



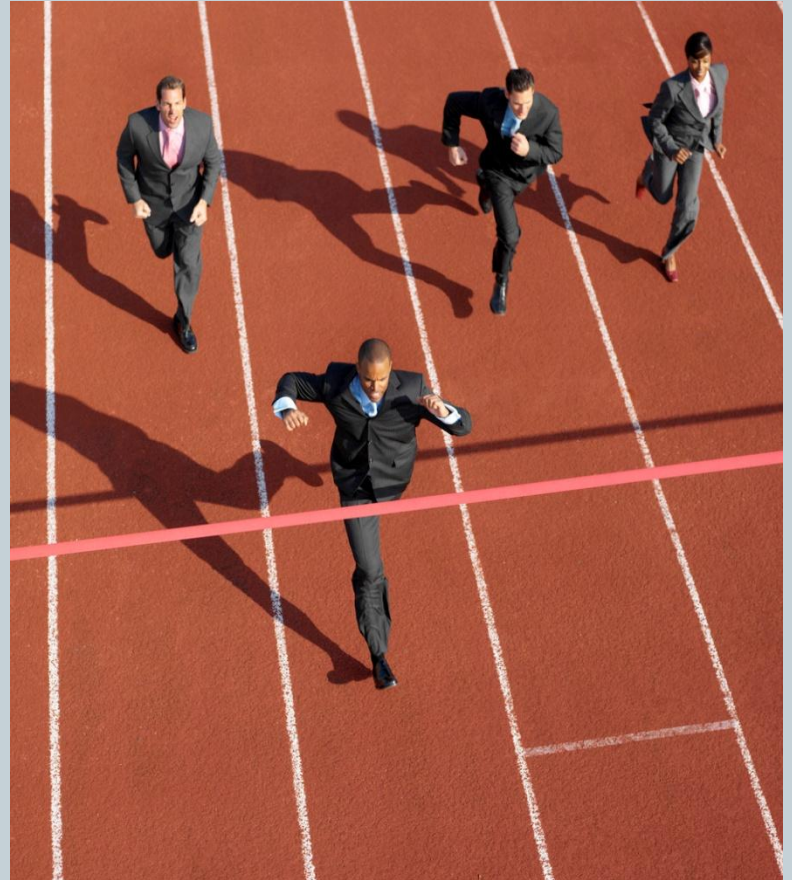
Purchasing Update

September 17, 2012

Topics for Discussion



- FY 2012 Accomplishments
- FY 2013 Plans



DOAS Strategic Goals



- Build customer relationships
- Demonstrate our value
- Take care of our employees

Customer Relationships



Annual survey of Agency Purchasing Officers and
College/University Purchasing Officers

APO/CUPO Customer Survey Results



- **Question: I value SPD as a collaborative partner with my agency.**

- FY11 = 79% strongly agree & agree} 15% improvement
- FY12 = 94% strongly agree & agree}

- **Question: DOAS demonstrated understanding and trust during this past fiscal year.**

- FY11 = 61% strongly agree & agree} 35% improvement
- FY12 = 96% strongly agree and agree}



