for Information (RFI). Typically used for new procurements or for older, existing contracts where the industry may have changed. Not required but encouraged. Used when requesting formal documentation from the vendor community (similar contracts, price sheets/models, etc.)  
**[2-3 weeks start to finish]:**
1. Create an RFI number using the [Solicitation and Contract Numbering Instructions](#). Follow the instructions shown in the [State Purchasing Electronic Routing Process](#) (Steps 1-3) to create a new folder in OneDrive (e.g. “2022 Custodial Services RFI”).
  2. Prepare an RFI using the [Request for Information \(RFI\) Example](#).
  3. Route for approval using the [State Purchasing Electronic Routing Process](#) (Steps 4-6).
  4. Once approved, advertise RFI on the [Vendor Information Portal](#).
  5. Share VIP link with the Office of Supplier Diversity (OSD) so they can share with certified vendors.
  6. Review RFI responses with the Purchasing Analyst Supervisor and Bureau Chief.
- J. Route finalized MAPS for approval using the [State Purchasing Electronic Routing Process](#) (Steps 4-6).
- K. Upon receiving an executed MAPS:
1. Save approved MAPS and supporting documentation (research, spend analysis, etc.) in the G:\ drive MAPS subfolder include Word AND PDF versions.

2. Send approved MAPS to Contract Management (Contract Manager, Contract Management Supervisor, and Contract Management Bureau Chief), and copy the Purchasing Analyst Supervisor and Procurement Bureau Chief.
  3. Send Procurement Strategy Update email to the PDs – PUR Exec Agencies List distribution list. A copy of the executed MAPS does not need to be included in the email.
  4. The Purchasing Analyst Supervisor will update the Contracts Spreadsheet on SharePoint based on the approved MAPS (agency spend, eligible user spend, current and next actions, etc.).
- L. For RFP or ITN only, create a Justification Memo:
1. Follow the instructions shown in the [State Purchasing Electronic Routing Process](#) (Steps 1-3) to create a new folder in OneDrive (e.g. “2022 Custodial Services Justification Memo”) and share the folder with the Purchasing Analyst Supervisor and Bureau Chief.
  2. Prepare a Justification Memo using [SP-Form-20 RFP Justification Memo](#) (for an RFP) or [SP-Form-30 ITN Justification Memo](#) (for an ITN).
  3. Route for approval using the [State Purchasing Electronic Routing Process](#) (Steps 4-6).

### **STAGE 3 – SOLICITATION PREPARATION**

*\* If at any time the procurement officer determines more time is needed to complete the solicitation, schedule a meeting with the Bureau of Contract Management to recommend possible extension of existing contract(s). Contract Management processes extensions. \*Should be used on rare occasions.*

- A. Coordinate with the Purchasing Analyst Supervisor, if needed, to identify the appropriate commodity code(s) for the commodities or services that are being procured. Use the [Solicitation and Contract Numbering Instructions](#) to create the solicitation and contract number.
  1. Commodity code best practices are to review what commodity codes were used in the existing contract, if applicable.
  2. Select no more than 15 commodity codes.
- B. Create a subfolder on the G: drive in the “Contracts” folder using the contract number and title (not to exceed 30 characters). Copy and paste the subfolder structure from the appropriate “\_G Drive Templates” folder.
- C. Follow the instructions shown in the [State Purchasing Electronic Routing Process](#) (Steps 1-3) to create a new folder for the procurement in OneDrive and share the folder with the Purchasing Analyst Supervisor and Bureau Chief.
- D. Complete a Notification eForm in the AOD MyFloridaMarketPlace-FLAIR realm using the [MFMP Notification eForm Title Instructions](#) and [AOD Notification eForm Guide](#) to add the contract number in MFMP. \*Remember: Notification eForms are used to add/delete contract numbers, update expiration date and add/delete vendors.
- E. Schedule MFMP catalog meeting:
  1. Invite the Purchasing Analyst Supervisor, Contract Management and the Bureau Chief as an optional attendee.
  2. The Procurement Officer determines if it is appropriate and desirable to require an MFMP catalog.

3. Discuss with Contract Management user experience, price model and scope of work.
  4. If so, determine if either a punchout or line-item catalog should be required.
  5. If a catalog will be required, include the requirement in Scope of Work, including the type of catalog (i.e. acceptable timeline for implementation, and financial consequences for delayed implementation.)
  6. Email MFMP Operational Lead and Buying and Invoicing Training Specialist with decision on future catalog for planning and implementation purposes.
- F. Draft solicitation and attachments in Word using approved templates (located in the [Procurement Checklists and Templates](#) folder on SharePoint) and save in the OneDrive folder:
1. For RFP or ITN only, develop technical evaluation criteria and scoring methodology (RFP or ITN only).
  2. Follow the instructions shown in the [State Purchasing Electronic Routing Process](#) (Step 3) to share the draft procurement with Contract Management.
  3. Coordinate timeline of events and coordinate with MFMP team on availability prior to scheduling public meetings.
  4. Review edits with the Purchasing Analyst Supervisor and Bureau Chief.
  5. Follow the instructions shown in the [State Purchasing Electronic Routing Process](#) (Steps 4-5) to route for approval by OGC, the Deputy Director, and the Division Director.
- G. For RFP and ITN only, identify Evaluators:  
 The Purchasing Analyst will review state agency spend from the MAPS process and identify top spending state agencies to identify potential evaluators. The Purchasing Analyst will schedule a meeting with the Purchasing Analyst Supervisor and the Bureau Chief to identify potential evaluators. Once the potential evaluators have been identified and it's been determined the potential evaluators meet the requirements in [287.057\(17\)\(a\)\(1-2\) F.S.](#), the Procurement Officer will send an email individually to each potential evaluator to obtain their biographies (bios). Bios should include relevant subject matter or procurement and contracts experience, evaluation experience, certifications, degrees, etc.
1. Draft the [Evaluator Appointment Memorandum](#), as well as an [executive brief](#), and route for approval using the [State Purchasing Electronic Routing Process](#). The executive brief is added to the routing folder after the OGC review and before the Deputy Director review; the Purchasing Analyst ensures that the Purchasing Analyst Supervisor and Bureau Chief reviews the executive brief prior to the Deputy Director.
- H. For ITN only, identify Negotiators:
1. The Purchasing Analyst will review state agency spend from the MAPS process and identify top spending state agencies to identify potential negotiators. The Purchasing Analyst will schedule a meeting with the Purchasing Analyst Supervisor and the Bureau Chief to identify potential negotiators. Once the potential negotiators have been identified and it's been determined the potential negotiators meet the requirements in [287.057\(17\)\(a\)\(1-2\) F.S.](#), the Procurement Officer will send an email individually to each potential negotiator to obtain their bios. Bios should include relevant subject matter or procurement and contracts experience, negotiation experience, certifications, degrees, etc.
  2. The Procurement Officer will draft the [Negotiator Appointment Memorandum](#), as well as an [executive brief](#), and route for approval using the [State Purchasing Electronic Routing Process](#). The executive brief is added to the routing folder after the OGC review and before

the Deputy Director review; the Purchasing Analyst ensures that the Purchasing Analyst Supervisor and Bureau Chief reviews the executive brief prior to the Deputy Director.

- I. Load solicitation into [MFMP Ariba On Demand](#) in “Draft” status. Schedule meeting with the Purchasing Analyst Supervisor if assistance is needed.
  1. Follow approved template type (ITB, RFP, or ITN) listed in AOD.
  2. Add the following as a Project Owner:
    - Bureau Chief
    - Purchasing Analyst Supervisor
    - Deputy Director of Operations
    - MFMP Technical Lead
    - MFMP Operational Lead
    - VIP & Tableau Training Specialist
  3. Once the event is fully created, notify the Bureau Chief who will vet the event.

## STAGE 4 – SOLICITATION

Upon final approval of the solicitation:

1. Publish in [MFMP Ariba On Demand](#) and the system will automatically generate an advertisement in VIP. Verify the event time clock matches the Timeline of Events listed in procurement document and on the [Vendor Information Portal](#) (question submission period, opening date and time, etc.).
2. Add calendar reminders of important procurement dates (pre-bid/proposal conference, question and answer period, opening, evaluations, negotiations, and intent to award dates) to Outlook calendar and send calendar reminder/invitation to the Purchasing Analyst Supervisor and Bureau Chief.
3. Email a link to the solicitation advertisement on the [Vendor Information Portal](#) to the Division Director, Deputy Director, Bureau Chief, Purchasing Analyst Supervisor, and Executive Director of the Office of Supplier Diversity (OSD).
4. Verify via email with the agency clerk in OGC (Lauren Douglas and the back-up clerk is Julia Morales) that no protests were received for specifications (spec challenge period).
  1. If no protest(s): notify the Division Director, Deputy Director, Bureau Chief, Purchasing Analyst Supervisor, and Executive Director of OSD via email when the 72-hour protest period (spec challenge) has passed with NO PROTESTS!!
  2. If protest(s): If a spec challenge was received, notify the Purchasing Analyst Supervisor and Bureau Chief. \*Procurement process stops if protest is received. Notify OGC and work with them to determine next steps (resolution meeting, resolve protest). During this time, the procurement officer should gather any relevant communications and documentation pertaining to the solicitation.
5. Draft and publish a notice on the [Florida Administrative Register](#) (8 calendar days prior to first public meeting which is typically the pre-bid/proposal conference or the opening). Check with the Purchasing Analyst Supervisor or Bureau Chief for the shared username and password.

6. Conduct pre-bid/proposal conference (if applicable):
  1. Draft agenda using the [Pre-Bid Conference Agenda Template](#) and obtain Purchasing Analyst Supervisor approval.
  2. Prepare [Public Meeting Notice Door Sign](#) for placing on the first floor building doors (entry way to the public and employees). Remember to physically remove meeting notices from doors after meeting.
  3. Prepare [Sign-In Sheet](#) for meeting. \*Members of the public are not required to sign in. Sign-in sheet should be available for the Procurement Officer to complete during an in-person, teleconference, or virtual (via GoToWebinar unless otherwise directed) pre-bid/proposal conference.
  4. Prepare [Public Meeting Minutes](#) after the meeting has concluded and save all documentation (sign-in sheet, minutes documented on the agenda, etc.) in the OneDrive folder.
7. Collect written questions from vendors in [MFMP Ariba On Demand](#) from the Messages tab. Copy and paste the vendor question(s) exactly how they are received in [MFMP Ariba On Demand](#) and paste into the [Q&A and Addendum Template](#). The Procurement Officer should answer procurement process and SOW specific questions. All legal or policy questions should be marked for the Purchasing Analyst Supervisor and Bureau Chief's review.
8. Route Questions & Answers (Q&A) for approval using the using the [State Purchasing Electronic Routing Process](#).
9. Post the approved Q&A on the [Vendor Information Portal](#) and in [MFMP Ariba On Demand](#).
10. Prepare solicitation opening documents:
  1. Draft the solicitation opening agenda using the [Meeting Agenda Template](#).
  2. Prepare [Public Meeting Notice Door Sign](#) for the public entrance on the first floor. Remember to physically remove meeting notices from doors after meeting.
  3. Prepare [Sign-In Sheet](#) for public meeting (I.e. in person, teleconference or virtual (via GoToWebinar unless otherwise directed) bid openings, pre-bid conferences, etc. \*Members of the public are not required to sign in.
  4. Prepare [Public Meeting Notice and Agenda](#) prior to the meeting.
  5. Draft [Public Opening Script](#) and [Pre-Bid Conference Agenda Template](#). Share with Purchasing Analyst Supervisor and Bureau Chief.
  6. Obtain a copy of the [Public Meeting Minutes](#) from the person who assisted with the tabulation during the public meeting. Save all documentation (sign-in sheet, agenda, minutes, etc.) in the OneDrive folder.
11. Conduct solicitation opening:
  1. Send calendar invite to Purchasing Analyst Supervisor and Bureau Chief.
  2. Check with the front desk for any last-minute in-person attendees or check the virtual lobby right before the start of the solicitation opening. DMS front desk phone #: 850-412-6871.
  3. Promptly conduct public meeting in accordance with the procurement's timeline of events. Use the solicitation opening script.
  4. Open bids, proposals, or replies in [MFMP Ariba On Demand](#). Ensure another employee is present as a witness and to assist with tabulation.

