

Public/Private Best Practices Panel

Facilitator:

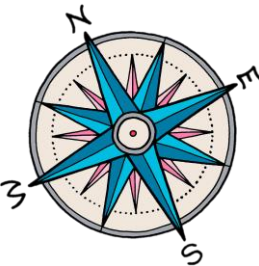
Rick Hughes, Bureau Director, State Bureau of Procurement

Panelists:

Cathy Neidner, Procurement Specialist – Senior, State Bureau of Procurement

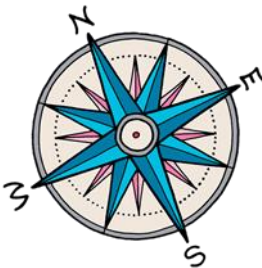
Paul Schlough, Procurement Specialist – Senior, University of Wisconsin System

Tom Scrivener, Procurement Director, University of Wisconsin - Milwaukee



Session Take-Aways

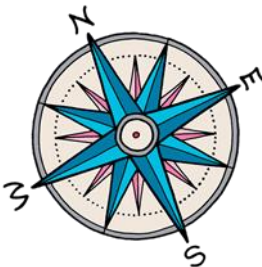
- Rules and laws at times seem too restrictive, however there is the ability to adopt private sector practices yet remain within the rules and laws
- Although there are many differences between private and public procurement procedures, there are many similarities between private and public
- Negotiation strategies are not so different



Session Take-Aways

- Though the sensitivities and scrutiny of poor performing contractors may be different in the public sector*, there are strategies for remedy that work in both sectors
- Although private sector has been using spend analytics longer than the public sector, new systems are bringing useful data into the public sector

*Example: Sacramento Bee, 2/12/2015, <http://www.sacbee.com/news/politics-government/the-state-worker/article9918857.html>



Public vs. Private

Starting with the premise that the private sector is different than the public sector, what practices from the private sector did you find worked effectively within the public sector?



Negotiation



Which negotiation strategies or approaches from your private sector background have you found also work effectively/efficiently in the public sector?

If these needed to be tweaked, how did you tweak them to be effective?

What are Your Thoughts on Poor Performance?

The current contractor is not performing well in a category that has historically been difficult to have satisfied end-users/customers.

How do you remedy the lack of performance?

What alternative suppliers should be considered and how do you retain them?



Spend Analytics

What approaches to managing spend within the private sector have you been able to utilize in the public sector?

How has your use of data managing spend been different in the public sector from the private sector?



What are Your Thoughts on Price Increases?



Contractor has performed well for three years and they have another two years possible with a renewal/extension option contract provision.

Contractor has provided comprehensive documentation about their costs rising over the past three years and they will not extend the contract even for one year without a price increase.

What options do you have and do they differ in the private sector vs. public sector?

Procurement Guidelines and Policies

Often, people suggest that the private sector has many more restrictions in procurement than the public sector.

What is your view on such restrictions? Are there similar restrictions in the private sector?

Do you believe the restrictions in the public sector procurement function are appropriate?



Final Thoughts

- Some practices from the private sector have applicability
- Procurement/end user is the customer in both scenarios, public customers may have more leverage

