STATE OF DELAWARE ANNUAL REPORT FROM THE CONTRACTING AND PURCHASING ADVISORY COUNCIL 2024

The following is provided in adherence with Title 29 \S 6913 (d) (2) which requires an annual report to the Governor by December 31st of each year concerning the effectiveness of the State's procurement processes. This report shall include recommended changes to the State's procurement laws as may be necessary to improve the State's overall effectiveness.

Report's Objective

To advise as to the effectiveness of and make recommendations for changes to the State's procurement laws, policies and practices to the Director of the Office and the Section director.

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A LOOK AT 2024 CONTRACTING AND PROCUREMENT ACTIVITIES

Professional Development of Contracting Personnel

Monthly Government Support Services (GSS) team meetings were held in CY2024. The meetings are designed to cover best practice updates, discuss current activities, and provide topic specific training. Trainings have included topics such as customer service, time management, and critical thinking.

National Partnerships

Each GSS team member belongs to the National Institute of Government Procurement (NIGP), National Association of State Procurement Officials (NASPO), and the National Contract Management Association (NCMA). These organizations promote the professional development of procurement individuals and provide access to other procurement personnel and resources. The resources include professional forums in which to query and learn about markets, procurement issues and challenges. Separately, each national partner provides continuing educational resources including access to conferences as well as live and/or electronic training webinars.

The GSS Director serves on the NASPO Professional Development Committee and the Annual Conference Planning Committee. In 2021, the <u>International Association for Continuing</u> <u>Education and Training (IACET)</u> awarded the <u>National Association of State Procurement</u> <u>Officials (NASPO)</u> the prestigious Accredited Provider accreditation. IACET Accredited Providers have sufficiently demonstrated their program credentials and are approved to offer IACET Continuing Education Units (CEUs). The accreditation period extends for five years and includes all programs offered or created during that time.

As the Delaware team regularly attends and/or participates in NASPO Procurement U training classes, this demonstrates an on-going interest in furthering procurement education for the team. Every State Contract Procurement Officer is offered and/or assigned a number of classes to ensure continuing education. The NASPO representation further demonstrates the State of Delaware's leadership position within the public procurement arena. (All conference attendance expenses are covered by the national organization support in fulfillment of their mission to advance the public procurement profession.) Additionally, NASPO Procurement U classes are available (many at no cost) to other interested public procurement professionals.

Further, several members of the GSS team belong to the National Procurement Institute (NPI), which provides access to other procurement education resources and retains access to an outside organization evaluated comparative procurement review; the Achievement of Excellence in Procurement.

The GSS Deputy Director retains his membership in the Society for Human Resource Management (SHRM) and holds the certification of SHRM Certified Professional (SHRM-CP).

Personnel from several agencies belong to the Delaware Public Procurement Association (DPPA). Agencies represented within the DPPA organization include, Department of Safety and Homeland Security (DSHS), Department of Correction (DOC) and the New Castle County government.

Currently, one (1) GSS team member holds nationally recognized professional procurement certifications as:

1 – Certified Public Procurement Officer (CPPO)

In CY2024, a member of GSS team participated in national cooperative contracting efforts, contributing towards contracts for computers and eProcurement as a subject matter expert Sourcing teams are a multi-disciplinary team of both procurement and subject matter experts developing and awarding a procurement portfolio led by a single state in which other states participate to leverage economies of scale.

Finally, in CY2024, the GSS Contract Administrator continues to serve as the NASPO Eastern Region Vice Chair. Responsibilities include, but are not limited to, promoting engagement, procurement training and interstate collaboration within the region. In addition to serving as the Vice Chair, Courtney participated on the NASPO Emerging Leaders Committee, and NASPO Administrative Committee.

Conference Attendance / Continuing Education

In January 2024, two (2) Delaware team member participated in a virtual NASPO State Training Conference. This conference geared toward those who coordinate state procurement training efforts to peer-to-peer solutions, learn the latest in instructional methodologies, and exchange training resources.

In March 2024, three (3) Delaware team members, participated in the NASPO Exchange held in Nashville, TN. This conference provides for educational opportunities as well as provides attending vendors the opportunity to engage and discuss business and future opportunities directly with primary state agents. This also allows the state to promote opportunities and identify procedures for doing business with the state and its agencies.

