



Board Workshop / Discussion Agenda

15 West Kellogg Blvd.
Saint Paul, MN 55102
651-266-9200

October 3, 2023 - 10:30 a.m.

Council Chambers - Courthouse Room 300

WORKSHOP

**Strategic Team Committee of the Whole: Procurement and Contracting
Transformation**

[2023-425](#)

Sponsors: Finance

Board Workshop / Discussion

Request for Board Action

Item Number: 2023-425

Meeting Date: 10/3/2023

Sponsor: Finance

Title

Strategic Team Committee of the Whole: Procurement and Contracting Transformation

Attachment

1. Presentation



October 2023

Collaboratively Transforming Purchasing & Contracting



Workshop Purpose

- Procurement Modernization Context
 - Alex Kotze, Chief Financial Officer
- Share Key Information about Purchasing and Contracting Transformation (PACT)
 - Alex Kotze, Chief Financial Officer
 - Dana Noffke, Procurement Manager
 - Sara Hollie, Public Health Director
- Share Next Steps
 - Alex Kotze, Chief Financial Officer
- Questions

Procurement Modernization Context

- Ramsey County invested over \$246 million in 2022 for contracts in the community.
- Ramsey County has an unwavering focus on:
 - Building Intergenerational Wealth in Our Community.
 - Residents First by getting services to our community in a user-friendly way.
 - Racial and Health Equity
- Gained knowledge through CARES and ARPA grants
- Current state policies, processes, and procedures are not “working” for community or staff.

What is PACT?

- **P**urchasing **a**nd **C**ontracting **T**ransformation is the new program name for “Procurement Modernization.”
- PACT is collaborative transformation or reimagining of Procurement’s structure, roles/responsibilities, policies, processes, and procedures.
- PACT is built on the following 6 values:
 1. Transformational
 2. Relational
 3. Equitable
 4. User Friendly
 5. Efficient
 6. Transparent



Purchasing, Contracting and Equity



Many areas influenced this work and are at the center of this transformation.

- Anti-Racist Economic Justice (AREJ)
- Burns Institute Cohort
- Equity Action Circle (EAC) - Policy and Practices Committee
- Community input from Service Teams, Workshops, and Focus Groups.
- Purchasing and Contracting Action Teams (PCATs)

Promoting Inclusion and Equity (PIE) Initiative:

- Unravels how structural racism was established and currently lives in government purchasing and contracting.
- Challenges County and community leadership to collaboratively reimagine and implement equitable purchasing and contracting systems.

Purchasing, Contracting and Equity – Disparity Study

What is a Disparity Study?

A Disparity Study determines if inequities exist in public procurement and contracting that adversely affect disadvantaged businesses, minorities and/or women.

Status – Joint Disparity Study:

- State of MN will be issuing an RFP this fall.
- There are 11 public entities within MN participating.
- Ramsey County is participating in the development of the RFP.
- Goal is for the State to issue the RFP by year end.

PCGT and EST: Key Contributors & Collaborators

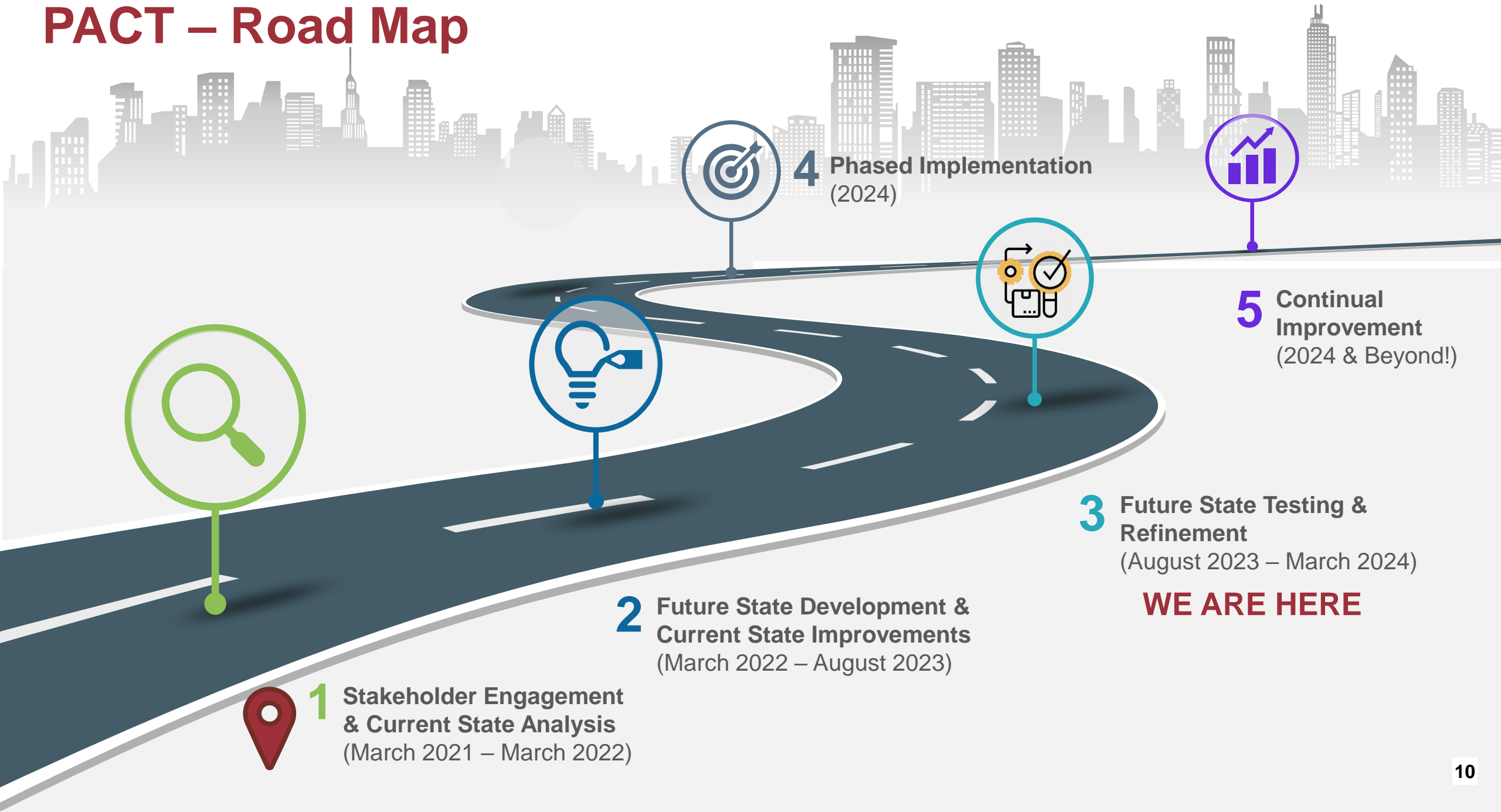
Purchasing and Contracting Governance Team

- Karen Francois, Deputy County Manager, IPR
- Scott Williams, Deputy County Manager, S&J
- Elizabeth Tolzmann, former Director of Policy and Planning, Chief of Staff, CMO
- Jennifer Schuster Jaeger, former Director of Health and Wellness Administration
- Dana DeMaster, Interim Director, Health and Wellness Administration
- Chetan Ganatra, Chief Information Officer, IPR
- Sam Clark and Jada Lewis, CAO
- Ling Becker, Director, Workforce Solutions

Executive Steering Team

- Sara Hollie, Director, Public Health
- Antonio Montez, Racial and Health Equity Administrator, Policy and Planning
- Karen Francois, Deputy County Manager, IPR
- Scott Williams, Deputy County Manager, S&J
- Ling Becker, Director, Workforce Solutions

PACT – Road Map



Purpose of PACT

- To execute against our strategic priorities.
- Effectively address internal and community feedback.
- COVID taught us that we could successfully simplify the overall process.

Focus Groups and Workshops were conducted to understand priorities from three different perspectives:

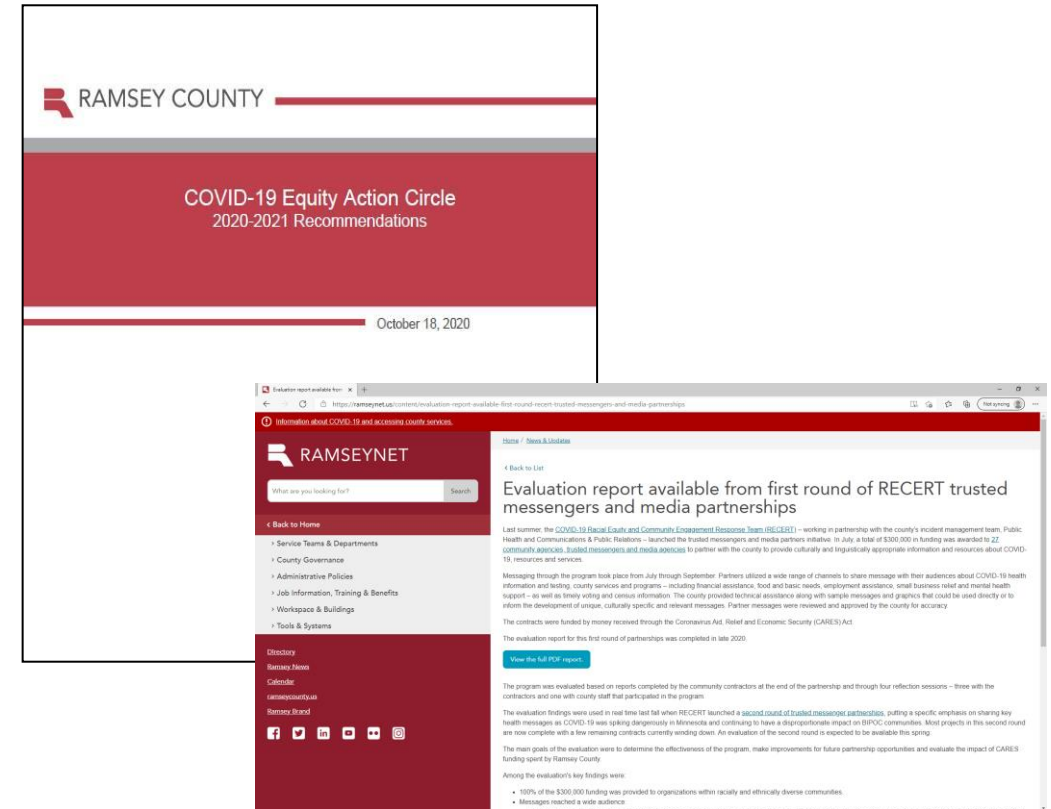
1. Business Owners (i.e., Ramsey County Leaders)
2. Community Partners and Contractors
3. Purchasing & Contracting staff

Feedback informed the establishment of the PACT efforts.

Current State: Focus Group Key Findings

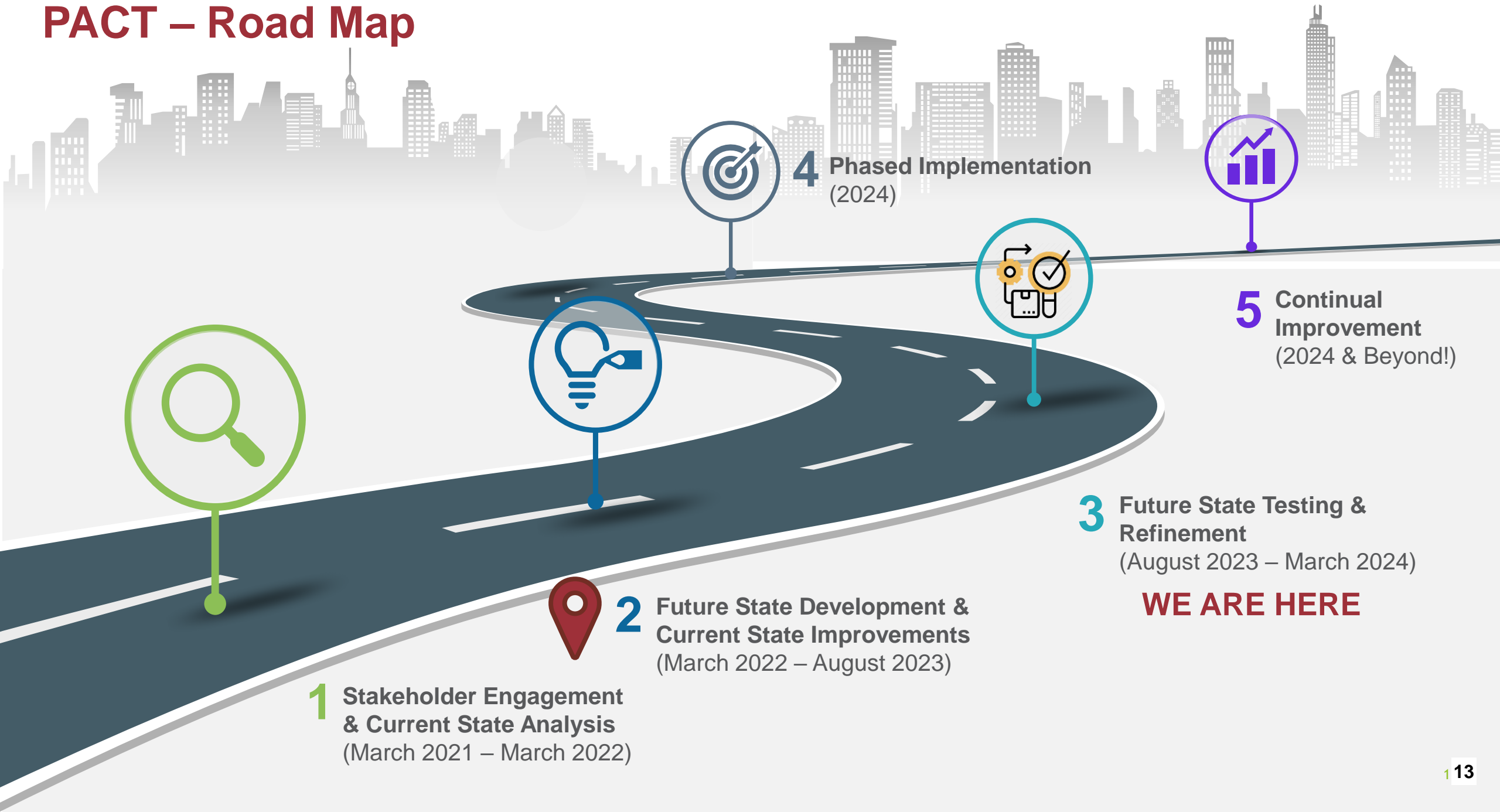
The contracting process:

- takes too long.
- is too complicated.
- is inconsistent.
- doesn't get resources to community fast enough.
- is challenging for small, diverse businesses to access.
- is not flexible enough.
- is transactional vs. relational.



The workshop participants identified 233 opportunities to be explored as part of the PACT effort.

PACT – Road Map



1 Stakeholder Engagement & Current State Analysis
(March 2021 – March 2022)

2 Future State Development & Current State Improvements
(March 2022 – August 2023)

3 Future State Testing & Refinement
(August 2023 – March 2024)

WE ARE HERE

4 Phased Implementation
(2024)

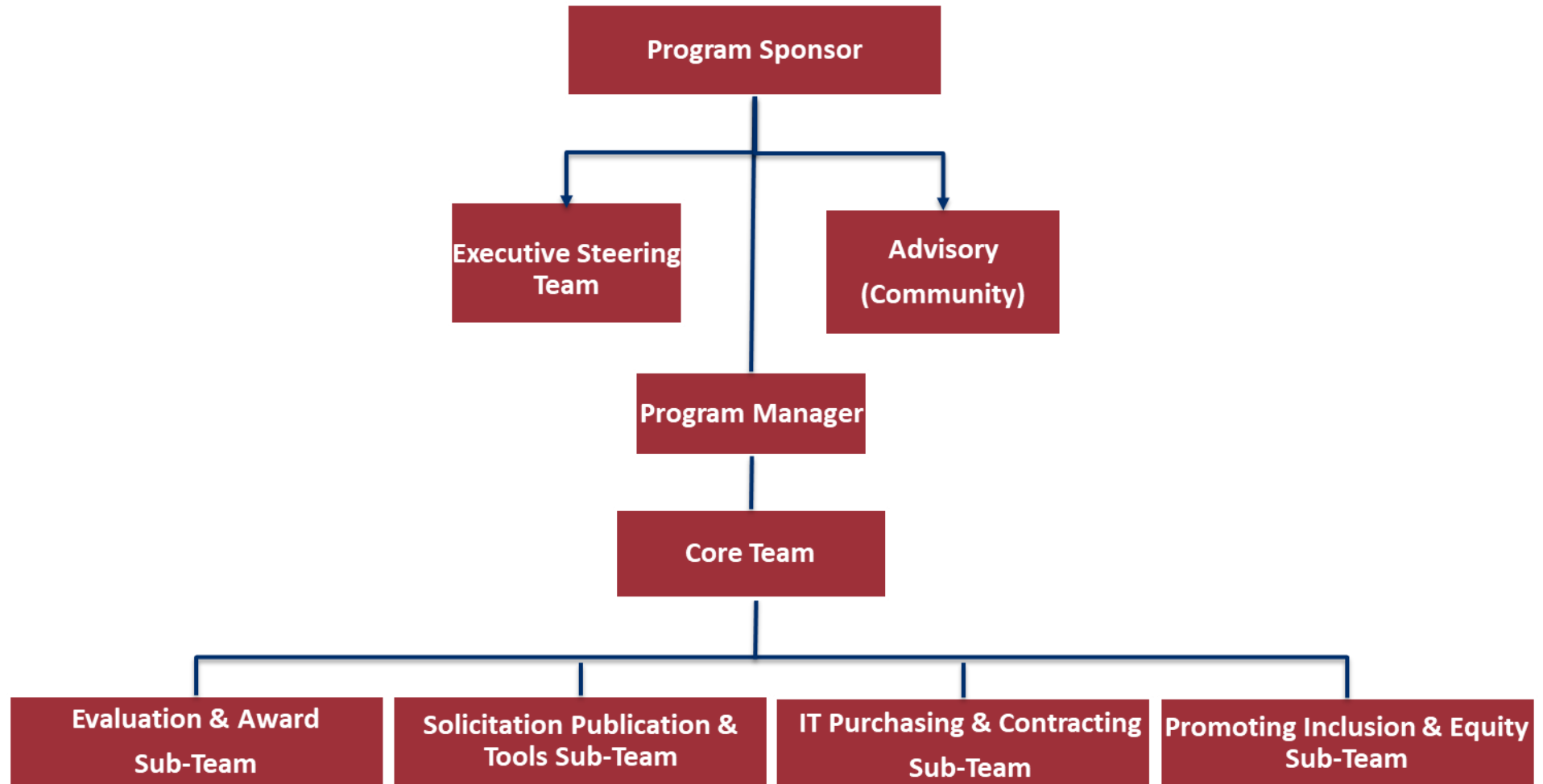
5 Continual Improvement
(2024 & Beyond!)

First Steps Post Discovery

- We developed our six values:
 1. Transformational
 2. Relational
 3. Equitable
 4. User Friendly
 5. Efficient
 6. Transparent
- Defined our initial scope: Professional Services and Expenditure Grants.
- Worked with the Purchasing and Contracting Governance Team and established a Program Executive Steering Team.
- Established a Program Structure.
- Identified and recruited the CORE team members.
 - Established sub-teams to enhance service team engagement.



Program Structure



Additional guidance/oversight by the Purchasing and Contracting Governance Team

Future-State Development

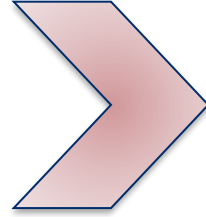
- Created efficiencies and improvements where possible – Quick Hits.
- Tested process improvements through Proof-of-Concepts (Expenditure Grants).

Utilizing human-centered design, we:

- Developed a new organizational structure.
- Developed policies, processes, and procedures (PPPs).
- Utilized an “inspect and adapt” improvement approach.

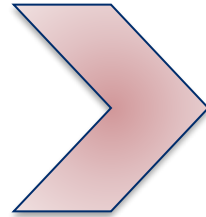
Quick Hits (1 of 2)

Reduced Insurance Requirements



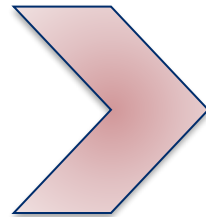
- Addressed a known pain point for community.
- Supported community businesses, saving money; allowed more contractors to do business with RC.
- Made contracting faster – getting services to community more quickly.
- Increased flexibility.