Update on Legislation

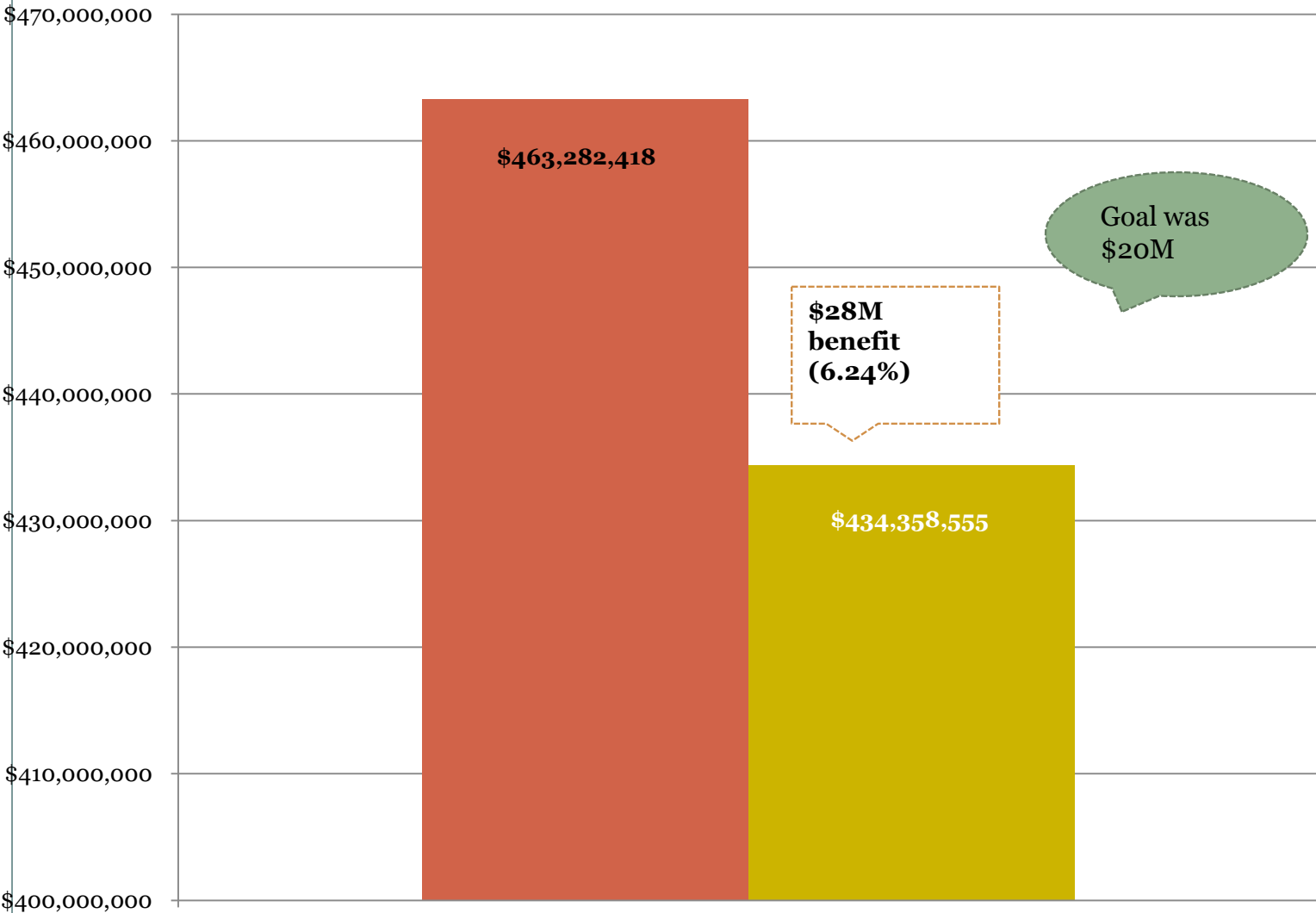
- **\$25,000 non-competitive purchases (3 years only)**
- **New definition of Georgia small business**
($\$30\text{M}$ or 300 employees)

