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2021 GEORGE CRONIN AWARDS FOR PROCUREMENT EXCELLENCE SUBMISSIONS

Finalists
Arizona - Developing the Next Generation of Procurement Professionals ........................................ 5
Georgia - DOAS Small Business Procurement Readiness Workshop .................................................. 10
Louisiana - Louisiana's Installment Purchase Market (IPM) for Third-Party Financing .........................17
Tennessee - Ordinal Ranking in Cost Negotiations ........................................................................ 23
Wisconsin - Interagency, Data-Driven Collaboration: Wisconsin's Innovative Approach to Specification Development .......................................................... 27

Honorable Mention
Arizona - Achieving Procurement Efficiencies Amidst a Pandemic ...................................................... 32
District of Columbia - Strategic Logistics Center .................................................................................. 37
Florida - Florida State Purchasing Response to COVID-19 PPE Vendors ......................................... 42
Florida - Online Training and Certification Programs ........................................................................... 47
Michigan - Pivoting to a Virtual Certification Program Due to COVID-19 ............................................ 52
Nebraska - Procurement Concierge Program ...................................................................................... 56
Tennessee - TNSmartShopSWCCatalog ............................................................................................... 60
Virginia - Reaching a Multigenerational Workforce: A 21st Century Approach ..................................... 65
State of Arizona
Department of Administration
Division of Procurement

2021 George Cronin
Awards for Procurement Excellence

Developing the Next Generation of Procurement Professionals
Executive Summary

The Arizona State Procurement Office Intern Program was evaluated with the change of a new program manager. This change led to significant discoveries and opportunities for improvement that have had a lasting effect on our organization.

The solutions developed were based on data and information collected from over 75 interviews and conversations with Arizona State University students, 35 Arizona procurement staff, and eight previous and current interns during this program improvement initiative.

Professional development, a consistent hands-on procurement experience, and an increasing general awareness of public procurement and the State Procurement Office were the areas mainly focused on for this program improvement. These areas were opportunities for the team to develop solutions in an innovative fashion that ultimately led to a more meaningful experience for these young professionals as well as better qualified candidates for the State and other organizations.

Innovation

The information we collected from our procurement staff indicated there was a need for increased professional development opportunities in our program. Eighty-seven percent of the full-time procurement team indicated that the main goal of the intern program was to develop young professionals and adequately prepare them for a possible career in Arizona’s central procurement office (the State Procurement Office - SPO). The previous and current interns were asked the same question about the intern program goal and, unfortunately, 70% of them indicated that their experience in the program led them to believe that the program’s main purpose was to help with administrative work. This vast difference between the perceived goals of the program and what the program was actually accomplishing revealed the need for a greater focus on preparing interns to not only enter the professional workplace, but also to take and apply the plethora of skills and experiences they were able to acquire while at SPO.

For many interns at the state, the internship is the first professional business experience in which they engage. This leaves the state with the opportunity and responsibility to provide an environment in which they can learn procurement best practices and skillfully navigate a unique professional environment. Furthermore, it is highly likely that their future employers will also notice the professionalism or lack thereof from the initial professional engagement at the state. To help provide the needed skills, tools, and understandings of the business world, a series of soft skills and professionalism training were developed with topics and resources to help navigate today’s complex professional environments. These topics include: verbal communication, non-verbal communication, meeting facilitation, written professional communication, interpersonal skills, and more. Such knowledge provides interns with the opportunities to learn best practices and how to successfully handle situations and circumstances that come up in everyday scenarios. Included in these trainings are activities that allow interns to practice the skills they learned in controlled environments. For example, the Meeting Facilitation training goes over appropriate ways to schedule, plan, lead, and direct a meeting. At the end of the training each intern has the opportunity to play a role leading a meeting where they learn to stick to an agenda, handle disruptions, overcome technology malfunctions, deal with people taking the meeting off topic, and
appropriately address unprepared and inattentive meeting attendees. These trainings provide invaluable lessons that replicate issues which come up in daily business scenarios and provide principles and techniques to handle them professionally.

Moreover, our interns and procurement staff identified another opportunity for the employees at the State Procurement Office to collaborate more effectively. A question in the survey asked how satisfied SPO employees were with the Intern Program. The results showed that employees ranked a 4 rating on a scale from 1-5 indicating that the program has been performing satisfactorily. Conversely, the intern feedback showed that 62% of interns feel that the program suffered from lack of structure and consistency. This data and input from the interns who had received a more structured experience allowed our group to help provide a more meaningful experience through a mentorship and program outreach solution.

Before improvements were made, our procurement staff and interns worked together in a random and circumstantial manner. This created an inconsistent internship experience for each intern that went through the program. This information, combined with the feedback from one of the most positive internship experiences, showed us that as the intern was able to observe, work, and provide input alongside a procurement mentor, the whole experience was greatly enriched. Throughout the entire solicitation life cycle, the learning, structure, and experience was especially meaningful as growth and knowledge was combined with hands-on work. Specifically, one intern had helped edit solicitation documents, took notes at the pre-offer conference, assisted in drafting contract amendments, and followed and worked on every other step with the contract manager to the eventual award and management of the winning supplier. This provided a way for the intern to observe, work, and ask questions on the front line with our experienced procurement staff. To help determine which procurement mentor is the best match to pair with our interns, we first seek out those in our staff who are knowledgeable and are good teachers. We secondly look at their behavioral tendencies; at the state, we use the Predictive Index, a behavior assessment tool that allows us to identify trends in how a person tends to work and communicate. When pairing interns with procurement personnel we seek to combine behavior tendencies that are a good match for each other. This helps the intern in feeling more comfortable in asking questions and learning as well as helps the contract manager mentor to communicate effectively to their mentee. The State procurement interns are all assigned a contract mentor and witness and participate in the whole solicitation life cycle. This has helped the state to deliver a more consistent and meaningful experience for our procurement team and interns.

Transferability

The process and implementation of our improvements are easily adaptable for other procurement organizations to utilize. An effective intern program in the public sector is an effective way to help the new workforce to become aware of our organizations as a career path as well as establishing an understanding of how we differ from the private sector. Seeking to understand the new workforce and raise awareness of public procurement at the state has been an important improvement that other procurement organizations can utilize to their advantage.

The knowledge of our program and even of public procurement as a whole at our local university campus could be best summed up by this common phrase, “I didn’t even know the state had a procurement office.” The events that we attended had little traffic or buzz, many times students would learn about us by accident, such as the time when we were mistaken as an overflow booth for Facebook at an ASU Supply Chain career fair.
Through much collaboration and effort we have become a program that more students are familiar with and are interested in. We make a consistent effort in participating in university events where we inform on public procurement, the intern program, and our unique mission and goals as a centralized procurement organization. We attend one or more career fairs each semester where hundreds of students get to ask questions and find out what state procurement is all about. Furthermore, we’ve connected with the relevant supply chain management and the NASPO public procurement course professor where we give presentations on state procurement, sourcing, and other topics at times twice a semester. Additionally, we assist in a strategic negotiations course where we provide commodity spend data for students to analyze and use in order to gain insight on developing a commodity strategy.

This awareness has helped many students to understand more about the state procurement office and public procurement as a whole. Before our revamp we would receive about 40 applications to intern positions and a handful of students at our presentations. Since our program improvement effort, we now receive over 100 applications to each new position posted and over 40 attendees to our information sessions. Even as the majority of students will not work with us directly, increased understanding and awareness of the Arizona State Procurement Office may help serve both parties in the future. According to an ASU news Article, “A vast majority, nearly 70%, of ASU graduates work in Arizona.” More informed graduates who work in Arizona and are aware of our Procurement Office just may work for companies who already have state contracts with us or are part of our 30,000+ suppliers that are registered in our e-procurement system.

**Service Improvement**

With all of our stakeholders considered and the drive to help both procurement employees and interns toward a more consistent experience our intern program supports our procurement team while gaining hands-on development from fulfilling requests such as benchmarking, to taking pre-offer conference and evaluation notes, preparing amendments, etc. To receive these requests, a Google form is used that asks all the information needed for the intern to complete the request. The interns have the opportunity to participate in these procurement activities while learning, observing, and applying from contract managers and the contract managers receive some assistance on complex solicitations. As interns have various schedules throughout the day with not all of them working every day, it’s crucial that they collaborate and stay extra communicative about requests and their status. Our intern program manager holds a quick 15 minute huddle board with the intern group every day where they connect on the requests, mentorship, training, and other learning opportunities. To track the progress of each request they use a Trello board (a virtual visual project management application) which includes the information of the requestor and what is asked. So if David is out one day, Erika can pick up on the next day. Another key part of these requests is a feedback form that the interns use after they complete the desired requests from contract managers. This gives the interns an opportunity to be evaluated and make any needed changes to fulfill future requests. The survey indicated that contract managers hold diverse preferences on help request methods, with 27% preferring to approach interns directly, therefore eliminating any opportunity for manager oversight, and contributing to the lack of structure and filter of these requests. The intern help request process has helped deliver a more consistent process for both parties and also ensures that non-value adding administrative requests are kept to a minimum.
Cost Reduction

The intern program has helped the State Procurement realize savings in three areas: recruitment, on-boarding, and conversion costs. The value of having new employees who are already familiar with the state’s processes, programs, and personnel is a key differentiator when hiring for entry level positions.

As the awareness of the state procurement office has increased, SPO has received more quantities of applicants and more qualified prospective interns which reduces the lead time in hiring and the length of the recruiting process as a whole. Our participation in the university activities allows us to get to know our applicants better which makes it easier to adapt our program to meet changes with the new workforce. We’ve had a total of 6/11 interns convert to full time employees over the past three years, with two others accepting other public positions.

From developing/posting position descriptions and working with HR to screen and interview candidates, prep work for new employees to start, and the addition of our three week on boarding process the State Procurement Office spends about $6,000 in personnel resource hours to recruit and on-board each new employee. By providing a meaningful experience to interns and having them fill our positions, we have the opportunity to transition them into full-time positions and eliminate the cost of recruitment and on-boarding again for vacant full-time positions. As we combine the total number of interns that have converted to full-time employees, this totals $36,000 saved in these costs over the life of the program. This allows us to continue to be good stewards of our taxpayer’s money and use these funds for other pressing issues.

Conclusion

Listening and including interns, our full-time staff, management, and our other stakeholders has led us to provide unique solutions that we have been able to standardize. Raising awareness of our program, providing professional development, and delivering a consistent and meaningful program experience for our interns and staff has resulted in better equipped interns, a consistent program for our staff, and a better informed workforce.
State of Georgia

Department of Administrative Services
State Purchasing Division

2021 George Cronin
Awards for Procurement Excellence

DOAS Small Business Procurement Readiness Workshop
Executive Summary

Small businesses are important to the growth and success of Georgia's economy. In 2019, Governor Brian Kemp established the Georgians First Commission to study state government regulations and identify ways to improve the small business environment with the goal for Georgia to be the #1 state for small business. In support of the small business initiative, the Georgia Department of Administrative Services (DOAS), State Purchasing Division (SPD) adopted strategic goals to grow the number of small businesses registering to do business with the State of Georgia, participating in the state bid process, and winning state contracts.

Through information gathering sessions with small business owners and state procurement staff, different challenges were identified impacting small business participation in state procurement. SPD sought to meet these challenges by building on its partnership with the University of Georgia’s Small Business Development Center (SBDC) Minority Business Division (MBD) to create a new series of training sessions for a group of small businesses. Through this partnership, the inaugural Small Business Procurement Readiness Workshop series was born.

The workshop intertwines the state procurement process with essential small business development training on how to increase small business core capability and capacity. Featuring small business development partners, industry experts, and state and local government procurement staff, the workshop leverages subject matter experts to provide essential information in an efficient and affordable way. Utilizing existing program resources, the SPD and the MBD were able to rapidly launch the program at minimal cost to a small group of small business owners meeting pre-determined criteria to maximize the benefit of the program.

Upon completion of the seven-session workshop series, participating small businesses shared lessons learned and success stories, including successful supplier registration, increased understanding and participation in the bidding process, improved understanding of the “elevator pitch,” concise capability statement, successful marketing strategy and more. Three business owners reported receipt of new contracts, and a fourth business owner established a referral agreement.

The immediate and positive impact of the workshops on the small business participants also directly benefits Georgia’s state and local government entities by increasing the pool of competitive and capable suppliers. SPD and the MBD will study the results of the inaugural workshops with the goal of continuing this innovative partnership. Accordingly, the State of Georgia is pleased to nominate its Small Business Procurement Readiness Workshop for a Cronin Award (see attached letter of support from the MBD).

Innovation

Delivered virtually through a series of modules, the Small Business Readiness Workshop’s goal is to provide an engaging environment on a single platform that delivers comprehensive knowledge and business-building techniques applicable to doing business with the State of Georgia through the growth and sustainability of each small business. We have created a dynamic learning experience that includes pre-work activities, remote participation, live online instruction, and other learning activities to reinforce key concepts. The modules ensure that all learners have the opportunity to engage with the content in a variety of ways, but specifically, through Q & A, panel discussions, and breakout sessions. These sessions are distinguished from
other closely similar webinar trainings that simply allow one-way communication from the presenter to the virtual audience. Breakout sessions allow small business owners to network and make connections with other participants. Creating an effective platform for participants to learn, connect, and collaborate with one another is what keeps them engaged and what will ensure the program’s sustainability and effectiveness over time.

The workshop design is also path-breaking for Georgia as it combines state and local government procurement experts, industry experts, and small business development experts all into one training series. This design created a dynamic environment with all participants, including facilitators and speakers, engaging together, and learning from each other.

Business and financial development topics include analysis and financial needs, marketing strategies, organizational structure, and key policies and procedures related to human resources, insurance, bonding, and other financial considerations that may improve business efficiency to achieve state government contract goals. State procurement topics include the following:

- Navigating supplier registration process and bidding systems
- Connecting with key partners and purchasing professionals
- Do’s and Don’ts for submitting bids
- Elements of government contracting and subcontract agreements
- Understanding procurement opportunities
- Purchasing methods and acceptance of P-cards
- Most common attributes of awarded suppliers
- Additional resources available to small businesses and more

One example of the workshop’s resources would include a business model analysis checklist from one of our resource partner’s presentations (see example below).

My Business Model Analysis Checklist:

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<th>Capable?</th>
<th>Viable?</th>
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<td>Reference ready customers, solution partners</td>
<td>Niche leader: products, services, solutions-delivery</td>
<td>Processes for delivering repeatable value-add solutions at scale? (Quality, cost, timing, etc.)</td>
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<td>Demonstrated positive ROI for clients</td>
<td>Personal (or team) experience executing your Business Model?</td>
<td>Systems for operational &amp; cost efficiency?</td>
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<td>Concise marketplace positioning</td>
<td>Demonstrable financial / cash flow mgmt. strategy</td>
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<td>Systematic approach for sourcing new business?</td>
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<td>Strategic processes to retaining &amp; growing existing clients? Renewals? Referrals?</td>
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<td>Meeting or exceeding forecasted ROI for Client? Your business?</td>
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</table>

**Transferability**

The challenges faced by Georgia small businesses are not unique. Limited time and staffing resources to review and respond to bids, complex solicitation requirements, limited understanding of state procurement rules, and individual business development needs are challenges impacting small business throughout the United States. As a tool to support small business readiness for the state procurement process, Georgia’s workshop model may be adopted by other states to support small business set-aside goals, as applicable, or improve overall
competitiveness of the supplier market available to the State. Growing the pool of viable suppliers drives better value, increased choice, and more innovative products and services for the state.

