HARVARD Kennedy School
Government Performance Lab

Procurement
Excellence Network

Conversations on Procurement Excellence: Process Efficiency

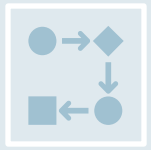
Procurement Excellence Network

Peer Roundtable

July 30, 2024

Welcome to our Conversation on Procurement Excellence!

Session Agenda

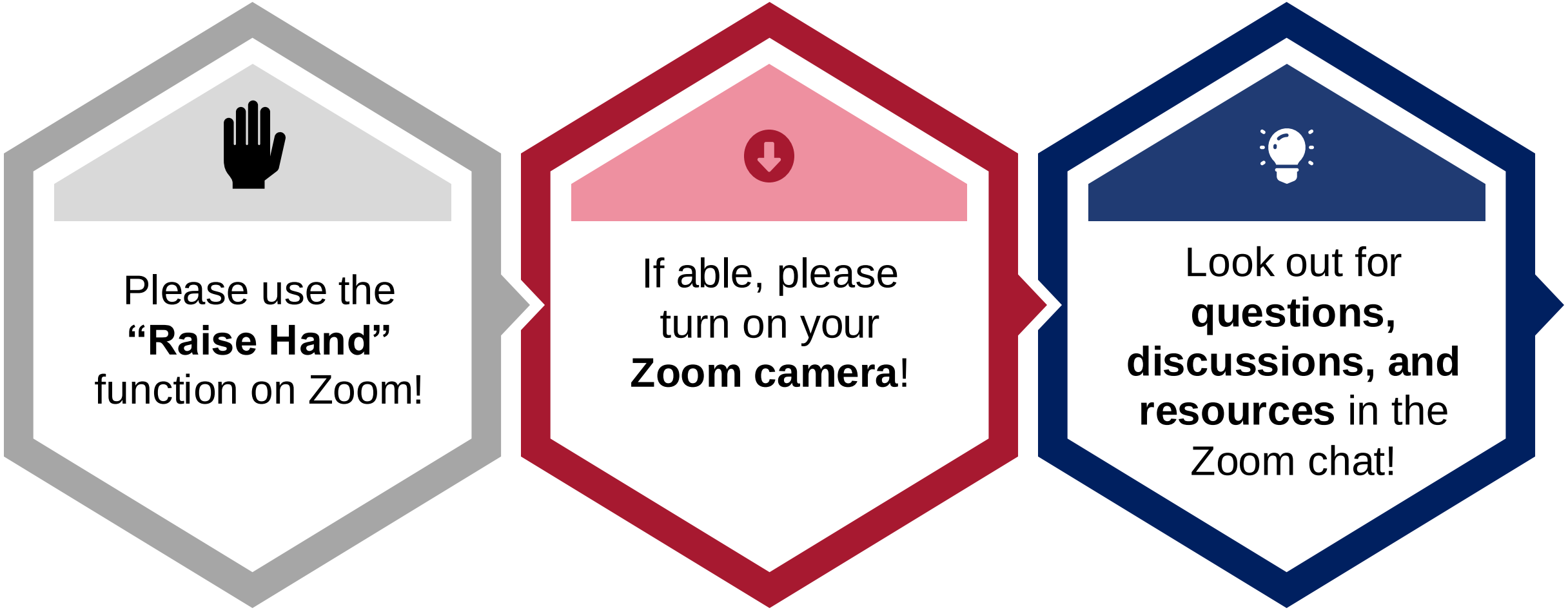


Discuss the importance of an **efficient procurement system** to reduce cycle times and make your process more predictable and accessible.

