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# **Government Operations Subcommittee**

**Tuesday, December 4, 2012  
1:00 PM  
Webster Hall (212-K)**

**Will Weatherford  
Speaker**

**Jason T. Brodeur  
Chair**

**Committee Meeting Notice**  
**HOUSE OF REPRESENTATIVES**

**Government Operations Subcommittee**

**Start Date and Time:** Tuesday, December 04, 2012 01:00 pm  
**End Date and Time:** Tuesday, December 04, 2012 02:30 pm  
**Location:** Webster Hall (212 Knott)  
**Duration:** 1.50 hrs

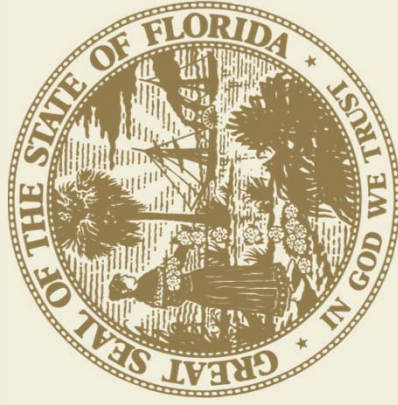
Introduction of Members and staff

Introduction of Secretary Craig J. Nichols, Department of Management Services

Presentation by the Department of Management Services on its organizational structure, jurisdiction, and policy initiatives

**NOTICE FINALIZED on 11/27/2012 16:16 by Sims-Davis.Linda**





DEPARTMENT OF MANAGEMENT  
**SERVICES**

**Craig Nichols**  
Agency Secretary

[www.dms.myflorida.com](http://www.dms.myflorida.com)



## Who We Are

The Department of Management Services (DMS) is the State of Florida's shared services provider. We are organized to support both the operations of state agencies as a whole and individual state employees.

*Through the efficient provision of shared services, state agencies can direct their time, energy and resources to their core missions.*



## Overview & Culture

### **DMS Mission:**

Equip the state organization and its employees to perform their mission

### **DMS Motto:**

“We serve those who serve Florida.”

### **DMS Customers:**

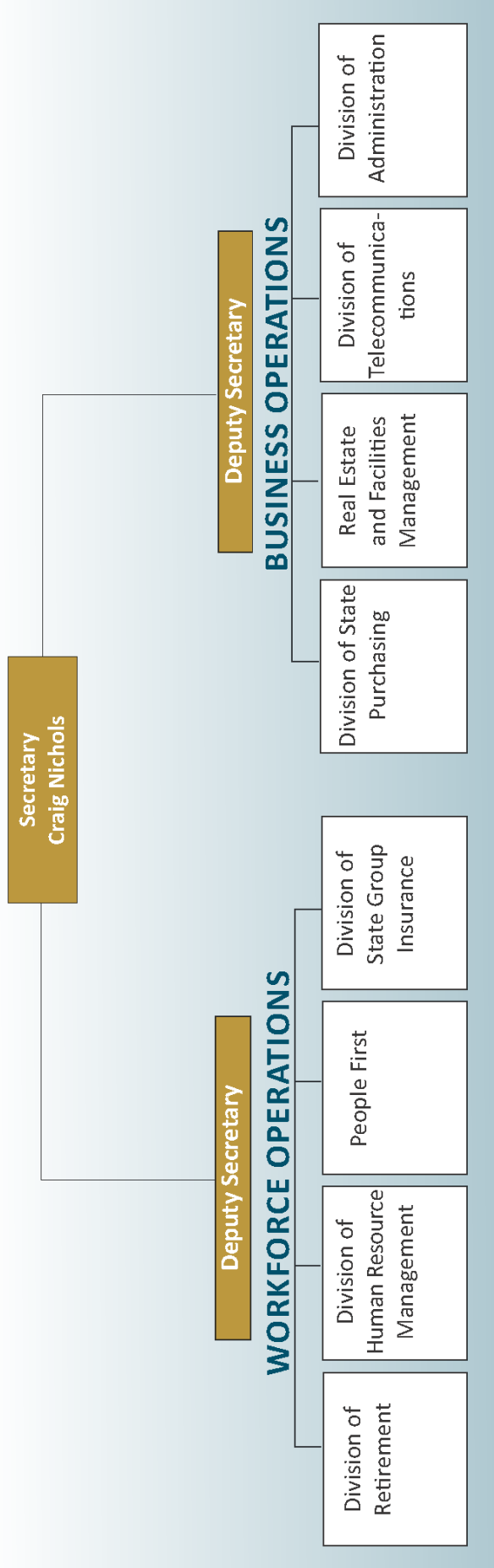
- State Agencies
- State employees and dependents
- Retirees of state and local FRS
- Vendors and private citizens
- Other state and local governmental and quasi-governmental entities

