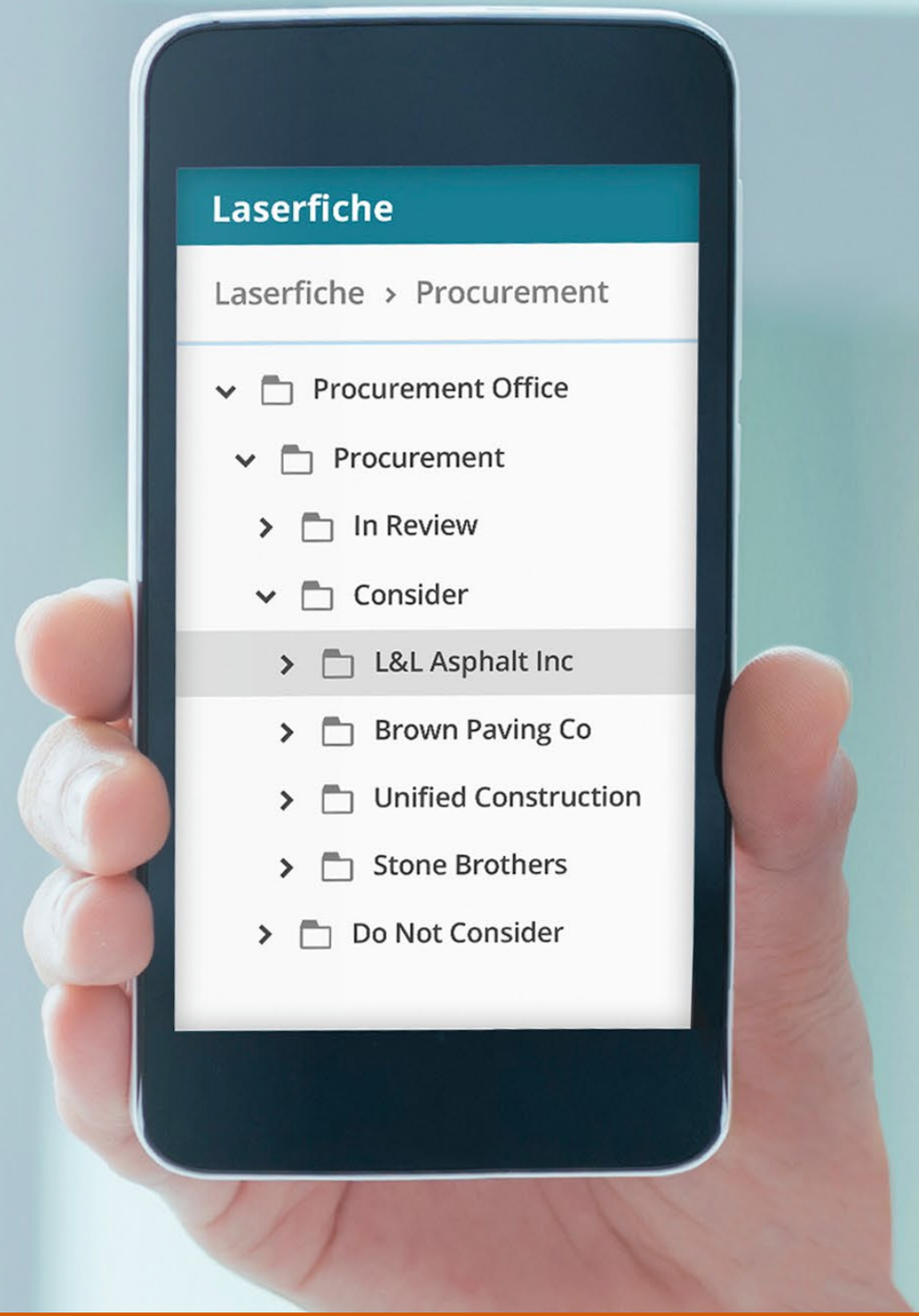
How Government Agencies Can

DIGITIZE PROCUREMENT



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Introduction

While consumers go on shopping sprees, government agencies go on shopping expeditions.

A government purchase involves several players, from bidders to contract negotiators to an ever watchful public eye. It must adhere to a complex web of procedures and requirements—and provide meticulous documentation as proof. A single procurement cycle can last for months and may even be repeated if a suitable bidder is not found.

Though the procurement process aims to increase transparency, accountability and fairness, it does so at the detriment of efficiency. Every document revision, bidder review and invoice approval, though necessary, delays the ultimate goal of delivering a good or service.

In this eBook, we'll address the causes and symptoms of inefficient procurement. We'll then explore how standard templates, electronic forms, automated emails and other time- and resource-saving methods can **improve on-time delivery, collaboration and compliance.**

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The Challenges of Procurement

Each stage of the procurement cycle acts as a compliance checkpoint—a chance to ensure that all procedures have been followed before moving forward. Therein lies the catch-22 of public procurement: this long list of steps increases complexity and creates opportunities for error.

5 CHARACTERISTICS OF PROCUREMENT & THEIR ASSOCIATED PAIN POINTS

Rogue Procurement

Communication Upkeep

Risk Aversion

Procurement Office Bottleneck

Information Overload

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1 Rogue Procurement

While procurement laws must be followed, not all government entities are legally required to procure goods and services through a designated procurement office. Without central oversight of all purchasing, governments end up with cost variations for the same goods and services.