The structure and schedule of the workshop (see attached marketing flyer) can be used by other states as a template for implementation of this program. Georgia implemented half-day modules and bi-weekly schedules to allow for small businesses to prepare, automate, and outsource, in advance, while in attendance. The seven sessions were completed over a three-month period, too, allowing the workshop series to be offered more than once within a calendar year.

Other state procurement teams could partner with small business development entities within their respective state and incorporate their own content, speakers, and subject matter experts to correlate with each module. Additional content could be added that would be beneficial for small business owners to better prepare them to do business with that state.

To minimize cost and allow rapid launch of the program, SPD and the MBD shared existing resources to facilitate the workshops including virtual meeting technology, online application technology, and an online survey tool to collect student feedback. SPD and the MBD leveraged their websites, social media accounts, email distribution lists, and other supplier events for the marketing efforts, resulting in the workshop being at capacity within 10 days of registration opening.

**Service Improvement**

By setting minimum application criteria for participating small businesses, workshop facilitators were able to present training to small businesses best positioned to begin the state procurement process. This allowed SPD and the MBD to maximize the impact of its supplier training resource services offering through the new workshop series. By utilizing SPD and MBD staff as facilitators and presenters, SPD and the MBD increased their own knowledge and understanding of each other’s programs and processes as well as identified opportunities to improve the small business experience.

Participant feedback in the workshop emphasizes an internal focus on how to make the delivery of goods and services from the supplier more effective and efficient to stakeholders as consideration for improvement within the procurement process in general. For example, understanding how solicitation requirements impact suppliers’ eligibility to bid or the overall cost of the submitted bid, is critical for both suppliers and the state to understand. Most recently, a workshop participant encountered a challenge during the bidding process in that audited financials were required to bid. Based on the workshop training, the participant was encouraged to seek clarification from the state agency to see if other financial information would be acceptable. The participant found such relief in knowing that our procurement team, procurement professionals, and resource partners were approachable and available to answer questions once they made it to the negotiation round, which resulted in the business being able to proceed forward.

Specific modules in the workshop further emphasize how important it is to make sure a bidder reads, reacts, and responds to all the requirements and answers all the questions, clearly and thoroughly thereby improving the bidder’s responsiveness and likelihood of receiving an award.
**Cost Reduction**

This program relies on the knowledge and expertise of multiple partners willing to share their expertise and resources at little or no cost, including DOAS, the MBD and industry experts that are passionate about assisting small businesses and helping Georgia achieve its strategic goal and performance metrics. Therefore, there were minimal to no cost involved with administering the workshop. This benefits the state and also removes potential barriers to small businesses’ participation.

Also, the cost of meeting venues can create a greater number of expenses and can potentially generate higher registration fees that may be passed on to the attendees. Virtual venues create less of a financial burden to the state as SPD navigates the logistics of the virtual world. In addition, to meet the challenge of switching to virtual, SPD continues to consider travel costs and logistics to blend “the best of both worlds” by incorporating virtual elements when face-to-face meetings resume.

Georgia expects that future efforts will focus on reintroducing face-to-face small business training and outreach as done pre-pandemic. However, with virtual delivery, business owners can enjoy the ease of attending from anywhere in the world and of accessing online portals.

**Conclusion**

The Georgia Small Business Readiness Workshop is an innovative approach to providing a platform for networking and training to small business owners that are not often found, specifically, on one platform. It allows state procurement agencies to be partners, as well as providing resources for small business owners. Georgia looks to find workarounds, including match-making programs that pair small businesses with established suppliers and breakout sessions where attendees can meet and greet between presentations. Small business owners might find it less intimidating to ask questions during virtual sessions and reach out to new people, including prominent businesses and procurement professionals, than during in-person meetings. Introducing small businesses to other procurement professionals can serve as resources and support needed to help their business grow.

Providing a networking platform for small business suppliers, while improving employee engagement through cross-division relationship building is a win-win for the agency and for the small business. Engaging fellow team members creates opportunities for them to increase their awareness and knowledge of small business needs and will help with the structure and innovation of new contracts, terms and conditions. Georgia is excited to build on the success of the inaugural workshop and positively impact more small businesses through SPD and MBD’s continued partnership.
Enroll Today!  A Six-Module Program for Georgia Small Business Owners Aiming to Learn, Grow, and Thrive!

The Department of Administrative Services (DOAS) in collaboration with educational partner, the University of Georgia Small Business Development Center Minority Business Division (UGA SBDC MBD), will host a virtual series of Small Business Procurement Readiness Workshops. The comprehensive program includes six consecutive high-powered training sessions designed to arm business owners with dynamic skills to expand capacity, optimize performance, and increase opportunities for success.

1st and 3rd Thursdays, February - April, 2021, 9:00 am - 12:30 pm

PROGRAM AGENDA:
- February 4, 2021: Module I: Contract Opportunities, Marketing & Research Strategies
- February 18, 2021: Module II: Business Operations Strategies
- March 4, 2021: Module III: Business Operations Strategies
- March 18, 2021: Module IV: Procurement Business Development Strategies
- April 1, 2021: Module V: Financial Management Strategies
- April 15, 2021: Module VI: Small Business Readiness Checklist, Connections & Execution Summary
- April 29, 2021: Ceremonial Module: Networking and Small Business Readiness Awards

COST: $99

Enrollment is limited.
Copy and paste the following link in your browser to complete the enrollment application by January 28, 2021:
https://training.georgiasbdc.org/search/publicCourseSearchDetails.do?method=load&courseId=1076347#courseSectionDetails_10925747?programid=178876
Small Business Development Center
Office of Minority Business Development

May 25, 2021

Dear Selection Committee,

Having learned of the call for nominations for this year’s 2021 George Cronin Awards for Procurement Excellence, I am writing today to endorse a highly suitable organization, the Georgia Department of Administrative Services (DOAS) State Purchasing Division (SPD).

As partners and collaborators for four years, I have seen firsthand the SPD team’s intelligence, innovation, and dedication to service improvement. They not only meet the challenging requirements and expectations for this award but exceed them.

The SPD Team went above and beyond to ensure that these workshops were engaging, despite the necessity of a virtual setting due to the pandemic and offered transferable skills. As their partner in these workshops, we worked together to design a curriculum with a variety of expert speakers, including University of Georgia faculty, to offer information on procurement that the attendees couldn’t get access to on their own.

The attendees themselves commented how relevant and useful the sessions were. They especially enjoyed the ability to interact and ask questions verbally of each speaker, as if they were still in a classroom. Before the class even ended, there were already a few success stories of the participants winning contracts with the information and tips that were provided in the workshops.

The unique talents and qualifications of the DOAS SPD team make them a perfect recipient for this award. I would be happy to express my support in more detail, answer any questions, or share additional contacts who would be willing to express their support of the nominee. Thank you for your consideration.

Sincerely,

[Signature]

Carolina Ramon
State of Louisiana
Division of Administration
Office of State Procurement

2021 George Cronin
Awards for Procurement Excellence

Louisiana’s Installment Purchase Market (IPM) for Third Party Financing
Executive Summary

The State of Louisiana has successfully implemented an Installment Purchase Market (IPM) for third-party financing of movable equipment. Louisiana’s IPM program is a gumbo unique among the 50 States, built upon a hearty base of Louisiana’s past procurements, complemented by select fresh ingredients from other states’ best practices, and seasoned by extensive collaboration with the financial vendor community. The result is an offering that is distinct to Louisiana but suitable nationally, and which provides a superior experience for all stakeholders while substantially reducing costs to the State.

Louisiana has historically operated two equipment financing programs: LEAF and MIPA. LEAF is a $40 million revolving loan fund drawn on the General Fund. LEAF has been substantially constrained by its capacity, as agencies must wait in line for funding availability to be replenished before acquiring equipment, which often leads to assets being kept in service long past their economically viable lives. MIPA was a supplemental third-party financing contract bid out every five years and awarded to one financier with a fixed markup rate for the full five-year term. MIPA was discontinued after the 2008-2009 Financial Crisis, as financiers could no longer accept the interest rate risk arising from guaranteeing a long-term rate through MIPA.

The LA Office of State Procurement initiated the IPM program to meet the challenges presented by LEAF and MIPA. Louisiana assembled a multi-disciplinary team of subject matter experts and stakeholders, including finance, fleet and property management, procurement, treasury, and legal, to create a truly distinct and innovative program. This approach enabled Louisiana to identify and proactively resolve the legal, financial, procedural, and logistical challenges that could arise from an entirely original approach to third-party equipment financing.

IPM’s structure is that of a financing market initially established by an RFP, in which financiers are evaluated and potentially awarded as Market Members, pursuant to master contracts which address high-level boilerplate provisions and the basic roles and responsibilities of the Members within IPM. As a result, Members are not distant vendors; rather, they are engaged contract-holders. Notably, additional Members can be added to the same Market by periodic RFPs every 18-24 months, so that IPM is both permanent and dynamic – not sunset by a five-year single contract duration, but iteratively evolving as Members are added, renewed, or removed.

Market Members are participants prequalified to respond to the State’s bimonthly interest rate quotations. Another differentiating feature of IPM is the use of “bundles” to group together acquisitions based on equipment category and financing term. This enables participation not only by traditional banks, but also by specialty financiers for assets such as vehicles, heavy equipment, or IT. Interest rate quotations are submitted by Market Members in the form of a markup over a specified public benchmark rate. Award is made to the Market Member offering the lowest rate for each bundle. The bundle and time specificity, and use of a benchmark rate, lowers interest rate risk for each Member, and allows each to price their offering according to their moment-in-time portfolios, costs of capital, and lending profiles.

IPM was complex to design and implement, but it has been a striking success for Louisiana, beyond all expectations. It is an innovative procurement in its own right, and opens the door to other transformative procurements. IPM is truly original but entirely replicable by other states, and delivers both service improvements and cost benefits, as will be described.
Innovation

Louisiana’s IPM is unique in that it established a novel hybrid model for third-party equipment financing. Rather than the familiar approach of establishing one financing contract with one financier for a 3-5 year term to be used across multiple acquisitions, or the opposite approach of manually establishing standalone financing instruments for each acquisition, Louisiana’s IPM is a competitive market in which multiple vetted contract-holders bid to offer value to Louisiana, across acquisitions, across RFPs, with distinctive features offering mutual benefits.

Louisiana’s approach began with the identification of challenges in its prior financing efforts, and then identification and comparative evaluation of other states’ practices. Research and discussions with Florida, Maryland, Mississippi, Pennsylvania, Virginia, and Washington about structures, processes, and lessons learned proved especially useful to Louisiana in charting a unique and viable path. Louisiana is proud to have built upon the best practices of its peers.

The innovative features of IPM are focused on the dual-stage structure of the Market, composed of the initial RFP(s) and the interest rate quotation solicitations. This allows the Market to be sustained continuously across multiple long-term RFPs, while the interest rate quotations per bundle are resolved within one to two weeks from issuance to notification of award. The rate markup floats upon the index until the time of purchase, at which time the actual interest rate paid by the end user agency to the Market Member is fixed for the entire duration of financing.

The State has the long-term security of multiple viable contract-holders, combined with the cost savings of a pricing model in which financiers can offer their true moment-in-time cost of capital markup without concern for underlying rate movement or the potential for market upheaval. This seemingly simple structure yields complex, innovative benefits, including stability, vendor inclusion and accessibility, reduced risk, specialization, economies of scale, and additional financing bandwidth to enable other strategic priorities such as enterprise IT transformation projects which could not otherwise be implemented as efficiently as needed.

Stability arises from the permanence of the Market – not reliant on the just-in-time resolution of a single replacement RFP. Vendor inclusion and accessibility results from the ability to add Market Members over time, and the bundle approach enabling Members to focus on their specialized competencies (such as IT) and strategic interests (such as taking on more or less tax-favored debt). Reduced risk arises from reduced potential for an interest rate mismatch between a Member’s quoted rate and the future actual rate because of use of a specified benchmark US Treasury index. Reduced risk also results from Members being able to be selective about bundles if certain items have a perceived lower risk profile than others. Specialization and economies of scale flow from the inclusion of multiple, diverse financiers in the Market. Lastly, the additional bandwidth offered by IPM’s structure is innovative in that it ensures coverage across the ebbs and flows of financier-specific lending practices.

Transferability

Louisiana’s IPM is fully replicable by other states and public entities. Although IPM was certainly designed and reviewed to ensure full compliance with Louisiana law, its structure and processes do not rely upon any legal provisions unique to Louisiana. Louisiana has worked to expand the availability of IPM beyond the initial scope of agencies, to soon include LSU and other public universities and to one day potentially include parishes, municipalities, and other local
governments of Louisiana. The ability to add Market Members over time further supports the goals of transferability, as it enables local banks (local to Louisiana, or local to Colorado or Georgia, as the case may be) to participate in individual transactions at their discretion. The use of a US Treasury index rate instead of a Louisiana-specific benchmark also contributes to transferability. The rate Louisiana uses is the same rate Connecticut or Idaho might use.

Louisiana’s current Market Members (Bank of America, JPMorgan Chase, and US Bank) are all national banks and likely would welcome and participate in structures similar to IPM in other states based on their feedback to Louisiana. Similarly, many equipment sellers are also national companies and have expressed no reservations about Louisiana’s use of third-party financing. An IPM-like structure in another state should be equally acceptable to these vendors.

Lastly, Louisiana believes that IPM would be an excellent cooperative purchasing portfolio for NASPO ValuePoint. Adoption of an IPM portfolio by NASPO ValuePoint would be the ultimate manifestation of transferability. Louisiana would be honored to lead or assist such an effort.

**Service Improvement**

IPM has allowed Louisiana to greatly expand its bandwidth for equipment financing. Until recently, Louisiana has been constrained to the available resources of the Louisiana Equipment Acquisition Fund (LEAF), a revolving loan fund of the State Treasury. Louisiana’s equipment needs, especially its backlogged replacements and one-time transformational investments, have far exceeded the $40 million availability of LEAF over a 3-5 year period. IPM’s $20 million per year initial financing capacity immediately more than doubled the annual bandwidth of LEAF. IPM’s volume has since grown substantially, to a current estimate of $50 million per year.

This is a considerable service improvement for several reasons. First, and most obviously, agencies no longer need to wait in line for LEAF approval to acquire necessary equipment. Second, because third-party financing simply requires that agencies make bite-size monthly payments rather than an upfront balloon payment to acquire equipment, agencies can replace equipment much sooner, thereby reducing or avoiding the excessive downtime, service interruptions and costs (as will be described) associated with operating assets past their economically useful lives, such as a 300,000-mile minivan or a 25-year old IT system component. Third, the relative ease of an agency making a monthly payment compared to an upfront acquisition enables agencies to move forward with making necessary purchases without pausing 6-12 months for the next budget request and appropriations cycle to be completed.