RFP-Related Solicitation and Response Process Changes



- Addressed a known pain point for community.
- Made contracting faster – getting services to community more quickly.
- Increased flexibility and saved money.

Removed Board Approval for RFP-Related Contracts



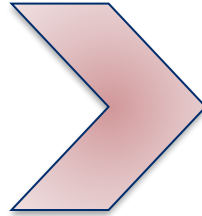
- Provided consistency to all Service Team procurement staff.
- Made contracting faster – getting services to community more quickly.

Major Benefits

Quick Hits (2 of 2)

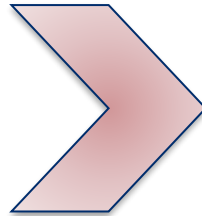
Major Benefits

**Ability to Amend
Expired Professional
Services and Single
Source Contracts**



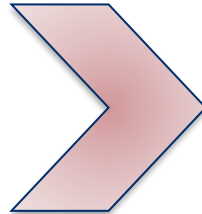
- Supported continuity of services for community.
- Made contracting faster – getting services to community more quickly.
- Increased flexibility.
- Addressed major issue for staff.

**Ability to Make Multiple
Payments on a Single
Purchase Order**



- Increased flexibility on how we do business with community.
- Allowed contractors to get paid more frequently.
- Addressed major issue for staff.

**Multiple Awards for One
Solicitation**



- Built wealth for more businesses in our community.
- Increased flexibility on how we do business with community.

Proof-of-Concepts for Expenditure Grants

Workforce Solutions (WFS) Inclusive Employer Champion Grants
Transforming Systems Together (TST) Child Protection/Foster Care Grants
Public Health – Community Innovation for Racial & Health Equity Grants



“I like how the whole process was created from the bottom to the top.”

“There was great effort put into all the documents to capture the right data and outcomes.”

“I would Love to Participate Again. Excellent Work and Well Done!”

Proof-of-Concepts for Expenditure Grants

What Changed?

- Posted the opportunity on the County website vs. DemandStar.
- Utilized a simple agreement template for contractor responses.
- Utilized and evaluated modified Evaluation/Review process, training, scoresheets, and documentation.
- Simplified expenditure grant Agreement template.

Note: Collaborative effort between procurement, legal, program leads and community.

Lessons learned informed the future-state processes and documentation.



What is Transforming?



People

Streamlining communications for business and community with a main point-of-contact.



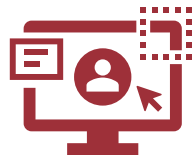
Process

Improving processes to decrease time to contract execution by 50%.



Forms

Consolidating documents into a single flexible solicitation format and simplified responses.



Tech

Modernizing systems to meet user needs.





People

Today

Contractors have minimal support and often have multiple contacts in the County.

Departments and Service Teams have different procurement resources, processes, and experiences.

Tomorrow

Community and businesses will have support throughout the process and one main-point-of-contact.

Dedicated staff will work with every Service Team/Department to coordinate all procurement needs leading to more consistency and support.



Process (1 of 2)

Today

Average cycle time from intake to contract execution is 36 weeks.

Utilization of CERT vendors is encouraged and tied to performance measures.

Tomorrow

Decrease time by 50% to 18 weeks - getting funds and services to community faster.

CERT contractors are a first stop with required feedback if a CERT contractor is not identified. Additional support to recruit more CERT vendors and explore opportunities beyond CERT.



Process (2 of 2)

Today

Expenditure Grants do not have a clear process and are not widely used.

Over reliance on Single and Sole Source contracts.

Tomorrow

Create clear policies and procedures for expenditure grants – increasing ways to serve our residents.

Single Source requests will require more rationale and approvals. Allows for a more competitive process to increase access to opportunities.



Forms

Today

Multiple solicitation types based on funding source and contract type.

Forms are Supplier Contractor Module (SCM) or email-driven.

Tomorrow

Single, simplified solicitation document regardless of funding or contract type – offering much more flexibility to staff and more ways for community to respond.

Forms will be digitized whenever possible with integrated workflows and approval routings – services will get to community faster.





Technology

Today

Tomorrow

Solicitations are published through DemandStar; limited social media presence.

Increased access to contracting opportunities through the website, robust social media campaigns, and community-based ads.

DemandStar, Aspen/SCM, MS Office applications

Researching a robust, end-to-end, user-friendly system with possible interim solutions – decreasing barriers and complexity.

