

Act as One, Win for Everyone

Interagency Collaboration in the Public Sector

With specialized operational needs and detailed procurement processes and rules, public sector health care and social services programs present unique contracting challenges. In this paper, Ikaso's consultants outline approaches and techniques that enable government agencies to benefit from collaboration, shared responsibility, and knowledge sharing to overcome these challenges and achieve the best possible outcomes for government and taxpayers alike.



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Introduction

Public sector procurement is a complex process involving multiple operational and process requirements and numerous stakeholders. A majority of states have a centralized procurement organization that handles the procurement process and vendor interactions, sometimes executing under operational and program requirements driven by agency representatives outside that central procurement body. While this structure works well in most instances, it can present particular problems with social services and health care procurements complicated by the magnitude of taxpayer dollars at stake and the imperative to achieve the best outcome for the state and its constituents. As the firm centered at the intersection of social services and public procurement, Ikaso works to ensure that our clients benefit from interagency collaboration.

The Journey and the Destination

The best results are achieved when staff from the principal agency's program and the procurement organization are engaged in the entire journey and do not begin their interaction only when the destination is in close sight. In their role as stewards of taxpayer dollars, public sector programs and staff are subject to numerous checks and balances. In the procurement domain, this may involve multiple layers of review and approval for RFPs or contracts. However, as demands on staff time increase, a well-intentioned oversight process can give way to one where the procurement organization or budget office is simply asked to "sign off" on work done by the principal program staff in the process' late stages. Review or participation in the process is often limited to silos of exposure to procurement, limiting the collaboration and contributions of all parties to all elements of the process. This leads to missed opportunities to maximize value or create savings, and can cause unpleasant outcomes like suboptimal contracts or vendor protests.

When the procurement organization, budget representatives, and program staff collaborate on the items below from the beginning, they create better outcomes from a cost savings, program efficiency, and vendor management perspective:

- Drafting and reviewing RFP documents and scoring approaches
- Going beyond compliance with applicable laws, rules, and regulations to consider prevailing budgetary policies and constraints as well
- Drafting and reviewing external communications, including responses to oral and written bidder questions
- Contracting and negotiations

The Way We See It

Ikaso's unique perspective stems from decades of combined experience in public sector procurement. With team members that have worked on both sides of the table – as advisors and public sector procurement executives – we understand the importance of interagency collaboration to successful project execution. Consequently, we facilitate agency interactions in a number of ways:

- Identifying project stakeholders
- Defining what contributions each agency/individual can make
- Thinking through how best to engage all agencies and relevant parties at each stage of the process
- Navigating the budgetary, timing, and operational constraints that affect each individual agency

“It is critical to ensure project teams include all the right people from my agency and other government departments. When Ikaso is involved, everyone speaks the same language and pursues a common goal of negotiating the best contracts with the highest service levels at the lowest reasonable price. Putting the best programs in place while responsibly stewarding taxpayer dollars happens with Ikaso.”

– Anne W. Murphy, Secretary, Indiana Family & Social Services Administration

Nothing Ventured Nothing Gained

With staff resources in tight demand, it can be tempting to keep staff narrowly focused on their agency's unique mission and needs. However, mission-critical contracts will benefit from collaboration and knowledge sharing across entities with different perspectives, often leading to spectacular results.

- **Optimizing globally versus locally.** While each agency may have a local perspective, procurement entities charged with statewide responsibilities often provide a broader perspective and specialized knowledge that benefits all parties. This may include opportunities to pool volume and increase purchasing power, simplify vendor management, and eliminate potential redundancies.

- Finding hidden opportunities.** In these challenging budgetary times, all states are taking a long, hard look at their operations and costs. The common approach for budget agencies is to set targets at the individual agency level and let them “figure it out.” However, one of Ikaso’s clients achieved success by taking a broader global view. A state client had multiple contracts at individual agency level with a temporary staffing agency. When Ikaso team members approached the central procurement organization on behalf of the social services agency, a bigger opportunity came to light – what if the procurement organization were to negotiate all agency agreements on behalf of the state as a single entity and get a better deal for everyone? The relevant agencies collaborated to gather and analyze usage data to understand the state’s usage patterns. The resulting agreement created significant cost savings for the state and simplified the administrative effort needed for each temporary staffing transaction. Further, the state now has dedicated account managers that are cognizant of the state’s overall staffing needs and policies, and provide specialized support services for social services needs as part of the new agreement.
- Knowledge sharing.** Program staff may deal with major procurements only occasionally, while the procurement organization has this as its main focus. On the flip side, procurement personnel often do not have a deep understanding of program realities. On many occasions, Ikaso has found that complex issues new to program staff like modeling costs, evaluating supplier diversity plans, or determining appropriate enforcement metrics are easily addressed by procurement staff’s expertise and prior experience. Additionally, active participation in each major agency initiative exposes procurement personnel to new performance goals, operating models, and incentives they can in turn share with other entities on future projects.

“Ikaso consultants are exceptional in their ability to facilitate key projects statewide and provide visibility and insight into critical issues that contribute to project success. Thanks to their efforts, we have experienced strong results both in terms of achieving cost savings and avoiding vendor complaints and protests.”

*– Rob Wynkoop, Commissioner,
Indiana Dept. of Administration*

Don’t Wait, Facilitate

Interagency collaboration is most successful when all parties have a seat at the table throughout the process. Even if some stakeholders contribute during specific stages of the process (e.g. contract attorneys), they can still benefit from being engaged from the beginning and being exposed to all perspectives and constraints that have shaped the procurement. We encourage project teams to facilitate collaboration in the following ways:

- Identify agencies, entities, and programs that can offer expertise and during the procurement process
- Suggest roles and responsibilities during each stage of the project from requirements drafting through contract negotiations
- Manage processes and information on behalf of the state – not a specific agency

- Enable communication between all parties while ensuring they are engaged in a manner that makes the best use of their time
- Facilitate external interactions such as vendor negotiations, media, & stakeholder communications

Ikaso ensures interagency collaboration which results in contracts with best-in-class service levels, lower costs, and performance measures to ensure program goal achievement. Ultimately, each of Ikaso's client engagements features the commitment to achieving the best possible outcome. When the best people come together, everyone wins.