

GLOBAL LEADERS EXCHANGE FOR PUBLIC PROCUREMENT

An Initiative led by Public Spend Forum and Michigan State University

Quarterly Meeting for US Leaders

February 14, 2018 - Held Online Via Video Conference

Executive Summary and Key Takeaways

Attendees

Over 30 leaders including Chief Procurement Officers and other senior leaders from US federal, state and local agencies. Please find full list on Public Spend Forum's Leaders Exchange page. Please visit here: <https://www.publicspendforum.net/february-exchange-2018>

Example of attendees included (not an exhaustive listing): US Department of Energy, US Internal Revenue Service, County of San Diego, Commonwealth of Pennsylvania, New York City Mayor's Office, King County (Seattle, WA), State of Alaska, Internal Revenue Service, Fairfax County Virginia, State of Maryland, Multnomah County, Oregon and more.

Meeting Agenda

- 1) STRATEGIC PRIORITIES FOR PUBLIC PROCUREMENT LEADERS:** Discussion on Public procurement leaders' strategic priorities for the current year (*faciliated by Raj Sharma, Public Spend Forum*)
- 2) PUBLIC PROCUREMENT WORKFORCE COMPETENCY STANDARD:** An overview of the updated V2.0 of the Workforce Competency Standard, a case study of the Competency Standard in action, and results of a national survey of public procurement leaders (*discussion led by Jack Pellegrino, County of San Diego and Ash Bedi, Public Spend Forum*)
- 3) PUBLIC PROCUREMENT TECHNOLOGY INNOVATION LAB UPDATE:** An introduction to Public Spend Forum's Public Procurement Technology Innovation Lab and how Government and suppliers can participate (discussion led by Raj Sharma, Public Spend Forum)

Meeting Materials

Materials from the meeting can be found on Public Spend Forum's Leaders Exchange page. Please visit here:

<https://www.publicspendforum.net/february-exchange-2018>

Summary and Key Takeaways

1) STRATEGIC PRIORITIES FOR PUBLIC PROCUREMENT LEADERS

Raj Sharma kicked off the discussion by summarizing top priorities for public procurement leaders based on previous PSF research and discussions with leaders.

Please make sure to take the survey on strategic priorities. Results will be made available upon close of the survey.

<https://www.surveymonkey.com/r/PublicProcurementLeadersTopPriorities2018>

Leaders from different parts of the country, including San Diego, New York, IRS, Maryland, Pennsylvania, Alaska, Fairfax County VA, Multnomah County highlighted the following common themes:

- **Internal customer & stakeholder engagement** – Focused on better collaboration and alignment with internal customers to improve procurement effectiveness and deliver products and services on time. In addition, ensure that customers are trained on policies and procedures – both jurisdiction driven as well as customers’ role in supporting procurement best practices. The latter is even more important in highly federated procurement models, where customers play a major role in the execution of procurement processes.
- **Improve core processes and practices** – Another key theme discussed by leaders was improving their core procurement-related processes to be better aligned with achieving mission goals and consistently deployed throughout the organization. To that end, many leaders are using “kaizen” events to diagnose processes and quickly development improvement plans. Leaders also discussed the need to avoid “incremental, band-aid” type improvements that result in bureaucracy, but and instead focusing on best practices driven process improvements that drive improved outcomes. In addition, organization-specific cycle time standards (aligned with managing customer expectations) and improvements can complement improved core processes as one quantitative gauge of how well the procurement function is performing and improving.

"We are refining our strategic sourcing process - standardizing across all commodity teams, using lean principles (eg., visual management huddle boards)."

- **Procurement technology** – Many leaders mentioned implementation of procurement technology as a means to better enable the procurement function, support process efficiency, get more innovative through process automation, and accessing data that supports strategic decision-making was highlighted by multiple leaders.
- **Managing contracts and the supply base** – While this is a very broad topic, the discussion centered around deploying the right set of procurement practices that continually assess the suppliers you are working with to achieve best value (competitive and capable suppliers to meet mission goals). The key point here is to continually assess your supply base to ensure “depth and quality of competition...and resiliency of the contracting base.”

