

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

STATE OF FLORIDA  
COUNCIL ON EFFICIENT GOVERNMENT

THE CAPITOL  
CABINET MEETING ROOM, LL03  
TALLAHASSEE, FLORIDA  
AUGUST 30, 2007  
10:00 A.M.

Reported by:  
CLARA C. ROTRUCK  
Court Reporter

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

2 THE CHAIR: It is the appointed time to call  
3 the Council for Efficient Government meeting to  
4 order, and at this point if Amy will please call the  
5 roll?  
6 MS. HOUSTON: Chairwoman South?  
7 THE CHAIR: Yes.  
8 MS. HOUSTON: CFO Sink?  
9 COUNCIL MEMBER SINK: Here.  
10 MS. HOUSTON: Council member Benson?  
11 COUNCIL MEMBER BENSON: Here.  
12 MS. HOUSTON: Council member Zingale?  
13 COUNCIL MEMBER ZINGALE: Here.  
14 MS. HOUSTON: Council member Agrawal?  
15 COUNCIL MEMBER AGRAWAL: Here.  
16 MS. HOUSTON: Council member Evans?  
17 COUNCIL MEMBER EVANS: Here.  
18 MS. HOUSTON: Council member Yandell?  
19 COUNCIL MEMBER YANDELL: Here.  
20 THE CHAIR: All right, we're a full house. We  
21 will have the Tab I of the minutes of the last  
22 meeting, and if you will review and I will accept a  
23 motion to accept the minutes.  
24 COUNCIL MEMBER EVANS: Move their approval.  
25 COUNCIL MEMBER BENSON: Second.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

3

1 THE CHAIR: All those in favor, say aye.  
2 (Chorus of ayes.)  
3 THE CHAIR: At this point we invite public  
4 comment. I have no previous notation of public  
Page 2

5 comments requested, but at this moment if there is  
6 anybody in the audience that would like to, now  
7 would be the time to do so.

8 Seeing no one rushing to the podium, we will  
9 move on.

10 The nature of today's meeting, we're going to  
11 move as quickly as we can through the standard  
12 business of the day, because I think the most  
13 interesting part and the place where our Council  
14 members' time is most valuably spent is the  
15 workshop. So keep in mind that we have workshop  
16 activities after the meeting, and the faster we get  
17 through the regular stuff the better time we have  
18 for the workshop.

19 With that, Mr. Ramos, if you would help us  
20 through the administrative function of our agenda  
21 which is located in Tab II?

22 MR. RAMOS: Thank you, Madam Chair.

23 First I'd like to address the meeting schedule  
24 in Tab II.

25 What we've done, early on we had set several

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

4

1 dates in advance for meetings. One of the reasons  
2 we're doing that is, obviously all your calendars  
3 are very tight and so therefore we have each month  
4 or thereabouts we would schedule a meeting.

5 I believe and recognize that probably every  
6 other month would probably be a more reasonable time  
7 to meet unless we had to, based upon a statutory

8 requirement, make a ruling on a particular business  
9 case so therefore it would have to be done within 30  
10 days.

11 So I would recommend keeping those dates on  
12 your calendar, but having the next meeting scheduled  
13 for, it can either be October 4th or November 29th  
14 as the next scheduled meeting, but we could keep  
15 that calendar date open in the interim.

16 THE CHAIR: Comments on that?

17 COUNCIL MEMBER EVANS: That sounds good.

18 THE CHAIR: If we don't have to meet and we get  
19 free time, which of course is a precious commodity,  
20 and then if we do have a case come before us we're  
21 prepared to meet if we have to. Thank you.

22 MR. RAMOS: Thank you.

23 The next item, we had been asked to keep you  
24 apprised of the web site. What we've done is there  
25 is a very detailed -- and we have to thank DMS's IT

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

5

1 people to work with as they keep us apprised, giving  
2 us the number of hits on the web site.

3 Although it was not a dramatic increase, we  
4 have had a continued increase of activity going to  
5 the web site, and there's several pages which will  
6 be included in each of your notebooks heretofore  
7 which will show trends in what they are looking at.

8 I will let you know that the total number is  
9 2,722 hits since the last time we met. The  
10 interesting thing is if you look at the numbers,

11 when they say Areas Viewed that does not add up to  
12 2,722. These were the high level sections that had  
13 the most hits, and the others had the hit reports on  
14 them as well. So I believe that the people are  
15 beginning to hear the message and are beginning to  
16 come to our web site.

17 I will tell you that you, as Council members,  
18 are still the most popular thing on the web site.  
19 So I think it is interesting, and again, we will  
20 continue to keep you apprised of what is happening  
21 on the web site. Later on we'll be discussing some  
22 additions to the web site and I think this will make  
23 the site even more attractive to agency-wide  
24 participation.

25 THE CHAIR: It is clear that if we're the

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

6

1 primary interest on the web site we clearly need to  
2 put a better content on the web site.

3 I do have a question on the amount of the  
4 actual amount of time spent on the links. Is that  
5 seconds? If it shows like 51.99, that is the number  
6 of seconds?

7 MR. RAMOS: Yes.

8 THE CHAIR: Thank you.

9 MR. RAMOS: And we're onto the Annual Report.  
10 You have all received, in fact -- I'm sorry.

11 THE CHAIR: That's okay. Moving right along,  
12 Tab III, we'll be reviewing the Annual Report due to  
13 the Legislature and the Governor's Office, and Mr.

14 Ramos will walk us through that.

15 MR. RAMOS: Yes, ma'am.

16 You have all received several iterations of the  
17 Annual Report. We have incorporated as many of your  
18 changes as we could. We have, really, in my  
19 estimation, I think we have done quite a lot of work  
20 sharing where we are, kind of where we were, where  
21 we're and where we'll be going.

22 Based upon the Annual Report, one of the major  
23 issues we're going to be talking about lays out  
24 specifically the number of outsourcing cases. It  
25 gives you a good inventory of what those outsourcing

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

7

1 measures have been, how much money is being spent on  
2 them. And I think that is, obviously, very  
3 important.

4 I think that what we were able to also locate  
5 is information about the outsourcing. One of those  
6 issues was about cost/benefit cases being done for  
7 these businesses. We have learned that cost/  
8 benefit has not been done in many, many instances.

9 One of the things that the Council staff has  
10 worked hard on, if we were to find something that is  
11 a deficiency, we're not just going to point it out.  
12 We're trying to then provide a tool or something  
13 that would help the agencies do their job better,  
14 not just simply say just do it.

15 So what we've tried to do, and again, we'll  
16 discuss this later in the presentation. There's

17 actually a tool we're beginning to develop and have  
18 actually a chance for you to look at, which will  
19 walk them through a cost/benefit analysis, and the  
20 next phase of that will actually be an on-line form  
21 that they can actually fill in so the work can be  
22 done. So you could actually take staff time and not  
23 focus as much energy because the numbers are simply  
24 static and you can place them in there.

25 what we tried to do first, all of you know this

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

8

1 on this Council and I think it's something that we  
2 have to educate people about, that a cost/benefit  
3 analysis is a living, breathing document, and as  
4 your cost factors become more accurate, so, too,  
5 does your cost/benefit analysis get adjusted. And I  
6 think that that will then show whether you're truly  
7 getting benefit from whatever project you have  
8 entered into.

9 That was probably one of the glaring components  
10 of what this Annual Report has already demonstrated  
11 and that's what we've tried to do in response to  
12 that issue.

13 what we'd ask you, since you have seen this  
14 document, we would ask for the Council's approval so  
15 that it can be finalized printing and then prepared  
16 and sent out to all parties.

17 THE CHAIR: I'm looking for a motion to accept  
18 the Annual Report.

19 COUNCIL MEMBER SINK: So move.

20 COUNCIL MEMBER EVANS: Second.

21 THE CHAIR: Second.

22 COUNCIL MEMBER SINK: It's very good.

23 THE CHAIR: Okay, hearing no discussion, the  
24 motion is to approve the Annual Report as required,  
25 all in favor say aye.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

9

1 (Chorus of ayes.)

2 THE CHAIR: Any opposed? Okay.

3 COUNCIL MEMBER SINK: I think this will be very  
4 enlightening. It was very enlightening to me as I  
5 was reading it and I hope that people within state  
6 government, and also citizens, will take the  
7 opportunity to review the report. And locally; I  
8 think there are many lessons to be learned as far as  
9 the city and county government as well.

10 THE CHAIR: I'm thinking about the concept of  
11 having an interactive tool on the web site that we  
12 can access to use in real-time analysis of what's  
13 going on. That's a value I think the Council can  
14 look at.

15 well done, Rich and staff. Thank you for your  
16 efforts and also for the Council members, I know  
17 that you've looked at several things, so thank you.

18 MR. RAMOS: Thank you.

19 On to the project reviews, obviously, you  
20 recall that Governor Crist tasked us with looking at  
21 People First, Project Aspire and  
22 myflorida.marketplace.

23                    what we put inside the binders for you to look  
24                    at, we have an outline of the three projects.

25                    The People First report is completed,

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

10

1                    basically. what we've actually discussed, we've  
2                    discussed individually with you is that instead of  
3                    releasing one at a time, simply to release it as a  
4                    compendium, as three documents together, because at  
5                    the end I think the most important thing is to take  
6                    away the lessons learned of all three, and simply  
7                    that becomes the biggest component at the end of  
8                    that document.

9                    The Project Aspire report is, I believe you're  
10                    going to be getting, in the next few weeks, you'll  
11                    be getting a draft of that report, and currently  
12                    myflorida.marketplace is ongoing. We have meetings  
13                    scheduled with not only much of the DMS team,  
14                    because we've already had conversations, but also  
15                    with the vendors who have been a part of that.

16                    And that's one of the things we've tried to do  
17                    also so you understand as we put together these  
18                    reports, I think it's very important because we're  
19                    looking for lessons learned that we have an  
20                    opportunity to speak with those individuals who've  
21                    been a part of the project, all aspects of it, and  
22                    so therefore we can truly get a complete picture of  
23                    each individual project. And again, not for a  
24                    specific purpose of saying who did right, who did  
25                    wrong, but what went right, what was wrong and how

1 do we not allow that to occur again.

2 So if you look at the outline we have in there,  
3 it pretty much will tell you what will be included  
4 in each of the sections and how we envision going  
5 forward.

6 THE CHAIR: As we put the lessons learned I'd  
7 also be interested if you have any comments about  
8 how this has been tied back into the review tools  
9 that we're going to look at later on.

10 MR. RAMOS: And they have.

11 THE CHAIR: I think that's important.

12 MR. RAMOS: Yes.

13 THE CHAIR: Any comments?

14 COUNCIL MEMBER SINK: I have a question, Madam  
15 Chair.

16 So in your Roman numeral IV here, Lessons  
17 Learned, obviously there were lessons learned within  
18 the framework of each individual project, but you've  
19 alluded to the fact that you are seeing already some  
20 common things. Are you going to summarize what the  
21 common, overall things are in addition to the  
22 individual project things?

23 MR. RAMOS: Yes, ma'am. In fact, one of the  
24 things we have talked about in the office has been  
25 that at a certain point we begin to recognize that

1 you can call the project Project Aspire or you can  
2 call it Project X; the reality is that there are  
3 certain basic themes that have to occur.

4 And when we're looking at these -- a prime  
5 example of one is if you're looking at an  
6 enterprise-wide solution, if you do not have  
7 complete buy-in, then your economies of scale will  
8 be a flawed component of what your original concept  
9 was. So that immediately is something that stands  
10 out, no matter what the project is. That's one  
11 example.

12 we would be certainly saying these are examples  
13 of all three problems, all three cases of what was  
14 an issue and then in the individual cases and what  
15 we find with those issues.

16 COUNCIL MEMBER SINK: And remind me about the  
17 timing. When will the final report be?

18 MR. RAMOS: I would envision that by your next  
19 meeting you will be signing off on a final report.  
20 Between now and then you will get the drafts of the  
21 others, so that by your next meeting you will sign  
22 off on the final report.

23 COUNCIL MEMBER SINK: Thank you.

24 MR. RAMOS: Steve? I'm sorry.

25 COUNCIL MEMBER EVANS: One other point here.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

13

1 Rich, the -- and I should have brought this up on  
2 the discussions on the Annual Report because I agree

3 with what everybody says, it's a terrific piece of  
4 work.

5 One comment I had was that it might be well  
6 from a readership standpoint in the future, if we  
7 have a compilation of tremendous facts that you're  
8 aware of from the analysis over the last several  
9 months, is put a summary on the front end and a  
10 summary on the back end of the common lessons  
11 learned through all of these projects, because there  
12 are four or five that are very critical and very  
13 essential.

