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Sixty-eight years is a long time for any tradition. That’s how long NIGP Forum has provided a yearly opportunity for procurement professionals to gather in one place, to share ideas and experiences, and to network.

The world today is full of new ways to do those things – you can gather virtually for a webinar, or share ideas via email, listservs or social networks. The phrase “social networking” meant something altogether different 68 years ago than it does today. That was before there were Twitter and Tweets and Facebook and LinkedIn groups and all the rest. (See page 16 for ways social networking and a new mobile app can enhance the Forum experience this year.)

The most important aspect of NIGP Forum isn’t what has changed over the years, but what has stayed the same. All the new ways we share information and experiences still don’t replace the face-to-face opportunities of Forum. The social aspects of Forum, the opportunity to build camaraderie and relationships that can serve us well during the year to come, are unequalled – and vital to the practice of procurement.

We at Government Procurement look forward to seeing our readers and friends at NIGP Forum. Drop by our booth and share your ideas and thoughts about the magazine. <

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it goes out to bid, surely one of the General Contractors (GCs) or subs bidding the project would have caught it and brought it to the Owner’s attention so the error could be rectified in an addendum. But that said, I have done enough construction projects to know that Murphy’s Law sometimes prevails. This has happened, and continues to happen.

The HVAC sub obviously had a longstanding relationship with the Owner, and felt comfortable going to the Purchasing Agent with the problem. But in this case, the HVAC sub should have taken the issue to the GC, which is the party to whom the sub is contracted to do the work. And the GC should then take the problem to the Owner’s representative, who hopefully is a person trained in construction project management. It could either be a staff architect, engineer, or construction manager, or it could be an outside consultant hired to act as the Owner’s rep.

Given the long history and apparently good working relationship the Owner has with the HVAC sub, their assertion that there is a major problem should be considered credible by the Owner’s rep. The Owner’s rep should investigate the problem, and if indeed the work can’t be installed as described in the contract documents, then a modification must be ordered, and a change order will need to be approved. If the Owner’s Purchasing Agent is involved in issuance of Change Orders, then the Purchasing Agent needs to be brought into the loop.

As you can see by my title, I have obtained my credential from the Design Build Institute of America and am a proponent of the design-build approach for appropriate projects. In this case, if design-build were used instead of design-bid-build, the design error would be the responsibility of the design-builder to rectify and the Owner would not have to issue a change order and would not incur additional cost resulting from revising the design.

With an extremely short construction time remaining (3 months!), and assuming the problem is as dire as the HVAC sub contends, it is unlikely the problem will be resolved in time to avoid a delay in the project completion. The Owner won’t have their building on time, and the GC is likely to submit a claim for extra costs due to the delay. If this were procured using design-bid-build as I assumed initially, the Owner is responsible for the adequacy of the design (per the Spearin Doctrine) and consequently is responsible for the delay due to a defective design. Whether the Owner will have to pay monetary damages to the GC or just grant additional contract time is a whole other topic.

Given the facts of this scenario, though, upon being contacted by the HVAC sub, the Purchasing Agent should immediately contact the Owner’s rep (project manager) to investigate the problem. The Owner’s rep should involve the A/E consultants to determine the extent of the problem and the least impactful solution. The A/E consultants should work collaboratively with the GC and the HVAC sub to see which solution is best, considering functionality, time and cost. And when a change order is developed, the Purchasing Agent may have a role to play in its issuance. If the GC has included damages for the delay in the change order request, then the Purchasing Agent would also have a role to play in interpreting the contract clauses and the amount of damages owed.
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Traditionally, the administrative roles assumed by public procurement specialists have been delineated within a framework shaped by procurement ordinances. In the past decade, however, in part due to the changing nature of governance, matters have changed rather significantly. Public procurement is no longer considered a “back office” enterprise and has surfaced as a critical strategic administrative area. Governments at all levels have come to note the significant implications associated with procurement, both as an administrative function and as a policy mechanism. The field as a whole has also been targeted by heavy professionalization efforts.

Taken together, these forces have set the background for a new, importantly different, set of demands now routinely imposed on procurement specialists. Within the context of these conditions, public procurement specialists are often expected to assume roles that go beyond the traditional ones. Some of these roles might place procurement specialists outside their comfort zones, which are outlined by their past experiences and training.

What are the roles typically assumed by public procurement specialists? What explains the assumption of a certain role?

There are many important reasons to understand the daily roles assumed by public procurement specialists; not the least being that the everyday decisions made by procurement specialists impact and shape public policy outcomes. Much can be gained from a systematic study of public procurement specialists and their evolving roles, especially within the realities of today’s governance.

Yet, despite this obvious need to understand the roles assumed by public procurement specialists, there is only limited empirical research in the area. What are the roles typically assumed by public procurement specialists? What explains the assumption of a certain role? Do public procurement specialists seek to be active representatives of the public interest or to be professionally neutral? These are just a few of the intriguing questions that warrant attention and have yet to be clearly answered.

Administrative roles are very powerful institutional structures. Once assumed, a role provides the expectations-based instructions, as it were, of what represents one’s appropriate behavior. An administrator seldom has the luxury of time to consider every single action as a unique and independent event. One’s role, however, provides the decisionmaking “shortcuts” that enable an administrator to navigate through routine organizational decisions.

In other words, rather than having to analyze the appropriateness of one’s every action, a public procurement specialist is simply guided by what he or she thinks is expected from someone in his or her role. According to public administration scholars, while there are numerous sets of patterned behaviors that public servants routinely engage in, most of these actions can be categorized within the scheme of five broad roles – steward of public interest, practical idealist, adapted realist, resigned custodian and businesslike utilitarian. Anecdotal accounts and most of the extant literature would suggest that businesslike utilitarians and resigned custodians are the two most commonly assumed roles by public procurement specialists. Is this really the case?
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Governments routinely buy lots of products. Some are simple, like paper clips, which are easy to describe and easy to make. Other products are complex, like information technology systems, which are hard to describe and hard to make. Too often, governments treat buying complex products as if they were buying simpler products. Buying an information technology system is different than buying paper clips.

Governments use one of two simplified acquisition approaches to buy products: a reliance on rules or a reliance on relationships. In the rules approach, the government assumes it can clearly describe all the features of the product it wants to buy and writes a highly detailed contract covering as much of the transaction as possible. In the relationship approach, the government assumes vendors are trustworthy partners who have the government’s interests at heart and will deliver a good product, if for no other reason than because it’s good business for them to do so. Instead of writing a highly detailed contract, the government lays out what it wants the product to do (e.g., organize papers), its capabilities and qualities (e.g., organize around 20 papers for a low cost), and then relies on the vendor’s creativity and expertise to supply a product that meets its needs (e.g., presto! a paperclip!). The two approaches, it would seem, imply that the government must either fully engage in writing a detailed contract to get what it wants, or trust the vendor to come up with a product that fits its objectives.

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When it comes to buying complex products, each approach has its weaknesses. For the rules approach, the problem stems from product complexity that makes it difficult to list all the details. There are so many moving parts and performance parameters, contracts cannot address all the ambiguities. The rules approach breaks down in the face of complex tradeoffs and unknown situations because specifying the product’s requirements must wait until the government considers the various and hopefully innovative options the industry can come up with.

The relationship approach, however, can also be problematic. The vendor may not know the government’s preferences, what products would satisfy the government’s requirements and goals, and how much the government is willing to pay.

The government may find it difficult to determine what the vendor can do to meet its needs and what it would cost. Facing uncertainties about the product and the preferences, capabilities, and resources of the other party, either side can easily take steps to serve their own interests but harm the other. The vendor can charge the government for products it doesn’t need, and the government can squeeze the vendor by refusing to pay for features it claims it doesn’t need and never asked for. To enter into an exchange under these circumstances means taking a leap of faith that the other side will behave in the spirit of partnership.

