

**Kevin Minor:** 0:04

Greetings. Episode 16 of the NASPO Pulse, a podcast where you're monitoring issues in state procurement. We've got our finger on the pulse. I'm your host, Kevin Minor, and it's another wonderful day in the NASPO neighborhood the sun's shining, the trees are turning colors, fall is in the air. It's my favorite time of year. I'm a big fan of pumpkin, spice anything really candles, coffee, whatever, and I'm not ashamed to admit that Today on the Pulse, we have a procurement titan, folks.

**Kevin Minor:** 0:42

NASPO's very own Chief Learning Officer, Diane Lancaster, is joining us. Diane has a myriad of accomplishments under her belt, the most recent of which is receiving NASPO's very prestigious Mizone Distinguished Service Award. That award recognizes service on a continuing exemplary basis to the public purchasing profession. Diane has decades of experience in public service, including being the chief procurement officer for the state of Oregon and past NASPO board president. Diane is retiring at the end of 2020, so we spent a little extra time discussing her experiences and how she got into public procurement. Got a lot of really good stuff here today, folks, and because I really thought it was such an interesting interview, we broke it up into three parts. Part one today obviously covers not only Diane's career and how she got into the profession, but also the history and evolution of the procurement profession by someone who has experienced it firsthand. Part two and three will be released November 3rd and cover Diane's accomplishments at NASPO, the importance of procurement in higher education and what she sees for the future of the profession. That and so much more. So stay tuned for that.

**Kevin Minor:** 2:14

Really, it's a great interview. I got a lot of really great stuff out of our conversation and I wouldn't break it up into three different episodes if I didn't think it was all really interesting, important information. A couple other notes Email us with your questions and comments at podcasts@naspo.org. If you haven't already, make sure you subscribe to us on Apple Podcasts, Spotify, Google or wherever you get them. Sweet listeners, make sure you check out naspo blog [naspo.org](https://www.naspo.org/blog) to catch up on some procurement articles that are written by your very own NASPO staff. Let's take the pulse. Diane, thank you so much for joining me today. How are you? I'm good, Kevin. How are you? I am doing well, much better now that we're talking. Diane, this one's been a long time coming. You have had a notable and distinguished career in procurement thus far and you have an alphabet behind your name and I really want to get into all of that. But we got to know, we got to start at the beginning. Where did you start? Where did this love for procurement and public service start?

**Dianne Lancaster:** 3:25

Thanks, Kevin. I'm glad you mentioned public service because I was thinking about this question. Where did it start? And I have to go back to my parents. I was raised by two professional people who were the first in their families, both of them, to graduate from college. My dad ended up working his career in the federal government, working with the native tribes up in Alaska, and my mom was a school teacher. She taught English and drama, and both of them were very proud to be what they considered public service professionals. I can remember my dad visiting me in college one time and I introduced him to a guy I was dating and I thought was pretty cute. And my dad afterwards said you know, okay, I see that he's a pleasant enough guy, but what's he going to contribute? And that was my dad's standard question what are you going to do? What are you going to give back? And my parents lived that way.

**Dianne Lancaster:** 4:34

So I had the notion from an early time that I would be a professional of some sort. Didn't really know, or, you know, wasn't sure about my parents, what they did. But as I went through school and I took classes, some of the classes that I liked best were related to accounting, finance, business management and so I kind of kept going in that vein and I got into an MBA program and I was convinced that I was going to be a professional accountant. I was going to be a certified public accountant and I pretty much followed that path for quite a ways. Uh actually worked for a public accountants firm for a little bit. I didn't like it. Uh, no, no, it was too too dry. Uh, you're, it was recording all

the events, keeping track of things that had happened. Everything has to balance. Um, it just didn't. I thought I got bored. So I, at one point we were talking, uh, you know, about career and and career paths.

**Dianne Lancaster:** 5:53

At one point I actually went into private business, uh, and and worked uh in a small business for many years. Um, but that was a real roller coaster, small business. I my hat's off to anybody who can do it. I was not not particularly great at it. So I went back to the drawing board and I took a job with the state government here in Oregon in accounting. You know I started going to the local professional development association meetings you know the association of accountants. You know cause they said you got to network those years? You know it was the idea was you dress for success network, do these things, and part that, uh, was that if you're going to join anything, you've got to volunteer, you got to have to help in order to be accepted. So I started to learn about those things, but I still didn't like the work. Um, it was boring. I just was bored and I and that, to me, has become the signal in my life that it's time to change.