14 MR. RAMOS: Not a problem.

15 THE CHAIR: You're suggesting put that in the  
16 Annual Report?

17 COUNCIL MEMBER EVANS: Yes.

18 THE CHAIR: And you all are comfortable with us  
19 doing that without the report's being, the analysis  
20 being completed? At this point we don't have all  
21 three of the projects analyzed.

22 COUNCIL MEMBER EVANS: Then I withdraw that  
23 recommendation.

24 THE CHAIR: I think we know intuitively in some  
25 of the empirical data about what's going on, but I

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

14

1 don't know that it's completed.

2 All right, thank you. Moving on now, is there  
3 anything more you want to do on the project reviews?

4 MR. RAMOS: No, ma'am.

5 THE CHAIR: Then the next item would be Tab V,

6 which is a discussion of our ongoing dialogue about  
7 offshoring and the discussion of what that means.

8 MR. RAMOS: Yes. At the last Council meeting,  
9 several Council members had discussed the issue of  
10 offshoring. What we tried to do, A, was to give a  
11 good definition, an explanation of what offshoring  
12 is, and then I believe it was both Dr. Zingale and  
13 also Council Member Agrawal talked about the federal  
14 perspective of that.

15 what we have done is we've included for your  
16 review, there are a number of different federal,  
17 other states that have offshoring ideas, but the  
18 reality is -- and let me just share with you to  
19 summarize it.

20 There are no regulations that prohibit  
21 offshoring, whether from a federal perspective or  
22 from other states. There are some areas dealing  
23 with Social Security numbers and personal  
24 information which can be included in contracts.  
25 However, there is no blanket statement that

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

15

1 stipulates you cannot offshore anything.

2 So that's just something to put out there,  
3 because there were those who had a perception that a  
4 statute that exists, whether it's Florida or  
5 elsewhere, that would prohibit offshoring of  
6 business and that's not the case, based upon our  
7 research.

8 COUNCIL MEMBER YANDELL: Do you believe that

9           it's a desire within the state to have some degree  
10           or specification for adding some wording to the  
11           state's policies and procedures, not necessarily to  
12           govern whether or not something can be outsourced,  
13           but to put some teeth into some of the privacy  
14           issues and stuff like that that could be included in  
15           anything that was sent offshore? Do you believe  
16           there is sentiment to do that?

17           MR. RAMOS: I would think, and again, I would  
18           certainly more defer to your expertise, but I would  
19           suggest that with respect to offshoring, I think  
20           individuals would expect a certain protection of  
21           their personal data, specifically.

22           COUNCIL MEMBER YANDELL: The reason I brought  
23           it up was we talked before about having some almost  
24           boilerplate types of things that we can include in  
25           documentation that are recommended for things that

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

16

1           come before us to see if they have the right  
2           policies and procedures in place.

3           It's my opinion that that ought to be one of  
4           those things that are in there, that we should come  
5           up with some wording that does have some, you've  
6           given us great detail on what some other states have  
7           done and some of the things like that and we should  
8           probably look at doing something like that,  
9           especially in light of the desire and the spotlight  
10           that falls on us sometimes when we don't do that.

11           COUNCIL MEMBER EVANS: I'd like to just comment

12 on what Tim was saying and support that. I think if  
13 we could explore some language, Rich, that builds a  
14 fence around the kinds of assets, the kinds of  
15 activities that need to be protected from  
16 offshoring, that would help.

17 There's language out there that does do that.  
18 It's not that we don't want to do offshoring or keep  
19 it away from -- as an alternative to look at if it's  
20 in the best interests of the state, but there are  
21 certain aspects that are absolutely critical that  
22 perhaps need an extra layer of protection and  
23 security around them that we need to take a close  
24 look at.

25 MR. RAMOS: If I may, one of our

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

17

1 recommendations has been to talk about actually  
2 incorporation of that into specific contracts as  
3 opposed to creating a blanket regulation, which may  
4 then -- sometimes unintended consequences come from  
5 that.

6 would it be a recommendation that we'd look for  
7 something more in the lines of what we might  
8 recommend to a -- as a contract, maybe, review that  
9 you may want to include this or should include this,  
10 or are you looking at statutory change? I just want  
11 to be clear on that.

12 COUNCIL MEMBER EVANS: I think we're looking  
13 for a recommendation to come back to us, can you do  
14 it within the context that you're talking about, or

15 does it require a consideration of statutory change.

16 COUNCIL MEMBER AGRAWAL: I think if we stay  
17 away, strictly my opinion, if we stay away from --  
18 count the companies that we would like to do  
19 business with, how do we do business if we decide to  
20 do it. I'd be interested, for example, there are  
21 global companies now that are doing business all  
22 over the world. If we stay away from how they do  
23 the business and stick to the requirements of what's  
24 important to us from the state perspective, whether  
25 that's secure for personal information, whether

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

18

1 that's redundancy as it relates to reporting about  
2 political risks in terms of country risks, whatever  
3 that is, but whatever our requirements are, that you  
4 build those into the contracts, and we'll be far  
5 better off than trying to introduce language into  
6 the contracts that says where they have to perform a  
7 particular piece of work.

8 COUNCIL MEMBER YANDELL: Right, and I'm not  
9 suggesting that we do that. I completely agree.  
10 All I'm suggesting is that we, as Rich I think put  
11 it best, we provide some documentation that says, if  
12 it's important, in the context of what you're trying  
13 to provide, that security for personal data, health  
14 care information, you know, the types of things that  
15 you would logically expect to protect, if those are  
16 things that are included in your project, here's  
17 some language that you can use to wrapper that, to

18 have a conforming contract, if you will.

19 I'm not about to try and tell anybody how to do  
20 what they have to go do unless it's a requirement  
21 for this specific task being performed, nor am I  
22 against looking at offshoring to save money.

23 I'm just saying, have some documentation that  
24 makes it easy and expeditious to make that happen.  
25 Does that make sense to you, from your standpoint?

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

19

1 COUNCIL MEMBER EVANS: It sure does.

2 COUNCIL MEMBER BENSON: Madam Chair, actually,  
3 I think there may be something like that that may be  
4 helpful. A couple of years ago there was a problem  
5 with the Convergys contract because they  
6 subcontracted to a company that did offshore some of  
7 that information, and I know the Legislature got  
8 really worked up about that, and so there may be  
9 some language already in the permit. I know there  
10 is a lot of personal information and there may be  
11 some language that was crafted back then that would  
12 be applicable now, but I think it goes back to the  
13 conversation we had about if we go through  
14 rulemaking and suggest standard provisions in the  
15 contract through the rulemaking process, that may be  
16 easier than going through the legislative process.

17 THE CHAIR: Let me just make a comment.

18 Instead of sounding like we're saying that in  
19 today's contemporary business practices offshoring  
20 is not a bad thing, there has to be balance between

21 public interest because of pricing, that we expect  
22 to spend money as well as we can, but that some  
23 practices offshore do not meet the stringent  
24 security requirements that the United States has  
25 come to expect for a person's own personal data.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

20

1 what my suggestion would be, I like Holly's  
2 concept of going to rulemaking as opposed to  
3 legislation. I would not be in favor of trying to  
4 amend statutes. I do believe that we can require  
5 the contracts that have an offshoring provision  
6 stipulate clearly they have to meet U.S. security  
7 standards as opposed to the country of origin's  
8 security standards.

9 So what I would suggest, wrapping that back up  
10 to our work, in your business case review that you  
11 look for demonstrated security protocols that hit  
12 U.S. standards for security versus offshore; in  
13 other words, have a question in the business case  
14 where are there any elements of this that would be  
15 offshored and what are the security standards, and  
16 also very important, how we would assure that those  
17 security standards are being utilized. Monitoring  
18 offshore is very different from monitoring down the  
19 street.

20 COUNCIL MEMBER AGRAWAL: And I think you're  
21 going to find that the security requirements of  
22 different types of information will be significantly  
23 different, obviously. It puts a whole new

24 perspective on health care or personal information  
25 at least from one perspective, but to monitor as far

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

21

1 as breach of a records and personal information. I  
2 briefly glanced at it this morning. So obviously  
3 that's a different standard of security and all that  
4 other stuff is a whole other form of security. So I  
5 think you're going to find this to be a key, to get  
6 language that's appropriate for contracts.

7 THE CHAIR: So would you agree with me to  
8 incorporate this dialogue into a business case  
9 review?

10 COUNCIL MEMBER YANDELL: Yes.

11 THE CHAIR: Any questions?

12 COUNCIL MEMBER YANDELL: In all honesty, it's  
13 not just applicable to offshoring. I mean, you've  
14 got the same premise whether it's offshoring or  
15 within the state. So it's just a contract  
16 documentation that should probably cover this. Just  
17 listening to this, it's really not just applicable  
18 to offshoring, the same kind of premise. So I think  
19 rather than just tying it to offshoring, it really  
20 should be tied into anything that we deal with.

21 THE CHAIR: Rich, in your review process, is  
22 there anything about security or standards for  
23 protecting data?

24 MR. RAMOS: I would have to say I'd have to get  
25 back to you. I don't recall. I don't think so.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

1 MR. BRIGHAM: No, not directly, but just as we  
2 added supervisions in the business case review  
3 processes about the executive order, we did some  
4 additional review processes to include information  
5 that they consider offshoring and information  
6 security.

7 THE CHAIR: We will do some strengthening in  
8 this area. Thank you, members, for the dialogue.

9 COUNCIL MEMBER AGRAWAL: I just have one more  
10 thing.

11 THE CHAIR: Yes, sir.

12 COUNCIL MEMBER AGRAWAL: If we're going to go  
13 through data security, you might as well, if, Rich,  
14 if your team is going to go through and pull that  
15 information together, there's a lot of discussion  
16 about data rights, data ownership, data licensing.

17 THE CHAIR: That's not the same as licensing  
18 property.

19 COUNCIL MEMBER AGRAWAL: More the actual code  
20 itself. This is the actual ownership rights  
21 information.

22 THE CHAIR: All right, good. Thank you.

23 COUNCIL MEMBER YANDELL: You touched on that.  
24 You did bring up the issue of the property, and if  
25 you're going to pull the data you might as well pull

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

1 that as well and see if there are standards out  
Page 20

2           there that can help companies that are paying to  
3           have contracted work done to clearly determine the  
4           ownership of the contract work that's done, and  
5           certainly that has applicability to projects that  
6           we're looking at right now, what do you end up that  
7           we've bought versus what we started off with off the  
8           shelf. So you might as well pull all that in the  
9           place.

10           MR. RAMOS: Certainly.

11           THE CHAIR: It just gets stronger and stronger.

12           MR. RAMOS: Yes.

13           THE CHAIR: Any other comments in this area?  
14           Outsourcing.

15           MR. RAMOS: Yes, there were several questions  
16           asked at the last Council meeting specifically as to  
17           giving definitions, good definitions as to what  
18           outsourcing would be. We have incorporated that  
19           with a couple of examples so there's something for  
20           agencies to reference when they understand what  
21           specifically an outsource is.

22           Then what we have done is we have actually also  
23           incorporated in your tab basically a walk-through,  
24           here's my project and outsource, and if you simply  
25           follow it it can show whether it is or is not an

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

24

1           outsourcing.

2           As I shared with you at the last meeting, the  
3           definition is very broad, so therefore quite a great  
4           deal is outsourcing based upon the current

5 definition. So that's what we have to go on.

6 THE CHAIR: Members, have you had a chance to  
7 go through that flow chart? Let me tell you where  
8 my primary concern has been.

9 Again, Rich indicated that the definition is  
10 very broad, but the intent is not broad. The intent  
11 is to balance our look at outsourcing by the  
12 budgetary process. There is a balance issue of  
13 providing the services that the Legislature expects  
14 us to without being so overly broad that, number  
15 one, that agencies are held up from doing their  
16 work, and number two, the Council member, the staff  
17 member gets a chance to go home because the number  
18 of projects they are required to review are  
19 excessive.

20 So there is that balance that, again, focusing  
21 on those items for the contracts that involve  
22 provision of services be identified from the budget  
23 process, I think that's a vital distinction there.

24 But other than that, I think that the flow  
25 chart and all of that was put on a PowerPoint

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

25

1 presentation. This is a good decision matrix that  
2 I'm sure the agencies will be quite pleased to use  
3 in helping make those decisions.

4 Any comments on this end?

5 COUNCIL MEMBER EVANS: I would agree.

6 THE CHAIR: Let's move to new business, and  
7 we'll look at the budget requests and then get to

8 Tab VII.

9 Let me talk with you all, let me jump in right  
10 here. I want to talk to you about the legislative  
11 budget. I have not had a chance, so this is a  
12 conversation that would have been by phone if I was  
13 not restricted by this Council membership, but the  
14 Department of Management Services, like all  
15 agencies, has been required to submit for  
16 consideration by the Senate and the House a budget  
17 reduction, and it was quite specific about how we  
18 presented those budget cuts, X number out of revenue  
19 and X amount out of the trust fund.

20 The Council for Efficient Government does fall  
21 into our budget under general revenue, and I will  
22 tell you that the Council for Efficient Government  
23 is part of our budget review process.

24 However, I want to say to you a couple of  
25 things, the same way that I spoke to the House and

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

26

1 the Senate, that is in no way a political statement  
2 about this work and how very important it is that we  
3 conduct this work. It was simply, given the  
4 Department of Management Services' budget and our  
5 requirement to spend a certain amount of revenue, we  
6 only have five percent revenue in that budget.

7 So I'm not sure how the Senate and the House  
8 will take it. I will tell you that when I made the  
9 presentation there was immediate alarm that the  
10 Legislature expected the work of the Council to be

11 done. So we'll see how they respond to that, but I  
12 want to be clear to you all, that's my opinions of  
13 the Council's work. It was the nature and exercise.

14 COUNCIL MEMBER EVANS: Linda, that's consistent  
15 with the staff's recommendations.

16 THE CHAIR: Thank you for the opportunity to  
17 speak to that and I will let you pick up on Tab VII.

18 MR. RAMOS: Tab VII.

19 As you know, the Schedule 12 is the form which  
20 we use to evaluate the business cases. We have  
21 engaged with the OPB and those persons involved with  
22 this and we have had them add several components to  
23 what we believe are enhancements to the Schedule 12.

24 You can see specifically what they are and,  
25 generally speaking, we were concerned because there

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

27

1 hadn't been really any focus regarding cost,  
2 financials were not really incorporated, and that's  
3 what we really wanted to see included in Schedule  
4 12.

5 I will share with you there were other things  
6 that we would like to see that we were dissuaded at  
7 this point of including, but I think as we continue  
8 to develop this process I believe that there will be  
9 a little bit more added as we go through,  
10 specifically to the Schedule 12 form.

11 Aside from what we in the Council, for your  
12 review to look at, those were what we felt were  
13 necessary to add at this point.

14 THE CHAIR: Any discussion?

15 COUNCIL MEMBER EVANS: Rich, help me. Is this  
16 something, is Schedule 12 something that we look at  
17 from an eye of what we want to modify or in  
18 agreement or just kind of FYI?

19 MR. RAMOS: This is more of an FYI. We worked  
20 with them as your staff to put in some changes,  
21 again, from our perspective, things that we felt, as  
22 we were looking at business cases, what we felt  
23 might be lacking based upon our review of the  
24 previous schedule 12's that had been submitted to  
25 us.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

28

1 So these were areas that we felt were lacking,  
2 deficient, however you want to refer to it, that's  
3 what we chose to add. Again, there were a few  
4 others, but they asked us at this point, no, they  
5 would rather not, but we felt this was a good  
6 starting point.

7 COUNCIL MEMBER SINK: Madam Secretary, Rich,  
8 has this been -- have you given some of the agencies  
9 that are the more active privatizers or outsourcers  
10 a opportunity to look over this and opine?

11 MR. RAMOS: We have spoken with them. I will  
12 share with you probably one of the largest, which is  
13 the Department of Juvenile Justice, we have had an  
14 ongoing dialogue, with them coming to our office on  
15 a number of occasions to sit and share their  
16 thoughts to look at this.

17 I will share with you, it was out of those  
18 discussions that we begin to look at the development  
19 of some of the on-line tools, because we recognized  
20 the fact that there were just a certain number of  
21 staff persons in agencies; not because they don't  
22 have the skills, because they just don't have the  
23 number of people in the agencies to do a lot of what  
24 has to be done.

25 Therefore we felt that we could provide

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

29

1 something that would make it easier for them, that  
2 they could actually do it in a much smoother way,  
3 then that would help them do their job and we could  
4 work together, so at some point when this  
5 information is on line, they're not doing it,  
6 resubmitting it, sending it several ways, it's  
7 already done, it's put on line and it can be worked  
8 through for them to help them get to a shortcut.

9 COUNCIL MEMBER EVANS: I notice there is a  
10 difference between the questions that are asked in  
11 this document.

12 The questions that I would have put in here you  
13 have captured in the exercise we're going to go  
14 through in a few minutes. Characterize these two  
15 documents for me.

16 MR. RAMOS: The Schedule 12 goes directly to  
17 the Office of Policy and Budget and they then review  
18 it as they go through the legislative budget review  
19 process.

20           what we do as the Council, as our role, we have  
21           to be able to provide you all with as much  
22           information as possible about the particular project  
23           and that's why the specific information that we get  
24           to, gets to whether or not, particularly as we see  
25           the \$10 million threshold level, whether or not it

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

30

1           would be a yea or nay, from your perspective,  
2           whether or not this project should proceed.

3           This is the information they, themselves,  
4           within the budgetary world, and as I always say,  
5           they're their own little language speakers, I mean,  
6           they know what they're looking for, and so  
7           specifically these are the questions they look to  
8           answer as they go through the process.

9           THE CHAIR: So they have reviewed this?

10          MR. RAMOS: Yes, they approved these changes.

11          COUNCIL MEMBER EVANS: Thank you.

12          THE CHAIR: Dr. Zingale?

13          COUNCIL MEMBER ZINGALE: If you would  
14          characterize these documents as backup support  
15          information for staff recommendations or do you view  
16          this as decision-making documents that legislators  
17          are looking at?

18          MR. RAMOS: I would say that the Schedule 12 is  
19          a big decision-making process within the budget  
20          world. I mean --

21          COUNCIL MEMBER ZINGALE: I've never seen a  
22          member look at it. Holly, have you ever seen one?

23 I just think in terms of the characterization  
24 of what should they be in the long run versus how  
25 they're used today, and I've only seen them used in

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

31

1 my world at the staff level and I've never seen them  
2 used in the decision-making process other than TRW  
3 or staff recommendations to members or something  
4 like that. And you used their speak, but I don't  
5 think speak is common to what most legislators use.

6 THE CHAIR: Jim, are you saying -- if this goes  
7 over to OPB and they go to the Governor and say this  
8 doesn't this hit our standards, wouldn't it stop at  
9 that point?

10 COUNCIL MEMBER ZINGALE: I don't know. And you  
11 can go to members directly and get something done on  
12 that process.

13 THE CHAIR: well, I guess for the purpose of  
14 our work, since this is an essential element.

15 COUNCIL MEMBER ZINGALE: Okay.

16 MS. HOUSTON: Any other questions about the  
17 document and the intended utilization?

18 Our next item is going to be in Tab VIII, this  
19 is one that we actually get to act on. We actually  
20 get to do something. Turn to Tab VIII is the  
21 business case.

22 MR. RAMOS: Right. The draft of the business  
23 case process review is rather lengthy, there is  
24 quite a bit to it, and what we've tried to do and  
25 what we'll do in the workshop, we'll actually have

1 kind of the get-your-hands-dirty kind of thing so  
2 you get the opportunity to see how we'll fit and  
3 talk it through the system.

4 what I will ask as you look at these documents,  
5 this gets to the heart of what it is, this Council's  
6 statutory requirements are, and that's looking at  
7 the business cases that are brought forward.

8 what we first do, the very first one, which is  
9 the business case submission and review process, we  
10 have the projects broken down into three different  
11 levels. What are the requirements based upon a  
12 project that's less than a million dollars, between  
13 \$1 million and \$10 million would be level two, and  
14 level three is greater than \$10 million.

15 Although the requirements are not to submit to  
16 you as Council members anything below the 10 million  
17 dollar threshold, we as the Council staff receive  
18 these reviews for us to at least take a look at  
19 their business cases as they're submitting them and  
20 what our recommendation would be to make them better  
21 or where there may be necessary changes as an  
22 additional set of eyes.

23 If you recall in our flow chart that we  
24 produced early on, we talked about that step, that  
25 was kind of steps two and three. After they have

1 the concept, it will be coming to us if it's below  
2 the \$10 million threshold, and what we would ask you  
3 to do is approve these documents as the questions to  
4 ask when your eyes don't see them and have to  
5 approve them based on statute, but so that we're  
6 providing the recommendations to them to what they  
7 may want to include in their business cases to  
8 sharpen whether or not it's a positive way to go  
9 forward or not.

10 COUNCIL MEMBER EVANS: Rich, this is  
11 interesting. Before we get into the questions,  
12 which I thought were very good, they go down to a  
13 level that really ensures due diligence, I didn't  
14 know, I'm encouraged that the Council staff is  
15 looking at every outsourcing contract regardless of  
16 size, so we're going to be able to identify and  
17 define best practices, common problems, common  
18 issues across the board?

19 MR. RAMOS: Yes, sir.

20 COUNCIL MEMBER EVANS: And you're required to  
21 put a stamp of approval on every outsourcing  
22 contract regardless of size?

23 MR. RAMOS: Not necessarily a stamp of  
24 approval. It would be more in terms of helping them  
25 through the exercise.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

34

1 Again, I believe that it was within the  
2 Legislature's desire that there would be another set

3 of eyes that would have an objective perspective of  
4 whatever this particular project may be and  
5 therefore recognize if there are certain components  
6 that need to be incorporated, and have you thought  
7 of all these components before you make that  
8 decision to go forward.

9 COUNCIL MEMBER EVANS: Before that project goes  
10 forward, is it the staff's responsibility to  
11 identify any shortcomings and pass them through the  
12 agency?

13 MR. RAMOS: Absolutely. In fact, there was one  
14 that came to us that had not included a specific  
15 issue, and it was pointed out that before you go  
16 forward, you probably want to do this. I've said  
17 this many times and I will repeat it again: sound,  
18 fundamental business practices are what we looking  
19 at. I mean, that's the reality of it. And again,  
20 it doesn't matter what the project is, if you do  
21 this from a sound, fundamental approach you're less  
22 likely to have a problem.

23 So these are just the things that need to be  
24 pointed out periodically as their staff is going  
25 through that process.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

35

1 COUNCIL MEMBER EVANS: Rich, in going through  
2 this and going through the questions, is there any  
3 point in time that you foresee that the Council's  
4 responsibility is also to not approve going forward  
5 or not concur with the going forward?

6 MR. RAMOS: I certainly believe that there are  
7 times that there will be recommendations that there  
8 are deficiencies that exist that, from the Council's  
9 perspective, it would just not be a wise approach to  
10 not continue on this path because there may be  
11 factors that are missing or information that's not  
12 available.

13 THE CHAIR: I can assure you it's not my intent  
14 to sit on a Council that has decision-making  
15 authority that is a rubber stamp for processes  
16 regardless their quality of work. So I would hope  
17 that it would be a rare project to come before us  
18 that would not be that; however, if it comes to  
19 that, then that's our job.

20 COUNCIL MEMBER EVANS: Thank you.

21 MR. RAMOS: As we go through, it first lays out  
22 the threshold. The second phase would be the  
23 business case development and its submission  
24 process.

25 we walk through the overview of the business

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

36

1 case, how to create a sound business case. It  
2 explains what the role of the Council is.

3 THE CHAIR: Give a quick synopsis of how you  
4 have worked to bring it to this point, what are the  
5 elements to bring it to this level.

6 MR. RAMOS: Certainly.

7 As we receive different business cases, we have  
8 looked at what the previous Council on Efficient

9 Government looked at. We have taken the different  
10 components of the business cases. We have looked to  
11 what areas are important to include, what  
12 methodologies to include. We tried to break down  
13 what is necessary to answer the questions.

14 Part of that is the Schedule 12 form, taking  
15 some of those questions and incorporating them into  
16 here and then getting more specific. Again, I'm  
17 just trying to summarize for you.

18 I mean, there are major components to it that  
19 we have to include that deal specifically with the  
20 issue of the decision-making, and that's what we  
21 tried to do. We tried to incorporate what each of  
22 those are. We put them in a step-by-step fashion.

23 There is the actual tool that lays out what  
24 steps would be taken from the perspective of the  
25 agency and then how we would score it so that there

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

37

1 is actually a scoring system that would let us  
2 realize whether or not it was actually meeting the  
3 criteria.

4 As the Council, what we would hope to be able  
5 to do as we move on today in the workshop, you can  
6 actually use these tools. I would ask again from my  
7 perspective if you would approve them, and then what  
8 we can do in the workshop as we need to make  
9 changes, once we have a document that has been  
10 approved then we can make changes and amend based on  
11 the activities that we see here today.

