



Proposal for
Procurement Process Consulting Services

In response to
RFP #BLR-170003

August 18, 2017



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August 18, 2017

Bureau of Legislative Research Director's Office
500 Woodlane Street
State Capital Building
Room 315
Little Rock, Arkansas 72201

Re: Submission for Procurement Process Consulting Services RFP #BLR-170003

Dear Jillian Thayer,

Calyptus Consulting Group, Inc. is pleased to submit our complete technical proposal for Procurement Process Consulting Services, in response to the request for proposals #BLR-170003. Calyptus has over 25 years of experience providing service identical to those required by the State of Arkansas and has worked with several states to improve their procurement legislation and processes in line with their goals and best practices.

Calyptus has developed review processes and tools that have supported federal, state, county, and city-level reviews. We also have expert procurement and legal staff available to efficiently review and address gaps to both the legislation and the processes. A comprehensive review will require gathering data and mapping several areas, including statutes, ordinances, policies, and procedures, business processes, operations improvement and efficiency, customer service, organization and staff, and information technology.

Calyptus proposes addressing all three activities listed in the RFP with focus on several key areas of interest – statutes, ordinance, policies, and procedures; a business process review; an operations and efficiency review; a customer service review; and an organization and staff assessment. The studies and consequent analyses and evaluations that define their impact on the procurement processes will assist in devising recommendations. All recommendations for legislative change will directly relate to these studies.

The staff proposed for this project all have procurement and logistics backgrounds essential to address the multi-faceted study proposed. I, Dr. George Harris will act as the project manager through my position as Calyptus' President. I will be directly supported by three analysts – Philippa Drew, Francisco Morales, and Matthew Bussey. All resumes and qualifications are included in the proposal in Section 5.5 Vendor's Qualifications.



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As requested in the RFP and requirement list, this technical proposal includes a response to each numbered paragraph in order. The Official Proposal Price Sheet is enclosed in a separate package. Technical aspects of the proposal can be found in the following specific sections:

- 2.0 Procurement Study Overview
- 2.1 Objectives
- 3.0 Scope of Work/Specifications
- 5.1 Vendor Profile
- 5.4 Executive Summary
- 5.5 Vendor's Qualifications

As per the requirements list the technical submission also includes:

- The complete signed pages 1 & 2 of the RFP at the start of the document
- The Calyptus Equal Employment Opportunity Policy as defined in the employee handbook
- The Illegal Immigration Certification
- Completed and signed disclosure forms

As Calyptus' President, I will be the authorized individual to sign the proposal and to negotiate on Calyptus' behalf. Please do not hesitate to let me know if there is any documentation or clarification that you need to assist your evaluation.

Sincerely,

Dr. George Harris
President
Calyptus Consulting Group, Inc.

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1.0 Introduction

Calyptus has read and agrees to the introduction and purpose of the study.

1.1 Issuing Agency

Calyptus has read the information on the issuing agency and agrees that the sole point of contact for the selection process is Jillian Thayer.

1.2 Schedule of Events

Calyptus has read and agrees to the schedule of events. A proposed schedule is included in this proposal.

1.3 Caution to Vendor

Calyptus has read all caution notes and agrees to all aspects of the statement. The company President, Dr. George Harris has signed the proposal form and the Official Proposal Price Sheet.

1.4 RFP Format

Calyptus has read and agrees to the respond to each item in the RFP in sequence.

1.5 Alteration of Original RFP Documents

Calyptus has read this section and agrees to not alter any RFP documents. Further, Calyptus has no exceptions to the RFP documents.

1.6 Requirement of Amendment

Calyptus has read and agrees that modifications are only valid through an amendment to the RFP and contract.

1.7 RFP Questions

Calyptus has read and agrees that any questions will be directed to Jillian Thayer.

1.8 Sealed Prices/Cost

Calyptus has read this section and has submitted the Official Price Sheet (hard and electronic versions) in a clearly marked, separate envelope. All charges are valid for one hundred eighty (180) days. As referred through questions, Calyptus will invoice the Bureau based on work performed, relying on hourly rates and amounts submitted in the Official Price Sheet, as well as actual travel expenses up to the not-to-exceed amount.

1.9 Proprietary Information

This submission does not include proprietary information, thus only one electronic copy of the proposal is included. Calyptus agrees that the proposal document is now property of the BLR.

1.10 Delivery of Response Documents

Calyptus has read and confirmed the submission requirements and agrees to the delivery stipulations. The complete proposal package, including one (1) original, two (2) electronic copies, and twenty-five (25) Task Force copies will be delivered to 500 Woodlane Street, State Capital Building, Room 315, Little Rock Arkansas 72201 on or before August 18, 2017.

1.11 Bid Evaluation

Calyptus has read and agrees to the section of how bids will be evaluated.

1.12 Oral and/or Written Presentation/Demonstrations

Calyptus has read and agrees to attend the September 13, 2017 meeting of the Subcommittee, if requested. Calyptus agrees that these costs will not be borne by the State of Arkansas. Calyptus also agrees to attend the September 21, 2017 meeting of the Policy Making Subcommittee of the Legislative Council if requested and notes that these travel expenses will be reimbursed under the contract. Travel costs have been accounted for in the OPPS.

1.13 Intent to Award

Calyptus has read and agrees to the paragraph.

1.14 Appeals

Calyptus has read and agrees to the appeals process.

1.15 Past Performance

Calyptus has read and agrees to the past performance terms. All cited past performance in Section 5 is not greater than three (3) years old and documented appropriately.

1.16 Type of Contract

Calyptus has read and agrees that the contract will terminate on December 31, 2018, with an option for one (1) renewal of up to six (6) months.

1.17 Payment and Invoice Provisions

Calyptus has read and agrees to the payment and invoice provisions. We will submit monthly invoices based on hours expended and expenses incurred up to the maximum bid price. All invoices will show an itemized list of charges and be directed via email to Jillian Thayer. Calyptus agrees that BLR will have no responsibility for federal, state, or local tax payments that become payable by Calyptus.

Calyptus agrees to maintain all pertinent financial and accounting records and evidence pertaining to the contract in accordance with acceptable accounting principles and procedures. Calyptus also agrees to grant access to state or federal government entities upon request.

1.18 Prime Contractor Responsibility

Calyptus agrees to assume prime contractor responsibility and will be the sole point of contact for the project. Calyptus also agrees to allow the BLR to interview the assigned key personnel.

No subcontractors will be used for this effort.

1.19 Delegation and/or Assignment

Calyptus has read and agrees to this section.

1.20 Conditions of Contract

Calyptus has read and agrees to this section.

1.21 Statement of Liability

Calyptus has read and agrees to this section.

1.22 Award Responsibility

Calyptus has read and agrees to this section.

1.23 Independent Price Determination

Calyptus certifies that the paragraphs in this section are true.

1.24 Publicity

Calyptus has read and agrees to this section.

1.25 Confidentiality

Calyptus has read and agrees to this section.

1.26 Proposal Tenure

Calyptus has read and agrees to this section.

1.27 Warranties

Calyptus warrants that it is and will at all times remain lawfully organized and constituted under federal, state, and local law, ordinances, and other authorities of its domicile, and that it is and will remain at all times in full compliance with all legal requirements of its domicile and the State of Arkansas.

Calyptus also warrants and agrees that all services provided have been and shall be prepared or done in a workman-like manner consistent with the highest standards of the industry in which the services are normally performed. In addition, all computer programs implemented for performance under the Contract will meet the performance standards required thereunder and shall correctly and accurately perform their intended functions.

Finally, Calyptus warrants that it is qualified to do business in the State of Arkansas and will file appropriate tax returns as provided by the laws of the State.

1.28 Contract Termination

Calyptus has read and agrees to this section.

1.29 Vendor Qualifications

Calyptus has read and agrees to furnish any requested evidence of our ability to furnish the appropriate products and services. Details regarding qualifications are provided with Sections 3 and 5.

1.30 Negotiations

Calyptus has read and agrees to this section.

1.31 Licenses and Permits

Calyptus has read and agrees to this section.

1.32 Ownership of Data & Materials

Calyptus has read and agrees to this section.

1.0 Procurement Study Overview

The procurement study assigned to the Review Subcommittee was requested by the Arkansas Legislative Council May 19, 2017. The Subcommittee voted the following month to procure consultant services to support the study.

Given disputes over recent state contracts from small business owners and government officials, as well as attempts to revisit the State's procurement processes, it is vital that a thorough and impartial review of procurement laws, regulations, and policies be conducted for all procurement types. Protests and disputes have risen to the point that Arkansas Procurement Director, Edward Armstrong is being sued for the ruling regarding the state dental contract. Competitive bidding processes are intended to save taxpayer money and reinforce confidence in government procurements among businesses. A review of these processes, and the laws, regulations, and policies driving them, will support business and taxpayer confidence to ease disputes and protests.

The disputes and contracts in question have been diverse. Disputes have arisen regarding advertising, dental, and A&E contracts. Questions have been raised around lobbying, partiality of judges, separation of powers, repeat protests, the burden on small businesses, and general lack of clarity and interpretation between the legislature, Department of Finance & Administration, and bidders. Calyptus has experience reviewing all these types of contracts and is familiar with these issues. This broad experience will be essential in addressing the issue as a whole.

2.1 Objectives

The Review Subcommittee must present the study report to the Legislative Council at the December 2018 meeting. The study will be detailed and accurate regarding the current laws, regulations, and procedures as well as their impact on State procurement. The report will also include detailed recommendations. Calyptus will assist with drafting the study, including all three main components:

1. Current state mapping, including all aspects of the process, including development and sharing request for qualifications and evaluating proposals
2. Impact study on key contest areas, as well as legal, architectural, engineering, construction, and land surveying
3. Recommendations to the Legislative Council on changes to the laws, regulations, and processes

Calyptus will complete the work on this project in a similar fashion as implemented for our projects with Fulton County, GA, the State of Oregon Department of Human Services, the City of Sacramento, CA, the City of Portland OR, Philadelphia Housing Authority and the Pennsylvania Turnpike Commission. All of these projects had almost identical work scopes.

The overall purpose of the project is to examine the policies and procedures relating to purchasing and contract compliance, internal requirements, and current acquisition processes. The result of the examination and analysis are recommendations for improvement, streamlining, and increased customer and legislative satisfaction.

The State's Procurement Process has been tested recently with a number of high profile appeals and protests involving how award decisions have been made.

- 1) A lawsuit has been filed related to a dental HMO services RFP. The suit will address how the evaluation process was carried out and whether the decision to award contracts to two lower rated firms was legitimate.
- 2) Another report questioned the procurement process and results associated with the following contract actions:
 - a. Marketing Services
 - b. Troubled Youth Facility Management
 - c. Lottery Marketing Services

Many of the points being made in the press and in the Legislature relate to the selection of the method of procurement, the selection and management of proposal evaluators, using weighted evaluation factors, developing a sound basis of award, ensuring that reviews are not biased, issuing sole source contracts and whether the decisions to contract can be protested. These are areas where Calyptus is considered to be subject matter experts. We have reviewed over 300 procurement procedure manuals, and over 10,000 procurement files. We have developed training for clients in the management of RFPs, RFQs, and sealed bids procurements in the public sector.

The Bureau of Legislative Research (BLR) desires procurement process consulting services to assess the current processes used for all methods of procurements, study the impact the processes on legal, architectural, engineering, construction management and land surveying professions, and recommend changes to procurement laws, regulations, and processes. The work effort will span all procurement methods and types, but will particularly focus on A&E and construction types of procurements.

Managing the Request for Qualification and Request for Proposal processes have traditionally been the most difficult type of procurement due to the need to establish effective evaluation criteria, proper scoring values, proper criteria weights, evaluation committee management, and the development of a defensible basis of contract award. With the advent of design-build and best value methods of procurements, these difficulties have been intensified and redoubled, Only skilled procurement professionals can manage these types of procurements effectively.

We have reviewed a few of the sections of the State of Arkansas Procurement Laws and Regulations dated September 2016. We have noted a set of representative comments below for review. Our initial appraisal is that the laws and regulations are significantly outdated, not reflective of best practices and the body of knowledge, and must lead to significant process implementation problems.

Arkansas Statute or Rule:	Calyptus Comment:
19-11-229 (b)(1). Competitive sealed bidding	Not an effective or best practice.
19-11-229 (f)(1)(A). Competitive sealed bidding	Not appropriate. Applies to RFPs only.
R15:19-11-229. Negotiations	Not appropriate for sealed bid.
R2:19-11-230. Competitive Sealed Proposals	Use the Federal Acquisition Regulation definition
R5:19-11-230 (a). Evaluation of Proposals.	More direction required in elements of this process
R6:19-11-230(1). Rejection of Proposals	Distinguish between essential and mandatory
R6:19-11-230(3). Rejection of Proposals	Requires more information on reasonableness standard
R8: 19-11-230(a). Negotiations	"Best Interests" requires further definition
19-11-237. Cost-Plus-a-Percentage-of Cost and Cost-Plus-a-Fixed Fee Contracts	"Cost-plus-a-percentage-of-cost" violates most procurement statutes.
19-11-801(b). Policy - Definitions	Not a best practice
19-11-801(C Policy) - Definitions	Leads to discriminatory practices
19-11-802(c)(1). Annual Statements of Qualifications; Restrictions on Competitive Bidding	Not a best practice
19-11-803. Evaluation of Qualifications	Factors should be weighted and communicated in RFQ
R1: 19-11-1010 Use of Performance Standards in Professional and Consultant Service Contracts	This section is not an effective practice. See Federal Acquisition Regulation for best practices.

3.0 Scope of Work/Specifications

Calyptus agrees to submit monthly status updates on the project and attend consequent monthly meetings with the Subcommittee to answer any questions. Reports will include any verification process utilized for pull data from existing or recent studies undertaken by Calyptus or state agencies. Calyptus has a standard reporting template that will be adjust as necessary at the initial Subcommittee meeting. Calyptus will also be available to attend any additional meetings as deemed necessary and authorized by the Subcommittee Co-Chairs.

Calyptus staff will support all aspects of the study, including sharing and training on our review tools for all areas. Calyptus will also actively gather information from relevant stakeholders through interviews and desk research. As authorized by Subcommittee chairs, Calyptus staff will be readily available to address and data inquiries or research requests at all times throughout the project period.

Lastly, Calyptus staff are fully qualified and prepared to assist with drafting legislation based on adopted recommendations and drafting the final report for the Legislative Council meeting in December 2018.

3.1 Procurement Process Consulting

Calyptus has read and agrees that the services will address the stated specifications and requirements and provided to the Subcommittee.

Calyptus also agrees to attend various meetings. There are available staff to allow for flexibility to attend all meetings. If travel is not possible, Calyptus has an online platform to host an online meeting where all participants can talk and see each other. This will act as a last resort.

Calyptus agrees that the fee schedule will be as stated in the Official Proposal Price Sheet and agrees to submit itemized invoices to the BLR on a monthly basis.

Calyptus agrees that the Subcommittee does not grant us exclusive rights to all procurement process consulting services contemplated in the RFP.

3.2 Procurement of Goods and Services

Calyptus does not anticipate the need to procure additional goods or services in order to provide the required services.

4.0 Compensation

Calyptus has read and agrees to this section. The fee schedule is set forth on the Official Proposal Price Sheet, enclosed separately. The Sheet covers the time spent in the completion of the requested task or project as well as other administrative costs and anticipated travel expenses. Hourly rates are inclusive of overhead and other costs associated with the particular individuals.

4.1 Payment Schedule

Calyptus has read and agrees to this section.

4.2 Travel, Lodging, and Meals

Estimated travel expenses are included in the Official Proposal Price Sheet. All estimated costs are based on GSA per diem rates.

5.0 Comprehensive Vendor Information

Calyptus has read and agrees to this section.

5.1 Vendor Profile

- Business name: Calyptus Consulting Group, Inc.
- Business address: 43 Thorndike Street, Cambridge MA 02141
- Alternate business address: None
- Primary contact name: Dr. George Harris
 - Title: President
 - Telephone: (617) 577-0041
 - Fax (617) 577-0042
 - Email: gharris@calyptusgroup.com
- How many years has this company been in this type of business: 25
- We will meet the requirements of Arkansas Law for a foreign corporation if we are awarded this contract
- Corporation (type): S, Massachusetts
- Names/addresses of directors: Dr. George Harris,
16 Leonard Avenue, Cambridge MA 02139
- States/jurisdictions in which the vendor does business and the nature of the business for each state/jurisdiction

Current State/Jurisdictions	Nature of Business
Washington D.C.	Systems review for Court Services and Offender Supervision Agency Federal Transit Administration compliance reviews and oversight Training for Department of Energy GSA contract for various services
Michigan	Training plan review and curriculum development for rural transit agencies
California	Procurement review and training for the North County Transit District Subrecipient monitoring support for the Orange County Transportation Authority
Pennsylvania	Spend analysis and strategic sourcing recommendations for the PA State System of Higher Education Federal Transit Administration compliance reviews and oversight
Arkansas	Intermediate Negotiation Training
West Virginia	Federal Transit Administration compliance reviews and oversight
Virginia	Various training courses for the National Association of State Procurement Officers Federal Transit Administration compliance reviews and oversight
Illinois	Review and draft the Title VI plan for the Pace Suburban Bus System
Connecticut	State-level Lean methodology training and implementation

Washington	State-level Lean methodology training and implementation
Florida	Federal Transit Administration compliance reviews and oversight
Georgia	Federal Transit Administration compliance reviews and oversight
Kentucky	Federal Transit Administration compliance reviews and oversight
Mississippi	Federal Transit Administration compliance reviews and oversight
North Carolina	Federal Transit Administration compliance reviews and oversight
South Carolina	Federal Transit Administration compliance reviews and oversight
Tennessee	Federal Transit Administration compliance reviews and oversight

- Disclosure of all the states/jurisdictions in which the vendor has contracts to supply procurement process consulting services and nature of goods/services involved for each

Current State/Jurisdictions	Nature of Business
Washington D.C.	Procurement and administrative systems review for Court Services and Offender Supervision Agency Federal Transit Administration compliance reviews and oversight Procurement training for Department of Energy GSA contract for various training services
Michigan	Training plan review and curriculum development for rural transit agencies
California	Procurement review and training for the North County Transit District Subrecipient monitoring (including procurement) support for the Orange County Transportation Authority
Pennsylvania	Spend analysis and strategic sourcing recommendations for the PA State System of Higher Education Federal Transit Administration compliance reviews and oversight
Arkansas	Intermediate (Contracts) Negotiation Training
West Virginia	Federal Transit Administration compliance reviews and oversight
Virginia	Various training courses for the National Association of State Procurement Officers Federal Transit Administration compliance reviews and oversight
Illinois	Review and draft the Title VI plan for the Pace Suburban Bus System
Connecticut	State-level Lean methodology training and implementation
Washington	State-level Lean methodology training and implementation
Florida	Federal Transit Administration compliance reviews and oversight
Georgia	Federal Transit Administration compliance reviews and oversight
Kentucky	Federal Transit Administration compliance reviews and oversight
Mississippi	Federal Transit Administration compliance reviews and oversight
North Carolina	Federal Transit Administration compliance reviews and oversight
South Carolina	Federal Transit Administration compliance reviews and oversight

Tennessee	Federal Transit Administration compliance reviews and oversight
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- Disclose details of bankruptcy, insolvency, reorganization, corporate takeover: None to report
- Disclose conflicts of interest: None to report
- Disclose any additional information: None to report

5.2 General Information

Calyptus has specialized in procurement reviews and support services for 25 years. Calyptus' President, Dr. George Harris, has over 40 years in procurement consulting and has compiled a team of procurement and legal experts to address both legislative and process reviews, recommendations, and drafting. Further details on company and personnel expertise is available in Section 5.5.

