

Service Area Plan

Department of General Services

Statewide Procurement Services (73002)

Service Area Background Information

Service Area Description

This service area implements the Virginia Public Procurement Act (VPPA) and provides a program and standards for the efficient and effective procurement of non-technology goods and non-professional services for government operations. Products and services include:

- Policies and procedures to interpret the VPPA for public bodies in the Commonwealth,
- Electronic Procurement system (eVA),
- Virginia Partners in Procurement and Statewide contracts. Focus on spend management and collaboration between agencies, institutions, and other public bodies to leverage the buying power of the Commonwealth, and
- Customer assistance such as training, consulting, technical assistance and operational assessments targeted to maintain the integrity of the procurement process.

Service Area Alignment to Mission

This service area aligns directly with DGS' mission of delivering quality, cost-effective and timely services while also serving businesses and citizens.

Service Area Statutory Authority

- §2.2-1100 of the Code of Virginia establishes the Department of General Services and its divisions, and establishes the authority of the Department Director.
- §2.2-1109 through §2.2-1128 establish the Division of Purchases and Supply and its authority.
- §2.2-4300 through §2.2-4377 of the Code of Virginia, known as the Virginia Public Procurement Act, enunciates the public policies pertaining to government procurement from nongovernmental sources.

Service Area Customer Base

Customer(s)	Served	Potential
Administration and Legislature (Base served and potential unknown)	305	314
Other Public Bodies of the Commonwealth	314	314
Other States	0	49
Procurement professionals and agency individuals with purchasing authority	9,000	9,000
State agencies and institutions	171	171

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Anticipated Changes In Service Area Customer Base

- State agencies and institutions:

Increased utilization of the Commonwealth's eProcurement system, eVA, and continuation of the Virginia Partners in Procurement (VaPP) spend management program are expected to result in additional requests for support and training.

- Other public bodies of the Commonwealth:

Substantial growth is expected in this customer base as outreach efforts are extended throughout the Commonwealth to local governments, school systems, and other public bodies. VaPP contracts are available to serve all 314 public bodies in the Commonwealth while current eVA outreach efforts have successfully reached approximately 104 of the potential customer base of 314. However, this number is expected to increase dramatically as other public bodies become aware of the financial benefits of participating in electronic procurement and spend management cooperative procurement.

- Procurement professionals and individuals with purchasing authority:

Significant increase is expected in this customer base as more Commonwealth agencies and political subdivisions implement professional procurement practices, eVA electronic procurement, and Virginia Partners in Procurement spend management. In addition, DPS requires that an agency's Chief Procurement Officer and lead buyer have Virginia Contracting Officer certification to be granted increased delegated procurement authority. Also, the Department of Accounts states its preference for VCO certification for anyone holding the purchasing "Gold Card." These factors have resulted in increased requests for professional certification training and technical advice.

- Suppliers:

Increased use of electronic procurement by the supplier community is increasing the demand for training and assistance. This trend will continue over the next several years.

- Administration and Legislature:

The increasing complexity of state procurement is generating inquiries to the administration and legislature from constituents requesting assistance and answers to issues. The volume of these inquiries is expected to increase.

- Higher Education Restructuring:

As a result of the Restructured Higher Education and Financial and Administration Operations Act, certain existing state educational institutions are expected to pursue independent authority regarding their use of eVA.

- Other States:

A Memorandum of Agreement has been signed with the Federal General Services Administration (GSA) to work towards eVA becoming the delivery system for GSA Buying Schedules to Virginia and the other 49 states. As this initiative is implemented in FY06, the demand for the use of the eVA System is expected to increase.

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Service Area Partners

Department of Corrections

For the purchase of products and services described in §2.2-1116 of the Code of Virginia.

Service Area Partners

Department of the Blind and Vision Impaired

For the purchase of products and services described in §2.2-1117 of the Code of Virginia.

Service Area Partners

Nonprofit sheltered workshops of Virginia

Serving the handicapped for the purchase of products and services as set out in §2.2-1118 of the Code of Virginia.

