

LEAN Ohio

Ohio Department of Administrative Services Central Procurement Process

July 11 – 15, 2016

How Did We Get Here?

- The current central procurement process is paper driven and lacks standardization between information technology and commodity driven purchases.
- There is an absence of communication and transparency resulting in customer frustration.

Acquisition Coalition

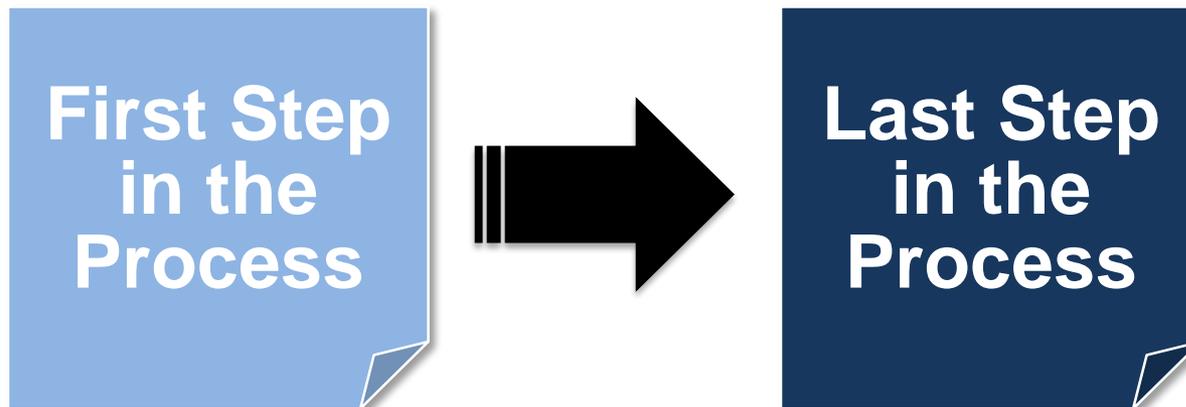


SIMPLER. FASTER. BETTER. LESS COSTLY.

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Event Scope

- What is the first step in the process?
 - Our process begins with **Central Procurement receives a purchase request**
- What is the final step in the process?
 - Our process ends with **sourcing & managing a request or contract through completion**



Process Improvement Goals

Develop a common state procurement process for GSD and OIT central procurement authorities

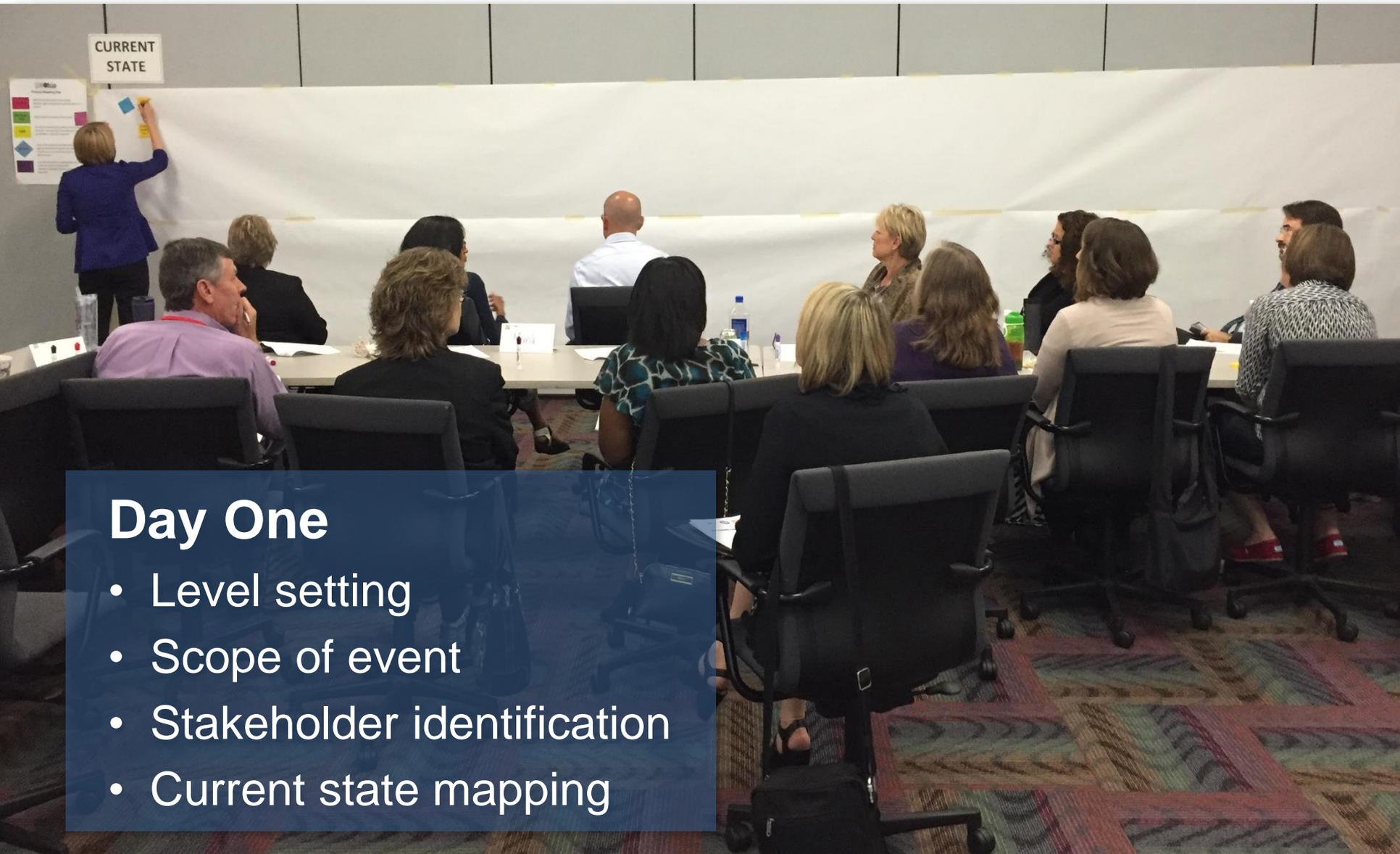
Document As-Is and To-Be central procurement processes for procurement authorities

Determine what needs to change in the way of policies, practices, and procedures

Change for the Better

- Customer focused
- Right people changing the process
- One week-quick and action oriented
- Necessary resources available immediately
- New process implementation begins next Monday





Day One

- Level setting
- Scope of event
- Stakeholder identification
- Current state mapping

Suppliers

Agencies
Int. Programs
Laws/Directives
Staff
Feds
Vendors
Corps

Inputs

Budgets
Deliverables
Terms + Conditions
Research + Analysis
Justification
Purpose/Objective

Process

Outputs

Goods + Services
Equipment
Solutions
~~\$~~ \$
Efficiencies
Revenue
Contract
Experience
Open competitive environment
Research + Analysis

Customers

Agencies
Citizens
Suppliers
Stakeholders
Employees

Identify
Need

Dev.
Specs

Proc.
event

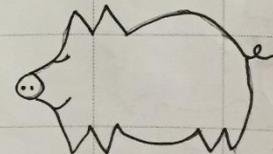
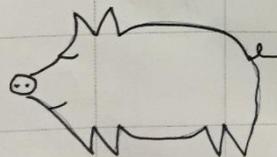
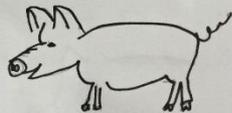
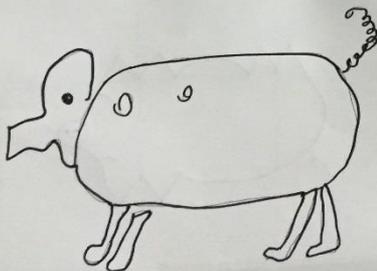
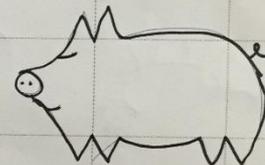
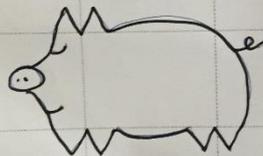
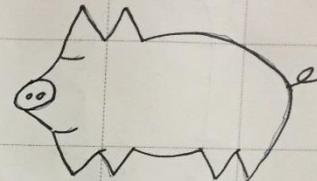
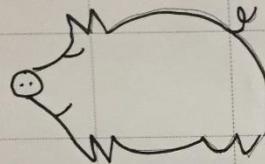
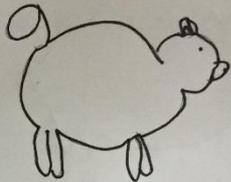
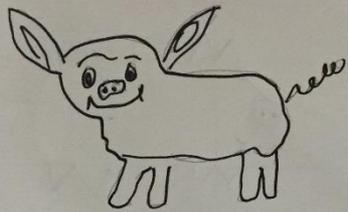
Evaluation

Sourcing +
Managing a
request or
contract



Day Two

- Finish current state mapping
- Waste identification
- Value added discussion
- Lean Six Sigma training





S I P O C

Technology/Utilization

Whiteboard content with multiple columns of colorful sticky notes (yellow, blue, red, orange) detailing project notes and tasks.

Day Three

- Brainstorming
- Analysis
- Problem solving
- Process redesign



Day Four

- Future State Process
- Discussion and consensus
- Implementation planning
- Details



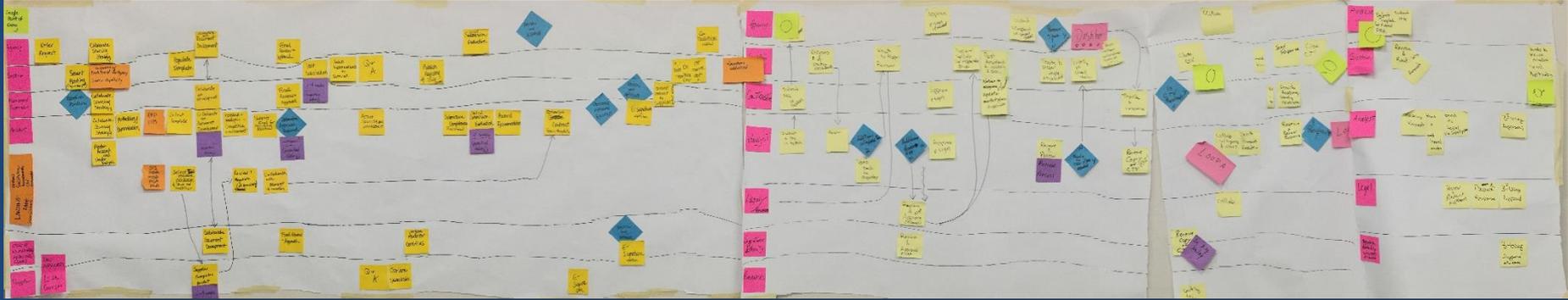
Today - Day Five

- More implementation planning
- Celebration
- Sharing results

Current State



Future State



Single Point of Entry

- Internal & External Requests
- Straight through processing
 - Move controls forward in the process
 - Limit options to Approval items through contracts
 - Keep ability to have oversight/governance (needs role of)
- Smart to gather all info needed from DAS to process
- "Speed Matters"
 - Co-ops will have access to system to buy off Contracts
- Entry for all activities that DAS provides/does
- "Wizard" like / Ask questions - Need to address Telecom Services

Smart Routing

- Straight through? → to Requisition OR to Analyst, Manager
- based on workload, commodity code/type, etc
- Requisition program is a part of this, Notification to requisites/copy Agency

System Requirements

- Document req capabilities → MS Office docs - Version controls
- Check-in/out - Audit trail of changes/activity

Solicitation Document

- Exists in the system
- All participants access/work on document in the system

Approvals - All in the System

- System should have capability to define "always" required approval rules
- E-signature for all approvals (where "wet" signatures are currently req'd)

Supplier Outreach

- System has online training availability
- Solicitation docs have standard language about bids/proposals expected to be electronic + where to get help/training

Q + A

- "Vendor" should be notified when Agency/analyst/user enters response

Need to "marry" UNSPSC + Expose Codes to anticipate better capture of spend data

Active Solicitation Management

- Q+As - Conferences - Site visits - Addenda - Etc
- Posters - Webinars

Evaluation includes

- Demo - Interviews - Negotiations - Presentations - Requests for additional info
- Scoring / consensus only in system
- Interaction w/ Supplier through system (as much as possible)

