

	COL A12	COL A14	COL A15	COL A16	COL A14-A12	
	AGY FIN REQ FY 2016-17	AGY AMD REQ FY 2016-17	AGY AMD N/R FY 2016-17	AGY AMD ANZ FY 2016-17	AGY AMD REQ FY 2016-17 OVER(UNDER) AGY FIN REQ FY 2016-17	CODES
	POS AMOUNT	POS AMOUNT	POS AMOUNT	POS AMOUNT	POS AMOUNT	
MANAGEMENT SRVCS, DEPT OF WORKFORCE PROGRAMS PRG: PEOPLE FIRST GOV OPERATIONS/SUPPORT GOVERNMENTAL OPERATIONS FUNDING FOR NON-RECURRING PROJECTS PEOPLE FIRST NEXT GENERATION TRANSITION SPECIAL CATEGORIES CONTRACTED SERVICES						72000000 72750000 72750500 16 1601.00.00.00 4400000  44006C0 100000 100777
STATE PERSONNEL SYSTEM TF -STATE	1				1-	2678 1
HUMAN RES SVC/STW CONTRACT						107080
STATE PERSONNEL SYSTEM TF -STATE	1	4,273,666-			4,273,667-	2678 1
TOTAL: PEOPLE FIRST NEXT GENERATION TRANSITION						44006C0
TOTAL ISSUE.....	2	4,273,666-			4,273,668-	

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AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE: IT COMPONENT? YES  
 ISSUE TITLE: People First Next Generation Contract

FLORIDA STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT:  
 #25: Improve the efficiency and effectiveness of government agencies at all levels.

DEPARTMENT MANAGEMENT SERVICES LONG RANGE PROGRAM PLAN:  
 The Department of Management Services (DMS) provides shared services to state agencies and local governments allowing them to focus on their core missions. Our goal is to provide excellence in product and service delivery. GOAL #2: To provide user-friendly, reliable human resource services through People First in the most efficient and cost-effective manner.

SUMMARY:  
 The Department of Management Services requests a recurring budget authority adjustment in the funds needed to support the People First Program for Fiscal Year 2016-17 based on a competitive procurement to award a new contract for the human resource information system (HRIS) and the enterprise-wide suite of human resource services known as People First.

This issue includes an adjustment to the annual contract payment in the People First budget entity (72750500) Human Resource Services / Statewide Contract category (107080) within the State Personnel System Trust Fund (2678). In addition, this issue requests budget authority for independent verification and validation (IV and V) services and may

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2016-17	POS	AGY AMD REQ FY 2016-17	POS	AGY AMD N/R FY 2016-17	POS	AGY AMD ANZ FY 2016-17	POS	AGY AMD REQ FY 2016-17 OVER(UNDER)	AGY FIN REQ FY 2016-17	
AMOUNT		AMOUNT		AMOUNT		AMOUNT		AMOUNT	AMOUNT	
										72000000
										72750000
										72750500
										16
										<u>1601.00.00.00</u>
										4400000
										44006C0

include an increase to the Contracted Services category (100777) for continued transition funding.

RETURN ON INVESTMENT (ROI):

The Return on Investment will be determined based on the final contract that takes affect at the end of the current People First contract in August of 2016.

PROBLEM STATEMENT:

The People First contract expires August 2016 and a new contract must be put into place to provide human resource services to over 222,000 state employees, university employees, and retirees. In addition, it is critical to have an IV and V consultant assisting the Department to ensure valuable insight into service provider business processes and system/security risk as well as driving improved performance, increased standardization, less system customizations and greater efficiencies.

WHAT IS THE IMPACT OF NOT FUNDING THIS ISSUE:

Not funding this issue would result in an inoperable HRIS and significantly impact the pay, benefits and other human resource services to over 222,000 state employees, university employees, and retirees. It would also increase the State's risk of not having valuable insight into the service provider's business processes and data security risks, as well as the necessary understanding to drive improved performance, increased standardization, less system customizations and greater efficiencies.