12 COUNCIL MEMBER YANDELL: May I ask one question  
13 just in regard on page 1 of that tab? In the  
14 submission review process, where in this does  
15 funding for any of this actually occur? Has it been  
16 funded before it gets to the submission of the  
17 initial business case? Is it between the white and  
18 gray areas? That's one question.

19 The second question is, where is the final go/  
20 no-go in terms of taking it to implementation and  
21 throttling up the project? Is that after the last  
22 step? I realize it's two spots, but where does the  
23 money come in?

24 MR. RAMOS: I would suggest that the money will  
25 come in, you're correct in saying between the white

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

38

1 and the gray area. Some of these projects,  
2 particularly the \$10 million or more threshold, you  
3 have to look at separately because your  
4 recommendation of a yea or nay will have an  
5 influence as to whether the project gets funded,  
6 because your recommendation is going to go to the  
7 Governor and both chambers, the President and the  
8 Speaker, and at that point I believe they will  
9 certainly look to that for recommendation.

10 The others, it's at that point when a  
11 recommendation is put forward or at least some  
12 recommendation, that's when the budgetary process  
13 kicks in.

14 Understanding from a state perspective, and

15 every state person knows this, your funding cycle is  
16 an ongoing cycle, so it may start in this year, but  
17 your funding may be several years coming down the  
18 road. So at the second year you may not get funding  
19 based upon your actions of meeting or not meeting of  
20 a particular project.

21 COUNCIL MEMBER YANDELL: It comes more back to  
22 what Steve was saying earlier. If a project is  
23 approved and it has been funded and let's say there  
24 is a separate block in between the white and the  
25 gray that has to deal with funding and it becomes

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

39

1 funded and then negotiations occur and a final  
2 business case is created. We have an additional  
3 review step in there once that final business case  
4 is put back in front of us, is that the way I read  
5 this?

6 MR. RAMOS: Yes, sir.

7 COUNCIL MEMBER YANDELL: And then at that point  
8 are we indeed a gatekeeper between go and no-go in  
9 that project, and if we say go, do they get it done,  
10 or if it's been funded, even if we don't like what  
11 they did, can they still go forward?

12 MR. RAMOS: Based upon the statute, they would  
13 be able to overrule you.

14 MS. HOUSTON: They being?

15 MR. RAMOS: The budgetary process of the  
16 Legislature would be able to, obviously, separation  
17 of powers --

18 COUNCIL MEMBER YANDELL: As I understood what  
19 you said, they would have already approved it  
20 between the white and the gray areas on your  
21 document, and if our final review of it, even if it  
22 had been approved, when it finally came back to us  
23 we didn't like the terms and conditions, we thought  
24 they had made a bad deal or something else and our  
25 recommendation came back and said we don't think

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

40

1 this is a good idea, I guess my question is, does  
2 that have any teeth anywhere?

3 MR. RAMOS: I would suggest it does. The  
4 reason I think it does is because -- and again, I  
5 think more in terms of government funding as opposed  
6 to private sector funding. In government funding  
7 the review process of these documents, these cases,  
8 are ongoing so that there may very well be a  
9 situation where as it's going forward it may have  
10 approval and then at another level along the  
11 process, by information being provided that it's to  
12 the negative, that may very well cause a stopping of  
13 the project at a review.

14 I mean, that's kind of the way the system  
15 works. It's an ongoing check. It isn't just,  
16 here's a check, go forward and do good.

17 COUNCIL MEMBER YANDELL: I'm always concerned  
18 about our role.

19 MR. RAMOS: I understand, and I would say that  
20 what we have to recommend, and I would certainly

21 suggest that if we as the Council were to contact  
22 the Governor and the Speaker and the President and  
23 say we really believe that this document should be  
24 reviewed because there are issues which we believe  
25 exist, it is my estimation that that would have a

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

41

1 cause for them to certainly pay attention.

2 COUNCIL MEMBER YANDELL: Thank you.

3 THE CHAIR: Does that answer your question?

4 COUNCIL MEMBER YANDELL: Kind of, sort of,  
5 maybe.

6 THE CHAIR: That's exactly the answer. It's  
7 not as cut and dried as -- and until we have a few  
8 cases under our belts to really know how this goes,  
9 then the quality of our work will absolutely have  
10 to --

11 COUNCIL MEMBER YANDELL: The reason I bring it  
12 up, it's important to kind of know what the impact  
13 of our decision-making process is in terms of is it  
14 indeed a hard throttle or is it a recommendation,  
15 and it's more clarifying for what Steve said.  
16 Really, how big is the hammer and is it indeed one  
17 or is it a virginal hammer?

18 THE CHAIR: In this case credibility is based  
19 on the quality of work, and if we have a highly  
20 credible process then our recommendations will  
21 certainly carry weight.

22 MR. RAMOS: So we can continue to go through,  
23 but I think this pretty much can walk you through

24 the process. We put up the business case for  
25 greater than \$10 million and that talks about the

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

42

1 business flow and you can certainly look at that and  
2 see how it would be used, how each step goes  
3 through. Again, my recommendation is that we work  
4 with these documents to start off.

5 COUNCIL MEMBER SINK: Secretary South?

6 THE CHAIR: Yes.

7 COUNCIL MEMBER SINK: Again, along the same  
8 lines, have you had an opportunity to have the  
9 initial made look by those four agencies who are  
10 really the most active users of outsourcing and  
11 privatized services?

12 MR. RAMOS: I would say that we've had some  
13 conversations, not as detailed as we did in some of  
14 the other things. We have not had them actually  
15 walk through this.

16 COUNCIL MEMBER SINK: I guess we'll find out  
17 soon enough, won't we?

18 MR. RAMOS: Absolutely.

19 THE CHAIR: Any comments or questions on those  
20 documents before we're going to act as the tool for  
21 the Council?

22 COUNCIL MEMBER SINK: I'm in agreement.

23 THE CHAIR: Discussion?

24 COUNCIL MEMBER AGRAWAL: If they're approved,  
25 then we'll have conversation to amend them as we go

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

1 through the process?

2 MR. RAMOS: Absolutely.

3 THE CHAIR: All those in favor, say aye?

4 (Chorus of ayes.)

5 THE CHAIR: Or opposed?

6 we have a tool. We will look at the Governor's  
7 Executive Order, it's Tab IX.

8 MR. RAMOS: Yes. As you know, the Governor had  
9 a conference on green in Miami. It was several  
10 days. It is putting Florida, in my estimation,  
11 certainly based upon everything that I have read and  
12 have been shared with, it really puts us on the  
13 cutting edge with respect to greenhouse gas  
14 emissions and the desire for this state to go green.

15 within the Executive Order which you have a  
16 copy of, section 4 specifically directs the Council  
17 to incorporate within our review process a criteria  
18 for determining whether the outsourcing projects are  
19 fiscally prudent to the state of Florida and meet  
20 the green objectives.

21 what we've done, as Henry Garrigo said earlier,  
22 we have done that already, we have incorporated that  
23 within that review process and we're working with  
24 DMS to help develop what that is, because at this  
25 stage of the game there is no specific number or

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

1 anything that would measure, so we're working

2 closely with them to get the specifics done to get  
3 that incorporated.

4 THE CHAIR: Comments or questions?

5 All right. I was pleased to see the Council  
6 was in the forefront of the Governor's mind when he  
7 was putting his Executive Order together. It's a  
8 major initiative and our role in it, it's good that  
9 we're part of the overall strategy. Thank you.

10 That takes care of our new business. I would  
11 like to make an announcement. I would like to take  
12 this opportunity to announce to all that Rich Ramos  
13 has tendered his resignation as executive director.  
14 He has some exciting business opportunities to  
15 pursue, and we'd like to thank you for your efforts  
16 to date on this. You're going to be with us through  
17 September?

18 MR. RAMOS: Yes, ma'am.

19 THE CHAIR: So we appreciate that lead time to  
20 help us organize our thoughts on your departure. So  
21 thank you very much. Members, I'm sure you'll join  
22 me in wishing Rich all success.

23 COUNCIL MEMBER EVANS: Rich, thank you very  
24 much.

25 COUNCIL MEMBER AGRAWAL: We appreciate all the

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

45

1 work.

2 MR. RAMOS: Thank you very much.

3 THE CHAIR: Now we're going to adjourn the  
4 actual Council meeting and immediately convene the

5 workshop.

6 At this point, this is Henry's first Council  
7 meeting, but Henry, if you would, for the benefit of  
8 our audience and the record, just give us a little  
9 bit of your background.

10 MR. GARRIGO: Yes, sure. My name is Henry  
11 Garrigo. I spoke to all of you individually either  
12 by person or by phone. Members of the Council,  
13 thank you for the time.

14 I come from the private sector and spent ten  
15 years with the Intel Corporation before joining the  
16 state about five months ago. This is my first  
17 physical meeting, but I have been here in spirit and  
18 have been working behind the scenes for the last two  
19 meetings.

20 It has been very interesting making the  
21 transition. It's been an educational process in  
22 more ways than one, and I look forward to the  
23 challenges the Council and the state bring to me.

24 THE CHAIR: Henry, you're the moderator of this  
25 workshop.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

46

1 MR. GARRIGO: I am.

2 THE CHAIR: We will turn it over to you and let  
3 you get right at it.

4 MR. GARRIGO: That would be great. I would  
5 like to tone it down, just make it a little bit more  
6 informal. We are outside the actual Council  
7 meeting, so this is intended to be a workshop. We

8 do want you guys to participate, be involved.

9 As Rich mentioned before, we've come up with  
10 some tools that we'll be using to discuss business  
11 cases, how to review them and actually how we can  
12 help agencies submit them. It is an iterative  
13 process. There are certain requirements in statutes  
14 that must be fulfilled and followed, as well as some  
15 things that we consider sound business practices  
16 that we want to make sure are incorporated in the  
17 development and submission and review process.

18 You should have in front of you two packets,  
19 one marked packet A, one marked packet B. Packet A  
20 is actually the full content for the workshop.  
21 Packet B is a subset of that. What we'll be doing  
22 here in the workshop is actually broken up into  
23 three parts.

24 The first part is, I will do just a little bit  
25 of setup, a little about the process, the tools that

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

47

1 we have already ratified in the previous session and  
2 how we'll be using them during this session in going  
3 forward to review business cases.

4 Then we'll do a mock review. I will ask you  
5 guys to get in character, if you will, as if this  
6 was a live Council meeting with a real business  
7 case. We will have the materials, which is packet  
8 B, which you would be getting prior to your Council  
9 meeting for your review in preparation of that  
10 review, and then we'll go through a review and the

11 stuff that we would do during the Council meeting.

12 There will be time for summary of information,  
13 a discussion of the merits of the case and then a  
14 recommendation that would be going back to the  
15 agency.

16 And then we'll come back out of character, if  
17 you will, and begin a debrief or a post-mortem on  
18 the process. And then, as Rich mentioned before, we  
19 do have a starting point now for a business process,  
20 as well as the materials that we'll use to support  
21 the submission and review of that, but it is an  
22 iterative process and as they begin the next  
23 iteration, how to make that process better.

24 we've already gathered some points that we'll  
25 probably get added into there already. Council

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

48

1 Member Yandell was concerned about offshoring.  
2 we'll probably add that element in there just as we  
3 did the Executive Order, and some other elements  
4 that will come up in this discussion, and we would  
5 take input, obviously, from the Council during the  
6 workshop to work on that.

7 So that being said, get your packet A out. I  
8 want to kind of put a frame around where we are  
9 today. As you all know, the members of the Council  
10 are relatively young in this particular format,  
11 these Council members. There have been existing  
12 versions of the Council for Efficient Government in  
13 the past.

14           we are kind of building on some of that  
15           history, but we found that there was a lot of room  
16           that we needed to cover and really start developing  
17           some of our own tools.

18           There is relatively minimal Agency awareness of  
19           the Council and the office, particularly along what  
20           the statutes are and what the submission guidelines  
21           and timelines are.

22           One of the tools we have developed is actually  
23           identifying an outsource, how do you identify if  
24           your project qualifies for an outsource. What are  
25           the exemptions to that? Are you exempt from needing

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

49

1           to follow the statutes as far as the business case  
2           submission process? As well as we have the tool  
3           that will help you write the business case, if you  
4           will.

5           There are timelines that need to be followed,  
6           so there really was minimal knowledge within  
7           agencies as to what those requirements are.

8           So you develop the first tool that will help  
9           people, A, identify what an outsource is and then B,  
10          how to apply their business case in the proper  
11          timelines to meet statute.

