

Columbia Chapter General Meeting

DATE & TIME:

December 3, 2020
11:30am-1:00pm

LOCATION:

Join Zoom meeting via link below
(or use meeting ID 916 0649 5478)
<https://portlandcc.zoom.us/j/91606495478>

- 11:30 Welcome and Introductions – Elvis
- 11:35 Chapter Announcements / Reminders
- Elections results - Elvis
 - Membership Committees and Volunteers - Elvis
 - Scholarship reminder - Christy
 - Pro-D Updates – Kathi
 - Virtual Holiday Happy Hour at 5pm on December 17th - Tessa
 - Membership updates & renewal reminder – Emmanuel
 - Reverse Vendor Trade Show - Anthony
 - Manager of the Year/Buyer of the Year – call for nominations - Anthony
 - 2021 Columbia Chapter budget – Anthony
 - Columbia Chapter Handbook revisions - Gina
- 11:50 Installation of new Officers/Directors –Brian Smith, NIGP Chapter Ambassador
- 12:00 How Unlikely Partners Can Make You Successful: The realized value in a collaborative Buyer & Supplier relationship and why it matters – David Wetzel (see attached bio)

Addressing realized value in collaborative Buyer/Supplier relationships and why they matter. How can you utilize your strategic partners to bring private sector solutions to your public agency and improve your overall value to the agency while staying in regulatory compliance? How do you effectively measure contractor/vendor performance, justify overall savings or share risk management within product or services procurements? There's overall value to an agency when procurement, departments and vendors communicate to implement mutually beneficial solutions and you are the key.

1:00 Adjourn – Elvis Carter

Cost for non-members to attend is \$25. One time guests welcome at no charge.

Next Meetings:

Virtual Holiday Happy Hour – December 17, 2020 5pm
Columbia Chapter General Meeting - February 4, 2021

Dave Wetzel Biography



Dave leads U.S. government and education sales for Canon Solutions America, Canon's U.S.-based division.

He brings experience and expertise from working with public sector procurement officials over a 25-year career, with leadership roles at Canon, Office Depot, and Costco Wholesale.

Dave has held an active position on NIGP's National Business Council since 2010 and co-authored several of NIGP's White Papers - focused on the intricacies of buying and selling in the public arena. Dave's roles have included Vice-Chair of NIGP's Business Council and a history of working with national and local leadership at NAEP, ASBO, NIGP, NASPO and NPI.

While advocating for advancement in public procurement, Dave has developed a deep engagement with cooperative contracting and best value procurement, an extensive knowledge of environmental sustainability, and a progressive vision of supplier evaluation and management.

Dave holds an MBA in Management Sciences from the University of Portland and Bachelor of Science degree in Business Administration from California State University, East Bay.

**NIGP
FORUM
2020**

75TH
Connecting
Procurement
Communities

**For Us.
For Agencies.
For Good.**

How Unlikely Partners Can Make You Successful

NIGP Business Council

NIGP Business Council: Who We Are



Enterprise
Sponsors



The NIGP Business Council Mission...

Serve the NIGP membership and procurement profession through the sharing of resources and expertise in support of NIGP's educational, research and advocacy mission.





Overview: The realized value in a collaborative Buyer & Supplier relationship and *why* it matters.

Use your strategic partners to:

- ▶ bring supplier solutions to your public agency
- ▶ reinforce Procurement's overall contribution to the agency
- ▶ maintain regulatory and contract compliance



