

Procurement Transformation

WORKING TOGETHER TO IMPROVE PROCUREMENT IN NORTH CAROLINA

Message from the Project Manager

Welcome to the first issue of *Procurement Transformation*, an online newsletter for procurement professionals, stakeholders and citizens interested in North Carolina's efforts to transform the way it purchases goods and services. I am proud to be a part of this bold enterprise and look forward to sharing updates about the activities of our six working groups.

With more than 30 years of private sector procurement experience, I am gratified by the opportunity to serve our state in this important

undertaking. In my new role as Project Manager, I have met with each working group and am impressed by the wealth of knowledge in the purchasing and contracting areas and enthusiasm about achieving the deliverables set forth over the past year.

The teams representing numerous state agencies are focused on developing, maintaining and executing standardized, policies and procedures, procurement training programs, contract management and compliance, and gov-

ernance state wide - where appropriate.

These groups will use a collaborative approach to strategically plan procurement activities that lead to optimizing the return on investment for the State of North Carolina by implementing and executing sound procurement practices.



Jocelyn Thornton

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Policies and Procedures

Facilitated by Angie Dunaway, Compliance/ Training Officer with the Division of Purchase and Contract, the Policies and Procedures working group has eight members from six state agencies.

Using best practices standards, its first goal is to standardize where appropriate the policies and procedures of P&C and IT Procurement into one comprehensive

manual that could be used by all state agencies.

The guide will be "user friendly" for new and experienced procurement professionals. It will include examples of proper documentation and forms as applicable. The team discussed general statues, administrative code, agency purchasing manuals, current practices and various ideas of how the new

manual could be developed to serve as a practical reference.

The intent is for the manual to be a living, online resource that will provide timely response to any changes in rules or procedures. The group initiated consideration of potential procedural reforms, including: Requisition Submittal Processes; Board of Award Process; Authorization Letter Required by P&C; and Agency Delegation Levels.





Communications and Change Management

Facilitated by Jill Warren Lucas, Communications Director at the Department of Administration, the Communications and Change Management working group includes six members of four state agencies.

Meets at 2 p.m. alternate Thursdays in the P&C Board Room.

One of its early accomplishments has been development of this newsletter with the goal of keeping participants, stakeholders and citizens aware of progress.

Information also will be shared on the [Procurement Transformation](#) website.

Building consensus and support is essential to the success of Procurement Transformation. This will be accomplished by focusing content on

significant actions and measurable accomplishment toward Governor Perdue's directives to transform statewide procurement activities to

increase efficiency and transparency as well as make the most effective use of taxpayer resources.

Assessments of past communication efforts identified inconsistent messaging and an unacceptable degree of variation in forms and other documentation. In collaboration with other working groups, this one will oversee development of practical and consistent documents, guides and training modules.

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Contract Management and Compliance

Facilitated by P&C Compliance Officer Karen Woodall, the Contract management and Compliance working group includes nine members from seven state agencies. Its primary task is to produce procedures for goods and service contract management and contract compliance.

While various draft and agency-specific guides exist, there is no statewide guide to assist procurement professionals in their execution of their daily responsibilities. Known guides will be studied for future application, which will reflect input from all working groups and stakeholders.

The goal is to develop and implement consistent procedures for affected state agencies, and provide benefit for others that opt to use the system to improve and update their methods.

Meets at 2 p.m. alternate Wednesdays in the ITS Conference Room.

Additionally, the group will examine various contract-monitoring systems previously or currently used by state agencies with the goal of identifying the most practical and effective solution for developing and future needs.

Other topics to be addressed include: Terms and

Conditions (sets for various conditions); Vendors (how to monitor vendor complaints so others can see history); Risks (is there an appropriate tool for monitoring contracts); Process to Pre-qualify

Vendors (before they bid on a contract); Contract End Dates (how to monitor those so that you can plan your renewal or rebid); and Supplier Relationship Management.

Staff Organization and Training

Facilitated by Ann Cobb, Deputy Director and Chief Operating Officer at the Office of State Personnel, the Staff Organization and Training working group has 16 members from 10 state agencies.

This working group is tasked with identifying and developing appropriate training modules that are consistent with administrative code and statewide purchasing needs.

Assessments have determined that many procure-

Meets at 10 a.m. alternate Tuesdays in the DENR Training Room.

ment professionals lack formal training and have been dependent on a learn-as-you-go approach. While peer-to-peer training can be highly effective, over time it can result in misinterpretations and short cuts that slow down the approval process and create frustration.

Formalizing job roles and providing training will empower staff to meet expectations and improve work flow.

At its first meeting, the work group developed an Affinity Chart to formally define the skill sets necessary to effectively perform as a procurement professional. They will be prioritizing these and organizing them into recommended training courses.

The next step will be developing outlines for each course.

New training modules will be consistent with administrative code and statewide purchasing needs.

Strategic Sourcing

Facilitated by Jim Westbrook, Purchasing Manager at P&C, the Strategic Sourcing working group has 11 members from five state agencies. Its purpose is to realize significant expenditure reductions through coordinated, strategic purchase of select goods and services.

Meets at 8:30 a.m. alternate Tuesdays in the P&C Board Room.

The group's initial discussion focused on proactively looking at term contracts due to expire in the next several months to identify opportunities for improved purchasing arrangements. The group also will focus on

ways to ensure competitive pricing on new contracts, especially those for high volume items.

Purchasers also are considering ways to gain useful feedback from end users, such as linking surveys to existing contracts, especially those due to expire within six months.

In addition to high-volume commodities, particular attention will be directed toward contracts that feature some of the same items found in other contracts, and on contracts that may

have grown too large to manage effectively. Members will collaborate with other working groups and state agencies to gather data and identify goods that may yield savings or cost avoidance through strategic sourcing, resulting in the lowest total cost of ownership for the state of North Carolina.



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Governance

**Meets at
2 p.m.
alternate
Tuesdays at
Wildlife
Resources.**

Facilitated by Patti Bowers, Chief Procurement Officer at the Department of Transportation, the Governance working group has seven members from four state agencies.

This group will provide ongoing monitoring of and recommendations related to statewide procurement, including metrics to evaluate progress toward achieving transformation goals and key milestone activities.

A key priority is the need to develop a single-source reference for all agencies to reduce reliance on internal agency guides or informal practice that lack consistency. All procurement professionals must be familiar with applicable administrative code and follow prescribed approval processes to ensure efficient and timely review.

Guidelines also must be developed to address unapproved “shortcuts” or other activities

that delay or otherwise disrupt progress.

Members will use individual expertise to identify best practice examples that may serve as a model for North Carolina application. A tracking resource also will be developed to document savings or cost avoidance that result from strategic sourcing and other contract improvements.

Moses Carey Jr., Secretary
Anne Bander, Chief Operating Officer
Speros Fleggas, Senior Deputy Secretary
Sam Byassee, State Purchasing Officer
Jocelyn Thornton, Project Manager

Working Group Facilitators:

Patti Bowers, Governance
Ann Cobb, Staff Organization and Training
Angie Dunaway, Policies and Procedures
Jill Warren Lucas, Communications and Change Management
Jim Westbrook, Strategic Sourcing
Karen Woodall, Contract Management and Compliance

Procurement Transformation is an online publication of the Division of Purchase and Contract, N.C. Department of Administration. Additional information may be found online at <http://www.doa.nc.gov/procurement/>.

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