



Conversations on Procurement Excellence: Process Efficiency

Procurement Excellence Network
Peer Roundtable

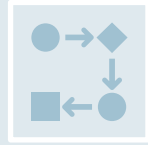


In the chat, please
share **your name**
and **government!**

PROCUREMENT
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Partners for Public Good

July 30, 2024



Discuss the importance of an **efficient procurement system** to reduce cycle times and make your process more predictable and accessible.



Peer Roundtable: Deep-dive discussion and breakout activity on an efficiency topic of your choice.



Reflect on **findings and learnings** and close with next steps and additional resources.

How can you engage in this session?



Please use the
“Raise Hand”
function on Zoom



If able, please turn
on your **Zoom**
camera!



Look out for
questions,
discussions, and
resources in the
Zoom chat!

PEN Pulse Poll



**What is your
experience navigating
your jurisdiction's
procurement process?**



**Would you say that the
procurement process in
your government is faster,
the same, or slower than it
was a year ago?**

Today's Focus on Efficiency Comes from You!

In our member feedback survey from earlier this year, **58%** of respondents said they wanted to discuss **inefficient, complex, and burdensome procurement processes** in a group of procurement peers as their top burning procurement topic.

Efficiency Challenges Submitted by our PEN Members:

“Each project must go through a lengthy process which delays the overall procurement”

“Difficult to maintain an efficient department with one person”

“Challenging burdensome processes...red tape”

“Lengthy approval processes and an outdated procurement code/manual”

“Cumbersome ERP software makes contract administration very manual/time consuming/opaque”

“Slowness and rigidity”

Efficiency is a Priority for Procurement Leaders

In April 2024, the Procurement Excellence Network convened **18 senior procurement leaders** for a candid roundtable discussion. The top challenge identified involved **difficulties in creating procurement processes that are truly clear, inviting, and efficient.**

Key Insights

- **Long procurement cycle times, despite significant investments** in new technologies or adjusted processes
- **All parties impacted** (i.e., procurement staff, departmental end-users, vendors)
- Paper-based and e-Procurement systems require **a lot of manual processes**
- Lack of understanding of procurement steps leads to **unrealistic expectations**
- **Internal stakeholders often look for workarounds**, which add to back and forth
- **Policymakers impose requirements** outside of central procurement's control
- **Political pressures** complicate efficiency reform efforts

Importance of an Efficient Procurement Process

Many critical government functions— from building roads to sheltering the unhoused to providing job training – involve contracting for goods and services. An efficient procurement process is crucial to **achieving strong overall government performance**, especially when it comes to better and more equitable results for residents.



Long cycle times and confusing procedures **frustrate staff** and result in more time spent on administrative tasks than on strategy.

Confusing or intimidating process steps can **deter firms from bidding**.

What Excellence in Procurement Efficiency Looks Like

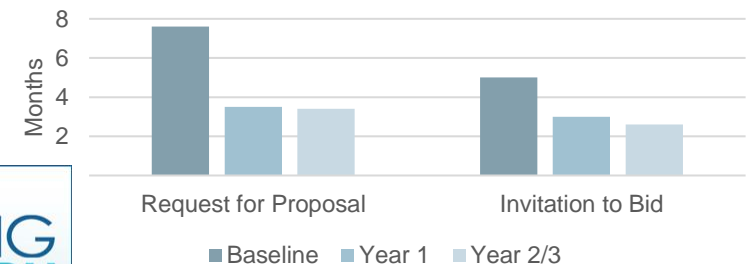
- Process is easy to navigate and accessible for all those involved – government staff, new and incumbent vendors, and community stakeholders
- Government staff don't dread the moment when they must begin to write a new RFP or submit a requisition for a small dollar purchase
- Government gets the goods and services it needs quickly - contract delays are rare and residents are not left waiting for a new program to launch because of purchasing-related hiccups
- Vendors are eager to do business with government and know how to participate in the contracting process

Efficiency Excellence in Long Beach, CA

Long Beach reduced their cycle times by over half over three years of improvements. They have achieved approx. three months to start and finish a formal purchase.