Demonstrate our Value



FY 2012 Re-bid of Statewide Contracts

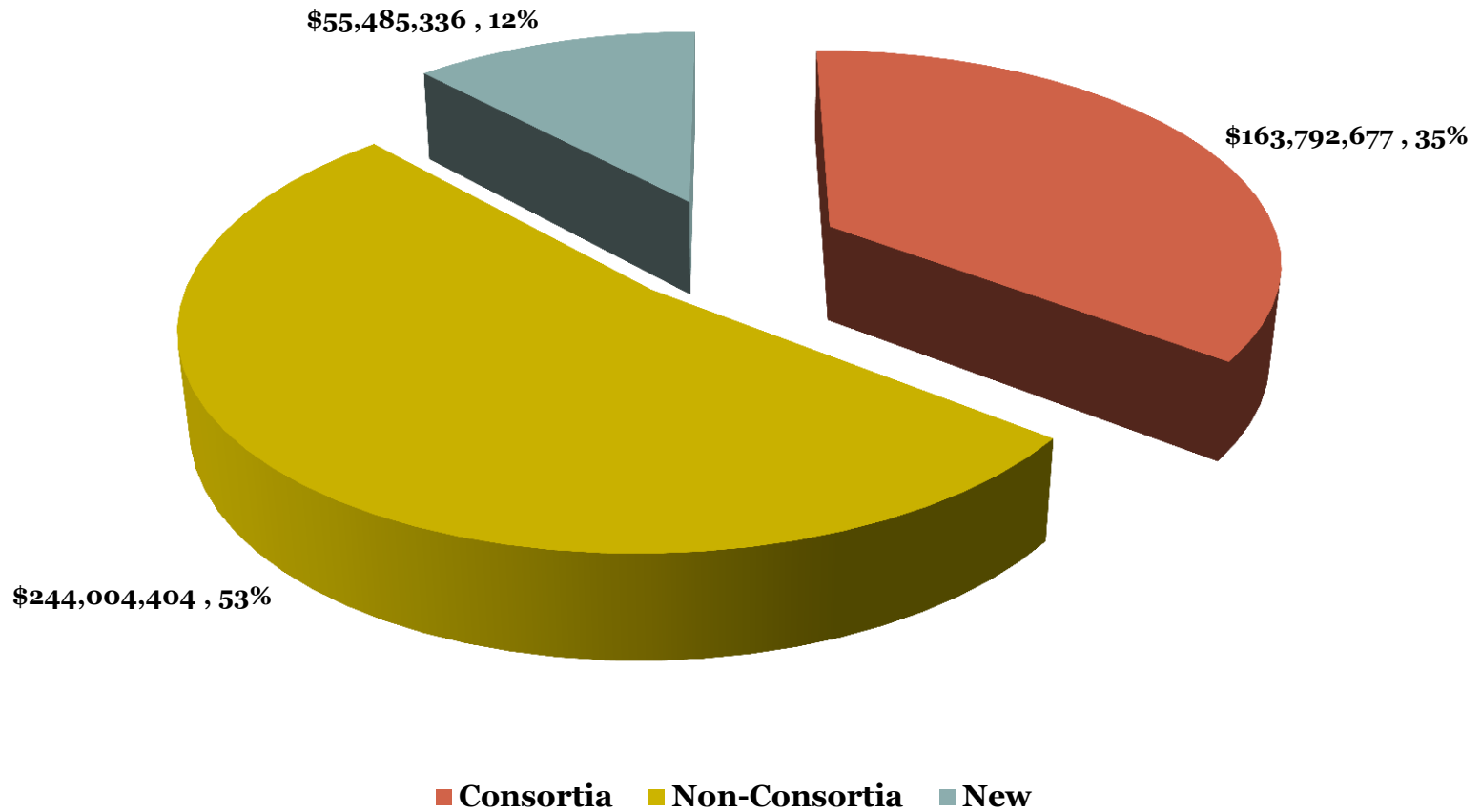
State Purchasing FY 12 Statewide Contract Solicitation Results