The value of these time efficiencies and service improvements is underlined by the context of the purpose of the equipment. For example, IPM allows Louisiana to replace the 300,000-mile minivan driven by a child welfare officer, so the officer does not have to worry whether the minivan will start when removing children from an unsafe environment. On a less dire but still important note, financing through IPM also sustains regulatory compliance, in that Louisiana can directly match the financing period of an asset to its useful life, rather than accounting for 100% of an expenditure in a year which makes up only 20% of the vehicle’s economic lifespan. Lastly, as described, IPM is a driver of systemic service improvements because it enables the timely initiation of transformational investments in critical systems. Louisiana is using IPM to accelerate the continuation of its IT modernization efforts, with corresponding resulting benefits in areas such as cybersecurity, data integrity, reliability, features, capacity, and cost.
Cost Reduction

In addition to the innovative and transferable service improvements outlined above, IPM has delivered tangible cost reductions to Louisiana. Some are cost avoidances, such as not having to maintain outdated equipment past economic obsolescence, not having to rent temporary replacement equipment in the event of equipment downtime, and not having to individually procure financing per acquisition. Additional value-added cost savings from IPM include the ability to more quickly acquire equipment, secure limited-time manufacturer pricing offers, receive volume discounts, and implement product standardization to reduce enterprise costs compared to a patchwork approach. IPM enables Louisiana to break the cycle of paying excessive costs to maintain and repair legacy systems, and instead transition to a more modern infrastructure. These savings will be realized by agencies throughout Louisiana.

As previously described, several unique features of IPM diminish financier risk, which drives down interest rates offered to Louisiana. One way this happens is that the participation of multiple Members in multi-phased competition allows each Member to offer dynamic pricing, lowering its moment-in-time offering based on its actual holdings and lending priorities. Reducing uncertainty reduces risk, thereby reducing cost. Additionally, the use of the US Treasury benchmark interest rate isolates external risk factors (such as action by the Federal Reserve) from the financing transaction, allowing the financier to focus solely on its cost of capital and the State’s creditworthiness. Lastly, the narrowed time window from the date of a financier offering its rate to the date of the finalization of acquisition further mitigates the potential for external factors to add risk to the financier.

These successes can be measured and verified most directly by comparing actual IPM financing rates secured for past acquisition bundles to the financing rates charged by the State of Louisiana’s LEAF program, as that rate can be regarded as the State’s own internal cost of capital. Remarkably, IPM’s average rates are actually lower than LEAF’s, at 1.557% vs. 1.847% APR. This rate differential has accrued long-term interest rate savings from IPM of $270,505 compared to LEAF in an eight-month period [See Exhibit A]. If this trend continues, Louisiana is on track to accrue $2.04 million in savings over five years simply by using IPM instead of in-house financing. Of course, this understates the reality that LEAF does not have the capacity to meet the full needs of Louisiana. In this way, IPM critically supplements LEAF, restores the availability of general fund dollars to return to the State Treasury, and generates the service improvements and cost avoidances identified while also reducing interest expenses.

Conclusion

Louisiana’s Installment Purchase Market for third-party equipment financing has been a remarkable success, exceeding all expectations. IPM was an innovative procurement in itself, and opens the door to other transformative procurements, as described. Its structure, processes, and lessons learned are fully transferable for adoption by other states, and it delivers both considerable value-added service improvements and robust cost savings. Louisiana is proud to administer the IPM program and to submit it for consideration by peer states as a proven best practice and as a contender for the 2021 George Cronin Award for Procurement Excellence.
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State of Tennessee
Department of General Services
Central Procurement Office

2021 George Cronin
Awards for Procurement Excellence

Ordinal Ranking in Cost Negotiations
Executive Summary

In July of 2019, the Tennessee Central Procurement Office (“CPO”) was approved by CPO Leadership and the State Comptroller to pilot a new negotiation strategy for six months to determine its efficacy. At the time, CPO policy was not to reveal any form of competitive cost information during cost negotiations, which led to respondents negotiating against themselves and only minimal motivation to come down in price. This pilot allowed the CPO to now reveal a respondent’s rank amongst other responsible bidders during cost-based Invitation to Bid (ITB) target price and Best and Final Offer (BAFO) negotiations, at the solicitation coordinator’s discretion. Respondents would be able to see their cost position relative to others, but not the actual cost. Instead a respondent would see that they were 1 of 3, or 2 of 4, etc. Based on the game theory model, the Prisoner’s Dilemma and Nash Equilibrium, this new strategy for negotiation - which we call “Ordinal Ranking” - leverages the information available from initial cost proposals and incentivizes respondents to decide their strategy based upon this now known information. At the same time, we are able to stay within the confines of existing CPO policy and not reveal specific and detailed bidder pricing information. The goals of this pilot were to increase cost savings for the State and the CPO’s customer agencies, increase transparency for respondents without creating protest-able scenarios and to increase participation in the cost negotiation process.

The pilot, which ran from September of 2019 to February of 2020, compared solicitations using the Ordinal Ranking methodology to solicitations from the same time period the previous year (Sept ’18-Feb ’19) to provide a baseline from which CPO could measure the new methodology’s effectiveness. CPO measured winning contracts on savings, average cost reduction, and respondent participation during this time period and showed statistically significant improvement in the cost negotiation process. This improvement led to approval of the methodology in June of 2020 and full adoption in the procurement manual in August of 2020.

Innovation

Currently, each Sourcing Account Specialist and Category Specialist conducts benchmarking research each time they issue a target price sheet or has a benchmark price in mind when issuing a BAFO sheet. Taking into account research that was done on things like inputs, inflation, import/export taxes, previous contracts and contracts held by other states, the specialists take all of that information and formulate what they view as an acceptable price for the State to pay. This price is then used in the target price sheet that gets issued to each responsive and responsible respondent to a solicitation. But this is all that a respondent would see and would therefore only be bidding against themselves and the target price. The same is true of the BAFO request: a respondent is only bidding against their own pricing because they have no further information about the solicitation. The Ordinal Rank methodology adds another layer of information given to respondents and increases their visibility on where their pricing stands amongst competitors.

The Ordinal Ranking methodology is innovative in that we have not seen it used elsewhere, and it certainly had never been done before in the State of Tennessee. The State’s standard practice is to provide Target Pricing and BAFO negotiation sheets to each respondent but without disclosing any information beyond the price the respondent proposed. This does not incentivize the respondent to review their pricing, as they have very limited information related to their competition or their place amongst that competition.

Ordinarily ranking respondents allows the respondent, who arguably already has a good grasp of the market and the price-competitiveness of competitors, to see how many competitors are active in the solicitation and to see their standing amongst that competition. This leaves the respondent with a
choice, knowing that others might alter their price to ensure or attempt to ensure they win the bid: does the respondent stand pat on their original pricing, or do they lower their price in an attempt to win the bid? In the pilot we found that 21% of the time, a respondent who began the negotiation outside of first place ended up winning that solicitation as compared to 0% of non-first place respondents in the baseline solicitations. Additionally, we found that, on average, the State received a greater savings from winning contracts (3.15% above baseline). Interestingly, the pilot also revealed that were the initial low bidder disqualified for some reason, the State would still have achieved a statistically significant average savings (2.82% above the baseline) from the final bid of the next lowest respondent.

Transferability

The Ordinal Ranking methodology is easily transferable to any federal, state or local government entity for use in their cost negotiations. Each government entity that seeks to use this methodology should review their existing rules and policies concerning cost negotiations, specifically looking for what and how much information can be given to each respondent. After identifying those sections, the legal arm of the associated entity should review these sections to determine their feasibility to include Ordinal Ranking as well as working with any procurement commissions or legislative bodies, if needed.

After conducting these reviews, the appropriate government entity would, if needed, draft new policy language to allow for the new methodology. In the case of the State of Tennessee, we found that our language was broad enough that no changes were necessary to incorporate Ordinal Ranking and this might be the case in several other states as well. The new policies will need to be published as per the rules of each entity and it would be beneficial as well to potentially write up talking points for discussing the new changes with each agency or program that you will be conducting negotiations with, as well as separate talking points for vendors/bidders/respondents who will have questions about the new process. The CPO has developed language for both of those items and would be happy to share with any group who would like to review them.

It may also be worthwhile as well to run a short pilot program to acclimate both the bidder pool and agency/program areas to the new process. “To determine its effectiveness, each time a procurement professional runs a negotiation utilizing Ordinal Ranking we recommend selecting a random non-Ordinally Ranked procurement in which cost negotiations were previously done and do a comparison between all of the selected test cases.”

The main hurdle CPO experienced was determining if revealing rank still fell within State procurement rules which dictate that all information provided to respondents during cost negotiations be equivalent. While the individual rank for each respondent will be different, the number of respondents disclosed via this method will be the same. The CPO uses Excel models for target price and BAFO negotiations and added the bidders rank amongst all responsible bidders on the top right of each sheet. CPO does take efforts to make it abundantly clear on Target Pricing ranking sheets that the target price is based on a variety of research factors and is not another bidder’s pricing, something that is also easily transferable to other entities. CPO would be happy to discuss any aspect of the process to help anyone interested in incorporating this into their negotiations going forward.

Service Improvement

Due to the recentness of the Ordinal Ranking system, agencies across the State were unaware of this methodology. In some cases the CPO Sourcing Account Specialist assigned to a customer agency would
need to discuss the process with their agency; this means more communication between parties occurs and more transparency between departments about how exactly CPO’s processes work.

With this being a new process it’s important to get customer buy-in and for them to also understand that it’s simply another tool in the tool box; an optional methodology. This gives both the solicitation coordinator and the customer agency more flexibility to target certain procurements where they think we could maximize savings. This kind of methodology fosters a more collaborative relationship between CPO and customers because it drives strategic engagement, about which it takes little effort to communicate. This, in conjunction with the data we have found so far, proves a very high result-to-effort ratio that is easily deployed in any customer relationship management scenario. The service improvement that an entity would see is found in the inherent ability of this methodology to save money and in providing more tools and increased collaboration between groups.

**Cost Reduction**

Once the pilot program was completed, CPO was given approval by the Comptroller and the Procurement Commission to officially use Ordinal Ranking in cost negotiations. Since going live CPO has compiled data and will continue to compile data directly related to the usage of the Ordinal Ranking methodology. Between the go-live date and April of 2021, the CPO has realized an average savings on winning contracts of 5.06% above baseline savings levels. Additionally, consistent with the pilot, 20% of the time a non-initial first place respondent vaulted themselves into first place during negotiations and won the bid. Since going live and despite having been used on relatively lower dollar contracts, the State still has managed to save an additional $145,509.47 compared to the baseline. Across 15 baseline contracts the State negotiated a savings of 2.12% ($316,008.63) from initial bids totaling $14,914,771.05; whereas across the five solicitations run with Ordinal Ranking since going live the State has negotiated savings of 7.18% ($461,518.10) from initial bids totaling $6,428,512.60. So you can see that even five solicitations since going live versus the 15 solicitations that were included in the baseline to compare against, ranking respondents achieves a greater dollar savings and a greater percentage of savings.

**Conclusion**

The State began running the pilot in September of 2019 in order to discover if the new methodology was viable and statistically significant. After six months of the pilot the data bore out that not only was it viable, it was more successful than anticipated in helping the State achieve its goals of spending tax dollars wisely and being transparent to potential respondents.

The ranking methodology is easily transferable to other entities for use in their negotiations as well, due to the fact that it is simply updating policy and adding a “Rank # of Number of Respondents” somewhere on a cost negotiation request. Even though the process is quite simple, utilizing this process has proven to have helped agencies drive down bid pricing in order to get the best value for the State, thus leaving more money in their budgets to further their respective missions. In addition to saving the State dollars, the State of Tennessee has furthered their transparency efforts to both respondents and our Agencies, which can only lead to increased trust between parties.
State of Wisconsin
Department of Administration
State Bureau of Procurement

2021 George Cronin
Awards for Procurement Excellence

Inter-Agency, Data-Driven Collaboration: Wisconsin’s Innovative Approach to Specification Development
Executive Summary

When contracting for computers (including desktops, laptops, and tablets), it’s common practice to create standard configurations and to negotiate for additional savings for these items. Unfortunately, in Wisconsin, as is likely the case with other states, we have found that most purchases for computers don’t utilize these standard configurations and the potential savings are never realized. In fact, in fiscal year 2019, less than 1% of all computers purchased by the State of Wisconsin utilized the contracted standard configurations!

Wisconsin hypothesized that this failure to adhere to the standard configurations was caused by several factors, including:

- Lack of upfront buy-in from agencies,
- A disconnect between the standard configurations and the needs of the agencies, and
- Rapid advancement in computer technology leading to standard configurations that were quickly outdated.

To address these issues, Wisconsin developed an innovative, easily transferable approach to create standard configurations for computers that has resulted in significant cost savings and service improvements. By fiscal year 2021, more than 73% of computers purchased had standard configurations, which resulted in a cost reduction of nearly $9,000,000 since fiscal year 2019!

Prior to this initiative, standard configurations were set by the procurement specialist responsible for the computer contract. The agency workgroup could not reach a consensus on the standard configuration and as a result, the decision was made to go with the lowest-priced configuration, with no agreement from the standards committee to actually buy the models. The standards did not allow for flexibility throughout the life of the contract and in some instances, replacement models were less expensive than models with the standard configurations.

It was clear that Wisconsin needed to update this process. We focused on creating buy-in among our agencies and users by creating a standards committee comprised of our enterprise IT team and users from both large and small agencies, including the agencies that had the highest spend for the previous contract. Using their input, as well as data from the activity reports, the State set up standards for the most commonly purchased computers based on the needs of the agencies, the requirements of our enterprise IT team, and options that could be added to the standardized computers for ease of use.

The new standardized computers were marketed to end users in newsletters, procurement meetings, and IT meetings. We also updated Wisconsin’s electronic marketplace so the computers with standard configurations were available on the front page to increase visibility and access for those who make the purchases.

The standards committee continues to meet on an annual basis to update computer configurations and review pricing to ensure agency needs are still being met. The committee reviews what is currently purchased, including options and pricing for new models. Revising the standard specifications benefits the State agencies and municipalities that currently purchase off the contract. It also encourages rightsizing of equipment that limits customization of computers and therefore drives down costs while increasing productivity.

Wisconsin is especially proud of our success with this innovative approach to computer specification development through interagency, data-driven collaboration and we believe other states can benefit from this approach as well.
Innovation

Since it is not mandatory for agencies to purchase standard configurations which provide the deepest discounts for the State, one of the largest benefits of this project was the increased buy-in among agency users of this contract through inter-agency, data-driven collaboration. A standards committee of IT staff from both large and small agencies was assembled to drive the development of standard configurations that would be most useful to the agencies. This inter-agency collaboration improved the likelihood of “buy-in” – rather than telling users what computers to buy, the team allowed the needs of the users to dictate what features were targeted for the greatest discount opportunities. Contracted vendors were also consulted to grasp standard configuration possibilities and to discuss trends within the industry.

While in hindsight it may seem like common sense to approach computer specifications in this manner, this had never been done before in Wisconsin. By allowing agency users’ needs to drive the specification development, the agencies shared in the ownership of the process and were more likely to create business processes within their agencies that dramatically increased the adoption among users.