Instead of facing a discrete choice between rules or relationships, there are ways to combine the strengths and avoid the pitfalls of both. If the complexity of the product precludes specifying all the provisions for a contract, the answer is not to give up and simply trust market incentives and the vendor, but to focus on the particular rules that will most strengthen the contract and result in win-win outcomes. Governments can write more effective contracting rules for complex products, rules that promote cooperative behavior and discourage harmful behavior in the areas where the contract cannot specify exactly what is to be produced. At the same time governments and vendors can simultaneously take steps to build a cooperative and accommodating relationship when acquiring a complex product. For example, exchanges for complex products that require repeated interactions between the government and the vendor focus each party’s attention on their own behavior. Both the government and the vendor are more likely to be concerned about how the other party, as well as other potential buyers and sellers, will treat them in the future. These arrangements promote cooperative relationships.

This is not to say that crafting the right rules and structuring the right relationships guarantees positive outcomes. Things can still go wrong when buying a complex product and sometimes do. Instead, crafting the right rules and structuring the right relationships improves the chances of a win-win exchange.

TREVOR BROWN, Ph.D., is associate director for academic affairs and research, Ohio State University, John Glenn School of Public Affairs. This article is a preview of his session at NIGP Forum in Orlando.
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I have a confession. Figuring out how I (as an attorney) fit into the risk management framework has been a slow, evolutionary process. Sure, I read the Committee on Sponsoring Organizations’ (COSO) Enterprise Risk Management – Integrated Framework (2004). And a few years back, I took NIGP’s course on Risk Management in Public Contracting that uses a similar framework for managing risk. Identify risk. Assess risk. Handle or treat risk. Monitor risk.

I had difficulty understanding how my legal advice fit into that model. My state used boilerplate contract clauses to allocate risk among the parties, of course. I advised on contract insurance requirements, for example, that limited some risk to the government for claims arising out of accidents. Performance bonds sometimes were used to protect against contractor insolvency and serious performance defaults. And I often advised on contractor-proposed limitation of liability clauses intended to limit their risk from unknown events and the state’s indemnification provision.

Neither I nor the attorneys I negotiated with spoke in risk management terms such as likelihood and impact. And while one of the risk handling approaches is risk “acceptance,” it was never clear to me who in the organization could decide that risk was reasonable.

Somewhere during the last couple of years the cloudy picture got clearer. COSO says that “virtually all personnel play some role in effecting risk management.” Lawyers are part of risk management; procurement professionals are also. But at its core, management has to communicate a risk appetite and make the fundamental decisions about what risk is acceptable.

Take strategic sourcing, for example. A decision to reduce the number of suppliers involves a management decision about whether price reductions outweigh the potential risk from supply chain disruptions if a supplier goes out of business. Disasters are another case in point. A cooperative contract may exist for buying generators, for example. But if a user hasn’t anticipated the fact that the federal government has statutory priority on some orders in hurricanes, and has not prepositioned generators in critical locations, the contract may not help.

The state of Oregon helped me understand the different flavors of risk and the need to team approaches to managing it. In 2007, Oregon experienced unprecedented flooding. After the disaster, the Oregon State Procurement Office realized there was much to learn from the procurement response. They formed a team from multiple agencies involved in statewide disaster response to improve the disaster-response procurement process. Their charter included as goals the identification, development, and implementation of procurement tools and resources needed to support the state’s procurement activities during emergencies. Eventually, the team produced a website and disaster management guidebook for agency planning that included, among other things, a suggested disaster preparedness toolkit with a wristband flash drive preloaded with essential forms.

That award-winning initiative represents a response to one type of risk: operational risk that is different from the contract risk I was accustomed to handling. The resources devoted to the collaboration among procurement professionals implicitly demonstrated the management appetite for risk. They realized that the likelihood of a disaster, coupled with limited availability of procurement resources to adequately deal with it, represented unacceptable risk and required a collaborative risk response. When the toolkit was put to the test in the emergency command center during heavy rains in 2012, the effort paid off.

Contracts are important tools in managing risk also, of course. They require a collaborative strategy as well. Some of my clients’ most challenging contract negotiations involved liability allocation clauses: indemnification provisions, limitation of liability clauses, and damages exclusions. Contractors try to limit risk-shifting clauses like indemnification to liability caused by their own fault. They also attempt to align financial risk with contract value using limitation of liability clauses. The government’s view is that the contractor should assume responsibility for litigation costs and the financial liability related to risks the contractor can control.

Often the bottlenecks in contract negotiation occur because – and this malady exists on the commercial side also – no one clearly has the responsibility and authority to decide if the risk in negotiated provisions is acceptable. Lawyers advise about the clauses at issue, but they don’t “make the call.” Sometimes no one is sure who can make the call. Sound familiar?
Within the risk management framework, the attorney should help with risk assessment by describing realistic scenarios in terms people can understand: 1) how the law allocates the ultimate liability and litigation expenses in the absence of contract language; 2) how the agency’s boilerplate and contractor’s proposed language, e.g. modified indemnification and damage exclusion terms, change the common law outcome; and 3) the nature of the uncertainty that exists in these assessments. Attorneys can estimate the various components of litigation costs, but the likelihood and magnitude of damages arising out of the parade of possible horribles is impossible to accurately forecast. Someone in management ultimately has to decide whether risk can be assumed in the face of inherently uncertain risk assessment.

If you want to see a great solution to the quandary, visit North Dakota’s procurement website. In North Dakota, the state’s risk management office has developed a guide for the risk management aspects of contracting. They, along with the attorney general, have an active, central role in assisting agencies with the use of liability allocation clauses. And North Dakota’s Procurement Office website prominently displays links to the Risk Management Division Risk Management Manual and guidelines on contract risk management, as well as the Attorney General’s Contract Drafting and Review Manual.

What is unusual about North Dakota’s approach is the amount of collaboration between the Risk Management Division, Procurement Office, and the Attorney General. The state’s Risk Management Manual describes the state’s approach to risk management: systematic risk assessment, risk control, risk financing and administration. The risk management process includes the traditional steps of risk treatment: risk acceptance, avoidance, transfer and reduction.

The “Guidelines to Managing Contractual Risk,” a collaboration with the State Purchasing Office, contain a risk management analysis matrix that defines risk categories (low, moderate, and high). Although the guidance contains detailed explanations of insurance types and certificates of insurance; more importantly, the guidelines describe the importance of screening contractors and the role of contract risk transfer using approved clauses. The guidelines describe recommended indemnification and insurance coverage, for example, as well as sample agreement analysis including the text of clauses for the various categories of risk. In my slow evolution as a lawyer trying to understand how the risk management model related to my advice, I could have used these guidelines!

Most importantly, North Dakota has centralized the approval authority in the Risk Management Division, Office of Management and Budget, for use of certain indemnification and limitation of liability provisions. For example, contracts for construction or maintenance of state buildings or highways may require different indemnification provisions that must be approved by OMB. The state policy clearly makes the State Management Division and Attorney General the advising offices for state agencies having questions about these contractual risk provisions.

The North Dakota approach is uniquely comprehensive and collaborative. It establishes the Risk Management Division as central to the management of all risk – including contractual risk – and goes beyond limited roles of some risk management offices that limit their activities to insurance administration and management of claims against the entity. While in some agencies, contract negotiators struggle in that never-never land of not knowing who to turn to for advice and approval, North Dakota state agencies know who will help.