In July 2024, nine (9) Delaware team members participated in the NASPO Regional Education and Connection Hub (REACH) Conference held in Philadelphia, PA. This conference leverages the collective experience of state procurement staff across all four regions to expand the sharing of education, best practices, and innovative approaches to state procurement. All four NASPO regions of the country participated in this national conference.

In September 2024 GSS leadership (Deputy and Administrator) participated in the 2023 NASPO Annual Conference, in Indianapolis, IN. The GSS Director also served as member of the Annual Conference Planning Committee.

The NASPO sponsored Law Institute held in Boston, MA, in November 2024 was attended by the GSS Director and two Deputy Attorneys General. The Law Conference focuses on legal concepts, and improving connections, collaboration, and communication in state government procurement. This year's conference was heavily focused on the effects and impact of Artificial Intelligence on procurement activities.

The National Procurement Institute (NPI) awarded GSS the 2024 Achievement of Excellence in Procurement Award. This is the ninth consecutive year GSS has received this acknowledgement. In October 2024 two (2) Delaware team members participated in the NPI Conference which offered educational opportunities and recognized all award recipients. GSS has plans to submit a nomination for a 2025 recognition.

State Provided Training

The GSS training program is aimed at educating both Agencies and Vendors on procurement code, processes, templates, methodologies, transparency of utilization data, and the spend incorporating the state's checkbook and procurement data sets. Training moved to a quarterly rotation for 2024, with most trainings being conducted through a virtual format. The training for 2024 consisted of:

- Agency Training: Procurement Basics (NEW for 2024, a self-paced online option in addition to quarterly virtual sessions)
- Agency Training: Recipe to a Successful Solicitation Key Players, Scope Development, Timeline, Resources, Outreach
- Agency Training: Now Showing Active Bid and Beyond
- Developing Your Scope of Work (NEW for 2024, self-paced online and in-person)
- Central Contracts and User Groups (NEW for 2024, self-paced online)
- K-12 Training: same offerings as Agency with slight modifications to the Procurement Basics session.
- Vendor Training: Intelligence on State Procurement (NEW for 2024, self-paced online option in addition to quarterly virtual sessions)
- Vendor Training: What to expect when...exploring a formal solicitation and after contract award (NEW for 2024, self-paced online option in addition to quarterly virtual sessions)
- Introduction to Bonfire (NEW for 2024, self-paced online)

As demonstrated in the numbers below, GSS procurement training is a service in high demand. Given the fluid nature of the relaunch, the training program in 2024 was managed as an additional responsibility for a GSS State Contract Procurement Supervisor and a Management Analyst II in their unit, with direction and support from the State Contract Procurement Administrator. While this is a significant time demand on staff, the training program educates the state buyers and our vendor community, promotes interest in state bids, represents an on-going business development opportunity, and shares certification information for small and diverse owned and operated business enterprises.

Agency Education and Consultation

Agency training for 2024 was conducted in a virtual format. The current courses are:

- **Procurement Basics** covers the basics of Delaware procurement regulations and practices. Participants learned how to navigate MyMarketplace, identify central contracts, apply Delaware Code in all procurements, the Small Purchase Thresholds and Procedures for those purchases not available through the central contracts, and what to consider from a supplier diversity standpoint. During 2024 GSS presented six (6) classes with 135 attendees.
- **Recipe to a Successful Solicitation** focuses on understanding key players, solicitation types, scope and market basket development, third party reviews, planning and timelines, best practice templates, and outreach strategies. During 2024 GSS presented six (6) classes with 30 attendees.
- **Now Showing Active Bid and Beyond** focuses on an active solicitation. As the contract manager, what to expect posting request, Q&A, bid opening, initial review, evaluation, award recommendation, contract execution and contract management. During 2024 GSS presented six (6) classes with 32 attendees.

• **Developing Your Scope of Work** focuses on building a good scope of work which is the heart of the solicitation and explores market research resources available to assist. During 2024 GSS presented two (2) classes with 20 attendees.

Supplementing our Instructor Led courses offered in 2024, three self-paced courses were available in Delaware Learning Center for 2024.

- **Central Contracts and User Groups** provides participants with a better understanding of the roles and responsibilities of a user group member. During 2024, 24 State employees completed this course.
- **Developing Your Scope of Work** focuses on building a good scope of work which is the heart of the solicitation and explores market research resources available to assist. During 2024, 24 State employees completed this course.
- **Procurement Basics** covers the basics of Delaware procurement regulations and practices. Participants learned how to navigate MyMarketplace, identify central contracts, apply Delaware Code in all procurements, the Small Purchase Thresholds and Procedures for those purchases not available through the central contracts, and what to consider from a supplier diversity standpoint. During 2024, 51 State employees completed this course.

In addition to our formal training program, the central contracting team provides educational assistance or consultation to any agency that has questions regarding contracting policy or procedures. In FY2024, GSS responded to over 116 agency help tickets; ranging from procedural questions to solicitation reviews. This agency assistance number is in addition to the hundreds of individual questions that are directed at GSS on an annual basis.

Vendor and Constituent Education

Vendor training in 2024 was conducted in a virtual format in partnership with SBA and OSD. The GSS vendor focused courses are:

- Intelligence of State Procurement provides vendors with an understanding of why the State procures the way it does; the role of GSS, Central Contracts and the Purchasing Advisory Council; the purchase thresholds and procedures; Supplier Diversity program; Open Data and other business intelligence. During 2024 GSS presented three (3) classes with 38 attendees.
- What to expect when...exploring a formal solicitation focuses on identifying key elements in the solicitation the vendor should pay attention to, what happens after the bid opening, and what to expect when offered an award. During 2024 GSS presented three (3) classes with 32 attendees.

Partnership with Office of Supplier Diversity (OSD) is sought for each Vendor Day presentation. The educational training provides information on how to access resources online, including <u>www.mymarketplace.delaware.gov</u>, the OSD website, and individual agency websites. By using OSD participation, the central contract team is always looking to expand the diversity of vendors bidding on contracts, demonstrate opportunity and meet goals that benefit the business community without requiring mandates or quotas. This activity is in support of the Governor Carney's Executive Order 49. In addition to the partnership with OSD, the Small Business Administration expressed interest in participating in the GSS training, attending three of our Vendor sessions to speak to the business opportunities available at the Federal level. Vendor centric online resources include, but not limited to: information on how to use Open Data datasets, contract usage details, procurement thresholds, FAQs, procedures, and flowchart. Many of the online resources were refreshed in 2023 and 2024.

By providing this information, GSS is promoting transparency to the vendor community and any citizen interested in learning about operations and/or contracting. This same transparency has generated some cost avoidance for GSS. For example, if the information is already public and available, there is no need to complete some Freedom of Information Act requests presented by vendors and/or constituents. This potentially frees up valuable resources to keep advancing the GSS and contracting directives.

In addition to hosting vendor centric training sessions, GSS Contracting has also participated in other vendor training opportunities, including:

- Sandra Clark represented GSS at UD annual Supplier Diversity Education & Training Conference held March 5 & 6th, presenting a session on low bid versus best value.
- Michael Bacu represented GSS at the 2024 Matchmaking event hosted by DPPA & Apex Delaware. The event took place May 16, 2024 and included two rounds of one-onone meetings, giving vendors an opportunity to collect with government business organizations to discuss potential contracting opportunities.
- Delaware's Inaugural MED (Minority Enterprise Development) Week Event was held at the UD STAR Campus on October 17th. Courtney Strickland attended and represented the GSS Contracting team. The panel discussions included workforce development and AI. The event included 3 networking opportunities during the day for businesses to chat with 12 partner organizations. Besides GSS, DOL, OSD, DEBCC, Apex, Score, SBA, and others were also represented. There were approximately 50 attendees representing minority businesses from Delaware and Pennsylvania.
- GSS Director participated as a panelist at the 2024 DANA Impact conference held at the University of Delaware campus.

