Welcome And Guest Introductions

Julia McIlroy 0:04

Hi everyone, and welcome to NASPO 's Pulse, the podcast that focuses on current topics and public procurement. I'm your host, Julia McIlroy, and today I'm so excited to have three NASPO Value Point suppliers on the show. We'll discuss the ins and outs of the buyer-supplier relationship, the good, the bad, and the ugly, and what suppliers really think about doing business in the public sector. Hi, Katie, Erik, and Mariah. Welcome to Pulse.

Erik Hayko 0:32

Thank you.

Julia McIlroy 0:33

Thank you.

Katie Higgins 0:34

Thanks for having us, Julia.

Julia McIlroy 0:36

So let's level set for our audience. Please tell me who you're with and what you do. Katie, let's begin with you.

Katie Higgins 0:43

Thanks for having me, Julia. I'm the senior contracts manager for Global Furniture Group. We're a furniture manufacturer and we specialize in workplace education and healthcare furniture. I oversee a team of specialists, and our primary responsibilities include reviewing solicitations, preparing proposals, negotiating agreements, and then we implement them upon award, which includes internal and external training. We maintain our contracts throughout their entire life cycle. So we are responsible for all modifications, renewals, sales reporting, and making sure that the purchase orders are compliant. So we see it throughout its entire life cycle.

Julia McIlroy 1:21

Thanks, Katie. Mariah?

Mariah Edwards 1:23

Mariah Edwards here. I work at Carahsoft Technology Corp., which is an aggregator, reseller, or distributor of IT solutions. So we work with IT manufacturers or service providers

to sell to the public sector government. I'm on the contracts team and manage our NASPO portfolios through the solicitation process through Ord. Great, thanks, Erik.

Erik Hayko 1:54

It is a pleasure to be with you today. I am the director of contracts and compliance at Presidio. We are a systems integrator and reseller. Our team's responsible for the compliant use of public sector IT contracts. Presidio has the pleasure of holding two NASPO Value Point IT contracts. I've been with Presidio for six years, and prior to joining Presidio, I was a state employee in Wisconsin, serving as the state's procurement compliance officer and the supervisor for a team responsible for managing the procurements, contracts, and budget for the state's Medicaid program, as well as other leading regulatory programs. And was with the state for over 21 years and enjoy being a member of NASPO Supplier Advisory Group, where I have had the pleasure of meeting both Katie and Mariah.

Julia McIlroy 2:45

That's great, Erik. And you really understand the public procurement process being on both sides of that street, right?

Erik Hayko 2:53

Oh, yes. It has been very um useful and informative and helping with these um buyer-supplier partnerships.

Julia McIlroy 3:01

Fantastic.

What Good Communication Looks Like

Julia McIlroy 3:03

So what does good communication look like from a supplier's perspective? We hear buyers talk a bunch about transparency, but what does that mean in practice when you're on the other side of the table? Erik, let's start with you.

Erik Hayko 3:16

Yeah, I think it starts with open and honest communication, and that uh results in stronger relationships. Procurement buyers, unfortunately, can be their own worst enemy by withholding information, and unfortunately, it often results in higher prices, the wrong solution, or even failed bids.

Katie Higgins 3:34

I'll add in one more thing just to segue off of Erik. I'm gonna boil back to a little bit more of a basic standpoint. So we need to be aware when our primary point of contact is changing. So the communication is vital. It's happened numerous times where we submit a request and we find out at that time that the portfolio has shifted to another contract manager, even if we had a good relationship with that prior contract manager. And from a procurement professional standpoint, I understand that their tasks and priorities change and they may be required to shift their focus or given a new portfolio, sometimes to their dismay. But we've also found great success in establishing a relationship with the new individuals who may not be familiar with our category. We want to be supportive and we want to educate those who may be less familiar with our market, but without knowledge of the change, we simply can't be proactive.

Julia McIlroy 4:33

Yeah, that's a really good point.