We'll discuss strategies to make these improvements in our breakout groups!

Reduced average cycle time for core stages (Draft, Open, Evaluate, Award)



Common Barriers to Procurement Efficiency

Along a procurement process, there may be known (or hidden) **roadblocks or bottlenecks** due to unclear processes or cumbersome systems that slow down the entire process or lead to duplicative steps

- Ex: Unclear instructions on what to include in a scope of work so it is sent back and forth between the user department and Central Purchasing
- Ex: Formal purchases require sign-off from an internal committee that only meets once a month



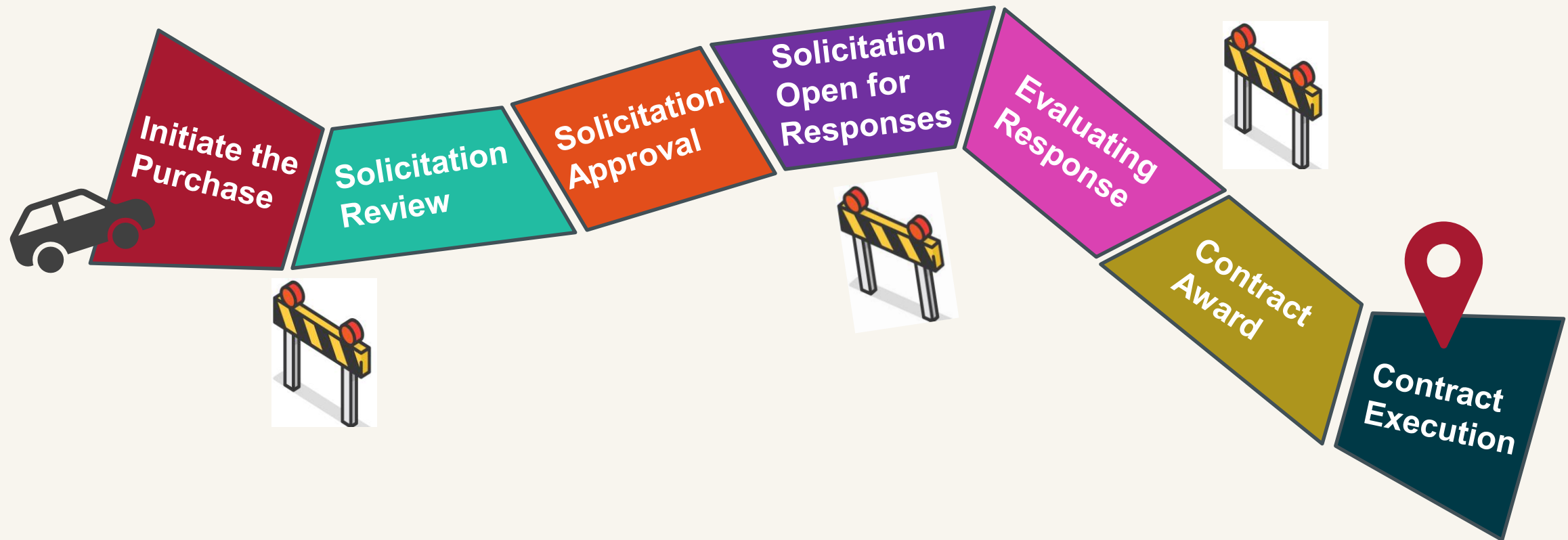
What roadblocks does your procurement process experience?

Please raise your hand to share or write in the chat!

Traveling Through a Procurement Process

Central Purchasing has received complaints that their procurement process takes too long. This leads to last-minute scrambles to complete purchases or services lapsing because the new contract is delayed.

Let's travel through the steps of an example procurement process and see where the roadblocks may be occurring.



