

**NOTICE OF INTENDED DECISION
TO ENTER INTO A SINGLE SOURCE CONTRACT
(PUR 7778)**

This notice of intended decision to enter into a single source contract is posted in accordance with section 287.057(3)(c), Florida Statutes.

AGENCY: Florida Department of Revenue

TITLE Florida State Disbursement Unit

Short description of the commodity or service desired: Banking Services

CONTACT

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Internal tracking number, if any: SS 15/16-13

Single Source number, if applicable:

Date posted: 2/3/16

Time Posted: 10:00 AM

Commodity or Service Required (commodity class and group, manufacturer, model, and description, as appropriate):

Provide full range of banking services for a state-managed operating account and transitional accounts that support the daily operations of the Florida State Disbursement Unit (SDU), the statewide child support payment processing center. The Department of Revenue entered into a new SDU contract with Systems & Methods, Inc. (SMI) effective 1/8/2016.

84120000 - Banking and investment

84121500 - Banking institutions

Requestor (division, bureau, office, individual, as appropriate):

Child Support Program

Performance and/or Design Requirements (intended use, function or application, compatibility etc. requirements; reference to policy, rule, statute or other act of the Legislature, etc., as appropriate):

Payments received by the SDU contractor, Systems & Methods, Inc. (SMI), will be deposited daily into one of four or more SDU bank accounts at Bank of America depending on the type of payment. The deposits and SDU bank accounts are owned by the Department of Revenue but procured and managed by the SDU contractor. At the end of each work day, daily deposits will be swept from the SDU bank accounts into a Department managed Operating Account. The Operating Account will be a separate bank account that is procured, managed and owed by the Department of Revenue. Cash will be transferred from the Operating Account daily to the SDU bank accounts for disbursement. Idle cash will reside in a Special Purpose Investment Account (SPIA) managed by the Treasury. The Department also requires a short-term Transition Account to disburse payments receipted before the start of the new SDU contract. The SDU currently processes average daily receipts totaling \$7.4 million. The average number of daily disbursements is \$7.3 million, the majority of which are made by electronic funds transfer. Ninety-eight

percent of payments received by the SDU are disbursed the next business day. The ability to transfer funds between accounts on the same business day is required. Maintaining this level of service is critical.

Intended source (vendor, contractor):

Bank of America
(The same banking partner selected by the SDU contractor)

Price:

\$2,000 monthly x 66 months = \$132,000

Justification for single source acquisition (what is necessary and unique about the product, service or source; steps taken to confirm unavailability of competition, as appropriate)

The SDU banking structure requires daily transfers between the SDU bank accounts, the Department's Operating Account and the Transition Account. To ensure a 24-hour turnaround time is maintained for most disbursements, the Department must use the same bank as the SDU contractor. Using the same bank provides the capability for immediate transfer of funds from the Operating Account to the Disbursement Accounts, which is needed to ensure cash is available for timely disbursements each day. Using a different bank would require ACH transfers between banks. This can take up to three days which would not allow the Department to meet the requirement to disburse payments within 24 hours of receipt.

Approved By (names & titles, as appropriate, e.g., requestor, requestor management, information systems, budget, purchasing, DMS approver)

Thomas Mato – Deputy Director, Child Support, DOR
Valerie Gardner – Resource Management Process Manager, Child Support, DOR
Nancy Luja – Payment Processing and Fund Distribution Process Manager, Child Support, DOR
Joe Martinez – Contract Manager, Child Support, DOR
John Kinneer – Purchasing Analyst, DOR

Failure to file a protest within the time prescribed in section 120.57(3), Florida Statutes, or failure to file a bond or other security within the time allowed for filing a bond, shall constitute a waiver of proceedings under Chapter 120, Florida Statutes.