**Dianne Lancaster:** 7:04

Yeah, you better do something. So, literally standing in the lunchroom one day at the office, I saw a job announcement for the purchasing group, the purchasing division that was upstairs. It was on the next floor up and I stood there staring at it and somebody came by and said hey, you know, that looks like a pretty good job. Maybe you should put in for it. Well, I did, I just did, and they didn't hire me.

**Kevin Minor:** 7:31

Wow, that surprised me, See. I thought you were going to say and I got the job.

**Dianne Lancaster:** 7:35

No, I didn't get the job. I didn't get the job, but the interview, you know, another important lesson for me was the interview. Through that interview process I met some of the people there and some of the other managers, uh, because I, you know, through that and uh, so I was kind of discouraged. But then another job opening came up, uh and um, uh, the one of the managers, uh, called downstairs to where I worked and said hey, you know, why don't you put put your application in again? So I did. One of the managers called downstairs to where I worked and said hey, you know, why don't you put put your application in again? So I did. And the interesting thing was, the job was a new one, it was something that they were just starting and it was quality assurance.

**Dianne Lancaster:** 8:18

Now, quality assurance in those days this was 1985. Right, and quality assurance in purchasing was about literally about testing. They actually had a chemist on staff, they had a testing laboratory, they had a place where they could literally go. One of the big things they did was to test traffic paint. To test the traffic paint, who knew, right, that traffic paint has, you know, wearability. And so we'd go out and the Department of Transportation would lay down some stripes on a piece of you know piece of road and we'd get it. There'd be a team and people would go out and you'd literally they'd road test it for a while let the traffic, drive over it, and then you'd look to see, okay, which paint lasted longest?

**Dianne Lancaster:** 9:10

You know how did it look after so much wear? And this was how, in those days, you literally qualified bidders who were going keeping track of the books and the expenses. Now we're out in the field, we're out where the real world, and I liked it. I liked it. That was also a time great change in procurement. The 80s was a time when government started to outsource and started to do service contracts and this was really still quite new Things like outsourcing janitorial service. Traditionally, schools, universities, agencies, state government had its own janitorial crews. Well, they started privatizing, and so janitorial services window washing, carpet- cleaning.

**Kevin Minor:** 10:25

These are all things that are standard now.

**Dianne Lancaster:** 10:28

Standard now Nobody thinks anything about it, right anything about it, right, but in, but in those days, the building you had people who took care of it and they worked for the agency, the school, the university. Well, I got into service contracts because the it was new. They didn't really have a lot of people on staff who were, who wanted to do it because, again, it was new, and so I said, yeah, I'll give it a shot. So so I started, uh, working in that field, um, and I just thoroughly enjoyed it. I, we went out, so we'd go out on walkarounds and and go out to the universities, to the schools, to state buildings and whatnot. And you do pre-bid conferences. We'd go out, you'd meet people, you'd walk around.

**Dianne Lancaster:** 11:19

If an agency because I was quality assurance manager if an agency had a problem with a vendor, they weren't keeping the place clean, then I literally would go to the agency. We'd call the vendor or the supplier. They'd come in, we'd walk around and agency, we'd point out the problems. I'd take my little camera, take pictures, you know a little snap camera, um, to document contract issues. This was contract administration on the ground. Uh, and again, I loved it, hands on, and for me that just resonated. And I love talking to the business people and hearing their side of the story, you know the agency would have this or that need or issues. I remember one time when we were doing an invitation to bid and in those days we were still fiddling with requests for proposals. We really hadn't got the hang of qualifications-based contracting yet.

**Kevin Minor:** 12:21

Yeah.

**Dianne Lancaster:** 12:22

So agencies would write up these specifications, and in janitorial services the specifications had to be pretty detailed.

**Kevin Minor:** 12:30

Right.

**Dianne Lancaster:** 12:31

The suppliers then would use that and make the pricing. Well, we had a major university and I was in charge. This was a little lesson learned. I was in charge of the project for the bidding project Forgot the trash can liners. University wanted trash can liners in every trash can and this included dormitories, classrooms, laboratories everywhere, offices, this universe and the major university.

**Dianne Lancaster:** 13:01

you know, 30,000 students yeah wow, we got to the end, ready to make a ward to the low bid and it thankfully we had a meeting to talk about getting started and the subject of trash can liners came up and the bidder the businessman, a person said we didn't price in any trash can liners.