In addition, entities that operate without the help of their procurement offices are at **higher risk of non-compliance.** Procurement professionals cannot perform due diligence on procurement that takes place without their knowledge.

2 Communication Upkeep

Procurement offices want to attract enough bidders to **encourage competition**—this increases the likelihood of finding a high-value offering. However, the more vendors that compete for a bid, the more challenging it becomes to manage communication with those vendors.

For example, if a procurement office fails to adequately respond to a vendor's enquiries, the vendor can make claims of unfair practices. Poor communication can provoke vendors to protest, rescind offers and even avoid bidding on future opportunities. This loss of faith reduces competition in the long run.

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3 Risk Aversion

While private organizations can procure bids with a degree of flexibility, public offices must follow established procurement laws—or risk serious consequences.

As a result, requests for proposals (RFPs) tend to bury scopes of work in pages of **restrictions, rules and disclaimers.**

> “There’s really no getting around the rules in government procurement. This makes for RFPs the size of *War and Peace* that often raise more questions than they answer.”
>
> **John P. Miles,** Former Secretary for the State of Florida Department of Management Services

When RFPs focus more on restrictions than requirements, vendors are left scratching their heads over the intended outcome of the procurement. Perplexed and dissuaded by these dense, jargon-filled documents, some vendors opt out of the bid entirely.

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4 Procurement Office Bottleneck

A procurement office lacking in **resources, manpower and efficient processing** can get easily overwhelmed with requests. Imagine a town with one procurement office and twenty government entities: with a large enough volume of procurement requests, that office becomes more of a bottleneck than a service center.

5 Information Overload

Government entities must **demonstrate compliance** throughout the procurement cycle. This results in a massive information trail.

Without a method for organizing procurement documentation, information gets stored in file cabinets, email inboxes, network drives, personal devices and other non-central, non-secure locations.

If and when a vendor decides to protest a bid award or proposed bid award, all pertinent documentation must be available for discovery. The longer this discovery process takes, the more it delays the procurement cycle.

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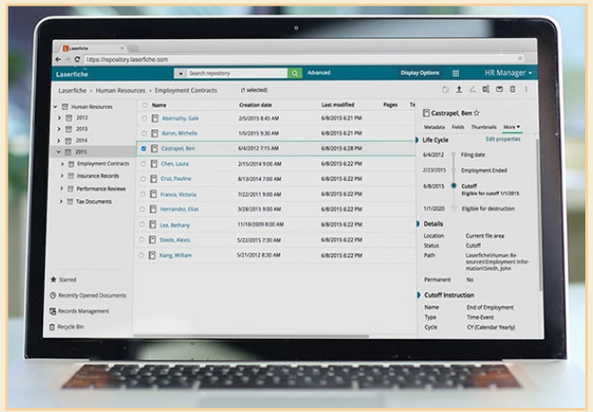

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How to Improve the Procurement Process

It's easy to tell when a procurement office needs improvement. Information is hard to find, vendor competition is low and project success is often based on how much criticism it received. One might hear a procurement professional say, "This project went well—none of the bidders protested."

However, procurement offices can and should focus on deliverables. With **enterprise content management** (ECM) systems, organizations can shorten procurement cycles, improve collaboration and maintain compliance.

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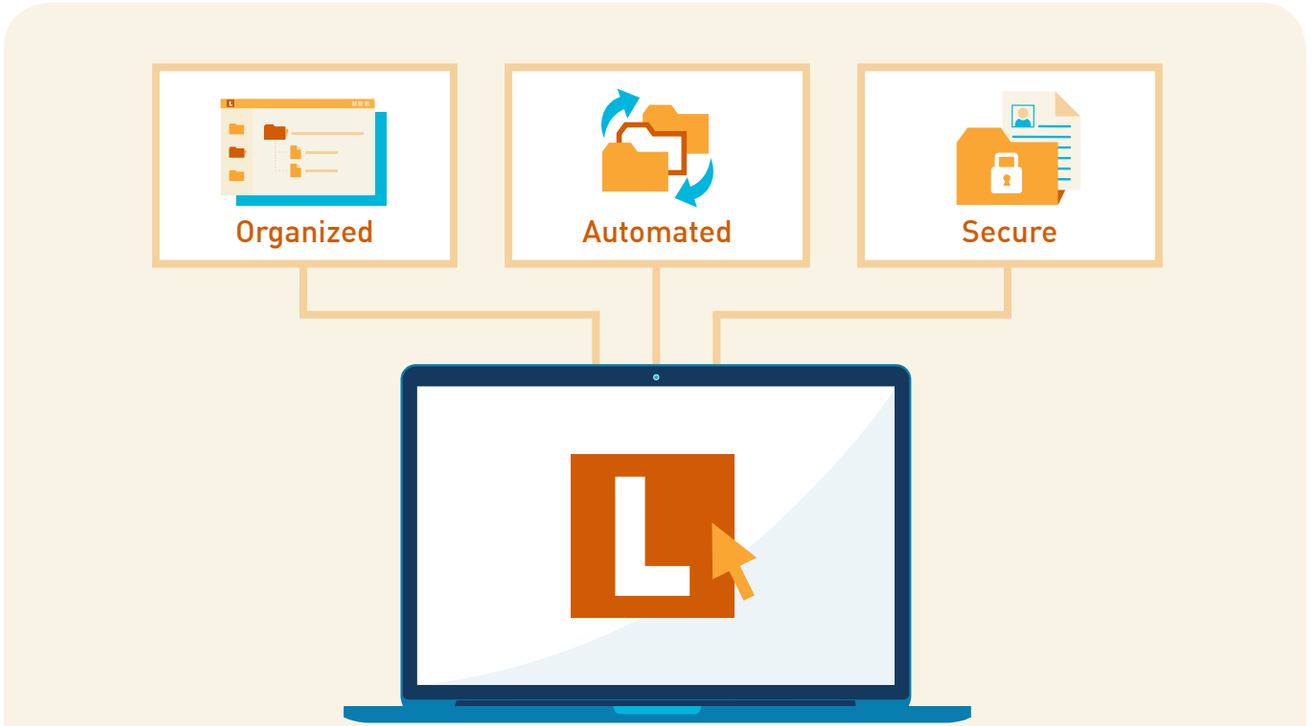
Enterprise Content Management: A New Procurement Methodology

Enterprise content management (ECM) software **allows employees to store and access files in one central, electronic repository.** For many organizations, a shared network drive fulfills this purpose. But unlike a network drive, ECM software can perform automated tasks. This means it can send emails, move documents to new folders and more without requiring human effort.



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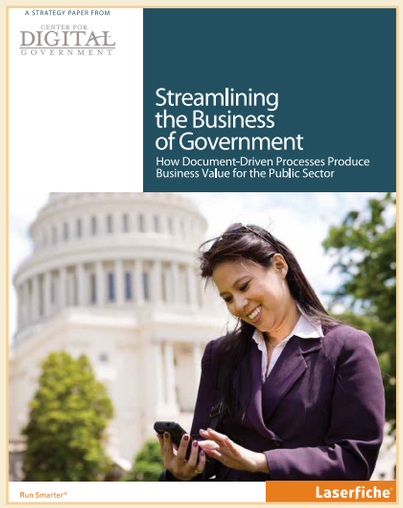
Additionally, ECM can assign retention schedules to records and alert staff when files are legally ready for disposition. This prevents the repository from growing exponentially, as is common with network drives.

ECM helps organizations improve productivity by standardizing processes—not cutting corners—making it an ideal solution for strictly regulated processes like public procurement.



Procurement isn't the only process in need of improvement.

Explore ECM's full potential in this free guide.

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ECM at a Glance

Here are five major ways ECM facilitates procurement:

1 **Information Capture**

- Use electronic forms to gather information from government entities, vendors and residents
- Automatically extract information from these forms to expedite filing
- Upload photos taken from mobile devices

2 **Administrative Control**

- Store every version of a procurement document or contract in one location
- Track user activity on every file
- Establish security so only authorized parties can see documents

3 **Process Automation**

- Automatically move files into appropriate folders
- Send notification emails when a document needs attention

4 **Collaboration**

- Allow multiple stakeholders to simultaneously view and edit documents
- Access files from a desktop or mobile device for flexible collaboration

5 **Records Management**

- Archive records as non-editable files
- Assign records retention schedules based on record type
- Find records faster during a vendor protest or public records request

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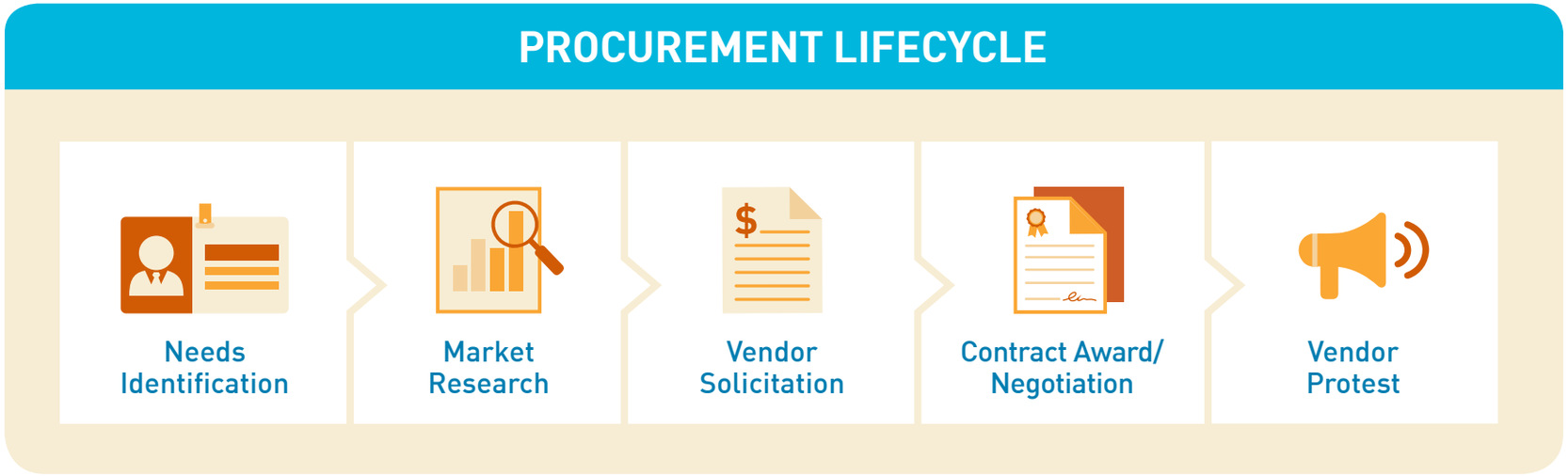
Five Phases of Streamlined Procurement

The following section includes five common phases of the procurement cycle, as optimized by ECM software.