To aid in the public transparency efforts, upon contract award, GSS provides a structured Award Notice which includes vendor information, pricing, ordering, contract utilization and contract specific terms. In 2023, GSS changed the online posting submission requirements, streamlining the submission by requiring one document that provides the minimum required information for data entry purposes while also serving as the public notice document. This change has Agencies submitting an Award Notice very similar to the template that GSS uses, with pricing details encouraged, standardizing and providing a consistent format in which information is displayed on the website to improve the overall procurement processes of the State and to promote economic transparency and opportunities.

Public works opportunities are posted monthly to the My Marketplace website, Results Delaware tab, under Public Works Opportunities, accessible through at this link: <u>Public Works Opportunities</u>. Minor Capitol Improvement funding managed by the Office of Management & Budget by the Division of Facilities Management (DFM) is identified by fiscal year, as well as number of construction projects currently underway. Similar to agency assistance, the central contracting team provides educational assistance to the vendor community through help tickets which can be submitted through the website. In FY2024, GSS responded to 77 vendor help tickets. This vendor assistance number is in addition to the hundreds of individual questions that are directed at GSS on an annual basis.

The GSS Director serves on the Governor's Supplier Diversity Council (SDC). In this SDC setting there is the opportunity to listen and engage with diverse business owners and their perceptions of doing business with or competing for business. Further, all GSS contracting personnel are encouraged to make themselves accessible to partners that seek to work with the State.

	As of Decemb	As of December 31, 2024	
	# of Contracts	FY2024 Spend	
Contracts	1,115		
Agency Contracts	890		
Central Contracts	225	\$334,694,110	
# of Cooperative Contracts *	37	\$71,784,730	
# of Delegated Contracts *	7		
# of Set-Aside Contracts *	4	\$7,359,078	
School Spend on Central Contracts		\$48,363,582	

CONTRACTING BY THE NUMBERS AND EFFICIENCY OF OPERATIONS

*The # of Central Contracts includes the Cooperative Contracts, Delegated Contracts and Set-Aside Contracts. Further, each of these Contracts may be split between Professional Services and Material/Non-Professional Services.

	Active During FY2024	% of Contracts
Total # of Contracts Active During FY2024	1,654	
# of Agency Contracts Active During FY2024	1,377	83%
# of Central Contracts Active During FY2024	277	17%

For FY2024, GSS received and/or reviewed 48 total I Found It Cheaper (IFIC) requests. Through the process of waiving the contract or negotiating with a current vendor to accept a lower price, the state realized savings of \$2,583.39.

GSS also operates the Copier Resource Management Program. For CY2024, this program issued 201 copier recommendations resulting in a savings of \$125,749 dollars. This savings was generated by "right-sizing" current equipment, blocking unnecessary requests, and generating income from selling unnecessary inventory through surplus. Since the program began in 2011, GSS has been able to realize over \$12.3M in savings.

In FY2024 the State of Delaware spent \$911.8M with the Supplier Diversity and Small Business communities. This is inclusive of the OSD and SBF certified businesses, W9 self-identified businesses, and awarded contract Tier II spend on GSS Contracts as well as inclusive of DelDOT certified DBEs and Delaware State Housing Authority (DSHA) spend.

	FY2024
Direct spend with OSD Certified firms (includes DSHA) + W9	\$419,210,110
Indirect spend. Tier II	\$34,904,682
Total Supplier Diversity spend (include W9, OSD & Tier II)	\$454,114,793
Direct Small Business spend with W9 + SBF Certified firms	\$457,676,014
TOTAL (all diverse & small)	\$911,790,807

You can review more detail about spend with the Supplier Diversity and Small Business Focus community in the OSD quarterly and Annual Reports at the <u>Division of Small Business</u>, by searching for OSD reporting.

SUMMARY OF RESULTS

Through the end of FY2024, the My Marketplace (MMP) team received and posted 467 solicitations, which represents a 16% decrease from the 556 FY2023 solicitations received from various agencies. However, reviewing all other active bid posts, which include addenda, and any other documents posted to active bids, the MMP team posted 1,101 aggregate items, up 0.8% from the 1,092 aggregate items posted in FY2023.

As of the end of FY2024, there were 1,097 awarded contracts posted to the MMP site. This represents a 2% decrease from the 1,127 FY2023 awarded contracts posted. And in FY2022 there were 982 awarded contracts posted to MMP.

Vendor Outreach communication performed in FY2024, by the Central Contracting team of Government Support Services (GSS), totaled 101,295 notices sent to individual firms and represents an 47% increase from FY2023. 1,826 Outreach notifications were sent directly to Delaware businesses, an increase of 100% over the previous year period.

As of the end of FY2024, there were 15,759 vendors signed up to receive notification from the State of Delaware's Bid Notification system. This represents an increase of 852 or a 6% increase compared to 14,907 unique vendors signed up at the end of FY2023.

Through the end of FY2024, spend with GSS central contracts increased approximately 2% to \$334,694,110, which compares with \$328,806,575 in FY2023. Of the reported FY2024 central contract spend, approximately 14% was spent by school districts at \$48,363,582.

For FY2024, GSS realized savings of \$2,583 for agencies through the I Found It Cheaper review process; a decrease of 73% from savings of \$9,657 for agencies in FY2023.

In FY2024, the State of Delaware spent \$911.8Million with the Supplier Diversity and Small Business communities. This is an increase of 20% over FY2023.

PROCESS IMPROVEMENTS

GSS provides recommended boilerplate solicitation documents through the GSS MMP website. These boilerplates are routinely evaluated and updated based on changes in Code, regulation and/or policy to ensure stated terms are protecting best interests of the State. Agencies are made aware of updates to the best practice boilerplates through ListServe email blast.

The Purchasing Advisory Council met twice in 2024. The first meeting adopted the bid thresholds passed through Legislation and adjusted the 3-quote range for all procurement categories accordingly. The second meeting focused on and added a 3-quote requirement for professional services contracts.

Understanding that State employees may be aware of only a small piece of the procurement life cycle, a contract update document was developed that allows agency buyers to understand what contracts are currently being worked by the GSS team and what step in the process the contract is in. This monthly update is also used to provide MMP notices, reminders, or training tips and has been well received by the agencies.

In 2024, Government Support Services (GSS) made a significant advancement by transitioning to an electronic bid submission platform, Bonfire, for managing GSS solicitations. This shift to Bonfire has enabled GSS to centrally document outreach communications, vendor questions, and technical evaluations, providing a more streamlined and efficient process. Additionally, the use of Bonfire has significantly reduced the amount of paper stored for the life of a contract. Over the year, GSS managed 43 solicitations and received 181 proposals, resulting in the handling of over 260,000 pages electronically. This transition not only enhances our operational efficiency but also supports our commitment to sustainability by reducing paper usage.

Late in 2024, GSS also launched a new eMarketplace (eM) platform. While the catalog contracts will be slow to enable, eventually all GSS awarded contracts will be incorporated. The new shopping platform allows shoppers to not only source products but also request quotes for contract goods and services, which can then be added to a cart for checkout. Some contracts will provide instructions on how to purchase goods or services outside of the marketplace. Finally, for those contracts that allow catalog purchases through the eM solution, shoppers will see an artificial intelligence product and price comparison tool. The tool will find exact or similar products and automatically compare the price, thereby allowing state users to decide if an alternative product is suitable.

In addition, 2024 saw the passage of HB428, which brought to fruition a number of legislative advances that GSS has been requesting for several years. This legislation includes the standardization of FOIA language across procurement types, recognition of the posting of solicitations on the State Central Procurement Bid site as meeting the public advertising requirements, and the establishment of a formal framework for professional service solicitations.

With fourteen (14) technology contracts transferred from GSS Contracting to DTI Procurement, as part of Senate Bill 153 amending Delaware Code Chapter 90C, Title 29, GSS continues to provide ongoing guidance and best practice templates while they define their processes.

Although some agencies operate independent contracting teams (i.e. DelDOT, DOC, DHSS, K12 – Data Service Center), not all agencies operate or are familiar with current contract terms, conditions and boilerplates. By making these documents available, which have been vetted by OMB counsel, GSS is protecting the best interest of the State and attempting to ensure unnecessary exposure to liability. It is GSS's intent to have all Agencies use the statewide

templates as best practice templates to eliminate redundancy of effort for maintaining statutory changes and best practice language but also to provide the vendor community a standardized format to work with when dealing with any Agency of the State.

