



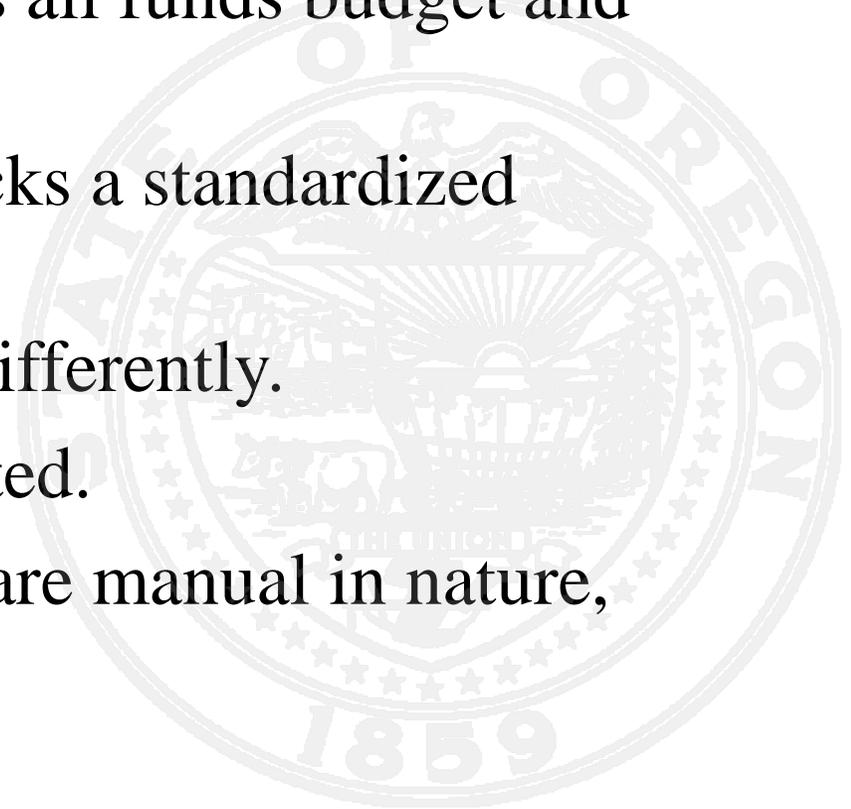
SB1565

Managing State Spend

Presentation to Senate Committee on
General Government and Accountability
February 6, 2018

Issue

- Procurement makes up nearly 10% of Oregon's all funds budget and represents \$8 billion in biennial spending.
- The state has unified procurement rules, but lacks a standardized procurement processing and tracking system.
- Agencies use procurement spending methods differently.
- Tracking and managing spend is currently limited.
- Procurement processing steps vary by agency, are manual in nature, and are labor intensive.



