



City of Baltimore

PROCUREMENT TRANSFORMATION PLAN

FEBRUARY 2, 2024

Letter from Mayor Brandon M. Scott

February 2, 2024

Dear Baltimore,

As a career public servant, I witnessed my fair share of challenges with Baltimore City's antiquated procurement process first-hand. While we have always been fortunate to have talented, dedicated staff members who moved the process forward to the best of their abilities, our city's procurement team has often been limited in size, and, candidly, stretched to capacity. When I first took office in December 2020, it was clear to me that modernizing many city government functions that had long been outdated was imperative, and that goal became a cornerstone of my administration. Immediately, we got to work to begin the process to reform our procurement system by exploring leading national practices, assessing the current structure, and making the necessary changes to modernize the overall procurement process. We know that once these reforms are completed, we will have done the work to significantly improve the delivery of city services, vendor relations, and the experience of working with City government.



Our procurement system touches every single part of City government. With that responsibility in mind, the Department of Finance (DOF) convened a workgroup of experienced internal stakeholders, engaged consultants, and the counsel of external partners to conduct a citywide procurement needs assessment. They approached this task with the goal of ensuring that Baltimore City is a fair and inclusive business partner for everyone who does business with the city by prioritizing ethics, efficiency, transparency, and equity. DOF went to work evaluating current procurement code, policies, systems, administrative processes, technology tools, and capacity. Together, we sought to lay out a roadmap to optimize procurement services, modernize our systems, and ensure our procurement team was equipped to handle the future ever-evolving needs of agencies, staff, vendors, and stakeholders.

Based on the preliminary findings of that assessment, we devised a plan to strengthen and grow the City of Baltimore's procurement capacity with a focus on people, policy, technology, and improved processes. The recommendations in the report address planning, contract administration, organizational design, workforce development, and stakeholder support.

Key recommendations include:

- Adopting Nationwide Procurement Best Practices
- Hiring, Restructuring, and Reclassing Positions
- Developing Standardized Training and Course Offerings
- Implementing Technology Enhancements
- Charter Amendments and Recodification
- Threshold Increases and Contract Renewal Process Updates

While many of these recommendations may seem like simple steps that should have been taken long ago, we know that, as is frequently the case, implementing them successfully may still pose challenges. Already, the Department of Finance and the procurement team have made significant strides that have placed our system far in advance of where it was just a few months ago, and we will work to ensure we implement these reforms with diligence.

Ultimately, through these improvements and efficiencies in our procurement system, we will reduce delays, ensure ethical standards are maintained, increase transparency and equity, and improve a fundamental function of city government.

Sincerely,

A handwritten signature in black ink that reads "Brandon M. Scott". The signature is written in a cursive, flowing style.

Brandon M. Scott
Mayor



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Executive Summary

The City of Baltimore spends more than \$950 million annually on goods and services, ranging from asphalt to vehicles and safety equipment for city workers. Plagued by persistent challenges, the City’s procurement policies, processes, and systems are antiquated, inefficient, and lack standardization across the enterprise. Further, COVID-19 upended the City’s fragile procurement system and contributed to systemic failures that caused significant procurement delays and impacted the delivery of City services.

As such, Mayor Brandon Scott directed the Chief Administrative Officer (CAO) to work in partnership with the Department of Finance (DOF) to conduct a comprehensive assessment of the City of Baltimore’s procurement code, policies, systems, administrative processes, technology tools, capacity, and structure. Following this directive, DOF worked with a group of skilled internal experts, academic partners, and consultants to analyze the current state of procurement, conduct a gap analysis, and present final recommendations to streamline the procurement process, modernize the system, and identify strategies to leverage procurement as a strategic tool to advance the City’s equity goals.

In furtherance of the City’s reform efforts, Baltimore was selected to receive technical assistance from the Bloomberg/Harvard City Leadership program, “Leading City Procurement Reform,” which supports cities’ efforts to transform their procurement process to be efficient, inviting, and transparent. DOF team members, including staff from the Bureau of Procurement (BOP) attended the program and joined the Harvard University Government Performance Lab’s Procurement Excellence network alongside dozens of cities working to transform their procurement systems.

DOF leveraged Harvard University’s technical assistance and support and consultant expertise to identify four key focus areas for review and reform: **People, Policy, Technology and Processes.**



Following the assessment, the City of Baltimore developed a procurement roadmap and transformation plan that outlines key findings and recommendations informed by the guidance and assistance of Harvard University’s Government Performance Lab, technical consultants, internal stakeholders, vendor feedback, and industry standards.



Vision & Goals

The City of Baltimore envisions a procurement system that is efficient, effective, transparent, and equitable. We envision a system that is nimble, strategic and advances the City's equity goals.

Goals

To achieve this bold vision for the City's procurement system, DOF identified a set of goals to guide the procurement transformation process:

PEOPLE

Standardize and professionalize the procurement function across the enterprise by restructuring the centralized procurement team in BOP by portfolio and technical area, and providing standardized training, and access to national certifications for procurement staff across the enterprise.

PROCESS

Streamline the procurement and contracting process to allow for planning at the start of the procurement life cycle and implement best practices like citywide contracts and Indefinite Delivery, Indefinite Quantity contracts while strengthening integrity and controls.

POLICY

Review and revise current procurement policies in the charter, code, and the City's administrative manual to ensure alignment with the work to streamline and reform the procurement system and achieve the city's equity goals.

TECHNOLOGY

Implement technology improvements like workday strategic sourcing to help modernize and streamline the bid posting, electronic submission, and evaluation process while strengthening automation.

Assessment Methodology

Internal finance and procurement experts in DOF and technical consultants, assessed the current procurement structure, reviewing the interaction of the four focus areas: **People, Process, Policy, and Technology** in the City’s current procurement environment.

The group performed a maturity assessments, conducted interviews and surveys of peer jurisdictions including, Philadelphia, Washington, D.C., Pittsburgh, Maricopa County, the City of Portland, and Howard County. Additionally, the group reviewed publications from public procurement organizations including the National Association of State Procurement Officials, the Institute for Public Procurement, National Contract Management Association, and the American Productivity and Quality Center to establish national best practices and industry standards.

The highlights of the maturity assessment are provided below:

Enterprise Practices	Procurement processes are not standardized across the City and lack standardized job functions
Organizational Design	BOP is impacted by staffing challenges due to COVID leading to high vacancies and turnover, although funded positions and dedicated staff creates a base to build on
Workforce Development	The training program for the procurement function does not address the full procurement life cycle and job functions
Stakeholder Engagement	Communication issues and lack of self service was a common theme in discovery interviews
Policy Management	Charter and code are highly prescriptive leaving little room for flexibility to optimize processes administratively
Procurement Planning	The City has no defined procurement planning process that allows for resource planning and project staging
Procurement Execution	The City’s approach to procurement execution creates avoidable supply chain risks
Contract Administration	The inability to make timely payments has greatly impacted the ability of the City to acquire needed goods and services
Strategic Contracting	Citywide contracts are valuable but current processes limit their effectiveness
Integrity & Controls	Past events have ingrained a highly compliance-oriented culture at the City

Maturity Assessment Scoring

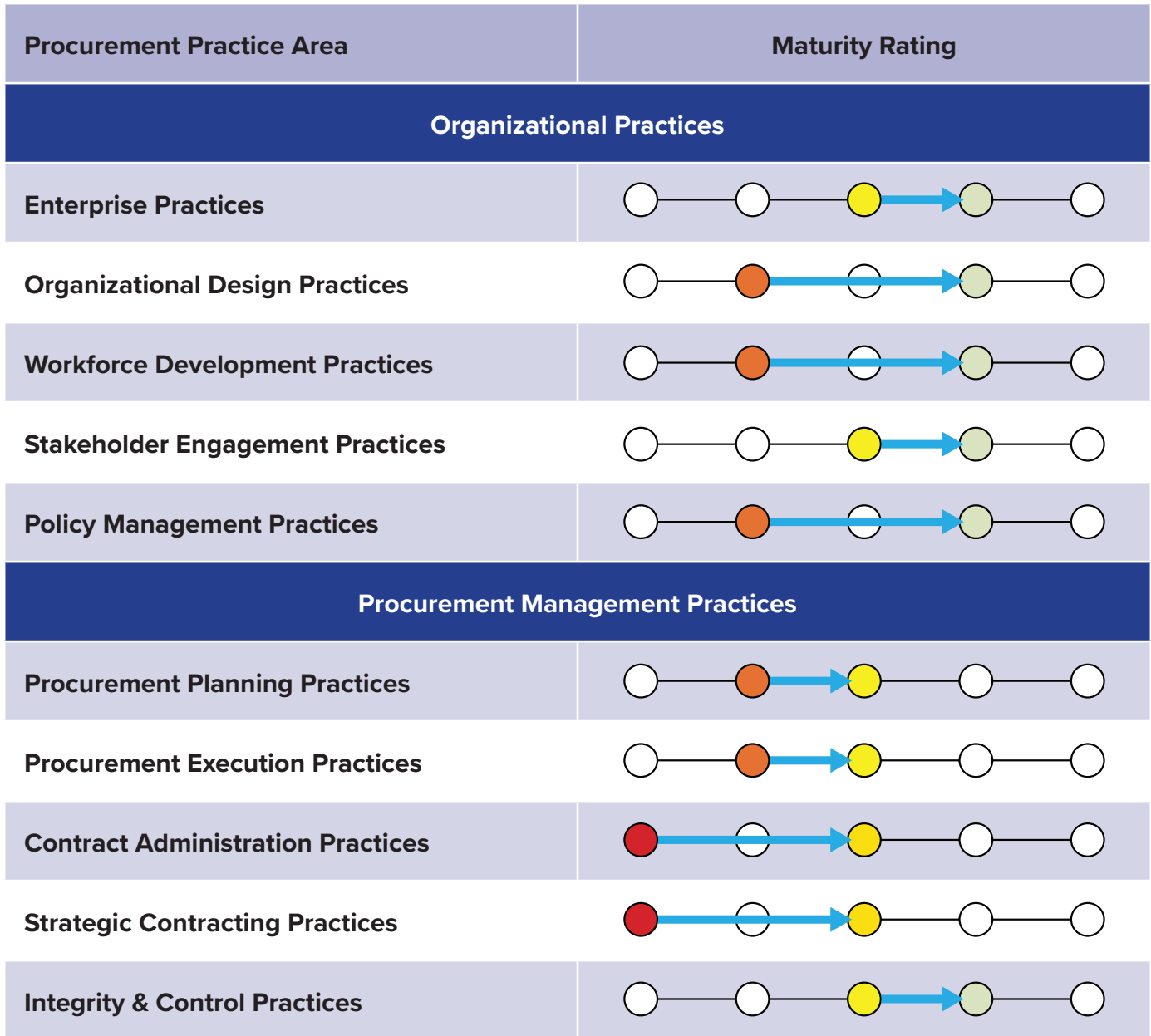
The group used a maturity model to determine the maturation level of the city’s current system. The maturity scale ranged from ad-hoc to optimized and identified common attributes of a system operating at each level. The scale and the ranking are outlined below:

Assessment Maturity Scale

1 Ad Hoc	<p>Processes, systems and/or organization in place to support the practice area are non-existent, or at best ad-hoc</p> <p>Common attributes include:</p> <ul style="list-style-type: none"> • Completely ad-hoc processes that are not documented, standardized, measured, or continuously improved • “Reinvention of the wheel,” duplicative efforts
2 Reactive	<p>Processes, systems and/or organization to support the practice area have low standardization and are inconsistent from business unit to business unit</p> <p>Common attributes include:</p> <ul style="list-style-type: none"> • Processes may not be defined but they are not documented, and are not repeatable • Processes are not standardized, measured, and there is no method for improvement
3 Repeatable	<p>Processes, systems and organization to support the work stream are standardized and are consistently applied to the organization</p> <p>Common attributes include:</p> <ul style="list-style-type: none"> • Systems, methods, and practices are followed with appropriate control and governance • Limited measurement or means of improving those processes
4 Quantitatively Managed	<p>Processes, systems and organization to support the work stream are well defined and managed consistently across the enterprise</p> <p>Common attributes include:</p> <ul style="list-style-type: none"> • Systems, methods, and practices are followed with appropriate control and governance • Mechanisms are in place to ensure compliance • Process improvement techniques are practiced
5 Optimized	<p>Processes, systems and organization to support the work stream are mature and efficient, and are considered by peers to be a model to emulate</p> <p>Common attributes include:</p> <ul style="list-style-type: none"> • Processes, methods, and supporting systems are well integrated • Control/governance mechanisms are in place and feed a cycle of continuous improvement, enhancement, and evolution across the enterprise

The maturity assessment revealed that the City’s procurement system operates in a mostly reactive manner with contract administration and strategic contracting practices operating ad-hoc, and at times, not functioning at all. Currently, none of Baltimore City’s procurement practice areas are optimized, well defined or managed consistently across the enterprise. Following the maturity assessment, the group envisioned a target future maturation state, which is outlined in the chart below:

Target Future State Maturity



Assessment Results and Recommendations

People: Standardize and Professionalize the Procurement Function

The group assessed the staffing resources at BOP and determined that there are insufficient staffing resources to perform procurement functions across Baltimore City at scale. When all positions are filled, BOP’s current staffing levels are equivalent to the staffing levels needed to meet the procurement demands in 2018. To meet the current demand, BOP would need a total of 14 new full-time employees (FTEs).

Currently, BOP has 25 total FTEs, with 16 working directly on procurements. In comparison, the District of Columbia’s Office of Contracting and Procurement has a staff of 84 FTEs, with the majority assigned to the procurement of goods and services. Fairfax County, VA has 81 FTEs with 7 FTEs providing management and oversight, 19 FTEs for contracts, 13 FTEs for materials management, 10 FTEs for procurement support and oversight, and 32 FTEs devoted specifically to the procurement of goods and services.

Jurisdiction	Total FTEs
Baltimore City	25
Washington, D.C.	84
Fairfax County, VA	81

In Fiscal Year (FY) 2023, BOP averaged 1,538 requisitions per month. Vacancies in city agencies and BOP strained Baltimore City’s fragile procurement system and deepened the procurement backlog. Furthermore, while BOP has the foundation of a leading practice organizational model, it lacks the level of staff appropriate to fully implement it.

