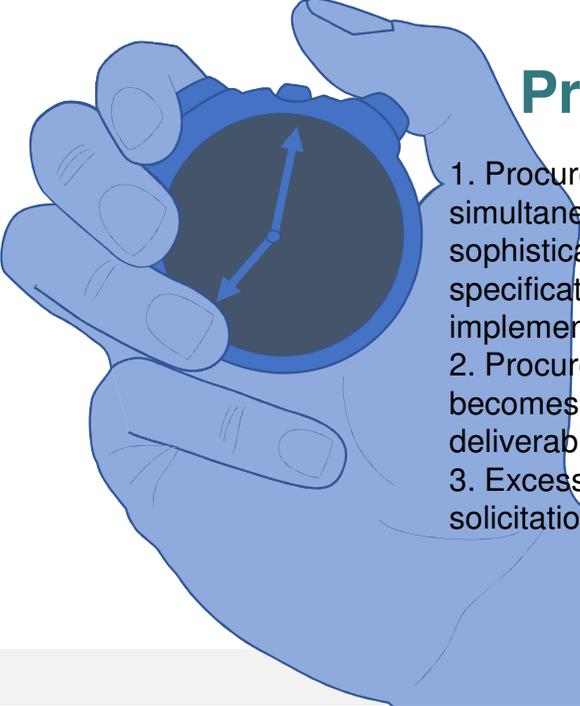




KEEP IT SIMPLE: Agile Procurement in the Public Sector

Christopher Hughes and Windy Aphayrath
Department of Administrative Services, Division of Purchasing

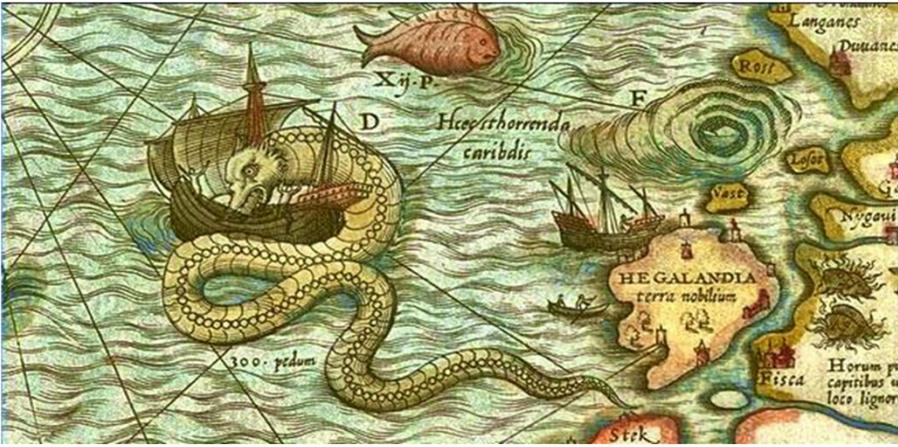
Old rules clash with the new way of doing business, making it difficult or even impossible for some vendors to submit bids.



Problem Statements

1. Procurements are often expected to simultaneously achieve both simplicity and sophistication in the face of extensive technical specifications, long-term development, and implementation.
2. Procurements are often delayed as the focus becomes the scope of work rather than the deliverable.
3. Excess time and resources spent in developing solicitation and evaluating responses.

Monsters of the Procurement Process



The map shows a sea serpent with a human-like face and a crown, labeled 'Hic est horrenda caribdis'. A ship is labeled 'Xij. P.'. Other labels include 'HE GALANDIA terra nobilium', 'Rosa', 'Langanes', 'Duanc', 'Vase', 'Nigau', 'Stek', and 'Horum p. capribus u loco liquor'. A scale of '300. pedum' is also visible.

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Same Procurements

Specifications
become more
detailed

Often times these contracts get mismanaged because scopes of work are often modified to follow what the vendors actually do or no contract management occurs.

Responses
become longer



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Complex Scopes of Work



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SUCCESS Project

1. Implement a new, flexible, streamlined procurement process that reduces the administrative costs in developing a solicitation.
2. Utilize a user friendly full kit to reduce administrative time and costs.
3. Rely on the vendors' expertise in finding solutions with vendor created scopes of work.



