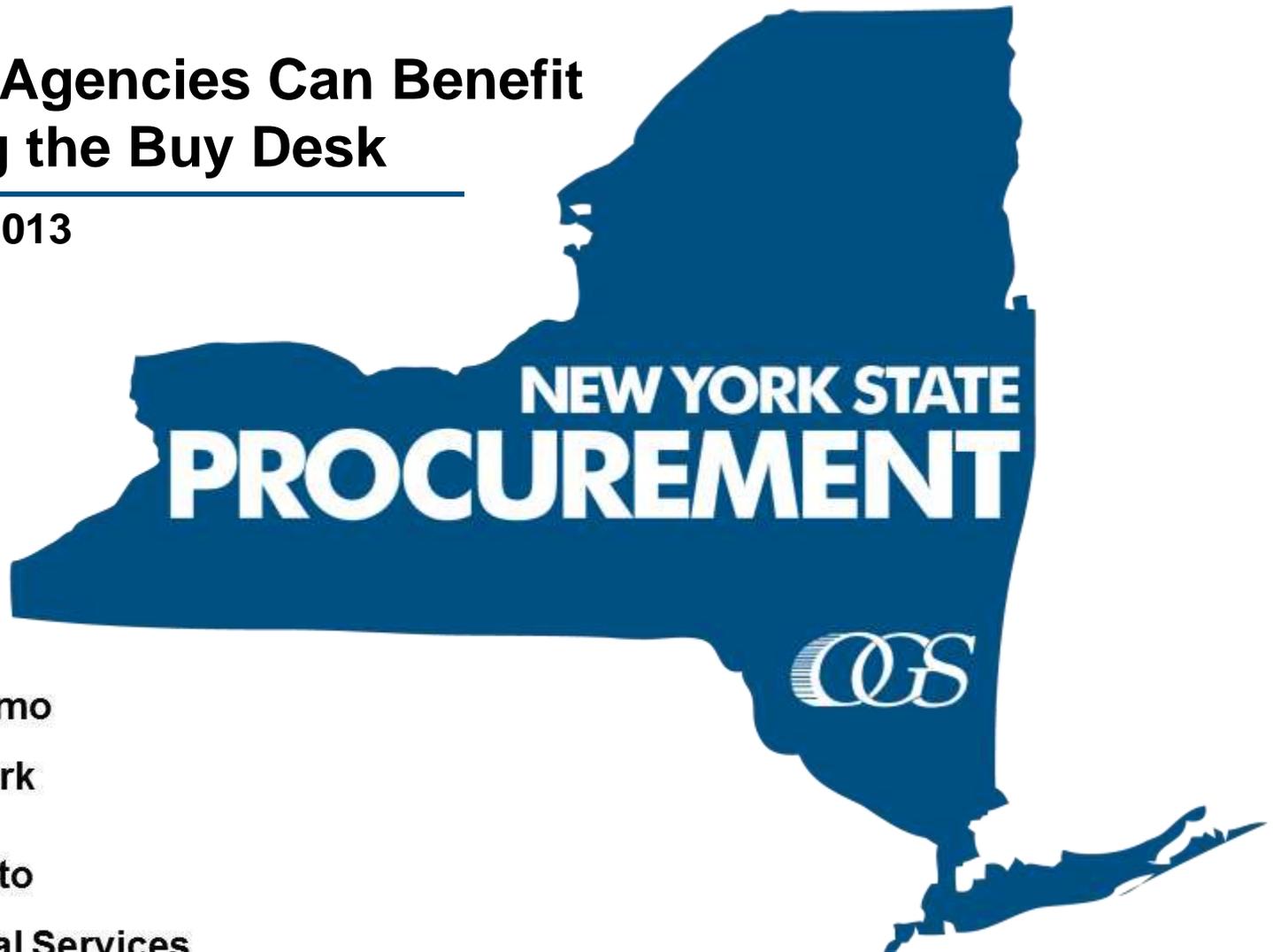


**SAVE!**

**How State Agencies Can Benefit  
from Using the Buy Desk**

---

**May 15 & 16, 2013**



**Andrew M. Cuomo  
Governor  
State of New York**

**RoAnn M. Destito  
Commissioner  
Office of General Services**



# Assisted Buy Desk

Piecing Together Savings for NYS Agencies



SERVICE • ACCOUNTABILITY • VALUE • EFFICIENCY

# Agenda

---

- I. The Buy Desk Governance & Management
- II. The Governor's Objective & Assessment
- III. Strategic Sourcing and the Buy Desk
- IV. The Assisted Buy Desk Mission and Goals
- V. The Buy Desk Process
- VI. When to contract the ABD
- VII. How do you use the Buy Desk
- VIII. What to expect from the Buy Desk
- IX. How does the Buy Desk Create Savings?
- X. How much has the Buy Desk **SAVED** since inception?
- XI. Template Review
- XII. Questions?



SERVICE · ACCOUNTABILITY · VALUE · EFFICIENCY

# ABD Governance Structure

The Governance Structure identifies those with the authority to define strategies, make key decisions, provide oversight and manage performance to ensure strategies are executed consistently within the Assisted Buy Desk.



SERVICE · ACCOUNTABILITY · VALUE · EFFICIENCY

# The Buy Desk Team and Support



<u>Position</u>	<u>Name</u>	<u>Phone #:</u>
Buyer	Michelle St. Jock	518-474-3922
Buyer	Christine Brady	518-474-9867
Buyer	Allison White	518-473-3925
Team Email	<a href="mailto:SST_AgencyBuyDesk@ogs.ny.gov">SST_AgencyBuyDesk@ogs.ny.gov</a>	
Webpage	<a href="http://www.ogs.ny.gov/BU/PC/">http://www.ogs.ny.gov/BU/PC/</a>	



**SERVICE · ACCOUNTABILITY · VALUE · EFFICIENCY**

## Governor's Objective – A **New** New York

---

Since the beginning of his term, Governor Cuomo has supported procurement transformation.

