

Appendix B

NASPO Responses Separation of duties: Buying, Policy, Oversight

Given that three major functions of a centralized procurement office are; policy making, centralized buying, and oversight (review and approval), please answer the following questions:

State:	1. Does your procurement organization have a separate dedicated unit for policy making? If so, describe its staffing and duties. If not briefly describe how you make statewide procurement policy.	2. Does your centralized procurement organization have a dedicated oversight (review and approval) unit that is separate from the buying unit and/or policy making functions? If so, describe its staffing and duties. If not, briefly describe how oversight is performed.
Alaska	In Alaska, it's all combined in one small operation - no separation of duties at all. Statewide policy is developed by the Chief Procurement Officer (the CPO also acts as Director here) with the help of buyer staff (contracting officers) and input by a user group consisting of lead buyers from each customer agency. Oversight is by CPO with assistance from the same contracting officer staff.	
Arkansas	No. Our management team: 2 procurement managers, the director, state procurement and our legal counsel have the primary responsibility. The team requests input from State agencies and Colleges and Universities prior to the final decision.	No. Oversight is accomplished through monitoring of agency and college and university buying practices on an as needed basis.. We also have the legislative auditors who do an audit of procurement practices every few years.
Indiana	No separate unit for policy making. The administrative staff of the Director, and two Deputies are responsible for recommending policy to Deputy Commissioner.	No separate unit. There is a separate section of the Department that does periodic reviews to make sure agencies are purchasing within the policies of their streamline authority. Hope this helps.

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Kentucky	<p>We do not have a separate agency. However, we publish policies and procedures from the central procurement organization that are approved by a legislative committee and are incorporated by reference into our regulations, which makes them have the impact of law. All policy proposals are reviewed by our general counsel and our internal auditor prior to being forwarded to the legislature, and we are required to post a notice of public hearing so that all interested parties can discuss the changes prior to legislative review.</p>	<p>All contracts are reviewed and approved by a branch manager and director. These two people do not normally function as buyers, but limit their activities to review and approval. While the director is in a policy-making position, all official policies are reviewed and approved through the process described above.</p>
Louisiana	<p>Louisiana does not have separate dedicated units for policy making, review and/or approval.</p>	
Massachusetts	<p>Procurement Policies are established by the Executive Office for Administration and Finance (EOAF) and the Operational Services Division (OSD). At OSD, senior staff which consists of the State Purchasing Agent and two Deputy State Purchasing Agents establish and approve new policies with assistance from procurement directors, other departments (if necessary) and EOAF. In 1998 we implemented procurement Reform which was spearheaded by EOAF that essentially changed procurement as we knew it back then.</p> <p>Today, EOAF under a new administration wants to make drastic procurement policy changes and put more control back to Central Purchasing. We are still in that process. The Procurement Policy team consists of the State Purchasing Agent, Two Deputies, Assistance Secretary for Administration and Finance, the Budget Director for the Commonwealth, budget analysts and an economists. Other departments will be included once we establish the framework.</p>	<p>We have a Quality Assurance Unit which consists of staff from OSD and the Comptroller's Office who review procurement folders by department on a post audit basis. They assist when needed and provide training when necessary (procurement 101) and may also take the departments' procurement delegation away if they see no improvement in following procurement rules, regulations and policies.</p> <p>Procurement Team Leaders review and approve procurements that are over a department's delegation. They actually have to go on-line and apply approvals before the encumbrance is consummated and the vendor is notified of the purchase. Any procurement within a department's delegation will go through automatically and are reviewed on a post audit basis by QA.</p>

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Missouri	No	We did, however it has been decimated in budget cuts. This section also was the main group that detailed the policy decisions with Director approval. In the past, we used to create a transaction list of agency procurements within their authority and secured a random sample to audit the agencies compliance with the procurement delegation. Several agencies were found to have bypassed purchasing delegations and were trained and given oversight for a period of time. (Basically penalized us and not the agency though).
New York	New York does not.	
Oklahoma	<p>We have an audit team that assists me in setting policy and writing rules which have the force and effect of law. They report directly to me. By statute, they review and submit to me for approval all the agencies internal purchasing procedures. They also conduct audits, reviews and investigative reviews of any agency, announced or unannounced. The auditors are trained and seasoned auditors with formal training in procurement. They also conduct formal certification of State procurement staff from other agencies.</p> <p>The review and approval process starts with the Contracting Officer with review and sign off by a designated peer. It is then submitted to the supervisor in charge of that branch. It is then forwarded to me for approval. The process has been streamlined and there is no hold up in the contract process and has worked quite well. I review all of the contracts over 250,000 dollars.</p>	

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Pennsylvania	The PA Department of General Services is, by PA law, the Procurement agency for the Commonwealth. All policies are made by the Director of the Bureau of Purchases, Deputy Secretary for Procurement, the Secretary of General Services and Legal Counsel for the Department. These policies are discussed with other agencies prior to enforcement.	
South Dakota	No separate dedicated unit for policy making. The purchasing administrator recommends policy to the Commissioner of the Bureau of Administration. Some policy can be established by the Commissioner, other policy must be established through rulemaking authority granted by the legislature, and the rest is set in state law.	No separate unit dedicated for oversight. The central procurement office does not do audits of state purchases. The state auditor reviews state purchases, and returns questionable transactions to the agency and requires them to work through the Central Procurement Office to "clean up" the problem.

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Tennessee	<p>Our division is governed by the Board of Standards (Comptroller of Treasury, Commissioner of Finance and Administration, and Commissioner of General Services). All policies, procedures, and statutes must be approved by the board.</p>	<p>The Board of Standards implemented a Board of Standards Staff which is made up of members from the respective departments. They review and approval purchases and report to the board.</p> <p>12-3-401. Board of standards created - Members and officers - Expenses. There is created a board of standards, which shall consist of the commissioners of general services and finance and administration, and the comptroller of the treasury. The commissioner of finance and administration shall be the chair of this board, and the commissioner of general services shall be the secretary and as such shall be responsible for the keeping of all records of the board of standards. The members of this board shall serve without additional compensation. All reimbursement for travel expenses shall be in accordance with the provisions of the comprehensive travel regulations as promulgated by the department of finance and administration and approved by the attorney general and reporter</p> <p>12-3-402. Duties of board. It is the duty of the board of standards to develop policy and criteria under which specifications will be established and to examine and approve the rules and regulations governing the operation of the department of general services as hereinafter provided.</p> <p>12-3-403. Procedural rules - Records. The board of standards shall adopt rules governing its proceedings, and shall keep a permanent and accurate record of all its proceedings.</p>
Utah	<p>Utah has by statute a Procurement Policy Board. It adopts the state's procurement rules. The chief procurement officer (me) is the non-voting secretary to the board. The board meets only a few times a year to consider rule changes.</p>	<p>Utah has, by statute, a Procurement Appeals Board. The board is comprised of three non-state employees (attorneys). The board only meets to consider legally filed appeals.</p>

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<p>Washington</p>	<p>Washington has one position who is a policy and protest manager who Drafts policy</p>	<p>We rely on the state auditor for reviews of compliance with purchasing policy. We do not participate in the review and approval of requisitions, Our central purchasing either does the bid process, or coaches the agencies but does not process any orders. For contract work that has been delegated to agencies, we do not perform a compliance/oversight review.</p>