# Operational Structure



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*"We serve those who serve Florida."*



# Workforce Operations

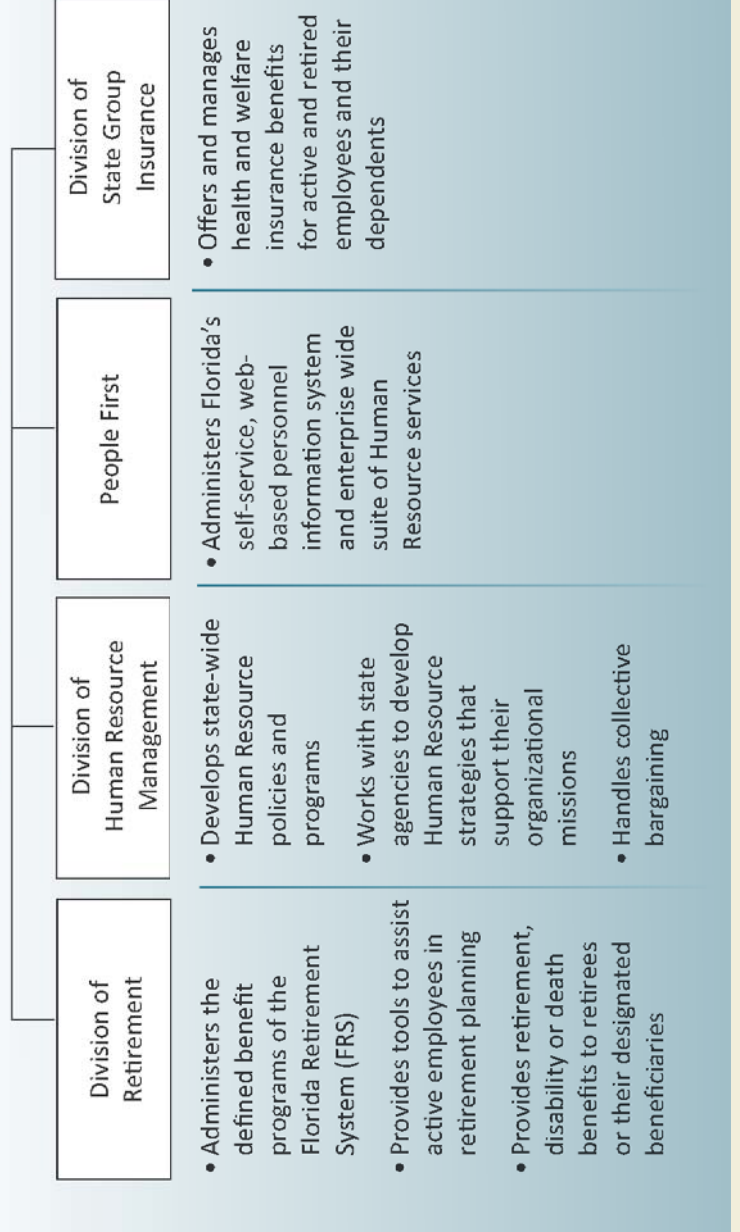


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*"We serve those who serve who serve Florida."*