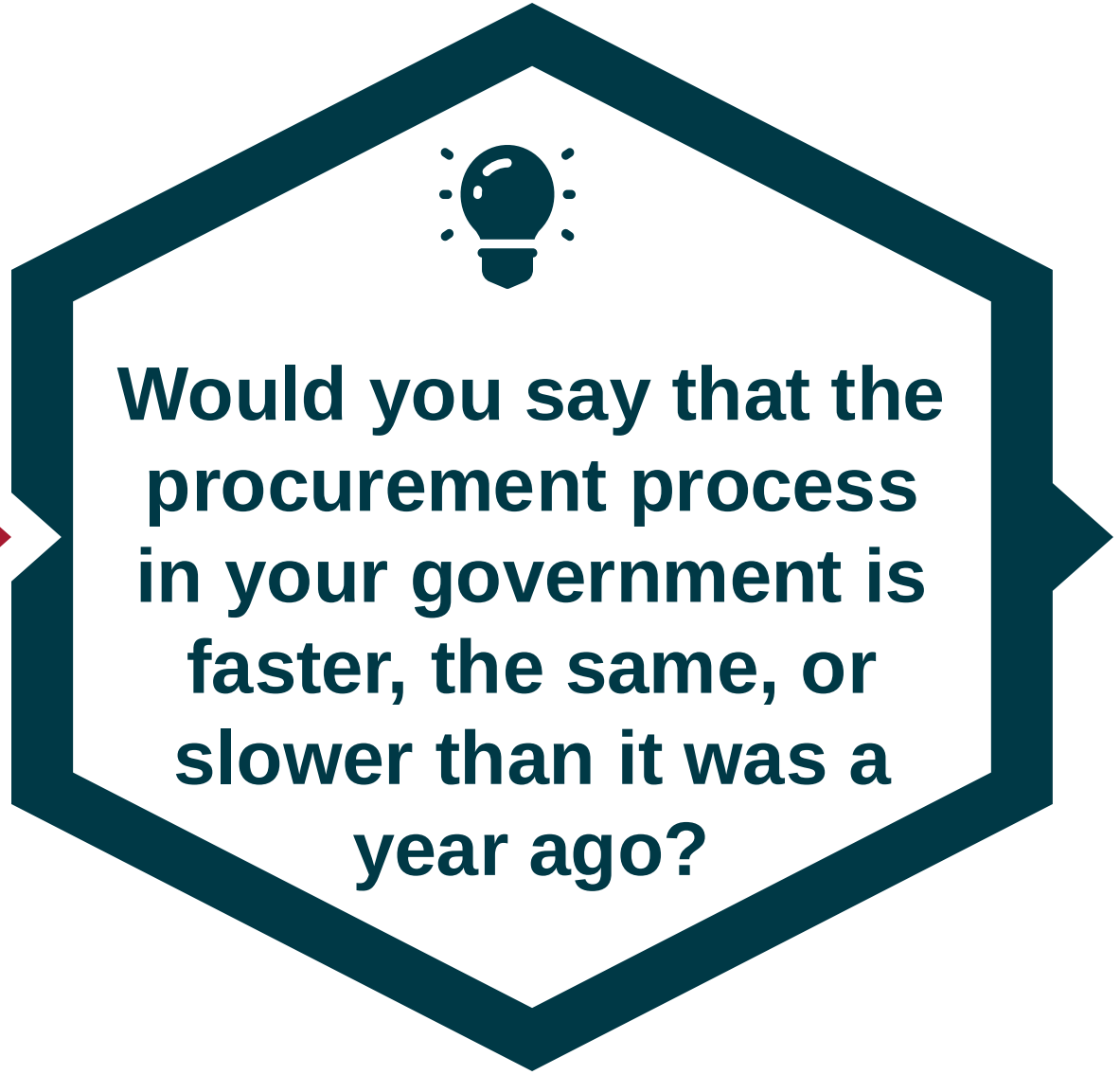
Peer Roundtable: Deep-dive discussion and breakout activity on an efficiency topic of your choice.

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

How can you engage in this session?



PEN Pulse Poll



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"Lengthy approval processes and an outdated procurement code/manual"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**.

