NIGP FORUM 2020 75TH Connecting Procurement Communities

For Us.
For Agencies.
For Good.

Crowd-sourcing Vendor Performance Evaluations

How 2,000 organizations in PA shared their experiences to help each other.

Introductions

Government Challenge

Kim Bullivant
- Marketing Manager, COSTARS, Commonwealth of Pennsylvania

David Yarkin
- Founder and CEO, Procurated
- Former Chief Procurement Officer, Commonwealth of Pennsylvania

Consumer Tech Company Solution

Genna Gold (How Yelp Solved)
- Director, Partner Engagement, Procurated

Becca Moran (How Glassdoor Solved)
- Sr. Director, Product Management, Procurated

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Agenda

Three Procurement Challenges and Three Modern Tech Solutions

- Challenge One: Finding the best suppliers from hundreds
- Challenge Two: Understanding a supplier's true past performance
- Challenge Three: Effectively managing key suppliers' current performance

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Meet COSTARS member, Fred.

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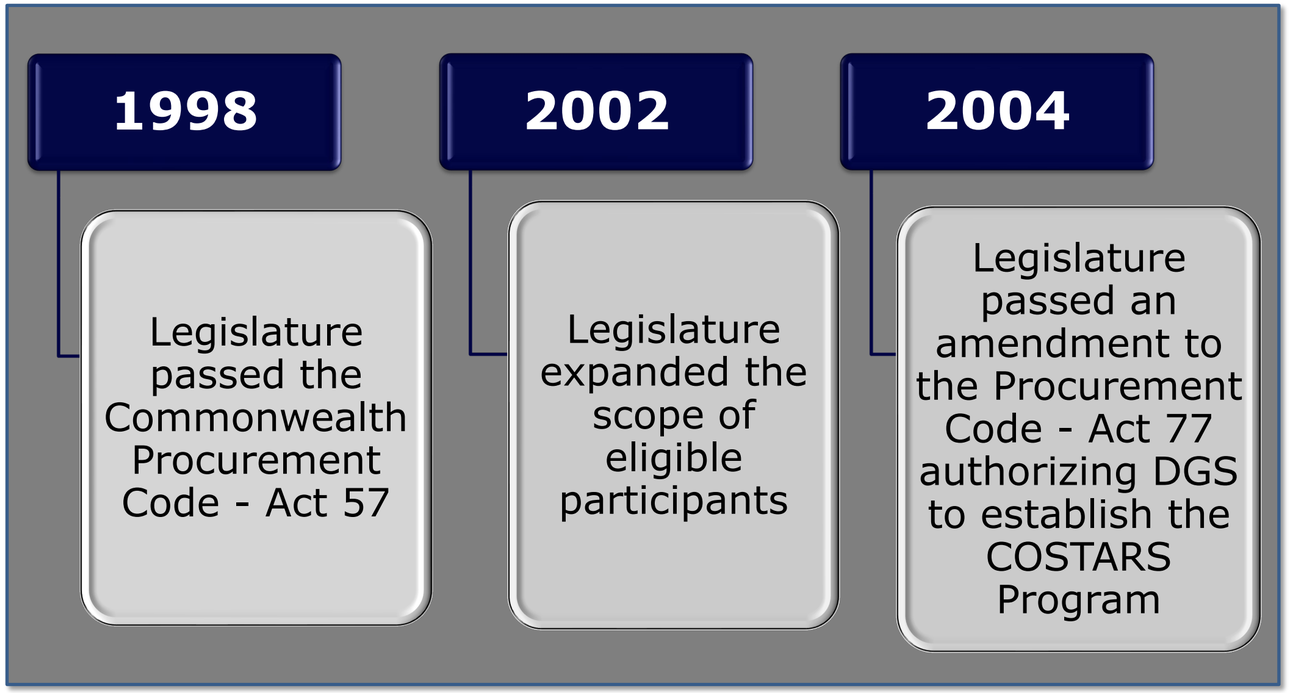
What is COSTARS?

The Commonwealth of Pennsylvania's Cooperative Purchasing Program

How did it begin?



PA Procurement Law

Below $11,300	Between $11,300 and $21,000	More than $21,000
No advertising, competitive bidding or price quotes required.	Three informal price quotes required with award to the lowest.	Advertise twice and formal competitive bidding required.

- By purchasing through the COSTARS Program, COSTARS members meet the procurement requirements of Chapter 19 of the Procurement Code.
- Time and cost associated with formal competitive bidding is drastically reduced.

Why COSTARS? Opportunity & Savings!

- Reduces administrative costs of bidding and contract award
- Product customization
- Multiple vendor contracts provide variety and flexibility
- Large, small, small diverse suppliers can compete for millions of dollars government business
- Competitive pricing plus negotiation saves money
- Easy to use
- Saves time

What else makes the program so successful?

- 36 COSTARS-exclusive multi-vendor contracts.
- More than 100 Statewide COSTARS-participating contracts.
- More than $1 Billion in spend in FY18.
- Estimated savings of approximately $3,600 on each transaction above the bidding threshold.