**Kevin Minor:** 13:24

Wow.

**Dianne Lancaster:** 13:25

The whole thing was trashed.

**Kevin Minor:** 13:27

No, pun intended?

**Dianne Lancaster:** 13:28

Yeah, no pun intended, but we had to go, we had to rebid. I of course was totally embarrassed because I was a young, young manager just starting out. You know I hadn't been there very long and you know, here here we are at the university and you know it was a learning experience about detail management and about how yes, Kevin, the small things, and this is part of what procurement people have to think about is it's often the dog you don't see that fights you the hardest, and so that wasn't my only failure.

**Dianne Lancaster:** 14:14

My only, you know, mess up.

**Kevin Minor:** 14:16

But it's sure. It's interesting, though, how you, how you've brought that with you throughout your career. Oh, yeah, oh yeah, as kind of a milestone and something that you've. It's really taught you a lot.

**Dianne Lancaster:** 14:29

Yes, if you're really going to be a professional, you have to. You have to have those stories and you have to be able to keep them and kind of build on them.

**Kevin Minor:** 14:41

Yeah, it keeps you grounded.

**Dianne Lancaster:** 14:42

It keeps you grounded and it reminds you of the simple things. And after all my years in the business of business, which is procurement, that's one of my big themes Keep it simple when you get too confused, when it looks too complex, when it just seems overwhelming. Go back to the basics and think about those trash can liners. And I bet you, if you talk to 20 different procurement professionals who have any level of experience, they'll have some story to tell about the time they forgot or the time that they messed up.

**Kevin Minor:** 15:18

They'll have their trash can liner.

**Dianne Lancaster:** 15:20

They'll have their trash can liner story.

**Kevin Minor:** 15:23

It seems to you know, and not to knock accounting because it's a respected profession. It seems to, though, that there was a level of risk there that you, also, kind of you, liked, you wanted in your profession, right.

**Dianne Lancaster:** 15:40

Yes, yes, and that's what I have found. One of the things I have found fascinating about public procurement as a profession is that there's always risk. Every time you open a project at so many places along the way, there's a risk, and it's a risk that you'll forget the trash can. Liners in the original description.

**Kevin Minor:** 16:05

Right.

**Dianne Lancaster:** 16:05

It's a risk that your invitation to propose won't get to the right people, and you won't. Two or three companies that we had to have at the table didn't show up because something didn't get to the right person. Right, it's, you know. And then it's all along the way as you get into contract negotiations. Contract negotiations is you know. We could

go on for hours about contract negotiations. At the end of the day, it gets back to having the right people at the table talking about the right stuff and getting down to what is real. What is real about this particular project? What is the you know what's going on here? So I always go back down to those basics.

**Kevin Minor:** 17:01

How are you able to fit in Cause? You also have your law degree.

**Dianne Lancaster:** 17:06

Yes.

**Kevin Minor:** 17:06

What? What transpired to get you from the quality control to get your JD?

**Dianne Lancaster:** 17:25

Oh, okay, that's again. And that you know the saga of of seeking, I guess, looking for professionalism, looking for the next thing, and one of my personal beliefs is that you've got to think about your mission in life. Where is it that you want to end up? This is the same in project management. The first rule in project management is start with the end in mind. Now, I'm not saying I've always had a 30 year plan. I've bounced around from job to job and place to place, just like everybody else.

**Dianne Lancaster:** 17:46

But at some point you have to think about. All right, I like working in this area and I knew that I started to get a little bit oh I don't know if I was bored or just ambitious or wanted something a little different. So I took a job with the local school district and I was the purchasing director there for a couple of years and it was OK, it was all right, but I was starting to feel like I just wasn't. I just didn't feel like I knew enough. And I had worked with some fantastic lawyers in at the state and at the school district. And in talking to the lawyers, when you go to them for problems, the ones that I talked to were advisors and they would say, okay, you know, the good ones would say again, let's break this down, let's talk about what the agency, what the state or the school, what is really at stake here? What is the outcome you want? Well, see, that's action. I can deal with action. All right.

**Dianne Lancaster:** 18:51

So then we make a plan, and good legal counsel, in my opinion, doesn't. You're not going to go to court. What you're going to do is you're going to make a practical plan of what could we do to fix the situation so that we can all drive on Business. People want to do business. Government wants goods and services procured. Nobody wants everything held up because you're fighting about it in a legal battle, right? So, uh, so I had, I had some, uh, I had some amazing uh uh professional friendships with some attorneys that just you know, I just kept thinking I want to know what they know. I got to know this, so I uh, literally uh, tapped my personal savings. Um, my husband was very supportive.