Dashboards to monitor

- Customer view on progress
- Manager view on workload

Manager Exception Handling

- Push back to "straight through" process
- "OK" assignment
- Reassign to different Analyst

Collaborate Sourcing Strategy

- Learn enough from Agency to select template
- Done with Agency + Manager
- Conducted on line, when possible (to capture)
- POB, FEEDGE included
- Face to face when appropriate

Solicitation Templates (RFP, ITB, STS, MMA, MSA, MSA, MIA)

- Repository of standard templates
- Pre-populate from Request system
- Customer/Agency can submit content to solicitation document system as a collaboration tool
- Library Standard language, General/Special T&C, form letters, etc
- Market Research / vendor analysis early to determine procurement strategy and method

Summary Scorecard

Measure	Current Level	NEW	Change
Process Steps	174	103	41%
Decision Points	18	12	33%
Functions	21	9	57%
Non-Standard steps	27	0	Projected 100%

Simpler



- The future process will have a single point of entry
- There will be a consistent process for agency customers-regardless of need
- One face for procurement
- The new process will have dashboard and tracking capabilities-allowing for the use of data
- Increased supplier participation

Faster



- Less steps in the central procurement process-allowable by going electronic and utilizing automation
- More efficient for all involved
- The new process allows for electronic signatures-saving valuable time
- There will be simultaneous actions

Better



- Less confusion for everyone involved in the process
- Less frustration for customers and users
- More enjoyable experience
- All documents will be in one place with access by all involved
- Increased transparency and visibility
- Better planning for all
- Standardization of terms and conditions
- Enterprise focus

Less Costly



- Less paper for suppliers and State of Ohio
- Lower cost of business with the state for bidders
- Less meetings for managers by utilizing an electronic system
- Labor savings for bidding online
- No more need for storage by having electronic documentation

Implementation Plans

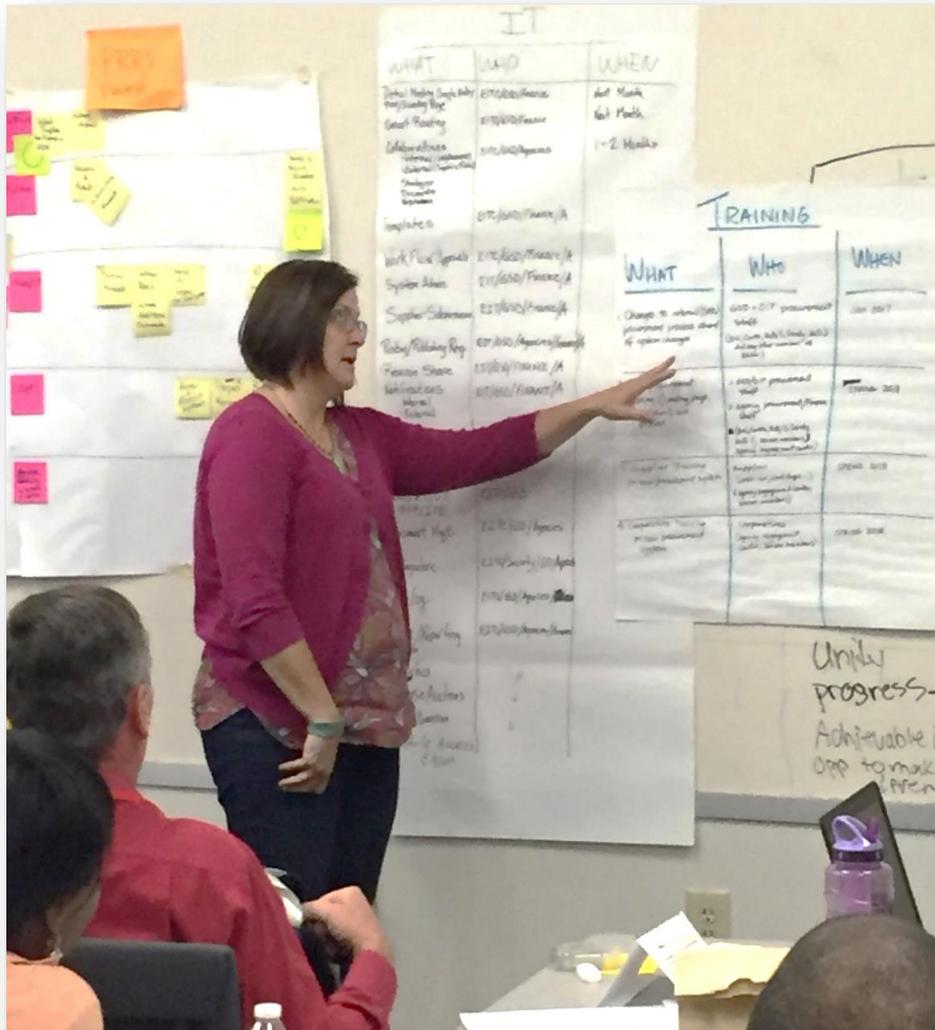
- Communication
- Training
- Information Technology
- Policy Changes

