

# Welcome!



<http://procure.ohio.gov/PDF/SPUG/SPUG.HTM>

# Some Important Notes...

If you have **QUESTIONS** for today's presenters:

**Live audience:** Please raise your hand, and staff will bring a microphone to you.

**Webinar audience:** Email questions to [DAS.StatePurchasing@das.state.oh.us](mailto:DAS.StatePurchasing@das.state.oh.us) Please indicate "**SPUG Question**" in the subject line. Emailed questions will be read aloud and presenters will have an opportunity to respond. Any questions that we do not have time to respond to will be posted on the SPUG website for viewing after today's event.

# Today's Agenda

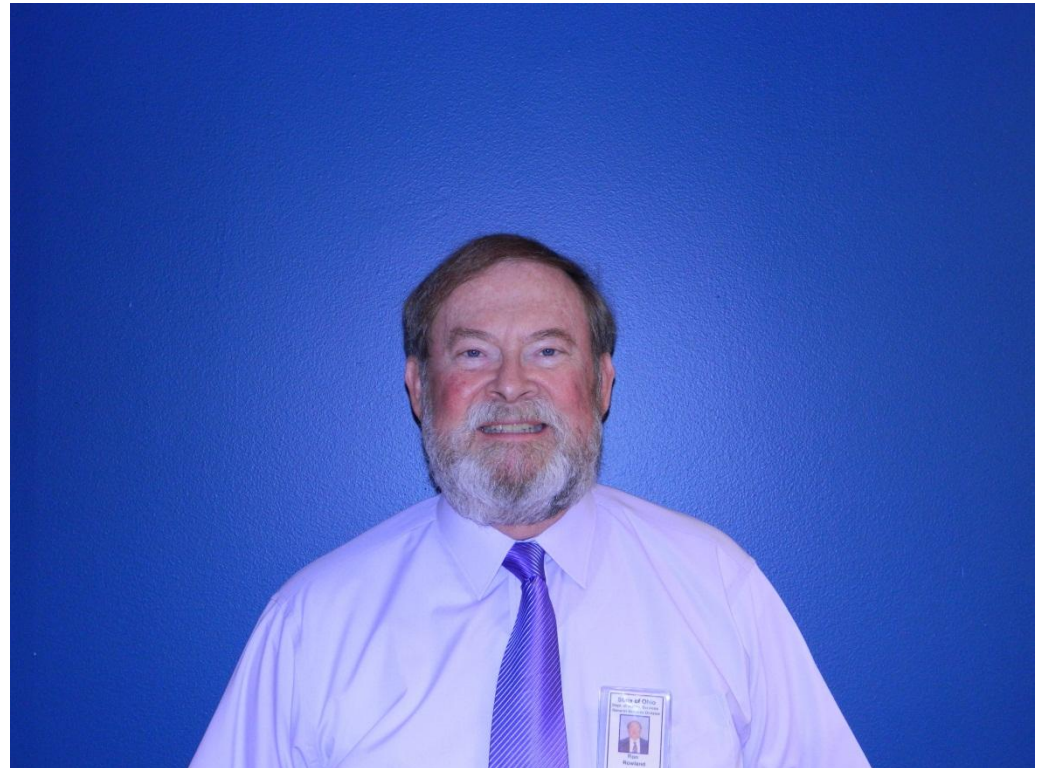
- Welcome, Agenda Overview, Staff Announcements
- eBid: An Overview
- Standardization of Spend Analysis Data Project Overview
- IT Procurement Services: What are WSCA, STS2 and IT Staff Augmentation?

# Staff Announcements

**Ron Rowland, CPPO**

Procurement Manager

Community Rehabilitation  
Program (and Office  
Supplies/Furniture/  
Equipment Team)



# Staff Announcements

**Brittney Castle,**  
Intern

All Non-IT

Procurement Teams

Gayle Blankenship,  
Procurement Manager





# Staff Announcements

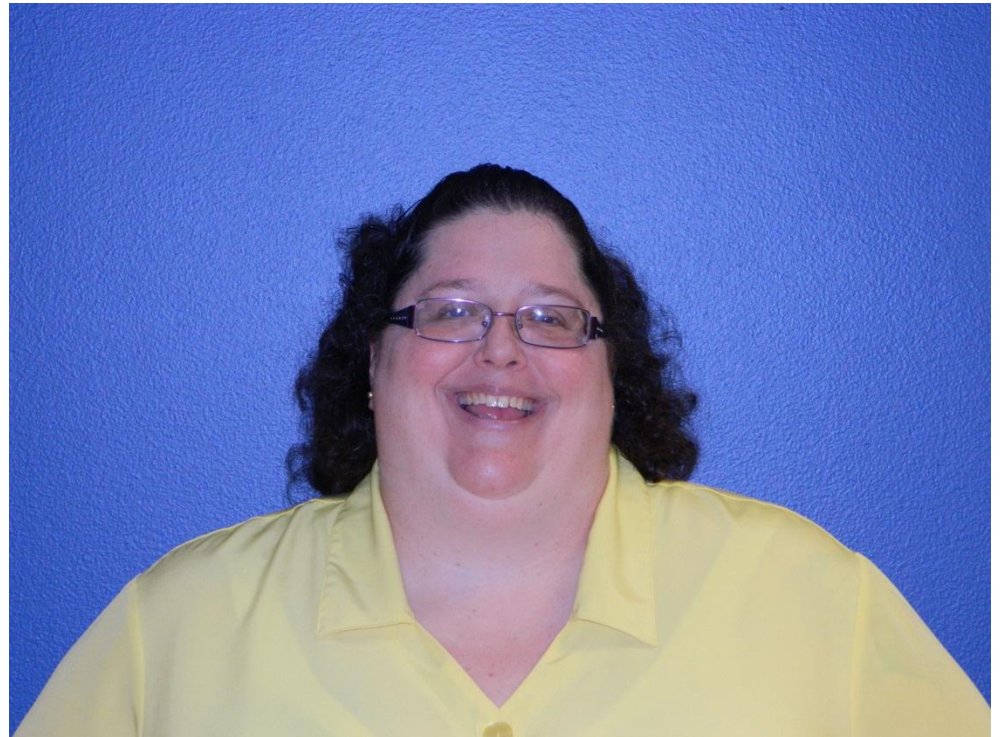
**Jennifer**

**Dammeyer, CPPB**

Procurement Analyst

Food/Clothing/Uniform  
Team

David Potter,  
Procurement Manager



# Staff Announcements

**Kellie Johnson**

State Purchasing  
Standards Analyst

Food/Clothing/Uniform  
Team

David Potter,  
Procurement Manager



# Office of Procurement Services



**CONGRATULATIONS!!!**



# Next on the Agenda...

## eBid: An Overview

**Krista Holcombe, OAKS Support Specialist**

Department of Administrative Services /

FIN Program Management Office

# What is eBid?

- OAKS Electronic Strategic Sourcing Module
  - Automated
  - Self-contained
  - Events

# Types of Events

- RFX
  - RFP's, ITB's, One-Time Bids
- Request for Information (RFI)
  - Qualification for Reverse Auction
- Reverse Auction (RA)
  - Live Event (Invitation Only)

# Event Details

**OAKS Financials**

Home | Worklist | MultiChannel Console | Add to Favorites | Sign out

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**Menu**

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    - Accounts Payable
    - Travel Expenses
    - eSettlements
    - Asset Management
    - Banking
    - Cash Management
    - Deal Management
    - Risk Management
    - VAT and Intrastat
    - Excise and Sales Tax/VAT IND

**Header Details**

Business Unit: DAS01 Event ID: OT0 Round: 1 Version: 1 Event Format: Buy

**▼ Payment & Currency Information**

\*Currency:  \*Rate Type:  Rate Date:

Pay Method:  Payment Terms:  [Exchange Rate](#)

Bill Addr:  ☐ Allow bids in other currencies

Buyer:

Tax Exempt ☐ Exempt ID:

**▼ Event Contact**

Contact Name:

Email ID:

Phone:

**▼ Additional Options**

<input type="checkbox"/> Bid Required On All Lines	<input checked="" type="checkbox"/> Sealed Event
<input checked="" type="checkbox"/> Multiple Bids Allowed	
<input type="checkbox"/> Display Start Price to Bidders	<input checked="" type="checkbox"/> Display Round to Bidders
<input type="checkbox"/> Bidder Must Beat Start Price	<input checked="" type="checkbox"/> Display Version to Bidders
<input type="checkbox"/> Display Bid Factor Weightings	<input type="checkbox"/> Allow Edit of Posted Responses
	<input type="checkbox"/> Show Identity of Bidders
	<input type="checkbox"/> Allow Bidder Downloads
<input type="checkbox"/> Requested Line Qty Required	
<input type="checkbox"/> MBE Set Aside	

**▼ Scoring Options**

Done

Internet 100%

# Bid Factors

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### Event Bid Factors

Business Unit: DAS01 Event ID: OT0 Round: 1 Version: 1 Event Format: Buy

Bid Factor Weighting Total: Remaining Bid Factor Weight: 100.00000

#### Bid Factors

Seq Nbr:	1	Weighting:	0.00000	+ -
*Bid Factor:	COLLABORATION	Type:	Text	
Question:	Do you approve this award?			
Ideal:	Approved	<input type="checkbox"/> Select for deletion		
<input type="checkbox"/> Display Bid Factor? <input type="checkbox"/> Bid Required? <input type="checkbox"/> Mandatory Response				
Seq Nbr:	2	Weighting:	0.00000	+ -
*Bid Factor:	CONFIRM T&C'S	Type:	Yes/No	
Question:	I have read and understand the attached terms and conditions.			
<div>Yes/No</div> <div><input checked="" type="radio"/> Yes <input type="radio"/> No</div> <div><input checked="" type="checkbox"/> Display Bid Factor? <input checked="" type="checkbox"/> Bid Required? <input type="checkbox"/> Mandatory Response</div>				
<a href="#">Add Bid Factors by Group</a> <a href="#">Select Bid Factors</a> <input type="button" value="Delete Selected Rows"/>				
<input type="button" value="OK"/> <input type="button" value="Cancel"/> <input type="button" value="Refresh"/>				



# Comments/Attachments

The screenshot shows the OAKS Financials application interface. On the left is a 'Menu' sidebar with a tree view containing categories like 'Create Events', 'Event Responses', 'Maintain Events', 'Batch Processes', 'Engineering', 'Manufacturing Definitions', 'Production Control', 'Configuration Modeler', 'Product Configurations', 'Quality', 'Demand Planning', 'Inventory Policy Planning', 'Supply Planning', 'Grants', 'Program Management', and 'Project Costing'. The 'Create Events' category is expanded, showing sub-items: 'Event Details', 'Maintain Event Templates', 'Bid Factor Setup', 'Bid Factor Group Setup', 'Standard Comments', and 'Standard Comments Type'. The main content area is titled 'Header Comments and Attachments' and displays 'Event ID: OT0'. Below this is a blue bar labeled 'Enter Comments' with navigation controls 'First', '1 of 1', and 'Last'. A large text area for 'Comments:' is provided, with '+' and '-' icons to its right. Below the text area are two checkboxes: 'Send To Bidder' and 'Include On Award'. To the right of these is a link 'Standard Comments'. At the bottom are three buttons: 'Add Attachment', 'OK', 'Cancel', and 'Refresh'.

