



STATE OF TENNESSEE
DEPARTMENT OF GENERAL SERVICES

STEVEN G. CATES
COMMISSIONER

BILL HASLAM
GOVERNOR

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

CENTRAL PROCUREMENT OFFICE

312 ROSA L. PARKS AVENUE, 24TH FLOOR • NASHVILLE, TENNESSEE 37243
(615) 532-7279 • FAX: (615) 532-6257 • WWW.TN.GOV/GENERALSERV/

Advisory Council Meeting

November 9, 2011



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

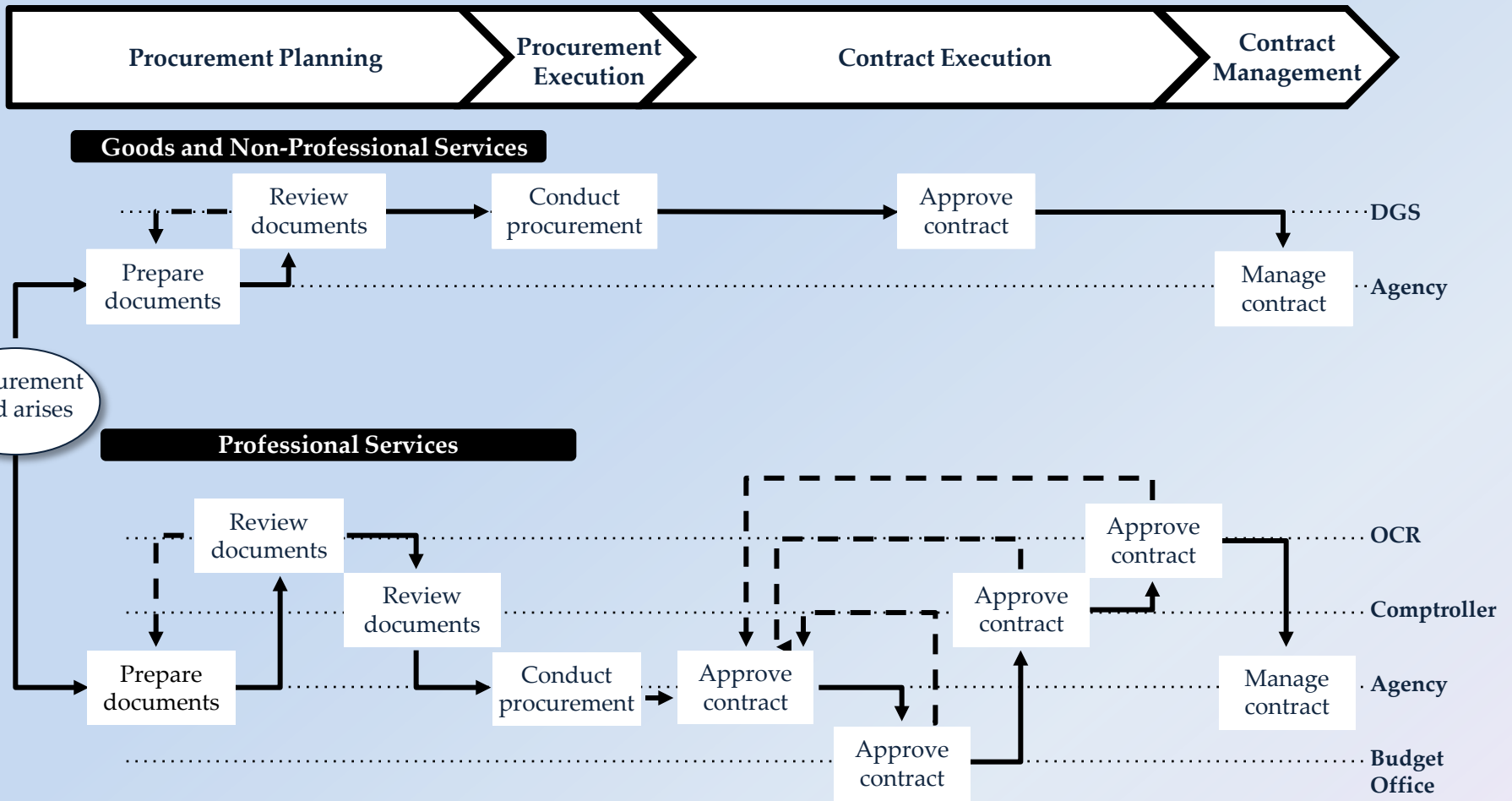


Updates

- 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 CYCLE¹



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.