Communication Plan



<u>COMMUNICATION</u>		
<u>WHAT</u>	<u>WHO</u>	<u>WHEN</u>
KAIZEN outcome	KAIZEN Stakeholders and Sponsors; Agency Procurement staff	tomorrow near future
Event Output shared with 2nd Team	Select members of Kaizen #1 — Kelly, Eric, Bob, and Velissa	Prior to or at the start of the next Event (Aug 22nd the report is due.)
Future-State features and functionality (RFP requirements)	Select project team members, to include Bob and Velissa	Two (2) Months
"Low-hanging fruit" Lining-up of basic elements — such as the landing page; forms; templates; the look and feel; anything that can be done in advance of the "new system".	Select project team members, to include Bob, Velissa, GSD team members, EITC team members, others as needed.	Three (3) to Four (4) Months from today. beginning

Training Plan

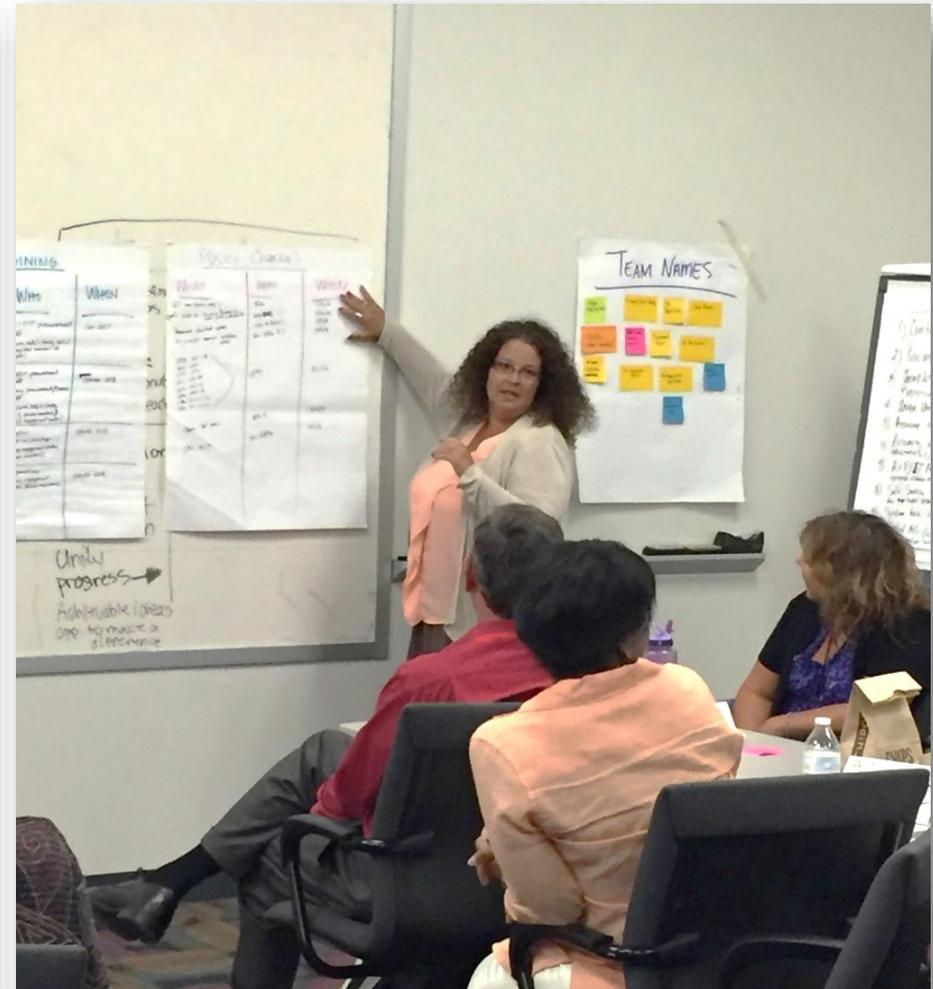


TRAINING		
WHAT	WHO	WHEN
1. Changes to internal (DAS) procurement process ahead of system changes	GSD & OIT procurement staff (Eric, Curtis, Kelly S, Sandy, Kelli J and any other members of Kaizen)	Jan 2017
2. New procurement system (landing page, automation) and process	1. GSD/OIT procurement staff 2. agency procurement/finance staff ● (Eric, Curtis, Kelly S, Sandy, Kelli J, Kaizen members, agency engagement center)	Jan 2017 SPRING 2018
3. Supplier Training on new procurement system	suppliers (webinar, workshops...) (agency engagement center, Kaizen members)	SPRING 2018
4. Cooperatives Training on new procurement system	Cooperatives (agency engagement center, Kaizen members)	SPRING 2018

Policy Changes Plan

POLICY CHANGES

WHAT	WHO	WHEN
IT + when to print OEC?	Eric	7/22/16
201) GSD 12 Procurement Procedures for Supplies, Services & Information Tech	Kelly Stanton 😊	7/22/16
Procurement Hand book update	Eric & Kelly S 😊	7/22/16
IT & non-IT Procurement Workflows HTML	Eric & Kelly S 😊	7/22/16
OEC 125.18	Eric	8/1/16