In addition, Wisconsin took the innovative approach of ensuring that the State had the ability to update the standard configurations on an annual basis throughout the life of the contract. Shifting from passive to active contract management, the new process allowed users to get the equipment they needed but also allowed for the kind of value that could only be achieved by regularly updating standards for deeper discounts. During these annual revisions, the inter agency standards committee drives the discussion of agency needs and wants, while the procurement specialist serves as a liaison between the committee and the vendors to ensure all options are considered and the best price point is achieved for the State.

Transferability

Wisconsin’s inter-agency, data-driven, collaborative approach to establishing standard configurations for computers is highly transferable – not only to other states, but it can be easily applied to other commodity or service areas as well. To complete this process, Wisconsin used no specific tools, purchased no additional resources, and required no special training; we simply addressed a universal challenge with a fresh, new
approach. We have achieved such success with this approach that we now consider it to be a best practice model and we highly encourage other states to replicate the process.

These processes are also transferrable to other commodity and service areas. The idea of allowing end-users a voice in establishing preferred standards and service agreements, as well as recruiting users from agencies with the largest spend on the contract are applicable to many procurements across the board.

Wisconsin, like other states, has a steep bureaucratic hierarchy that typically relies on top-down decision-making related to strategic initiatives. This effort flipped the script on that decision-making process. Rather than requesting our Chief Information Officer establish a set of standard configurations across multiple manufacturers, the specifications were determined by a team of actual users across multiple agencies. One of the reasons Wisconsin saw such an increase in standard configuration utilization is because of this user-driven process. This process is transferrable not only across other states, but other to commodities and services that States purchase.

Lastly, this exercise also offers useful guidance in how to structure contracts in the future to ensure standard configurations and their associated discounts are updated at regular intervals (e.g., annually).

**Service Improvement**

Since agencies were actively involved in the creation of the standard configurations, we focused on negotiating the largest discounts on the most sought-after computers purchased by the agencies. As such, we greatly simplified the purchasing process. Instead of requiring each agency to meet internally to create their own ideal specifications before requesting a custom quote from a vendor, agency buyers only need to login to Wisconsin’s electronic marketplace, find the computers with standard specification (which are available on the front page), and select one of the twelve options that best meet their users’ needs.

While this program unified computer configurations, it also allowed for more choices. The program was designed so that users could pick standard configurations without pigeonholing the contract to only have those standards available. State employees were incentivized to buy the standard configuration by economic incentives rather than by policy decrees. The success of this approach has been extraordinary! The rate of purchases using standard configurations went from less than 1% of computer purchases to more than 73%!

These innovations have also improved the quality and efficacy of the computer equipment procured by the State. The team’s consideration of user needs and their consultation with subject matter experts resulted in computers with higher memory, solid state hard drives, and better graphics. With better tools, State employees are better equipped to do their jobs.

We have also found that along with the increased purchasing of computers with standard configurations, our vendors have been able to minimize the effects of supply chain shortages on Wisconsin’s computer purchases. Standard configurations are much easier for vendors to stock, thus mitigating supply chain issues that may arise – something Wisconsin greatly benefitted from during the pandemic-driven shortages. We expect that these improvements will continue to pay off after the pandemic subsides. Knowing what Wisconsin agencies are more
likely to order allows suppliers to better forecast and stock standard models, improving model availability and reducing lead times.

**Cost Reduction**

Wisconsin’s standard configuration project has resulted in considerable cost savings. Computers with standard configurations have a 52-64% discount whereas custom configurations only receive a 19-40% discount. The new standard configurations resulted in year-to-year savings which aligned with the increased adoption of standardized machines. The percent of standardized computer purchases by State agencies increased from 0.9% in fiscal year 2019 to 49.1% in fiscal year 2020 and to 73.5% in fiscal year 2021. To calculate the cost reduction that this effort realized, Wisconsin quantified the difference between the custom configuration discount and the standard configuration discount for the updated models containing the updated standard configurations. These reductions in costs were determined to be $5,299,791.28 in fiscal year 2020 and $3,547,311.47 to date in fiscal year 2021.

In addition to the direct cost reduction realized by the State through discounts, the State derived significant intangible cost savings and cost avoidance through the standard configuration effort. Adoption of standard configuration computers increased efficiency and productivity. The program reduced the cost of working with suppliers as they became familiar with the State’s needs. The program also simplified the ordering process. Standardized computers are now on the front page of the e-procurement marketplace website, so computers are easy to order. And since contract users are not forced to custom quote equipment on a regular basis, this streamlines the time spent on the ordering process.

**Conclusion**

Wisconsin is especially proud of our success with this innovative approach to computer specification development through interagency, data-driven collaboration among procurement, enterprise IT, and agency end users and we believe other states can benefit from this approach as well. We are thankful for the opportunity to submit this application for the consideration of NASPO.
State of Arizona

Department of Administration
Division of Procurement

2021 George Cronin
Awards for Procurement Excellence

Achieving Procurement Efficiencies Amidst a Pandemic
Executive Summary

Over a year has passed since an unprecedented global health pandemic hit our world, altering the state of everything, from education to healthcare to procurement. Such an unpredictable environment adjusted the way many conducted business and pushed even more out of their comfort zones. In response to this, the State of Arizona re-prioritized its pandemic-response strategy to better serve and protect its customers and citizens and ultimately improve the acquisition, management, and distribution processes of critical protective equipment and cleaning products needed by eligible agencies. PPE is vitally important for healthcare workers and other essential personnel of our state in the fight against COVID-19. As the state forecasts future challenges in responding to the COVID-19 pandemic, it is clear that demand for PPE will remain high. The state concentrated on procuring PPE supplies in March of 2020 to mitigate the COVID-19 outbreak and help stabilize and maintain adequate levels of PPE supply for the upcoming years.

In order to continually improve and stabilize this process and supply, a solicitation was released (and contracts later awarded) for PPE and other related sanitary supplies in the following commodity categories: Non-Medical Surgical Masks, Level I/II/III Surgical Masks, N95 Masks, Surgical N95 Masks, K95 Masks, Nitrile Gloves, Face Shields, Safety Glasses, Shoe Covers, Isolation Gowns (Level 1 and Level 2), Hand Sanitizer, Disinfecting Spray, and Disinfecting Wipes. These goods were extremely valuable in helping keep individuals safe and protected throughout the pandemic. The Arizona Department of Administration actively worked with suppliers to provide members with viable products and services to combat COVID-19 and support the public health of the citizens of Arizona. The state’s commitment to excellence has humbled our teams but also has proven to be extremely rewarding after a very difficult and challenging year.

Moreover, the Arizona Department of Health Services worked closely with the State Procurement Office to procure a PPE storage and distribution space that would provide an effective operational solution. Over the course of five weeks, the team stood up a 50,000 square foot PPE storage and distribution warehouse that adheres to the First In, First Out method, automatically flags inventory to be reordered when low, and houses a 14-day PPE Cache. The warehouse team followed Arizona Management System (AMS) and Lean 5S principles and management, which allowed for automation efficiencies, inventory transparency, and streamlined deliveries of critical PPE.

The State of Arizona committed to transitioning its employees and diverse strategies in order to safely and effectively combat the pandemic and supply its citizens and customers with the necessary tools and resources to remain confident in the State’s ability to protect, support, and efficiently lead as an entity during one of the most challenging years to date.
Innovation

The State’s commitment to implementing the Governor’s vision of using AMS principles has required the application of many innovative and unique strategies, including the most recent PPE solicitation and warehouse implementation. Both projects demonstrated the State’s commitment to always putting customers first by not only seeking the best products and services, but also by offering the most competitive prices.

In an effort to provide a contract that supplies a variety of COVID-response items, the PPE contract became a “one stop shop” for a broad range of PPE-related goods that are competively priced and readily available. In a unique relationship with the warehouse that was stood up in less than five weeks, the PPE contract feeds into the warehouse and the warehouse delivers the goods to eligible entities such as counties, cities, towns, and state agencies, ultimately fostering a continuous working relationship that is mutually beneficial. Setting up an extremely large and functional warehouse in less than five weeks was unheard of, especially when taking into consideration a space that was previously completely empty. AMS principles were implemented to properly and efficiently set up the space in order to make sure all individuals involved were on the same page, while simultaneously running an operation that would grow to become productive and economical.

Moreover, throughout the past three years, SPO sought ways to re-energize its AMS efforts, so the team found conducting *Gembas* (a Japanese term meaning to go to and observe the actual place the work is done) to be extremely valuable. Not only did the team seek to *Gemba* other procurement teams within state agencies, but they also sought to learn from processes and teams that were seemingly dissimilar from their daily processes. The team identified gaps in several areas that they wanted to improve upon: simplified visual management, visualization of progress with complex/highly variable processes, processes that better met the needs of our customers, and communication of resource availability. Recently, such gaps were filled with the process of the PPE solicitation and implementation of the relationship with the warehouse.

The magnitude of impact this project has had on Arizona’s communities has set an example of the importance that procurement has on providing relief in times of crisis. Working with suppliers to procure personal protective equipment during a pandemic was one thing, but finding a safe and reliable place to store and eventually distribute it all was another task that demonstrated the commitment and solidarity of various teams to keep the state of Arizona protected. Not to mention, the short amount of time it took to implement such measures in order to create valuable outcomes and maintain a high level of customer satisfaction.

Transferability

The resources and tools used to “set up shop” at the warehouse in less than five weeks time are all directly related with AMS principles, ones that can be adopted and used by similar organizations and agencies. All employees at the warehouse were introduced to Lean Six
Sigma practices as a result of the overall partnership with the Arizona Department of Health Services. The employees conducted tasks such as having huddles (timed, touchpoint meetings) every morning in order to keep the team on the same page and aware of that day’s plan. Such changes improved processes around the warehouse and allowed for a more organized operation overall. Not only was employee morale improved, but the team dynamic was stronger between all of the different roles required at the warehouse, leading to an efficient and dynamic operation.

Moreover, the State of Arizona’s Cooperative Program, one that has rapidly grown in the last few years, is another way the state is able to work with other states and agencies and ultimately demonstrate the agility to be applicable in many procurement scenarios. With just over 1,000 cooperative contracts and nearly 960 members, the State Procurement Office relies heavily on lean principles and AMS methodology to operate the program. Since implementing these strategies, standard processes have been developed and enhanced to manage the program. Not only has this contributed to a 30% increase in Cooperative Program Revenue, but the standard processes followed by our procurement officers results in product and service transferability to our growing member base of local government entities, school districts, non-profit organizations, and more. Notably, Arizona’s Cooperative Program has seen increasing membership from entities outside of the state, specifically including organizations ranging from cities and towns to government districts and universities. It is always humbling to hear when several local Arizona government entities express interest in implementing AMS modeled systems with their teams because they witnessed the impacts it had on ours.

The majority of procurement practices and challenges that distinct states face can be linked directly to being solved by the AMS methodology, one that is easily transferable no matter the location. Many local Arizona agencies and government entities have demonstrated interest in attempting to use the AMS methodology among their organizations and teams. AMS allows for increased opportunity and necessity to track things that are meaningful in a similar manner across the enterprise. Many impactful discussions have arisen from our agency customers as a result of the ability to speak in a common language and align critical metrics.

**Service Improvement**

The critical impact that the PPE contract and warehouse implementation has had in the state of Arizona is immense. In the very beginning of the unknown and terrifying state of the pandemic, the state was scrambling with emergency procurement processes to buy goods off-contract in order to provide customers with extremely scarce resources. The state’s service guarantee led to quick changes in normal processes. While this was a necessary action taken in the beginning of the pandemic, it would not be sustainable for a long-term approach to support the state’s strategic pandemic response, specifically in terms of cost and resources. Thus, the PPE contract, which awarded twenty statewide and cooperative contracts with competitive pricing, came about and truly affected the way in which citizens, agencies, and
many more were able to obtain protective personal equipment in order to provide additional precautionary measures during the pandemic.

One of the major participants and stakeholders throughout the process of the PPE solicitation was the warehouse, which is owned by a company by the name of Cosic. This company was able to demonstrate a multitude of skills in logistics after partnering with the state, acknowledging skills they had never practiced as much before. During initial analysis, the state looked for a logistics company which could provide additional strategic services, specifically value-adding ones that could relate to the needs of the pandemic response. Such a value-adding position stems from the lean management program all State of Arizona employees are familiar with and work alongside daily. With an increased need to respond quickly during the pandemic, the importance of streamlined item searching evolved. A standard list of item codes and keywords were developed based on the awards across the twenty contracts. This simplified the searching required of agency and cooperative member procurement professionals when creating purchase orders.

**Cost Reduction**

AMS and Lean principles have also contributed towards cost savings and reductions within SPO. The Arizona Department of Administration is committed to continually reducing costs whilst improving processes and adding value for customers. The state consistently strives to put taxpayer money to proper and important use. Negotiated savings with contracts are a common area for procurement teams to report savings, but AMS has also created anticipated savings in other functional areas of operation. In regards to the PPE warehouse, there was a 28% decrease in overall costs after negotiations with the suppliers. Contributions to such a significant reduction included: the warehouse being open 24/7, charging by pallet and not by square-foot, being fair with the small costs, streamlining transportation and mapping out deliveries, and implementing lean management strategies in order to have less waste in the process overall. The partnership with the warehouse was not only amicable but mutually beneficial and supportive, therefore leading to such monumental cost savings. This not only allowed the money to be invested in other important projects, but budgeted time and resources wisely. The state is proud of the efforts taken to successfully reduce costs, especially during times where most products and services were priced at some of the highest price points ever seen.

**Conclusion**

The State Procurement Office’s vision is: to be the #1 procurement office in the nation, where adding value is the norm, and customer service is second to none. Throughout the many projects our teams encounter, lead, and are challenged with, we strive to reach and exceed goals and expectations. SPO is motivated to continuously put customers first while implementing the most innovative, transferable, service-oriented, and cost-friendly solutions throughout the State of Arizona every single day.
District of Columbia
Office of Contracting and Procurement
Surplus Property Division

2021 George Cronin
Awards for Procurement Excellence

Strategic Logistics Center
Executive Summary – DC’s Strategic Logistics Center

Like a number of members of NASPO, in the City of Washington DC, the central procurement office is responsible for state and federal surplus property. This includes acquisition, inventory management, recognition of residual value, and disposal. Management of warehouse space, therefore, has been a routine matter within the procurement office since our creating in the mid-1980s. But as our office dealt with the unanticipated events of the last year, specifically emergency procurement operations in response to Coronavirus Disease 2019, it became apparent that we could also add tremendous value to our overall government operations by enhancing and growing our surplus property warehouse management functions into a more strategic direct support role. Thus was born the concept of DC’s Strategic Logistics Center. By expanding our single surplus property warehouse to a network of four sites with very specific roles, we were able to perform multiple critical support functions that have proven responsive to our clients during the COVID pandemic while simultaneously envisioning and implementing longer range strategies for ongoing support to our District government operations. In the paragraphs below we look at how this concept:

a. Provided an innovative solution to a critical public need
b. Can be scaled up to any size jurisdiction
c. Allowed our clients to realize substantial improvements in the rapidity and responsiveness of the services we provide, and
d. Has resulted in various savings.