COSTARS™

pennsylvania
DEPARTMENT OF GENERAL SERVICES

More than 9,000 members comprised of:

- Political subdivision, e.g., local municipalities, school districts
- Tax-exempt nonprofit education or public health institutions
- Public authorities
- Tax-exempt nonprofit fire, rescue, ambulance companies
- And to the extent provided by the law, any other entity that expends public funds for the procurement of supplies and services

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More than 2,300 COSTARS Suppliers!

- To become an authorized COSTARS Supplier, bidders must submit a **RESPONSIVE AND RESPONSIBLE BID.**
- Through the Contractor Responsibility Program, COSTARS Commodity Specialists vet each supplier to ensure they are in **GOOD STANDING** with the Commonwealth of Pennsylvania.
- Once a supplier is awarded a COSTARS contract, they are only authorized to sell to COSTARS members after they pay the **ANNUAL ADMINISTRATIVE FEE.**

More choice enables increased competition and better pricing! **BUT.....**

Sometimes, choosing a supplier can be quite overwhelming!

vania
GENERAL SERVICES

COSTARS (Cooperative Purchasing Program)

COSTARS Contract Search

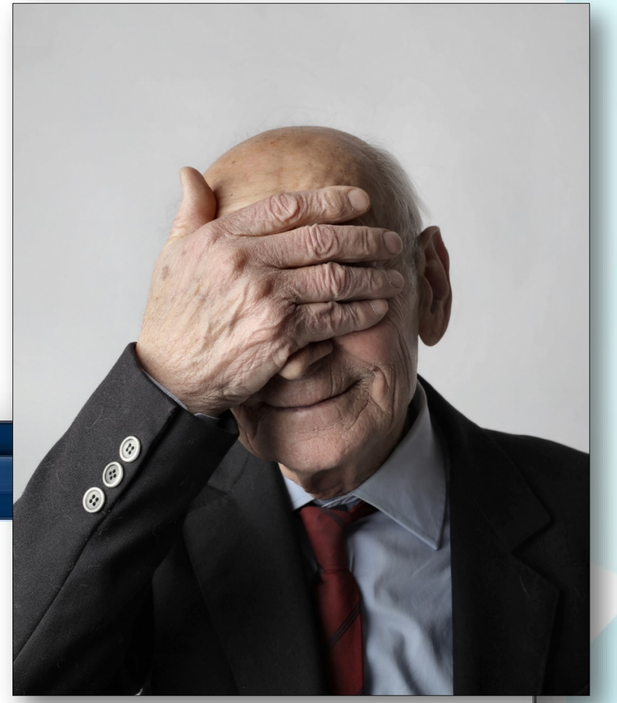
Contract: 8 - Maintenance, Repair, & Operation Equipment & Supplies ("MRO")
Category: --All--
Vendor: --All--
Manufacturer: --All--
Dealer: --All--
Service Area County: --All Counties--
Location County: --All Counties--
Vendor Contract #:
Vendor #:
Find Supplier by Item: --All--

283 Records Found.

Search Results

Vendor Contract #	Contract Description	Vendor Name	Business Category	Web URL	Contract Overview	Vendor Contract	Contract Terms		
008-383	Maintenance, Repair, & Operation Equipment & Supplies ("MRO")	1st Class Cleaning & Flooring Inc.	Small Business	www.1stclasscarpetcare.com					David Gibson Ph:717-346-2680
008-302	Maintenance, Repair, & Operation Equipment & Supplies ("MRO")	3B Services, Inc.	Small Business	www.servicesby3b.com					David Gibson Ph:717-346-2680
008-084	Maintenance, Repair, & Operation Equipment & Supplies ("MRO")	84 Lumber Company		www.84lumber.com					David Gibson Ph:717-346-2680
008-323	Maintenance, Repair, & Operation Equipment & Supplies ("MRO")	A & K Industrial Corp.	Small Business						David Gibson Ph:717-346-2680
008-242	Maintenance, Repair, & Operation Equipment & Supplies ("MRO")	A1 Energy (A1 Restoration, Inc. DBA)		www.a1energy.net					David Gibson Ph:717-346-2680
008-239	Maintenance, Repair, & Operation Equipment & Supplies ("MRO")	AB Specialties, Inc.	Small Business						David Gibson Ph:717-346-2680
008-475	Maintenance, Repair, & Operation Equipment & Supplies ("MRO")	ABC Heating Cooling & Plumbing Inc.	Small Business						David Gibson Ph:717-346-2680

Still overwhelming!



COSTARS (Cooperative Purchasing Program)

SEARCH

Contract: 8 - Maintenance, Repair, & Operation Equipment & Supplies ("MRO")

Category: H — HVAC Equipment, Parts & Accessories

Vendor:

Manufacturer:

Dealer: --All--

vice Area County: --All Counties--

Location County: --All Counties--

endor Contract #:

Vendor #:

Supplier by Item: --All--

Number of records per page:

110 Records Found.

ntract Description	Vendor Name	Business Category	Web URL	Contract Overview	Vendor Contract	Contract Terms	Change Notice	Contract Renewal	COSTARS Point of Contact
, Repair, & Operation Supplies ("MRO")	3B Services, Inc.	Small Business	www.servicesby3b.com						David Gibson Ph:717-346-2680
, Repair, & Operation Supplies ("MRO")	A & K Industrial Corp.	Small Business							David Gibson Ph:717-346-2680

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PROCURATED to the rescue!

