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FEBRUARY/MARCH 2020

## Building Better Bridges

How IT departments can better  
serve procurement agencies  
through collaboration

**PLUS:**

How to Engage Small  
Business Sellers  
Energy Buying Mistakes  
Transparency Leads  
to Accountability  
and Efficiency

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# Moral Injury

Stephen B. Gordon, PhD, FNIGP, CPPO

Last week, I came across a newspaper article that was headlined “Doctors say they face ‘moral injury’ because of a business model that interferes with patient health care.” Although the context of that article was healthcare in the U.S., it raises interesting questions for us as public procurement professionals.

A first matter to ponder is how much the impact of the prevailing business model in U.S. healthcare differs in substance from the impact of the increasingly more “strategic” business models of local, state, provincial and federal organizations. Doctors and other healthcare professional are experiencing burnout and other adverse effects, due to their frustration with how the key drivers of profit (in private sector healthcare) and program income (in nonprofit and public sector healthcare) have constrained their ability to serve their patients as well as their ethical and other professional standards tell them they should. As public procurement officials increasingly work to support the strategic goals of their organizations (which is a good thing), will they, too, suffer moral injury from knowingly having to shortchange service to their clients and stakeholders?

A second matter to ponder is what forms of moral injury can we as public procurement officials experience from knowingly having to shortchange the service we provide to our clients. The newspaper article I referenced stated that the term “moral injury” emanates from the context of war and “was first used to explain why military victims were not responding to standard treatment for post-traumatic stress disorder.” The article added that “moral injury, as defined by researchers from veterans’ hospitals, refer to the emotional, physical and spiritual and spiritual harm people feel after ‘perpetuating, failing to prevent, or bearing witness to acts that transgress deeply held moral beliefs and expectations.’”

A third matter to ponder is how we as public procurement professionals can avoid inflicting moral injury on ourselves. This requires, of course, awareness of the factors related to the execution of our duties and responsibilities in public sector organizations that are run in a “business-like” manner.

A final matter to ponder is what are you, personally, able and willing to do to avoid moral injury to yourself and your colleagues.

Best practice public procurement demands a lot more than being able to competently execute proven “technical” practices and principles in our field.

**STEPHEN B. GORDON**, PhD, FNIGP, CPPO is a 45-year veteran in public procurement. The 2002 President of NIGP, Steve volunteers in various capacities to promote the best interests of those who struggle with mental illness and loneliness. He also is a volunteer English as a Second Language instructor.



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# How to Engage Small Business Sellers

SECURING MINORITY/ SMALL/ DIVERSE BUSINESS CONTRACTS



**> R**ecently, Anne Rung, Director, Public Sector at Amazon Business and American City & County’s Editorial Director Bill Wolpin discussed government agencies’ struggles to discover small business sellers, and small businesses’ struggles to reach potential government buyers.

## **BILL WOLPIN (BW): ANNE, WHAT ARE THE CHALLENGES FOR BUSINESSES?**

Anne Rung (AR): Larger companies have dedicated public sector staff and resources, whether it’s hired consultants or a dedicated team within their company to help them navigate the very complex world of government processes and regulations. That includes such challenges as: How you register as a government supplier; how you certify yourself as a diverse business; how to find government opportunities; and how to market yourself to 3,200 separate procurement offices in the Federal Government, for example. It’s made even more complex by the hundreds of

regulations governing the contracting process, which can require a team of lawyers to review and translate and determine liability if awarded the contract.

These challenges are particularly acute for small businesses in government purchasing because of their limited staff and resources. You can imagine the challenge for small businesses who do not have the resources or expertise to review and understand complicated and ever-evolving regulations. I’ve read through some of these regulations myself and even with my years of experience in both the private and public sector, I don’t necessarily always understand the implications. And once awarded a contract, a business then has to submit detailed reports to governments to demonstrate compliance with various regulations and contract performance. Even something as simple as changing a price in their government catalogue requires the ability to understand and navigate government processes. Beyond winning a contract, there are challenges in how to administer that contract day-to-day and how to grow it over time.

**BW:WHAT ARE THE BARRIERS TO CONNECTING GOVERNMENT BUYERS WITH SMALL SELLERS?**

AR: In my government experience, I know despite strict procurement targets and a desire to purchase from small, diverse businesses, it can be very challenging to find these sellers. For example, when I was required to first seek out small businesses for a service that I needed, I encountered difficulty finding a comprehensive list of small businesses. I was eventually redirected to an Excel spreadsheet that was not particularly descriptive and had limited and/or outdated information. From there, I had to email and call each of the companies directly to request proposals. After several days, I received the proposals, evaluated them and – sometimes unfortunately – none of them would be a match for my requirements. After meeting with our small business advocate to document my due diligence, I would start the process over again with an expanded scope to include large businesses. All in all, it was a time-consuming and frustrating process.

**BW:WHAT HAS YOUR COMPANY DONE TO BREAK DOWN THOSE BARRIERS?**

AR: Amazon Business obsesses over our customers, and our customers clearly told us they want a way to more easily find and purchase from small businesses. We're breaking down long-standing barriers in every step of the public sector buying process – from sellers being able to easily upload their small or diverse business certification on Amazon Business, to buyers being able to quickly search and filter on our 11 certifications to find the right offers. Because Amazon Business brings together buyers and sellers, there's no need for a seller like Office Tex, one of our small, women-owned sellers that sells to government agencies, to drive around Texas to meet with government customers as they used to have to do. They also no longer have to invest in marketing materials or struggle to find upcoming opportunities to grow their business exponentially. In this way, Amazon Business serves as an online match making service between

government buyers and the small business sellers.

**BW:YOU MENTIONED INYOUR BLOG THAT KING COUNTY,WASH.,ASKED A POTENTIAL SMALL BUSINESS TO REGISTER ON AMAZON BUSINESS BECAUSE THEY FIGURED THAT WOULD BE THE SIMPLEST WAY FOR THEM TO WORK TOGETHER.**

AR: Yes, King County, Wash., one of our customers and one of the larger counties in Washington state,



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released a video targeted towards King County's registered small business titled "Help us find you." The video tells small businesses that King County wants to direct their spending towards them, but "we can't find you." They advise small businesses to register with the county, if they haven't already done so, and add their certifications to their Amazon Business seller profile so their buyers can more easily recognize and find these sellers when making purchases on Amazon. This call to action illustrates the difficulty governments experience to find existing registered sellers, the challenge to expand their pool of small business certified sellers and the benefits of using Amazon Business to overcome these challenges.