The state or Oregon exemplifies the value of teams in handing risk. And I count North Dakota’s approach as among the most collaborative risk management programs that I have seen. If you are looking at a more comprehensive risk management approach to procurement, learn from them.

RICHARD PENNINGTON, J.D., LL.M., CPPO is an NIGP Individual Member and NIGP Instructor. After federal procurement law practice as an Air Force judge advocate, he served as an assistant attorney general (procurement and contract law and litigation) and State Purchasing Director for the State of Colorado. He now serves as general counsel to WSCA-NASPO Cooperative Purchasing Organization LLC. Pennington is teaching NIGP’s inaugural online course, Risk Management in Public Contracting, in September-October 2013. This article is based on two of stories in his upcoming book, Seeing Excellence: Learning from Great Procurement Teams, scheduled for release in August 2013.
Our preview section covers highlights of the upcoming 68th annual NIGP Forum in Orlando, Aug. 25-28.

More than 800 public procurement professionals from federal, provincial, state and local government agencies in the United States and Canada will converge at the Orlando World Center Marriott for the 68th Annual Forum hosted by NIGP: The Institute for Public Procurement (NIGP).

The largest North American conference exclusively for public procurement, Forum is NIGP’s showcase educational event. NIGP Forum provides an environment to network with colleagues and suppliers, to attend educational workshops led by subject matter experts, and to be motivated and inspired by professional speakers at general sessions.

Attendees may visit nearly 200 suppliers during the Products Exposition on Monday and Tuesday (Aug. 26 and 27). The Expo provides an opportunity for one-on-one interaction and networking with suppliers and hands-on experience with the latest products and services available to the government.

More than 60 specialized educational workshops and formal networking opportunities will help attendees improve skills, learn best practices, and gain support from colleagues on issues they face every day. Attendees will return strengthened by new ideas and improved professional skills.

**KEYNOTE SPEAKERS**

Simon T. Bailey, author and thought leader

Sunday, August 25
8:30 - 10:15 a.m.

**Topic: Release Your Brilliance**

Simon Bailey is a compelling business thought Leader in this “New Normal” era who teaches audiences how to creatively release leadership and organizational brilliance. Bailey’s expertise is based on his work with more than 1,000 organizations through the Brilliance Institute and as a former leader of the world-renowned Disney Institute. Bailey’s practical interactive sessions, action-oriented programs, and Internet presence have positively impacted more than one million people. His counsel from the C-Suite to the front-line drives productivity, increases accountability, shifts thinking, and ignites creativity.

Bailey is the author of a new book – *The Vuja de Moment – Shift from Average to Brilliant*, a sequel to his bestseller, *Release Your Brilliance*, published by HarperCollins and ranked No. 17 of the Top 100 books being read by Corporate America according to 800 - CEORead.com.
Dr. Lowell Catlett, academic and futurist
Tuesday, August 27
8:30 – 9:30 a.m.

**Topic:** Understanding The World’s Largest Economy and Tomorrow’s New Future

Dr. Lowell Catlett is a Regents Professor in Agricultural Economics and Agricultural Business and Extension Economics and Dean of the College of Agricultural Consumer and Environmental Sciences at New Mexico State University. He is an exciting futurist whose varied and upbeat presentations highlight his knowledge of technologies and their implications on how we will live and work. His vast knowledge astounds corporate and association audiences both nationally and internationally. His presentations are thought-provoking and highly entertaining. The professor is internationally known as an expert in commodities futures markets and is in demand as a speaker and consultant on predicting and planning for near- and long-term futures.

Catlett received his doctorate in Economics from Iowa State University and has twice received the Don C. Roush Award for Excellence in Teaching. Other prestigious awards include the Burlington Foundation Faculty Achievement Award for Outstanding University Teaching, the Excellence in College and University Teaching in the Food and Agricultural Sciences Award, and the Carl F. Hertz Distinguished Service to Agriculture Award. Catlett is a consultant to the U.S. Departments of Agriculture, the Interior, Defense and Labor; and has been a consultant to many Fortune 500 companies.

Dr. Janet Lapp, expert on workplace transformation
Wednesday, August 28
8:30 – 9:30 a.m.

**Topic:** Plant Your Feet Firmly in Mid-Air: Thrive During Fast Change

Dr. Janet Lapp is a psychologist, author, and consultant for workplace transformation. She is known for her ability to create optimism, energy and an intense emotional connection, sharing decades of evidence-based research results derived from years of experience. Lapp has a professor’s ability to translate complex theory into usable answers and a humorist’s knack for getting ideas across in an entertaining way.

Lapp is a registered nurse who also holds a Ph.D. in psychology from McGill University in Montreal. She has been admitted into the CPAE Speakers Hall of Fame and has been rated by Toastmasters as one of the top three speakers worldwide. Creator and host of the Emmy-nominated CBS series Keep Well, she has appeared regularly on INN, ABC, CNN, and NBC. Lapp and her team have helped hundreds of organizations around the world design systems to overcome resistance to change and expedite workplace transformation, including Allstate, Blue Shield, IBM, Intel, Verizon, AT&T, Unilever, and P&G.

Doc Hendley, clean water fundraiser and advocate
Wednesday, August 28
4 – 5 p.m.

**Topic:** Wine to Water

Doc Hendley is proof that anyone, even a tattooed keg-tapper, can cure what ails the world. In 2003, Hendley dreamed up the concept of Wine To Water while bartending and playing music in nightclubs around Raleigh, N.C. In January of 2004, he held his first fundraiser and by August was living in Darfur, Sudan, installing water systems for victims of the government-supported genocide.

When Hendley returned home in
In 2005, the haunting memories of what he had seen in Darfur drove him to continue growing the organization he had started only two years earlier. In 2007, after working two jobs and volunteering his time for more than three years, Wine To Water became an official 501(c)(3).

Hendley works to help the 1.1 billion people worldwide who lack access to clean water, a figure estimated by the World Health Organization. Unclean water is the number one killer of children in the world; water-borne illnesses kill far more children than HIV/AIDS and Malaria combined. Every 15 seconds a child dies from unclean water.

Doc Hendley was named one of the Top 10 CNN Heroes for 2009. His book, Wine to Water: A Bartender’s Quest to Bring Clean Water to the World (Avery: Penguin, Jan 2012), is a captivating story of an ordinary bartender who’s changing the world by the World Health Organization. Unclean water, a figure estimated by the World Health Organization in 2005, is the number one killer of children in the world; water-borne illnesses kill far more children than HIV/AIDS and Malaria combined. Every 15 seconds a child dies from unclean water.

Debriefings Demystified.
> Debriefings are not complicated, so why don’t we do them more often? What lurks behind the proposer’s request for scores and other information, or for a face-to-face meeting with you? Do they have a hidden agenda?

Ethical Considerations for Public Procurement Professionals.
> To ensure public confidence in the award and oversight of government contracts, procurement employees must be committed to the highest standards of ethics and professionalism. This session will examine the legal and ethical principles in place to establish an environment in which employees tasked with these decisions act in an objective and neutral fashion.

eProcurement of Tomorrow: The Market Has Changed!
> Rotary dials to mobile touch screens, fax machines to e-mail, checks to ATM cards: Why would your procurement system be any different? eProcurement has become more refined over the years. It’s time to start leveraging the latest technology to get the most value for you and your end users.

Internal Controls and Fraud Prevention.
> Fraud doesn’t just happen; it takes not only the character of the person, but an opportunity, or what can be called “a hole in the system.” Lack of solid internal controls opens the system to opportunities for fraud. Purchasing managers and employees alike should be committed consistently to establish controls to protect the agency.

Negotiations: Techniques and Pointers.
> There is a lot to learn when it comes to negotiations, and this session will point you in the right direction for everyday skills, collaborative tips and tactics.

