



ARIZONA DEPARTMENT OF ADMINISTRATION  
STATE PROCUREMENT OFFICE

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## TECHNICAL BULLETIN No. 002

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TITLE **Delegation of Procurement Authority**  
REVISION **Number 4**  
DATE **November 1, 2013**

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### I. Authority

#### A. Applicable Statute

- A.R.S. § 41-2511 Authority of the Director
- A.R.S. § 41-2512 Delegation of Authority by the Director
- A.R.S. § 41-2672 On-line Bidding

#### B. Applicable Administrative Code

- A.A.C. R2-7-201 State Procurement Administrator: Duties and Qualifications
- A.A.C. R2-7-202 Delegation of Procurement Authority to State Governmental Units
- A.A.C. R2-7-203 Agency Chief Procurement Officer
- A.A.C. R2-7-A301 Source Selection Method: Determining Factors
- A.A.C. R2-7-208 Authorization of Electronic Transactions
- A.A.C. R2-7-1301 On-line Solicitation Process

#### C. Specific Authority

R2-7-202 Delegation of Procurement Authority to State Governmental Units. The Delegation of Procurement Authority to State Governmental Units lists the criteria, requirements and guidelines in delegating procurement authority and the responsibilities of State Governmental Units.

R2-7-203 Agency Chief Procurement Officer. The Agency Chief Procurement Officer allows the State Governmental Unit's chief procurement officer to further delegate procurement authority within the purchasing agency, within the limits specified by the State Procurement Administrator.

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## II. Definitions

Where set forth in normal font, the following definitions are directly from the Arizona Procurement Code (APC). Expanded or additional definitions are in Italics from sources noted.

- A. Arizona State Contract. A contract established or authorized by the State Procurement Administrator for use by State Governmental Units and eligible procurement units.
- B. Agency Chief Procurement Officer. The person within a state governmental unit, identified by the agency head, who is acting under specific, written authority from the State Procurement Administrator in accordance with R2-7-202.
- C. Delegated Procurement Officer. Any person with some level of delegated procurement authority by the Chief Procurement Officer in writing, under R2-7-203. This term does not include any other Procurement Officer within a State Governmental Unit who does not have the written delegation of authority.
- D. Director. The Director of the Department of Administration.
- E. Procurement Consultant. A contractor hired by a state governmental unit to assist in the development of solicitations. Procurement consultants shall not have delegated authority in which to obligate the state.
- F. Governor's Executive Order. An order issued by the Governor of Arizona to establish boards or commissions or to authorize the performance of other functions that are appropriate to the executive authority of the Governor (Source: AZ State Library, Archives and Public Records, Law and Research Library Div.)
- G. State Procurement Office. An office that acts under the authority delegated to the State Procurement Administrator.
- H. State Governmental Unit. Any department, commission, council, board, bureau, committee, institution, agency, government corporation or other establishment or official of the executive branch or corporation of this state.
- I. ProcureAZ. The official designated state electronic procurement system.

## III. Policy

It is the policy of the State of Arizona that:

The State Procurement Administrator shall delegate certain procurement authority to State Governmental Units.

- A. Term. The term for all delegations of authority shall be three years, unless determined otherwise by the State Procurement Administrator.

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- B. Determining factors. The State Procurement Administrator shall delegate procurement authority based on the following factors as they pertain to the State Governmental Unit's circumstances:
1. The procurement expertise, education, certification, knowledge, experience and performance of the State Governmental Unit's Agency Chief Procurement Officer;
  2. The qualifications of the procurement personnel within the State Governmental Unit (Refer to Attachment 1, "Guidelines for State Governmental Unit Procurement Personnel.");
    - a. Procurement training and experience
    - b. Procurement certification held by staff
    - c. Required successful completion of the ProcureAZ training modules.
  3. Impact of the delegation on the State Governmental Unit's procurement efficiency and effectiveness;
  4. The State Governmental Unit's compliance with the APC, applicable Governor's Executive Orders, State Procurement Office issued Technical Bulletins, standard Procedures and delegation agreement;
  5. The State Governmental Unit's administrative procurement practices, organization chart, procurement processes and procedures, and other factors deemed relevant by the State Procurement Administrator; and
  6. The business needs of the State Governmental Unit
- C. Delegation documentation. The agency director or Chief Procurement officer shall maintain a file documenting successful completion of training records of each individual granting access to ProcureAZ for audit purposes. This record shall also contain dates of access restriction or termination for each individual.
- D. Delegation list. The agency Director or Chief Procurement Officer shall maintain and provide to the State Procurement Administrator a current list of all employees with delegated authority. This list shall be kept up to date in accordance with the letter of delegated authority.
- E. Delegation limits. The State Procurement Administrator shall delegate procurement authority to a State Governmental Unit based on the following dollar limit categories. In addition to dollar limits, the State Procurement Administrator

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may include other conditions which define a State Governmental Unit's procurement authority.

