Procurement Risk Assessment – Update and New Process Workshop

April 4, 2024, Meeting Recording Transcript

Zavatsky, Drew (DES)   0:07

I really enjoy what David said at this point in his presentation, which is that, you know, we would have a musical accompaniment, but I cannot sing very well at all. So I'm doing you all a favor by my staying silent.

Mroz, Zoe (DES)   1:09

Thank you everybody. So appreciate you joining us this morning.

Zavatsky, Drew (DES)   1:14

Yeah, it's fantastic. We saw the statistics of all the people who registered for all four sessions, and I was feeling really encouraged, humbled that we received over 1300 registrations. That's a high watermark for the policy team.

All right. I think we should get started. What do you think, Zoe?

Mroz, Zoe (DES)   2:27

Sounds great.

Zavatsky, Drew (DES)   2:29

Alright, well my name is Drew Zavatsky.

I'm with the Department of Enterprise Services and am the procurement risk assessment administrator for the policy team. That means that I have the honor of overseeing the whole procurement risk assessment process. And to assist me both today and always is, and this is your cue.

Mroz, Zoe (DES)   3:01

Hi everyone. I'm Zoe Mroz.

I'm the management analyst for the enterprise procurement policy team and one of my primary roles is assisting with the procurement risk assessment, so hello.

Zavatsky, Drew (DES)   3:14

Fantastic. Zoe will be rejoining us in just a couple of slides.

So Christine, take us away. Thank you so much.

OK, so if you were one of those people who registered for all four of the sessions today, we began with the sole source presentation. We went to PCBs next, then we had the convenience contract session that Zoe very ably oversaw, and now we're here talking about the procurement risk assessment. All four of these sessions will be available in a matter of a week or so. Posted materials for reach session will include a copy of the recording, a copy of the Q&A, and a copy of our slides for each of the presentations.

Zavatsky, Drew (DES)   4:07

So let's go to the next slide.

By the way, during this session please use the chat function for any questions that you have. This method that has been very effective both in the previous sessions today, but also in past workshops and everything that we've done separately.

Also, we're going to have a targeted discussion at the end of the presentation where there are a couple of questions, we'll give you that very specifically ask for the help that we need as we're rolling out this procurement risk assessment upgrade. The workshop is being recorded and what will be available later. We appreciate your attention and your participation as we go through this.

Zavatsky, Drew (DES)   5:00

Ok, next slide please. I tend to really like schedules, not that I follow them, but I like them, so here we go. We just went through the background and I'm about to talk to you about the goals. We'll finish that at about 10:50 and then the next four parts of the presentation will be the new process elements, timeline of how things will occur, and then the targeted discussion that I mentioned earlier, and then we'll wrap up with Olu Agbaje, who is going to be giving us a vision of our next steps and also other policy projects.

Zavatsky, Drew (DES)   5:42

So, let's get going, next slide please.

So, this is a slide where I talk about, you know, why do we do the risk assessment a little bit, but just what is it?

So, it's essentially requirement that is in RCW 39.26.090(5), and it was determined way back in 2011 when the legislature was working on it that we needed improvement in how the state of Washington was conducting its goods and services procurement. Part of what was happening back then is there were some ethical violations and some other problems that arose, and we wanted to have we, the state wanted to have a better system for giving agencies delegated authority. And so they said it's got to be based upon a risk assessment of each agency's procurement processes.

And so that's what we're doing. That's what we're talking about here today.

This applies to state agencies but does not apply to higher education. Why? Because they have a parallel statutory authority and they have chosen to operate under it. So we do not do risk assessments of state higher education entities.

So the reason that you do this is once we figure out how well an agency is managing its procurement related risks, we get a better idea of how well an agency can handle this level of delegated authority for acquiring goods or for acquiring services or for acquiring IT goods and services. And delegated authority amounts are usually a little different depending on which agency it is and which type of acquisitions you need to make.

Historically, the first of those risk assessments happened in 2014. The next round was in 2016, and then the next round was in 2019. 2019 was an unusual time because nobody predicted the pandemic. When the shutdown started, the risk assessment was still going on and we'd only finished about 30% of the agencies. We still had 70 or so agencies to assess when COVID happened and COVID pretty much through the monkey wrench into the works completely. It basically ground us to a halt because we had a lot of stuff to respond to, respond to the COVID pandemic, and then other things also arose, such as a very intense and immediate need to finalize the supplier diversity policy. That and a couple of other matters occurred such that we were not able to get back to really focusing on the procurement risk assessment until all of the data that we were relying on that we gathered in 2019 (fiscal year 2018 data) was stale; if we based a risk assessment on that data, we'd be wasting everybody's time. And if we spent time trying to bring all agencies up to speed with where we then were in 2022 or even 2023, that would also waste everybody's time.