5.3 Disclosure of Litigation

None to report.

5.4 Executive Summary

Calyptus has developed review processes and tools that have supported state-level reviews. We also have expert procurement and legal staff available to efficiently review and address gaps to both the legislation and the processes. A comprehensive review will require gathering data and mapping several areas, including statutes, ordinances, policies, and procedures, business processes, operations improvement and efficiency, customer service, organization and staff, and information technology. Calyptus proposes addressing all three activities listed in the RFP with focus on several key areas of interest – statutes, ordinance, policies, and procedures; a business process review; an operations and efficiency review; a customer service review; and an organization and staff assessment. The studies and consequent analyses and evaluations that define their impact on the procurement processes will assist in devising recommendations. All recommendations for legislative change will directly relate to these studies. Each is addressed in detail below in chronological order.

Statutes, Ordinances, Policies and Procedures

Calyptus will evaluate the purchasing statutes and regulations in relation to the State's policies and procedures. We will identify those procedures that are mandatory, those that are desirable and/or based on best practices, and those that are not needed. We will also identify policies and procedures that are needed to comply with the statutes and/or regulations. This will provide an opportunity for the Legislative Council to make decisions on potential changes that could free up resources, improve lead time and improve quality.

We will evaluate the selection process included in the procurement policies and procedures and will flow chart the key steps and time frame requirements, including approvals. This will allow for the analysis of the efficiency and effectiveness of the selection process. We are unsure about whether there are metrics for the completion of supplier selection based on the method of

procurement but we will determine how long the process takes on average and compare that result to best practices. Oftentimes, the time allowed for supplier responses, the time allowed for proposal/bid review, and the need for Board approval requires up to 2-3 months.

In order to expedite the flow and timing of supplier selection, we will examine whether the level of delegation is appropriate. This may result in quicker turnarounds for small purchases, and those under \$50,000 based on your ordinance rules. In some cases, it is better to establish blanket types contracts under which the using departments may release purchases based on established terms and prices. This frees up resources and results in shorter lead time for requirements. We will assess the level of centralization and decentralization by using a set of questions and forms to determine what level of centralization or decentralization is required to meet State goals.

Business Process Review

Calyptus will map the current acquisition process from the receipt of requisition to contract or purchase order placement. We will create a flow chart for each method of procurement based on interviews, observations, customer feedback, and our knowledge. We will develop flow charts for micro-purchases, small purchases, full and open purchases, sole source and emergency purchases, and others as noted. This information will focus on overall efficient flow, adequate internal controls for evaluation and approval, and separation of duties. As an example, we would evaluate whether a using department should request and receive quotations and recommend actions to procurement if this is being done.

One of the causes for longer lead times and inefficiency is the need to create sufficient specifications and scopes of work. In addition, not having standardized templates for solicitations and terms and conditions could present process flow and throughput problems. We will evaluate the quality of the documents based on interviews and reviews, and then provide the standardization of the process and documents. We have best practices and formats for SOW and specifications as well as public sector solicitations for comparison purposes. In addition, we will evaluate when SOWs and specifications are created that include a higher level of features, performance, and overall requirements that is needed by the State. We will review sole source procurements, use of brand names, circumstances when specifications are over-specified, and when prices received greatly vary from the initial internal cost estimates. We will develop cause and effect relationships and options to consider.

Operations Improvement and Efficiency Review

Calyptus will assimilate all the data that we have gathered in the form of procedures, lead time, process gaps and constraints, and interview feedback by method of procurement and will compare with best practices in public procurement. We are experts in lean management and process mapping.

We will use existing benchmarking information from our project work, the I.S.M. and NASPO to garner best practices. We also have an established set of data in 53 specific areas that was developed for a public sector client and measures a purchasing and contract compliance group's

“maturity” across four levels. This can be used to assess how close the State of Arkansas is to best practice performance.

Through our interviews and reviewing management reviews, we will evaluate the efficiency and effectiveness of the procurement process. We will first define what these terms mean based on our previous work, then we will develop a summary document with the analysis and comparison information if appropriate.

Customer Service Review

We will develop a list of customer feedback that has occurred over the last 2-3 years and review the basis for the information. We will discuss actions taken to improve service and address concerns that were noted in the survey. Calyptus will validate the information from relevant staff and will determine the basis of improvements made and any open items.

We will then engage the key using groups and other support departments through the use of standard interview guides, for both individual feedback and through focus groups. Executives will be interviewed. We have recently completed focus group discussions like the one envisioned with a facilities and maintenance department. In past assignments, we have administered both internal customer and supplier surveys using Survey Monkey. Both of these surveys will be completed prior to interviews with key Purchasing and Contract Compliance staff members and key users. We allow about 2-3 weeks for the completion of on-line surveys.

Vendors and suppliers will be surveyed on their perceptions of the State “as a customer”. We use a best in class survey for this purpose that has been used at Honda, UTC, Texas A&M University, and Pratt & Whitney.

User Community Assessment

We will review existing information from surveys and interviews to assess the effect on the user community and professions. Calyptus will use a series of organizational assessments focused on procurement and buyer knowledge and skills to round out available information. If possible, performance review information can be reviewed to evaluate trends in knowledge and skills development needs. We will use standard assessments and interview questions to get data on both the organizational and the staff capabilities and capacities. This information will be tallied and contrasted with the feedback received from both internal staff and suppliers.

We will assess the present roles and responsibilities of the organization based on interviews and review of job descriptions and also incorporating feedback from the user community. The current structure of the department in terms of compliance, purchasing teams, and administration will be reviewed. We have reviewed and evaluated similar structures at both the City of Portland OR and Texas A&M University. We will evaluate workloads by positions and based on best practices and industry data, determine the number and type of positions required. We have a fact-based tool that we use to develop the number of staff headcount based on the amount of time needed to complete a specific method of procurement, contract management or contract compliance task (such as site visits to job sites). A current and potential organization will be identified along with headcount and job descriptions.

Calyptus will review the extent that the State completes a procurement plan and the extent to which category management and strategic sourcing is used. We will evaluate the number of transactions at each threshold (under \$2,500, over \$2,500 to \$50,000, and over \$50,000. Typically, a high number of transactions fall under the \$2,500 threshold and the preponderance of the spending falls over \$50,000 threshold. We will review the extent of use of technology, purchasing cards, blanket agreements, expedited procurements and on-line procurement to streamline and improve purchasing performance. An analysis of the way that transactional and strategic purchasing is completed, by whom in the department, will be conducted.

Deliverables

Calyptus will submit monthly reports and address any questions at regular meetings with the Subcommittee. Calyptus will assist with legislation and report drafting as well as any additional research requested during the project period.

5.5 Vendor's Qualifications

Resumes

DR. GEORGE L. HARRIS – Program/Project Manager

Education

Dr. Harris holds a DBA — NOVA Southeastern University; a B.S. (Business Management) from Georgetown University; and an M.B.A. (Government Procurement and Materials Management) from George Washington University.

General Experience

Dr. Harris specializes in the areas of procurement, materials management, lean management and quality systems. He has established ways for companies to evaluate their quality and lean effectiveness. He has performed consulting and training services for clients in the food, electronics, metal fabrication, financial services, oil/gas, mining, and capital equipment industries as well as for public sector clients. He is an expert in the sourcing of transportation-related products and services.

Representative Consulting Experience

Since 1992, Dr. Harris has been involved in a wide variety of consulting and training projects, as represented below:

- Completed over 240 Triennial Reviews and over 120 Procurement System Reviews for Federal Transit Administration grantees across the country
- Conducted spend analysis and submitted recommendations for strategic sourcing for the Pennsylvania State System of Higher Education
- Developed and delivered training plan and curriculum for the Michigan Department of Transportation
- Conducted negotiations training for State of Arkansas

- Presented strategic sourcing recommendations to the Oregon Department of Human Services
- Conducted comprehensive process review for State of Georgia
- Completed over 500 strategic sourcing projects for clients resulting in over \$1 Billion in savings.
- Conducted organizational studies for Johnson & Johnson, State of Oregon Department of Human Studies, City of Portland (OR), City of Sacramento (CA), Texas A&M University, Lone Star College, Pepsi, and others.
- Created a web-based self-assessment of procurement performance.
- Developed list of core competencies for supply management, then trained managers to review others performance along each dimension.
- Completed studies in eProcurement and IT systems and established the value added functionality of 29 software suppliers.
- Created ten key performance measurements for clients and instituted policy deployment in procurement; developed and trained over 300 managers in implementing procurement objectives.
- Created tools to assess and establish total cost savings, functional headcount, key processes, risks, inventory stocking, and supply chain effectiveness.

Dr. Harris has written extensively on benchmarking, procurement systems, quality measurements, strategic direction setting and developing supplier partnerships to improve organizational performance. He spent five years as a senior consultant with Harbridge House, Inc., an international training and consulting firm, designing, developing, and delivering training programs for management and individual contributors.

Dr. Harris has also led supply chain audits of complex organizations in the private and public sectors that purchase capital items, construction, engineering, services, information technology, land and buildings, rolling stock, parts, raw material, semiconductors, and subsystems.

PHILIPPA DREW – Analyst

Education:

Ms. Drew holds a Master’s Degree in Geography Studies from Cambridge University UK.

General Experience:

Ms. Drew possesses over seven (7) years of government consulting, performance improvement and training experience.

Representative Consulting and Training Experience:

Since 2014 Ms. Drew has delivered the following consulting and compliance projects at Calyptus:

- Procurement assessment activities with clients such as the FTA, OCTA, Wisconsin DOT, City of Rockville and the Office of Personnel Management
- Revised processes and procedures to ensure efficient practice and regulatory compliance
- Conducted over 40 FTA Triennial Reviews, delivered training and provided technical assistance to grantees
- Developed a sub-recipient monitoring guide for an FTA transit grantee, including checklists, tools and templates. Delivered staff training on the requirements and undertook sub-recipient monitoring reviews.
- Undertook focused Title VI and DBE Compliance reviews of FTA grantees.
- Best practice and market research. Developing quarterly updates of industry trends.

Prior to Calyptus, Ms. Drew managed and delivered a wide range of service transformation projects within county, municipal and regional authorities, including: 1) Performance reviews of Children’s and Adult’s Social Care Services, 2) Developing new service operating models to improve practice and control budget pressure, 3) Designing staff reorganization, and 4) implemented new performance management frameworks. She redesigned Social Care processes and procedures, including checklist tools, and delivered training on revised procedures and best practice techniques.

Professional Memberships and Certifications:

Ms. Drew has undertaken certifications in Project Management (Prince 2 Practitioner and Foundation) and in Program Management (Managing Successful Programs Foundation).

FRANCISCO MORALES – Analyst

Education:

Mr. Morales holds a J.D. from Suffolk University Law School in Boston, MA, a Certificate in Business Fundamentals from HBX | Harvard Business School in Cambridge, MA, and a B.A. from Amherst College in Amherst, MA.

General Experience:

Mr. Morales has over ten (10) years of experience working in legal and business contexts. Mr. Morales was a practicing attorney for over four (4) years where his work focused on litigation. Additionally, Mr. Morales was the primary legal and business operations consultant for a start-up consulting company in Cambridge, MA.

Representative Consulting and Training Experience:

Since 2011, Mr. Morales has been involved in a wide variety of legal, consulting, and training projects:

- Legal, financial, and operations consultant to a start-up consulting company in Cambridge, MA working directly with the founder to improve processes.
- Assisted in trainings focusing on public speaking for practicing and future attorneys.
- Researched and analyzed procurement regulations and best practice strategies.
- Worked on FTA Triennial Reviews, as well as a focused Equal Employment Opportunity Compliance Review.

Professional Memberships and Certifications:

Mr. Morales is a member of the Massachusetts Bar.

Matt D. Bussey – Analyst

Education:

Mr. Bussey is a licensed attorney and holds a Bachelor’s Degree from the University of Colorado at Boulder and a J.D. from Roger Williams University in Bristol, Rhode Island.

General Experience:

Mr. Bussey has nine (9) years of experience practicing law in both law firm and in-house environments. His practice areas include corporate law, M&A, and regulatory compliance.

Representative Consulting and Training Experience:

Mr. Bussey joined Calyptus in 2017 and has delivered the following consulting and compliance projects:

- Facilitated Kaizen/lean operating and efficiency events for various governmental organizations
- Consulted and advised federal governmental agencies on management and efficiency best practices
- Conducted market analyses and procurement assessments of regional governmental agencies and advised on improvement mechanisms
- Performed FTA Triennial Reviews and provided technical assistance to grantees
- Develops quarterly analyses of industry trends and key economic and market data

Prior to Calyptus, Mr. Bussey worked in a variety of legal roles. He has served as associate general counsel to two (2) companies, one of which earned annual revenue of \$1 Billion. He has also worked at several law firms in Rhode Island and later in Massachusetts, where he focused predominantly on corporate law and advising small to mid-size companies. In addition, he has provided consulting services to private entities regarding efficiency and management best practices, as well as regulatory issues such as data privacy laws.

Professional Memberships and Certifications:

Mr. Bussey is licensed to practice law in the following jurisdictions:

- Massachusetts, 2009
- United States District Court of Massachusetts, 2009
- United States Tax Court, 2012
- Rhode Island, 2008 (inactive)
- United States District Court of Rhode Island, 2009 (inactive)

He is also a certified mediator and is involved with several Boston area organizations, such as the Council for the Museum of Fine Arts and the Esplanade Association.

Company/Professional History

Calyptus Consulting Group, Inc. was incorporated in June 1992 as an independent company focusing on improving supply management performance for clients. We are a small business operating from offices located in Cambridge, Massachusetts. Dr. George Harris is the company’s president and principal. Since we are small, we can react quickly and responsively without the lag time experienced by large companies.

We are widely respected in the supply chain and general management areas; and recognized by ISM (formerly National Association of Purchasing Management), NCMA (National Contract Management Association) and American Management Association (AMA), as a firm having unique acquisition and facilitation expertise.

Calyptus specialized in providing facilitation, consulting, and training solutions to clients to improve quality, supply chain management, core competencies and organizational performance. We assist Fortune 500 companies and government clients developing custom-made procurement and contracting strategies that focus on and improve client capabilities, performance and goals.

Calyptus prides itself on the ability to provide services that address purchase made by including basic manufacturing, electronics, defense/aerospace, government, software, financial services, consumer goods, chemicals and oil industries, and health care organizations. Our mission is to help our clients with the ever-changing dynamics of managing change. We guide clients through improving their human resource capability. We train client staff and assist in implementation of continuous improvement initiatives. We also assist companies in developing an overall procurement strategy that is necessary to ensure that alignment exists across all organizational departments.

We offer a proprietary procurement resource utilization assessment that can apply to any organization. We also employ a 6-Step Continuous Improvement Model that assists our clients in improving procurement and administrative processes. We help clients assess their entire organizational culture and leaderships by using standardized, proven techniques and questionnaires.

Subcontractors

No subcontractors will be used for this effort.

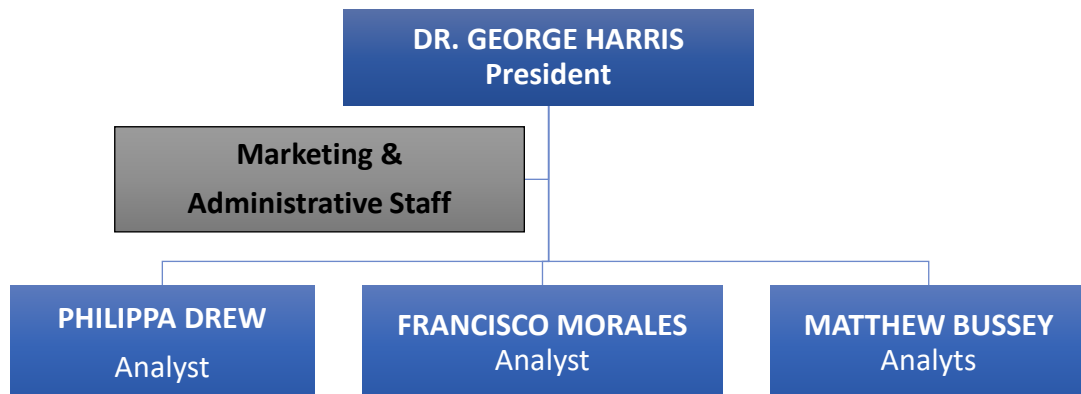
Listing of Current Accounts

Client	Project	Project Period
Federal Transit Administration	Triennial Reviews	2013-Present
Federal Transit Administration	Title VI, EEO, and DBE Civil Rights Reviews	2015-Present
Pennsylvania State System of Higher Education	Spend Analysis and Strategic Sourcing Recommendations	2016-Present
Pace Suburban Bus Service of the RTA	Title VI Plan Review, Drafting, and Submission	May 2017-Present

Orange County Transportation Authority	Subrecipient Monitoring	2013-Present (multiple)
Michigan Department of Transportation	Training Plan and Curriculum Development with Pilot	2016-Present
North County Transit District	Procurement and Administrative Review and Training	2013-Present
Court Services and Offender Supervision Agency	Procurement, Finance, and Administrative Process Review and Support	2016-Present
National Association of State Procurement Officers	Various Training Programs	2015-Present
General Services Administration	Various Training and Procurement Services	2015-Present
Department of Energy	Various Training Programs	2015-Present
US Department of Agriculture, Forest Services	Various Training Programs	May 2017-Present
State of Washington	Lean Methodology Training and Implementation	2016-Present
State of Connecticut	Lean Methodology Training and Implementation	2016-Present

Organizational Chart

Dr. Harris is the president of Calyptus and is the proposed project manager. He has managed all the projects noted in this proposal. He has been a consultant since 1987 and has worked in the transit industry and with the Department of Transportation (DOT) and FTA since 1996. All the individuals in the chart above have conducted triennial reviews, DOT training and technical assistance, and specialized procurement, disadvantaged business enterprise (DBE), Title VI, and equal employment opportunity (EEO) compliance reviews for the FTA. In addition, the team has worked with DOT grantees and sub-recipients directly on consulting projects covering organizational assessments, compliance reviews, staff skill evaluations, and policy and procedure reviews.