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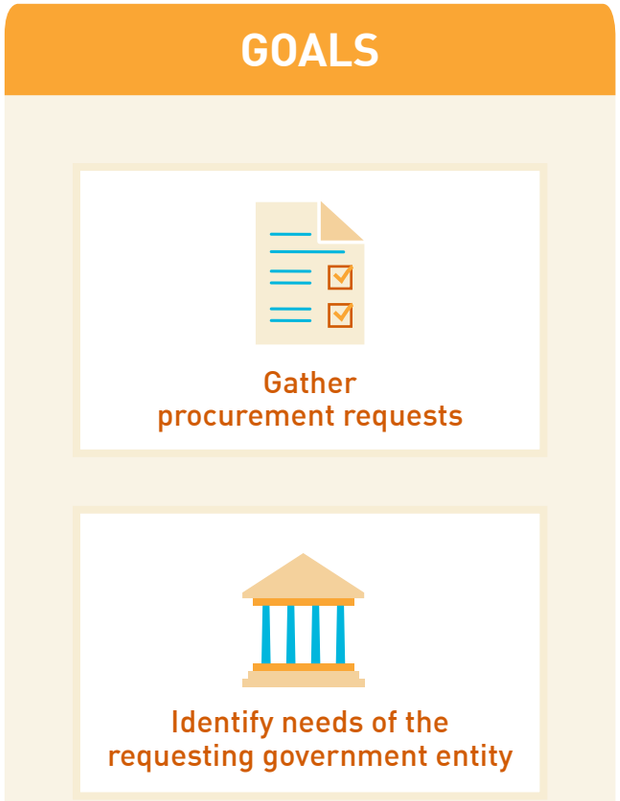
1 Needs Identification

The procurement office hosts an online portal through which government entities submit procurement requisitions. The requesting entity uses an electronic form and fills out essential information about the procurement, such as:

- Key functions the needed goods or services must meet
- The expected or approved budget
- The date on which the goods or services must be delivered



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The form can include required fields, drop-down menus and pop-up calendars to **reduce erroneous or incomplete requisitions.**

A drop-down menu prevents typos and helps the procurement office filter requisitions.

Upon submission, this electronic form appears instantly in a procurement administrator's ECM repository and the administrator receives an automated email that a new requisition has been submitted. At any given time, the administrator can view or update the status of a requisition by changing its metadata.

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2 Market Research

The procurement office can use its online portal to publish requests for information (RFI) and requests for quote (RFQ). Within the RFI or RFQ is a link to a corresponding electronic form. Vendors use this form to respond to the RFI or RFQ, making vendor comparison easier as all the responses will have a consistent format.

Request for Information Response

Company Name	
Company Address	Street Address
	Address Line 2
	City / State / Province / Region
	Postal / Zip Code / Country
Contact Email	
Contact Phone Number	
Company Website	

GOALS

Research available vendors, services and solutions

Communicate requirements to vendors

Receive and compare vendor responses

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As responses are submitted, they appear instantly in a procurement administrator's ECM repository and the administrator receives an automated email that a new response needs attention. The response documents are **automatically routed** to different reviewers by changing metadata fields. The procurement administrator can see where each response is in the review process at any given time.

New RFI Response from Perfect Paving

John Smith

Sent: Tue 5/12/2015 9:45 AM
To: Jane Jones

There is a new RFI response from Perfect Paving that is ready for review.

You can access the response here.

Please complete your review and action within five business days.

Thank you!

John Smith | Procurement Specialist

Phone: 1.800.562.1200
E-mail: John.smith@springfield.gov.us

An automated email keeps the procurement administrator aware of incoming documents.

The ECM system can also be configured so that RFI and RFQ responses, supporting documents or any communication related to one vendor are **automatically filed** in that vendor's folder.