Additionally, the assessment found that a lack of standardized procurement processes, job functions, and comprehensive guidance across the City contributed to inefficiencies. The assessment revealed that City agencies do not have a clear understanding of roles, responsibilities, and expectations in the procurement lifecycle, leaving them to administer core procurement development responsibilities without the associated job functions. For instance, procurement for construction projects is delegated to specific agencies; however, many of those agencies are not staffed with procurement professionals who encompass the technical expertise to effectively procure services to support the City’s buildings, roads, bridges, and underground water and wastewater infrastructure. Further, BOP’s current organizational chart does not fully encompass the true procurement functional areas currently in use or address the needs of the organization.

Workforce development is also critical to the City’s procurement process; however, the City lacks a formal training program for procurement professionals. Rather, employees are trained on the job, leading to a lack of consistency in procurement processes amongst buyer staff in BOP. The City provides limited training that has been described as “high-level” and “lacking the details of ‘how-to.’”

RECOMMENDATION 1

Restructure BOP to include three (3) main business units — Contract Administration, Procurement Card, and Operations.

- As Baltimore City grows and spending increases, additional teams of procurement officers will be required to support the organization. The City should consider establishing four (4) to six (6) teams, managing more than \$100 million per team to meet future capacity demands.

RECOMMENDATION 2

Organize BOP staff by technical area with a portfolio of agencies that align to staff expertise (i.e., Public Works and Infrastructure, Human Services, etc.).

- Currently, procurement staff review requisitions on an ad-hoc basis. Requisitions (RQs) are routed to a central inbox and staff process RQs as they are received. Under this new staffing model, RQs would route directly to the appropriate team based on agencies within their portfolio, which will allow staff to strengthen their technical expertise and allow for consistent engagement with agencies.
- Additionally, under this model, BOP would establish a new team comprised of procurement officers specifically trained in purchasing card (P-Card) procurement. All members of the team would be required to pursue membership and certification within one (1) year of employment with the National Association of Purchasing Card Professionals (NCPCP).

RECOMMENDATION 3

Develop a city-wide procurement training program for BOP and agency staff that is aligned with Baltimore City’s policies and procedures, as well as industry best practices and standards.

- BOP identified three (3) focus areas for training: (1) internal BOP procurement staff training, (2) agency staff procurement training, and (3) procurement and process training for business partners. To support the new training program, BOP will need to hire an instructional designer to develop the training curriculum. Training should include live, in-person training sessions as well as asynchronous, ‘on-demand’ training opportunities.
- All BOP staff will be required to obtain national certifications from the Universal Public Procurement Council (UPPC) as either a Certified Public Procurement Officer (CPPO) or Certified Professional Procurement Buyer (CPPB). Both certifications require staff to maintain skills and knowledge through standardized earned continuing education units (CEUs) and submit to the UPPC every five (5) years for certification renewal.

RECOMMENDATION 4

Work with Baltimore City’s Department of Human Resources to review, update, and standardize procurement job descriptions and classifications across the enterprise.

Process: Streamline the Procurement and Contracting Process

Baltimore has a multi-level procurement process that involves a significant number of actors, reviewers, and governance. While input and oversight are necessary to ensure checks and balances, the current structure contributes to unnecessary delays. Moreover, the enabling code for procurement is highly prescriptive. The Baltimore City Charter requires nearly all procurement activities to be processed by BOP and reviewed by the Board of Estimates (BOE) with limited flexibility to allow for adjustments to the process in a timely fashion. While the process in writing is highly centralized, in practice, procurement activities are decentralized, and most actions are completed by agencies — not BOP.

The City's organizational design also impacts the procurement process. Stakeholders find that the throughput of procurement is hampered by caution and a lack of trust that affects even simple transactions. For example, the BOP cannot currently focus on strategic sourcing reviews and strategic contracting opportunities given the current transactional priorities. Further, there is no consistent and readily available guidance on contract management roles, responsibilities, and expectations, causing contracts to 'unknowingly' expire. Expired contracts are so pervasive that a 'ratification' process has been developed to get BOE approval for contract renewal after continued activity following contract expiration.

RECOMMENDATION 5

Develop a responsibility assignment matrix or 'Responsible, Accountable, Consulted, and Informed' (RACI) chart for all procurement and contracting practices, then review for opportunities to eliminate steps, actors, or both to drive a more efficient and effective process.

RECOMMENDATION 6

Formalize and mandate the completion and submission of an annual procurement plan by each agency that seeks to identify procurement projects over \$150,000 for the upcoming fiscal year at a minimum.

- Once agencies develop annual procurement plans, the City should consider publishing the plans to advise the supplier community of upcoming procurement opportunities.