Performance Management: Not Just Measures.
> Tracking statistical data on a department’s performance is critical for budget requests and management reports. What happens to the data after the report is filed? You can use those same measured results to impact a change in the organization’s functional behavior.

Strengthening Your Negotiating Position Using Market Intelligence.
> Public sector procurement professionals can use market intelligence to strengthen their negotiation position, especially if contracts contain price adjustment clauses. This session will explore how to detect and then push back unwarranted price increases, when and how to go after outright price decreases and how to convince suppliers to always “play fair.”

Transparent as Glass: Transparency is Vital to a Local Agency.
> This panel discussion, moderated by a BidNet team member, discusses how the purchasing department can be transparent to the taxpayer and to the rest of the organization. Leveraging auditing and controls can help everyone “see right through you.”

NIGP FORUM 2013

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WORKSHOP TOPICS

The following is a preview of workshops planned for this year’s Forum:

Creating Dynamic Learning Experiences.
> With slashed budgets and fewer staff to do the work, you have probably been asked to follow the rule “Each one, teach one” and make sure that knowledge gets transferred. Finding ways to make concepts stick can be challenging, but it can be done.

Debriefings Demystified.
> Debriefings are not complicated, so why don’t we do them more often? What lurks behind the proposer’s request for scores and other information, or for a face-to-face meeting with you? Do they have a hidden agenda?

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> Fraud doesn’t just happen; it takes not only the character of the person, but an opportunity, or what can be called “a hole in the system.” Lack of solid internal controls opens the system to opportunities for fraud. Purchasing managers and employees alike should be committed consistently to establish controls to protect the agency.

Negotiations: Techniques and Pointers.
> There is a lot to learn when it comes to negotiations, and this session will point you in the right direction for everyday skills, collaborative tips and tactics.

Performance Management: Not Just Measures.
> Tracking statistical data on a department’s performance is critical for budget requests and management reports. What happens to the data after the report is filed? You can use those same measured results to impact a change in the organization’s functional behavior.

Strengthening Your Negotiating Position Using Market Intelligence.
> Public sector procurement professionals can use market intelligence to strengthen their negotiation position, especially if contracts contain price adjustment clauses. This session will explore how to detect and then push back unwarranted price increases, when and how to go after outright price decreases and how to convince suppliers to always “play fair.”

Transparent as Glass: Transparency is Vital to a Local Agency.
> This panel discussion, moderated by a BidNet team member, discusses how the purchasing department can be transparent to the taxpayer and to the rest of the organization. Leveraging auditing and controls can help everyone “see right through you.”

NIGP COURSES – OFFERED BEFORE AND DURING FORUM

All courses can earn points toward UPPCC certification and recertification.

Friday, Aug. 23 – Saturday, Aug. 24
8 a.m. – 5 p.m.
Contracting for Construction Services
Instructor: Lynda Allair, CPPO
CPPO Prep Course
Instructor: Kevin Yin, CPPB
CPPB Prep Course
Instructor: Ken Hayslette, CPPO, C.P.M., CPCM
Saturday, August 24
Ethics: A Survival Kit for Public Procurement
Instructor: Mike Bevis, CPPO, JD, CPSM, C.P.M., PMP
Saturday, Aug. 24 – Wednesday, Aug. 28
Legal Aspects of Public Procurement
Instructor: C. Richard Pennington, CPPO, JD, C.P.M.

APG ANNUAL MEETING

Airport Purchasing Group (APG) will host its annual conference on Aug. 24 -25 at the Orlando World Center Marriott. View the tentative schedule at http://nsite.nigp.org/Forum/OtherEvents/APGAnnualConference

Note: These workshops are subject to change. Please visit www.nsite.nigp.org/forum for new additions.
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Give Kids The World is a place where families find joy, laughter, serenity, and a lifetime of memories. Volunteers are needed to work at the village on Saturday, Aug. 24, from 7:15 am to 11:30 am.

Charity: Second Harvest Food Bank of Central Florida

Second Harvest Food Bank of Central Florida is a private, non-profit organization that collects, stores and distributes donated food to more than 500 partner agencies in six Central Florida counties. Second Harvest relies on more than 11,000 volunteers, whose hours total over 42,000 every year, to fulfill their mission – to fight hunger in Central Florida. Second Harvest also offers additional programs, such as benefits assistance, disaster relief, fresh fruits and vegetables distribution, and programs that provide food to children in need. Volunteers are needed to sort and pack food in the Second Harvest Food Bank warehouse from 1 to 4 p.m. on Saturday, Aug. 24.

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PRODUCTS EXPOSITION – AUGUST 26 - 27

A Preview of Forum Exhibitors from A to Z:

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A case for achieving best value through PIPS

Arizona State University’s alternative approach promotes efficiency by leveraging supplier expertise

By Steve Hagar

Since 2009, the state of Oklahoma has been working as a research partner with Arizona State University’s Performance Based Studies Research Group (PBSRG) to use a form of best value procurement known as Performance Information Procurements Systems (PIPS).

While strategic sourcing is the most recent “latest and greatest thing” in procurement, the PIPS approach to best value procurement has been championed and refined over 18 years by PBSRG founder, Dr. Dean Kashiwagi.

PIPS’ underlying premise shifts the procurement mindset from “this is what we want and how we want it to be accomplished” to simply “this is what we are trying to achieve.” PIPS leverages the expertise of the supplier community to identify an expert supplier who will in turn provide the client a plan to accomplish their objective. This may seem similar to a traditional request for proposal (RFP) process, but the PIPS process realizes efficiencies unattainable with a traditional RFP.

Efficiencies begin with the initial crafting of specifications. Traditional specifications are typically lengthy; some specifications are hundreds of pages long and convey both what is to be accomplished and how it is to be accomplished. Weeks or months are spent crafting specifications that convey our “requirements.” Once the specification is complete and the solicitation is released, the burden shifts to the supplier community charged with crafting a response.

Suppliers spend thousands of dollars to prepare marketing-rich and content-intensive responses with absolutely no assurance of receiving an award. Once responses are received, the State is now responsible for reading and evaluating hundreds and sometimes thousands of pages of material. A technical evaluation may require our best and brightest to spend weeks or months reading and interpreting this massive amount of material.

The PIPS process offers a more efficient alternative. The PIPS process consists of three phases: the Selection Phase; Clarification Phase; and Management by Risk Mitigation.

**THE SELECTION PHASE**

The Selection Phase of the PIPS solicitation begins with a limited amount of documents. Submissions consist of a handful of one-page surveys completed by past clients to reveal the past performance of the organization and project leaders, a cost submission, a milestone schedule and a six-page Project Capability submission. The evaluation team initially sees neither past performance submissions nor cost proposals. What is left for evaluators are the six-page Project Capability submissions that demonstrate each supplier’s expertise using easily understood terms and verifiable metrics. Suppliers are instructed to submit their Project Capability with no marketing material or information that could be used to identify the supplier. The blind evaluation makes PIPS an easy choice when dealing with politically sensitive acquisitions.

When the evaluation of the Project Capability submissions
is complete, the process moves to the critically important interview of key project leaders. This is the final evaluated filter in the Selection Phase and is the first opportunity for the evaluation team to know who has submitted responses. Interviews are limited to the two or three individuals who will be responsible for successful delivery. Interviews of supplier representatives are conducted individually with each representative asked identical or very similar questions. Questions are crafted to allow the interviewee an opportunity to very quickly demonstrate their knowledge and articulate how they will achieve the stated objective. Interviews for each representative are typically 20 to 30 minutes long, and the interviewee is asked to keep responses free of technical jargon and at a 30,000-foot level. At the end of the interview process, scores for all components are tabulated, and a best value candidate is identified to move into the second phase known as the Clarification Phase.

