



PROCUREMENT REFORM

*Ensuring a Consistent, Fair and Transparent
Procurement Process for the State of Arizona*

Quarterly Meeting - November 12, 2013

AGENDA

- **Procurement Reform**
 - Where are we?
- **Significant Procurement Role**
 - What do you need to know?



PROCUREMENT REFORM

WHERE ARE WE?



PROCUREMENT ORGANIZATION STRUCTURE

Chief Procurement Officers

- ISAs - majority finalized

Classification & Compensation Project

- Classification Maintenance Review



TRAINING & COMPLIANCE

Training & Compliance Programs

- Review of existing materials
- Stakeholder survey analysis
- Development and finalization of program recommendations



TASK FORCES

⇒ Internal State Team & Stakeholder Involvement

- **Solicitation Evaluation, September/October 2013**
 - Consensus/Score Sheets/Documentation
 - Meeting conducted
 - Procedure updated
- **Vendor Performance, October/November 2013**
 - Skeleton framework – factors, frequency, scorecard
- **Cooperative Purchasing/Piggybacking, October/November 2013**
 - Parameters – draft rules
 - Upcoming stakeholder meeting



SIGNIFICANT PROCUREMENT ROLE

• IDENTIFY • NOTIFY • CLARIFY



SPR DEFINED

Significant Procurement Role rules apply to employees who:

- Participate in the development of a *procurement*
- Participate in the development of an evaluation tool
- Approve a *procurement* or an evaluation tool
- Solicit quotes greater than \$10,000 for the provision of materials, services or construction
- Serve as a technical advisor or an evaluator
- Recommend or select a vendor that will provide materials, services or construction to this state
- Serve as a decision maker or designee on a protest or an appeal



DISCLOSURE STATEMENTS

Upon signature of a nondisclosure agreement pertaining to a particular solicitation, or at the time of a request for a sole source or competition impracticable procurement, a procurement officer or an employee having a significant role in the procurement shall:

- provide written disclosure of any financial interest the officer or employee, or the spouse of the officer or employee, may hold. (SPO Forms 110, 120)



DISCLOSURE STATEMENTS CONT'D

Employees whose regular job responsibilities

INCLUDE:

- Soliciting quotes greater than \$10,000
- Issuing open market purchase orders with Department Buyer or Basic Purchasing (including BP Supervisor) roles in ProcureAZ
- Making decisions on protests or appeals by a party regarding an agency procurement selection or decision

▶ **Required to**

- ▶ complete annual PDS form (SPO Form 110) and update it each year
- ▶ PDS forms are kept on file by the Agency.



DISCLOSURE STATEMENTS CONT'D

Employees whose regular job duties do not include procurement activities but who:

- Participate in the development of a procurement
- Participate in the development of an evaluation tool
- Approve a procurement or an evaluation tool
- Serve as a technical advisor or an evaluator who evaluates a procurement
- Recommend or select a vendor that will provide materials, services or construction to this state
- Request or approve sole source and competition impracticable purchases

▶ Required to

- ▶ complete the appropriate PDS form (SPO Form 120) provided by the procurement officer
- ▶ The procurement officer keeps completed PDS forms in the procurement file



TIMELINE

Significant Procurement Role rules apply for a time period

–Beginning

- On signature of the first nondisclosure agreement pertaining to a particular solicitation
- At the time of request for a sole source or competition impracticable procurement

–Ending

- One year after the purchased materials are delivered or the purchase of services or construction begins



“NO SERVICE” PERIOD

Employees who were previously employed by a person or firm responding to a solicitation may not serve in a significant procurement role for a period of one year following previous employment and/or association with the industry.



“NO HIRE” PERIOD

Employees who serve in a significant procurement role for a solicitation cannot:

- Solicit an employment opportunity, regardless of who would receive such an opportunity, from any person or firm lobbying or potentially responding to a solicitation for the procurement of materials, services or construction
- Accept an offer of employment from or have employment discussions with any person or entity lobbying for or potentially responding to a solicitation



“NO HIRE” PERIOD CONT'D

A person or firm lobbying or potentially responding to a solicitation for the procurement of materials, services or construction cannot:

- Offer employment to a procurement officer or an employee having a significant procurement role



POTENTIAL CONSEQUENCES

A person who knowingly violates this is guilty of a class 2 misdemeanor

–On conviction the person is:

- Ineligible for appointment to or employment in a position in the state personnel system for a period of five years
- If the person is an employee of this state at the time of conviction, is subject to
 - Suspension for not less than 90 days
 - Dismissal



NEW RESPONSIBILITIES: NOTIFICATION

Agency Directors are to:

- Play an active role in disseminating information to agency staff
- Inform employees when the first nondisclosure agreement (PDS/SPO Form 120) is signed on a particular solicitation
 - Note: The State Procurement office has sample language that may be used for this purpose posted on the Procurement Reform website.



NEW RESPONSIBILITIES: NOTIFICATION CONT'D

An Agency Director or designee shall inform the State Procurement Administrator when the first PDS (SPO Form 120) is signed on a particular solicitation or purchase

- Via the email address spo@azdoa.gov
- The agency shall provide the State Procurement Administrator the following information:
 - Agency Name
 - Chief Procurement Officer Name
 - Solicitation Title
 - Date the first PDS was signed or the first focus group meeting is held, whichever comes first.
 - First Delivery Date (when it becomes available)

Information will be posted on the SPO website at:
<http://www.spo.az.gov/Notices/default.asp>



NEW RESPONSIBILITIES: NOTIFICATION CONT'D

- The Agency Chief Procurement Officer shall notify the State Procurement Administrator via the email address spo@azdoa.gov of the first delivery date
- Information will be posted through the first delivery date plus one year
- Information will be removed by the 15th of the month following



NEW RESPONSIBILITIES: REVIEW & CLARIFY

Review and make a determination for employees who seek clarification on their significant procurement role.

- In response to a written request from an employee seeking clarification on whether the employee has played a significant role in a procurement, the ADOA director shall
 - Issue a determination in writing within 15 days
 - Determine that this section does not apply if a particular solicitation, sole source procurement or competition impracticable procurement
 - May delegate the authority to make determinations to a director of a state agency



NEW RESPONSIBILITIES CONT'D

An agency director or agency deputy director may:

- Request a determination from the Office of the Governor regarding whether the agency director or agency deputy director played a significant role in a particular procurement for the purposes of the one-year employment restriction
 - The office of the governor shall make a determination within 30 days after the receipt of the written request.



PROCUREMENT CBTs

- Procurement Reform CBT available now on Y.E.S. and SPO's Procurement Reform website (<http://www.spo.az.gov/ProcurementReform/index.html>)
- Significant Procurement Role CBT will be available December 1, 2013



THANK YOU

