

what's new

in procurement?

Solving the Procurement Puzzle



2016

State Bureau of Procurement Conference
Wisconsin Department of Administration

Agenda topics for this session

STAR Update

Procurement Manual Revision

RFB and RFP Templates

Business Intelligence (BI) Roll Out

Strategic Sourcing



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Procurement updates in STAR

- STAR is working through the process of updating Production from Image 10 to Image 20.
 - Updates will include many bug fixes
 - There is a small potential for some new functionality.
 - Any new functionality will be presented to the Procurement User Group before launch into Production.
- A successful Agency UAT for Procurement was conducted last week.
- A decision on when to move the updates to Production will be made by mid next week



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What is the State Procurement Manual?

The *State Procurement Manual* is your guide to statewide policies and procedures for obtaining materials, supplies, equipment, contractual services and all other items of a consumable nature.

- The State Bureau of Procurement issues the Manual and updates it as necessary.
- Announcements of updates are communicated to agency purchasing directors or the established contact in PRO-A-7. This agency contact person is responsible for distributing information within his/her agency.

<http://doa.wi.gov/Divisions/Enterprise-Operations/State-Bureau-of-Procurement/Agency-Information/Procurement-Manual/>



W I S C O N S I N
DEPARTMENT OF ADMINISTRATION

[Divisions](#) > [Enterprise Operations](#) > [State Bureau of Procurement](#) > [Agency Information](#)

STATE PROCUREMENT MANUAL

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Why update the Procurement Manual?

- For new and seasoned procurement specialists alike, the current manual can be difficult to navigate.
- Many policies have not been updated in several years.
 - Policies that have been impacted by STAR have not been directly updated.
 - Bureaus referenced in the manual have moved, re-organized or are no longer in existence.
- Due to statute changes a number of policies no longer reflect proper procedure.
 - PRO-C5 as an example

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PRO-C5 Example

SCOPE:

- to define official sealed bid process
- to define authority for development and implementation of policy on the use of official sealed bids
- to define circumstances when official sealed bidding is used
- to establish processes for official sealed bid solicitations, submissions, and selections
- to establish the process for requesting purchasing approval on official sealed bid procurements
- to establish a communications process between agencies and the State Bureau of Procurement on processing official sealed bids
- to establish policy on fax bidding

DEFINITION:

The "official sealed bid process" is the procedure used for soliciting bids from at least three (3) bidders (when available) when the procurement is expected to cost over \$25,000.

CONTENT:

- I. The State Bureau of Procurement may solicit bids or may delegate responsibility to the purchasing agency.
- II. Any official sealed bid for services requires a notice to the appropriate labor organization(s). See PRO-I-9, Compliance with Collective Bargaining Agreements/Notification of Labor Organizations.
- III. Specifications for materials or services to be procured through the bid process are developed by the State Bureau of Procurement or by authorized agencies.

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Procurement Manual Expectations

In 2016, the process of remaking the State Procurement Manual has begun. What you can expect to see:

Fresh look

- Easy to read font
- Consistent logical order to each policy

Complete re-organization


- Structure based on method of business
- Easy to navigate
- Now includes Policy, Procedure and Process sections

Updated Policies

- Policies that reflect today's Wisconsin procurement process
- Updates that include STAR navigation and practices



Preview of new view



State Procurement Manual
Department of Administration, State Bureau of Procurement
DOA-3449 (RXX/16)

Number
PROXXX ←

Section	Agencies Affected	Effective	Replaces
Contracting, Ordering Receiving and Payment	ALL	8-11-16	PRO-E-2 04-01-00

Category: Ordering	
Title	Page
Purchase Requisition	1 of 2

SCOPE: To establish authority for the development and administration of the state requisition process.

DEFINITION: The ability of agencies to electronically approve/authorize the purchase of supplies, materials, equipment and contractual services when a Purchase Order is required.

POLICY: All supplies, materials, equipment and contractual services are purchased for and furnished to any state office through a requisition process only, prescribed by the State Bureau of Procurement, except as noted in PRO-E-4, Direct Charges, Invoices and Vouchers.