Because why a waste? In part because it was very clear that the ship of state was not sinking at that point. There were very few of what could be called problems with agencies conducting procurements, which is a testament to the work that they had done in 2014, 2016 to get their systems ship shape.

Right now, that's not to say that everything was perfect. It was not, but nothing was becoming a huge problem. So we actually assessed things and we asked, what is going to be the best use of our resources? Both internally, but also we know that it takes resources when we ask an agency to assist us in assessing them, just like it takes resources for every agency when the auditor's office comes and does an audit for them. So we get that. And we realized, "let's have a better system to do this assessment." It didn't seem like it was hitting all of the things that we had hoped that the risk assessment process was designed to do back when we created it in 2013.

And so here's what we did.

Let's go to the next slide.

Zavatsky, Drew (DES)   10:29

We basically said let's retire the old procurement risk assessment system, the tools and the checklists, because we think that we can have a better way of assessing agency procurement-related risk.

So here's what we were implementing. Our new process is going to be based on auditing agencies' contracts.

And more on that in a few slides.

But the new process under which we're going to be auditing those contracts has three goals, and the first one is customer satisfaction. We know from years of receiving feedback and absolutely that includes 2023, 2022, 2021, that agencies wanted to get a system that improved their customer experience and their confidence in the process. They wanted to know if DES was going to work on this.

It wasn't going to result in something where a few years later DES has actually were suspending it and that's it, right? So we wanted to have a system where it's going to go from beginning to end and you'll see what happened and why, and that there's a result that you can look at and say, I mean, maybe you disagree with it, maybe you don't, but at least it's finished right.

And part of what we're putting in the new method is that it's finished in a way that is defensible, reasonable and actually hopefully make sense to everybody involved.

So that's the first thing that improves customer experience and confidence.

And then the second aspect of the first of the three goals, is that the new method had better meet agencies' business needs. We want to balance procurement risk with the result that is being achieved through the risk assessment. So in other words, we want the process to result in better delegations of authority. We think we can accomplish that by going through the contract audit process, which I'll discuss in a little bit.

Zavatsky, Drew (DES)   12:57

The second of the goals for the new process is to clearly define the procurement risk assessment process for agencies to better understand the purpose of the tools, the process and how agency information is going to be used.

While we were conducting the assessments previously, that's been sort of a grey area. It's been a question for many agencies over the years.

How? We get that you're doing a lot of work, but we don't get how you are doing it. Well, we're going to spell all that out. Next slide, please.

Zavatsky, Drew (DES)   13:32

The third goal is efficiency.

You know the old system could take a lot of time and part of why it took a lot of time was there would be really important questions that would come up when conducting an assessment with agency X.

And so, we'd send questions to agency X for clarification of the data that they've given us.

They would give us an answer.

Zavatsky, Drew (DES)   13:58

It would take a certain amount of time, maybe a couple of months.

Then we'd review their answer and then that would lead to more questions, and actually maybe even surface other questions that were even more important than the first ones that we asked.

So, we'd ask it back to the agency.

They'd answer, et cetera.

And it was almost like a Ping-Pong game sometimes.

Or at least it felt that way to me.

And when it got to be a process that went for more than two years long, and I'm thinking about in 2014, it was needing some changes. And that's why the 2016 model of the tool and the checklist also changed.

Zavatsky, Drew (DES)   14:40

It was an improvement, but we felt like at this point it needed a more radical change.

So that's why we're going through it here and the efficiencies.

Because we're focused on the procurement laws and policies, it will more directly link to the laws that exist right.

There was a lot of stuff that was sort of grey area before then that was not necessarily linked to those laws and policies.

In addition, it will help improve how we do our work, because we're going to make it more.

Zavatsky, Drew (DES)   15:17

Well, let me back up when we start the process, it's not going to be just a couple of people doing it, working on it, right.

Zavatsky, Drew (DES)   15:27

We're going to, as a part of and we can go to the next slide as a part of what we're doing.

This implementation piece we are going to be hiring additional folks.

We're going to be cross training them with what I do, and what Zoe does, so that we have more people and because we're going to have multiple people conducting that analysis, we have to have very clear guidelines on how to do what we do.

Zavatsky, Drew (DES)   15:53

And so that will increase the efficiency of what we're doing.

In addition, you know we'll have weekly or biweekly meetings where we compare each other's work and we're sure that we're still doing it in a way that is defensible and within the intent of what we started to do.

So that's phase one and phase one of the implementation will last probably through the end of June.

Zavatsky, Drew (DES)   16:22

It's when we are going to be creating a new contract audit rubric.

Zavatsky, Drew (DES)   16:28

That is a way in which to conduct it, and of course we'll be sharing it with you, the stakeholders, to get your feedback, but the intent is that once July 1st rolls around. Yeah.