Mariah Edwards 4:35

I think piggybacking off of the contracting officer and knowing who they are is a vital standpoint because with suppliers we lean on those contracting officers to ensure that we are meeting expectations and meeting the deadlines and communicating the processes for not only us but also the buyers. And with ongoing engagement, it's equally important. One thing that I have incorporated is quarterly meetings with our contract manager so that we are able to understand the state's needs and how we're able to meet those needs.

The Three Sided Procurement Triangle

Julia McIlroy 5:19

Katie, please tell us about a procurement process that got it right. What did that buyer do differently that made you feel like a genuine partner rather than just a supplier?

Katie Higgins 5:30

I think the partnerships where we've seen the most success are the ones where the procurement team is not only taking a genuine interest in the supplier's perspective, but they're also gathering the right insight from the buyers on what they need. So it's really a three-sided relationship. The suppliers' job is to make our procurement lives easier, our procurement team's lives easier by delivering at the right time, the right price, being reliable, and supporting the broader goals like sustainability or speed to market. But the procurement team needs to understand what the buyers are seeking, what's easy for them,

and what they need to get the best value. So the key differentiator goes back to communication. It's having those open conversations about expectations so we can all align on the final end goal. The teams that get it right start with market research and open communication. So when suppliers are given an opportunity to participate in an RFI or market research before a solicitation is released, it helps us smooth out any bumps in the road. The best relationships we see are the ones that allow us to discuss those inconsistencies or challenges that we're facing. So understanding that procurement teams have to comply with statutes and policies, while suppliers may have to look at absorbing added costs, and buyers may need to look at an easy way to get what they're looking for. There has to be a middle ground for all of us to be successful. And having those direct conversations and remembering at the end of the day, there's another person on the other end of this transaction. It helps us understand one another and it helps us identify where we can improve and go forward together. So a term that may have worked in the past may be less relevant today. It's really important that we don't continue to rinse, wash, and repeat because the terms need to evolve with the market. And again, it goes back to that communication. So an example I'd say that worked in the past was a long-term price hold. Maybe you had a price hold for three years. Once COVID happened, I think that the reality of it is that that's just not attainable in today's market, right? The cost of raw materials continue to rise. So including a term for fixed discounting and allowing for price list updates, that's something that can help us all be successful because the buyer is still getting a defined value. They know what to expect in terms of a quote and a price that they're going to get. But it also helps suppliers because we can be more competitive in our pricing, so we don't have to hedge for unforeseen market conditions three years down the road. Quarterly business reviews, market research, and RFIs help keep the lines of communication open. And it also helps to raise awareness throughout the term of existing contracts so we're not doing a complete 180 unexpectedly. And then the last thing I'd say is educating the purchasers. So once we have a contract in place, what's the value add? How are we making this easy for our buyers? How can we help them achieve their goal? What's making this an easier process for them at the end of the day?

Julia McIlroy 8:51

And Katie, in your description of the triangle, the three sides, you have procurement, you have buyers, which are like end users, right? And then you have the supplier. Correct. Yeah. Okay. Okay. That's helpful. I think for our listeners. So I think you have a great example of like steel, for example. You use all kinds of steel in your fabrication of furniture, and the price is just skyrocketed. And so 18 months ago that was difficult to foresee where we'd be today. Correct. So having that flexibility in pricing is critical or in contracting is critical.

Katie Higgins 9:32

It really is. And it helps us to be fiscally responsible too, right? So we can continue to be a long-term partner and supplier for our purchasers.

Julia McIlroy 9:42

And back in the day when I was a director of purchasing, I would say to my suppliers, sure I could beat you down and get the best price possible. But I need suppliers that will be here in five and ten years when it's time to do some warranty, like on furniture, for example, which I loved procuring back in the day. Furniture is amazing. But we need suppliers to be healthy and strong so that they'll be around for a long time when we need them.

