



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 guiding principles

SCM has established a set of guiding principles that create the framework within which all of its activities 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's functions, processes and services are transparent.
- SCM promotes competition by offering a level playing field to all suppliers.
- SCM minimizes administrative operating costs by streamlined and repeatable processes and procedures.
- SCM personnel conduct all business with integrity, fairness and openness.
- SCM implements procurement processes which fulfill the Commonwealth's public policy and strategic technology objectives.

Further details on the SCM guiding principles can be found in [Appendix 3.1](#).

3.2 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.

3.3 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 on 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.
- Provide consulting services and advise agencies initiating high-risk solicitations and contracts, conduct reviews of high-risk solicitations and contracts, and provide training on SCM procurement policies and procedures.
- Support agency major IT projects with contract review and feedback.
- Support agency cloud procurements by providing contract language, review, and feedback and assistance with cloud contract negotiations.
- 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, Platform Relationship Management, Legal & Legislative Services, Service Management & Delivery, Internal Technology & Portfolio Management, Enterprise Services, PMD, Commonwealth Security & Risk Management, and internal and customer support with VITA's and agencies' purchasing needs and requirements.

3.4 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.
- Platform Sourcing -- Platform Sourcing is responsible for the strategic sourcing of IT infrastructure services that supports the Commonwealth's centralized multi supplier integrated IT service delivery and management model. This includes collaborating with and leading cross-functional teams through the market research, negotiation, development and execution of multi-dimensional contracts that consider the current marketplace, customer, financial, technical, information security, architecture and organizational impacts.

- Procurement – Managing the processes by which goods and services are identified, ordered, and received; and monitoring compliance guidelines and policies.
- Supplier Relationship Management (SRM) - Developing and managing VITA’s interactions with its suppliers. Coordinating efforts across VITA to realize the value of the supplier relationship.
- 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.
- COV Ramp review and approval services - Supporting agencies with cloud procurement compliance and guidance by offering required Cloud Services Terms and Conditions to include with their solicitations and contracts; reviewing supplier redlines to those terms and coordinating with VITA to assist an agency with successful negotiations of those terms with the agency and supplier.
- Procurement review - Determining the effectiveness and compliance with VITA SCM policies, standards and guidelines and internal processes and procedures.
- Customer IT training and guidance - Providing valuable IT-gearred online tools, group training classes and sessions, as well as individual guidance to our customer agencies.

3.5 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.

- Training IT Sourcing Specialists to be technology savvy consultants empowered with the skill sets needed to be efficient problem-solvers, technology risk mitigation/negotiation experts 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.
- Supporting VITA's infrastructure procurements, transition-in and transition-out activities and supplier relationship management.
- Assessing opportunities to develop future statewide procurements to make more cloud- based offerings available to commonwealth agencies, institutions of higher education and localities.
- Providing formal training to Commonwealth procurement officers and project manager.

