

# MTA Finance Committee Procurement Consolidation Update

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Center



# Accomplishments

- Reached labor agreement with TCU
- Collaborated with agencies to identify non core categories
- Transferred all vacant positions from agencies to HQ
- Rolled out eSupplier(Vendor Portal) – 7,250 registered vendor representatives out of 15,000
- Delivered \$76m in annualized savings (see appendix)
- Rolled out MTA Marketplace - \$2.1M in Office Supplies
- Completed PeopleSoft 9.2 Upgrade
  - Enabled Strategic Sourcing Module
  - ePro
  - Redesigned Security Levels

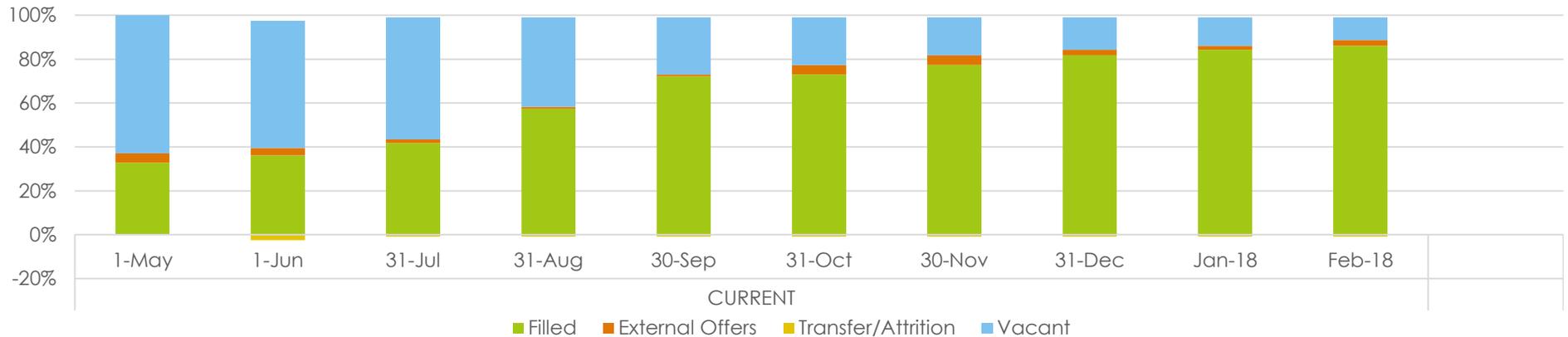
# Hiring is in the early stages

- Identified a CPO and made an employment offer
- All open positions have been posted internally
- All represented & director level positions have been posted externally
- Three Deputy CPOs onboard
- Director interviews are ongoing

## Summary:

- 113 Positions in the new consolidated organization
  - 38 positions are currently filled
  - At most, 32 positions to be appointed from within the MTA
  - At least 43 vacancies remain to be filled externally

# Full staffing is expected by Q1 2018



	1-May	1-Jun	31-Jul	31-Aug	30-Sep	31-Oct	30-Nov	31-Dec	Jan-18	Feb-18
Filled	38	43	48	66	83	84	89	94	97	99
External Offers	5	4	2	1	1	5	5	3	2	3
Transfer/Attrition		-3	-1	-1	-1	-1	-1	-1	-1	-1
Vacant	73	69	64	47	30	25	20	17	15	12
Total	116	113	113	113	113	113	113	113	113	113

## ASSUMPTIONS

1. May - Filled positions includes 13 BSC staff with legacy titles; 5 offers to External candidates
2. June - Offers are for 3 external Directors (current interviews) and 1 CPO; 5 offers from May are hired
3. Transfer/Attrition - 3 heads are transferred to IT/LIRR in June; normal attrition in subsequent months
4. July - Hires include 4 offers from June and 1 LIRR appointment; BSC Staff appointed to MTAHQ titles
5. Aug- Sept - Assumes 32 appointments from TA @ 16 per month; plus offers from prior month
6. Job Fair/Aggressive HR recruitment - increased offers from October

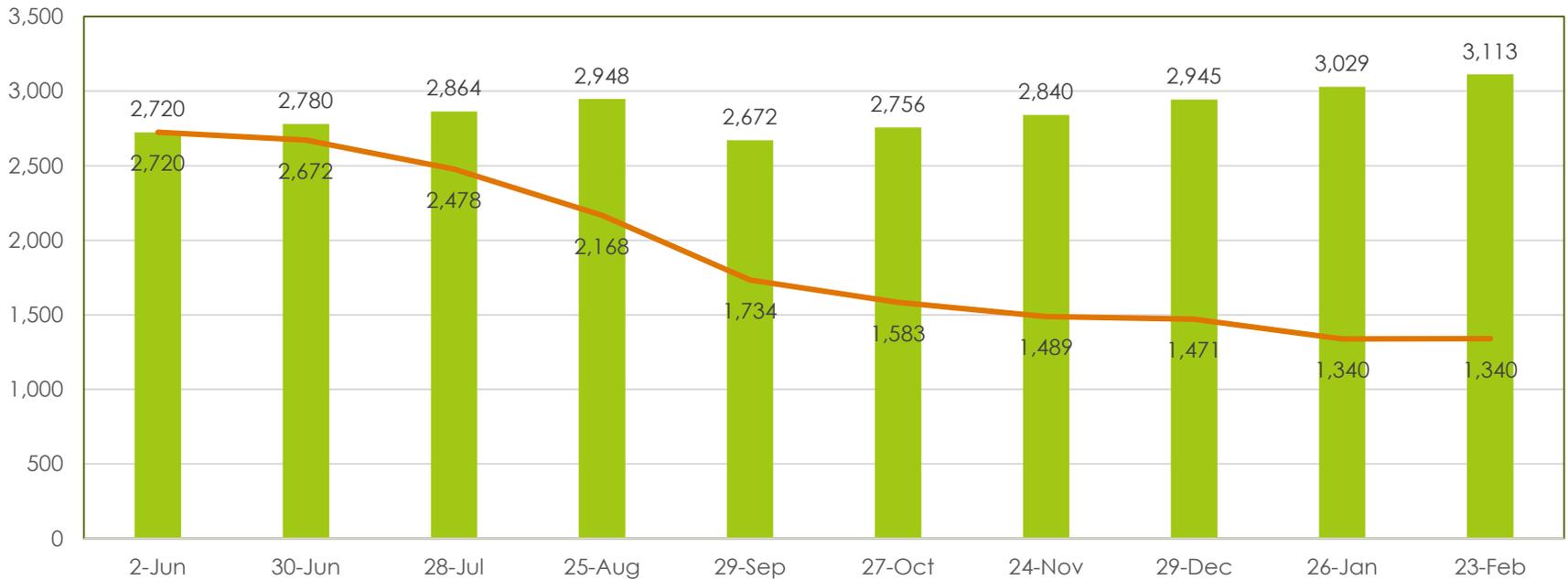


# Requisitions are trending upward at 6% monthly

- 2,720 Open Requisitions as of 5/6/2017
- Requisition backlog increasing at rate of 6% per Month
- Reason: Too many vacancies (10 of 28(36%) Buyer positions are open and being recruited)
  
- Strategies for catching up:
  - Combine similar requisitions to minimize procurement actions and increase leverage
  - Use Strategic Sourcing/Online Bidding
  - Expand the MTA Marketplace from office supplies to MRO and IT

# Current workload/staff projections will get us to steady State in approx. 8 months

Steady State is equivalent to 2 months of requisition workload



Agency Open Positions	June	July	August	September
LIRR 12 Open	6 Consultants	6 Consultants		
NYCT 14 Open *		6 Consultants	4 Consultants	4 Consultants

\* NYCT Consultants in anticipation of forthcoming workload. Not factored into above projections for current workload.



# Estimated Contract Extensions Requiring Board Approval Through December 2017

<u>Agency</u>	<u># Contracts</u>	<u>% Overall</u>	<u>Annualized Value</u>
HQ	8	2%	\$ 5.2M
NYCT	1	1%	\$ 1M
LIRR	12	12%	\$ 13M
MNR	0	0	0
B&T	0	0	0
<b>Totals</b>	<b>21</b>		<b>\$19.2M</b>

Extensions will be kept to a minimum in number, duration and quantity ordered

See appendix for detailed list

# Improved Internal Controls

- The MTA IG made several internal control recommendations all of which have been accepted by the MTA
- MTA's Chief Compliance Officer appointed a full-time Compliance Counsel at the MTA Business Service Center whose focus will be shared services, procurement and IT
- Annual certification of security privileges will be reviewed by MTA Audit

# Internal Control Improvements (continued)

- Security privileges in PeopleSoft were reviewed to ensure separation of duty between requisitioning, ordering and receiving
- All significant contracts and notices to proceed are now reviewed by MTA Legal prior to execution; enforced memo to file procedure
- Signature authority for the CPO was lowered. Procurement actions above one million are now escalated to the COO
- All procedures and being updated with anticipated completion by December 2017
- Notices to proceed without an executed contract must be reported weekly
- Federal contracts will be reviewed by MTA Audit to ensure compliance

# 2017 Strategic Priorities

- Fill all vacant positions
- Update procedures
- Improve internal controls
- Achieve steady state, minimize contract extensions
- Increase vendor portal registrations and Improve Utilization
  - Add 12,000 more vendors to portal
- Increase Adoption of PeopleSoft 9.2 Functionality
  - 100% Utilization of Strategic Sourcing Module
- Expand number of vendor catalogues in the MTA Marketplace
  - Grainger pilot for October 4.6M est.
  - CDW-G to follow Grainger