"Looking for breadth as well as the quality. Am I getting the same couple bids from the same couple companies? Always goes back to data - what am I buying and who am I buying it from?"

- **Professional skills and competencies** – Broadly, leaders face changing environments with procurement expected to deliver more than ever before. Ensuring the “right roles” are filled with the “right expertise and skills” is an ongoing challenge. (Public Spend Forum’s Public Procurement Competency Model and upcoming tools will greatly facilitate addressing this critical issue).

“Since we’re changing how we’re doing business, the staffing is scary. Who do we have and what skills do they have? Because we’re fundamentally changing how we do biz - do I have the right people on board?”

2) PUBLIC PROCUREMENT WORKFORCE COMPETENCY STANDARD

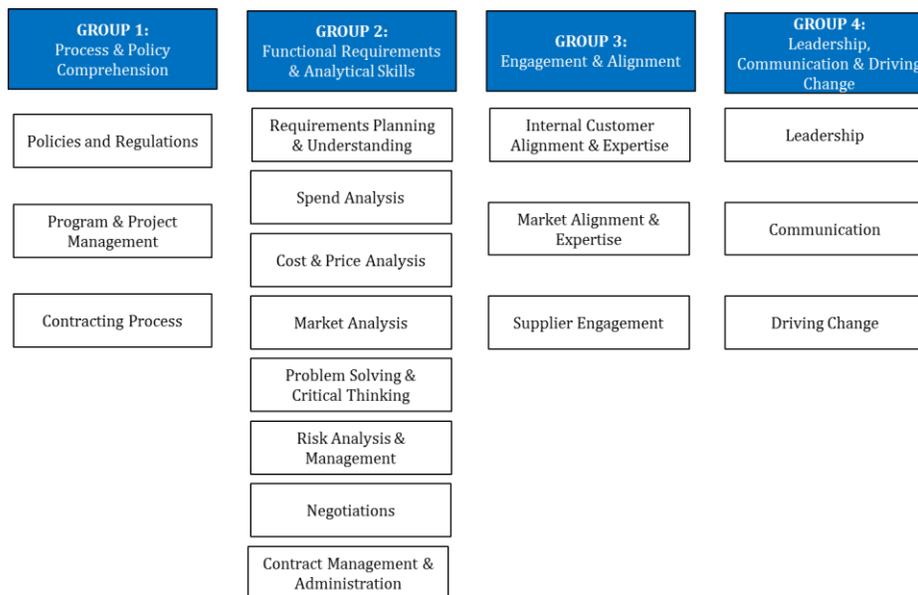
The agenda item covering The Public Procurement Workforce Competency Standard consisted of three parts:

- Introduction and background to the “workforce competency standard”
- A case study on the competency standard in action at County of San Diego (presented by Jack Pellegrino) and
- Survey results from 300+ procurement leaders performing self-ratings on the workforce competencies across federal, state, local (and other) jurisdictions.

Highlights of each of the three parts of the Workforce Competency Standard discussion follow:

A) Introduction and background to the “workforce competency standard”

- Ash Bedi briefly provided background and context on the Public Procurement Workforce Competency Standard.
- V2.0 of the model is based on input from leaders/experts from across the country. Competencies are divided into 4 groups:



B) Case Study on County of San Diego (presented by Jack Pellegrino, Director, Department of Purchasing and Contracts)

- By way of background Jack has been keenly focused on better engagement (with customers and suppliers) and professionalism of the procurement workforce, with the imperative of adding value throughout the business process through client alignment as a trusted advisor.
- In support of these goals, working with Public Spend Forum, Jack leveraged the “Public Procurement Workforce Competency Standard”. Jack’s focus was on baselining current workforce competencies and developing a targeted improvement plan to support ongoing development of the procurement workforce. Highlights of this effort include:

i. **Get the procurement leadership team in sync:** Conducting a half-day workshop with his procurement management team to get in sync on the competencies and baseline how the procurement function is currently exhibiting each competency. This was also an opportunity for Jack to see how aligned the management team was in their individual perspectives and drive discussion accordingly (to get in sync).

