NAVIGATING THE PROCUREMENT TRAIL

Agility in IT Procurement:

The Top Ten

Introduction

The ability to drive better outcomes and efficiency in public sector procurement is a constant challenge. New agile processes can help achieve a more effective result in a shorter span of time. This "Top 10" guide offers valuable insights into how that success can be achieved, particularly by focusing on the need for IT and Procurement teams to create formal partnerships, synergies, lines of communication, and cross-training between functions. This requires a mutual respect for roles, and a commitment to being agile, while also upholding our fiduciary responsibility to the public.

Driving Better Outcomes

1. Look Beyond Traditional Resources
   - Procurement processes should not focus solely on traditional resources. (SMEs, Committees) These parties provide significant value, but try to find innovative ways to gather information and create stakeholder buy-in.
     o Survey end users, customers, and vendors. Consider hosting a facilitated discussion to gather information and encourage dialogue.
     o Look for new ways to conduct market research on innovative products/services. Leverage consulting services (Gartner), pre-solicit consulting services prior to an RFP, or build such services into the RFP process itself. (Fit-Gap analysis)
2. Do Not Hesitate to Try New Things
   - Focus on desired outcomes, not lengthy specifications. Hone in on service capabilities, an ability to demonstrate those capabilities, and vendor adaptability/creativity.
   - Hold suppliers accountable. Incorporate SLAs, KPIs, and formal business rules.

Driving Quicker Outcomes

3. Incorporate New Tools
   - If the RFP content lends itself to such practices, consider using more effective tools. (build an auto-scoring spreadsheet for technical scoring)
   - Utilize available e-procurement tools. (eSupplier Portal)
4. Seek Out New Methods to Expedite Effective Outcomes
   - Develop justifiable methods by which evaluation committees can narrow the proposer pool. (narrow the list prior to vendor demonstrations based on technical scoring)
5. Integrate Resource Management Practices
   - Utilize focused SMEs during active procurements.
     o Develop confidentiality standards for SMEs, and allow knowledgeable end users to take part in the vendor demonstration process.
     o Allow the confidential review of certain materials where appropriate. (business services director examines cost proposal data against budget restrictions)
     o Set up a process by which vendors can showcase their agility, adaptability, and ability to innovate.
6. Do Not Rely on What Has Always Been Done in the Past
   - Utilize new procurement methodologies to create more efficient contract vehicles:
     o Allow the procurement of general project or SOW-based services.
     o Structure contracts to facilitate micro-procurements under the master agreement.
     o Create an adaptable or diverse pool of vendors and/or services. If you do create a pre-approved pool, recognize that you need to refresh it often. Talent is mobile.
     o Allow for the bulk packaging of products and services to drive cost savings.
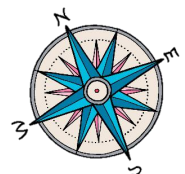
   o Develop the contract in "sprints," to ensure a more effective outcome. In the alternative, build a contract that allows for adaptable services. (focused sprints)

7. Focus on End User Engagement
   - Keep a group of knowledgeable end users and SMEs standing by, ready to participate in all agile processes. Use them early and often to confirm progress and success.
   - Strive for continuous improvement. Utilize reporting data and other metrics. Poll end users, create listservs, form governance groups, etc.

8. Incentivize Supplier Accountability
   - Design contracts that reward delivery, particularly on-time delivery.
   - If you must use fixed-price contracts, tie in milestone based payments and service levels to drive efficiency. (focus on outcomes rather than the processes)

Things to Consider…

9. Embrace Continuous Learning
   - Technology is being adopted at a much faster rate. Markets are far less developed when procurement teams are called upon, and poor outcomes are more likely. Procurement professionals must become more knowledgeable and adaptive.
   - Do not assume legislation or regulation makes agile or innovative procurement a nonstarter. State and federal entities have begun reviewing agile, only to discover that they can ethically and responsibly introduce agility into public procurement.

10. Rethink Current Project Management Practices
   - IT projects not only require rethinking how to perform a procurement for the project, and what method of RFP will be developed, but they often require rethinking everything. Procurement teams need to be at the forefront of the agility effort.
   - Spend less time negotiating requirements, and more on governance and communications. Be clear about roles, responsibilities, and communication. If a project is really going to be agile, you cannot have a process in which decisions get escalated to a steering committee that meets only every two weeks.
   - Not all vendors can execute agile, despite what they might say in proposals. The search for agility may require some form of verification, or even training the right supplier.

Final Thoughts: *The best practices listed above are just a few of the possible solutions for creating a more agile procurement process. As procurement professionals, we all continually search for innovative processes. Always remember to review these, and other new practices, with any appropriate parties prior to utilizing them. (management team, legal, etc.) SBOP is always available to further discuss these topics, or any other inventive ideas you may have.*
Questions:
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