



Lean Government

EPA Region 4 Large Procurement Process Review Lean Six Sigma DMAIC (Define Measure Analyze Improve Control) Method

Summary

EPA Region 4 conducted a DMAIC event starting with a formal project kickoff meeting on Nov 2, 2012, to reduce the Regional Acquisition Program processing time for large procurements (Competitive Procurements greater than \$150,000) adhere to Federal Acquisition Regulation (FAR), Contracts Management Manual (CMM), and EPA guidance. The project team completed the DMAIC method final Tollgate on Jul 1, 2013.

The project team completed the five DMAIC steps to evaluate solutions to reduce the procurement processing time of 582 days to the expected Procurement process standard of less than or equal to 360 days. The project team also wanted to reduce the Procurement Identification Notice (PIN) Processing Time from 232 days to meet the EPA standard of 90 days. The Team identified cause and effect issues contributing to increased processing time, and prioritized critical items with recommended solutions. The Team recommended the Acquisition Management Staff and SuperFund staff members acquire knowledge and experience in drafting, coordinating, and finalizing procurements documents. By acquiring the knowledge and skills, the Team felt that staff members would enhance their ability to coordinate and finalize the procurement documents to reduce processing time.

During the event, participants developed maps of the existing process, “To Be” Value Stream map, and team solutions to reduce processing time. The team proposed prioritized solutions were:

Priority	Solution	
1	Solution A:	Quick “Win Wins,” Best Practice Document
2	Solution B:	Tech Panel Training /CO provides instructions to Tech Panel/CO involvement with panel/Work Group to improve TEP Report
3	Solution C:	On-going Training
4	Solution D:	Employee Experience/EAS Training/Template
5	Solution E:	Roles & Responsibilities Doc, FAR Policy, CO provides options to PO, CO consults with legal advisory groups, SRMAC, and supervisors & Staff members Mutual Respect
6	Solution F:	Protocol Resolution, CO get early input from Advisory Groups

Results

The team developed a new request for Procurement Assistance process that starts with the Program Office’s (customer) email to the Acquisition Section Chief (Process Owner) to assigning the Contracting Officer within 5 days, and scheduling the Questionnaire meeting within 15 days. The improved state will achieve the following results:

- Support reducing the processing time
- Improve the preparation of the PIN document

The event also helped participants to communicate and collaborate more on how to improve the procurement process from PIN to contract award and use the Questionnaire meeting to collaborate, draft, and complete the PIN document with less re-writes.

The team recommendation is to review Quick “Win Wins” process in December 2013. The goal is to evaluate recommendations based on the “To Be” Value Stream Map processing times.

The team’s Quick “Win Wins” proposal provided opportunities to reduce the PIN processing time therefore reducing the total processing time for large procurements.

Scope of the Lean Project

Project Scope: The first step of the process is PIN Package development, and the last step of the process is Award Notifications (Scope-out: The project did not address non-competitive acquisition or actions under existing contracts).

Goal of the Lean Event: Streamline the process to complete new procurements greater than \$150,000 in less than 415 days and complete and approve Pre-Solicitation packages within 65 days.

Problem statement: The R4 Procurement process is currently operating at an estimated average of 582 days (232 days— Procurement Initiation Notice (PIN) work; 350 days--acquisition), the expected Procurement process standard is less than 360 days (90 days--PIN work; 360 days--acquisition) for Competitive Procurements greater than \$150,000.

Note: Problem statement adjusted to meet EPA Proposed standard.

Figure 1: Quick "Win Wins" PIN Process

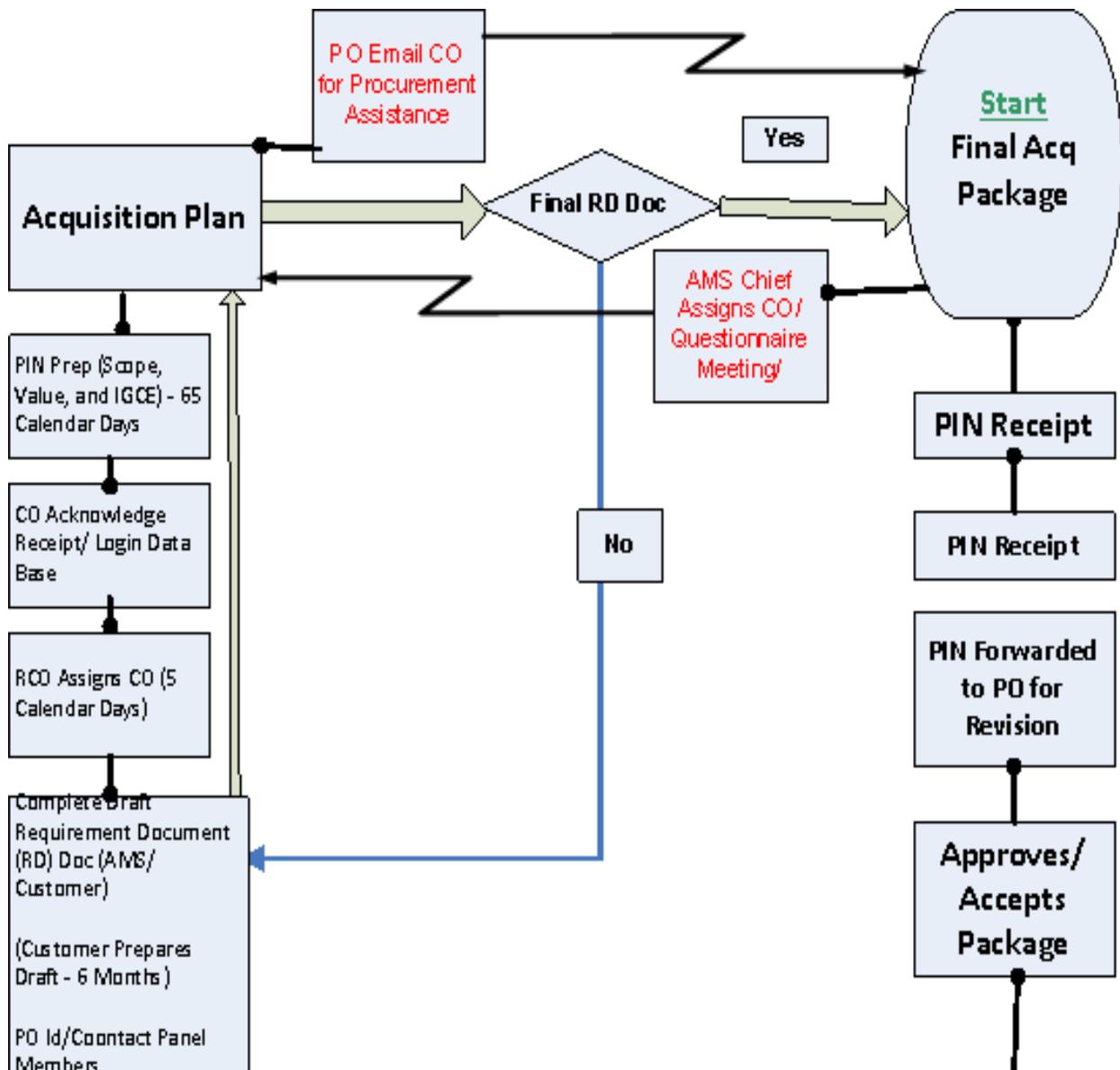
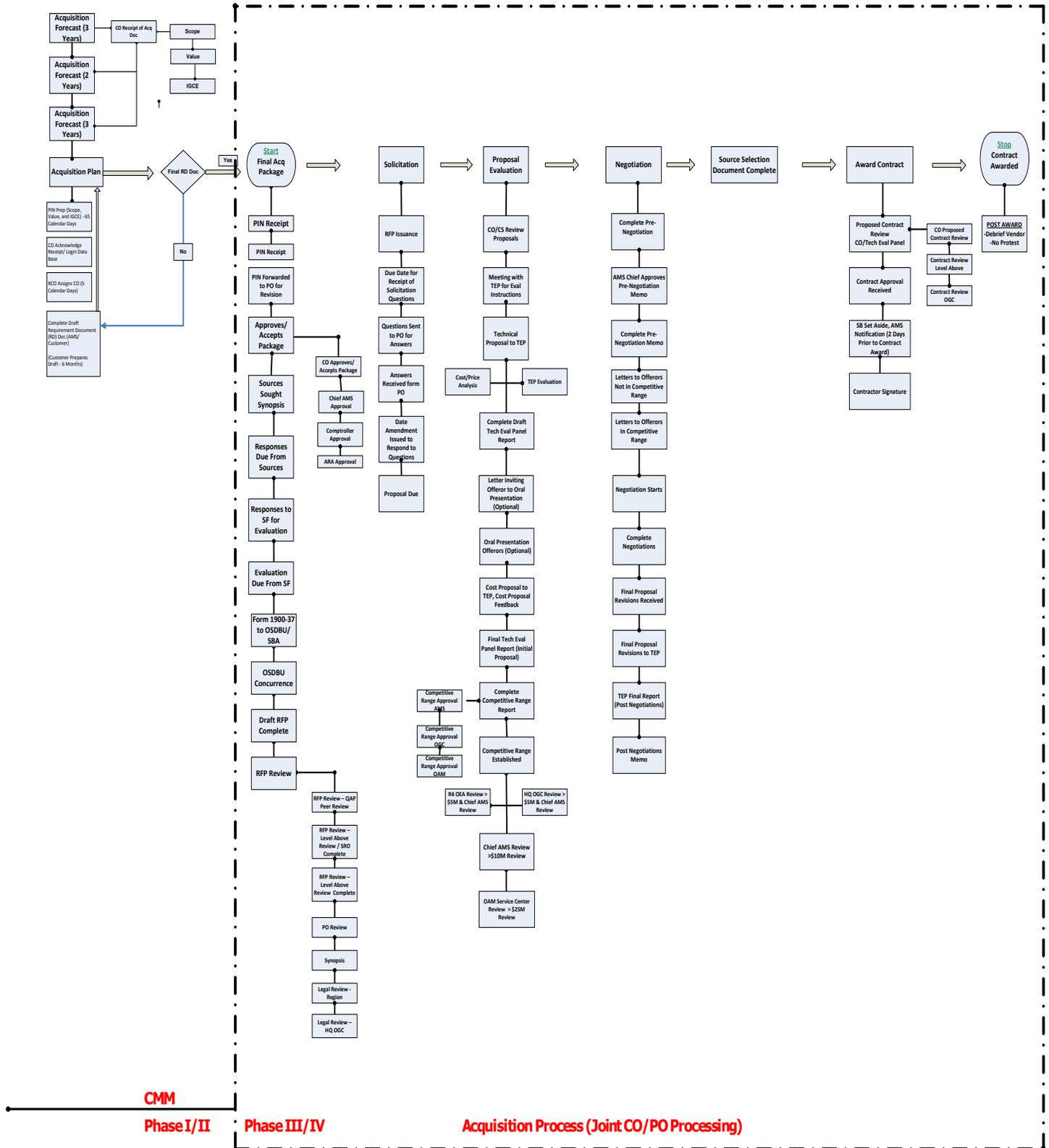


