1.0 LEADERSHIP

Leadership is critical to organizational excellence. Effective leadership of the procurement function is the driver of organizational success. Leadership addresses values and performance expertise. Leaders guide and direct the procurement operation and translate their vision into goals, strategy and effective outcomes. Procurement organizations are dependent upon effective leadership in order to achieve performance improvement.

PHASE II: RESPONSES TO QUESTIONS

1.0 LEADERSHIP

1.1 DESCRIBE THE PROCUREMENT ORGANIZATIONS MISSION, VISION AND VALUE STATEMENTS AND ATTACH COPIES. EXPLAIN HOW IT IS DISTRIBUTED AND COMMUNICATED THROUGHOUT THE GOVERNMEMT.

The mission, vision and value statements of the City of Naperville Procurement Services Team are all living documents, created as collaborative efforts. The division as a group created these three statements; they are a team

effort. They document the vision and re-establish guidelines for the ethical, efficient, and effective manner in which the organization intends to perform its duties, the primary of which is to provide outstanding service to the City and its taxpayers[1]. Each has been developed or revised within the last three years.

Vision Statement

Standing in the future, we recognize the Procurement Services Team's role in the provision of City services. This role is fulfilled through the establishment of a consultative procurement practice that is progressive, adaptive and fulfills the City's operational needs while protecting interests of the citizens and taxpayers.

Mission Statement

The Purchasing Division's mission is to enhance the quality of life of the people of Naperville. To accomplish our Mission we: Insure the integrity of the process; maintain the highest ethical standards; support and enhance the quality of services to the public; satisfy the current needs of the community while planning for the future; deliver the maximum value for the tax dollar; respect the diverse needs and contributions of all who participate in the process; work effectively as a Team.

Credo

Note to the Purchasing Staff

If I'm Not Here, Remember: Our Mission

That your integrity and the integrity of the process are the same thing, protect them both. For every decision be sure that you know it's legal, you know that it's fair and that you will be proud when your parents/children read about it in the paper. As you work to serve your customers and each other keep in mind that:

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[1] "Taxpayer" and "citizen" are given a special meaning in the City of Naperville. Because of the electrical utility these definitions include ratepayers. Ratepayers are those who pay for electrical service, they may or may not also be taxpayers and/or citizens. However, for our limited purposes they share the status of customer of the Procurement Services Team and among those we serve. Therefore, "taxpayer" is used to mean our customers whether they be taxpayers, ratepayers and/or citizens.

We are here to add value, not cause problems. The rules are also tools; they will add value when implemented correctly. Communicate; understand what your customers really need. You can't understand what people need if the only world-view you have is from your own desk – get out there. Test assumptions, yours and theirs. Be creative. Trust yourself, your first instinct is probably right.

YOU ARE THE BEST AT WHAT YOU DO AND YOU DO A LOT, CELEBRATE YOURSELVES AND EACH OTHER

Values/Ethics Statement[2]

By participating in the procurement process, employees of the City of Naperville agree to:

Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.

Demonstrate loyalty to the City of Naperville by diligently following the lawful instruction of the employer, using reasonable care and only authority granted.

Refrain from any private business or professional activity that would create a conflict between personal interests and the interests of the City of Naperville.

Refrain from soliciting or accepting money, loans, credits, or prejudicial discounts, and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence purchasing decisions.

Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether as payment for services or not; and never accept for himself or herself or for family members, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of Governmental duties.

Engage in no business with the City of Naperville, directly or indirectly, which is inconsistent with the conscientious performance of Governmental duties.

[2] The values of the Procurement Services Team are expressed in the Vision and Mission Statements this statement provides the ethical context for the execution of that Vision and Mission.

Handle confidential or proprietary information belonging to employer or suppliers with due care and proper consideration of ethical and legal ramifications and governmental regulations.

Never use any information gained confidentially in the performance of Governmental duties as a means of making private profit.

Promote positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle.

Know and obey the letter and spirit of laws governing the purchasing function and remain alert to the legal ramifications of purchasing decisions.

Expose corruption wherever discovered.

Uphold these principles, ever conscious that public office is a public trust.

These documents are communicated through all available media and are used in our several communications strategies. These communication methods include:

1. Placement on the intra-net,
2. Placement in manuals,
3. Use in training materials,
4. Postings, literally posters, in common areas,
5. Use as the topic of conversation.