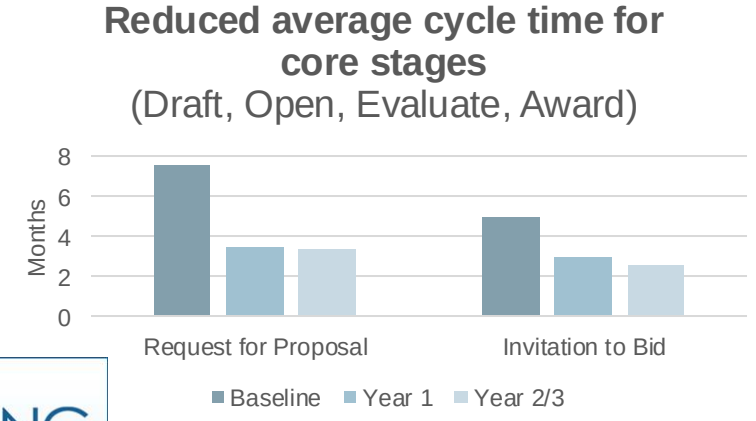
What Excellence in Procurement Efficiency Looks Like

- 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

With support from the GPL, 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!



CITY OF LONG BEACH

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

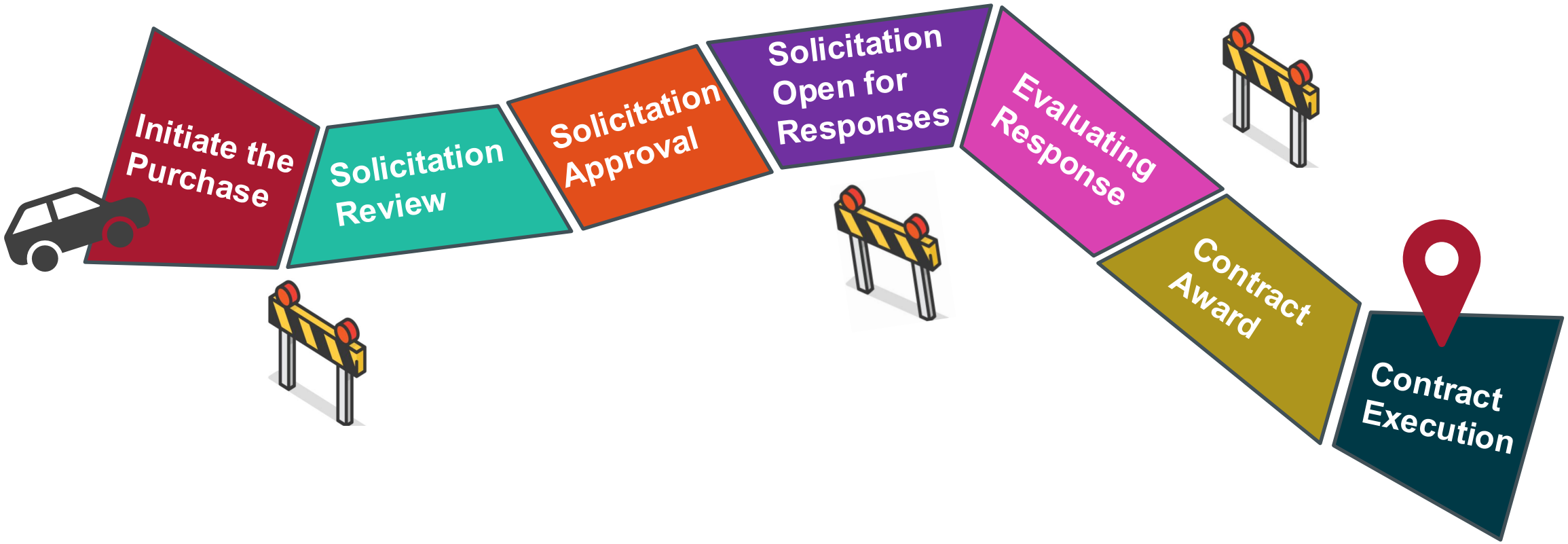
- Ex: Unclear instructions on what to include in a scope of work so it is sent back and forth between the user department and Central Purchasing
- Ex: Formal purchases require sign-off from an internal committee that only meets once a month

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

Share any thoughts in the chat!

