

Report on Contracts

Department: Commerce

Secretary: Mike Preston

The purpose of this report is to prompt an analysis of contracts and contract expenditures within each Department and assist in the formulation of a report to the Governor on how to achieve greater efficiency (cost savings) and effectiveness as it relates to this topic. An analysis of *contract management* should consider all relevant factors including the number of vendors, staffing, contract management process, approach to negotiation, and other barriers/challenges associated with the contracting. This analysis should take a holistic approach to developing plans to deliver efficiency and effectiveness improvements. **The report template includes sections for three projects for your convenience. This number is not a goal or target. You may add or delete boxes for as many projects as you submit.**

ACTION PLAN FOR PROJECT 1:

1. Project Title

Create Fiscal Shared Services Procurement team roles to serve each division within Department of Commerce.

1.1. Brief description of project, goal, and action plan.

Based on the current plan to align business processes for Fiscal Shared Services for the Department of Commerce, some of the existing fiscal staff will be designated as part of the procurement team covering all divisions within Commerce, with one individual designated as the team lead or subject matter expert. This person will lead all efforts across Commerce to streamline the procurement process from documentation to communicating to those outside of shared services, including Office of State Procurement, maximizing purchasing effectiveness. This will be the first person that should be contacted by the operating divisions when a procurement need is identified, who will then document each step to be taken along with communicating the responsible party for each step. This will allow specialization in a changing, complex field reducing missteps and wasted time. This will also assist OSP in reducing the number of personnel with which they have to interact, resulting in efficiencies for them.

1.2. Identify any additional resources required for the implementation and success of this plan.

No additional resources; will train existing fiscal staff to perform this service.

1.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?

No additional cost expected. Training will be done with current staff and through DFA procurement training. Current budget impact will be neutral. Savings will be eventual through attrition and consolidation of division duties over time.

1.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.

First success will be achieved when procurement team is identified, located together, and process improvement plan is created. Second success will be when operating divisions feel that the procurement process is aligned across all division and that they have someone to help them avoid mistakes and save time in the process. This can be measured by division leaders' satisfaction feedback as to whether their needs have been met or exceeded, that cycle time has improved compared to pre-transformation, and that the procurement process was clear. Also important will be feedback from OSP that these efforts by DOC have helped them achieve efficiency goals by not commanding as much of their time compared to pre-transformation.

1.5. What is the implementation timeline and key action steps for this plan? How will you track progress?

This process can begin once all of Commerce is co-located, which should be complete by April 2020. Once all staff are together, we can assess the skills available, and identify those best suited for a procurement focus. A team lead can be identified by summer of 2020 which can begin the task of comparing current procurement processes across Commerce, and designing and implementing best practices as well as provide needed training. Estimated timeline to be fully operational is December 2020. Division leaders should experience the improvement by the end of FY 2021.

1.6. Identify any obstacles to the implementation and success of this plan.
Varying levels of knowledge across staff.

1.7. How could Department of Transformation and Shared Services provide support to the Department?
The greatest need will be getting existing staff up to speed on current procurement requirements, which have recently changed, and assessing the knowledge of procurement staff to determine if additional training is needed. A certification process for procurement personnel would be helpful and method to incent and reward staff to become part of this very needed area of expertise.

ACTION PLAN FOR PROJECT 2:

2. Project Title

In order for existing and new contracts to offer the most flexibility across all divisions within the Department of Commerce, take the following two steps: 1) Create searchable repository of all existing Commerce contracts for use by Commerce procurement personnel to maximize use of current contracts and avoid time on new procurements. 2) As contracts come up for renewal or new contracts are created, structure them so that all divisions within Commerce can utilize.

2.1. Brief description of project, goal, and action plan.

In a shared directory, consolidate the details of all current contracts across Department of Commerce. This would include vendor, type of contract (PCS, TGS, Commodity), brief description of what is included, inception date and expiration date, contract value, etc. This will help the Commerce procurement specialist utilize existing contracts in Commerce for goods or services instead of beginning a new procurement process. Also crafting all new contracts to be flexible to include other divisions within Commerce.

2.2. Identify any additional resources required for the implementation and success of this plan.
No additional resources are required.

2.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?
No additional costs are associated with this plan.

2.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.
Success will be measured as to how many divisions are able to share contracts. This will result in reduced time dedicated to procurement efforts and is an example of transformation efficiency.

2.5. What is the implementation timeline and key action steps for this plan? How will you track progress?
Timeline to have the list of contracts complete and available will be by end of FY 2020. Progress can be identified as to how many divisions are sharing a contract, which should increase over time.

2.6. Identify any obstacles to the implementation and success of this plan.
Potential obstacles would be current limitations to existing contracts.

2.7. How could Department of Transformation and Shared Services provide support to the Department?
Providing guidance as we transition to shared contracts across Commerce, which is new to procurement.

ACTION PLAN FOR PROJECT 3:

3. Project Title

3.1. Brief description of project, goal, and action plan.

3.2. Identify any additional resources required for the implementation and success of this plan.

3.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?

3.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.

3.5. What is the implementation timeline and key action steps for this plan? How will you track progress?

3.6. Identify any obstacles to the implementation and success of this plan.

3.7. How could Department of Transformation and Shared Services provide support to the Department?

Additional thoughts/comments: