

## **Task Force Recommendation 19 Procurement and Contracting Signature Authority**

### **Policy**

- A department's executive officer may sign contracting and procurement documents and may delegate that authority to immediate executive level staff. Authority of all other persons to sign contracting and procurement documents shall be granted by the department's Procurement and Contracting Officer, (PCO), based upon guidance established by the Department of General Services, (DGS). Contracting and procurement of technology goods and services and commodities requires delegated purchasing authority from the DGS.

### **Background:**

The Governor's Task Force Report on Contract and Procurement Review recommended that "DGS shall authorize individual signature authority for all contracting and procurement officials based on position held, experience, training and certification." The DGS by implementing a signature authority policy establishes accountability for individual contracts and purchase orders within each department.

The DGS has statutory authority for general powers of supervision over all matters concerning the financial and business policies of the state. Therefore, DGS can, develop and implement signature authority requirements for all types of contracting and procurement actions.

Departments currently employ a wide variety of practices to grant signature authority for contracts and purchase orders. Some departments include training and experience requirements, while some departments have no established policy or requirements. The federal government and many other states have specific training and signature authority requirements, including, in some instances, formal certification programs.

### **Principles and Justification:**

This policy applies to the contracting and/or procurement of goods, information technology, and services. Signature authority requirements will include:

- Training and certification in accordance with guidance provided by DGS
- The method of contracting or procurement employed.
- The good and/or service for which the department is contracting.
- The complexity and value of the contract or procurement.
- The delegated purchasing authority of the department.
- The knowledge, experience, and expertise of the person signing the contract.

Granting of signature authority is a selective process and will be based on experience with the principles of sound contracting and procurement polices, and demonstrated familiarity with the process of contract formation, execution and administration.

## DRAFT

Departmental executive officers may sign contract and procurement documents regardless of experience, training, or certificates obtained. However, prior to signing such documents, an individual with PCO granted signature authority must review (includes initial or signature) the document. Alternatively, departments may authorize the person with training and certificates to sign the document with an appropriate business review process in place that insures executive level review and approval for high-risk contracts and purchase orders.

This policy meets the intent of the Task Force recommendation and can be implemented without any statutory change. It also recognizes the differences between executives and line/staff, and provides some flexibility to the PCO in determining who should receive signature authority.

### **Conclusions:**

This policy will provide the checks and balances necessary to protect the state's interests, establish accountability at the appropriate level, improve the quality of the state's contracts, and enhance the professional development of state contracting and procurement personnel.

### **Implementation:**

This policy will be implemented in conjunction with implementation of the Task Force Recommendation 8, the training and certification program and the Task Force Recommendation 1, broadening of the delegated purchasing authority program.