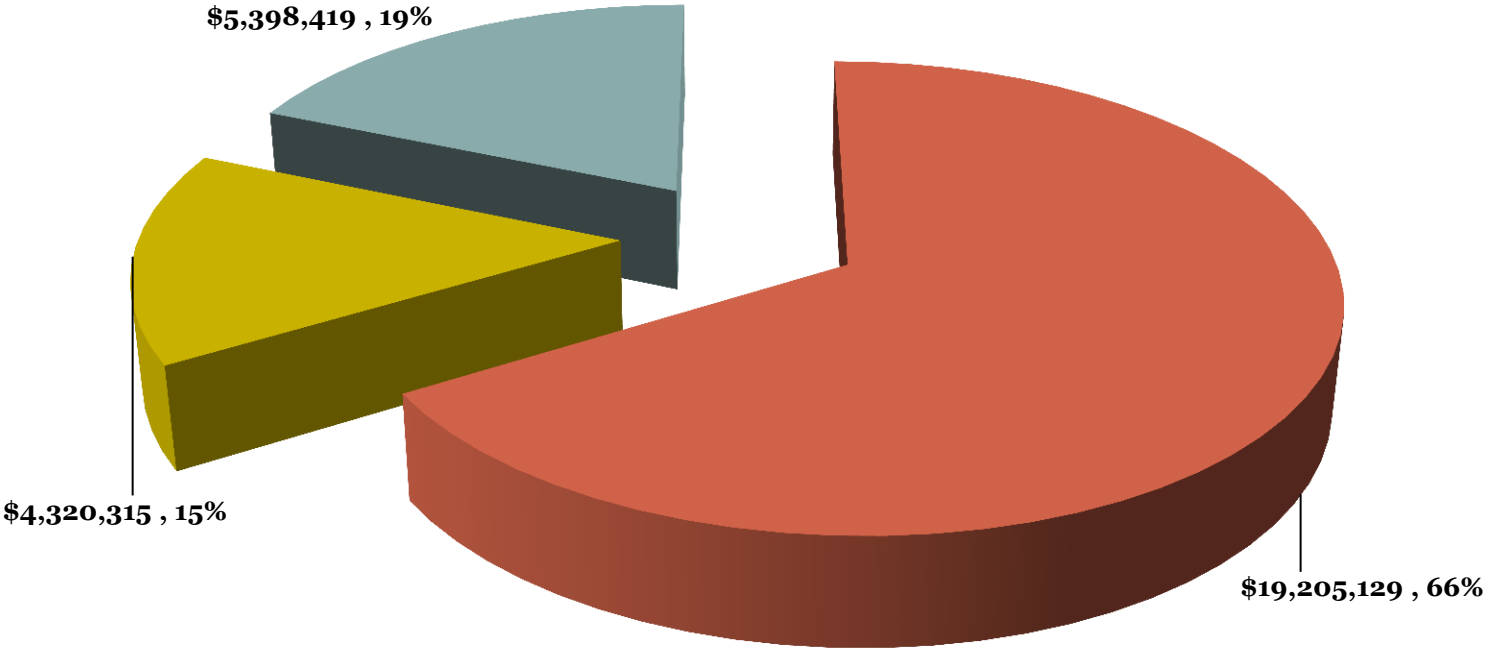
■ Portfolio Re-bid ■ Revised Portfolio with Benefits (Reduction and Avoidance)

FY 12 Efforts

FY 12 Original Pipeline Categories



FY 12 Benefit Results by Pipeline Categories



■ Consortia ■ Non-consortia ■ New

FY 2012 New Statewide Contract “Benefits”



- Office Supplies: 10 -30 %
- Maintenance, Repairs, Operations Supplies: 5%
- Personal Computers: 5% (+ more choices)
- Networking equipment: 5 - 10% (+ more choices)



Value: Purchase Order Reviews



- Reviews are completed every two years

Most Common Issues:

- Failure to use Statewide Contracts (mandatory)
- Incorrect Purchasing Type Codes
- Incorrect NIGP codes

Value: P Card Review Results



- Reviews are completed every year

Most Common Issue:

- Failure to use Statewide Contracts (mandatory)
- Failure to get a waiver from SPD

[No evidence of fraud or abuse]

Using Analytics to Drive Decisions



- Spend Cube Data (annually)
- Review Data (bi-annually)
- Vendor Data (quarterly sales reports)
- TGM Data (quarterly in FY 2013)

What does the data tell us?

Future value add:

Reports from SPD: (1) Agency review snap shots;
(2) real time benefits (TGM only)

Spend Cube Data Sources



- SAO PeopleSoft Data
- BOR PeopleSoft Data
- DOL Data
- BOA P Card Data

Multi-dimensional Spend Cube



Rpt

- Spend by SWC vs. off SWC

Rpt

- Spend by Vendor

Rpt

- Spend by NIGP Code

Timeline for Spend Reporting



Spend Cube Repts.