**Menu**

- ▼ Create Events
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  - [Bid Factor Group Setup](#)
  - [Standard Comments](#)
  - [Standard Comments Type](#)
- ▷ Event Responses
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- ▷ Supply Planning
- ▷ Grants
- ▷ Program Management
- ▷ Project Costing

**Header Comments and Attachments**

Event ID: OT0

**Enter Comments** First 1 of 1 Last

Comments: + -

☐ Send To Bidder ☐ Include On Award [Standard Comments](#)

**Add Attachment**

OK Cancel Refresh

# Line Items

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  - ▷ Staffing
  - ▷ Travel and Expenses
  - ▷ Billing
  - ▷ Accounts Receivable
  - ▷ Accounts Payable
  - ▷ Travel Expenses

## Event Details

Business Unit: DAS01 Event ID: OT0 Round: 1 Version: 1 Event Format: Buy

### Event Parameters

\*Event Type:  Status: Open

\*Event Name:

Description:

Preview Date:

\*Start Date:

\*End Date:

GoTo.....

[Copy From](#) | [Header Details](#) | [Header Bid Factors](#) | [Header Comments](#) | [Invite Bidders](#)

### Line Summary

[Customize](#) | [Find](#) | [View All](#) | First

Line Details

Line Weighting

Line	Item ID	Description	Category	*UOM	*Qty	Start Price	Ext. Amount
1	<input type="text" value="000000000000008445"/>	ICE CREAM, 3 GALLON BULK DISTRICT 1 SEE FLAVORS BELOW CASE PACK: 3 GAL CONTAINER, 1 EA.	50131700	<input type="text" value="CS"/>	<input type="text" value="1000"/>	<input type="text" value="10.7520"/>	

Event Total: 0.0000 USD Line Weighting Total: 0% Remaining Weight: 100%

# Invitations

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Home | Worklist | MultiChannel Console | Add to Favorites

[New Window](#) | [Help](#) | [Customize P](#)

### Invite Bidders

Business Unit: DAS01 Event ID: OT0 Round: 1 Version: 1 Event Format: Buy

☒ Public Event

[Customize](#) | [Find](#) | [View All](#) | [First](#) | 1-5 of 15 | [Last](#)

Select	Bidder ID	Bidder Type	Name	Dispatch Method	Invite Status
1 <input type="checkbox"/>	PUBLIC_AUC	Public	This is a Public Event	Email	
2 <input type="checkbox"/>	0000142694	Vendor	Jen & Berry's	Email	
3 <input type="checkbox"/>	B000000021	Bidder	AR		
4 <input type="checkbox"/>	B000000022	Bidder	tes		
5 <input type="checkbox"/>	B000000023	Bidder	Co		

[Search for Bidders](#) Dispatch Lines

OK Cancel Refresh

Menu

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  - Supply Planning

### Bidder Search

Business Unit: DAS01 Event ID: SAF Name: Ice Cream and Frozen Novelties

#### Search Criteria

Bidder Type: Vendor

Name:  State:  Type:

ID:  City:  SIC Type:

Contact:  Country:  SIC Code:

Group ID:  Postal:  Item ID:

Group Name:

[Select All](#) [Clear All](#)

[Recommend Bidders](#)

☒ Invite to Entire Event

Maximum Rows retrieved: 999

[Search](#)

#### Search Results

[Customize](#) | [Find](#) | [View All](#) | [First](#) | 1 of 1 | [Last](#)

Bidder ID	Bidder Type	Location	Name	Invite
1 0000142694	Vendor	MAIN	Jen & Berry's	<input checked="" type="checkbox"/>

OK

Cancel

Refresh

# Bidder Registration

- Vendor and Bidder Registration
  - Vendors
  - Bidders
  - MBE/EDGE Certified Companies

# Posting Events

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## Event Details

Business Unit: DAS01 Event ID: OT00000101 Round: 1 Version: 1 Event Format: Buy

### Event Parameters

\*Event Type: RFX Status: Open

\*Event Name: Ice Cream and Frozen Novelties

Description:

Preview Date: 01/11/2011 12:00PM EST

\*Start Date: 01/11/2011 12:00PM EST

\*End Date: 01/28/2011 1:00PM EST

GoTo:.....

[Copy From](#) [Header Details](#) [Header Bid Factors](#) [Header Comments](#) [Invite Bidders](#)

### Line Summary

Customize | Find | View All | First 1 of 1

Line Details Line Weighting

Line	Item ID	Description	Category	*UOM	*Qty	Start Price	Ext. Amount
1	000000000000008445	ICE CREAM, 3 GALLON BULK DISTRICT 1 SEE FLAVORS BELOW CASE PACK: 3 GAL CONTAINER, 1 EA	50131700	CS	1.0000	10.7520	\$10.75

Event Total: 10.7520 USD Line Weighting Total: 0% Remaining Weight: 100%

Post Last Updated By: OHTRAINEE100 2012-02-29-06.19.30.000000 PST

Save

Preview PDF



# Opportunities

- Email
  - Invited Bidders/Vendors
- State Procurement Website
  - [procure.ohio.gov](http://procure.ohio.gov)
- eBid
  - Manage Events and Place bids > View Events and Place Bids

# Entering Bids

**Event Details**

Event ID: OT00000002 Ice Cream and Frozen Novelties Round: 1  
 Event Start Date: 01/11/2011 10:49AM PST End Date: 01/28/2011 01:00 PM EST Version: 1  
 Multiple Bids Allowed: Yes All lines Required: No

[Bid on Event](#) Click Bid on Event to enter responses to General Questions and Line Items.  
[Accept Invitation](#) Click Accept Invitation if you intend to respond to this RFx at a later time.  
[Decline Invitation](#) Click Decline Invitation if you do not intend to respond to this RFx  
[Event Activity](#)

**Create Bid Response**

Line Detail  
 Line: 1 Description: ICE CREAM, 3 GALLON BULK DISTRICT 1 SEE FLAVORS BELOW CASE PACK: 3 GAL CONTAINER  
 Event Qty: 1000.0000 UOM: Case Response Required: No  
 Category: Milk and butter products

Line Questions  
 Response  
 ★ Bid Price: 12.00  
 ★ Is this product manufactured or produced in Ohio? Yes  
 Ideal: Yes

**Bid Confirmation**

Your bid has been successfully submitted.

Bid ID: 1 Bid Date: 01/12/2011 11:12:16AM  
 Event ID: OT00000002 Ice Cream and Frozen Novelties  
 Event Format: Sell Event Round: 1 Version: 1  
 Start Date: 01/11/2011 1:49PM EST End Date: 01/28/2011 01:00 PM EST

Your Total Price: 33,000,000,000 USD

# Event Analysis

**OAKS Financials** Home Worklist MultiChannel Console

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## Event Bid History

Event ID	Event Name	Round	Version	Event Type	End Date	Status
<a href="#">DAS01-SAF0000149</a>	Six Month Food Qualification Summary	1	1	RFx	03/15/12 1:00PM	Posted

Report Type: ☐ Event Invitation ☐ Best Bids ☒ Bidder/Bid ☐ List By Line

Status/Ranking: ☒ Score ☐ Rank ☐ Bid Status ☐ Price [Refresh](#)

Sort By:  ☐ Descending

[Expand All](#) [Collapse All](#)

Bidder Name	Bid#	Bidder ID	Date Time Posted
▶ Jen & Berry's	1	0000142694	03/15/2012 1:45:57
▶ Bad Humor Ice Cream	1	B000000024	03/15/2012 1:46:34
▶ Warm Rock Creamery	1	B000000025	03/15/2012 1:47:02

[Return to Event Workbench](#)

**OAKS Financials** Home Worklist MultiChannel Console Add to Favorites

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## Analyze Events

Analyze Total [Analyze Line](#) [Award Summary](#) [Award Details](#)

Business Unit: DAS01 Event ID: OT00000101 Round: 1 Version: 1 Event Name: Ice Cream and Frozen Novelties

Event Format: Buy Event Type: RFx Currency: USD End Date: 01/28/2011 1:00PM EST Status: Pend Award Go To:

▼ Analyze Parameters

Sort Bids By:  Total Event Score Sort Order:  Descending ☒ Display Withdrawn Bidders [Analyze](#)

Header Weighting:  ☒ View Factor Responses ☐ View Factor Scores ☐ Display Disqualified Bids

Analysis	<a href="#">Jen &amp; Berry's</a>	<a href="#">Bad Humor Ice Cream</a>	<a href="#">Beltvs Frozen Foods</a>
Bidder Name	Jen & Berry's	Bad Humor Ice Cream	Beltvs Frozen Foods
Event Version:	1	1	1
Bid Number:	1	1	1
Total Bid Amount:	11.0000	12.0000	12.5000
Total Event Score:	100.0000	33.3000	0.0000
Total Header Score:	0.0000	0.0000	0.0000

# Event Award

**Financials**

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## Analyze Events

[Analyze Total](#) [Analyze Line](#) [Award Summary](#) [Award Details](#)

Business Unit: DAS01 Event ID: OT00000101 Round: 1 Version: 1 Event Name: Ice Cream and Frozen Novelties

Event Format: Buy Event Type: RFx Currency: USD End Date: 01/28/2011 1:00PM EST Status: Pend Award Go To: ...

**Analyze Parameters**

Sort Bids By: Total Event Score Sort Order: Descending

Header Weighting:  ☒ View Factor Responses ☐ View Factor Scores

**Analysis**

Bidder Name	<a href="#">Jen &amp; Berry's</a>
Event Version:	1
Bid Number:	1
Total Bid Amount:	11.0000
Total Event Score:	100.0000
Total Header Score:	0.0000

Bid Action: Award

Reject Reason Code:

Award by Percent: 100

**Factors**

**Financials**

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## Analyze Events

[Analyze Total](#) [Analyze Line](#) [Award Summary](#) [Award Details](#)

Business Unit: DAS01 Event ID: OT00000101 Round: 1 Version: 1 Event Name: Ice Cream and Frozen Novelties

Event Format: Buy Event Type: RFx Currency: USD End Date: 01/28/2011 1:00PM EST Status: Pend Award Go To: ...

**Show Award Details to Bidders**

☒ Display bids ☐ Display all bids ☒ Display bid scores ☐ Display bid's total bid price ☐ Display factors

**Award Details**

First 1 of 1 Last

Bidder Name: [Jen & Berry's](#) Bidder Type: Vendor Buyer: BUYER

Award Type: Contract Award Currency: Event USD Terms: 30

PO Business Unit: DAS01

Award Number: 1 Total Award: 11.0000

**Award Lines**


Line	Item ID	Vndr/Item Rel	Item Description	Ext Price
1	0000000000000008445	<input checked="" type="checkbox"/>	ICE CREAM, 3 GALLON BULK DISTRICT 1 SEE FLAVORS BELOW CASE PACK: 3 GAL CONTAINER, 1 EA	11.00000

[Post Award](#)

# Training Resources

Bidders & Vendors:

<http://procure.ohio.gov/html/ebidhelpref.htm>



eBid Help and Reference Materials

<b>Web Based Demonstrations</b> <ul style="list-style-type: none"><li>• <a href="#">Registration</a></li><li>• <a href="#">Placing a Bid</a></li></ul>	<b>Quick Steps</b> <ul style="list-style-type: none"><li>• <a href="#">Registration</a></li><li>• <a href="#">Updating eBid Information</a></li><li>• <a href="#">UNSPSC Category (SIC) Codes</a></li><li>• <a href="#">Expired Password?</a></li><li>• <a href="#">Forgot Your Password?</a></li><li>• <a href="#">Placing a Bid</a></li><li>• <a href="#">Entering Price Breaks on a Bid</a></li><li>• <a href="#">Modifying a Bid</a></li><li>• <a href="#">Participating in Reverse Auctions</a></li><li>• <a href="#">Key Terms</a></li></ul>	<b>Additional Resources</b> <ul style="list-style-type: none"><li>• <a href="#">eBid FAQs</a></li></ul>
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[Back to Help and Reference Materials](#) | [eBid Login](#) | [State of Ohio Procurement Website](#)



For questions related to eBid,  
contact the OAKS Help Desk:

1-888-644-6625

or email

[oaks.helpdesk@oaks.state.oh.us](mailto:oaks.helpdesk@oaks.state.oh.us)

To submit a question, please send a  
**‘high priority’** email to

[DAS.StatePurchasing@das.state.oh.us](mailto:DAS.StatePurchasing@das.state.oh.us)

Please indicate **“SPUG Question”** in the subject line.



**Thank you for your questions and participation!**

# Next on the Agenda...

## Standardization of Spend Analysis Data Project Overview

**Julie Trackler, Executive Assistant to the Director**

Department of Administrative Services



# **Standardization of Spend Analysis Data**

# Problem Statement

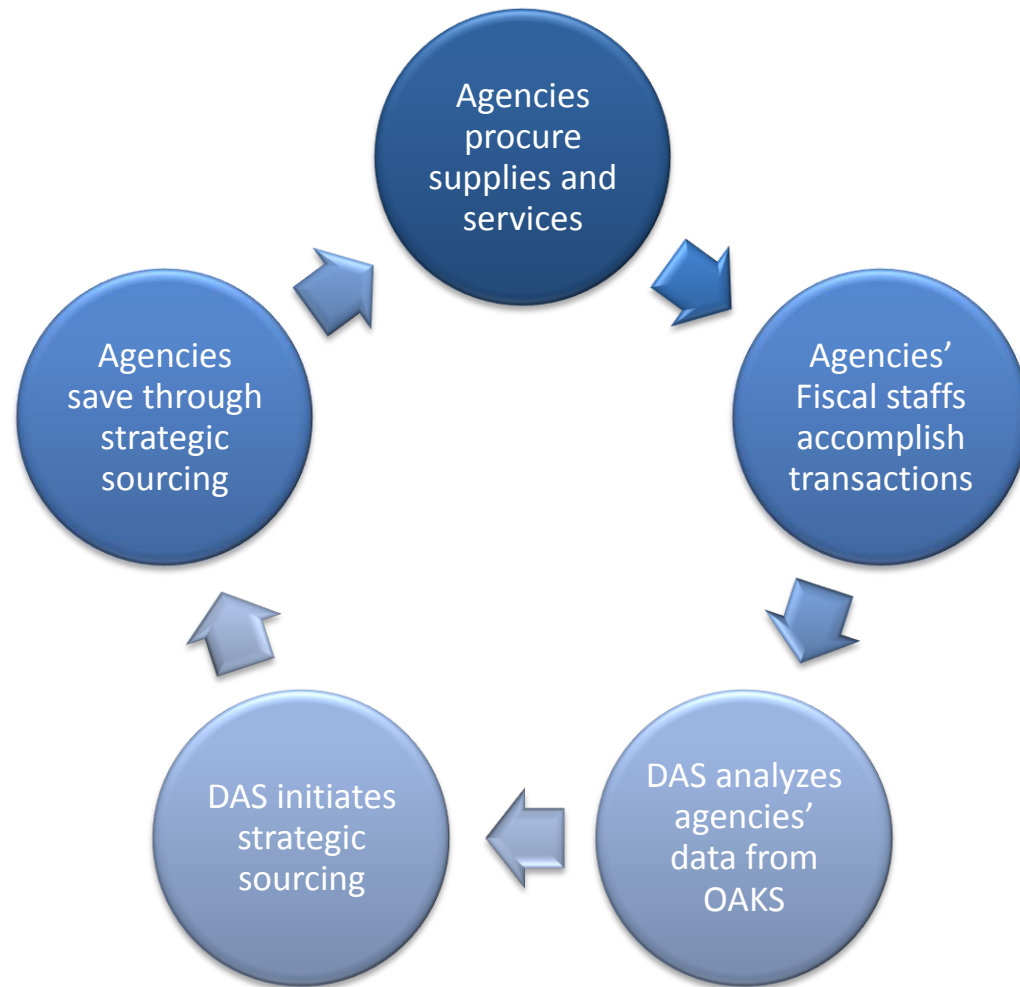
- OAKS FIN procure-to-pay data contains defects
- Defective data impacts validity of the data sets
- Data sets are less than reliable for spend analyses
  - Defective data cannot be omitted from the data sets
  - Incomplete data sets result in adverse and unreliable spend analysis findings
- Inaccurate data sets may result in costly strategic sourcing decisions.



# Goal

- Increase the accuracy of the OAKS procure-to-pay data by reducing the number of errors introduced into the spend category data sets

# Customer Interdependencies



60

# Six Sigma Project

Practical Problem



Statistical Problem



Statistical Solution



Practical Solution

# Sigma Levels

If our yield* is:	Our DPMO* is:	Our Sigma is:
99.9997% acceptable	3.4	6.0
99.98% acceptable	320.0	5.0
99.4% acceptable	6,210.0	4.0
93.3% acceptable	6,800.0	3.0
62.9% acceptable	308,000.0	2.0
30.9% acceptable	690,000.0	1.0

\* Yield – items without defects

\*\* DPMO = Defects per million opportunities

# Analysis plan

Studied a year's worth of data across a spend category



Category (UNSPSC) Codes

Requisitions

Purchase Orders

Vouchers

Contract usage



Account Codes

PO Vouchers

Debit Vouchers

P-card Vouchers

Contract usage



Survey to gain users' perspectives

UNSPSC Codes

Account Codes

Resources

Training

# Candidates for strategic sourcing

Prior studies have determined that there are many categories that are candidates for strategic sourcing. They are:

- IT Software
- IT Hardware
- IT Services
- Telecom Services
- Temporary Labor
- Office Equipment
- Office Supplies
- Furniture
- Cleaning Supplies

- Pharmaceuticals
- Fleet
- Utilities/Natural Gas
- Food
- Small Parcels
- Clothing
- Facilities – Security Services
- Facilities – Waste Removal
- Cafeteria Services/Supplies

