

FLORIDA HOUSE OF REPRESENTATIVES

BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: [CS/HB 1197](#)

TITLE: Information Technology Procurement and Contracting

SPONSOR(S): Miller

Committee References

[Information Technology Budget & Policy](#)
12 Y, 0 N, As CS

SUMMARY

Effect of the Bill:

The bill enhances Florida's information technology (IT) procurement and project oversight framework by strengthening the Florida Digital Service's (FLDS) authority over IT project management and procurement, establishing new oversight structures, imposing additional requirements on state agencies, and enhancing contract standards and vendor performance monitoring. The bill creates the Bureau of Enterprise Project Management and Oversight (Bureau) within the FLDS; requires presolicitation certification for state agencies to procure IT projects exceeding \$10 million; transfers the management of state agency independent verification and validation contracts to FLDS once certain conditions are met; enhances vendor performance tracking; enhances contract standards to reduce vendor dependency and safeguard the state's investments in IT; and increases the threshold for IT competitive solicitations to contract values that exceed \$195,000.

Fiscal or Economic Impact:

The bill may have an indeterminate positive fiscal impact on state government expenditures by decreasing existing workload if fewer competitive solicitations are required to be conducted by state agencies due to increasing the threshold for IT competitive solicitations to contract values that exceed \$195,000. The bill may have an indeterminate negative fiscal impact on state government expenditures due to the additional workload requirements of the FLDS; however, any fiscal impact is expected to be absorbed within existing resources of the DMS. The bill may have a negative fiscal impact on the private sector due to additional compliance costs that may be incurred by some vendors. The bill may have a positive fiscal impact on the private sector due to revised procurement requirements that may increase competitive opportunities for vendors seeking state contracts. However, the overall fiscal impact to the private sector remains indeterminate.

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ANALYSIS

EFFECT OF THE BILL:

The bill establishes new requirements relating to the [procurement and contract management of information technology](#) (IT) commodities and services, including new contract requirements ensuring data portability, operational documentation, transition support, and cost transparency. Major IT system¹ procurements must use incremental contracting approaches, where practicable, to deliver workable systems in discrete phases rather than single large-scale implementations.

¹ The bill defines "major information technology system" to mean an information technology system with a total cost of ownership of \$10 million or more, which directly serves or impacts end users in the delivery of constituent-facing services or which supports mission-critical operations essential to a state agency's statutory duties or core business functions.

STORAGE NAME: h1197a.ITP

DATE: 2/5/2026

The bill increases the transparency of [vendor accountability](#) by requiring the Department of Management Services (DMS) to maintain a centralized repository of vendor performance records that agencies must consult when evaluating vendor responses to competitive solicitations. (Section [7](#))

Governance Structure

Florida Digital Service (FLDS)

The bill expands the following [duties and responsibilities of the FLDS](#):

- [Project Management Standards](#): The FLDS must update project management and oversight standards by July 1, 2027, and subsequently at least once every two years, and solicit input from all state agencies. Updated standards must include baselines and monitoring mechanisms, considerations for project complexity and scale, procedures for escalating critical issues, mechanisms for stakeholder engagement throughout project lifecycles, and other relevant requirements. (Section [3](#))
- [Reporting Requirements](#): The bill modifies reporting deadlines and adds new reporting obligations, including greater emphasis on vendor performance and systems approaching end-of-life. (Section [3](#))
- [Contract Management](#): The FLDS must procure, execute, and manage all independent verification and validation (IV&V) contracts for state agencies entered into or amended after July 1, 2026, to centralize IV&V procurement and ensure consistent standards across state agencies. (Section [3](#))
- [State Agency Legislative Budget Requests \(LBRs\)](#): The FLDS must annually review all state agency IT LBRs to identify compliance issues relating to the enterprise architecture, project planning, and cybersecurity. (Section [3](#))
- [Participation with the Division of State Purchasing](#): The bill clarifies the responsibilities of the FLDS when participating in competitive solicitations issued by the DMS, which includes: reviewing specifications for compliance with enterprise architecture and cybersecurity standards, evaluating vendor responses, answering vendor questions, and providing technical expertise. (Section [9](#))