Current Biennial Spend Data is Limited

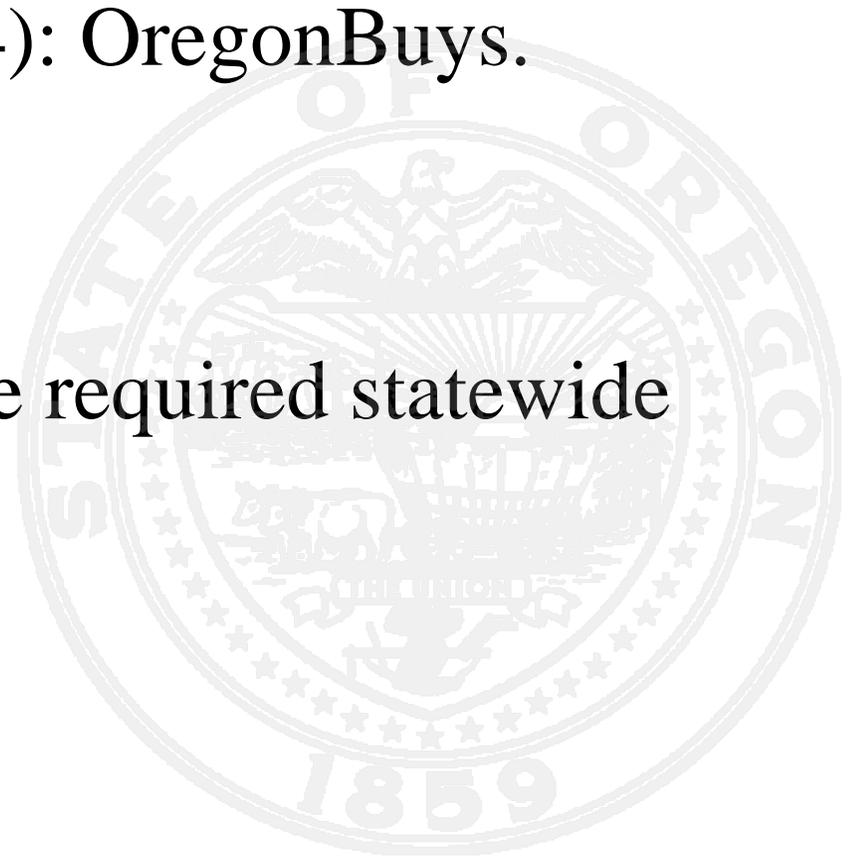


Three Part Solution

1. Adopt Current eProcurement Project Solution Statewide
2. Reverse Auction Pilot
3. Price at 30% Weight Pilot

1 Adopt eProcurement Project Solution Statewide

- Project already underway (began in 2014): OregonBuys.
- 10 agencies participating currently.
- OSCIO stage gate 3 approved.
- Recommend adopting OregonBuys as the required statewide eProcurement solution.



What is eProcurement?

eProcurement

End-to-end Procurement

Start to finish automation from request through sourcing receipt and payment

Price Agreement Catalog

Online shopping from statewide price agreements

Vendor Access

Self service tools and information for vendors

Sourcing

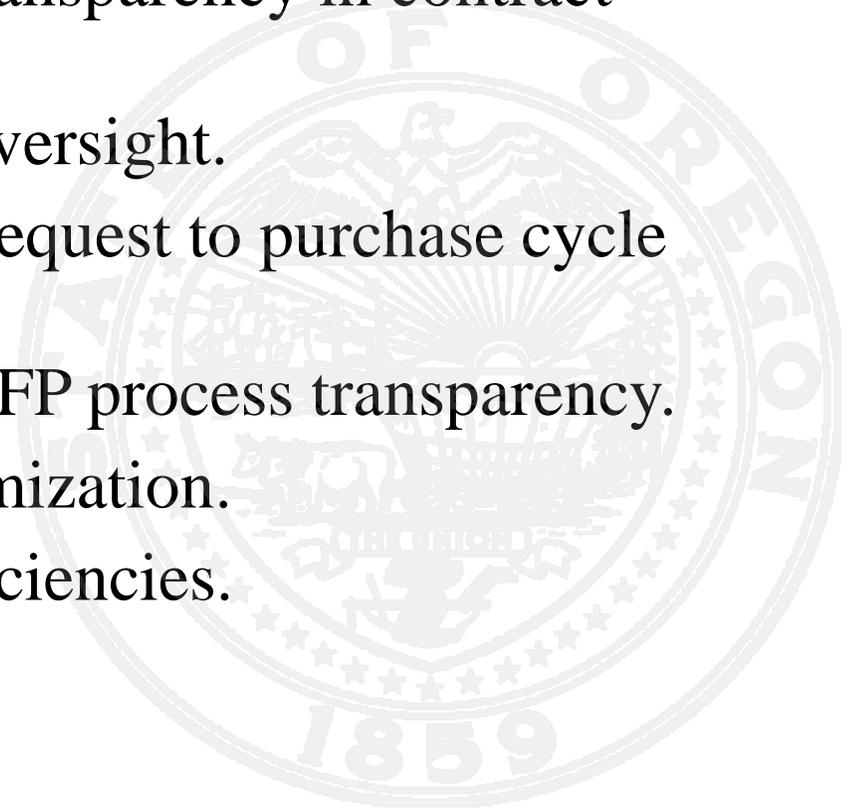
Similar to ORPIN's functionality with added online bid submission and evaluations

