



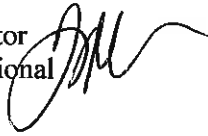
Rick Scott
Governor

Cynthia R. Lorenzo
Director

DATE: February 9, 2011

TO: Cynthia Lorenzo, Director

FROM: ITN Negotiation Team:
Benny Collazo, Adjudication
Laura Jennings, Purchasing Manager and Florida Certified Negotiator
Tom McCullion, Lead Negotiator and Project Management Professional
Bahram Samani, Technical Architect
Sondra Timpson, Appeals

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SUBJECT: Award Recommendation, 10-ITN-001-SS (UC Solution)

Introduction and Summary:

On May 14, 2010, the Agency released the referenced solicitation, entitled “Unemployment Compensation Claims and Benefits System Design, Development, and Implementation” (the “ITN”). The ITN solicited offers from service providers to deliver a new comprehensive web-based system to replace the Agency’s current systems supporting Unemployment Compensation (the “UC Solution”). The contracted services will include: re-engineering the current unemployment compensation business processes; validating system requirements; creating a functional design; creating a technical design; building, testing, and implementing the UC Solution; training; and maintaining and operating the UC Solution for a limited time.

For the reasons outlined below, the Negotiation Team recommends the Agency award a contract to Deloitte Consulting LLP (Deloitte).

Evaluation Process:

On July 16, 2010, the Agency received responses to the ITN from the following nine Respondents:

- Accenture, LLP
- Capgemini Government Solutions LLC
- Deloitte Consulting LLP
- Geographic Solutions, Inc.
- HCL of America, Inc.
- IBM Global Business Services
- Tata Consultancy Services
- Wipro, Inc.
- Yang Enterprises, Inc.

The Agency determined that two of the responses (Geographic Solutions and Wipro) did not include required information necessary for evaluation. Accordingly, these two were deemed non-responsive. The other seven responses were evaluated and scored by a nineteen-member team applying the following evaluation criteria as set forth in the ITN:

| <u>Criteria</u> | <u>Points</u> |
|--|---------------|
| Approach | 50 |
| Project Management | 30 |
| Project Schedule | 20 |
| Project Management Plans | 30 |
| Solution Overview | 80 |
| System Development | 60 |
| Technical Description | 60 |
| Warranty, Maintenance and Operations | 30 |
| Value Added Services - Innovative Ideas | 20 |
| Attachment Q – Requirements Response Matrix (functional) | 80 |
| Attachment Q – Requirements Response Matrix (Non-functional) | 40 |
| Respondent’s History and Experience | 50 |
| Company Profile | 40 |
| D&B SQR Risk Rating | 10 |
| Attachment G – Reference Questionnaire | 30 |
| Resumes and Experience | 40 |
| SB2386 - Local Preference | 30 |
| Cost | 300 |
| Total Points | 1000 |

On August 10, 2010, the Agency posted a Notice of Demonstrations and Preliminary Negotiations, which included the results of the initial evaluation process:

| <u>Respondent</u> | <u>Initial Evaluation Score</u> |
|------------------------------------|---------------------------------|
| Deloitte Consulting LLP | 629.9 |
| Accenture, LLP | 590.8 |
| IBM Global Business Services | 587.2 |
| Tata Consultancy Services | 549.5 |
| Capgemini Government Solutions LLC | 474.1 |
| HCL of America, Inc. | 453.2 |
| Yang Enterprises, Inc. | 338.2 |

For more details of the evaluation results (*Exhibit A – UCCBIS ITN Evaluation Summary Worksheet*). The evaluation team met publicly on August 10, 2010, to review the combined results of their individual evaluations. The ITN reserved the right to advance up to four Respondents to the next stage of the process. For optimal competitiveness, the lead negotiator recommended to the evaluation team that they advance the maximum number of Respondents; the team members unanimously voted to do so and to move forward with Deloitte, Accenture, IBM Global Business Services, and Tata Consultancy Services.

Demonstrations and Preliminary Negotiations:

Following the evaluation phase, a five-member negotiation team represented the Agency. The negotiation team was supported by various subject matter advisors (programmatic, technical, financial, and procurement). Between August 31 and September 23, 2010, the team conducted four separate three-day Demonstration and Preliminary Negotiation Meetings. Each of the four short-listed Respondents demonstrated its proposed solution to the team and discussed common topics such as project management methodology, requirements methodology, process approaches, concepts, system development and support philosophy, training and knowledge transfer methodology.