And everybody knows that when you hire people, that could go as quickly as you want it to, or, other times, it goes as quickly as it takes.

Zavatsky, Drew (DES)   16:52

So, and that means sometimes not quickly at all, but the hope is that we do begin the process in July 1st.

Zavatsky, Drew (DES)   17:01

Now, before I get into the timeline of this, you know, the idea of the assessment is to figure out whether or not agencies are in substantial compliance with the policies. Right?

Zavatsky, Drew (DES)   17:14

It's not that they are 100% compliant, that would be unreasonable. DES would not survive that type of assessment as well as any other agency, but substantial compliance. And that a phrase or that idea is part of what we're developing as well.

So if I didn't say before, that's on me. But all of this is a work in process.

We're getting very close to where you're going to see actually what we're thinking it's going to be so that we'll get close to your final feedback to it, but this is one of the areas where we understand as well as any other agency that a phrase like substantial compliance could be very.

Zavatsky, Drew (DES)   18:05

Well, let me put it this way. It creates anxiety for agencies when they see that phrase in pretty much any legislation.

Zavatsky, Drew (DES)   18:14

So yeah, it's vague. So, we need to put definition around it, right? And that's exactly what we'll be doing.

Let's go to the next slide.

So, part of the idea of substantial compliance is going to be, determining what substantial compliance is, will in part be determined by the things that we initially state is "in scope" and "out of scope" for the actual procurement risk assessment, right.

So, the basic idea is, like I said, several slides ago, we're talking about goods and services procurements, right? That's straight up what it is. And part of the reason that so instructive for many is there's a certain amount of, inquiry that came to us when we were generating the supplier diversity policy. And part of it was OK, So what is the scope of this policy?

I mean, is it? Is it [RCW] 39.26 or is it 39.04?

You know, public works or what is it really?

And so, yes, absolutely.

We're talking about goods and services and, of course, that includes IT goods and services as well.

The audits will be, we're not going to be, you know, sending out to the State Auditor's Office. They're not involved in this at all because this is this is our duty under the statute and we're undertaking to do our due diligence here. And those reports are part of what are going to be in the scope of the assessment.

I mean it would be kind of weird for them not to be considering that what we're looking at is ultimately how well agencies are managing their procurement related risk, not in scope.

Zavatsky, Drew (DES)   20:21

So institutions of higher education, unless they agree to be within our scope, they aren't.

And that decision is theirs. Also, judicial branch agencies. You know, we don't have any control over what the judiciary does. They are an independent branch of government. So that's not for us.

Also OMWBE has their own scope within and role within certain parts of procurement, so we are not assessing those at all. They've got their own assessments to do.

And also this is not assessing either budget or finance for any agency.

OK, let's go to the next slide.

And this is a point I will turn this over to my colleague, Zoe.

Mroz, Zoe (DES)   21:32

Great. Thank you, Drew.

Zavatsky, Drew (DES)   21:33

Yep.

Mroz, Zoe (DES)   21:34

So, for this section of the presentation, we're showing you a number of graphics to illustrate where we're headed with the technical steps of the contract audit process.

Getting into the weeds a little bit, but to preface, like Drew said, want to clarify that we're still in the development stages and nothing has been finalized.

However, in terms of the general technique we will be applying, this is it. The details are still being finalized, but this is our general technique.

So, to begin the risk assessment, we're going to be splitting our big pool of, you know, roughly 105 state agencies into four, three-month sprints.

And then for each agency in the Sprint, we will be utilizing the annual agency contract report to identify and select three to six contracts to audit.

Mroz, Zoe (DES)   22:28

Now you probably are wondering, which contracts are you [DES] going to select?

We've identified certain criteria for which contracts we would select from.

Mroz, Zoe (DES)   22:39

That includes high profile procurements such as those with high dollar value, high visibility, the regulatory environment, complex complexity of the procurement and so on.

We may also look at solicitations that bidders protested, agency contracts that should have applied the supplier diversity or an environmental policy, and then topics where, you know, maybe based on a previous State Auditor's Office report/finding that a substantial lack of compliance with procurement laws and policies was identified.

So we'll be pulling data once we select the three to six contracts that will be auditing.

We will pull data from our internal sources, so that's things like WEBS, the sole source contracts database and other sources that we have accessible to us from our side of things.

Mroz, Zoe (DES)   23:35

But then we'll also be reaching out to the agencies themselves to let them know "these are the contracts that we are going to be auditing, we are going to need your contract documents". And then once we have all that material back to us, we will then perform the contract audits next line.

So what that will look like, and I'll show shortly, I'll show you what a snippet would look like from our new contract audit rubric, but essentially inside the rubric, there are sections for each of our 16 policies, soon to be 17, and inside each of those subsections is a list of every requirement that that policy has in it.