Service Area Partners

Private sector eProcurement solution provider

Service Area Partners

Virginia Distribution Center

Service Area Products and Services

- Policies and procedures:
 - Agency Procurement and Surplus Property Manual (APSPM). This manual interprets the Virginia Public Procurement Act (VPPA) and provides non-technology procurement guidance to public bodies of the Commonwealth.
 - Vendors Manual (VM). This manual interprets the Virginia Public Procurement Act (VPPA) and provides non-technology procurement guidance to vendors and suppliers doing business with the Commonwealth.
- Electronic Procurement (eVA):
 - Agencies and institutions of the Commonwealth are required to use the eProcurement tool, eVA, to execute their purchases. The Division of Purchases and Supply (DPS) provides technical support and training to assist suppliers with publishing standard catalogs of goods and services and using agencies with improvement to their business processes to take maximum advantage of available tools and resources.
- Virginia Partners in Procurement/Spend management:
 - DPS negotiates and publishes over 300 statewide contracts for use by agencies and other public bodies of the Commonwealth. These contracts leverage the buying power of the Commonwealth and produce measurable savings in the area of spend management.
- Customer assistance, consulting, technical support and operational assessments:
 - Training – DPS provides technical training on its eProcurement solution and operational training on the APSPM leading to professional buyer certification. Training is provided to vendors and suppliers on the use of eVA electronic procurement and the process of doing business with the Commonwealth.
 - Consulting and technical assistance – DPS responds to thousands of requests annually for advice and assistance related to both eVA and procurement policies set out in the APSPM and VM. The Administration and Legislature refer problem procurement issues to DPS for review and recommendations.
 - Operational assessments – DPS conducts procurement management reviews and recommends cost savings initiatives and/or operational improvements in formal reports to management.

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Factors Impacting Service Area Products and Services

- Customer services requests are expected to increase as usage of eVA and leveraged buying contracts increase. Further, the Commonwealth's SWAM initiative is changing procurement rules. These areas will increase requests for training and technical assistance.
- Legislative changes to procurement regulations result in modifications to agency procurement guidance documents, such as the APSPM and VM, and require commensurate changes to the training curriculum.
- Requirement to create additional leveraged buying contracts to fully implement the Virginia Partners in Procurement (VaPP) program. The third wave of this implementation contains goods and services of considerable complexity, which will result in significant expenditure of time and staff resources to create the contracts.

Anticipated Changes To Service Area Products and Services

- The demand for DPS customer services is anticipated to increase as agencies and other public bodies of the Commonwealth fully implement eVA, continue the VaPP spend management program, and look to DPS for assistance in interpreting and implementing the procurement policies and procedures related to the SWAM initiative.
- DPS training and certification services are anticipated to increase as additional decentralized buying offices seek to train and certify professional buyers.
- DPS may experience increased demands for technical and operational staff pending the outcome of contract negotiations with its eProcurement solution provider.

Service Area Human Resources Summary

Service Area Human Resources Overview

Service Area Full-Time Equivalent (FTE) Position Summary

Effective Date:

Total Authorized Position level	
Vacant Positions	0
Non-Classified (Filled).....	0
Full-Time Classified (Filled)	0
Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	0
Contract Employees	0
Total Human Resource Level	0

Factors Impacting Service Area Human Resources

Anticipated Changes in Service Area Human Resources

Service Area Financial Summary

	Fiscal Year 2007		Fiscal Year 2008	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$3,590,959	\$3,354,683	\$3,590,959	\$3,354,683
Changes To Base	\$191,840	\$486,965	\$205,124	\$509,757
SERVICE AREA TOTAL	\$3,782,799	\$3,841,648	\$3,796,083	\$3,864,440

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Service Area Objectives, Measures, and Strategies

Objective 73002.01

Increase the utilization of eVA electronic procurement.

Agencies, institutions of higher education, local governments and schools, and other public bodies can achieve efficiencies and savings through the increased use of the eVA electronic procurement solution.

This Objective Supports the Following Agency Goals:

- Lead the way in change and innovation

- Improve our customers' business processes
- Provide cost effective and efficient services

This Objective Has The Following Measure(s):

- **Measure 73002.01.01**

Increase spend through eVA to improve efficiency and achieve greater savings.

Measure Type: Output **Measure Frequency:** Annually

Measure Baseline: \$3.6 Billion

Measure Target: Will increase compared to FY05 end-of-year results.

Measure Source and Calculation:

eVA data warehouse - Total spend numbers will be calculated annually.

Objective 73002.01 Has the Following Strategies:

- Add local governments to eVA and work with existing local governments using eVA to increase spend.
- Make GSA Schedule IT 70, Drug Enforcement, and Homeland Security available to Virginia and then others states through eVA.
- Continue to train agencies, institutions of higher education, and local governments in the use of eVA.
- Continue to improve the functionality of eVA to make it easier to use and better support buyer and supplier requirements.

Objective 73002.02

Fully leverage the buying power of the Commonwealth.

Collaboration and cooperative contracting efforts with agencies, institutions of higher education, local governments and schools, and other public bodies will leverage the buying power of the Commonwealth and result in improved efficiency and savings.

This Objective Supports the Following Agency Goals:

- Lead the way in change and innovation
- Provide cost effective and efficient services

This Objective Has The Following Measure(s):

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- **Measure 73002.02.01**

Percent increase in the number of Virginia Partners in Procurement leveraged buying.

Measure Type: Output **Measure Frequency:** Annually

Measure Baseline: 90 contracts

Measure Target: Ten percent increase

Measure Source and Calculation:

VaPP Database - Total contracts will be calculated annually.

Objective 73002.02 Has the Following Strategies:

- Increase collaboration with institutions of higher education and local governments to identify candidates and establish additional contracts.

Objective 73002.03

Increase the access to Commonwealth business opportunities for SWAM businesses.

Improving access to business opportunities for small, woman and minority-owned businesses is a priority of the Commonwealth.

This Objective Supports the Following Agency Goals:

- Lead the way in change and innovation
- Improve our customers' business processes

This Objective Has The Following Measure(s):

- **Measure 73002.03.01**

Increased participation by SWAM businesses.

Measure Type: Output **Measure Frequency:** Annually

Measure Baseline: Zero at the beginning of each fiscal year.

Measure Target: Will increase compared to FY05 end-of-year results.

Measure Source and Calculation:

Division of Purchases and Supply tracking report.

Objective 73002.03 Has the Following Strategies:

- Change Commonwealth procurement policies and regulations as justified
- Increase number of SWAM businesses on statewide contracts as business case permits
- Develop and implement tools to facilitate buyer access to SWAM businesses
- Participate in conferences, workshops, etc., for buyers and suppliers to educate on procurement rule changes and the SWAM initiative.

Objective 73002.04

Improve and maintain the integrity of the Commonwealth's procurement processes.

Improve and maintain the integrity of the Commonwealth's procurement processes by conducting Virginia Contracting Officer Certification classes to train and certify new contracting officers and recertify existing Virginia Contracting Officers.

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This Objective Supports the Following Agency Goals:

- Lead the way in change and innovation
- Improve our customers' business processes
- Provide cost effective and efficient services

This Objective Has The Following Measure(s):

- **Measure 73002.04.01**

Number of Virginia Contracting Officers trained.

Measure Type: Output

Measure Frequency: Annually

Measure Baseline: FY05 training statistics

Measure Target: Will increase compared to FY05 end-of-year results.

Measure Source and Calculation:

Division of Purchases and Supply training records and Learning Management System.

Objective 73002.04 Has the Following Strategies:

- Conduct additional classes to train Virginia Contracting Officers.
- Develop and implement multi-media training classes to extend the reach and availability of procurement-related training.