THE CLARIFICATION PHASE

It is in the Clarification Phase where the heavy lifting begins. The Clarification Phase begins with the supplier being asked to submit a detailed plan that will accomplish the stated objective. The foundation of the PIPS process is based on a companion text by Dr. Kashiwagi called “The Information Management Theory” or IMT. A key premise of IMT is that initial conditions of an event (or project) predicate the final conditions (outcome). With an expert supplier identified, we now have a supplier who can “see into the future.” This vision is critical for the construction of a detailed delivery plan that identifies and accounts for risks that could potentially compromise the delivery.

The identification of risks, accompanied by a plan to mitigate those risks, is critical to achieving very high levels of customer satisfaction (98 percent satisfaction) while minimizing costs. PIPS defines risk as anything outside of the supplier’s control. A risk that is outside of a supplier’s control could be the weather in a construction project or a critical piece of information that needs to be supplied by the client by a certain date.

Having completed a multitude of similar projects, an expert will know when and where risks will typically occur. This knowledge enables the expert to establish a “Risk Mitigation Plan” that describes potential risks and how they will be prevented or minimized should they occur. High-level metrics are used to demonstrate at a glance the progress made over the life of the project.

An important objective of the Clarification Phase is for the supplier to clearly convey to the client what is in scope and what is out of scope. In contrast to a typical response to a solicitation, the supplier is charged with
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pricing a project assuming no (external) risk. The scope of delivery is to be priced completely void of risk. Should any risks (outside of the supplier’s control) occur, it will be the client’s responsibility to cover any financial impact.

A supplier who is an expert, in response to a traditional RFP, will always price into projects some amount of risk. It is reasonable to assume that the amount of risk that is priced into a proposal by a supplier will be adequate to cover expenses in a worst-case scenario. By providing a mechanism for a supplier to charge for risk, should it occur, the pricing of scope can be minimized with an assurance to the supplier that a reasonable profit will be made. With close to 1,600 projects now complete, PIPS-based awards have been the lowest priced proposals 57 percent of the time.

The Clarification Phase is complete when all past performance is verified; scope is determined; a detailed delivery plan accompanied by a Risk Mitigation Plan is provided; metrics are in place to provide a management and reporting mechanism; and when all of this documentation is incorporated within a “Weekly Risk Report.” Once the client has reviewed all documents and had any concerns addressed, an award will be made. Once an award is made the process moves into the final phase, “Management by Risk Mitigation”.

MANAGEMENT BY RISK MITIGATION

Management By Risk Mitigation is founded upon the Weekly Risk Report (WRR). Traditional contract management requires the client to assign a project manager to monitor a supplier’s performance. Clients historically have assumed that they can control the actions of the supplier by utilization of management, control and direction. Information Management Theory asserts that event outcomes are determined by the initial conditions. Efforts to control the process during delivery are fruitless and bring risk to the client. Project management within the PIPS paradigm is achieved by using the WRR to keep the project progress visible to all interested parties, track risks and any associated impact to the project, and, most importantly, hold people accountable for their respective responsibilities.

The importance of maintaining the WRR cannot be over-emphasized. The WRR utilizes an Excel template that contains one tab dedicated to all potential risks along with the associated Mitigation Plan. If risks materialize during the course of delivery, the specific risk is moved to a separate tab utilized to track realized risks. Realized risks will be tracked by monitoring the progress of resolution against the pre-determined Mitigation Plan. Also tracked is the responsible
party that has caused the risk to materialize, the expected date of resolution, the actual date of resolution and any impact to the project in terms of increased cost or time for final delivery. The identification of the responsible party and impact to the overall project is the transparency component that holds everyone accountable for their specific project responsibilities. This section is also the repository for documenting any realized risk and related additional costs for which the client will have responsibility.

The upkeep of the WRR, as well as overall project management, is the responsibility of the supplier. As such, the WRR eliminates the need for a client project manager as well as a manager from the supplier side charged with interfacing with the client. Clients realize a reduction in project management costs, and the supplier sees a reduction of non-value added communication for their project leaders, netting another opportunity for increased efficiency.

DELIVERING A ‘WIN-WIN’
The age old struggle of “best price or best quality?” has been solved through the application of PIPS. PIPS can deliver both and truly is a win-win for suppliers and clients.

There have been many innovations in the field of procurement throughout the years, but in my opinion none more significant than PIPS. PIPS utilizes logic and common sense to very quickly and efficiently identify an expert who will craft a detailed plan that incorporates risk mitigation to ensure successful delivery. Cost and management efficiencies continue throughout the process with project management shifted to the expert supplier who reports progress through high level metrics. PIPS offers a viable alternative to low-bid procurements, providing a mechanism that attracts the best suppliers and appropriately compensates for the expertise and solution they provide. Additional information about PIPS can be found at http://pbsrg.com/.

STEVE HAGAR has served as the deputy director for the Oklahoma Department of Central Services – Central Purchasing for the last eight years. Prior to his public service, Hagar spent 25 years in the private sector in manufacturing management, materials management and purchasing. He is currently certified by the Performance Based Studies Research Group as a Performance Information Procurement System facilitator.
Strategic sourcing works well with commodities, but procurement of professional services has historically been seen as not conducive to a strategic approach or to being combined across departments or agency lines. The theory goes that a need for professional services, defined as “work that is intellectual in character,” is specific to a given agency or department and not compatible with broader procurement strategies. A resulting “siloded” approach to procuring professional services is much like repeatedly reinventing the wheel with no economies of scale or strategic benefits.

Minnesota’s “flash” contracts program flies in the face of that conventional wisdom, daring to apply the strategic sourcing model to professional services. Minnesota began by taking on professional information technology (IT) services, and has also applied the same strategic sourcing principles to accessibility-related services and data analytics in 12 subject matter categories. Minnesota’s success illustrates that the siloed approach may represent a missed opportunity.

“Most agencies haven’t been able to step back and say ‘how are my needs similar to other agencies?’” says Spencer Cronk, commissioner of Minnesota’s Department of Administration. “Professional services procurement is decentralized in many states. With flash contracts, procurement does the heavy lifting ahead of time.”

PARTNERSHIP BETWEEN PROCUREMENT AND IT

The ASAP-IT program began in Minnesota in August 2009, aimed at eliminating procurement silos for professional IT services. ASAP-IT, an acronym for Accelerated Staff Augmentation Program for IT, sought to identify common elements across various agencies and create standardized contracts based on strategic sourcing principles to provide quick-and-easy access to professional services. In the rapidly-evolving technology world, agencies often have immediate needs for service professionals, and existing, slow government contracting processes could not keep pace. Agencies needed a process that was fast and easy, while also saving money by ensuring highly competitive rates. Basic procurement values of open competition and transparency also had to be protected.

Before the advent of flash contracts, anyone in Minnesota wanting to procure professional services would have to do a standard request for proposal (RFP) process or use the state’s Buy-IT program, which includes more than 300 contractors that had not been closely evaluated.

ASAP-IT provides an efficient, largely paperless, high-value service that is ready when it is needed to address immediate professional services needs. Using ASAP-IT, end users are assured they can have a resource on site within 48 hours if needed. Key to the ASAP-IT program is a partnership between procurement and MN.IT, the state government’s information technology (IT) department. MN.IT collaborated with procurement to evaluate professional IT services needs enterprise-wide and create standardized contracts to address the gamut of varied needs across agency lines.

Engagement of internal customers was critical to the process, and multi-agency steering teams were involved to guide goals and objectives and to conduct rigorous evaluations and negotiations. Cronk acknowledges a substantial contribution of time by state agencies to review and score proposals – there were 92 proposals received for one recent RFP. Stakeholder agencies participate at every step of the process.