Bureau of Enterprise Project Management and Oversight

The bill creates the Bureau of Enterprise Project Management and Oversight (Bureau) within the FLDS and requires the state chief information officer, in consultation with the Secretary of DMS, to designate a chief of the Bureau who has demonstrable experience in governance of large-scale public sector IT initiatives, contract negotiation and management, modular contracting, and performance management. (Section [4](#))

The Bureau must develop, and update every two years, IT-specific training to supplement existing procurement training to address unique IT project requirements and risk profiles, and improve technical understanding of IT roles and required skill sets. The Bureau must develop a standardized governance structure with defined roles, decision-making authority, and approval processes state agencies must use for an IT project. (Section [4](#))

State Agencies

The bill imposes several new requirements on state agencies related to project management, procurement, and contracting which includes providing all information necessary for FLDS project oversight. (Section [5](#))

Procurement and Contract Management

Presolicitation Planning

By January 1, 2027, the FLDS must establish standards, procedures, forms, and guidance that state agencies must follow before issuing competitive solicitations for IT projects over \$10 million. The FLDS must withhold certification for any such project that does not comply with the presolicitation framework. (Section [3](#))

The Bureau must develop a comprehensive framework for IT project planning, including business case development, market research, planning and scheduling, stakeholder engagement, risk assessment, procurement strategy, project governance, system design requirements, change management, monitoring and reporting, post-

implementation review, and solicitation documentation. Market research may not be conducted in a manner that grants an unfair competitive advantage. (Section [4](#))

Project Requirements

For IT projects with total costs of \$10 million or more, state agencies must:

- Provide written notice to the FLDS at least 90 days before the planned solicitation publication date.
- Receive FLDS certification of presolicitation planning framework compliance before issuing competitive solicitations.
- Provide all information necessary for the FLDS project oversight.
- Annually provide information in the format prescribed by the FLDS for major IT systems approaching end-of-life within the next five fiscal years. (Section [5](#))

Vendor Performance

By January 1, 2027, the Bureau must develop forms for agencies to evaluate and report IT vendor performance in the delivery of IT commodities and services. State agencies must use Bureau-developed forms to evaluate and report IT vendor performance. (Sections [4](#) and [5](#))

The DMS must maintain a centralized repository of vendor performance records developed by continuing oversight teams for IT services contracts. Agencies issuing competitive solicitations for IT services must consult the vendor performance repository and consider relevant records when evaluating responses. (Sections [7](#) and [9](#))

The FLDS must include in its quarterly project oversight report a list of all projects with a performance deficiency reported by continuing oversight teams that have not been corrected by a vendor by the end of the reporting period. (Section [3](#))

Operational Safeguards

The bill creates new requirements for IT commodities or services contracts involving software development, customization, implementation, integration, support, or maintenance:

- Data Portability: All data created, processed, or maintained must be portable and extractable in machine-readable format upon request.
- Operational Documentation: Vendors must provide comprehensive operational documentation sufficient for continued operation and maintenance by the agency or a new vendor.
- Transition Support: Vendors must provide reasonable assistance and support during transitions to agencies or new vendors.
- Cost Transparency: All anticipated software license fees, renewal fees, and operation and maintenance costs must be documented in detail. If exact figures are not feasible, vendors must provide reasonable cost ranges. (Section [8](#))

Modular Contracting

Contracts for the procurement of major IT systems must be divided into increments to allow for iterative development and reduce risks associated with large-scale system failures to the extent practicable that:

- Address complex objectives incrementally to enhance likelihood of success;
- Provide for the delivery, implementation, and testing of workable systems in discrete increments; and
- Allow subsequent increments to take advantage of technology evolution (Section [9](#))

