

Formstack Submission For: [Agency Advancement Award 2021](#)

Submitted at 05/21/21 3:57 PM

Date Implemented: : Mar 2020

Title of Program or Process Improvement: Re-Imagining Procurement – The Norfolk Vision: A New Reality

Name: Krystyna Owen

Designation(s):

Title: Purchasing Agent

Agency: City of Norfolk

Address: 810 Union St
Suite 300
Norfolk, VA 23510

Email: krystyna.owen@norfolk.gov

Phone: (757) 404-5101

Cell Phone:

Program or Process Improvement Summary:

Through the lens of re-imagining procurement, the City of Norfolk used the catalytic impact of COVID-19 to leverage dramatic and permanent changes to the way we do business. In 2018, the City of Norfolk's central Procurement office was in turmoil. Years of neglect and challenging relationships with client departments had created a crucible of mistrust where finger pointing and frustration had become the norm, some contracts took years to complete and Procurement was perceived as an obstacle to the performance of the people's work. After several years of searching for proper leadership and a few false starts the City restaffed operations to lay the

foundations for systemic and dramatic change.

The new leadership team used participant observation, surveys and process mapping to identify challenges and causes for the issues. They initiated several acquisitions to identify solutions to issues with both procurement processes and document creation and routing. In addition, as the process was underway, the outbreak of the Covid-19 pandemic presented unprecedented issues of ensuring safety of citizens, vendors, and staff involved with the procurement process in the City while continuing to provide prompt and exceptional service that adhered to NIGP's Values and Guiding Principles to our client departments and the Norfolk vendor community. Accordingly, the implementation of an eProcurement system and implementation of an electronic document routing and signature system became even more critical to ensure that Procurement continues being transparent, objective in selection process, and allow employees, vendors, and departments to adhere to the City of Norfolk's mandated remote working by elimination of paper and duplication of processes.

Ultimately the contract and solution selected for the eProcurement solution created an innovative relationship where the City of Norfolk has become an innovation partner with the developer, enabling and driving product enhancements that respond to client, vendor and operational needs. Additionally, the continued engagement with the start-up community has provided the partners with access to small, woman and minority business inclusion functionality and other new enhancements are on development.

In the past year, in the face of the demands of the pandemic and its dramatic impact on staffing levels, workloads and operational paradigms, this team has changed the face and the fundamental processes of procurement in the City of Norfolk. Gone is the concept of pushing paper; in fact, gone is the concept of paper, there is no more paper at all. Old documents are not scanned or automated they are reengineered into

electronic fields of manageable information that can be utilized in various forms for various purposes.

Through the implementation of best in breed solutions as well as partnering with strategic innovators and start-ups, processes are simplified, handoffs are transformed to information sharing, costs are controlled, turn-around times are reduced by as much as 56% and customer satisfaction is dramatically improved.

Evaluation Criteria #1:

1. New Procurement leadership validated their own observations through a PASS Survey of clients in 2018. The attached 2018 survey responses show a high level of dissatisfaction with Procurement operation, comments complain about the length and lack of transparency of procurement processes and contract execution processes. The Survey was followed by extensive process mapping which confirmed clients' concerns. Purchasing identified the need for systemic, not incremental, change and two primary functions were evaluated: implementation of an eProcurement system and a document execution and routing system.

2. Procurement staff performed research in many forms:

- attendance and participation in international procurement and academic conferences to identify the best and innovative practices,
- engagement with the Silicon Valley and international start-up community to identify innovators and developers with public sector focus,
- attendance at numerous presentations of various software vendors offering potentially compatible solutions (eg. during NIGP Forums),
- online research and communications with their counterparts nationwide to learn about the marketplace.

These efforts resulted in the development of a multifaceted approach to the procurement of solutions that could meet current eProcurement system functionality requirements yet left enough room for innovators to offer and implement new solutions.

3. In 2019, the City issued an RFP for eProcurement solution which included electronic solicitation issuance and response submission, as well as electronic evaluation of responses. Proposals were received from 6 offerors, including industry leaders. After an extensive evaluation process, product demonstrations and exploring hands-on software test environments, the contract was awarded to ProcureNow.

The City followed an equally comprehensive, yet less formal, process of evaluating potential solutions for the electronic document routing and signature system. Several potential competitors were considered, and the City decided to move forward with DocuSign via a piggyback contract for two reasons: 1) ready integration with the City's official document repository software, and 2) the initial reluctance of the City Attorney towards electronic document execution methods, which was eased by selection of a well-established vendor that has been developed for use in legal settings nationwide.

