

Tier 1 – Simple commodity and Services

The vision for procurement is to transform from our current state of largely decentralized procurement to more centralization and increased oversight of agency procurement. Because the Office of State Procurement cannot handle all of the agency procurements, it will need to train the agencies to engage in self-service for day-to-day operational purchases. These purchases are relatively low in purchasing complexity because they are mostly driven by low pricing (among roughly equivalent items). They should be low to no touch for OSP and high self-service for each agency.

The first item is to develop a certification training program that will also provide a level of change management needed to move the state agencies to a more centralized self-service model. The training team will need to reach over 1,000 p-card users, 400 hundred buyers. The training team will need enough people to adequately and effectively develop training materials, deliver training, and test the efficacy of training.

A team of STAR procurement specialists will be used to assess the procurement practices of agencies (health checks). This team of subject matter experts in procurement will have several functions. In one respect they will function as procurement auditors who will check to ensure that all procurement activities and contracts that agencies enter into under our authority is done in accordance with procurement law, policies, and best practices. They will identify areas where an agency may need additional training or corrective action, such as tighter scrutiny or loss of certification. If after the delivery of targeted training the agency does not improve, then the agency may have its certification pulled.

Tier-1 training will be delivered to a group of procurement specialists with authority to handle transactions under \$100,000,000 per year, most of which are below \$75,000 per annum. This represents about 80% of our contract transactions, but only 20% of our contract spending. An e-procurement solution that provides a user-friendly catalog and an e-marketplace will allow for greater efficiency when procuring low dollar amounts (under \$75k). This will allow for a greater use of the p-card instead of PO creation. In FY17 the state created 81,303 purchase orders for purchases less than \$20,000. The total number of purchase orders for the year was 85,927. The e-market place would also be used to source for procurements \$20,000 to \$75,000 requiring a price competitive type procurement.

The e-procurement system will improve accountability, integrity and compliance with improved report capabilities. The catalog solution for the e-marketplace will allow agency staff to search for items from state contracts and drop them in a basket and then check out. If they do not find a state contract item, then they can search the e-marketplace for the item.