Outline of Experience in Procurement Process Assessment

We have completed similar projects to the work described within the Scope of Services for a wide range of clients. Our experience spans multiple city and county-level projects as well as statewide and federal work. The exhibit below provides highlights of our client experience within key areas relevant to this proposal and the requirements noted in the RFP.

Benchmarking Consulting	Procurement Process Improvement	Procurement Compliance	FL Government Experience
<ul style="list-style-type: none"> •Texas A&M University •Fulton County, GA •City of Sacramento, CA •Philadelphia Housing Authority •Pennsylvania Turnpike Commission •City of Portland, OR •Washington Metropolitan Area Transportation Authority •City of Sacramento 	<ul style="list-style-type: none"> •Federal Transit Administration •Nassau Inter-County Express •Bureau of Engraving & Printing •U.S. Department of Education •State of Georgia DOAS •QinetiQ North America •North TX Veterans Association •U.S. Marine Corps •City of Sacramento •Fulton County •NCTD •OCTA •Minneapolis Public Housing Authority •First Energy Corp 	<ul style="list-style-type: none"> •Federal Transit Administration •Philadelphia Housing Authority •Fulton County, GA •Minneapolis Public Housing Authority •Bureau of Engraving & Printing •QinetiQ North America •First Energy Corp 	<ul style="list-style-type: none"> •Lee County •Palm Beacg •Broward County •Indian River County •Escambia County •Orange County

Calyptus group has completed numerous procurement and supply chain consulting efforts Nationwide. Selected projects are highlighted below.

- **FTA TRIENNIAL REVIEWS**
Comprehensive process management assessments of over 80 government transit agencies that include procurement, internal controls, and operational measures.
- **FTA PROCUREMENT SYSTEM REVIEWS**
Detailed process management assessments of over 120 government transit agencies focused on all aspects of procurement.
- **MINNEAPOLIS PUBLIC HOUSING AUTHORITY**
Detailed business process, compliance, and policy/procedure assessment of a public agency procurement department.
- **FULTON COUNTY, GEORGIA**
Detailed business process, compliance, and policy/procedure assessment of a county procurement department
- **WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY (WMATA)**
Detailed business process, procurement, and inventory management assessment.

- **ORANGE COUNTY TRANSPORTATION AUTHORITY (OCTA)**
 Comprehensive assessments of California government agencies that include procurement, internal controls, and operational measures.
- **NORTH COUNTY TRANSIT DISTRICT (NCTD)**
 Detailed process management assessment of California government transit agency focused on all aspects of procurement.
- **GEORGIA DEPARTMENT OF ADMINISTRATIVE SERVICES (DOAS)**
 Conducted analysis of strategic sourcing and spend analysis at the statewide level.
- **STATE OF MICHIGAN**
 Conducted strategic sourcing and spend analysis process assessment for a statewide public procurement agency

Staffing, Functions, and Methodology

Calyptus offers a highly-experienced team with expertise in the public sector, procurement, oversight, and compliance. All of these individuals have procurement process improvement experience.

Individual	Project Role	Government Experience (Yrs.)	Purchasing Process Consulting Experience (Yrs.)	Education / Certifications
Dr. George Harris	Project Manager, Lead Consultant	40	37	DBA, CPM, CPCM
Philippa Drew	Project Analyst	4	3	MA,
Francisco Morales	Project Analyst	7	2	J.D.
Matthew Bussey	Project Analyst	4	2	J.D.

Our team has unique skills and experience. We performed identical projects for the following clients in the last three years:

- City of Rockville
- Federal Transit Administration Triennial Reviews
- Federal Transit Administration Procurement System Reviews
- Pennsylvania State System of Higher Education
- Office of Personnel Management
- State of Michigan
- State of Georgia

All staff participated in FTA reviews as well as on the PASSE review and recommendation development. All are also familiar with the work completed for the State of Michigan.

All staff have experience with reviewing and conducting procurement statutes and regulations, policies and procedures, organization capabilities, IT systems and options, customer service

reports (users and suppliers), business processes and best practices. We are experts in specification and SOW development as well as best practices in solicitation content and development. All staff have advanced degrees.

The team has also recently developed new methods to review procurement processes, evaluate organizational headcount and abilities, and develop methods of ensuring effective customer service in procurement.

Project Plan

The project plan is defined by the three key objectives in the RFP. The studies will first include gathering data on statutes, ordinances, policies, and procedures, investigating a contract sample, analyzing the full process. This data collection will inform the study analysis and identifying risk areas, gaps against best practices, and overall process impact. Recommendations will be directly built on these studies. Details for each are provided on the follow pages.

1. Study the current procurement processes and requirements
2. Study the impact of procurement processes
3. Recommend changes

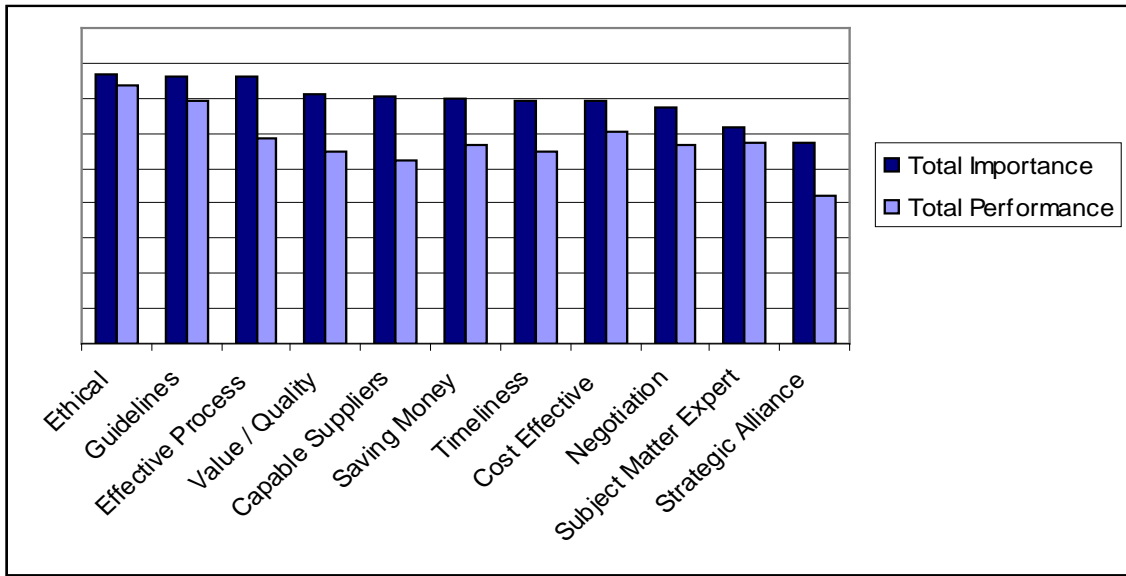
Each project step will rely on a variety of research and data collection techniques and tools:

In-Depth Interviews

Interviews are conducted with both Purchasing and Contracts Department stakeholders and internal customers such as program managers. We recommend the involvement of internal customers in this type of assessment to provide a holistic picture of the organization and its capabilities. The interviews are typically one-on-one for a period of up to ninety (90) minutes. Calyptus develops a standard interview guide for each client engagement that is consistently utilized for each interview.

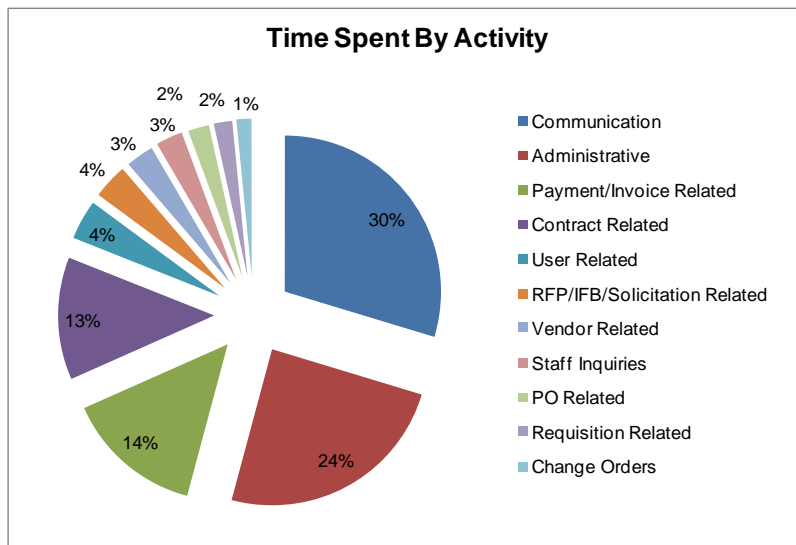
Surveys

Whereas in-depth interviews add qualitative depth to our research, Calyptus also finds surveying to be a useful method for collecting more quantitative, department-wide feedback. All surveys will be designed according to our research methodology which begins with defining research objectives with the Subcommittee. Our past organizational assessment survey work has covered areas such as organizational direction and performance, organizational structures and relationships, communications and management processes, job content/skills, and organizational culture/environment. Calyptus often uses survey data to develop a gap analysis on key areas. Following is an example of the output from gap analysis:



Observational Techniques

Given the potential challenges of asking employees to self-report information on their responsibilities, workload, and skills, we find that adding an observational component to our assessment adds a helpful dimension to the picture of the workforce. Calyptus will observe selected staff members from department teams for periods of up to two days and track aspects such as tasks completed, time spent by activity, communication methods, and skill sets utilized. By observing each team within the organization such as Contract Compliance and Purchasing Teams, we will be able to derive a picture for the organization as a whole. Following is an example of the output from observing time spent by activity:



The methodology described in the section will be tailored towards gauging a better understanding of the effectiveness of organizational structure; staff utilization and workload; current workforce skills and areas in need of improvement; and the adequacy of current training

programs. Goals and objectives in each of these areas will be established with the Subcommittee upon kick-off meetings to begin the assessment project.

Recommended Focus Areas on the Legislation and Processes

Based on the information provided in the Statement of Work, Calyptus suggests focusing on the following questions and objectives in designing this study:

- The role of the department in helping internal customers accomplish their objectives
- How internal customers engage and communicate
- Challenges faced in meeting objectives
- Results expected of the department by internal customers
- Suggestions on how the department assigns resources (e.g., buying assignments)
- Processes in need of elimination
- Suggestions for improving the department
 - Legislation
 - Requirements
 - Processes
 - People
 - Systems
 - Roles and Responsibilities
 - Policies and Procedures
- Training needed for the department
- How to reduce costs and ensure continuity of service
- Best practices exhibited by the department
- The alignment of goals and objectives across the department
- Work tasks and activities being performed properly versus inadequately
- Work tasks viewed as tactical versus strategic and time allocated to each task
- Additional resources needed within the department
- Preferred organizational design/layout
 - By product/service
 - By user/stakeholder/department
 - By work process
 - Centralized, decentralized, or hybrid

Preparation

[Assimilate Background Information](#)

Prior to the participation in the Phase One kick-off meeting, Calyptus will independently research the laws and procurement regulations regarding the State of Arkansas. We will review current policies and procedures, as well as standard acquisition documents such as RFPs, qualification request, contractual agreements, and documents supporting the current procurement system. Further, we will evaluate the result of any internal audits or external audits conducted on the procurement process.

[Schedule Kick-Off Meeting](#)

Calyptus will organize and attend a kick-off meeting with the Subcommittee separate from the Legislative Council and Policy Making Subcommittee of the Legislative Council meetings on

September 15 and 21. This kick-off meeting will be dedicated to discussing the parameters of the project and to addressing any questions about procurement laws, policies, and procedures relating to the procurement process. We will also present a draft work plan for Subcommittee endorsement/discussion during this meeting.

To make the meeting more productive, we will endeavor to review and evaluate the data described above.

Calyptus will prepare the minutes of the meeting. We would ensure that all key issues are included and addressed in the minutes, agreements made, and open action items if any. We will submit written minutes within three (3) business days following the kick-off meeting to the Subcommittee point of contact in printed form and in soft copy. Three (3) printed copies will be provided.

Participate in Other Scheduled Meetings and Conduct Interviews

Following the kick-off meeting, Calyptus will attend, schedule, conduct, take minutes, and/or prepare/present information relating to the project. These meetings will be held with the Subcommittee, Legislative Council members, procurement staff, other representatives, and other interested parties. We will participate/schedule these meetings at mutually agreeable times.

We would expect to provide status of our work in these meetings, learn the procurement issues, observe procurement meetings, and receive feedback and information from agency on project data, and other like purposes.

In all cases, we will submit written minutes to the point of contact within three (3) business days after these meetings are held in both printed form and in soft copy. Three (3) printed copies will be provided. In these minutes, we will indicate the impact of the meeting output on the project, our information needs, and our understanding of the State's procurement environment.

1. Study Current Procurement Processes

Assess Statutes, Ordinances, Policies and Procedures

Calyptus will first review the State's current procurement policy, regulations and standard documentation. Having performed scores of procurement system reviews for government clients, we have conducted in-depth analyses of policies and procedures documents for conformity to both best practices and Federal regulations.

Statutes, Ordinances, Policies, and Procedures

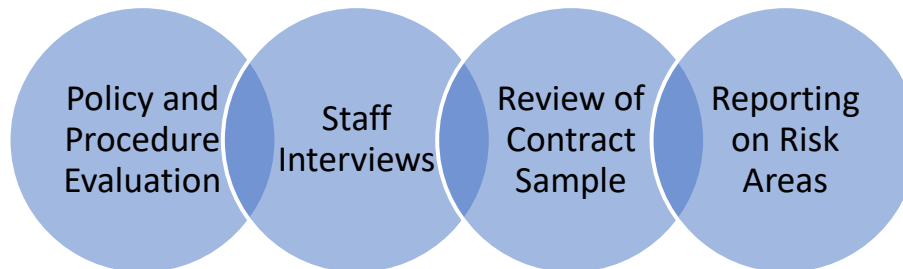
Calyptus Group has extensive experience conducting procurement system reviews that evaluate compliance with the FAR, agency procurement supplements, and state and local regulations. Following are two examples of past projects we have conducted in this area:

- **Federal Transit Administration** – Calyptus has performed over 100 procurement system reviews of FTA grantees to evaluate compliance with FTA Circular 4220.1F which sets forth guidelines for procurements involving federal funds.

- **Philadelphia Housing Authority** – Calyptus updated policies and procedures and developed a complete desk manual for the fourth largest housing authority in the country to ensure standardized processes and compliance with the HUD Handbook as well as Pennsylvania State law. We also performed comprehensive training for procurement and contract department staff on the new policies and procedures.

Our approach to the assessment of procurement system compliance spans the activities outlined below:

Exhibit: Calyptus Approach to Procurement System Compliance Assessment



Policy and Procedure Evaluation

As discussed in the Executive Summary of this proposal, Calyptus will evaluate the purchasing statutes that apply to the State’s policies and procedures. We will identify those procedures that are mandatory, those that are desirable or based on best practices, and those that are not necessary. We will also identify policies and procedures that are needed to comply with the statutes and/or regulations. This will provide an opportunity for the Subcommittee to make decisions on potential changes that could free up resources, improve lead time and improve quality. Calyptus encourages a collaborative, open review process to facilitate open sharing of information for the purposes of bettering the organization.

We will evaluate the selection process included in the procurement policies and procedures and will flow chart the key steps and time frame requirements, including approvals. This will allow for the analysis of the efficiency and effectiveness of the selection process. Areas of risk to the procurement system will be flagged and suggestions will be made in these areas.

Discussion of Regulatory Environment

State agencies in Arkansas, such as the Department of Finance and Administration, are subject to a wide array of statutes, regulations, and rules that govern the procurement process. This regulatory environment involves a complex web of federal, state and local laws, as well as rules that have been promulgated under the authority of these laws or by state agencies.

Calyptus has conducted an initial review of this regulatory environment for the purposes of this proposal (Please See Exhibit – Legislative and Regulatory Environment).

Legislative and Regulatory Environment:

Federal Regulations

FAR

24 CFR

Arkansas Code of 1987 Annotated

Title 19, Chapter 11
Title 12, Chapter 30
Statutory Procurement Rules
State Procurement Rules (OSP)

As the primary regulatory document at the federal level for government procurement, FAR compliance is an important component of any policy and procedure review as most agency procurement supplements and policy documents are derived from this source.

The Arkansas Code of 1987 Annotated is a set of state statutes enacted by the General Assembly. Title 19, Chapter 11 is titled the “Arkansas Procurement Law” and is the primary source of state procurement law. It has stated purposes that include the modernization of the law governing procurement by the state, providing increased public confidence in the public procurement process, and increasing economic activities by fostering effective competition.

In addition to Title 19, numerous state procurement rules have been promulgated under the authority of Title 19’s subchapters. Additional rules which impact the procurement process have been put forth by the Office of State Procurement. The large volume of overlapping regulation can cause difficulty in ensuring that the resulting interplay supports stated goals, such as bolstering the economy through effective competition. Accordingly, in order to enable the statutory framework to achieve its express objectives, it is pivotal to conduct careful analysis of the existing procurement process and the laws and rules that govern it. For the City of Sacramento, California, we analyzed existing policies and procedures against the relevant statutes and administrative regulations and then identified gaps and provided recommendations.

We have included an excerpt from the comparison on the following page.

City of Sacramento, California
API #48: Contracting for Public Projects

This policy instruction addresses the contracting for public projects. It does not contain any elements that explicitly conflict with the Charter, but it fails to encompass all the requirements of the City Code as noted in the following chart:

Areas of Requirements Not Adequately Covered in Administrative Policy Instructions

CITY CHARTER	CITY CODE	API
	3.60.030	3.56.030
	and	
	Contract Splitting: It is unlawful to split or separate into smaller units any requirement for the undertaking of a public project/any requirement for supplies and nonprofessional services, for the purpose of evading the provisions of this chapter. Splitting or separating a transaction shall mean and include reducing the size of the public project/the amount of any supplies or nonprofessional services to be furnished to the city under circumstances where there is a reasonable knowledge that the remaining	One line sentence in Scope and Purpose of both API for Public Projects (API #48) and API for Procurement of Supplies and Nonprofessional Services (API#1): “Splitting of requirements into smaller dollar values to avoid competitive bidding or the provisions of this policy is strictly prohibited.”

work after such reduction/ the same supplies or nonprofessional services will be additionally required within the same budgetary term, that there are funds available for that project or purchase, and the sole purpose is to knowingly avoid formally calling for bids.