Project Goals



Average Procurement Timeline

1	Business Case Development	3-12 weeks	Pre-Procurement Development with the Agency (Pre-State Purchasing)
2	Project Approval	1-2 weeks	
3	Budget approval	1 week	
4	Drafting specification and project developments	2-4 weeks	
5	Legal review i.e. – terms and conditions	1 week	Procurement with State Purchasing
6	Assign to procurement office	.5 week	
7	Finalize procurement documents	1 week	
8	Advertising the solicitation	1-3 weeks	Procurement is with Agency, Contractor, and State Purchasing
9	Evaluation of submissions	1-3 weeks	
10	Contract Negotiations with Awarded Vendor i.e. – collection of signatures	1-4 weeks	
		Total Time - 13.5 weeks to 33.5 weeks	



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Average State Procurement Costs

Standard RFP		Average Hourly Rate	Planning Development	Q&A	Open Solicitation & Evaluation	Contract Negotiation and Award	Total \$
Agency Staff	Administrator	\$49.85	1.5			.5	(2) - \$99.7
	Professional Staff (2)	\$51.04	32	6	1	3	(42) - \$2,143.68
	Evaluation Committee (4)	\$102.80			(40)		(40) - \$4112
Purchasing Division Staff	Procurement Professional	\$32.05	10	1	7	2	(20) - \$650
Attorney General Staff		\$43.50	1			2	(3) - \$130.5
Grand Total							\$7135.88



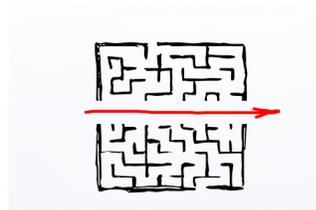
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Average Vendor Procurement Costs

Standard RFP		Average Hourly Rate	Planning Response	Q&A Period	Draft Response & Finalize	Contract Negotiation and Award	Total \$
Staff	Administrator	\$20	1	1	5	2	(9) - \$180
	Professional Staff (2)	\$75	5	2	12	4	(46) - \$3,450
Accounting Review		\$100	1	1	3		(5) - \$500
Attorney Review		\$300	1	1	3	5	(10) - \$3000
Grand Total							\$7,130

