



Chapter highlights

- **Purpose:** This chapter outlines VITA’s Supply Chain Management’s (SCM’s) vision, mission, core values and guiding principles. It also discusses the services that SCM provides to the Commonwealth.
- **Key points:**
 - SCM is the division of VITA charged with developing, implementing and leading the Commonwealth’s technology procurement policies, standards and guidelines.
 - SCM is the central purchasing office for IT goods and services for the Commonwealth.
 - SCM seeks to achieve its mission of developing and managing supplier relationships to maximize the return on Commonwealth IT investments by integrating its customers’ business needs with its strategic suppliers.

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3.0 Introduction

VITA’s Supply Chain Management Division (SCM) is the division of VITA charged with developing, implementing and leading the Commonwealth’s technology procurement policies, standards and guidelines. SCM is the central purchasing office for all IT goods and services for the Commonwealth. SCM develops IT policies, standards and guidelines and conducts and/or approves IT procurements for VITA and on behalf of agencies of the Commonwealth. SCM integrates data and information throughout its processes to ensure information is available and accurate to support analysis, planning and reporting. SCM’s procurement responsibilities range from the ordering/purchasing process to the management and/or facilitation of major IT procurements.

3.1 SCM’s vision, mission and core values

SCM’s **Vision** is to be a recognized leader in IT procurement. Our **Mission** is to leverage external relationships to provide the best value IT solutions that meet the Commonwealth’s business needs and our **Core Values** are:

- Enterprise perspective
- Value – cost and quality
- Service – to customers and citizens
- Public trust – transparency of action; fairness in dealing

- Respect and empower people

3.2 SCM's strategic goals

- Value – add value to the Commonwealth
- Customer Service – provide outstanding service to our customers
- Partnerships – develop positive/productive relationships with our suppliers
- Quality – build quality processes and tools to support our work
- People - develop a high performance team to accomplish our goals

3.3 SCM's guiding principles

SCM has established a set of guiding principles that create the framework within which all IT procurements are conducted. Those guiding principles are as follows:

- **SCM is responsive to customers in terms of cost, quality and timeliness of the delivered products or services.**

✓	SCM procurement professionals will be responsive and adaptive to customer needs, concerns and feedback.
✓	SCM will work diligently to select suppliers with a record of past successful performance in providing products or services or who demonstrate a current superior ability to perform.
✓	SCM will always promote fair and open competition.
✓	SCM will adopt procurement practices which follow the Virginia Public Procurement Act, include best commercial practices, and foster competitiveness and excellence in vendor performance.

- **SCM's functions, processes and services are transparent.**

✓	SCM is committed to promoting IT procurement practices which exhibit unparalleled transparency (advance notices, posted RFPs, awards), predictability and time sensitivity.
✓	SCM procurement professionals will conduct IT procurements so that all involved will have trust and confidence in the procurement process.
✓	IT suppliers will be assured that opportunities to provide IT goods and services to the Commonwealth are offered on a level playing field, while the citizen's interest is preserved.
✓	SCM is committed to achieving transparency through effective posting, advertising, public bid opening procedures, objective evaluation criteria, independent evaluation methods consistent with the solicitation document, awarding contracts to qualified vendors, posting of award, fair and speedy protest and dispute resolution handling processes and disclosure of signed contracts and pricing.

- **SCM promotes competition by offering a level playing field to all suppliers.**

✓	SCM is committed to providing suppliers, customers and citizens with easy and fast access to IT procurement information.
✓	SCM is committed to reducing overhead and allowing DSBSD certified small businesses, including those small businesses owned by women, minorities, and service-disabled veterans (SWaM) businesses, and micro businesses a level playing field when competing for IT contracts.

- **SCM minimizes administrative operating costs by streamlined and repeatable processes and procedures.**

✓	SCM will promulgate policies and rules only when the benefits exceed the costs of their development, implementation, administration and enforcement.
✓	SCM is committed to streamlining procurement processes to keep pace with new technology and procedures.

