

# Tri Cities Town Hall Forum

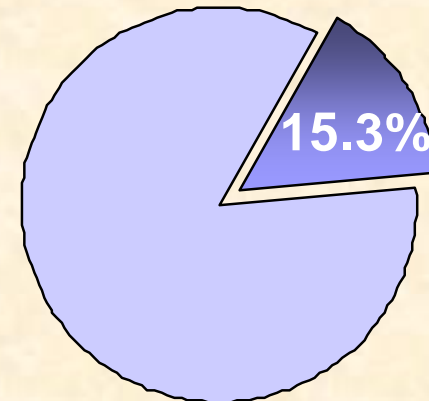
**August 9, 2006**

**OAK RIDGE NATIONAL LABORATORY  
U. S. DEPARTMENT OF ENERGY**

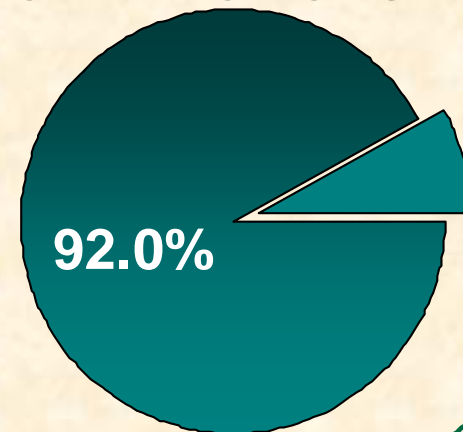
# Doing Business with ORNL

- **Commercial Items**
  - Contracts Division Buyers, AVID/JIT agreements, P-Cards
  - CSSC, Fabrication Center Engineers
  - P-Cards take the place of 20 buyers and supporting personnel – Valuable tool
- **Construction and R&D Services**

**TOTAL DOLLARS**



**TOTAL ACTIONS**

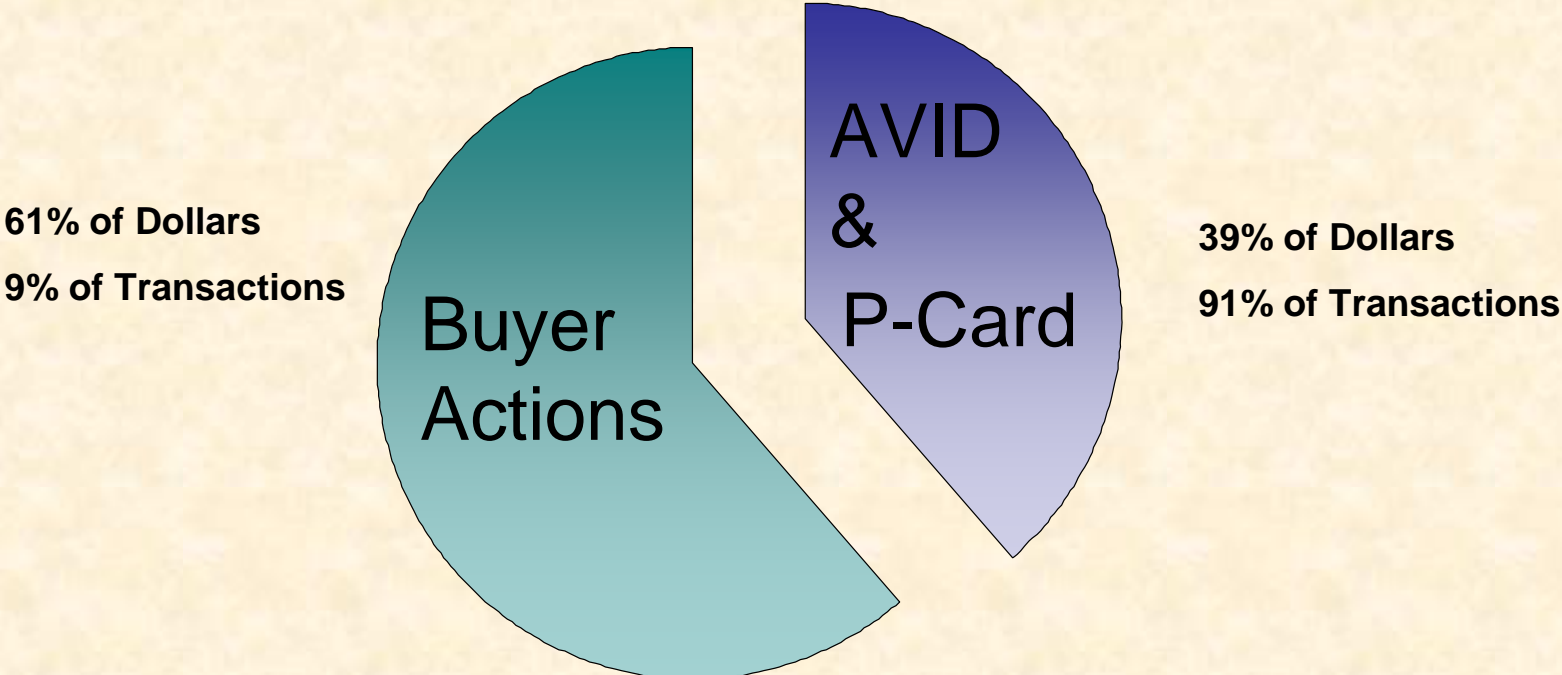


# CI Rapid Purchasing Techniques

- **AVID – Just In Time Agreements**
  - 1.5 million items available online
  - 6 re-bids in process of solicitation/award
  - Performance Based Terms – up to 10 years
- **P-Cards – 350+ Cardholder direct purchases**
  - Cardholders' purchases provide opportunities to determine patterns
- **Express Buys – Requisitioner/Contracts buyers**
  - Requires greatest procurement resources
  - Offers greatest opportunities for data mining