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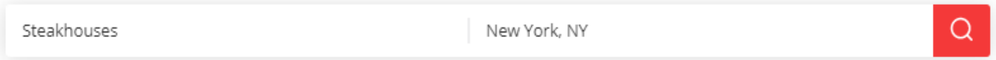
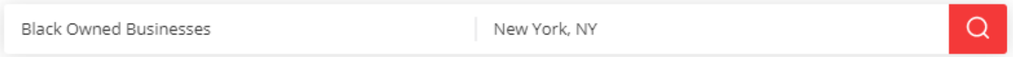
The Consumer Challenge

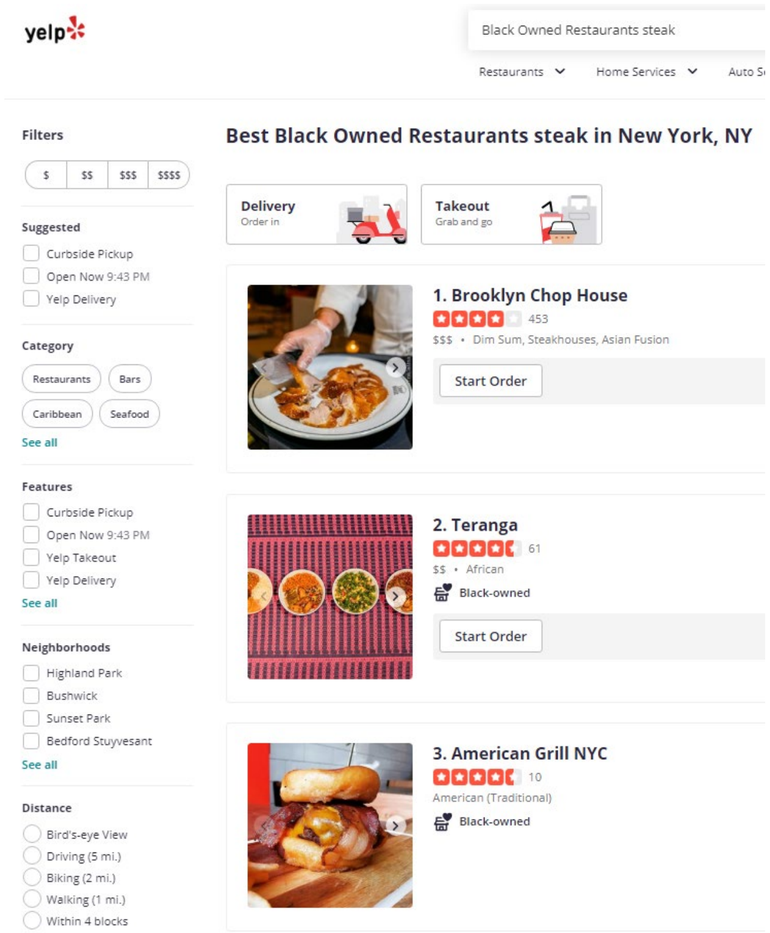
- Traveling to New York, looking for a great meal
- So many choices, but only 10 minutes to make a decision
- Looking for a steak restaurant I can walk to



- Want to support a diverse business



- Can search, filter and sort through **Yelp** to find the perfect restaurant.



How COSTARS Used Modern Tech to Solve the Challenge

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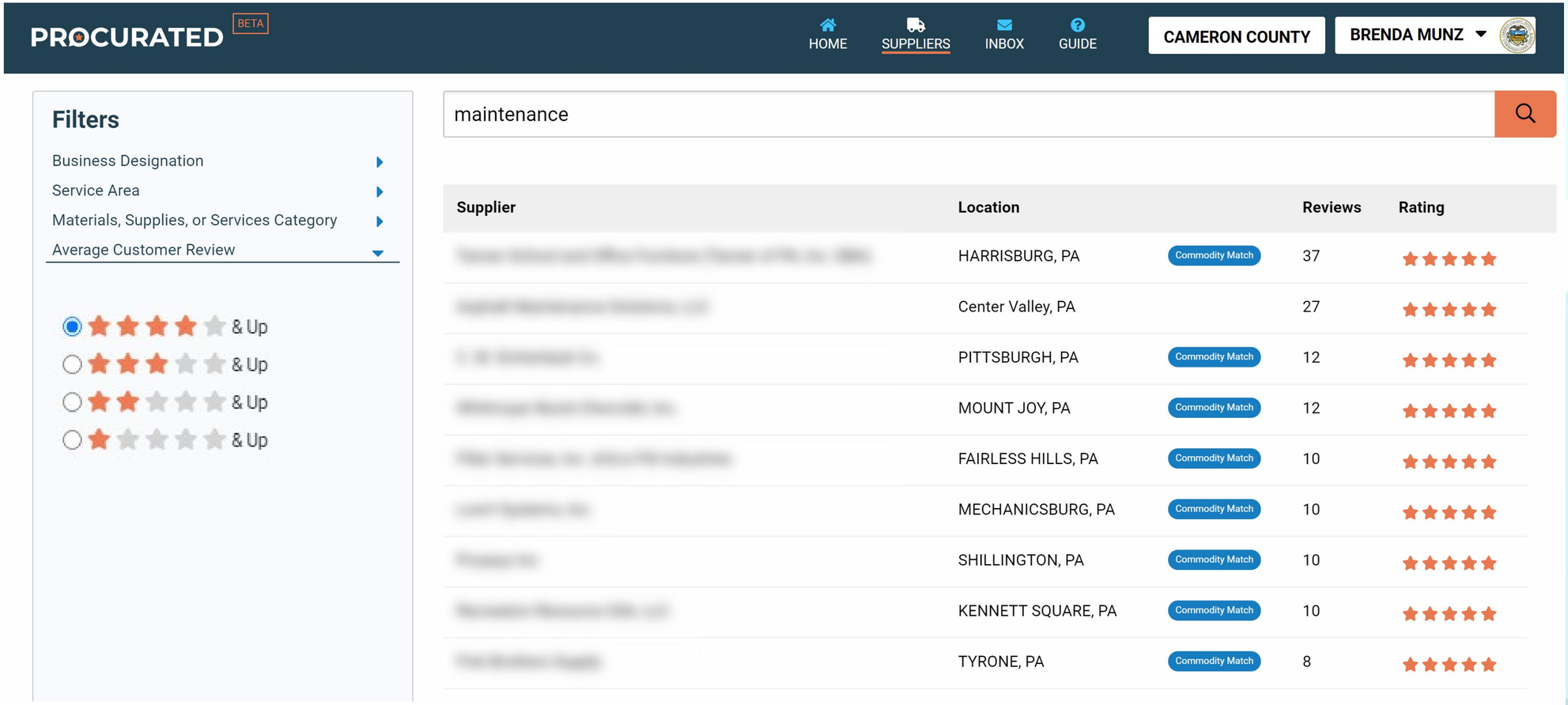