Mroz, Zoe (DES)   24:22

Within each of those requirements, we'll have criteria for what a "pass" or a "fail" would look like on that specific requirement, and then we will audit all the contracts that we select and take average scores for each of those policies.

Next slide.

Here's an example of within the contract audit rubric. What it would look like for the policy area supplier diversity, the requirement is to conduct an unbundling analysis for every competitive solicitation sets in section C3 of the supplier diversity policy for the reviewers. The DES reviewers who are doing the audit, there's the instructions.

Mroz, Zoe (DES)   25:03

So you will see for every single one of these requirements, this is exactly what the reviewer is going to do. They're going to look at the contract file that we've received from the agency and we're going to see "is there evidence of an unbundling analysis?" If yes, then it receives a "1", If not, then it receives a "0" and that is for clean percentages, for the fun math at the end that we will get a nice, clean percentage that we will then be able to average across the other contract audits that we do.

And if the agency receives a "0" for any requirement, the reviewer will put notes as to why that zero was provided to that particular requirement.

And there are, like I said, 16, almost going to be 17, policies in our purview here.

So, as you can imagine, that's quite a long list of spots to audit. So the spreadsheet right now is currently in development, but it's quite lengthy, so we just decided to show the small snippet to not have too much on the screen.

So next one.

Mroz, Zoe (DES)   26:14

Perfect.

Another part of our spreadsheet, there will be a front page to the spreadsheet which will show a summary of each of the policies, the score, which will be auto calculated, what the passing score looks like (which is still to be determined, we have not decided yet what the passing score will be for each of the policies), and then, whether or not that passing score is met, whether the policy itself is pass or fail.

Next slide.

Perfect, so this table is going to show and again draft, but what the delegated authority analysis, how that translates to your risk rating, and whether or not you would have a change of delegated authority.

So if you could go next, Christine.

Thank you.

So here shows for currently 16 policies, but again this number is going to change, you know in the future. We haven't decided yet if we'll use this or a percentage or some other metric. But basically, if you've received a pass on all policies, then you would be low risk.

Some policies may not apply to you as an agency, so that's also something that we're currently navigating and seeing what makes the most sense to do. But in general this is the table that we're going to be applying for, for determining risk rating and whether you're delegated authority will change.

Let's see, Drew, do you have anything that you want to add about this slide?

Otherwise, I'll pass it back to you.

Zavatsky, Drew (DES)   28:20

Yeah, I could add something here in looking at this, it's important to put it in context, right, because we understand that although it is a really important part of the risk assessment process, the contract audit review is not the only piece of this, right.

So, we're not clear on what the descriptors are going to be for one of them about to say, but the basic idea is that, you know, there are situations where, for whatever reason, the agency has what could be called an outlier situation.

And those circumstances really are not reflected in what we look at in an audit, for example, could be serious ethics violations for something like that, or multiple severe infractions of our policy requirement that become aware of, right.

And in fact, those are the sorts of reasons why procurement reform happened way back in 2010, 2011, anyway, right? The director running off with a lot of state assets, for example.

So, in those circumstances, you know, we wouldn't obviously we won't ignore something like that.

And so the idea is that there will need to be some form of an exception or exemption, not exemption.

An exception to this process such that you know, yeah, we get that you're a low-risk agency, but the fact is that you've got all of these other violations that we still have to pay attention to.

And therefore, your risk rating here is actually going to be high or however that works.

And just in case you're wondering, we have precedence for that. In fact, in 2013, one of the highest risk agencies that received a high-risk rating back then scored on our risk tool back then as a low-risk agency.

Zavatsky, Drew (DES)   30:23

But separate events were very clear that clearly show showed that they are not allow rescue agency that was the opposite. So you know, there is some precedent for that.

Let's go to the next slide.

OK. And so with the idea that this is a work in process, right, and that this is a brand new procedure that we're going to be using, that's what phases three and four are.

So again, phase one: implementation, phase two is actually practicing using the process for a year as each grouping of agencies finishes.

As each sprint finishes, we know from experience that there will be a couple few agencies in that sprint that need some follow up or that there will be lingering questions or that will need some additional attention from DES.

Given that, phase three is that follow up period, right, where that additional attention is happening.

And then phase four is, when all is said and done, we're going to, under the rubric of "plan, do, check, act, you know, our version of that is check out the experience that we've had of this first take, the first year of this new risk assessment process and figure out what works, figure out what needs to improve and then act and plan for the next assessment, which will be scheduled in 2025.

Zavatsky, Drew (DES)   32:00

So let's go to the next slide.

And this is just a graphic showing what I just talked about.

So phase one, again, is the, you know, us getting ready to go forth and work on the sprints.

Phase two, those are the four sprints, each one of three months. So it's a year.

Phase three, again, we're talking about any ongoing involvement that we have to have with an agency based on the risk assessment that will be going from then forward and it may be that in one of the sprints, none of the agencies need anything there either.

Zavatsky, Drew (DES)   32:34

So, you know, because the vast majority of agencies did not have conditions on their delegated authority in past risk assessments.

And then phase four is the next iteration of basically phase one. So I don't, and I don't know what, what would we call that Phase 1B? Who knows? Anyway, that's phase four.

Let's take a look at the next slide.

OK, so it's time for targeted discussion about all of this. Now, based on what we've shared, do y'all understand the new PRA approach, and if not, what's unclear?

Mroz, Zoe (DES)   33:25

I'm monitoring the chat to see like where the confusion points are coming up, so I'm going to just start with Alyce's question.

Zavatsky, Drew (DES)   33:27

OK.

Gotcha.

Mroz, Zoe (DES)   33:34

The question right in front of me, and I think it's a good one, in phase one, and I think you might mean phase two, when we start the audit process, are we pulling contracts from fiscal year 2023 because obviously the fiscal year 2024 report won't be available until later this year?

Zavatsky, Drew (DES)   33:54

It is a great question my initial answer to that I'm not confident in, but my initial answer to that was in Sprint one it would have to be fiscal year 2023, but by the time we get to Sprint two, probably we have the fiscal year 2024 report available.

And so maybe at that point we can move to it. And since this isn't strictly a scientific study, it might be OK. I don't know, but it's not decided.

And we're going to actually, we need to hear from y'all, frankly. What you think about that too?

Yeah. So great question. I've asked it myself. So, you know, yeah, we're working on it.

Mroz, Zoe (DES)   34:47

Yes, another question that came up was about, you know, since we're selecting contracts using the agency contract report, what about those contracts that are not reported like purchase orders that don't contain a statement of work? Are those in scope?

Zavatsky, Drew (DES)   35:08

You know that is a great question too, and it may be that for the first iteration, for the 2024 review, they wouldn't be.

Maybe not at the same time, I think that it's incumbent on us to find out how many of those are out there that we don't hear about because here's the deal, if the overall spend under purchase orders is less than, and I'm just throwing on a number, is less than 5% of all goods and services spend of the state agencies that are within the risk assessment. You know, that's a categorically smaller risk than a lot of the other stuff that we're talking about. So I'm skeptical that it would be, but we don't have an answer for that yet.

Mroz, Zoe (DES)   35:57

We have kind of a few related questions that are popping up about, also like, with the supplier diversity, the new policy went into effect April 1st of 2023.

Zavatsky, Drew (DES)   36:01

Yeah.

Mroz, Zoe (DES)   36:07

We have a comment.

Many of our current contracts were initiated before the new supplier policy went into effect and also some of those from 2023 will have very little elements of supplier diversity in them.

How will that play in?

Zavatsky, Drew (DES)   36:27

Yeah. So, it's a great question. I would say that that is a consideration that we will actually have, and that will be part of in, in my view, as part of the filter process, right?

It's not fair to assess agencies on a policy if the resulting contract went into effect before the policy became active, right, and arguably the similar is true.

Like if the contract got signed shortly after the policy became active but the whole solicitation preceded the active date of the policy. I mean, why would we, you know, do that either, right?

I mean, I think it has to be a fair assessment, so. Yeah, I think that our guidelines will be pretty clear on the fact that it's going to be we're going to be assessing things fairly.

And to me fairly means that, quite frankly, rationally in this case, I mean, why would we ever assess something that doesn't apply to you?

And that actually goes with another point too. One of the policies that we have is on Washington [Grown] food, right. Most agencies don't purchase food, so we aren't going to assess you on Washington food policy, you know, compliance, if you don't buy food, right?

And that applies to all the other policies. If you don't do what that policy is designed to do, then we're not going to assess you on it. This is about what you do as procurement professionals and how well you manage those risks. That's it.

So and that, that's very to me, that's very clearly the scope of what we're doing. It's one of the basic 3 rules for what we're doing so.

Mroz, Zoe (DES)   38:24

Yeah. A similar, tangentially related, question was around Let's see what if a policy does not apply to the agency? I think you were saying Drew, is that an automatic pass?

Zavatsky, Drew (DES)   39:05

I wouldn't think of it as a past necessarily, because pass implies that it—OK, this is my simplistic thinking, OK, and this comes from perhaps unpleasant experiences as an eighth grader. But if it's a pass/fail, it still means that it's in the class and it's part of what you're being graded on, right?

Zavatsky, Drew (DES)   39:26

So "pass" is not the right word.

