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# PROCUREMENT REFORM ACCOMPLISHMENTS AND LESSONS

*How We Made Procurements User and Vendor Friendly*

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## OVERVIEW

- Introduction to the City's Purchasing Division
- Challenges of government procurement
- The Reform
- Reform recommendations and accomplishments
- Part 2: RFP Reform
- RFP Reform recommendations and accomplishments
- Lessons learned about measuring success
- Where we're going
- Recap: Lessons Learned
- Questions

## WHO WE ARE

Jennifer Bradley \*  
Chief Procurement Officer

Viola Cunningham \*  
Procurement Manager

Iris Cordova \*  
Assistant Procurement  
Officer

Kathleen Oney  
Systems  
Coordinator

Mike Kuncio  
Process Improvement  
Coordinator

Theresa Gonzales  
Senior Administrative  
Assistant

Rene Diaz  
Aviation Purchasing  
Coordinator

Jackie Mendoza  
Finance Tech

Estevan Vargas \* APD  
Purchasing Program Specialist

Kathleen Fragua-Holguin  
Finance Technician

Brandy Jones – Senior Buyer \*

Larry English  
Mail Room

Claire Gonzales – Senior Buyer \*

Eddie De Herrera – Senior Buyer \*

Kassandra Ray – Senior Buyer \*

Monica Ewing  
Assistant City  
Attorney

\* Certified Through the State of New Mexico with a  
Chief Procurement Officer Designation

## WHAT WE BUY

The Purchasing Division serves as the **Central Purchasing Office** for the City of Albuquerque and services all of the City Departments' goods, services, and professional/technical service needs.

We do not handle the following procurements, these have their own procurement rules:

- CIP/Public Works Projects-Construction (Department of Municipal Development)
- Social Services Procurements (Family and Community Services)
- Metropolitan Redevelopment Agency (Economic Development Department)



## WHO WE BUY IT FOR

### Thirty-One (31) City Departments and Offices

Albuquerque Community Safety

Animal Welfare

Arts & Culture Department

Aviation Department

City Clerk's Office

City Council

Civil Rights Office

Civilian Police Oversight Agency

Consumer Financial Protection Initiative

Economic Development

Emergency Management Office

Environmental Health Department

Equity & Inclusion Office

Family & Community Services Department

Finance & Administrative Services Department

Fire Rescue

Human Resources Department

Inspector General's Office

Internal Audit Office

Legal Department

Management & Budget Office

Mayor's Office

Municipal Development Department

Parks & Recreation Department

Planning Department

Police Department

Senior Affairs Department

Solid Waste Department

Technology & Innovation Department

Transit Department

Violence Intervention Program (VIP)

- Approximately 33,011 requisitions were entered into the system for FY19, totaling \$456 million.
- In the last fiscal year, Purchasing assisted departments with nearly \$30 million in CARES Act purchases.

## HOW WE BUY IT

The Purchasing Ordinance requires all purchases to be made by competitive bids, except purchases that are exempt (as outlined in 5-5-20) or that are made through one of the following 14 procurement methodologies:

- Capital Projects
- Small Purchases
- Purchases by Quotation
- Purchases of Professional/Technical Services
- Competitive Sealed Proposals
- Sole Source Purchases
- Purchasing from Government Contracts
- Rapid Procurement
- Emergency Purchases
- Insurance Related Purchases
- Purchases of Appraisal Services
- Purchases of Attorney Services
- Purchases of Social Services
- Intergovernmental Agreements



- HOME RULE and Public Purchases Ordinance 5-5-1 et seq.
- Purchasing Rules and Regulations, Administrative Instructions
- Preferences, Pay Equity, Buy Local
- Ethics and Conflicts of Interest
- Some State laws (bonds, wage rates, preference, State Use Act)
- Federal Procurement Regulations (if federal grant-funded)

**CHALLENGE:  
IT TAKES TOO MUCH TIME**

- Although procurement is an important part of the provision of government services, end users feel that it takes too long.
- When the procurement takes a long time, the delay may not only increase the cost (or cause the loss of funding), but makes it more difficult for government employees and agencies to buy needed goods and provide critical services.

**CHALLENGE:  
IT IS TOO COMPLICATED**

- End users also feel that government procurement is too burdensome and complicated.
- We do need to be concerned about compliance, given the strict regulations that govern purchasing to make sure that taxpayer funds are treated appropriately.
- But the added layers of processes to ensure compliance can cause unnecessary delays and increased costs while adding little benefit.



reform

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VERB

make **changes** in (something, typically a social, political, or economic **institution** or practice) in order to **improve** it.