Spend & Data Analysis

Access to comprehensive data to enable strategic sourcing

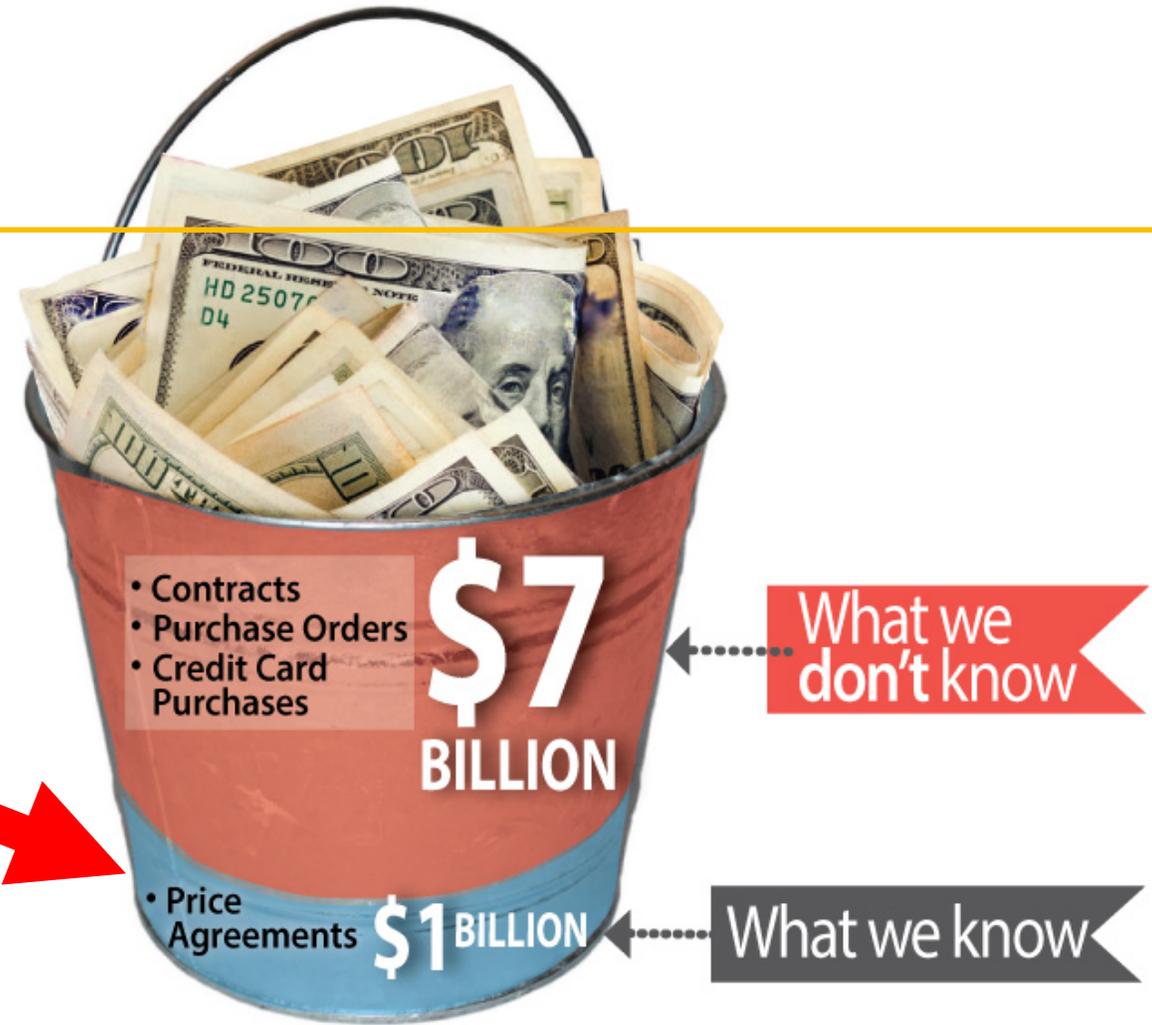
Benefits of eProcurement

- Facilitates collection of comprehensive spend data and increases transparency.
- Automates and standardizes processes.
- Saves staff time and money.
- Increases vendor response rate and participation.
- Accessible 24/7, 365 days a year.
- Increases transparency in contract pricing.
- Improves oversight.
- Decreases request to purchase cycle time.
- Increases RFP process transparency.
- Spend optimization.
- Creates efficiencies.