TGM Repts.



July 2010

July 2011

July 2012

July 2013

July 2014

July 2015

**FY10 December
2011**

**FY12 December
2012**

**FY13 December
2013**

**FY13 December
2014**

FY 13 1st Q

FY13 2nd Q

FY13 3rd Q

FY13 4th Q

FY14 1st Q

FY14 2nd Q

FY14 3rd Q

FY14 4th Q

Next Steps



- Validating FY 2011 spend amounts
- Revised letters will be sent to agency heads on potential “benefits”
- Build the FY 2012 spend data
- Report on actual FY 2013 “real time” from Team Georgia Marketplace agencies

FY 2013 Projects



- Fast track RFP for \$25,001 - \$250,000
- FY13 Pipeline for Solicitations (\$14M benefits)
- Report on <\$25K behavior
- Pilot E Payables
- Address TGM archiving and attachments with a new solution
- TGM roll out with Technical College System

FY13 Pipeline & Benefits

27 Initiatives: 20 Rebids & 7

New

FY12 Initiatives Deferred

❖ REBIDS

❑ Software (Sept 12)

- ❑ Expedited Mail Delivery (Sept 12)
- ❑ ATV's (Sept 12)
- ❑ Bread & Cakes (Dec 12)
- ❑ Guns & Ammunition (Dec 12)
- ❑ Natural Gas, Firm Service (June 13)
- ❑ Natural Gas, Interruptible Service (June 13)
- ❑ Administrative Vehicles (Dec 12)
- ❑ Furniture (May 13)
- ❑ Herbicides (June 13)
- ❑ Biological Supplies (Dec 12)

❖ NEW

- ❑ Printing Services (TBD)
- ❑ Project Based Audio Visual (June 13)

Represents \$173M in Spend / \$6.3M Benefits

FY13 Initiatives

❖ REBIDS

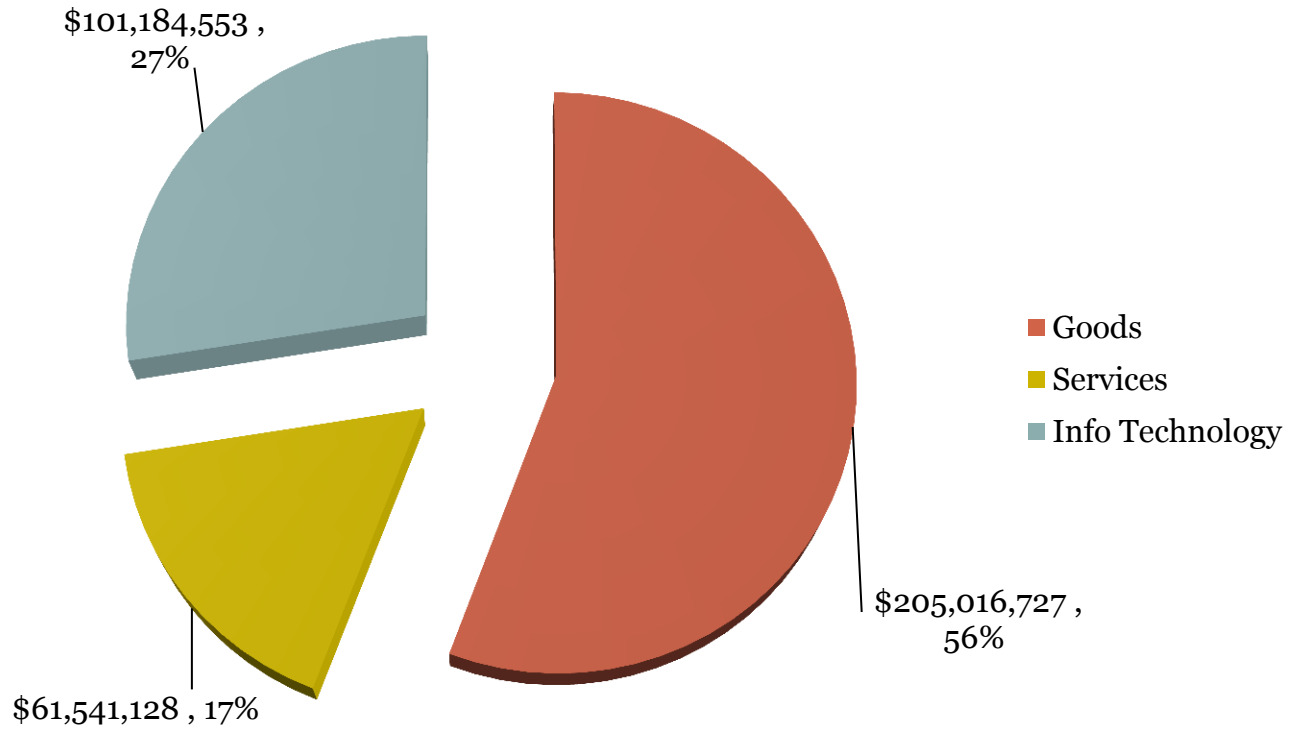
- ❑ Auto Rental (Nov 12)
- ❑ Equipment Maintenance Mgmt Service (Dec 12)
- ❑ Temp Staffing , Clerical & Lite Indus (Apr 13)
- ❑ Temporary Staffing, IT (June 13)
- ❑ Document Solutions, Capitol Hill (June 13)
- ❑ Document Solutions, Statewide (June 13)
- ❑ Pursuit Vehicles (June 13)
- ❑ Influenza Vaccine
- ❑ Generic Drugs