Article XIV, Section 201 3.60.020

Contract will be open to competitive bidding and that the procedures for such bidding shall include the public advertisement thereof and an award to the lowest responsible bidder

Determination of lowest responsible bidder:
- Lowest responsible bidder is decided based on: (i) quality of public project to be provided by the bidder; (ii) the ability, capacity and skill of the bidder to perform the contract; (iii) the ability of the bidder to perform the contract within the time specified, without delay; (iv) the character, integrity, reputation, judgment, experience and efficiency of the bidder; and (v) the quality of the bidder's performance on previous contracts with the city.

No mention/definition at all of 'lowest responsible bidder' in API #48 for Public Projects

3.60.110

Advertising required when \$100,000 or more: at least once not less than fifteen (15) calendar days before the date the bids are opened, in one or more daily or weekly newspapers, trade association publications, trade journals, minority or trade oriented publications, or other media available to minority or women's business enterprises that are interested in participating in the project.

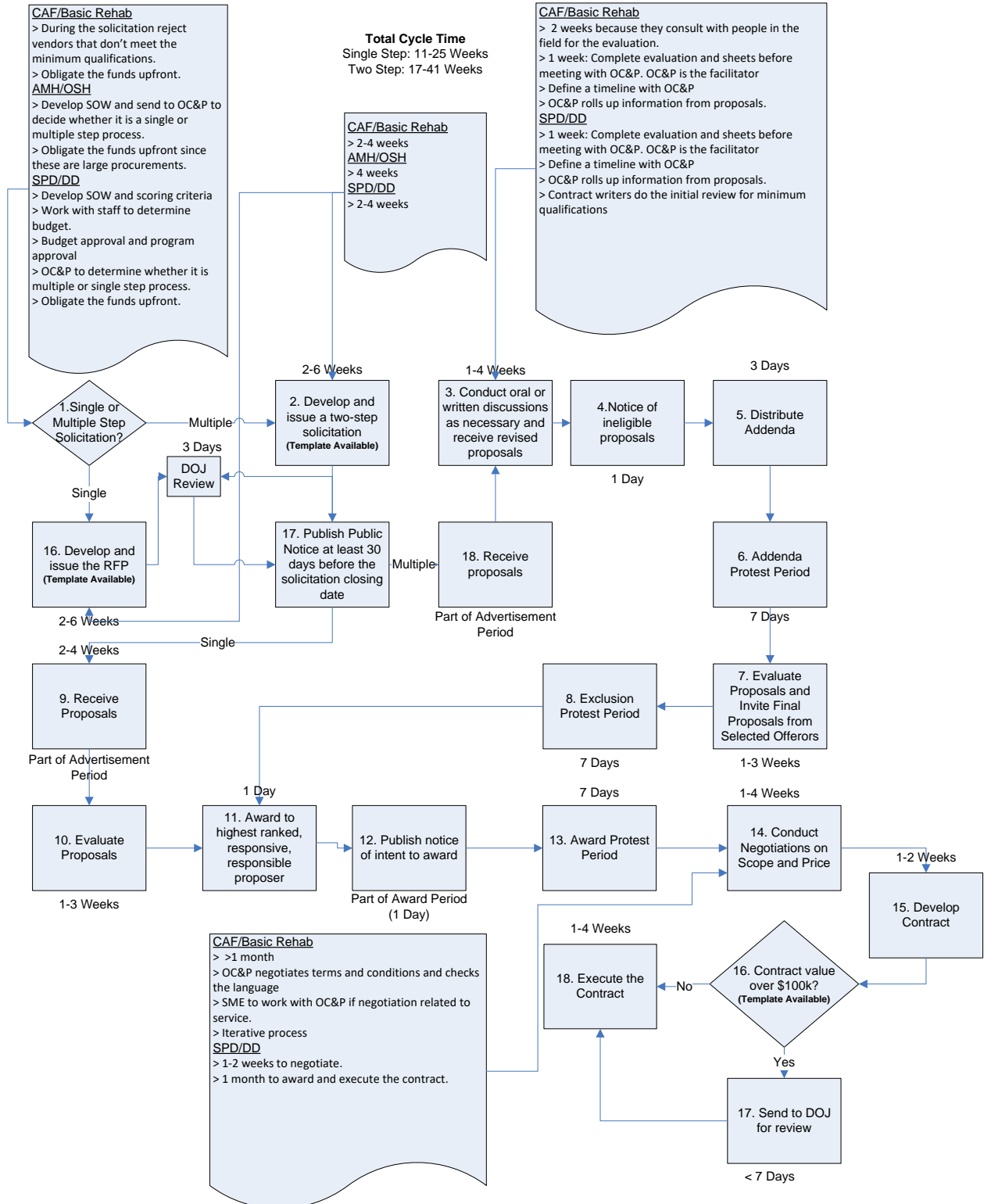
Time to advertise is not specified in API #48 for Public Projects:
"Formal competitive bidding and advertising through the City Clerk's office is required for all contracts with total estimated value of \$100,000 or more. In addition, all such contracts shall be advertised on the City's web site for Contracting Opportunities."

Impact of Key Process Factors

Calyptus has tools and experience to thoroughly examine and study the impact of specific steps within the procurement process, which can inform recommendations to overall process changes. The section below highlights examples of a Competitive Sealed Proposal Process Flow, a Competitive Sealed Proposal: Single Step Analysis, and a Competitive Sealed Proposal: Multiple Step Analysis.

Competitive Sealed Proposal Process Flow: Single and Multiple Step

Competitive Sealed Proposal



Competitive Sealed Proposal: Single Step Analysis

1. The cycle time could range from 11 to 25 weeks. Of this amount, only 7 weeks is based on statute/rule.
2. The creation of the solicitation requires a lead time of 2-6 weeks. This step can be reduced by developing templates, gaining service/product expertise, and providing training on the requirements for SOWs and solicitation completion.
3. More planning and development of evaluation frameworks would reduce the amount of time needed for the evaluation of proposals. Evaluation meetings can be established prior to the proposal receipt date.
4. Negotiations on price and terms can be completed by planning for discussions at the time of the intent to award announcement.
5. Pre-planning and discussions with DOJ could reduce the amount of time required for DOJ review and approval. Research should be performed to determine whether class exemptions can be made if OC&P follows the agreed-upon solicitation and contract formats.

Recommendation 3: Reduce Competitive Sealed Proposal – Single Step Cycle Time

The target cycle time should be NTE 18 weeks from the receipt of the Form 118.

Competitive Sealed Proposal: Multiple Step Analysis

1. The cycle time could range from 17-41 weeks. Of this amount, only 9 weeks is based on statute/rule.
2. The creation of the solicitation requires a lead time of 2-6 weeks. This step can be reduced by developing templates, gaining service/product expertise, and providing training on the requirements for SOWs and solicitation completion.
3. More planning and development of evaluation frameworks would reduce the amount of time needed for the evaluation of proposals. Evaluation meetings can be established prior to the proposal receipt date.
4. Negotiations on price and terms can be completed by planning for discussions at the time of the intent to award announcement.
5. Pre-planning and discussions with DOJ could reduce the amount of time required for DOJ review and approval. Research should be performed to determine whether class exemptions can be made if OC&P follows the agreed-upon solicitation and contract formats.

Recommendation 4: Reduce Competitive Sealed Proposal – Multiple Step Cycle Time

The target cycle time should be NTE 22 weeks from the receipt of the Form 118.

[Study the levels of standardization for specifications and bid and proposal documents.](#)

In the course of our review of business processes and flowcharting of procurement processes, we will pay special attention to the degree of standardization achieved in specifications and bid and proposal documents. An insufficient degree of standardization creates longer lead times, inefficiencies, and new room for error in the creation of quality documents.

We will begin our assessment of standardization levels by reviewing all available templates and standardized documents. Each document will be assessed using a three-point check for consistency with:

1. All applicable Federal and local regulations;
2. All other related/interrelated documents; and
3. Procurement best practices.

We will then choose a file sample of procurements made for each threshold where a template is available. We will review the solicitations within each of these procurement files to determine whether a standardized template was used and if it was used correctly. We will look for patterns where certain users, groups, or types of purchases are not using standardized documents, and then conduct interviews to determine the reason for non-standardized document development.

The outputs of this effort will be a statistical survey of the extent to which standardized documents are used and the effect on cycle times, an analysis of barriers to standardized template used, an evaluation of the current set of standardized documents and recommendations for improvement both in the templates and the use of these templates.

[Analyze Full Cycle Procurement Process and Key Steps to Procure Products and Services](#)

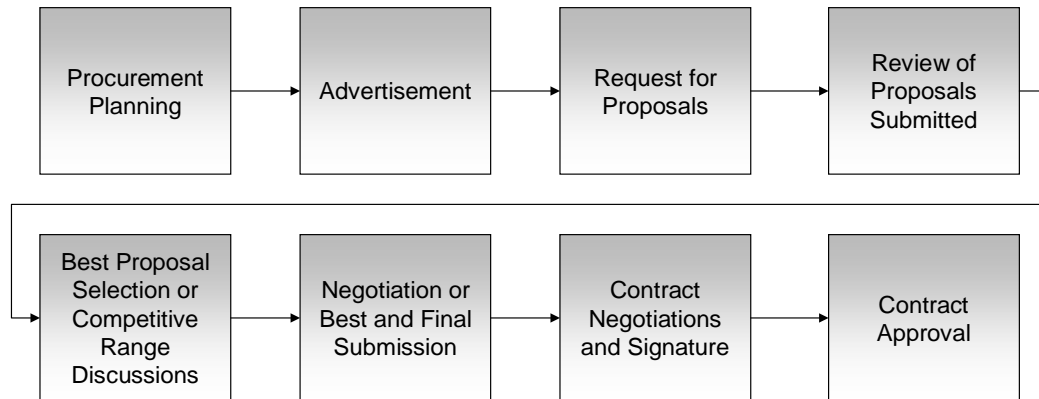
For this analysis, we will flowchart the steps to be followed by State staff to procure the products and services needed. We will examine how requests are received, conducted, prioritized, scheduled, and completed.

Further, Calyptus will identify the cycle times for all internal work processes, and the output of each step. To the extent possible, we will evaluate the quality of the outcome produced. If there are unique aspects of the processes used, such as for purchases under Government grants, we will evaluate the cycle times for each step of the process and the outcome achieved.

As part of the processes used by the State, internal approvals are required. We will review the extent of internal approvals required, Agency policies, the documentation needed for approval, the timing of the approval in relationship to the overall procurement process, the cycle times required (like waiting for monthly meetings), and the percent of time approval takes in relation to the overall cycle time for the process.

Calyptus will use three (3) data sources when assessing internal processes:

1. State Purchasing Laws and Regulations
2. The procurement System Review process dealing with products and services for all methods of procurement
3. Inevitably, the internal work processes will include all elements of the acquisition, as indicated in the following chart:



This is a generic process, and Calyptus will review each step in a comprehensive manner to include a flow chart of sub-steps, level of effort expended, key inputs and outputs, and sub-step performance. The focus of this task is to assess current business flows and internal controls, as well as roles and responsibilities.

As we review the steps of the procurement process, we will map the State Procurement process documentation used for each, such as desk procedures. We will also evaluate the training deployed to assist staff to use this documentation.

Calyptus will receive procurement volume information over the last two (2) fiscal years (or last two (2) sequential years) for State procurement activities. This information will include:

- Number of contracts by type
- Dollar volumes by contract type
- Use of small/minority businesses
- Length of contracts
- Number of change orders and dollar amounts
- Number of contract claims or disputes
- Number of protests
- Trends/growth in volume and capacity of work assignments
- Average cycle time for procurements by contract type

We will review relevant procurement work products, data, reports, or other documentation created to implement the transformation initiative. This will likely add to new analysis of processes, procedures, category plans, and Council expectations.

Functional flow charts for each method of procurement will be created that will show the step in the procurement process, owner, lead time, quality performance (if available), IT system used, and the information required to ensure that the step is completed in an effective and efficient manner.

As part of this analysis, we will generate feedback from purchasing staff, and analysis of internal policies and procedures. We will present the flows in the context of 1) What “should be” based on regulations 2) “what is” based on how steps are completed and 3) what “could be” based on

best practices and our experience. The use of benchmarking information to streamline the process will be examined in Task VI.

Conduct Staff Interviews

We will also interview key members of the Purchasing staff to learn the sourcing process for the State of Arkansas and the current strategy. Calyptus will structure these interviews so that the following aspects of strategic sourcing can be determined:

- a. Organizational structure
- b. Key players
- c. Roles and responsibilities
- d. Objectives and measures
- e. Organization key competencies
- f. Strategic sourcing process and spend analysis tools used
- g. Decision criteria for commodity team established to date
- h. Structure of commodities
- i. Plans for strategic sourcing
- j. Potential barriers
- k. Potential enablers
- l. Customer Service Expectations

These interviews will be conducted with staff members as well as key Subject Matter Experts (SMEs). We anticipate interviewing Purchasing and Contract Compliance staff. We will also interview stakeholders in all the other key functions such as Finance, IT, Inventory and Warehouse Management, and Human Resources. We will also collect data on the importance and performance associated with high priority procurement activities. Following are examples of questions utilized for these interviews:

- How are procurement policies and procedures documented? How do you assure that the documentation reflects current practice? That policies and procedures are followed? Who established procurement policies and procedures?
- How are staff within the department made aware of procurement policies and procedures?
- How do you monitor staff activities?
- Is there a written code of standards of conduct? If so, where is it published?
- How are potential conflicts of interest (real or apparent) determined?
- Does the agency have procedures for settling contract issues and disputes?
- Have there been any complaints of violation of Federal law or regulation?
- What are the procurement department's requirements for maintaining records detailing the history of a procurement?
- What is the contract administration system? Who administers the system? Is contractor performance evaluated? If so, how is it documented?
- How many procurement actions are processed per year?
- How are professional services procured?
- Are there conflicting regulations? If yes, how do you deal with conflicting regulations?

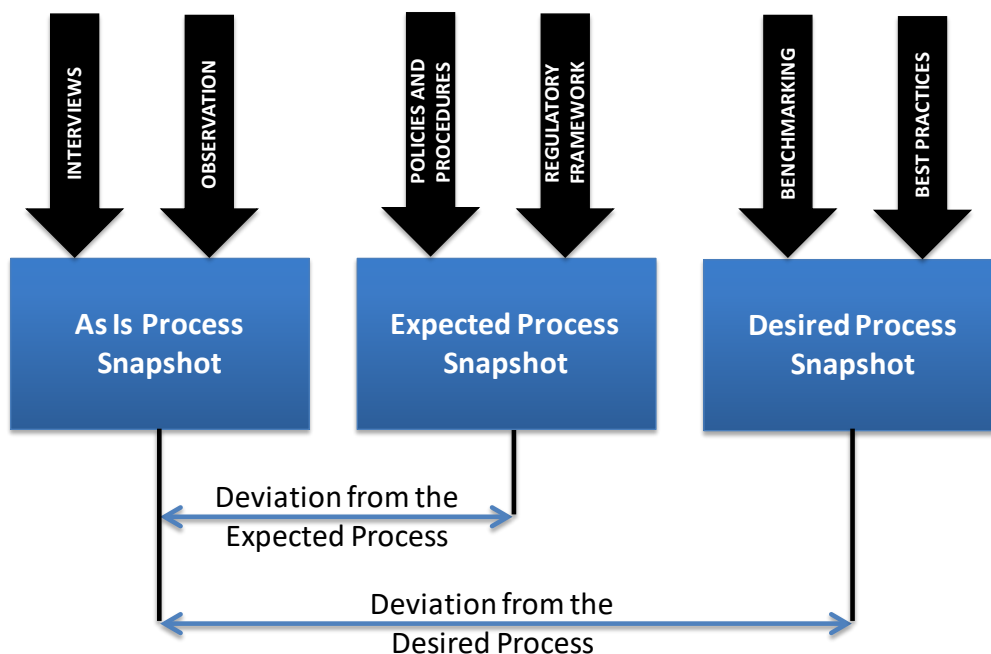
- Were there procurement issues raised in single audit, internal audit, or other review or audit?

2. Study the Impact of Procurement Processes

The reviews related to the first part of the study necessarily involve analysis and feed into the impact analysis informing this aspect of the study. Impact can be assessed by identifying risk areas, analyzing key steps of the process (such as the competitive sealed proposal process flow), assessing the level of standardization, and reviewing the process to develop specifications. We will evaluate the impact of regulations and processes on legal, architectural, engineering, construction management and land surveying professions.

Presently the types of work completed by these professions do not require competition. These will have noted effects on the fair and equitable distribution of state dollars and greatly affect the level of quality achieved. The regulations and laws governing the procurement of services for these professions are unclear and nebulous and require significant revision to be even close to common or best practice.

The current map identified through the first stage of the study is measured against risk areas, gaps, and best practices. Tools and methodologies for undertaking this part of the study are reflect in the illustration and pages below.



Identifying Policy/Procedure Risk Areas

The results of the policy/procedure evaluation, staff interviews, and contract file review will be recorded through interview forms, checklists, and Excel Spreadsheets to facilitate analysis of all insights collected from the assessment process. In addition to the detailed background and summary concerning each compliance element, an overall view of the assessment results will be provided. These results will be presented in a format that follows the example provided below that has been adapted from our work with past clients for the purposes of this proposal.