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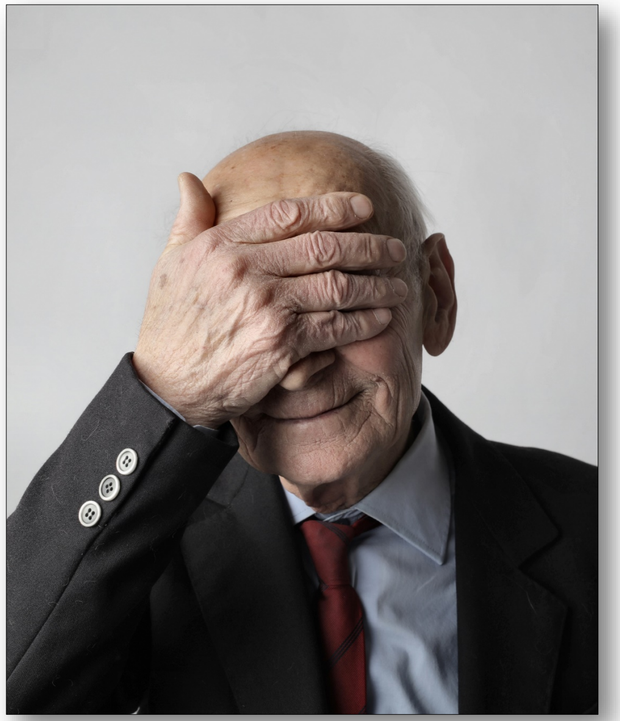
The Government Challenge – References and Past Performance



- Conducting a high profile RFP
- Evaluating suppliers' references
- All three references speak glowingly, no negatives
- All suppliers get max points for references.
- Past performance is a non-factor in the award.
- Evaluation committee members start "checking the box." We rarely pick suppliers based on past performance.
- Suppliers with awful track records get our contracts.

"We do role-play prep calls with governments to make sure we know exactly how they [references] plan to answer questions.“

“We want to get assurances that governments will be prepared to answer the reference questions."

"We want to make sure that the reference is well prepared for the call."