# PROCUREMENT REFORM

- While campaigning for office, Mayor Keller heard about challenges local businesses had with procurement.
- Then, after taking office, Mayor Keller heard from City departments that they had some of the same challenges.
- In June 2018, the City undertook a reform of the City's procurement process. The final report was issued in September 2018.

## OUTREACH

More than 80 internal City users were interviewed in addition to other stakeholders in the process, including several City Councilors, vendors, and employees from the Purchasing, Budget, and Technology divisions.

# DESIRED END GOALS OF THE REFORM EFFORT

- Goods and services can be procured in a **timely** manner that meet the operational needs of the organization.
- The Purchasing Division is viewed within the organization as a strategic partner rather than a transactional service provider or a process manager.
- Purchasing Division resources are focused on those activities that add value and save money for the organization.
- Routine procurement activities are efficiently carried out by departments and departments feel empowered and equipped to take ownership of their role in the process.
- The procurement process is viewed as **simple and easy**.
- Procurements are completed in compliance with all established rules and regulations.

**RECOMMENDATION NO. 1  
SIMPLIFYING THE PROCUREMENT  
PROCESS**

- Adopt one consistent dollar value threshold of \$100,000 for competitive solicitation (and CAO/Council approval of professional/technical contracts over \$100,000).
- Decrease number of unique procurement methodologies in Procurement Code. Decrease number of requisition types used in the ERP system.
- Expand the use of punch out catalogs.
- Adjust Department Signature Authorization Approver levels so they align with established purchasing limits.



**RECOMMENDATION NO. 2  
PURCHASING AS A STRATEGIC  
PARTNER RATHER THAN A PROCESS  
MANAGER**

- Limit Purchasing Division's role in smaller/routine purchases to increase capacity to take on more strategic procurement activities.
- Centralize procurement activities within each department.
- Delegate authority for smaller/routine purchases to the Department Buyer appointed by each department Director.

**RECOMMENDATION NO. 3  
STREAMLINING THE PROCUREMENT  
PROCESS**

- Simplify the workflow process and clarify the role of each approver.
- Support Ad Hoc Advisory Committees in completing their work virtually
- Shorten the bid opening period to between 15 and 30 days as appropriate.
- Simplify the quote solicitation process.
- Support DTI in implementing an integrated contract management system, ensuring the Purchasing Division's needs are met.
- Clarify appropriate use of POs, price agreements, and contracts with Department Buyers.
- Move collection of pay equity information later in the process for non-RFP/RFB procurements.

**RECOMMENDATION NO. 4**  
**TRAINING, COMMUNICATION, AND**  
**CUSTOMER SERVICE**

- Adopt a customer-focused mindset.
- Create Department Buyer training course through the City's Employee Learning Center.
- Create and maintain a Procurement Manual which can be easily accessed online.
- Develop a communication plan to encourage more strategic communication with Purchasing Division customers.

**RECOMMENDATION NO. 5  
OTHER OPERATIONAL EFFICIENCIES**

- Leverage existing solicitation software to increase competitiveness and transparency of pool quote process.
- Expand use of P-Cards as a method of payment and increase limit.
- Task DTI with implementing electronic signatures throughout the City.
- Streamline supplier creation and approval process.
- Clean up vendor list.
- Enhance description field in contract list to allow for easier searching.

**RECOMMENDATION NO. 6  
FUTURE PROCESS IMPROVEMENT  
PROJECTS**

- Address Accounts Payable issues.
- Assess capital project procurement process.
- Assess Family and Community Services procurement process.

# ACCOMPLISHMENTS-ABOVE AND BEYOND!

- Updated Purchasing Regulations, Purchasing Ordinance, and Purchasing Administrative Instructions.
- Developed and implemented of the first of many vendor workshops.
- Added Purchasing Basics presentation to the City's Supervisor Development Program.
- Added Process Improvement Coordinator and Systems Coordinator roles in Purchasing to assist with:
  - Creating trainings and communication with Departments (PLUG meetings, Weekly Communications, Procedures, and Guidelines).
  - Working with Department to troubleshoot systems issues and identifying systems opportunities to streamline operations (Punchouts, DocuSign, PeopleSoft City Form upgrades, reorganizing workflow approvals).
- Developed easily accessible training materials: many new online training courses that users can take at any time as many times as they'd like for existing systematic processes.
- Enhanced networking of the Purchasing Liaison User Group (PLUG) by extending the invite to all City users--which increased attendance by approximately 64%.
- Automated contract signature process for better tracking and time of contract execution.
- Historical/Current Electronic Records – implemented a process where all contracts and solicitation records will be stored electronically in the City of Albuquerque's main repository for an easier way for City employees to view these records.
- Revamped the Purchasing "SharePoint" site to make internal guidance and communications organized and easily available.
- Developed and implemented the P-Card enhanced auditing through a software solution called Card Integrity.
- Automation of P-Card setup and maintenance forms.