- **SCM procurement professionals conduct all business with integrity, fairness and openness.**

✓	All SCM procurement personnel are responsible for the prudent and ethical use of public resources and for acting in a manner that maintains the public’s trust.
✓	All SCM procurement professionals will exercise sound discretion and sound business judgment in their interactions with customers and suppliers.

- **SCM implements procurement processes which fulfill the Commonwealth’s public policy and strategic technology objectives.**

✓	VITA’s IT procurement manual is based on the <i>Code of Virginia</i> , the Virginia Public Procurement Act and sound, effective IT procurement best practices used within the IT market.
✓	VITA SCM procurement professionals and agencies with VITA-delegated IT procurement authority are expected to follow the policies, procedures and guidelines in VITA’s procurement manual.

3.4 Who does SCM serve?

SCM provides services to multiple audiences because it is a central pivot point in IT acquisitions for the Commonwealth. SCM customers span many business areas and include:

- Commonwealth of Virginia taxpayers—SCM aggressively implements competition for IT procurements. Suppliers are asked to provide the best value at the best price for Virginians.
- Virginia’s IT suppliers—SCM provides a welcoming, fair, inclusive IT procurement opportunity process that encourages participation by DSBSD certified small businesses, including those small businesses owned by women, minorities- and service-disabled veterans, and micro businesses.
- Executive branch agencies, other public bodies and institutions of higher education within the Commonwealth—SCM procures IT goods and services required to fulfill their missions and goals through standardizing many infrastructure services, by establishing pre-negotiated, VPPA-compliant statewide technology contracts to mitigate technology risks, reduce the procurement process and budget, leverage the IT industry’s best solutions and pricing/volume discounts and by providing guidance or approval for agency-specific IT procurements.

3.5 What services does SCM offer?

SCM provides agencies with the following IT procurement services:

- Statewide IT agreements for use by all Commonwealth executive branch agencies, other public bodies and private institutions of higher education. Supplier and contract management methodology, processes, policies and guidelines unique to IT contracts.

- Procurement policies, standards and guidelines which provide a fair and open sourcing process based the Virginia Public Procurement Act regulations and established best practice tools and procedures.
- Enterprise IT contract policies, standards, guidelines and administration.
- Category strategies that define the Commonwealth's approach to IT services such as build/buy decisions, multiple or single supplier and degree of geographic concentration.
- Research on suppliers, IT markets, analysis of IT markets and development of supplier strategies including financial evaluation of potential suppliers.
- IT strategic sourcing based on knowledge of past and future IT projects, solicitations and contracts across the Commonwealth, and the Commonwealth's overall IT strategic plans
- Leading and facilitating procurement project teams through sourcing initiatives.
- Assistance in the development of requirements, statements of work, requests for information, invitations for bids, requests for proposals, evaluation scorecards, negotiation strategies, etc.
- Standardized and approved IT-specific solicitation and contract template documents
- Risk assessment and mitigation of IT suppliers, IT markets and IT-specific projects.
- Assistance in developing contract negotiation strategies.
- E-procurement and IT ordering assistance.
- Sourcing-related tools, templates and training.
- Strategic planning on how to structure the IT procurement to achieve maximum value and efficiency.
- Assistance in advancing appropriate strategic partnerships with IT suppliers and shaping the supplier selection process.
- Assistance in negotiating with IT suppliers and with effectively managing relationships with value-added reseller (VAR) suppliers.
- Strategy assistance in determining the appropriate solicitation type and the appropriate contract type (multiple award, performance-based, short term) to improve the chances of success for a particular IT procurement.
- Participation in customer compliance and governance activities and processes aligned with VITA statutory requirements and other VITA divisions including Relationship Management & Governance, Service Management & Delivery, Internal Technology & Portfolio Management and Commonwealth Security & Risk Management, Internal support with VITA's purchasing needs and requirements.

