

Valuable Procurement

Elevating Performance with Metrics

Jack Pellegrino, CPCM

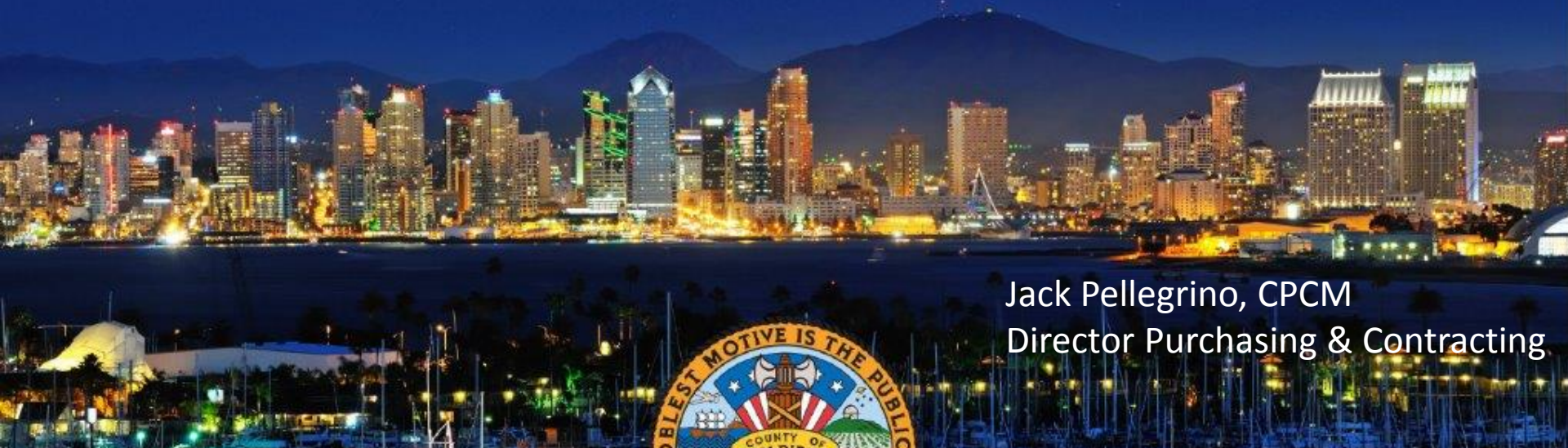
*Director, Purchasing & Contracting
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Nashville, Tennessee • August 19-22

COUNTY OF SAN DIEGO

THE NOBLEST MOTIVE IS THE PUBLIC GOOD



Jack Pellegrino, CPCM
Director Purchasing & Contracting



Valuable Procurement: Elevating Performance through Metrics & Customer Service

Aug 2018

Discussion Topics



- Procurement's Mission
- 3 Key Processes for Effective Procurement
- Analyzing Performance – Are You Adding-Value?
- 4 Key Performance Metrics for Effectiveness
- How is Procurement Viewed? Help or Hindrance
- Improvement Strategies
- Going beyond Customer Service - becoming a Trusted Business Advisor and Partner



Procurement's Mission

- Effective and Efficient procurement is acquiring good & services which best support Customers
Customers/Clients want procurement to:
 - ✓ Acquire the **Right Quality** goods and services
 - ✓ At the **Right Time** (when they need it)
 - ✓ At the **Right Price/Cost** (Fair & Reasonable)