Exhibit: Summary of Assessment Findings by Element

No.	Element	Basic Requirement	Not Deficient	Deficient	Not Applicable
	<i>Specific Compliance Elements Evaluated (Examples Provided Below)</i>	<i>Corresponding Citation from Applicable Regulation</i>			
1	Written Standards of Conduct				
2	Contract Administration System				
3	Written Protest Procedures				
4	Pre-Qualification System				
5	System for ensuring most Efficient & Economic Purchase				
6	Procurement Policies & Procedures				
7	Independent Cost Estimates				
8	A&E Geographic Preferences				
9	Unreasonable Qualification Requirements				
10	Unnecessary Experience and Excessive Bond				
11	Organizational Conflict of Interest				
12	Arbitrary Action				
13	Brand Name Restrictions				
14	Geographic Preferences				
15	Contract Period of Performance Limitations				
16	Written Procurement Selection Procedures				
17	Solicitation Prequalification Criteria				
18	Award to Responsible Contractors				
19	Sound and Complete Agreement				
20	No Splitting [Micro-purchases]				
21	Fair and Reasonable Price Determination				
22	Micro-Purchase Davis Bacon				
23	Price Quotations [Small Purchases]				
24	Complete Specifications				
25	Adequate Competition - Two or Responsible Bidders				
26	Firm Fixed Price [Sealed Bid]				
27	Selection on Price [Sealed Bid]				
28	Discussion Unnecessary [Sealed Bid]				
29	Advertise/Publicized				
30	Adequate Solicitation				
31	Sufficient Bid Time [Sealed Bid]				
32	Bid Opening [Sealed Bid]				

33	Responsiveness [Sealed Bid]				
34	Lowest Bid [Sealed Bid]				
35	Rejecting Bids [Sealed Bid]				
36	Evaluation [RFP]				
37	Price and Other Factors [RFP]				
38	Sole Source if Other Award is Infeasible				
39	Cost Analysis Required [Sole Source]				
40	Evaluation of Options				
41	Cost or Price Analysis				
42	Written Record of Procurement History				
43	Exercise of Options				
44	Out of Scope Changes				
45	Advance Payments				
46	Progress Payments				
47	Time and Materials Contracts				
48	Cost Plus Percentage of Cost				
49	Liquidated Damages Provisions				
50	Piggybacking				
51	Qualifications Exclude Price [A&E]				
52	Serial Price Negotiations [A&E]				
53	Bid Security [Construction over \$100,000]				
54	Performance Security [Const. over \$100,000]				
55	Payment Security [Construction over \$100,000]				
56	Clauses				

Calyptus Group is confident in this approach, as it has been tested successfully with more than 100 government entities. We feel that this methodology will address the State of Arkansas’ needs in the areas of procurement system compliance and will meet the requirements set forth in the RFP.

Additionally, we have over 100 templates that we can recommend to clients to improve documentation in any areas found to be deficient.

Furthermore, we will rate the maturity of policies and procedures based on the following 4-point scale:

Rating	Maturity Level
4	Formal policies are documented in a policy manual and communicated to staff. In addition, there are formal procedures and process maps that describe the steps to implement the policy. Formal performance metrics are tracked as part of the KPI structure.
3	Formal policies are documented in a policy manual and communicated to staff. Some procedures are formalized and included in the policy manual; however, there are no process maps. The majority of procedures are informal and are not documented in the policy manual. Staff is made aware of procedures through verbal instruction only. Procedures vary from location. No formal performance metrics exist.

- 2 Formal policies are documented in a policy manual; however, these policies are not communicated to staff. No formal procedures are documented in the policy manual. Staff is made aware of procedures through verbal instruction only. Procedures vary from location. No formal performance metrics exist.
- 1 No formal policies or procedures are documented. Staff is made aware of policies and procedures through verbal instruction only. Policies and procedures vary from location. No formal performance metrics exist.

Review the process used to develop specifications and qualifications, identify the steps in the process that may result in unnecessarily high specifications, qualification or requirements.

In conjunction with flowcharting business processes, we will break down the procurement process to analyze the specific steps used by the State of Arkansas to develop the specifications, qualifications and requirements included in bid documents. We will also examine the extent to which internal controls are in place that allow buyers to monitor and correct for restrictiveness in specifications.

The first step in determining the process will be to interview both procurement and stakeholder staff to understand the current process in place, as well as the methods of communication, approval thresholds and other process-related factors that impact the development of specifications. We will flowchart this as a call-out of the larger business process flowchart and analyze in relation to best practices in public procurement processes, noting where inefficiencies or ambiguities in the process exist.

We will then evaluate the process in relation to the quality of the output. This will entail a review of specifications used in past procurements to determine whether unnecessary items, qualifications or requirements were included that may have limited competition and/or raised the contract price.

A targeted examination of sole source procurements, brand name procurements, and procurements where only one bid was received will be conducted in order to identify where competition may have been unnecessarily limited by specifications. We will review the specifications against commercially available products to determine if other companies could have provided a comparable good or service if the specification had been written differently. Based upon this examination and our knowledge of the procurement process, we will triangulate the weak points in the system that are allowing overly restrictively specifications to be included in procurements.

We will also look at the process for identifying and correcting overly restrictive specifications in cases where one bid is received. We expect to see, at minimum, that the buyer contacted other bidders that were expected to respond, but didn't, to determine why they did not respond. If the answer is that other bidders were simply busy with other projects, then a written justification attesting to that fact should be included in the file by the buyer. If the feedback is that none of the expected bidders could respond due to certain restrictive aspects of the solicitation, the buyer must consider revising the specification and re-competing. We have recommended the following template to FTA grantees in the past for use in single bid scenarios:

<p>Solicitation: _____</p> <p>Product/Service to be Procured: _____</p> <p>Bid or Proposal Due Date: _____</p> <p>Number of Solicitations Requested: _____</p> <p>Number of Bids Received: _____</p> <p>Reasons for Lack of Competition (based on Supplier Contracts)</p> <p>Lack competency</p> <p>Lack available resources</p> <p>Poor timing</p> <p>Short response due date</p> <p>Other: _____</p>	<p>Action to Plan:</p> <p><input type="checkbox"/> Award Contract Basis: _____</p> <p>_____</p> <p>_____</p> <p><input type="checkbox"/> Extend Deadline (modify solicitation):</p> <p>New Due Date: _____</p> <p>Reprocure:</p> <p>New Solicitation Due to be Completed: _____</p> <p>Projected Due Date: _____</p> <p>Signed: _____</p> <p>Title: _____</p> <p>Date: _____</p>
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In addition to our targeted review of procurements where limited competition existed, we will also examine procurements where prices received greatly vary from the initial internal cost estimates. We will look at the basis and quality of the initial cost estimate and then identify aspects of the specifications which may have led to a higher set of bid prices. We will then link back to the process flow to ensure that procedures include a review of the bid prices received again those estimated and an analysis of any variation that occurs.

In our experience, the typical situations that give rise to overly restrictive specifications include:

1. buyers do not understand the product being purchased or do not feel confident questioning the requests of the end user;
2. buyers do not have the authority to ask user if all requirements/brand names are truly necessary;
3. buyers are not evaluating the necessity of the requirements/brand names requested by the user, they are simply passing them through to the solicitation documents;
4. buyers are not evaluating the market place to identify the effect that a specific set of requirements or brand name will have on competition or raising the contract price; and
5. buyers are not communicating the effects on price that a certain set of requirements or use of a brand name will have to the end user.

In order to improve the process of communication between procurement staff and the end users, we have developed the following template. This template guides the buyer through a discussion with the end user that allows the buyer to determine what the user truly needs versus what they

think they want. It is a framework that does not require the buyer to be an expert on the product or service to be procured.

USER QUESTIONNAIRE

Name	Date
Project	User Dept. Name

SCOPE

Question

Answer:

1. Why is there a need for this requirement?	
2. What are the major tasks involved in doing this work?	
3. Who/what are the interface points between the work to be performed and entities/processes outside of the scope?	
4. Do any tasks or circumstances require approval before proceeding?	
5. At which location(s) will the work or delivery take place? (be specific)	
6. What is the approved budget?	
7. Are any elements of the work contingent on receiving (additional) funding?	
8. Who will oversee or approve this work?	
9. Are there any checkpoints that will require approval to proceed?	

OUTCOMES

Question

Answer:

10. What are the expected results or outcomes?	
11. Who is impacted by these outcomes?	
11a. What can be improved in the way this product or service is procured?	
11b. Are there any substitutes?	
11c. What can be improved in the way the product or service is delivered?	

REQUIREMENTS / DELIVERABLES

Question

Answer:

12. List your performance requirements for this work in order of priority.	
12.a.	12.d.
12.b.	12.e.

12.c.	12.f.
13. Are there any specifications or policies that need to be followed?	

TIMING

Question

Answer:

14. What is the timing and duration of the work?	
15. Are there any benefits to early completion?	
16. What are the consequences of delayed completion?	

QUALIFICATIONS

Question

Answer:

17. What skills or resources are required (MANDATORY) to perform this work?	
18. What (if any) special certifications, educational degrees, licenses or permits are required to do this work?	
19. What skills or resources would be helpful in the performance of this work (DESIRED but not mandatory)?	
20. Among the desired skill or resource requirements you have listed, which are the top priorities?	

QUALITY STANDARDS

Question

Answer:

21. What industry or independent standards can be used to judge the quality of this work?	
22. What company standards apply to the performance of the work?	
23. What other quantitative measures can be applied to evaluate the quality of the work?	
24. What (if any) qualitative standards should be used to evaluate the performance of the work?	
25. What (if any) significant gaps or defects in performance of this type of work have been noticed in the past?	
26. What is the acceptable error rate for each of your performance requirements?	

SELECTION EVALUATION CRITERIA

Question

Answer:

27. What are the mandatory key criteria for selecting the supplier to perform this work?	
27.a.	27.d.

27.b.	27.e.
27.c.	27.f.
Weight or prioritize these criteria.	
Can these be “go / no go” criteria?	
If not, how can they be measured or rated?	
28. What are desirable (but not mandatory) elements that would affect supplier selection?	
29. What scale can be used to rate these elements?	

KEY PERFORMANCE INDICATORS / METRICS

Question

Answer:

30. For each requirement or deliverable, indicate how performance can be measured. Where possible suggest metrics that can cover several requirements at once.	
30.a.	30.d.
30.b.	30.e.
30.c.	30.f.
31. How will this data be collected?	
32. Who will be responsible for the data collection and measurement?	
33. How will you be measured on the success of the implementation of this SOW?	
34. How will you measure overall success of the SOW?	
35. How frequently should each item be measured? (remember that frequency adds cost)	
36. How does each metric ensure success of the desired outcomes?	
36.a.	36.d.
36.b.	36.e.
36.c.	36.f.
37. Is a quality assurance person required for this SOW?	

FURNISHED MATERIALS

Question

Answer:

38. List any materials, equipment or information to be furnished that will require tracking.	
39. List any materials, information, or actions that could cause delays or problems beyond the vendor’s control.	

INCENTIVES OR PENALTIES

Question

Answer:

40. What (if any) incentives would be appropriate for this SOW? Why? Link specifically to desired results.	
--	--

41. What (if any) penalties would be appropriate for this SOW? Why? Link specifically to desired results.	
---	--

Additionally, sometimes buyers are unsure of how to write SOWs effectively, omit key pieces of information, or are unrealistic in their expectations. In order to address any buyer uncertainty that may exist, we have best practices and formats for SOW and specifications as well as public sector solicitations for comparison purposes. We also have a checklist for statements of work to ensure all specifications are clear enough to allow for the maximum response possible.

Checklist for Statement of Work

- | | |
|---|--------------------------|
| 1. Have the required project objectives and desired results been clearly and specifically described? | <input type="checkbox"/> |
| 2. Is the work statement sufficiently specific to permit the requisitioner and the contractor to make a list of manpower and resources needed to accomplish it? | <input type="checkbox"/> |
| 3. Has adequate background information been provided which would be helpful to provide a clear understanding of the requirements and how they are achieved? | <input type="checkbox"/> |
| 4. Are specific duties stated in such a way that the contractor knows what is required, and the receiving inspector who signs the acceptance report can tell whether the contractor has complied? | <input type="checkbox"/> |
| 5. Are sentences written so that there is no question of whether the contractor is to be obligated? (e.g., "the contractor will do this work," not "this work will be required") | <input type="checkbox"/> |
| 6. Is the proper reference document shown? Is it really pertinent to the task? Fully or partially? Is it properly cited? | <input type="checkbox"/> |
| 7. Are any detailed specifications or exhibits applicable? In whole or in part? If so, are they properly cited? (Use the latest available revision or issue of each document) | <input type="checkbox"/> |
| 8. Is general information separated from direction so that background information, and the like are clearly distinguishable from contractor responsibilities? | <input type="checkbox"/> |
| 9. Is there a date for each thing the contractor is to do or deliver? If elapsed time is used, does it specify calendar days or workdays? | <input type="checkbox"/> |
| 10. Are proper quantities shown? | <input type="checkbox"/> |
| 11. Have the headings been checked for format and grammatical usage? Are subheadings comparable? Is the text compatible with the title? | <input type="checkbox"/> |
| 12. Have extraneous materials and cross-references to contract clauses and general provisions been eliminated? | <input type="checkbox"/> |

13. Have all requirements been reviewed to ensure compatibility with the data requirements established for the project?	<input type="checkbox"/>
14. Does the SOW identify only “necessary” requirements?	<input type="checkbox"/>
15. Are security requirements adequately covered?	<input type="checkbox"/>
16. Are any government and grantee specifications or standards applicable? In whole or in part? If so, are they properly cited?	<input type="checkbox"/>
17. Have the type and quantity of reports required for delivery been specifically described and specified?	<input type="checkbox"/>
18. Has the role and responsibility of the project engineer been clearly identified?	<input type="checkbox"/>
19. Do the requirements create any organizational conflicts of interest? (contractor cannot be impartial or receive unfair compensation advantage)	<input type="checkbox"/>
20. Have other government or agency furnished resources been clearly identified?	<input type="checkbox"/>

Defining Targets

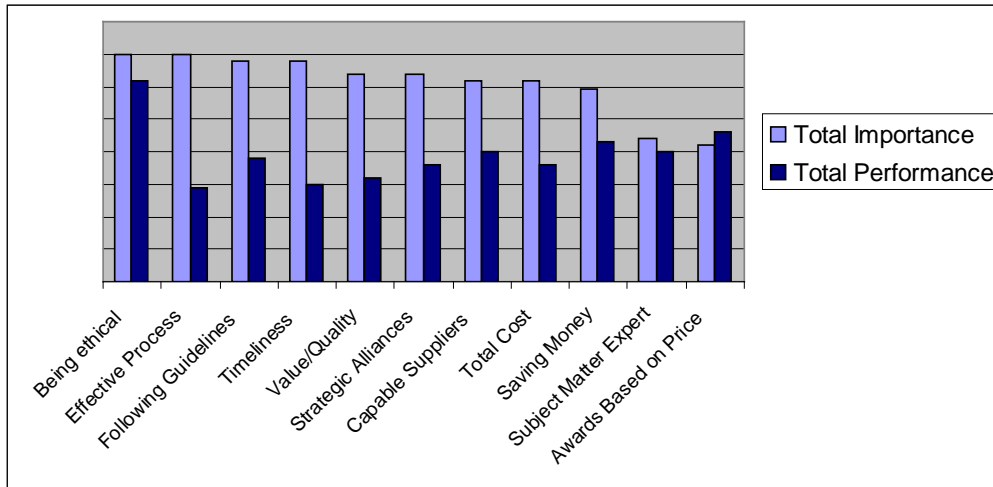
The aspect of the impact study will measure the current process map against staff and stakeholder targets. We will conduct interviews with internal customers in various departments, at least two Department Managers and direct staff members, as well as “key” users / requisitioners. Data from these interviews will provide a gap between task importance and performance, as well as provide data on key measures, communications, Service Level Agreements, and customer service governance and corrective action. In addition, we will survey the top 20 suppliers as well as 2-3 suppliers for 20 categories of purchase, and as directed by the Subcommittee.

Data from these interviews/surveys directly inform a gap analysis to guide recommendations. Examples of the type of charts available from this data are noted below:

Department Directors’ Importance vs. Performance

The following summarizes the key quantitative data from interviews with the Department Directors on the importance of selected procurement activities on the Division’s performance:

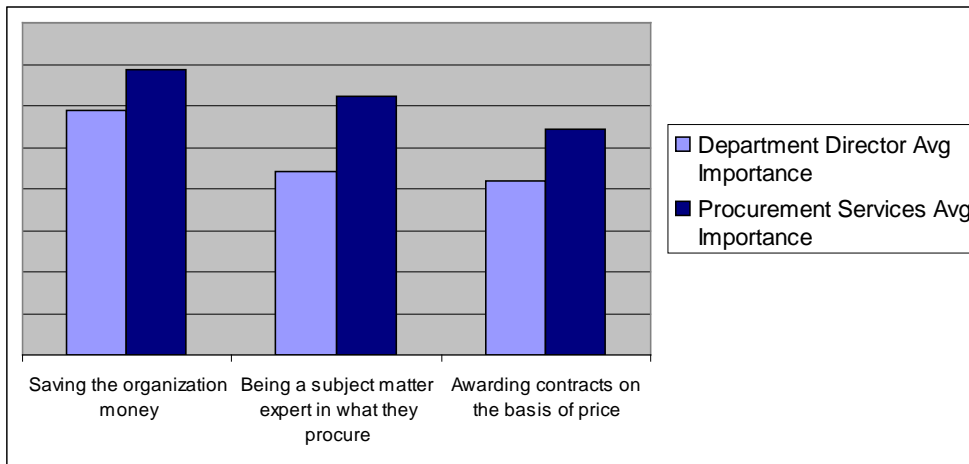
Gap Analysis of Key Areas (1=lowest, 7=highest)



Department Directors vs. Procurement Services Staff

The following gap analysis summarizes the key quantitative data from interviews with the Department Directors and Procurement Services staff:

Gap Analysis of Key Areas: Importance Ratings (1=lowest, 7=highest)



This type of data is helpful in developing new “to-be” processes based on key characteristics and also to define the measures, targets, and gives valuable information on priorities for purchasing and contract compliance.

3. Recommend Changes to the Procurement Laws, Regulations, and Processes

All recommendations will directly relate to the studies discussed above. The recommendations will form the logical conclusion to this analysis in the final report. Overall, the final report should summarize all results of the procurement system compliance review, past reports have composed of the following sections:

- I. Executive Summary
- II. Description of the Organization
- III. Scope and Methodology
- IV. Areas Not Deficient or Not Applicable to Federal and State Requirements

- V. Areas of Deficiency in Federal and State Requirements
- VI. Suggestions for Improving the Procurement System
- VII. Appendix

The Executive Summary and Description of the Organization will provide information collected from staff interviews and materials such as financial statements, small and minority business assistance data, and other reports. The Scope and Methodology section will describe our approach in detail including the number of contract files reviewed, staff members interviewed, and our system for arriving at areas of deficiency. The sections of the report discussing areas that are not deficient/deficient will provide the following on each element reviewed: 1) Full excerpts from guiding regulation; 2) Discussion of contract file review and areas found deficient versus not deficient and not applicable; 3) Best practices for approaching each requirement; and 4) Corrective Action (If Applicable).

The sections below highlight the means by which Calyptus will identify recommended changes. Recommendations will be built on attempts to streamline operations, benchmarking against best practices, and determining performance gaps. Methodologies for each are detailed in turn.

[Streamline Procurement Operations](#)

The outcome of the study will be a clear understanding of the procurement process as it is currently organized and the regulatory framework procurement defining standard operating procedures.