**PROCUREMENT REFORM  
PART 2: RFPS**

- Procurement Reform was successful, but Mayor Keller felt that the City's Request for Proposals (RFP) process was still an area that could use improvement.
- In 2019, the City launched into a reform of the RFP process.
- We found again, the challenges to generally be 1) the RFP process is time consuming and 2) the RFP process is hard.
- A final report on the RFP Reform was issued in January 2020.

- Our goal with this Part 2 RFP Reform is summarized in this vision statement:

*The City of Albuquerque strives to have an RFP process that secures products and services that meet the needs of the City in a fair and transparent way that is fast and as easy **as possible** for both vendors and Departments.*



## RECOMMENDATION NO. 1 SECURE PRODUCTS AND SERVICES THAT BEST MEET THE NEEDS OF THE CITY

- Processes are Flexible Enough to Meet the Unique Needs of Each RFP
  - Develop different RFP “paths”.
  - Scope Development Process Results in Proposals that Meet the Needs of the City
    - Clarify roles and responsibilities of each stakeholder involved in the RFP process.
    - Adopt new approach to scope development in which Purchasing solicits and consolidates input from stakeholders.
    - Establish scope decision roles and approval process.
    - Include budget estimate in RFP requisition.
- Evaluation Process Supports Selection of the Best Vendor
  - Simplify and clarify evaluation criteria.
  - Ensure cost proposal templates allow for adequate comparisons.
  - Be intentional about the composition of Ad Hoc Committees.
  - Adopt Ad Hoc Committee process that supports selection of vendors that will best meet the needs of the City.
  - Take vendor performance into consideration in the evaluation process.

**RECOMMENDATION NO. 2  
FAIR AND TRANSPARENT**

- Introduce an Offeror Ethics Form.
- Include Ad Hoc Committee Code of Conduct in the Ad Hoc Committee Procedures Manual and adopt process for evaluating reports of ethics violations.
- Institute a cancellation memo documenting reasons for cancellation and next steps.
- Publish summary sheets from all RFPs and RFBs.

**RECOMMENDATION NO. 3**  
**SIMPLE AND PAINLESS FOR**  
**VENDORS TO NAVIGATE**

Simplify the RFP template

**RECOMMENDATION NO. 4**  
**SIMPLE AND PAINLESS FOR**  
**DEPARTMENTS TO NAVIGATE**

- Enhance customer service culture within Purchasing Division.
- Establish Senior Buyers as RFP Project Managers.
- Proactively schedule recurring RFPs.
- Institute changes that allow for easy tracking of RFPs from requisition to contract.
- Create RFP Manual to guide Purchasing and Departments.
- Clean up SharePoint and document storage.

**RECOMMENDATION NO. 5  
FAST AND EFFICIENT**

- Delegate Ad Hoc Committee approval to Chief Procurement Officer.
- Negotiate contracts while seeking City Council approval.
- Implement electronic signatures for Recommendation of Award and legislative packets.
- Use electronic signature software for contracting.

# ACCOMPLISHMENTS...AGAIN!

- All Senior Buyers certified through the State as Chief Procurement Officers
- Updated RFP (and RFB!) Templates
- RFP Manual developed to guide Purchasing, Departments, Ad Hoc Members
- Focus on collaborative scope and specification development
- Documented existing different RFP options
- Refine RFP process (and a little help for RFBs too!)
- Updated the City's e-procurement system to Bonfire and transformed the entire solicitation process from start to finish to an electronic process
- Transformed the award process into an electronic process for Recommendations of Award and the legislative process used to approve Recommendations of Award
- Implemented DocuSign for all solicitation approvals

\*NOTE: Many of the accomplishments in this slide were in the works pre-RFP reform, which likely made the process go more smoothly than if we had to start from scratch.

**HOW DO WE MEASURE OUR SUCCESS IN THE  
REFORM EFFORTS?  
RESULTS-BASED ACCOUNTABILITY™**

- A way of thinking and acting to improve entrenched and complex problems.
- Used by organizations to improve the effectiveness of their programs.
- Developed by Mark Friedman and described in his book *Trying Hard is Not Good Enough*, this method is being used in all 50 United States and in more than a dozen countries around the world to create measurable change in people's lives, communities and organizations.

