Key Takeaways
Conversations on Procurement Excellence: Process Efficiency

Procurement Excellence Network (PEN) Peer Roundtable

July 30, 2024

How to Use this Slide Deck

The following slides outline several roadblocks that commonly arise at different points in a typical procurement process. During our peer roundtable, we collectively discussed underlying challenges and potential interventions. The brainstormed solutions come directly from YOU.

If you have additional suggestions to include, e-mail us at gplpen@hks.harvard.edu.

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.

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 Outdated Contract Execution Requirements

Roadblock 1: Confusion over Protocols/Procedures

Challenge:

- 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

Brainstormed Solutions:

- Have a central location for all policy documents
- Develop chatbot to answer questions on various protocols/documents
- Host regular meetings (i.e., weekly, daily) to connect with purchasing at the beginning of a solicitation
- Create a "how-to" checklist that outlines all steps to initiate a purchase and share with all relevant departments

Roadblock: Confusion over Protocols/Procedures

Roadblock 2: Staffing Challenges

Challenge:

- 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

Brainstormed Solutions:

- Garner support from leadership to drive and prioritize training initiatives
- Cross-train staff from all departments on procurement processes
- Be proactive with communication across the jurisdiction, especially with stakeholders impacted by complicated policies
- Update training and onboarding materials

Roadblock: Staffing Challenges

Roadblock 3: Incomplete Solicitation Development

Challenge:

- 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

Brainstormed Solutions:

- Offer scope writing classes for user departments
- Develop templates to ensure consistency
- Require staff to be trained/re-trained (as necessary) on how to write scopes and other solicitation documents
- Establish pre-approved scope or contract language for routine purchases
- Use 'acquisition liaisons' to guide users in development of high-quality materials

Roadblock: Incomplete Solicitation Development

Roadblock 4: Cumbersome Digital Systems

Challenge:

- 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

Brainstormed Solutions:

- Anticipate challenges of working with new software on front end and bring in users early
- Learn from what works well from the workaround solutions and integrate these components into the process and/or build back into software
- Build buy-in through observing and understanding current processes and challenges
- Train users on how to use system properly

Roadblock: Cumbersome Digital Systems

Roadblock 5: Lengthy Internal Approval Process

Challenge:

- 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

Brainstormed Solutions:

- Clearly define roles and responsibilities

- Leverage technology systems to help capture review steps and identify who is responsible for each step

- Bring key stakeholders like legal earlier into the solicitation development process rather than just as final reviewer

- Use pre-approved language and terms that do not need to be reviewed again

Roadblock: Lengthy Internal Approval Process

Roadblock 6: Disorganized Evaluation Process

Challenge:

- 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

Brainstormed Solutions:

- Schedule meetings ahead of time, especially because government staff have hectic schedules
- Hold pre-meeting for newer evaluators to make sure they understand the process
- Utilize e-Procurement solutions and AI solutions to improve evaluation process
- Support user departments in putting evaluation team together
- Establish clear expectations in advance

Roadblock: Disorganized Evaluation Process

Roadblock 7: Purchasing Threshold Complications

Challenge:

- 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

Brainstormed Solutions:

- Test out a new solution, like an increased formal purchase threshold, with a pilot so it only applies to certain contracts
- Collect internal data on purchases around the threshold value and external data on peer jurisdiction thresholds to make the case to leadership/Council for a change
- Create a public dashboards for tracking below threshold contracts
- Update thresholds to intentionally contribute to more equitable spending

Roadblock: Purchasing Threshold Complications

Roadblock 8: Outdated Contract Execution Requirements

Challenge:

- 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

Brainstormed Solutions:

- Update technology systems to have better tracking and electronic filing of agreements
- Remove unneeded signature authorities
- Create and use preapproved legal templates to streamline review and include in solicitation upfront
- Delegate more signatory authority

Roadblock: Outdated Contract Execution Requirements

Additional Takeaways and Next Steps

Additional Key Takeaways from Event

You are not alone in experiencing procurement process efficiency challenges

- We are excited to support PEN members in working together to discover and share solutions that help make procurement processes more predictable and streamlined.

Efficient procurement processes are key to achieving strong government performance

- Efficient procurement processes with clear, quick, and transparent steps are key to making government operations function, like purchasing firefighting equipment or paving roads.

Improving procurement process efficiency requires a multifaceted approach

- There's no one quick fix to make your procurement process more efficient. Improvements are the result of iterative, discrete changes that target different steps of the process.

The Event's Focus on Efficiency Came 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"

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.

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

Months

Request for Proposal   Invitation to Bid

■ Baseline ■ Year 1 ■ Year 2/3

CITY OF
LONG
BEACH
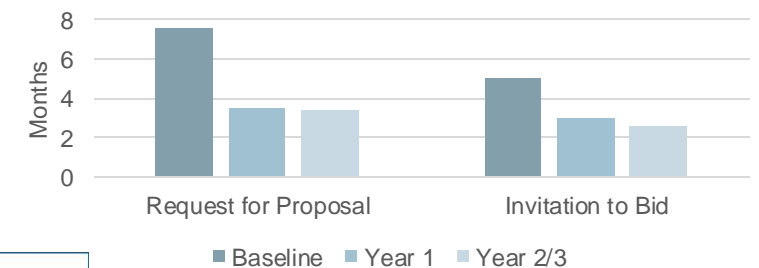
Take-home process efficiency tools & templates

Quick Read: Using Process Mapping to Save Time and Money

Training: Process Mapping 101
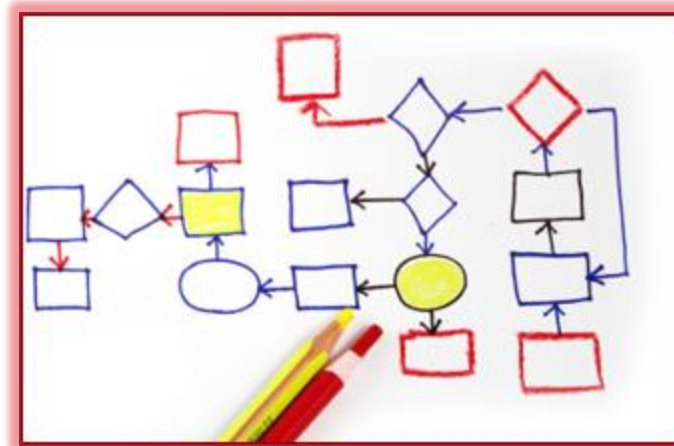
Template: Solicitation Getting Started Toolkit - Template Intake Form

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