



COMMONWEALTH of VIRGINIA

Department of Alcoholic Beverage Control

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Agency SWAM Procurement Plan FY 2006 - 2007 (Revised April 2007)

Agency Head: Susan R. Swecker, Commissioner

Secretariat: Public Safety

Revision Date: April 4, 2007

I. ABCs SWaM aspirational goals for Small, Women and Minority-Owned businesses in percentages of projected discretionary expenditures.

Projected Spending Goals (% of Discretionary Expenditures)	SBEs %	WBEs %	MBEs %	Total SWaM
Statewide Aspirational Goal	--	--	--	40%
FY '06 (2 nd , 3 rd & 4 th Qtrs.) Agency SWaM Expenditures (Prime & Subcontracting)	Prime: 19.8 Sub:	Prime: 1.92 Sub:	Prime: 6.21 Sub:	Prime: 27.9 Sub:
FY '07 Construction Goals (Prime & Subcontracting)	Prime: -- Sub:	Prime: -- Sub:	Prime: -- Sub:	Prime: -- Sub:
FY '07 Non-Construction Goals (Prime & Subcontracting)	Prime: 20 Sub:	Prime: 10 Sub:	Prime: 10 Sub:	Prime: 40 Sub:
FY '07 Agency/Institution's Goals of (1) Combined Construction and Non-Construction and (2) Prime and Sub	Prime total: 20 Sub total:	Prime total: 10 Sub total:	Prime total: 10 Sub total:	Prime total: 40 Sub total:

II. SWaM Procurement Champion

Purchases and Supply Division

Name: Claiborne Watkins

Title: Director, Policy, Analysis & Support Services Division

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Building and/or Construction Division

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III. SWaM Plan Responsibilities, Strategies and Tactics

A. Authorities and responsibilities of the SWaM Procurement Champion(s) in implementing and monitoring the SWaM Plan:

The Department of Alcoholic Beverage Control's (ABC/The Agency) SWaM Procurement Champion will have a vast range of authorities and responsibilities implementing and monitoring our agency's SWaM Plan. The Champion will work with the leadership of the Agency to encourage growth of business with SWaM businesses and increase awareness of this objective throughout the agency. ABC has placed considerable emphasis on this initiative by including it as an objective in its 2006-2008 strategic plan.

The Champion will monitor all reporting, analyze results and trends and report changes in strategies that will ensure compliance with ABC's plan. The Champion will compare the Agency's SWaM expenditures with the Agency's specific SWaM goals, and report progress on a periodic basis to the Agency's senior management. SWaM expenditure calculations will include direct payments, purchases from SWaM businesses using the Corporate Purchasing Card, and second-tier SWaM reporting provided by prime contractors segmented by cost centers and subobject codes.

B. SWaM purchasing and contracting strategies and training program designed to increase the procurement opportunities with certified SWaM vendors:

The Agency policy concerning procurement activities serves as the primary guideline for all agency-purchasing activities. The Department utilizes a policy that is tailored to increase business opportunities for SWaM businesses while maintaining consistency with the requirements of the Agency Procurement and Surplus Property Manual. This policy is provided to all employees with purchasing responsibilities and is available electronically to all employees. As stated in the policy, all employees with purchasing responsibility who are involved in procurement decisions for goods and services are expected to notify and give every consideration to using qualified, small, women-owned and minority (SWaM) suppliers in a manner that is consistent with state and federal laws and regulations. The Department of Minority Business Enterprise (DMBE) website with search capabilities for SWaM vendors is provided to all employees involved in purchasing. Whenever the agency engages in a solicitation or request for quotes, it will include enterprises selected from the list of certified SWaM business enterprises maintained on the DMBE web site, www.dmbe.virginia.gov.

An Agency Process Improvement Team was formed within the last year that studied the SWaM usage and disparity in ABC procurement activities. The team identified specific areas where an increase in SWaM usage could be realized by analyzing expenditure data by functional area and commodity codes. In addition, the team determined there was an insufficient number of available

DMBE/eVA registered SWaM vendors in relation to the most costly and/or highest volume commodities purchased. As a result of the team's findings and management's support of the efforts, significant changes will be implemented this fiscal year. Action plans are currently being developed to implement recommendations such as: development of Agency and internal division performance measures, targets and goals; monitoring and reporting of progress to senior management; training and education for Agency personnel involved in procurement transactions and their annual evaluation to include achievement of Agency SWaM goals; dedicating a resource to SWaM outreach (to include locating vendors not yet certified and encouraging their participation in ABC's procurement process and assisting them with the eVA registration and DMBE certification process); and simplifying the means to locate SWaM vendors by Agency personnel.