Suppliers

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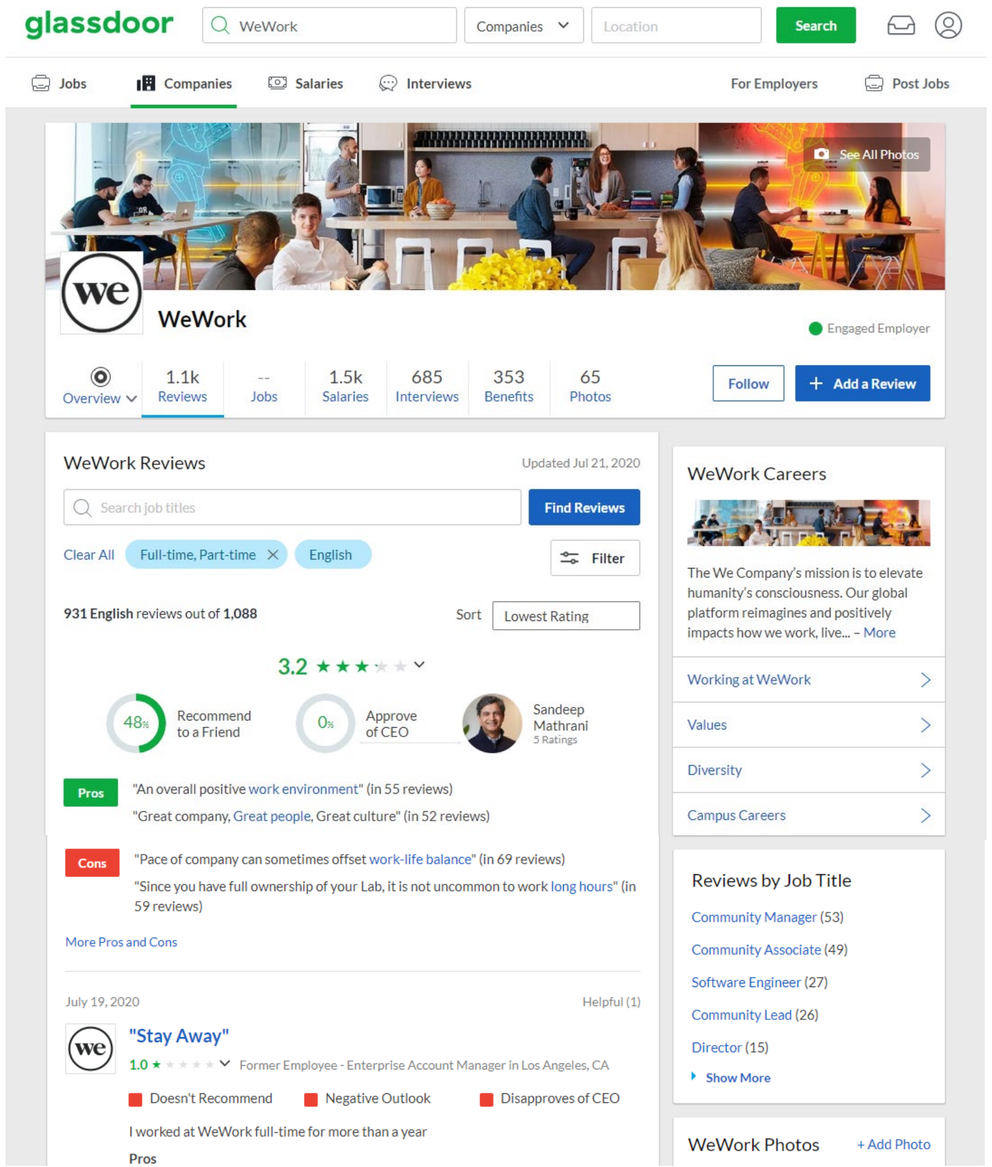
The Consumer Challenge

- After being laid off due to COVID, looking for a job
- Found interesting job with a local company
- Aced interview, agreed on comp and benefits
- But I have questions about what it's really like to work there.
- Hiring manager tells me what I want to hear.



How Governments Are Using Modern Tech to Solve the Challenge

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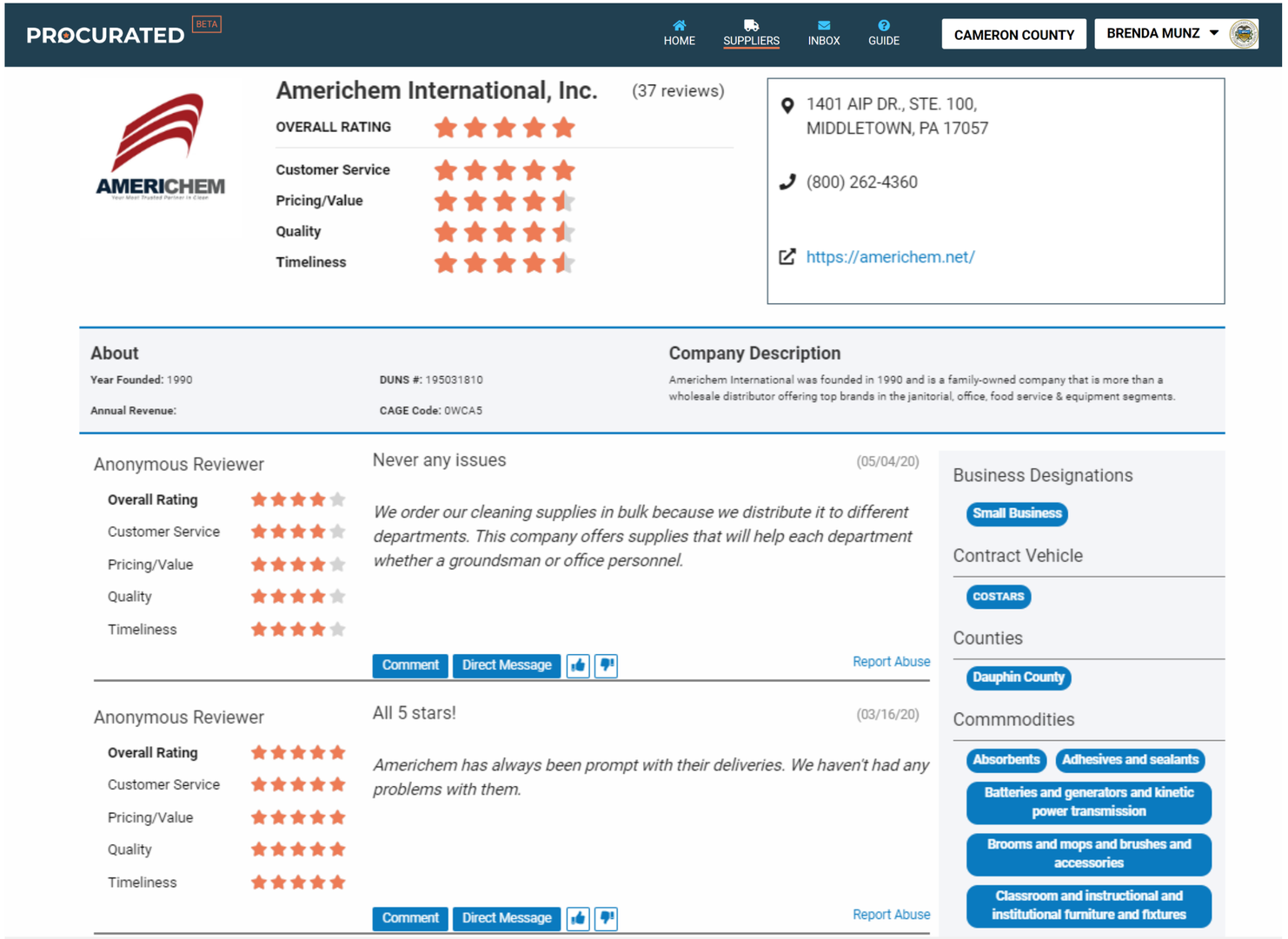

