

INTERNAL AUDIT

Responsible Vendor Review
Scoring Advisory
Engagement

September 5, 2019





Advisory Memorandum

Background

As part of the vendor selection component of the Citizens' Vendor Management Strategy, approved by the Executive Leadership Team (ELT), the Vendor Management Office (VMO) is responsible for managing and administering the Responsible Vendor Review (RVR). In accordance with Section 287.057, F.S., contracts developed pursuant to a procurement using a competitive solicitation will be awarded to vendors who are both responsible and responsive. As defined by Section 287.012(25), F.S., a "responsible vendor" means a vendor that has the capability in all respects to fully perform the contract requirements and the integrity and reliability that will assure good faith performance.

The RVR procedure establishes the procedure and standards to assist VMO staff in determining whether, in accordance with Sections 287.012(25) and 287.057, F.S. a vendor is eligible to be awarded a contract resulting from Citizens' procurement process. An RVR will, at minimum, consist of a review of the following characteristics of a vendor:

- Financial soundness
- Integrity
- Capability
- Reliability and past performance

Upon the initial determination by the VMO as to whether a vendor is considered responsible, the VMO notifies Purchasing and then coordinates with Purchasing and Legal Services for the final determination, if a legal determination is needed. If a vendor is ultimately determined to be not responsible, the vendor is disqualified from the solicitation process.

Prior to the start of this advisory, the RVR procedure did not contain quantitative ratings and/or weighting to score vendor responsibility, thus an assessment of "fail" was based on a qualitative preponderance consensus determination made by the VMO, Purchasing, and Legal Services. Given this, there is an opportunity for the VMO, in support of its vision, to develop a quantitative scoring element to its RVR process to allow for more uniform consistency and objectivity.

Objectives and Scope

The objective of this advisory was to provide consultative advice to assist the Vendor Management Office in developing a scoring schema to more objectively determine the qualification or disqualification of vendors during RVR, based on the categories of financial soundness, integrity, capability, and reliability and past performance. In collaboration with VMO Management, Internal Audit (IA) aimed to assist in providing advice to enhance the RVR procedure form to provide objective scoring criteria that encourages defensible decision making, and effectively ties in responsible vendor categories in alignment with applicable Florida Statutes.



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Results

IA collaborated with VMO Management to take steps to develop an objective, consistent, and defensible RVR scoring scheme. Through a series of workshops, results of those efforts included the following recommendations:

- Criteria on the RVR form should be clearly and explicitly documented, thus less open to interpretation which will allow for a more easily repeatable and consistent process
- Determine a consistent scoring range to apply to scored criteria in the RVR form (i.e. 1-3 scoring range)
- Provide explicit, unique scoring descriptions/definitions to effectively guide an RVR evaluator on how to score each line item in the RVR form to promote consistency and objectivity in scoring application across all evaluators
- To ensure alignment with the Florida Statutes, document how each scored line item of the RVR form is tied to its' respective RVR category (financial soundness, integrity, capability, and reliability and past performance)
- Identify what criteria in the RVR form are potential automatic disqualifiers, which can be factored into scoring weighting later
- Challenge norms and encourage elimination of any excessive steps/redundancies within the RVR form, as well as restructuring the form itself into a more logical manner for easier overall workflow, which will likely result in future time savings to the RVR evaluator
- Enhance consistency and mitigate user input error in the excel-based RVR form by creating dropdowns and data validations
- Leverage the expertise of Corporate Analytics to support the project by providing scoring model leading practices, perform data modeling, and provide statistical insight into creating a defensible weighted scoring model

VMO Management is currently focused on additional tasks to accomplish their project objectives:

- Calibrate scoring weighting criteria based on feedback from initial simulated rescoring workshop
- Perform additional simulated rescoring workshops using newly updated RVR forms
- Provide Corporate Analytics with rescoring results for data modeling validation and further calibration if necessary
- Finalize RVR scoring model

Internal Audit would like to thank VMO Management and staff, for their cooperation and professional courtesies throughout the project, and thank them for utilizing IA advisory services.



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