❖ NEW

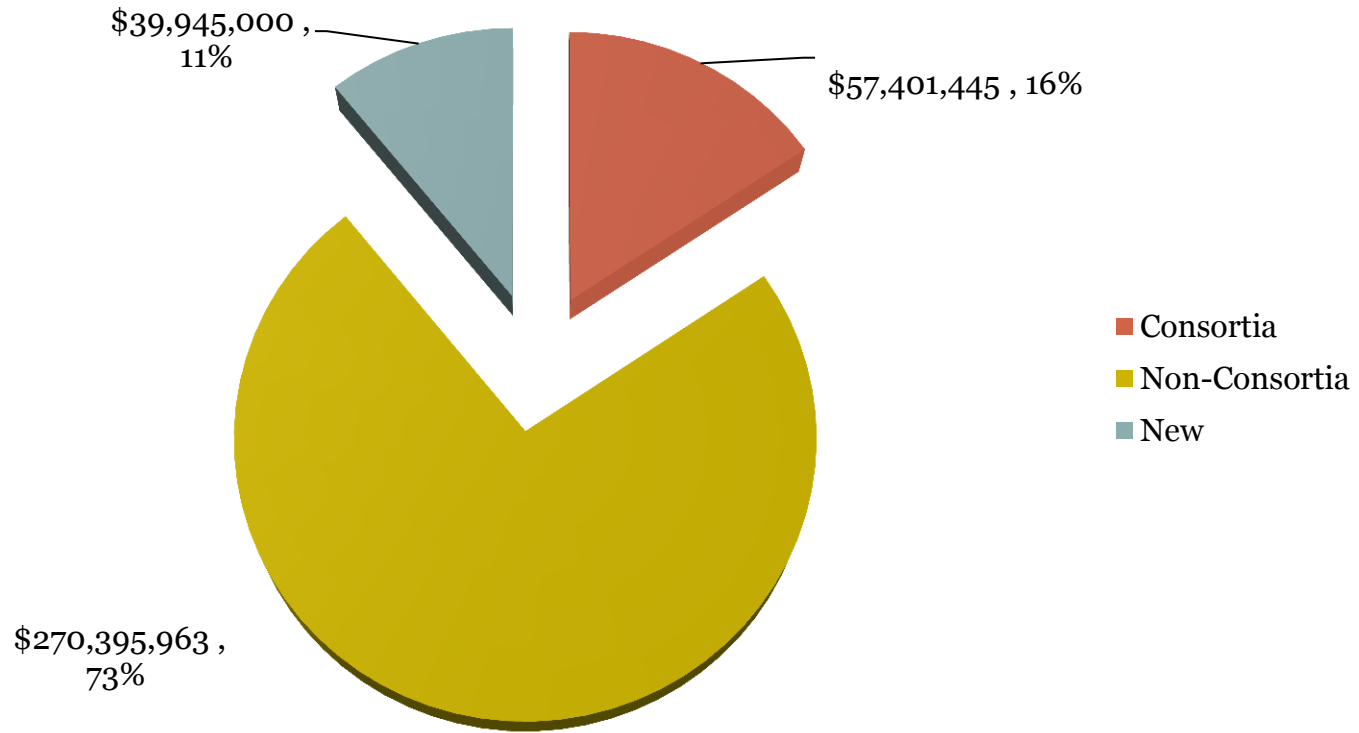
- ❑ Network Equipment ,Specialized Products (Feb 13)
- ❑ Uninterrupted Power Supply (May 13)
- ❑ Security Services, Armed & Unarmed (May 13)
- ❑ Electronic Monitoring Devices (May 13)
- ❑ Network Equipment ,Refurbished (June 13)