ii. **Identify competency priorities for improvement:** In addition, the procurement leadership broadly outlined “priority competencies” (only 3 or so can be practical for improvement) to address in the upcoming year and what levers may be most relevant or helpful.

iii. **Develop a role-competency matrix:** Jack is in process of refining a role-competency matrix, clearly aligning the five major roles in the procurement function with the relevant competencies (along with required degree of proficiency as a professional progresses through their career). Jack has developed an individual training plan for each of the major roles in his organization.

“We learned from our lower scores. The end result is this competency survey became (the foundation for) my roadmap for improvement. Now we as a leadership team are focusing on the lower scores this fiscal year. And we’ll take it again next year for the same exercise.”

iv. **Gauge alignment with the broader workforce (and customers):** As a follow on step, Jack is also considering surveying the broader procurement workforce to gauge alignment or divergence of perspectives between the leadership team and the procurement professionals (as well as possibly gauging internal customer perspectives)

“All competencies (in the model/standard) are important - but not everyone can be everything. This is important in workforce design. What are the key skills we want each role to have? It should be a smaller number...I get frustrated by these big models with 200+ competencies”

- **Broader discussion from the leaders** also focused on different ways of defining roles; for example, by pre-award versus post-award, etc As different competencies apply

and/or to very different degrees. The key point made was that procurement functions have quite a bit of flexibility in how they define roles for their specific organization. Ultimately, aligning roles to required competencies (and recruiting and developing those competencies) forms the basis of a professional procurement function.

C) **Survey results from 300+ procurement leaders**

performing self-ratings on the workforce competencies across federal, state, local (and other) jurisdictions.

- Ash Bedi provided a briefing of the results of the recent self-ratings survey by 300+ procurement leaders across the United States.
- The leaders broadly agreed with the results of the survey – in particular, the competencies receiving the five lowest scores, with “market alignment & expertise” being the lowest scored competency.

“We need to improve market alignment. This is not just a procurement responsibility. Program folks need to be involved here; the requirements owners too.”

(Public Spend Forum will be initiating a “CPO Webinar Series” on this topic – more information will be available on the Public Spend Forum knowledge & community portal)

3) PUBLIC PROCUREMENT TECHNOLOGY INNOVATION LABS - UPDATE

Public Spend Forum will be launching a Procurement Technology Innovation Labs in April 2017. Below is a summary of the Labs and how they will help government in achieving their missions.

- **ProTech Labs Overview**
 - ProTech Labs will bring together leading procurement technology firms, government agencies, entrepreneurs and experts to showcase emerging technologies as well as prototype new solutions
 - **Specific objectives include:**
 - Heighten awareness and understanding of commercial procurement technologies and their potential benefits
 - Allow government agencies to first hand view and experience the benefits of commercially available procurement technology solutions
 - Prototype solutions through an open platform that brings in innovative companies and solutions
 - Help agencies learn and innovate quickly, efficiently and effectively
- Programs as part of ProTech Labs:
 - **Tech Demonstration Center** - Vendors as well as agencies can demo solutions through demo days and other showcased events
 - **Prototyping Lab** -Agencies can prototype solutions, in collaboration with solution providers, to quickly test capabilities

- **Technology Purchasing Innovation Workshops** - Agencies can work with experts to understand best practices and build innovative approaches to purchasing and implementing procurement technology
- **Learning Accelerator Cohort for Emerging Suppliers** - Suppliers can learn about government needs and how best to work with governments at all levels (in partnership with DCode)

To learn more about ProTech Labs and how your agency can get involved, please contact Raj Sharma at raj@publicspendforum.net.