Roadblock: Confusion over Protocols/Procedures

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

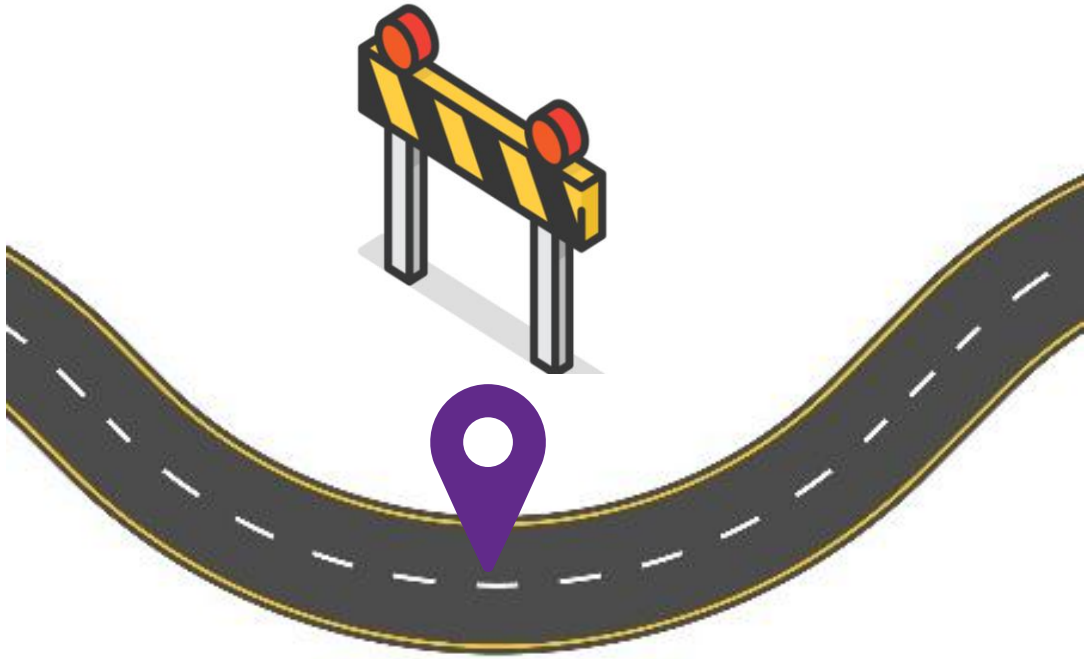
- Central Purchasing bought an e-Procurement system to allow for solicitation development collaboration, but has not trained staff or departments on using it
- When editing the SoW, user department and Central Purchasing bypass the e-Procurement system because it is difficult to use and instead send 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