Immediately upon recognizing the strength of our existing capabilities as they might support our emergency operations center in COVID response, we proposed to the mayor that we consolidate and transition the administration and management of the Government of the District of Columbia's emergency support warehouses, which has evolved ad hoc as a necessary part of the emergency response, under a lead agency: the Office of Contracting and Procurement.

That proposed action would create several efficiencies, such as the streamlining of warehouse administration, full life cycle management of procured goods, and cost savings as a result of the reduction of administrative and logistical redundancies. As you will see below, this has proven to be true.

It is our hope that every member of NASPO, and many other jurisdictions, can benefit from the lessons we have learned in DC, and how the size of our jurisdiction allowed us to be nimble enough to experiment rapidly and quickly arrive at a solution that we feel can be implemented elsewhere - ultimately to the public good.

Innovation

For many years the central procurement office of the City of Washington DC, the mayor’s Office of Contracting and Procurement, has been responsible for the management of the state and federal surplus property function in our jurisdiction. This is a routine general support function in this and every state-level government. Since 2015, this office has also operated the centralized warehouse for emergency and large event operations, which is a regular need given that the presidential inauguration is a predictable mega-event that this jurisdiction regularly hosts. Other less predictable events occur that require us to activate and support the Emergency Operations Center, events such as large public demonstrations or our Washington Nationals hosting and winning the World Series a couple years ago.

In response to the COVID-19 pandemic, OCP expanded this function by adding additional staff and warehousing space to house personal protective equipment (PPE) and other medically necessary supplies. The new operation, the Strategic Logistics Center (SLC), is responsible for the management, distribution, procurement, and reporting for all COVID-19 PPE and medical equipment needs. Items are delivered to and issued from the warehouses daily. An active and healthy warehouse requires careful space management. Warehouse inventory and locations change
and are updated once they are assigned the proper location. Depending on the size of the delivery or issuance, this process may take more than one business day. The items in the District Strategic Logistics Center (SLC) are consumable and controllable products, not fixed assets, and move locations frequently.

This unprecedented emergency spawned a global supply chain crisis perpetuated by reduced labor capability and fierce competition amongst jurisdictions world-wide. These factors contributed to considerable price inflation of critical goods required to support the response to the pandemic. As the pandemic has continued, prices have continued to suffer volatility. The SLC created a new and innovative database to track pricing of commodities over time, instituting an accessible and transparent portal called the Estimate Agency Issuance and Support Cost Dashboard. The OCP team tracks pricing over time in the PPE and Safe Workplace Bulk Price Tracking Dashboard on the COVID-19 Procurement Data Warehouse Dashboard. The value of issuance based on current market price is available on the Estimated Agency Issuance and Support Cost Dashboard.

This information is readily accessible to all who are involved in supporting emergency operations but will readily transition to a steady state environment as we move into post-pandemic operations. This effort has been so useful for good management of inventories and pricing transparency that it will become a permanent component of District government operations going forward.

Transferability

Although the DC Office of Contracting and Procurement has long been responsible for state and federal surplus property, and has therefore had an existing warehouse operation that includes storage and transfer space and the supply professionals to manage that function, we realize that not all members of NASPO have that responsibility. However, regardless of where within each state government warehouse and inventory management functions currently reside, the central procurement office is a logical location for the leadership of any strategic logistics function. NASPO member offices already execute and administer state contracts, including the delivery of goods and services in a just-in-time manner. It is appropriate that this value-added service be an initiative the comes from and is driven by our members. This has been a tremendous benefit in the District of Columbia to the agencies and the citizens that we serve. We see this as a concept that is viable in every state and large local jurisdiction.

Service Improvement

As a critical service provider to all other offices and agencies within the District of Columbia government, the Office of Contracting and Procurement is measured against expectations of speed, accuracy, ease-of-use, and client satisfaction. The implementation of our Strategic Logistics Center has improved each of these measures. Our clients are integral not only to procurement planning, which is a critical part of the annual budgeting process in DC, but also to contract execution and administration.

Our reaction to the urgent needs imposed by COVID-19 emergency response necessitated we create and manage new warehouse space. In doing so it became evident from the outset that the byproduct of a consolidated warehouse function serving both emergency and routine needs would include streamlining of warehouse administration, full life cycle management of procured goods, and cost savings as a result of the reduction of administrative and logistical redundancies. Most importantly, we have been required to find and institutionalize the proper balance between on-hand inventory and just-in-time delivery where inventory is managed by our trading partners and external service providers.

Feedback from our clients has been uniformly positive. The strategic logistics center established an internal request system for agencies and local organizations to order personal protective equipment and safe workplace items. Clients order items directly from the centralized warehouses without cost to them. Additionally, the Strategic Logistics Center provides “white glove” delivery service ensuring clients always have the commodities they need.
Cost Reduction

The costs of acquiring any good or service take many forms. Dollars are an obvious cost. Time is a cost. Personnel commitment is a cost. Less tangible costs might include frustration with the process, unknown service level expectations from the client perspective, seeking avoidance measures such as splitting purchases or bending procurement card rules - assuming forgiveness is more likely than permission. Our Strategic Logistics Center has played a significant role in improving each of these process and commodity costs.

Prior to the SLC strategy, procurements decisions were based on “word of mouth” need. OCP assembled the Data Driven Centralized Procurement and Warehousing Team that consists of the Chief Operating Officer, a Chief Contracting Officer, a PPE Specialist, Data Analysts, Warehouse Management and the Customer Service Team. The group created procurement specifications (in accordance with the latest CDC requirements), developed issuance burn rates, developed an orders database and developed average lead times to fuel several automated reports. The team uses the data gathered to predict a critical supply shortage date, estimated budget cost and order by dates. In essence, the team created a “Just-in-time” procurement model that saves the district time, effort, and money.

Conclusion

Our association is filled with great ideas and innovations from members and staffs within state governments. This past year has required us to be even more clever and thoughtful about better ways to conduct the important business of state procurement. With that in mind, we in the District of Columbia feel that one of the more significant reckonings that has occurred to all of us is the re-thinking of just-in-time delivery of needed goods. Just 20 years ago, we were key players in eliminating many state warehouse operations where everything from office supplies to automobile parts were stored. We helped state agencies save millions of dollars in costs by eliminating expensive storage space, often in downtown areas of our capital cities. Just-in-time contracting had come of age, and we embraced it vigorously, providing key contracts that outsourced much of the storage and delivery of these commodities. But this past year has required all governments to be introspective about what we maintain as on-board inventory, and what we can safely expect our industry partners to provide. This reckoning and reconciliation was profound and extraordinarily visible in the City of Washington, DC. The lessons we have learned in our jurisdiction are scalable and therefore transferable to state governments across the US. The requirement for innovation in striking the right balance between inventory and JIT delivery was an opportunity for us to serve as a laboratory that can benefit others. When costs are considered in terms beyond dollars, the savings are indisputable. The provision of urgently needed goods and services to our clients in a timely manner was a service that circumstances demanded. We delivered. It is our hope that our small footprint, sixty-two square miles of territory that make us the smallest geographic member of NASPO, has allowed us to serve as a pilot that all can benefit from. Your consideration of this possibility is appreciated.

George A. Shutter III

Chief Procurement Officer

District of Columbia
Cronin Award 2021
District of Columbia Strategic Logistics Center
Attachment 1: Estimated Agency Cost Dashboard

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<th>Common UOM</th>
<th>Total Issuance</th>
<th>Running Cost Estimation</th>
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**Total Est. Support Cost: $125,297,268.15**

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<thead>
<tr>
<th>Category ID</th>
<th>Common UOM</th>
<th>Monthly Estimated Issue</th>
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**Estimated Monthly Cost: $183,220,517.69**

**Total Value of Current Orders for PPE and Safe Workplace Critical Need Items: $170,488.50**

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<thead>
<tr>
<th>Category ID</th>
<th>Common UOM</th>
<th>Current Orders (Normalized)</th>
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<td>Non-Surgical Disposable Mask</td>
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**Market Rates**

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State of Florida
Department of Management Services
Division of State Purchasing

2021 George Cronin
Awards for Procurement Excellence

Florida State Purchasing
Response to COVID-19 PPE Vendors
Executive Summary

In the State of Florida, the COVID-19 pandemic had a broader effect on the Department of Management Services (DMS), Division of State Purchasing, due to 13 out of 56 staff being tasked to the Logistics Section of the Division of Emergency Management, Emergency Operations Center (EOC) to assist with logistics operations and finance and accounting. In an emergency, the Logistics Section is led by the Emergency Coordinating Officer who is one of the team members in State Purchasing.

When the pandemic started in March of 2020, the EOC immediately accelerated to full deployment and began responding quickly to the needs of the citizens of the State. As the need for personal protective equipment (PPE) became apparent, so too did the realization that every business selling PPE wanted to do business with the State of Florida. This quickly became overwhelming.

In the past for other emergencies, the method of operations has been to reach out to vendors under contract with the state or for the EOC Logistics staff to seek out vendors who could supply a needed product. With COVID-19, the vendors were contacting the state and were sending multiple e-mails to multiple contacts within the EOC and State Purchasing. This multi-pronged approach by vendors quickly caused confusion among staff who were trying to reach back out to vendors. Duplicate responses were being sent; and duplicate, sometimes conflicting, information was being received.

Staff from the EOC and State Purchasing met to discuss the issue and made a decision that changed the entire process for vendor outreach and response. All e-mails and telephone calls would now be sent to one person for response and this single point-of-contact would provide instructions to the vendors and track the responses.

Innovation

A process was quickly set in place that is still being followed even after a full year. This process was decided and implemented within two business days. The process includes:

- Any e-mails or telephone calls from potential vendors sent to staff or to the direct e-mail address for State Purchasing are forwarded to a designated single point-of-contact;
- A response is sent to the vendor providing instructions on doing business with the State of Florida, instructions for providing a quote for products, and a brief list of some products being sought by the EOC.
- The designated point-of-contact is tasked with working with any potential vendors to determine their ability to do business with the state. State Purchasing fliers for registering in the My Florida Marketplace system and registering with the Florida Secretary of State’s office (SunBiz) are attached to the response; and
- The point-of-contact works through the terms and conditions required to do business with the State of Florida.

Once a reply to the “Doing Business” e-mail is received, the quote is reviewed for the terms and conditions requested by the vendor and the information sent regarding the products available. If
the terms and conditions are not acceptable, if the supporting documentation is not sufficient, or if the vendor has not completed the registration, a response is sent to the vendor explaining any changes required. This process may go on for several e-mails and telephone calls with explanations provided for certain requirements and rules governing purchasing in the State of Florida and the needs of the EOC.

After an acceptable quote is received from the vendor, instructions are provided for submission of the quote with supporting documents to the EOC. The EOC now knows this vendor is legitimate, the vendor accepts the state’s terms and conditions, and the quote has complete information. This allows the EOC to review the information, determine if there is a need for the product(s), and place the purchase order.

The vendor’s company name, contract person, telephone number, and e-mail address, as well as their location are added to a spreadsheet to track the vendors contacting the state. This spreadsheet has multiple worksheets and multiple columns on each worksheet help track if a response has been received, the product(s) they may provide, if the vendor will accept the state’s terms and conditions, and if the final quote has been sent to the EOC, the last step in the process.

The results were quite dramatic. The EOC immediately saw a decrease in the amount of incoming e-mails and a reduction in confusion over e-mails sent to multiple staff from the same vendor. More time was able to be dedicated to working with qualified vendors to purchase PPE for the state. Having a list of qualified vendors to do business with the state enabled the EOC a readily available list of vendors without having to go through hundreds or e-mails to determine who can supply what product or service.

Transferability

This process is easily transferable to any State who can implement a dedicated, single point-of-contact for Emergency Operations. The Division of State Purchasing would willingly share the process created, including the tracking spreadsheet created and the e-mail template used for the initial vendor response(s). Resources needed would be minimal, just a dedicated employee who is familiar with the EOC process and with the requirements dictated by their state for vendors to do business in an emergency and in day-to-day operations.

Within the Florida Emergency Operations Center, this new way of communicating with potential vendors has been incorporated and implemented to other emergency situations, including hurricane responses. Instructions have been written out and shared with several members of the EOC and State Purchasing; the e-mail templates and responses for vendors shared; and an internal discussion held to answer any questions or concerns about the process. This new process was implemented using a different EOC staff member and the result was very successful, with much of the same results and feedback from agencies, vendors, and leadership.

Service Improvement
The use of a central list of vendors who have been vetted and who will accept the state’s terms and conditions has been a benefit to other agencies. The list of these vendors has been supplied to many other agencies in the state and even to local governments needing points of contact for PPE. This has allowed for other agencies to reach out for quotes to vendors who are willing to accept terms and who are able to supply the products needed without having to spend time doing their own outreach. This has saved a great deal of time and effort and has been much appreciated by our fellow agencies. Since March of 2020, over 1,300 vendors have contacted State Purchasing seeking to do business with the State of Florida. All 1,300 vendors have received the “Doing Business” e-mail and a personal response from the single point-of-contact thus reducing confusion and friction and allowing for personal interaction between the State and the vendor. Multiple vendors have expressed appreciation that their telephone call or their e-mail was actually answered by a real person who has the knowledge to assist them, and they receive a quick and concise response with clear directions, rather than no response or a response that is not helpful.

Being able to provide instructions and explain the process and requirements changes the dynamic of the relationship between the vendor and the State. Even for those vendors who cannot meet the requirements or accept the terms and conditions, having a person explain what the state requires, rather than just refusing the purchase order, results in a greater understanding of the process and very few vendors being upset that their overture is not accepted. Too often we forget the vendor is also a customer and should be provided the same outstanding customer service we would provide a citizen or an agency employee. Having someone they can reach out to for assistance in navigating this process is providing that outstanding customer service.

**Cost Reduction**

There are multiple benefits to this system. First, the amount of time one person spent working with vendors is minute compared to the amount of time multiple people would need to spend working with vendors and coordinating efforts. Since March of 2020, over 1,300 vendors have reached out to the State of Florida. Without this process, much time and effort would have been spent by multiple staff members from both the EOC and State Purchasing working with vendors to submit their quotes correctly and coordinating efforts.

Second is the opportunity afforded to determine the legitimacy of vendors reaching out to do business with the state. Registering with MFMP requires a Federal Tax Identification Number and a W-9. Requiring the vendor to complete this registration prior to submitting a quote establishes this is a real company, not a scam. During the past year, several companies were identified as attempting to sell illegitimate products, unreasonable amounts of certain products, or for price-gouging. These vendors were flagged on the tracking spreadsheet so all staff would be aware of the issues and at times information was provided to manufacturers regarding possible fraudulent activities.

Third, having the specification sheet and product information reviewed ensures the product is needed by the EOC. A good example is gowns. Florida only uses Level 2 moisture-barrier disposable gowns with long sleeves. Level 1 does not have the quality and Levels 3 and 4 are
too hot. Working with the vendors to provide quotes and documentation for only what is needed (Level 2 gowns) keeps the EOC from receiving multiple quotes and e-mails for products it does not want or need (all other gowns).