Represents \$200M in Spend / \$7.7M Benefits

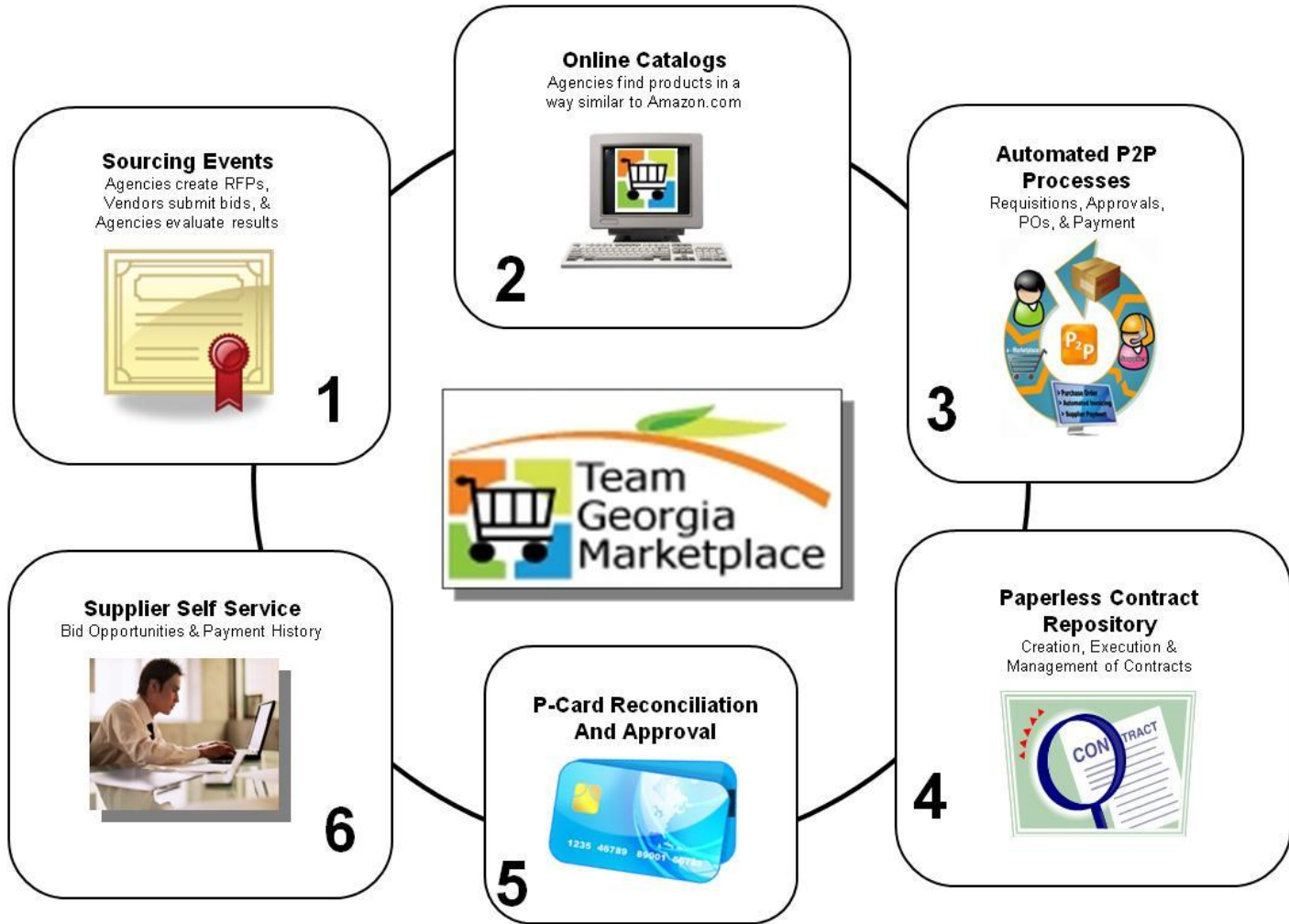
FY 2013 Pipeline by Unit



FY 2013 Pipeline by Category



TEAM GEORGIA MARKETPLACE



TEAM GEORGIA MARKETPLACE

	Aug 31, 2011 Since Jan '09	FY2012 Oct 1 2011 to Jun 30, 2012	FY2013/2014 TCSG Roll Out
Agencies	24 agencies total	36 agencies total (Add 12 agencies)	62 entities in total (Add 25 tech colleges and 1 central office)
Users	4735	Approx 5200 (Estimate 500 added)	Approx 8000 to 9000 (Estimate 4000 added)
Suppliers	25,000	30,000 (Estimate 5000 added)	35,000 (Estimate 5000 added)
<u>Transactions</u>	<u>FY2011 Transactions</u>	<u>FY2012 Transactions</u>	<u>FY2013 Transactions</u>
-Req. to PO	42,500	81,098	
- RFX Posted	627	712	
-RFX Responses	2,250	3,107	
-Contracts	7,000	11,766	
-Help desk Support	23,000 service requests	37,295	

Example of Actual Reporting



Agency ABC (TGM Only)

