

# Item #49

## Vendor/Contract Management Staffing & Training Request

Executive Management Committee

November 6, 2014



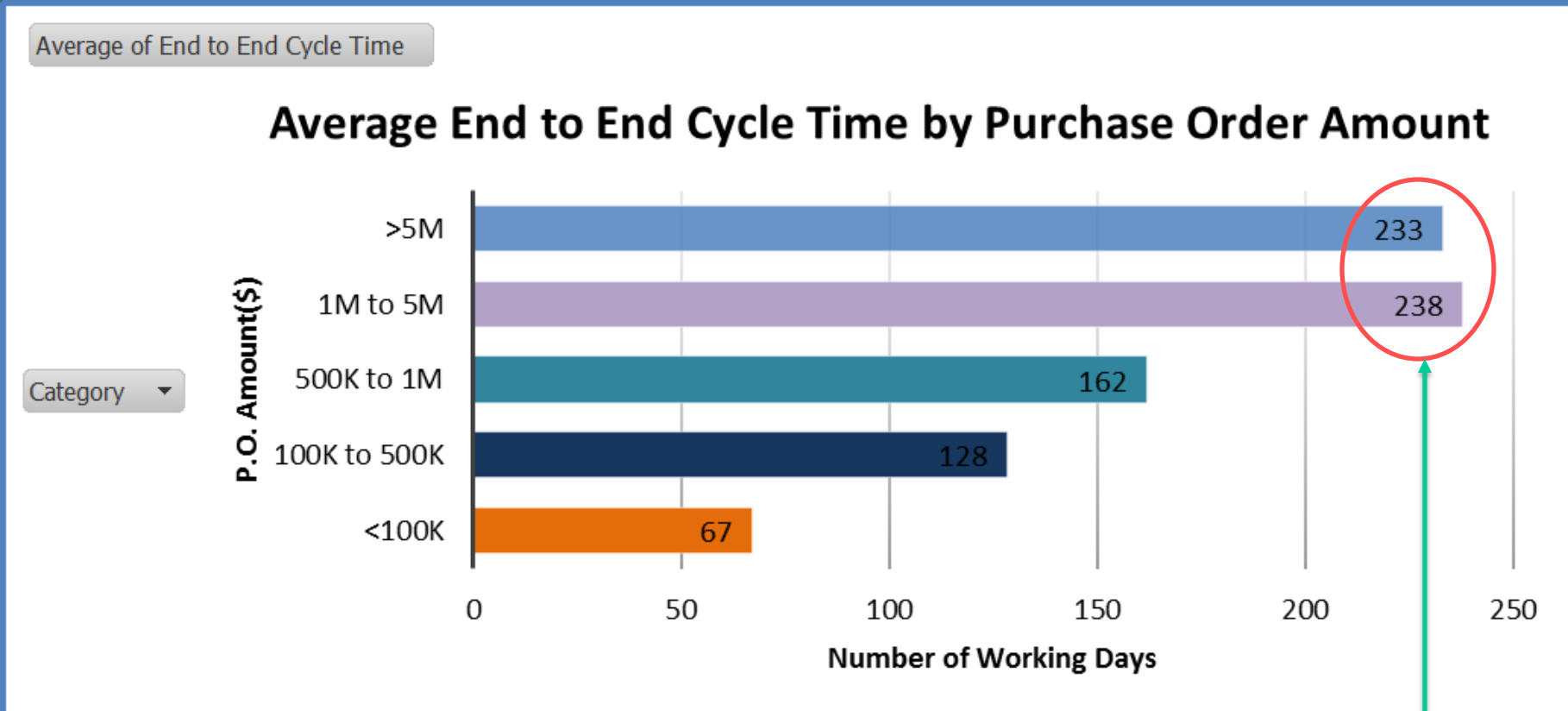
**Metro**

# APTA Peer Review

- Requested in December 2013 by CEO Art Leahy
- APTA Peer Review Held February 10, 2014 – Feb 13, 2014
- APTA Peer Review Panel Members: BART, Connecticut, DOT, DART, and WMATA
- Scope of the Peer Review:
  - Review the new Business Unit organization structure, enabling technology, operating model, & service delivery capabilities
  - Review the organizational relationships with other Business Units that are integrally involved in the acquisition process

# End to End Cycle Time by Purchase Order Amount

## Average: 152 Working Days or 7 ½ Months



This chart shows the average Cycle time by PO amount category.