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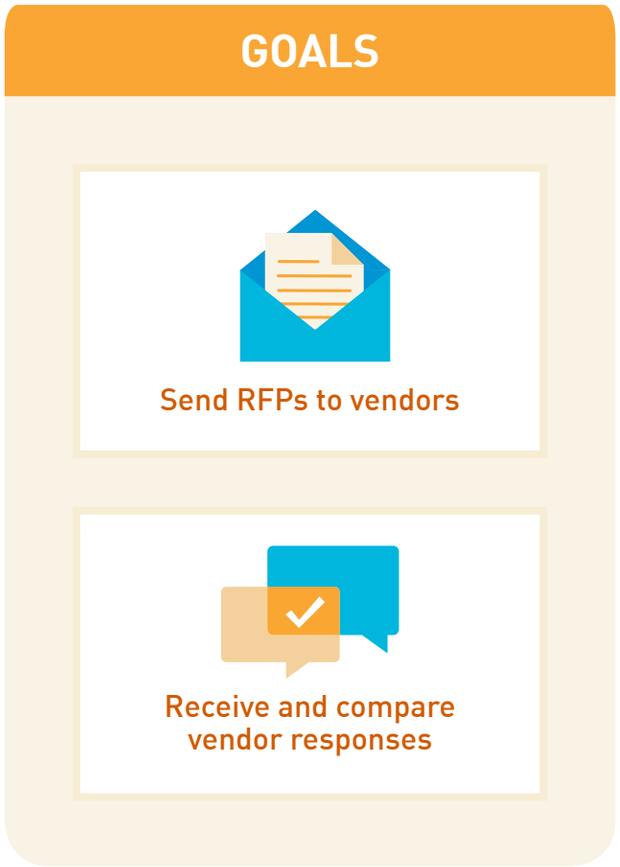
3 Vendor Solicitation

After evaluating the pool of competing vendors, the procurement office publishes a request for proposal (RFP) on its online portal. Vendors now bidding for the project may submit their proposals and any supporting documents with an electronic form. Once again, this makes vendor comparison simpler and more clear cut.

The ECM system stores all proposals in the repository and routes them to their necessary reviewers. Because document shortcuts, as opposed to document copies, are routed between reviewers, they actually review the same exact document. This means that reviewers can see each other's comments and edits, **increasing collaboration and clarification** without slowing down the review process.



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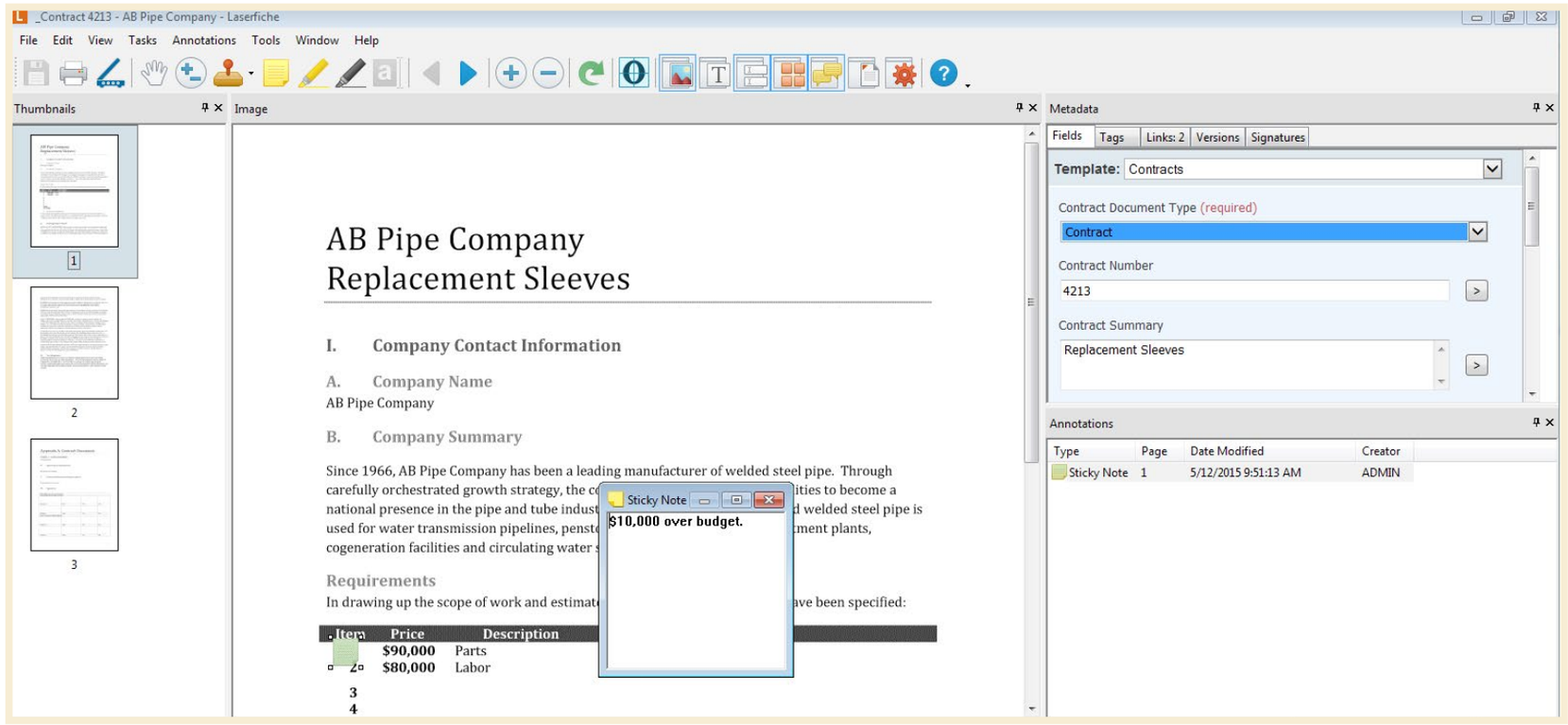

The ECM system tracks the creation of each annotation in the pane on the right.

