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	AGENCY NAME & ADDRESS	Department of Finance 100 Holliday Street, 4 <sup>th</sup> floor Baltimore, MD 21202		
	SUBJECT	CC 22-0123R Informational Hearing - Streamlining the Procurement Process		

**TO** The Honorable President and Members

**DATE:** March 23, 2023

Of the Baltimore City Council  
Attn: Executive Secretary  
Room 409, City Hall  
100 N. Holliday Street  
Baltimore, MD 21202

**Re: Bill 22-0123R – Informational Hearing- Streamlining the Procurement Process**

The procurement process plays a central role in Baltimore’s ability to successfully deliver services for City residents, whether that is through routine supply purchases or through contracts for major equipment and capital projects. We know that lags in the procurement process can impact the City’s service delivery. Achieving procurement excellence will mean City agencies have the staffing and tools to proactively carry out competitive procurement processes and the successful completion of a fully executed contract. The transition from legacy systems to Workday is leading to increased communication and visibility on the P2P process that includes budgets, accounting, procurement and supplier invoice payments. Workday resulted in improvements to functionality for external suppliers. These improvements include the ability to access real time payment information, view purchases orders, self-service options to maintain their account information, and the ability to respond to Informal request for quotes.

The Workday platform is only one tool in the transformation of procurement in the City of Baltimore. As part of the Mayor’s initiatives, the Department of Finance initiated a citywide review of the current state of Procurement in the City of Baltimore through all stages of procurement and contract administration.

With the assistance of consultants, the Procurement Assessment and Transformation included a review of the current state of Procurement. The assessment included interviews of internal and external stakeholders, peer reviews, data analysis and targeted focus groups to outline both current state and to identify a roadmap. In addition to procurement activity within the Bureau of Procurement, the process included a review of procurement activity and centralized coordination opportunities within all city agencies including, the Department of Public Works, Department of Transportation and Department of General Services.

The goal was to assess the end to end Procurement processes across the entire enterprise with a focus on key areas:

- 1) People and organization;
- 2) Category management;
- 3) Strategic sourcing and spend analysis;

- 4) Technology;
- 5) Governance and risk;
- 6) Internal stakeholder management; and,
- 7) Strategic direction

This included a current state assessment of each key area and a comparison to best practices to identify opportunities to: streamline the process, ensure proper controls and policies are in place, drive efficiencies, increase stakeholder satisfaction, drive additional savings and establish a procurement environment suitable for Public Private Partnership opportunities. Upon completion of the current state assessment, the project included development of a future state roadmap and recommendations

To accomplish this project key activities included:

- a. Develop data request, facilitate collection and review
- b. Identify stakeholders to support virtual interviews
- c. Schedule stakeholder interviews and vendor focus groups
- d. Conduct kick off meeting with Executive Steering Committee and project stakeholders

As a result, the needs assessment included interviews of internal and external stakeholders, maturity model results, and identification of gaps against leading practice and preliminary findings. Those preliminary findings were presented to the Executive project stakeholders, including the Mayor, City Council President, and Comptroller. That feedback was incorporated and the transformation projects has a final draft of the Procurement Transformation roadmap which was presented to key stakeholders at a meeting in mid – March for their review and comment.

That roadmap outlines how we will address changes to policy, technology, processes and staffing that will enhance and modernize all aspects of procuring goods and services to include, but not limited to procurement planning, contract administration, strategic sourcing and contracting; the fostering of transparency, integrity, fairness, professionalization and management controls. That transformation roadmap is in the final stage and is in the process of being presented to stakeholders citywide as a lead up to public communication within the next two months outlining the results and detailed plan

The implementation projects are scheduled for three waves: with Wave 1 From March 2023 to July 2023, Wave 2 from August 2023- January 2024 and Wave 3 From February 2024 and moving forward.

Wave 1 – Restructuring of the Bureau of Procurement and its alignment and interaction with Agencies citywide and a review of the structure of Agency procurement, update of City policies and procedures to align with organizational changes (for example, this may include changes to thresholds, changes to review and approval process, streamlining processes to facilitate and encourage the use of local and minority and women owned businesses), reviewing technology and automation to ensure using the full functionality of Workday and identifying further technology needs

Wave 2- Development of a procurement manual and citywide procurement training model, implementation of a performance measure scorecard and a review of staffing needs and employee retention; defining , documenting and implementing a citywide procurement planning practice, and strategic sourcing process.

Wave 3- Defining a strategic sourcing process, Developing a contract management Center of Excellence within the Bureau of Procurement.

The Department of Finance looks forward to updating the City Council on continuing efforts. Representatives from the Department of Finance will be present at the hearing for City Council Bill **22-0123R**.