After the Demonstration and Preliminary Negotiation Meetings, the advisors created a comparative analysis of the Respondents (*Exhibit B – UCCBIS Comparative Analysis Document*). The advisors met individually with each negotiator to review the comparative analysis and to answer any questions they might have. Then, each negotiator completed a “paired comparison” of the Respondents, measuring each against every other on the basis of nine criteria. On October 4, 2010, the negotiation team met publicly to review the combined results of their individual comparisons. During the meeting, the negotiation team unanimously voted to adjourn to review the results to date individually, and to meet again on October 8, 2010, to narrow down the field to two Respondents. On October 8, 2010, the negotiation team met publicly and unanimously voted to advance Accenture and Deloitte to the negotiation phase.

Negotiation Phase:

Negotiations with the top two ranked Respondents were concurrent and iterative. On October 18 and 19, 2010, the negotiation team met with the Respondents to discuss the negotiation process and to review draft instructions for an Interim Revised Proposal (IRP). Following these initial sessions, the Agency issued the instructions to each Respondent requesting an IRP #1. The instructions requested specific clarifications to functional and technical areas, and costs from each Respondent. The Agency also requested different options to reduce or defer costs by eliminating or postponing various options of the proposed solutions. On November 1, 2010, each Respondent submitted an IRP #1. The advisors then updated the comparative analysis and met with each negotiator individually to review the results and answer any questions about them (*Exhibit C – UCCBIS IRP #1 Comparative Analysis*).

On November 3, 2010, the negotiation team met separately with each Respondent to discuss its IRP #1. The negotiation team met publicly again on November 5, 2010, and voted unanimously to solicit an IRP #2 to memorialize discussions and clarifications.

On November 10, 2010, each Respondent submitted an IRP #2. Again, the advisors updated the comparative analysis and met with each negotiator individually to review the results and answer any questions about them (*Exhibit D – UCCBIS IRP #2 Comparative Analysis*).

On November 12, 2010, the negotiation team met publicly to discuss IRP #2 and decide how to proceed. After reviewing the process to date, the lead negotiator recommended that the team move forward with one Respondent. The negotiation team unanimously agreed. Then, the team unanimously voted to advance Deloitte.

Between November 16, 2010, and February 4, 2011, the negotiation team met with Deloitte several times to develop a final draft contract, including an agreed detailed scope of work. When the team determined that the material terms and conditions of the contract were worked out and acceptable, the team asked Deloitte to submit a best and final offer (BAFO). Deloitte did so on February 7, 2011 (*Exhibit E – UCCBIS BAFO Cover Letter* and *Exhibit F – UCCBIS Best and Final Offer*).

Recommendation for Award:

On February 9, 2011, the negotiation team met publicly to review the BAFO and decide whether to recommend award of the contract to Deloitte.

The negotiation team was unanimous in their assessment that the BAFO submitted by Deloitte provides the best value offer to the Agency. The BAFO includes a twenty-one month implementation schedule for a firm fixed price of \$39,843,769. The solution is based upon Deloitte's uFACTS framework, which is a mature solution that has been successfully implemented in other states, and meets the Agency's stated Unemployment Compensation and work-first requirements.

Following the discussion, the lead negotiator proposed to the team to do an Intent to Award Recommendation to Deloitte. Each team member was then asked whether they concurred with the recommendation, and each responded, "I agree."

Based on the foregoing, the negotiation team recommends that the Agency award the contract to Deloitte Consulting LLP. The team determined that they are the best qualified respondent providing the best value based on lowest overall cost, corporate capability and experience, project approach, and added value to the State.

Approved by:


Cynthia R. Lorenzo
Director

Attachments: Exhibit A – UCCBIS ITN Evaluation Summary Worksheet
Exhibit B – UCCBIS Comparative Analysis Document
Exhibit C – UCCBIS IRP #1 Comparative Analysis
Exhibit D – UCCBIS IRP #2 Comparative Analysis
Exhibit E – UCCBIS BAFO Cover Letter
Exhibit F – UCCBIS Best and Final Offer