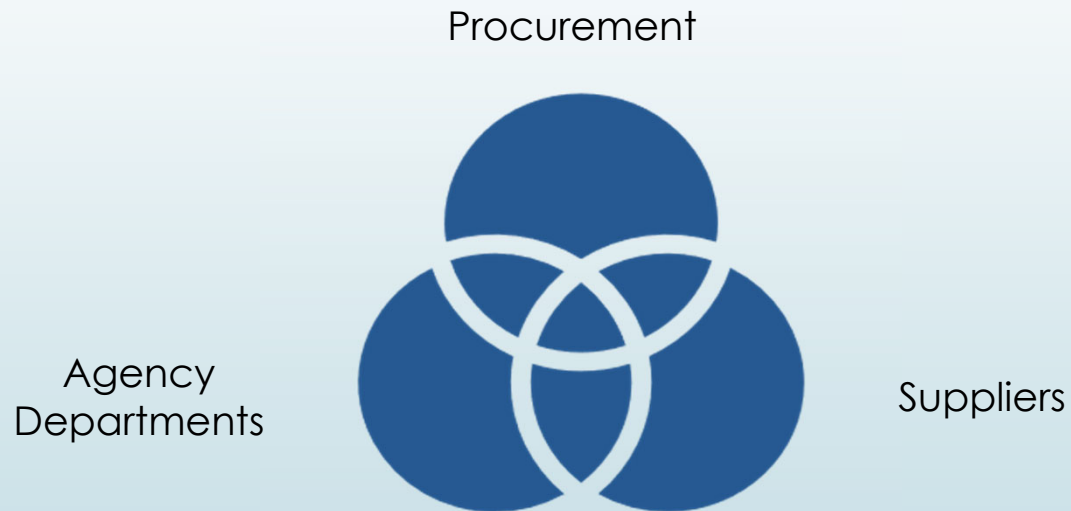
Agenda

- ▶ Value in Communicating
- ▶ Benefits for Procurement Practitioners
- ▶ Performance Measurement

Value in Communicating



Providing value when agency departments, procurement, and suppliers communicate to implement mutually beneficial solutions, and you are the key.



Evolution of the Relationship
– A Historical Perspective



Example: eProcurement

31%

Procurement professionals do not have a portal or eProcurement system where they can post bids, RFPs, or existing contract information online.

Benefits for Procurement Practitioners



Benefits & Rewards

A. Mitigating Risk

- i. Risk in fostering relationships
- ii. Risk within contract terms and conditions

Benefits & Rewards

B. Value

- i. Balance of Cost Savings with Best Value
- ii. Industry Expertise
- iii. Suppliers as a Reliable Resource

Example Questions

- ▶ Do suppliers have recent customer satisfaction scores from organizations with a similar size, scope of work, and service agreement?
- ▶ What current and similar size references does the supplier have that aligns with the intended scope?
- ▶ What other relevant, value-added services do the suppliers provide their customers as part of their total value offering?
- ▶ Are suppliers' support models specialized to serve public sector entities?
- ▶ What training do suppliers have in place for their extended team that supports public sector entities?



Supplier & Contractor Performance Reviews





Buyer/Supplier – Manufacturer



Buyer/Supplier – Distributor



Buyer/Supplier – Service



Challenges
on Both Sides

Supplier Rating Spectrum

SUPPLIER

Supplier

- Supplies goods or services
- Basic Supplier duties
- Minor relationship
- Transaction-based
- Price oriented

TACTICAL SUPPLIER

Tactical Supplier

- Competitive pricing
- Efficiency processes
- Produces cost benefits & reporting
- No contract in place but earning orders
- No program goals established
- No business reviews

CONTRACT SUPPLIER

Contract Supplier

- Approved Contract Holder (Own or Co-Op)
- Builds relationship with key Purchasing Professionals
- Listed on procurement site
- Works toward defined goals
- Conducts regular reviews and planning sessions
- Contract compliant
- Satisfactory Service

PREFERRED SUPPLIER

Preferred Supplier

- Long-term contract/agreement
- Endorsed by the University
- Takes action to direct spend
- Provides impactful reporting
- Considered an asset/resource
- Works with the University to implement new solutions
- Contract Compliance Steward
- High-Quality Service

STRATEGIC PARTNER

Strategic Partner

- Aligned with university initiatives
- Relationship invested & engaged
- Opportunity for broad impact
- Delivers value beyond price
- Included in long-term strategic planning
- Benchmark for supplier performance



Strategic Partners



**STRATEGIC
PARTNER**

- **(Long-Term Contract or Agreement)**
- **Aligned with (my organization's) Initiatives**
- **Relationship Invested & Engaged**
- **Opportunity for Broad Impact**
- **Delivers Value Beyond Price**
- **Included in Long-term Strategic Planning**
- **Benchmark for Supplier Performance**