Irrelevant, I would say. Or not within scope is the way we're thinking of it.

So no, it's not a "pass" because "pass" implies that you're in the mix. You're not in the mix if it doesn't apply to you. Am I being too flip? I apologize, but yeah.

Mroz, Zoe (DES)   39:46

No, I think that's great, and I think it gets back to that chart that we showed about, you know, policies and compliance and risk rating.

You know, if only 5 policies apply to you as a, maybe you're a small agency. You don't do sole source contracts, you don't have emergency purchases, you don't use bonds, you know, maybe you only do one procurement a year. That risk assessment is going to, it's going to have to look different, right, then our other agencies that utilize all 16 policies.

Zavatsky, Drew (DES)   40:16

Right.

Mroz, Zoe (DES)   40:21

So that's something that we are working out right now.

Zavatsky, Drew (DES)   40:21

Yep.

Mroz, Zoe (DES)   40:26

So, it's a great question though.

Mroz, Zoe (DES)   40:30

Our next question, which I think is a good one, asking about the clarity of about this new approach, Drew is around, what is the level of effort expected of agency staff? You know, previously like you mentioned we had this back-and-forth, Ping-Pong game with the agencies.

What should agencies expect it to look like now for their staff?

Zavatsky, Drew (DES)   40:53

I would guess that because the focus has shifted, the major focus has shifted from understanding, almost the agency culture and maybe assessing the policies, to actually looking at and assessing the contracts, and by the way, when we say contracts here, we really are going to be assessing everything involved with the contract process.

So, the solicitation, the solicitation documents, et cetera, et cetera, right, so, to look at that because in some ways Washington state's goods and services procurement process has evolved to a point where I think that we're not wondering whether or not any basic functions are missing in agencies.

Now, I could be completely wrong ,and it may be that after years' experience, we go, oh boy, no Drew, you were wrong. We need to go back and do all that stuff again. But my view is that the agencies programs have matured in how they manage their risk related to procurement.

And so, you know, really what we're focused on now is more, kind of, the production side of procurement.

And I'm saying these in really loose terms. I apologize, but you know, it's like, I'm talking midstream. I'm talking maybe 70% midstream to finished, but there's a lot of room in which to get to 100%. And looking at the chat, I see that you know, we've got our work cut out for us for sure.

Mroz, Zoe (DES)   42:47

Yeah. There's another category of questions that we're getting in, is around the three to six audits. So, there's some concern that that wouldn't be enough information to assess substantial compliance. And whether there's other opportunities to show compliance or have follow-up with the agency or you know how, how are we going to factor that in, especially for an agency that might have 1000 contracts in a year?

Zavatsky, Drew (DES)   43:20

Sure. Yeah, well and you know it, it's a uh, what's a good way to put this? If you are an agricultural commodities Commission where it's very clear that you have three solicitations every two years and maybe four contracts arising from them every two years, right? That's one thing. They can still have as many compliance issues as DSHS. And I'm not saying DSHS does, but just, they're the largest agency in the state.

Right. OK.

And how many contracts does DSHS have each year?

Zavatsky, Drew (DES)   44:03

And Zoe would actually have a ballpark for me, like, 8 thousand, 14 thousand. I don't know. It's quite substantial, right?

And yeah, so if that's my attitude is if we're looking at a very small agency and we could examine all of them just because they're fewer than six, I think we should, frankly, umm, at the same time for DSHS, how are we going to choose three to six?

Zavatsky, Drew (DES)   44:32

That's a great question and we don't have a solid answer yet.

And what is going to be operable such that like if we said, OK, we're going to look at 2% of contracting, right? Well, 2% of, let's say they have 10,000 contracts, that's a couple hundred contracts, right?

So you know and. How much value is going to come from that very painstaking exercise as well?

Right.

I don't know. I don't know the answer to that, but you can see sort of that I've just given you the range of our considerations and in this context. And so, I don't know. And in the of trying to do the right thing, I would guess that we're leaning towards the three to six number as a starting point. So for the first risk assessment under this system, that's what it's going to be.

Now how we come up with the three to six, I don't know.

Zavatsky, Drew (DES)   45:53

And it may be that over time, you know, over the next six weeks or so, we realized no, Drew, your hope was, too bad. It's actually going to be something very different. It may be, but if it is, I'm here to tell you we're going to share it with you first before we start using it.

Mroz, Zoe (DES)   46:15

Yeah, Drew thanks. That actually gets at one of the other clarification questions I'm seeing in the chat is, you know, will agencies be provided the templates that we're using?

And the expectations and everything prior to this so that they can set themselves up to succeed here.

Zavatsky, Drew (DES)   46:35

Yes, and one of the things that I've really liked in some of the other rollout of our other policies that we've done is, for example in the supplier diversity policy, we had a series of trainings.

