

# Wisconsin Department of Transportation

## Transit Procurement Process Lean Project Report



### Project Summary

One of the responsibilities of the Transit Section is to provide technical assistance to and oversight of local communities participating in the Rural and Small Urban Area Public Transportation Assistance Program. The Transit Section works to ensure the local sponsors of transit understand state and federal regulations and operate transit services in a compliant manner.

Federal procurement requirements are particularly problematic. Though it varies annually with the number of procurements, transit and local government staff spend significant time on shared-ride taxi (SRT) services purchases. The goals of this project were to reduce the turnaround time on reviews and approvals, reduce staff time spent on each SRT procurement, and enable the local communities to complete their steps of the process more efficiently and accurately.

This project was completed on January 31, 2013.

### Improvements

- Reduced average duration of SRT procurement by 50 percent
- Reduced average Department staff hours on SRT procurement by 70 percent
- Saved 36 staff hours per SRT procurement annually
- Implementation of procurement toolkits

### MAPSS Core Goal Area

- Service
- Accountability

### Statewide Goal Area

- Customer satisfaction
- Cost of government

### Issue

Federal transit procurement requirements are complex and the procurement process is lengthy. Local sponsors of transit systems have limited staff capacity and procurements often occur infrequently so there is little opportunity to develop area expertise. The following were identified as recurring issues in the shared-ride taxi (SRT) procurement process:

- Inconsistency in the format and content of information submitted to the Transit Section
- Repeated review by Section staff of procurement documents for approval due to incomplete or inaccurate information submitted
- Excessive use of staff time on local and Department level
- Delays in the overall completion timeline of the procurement process

### Lean Six Sigma Process

Using Lean Six Sigma methodology, the project team described the current SRT procurement process and identified major causes of delays. Some parts of the process rest on the local transit system but there are several aspects of the process over which the business area still has influence. The team identified the key points where the transit staff intervenes, probable causes for delays, and resources needed to reduce the procurement time. Lack of understanding of federal procurement requirements by transit systems, incomplete or inaccurate information submitted and insufficient staff resources available for review and approval, were identified as key factors that may result in delays. The most feasible and advantageous solution to address the issues was to provide greater technical assistance to local sponsors early in the process and to prioritize SRT procurements among the various work requirements and commit staff resources to provide reviews and approvals more expeditiously.

### Results

Customer satisfaction: While total procurement time depends on factors outside of the department's control, such as hard-coded solicitation periods, the new procurement process will shorten the department's review and approval steps. The average reduction in total number of days to complete SRT procurements is 50 percent. This improvement aids in financial and program management capacity and will help to provide greater continuity of transit services in the community.

Cost of government: The quantity of SRT procurements varies from year to year, but the total average reduction in department staffing costs for a single procurement is 70 percent. The new process is estimated to save 36 staff hours per SRT procurement, which will be reallocated to other business area purposes.

### Next Steps

The business area has fully implemented Lean Six Sigma methodology only to the procurement of shared-ride taxi service, but would like to expand the scope to include other types of procurements.