PROCEDURE: Purchase Requisitions are auto numbered in sequence and logged in a permanent record by number and brief description in STAR. Complete information should be provided on the Purchase Requisition, including the following:

PROCESS:

STAR Navigation:

REFERENCE MATERIAL:

Legal Authority	Authorized:
Wis. Stats. 16.72(4) Wis. Adm. Code Chapter 5	Director State Bureau of Procurement

New Numbering Methodology

Updated Definitions, Policies, Procedures and Processes

New STAR Navigation

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Process for making updates

- All cosmetic changes will be made by SBOP and published as they are completed.
- Policies that require the addition of STAR Navigation paths will be made by SBOP and published as they are completed.
- Policies that require modification that are statutorily required, E.G., updated threshold amounts, will be made by SBOP and published as they are completed.
- Policies that require modification due to business process improvement, the implementation of an electronic sourcing tool or policy enhancement will be initiated by SBOP and disseminated through IPC for review before becoming official.

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Solicitation Template Updates

The existing State Bureau of Procurement Simplified Bid, Request for Bid (RFB) and Request for Proposal (RFP) templates are fairly antiquated. The Bureau is making a commitment to you that updates to all of these templates are a priority.

- Significant work has taken place on the Simplified Bid form which will be shared with IPC and SAPC in the coming weeks.
- Work on the RFB and RFP templates will begin in 2017.
 - User friendly format with improved readability
 - Attached instructional document that provides guidance and recommendations
 - Logical document flow/structure
 - Consistent solicitation language

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Business Intelligence (BI)

For Wisconsin to strategically use its data, a tool is required that provides robust reporting functionality. BI Reporting will be used by individuals across all levels of the organization for Dashboard and Summary Reporting, Procurement & Spend Analytics and Strategic Analytics. These tools identify and quantify trends and patterns in business transactions, including errors and abuses.



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BI Introduction

Following the implementation of several procurement modules in the State Transforming Agency Resources (STAR) during Release 1, STAR and the Department of Administration (DOA) staff worked to create reporting dashboards using the Oracle Business Intelligence (OBIEE) tool to better understand how the system was being utilized and to provide business performance information on key operational indicators for procurement.

<https://wi-obiprd.wi.gov/analytics/saw.dll?bieehome>



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BI Specifics

The procurement BI dashboards consist only of Chapter 16 spend and includes the following data from STAR:

- Purchase order with a contract reference number
- Voucher status of approved
- Chapter 16 spend only, general operations supplies and services
- Specified account codes on the Spend by Business Unit/Department, Chapter 16 Off-Contract Spend by Business Unit description

The dashboards do not include data from the following:

- Direct charges since they do not contain a contract number
- Interagency spend
- Business units for covered under Chapter 84, State Highways and Federal Aid and Chapter 85
- Purchasing card transactions

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BI Reports – Operational Metrics

Metric 1A: Chapter 16 Percentage of Agency's Purchases that Occurred On Contract on All Contracts

Time run: 9/23/2016 3:11:14 PM

Business Unit Name	Budget Reference Code	# of Approved POs	# On Contract	% Approved On Contract
DATCP	FY2015	20	0	0.0%
	FY2016	175	96	54.9%
	FY2017	71	56	77.8%
DATCP Total		265	152	56.9%
DCF	FY2015	0	0	
	FY2016	330	269	81.5%
	FY2017	242	216	89.3%
DCF Total		572	485	84.8%
DFI	FY2016	49	47	95.9%
	FY2017	42	40	95.2%
DFI Total		91	87	95.6%
DHS	FY2015	119	6	5.0%
	FY2016	4664	1747	37.4%
	FY2017	1968	1069	54.2%
DHS Total		6744	2822	41.8%

