

Detroit's Procurement Transformation

Case Study



The Client

City of Detroit, Office of Contracting and Procurement

The Project

Rebuilding Detroit's procurement operations

The Opportunity

In 2013, after decades of struggling to meet its financial obligations and the needs of its citizens, the City of Detroit filed for the largest U.S. municipal bankruptcy in history. As the Motor City progressed through its bankruptcy process, transformation began throughout the City, including a major redesign of its financial operations.

Under the leadership of the City's Chief Financial Officer (CFO) and the Deputy CFO for Contracting and Procurement, the Office of Contracting and Procurement (OCP) sought an experienced partner to help rebuild the City's procurement and contracting operations. In 2014, OCP engaged Public Consulting Group (PCG) to take on their procurement challenge: **Redesign OCP's systems and processes to get departments what they need, when they need it, while making sure every purchase follows the rules.**

The PCG Approach

From 2014 to 2016, PCG and OCP implemented a plan that stabilized the historically high-risk procurement activities and established a future-state operating model. In partnership with OCP management and staff, the PCG team carried out substantial organizational transformation work that focused on:

- Designing and documenting business processes that aligned with procurement leading practices, using our Sustainable Change™ methodology
- Implementing a robust eProcurement system and making sure staff knew how to maximize it
- Laying the groundwork for future improvement efforts taking place throughout Detroit's finance organization
- Providing necessary data and reporting tools for OCP to buy strategically and for managers to lead their teams effectively

To date, PCG has led more than 200 audience specific training sessions and now supports 400+ eProcurement system users.

The Results

This project has fundamentally changed how Detroit buys goods and services, the tools City departments have to manage their needs, and how the City works with local and national supplier communities. Major outcomes include:

- **The City now has the technology tools needed to manage progress towards timely processing goals and consistent audit compliance.** City staff now view, approve, and sign off on bids and contracts directly in the eProcurement system, capturing the time, date, and other important information needed for monitoring and auditing. The City has processed 936 bids and 1,734 contracts using the new tool.
- **Detroit is using data to drive its procurement activities.** The OCP now has access to bid, contract, and processing data which makes continued improvement in compliance and efficiency realistic.
- **With access to a nationwide supplier base, Detroit can more easily find the best value for each procurement need.** New companies from across the country are bidding on City contracts, increasing competition to do business with Detroit. Since implementation, Detroit's bids are reviewed by an average of 27 suppliers and companies from 43 different states have bid on City work.

"PCG's work has been critical to strengthening our organization, and helping me execute my vision for procurement and contracting in Detroit. ...PCG is a trusted partner to the City of Detroit."

– *Boysie Jackson, Deputy CFO for Contracting and Procurement, City of Detroit*