5. Upon conclusion of the solicitation opening, the Purchasing Analyst will send a list of the vendor names who submitted a response to the Purchasing Analyst Supervisor, Bureau Chief, Deputy Director and Director via email.
  6. Add vendor names from the supplier tab in [MFMP Ariba On Demand](#) to the [Tabulation Sheet](#).
12. If an RFP, conduct the individual evaluator training(s) in accordance with the [Evaluator Instructions](#) and the evaluation criteria set forth in the RFP and applicable attachments. Send the Evaluator Instructions for signature via DocuSign.
  13. If an ITN, conduct the individual negotiator training(s) in accordance with the [Negotiator Instructions](#) and the criteria set forth in the ITN and applicable attachments. Send the Negotiator Instructions for signature via DocuSign.

## **STAGE 5 – EVALUATION AND NEGOTIATION**

### **ITB**

- A. Conduct initial responsiveness and responsibility review using the responsive checklist created by the Purchasing Analyst and approved by the Purchasing Analyst Supervisor and Bureau Chief.
- B. Coordinate with the Purchasing Analyst Supervisor and Bureau Chief to review price sheets in accordance with the methodology set forth in the ITB and applicable attachments. Provide a list of responsive vendor names as they appear in [MFMP Ariba On Demand](#): (1) locate the Suppliers tab; (2) open the Table Options Menu (i.e. table icon under Actions button); (3) click Export all Rows; (4) remove the nonresponsive vendors; and (5) save the file.
- C. Complete the [Notice of Intent to Award](#) and [Tabulation Sheet](#), as well as an [executive brief](#). Route for approval using the [State Purchasing Electronic Routing Process](#). The executive brief is added to the routing folder after the OGC review and before the Deputy Director review; the Purchasing Analyst ensures that the Purchasing Analyst Supervisor and Bureau Chief reviews the executive brief prior to the Deputy Director. \*\*\*The Procurement Officer needs to take note of the timeline of events and if the intent to award is delayed, the VIP advertisement will need to be amended in accordance with the timeline of events revision.
- D. After award and once the protest period has concluded with no protests, the Purchasing Analyst will create a lessons learned document which will be saved in the G:\ drive MAPS subfolder. The lessons learned document will contain recommendations and improvements for the next procurement. The Purchasing Analyst will share the lessons learned document via OneDrive with the Purchasing Analyst Supervisor and Bureau Chief.
- E. The Purchasing Analyst may opt to conduct an informal debrief with any vendors.

### **RFP**

- A. Conduct initial responsiveness and responsibility review using the responsive checklist created by the Purchasing Analyst and approved by the Purchasing Analyst Supervisor and Bureau Chief.

B. Evaluation:

1. Coordinate with the Purchasing Analyst Supervisor and Bureau Chief to prepare an evaluator scoring worksheet for each evaluator to record the results of their technical evaluation in accordance with the criteria set forth in the RFP and applicable attachments. Provide a list of responsive vendor names as they appear in [MFMP Ariba On Demand](#): (1) locate the Suppliers tab; (2) open the Table Options Menu (i.e. table icon under Actions button); (3) click Export all Rows; (4) remove the nonresponsive vendors; and (5) save the file.
  2. Distribute the [Conflict of Interest Form](#) to the evaluators with a list of responsive vendors and applicable subcontractors. Have the evaluators read, sign, and return the form before the Procurement Officer distributes the technical proposals via hard copy or electronically.
  3. Evaluators receive technical proposals via hard copy or electronically (OneDrive or encrypted email) from the Procurement Officer; evaluator scoring worksheets are received electronically.
  4. Evaluators independently evaluate all technical proposals in accordance with the RFP and evaluation criteria; evaluators record their scores on the evaluator scoring worksheet.
  5. The Procurement Officer collects evaluator scoring worksheets and materials.
- C. Score proposals (i.e. combination of cost proposal scores and evaluator scores for technical proposal, etc.) in accordance with the methodology set forth in the RFP and applicable attachments. If not previously provided, provide a list of responsive vendor names as they appear in [MFMP Ariba On Demand](#): (1) locate the Suppliers tab; (2) open the Table Options Menu (i.e. table icon under Actions button); (3) click Export all Rows; (4) remove the nonresponsive vendors; and (5) save the file.
- D. Finalize Recommendation of Award memo using the [SP-Form-40 RFP Recommendation of Award Memo](#) and complete the [Notice of Intent to Award](#) and [Tabulation Sheet](#), as well as an [executive brief](#). Route for approval using the [State Purchasing Electronic Routing Process](#). The executive brief is added to the routing folder after the OGC review and before the Deputy Director review; the Purchasing Analyst ensures that the Purchasing Analyst Supervisor and Bureau Chief reviews the executive brief prior to the Deputy Director. \*\*\*The Procurement Officer needs to take note of the timeline of events and if the intent to award is delayed, the VIP advertisement will need to be amended in accordance with the timeline of events revision.
- E. After award and once the protest period has concluded with no protests, the Purchasing Analyst will create a lessons learned document which will be saved in the G:\ drive MAPS subfolder. The lessons learned document will contain recommendations and improvements for the next procurement. The Purchasing Analyst will share the lessons learned document via OneDrive with the Purchasing Analyst Supervisor and Bureau Chief.

**ITN**



- A. Conduct initial responsiveness and responsibility review using the responsive checklist created by the Purchasing Analyst and approved by the Purchasing Analyst Supervisor and Bureau Chief.
- B. Evaluation:
  - 1. Coordinate with the Purchasing Analyst Supervisor and Bureau Chief to prepare an evaluator scoring worksheet for each evaluator to record the results of their evaluation in accordance with the criteria set forth in the ITN and applicable attachments.
  - 2. Distribute the [Conflict of Interest Form](#) to the evaluators with list of responsive vendors and applicable subcontractors. Have the evaluators read, sign, and return the form before the Procurement Officer distributes the technical proposals via hard copy or electronically.
  - 3. Evaluators receive technical proposals via hard copy or electronically (OneDrive or encrypted email) from the Procurement Officer; evaluator scoring worksheets are received electronically.
  - 4. Evaluators independently evaluate all technical proposals in accordance with the ITN and evaluation criteria; evaluators record their scores on the evaluator scoring worksheet.
  - 5. The Procurement Officer collects evaluator scoring worksheets and materials.
- C. Score cost proposals and calculate total scores (i.e. combination of cost proposal scores, technical proposal scores, etc.) in accordance with the methodology set forth in the RFP and applicable attachments.
- D. Determine competitive range and document electronic procurement file.
- E. Negotiations:
  - 1. Conduct recorded negotiation strategy session(s) with negotiators. \*Always have two recorders available and download completed recordings directly after each session and save in the procurement file.
  - 2. Conduct recorded vendor negotiations. \*Always have two recorders available and download completed recordings directly after each session and save in the procurement file.
- F. Best and Final Offers (BAFO's):
  - 1. Request and receive BAFO's. The Procurement Officer will distribute the BAFO's received to the negotiators. \*Each procurement may have different negotiation/award requirements. Follow the process listed in the ITN document.
  - 2. The Procurement Officer saves the BAFO's received in the procurement file.
- G. Conduct negotiators public meeting in-person or via teleconference in accordance with the procurement's timeline of events and the public meeting script.
- H. Finalize Recommendation of Award memo using the [SP-Form-50 ITN Recommendation of Award Memo](#) and complete the [Notice of Intent to Award](#) and [Tabulation Sheet](#), as well as an [executive brief](#). Route for approval using the [State Purchasing Electronic Routing Process](#). The executive brief is added to the routing folder after the OGC review and before the Deputy Director review; the Purchasing Analyst ensures that the Purchasing Analyst Supervisor and Bureau Chief reviews the executive brief prior to the Deputy Director. \*\*\*The Procurement Officer needs to take note of the timeline of events and if the intent to award is delayed, the VIP advertisement will need to be amended in accordance with the timeline of events revision.

- I. After award and once the protest period has concluded with no protests, the Purchasing Analyst will create a lessons learned document which will be saved in the G:\ drive MAPS subfolder. The lessons learned document will contain recommendations and improvements for the next procurement. The Purchasing Analyst will share the lessons learned document via OneDrive with the Purchasing Analyst Supervisor and Bureau Chief.


## STAGE 6 – CONTRACT AWARD AND RENEWAL

### **Contract Award**

- A. Post the notice of the intent to award on the [Vendor Information Portal](#) using the [VIP Agency Decision Language](#).
- B. Email a link to the notice of intent to award on the [Vendor Information Portal](#) to the Division Director, Deputy Director, Bureau Chief, and Purchasing Analyst Supervisor.
- C. Verify via email with the agency clerk in OGC (Lauren Douglas and the back-up clerk is Julia Morales) that no protests were received. Notify the Division Director, Deputy Director, Bureau Chief, and Purchasing Analyst Supervisor via email when the 72-hour protest period has passed with NO PROTESTS. If a protest is received, notify Purchasing Analyst Supervisor and Bureau Chief.  
\*Procurement process stops if protest is received. Notify OGC and work with them to determine next steps (resolution meeting, depositions, DOAH referral, resolve protest).
- D. Close event in [MFMP Ariba On Demand](#) to complete the solicitation in MFMP (after 72-hour period has concluded from the [Vendor Information Portal](#)) and select “do not send notification to vendors” in Sourcing.
- E. Contact the awarded vendor(s) using the [Contractor Information Form Request Email Template](#). The vendor(s) should respond with (1) the name and email address for the individual who should receive the contract via DocuSign and (2) a completed Contractor Information Form. Confirm that the FEIN provided on the Contractor Information Form matches Sunbiz and VIP; this is required before the contract can be sent to the contractor for signature. The Contractor Information Form should be provided to Contract Management; the awarded vendor’s contract manager information should also be added to the contract.
- F. Procurement bureaus send supervisor, Contract Management, and add the Bureau Chief as an optional attendee, a meeting invite to discuss the procurement outcome, answer any questions they may have, provide tentative timeline for contract(s) execution, availability of information for the website, etc.
- G. Prepare draft contract(s), completed Preferred Pricing Affidavit (if required by the contract), as well as an [executive brief](#), and route using the [State Purchasing Electronic Routing Process](#) (internally via OneDrive, then via DocuSign for execution). The executive brief is added to the routing folder after the OGC review and before the Deputy Director review; the Purchasing Analyst ensures that the Purchasing Analyst Supervisor and Bureau Chief reviews the executive brief prior to the Deputy Director. OGC has already reviewed the draft contract in the solicitation routing process and do not

need to be included in this review. In preparing the contract(s), the Purchasing Analyst must ensure that the contractor's name on the contract (including the price sheet) matches the contractor's name exactly as registered with the Florida Department of State, Division of Corporations (<https://dos.myflorida.com/sunbiz/>), including any fictitious names (i.e. d/b/a) and foreign (i.e. out-of-state) entities. The Purchasing Analyst must ensure that the contractor's FEIN matches across Sunbiz, VIP, and the Contractor Information Form. \*The [Contractor Information Form Request Email Template](#) and [Subcontractor/Dealer/Reseller Forms Email Template](#) (if applicable) are required for NEW contracts.