FY13 Actual Spend by SWC#

FY13 \$ Amount SWC [by quarter]

X

FY13 Benefit Estimate (example 10% savings)

=

Estimated Actual Benefit \$ Amount [by quarter]

Challenges / Tensions

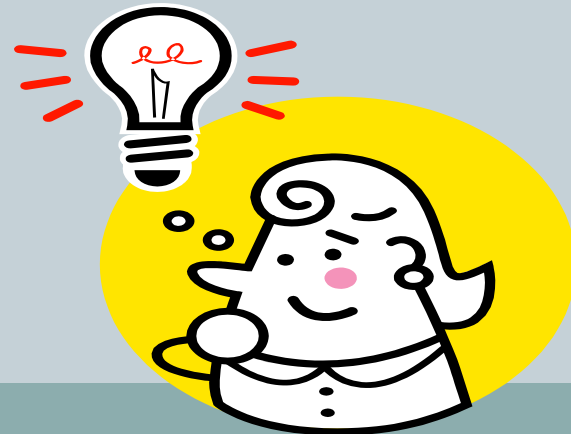


- Negotiating price vs. quality (best value)
- More competition vs. one stop shopping
- Small business vs. large business (office supplies)
- Local business vs. one large statewide business (pest control)
- Mandatory vs. convenience (new strategy)
- Consortia vs. bidding in Georgia (what worked?)

What I learned in one year



- We under estimated the internal level of effort.
- We still made the dollar amount “benefit” goal.
- It is our job to provide the data to stakeholders.
- Benefits do not equal budget cuts.
- We are **not** perfect.
- We need support for analytics resources and tools.



Questions



**Are we helping
you in your
agency?**