The team is currently considering whether we should add some of these statements to written communications as pre-printed tags on all communications and forms. Such

1.1 RELEVANT EXHIBIT LIST

EXHIBIT DESCRIPTION	EXHIBIT NUMBER
Vision Statement	1
Mission Statement	2
Ethics Statement	3
Credo	4
Training Manual	5
Purchasing 101 Syllabus	6
Dollars & Sense	7
Intra-net Screen Shot	8

1.2 DESCRIBE HOW THE MISSION, VISION, VALUE STATEMENTS ARE ALIGNED WITH THE STRATEGIC PLANS AND OBJECTIVES OF THE ORGANIZATION. ADDRESS HOW THE CHIEF PROCUREMENT OFFICER AND SENIOR LEADERS PARTICIPATE IN THE STRATEGIC PLANNING PROCESS OF THE ORGANIZATION.

The documents are the direct outgrowth of the strategic plans and objectives of the City. They have been developed in the context of the City strategic plan and embody its principles. That fact is demonstrated by the Process Map (See Phase I documentation) which identifies these documents as creators of the environment in which we work, but, this alignment is most clearly demonstrated through a balanced scorecard analysis. The attached Balanced Scorecard presentation will graphically demonstrate how, through these documents, line of sight is created to illuminate this alignment and develop performance measures that reflect fulfillment of these needs.

This alignment is most obviously demonstrated by reviewing the "City Services" category of the City's vision statement. Which provides:

CITY VISION

CITY SERVICES VISION CATEGORY

Standing in the future, we recognize the provision of city services that make Naperville an inviting place to live work and play.

Residents receive a good value for their taxes; City service delivery is aligned with City Council policies; Reliable service delivery systems are employed using new technologies and innovations; Municipal facilities and infrastructure are maintained as community assets that provide necessary services; Informed, dedicated employees are our greatest asset and are essential for service delivery

STRATEGIES *– Deliver municipal services that are reliable and responsive to the needs of the citizens in the following ways;*

1. *Apply the strategic plan in our daily operations showing fiscal responsibility*
2. *Be sensitive to the changing dynamics of the community*
3. *Foster continuous learning and career development to promote employee innovation, creativity and goal orientation and accountability*
4. *Use technology and other methods to deliver services efficiently*
5. *Provide citizens with frequent and comprehensive information concerning city services*
6. *Commit to maintenance of the infrastructure*
7. *Commit to the provision of essential services*
8. *Provide exemplary public safety*

By maintaining the integrity of the process (Mission Statement), we ensure that "City service delivery is aligned with Council policies." The process maximizes another competition and as a result, "Residents receive a good value for their taxes."

All professional staff are "senior leaders." They all participate in planning and staff efforts for all departments. They attend regular, as well as special, staff meetings, as members not observers, in City departments.

The Chief Procurement Officer is involved in planning retreats and exercises with City departments and City Council. He is included in meetings of the Departmental Leadership Team, the City's cabinet. In addition he participates in

the City Manager's regular post-council meeting debriefing, a "morning after" meeting that is limited to the City Manager, his staff, the City Attorney, the Finance Director, and the Director of Transportation Engineering and Development where the group develops responses to City Council needs.

In addition team members represent the team and in some instances, all city employees in general, on several Citywide policy making committees. These include:

- The Job Evaluation Methodology Team
- The Emergency Operations Center Development Team
- Balanced Scorecard/Six Sigma Teams
- The Integrated Planning Process
- Gainsharing Teams
- The Safety Committee
- The Employee Advisory Committee
- The Health Insurance Committee
- Various EDMS Teams
- Various Business Process Review Teams

This involvement reflects several factors: the City's desire to involve employees in policy decisions, the respect accorded the team members, the contributions

made by the members on a regular basis and the individual drive and leadership potential of each member.

1.2 RELEVANT EXHIBIT LIST

EXHIBIT DESCRIPTION	EXHIBIT NUMBER
City Vision Statement	9
Balanced Scorecard Presentation	10
Balanced Scorecard Documents	11

1.3 EXPLAIN HOW THE CHIEF PROCUREMENT OFFICER AND SENIOR PROCUREMENT LEADERS DISPLAY PROCUREMENT PROFESSIONALISM. THIS WOULD INCLUDE EDUCATION, CERTIFICATION, ORGANIZATIONAL PARTICIPATION, COMMUNITY INVOLVEMENT, ETC.