- H. Purchasing Analyst Supervisor updates the Contracts Spreadsheet on SharePoint (number of vendors, new expiration date(s), current and next actions, etc.).

Purchasing Analyst completes the [Transition Checklist](#),  [How to Use This Contract Template.docx](#), MFMP Notification eForm, and draft service update using the [State Purchasing Service Update Templates](#). Contract Management will notify customers when the service update is posted.

- I. Copy all solicitation and contract documents from OneDrive to the appropriate G:\ drive folder(s).
- J. Upon execution via DocuSign, send copies of executed contracts to contractors and save fully executed versions on the G:\ drive.
- K. Procurement bureaus notify Contract Management, when the contract documents are available on the G:\ drive; the purpose of this notification is to expedite creation of the contract webpage. \*If multiple contracts are awarded, do not wait until all contracts are executed to provide information for the website. The following are needed for the website:
  1. Contract(s) (ADA-compliant PDF, do not include price sheets)
  2. Contractor Information Form(s)
  3. Price Sheet(s)
  4. How to Use This Contract
  5. Service update language (may include in body of an email)
- L. Purchasing Analyst schedules a meeting with the Contract Manager and Contract Management Supervisor (or Contract Management Bureau Chief, if supervisor is unavailable). The Purchasing Analyst uploads the Transition Checklist to their OneDrive (Word version, Locked Changes) and shares the file with all required signatories; after the Transition Checklist has been fully signed, the Purchasing Analyst is responsible for saving it in the appropriate G:\ drive folder.

### **Contract Renewal**

- A. Create a new folder for the renewal in OneDrive; share the folder with the Purchasing Analyst Supervisor.
- B. Purchasing Analyst completes the MFMP Notification eForm (update contract expiration date(s) and specify which contractors are being renewed if at all possible).
- C. Coordinate renewal with Contract Manager:
  1. Schedule a meeting with the Contract Manager and determine contractor performance and compliance:


- a. Review contractor performance and contract summary forms.
    - b. Review submissions of quarterly sales reports.
    - c. Review MFMP transaction fee reporting and payments.
  2. Review existing contract to determine the current contract expiration date, how many renewals are remaining on the contract, if financial consequences need to be updated, replacing Additional Special Contract Conditions with the latest version on Share Point and verifying previously negotiated terms and conditions that may be in the existing Additional Special Contract Conditions, etc.
- D. Purchasing Analyst calls the existing Contractors to discuss upcoming renewal, confirms their interest in renewing the Contract and if offering a pricing discount for the renewal term. Follow up via email with the Contractor to obtain a completed [Renewal Letter Template](#) (attempt at a 3% or greater cost reduction). If so, obtain updated price sheet(s) and add to OneDrive folder.
- E. Prepare the draft renewal(s) using the [Contract Amendment Template](#), include an updated price sheet (if applicable), as well as an [executive brief](#), and route using the [State Purchasing Electronic Routing Process](#) (internally via OneDrive for approvals, then via DocuSign for execution).
- The executive brief is added to the routing folder after the OGC review and before the Deputy Director review; the Purchasing Analyst ensures that the Purchasing Analyst Supervisor and Bureau Chief reviews the executive brief prior to the Deputy Director.
  - In preparing the contract renewal, the Purchasing Analyst must ensure that the contractor's name on the Contract matches the contractor's name exactly as registered with the Florida Department of State, Division of Corporations (<https://dos.myflorida.com/sunbiz/>), including any fictitious names (i.e. d/b/a) and foreign (i.e. out-of-state) entities.
  - The [Contractor Information Form Request Email Template](#) and [Subcontractor/Dealer/Reseller Forms Email Template](#) (if applicable) are not required for renewals.
- F. Procurement bureau sends Contract Management and includes the Bureau Chief as an optional attendee a meeting invite to discuss renewal outcome, answer any questions they may have, provide tentative timeline for renewal(s) execution, availability of information for the website, etc.
- G. Purchasing Analyst Supervisor updates the Contracts Spreadsheet on SharePoint (number of vendors, new expiration date(s), current and next actions, etc.).
- H. Purchasing Analyst to determine if an update is needed using a MFMP Notification eForm and draft service update using the [State Purchasing Service Update Templates](#). Management will notify customers when the service update is posted.
- I. Copy all renewal documents from OneDrive to the appropriate G:\ drive folder(s).
- J. Upon execution via DocuSign, send copies of executed contract renewals to contractors and save fully executed versions on the G:\ drive.
- K. Procurement bureaus notify Contract Management, when the renewal documents are available on the G:\ drive; the purpose of this notification is to expedite contract webpage updates. \*If multiple contracts are being renewed, do not wait until all renewals are executed to provide information for the website. The following are needed for the website:

1. Renewal(s) (ADA-compliant PDF, do not include price sheets)
2. Price sheet(s) (if renewal term pricing is different than initial term pricing)
3. Service update language (may include in body of an email)

### **Adoption of Enterprise Alternate Contract Source (ACS)**

- A. Coordinate with the Purchasing Analyst Supervisor, if needed, to identify the appropriate commodity code(s) for the commodities or services that will be provided under the ACS. Use the [Solicitation and Contract Numbering Instructions](#) to create the contract number.
- B. Purchasing Analyst completes the MFMP Notification eForm (add new contract number and specify which contractors if at all possible).
- C. Create a subfolder on the G Drive in the "Contracts" folder using the contract number and title (not to exceed 30 characters). Copy and paste the folder structure from the appropriate "G Drive Template" folder (e.g. G Drive Template - Enterprise ACS) to the new subfolder for the ACS.
- D. Follow the instructions shown in the [State Purchasing Electronic Routing Process](#) (Steps 1-2) to create a new folder for the Enterprise ACS in OneDrive (e.g. "20102462-22-NASPO-ACS").
- E. Research master agreement and add the following documents to OneDrive:
  - Master agreement and all amendments
  - Price sheet(s)
  - Award summary or tabulation sheet (reflecting which vendors were competitively awarded)
  - Review master agreement in depth (required supplemental agreements, problematic or any other terms and conditions that conflict with Florida law, confirm that cooperative purchasing language exists, specific requirements, etc.)
- F. Meet with Purchasing Analyst Supervisor, Contract Management, MFMP Operational and Technical Leads, and include the Bureau Chief as an optional attendee, to discuss if it is appropriate and desirable for state agencies to require an MFMP catalog under the terms of the contract; if so, determine if either a punchout or line-item catalog are acceptable and should be required. Update the ACS ASCC document, sections E. and G. , including the type of catalog (i.e. punchout, line item, or neither) and the acceptable timeline for implementation.
- G. Send an email to the vendors that will best meet the needs for the State of Florida to determine if interested in doing business with the State. If so, schedule a meeting with each vendor and discuss the following:
  - Complete understanding of the master contract
  - Pricing structure and discounts for Florida customers
  - Special Contract Conditions and ACS Additional Special Contract Conditions Terms and conditions
  - Cooperative purchasing language
  - MFMP catalog including the type of catalog if required (i.e. punchout, line item, or either) and acceptable timeline for implementation
  - MFMP and Sunbiz registration

Multiple conversations, negotiations and follow-ups may be required to finalize a new enterprise ACS.

- H. Contact the vendor(s) using the [Contractor Information Form Request Email Template](#). The vendor(s) should respond with (1) the name and email address for the individual who should receive the contract via DocuSign and (2) a completed Contractor Information Form.
- I. Confirm that the FEIN provided on the Contractor Information Form matches Sunbiz and VIP; this is required before the contract can be sent to the contractor for signature. The Contractor Information Form should be forwarded to Contract Management; the contract administrator information should also be added to the contract.
- J. Procurement bureaus send Contract Management a meeting invite to discuss the ACS, answer any questions they may have, provide tentative timeline for ACS(s) execution, availability of information for the website, etc.
- K. Prepare draft ACS(s) using the [Enterprise Alternate Contract Source Template](#), completed Preferred Pricing Affidavit (if required by the contract), and an [executive brief](#), and route using the [State Purchasing Electronic Routing Process](#) (internally via OneDrive for approvals, then via DocuSign for execution).
  - The executive brief is added to the routing folder after the OGC review and before the Deputy Director review; the Purchasing Analyst ensures that the Purchasing Analyst Supervisor and Bureau Chief reviews the executive brief prior to the Deputy Director.
  - In preparing the ACS(s), the Purchasing Analyst must ensure that the contractor's name on the ACS matches the contractor's name exactly as registered with the Florida Department of State, Division of Corporations (<https://dos.myflorida.com/sunbiz/>), including any fictitious names (i.e. d/b/a) and foreign (i.e. out-of-state) entities.
  - Upon execution via DocuSign, send copies of executed contracts to contractors and save fully executed versions on the G:\ drive.
  - The [Contractor Information Form Request Email Template](#) and [Subcontractor/Dealer/Reseller Email Template](#) (if applicable) are required for new enterprise ACS's.
- L. Purchasing Analyst Supervisor updates the Contracts Spreadsheet on SharePoint (number of vendors, new expiration date(s), current and next actions, etc.).
- M. Purchasing Analyst completes the [Transition Checklist](#),  [How to Use This Contract Template.docx](#), determines if the MFMP Notification eForm needs to be updated, and draft service update using the [State Purchasing Service Update Templates](#).
- N. Copy all ACS documents from OneDrive to the appropriate G:\ drive folder(s).
- O. Procurement bureaus notify Contract Management, when ACS documents are available on the G:\ drive; the purpose of this notification is to expedite creation of the contract webpage. \*If multiple ACS's are being executed, do not wait until all ACS's are executed to provide information for the website. The following are needed for the website:

1. Contract(s) (ADA-compliant PDF, do not include price sheets or master agreements)
  2. Contractor Information Form(s)
  3. Direct links to master agreement price sheet(s) (may include in body of an email) or price sheet(s) (please indicate if there is no public link(s) for the master agreement price sheet(s) or if additional savings were negotiated and prices are specific to the State of Florida)
  4. Links to master agreement webpage(s) (may include in body of an email)
  5. How to Use This Contract
  6. Service update language (may include in body of an email)
- P. Purchasing Analyst schedules a meeting with Purchasing Analyst Supervisor, Contract Manager and Contract Management Supervisor (or Contract Management Bureau Chief, if supervisor is unavailable). The Purchasing Analyst uploads the Transition Checklist to their OneDrive (Word version, Locked Changes) and shares the file with all required signatories; after the Transition Checklist has been fully signed, the Purchasing Analyst is responsible for saving it in the appropriate G:\ drive folder.

