



2010 Cronin Award for Procurement Excellence

iTRAC PURCHASE REQUEST PROGRAM (PRP)

STATE OF MICHIGAN



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2010 NASPO Cronin Award Nomination — June 7, 2010

The State of Michigan's *iTRAC Purchase Request Program (PRP)*

Executive Summary

Due to the State of Michigan's recent budget shortfalls, the Governor's Office passed Executive Directive 2007-10 requiring state agencies to provide a business case analysis and risk assessment for all purchases in excess of \$25,000. Though this initiative realized substantial savings in ensuring only purchases critical to State operations were submitted and approved, it required a lengthy paper process to scrutinize spending practices and placed a heavy burden on agencies and personnel. To ensure proper service levels, the establishment of an electronic procurement request process became a priority.

The challenge for the Department of Technology, Management, & Budget (DTMB) Purchasing Operations was to rapidly develop an inexpensive electronic process to streamline purchase requests, reduce processing times, track approvals, and guarantee the consistent application and evaluation of business case analyses and risk assessments in the purchase request process. To meet this challenge, DTMB looked internally to leverage an innovative Web-based workflow management tool that administers the State's IT contract purchases. It quickly became apparent that this system, known as the Information Technology Resource for the Acquisition of Commodities (iTRAC) system, could be utilized for purchase requests across all State agencies.

At no additional cost to the State, the iTRAC Purchase Request Program (PRP) was created for the iTRAC system by an in-house developer, combining three long purchase request documents into one easy-to-use electronic process. Since most departmental purchasing personnel were familiar with the system, minimal training was required and agencies immediately began utilizing the program. iTRAC PRP now allows departmental purchasing employees to follow each procurement request from initiation to implementation through an innovative tracking system that notifies project stakeholders of status changes by email. Additionally, the system is tailored to meet the unique requirements of each agency, providing an automated approval routing function based on each department's specific organizational structure.

iTRAC PRP is easily accessible for any employee with State intranet access and allows agencies to initiate a procurement by simply filling out an electronic request. The online program allows purchasing representatives to synthesize the necessary information surrounding the procurement in one place so executive approvers can readily access it. This information includes a detailed description of products and/or services to be procured, projected costs, current contracts that may cover the requested purchase, funding sources, and contact information for those connected with the procurement.

iTRAC PRP is unique in that it consolidates all record-keeping into one central location for simple retrieval. The application accommodates attachments, allowing the ability to add documents such as proposals, quotes, evaluation summaries, and applicable statutes/mandates to the request. The system is capable of generating reports detailing everything from active agency requests to a complete record of all requests submitted during a fiscal year. By utilizing iTRAC PRP, the State of Michigan has achieved substantial workflow efficiencies, resulting in service improvements and increased transparency in the review of business case analyses and risk assessments in preparation for the initiation of all procurements.

NASPO Cronin Award Nominee

iTRAC PRP

Michigan's Automated Procurement Request Program

Award Criteria: Innovation

iTRAC PRP is a major breakthrough for DTMB Purchasing Operations in its effort to prioritize accurate business case analyses and risk assessments in the State's procurement request process. The program represents the cutting edge of cloud-based Web technology, allowing departmental purchasing employees to access and initiate a procurement request from any workstation with State intranet access. This agile and far-reaching program is groundbreaking in its ability to be fully leveraged across State agencies, resulting in significant benefits to the State of Michigan.

Fundamental Innovation: Self-managed tool

- Through its request routing functionality, PRP allows centrally located agencies and those that are completely dispersed to establish review paths within the system, thus enabling them to direct the progression of purchase requests. This frees agencies of the need to consult a technical administrator every time a person is added or eliminated to their approval paths due to staffing changes, preventing untimely interruptions in the purchase request process. Agencies are also able to establish and utilize multiple approval paths, depending on the complexity of a request.
- Since the application has been adopted in an enterprise-wide effort, requests requiring external reviews of business case analyses and risk assessments can be routed from the agency's business unit to the Governor's Executive Office if necessary.

Fundamental Innovation: Status tracking

- iTRAC PRP's unique status tracking capability ensures that important stakeholders involved in a request are always informed of exactly where their purchase is in the approval process. The PRP page displays status updates automatically as the request moves through as many as 15 different phases from "Not Submitted" to "Award Recommended," depending on the scale of the procurement.
- Each time the status of the request changes, important contacts for the purchase indicated on the request are notified of the new phase from the system via email. This email provides an overview of the request along with a link to the procurement in iTRAC so it can be easily accessed and reviewed.
- Upon retrieving the request, stakeholders can view comments made by each approver explaining their justification for authorizing or rejecting the purchase based on its risk assessment and business case analysis.
- Approvers receive similar email notifications from iTRAC advising them of a pending request for their review, along with a link to a straightforward HTML-based decision entry page for them to approve, deny, or send the request back to the initiator for additional information. Since this page is tied to the request but does not require the approver to log into iTRAC through the State intranet, it allows busy executives to quickly approve requests on-the-go using a personal digital assistant (PDA) or phone with email access.