**BW: YOU ALSO TOUCHED ON A COUPLE OF THINGS SUCH AS MINORITY-OWNED BUSINESS. HOW MANY OF YOUR SMALL BUSINESS CUSTOMERS ARE MINORITY-OWNED?**

AR: I don't have the exact number, but we support minority-owned business certifications from both the National Minority Supplier Development Council as well as the U.S. Small Business Administration. Earlier this year, we engaged in a pilot with the Minority Business Development Agency (MBDA) at the U.S. Department of Commerce to help bring more minority-owned businesses onto Amazon Business. We are doing focus groups to better understand their unique challenges, developing a learning series and we are also hosting a buyer-supplier matchmaking event. We continue to work with our customers in the public and private sector to find new ways to find and buy from minority sellers as well as small business sellers.

**BW: ARE YOU GOING TO OFFER TRAINING TO EITHER HELP THE GOVERNMENT BUYER OR THE MINORITY-OWNED BUSINESS OR SMALL BUSINESS FOR EXAMPLE?**

AR: Our goal at Amazon Business is to make the purchasing, buying and selling experience so easy and intuitive that additional training isn't required. We want selling partners to only need to access Seller Central, which is a dashboard that provides all the information they need to know about selling on Amazon Business, to create and manage their products, adjust pricing and manage their returns. With Seller Central, sellers can also participate in a seller certifications and upload those small- and minority- or diverse credentials. Then for customers, we want the buying experience to be so easy that they can search and sort by the 11 certifications listed on the left hand side of our page. Filtering by certifications makes it very easy to understand when you're buying from a small business seller and

simplifies the process to find and purchase from them.

**BW: IN MANY CASES, IT IS IMPORTANT FOR THE GOVERNMENT TO BUY FROM SMALL BUSINESSES, AND MANY FACE REGULATORY POLICY REQUIREMENTS TO DO SO. DO YOU SEE THOSE REGULATORY POLICY REQUIREMENTS INCREASING FOR MORE GOVERNMENTS?**

AR: There are regulatory and policy requirements across government agencies, and these government agencies place a strong emphasis on using their contracting dollars to drive socioeconomic outcomes, including helping small businesses - that will never go away. The challenge is that the government has inadvertently created barriers by making the process very costly and complicated. In my opinion, there will continue to be an emphasis, if not a stronger emphasis, on helping small businesses grow and prosper. It's also just the right thing to do. At Amazon, we want to bring buyers and sellers together and help those small businesses to grow and prosper. On our blog, we feature several diverse small businesses that have used Amazon Business successfully, including a local, veteran-owned Seattle company, Pacific Northwest Business Office Products, which has seen their revenue increase over 40 percent since selling on Amazon Business, and their business is still growing. The buyers can use our search tools to find these certified veteran-owned businesses. Kelly Cudworth, the CEO of Pacific Northwest Business Office Products talks about how by using Amazon Business, he was able to sell to King County, which had been a challenge for him historically. For small businesses like Kelly's and others, we offer training and dedicated account managers, which provides support to help these companies be successful on Amazon.

**BW: ANY LAST-MINUTE THOUGHTS?**

AR: It can be a struggle to own and operate a small business, but particularly so when you're trying to enter into the government space, which can feel very different from the commercial space. However, there's a great desire by the government to purchase from small businesses. This is driven by a federal law that requires agencies to direct 23 percent of their annual procurement spend to small businesses, as well as state policies or preferences, like in the case of King County, Wash. which requires diversity in small business targets. Tens of thousands of government customers are using Amazon Business and our goal is to level the playing field for small businesses trying to reach new opportunities in the public sector.

**BW: ANNE, THANK YOU FOR YOUR TIME.**

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# Top 10 Energy Buying Mistakes You Didn't Realize You Were Making (& How to Avoid Them)

NO. 8: FOCUSING TOO MUCH ON THE PROCESS INSTEAD OF THE RESULTS WHEN SELECTING AN ADVISOR

By Bob Wooten

> **A**s we start a new year, we near the end of our series on the Top 10 energy buying mistakes that purchasing professionals make. By highlighting the common mistakes, we can then assemble a set of best practices that will guide us when managing the procurement of energy. Mistakes highlighted to date include not procuring proactively, missing the most competitive rates, developing an inappropriate procurement strategy for your specific needs, not having a pre-determined goal of what you want to achieve, utilizing an aggregation for purchasing energy, taking a decentralized approach, and hiring one company to handle all energy activities. Here we diverge slightly with a discussion on a different kind of procurement: We will discuss the pitfalls of putting too much emphasis on the process of procuring a suitable energy advisor, as opposed to the results of such advice.

As we have discussed in previous installments, engaging the services of an experienced energy procurement advisor with direct access to the energy wholesale markets is a great way to counter other procurement problems. The end result that you and your organization want to achieve is energy cost-savings and control as a result of reacting more proactively to changes in the energy markets. While keeping the results in mind, you don't want to get so bogged down in the advisor selection process required to get there that the results end up a secondary issue.

**THE MISTAKE: FOCUSING TOO MUCH ON THE PROCESS OF PROCURING THE ENERGY ADVISOR**

At first blush, conducting a proper, thorough



procurement process that is consistent with your governing laws and/or policies sounds like the right thing to do. But recall, the mistake here is focusing too much on the process that you lose sight of the desired results. The goal is to establish the best strategy and energy pricing for your organization. The key to achieving your goal is market timing (as we have learned from addressing earlier mistakes). By

engaging the services of a quality energy procurement advisor, you add a team member who is much better positioned to help procure during favorable energy market windows because his or her in-depth market knowledge goes much deeper than yours (something we also learned from earlier mistakes).

So why would such an intensive procurement process for an energy advisor be a mistake? Precisely because this process could eat up all your time, reducing opportunities to take advantage of favorable market timing, leaving you with a good energy advisor but no room or time for them to react to the market. In short, you have spent all your time and resources hiring the advisor to the detriment of the end results you want to achieve.

