Ohio | Department of Youth Services

John R. Kasich, Governor
Harvey J. Reed, Director

Green Belt Lean Six Sigma Project Report Out

Rachel Griffin

Department of Youth Services

September 27, 2018

DYS and DRC Finance Shared Services – Procurement Process

LEANOhio

Team Members

Department of Youth Services

- David Blackburn, Sponsor
- Hannah Thomas, Co-Facilitator
- Regina Lurry, Co-Facilitator
- Steve Hrinko, Process Owner
- Dave Kukula, Subject Matter Expert

Department of Rehabilitation and Correction

- Kevin Stockdale, Leadership & Sponsor
- Danny Yates, Process Owner
- Subject Matter Experts- Yolanda Cooks, Karen Eagen, Yvonne Kenley, Yvonne Roberson and Speranca Szana
- Leslie Tilton – OCSEA rep

Background - Opportunity

- *As the Ohio Department of Rehabilitation and Correction and the Ohio Department of Youth Services combine support and administrative functions, efficiencies will be increased, services optimized, and costs reduced.*

- *By developing a strong shared services plan, both agencies can continue to work to strengthen the core functions that help adult and youthful offenders change their lives, ultimately supporting a safer Ohio.*

- Finance Shared Services included Accounting, Budget, Construction, Grants, Monitoring & Compliance and Procurement

Project Goals

Map the current processes and identify both the strengths and areas in need of improvement for each agency
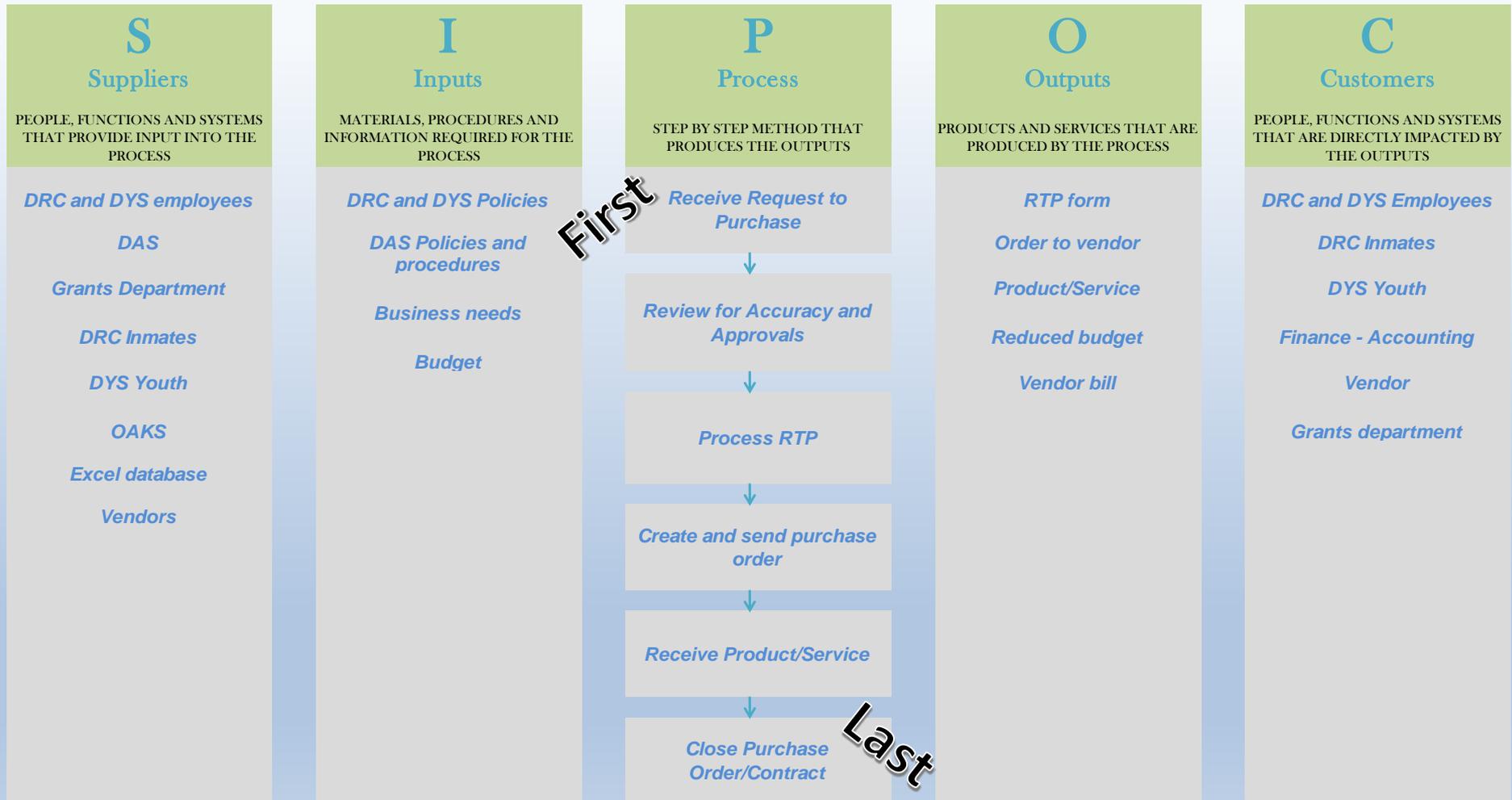
Design one future state process to serve both agencies with increased operational efficiency