Rows 1 - 15

Metric 1B: Chapter 16 Value of Spend that Occurred On Contract on All Contracts

Time run: 9/23/2016 3:11:14 PM

Business Unit Name	Spend	On Contract All Amount	On-Contract %
DATCP	\$939,201	\$744,847	79.3%
DCF	\$4,030,170	\$3,956,650	98.2%
DFI	\$414,042	\$405,513	97.9%
DHS	\$32,135,335	\$27,135,464	84.4%
DMA	\$775,543	\$440,878	56.8%
DNR	\$4,775,379	\$1,838,214	38.5%
DOA	\$14,764,338	\$11,812,818	80.0%
DOC	\$20,732,846	\$20,048,201	96.7%
DOJ	\$3,141,844	\$1,347,693	42.9%
DOR	\$8,518,855	\$8,496,897	99.7%
DPI	\$11,167,044	\$2,969,346	26.6%
DSPS	\$128,065	\$95,201	74.3%
DVA	\$3,296,987	\$3,115,595	94.5%
DWD	\$3,202,767	\$2,710,478	84.6%
ETF	\$1,944,928	\$887,082	45.6%
OCI	\$459,193	\$172,550	37.6%
PSC	\$70,168	\$0	0.0%
TOUR	\$1,650,408	\$1,646,475	99.8%
WisDOT	\$7,115,582	\$4,121,199	57.9%
Grand Total	\$119,262,696	\$91,945,101	77.1%

Metric 1C: Chapter 16 Average Procurement Processing Time in Days

Time run: 9/23/2016 3:11:14 PM

Business Unit Name	Purchasing Process Days
DATCP	5.7
DCF	14.6
DFI	6.4
DHS	8.0
DMA	8.7
DNR	19.2
DOA	15.1
DOC	7.5
DOJ	7.2
DOR	12.7
DPI	14.1
DSPS	14.1
DVA	11.4
DWD	5.0
ETF	7.2
OCI	15.3
PSC	36.3
TOUR	9.1
WisDOT	6.5
Grand Total	9.8

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Caveats to consider (BI)

User Education: Readers and users of the dashboards should use caution when interpreting the data and should keep in mind the following:

- If the contract number is not used on the requisition or purchase order even though it is with a contracted vendor, spend will show up as off contract.
- The purchase order type in STAR defaults to “General” which may result in combined spending types, not just Chapter 16.
- Commodity and account codes may have been entered incorrectly and may not necessarily reflect the appropriate spend categories.

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Caveats to consider (BI)

- Certain contract reseller/subcontractor spend may display as off-contract if the contract number is not entered on the requisition or purchase order.
- Purchase orders which were rolled over contain a new activity date which may be in a new fiscal year. The budget reference does retain the previous fiscal year date.

The BI Spend Analyzer User Guide posted to SharePoint contains the applicable information on how to navigate and use business intelligence, as well as a data dictionary to the spend analyzer dashboards.

<https://webapps.wi.gov/sites/ERP/Configuration%20Collections%20Workbooks/Spend%20Analyzer%20Dashboard%20Aug%2031.docx>

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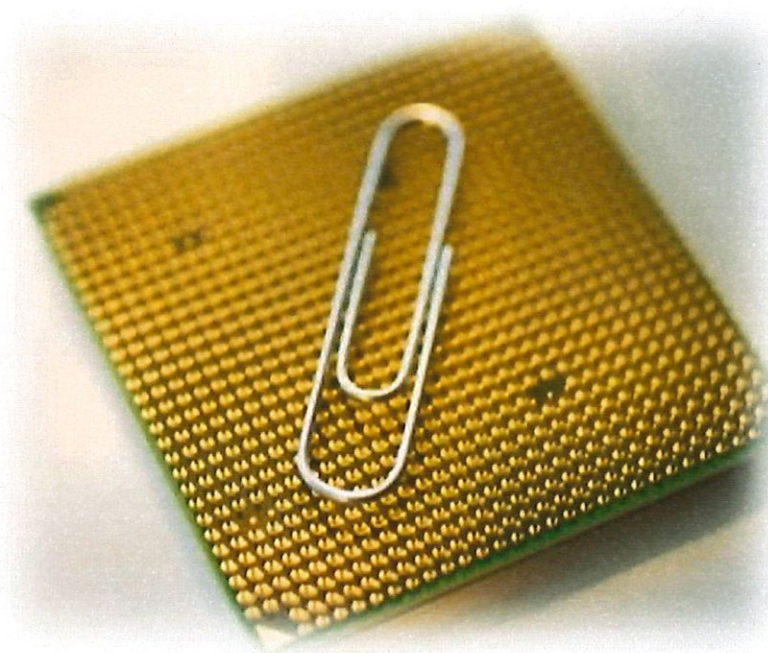


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Strategic Sourcing Defined

Strategic Sourcing is more than just making the transition from paper based records. It is an approach to procurement that formalizes the way data is gathered, disseminated and used so that Wisconsin can leverage its enormous buying power to spend Wisconsin tax dollars as effectively and efficiently as possible.