General

The Team, as a group, demonstrates professionalism in their daily conduct and leadership activities throughout the City. One of the reasons they are accepted in this leadership role is that they each possess and consistently seek to improve upon these characteristics as described in question 1.3

Education

All professional staff have earned B.A. degrees. Additionally, the Chief Procurement Officer has earned a J.D., and two graduate certificates: Quality Management for the Service Sector, and Leadership Studies. He is currently pursuing a Master in Arts in Leadership Studies (June 2006).

Certification

The team is not only 100% certified, but the majority of members are certified by multiple organizations. All three buyers have received their Certified Public Purchasing Buyer certificates. Additionally, one has also earned the Institute of Supply Management's Certified Purchasing Manager certification, and one, the Accredited Purchasing Practitioner certification. The Chief Procurement Officer

has attained the Certified Public Procurement Officer certification, the Certified Purchasing Manager certifications and currently has the Project Management Professional, pending.

Organizational Involvement

One of the professional staff is serving as president of the Midwest Association of Pubic Procurement (local NIGP chapter); one is a member of NAPM – Chicago, another is the second Vice President Elect. (*Of what?)*

The CPO is participating in the NIGP PMAP; is on the Board of Directors of the National Purchasing Institute (ISM's public sector); is on the NIGP National Research Committee; has served as Legislative Committee Chair and past president for that organization, has been on its Board of Directors and currently leads the Legislative Committee and is a member of the Scholarship Committee. The CPO is also an agency advisory board member for both U.S. Communities and DemandStar/Onvia.

Community Leadership

Two of the procurement staff and the CPO have participated in the Community Leadership Program, sponsored by the city's Chamber of Commerce; one has completed the Chamber's Community Leadership Academy and another is scheduled to attend this fall.

1.3 RELEVANT EXHIBIT LIST

EXHIBIT DESCRIPTION	EXHIBIT NUMBER
Certifications	12
Appointments / NIGP Membership Information	13
Chamber Leadership Program Information	14
Leadership Academy	15

1.4 EXPLAIN AND PROVIDE EXAMPLES OF HOW THE CHIEF PROCUREMENT OFFICER AND THE PROCUREMENT MANAGEMENT TEAM SET DIRECTION AND CREATE AN ENVIRONMENT THAT ENCOURAGES EMPOWERMENT, LEARNING AND INNOVATION.

All activities are team activities, as described in the mission. The following is written in response to this question by one of the team members:

" This is a top-down process. The Chief Procurement Officer places value in continuing education and training. He establishes training and certification goals for the staff as part of their annual SMART goals. He makes it possible for one of the staff (on a rotating basis) to attend the annual NIGP conference; he incorporates training into the budget as much as possible. The CPO is approachable and explains the reasons underlying procurement regulations. If changes would enhance the process or make it more efficient, he is amenable to change. (He has just submitted a proposed new procurement code to Council for approval.) He is always available to answer questions and provide help, when requested. Otherwise, the procurement staff is considered knowledgeable and professional and able to handle the day-to-day activities on their own.

This attitude continues in the professional staff. Ways to obtain continuing education are sought out and presented, and if possible, worked into the training plan. Purchasing's door is always open to using departments and

vendors. Answers and training are provided promptly. The HTE system is not known to be user friendly. It became apparent that Purchasing was expected to become "fluent" in the areas that affect user departments, so we did. Not only do we provide scheduled training sessions, but if a user has difficulty entering a requisition, for example, purchasing provides on-site training. We establish new commodity codes; provide user authorization to account numbers; explain how to enter change order requisitions—we provide answers to whatever problematic situations arise."

1.4 RELEVANT EXHIBIT LIST

EXHIBIT DESCRIPTION	EXHIBIT NUMBER
SMART Goals	16
Mission Statement	2

1.5 DESCRIBE HOW SENIOR LEADERS ENCOURAGE AND PROVIDE OPPORTUNITIES FOR STAFF TRAINING AND DEVELOPMENT.

General

There is not sufficient money in the budget to allow for the CPO and another member of the staff to attend the NIGP conference, so the CPO shares expenses with a representative of another municipality, this frees up funding for another participant from our organization.

