



MMN CONSULTING

Supplier Relationships

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MMN Consulting, LLC

Government contracting consulting & coaching



- Coaching businesses interested in marketing their products and services to all levels of government agencies
- Assistance with understanding and complying with regulations and rules
- Internal policy and procedure development to increase bid success rate
- Teaming and joint venture creation
- Bid and proposal preparation
 - Local, state and federal government solicitations
 - GSA Schedule
 - SBIR
- Contract administration assistance
- Audit preparation assistance

Supplier Relationship Management (SRM)



- Identify strategic suppliers based on relative importance
- Define operational expectations and establish a governance structure and process for internal and supplier interactions
- Define formal processes for management involvement in the relationship
- Clarify internal roles and responsibilities
- Establish processes to effectively manage performance
- Develop supplier capabilities to continuously improve the value of the organization

Trends in Government Procurement



- More eProcurement solutions
- Continued uncertain economic forecast
- Reduction in staff
- Increase use of cooperative agreements
- Organization consolidation
- Increased transformation initiatives, reducing costs

Trends for Federal Vendors



- During 2012, the amount of time and money that active small business contractors have invested while seeking government contracting opportunities averaged \$128,638
 - 49% increase over the past three years

Trends for Federal Vendors



- Bidding activity declined significantly during 2010 to 2012
 - 72% for prime bids to 5.5 bids
 - 54% for subcontracting bid participation to 3.6 bids
- Prime contracting success rate is 55%
- Subcontracting success rate is 86%

Trends for Federal Vendors



- New contractors take 24 months and 4.7 unsuccessful bids for the first federal procurement victory.
 - 50% was under \$100,000 contract
 - 26% won a contract over \$100,000
 - 19% were involved as a subcontractor
 - 6% were teaming arrangements.

Henry Clay

Secretary of State
Member of Congress
United States Senator
Speech at Ashland, Kentucky (1829)



Government is a trust, and the officers of the government are trustees; and both the trust and the trustees are created for the benefit of the people.



SRM Values

Impartiality:

- Treat suppliers equitably, without discrimination, and without imposing unnecessary constraints on the competitive market
- Be open, fair, impartial, and non-discriminatory in all processes

Ethics:

- Maintain consistency in all processes and actions
- Act and conduct business with honesty and integrity, avoiding even the appearance of impropriety

Arm's Length Principle

- Agreements should be freely entered into by parties who do not have a special relationship or control over one another
- Indicated by the fairness of price, conditions, and other terms of the agreement and the focus on the business rather than personal or other interests





Vendor Relations

Maintain clearly expressed, readily available regulations, policies, and procedures

- Providing stakeholders and the public access to current, up-to-date information about procurement processes, procedures and policies
- Providing stakeholders and the public access to information pertaining to proposed changes in the procurement processes, procedures, and policies
- Limiting confidentiality to legally protected information only



Vendor Relations

Provide all offerors, and the public, with easy and timely access to information about:

- Solicitation/ bid opportunities
- Selection criteria
- Evaluation process
- Rules governing the award
- Terms and conditions of the contract and any amendments
- Contract administration
- Protest mechanisms



Not So Good Notice

(university in Kentucky) IS ACCEPTING PROPOSALS FOR VISUAL DISPLAY AND BRANDING AT OUR HALL OF CHAMPIONS IN THE CFSB CENTER. THE PROPOSALS WILL BE EVALUATED ON OVERALL DESIGN AND ABILITY TO MEET/EXCEED REQUIREMENTS, EXPERIENCE AND PAST PERFORMANCE FOR SIMILAR SIZE PROJECTS, QUALITY OF MATERIALS, **ABILITY TO PROVIDE SINGLE SOURCE FOR CREATING, MANUFACTURING AND INSTALLING ALL DESIGNS, DISPLAYS, ETC...**, REFERENCES, AND WARRANTY. RFP FORMS ARE AVAILABLE BY CONTACTING (name) AT (number) AND REFERENCING RFP(#####).

Vendor Relations

Solicitations/Bid Opportunities:

- Complete, timely, and accurate information
- Equal access to all qualified suppliers
- Ensure that specifications do not limit competition
- Vendor should not be allowed to write the specifications for a procurement





Vendor Meetings

- Vendors have sales goals that drive them to perform.
- Meeting with existing vendors may be greatly beneficial to your area especially if the vendor is providing service and support for existing products.