Procurement Transparency

For IT commodities and services from the state term contract (STC), the bill limits the requirement of state agencies in current law relating to the number of vendors required to be issued a request for quote (RFQ) from a state term contract to purchases at or above \$35,000 and below \$195,000.² The bill requires any state agency procuring IT commodities or services at or above \$195,000 to publish the written request for vendor pricing and services information a minimum of 5 business days before executing a contract or PO, and the name of the selected vendor, on a searchable and publicly available system of record maintained by the DMS. Further, state agencies must maintain a copy of the request for vendor pricing and services information, the identity of the vendor to whom the request was sent, and any vendor responses to the RFQ for two years after the issuance date of the purchase order (PO). (Section [9](#))

Competitive Solicitation Threshold

The bill increases the threshold³ for IT competitive solicitations⁴ from contract values that exceed \$35,000 to contract values that exceed \$195,000. (Section [9](#))

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The bill may have an indeterminate positive fiscal impact on state government expenditures by decreasing existing workload if fewer competitive solicitations are required to be conducted by state agencies due to increasing the threshold for IT competitive solicitation to contract values that exceed \$195,000. The bill may have an indeterminate negative fiscal impact on state government expenditures due to the additional workload requirements of the FLDS; however, any fiscal impact is expected to be absorbed within existing resources of the DMS.

PRIVATE SECTOR:

The bill may have a negative fiscal impact on the private sector due to additional compliance costs that may be incurred by some vendors. The bill may have a positive fiscal impact on the private sector due to revised procurement requirements that may increase competitive opportunities for vendors seeking state contracts. However, the overall fiscal impact to the private sector remains indeterminate.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

STATE INFORMATION TECHNOLOGY MANAGEMENT

The Florida Digital Service (FLDS) was established within the Department of Management Services (DMS) in 2020 to replace the Division of State Technology.⁵ The head of the FLDS is appointed by the Secretary of DMS⁶ and serves as the state chief information officer (CIO).⁷ The FLDS is tasked with proposing innovative solutions that securely modernize state government, including technology and information services, to achieve value through digital transformation and interoperability, and to fully support Florida's cloud first policy.⁸

² See [s. 287.017, F.S.](#), for a list of purchasing categories and their corresponding threshold amounts.

³ *Id.*

⁴ Section [287.057\(1\), F.S.](#)

⁵ [Chapter 2020-161, L.O.F.](#)

⁶ The Secretary of DMS serves as the head of the DMS and is appointed by the Governor, subject to confirmation by the Senate. Section [20.22\(1\), F.S.](#)

⁷ Section [282.0051\(2\)\(a\), F.S.](#)

⁸ Section [282.0051\(1\), F.S.](#)

The FLDS has the following powers, duties, and functions:

- Develop an enterprise architecture⁹ that acknowledges the unique needs of the entities within the enterprise,¹⁰ supports the state's cloud-first policy,¹¹ and addresses how information technology (IT) infrastructure may be modernized.¹²
- Develop IT policy for the management of the state's IT resources.¹³
- Establish project management and oversight standards with which state agencies must comply when implementing IT projects.¹⁴
- Perform project oversight¹⁵ on all state agency¹⁶ IT projects that have a total project cost of at least \$10 million and on any cabinet agency¹⁷ IT project that has a total project cost of at least \$20 million.
- Identify opportunities for standardization and consolidation of IT services that support interoperability, Florida's cloud-first policy, and business functions and operations that are common across state agencies.¹⁸

The FLDS must report quarterly to the Executive Office of the Governor, the President of the Senate, and the Speaker of the House of Representatives on any IT project identified as high-risk due to the project exceeding acceptable variance ranges defined and documented in a project plan.¹⁹

The FLDS must establish best practices for the procurement of IT products and cloud-computing services²⁰ and establish an IT policy for all IT-related state contracts, including state term contracts for IT commodities, consultant services, and staff augmentation services.²¹ The policy must include identification of the IT product and service categories for inclusion in state term contracts, requirements to be included in solicitations for state term contracts, evaluation criteria for the award of IT-related state term contracts, the term of each IT-related state term contract, and the maximum number of vendors authorized on each such contract.²²