GENERAL INFORMATION:

Section 110.116, Florida Statutes, requires the Department to establish and maintain a HRIS and allows the Department to contract with a vendor to provide this HRIS. Sections 215.93-94, Florida Statutes, direct the Department to be the functional owner of the system. The Department is conducting an open and competitive procurement and will awarded a new five-year contract[DRD1] to continue providing the state with a self-service, secure, web-based HRIS comprised of modular technologies that support a scope of services ranging from:

- Appointments and status
- Attendance and leave
- Benefits administration
- Classification and organizational management
- Payroll preparation
- Performance management
- Recruitment, and
- Reporting, with an external data warehouse component

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2016-17	POS AMOUNT	AGY AMD REQ FY 2016-17	POS AMOUNT	AGY AMD N/R FY 2016-17	POS AMOUNT	AGY AMD ANZ FY 2016-17	POS AMOUNT	AGY AMD REQ FY 2016-17	AGY FIN REQ FY 2016-17	
MANAGEMENT SRVCS, DEPT OF										72000000
WORKFORCE PROGRAMS										72750000
PRG: PEOPLE FIRST										72750500
GOV OPERATIONS/SUPPORT										16
GOVERNMENTAL OPERATIONS										<u>1601.00.00.00</u>
FUNDING FOR NON-RECURRING PROJECTS										4400000
PEOPLE FIRST NEXT GENERATION										
TRANSITION										44006C0

The general objectives of these services are to provide the State with an employee and manager self-service online tool, to more effectively and efficiently provide services by streamlining and standardizing human resource (HR) transactional processes, and to reduce the cost of government.

Funding maybe required for the purpose of transition to ensure data, institutional knowledge, system documentation, hardware and software tool configurations, and business processes are properly transferred.

The Department's People First team acts as the contract manager and has responsibilities for contract management, project management, and agency support. The team has limited resources and is in need of assistance from an IV and V consultant to assist the Department in ensuring valuable insight into service provider business processes and system/security risk as well as driving improved performance, increased standardization, less system customizations and greater efficiencies. An IV and V consultant would bring valuable expertise, knowledge, and resources to assist in the following areas:

- Early assessment of People First system performance
- Early detection and correction of system defects
- Enhanced management insight into business processes and system/security risk
- Ensure conformance to performance standards, schedule and reasonable use of system enhancement hours
- Improved software development and maintenance processes to minimize customizations
- Business process improvement support to increase standardization and efficiency

**COST CALCULATIONS:**

The contract payment for Fiscal Year 2015-16 is \$36,092,971.

**Category:**

Fiscal Year Nonrecurring  
 2016-2017    2016-2017

Contracted Services (100777)	TBD	TBD
Human Resource Services Statewide Contract (107080)	TBD	0

**Funding:**

(State Personnel System Trust Fund (2678), FSI=1)

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2016-17	AGY AMD REQ FY 2016-17	AGY AMD N/R FY 2016-17	AGY AMD ANZ FY 2016-17	AGY FIN REQ FY 2016-17	AGY AMD REQ FY 2016-17	AGY AMD N/R FY 2016-17	AGY AMD ANZ FY 2016-17	AGY FIN REQ FY 2016-17	AGY AMD REQ FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	

MANAGEMENT SRVCS, DEPT OF										72000000
WORKFORCE PROGRAMS										72750000
PRG: PEOPLE FIRST										72750500
GOV OPERATIONS/SUPPORT										16
GOVERNMENTAL OPERATIONS										1601.00.00.00
FUNDING FOR NON-RECURRING PROJECTS										4400000
PEOPLE FIRST NEXT GENERATION										
TRANSITION										44006C0

Issue Total: TBD

Amended 2016-17 Narrative after December 4, 2015

ISSUE TITLE: People First Next Generation Contract

FLORIDA STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT:

#25: Improve the efficiency and effectiveness of government agencies at all levels.