12          We didn't have, really, a tool for people to  
13          write a business case if they weren't familiar with  
14          doing it. There is some low-hanging fruit from the  
15          agencies where we've already found them coming to us  
16          saying, hey, we're willing to comply with the

17 statute, we just don't know how. We don't know how  
18 to write business cases.

19 I spoke to several Council members within state  
20 government and they're becoming aware of that as  
21 well, that there are certain basic business  
22 processes that are not being followed in state  
23 government that we really need to encourage them to  
24 do so, and some of that is because of the lack of  
25 knowledge, and one of those is the business case

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

50

1 process and developing a good business case.

2 what we have currently in use is what we talked  
3 about before, which is the LBR Schedule 12. So it's  
4 a legislative budget request tool that deals  
5 specifically with the legislative needs as it  
6 concerns outsourcing. It doesn't really address all  
7 the business things that we need to consider to  
8 validate whether a business case is valuable for the  
9 state government so much as the LBR process just  
10 looks at what is the essential information that they  
11 need to make a budget decision. So they are kind of  
12 separate in nature. We didn't have a tool before,  
13 so we've been relying on the Schedule 12 to do that.

14 As a result of that we didn't want to insert a  
15 new process until we had a fully defined tool to  
16 use. We're leveraging the LBR, we went to the OPB,  
17 Office of Policy and Budget, to make sure that we  
18 could get some of our concerns addressed, that's how  
19 we got the specific amendments to the LBR Schedule

20 12 in. There were some others that we wanted to get  
21 included that were not and hopefully, again, through  
22 the process we'll continue to do that.

23 So we didn't really have tools to really help  
24 people develop business cases, and then should we  
25 have been getting business cases we really didn't

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

51

1 have a process to follow as far as how we would  
2 evaluate the business case and at different levels.  
3 Obviously, there are some large projects, there are  
4 some smaller ones.

5 The statute actually indicates, as CFO Sink  
6 pointed out, that almost everything could qualify,  
7 that does qualify for analysis, could qualify, may  
8 need to be submitted to the Council. There are some  
9 exemptions, but outside of that everything does need  
10 to be sent to the Council.

11 Now, it doesn't get necessarily acted on by the  
12 Council members. It does need to be sent to the  
13 office, and we have developed in our process a tool  
14 for logging them and assigning them out, and as we  
15 have staffing resources available we will actually  
16 make recommendations on all business cases that have  
17 been submitted to us, even though they're under the  
18 thresholds.

19 what we'll be doing in the workshop today is be  
20 looking at what we call a level three or a business  
21 case over \$10 million and looking at how we would  
22 drive that through the process.

23 Questions, just stop me along the way if  
24 there's anything that comes up.

25 Looking at the goals for today, as the

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

52

1 Secretary mentioned, we want to make sure we're  
2 prepared for when the business cases begin to flow  
3 in, and this is the first step of doing that. We  
4 haven't had any very large business cases that meet  
5 the threshold yet, so we haven't actually been able  
6 to bring them to you.

7 We would like to do this dry run, this mock  
8 business case, if you will, later, as the first  
9 attempt to execute on a review and hopefully that  
10 will prepare us for when we do get the actual  
11 business cases in.

12 And again, as we go through it, this will begin  
13 the improved process improvement cycle. We want to  
14 be sure we're constantly improving the tools and the  
15 procedures that we have.

16 So again, the goals here are to educate and to  
17 begin the process improvement.

18 So we had, I don't know if you can pull back,  
19 but we do have a second tab in there, the process  
20 flow, that we'll be following and this is, again,  
21 per statute, we need to develop a standard process  
22 for reviewing business cases and this is a process  
23 that will be repeatable and will apply to all  
24 business cases. It's also in your notebooks.

25 Now, we've actually come up with three process

1 flows, because there are, per the guidelines in the  
2 statute, three different processes that we can flow.  
3 Business cases that come in under a million dollars,  
4 they do need to be submitted to the office. They  
5 essentially will only apply to the first two steps  
6 of this process. They will be submitted to us, we  
7 will log them and make sure that they are in our  
8 database, and then, based upon staffing  
9 availability, we'll try to make a recommendation on  
10 as many of those as we can.

11 For the level two, those business cases between  
12 a million and 10 million, we'll actually apply the  
13 next level of this process, and the rest is actually  
14 optional, so -- I think there was a question before,  
15 do we have to issue advisory reports on every  
16 business case that comes in, technically, per  
17 statute, we only have to issue advisory reports and  
18 those are on an initial business case, so it's  
19 actually prior to a lot of the government functions  
20 as far as budgeting and solicitation happens on  
21 those business cases that are \$10 million or more,  
22 but we will try to issue some sort of response back  
23 to the agencies on everything that we get per this  
24 process.

25 Today's exercise will actually focus mostly on

1 step 6 in this process. What comes after step 5 is  
2 the office will apply the tools that you guys ratify  
3 today as far as the evaluation criteria that will  
4 apply to a business case. We're looking at a level  
5 3 project, so we'll do the full evaluation.

6 we will issue a summary report of our findings  
7 and then a recommendation and a draft letter to the  
8 Agency, and then the Council's work will be done at  
9 that point and we'll continue down the flow.

10 So today's exercise is essentially on step 6.

11 COUNCIL MEMBER SINK: Let me just have a  
12 question about step 4. We're actually going to be  
13 preparing the Schedule 12 for the LBR?

14 MR. GARRIGO: Thank you for clarifying. Again,  
15 since we haven't had a business tool up to this  
16 point, what we're doing internally is a lot of time  
17 the only business case that the agencies are  
18 preparing is the Schedule 12.

19 COUNCIL MEMBER SINK: All right.

20 MR. GARRIGO: So for consistency's sake within  
21 our department, to make sure everything is in a like  
22 format, if you will, if we only get this Schedule 12  
23 that's what we're allowing for the extraction for  
24 our review.

25 If we get a full business case, something

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

55

1 that's much more robust, what we'll do as an  
2 internal device is we'll take that and transpose it

3 onto Schedule 12 so we have consistency in similar  
4 documents.

5 It's not a necessary step, but it's something  
6 that we're going to do until we get our business  
7 case process at the forefront.

8 Now, we won't be submitting this to OPB, this  
9 is strictly an internal tool.

10 And I will take comments if you'd like.

11 COUNCIL MEMBER SINK: Activity translated into  
12 the four-letter work called work.

13 MR. GARRIGO: Right.

14 COUNCIL MEMBER SINK: If would be my bias that  
15 the agencies -- and they would want to assume  
16 responsibility for doing their own Schedule 12 and  
17 then that would be just that much less work for our  
18 staff.

19 MR. GARRIGO: Absolutely, and let me clarify.  
20 If they're required to do an LBR Schedule 12 they  
21 will have to do that, we are not doing that for  
22 them. If they don't submit that to us along with  
23 their business case, what we'll do is we'll extract  
24 information from whatever they give to us.

25 Again, you have to back up one step. There is

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

56

1 no standard as to what is a business case right now,  
2 so we get business cases in all different shapes and  
3 formats. What we try to do is try to compile it  
4 into something that's somewhat standardized so that  
5 our analysts can then compare apples to apples.

6 THE CHAIR: Are all cases required to go to  
7 Schedule 12?

8 MR. GARRIGO: I don't believe everything is  
9 required. I'd have to defer to my legislative  
10 specialist on that.

11 COUNCIL MEMBER YANDELL: My concern with that  
12 is that our abstraction of data, it's allowing us to  
13 potentially reword what they might be attempting to  
14 say, and that doesn't seem like that makes good  
15 sense.

16 If Schedule 12 is something that we need, it  
17 would seem like the Agency would provide that for us  
18 rather than us doing it. I mean, it's an important  
19 data. If the data is there, you wouldn't be  
20 abstracting it, you'd be copying it in, is that what  
21 you're saying? Or is it just in a different format?  
22 I don't want to reword something or try to draw  
23 conclusions from it, they should put that in.

24 MS. CARTER: The reason we started this process  
25 was we were getting business cases that did not come

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

57

1 in on Schedule 12. The majority of them do.  
2 However, when we're starting, the very first step in  
3 our review process is to make sure that business  
4 case meets the 16 statutory requirements, that the  
5 statute says a business case shall have these  
6 following criteria.

7 So we found in an analytical tool, we were in  
8 turn going through and trying to read, whether it

9 was eight pages or 20 pages, find in that the  
10 statutory requirements. We actually found it was  
11 faster to cut and paste it into the Schedule 12 and,  
12 boom, we created it for us internally, to make sure  
13 that they did meet the statutory requirements and if  
14 they didn't that was something we needed to advise  
15 them on, because they needed to know that they  
16 weren't compliant and to make sure they were in the  
17 future.

18 COUNCIL MEMBER YANDELL: So you're not  
19 rewording, you're not abstracting --

20 MS. CARTER: No, sir.

21 MR. GARRIGO: No, sir.

22 COUNCIL MEMBER YANDELL: -- you're literally  
23 cutting and pasting?

24 MS. CARTER: It's simply an analytical tool for  
25 me, the analyst, to make sure they're meeting

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

58

1 statute requirements, and if they're not, we can  
2 alert them and educate them to make sure that they  
3 know that for the future process.

4 COUNCIL MEMBER YANDELL: Yes.

5 COUNCIL MEMBER AGRAWAL: Would it be easier for  
6 staff --

7 THE CHAIR: Excuse me.

8 MR. GARRIGO: Absolutely. Let me clarify.

9 Again to clarify. We are not creating Schedule 12  
10 for them, we're not submitting it for them. We are  
11 using it strictly as a device for analysts to know

12 where to look. Because they are familiar with  
13 Schedule 12, they're going to look for certain data  
14 points that we'll use in our review process.

15 COUNCIL MEMBER SINK: Then why wouldn't you  
16 require them to submit it to us in Schedule 12  
17 format so we're not having to look for it?

18 MR. GARRIGO: If the Council would support  
19 that, I'm sure we could get it through the  
20 legislative process.

21 THE CHAIR: Is there a statutory -- to what  
22 level do the agencies, are required to do a  
23 schedule?

24 MR. GARRIGO: There are actually several forms  
25 to the Schedule 12. There's Schedule 12-A --

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

59

1 THE CHAIR: Let me rephrase that. Are there  
2 cases that will come to us that do not need  
3 legislative budget review?

4 MR. BRIGHAM: I think \$1 million, but I will  
5 have to get back with you.

6 THE CHAIR: I think the sense of the Council is  
7 that the agencies should submit to us the Schedule  
8 12, I think that's what I'm hearing. And then my  
9 question -- are there any other comments?

10 My question is, as I look at your number 4, is  
11 evaluate -- first off, is it incomplete? Again, we  
12 should know that, but as an evaluating authority,  
13 what basis do we have for making that determination  
14 that that's inaccurate or invalid, what method?

15 MR. GARRIGO: We're looking at the surface  
16 level just to make sure they haven't filled in not  
17 available, those kinds of non-answers.

18 THE CHAIR: I'm concerned if you have an answer  
19 that says \$869,424, how do we know that? How does  
20 our staff know whether that's a valid or accurate  
21 piece of data?

22 MR. GARRIGO: We actually wouldn't be able to  
23 at that point.

24 THE CHAIR: I would be hesitant to put in a  
25 document that we're using in our review that we were

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

60

1 validating that. We don't have a basis for it, so  
2 we shouldn't assume that -- we should not let  
3 anybody assume that we are.

4 COUNCIL MEMBER SINK: You are correct, yes,  
5 good point.

6 MR. GARRIGO: Point taken.

7 THE CHAIR: So step 4 seems to be working. Any  
8 other comments about step 4? Moving along.

9 COUNCIL MEMBER YANDELL: Not about step 4, it's  
10 the last step in this process. It says we receive a  
11 final business case in step 8 prior to its  
12 execution, and the only thing I don't see in here is  
13 any action we take following that, but in the first  
14 page of this, in the gray area, it does talk about  
15 actions that we would take following that.

16 MR. GARRIGO: So this addresses the same  
17 question you had before. So in statute the Council

18 is only required to issue an advisory report on the  
19 initial business case. The statute does not call  
20 for the Agency to submit for review their final  
21 business case. They do need to send us a copy of  
22 it, but the Council is not actually to issue a  
23 recommendation on the final business case.

24 That business case, there should be further  
25 timeline sent to us 30 days before the execution of

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

61

1 the contract, but there is no statutory requirement  
2 for the Council to act on it.