As reviewers narrow down their choice of bidders, they change metadata fields to move the response into the correct folder, such as “consider” or “do not consider.” If a bidder’s proposal is moved into the “do not consider” folder, an automated email can be sent to notify the bidder that their proposal won’t be considered.

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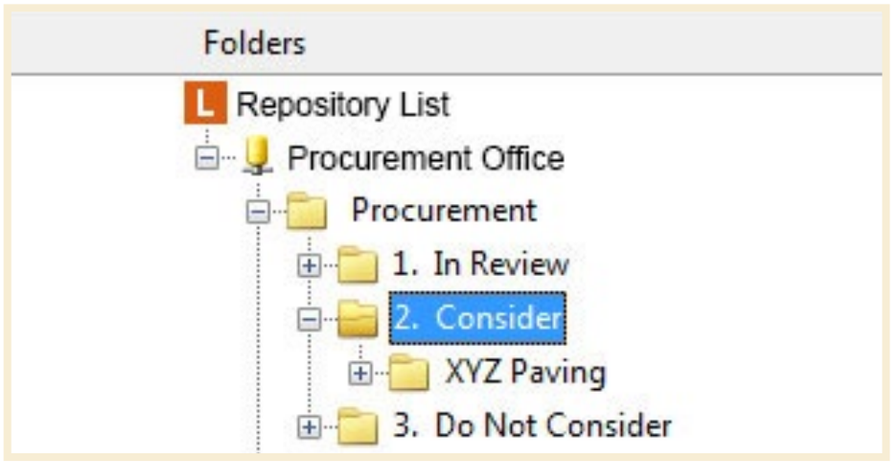
4 Contract Award/Negotiation

The procurement office works with the requesting government entity to select a final bidder. To make this decision, the procurement office emails shortcuts to all the documentation stored in the "consider" folder. The procurement office and government entity make annotations on the documents, keeping information centralized and email inboxes empty.



A folder structure organized for procurement.

The procurement office, government entity and relevant legal parties collaborate in the same way to draft a contract. Electronic signatures can also be used to **expedite contract finalization.**

GOALS

Select a winning bidder

Finalize contract terms

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5 Vendor Protest

Using the online portal once more, the procurement office posts the start and end dates and terms for a project's protest period. The announcement links to an electronic form through which protesting vendors may submit their complaints. They can also request documentation that pertains to the project.

The procurement administrator publishes the requested documents to the online portal. Because every document is organized in the ECM repository, the administrator **saves time searching for files.**

GOALS

Allow time for vendor protests

Make documentation available for discovery

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What happens when a contract expires, but it must be kept on record?

Learn how ECM helps organizations manage records.

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Use Case: Ada County Highway District

Ada County, Idaho, is home to nearly 400,000 residents, the state capital of Boise and 2,100 miles of roads. Keeping these roads safe falls under the purview of the Ada County Highway District (ACHD), an independent government entity that oversees the county's urban streets, rural roadways and bridges.

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ACHD manages the planning, construction and maintenance of county roads.

The majority of ACHD's construction projects go through a bid procurement process. Here is how ECM helps ACHD streamline the review and approval of procurement documents and automatically apply retention schedules to finalized contracts.

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Manual Procurement

Before ACHD implemented ECM software, procurement was a **paper-intensive process.** For example, the contract administrator had to print out 100-400 page bid packets and carry them from office to office for approval. Once a bid packet was finalized, the contract administrator spent hours scanning it into an electronic format.

With no records retention policies in place, procurement documents occupied more and more storage space in the organization. Records from a single contract could be spread out across the organization's 25 departments and three locations, so employees spent a great deal of time searching for records.

> "We were creating more documents than we could manage. Records were duplicated on hard drives, network drives and in hard copy. There were no guidelines for record disposition, and departments were following their own process when determining how long to maintain records."
>
> **Misty Perry,** Information Records Administrator, ACHD

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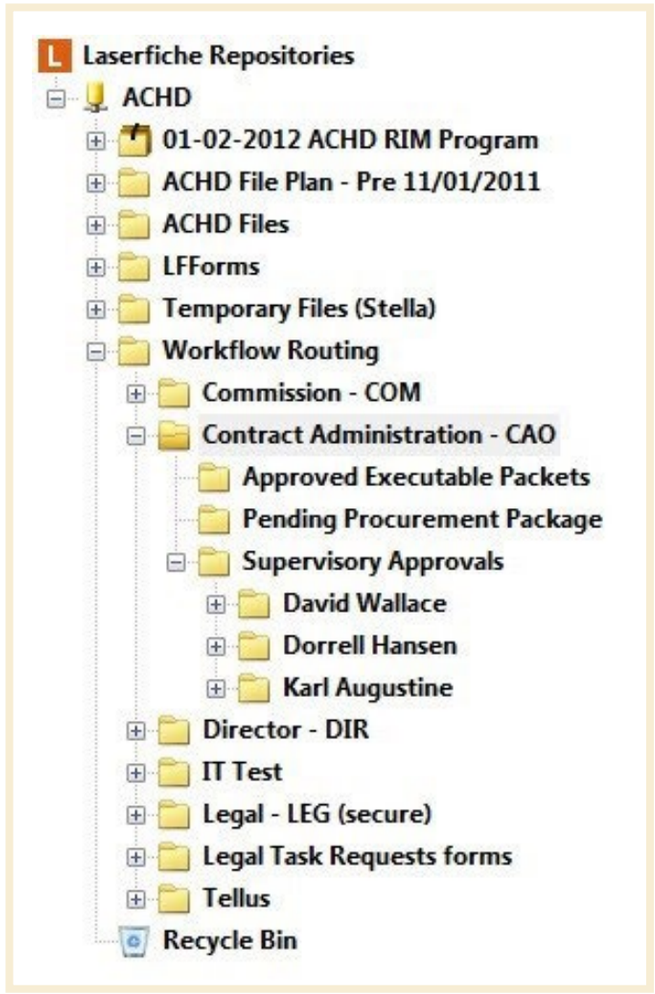
Automated Procurement