Internal “partners” researched the industry and created uniform, minimum standards for contracted professional services. Examples include project manager, Java programmer, and business analyst.

“When we involve agencies early on, they are invested in the final product,” says Cronk. “Therefore they use the final contracts because they are relevant to them.” He says customer satisfaction surveys confirm that state agencies have seen the benefits of the flash contracts.

By prescreening and negotiating rates, the program created...
I drive a pickup to work, not a hybrid.

I do love trees. I’m just not a hugger. Don’t get me wrong, I care about the environment. I mean, how couldn’t I? I’m the one in charge of keeping the trees pruned, the grass cut and public spaces all around town looking spectacular. Then again, I care about a lot of things. Number one on my hot list these days is how I’m going to be able to continue operating with shrinking budgets for equipment and crew. So when my Grasshopper dealer told me about how their fuel-injected diesel engines could save my department literally tons of fuel AND put dramatically fewer emissions into the air we all breathe, I was all ears. After a test ride, a night’s sleep and kicking it around with my crew, I decided to give it a shot. And after a summer of flawless cuts with minimal downtime, and thousands of dollars of fuel savings, I became a true believer. Just like my trusty old pickup, my instincts didn’t let me down.
agencies scored and selected the successful responders. Of services being made available, 30 individuals from 12 and save money in government. Because of the breadth strategic sourcing consultants. The common element is the categories were created, including Medicaid fraud auditors.

Under Minnesota’s Data Analytics program, 12 service

In December 2011, contracts were awarded to 22 vendors. agencies to discuss their needs related to analytics services.

Convened a focus group of representatives from state operations, and companies offer analytics services in areas such as tax compliance and Medicaid fraud. Minnesota convened a focus group of representatives from state agencies to discuss their needs related to analytics services. In December 2011, contracts were awarded to 22 vendors. Under Minnesota’s Data Analytics program, 12 service categories were created, including Medicaid fraud auditors and generic areas such as continuous improvement and strategic sourcing consultants. The common element is the use of hard data and technology to improve decision-making and save money in government. Because of the breadth of services being made available, 30 individuals from 12 agencies scored and selected the successful responders.

Although both the Access-IT and Data Analytics programs are relatively new, there are already 10 work orders valued at an estimated $1.5 million in process.

EMPHASIS ON PROBLEM-SOLVING

Instead of waiting to hear what agency needs are, flash contracts reflect how procurement can be proactive with outreach and problem solving. “[Internal] customers make a significant investment on the front end,” says Kent Allin, Minnesota’s Chief Procurement Officer. The resulting easy-to-use flash contracts provide “a significant payoff for them on the back end.”

“Anytime they see us as being a problem-solver instead of an overseer, it helps our relationship,” adds Allin.

Flash contracts in Minnesota have also been helpful in meeting objectives to target vendors from socially disadvantaged groups, smaller businesses, those with physical disabilities, and veterans. Nine of the 21 vendors in the ASAP-IT program are in certified target groups.

There are also other professional services categories that could benefit from a flash contract approach, says Betsy Hayes, Minnesota Contracts Manager. Examples might include court reporters, health screening, drug and alcohol testing, pre-employment physicals and translation services. Currently, Minnesota is reissuing its “Lean” master contract program, which focuses on continuous improvement services, Kaizen facilitators, etc. The state is looking to standardize descriptions to enable agencies to get a trainer or facilitator on board quickly to help with process improvements.

‘CREAM OF THE CROP’

Although master contract programs are not new, Minnesota’s aggressive application of strategic sourcing principles to professional services is innovative. To highlight the advantages, consider that the previous master contract for IT services (Buy-IT) allowed broad participation from most interested vendors and led to nearly 300 contracts. In contrast, the flash contracts for IT services currently involve 17 eligible providers offering high-quality services below market rates. Cronk compares the flash approach to an airport “trusted traveler” program, in contrast to the long lines of the general airport security screening checkpoints. Having a flash contract means “you are the cream of the crop, we trust you and we will get you through quickly,” he says.

Cronk says Minnesota’s success suggests procurement professionals should be proactive involving stakeholders; more collaboration makes it possible to apply strategic sourcing principles to new areas. “We would not be successful in these programs if we didn’t seriously engage the people who are the experts and who use the contracts. They have been instrumental in establishing the program, evaluating it, setting the specifications. It’s a joint project, a joint endeavor,” Cronk says. <
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Unless purchasing specifications include requirements to protect indoor air quality (IAQ), office furniture can be one of the most significant contributors to indoor air pollution. The foam from seat cushions, the plywood and particleboard, the adhesives, the paints and finishes, and other materials used to make furniture can all release harmful chemicals into the office environment long after they are installed.

According to the U.S. Environmental Protection Agency (EPA), indoor air quality in North America is two to five times more polluted than outdoor air. Modern, air-tight, energy-efficient buildings and retrofitted older buildings can trap product emissions indoors. Chemicals such as formaldehyde, which EPA classifies as a “probable human carcinogen,” can escape from all types of indoor products, including office furniture, and combine with other chemicals linked with asthma, nausea, headaches, lethargy, and other human health ailments.

Many government purchasers, however, address such concerns by requiring low-emitting office furniture and other low-emitting product as part of their contracts. Some government purchasers expand their concern beyond the immediate human health risks and also include requirements to address the environmental and social impacts of their furniture purchases. While protecting human health is a priority, broader sustainability concerns are important for long-term wellbeing. They are also required by various public policies such as the Federal government’s Executive Order 13514.

Buying greener office furniture can lower health, environmental and social impacts

By Scot Case
Indoor Air Quality Drywall

Now there’s an AirRenew gypsum board for every building, room, and wall

The AirRenew family of products is the only drywall that removes formaldehyde from indoor air, improving air quality for up to 75 years*. With our growing family of AirRenew gypsum, there’s an AirRenew that’s ideal for every room, every building, and every situation.

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- **AirRenew M2Tech** (formerly AirRenew): Actively cleans the air plus provides enhanced moisture and mold resistance.
- **AirRenew M2Tech Type X** (formerly AirRenew Type X): Provides enhanced moisture and mold resistance, plus fire resistance while actively cleaning the air.
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- **AirRenew Extreme Impact**: Achieves the highest level of impact resistance plus enhanced moisture and mold resistance while cleaning indoor air.

* Based on tests and analysis
Broader environmental impacts include those attributable to the mining or harvesting of the raw materials used to make the furniture, the impacts of manufacturing processes, how furniture products are packaged and distributed, how durable they are, and what happens to the furniture when it is no longer needed. Similarly, the social dimension addresses how workers and communities are affected throughout each phase of a product’s manufacture, use and disposal.

PROTECTING INDOOR AIR QUALITY
Washington State was one of the first governments to establish IAQ requirements for products used in its buildings. In 1991, it established limits on allowable volatile organic compound (VOC) emissions, which are linked with a variety of human health ailments. EPA, the U.S. General Services Administration (GSA), and others soon followed with similar requirements.

The GREENGUARD Certification program, founded in 2001, makes it easier for purchasers to identify low-emitting products. Now owned by UL Environment, it certifies products that meet the low-emission criteria in UL GREENGUARD standards. The most stringent of the standards, UL GREENGUARD Gold, has limits on more than 350 individual VOCs and a cap on total VOCs and meets California Section 01350, ASHRAE 189.1, and other related requirements.

Several government purchasers now routinely require GREENGUARD certification for furniture purchases and other products with significant impacts on indoor air quality, including flooring, paints, building products, printers, copiers, and other electronic equipment.