4. Key to these solutions was adherence to NIGP's Values and Guiding Principles:

- Accountability – All processes and data are present, preserved and easily accessible online, and within the legal requirements available, as appropriate, to vendors, client departments, and the general public. Electronic systems facilitate document retention in accordance with legal requirements.
- Transparency – Vendors can receive system-generated bid tabulations immediately upon bid closing. Notices of Award are distributed to all interested parties electronically.
- Impartiality – Evaluation scores and comments are entered and stored online and are easily accessible and reportable to the vendors. A variety of reports and score analyses are available, which allows Procurement staff to ensure impartial best value award.
- Service – ProcureNow and DocuSign allow the procurement and contracting processes to be performed in a manner more convenient to both the internal customers and the vendors.

1. While the planning and evaluation of both solutions was started pre-pandemic, the implementation process accelerated in March 2020 in response to the Covid-19 pandemic. Given the need to quickly implement the new solutions, an Agile Product Implementation methodology was implemented with a primary focus on utilizing daily sprint meetings to drive early implementation.

For ProcureNow, implementation phase was condensed through the use of current Microsoft Office-based solicitation templates, therefore significantly reducing the testing and rollout phase – the first solicitations were posted in ProcureNow within 1.5 weeks. The City was also able to leverage the Commonwealth of Virginia's eProcurement system (eVA) to invite vendors into the new system, thus quickly building a vendor base. Throughout this process, the City worked collaboratively with the vendor to recommend improvements and customizations to the City processes, and provide new users with training and navigation of the new system.

Evaluation Criteria #2:

Due to Covid-19 outbreak DocuSign was initially implemented on a limited scale for Procurement documents processed by the City Attorney's Office, and focus was placed on the staff who would be directly operating and managing the system. That allowed to narrow down the training to essential personnel with additional staff trained as needed at later dates. Quick reference guides were developed, which allowed routing of documents to begin within a week into the implementation process. Communication was issued to the senior executive team informing them about implementation to ensure that the documents are being signed-off as required. Instead of a formal city-wide roll-out that would entail coordinated communication and information sessions, we relied on personal communications with the affected personnel as the needs arose to explain and walk them through the new process.

2. For ProcureNow, given the exceptionally quick implementation schedule, all facets of the new system were not able to be fully implemented at the outset. For

example, forms that were required with submission of documents, historically in hard copy, were not able to be converted to online submission forms – instead, vendors were initially asked to provide signed PDF copies of those documents. The initial time period also included several vendor challenges claiming inability to submit a response due to system issues, however, those were overturned thanks to ProcureNow’s detailed system activity logs.

For DocuSign, due to quick roll-out, there was initial doubling of responsibilities between the Procurement and City Attorney staff both initiating the routing document envelopes. Quickly this issue was resolved with City Attorney’s Office initiating all envelopes for contract documents. Quick implementation also did not allow all major users to voice their concerns (eg. City Clerk’s Office was concerned whether paper copies of the electronic routed documents should be retained as official records), and those issues had to be addressed in individual meetings and discussions.

Some of the issues discussed above are showing in customers’ comments in the PASS Survey (see page 3 of the attachment), however, overall for both systems all challenges were minor and did not impact the implementation schedules and system usage.

Evaluation Criteria #3:

a. The anticipated results were achieved and with the catalyst of the pandemic the implementation of permanent changes was significantly accelerated. Due to the implementation of ProcureNow and DocuSign, within a couple of weeks the procurement and contracting process in the City was able to transform from a paper-based process into a fully electronic paper-less operation while faced with the developing pandemic. This allowed the City to seamlessly operate during the months of remote work and shutdowns without any significant operational delays due to solicitations and contracts that could not be completed in time. In addition, as evidenced by processing times for competitive solicitations from the time of receipt of vendor responses to the time of solicitation completion, procurement processing times

have actually decreased and client department satisfaction as measured by the 2020 PASS survey increased dramatically (see attachments) in comparison to 2018. We were also able to completely eliminate paper from procurement process, reducing the cost of physical storage of paper files and the environmental impact of the City's procurement operation.

b. There were several unintended consequences, including the adoption of DocuSign by other departments, the unintended expansion of ProcureNow to construction contracting, and the creation of a permanent telework program. The new solutions have been so effective in accomplishing their goals and making the procurement operation paper-free that they enabled all Procurement staff to work remotely full-time with virtually no need for in-person office presence since March 2020. As a result, the City is now considering implementing a full-time remote schedule for the Procurement staff as a normal part of its operation. This will result in significant savings for the City with regards to overhead and operational costs.

