AGENDA
ADVISORY COUNCIL ON STATE PROCUREMENT MEETING #001
WEDNESDAY, NOVEMBER 9, 2011 – 1:00 PM
TN TOWER – 3RD FLOOR – DAVIDSON ROOM

I. Welcome and Introductions

II. Orientation by Legal Counsel

III. Review Advisory Council Notebook Contents:
   - Conflict of Interest Form
   - Contact Information and Member Biographies
   - Legislation
   - Links to TCAs and Rules
   - Town Hall Meeting Presentation

IV. Current Chief Procurement Office Initiatives

V. Future Priorities

VI. General Discussion

VII. Other Business
Background

• Procurement Reform was initiated through Public Chapters 1098 and 295.
  – Transparency in the public procurement and contracting process
  – Maximize savings creation
  – Appropriate balance of cost and quality considerations
  – Simplify process and create efficiencies
  – Efficient oversight and control
Background (cont’d)

• Centralize procurement functions
  – Create opportunities for strategic sourcing
  – Source and establish state-wide contracts
• Establish central grant management system
  – Central database of grant information
• Create infrastructure to support agencies
• Establish central bidder relations process
  – How we represent ourselves to the vendor community
• Break down the barrier between goods and services
Background (cont’d)

• Meaningful dates
  • November 2011: Creation of Advisory Council
    – 12 member council
    – 5 voting, 7 non-voting members
    – Comprised of state employees, vendor community and local units of government
  • January 2012: Central Procurement Website established
  • April 2012: Public Chapter fully in effect
Updates

• Town Hall Meetings conducted in October
  – Over 300 state employees
• Reviewing how work is organized and services are delivered to state agencies
• Initiatives to streamline procurement and contracting thresholds
• Reduce number of methods
• Simplify contracting process
EXAMPLE TENNESSEE PROCUREMENT CYCLE

1 Goods and non-professional services process shown is for non-Statewide term contracts. Professional services process shown is for competitive negotiations and RFPs. Pre-approval steps (e.g., OIR) are not included.
Streamline Procurement Methods

• 10 procurement method options available today
  – Between goods, non-professional services and professional services
• Reduce number of procurement methods to 6
• Ability to use competitive negotiation process for purchases $25K and below (effective now)
Competitive Sealed Bid
Multi-Step Bid
RFP
Informal Bid
Best Value
Competitive Negotiation
Non Competitive Negotiation
Non Competitive Authority to Vendor
Small Purchase
Direct Contract
Informal Bid
Competitive Negotiation
Goods/Non Prof. Svcs
Prof. Services
Goods & Services

1 Graphic excludes emergency purchase method
Standardized procurement threshold

• Establish clear delegation for all purchases and contracts under $25,000 (or higher)
  ✓ Applies to commodities, non-professional services and professional services
  ✓ Agency responsible for solicitation
  ✓ Agency responsible for vendor selection
Future Initiatives

• Study of all state-wide contracts
  – Benchmarking
  – Data Analysis of state spend

• Rule Review
  – Process to begin in November

• Ensure high customer service is delivered

• Utilize Edison to notify vendors of opportunities
Future Initiatives (cont’d)

• Develop agency resources
  – Training, manuals, etc.

• Ensure changes are communicated
  – State employees
  – Vendor Community

• Investigate the possibility of expanding the use of the procurement card