Report on Contracts

Department: Arkansas Department of Education

Secretary: Johnny Key

The purpose of this report is to prompt an analysis of contracts and contract expenditures within each Department and assist in the formulation of a report to the Governor on how to achieve greater efficiency (cost savings) and effectiveness as it relates to this topic. An analysis of contract management should consider all relevant factors including the number of vendors, staffing, contract management process, approach to negotiation, and other barriers/challenges associated with the contracting. This analysis should take a holistic approach to developing plans to deliver efficiency and effectiveness improvements. The report template includes sections for three projects for your convenience. This number is not a goal or target. You may add or delete boxes for as many projects as you submit.

**ACTION PLAN FOR PROJECT 1:**

1. Project Title – Contract Management System

   1.1. Brief description of project, goal, and action plan.
   Train and onboard all Divisions on how to utilize the existing Division of Elementary and Secondary Education Contract Management System.

   1.2. Identify any additional resources required for the implementation and success of this plan.
   Development/Deployment of training materials, blocks of time to train.

   1.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?
   No anticipated additional costs, as the system has already been developed and is operational.

   1.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.
   Use of system by Divisions. Reduction in paper files/processes for procurements. Effective and ease of use of existing contracts and contract monitoring.

   1.5. What is the implementation timeline and key action steps for this plan? How will you track progress?
   Training should be developed and deployed during the Winter of 2020. Divisions should be onboarded to the system in time for the Fiscal 2021 contract cycle.

   1.6. Identify any obstacles to the implementation and success of this plan.
   Importing contracts from the new Divisions into the system.

   1.7. How could Department of Transformation and Shared Services provide support to the Department?

**ACTION PLAN FOR PROJECT 2:**

2. Project Title – Chief Legal Counsel to perform legal review of contracts and solicitations for procurement

   2.1. Brief description of project, goal, and action plan.
The Office of Chief Legal Counsel will coordinate with the Office of the Chief Fiscal Officer to review all contracts and solicitations before they are finalized and executed. The Chief Legal Counsel will assist the Chief Fiscal Officer in prepping and presenting to ALC-Review, as needed.

2.2. Identify any additional resources required for the implementation and success of this plan.
None anticipated.

2.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?
None anticipated.

2.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.
Success will be measured as a reduction in overall time from solicitation to contract execution, reduction in protests, and expedited resolution to outstanding legal concerns from vendors/contractors.

2.5. What is the implementation timeline and key action steps for this plan? How will you track progress?
Finalization of the organizational structures of both the Office of Chief Legal Counsel and the Office of Chief Fiscal Officer. Development of process flow for contract/solicitation review.

2.6. Identify any obstacles to the implementation and success of this plan.
Training on all staff on the process, once developed. Ensuring that the skill sets of individuals working on contract/solicitations (procurement) are adequately training on the latest procedures by the Office of State Procurement.

2.7. How could Department of Transformation and Shared Services provide support to the Department? Provide training and resources on procurement procedures, processes, and changes as they happen. Keep training materials current and easily accessible by reaching out to agencies on a regular bases – perhaps having a central point of contract for each agency.

ACTION PLAN FOR PROJECT 3:

3. Project Title – Using the “Best and Final Offer” (BAFO) approach as standard practice in all procurements

3.1. Brief description of project, goal, and action plan.
Leveraging the legislative changes from the last regular session by adopting use of Best and Final Offer (BAFO) in all procurements. Training, both from the Office of State Procurement and the Department’s Office of Chief Legal Counsel will be required for staff involved in procurements. Additionally, template will need to be created.

3.2. Identify any additional resources required for the implementation and success of this plan.
Development of training materials on how and when to conduct a BAFO. Templates will need to be updated and created, both for including BAFO language in solicitation templates and for conducting the BAFO itself (forms sent to responsive and responsible bidders).

3.3. Are there any anticipated costs associated with the plan? Does your current budget have sufficient funds to cover all anticipated costs?
None anticipated.

3.4. How will you measure the success and results of your plan? Include forecasts of cost savings, efficiencies achieved, etc.
Using BAFO as standard practice may result in significant savings to each Division, and the Department as a whole. Savings will be measured by the difference between initial offering price and final price post BAFO for each contract.
3.5. What is the implementation timeline and key action steps for this plan? How will you track progress?
   Key steps will be training, provided both externally by the Office of State Procurement and internally. We
   anticipate the internal training and templates to be developed and deployed by Spring of 2020 with the hope that
   BAFO can be standard practice for the Fiscal 2021 contract cycle if possible

3.6. Identify any obstacles to the implementation and success of this plan.

3.7. How could Department of Transformation and Shared Services provide support to the Department? Assist the
   Office of State Procurement with necessary resources to develop/deploy training and templates, including
   necessary guidance, on the use of BAFO.

Additional thoughts/comments:

Over the next year, we will review existing service and commodity contracts used by each Division and determine
which service and commodity contracts could be consolidated into an agency contract for efficiency. For example,
janitorial contracts. We will also compare existing contracts with those available on state contract to ensure we are
leveraging state contracts to the extent possible.