#### WHY IT HAPPENS: ADHERENCE TO POLICY

Adhering to the procurement policy of your organization – and more importantly the procurement laws that may govern a governmental entity – is definitely a must. No one can be faulted for wanting to do things the right way. However, within the realm of “the right way,” consider whether there are more effective and efficient processes that can be utilized.

Let’s look at a standard RFP process utilized to hire the services of a consulting firm. Everything starts with a lengthy research period to find which consultants are in the marketplace that can meet the needs of your organization. This is sometimes done more formally as an RFI (request for information). If conducted properly, you will have heard from many firms, sat through many meetings, talked to many references, and most likely gotten a feel for your best fit. However, in the standard RFP process, all this narrowing-down research is just the beginning.

Following the research, specifications and a scope of work are developed. This may be sent out just to the narrowed-down group of consultants deemed worthy from the research phase – or could still be opened up publicly to any interested firm. There are typically one or more “pre-RFP” meetings in which specifications are discussed and your organization fields answers. Specifications may be adjusted and re-issued to participants. Finally, responses are submitted – and now the evaluation process begins. There may be multiple cuts leading up to more in-depth interviews and even more meetings, and coordinating such a process to work with the calendars of everyone involved can prove to be a big challenge.

Typically a “best and final offer” (BAFO) round then takes place, in which the goal is to leverage the competitive process to get the best rates. Finally, a consultant is chosen. But don’t celebrate quite yet – now a contract must be negotiated.

So why would such an intensive procurement process for an energy advisor be a mistake? Precisely because this process could eat up all your time, reducing opportunities to take advantage of favorable market timing, leaving you with a good energy advisor but no room or time for them to react to the market.

All the while, the energy markets – that we know are extremely volatile – are constantly moving. By the time you finally award a contract to a consultant, you may very well be down to the wire in terms of implementing a strategy to procure electricity, natural gas and renewable energy for your organization. And being rushed into an energy contract can be just as bad as agreeing to a deal without due diligence.

#### HOW TO FIX IT: UTILIZE A COOPERATIVE OR GPO CONTRACT

The goal of a cooperative purchasing program or group purchasing organization (GPO) is to connect and contract with suppliers that will provide the best goods and services to the members at rates that are the most competitive in the market. Conducting an open, transparent procurement process and leveraging the size of the membership are keys to establishing such contracts. The vast majority of private and public sector companies in the United States belong to at least one cooperative purchasing program or GPO. Members can access a pre-negotiated contract available for immediate use with reduced fees based on the size of the overall membership.

On the public sector side, state laws allow governmental entities to utilize cooperative and GPO contracts to satisfy competitive procurement requirements. The same justification exists on the private sector side. As a purchasing professional, you are substituting the competitive procurement process you would typically conduct for the process already performed by the cooperative or GPO.

After you have done your research and found the energy procurement advisor you feel would best serve the needs of your organization, you can cut out many months of RFPs and evaluations by engaging that advisor through a cooperative or GPO contract. This, of course, assumes that the advisor is under such a contract – which in itself is an indicator of the background of that advisor. Quality cooperative



and GPO contracts are considered the pinnacle of the contracting world, highly sought after by suppliers, resulting in a very rigorous competitive process. Evaluating and awarding cooperative and GPO contracts is typically done by large numbers of evaluators – many times including members themselves. So when you access such a contract, you are assured that the services, experience, and costs have been thoroughly vetted, are utilized by your peers, and represent best of breed in the industry.

## CONCLUSION: AN EFFICIENT PROCESS TO GET DESIRED RESULTS

To boil this issue down to its essence, it is all about conducting the most efficient procurement for an advisor within the policies/laws governing your organization. Engaging the best energy procurement advisor is the first – and most critical – step in best managing your electricity, natural gas and renewable energy supply strategy. Just as there are many energy procurement advisors in the marketplace, there are also many cooperative purchasing programs and GPOs.

The value of an energy advisor can be tied to the

worth of the cooperative or GPO. Therefore it becomes essential that, if you decide that the utilization of such a contract will make the process more efficient and effective, you should only be seeking contracts through the top cooperative and GPO programs in the field.

Quickly finding and engaging the right energy procurement advisor allows you to react efficiently and effectively to the energy marketplace to establish the best strategy and the right price for electricity, natural gas and renewable energy. Keeping the focus more on the results of your advisor, instead of the process of finding one, will lead to greater success in managing energy costs.

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# TRANSPARENCY LEADS TO ACCOUNTABILITY AND EFFICIENCY

By Dan Symon

> **P**rocurement is one of the largest budget items for most jurisdictions and New York City is no exception, with nearly \$20 billion spent on contracted services. Yet in many cities and states, procurement has evolved over decades into a sprawling, decentralized, technologically inadequate function that lacks coordination, strategic functionality and systems that ensure both efficiency and integrity.

In New York City, our Mayor's Office of Contract Services (MOCS), has been embarked on a mission that will sound familiar to many procurement professionals around the country: to make the process more efficient and transparent; to broaden the pool of vendors and encourage greater participation from new vendors, including small, community-based businesses and minority and women owned enterprises; to get contractors approved more quickly; to have contracts and supporting material completed and submitted for registration to our Comptroller on time; to have invoices approved and payments made on a more timely basis.

Along the way, we have faced the type of challenges that are commonplace around the country and as we are now beginning to see results that validate our work, our approach may be useful to consider by others who are working toward their own strategic procurement improvements.

## COLLABORATION AND EXPECTATIONS

Charting a successful path forward requires collaboration with both partners in government – the agencies awarding the contracts – as well as the contractors themselves. It is crucially important at the outset to gain input from key stakeholders – to make sure you're working to solve the problems that are most pressing for the people on the front lines. In New York, the administration created a Nonprofit Resiliency Committee – a group of nearly 100 nonprofit leaders who could work with us to develop new tools and recommend further improvements.

Once a resource like that is created, there needs to be regular contact and open lines of communication – so that goals and priorities can be set early on. In our case, it was clear that we needed to build a contracting platform that would make the procurement process more transparent and make it easier to propose and bid on contracts, especially for new vendors, small businesses and minority and women-owned businesses. We also wanted

to enable information sharing among agencies to avoid duplicative and repetitive requests for documents. Most important – there was a compelling need to develop systems to facilitate more timely approval of contracts and payment of invoices.