Zavatsky, Drew (DES)   46:57

Right. So you know, depending on interest, yeah, we'd start to have some training sessions to in order to use the contract audit rubric and how to do it right. So yeah, yeah.

Mroz, Zoe (DES)   47:12

Perfect. I'm looking at the clock. Perhaps we go to our next question here, the "for state agencies" question.

Zavatsky, Drew (DES)   47:19

Yeah. And so this question, you know, I know enough from doing this for a while that, you know, some of the best ideas in an area have absolutely nothing to do with DES, right?

I mean, that's just the reality of the situation and that sense, the reason because we're one of 105 agencies.

Zavatsky, Drew (DES)   47:45

Oh, somebody gave me a shocked face, oh my God, Drew, did you say that out loud? Yeah, I sure did.

Basically, the idea though is, hey, look we're, you know, we're gonna need some help figuring out how to collect contract audit materials, right. And we know for a fact, just from working with our friends at a couple of the agencies recently--their systems are different, right?

So how you internally manage a contract, and the contract related materials, are very different.

If you're one agency to another, so we would love to hear from you about the way to get those documents from you. Case in point, agency X has contract files that include just the things for managing the contract.

Zavatsky, Drew (DES)   48:51

They are related to solicitation files, which are things just for creating, you know, the competitive solicitation for the document etcetera, but they're kept separately, right?

We would love to know from all of y'all in the audience how your agency does it so that we would know that the ways in which to request that information.

Now, if everybody does the same thing, awesome. Great.

Then they just, yeah, I was mistaken with what I was seeing. But please let us know because that will really accelerate matters from our side and part of it is, you know, there's been discussion, you know, ever since this idea came up quite a while ago: what kind of pre work can we get done before we start a Sprint right?

And what would that look like?

And this question will really inform that in part right, because if there's a bunch of stuff, materials we can get from an agency beforehand, it will help guide us for what actually we need to accomplish during the Sprint.

And remember, this is going to be like a three-month period where you know the wishful thinking, the five of us are going to be analyzing, you know, three to six files for the 30 to 33 agencies.

Zavatsky, Drew (DES)   50:28

And so it's not gonna leave us with much time for the back and forth. So if we can front end data reception from the agencies, that would be great. This will help us decide how to say, and what to say, and perhaps even why to say. I must say.

Mroz, Zoe (DES)   50:51

Yeah. So and even looking at this list, bid tabulations, website postings, internal procedures, award documentation, if we were to approach your agency and ask for, you know, here's three contract numbers. We want this data. Would that be easy? An easy ask for you? How much time would you need to provide that information? So that's another way to approach the question too.

Zavatsky, Drew (DES)   51:21

Yeah. All right. And it looks like the chat is sort of slowed down.

Is that true?

Mroz, Zoe (DES)   51:39

Yes, possibly folks are typing responses, so maybe give a moment question if all contract related documents were put to ECMS, couldn't you pull from ECMS?

Zavatsky, Drew (DES)   51:43

Got it. Yep.

Mroz, Zoe (DES)   51:52

Think the answer is yes. Mm-hmm.

Zavatsky, Drew (DES)   51:54

Well, and that's a great question. Is that, was that Lori?

Mroz, Zoe (DES)   51:59

Yes.

Zavatsky, Drew (DES)   51:59

Yeah, Lori, it's a great question. The difficulty is that of the 105 agencies that are the ones that we do the assessment for, only about 40-41 of them are in ECMS.

So, it may accelerate things for us with those 40, but, you know, and so maybe this is great though, because then we can focus more of the pre-data capture just on those other 60 or so.

Zavatsky, Drew (DES)   52:29

So it's a good point.

Thank you.

Zavatsky, Drew (DES)   52:35

Ohh, and Bonnie? Yes, we do. In fact, the 2016 risk assessment actually led to some really intense changes here at DES. I'll just put it, put it that way. But Chris Lu took that very, very seriously. Yeah. Yep.

Zavatsky, Drew (DES)   53:17

I don't know if you remember those old ads for Hair Club for men, but it's not just I'm not just the president of the company.

Zavatsky, Drew (DES)   53:24

I'm also a customer, right? So yeah, I don't just do risk assessments for other agencies. I also do it for my own, so yeah.

Mroz, Zoe (DES) 53:38

All right. Well, I think we're about out of time. However, I think that question two is really important and it's something that we're still going to be hoping to collect that information. So with that, I think we can move on to next steps.

Zavatsky, Drew (DES) 53:56

Yeah.

So, you know this, this is a short turn around. And now normally I would apologize, but I'm not gonna apologize here for that because we really need the information and frankly, even sooner would be better because in order to assemble this new team, get them trained, get them cross trained, and get them ready to go as of July 1st, we really need this to be moving. And so under that timeline we need the feedback by April 18th.