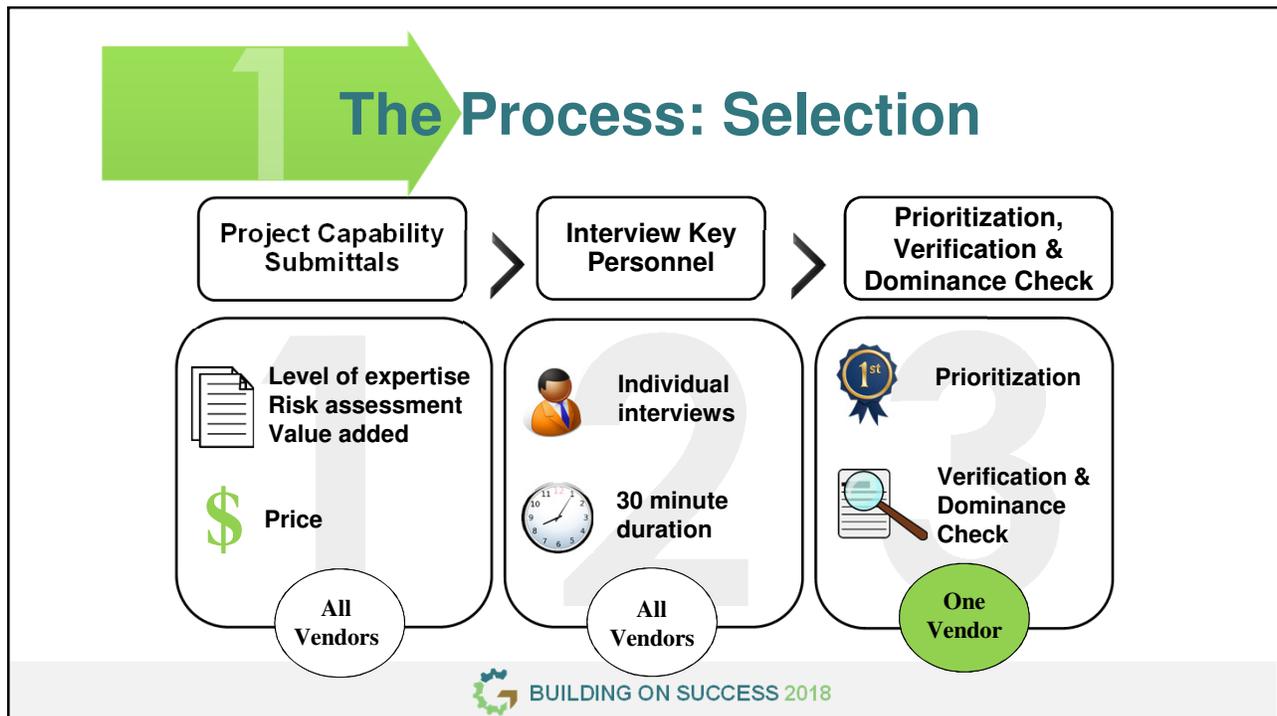
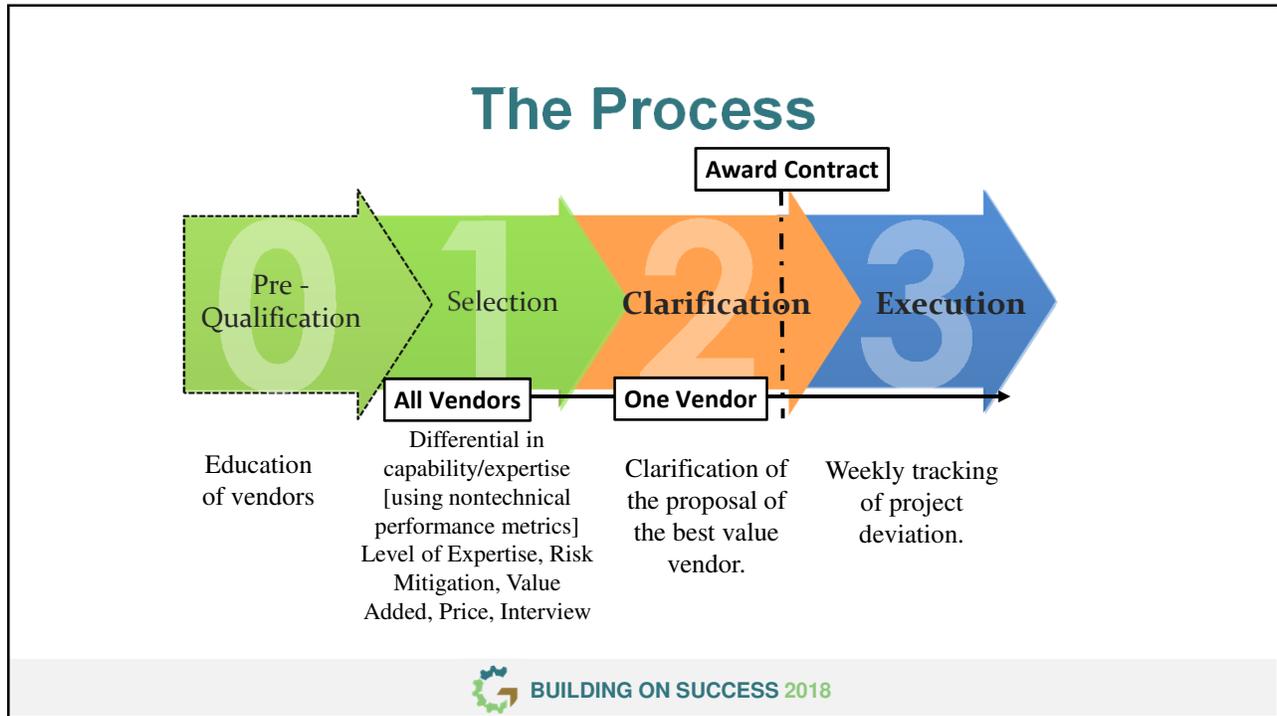