Finally, the EOC and State Purchasing have accurate vendor information and quotes in one central, shared location to guarantee the best price for PPE, help the state to avoid overspending on products, and avoid dealing with bad actors.

**Conclusion**

Having this process in place for vendor triage in a pandemic and during emergency operations deployment has changed the way the State EOC and State Purchasing work with vendors wanting to sell PPE to the State of Florida. Confusion has been replaced with clarity; multiple staff being involved has been replaced with a single point-of-contact; and savings to the State have been immediate, both through the reduction in staff needed and in having a list of vendors to contact for the best services and prices. Transferring this to other deployments in the EOC has been seamless and resulted in the same outcomes. The State of Florida has made a great improvement to its process and is eager to share with other states and municipalities to assist with their purchasing of personal protective equipment during the Covid-19 pandemic and in the future.
State of Florida

Department of Management Services
Division of State Purchasing
MyFloridaMarketplace (MFMP) and Professional Development Team

2021 George Cronin
Awards for Procurement Excellence

Online Training and Certification Programs
Executive Summary

MyFloridaMarketPlace University (MFMP U) and the Professional Development Team, within the Department of Management Services’ (DMS) Division of State Purchasing, successfully reimagined training delivery, certification, and communication in response to the COVID-19 pandemic, leading to significant increases in training attendance and program cost savings. When sudden State of Florida office closures ushered in a new remote work environment, both programs were forced to cancel face-to-face instructor-led training courses, a stakeholder favorite and certification requirement, and quickly adopt a virtual instructor-led training platform.

The MFMP team understood that stakeholders still needed to understand how to use the State of Florida’s eProcurement system, in some cases more than ever due to significant increases in emergency purchasing. Implemented in fiscal year 2020-21, the newly branded MFMP Live and Online virtual training program offered more than 45 remote instructor-led courses employing a new direct marketing advertisement campaign to increase awareness of the program’s additional remote training offerings. Simple and easily transferable to other public service training programs, the MFMP virtual training direct marketing campaign increased awareness of and interest in MFMP training courses, evidenced by an 89% increase in MFMP training registrations, and an 82% increase in attendance compared to the previous fiscal year. Additionally, the change reduced training-related costs for the MFMP program and increased virtual training capacity by 584%.

The Professional Development Team completely redesigned how the Florida Certified Contract Management (FCCM) certification training and assessment was delivered. With more than 1,600 learners in need of certification during the 2019-2020 and 2020-2021 fiscal years (out of 5,700 active certifications), Florida Certified Contract Manager was converted into a three-day instructor-led training with a live-proctored certification exam. All activities that were normally completed in-person were transformed to be delivered effectively and comparably via webinar, and learners were given multiple options for proctoring that kept the exam secure and the integrity of the certification intact.

This first-of-its-kind online state contract manager certification program has acted as a sounding board for other state agencies to implement related online programs while creating a cost savings of $47,500 and increasing service due to the increase in availability of classes that best meet the geographic and scheduling needs of learners.

Innovation

During the planning phase of the all-virtual training platform, the Department faced a new customer support challenge. With increased virtual course offerings, larger course capacities, an anticipated increase in attendees, and only two resources delivering training for more than 45 remote courses, the MFMP team needed to increase training support to field questions from attendees. This sparked an innovative idea to leverage our MFMP help desk agents for additional support during virtual training courses. This allowed the trainers to focus on delivery without having to answer questions from attendees. An added benefit of having the MFMP help desk agents support the trainings was that it promoted the helpdesk support channel in case additional customer support was needed after training.

The entire Professional Development Team was utilized to convert in-person certification training to an instructor-led webinar. Using GoToTraining, the team was able to incorporate the self-paced online procurement modules into the instructor-led training using the polling features of GoToTraining. The team further decided to tailor the training to ensure maximum learner attention, so the course was broken down into six two-hour sessions over three days. This allowed learners ample breaks to keep up with their daily work as well as time between content to better allow for retention. In addition to polling questions to encourage learner interaction, the chat function of the platform was heavily utilized through all sessions to answer questions posed by instructors as well as for learners to ask any questions they had pertaining to the content.
While changes to content delivery were important, class administration was equally important. The Professional Development Team utilized GoToTraining as a means for registration and delivering important information pertaining to system requirements necessary to successfully complete the training and test. A key to the success of this transition to online was over communication, which was possible thanks to automated reminders and detailed processes about when communications should go out and to whom they should go.

The final component to the successful delivery of the FCCM program was in the exam. Because this class culminated in a certification, it was important the certification exam maintained its security. Exams were employed via two vendors: one to house, deliver, and analyze the test, and one to proctor the test live. Both vendors were contracted in the summer of 2020 and following a short setup and integration period, individuals were able to sign up to take a test at the time of their choosing and complete their exams as if an instructor were in the room with them. The Professional Development Team developed procedures detailing the processes of confirming attendance, uploading learners, completing first and second exam attempts, and handling technical issues. All exam attempts were available for review and instructors are made aware of any possible violations immediately.

**Transferability**

Oftentimes we hear that important trainings or exams, such as certifications, must be done in person. This stance speaks more to the comfort of those delivering, or directing the delivery of, such content. Learners, given the chance, will adapt (and have adapted) to instructor-led online trainings. The State of Florida has demonstrated the conversion of in-person training to an online environment is entirely possible for any state, so long as state programs are confident in the ability of the security and infrastructure of their learners to support online classes.

The MFMP Live and Online virtual training platform was implemented specific to the State of Florida in coordination with COVID-19 policies. However, other agencies’ training programs could benefit from the use of a virtual training platform coupled with a direct marketing campaign to increase awareness and attendance of their program’s training activities.

In converting the FCCM program from in-person to online, the importance of content comparability cannot be overstated. Because all individuals certified have been held to a certain standard previously, it is imperative that any future individuals receiving such a certification are also held to that standard. The medium of delivery should not change this standard. If this is the case, one risks not only invalidating future certifications, but those already awarded.

Similarly, proctored testing in an online environment is as possible as signing into a virtual meeting using products such as GoToMeeting, Zoom, or Teams. Many proctoring platforms use something very similar, if not these exact platforms, for their purposes. There are multiple kinds of proctoring as well. DMS chose to use live proctoring based on its needs, but Artificial Intelligence proctoring is also available and has been utilized elsewhere in the State of Florida after live proctoring was discussed. Online proctoring is available to meet the needs of any state program where exam security is a concern, given the budget for contracted services exists.

**Service Improvement**

The shift to a solely virtual training platform using GoToWebinar streamlined the training registration process, attendance and training delivery channel, survey distribution, and data analytics. Previously, limited seating capacity for MFMP U trainings, due to in-person trainings, allowed the program to offer 1,870 seats. This year, virtual training capacity increased to more than 12,800 seats, a 584% increase.
A key component to the success of the MFMP virtual training program is the direct marketing campaign. Previously, the training schedule was published to the MFMP training calendar, advertised in MFMP newsletters and meetings, and communications campaigns were distributed to MFMP customers through a network of about 190 MFMP Agency Liaisons. In addition to leveraging the aforementioned, the MFMP team took a data-driven approach and defined target training audiences based on two factors:

- MFMP user permissions based on specific system functions (i.e., Requisitioning, Contracts, Invoicing); and
- MFMP agency and vendor customers added in the last six months.

Permission-based distribution aligns MFMP users to courses specific to their job function in MFMP. Meanwhile, continuously targeting new agency and vendor customers ensures that new customers are offered MFMP training directly and shortly after they’ve been added as users. In comparison to the previous fiscal year, training registrations increased from 3,172 to 5,997 (+89%), attendance increased from 2,170 to 3,958 (+82%), and course cancellations due to low registrations and location closures plunged from 24 to zero.

According to the Professional Development Team’s internal certification database, roughly 1,200 FCCM certifications were expiring from March of 2020 to June of 2021. This was the largest number in the history of the program. In addition to these 1,200 individuals needing to be re-certified, we estimated another 400 new certifications would need to be awarded, for a total of 1,600 learners who needed to be certified during a time when in-person training was not possible. From September of 2020 to June of 2021 the Department offered more than 1,600 seats in training, and more than 1,400 individuals were either certified or re-certified as FCCMs. This was the most certifications ever awarded over a year’s period, and it was completed in just 10 months.

In addition to meeting the direct certification needs of our stakeholders during times when travel was impossible, travel was also made unnecessary. Before the COVID-19 pandemic, the Department planned to deliver four classes on the road. These classes would have resulted in no more than 200 seats being offered to individuals seeking certification or recertification. Individuals were also undoubtedly planning to travel to Tallahassee to become certified. With online learning and certification in place, these individuals did not need to travel anymore, thus meeting their needs in the most convenient and safe way possible.

As a part of our exam, we collect survey information on how participants feel the class went. These are then analyzed via spreadsheets with pre-populated formulae to examine Likert-type question, pass rates, scores, and short answers. Participants, overall, rated the online class similarly to the in-person class, with Likert scale values for instructor’s averaging around 4.7/5.0 and course content averaging around 4.5/5.0. One of the highest rated questions (4.62/5.0) was related specifically to the interactive components (chat box, polling questions, raising hand, getting questions answered) being easy to use. Additionally, the overall pass rate of the online course is within two percentage points of the in-person course and is still above 95%.

**Cost Reduction**

The MFMP Live and Online virtual training platform provided the State of the flexibility to easily accommodate training needs without incurring additional costs to support remote accommodations. Training costs for travel and support for three in-person training courses were eliminated when training was conducted virtually, saving the Department an estimate of $10,000. The State of Florida leveraged the change in training to rebrand support materials and saw an increase of training attendance by 52 percent.

The conversion of in-person FCCM training to instructor-led webinars incurred no additional cost for the Department; however, proctoring services and exam hosting is estimated to be approximately $36,000.
from April 2020 through June 30, 2021. Two categories of cost may be deducted from this total to calculate the net cost to the State. First, with five classes that require travel slated for 2020 and an additional three instances projected under normal circumstances for 2021, we may assume there would be eight (8) classes that would require travel. Each class would require two trainers, and each trainer would cost roughly $1,500 per trip (lodging, rental car, travel expenses, etc.), or $3,000 for both, for a total of $24,000. We may also calculate the cost savings from instructors no longer being required to spend approximately eight hours traveling for each class requiring travel. At an average hourly rate of $27 per hour for each of the two instructors traveling, the cost savings comes out to be about $3,500. These factors total $27,500 of cost that would have been incurred by the trainers. Additionally, we can assume from data obtained by our database that no more than five percent of learners need to travel to obtain their certification with the proposed travel schedule already in place. This would equate to roughly 80 individuals of the 1,600 learners certified online thus far. Depending on accommodation and vehicle needs, the average cost of an individual’s trip would average approximately $500, which totals $40,000 spent by other state agencies to attend this training. We can again account for cost savings for learners saving time they would normally spend on the road traveling, on average, eight hours round-trip to attend training. Assuming an hourly rate of pay of $25 per hour for each of the 80 learners, the cost savings is approximately $16,000, which totals $56,000 of estimated cost savings for learners. Combining this figure with the $27,500 already saved totals $83,500 and results in a net savings of $47,500 to the State of Florida for implementation of these online certifications once implementation costs are deducted.

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<tr>
<td>Subtotal of travel cost</td>
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<td>Estimated cost of proctoring services and exam hosting:</td>
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<td>Cost Savings Calculation:</td>
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**Conclusion**

The Department’s online training and certification programs resulted in more people being trained and certified, sustained satisfaction ratings, more accurate scheduling, cost savings for the State of Florida, and overall an uninterrupted and more efficient training delivery programs, resulting in the most individuals earning FCCM certifications in the entire history of the program during a period of just 10 months. Furthermore, MFMP virtual training boasts over a 99% satisfaction rating from our customers. One vendor customer stated, “Seriously the best online, live web presentation I’ve ever seen. Very knowledgeable, energetic, the support team was so responsive. I've been on many with seniors from Fortune 500 companies to Directors of Government agencies. Great context and follow on material to use as well. I'm excited to get to work!”
State of Michigan

Department of Technology, Management, and Budget
Central Procurement Services

2021 George Cronin
Awards for Procurement Excellence

Pivoting to a Virtual Certification Program Due to COVID-19
Executive Summary

The Achievement in Michigan Procurement (“AMP”) program was initially rolled out in 2018 by the Department of Technology, Management & Budget, Central Procurement Services (CPS). This program promotes accountability for procurement professionals statewide. It assists with gaining the skills and knowledge needed to perform their jobs efficiently, competently, and in compliance with Michigan Statutory Authority and the Michigan Procurement Policy Manual (MPPM).

AMP certification participants receive a list of learning objectives by topic area and must complete web-based and instructor-led training courses, as well as a manual for study and reference. In addition, sample test questions are provided to assist participants in preparation before taking the test.

The AMP Level 1 Certification Program consists of seven courses and an AMP Level 1 Resources manual. It includes the details needed to know how to make purchases up to $500,000 (excluding IT solicitations), which is the current delegated authority level. The training was administered in person and mandatory for new procurement professionals.

When COVID-19 and the associated shift to working from home started, the CPS’s Training and Policy Division had to make a quick shift to entirely online-based training and remote certification test proctoring. Utilizing existing software and employees, the program has been operating fully online, and has since resulted in two complete sets of classes, with a third underway currently.

Innovation

The AMP Level 1 certification program is tailored for both Central Procurement Services and Agency buying staff. It covers the requisite training needed to make purchases up to $500,000, the current delegated authority level for Agencies.

AMP Level 1 consists of seven courses (Foundational Concepts and the Procurement Six), each with multiple lessons covering over 50 topics. Course lessons are presented in two formats - Web-Based Training (WBT) and Instructor-Led Training (ILT) (two classes/six days).

Participants are asked to complete prerequisite WBT lessons before participating in each of ILT classes. The WBT lessons cover foundational concepts that convey basic information about the State’s procurement policies, along with introductory details for the AMP certification program. The WBT and other related materials are accessible 24-hours a day and can be accessed from personal devices, thus allowing for study anywhere.

AMP has been designed using different types of instruction and activities to appeal to multiple learning styles. The ILT class incorporates both lecture and scenario-based activities designed to reinforce concepts delivered during the class. Procurement subject matter experts, both from
Central Procurement Services and State of Michigan Agencies, deliver the ILT using scripted trainer guides to ensure consistency of conveyed information.

In addition to the seven courses, individual preparation for the proctored certification tests includes a published Body of Knowledge (manual) that comprises learning objectives for each training topic, related reference guides for study, other tools to reinforce learning, and practice tests. Participants can view these materials and much more on a dedicated intranet site. Upon completion of the required pre-requisites, participants who successfully pass the two certification tests with an 80% score or better receive their certification.

Preference for certification and related class participation is given to those currently working in a procurement-related role, although any State of Michigan employee may become certified. Allowing others to participate in the certification process will help build knowledge of the procurement process among State stakeholders and aid in recruitment of new procurement staff. Certification for Central Procurement Services staff is required within a six-month timeframe (based on certification class availability) from time of hire, while agencies are permitted to establish their own participation requirements.

