

Julia McIlroy: 0:01

Hi and welcome to NASPO's Pulse, the podcast that focuses on current topics in public procurement. I'm your host, Julia McIlroy. Today's guest is Peter Korolyk. Peter is the Director of Government Support Services for the State of Delaware. We'll be discussing the value of public procurement. Hi, Peter, Welcome to Pulse.

Peter Korolyk: 0:22

Hi, Julia, thanks for having me.

Julia McIlroy: 0:24

I'm so glad you're here. So, to start, I'd love to hear about your background, your professional life and what led you to public procurement.

Peter Korolyk: 0:34

So, as all public procurement officials do, I was in the crib and I said I want to be in public procurement. Actually, no, none of us actually thought that, and so I kind of came about this in a roundabout way. Right out of college I joined Liz Claiborne and I worked in their risk management and treasury department and I dealt with operations. I saw procurement in the background, but I really didn't get involved in that.

Peter Korolyk: 1:06

As I continued down my career path, I moved to another company doing accounting, receivables and payables operations and saw an opportunity to join procurement buying procurement buying used vehicles for CarMax, a nationwide used car retailer, and I spent a number of years there, got into training, but life changes and my family called me back to Delaware. My parents were getting older and so I moved back to Delaware without a job and the state had an opportunity. It was an entry level opportunity so I joined and I've been 15 years now with the state. Seven of those I've been a deputy director and three plus I've been the director of government support services. But I was able to use the wide range of my background to quickly advance and obtain this position.

Julia McIlroy: 2:10

It sounds like you were in essentially every aspect of procurement except for procurement right, because you were in payables and accounting et cetera.

Peter Korolyk: 2:21

Exactly, and while I was at least in the used car field, I was buying cars I actually bought well over 10,000 vehicles over the course of my career but it was involved in a lot of the

operations and contracts and because each one with a different dealer trying to get repairs done, working with different operational units, and so I looked at that job as the spoke or the hub of a wheel, where everything was affected by what I did, from our repair shop to our sales, to our financing, to the service that was done afterwards. If we didn't put the right inputs in, none of these other folks could do their job, and so I looked at that as a very foundational relationship, and I see the same thing here in my role here, even though most people don't think of procurement as central to what the government does don't think of procurement as central to what the government does.

Julia McIlroy: 3:30

There's absolutely the upstream and downstream that needs to be considered in procurement and that impacts both those directions. So, peter, how would you explain the true value of public procurement to someone outside of government?

Peter Korozyk: 3:43

So I think the best way to think of government is what it does and how it spends its money. And so if we think of government spending, we think of government spending as three main categories. There's, ultimately, services that are provided, programs that are managed through those services, salaries of the employees right. And then, ultimately, procurement, which supplements and otherwise supports each one of those other expenditure threats. And so procurement touches absolutely everything within state, government and, unlike private procurement, where everything happens or a lot of things happen behind the veil, public procurement is exposed and transparent, and needs to be not just today and tomorrow, but years into the future, where anybody can come back and ask what did you do, why did you do it, how did you do it? Defend how you did it. And so I think that when we think about the value of public procurement, we have to be transparent and we're ultimately responsible to the citizenry for the money that we spend.

Julia McIlroy: 5:10

There's no doubt that the pillars of public procurement are fairness, transparency, of course, ethics. And you have a great point. I remember when I had a staff at the University of Idaho and I would explain to them that every action that we take in procurement, we need to be prepared to defend it or explain it Not necessarily defend, but explain whether we have a challenge or not. And certainly from the audit perspective, when you receive federal dollars, when folks come in and say why did you do this thing? And you're right it could be not two months after the procurement, but two years after the procurement. So it's critical that we are prepared to explain what we did and why we did it. Okay, so, peter, in what ways does public procurement shape the quality of life in a community?

Peter Korolyk: 6:11

So I'm going to go back to kind of touch on the last topic. But I think as citizens, we tend to focus on the things that we can see, the things that we directly experience, and procurement and the effects of procurement are integrated throughout all of it, and so I think the best way that I can identify how it affects the quality of life and the quality of the citizenry's experience is looking at just one particular area and expand on that to show just how integrated and embedded it is within this segment. So, if we look at no further than public safety and police officers that we put on the street, that protect us every day, and so, yes, we pay them a salary, and that brings them into the job as well as a sense of duty in order to serve the citizenry. But then it goes from there right into the realm of procurement, and so we think about training.