Vendor Engagement and Payment

Baltimore City has a long-standing issue with paying contractors promptly with a backlog of more than \$50 million at one point. However, after recent reforms implemented by the Scott Administration, the value of invoices more than 30 days old is now nearly \$5 million. While the City is continually making significant progress, staff supporting the procurement process attest to spending more than 25% of their workday addressing payment issues.

The City's inability to make timely payments impacts its ability to acquire needed goods and services. Many vendors have stopped providing services to the City unless they receive a credit card payment via a P-Card. The inability to pay vendors timely has strained City-Vendor relations and contributed to a diminishing pool of high-quality vendors.

Additionally, the City lacks a city-wide standardized invoice review process, resulting in different payment timetables dependent upon the agency involved. The lack of standardization can result in delayed payment processing times.

RECOMMENDATION 7

Continue to implement improvements to the payment process including maintaining an overdue payment dashboard, convening monthly PayStat meetings, and employing the cross-functional ‘tiger team’ approach for agencies with the largest payment backlogs.

RECOMMENDATION 8

Review the agency-level internal invoice review process to create a uniform and predictable payment timetable, regardless of the end-user agency responsible for the contract.

Minority and Women Business Enterprise (M/WBE) Engagement

The assessment identified that the former Office of Minority and Women’s Business Opportunity Office (MWBOO) was not staffed appropriately to support BOP in executing procurements, with only two (2) staff members assigned to review procurements and process approximately 120 to 140 requests per month. During discovery interviews, stakeholders conveyed communication issues and a lack of self-service among the following parties — agencies to BOP, BOP to agencies, and from the City to contractors and/or customers. As such, stakeholders often pursue individual efforts to stay informed.

Further, there are limited Baltimore City-led efforts to grow the local contractor community and a lack of clarity on how the city communicates opportunities. The City has an opportunity to improve outreach and technical assistance to help vendors understand the City’s procurement processes. Outreach to vendors in the M/WBE community is splintered across several city entities, leading to confusion from the vendor community and cultivating a general feeling that the City does not communicate opportunities fairly to enable the inclusion of local and M/WBE vendors.

To centralize M/WBE support, in FY 2024, Mayor Scott established the Mayor’s Office of Small and Minority Business Advocacy and Development (SMBAD), combining the functions of MWBOO and the Mayor’s Office of Small, Minority, and Women Businesses. Centralizing the M/WBE functions into one agency will streamline the engagement process and aid M/WBE firms seeking to do business with the City as they navigate a cumbersome procurement system.

RECOMMENDATION 9

Fully staff the new Office of Small and Minority Business Advocacy and Development (SMBAD) and equip the agency with the staff needed to fully support compliance, proactively engage M/WBEs, and provide training and capacity-building to M/WBEs.

- In FY 2024, SMBAD will provide training to City agencies on the requirements of the Minority and Women’s Business program. The training will focus on how to evaluate scopes of work to unbundle services, the necessary good faith efforts needed before submitting an M/WBE waiver request, and how to properly utilize SMBAD systems.

- SMBAD is currently revising the Minority and Women’s Business Program regulations, which will allow contractors to cure bids. The cures would be available if all bidders are found non-compliant if there is an insufficient number of compliant bidders to provide the goods or services, or if the lowest bidder is found non-compliant to avoid additional cost for the goods and services.

RECOMMENDATION 10

Seek to implement programs at the city that help to lower barriers to entry for local and small businesses (e.g., low/non-interest loans, bonding assistance programs, working capital programs, mentor protégé programs, etc.)

RECOMMENDATION 11

Expand upon current stakeholder engagement activities to improve inter-agency collaboration and cooperation in procurement activities, as well as the communication of procurement-related information to appropriate procurement stakeholders in a timely manner.

RECOMMENDATION 12

Consider the addition of a Supplier Ombudsman role for the City responsible for receiving and addressing questions, issues, and concerns of suppliers. Consider the establishment of an associated email address and/or phone line as a dedicated service line for suppliers.

Strategic Contracting

Citywide contracts are valuable tools, but there is not an actively managed list of all master contracts that agencies can reference or search. Additionally, the usage of citywide contracts among agencies is not transparent. Further, the current procurement process and lack of knowledgeable BOP staff trained to use strategic contracting tools limit the use and effectiveness of citywide contracts.

The introduction of alternative contracting methods such as Job Order Contracting (JOC) and Indefinite Delivery, Indefinite Quantity (IDIQ) contracting can help expedite the procurement process for agencies.

Specifically, Job Order Contracting is a single-solicitation project delivery method for procuring maintenance and construction goods and services, allowing the end user to take advantage of volume discounts from contracts that have already been competitively awarded. With access to local contractors, BOP can trade the time and expense of traditional procurement for speed, efficiency, and the power of group buying. Currently, the State of Maryland uses the Gordian Group’s eZQC contracting procurement system to perform JOC contracts.

Indefinite Delivery, Indefinite Quantity contracts provide for an indefinite quantity of services for a fixed time. These contracts are used when the department cannot determine, above a specified minimum, the precise quantities of supplies or services that the City will require during the contract period. IDIQs help streamline the contract process and expedite service delivery.

IDIQ contracts are most often used for service contracts and architect-engineering services. Awards are usually for base years and option years. The city places delivery orders (for supplies) or task orders (for services) against a basic contract for individual requirements. Minimum and maximum quantity limits are specified in the basic contract as either number of units (for supplies) or as dollar values (for services).

RECOMMENDATION 13

Implement IDIQ and JOC contracting tools to streamline the procurement process for agencies.

Integrity and Controls

Procurements go through an extensive review and approval process throughout the procurement lifecycle. The current controls lead to long processing times, as multiple levels of review and approvals are in place for nearly all procurements and contract actions. The number of internal controls and the time it takes to get approvals impact the City’s ability to execute basic procurements promptly, which leads agencies to seek workarounds or attempt to limit the number of controls.

Additionally, while Baltimore City has several post-award compliance and reporting requirements for vendors, it is unable to adequately enforce them due to the lack of resources and necessary automation to properly monitor ongoing compliance.

RECOMMENDATION 14

Map the current review and approval process to eliminate duplication and unnecessary reviews while maintaining the integrity of the process.

Policy: Revise City Procurement Policies and Regulations

Baltimore City’s procurement policies can be found in several places, including the City Charter, City Code of Regulations, Administrative Manual, Executive Orders, City Council Resolutions, and Procurement Regulations. Particularly, the charter and code are highly prescriptive, leaving little room for flexibility or the ability to optimize processes.

RECOMMENDATION 15

Perform a full review of the existing procurement policy and update it to align with the future state vision outlined in this plan.

- The Baltimore City Charter should be used to establish the framework for the City’s procurement actors, functions, and practices and should point to code as the location for detailed procurement processes and practices. The code should align with peer and leading practices.

RECOMMENDATION 16

Standardize procurement practices by creating a centralized procurement manual.

- BOP does not have a published set of procurement regulations that guide both BOP staff and agencies. All City procurement activities are bound by the City Charter, Administrative Manual, and the BOE. BOP recommends creating a cross-functional team comprised of internal agency stakeholders throughout the city to create a manual that compiles the procurement process, as well as the roles of the BOP, agencies, the BOE, and the City Charter in an easy-to-understand format.

Additionally, the city lacks clear guidance on procurement practices and does not have clearly defined processes, roles, responsibilities, and expectations throughout the procurement lifecycle. Also, the delegation of procurement authority lacks clarity and definition, and the procurement thresholds are not aligned with current market realities.

The current procurement thresholds are provided below:

Current State

Threshold	Procurement Method	Consideration/Actions
<\$5,000	<ul style="list-style-type: none"> • Small Purchase • Minimum of one (1) quote required 	<ul style="list-style-type: none"> • Delegated to Departments • May utilize P-Card • BOP must review purchase order (PO)
>\$5,000 – <\$25,000	<ul style="list-style-type: none"> • Informal Procurement • Minimum of three (3) quotes required 	<ul style="list-style-type: none"> • Delegated to Departments • BOP must review PO • Compliance with the Mayor’s Office of Small and Minority Business Advocacy & Development (SMBAD) goals • BOP approval at \$24,999
>\$50,000	<ul style="list-style-type: none"> • Formal Procurement 	Requires: <ul style="list-style-type: none"> • Advertisement • BOP review • Compliance with SMBAD goals • BOE Approval

RECOMMENDATION 17

Work in partnership with the Baltimore City Council to increase the threshold to \$250,000 for procurements requiring BOE approval.

- The City should work to maintain transparency for procurement transactions under the threshold. For example, awards under the threshold could be published to a public website. BOE members would have ten (10) days to review items. If a member has a concern with a procurement or if a protest is initiated, a BOE member can designate the item for discussion and request additional information. If no action is taken the item immediately moves on in the process.

RECOMMENDATION 18

Partner with the BOE to develop and promulgate regulations that provide a mechanism for continued transparency of contracts under the new threshold as well as opportunities for protests.