Plan for the implementation of the new process while promoting a cohesive new team
through the utilization of change management
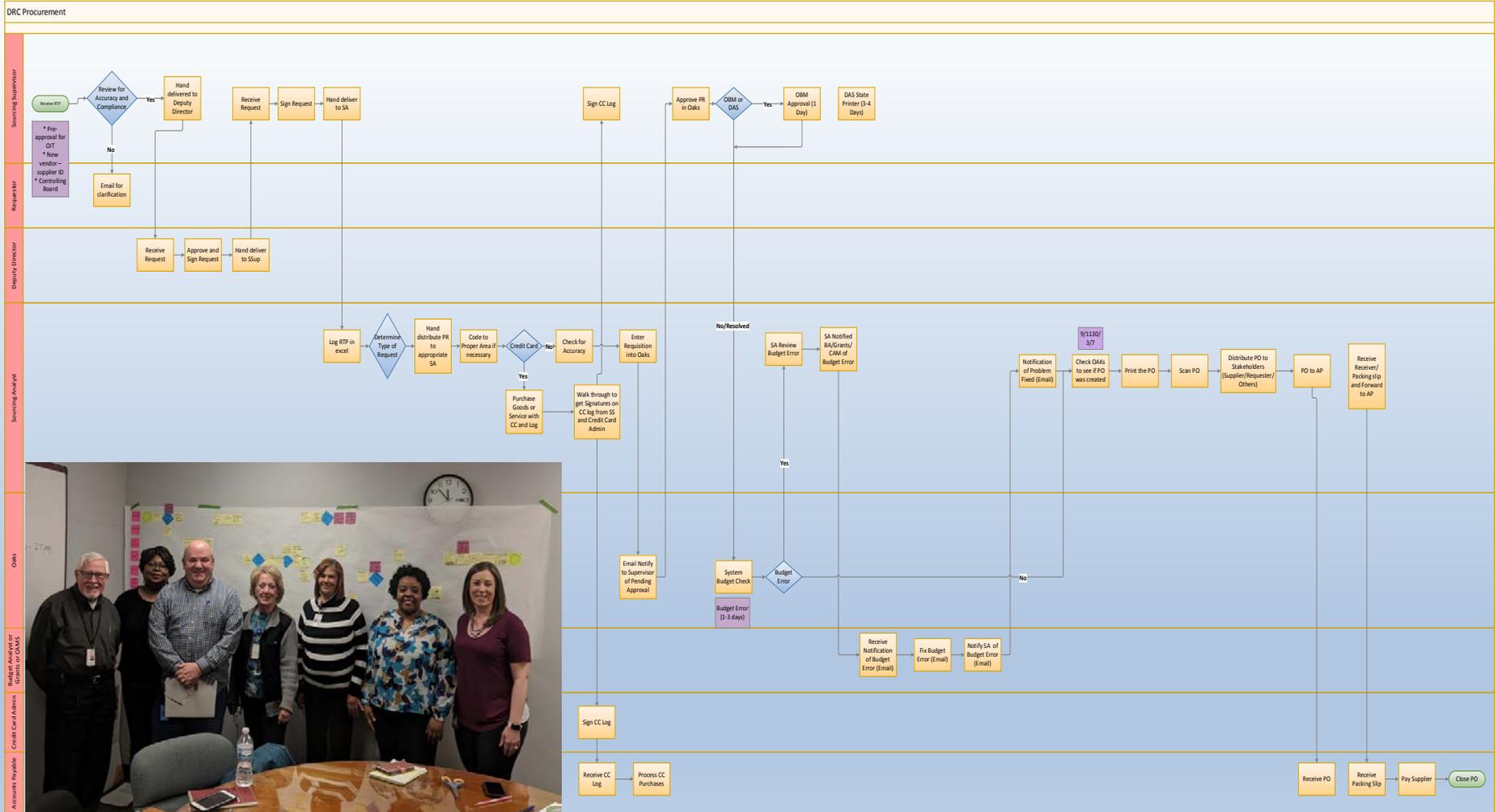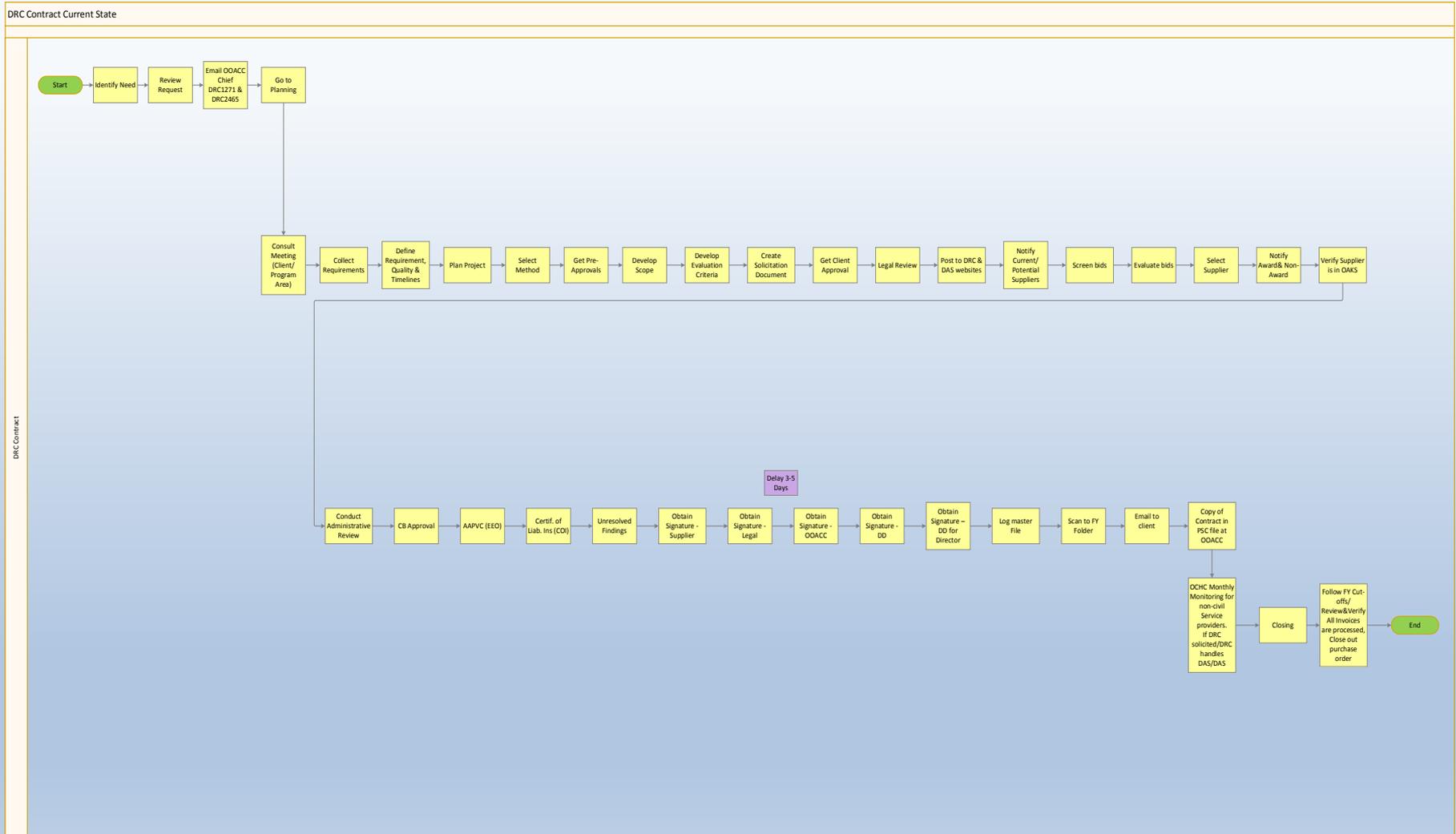
SIPOC

D

DYS and DRC Procurement Process

S	I	P	O	C
Suppliers	**Inputs**	**Process**	**Outputs**	**Customers**
PEOPLE, FUNCTIONS AND SYSTEMS THAT PROVIDE INPUT INTO THE PROCESS	MATERIALS, PROCEDURES AND INFORMATION REQUIRED FOR THE PROCESS	STEP BY STEP METHOD THAT PRODUCES THE OUTPUTS	PRODUCTS AND SERVICES THAT ARE PRODUCED BY THE PROCESS	PEOPLE, FUNCTIONS AND SYSTEMS THAT ARE DIRECTLY IMPACTED BY THE OUTPUTS

Suppliers:
- *DRC and DYS employees*
- *DAS*
- *Grants Department*
- *DRC Inmates*
- *DYS Youth*
- *OAKS*
- *Excel database*
- *Vendors*

Inputs:
- *DRC and DYS Policies*
- *DAS Policies and procedures*
- *Business needs*
- *Budget*

Process: *First*
- *Receive Request to Purchase*
- *Review for Accuracy and Approvals*
- *Process RTP*
- *Create and send purchase order*
- *Receive Product/Service*
- *Close Purchase Order/Contract* *Last*

Outputs:
- *RTP form*
- *Order to vendor*
- *Product/Service*
- *Reduced budget*
- *Vendor bill*

Customers:
- *DRC and DYS Employees*
- *DRC Inmates*
- *DYS Youth*
- *Finance - Accounting*
- *Vendor*
- *Grants department*

SIMPLER. FASTER. BETTER. LESS COSTLY.

Current State - DRC Purchasing

Current State - DRC Contracts

DRC Contract Current State

DRC Contract

Start → Identify Need → Review Request → Email OOACC Chief DRC1271 & DRC2465 → Go to Planning

Consult Meeting (Client/ Program Area) → Collect Requirements → Define Requirement, Quality & Timelines → Plan Project → Select Method → Get Pre-Approvals → Develop Scope → Develop Evaluation Criteria → Create Solicitation Document → Get Client Approval → Legal Review → Post to DRC & DAS websites → Notify Current/ Potential Suppliers → Screen bids → Evaluate bids → Select Supplier → Notify Award & Non-Award → Verify Supplier is in OAKS

Conduct Administrative Review → CB Approval → AAPVC (EEO) → Certif. of Liab. Ins (COI) → Unresolved Findings → Obtain Signature - Supplier → Obtain Signature - Legal → Obtain Signature - OOACC → Obtain Signature - DD → Obtain Signature – DD for Director → Log master File → Scan to FY Folder → Email to client → Copy of Contract in PSC file at OOACC

Delay 3-5 Days

OCHC Monthly Monitoring for non-civil Service providers. If DRC solicited/DRC handles DAS/DAS → Closing → Follow FY Cut-offs/ Review&Verify All Invoices are processed, Close out purchase order → End

SIMPLER. FASTER. BETTER. LESS COSTLY.

lean.ohio.gov

Current State – Combined Score Card

Measure	#
Process Steps	135
Decision Points	33

Data Baseline

- Data limitations for this project
  - DYS does not currently have a system to track RTPs because they are not required for all purchases
  - DRC's tracking method did not provide consistent measures for analysis
  - Neither agency has a database to track their purchasing data

- **Goal of the project** was to define measures and methods to track data

Lean Tools Used for Analysis

Root Cause Analysis

Request to Purchase Processing

Silent Brainstorming & Impact-Control Matrix

HIGH IMPACT/LOW CONTROL
- IT should make their own purchases
- Less individuals involved in the process
- Electronic Tracking