- With this measurement, we look to much more than how much we did (i.e., how many requisitions were approved, how many RFPs were posted, etc.)
- We also look to:
  - How well did we do it?
  - Is anyone better off?
  - Are the stakeholders satisfied with the end result?
  - Did the stakeholders get what they wanted?



**APPLICATION OF RESULTS-BASED  
ACCOUNTABILITY™**

## MEASURING PERFORMANCE IN REQUISITION APPROVAL TIME

Requisition Type 2018*	Count of Req Type	Average Number of Days to Approve
Punch Out Catalog Purchase	4224	2
Internal Catalog Purchase	1927	2
City Contract PO (POR)	14394	2
Small Purchase PO	<b>229</b>	<b>8</b>
Quick Quote (RFQ)	66	11
Post-Purchase Order (PPO)	282	14
Other Government Contract	192	15
Other Exempt Purchases	616	16
Emergency	50	21
Contract Request /Amendment	780	25
Social Services Contracts	131	25
PT or PT Types	496	28
Sole Source Transaction	6	36
RFP	<b>47</b>	<b>31</b>
RFB	<b>126</b>	<b>62</b>

Requisition Type 2020*	Count of Req Type	Average Number of Days to Approve
Punch Out Catalog Purchase	3927	2
Internal Catalog Purchase	2237	2
City Contract PO (POR)	12587	2
Small Purchase PO	<b>1505</b>	<b>3</b>
Quick Quote (RFQ)	99	5
Post-Purchase Order (PPO)	181	5
Other Government Contract	1185	7
Other Exempt Purchases	845	9
Emergency	129	3
Contract Request/Amendment	282	19
Social Services Contracts	199	7
PT or PT Types	590	19
Sole Source Transaction	5	42
RFP	<b>27</b>	<b>30</b>
RFB	<b>50</b>	<b>62</b>

\*Requisition approval time for calendar years 2018 and 2020

**DFAS CUSTOMER SATISFACTION SURVEY  
STRONGLY AGREE AND AGREE RESULTS-PURCHASING DIVISION**

Measurement	FY 21	FY20	FY19
Are clear in their written and verbal communications	95%	92%	57%
Inform me of the information and services that they can provide	93%	88%	56%
Respond to my questions and requests in a reasonable timeframe	95%	91%	63%
Keep me informed about the status of my requests	<b>90%</b>	<b>83%</b>	<b>42%</b>
Provide high quality services and accurate information	93%	93%	57%
Provide direction that is clear and consistent	<b>91%</b>	<b>90%</b>	<b>38%</b>
Are helpful and enable me to do my job more effectively	93%	91%	52%
Offer feasible alternatives when appropriate	93%	88%	62%
Are knowledgeable and professional	<b>97%</b>	<b>96%</b>	<b>78%</b>
Are courteous and have a positive attitude	<b>96%</b>	<b>95%</b>	<b>78%</b>