OEC 1306		
OEC 1347		
OEC 1306.20		
OEC 1306.21		
OEC 1306.20		
OAC 123:3-2-01		
OAC 127:3-1-01		
Chapter 125 review	Kelly S.	9/20/16
OAC 127.5	Eric & Kelly	8/1/16
STS	Curtis & Sandy	8/15/16



Information Technology Plan

IT		
WHAT	WHO	WHEN
Detail Meeting Single Entry Point/Loading Page	EITC/GSD/Finance	Next Month
Smart Routing	EITC/GSD/Finance	Next Month
Collaborations • Internal (Compliance) • External (Supplier/Portal) Strategies Documents Negotiation	EITC/GSD/Agencies	1-2 Months
Templates	EITC/GSD/Finance/A	
Work Flow/Approvals	EITC/GSD/Finance/A	
System Admin.	EIT/GSD/Finance/A	
Supplier Submissions	EIT/GSD/Finance/A	
Posting/Publishing Req.	EIT/GSD/Agencies/Finance/A	
Revenue Share	EIT/GSD/Finance/A	
Notifications • Internal • External	EIT/GSD/Finance/A	
Active Solicitations Mgt	Agencies/EITC/GSD	
Public Opening	EITC/GSD/A	
Evaluation RFP/ITB	EITC/GSD	
Document Mgt.	EITC/GSD/Agencies	
E-Signature	EITC/Security/GSD/Agencies	
Catalog	EITC/GSD/Agencies/Finance	
Spend/Reporting Costs	EITC/GSD/Agencies/Finance	
Analytics	"	
Reverse Auctions	"	
Data Conversion	"	
Mobile Access	"	
\$ 1/2015		



What Begins Next Week?

- RFP for eProcurement system
- Policies under review
- GSD and OIT determine differences in State Term Schedule (STS)
- Planning for next event



Your Kaizen Experience



Your Kaizen Experience



SIMPLER. FASTER. BETTER. LESS COSTLY.

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Special Thanks to...

Senior Leadership:

Bob Blair - DAS Director

Stu Davis - DAS Chief Information Officer / Assistant Director

Erik Yassenoff - DAS General Services Division Deputy Director

Sponsor:

Kelly Sanders (GSD), Eric Glenn (OIT), & Hamid Danesh (OIT)

Team Leader:

Kelly Sanders (GSD) & Curtis Brooks (OIT)

Customers:

Carol Cook (DOH), Patti Coss (DOH), Jenny Jones (OOD), Kelli Whalen (DPS), Robin Lester (DPS), and Scott Ferguson (DMHAS)