Setting expectations also means being realistic about time frames. Accomplishing something of this magnitude is not something a SWAT team of technology geniuses can pull off with a few all-nighters. Naturally, contractors are impatient and not without cause. In New York City – like many other cities – the norm for years had been slow approval of contracts, delays in getting them registered with the City Comptroller – which is a requirement in New York – and delays in getting invoices approved and paid. Even once goals are agreed upon, don't take for granted that stakeholders will appreciate the amount of time and resources that were going to be necessary to get to the finish line. That is one of the reasons why having a good communications mechanism is crucial.

## SHOWING PROGRESS

If you're going to ask people to be patient while you develop new processes, you need to show them progress along the way. Meeting milestones and communicating proactively and collaboratively demonstrates movement in the right direction. For example, in New York, where contractors are sometimes required to maintain services even while contracts are working through the procurement process, the City began facilitating access to interest free bridge loans and advance payments on contracts. Other improvements contractors find beneficial are things like allowing for streamlined budget modification practices so they have more flexibility in managing day-to-day services, as well as adopting a standardized approach to indirect costs – something that was very high on the list of priorities for our contractors.

Also, when you have significant signs of progress to report, make sure stakeholders know about it. In our case, we recently were able to issue several communications noting that the majority of our health and human services agencies had more than 90% of contracts submitted on time for registration. We are now able to vet contractors faster and to share due diligence across multiple contracts. We have significantly reduced the time required to review and approve invoices and, for MWBEs, as a

result of recently enacted legislation, we now have a higher threshold for discretionary contracts. These are major milestones for us, but more important – and the lesson for others in this situation – is that reporting on these milestones publicly is an opportunity to alert contractors that if they still have issues, they should get in touch – because most of their peers are seeing improved results.

Frequent and continual communication is a key – and it never stops being crucially important. No matter how much progress is made, there will always be more to do. Stakeholders need to be reminded on a regular basis of where things stand, what’s coming next, and when they can expect it. This could include (and in our case, will include) improvements like moving toward a system that will capture all procurement activities from end to end, from RFP to approval to invoicing, and such other things as developing templates for RFPs and for commonly used contract language, so that agencies and their legal teams will not need to spend time drafting boilerplate language that has already been approved for use.

**TRANSPARENCY = ACCOUNTABILITY**

As any procurement professional knows, there is no single answer to how long it should take to award a contract, how long it should take to approve a contract, or how long it should take to pay a

contractor. It should be done expeditiously, but it should take as long as it needs to take to do it properly. We believe that once the process is uniform for all City agencies and totally transparent, higher levels of accountability will result in greater efficiencies. For example, once you know what the “norm” is for certain types of contracts, any outliers will be accountable for explaining their delays. If it is easier to approve and pay invoices quickly, anyone that lags will owe their contractor a good justification.

Every jurisdiction has its own unique culture and procurement needs. But the path we are taking includes some steps that we believe are universal and will be fruitful for others to follow. It stresses transparency, standardization, information sharing, ease of use, timeliness, collaboration and communication. We have already seen how transparency leads to accountability. And we feel confident that accountability will lead to greater efficiency. We expect that those principles will bring the results every procurement officer wishes for: efficiency, integrity, cost savings, accountability and greater satisfaction among a wider and more diverse group of contractors.

**DAN SYMON** is the Director of New York City Mayor's Office of Contract Services



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## PERSONALITY MATTERS: THE DISC METHOD

By Lisa Frank

> **N**o one wants to be labeled and placed in a box. Labels and boxes carry assumptions, judgment, criticism, and rejection not only from others, but from ourselves. On the other hand, knowing your personality traits provides you with a window into behavior and communication styles and, importantly, what motivates them. This results in more tolerance for yourself and others.

Wouldn't it be wonderful if you suddenly understood and appreciated the behavior of a colleague who, previously, aggravated you? Or if you could recognize and laugh about a trait that had held you back and caused you to withdraw rather than forge ahead? Imagine no longer fearing a colleague who appeared formidable and intimidating and who you were sure did not like you! Or waiting serenely in silence on a teleconference call because you recognize that your team member is processing the discussion.

During the last several months, I have focused on learning the DISC Method, a personality

assessment tool. The journey to become a DISC Consultant has provided me with insights into myself and others. As a DISC consultant, I share information on personality and communication styles so individuals can gain a better understanding of themselves and the people they interact with personally and professionally. The popularity of DISC is due to how easy it is to use and interpret and also to its surprisingly accurate results and the liberation this knowledge brings. Upon reading her report, Strategic Sourcing Specialist of Manitoba Hydro Stéphanie Dion blurted, "I can't even describe how accurate this is, scary! It's like the assessment had a camera over my desk for the last year."

Of value, too, is knowing and understanding the fear that is associated with and inspires the behavior of each personality style. Because I know, as an "I," that my dominant fear is rejection, I now recognize when that fear starts to become an obstacle. Imagine coming up with an innovative idea, strategy, or program,



but deciding not to share it because you're not sure how it will be received. If, instead, you can say, "Oh, I know what that is, that's my fear of rejection," you can then decide more objectively what action to take, i.e., whether to share your idea and, if so, with whom.

## HERE'S A QUICK OVERVIEW OF THE FOUR DISC PERSONALITY STYLES:

### D STANDS FOR DOMINANT.

This personality is active and task oriented. The higher the D, the more one makes decisions and exerts control. Someone with a low D prefers that others make the choices. Other words associated with a D personality may be domineering, demanding, and direct. They run toward confrontation. Phrases you may hear from a D personality include "Just give me the bottom line" or "I don't care how you do it, just get it done!" The dominant fear for a D personality is being taken advantage of.

### THE I PERSONALITY IS THE INFLUENCER (THE COMMUNICATOR)

This personality is active and people oriented. I's want to encourage and inspire through influencing people. The higher the I score, the more this personality communicates verbally. I's thrive in positive environments. They can be excellent cheerleaders, empowering others and lending enthusiastic support. "You can do it" is something you may hear from an I. I's are creative, bursting with ideas. Someone with a lower I score may choose to communicate through email rather than bursting into someone's office to communicate in person. The dominant fear for an I personality is rejection. If they feel rejected, they may withdraw.