c. All identified opportunities for alignment of the procurement process with the NIGP Values and Guiding Principles were met as a result of ProcureNow and DocuSign implementation:

- Accountability – All processes and data are preserved in one solicitation record and easily accessible online, and within legal requirements available to vendors, client departments, and the general public. Both systems allow automated record retention and purging, which facilitates document management in accordance with legal requirements.
- Transparency – Bid totals are calculated automatically without the involvement of Procurement staff. Vendors receive system-generated bid tabulations immediately upon bid closing in format that allows analysis. Solicitation updates, to include Notices of Award, are distributed to all interested parties electronically and stored with the solicitation record.
- Impartiality – Evaluation scores and comments are entered and stored online and are easily accessible and

reportable to the vendors, facilitating the FOIA process. System reports and score analyses (such as visual marking of outlier scores) are used by Procurement staff to ensure impartial best value award.

- Service – Both systems allow the procurement and contracting processes to be performed in a manner more convenient to both the internal customers and the vendors throughout the duration of the pandemic, and on an ongoing basis. They have shortened and facilitated the process allowing more prompt service delivery to the taxpayers.

Evaluation Criteria #4:

1. Measurable outcomes are significant including reduced processing times and increased client satisfaction levels, even in light of reductions in force. Processing times for competitive solicitations from the time of receipt of vendor responses to the time of solicitation completion have decreased considerably within just one year of implementation. Average IFB processing times have decreased by 16 days, RFP by 20 days, Request for Quotes by 9 days and informal RFP by 71 days (reductions by 18%, 11%, 34% and 56%, respectively) as compared to an equivalent time period immediately preceding implementation of both solutions (see attached spreadsheet for detailed analysis). This has been accomplished while the staff was learning a new system and was charged with additional workload due to the City's Covid-19 response needs, and while being 12.5% down in professional staff levels due to Procurement losing a senior procurement specialist position as a result of pandemic-related layoffs in June 2020. In addition, the PASS survey results from December 2020 show that customers using both solutions have a predominantly positive assessment about their usefulness (see attachment).

2. Our most significant lessons learned center around early and frequent engagement with stakeholders. While the expedited implementation was a success, it precluded some of our planned stakeholder engagement protocols and resulted in issues that could be avoided with ample time and careful analysis, planning and

training. Were it not for the outbreak of the pandemic a more thoughtful implementation plan for both solutions would be devised, including consultations with client departments, which is critical to these changes. In addition, the accelerated implementation meant that there was a transition period between the old process and the fully implemented new process, which can cause issues and frustrations among the users as further changes are implemented.

3. The City of Norfolk continues to regularly monitor solicitation and contract processing times. The client satisfaction surveys are scheduled for every other year, and this year the City plans to issue a vendor survey to measure vendor satisfaction with the procurement process and the implemented changes. In addition, the City remains actively engaged with ProcureNow to develop additional software functionalities through providing the procurement perspective and discussing the ongoing needs and challenges that the software could address.

4. The program was designed for adoption by other agencies, the ProcureNow RFP was designed and implemented as a cooperative and the DocuSign contract is a rider contract. Through the ProcureNow partnership we are working to enhance the strategic capacity of all procurement operations and continue to work to enhance the product's functionalities. The process that the City followed in accelerating the implementation of ProcureNow in light of the developing pandemic has been adopted by ProcureNow. Starting in April 2020 they began offering the same quick-startup solution free of charge to other jurisdictions that were struggling with conducting procurement processes during the times of mandated shutdowns (see the email attached).

Supporting documents showing the success of the program or process improvement outside your agency? - File #1:

[View File](#)

Supporting documents showing the success of the program or process improvement outside your agency? - File #2:

Supporting documents showing the success of the program or process improvement outside your agency? - File #3:

Program or process improvement supporting what you have written above - File #1:

[View File](#)

Program or process improvement supporting what you have written above - File #2:

[View File](#)

Program or process improvement supporting what you have written above - File #3:

[View File](#)

Documents showing the success of the program or process improvement within your agency? - File #1:

[View File](#)

Documents showing the success of the program or process improvement within your agency? - File #2:

[View File](#)

Documents showing the success of the program or

process improvement
within your agency? - File
#3: