

# Bridging the Gap

How technology helps transportation procurement teams extend their capacity and do more with less

For many transportation procurement teams, to-do lists are getting longer and purchasing requests are growing—but the budget for more headcount isn't on the horizon anytime soon. Even if it is, finding experienced procurement staff who understand the in's and out's of compliance is like searching for that proverbial needle in the haystack. Meanwhile existing staff members are pushed to their productivity limits, increasing the rates of burnout and turnover.

The result is that many procurement teams are facing a gap in capacity on their team. It's difficult to manage the complexity of transportation procurement with limited resources, but it's equally difficult to find and keep good people.

## The capacity gap in transportation procurement

What's at the heart of transportation procurement's staffing woes? A perfect storm of factors have converged to create a challenging situation for transportation procurement teams:

### **CHRONIC UNDERSTAFFING**

Procurement teams are always being asked to 'do more with less' — in fact, 40% of public procurement staff report that their team is understaffed or overworked.<sup>1</sup> Transportation procurement teams are venturing outside the box to find a solution to capacity gaps, in order to continue to deliver the procurement outcomes upon which their organization depends.

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<sup>1</sup> Deloitte Global CPO Study, 2018.

### **HIGH PROPORTION OF RETIREMENT-AGED STAFF**

By 2020, the number of baby boomers will exceed the number of children under five in the United States.<sup>2</sup> This generation gap means that veteran employees will soon be leaving the workforce in record numbers—and taking decades of institutional knowledge and experience with them.

### **DIFFICULTY ATTRACTING AND RETAINING TALENT**

Procurement faces stiff competition from the private sector in recruiting and retaining talent. Ongoing public sector wage stagnation and inflexible hiring processes make it difficult to compete.<sup>3</sup> Furthermore, high workloads and other stressors make it difficult to retain staff. As a result, it is common for senior-level procurement staff to leave public sector roles for the greener pastures of the private sector.

### **COMPETENCY GAPS IN PUBLIC PROCUREMENT**

In addition to federal and state law and institutional procurement policy, transportation procurement teams must also navigate the rules and regulations of various grants, which may include considerations for Disadvantaged Business Enterprise (DBE) contracting, Buy America requirements, and testing/safety standards.<sup>4</sup> Meanwhile, research by the Volcker Alliance shows that the public procurement workforce has only 62% competency in process and policy comprehension, 26% competency in project management, and 14% competency in risk analysis and management.<sup>5</sup> In this climate, it's difficult to find and onboard experienced staff.

With these compounding pressures, something has to give. Transportation procurement teams are venturing outside-the-box to find a solution to capacity gaps in order to continue to deliver the procurement outcomes their organization depends on.

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<sup>2</sup> Wiersma, Jonathan. "Is your local government ready for the Silver Tsunami?"

<sup>3</sup> Chamberlain, Andrew. "How Long Does it Take to Hire? Interview Duration in 25 Countries," Glassdoor Economic Research Blog, 2017.

<sup>4</sup> Federal Transit Administration, Best Practices Procurement & Lessons Learned Manual, 2016.

<sup>5</sup> Volcker Alliance, Doing the People's Business: Key Competencies for Effective Public Procurement, 2016.

## 4 Strategies to help transportation procurement teams do more with less

### 1. SECONDED STAFFERS

Some transportation organizations rely on seconded staffers to augment their core procurement team in times of high demand. For example, Dallas Area Rapid Transit System uses contract employees to assist with procuring professional design services, design-build, and public-private partnership contractors. These staff resources bring specialized skill-sets to ensure construction procurements go smoothly.<sup>6</sup>

In the US, more than 40% of workers are employed in 'alternate work arrangements' such as contingent, part-time, or gig work, and that number is steadily growing.<sup>7</sup> Here are some of the pros and cons for transportation agencies:

PROS	CONS
<ul style="list-style-type: none"> <li>+ Access to a workforce with specialized skill-sets and high competency</li> </ul>	<ul style="list-style-type: none"> <li>! Challenge to find and screen contract workers with public procurement skill-set</li> </ul>
<ul style="list-style-type: none"> <li>+ Manage peaks and valleys of project volumes more easily</li> </ul>	<ul style="list-style-type: none"> <li>! Contractual arrangements can be cumbersome and full of red tape</li> </ul>

### 2. INTERNSHIPS AND NEW TALENT DEVELOPMENT

Everyone can play a role in ensuring that today's students know about the exciting and rewarding career opportunities that exist in the public sector. For many procurement teams, co-ops and internships are a great way to address current shortages with an extra set of hands on the team, while also nurturing future talent.

Teams can start with local universities or colleges, or organizations dedicated to developing the transportation workforce such as [Fast Forward](#).