The recommended BOE thresholds are listed below:

Recommended Thresholds

Threshold	Procurement Method	Consideration/Actions
<\$10,000	<ul style="list-style-type: none"> • Small Purchase • Minimum of one (1) quote required 	<ul style="list-style-type: none"> • Delegated to Departments • May utilize P-Card • BOP must review purchase order (PO) • Can use published SMBAD list for services
>\$10,000 – <\$50,000	<ul style="list-style-type: none"> • Informal Procurement • Minimum of three (3) quotes required 	<ul style="list-style-type: none"> • Delegated to Departments • BOP must review PO • Compliance with SMBAD goals OR at least one (1) quote from SMBAD list required
>\$50,000 – <\$250,000	<ul style="list-style-type: none"> • Informal Procurement • Department submits scope of work via RQ BOP does informal solicitation 	<ul style="list-style-type: none"> • Hybrid of department and BOP • BOP reviews scope and final PO • Compliance with SMBAD goals required
>\$250,000	Formal Procurement	Requires: <ul style="list-style-type: none"> • Advertisement • BOP review • Compliance with SMBAD goals • BOE Approval

RECOMMENDATION 19

Streamline the contract renewal process by allowing the Chief Procurement Officer (CPO) to extend the terms of existing contracts if all terms are met and there are no exceptions. Allow the CPO to execute modifications that exercise renewal periods upon concurrence of the Director of Finance and appropriations of funds.

Technology: Automate Procurement Functions

An assessment of the City’s technological capabilities found that procurement automation is not configured or sufficient to handle procurement activities from ‘cradle to grave.’ The current procurement automation does not yet fully support many critical procurement lifecycle activities, and the current process for intake and assignment of work at BOP is cumbersome. Currently, the approach requires each BOP manager to review central inbox items, determine what belongs to their respective team, and then assign tasks among their team members with no consistency of assignments to BOP buyers.

Additionally, procurement processing times are lengthy, leading agencies to resort to emergency purchases, further delaying planned procurements. Delays can lead to the expiration of quotes, which often leads to increased costs and sometimes requires departments to repeat the quote process. For grant-funded procurements with limited performance periods, such delays can be detrimental to service delivery and grant compliance.

The assessment revealed the need for the following automation capabilities:

1. Ability to easily identify the type of requests coming into BOP without having to open each item
2. Ability to use business logic to sort requests coming into BOP and assign them to the appropriate team’s work queue
3. Ability to create workflows to route procurements to appropriate review and governance teams at relevant points in the procurement process (e.g., SMBAD, BOE, Audit, Legal, BCIT, etc.)
4. Ability for vendors to submit or departments to upload invoices directly into Workday and track their progress
5. Ability to create workflows to route invoices for review, approval, and payment
6. Ability to post all City procurement opportunities to a central web-based location from Workday
7. Ability for suppliers to submit electronic responses directly into Workday
8. Ability to set key contract dates in Workday that trigger notifications (e.g., contract renewal, contract expiration, etc.)
9. Ability to create workflows to route contract documents to appropriate review and governance teams
10. Ability for stakeholders to track progress of items in workflows once entered into the system (e.g., procurements, invoices, contracts, etc.)

RECOMMENDATION 20

Revalidate automation requirements and develop an automation roadmap to address and drive procurement automation improvements to Workday.

RECOMMENDATION 21

Implement Workday Strategic Sourcing to modernize and streamline the bid posting, electronic submission, and evaluation process.