The onset of the COVID-19 pandemic made in-person training impossible but did not obviate the need. If anything, proper training and knowledge of state policy and procedures became more important than ever, especially once the state started on-boarding new procurement professionals while continuing to work from home. A new course was also created and added AMP curriculum to cover emergency purchases using the agile training development method.

CPS immediately pivoted to move its existing AMP training to a fully virtual platform. Some courses are completely web-based, while others use web-based training and virtual instructor led training. In addition to the AMP Level 1 certification, CPS launched new web-based training for over 3,500 purchasing card holders and administrators during this period. Using Michigan’s existing online “learning center”, CPS assigns training to appropriate staff and tracks compliance.

**Transferability**

Any state utilizing formal training courses should be able to implement virtual training in much the same way as Michigan has. CPS uses Articulate for its web-based training components and utilized this even before COVID. So long as a state has virtual meeting/training software (such as Microsoft Teams or Adobe Connect) and a “learning management system,” the cost of doing so is also minimal. A mindset change, that virtual classes are just as legitimate as in-person classes, is really the only change required. This of course does not minimize the work needed to shift formats, which means having an existing, fully dedicated training team helps immensely.
**Service Improvement**

Ultimately, AMP trainings and certifications are meant to identify appropriate skills for job functions and to test that the employee acquired those skills. The main goals are to:

- Provide assurance that the state has well-trained and knowledgeable staff who are prepared for the duties of their position
- To reduce audit findings and increase compliance with required policies and procedures
- Promote morale and a positive staff culture
- Allow a process for professional growth
- Assist with career advancement and corresponding salary determinations

Above all, service improvement is the most important goal of AMP. The program itself improves the experience of CPS’s customers by providing them with well trained and knowledgeable procurement professionals.

AMP’s customers, the procurement professionals, also see service improvements with the shift to virtual training since limitations, such as room size and physical work location, are no longer a consideration—a procurement professional located in Detroit or in Michigan’s Upper Peninsula no longer must travel to Lansing. The response to the online classes has been very positive. Demand for classes, with waiting lists, has been non-stop since the AMP program was implemented.

Even if there had been no pandemic, making training available virtually increased the service experience for procurement professionals.

**Cost Reduction**

Cost reduction was not the primary motivation for this process, though training in general is important relative to cost savings, as better trained professionals will be less likely to make costly errors, are more efficient, and arguably better at negotiating contracts.

However, the hard cost savings of the move to virtual training consists mainly of limited travel costs for procurement professionals outside of Lansing, as well as the discontinuation of printed course materials and associated administrative work. CPS estimates hard savings at approximately $11,500 per year (approximately 80 hours of labor, six times per year).
State of Nebraska

Department of Administrative Services
Materiel Division

2021 George Cronin
Awards for Procurement Excellence

Procurement Concierge Program
Executive Summary

In 2020, the Nebraska Department of Administrative Services (DAS) State Purchasing Bureau began looking for more opportunities to do business with small, minority-owned and women-owned businesses while keeping more taxpayer money in Nebraska. These types of Nebraska businesses had been historically underutilized when it came to contracting for the State of Nebraska. The Purchasing Bureau team’s efforts culminated in the creation of the Procurement Concierge Program.

DAS’ mission is to grow opportunity through more effective, efficient, and customer-focused state government. With this goal in mind, the Purchasing Bureau re-examined our state contracting process from the perspective of our customers. Nebraska awards 600-700 contracts per year totaling over $7 billion in goods and services. As the team examined this process, they found that it was often confusing, lacking transparency, and frequently presenting companies with roadblocks to doing business with the state. They also realized that by addressing these issues they could contribute to Nebraska’s economy while creating more opportunities for women-owned, minority-owned, and small businesses right here in our own communities.

The Procurement Concierge Program coaches Nebraska businesses on the bidding processes by dedicating a state teammate to walk the business through the process, step-by-step. The program helps businesses become vendors with the state, learn how to find and bid on contract opportunities, and helps the state work more directly with vendors to help put forth the most effective and efficient bid process possible. A focal point of this program is that it makes the bidding process easier and more accessible for historically under-utilized businesses so they can compete with bigger companies.

Any state in the nation that is looking to help better serve their customers and provide more economic opportunities for businesses in their state, can easily implement a similar initiative to the Procurement Concierge Program. It doesn’t take a lot of money or resources, just procurement professionals willing to put the time and effort into creating a more effective, efficient, and customer-focused procurement process.

We launched the program in October 2020, and since that time, 34 Nebraska businesses have gone through our Procurement Concierge Program with resounding feedback of their positive experience and eagerness to begin bidding on contracts.

Innovation

Most government procurement offices work hard to assemble commodity specific vendor lists that they use to solicit suppliers and respond to bids. Since the size of government procurement is rather large, this process works since large businesses are closely watching the procurement department’s website for bid announcements. However, small businesses that are less familiar with the bid process are unlikely to be on a vendor list and thus unaware of the bids when they become readily available on the website. The approach used to create the Procurement Concierge Program was customer and stakeholder focused. Utilizing their feedback, we were better able to improve our services to meet their needs and answer their questions.

While many states might have their go to businesses they work with to procure their goods, we wanted to shift our focus to a strategy more focused on economic inclusion. We wanted to simplify the bidding process so that underutilized, especially minority-owned and women-owned Nebraska businesses, could more easily participate in bidding on state contracts. This program humanizes the procurement process and creates an individualized, personalized experience that meets the needs of varying vendors. The Procurement Concierge Program is redefining customer service in the procurement
function in a bold and ambitious way. In the short time since the inception of this program, we have already received positive feedback from businesses in Nebraska communities with high minority populations. This program is helping those businesses grow, in turn helping minority communities to economically prosper which benefits the whole State of Nebraska.

**Transferability**

The implementation of the Procurement Concierge Program required few tangible and financial resources. This program required an audit of the previous process, customer feedback, updating the program information online, and marketing the program to Nebraska businesses and other stakeholders. The implementation also required strong leadership from the State’s Chief Procurement Officer, as well as the buy-in of the State Purchasing Bureau teammates and their time and dedication to customer service.

This program can be similarly implemented by other states that are truly looking for ways in which they can better serve their customers while delivering these services effectively and efficiently.

**Service Improvement**

DAS has walked 34 minority-owned, women-owned, and small businesses through the Procurement Concierge Program helping remove barriers and better equip them to do business with the State of Nebraska. The Program focuses on providing assistance in three specific areas of the procurement process:

- **The Vendor Program:** We provide a potential vendor, looking to do business with the state, a concierge within our State Purchasing Bureau that walks them through the process of signing up as a potential vendor. This concierge will be their guide until they are in the system and ready to submit bid solicitations. How to do business with the state will no longer be so convoluted.

- **The Contract Program:** This program consists of hands-on learning, formal tutorials, enhanced customer service, and outreach advertising potential bidding opportunities. It will help increase contract bids, contract utilization, and increase customer service. Our target audiences are certainly women-owned, minority owned, and small business vendors, but we also target political subdivisions such as cities and counties to utilize cooperative contracts we created, which brings in additional revenue to the State. What our state is trying to procure will now be much better advertised and the customer service experience has been greatly increased.

- **Discovery and Innovation Program:** This program helps us to engage more actively with vendors to learn more about what the vendor community has to offer, which helps us plan what to buy before the purchase is ever made and tax payer money expended. This pre-market engagement helps us create an outcome-based solicitation model we call the Opportunity Statement, which helps us put forth the most effective and efficient solicitation or bid possible which drives down cost and increases agency and citizen satisfaction.
**Cost Reduction**

The purpose of the Procurement Concierge Program was not necessarily to save money for the State of Nebraska, but to simplify the procurement and contracting process to help promote economic opportunity and inclusion. Although, certain aspects of the program will lead to hard savings and will help spur economic growth in Nebraska communities. As a relatively new program, the cost savings and economic impact cannot be quantified at this time.

**Conclusion**

In Nebraska, Governor Pete Ricketts has instilled a culture of continuous improvement throughout state government. From this culture, the Procurement Concierge Program within the Materiel Division of the Nebraska Department of Administrative Services was created. This program focuses on simplifying the state’s procurement and contracting process to create more economic opportunity for underutilized businesses in Nebraska. In just the few short months since the inception of the program, we have already received feedback on how impactful this program has been for businesses throughout the State. This program will help grow opportunities for businesses and Nebraska as a whole for years to come.
State of Tennessee

Department of General Services
Division of Central Procurement Office

2021 George Cronin
Awards for Procurement Excellence

TN SmartShop SWC Catalog
Executive Summary

The State of Tennessee is proud to present this George Cronin Award submission, which outlines our in-house initiative to create a unique, state-specific e-marketplace that facilitates local government use of our Statewide Contracts (SWCs). We utilized tools that are broadly available and a process that can be repeated by others, which we hope can serve as a jumping-off point for our peer states that are considering exploring the benefits of eProcurement.

We constantly strive to optimally collect and analyze purchasing data in order to drive strategic and data-driven business decisions. In efforts to commit to this initiative and modernize state procurement, the Central Procurement Office (CPO) created the Data Analytics team in 2020. This team, comprised of in-house data analysts, primarily creates vital analytical models that capture purchasing behavior, market benchmarking, and spend analysis for both our agency term contracts and SWCs.

This previous year has been a defining year for CPO; not only did we face new challenges as our State experienced both regional natural disasters and the devastation of a global pandemic, but CPO had to quickly adapt to the upheaval faced by the procurement world. The constraint of time and resources pushed CPO to create monumental change that ultimately led to the creation of new analytical models and tools that have enabled us to continuously adapt and thrive. Our division, like many others, had to face the reality of needing to reduce expenditure while creating and managing lifesaving contracts. In order to reduce expenditures, an existing contract for our original SWC e-marketplace, TN SmartShop, came under review for cancellation. TN Smartshop was an online website with elementary eProcurement functionality that allowed our local governments and municipalities to view and compare items on our SWCs, add items to a cart, export the cart, then contact the Supplier to place a purchase. After reviewing the contract, our data analytics team stepped up to the plate and took on the initiative to ultimately replace the current website and create our own platform that would be accessible to both our internal and external stakeholders. This challenging endeavor made us stretch the realms of what we knew was possible, and ultimately led us to have the opportunity to create a homegrown, yet upgraded, version of the original interactive platform.

Our Data Analytics team successfully created the TN SmartShop SWC Catalog Dashboard, which is smarter, more accessible, user friendly, and ultimately more cost effective. It is hosted on our public website, which also provides links to SWC supplier sites that house State negotiated prices, enabling local governments to create accounts to order directly from these supplier sites. It is now available for public use and is being used across the state allowing for greater use of our SWCs.

Innovation: Using readily available data analytics tool we have pushed the limits to create a revolutionary, homegrown tool for our local authorized non-state users, ultimately providing better access to our catalog of items on all SWCs.

Transferability: The use of state data in conjunction with the widely used Tableau platform allows this tool to be created and customized for any state that already has a Tableau license. This platform allows for greater access for both internal and external stakeholders and provides each state a greater breadth of control.

Service Improvement: Creating this in-house allows for the state to have complete control over ownership of the platform, while providing a better customer service experience to our local government users. The platform itself plays an integral role in the virtuous circle of increasing the state’s buying power; ultimately providing better access, greater participation and better pricing for our end users.

Cost Reduction: This platform was previously a website created by a third-party vendor that originally held a five-year state contract valued over $1.4M.
Innovation

Amid losing our existing solution that facilitates the use of our SWCs, we were able to use a common and readily available data visualization tool to build our own e-marketplace platform. This effort solved a true dilemma during a tribulating time, while serving as an opportunity to showcase CPO’s strategic capabilities.

TN Smartshop in its original format was an e-marketplace that displayed active SWCs that were available for use to our external stakeholders, mainly focused on serving our local governments and municipalities. The original concept for this website was for it to be a one-stop shop for our local users to have the ability to use the State’s buying power to directly purchase products off the platform. Unfortunately, its original format it was never developed into a fully robust system. Automated direct purchase from supplier sites was never integrated, which led the original website to primarily function as a centralized SWC look-up tool for our stakeholders. Assessing the state of the original website and understanding the overarching vision we had for platform, our team took on the challenge of replacing the website with our own product.

For this project we relied on Tableau, which is the main tool used for CPO’s analytical efforts. Tableau, as many know, is a widely used visual analytics engine that allows users to create interactive visual analytics through dashboards. However, in order to replace the original website with a Tableau dashboard we had to rely on innovative techniques, and creative thinking. The challenge revolved around the fact that we needed to use Tableau as an interactive website and marketplace rather than the typical data dashboard used solely for viewing and reporting purposes.

To enable the new platform to function as an e-marketplace, we needed to provide all users the ability to add search criteria and alter the displayed quantities within the dashboard itself. However, these functions do not fall under the main or known capabilities Tableau offers to its users. In order to allow our users to have greater autonomy over the selection of products and categories, we incorporated a search bar functionality which allows users to look up specific items within the available contracts. These search bars can recognize specific aspects of the line items and more readily retrieve information across all available identifying information within the associated data sources.

Coupled with the look-up function, we created a shopping cart feature that provides any user the ability to create cross-vendor itemized invoices that could be printed out and sent to each respective vendor for purchase order completion. The shopping cart feature is the most essential function of this platform, and its creation did not come without its own set of unique barriers. This function relied on allowing users to designate quantities for the specific items they selected for their shopping cart. Based on Tableau’s limitations for user input of data, this part of the project required the team to be innovative and think outside the box.

Tableau is mainly used for reporting purposes, with its users normally being given viewing access with minimal capability to change or manipulate its data. In our case, we had to break that norm and provide our users with the capability to create lists of unique desired items from our dataset, while granting them permission to designate a quantity to each individual item. It is important to note that allowing user input is possible when incorporating Tableau’s extension tools; however, since this would be an external dashboard that would be accessed on our public server, we were barred from adding third party extensions. During the creation portion of this dashboard, we could not find documentation of other Tableau users attempting this feat and ran across several roadblocks that pushed us to think outside the box when tackling how to create the interactive shopping cart experience. By analyzing relevant local spend reports, we were able to understand our user’s purchasing behavior, thus leading us to define and set grouping of quantities that could be used within the dashboard. Grouping the quantities enabled us to provide subset grouping options that our users could then select and attribute to their products in the shopping cart view.
Despite our initial setbacks, the basic idea of this mechanism for Tableau dashboards has opened many opportunities for further use and innovation within our future projects and is a valuable skill to keep in mind for expanding what is possible in Tableau. Within Tableau we are now able to connect the platform directly to our state server and provide a catalog view that is constantly being updated with our SWC offerings. Our newly created TN Smartshop dashboard now allows users to more easily create their shopping carts across the various contracts and vendors available. TN SmartShop SWC Catalog Dashboard is now a fully functioning interactive user interface that is embedded on our public website for local government use.

**Transferability**

The use of a common and readily available data visualization tool to build our own e-marketplace platform can be leveraged by our peer states that are still considering eProcurement solutions. This effort can be replicated by other states to easily, and cost effectively, explore the benefits such solutions could provide and lead them to consider longer range strategies. Building on Tennessee’s tools and defined steps, it is possible to create something unique and specific to the adopting state’s needs, in a way that underscores the strategic role of procurement.