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Strategic Sourcing in Wisconsin

The Strategic Sourcing project is an Enterprise-Wide effort to create an efficient and streamlined procurement process through timely updates to policies and procedures and using electronic means to strategically source goods and services.

A goal we all share is to save taxpayer time, money and resources.



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Strategic Sourcing in Wisconsin

Data Driven Analysis: Accurate data allows us to clearly understand what products and services we purchase. It can also allow us to reduce: frequency of lower-volume purchases, multiple deliveries and duplication of procurement effort.

Consolidating Purchasing Power: Leveraging the buying power of large agencies into one major procurement strengthens the ability of Wisconsin to drive down prices, negotiate stronger contracts and benefit those smaller agencies that have less buying power.



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Strategic Sourcing in Wisconsin

- Consistent Business Process Reviews: Maintaining a formalized process for reviewing policies and procedures to best align our business with today's world.
- Create Effective Procurement Processes: Process standardization is always challenging, but the goal for all agencies is to effectively work in concert with one another for the benefit of all.



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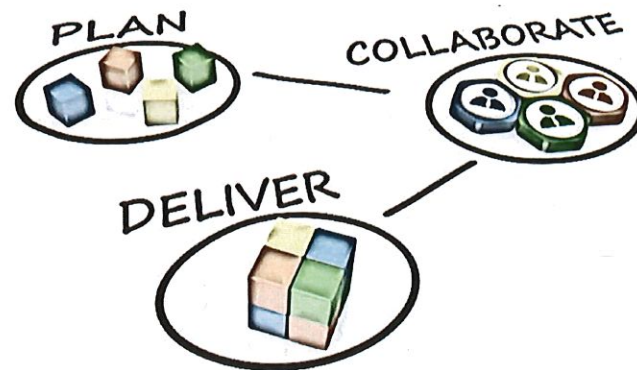
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How We Deliver

Focus on updating Policies and Procedures regularly: Policies and Procedures are living documents and require continued review. As leaders in the procurement industry, it is our responsibility to ensure Policies and Procedures address today's way of doing business.

Communicating best practices across the Enterprise: A main focus of this conference is opening the lines of communication on complex topics such as Benchmarks, Reference Checks and Reporting. Wisconsin is fortunate to have many experienced procurement professionals. It's time we start sharing our expertise.



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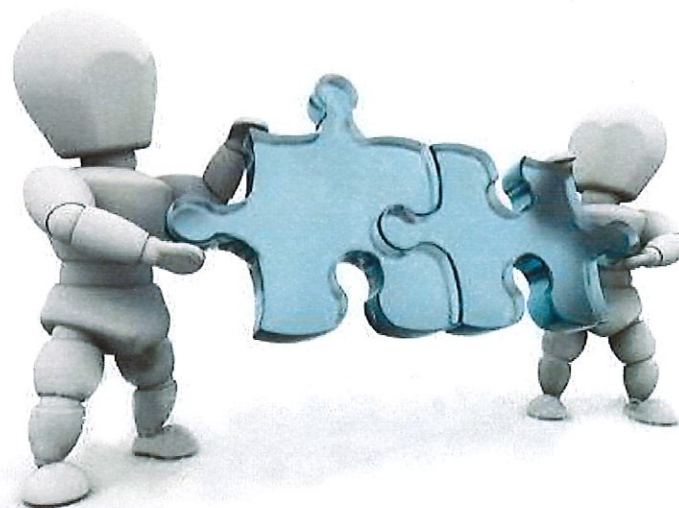
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How We Deliver

Training classes that are applicable to real world situations: Classes demonstrate practical examples that provide entry-level procurement professionals with techniques that can be used in their everyday job.