Required Skill Sets

Measurements

Reporting Tools



Objective Scoring Metrics



Subjective Metrics



Example: Supplier Performance Scorecard State of Oregon

- ▶ Procurement Transformation Program – includes all services for full eProcurement implementation under four headings
 - ▶ Strategic Sourcing, Catalog Management, Supplier Enablement and Marketing Services
- ▶ Comprehensive Program to support full Procurement Transformation
- ▶ Supplier Ratings based on Performance Based Metrics
- ▶ Monthly Supplier/Client meetings to discuss status and performance
- ▶ Annual comprehensive program review and program strategy session

Example: Supplier Performance Scorecard - LSU



SUPPLIER PERFORMANCE SCORECARD

Procurement Services

Supplier		Total Points Earned	Overall Score
Supplier Contact(s)			
Scorecard Timeframe			
LSU Contact(s)			
Date of Review			

Account Management	Weight	A (85%)	B (85%)	C (75%)	D (65%)	E (55%)	N/A	Your Score
Supplier representatives address University concerns/issues appropriately and in a timely manner?	6%	Within Hours	Same Day	Two Days	Three Days	Has to be Chased	N/A	
Supplier understands University's requirements? (i.e. Specifications)	5%	Very Knowledgeable	Knowledgeable	Somewhat Knowledgeable	Rarely Knowledgeable	Not Knowledgeable	N/A	
Supplier representatives meet the University's service/support commitments?	5%	Always Meets/Exceeds Commitments	Usually Meets Commitments	Somewhat Meets Commitments	Rarely Meets Commitments	Never Meets Commitments	N/A	
Supplier representatives are knowledgeable on products/services?	4%	Very Knowledgeable	Knowledgeable	Somewhat Knowledgeable	Rarely Knowledgeable	Not Knowledgeable	N/A	
How quickly does Supplier's representative return quotes/proposals?	4%	Within Hours	Same Day	Two Days	Three Days	Has to be Chased	N/A	
Supplier encourages & promotes products/services produced by a diverse supplier (WBE, MBE, Veteran, etc.)?	3%	Always Encourages or Promotes	Usually Encourages or Promotes	Occasionally Encourages or Promotes	Rarely Encourages or Promotes	Never Encourages or Promotes	N/A	
Supplier provides information & training on "best in class" practices from industry experts?	3%	Always Provides	Usually Provides	Occasionally Provides	Rarely Provides	Never Provides	N/A	
Total % Supplier Earned in "Account Management" Category: 0.00%								

Delivery, Packaging, and Quality	Weight	A (85%)	B (85%)	C (75%)	D (65%)	E (55%)	N/A	Your Score
Products and/or services meet expectations?	4%	Always Meets/Exceeds Expectations	Usually Meets Expectations	Somewhat Meets Expectations	Rarely Meets Expectations	Never Meets Expectations	N/A	
Supplier's On Time Delivery (OTD) performance for the term of the contract:	4%	100%	99 - 95%	94 - 90%	89 - 85%	< 84%	N/A	
Percentage of orders that ship immediately and do not become backordered:	3%	100%	95%	90%	85%	< 80%	N/A	
Receives legible, detailed, and correct delivery documentation with shipments?	2%	Always Receive	Usually Receive	Occasionally Receive	Rarely Receive	Never Receive	N/A	
Does supplier ensure products are packaged and shipped to protect against damage upon delivery?	2%	Never Damaged	Rarely Damaged	Occasionally Damaged	Often Damaged	Always Damaged	N/A	
Total % Supplier Earned in "Delivery, Packaging, and Quality" Category: 0.00%								