*In 2010, as part of transformation process, the New York State procurement process was analyzed and evaluated by Accenture. From this the Strategic Sourcing Initiative was created.*



*“New York State is on the way to coming back stronger than ever before.... We have big problems, but we are confronting them with big solutions.”  
-Governor Cuomo, January 4, 2012*



SERVICE · ACCOUNTABILITY · VALUE · EFFICIENCY

## Strategic Sourcing Initiative

---

***The Strategic Sourcing initiative was approved and implemented in June 2011, with the goals to improve the procurement process, to capture additional savings opportunities, better leverage its total spend, and adopt best practices in procurement by taking a strategic approach to State purchases, based on use and need.***

### **Strategic Sourcing (Waves I – IV)**

- is a procurement approach aimed at finding, evaluating and engaging suppliers through a structured, market-based process
- considers cost and quality factors, and aligns them with usage patterns and needs to find a best-fit solution for the particular buyer and situation.
- achieves savings by identifying use guidelines and by leveraging the volume and other strategic aspects of a business relationship



SERVICE • ACCOUNTABILITY • VALUE • EFFICIENCY

# Benefits of Strategic Sourcing

---



- ✓ Cost savings that directly impact the State budget
- ✓ Greater procedural consistency of sourcing processes across the State.
- ✓ Better leverage of the State's buying power for a more effective use of tax dollars
- ✓ More efficient procurement processes, which enable State procurement professionals to provide their customers what they need, when they need it
- ✓ Enhanced procurement and contract management capabilities

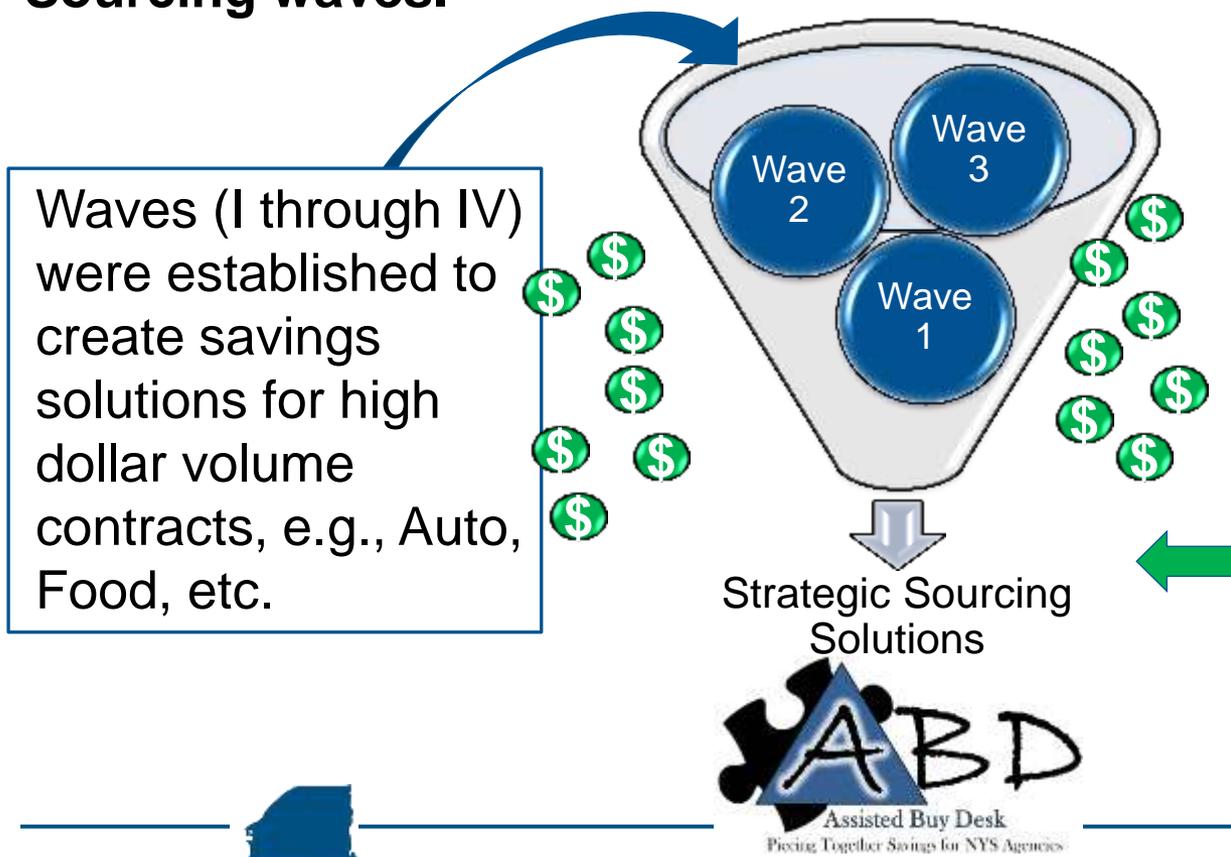


SERVICE · ACCOUNTABILITY · VALUE · EFFICIENCY



## Assessment Results

The Assisted Buy Desk was created with State and Accenture resources, as a way of identifying and evaluating procurement opportunities for incremental savings outside of the Strategic Sourcing waves.



There were items not included in the defined Strategic Sourcing Scope.

These included:

- Urgent purchases that could not wait for the longer strategic sourcing process, and
- Unique high-value individual purchases.



SERVICE · ACCOUNTABILITY · VALUE · EFFICIENCY

## ABD Mission and Goals

---

***The mission of ABD is: 1) to assist agencies in achieving savings in the purchasing process, and achieve savings for agencies at the purchasing or transaction level, and 2) to identify and execute identified Buy opportunities to achieve savings for New York State.***

The primary ABD question is: **[Is there an opportunity for savings?](#)**

The team focuses on tactical purchasing activities to:

- identify opportunities for savings,
- support agency negotiations, and
- improve pricing on individual purchases.

**The ABD has an annual savings goal towards the State's Financial Plan**

NOTE: The ABD is not a control agency and do not “approve” transactions like the Office of the State Comptroller or the Division of the Budget.



**SERVICE · ACCOUNTABILITY · VALUE · EFFICIENCY**

## ABD Opportunity Buys

---

**In addition to supporting State agencies, the ABD will research and identify savings opportunities for the State.**

The ABD identifies categories to research through suggestions through agencies, internal market analysis or in conjunction with the Strategic Sourcing teams.

*Below are some categories the ABD is analyzing purchases in :*

- Enterprise Hardware
- Office equipment
- Miscellaneous software
- Telecom equipment
- Advertising and marketing
- Audit services
- Building management Services
- Educational services

***The ABD looks at buys in this category to create leverage for savings.***



**SERVICE · ACCOUNTABILITY · VALUE · EFFICIENCY**

# The Buy Desk Process

---



- Receive purchase request form from agencies
- Gather projected procurements through informal means

- Review request and determine if it is a candidate for Buy Desk
- Work with requesting Agency to understand details and timeline of request

- Obtain market benchmarks or use historical spend to determine opportunity
- Assemble fact base for negotiations if necessary
- Create baseline document

- Work with agency to engage marketplace, leveraging fact base
- Negotiate with supplier or solicit quotes

- Finalize pricing
- Obtain confirmation of results
- Create savings document



**SERVICE · ACCOUNTABILITY · VALUE · EFFICIENCY**

## When to Contact the Buy Desk

---

### All Executive Agency purchasing is within scope:

- **Contracts**: All solicitations, RFPs, IFBs, mini-bids, single and sole source, extensions (including no-cost extensions), etc.
- **Purchasing**: Any purchase over \$20K, regardless of whether a centralized contract is being used, should be submitted to the Buy Desk.

### The following are exceptions:

- travel,
- issue of grants,
- capital projects,
- membership dues,
- conferences fees,
- preferred source purchases, and
- purchases utilizing completed sourcing categories / contracts



SERVICE • ACCOUNTABILITY • VALUE • EFFICIENCY

## How to work with the Buy Desk

---

***Agencies should complete the ABD request form (template) and include:***

- Provide complete proposed Buy information
  - Term of contract,
  - Cost containment or price adjustment (CPI / flat), and
  - Current intention: plan to quote among resellers etc.
- **Submit as early as possible, with at least two weeks in advance of the anticipated purchase date**
- Do not submit purchases for already obligated payments / services already rendered
- Reflect the full purchase value for the duration of the procurement being submitted



SERVICE • ACCOUNTABILITY • VALUE • EFFICIENCY

# How to work with the Buy Desk

---

## What does a good submission look like?

- Request date is the date the email/template is submitted to the Buy Desk
- Complete and appropriate answers in cells, e.g., numbers dollar amount fields, dates in date fields (No ASAP, N/A)
- Completely filled out (no blanks unless it is not applicable)
- Important information in the Notes field:
  - Term of service/contract start and end date;
  - How many quotes were received?
  - Any historical discounts received with purchase;
  - Clarify any urgent needs related to the purchase.
  - Any information you would have included in dollar or date fields that isn't numbers.



## What to Expect from the Buy Desk

---

➤ Initial response should be within 2-4 days. Responses include:

- Proceed with purchase
- Hold for centralized contract availability
- Continue to work with the Buy Desk
- Request for more information



➤ Buy activities and timelines will vary. The Buy Desk will communicate our expected timeline, other involved parties for negotiation, and expectations for/needs from agency.



SERVICE • ACCOUNTABILITY • VALUE • EFFICIENCY

# What Strategies does the ABD Use to Create Savings?

---



- Collect agency purchasing requests before a purchase is made
- Review agency purchasing requests to identify opportunities for savings
- Make recommendations to agencies regarding savings opportunities and strategies
- Assist agencies with a competitive exercise, if applicable. *Many agencies have saved money on purchases by simply conducting a Request for Quote (RFQ) before final purchase.*
- “Rule of Three” - Buy Desk recommends quotes from more than three vendors for price comparisons.
  - In the case of Miscellaneous Software, there are recommended dollar amounts and you only need one quote, vs. the ABD requires quotes from 3 Vendors



SERVICE • ACCOUNTABILITY • VALUE • EFFICIENCY

## What does the Buy Desk do to **SAVE**?

---



As the Central Buying organization, we can create savings by:

- Aggregating volume across agencies;
- Adjusting the timing of purchases;
- Collaborate purchasing with other agencies;
- Acting on behalf of the agencies; compete purchases with vendors and resellers on behalf of agencies.
- Assist with clause/ language used in contract or P.O. to create savings
- Verify or re-negotiate the CPI Calculation in existing contracts or purchases; e.g., current CPI could be dated or based on the wrong metric



**SERVICE · ACCOUNTABILITY · VALUE · EFFICIENCY**

## How much has the Buy Desk **SAVED**?

---



***As of March 2013, the Assisted Buy Desk has saved agencies \$5.9M.***

This is without full agency participation. With full participation, this number would multiply!

### EXMAPLE: Miscellaneous Software

- Cisco: ABD reached out to agencies for inclusion into an aggregated buy for equipment and issued a Request for Quotation (RFQ) to Value Added Resellers (VAR) for the combined volume.
- Oracle: Multiple agency purchases were aggregated and expedited with ABD assistance and a greater discount was realized as a result of the higher volume.



**SERVICE · ACCOUNTABILITY · VALUE · EFFICIENCY**

---

# TEMPLATE DISCUSSION



**SERVICE · ACCOUNTABILITY · VALUE · EFFICIENCY**

## Updated Submission Form

---

- Designed based on user feedback
- Template is no longer locked
  - The information returned is pulled into our master spreadsheet.
  - Please do not alter columns or order of columns.
- Instructions on separate tab instead of taking viewing valuable space
- Removal of B-1184 column
- Removal of historical discount received column
  - If different information than Last Price Comparison, please put into notes section.
- Dates relocated to be grouped together



SERVICE · ACCOUNTABILITY · VALUE · EFFICIENCY



# ABD Request Template

Assisted Buy Desk Agency Request Form

Version  
3.6.12

**Instructions:**

Agencies should complete a new form each time they submit opportunities to the Assisted Buy Desk. Once you submit an opportunity, please do not include it on the request form again. Complete the sheet by filling in all of the shaded cells. Instructions about the completion of each field are listed in grey below each field.

**Do Not** resubmit responses

Request Date

Agency Name

Agency Name	Agency Contact	Vendor	Request Description	Estimated Cost \$
Auto fill from above	Who to ask questions about this opportunity	If already planned, who you intend to purchase the product from	Description of product to be purchased	Expected expense based on past purchase, quote or market knowledge
Example Response	Jane Doe	ABC Widgets Inc	A Case of flying widgets	\$ 200.00



SERVICE · ACCOUNTABILITY · VALUE · EFFICIENCY

# ABD Request Template

Fund Type	Historical Discounts received	Last Price Comparison	Targeted Procurement Date	Latest Possible Procurement Date
Choose from drop down menu (GF, SRO, SRF, ISF, Multi)	Describe any discounts that have been received for this item	last price received (purchased, quote, etc.)	Date that you intend to make the purchase	Latest date that the procurement can be made. Please explain in notes
SRO	20% off list price	\$100 each quote	3/15/2012	3/30/2012



SERVICE • ACCOUNTABILITY • VALUE • EFFICIENCY

# ABD Request Template

B-1184 # if applicable	Purchase Type	Contract # if Applicable	Is vendor MWBE?	Procurement Method
B-1184 number	Choose from drop down menu. If Renewal/annual detail comparison to previous purchase	Contract numbers available for item	Choose yes/no from drop down	Choose from drop down how item will be procured (IFB, RFP, Contract Negotiations)
	Annual/Renewal	C1111	No	RFP



