

Tier 2 – State Contracts and Mid-Level Complexity of Procurement

To support greater centralization of procurement there is a need for a tiered training program that delivers increasing levels of procurement authority, with each level of training evidenced by certification. An agency procurement professional could lose certification if an assessment specialist finds the agency procurement professional is not following correct procurement protocol.

Tier 2 training will be geared towards users that conduct moderately complex procurements (i.e. statewide contracts, technical and professional services, etc.) that benefit from strategic procurement. OSP will also offer a sub tier (non-mandatory) for Director level employees regarding procurement planning. The desired outcome is to develop a high level of competency at the agency level to conduct procurements up to a delegated dollar amount. The delegation may also be restricted to specific types of commodities and services.

This Tier will consist of procurements around state contracts and procurement in the \$75k to \$10 million initial cost range. There is a higher level of OSP involvement as procurements move into the increased price range. Tier 2 is comprised of high cost services and high cost commodities. Because many of the contracts in this range are for professional services, there tends to be more complexity involved in the procurement process. There are also larger commodity purchases that would benefit from procurement professionals with additional procurement expertise so that they can engage in a strategic approach. This group of buyers must perform market analysis, conduct strategic sourcing and conduct negotiations. The solicitations are more difficult with a higher risk of procurement than tier 1.

Monitoring Tier 2 procurement and providing agencies with technical assistance in setting up and utilizing state wide contracts will be a major task for the team. Based on FY17's numbers, procurement specialists handling contracts in this Tier will process approximately 1000 contracts per year. This team will need approximately 40 buyers if each is tasked with handling about 25 solicitations apiece.