3 COUNCIL MEMBER YANDELL: I understand that, but  
4 in the document that prefaces this on the first page  
5 in the gray area, on level 2 and level 3, we specify  
6 that we'll review the final business case and issue  
7 an advisory report if necessary, and if that's the  
8 case then you have a step 9 that should be on here  
9 or we don't do it.

10 MR. GARRIGO: Are you looking at the grid?

11 COUNCIL MEMBER YANDELL: I'm looking at this.

12 If our work stops when that final report is  
13 received, then we need to understand that. If it  
14 doesn't stop at that point and we have a step that  
15 we employ after that, it should be in the flow  
16 chart.

17 And I believe we do have some responsibility to  
18 do that. If we get it back and it's not the way we  
19 sent it out, we should have something to do there.

20 MR. GARRIGO: Yes, we do have it that they do

21 submit it to us and we'll issue a final  
22 recommendation on that.

23 COUNCIL MEMBER YANDELL: So is there a 9?

24 MR. GARRIGO: We'll correct that and put a 9 in  
25 there.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

62

1 COUNCIL MEMBER SINK: This also says that an  
2 advisory report may be issued.

3 COUNCIL MEMBER YANDELL: Right. But I think it  
4 requires us to review it.

5 COUNCIL MEMBER SINK: I agree.

6 MR. GARRIGO: Right, after we review the  
7 statutes to see if it's required. It's definitely a  
8 recommendation that we'll make, we'll issue a final  
9 report back to them, but we'll clarify that.

10 THE CHAIR: Good. This is just great stuff.

11 MR. GARRIGO: This is how we make it better.  
12 That's why we have the expert minds on the Council.

13 So back to the flow. Anything else on the  
14 process flow? General comments? workable, decent  
15 starting point?

16 COUNCIL MEMBER EVANS: Decent starting point.

17 MR. GARRIGO: Great. So if you will --

18 COUNCIL MEMBER BENSON: You didn't put in there  
19 where the legislative section is approved. I think  
20 what everybody has been stuck on is the agencies  
21 will submit to us their initial business case, then  
22 we go before the Legislature and ask for the actual  
23 money. That's why they need to submit the business

24 case. You may want to add the legislative step in  
25 there.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

63

1 THE CHAIR: Isn't there oftentimes when the  
2 Legislature can see something and at that point the  
3 money is set aside? So it could go quickly without  
4 action, is that true?

5 COUNCIL MEMBER BENSON: It kind of depends.  
6 Some you get during session based on whatever.  
7 Certain lobbyists may have a program that comes to  
8 the attention of legislators and they think it's a  
9 good idea, at which point if the Governor leaves  
10 that money in the budget and doesn't veto it, then  
11 the Agency will typically be expected to sign a  
12 contract.

13 THE CHAIR: Like this?

14 COUNCIL MEMBER BENSON: It may. I think you  
15 have to put a legislative step in there.

16 THE CHAIR: Where would you put it, put it in  
17 the beginning, in the middle, at the end?

18 COUNCIL MEMBER BENSON: I think given the  
19 current time there are going to be fewer 10 million  
20 or more outsourcing projects that go to the  
21 Governor.

22 COUNCIL MEMBER SINK: It's going to be a lot  
23 more to it.

24 COUNCIL MEMBER BENSON: Particularly in this  
25 budget class. I think it would be hard --

1 COUNCIL MEMBER SINK: That brings up another  
2 question. Are we going to be looking at renewal of  
3 existing contracts that are \$10 million?

4 MR. GARRIGO: Yes, we're supposed to look at  
5 those renewals.

6 COUNCIL MEMBER SINK: So DJJ and DCF will have  
7 many of those, won't they?

8 MR. GARRIGO: So my understanding -- to your  
9 question it's my understanding the intent of the  
10 statute was to, before a lot of actions happen on  
11 this as far as funding and everything else goes,  
12 that a business case is issued and commented on  
13 before people proceed to the next step. So if there  
14 is a positive recommendation from the Council, this  
15 is a good idea, in essence, then that will begin to  
16 make everything else happen.

17 I do understand that the Legislature sometimes  
18 kind of says you will go do this and then the  
19 business case is developed as a result of that.

20 THE CHAIR: Where do you visualize that on the  
21 chart?

22 COUNCIL MEMBER BENSON: I think probably  
23 between 7 and 8, because you can't finalize it  
24 unless you know how much money.

25 THE CHAIR: Isn't the case being finalized by

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

1 the nature of the case or the funding? And frankly,  
Page 58

2 I think they're separate issues. You can have a  
3 business case in the perfect sense and it doesn't  
4 get funded -- well, you submit it, but it might not  
5 get approved.

6 COUNCIL MEMBER BENSON: But we only need,  
7 because it says 30 days prior to the execution of  
8 contracts, so if they needed any money they issue a  
9 contract.

10 COUNCIL MEMBER YANDELL: When we started  
11 talking about this before, it's the same question I  
12 had asked when Rich was up here, where does funding  
13 occur, and you sort of said between the gray and the  
14 white area in the first grid that we looked at.

15 I understand your point, but in looking at  
16 this, at some point if there is no funding in place,  
17 we shouldn't even be down this road very far if  
18 there is no money tied into this. I think that's  
19 part of this process, if there is no funding out  
20 there, at what point does it cease to be something  
21 that we look at?

22 Do we review things that are totally unfunded?  
23 Are there sponsors that have put these things out  
24 that are there? I mean, how do we know if it's  
25 worth it if it's unfunded?

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

66

1 THE CHAIR: It's reflected on the business  
2 plan.

3 COUNCIL MEMBER YANDELL: Well, that's my  
4 question, where does it fall in? You're saying in

5 some cases the Legislature says we have \$3 millions  
6 to do it or however that gets enacted, that's one  
7 way of doing it. The other side of it is, a careful  
8 business case is developed and there is a process  
9 that flows through and you have two different ways  
10 this fund will work, I think.

11 COUNCIL MEMBER EVANS: I was going to agree  
12 with that. To me this is a validation point. The  
13 Legislature can sit here and say, show me the  
14 business case first before we take it forward. So I  
15 see us in a position to be able to go either way on  
16 this. It's also very helpful, Henry, it's also very  
17 helpful for us to understand where the funding  
18 process does interlink in this overall game plan.  
19 It helps us determine how serious we need to get and  
20 how fast.

21 COUNCIL MEMBER BENSON: But the Legislature and  
22 the legislative staff won't approve a project of  
23 this magnitude that doesn't have a business case.

24 COUNCIL MEMBER YANDELL: Sure.

25 COUNCIL MEMBER BENSON: So we have to give the

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

67

1 agencies the support before we go to the Legislature  
2 and say yes, we should go ahead.

3 THE CHAIR: Actually I think there's two valid  
4 questions. One of them is that if the Legislature  
5 prefunds this without a business case that we make  
6 sure that the agencies do this properly, that is,  
7 post-funding, and then prefunding is we review the

8 case and ask for the funding.

9 COUNCIL MEMBER YANDELL: We should define what  
10 is prefunding from our standpoint that says we give  
11 this back to you with the stamp of approval that  
12 allows you to go seek your funding.

13 THE CHAIR: Yes, that would be kind of a split  
14 off from this chart, then, depending where it is?

15 COUNCIL MEMBER EVANS: That's a good way to  
16 look at it.

17 COUNCIL MEMBER AGRAWAL: What for? If  
18 something got prefunded, essentially that --

19 COUNCIL MEMBER BENSON: I see Jeffrey hiding  
20 back there. Do you have more institutional memory  
21 on this? Are there that many projects that would  
22 have to come back to us before funding is approved?

23 A VOICE: I don't know if I can answer that  
24 accurately on the IT side. I think there would be  
25 more prior funding, quite a few more, but that will

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

68

1 be the exception.

2 THE CHAIR: I think we need to be prepared for  
3 both situations, so I would like to see this chart  
4 have a split at the end based on funding, whether  
5 you go to contract or you go to the Legislature on  
6 funding. Do you all agree with that?

7 MR. GARRIGO: Yes, we'll reach out to some  
8 specialists on the funding process to see how we can  
9 include that.

10 THE CHAIR: Our review has two lines to it.

11 Prefunding, post-funding, the chart needs to  
12 acknowledge the case.

13 COUNCIL MEMBER ZINGALE: When you get that  
14 post-funding, the Legislature says go forward,  
15 that's typically the point where you will formalize  
16 what you're doing and it will go to the marketplace.  
17 You might have told the Legislature it's going to  
18 cost \$35 million, here's the benefit it's going to  
19 have, and they look at you and say, okay, we will  
20 fund next year the preparation of the RFP going  
21 forth with the document. At that point in time, the  
22 bids come back, \$125 million project, \$185 million  
23 project, and the business case typically has to be  
24 totally be done again.

25 So there's another process after the post-

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

69

1 funding that says, final before approval and I don't  
2 know what role you want to play at what stage.

3 At the first stage you describe, you're really  
4 helping an Agency develop a good business plan. The  
5 second stage, you're helping the Legislature  
6 understand what went into that business case and  
7 that it's a good idea. But I hope at the end, you  
8 know, we're sitting there at the end when all the  
9 information is pulled together, reevaluate that  
10 business case and think, gee, the essence of the  
11 business case is now destroyed, stop doing that.  
12 That's the piece that we typically break down on.

13 COUNCIL MEMBER YANDELL: Right. The results

14 should be the same after we gets through the sieve  
15 that we put it through, the end result should be the  
16 same. Everything, whether it's prefunded or funded  
17 in the process, we're left with something that has  
18 passed through what we believe is the appropriate  
19 way to get this done. Does that make sense?

20 COUNCIL MEMBER SINK: I was thinking about the  
21 project in the prior example, if one comes back and  
22 says, oops, it's not a \$50 million project now, it's  
23 a \$60 million project, is there a requirement that  
24 it comes back to the Council at all?

25 MR. GARRIGO: No.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

70

1 COUNCIL MEMBER EVANS: Should there be?

2 COUNCIL MEMBER SINK: There should be. That's  
3 where we've gone wrong in a lot of these things.

4 COUNCIL MEMBER YANDELL: In an earlier meeting  
5 I think we said that part of our job that we have  
6 some ongoing review of all the projects that are  
7 floating around out there, and if we previously  
8 approved a project I would hope that something comes  
9 back to us, and I think we said this, that we would  
10 look for status on approved projects by the Council  
11 that we said was good, and if it's running off the  
12 rails we should run the flag up.

13 COUNCIL MEMBER EVANS: I would agree. Alex's  
14 case, that comes back, it changes the entire ROI  
15 model and we wouldn't want to have our stamp on that  
16 approval without having gone through that

17 reassessment and reevaluation.

18 THE CHAIR: Do you want to quantify the  
19 deviations that would require it to come back for  
20 review?

21 COUNCIL MEMBER EVANS: I would think that would  
22 be appropriate.

23 MR. GARRIGO: Percentage increase?

24 COUNCIL MEMBER ZINGALE: It might not only be  
25 on the cost side, but response back on the RFP side.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

71

1 COUNCIL MEMBER YANDELL: Right, duration,  
2 timeline, these are things that affect anything like  
3 that, and they also could be impacted by events  
4 beyond the scope or control of the bid process or  
5 the contract, a natural disaster or just changing  
6 economic climate. Any of those could have an effect  
7 on it which would cause it to need help maybe along  
8 the way.

9 THE CHAIR: So we're thinking about these mega-  
10 projects. Henry, do some staff work on quantifying  
11 when cases have to go come back to us for review  
12 after the RFP process.

13 COUNCIL MEMBER YANDELL: Just one other thing  
14 along that -- and why. And what I mean by that is  
15 us saying we want to come back and look at it again,  
16 are we performing a watchdog function or do we feel  
17 that there should be some change in charter to have  
18 some reason for that to happen.

19 THE CHAIR: I'm lost.  
Page 64

20 COUNCIL MEMBER YANDELL: Well, it's fine for us  
21 to say we want to come look at it again and raise  
22 the flag and that sort of thing. If that's what  
23 we're doing, that's fine, but there should be  
24 potentially -- we have a reason to exist and what  
25 we're supposed to be doing and that's something that

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

72

1 we should be doing additionally, should it be  
2 something that we're specified to do. Does that  
3 make sense? It's not in our charter to do this  
4 specifically.

5 MR. GARRIGO: Yes. We could, as the Council,  
6 and the office is trying to execute your directives,  
7 but it goes back to, do we have any enforcement  
8 authority to go back and say if you increase your  
9 budget by X percentage, it needs to be resubmitted?  
10 I don't think that's in the statute today. We can  
11 request that, kindly, and we'll have to see if they  
12 comply.