Katie Higgins 10:10

Absolutely.

Stop Reinventing Cooperative Contracts

Julia McIlroy 10:12

So, Erik, if you could sit down with every public procurement officer and tell them one thing that would transform your working relationship, what would it be? Now, no holding back. What's the message suppliers wish buyers would hear?

Erik Hayko 10:29

No holding back, huh? Oh, this could be fun. Well, having been on both sides, it's one where I think that's where my perspective is the buyers just need to get out of their own way, or the buyers just need to stop making their lives harder than they should be. Um cooperative contracts, especially NASPO, exist for a reason. And your state terms are already included in the participating addendum. So stop the struggle of standalone RFPs and race to the bottom bids, as they rarely end well for the supplier and the buyer. We just talked about that in the with the prior question about having supplier um consistency or being able to have suppliers around for multiple years. Um rather utilize existing cooperative contracts where the scopes permit and purchase using an MRFQ. But a best practice that I've seen from both sides is do the MRFQ, but follow that up with interviews and presentations that permit both the supplier and the buyer to understand some very important points, which are what is being done now, what is working, what's not working, what changes are planned, and what does the future look like? And how can the supplier and buyer partner to get there and provide that long-term dependency?

Julia McIlroy 11:53

Thanks for that shout out to NASIPO's value point. But just really looking at all cooperative purchasing, I was a huge proponent of cooperative purchasing back in the day. I couldn't, I couldn't tell you when I did a furniture RFP, for example. Well, I can't. We did a science building, and I decided because we had so much new product that was going into that building, I did an RFP for that. But other than that, when I was doing furniture and lots of other scientific equipment, lots of other products, I always went into cooperative purchasing first and tell what deliver what's already been bid. What do I not have to bid? Do I like the pricing? Do I like the supply or does this work for us? Especially for small shops, which uh most estate purchasing would say regardless of how many employees they have, that they could always use more. Cooperative purchasing is such a time saver and a helper because uh the RFP has already been done for you.

Katie Higgins 12:53

I totally agree with that, Julia. And just to add on to that point, it's saving time, energy, and resource, right? But the the evaluation has already been done for you. So capitalize on what's available to you and save yourself that time, especially when you go into a buying season towards the end of fiscal year, and everyone all of a sudden remembers in the umpteenth hour, oh, we have to get this or we have to spend this. It does make it a much simpler process.

Julia McIlroy 13:25

100%

Hidden Friction In RFPs

Julia McIlroy 13:26

agree. So, Katie, what's the most frustrating part of the procurement process that buyers may not realize is a problem? Sometimes the biggest friction points are invisible to the people creating them.

Katie Higgins 13:39

So, one of the biggest frustrations, I would say, is when the buyer or procurement team isn't actually familiar with the commodity or service that they're trying to purchase. That's where suppliers should be able to support and educate our purchasers. And using us three as an example, Erik, Mariah, and myself. We should all have different terms and conditions because we're supporting different commodities. And what makes sense to one supplier may not make sense in another category. So when those distinctions aren't understood, it can make the solicitation process overly complex and it may focus on requirements that don't actually help identify the best partner. Sometimes people don't know what they