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The Government Challenge – Managing Key Suppliers

- The challenge: hundreds of contracts, but 20 critical ones.
- Contract managers like Milton conduct quarterly business reviews (QBRs) with them

- Gathering performance data is very difficult
  - Time consuming
  - Low response rates
  - Loudest Voices win
- Unable to get actionable information to better manage suppliers

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Power of (Internal) Crowdsourcing

- From day one of a contract, survey end users on a supplier's performance
- Identify challenges early on before they escalate
- Integrate with ERP/eProcurement systems to increase compliance
- Bring useful information to the QBR

- Identify areas of strength and specific areas of improvement
- Create roadmap for supplier improvement and chart progress to that end.
- Compare suppliers on contract
- Compare each supplier's performance for your govt vs. national performance.

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Vendor Performance Management

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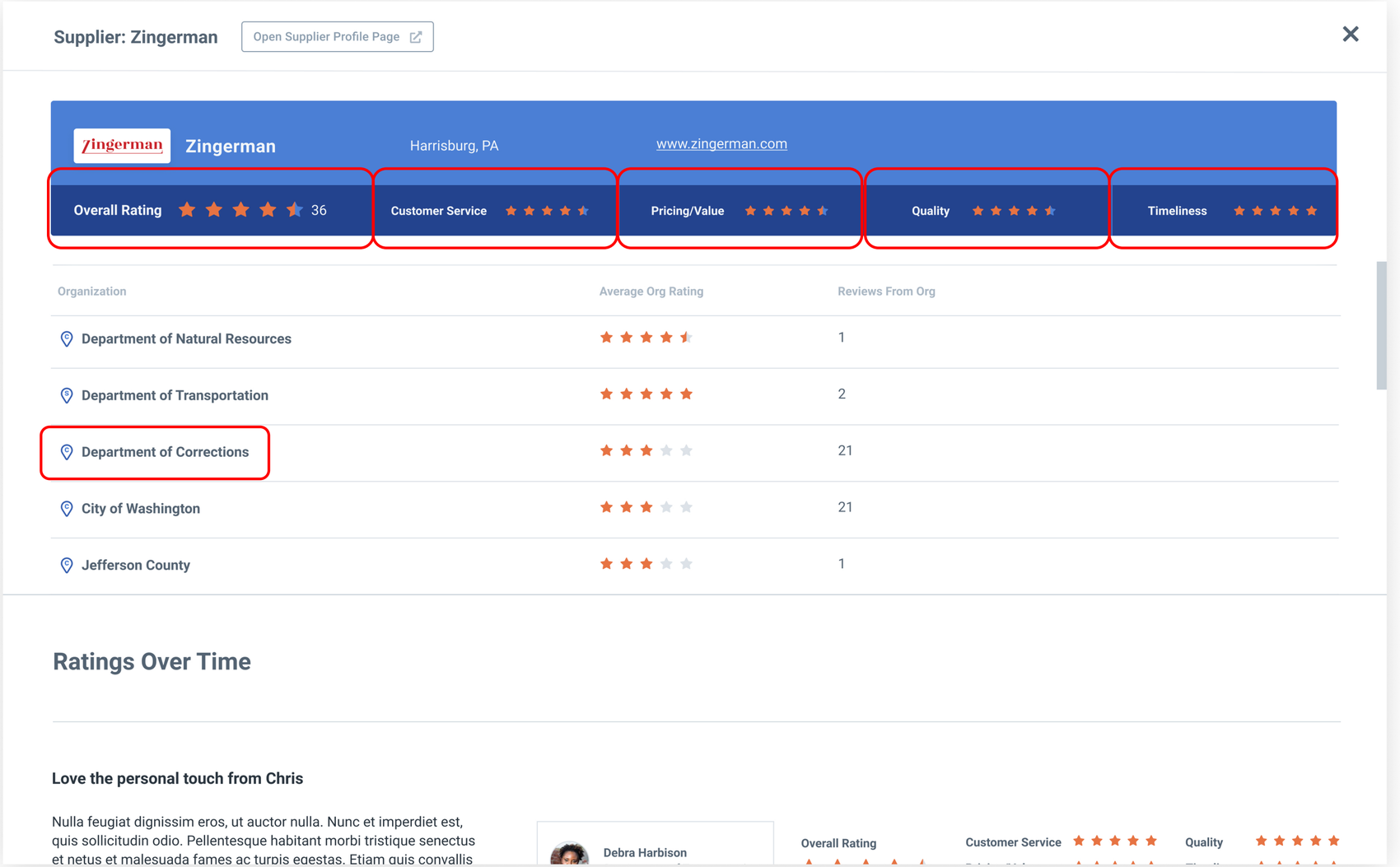