### THE S PERSONALITY IS STABLE AND STEADY.

This personality is loyal, team-oriented, more passive, and wants to maintain harmony. S is the most common personality style. S personalities need more time to process than the active-style D's and I's and may view D's and I's as impulsive. If you prefer to complete one task at a time, are more interested in people than tasks, and think in terms of "We," you may be an S. They are good listeners, are reliable, and resist change. The dominant fear of the S personality is loss of security.

### THE C PERSONALITY IS COMPLIANT AND CORRECT.

Similar to S personalities, C personalities need time to process and, like the D personalities,

they are more task-oriented. C personalities like to know the rules and work through a process. Their motto is, "If we're going to do it, we're going to do it right!" Accuracy and thoroughness are paramount. They are analytical, conscientious, and precise. Their dominant fear is criticism.

Even with these brief descriptions, we may be able to guess the personality style of those with whom we interact and of ourselves. However, we all know that we are not one style that shows up in every context. Many of us express more than one dominant style. We may be decisive and communicative in one context and loyal, team-oriented, and detailed in another. One of the values of the DISC assessment is that, when we take the assessment, we keep in mind a specific environment, whether work or home. The graphs that result provide keys to which personality style we are using and the feedback report that describes assessment results provides recommendations for how to communicate with other personality styles. At last, a tool that tells us why we are aggravated and what to do about it!

The more I study DISC, the more I see value in its application. Not only do I understand myself and others better, but I have guidance to improve both communication and appreciation of those that differ from me in how they communicate, process information, and approach projects and people. If I feel that I am not connecting, whether one-on-one or delivering a presentation, I evaluate the pace of my communication, the tone of my voice, and the level of detail I am providing.

As NIGP develops its Leadership Core Certificate, DISC becomes increasingly applicable. We need to maximize our impact, no matter our position. Effective communication is key to building relationships and driving results whether collaborating with end users to prepare a scope of work and specifications or developing a strategic plan for your entity. DISC offers a tool that can be used for self-discovery, team communication, and more effective management. Contact NIGP now to find out how a DISC consultant can help you and your agency.

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**LISA FRANK**, NIGP Global Practices Manager, collaborates with public procurement practitioners and academics to conduct research and develop useful guidance on public procurement topics.



# GOVERNMENT TECHNOLOGY IS CHANGING – SO MUST THE WAY WE BUY IT

By Jean Clark

**I**f you've seen even a fraction of the analyses published since the start of the year, you'll appreciate just how much of a priority that technology utilization has become at all levels of government. IT spending at the state and local government levels alone topped \$106 billion in 2019 and the number of IT procurements nearly doubled from Q1 2012 to Q1 2019.

The public sector's adoption of machine learning and artificial intelligence, drones and "smart" technologies are accelerating at record speeds. There also is an urgency to migrate to cloud-based systems and, subsequently, boost cybersecurity mechanisms to protect the physical infrastructure, including utility, health, housing, public safety and communication services.

This presents many challenges for procurement professionals:

1. Many agencies are still trying to determine how best to buy certain technologies or systems, especially more novel or complex innovations.
2. Technologies that have previously been used by government – such as mobile devices and cloud-based platforms – are now being utilized in new ways. The role they play in the larger IT architecture is changing and, therefore, tech that was once considered a simple acquisition may have larger implications on overall IT system and operational process performance.
3. The complexity and longevity of many technology sourcing initiatives is putting a strain on procurement processes and/or limited procurement resources.
4. Procurement professionals are stepping up to learn quickly, relying on technology experts to help inform requirements and evaluation criteria. The additional stakeholder involvement quickly changes procurement dynamics.
5. Budgets are dictating IT-related decisions. In some cases, the cost of innovation is hampering innovation, so Chief Information Officers (CIOs) and others are turning to procurement leaders to help them better manage spend, extract more value for buys and more strategically source tech-related products, software and services.

## HOW PROCUREMENT IS CHANGING – OR SHOULD CHANGE – TO FACILITATE BETTER TECHNOLOGY OUTCOMES

Technology procurement has never been a straightforward process, but the digitalization of every government system, record and workflow – or ambition to do so – has forced procurement teams to accept that the fact that "one-size-fits-all" procurement processes no longer work.

Today, if laptops, tablets and smartphones are to be utilized by first responders, utility service providers, military members or building inspectors who need very specialized and secure mobile computing and communications capabilities, then simply defining the purchase requirement as an IP65-rated tablet will fail to deliver the desired results. Those devices also need to be compatible with your agency's unique software applications or job-mandated peripherals, such as body cams, mobile printers or asset-testing equipment. Therefore, more extensive requirements definition is required by field testing of short-listed devices to verify compatibility and performance capabilities in real-world settings.

In other words, the process doesn't necessarily follow a cut-and-dry requisition – solicitation – evaluation – contract award process.

However, if you just need laptops equipped with basic Microsoft software for classroom use or smartphones for field-based workers, then a catalog purchase using an online market shopping experience probably makes the most sense. However, if any level of special feature configurations or system integrations are required, then a more strategic sourcing process may be necessary, even if you're just making a simple hardware purchase.

If your government entity is procuring cloud-based systems, cybersecurity solutions or shared services – or trying to implement more connected smart city infrastructure or smart government citizen engagement services – then use agile procurement methods versus traditional waterfall processes. These types of buys are far more complex because entire systems are either being replaced or stood up for the first time. In many cases, you don't know what you don't know about a platform's true capacity to

integrate with existing systems and support desired workflows until you're in the thick of the sourcing and implementation processes. You need the flexibility to adapt your strategy and the solution every few weeks or months. There are also policy considerations, from both the governmental and technical perspectives, that could come into play well into your implementation. Again, you need to be able to respond quickly.

It is so critical to have the right procurement technology system in place, as I explained in the April/May 2019 issue.

Remember to avoid falling into the "emulation trap." By that I mean: many technology solution providers try to sell to the private and public sector the same way, especially for IT solutions and services. And, as governments start to embrace agile methods, you'll see procurement strategies start to mirror those used by the private sector. Yet, that can prevent you from achieving desired outcomes for the same four reasons noted above. Governments buy and apply technology differently than most businesses because we are governed by a different set of operating rules and are accountable to a different set of stakeholders. Plus, funding can't be supplemented by investors.