simply don't know, which is why early engagement and industry expertise are really important. Another major challenge is when the evaluation and scoring criteria aren't clearly outlined. Of course, when we're submitting a proposal, our goal is to get an award at the end of the day. But after you win enough awards, you develop a sense of what a strong and award-worthy response looks and feels like. When the final decision feels subjective because there wasn't a clear explanation of how points are ascribed, it becomes difficult to understand what the buyer truly values and what we can do to improve for the next time. So I do often ask for clarification during the QA process what the evaluation looks like. How are those points derived? How is it weighted and scored? But usually the answers met with please refer to section 4.0 you know regarding the evaluation criteria, which isn't it's not really drilling down to who's evaluating, how many evaluators, how are points actually being ascribed to it? Is it a yes, they answered this question, so they're getting full points, or is it a well they answered the question, but this supplier answered it with more value add, so they might get a higher rating, right? I think it just helps make it more definitive. A best value valuation should consider multiple factors that includes pricing, warranty, speed to market, service, long-term reliability. Those factors should be weighted differently depending on the commodity, but the weighting and expectations need to be transparent. Without that clarity, even a thoughtful best value process can feel subjective. And then the last thing I'd mention would be market baskets. So, in the interest of making sure we're all on the same page, since we cover different categories and we have listeners that cover different categories, it's essentially a way for evaluators to look at products in an apples to apples comparison. So in the furniture world, we often receive these because it helps make the distinction of what products we can offer: chairs, desks, systems, furniture, so on and so forth. Being too vague or being too overly specific in those market baskets can result in a lot of challenges. And as an example, if the requested item says laminate desk on the market basket without dimensions, someone's going to go in with the smallest desk that they offer to show the best price. Another supplier may say, well, historically they've always bought this size, so this is what I'm going to, what I'm going to present. Whereas if it's overly specific, it might feel like they're boxing out competition to result in an award to an existing incumbent. So I think market baskets are extremely important to make sure that the individuals who are preparing the solicitation are really comfortable and confident with the commodity and category that they are overseeing. And if they're not, that's where they again need to go back to some of that supplier engagement in the RFI process to better understand it.

Julia McIlroy 17:54

So the tenants of public procurement, besides being responsible for the dollars that our citizenry provided for the uh procurement, is fairness and transparency. And having a well-

written RFP that laid this out my desk needs to be a 24 by 48, other way, 48 by 24, etc. Um, at this quality level uh is uh bringing fairness and transparency into that process, right? You just can't say I need a chair. What kind? A guest chair, casters, right? You know, it doesn't need to be ergonomic. We could go on and on about furniture.

Katie Higgins 18:37

You have a weight limit, right? Exactly.

Julia McIlroy 18:39

Yeah, yeah, for sure. So that's a nice segue into my next question, Erik.

Losing Bids Debriefs And FOIA

Julia McIlroy 18:46

How much feedback do you really need when you lose a bid? And what makes feedback useful versus just checking a box? What feedback would help improve your next bid?

Erik Hayko 18:57

Part of it, it really rests on after that award has been made. So the best advice to share is buyers should prepare and share the scores of winners, commonly known as like an award justification. It outlines where everybody ranked and where your scores were. But then also buyers should proactively provide the valuation summary for just their bid to the non-awardees when the notice of award is a given. Sharing this does not create a competitive advantage, but it lets the bidder know where did they score high and where did they score low, and it allows for them to do self-reflection to identify, well, why didn't I get the award and to look back and make improvements down the road for that? This the tertiary portion of that is it also it'll allow the bidder to narrow the focus for any freedom of freedom of information act or FOIA request that they may make. So instead of just making a brumage general request, which is going to take a large amount of time for the buyer to have the process, by providing that evaluation summary up front, it will help narrow their request. Um, and in most in most cases or some cases, it may even eliminate the need for a protest at all because they have the information they in front of them and they understand why they did not receive that award. Um also specific to the FOIA requests, quicker turnarounds by the lead agency is highly recommended because often terminals are so slow and they don't align with the protest windows. So bidders have no choice but to file protest so they hold their position. If the FOIA was responded to more quickly, it actually may result in a reduction of protests and less baseless and unnecessary protests. Records are often electronic. So fulfillment can actually be very quick in that turnaround. Um, and then another method um is for evaluators with recommending that they um are pre-screened

and that they're modified for the sections. So when you get very complex bids, it is hard to find evaluators that are experts in all of the areas. So are you able to equip evaluators to score the qualifications and technical responsibles or create separate groups of evaluators for different sections? Some of the most effective bids that we've seen from both sides are where you have evaluators or subject commander experts in specific areas. It provides consistency in the scoring. It also helps reduce evaluator fatigue because they're not reviewing large sections of responses, which ties into that next section is my Should be aware of that event the risk of evaluator fatigue as that impacts bidder's responses and often results in lower scores because of that fatigue. Ways to address that is hold evaluator consensus meetings where the evaluators can reconcile in the event in some or discuss their response their scores, why one evaluator may have given a very low score while others were scoring high, or sometimes even vice versa. A lower, higher score compared to other evaluators may result in someone not fully understanding the requirement, evaluator for fatigue, or they just may be a tougher scorer. But if that is the case, that should be consistent across all bid responses that they've evaluated. If you see an anomaly where they were tough on one but others weren't, was fatigue an issue? And that's where that consensus meeting can help reconcile those.

Julia McIlroy 23:03

There's some really great points. Katie?

Katie Higgins 23:06

Those are excellent points, Erik. So I you already mentioned this, but I kind of just want to circle back to it a little bit. I I think it's really important that we learn from the past, right? So I'll admit our contract portfolio has grown and it's successful, but it's because we've taken the opportunity to attend debriefs and go through evaluations where maybe we were not awarded a contract in the past. It helps us to improve for future opportunities and it also helps us identify where we could enhance our offerings for future. Because at the end of the day, we need to know how we can best service our customers. So if they're looking for something specifically, we need to look internally how we can provide that to them better in the future.

Challenging Specs Without Burning Trust

Julia McIlroy 23:51

Great points there. So when procurement requirements seem disconnected from operational reality, how can suppliers voice those concerns without jeopardizing the relationship? Is there a way to challenge specifications constructively?

Erik Hayko 24:09

So my favorite analogy of requirements relate to procuring a tree swing. So if use your favorite web browser, search for funny image of buying a tree swing from different perspectives. What you will come up with is an image that has multiple perspectives visually depicted from what does the procurement professional think we are buying? What does the engineer think is being bought, the bidder, the buyer, finance, and others. And the reason I mention this is a procurement is only as good as those engaged to develop the requirements and evaluate the responses. That message has been meant has been repeated in multiple answers so far today for that. If requirements are too vague or lacking, you run risk of cost overruns or project failures. If the requirements are too detailed, you may inadvertently exclude competition as the result is too narrow of a lens. All of us in procurement heard the example of, hey, if you're buying a car, you need to describe what the requirements of the car are. You can't say it needs to have a blue bow tie on the front or it needs to be a Ford. You have to provide that ability for open competition. Having a complete team involved in developing the requirements may also reduce the number of questions posed by the bidders. There's nothing worse than the buyer having to answer 200 questions as part of a bid. A lot of times that's a result of not having clear requirements. Best practices are to utilize existing cooperatives, like we've mentioned, where the scope permits the purchase and to perform an RFQ. An item I previously mentioned was better yet, being able to allow for interviews and presentations that permit both the sub supplier and buyer to understand: hey, what's being done now, what's working, what's not working, what has changed, um, and what is planned. What does the future look like? And what would that partnership look like to ensure that you have stability, you have reliability, and we are meeting your um your requirements and what your needs are.

Julia McIlroy 26:33

Erik, I had a little mini panic attack when you said 200 questions from an RFP. I've had that situation before. It's terrible, it's so time consuming, but it's also, I can tell, when I have a really, as a former public procurement professional, when I had a really well-written RFP that was clear and concise, and when one of the RFPs was a little too vague. And part of that was the number of questions that I would have from the suppliers. So doing the work up front and knowing what you're procuring is critical to a well-run RFP. So Mariah,

Pricing Pressures And Value Beyond Low Bid

Julia McIlroy 27:16

what do suppliers wish buyers understood about pricing and margin pressures in public contracts? Where's the disconnect between what procurement expects and what's commercially sustainable?