Peter Korolyk: 7:24

We provide uniforms, we provide vehicles with lights and sirens. It has to be gassed up and it has to be maintained. We put new tires on it when they wear down. There's the upfitting of the equipment, there's the radios and flares in the trunk and the first aid kit that helps somebody after an accident. Procurement is involved in every aspect of that fitting for that officer to be on the street. And if we did not have that procurement, it would be chaos. And is it being done for the citizenry or is it being done for the benefit of an individual or a group of individuals? And because we are doing it transparently, we're showing that this is being done for the benefit of all.

Julia McIlroy: 8:17

Peter, can you think of a procurement that you were involved with that at some point you saw it either in use or on the street. That really gave you a sense of pride, Like oh, I was involved in that procurement, that's.

Peter Korolyk: 8:39

I have been involved in so many procurements and I tend to remember the grander efforts.

Peter Korolyk: 8:51

But ultimately, because part of my responsibility is also managing the state fleet within the state, I have a team of fleet technicians and supervisors, managers that equip all of our agencies with vehicles.

Peter Korolyk: 9:06

Now, it's not the state police and it's not our transportation, but it's everybody else. And so, from the state parks to the Department of Corrections, to our Capitol Police that manage

our central government offices, from group homes that serve the citizenry and help rehabilitate folks and allow them an opportunity at a good or better life, we provide vehicles that are accessible to them. That wouldn't be possible without the procurements that we do on the one side, on the one side of the equation, and so we make this available to them, the equation, and so we make this available to them, and I am proud of that each and every day, because while we look at that as a tremendous expense and it is I benchmark it to everybody else and I say we're doing it efficiently, we're doing it less expensively than anybody else, and so that gives me a sense of pride, and I can't not see a vehicle and not think that we did this for our citizenry.

Julia McIlroy: 10:16

That's great. I'm sure it brings you a lot of pride and satisfaction when you see those vehicles. For me, when I was at the University of Idaho as you know, I was there for many years One of my favorite procurements was the uniforms for the marching band. The marching band has always had a special place in my heart. We call it the pride of the North and such talented young people that sacrifice so much of their time to be in marching band and to really hone their skills, and so every time I saw them out there marching in the uniforms that I had a part in acquiring it just it gave me a real sense of pride. Plus, I love the fight song. So there you go.

Peter Korolyk: 10:59

Excellent.

Julia McIlroy: 11:00

So, Peter, what are some common misconceptions about public procurement?

Peter Korolyk: 11:06

So I'm going to I'm going to focus on two, and pretty straightforward. But one of the misconceptions is government does it inefficiently and that cheaper is better, therefore it is more efficient, and so to that I would say. We make procurement decisions every day of our life at home, and if we were to think about this as a simple problem, is it better to spend a dollar for an item that lasts one year, or is it better to spend two dollars for an item that lasts three years or longer? And so when we think about it in those terms, we realize that necessarily buying things less expensively isn't always the best solution. The other part, too, is that oftentimes government procurement impacts the local community. We have local suppliers that employ people, and so there's a rippling effect throughout the economy by every dollar that's spent from a local business, from being able to hire new people, pay them better wages, allow them to take a vacation, buy a car, buy a home, buy health

insurance, whatever it is that they do. A lot of this is funded and supplemented by public procurement, and so we always have that ripple effect. That is oftentimes an afterthought, but is definitely affected by public procurement. So that was the cheaper is better was point one.

Peter Korolyk: 13:02

The second misconception is that procurement is easy, right, and anybody can do it and I mentioned before that we all do it at home right now.

Peter Korolyk: 13:14

But when did you make a procurement at home and you were asked to defend it? A year later, two years later, three years later? I mean, sure, sure, my wife is going to complain about the car she got because it wasn't the one she wanted. I get that, but otherwise, again going back to our public procurement obligation, we are responsible for defending what we do after the fact and making sure that it was not only transparent, but it made sense. But it made sense. But, unlike personal decisions, professionals that our team are have to consider other issues like risk insurance, licensing, indemnity, liability and others that all get factored in and become part of that procurement decision. As to making the procurement from the right partner, that is going to be dependable for the state. And so I think that when we think about the fact that it's easy in some respects it is, but it's a far more complex than most people want to give it credit for- no doubt about that.