Procurement can transform to better support

government modernization by evolving best practices, modernizing systems and re-engineering processes – without completely abandoning our fundamental fiscal responsibility, transparency and accountability obligations.

Consider working a team of procurement and IT professionals along with other key decision makers, such as the CIO, governor, mayor and other leaders to create a high-level procurement framework that defines basic expectations for technology acquisitions. This will ensure that minimum agency requirements, such as cybersecurity mandates, are communicated in each solicitation and that buyers know who to engage in each step of the sourcing process to ensure acceptance of the final solution.

You may also want to enlist the help of third-party procurement consultants, such as the NIGP Consulting Team, as they can conduct an unbiased analysis of your procurement process, recommend changes based on best practices and suggest alternative approaches that your in-house team may not have considered.

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# Building Better Bridges

How IT departments can better serve procurement agencies through collaboration

By Tammy Rimes

**W**hen agency IT sections were first formed a few decades ago, technology was a novel concept with just a few products – computers, mainframes and phone systems. Early on, clearly defined lines were drawn between procurement and IT. While designated IT purchases were often relegated to data and programming managers, the rest of the organizational purchases were assigned to Procurement.

However, as the internet of things (IoT) has evolved, these lines have become blurred as many commonly used commodities now contain digital elements. Balancing the need for the latest technology with best practices in procurement means the relationship between procurement and IT needs to evolve as well. Instead of operating in the silos of the past, it makes sense to build bridges between the two, and encourage collaborative efforts on future agency IT purchases.

## USING NEW APPROACHES TO BUILD RELATIONSHIPS

The typical government procurement process can be slow and cumbersome. This assessment often leads many customer departments – including IT – to avoid including procurement teams in planning meetings, initial assessment, specification development and the ultimate process to bring in new technology to the organization.

Approaching this problem in a unique way, the Purchasing and Contracting Department for San Diego County proactively began building a new customer-focused culture. The first step was to strategically align procurement staff toward customer departments, taking into consideration their aptitude and skill sets, while setting high expectations for good communication and responsiveness.

Using data metrics and ongoing customer surveys, the department continually monitors performance across all departments. The published results include metrics such as procurement dollars competitively awarded, number of bids received for each solicitation, turnaround acquisition cycle times, number of protests, small business participation, etc. for accountability and customer satisfaction.

“It all starts with building relationships by emphasizing outstanding customer service in every interaction and moving toward mission-focused procurement,” says Jack Pellegrino, the county’s director of purchasing and contracting.

This concept encourages county procurement team members to support customers in a deeper way by truly understanding that department’s needs and focusing procurement actions that best support those customer-needs efforts.

“This approach demands problem-solving, flexibility and extreme timeliness, which are not always the leading attributes found in public procurement organizations,” Pellegrino adds.

Just a few years since implementation, the results speak for themselves. Rather than avoid procurement, county department teams now consider purchasing and contracting an involved partner with a respected function and adding value to the contracting process.

## LEVERAGING COOPERATIVE CONTRACTS TO STREAMLINE PROCESS

Focused on serving the diverse needs for a large population of students, Frederick County, Va., Public Schools’ small procurement team has to be resourceful to meet the competing needs of the school district with 10 elementary schools, 4 middle schools, 3 high schools and 2 alternate learning centers. With limited staff, a successful contracting approach is to use already solicited and awarded cooperative contracts.

“Almost 80 percent of our technology spend goes through cooperative contracts, as they can meet the district’s needs quickly and comply with our high standards of public procurement,” Kristy Varda,

the district’s purchasing supervisor, states.

One specific district need is met in a cooperative contracting strategy where a “one-contract fits all” concept would not work. The district chooses to use cooperative contracts for its multi-functional devices to encompass the various needs for each school – copying, printing, scanning and other services. Piggybacking on these contracts offers a choice in vendors, features, pricing service and leasing options for each school. This contracting solution serves multiple needs, while still being responsive when changes must be made.

With technology changing so rapidly, over time, new items may be required that were not originally included within the bid specifications of an agency-awarded contract. Rather than continually re-issuing bids to stay current with ongoing changes, “piggybacking” on an already competitively bid cooperative contract offering a greater range of commodities and services, might be a solution.

Approved by the American Bar Association, cooperative contracting is a well-known tool for procurement teams. However, while procurement teams may be well versed and knowledgeable about this contracting option, many IT departments have never heard of it. By educating their IT counterparts on the benefits, procurement can help reduce the need for re-bidding and moving more quickly to fill gaps within an agency’s existing awarded contract.

## PARTNERING WITH SUPPLIERS FOR CUTTING EDGE SOLUTIONS

What should a state agency do if it has 7,000 aging end-user devices that need to be replaced? Even though an agency might have a large procurement and IT team, sometimes the approach may be to partner with a supplier who can provide certified IT professionals to assist in facilitating not just the procurement of commodities, but also provide strategic evaluation, solutions design and IT support.

One such state decided to use a contracted supplier: SHI International Corp. Through its partnership with OMNIA Partners, Public Sector, SHI provided access to their entire product catalog, including hardware, software, and services across all manufacturers, with a guaranteed discounted rate off manufacturer pricing. This partnership allowed SHI to guide the state agency through the entire process from conception to rollout.

Rather than discard all the old devices, SHI suggested using a virtual desktop infrastructure (VDI) with VMware, to repurpose the existing devices into thin clients (a desktop terminal featuring no hard drive, with all data, applications and memory handled at a central processing unit). The comprehensive solution included hardware, software and services for standing up the VDI environment across the state in 50 locations, with five years of ongoing managed services by SHI-badged resident VDI support staff. Not only were cost savings generated by this innovative approach, there were



significant sustainability benefits by reusing these older units.

Inviting customer departments to participate in meetings with suppliers is another way for procurement to build bridges. Suppliers can often share case studies and unique approaches of how other organizations are handling a similar issue or challenge. For example, for some agencies, inventory for IT, facility or fleet teams is a large line-item in the agency's budget. Bringing in new technology to manage inventory more effectively can drive savings and greater efficiencies, provide standardization across key product lines and ultimately eliminate obsolete products.

Fastenal is a national fastener distributor with a wide selection of OEM, MRO, construction, industrial, and safety products. While many government agencies contract with Fastenal for these products, one of the recent growing strategies is to place vending machines at the agency's location at the point of use. Technology-enhanced lockers can host high-value equipment, computerized tools and laptops that can be checked in and out by authorized personnel. Using a keypad system, supervisors can quickly trace where a laptop might be and who has checked it out.