## SETTING EXPECTATIONS FOR PERFORMANCE: COMMUNICATE AN RFP TIMELINE AND PRIMARY RESPONSIBILITIES

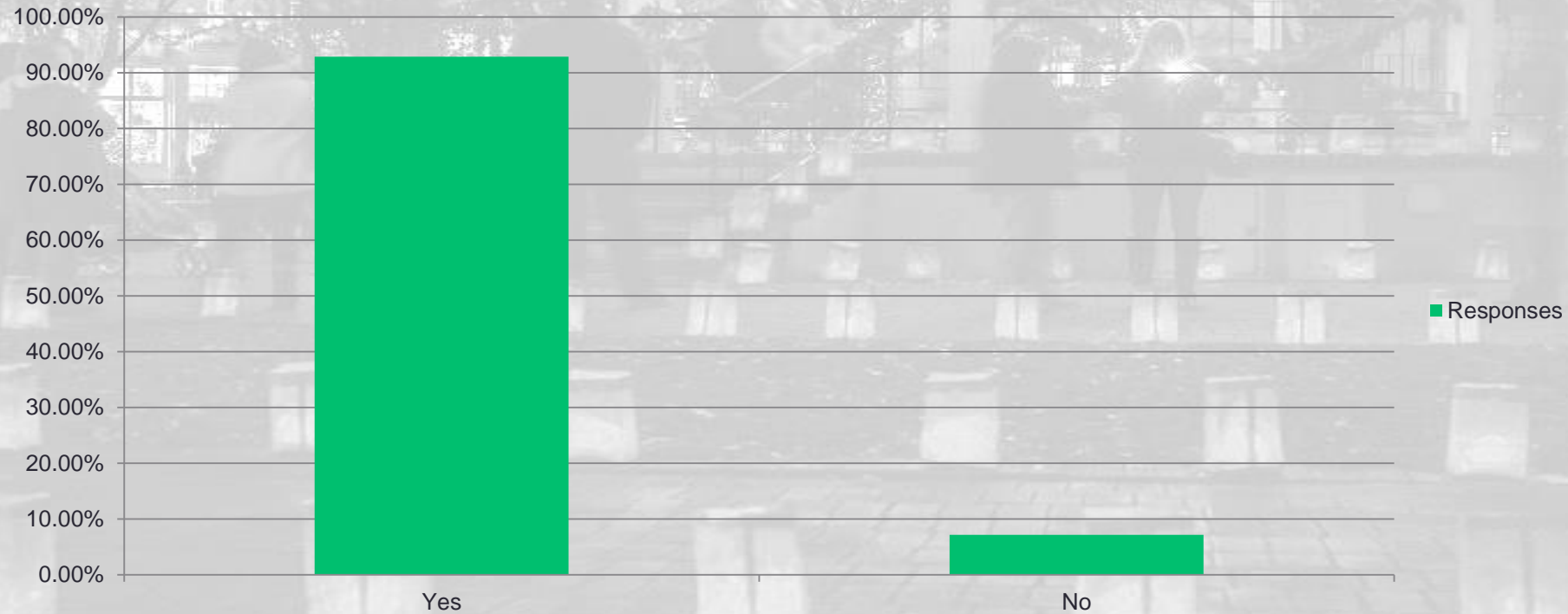
Sample Timeline	Purchasing	City Department	Vendor
Scope Development		X	
Release 7/9	X		
Advertise 7/11	X		
Preproposal meeting/site visit- 7/19	X	X	X
Questions from vendors due 7/26			X
Addendum released 7/29 (this requires department input and timely response to questions Purchasing forwards)		X	
Proposals due 8/9			X
1st ad hoc meeting to release proposals 8/11		X	
2nd ad hoc meeting to review proposals 8/25		X	
Recommendation of award prepared, approved and posted 8/26-8/30	X	X	
Protest period begins 8/31 (10 business days per Ordinance)			X
Protest period ends 9/15			X
EC packet prepared and routed for signature	X	X	
A contract cannot be signed until after City Council approval, but negotiations can begin		X	X

**HOW MANY SOLICITATIONS  
DID WE POST IN THE NEW  
SYSTEM? TRACKING IS KEY**

- Since Bonfire was implemented in 2019 solicitations completed:
  - 53 Requests for Proposals
  - 110 Requests for Bids
  - 23 Requests for Quotes
- Protests:
  - FY22 - 3
  - FY21 - 9
  - FY20 - 6

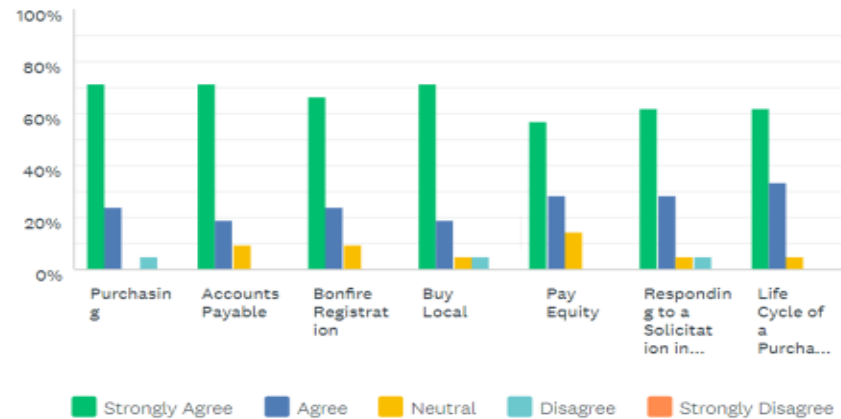
## VENDOR SURVEY-POST RFP

If you had to contact the City's Purchasing Division, was Purchasing able to assist you with your question.