Julia McIlroy: 14:32

It's funny that you mentioned is cheaper better. I'm actually working on a presentation right now that's titled Is Cheaper Better and looking at best value procurement and also the ROI on any goods that we procure no-transcript in comparison to how much you're paying for it. So it's an interesting topic because I think folks forget that, like, for example, again at the University of Idaho when I would deal with furniture vendors. I'm a furniture nerd, I love procuring furniture. Furniture can transform a space and I've had the opportunity to transform lots of spaces on campus. But I would say to the furniture manufacturers I need for this furniture to last 10 or 15 years, not two years just because of budget constraints et cetera. So I was willing to pay more because I knew the quality would be there. And yeah, and I saw it time and time again I'm sure you have as well.

Peter Korolyk: 15:41

Absolutely.

Julia McIlroy: 15:42

Peter, can you share a real world example where procurement made a measurable difference?

Peter Korolyk: 15:48

So I'm going to approach this from a perspective of our schools. And are children receiving their education? And if we think about making a real world impact, procurement impacts everything happening at the schools. Yes, of course you need the teachers, right, but if we think about the school, you had the building that had to be ready for the students to step onto it and to learn on an everyday basis, and that's just the easy stuff. And then you start to think about the secondary effects. You have your school buses that get the kids to school, crossing guards that have to be hired, some of which are done privately and others through municipal hiring but then you have sports teams, and then you have the band and their uniforms and everything that goes along with it, and so forth and so on, and the list is huge, right, but we could also think about it this way.

Peter Korolyk: 17:22

We could also think about school lunches. Food is all procured by the school through a contract and the monies are coming from different places. But think about the last time you're sitting in a business meeting and it's right before lunch and your stomach is growling and the person is droning, maybe like me on a podcast, and you can't pay attention because you're hungry. Well, food insecurity is a nationwide problem, according to the USDA, with over 13% of our population deemed as food insecure, but schools, when they provide breakfast or lunch, either free or at a discount, are trying to mitigate and minimize this. This, and the impact is an immeasurable that the students can have a meal and focus on the task at hand, which is learning. And again, that's something that procurement does, that people just don't have a chance to see or even bother to think about, because it just happens. They don't necessarily know how it happens, but maybe now, after listening to this, they'll look at this just a little bit differently.

Julia McIlroy: 18:45

Peter, that's a great example. Someone said to me once I'm sure I've heard it many times that when government works efficiently and correctly, it's invisible, absolutely we don't think about it. And I think that's the point you were making, that when all goes well or goes as it should, then we don't give it much thought. One of my daughters was a pre-K teacher, so she would have little three and four-year-olds come into class and she saw the real world effects of nourishment for these kids and the ones that were hangry as it was getting closer to lunchtime, and sort of the effects of proper nutrition. So I appreciate what you

said about that. So, peter, what role does public procurement play in driving innovation, equity or sustainability in government?

Peter Korolyk: 19:48

So public procurement and the individuals that practice public procurement are stewards of the taxpayers' money, and they are, or otherwise should be, guided by a process of continuous improvement.

Peter Korolyk: 20:06

And so we look at our lives and I mean could look at technology, the clothes we wear, the cars we drive, and life changes, and the processes that are applied and the things that we buy should change with it.

Peter Korolyk: 20:23

And so public procurement is intended to seek the next thing that is going to make it more efficient, and we can look at autonomous mowers for landscaping as one example. Eventually we will get to the point of autonomous vehicles and autonomous transport for getting supplies to and fro, but at least it gives us a place to start right. And so I think that procurement is intended to stretch the boundaries, and vendors that work well with the state and with local governments are often making those offers to show where it's going, how it's going, how it improves and otherwise changes. And so some of the things that we do from a sustainability perspective are using recycled materials, using things that can be put back into the recycling, use less electric in order to energy efficient or energy savings, what was called Energy Star, and I think that these are all things that procurement has the ability to identify and define and ask for the vendors to be responsive to those questions, and I think by doing that it gives people a chance to innovate and achieve greater efficiency and greater savings, moving forward.

Julia McIlroy: 22:06

So, Peter, thanks again for joining me today. I really appreciate it.

Peter Korolyk: 22:10

Thank you very much for having me. I'm glad to have participated. Thank you so much.

Julia McIlroy: 22:16

And to our friends and colleagues in public procurement remember we work in the sunshine. Bye for now, thank you.