13 COUNCIL MEMBER SINK: Well, yes. We may not  
14 have statutory authority, but we have embarrassment  
15 authority.

16 MR. GARRIGO: Right, so we can issue an  
17 advisory report and obviously it goes out where it  
18 goes out.

19 THE CHAIR: My perception of an ideal situation  
20 in this case is when the Agency has, recognizes on  
21 their own that the case has changed significantly,  
22 and that we bring such high value quality to their

23 process that they're on their doorstep, asking for  
24 our assistance. Now, that's the ideal environment.  
25 How do we get that? We talk to the staff and

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

73

1 discuss that. We have half an hour left in our  
2 process.

3 MR. GARRIGO: I will try to expedite the next  
4 step.

5 THE CHAIR: If we run out of time, we'll take  
6 it up next time.

7 MR. GARRIGO: I think we can get through it,  
8 because most of the conversation we just had is what  
9 I explained in the postmortem after the review, so  
10 we have actually moved it forward and that's fine.

11 We will try to do the mock review, so if you  
12 will get in character, if you will.

13 THE CHAIR: We are characters.

14 MR. GARRIGO: Put yourself in a future Council  
15 meeting with a full agenda and we'll be reviewing  
16 this business case. You go to packet B. In packet  
17 B is what you would receive prior to the Council  
18 meeting for you to prepare it for the review.

19 It will include -- again, this is early in the  
20 process -- it would include the initial business  
21 case review. This is to be submitted to us 60 days  
22 prior to solicitation. We have 30 days to act on  
23 it.

24 what you will get is the initial business case  
25 as it was submitted to us with any supporting

1 documents, you get a copy of that, as well as our  
2 translation to Schedule 12. We will continue to  
3 leave that step in the process.

4 You also get the analyst's review document,  
5 which is essentially the scorecard for the business  
6 case. You will also get a summary, annual summary  
7 of the business case based on the review, and then a  
8 draft of a recommendation letter.

9 So these would be submitted to you for each of  
10 the business cases that we're asking you to review.  
11 It would be for everything over \$10 million and for  
12 any business cases that we feel are significant for  
13 the Council to review, and should we adapt some of  
14 the input that we've got today into the process it  
15 could possibly be a second or third review of the  
16 business cases as they change.

17 So based on that we're now at the Council  
18 meeting. The analyst probably would come up and  
19 begin to review the document with you. So in short,  
20 we have a business case that was submitted to us on  
21 August 21st, today's date being August 30th, so  
22 they're within the required timeline for submission.

23 This is from the Department of Juvenile Justice  
24 for a project called Impact House. The objective of  
25 this particular project is to put into use a 250-bed

1 residential center for boys. These are boys that  
2 have been determined to be of moderate risk to the  
3 community. It's an outsource for the management of  
4 that residential facility, and the Department  
5 expects to maximize its savings through the  
6 outsourcing process by economies of scale and the  
7 conclusion of the efficiencies as the providers are  
8 specialists in this field.

9 The anticipated cost is slightly over  
10 \$10 million per year, it's a three-year contract,  
11 \$30 million. The agencies that are affected mostly  
12 by this are, obviously, the Department of Juvenile  
13 Justice, the local law enforcement personnel in the  
14 community and the residents where the facilities  
15 will be located.

16 Brief review of the analyst's summary, that the  
17 Department of Juvenile Justice leads the United  
18 States in outsourcing these kinds of facilities.  
19 They have an internal goal to reduce recidivism by  
20 keeping two-thirds of their participants in this  
21 process crime-free one year after their release.

22 This is an ongoing outsource for an existing  
23 facility. It has been contracted out since 1995.  
24 It's statutorily mandated that this particular type  
25 of facility be outsourced by the Legislature in the

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

76

1 chapter cited here. Since it's mandatory, this is  
2 the only option that's really available to the

3 Department, although they did include in their  
4 business case submission another option, which would  
5 be to in-source this particular type of facility.

6 Due to the fact that it's an ongoing project as  
7 well as it's mandated by Legislature, they have not  
8 submitted a cost/benefit analysis.

9 Currently the Agency outsources 85 percent of  
10 their facilities. They are current contracted with  
11 over 2,500 different private providers and the  
12 Department does provide the service in house where  
13 they have the ability. They currently have eight  
14 moderate risk facilities, but they do not have  
15 sufficient staff or budget to execute that, so they  
16 have gone to the private sector for doing that.

17 They did mention an alternative in their  
18 business case. It was to in-source the facility.  
19 This would require a certain amount of employees.  
20 Based on current budgeting and staffing, they feel  
21 they would be unable to meet their statutory  
22 obligation of dealing with this population and there  
23 could be significant public safety and other risks  
24 associated with trying to in-source it.

25 Included in the business case, the Department

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

77

1 has developed a pretty rigorous contract management  
2 and reporting process that has pretty significant  
3 performance metrics that they gauge and hold the  
4 providers to.

5 I would like to draw your attention to some

6 specific strengths and areas of concern within the  
7 business case, particularly this is legislated, has  
8 a legislative mandate, so there's few options as to  
9 how we can actually execute it. It has been a  
10 running project since 1994, and there is some data  
11 validated to support this type of outsourcing as a  
12 reliable source.

13 It is fit to support the core function of the  
14 Juvenile Justice Department, which is juvenile  
15 detention.

16 They hope to be able to use the private sector  
17 and their efficiencies and economies of scale to  
18 develop new technologies and processes that will,  
19 again, improve the delivery of this service.

20 As I mentioned, they do have rigorous contract  
21 management and reporting process in place so they  
22 will be able to track the performance of the  
23 providers.

24 As this is an ongoing outsource, there is no  
25 full-time employed state staff affected at this time

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

78

1 and it would have minimal impact to the Department  
2 to execute this project.

3 There is a pretty strong market of providers  
4 currently, 25 vendors, for this type of moderate  
5 risk facility. We do expect sufficient competition  
6 in the bid process, and the Department expects to  
7 receive between two and 14 responses to the  
8 solicitation.

9 Areas of concern. As I mentioned, since it is  
10 mandated by the Legislature, a full cost/benefit  
11 analysis hasn't been done in recent history, it's  
12 not been submitted here, so we have issues to really  
13 judge the value of it on a budgetary aspect.

14 There are some critical factors and risk  
15 factors that we think need to be called up since it  
16 has been outsourced for so long and there could be  
17 some changes that need to be defined, so we need to  
18 have those called out and mitigation plans  
19 addressed.

20 We would like to see a little bit more on a  
21 contingency plan should the provider not be able to  
22 execute on the contract, and what will happen to the  
23 individuals in the residence program, whether it  
24 would be in-house or moved to another provider. So  
25 we would like to see a little bit more of the plans

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

79

1 there.

2 Overall, moving on to the recommendation to the  
3 Council, we do feel this is a solid business case.  
4 There's a high probability for the execution of this  
5 case to meet the plan objectives and the office  
6 would recommend that we move forward with some  
7 requests for additional information along the lines  
8 of a cost/benefit analysis with additional  
9 benchmarking and some of the risk mitigation plans.

10 So at this point we would turn it back over to  
11 the Council for discussion. And if you would stay

12 in character, if you have any questions for the  
13 analysts here or myself, please go ahead.

14 COUNCIL MEMBER YANDELL: You say it's pre-  
15 funded. Does that mean that the Legislature has  
16 enacted and has provided \$30 million over three  
17 years for this project?

18 MR. GARRIGO: The Legislature has actually  
19 mandated that all this type of residential facility  
20 be outsourced and they have made the funding  
21 available for 85 percent of the facilities that the  
22 DJJ currently plans to be outsourced. We have  
23 actually seen multiple requests similar to this and  
24 they offer the same funding provisos.

25 COUNCIL MEMBER YANDELL: But my question is, is

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

80

1 this project funded?

2 MR. GARRIGO: This specific project is not yet  
3 funded, but there is money set aside in the  
4 legislative budget to fund this type of project.  
5 This has not gone out for solicitation yet; this is  
6 an initial business case.

7 COUNCIL MEMBER YANDELL: So if it is approved  
8 it would go forward?

9 MR. GARRIGO: It would go forward, there would  
10 be budget set aside already for that.

11 The actual expense I believe is where you're  
12 going, the actual funding amount for this project  
13 is, is to be determined through the solicitation  
14 process.

15 COUNCIL MEMBER YANDELL: I'll ask my question  
16 again: is there money in the budget to fund this  
17 project for \$30 million over three years?

18 MR. GARRIGO: There would be.

19 COUNCIL MEMBER EVANS: A couple of questions.

20 MR. GARRIGO: Yes.

21 COUNCIL MEMBER EVANS: One is, with the volume  
22 of projects that are coming through this office that  
23 are renewals or rebids of projects that have been  
24 outsourced previously, as this one is, is there any  
25 justification for providing some kind of a baseline

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

81

1 cost/benefit analysis on the current costs from  
2 which future bids can then be evaluated?

3 It seems to me we don't have anything to  
4 protect the state and the taxpayer that really  
5 understands the core process we're currently dealing  
6 with to evaluate bids that are coming in outside of  
7 just their prices they're coming in at.

8 MR. GARRIGO: So as far as the pricing of the  
9 project?

10 COUNCIL MEMBER EVANS: Yes.

11 MR. GARRIGO: Cost/price analysis? Yes.

12 COUNCIL MEMBER EVANS: It should also be on new  
13 outsourcing projects and it's one of the weaknesses  
14 we've had in the past, we've not done a good  
15 assessment of current costs across the board.

16 MR. GARRIGO: Absolutely. I think that has  
17 become abundantly clear, that a lot of the

18 cost/benefit and cost/price analysis has never been  
19 done in the past on a lot of these recurring  
20 projects, and they need to be kind of brought into  
21 line.

22 COUNCIL MEMBER EVANS: One other point. Under  
23 the strengths you were pointing out in the document  
24 comprehensive management processes. Is that more of  
25 a legal compliance issue, and if so, do we want to

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

82

1 add anything in there that really speaks to the  
2 efficiency and effectiveness on process improvement?

3 MR. GARRIGO: So there is an attachment to the  
4 actual business case submission, Exhibit 1, their  
5 scope, and it goes into excruciating detail on  
6 compliance and what needs to be available in these  
7 facilities. Again, your question specifically?

8 COUNCIL MEMBER EVANS: That's pretty much the  
9 way I read that, it's more of a compliance issue.

10 MR. GARRIGO: Yes.

11 COUNCIL MEMBER EVANS: Would it make sense to  
12 have something in here that would give us some type  
13 of assessment of efficiencies and effectiveness, and  
14 the whole reason we're doing this is to save money  
15 and improve services, so on and so forth.

16 Is there some kind of measurement or metric  
17 that we can bring into this evaluation process that  
18 we can articulate that to give us some assurance  
19 that this business case is headed towards  
20 achievement?

21 MR. GARRIGO: So that's something that we  
22 definitely, per what our process is, we would add to  
23 the recommendation, to ask them to go back and do a  
24 little bit more on benchmarking and looking at the  
25 efficiencies and then measuring against them to make

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

83

1 sure we're hitting some targets.

2 COUNCIL MEMBER AGRAWAL: Since there are 25  
3 others, 25 other vendors that have outsourced and we  
4 have other projects like this in Florida already and  
5 there is not a cost of in-sourcing this thing,  
6 because it's not a possibility, would a national  
7 benchmark make some sense to look at to make sure  
8 we're going down the right path?

9 MR. GARRIGO: Yes, absolutely. We would  
10 definitely ask that they include some sort of  
11 benchmarking of efficiency, and if they don't have  
12 it internally, that they reach out to find some  
13 national.

14 The state of Florida currently per this  
15 business case is one of the national leaders in this  
16 type of activity, so they may have to develop it  
17 internally, but it's a good point to ask for in the  
18 recommendation letter.

19 THE CHAIR: Hopefully at this point the  
20 conversations we're having about this, I want to  
21 shine a light specifically on the cost/benefit  
22 analysis and the cost/price analysis. We don't do  
23 cost/price analysis. And in my previous world I

24 will tell you that the cost/price analysis allowed  
25 the negotiators to understand that the price that

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

84

1 would be charged was reasonable and necessary.  
2 without the detail of that to consider, we didn't  
3 know if we were getting our money's worth.

4 In this state procurement environment I have  
5 been told that cost/price analysis won't happen  
6 because there is a concern of proprietary  
7 information by the companies.

8 I will tell you that it disturbs me greatly to  
9 get an invoice for \$44 million that says, "Remit  
10 upon receipt," and not understand what I am getting  
11 for that, and then if a contract is going awry that  
12 I don't know where the pricing actually has  
13 improved.

