



Department of Administrative Services

Joint Committee on Ways and Means

General Government Subcommittee

2019 Legislative Session

Road Map - Overall

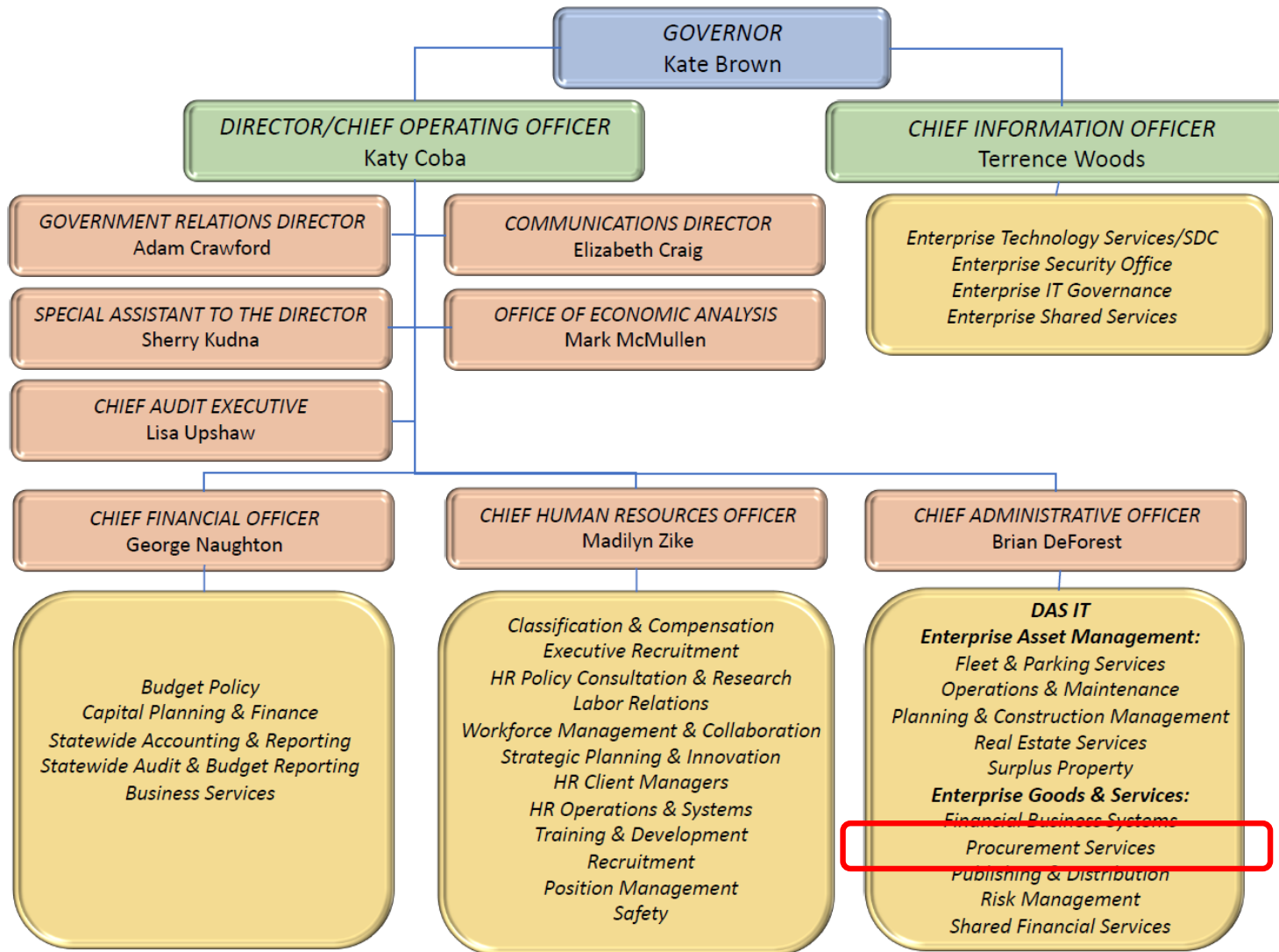
- ~~Day 1 – DAS Agency Overview with COO/CFO/CHRO~~
- ~~Day 2 – Chief Administrative Office~~
- ~~Day 3 – Office of the State Chief Information Officer Overview~~
- ~~Day 4 – Office of the State Chief Information Officer Program Areas~~
- Day 5 – KPMs, OregonBuys, and Public Hearing

Key Performance Measures

Indicator	Target	Result
KPM #1: Customer service ratings “good” or “excellent”	90%	68%
KPM #2: General Forecast accuracy	100%	103.85%
KPM #3: Agencies receiving Gold Star Award	100%	99%
KPM #4: Annual turnover of employees	Statewide: 5.6% DAS: 4.5%	Statewide: 4.97% DAS: 2.29%
KPM #5: Workforce diversity as compared to total civilian workforce	Statewide: 100% DAS: 100%	Statewide: 84.15% DAS: 83.32%

Key Performance Measures

Indicator	Target	Result
KPM #6: Miles per Gallon in state fleet	21 MPG	20.51 MPG
KPM #7: DAS-negotiated lease percentage savings	5%	18%
KPM #8: Information security maturity rating	3.50	1.65
KPM #9: Procurement percentage savings	5%	No Data
KPM #10: Severe workers comp claims per 100 FTE	1.45	1.52
KPM #11: State Data Center system time available percentage	99.90%	99.84%



Issue

- The state has unified procurement rules, but lacks a modern IT system to standardize and track procurements
- Procurement processes vary by agency, are manual in nature, and are labor intensive
- The manual processes severely limit the state's ability to track and manage spend
- Procurement makes up nearly 10% of Oregon's all funds budget and represents \$8 billion in biennial spending.

Manual Bids Received for One RFP



Current Biennial Spend Data is Limited



Solution:

Adopt OregonBuys as the statewide eprocurement system

- 2014 - OregonBuys Program began with three agencies' vision for a new statewide eprocurement system
- 2015 - OregonBuys evolved into ten agency collaboration
- 2016 - Business requirements established, RFP conducted and vendor selected
- 2017 - Established governance, signed a price agreement with vendor, received Stagegate 3 endorsement and executed Work Order for Oregon Instance Project.
- Oregon Instance Project kicked off in January 2018, and completed in December.
- Secretary of State was the first agency to go live in February 2019
- Recommend expanding the OregonBuys solution to make it the required statewide eProcurement solution.

What is eProcurement?

<i>eProcurement</i>				
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

- Collects comprehensive spend data
- Automates and standardizes processes
- Saves staff time which can be used for more meaningful work
- 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

Funding

- 1% Transaction fee for each Price Agreement purchase
- These transaction fees fund the system
- The fees sent to Periscope are capped on an annual basis
- Any excess fees collected could be used to reduce other fees charged to agencies, or the 1% fee could be reduced



Why is a 1% fee a good idea?

- Agencies don't have to come up with up-front costs for a system
- Shares the cost with all users of the system – vendors, state agencies, local governments & school districts
- Shares risk with Periscope – they only profit when we are successful
- We receive a system AND a team of people who support the system and the changes in our buying strategies
- Allows local governments and school districts to implement the full system with all the advantages of a state agency

The Request: Increased Limitation

- 17/19 Biennium: \$283,124
 - Permanent Positions: Program Manager in DAS Procurement
Project Manager in DAS IT
 - Limited Duration Position: Project Support in DAS Procurement
 - Professional Services for Independent Quality Assurance contractor

Questions?