During the budget process, training needs are specifically allocated and incorporated.

This year's budget includes monies for the training needs of the support staff, and funds for additional certification for professional staff.

The SMART goals set for the division are structured according to a Balanced Scorecard format. Each person in the division has Customer Service goals, Internal Process Improvement goals, Cost Savings goals, and Employee Development goals.

1.5 RELEVANT EXHIBIT LIST

EXHIBIT DESCRIPTION	EXHIBIT NUMBER
SMART Goals	16
Balanced Scorecard	11

Hug Conference Information	17
Training Budget	18

1.6 HOW DO THE PROCUREMENT LEADERS ADDRESS THE ISSUE OF ETHICAL PROCUREMENT PRACTICES?

General

The primary duty of the Team is the legitimizing of the process of spending public money. The ethics are explicit. They are contained in both the current and recommended new Code. They are expanded in the revised and recommended code changes and they are articulated by the "Code of Ethics" a statement that is both published, taught in training classes and, most importantly, actually subscribed to, in writing by individuals.

Ethics however, are neither a statement nor a series of documents; they are the fundamental basis for all decision making. In this context all procurement training includes a fundamental discussion of the role of ethics in all decisions. This process is so fundamental to what we do that one team member expresses it this way:

> *"Expectations are implicit for ethical behavior in day-to-day activities. Decisions are made following self-questioning: "Is it fair? Is it legal? Would I be proud to have my family read about it in the paper?"*

The Code of Ethics is included in the purchasing manual. The code has been enlarged to 3 feet by 5 feet size and has been endorsed (actually signed) by the procurement staff, as well as some of the more frequent users of the process. This endorsed copy is prominently displayed in the Purchasing office.

1.6 RELEVANT EXHIBIT LIST

EXHIBIT DESCRIPTION	EXHIBIT NUMBER
Code of Ethics	3

1.7 DOES THE ORGANIZATION PARTICIPATE IN AND PROMOTE A TEAM ENVIRONMENT. PROVIDE EXAMPLES OF TEAM DEVELOPMENT ACTIVITIES.

All procurements are team projects and we seek to make all teams cross-functional and interdepartmental. Training programs to assist team members in fulfilling their roles as team leaders and team members have included: Myers-Briggs training, Emotional Intelligence Training, Training on Managing Inter-Generational Teams, and individual and team counseling.

Internal Team Activities

Some of the staff are extroverts, others introverts, and often we have been at odds. To help us become more of a team, we enlisted Human Resources to facilitate communication. In order to maintain open communication, the procurement team meets early every Monday and Wednesday morning. Each member has a turn to speak about whatever is pertinent to the group: this can be discussion of procurement needs, procurements of general interest, personal problems (as they might affect the group).

There are also structured group activities; for example, the Pareto Project. Each "Pareto Bandito" was assigned one of the categories to study, find supporting examples, and perform a S.W.O.T. analysis. Then, each member brought his/her information back to the group for discussion.

To encourage continuation of teamwork, the CPO set up several of the SMART goals to be shared between members of the staff. The financial rewards for completion of these goals are team-defined and dependent of everyone's shared success.

Some goals and projects are also interdepartmental, expanding goals to teams including individuals from other departments: An RFP/RFQ informational guide is a joint effort in progress between Purchasing and the Engineering department.

Departmental orientation is a team orientation as illustrated by the Organizational Chart and its most recent revisions.

1.7 RELEVANT EXHIBIT LIST

EXHIBIT DESCRIPTION	EXHIBIT NUMBER
SMART Goals	16
Pareto Bandito Analysis	19

1.8 DESCRIBE HOW EMPLOYEES ARE REWARDED AND RECOGNIZED

There are both formal and informal rewards; rewards given by the supervisor for efforts above and beyond the normal requirements of the position; rewards given by other departments for teamwork on projects; and rewards given by Human Resources for outstanding customer service during Customer Service Week.

The awardees are recognized in several varied ways; either in departmental staff meetings, at City Council meetings, small ceremonies (balloons/songs/pizza), via citywide e-mail notification, or in the employee newsletter. Awards can be certificates of appreciation, balloons, flowers or may include gift certificates and monetary awards.