Step 1: Initiating the Procurement Request

- User department needs to procure new service but do not know proper protocol for submitting requisition to Central Purchasing
- They've heard about different methods to purchase – informal quotes versus competitive bids – but do not know which to use
- Department is not proactive in collaborating with Central Purchasing and no movement on initiating the procurement



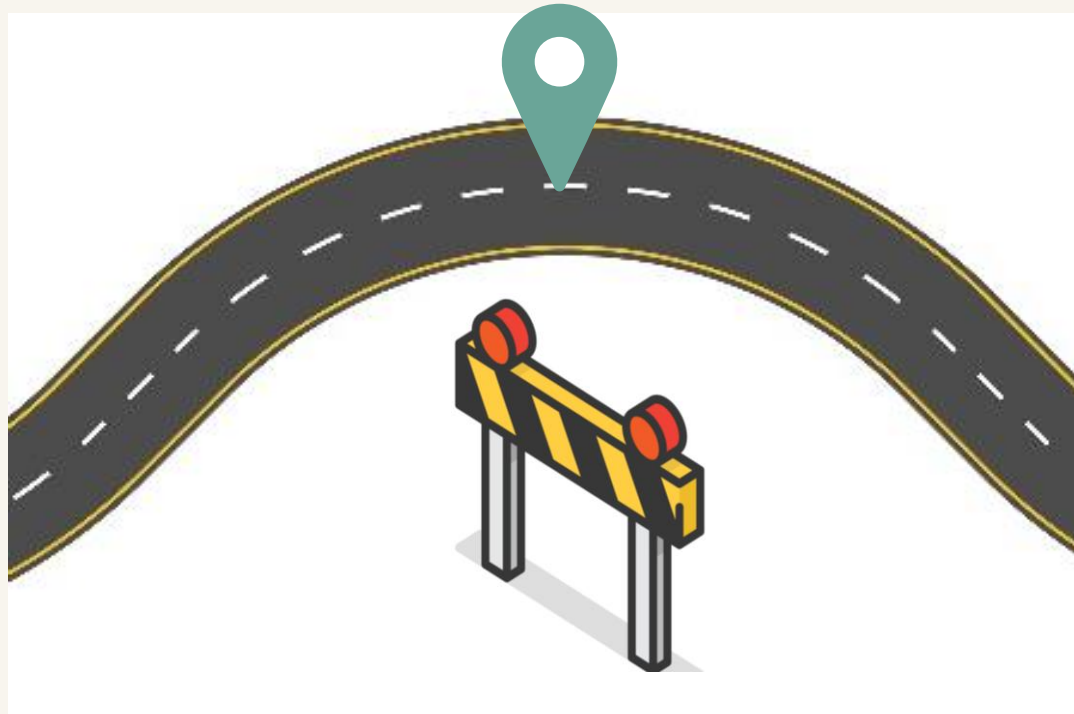
Roadblock: Confusion over Protocols/Procedures



Share any thoughts in the chat!

Step 2: Purchasing Reviews Submitted Requisition

- User department submits requisition request to Central Purchasing
- Central Purchasing is understaffed, so no one has been assigned to review it
- Even after submitting the required materials, user department hasn't heard from Central Purchasing about the status of the requisition or any feedback



Roadblock: Staffing Challenges



Share any thoughts in the chat!

Step 3: Creating the Solicitation Documents

- User department creates Scope of Work (SoW) for purchase from scratch and sends to purchasing for review
- Central Purchasing sends the SoW back to the user department to add more details because it is very vague and lacks important information about expected outcomes and deliverables
- Multiple rounds of revisions are needed before the SoW is complete



Roadblock: Incomplete Solicitation Development



Share any thoughts in the chat!

Step 4: Collaborating on Materials with Technology

- Central Purchasing bought an e-Procurement system to allow for solicitation development collaboration, but has not trained staff or departments on using it
- When editing the SoW, user department and Central Purchasing bypass the e-Procurement system because it is difficult to use and instead send the draft solicitation back and forth over email
- It is difficult to keep track of the most up-to-date version and who is responsible for incorporating edits