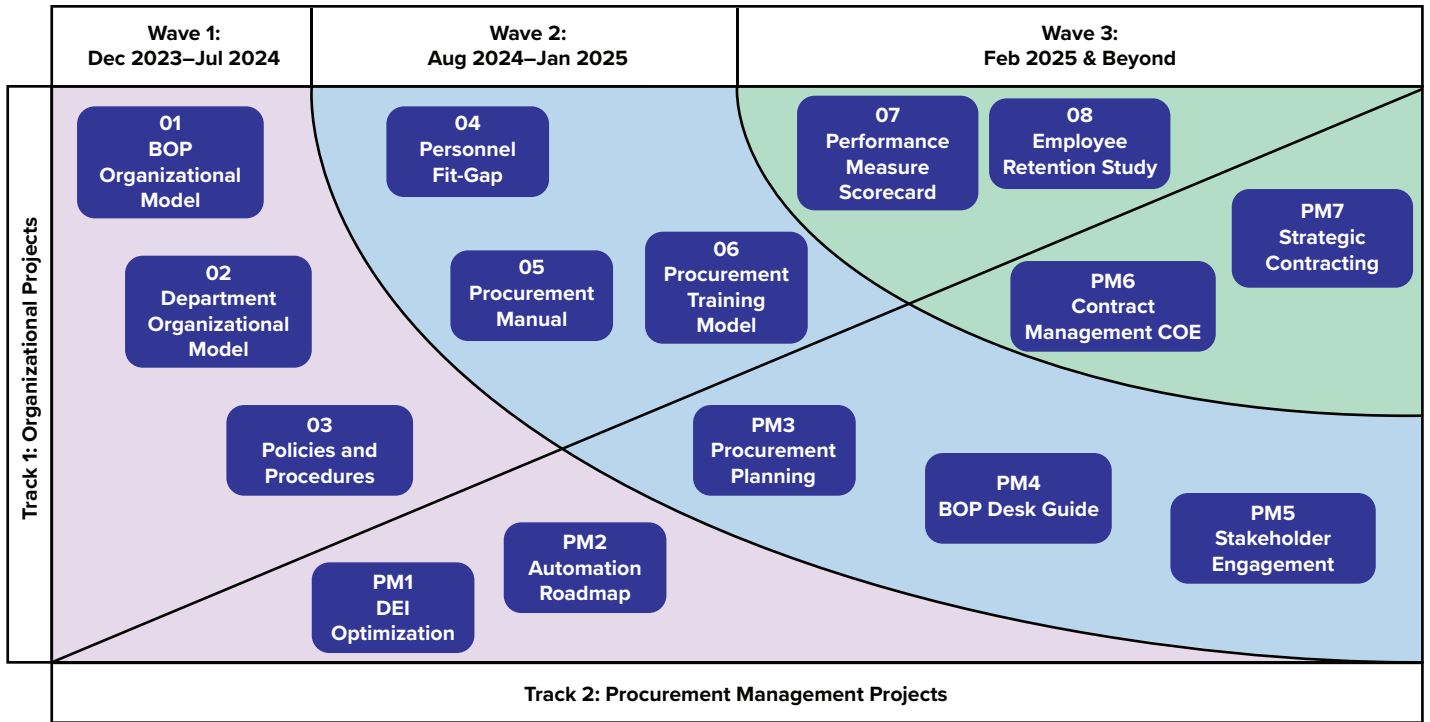
RECOMMENDATION 22

Automate routing of procurement requests in Workday by implementing business logic to sort requests to procurement officers assigned to each agency.

APPENDIX



Appendix 1: Procurement Transformation Working Timeline



Appendix 2: Sample Jurisdictional Comparison

Municipality/ Location	Type of Municipality	Annual Operating Budget	Enabling Legislation	Overall Spending Goals	Thresholds	Subcontracting Goals in Place
Atlanta, GA	City	1.48 billion	City Code	No published goals	Greater than \$100K requires City Council approval	Not available
Boston, MA	City	3.76 billion	State Code Chapter 30B	35% of total spend to small businesses	\$10k - Sound business practices; 10-50k price quotes; >\$50k IFB, RFQ	15% woman owned; 10% minority owned
New Orleans, LA	City	2.1 billion	Executive Order; City Codes and Policy	DBE goal is 35% for contracts over \$15k; waivers can be provided	Goods: Invitation to Quote(<20k); invitation to Bid (\$20k - \$150k); RFP for professional services over \$20k	35% threshold for DBEs for contracts over \$15k
Philadelphia, PA	City	5.8 billion	Philadelphia City Code	35% overall spend to disabled, minority, and women businesses	None noted	None noted
Washington D.C.	City	17.5 billion	DC City Code	\$917 million small businesses	Contracts over \$1M require Council approval	Contracts are in excess of \$250,000 require a 35 percent SBE subcontracting plan
Cleveland, OH	City	1.8 billion	Cleveland Area Business Code	See thresholds	IFB<\$50k (must have 3 bidders) - \$50k + formal bid	none noted

Appendix 3: FY20–21 Sample Agency Spend Analysis

The City and technical consultants reviewed a comprehensive data set with the following characteristics:

- 2 full Fiscal Years of data (FY20 & FY21)
- Total Spend of \$952 Million
- 185,000+ rows of data from 7,083 PO's

A total of 41 Departments appeared in the spend analysis. The table below shows the **Top 15 Departments** by total spend and their associated transactions.

Department Name	Total Spend	% of Total Spend	Total Transactions
General Services	\$161,48,166	16.9%	877
Public Works	\$155,870,056	16.4%	1,218
Mayor’s Office of Information Technology	\$95,528,107	10.0%	178
Transportation	\$94,582,935	9.9%	497
Health	\$89,845,925	9.4%	883
Police	\$89,311,555	9.4%	806
Fire	\$68,138,159	7.2%	602
Finance	\$28,557,833	3.0%	136
Planning	\$25,093,367	2.6%	110
Housing & Community Development	\$23,335,651	2.4%	168
Recreation & Parks	\$18,624,553	2.0%	453
Mayor’s Office of Human Services	\$18,264,302	1.9%	69
Bureau of Procurement	\$11,318,585	1.2%	219
Parking Authority of Baltimore City	\$11,024,526	1.2%	44
Convention Complex	\$9,220,584	1.0%	246
All Others	\$52,703,556	5.5%	1,175
Grand Total	\$952,917,860	100.0%	7,083

Appendix 4: Sample M/BWE PROFILE

M/BWE Profile

The Minority Women’s Business Opportunity Office’s directory of M/WBE suppliers allowed for additional reporting by type and race.

Total Spend