In accordance with direction from the Department of General Services (DGS), ABC is also implementing the following initiatives:

Note: This Plan may be revised as guidance is received from DGS.

- **Conducting small business set-aside solicitations.**

In accordance with this SWaM Procurement Plan, the Agency shall set aside, procurements valued up to \$50,000 exclusively for small businesses, based on their certification as such by the Department of Minority Business Enterprise (which may include women and/or minority owned businesses if also designated as small businesses). The Agency will conduct small business set-aside solicitations for procurements valued over \$50,000 when there is adequate registration in the commodity and will actively seek and encourage new small business registration.

- **Requiring prime contractors to submit a Small Business Subcontracting Plan and to provide evidence of payments to subcontractors for prime contracts exceeding \$100,000.**

ABC will encourage its contractors to provide for the participation of small businesses and businesses owned by women and minorities through partnerships, joint ventures, subcontracts and other contractual opportunities. For any prime contract in excess of \$100,000, each bidder shall include as part of their bid a Small Business Subcontracting Plan that ensures DMBE-certified small business participation as part of its effort toward achieving the statewide goal of 40%.

The Agency will adhere to Virginia's Prompt Payment Law and will promote and encourage our prime contractors to provide prompt payment to subcontractors.

- **Using Small business participation plan(s) as weighted criteria when evaluating proposals.**

The Agency shall continue to use Small business participation (Small Business Subcontracting Plan) as weighted criteria when evaluating proposals. The criteria weight will be based on the availability of DMBE-certified small vendors for the commodity being procured. Throughout the last year, heavier weight/value was placed on this criteria. For example, a weight of 20% was placed on SWaM business participation for a recent janitorial services proposal.

- **Allowing the award to a qualified, reasonably priced, DMBE-certified Small business that is other than the lowest bidder or highest-ranking Offeror for all purchases and contracts.**

ABC awarded contracts using this condition in accordance with the Agency's 2005 SWaM

Plan. Procurements that require solicitation of multiple vendors will continue to be awarded to a reasonably priced or reasonably ranked small, small-minority-owned or small-woman-owned bidder or Offeror that is other than the lowest priced bidder or highest-ranking Offeror in accordance with this Plan.

For Bids:

Intended for fairness to bidders, in addition to financial feasibility for the agency, reasonably priced will be determined by utilizing a graduated scale as shown below.

- Awards under \$20,000 – within 10% on the lowest responsive and responsible bidder
- Awards over \$20,000 to \$30,000 – within 8% of the lowest responsive and responsible bidder
- Awards over \$30,000 to \$50,000 – within 7% of the lowest responsive and responsible bidder
- Awards over \$50,000 to \$75,000 – within 6% of the lowest responsive and responsible bidder
- Awards over \$75,000 – within 5% of the lowest responsive and responsible bidder

For Request For Proposals:

Similarly, reasonably ranked will be defined as a final ranking within 5 points of the highest ranked responsible Offeror.

- **Identifying and removing barriers or limitations to agency SWaM participation.**

As part of the Agency SWaM Process Improvement Team's research, data was collected to identify areas where the largest dollars were being spent (by user and commodity category) in comparison to the SWaM percentage of those dollars expended. The analysis directed the Team to the areas where an impact on SWaM usage could be realized by searching for and utilizing SWaM vendors that can provide goods and services we use in large quantities. Practices and procedures were also reviewed and internal surveys were conducted to detect any barriers or limitations that could be a factor in the disparity. Although the lack of certified vendors contributed heavily to the disparity, the Team also determined that lack of knowledge and training of Agency personnel (with purchasing authority under \$5,000) was also a significant issue.

To address the lack of vendors and employee knowledge issues, ABC recently created a SWaM coordinator position. This position is charged with developing employee-training programs to address knowledge and skill issues and serves as an additional resource for identifying new vendors currently unregistered with eVA and DMBE. The coordinator will also assist in developing strategies to address the continuous use of known vendors due to previous experience and will work to reestablish relationships with SWaM vendors that have not met agency performance expectations in earlier contracting opportunities.