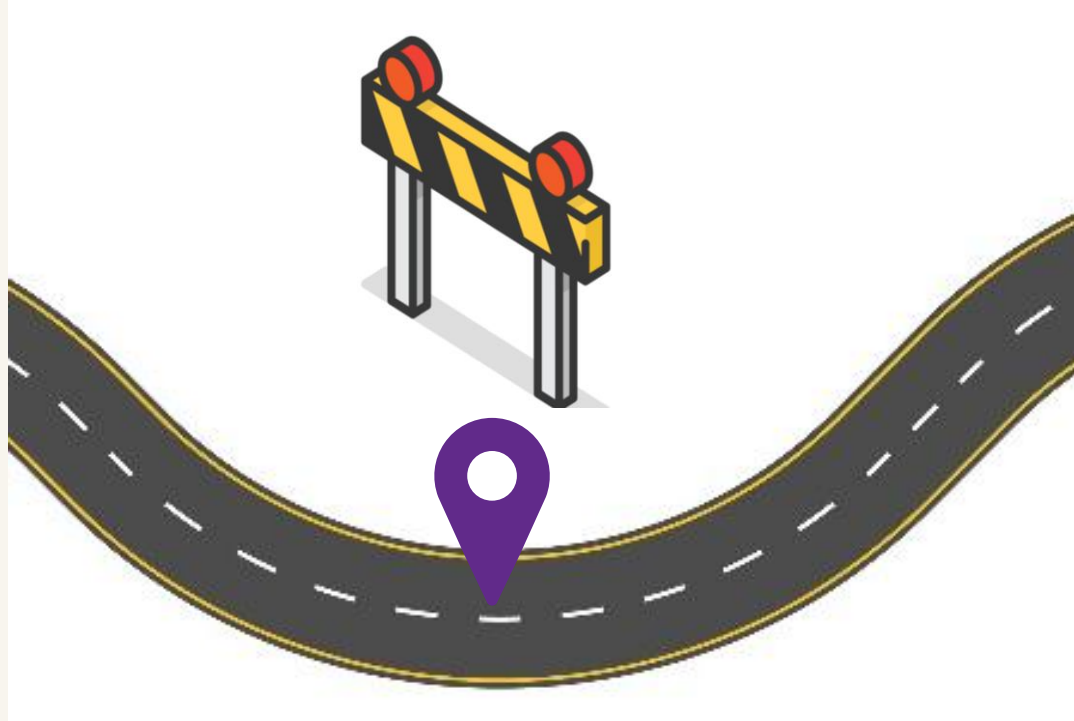
Roadblock: Cumbersome Digital Systems



Share any thoughts in the chat!

Step 5: Final Solicitation Review and Approval

- The solicitation is complete and is being routed through the required internal approval process before release
- Legal is required by the procurement policy to approve every solicitation before it is posted, but they are very busy and take weeks to review the solicitation materials
- When legal does provide edits, they are significant and require the solicitation to be sent back for re-writes



Roadblock: Lengthy Internal Approval Process



Share any thoughts in the chat!

Step 6: Evaluating Proposal Responses

- It is time to evaluate the vendor proposals, but the evaluation committee cannot find time to meet as a group
- Evaluation committee keeps delaying their review for multiple weeks given busy workloads
- When the evaluation committee does finally meet, the criteria is unclear and prevents them from making a final evaluation