## Deputy Secretary

### WORKFORCE OPERATIONS







# Business Operations



*"We serve those who serve who serve Florida."*

## Deputy Secretary

### BUSINESS OPERATIONS

Division of State Purchasing	Facilities Management and Building Construction	Division of Telecommunications	Division of Administration
<ul style="list-style-type: none"> <li>Develops and implements procurement best practices applied to all state agencies with vendors</li> <li>Oversees Florida's procurement process as well as vendor and contract management</li> <li>Administers MyFloridaMarketPlace (MFMP), the State of Florida's award winning on-line exchange for vendors and buyers</li> <li>Negotiates state term contracts to achieve economies of scale pricing</li> </ul>	<ul style="list-style-type: none"> <li>Responsible for management of Florida Facilities Pool, as well as other facilities and structures</li> <li>Ensures leases are in the best interest of the state</li> <li>Provides oversight for space optimization, energy savings, and facility construction projects</li> </ul>	<ul style="list-style-type: none"> <li>Provides voice, data and conferencing telecommunication services for government entities</li> <li>Coordinates public safety telecommunications throughout the state</li> </ul>	<ul style="list-style-type: none"> <li>Responsible for oversight and ensuring contractual performance compliance for the private prison system</li> <li>Provides oversight responsibility for the state's vehicle and mobile equipment fleet, and the federal surplus property program</li> </ul>

## Workforce Operations: Division of Retirement

The Division of Retirement administers the defined benefits programs of the Florida Retirement System (FRS). The FRS is the fourth largest public pension plan in the U.S. with \$126.2 billion in assets.

**Division Staff:** 193 full-time positions

**Division Budget:** \$37.7 million (\$18.9 million in General Revenue, \$18.8 million in trust funds)

**Division Bureaus:** Benefit Payments, Enrollment and Contributions, Local Retirement Systems, Retirement Calculations

### **Did You Know?:**

- Total FRS Participants: 998,249 (Active members: 623,011, Retired members: 334,682, DROP participants: 40,556).
- The Division monitors the state's 492 local government public retirement systems (non-FRS participants) for actuarial soundness and reviews 351 local government police officer and/or firefighter pension plans participating under chapters 175 and 185 for actuarial soundness and compliance with statutes.
- Local school districts represent the largest percentage of FRS members with 48.8 percent of the total or 304,073 members.
- Active state employees represent 16.8 percent (104,855 members) of the total FRS membership.

## Workforce Operations: Division of Human Resource Management

The Division of Human Resource Management establishes the policies, programs and strategies for the State Personnel System (the largest of Florida's state government employment systems encompassing 32 executive branch agencies)

**Division Staff:** 16 full-time positions

**Division Budget:** \$1.6 million

**Division Teams:** Workforce Design and Compensation, Workforce Development and Benefits,  
Workforce Strategic Planning, Research and Operations, Labor Relations

**Did You Know?:**

- The State Personnel System encompasses over 104,000 employees (representing 65 percent of the state's government employees).
- The Division represents the Governor as the state's Chief Labor Negotiator, negotiating wages, hours and terms and employment conditions with six labor unions (13 collective bargaining units)

## Workforce Operations: PeopleFirst

The PeopleFirst Division manages Florida's comprehensive, self-service, web-based application for shared human resources services.

**Division Staff:** 15 full time positions

**Division Budget:** \$37.9 million (includes \$36.5 million for the PeopleFirst Contract, \$1.4 million for PeopleFirst team)

**Services Provided:** Attendance and Leave, Benefits Administration, Data Warehouse, Human Resource Management, Organizational Management, Payroll Preparation, Recruitment

**Did You Know?:**

- PeopleFirst customers include: State Agencies, Justice Administration Commission, State Courts System, Universities, Retirees, Prospective employees, etc. all to varying degrees.
- As of October 31, 2012, there were 215,733 system users across the state.
- The State of Florida has posted more than 126,000 positions in PeopleFirst since May 2003.
- Job seekers have submitted approximately 9.6 million job applications for positions since May 2003.
- The PeopleFirst Service Center has answered approximately 4.9 million calls since May 2003.

## **Workforce Operations: Division of State Group Insurance**

The Division of State Group Insurance manages a package of health and welfare insurance benefits including health insurance options, flexible spending and health savings accounts, life insurance, dental insurance and other products for 169,685 state employees and retirees.