14 So what are your thought on cost/price  
15 analysis?

16 COUNCIL MEMBER YANDELL: How do you ask --  
17 under what -- I agree with you and we've shared some  
18 previous experience having looked at things like  
19 that.

20 THE CHAIR: I can tell you, Tim Yandell if he  
21 were my Board member would never approve a contract  
22 that didn't have a robust cost/price analysis to  
23 justify every dime.

24 COUNCIL MEMBER YANDELL: But I think the  
25 challenge in something like this where you have

1 privatized it previously and there is no in-state  
2 standard particularly to compare it to, you have a  
3 challenge, and if you're going to ask for it, you  
4 kind of have to ask for it in a way that it's  
5 something that you have a clue about what you're  
6 asking for. And coming back and saying, well,  
7 justify your prices, well, I think my prices are  
8 good, I justify them.

9 I mean, it's difficult to do that and I think  
10 you have to come back with criteria that says you  
11 need to give us some justification for why -- and  
12 hopefully this was done when this was began, that's  
13 why you privative things in the beginning, to take  
14 them outsourced, and if it's not, then you're back  
15 to where this came from. If it was not done in the  
16 beginning then there was no analysis for that done,  
17 and that you have to ask for and you have to specify  
18 some comparative process to let that happen.

19 You know, what does a prison guard cost, if  
20 you're going to outsource a prison, what is a prison  
21 guard costing the state today, you've got a valid  
22 criteria to compare it to and you have to kind of  
23 start with some basis. I don't know if we're the  
24 people that needs to do that or it needs to be in  
25 the process.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

1 THE CHAIR: That's the Agency's responsibility.  
Page 77

2 My question is, as the Council evaluates whether it  
3 makes sense or not, clearly the cost/price analysis  
4 is probably in the negotiation process, we will not  
5 be involved in it, but I think if we're going to do  
6 best practices, I think there has to be, again,  
7 Tim's point, what's the basis for this and is that  
8 contained in your case study. That's the point I'm  
9 trying to make.

10 I'm asking for your thinking along that way,  
11 because if I push that issue, am I barking up the  
12 wrong tree or not?

13 COUNCIL MEMBER AGRAWAL: No, I think it's  
14 exactly what we're doing, and I think there is a  
15 lesson learned there during the procurement process.  
16 They break up the area of where there is involved  
17 commercial market and if there is involved  
18 commercial market that pushed the commercial  
19 property, the cost in every industry, but if it's  
20 not involved commercial market, then the cost/price  
21 analysis data, in which case it's how we do  
22 business, but to the extent that there's a  
23 commercial market, you'll do it.

24 So in this case the benchmarking would be the  
25 key, and do a cross comparison to come up with the

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

87

1 best. Then you go to the cost/price analysis. I  
2 think it's important to push it as much as we can on  
3 the commercial side.

4 THE CHAIR: I tell you if you ask for general  
Page 78

5 categories and somebody submitted one item for 38  
6 percent, that would not be reasonable.

7 COUNCIL MEMBER AGRAWAL: No. No.

8 THE CHAIR: By any standards, by any industry  
9 standards. At this point I wonder if the questions  
10 are asked in evaluating the prices, negotiating  
11 prices. I don't see that happening. That's my  
12 observation.

13 But I know that it's not standard practice for  
14 the Department to do a cost/price analysis. I was  
15 surprised by that and I can tell you when I apply,  
16 we bid a very large contract and eventually got  
17 pushed back from the vendor, that he would not  
18 provide us that information, and then finally he  
19 agreed to provide us that information and we  
20 extracted a savings for the state.

21 I personally don't know how you negotiate  
22 without that level of detail.

23 COUNCIL MEMBER EVANS: Linda, I think it's a  
24 good recommendation and I think we ought to keep  
25 that on the agenda.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

88

1 THE CHAIR: I have asked the staff to start  
2 helping me with this particular concept. It's more  
3 complex than I originally thought. I think there is  
4 work to be done on that and I'm dropping it on you  
5 all to see if we're going to try to apply that.

6 Isn't the federal, the Truth in Negotiation  
7 Act, is that contained in there? well, we'll go

8 down that path and see where it takes us.

9 COUNCIL MEMBER YANDELL: Henry, I have one  
10 other question. I'm assuming, and I'm looking at  
11 the clock as well, so I want to ask this quickly.

12 The recommendation to Council on page 3 of 3,  
13 I'm assuming the recommendation to the Council would  
14 take into effect all of the supporting documentation  
15 that sits behind that, that's the drill-down for why  
16 you said let's go and --

17 MR. GARRIGO: Yes.

18 COUNCIL MEMBER YANDELL: That takes me to my  
19 question. What metric is a go/no go for a  
20 recommendation on the back side of this?

21 THE CHAIR: That's very good question.

22 MR. GARRIGO: So what we tried to develop was  
23 not only a development submission process, but a  
24 standard process for reviewing business cases, and  
25 try to develop some sort of empirical tool that's

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□

89

1 objective that will evaluate the information that's  
2 provided.

3 If you look at the business case review  
4 recommendation form, we have a little bit of time.  
5 what we have done, this is a series of three  
6 sections that we'll apply to every business case  
7 that comes through. Section 1 applies to Tier 1,  
8 section 2 would apply to Tier 2 business cases, and  
9 section 3 will apply to all of them. It's a series  
10 of 158 questions of increasing depth.

11           The first section deals strictly with the  
12           statutory requirements, so the small business cases,  
13           do they meet the statute submission process, then we  
14           get deeper into the actual content, and then section  
15           3 actually goes into some value discussions of is  
16           the information good and correct.

17           It's a simple scoring system. You get a plus  
18           one, essentially, if you meet or exceed that  
19           expectation, that outcome. If it's not applicable  
20           it's a zero score, and if you do not meet the  
21           expectation or the need of that particular section,  
22           you get a negative.

23           So we look for ultimately is a positive score,  
24           development score is something that's positive,  
25           would generally be considering it's meeting more of

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

90

1           the requirements and is a better business case than  
2           the others, and the stronger the positive score  
3           going upwards to a full 158 would be relative value.  
4           It's not meant to be an apples-to-apples comparison,  
5           because there is a lot of times where a lot of  
6           points will be dropped out because they're not  
7           applicable.

8           But a negative score would be something that we  
9           would have to review to make sure of some of the  
10           content and would not probably get a positive  
11           recommendation. Something that had a positive  
12           score, a higher positive score, would come with a  
13           firmer recommendation.

14 COUNCIL MEMBER YANDELL: Just a quick look at  
15 this as I was looking through this, it would seem to  
16 me, without understanding what you said, that there  
17 would be no way we would recommend to go forward  
18 with a project that achieved 21 out of 93 points.

19 MR. GARRIGO: Right.

20 COUNCIL MEMBER YANDELL: In level 2, and I  
21 think you're saying that's not exactly the right way  
22 to look at that. It would be anything less than  
23 zero would be a bad thing, and I think if that's the  
24 case I would like to see this done a little bit  
25 differently in terms of the way this comes out,

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

91

1 because this doesn't look good. This doesn't look  
2 like something we should approve if they only  
3 achieved 21 possible points out of 93. What you're  
4 saying is, it's 21 to the good out of a continuum of  
5 93 plus to 93 minus. Does that make sense?

6 COUNCIL MEMBER EVANS: Actually it's 33 points  
7 off 158.

8 MR. GARRIGO: That's why we don't put a score  
9 per se.

10 COUNCIL MEMBER YANDELL: But people will  
11 perceive it that way, and that's a document that's  
12 in our hands. I believe that's the perception that  
13 people will see that we approved a project that only  
14 achieved 32 percent of what we set is an objective.

15 THE CHAIR: And another question I have, are  
16 there any fatal flaws that without that, you're out

17 of here?

18 MR. GARRIGO: This is the first step in this  
19 process. What we're hoping to do is go back and  
20 actually weight some of these sections, because  
21 there are some sections that are much more  
22 important, some items that are much more important.

23 THE CHAIR: Well, I suggest you decide the ones  
24 that without it you stop the whole train.

25 COUNCIL MEMBER EVANS: I agree with what Tim is

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

92

1 saying.

2 COUNCIL MEMBER YANDELL: I understand what you  
3 said also about weighting it. My concern here is if  
4 you get too complex with this and it becomes too  
5 complex a review process, first off you won't get  
6 through it in 30 days. If we actually get busy and  
7 have to do this, our ability as people to look at  
8 this data is going to be very, very challenged in  
9 terms of doing this.

10 This is a complex process. You're doing a  
11 great job, I'm not trying to poke holes in that.  
12 I'm just saying it needs to be something that passes  
13 the sniff test here real quick to look at it so that  
14 we can dig through Linda's points, which are, okay,  
15 but what are the show-stoppers, and if they're show-  
16 stoppers, we need to get to them, but I would have  
17 looked at this and said, why would you do that, why  
18 would you say this would be going forward? I think  
19 anybody that looks at the documentation would see

20 that.

21 COUNCIL MEMBER AGRAWAL: No, I agree. I think  
22 on the scoring piece we maybe take them out so that  
23 they're not part of a total possible score, and I  
24 think you would be right, the weighting, you're  
25 saying show-stoppers.

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

93

1 THE CHAIR: What I'm hearing is that the  
2 scoring document is moving in the right direction,  
3 but the manner in which you presented it to us is  
4 not intuitively strong enough for us to make a  
5 decision on.

6 So my instructions would be to go back and  
7 identify the elements that are absolutely show-  
8 stoppers that without which you can be perfect in  
9 every way, but you're out of here.

10 And then the other thing is a weighting  
11 methodology that more accurately reflects the  
12 strength of it, and I'm thinking about on a scale of  
13 one to 100, everything that's 90 and above is an A,  
14 89 is a B, that kind of thing, because this  
15 intuitively does not sit well.

16 MR. GARRIGO: Right. That's exactly what we  
17 tried to stay away from is to have that 35 out of  
18 100 is only 20 percent. That's a bad score, why  
19 would we go forward, and more of based on the whole  
20 criteria they're in the positive.

21 So, it would be a spectrum of course, a good  
22 one to a great one or a slightly bad one to a

23           horrific one. There should be some specifics that  
24           if they don't have it it's just a no-go.

25           COUNCIL MEMBER YANDELL: I think the process is

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

94

1           fine. I think the challenge is that the  
2           representation of your findings is not intuitive, I  
3           think that's the best way to put it, and it needs to  
4           be for simple people like me to look at.

5           MR. GARRIGO: Exactly, and that was our goal.

6           THE CHAIR: Public opinion, it needs to be more  
7           universal and understandable.

8           MR. GARRIGO: Our goal is to make it a  
9           comparable objective. I don't know if we'll ever  
10          get a perfect one.

11          THE CHAIR: Do we have anything that's in the  
12          pipeline that we have to use this tool in the next  
13          60 days?

14          MR. GARRIGO: We don't have any in house, but  
15          we have reached out to all the agencies and we have  
16          identified a couple of larger projects that may be  
17          coming to fruition.

18          THE CHAIR: My thought is to ask the staff to  
19          work on this tool. The instruction to staff is come  
20          back to us with another document.

21          MR. GARRIGO: Absolutely.

22          THE CHAIR: That needs to be the business.

23          MR. GARRIGO: Yes, excellent, and in the  
24          process if something occurs to you later and you  
25          have a chance to review documents, if you would just

1 send us the information to my attention, I would be  
2 happy to address it.

3 THE CHAIR: I want to thank the Council members  
4 for our robust conversations. Thank you all.

5 (Whereupon, the proceedings were concluded at  
6 12:00 noon.)

7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

1 C E R T I F I C A T E

2 STATE OF FLORIDA )

3 COUNTY OF LEON )

4 I, CLARA C. ROTRUCK, Court Reporter at  
5 Tallahassee, Florida, do hereby certify as follows:

6 THAT I correctly reported in shorthand the  
7 foregoing proceedings at the time and place stated in the  
8 caption hereof;

9 THAT I later reduced the shorthand notes to  
10 typewriting, or under my supervision, and that the  
11 foregoing pages 2 through 95 represent a true, correct,  
12 and complete transcript of said proceedings;

13 And I further certify that I am not of kin or  
14 counsel to the parties in the case; am not in the regular  
15 employ of counsel for any of said parties; nor am I in  
16 anywise interested in the result of said case.

17 Dated this 17th day of September, 2007.

18

19

20

21

22

23

24

25

\_\_\_\_\_  
CLARA C. ROTRUCK  
Court Reporter and Notary Public  
State of Florida at Large

FOR THE RECORD REPORTING TALLAHASSEE FLORIDA 850.222.5491

□