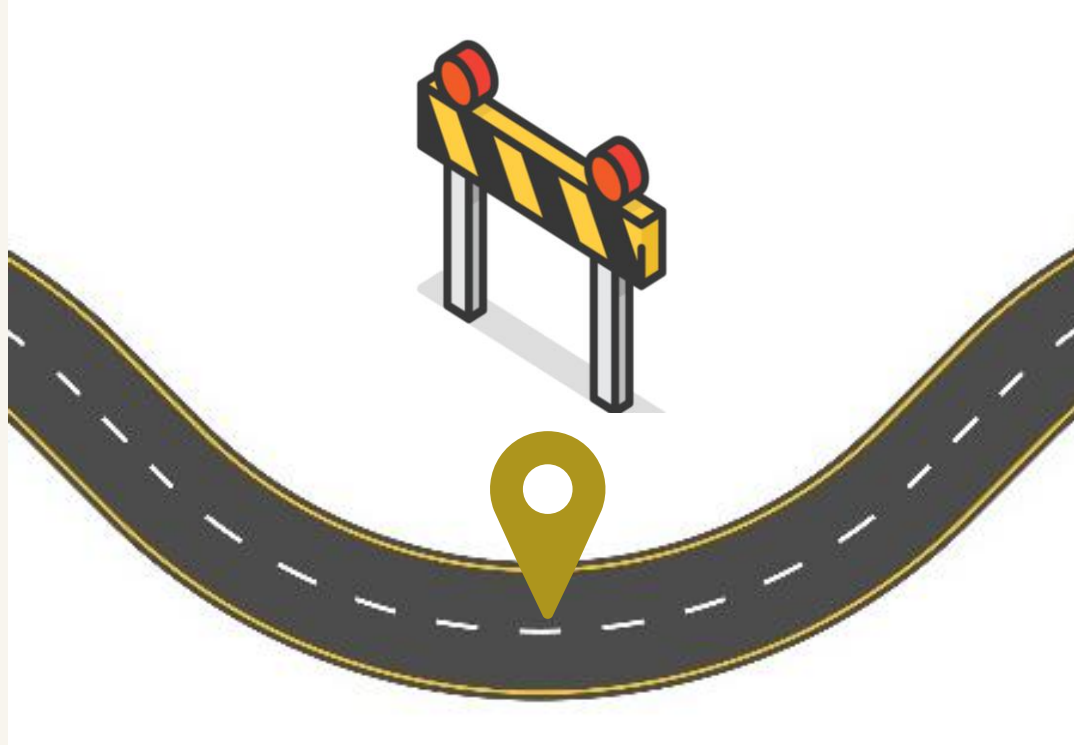
Roadblock: Disorganized Evaluation Process



Share any thoughts in the chat!

Step 7: Awarding the Contract

- A vendor is selected as the highest scoring respondent
- Even though this is a routine purchase, because it is above the formal purchase threshold amount it is required to go before City Council for approval
- It takes weeks to get the contract before Council, delaying the start of contract execution



Roadblock: Purchasing Threshold Complications



Share any thoughts in the chat!

Step 8: Contract Execution

- Once contract has been awarded, multiple stakeholders including legal, budget, risk management and vendor need to formally sign the contract for it to be executed
- The purchasing policy requires “wet-signatures” so all parties have to print and scan the document and send it around via e-mail
- It becomes very confusing where the contract is, what the most up-to-date version is and who is holding up the process



Share any thoughts in the chat!

Roadblock: Outdated Contract Execution Requirements

Traveling Through the Procurement Process

1. Confusion over Protocols/Procedures

2. Staffing Challenges

3. Incomplete Solicitation Development

4. Cumbersome Digital Systems

5. Lengthy Internal Approval Process

6. Disorganized Evaluation Process

7. Purchasing Threshold Complications

8. Outdated Contract Execution Requirements



Have you experienced any of these roadblocks in your jurisdiction?

Have you seen any solutions solve this challenge?

Take a moment to reflect and share your thoughts in the chat!

Let's dive deeper in our peer roundtable discussion

You now have the chance to dive deeper into one of the following roadblocks as part of our peer roundtable discussion:

1. Confusion over Protocols/Procedures

2. Staffing Challenges

3. Incomplete Solicitation Development

4. Cumbersome Digital Systems

5. Lengthy Internal Approval Process

6. Disorganized Evaluation Process

7. Purchasing Threshold Complications

8. Outdated Contract Execution Requirements



Please vote now for the one topic you would most like to discuss in a breakout room with other government peers

Peer Roundtable Discussion on Efficiency

- We will now separate into groups based on your chosen efficiency topic
- Each group will be led by a PEN team member to facilitate discussion and a brainstorming activity for 30 minutes
- This is your time! In addition to our workshop activities, free to ask questions, bring up examples related to your jurisdiction, and connect with other governments

Note on Breakout Rooms



We are so excited to connect deeper in our breakout rooms! Please know these are casual discussions. Even if you are unable to turn your camera on or come off mute because of your location, we'd still love to have you join the breakout room to listen, learn, and connect!

To foster open, candid conversation, we kindly ask any non-government entities to drop off.

Breakout Rooms

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Your great solutions helped clear the roadblocks!