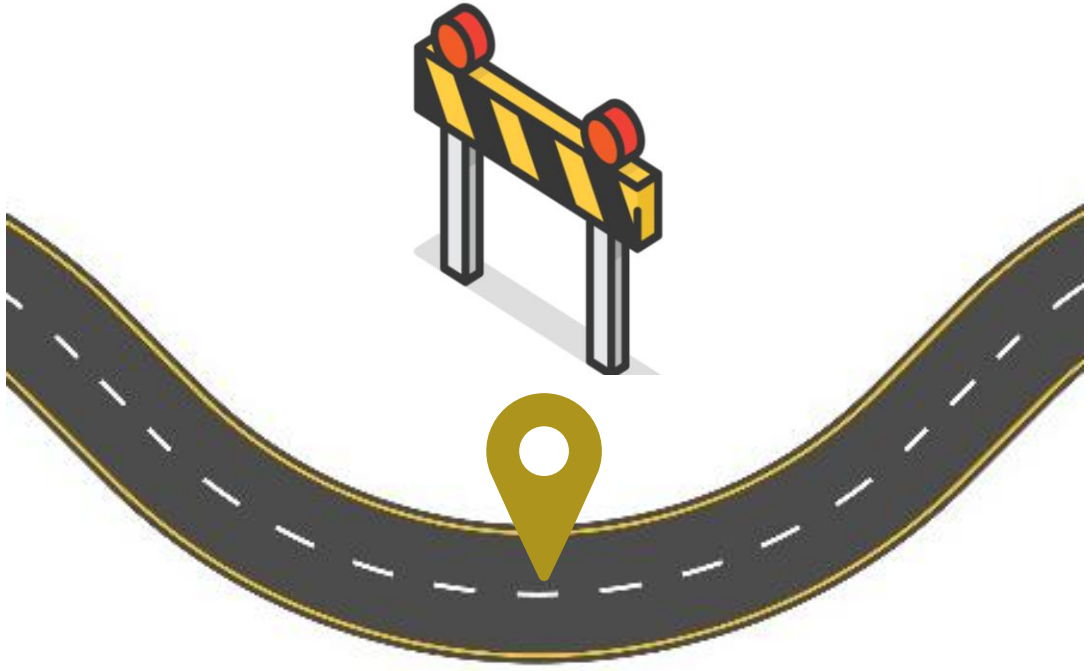
- It is time to evaluate the vendor proposals, but the evaluation committee cannot find time to meet as a group
- Evaluation committee keeps delaying their review for multiple weeks given busy workloads
- When the evaluation committee does finally meet, the criteria is unclear and prevents them from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



Share any thoughts in the chat!

Roadblock: Purchasing Threshold Complications

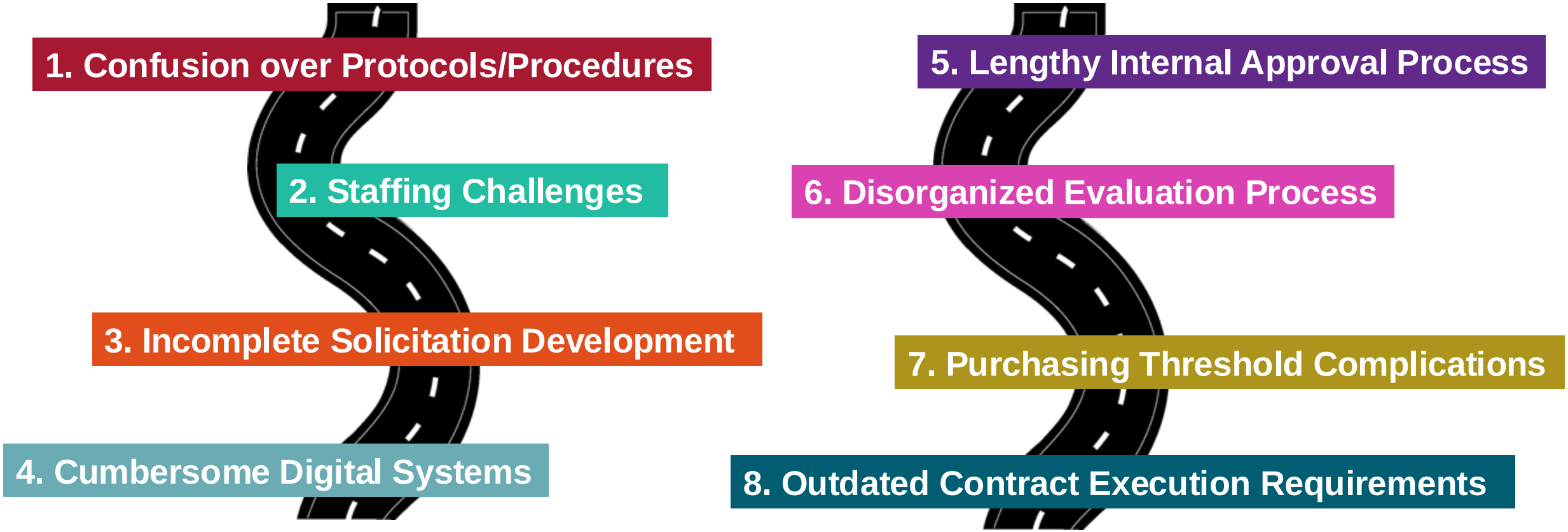
Step 8: Contract Execution

- 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



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

Your great solutions helped clear the roadblocks!