Expertise Based RFP Process

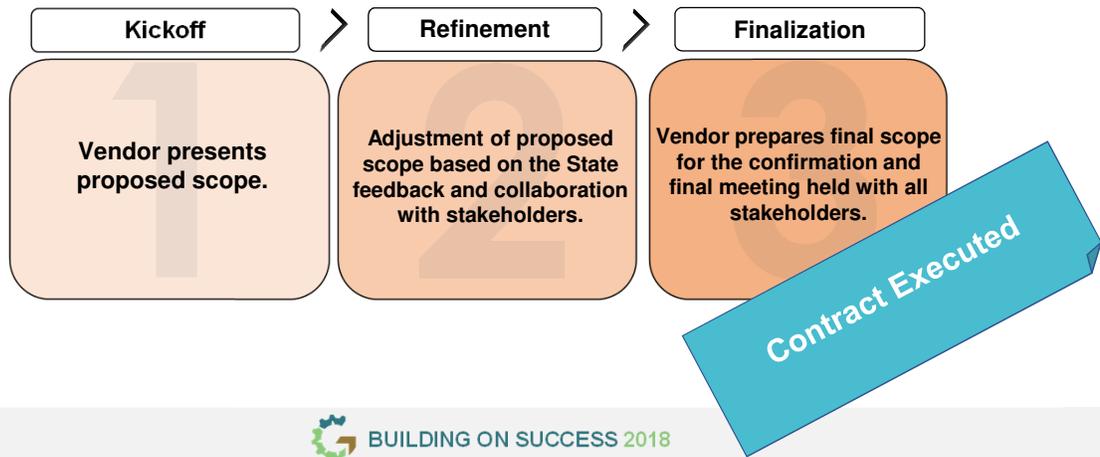


Removing the “how” from procurements





2 The Process: Clarification



3 The Process: Execution

- Creates transparency
- Measures deviations
- Manages accountability

Milestone Schedule					
#	Activity	% Complete	Initial Schedule	Actual Schedule	Risk Sr.#
25	Demonstrate final Look & Feel for the Vendor Usage Fee Mgmt Workflow via UI Images	100%	8/15/17	8/15/17	2
26	Finalize Database Design	100%	8/21/17	7/14/17	
27	Provide feedback on the Vendor Usage Fee Mgmt Workflow Look and Feel	100%	8/28/17	8/7/17	2
28	Demonstrate Add/Edit/Delete of new contract workflow	100%	9/22/17	9/15/17	
29	Provide feedback on Add/Edit/Delete contract demo	100%	9/29/17	9/22/17	
30	Get feedback and finalize add new contract workflow	100%	10/10/17	9/22/17	
31	Demonstrate Static URL for each contract & Unique Vendor Pages	100%	10/10/17	9/22/17	
32	Provide feedback on Static URL Feature	100%	10/17/17	9/22/17	
33	Demonstrate basic Search Engine Functionality	100%	11/14/17	10/11/17	
34	Provide feedback on Basic Search Engine Functionality	100%	11/21/17	10/19/17	
35	Demonstrate Suggestive Search Functionality	100%	11/28/17	10/11/17	
36	Expand and collapse text sections on the contract details page	100%	11/28/17	10/22/17	4
37	Contracts should be grouped by portfolio and managed via Admin panel	100%	11/28/17	10/22/17	4

Weekly Vendor Reporting

Week #	Date	Notes
41	2/19/2018	1) We completed testing of FINET and are moving into production 2) Working with DTS in getting the production servers ready 3) CC integration and testing continues.
42	2/26/2018	1) We are in the final stages of moving FINET into production. It will be complete this week. 2) We are hopeful that the CC integration will also be complete this week. 3) In partnership with DTS, the production server is now available and ready for deployment. We will hand over the production environment to Purchasing Dept. this week. 4) We are now discussing how to take the whole platform live on March 19th. 5) Over 800 contracts have now been added into the system and the Purchasing Dept. is auditing the data.
43	3/5/2018	1) FINET IP access was provided to Datagain on Friday, we are doing production testing with Finance team. We should be done by this Wednesday. 2) we are aiming to complete CC integration by this weekend. 3) All 927 contracts will be added into the system by Tuesday, 3/6 4) Bug fixing and support is on to help audit all the contracts and get ready for 3/19 go live 5) Working with DTS on dry run and soft launch this week and next week.
44	3/12/2018	1) FINET integration is now complete and live. Code deployment is pending. 2) Credit Card integration will be completed this week 3) All contracts are audited and were made live. 4) Final phase of testing is currently in progress 5) Working with DTS this week to go Soft-Live on the contract search engine.