Meeting New Vendor

- Open and frequent communication between procurement and the supplier community
- Face to face meetings may also be time consumers and there are better methods for handling some of the knowledge transfer.
- Education opportunities for vendors/suppliers at information sessions or expos



When is it not appropriate to meet with vendors?

- When there is a bid or competitive activity in progress
- When a special favor or special treatment requested
- When you are being pressured to make decisions that do not seem to be in your agency's best interest



Post Award Orientation

Plan for Success

- Meeting or some other form of communication between the agency and the contractor or consultant should be the beginning of effective contract administration.
- Provides agency and contractor a clear and mutual understanding of the contract terms and provides the contractor with an understanding of the roles and responsibilities of the agency administering the contract.



Post Award Orientation

Plan for Success

- Personnel who will administer the contract
- Quality control and testing
- Specific contract deliverable requirements
- Special contract provisions
- Agency's procedures for monitoring and measuring performance
- Contractor billing
- Payment procedures



Supplier Stratification

Which suppliers are the most strategic to the organization and which are less important.

- Risk
- Operational criticality
- Technical integration
- Total value
- Long-term fit with the organization
- Performance



Kentucky Center for the Arts



- New cable placed throughout the Center last year during a \$130,000 telecommunications upgrades is going unused because it failed a state electrical inspection for safety reasons.
- In April, Ivy Communications agreed to remove the non-code-compliant cable, install the proper cable and assure code compliance.
- As of September, work has yet to begin.



- On July 3, 2002 the Office of Management and Budget (OMB) designated the Past Performance Information Retrieval System (PPIRS) as the centralized government-wide system to provide federal procurement officials with contractor past performance data
- PPIRS was created and is still operated by the Naval Sea Logistics Center Detachment of Portsmouth, New Hampshire



- Federal Acquisition Regulation (FAR) requires agencies to put past performance evaluations into PPIRS
- The evaluations are required for most contracts over the simplified acquisition threshold of \$150,000
- All construction and architect-engineer contracts terminated for default must have past performance evaluations performed
- Agencies generally put the information into the Department of Defense's Contractor Performance Assessment Reporting System (CPARS), which is a feeder for PPIRS.

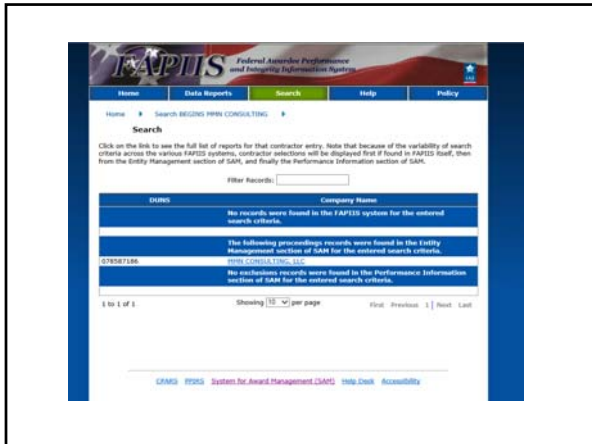


- Federal Awardee Performance and Integrity Information System (FAPIIS)
- As of October 29, 2010, information on terminations for cause or default and defective cost or pricing data must be included in PPIRS and FAPIIS
- <https://www.fapiis.gov/fapiis/index.jsp>




- Contains Federal contractor criminal, civil, and administrative proceedings in connection with federal awards; suspensions and debarments; administrative agreements issued in lieu of suspension or debarment; nonresponsibility determinations; contracts terminated for fault; defective pricing determinations; and past performance evaluations






Supplier Reviews

- Hold regular supplier reviews to facilitate on-going supplier performance management and provide a senior management overview of the relationship between the organization and the supplier.
- Meetings between buyers and suppliers should be two-way, with both parties learning from each other

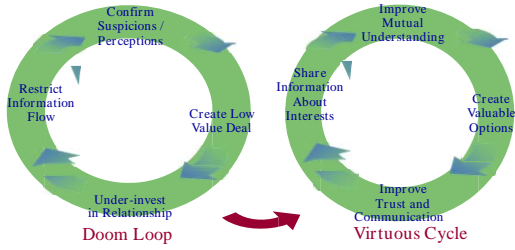


Example

- Supplier begins to suffer financial strain and begins to make behind-the-scenes cutbacks
- Early warning of a supplier in financial difficulty gives the buyer time to develop alternative supply solutions



Choice



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