Financial / Contracting	Weight	A (85%)	B (85%)	C (75%)	D (65%)	E (55%)	N/A	Your Score
Supplier's pricing relative to competitors	10%	Very Much Below Average	Below Average	Average	Above Average	Very Much Above Average	N/A	
Supplier's quotes are firm and all inclusive? (i.e. delivery charges, installation)	5%	Always Correct	Usually Correct	Occasionally Correct	Rarely Correct	Never Correct	N/A	
How long are quotations/proposals valid?	3%	60+ Days	31 - 59 Days	30 Days	14 - 29 Days	< 13 Days	N/A	
Reports are prepared in a timely manner as requested: quarterly, annually, or upon request	5%	Within Hours	Same Day	Two Days	Three Days	Has to be Chased	N/A	
Invoices are accurate and timely	2%	Always Accurate & Timely	Usually Accurate & Timely	Somewhat Accurate & Timely	Rarely Accurate & Timely	Never Accurate & Timely	N/A	
Are additional terms & conditions submitted and have to be negotiated?	3%	Never Receive	Rarely Receive	Occasionally Receive	Usually Receive	Always Receive	N/A	
How willing is Supplier to complete our forms/negotiate with LSU?	3%	Very Willing	Willing	Occasionally Willing	Rarely Willing	Never Willing	N/A	
How quickly does Supplier return supporting documentation?	2%	Within Hours	Same Day	Two Days	Three Days	Has to be Chased	N/A	
Does Supplier offer discounts for early/prompt payment?	1%	4% + Discount	3% Discount	2% Discount	1% Discount	No Discount	N/A	
Does Supplier offer rebates for annual spend?	1%	3% + Rebate	2% Rebate	1% Rebate	0.5% Rebate	No Rebate	N/A	
Total % Supplier Earned in "Financial" Category: 0.00%								

Relationship	Weight	A (85%)	B (85%)	C (75%)	D (65%)	E (55%)	N/A	Your Score
The working relationship with supplier representative(s) is:	7%	Strong	Good	Average	Poor	No Working Relationship	N/A	
Overall, the relationship with the supplier (as a company) is:	7%	Excellent	Above Average	Average	Below Average	Very Poor	N/A	
We would renew contract(s) with supplier:	6%	Yes, Absolutely	Probably, Revisit Pricing	Possibly, Needs Improvement	Potentially, Needs Major Overhaul	No, Prefer to Re-Bid / Find a New Supplier	N/A	
Total % Supplier Earned in "Relationship" Category: 0.00%								

Additional Comments/Recommendations	Score Weighting		Overall Grade	
	Score	Weight	Grade	Score
	95%	A	90 - 100%	A
	85%	B	80 - 89%	B
	75%	C	70 - 79%	C
	65%	D	60 - 69%	D
	55%	F	0 - 59%	F

LSU Acct Mgmt

LSU

Procurement Services

SUPPLIER PERFORMANCE

Supplier	
Supplier Contact(s)	
Scorecard Timeframe	
LSU Contact(s)	
Date of Review	

Account Management	Weight
Supplier representatives address University concerns/issues appropriately and in a timely manner?	6%
Supplier understands University's requirements? (i.e. Specifications)	5%
Supplier representatives meet the University's service/support commitments?	5%
Supplier representatives are knowledgeable on products/services?	4%

Account Management	Weight	A (95%)	B (85%)	C (75%)	D (65%)	F (55%)	N/A	Your Score
Supplier representatives address University concerns/issues appropriately and in a timely manner?	6%	Within Hours	Same Day	Two Days	Three Days	Has to be Chased	N/A	
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Total % Supplier Earned in "Account Management" Category:								0.00%

LSU Financial / Contracting

Financial / Contracting	Weight
Supplier's pricing relative to competitors	10%
Supplier's quotes are firm and all inclusive? (i.e. delivery charges, installation)	5%

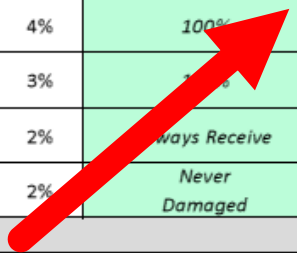


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Total % Supplier Earned in "Financial" Category:								0.00%