1. Limited: This category of delegated authority shall be issued with one of the following designated procurement dollar limits for competitive procurements. However, no procurement dollar limits are imposed on purchases from mandatory Arizona state contracts by State Governmental Units;
  - a. \$0 up to \$10,000
  - b. \$0 up to \$100,000
2. Supplemental one-time only: This category of delegated authority is a one-time delegated authority granted for special procurements that exceed the State Governmental Unit's delegated authority.
3. Unlimited: This category of delegated authority has no maximum designated procurement dollar limit.

F. Retained authority. The State Procurement Administrator retains all authorities and duties delegated to an agency Chief Procurement Officer at the State Governmental Unit.

1. The State Procurement Administrator may revoke, suspend, or modify a State Governmental Unit's delegated authority for failure to comply with A.R.S. Title 41, Chapter 23 or A.A.C. Title 2, Chapter 7, applicable Governor's Executive Orders, State Procurement Office issued Technical Bulletins, Standard Procedures and delegation agreement.
2. The State Governmental Unit shall involve the State Procurement Administrator in the selection process for the State Governmental Unit's Chief Procurement Officer. The State Governmental Unit shall notify the State Procurement Administrator prior to hiring its Chief Procurement Officer. The State Governmental Unit shall submit the selected candidate's resume to the State Procurement Administrator for review prior to making an offer of employment. The State Procurement Administrator may make comments regarding the expertise, knowledge and education of the candidate that may affect the State Governmental Unit's delegated authority.
3. The State Governmental Unit shall report to the State Procurement Administrator any significant changes that may affect the State Governmental Unit's compliance with the delegation criteria including changes in procurement personnel, procurement training taken and sub-delegation levels.

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- G. Oversight, Monitoring and Review of Assigned Delegations. To ensure that State Governmental Units exercise purchasing authority in accordance with their delegation agreement, the APC, applicable Governor's Executive Orders and State Procurement Office issued Technical Bulletins and Standard Procedures the State Procurement Office shall perform periodic procurement performance reviews. SPO Technical Bulletin No. 003, "Procurement Compliance Reviews" describes this program in detail.

This Technical Bulletin is hereby authorized and effective this 1<sup>st</sup> day of November 2013, unless otherwise revised or repealed.



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Jean A. Clark, FNIGP, CPPO, C.P.M., CPPB, CPM  
State Procurement Administrator

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**Attachment 1**  
**Guidelines for State Governmental Unit's Delegated Procurement Personnel**

<b>POSITION TITLE AND GRADE</b>	<b>RECOMMENDED DELEGATION LEVELS</b>	<b>RECOMMENDED REQUIREMENTS Training, Education, Certification, Experience</b>
<b>Procurement Associate or comparable classification</b> AREG 16	<b>MAX: \$10,000</b>  <b>MIN/Entry: \$0</b>	<b>Required Training:</b> ADSPO200C, ADSPO202, ADSPO210C <b>Recommended Training:</b> Agency Standard Operating Procedures for Associate and ADSPO100, ADSPO110 <b>Certification:</b> <b>Experience:</b> N/A
<b>Procurement Technician or comparable classification</b> AREG 19	<b>MAX: \$100,000</b>  <b>MIN/Entry: \$10,000</b> In line with MAX for Proc. Assoc.	<b>Required Training:</b> ADSPO200C, ADSPO202, ADSPO210C <b>Recommended Training:</b> Agency Standard Operating Procedures for Technician and ADSPO100, ADSPO110, ADSPO120 and ADSPO130 <b>Certification:</b> <b>Experience:</b> Per classification
<b>Procurement Specialist or comparable classification</b> AREG 20	<b>MAX: \$500,000</b>  <b>MIN/Entry: \$100,000</b> In line with MAX for Proc. Tech	<b>Required Training:</b> ADSPO200C, ADSPO202, ADSPO210C, ADSPO400 <b>Recommended Training:</b> Agency Standard Operating Procedures for Specialist and ADSPO100, ADSPO110, ADSPO120 and ADSPO130 <b>Certification:</b> CPPB <b>Experience:</b> Per classification
<b>SR Procurement Specialist or comparable classification</b> AREG 22	<b>MAX: \$Unlimited - not to exceed agency's delegated authority.</b>  <b>MIN/Entry: \$500,000</b> In line with MAX for Proc. Specialist	<b>Required Training:</b> ADSPO200C, ADSPO202, ADSPO210C, ADSPO400 <b>Recommended Training:</b> Agency Standard Operating Procedures for Sr. Procurement Specialist and ADSPO100, ADSPO110, ADSPO120 and ADSPO130 <b>Certification:</b> CPPB <b>Experience:</b> Per classification
<b>Procurement Manager or comparable classification</b> AREG 24	<b>MAX: \$Unlimited - not to exceed agency's delegated authority.</b>  <b>MIN/Entry: \$Agency delegation</b>	<b>Required Training:</b> ADSPO200C, ADSPO202, ADSPO210C, ADSPO400 <b>Recommended Training:</b> Agency Standard Operating Procedures for Manager, Risk Management Workshop, ADSPO100, ADSPO110, ADSPO120 and ADSPO130 <b>Certification:</b> CPPB, CPPO or ISM preferred <b>Experience:</b> per classification