<sup>6</sup> Keating, Michael. "Texas transit agency relies on squad of temporary procurement pros," American City and County, Jan 2019.

<sup>7</sup> Deloitte, 2018 Global Human Capital Trends: Contingent Workforce Management.

**PROS**

- + Raise the profile of the public procurement profession
- + Develop a pipeline of future employees
- + Gain short-term assistance and an injection of fresh enthusiasm from students

**CONS**

- ! Few specialized higher education procurement or supply chain programs
- ! High training and coaching requirements for short-term impact
- ! Personnel rules make it difficult to hire directly after graduation

**3. COOPERATIVE PURCHASING**

Cooperative procurement is defined by the Federal Transit Administration (FTA) as “a method of contracting in which two or more purchasers agree from the outset to use a single solicitation document and enter into a single contract with a vendor for delivery of property or services in a fixed quantity.”<sup>8</sup> There are other forms of joint purchasing arrangements, such as piggybacking, which are subject to their own rules and regulations.

This method can offer significant efficiency gains as well as cost savings. However, it is generally not a good fit for specialized projects with a large impact, which may need to be further tailored to meet the unique specifications of your organization.

**PROS**

- + Leverage economies of scale to achieve better price on large purchases
- + Gain efficiency by pooling resources and expertise between agencies

**CONS**

- ! Improper use or overuse may lead to goods/ services that do not fulfill your agency's needs
- ! Still requires a time commitment to properly vet cooperative contracts

**4. TECHNOLOGY TO STREAMLINE THE RFP SOLICITATION AND EVALUATION PROCESS**




Technology has brought efficiencies to nearly every area of life, and the procurement function is no exception. Digitizing the bid and RFP process with eSourcing software not only frees up a significant amount of staff capacity from administrative tasks, it also enables teams to operationalize best practices for quicker on-boarding.

Procurement technology has helped many transportation procurement teams run projects up to 200% faster, allowing them to manage growing project volumes without adding staff (or working weekends!)<sup>9</sup>



<sup>8</sup> Federal Transit Administration, Best Practices Procurement & Lessons Learned Manual, 2016.

<sup>9</sup> Bonfire Case Study: Metropolitan Transportation Commission.

**PROS**

-  Save time by eliminating manual data entry and centralizing evaluation online
-  Ensure compliance with standardized project set-up, built-in controls and audit reports
-  Free up staff capacity from tedious manual work, for greater value-add and increased job satisfaction

**CONS**

-  Not all eSourcing systems support the entire process
-  Can be difficult to secure budget



For more on securing budget for a technology investment, download the [\*\*BDO whitepaper Building a Business Case for Procurement Technology.\*\*](#)



## Impact of eSourcing

For Metropolitan Transportation Commission (MTC), eSourcing technology was an invaluable tool to manage the growing demands on their procurement team.

MTC, which is the transportation planning, financing, and coordinating agency for the nine-county San Francisco Bay Area, faced a challenge that will be familiar to many transit procurement teams: their procurement team was taking on more projects and assuming responsibility for more facets of the growing agency—but their team size wasn't growing.

Their existing hard-copy submission and paper-based scoring processes resulted in a high amount of administrative work, which bogged down the procurement team and slowed down project cycle times.

"We are responsible for all aspects of procurement, contracting, and compliance monitoring for DBE, small business enterprises, etc. We're constantly challenged with being able to provide quick enough turnaround times to ensure we are not a roadblock for the business of the agency," explains Michael Brinton, Principal, Contracts Manager.<sup>10</sup>

<sup>10</sup> Bonfire Webinar, Top challenges of transit sourcing—and how eSourcing can help.

They implemented Bonfire eSourcing to digitize their procurement, eliminating paper submissions and managing the entire process from solicitation to evaluation to award online.

The impact has been significant. Project times have been slashed by as much as 67%, allowing the team to run complex RFPs in about a month versus the 60-90 days required by their old process. This has enabled the small team to tackle the growing number of projects coming their way.

Operationally, Bonfire has enabled the team to be more consistent across all projects and team members: not only are projects run more efficiently, but project setup, documents, and reporting are now highly organized and consistent.

“It’s really the ease of use, the utility of Bonfire, the reliability of it, and how much quicker it is for the project manager to get from evaluation to signing a contract. It’s made things more efficient,” says Brinton.

## Your next steps

**At Bonfire**, we work with transportation procurement teams to address the challenge of rising procurement demands and shrinking team sizes.

By digitizing their bid and RFP management, transportation procurement teams have been able to eliminate time-consuming manual steps, free up team capacity, and operationalize best practices for faster on-boarding and confident compliance.

Learn more about **Bonfire for Transportation**.

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