3.6 What business functions does SCM provide?

An overall objective within SCM's business function is to provide the integration of data and information throughout SCM's processes to ensure information is available and accurate to support analysis, planning, and reporting. The skilled and specialized procurement staff within SCM offers many IT-related business and service-oriented functions that include:

- **Category management** – Developing the strategic plan for sourcing and contracting in alignment with business needs and the IT marketplace to optimize value and reduce risk.
- **Strategic sourcing** – Integrating IT technical, business, financial, and contractual requirements to select suppliers and negotiate agreements that fulfill IT business functions.
- **Contract management** – Structuring and managing the mutual commitment between two or more parties for the duration of the relationship; and, providing tracking, reporting, analysis, and record-keeping for all VITA IT contracts.
- **Procurement** – Managing the processes by which goods and services are identified, ordered, and received; and, monitoring compliance guidelines and policies.
- **Supplier management** – Developing and managing suppliers to achieve consistent value through improved performance and innovation.

- **Policy and integration** – Developing policies, standards and guidelines; researching emerging best practices; defining new approaches to enhance the value of supply chain services throughout the Commonwealth; leading analysis and integration of new legislation and emerging procurement methods and models.
- **Procurement governance** – Ensuring executive branch agency compliance with strategic planning and related projects and VITA policies and standards; and reviewing/recommending approval of major and delegated procurements and projects.
- **Procurement review** – Determining the effectiveness and compliance with VITA SCM policies, standards and guidelines and internal processes and procedures.

3.7 SCM's ongoing IT procurement initiatives and improvements

IT sourcing and contract management is focused on business value and source of innovation versus price-based or transactional procurement. Several key initiatives that support SCM's value-focused organization include:

- Managing IT spend through a proactive sourcing strategy.
- Managing the delivery of IT services through category management plans and category owners.
- Developing and managing flexible contracts that form the foundation of the relationship; specifically, creating and managing performance-based contracts.
- Procuring "solutions" to business problems rather than procuring products and/or services with extremely detailed specifications and limited technical requirements.
- Changing acquisition planning perspectives from "single-agency" to "enterprise," "service-oriented," "shared" and "Commonwealth strategic objectives" in order to invite and enable greater value and benefit from the IT market's ever-changing innovation offerings.
- Processes which consistently manage contracts through the life of the contract.
- Provide maximum effectiveness and efficiency for the procurement process, with appropriate controls and compliance.
- Manage suppliers appropriate to their strategic importance.
- Increase the diversity and quality of suppliers providing services.
- Utilizing measurement of internal performance including compliance, process cycle times and costs, material cost savings and spend management. Implement a balanced score card for measuring and tracking the Commonwealth's IT suppliers' service, quality, delivery and pricing.
- Driving analysis based on total cost and ensuring compliance through integration of contract management, transaction management, spend data management and supplier performance management.
- Strategic tiering of the IT supplier base to reduce unnecessary administrative effort and to develop relationships with those strategic IT suppliers who offer value-add and innovative solutions while partnering with the Commonwealth.
- Training IT Sourcing Specialists to be technology savvy consultants empowered with the skill sets needed to be efficient problem-solvers, technology risk mitigators-negotiators and who are able to translate business needs into efficient and effective IT contracts.
- Being proactive in the industry's shift to Cloud-based solutions and contracts by research, training and developing appropriate procurement documentation.
- Providing formal training to Commonwealth procurement officers and project managers.

3.8 SCM's desired future

SCM seeks to achieve its mission of developing and managing supplier relationships to maximize the return on Commonwealth IT investments by integrating its customers' business needs with its strategic suppliers. As the Commonwealth unfolds and evolves its strategic and enterprise IT initiatives, SCM will implement proven, *Code of Virginia-*

compliant, flexible and agile procurement strategies and methods to support the successful implementation of those initiatives. Over the long-term, the process includes establishing groups of IT products or services and aligning those groups with an owner that has accountability for usage decisions for the products or services. Each group will include suppliers capable of providing the best value and performance for IT services based on proactively determined customer needs. As customers identify the need for IT services, the process makes possible the best solution at a reasonable risk. The process takes advantage of strategic sourcing strategies such as capturing up-front service requirements, pre-qualifying suppliers, and pre-contracting for services to enhance quality and timeliness.

The overall value is that quality service is delivered in a reasonable time,
at reasonable cost and with reasonable risk—
empowering the Commonwealth's current and evolving strategic IT objectives.