ABC will conduct annual training for Agency personnel with the first session to be held in Summer 2007. We will provide job aids/quick reminders for those trained. All employees with procurement responsibility will be held accountable for attainment of Agency goals in compliance with their employee work profile. Managers will be responsible for monitoring MasterCard and Non-Purchase Order transactions to ensure requirements of this SWaM Plan are being met.

The Agency will develop and utilize a reward and recognition program for employees and implement an incentive program for increased use of SWaM vendors by divisions.

- **Modifying evaluation criteria that prevent qualified companies from receiving state business based on narrow definitions of prior experience.**

The Agency will review and modify the prior experience criteria routinely used in proposals as part of the determination of qualified vendors. ABC will ensure the requirement is fair and a true representation of the need of the Agency.

- **Posting future procurement opportunities on eVA website to allow businesses to prepare for the solicitations.**

ABC will post all contracts with expiration dates on the eVA website and the ABC website with monthly updates. In addition, personal contact will be made to alert SWaM businesses when upcoming bids/quotes expect to be issued.

- **Implementing a SWaM training program for all staff with purchasing duties in the agency.**

The Agency will actively train staff members with purchasing authority. In conjunction with the Human Resources Department, the Purchasing Department will conduct annual training sessions for staff members with the authority. A large part of the training will include ways to access SWaM businesses through eVA and DMBE and utilizing the dedicated resources within the Agency to locate these vendors. We will reinforce the requirements of this SWaM Procurement Plan and encourage all staff members to seek SWaM vendors for goods/services to be purchased. New employees will have the SWaM Plan reviewed in their orientation class. Job aids and quick reminders will be provided to all employees in attendance to assist them in the process.

ABC is also modifying the internal website to include direct links to DMBE and eVA to make it easier and quicker for employees to locate SWaM vendors.

C. Evaluation process by the head of the agency or institution on the SWaM procurement progress and achievement:

The Champion will monitor all reporting, analyze results and trends and report changes in strategies that will ensure compliance with ABC's plan. The Champion will compare the Agency's SWaM expenditures with the Agency's specific SWaM goals, and report progress on a quarterly basis to the Agency's senior management. SWaM expenditure calculations will include direct payments, purchases from SWaM businesses using the Corporate Purchasing Card, and second-tier SWaM reporting provided by prime contractors.

The Department has already used the concepts of Quality Management to evaluate its SWaM performance. Each member of the procurement staff has received additional training on the application of additional analysis toolsets. In addition, ABC is actively benchmarking its operations against best in class state agencies and will be expanding its comparisons to the private sector during this fiscal year.

D. ABC's SWaM vendor outreach program.

The Agency will actively solicit the participation of small, women-owned and minority-owned businesses. These activities include, but are not limited to: membership in the Virginia Minority Supplier Development Council, participation in the Virginia Business Opportunity Fair, and participation in the Public Safety Diversity Fair. The dedicated team member will seek and be advised on opportunities to participate in throughout the Commonwealth that afford the opportunity to connect with SWaM business owners.

All solicitations with advertising requirements will utilize sources generally circulated to the small, women-owned and minority community along with notification through eVA. In addition, the agency uses its own web site for advertising solicitations. A new Agency SWaM informational brochure is being designed and will be distributed throughout the Commonwealth. We will utilize our retail and office spaces to promote our SWaM efforts and increase communication with the SWaM vendor community. As mentioned previously, ABC has already significantly increased resources dedicated to vendor outreach.

E. Procedures for buyers to encourage vendors to apply for SWaM certification.

Vendor data is requested each time quotes are obtained or solicitations are issued to identify SWaM businesses that may not yet be DMBE certified. The Purchasing Department encourages known non-registered SWaM vendors to register with DMBE, and offers to provide assistance to these vendors in obtaining their certification and encourages registration with eVA. The Agency has developed a brochure that highlights typical purchases and key contact personnel. The Agency mails ten of the Purchasing Brochures weekly to SWaM vendors.

F. ABC's plans to verify subcontracting expenditures.

ABC Contract Administrators will verify second-Tier Reports provided by prime contractors.

IV. Signatures

Completed by: _____ Signature: _____ Date: _____

Reviewed by: _____ Signature: _____ Date: _____
Agency/Institution Head

Approved by: _____ Signature: _____ Date: _____
Secretary