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Vendor Performance Management

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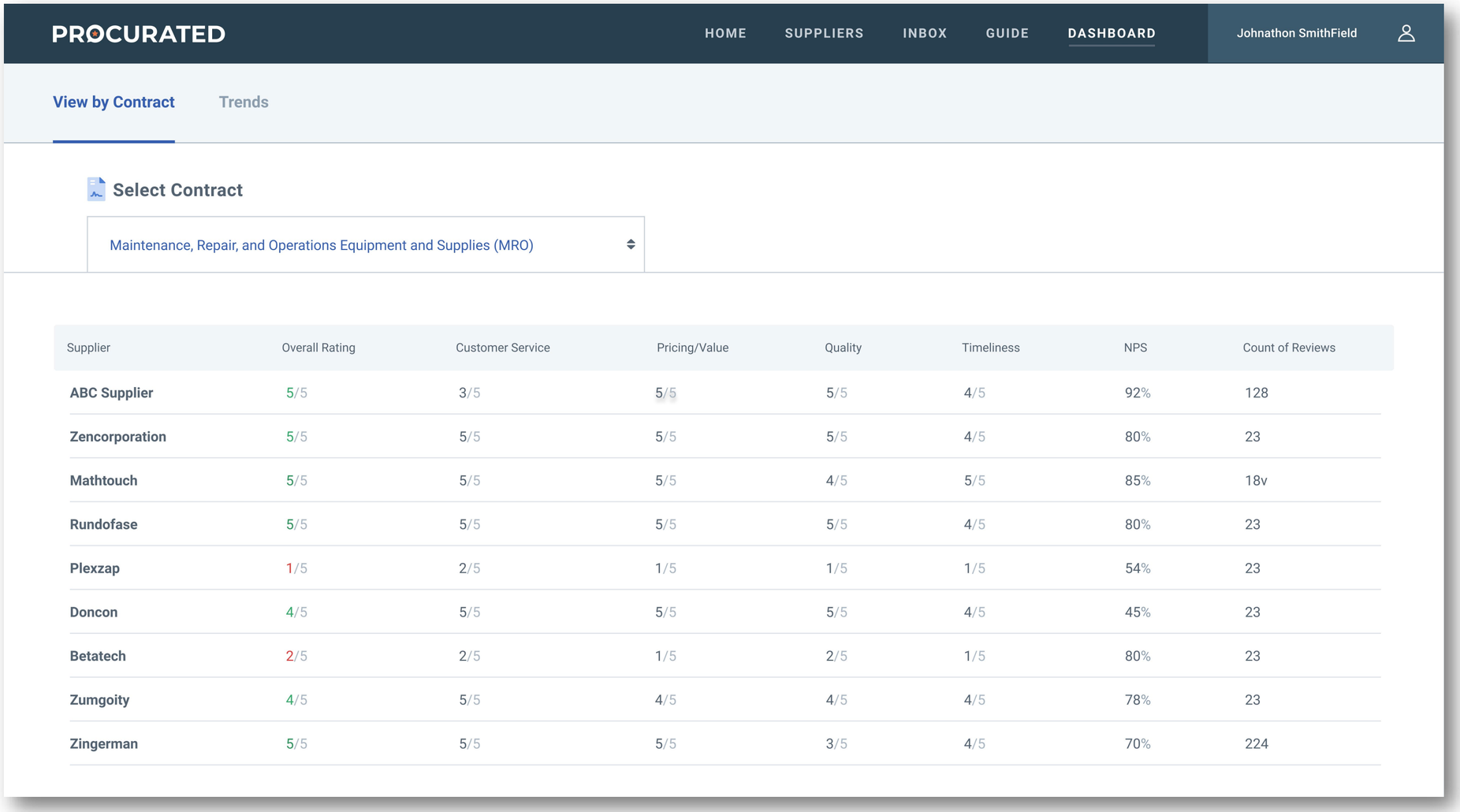