"High standards can be set by IT or risk management departments," Jonathan Sitterley Fastenal's government sales specialist says. "These vending machines allow items to be more accessible to employees, increase accountability and ultimately improve efficiencies."

## USING DATA AS THE COMMON LANGUAGE

Using a common language to gain greater understanding across the two silos is paramount. While Procurement might use its nomenclature, it is not necessarily the same language spoken by IT professionals. Analyzing trends and proposing ideas through the use of data, procurement can communicate a more compelling story for their customer departments.

For example, if procurement witnesses a trend toward IT sole source awards, with no competition, then perhaps there should be increased efforts to seek additional vendors who might compete. Planetbids, an eProcurement company that has partnered with local governments for almost two decades, has observed that on average, almost 16 percent of contracting activities are related to IT-type products or services for the typical government agency.

"One particular client needed our assistance with vendor outreach to expand their pool of available suppliers to increase competition on their contracts," Arpie Zavian, president of Planetbids, states. "As a result of the data gathered, they increased outreach, reduced the number of bad bids submitted, drove savings on the actual purchased item/service, while reducing overhead costs [like] mailing, faxing and printing."

Spend analysis reports that might include sustainability efforts, minority and local business participation, and tracking IT trends is also made possible by the growing implementation of eProcurement systems.

Reports and supporting data can be used to broach tough conversations across the two silos.

For example, "maverick" spend for last-minute purchases, or those without negotiated discounts, often make up a percentage of any organization's spend. A pricing model comparison of these items purchased outright, instead of through a competitive contracting process, begins the conversation of the benefits of working together on agency-wide IT projects. This is one of the quickest ways to contain costs, particularly when an organization is facing budget constraints. With real dollars savings, procurement can demonstrate its value by collaborating with IT to be more proactive in supporting upcoming purchases.

## EDUCATION TO BRIDGE THE GAP

Varda is also part of an educational movement to assist procurement teams in becoming more technology savvy. As one of the instructors for NIGP's Foundations of Technology Procurement Specialty Certificate, Varda advocates for procurement teams to develop new skill sets when purchasing technological solutions. "Procurement professionals know a little about every commodity that they purchase, however, [they] are not necessarily experts on everything that is purchased," she says.

Within this tech-focused educational program, learners gain knowledge about terminology, research practices and opinions, solicitation methods, strategies for risk identification and common mistakes to avoid when negotiating and managing awarded IT contracts.

Reducing the learning curve even further, a new hiring strategy for some entities is to hire an applicant with a strong technology background, and onboarding the person with the goal to teach them about procurement.

"Technology touches every aspect of our lives at home, in school and in the workplace," Varda concludes. "To be better procurement professionals, we need to understand the special nuances of technology to support our departments' growing needs."

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**TAMMY RIMES**, MPA served as the former Purchasing Agent for the City of San Diego, Calif., and is the Executive Director of the National Cooperative Procurement Partners (NCPP), an association serving as the premier source of educational content, legislative advocacy and support for cooperative procurement. Ms. Rimes has past sales and marketing experience in the airline industry, retail, electrical utility and formally owned a family winery. She has the unique perspective of working in three different worlds – corporate, government and entrepreneurial.

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- > City of Lincoln, Neb.

## Celebrating 60 years

- > Village of Skokie, Ill.
- > City of El Paso, Texas
- > City of Columbia Missouri, Mo.
- > City of Grand Junction, Col.
- > City of Little Rock, Ariz.
- > City of Decatur, Ill.

## Celebrating 55 years

- > Dutchess County, N.Y.
- > City of Sarasota, Fla.
- > City of Chattanooga, Tenn.

## Celebrating 50 years

- > City of Elgin, Ill.
- > City of Kettering, Ohio
- > City of Alcoa, Tenn.
- > Genesee County, Mich.
- > Corporation of the City of Oshawa, Ontario
- > Orange County, Fla.
- > City of New Orleans, La.
- > Clark County, Nev.

## Celebrating 45 years

- > City of Palm Springs, Calif.
- > Palm Beach County, Fla.
- > City of Ann Arbor, Mi.
- > City of Leesburg, Fla.
- > City of Falls Church, Va.

## Celebrating 40 years

- > City of Belle Glade, Fla.
- > Hampton Roads Sanitation District, Va.
- > City of Mesa, Ariz.
- > Fairbanks North Star Borough, Alaska
- > City of Orlando, Fla.
- > City of Portland, Ore.

- > City of Springfield, Ohio
- > City of Bossier City, La.
- > City of Olathe, Kan.
- > Commonwealth of Kentucky, Finance & Administration Cabinet, Office of Procurement Services, Ky.
- > Terrebonne Parish Cons. Government, La.
- > City of Boca Raton, Fla.
- > City of Springfield, Ill.
- > City of Boise, Idaho
- > Carroll County, Md.
- > City of Meridian, Miss.
- > Transit Authority of River City, Ky.
- > City of Roanoke, Va.
- > City of Inglewood, Calif.

## Celebrating 35 years

- > Radford University, Va.
- > City of Sea Isle City, N.J.
- > Cayuga County, N.Y.
- > Dona Ana County, N.M.
- > Cook County Office of the Chief Procurement Officer, Ill.
- > City of Hampton, Va.
- > Gwinnett County, Ga.
- > The Citadel, S.C.
- > City of Warner Robins, Ga.
- > Missouri Department of Mental Health, Mo.
- > City of Fort Myers, Fla.
- > City of Peoria, Ariz.
- > City of Red Wing, Minn.
- > Hennepin County, Minn.
- > Ontario County, N.Y.
- > Town of Vienna, Va.
- > City of Greeley, Colo.
- > Colorado Department of Transportation, Colo.
- > City of Sierra Vista, Ariz.
- > University of Missouri System, Mo.
- > City of Pompano Beach, Fla.
- > Port of Portland, Ore.
- > Colorado State University, Colo.
- > Knox County, Tenn.
- > Northwest Missouri State University, Mo.
- > Texas Southern University
- > City of Homestead, Fla.
- > George Mason University, Va.
- > Broward College, Fla.
- > Delgado Community College, La.
- > City of Colorado Springs, Colo.
- > Alexandria Renew Enterprises, Va.