**Kevin Minor:** 19:42

I mean he was.

**Dianne Lancaster:** 19:43

I mean, I was ready to cash out my retirement because I felt so strongly that I got to go back to school. I've got to learn. So I went back to school. I was in my forties, I quit my job, took three years off and you know we ate a lot of Wow, talk about risk.

**Dianne Lancaster:** 20:10

Yeah. So I thought, okay, there's a lot good law school right here in town. I live in Oregon and there's good law school right here in town, and but it was a day school and so I had to to be willing to take the risk to say, okay, I'm

going to do this and I don't know where this is going to end up. I'm sure my husband was terrified.

**Kevin Minor:** 20:31

He trusted you, though he trusted you must've. Yeah, he did and thankfully it paid off, I guess.

**Dianne Lancaster:** 20:39

I had you know. So I just basically bagged everything and went back to school full time for three years to get my JD. The JD changed my life again.

**Kevin Minor:** 20:53

Yeah.

**Dianne Lancaster:** 20:54

Because I, you know, I went in with I don't know. Everybody has a romantic notion of being like the television attorneys you know, sweeping into the courtroom making the great closing arguments.

**Kevin Minor:** 21:08

You can't handle the truth right. That's what I see when I think of a lawyer.

**Dianne Lancaster:** 21:13

Yeah, but the reality for me was I focused as much as I could in law school. You have to take a lot to standard, but I focused in. Every elective I took was about administrative law, constitutional law, contracts, various classes that related to, again, to government and to the way government works government and to the way government works. Why does it work the way it does? And I thoroughly enjoyed my time in law school. The truth of law school is that there's a fairly small percentage at the top who are young, ambitious, talented people who often are well-connected anyway because they've got knowledge of family or whatever in law. But to go into law practice you have to literally sacrifice your life for several years. And the young lawyers that do take the law firm jobs the young lawyers that do take the law firm jobs they're going to be putting in 80 hours a week for years and working very hard to build their knowledge of their craft. Well, I wasn't sure about that and again, I didn't want to commute to the big city, but I got a

**Dianne Lancaster:** 22:35

call. I got a call from a lady that I had worked for when I was at the quality assurance job and she was with the Department of Human Services and she said look, she said I'm really proud of you that you've done this. You know, you've gone back to school and I've got a job opening that I'd really like you to consider. Well, the job opening was, in many ways, right up my watch and let me tell you, contracting in human services for clients, children's welfare practice is completely different. It was the most complicated contract work I had ever faced. It burnt me out. It was tough, tough work and there was a political change, reorganization, budget crises and the job of the state procurement office again came back up. This time it was the chief procurement officer.

**Kevin Minor:** 24:06

Yes.

**Dianne Lancaster:** 24:07

And so I put in for it, and in 2001, I took that job and moved back over to the office that I had started from.

**Kevin Minor:** 24:17

Procurement reared its ugly head once again, once again. You know one thing that I've learned working at NASPO procurement chooses you in a lot of respects, and I think if you work in procurement and I in effect do not, but I work directly with those in procurement and I've heard that from so many people you get hooked.

**Dianne Lancaster:** 24:40

You get hooked, you get hooked. I can still remember the first time that I had done a contract for the aviation agency.

**Kevin Minor:** 24:50

Isn't that just fascinating to speak with someone that has so much experience hands-on experience in the field of public procurement. I mean, she has seen it all. If you liked this episode and I know that you did we have two more parts, like I said, coming to you November 3rd. Stay tuned for those. Diane and I discuss the importance of procurement in academia. We discuss her views on the future of public procurement and some of the accomplishments that she's most proud of through her time at NASPO. You really get a sense of why the public procurement profession is so important, is so important. We will be wrapping up the first season of the NASPO Pulse in mid-November, but don't fret Pulse takers, because season two is on the way in 2021. If you haven't already, make sure you subscribe to us on Apple Podcasts, spotify, google Podcasts or wherever your podcasts are sold. Make sure you check out [pulsenaspo.org](https://pulsenaspo.org) to read up on some timely blogs written by your very own NASPO staff. I'm Kevin Miner. Until next time, thank you.