LSU Delivery, Packaging, & Quality / Relationship

Delivery, Packaging, and Quality	Weight	A (95%)						Weight
Products and/or services meet expectations?	4%	Always Meets/Exceeds Expectations						20%
Supplier's On Time Delivery (OTD) performance for the term of the contract:	4%	100%	95%	90%	85%	< 80%	N/A	7%
Percentage of orders that ship immediately and do not become backordered:	3%	100%	95%	90%	85%	< 80%	N/A	7%
Receives legible, detailed, and correct delivery documentation with shipments?	2%	Always Receive	Usually Receive	Occasionally Receive	Rarely Receive	Never Receive	N/A	6%
Does Supplier ensure products are packaged and shipped to protect against damage upon delivery?	2%	Never Damaged	Rarely Damaged	Occasionally Damaged	Often Damaged	Always Damaged	N/A	6%
Total % Supplier Earned in "Delivery, Packaging, and Quality" Category:								0.00%

Relationship	Weight
The working relationship with supplier representative(s) is:	7%
Overall, the relationship with the supplier (as a company) is:	7%
We would renew contract(s) with supplier:	6%

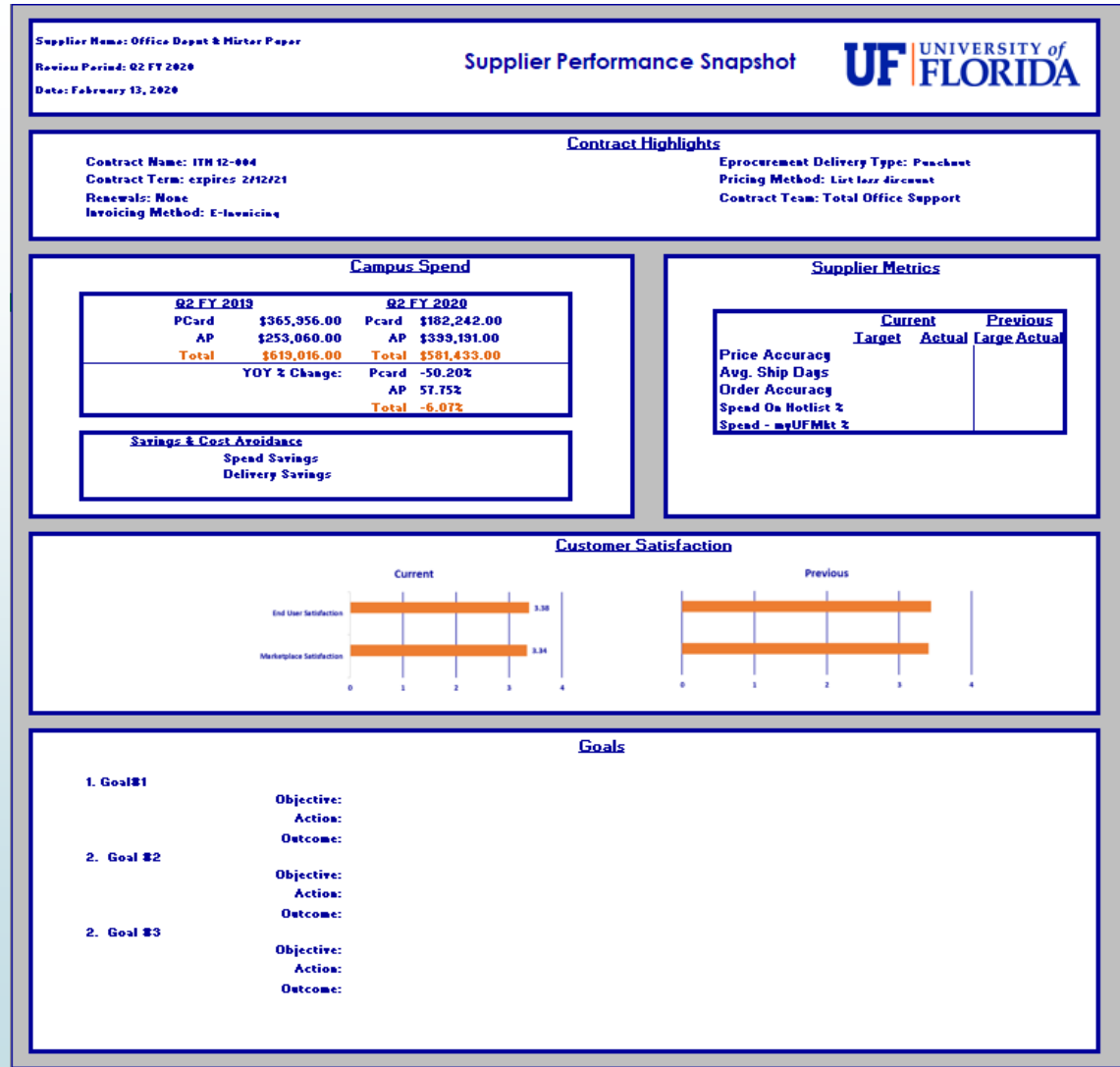


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Additional Comments/Recommendations