While meeting all legal & procurement regulations

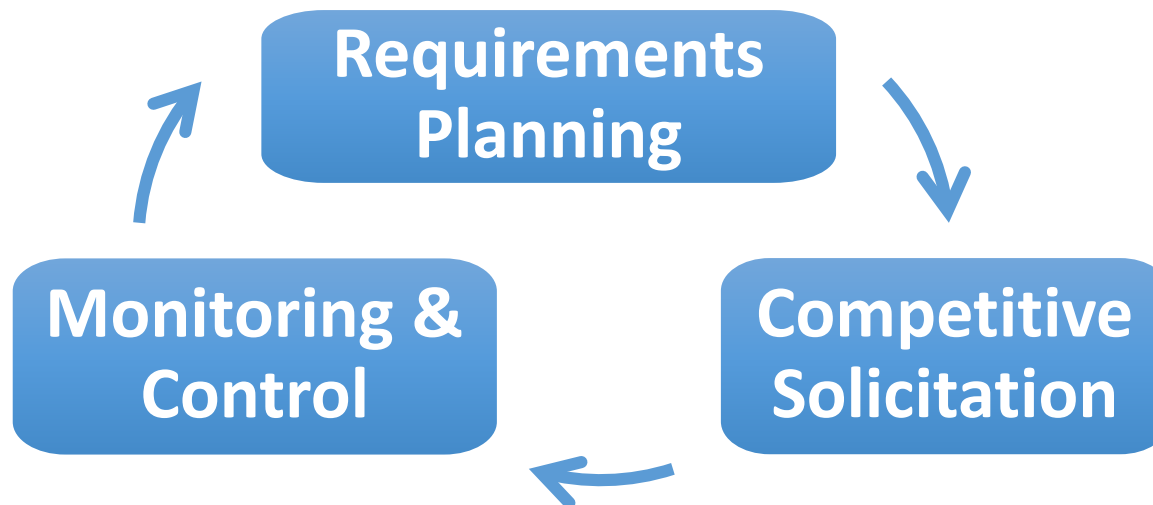
Procurement's job is to apply procurement knowledge, expertise, & tools to achieve Customer/Clients' needs



3 Key Processes for Effectiveness

- Three Key Procurement Processes
 1. Requirements Planning
 2. Maximizing Competitive Procurements
 3. Effective Monitoring & Control

Procurement Process



Adding Value to Your Organization



- Is your role and responsibility clearly defined
- Committed to Communication & Customer Service
- Understand your organization's business needs
 - Mission, Objectives, and Goals
 - Timelines and Competitive Marketplace
- Expectations of your Customers
- Your portfolio (current and future planning)



4 Key Performance Metrics

- Do You Know these Metrics for Your Organization?
 1. **Procurement Spend** (type and categories)
 2. **Competitive Awards vs. Single/Sole Source**
(Effective use of Market Research and Outreach)
 3. **Procurement Action Lead Time (PALT) Goals**
 4. **Customer Service Satisfaction**

Essential for analyzing, reporting performance and considering improvements



Procurement Spend



- What are categories and quantity (value) of Goods and Services you buy?
- Do your customers have unique requirements?
- Trend analysis (for your organization)
- Are there opportunities for leveraged buying
 - Combining requirements; Piggyback awards with other agencies
- Timing of your buying
 - How long is your process; can it be shortened



Effective Market Research Contractor Outreach

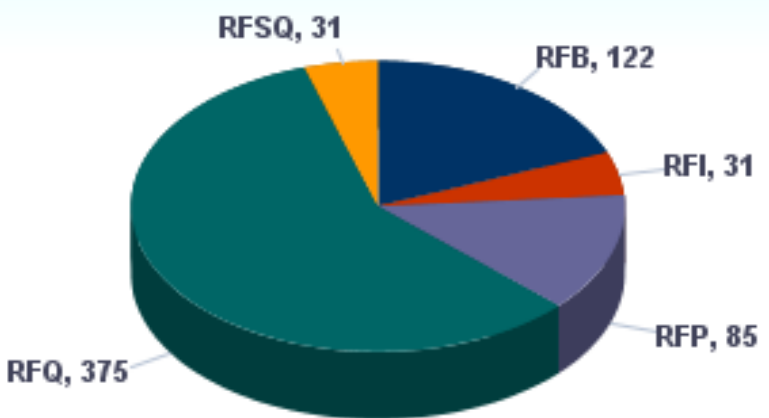


- Effective competition is directly related to:
 - Frequent and consistent outreach to local contractors
 - Public posting of opportunities – easy access
 - Specialty outreach for unique capabilities or needs
 - Clear solicitations with adequate response times
 - Clear explanation of Gov't requirements/transparency
- Feedback from Contractors regarding doing business with your organization