Fundamental Innovation: Customization

- The launch of iTRAC PRP required a level of State-wide coordination and cooperation significant in both its magnitude and impact. By working with each individual State agency to ascertain that iTRAC PRP would meet the business needs of their program areas, DTMB created a request program that encompassed all of the critical components demanded by the State's purchasing request process without sacrificing the requirements of each particular department.
- DTMB developed agency-specific online training modules within iTRAC which guide each department's staff through their unique procurement initiation process utilizing the electronic request. This effort also entailed establishing levels of security for agency approvers and DTMB Purchasing Operations staff tied to their State network IDs and passwords, allowing authorized users to approve or deny purchase requests and create approval routes.

Fundamental Innovation: Accountability

- The enterprise-wide implementation of iTRAC PRP immediately allowed the State Office of the Auditor General unprecedented accessibility to examine each agency's procurement requests for proper adherence to the State's purchasing protocols. The clear delineation of responsible parties in approval routes has reinforced the importance of dependability at every level of State procurement, an innovation in accountability that has been very valuable to DTMB and the agencies it serves.

Award Criteria: Transferability

DTMB Purchasing Operations placed an emphasis on adaptability in the development of iTRAC PRP as a workflow management tool. This is readily apparent in the system's capacity to adjust to virtually any procurement environment or process. Built using state-of-the-art web technology, the application can be easily modified by any technical staff member with industry-standard knowledge in Microsoft.Net and SQL Server 2005. Furthermore, the system is compatible with any type of database application, from simple Access information retrieval systems to most robust Oracle databases. iTRAC PRP can even interface with e-procurement systems, providing a much-needed 'front-end' to scrutinize business case analyses, risk assessments, justifications, and funding sources, a critical component of purchasing that many of these types of systems currently lack.

Though iTRAC PRP was created using a leading cloud-based virtual platform, it was designed to be easily configurable and scalable for procurement representatives to make routine modifications to the system without requiring coding changes or consulting specialized technical personnel. The maintenance of request routing is a distributed function to authorized staff within the application, allowing each agency to manage their own approval paths as well as change user roles, authorizations and profiles within their departments. Even iTRAC PRP itself is completely administered by a DTMB senior procurement analyst with no technical background, a testament to the application's user-friendly functionality.

iTRAC PRP's main asset in its remarkable transferability stems from the application's source code, which is owned entirely by the State of Michigan. Offering the system to another state would merely involve a recalibration of the current purchase request template to meet the state's business case and risk assessment requirements, not lengthy licensing negotiations with another party, as the application's code is not owned by an outside contractor. In addition, because the application is accessible from any workstation with a Web browser, there is no need to undertake a complex and labor-intensive software rollout to install the application on every potential user's desktop. Rather than engaging in complicated and often imprecise licensing acquisitions, states can utilize iTRAC PRP right away to rapidly improve their procurement request process.

Award Criteria: Service Improvement

DTMB Purchasing Operation's agency clients are enthusiastic about the substantial service improvements that iTRAC PRP affords them in their everyday procurement responsibilities.

Service Benefit: Request routing

- The electronic request eliminates the need for unnecessary handoffs that prolong the time it takes to review and approve business case analyses and risk assessments. Today, procurement requests route to the right approvers the first time every time, ensuring that each request is quickly assigned to personnel required to review it and not buried on a busy executive's desk waiting to be delegated.
- iTRAC PRP guarantees that all procurements receive the proper level of scrutiny upfront before moving forward in the request process. This prevents procurement staff from needlessly processing requests that will be denied due to inadequate justifications or funding.

Service Benefit: Record keeping and retrieval

Additionally, iTRAC PRP makes information vital to the procurement process that was difficult to obtain and track in the past easily accessible for approvers, such as proposals, packing slips, emails, serial numbers, and invoices. All of these materials can now be attached to the request for convenient record-keeping and retrieval.

Service Benefit: Real time status

- With the previous paper purchase request forms, project leaders routinely needed to call multiple procurement staff members to check on the progress of their purchase request and frequently did not know who to contact if the request required external approvals. Procurement representatives in DTMB spent large portions of their days fielding phone calls from various agencies inquiring about the statuses of their purchase requests instead of actually working to process the purchases themselves. Additionally, if a request was unexpectedly delayed or halted in the procurement initiation process, these stakeholders would often be unsure of whom to get in touch with to ensure that it began to move forward again. Now, project leaders indicated on a purchase request are automatically notified of all status changes to the request via email from end to end in the procurement request process, ensuring that they are always informed of where their purchase is in the approval path. This eliminates the need to constantly check the system proactively and provides an easy tool for management to monitor time frames and procurement staff responsibilities.
- When a request becomes stalled, stakeholders can review the approval route to easily determine whom to contact to find out why this delay has occurred, creating more accountability in all areas of the procurement request process.
- Since any State user can search for and access any request on iTRAC PRP in read-only format, employees who are impacted by the purchase but are not listed as points of contact can still monitor the status of the request.

Service Benefit: Forecasting

- The reporting functionality of iTRAC PRP has allowed DTMB Purchasing Operations leadership the ability to project year-long procurement schedules consistently and accurately for the first time. Utilizing iTRAC during the call-for-projects process gives management flexibility to allocate purchase requests more equitably during peak times among procurement staff, lightening workloads and greatly improving service performance.
- These system generated reports eliminate the need for procurement personnel to fill out time-consuming manual reporting work logs for their purchases, thereby saving time and eliminating the potential for mistakes in data entry.

By leveraging the many tools and extensive functionality of iTRAC PRP, those involved in pur-

chasing from agency business units to DTMB Purchasing Operations are seeing outstanding improvements in service in the procurement request process.

Award Criteria: Cost Reduction

Due to the challenging fiscal pressures that the State of Michigan is currently facing, cost reduction in procurement is one of the highest priorities of DTMB. Consequently, it was of critical importance that any proposed solution to expedite the procurement request process did not involve budget spending.

DTMB was able to design and implement iTRAC PRP at no additional cost to the State by leveraging the skills of an in-house technical developer, meaning that the State does not have to depend on an outside contractor to provide costly system maintenance or pay licensing fees to add new users to the application. This also enables the State to make any necessary changes to the application as purchasing requirements, business case analysis and risk assessment justification criteria, and executive/legislative mandates change over time.

iTRAC PRP's requirements for detailed business case analyses and risk assessments for all purchase requests assures that only projects with proper levels of justification are actually procured, allowing DTMB Purchasing Operations to closely scrutinize budget spending. The inclusion of funding information and projected costs in each request also allows frontline approvers to guarantee that funding is available for purchases before they progress further through the review process. This saves time for purchasing staff in the processing of requests and prevents executive leadership from having to review justifications for purchase requests that already cannot be approved due to budgetary considerations.

The development of iTRAC PRP has turned a time, labor, and paper intensive approach to procurement requests into a fast, efficient, and completely electronic process. Through the integration of three lengthy purchase request and authorization documents into one comprehensive online process, DTMB's purchasing practices are now resource efficient and environmentally friendly, in keeping with the State's forward-thinking "Green Michigan" initiatives. The elimination of paper forms also prevents critical purchase requests from falling through the cracks as documents are lost or misplaced. iTRAC always retains a permanent record of each request, and project stakeholders need only to check the approval path and status of the purchase to find out if their request is on schedule. Moreover, iTRAC PRP's cloud-based platform saves the State from using costly server space which would be required for a desktop-installed application.

With its quick, intuitive, and highly configurable functionality, iTRAC PRP has proven to be a valuable tool for the State of Michigan to save time and realize efficiencies in the preparation, initiation, and management of purchase requests. The PRP critically serves to fill the current evaluation gaps in e-procurement systems by emphasizing risk-based purchasing, analysis of business cases, and verification of funding sources at the front end of the request process, rather than postponing these critical functions for review until the finalization of the procurement. Firmly embodying the State's commitment to cost savings and excellence in purchasing, the application has great potential to further integrate and expedite all areas of procurement in its development as a workflow management tool going forward. iTRAC PRP truly represents an innovative bridge to the future for Michigan's purchasing, one that could be immediately extended to other states to optimize their procurement processes.

Michigan's iTRAC Purchase Request Program

IIRAC - PRF

[Welcome](#)
 [New Request](#)
 [Retrieve Request](#)
 [WWT](#)
 [Reports](#)
 [Security](#)
 [Tools](#)
 [Help](#)
 [Logoff](#)

User: _____
 Save
 Close Existing Request
 Print Format
 Mail

IIRAC Reference #: _____ (Auto Fill)
 Date: 6/7/2010
 Status: Not Submitted
 Status Date: _____

Agency Internal #: _____
 Agency Name: _____
 Office: _____
 Agency Contact: _____
 Phone #: _____
 Contacts Email: _____
 Fax #: _____
 Send Agency Alerts
 Purchasing Contact: _____
 Phone #: _____
 Send Alerts
 Purchasing Email: _____

PURCHASE REQUEST CATEGORIES (check all that apply)

Category: _____

New - Over \$25,000
 Personal Services - \$2,501 - \$25,000
 Contract Change (select one from row below)

Amount Change
 Option Yr.
 Both
 Other (Note in Description)
 IT Changes Over \$500,000
 IT Contract Releases
 IT PO Advice of Change
 SW Furniture
 SW Temporary Services Contracts
 MMCC Contracts
 Subscriptions & Periodicals/Publications

PURCHASE INFORMATION

Title of Purchase: _____
 Vendor Name: _____
 Contract #: _____
 Requisition #: _____
 New Purchase Est. Amount: _____
 Current Contract Amount: _____
 Contract Change Amount: _____
 New Contract Amount: _____
 Contract Period Start Date: _____
 End Date: _____
 Revised Contract Period Start Date: _____
 End Date: _____
 One Time Purchase
 Multi-year Purchase

OSE INFORMATION (Personal Service Requests ONLY)

CS-138 #: _____
 Preauthorized CS-138:
 Statewide
 Departmental
 CS-138 Standard:
 A
 B
 C
 D
 Union/NERE Code: _____
 Notice Date: _____
 Why can't this service be done by current Department Employees?

Approved under Executive Criteria:
 OSE Comments: _____

PURCHASE JUSTIFICATION

Description of Product/Service Requested

Purpose/Business Case of New Contract, or Change and Expected Outcomes

Risk/Liability Assessment (consequences if not procured, potential issues if not procured, etc.)

Funding Source

State GF(%) Restricted (%) - List fund title:

Federal (%) ARRA (%)

Other (%) - Provide Details:

Total (%)

DTMB Service Coding - IT Purchases ONLY

Agency Internal Funding Source Appropriation Year

Agency Request	AG3 Code	Amount	AOBJ	DIT Internal Index (DIT Only)
IDG <input type="radio"/> Yes <input checked="" type="radio"/> No	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
IDG <input type="radio"/> Yes <input checked="" type="radio"/> No	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
IDG <input type="radio"/> Yes <input checked="" type="radio"/> No	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
IDG <input type="radio"/> Yes <input checked="" type="radio"/> No	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

IT Service Purchases Only

Number of IT Service Purchases Lines

#	Qty	Unit Type	Description	Unit Price	Total Cost
1	<input type="text"/>				
2	<input type="text"/>				
3	<input type="text"/>				
Grand Total				<input type="text"/>	<input type="text"/>

EXECUTIVE DIRECTIVE EXEMPTION CRITERIA

Executive Criteria met for Purchase: (select only one)

- 1. Legal mandate, court order, or law enforcement (attach copy).
- 2. To enable the delivery of non-discretionary basic services necessary to protect the health or safety of individuals in this state.
- 3. To provide for the basic living requirements of residents of state facilities, including but not limited to food, clothing, and prescription drugs, and healthcare needs.
- 4. To produce substantial savings as defined under Standard D of Civil Service Commission Rule 7-3, as determined by the Director of the Office of the State Employer, that would not have otherwise been realized were the same personal services performed by a classified service employee. Attach Standard D cost analysis.
- 5. To prevent a reduction in revenue otherwise payable to this state.
- 6. To avoid additional expenditures that will exceed any savings resulting from deferring the personal services contract expenditure.
- 7. To respond to a state of emergency or state of disaster declared by the Governor.
- 8. To assure compliance with the federal American Recovery and Reinvestment Act of 2009, Public Law 111-5, as certified by the Director of the Michigan Economic Recovery Office. Attach certification document.
- 9. To facilitate the efficient and effective expenditure of funds authorized by the federal American Recovery and Reinvestment Act of 2009, Public Law 111-5, as certified by the Director of the Michigan Economic Recovery Office. Attach certification document.

Executive Criteria Description

Add Attachments

GENERAL COMMENTS

General Comments

DTMB USE ONLY

Buyer Assigned Buyer Phone

BPO # PO #

Risk Assessment # Ad Board Date

DTMB Comments

Approvals

Save