Use of our solution is practical and useful for any state that is looking to make contract information more accessible to their customers and stakeholders. Any state that desires to replicate such a solution would simply need a visual analytics engine, similar to Tableau, and a data source that contains relevant contract line item information. The creation of TN SmartShop SWC Catalog can be divided up into two main steps: Data Collection and Dashboard Creation.

**Data Collection:** To begin, each state must first identify the main data source that will fuel their e-marketplace. In many instances, this will be internal datasets that contain catalog pricing information for contracts each state would want to promote. In our case, our platform’s main purpose is to promote local use of all our SWCs, and it is comprised of daily query results that provide updated line item information for all available SWCs. Since the type of information used and displayed on this dashboard is already stored by each state, in their own capacity, contract information can easily be collected and filtered down to display useful purchasing information such as: contract identifiers, descriptions, vendors, prices, etc.

**Dashboard Creation:** Once the information has been collected, the next step is figuring out how the information would need to be displayed to enhance the purchasing experience. For instance, in our case, our new website is comprised of two Tableau dashboards that provide embedded windows that allow users to toggle between a main product look-up page and a shopping cart view. The main look-up page is comprised of contract information that we were able to filter down to display identifying indicators for each of our available SWCs. As far as building out a similar main dashboard using Tableau, ‘Parameters’ can be used to create the search bars necessary for looking up the line items. Depending on what information buyers would need, this could display as much contract line information as needed.

This function, in turn, does allow for easier incorporation and development of a shopping cart view. The shopping cart view could then be created by using filters that allow users to select which items they want to add to their list and apply specific desired quantities. The Tableau ‘Sets’ function can be used to select each individual item in the shopping cart and apply the specific quantities made available. Finally, we incorporated the use of a Tableau button that provides the user the ability to print out their personalized cart list.

Overall, the timeline for this process is completely dependent on the creator’s working knowledge and experience of using data visualization tools. We recommend any state that is interested in creating
their own online platform to dedicate a couple of months to trial and error, and then set aside a few
months for the actual creation and publishing of the platform. This project is a great example of how
products like Tableau, can be used to enhance the overall state purchasing experience and create new
customer focused tools. This idea can be used widely for presenting just about any type of
procurement purchasing information, even to the extent of creating an in-house version of a shopping
site.

Service Improvement

The creation and implementation of TN SmartShop SWC Catalog serves as a representation of CPO’s
constant effort to improve the service and purchasing experience it provides to its customers. Having
our own Data Analytics team create and publish the platform allows the CPO to provide an improved
personalized customer service experience that allows its users to directly impact the information
displayed and provided to them. For instance, a basic website shopping cart will simply show a subtotal
price of the items that are added; however, now we are able to display overall total pricing amounts
by line item quantities, as well as provide an additional view that displays subtotal pricing by each
selected vendor/supplier. In practice, if the user’s cart includes items from Vendor A and items from
Vendor B, they will see the total price they would owe each vendor individually on the dashboard.

In order to fully replace the original e-marketplace and meet the needs of our end users, we worked
with SWC suppliers to provide dedicated websites that reflect negotiated State pricing. The sites work
in conjunction with our platform and are customized to display State negotiated pricing and allow
locals to fulfill orders created in the shopping cart view of the dashboard. Locals can now create an
account with the suppliers and order directly through these sites. This is an improvement over the
original site which did not allow for direct purchase, but rather, users needed to print out a
spreadsheet and call the supplier to place an order. There are currently 12 suppliers providing this
service.

The platform itself plays an integral role in increasing local access to the State’s purchasing power; not
only providing better pricing to our State agencies but extending it to our local authorized non-state
users through an easier format. This tool is user friendly and easily accessible to all our users. All in all,
this tool has allowed us to continuously reach our goal of increasing local use of our SWCs while
enhancing our customer’s overall purchasing experience.

Cost Reduction

TN SmartShop was originally contracted out for five years and would have cost the state $363,412 per
year of use. Since there were four years remaining on the contract, we saved the state and its
constituents over $1,453,648. The necessity to reduce expenditure coupled with the effort to provide
our own solution allowed the state to save the original cost of the contract along with any future costs
related to service and technical support.

Conclusion

This project was monumental and a historic milestone for the Data Analytics team, and the State of
Tennessee’s CPO. This is our first ever interactive public facing dashboard that was created for public
use; the TN SmartShop SWC Catalog now has the largest audience a Data Analytics project has ever
reached. Taking on such an endeavor as replacing an e-marketplace breeds greater innovation,
creativity and collaboration, which ultimately serves to benefit our customers. The platform now
provides better access, greater participation and better pricing for our end users. Finally, this solution
is true indicator of what is possible when you couple analytic visualization tools with existing public
data. The TN SmartShop SWC Catalog is available at
https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/tn-smart-
shop/tnss-dashboard-info.html.
Commonwealth of Virginia
Department of General Services
Division of Purchases and Supply

2021 George Cronin
Awards for Procurement Excellence

Reaching a Multigenerational Workforce: A 21st Century Approach
Executive Summary

The Virginia Institute of Procurement (VIP) operates under the auspices of the Department of General Services (DGS), Division of Purchases and Supply (DPS) and delivers procurement education to public procurement professionals. VIP’s Virginia Contracting Certification Program currently offers professional certification at three levels:

- Virginia Contracting Associate (VCA)
- Virginia Contracting Officer (VCO)
- Virginia Contracting Master (VCM)

Participation in the program is voluntary and open to employees of the Commonwealth of Virginia and employees of other public bodies in Virginia who meet the eligibility criteria of the certification level they wish to pursue. VIP also offers Continuing Education that satisfies the recertification hours required every five years for its certification programs through the annual Public Procurement Forum, 2020’s Virtual Public Procurement Summit, and other VIP courses.

The necessity to expand educational outreach became paramount after recognizing skill gaps in Virginia Procurement professionals. Additionally, the challenge undertaken was to answer the questions of how to reach and engage a multigenerational workforce across the Commonwealth of Virginia represented by over 12,000 buyers. VIP identified the need to include various educational topics to meet the skillset requirements of Virginia buyers while ensuring a value-added proposition with limited resources and an office staff of three. VIP identified a cost-effective, convenient, and creative solution to deliver procurement training content to adult learners leveraging a streamlined learning model through a new Learning Management System (LMS).

Innovation

In identifying existing skill gaps in Virginia procurement professionals, VIP now provides access to an educational outreach framework designed to enhance soft skills (Skillsoft), procurement-related skills (NIGP), and Virginia policy and regulation knowledge.

VIP implemented an integrated Learning Management System (LMS) powered by Absorb to deliver quality online content, standardize access to VIP classroom course registration, and streamline VIP administrative processes. In addition to VIP course offerings, the implementation formed a partnership with Skillsoft to deliver 474 courses to enrich soft skills, partnership with the National Institute of Governmental Purchasing (NIGP) delivering general procurement-related content totaling 543 online and 16 classroom courses.

After the first month, more than 2,200 learners from 330 of 404 State Agencies, Localities, and Independent cities utilized the LMS, resulting in an 82% market saturation rate. The goal for the usage of the LMS during its first year was 500 active users. To date, the LMS has over 3,675 active users. An additional value-add has been VIP’s certificate course offerings rate of sell-through. In the first month of going live, VIP sold out their on-site certificate course offerings for the Fiscal Year 2020. Over 600 attendees registered for training, which was the first time in the history of VIP all certified courses sold out a year in advance. Moreover, the LMS provides valuable data through intuitive reporting that previously did not exist. This data is expected to afford Virginia the ability to evaluate other skill gap areas by competency to provide specific and measured training at the annual Department of General Services (DGS) Division of Purchases and Supply’s (DPS) Public Procurement Forum or future Virtual Public Procurement Summit conferences.
These specific and measured training sessions, based on the competency metrics, will assist in the development of thoughtfully targeted topics at the annual Public Procurement Forum or Virtual Summit conferences across three days of continuing education. Currently, sessions are presented over 45 annually rotating topics aimed at the varying skill levels and experience of the participants. Speakers come from the ranks of nationally recognized procurement thought leaders, Virginia DGS/DPS staff, and other agency professionals from local governments.

A secondary benefit of the Public Procurement Forum and Virtual Summit is the opportunity for peer networking and collaboration. Through formal and informal engagement, the Public Procurement Forum or Virtual Summit strengthens individuals in their careers while collectively strengthening Virginia procurement overall. The next phase of the LMS will be to provide pathways that aid procurement professionals based on their competencies toward specific career pathways.

Many procurement professionals have earned state (VCA, VCO, VCM) or national (CPPB, CPPO, C.P.M., etc.) certification and are required to earn continuing education hours to re-certify their professional credentials.

### Transferability

<table>
<thead>
<tr>
<th>Virginia Institute of Procurement (VIP) Learning Management System (LMS) Transferability</th>
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</thead>
<tbody>
<tr>
<td><strong>Criterion:</strong></td>
<td><strong>Strategy Employed:</strong></td>
</tr>
<tr>
<td>Communication/Accessibility</td>
<td>1. Peer engagement</td>
</tr>
<tr>
<td></td>
<td>- Email Communication</td>
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<tr>
<td></td>
<td>- Survey sampling</td>
</tr>
<tr>
<td></td>
<td>2. Establish Communication Channel</td>
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<tr>
<td></td>
<td>- Email Distribution List</td>
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<tr>
<td></td>
<td>- Integration of VIP social media feed</td>
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<tr>
<td>Responsiveness</td>
<td>1. Provide increase response time</td>
</tr>
<tr>
<td></td>
<td>- 24-hour response strategy</td>
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<tr>
<td></td>
<td>- Clear and Concise Content</td>
</tr>
<tr>
<td></td>
<td>- Quality of response to need</td>
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<tr>
<td>Solutions</td>
<td>1. Simple and user intuitive</td>
</tr>
<tr>
<td></td>
<td>- Natural linear process</td>
</tr>
<tr>
<td></td>
<td>- One Click Hierarchy</td>
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<tr>
<td></td>
<td>- SCORM Enabled</td>
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<tr>
<td></td>
<td>- Reproducible Cloud Enabled</td>
</tr>
<tr>
<td>Applicability</td>
<td>1. Meet State IT/Treasury Regulation</td>
</tr>
<tr>
<td></td>
<td>- Cloud/Security/Ecommerce requirements</td>
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<td></td>
<td>- Reporting to State requirements</td>
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The linear process in applying transferability are as follows:

1. Identify and create a needs assessment.
2. Identify and retain resources by skill area and state agency to develop a conceptual map based on needs assessment and Communication data and feedback.
3. Identify and develop appropriate (LMS) specifications based on findings from needs assessment and Communication data and feedback.
4. Establish objectives and goals for measuring each (LMS) solution.
5. Decide on the type of curriculum that will be offered- (in-person classroom, live virtual, self-paced online, or any combination of blended learning).
6. Establish a pricing structure, solution terms and conditions, and curriculum structure.
7. Identify internal resources to ensure the learning platform is sustainable and scalable before roll-out to other state entities.
8. Identify and establish an internal policy around LMS to ensure compliance with Cloud, Security, and E-commerce state regulation.
9. Establish a timeline for go-live roll out and develop a robust Communication plan.
10. Identify and use data analytics to measure the effectiveness of LMS and areas that can be improved based on data.

**Service Improvement**

The Virginia Institute of Procurement (VIP) knew that providing an educational outreach framework to improve skill gaps in a simplistic and intuitive means was paramount to meeting the procurement training needs of the Commonwealth of Virginia. Additionally, with a small staff of three, transitioning from static paper files to electronic records would enhance the efficiency of the VIP administrative process.

VIP began researching other public procurement programs and discussing needs with state agencies across the commonwealth. The solution was to implement an integrated Learning Management System that delivered quality online content in a three-layered method focused on closing skill gaps in soft skills, procurement-related skills, and Virginia policy and regulation knowledge in one system. In addition to VIP course offerings, the implementation formed a partnership with Skillssoft to deliver 474 courses enriching soft skills and with the National Institute of Governmental Purchasing (NIGP) delivering general procurement-related content, totaling 543 online and 16 classroom courses.

VIP initially communicated the LMS transition to state agencies during a July 2019 electronic mailer. One month after the go-live date of August 13, 2019, metrics indicated more than 2,200 learners from 330 of 404 state agencies, localities, and independent cities utilized the LMS, resulting in an 82% market saturation. The goal for the usage of the LMS during its first year was 500 active users. To date, the LMS has over 3,675 active users. An additional value-add has been VIP's certificate course offerings rate of sale. In the first month of going live, VIP sold out their on-site certificate course offerings for the Fiscal Year 2020. Over 600 attendees registered for training, which was the first time in the history of VIP that all certified courses sold out a year in advance. The response time for reviewing applications and subsequent external coursework was reduced from 3-4 weeks to 24 hours, creating a faster turnaround time for learners to register for VIP certification courses. The LMS provides valuable data that previously did not exist, and in time will afford Virginia the ability to evaluate other skill gap areas to provide customized training at the annual Department of General Services Division of Purchases and Supply Public Procurement Forum.

The Content/Administrative time savings allowed VIP to reinvest resources in refreshing current course content and creating new training programs such as the Virginia Contract Administration and Risk Management (VCARM) certification, which was introduced to the commonwealth in November 2020 during the Virtual Public Procurement Summit and launched in early 2021.

The LMS also provided VIP and DPS with the tools to launch registration, deliver messages, and implement the 2020 Virtual Public Procurement Summit. During the Covid-19 pandemic, in-person events were not feasible or safe for attendees or staff. The implementation of the LMS for VIP programs in 2019 provided a platform for the virtual conference which allowed the event to be cost-effective and provide a low-risk option to providing continuing education and continuity of operations. The LMS delivered 24,060 hours of educational content during the 2020 Virtual Public Procurement Summit.
Cost Reduction

<table>
<thead>
<tr>
<th>Virginia Institute of Procurement (VIP)</th>
<th>Users: (Goal)</th>
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</thead>
<tbody>
<tr>
<td>Learning Management System (LMS) Program Cost Analysis FY 2020</td>
<td>Virginia</td>
<td>Market</td>
</tr>
<tr>
<td>LMS Platform:</td>
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<tr>
<td>Absorb</td>
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<tr>
<td>Plan Level</td>
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<tr>
<td>A la carte- (1 contact hour)</td>
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<td>$39</td>
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<tr>
<td>Bronze- (10 contact hours)</td>
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<td>Silver- (20 contact hours)</td>
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</tr>
<tr>
<td>Cost Savings</td>
<td></td>
<td>35.71%</td>
</tr>
</tbody>
</table>

Notes:
(1) LMS:
- Learners: 2276
- Active Users: 416
- AVG utilization per day: 123

(2) Content/System Administration (Savings) $23,625.60
(5 hrs./week over 48 weeks at $98.44 per hour)

Cost reduction is realized in two distinct areas- LMS Platform and Content/ System Administration time savings. The LMS Platform cost savings was calculated compared to current market rates.

Content/System Administration time savings were calculated based on time savings over a year at $98.44 per hour (salary plus fringe benefit rate).

The total cost reduction was $168,363.88 and afforded the Virginia Institute of Procurement (VIP) the ability to reallocate resources to enhance the breadth and quality of online content to the Commonwealth of Virginia.