The proposed changes to the procurement processes that will constitute a blueprint solution for purchasing and contract compliance improvement. Within the scope of the project, the objectives are to:

- Address the gaps between “as is” and “should be” processes to discover the value-added and non-value added aspects of these process inputs, activities and outputs;
- Identify the most evolved, innovative, and effective procurement processes used by Best-In-Class organizations, that are applicable;
- Determine specifically how automation and standardization can most effectively be used in facilitating the processes; and
- Create a “To Be Design” for streamlined, more efficient and effective processes.

In this task, we will compare the State of Arkansas processes against other, best-in-class processes to determine the potential changes for improvement. The object of such comparison is to identify benchmarks which represent standards of best practice in measuring areas such as quality, value, or performance. By using benchmarking, we will identify where major changes to enhance performance are possible, and prioritize opportunities for improvement. We will review each potential change in the content of State systems, values, culture, and expectations.

We will also use LEAN tools such as value stream mapping method to sketch the workflow and identify potential non-value added activities and steps that are missing in the process. We will focus our efforts to simplify the process within the mandatory legal framework and make it more transparent and measurable.

We expect streamlining efforts to include:

- computerized information management,
- automated workflow,
- implementation of the prequalification system,
- use of standardized templates and forms and
- Web-based communication and eProcurement systems.

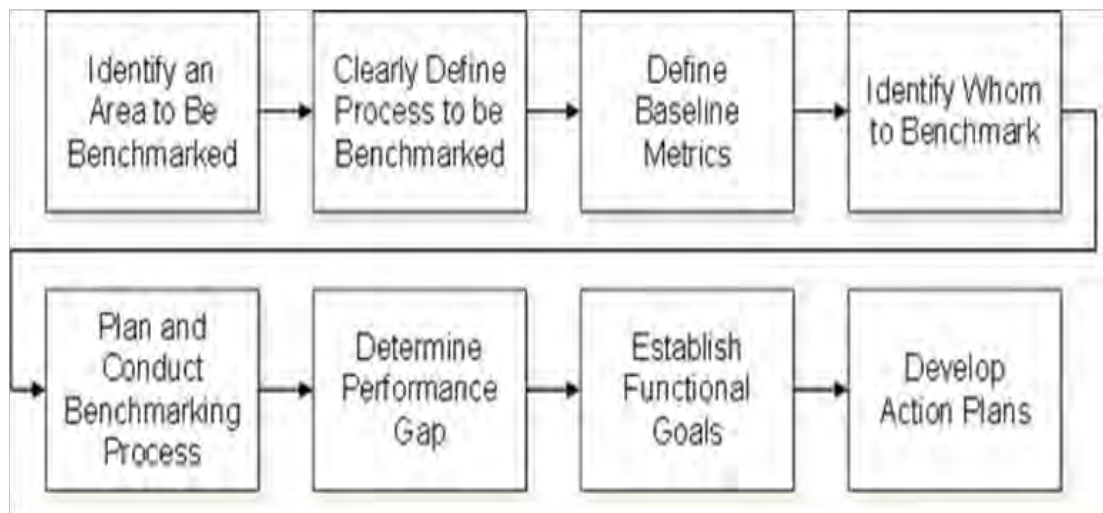
Based on our experience, the long-range objectives for a streamlined process should be to:

- Continual reduction or elimination of non-value added and redundant tasks;
- Reduction of reliance on paper-based methods;
- Facilitated workflow;
- Improved internal controls;
- Reduction in the procurement process cycle time;
- Improvement of administrative convenience for vendors and buyers;
- Improved ability to administer contracts throughout acquisition life cycle;

[Benchmark against entities to determine best practices and performance standards.](#)

For this task, we will utilize the benchmarking process that we have successfully deployed during a number of operational reviews for public entities, including the City of Sacramento, California, the City of Portland, Oregon, Texas A&M University and others.

The process is indicated in the flowchart below:



We will choose state governments of similar size to benchmark processes against. We will supplement this benchmarking research with benchmarking information from projects of similar size and scope that we have recently performed. Finally, we will augment this research with online research to identify any overarching best practices that may not have been observed in the selected sample population.

Identify Area and Clearly Define Process(es) to be Benchmarked

For this step, we break down the purchasing process into specific units of comparison to pin point areas where process improvement is required. Based on our current knowledge of the project, we propose the following benchmarks:

1. Process flow by procurement type
2. Number of staff and roles in procurement process
3. Workflow and approvals by procurement type
4. Process for development of specifications, statements of work, and solicitations
5. Process for review of purchases for lease vs. buy, and volume discounts
6. Purchasing metrics used (e.g. cycle time, cost management, compliance level)
7. Approval processes
8. Detailed review of each step-in procurement processes
9. eProcurement
10. Documentation requirements

Define Baseline Metrics

Our metrics will be appropriate to the benchmark line item. They will include numerical metrics, process flows, and narratives on best practices.

Identify Whom to Benchmark

With the input and agreement of the Subcommittee, we will select a sample of states of similar size to benchmark. Additionally, we will review the State's major spend categories to ensure the benchmark counties selected are purchasing from similar categories. If a major category for the State is not a major category purchased by any of the other benchmark counties, we will augment the benchmark sample with counties making similar purchases, as this may influence the procurement methods used (sealed bids vs. requests for proposals) and other procedural issues.

We will also develop a list of potential benchmarks of states with similar spend categories based on our interviews with staff.

Plan and Conduct Benchmarking

We will conduct the benchmarking process through a series of telephone interviews and a review of the procedures manuals and other background data for the benchmark counties. Where information received from a state is deemed to be insufficient for an in-depth comparison, we will select a substitute for benchmarking purposes.

Determine Performance Gap, Establish Goals and Develop Action Plans to Improve Efficiency and Effectiveness

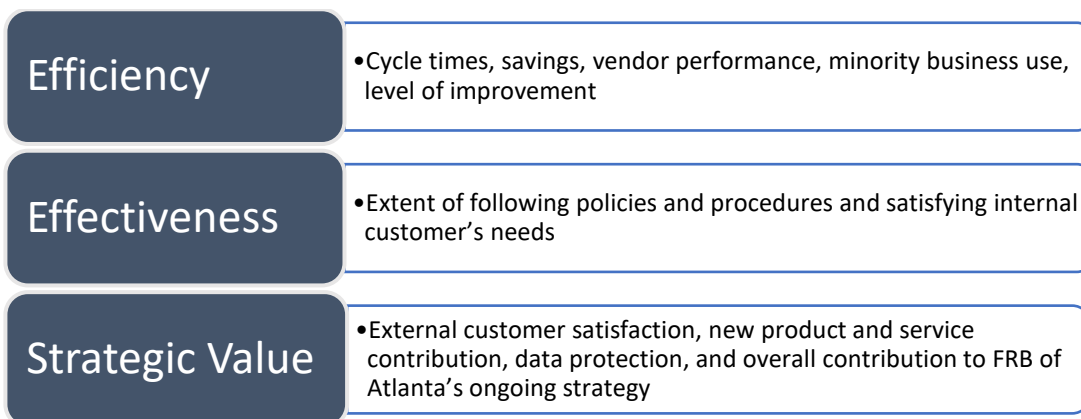
Calyptus, through its interviewing cycle, will learn the strengths and weaknesses of the department, the level of service provided, its reputation, and how it contributes to the overall goals of Purchasing and Contract Compliance. As interviews are completed and data is collected, we will assess the effectiveness of the department in meeting the organization's expectations and provide strategic and competitive value to the overall organization. We will evaluate the following:

- Current goals and results
- Customer service level

- Strengths and Weaknesses
- Organization Expectations

These four areas will be evaluated against world-class standards. One of the ways discussed in this proposal is to evaluate the Procurement Department against a maturity model leading to world class performance. Current results then can be compared with the best manifestation of the specific procurement performance area and plans can be developed to move the organization forward. We have used a 12 category, 53-element model to move organizations forward. Guidance documents are available that address how performance in specific areas can be accelerated that are tied to customer expectations.

We will make recommendations on how to strengthen efficiency, effectiveness and strategic value as defined below in relation to the customer’s needs:



Gaps will also be identified against the list of best practices based on the benchmarks and determine the performance gap between Arkansas and other states of a similar size. Based on this performance gap, we will then create a list of goals for improvement and recommend specific actions to be taken to address the gaps in performance and achieve best-in-class status.

Actions proposed may range from re-assigning tasks and altering workflow to changing procedures and conducting training. We will make recommendation for improving effectiveness and efficiency based on the commonly held definitions of these terms and how they relate to improvement actions. The chart below summarized our approach.

Effectiveness	Efficiency
“To have the intended result”	“The quality of results”
Examples:	Examples:
<ul style="list-style-type: none"> • Customer satisfaction • Compliance with regulations • Best contractor selected • Optimal price paid • Fully documented file 	<ul style="list-style-type: none"> • Cycle time requisition to award • Degree of minority business participation • Level of contract compliance • Number of procurement actions completed • Price compared to market or independent cost estimate

Project Assurances

Calyptus plans on exceeding all of the expectations for the project under this contract. We will ensure world-class quality performance by applying a consistent quality assessment and review process to all work. The Quality Assurance Plan includes the following factors:

- Staffing Quality
- Consistent Processes
- Methods for Resolving Contract Performance Problems
- Metrics and Reporting

Staffing Quality

Quality starts with people. Calyptus prides itself on employing the best possible staff so that we can provide the most efficient and effective results for our clients. We have reach back capability for up to 20 staff members, including those already on Calyptus assignments.

Consistent Processes

Calyptus has developed processes and training material that addresses all of the elements of the RFP, including monitoring programs, peer reviewing projects, FTA administration, and FTA/federal compliance. Staff will be trained to perform the specific tasks. The Project Manager will monitor conformance to the use of tools, templates, procedures, and approval practices.

Corrective and Preventive Action

Calyptus also has an effective corrective and preventive action process that follows the tenants of continuous improvement, ISO 9000, and Six Sigma (DMAIC). We primarily use the Six Sigma DMAIC process to evaluate problems and implement solutions that remove the root cause of problems encountered.

Project Task Management

Calyptus will determine major milestones and quality attributes that consider the following:

- Client user's assistance is gained in specifying milestones and associated deliverables in specific measurable terms.
- Criteria for evaluating each deliverable against predefined acceptance criteria.
- Direction is confirmed against overall project deliverables by higher authorities.
- Quality standards are negotiated with higher authorities and client users.

Methods for Resolving Contract Performance Problems

Calyptus uses a proven method and process to catch performance problems before they reach the client's attention. The Project Manager requests weekly reports of work performed. He will discuss the quality and delivery deliverables made during the previous week. He will resolve any quality issues at that time. The project manager will submit a monthly progress report as well as monthly status reports.

Process for Resolving Contract Performance Issues

Errors, defect, issues, deviations, and noncompliance items identified must be itemized, documented, tracked to closure, and reported by the team. The Project Manager will verify all

problems were tracked to closure and must provide continuing feedback to management and the technical support team concerning the status of the problem.

Potential project risks

Anticipated Major Difficulties and Problem Areas

Calyptus does not expect any major difficulties or problem areas to surface during our work. The most significant potential problem area tends to be the management of staff deployment at a client site. The timing, level of staff, system integration, familiarity and cultural integration are key issues for analysis and management. Calyptus will respond to these potential problems by:

- Proposing a remote staffing solution in which Calyptus personnel completes the desired work from our offices
- Selecting the best staff available
- Developing effective and efficient policies and procedures
- Providing training in key support areas
- Defining operational guidelines
- Managing initial input and deliverables to ensure quality

Conduct Risk Analysis

Risk Analysis has four primary dimensions. The first dimension relates to risk identification, dealing primarily with the process of identifying the risk areas, and can use tools such as FMEA, SWOT, and SPC to uncover. The second dimension is risk analysis. The probability of the risk event occurring and the impact on the organization in terms of severity are evaluated and identified. Risk mitigation is the third dimension. Abatement plans are established to attempt to reduce the probability and the impact of the risk event. The last dimension is risk monitoring and retirement. Activities to address this dimension are focused on implementing preventative action plans to forever rid the system / process of the probability of the risk event occurring.

Calyptus will use these four dimensions in the management of risk under the envisioned project. To provide a succinct response to your request in the RFP, Calyptus believes that a failure and effect (FMEA) analysis is the best way to address this area. The FMEA is provided below.

Risk	(1-10) Probability	(1-10) Impact	(1-10) Detection	Overall Score (1,000-point scale)
Demand of requests exceeds resources	5	9	4	180

Abatement Plan:

Meet with staff to prioritize activities and projects. Communicate with clients. Establish updated resource plans based on current and forecasted volumes.

Turnover of Calyptus resources	3	5	5	75
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Abatement Plan:

Ensure that resources are cross-trained and can be substituted across requirements as appropriate. Continually monitor staff availability and new hire candidates. Establish contingent relationships with outside partners.

Customer dissatisfaction with deliverables	2	10	5	100
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Abatement Plan:

Standards for all tasks will be agreed upon with PAHA staff. Calyptus has templates for all key deliverables. Close interaction with customers on initial requirements will ensure that deliverables will meet client expectations.

Reduction in volume requires early termination of services	3	9	8	213
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Abatement Plan:

Calyptus will establish flexible arrangements with staff. Monthly assessments of volumes will assist in projecting staffing needs. Calyptus will establish backup of documentation so that all work effort / materials will be available.

Transition Plan and Availability

All Calyptus staff proposed for this effort can be available for the project immediately. All staff will concurrently be supporting efforts for the Federal Transit Administration and the Orange County Transportation Authority. An overview of staff availability during the proposed project period is illustrated below.

<i>Individual</i>	<i>Calyptus Role</i>	<i>Project Role</i>	<i>Current Assignment</i>	<i>Commitment to other Assignments</i>	<i>Availability for this Assignment</i>	<i>Years with Calyptus</i>
<i>Dr. George Harris</i>	President	Project Manager, Lead Reviewer , Trainer	Triennial Reviews, OCTA Reviews	40%	25%	25
<i>Philippa Drew</i>	Analyst	Lead Reviewer	Triennial Reviews, OCTA Reviews	60%	40%	3
<i>Francisco Morales</i>	Analyst	Lead Reviewer	Triennial Reviews, OCTA Reviews	60%	40%	< 1 year
<i>Matthew Bussey</i>	Analyst	Lead Reviewer	Triennial Reviews, OCTA Reviews	50%	50%	< 1 year

Project Timeline

The subcommittee must compile its report by December 1, 2018. The initial contract is anticipated to terminate at that time, with an option to renew up to six (6) months. The project timeline below has been developed to ensure that the initial project deliverables are provided within the first eight (8) months of the contract, to provide the subcommittee ample time to review and revise the report as needed.

Task	Completion
Hold Kick-Off Meeting	Within 5 days from NTP
Conduct Staff Interviews	Within 30 days from NTP
Assess Policies and Procedures	Within 90 days from NTP
Business Process Assessment and Process Mapping	Within 120 days from NTP
Assess External Stakeholder Feedback on Doing Business with Arkansas Legislative Council	Within 120 days from NTP
Industry Benchmarking and Best Practice Guidance Development	Within 150 days from NTP
Performance Enhancing Recommendations, Purchasing Maturity Model Rating, and Recommendations to Improve Reporting	Within 210 days from NTP
Interim Deliverable: Draft Report	Within 242 days from NTP
Deliverable: Report and Implementation Plan	Within 305 days from NTP

Comparable Contract

For the detailed narrative of three (3) most recent, comparable project, Calyptus will highlight the spend analysis and strategic sourcing recommendations provided for the Pennsylvania State System of Higher Education (PASSHE), the procurement review completed for the State of Oregon Department of Human Services, and the procurement process review conducted for Fulton County, Georgia.

PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION

Jeffrey Mandel
Director of Procurement and Operations
Director of State System Strategic Sourcing

570-389-4045
jmandel@bloomu.edu
400 E Second Street/WAB 38
Bloomsburg PA 17815

Award Value: \$449,050

Calyptus completed the spend analysis associated with this project, assimilating data from sources including purchase orders, direct payments to suppliers, and credit card data. The data ranged from line items to generalized statements of products and services, based on what data was input when characterizing this information in the PASSHE systems. Purchases and payments were also evaluated against the following factors:

- Number of PASSHE universities purchasing common goods or services
- Number of PASSHE universities buying from the same suppliers
- Purchases or payments made against PASSHE contracts
- Purchases or payments made against partner or State contracts
- Available contracts not used

Available contracts were noted from five areas: collaborative contracts (PASSHE), approved purchasing co-operative contracts (including PEPPM, National IPA, US Communities), Department of General Services (DGS), and COSTARS. All contract datasets were shared by PASSHE.

Additionally, Calyptus conducted interviews and surveys with all universities to gauge understanding and priorities regarding collaborative procurement. Category managers must identify priorities and perceptions of the end-users to predict level of participation and motivate improved usage. Below are the notes from these surveys from the universities with the top spend.

Based on the spend and governance analysis completed in Phase 1 of the project, it was suggested that PASSHE immediately pursue strategic sourcing projects. Each was described in detail based on meeting the following criteria:

- 1) Spend over \$2,000,000
- 2) Multiple suppliers used
- 3) Shared suppliers
- 4) Availability of contracts
- 5) Supplier scale across university locations
- 6) Relatively standard products or services
- 7) Buyer's market

Potential savings were calculated using purchases that could be tied to a collaborative contracting mechanism, and appropriate areas for strategic sourcing. These were calculated using the entire spend in order to capture all agreements. The potential total value of these savings is estimated to be \$13,180,098.14.

Lastly, Calyptus developed initial sourcing strategies per purchasing category, which informed a rough headcount required for the organizational recommendations. The total organizational and strategic sourcing recommendations were presented to PASSHE as the final deliverable.

OREGON DEPARTMENT OF HUMAN SERVICES (OREGON DHS)

Steve Phillips	503-480-7281
Office of Contracts & Procurement	Steve.m.phillips@state.or.us
Department of Human Services	250 Winter St. NE, Salem, OR 97301-1080

Award Value: \$449,050

Calyptus performed a strategic sourcing project for the State of Oregon’s Department of Human Services (DHS), which oversees the administration of public health services in the state. We developed plans for sourcing projects in medical services, pharmaceuticals, and lab supplies. The project was divided into 12 Tasks as follow:

1. Assimilation of Background Information
2. Kick-off Meeting
3. Other Meeting
4. Assessment of Procurement Process
5. Assessment of Procedures, Documents, and Interactions
6. Assessment of Training Needs and Conduct of Training Programs
7. Development of New Processes
8. Completion of Spend Analysis and Category Plan
9. Proposal of New Organization
10. Development of Roles and Responsibilities
11. Development and Execution of Sourcing Projects
12. Identification of eProcurement Opportunities

As part of our work, we have collected spend information across a number of diverse databases and have developed a full analysis of all DHS spend.