Conclusion & Next Steps

ZOOM POLL

We want to hear from you!

Please share feedback about today's session!

FEEDBACK IS ANONYMOUS!

Join the Procurement Excellence Network today!

Trainings and Roundtables on trending procurement topics

Growing library of **best practice publications and templates**

Coaching opportunities with GPL experts to workshop procurement challenges

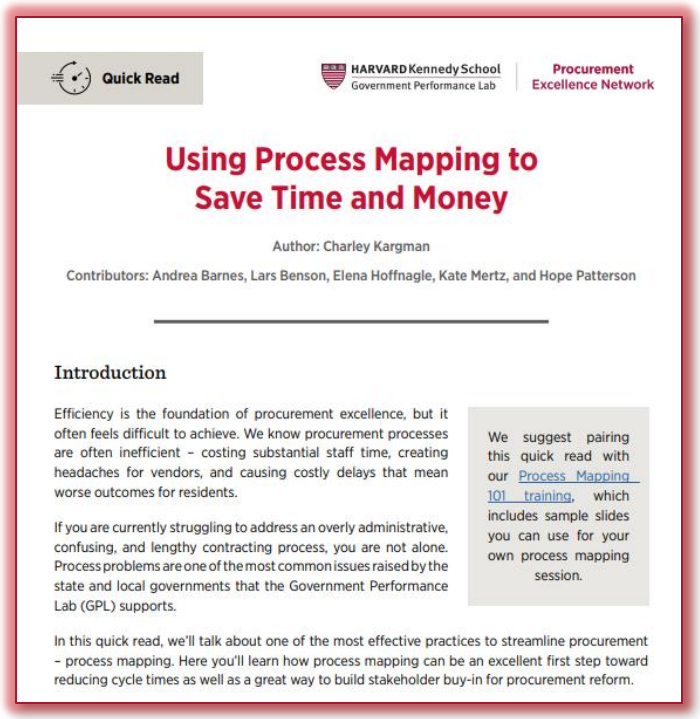
Directory and **Discussion Board** to facilitate connections with peers

The **Procurement Excellence Network (PEN)** is a **FREE** community built by and for government professionals.

With more than **1,700 members**, PEN offers resources to help your government take its procurement practice to the next level.

Take-home process efficiency tools & templates

Quick Read: Using Process Mapping to Save Time and Money



Quick Read

HARVARD Kennedy School Government Performance Lab | Procurement Excellence Network

Using Process Mapping to Save Time and Money

Author: Charley Kargman

Contributors: Andrea Barnes, Lars Benson, Elena Hoffnagle, Kate Mertz, and Hope Patterson

Introduction

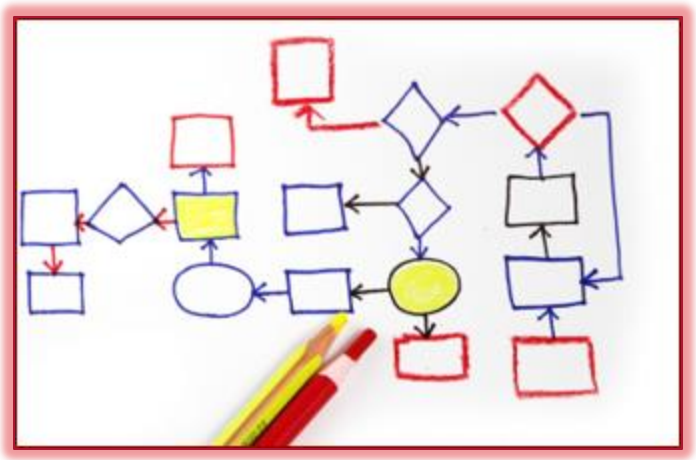
Efficiency is the foundation of procurement excellence, but it often feels difficult to achieve. We know procurement processes are often inefficient – costing substantial staff time, creating headaches for vendors, and causing costly delays that mean worse outcomes for residents.