Score Weighting		Overall Grade	
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75%	C	70 - 79%	C
65%	D	60 - 69%	D
55%	F	0 - 59%	F

Example: Supplier Performance Scorecard – UF



UF Supplier Performance Snapshot

Supplier Name: Office Depot & Mister Paper

Review Period: Q2 FY 2020

Date: February 13, 2020

Supplier Performance Snapshot





UF Contract Highlights

Contract Highlights

Contract Name: ITN 12-004

Contract Term: expires 2/12/21

Renewals: None

Invoicing Method: E-Invoicing

Eprocurement Delivery Type: Punchout

Pricing Method: List less discount

Contract Team: Total Office Support

UF Campus Spend

Campus Spend

<u>Q2 FY 2019</u>		<u>Q2 FY 2020</u>	
PCard	\$365,956.00	Pcard	\$182,242.00
AP	\$253,060.00	AP	\$399,191.00
Total	\$619,016.00	Total	\$581,433.00
YOY % Change:		Pcard	-50.20%
		AP	57.75%
		Total	-6.07%

Savings & Cost Avoidance

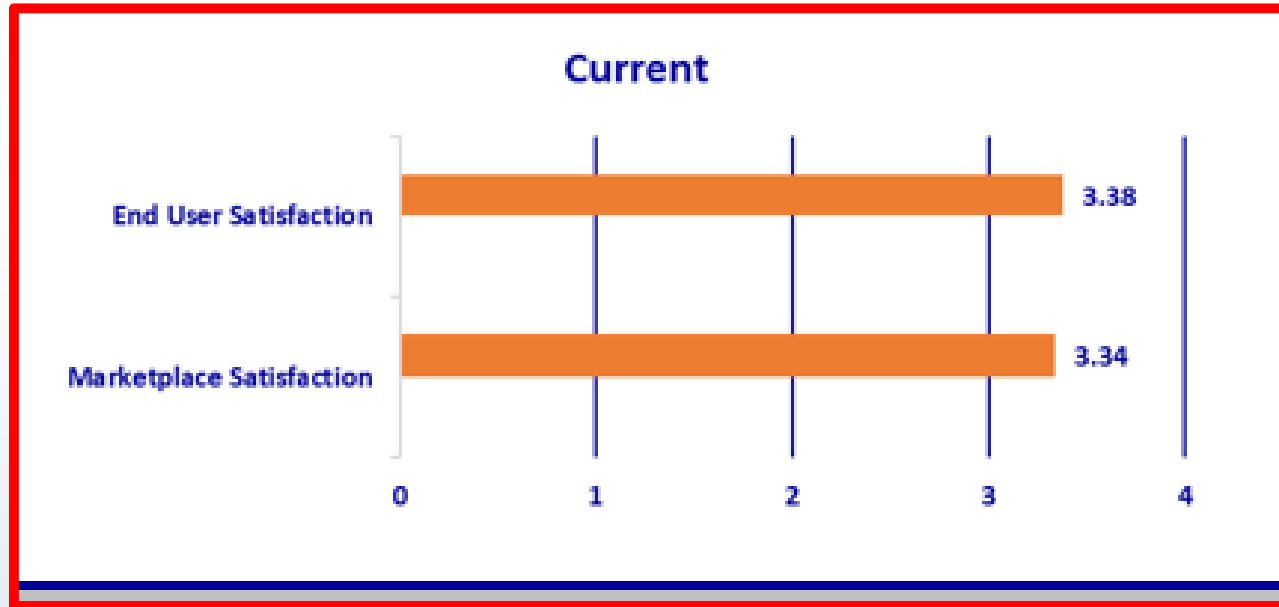
Spend Savings

Delivery Savings

UF Supplier Metrics

	<u>Current</u>		<u>Previous</u>	
	<u>Target</u>	<u>Actual</u>	<u>Target</u>	<u>Actual</u>
Price Accuracy				
Avg. Ship Days				
Order Accuracy				
Spend On Hotlist %				
Spend - myUFMkt %				