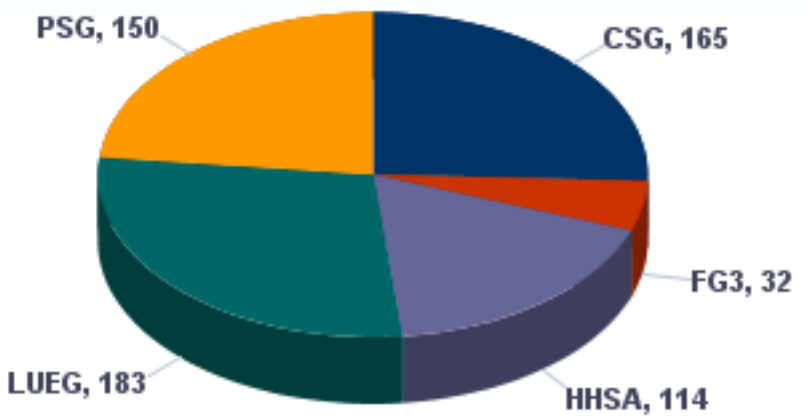
Public Procurements FY Jul 2017 - Jun 2018

644 Postings

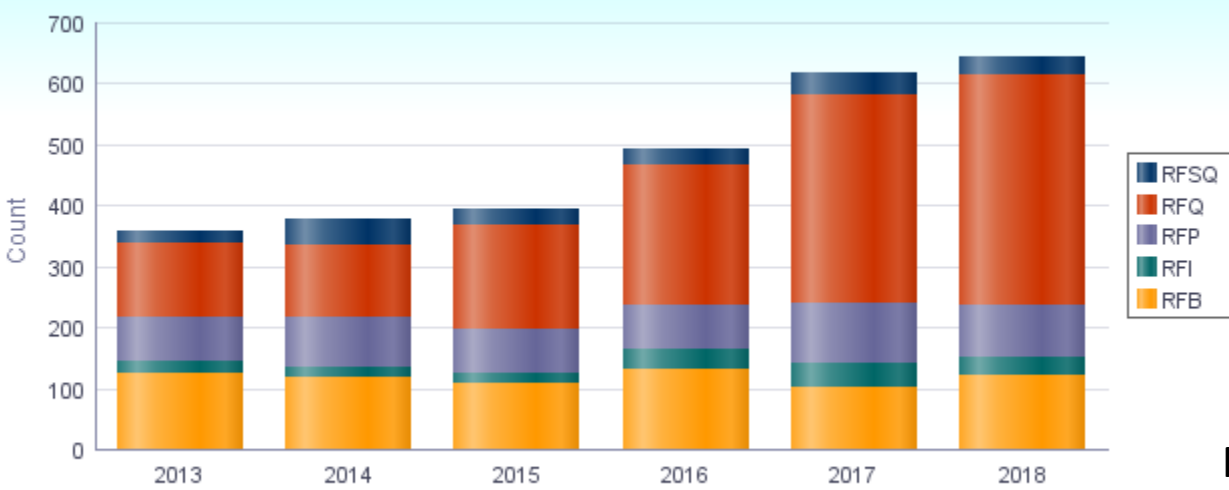


Public Procurements FY Jul 2017 - Jun 2018

By Customer Group



Percentage of Public Procurements Trend by Year FY Jul 2012 - Jun 2018



Sample Metrics (Dashboard)