We developed, communicated, and implemented a new strategic plan for the State of Oregon Department of Human Services. We also completed a transformation project at DHS involving procurement, processes, policies and procedures, cost savings, and human services programs. We have provided deliverables for processes, client services, organizational assessment, spend analysis, and staff training.

FULTON COUNTY, GEORGIA

Felicia Strong-Whitaker	(404) 612-4204
Deputy Director, Department of Purchasing & Contract Compliance	Felicia.Strong-Whitaker@fultoncountyga.gov 130 Peachtree Street, Atlanta, GA 30303

Award Value: \$105,000

Narrative: Calyptus completed an organizational review of the Fulton County Purchasing and Contracts Compliance Department. A key component of this review involved researching the statutes, codes and procurement regulations affecting the County. We identified the relevant statutes and regulations at the state and local levels. We reviewed and summarized the

provisions of these laws, codes and regulations relating to County Purchasing requirements. We identified variations and conflicts between governing regulations.

Using the Fulton County Code and Purchasing Procedures, we identified which of procedures are mandatory based on OCGA law, which are desirable based on best practices, and which are not necessary because they are not legally required and do not align with best practices. We also identified policies and procedures that are needed to comply with statutes and/or regulations, including supplemental policies and procedures needed for purchases made with federal funds. Calyptus also assessed how the existing organizational structure was reflected in the Purchasing procedures. This continued in the interview phase, where we solicited staff and user perspectives on the extent and efficacy of processes, procedures and performance.

Relevance to Solicitation Requirements: This project required an in-depth review of a county purchasing department, and included activities similar to those conducted within the procurement process consulting work described in the RFP such as interviews, file reviews, data analysis, and comprehensive reporting.

Objectives Achieved:

- Calyptus completed all activities in accordance with quality standards agreed upon with the County; and was entrusted with delivering report recommendations to the County Board of Commissioners

Comparable Project Work Samples

Calyptus developed similar reports to that requested by the Legislative Council for both the City of Rockville and Fulton County. The table of contents and executive summaries from the final reports from each are presented below as samples for review. Each report is over 200 pages, and can be made available to the Subcommittee upon request.

City of Rockville Final Report Table of Contents and Executive Summary

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 3.2 Process and Policy Constraints **Error! Bookmark not defined.**

 3.3 Purchasing Card Process Improvement **Error! Bookmark not defined.**

 3.4 Training Status and Use of time by staff **Error! Bookmark not defined.**

 3.5 Review of Purchasing Business Processes, Workload, Transaction Processes, Spend, Cycle Time
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 3.6 Level of compliance with Purchasing Procedures **Error! Bookmark not defined.**

 3.7 Process Management and Cycle Time Improvement **Error! Bookmark not defined.**

 3.8 Solicitation Outreach **Error! Bookmark not defined.**

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 6.1 IT System Assessment **Error! Bookmark not defined.**

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 Appendix 5 – Glossary of terms **Error! Bookmark not defined.**

Section 1: Executive Summary

Calyptus Consulting Group, Inc. was selected to perform an assessment of Purchasing at the City of Rockville in July, 2015. A number of key activities were completed as will be described in this section. The purpose of the assessment was to evaluate purchasing processes, procedures, organization, staffing, metrics, compliance, systems, and performance.

1. Project Research

Calyptus reviewed documents submitted by the City in advance of the first site visit. These materials included current procedures, audit reports, job descriptions, purchase volume reports, and organizational charts.

2. Kickoff Meeting

At the beginning of the first site visit, a kickoff meeting was held with City of Rockville staff. In this meeting, a presentation was provided that indicated the project plan and confirmed the expectations from the study.

3. Interviews

Interviews were conducted with staff in areas such as operations, purchasing, IT, User departments, finance, and Legal as well as the Mayor, City Manager, and members of the City Council. The results of these interviews are provided in Section 2.1 of this report.

4. Policy and Procedure Review

The current purchasing policies and procedures manual was reviewed and compared against the City of Rockville Code. Mandatory requirements were evaluated and summarized. The results of this review are covered in Section 3.1 of this report.

5. Evaluation of Purchasing Processes

All of the key purchasing processes were developed and validated with City of Rockville staff including informal purchases, small purchases, IFB/Competitive Sealed Bids, RFP/Competitive Sealed Proposals, sole sources, rider contracts, and contract modifications. These current processes were overlaid with City of Rockville and procedural requirements and were characterized by functional responsibilities. The results are covered in Section 3.7 of this report.

6. Benchmarking

Research was conducted on the processes, headcount, metrics, and organization from the NIGP, ISM, peer cities and local counties, and CCG databases. This information was used to assist in the development of recommendations. This information is integrated in various sections of the report.

7. Organization Review

An assessment of the present purchasing structure was conducted, including the level of centralization, job descriptions, roles and responsibilities, workload, cycle times, and management expectations. The results of this review are covered in Section 2.2 of the report.

8. Efficiency analysis/Compliance/Checks and Balances

Calyptus used the information from interviews, process analysis, procedure evaluation, and purchasing data to evaluate the level of efficiency and compliance. Purchasing file documentation, use of systems, changes to current processes, and the evaluation of the use of panels, cooperative agreements and contract administration were considered in developing key changes to the purchasing system. This information is included in Section 3.6 and 6.1 of the report.

9. Measures

Current metrics and performance standards were evaluated in the context of the present workload and responsibilities for the department. We used benchmarking information and common practices in Purchasing to develop proposed metrics. This data is included in Section 5.1 of the report.

Calyptus completed the work envisioned by this study by following the scope of the work of the contract with the City of Rockville and the specific actions noted in our proposal. The work encompassed interviews, data collection, benchmarking, procurement file evaluation, spend analysis, analysis of purchasing processes and methods of procurement, review of policies and procedures, and collection of performance data.

During the first two months of the project, on-site meetings were held at the City of Rockville offices to conduct interviews, review procurement files, and to collect spend data. At the end of each of these visits, the point of contacts were briefed on status and work-in-progress.

Recommendations were developed in each of the major segments of the study and are included below by element of the scope of work. Among the key recommendations are the proposed new organizational structure, changes to policies and procedures, process improvement, customer service excellence and a need to review exempted purchases and rider contracts.

An overarching issue faced by the City is the shortage of a Purchasing Manager and Purchasing staff in Fiscal Years 2014 and 2015. This hampered effective customer service and meeting cycle time expectations. This orientation should be considered when reviewing Division shortfalls noted in this report.

In the final section of this report, we will characterize these recommendations and suggest short, medium, and long term plans for implementation.

Recommendation 1: Create a Hybrid Structure of Departmental Focus and Method of Procurement

We recommend a hybrid organization because it maximizes user department satisfaction and enables the City to introduce a more efficient way to purchase required products and services.

Recommendation 2: Purchasing to Report Directly to the City Manager

Given the significant amount of potential contribution of Purchasing (being responsible for 60% of City expenditures (not including debt service)), and feedback from staff requesting more integration with Purchasing, we recommend that Purchasing reports directly to the City Manager. A change management process must be implemented that ensures proper measures, reporting, and communication processes.

Recommendation 3: Update Purchasing Guide

Based on our analysis there are currently gaps in guidance provided by the City of Rockville Purchasing Code and the guides used by Purchasing and other city staff. The last update to the purchasing guide was in 2011. The updated purchasing guide should be designed as a usable tool to take staff from purchasing planning through post contract management. The City's current guides do not contain all of the requirements and information to take a user through the process from start to finish. The guide should include standardized checklists and forms. Additionally, since there are several requirements that are related to risk management and legal review, any related procedures for completing those reviews should be included in the user guide.

Recommendation 4: Incorporate Best Practices in Purchasing into Code and Purchasing Guide

The City of Rockville's Code and purchasing guides are missing standard best practices in purchasing. Crucial steps in the purchasing process such as independent cost estimates (ICE), cost/price analysis, and use of a qualifications based Method of Procurement are not present in the current Code and purchasing guide requirements. These tools allow purchasers to assess that the City is receiving fair and reasonable pricing for the items it purchases. The City should create worksheet templates for ICE and cost/price analysis for users to complete as part of documentation requirements. Another best practice the City should include in its Code and guide is a standard set of terms and conditions. The City should create a boilerplate template that includes all terms and conditions with specifications on when to include specific terms in conditions in a contract.

Recommendation 5: Update Purchasing Card Policy and Procedures Manual and Incorporate into Purchasing Guide

The purchasing card policy and procedures manual has not been updated since 2012. General administrative updates are needed as well as additional updates to specify critical oversight components. Oversight and audit activities need more specific timeframes and additional documentation requirements provided by users. The audit checklists in the current policy should be used to make a standardized form for users to fill out with each charge.

Additionally, many of the users of the general purchasing system are also users of the Purchasing card program. It would be beneficial to have a comprehensive manual that users can reference for all purchasing requirements.

Recommendation 6: Conduct Policy and Procedure Training

The updated purchasing guide needs to be communicated to City staff through a comprehensive training program. Training sessions should be held to inform users of changes to purchasing requirements, use of standardized forms and checklists, and updated P-card requirements. The first wave of training should include all Purchasing staff and all City staff who utilize the

purchasing function. Additionally, training materials should be made available to all new City staff and Purchasing should hold regular refresher trainings on specific topics or forms. Specific training recommended:

- Rockville Purchasing Training – Full system coverage 2-day training event for all key Departmental staff
- Refresher Training – Key problems and issues to be discussed 3-4 hour training
- eLearning Modules – (8-10 minutes in key areas)
 - Methods of Procurement
 - Independent Cost Estimates
 - Cost and Price Analysis
 - Writing Specifications and Statements of Work

Recommendation 7: Introduce more Convenient Purchase Card Training

The current p-card training program is not a readily usable reference for staff. The slide deck does not contain examples of what an expense report should look like, the level of information required, or standardized reporting forms. The City would benefit from turning this information into an e-learning module that would be mandatory for all staff prior to P-card issuance. The module should include standardized documentation requirements and mandatory quizzes on each p-card requirement. By making this information into an e-learning module in a just-in-time format, the City could create an interactive step-by-step guide to p-card use and documentation compliance.

Recommendation 8: Implement Updated P-Card Oversight Program

In order to ensure compliance with P-card policies and procedures, the City should implement an updated P-card oversight program. As the policy stands, there is a requirement at the departmental level for the department director to review all card activity for all cardholders. There are no standardized forms or checklists for the departments to use in this review. Once the departmental review takes place, a standardized form should be used to communicate any corrective actions for documentation deficiencies. After the departmental review, the P-card files should be provided to the Finance Department for reconciliation on a monthly basis. At the time of the on-site review, P-card files were provided to the Finance Department on an annual basis. The Finance Department does perform a system of random P-card audits on a monthly basis to ensure compliance in a timely manner. Any findings from the audits should be communicated to the departments via a standardized form with corrective actions, and common errors should be communicated City-wide.

The oversight program should also contain a provision for regular P-card data collection and analysis. This responsibility should rest with the Finance Department and should include monthly, quarterly, and annual P-card program data analysis related to transactional data, rebate dollars, and levels of compliance with policies and procedures.

Recommendation 9: Create Standardized Solicitation documents

The City should create standardized solicitations for competitive sealed bids (construction and services) and competitive sealed proposals (services)

Recommendation 10: Develop a system based Contract Management System

The City should create an accurate, up-to-date, system-based contract tracking system.

Recommendation 11: Implement an auto-release conflicting for Purchase Orders

The City should implement the AMS-CGI Purchasing System feature that automates the distribution of Purchase Orders (POs).

Recommendation 12: Conduct Intensive Purchasing Training

The City of Rockville Purchasing staff should undergo general training on all subject areas that score below 60% in skill assessment undertaken as part of this review. See Section 3.4. In particular training should be undertaken on, cost/price analysis, negotiations, and source selection. Training should be made specific to the City of Rockville Purchasing System.

Recommendation 13: Develop standard reports to evaluate procurement activity and update on an annual basis. Data should be compared to established metrics to evaluate Purchasing performance.

The City is not tracking spend, payment type, method of procurement, or cycle time. This information is needed for increased good governance, transparency, and analysis of use of taxpayer funds. Reports should be posted on the City's website. Multiple custom data reports from the CGI-AMS system were required to develop this analysis including a listing of POs issued, master agreements issued, payments made against master agreements, underlying procurement methods GAX payments, purchase card payments, and requisitions entered and tied to the resulting PO. There are no system generated reports on total expenditures across all payment types. Information contained in the extended description must be reviewed manually on a line by line basis to determine method of procurement in many cases. A similar manual process is required to determine whether all GAX and purchase card payments above \$3,000 were properly authorized. There are no standard reports on the number of procurement actions, solicitation events, or contracts awarded to evaluate the current workload for Purchasing staff. There is also limited data available to determine cycle time and no data available on how long requisitions remain in the queue prior to being addressed or cancelled.

Recommendation 14: Evaluate GAX payments for competitive purchasing opportunities

There is no information available to determine how the method of payment was selected. In some cases GAX and purchase card payments are made against existing POs and master agreements, while in others they are stand-alone expenditures. There is no data on why a given payment is made using one payment method rather than another. There is also no data on the justification for considering certain payments to be exempt from the requirements for competitive procurement. In addition, several types of services are currently being purchased on a sole source basis and using the GAX payment method that may be appropriate for competitive procurement such as:

- Insurance
- Outside Instructors for Specialized Programs and Activities
- Non-Specialized Legal Services
- Financial Services
- Printing
- Temporary Staffing

Recommendation 15: Establish a strategic sourcing plan by first developing category plans for each of the 10-12 major purchase categories and creating sourcing plans and projects to achieve savings

The City has not implemented a strategic sourcing program. There is no ongoing assessment of how best to leverage the City's expenditures in larger long term contracts. Instead, the City uses other jurisdiction's existing contracts and does not assess the quality of the prices paid. Purchases are typically made on a one-off basis and few City-wide contracts are established.

Recommendation 16: Standardize Documentation Requirements and Create Checklists

The City should standardize its purchasing documentation process to ensure compliance with the Code and purchasing guide requirements. The City should do this by:

- a. Defining required contract file documentation and standardize these for both hard and soft copy files;
- b. Developing checklists for file documentation which should be consistently used to ensure files include all required elements before approval.

Key areas that currently have lower levels of compliance and need documentation improvement and standardization are:

- Determination that a contract is "rideable"
- Bid evaluation
- Single bid
- Determination of responsibility
- Negotiation
- Sole source
- Competitive Sealed Proposal formal solicitation

Standardization in these areas could be achieved by creating and disseminating templates and checklists related to the above listed areas and any other process steps that require additional documentation.

Additionally, file checklists will help the City improve its file documentation in areas such as:

- Evidence of posting intent to award
- Evidence of posting award

- AMS requisition with estimated value of purchase
- Copy of specifications
- Signed contract

All of the new checklists and procedures should be reinforced for use by conducting detailed training with peer audit follow-up.

Recommendation 17: Implement Periodic File Review Compliance Checks

In order to ensure continuous improvement in acquisition file documentation it is necessary that the City implement a system of periodic file review checks. The system should clearly state the frequency and number of files to be reviewed. The system should also include a form for feedback and corrective actions based on file review results.

Recommendation 18: Implement procedures for independent cost estimates, cost/price analysis, vendor responsibility, use of standardized templates, guidance documents to departments for delegated procurements, award memorandum, and process for internal contract review

The recommendation relates to each procurement method of procurement and occurs across all processes.

Recommendation 19: Investigate additional public procurement websites for opportunities to post public notice of pending procurement actions

City advertising efforts are limited to the City website and eMaryland Marketplace. The City is not presently using websites such as BidSync or similar advertising mechanisms other than the City of Rockville website and eMaryland Marketplace to publicize pending solicitations. Increasing the use of public procurement websites beyond Maryland may result in reaching a wider pool of potential vendors thereby obtaining higher levels of competition and reduced prices for supplies and services.

Recommendation 20: Develop a bidders list for use in identifying bidders for procurement opportunities. The list should reflect MFD firms and be updated with each solicitation

The City does not maintain a bidders list of potential vendors for products and services. The City does not maintain a list of all firms that have responded to solicitations in the past for use in identifying potential bidders for future procurement opportunities. Such a list can be used to ensure interested parties receive notification of upcoming solicitations.

Recommendation 21: Identify potential MFD firms and conduct targeted outreach to increase MFD participation as prime or subcontractors on City procurements

To date, the City has not fully implemented all the outreach strategies included in the informal Minority, Female and Disables Owned Business (MFD) program. Pending activities include sending registration information to potential MFD firms, conducting additional internal training events, and attending external MFD events.

Recommendation 22: Develop a Strategic Plan

The City should develop plans to move from level to level over the next 3 years. This is an optimal plan to be developed by the new Purchasing Manager and the user departments. The areas of strategy, cross-integration, client relationship management, and purchasing results should be the initial focus areas. Plans for short-term (1-12 months), Medium-term (13-24 months) and long-term (25-36 months) should be developed so that the City's Purchasing system can be deemed characteristic of best practices.

Recommendation 23: Update and Make Clear all Data Posted on the Website

Rockville should simplify the website search functionality, to completely separate open bids from those which are closed/awarded/cancelled. Clear definitions of 'closed', 'awarded' and 'canceled' should be provided on the website, and used consistently to track the outcomes of solicitations.

Recommendation 24: Standardize the information provided to the Mayor and Council

The City should create a revised and consistent format for developing submittals to the Mayor and Council. In addition, a quality control check should be added in order to ensure that the proper level of detail and analysis is being provided.

Recommendation 25: Enhance MFD Program

Since the program is in the beginning stages of fruition and the formal resource has not been hired as of the date of this report, the City should consider the implementation of the program in stages. The current plan the City has adopted is not set up in a way to collect, analyze, and implement activities related to MFD businesses. In order to create an informal MFD program the City should consider the following key activities:

- Coordinate training with Small Business Administration (SBA) and other resources
- Develop and conduct training on how to do business with the City
- Include information about the program on the City's website
- Review procurements on an annual basis and on a case by case basis for MFD participation
- Develop MFD bidder's list
- Hold pre-bid and pre-proposal conferences to involve MFDs and prime contractors
- Set up the ability, on supplier registration, to track MFD and small business participation
- Ask for reports from prime contractors regarding the extent of utilization
- Report utilization to the Mayor and Council at least every six months.

Recommendation 26: Develop Service Level Agreements

Purchasing should develop a Service Level Agreement (SLA) with each internal customer using a standard format (See appendix 3). The objective of the SLA is to establish expectations from each customer and measures to calculate performance. This SLA should be updated annually in concert with the budget cycle.