UF Customer Satisfaction





Open Discussion



Resources



Business Council White Papers / Presentations

- ▶ 2013 – We No Bid And We Will Tell You Why
- ▶ 2014 – Everybody Wins
- ▶ 2015 – Healthy Agency Supplier Relationships
- ▶ 2016 – Total Cost of Ownership
- ▶ 2017 – The Supplier Practitioner Connection – Adding Value to Procurement
- ▶ 2018 – The Procurement – Supplier End User Relationship
- ▶ 2019 – Market Volatility
- ▶ 2020 – How Unlikely Partners Can Make You Successful

Visit: <https://www.nigp.org/home/find-procurement-resources/guidance/papers>



2013 – We No Bid And I'll Tell You Why

- ▶ NIGP Business Council's Evolving Intentions
- ▶ Bid Expectations and Competition – Old School vs. New
- ▶ NBC - Common Solicitation Challenges
- ▶ Board Members' Validation of Opposing Challenges
- ▶ Top Reasons To NOT Compete –
 - ▶ Time
 - ▶ Specification Alternates
 - ▶ Terms & Conditions
 - ▶ Information



2014 – Everybody Wins

- ▶ Crafting Winning Solicitations
 - ▶ Foster Transparency
 - ▶ Best Value
 - ▶ Collaborative Partnership
- ▶ Commodities, Capital Equipment, IT, and Services.
- ▶ Recommended Practices
 - ▶ Pre-Bid Conferences
 - ▶ RFI's
 - ▶ Exceptions to Terms and Conditions



2015 – Healthy Agency Supplier Relationships

- ▶ Healthy Relationships → Better Procurement Results
 - ▶ It's Procurement Professionals **AND** Suppliers, not vs. Suppliers
 - ▶ Improve communications and outcomes
- ▶ Explore several key questions:
 - ▶ What does “better communication” look like?
 - ▶ What specific types of activities or exchanges could practitioners and suppliers engage in?
 - ▶ What might be the benefits of these activities?



2016 – Total Cost of Ownership

- ▶ Discussion about TCO Modeling
 - ▶ When to employ
 - ▶ How to develop
 - ▶ Goods
 - ▶ Services
- ▶ Example – Heavy equipment purchase model
 - ▶ Different cost factors
 - ▶ Three different proposers with varying cost/price structures



2017 – The Supplier Practitioner Connection – Adding Value to Procurement

- ▶ Up-to-date Industry Expertise
 - ▶ Pre-RFP Meetings and RFI's
- ▶ Information and Building Trust
 - ▶ Effective communication about long-term agency goal(s)
- ▶ Long-term Contract Performance
 - ▶ Build a winning contract that yields performance for years



2018 – The Procurement – Supplier – End User Relationship

- ▶ Importance of End User Experiences
 - ▶ Benefits Procurement and Supplier
- ▶ Building a Progressive Business Review Environment
 - ▶ Supplier Rating Systems



2019 – Market Volatility

- ▶ Discussion about industry impacts – current & forecasted
 - ▶ Economic Unrest
 - ▶ Taxes & Tariffs
 - ▶ Employment Effects



NIGP Chapter Engagement



NIGP Chapter Events

- ▶ Business Council Members Lead Discussions
- ▶ Schedule Travel For In-Person Conferences/Meetings
 - ▶ Support Virtual Events
- ▶ Typically Two NBC Members and 1-2 Local Agency Leaders Participate
 - ▶ Moderator or Panel Members
 - ▶ Members/Audience Interactive
- ▶ Contact to Schedule
 - ▶ Belinda Sites, NIGP – bsites@nigp.org
 - ▶ Business Council Members – Contact Directly

Visit: <https://www.nigp.org/home/find-procurement-resources/guidance/papers>



Thank You