SERVICE • ACCOUNTABILITY • VALUE • EFFICIENCY

# ABD Request Template

Procurement Status	Accompanying Documents	Notes	Submission Date
Choose from the drop down menu	Provide the name of any documentation that is being provided along with this request	Add any additional detail about procurement here	Auto fill from above
3-Existing Contract	ABCWidgetsQuote.doc	We have attached vendor's most recent quote to this f	1/31/2012



SERVICE · ACCOUNTABILITY · VALUE · EFFICIENCY

# Lessons Learned

---

## TIMING IS KEY:

All agencies will not be prepared to purchase at the same time.



## CONFIRM VENDOR BUY IN:

All Vendors do not make a “best and final” offer other than exact contract pricing.

- Selected SW Vendors
- Automated Electronic Defibrillator’s (AED’s)



SERVICE • ACCOUNTABILITY • VALUE • EFFICIENCY

# Questions

---



**SERVICE · ACCOUNTABILITY · VALUE · EFFICIENCY**



# APPENDICES



**SERVICE · ACCOUNTABILITY · VALUE · EFFICIENCY**

# Frequently Asked Questions

---

## ***What is the Assisted Buy Desk?***

The Assisted Buy Desk (ABD) is a centralized purchasing team established to achieve savings for agencies at the purchasing or transaction level. The team focuses on tactical purchasing activities by State agencies in order to identify opportunities for savings, support agency negotiations, and improve pricing on individual transactions.

## ***Why has the Assisted Buy Desk been established?***

As part of the Procurement Transformation team's data collection efforts, the State identified numerous opportunities to secure additional savings on select purchases across agencies. The ABD aims to capture that savings, particularly in areas not yet addressed through its Strategic Sourcing efforts or in high-value individual purchases.

## ***How is the Assisted Buy Desk different from the rest of NYS Pro?***

The Assisted Buy Desk is a supplemental capability to the Sourcing Projects being implemented by NYS Pro. The ABD is guided by the same principles of leveraging the State's buying power and making procurement decisions based on factual market data and quantitative analysis. The Buy Desk differs in that it is focused on more tactical single-agency purchases and immediate savings opportunities.

## ***How will the Assisted Buy Desk save my agency money?***

The Assisted Buy Desk has purchasing visibility across agencies and can assist agencies with pricing negotiations under specific contracts or discretionary purchases where there may be an opportunity to aggregate spend across multiple agencies. ABD can also inform agency staff about timing of purchases vis-à-vis new or renewed centralized contracts, as well as specific Strategic Sourcing vendor negotiations.



**SERVICE · ACCOUNTABILITY · VALUE · EFFICIENCY**

## **Frequently Asked Questions (cont'd)**

---

### ***Is my agency required to participate in Assisted Buy Desk activities?***

Agencies should contact the Buy Desk and submit a request for any purchase that is within scope of the Buy Desk, provided on the *When to Contact the Buy Desk* document. The Buy Desk will work with the agency to determine whether the agency should temporarily suspend the purchase until contract development in that category is completed and a new solution is available, if the purchase is a candidate for Buy Desk assistance, or if the agency should proceed on its own.

### ***Will the Assisted Buy Desk increase the time it takes for my agency to conduct a procurement?***

Buy Desk review of agency purchases should assist in expediting the B-1184 approval process. The intent of the Buy Desk is to move quickly to assist agencies. Agencies should contact the Buy Desk for a determination regarding a specific purchase after all internal agency and external programmatic approvals have been received (e.g. Agency Head sign-off and PTP, if applicable). Much delay can be avoided by completely filling out the request template and submitting requested information back to the Buy Desk in a timely manner.

### ***Who will issue the final purchase order or contract after Buy Desk activities?***

Agencies will still be responsible for processing individual purchase orders or contracts.

