



PROCUREMENT REFORM

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

Quarterly Meeting - September 19, 2013

AGENDA

Procurement Reform:

– Where Are We?

- Website
- Rules—Technical Changes
- Procurement Organization Structure
- Internal Task Forces
- Disclosure Statements
- Training & Compliance Program
- Vendor Outreach

– What's Ahead & What's the Strategy?

- Stakeholder Task Forces
- Centralized Legal Support



Procurement Reform: Where Are We?



PROCUREMENT REFORM WEBSITE

<http://spo.az.gov/ProcurementReform/index.html>

- Latest updates for:
 - Agencies
 - Suppliers
 - Lobbyists
- Procurement Reform Timeline
- Legislation and related information



The screenshot shows the homepage of the Arizona State Procurement Reform Website. At the top, there is a banner image of a modern building with a blue sky. The banner text reads "Procurement Reform" in large blue letters, with "Ensuring a consistent, fair, and transparent procurement process" in smaller text below it. Below the banner, the heading "Welcome to the Arizona State Procurement Reform Website" is followed by a paragraph explaining the need for reform. The text states: "As the demand for state services continues to strain our limited resources, procurement has a growing impact on the economic and social well-being of the citizens of Arizona. It is time to modernize the state's procurement practices." It then mentions that state purchasing is governed by the Arizona Procurement Code (APC), and that HB 2599 was passed by the Arizona Legislature and signed by Governor Brewer in May, 2013. The text continues: "This website has been developed to provide you with information about procurement reform. New as well as updated information will be posted to this site as we continue with the implementation of procurement reform. We recommend that you check back periodically to find out the latest information." Below this, it says "Thank you." and "Jean A. Clark, State Procurement Administrator, June 24, 2013". At the bottom, there are three columns of links: "Reform News" with links for "News for State Agencies", "News for State Suppliers", and "News for Lobbyists"; "Key Dates" with a link for "Procurement Reform Timeline"; and "Procurement Reform, HB2599 & Applicable Rules" with links for "HB2599 (Chartered)", "PowerPoint - Ensured Value for the State of Arizona", "Procurement Reform FAQ", and "Procurement Reform Fact Sheet".

Procurement Reform
Ensuring a consistent, fair, and transparent procurement process

Welcome to the Arizona State Procurement Reform Website

As the demand for state services continues to strain our limited resources, procurement has a growing impact on the economic and social well-being of the citizens of Arizona. It is time to modernize the state's procurement practices.

State purchasing is governed by the Arizona Procurement Code (APC). HB 2599 (procurement code; amendments) was passed by the Arizona Legislature and signed by Governor Brewer in May, 2013. The bill takes effect September 13, 2013, and will result in significant procurement reform for Arizona State government. Also, many school districts as well as local governments follow the state's lead for their procurement practices, opening up the possibility for procurement reform in other local governmental jurisdictions.

This website has been developed to provide you with information about procurement reform. New as well as updated information will be posted to this site as we continue with the implementation of procurement reform. We recommend that you check back periodically to find out the latest information.

Thank you.

Jean A. Clark
State Procurement Administrator
June 24, 2013

Reform News	Key Dates	Procurement Reform, HB2599 & Applicable Rules
News for State Agencies	Procurement Reform Timeline	HB2599 (Chartered)
News for State Suppliers		PowerPoint - Ensured Value for the State of Arizona
News for Lobbyists		Procurement Reform FAQ
		Procurement Reform Fact Sheet



RULES

- **Technical Rules changes**
 - \$100k, Best and Final Offer, Determinations
 - Draft Rules complete
 - Reviewed by agencies
 - Docket opened with Secretary of State's Office
 - GRRC



PROCUREMENT ORGANIZATION STRUCTURE

- **Chief Procurement Officers**

- Met with all 17 agencies potentially impacted
- ISAs
- CPOs scheduled to transfer on September 28, 2013
- Some agencies reduced delegation to \$100k

Classification & Compensation Project

- Draft of position classifications complete
- List of impacted positions identified



TASK FORCES

- **Solicitation Evaluation**
 - Internal State team
 - Report based on current approach and research of other organizations' practices
- **Co-op/ 501(c)3s**
 - Internal State team
 - Process recommendations
 - Communication & outreach
- **Significant Procurement Role**
 - Internal State team
 - Updated disclosure forms, Technical Bulletins, Standard Procedure
 - Created website for solicitation list



DISCLOSURE STATEMENTS

- **Significant Procurement Role**
 - Annual & Solicitation-specific Procurement Disclosure Statements
 - Required of any State employee involved in the procurement process
 - No-hire period
- **Lobbyist Disclosure**
 - Registration with Secretary of State
 - Identification to State employees



TRAINING & COMPLIANCE

- **Training & Certification Program**

- CBT for HB2599 overview is now available
 - Agency personnel - Y.E.S.
 - Suppliers/Lobbyists
- Chief Learning Officer started September 3rd
- Meeting with CPOs and researching other programs
- Stakeholder surveys

- **Compliance Program**

- Contracts Compliance Officer started September 3rd
- Meeting with CPOs and researching other compliance programs
- Stakeholder surveys



VENDOR OUTREACH

- **Procurement Fairs**
 - Hosted 3 fairs
 - Technology
 - Facilities/Construction
 - Office/Administrative
 - Professional Services (November 2013)
 - 17 agencies represented
 - Average attendance:
 - 180 Firms/event
 - 185 Attendees/event



What's Ahead & What's the Strategy?



TASK FORCES

- **Solicitation Evaluation, September/October 2013**
 - Stakeholder Involvement
 - Meeting
 - Consensus/Score Sheets/Documentation
 - Draft Rules changes
- **Vendor Performance, October 2013**
 - Stakeholder Involvement
 - Develop Vendor Performance program
 - Draft Rules changes
- **Cooperative Purchasing/Piggybacking, October 2013**
 - Stakeholder Involvement
 - Parameters for Piggyback Purchases
 - Draft Rules changes



CENTRALIZED LEGAL SUPPORT

- Provides authority to enter into agreements with the Attorney General's Office for procurement services to state agencies
- Coordinate with Attorney General's Office
- November 2013



CONCLUSION

- Questions
- Recommendations