HIGH IMPACT/HIGH CONTROL
- Budget review process before Oaks entry
- Each department should supply their own funding codes
- Cross training – training for fiscal staff
- Promote ownership within the departments
- Deputy Director approval for 10,000 and above only
- Standard documents
- Alleviate redundancy
- Pre-Approval form

LOW IMPACT/LOW CONTROL

LOW IMPACT/HIGH CONTROL

Solutions to Eliminate Waste

- Transition to an electronic receipt of RTP forms – **Motion**

- Eliminate hand delivery of RTPs for approvals – **Motion**   Waiting

- Deputy Director no longer required to approve all RTPs –
  Underutilization   Waiting   **Over-processing**

- Move budget approval to beginning of process to avoid budget error delays –
  Over-processing   **Defects**
  Waiting

- New simplified all inclusive RTP form –
  Defects   Waiting   **Over-processing**

Future State
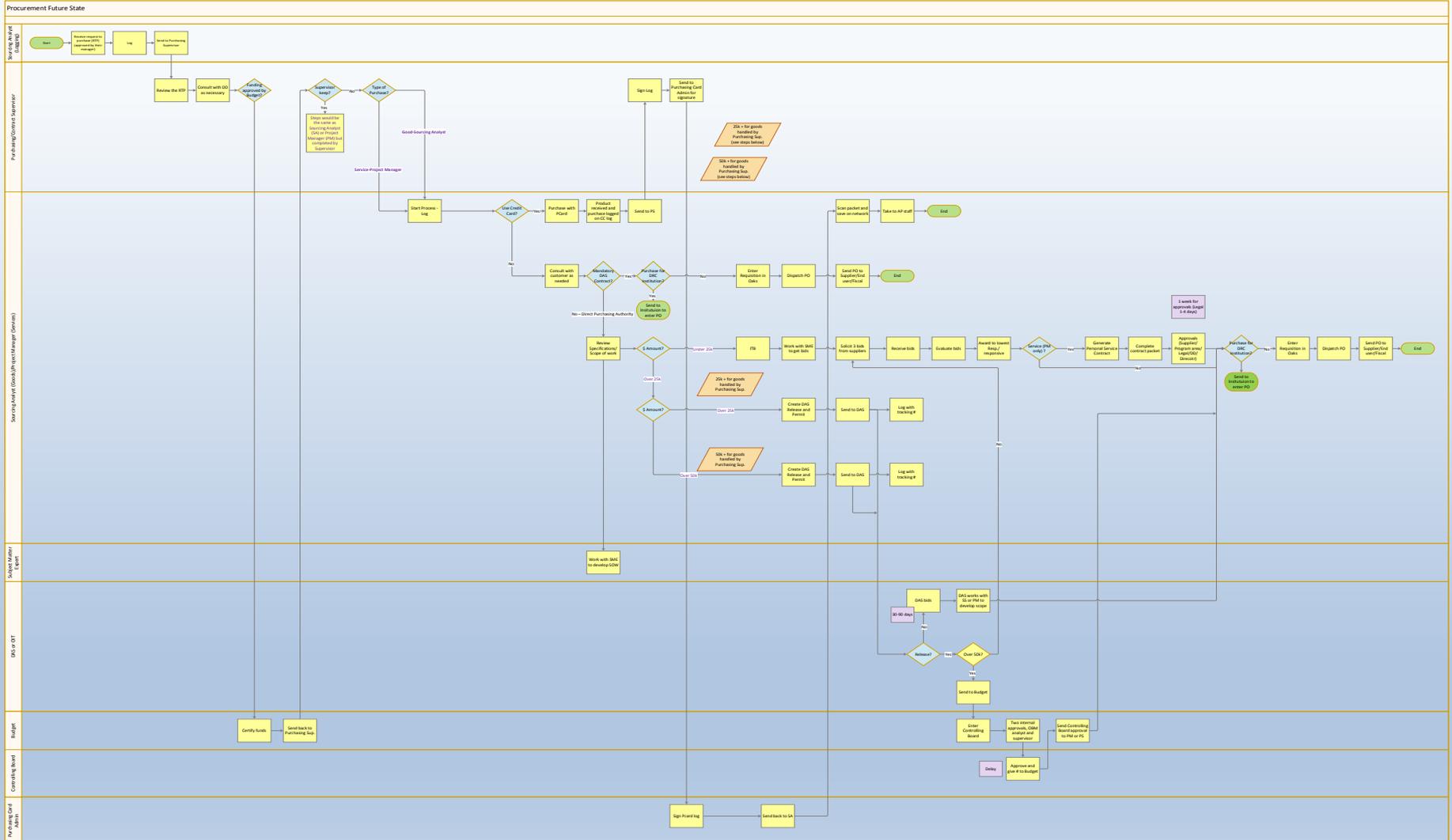
Project Metrics

Measure	Current (4 processes)	Future (1 process)	Difference (-3 processes)
Process Steps	135	51	-62.2%
Decision Points	33	11	-66.7%

New Request to Purchase Form

- Root Cause Analysis = One New Form

- Simplified format for the customer

- All inclusive form

- Error Proofing
  - Organized and color coded by area responsible = clarity
  - Required fields

Implementation Plan

What	Who	When
Update the RTP log – new tabs and columns (sent to Budget/Controlling board etc)	Yvonne K	Oct 1
Training – determine what is needed and who needs to be trained	Steve and Danny	Oct 1
Determine at what threshold the institutions need to send RTPs to Central Office (DYS vs. DRC)	Steve and Danny	Oct 1
What are the required documents for credit cards?	Steve and Danny work with Accounting	Oct 1
Coordinate the collection of all MOUs and saving method	Speranca and Yolanda	Oct 1
Discuss office supply purchasing and payment cards	Steve and Danny	Oct 1
Make sure staff has appropriate server access based on shared duties	Steve and Danny	Oct 1
DRC $500 policy variance	Danny	May 18
Create a central procurement email (work with IT)	Yolanda	May 18
Work with legal to create a standard contract for both agencies	Speranca and Steve	Oct 1
Create one RTP/Budget certification form for both agencies	Yvonne "Von" and Dave	June 30
Discuss IT purchases process with Ginine	Steve	May 18
Draft Procurement mission	Dave	Oct 1
Communication Plan	Yolanda/Dave/Yvonne K	Oct 1
Procurement procedure manual	Danny	Oct 1
Create a Who Does What document? (Coordinate with Danny/Steve)	Karen and Steve	Oct 1
Create a FAQs document	Karen	Oct 1
Create a Team Procurement contact list	Speranca	May 9

SIMPLER. FASTER. BETTER. LESS COSTLY.

New Tracking Spreadsheet

Date OSC Logged	Agent	Vendor	Vendor's OAKS ID#	Description	OAKS PO Date/ Pcard Date	OAKS PO#/ Pcard	AMOUNT	Days Since Logged	Days to Complete	Date Mod #1 Entered	Mod #1 Amount	Date Mod #2 Entered	Mod #2 Amount	Date Mod #3 Entered	Mod #3 Amount
								42693	-						
								42693	-						
								42693	-						
								42693	-						
								42693	-						

- Standardization
- Formula driven visual cues for CONTROL
  - If past x# of days since it is logged
    - Yellow – warning
    - Red – past due
  - Calculation for the # of days it took to process the RTP

Intangible Project Benefits

- Simplified contract documents
  - One set of contract documents for both agencies
  - Short contract for one time purchases

- Employee satisfaction
  - Everyone had a VOICE in the new process
  - Renewed ownership of the work
  - Team building opportunity for the new finance group

Special *thanks* to…

Senior Leadership – DYS

- Harvey J. Reed, Director
- Julie Walburn, Assistant Director
- Ryan Gies, Deputy Director

Senior Leadership – DRC

- Stuart Hudson, Director
- Kevin Stockdale, Managing Director

Sponsor: David Blackburn

Co-Facilitators: Hannah Thomas and Regina Lurry

Subject Matter Expert/s: Yolanda Cooks, Karen Eagen, Steve Hrinko, Yvonne Kenley, Dave Kukula, Yvonne Roberson, Speranca Szana, Leslie Tilton, Danny Yates

LeanOhio Mentor: Jonathon Fields

Questions/Comments