

Strategic Improvement Project External Communiqué

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State Procurement Office Strategic Improvement Project

PROJECT UPDATE:

The Strategic Improvement Project team has completed its effort to document the current reality at the Department of Administrative Services, State Procurement Office (DAS SPO) and the State Procurement System (System) as a whole by examining existing policies and procedures, as well as staff and stakeholder perceptions. Over the past five months, the project team, which includes consultants from Public Knowledge LLC, has performed the following:

- Completed more than a dozen maps of DAS SPO business processes using Visio software.
- Documented current DAS SPO performance measures.
- Researched current best practices in procurement.
- Conducted an extensive stakeholder perceptions assessment through interviews, focus groups and surveys.

STAKEHOLDER PERCEPTIONS ASSESSMENT

The stakeholder perceptions assessment was a particularly large undertaking that involved the following:

- **Interviews:** Fifteen one-on-one interviews with State agency executives, State legislators, procurement managers and experts in local government and the private sector.
- **Focus Groups:** Fourteen focus groups with a variety of stakeholders, including buyers, Designated Procurement Officers, business services directors, Chief Information Officers,

- vendors, agencies, State Procurement Office staff and representatives of the Oregon Cooperative Purchasing Program. Targeted focus groups were conducted with three agencies that have delegated authority for procurement – the Department of Corrections, the Department of Human Services and the Oregon Department of Transportation. A total of 67 stakeholders participated in the groups, which ranged in size from three to 20 people.
- Two Web-based surveys were conducted – one for vendors and one for stakeholders. An Internet link to the surveys was sent to stakeholders and vendors through respective listservs. Out of approximately 1,180 members of the stakeholder listservs, 311 responded. Of the 25,000 members of the vendor listserv, 2,562 responded. That represents a response rate of 26 percent for the stakeholder survey and 10 percent for the vendor survey.

A quality plan takes time to build. Throughout the process of gathering information to build a Strategic Improvement Plan for the State of Oregon Procurement System, we have encountered a world of ideas, information and knowledge – a world that is larger and more complex than we expected at the outset of our effort. It takes time to evaluate all the ideas and possible strategies coming our way. To that end, it was necessary to expand our initial timeline for the project. Although you will notice some changes or innovations in the short term, the larger transformation will occur over time and in phases. Oregon’s Procurement System is a huge network with many players. We want to explore all options and carefully design a Strategic Improvement Plan that addresses the goals of the project and addresses the concerns of stakeholders.

MOVING FORWARD

Major milestone achieved: We have completed the “Document the Present” stage of the Strategic Improvement Project. During the effort to describe the current business environment at DAS SPO and the State Procurement System as a whole, we mapped current business processes, identified supporting functions, examined existing performance measures, researched best practices within procurement and performed a stakeholder perceptions assessment of the current procurement system. That work generated significant information, all of which will be used as we move to the next two project stages, “Design the Future” and “Analyze the Differences”.

In “Design the Future,” we are developing a future business model for DAS SPO and the State Procurement System. Over the past several weeks, consultants from Public Knowledge LLC have held discussion groups with a core team of stakeholders to explore topics central to the new business model. The team, made up of people from DAS SPO, Department of Administrative Services Risk Management, Department of Administrative Services Enterprise Information Strategy and Policy Division, Department of Justice and various State agencies, discussed at length the following topics:

- Risk
- Delegation
- Vendor participation
- DAS SPO’s role in the System
- Communication and Outreach

The information gathered in these meetings is one more piece of information to consider as we develop the future look of the System. Using all of the information gathered to date, Project Sponsors are expected to complete the design of the Future Business Model within the next month.

The Strategic Improvement Project does not end once the Future Business Model is completed. The subsequent phase of the project is “Analyze the Difference.” In this phase, the project team will perform a “gap analysis,” looking at the differences between the current procurement system and the procurement system designed in the Future Business Model. Best practices and performance measures that support the Future Business Model will also be recommended and explored.

Once that effort is completed, the project will enter its final stage: Drafting the Strategic Improvement Plan. The plan will serve as a roadmap, showing how we move from the current, “as-is” reality to the desired future state, a procurement system that supports agencies subject to Oregon’s Public Contracting Code, ORS 279, in their efforts to meet their business needs in a legal and timely manner that ensures thoughtful stewardship of the State’s resources. The goal is to design a system that is flexible, responsive, transparent and relevant to Oregon’s emerging needs, with strong partnership between stakeholders and a dedication to quality and innovation.

LEARN MORE:

Public Knowledge has created five reports documenting the information gained through their research, interviews, and surveys.

As-Is Process Maps. Map of current business processes of the State Procurement Office.

Supporting Functions. Describes business processes within the State Procurement Office that support the State’s Procurement System.

Current Performance Measures: Describes the current performance measures used by State Procurement Office.

Current Best Practices in Procurement: Identifies major trends and issues emerging in procurement.

Stakeholder Perceptions Assessment: A compilation of perceptions of the current procurement System by a variety of Procurement System Stakeholders.

Summaries of these documents have been posted to the SPO website. Full copies of the reports may be obtained by contacting Jacquie Spenner at Jacquie.spenner@state.or.us. **Please Note:** The size of the As-Is Process Maps Report exceeds our ability to distribute electronically

Thank you once again for your continued support. Your contributions are vital to the success of the project.