Mariah Edwards 27:31

I think the biggest disconnect is that buyers often see that final price without truly seeing all of the factors that go into that price. Pricing can vary based on so many factors, one being commodity, then in addition to that, is it a fixed rate or is it dependent on something else? This could be usage, tiered structures, percentage-based use. Sometimes even when the industry changes, pricing will change. Or if it is a multi-year opportunity, pricing will change. In addition to those factors, it also may be reflected in how many parties are included in an opportunity. This could be the contractor, vendor, or reseller. And this expertise and support each kind of brings to the opportunity. A lot of times, acting as a reseller or working with resellers, I see a lot of procurement officials looking at a reseller's involvement and automatically thinking that it means a higher customer price. In many ways, the inclusion of a reseller can provide additional value and cost efficiencies for that specific customer in certain things like business licenses, state-specific certifications, or even minimum procurement thresholds for purchases. I think the challenge really comes when, as Erik had mentioned before, the race becomes to the lowest dollar amount. The lowest price may not always represent the strongest overall solution if another partner offers deeper familiarity with that specific opportunity or what is being purchased, specialized expertise, or even a better long-term service and support. Again, going back to making sure you're getting the most out of your money. Buyers here could unintentionally overlook that price because they are looking at the the most, the lowest dollar amount. With that, I think greater transparency can be done on both sides to close that gap. Suppliers, we can certainly explain our pricing methodology, but also buyers can look at the pricing and ask questions and look at what pricing model is actually being used for that specific opportunity or purchase. And I think with all of those, when everyone can understand all of those components in the price and the value behind them, procurement can ultimately make a more informed decision for the best overall outcome.

Erik Hayko 30:39

Yes, vendors need to make money to stay in business. It's just the nature of that. Public sector buyers need to be good stewards of taxpayer dollars. It's a balance, but it's also something that can be successfully achieved. Buyers should be careful and may risk losing strong suppliers, as Mariah had mentioned, where they could provide the greatest value if the buyer puts too much emphasis on making the procurement a race to the bottom for price, including onerous requirements that don't directly add value. Be careful of

boilerplate language and whether it is applicable or not. And then be aware of service level agreements and conditions that, again, don't add value. Unfortunately, suppliers far too often see and are brought in to quote clean up after these race to the bottom procurements because the lower bidder, the lowest bidder is unable to fully deliver. And the end result, unfortunately, is the buyer having to spend more money, which defeats the whole purpose of the race to the bottom.

Julia McIlroy 31:57

We definitely don't want a race to the bottom. Totally agree with that.

QBRs And Staying Engaged Post Award

Julia McIlroy 32:02

So, Mariah, beyond the contract terms, what kind of ongoing relationship do suppliers want once the deal is signed? How should buyers stay engaged without micromanaging?

Mariah Edwards 32:14

Yeah, I believe once the contract is signed, suppliers do need an ongoing relationship built around regular, meaningful communication. Quarterly business reviews are where I would see the most efficiency in this, whether it is truly quarterly or on a cadence that makes sense for the opportunity or for that specific participating addendum. I believe these are most valuable. They will create consistent discussions around performance, any upcoming opportunities, challenges, and the buyer's priorities. From my own experience with implementing these QBRs with certain states, I have seen this significantly strengthen the relationship with that state, but it has also contributed to the significant contract growth because we are better able to understand what that specific entity or state as a whole needs, and we can stay aligned on how to support them. While not only doing this at the participating addendum level, this should also translate to the individual opportunity. Whether that is regular check-ins to confirm that the project is on track. This can be detailed in a statement of work document or some states use an engagement addendum. These are all necessary and will help not only with compliance, but it'll also help track down where each individual opportunity is at. So the buyer doesn't necessarily need to engage in a micromanaging way. Another point to that is to raise questions early on in whether it's the contract or the specific opportunity. I think too much buyer scrutiny can really delay the procurement process, but proactive communication gives all parties a chance to get those issues resolved before they build up and need an escalation that sometimes can't always happen. So I think all of that combined can really truly help ensure that all of us are on the same page and that's the main thing that we need at both the PA level and with the opportunities.