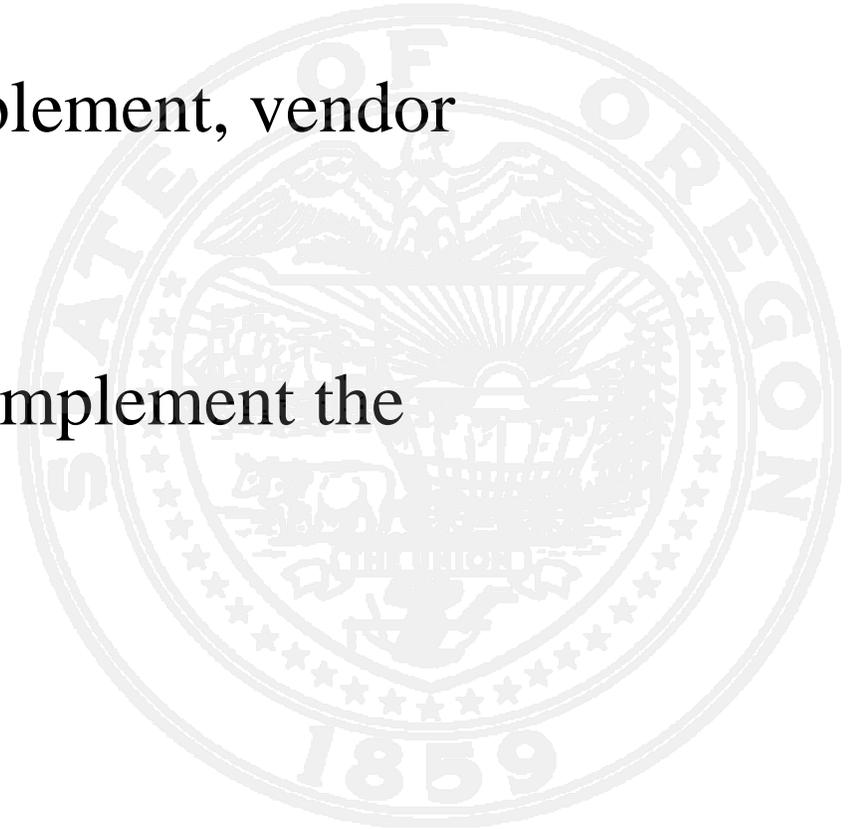
Funding

- Public/private partnership opportunity.
- No upfront cost.
- Transaction fee for each Price Agreement purchase.
- Revenue is shared between vendor and the State.



