

# Detailed Lean Improvement Project Report

For the June 1, 2014, through December 31, 2014, reporting period



**Agency name:**

Office of Financial Management

**Improvement project title:**

OFM Procurement Process

**Date improvement project initiated:**

04/28/2014

**Summary:**

The Office of Financial Management is improving the Procurement Process to increase process efficiency and customer satisfaction.

**Details:**

Description of the problem: The current Procurement process is complex, time-consuming and paper intensive. The process takes an average of 45 days to complete, but there are situations where customers need the procurement done sooner. There are waiting periods in the process, so the time required to complete the process is very tight already, but it would be helpful to reduce the process time, if possible. OFM's divisions and the Governor's Office currently procure contracts at the pace of roughly six procurements per year. OFM's Legislative and Legal Affairs Division provide procurement support for this process. By reducing non-value added activities in the process, improvements would free up time for both the operator and requestors to perform other mission-critical work. The team will be coached to search for opportunities to decrease variability in the process, reduce risk, and improve the customer experience.

Description of the improvement: Value stream mapping workshop planning occurred from April to June 2014. The workshop was held in June 2014. Deliverables from the workshop were current state value stream map and an implementation plan to achieve targets. Three improvement areas were identified in the workshop and selected for implementation. These included:

**1. Customers know if they need a procurement**

Under the current process, customers do not always know if they need procurement until they have met with the procurement coordinator. Sometimes they do not need procurement, resulting in wasted time and effort to find that out.

**Countermeasures:** Develop and post a decision tree on the OFM website so that customers can see up front whether they need to go through the procurement process.

**What have we learned:** A decision tree has been developed and reviewed by the procurement team. They are currently working with Communications to post the decision tree to the website, and to explore the possibility of adding a button to the website to gather targeted customer feedback on whether the decision tree is an

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effective countermeasure. Once the decision tree is posted and a feedback mechanism instituted, this countermeasure will be tested and adjusted as needed to achieve the desired results.

## 2. Identify whether funding is secured early

On rare occasions, customers may not secure funding for their procurement request prior to starting the procurement process. This results in uneven workload, as staff scramble to secure funding later in the process.

**Countermeasure:** Include a checkpoint in the online decision tree, as well as the in person meeting with the procurement coordinator, to ensure that funding is secured early in the process.

**What we've learned:** A step has been added to the decision tree that is pending posting to the website.

## 3. Procurement management system

Customers identified some challenges with the existing paper process for procurements. These included rework due to drafting procurement requests based on mismatched examples and due to confusion from multiple versions of drafts; extra time and effort, and lost opportunities, for bidders required to submit paper copies of bids; and time for evaluators to review bids in person using paper copies. In addition, the paper process requires a large amount of paper use, as multiple copies of lengthy documents are required.

**Countermeasure:** The team has been working with Department of Enterprise Services to explore potential IT solutions. Requirements have been submitted and options are being considered.

**What we've learned:** TBD

### Specific results achieved:

Goals of the workshop are to increase % of time the customers of the process know what a procurement is and get started in process confidently, identify early whether funding is secured, decrease time spent searching, transporting and handling (handoffs) of documents and reduce variability and rework for standard procurements.

### **How we involved customers or stakeholders in this effort:**

Customers of the process in OFM and the Governor's office participated in the value stream mapping workshop and will assist, as needed, in testing improvement ideas.

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