## STAGE 7 – CONTRACT MANAGEMENT (LIFE OF CONTRACT)

- A. Meet with procurement lead to discuss contract:
1. Term of contract
  2. Scope / statement of work:
    - a. Addition / deletion of items / service
    - b. Financial consequences
    - c. Performance measures / service level agreements
  3. Pricing:
    - a. Basis for price
    - b. Price adjustments
    - c. Price sheets or catalog
  4. Special provisions or features
  5. Ordering instructions
  6. Other
- B. Note: If at any time a contract is transferred to another contract manager, the incoming contract manager and the outgoing contract manager must complete the [Transition Checklist](#) together. The Transition Checklist can be completed by uploading to OneDrive (Word version, Locked Changes) and shares the file with all required signatories; after the Transition Checklist has been fully signed, the Contract Manager is responsible for saving it in the appropriate G:\ drive folder.
- C. Conduct a kick-off meeting with awarded contractors within 30 calendar days after contract has been transitioned to Contract Management. The kick-off meeting may be conducted by face-to-face meeting, web meeting, or conference call and will include:
1. Introduction of key personnel
  2. Acceptable channels of communication
  3. Review of contract requirements
  4. Initial documentation:
    - a. Insurance
    - b. Licenses / certifications

- c. Attestations
  - d. Florida Certificate of Authorization (pursuant to s. 607.1503, F.S.)
  - e. Valid W9 on file with DFS
  - f. Other
5. Reporting
    - a. Service level agreements / performance measure status
    - b. Quarterly sales reports
      - Explain contents
      - Frequency, format, consequences
    - c. MFMP transaction reports and fees
      - Explain transaction fees
      - Explain frequency of reports and consequences
      - Corrections to the MFMP system, when needed
    - d. Other reports
  6. Delivery requirements
  7. Business meetings
  8. Problem resolution / corrective action
  9. Complaint to Vendor process
- D. Receive, inventory, analyze, and file quarterly sales reports:
1. Reports will include:
    - a. Invoices issued to customers during the period (count and value)
    - b. Reference price (MSRP) information
    - c. Savings information
    - d. Performance measure data as required by the contract
  2. Sales will be broken down by category and customer (including OEU's)
  3. Review quarterly sales reports for:
    - a. Timeliness
    - b. Completeness
    - c. Accuracy (congruence with other sources of data)
    - d. Customer type
    - e. Allowable users
    - f. Savings reported
  4. Summarize quarterly sales reports for all vendors on contract
  5. Add data on Quarterly Sales Log located in Share Point
  6. Complete the Contract Summary Form and save in Share Point
  7. Recommend action, if necessary
- E. Review MFMP Transaction Fee Reports, STC Missing Reports for STC Vendors:
1. Follow up on reports missing for 60 days or more
  2. Compare MFMP data to data received from quarterly sales report
    - a. Ensure amounts reported for STC & ACS activity are reasonably accurate (payment information should lag behind invoice information by 30 to 60 days)
    - b. Verify that MFMP transaction fee payments are up to date (MFMP will issue dunning notices through accounting channels. Contract manager should coordinate actions with MFMP and pursue payment through contract manager channels.)
    - c. For persistent problems, issue Complaint to Vendor



- F. Plan and conduct regular business meetings (include procurement lead, if needed)
1. Determine if meeting will be conducted by face-to-face meeting, web meeting, or conference call
  2. Determine frequency of meetings based on complexity, criticality, or visibility
  3. The initial business meetings will be scheduled based on value as follows:

Expected Annual Spend with the Vendor	Business Review Meeting Frequency
\$8,000,000 and above	Quarterly
\$4,000,000 - \$7,999,999	Semi-Annually
\$2,000,000 - \$3,999,999	Annually
\$0 - \$1,999,999	As Required

4. Draft business meeting agenda and receive approval from Contract Management Supervisor. Discussion Topics may include the following:
  - a. Contractual reporting requirements
  - b. Spend / contract usage report summary
    - Total spend with the state vs. total contract spend
    - Highlight any differences in state vs. other eligible users (OEU) purchasing
    - Chart state spend by state fiscal year to demonstrate trends
    - Chart spend by customer / agency (include OEU's)
    - Review top items on usage report (state vs. OEU)
    - Review MFMP purchase orders and observed usage
    - List OEU's responsible for 80 percent of non-state spend
    - Report on vendor interactions with OEU's
    - Report on vendor interactions with agencies
    - Identify top selling products / high volume orders
  - c. Performance metrics report
    - Contract service level agreements (SLA) / performance measures
    - Review customer feedback
  - d. Review MFMP interactions, as necessary
    - Catalog usage
    - eInvoicing
    - eQuotes
    - Transaction fee payment status
  - e. Driving best value to the state - opportunities for vendors and DMS to leverage its relationships to drive best value
  - f. Additional topics
    - Pending amendments
    - Pricing adjustments
    - Pricing audits
    - Vendor concerns
  - g. After the meeting create a synopsis of the discussion, including:
    - Attendees
    - Special discussions and agreements, if any
    - Any action items and responsible parties
    - Attach the agenda

- G. Identify potential contract changes (price updates, new products / services, change in procedures, etc.)
  - 1. Review current contract and solicitation to determine whether change is in scope or permissible
  - 2. Research needed for change. Check other states, consortia, large organizations, etc.
  - 3. Coordinate with Subject Matter Experts (SME's) and users
  - 4. Negotiate change with vendor using procurement bureaus
  - 5. Prepare change documents and route through the DocuSign Approval process or through appropriate approval process method to Contract Management Supervisor, General Counsel, and management
  - 6. Execute change documents
  - 7. Post change documents
  
- H. Complaint to Vendor process, if needed:
  - 1. Receive or generate complaints to vendors from agencies
    - a. For DMS / State Purchasing generated complaints, request Corrective Action Plan (CAP)
    - b. Approve the Corrective Action Plan
  - 2. Post complaints to website
  - 3. Follow up on corrective action
  - 4. Remove posts for cured complaints
  
- I. Actively log contractor compliance with service level agreements in CMDB
  
- J. Contract expiration and archival
  - 1. Determine if all orders are physically and administratively complete
    - a. Work with vendor to complete any remaining
  - 2. Determine if all reports have been received
    - a. Request any outstanding reports from vendor
  - 3. Determine if there are any outstanding MFMP issues
    - a. Work with vendor to correct if any outstanding reports or transaction fees
  - 4. Prepare physical documents for archive
  - 5. Copy electronic files to storage
  - 6. Give to State Purchasing Administrative Assistant for archival

## CHANGE LOG: Stages 1-7

REV. DATE	CHANGE DESCRIPTION
10/11/2021	<ul style="list-style-type: none"> <li>• Stage 3 – Solicitation Preparation:               <ul style="list-style-type: none"> <li>○ Removed requirement for MFMP to review draft procurement.</li> <li>○ Added a screening process for appointing evaluators and negotiators.</li> <li>○ Removed requirement for MFMP to vet MFMP Sourcing event.</li> </ul> </li> <li>• Stage 4 – Solicitation:               <ul style="list-style-type: none"> <li>○ Added Communications to the email distribution list for solicitation advertisement and when the 72-hour protest period (spec challenge) has passed with NO PROTESTS.</li> <li>○ Removed requirement for MFMP to attend solicitation opening.</li> <li>○ Added new requirement for Purchasing Analyst to share list of vendors who submitted a response to Purchasing Analyst Supervisor and Bureau Chief.</li> <li>○ Added language regarding the Purchasing Analyst <u>not</u> posting the price sheet(s) on VBS.</li> </ul> </li> <li>• Stage 5 – Evaluation and Negotiation:               <ul style="list-style-type: none"> <li>○ Added requirement to provide the Data Analyst with a list of responsive vendor names as they appear in MFMP Sourcing for ITB and RFP.</li> <li>○ Added lessons learned document and requirement upon conclusion of procurement.</li> </ul> </li> <li>• Stage 6 – Contract Award and Renewal               <ul style="list-style-type: none"> <li>○ Removed requirement to submit Procurement Closeout Form to Data Analyst.</li> </ul> </li> </ul>
10/26/2021	<ul style="list-style-type: none"> <li>• Stage 3 – Solicitation Preparation:               <ul style="list-style-type: none"> <li>○ Added statutory standard(s) for evaluators and negotiators.</li> </ul> </li> <li>• Stage 5 – Evaluation and Negotiation:               <ul style="list-style-type: none"> <li>○ Added reminder of timeline of events revisions if notice of intent to award is delayed.</li> </ul> </li> </ul>
11/10/2021	<ul style="list-style-type: none"> <li>• Stage 6 – Contract Award and Renewal               <ul style="list-style-type: none"> <li>○ Added requirement to prepare an executive brief when routing contract documents.</li> </ul> </li> </ul>
01/11/2022	<ul style="list-style-type: none"> <li>• Removed all references to Special Counsel/OSC as a result of the OGC/OSC reorganization.</li> <li>• Stages 1-2 – Need Identification and Pre-Solicitation:               <ul style="list-style-type: none"> <li>○ Added requirement to prepare an executive brief when routing justification memos; clarified that the executive brief should be added to the routing folder after the OGC review and before the Deputy Director review.</li> </ul> </li> <li>• Stage 3 – Solicitation Preparation:               <ul style="list-style-type: none"> <li>○ Added requirement to meet with Contract Management, MFMP, and the Data Analyst to determine if an MFMP catalog should be required for a state term contract.</li> </ul> </li> </ul>

## CHANGE LOG: Stages 1-7

REV. DATE	CHANGE DESCRIPTION
	<ul style="list-style-type: none"> <li>○ Added requirement to prepare an executive brief when routing appointment memos; clarified that the executive brief should be added to the routing folder after the OGC review and before the Deputy Director review.</li> </ul>
01/11/2022 (continued)	<ul style="list-style-type: none"> <li>● Stage 5 – Evaluation and Negotiation: <ul style="list-style-type: none"> <li>○ Added requirement to prepare an executive brief when routing award documents; clarified that the executive brief should be added to the routing folder after the OGC review and before the Deputy Director review.</li> </ul> </li> <li>● Stage 6 – Contract Award and Renewal: <ul style="list-style-type: none"> <li>○ Clarified that the executive brief should be added to the routing folder <u>after</u> the OGC review and <u>before</u> the Deputy Director review for all contract documents.</li> <li>○ Added requirement to meet with Contract Management, MFMP, and the Data Analyst to determine if an MFMP catalog should be required for an enterprise ACS and, if so, inform potential vendors of the requirement.</li> <li>○ Added requirement to prepare an Approval of Enterprise Alternate Contract Source when routing contract documents for enterprise ACS's.</li> </ul> </li> </ul>
04/11/2022	<ul style="list-style-type: none"> <li>● Updated all references to the Vendor Bid System (VBS) as a result of the Next Generation MFMP transformation to the Vendor Information Portal (VIP).</li> <li>● Stage 4 – Solicitation: <ul style="list-style-type: none"> <li>○ Removed references to the ITB, RFP, and ITN Solicitation Checklists.</li> </ul> </li> </ul>
9/12/2022	<ul style="list-style-type: none"> <li>● Stages 1-2 – Need Identification and Pre-Solicitation: <ul style="list-style-type: none"> <li>○ Added Procurement Kick-Off meeting with Contract Management.</li> <li>○ Added temporary procedure for spend analysis during Tableau implementation.</li> <li>○ Changed source for review of MFMP transaction fee status to VIP Billing and Collections (BCS).</li> <li>○ Removed customer survey and changed focus group to mandatory.</li> <li>○ Added an optional vendor roundtable meeting to the market research process.</li> <li>○ Added note regarding multiple eForms required through Stages 1-6 and included link to newly created AOD Notification eForm Guide.</li> </ul> </li> <li>● Stage 6 – Contract Award and Renewal: <ul style="list-style-type: none"> <li>○ Added Preferred Pricing Affidavit for contract award and adoption of ACS (if required).</li> <li>○ Added requirement to verify contractor name and FEIN in Sunbiz and VIP for contract award, contract renewal, and adoption of ACS.</li> </ul> </li> <li>● Removed Data Analyst requirements and updated links to VIP and MFMP Sourcing throughout the document.</li> </ul>

## Commonwealth of Virginia

Department of *General Services*   
Division of Purchases and Supply

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# 2023 George Cronin Awards for Procurement Excellence

**eVA:**  
**An Innovation Model**

## Executive Summary

The Commonwealth of Virginia utilizes a robust online electronic procurement solution, branded by the Commonwealth and known as “eVA.” eVA provides a single, centralized electronic portal for:

- all Commonwealth entities, including all local political subdivisions and higher education institutions, enabling them to source and acquire any goods and services required for their operations and mission;
- businesses to facilitate open competition and to provide tools to receive notifications, track and respond to business opportunities, and access order, contract, and billing information; and
- citizens through the Commonwealth’s purchase and spending transparency that ensures that procurements are fair and open, and provide equal access.