\$81.5 million saved, to date

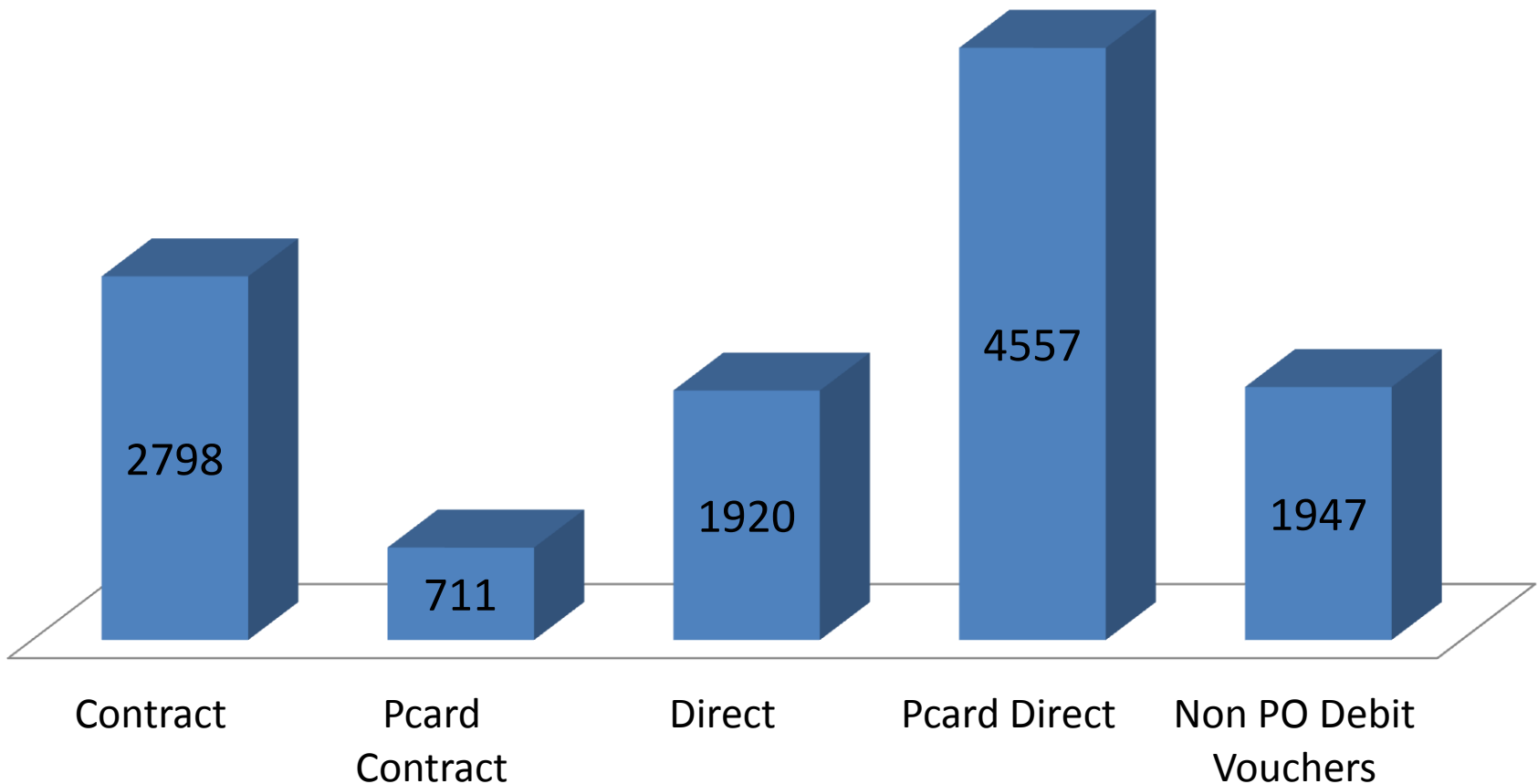
# **2012 Annual Clothing Spend**

**Total: \$7,802,541.36**

**# of vouchers: 11,933**

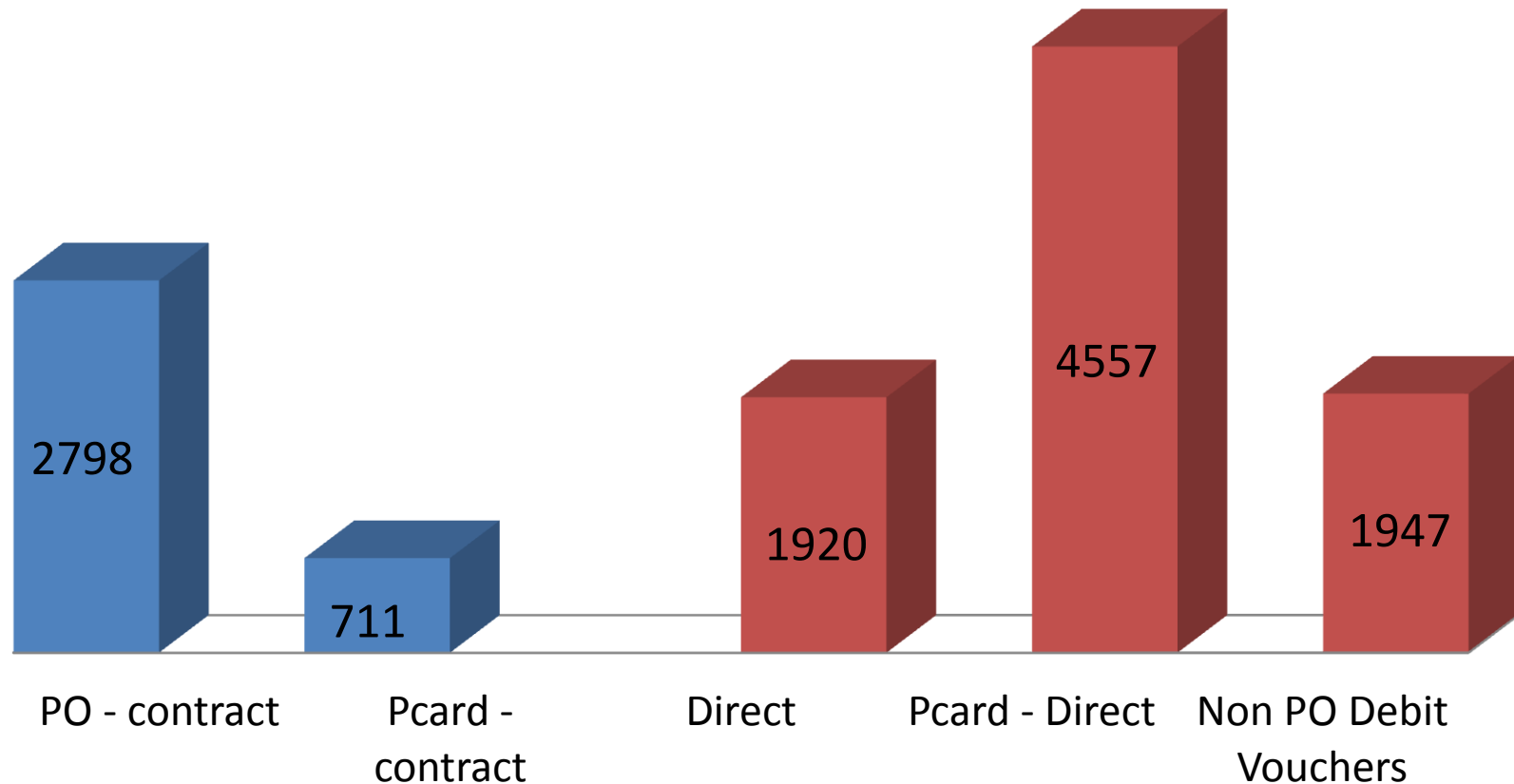


# Clothing Transactions by Procurement Method

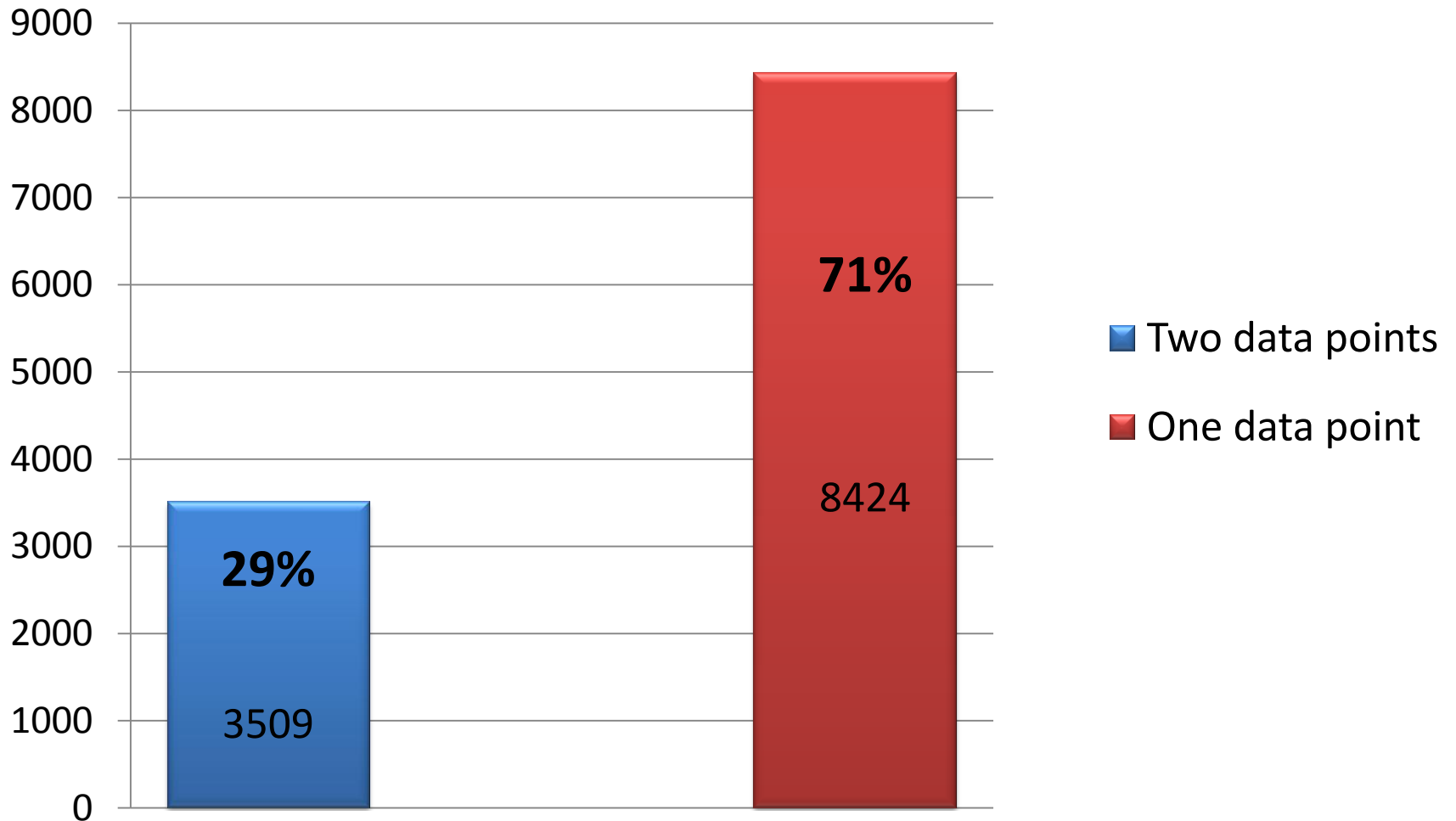


# Clothing Transactions – Data

■ Two data points    ■ One data point



# Clothing Transactions – Data



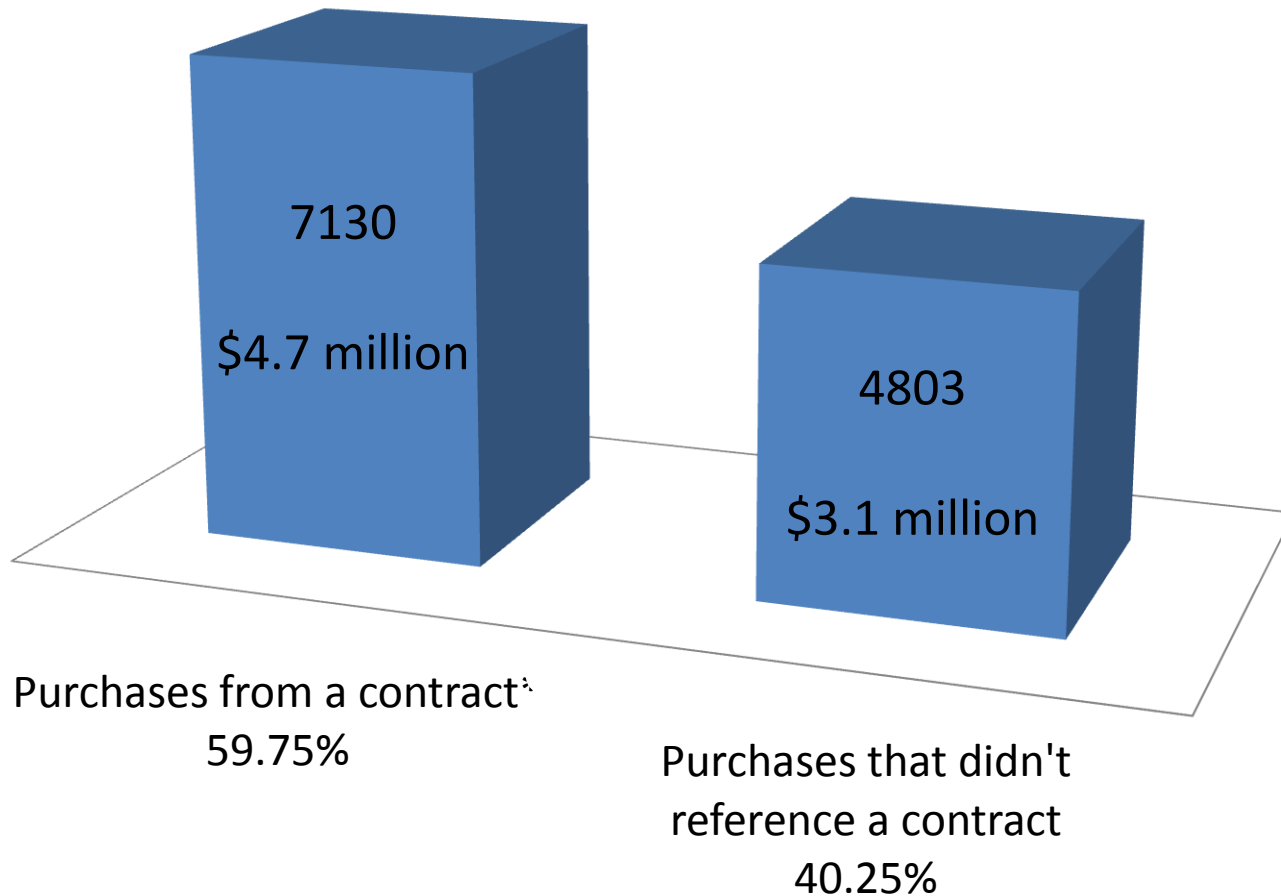
# What is a defect (error)?

- Our project definition:
  - For purposes of strategic sourcing, a “defect” is a data entry that weakens the accuracy of our statewide data
- Specifically, a measurable data defect is an...
  - Incorrect code
  - Omitted code

# What is a Contract code defect?

- A state contract is used – and an incorrect contract number is entered
- A state contract is used – but the contract number isn't entered in the requisition, purchase order or voucher

# FY2012 Usage: DAS Clothing Contracts



## **Vendors – clothing category**

**38 - state contracts**

**+ 596 - non-state contracts**

---

**634 – total vendors**

# What is an Account Code defect?

- A non-clothing account code is used when a clothing purchase is made
- A clothing account code is used when a non-clothing purchase is made



# Account Codes - Clothing

OAKS	DESCRIPTION
CATEGORY 520	SUPPLIES AND MAINTENANCE
CLASS 5210	SUPPLIES, MATERIALS & MINOR EXPENDITURES
1. 521701	WEARING APPAREL EMPLOYEES
2. 521702	WEARING APPAREL-PATIENT&INMATE
3. 521703	WEARING APPAREL/VOLUNTEERS
4. 521704	WEARING APPAREL/EMPL ID-DNR&DHS
CATEGORY 520	SUPPLIES AND MAINTENANCE
CLASS 5260	MAINTENANCE & REPAIRS
5. 526115	CLOTHING MAINTENANCE-ST EMPLOY
6. 526117	CLOTHING MAINTENANCE PINW
CATEGORY 520	SUPPLIES AND MAINTENANCE
CLASS 5270	RENTALS
7. 527600	WEARING APPAREL-RENTAL
CATEGORY 550	SUBSIDIES & SHARED REVENUE
CLASS 5500	SUBSIDIES & SHARED REVENUE
8. 550101	ST ASSIST-NON-TAX-CLOTHING-JFS
CATEGORY 560	GOODS & SERVICES FOR RESALE
CLASS 5600	GOODS FOR RESALE (PASS-THROUGH CHARGES)
9. 560505	WEARING APPAREL(RPTC)

# What is a UNSPSC Code defect?

- A non-clothing UNSPSC code is entered when a clothing purchase is made
- A clothing UNSPSC code is entered when a non-clothing purchase is made
- No UNSPSC code is entered

# UNSPSC Codes - Clothing

168 available  
UNSPSC Codes for  
Clothing

53000000Apparel, Luggage Personal Care

53102900Athletic wear

53111500Boots

53100000Clothing

53102500Clothing accessories

91101800Clothing rental

60105800Clothing, textile design instr

53101800Coats and jackets

53103200Disposable Clothes

53102000Dresses, skirts, saris, kimono

53110000Footwear

53102400Hosiery

42130000Medical apparel, textiles

42132200Medical gloves, accessories

42131600Medical staff clothing, relate

53102100Overalls and coveralls

42131500Patient clothing

46181500Safety apparel

46181600Safety footwear

53111800Sandals

53101600Shirts and blouses

53111600Shoes

53101500Slacks and trousers and shorts

53111700Slippers

53101700Sweaters

53103000Tshirts

53102300Undergarments

53102700Uniforms

53103100Waistcoats

# Data Analysis

## Account Code

OAKS	DESCRIPTION
CATEGORY 520	SUPPLIES AND MAINTENANCE
CLASS 5210	SUPPLIES, MATERIALS & MINOR EXPENDITURES
1. 521701	WEARING APPAREL EMPLOYEES
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9. 560505	WEARING APPAREL(RPTC)

53102100	Overalls and coveralls
42131500	Patient clothing
46181500	Safety apparel
53000000	Apparel, Luggage Personal Care
53102900	Athletic wear
53111500	Boots
53100000	Clothing
53102500	Clothing accessories
91101800	Clothing rental
60105800	Clothing, textile design instr
53101800	Coats and jackets
53103200	Disposable Clothes
53102000	Dresses, skirts, saris, kimono
53110000	Footwear
53102400	Hosiery
42130000	Medical apparel, textiles
42132200	Medical gloves, accessories
42131600	Medical staff clothing, relate

Account Codes

UNSPSC  
(Category  
Codes)

# Data Analysis UNSPSC

OAKS	DESCRIPTION
CATEGORY 520	SUPPLIES AND MAINTENANCE
CLASS 5210	SUPPLIES, MATERIALS & MINOR EXPENDITURES
1. 521701	WEARING APPAREL EMPLOYEES
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9. 560505	WEARING APPAREL(RPTC)

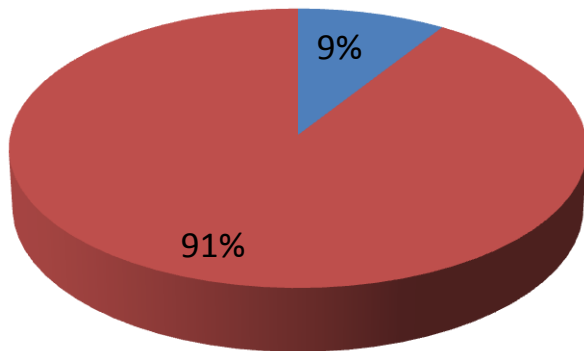
53102100	Overalls and coveralls
42131500	Patient clothing
46181500	Safety apparel
53000000	Apparel, Luggage Personal Care
53102900	Athletic wear
53111500	Boots
53100000	Clothing
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Account Codes

UNSPSC  
(Category  
Codes)

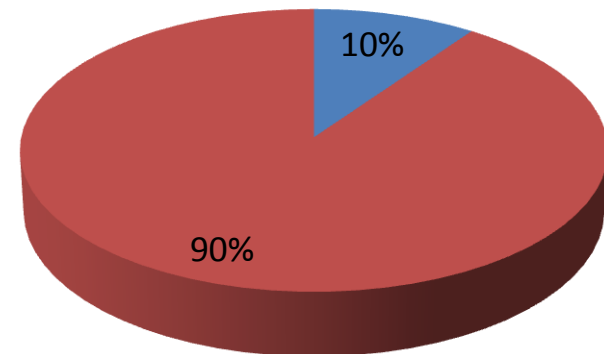
# Account Code Defects for Clothing by Procurement Method

**On Contract**



■ Incorrect Account Code (\$382,341.16)  
■ Correct Account Code (\$3,816,387.82)

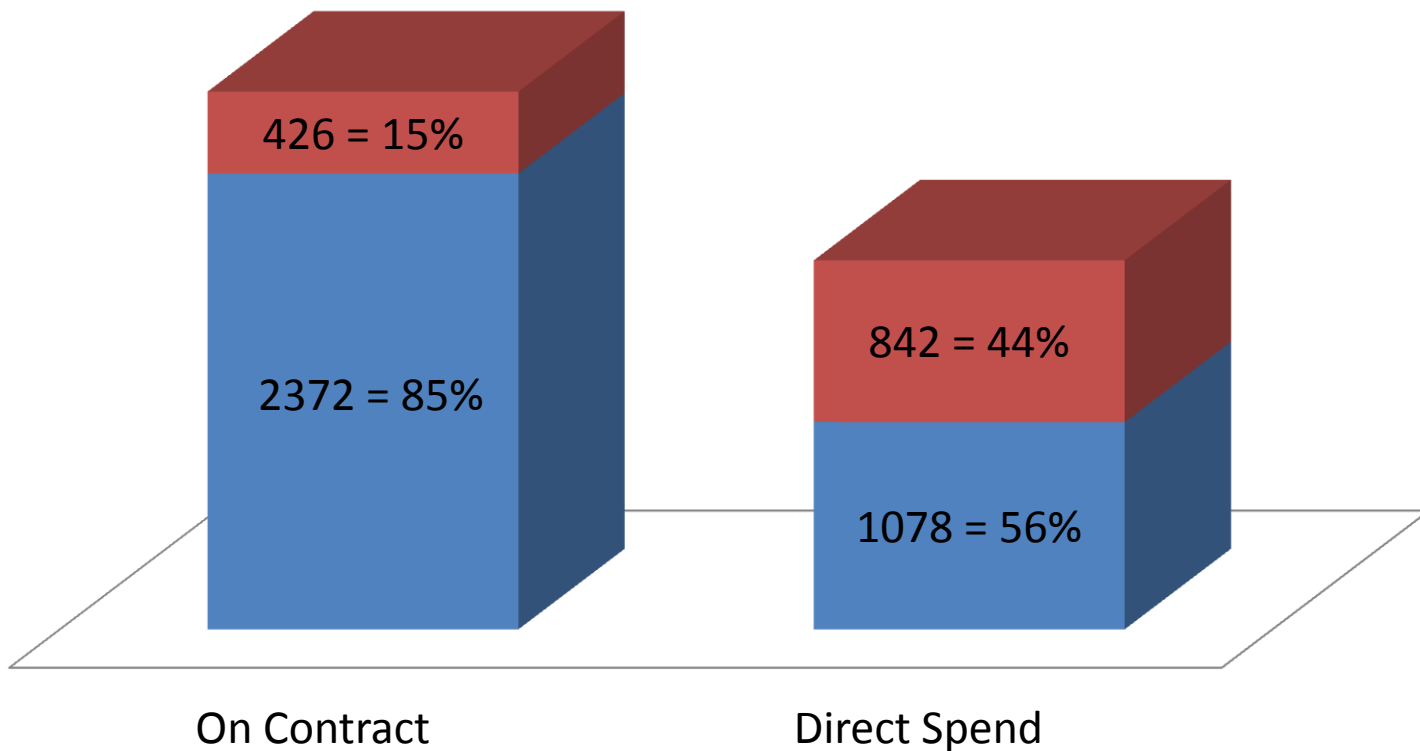
**Direct Spend**



■ Incorrect Account Code (\$185,897.74)  
■ Correct Account Code (\$1,703,481.40)

# UNSPSC Defects for Clothing by Procurement Method

■ Correct UNSPSC Code    ■ Incorrect UNSPSC Code



# Sigma level: On Contract Purchases\*

Purchases made on contract:

- Correct Yield 84.77%
- Defects 15.23%
- DPMO 152,252/1,000,000
- Process Sigma **2.53**

\* Quarterly performance metric



# Sigma level: Direct Spend Purchases\*

Purchases made on contract:

- Correct Yield 56.25%
- Defects 43.85%
- DPMO 438,542/1,000,000
- Process Sigma **1.65**

\* Quarterly performance metric

# Top UNSPSC Codes found in clothing data

Category Code	Category Description	# of transactions
91101800	Clothing rental	873
53102700	Uniforms	683
53100000	Clothing	562
<b>47111700</b>	<b>Dry cleaning equipment</b>	<b>455</b>
53101500	Slacks and trousers and shorts	407
91100000	Personal appearance	211
53101600	Shirts and blouses	187
53111600	Shoes	135
53102300	Undergarments	135
<b>91111500</b>	<b>Laundrying services</b>	<b>124</b>
53103000	T shirts	111
<b>10000000</b>	<b>Live Plant and Animal Material</b>	<b>94</b>
<b>76000000</b>	<b>Industrial Cleaning Services</b>	<b>89</b>
53102500	Clothing accessories	74
53101800	Coats and jackets	66
53102400	Hosiery	61
53111500	Boots	45
53102900	Athletic wear	31
<b>81141800</b>	<b>Facilities management</b>	<b>26</b>

# Examples of incorrect UNSPSC Codes found in clothing data

- Art design services
- Assembly services
- Bandages & dressings
- Beds
- Communication devices
- Collectibles
- Fabric & leather protection
- Freight container
- Hardware
- Identification documents
- Jewelry
- Lamps & light bulbs
- Live plant & animal material
- Mailing services
- Misc. Agriculture
- Personal care products
- Signage
- Tape
- Target games & equipment
- Transport. Services equipment

# What is “clothing?”

# UNSPSC (Category) Codes

Question:

Should we broaden our interpretation of what we define as “clothing?”