DEPARTMENT MANAGEMENT SERVICES LONG RANGE PROGRAM PLAN:

The Department of Management Services (DMS) provides shared services to state agencies and local governments allowing them to focus on their core missions. Our goal is to provide excellence in product and service delivery. Furthermore, DMS provides user-friendly, reliable human resource services through People First in the most efficient and cost-effective manner.

SUMMARY:

The Department of Management Services requests a reduction of recurring budget authority of \$4,273,666 in the Human Resource Services/Statewide Contract category (107080) within the People First budget entity (72750500) and State Personnel System Trust Fund (2678). The Department conducted a competitive procurement for the People First human resource information system and awarded a new five-year contract that resulted in a cost reduction. The new contract takes effect on August 2016 and expires in August 2021.

The department is also requesting to retain \$280,800 in base budget authority for independent verification and validation (IV and V) to monitor the People First system performance and to retain base budget authority of \$1,000,000 to continue funding for the Employee Assistance Program in the Human Resource Services/Statewide Contract category (107080) within the People First budget entity (72750500) and State Personnel System Trust Fund (2678).

The Legislative Budget Request (LBR) for Fiscal Year 2016-2017 was submitted on September, 15, 2015. The procurement of the People First contract was ongoing at the time and therefore detailed costs were not available at the time of the submission of the LBR. The procurement process has now concluded and the department is submitting this amended LBR for consideration.

RETURN ON INVESTMENT (ROI):

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2016-17 POS	AMOUNT	AGY AMD REQ FY 2016-17 POS	AMOUNT	AGY AMD N/R FY 2016-17 POS	AMOUNT	AGY AMD ANZ FY 2016-17 POS	AMOUNT	AGY AMD REQ FY 2016-17 POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF										72000000
WORKFORCE PROGRAMS										72750000
PRG: PEOPLE FIRST										72750500
GOV OPERATIONS/SUPPORT										16
GOVERNMENTAL OPERATIONS										<u>1601.00.00.00</u>
FUNDING FOR NON-RECURRING PROJECTS										4400000
PEOPLE FIRST NEXT GENERATION										
TRANSITION										44006C0

The contract award will result in a recurring budget reduction of \$24,898,290 over the five-year contract term. The new contract will not only result in significant cost savings, but also result in improved HR services and system functionality, and greater vendor accountability.

PROBLEM STATEMENT:

The People First contract expires August 2016. The Department conducted an open and competitive procurement and awarded a new five-year contract to continue providing the state with an interactive, self-service, secure, web-based HRIS and an enterprise-wide suite of human resource services (known as People First).

WHAT IS THE IMPACT OF NOT FUNDING THIS ISSUE:

Not funding this issue would result in an inoperable HRIS and significantly impact the pay, benefits, EAP services, and other human resource services to over 222,000 state employees, university employees, and retirees. It would also increase the State's risk of not having valuable insight into People First system performance and adherence to a project's schedule and scope requirements during major system project implementations, as well as the necessary understanding to drive improved performance, streamlined business processes, increased standardization, less system customizations and greater efficiencies.

GENERAL INFORMATION:

Section 110.116, Florida Statutes, requires the Department to establish and maintain a HRIS and allows the Department to contract with a vendor to provide this HRIS. Sections 215.93-94, Florida Statutes, direct the Department to be the functional owner of the system. In August 2002, the Department contracted to provide the State with a HRIS and an enterprise-wide suite of HR services known as People First. The Department conducted an open and competitive procurement and awarded a new five-year contract to continue providing the state with an interactive, self-service, secure, web-based HRIS comprised of modular technologies that support a scope of services ranging from:

- Appointments and status
- Attendance and leave
- Benefits administration
- Classification and organizational management
- Learning management
- Onboarding management
- Payroll preparation
- Performance management
- Recruitment, and
- Reporting

COL A12		COL A14		COL A15		COL A16		COL A14-A12		CODES
AGY FIN REQ FY 2016-17 POS	AMOUNT	AGY AMD REQ FY 2016-17 POS	AMOUNT	AGY AMD N/R FY 2016-17 POS	AMOUNT	AGY AMD ANZ FY 2016-17 POS	AMOUNT	AGY AMD REQ FY 2016-17 POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF										72000000
WORKFORCE PROGRAMS										72750000
PRG: PEOPLE FIRST										72750500
GOV OPERATIONS/SUPPORT										16
GOVERNMENTAL OPERATIONS										<u>1601.00.00.00</u>
FUNDING FOR NON-RECURRING PROJECTS										4400000
PEOPLE FIRST NEXT GENERATION										
TRANSITION										44006C0

The general objectives of these services are to provide the State with an employee and manager self-service online tool, to more effectively and efficiently provide services by streamlining and standardizing human resource (HR) translational processes, and to reduce the cost of government. The Department's People First team acts as the contract manager and has responsibilities for contract management, project management, and agency support. The team has limited resources and is in need of assistance from an IV and V consultant to assist the Department in monitoring People First system performance and adherence to a project's schedule and scope requirements during major system project implementations, as well as driving improved performance, streamlined business processes, increased standardization, less system customizations and greater efficiencies.

An IV and V consultant would bring valuable expertise, knowledge, and resources to assist in the following areas:

Ensure compliance with the People First next generation major system projects' schedule and cope requirements.

Assess People First system performance early in the process during major system project implementations.

Review system enhancement hour estimates, software development and system maintenance processes to ensure they are reasonable and accurate, and to minimize SAP code customizations.

Provide the Department enhanced management insight into People First Service Center business processes to increase standardization and efficiency.

Verify the accuracy of vendor performance metric data and ensure compliance to performance standards.

Review and validate the accuracy and reasonableness of the following contract deliverables:

- o Audited Financial Statements
- o Business Continuity Plan
- o HR Software Update Assessment
- o Security Plan (annually, or as needed)
- o SSAE-16 SOC 1 / SOC 2, Type II Report
- o Transition Plan

**COST CALCULATIONS:**

For Fiscal Year 2016-17, this issue will result in an overall cost reduction of \$4,273,666 compared to Fiscal Year 2015-16. The cost savings calculation is described below:

COL A12		COL A14		COL A15		COL A16		COL A14-A12		
AGY FIN REQ FY 2016-17		AGY AMD REQ FY 2016-17		AGY AMD N/R FY 2016-17		AGY AMD ANZ FY 2016-17		AGY AMD REQ FY 2016-17 OVER(UNDER) AGY FIN REQ FY 2016-17		CODES
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	

MANAGEMENT SRVCS, DEPT OF										72000000
WORKFORCE PROGRAMS										72750000
PRG: PEOPLE FIRST										72750500
GOV OPERATIONS/SUPPORT										16
GOVERNMENTAL OPERATIONS										<u>1601.00.00.00</u>
FUNDING FOR NON-RECURRING PROJECTS										4400000
PEOPLE FIRST NEXT GENERATION										
TRANSITION										44006C0

Contract Payment for Current Contract for Fiscal Year 2015-16										\$36,092,971
Contract Payment for Current Contract from 07/01/16 - 08/20/16										\$ 4,948,231
Contract Payment for New Contract from 08/21/16 - 06/30/17										\$25,590,272
EAP Services for Fiscal Year 2016-17										\$ 1,000,000
IV and V Services for Fiscal Year 2016-17										\$ 280,800
Fiscal Year 2016-17 Subtotal										\$31,819,306
Total Fiscal Year 2016-17 Reduction										\$4,273,666

Category: 2016-17 Recurring

Human Resource Services Statewide Contract (107080) (\$4,273,666)

People First budget entity (72750500)

Funding: (State Personnel System Trust Fund (2678,FSI=1))

Issue Total: (\$4,273,666)

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TOTAL: GOVERNMENTAL OPERATIONS										<u>1601.00.00.00</u>
BY FUND TYPE										
TRUST FUNDS.....	2		4,273,666-					4,273,668-	2000	
	=====		=====					=====		