Process Improvement: Design and implement a state-of-the-art system to accept Request for Bids and Proposals electronically. No longer should we be completing tasks or forms for the sake of doing so. Today, we strive to do more with less.



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Sourcing Update

- During the original roll-out of STAR (10/2015) it was discovered that the PeopleSoft Strategic Sourcing Module, as delivered out-of-the-box, did not meet several State of Wisconsin requirements. There were conflicts with State Statute and existing procurement policy.
 - A determination was made to not implement the module as-is and instead re-evaluate all options for implementing an electronic sourcing tool.
- Last June, representatives from the delegated agencies, including CAPS, participated in presentations from both SciQuest and STAR.
 - SciQuest demonstrated their proprietary Strategic Sourcing system.
 - STAR provided a detailed approach on how they would develop a custom-built, WI specific, strategic sourcing module.
- The Procurement Directors from each agency advised their Agency Senior Management on their preferred approach.

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Sourcing Update

- In July, through a vote by the IT Executive Steering Committee (ITESC), the decision was made to internally develop a custom-built PeopleSoft bolt-on module.
 - Benefits include the ability to completely customize the system to meet all of our procurement needs.
 - Integration with STAR will be seamless.
- Recently, each delegated agency conducted an independent review of the State's Strategic Sourcing requirements.
- As part of the review process, each agency designated a rank of importance for each requirement. The results of this process will assist us in determining what functionality is essential vs. something that we could potentially do without.

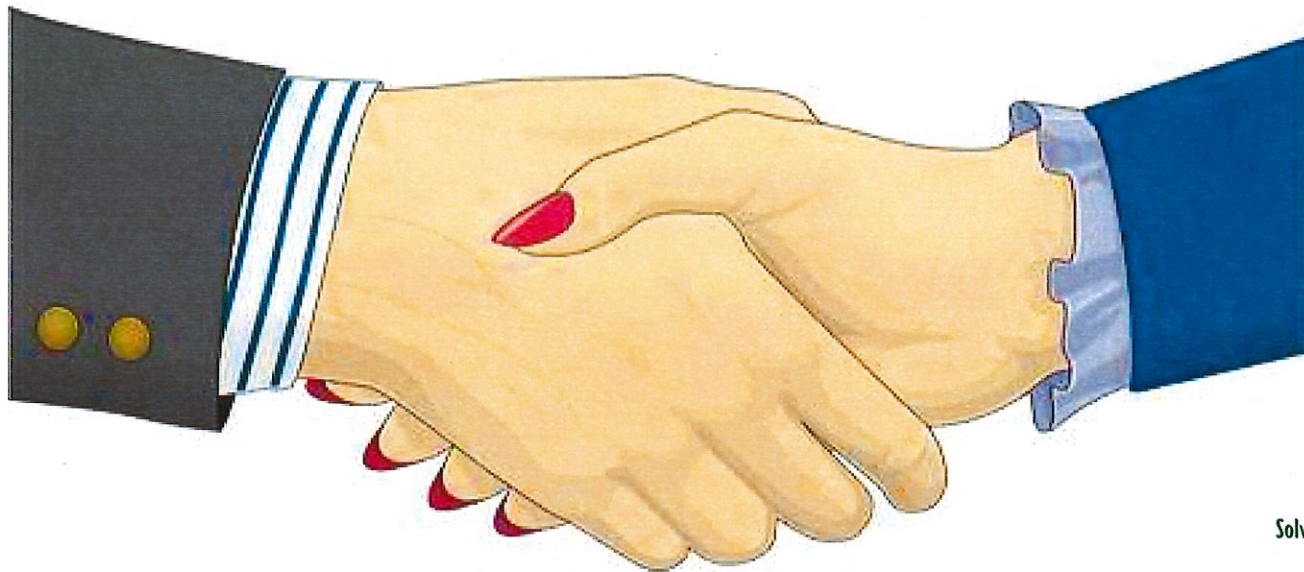
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Partnership



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