The legacy eProcurement or eVA solution was competitively solicited and awarded in 2000, launched in 2001, and supported Virginia’s changing business needs and leadership priorities. For over 20 years, the eVA solution has followed a carefully crafted project and program management plan to meet the Commonwealth’s commitment to transparency and enhancing opportunities for suppliers. Savings achieved through administrative efficiencies and enhanced sourcing capabilities are approximately \$25 million annually with more than an 80% adoption rate by agencies and entities across the Commonwealth. On November 1, 2022, a new eVA software platform was launched to continue the Commonwealth’s “best-of-breed” approach to electronic procurement that brings proven savings and automated efficiencies to the entire procurement process.

eVA’s functionality, technical solutions, and multi-jurisdictional business model provide a comprehensive government-to-business and government-to-government electronic procurement solution that has contributed significantly to the Commonwealth’s procurement process by providing consistent standards and modernizing procurement. eVA provides a fully integrated set of comprehensive electronic procurement and data analytics tools, which include:

- Supplier self-registration & portal
- Requisitioning, ordering, and receiving
- Unsealed/informal sourcing
- Sealed/formal sourcing
- Public posting & supplier notifications
- Contract management
- User, data, and entity management setup and maintenance
- Reporting (transparency), business intelligence analytics & spend management
- Integration-interface to ERP financial systems
- Procurement data warehouse and data retention

The eVA solution is a fully self-supporting service (“software-as-a-service” or “cloud solution”) funded solely through nominal purchase order transaction fees collected by the Commonwealth from vendors and Commonwealth entities when an order is delivered for fulfillment. The innovation, transferability, service improvement, and cost reduction sections will reveal the next chapter of eVA from transparency to enhanced opportunities for suppliers. The next chapter of eVA is using an advanced machine learning algorithm to help align suppliers with business opportunities.

## Innovation

Creating the right environment for managing change has been key to promoting broader adoption and providing continuity of service—vital to upholding the reputation of, and confidence in, the eVA program. Our innovative approach to the successful implementation of the new eVA platform using Ivalua provided an uninterrupted continuation of existing eVA services for end users and did not rely on intermediate or phased production releases. Our project team was able to support and implement a one-time transition for the eVA program so that the entire eVA buyer (over 11,000) and supplier (over 125,000) user base went fully live in production in support of the existing eVA solution requirements.

Additionally, eVA continues to offer a data warehouse, including all historical and current data, so that the Commonwealth experienced no changes in the ability to query, analyze, and report on eVA procurement metrics. A data conversion process also was implemented that converted reference data (addresses, users, suppliers, custom workflow) and recent transactional data (requisitions, purchase orders, receipts, sourcing, contracts) that allowed staff to seamlessly “pick up right where they left off” when the new eVA platform went live.

eVA’s data integration model also allowed for a seamless transition to the new eVA platform. eVA integrates with multiple applications and interfaces to allow agencies to implement end-to-end information streams exchanging requisition, purchase order, receipt, solicitation, supplier response/bid tabulation, and supplier account/profile data. The eVA BizTalk server facilitates the exchange of 64 unique integrations that process transactions between eVA and external information systems. The BizTalk server messaging engine supports an assortment of batch and real-time transactions. These systems implement the “hub-and-spoke” model such that eVA can accept integrations from many external systems and agencies without developing new or custom code. This allows for the easy assimilation of new entities into the Commonwealth’s procurement practices. Our team was able to minimize changes to the data model to reduce the impact on integrations and interfaces. This innovative approach allowed for the smooth transition of all currently implemented integrations.

Lastly, the transition to the new eVA platform offers enhanced supplier participation and services through a tremendous shift in ease of registration and electronic order delivery since this solution architecture requires fewer supplier touchpoints. It is even easier for suppliers to identify and track business opportunities, develop and get to contracts, receive purchase orders, and receive payment. These services fundamentally make it easier for large and small suppliers to work with the Commonwealth. Currently, eVA provides support to 245 Commonwealth entities, over 900 local public entities, and over 125,000 suppliers.

## Transferability

End-user training and adoption were critical to sustaining eVA’s recognized level of excellence. User training and adoption activities were designed to build upon those developed during the initial 20-year existence of the eVA program. End-user training, especially around a large transformative technology adoption initiative with high visibility, is not a singular activity. User audiences need to be continually engaged to understand new functionality and realize the value of the new system as part of their daily procurement activities. To meet this critical need, eVA training follows a blended learning approach known as “Learning as a Journey,” which offers different types of learning materials through multiple methods, such as eLearning, Quick Guides, Virtual Instructor-Led Training (VILT), videos, and Guided Practice (see Exhibit #2). The Division of Purchases and Supply (DPS), through the Virginia Institute of Procurement (VIP), trained more than 29,000 end-users across all eVA-related courses, which totaled over 32 million minutes of training from June 1, 2022, through March 20, 2023. eLearning is housed and tracked in our Absorb Learning Management System (LMS), which reaches over 11,000 procurement professionals across the Commonwealth and provides 17 different eVA learning pathways across 154

courses. Learning as a Journey Pathways give users the information, they need to succeed in using eVA in their daily jobs.

This blended training approach also included:

- executive communications: email series, presentation briefings
- internal communications: newsletters, FAQs, internal eVA ambassador meetings
- end user communications: buyer user group meetings, eVA extra updates

Additionally, our team had to address post-go-live support and implemented a “hyper care” customer care model, which was partnered with our training approach, to help new and existing users understand how to use the new eVA platform to conduct the business of procurement. Leveraging technology through IssueTrak, Constant Contact, and 72 staff across the Division of Purchases and Supply, our team was able to meet the objective of collecting and prioritizing issues that were received during the transition to the new eVA platform (see Exhibit #1). The process included:

- developing and implementing a web form to centrally collect issues, group and prioritize them by topic and urgency within our customer care ticketing system;
- routing live calls to our existing eVA customer care team for suppliers, responding to open solicitations, and protecting our most time-sensitive procurement function, which was available 24 hours a day during hyper care;
- building “hyper care” support teams with staff resources categorized by topic/function to allow issues to be routed to the appropriate team; and
- developing and implementing a three-tier review system to verify issues and ensure that they are properly documented so that escalated issues are clearly defined and ready to be addressed without the need for additional follow-up.

## Service Improvement

eVA was launched over 20 years ago to achieve the Commonwealth’s vision for an enterprise procurement program that would deliver significant benefits to stakeholders. Since its launch in March 2001, the eVA program has focused on continuous improvement to grow adoption and deliver value through technological innovations such as mobile apps, B2B Connect, and advanced data analytics. The implementation of the new eVA platform, which launched on Nov. 1, 2022, continues this approach.

Engaging our stakeholders was critical to preparing and planning for the future of the eVA program, as well as addressing and meeting the requirements of a large and varied user base of 245 Commonwealth entities and over 900 local public entities. To that end, during the Summer of 2019, three weeks were dedicated to external requirements gathering and direct stakeholder engagement. The stakeholders included a cross-section of users from large, complex agencies with large budgets, small independent agencies and local governments, and eVA suppliers. From this effort, electronic procurement functions were addressed, and requirements were recorded, categorized, and utilized in the development of the eVA RFP. The resulting award and contract with CGI introduced several service improvements that have made the eVA program more effective and efficient (see Exhibit #3). Those service improvements include:

- Foreign Supplier Support - the supplier registration process makes it easy for non-U.S.-based businesses to register. The registration form dynamically updates based on the registration type (non-U.S. or U.S.-based) selected to accommodate the differences in data. Flexible configurations support the ability to adjust the data collected and the user experience for both foreign and domestic suppliers.
- Entity-specific user and reference data management with the ability to delegate maintenance to authorized users. This includes “bulk” data loading capabilities for large data additions, deletions, and/or modifications.



- Entity-specific allocation/accounting chart of account fields and data with the ability to delegate maintenance to authorized entity-specific users. This includes “bulk” accounting data loading capabilities for large accounting data additions, deletions, and/or modifications.
- Entity-specific, data-driven requisition approval workflow rules fire in order of their rule token. eVA supports system-wide, entity-level, department/organizational-level, and user-level rules.
- Requisition Queue Management - Manager and Team roles can be configured at the entity - department/organizational level, which allows a manager to oversee assignments of requisitions and manage multiple team members' workloads.
- Electronic/online response for all sourcing methods including sealed and unsealed sourcing methods.
- Procurement transparency - Publicly available reports and searchable dashboards enable the Commonwealth to share procurement activity information to meet transparency requirements.

## Cost Reduction

The eVA electronic procurement platform achieves:

- Savings using our sourcing tools. Quick Quote savings analysis from FY22.
  - 12.7% average savings
  - \$45.7 million in total awards
    - \$6.6 million in total savings
- A requisition-to-order process also can be measured to establish savings/cost reduction.
  - eVA provides electronic requisitioning, as well as order delivery to suppliers with associated payment information for purchase card orders. According to the Aberdeen Group, a respected IT data science and analytics company, the requisition-to-order process, performed manually, averages \$60 per transaction while the electronic process averages \$31 per transaction. This represents a savings of \$29 per transaction or nearly 100%.
    - Savings: FY22 - 651,412 purchase orders x savings of \$29 = \$18.9 million

## Conclusion

The Commonwealth of Virginia successfully improved the electronic procurement platform (eVA) to provide greater efficiency in transparency and opportunities for suppliers through a hub and spoke data integration model. The eVA platform supports 245 Commonwealth entities, over 900 local public bodies, and over 125,000 suppliers. With an adoption rate of over 80 percent by Commonwealth entities and local public bodies, eVA generates savings for the Commonwealth of approximately \$25 million annually. The modernized eVA platform has improved service across the Commonwealth, provided a robust training program, and created a solid foundation through a fully self-supporting system that is a “software-as-a-service” or “cloud solution” for future scalability in the Commonwealth of Virginia.

## eVA: The Next Chapter- A Modernization Model

### Exhibit #1 (Hyper Care Process Overview)



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**eVA**

**Hypercare  
Process Review**

Note: Double-click on the icon above to open PowerPoint Presentation.

## (Hyper Care Tier 2 Process Overview)



The collage features the Virginia Department of General Services logo in the top left, a photograph of a diverse group of business professionals in a meeting, the eVA logo in the bottom left, and a green circular icon containing a folder symbol with a star in the bottom right.

Note: Double-click on the icon above to open PowerPoint Presentation.