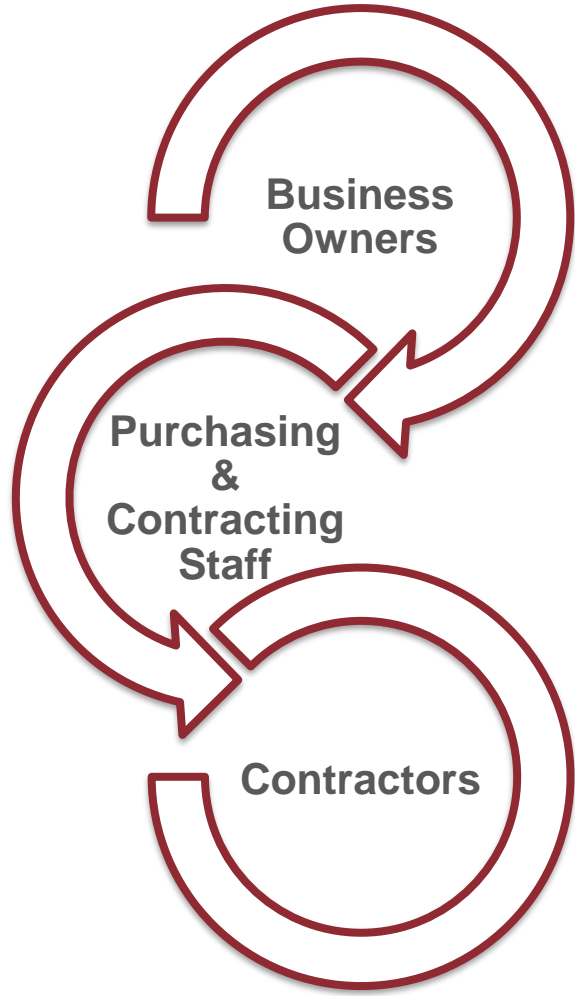
Where are We Going? - Program Measures of Success

- Business Owners' Satisfaction
- Contractors' Satisfaction
- Procurement Practitioners' Satisfaction
- Operational Effectiveness
- Financial Equity
- Strategic Planning
- Operational Efficiency



Each success measure has a quantified target.

Measure of Success: Stakeholder Satisfaction



Measure of Success:

- Staff and Community find the purchasing and contracting process user-friendly, efficient, transparent, equitable, and relational. This will be measured through surveys.
 - **Target:** 80% of those surveyed rate the user-friendliness, efficiency, transparency, equity, and relational aspects of the purchasing and contracting process as a 4 or above on a 5-pt scale by 12/31/24.

Alignment with Ramsey County's Strategic Priorities:

- Advancing racial and health equity and shared community power
- Intergenerational prosperity for racial and economic inclusion
- Aligning talent attraction, retention and promotion

Measures of Success: Operational Effectiveness and Financial Equity

Measures of Success:

- We will be more efficient and do our work faster – getting both funds and services to our community in less time.
 - **Target:** Cycle times are decreased by 50% from a baseline average of 36 weeks by 12/31/24.
- We will increase our CERT percentage and spend.
 - **Target:** Increase annual CERT spend by 15% from baseline of 4% for all procurements and total contract value will increase by 15% from a baseline of \$25.5M by 12/31/24.

Alignment with Ramsey County’s Strategic Priorities:

- Residents first: effective, efficient and accessible operations
- Advancing racial and health equity and shared community power
- Intergenerational prosperity for racial and economic inclusion

TST Grant Awardees

[Transforming Systems Together](#) (TST), Ramsey County’s shared decision-making initiative with community members, has awarded \$1,228,550 to 26 community organizations and individuals in its first-ever round of grantmaking.

The grants support organizations and community members in providing programs and services directly to those who have, or are potentially vulnerable to, involvement in the child protection system in Ramsey County.

These opportunities are centered on child protection and foster care in three categories:

- **Innovation:** Grants between \$50,000 - \$100,000.
- **Micro:** Grants between \$10,000 - \$35,000.
- **Individual:** Grants up to \$10,000.

See the first-round grantees below.

- + Innovation Grant awardees
- + Micro Grant awardees
- + Individual Grant awardees

Measure of Success: Strategic Planning and Operational Efficiency

Measures of Success:

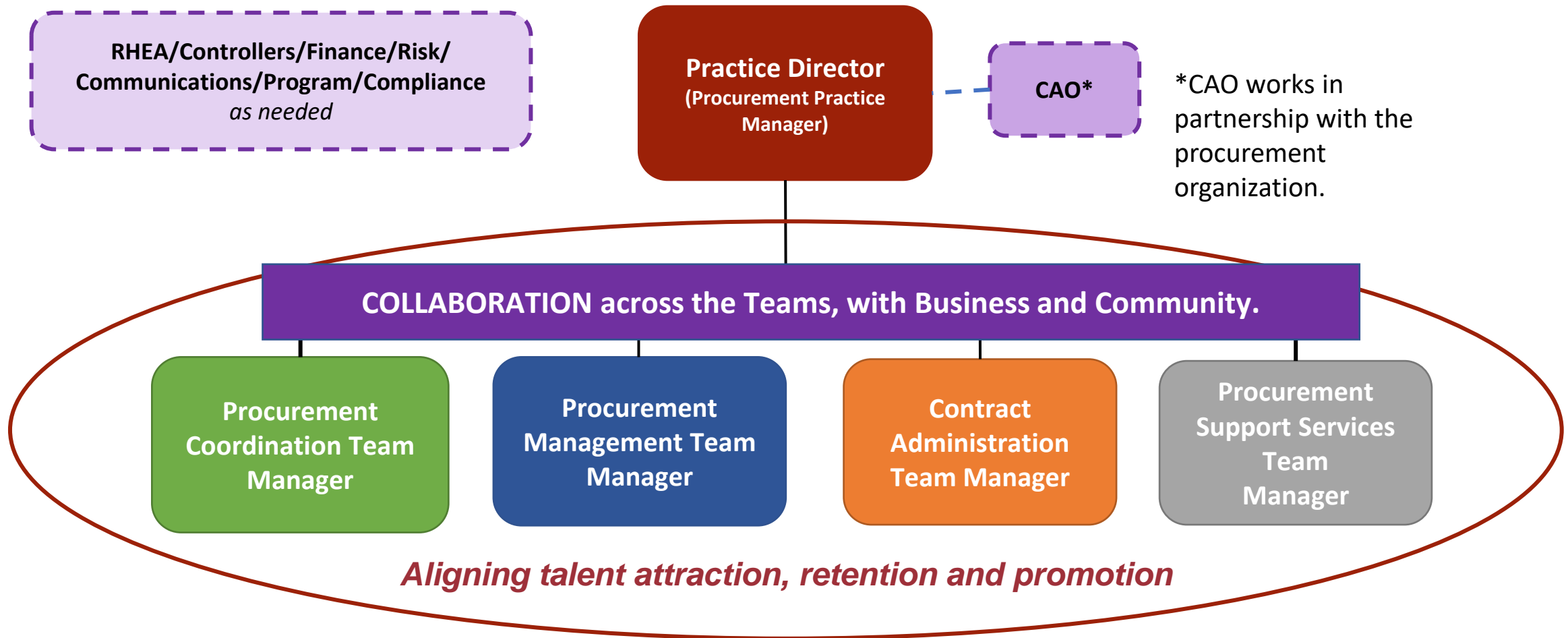
- Our staff and community know what we plan to do next, which will help community plan to support services within Ramsey County.
 - **Target:** 3-year procurement-based portfolios and roadmaps that underpin each service team's strategic objectives and priorities will be developed by 12/31/24.
- We will proactively monitor and manage the steps within each procurement.
 - **Target:** 80% of established milestones for each procurement are met or exceeded by 12/31/24.



Alignment with Ramsey County's Strategic Priorities:

- Advancing racial and health equity and shared community power
- Intergenerational prosperity for racial and economic inclusion
- Residents first: effective, efficient and accessible operations

