Leadership
Changing the View of Procurement

Practical Steps to Move Procurement from a Back-office function to a Strategic Business Partner for Internal Departments

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Director Purchasing & Contracting
County of San Diego
Outline and Discussion

- Reporting Structures & Responsibilities
- Assessing Your Reality
- Make Your Plan
- Start Your Journey
- Use Performance Metrics
- Report Your Progress
- Evolve and Improve
Reporting Structures & Responsibilities

• Where does procurement report within organization

• Centralized or Decentralized

• What are defined responsibilities and authorities

• What regulations and policies are applicable
Assessing Your Realities

How are you viewed by your customers?

Have you ever done a Survey?

Discuss
Poll Anywhere Results

www.pollev.com/jackpellegrini355

Or Text

Audience texts JACKPELELEGRI355 to 22333 to join the session
Live Poll

www.pollev.com/jackpellegrini355

Or Text

Audience texts JACKPELLEGRI355 to 22333 to join the session

☐ □ NIGP 2020 Forum

☐ □ In your Procurement organization Centralized or Decentralized?

☐ □ Does procurement have leadership support?

☐ □ How is Procurement Viewed?

☐ □ Do you track and report procurement metrics?

☐ □ How can you improve procurement?
Make Your Plan … Then Implement

- Start discussion with supervisor/leadership
- Understand their goals and priorities
- Ask for current feedback from Customers
- Do a Customer Satisfaction Survey
- Review results and make plan to address
- Ask for buy-in from all (Customers and Staff)
- Report results … keeps you accountable
Start Your Journey
To Become a valued Partner

• With your Team select 3 things to address/improve

• Develop a specific action plan with timelines

• Name a Team Leader(s) and advocates

• Report periodically and adjust plan to achieve results

• Be open, candid and expect that your plan will evolve

• Acknowledge and celebrate positive results
Use Performance Metrics

- Establish a set of Key Performance Metrics (KPIs)
- Supportive of Customers & show value of Procurement
- Start with what you do …

Jack Pellegrino, CPPO, CPCM
Use Performance Metrics - PALT

• Show what department’s time standards are

### Purchasing & Contracting

<table>
<thead>
<tr>
<th>Acquisition Category/Complexity</th>
<th>PALT (Calendar Days)</th>
<th>Total Actions</th>
<th>Median Time (days)</th>
<th>% within PALT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement Strategy and Planning (Prior to procurement initiation)</td>
<td>30</td>
<td>---</td>
<td>---</td>
<td>---</td>
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<tr>
<td>Small Purchases &lt; $2,500 – Purchase Card Transactions In accordance with CoSD P-Card Manual</td>
<td>1 to 10</td>
<td>---</td>
<td>---</td>
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<tr>
<td><strong>Simplified Procurements</strong></td>
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<tr>
<td>Single Source Contracts: &lt; $100,000 (Director &amp; DCIO approval) &gt; $100,000 (BOS approval)</td>
<td>Ren 3 to 10 New 5 to 15 BOS Approval 15 to 30</td>
<td>78</td>
<td>8</td>
<td>81%</td>
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<tr>
<td>Categorical Exemptions to A-87 (A-87 paragraphs 2, exemptions without a solicitation requirement)</td>
<td>5 to 30</td>
<td>582</td>
<td>4</td>
<td>93%</td>
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<tr>
<td>Request for Quotation (RFQ)</td>
<td>3 to 60</td>
<td>314</td>
<td>26</td>
<td>89%</td>
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<tr>
<td><strong>Formal Bidding &amp; Negotiated Procurements</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Reverse Auction</td>
<td>30 to 90</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Request for Bid (RFB)</td>
<td>30 to 120</td>
<td>115</td>
<td>60</td>
<td>85%</td>
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<tr>
<td>Request for Statement of Qualifications (RFSQ) (including BOS Policy F-40)</td>
<td>30 to 150</td>
<td>59</td>
<td>55</td>
<td>90%</td>
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<tr>
<td>Request for Proposal (RFP)</td>
<td>90 to 180</td>
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<td>112</td>
<td>72%</td>
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<tr>
<td>Contract Amendments (administrative)</td>
<td>3 to 15</td>
<td>828</td>
<td>6</td>
<td>94%</td>
</tr>
<tr>
<td>Contract Amendments (funding or change in scope)</td>
<td>5 to 30</td>
<td>1077</td>
<td>6</td>
<td>96%</td>
</tr>
</tbody>
</table>

**GOAL**

- >= 80%
Report Your Progress

- Get Team agreement
- Reasonable time periods
- Informational not punitive
- Look for what’s behind the data
Customer Service – Become a Partner

- Survey at least once a year or continuous survey

DPC Annual FY 2019-2020
CUSTOMER SERVICE SURVEY

- Published via SurveyMonkey weblink
  - Email blast to COR Key Contacts list – 6/1/20
  - Email blast to all CORs – 6/9/20
  - ACS sent to CTG/CMLT & HHSA Execs – 6/9/20
- Survey timeframe – 2 weeks (6/1/20 – 6/14/20)
- 78 responses received
- Questions covered the following areas:
  - Understands Procurement Needs
  - Questions Fully Addressed
  - Timeliness
  - Knowledge
  - Clear Communication
  - Consistent Information
  - Functional Threading
  - Professionalism
Evolve and Improve

- Share feedback/results with Team
- Ask for their views/action plan
- Expect that there will be change
- Frame issues as Challenges
- Set Expectations – Goals
- Create a culture

Article in American City and County - July 15, 2020
Building a customer-focused culture is one of the first steps:
https://tinyurl.com/yar4u89o