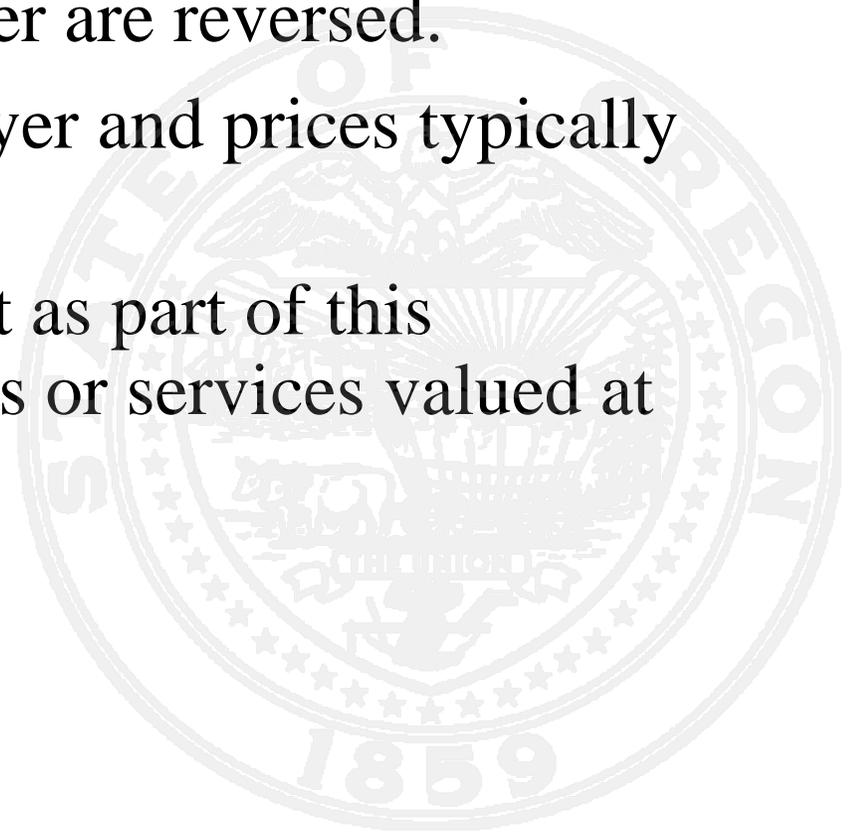
Benefits of Public/Private Partnership

- Valuable Services
 - ✓ Vendor provides user training, catalog enablement, vendor support for the life of the agreement.
- Statewide license enables all public entities to implement the end-to-end procurement solution.



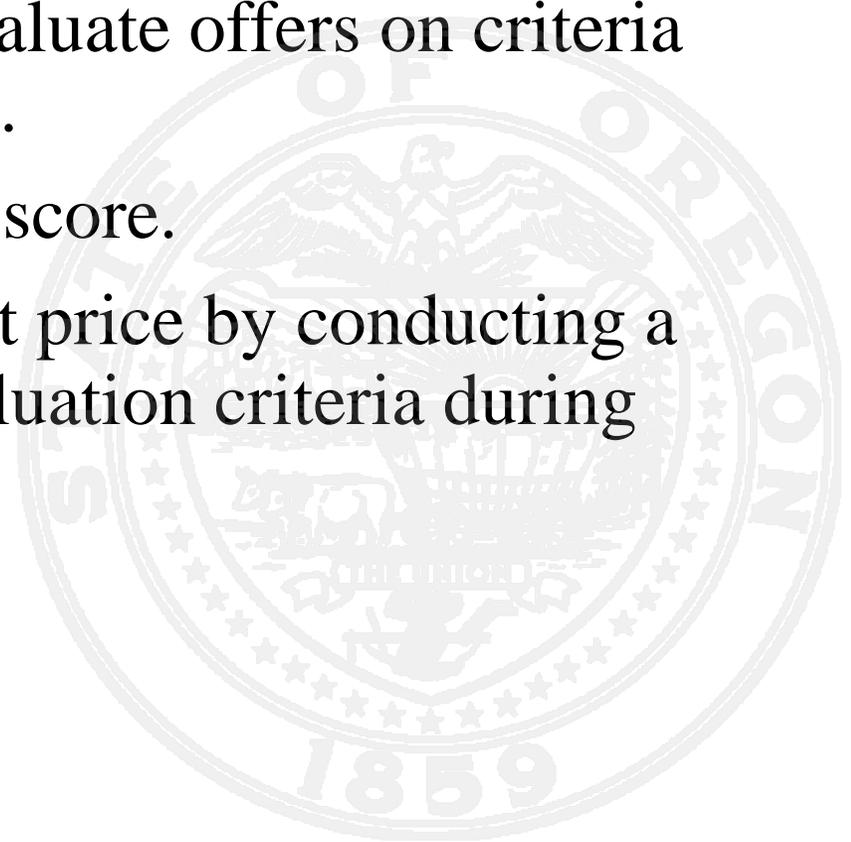
2 Reverse Auction Pilot

- An auction in which the roles of buyer and seller are reversed.
- Sellers compete to obtain business from the buyer and prices typically decrease as the sellers underbid each other.
- Oregon wants to pilot a reverse auction concept as part of this procurement initiative for the purchase of goods or services valued at more than \$150,000.



3 Price at 30% Weight Pilot

- Current procurement law allows agencies to evaluate offers on criteria other than cost in the contract selection process.
- Cost is currently between 0-20% of the overall score.
- We want to increase the significance of contract price by conducting a pilot to require price to be 30% of the final evaluation criteria during the solicitation evaluation process.



Questions?

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