# Commercial Items

## Dollars and Transactions



# 1) Just In Time Agreement Process

- **Contracts Division solicits, awards JIT agreement**
  - Requisitioner determines individual requirement
  - Requisitioner selects supplier from list on ORNL web
  - Requisitioner shops supplier's punch-out web catalog
  - Requisitioner submits purchase order directly to supplier from ORNL web
  - Purchase order prints to supplier
  - Order arrives, crosses ORNL dock, goods receipt issued
  - Automatic payment to supplier within 24 hours

## 2) P-Card Process

- **Approximately 350 ORNL Cardholders**
- **P-Card issued based on need and manager approval**
- **25 top cardholders purchase 60 percent of dollars**
- **8 power buyers (CSSC) located in divisions with increased buying limits**
- **Cardholder purchases directly from suppliers**
- **Cardholder submits advance entry information for each transaction**
- **Cardholder reconciles statements each month, assigns account information**

### 3) Buyer Procurement Process

- Requirement identified by lab customer
- Requisition submitted to ORNL Contracts
- Requisition assigned to buyer by manager
- Buyer obtains quotes from suppliers
- Buyer awards purchase order
- Purchase Order crosses dock, goods receipt issued
- Accounts Payable pays within 30 days

# Initiatives

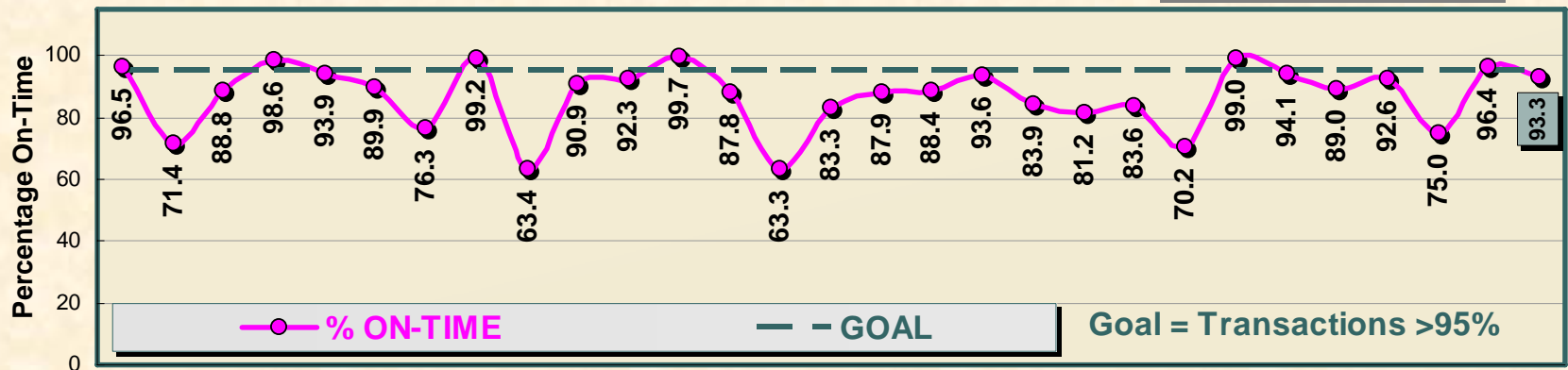
- **Data Mining**
  - Turn Express Buys and P-Card Purchases into JIT Agreements
- **Incentive Term Performance**
  - 2-year initial term
  - Five 2-year options - 10 years possible



# On Time Delivery

## AVID On-Time Delivery Report - YTD *Cumulative*

YTD-June 2005



# UPCOMING PROCUREMENTS

- **Communicated through ORNL Websites**
- **Procurement Home Page – Lists Upcoming Agreements, Subcontracts, Buyers**
- **Small Business Program Home Page – Vendor Data Base**

# Upcoming Procurements To Be Issued

- **See handout and website**

# Award Considerations – JIT Agreements

- **Multiple Awards for Some JIT Agreements**
- **Performance Evaluations after 2 Years**
  - **Competitive Pricing, On-Time Delivery, Customer Service, Ease of Use for OCI Catalog, Adherence to Quality Requirements, Effectiveness of Restricting Prohibited Items from Catalog**
  - **Growth of AVID Business**
- **Add JIT Agreements as Determined from Buyer Actions and P-Cards**

# Top Ten Reasons Proposals Don't Win

- **Didn't follow the proposal instructions**
- **Didn't return the requested forms**
- **Didn't address the Evaluation Criteria as described in the Proposal Format**
- **Technical proposal just regurgitated SOW**
- **Didn't adhere to page limit; too wordy**

- **Didn't state the assumptions or the basis for the proposed costs**
- **Poor safety record**
- **Lack of understanding regarding the work**
- **Lack of documented past performance**
- **Cost/Price**