INFORMATION TECHNOLOGY PROJECT OVERSIGHT

⁹ "Enterprise architecture" means a comprehensive operational framework that contemplates the needs and assets of the enterprise to support interoperability. Section [282.0041\(16\), F.S.](#)

¹⁰ The "enterprise" includes state agencies and the Department of Legal Affairs, the Department of Financial Services, and the Department of Agriculture and Consumer Services. Section [282.0041\(15\), F.S.](#)

¹¹ Section [282.206, F.S.](#)

¹² Section [282.0051\(1\)\(b\), F.S.](#)

¹³ Section [282.0051\(1\)\(a\), F.S.](#)

¹⁴ Section [282.0051\(1\)\(c\), F.S.](#)

¹⁵ "Project oversight" means an independent review and analysis of an information technology project that provides information on the project's scope, completion timeframes, and budget and that identifies and quantifies issues or risks affecting the successful and timely completion of the project. Section [282.0041\(27\), F.S.](#)

¹⁶ The term "state agency" means any official, officer, commission, board, authority, council, committee, or department of the executive branch of state government; the Justice Administrative Commission; and the Public Service Commission. The term does not include university boards of trustees or state universities. Unless specifically provided, the term does not include the Department of Legal Affairs, the Department of Agriculture and Consumer Services, or the Department of Financial Services. Section [282.0041\(34\), F.S.](#)

¹⁷ The cabinet agencies are the Department of Financial Services, the Department of Legal Affairs, and the Department of Agriculture and Consumer Services.

¹⁸ Section [282.0051\(1\)\(e\), F.S.](#)

¹⁹ The report must include a risk assessment, including fiscal risks, associated with proceeding to the next state of the project, and a recommendation for corrective actions required, including suspension or termination of the project. Section [282.0051\(1\)\(d\), F.S.](#); and Section [282.0051\(1\)\(m\), F.S.](#)

²⁰ Section [282.0051\(1\)\(f\), F.S.](#)

²¹ Section [282.0051\(1\)\(p\), F.S.](#)

²² Current law also requires FLDS to evaluate vendor responses for IT-related state term contract solicitations and invitations to negotiate, answer vendor questions on such state term contract solicitations, and ensure that the IT policy is included in all solicitations and contracts that are executed by DMS. *Id.*

The FLDS is responsible for establishing project management standards and performing mandatory project oversight on certain executive state agency and Cabinet agencies based on the total project costs.²³ The standards must include objective performance measures, methodologies for calculating acceptable variances in scope, schedule, and cost, and reporting requirements that alert stakeholders when an IT project exceeds planned variances.²⁴ FLDS project oversight includes monitoring scope, budget, and schedule variances, and current law requires projects to employ Independent Verification and Validation (IV&V) services to mitigate risks of failure.²⁵

Statutory Framework for IT Project Management and Oversight

The FLDS is tasked with ensuring compliance with enterprise architecture standards and reporting quarterly on high-risk projects that exceed acceptable variance ranges, including fiscal risk assessments and recommendations for corrective actions such as suspension or termination. Specifically, the FLDS is required to provide formal oversight of all executive state agency IT projects with a total cost of \$10 million or more funded in the General Appropriations Act or other law, and Cabinet agency IT projects with a total project cost of \$20 million or more, with regular reporting to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The FLDS is required to provide training for state agencies on project management standards and require consultation on projects that interface with critical agency IT systems.

Independent Verification and Validation

For an information technology project where FLDS project oversight is required, IV&V services must be employed by a state executive agency or Cabinet agency to provide an objective assessment of products and processes throughout the project life cycle. An entity providing IV&V services may not have technical, managerial, or financial interest in the project and may not have responsibility for, or participate in, any other aspect of the project.²⁶

INFORMATION TECHNOLOGY PROCUREMENT AND CONTRACT MANAGEMENT

Florida's procurement of IT goods and services is governed under the state's general procurement statutes, particularly chapter 287 (State Contracting Requirements) and chapter 282 (Information Technology), with additional, specific provisions for IT-related contracts.

State Agency Competitive Solicitations

Current law requires state agencies that wish to procure commodities or contractual services in excess of \$35,000²⁷ to use a competitive solicitation process.²⁸ Depending on the type of contract and scope of work or goods sought, a state agency may use one of three procurement methods:

- Invitation to bid (ITB): A state agency must use an ITB when the state agency is capable of specifically defining the scope of work for which a contractual service is required or when the state agency is capable of establishing precise specifications defining the actual commodity or group of commodities required.²⁹
- Request for proposals (RFP): A state agency must use an RFP when the purposes and uses for which the commodity, group of commodities, or contractual service being sought can be specifically defined and the state agency is capable of identifying necessary deliverables.³⁰

²³ Section [282.0051\(1\)\(d\), F.S.](#); and section [282.0051\(1\)\(m\), F.S.](#)

²⁴ Section [282.0051\(1\)\(c\), F.S.](#)

²⁵ Section [282.0051\(1\)\(c\), F.S.](#); and section [282.0051\(1\)\(p\), F.S.](#)

²⁶ Section [282.0051\(1\)\(p\), F.S.](#)

²⁷ See [s. 287.017, F.S.](#), for a list of purchasing categories and their corresponding threshold amounts.

²⁸ Section [287.057\(1\), F.S.](#)

²⁹ Section [287.057\(1\)\(a\), F.S.](#)

³⁰ Section [287.057\(1\)\(b\), F.S.](#)

- Invitation to negotiate (ITN): An ITN is a solicitation used by a state agency that is intended to determine the best method for achieving a specific goal or solving a particular problem and identifies one or more responsive vendors with which the state agency may negotiate in order to receive the best value.³¹

State Term Contracts

A state term contract is a contract for commodities or contractual services that is competitively procured by the DMS and used by state agencies and eligible users.³² State agencies must purchase commodities or contractual services from a state term contract if one has been competitively procured by the DMS.³³ State agencies may use a request for quote (RFQ)³⁴ to obtain written pricing or services information from a state term contract vendor. The purpose of an RFQ is to determine whether a price, term, or condition is more favorable to the state agency or eligible user than that provided in the state term contract.³⁵

FLDS Participation with the Division of State Purchasing

FLDS must participate in any competitive solicitation issued by the DMS for a state term contract for IT commodities, consultant services, or IT staff augmentation contractual services.³⁶ The term of such contract may not exceed 48 months, unless the Secretary of the DMS and the state chief information officer certify to the Executive Office of the Governor that a longer contract term is in the best interest of the state.³⁷

Contract Oversight Team

For contracts of \$5 million or greater, state agency heads must establish a continuing oversight team after the contract is awarded. The team must include at least four people, one of whom must be a certified contract manager. When the contract value reaches \$10 million or greater, at least one team member must have at least five years of experience managing contracts of similar scope or size. For contracts of \$20 million or greater, the team expands to at least five members, and at least one member must be from a state agency other than the one participating in the contract. All team members must be state agency employees and must collectively possess experience and knowledge in contract management, administration, enforcement, and the relevant program areas and service requirements.³⁸

Current law establishes different meeting frequencies based on contract size. Teams overseeing contracts of \$5 million or greater must meet at least quarterly. For contracts of \$10 million or greater, teams must meet at least monthly, and a contractor representative must be available to the team for at least one meeting each calendar quarter to answer questions about contractor performance. Within 30 days of the team's formation, an initial meeting must be held with contractor representatives to establish mutual understanding of contract requirements, orient the contractor to the management process, and explain the roles of the oversight team, contract manager, and contract administrator.³⁹

During regular meetings, the team must discuss contract status, the pace and quality of deliverables, contractor responsiveness, and overall performance. The contract administrator must attend each meeting with the contract file and all applicable financial information. The team may submit written questions to the contractor about items

³¹ Section [287.057\(1\)\(c\), F.S.](#)

³² Section [287.042\(2\)\(a\), F.S.](#)

³³ Section [287.056\(1\), F.S.](#)

³⁴ A “request for quote” is an oral, electronic, or written request for written pricing or services information from a state term contract vendor for commodities or contractual services available on a state term contract from that vendor. Section [287.012\(24\), F.S.](#)

³⁵ Section [287.056\(2\), F.S.](#)

³⁶ Section [287.0591\(4\), F.S.](#)

³⁷ Sections [287.0591\(1\), F.S. – 287.0591\(3\), F.S.](#)

³⁸ Section [287.057\(26\)\(a\), F.S.](#)

³⁹ Section [287.057\(26\)\(b\), F.S.](#)

discussed during meetings, and the contractor must respond within 10 business days. Both questions and responses must be included in the contract file.⁴⁰

The statute requires the oversight team to provide written notifications to various officials under specific circumstances. The team must notify the state agency head and the DMS of any performance deficiencies that substantially affect the pace of deliverables or the likelihood of successful contract completion. For contracts of at least \$5 million, the team must notify the state agency head, the DMS, and the Office of Policy and Budget within the Executive Office of the Governor of any significant scope changes or cost increases of five percent or greater within the fiscal year. For contracts of \$10 million or greater, these same notifications must also be sent to the legislative appropriations committees.⁴¹

Vendor Disqualification

The DMS disqualifies from contract eligibility any vendor who has:

- Failed to fulfill any of its duties specified in a contract with the state. The vendor may be reinstated when the DMS is satisfied that further instances of default will not occur.⁴²
- Been placed on the convicted vendor list for violating any state or federal law with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including, but not limited to, any bid, proposal, reply, or contract for goods or services, any lease for real property, or any contract for the construction or repair of a public building or public work, involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.⁴³ The vendor may not transact business with any public entity in excess of \$35,000 for the following 36 months after being placed on the list.⁴⁴ However, the vendor may petition the Division of Administrative Hearings (DOAH) for a formal hearing to be removed from the list.⁴⁵
- Been placed on the discriminatory vendor list for a violation of any state or federal law prohibiting discrimination.⁴⁶ The vendor may petition the DOAH for a formal hearing to be removed from the list.⁴⁷

RECENT LEGISLATION:

YEAR	BILL #/SUBJECT	HOUSE/SENATE SPONSOR(S)	OTHER INFORMATION
2021	CS/CS/HB 1137 - Information Technology Procurement	Fabricio / Jones	Became law on June 29, 2021.

⁴⁰ Section [287.057\(26\)\(c\), F.S.](#)

⁴¹ Section [287.057\(26\)\(d\), F.S.](#)

⁴² Section [287.042\(1\)\(b\), F.S.](#)

⁴³ Section [287.133\(1\)\(g\), F.S.](#)

⁴⁴ Section [287.133\(2\)\(a\), F.S.](#)

⁴⁵ Section [287.133\(3\)\(f\), F.S.](#)

⁴⁶ Section [287.134\(1\)\(b\), F.S.](#)

⁴⁷ Section [287.134\(3\)\(e\), F.S.](#)

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
<u>Information Technology Budget & Policy Subcommittee</u>	12 Y, 0 N, As CS	2/4/2026	Davila	Loe
THE CHANGES ADOPTED BY THE COMMITTEE:	<ul style="list-style-type: none"> • Established project governance standards for greater oversight and to drive intended business outcomes. • Required FLDS to update project management and oversight standards by July 1, 2027, and subsequently at least once every two years. • Increased the threshold for IT competitive solicitations to \$195,000. • Prohibited market research from being conducted in a manner that provides unfair competitive advantages. • Clarified certain responsibilities and requirements. 			
<u>Budget Committee</u>				
<u>State Affairs Committee</u>				

THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.