If you are currently struggling to address an overly administrative, confusing, and lengthy contracting process, you are not alone. Process problems are one of the most common issues raised by the state and local governments that the Government Performance Lab (GPL) supports.

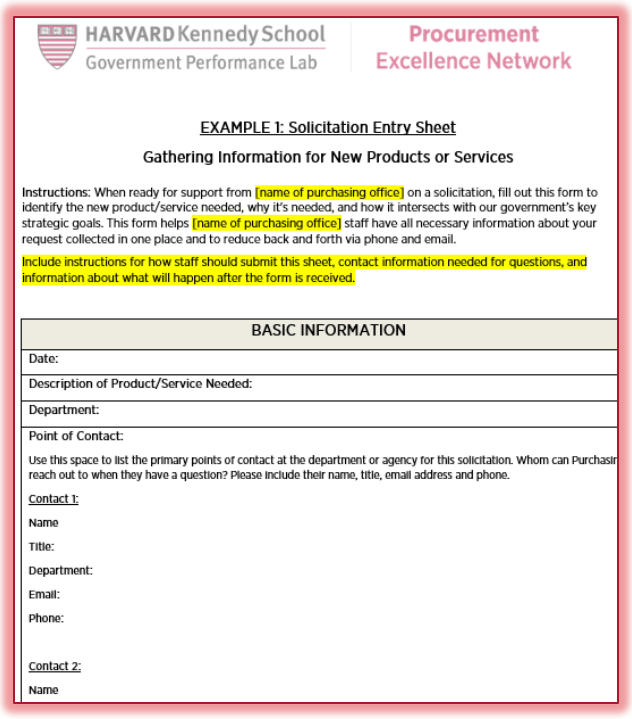
We suggest pairing this quick read with our Process Mapping 101 training, which includes sample slides you can use for your own process mapping session.

In this quick read, we'll talk about one of the most effective practices to streamline procurement – process mapping. Here you'll learn how process mapping can be an excellent first step toward reducing cycle times as well as a great way to build stakeholder buy-in for procurement reform.

Training: Process Mapping 101



Template: Solicitation Getting Started Toolkit - Template Intake Form



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EXAMPLE 1: Solicitation Entry Sheet

Gathering Information for New Products or Services

Instructions: When ready for support from [name of purchasing office] on a solicitation, fill out this form to identify the new product/service needed, why it's needed, and how it intersects with our government's key strategic goals. This form helps [name of purchasing office] staff have all necessary information about your request collected in one place and to reduce back and forth via phone and email.

Include instructions for how staff should submit this sheet, contact information needed for questions, and information about what will happen after the form is received.

BASIC INFORMATION
Date:
Description of Product/Service Needed:
Department:
Point of Contact:

Use this space to list the primary points of contact at the department or agency for this solicitation. Whom can Purchasir reach out to when they have a question? Please include their name, title, email address and phone.

Contact 1:

Name

Title:

Department:

Email:

Phone:

Contact 2:

Name

New PEN Feature!

Check out process maps from peer governments!

PROCESS MAP: **MASSACHUSETTS EXECUTIVE OFFICE OF HOUSING AND LIVABLE COMMUNITIES**

VIEW RESOURCE

PROCESS MAP: **PIERCE COUNTY, WA**

VIEW RESOURCE

PROCESS MAP: **SYRACUSE, NY**

VIEW RESOURCE

Join us for our next PEN event!

HARVARD Kennedy School
Government Performance Lab

Overcoming Resistance to Change: The Real Catalyst to Achieve Procurement Transformation

Friday, September 20, 2024
12:00-1:00pm ET

Join us for a **training on change management** and overcoming obstacles in driving procurement transformation within your government. We will explore **diagnostic and analytical tools** to help you identify and move past barriers to implementing reforms.

Appendix