

District Contracting Process Improvement Team

**Board of Commissioners
January 28, 2008**



Background

- Team sponsored by Executive Managers from the following areas:
 - Randy Lowe, Energy Resources
 - Jack Winter, Utility Services
 - Wayne Wright, District Services
 - Carol Wardell, Legal



Background

- Sponsors identified a Charter:

*To identify, prioritize and recommend
the best ways to streamline the
District's contracting process*

Background

- 9 Focus Groups - 60 employees
 - What is working well?
 - What are your biggest concerns?
 - What stands in the way of your success?
 - What would you change?



Background

- Results focused in 4 areas
 - Length and complexity of process
 - Large number of people involved
 - Lack of understanding of the process
 - Perceived lack of teamwork



Background

- Focus Group Issues Evaluated
 - Process
 - Risk
 - Training



Process: Problem Statement

It takes too much time and too many resources to complete the process



Process: Root Cause

The current process involves extensive staff preparation and reviews and also requires multiple board approvals

Process: Data Gathered

- Process Map (flowchart) of the contracting process created
 - Better understand the current process
 - Identify areas of improvement



Process: Solutions Recommended

- ❑ Streamline the contract approval process for low-risk projects
- ❑ Reduce time required for board approvals
- ❑ Streamline the contract process by implementing certain steps in parallel rather than sequentially



Risk: Problem Statement

Many users do not understand risk identification and allocation, or whether they have the ability and/or authority to change the contract

Risk: Root Cause

- Few people attempt to modify the contract boilerplate due to:
 - Perceived aversion to risk
 - Review and approval process
 - Perceived lack of authority
 - Lack of understanding of risk analysis and transfer

Risk: Solutions Recommended

- Discuss with Chief Risk Officer
- Use risk analysis template to:
 - Identify quantify risk
 - Guide discussion with Director, Legal, PCS prior to contract development
 - Reduce process associated with contract review
 - Develop guidelines regarding contract terms that can be changed & universally applied in the future

Risk Analysis Template Example

- Lake Chelan Hydro Modernization Negotiations
- LC Negotiated Risk Analysis.xls

Training: Problem Statement:

Infrequent users are not provided the guidance and attention needed to succeed and core competencies and job responsibilities are not aligned – for example, customer service and technical knowledge

Training: Root Cause

Two categories of users with very differing needs and many departments have little or no contract support staff or expertise. Super users (complete 3 or more contracts/year) and infrequent users (complete 2 or less contracts/year)



Training: Solutions Recommended

- ❑ Utilize Business Advisors as a resource to infrequent users
- ❑ Offer periodic contract development training
- ❑ Utilize planning tool for business units to identify following year's contract needs
- ❑ Study potential realignment of contract support resources

District Contracting Process Improvement Team

□ Next Steps

- **Complete**: Executive Management feedback
- **Complete**: Executive Management review results and determine next steps -
- Improvement Team members will offer support and counsel throughout the implementation process to ensure success



Transition Team

- **Overall Team Coordination**
 - Stacey Jagla
- **Process**
 - Felicity Saberhagen
 - Debi Bryant
- **Risk**
 - Gary Rice
- **Training**
 - Jennifer Pickel
 - Debi Bryant



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Your comments and
questions are welcome