Figure 2: Current Process Map

Process Map - Reduce Procurement Administrative Lead Time (PALT) standard less than 415 days for PRs greater than \$150,000.



Voice of the Business
Estimated Processing Time: 498.7

Voice of the Customer
Desire to have less than 280 Calendar Days Contract Processing

Process Changes and Improvements

Participants in the Lean event mapped the procurement process from acquisition planning to contract award.

The team identified the following changes (Quick “Win Wins”) to improve the process with recommendations:

Email Request for Procurement Assistance:

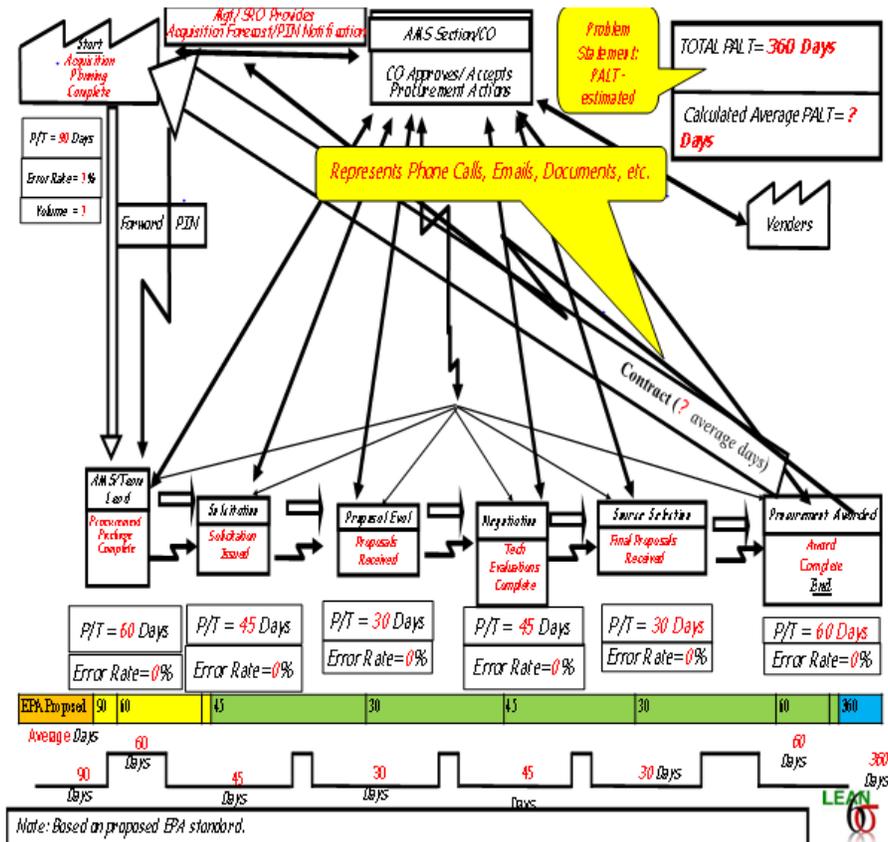
- Email from Program Office (PO) to Contracting Office (CO) requesting procurement assistance.
- Email content/attachments (examples/but not limited to): Statement of work/performance work statements.
 - Independent Government Cost Estimate (IGCE).
- AMS Chief assigns Contracting Officer within 5 days of request for procurement assistance.
- Questionnaire Meeting scheduled 15 Days after AMS Chief assigns a Contracting Officer.
 - Purpose: Contracting Officer/PO complete questionnaire together (collaboration).
 - PO identifies contact/panel member.