## Celebrating 30 years

- > Shelby County Schools, Tenn.
- > Galveston County Health District, Texas
- > University of Houston at Clear Lake, Texas
- > Village of Lisle, Ill.
- > Corporation of the City

- of Vaughan, Ontario
  - > City of Tuscaloosa, Ala.
  - > Richland School District #2, S.C.
  - > John de la Howe School, S.C.
  - > City of Grand Prairie, Texas
  - > Bernards Township, N.J.
  - > City of Coppell, Texas
  - > Roane County, Tenn.
  - > Kenosha County, Wis.
  - > Chicago Public Schools, Ill.
  - > Metropolitan Atlanta Rapid Transit Authority (MARTA), Ga.
  - > Hays County, Texas
  - > Loudon County Purchasing, Tenn.
  - > Adams 12 Five Star Schools, Colo.
  - > Regional Municipality of Durham, Ontario
  - > Racine Unified School District, Wis.
  - > City of Reading, Penn.
  - > City of Nashua, N.H.
  - > Fairfax Water, Va.
  - > County of Orange - Purchasing Department, Calif.
  - > Louisiana Department of Corrections, La.
  - > San Diego Community College District, Calif.
  - > Virginia Department of Agriculture & Consumer Service, Va.
  - > Johnson County, Texas
  - > City of Norman, Okla.
  - > Waukesha County, Wis.
  - > City of McAllen, Texas
  - > Regional Municipality of York, Ontario
  - > Placer County Water Agency, Calif.
  - > City of Tallahassee - Procurement Services, Fla.
  - > Sarasota County, Fla.
  - > Clark County School District, Nev.
  - > Towson University, Md.
  - > City of Moultrie, Ga.
  - > Kansas City School District, Mo.
  - > Littleton Public Schools, Colo.
  - > Tri-Met, Ore.
- ## Celebrating 25 years
- > Chesapeake Public Schools, Va.
  - > Multnomah County School Dist.#1, Ore.
  - > Baldwin County Board of Commissioners, Ga.
  - > City of Del Rio, Texas
  - > City of Bartlett, Tenn.
  - > Unified School District No. 500, Kan.
  - > Hamilton County, Ohio
  - > Cedar Rapids Community School District, Iowa
  - > Greene County, Mo.
  - > City of Fredericksburg, Va.
  - > Pueblo Board of Water Works, Colo.
  - > Maryland Board of Public Works, Md.
  - > City of Eustis, Fla.
  - > Metro Wastewater Reclamation District, Colo.
  - > Town of Longboat Key, Fla.
  - > South Carolina Department of Transportation, S.C.
  - > Intercity Transit, Wash.
  - > Forsyth County Procurement, Ga.
  - > City of South Miami - Central Services, Fla.
  - > Mississippi Development Authority
  - > Sarasota County School Board, Fla.
  - > City of New Smyrna Beach - Utilities Commission, Fla.
  - > Missouri Veterans Commission State of Missouri
  - > Lake County Forest Preserve District, Ill.
  - > City of O'Fallon, Mo.
  - > City of Cedar Rapids, Iowa
  - > Atlanta Housing Authority, Ga.
  - > Collier County Public Schools, Fla.
  - > City of Missouri City, Texas
  - > City of Sunrise, Fla.
  - > City of Aurora, Colo.
  - > City of Gallup, N.M.
  - > University of South Carolina, S.C.
  - > Cooperative Educational Services, N.M.
  - > York University, Ontario
  - > Arizona Department of Health Services
  - > City of Shelbyville, Tenn.
  - > Pima County Government – Procurement, Ariz.
  - > Maryland Motor Vehicle Administration, Md.
  - > New York City Department of Transportation, N.Y.
  - > Carthage Water & Electric, Mo.
  - > Albany County, N.Y.
  - > Horry County Schools, S.C.
  - > City of Kelowna, British Columbia
  - > Central Arkansas Water
  - > Missouri State University
  - > Richland County, S.C.
  - > Union Public Schools, Okla.
  - > City of Los Angeles, Calif.



# Crossing Your T's

**> W**hat makes a top performing procurement professional? Is it the professional certification, college degree, or reputation as a great negotiator? While each of these things is important, it is really the supplemental skills that can make us rise above the rest.

Here's what I mean.

A few years ago, I started learning more about the T-shaped worker. At first, I had no idea what this meant, but I soon began to see how important it was. If you look at the letter T, you can consider the vertical line as the technical skills. But to truly be complete, the letter needs the horizontal line and that's the supplemental skills.

If we look at this through a human resources lense, it is an individual that possesses deep knowledge and skills in a particular area. But if they want to excel and collaborate with other disciplines,

they will build their general knowledge in those areas. They don't have to be an expert in every discipline, but should know enough to effectively "talk the talk".

While this can apply to any area or profession, let's talk about it in the context of public procurement. The technical skills (vertical part of T) can include knowledge of procurement regulations, experience in complex RFP development, and mastery of electronic procurement

systems. The supplemental skills (horizontal part of T) might include knowledge of contract law principles, financial reporting, and effective communications. These will no doubt come in handy when working collaboratively with the departments that specialize in those other areas.

The "icing on the cake" for a procurement professional would be the development of soft skills like interpersonal relations, teamwork, and active listening. Take a look at recent studies on what employers are looking for in procurement and supply chain professionals. You will see many of these skills.

While NIGP touts the importance of negotiation skills, they also note that flexibility and sensitivity are needed as differentiating skills that elevate the value of procurement professionals. Our colleagues at the Chartered Institute of Procurement and Supply (CIPS) are stressing the importance of next generation procurement skills, such as innovation and communication.

I am certainly not diminishing the value of traditional procurement skills such as specification writing, supplier management, or RFP development. My point is that we should build upon these skills if we are serious about being the best professionals we can be. As a hiring manager I have always hired for soft skills and talent and was then able to develop their technical skills. Give me a professional with great people skills and I can teach them the local procurement code.

Want to rise to the top for your organization? Make sure and cross your Ts.

If you look at the letter T, you can consider the vertical line as the technical skills. But to truly be complete, the letter needs the horizontal line and that's the supplemental skills.



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