Recommendation 27: Develop Targeted Improvement Plans

In addition to developing common program measures as discussed in the organizational structures and measures section of this report, Purchasing should establish two continuous improvement teams to address ratings of differences in Purchasing and User Department's gaps in performance. Both of the following areas should be targeted for improvement in 13-14 months.

- Saving the City Money
- Fulfilling Internal Customer Needs

Recommendation 28: Establish Five Key Purchasing Measures

We recommend that the City implement measures for Purchasing in the areas of cost savings, cycle time, customer satisfaction, compliance, and percent of spend with MFD firms.

Recommendation 29: Optimize use of Current IT Systems

The current CGI-AMS system is appropriate to manage purchasing activity for the City of Rockville; however some functionality could be improved as noted in the following areas:

- Use the information in the system related to the method of procurement to determine the volume of contract actions completed by type for a given time period.
- Improve information on requisition status to tie more directly to the procurement process; automate requisition status.
- Make department staff aware that information on requisition status is available in the system.
- Notify departments when purchase orders have been issued.
- Use the system to track cycle time, procurement activity by process stage, and method of procurement.
- Automate the process of obtaining Risk Management, Legal, City Manager, and Mayor and Council approval.
- Use the system to track City-wide spend or provide information for use in strategic sourcing activities.

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Section I. Executive Summary

This project was started on August 1, 2012 and a logical plan was followed to complete the study of the Purchasing and Contracts Compliance Department in Fulton County. Interviews, process analyses, procurement file reviews, benchmarking analyses, and analyses of procurement performance were conducted.

A. Findings and Recommendations

The following is the list of findings and recommendations based on the work performed:

Overall

1. There is no integrated purchasing plan for the County. Purchasing, working with users and finance staff, should develop an annual plan. This plan would include the calendar of procurements to be made, metrics of performance, M/FBE and service-disabled veteran participation, and procurement initiatives.
2. Cost analysis is not performed for sole source procurements. Purchasing should conduct cost analysis and negotiate prices for all sole source contracts. This is an allowable and common practice that will result in cost savings to the County.
3. The Board does not sign conflict-of-interest agreements before making award decisions. Board of Commissioners should sign Conflict of Interest statements relating to approvals of contracts. This can be done on an annual basis. This is a common practice of public sector agencies.
4. Cost analysis is not performed on single bid proposals received. Single Bids will be subject to cost and price analysis, and details provided to Board of Commissioners.
5. Renewal pricing is not subject to an analysis as to whether prices are fair and reasonable. Pricing for Renewals must be evaluated against market pricing before exercise. This information will be provided to the BOC at the time of extending contracts. This is the practice of public sector procurement departments.
6. Responsibility determinations are not documented for ITBs. Responsibility determinations should be completed for ITBs as well as for RFPs. This is common practice in public sector procurement. This also should be considered for procurements over \$25,000 to be consistent with federal acquisition.
7. There is a lack of direction on the format and process for the development of specifications and statements of work. Standard formats, training, and published procedures should be implemented.

Policies and Procedures

8. Since the County may transfer Federal funds into General funds, all of the procurements completed by the County may be subject to Federal procurement rules. This means that the County's Policies and Procedures must adequately address all relevant Federal requirements.

Federal requirements to be addressed are:

- Local Preference
 - Brand names
 - Micro-Purchase Price Analysis
 - Responsibility Determination
 - Prequalification Standards
 - Independent Cost Estimate
 - History of Procurement Documentation to include method of procurement and type of contract planned, basis of award and the basis for the contract price
 - Use of T&M Type Contracts to include a separate approval to use this method since there are no other reasonable alternatives available
 - Progress Payments
 - Federal Clauses
 - Brooks Act
 - Davis-Bacon (> \$2,000)
 - HUD Wage Rates for Maintenance
 - Liquidated Damages
9. The Fulton County Code is inconsistent and out of date and does not address many of the aspects of County Purchases. The Code must be completely rewritten. The draft set of code changes is an improvement over the existing set of guidelines but is still in need of updating and reflective of best practices.
10. Purchasing policies and procedures are outdated and not based on best practices. The draft set of procedures is an improvement over the existing document but the entire manual should be rewritten.
11. The documents on the Purchasing Portal are not included in the policies and procedures manual. These have to be integrated into the full purchasing manual.

RFP Process

12. Evaluation Committee membership is unique to Fulton County and not based on best practices. Evaluation Committee membership should change (not to include Purchasing

and Finance staff) to reflect best practices and behavior of benchmarks. Purchasing and Finance staff would still participate as non-voting members.

13. Financial responsibility is normally not scored in public procurement but it is part of the overall responsibility determination. The financial responsibility evaluation factor (and 5 points) should be eliminated and made part of the overall responsibility determination. Finance staff would still review financial capacity. This is the practice of public sector procurement departments.
14. The review of litigation status by the Legal Department based on the submission of a disclosure form is unique to Fulton County and is not reflective of best practices. The disclosure form review should be eliminated as it does not reflect good practice. Aspects of this review can be included in the responsibility determination.
15. Purchasing does not recommend awards which is a chief responsibility of purchasing in both the public and private sectors. Purchasing should recommend awards as result of the VSC evaluation and conduct cost and price analysis based on the price quotations received. This is the practice of public sector procurement departments.
16. Presently, negotiations are not being completed as part of RFP procurements. Purchasing will conduct negotiations with all selected suppliers under the RFP process. This is an allowable and common practice that will result in cost savings to the County.
17. Evaluation criteria are not tied to specific procurements in most cases. Criteria should be unique to specific procurements. Only quality and price criteria are mandatory, along with the chosen socio-economic criteria. This tracks with federal acquisition and public sector best practices. Purchasing should take the lead in recommending the appropriate criteria, weighting, and scoring methods.

Organizational Structure

18. Purchasing staff are not utilizing their skills and knowledge to save money for clients. Purchasing staff will be organized by user and will become purchase category of purchase experts. This will allow for the implementation of Strategic Sourcing that will save the County 5-8% on selected purchases.
19. Contract Compliance staff participate in an indirect way with the Purchasing group and are organized differently regarding user department responsibility. Contract Compliance Staff should be represented on each Purchasing Team. This will allow for the focused identification of potential M/FBEs and the completion of contractor monitoring.

20. Cost savings is not a current metric although it is a current best practice. Cost savings will be added as a measure of Purchasing and Contract Compliance performance. This is typical measure for organizations that are operating at a deficit and are trying to manage expenditures.
21. Based on benchmarks and best practices, the key metrics for Purchasing should be:
- Procurement cycle time improvement
 - Cost savings
 - Internal Client Satisfaction
 - M/FBE utilization and monitoring
 - Contractor performance improvement

Process Analysis

22. Key aspects of Purchasing are not effectively completed and communicated. Guidance and training are needed for Purchasing and User departments on the following:
- Specifications Development
 - Statements of Work (SOWs) Development
 - Cost and Price Analysis
 - RFP Proposal Scoring
 - Market Analysis
23. Users develop solicitation document which is not best practice. Purchasing should develop solicitation document for user approval. The user department will be responsible for developing a description of the products and services and provide recommended evaluation criteria.
24. Contracts Compliance has not established annual plans to guide their activities. Contracts Compliance will develop formal plans for their M/FBE and service disabled programs. These plans will outline the annual activities for each program. There is no present set of County-wide plans.
25. The County only purchases 25% of what typical public sector groups buy (Fulton- 5-6% against average of 23%) using cooperative agreements. Purchasing should have the ability to use any cooperative purchasing contracts that meet the County's technical needs and results in lower prices. The department presently has to seek approval from the BOC before making these types of purchases.
26. There is no independent assessment of user needs or usage. Purchasing will implement a demand management program that is aimed to validate user requirements and find

potential substitutes. This is presently done on an informal basis. The result will be reduced procurement costs.

27. Contracts Compliance only accepts a minimal number of M/FBE certification, which is not a best practice. Contracts Compliance should accept certifications of Minority and Female Business enterprises beyond those currently accepted, including the City of Atlanta, MARTA and the U.S. Small Business Administration.
28. A formal evaluation of annual purchases made by threshold is not completed. Purchasing should evaluate the following for improvement:
 - Converting annual and other RFQs to multi-year contracts to achieve better pricing and terms.
 - Assessing the purchases made at the \$2,500 and \$49,999 to ensure that staff is not purposely avoiding the need for increased competition. This is an activity that should be started to assess staff compliance and avoidance of competition.
29. Race and gender-based enterprise utilization do not carry specified goals. Contracts Compliance should benchmark the use and deployment of small business programs in public sector procurement. This program would encompass all small businesses including M/FBEs and others, and could include annual goals. This is a growing trend in State procurement. Fulton County should conduct a study of how this program can be structured and the potential categories of products and services that could apply as well as a market survey.

B. Next Steps

The implementation of these recommendations should begin with the development of a revised Fulton County Code and then Purchasing and Contract Compliance procedures. The development of a hybrid organizational structure with team alignment in the department should follow.

Training on all new procedures should be completed, using in-person and just-in-time eLearning for users and Purchasing staff.

References

Additional references, beyond the three listed above are presented below for evaluation purposes.

FEDERAL TRANSIT ADMINISTRATION (FTA)

Jim Muir
202-366-2507
Jim.Muir@dot.gov

Office of Oversight
Federal Transit Administration
1200 New Jersey Avenue SE
Washington, DC 20590

Award Value: \$5,000,000

Narrative: Assessed and recommended purchases of commercial items; evaluated procurements based on common rule, DFAR and FAR; recommended use of electronic database and contract management systems. Calyptus has conducted over one-hundred twenty (120) procurement audits of rapid transit agencies throughout the United States. In the audits, sixty (60) elements of procurement performance were evaluated. Six (6) of these elements were system-wide elements and fifty-four (54) of the elements were related to compliance with policies and procedures. Each of the elements was considered as not-deficient, deficient or not applicable. Calyptus follows up with auditees for all elements audited as deficient. Even when an audit is occurring, we endeavor to have a collegial rapport with auditees in order to ensure that fast and effective preventative action is taken.

Relevance to Solicitation Requirements: Calyptus Group has held previous contracts with the FTA to conduct procurement process consulting services of the same nature described in the solicitation.

Objectives Achieved:

- Successfully completed over 120 reviews while meeting QASP objectives
- Successfully delivered 40 PSR Workshops in accordance with quality measures
- Provided LMRO support and developed the procurement circular used by LMRO grantees in managing procurements under FTA and FEMA grants.

NORTH COUNTY TRANSIT DISTRICT (NCTD)

Lori Winfree
North County Transit District
lwinfree@nctd.org

810 Mission Avenue
Oceanside, CA 92054
760.966.6532

Award Value: \$213,000

Narrative: Calyptus provides consulting services to assess NCTD’s Procurement and Contract Administration Department (P&CA) by reviewing current contracts, assessing procurement policies and procedures and staffing, and designing a training program with the intention of improving NCTD staffs’ understanding and compliance with FTA circulars.

Relevance to Solicitation Requirements: Calyptus Group is providing review services very similar to those described in the RFP such as procedure/process review. NCTD also demonstrates our experience working with government client in California.

Objectives Achieved:

- Calyptus has met all quality measures to date on this project and has provided timely progress reports and updates

GEORGIA DEPARTMENT OF ADMINISTRATIVE SERVICES (DOAS)

Dana Harris
Deputy Commissioner for Procurement
DOAS State Purchasing Division

Dana.Harris@doas.ga.gov
200 Piedmont Ave, SE
Suite 1302, West Tower
Atlanta, GA 30334

Award Value: \$109,000

Calyptus established Strategic Sourcing Plans and completed sourcing projects in herbicides and offender commissary services for the State of Georgia Department of Administrative Services. The project followed the seven step strategic sourcing process in place at the State of Georgia and included the following tasks:

1. Need identification – perform spend and market analysis
2. Pre-Solicitation – Develop sourcing strategy
3. Solicitation Preparation – Draft solicitation documents
4. Manage Solicitation Process
5. Evaluate Vendor Offers and Select Vendors
6. Award Process – Negotiate terms of the agreement
7. Contract Process – Implement the signed contract

STATE OF MICHIGAN

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DTMB - Procurement
CALAHANH@michigan.gov
517-284-7006
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Manager
DTMB- Procurement
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P.O. Box 30026
Lansing, MI 48909

Award Value: \$86,500

The State of Michigan selected Calyptus Consulting Group to lead a comprehensive spend assessment initiative that relied on access to all spend data sources, a common classification schema, category expertise, efficient and repeatable data cleansing and classification capabilities, advanced reporting and decision support tools, and sufficient resources and executive support. Calyptus worked with the State of Michigan to execute a project plan that included the following: a) A spend analysis and category plan based on staff interviews, data collection, categorization and data cleansing, and a complete analysis of all spend information, including a detailed spend tree, and b) The development and execution of sourcing plans, including market validation and pricing evaluation, the evaluation of spending practices, and a prioritized list of cost-savings opportunities.

List of Contracts

The list below includes all clients/agencies for which Calyptus has performed procurement-related services related to procurement processes, including requests for qualifications during the past three (3) years.

2015	2016
<ul style="list-style-type: none"> • City of Rockville • Department of Energy • Federal Transit Administration (FTA) • General Services Administration (GSA) • National Association of State Procurement Officers (NASPO) • North County Transit District • Orange County Transportation Authority • Starbase Academy • State of Washington • VA, Texas • World Bank • Valley Water • Golden Gate Bridge, Highway, and Transportation District • City of Santa Rosa • Eastern Contra Costa Transit Authority • Livermore-Amador Valley Transit Authority • Central Contra Costa Transit Authority • Western Contra Costa Transit Authority • City of Visalia • City of Madera • Placer County, Department of Public Works • Yuba-Sutter Transit Authority • Sacramento Regional Transit District • Yolo County Transportation District • Redding Area Bus Authority • San Diego Association of Governments (SANDAG) • City of Fresno • County of Lebanon Transit Authority • Cumberland-Dauphin Transit Authority • City of Winchester • City of Charlottesville • City of Harrisonburg • Beaver County Transit Authority (BCTA) • Southwestern Pennsylvania Commission • Hazelton Public Transit 	<ul style="list-style-type: none"> • City of Rockville • Department of Energy • Federal Transit Administration (FTA) • General Services Administration (GSA) • National Association of State Procurement Officers (NASPO) • North County Transit District • Orange County Transportation Authority • Starbase Academy • State of Washington • VA, Texas • World Bank • Michigan Department of Transportation • Pennsylvania State System of Higher Education • City of Stamford • Greater Bridgeport Transit Authority • Greater New Haven Transit District • Norwalk Transit District • Valley Council of Governments • Lowell Regional Transit Authority • Merrimack Valley Regional Transit Authority • Southeastern Regional Transit Authority • Biddeford-Saco-Old Orchard Beach • City of Bangor • Greater Portland Transit District • City of Nashua • Manchester Transit Authority • Butte County • City of Elk Grove • City of Fairfield • City of Gardena • City of Montebello • City of Redondo Beach • City of Roseville • Gold Coast Transit • Imperial County Transportation Commission • Long Beach Public Transportation Company

- Lehigh & Northampton Transportation Authority
- Erie Metropolitan Transit Authority
- Cambria County Transit Authority
- River Valley Transit (Formally Williamsport Bureau of Transportation)
- Greater Lynchburg Transit Authority
- Eastern Panhandle Transit Authority
- Tri-State Transit Authority
- Monongalia County Urban MTA (Mountain Line)
- City of Weirton (Weirton Transit Corporation)
- Brockton Area Transit Authority (BAT)
- Worcester Regional Transit Authority
- Cape Cod Regional Transit Authority
- Montachusett Regional Transit Authority
- Pioneer Valley Transit Authority
- Northern New England Passenger Rail Authority
- Greater Attleboro-Taunton
- Chittenden County Transit Authority
- Monterey-Salinas Transit
- Municipal Transportation Agency
- Napa County Transportation Planning Agency
- Omnitrans
- Peninsula Corridor Joint Powers Board
- Riverside Transit Authority
- San Mateo County Transit District
- Santa Cruz Metro Transit District
- Sunline Transit Authority
- Ventura County Transportation Commission
- Alaska Railroad Corporation
- Fairbanks North Star Borough
- Municipality of Anchorage
- Josephine County (Grants Pass)
- Ben Franklin Transit
- Central Puget Sound Regional Transit Authority (Sound Transit)
- Puget Sound Regional Council
- City of Yakima

2017

- City of Rockville
- Department of Energy
- Federal Transit Administration (FTA)
- General Services Administration (GSA)
- National Association of State Procurement Officers (NASPO)
- North County Transit District
- Orange County Transportation Authority
- Starbase Academy
- State of Washington
- VA, Texas
- World Bank
- Michigan Department of Transportation
- Pennsylvania State System of Higher Education
- Pace, Suburban Buss
- Court System and Offender Supervision Agency
- Washington Metropolitan Area Transit Authority
- Central Pennsylvania Transportation Authority
- Centre Area Transportation Authority
- County of Fayette
- Mid-Mon Valley Transit Authority
- City of Sharon
- City of Washington
- Westmoreland County Transit Authority
- Town of Blacksburg
- City of Fredericksburg
- Greater Roanoke Transit Company
- Potomac and Rappahannock Transportation Commission
- City of Richmond
- Williamsburg Area Transit Authority
- Eastern Ohio/Ohio Valley Regional Transportation Authority
- Mid-Ohio Valley Transit Authority
- Bay County Transportation Planning Organization
- City of Gainesville
- Lake County Board of County Commissioners
- Lee County Transit
- Palm Beach County Board of Commissioners (Pam Beach County Transit Authority)
- Paso County Board of County Commissioners
- Atlanta Regional Commission

- Gwinnett County Board of Commissioners
- Transit Authority of Lexington-Fayette Urban County Government
- City of Hattiesburg
- City of Jackson
- Cape Fear Public Transportation Authority
- Town of Cary
- Town of Chapel Hill
- City of Concord
- City of Durham
- City of Fayetteville
- Central midlands Council of Governments
- Charleston Area Regional Transportation Authority
- Waccamaw Regional Transportation Authority (CRPTA)
- City of Spartanburg
- Spartanburg County Government
- City of Bristol, Tennessee
- City of Clarksville, Clarksville Transit Systems
- City of Johnson City
- City of Murfreesboro
- City of Bristol, Virginia

List of Failed Projects, Suspensions, Debarments, and Significant Litigation

There are no failed projects, suspensions, debarments, or significant litigations to list.

5.5.1 Background Information

Calyptus has read and agrees to allow BLR to perform an investigation of financial responsibility, security, and integrity if required

5.6 Subcontractor Identification

No subcontractors will be used for this effort.

6.0 General Components

Calyptus has read and agrees to this section.

6.1 Evaluation Criteria

Calyptus has read and agrees to this section.