As furniture manufacturers worked to meet government requirements for low-emitting furniture, the average VOC emissions for all office furniture began dropping. According to a study by Air Quality Sciences, which is now owned by UL Environment, between 1989 and 2007, formaldehyde emissions from non-wood furniture dropped more than 60 percent and total VOC emissions dropped by 70 percent. This positive trend demonstrates both the power of government purchasing to drive “greener” improvements into supply chains and industry’s willingness to provide the best products possible.

While average VOC emissions from furniture have dropped, the products from some manufacturers, both domestic and foreign, remain more than 75 percent above the acceptable emission limits, demonstrating the need for government purchasers to remain vigilant.

As a result, it is important to specify that furniture be certified for low emissions even as purchasers consider broader environmental and social concerns.

PROTECTING ADDITIONAL ENVIRONMENTAL AND SOCIAL CONCERNS
While the initial focus on indoor air quality remains important to human health, government purchasers are now incorporating additional environmental and social considerations into their furniture buying decisions.

There is growing recognition that government purchasers can use their taxpayer-funded purchasing power to drive additional improvements into product supply chains.

The Canadian Government Public Works and Services department, for example, created its “Minimum Sustainability Requirements for Federal Government Office Furniture” in 2009. Based on the ANSI/BIFMA e3 Furniture Sustainability Standard released the previous year, the Canadian Government established requirements for a variety of environmental aspects, including requiring manufacturers to:

> Have a design for the environmental program that covers renewable materials, recycled materials, recyclable and bio-degradable materials, and end-of-life management.

> Adopt a lifecycle assessment framework to understand fully the environmental impacts throughout the entire product lifecycle (raw material acquisition, manufacturing, packaging and shipping, product use, and ultimate disposal).
THE CANADIAN GOVERNMENT PURCHASING REQUIREMENTS ALSO ADDRESS:

- Use of sustainable wood, including wood certified by the Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI), or other equivalent programs recognized by the Program for the Endorsement of Forest Certification (PEFC)
- Recycled content
- Packaging
- Design for durability, upgradability, and re-use
- Design for disassembly, recycling, and ease of maintenance
- Waste management
- Limits on the use of chemicals of concern
- Limits on VOC emissions, including a reference to GREENGUARD certification.

As one of the earliest to apply the ANSI/BIFMA e3 Furniture Sustainability Standard, the Government of Canada requirements included a four-year phase-in period so the industry could transition to meet its requirements. Other government purchasers, such as EPA Region 9 and the U.S. Department of Homeland Security, now require products to meet the standard. (BIFMA is the Business and Institutional Furniture Manufacturers Association, and ANSI is the American National Standards Institute.)

Just as the GREENGUARD certification program emerged to make it easier to identify products that are more protective of indoor air quality, the BIFMA level program was created to make it easier to identify products meeting the ANSI/BIFMA e3 Standard.

The full standard, much of which was adopted by the Government of Canada, is multi-dimensional. It covers the product, the facility that produces it, and the company itself. It also covers numerous indicators in four impact areas: material use, energy and atmosphere, human and ecosystem health, and social responsibility.

The standard includes mandatory prerequisites (that all products must meet) and optional items that combine to a maximum score of 90 points. UL GREENGUARD certification earns a product one point in the standard, while UL GREENGUARD Gold earns three.

Based on the point tally, products can earn various levels of recognition similar to the U.S. Green Building Council’s multi-level LEED rating system for green buildings.

To ensure products claiming to meet the ANSI/BIFMA e3 Standard actually meet it, BIFMA requires manufacturers to work with approved third-party certification bodies like UL Environment. Based on the results of the certification audit, products are awarded a certification mark indicating level 1, level 2, or level 3, with level 3 recognizing products that scored the highest.

NEW PURCHASING TOOLS ON THE HORIZON
Certification programs like UL GREENGUARD and BIFMA level make it easier for governments to identify and buy greener products. Some government purchasers, however, are beginning to ask for additional details. Rather than relying on a certification program to indicate superior environmental performance, some purchasers want access to detailed information about the environmental impacts of competing products.

As a result of European government purchaser interest, a few manufacturers are beginning to produce Environmental Product Declarations (EPDs). An EPD is a report summarizing the relevant environmental impacts of a product as defined by product category rules (PCRs) and detailed in a much more...
extensive lifecycle assessment (LCA). An LCA is a very detailed analysis of all of the environmental impacts of a product. While LCAs and EPDs were originally designed to help manufacturers understand the environmental impacts of their products so they could make necessary improvements, government purchasers are expressing interest in using them to learn more about – and to compare – the products they buy. Such comparisons are becoming possible because every EPD follows a consistent reporting format. To further enhance the reliability of this approach, all LCAs and EPDs require independent reviews before publication.

PROPOSED CONTRACT LANGUAGE
At a minimum, government purchasers interested in protecting human health should consider the following language: “Furniture and furnishings products proposed in response to this request shall be (or are encouraged to be) GREENGUARD certified. Further preference will be given to products that are GREENGUARD Gold certified.” Government purchasers interested in broader environmental impacts from the furniture manufacturing process should consider the language below adopted from the BIFMA level website: “Furniture and furnishings products proposed in response to this request shall be (or are encouraged to be) independently third-party certified as compliant with the ANSI/BIFMA e3 Furniture Sustainability Standard at level 1 or higher. Signed documentation of level certification by a third-party certification body licensed to participate in the BIFMA level program shall be provided.”

TOWARD A HEALTHIER FUTURE
Government purchasers can use taxpayer purchasing power to buy a better world, reducing the hidden human health, environmental, and social impacts of their purchasing decisions. By using this purchasing power to buy greener office furniture – dividers, tables, desks, and chairs – we will all be sitting pretty in the future.

SCOT CASE has been researching and promoting responsible purchasing since 1993. He is the Market Development Director for UL Environment. Contact him via email at scot.case@ul.com or in Reading, Pa., at 610-779-3770. This article represents the views of the author only and do not necessarily reflect the views of UL Environment or its affiliates or subsidiaries. This article is for general information purposes only and is not meant to convey legal or other professional advice.
Michigan must be able to capture procurement data, translate data into actionable strategy, identify contract gaps, and discover opportunities for savings through strategic sourcing. The BuySpeed solution proposed by Periscope in response to our RFP offered the most comprehensive, intuitive, and proven tool for the job!"

– Jeff Brownlee
Chief Procurement Officer
State of Michigan

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Periscope Holdings, Inc. is a leading provider of public sector procurement solutions, serving customers nationwide. We work to eradicate waste and bring value to every dollar spent by our clients. Our solutions streamline processes, increase efficiency, decrease expenditures and create transparency. Periscope offers BuySpeed® a full source-to-pay eProcurement software suite, rated #1 for public sector use by Gartner; it's designed to manage vendors, requisitions, solicitations, purchase orders, contracts and inventory. We also serve as the sole custodian of the NIGP Commodity/Services Code and offer NIGP consulting services and implementation services.
TCPN (The Cooperative Purchasing Network)

**BOOTH: 1223**

**Company address:**
11280 West Rd.
Houston, Texas 77065

**Contact:** Chris Penny,
Vice President
cpenny@tcpn.org
1.800.884.7695

TCPN is a national governmental purchasing cooperative, established in 1997 whose contracts have been competitively bid and awarded, by a governmental entity serving in the lead agency role, to national vendors for commonly purchased products and services, including facilities, furniture, office supplies and equipment, security systems and technology. Entities that must comply with purchasing procedures mandated by state laws and regulations, like public and private schools, colleges and universities, cities, counties, nonprofits, and all governmental entities, use TCPN contracts to increase their efficiency and economy when procuring goods and services. As a national purchasing cooperative, TCPN leverages one of the largest pools of purchasing potential and allows agencies to receive a combined buying power regardless of the entity’s size. For more information about TCPN, please visit www.tcpn.org.