Fixing Evaluation Criteria And Reference Traps

Julia McIlroy 34:58

Good points. If you could redesign the evaluation criteria that buyers use in RFPs, what would you emphasize differently?

Katie Higgins 35:07

So past performance is a challenge for us. As a manufacturer, we work through an authorized distributor network. So generally, our boots on the ground that's providing the service, such as installation. They're the ones that may be the face of the relationship with the final end user, with that buyer. So yes, they may be sitting in our final product, but are they willing to speak on our behalf for a past performance? Not necessarily, because we may not own that direct relationship because we didn't provide the service of getting the furniture in there. But it's also a matter of I think public sector individuals are reluctant to provide a past performance on behalf of a supplier because they don't want to be perceived as endorsing someone, they don't want it to come across as we think you should absolutely use the supplier. So they get a little bit hesitant in offering to provide that for us. I think case studies or other ways that we can prove our reliability and our past performance would be a lot more advantageous. And it also would be more comfortable for their counterparts, their other public sector counterparts, that they also may not want to be able to speak on behalf of a supplier to look like an endorsement.

Julia McIlroy 36:28

Those are some excellent points. There's the uniqueness, I would say, of furniture that you have manufacturers, but we know who those are steel case, terminol, global, that buyers do not purchase from the manufacturers. They're buying from dealers. And if that relationship, the dealer relationship with the buyer is not that strong, it does impact the manufacturers. So that's that's a great point. It's very much like when you buy a Ford truck, you're not buying it from the factory, you're buying it from a local dealer.

Katie Higgins 37:01

That is an excellent analogy.

Julia McIlroy 37:03

Having that relationship, yeah, yeah, yeah, for sure. Erik?

Erik Hayko 37:08

Very similar in the IT space as well, that both Mariah and I deal with as well, where we're reselling, but also we are supporting and servicing those manufactured products. The one piece of advice I can give is buyers stop asking for references. And here's why. A public sector agency often is not permitted to be a reference or endorse a supplier. So, why does the same buyer who's not permitted to be a reference require a supplier to provide references of a public agency who is also not permitted to provide a reference? It's a fun vicious circle. So one thing I've always told my teams is if you're gonna tell me a problem, give me a solution. So here's a possible solution. Rather than asking for references, ask suppliers to provide narratives of their past experience and some numbers supporting those experiences. Past experience can be the biggest predicator for success. Ask how a supplier has done this before. Have them provide examples of how they have done it before, and then ask them how they would do it for you. Um, this type of three-part question may eliminate the need for references and actually provide a stronger validation tool that will provide anything better than a reference that would just say, yes, they were a supplier for us. We did not terminate them for cause. Thank you. Um and then again, I've mentioned before about presentations and demonstrations. Get the top finalists through a BAFO process in front of you doing presentations or demonstrations, and that will cut through what may be just very nicely worded responses.

Julia McIlroy 39:06

And Mariah?

Mariah Edwards 39:08

I would say my biggest thing would be to place greater emphasis on whether the solicitation and resulting contract reflect the true current market and operating environment. I think too often solicitations rely on boilerplate language, and that contract retains outdated terms long after the industry has evolved. Speaking from experience with our IT space, IT is rapidly evolving, and these new contracts need to evolve with them. Terms being used from a previous 10-year contract may not be the best when those terms should be changing and evolving with that specific industry. I would also prioritize clear practical instructions that create mutually beneficial understanding for procurement teams, the customers, and the suppliers. Oftentimes we see vague or unclear language, which as suppliers, at least our team, interprets that in the most stringent manner, which can discourage participation or acceptance of terms. When we have clear requirements, expectations, we can more accurately respond, and then buyers are ultimately positioned better for those proposals.