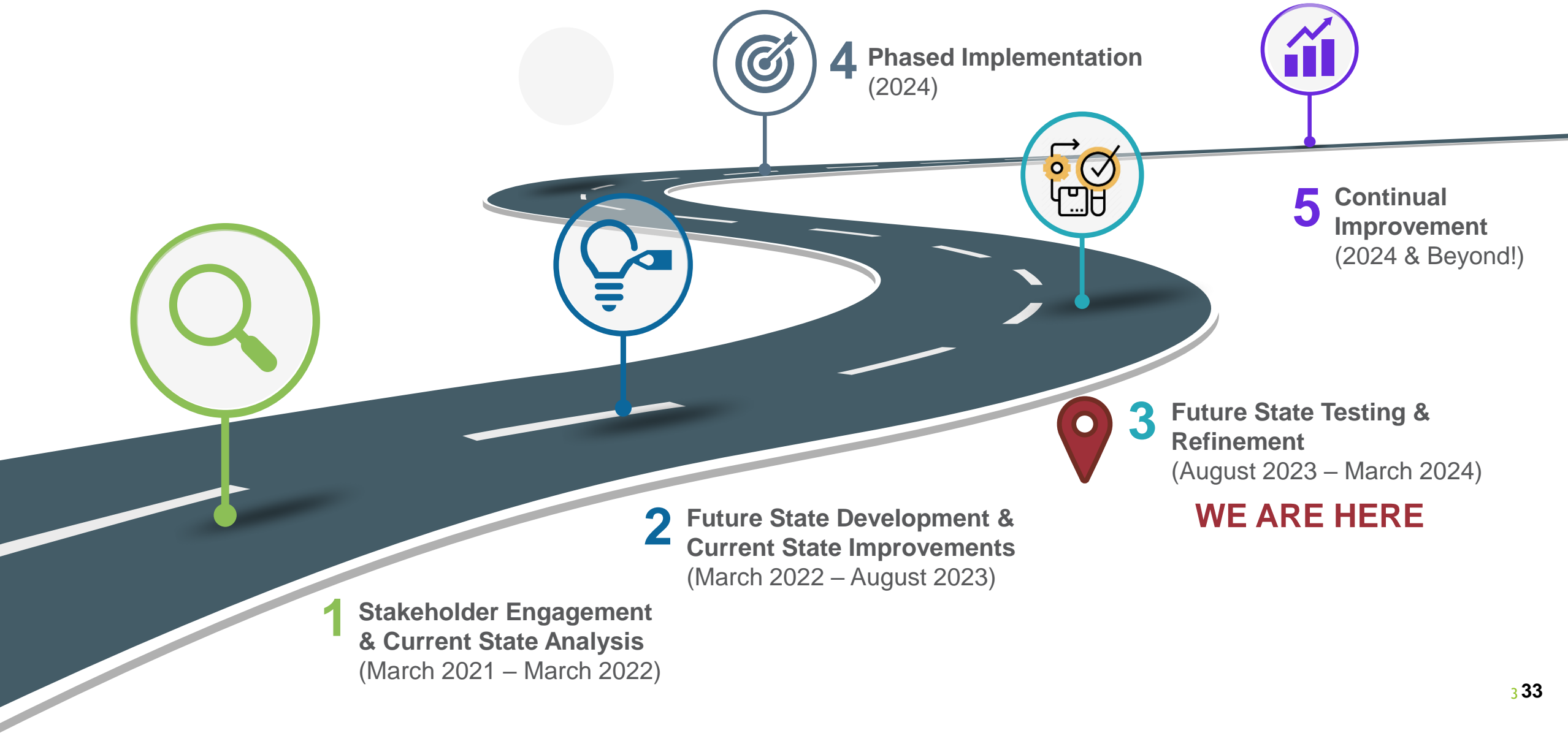
Future State – Organizational Structure



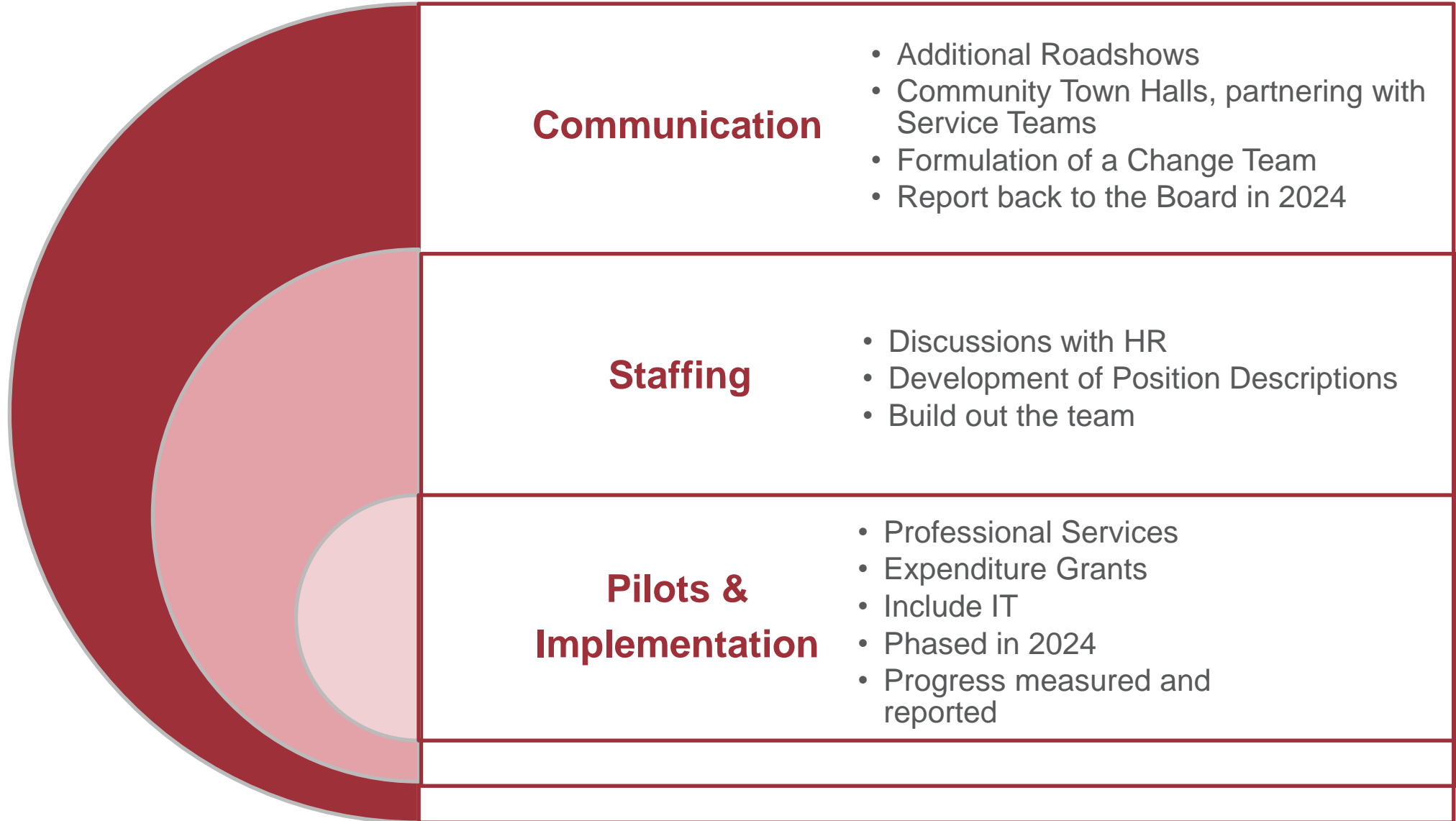
What about IT and Construction?

- **Information Services** is currently working on the transformation of their processes and procedures for solicitations and agreements containing IT components.
 - IS changes will be incorporated in future-state Policies, Processes, and Procedures.
- **SEML and Construction** are out of scope for now, but we continue to work on Construction Best Value and other options.

PACT – Road Map



Next Steps





Contact us: Info.Procurementmod@co.ramsey.mn.us

Watch for updates: <https://ramseynet.us/service-teams-departments/strategic-team/finance/procurement-division/procurement-modernization>