Recommendations:

- Continue to manage Quick “Win Wins” Procedures.
- Review process in 6 months (NLT Dec 14, 2013).

The “To Be” Value Stream Map shows the seven major steps relevant to the Acquisition process for large procurement with processing times. The processing times are EPA proposed times and will establish the standard to measure future procurement processing.

Figure 3: “To Be” Value Stream Map—Goal: Total Processing Time standard less than 360 Days for PRs greater than \$150,000



Implementation

During the event, the team identified the following steps that they will take to implement the improvements identified during the event:

1. **Implemented PIN Quick “Win Wins.”** The PIN request process was implemented on February 22, 2013.
2. **Complete Joint Training Schedule.** The Acquisition Management Office and Program Office will schedule and complete joint training sessions.
3. **Complete Dispute Resolution Protocol Document.** The Acquisition Management Office and Program Office agreed to complete the protocol document to facilitate communication and resolve differences at the lowest organizational level.
4. **Contracts Management Manual (CMM).** The Acquisition Management Section will continue to provide input to EPA and share informational updates with the Program Offices.
5. **Coordinate and complete the transition document.**

Figure 4: Transition Plan

Step	Due Date	Action/Task	Responsible	Accountable	Consulted	Informed
1	Feb 2013	Implemented PIN Quick “Win Wins”	Grants & Acquisition Management Branch Chief	AMS	AMS/Program Office	Sponsors, AMS, PO
2	Jun 2013	Complete Joint Training Schedule	AMS Chief/PO Section Chief	AMS/PO	AMS/PO	Sponsors, AMS, PO
3	JUN 2013	Complete Dispute Resolution Protocol Document	Grants & Acquisition Management Branch / PO Section Chief	Grants & Acquisition Management Branch Chief / Acquisition Management Section and SF staff members	Grants & Acquisition Management Branch Chief / Acquisition Management Section and SF Section	Sponsors, AMS, and PO
4	JUN 2013	Contracts Management Manual (CMM)	HQ EPA	AMS/PO	AMS/PO	Grants & Acquisition Management Branch Chief / Acquisition Management Section and SF staff members
5	JUN 2013	Coord/Complete Transition Document	BBc	Grants & Acquisition Management Branch Chief / Acquisition Management Section Chief	Grants & Acquisition Management Branch Chief / Acquisition Management Section	Sponsors, AMS, PO

The team also concurred with the transition plan and several recommendations to support implementing the process improvements identified during the event:

- Tech Panel Training/CO provides instructions to Tech Panel/CO involvement with panel/Work Group to improve TEP Report.
- Develop employee experience and knowledge.
- Train staff members on EAS.
- Develop and share Procurement Process Template(s) such as presentation for PIN Questionnaire meeting.

Lessons Learned

After the event, the following lessons were provided:

- Future project teams should include Subject Matter Experts, stakeholders, customers representing Information Technology, Budget, Legal, etc.
- Plan the project with process owner – process owner take lead on some administrative activities, and assign team members specific responsibilities for each step.

For More Information:

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Team Members:

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