Katie Higgins 40:49

Mariah, that's a really excellent point. From a risk analysis standpoint, when you're reviewing solicitation terms, if it's unclear, suppliers have to take it in the most stringent way because what could be worst-case scenario here? So that's a really excellent point. Erik, back to what you were saying, I actually had a very pretty recent solicitation where a state, in lieu of asking for past performance or references, they did ask a few different questions that were different. One of them that stuck out was give us an example of a project that did not go well and explain how you fixed it. And it was just like, wow, okay, this is this is good. We're thinking outside the box now. Let's make sure we've got someone on the other end, a supplier that's actually going to be able to help us come up with a total solution, even if circumstances outside of our control arise.

Predicting Success In Long Term Contracts

Julia McIlroy 41:51

So, what matters most in predicting whether a buyer-supplier relationship will succeed? Erik, let's start with you.

Erik Hayko 41:59

A lot of it goes to just understanding. I mean, it ties back to that open communication. It's the partnership of getting out of the mindset of you're a salesperson, you're just trying to make money, um, that's all you're in here for. But being able to allow your suppliers to become partners, that means it's very much like a personal relationship where you have to open up a little bit, they have to open up, and you build that trust in collegiality so that you're focusing on the best interests of the state, of your entity, and being able to help guide towards the future. Now, being in the IT market, it's changing constantly. We we have seen states do create statewide contracts where one example was they were doing one for artificial intelligence. It took them two years to award it. Things changed a little bit from when the bid was done to when it was ultimately awarded. Um, another one was on cybersecurity. That also took two years. Um again, the industry changed significantly during that period of time. Um, even on like for furniture, prices can change. If if a if a bid goes for too long, can they really hold the prices for those um times? So having the understanding in reality of, of course, as the buyer, you want to get the best price possible, but you also have to have a sense of reality that comes with that to be able to understand the market conditions. And if the supplier has the ability to lock in pricing, great, both parties will do that, and you're you're in a phenomenal position. If the market doesn't allow for that, then it's having that understanding in reality to make those adjustments so that both parties can succeed and provide the strongest value to each other.

Katie Higgins 44:04

Katie. I wholeheartedly agree that open communication is the best indicator of success. We have to be able to have the good and the bad conversations, right? Here's what is working for us, and here's where we're really facing a challenge, which flows into let's set clear expectations. If it's not, to Mariah's point, if it's not written clearly in the solicitation and the contract award, and an issue arises, it's now becoming one of those back and forth. Well, this was our interpretation versus this is what we meant by it, right? So when you have that relationship, and again, going back to we're all human, right? There's a person at the other end of this. Let's work towards a resolution together. Having that open line of communication and having that relationship knowing if I pick up the phone, they're gonna answer, they're not skirting me, let's come to a solution together. It makes all the difference in the world. Mariah?

Mariah Edwards 45:11

I definitely agree with both Erik and Katie there. It is a combination of the understanding and also the communication and transparency of what we need to do to help support you. Again, we want to be a partner, we want to bring value and support you in any way that we can, but without knowing what we need to do to meet those needs, we can't do anything. Again, it kind of goes back to we don't know what we don't know. That's on both sides. We need to understand your needs so that we can help you, but we also on the supplier side need to relay what we need to do to help you and implement the right process or structure for a specific opportunity.

Julia McIlroy 46:10

So we're all tearing down the walls between buyers and suppliers one brick at a time, right? That's the goal. Yes. Absolutely. Katie, Mariah, and Erik, thanks so much for joining me today. I very much appreciate it.

Erik Hayko 46:27

It has been a pleasure. Thank you for that.

Julia McIlroy 46:30

Thank you for having us. Thank you.

Final Takeaways And Sign Off

Julia McIlroy 46:33

And to our listeners, until next time, keep asking questions, improving processes, and moving procurement forward. And remember, we work in the sunshine. Bye for now.