Zavatsky, Drew (DES) 54:31

Now the benefits of getting it to us by then is that when we actually finish the rubric, it's going straight to y'all immediately to look at, right?

So yeah, it would be great for us.

I will hazard a guess that it will be helpful for you as well, and anybody who knows me over time knows that you know, as excited as I get over my own stuff, I get even more excited when we're not doing right by our customers.

Zavatsky, Drew (DES) 55:00

So all of this is in trying to give you the best customer service possible. So there you go.

Yeah. So we're going to compile the feedback, go through revisions and the final process. My hope is that before we get to finality, we get your feedback on the specific risk rubric. Cause I know that you're going to want to see it and quite frankly, I would too, so yeah.

Yeah. What did I do? I just predicted the next bullet point on my own presentation.

Go figure. I don't know. Very strange.

Anyway, I think we're at a point where Mr. Agbaje needs to join us.

Agbaje, Olu (DES) 55:49

Thank you so much, Drew and Thanks.

Agbaje, Olu (DES)   55:54

That was wonderful.

Agbaje, Olu (DES)   55:56

Hello everyone. For the benefit of those who were not part of the previous sessions, my name is Olu Agbaje.

Agbaje, Olu (DES)   56:05

I am the enterprise procurement policy andprotest administrator at the Department of Enterprise Services, .

Agbaje, Olu (DES)   56:13

Before we wrap up the workshop, I want to quickly provide a vision of the policy projects we are working on this year and I hope to do this in about 5 minutes.

Agbaje, Olu (DES)   56:19

Supply diversity policy revision. We are making some changes roughly about 50 changes to the handbook and one change to the policy.

Agbaje, Olu (DES)   56:45

The revisions reflect what we've learned since we implemented the policy to make fixes and add clarity.

Agbaje, Olu (DES)   56:54

DES we'll present revisions to the policy through a lunch and learn session, and at the upcoming supplier diversity Community of Practice meeting.

Agbaje, Olu (DES)   57:05

The date for that will be announced later and we'll keep you posted. Our target completion date is April 2024.

Next slide please.

This is what our vision looks like in terms of the other policy project that we're working on.

Agbaje, Olu (DES)   57:25

The Washington grown food policy and Executive Order 18-03, which is the policy that support workers' rights to effectively address workplace violations, needs to be refreshed.

Agbaje, Olu (DES)   57:39

As a result, we sought feedback in March on both policies using a survey.

Agbaje, Olu (DES)   57:53

If you did not have a chance to complete the surveys before they closed, we encourage you to still provide your feedback. You can do this through an email. We appreciate all the feedback we've received so far.

Now let's talk about delegation of authority policy. We are also refreshing this policy to reflect the new procurement risk assessment, other required changes.

Agbaje, Olu (DES)   58:17

We'll make our initial proposed revisions and share them with stakeholders for input.

Agbaje, Olu (DES)   58:24

Emergency purchase policy, we also working on the policy to incorporate revisions from House Bill 1471 that passed this session as a requirement of the bill. The timeline has changed from 3 business days from the date of purchase to 10 days for agencies to file emergency contracts with DES and to make the contract available for public inspection. The bill will come into force on June 5, 2024.

Agbaje, Olu (DES)   58:58

Direct buy purchases policy. This is another policy we are working on later this year. At some point we're going to need input your input.

Agbaje, Olu (DES)   59:13

One thing I want to mention on this slide is that every month the enterprise procurement policy team provides a status report on all active and upcoming policy projects.

This update can be found at the link in the indicated on the slide.

Agbaje, Olu (DES)   59:33

So I encourage everyone to check our policy webpage every month to check out what is new.

Next slide. This slide provides information about our teams contact details.

I want to encourage you to please contact any of us regarding what we've presented today or for other procurement policy related questions you may have. We will be more than happy to address any questions you may have.

Agbaje, Olu (DES)   1:00:10

Next slide please.

Indicated on this slide at the bottom is the enterprise procurement mailbox. This is also another way you can reach our teams if you have any questions, or you want to provide any input regarding the sessions of today's workshop.

Agbaje, Olu (DES)   1:00:39

We would be more than happy to answer your question.

Also indicated on the slide in the middle, is a quick response code. Please use the code to provide your feedback about the workshop procurement, risk assessment session.

Before we wrap up, on behalf of the policy team, Christine, Drew, Zoe, Brooke, and David, I want to thank you for your time today. Thank you for your continued support for all our projects. We look forward to working with you again.

Agbaje, Olu (DES)   1:01:23

Find the time to provide us with all your comments about today's help workshop.

Agbaje, Olu (DES)   1:01:30

On that note, have a wonderful day everyone.

Thank you.