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Weekly Vendor Reporting

Budget		Schedule	
Initial Allocated Budget	\$272,000.00	Initial Start Date	5/4/17
Current Estimated Budget	\$383,964.00	Initial Completion Date	3/26/18
\$ Over Budget	\$111,964.00	Current Completion Date	4/15/18
\$ Due to Client	\$111,964.00	Days Delayed	20
\$ Due to Vendor	\$0.00	Days to Client	20
\$ Due to Unforeseen	\$0.00	Days to Vendor	0
\$ Due to Other	\$0.00	Days to Unforeseen	0
% Over Budget	41.16%	Days to Other	0
% Due to Client	41.16%	% Over Schedule	6.13%
% Due to Vendor	0.00%	% Due to Client	6.13%
% Due to Unforeseen	0.00%	% Due to Vendor	0.00%
% Due to Other	0.00%	% Due to Unforeseen	0.00%
		% Due to Other	0.00%

Vendor Foreseen Risk	
\$ Over Budget Foreseen	\$45,000.00
% Over Budget Foreseen	40.19%
Days Delayed Foreseen	7
% Over Schedule Foreseen	35.00%



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GOING FROM CHALLENGE TO SOLUTION

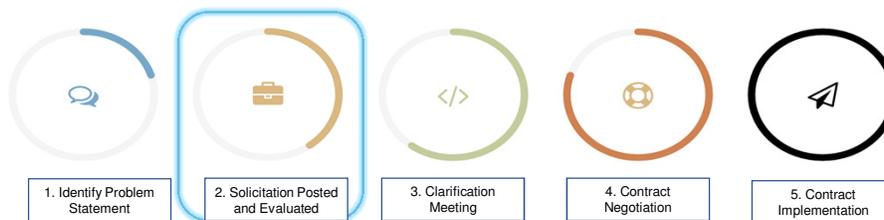


IDENTIFY PROBLEM STATEMENT

In a collaborative effort with State Purchasing, agencies work with project managers to identify their problems (the reason for a contract). State Purchasing and the agency will develop any metrics or milestones that should be met by the awarded vendor.



GOING FROM CHALLENGE TO SOLUTION

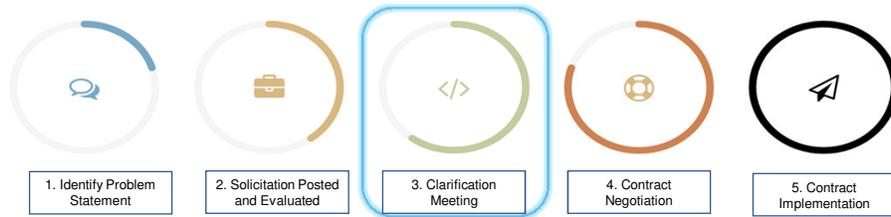


SOLICITATION POSTED AND EVALUATED

Once the problem statement has been created, State Purchasing publishes the solicitation and requests that vendors only respond on three topics (prior expertise, knowledge of risks, and value additions). All vendors responses are limited to 2 pages per topic and should include supporting metrics



GOING FROM CHALLENGE TO SOLUTION



CLARIFICATION MEETING

State Purchasing and agency meet with the highest scored vendor and review the vendors scope of work. Milestones and metrics are developed.

GOING FROM CHALLENGE TO SOLUTION



CONTRACT NEGOTIATION

If the agency approves the highest scored vendors scope of work in the clarification meeting then the parties negotiate the final contract, including establishing the weekly risk report that the vendor submits to the agency during the duration of the contact.

GOING FROM CHALLENGE TO SOLUTION



CONTRACT IMPLEMENTATION

Vendor and the agency sign the contract. The vendor works with the agency to complete the contract on-time and within the budget.