Q2: After attending this virtual vendor workshop, I have a better understanding about the City of Albuquerque's processes as they relate to the following:

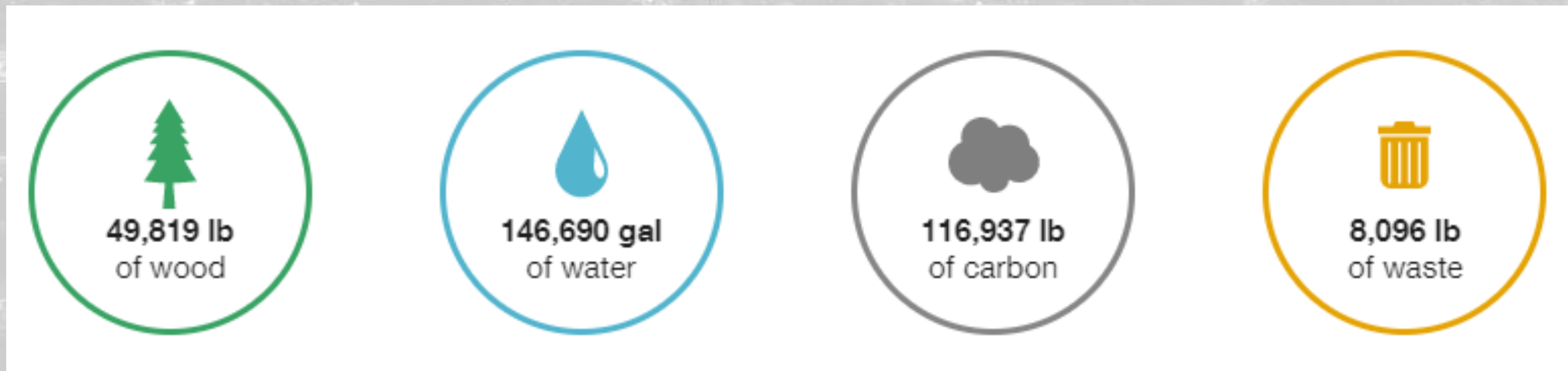
Answered: 21 Skipped: 0



Held several vendor outreach events with some events attracting 300-400 vendors

# ENVIRONMENTAL MEASURES

- Transitioning to electronic signatures with DocuSign has made our Contracting processes faster and more efficient, and it has had a positive impact on the environment
- As of August 2021 estimates, the City of Albuquerque has avoided:





## QUARTERLY PERFORMANCE REPORTS

- The Quarterly Performance Reports allow real-time feedback in a meeting with Department Directors, managers, fiscal officers and Department representatives.
- All DFAS Divisions report in to the Department during the meeting.
- The most recent customer satisfaction survey, broken down by Division, is shared with the Department.
- Purchasing provides information on things like spend, suppliers, requisition numbers, and the number of trainings completed by Department representatives.

## **FUTURE PLANS...WE'RE NOT DONE!**

- Vendor Outreach and Addressing Vendor Noncompliance
- Enhancement of periodic Purchase and P-Card spot audit checks
- Complete updates to Administrative Instruction on Purchasing Comprehensive Training Program
- Update Purchasing Procurement Manual
- Update P-Card Manual
- Update Vendor Handbook
- Develop comprehensive Vendor webpage
- Conduct City spend analysis
- Roll out additional Requisitioner Training
- Roll out refresher Department Buyer Training
- Review Staffing needs and provide existing staff continued training
- Send out further surveys internally and externally
- Develop Federal Grant Procurement guidance
- Reinstitute networking with other procurement agencies; collaborative purchasing

## RECAP: LESSONS LEARNED

- It is difficult to simplify government procurement. Too many cuts to the process can cause a loss of the check and balance that is so critical. Too little, and the process remains timely and difficult.
- But streamlining processes accompanied by communication and training can go a long way.
- Consider several different performance measures—not just one method will tell the whole story.
- There are a lot of variables to performance:
  - Internal/external staffing
  - Resources
  - Workloads
  - Timing
  - Training/Communication
  - Management/Culture
- Anticipate the unexpected! COVID!
- You don't have to reinvent the wheel. Improve what you have!
- Get to know your stakeholders.
- And remember not to get discouraged. You have to continually monitor how the changes you made play out and see what is working...or not. If you have to change direction during the reform effort, that is ok. Be flexible. Changes to reform don't mean failure.
- You can turn reformation into TRANSFORMATION!

**WANT TO JOIN OUR PURCHASING TEAM?**

- Open Position:
  - Transit Senior Buyer (M14) Job Number 2200205
  - Closes September 8, 2021
  - <https://www.governmentjobs.com/careers/cabq>

# QUESTIONS?

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