Cycle time for >5M reduces, maybe due to low # of such RFPs under consideration. Further analysis will be performed during the Analyze Phase

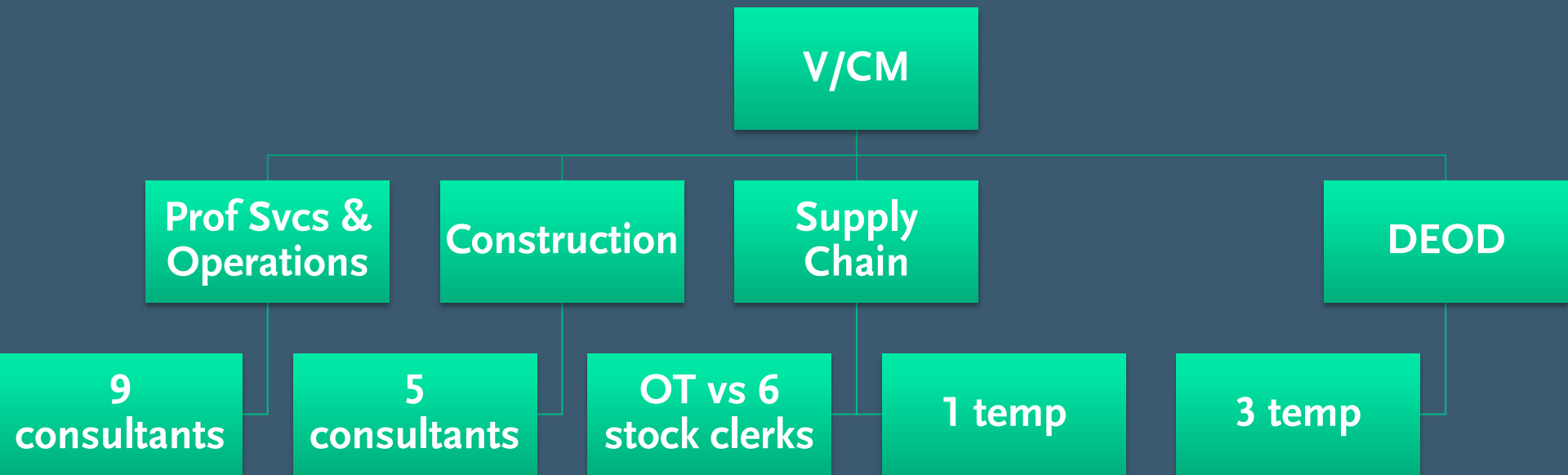
# Staffing Request – Goals/Desired Outcomes

- Establish Consistency & Accountability
- Change Culture of How Business is Handled at Metro
- Build a Strong Staff, Vested in Metro's Best Interest to Create a Certain Discipline
- Improve Relationships with Business Community to Ensure They Do Not Expend Resources Unnecessarily (i.e. multiple amendments to RFP/IFB, cancelled procurements)
- Reduce Cycle Time

# Training Request – Goals/Desired Outcomes

- Promote Innovation & Cost Effectiveness
- Increase Ability to Address Changing Market Conditions
- Validate Knowledge of Cost/Price Analysis & Contract Negotiation
- Reduce Cycle Time/Support Timely Delivery of Measure R Projects