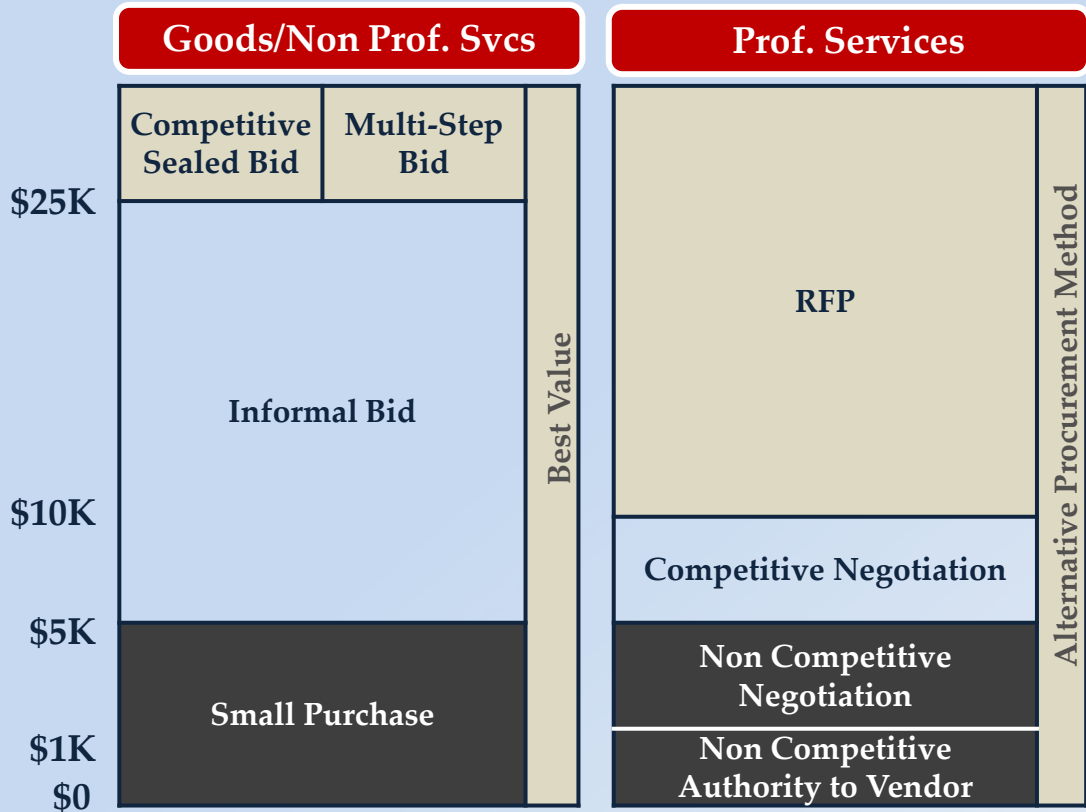


Streamline Procurement Methods

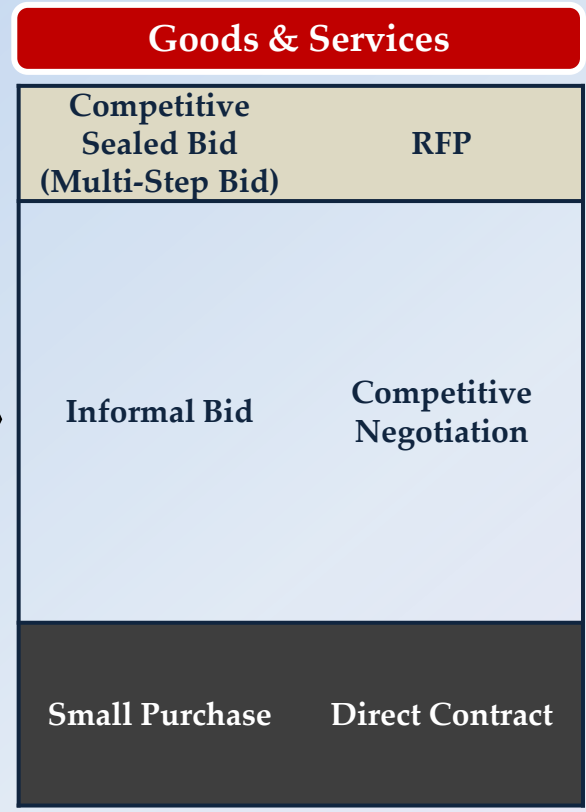
- 10 procurement method options available today
 - Between goods, non-professional services and professional services
- Reduce number of procurement methods to 6
- Ability to use competitive negotiation process for purchases \$25K and below (effective now)



Current¹



Recommended¹



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