RECOGNITION

In CY2024, four (4) public entities located outside the State of Delaware sought and received permission to utilize the GSS centrally managed contracts. This is a confirmation of the value of the award offered, but is also of value to the awarded vendor, as there is more opportunity to sell products through a competitively awarded offering. With the continued interest by other organizations to make use of GSS contracts, this business opportunity for our awarded vendors has become part of standard vendor communication. This brings the number of non-Delaware public entities that have been given authority to procure from GSS, State of Delaware awarded contracts since 2011 to 48.

Government Support Services has been awarded the Annual Achievement of Excellence in Procurement for 2024 from the National Procurement Institute (NPI). This is the ninth year in a row that Government Support Services has received this award. NPI is recognized as the public sector affiliate of purchasing for federal, state, county, and municipal government entities, public school systems, universities, and other public and nonprofit institutions in the United States. This award recognizes public and non-profit organizations that obtain the highest standards of innovation, professionalism, e-procurement, productivity, and leadership at the national level.

A LOOK AHEAD

Best Practice Recommendations

GSS previously created, posted and continues to update and maintain a Policies and Procedures manual which is accessible to any agency engaged in contracting activities.

As previously disclosed GSS has provided recommended boilerplates and posted them to the GSS MMP website. The goal is to ensure that all pertinent and required clauses have been captured and included in one set of standard boilerplates. By providing a standard series of boilerplates across agencies, GSS hopes to minimize duplication of efforts for individual contracting and legal teams. While some language may be different between different types of procurements, the form and format of the boilerplates could be similar. Vendors would see a consistent standard utilized by all contracting agencies which should improve their acceptance and 'comfort' with standard documents across the state agencies.

Once a standard process and/or wording has been developed and accepted by policy and/or legal review, GSS will continue to update these boilerplate documents and continue to 'broadcast' these changes to agencies. Further, GSS will continue to provide assistance to agencies that do not regularly contract for material and/or services.

The MMP Supervisor continues to review and prescreen all solicitations submitted for posting to the state's Bids Directory. The goal is to make sure that each agency has correct requisite language and code references for their procurements and thereby, limit their liability and protect against protest. Further, some solicitations are subject to secondary review and approval by outside agencies (i.e. internal business case review and approval by DTI), and the MMP review ensures these internal processes are adhered to for consistency in the solicitation processes.

Process Improvements

GSS has continued to work with the Division of Facilities Management and will continue to recommend and promote the adoption of "Best Value" in public works, and other maintenance related service contracts. As GSS has advanced best value procurement for IT related contracts, the leadership team hopes to make this same concept applicable to the Public Works arena. Additionally, the efforts will also focus on making the Prime Contractor responsible for key target dates and adherence to contractual terms. This effort should reduce the state's exposure to cost overruns and allow for more efficient and timely construction efforts.

The central contracting team will move to have some deficiencies in Delaware Code and/or regulation clarified through policy, regulation or law. Topics for consideration are:

- Advertisement of Sole Source Procurements,
- Establish a GSS database for Sole Source Procurements and publish on state's central contract publication portal, ¹
- Advertise intent to participate in cooperative contracts,
- Advertise under threshold opportunities.

Towards this recommendation to improve and/or correct Delaware Code language, the GSS team is drafting proposed Code changes for consideration in an upcoming Legislative session.

Active GSS participation implementing a SaaS solution for the eProcurement solution, GSS has first-hand knowledge of the limitations for funding and XaaS (anything as a Service) solutions. This knowledge will allow for a more collaborative partnership with DTI and agency project managers to create a more comprehensive implementation strategy for large IT programs and contracts. In FY2016, GSS began and currently continues to hold regularly scheduled meetings with DTI to ensure that future needs are considered with sufficient time to allow for the appropriate procurement to meet the state's technology needs.

