

Sergio Paneque has led some of the largest government procurement organizations, most recently as the chief procurement officer (CPO) for the state of New York. In that role, Paneque managed a portfolio of more than 1,400 contracts valued at over \$16 billion. Prior to

his tenure in Albany, Paneque was appointed by Mayor Michael Bloomberg as the chief acquisition officer for New York City and served as the director of procurement in Michigan's Department of Technology, Management and Budget.



We recently spoke with

Paneque about how the pandemic created an urgent need for state and local government organizations to upgrade and implement new technologies, which in turn led to faster procurements. Paneque gave his thoughts on the lessons government organizations might learn from that experience and shared the following tips for how technology leaders can make procurement faster and more flexible post-pandemic.

Tip 1 _____
Form a strong relationship with your CPO.

Paneque says one of the most strategic relationships a CIO can form is with their CPO. Given that the average tenure of a CPO is currently about three years, CIOs have a small window to make this happen.

"The CIO should constantly be working on that relationship, setting expectations, and setting boundaries to fit both levels of operations," says Paneque.

Tip 2 _____
Work collaboratively.

CIOs should team up with CPOs early and work together on solutions.

"Go into a governor's office or leadership offices together, especially in times of crisis," suggests Paneque. "When these two roles



4 Tips for Advancing IT Procurement

work together, there's much more flexibility in procurement. If you take something to a lawyer that's already 80 percent baked, you're going to get nowhere. But if you work with your CPO upfront to phrase things the correct way and complete some of the tough work around contracting and standard setting, that can lead you to water."

Tip 3 _____
Conduct a thorough risk assessment.

Identifying and analyzing potential risks upfront can give jurisdictions more options to address urgent IT needs when a crisis hits, Paneque says.

"Through a risk assessment you can delineate potential scenarios you might face in the future and where you can substantiate an emergency procurement to stabilize them," says Paneque. "Later, you can roll that approach into less urgent kinds of requirements that can either be sourced through existing contracts or with typical methods of procurement like an RFP."

Tip 4 _____
Work to make procurement more flexible.

Alternative ways of sourcing IT – prenegotiated backdrop or umbrella contracts, for example – can improve flexibility and enable agencies to source IT more efficiently.

"When I set up umbrella contracts in New York, my idea was to manage the legal requirements on the front end – indemnification, limitations of liability, insurance and things of that nature – then deal with the business side of the equation on the back end," says Paneque. "IT kind of got a pass on some of the tougher procurement rules during the pandemic, but doing that hard work upfront – pre-negotiating contracts, setting standards and having catalogs of approved solutions – are things we need to work on now to make procurement work faster permanently."