# Beds



# Target Games



# Bandages & Dressings





# Freight Container



# Live Plant and Animal Material



# Jewelry



# Examples of incorrect UNSPSC Codes found in clothing data

- Art design services
- Assembly services
- Bandages & dressings
- Beds
- Communication devices
- Collectibles
- Fabric & leather protection
- Freight container
- Hardware
- Identification documents
- Jewelry
- Lamps & light bulbs
- Live plant & animal material
- Mailing services
- Misc. Agriculture
- Personal care products
- Signage
- Tape
- Target games & equipment
- Transport. Services equipment

**Choices...**

# Account Codes - Clothing

Account Code	Description	Usage - # of transactions	
1. 521701	WEARING APPAREL EMPLOYEES	3796	98%
2. 521702	WEARING APPAREL-PATIENT&INMATE	1766	
7. 527600	WEARING APPAREL-RENTAL	1570	
5. 526115	CLOTHING MAINTENANCE-STEMPLOY	837	
4. 521704	WEARING APPAREL/EMPL ID-DNR&DHS	81	2%
9. 560505	WEARING APPAREL(RPTC)	45	
6. 526117	CLOTHING MAINTENANCE PINW	19	
3. 521703	WEARING APPAREL/VOLUNTEERS	17	
8. 550101	ST ASSIST-NON-TAX-CLOTHING-JFS	0	

**Too many choices...**

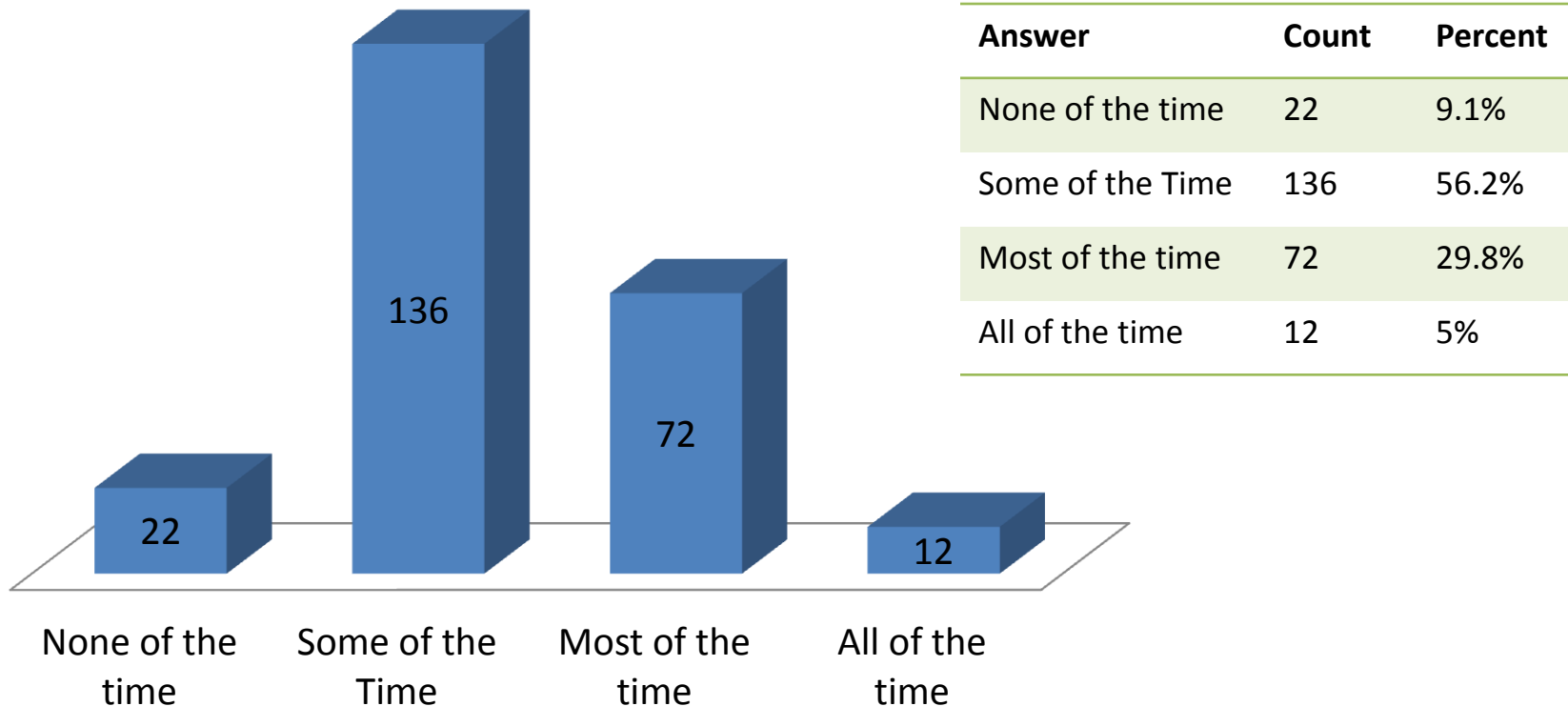
# UNSPSC = OAKS Category Codes

Level	Count	Digits	Example
• Segment	56	2	xx000000
• Family	420	4	xxxx0000
• Class	3,819	6	xxxxxx00
• Commodity	49,022	8	xxxxxxxx



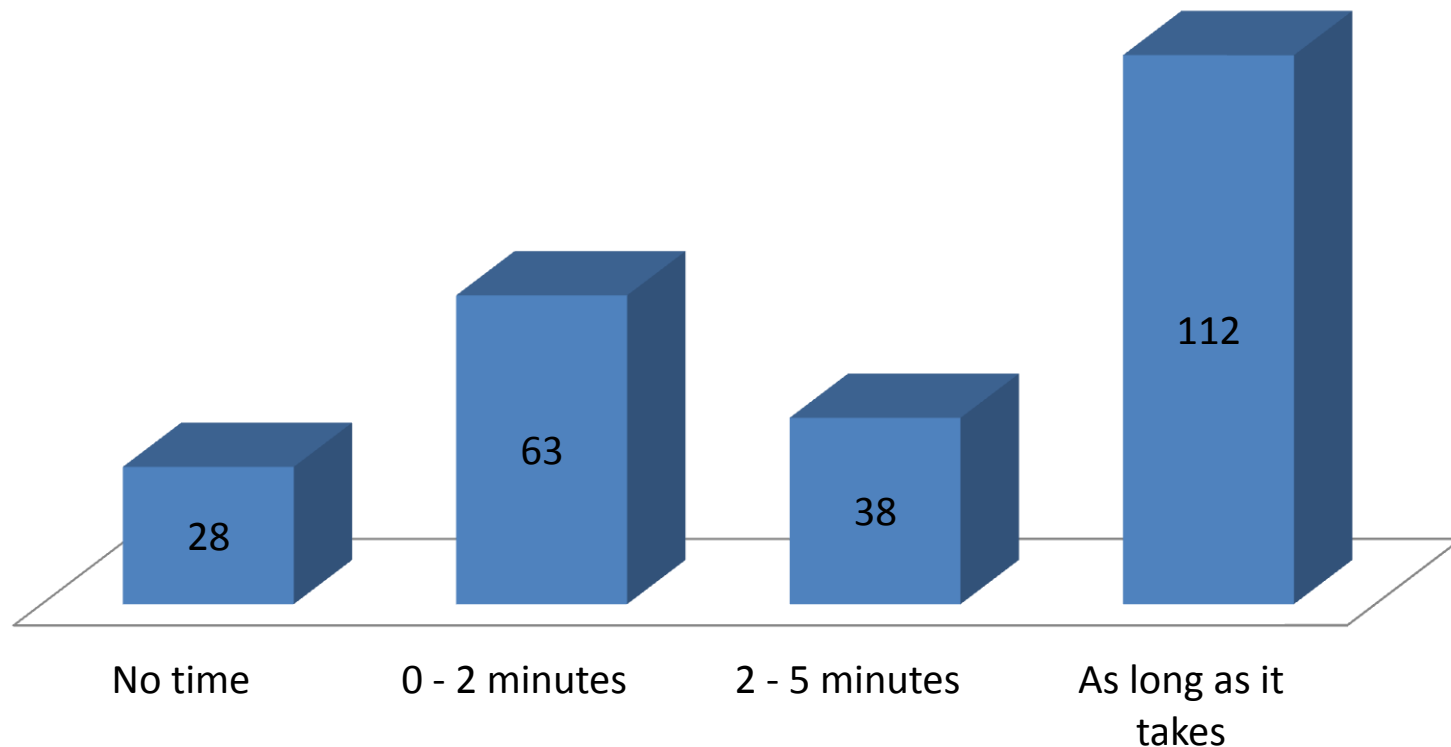
# Finding the correct UNSPSC code

*Requisitioners indicate that they experience difficulty in finding a category (UNSPSC) code that accurately describes the item that they're procuring:*



# Tolerance for searching for the correct UNSPSC Code

*On average, requisitioners search for the category (UNSPSC) code before entering it into OAKS for:*



# **Extensive User Population with the Freedom to Choose (Clothing category)**

1,515 - Procure-to-pay users

x 168 - UNSPSC clothing code choices

254,520 - Opportunities for errors

# **Extensive User Population with the Freedom to Choose (All categories)**

1,515 - Procure-to-pay users  
x 3,819 - UNSPSC code choices

5,785,785 - Opportunities for errors

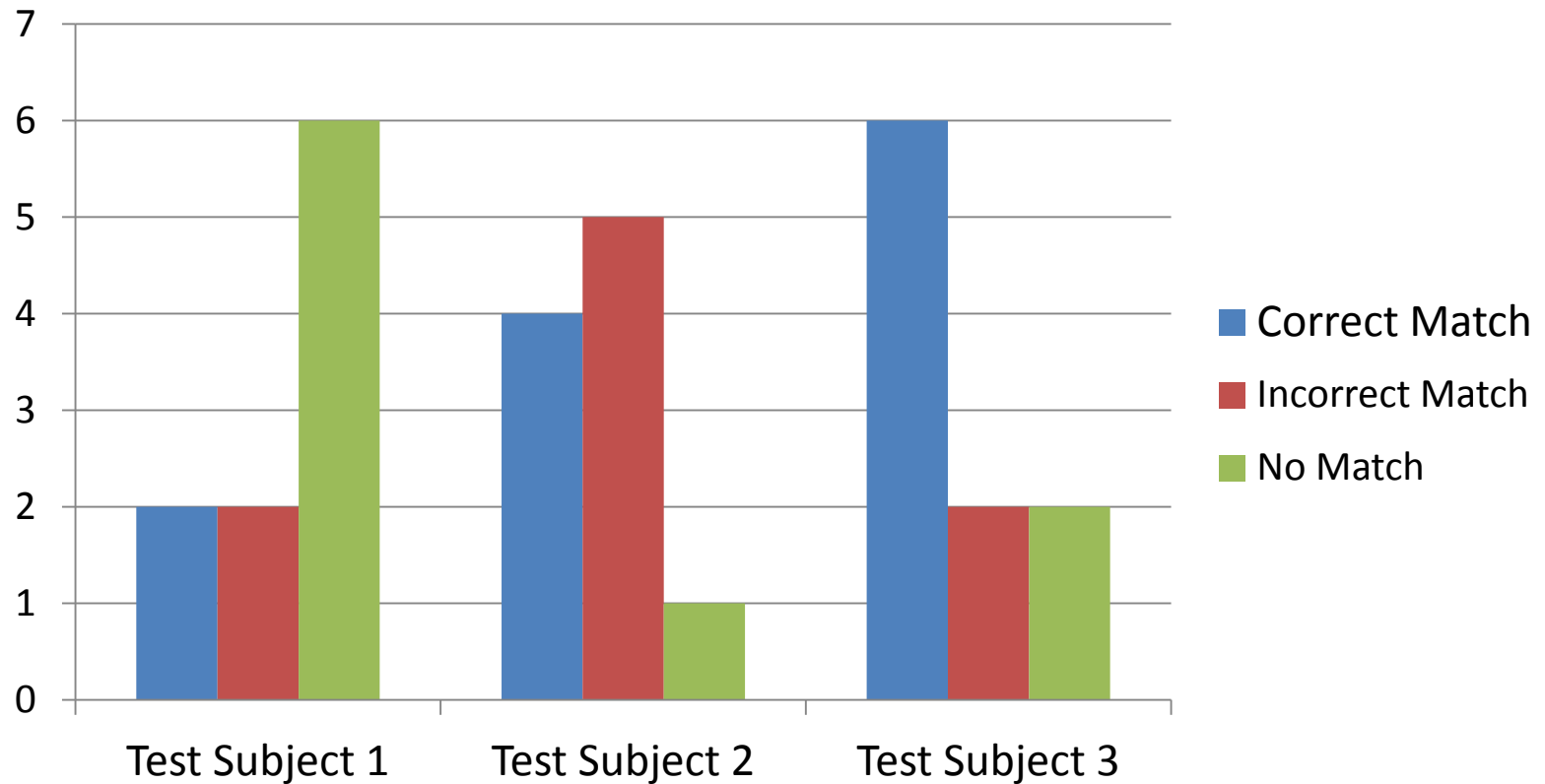
# Study

- Question: Can agency users enter incorrect category (UNSPSC) codes without realizing it?
- Study:
  - Two blind tests given several days apart
  - Three test participants
  - Ten scenarios
- Test:
  - Can we achieve repeatability in the codes entered?
    - Individuals are able to provide the same “repeat” responses
  - Can we achieve reproducibility in the codes entered?
    - The group of individuals respond similarly across both tests

# Study

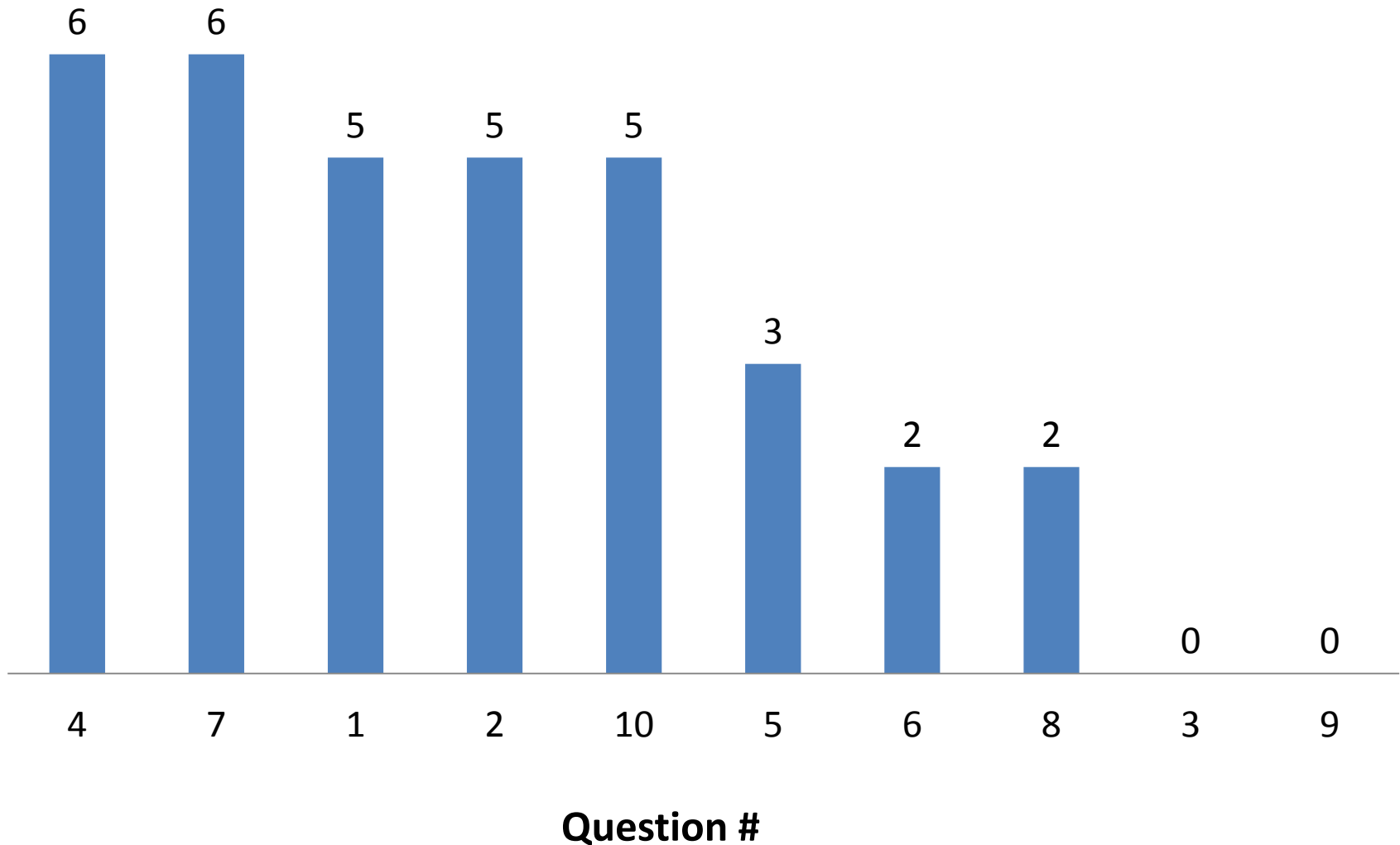
- Sample Scenarios:
  - You are purchasing a **fire extinguisher** for a new office. What category code would you enter for this item?
  - You are purchasing a **21 cubic foot refrigerator**. What category code would you enter for this item?
  - You are purchasing a **single user license of Visio Professional 2010**. What category code would you enter for this item.
  - You are buying **carpet** for your office's waiting area. What category code would you enter for this item?

# Repeatability at 6 digit (xxxxxx00) level



	Test Subject 1	Test Subject 2	Test Subject 3	Total
Correct Match	2	4	6	12
Incorrect Match	2	5	2	9
No Match	6	1	2	9

**Reproducibility at the 6 digit level = 57%**  
**(Example: xxxxxx00)**





# Reproducibility

- Scenario 4: You are purchasing a **set of tires** for a state-owned car. What category (UNSPSC) code would you enter for these items?
  - Correct: 25172504 Automobile or light truck tires
- Scenario 3: You are purchasing a **case of Deep Woods Off** to protect employees from mosquitos. What category (UNSPSC) code would you enter for these items?
  - Correct: 10191500 Pesticides or pest repellents
  - Incorrect: 85111704 Mosquito management or control services
  - Incorrect: 49121500 Camping and outdoor equipment
  - Incorrect: 49120000 Camping and outdoor equip & accessories

Choices + errors...

# Patterns of Data Errors - UNSPSC

Type of Data Error	Correct Data	Incorrect Data
Transposition of number	25 <u>1</u> 03012	25 <u>0</u> 13012
Wrong number	2 <u>5</u> 103012	2 <u>6</u> 103012
Too few numbers	25103012	251030_
Code omissions	25103012	_____
Incorrect code	25103012	16507000
Incorrect vendor name	The Acme Co.	Acme Inc.
Incorrect vendor address	4500 Pointer Road Tallassee AL	4500 Pointe Road Tallahassee AL

# Observations

- Defects exist in the data and must be mitigated
- The current UNSPSC coding system is extensive
- Users want more descriptive Account codes
- Users are unknowingly contributing to the volume of defective data:
  - By entering incorrect codes (UNSPSC and Account codes)
  - By not populating the contract field
  - By not populating the UNSPSC field
- Direct spend purchases and p-card purchases capture only fiscal fields which results in only one data point for spend analyses

## Question:

How much did state agencies collectively spend on supplies and services during FY2012?

**\$798 million**

## Question:

In FY2012, how many transactions were entered by state agencies to accomplish the \$798,000,000 spent on supplies and services?

**430,909 transactions**

## **Question:**

What is the most frequently mis-used UNSPSC Code found across all spending categories?

# **Live Plant and Animal Material**

*UNSPSC # 10000000*

**4,901 transactions**

**\$11,694,959.10**





# A dash “-” = Not Available

When a “-” is entered into an UNSPSC (category) code, the “-” is replaced with “Not Available.”

FY2012:

- # of transactions: **11,575**
- Total Spend: **\$85,770,715.08**

**Every entry counts.**

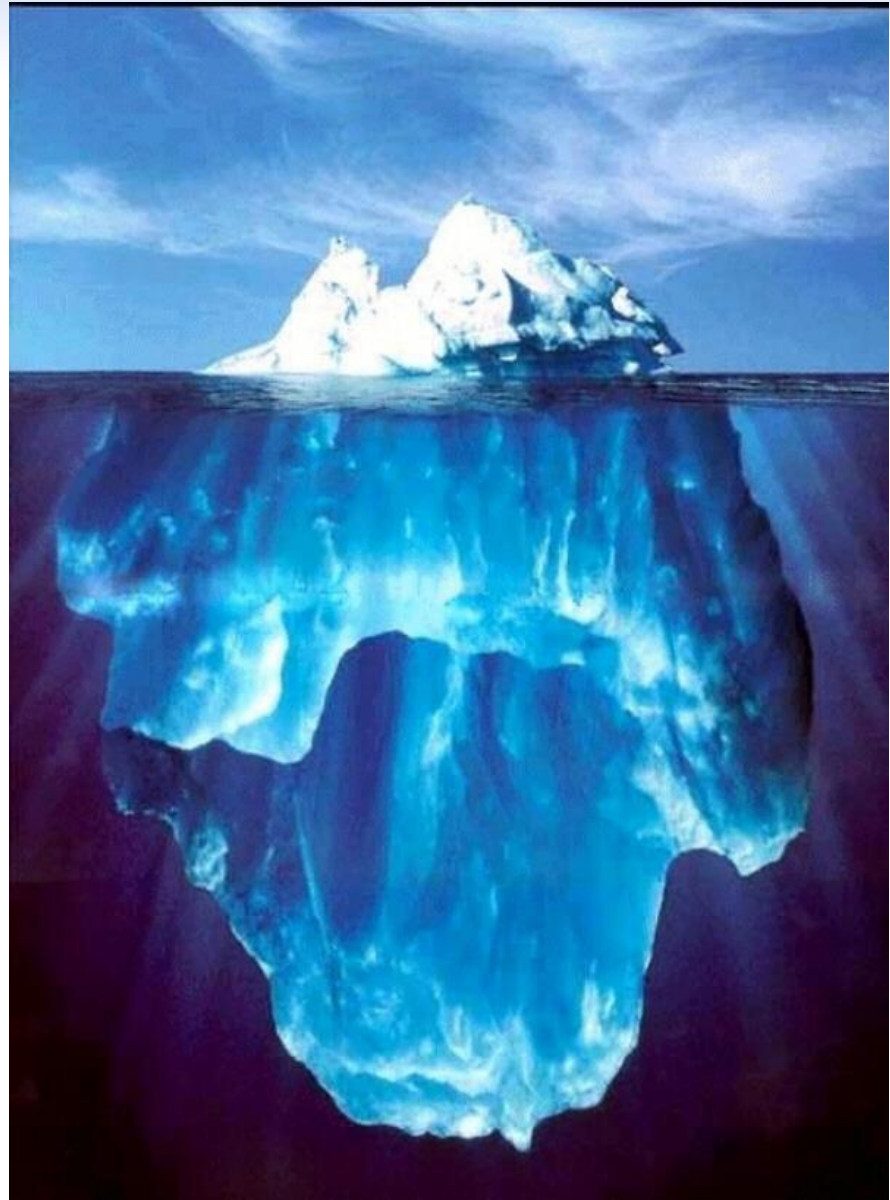
## Strategic Sourcing scenario... - Shoes and Boots