In FY2020, with input, review and comment from GSS Contracting and in support of DTI, the Legislature moved forward with additions to the Delaware Code. This included:

 Greater ownership and oversight of technology procurement transferred to the Department of Technology and Information, including the ability to have greater oversight for technology cooperative procurement, via <u>SB 153</u>

¹ As identified in the Division of Accounting Policies and Procedures Manual, page 8, item 2, "A contract may be awarded without competition if the agency head, prior to the procurement, determines in writing there is only one source for the required contract. Sole source procurement shall not be used unless there is sufficient evidence there is only one source for the required contract, and no other type of goods or service will satisfy the requirements of the agency. The agency shall examine cost or pricing data prior to an award under this subsection. Sole source procurement shall be avoided, except when no reasonable alternative sources exist. A written determination by the agency for the sole source procurement shall be included in the agency's contract file. (29 *Del. C.* §6904(i)) <u>A copy of any such declaration shall also be forwarded to GSS with the contract documents for publication on the central contract portal. GSS serves as a clearinghouse for procurement information for materiel and services for both agencies and vendors (29 *Del. C.* §6908(a) (4))."</u>

Training and Education

GSS continues to promote a variety of professional certifications for team members including, but not limited to:

- CPPB,
- CPPO,
- Six Sigma (allowing for Yellow, Green or Black Belt training(s)),
- Leadership in Energy and Environmental Design (LEED),
- Certified Professional in Supply Management (CPSM)

As part of the Section's NASPO membership, staff receive access to trainings on Procurement U, NASPO's procurement-oriented training resource site. In CY2024, GSS procurement staff completed 152 unique training events.

For 2024, each GSS procurement professional has maintained their membership in the National Contract Management Association (NCMA). Access to NCMA information and materials provides the central contracting team with another resource to improve Contract Management and Administration for central contracts and disseminate training to state agencies.

The central contract team continues to conduct and promote the Vendor and Formal Procurement presentations and continues to add off-site presentations to regular schedule.

GSS has created and waits for final executive authority before plans to move forward with statewide training for any and all agencies that have contract signing authority. This will make use of the Learning Management award, ensure standardization of procurement methodology and ultimately, look to limit liability for the state in its procurement efforts.

Communication

GSS continues to encourage vendors to register through Blackboard for bid notifications. At the end of FY2024, the MMP team had 15,759 vendors signed up to receive notifications regarding new active solicitations. This represents an increase of 852 vendors, or 6% increase compared to FY2023.

Generate Savings and Create Efficiencies

The GSS leadership team will continue to promote contract aggregation with agencies and school districts to obtain better value. Contract officers will be encouraged to plan for outside agency utilization of contracts, including state counties and municipalities, which represents 22.2% of aggregated spend for FY2024, a 6% decrease from 28.2% in FY2023. The central contract team ensures agencies outside the state are informed Delaware contracts can be utilized with prior state agency permission and vendor approval.

The contract leadership team shall continue its efforts to let authorized 501(c) (3) and Grant-in-Aid agencies know they have the ability to utilize state contracts. Similarly, the contract officers continue to educate the awarded vendor community of this accessibility to contract usage. This access to centrally awarded contracts has led some entities to seek access to the new eMarketplace solution and leverage the improved shopping experience.

RECOMMENDED STATUTORY AMENDMENTS IN SUPPORT OF CONTRACTING INITIATIVES

29 *Del. C.* §6913 (d) (2) requires the Council to "...include recommended changes to the State's procurement laws as may be necessary to improve the State's overall effectiveness..." in the annual report. The Council has reviewed existing procurement statutes contained in Chapter 69 of Title 29, Delaware Code and offers the following recommendations for consideration pursuant to this requirement:

Sole Source Procurement (Holdover item since 2014)

Under 29 *Del. C.* <u>§ 6925, § 6965</u> and <u>§ 6985</u>, sole source procurements (SSP) do not contain a requirement for public notice prior to award. Although the code is specific to the requirements associated with a SSP, the interpretation is agency dependent. By example, GSS tends to have a stricter interpretation of what creates a sole source than do agencies.