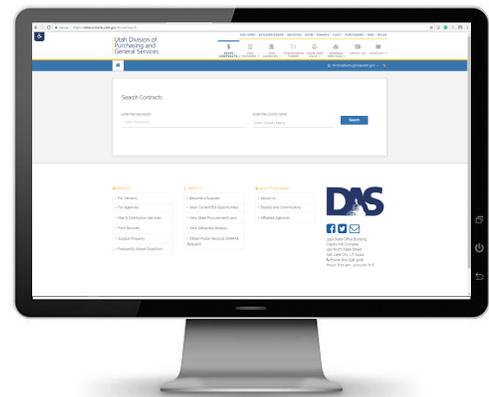
Average time is 12 Weeks to Complete



GOING FROM CHALLENGE TO SOLUTION PROOF OF CONCEPT

Timeline for Search Engine Solicitation

1	Project Development Planning	1 day
2	Project Approval	-
3	Budget approval	1 day
4	Drafting specification and project developments	3 days
5	Legal review i.e. – terms and conditions	-
6	Assign to procurement office	-
7	Finalize procurement documents	-
8	Advertising the solicitation	5 weeks and 1 day
9	Evaluation of submissions	18 days
10	Clarification Period & Negotiation	6 weeks and 2 days
		Total Time - 15 weeks



<https://statecontracts.utah.gov/Home/Search>



GOING FROM CHALLENGE TO SOLUTION PROOF OF CONCEPT

Posted Timeline

1	Request for Proposals Released	February 2, 2017
2	Pre-Proposal Meeting	February 16, 2017
3	Deadline for RFP Questions	March 6, 2017
4	State Response to RFP Questions	March 8, 2017
5	Proposal Due Date	March 10, 2017
6	Search Engine Metrics and Testing	March 13 – 27, 2017
7	Interviews	March 28, 2017
8	Identification of Best- Value Firm	March 31, 2017
9	Clarification Meetings	April 13, 2017 – May 4, 2017
10	Contract Signature and Justification Statement	May 4 – 15, 2017
		Total Time - 14 weeks and 4 days

Saved time:
Between 5.5 weeks to 24 weeks in solicitation completion time.

Saved Administrative Costs:

- Development Meeting was 2.5 hours
- Evaluation Meeting took 1 hour
- Interviews for six vendors took 3 hours



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GOING FROM CHALLENGE TO SOLUTION PROOF OF CONCEPT

JJS – NOJOS Level 4 Contracts

1	Project Development Planning	1 day
2	Project Approval	-
3	Budget approval	1 day
4	Drafting specification and project developments	3 days
5	Legal review i.e. – terms and conditions	-
6	Assign to procurement office	1 day
7	Finalize procurement documents	1 week
8	Advertising the solicitation	4 weeks
9	Evaluation of submissions	1 week
10	Clarification Period & Negotiation	5 weeks
		Total Time - 10 weeks



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GOING FROM CHALLENGE TO SOLUTION PROOF OF CONCEPT

Posted Timeline

1	RFP Issued	June 18, 2018
2	Off	ed to
3	Off	
4	Off	
5	De	
6	RF	
7	Inta	
8	Ide	
9	Clarification meeting	August 2, 2018 (modified to August 2-24, 2018)
10	Contract sent for Signature	August 9, 2018 (modified to September 1, 2018)
Total Time - 10 weeks and 5 days		

“We appreciate the opportunity to collaborate and be fully involved in the new contract process; it was much improved over the prior procurement and contract process.”

Saved time:
Between 5.5 weeks to 24 weeks in solicitation completion time.

Saved Administrative Costs:

- Development Meeting was 1.5 hours
- Drafting specification was completed in less than 12 emails
- Evaluation Meeting took 1 hour



PROPOSED NEW FULL KIT

Identify problems and goals, including business objectives rather than focusing on the means and methods a vendor must follow in order to be qualified.

FULL KIT QUESTIONNAIRE

Identify why your agency is looking to enter into a contract, including business objectives and current problems experienced by your agency:

Identify the projects goals, including your agency’s ideal metrics (identify what success looks like for your entity):

Identify information on how your agency would benefit from an awarded contract, including your agency’s historical information with the issue:

Identify any vendors that you would like to be notified about this solicitation:



Moving Forward