**Division Staff:** 23 positions

**Division Budget:** \$58 million

**Division Bureaus:** Financial and Fiscal Management, Policy and Development, Customer Information and Outreach

**Companies that provide insurance coverage to state employees include:**

- Preferred Provider Organization (PPO)  
Florida Blue
- Health Maintenance Organizations (HMO)  
AvMed  
Coventry  
United Healthcare  
Aetna  
Capital Health Plan  
Florida Health Plan
- Pharmacy Benefits Manager (PBM)  
MedCo/Express Scripts
- Provider services are either insured or self-insured.

## Business Operations: Division of Telecommunications

The Division of Telecommunications serves Florida government in two broad categories. The Division provides voice, data, mobile, infrastructure and teleconferencing services for Florida government under the SUNCOM brand. The unit also provides planning and coordination of public safety and law enforcement telecommunications across the state.

**Division Staff:** 84 positions

**Division Budget:** \$287 million

**Division Bureaus:** Financial Operations, Customer Service, Public Safety, Engineering

### **Did You Know?:**

- The Division of Telecommunications customers are state agencies, public and private higher education institutions, cities, counties, public schools and libraries, emergency management, public safety and law enforcement entities.
- During Fiscal Year 2011-12, the Division's service center received over 438,000 calls and served 1,567 customers and customer groups amounting to more than \$116 million in revenue to the state.

## **Business Operations: Real Estate and Facilities Management**

The Division of Real Estate and Facilities Management oversees the construction, leasing and operations of the buildings in the Florida Facilities Pool. In addition, the Division administers private leasing for the state.

**Division Staff:** 291 full-time positions

**Division Budget:** \$105.5 million (\$58 million in Operations, \$47.5 million in Fixed Capital Outlay)

**Division Teams:** Operations and Maintenance, Leasing, Building Construction, Strategic Planning

### **Did You Know?:**

- The Florida Facilities Pool is 104 buildings of the more than 20,000 facilities the state owns and manages.
- The Division maintains more than 8.3 million gross square feet of office space in the Florida Facilities Pool.
- Division Leasing staff oversees 1,174 leases (971 private, 203 facilities pool) across the state accounting for more than 13.9 million square feet.
- There is a 96 percent occupancy rate for the Florida Facilities Pool.

## Business Operations: Division of State Purchasing

The Division of State Purchasing has two primary missions: (1) to provide executive direction regarding purchasing, procurement, and contracting and (2) to establish purchasing mechanisms for statewide use. Best procurement practices promote fair and open competition for state spending. State Purchasing leverages statewide spend for goods and services to deliver the best value to state agencies and local governments.

**Division Staff:** 49 full-time positions

**Division Budget:** \$12.3 million

**Division Teams:** Services, Commodities, Information Technology, Supplier Diversity

### **Did You Know?:**

- Agencies are required to use state term contracts. Local governments may choose to use state term contracts.
- Approximately \$1.2 billion is awarded annually through the state's 72 state term contracts and 15 alternative contract sources (all negotiated and monitored by Division staff).
- Florida's eProcurement system, known as MyFloridaMarketPlace, has logged approximately \$11.2 billion in purchase orders since its inception.
- There are approximately 89,000 registered vendors in the MyFloridaMarketPlace system.



## Business Operations: Division of Administration

The Division of Administration provides centralized administrative support to DMS employees, including human resources, purchasing, finance and accounting services, fiscal integrity oversight, and policies and procedures development.