WSCA-NASPO

**BOOTH: 1023**

**Company Address:**
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United States
www.wsca-naspo.org

WSCA, a subset of the National Association of State Procurement Officials (NASPO), was organized by the Western states in 1993 and has since served as the primary cooperative purchasing arm of NASPO. WSCA has encouraged, fostered, and guided participating members to work collaboratively in an effort to create true procurement cooperatives. To better position the organization for the future and to emphasize the national reach of these cooperatives, the WSCA-NASPO Cooperative Purchasing Organization (WSCA-NASPO), LLC has been formed.

WSCA-NASPO represents a unified, nationally-focused cooperative purchasing program that will leverage the collective expertise and experience of WSCA and NASPO, aggregate the demand of all 50 states, the District of Columbia and the five organized territories, and their political subdivisions and other eligible entities, and help spur innovation and competition in the marketplace.

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**SEPTEMBER**

**CPPB Prep**
- Date: Sept. 5-6
- Location: Columbia, S.C.
- Hosted by: South Carolina Association of Governmental Purchasing
- Instructor: Tony Reed, CPPB

**Contracting for Construction Services**
- Date: Sept. 9-10
- Location: Albuquerque, N.M.
- Hosted by: New Mexico Public Procurement Association
- Chapter of NIGP
- Instructor: Tony Reed, CPPB

**CPPB Prep**
- Date: Sept. 9-10
- Location: McKinney, Texas
- Hosted by: Dallas Ft. Worth Metroplex Chapter of NIGP
- Instructor: Norma Hall, CPPB

**Effective Contract Writing**
- Date: Sept. 17-18
- Location: Cedar Rapids, Iowa
- Hosted by: Iowa Public Procurement Association, Inc.
- Chapter of NIGP
- Instructor: Michael Kolodisner, CPPB

**Developing and Managing RFPs in the Public Sector**
- Date: Sept. 18-20
- Location: Richmond, Va.
- Hosted by: Virginia Association of Governmental Purchasing
- Inc. Chapter of NIGP
- Instructor: Ronald King, CPPB

**CPPB Prep**
- Date: Sept. 19-20
- Location: Frankfort, Ky.
- Hosted by: Kentucky Public Procurement Association
- Chapter of NIGP
- Instructor: Robin Rickard, CPPB

**Contracting for Construction Services**
- Date: Sept. 23-24
- Location: Albuquerque, N.M.
- Hosted by: New Mexico Public Procurement Association
- Chapter of NIGP
- Instructor: Tony Reed, CPPB

**Developing and Managing RFPs in the Public Sector**
- Date: Sept. 23-24
- Location: Seattle, Wash.
- Hosted by: Washington State Chapter of NIGP
- Instructor: Kevin Yin, CPPB

**Strategic Procurement Planning**
- Date: Sept. 24-26
- Location: Ajax, Ontario
- Hosted by: Ontario Public Buyers Association, Inc.
- Chapter of NIGP
- Instructor: Barbara Johnson, CPPB

**CPPB Prep**
- Date: Sept. 25-26
- Location: Ajax, Ontario
- Hosted by: Ontario Public Buyers Association, Inc.
- Chapter of NIGP
- Instructor: Katherine Wyatt, CPPB

**Change Management for the Procurement Professional**
- Date: Sept. 26-27
- Location: Lansing, Mich.
- Hosted by: Michigan Public Purchasing Officers Association
- Chapter of NIGP
- Instructor: Leslie Vallie, CPPB

**CPPB Prep**
- Date: Sept. 26-27
- Location: Jackson, Miss.
- Hosted by: Mississippi Association of Governmental Purchasing
- and Property Agents
- Chapter of NIGP
- Instructor: Mark Hutchison, CPPB

**Managing Your End-Users and Suppliers: It's All About Relationships**
- Date: Sept. 27
- Location: Minneapolis, Minn.
- Hosted by: Minnesota Chapter of NIGP
- Instructor: Mary "Jane" Lopez, CPPB

**CPPB Prep**
- Date: Oct. 2-4
- Location: Tampa, Fla.
- Hosted by: Tampa Bay Area Chapter of NIGP
- Instructor: Barbara Johnson, CPPB

**Performance Based Requests for Proposals**
- Date: Oct. 3-4
- Location: Columbia, S.C.
- Hosted by: South Carolina Association of Governmental Purchasing
- Officials Chapter of NIGP
- Instructor: John Miller, CPPB

**Contract Administration**
- Date: Oct. 7-9
- Location: Austin, Texas
- Hosted by: Texas Association of Public Purchasers
- Chapter of NIGP
- Instructor: Joyce Foster, CPPB

**Introduction to Public Procurement**
- Date: Oct. 7-9
- Location: Austin, Texas
- Hosted by: Central Texas Association of Purchasers
- Chapter of NIGP
- Instructor: Michael Vinyard, CPPB

**Change Management for the Procurement Professional**
- Date: Sept. 30-Oct. 1
- Location: Marietta, Ga.
- Hosted by: Georgia Chapter of NIGP
- Instructor: Leslie Vallie, CPPB

**CPPB Prep**
- Date: Oct. 8-9
- Location: Falls Church, Va.
- Hosted by: Virginia Association of Governmental Purchasing
- Officials Chapter of NIGP
- Instructor: C Jen Johnson, CPPB
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**RESOURCES**

[calendar of events]
The public procurement profession has historically focused on how money is spent. That’s very logical. Since these folks purchase goods and services that represent 15 to 20 percent of the gross domestic product (GDP) in a given year, it only makes sense. We are talking about billions of dollars here.

But it is not enough for today’s procurement professional to know where the money is going; they also need to be aware of where it comes from. Being knowledgeable about the agency budget is an important part of public procurement. In past years, we have tended to wait for program managers to secure the necessary funding and then for the finance office to “bless” the purchase. Only then would we become concerned. Not only did procurement think it was somebody else’s role, so did others in the organization.

This situation really sank in for me a few years ago when a contractor called and inquired about an exterior painting project. I was not aware of any such bid and told him so. He said he had found out about the project on the agency web site, which had published a list of planned capital improvement projects. I checked my own web site and there it was: Administration Building Exterior Repaint, $20,000. If an interested contractor knows more about my agency budget than I do … well, then perhaps I need to rethink my role.

Procurement professionals can be instrumental in providing accurate estimates for budgeted projects. They know the industry and have past experience buying similar commodities, so it only makes sense that procurement be engaged. Being at the budgeting table will also help with procurement planning, with developing a bid schedule, and greatly aid in strategic sourcing (analyzing spend, aggregating requirements, standardizing products, etc.). Countless organizations around the world are recognizing the importance of procurement’s upfront involvement in the planning stages of an acquisition. There really is no downside to procurement having an active role in the budgeting process.

For years I have heard my procurement colleagues say they “get no respect” from the finance officials (who, by the way, are often our bosses). What better way to demonstrate our value and earn this respect than by being involved in budget planning? A few years ago, a purchasing officer in one of my classes said she was continually left out of the budget planning. When asked how she handled it, she said, “I invited myself to the next meeting!”

Professional procurement is not just about spending money. It is also about being a knowledgeable and experienced manager of systems, people and resources. Those I have observed advance into executive positions for their agency have been the ones who “upped their game” in the budgeting area. When top leaders are looking for directors, CFOs and business managers, one of their first stops should be the procurement office.

So while we are busy honing our skills in the areas of negotiation and contract writing, let’s not forget about line-item and performance budgeting. It will pay off.
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