Supplier	Overall Rating	Customer Service	Pricing/Value	Quality	Timeliness	NPS	Count of Reviews
ABC Supplier	5/5	3/5	5/5	5/5	4/5	92%	128
Zencorporation	5/5	5/5	5/5	5/5	4/5	80%	23
Mathtouch	5/5	5/5	5/5	4/5	5/5	85%	18v
Rundofase	5/5	5/5	5/5	5/5	4/5	80%	23
Plexzap	1/5	2/5	1/5	1/5	1/5	54%	23
Doncon	4/5	5/5	5/5	5/5	4/5	45%	23
Betatech	2/5	2/5	1/5	2/5	1/5	80%	23
Zumgoity	4/5	5/5	4/5	4/5	4/5	78%	23
Zingerman	5/5	5/5	5/5	3/5	4/5	70%	224

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Vendor Performance Management

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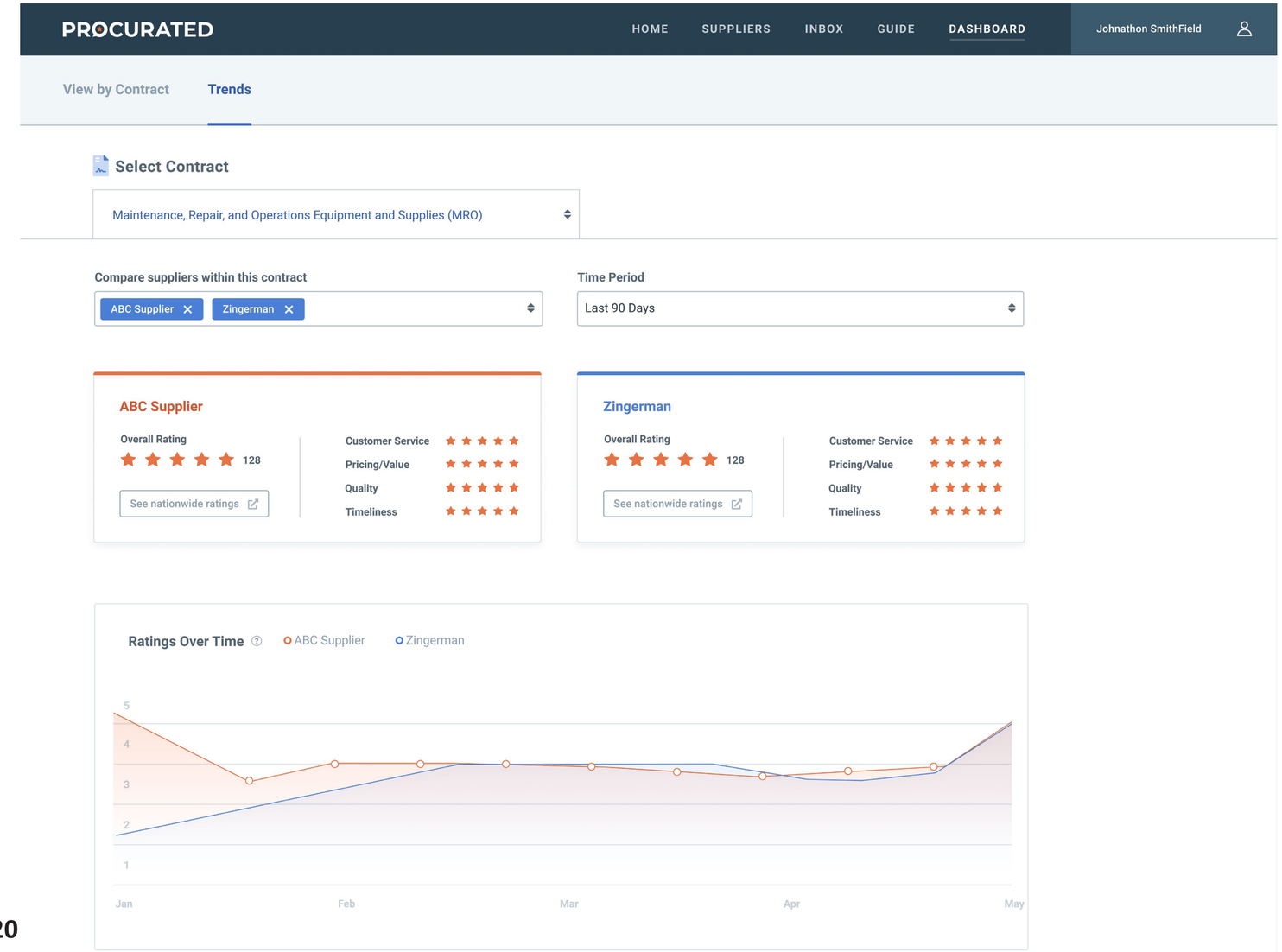

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Every Decision Matters!

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- Have you experienced similar challenges?
- Thousands of supplier reviews at your fingertips.
- You too can help our community by contributing!
- We are all in this together!

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Audience Participation!

Which procurement challenge is the biggest challenge for YOU?

1. **So many suppliers to choose from and you need to whittle it down to the highest rated ones?**

2. **Trying to learn more about a supplier's past performance and only talking to cherry picked references?**

3. **Trying to manage current suppliers with limited visibility about their performance?**

Write 1, 2 or 3 and tell us about your most recent experience.

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Thank you! Questions?

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Bonus Material

Interview with PA DGS Secretary Curt Topper about COSTARS and evaluating vendor past performance.

Video Link: https://youtu.be/1JR4GX5p1R0

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