**Division Staff:** 59 full-time positions

**Division Budget:** \$6.5 million

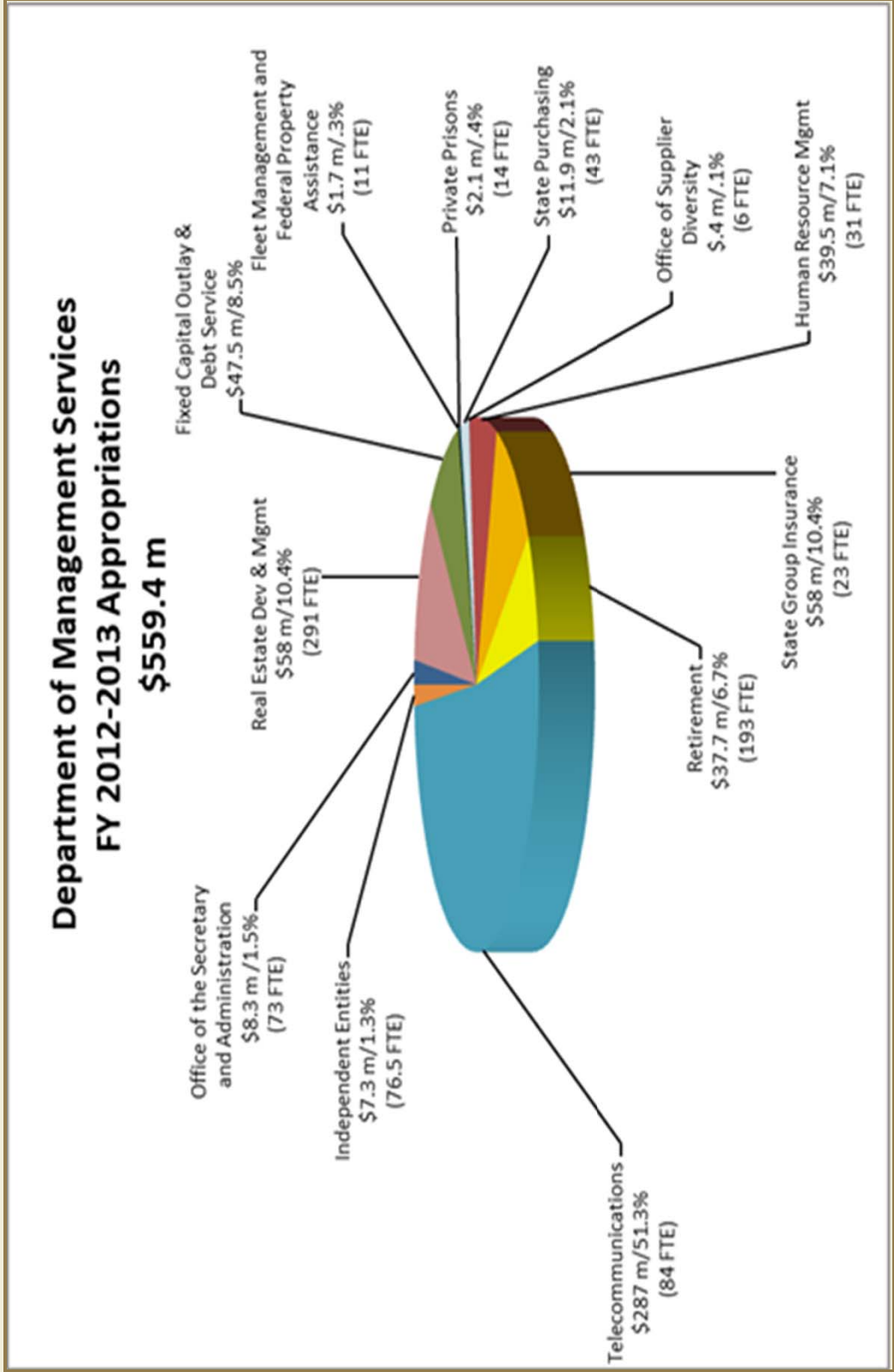
**Division Bureaus:** Motor Vehicles and Watercraft Management, Federal Surplus Property, Private Prison Monitoring, Planning and Budget, Fiscal Integrity, Human Resources, Departmental Purchasing, Financial Management Services

**Did You Know?:**

- The Bureau of Motor Vehicles and Watercraft Management (Fleet Management) oversees the acquisition, use, maintenance and disposal of 26,000 units of state owned equipment valued at more than \$500 million.
- The Bureau of Federal Surplus Property acquires and disperses federally-owned surplus property allocated to Florida. The Bureau distributes approximately \$8 million in donated property yearly.
- The Bureau of Private Prison Monitoring manages the operational contracts of the state's privately operated correctional facilities. There are seven private prisons in Florida with a capacity for a total of 10,186 beds.