It is significant to recognize that team members are frequently recognized, verbally and financially, by their client departments for their outstanding contributions to the individual departmental goals.

1.8 RELEVANT EXHIBIT LIST

EXHIBIT DESCRIPTION	EXHIBIT NUMBER

Team Award	20
Thank You Certificate	21
Customer Service Award Memo	22
Bonus Award	23

1.9 EXPLAIN THE DEGREE AND EXTENT OF PROCUREMENT STAFF PARTICIPATION IN PROFESSIONAL ORGANIZATIONS.

All professional staff are members of NIGP, and members of the local Chamber of Commerce. All buyers have attended at least one NIGP National Conference. Three staff members have completed the local Chamber's Community Leadership Program, and one has completed its Leadership Academy.

Additionally, the senior buyer is the president of the local chapter of NIGP: the Midwest Association of Public Procurement. Another buyer is the team's representative at NAPM – Chicago, the local branch of the Institute of Supply Management.

The Chief Procurement Officer is actively involved with NIGP Procurement Management Assistance Program; and serves on NIGP's National Research Committee. He is past President, and past Board of Directors member of the local chapter of NIGP, IAPPO; is currently the Legislative Committee Chair, and serves on the Scholarship Committee for that organization.

The CPO is on the Board of Directors of the National Purchasing Institute, which is the public purchasing branch of the Institute for Supply Management; as well as being an Agency Advisory Board Member on both U.S. Communities and Demandstar/Onvia.

He has actively participated in 11 of the last 12 NIGP national conferences. He made presentations in 1995 and 2001, 2002, 2003 and is scheduled to present in 2004. He assisted with QC in 2000 and 2001.

In addition to making presentations on numerous occasions to IAPPO meeting attendees, he has also made presentations at NIGP Chapter meetings in Missouri, Kentucky, Indiana, and Mississippi.

1.9 RELEVANT EXHIBIT LIST

EXHIBIT DESCRIPTION	EXHIBIT NUMBER
Chamber of Commerce Information	14
NIGP Profiles	13

1.10 EXPLAIN HOW VARIOUS COMMUNICATION STRATEGIES ARE USED TO REACH INTERNAL AND EXTERNAL CUSTOMERS.

INTERNAL CUSTOMERS

Departmental liaisons regularly attend client department staff meetings. This is a good way to know what concerns the client group might have, to share information about upcoming projects and/or procurements, to sit in on special training they might be having, and to provide training that might be needed related to procurements.

The City's e-mail system is an excellent tool for communicating, for example, year-end procedures: To let all users know when and how to expect the listings of purchase orders to be reviewed for closing, or the last day that the procurement card may be used; or the last day to order office supplies via the internet.

The purchasing manual acts as a permanent reference tool for ensuring adherence to policies and procedures. The manual has been revised a couple of times in the past few years and copies are handed out in conjunction with training on new, or reinforcement of old, policies and procedures.

When changes are being considered to, what have been, standard operating procedures, Focus Groups and Roundtable discussion groups are established. These groups offer input and direction. They also act as liaisons to their various departments, to get further input, and hopefully final "buy in."

In addition, the team publishes a newsletter "Dollars & Sense" electronically to all city employees and officials.

EXTERNAL CUSTOMERS

Annually, the City's current office supplies vendor holds an office supplies product fair and office products swap event. Purchasing has made use of that event to include other mini programs. One year, the "Virtual Mall" ribbon cutting ceremony heralded the initiation of online ordering from two additional vendors. All three: Boise (office products), Graybar, and Grainger demonstrated their websites and customer services.

This past year, the Chamber of Commerce mailed notification of our upcoming event to all of their members. "How to do Business with the City of Naperville" was presented twice during the day. It explained to the community businesses how they can find out about the City's procurements, the selection process, and how vendors get paid. Brochures containing the information were available at the event, and are always available at the front desk of the Purchasing office.

1.10 RELEVANT EXHIBIT LIST

EXHIBIT DESCRIPTION	EXHIBIT NUMBER
Year-End Email	24
Purchasing Manual	5
Focus Group	25
"Dollars and Sense"	7
Vendor Fair Notice	26

“Doing Business”	27
“Getting Paid”	28