**Known spend:**  
\$581,189.39  
(138 transactions)

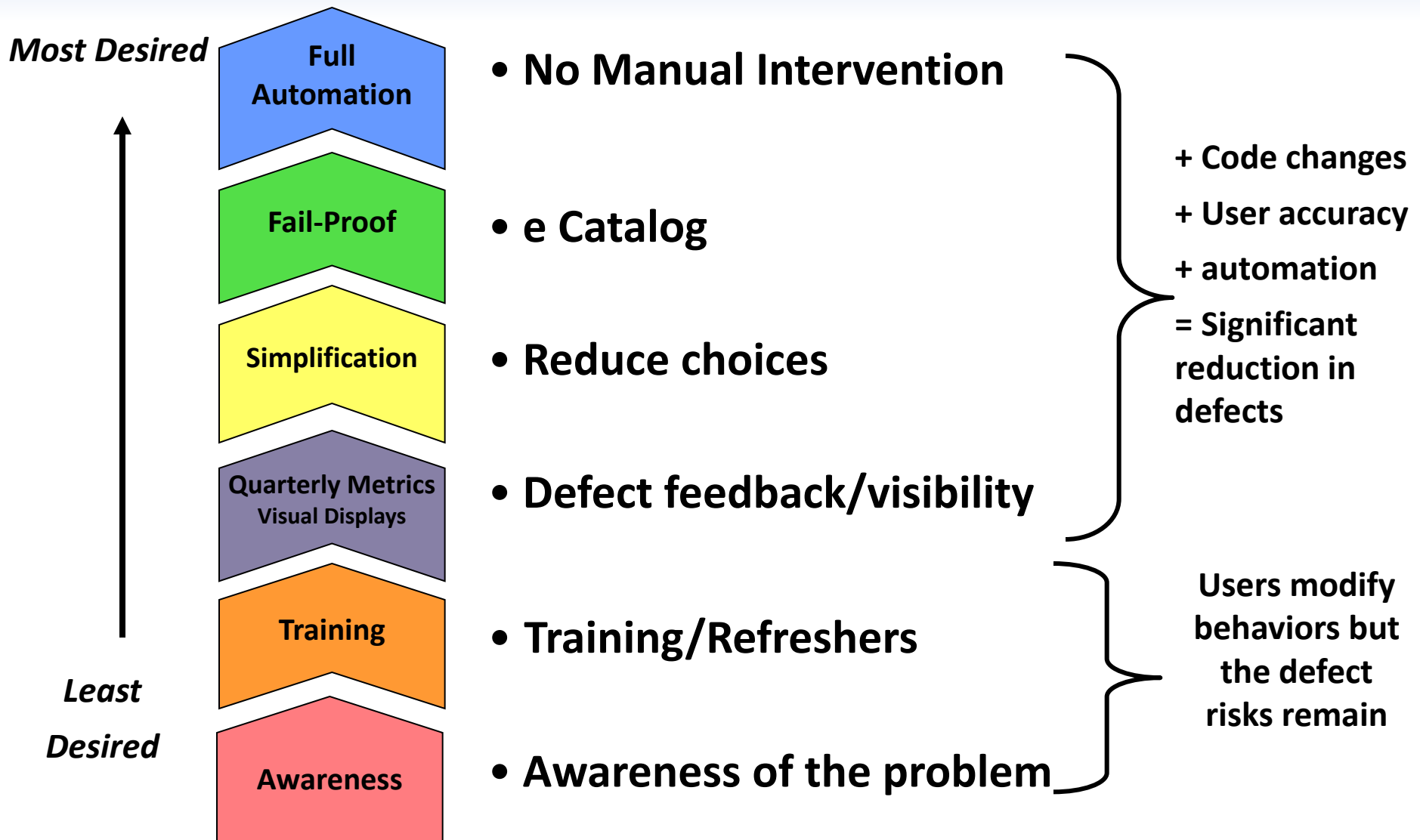
**Unknown spend:**  
\$ \_\_\_\_\_ ?

1) Dash “-”

2) Live Plant/Animal Material



# Fix It



# Cost\* per UNSPSC entry

- Baseline cost\* per UNSPSC entry: \$.75
- Assuming improvements could cut the UNSPSC search time and entry time by 50%
- The revised cost for each UNSPSC entry error could be \$.38

---

*\* Cost estimate is based on P2P user survey: average time users spend searching for and entering a UNSPSC code*

# Improvements

- UNSPSC Codes
  - Reduce the coding choices
  - Identify categories targeted for strategic sourcing and ensure a viable list of choices exists
- Account Codes
  - Analyze and recommend enhancements to Account Codes based on categories targeted for strategic sourcing
- Training
  - Enhance training programs to educate on use
  - Establish online & “quick hit” training sessions to refresh user awareness

# DAS & OBM's next steps...

- DAS will identify the spend categories for evaluation
- DAS and OBM will facilitate a “multi-agency working group” to analyze and recommend improvements to:
  - UNSPSC Codes
  - Account Codes
- Multi-agency working group
  - 4 or 5 agency procurement representatives
  - DAS procurement representative
  - OBM state accounting representative

## **Your next steps...**

- Repeat your P2P mantra: “Every entry counts.”
  - Enter accurate UNSPSC codes
  - Enter correct Account codes
  - Enter contract numbers
- Study your internal processes for practices that could inhibit correct coding
- Attend OAKS training sessions
- Provide feedback



*It had long since come to my attention that people of accomplishment rarely sat back and let things happen to them. They went out and happened to things.*

- Leonardo da Vinci

# OhioDAS

To submit a question, please send a  
**‘high priority’** email to

[DAS.StatePurchasing@das.state.oh.us](mailto:DAS.StatePurchasing@das.state.oh.us)

Please indicate **“SPUG Question”** in the subject line.



**Thank you for your questions and participation!**

# Next on the Agenda...

IT Procurement Services: What are WSCA, STS2  
and IT Staff Augmentation?

**Dan Myers, IT Procurement Analyst  
and**

**Maria Roberts, IT Procurement Analyst**

Department of Administrative Services / Office of Procurement  
Services / Office of Information Technology

# IT Procurement Services

What are WSCA and STS2?

Dan Myers

IT Staff Augmentation

Maria Roberts

# Western States Contracting Alliance (WSCA) Hardware Contracts

Dell Marketing LP (Contract #0A1067)

Hewlett-Packard Company (Contract #0A1068)

Lenovo, Inc. (Contract #0A1069)

- Check contracts for availability and for best pricing (STS vs. WSCA)
- Agencies must not contradict State IT Direction and DAS Policies or Standards when purchasing from WSCA Contracts
- Caveat emptor
- WSCA Purchases are NOT candidates for the IT Express Procurement Program

**Contract Information on the State Procurement Website Coming Soon!**

# Enterprise Buy IT Equipment Contracts

The state of Ohio has negotiated pricing from Dell, HP and Lenovo for product offerings that support the state standards for PCs and servers

- Standard Business Class Desktop
- Specialty Class Desktop
- Specialty Class Desktop vPro Enabled
- Standard Mobile 14" Notebook
- Standard Mobile 15" Notebook
- Standard Desktop Notebook
- Standard Monitors – 20", 22" and 24"

# Enterprise Buy IT Equipment Contracts - continued

Dell Marketing LP (STS #534278)

Hewlett-Packard Company (STS #534275)

Insight Public Sector Inc. (Lenovo Products) (STS #534242)

- Multiple Resellers (including Certified Ohio MBEs)
- Only a Single Quote from an Authorized Reseller is Required
- IT Express Program Eligible

For More Information:

<http://das.ohio.gov/Divisions/InformationTechnology/StatewideEnterpriseBuys.aspx>



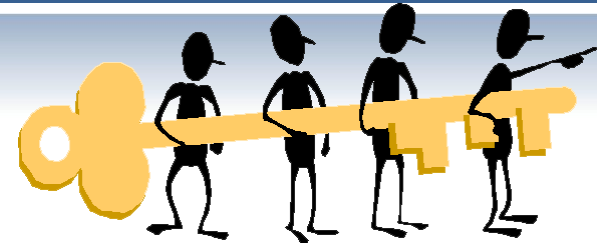
# STS Pricing Recommendations

- Whenever Possible Seek Multiple Competitive Quotes
- Remember STS Prices are Ceiling Prices
- Expect Some Level of Discounting on Significant Purchases
- Verify that the Quoted Prices are at or Below STS Price

## Contact IT Procurement Services for Assistance Resolving Issues and Negotiating Additional Discounts

- STS Contracts C through M
  - Contact Cyrus Carter at 728-0906 or [Cyrus.Carter@das.state.oh.us](mailto:Cyrus.Carter@das.state.oh.us)
- STS Contracts A through B and N through Z
  - Contact Dan Myers at 995-0536 or [Dan.Myers@das.state.oh.us](mailto:Dan.Myers@das.state.oh.us)

# Keys to Success



- Ensure you choose the lowest price between available contracts
- Verify that any selected products meet applicable standards and/or policies
- Think Big – Larger volumes leverage better pricing
- Begin With The End In Mind – Strategize purchases to meet long term goals of the enterprise

# IT Staff Augmentation

- Faster
- Easier to use
- Equal or better quality
- More standardized across all vendors
- Friendlier to MBE/EDGE/small business
- Simpler to invoice and pay
- More measurable and accountable



# Components

- Twenty-seven job titles based on the State's IT needs
- Skills matrix based on technologies/supply and demand
  - Legacy, Core, and Emerging
- Fixed rates based on market conditions within the State
- Web-based management system known as Peoplefluent
  - Access anytime, anywhere
  - Enter requirements
  - Review candidates, timesheets and expense



# Workflow



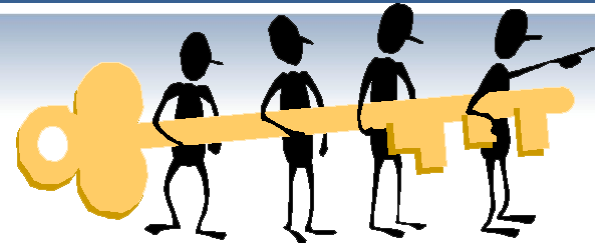
Office of  
Procurement Services  
Service · Support · Solutions

# The Network

- There are currently 129 vendors in the open vendor network.
  - 80 are Ohio based vendors
  - 51 are Ohio MBE and/or EDGE certified
- The current vendors have filled 139 engagements at 17 different state agencies.
- Not using the Contract? You may be missing valuable opportunities to aid you in filling your agency IT staffing needs.



# Keys to Success



- Maintain contact with your CAI Account Manager.
- CAI will work directly with your agency to discuss needs, positions and skills to ensure candidates can meet your needs
- CAI will educate candidates on the specifics of the position
- CAI will review candidate resumes prior to sending to the agency

# Team Information

- Maria Roberts, IT Procurement Analyst, phone: 614-466-7620
  - Email: [ITProcurement@das.state.oh.us](mailto:ITProcurement@das.state.oh.us)
  - Website: click here [IT Staff Augmentation](#)
- Lori Hubbard, MSP Account Manager, phone: 614-940-0569
  - Email: [lori\\_hubbard@compaid.com](mailto:lori_hubbard@compaid.com)
- Ron Vogel, MSP Account Manager, phone: 614-940-0572
  - Email: [ronald\\_vogel@compaid.com](mailto:ronald_vogel@compaid.com)
- CAI Help Desk, phone: 800-635-5138
  - Email: [MSPNetwork\\_Help@compaid.com](mailto:MSPNetwork_Help@compaid.com)





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**‘high priority’** email to

[DAS.StatePurchasing@das.state.oh.us](mailto:DAS.StatePurchasing@das.state.oh.us)

Please indicate **“SPUG Question”** in the subject line.



**Thank you for your questions and participation!**

# A Few Reminders...

- This webinar has been recorded and can be viewed in its entirety on our website @ [www.procure.ohio.gov/PDF/SPUG/SPUG.HTM](http://www.procure.ohio.gov/PDF/SPUG/SPUG.HTM)
- Presentation materials will also be available on our website to download
- Live audience: Please remember to complete your evaluation forms before you leave today. Please place them on the registration table.
- Webinar audience: Please email evaluation forms to [sinuon.todd@das.state.oh.us](mailto:sinuon.todd@das.state.oh.us)

Thanks for attending today!

This concludes today's webinar meeting.

**Have a great afternoon!**



<http://procure.ohio.gov/PDF/SPUG/SPUG.HTM>