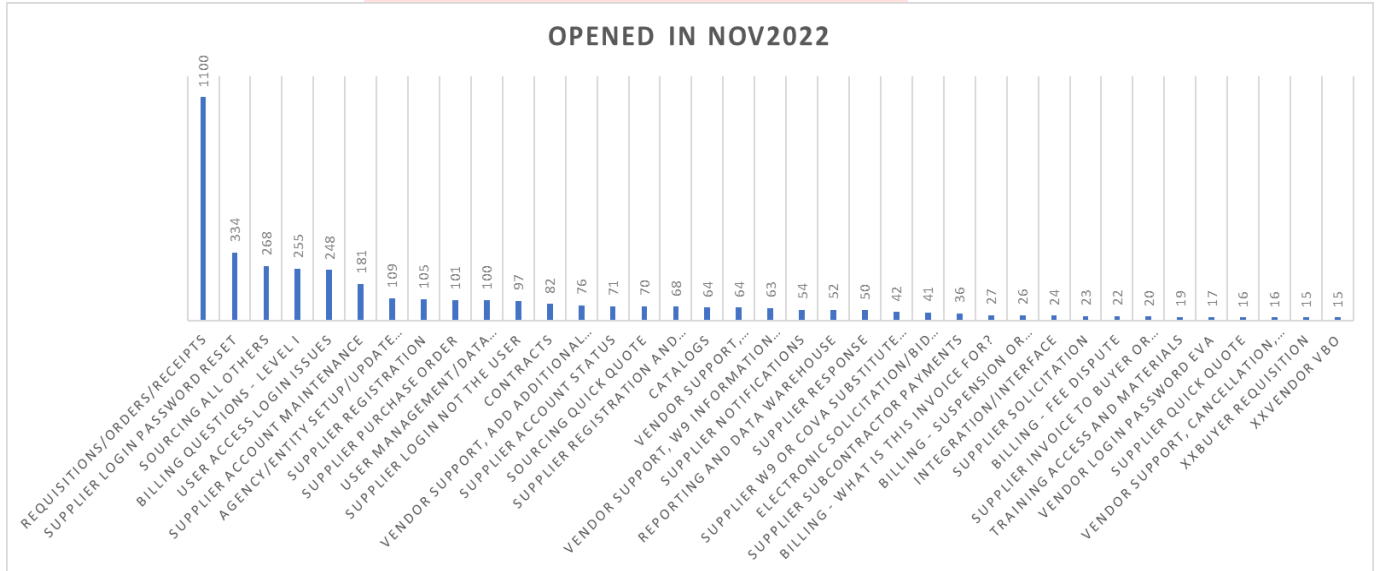
*Procurement  
Excellence*

TM

## (Hyper Care Ticket Statistics- Post Go Live Calls)

Period	Campaign Name (ID)	Incoming	Outbound	Offered	Handled	Avg Handle Time
Nov-22	DGS Campaign (243059)	2,414	551	805	1,287	00:10:08
Dec-22	DGS Campaign (243059)	1,860	635	610	1,216	00:09:03
Jan-23	DGS Campaign (243059)	2,385	746	717	1,381	00:08:49

## (Hyper Care Ticket Statistics- Post Go Live Statistics)



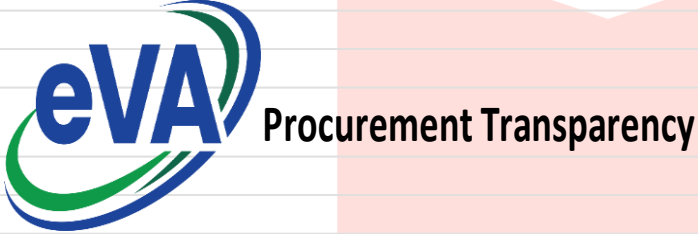
Note: Snapshot from Go Live November 2022.



## Exhibit #2 (Training Statistics)

Course	Course Type	# Learners Complete	Minutes to Complete	Total Training Time
Catalog	Online	3821	22	
Catalog Maintenance	Online	736	29	
Contract Basics	Online	1076	3	
Contracts	Online	510	141	
Catalog VILT Review	Online	80	50	
Contracts VILT Review	Online	49	40	
Create a Sourcing Project	Online	642	27	
Creating a Supplier	Online	3371	2	
P2P Orders VILT Review	Online	57	57	
P2P Requisitions VILT Review	Online	52	5	
Pcard	Online	4044	4	
Procure 2 Pay (P2P)	Online	2934	183	
Simple Sourcing	Online	713	14	
Solicitation Evaluations	Online	419	25	
Sourcing	Online	503	118	
Sourcing Assessment	Online	542	7	
Sourcing Assessment - no ILT	Online	542	5	
Sourcing VILT Review	Online	48	50	
Viewing and Responding to Solicitations	Online	100	2	
Welcome to eVA	Online	4660	16	
Catalog VILT	VILT	1273	60	
Contracts VILT	VILT	234	60	
P2P Orders VILT	VILT	1265	60	
P2P Requisitions VILT	VILT	1322	60	
Sourcing VILT	VILT	269	60	
<b>Totals</b>		<b>29262</b>	<b>1100</b>	<b>32188200</b>
<b>AVG</b>		<b>1170</b>	<b>44</b>	
<b>Note:</b>				
<b>(1) Period is June 1, 2022 through March 20, 2023 from DPS Absorb LMS System.</b>				

### Exhibit #3 (eVA Hyperlink Table)

	
Public Purchase Order, Contract & Supplier Search	<a href="#">eVA Public Search - POs - Contracts - Suppliers</a>
Virginia Business Opportunities (VBO) – Public Posting – Sourcing	<a href="#">eVA VBO</a>
Public Contract Posting	<a href="#">eVA Contracts</a>
eVA Public Supplier List	<a href="#">eVA Suppliers Listing</a>
eVA Public Procurement Reports	<a href="#">eVA Reporting Center</a>

Note: Double-click on the icon above to open the excel worksheet and click on hyperlinks.





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# Hypercare Process Review



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- Process Overview
- Expectations
- Ticket Triage/Process Flow
- Next Actions
- Answer Your Questions

# Process Overview

- **The Process**

- Web Form via eVA Home Page
  - Issue collection will be centralized for all users (buyer and supplier)
  - Exception – eVA Customer Care live calls for suppliers responding to open solicitations
- Support Teams/Hypercare Teams
  - Categorized by topic/function
  - Issues routed to the appropriate team
  - CGI resource assigned to all teams

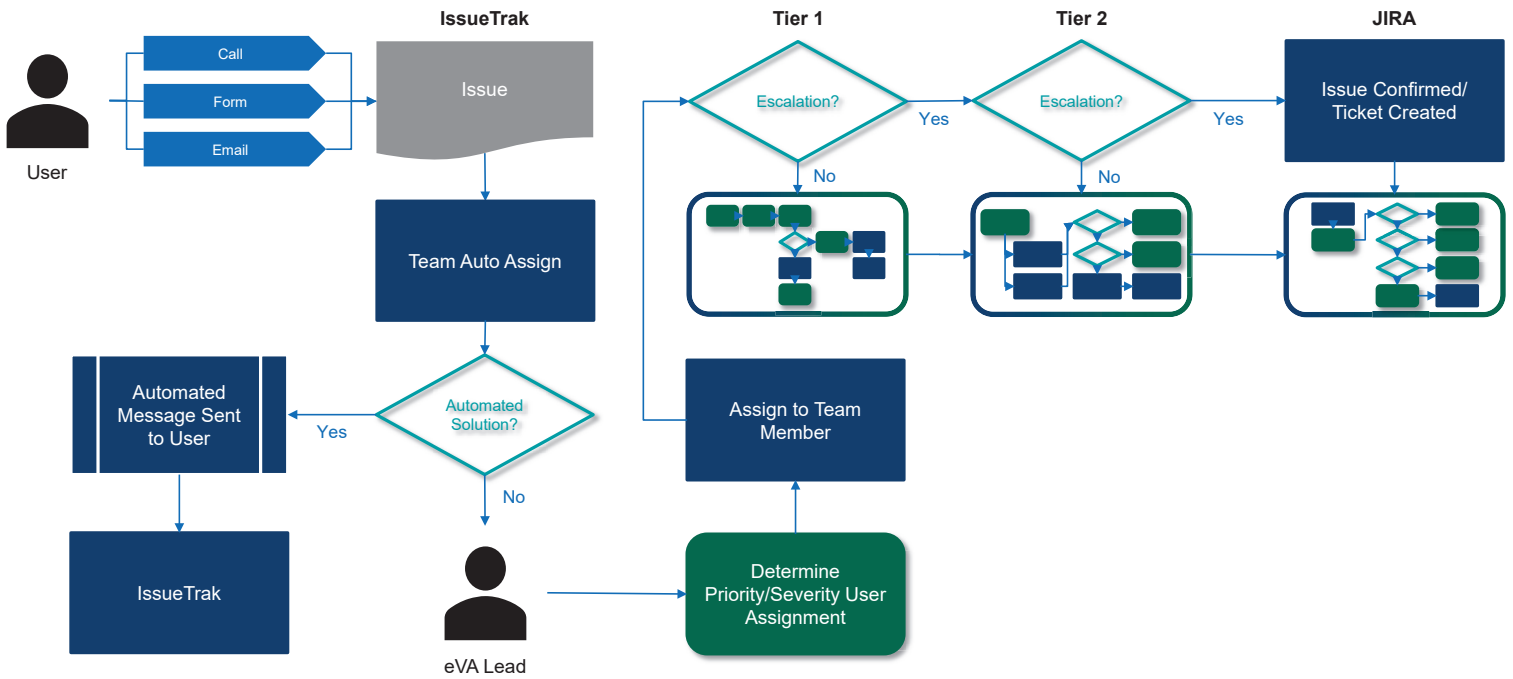
# Process Overview

- **The Process – cont.**

- IssueTrak
  - Will collect web form data
  - Research/notes/resolution
  - Route to staff for escalation/additional research
  - Auto-email resolution to issue reporter
- JIRA
  - CGI ticketing system
  - If escalation/resolution is required
  - Release management



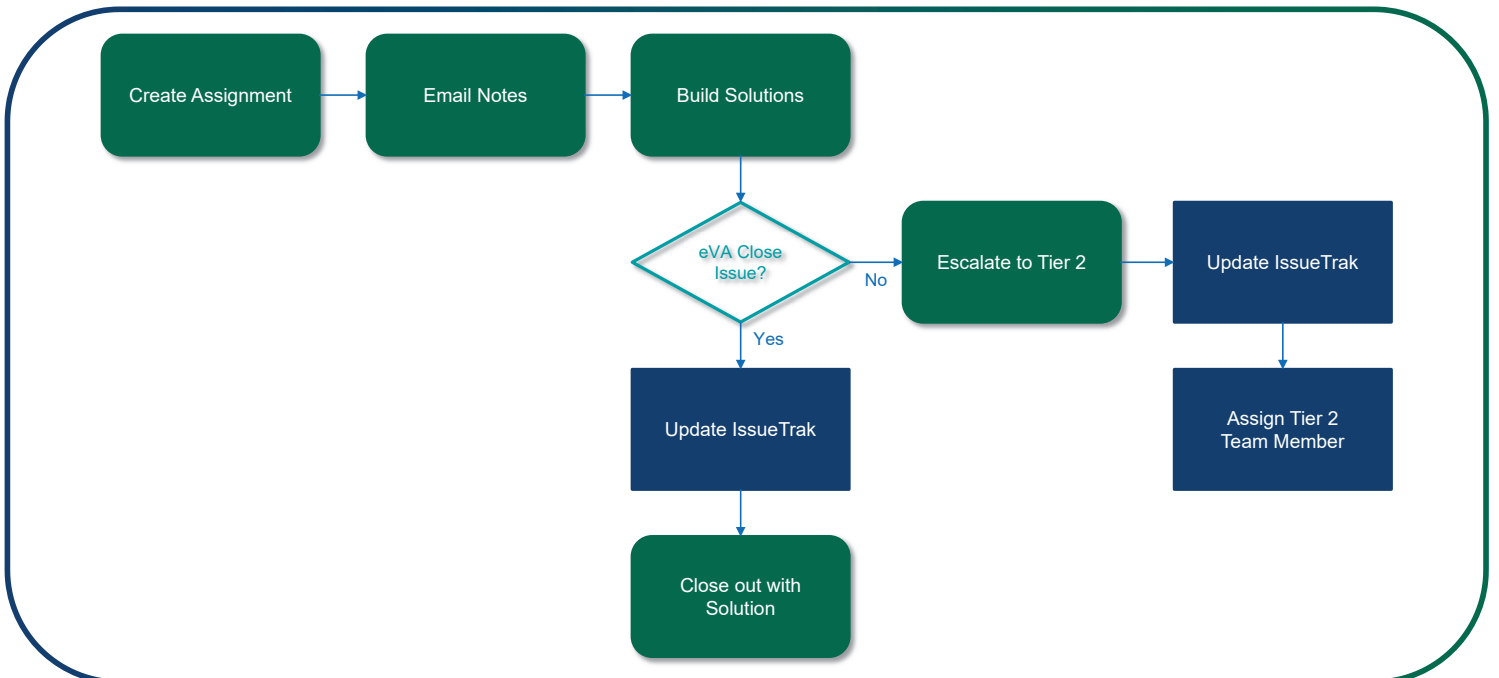
# SME Triage



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# SME Triage [T1]