# DMS Budget and Resource Management



## Strategic Vision

As the state's shared services provider, the Department of Management Services is committed to applying proven business practices in the government environment. Through gained efficiency and enhanced operational capacity, critical government resources can be directed to better meet the needs of Florida's citizens.

### *Innovate*

- Seek Out and Test New Approaches
- Reward Creativity and Results
- Challenge Current Practice

### *Sustain Success*

- Plan on Long-term Success
- Identify Outcomes
- Reassess Regularly

## Strategic Vision

State agencies and other state entities rely on DMS to supply expertise, support and guidance in order to serve their customers more effectively and DMS must meet this need consistently in order to be effective.

### ***Strengthen Core Services***

- Clarify and Communicate DMS Role to Agency Partners
- Provide Consistent and Reliable Service to Agency Partners

### ***Maintain Customer-Focus***

- Listen to the Needs of Our Customers
- Provide Consistent Targeted Communication in Response to Our Customers
- Present Solutions to the Issues Raised by Our Customers

# Enterprise Wide Initiatives

## Enterprise Wide Initiatives

Initiative	Description
<b>Procurement Transformation Project</b>	Maximize and leverage the state's overall buying power by improving procurement processes and expanding the offerings of strategically sourced state term contracts to achieve substantial savings and efficiencies
<b>Vendor Performance and Contract Management</b>	Lead the state's effort to reduce costs on large contracts and create enterprise wide capability to manage contracts and negotiate strategic vendor relationships
<b>Real Estate Optimization</b>	Design a 21st century office and facility management model to better utilize existing space, reduce energy consumption, achieve lease cost savings, and optimize facility operations
<b>Human Resource Shared Services</b>	Create a human resources shared services delivery model to empower agencies to focus on their core missions rather than administrative functions
<b>Employee Performance and Talent Management</b>	<b>Employee Performance:</b> Create and implement effective performance assessment tools, create performance objectives, develop result-oriented management and employee accountability, utilize incentive pay to reward high performing employees  <b>Talent Management Improvement:</b> Create and implement methodologies that can be applied consistently across all agencies to attract and bolster talent for today's needs and the future
<b>Fleet Management Services</b>	Optimize enterprise wide centralized policies, oversight, planning and coordination of the state's vehicle utilization, acquisition and maintenance

## Policy Initiatives

### Strategic Leasing

- Authorize DMS to make stronger recommendations as to the use of state-owned and privately leased office space when it is in the best interest of the state.
- Strengthen DMS authority to direct agencies to occupy space in any state-owned office building.
  - Potentially, DMS would direct agencies to move from more costly private leases into state-owned facilities which would drive savings.
- Lower the competitively solicited lease threshold from 5,000 square feet to 2,000 square feet.
  - Currently only 30 percent of leases are competitively solicited. This change will require over 70 percent of the state's leases to be competitively solicited.
- Discontinue the practice of stay-in-place leasing.

### Create a Direct Support Organization for the Office of Supplier Diversity

- Create a “direct support organization” (DSO) for the Office of Supplier Diversity (OSD) through a phased-in approach to ensure its sustainability.
- The DSO will be organized and operated to conduct programs and activities; raise funds; request and receive grants, gifts, and bequests of money; acquire, receive, hold, invest, and administer, in its own name, securities, funds, objects of value, or other property, real or personal; and make expenditures to or for the direct or indirect benefit of the OSD and all its programs and operations.
- The DSO will assume and operate all of the current OSD functions, including absorbing all current staff and funding for staffing/operations, once it demonstrates stability in the program area responsibilities.

## **Policy Initiatives**

### **Implementing Procurement Best Practices**

- Revise Chapter 287, Florida Statutes, to standardize procurement practices throughout state government.
- Revisions will promote efficiency and transparency in state spending and provide DMS with the authority to monitor state agency compliance.
- Proposed changes were developed using recommendations from the Government Efficiency Task Force, OPPAGA and Auditor General reports.



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## **Questions?**

**Craig Nichols, Secretary**

Department of Management Services

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