Purchase Requisition Assignment FY Jul 2017 - Jun 2018

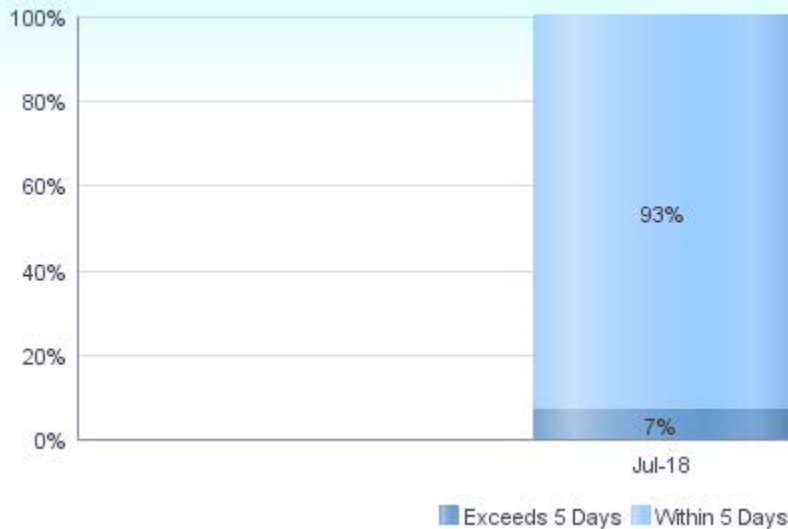


Top Spend by Suppliers

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Rank	Group	Supplier Number	Supplier Name	Spend
1	PSG	2790800	MOTOROLA SOLUTIONS INC	\$2,670,585
2	PSG	1101154	AMERICHoice	\$2,000,000
3	FG3	1105349	CSAC EXCESS INSURANCE AUTHORITY	\$1,625,399
4	HHSA	1233971	PURCHASING AND CONTRACTING	\$481,986
5	FG3	2954457	SUMTOTAL SYSTEMS LLC	\$325,285
6	HHSA	1101154	AMERICHoice	\$300,000
7	HHSA	1121455	UNITED BEHAVIORAL HEALTH	\$273,136
8	FG3	3694087	KEARNY PCCP OTAY 311 LLC	\$250,000
9	HHSA	3544834	MDA MISSION TWO LLC	\$179,433
10	HHSA	3634019	NATIONAL CITY INVESTMENT LIMITED PARTNERSHIP	\$140,113
11	HHSA	1117986	SAN DIEGO READS	\$114,903
12	PSG	1233971	PURCHASING AND CONTRACTING	\$98,132
13	HHSA	1108006	GARTNER GRP INC	\$96,300
14	HHSA	2915507	CERNER CORPORATION	\$94,714
15	PSG	1301984	TIBURON INC	\$90,081
16	CSG	1233971	PURCHASING AND CONTRACTING	\$79,475
17	HHSA	1216029	AMERISOURCEBERGEN CORP	\$75,817
18	FG3	1108006	GARTNER GRP INC	\$72,400
19	PSG	3487340	BRE CA OFFICE OWNER LLC	\$65,861
20	LUEG	1908003	US CUSTOMS AND BORDER PROTECTION	\$61,719
Grand Total				\$9,095,340

Documents Published



How is Procurement Viewed?

- Have you asked your customers for feedback?
- Annual or Routine satisfaction surveys
- Set your Expectations for Excellence
 - Timeliness
 - Proactive
 - Procurement Expertise
 - Solution oriented
- Creating positive experiences – every interaction



POSITIVE = POSITIVE
APPROACH = EXPERIENCE



Improvement Strategies

- Meet customers regularly for planning
 - Procurements needed in next 60-90 days
 - What you need from them;
 - Your commitments
- Establish guidance, expectations, goals
 - Flowcharts of procurement process
 - Outlines & samples of best practices (e.g. SOW)
 - Roles and responsibilities of Departments
 - Procurement Action Lead Times (PALT)
- Feedback; willingness to adjust & improve



Becoming A Trusted Business Partner



- Understanding Customers' mission & business goals
- Frequency of communication
- Consistency in responsiveness
- Applying expertise to solve challenges
- Willingness to go beyond what is normally expected
- Develop productive relationships
- Continual learning and improvement



Practical Advice

- Start today ... next interaction
- Meet your customers
- Be positive, proactive, productive
- Be accountable
- Share your expertise
- Willingness to exceed expectations
- Refresh & increase knowledge
- Evolve & Improve