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## Expectations – Team and Tiers

- **Hypercare Teams**

- Tier 1
  - Initial ticket assignee
  - Work directly with end user to identify/resolve issue
  - Document business need
  - Document policy impact
  - Document risk if issue not fixed
  - Escalate identified bugs/defects/change requests to Tier 2
  - Close issues

## Expectations – Team and Tiers

- **Hypercare Teams**

- Tier 2
  - *Initial ticket assignee*
  - *Work directly with end user to identify/resolve issue*
  - eVA Core Team Member/eVA Customer Care
    - Assign Issue/Ticket to Team Member
  - Verify/Document business need
  - Verify/Document policy impact
  - Verify/Document risk if issue not fixed
  - Document viable workaround if applicable
  - Returns and/or works with Tier 1 if more information is needed
  - Escalate tickets that need a solution to Tier 3 (JIRA)

## Expectations – Team and Tiers

- **Hypercare Teams**

- Tier 3
  - Reviews escalated JIRA tickets
  - Returns to Tier 1/Tier 2 if more information is needed
  - Determines if an issue will be resolved immediately or scheduled for a later date
  - *Initial ticket assignee*
  - *Work directly with end user to identify/resolve issue*

Link: <https://confluence.cgieva.com/display/CENPA/Topics+-+Teams+by+Tier>

## Expectations – What is Proper Documentation?

- **User ID(s)/User Impacted (example – EVERYONE)**
- **Transaction ID(s) – REQ/PO/REC/IFB/Supplier**
- **Specific steps to recreate (1, 2, 3)**
- **Screen shots**
- **Expected results**
- **Validation/Testing steps (include user id, transaction, specific steps)**



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## Expectations – Tools

- **Phone**
- **Teams/Zoom (Virtual Meeting)**
- **Chat**
- **Email**



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## Tips/Reminders

- **You are the expert**
- **It's OK to say 'let me research and get back to you'**
- **Be prepared for people to not be nice, don't let that impact your attitude**
- **It's better to address 10 tickets really well, then 100 tickets really poorly**
- **Uses your resources and teammates**



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## Next Actions – Update Your Contact Info

- **Setup out of office/unavailable messages across all devices**
  - **Voice Mail – mobile and desktop**
  - **Email Auto Response**
  - **Email Signature**
  - **Text Message Auto Response**
  - **MS Team Chat Auto Response**

“Thank you for reaching out, your message is important. I am providing critical assistance to the eVA Program as part of eVA’s transition to a new platform. Please submit all issues and questions regarding eVA to <https://eva.virginia.gov/get-help-customer-care.html> Thank you!



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## Next Actions

- **eVA Training, Knowledge Transfer, and Overview**
  - Continue team meetings!
  - Complete/take eVA Training
- **IssueTrak Demo**
  - Check your IssueTrak Login
- **JIRA Demo (Tier 2 & 3)**
  - Check your JIRA Login



# Questions/Feedback



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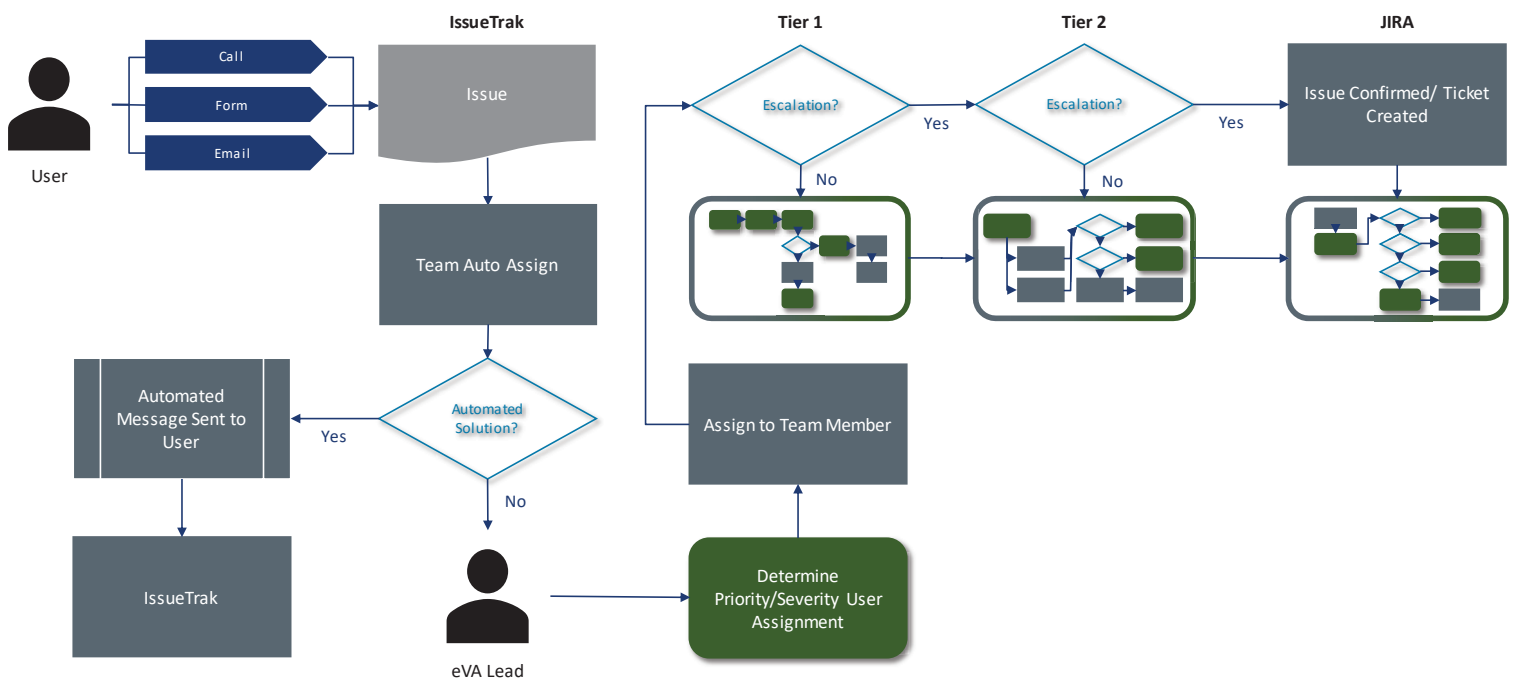
# Division of Purchases & Supply

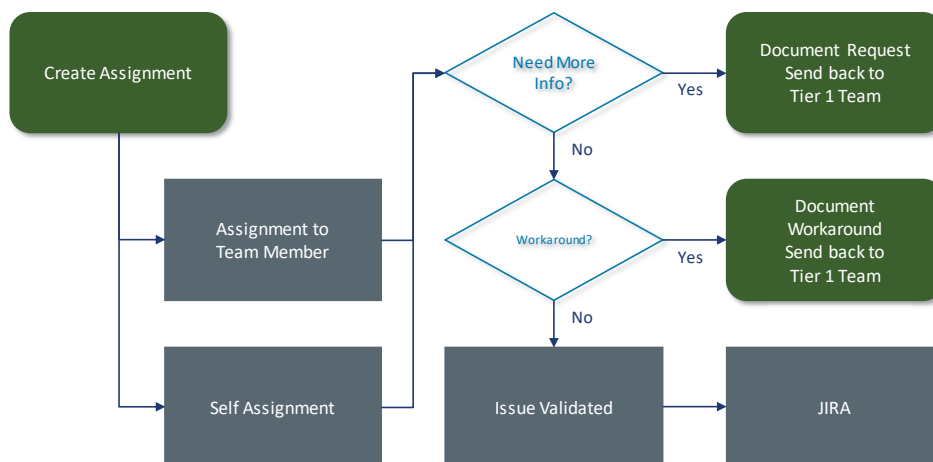


# Tier 2 - Hypercare



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## Bug/Defects to Escalate to Tier 3\*

- Blocking, work cannot be completed
- Workaround is complex for users (difficult or inefficient timewise)
- High impact to large volume of users
- Loss of data that is not recoverable
- Inappropriate access without contingency that puts procurements at risk
- Creates inaccurate data that puts procurement at risk (tool should be flexible enough still to not enforce policy)



# How to Create a ticket

## Project – EVA Assistance Request (EVAR)

*EVAR's are used for COVA to report issues. Once PMO determines the ticket has met necessary prioritization, it will move to an EBUG for CGI to begin development.*

### Issue Type

- **Defect:** Does not function as designed.
- **Change Request:** Request to improve existing functionality.
- **Information Request:** Ask a question or request data, research, or analysis.
- **Enhancement Request:** A significant change to how the system currently operates or the addition of new functionality to the system that requires a contract modification.
- **System Availability/Performance:** Issues with speed or downtime.
- **Data Change:** Request to load or fix data.

## EVAR – Basic Information tab

### Summary

A short phrase that provides a high-level description of what the issue. Available in reporting.

TIP! Should be written so it can be read alone, and others understand what the issue is.

### Description

Be specific and to the point. Try to summarize the problem in minimum words yet in an effective way. Do not combine multiple problems even if they seem to be similar.

TIP! Should answer how the issue occurred, where the issue occurred, and the results of running through steps/behavior. Think of this like your Statement of Work for a solicitation.

## EVAR – Basic Information tab

### Component & Component Area

Component will reflect the high-level area of the issue. The component Area is a sub-level that is filtered based on the component selected. These should correspond with your hypercare team and overall navigation.

Not sure? Ask! Routing is setup based on the Component selected.

### Impact

- **Blocking:** There is no reasonable workaround.
- **Workaround:** An alternative method exists.
- **UI:** Truly cosmetic feature impacting the view, User Interface (UI).

## EVAR – Basic Information tab

**Workaround** – If a workaround exists, document the alternate steps (1,2,3) that can be used temporarily to achieve the same task/goal.

**Policy Impact** – Reference the specific policy (e.g., APSPM, VPPA) and include a description of how the issue may impact compliance to policy or put procurement at risk.

**Business Need** – What is the user unable to do until this is resolved?  
TIP! Helpful to think that you are filling in the blank after “so that” in the user’s story. *As a user, I want \_\_\_\_\_ so that \_\_\_\_\_.*

## EVAR – Detailed Description tab

### Steps to Recreate

- Include each click and action.
- Don’t make generic statements. Be specific on the steps to follow.
- List the steps (1,2,3).

### Other Supporting Info

- Agency Contact Info
- Affected User ID
- Transaction #
- Logi Report #
- Browser & Version

TIP! Think of this like specs for a solicitation.



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# What is proper documentation?

- User ID(s)/User Impacted (example – EVERYONE)
- Transaction ID(s) – REQ/PO/REC/IFB/Supplier
- Specific steps to recreate (1, 2, 3)
- Screen shots
- Expected results
- Validation/Testing steps (include user id, transaction, specific steps)
- Can the issue can be recreated?
- Has the issue occurred more than once?
- Has the issue been reported by other users?



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# How tickets are managed\*



# Monitoring/Tracking Tickets\*

- **Tier 2 Hypercare Dashboard**
  - Tickets assigned to you
  - Your tickets escalated to T3 for consideration to develop
  - Overview of tickets in you Tier 2 (drill in for more details for your team)
- **COVA Hypercare Overview dashboard**
  - Overview of tickets assigned to Tier 2 team and to individuals
  - Assist with T3 workflow
  - Review progress and counts of severities of issues previously triaged
- **TBD – Dashboard for EBUGs**



# JIRA Ticket Assignment\*

## Initial Assignment

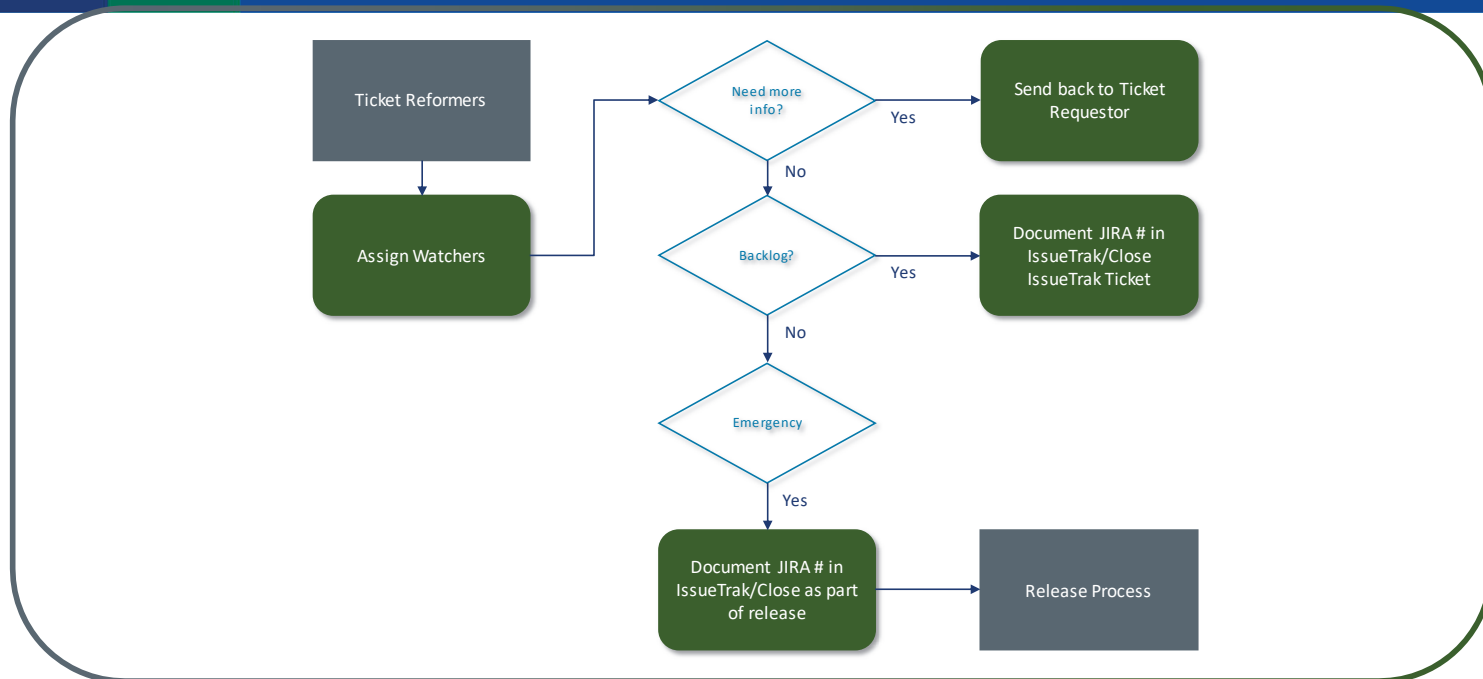
- When a ticket is created, the assignment defaults to the eVA Team Lead (Tier 2 Lead).
- Change to yourself if you need to complete additional work before escalating to Tier 3 (status Triage Review)
- If necessary, Tier 3 may require Tier 2 ticket validation before escalating to Tier 3. Initially, this will not be requested, and peer review is encouraged.

## Request info/help from Tier 2 Team

- Update the Assignee and click the Request Info button if you need additional support
- Great opportunity to pull in SME's to ensure workaround, policy impact, and business impact are addressed

## Request additional info/help from Tier 1 reporter

- There priority is IssueTrak tickets, use minimally
- If you are not able to recreate the issue
- If you need specific transaction/user information
- Not all Tier 1 may have JIRA access



## JIRA Ticket Escalation\*

### IssueTrak Tier 1 & 2

1. Tier 1 Review and work ticket
2. Bug/defect found? Next Action ticket to Tier 2
3. Tier 2 issue valid? See if issue has already been entered in JIRA or create new ticket

### Tier 2 – JIRA EVAR

1. Add Tier 1 and any additional users as watchers.
2. Peer Review with others in Tier 2 (if necessary)
3. How urgent is the fix?
  - a) It can wait.
    1. Move ticket to Backlog (Start Progress & Workflow > Backlog)
    2. Document JIRA # in IssueTrak and close IssueTrak ticket
  - b) An immediate fix is needed.
    1. Escalate to Triage Review (Start Progress & Workflow > Need Triage?)
    2. Document JIRA # in IssueTrak
    3. Wait until issue is resolved and fix has been migrated and then close IssueTrak ticket

# JIRA Ticket Escalation\*

## Tier 3 – JIRA EVAR

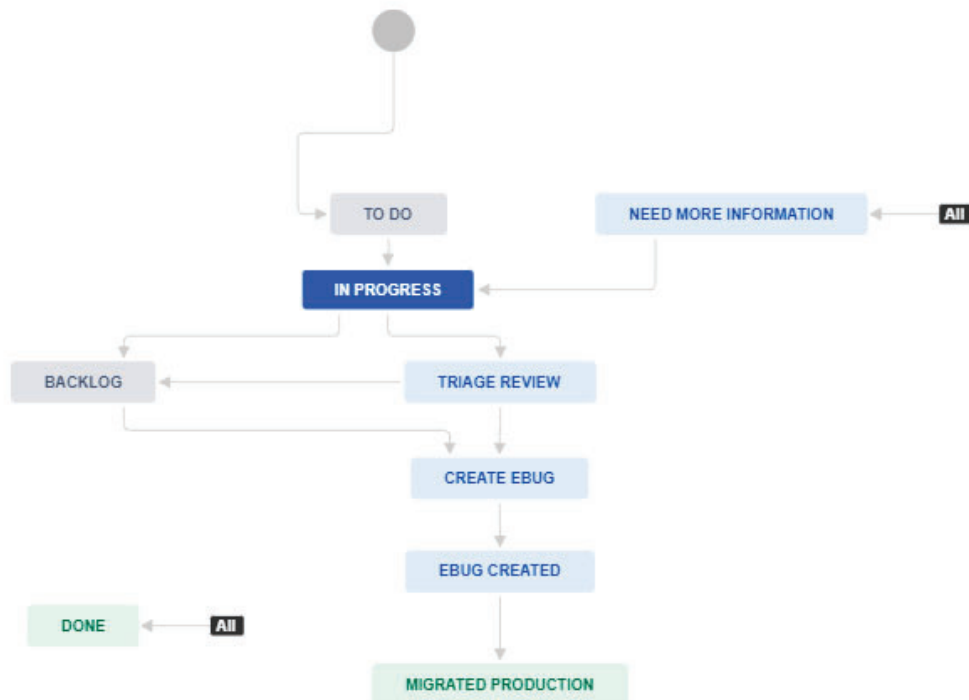
1. Tier 3 Intake – Review documentation. If additional information necessary, return to Tier 2.
2. Validate if it should be escalated to Tier 3 for consideration to be fixed immediately (Triage Review) or Backlog
3. Tier 3 – Meets MWF. If issue can wait until future release, moved to Backlog. If issue should be fixed immediately ticket status moved to Create EBUG (priority emergency).

## Tier 2 – JIRA EVAR to EBUG

1. More > Clone EVAR
2. More > Move select project EVA BUG (EBUG)
3. On original EVAR, click EBUG Created button to update status

## Tier 3 & CGI – JIRA EBUG

1. EBUG's are prioritized and added to development sprints
2. Development
3. EBUG UAT Migration
4. EBUG PROD Migration and included in release updates



From	Transition	To
<b>TO DO</b>	Start Progress No Screen	→ <b>IN PROGRESS</b>
<b>IN PROGRESS</b>	Need Triage? No Screen	→ <b>TRIAGE REVIEW</b>
	Move to Backlog No Screen	→ <b>BACKLOG</b>
<b>TRIAGE REVIEW</b>	Create Ticket T3 Triage Review	→ <b>CREATE EBUG</b>
	Move to Backlog T3 Triage Review	→ <b>BACKLOG</b>
<b>DONE</b>	There are no transitions out of this status	
<b>CREATE EBUG</b>	EBUG Created No Screen	→ <b>EBUG CREATED</b>
<b>MIGRATED PRODUCTION</b>	There are no transitions out of this status	
<b>BACKLOG</b>	Create Ticket No Screen	→ <b>CREATE EBUG</b>
<b>EBUG CREATED</b>	EBUG Migrated Production No Screen	→ <b>MIGRATED PRODUCTION</b>
<b>NEED MORE INFORMA...</b>	In Progress No Screen	→ <b>IN PROGRESS</b>

## T3 – Triage tab\*

*During triage review, the team will make notes and updates to fields on the triage tab to record decisions and communication information back to the teams.*

### Priority

- **Emergency:** Escalated to development team to be worked immediately.
- **Schedule:** Ticket needs to be scheduled.
- **Backlog:** Not being addressed at this time.
- **Held:** Issue needs further consideration before being implemented.



## T3 – Triage tab\*

*During triage review, the team will make notes and updates to fields on the triage tab to record decisions and communication information back to the teams.*

### Severity

- **High Risk**: Political, program, security, procurement, data integrity
- **High Customer Care Impact**: Anticipate it will result in high call volume
- **High User Impact**: Large number of users are impacted
- **Complex Workaround**: Steps for workaround are difficult and inefficient to users
- **Low User Impact**: Small number of users are impacted
- **Low Risk**: Political, program, security, procurement, data integrity

## Next Actions\*

- **Favorite dashboards**
  - Tier 2 Hypercare Dashboard
  - COVA Hypercare Overview dashboard
- **Subscribe to filters**
  - Provide More Info
  - Clone and Move to EBUG

Instructions for adding favorite dashboards and subscribing to filters: [JIRA Tips.docx](#)



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