



# Procurement Strategy for Information Systems

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Purchases



# Procurement Strategy

- Defines a plan for optimizing external spend, procurement operations and other value contributions in a manner that supports the overall state agenda.



# How would you describe your agency's approach to IT Procurement Strategy

- A. We do not utilize one
- B. We informally have a strategy, but it's not documented
- C. We have a simple documented strategy, but it's not very comprehensive, more of a vision statement
- D. We develop a procurement strategy annually, using a formal approach and it is documented and distributed throughout the agency



# Procurement's Challenge

- Procurement processes are heavily codified to preserve the integrity & equity of the process for those in the marketplace. As new & emerging technologies and markets are created, the adaptation of codified processes and procedures often lag behind.
- One of the greatest challenges of a procurement professional is balancing the need to adapt ???? with the responsibility to preserve the integrity of a fair & equitable procurement process.



# Issues

- Agencies operate in silos
- Procrastination
- Bringing in procurement at the 11<sup>th</sup> hour
- Communication
- Rapid pace of technology advances
- A need for standards based procurement procedures
- Complexity in public procurements



# Where we're headed...

- Substantial expenditures & allocation of taxpayer dollars
- Aligning IT procurement & enterprise architecture
- How can we deliver IT services more effectively
- Finding savings through streamlined initiatives



# Recommendations

- Think ahead & communicate plans with procurement
- Let's use what we already own
- Use of correct material numbers to help track spend
- Review & utilization of cooperative contracts
- Understand your limitations
- Cooperation from agencies
- Create 'open enrollment' periods for commonly ordered items for purchasing power:
  - Internet connectivity
  - Storage space
  - Security monitoring
  - Virus protection
  - Server virtualization



# The Ideal – Strategic Goals

- ✓ Agency CIO's
  - ✓ Procurement Officials
  - ✓ Vendors
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- Communicate early & often to make the procurement process as effective as possible for reaching strategic goals in a cost-conscious manner.
  - Agency management should expressly embrace the procurement process.
  - Create a transparent methodology that provides the best value for the state.
  - Through a higher level of standardization, streamline IT products, services and ultimately, state contracts.