This discrepancy between how agencies interpret the Delaware Code could have a significant economic cost for the State; if an agency is allowed to loosely interpret the statute. Therefore, to ensure that a SSP is in fact an actual and appropriate sole source situation, GSS recommends that all intended SSP be publicly advertised. The recommendation:

All sole source procurements must be posted on the bid opportunities website at <u>http://mymarketplace.delaware.gov/</u> for 14 days before the execution of a contract. The purpose of this posting is to advertise to the vendor community the desire to enter into a sole source contract. Under appropriate circumstances, agencies may obtain an exemption from advertising from the Director.

The sole source public notice shall include a brief but descriptive summary of the good and/or service to be purchased, the identity of the sole source supplier and instructions to interested suppliers to submit alternative procurement options to the sole source determination.

The published sole source notice shall serve as the Agency's notice of intent to award.

The purpose of publicizing the sole source notice is to offer other possible suppliers an opportunity to respond and to provide an opportunity to demonstrate best value to the requesting agency. Should an agency receive no sole source notice counter proposals, the agency could move forward with the execution of an agreement for the SSP waiver. If an alternate vendor should provide a SSP response, the agency would be expected to evaluate the response and make a determination, documented for the procurement file, if the SSP was still appropriate, or if the commodity and/or service to be procured should be competitively bid. Further, this notice of intent to award as sole source is demonstrable documentation of market research required before an Agency head might make a sole source determination. Since sole source procurements are not emergency procurements there should be no negative impact to the acquisition of goods or services from a timing perspective and should increase the transparency of this effort to the public and vendor community. The 2014 NASPO Annual Survey of the States previously revealed that 20 states require this type of publication prior to awarding a sole source contract.

Create a Technology Procurement Subchapter for the Delaware Code

Delaware procurement Code, Title 29, Chapter 69, has only limited evolution over time. Given the rapidly changing nature of technology and a co-mingling of product and services procurements within singular implementations, the current Code does not appear to adequately capture the possible technology procurement spectrum. Without getting too expansive, the spectrum can be seen in a few examples, such as:

- Layered contractual documents which include state Data and Cloud terms and conditions, as well as vendor End-User License Agreement (EULA), Service Level Agreement (SLA), etc.
- Design and implementation of complex and/or integrated solutions
 - For example, Agile Project Management
- Design, procurement and installation of technology hardware which would trigger Prevailing Wage due to exceeding labor thresholds as well as Craft Training and/or Apprenticeship requirements.

Further, the creation of Technology Procurement section of Code could also consider technology procurement thresholds, which do not seem adequately considered in the current procurement tranches of basic goods & services, professional services or Public Works. And should there be different levels for different requirements such as new procurements versus software license renewals and/or annual fees.

Seek to Limit Negotiation on Select Terms in State Contracts

A growing trend in state government procurement is the enacting of legislation which voids vendor provisions to which the state cannot agree or curtails the level of negotiation allowed prior to the state coming to terms for contract execution. Legal review, engagement and negotiations are more commonplace and can unnecessarily delay the contracting process. By the state of Delaware potentially outlining terms it will not consider negotiating, the state and its procuring agency is transparent with the vendor community about the manner in which it wishes to conduct business and some of the limitations associated. By example, as an introductory sampling of states, both Georgia and Ohio, have limited terms which are subject to negotiation.

The following terms and conditions are offered as an initial suggested recommendation(s) and how the recommendation applies:

- Arbitration Binding arbitrations should not be a requirement of the contract.
- Indemnification Delaware Constitution limits indemnification.
- Disclaimer of Warranties Agencies shall not warrant licensed technology is free from the rights of third parties.
- Choice of Law Agreement should always be governed by Delaware law.
- Confidentiality Claims of confidentiality must consider Delaware's confidentiality statutes.
- Sovereign Immunity The state generally has rights to sovereign immunity unless waived and agreement should not waive.

By limiting select terms from the procurement negotiation cycle it should reduce the time necessary to reach a contractual agreement. The offered initial suggestions is not intended to be inclusive, but instead the final identification of clauses should be subject to DOJ engagement on behalf of all state agencies.

NOTE:

The report has been generated by summarizing activities, accomplishments, recommendations and awards for the following agencies:

- Government Support Services,
- Department of Health and Social Services,
- Department of Transportation,
- Department of Correction. and
- Department of Services for Children, Youth and their Families.
- School Districts/K-12