# Organizational Impact Areas



# Financial Impact

	<b>FY15 Costs</b>	<b>FY16 Costs</b>	<b>Difference</b>
<b>Consultant Costs</b>	<b>\$1,500,000</b>	<b>\$0</b>	
<b>Overtime Costs</b>	<b>\$1,227,545</b>	<b>\$0</b>	
<b>As-Needed Costs</b>	<b>\$160,000</b>	<b>\$0</b>	
<b><u>Recommendations</u></b>			
<b>Convert 15 Consultants to FTE</b>		<b>\$3,000,000</b>	
<b>Add 6 New Stock Clerks</b>		<b>\$616,032</b>	
<b>Convert 4 As-Needed to FTE</b>		<b>\$180,000</b>	
<b>NET COSTS</b>	<b>\$2,887,545</b>	<b>\$3,796,032</b>	<b>\$908,487</b>

The net costs will be offset by efficiencies through improved contract negotiation. Further, the impact of adding FTE's will save the vendor community a substantial amount of money that in the past has been spent on cancelled RFP's and unclear or unnecessary contract requirements.

# FY15 Vendor/Contract Mgmt Action Plan





- Objective #1: Change Metro staff perceptions of the role & capabilities of the agency's procurement function

1	✓	Reorganize V/CM Business Unit to Report Directly to CEO	<i>Completed Feb 2014</i>
2	✓	Implement a Continuing Education & Mentoring Program	<i>Completed Jun 2014</i>
3	In progress \$	<b>Review Staffing, Skill Sets, &amp; Assignments of V/CM Dept</b>	<i>Short Term</i>
4	In progress \$	Consider Augmenting Legal Resources Dedicated to V/CM <i>(Per Recommendation by County Counsel, outside counsel has been retained to expedite review of terms &amp; conditions)</i>	<i>Short Term</i>
5	In progress	Add Acquisition Process as a Performance Objective for Execs	<i>Mid Term</i>
6	Not yet started	Develop & Implement a Succession Plan for V/CM	<i>Mid Term</i>
7	In progress	Include Procurement at the Initiation of Project Planning	<i>Long Term</i>
8	Not yet started \$	<b>Provide Ongoing Functional &amp; Technical Training for All Staff</b>	<i>Long Term</i>









# FY15 Vendor/Contract Mgmt Action Plan

- Objective #2: Streamline procurement policies and procedures to make it more effective and easier for everyone to understand.

9	✓	Implement a Request for Comments Process	<i>Completed May 2014</i>
10	✓	Implement On-Line Database of SBE/DBE Certified Firms 	<i>Completed Jun 2014</i>
11	In progress	Construction Change Order Streamlining Initiative	<i>Mid Term</i>
12	In progress	Unsolicited Proposal Policy for P3's	<i>Mid Term</i>
13	✓	Implement Automated Contract Management System 	<i>Completed Sep 2014</i>
14	In progress	Provide Full Suite of Boiler Plate Templates w/User Input 	<i>Mid Term</i>
15	In progress \$	Implement Vendor Portal – One Stop Service 	<i>Mid Term</i>
16	In progress \$	Six Sigma Process Improvement Review	<i>Long Term</i>

# FY15 Vendor/Contract Mgmt Action Plan

- Objective #3: Communicate, Communicate, Communicate. Improve the understanding of the procurement function throughout the agency.

17	✓	Establish an Internal Board of Customers	Completed Mar 2014
18	✓	Implement Automatic Notification of Contract Expiration 	Completed Mar 2014
19	✓	Review Implementation & Communication Plan for CIMS	Completed Jun 2014
20	In progress	Develop a User Manual for Clients 	Short Term
21	In progress	Develop & Implement an Annual Procurement Plan 	Mid Term
22	In progress	Develop & Implement a Vendor Performance Scorecard 	Mid Term
23	Not yet started	Review Key Performance Indicators for V/CM 	Long Term
24	In progress	Revise/Update the Procurement Manual 	Long Term