Today, the contract administrator compiles the bid packet electronically and saves it in the ECM system. The act of saving the bid packet immediately sends a notification email to the appropriate supervisor. The supervisor can click a link in that email to access the bid packet.



Bid packets automatically move to the correct folder based on approval status.

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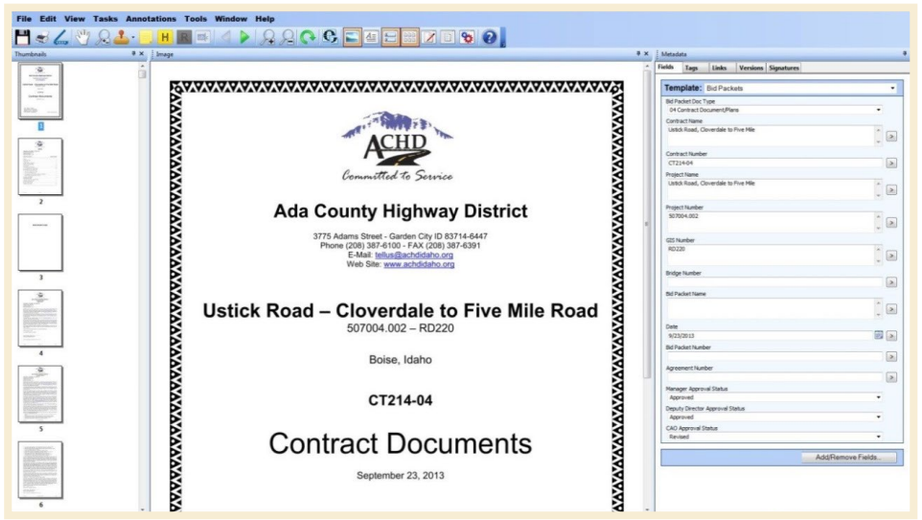
After reviewing the bid packet, the supervisor selects “Approve” or “Deny” in the document’s metadata. This action tells the ECM system to send the bid packet to the next reviewer.



In an automated ECM system, changes in the metadata indicate where a file needs to go next.

Did You Know ECM Can Send Automatic Reminders?

ECM can send emails automatically, but there’s still a person on the receiving end. What if the email recipient forgets to take action on an email?

Keep the review and approval process going with email reminders. At ACHD, if the supervisor doesn’t take action on the bid packet email within four hours, the ECM system sends him a follow-up email reminder. It’s the best way to avoid that awkward “Hey, did you get my email?” conversation in the break room.

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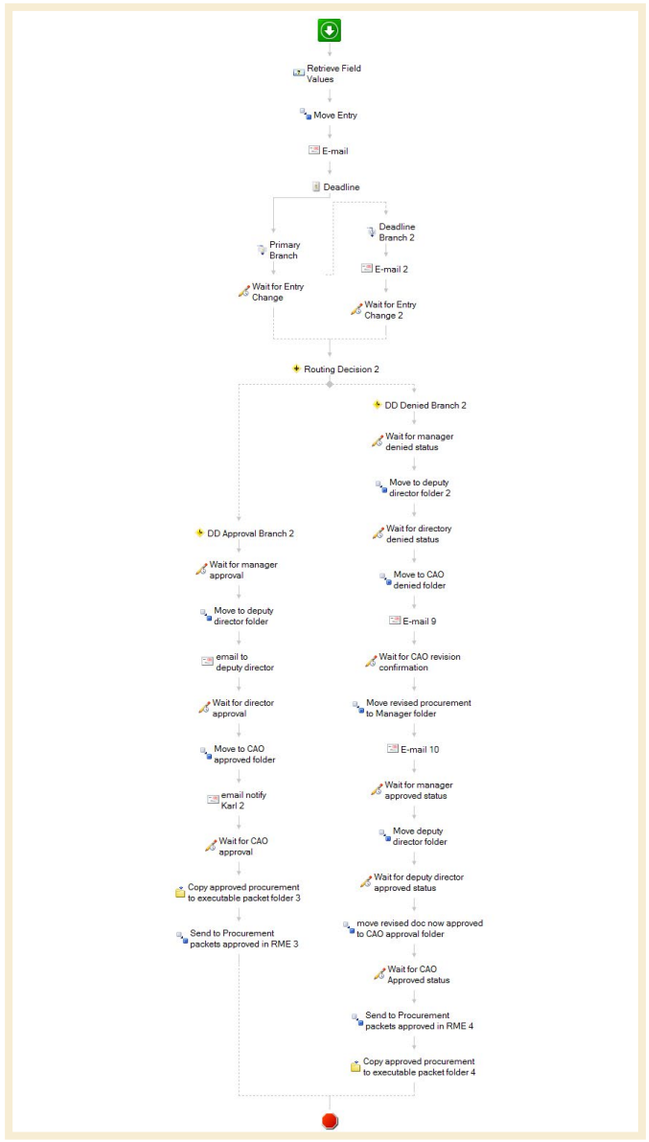
The final bid packet is routed to a records management folder. Once in this folder, the bid packet:

- Cannot be altered or deleted
- Is automatically scheduled for retention and disposition
- Can be easily accessed by the records administrator or other authorized employees

The entire process follows a simple workflow:



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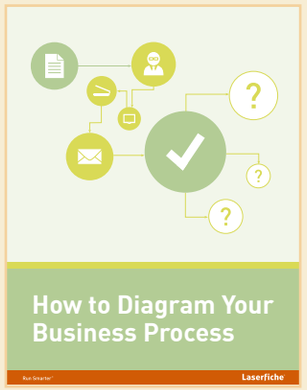

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Conclusion

Procurement is not just an act—it's a methodology. When procurement offices streamline how they procure goods and services, they **add more value to their government entities, residents and vendor community.**

With enterprise content management, procurement professionals can shorten procurement cycles, improve collaboration and maintain compliance—becoming an office that people want to work with, not avoid.

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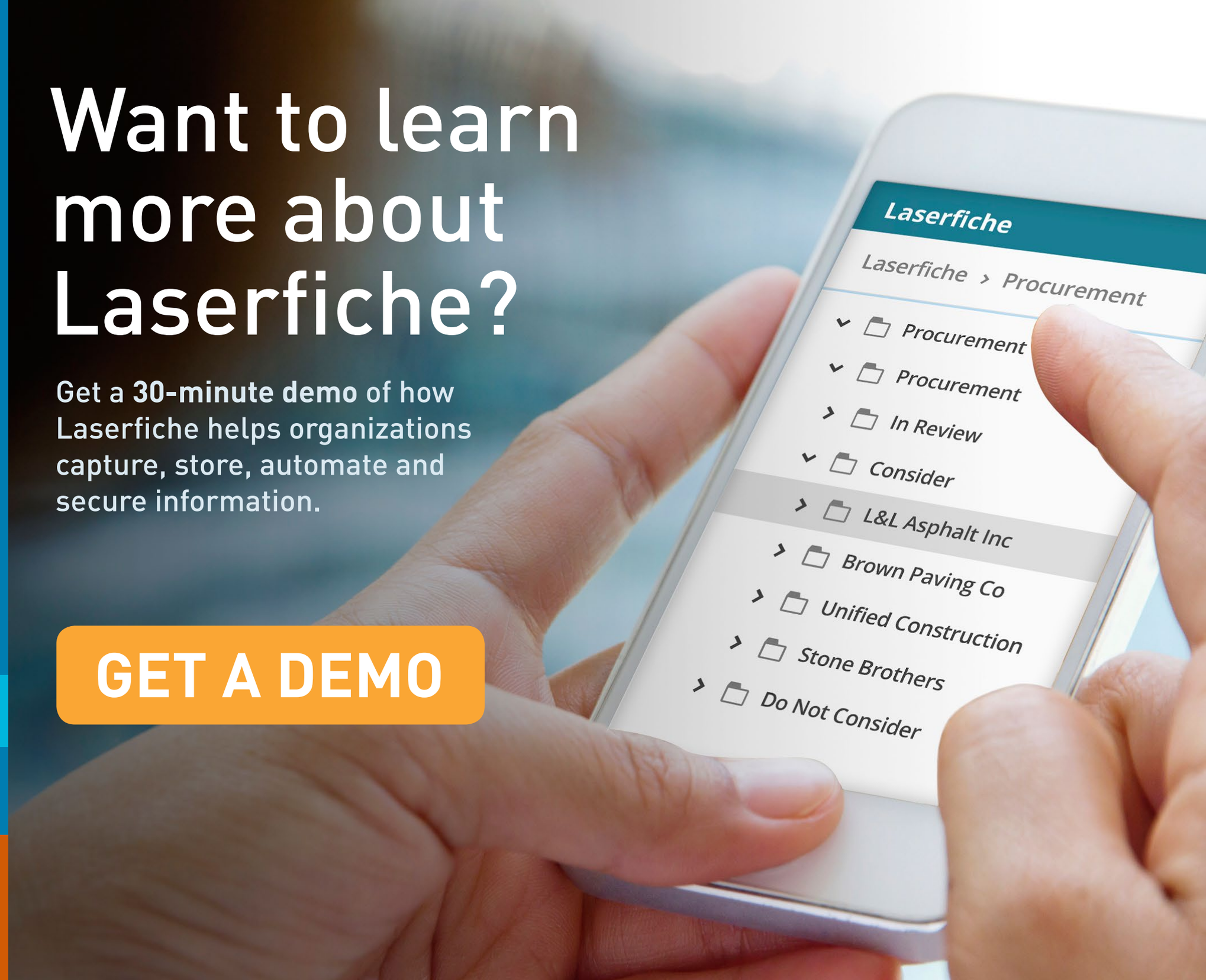
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